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SENATE.

FRIDAY, *September 25, 1914.*

(Legislative day of Thursday, September 24, 1914.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

PROPOSED ANTITRUST LEGISLATION.

Mr. CULBERSON. Mr. President, I move that the Senate proceed to the consideration of the conference report on the disagreeing votes of the two Houses upon the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. PITTMAN. The unfinished business, I understand, is the Alaska coal bill.

The VICE PRESIDENT. Yes; but a conference report is always a privileged question, and the Chair is compelled to put the motion at any time when it is made, regardless of anything else.

Mr. SMOOT. There are only about half a dozen Senators in the Chamber, and I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Brady	Johnson	Overman	Simmons
Bryan	Jones	Page	Smith, Ga.
Burton	Kenyon	Perkins	Smoot
Chamberlain	Lane	Pittman	Sterling
Chilton	Martin, Va.	Ransdell	Thornton
Clapp	Martine, N. J.	Reed	Vardaman
Culberson	Nelson	Robinson	Walsh
Hitchcock	Norris	Shafroth	West
James	O'Gorman	Shively	White

Mr. PAGE. I dsire to announce the necessary absence of my colleague [Mr. DILLINGHAM] and to state that he is paired with the senior Senator from Maryland [Mr. SMITH]. I wish to have this announcement stand for the day.

The VICE PRESIDENT. Thirty-six Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees,

The Secretary called the names of absent Senators, and Mr. ASHURST, Mr. CRAWFORD, Mr. HOLLIS, Mr. KERN, Mr. OWEN, Mr. POMERENE, Mr. SHEPPARD, Mr. THOMPSON, and Mr. TOWNSEND answered to their names when called.

Mr. TOWNSEND. My colleague [Mr. SMITH of Michigan] is absent on important business. He is paired on all votes with the junior Senator from Missouri [Mr. REED]. I desire this announcement to stand for the day.

Mr. SMOOT. I desire to announce the unavoidable absence of my colleague [Mr. SUTHERLAND]. He has a general pair with the senior Senator from Arkansas [Mr. CLARKE]. I will allow this announcement to stand for the day.

I wish also to announce that the senior Senator from New Hampshire [Mr. GALLINGER] is absent by leave of the Senate and that he is paired with the junior Senator from New York [Mr. O'GORMAN].

I will also state that the junior Senator from West Virginia [Mr. GOFF] is unavoidably absent. He has a general pair with the senior Senator from South Carolina [Mr. TILLMAN].

Mr. FLETCHER, Mr. STONE, Mr. BANKHEAD, and Mr. POINDEXTER entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. There is a quorum present. The Senator from Texas moves that the Senate proceed to the consideration of the conference report on House bill 15657.

Mr. PITTMAN. Mr. President, having in charge the Alaska coal bill——

Mr. CULBERSON. Mr. President, I rise to a question of order. Under the rule the motion is not debatable, I think.

The VICE PRESIDENT. A motion to proceed to the consideration of a conference report is, under Rule XXVII, not a debatable question. The question is on agreeing to the motion of the Senator from Texas [Mr. CULBERSON]. [Putting the question.] The ayes seem to have it.

Mr. PITTMAN. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. OLIVER]. In his absence I withhold my vote.

Mr. CHILTON (when his name was called). I have a general pair with the Senator from New Mexico [Mr. FALL], but as this matter is excluded from the pair, I have a right to vote. I vote "yea."

Mr. CRAWFORD (when his name was called). I will withhold my vote for the present, as I notice that the senior Senator from Tennessee [Mr. LEA], with whom I have a general pair, is not in the Chamber.

Mr. CULBERSON (when his name was called). I transfer my general pair with the Senator from Delaware [Mr. DU PONT] to the Senator from Kentucky [Mr. CAMDEN] and vote "yea."

Mr. FLETCHER (when his name was called). I have a general pair with the Senator from Wyoming [Mr. WARREN]. I transfer that pair to the Senator from Nevada [Mr. NEWLANDS] and vote "yea."

Mr. HOLLIS (when his name called). I announce my pair with the Senator from Maine [Mr. BURLEIGH].

Mr. JAMES (when his name was called). I have a general pair with the junior Senator from Massachusetts [Mr. WEEKS]. In his absence I withhold my vote.

Mr. STONE (when his name was called). I transfer my pair with the Senator from Wyoming [Mr. CLARK] to the Senator from Virginia [Mr. SWANSON] and vote "yea."

Mr. SHAFROTH (when Mr. THOMAS's name was called). I desire to announce the absence of my colleague [Mr. THOMAS] by leave of the Senate and to state that he is paired with the senior Senator from New York [Mr. ROOT].

Mr. WALSH (when his name was called). I am paired with the Senator from Rhode Island [Mr. LIPPITT]. In his absence I withhold my vote.

Mr. WILLIAMS (when his name was called). I have a general pair with the senior Senator from Pennsylvania [Mr. PENROSE]. I transfer that pair to the junior Senator from South Carolina [Mr. SMITH], and I ask that this announcement may stand for the day. I now vote "yea."

The roll call was concluded.

Mr. JOHNSON. I have a general pair with the junior Senator from North Dakota [Mr. GRONNA], which I transfer to the Senator from Illinois [Mr. LEWIS], and vote "yea."

Mr. O'GORMAN. I have a general pair with the senior Senator from New Hampshire [Mr. GALLINGER], which I transfer to the junior Senator from Maryland [Mr. LEE], and I vote "yea."

Mr. JAMES. I will transfer my pair with the junior Senator from Massachusetts [Mr. WEEKS] to the junior Senator from New Jersey [Mr. HUGHES] and vote. I vote "yea."

Mr. CHAMBERLAIN. I transfer my general pair with the junior Senator from Pennsylvania [Mr. OLIVER] to the Senator from Arizona [Mr. SMITH] and vote "yea."

Mr. SMOOT. I desire to announce the following pairs:

The Senator from New Mexico [Mr. CATRON] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Rhode Island [Mr. COLT] with the Senator from Delaware [Mr. SAULSBURY];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Maryland [Mr. SMITH];

The Senator from Connecticut [Mr. MCLEAN] with the Senator from Montana [Mr. MYERS];

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from Massachusetts [Mr. LODGE] with the Senator from Georgia [Mr. SMITH];

The Senator from Michigan [Mr. SMITH] with the Senator from Missouri [Mr. REED];

The Senator from Wisconsin [Mr. STEPHENSON] with the Senator from Oklahoma [Mr. GORE]; and

The Senator from Utah [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. CLARKE].

Mr. SMITH of Arizona. Is it too late for me to cast my vote?

The VICE PRESIDENT. It is not.

Mr. SMITH of Arizona. I vote "yea."

Mr. SMITH of Georgia (after having voted in the affirmative). I have a general pair with the senior Senator from Massachusetts [Mr. LODGE], and I desire to withdraw my vote and to be counted as present.

Mr. CHAMBERLAIN (after having voted in the affirmative). In view of the fact that the Senator from Arizona [Mr. SMITH] has voted, having transferred my pair to that Senator, I am compelled to withdraw my vote.

Mr. CRAWFORD. I transfer my pair with the senior Senator from Tennessee [Mr. LEA] to the senior Senator from Kansas [Mr. BRISTOW] and vote. I vote "yea."

Mr. REED (after having voted in the affirmative). I voted inadvertently, forgetting that the senior Senator from Michigan [Mr. SMITH] is out of the city. In voting I expressed my preference. I desire to withdraw my vote and to be counted as present for a quorum.

The roll call resulted—yeas 33, nays 14, as follows:

YEAS—33.

Ashurst	James	Pomerene	Thompson
Bankhead	Johnson	Ransdell	Thornton
Brady	Kern	Robinson	Vardaman
Bryan	Lane	Shafroth	West
Chilton	Martin, Va.	Sheppard	White
Crawford	Martine, N. J.	Shively	Williams
Culberson	O'Gorman	Simmons	
Fletcher	Overman	Smith, Ariz.	
Hollis	Owen	Stone	

NAYS—14.

Burton	Kenyon	Perkins	Smoot
Clapp	McCumber	Pittman	Townsend
Hitchcock	Norris	Poindexter	
Jones	Page	Shields	

NOT VOTING—49.

Borah	Fall	Myers	Stephenson
Brandegee	Gallinger	Nelson	Sterling
Bristow	Goff	Newlands	Sutherland
Burleigh	Gore	Oliver	Swanson
Camden	Gronna	Penrose	Thomas
Catron	Hughes	Reed	Tillman
Chamberlain	La Follette	Root	Walsh
Clark, Wyo.	Lea, Tenn.	Saulsbury	Warren
Clarke, Ark.	Lee, Md.	Sherman	Weeks
Colt	Lewis	Smith, Ga.	Works
Cummins	Lippitt	Smith, Md.	
Dillingham	Lodge	Smith, Mich.	
du Pont	McLean	Smith, S. C.	

The VICE PRESIDENT. On the motion of the Senator from Texas [Mr. CULBERSON] the yeas are 33 and the nays are 14. Senators CHAMBERLAIN, SMITH of Georgia, and REED being in the Chamber, a quorum is present, and the Chair declares the motion carried, and lays before the Senate the conference report.

Mr. REED. Mr. President——

Mr. PITTMAN. Mr. President, I want to ask the Senator in charge of the conference report if he will not ask to have it temporarily laid aside until we can dispose of the Alaska coal-leasing bill? In making the request, I base it on these grounds——

Mr. CULBERSON. I will ask the Senator from Nevada about how long it will take to dispose of the bill to which he refers?

Mr. PITTMAN. I do not know of anyone who desires to make a lengthy speech upon the bill.

Mr. LANE. I will say, for the information of the Senator, that while I shall probably not speak lengthily upon the bill, I want to go into the matter, and I wish to offer some amendments to the bill.

Mr. SMOOT. Mr. President, I want to say to the Senator that there are other amendments which will be offered to the bill and which will have to be discussed, and it will take a little time to do so.

Mr. PITTMAN. Mr. President, I want to say that we have now been nearly three days discussing the Alaskan bill, and it has been discussed quite fully by those who, I believe, take the greatest interest in it. The Senator from Oregon says that he desires to discuss it, but aside from him I do not know of any Senator who desires to discuss the bill at any length. I believe we can finish the bill to-day; I do not think there is any doubt about it at all. Many of the amendments proposed will, I think, be agreed to without objection. Those that I have heard proposed are in the main all good. If we put the consideration of this bill off it means that, when it is again taken up, we shall again go over the entire debate; that the time we have devoted to this bill will be lost. It will not have been a saving of any time to the Senate, but it will have been a loss of time to the Senate. It will mean at least three days' loss of time.

Another thing: I think it is admitted that this leasing bill is an emergency bill. I want to state that it has been supported as an emergency bill by the administration. The bill should either be enacted now or it should be defeated now, so that we may proceed to some other emergency legislation. There is not any doubt that the conditions which bring about the necessity for the bill demand an emergency act of some kind. I do not understand that the trust bill is such an emergency act as is this. We all admit that legislation on the trust question is necessary, but I do not know that it presents such an emergency that it would make any difference whether the conference report was agreed to to-day or next week; and I am inclined to believe that the conference report will not be agreed to before next week anyway. I am perfectly satisfied that, if the policy is persisted in of displacing the Alaskan coal bill after it has proceeded to the length which it has, it will not result in any good toward legislation in this body. I am satisfied that the result of it will be to unnecessarily delay legislation, and not only that, but that it may result in the absolute defeat of the consideration of the bill which this body has agreed to consider, and which has been considered for now three days.

Mr. CULBERSON. Mr. President, I ask the Senator from Nevada if, in case the unfinished business should be laid aside until half past 1 o'clock, he thinks the consideration of the Alaskan coal bill can be concluded by that time?

Mr. PITTMAN. No; I do not. I think it will require all day. Does the Senator from Texas mean——

Mr. CULBERSON. I mean if the unfinished business, which is the conference report, be laid aside until half past 1 o'clock, which will give two hours for the consideration of the Alaskan coal bill, will that be sufficient?

Mr. PITTMAN. I think not. I think its consideration will require all day.

Mr. CULBERSON. Mr. President, several Senators around me insist that, if unanimous consent is requested to postpone the consideration of the conference report until the Alaskan coal bill is disposed of, if it takes more than the day at least, they will object. Under the circumstances I shall not make the request.

Mr. WALSH. Mr. President, I ask the Senator in charge of the conference report, and I ask my associates on the Judiciary Committee, who are interested in its adoption, whether they can not accord to us to-day. Let us try to pass the Alaskan coal bill to-day and defer consideration of the other matter until to-morrow morning. One day can not possibly make much difference.

Mr. JONES. Mr. President, I should like to suggest to the Senator from Texas that, if he would ask to have the unfinished business temporarily laid aside, we might proceed with the Alaskan coal bill and get through with it long before the day is over. If we should not do so and the Senator desires to take up the conference report, I presume a demand for the regular order at any time would bring it before the Senate. I think, however, if we would proceed for a while with the Alaskan coal bill it would probably be disclosed that we could get through with it perhaps before the day is over.

Mr. CULBERSON. Mr. President, under the circumstances, and after conferring with Senators around me, I take the responsibility of asking unanimous consent that the unfinished business be temporarily laid aside.

Mr. WHITE. Mr. President, while I dislike very much to be out of accord with my friends who are in charge of this bill, I feel that it is my duty to withhold my consent.

Mr. WALSH. I move, then, that the unfinished business be temporarily laid aside.

The VICE PRESIDENT. The Chair assumes that the motion of the Senator from Montana is to proceed to the consideration of House bill 14233.

Mr. CULBERSON. I hope the Senator from Montana will not make that motion. The Senator has already agreed to proceed to the consideration of the conference report, and it is well understood that those who voted "nay" on that motion did so in the interest of the unfinished business at that time—the Alaskan bill.

Mr. WALSH. I feel that Senators who voted that way voted without any real consideration of the situation which confronts us, and that, the condition being now explained to Senators, they will not withhold their consent to proceeding to-day, if necessary, with the consideration of the Alaskan coal bill.

The VICE PRESIDENT. The question is on the motion of the Senator from Montana that the Senate proceed to the consideration of House bill 14233. [Putting the question.] The ayes seem to have it.

Mr. WHITE. I call for a division.

The VICE PRESIDENT. Those in favor of proceeding to the consideration of House bill 14233 will rise. [A pause.] Those opposed will rise. [A pause.] The motion is agreed to, and the Chair lays before the Senate House bill 14233.

ALASKA COAL LANDS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 14233) to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes.

Mr. BORAH. Mr. President, I ask leave to submit an amendment to the bill.

The VICE PRESIDENT. Without objection, it will be received, printed, and lie on the table.

Mr. POINDEXTER. Mr. President, I will hasten to conclude the remarks which I had begun on this bill yesterday, because I desire it to come to a vote, and I do not want to be the means of delaying action upon it.

We are confronted by two alternatives with reference to the coal situation in Alaska. We will either have to adopt some

such measure as is proposed by this bill or else we will have to leave the coal situation of Alaska in the same condition in which it has been during the last five years, a condition which has given rise to universal complaint. We will have to leave the coal locked up there, unused by people who need it, and at whose doors it is lying, or else we will have to adopt some such measure as this.

There are only two general systems upon which the coal of Alaska can be developed and mined. One of them is by reverting to the old policy of our public-land laws, under which the conveyance of the title to the land out of the hands of the Government was encouraged in every way possible, with no restrictions, the object apparently being to get the land into the hands of private parties; the other is a system such as that proposed by this bill, under which the Government will retain the power to regulate, restrain, and control these resources and to prevent a monopoly of them.

Now, I venture to say—and I think it is a very conservative statement—that it never will be possible to revert to the old system. I do not think that public opinion will allow us to do so; I do not believe that it would be possible to pass such a bill through Congress. So we must adopt some plan of Government control and Government regulation of the operations of the coal mines in Alaska, or they will remain locked up, which is an economic crime, under the circumstances in which the people of that Territory are placed.

Mr. WHITE. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Alabama?

Mr. POINDEXTER. I yield.

Mr. WHITE. I will ask the Senator if he does not think that it would be better to lock up the coal mines than to lock up and postpone the possibility of the admission of Alaska as a State for 50 years?

Mr. POINDEXTER. Mr. President, that question is rather vague, and the answer to it would depend a good deal upon the circumstances surrounding the coal mines and surrounding the prospect of the admission of that Territory as a State. It seems to me, however, if the Senator will pardon me, that it is irrelevant. There is nothing in this bill, in my judgment, that would interfere in any way with the admission of the Territory of Alaska as a State.

Mr. WHITE. Will the Senator permit me to suggest that with a foreign population in Alaska working in the coal mines, a population having no interest locally in Alaska, but which was transported there simply to find employment for the time being, and with the ownership of those leases in the hands of citizens throughout the other States, the admission of Alaska into the Union will be retarded? Will it be to the interest of the foreign holders, who will be exempt from taxation for 50 years, to admit Alaska as a State? Rather, will it not be to their advantage and to their interest to let conditions remain as they are and to hold that section in its Territorial state, so that the coal property may be exempt from State taxation?

Mr. POINDEXTER. Why, Mr. President, in the first place, in my judgment, the leaseholds of this property will be subject to taxation; and if there is any doubt about that it can be resolved by Congress. They can be made subject to taxation. In the second place, it has been demonstrated by experience that under the system of unconditional grant of these lands the same condition of absentee landlordism which the Senator fears will be foisted upon this Territory. It had actually developed. The entire resources of the Territory were under control of a man who never had been in Alaska, and never has been there; who has resided in New York. His word was law.

Mr. WEST. Mr. President, if these leaseholds could be made subject to taxation, would not that increase the price of the coal?

Mr. POINDEXTER. The suggestions of the Senator are so varied that it requires a great deal of mental acrobatics to keep up with them.

Mr. WEST. That was exactly in line with the discussion yesterday.

Mr. POINDEXTER. The Senator is objecting on one hand to a leasehold because it is not subject to taxation. Then, when we say that it is subject to taxation, he objects to it because it might be subject to taxation, and says it will increase the price of the coal. If you are going to lock up these coal mines because you are afraid there will be some foreigners there working in the mines, of course we will not argue that question with you. You might as well say that all the coal mines in the United States ought to be closed because there are foreigners working in the coal mines. There is not any more prospect of foreigners occupying this industrial field under such a system as proposed in this bill than there is under any other system. That is a matter of the regulation of the immigration laws—whom we will admit to our territory and who can work in mines and who can own mines.

Mr. SHAFROTH. Mr. President, does not the Senator see that whenever you exempt from taxation United States lands, as the laws of all the States do, you do not give the State and you do not give the Territory the means of maintaining government? Only one-fiftieth of 1 per cent, one five-thousandth part, of Alaska is in private ownership. Can it be possible that one five-hundredth part of the Territory must maintain public schools? Is it possible that you are going to deprive it of its taxable resources of coal? And there will follow the other mineral products also.

It goes to the very fundamental principle that the Federal Government can not undertake this without destroying a State to the extent to which it exempts its public lands from taxation. The Senator says that as a matter of fact you can tax a leasehold estate. There are none of them taxed in the United States. I have heard of private-owned properties being leased, and then the owner pays the tax or else he stipulates that the lessee shall pay it. It is by reason of a contract with the lessee, but there is no power in the State to impose such a tax on United States lands or leases. It would be double taxation if it were imposed upon individual property.

Mr. POINDEXTER. If the Senator will permit me——

Mr. SHAFROTH. I can not understand why, especially on this side of the Chamber——

The VICE PRESIDENT. The Senator from Washington is objecting to further interruption.

Mr. SHAFROTH. I did not understand that the Senator was objecting.

Mr. POINDEXTER. I was going to remark that the fact that there is double taxation does not make the taxation unlawful. There is no State in the Union that does not have double taxation, sometimes triple and quadruple taxation. Whether or not that shall be the case is a matter of public policy. There is nothing in the law against double taxation.

Mr. SHAFROTH. That is not in this bill at all.

Mr. POINDEXTER. The law of nearly every State in the Union, I apprehend—and I know of a good many of them—provides that property shall be taxed, of every form, every kind, every nature; and a leasehold of this kind is property, of course.

Mr. SHAFROTH. I will state to the Senator that there is nothing of that kind in this bill.

Mr. POINDEXTER. There does not have to be anything of that kind in it. It does not deal with the question of taxation at all. It would be irrelevant and not germane to the subject matter of the bill.

Mr. SHAFROTH. Mr. President, I have never heard of a leasehold estate being taxed in this country.

Mr. CHILTON. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from West Virginia?

Mr. POINDEXTER. I yield.

Mr. CHILTON. I want to say, for the benefit of the Senator from Colorado, that I live in a State where there are 35 counties that produce coal. It is the second coal-producing State in the Union, producing now over 70,000,000 tons of coal a year, with many hundreds of coal companies and coal operators. In that State we have a general provision of our constitution requiring that all property shall be taxed, both real and personal. The point was made in our State by holders of the leasehold that it could not be taxed. It is taxed, however. The supreme court held that it could be taxed, and it is taxed all over that State.

While I am on my feet, if the Senator from Washington will pardon me, the statement was made yesterday that there was really no basis of value for a bond issue upon a leasehold. That was a very surprising statement, in view of our experience in West Virginia. I know of large bond issues that are made solely upon a leasehold as the basis. A man or a company takes a lease upon a tract of land for the purpose of producing coal from it. He generally leases from 800 to 1,500 acres. That would be about the average. The owner of the leasehold puts his improvement upon it. That is taxed. I have in mind one leasehold that sold in the last two years for a million dollars—just the leasehold. The improvement upon the property—the houses and buildings and works, the plant, with the right to mine coal from that leasehold—was sold for $1,000,000 in cash. So it seems to me that our experience has answered both of the suggestions of the Senator from Colorado in that respect.

Mr. POINDEXTER. I am very glad, indeed, that the Senator from West Virginia gives us the benefit of those actual ex-

periences in West Virginia; and, of course, the same law and general principles would be applicable in Alaska.

Mr. SHAFROTH. Why, Mr. President, of course you can tax improvements. There is no question about it in the wide world. The Government has said, however, that some of the coal lands in my State are worth $400 an acre; and I should like to know how, under any principle, you can tax that land that is worth $400 an acre when it belongs to the Government. You can tax the improvements, of course, but that is a mere bagatelle.

Of course you are going to have purchasers when you have machinery there that is worth a million dollars. Persons will buy and pay that for a mine with improvements upon it, because they are principally buying the improvements, and the lease is worth something, too; but when you go to tax all these matters, and you have the land, and you have the coal in the ground, and the coal is worth, according to what the Government says, as high in some instances as $400 an acre in my State, you can not possibly get revenue out of it by virtue of assessing for taxation the land belonging to the Government.

Thus, Mr. President, the result is simply this: Whenever you give to the Federal Government the right to exempt its lands from taxation forever, it means you have the power, then, to annihilate a State. You are depriving the State of the very means of conducting a republican form of government which the Constitution of the United States requires of every State in the Union.

It seems to me that on this side of the Chamber, which is supposed to be anxious to preserve the rights of the States that were not delegated to the Federal Government, there should be at least a strong sentiment against the Federal Government interfering in local affairs and annihilating the power of taxation which exists in the States.

Mr. POINDEXTER. Mr. President, the Senator is very hard pressed for arguments against this bill, when he undertakes to place the Territory of Alaska upon the same basis as a State. It is in an entirely different relation to the Union, and an entirely different situation. The argument he is making has been thrashed out, so far as the States of the Union are concerned; and the people of the West, in my judgment—although I know there is some difference of opinion upon the subject—do not agree in the main with the Senator from Colorado. I think they agree with some of the criticisms which he makes of the administration of these laws.

Mr. MYERS. Mr. President——

Mr. POINDEXTER. Just a moment, if the Senator please. They do not agree, however, that the Federal Government should surrender—and that seems to be the trend of the Senator's argument—all control over, and all power to regulate the natural resources of the public lands, and particularly they would not accept his position as applicable to a Territory.

Mr. SHAFROTH. Why, Mr. President——

Mr. POINDEXTER. I yield to the Senator from Montana.

Mr. MYERS. I just wanted to say at this juncture, in view of the fact that the Senator from Colorado has made, by his remarks, rather a party appeal to his party associates to vote against this bill, that I know of no doctrine of the Democratic Party which opposes the power of the United States to make laws, rules, and regulations for the conduct of Territorial possessions. I have been a Democrat all my life, and I never heard of any such Democratic doctrine at all.

Mr. POINDEXTER. Well, we have heard a great many theories in this debate that I think we never heard of before with regard to the title of the Government to its public lands and the power of the Government to administer its trust in the public lands.

Mr. President, something was said on yesterday about the character and value of the coal in the Bering River field, which is the field most accessible, and consequently, in my judgment, the most valuable. I want to read a paragraph on that subject from the report of the Geological Survey:

> The higher-grade bituminous (semibituminous) coals of the Bering River and Matanuska fields are comparable in composition and heating power with the Georges Creek, New River, and Pocahontas coals of the East.

Mr. CRAWFORD. What is the Senator reading from?

Mr. POINDEXTER. I am reading fom Bulletin 442 of the Geological Survey, page 49.

> Many of these beds also include a large amount of slack, which may, however, be utilized under boilers or for making coke. The lower-grade Alaska bituminous coals compare favorably in composition with the coals of Japan, Vancouver Island, Washington, and Australia. This is an important point, as these are the fuels with which the Alaskan coal must come into competition.

In that connection, I ask leave to print as a part of my remarks a tabulated statement of analyses of Alaskan coals from these various fields.

The VICE PRESIDENT. In the absence of objection, it will be so ordered.

The matter referred to is as follows:

Analyses of Alaska coals.[1]

District and kind of coal.	Moisture.	Volatile matter.	Fixed carbon.	Ash.	Sulphur.
ANTHRACITE.					
1. Bering River, average of 7 analyses	7.88	6.15	78.23	7.74	1.30
2. Matanuska River, 1 analysis	2.55	7.08	84.32	6.05	.57
SEMIANTHRACITE.					
3. Bering River, average of 11 analyses	5.80	8.87	76.06	9.27	1.08
SEMIBITUMINOUS.					
4. Bering River, coking coal, average of 28 analyses	4.18	14.00	72.42	9.39	1.73
5. Cape Lisburne, average of 3 analyses	3.66	17.47	75.95	2.92	.96
6. Matanuska River, coking coal, average of 16 analyses	2.71	20.23	65.39	11.60	.57
BITUMINOUS.					
7. Lower Yukon, average of 11 analyses	4.68	31.14	56.62	7.56	.48
SUBBITUMINOUS.					
8. Matanuska River, average of 4 analyses	6.56	35.43	49.44	8.57	0.37
9. Chignik Bay, Alaska Peninsula, average of 4 analyses	6.98	30.89	42.88	19.29	1.50
10. Herendeen Bay, Alaska Peninsula, average of 2 analyses	7.75	32.83	50.06	9.26	.36
11. Nation River, Yukon Basin, 1 analysis	1.39	40.02	55.55	3.04	2.98
12. Koyukuk River, 1 analysis	4.47	34.32	48.26	12.95	.....
13. Cape Lisburne, average of 11 analyses	9.35	38.01	47.19	5.45	.35
14. Anaktuvuk River, 1 analysis	6.85	36.39	43.38	13.38	.54
LIGNITE.					
15. Admiralty Island, southeastern Alaska, average of 5 analyses	1.97	37.84	35.18	24.23	.57
16. Port Graham, Cook Inlet, average of 2 analyses	18.41	38.10	35.79	7.69	.40
17. Kachemak Bay, Cook Inlet, average of 10 analyses	20.46	38.77	35.56	10.25	.35
18. Tyonek and Beluga River, Cook Inlet, average of 5 analyses	21.50	37.28	30.60	10.63	.57
19. Unga Island, Alaska Peninsula region, average of 3 analyses	19.09	39.39	26.84	16.83	.94
20. Kodiak Island, 1 analysis	12.31	51.48	33.80	2.41	.17
21. Chistochina River, Copper River Basin, 1 analysis	15.91	60.35	19.46	4.28	.....
22. Chitistone River, Copper River Basin, 1 analysis	1.65	51.50	40.75	6.10	.....
23. Upper Yukon, Canadian, average of 13 analyses	13.08	39.88	39.28	7.72	1.26
24. Upper Yukon, Circle Province, average of 3 analyses	10.45	41.81	40.49	7.27	1.30
25. Upper Yukon, Rampart Province, average of 6 analyses	11.42	41.15	36.95	10.48	.33
26. Nenana River, Tanana Basin, 1 analysis	13.02	48.81	32.40	5.77	.16
27. Chicago Creek, Seward Peninsula, average of 9 analyses	37.73	24.14	29.27	8.86	.....
28. Wainwright Inlet, northern Alaska, 1 analysis	10.65	42.99	42.94	3.42	.62
29. Colville River, northern Alaska, 1 analysis	11.50	30.33	30.27	27.90	.50

[1] From Survey publications, as follows:

1. Bull. 335, 1908, p. 84.
2. Bull. 284, 1906, p. 98.
3, 4. Bull. 335, 1908, p. 84.
5. Bull. 278, 1906, p. 47.
6. Bull. 284, 1906, p. 98.
7. Bull. 218, 1903, pp. 62–63.
8. Bull. 284, 1906, p. 38.
9, 10. Bull. 279, 1909, p. 146.
11, 12. Bull. 218, 1903, p. 62.
13. Bull. 278, 1906, p. 47.
14. Prof. Paper 20, 1904, p. 114.
15. Bull. 284, 1906, p. 27.
16, 17. Bull. 259, 1905, p. 170; Bull. 379, 1909, p. 126.
18. Bull. 379, 1909, p. 126.
19. Bull. 259, 1905, p. 170; Bull. 379, 1909, p. 146.
20. Bull. 259, 1905, p. 170.
21. Prof. Paper 41, 1906, p. 124.
22. Idem, p. 125.
23. Bull. 218, 1903, pp. 61–62.
24. Idem, p. 63.
25, 26. Idem, p. 62.
27. Bull. 379, 1909, p. 363.
28, 29. Prof. Paper 20, 1904, p. 114.

Mr. POINDEXTER. Mr. President, I referred on yesterday to an amendment which I would offer, directing the Government to open and operate mines for the benefit of the Navy and the Army, with the power of distributing the coal, with the power to sell to the public. I think the latter power is one that was intended by the framers of the bill to be conferred, but I should like to see it made specific. In addition to that, I shall offer an amendment, to which I want to refer briefly now, stating only the nature of it, specifying the conditions under which labor shall be employed in these mines, both in the Government mines and in the leased mines, prohibiting child labor, authorizing the Government to fix reasonable rules and regulations as to the place of employment, and providing for compensation of injured employes by their employers, whoever may be

operating the mines, to be attached as a condition to the lease. I shall offer another amendment—and I have some hope that it will be accepted by the Senator in charge of the bill—prohibiting any combination or restraint of trade with reference to these mines, and enjoining in comprehensive terms—the same terms, in fact, that were employed in the original law—any monopoly of coal mines in this Territory.

Mr. SMOOT. Mr. President, I shall take but just about 10 minutes of the Senate's time to refer to the present situation of sugar.

Last year the Democratic Party enacted a law reducing our import duties. "Let us buy in the cheapest markets in the world" was their slogan. They predicted unprecedented prosperity and a general reduction in the high cost of living in this country through the passage of the Underwood bill. The Democratic leaders in Congress singled out sugar as the one food commodity that should be subjected to absolute free trade. It mattered not that at the time the Democratic tariff bill was passed the American consumers were purchasing their sugar cheaper than it could be purchased in any other country in the world, with the exception of Great Britain. The fact that sugar constituted only 5 per cent of the total food necessities of the American family and that in the last decade the retail price of all food commodities, with the exception of sugar, had increased an average of 80 per cent, while the price of sugar had decreased nearly 6 per cent, was eliminated in their consideration of the sugar schedule of the tariff law.

Mr. President, sugar is a striking illustration of the great blunder which the Democratic Party committed in its passage of the tariff law of 1913. Under this law the tariff duty on imported sugar was reduced 25 per cent, and this commodity will automatically be placed on the free list on May 1, 1916. I will not dwell upon the effect of this law on the domestic sugar industry further than to say that 10 of our American sugar-beet factories have closed their doors since its passage. That the price of sugar to the consumer was not reduced by the 25 per cent reduction in the tariff rates is clearly borne out by authoritative statistics, for, as a matter of fact, for 10 weeks prior to the outbreak of the war in Europe, when normal conditions existed in the sugar market, the retail price of sugar was from one-fifth to one-third of a cent per pound higher than it was for eight weeks before the 25 per cent reduction became effective, and during all this time the profits of the sugar refineries had increased about the same amount that the duty was decreased.

But, Mr. President, I especially desire to direct the attention of the Senate and of the country to the enormous burden which has been placed upon the American people through a combination of events, the outbreak of war in Europe and our dependence upon foreign countries for a large part of our sugar supply, which constitutes one-fifth of the world's production.

I have predicted on the floor of this Senate that some day there would be a great armed conflict in Europe, with a resultant shortage of the sugar crop on that Continent, and that our only hope of escaping the exorbitantly high price of sugar, which would be brought about in the world's markets by reason of such shortage, would be to encourage and protect the domestic sugar industry until we produced under the American flag all of the sugar which we annually consume. My prediction has been realized, but God knows I did not expect the blow to fall so soon.

Think, Mr. President, of the great financial burden which the American people are bearing to-day because we are not producing at home a great food necessity which we easily can produce under a safe and sane fiscal policy. Owing to the war in Europe, the wholesale price of sugar in the world has increased at least 3 cents per pound since the 1st of August. On our annual consumption of 4,000,000 tons this means an increased burden on the American people of $240,000,000. How long the present European conflict will continue it is impossible to forecast, but even though peace be brought about within the next two months, the present high price of sugar undoubtedly will continue to prevail for at least another year, and the enormous sum of $480,000,000 will be added to the sugar bill of the American consumer.

A beet-sugar factory with a daily slicing capacity of 500 tons can be erected in this country for approximately $500,000. With the additional $480,000,000 which the American people will be required to pay above the normal price of the sugar they consume in two years 960 beet-sugar factories could be erected, with an output of 6,500,000 tons of sugar; thus it will be seen that the increased cost of sugar to the American people for one year alone would be ample to build a sufficient number of sugar factories to produce all the sugar, with the quantity we are at present producing, to supply our entire consumption.

It is claimed that the purchase by Great Britain of some 50,000 tons of sugar in the New York market in August last forced the price in this country up 2 cents a pound. Mr. President, if the Government had adopted a fixed and stable tariff policy in regard to the domestic sugar industry; if the men who have invested or contemplated investing their capital in the beet-sugar industry could have been assured 10 or 12 years ago that their investment was safe and that they would not be thrown into competition with the low-wage product of Europe and the Tropics, we could have sold to Great Britain this 50,000 tons and much more without increasing the domestic price of that commodity. If those interested in the beet-sugar industry could now be assured of a stable tariff policy as regards sugar for a sufficient length of time, even with the existing rate of 1 cent per pound, the time would come in the not distant future when we would produce enough sugar at home for our entire needs. In this case, with the United States independent of the world's markets, the price of sugar to the consumer would never be more than 4½ or 5 cents a pound. Naturally, as the industry grows and the manufacturers are able to inaugurate economies in the cost of manufacture, the cost of production will decrease, and thus the price to the consumer will decrease.

The Democratic biennial threats and the insistent demand of the sugar refineries for free sugar have prevented capital, always more or less timid, from flowing into the industry as it would have flowed if it could have been assured of proper protection against the cheap-labor product of foreign countries. And because of this lack of a definite policy on the part of our Government the American people will be filched of $480,000,000 within two years—an enormous price to pay for the lack of wise statesmanship. I imagine I can hear my Democratic friend saying "War does not come very often, and war alone can bring about such a deplorable condition as exists to-day." But, Mr. President, "forewarned is forearmed." We had our warning in 1911, when a shortage of something over a million tons in the European sugar crop sent the price of sugar up 2½ cents per pound in this country. The effect of our domestic beet-sugar industry was felt when the beet crop came onto the market in October of that year and forced the price of sugar down 1¾ cents per pound in 10 weeks. But this warning was not heeded. The Democrats have passed a law which in two years will entirely destroy our home production of sugar and make this country even more dependent upon foreign nations for this great food commodity.

The United States is a country of almost limitless resources. There is hardly any staple commodity we consume which can not be produced within our own borders, and it is a significant fact that those commodities of which we produce enough to supply our consumption have risen little, if any, in price since the outbreak of the war in Europe. The Agricultural Department states in Farmers' Bulletin 620 that "on September 1 the index figure of crop prices was about 3.7 per cent higher than a year ago." These commodities include cereals, potatoes, cotton, and so forth, all of which are produced in sufficient quantities for home consumption and export.

But with sugar, Mr. President, it is different. Because we are not producing a sufficient supply of this commodity for our home consumption the American people are to-day paying prices nearly 100 per cent higher than we paid before the outbreak of war. When will this blundering and un-American policy cease?

Scarcely 50 per cent of our present sugar requirements is now grown under the American flag. A little over 40 per cent comes from Cuba, while less than 10 per cent is furnished by other foreign countries. A shortage in the sugar production of the world often happens, and from many causes.

Let us stop and think a moment what it would mean to this country if a protracted revolution should break out in Cuba or a severe drought should occur on that island. The United States would be cut off from the source of nearly one-half of its sugar supply, and we would find ourselves in the same predicament in which Great Britain finds herself to-day—cut off from the source of nearly 75 per cent of her sugar supply, which she derives from continental Europe. We would be compelled, as Great Britain is compelled at the present time, to engage in a competitive fight in the world's markets for our sugar, with the same results that are being experienced to-day—an inordinate increase in sugar prices.

The Agricultural Department states that a total of 2,000,000 acres planted to sugar beets would free this country from dependence upon foreign sugar. Think of it, Mr. President, but 2,000,000 acres! Why, the 16 or 17 States which now produce sugar beets contain more than 2,000,000 farms and 278,000,000 acres of improved lands.

If one farmer in four in these States were to plant a 3-acre tract to sugar beets, it would be unnecessary for us to buy foreign sugar. About two-thirds of 1 per cent of the improved land in this area is all that we would require to cease buying sugar abroad. More than that area lies absolutely idle every year. Colorado, Idaho, California, Montana, and Utah not only could supply all of this sugar, but the increase in our consumption for the next 20 years. The diverting of 2,000,000 acres of land to sugar-beet culture would not be felt in the production of other crops; in fact, the experience of sugar-beet growers, both in this country and in Europe, demonstrates that by rotating sugar beets with cereal crops the yield per acre of the latter is increased from 50 to 100 per cent, so that the total yield of grain would be increased rather than diminished by devoting this area to sugar-beet culture.

Mr. President, let the present condition of the sugar market be a lesson to us. I suggest to my Democratic colleagues that, instead of placing sugar on the free list in 1916 and by so doing reduce our home production of sugar 700,000 tons, the domestic-beet and cane-sugar industries be encouraged and protected; that they be allowed to expand until we have reached that fortunate position of producing all of our sugar at home, a condition which the present exigency proves to be so very highly desirable.

Mr. LANE. Mr. President, in relation to this bill, which proposes to lease the coal lands of Alaska, I want to say that having had some experience with the leasing system I question very much whether the Government or the people of Alaska will secure good results from it. I have no doubt that the bill is put in here in good faith, and that it is intended to relieve a condition which exists in Alaska at this time, whereby the people of that Territory, the pioneers, the miners, the farmers, and the other people in that country who are trying to make a living from its resources are deprived of the coal which in some districts they need badly.

There are some parts of Alaska where there is but little timber. In fact there are certain portions of that country where the people have to burn willow brush the largest sized twig of which they can secure in the country for hundreds of miles will be no larger than your thumb, and it has to be dried out before it can be burned. So you can understand the difficulty they have securing enough fuel with which to cook their food. That condition does not prevail down near the southern coast country. There is plenty of timber there, plenty of fuel, and at the same time there are large deposits of what is said to be excellent coal. I do not know from personal knowledge, but it is said that that coal is equal in quality to the best coals of Pennsylvania. The people there should be allowed to use it to the extent that they need it. At the same time I think it should be guarded in such a manner that they will not lose control of it or that it will not be mined or disposed of in a way in which the people will have to pay excessive prices for it.

It does not seem to me that a system of leasing provides the remedy. The people of Alaska and the people of the Pacific coast would like, if they had their wish, that the Government itself, which intends to build a railroad in there, should mine that coal and sell it at cost. I notice that one of the distinguished Senators here shakes his head in dissent. Yet the Senator knows just as well as I do that the Government undertakes many things in his State and all over the country, and is paternalistic in some things, and is getting to be more so all the time. We make the improvement of harbors and rivers, and the Senator does not protest against them nor consider it to be an invasion of State rights when we go down into his country with large-sized appropriations to open up rivers and harbors. He considers that to be a very proper method of carrying on business, and it does not hurt his pride in State rights a little bit. But the minute we start off to do something else equally important for another community, very vitally important to it, he shakes his head in a most sad way in negation. It pains me very much to see how my friend can entertain such entirely different views on the questions involving the same principles.

Mr. WEST. The two cases are not at all parallel.

Mr. LANE. They are not exactly alike, for in one case the Government gives the money for waterways in your State and in mine and in other States of the Union, and in this case I am trying to provide fuel with which the people may cook their food and keep warm. It comes nearer to the well-being of every human being to keep warm in winter, to keep from freezing to death, and is more important than to have improvements elsewhere by which to carry commerce.

Mr. WEST. Mr. President——

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Georgia?

Mr. LANE. Certainly.

Mr. WEST. I should like to interrupt the Senator to say that I am fearful if Congress permitted the Government to go into the business of supplying coal in that Territory it would pay higher for it than if it gave individuals or corporations an opportunity to go into it; that is, if the Government got cost for it.

Mr. LANE. There is a difference of opinion in regard to that. I am of opinion that the Government could mine it just as cheaply as anyone else and dispose of it without loss and without any attempt to make profit. The private individual in carrying on mining or any other business is naturally interested in securing the greatest amount of profit which he can obtain for himself in carrying it on. I am not going into that subject.

What I wished to call attention to was in relation to leasing. I have seen that method of business carried on in connection with mining—not coal mining, but gold mining—for a great many years of my lifetime, and I have never known it to be successfully entered into. It is a wasteful method, and I will tell you why. You lease a certain tract of land to a man for a certain number of years at a certain rental. It is sometimes called a "lay"; that is, a temporary lease. You can make it for as long a term as you want; it does not matter. There is every inducement for the lessee to make as much money out of such a mining proposition as he can for himself. There is no inducement for him to care for the future of the property, to look out for its ultimate welfare. So, in miners' parlance, he "guts" the mine; that is, he finds out where the richest streak lies, and he concentrates his efforts upon it. The other ore, the cheap ground, which should be kept in shape for future mining, is neglected, for the reason that perhaps it will not pay so well, it being the lean streak. He avoids that, leaves it to be removed and mined later by some one else, whereas, if properly mined, the rich streak would carry it along at a fair profit. He, in his attempt to secure the most possible profit in a limited period of time, reaches out only for the richest part of the deposit. It is very natural for him to do that. It is so natural that it is done in every instance I have ever seen.

There is another thing about leasing for a fixed period. It is this: If the lessee has a limited period—this bill gives 50 years—for the first half of the time he will keep the mine in shape, the facing, the timbering, so that it will last through the time in which he is going to operate the mine. During the latter part of his lease he begins to neglect it. His lease is up at a certain time, and there is no inducement for him, or it would be a loss, in fact, to properly timber the mine and keep it in shape.

Mr. WEST. Mr. President, I am ignorant about this matter. Could not the Government, acting through the Interior Department, prescribe conditions under which the work should be done?

Mr. BORAH. I wish the Senator from Georgia would speak a little louder.

Mr. LANE. The Senator from Georgia inquires if the Government could not provide a method of inspection and permits. I will come to that later. I will not be too long.

Now, in relation to this lessee and the shape that he leaves the leased ground, as I said, he proceeds to gut it, and during the last half of his leased time, in the ebb of the time of his lease, he begins to neglect to keep the property up on a sound workable footing.

Mr. CHILTON. Mr. President——

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from West Virginia?

Mr. LANE. I yield.

Mr. CHILTON. The Senator, it seems to me, ought to know that, of course, a private individual who would have coal land worth two hundred or five hundred or a thousand dollars an acre would not lease such land to a tenant if it were possible for the tenant in a few years to destroy the property, and what a private individual can do to protect his fee the Government can do with its tenants.

I could say the most of the coal in West Virginia is mined under the leasing system. A man has a fine tract of coal land, five hundred or a thousand acres, leased out. He can protect himself by covenants in the lease. He can require that his engineer shall map out the way in which it shall be mined. He will provide that it shall be timbered in a certain way and that if the lessee fails to do it he shall forfeit the lease. He can provide for daily or weekly or monthly inspection to see that it is mined in a particular way. Otherwise he would not lease it.

I take it, Mr. President, that where a private individual owning valuable coal lands in Pennsylvania or in West Virginia can protect himself against improvident lessees, then by the

same rules and the same regulations the Government can protect itself against improvident lessees.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Idaho?

Mr. LANE. I yield.

Mr. BORAH. My observation and my information in regard to the leasing system of West Virginia and those places is that it is a most wasteful method of working mines.

Mr. CHILTON. It may have been at one time, but as the coal gets more valuable that is not the fact.

Mr. BORAH. That was not, however, what I wanted to ask the Senator.

Mr. CHILTON. It is not the fact at all.

Mr. BORAH. If the Government can as a private individual protect itself under the leasing system by careful supervision——

Mr. CHILTON. By a covenant in the contract?

Mr. BORAH. Yes; if the Government can do those things why can not the Government go a single step farther and eliminate the middelman, who has to make profit, and so forth, and work the mines itself?

Mr. CHILTON. I did not get up to answer questions. I arose to make the statement I made. That is the Senator's own question, and he can answer it.

Mr. BORAH. I have already answered it, but I wanted the experience and the wisdom of the Senator from West Virginia.

Mr. CHILTON. The government of West Virginia does not mine any coal. I can say that I have no experience in that line.

Mr. BORAH. Have there ever been any symptoms shown there that the State might desire to mine its own coal?

Mr. CHILTON. The State has not any coal to mine.

Mr. BORAH. It has parted with all its coal?

Mr. CHILTON. The State of West Virginia has not had any coal land since it ceased to be a part of Virginia. The State of Virginia conveyed it in trust to the Federal Government in 1794, and created that great trust for the benefit of the Government and some other States, and the United States Government has never been fair enough to settle that trust and give an accounting of the trust subject. Of that I will talk to the Senate later, at a more opportune time. At one time it did own a vast area now composing the States of Ohio, Indiana, Illinois, Wisconsin, and a part of Michigan, and it made the United States Government a trustee to hold that as a sacred trust, not implied but expressed upon the face of the grant, clearly stating what the trust should be, and that it should be for no other purpose. I have been dingdonging the Judiciary Committee, and sometimes the Senate of the United States, to allow those States the poor privilege of suing in the Supreme Court of the United States to get back a part of that trust fund which the United States Government has given away and squandered, and which it will not settle for. That question, however, is not involved here. If the State of West Virginia had its rights, it might have some coal land to lease and some money with which to carry on its government and not have to tax its people.

Mr. BORAH. Mr. President, just a moment. I regret to hear the Senator from West Virginia say that the United States Government as a trustee has given away and squandered this great wealth, when we are preparing here to turn over to the United States the opportunity to again do the same thing.

Mr. CHILTON. No; Mr. President. If the United States, when it had the Northwest Territory, had leased its great mining deposits and had kept that trust subject as the Government is proposing to do now with Alaska, the Government of the United States would now have billions in its Treasury, and the States, the cestui que trustent, would have a vast sum that would relieve every one of them from taxation for a long time. I think the United States ought to discover, by the leasing system, what it has in Alaska before it gives away the land or sells it out to Tom, Dick, and Harry. Alaska is not a State with obligations or debts, but is a Territory that belongs to the United States, and my theory is that the United States ought to ascertain what it has; it ought to get an estimate of its value and keep that great treasure up there for the benefit of all the people. If it had done so with the Northwest Territory, it would not now be in the position before the world of a defaulting trustee, who will not account to those who are entitled to the trust, and it would be much wealthier besides.

Mr. WHITE. Mr. President——

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Alabama?

Mr. LANE. I yield.

Mr. WHITE. I should be very glad to ask the Senator from West Virginia if he does not take too narrow a view of this situation? If the Federal Government would have had billions in its Treasury by retaining the coal in West Virginia, and by that means also have enriched the State of West Virginia, really would not the United States Government have had many billions if it had retained all the agricultural lands in that way and operated those lands under a leasehold system?

Mr. CHILTON. Mr. President, if the Senator from Oregon, who is very patient and courteous to us all, will permit, I will answer the question.

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from West Virginia?

Mr. LANE. I yield.

Mr. CHILTON. Mr. President, I am very much surprised that anyone on this floor would intimate that the United States Government owned any part of West Virginia. West Virginia and Virginia until 1863 were together. Virginia was organized as a colony long before the United States was formed; it took a most prominent part in organizing the United States Government, and before that Government was organized it dedicated and gave under a certain trust a vast territory to the United States Government. The United States Government never owned an inch of land within the confines of either Virginia or West Virginia any more than it ever owned any in the colony of Massachusetts.

As to the other suggestion of the Senator from Alabama, I may take a narrow view of this question, but I hope I do not, as I do not intend ever to take a narrow view of anything. I always want to take a just view.

Mr. WHITE. Mr. President——

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Alabama?

Mr. LANE. I yield.

Mr. WHITE. With the further consent of the Senator from Oregon, I wish to say that I was inapt in expression when I spoke of the Federal Government having any title to the lands in West Virginia. I of course knew better than that; but I understood the Senator from West Virginia to say that the Federal Government by its failure to exercise justly and fairly its powers as trustee over those lands had greatly wronged the State of West Virginia.

Mr. CHILTON. That is true.

Mr. WHITE. It must be true, then, that the Federal Government did have some interest as trustee or otherwise; but what I had reference especially to was its absolute ownership of the Northwest Territory, the title of which was conferred upon it by the State of Virginia. If to have retained control and to have exercised its proper duty as trustee it would have enriched the State of West Virginia by retaining the coal mines of that State, would it not also have greatly enriched itself and the Northwest by withholding agricultural lands from entry and farming them for the benefit of the Federal Government and for the benefit of the States that were created, and leasing them out, as the Senator from Arizona [Mr. SMITH] suggests? Is not the principle the same, and is not the loss to the Federal Government and to the States now composed of that territory a great deal more by the failure to hold the Northwest Territory than the loss has been by the failure of the Federal Government to pursue and exercise the duties as trustee imposed upon it with reference to the coal lands of West Virginia?

Mr. LANE. Mr. President, I was saying that during the latter period of the lease the lessee is, in justice to himself, compelled to neglect to keep the timbering of the mine in proper condition. He then has a diminishing period before him in which to make profit from his adventure. Necessarily he neglects everything but the one object, which is to follow the fattest "pay streak" to the ultimate limit and to timber the mine just as scantily as he can in order to preserve life and accomplish his aim of getting out the mineral for which he is searching. He does not timber for permanent results, for safety, or for the future of the mine.

Any of you who have ever been in a mining country and have gone into the drifts, as they call them there—the tunnels—upon a piece of land which has been mined by a lessee, knows that in going through those drifts with your candle in your hand you also take your life in your hands. A miner has to be a hardy man who will go through those tunnels and prospect such a mine so as to tell you what the condition is for a future purchaser or what should be done to it to put it again in shape for mining. I have seen mines left in such a condition that when they came back into the possession of the owner he had to face them all up and abandon large bodies of good ore which had been overlooked by the lessee. In many cases the owner was compelled to spend, in putting his mine in shape to operate

it, three times more than the sum he had received from the rental under the lease.

Mr. WHITE. Mr. President, while the Senator is on that subject I should like to make a suggestion to him, with his consent.

Mr. LANE. Very well. I do not promise that I will accept the suggestion, but I will listen to it.

Mr. WHITE. Not only is it true that the bad conditions inside the mine to which the Senator from Oregon has referred result from the leasing system, but is it not true also that if the mines are not properly taken care of the surface will cave and great injury will result to the public by reason of the condition in which the surface is left?

Mr. LANE. I will say to the Senator that that may be true, but it does not often happen that way in placer gold mining and in other mining operations in that section, for the reason that the country is different.

Mr. MARTINE of New Jersey. Mr. President——

The VICE PRESIDENT Does the Senator from Oregon yield to the Senator from New Jersey?

Mr. LANE. I yield.

Mr. MARTINE of New Jersey. Mr. President, I was wonderfully struck with a remark which dropped from the lips of our genial friend the Senator from West Virginia [Mr. CHILTON]. He said, "As coal gets more valuable." That is the whole thing. Coal is constantly getting more valuable. That is all we are arguing about. If coal were not of any value, we would not worry our souls about it; but its value in heat and gas units will remain the same throughout all time. The condition, however, also remains—and you can not argue it away—that in the very nature of things the quantity of coal can not be increased. The amount of coal in the ground may remain there for a thousand years without perceptible increase, but the demand for it will continually increase, and as our population multiplies our necessities will make it more and more needful, and hence more valuable. In the nature of things this must continue, and hence I feel it to be our duty to enact such legislation as shall inure to the benefit of the people.

Our friends talk continually of "the people"; but, in the name of heaven, how do the people get the benefit? The coal has got to pass through the mill and through the various methods which the owners or lessees of the coal mines and the leased coal lands may adopt. When we were conducting an investigation in the beautiful and glorious State of West Virginia we extracted from Mr. Pratt some horrid testimony. I remember I asked him, "Mr. Pratt, do you live in West Virginia?" He replied, "Oh, no." I said, "Where do you live?" He responded, "I live in Brooklyn, N. Y." "Well, how large a tract do you own in West Virginia?" He replied, "Oh, I do not just know; but I have 15 miles one way and 20 miles the other way." It was so large that when the parties who had the lease said to a man, "Get off my territory," it was equivalent to saying to him, "Get off the earth," for the tract, as I have said, was 15 miles one way and 20 miles the other. Then I said to him, "Mr. Pratt, you own this land; of course, with your tremendous ownership, you feel impressed with the fact that you are a guardian, so to speak. A great population have settled here; they have great interests here; and you feel yourself a guardian, do you not?" "Well, no; not exactly," he said. I then asked him, "Do you not feel zealous as to the well-being and as to the needs, moral and physical, of this great population who are digging in the bowels of the earth to bring this great product out?" He replied, "Oh, not particularly. So long as I get my dividends, I do not pay much attention to or care much for the rest."

After that expression I said to myself, and I think everybody else felt it, "By the Eternal God, I will never vote to continue such a nefarious system under which a man may own and control in his own hands and under his purse a stretch of territory 15 miles one way by 20 miles another way, live in luxury in Brooklyn, N. Y., and salve his conscience and satisfy his higher thoughts with occasionally doling out a sum to the Pratt Institute in Brooklyn, to help some poor girl learn threadwork or needlework."

I say, that is the evil. The benefits do not reach the people; and I feel that it is a part of good legislation, I feel that it is a part of broad-minded, big patriotism, so to legislate that the benefits will accrue to the people.

The Senator from Alabama asks if the situation in regard to coal is not the same as that in regard to wheat. I say to him that it is entirely different. Wheat will grow almost anywhere under God's sunshine on our soil; but, in God's wisdom, coal has been pocketed up, bound up in strata far beneath the surface of the earth; it demands extraordinary labor and extraordinary effort to get it out; it is a prime necessity with us to-day; we need it for the cooking of our food; we need it for the heating of our bodies so as to protect them against the rigors of winter; and we need it in our manufacturing and in the arts. It can not be compared with wheat.

I will say to my friend from Alabama that, with all the wonderful results which have been accomplished in the vicinity of his home at Birmingham, Ala., with the riches with which that section of the country has been blessed, it is uncanny and unfair that, instead of those resources of nature inuring to the profit and happiness of the whole people, the fabulous wealth of Alabama should have accrued to the benefit of a few.

Mr. WHITE. Mr. President——

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Alabama?

Mr. LANE. I yield to the Senator from Alabama.

Mr. WHITE. I think the Senator from New Jersey must have misunderstood me in some way. I never in my life compared wheat with coal.

Mr. MARTINE of New Jersey. The Senator referred to other fields or other products, did he not? He inquired why not take other products and treat them in the same way?

Mr. WHITE. I was asking the Senator from West Virginia whether, if to operate a coal mine was a good thing for the Government, it would not be a good thing to operate farms.

Mr. MARTINE of New Jersey. Of course, I know the Senator was trying to bring into disrepute the idea of the Government operating coal mines.

Mr. WHITE. I was trying to bring into disrepute the operation of farms and every other kind of business by the Government.

Mr. MARTINE of New Jersey. Well, the Senator will fail signally in his effort. Make up your mind, Mr. President, that the world is moving. We have stood still too long; the world is moving; and enlightened public intelligence will not tolerate these fabulous sums, wrung out of the masses of the people, inuring to the benefit of the few; but some day they will demand of you through legislation, and, if not through legislation, by some other means which I fear to express, results that will not be pleasing to any of us.

Mr. WHITE. Mr. President, one word further. I was discussing with the Senator from West Virginia the question of the Government leasing out its land. That was the question up for consideration.

Mr. MARTINE of New Jersey. I have no apologies to make for anything I have said, but I regret if I have trenched upon the Senator or accused him of things of which he is not guilty.

Mr. WHITE. I have as much sympathy for the men who delve in the bowels of the earth to make their living by digging coal as has my distinguished friend the Senator from New Jersey.

Mr. MARTINE of New Jersey. I realize that, Mr. President. Great God, it is not in me to charge the Senator with a lack of sympathy for the masses of the people. I believe God gave the Senator from Alabama and the Senator from West Virginia that sympathy, even though the Senator from West Virginia does live in a State which was unconstitutionally formed. I remember the time very well. I pardon you for all that; of course you can not help it, and I think you are just as broad, just as great, and just as Christianlike as any other Member of the Senate of the United States; but, unfortunately, you have lived in an atmosphere, it seems to me, that has been largely that of greed. Some people seem to forget, in contemplating the beautiful hills and the glories of the magnificent Commonwealths of West Virginia and Alabama, which are groaning on all sides with undeveloped wealth in gas, oil, coal, iron, and almost everything else—they seem to forget that there is another side, the side of humanity, suffering the dire pangs of distress and want. I speak earnestly, and I have no quarrel, God knows, with any man in the world; but I want to do my little best to relieve the situation. I believe one of the curses of our times has been the ownership and control of fabulous deposits of mineral wealth by a handful of men for their own profit and their own glory.

Mr. WHITE. Mr. President, I was taking the position I did and saying what I said with no other view in the world than to secure to the settlers of Alaska the right to enter 160-acre tracts of land and own those tracts themselves, instead of binding and tying up the land for 50 years by a leasing system, in order that citizens of other States and citizens of foreign nations might exploit that country.

Mr. MARTINE of New Jersey. I am quite willing that they should exploit it for agricultural purposes; but I say coal is unlike agricultural products and the like, and I believe the mining rights are reserved by our Goverament when they sell or cede these tracts.

After the experience of Colorado and the sad experience of West Virginia—which, I am happy to say, is now quite peacefully and amicably settled—I say, in God's name, do not let the Senate advance the idea of a further leasehold system. Do not let us plant it or transplant it or establish it in Alaska. God knows we have had quite enough of it in Colorado. The President of the United States has seen fit to try to intercede to placate the troubles there with the miners. The miners have finally agreed to arbitration; but this other interest, the parties that own it, the great Rockefeller family, through Mr. John D. Rockefeller, jr., who claims to be the manager of that particular tract, sees no particular reason for arbitration, and in his conscience he can not think of arbitrating the situation.

Could you have seen the sad faces and woebegone looks of some of these poor, unfortunate miners and their wives and children from the Colorado mines who came to me, I believe your heart would be touched and your tears would overflow down your cheeks.

Mr. CHILTON. Mr. President——

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from West Virginia?

Mr. LANE. I yield to the Senator from West Virginia.

Mr. CHILTON. Mr. President, the big-hearted Senator from New Jersey saw West Virginia with its worst face turned to the world, in a very unfortunate time, and that has impressed him so that it has gotten the better of his judgment and prevents him from taking cognizance of well-known facts.

Mr. MARTINE of New Jersey. Not a bit.

Mr. CHILTON. Mr. President, I do not want to harrow the Senator, but——

Mr. MARTINE of New Jersey. Oh, you can not worry me to save your life.

Mr. CHILTON. But the world will laugh when a Senator from New Jersey talks about anybody from West Virginia being obsessed with greed.

Mr. MARTINE of New Jersey. Well, I did not want to say just how, but——

The VICE PRESIDENT. The Senator from New Jersey has had his chance. The Senator from West Virginia will proceed.

Mr. CHILTON. Mr. President, a State that sends out to the world corporations which are admitted to be outlaws by the State itself, that go out to prey upon the commerce not only of all the other 47 States but upon the commerce of the world, and that can do business everywhere except in the State of New Jersey, and a State that lives and moves and has its being by money collected from those corporations, ought not to talk about greed anywhere.

Mr. MARTINE of New Jersey. Mr. President, will the Senator yield just one moment right there?

Mr. CHILTON. No; I have not the floor, except by the courtesy of the Senator from Oregon.

Mr. MARTINE of New Jersey. I will not interfere with the Senator at all.

The VICE PRESIDENT. The Senator from New Jersey will take his seat.

Mr. MARTINE of New Jersey. I can do that, too.

Mr. CHILTON. I can not possibly yield, because I am speaking in the time of some one else.

The VICE PRESIDENT. The Senator from Oregon has the floor.

Mr. CHILTON. New Jersey is not wholly to be blamed for the condition which I have mentioned, nor is the Senator. Just to show how circumscribed is the view taken of the great State of West Virginia by the Senator from New Jersey, I want to say to him that the people who own the tract of land on Paint Creek that he is speaking of have within the last few years sold 30,000 acres of land to citizens of West Virginia for $20 or $30 an acre—coal land and timberland combined.

I do not want to do anybody an injustice, and I do not want to see anyone done an injustice here or elsewhere. A few years ago West Virginia was going into the markets of the world, and was inviting the people from other States to come there and develop her coal lands. These men mentioned by the Senator came there and bought land. The reason that induced them to do it, I happen to know, is that a citizen of West Virginia—a very prominent citizen, who is now one of the leaders of the great Bull Moose movement in that State, a very wealthy man now, but who was then a poor man—went to school with Mr. Pratt and some others at one of the northern colleges, and through that acquaintance he got them to come down into West Virginia and invest in coal lands. What they have done with it is not my business; but they came there honorably, lawfully, and, at the invitation of the people, to help develop the State.

Mr. President, the Senator does not know that there is absolute competition among the coal people of West Virginia. There is no such thing as a coal trust in that State. The hundreds and the thousands of coal operators in that State have been for seven or eight years working under most terrible conditions regarding markets. They are farther from the eastern and the western markets than some of their competitors, and there were years when no coal operator in that State made much, if any, money. Now our conditions are getting better; and when I said "as the coal lands improved in value" I meant when market conditions got better.

Why, Mr. President, if the coal mines of West Virginia would run full time, instead of producing 70,000,000 tons of coal, we could produce 150,000,000 tons of coal a year from that State; and we have barely scratched the great coal area that we have from which to produce coal.

Now, just a little further. The Senator talks about a great monopoly there. That coal works of which he spoke is in Kanawha County. The production of the county of Kanawha is third or fourth in the State. The largest production in the State is in McDowell County. It produces from 11,000,000 to 15,000,000 tons of coal. The next is the county of Fayette, which produces something less. The next, I think, is now the county of Kanawha. It is third, as I recall the facts. What the Senator is talking about is a small part of the production in the third county in production in the State. If you take the whole production of the Paint Creek region that he is talking about, it is not half the production of the Cabin Creek region, and the production of Cabin Creek and Paint Creek combined is not more than about one-half what Kanawha County produces; and the production of all Kanawha County is only a very small percentage of the production of the greater field, and that field produces only a fair percentage of the coal produced in the whole State.

Mr. MARTINE of New Jersey. Mr. President——

Mr. CHILTON. The Senator can not call that any great trust.

Mr. MARTINE of New Jersey. Oh, well, I am not.

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from New Jersey?

Mr. MARTINE of New Jersey. Will the Senator from West Virginia yield for just a moment?

Mr. CHILTON. I have not any right to yield.

The VICE PRESIDENT. Will the Senator from West Virginia yield to the Chair for just one moment? It is not a pleasant duty for the Chair to call attention to the observance of the rules governing debate. No rule of this body is more frequently violated than Rule XIX, which seems the simplest, most graceful, and at the same time one of the most important in the book. It reads:

When a Senator desires to speak he shall rise and address the presiding officer, and shall not proceed until he is recognized.

A little farther on it says:

No Senator shall interrupt another Senator in debate without his consent, and to obtain such consent he shall first address the presiding officer.

The consent of a Senator to interrupt is not obtained by a Senator rising and saying "Mr. President," and then straightway turning his back on the Chair and proceeding to discuss the question or interrupting the Senator who has the floor. This occurrence is taking place every day in the Senate of the United States. It leads to confusion and to the talking of two or three Senators at the same time. It is not a matter of any moment to the occupant of the chair, but the official reporters of the Senate are wholly unable to take the proceedings of the Senate when they are conducted in this manner, and they can not make an intelligent record of the interruptions or of the speeches. There have been very frequent interruptions when Senators, without any reference to the Chair and without any regard to the Senator who had the floor, have risen and proceeded to talk on the floor.

This is not a matter of any interest to the presiding officer, except to have the proceedings of the Senate conducted in an orderly and respectful way. The presiding officer has no more regard for one Senator than for another, but he does have some little regard for the official reporters, who are doing their level best to take the proceedings of the United States Senate.

The Chair for weeks has been considering the necessity of calling attention to the violation of these rules, so that Senators who are not knowingly or intentionally violating them may comply with the rules, and that the record may be properly made up by the reporters.

The Chair has no personal feeling about the matter and has no animosity against any Senator for anything that has occurred, but requests that there may be some slight attention paid to the method of conducting debate upon the floor of the United States Senate.

Mr. MARTINE of New Jersey. Now, Mr. President, most respectfully, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from New Jersey?

Mr. LANE. I do, if the Senator from West Virginia has finished.

Mr. CHILTON. Mr. President, I had nothing further in the world to say. I was speaking in the time of the Senator from Oregon, who has been most courteous and kind; but the Senator from New Jersey keeps constantly harping upon West Virginia and her coal situation. Now, that situation is all right. She can take care of herself anywhere she may be assaulted. She is doing nothing wrong and her people are doing nothing wrong. About the only thing she has which nags her is a supreme court that does not always announce the law, and that fact is constantly offending the sensibilities of our people, as it has offended the sensibilities of the people of the United States in the matter of the military trials. When we get that matter corrected, West Virginia will go along and take care of herself.

There is no need of any Senator holding up West Virginia as an example, especially a Senator from the State of New Jersey. As long as I can in a proper way get the right to speak on this floor, I intend to answer that kind of an assault upon West Virginia. It is out of place, and it should not be done upon this floor. Whenever it is done I shall have to take care of that State, and I shall do it with a great deal of pleasure.

I want now to thank the Chair for his courtesy and to thank the Senator from Oregon for his great patience.

Mr. MARTINE of New Jersey. Mr. President, will the Senator yield?

The VICE PRESIDENT. The Chair must again call attention to another rule, Rule XIX, section 3, which provides:

No Senator in debate shall refer offensively to any State of the Union.

Mr. BRYAN. I call for the regular order.

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from New Jersey?

Mr. BRYAN. I object to the Senator from Oregon yielding for a speech by any other Senator.

Mr. MARTINE of New Jersey. Mr. President, I am not asking to make a speech. I am just asking——

Mr. BRYAN. Mr. President, I rise to a point of order.

The VICE PRESIDENT. A ruling was recently made, when the present occupant of the chair was not here, which the present occupant of the chair believes to be a correct ruling. The Chair believes that a Senator occupying the floor can not farm out the floor by permitting Senators to interrupt him and make speeches without unanimous consent of the Senate, because it is the right of the Senator who can first get the eye of the Chair, if the Chair happens to be looking at him, to address the Senate. Therefore, if it is insisted upon, the rule will be enforced that no Senator occupying the floor can yield for an interruption without unanimous consent, except for the purpose of asking a question.

Mr. BRYAN. I object, Mr. President.

Mr. LANE. Mr. President, I yielded in each case out of courtesy to other Senators, assuming that they had some information to impart, either to the Senate or to myself, or some inquiry to make. It was not for the purpose of dividing my time, nor prolonging the debate, nor to farm out my time, nor even to lease it out for a definite term, for that matter.

I notice, however, that that rule is more honored in the breach than in the observance, and I have noticed that considerably right lately. If that rule is going to be insisted on in one case, I would love to see it carried right down the line; and whereas I may have inadvertently granted too much liberty to other Senators, if the rule is to be applied and other Senators want that rule well adhered to, I think I can arrange it so as to make it exceedingly entertaining.

Mr. MARTINE of New Jersey. Mr. President, I rise, then, to a question of personal privilege.

Mr. BRYAN. Mr. President, I object to that.

Mr. MARTINE of New Jersey. The Senator has no right to object to it.

The VICE PRESIDENT. The Senator from Oregon has the floor. If he chooses to yield——

Mr. LANE. I have no objection to the Senator from New Jersey rising to a question of personal privilege——

Mr. BRYAN. I object.

Mr. LANE (continuing). Unless it is against the rules. If it is against the rules, I do not wish to be a party to it.

The VICE PRESIDENT. In accordance with the decision which the Senate of the United States made, and which the present occupant of the chair did not make, if the Senator from Oregon yields to the Senator from New Jersey he yields the floor.

Mr. MARTINE of New Jersey. I do not want to ask the Senator to yield the floor. I simply rise to a question of personal privilege.

The VICE PRESIDENT. If the Senator from Oregon yields to the Senator from New Jersey he yields the floor.

Mr. MARTINE of New Jersey. I will not ask the Senator to do that. I was simply asking for information.

The VICE PRESIDENT. If the Senator from Oregon yields to the Senator from New Jersey he yields the floor. The Chair would like to know whether he does so or not.

Mr. MARTINE of New Jersey. I will not ask for it, then. I do not want to take the Senator off his feet. He is preaching too true a gospel for me to take him off his feet.

Mr. LANE. Mr. President, I am sorry that this discussion of the question of leasing coal lands in Alaska has brought on so unpleasant a parliamentary situation. What I was addressing myself to, or what I was trying to address myself to, was the fact that I consider—and that is my personal opinion, founded on my personal experience, and it has to go for what it is worth—that it is not only wasteful but also, in my opinion, offers an incentive to the lessee to loot the most valuable portion of the coal from the mines; that a private owner would work it to better advantage so far as the mine is concerned, and, if he were fair in his prices to the public, it would be better equally for the public.

I have in mind the fact that the Government now leases hundreds upon hundreds of thousands of acres of land of which it is the guardian, and in no instance that I know of has it leased them to advantage. In every instance in which my attention has been directed to them—and in some cases it has been, in detail—they are handled in the most grossly careless manner.

The owners of the property not only derive no benefit from it, or in many cases none, but in no instance do they derive the full benefit. I have no reason to believe that the Government will take better care or exercise a higher type of supervision over the leasing of coal lands than it does now over grazing lands in other portions of the country. The Government is now busily engaged in sending out inspectors to inspect inspectors.

It is my opinion that the people would prosper and Alaska would develop more rapidly and that benefits would accrue not only to the people of Alaska but to all the people along the Pacific coast if the Government itself mined the coal and sold it, or at least placed it for sale at the nearest seaport, of which there are plenty there. I am of opinion that the people of Alaska would do better and acquire greater profit if the Government gave half its coal lands away and merely retained the other half and held them as a check over the wasteful management and the methods which will be pursued, in my opinion, by the lessees.

The men who lease this land will not only mine it wastefully and at the greatest profit to themselves in the way of driving their shafts and tunnels through the coal veins, but they will also beat down the price of labor to the lowest possible price at which they can obtain it, and it will be but a few years more before they will be here, if we enter upon this plan, asking permission of Congress to give them the right to import labor from Asia, and they will work it at any price at which they can obtain it.

Take the coal mines in the Eastern States and you find them filled not with American citizens but with importations from all over Europe, nearly every nation in Europe being represented in strata like the coal measures in proportion to the different importations that have been made, the Greeks to replace the Slavonians and the Italians to replace the Greeks, the wages having been driven down that way. We will have the same conditions in Alaska. It was stated here the other day that in Colorado at this time 1 per cent of the coal is being mined, as I understood the Senator from Colorado.

Mr. SHAFROTH. Not being mined, but only 2.8 per cent of the coal lands are in private ownership.

Mr. LANE. And you see the conditions they are having there, and the troubles they have had with the labor problem, combating and fighting to secure the work of men in those mines at the lowest possible living wages. It would seem, judging by the statistics, that if you were to follow this to a legitimate conclusion, if in that State and other States where they are having similar troubles as in Colorado 10 per cent of the coal area was being mined, the National Government would have to go to Europe and buy a lot of the new type high-powered, long-range Krupp guns to keep the mines in operation. The Government is at this time under expense and is being compelled to

pay the cost of policing those mines. I do not want that condition to obtain in Alaska. I believe if we enter into this leasing system, not only will the methods be wasteful and the consumer of the coal have to pay the top price, as he does now, but we will then also have labor wars, too, and the Government will have to keep troops there to maintain peace between the employers and the employees.

For that reason, and for many others, I think it would be both profitable and wise for the Government to retain those coal lands and mine them. If there is any miner or farmer or anyone else who wishes coal for his personal use, give him a permit upon easy terms to secure the same. If you do that, you will open up that Territory, that wonderful country. The Government will probably not have to open the mines, it may be, for years to come, if you will give those people permission to go and secure the coal they need for their own use, and if you want that coal to come on down to our country in the region where I live, where we pay eight, nine, ten, and eleven dollars a ton, and as much as seventeen and eighteen dollars a ton for anthracite coal shipped from this part of the country, it is a different proposition. When we burn coal from Wyoming, we pay $9 a ton. If we use anthracite coal, we pay seventeen and eighteen dollars. If we use coal from Australia, as we sometimes do, we pay $11 a ton. With Alaska's great coal fields we could, if the Government mined it, secure it at a very much lower rate than that, and it would benefit many, many thousands of people without the loss of one-quarter of a cent to anybody, without any competition, without any of this waste and the labor wars which go on in all the coal mines in the country. The mines would be better ventilated and there would be fewer accidents if the Government would do this work, for the Government would do it thoroughly.

Under the leasing system which it is proposed to establish by this bill I look for collusion in acquiring the rights to lease the better and most accessible portions of that coal land. That coal land is not all accessible to the markets; some is more favorably situated than others, and the man who secures the best-located claim is the man who will have especial advantage over the man who is farther removed over the next range or across some deep gulch. I think the people of that Territory wish that the Government shall mine and operate and not lease these coal mines.

In my mind I had mapped out quite a good deal which I wished to say on this subject which I thought would be pertinent and bear directly on it, to the edification, perhaps, of the Members of this body, but there grew up such a battle between different Senators here that I have lost track of a good deal of what I wished to say; so I will not detain the Senate longer.

I will offer an amendment to the bill and allow the Senate to vote upon the proposition that the Government shall reserve unto itself all the coal lands in these coal fields, with the right to mine the same. I have accomplished that by merely striking out certain parts of the bill as it was presented by the committee, and I am going to ask for a vote on the amendment. I will tender it at this time and ask the Presiding Officer at what time it will be in order to consider it.

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). The Chair will state that it is in order at the present time.

Mr. LANE. To consider it?

The PRESIDING OFFICER. To consider it.

Mr. LANE. I send it to the desk, and ask that it be read.

The PRESIDING OFFICER. The Secretary will read the amendment submitted by the Senator from Oregon.

The SECRETARY. In section 1 of the substitute reported by the committee, page 12, line 21, after the word "River," insert "Nenana"; in section 2, on page 13, line 6, after the word "disposition," strike out the words "not exceeding 5,120 acres of coal-bearing land in the Bering River field and not exceeding 7,680 acres"; in line 8, before the word "of," insert the word "all," and after the word "of" insert the word "the"; in line 9, after the word "Matanuska," insert "Nenana and Bering River" and strike out "field" and insert "fields"; and in line 17, after the word "relief," insert "to the people of this country."

Strike out all of sections 3, 4, 5, 6, 7, 8, and 9.

In section 11, on page 18, strike out the first seven lines of the section, to the word "*Provided*," in line 6, on page 19.

On page 19, line 9, after the word "within," strike out "such lease" and insert "this act"; in line 11 strike out the word "lessee" and insert "Government"; and in line 12, after the word "therein," strike out the remainder of section 11, and sections 12, 13, 14, 15, and 16, so as to read:

That the Secretary of the Interior be, and hereby is, authorized and directed to survey the lands of the United States in the Territory of Alaska known to be valuable for their deposits of coal, preference to be given first in favor of surveying lands within those areas commonly known as the Bering River, Nenana, and Matanuska coal fields, and thereafter to such areas or coal fields as lie tributary to established settlements or existing or proposed rail or water transportation lines: *Provided*, That such surveys shall be executed in accordance with existing laws and rules and regulations governing the survey of public lands.

SEC. 2. That after the execution of the surveys provided for in this act the President of the United States shall designate and reserve from use, location, sale, lease, or disposition all of the coal-bearing land in the Matanuska, Nenana, and Bering River fields: *Provided*, That the coal deposits in such reserved areas may be mined under the direction of the President when, in his opinion, the mining of such coal in such reserved areas, under the direction of the President, becomes necessary, by reason of an insufficient supply of coal at a reasonable price for the requirements of Government works, construction and operation of Government railroads, for the Navy, for national protection, and for relief to the people of this country from oppressive conditions.

SEC. —. That in order to provide for the supply of strictly local and domestic needs for fuel the Secretary of the Interior may, under such rules and regulations as he may prescribe in advance, issue to any applicant qualified under section 3 of this act a limited license or permit granting the right to prospect for, mine, and dispose of coal belonging to the United States on specified tracts not to exceed 10 acres to any one person or association of persons in any one coal field for a period of not exceeding 10 years, on such conditions not inconsistent with this act as in his opinion will safeguard the public interest, without payment of royalty for the coal mined or for the land occupied: *Provided*, That the acquisition or holding of a lease under the preceding sections of this act shall be no bar to the acquisition, holding, or operating under the limited license in this section permitted. And the holding of such a license shall be no bar to the acquisition or holding of such a lease or interest therein: *Provided*, That said Secretary, in his discretion, in making any lease under this act, may reserve to the United States the right to lease, sell, or otherwise dispose of the surface of the lands embraced within this act under existing law or laws hereafter enacted in so far as said surface is not necessary for use by the Government in extracting and removing the deposits of coal therein.

SEC. —. That the Secretary of the Interior is authorized to prescribe the necessary and proper rules and regulations and to do any and all things necessary to carry out and accomplish the purposes of this act.

SEC. —. That all acts and parts of acts in conflict herewith are hereby repealed.

Mr. LANE. Mr. President, I am going to ask this body to consider those amendments and express an opinion upon them. If there is any function which the Government can perform for the benefit of the people of the country to better advantage than private individuals, it is my opinion that the Government should do so. It can be engaged in no better business than serving the general interests and welfare of the people of this country to the best possible advantage.

Alaska is a new Territory. It has few roads, few trails, in it. The methods of traveling are exceedingly difficult. Some portions of that country you can only enter from the remainder of the world during the summer season, when the rivers are free of ice. After you get into the interior of the country the best season for traveling comes later along, when the ground is frozen, when the dogs can travel over the snow, and the trails are broken. But they have no permanent roads. They have very few good trails. It is a country which is immensely rich in possibilities. It has nearly every mineral that is known, some in enormous quantities. Gold is found in pay streaks that are exceedingly rich. Some entire areas are gold bearing, and no man knows what amount of gold they will produce in the future, for the reason that but a very small portion of it has been prospected. In order to prospect it it is necessary to work down through ground that is frozen to an unknown depth. In Siberia they have been down 3,000 feet and found it still frozen. It is hard to take into that country the apparatus for thawing the ground in order to prospect. Yet prospecting blindly in the least likely looking places, with the haphazard of chance, some of the richest mines in Alaska have been found.

No man knows the amount of other minerals that Alaska contains. The interior of Alaska contains much good timber, and there is coal scattered pretty generally all over Alaska. Much of it is of inferior quality, yet it is very valuable at the place in which it is located. It would require the Government to handle a proposition of that kind for the ultimate and general benefit of the country, for the reason that the private individual, the corporation which has its agents out prospecting the country, will acquire and secure possession of the richest portion of it first and hold the balance of the community away from participating in the benefits to be derived from it. It is an entirely different proposition, I think, from any other that presents itself, on account of the character of the country and the climate, and it deserves special consideration. That is why I am asking you to consider this amendment of mine at this time, which calls for the Government to mine this coal itself. It is a measure which will meet, I am sure, with the approbation of every man who has ever been in Alaska and the people who live there, although there are many here who question the right of the Government to enter upon such an enterprise.

Mr. JONES. Mr. President, I understand this amendment strikes out the part on page 14. So I desire to offer an amendment to the text of the amendment reported by the committee,

and the amendment I offer has, I understand, the approval of the committee.

Mr. WALSH. I suggest to the Senator from Washington that, as there are a large number of amendments to be offered, the Senate vote on the substitute offered by the Senator from Oregon.

Mr. JONES. If that substitute should be adopted, then all on page 14 goes out. Of course I suppose the Senator is confident that it will not be adopted.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Oregon [Mr. LANE].

Mr. POINDEXTER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Washington suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Jones	Owen	Smith, Ga.
Borah	Kern	Page	Smith, Md.
Brady	Lane	Perkins	Smoot
Bryan	Lea, Tenn.	Pittman	Sterling
Burton	Lewis	Poindexter	Stone
Chamberlain	Lippitt	Pomerene	Thompson
Chilton	McCumber	Ransdell	Thornton
Clapp	McLean	Reed	Walsh
du Pont	Martin, Va.	Shafroth	White
Fletcher	Martine, N. J.	Sheppard	Williams
Hollis	Myers	Shively	
Hughes	O'Gorman	Simmons	
Johnson	Overman	Smith, Ariz.	

The PRESIDING OFFICER (Mr. ASHURST in the chair). Fifty Senators having answered to their names, a quorum is present.

Mr. BORAH. May I ask if there is an amendment pending?

The PRESIDING OFFICER. There is a substitute pending, the amendment offered by the junior Senator from Oregon [Mr. LANE].

Mr. BORAH. May I ask the Secretary to state the amendment?

The PRESIDING OFFICER. The Secretary will report the amendment.

The Secretary again read Mr. LANE's amendment.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Oregon [Mr. LANE].

The amendment was rejected.

Mr. JONES. I desire to offer the amendment which I send to the desk, which, I understand, is satisfactory to the Senator in charge of the bill.

The PRESIDING OFFICER. The amendment proposed by the Senator from Washington will be stated.

The SECRETARY. After the word "force," in line 2, page 14, insert "as then interpreted and the rules, regulations, and practice of the department," so that if amended it will read:

> Which said rights may be perfected under the law as in force as then interpreted and the rules, regulations, and practice of the department at the time the same were initiated.

Mr. PITTMAN. Mr. President, I know of no objection to that amendment.

Mr. SMITH of Arizona. I should like to know the meaning of the amendment. I did not catch its reading.

Mr. JONES. It simply provides that the rights referred to in the bill shall be perfected under the law as interpreted, and the rules and regulations of the department at the time the rights were initiated.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Idaho?

Mr. JONES. Certainly.

Mr. BORAH. Mr. President, as I understand, the effect of the amendment is simply to have titles which had been initiated determined as of the date, so far as the law and regulations are concerned, when they were initiated.

Mr. JONES. Yes.

Mr. BORAH. When the hearing would have come up in due course to have been disposed of?

Mr. JONES. Yes.

Mr. POINDEXTER. Mr. President, I should like to make an inquiry of my colleague.

The PRESIDING OFFICER. Does the Senator from Washington yield to his colleague?

Mr. JONES. Certainly.

Mr. POINDEXTER. I desire to inquire of my colleague what interpretation he gives to the words in his amendment "as then interpreted"? The amendment provides that such rights shall be decided in accordance with the rules and regulations and practice of the department. There have been various interpretations of those rules with changing officials. It seems to me the effect of the language of the amendment, "as then interpreted," might lead to a good deal of confusion.

Mr. JONES. My understanding is that it allows these cases to be settled in accordance with the interpretation of the law that was enforced at the time of the initiation of the claim; at least that is the purpose of the amendment. Certain interpretations were placed upon the law under the practice of the department at a certain time; then a few years afterwards a different interpretation was placed on it. The purpose of the amendment is simply to provide that whatever interpretation and practice were in force at the time the claims were initiated, where the parties did what they thought was a compliance with the law, should govern in the adjustment of the claim. That is practically the language frequently used by the department in its rules. For instance, the department in 1913 adopted a rule for the adjudication of land cases, which is as follows:

> Every claimant for lands under the public-land laws is entitled to have his claim adjudicated under the interpretation of the law, the rules, and regulations and the practice in force at the date his right attached to the land.

So it will appear that I have followed substantially, almost word for word, the language of the department itself.

Mr. POINDEXTER. It seems to me, Mr. President, that when we say in the bill itself "said rights may be perfected under the laws in force at the time the same were initiated," we cover the entire ground.

Mr. JONES. I think that would be correct, except on account of the fact that the department interprets the law differently at different times. At one time they interpret it that the entryman, in order to comply with the law, must do certain things, and then, three or four years afterwards, they interpret the law as requiring him to do other and different things. Hence the necessity for the amendment, and hence, I suppose, the necessity for the rule prescribed by the department. It is for the government and adjustment of these entries. The department itself did not seem to think that a general expression that the parties should comply with the law was enough to protect the different rights.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Washington [Mr. JONES] to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. JONES. Mr. President, I offer one other amendment. At the close of the section I desire to offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment to the amendment proposed by the Senator from Washington will be stated.

The SECRETARY. In section 3, page 15, line 16, at the end of the section, it is proposed to insert the following:

> All claims of such existing rights to any of such lands in which final proof has been submitted and which are now pending before the Commissioner of the General Land Office or the Secretary of the Interior for decision shall be adjudicated within one year from the passage of this act.

Mr. PITTMAN. Mr. President, I know of no objection to that amendment.

The PRESIDING OFFICER. The question is on the amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. CHAMBERLAIN. Mr. President, I desire to offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment to the amendment proposed by the Senator from Oregon will be stated.

The SECRETARY. In section 15, page 21, line 1, after the word "hereunder," it is proposed to insert:

> An appeal to the Supreme Court of the District of Columbia may be taken from any judgment or order of the Secretary of the Interior canceling existing coal claims, and such appeals may be taken within the time under such proceedings and determined in the same manner as provided by sections 4911 to 4914, Revised Statutes, for appeals from the Commissioner of Patents.

Mr. CHAMBERLAIN. Mr. President——

Mr. BORAH. Mr. President, will the Senator from Oregon yield to me?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Idaho?

Mr. CHAMBERLAIN. I yield to the Senator.

Mr. BORAH. Will the Senator from Oregon delay the consideration of that amendment for just a moment while I ask a question in regard to a previous amendment before we pass upon the Senator's amendment?

Mr. CHAMBERLAIN. Yes.

Mr. BORAH. I wish to ask those in charge of the bill, who have given more time to it of course than have the rest of us, if section 3, as amended a few moments ago by inserting the words "as then interpreted, and the rules, regulations, and practice of the department," is entirely satisfactory to them?

In other words, I presume it has been considered what effect that amendment might possibly have upon certain claims and interpretations which were put upon the law and regulations at that time, which claims have generally been considered as perhaps fraudulent. Do those in charge of the bill think there is any danger of validating some claims under peculiar interpretations or construction of the law that really ought not to be validated?

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Nevada?

Mr. BORAH. Yes; I was asking a question. I have only had a moment to consider the amendment.

Mr. PITTMAN. Mr. President, I do not so understand the amendment. I understand the amendment to apply to the laws then in force and to the rules and regulations as then interpreted.

Mr. BORAH. Of course I understand what the object of the Senator from Washington [Mr. JONES] is, and undoubtedly what the object of those in charge of the bill is; that is, simply to give a hearing upon the reasonable construction of the law as it existed at that time.

Mr. JONES. That is all.

Mr. BORAH. But, in view of the peculiar situation which existed with reference to a number of claims and allegations which have been made with reference to constructions which were put on the law and the rules at that time, I simply desire to call the matter to the attention of those in charge of the bill in order that they might at least have it thoroughly under consideration in conference.

Mr. PITTMAN. I can assure the Senator, as I probably will be one of the conferees, that in the meantime those who have charge of the bill, and will probably be on the conference committee, will give it very careful consideration. At the present time I am under the impression that the amendment simply protects against any retroactive legislation. That is the sole intention of it.

As I recollect the contests which took place over the coal lands in Alaska, they nearly all involved a question of fact rather than a question of the construction of the law. It was simply a question of fact as to fraud, and that same question of fact will arise now on the hearings under the amendment. I am satisfied now that the amendment goes no further than to protect against an adjudication based either upon a retroactive law or rules of the department, which have the effect of law in some cases.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Montana?

Mr. CHAMBERLAIN. Yes.

Mr. WALSH. Now that this matter has been mooted, I think that it is only fair that an exposition be made of the actual practical meaning of the amendment to which the Senator from Idaho [Mr. BORAH] has referred.

The amendment is directed to this condition: At the time most of these Alaska claims were initiated the department had ruled that the right was initiated by the opening up of a deposit of coal by prospecting shafts and other similar workings. It is contended that the department now holds that the proper construction to be given to the law requires that something more than mere prospecting operations be conducted, and that, in order to have initiated the right under the statute, there shall be workings intended for the production commercially of ore from the mine. The effect of this will be to reestablish the rule originally obtaining if there is any difference in them.

I feel like saying in this connection that I do not approve the amendment, and I am not to be regarded as voting in favor of it. If the original interpretation of the law was wrong, I do not conceive that any locator of a mining claim or a coal claim has any vested right in the perpetuation of an erroneous determination of the law by the Interior Department. If that determination were wrong, it ought to be corrected. My own individual opinion about the matter is that it was right and that the latter interpretation of the law is erroneous; but I do not think that it is right for this body to undertake to say that the one or the other is correct. In my judgment it ought to be left to the department to determine which is the correct interpretation of a law as it is written in the books.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Idaho?

Mr. CHAMBERLAIN. I yield.

Mr. BORAH. Mr. President, addressing my remarks to the Senator from Montana, I inquire would not this amendment, under the construction which has been placed upon it by the Senator, which seems to me to be a sound one, go to the very heart of the controversy as to whether a mine had been validly and legally located at that time and as to the bona fides, perhaps, of the location?

Mr. WALSH. In answer to the Senator from Idaho, I will say that my understanding about it is that the bona fides are assumed. The man attempted bona fide to acquire title. What he did was simply to conduct prospecting operations until he had actually disclosed a valuable deposit of coal. His workings, however, were not of such a character as would suffice for the commercial extraction of ore from the mine, and he could not honestly say that he intended to use them for that purpose. My understanding is that the department now holds that that is insufficient for the initiation of a right, and that the right has not been initiated until workings have been constructed with a view to the extraction of coal commercially.

Mr. BORAH. Mr. President, I repeat that I have no doubt as to what the purpose of the amendment is; I simply desire to endeavor to arrive at a construction as to what it is so that there may be no misunderstanding hereafter; but I will not detain the Senate upon this matter now, because the bill will not pass out of the Committee of the Whole yet, and I desire to give it some consideration before I shall make up my mind as to the construction which should be given to the amendment. I only say now that the provision in the bill—

> subject to any prior valid existing rights, which said rights may be perfected under the laws in force at the time the same were initiated—

seems to me to cover the situation, unless we are going to reach over and take advantage of the peculiar situation or interpretation which arose under a peculiar state of facts at that particular time.

Mr. JONES. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Washington?

Mr. CHAMBERLAIN. I understand that there is nothing really before the Senate except my proposed amendment and that the amendment which Senators are now discussing has already been adopted.

Mr. JONES. Yes; but I should like to make one suggestion in connection with the remarks of the Senator from Idaho.

Mr. CHAMBERLAIN. I yield to the Senator.

Mr. JONES. I merely want to suggest to the Senator from Idaho that for several years the department made certain interpretations of the law as to what would be required of the coal entryman in initiating his entry in Alaska. That interpretation was followed for several years, and a number of entries were initiated under the law as then existing and as then interpreted. Several years thereafter, and before these entries had gone to patent, a different construction of the law was made; a different interpretation was given; different requirements were laid down for the entrymen under the same law that was existing at the time the entrymen made their entries. It is held that they are subject to that later interpretation.

It does seem to me—and that is the only purpose of the amendment—that any of those claims that are yet undisposed of should be disposed of under the interpretation of the law and the practice and rules of the department under which these people made their entries. If they comply with those requirements in good faith, it would seem to me—and that has been the practice of the department, too—that they should be permitted to make their proof. That is the sole purpose of the amendment. I hope the Senator will look into it very carefully. If he should be in sympathy with that proposition and does not think the amendment covers the ground, or if he thinks the amendment goes too far, I shall be very glad, indeed, to join with him in getting it perfected, for I do not want it to go any further than justice really requires.

Mr. SMITH of Arizona. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Arizona?

Mr. CHAMBERLAIN. Mr. President, I think it is hardly fair for Senators to ask me to continue to yield when there is really nothing before the Senate except the amendment proposed by me, the amendment which is being discussed having been adopted. I have yielded, I think, as much as I ought to be asked to yield on a matter which has been settled by the Senate. If any Senator wants to make a motion to reconsider the vote whereby the amendment of the Senator from Washington was adopted, it can come up later. I do not want to be discourteous to the Senator.

Mr. SMITH of Arizona. I merely desired to ask a question as to the particular amendment which is now being discussed.

Mr. CHAMBERLAIN. I do not think the Senator ought to ask it, as a matter of fact, until my amendment is disposed of.

Mr. SMITH of Arizona. It may take longer to dispose of it.

Mr. CHAMBERLAIN. I can not help that. The Senator can do as he pleases about that.

Mr. President, now I ask to have the amendment proposed by me stated.

The PRESIDING OFFICER. The Secretary will state the amendment.

The SECRETARY. On page 21, line 1, after the word "hereunder," it is proposed to insert the following:

An appeal to the Supreme Court of the District of Columbia may be taken from any judgment or order of the Secretary of the Interior canceling existing coal claims, and such appeals may be taken within the time, under such proceedings, and determined in the same manner as provided by sections 4911 to 4914, Revised Statutes, for appeals from the Commissioner of Patents.

Mr. CHAMBERLAIN. Mr. President, the amendment really speaks for itself, and even a word of explanation is hardly necessary; but I feel it my duty to say something in reference to the matter.

There are a number of people in my State—not a great many, but a few—who have coal claims in Alaska and who have been hung up, like Mahomet's coffin, between heaven and earth for many years. The whole condition with reference to these claims has been unsettled for a great many years. This amendment simply proposes to give the right of appeal from the Secretary of the Interior in cases where he cancels a claim.

I do not mean to question the integrity of the Interior Department, but it is a matter of recent history, Mr. President, that there has been more or less politics thrust into the question of the validity of the claims of these claimants in Alaska. Altogether I think there have been about 1,129 claims filed in the Territory. Of this number 561 have been canceled or have been really defaulted, because men became brain weary and heartsick over the delays of the department. Of those 561 claimants, a great many of them simply made default and abandoned all hope of ever having their titles perfected. Thirty-three of the 561 claims, I believe the so-called Cunningham claims, are the only claims which have been finally adjudicated determined, and canceled.

With the feeling which has existed in the department, many of these people who believe their claims are just want to have the right to go before the courts in the District of Columbia in order to have their rights determined in case the Secretary of the Interior decides against them.

I deem it but frank to say that the Secretary of the Interior, with whom I took the matter up, opposes this amendment; and in a letter which I received from him he states that the amendment—

would discriminate in practice and proceeding between the Alaskan coal claimants and other claimants of and applicants for public lands of the United States, in granting the former the right of appeal to the District of Columbia court and in withholding the same right from the latter class of claimants.

Mr. President, the Alaska coal claimants are treated differently, and in fact all of the coal lands of Alaska are treated differently, from the coal lands and coal claimants in other States and Territories. So that there is not anything in that position which the Secretary takes, that it will place the Alaska coal claimants in a different attitude and give them a right which other coal claimants have not in other States. He continues:

I am aware of no reason for making a distinction, for if it be desirable to provide for appeal from the final decision of this department to the courts of the District of Columbia, that right should be extended to the claimants for public lands in Montana or Oregon, as well as to the claimant in Alaska.

I have sometimes regretted, Mr. President, that that right has not been granted, not only to coal claimants but to claimants of public land generally. Under the decision of the Supreme Court of the United States the decision of the Interior Department is final, and I know of my own knowledge that in former years there have been many cases which have been finally determined by the department where, if the same question had been before courts of equity or other courts of the country, the decision would have been entirely different. The Secretary says, further:

I do not believe, however, that such legislation is necessary or advisable. The cases can, in my opinion, be tried as fairly and the law and facts considered and determined as well by this department as by the court and with less delay and expense to the claimants.

Mr. President, I do not question the ability of the department to try fairly and determine these cases, but they have been pending here for years, not only before a former department, but for two years during the administration of the present distinguished Secretary of the Interior; so that, while the department may be able to determine them readily and quickly, somehow or other they do not seem to do so.

As already indicated, the transfer of the cases—

Says the Secretary—

to the District of Columbia courts would involve the claimants in large additional expense, would necessarily delay the final disposition of the cases, and would, I think, serve no good purpose. My view therefore is that the suggested amendment is not desirable.

Mr. President, as I have said before, there are many of these claimants whose claims are valid. They simply want to have the right to go to the courts in case their claims are held for cancellation by the Secretary of the Interior apparently without reason.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Oregon [Mr. CHAMBERLAIN].

Mr. POINDEXTER. Mr. President, I only desire to say a word with reference to the amendment of the Senator from Oregon.

This matter was discussed a good deal in connection with these same claims, particularly when the controversy arose before the country as to the Cunningham claims. I dislike very much to oppose anything proposed by the Senator from Oregon, but it seems to me that, if we are going to have a dual system, part administrative and part judicial, it will tend rather to create delay than to expedite the decision of these matters.

I have thought at times that perhaps it might be well to establish a land court for the decision of land cases. That is a matter that is worthy of consideration at least; but to leave the administrative powers of the Interior Department as they are now, to have these cases take a long, tedious course through the Land Office, then before the Secretary of the Interior, and then to pile on that a long course of judicial proceedings in another tribunal would rather intensify than relieve the evils of the situation, and would put in the hands of people to whom the expenses of litiagtion are a small consideration a power to withhold lands from entry and settlement by honest people who desire to use them and to live on them.

Mr. CHAMBERLAIN. Mr. President, may I interrupt the Senator at that point?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Oregon?

Mr. POINDEXTER. I yield to the Senator.

Mr. CHAMBERLAIN. The Senator is doubtless aware that the right proposed to be granted by my amendment applies in patent cases to appeals from the Commissioner of Patents. In patent cases the right of appeal to the courts is preserved; and, while it is a right that is seldom exercised, nevertheless it is a salutary one. I do not believe, if this provision were embodied in the bill, that claimants whose claims had been handled would very frequently appeal to the courts. As a matter of fact, the Senator knows that the claims which were charged to have been really fraudulent have all been disposed of, anyway. The amendment applies only to existing claims.

Mr. POINDEXTER. I think it is a matter that ought to be considered in a separate bill. I think there is a great deal of force in the suggestion of the Secretary that one rule ought not to be made with reference to the Alaska coal claims and another rule retained as to all other claims.

Mr. WALSH. Mr. President, I regret very much to differ with the Senator from Oregon, with whom upon all these questions I usually find myself in entire accord.

The subject of a land court has been, as we all know, very extensively debated, and for many years. It has been argued, and with much force, perhaps, that often very intricate and profound questions of law arise in the determination of these questions before the Interior Department, and that the legal propositions, at least, ought to be subjected to review on direct appeal before some court. But, Mr. President, the sentiment of the country has never been crystallized in the form of law, if it obtains general recognition. My own judgment about it is that it does not; at least, it has never been sufficiently strong to induce the Congress to take up the matter seriously and consider the wisdom of now making a departure from the system which has been vindicated by an experience of over a century and a quarter, which places the disposition of these questions absolutely in the land department.

Mr. CHAMBERLAIN. Mr. President, may I interrupt the Senator for just a moment?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Oregon?

Mr. WALSH. I do.

Mr. CHAMBERLAIN. And yet this very bill, in section 15, departs from the old method of procedure, in that it gives the district court of Alaska jurisdiction of certain proceedings in forfeiture, and also where there are disagreements or controversies arising between the United States and any lessee

or other person. So, we are giving to these parties to the contract the right now to go into court.

Mr. WALSH. I think not, Mr. President, because this provision is incidental to the leasing feature. When the party got his title absolutely, in fee, the Government had no longer any interest in it and no concern about it, and there was no reason for any litigation. When he gets a lease, however, and that lease contains certain conditions, and the conditions provide for a forfeiture of the lease for failure to observe them, and a royalty is to be paid, then it will be observed that frequent controversies may arise between the lessee upon the one hand and the Government upon the other. We simply make provision for that here.

I do not desire at this time to engage in a discussion as to the wisdom or the unwisdom of making this departure from the settled practice. I do, however, assert that the suggestion made in the letter of the Secretary of the Interior, that it would be an invidious discrimination, can not be successfully met. I do not know how I could go home to my people in the State of Montana who are interested in establishing title to coal claims in my State and explain how I came to vote for an opportunity to claimants of coal lands in Alaska to have a review of their cases before a court if the Interior Department should determine against them while the same right was denied to one who asserted title to coal lands in my own State of Montana. I do not know what answer I should make to that.

But, Mr. President, if you could make an answer to it, the discrimination goes even further than is pointed out in the letter of the Secretary of the Interior, because you are going to give the claimant only of coal land in the Territory of Alaska an opportunity to appeal from an adverse decision of the Department of the Interior in his case. His neighbor, who is meeting with some difficulty in establishing his title to a piece of agricultural land, a homesteader, tries out his case through the local office and the Commissioner of the General Land Office and the Secretary of the Interior, and he is confronted with an adverse decision, and he has no right to appeal to the Supreme Court of the District of Columbia to reverse the decision of the Secretary of the Interior. So, likewise, a man attempts to obtain a patent to land valuable for gold, either a placer deposit or a quartz claim, and he finishes his course with the Secretary of the Interior. If the decision there is adverse to him, he loses his land.

I am unable to understand how we could justify ourselves before the claimant of a metallic mineral claim in the Territory of Alaska.

Mr. CHAMBERLAIN. Mr. President, may I interrupt the Senator for just a moment?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Oregon?

Mr. WALSH. I do.

Mr. CHAMBERLAIN. There is not any question that the laws might be amended if the subject of the disposition of agricultural lands were now before the Senate; but here is a bill dealing exclusively with the coal lands in Alaska, and it is therefore peculiarly fitting at this time that all the legislation affecting it and the method of procedure with reference to title should be included in the bill itself. It seems to me, speaking of the conditions in the Senator's own State and what excuse the Senator could make to his people if this discrimination were indulged in toward Alaska, that it is situated differently. The laws governing the two sections are entirely different.

Mr. POINDEXTER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Washington?

Mr. WALSH. I do.

Mr. POINDEXTER. I should like to ask the Senator from Oregon—who has had a distinguished career as a lawyer, as well as a governor and a Senator—if he does not think that a matter of the kind he now proposes ought to be referred to the Judiciary Committee and considered by that committee very carefully before it is acted upon by the Senate? And would it not be far more convenient, when such a proposition is considered, if it is considered as applicable to all of the public resources of the country, instead of taking out of it one territory and one particular set of claims, and undertaking in a very ill-considered and hurried manner to establish a mode of judicial procedure with reference to those particular claims?

Mr. CHAMBERLAIN. If the Senator will permit me a little further, as a general proposition that might be correct. If we had under consideration a measure establishing the land court, which has been advocated here before, it would be well to have it go before the Judiciary Committee and have their consideration; but here is a bill dealing with particular kinds of lands in a particular territory, and covering the whole subject. Therefore it seems to me that it would be entirely appropriate to consider now the question whether or not in particular cases particular decisions rendered by the Secretary canceling claims might not be appealed from. We all have confidence in the courts, and I do not see how anybody could object to granting an appeal to the Supreme Court of the District of Columbia from a decision of the Secretary of the Interior canceling a claim, if the claimant felt he had just cause for an appeal.

Mr. WALSH. I desire to say to the Senator from Oregon that if I did say to my constituents who are interested in coal claims that there is some difference between the coal laws applicable to Alaska and the coal laws applicable to my State, and if I were asked to point out the difference, it seems to me I should be unable to find out any difference that would justify granting an appeal in the one case and refusing to grant an appeal in the other. Undoubtedly there is some difference in the details. There is no question about that; but there is no such difference, it seems to me, as would justify any legislative body in granting an appeal in the one case and refusing to grant it in the other.

Now, let me continue further, I feel that the necessity for the land court is very largely dispensed with by an act passed at the present session, under which a board of review is appointed by the Secretary of the Interior, charged with the duty of trying these cases. That board, if the proper members can be found, will be constituted, at least so far as the appointment is made by the present Secretary, of men of the very highest character, men of acknowledged reputations as mining lawyers; and I believe they will act in the matter as though they actually constituted a land court. I trust when the nominations come in they will be of men whose reputation and whose character is so well known and so well established that it will give to the whole country a measure of confidence in the adjudications they may make.

The Senator from Oregon says he has great confidence in the present head of the Department of the Interior, and has no doubt that he would be governed by justice and right in the determination of these causes; but he remarked that causes have been pending there now for a year and a half at least, during the present administration, and have not yet been disposed of. The Senator from Oregon must recognize, and I am sure he does, that with the multifold duties now imposed upon the Secretary of the Interior it is next to impossible for him to consider these cases in the way that similar matters were considered in years gone by, when ex-Senator Teller was at the head of the Interior Department, or ex-Senator Vilas, of the State of Wisconsin, or other eminent lawyers—Justice Lamar, for instance. I think it will be appreciated that the present Secretary of the Interior, who is an able lawyer, has not had the time to sit down to consider these matters, and by reason of that fact this board of review has been created. Its members will be charged with no duty other than the duty of determining these causes as a court would, and I feel that in a very large measure they will take the place of a land court. Let me remark, however, that we have already put in this bill a provision that takes care of the delay feature.

Mr. CHAMBERLAIN. Mr. President, may I interrupt the Senator for just a moment?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Oregon?

Mr. WALSH. I do.

Mr. CHAMBERLAIN. I want the Senator to understand that I am not criticizing the Secretary of the Interior on account of the delay. As a matter of fact, I understand and appreciate fully the difficulties in the way. Besides, if this amendment were adopted, I do not think it would relieve that congested condition. I think the delay has been caused largely, both in this administration and in the former administration, by the difficulties of the situation, the doubts that have been in the minds of the former Secretary and this Secretary as to just what they ought to do. I think if this amendment were adopted it might possibly have the effect of expediting the matter a little in this way: The Secretary might feel, "Well, here is a case that has been pending before me for a long, long time, and I have been in grave and serious doubt as to how I ought to decide. I will cancel the claim and then leave it to the court to go into it more fully than I have been able to do."

I am not criticizing the department, because, having been a member of the Public Lands Committee when this subject was gone into, I understand as well as anybody how great the work has been and how congested the conditions there have been; and the Secretaries have all done just as well as they could under the circumstances.

Mr. WALSH. I understood the Senator to speak in that spirit; but we have now provided, by an amendment to this bill, that all of the pending claims must be decided within a year, and it does seem to me that with the effort that has been had in the past they ought to be disposed of within the next year.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Idaho?

Mr. WALSH. I do.

Mr. BORAH. I want to ask the Senator from Montana in regard to the board of review which was created here some time ago. Is it contemplated that this board of review will take the case originally as it comes on appeal to the Secretary of the Interior, or is it contemplated that the board of review will sit with the Secretary of the Interior, or review the decision of the Secretary of the Interior?

Mr. WALSH. I must say to the Senator that I have not studied in detail the provisions of the act so as to answer definitely, but my understanding about the matter is that they are really advisory to the Secretary of the Interior. They hear the matter as it comes on appeal from the Commissioner of the General Land Office; and the Senator knows, I suppose, at least in a general way, about how much attention the Secretary of the Interior would be able to give to the adjudications of a board so constituted. My own judgment about the matter is that he would perfunctorily O. K. their adjudications.

Mr. BORAH. I was going to say that this board of review would be a mere supernumerary unless that is true. There would be nothing gained by way of relief in time, and so forth, and in my judgment very little gained by way of relief in any other way, if the board of review is simply going to sit there to pass upon a decision made by the present deciding officials of the Interior Department. Unless this board of review takes these cases as they come originally to the Interior Department, there will be very little relief.

Mr. WALSH. Why, yes; I quite agree with the Senator from Idaho that it would be useless to put a board of review in the Interior Department to actually go over again the same matter that already had been gone over by the Secretary of the Interior himself. They would not reverse the Secretary, being subordinates of the Secretary.

I believe, therefore, that it would be unwise to adopt this amendment.

Mr. JONES. Mr. President, before the Senator takes his seat I should like to ask him a question. I did not hear the reading of the amendment at first. Does it apply to any cases that have been heretofore decided, or does it apply only to those that are hereafter decided?

Mr. WALSH. It applies to pending cases. It would not be applicable to those that have been adjudicated, or those that have been heretofore canceled.

Mr. BORAH. Mr President, I think if we had had the question of a land court up for consideration a number of years ago there would have been very strong arguments in favor of creating it. I think the manner of determining these matters in the Interior Department has always been in contravention to the fundamental principles of courts—that is, that no party should decide his own case. That is practically what the result has been in the administration of the public-land laws for the last few years. In other words, the party having the contest or making claim to the public lands, whatever land it might be, is placed largely in the position of going into a court where, to a greater or less extent, the feeling prevails that it is the duty of the court to look particularly to the interests of the Government which it represents. That would not be so bad, however, except for the fact that there grew up another custom and another method, and that was that when these contests would come up the Interior Department would send out special agents and special representatives to make investigations and report facts, and so forth, and oftentimes the contestant would never have an opportunity to meet those conditions or those facts at all. These men were appointed as confidential agents of the Secretary or the parties passing upon the matter, and their reports were accepted, as those things naturally would be accepted, by one whom you had appointed and in whom you had entire confidence. It resulted in a great many instances in injustice. I am not speaking now with reference to Alaska, but with reference to homestead entries, desert-land entries, and all other entries under the public-land laws.

But, Mr. President, these long years have passed, and we have had no land court, and we are practically at the close of the régime in which we have needed one. Our public lands are pretty well exhausted. I think, though, even at the present time, if the matter stood alone and in a separate bill covering all public-land entries, with the right to appeal in all matters, that I would be inclined to support the bill. I do think, however, that it is hardly a defensible proposition to create a special right to appeal to a court for a particular class of entrymen, not only in a particular territory, but a particular class of entrymen within that Territory. It seems to me that if we are going to legislate upon the subject we ought to legislate upon it in its entirety. If the Senator from Oregon will urge a general proposition of that kind, I shall be inclined to support it, although I think perhaps the great necessity for it has passed.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Oregon.

The amendment was rejected.

Mr. PITTMAN. Mr. President, I have examined the amendment of the Senator from Washington [Mr. JONES] since the discussion of it, and I am satisfied that the amendment accomplishes a result that the Senator from Washington does not desire. As I understood the amendment he offered, it referred to the rules and regulations of the department as interpreted at the time the rights were initiated; but the amendment as it reads refers to the interpretation of the laws. I think it well to hold the department to the interpretation of their rules and regulations with regard to the location of coal claims as interpreted at the time the locations were made, but not the laws.

Mr. JONES. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Washington?

Mr. PITTMAN. I do.

Mr. JONES. Why not? Why not their interpretation of the laws? That is what the entryman relied on.

Mr. PITTMAN. The laws were made by Congress.

Mr. JONES. Certainly.

Mr. PITTMAN. The rules and regulations were made by the department. The laws should be correctly interpreted.

Mr. JONES. Yes; but, Mr. President——

Mr. PITTMAN. Wait just a second. The interpretation of the rules and regulations as made by the department at the time the locations were made was a part of the rules and regulations themselves—that very interpretation. So I see no harm in requiring the Department of the Interior to respect the rules existing at the time of the initiation as construed by that department, because their construction of their own rules constitutes the rules; but I do not think that should apply to the law. The law is passed by Congress.

Mr. JONES. I simply want to make a suggestion to the Senator. Suppose the department interprets the law correctly, but a new Secretary comes in and after four or five years he puts a different interpretation upon the law, one that is really wrong. That is really the situation, in my judgment, with reference to some of these claims; and as I understood the Senator from Montana, he agrees with me in the proposition that the first interpretation of the law was correct.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Montana?

Mr. PITTMAN. I do.

Mr. WALSH. While the Senator from Montana simply expressed the opinion that that was right, I do not give that as my final opinion. That is simply an impression I have. I should like to put it to the Senator from Washington the other way. Suppose, as a matter of fact, the original interpretation of the law was wrong and the present one is right?

Mr. JONES. Even in that case I would say this, Mr. President: There is just as much reason in protecting the settler and giving him his rights under a wrong interpretation of the law as there is in taking away rights properly initiated by a wrong interpretaton of the law.

Mr. PITTMAN. Mr. President, let me answer that.

Mr. JONES. Just a moment. Of course I did not intend to say that the Senator from Montana was convinced in his mind as to the interpretation of the law, but that it was his impression, as he has stated. Let us assume, however, that the law as it was interpreted for 15 or 20 years was correctly interpreted, and entrymen have made entries under that law as then interpreted, but they have not secured their titles. A new Secretary comes in and he interprets the law in a different way, and in a way that takes away their claims. It seems to me that there can be no justice upon the part of the Government in taking advantage of an interpretation of that kind——

Mr. WALSH. Mr. President——

Mr. JONES. And the entryman has no remedy.

Mr. WALSH. That is what I desired to present to the Senator. Why has not he a remedy?

Mr. JONES. Well, what is it?

Mr. WALSH. Take the particular instance here. Suppose the department should erroneously determine the law; that is, suppose it should determine that although the man had proper prospecting shafts and other workings at that time, as a matter of law the law required him to have actual commercial developments. Now, he is denied the property and it goes to some one else. He has an opportunity to go into court and have the other party declared a trustee in his behalf. The Senator himself has undoubtedly prosecuted cases of that character.

Mr. JONES. As I understand, of course the Secretary's decision is final upon the facts, and the Secretary's finding is so made that the court does not get jurisdiction of it. I want to call the Senator's attention to the fact that that has been the policy of the department when the department has had rights initiated under the homestead law. I have in mind a particular case that was decided not a great while ago upon a motion for the exercise of the supervisory power of the Secretary of the Interior. The basis for it was that the decision had been made and the entryman's rights determined upon an interpretation that was different from that which existed at the time of the initiation of his entry. In the exercise of the supervisory power of the Secretary of the Interior, the Secretary followed the very rule that the department itself had laid down—that in the adjudication of these cases they should be passed upon in accordance with the interpretation of the law, rules, regulations, and practice of the department at the time the claim was initiated.

I have no doubt the department adopted that rule simply as a matter of justice to the entryman himself, and it seems to me that it is a just and fair rule. I see the point the Senator from Nevada makes, but I can see just as much injustice in not following the usual interpretation of the law with reference to the initiation of claims that were initiated while such interpretation was pending as in changing the rules and regulations, so far as that is concerned, because they have the effect of law. I will say to the Senator that the purpose of my amendment was not only to cover rules and regulations and the practice of the department, but also its interpretation of the law that was in effect when these claims were initiated.

As I suggested a moment ago, I copied that language largely from the declaration or rule of the department itself, which reads as follows:

> Every claimant for lands under the public-land laws is entitled to have his claim adjudicated under the interpretation of the law, the rules and regulations, and the practice in force at the date his right attached to the land.

So the department itself recognizes the condition that may come about by the department applying a different interpretation. My amendment was intended to cover that, and to go that far.

Mr. PITTMAN. Mr. President——

Mr. JONES. Unless it is desired to reconsider at present, I should like to have the Senator reflect upon that matter. While I would be willing to have it considered further by the Senate, and of course would not cut off anything of that kind, I felt the matter might be perfected in conference and put in shape so as to meet the situation which really confronts us.

The Senator, of course, is familiar with the situation in Alaska. The law from 1873, I think it was, to 1907 was interpreted in a certain way and claimants were required or expected to do certain things in order to be entitled to make their proof, but in 1907 a different interpretation was placed upon the law and, according to that interpretation, different requirements were made of entrymen, and some of those who had applied and initiated rights under the law as interpreted since 1873 found themselves confronted with a new interpretation of the law. This is just to meet that situation, because it seems that the application of such an interpretation would be wholly unfair, wholly unjust, and deprive those people of the results of their labors and their expenditure in going in there under the interpretation the department had given to the law.

The PRESIDING OFFICER. The Chair understands the Senator from Nevada to move to reconsider.

Mr. PITTMAN. Not yet. I still have the floor. I misunderstood the amendment of the Senator. I thought it referred to the rules and regulations of the department. I believe the Senator is right in regard to the rules and regulations of the department, because the department makes the rules and regulations, and their interpretation of the rules and regulations ought to become a part of the rules and regulations. In other words, if the department is asked what they mean by certain rules and regulations and they give an answer, then a locator of a coal claim has the right to act upon that interpretation, but when it comes to the interpretation of a law enacted by Congress no interpretation should necessarily be binding. An interpretation of a court is persuasive, and an interpretation of a superior court is generally followed by an inferior court, but we might just as well pass a law stating that the ruling of the court with regard to a certain state of facts should govern in all similar cases. We know that courts reverse themselves and we know that the Supreme Court of the United States has reversed its decisions. We believe in the reversal of the decisions when the former decisions were wrong.

For instance, in this very case, suppose just subsequent to the initiation of these claims it had been held that they were not initiated under the law; but suppose, as a matter of fact, that at the present time it should be held that they were initiated under the law, your rule would require them to lose their claims, because heretofore it had been interpreted that they did not conform to the law, whereas at the present time, as the courts might look upon it, they had complied with the law. So, while the rule you are attempting to make under the present state of facts might benefit those coal claimants, such a rule in another case might be equally injurious. I simply bring that up to show that any legislation which attempts to state that any prior adjudication of a law shall be final is dangerous in its very nature, and I can never agree to it.

What I have said before is that the rules and regulations are a different thing. They are made by the department. They are a direction to the locator as to the method of acquiring property, and, of course, the interpretation by the department of those rules should bind the department, because the interpretation becomes a part of the rules, and it would not be fair to a locator who has followed——

Mr. JONES. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Washington?

Mr. PITTMAN. In just a minute. It would not be fair to a locator who has followed the instructions of the very department that created the rules to be subsequently told that he had not followed the rules correctly. For that reason I think this matter should be put in a different form as an amendment. I want to see it put in a different form. I am perfectly willing to see it affect the rules and regulations, but not the law. I am compelled, therefore, as one who voted in favor of it under a misapprehension of the form of the amendment, to move its reconsideration.

The PRESIDING OFFICER. The Senator from Nevada moves a reconsideration of the vote by which the amendment of the Senator from Washington [Mr. JONES] was agreed to.

Mr. JONES. Mr. President, I am not going to oppose the motion to reconsider, because I want the Senate to consider it, as far as that is concerned, and I am acting in perfect good faith in this matter; but I wish to suggest to the Senator from Nevada that here is a rule of interpretation under which equities have arisen. Those equities should be protected. Even though the original interpretation of the law may have been wrong, yet it does seem to me that when equities have arisen under such an interpretation those equities should be protected. That has been the policy of the department. It has been the policy of the department for years and years. It may be that that situation would be covered, but I wanted to ask the Senator does he think that the situation I really have in mind would be covered and met by the words "rules, regulations, and practice of the department"? I will say that I am rather inclined to think that might meet the situation, leaving the other reference in the act to the laws in force at the time as it is in the amendment. I should like to have the opinion of the Senator on that point.

Mr. PITTMAN. I am inclined to think that would be sufficient, and yet it would not attempt to construe finally the act itself. In other words, I do not believe in the Department of the Interior attempting to construe the meaning of Congress finally until it is presented in a proper case.

Mr. JONES. I wish to direct the Senator's attention to this situation: The Senator says Congress makes the law. That is true, and yet in this case the department is unmaking the law absolutely. The department interpreted the law as they thought it was and as we think it is, and as I believe it has been for twenty-odd years. Yet in 1907 the department made a different interpretation and nullified the law. There is certainly nothing just and fair in that. It does seem to me that when the equities and rights of the settler come up we ought to recognize those rather than such a strict adherence to the law. The settlers ought to be protected. The United States does not suffer. The United States is not wronged, but the wrong is done by the Government, by the officers of the Government, acting in perfect good faith, of course. If anybody should suffer, it ought

to be the Government itself, but the Government would not suffer.

If I was satisfied that the language, "the rules, regulations, and practice of the department" would be sufficient, I would have no objection to cutting out the rest, but the department itself in several cases here, I think, has adopted that language. In fact, here is the rule that was laid down in the department April 19, 1913:

Until otherwise directed, any departmental decision which proposes to overrule a previously settled construction of law or settled practice under which property rights may have been acquired shall be submitted to the Secretary for his personal consideration and signature.
CLEMENT L. UCKER, *Chief Clerk.*

Here is the case of the Rough Rider and other lode-mining claims, decided December 26, 1913, in which the Secretary finds as follows:

It was upon showings such as this that entries and patents were allowed for mining claims in this region at the dates of the locations and entries of the claims here involved. There can be no question, therefore, that at those times a more liberal rule with reference to mining locations situated in this region prevailed in the Land Department than that applied by the department with respect to the claims here in question in its decision of January 31, 1911, and that had said earlier rule been followed with regard to these locations they would, in the absence of other objections, have passed to patent. This being true, and it appearing that these locations and others in that vicinity, based on the same character of discovery, had been, in reliance on such rule, purchased and dealt with as property, the department is now of the opinion that the rule under which the entries were canceled should not have been given retroactive application to the prejudice of the owners of the claims; but, on the other hand, that the said previous and long-continued practice of the Land Department established a rule of property to such claims which should have been adhered to and followed in the determination of this case.

While that decision applies the interpretation of the law and the principle for which I am contending, I do not know but that it also rather carries out the idea that the words "rules, regulations, and practices of the department" would probably meet.

Mr. PITTMAN. If the motion to reconsider is carried, I offer this suggestion to the Senator—after the word "initiated," on page 14, line 3, to insert "and under the rules, regulations, and practices of the Land Department relative to the acquisition of such rights as interpreted by the department at the time of the initiation of such rights."

Mr. JONES. "As interpreted and applied."

Mr. PITTMAN. I have no objection to adding the word "applied."

Mr. JONES. Mr. President, while I would rather the Senate would not reconsider and let the matter go to conference and let the conferees work it out, of course, if the Senate does vote to reconsider I shall hope, at any rate, that that amendment shall be adopted, because I shall take the motion to reconsider as an expression on the merits of the proposition. I will not discuss it further, because it has been discussed.

Mr. PITTMAN. I ask for a vote.

Mr. JONES. But I do hope the Senate will not reconsider it, but will let the matter go to the conference and will let the conferees work it out.

The PRESIDING OFFICER. The question is on the motion of the Senator from Nevada [Mr. PITTMAN] to reconsider the vote by which the amendment of the Senator from Washington [Mr. JONES] was agreed to.

The motion to reconsider was agreed to.

Mr. PITTMAN. Now I move as a substitute for the amendment of the Senator from Washington the amendment that I send to the desk.

The PRESIDING OFFICER. It will be stated.

The SECRETARY. On page 14, line 3, after the word "initiated," insert:

And under the rules, regulations, and practices of the Land Department relative to the acquisition of such rights as interpreted and applied by the department at the time of the initiation of such rights.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Nevada.

The amendment was agreed to.

Mr. POINDEXTER. I present the following amendment.

The PRESIDING OFFICER. It will be stated.

The SECRETARY. Substitute for section 2 of the bill, page 13, the following words:

SEC. 2. That the President is empowered, authorized, and directed to cause to be reserved from private appropriation or lease, in such tracts and locations as he shall determine, one-half of the coal lands and coal deposits in Alaska owned by the United States, including at least, as near as can be estimated, one-half of the high-grade coal (and no coal lands or coal deposits whatsoever in Alaska shall hereafter be disposed of except by lease, as hereinafter provided, and in any public lands hereafter alienated by the United States in Alaska there shall be reserved to the United States title to all coal deposits therein); and he is further authorized, empowered, and directed to cause coal mines to be opened and equipped on the public lands in Alaska so reserved, and to provide for the transportation, distribution, and sale of the products of the same to the Government railroad or railroads, to the United States Army and Navy, and other Government services, and to other purchasers.

Mr. POINDEXTER. Mr. President, I do not desire to speak upon this amendment other than to say that it follows substantially the bill, but makes more specific the power of the President to sell coal to the public, and instead of leaving it in the discretion of the administrative bureaus to open mines for the supply of the Army and the Navy and the Government railroad it directs that to be done.

One of the changes which I think is important is that it reserves for these purposes and for any future disposition that the Government might see fit to make one-half of the coal area in Alaska. The bill reserves only 8 square miles in the Bering River field.

Mr. WALSH. Twelve square miles; and twelve times 640 are 7,680.

Mr. POINDEXTER. That is the Matanuska field.

Mr. WALSH. Yes; the Matanuska field.

Mr. POINDEXTER. It reserves only 8 square miles in the Bering River field and 12 square miles in the Matanuska; and that is a very small part of the estimated coal area of those two fields, which is 400 square miles.

Furthermore, there are areas of coal far more extensive than these fields in other parts of Alaska. It seems to me that a wise and a foresighted policy on the part of the Government would induce us to reserve one-half, leaving the enormous area—one-half of the coal lands of Alaska—for private operation under the bill.

I am very much in hopes that the Senators in charge of the bill will agree to this amendment.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Washington [Mr. POINDEXTER].

Mr. PITTMAN. I wish to move as a substitute for that amendment to insert, after the words "Matanuska field," on page 13, line 9, the following:

And not to exceed one-half of the other coal lands in Alaska.

And after the word "from," in the seventeenth line, to insert the words "monopoly or," so that it will read:

For national protection and for relief from monopoly or oppressive conditions.

The VICE PRESIDENT. The amendment is agreed to, without objection.

Mr. SHAFROTH. I should like to have an explanation of that amendment. What is the effect of it?

Mr. PITTMAN. The first amendment is offered for the purpose of reserving one-half of all the coal lands in Alaska, with the exception of lands in the Bering field and the Matanuska field. The amount of coal in those fields is practically known by the Geological Survey. We find that the amount reserved in actual figures is 5,120 acres, about half of the available coal in the Bering field, and that the amount reserved in the Matanuska field is nearly one-half of the available coal in that field. As to the other fields of Alaska we have not any information sufficiently definite, and therefore I simply propose as to all the other coal fields in Alaska that the Government should reserve half.

As to the amendment inserting the word "monopoly," it has been suggested by the Senator from Washington that this bill might be construed only to authorize the President to operate on reserved area for the benefit of Government works and for the benefit of the Navy, and not for the benefit of the public. So I have added the words "monopoly or" for this reason. It would then read:

For national protection and for relief from monopoly or oppressive conditions.

It was one of the objects of reserving these coal lands that if, in spite of all the safeguards thrown around the protection against monopoly in the bill, monopoly should arise, then the Government would be authorized to reserve areas for the purpose of relieving against such monopoly. I think that language covers it.

Mr. SHAFROTH. Mr. President, I can not conceive that anybody who has understood the western situation and the direful results that have come from the withdrawal of public lands and the reservation of such lands would want to have any more reserved. Surely, Senators do not understand the situation. If you are going to close this very land and lock it up for something for the Government to do and then make a broad and sweeping provision of withdrawal, I can not conceive how any western Senator can agree to it.

Mr. President, it seems to me that we are going wild in the matter of attempting to hold lands undeveloped. The result, in my judgment, would be—inasmuch as there is no policy provided so far for the Government to work these mines, but just simply to lock them up and even lock them up from lessees as

well as lock them up from purchasers—that no territory on earth could be developed under such conditions.

Here is a proposition to take in not only these specific reserves, but one-half of all the balance of the coal land in Alaska.

Mr. President, I can not conceive that the Senate of the United States can more absolutely prevent development there than by the adoption of the substitute or the proposition of the Senator from Washington. Therefore I hope it will not prevail.

Mr. POINDEXTER. Mr. President, there will be no danger of curtailing investment and the industrial development of coal mines either by the substitute of the Senator from Nevada or by the amendment which I offered.

I hold in my hand a report of the Geological Survey in which it is stated, based on a great number of years of most careful reconnoissance and a number of actual surveys, that the total known coal fields include an area of about 12,667 square miles. If we throw open one-half of that to private development, and institute a policy of Government development largely for Government purposes or for the other purposes specified in the amendment with the remainder, there certainly can not be any logical or valid objection that we are unduly locking up coal lands.

I only desire to add, Mr. President, that I do not want to be put in the attitude, as announced by the decision of the Chair, of consenting to this substitute. I will not ask for a roll call. I think that the amendment which I offered, reserving one-half the coal lands in the Bering River and Matanuska fields, is preferable, and also the other language of the amendment. I will ask that the substitute be put to a vote.

Mr. SHAFROTH. I will say that I think the substitute is better than the provision which the Senator has offered, and I would vote in favor of the substitute as against his amendment, but I will vote against the substitute when it comes up.

The VICE PRESIDENT. Under the well-known rule of the Senate the amendment proposed by the Senator from Nevada [Mr. PITTMAN] is first in order. The question is on the amendment.

The amendment was agreed to.

Mr. POINDEXTER. I offer the following amendment.

The VICE PRESIDENT. The question now recurs on the amendment offered by the Senator from Washington.

Mr. POINDEXTER. I thought that was precluded.

The VICE PRESIDENT. The committee has now perfected the text, and the Senator's amendment is to substitute a complete section for the perfected section.

Mr. SHAFROTH. I understood that the amendment offered by the Senator from Washington was a substitute.

The VICE PRESIDENT. It is, perfecting the text of the original report from the committee.

Mr. SHAFROTH. I think the Senator from Washington so understood it.

Mr. POINDEXTER. I am not differing from the Chair in regard to it. I am perfectly willing to accept that ruling, but I understood that the vote was upon the substitute offered by the Senator from Nevada for the amendment which I offered, and that the adoption of the substitute put his substitute in the place of my amendment.

The VICE PRESIDENT. This has been, I think, the ruling a hundred times since I have been here. There is not any doubt about the rule. The committee first perfects the text, and that is always the first question, because a proposed substitute is not in order until the text is perfected. The motion of the Senator from Nevada [Mr. PITTMAN] was to perfect the text of section 2, and the Chair has ruled that the motion was carried. Now the Senator from Washington [Mr. POINDEXTER] proposes as a substitute for section 2 what will be stated by the Secretary, and it is now in order to be voted upon.

The SECRETARY. It is proposed to strike out all of section 2 and to insert section 2 as printed in the amendment of the Senator from Washington, as follows:

SEC. 2. That the President is empowered, authorized, and directed to cause to be reserved from private appropriation or lease, in such tracts and locations as he shall determine, one-half of the coal lands and coal deposits in Alaska owned by the United States, including at least, as near as can be estimated, one-half of the high-grade coal (and no coal lands or coal deposits whatsoever in Alaska shall hereafter be disposed of except by lease, as hereinafter provided, and in any public lands hereafter alienated by the United States in Alaska there shall be reserved to the United States title to all coal deposits therein); and he is further authorized, empowered, and directed to cause coal mines to be opened and equipped on the public lands in Alaska so reserved, and to provide for the transportation, distribution, and sale of the products of the same to the Government railroad or railroads, to the United States Army and Navy, and other Government services, and to other purchasers.

Mr. LANE. Mr. President, I would like to ask the Senator from Nevada what objection there would be on the part of the committee to accepting that amendment? You are endeavoring, as I understand it, to utilize the coal of Alaska for the benefit of the people of Alaska, to relieve them from onerous conditions which makes it rather hard for people to go into that country and open it up. What objection would you have to the Government standing on its rights and holding the balance equally, weighing it to a hair's breadth in justice as between the people and the lessee, the private owner, or the man who will hold it under lease for 50 years? If the committee and if this Congress want to protect the rights of the people in that coal and allow them to participate in the benefits from it, why not allow this? What objection would you have to accepting the proposition?

Mr. PITTMAN. I do not know whether or not the Senator was in the Chamber at the time, but I have just introduced an amendment which provides for that very purpose.

Mr. LANE. On Bering River, how much do you allow and how much is the total area?

Mr. PITTMAN. I once before stated that there are about 13,000 acres in that very field, according to the Geological Survey, of Bering coal, and that the Government has reserved 5,120 acres out of the 13,000 acres.

Mr. LANE. That is what I understood. In the event that by further discovery or investigation it is found that there is more than that in the Bering River region and more in Matanuska and in Nenana than is mentioned, the Government is circumscribed and bound to a certain definite acreage which is stated here. In the event that it is less, the Government will have the better of it, but you are taking the chance and there may be more. If you are trying to give them half, why not say so in the bill, as the Senator supposes he has done in his amendment? It seems to me that would be a good thing.

There is another thing to which I would like to call the attention of the Senate at this time. Here is a system of leasing for 50 years—a definite period. In all franchises which have been granted in this country it is found that in the latter half of the term of those franchises, the expiring period, the lessee or the person holding the franchise allows the property to deteriorate.

The franchises which were granted in Massachusetts in 1856 for an indeterminate period, with a provision that they should be subject to revocation at any time that the property was managed in a manner which would cause a just complaint to be lodged in a court of justice—in a State court or in a Federal court—that the very moment in which it could be proven that the property was not managed in the interest or was managed contrary to the interest of the general public, the franchise should cease to exist, are the best franchises that have ever been granted in this country, as nearly as I have been able to ascertain, after some study of the subject. Other franchises have given trouble. The owner of such a franchise or of such a lease, knowing that it would not be terminated so long as he kept faith with the people, would carry it on as nearly as he could justly, would keep the property in good shape, and would not allow it to deteriorate. There has never been one of those franchises as to which there has been a complaint lodged.

I was going to ask if you would consent to insert in the bill a provision to that effect, rather than to fix a period which always brings about that state of affairs in the expiring portion of a lease or a franchise. Why not insert a provision here whereby the lessee shall forfeit his lease at any time he does not comply with the terms of the agreement, making it forfeitable at that period when it can be proven in one of the duly constituted courts of law? Would the Senator have any objection to such a provision?

Mr. PITTMAN. Mr. President, I will discuss that later, and perhaps we may agree on something; but the amendment which has just been read we have before us, and I should like first to dispose of that.

Mr. SHAFROTH. Will not the Senator from Nevada tell the Senator from Oregon exactly what his amendment is? He did not state all of it to him.

Mr. PITTMAN. I think the Senator from Oregon was here and heard my amendment stated.

Mr. SHAFROTH. I do not think he heard it.

Mr. PITTMAN. The other question I will take up a little later on. I think that is the orderly manner. I offered an amendment to take the place of the amendment which the Senator from Washington has offered, which is now to be voted on; and I think it covers the same ground.

Mr. SHAFROTH. I should like to have stated from the desk the amendment which the Senator from Nevada proposes.

The VICE PRESIDENT. The original section as perfected by the committee?

Mr. SHAFROTH. As perfected by the amendments which have been made up to this time.

The VICE PRESIDENT. The Secretary will read as requested.

The SECRETARY. Section 2 as amended by the amendment of the Senator from Nevada reads as follows:

SEC. 2. That after the execution of the surveys provided for in this act the President of the United States shall designate and reserve from use, location, sale, lease, or disposition not exceeding 5,120 acres of coal-bearing land in the Bering River field and not exceeding 7,680 acres of coal-bearing land in the Matanuska field, and not to exceed one-half of the other coal lands in Alaska: *Provided*, That the coal deposits in such reserved areas may be mined under the direction of the President when, in his opinion, the mining of such coal in such reserved areas, under the direction of the President, becomes necessary, by reason of an insufficient supply of coal at a reasonable price for the requirements of Government works, construction and operation of Government railroads, for the Navy, for national protection, and for relief from monopoly and oppressive conditions.

Mr. SHAFROTH. I should like to call attention to the fact that the words which have been inserted are "not to exceed one half of the other coal lands in Alaska."

Mr. LANE. Mr. President, if I may be allowed, those other coal lands are scattered through Alaska. Some of them are inside of the Arctic Circle, and there the people need coal perhaps worse than they do anywhere else. The quality of the coal is not quite so good, so far as I understand, and the original bill would allow free access to lessees to that coal. Now, it strikes me, and it has seemed to me—and I intended to say it this morning when I innocently caused the verbal combat between other Senators—that the amount of coal in Alaska is a limited quantity. There is an end to the coal measures; it is not a recurring crop; you can not go out and sow the seed and raise coal the same as you do corn or cotton or wheat or potatoes. It was put in the earth by nature for the benefit of mankind, not for you nor for myself nor for your neighbor or for mine, nor for your children nor for my children, but for our children's children clear on until the time when the trumpet sounds the expiration of the time of the existence of man on this earth. It is the duty of the Government, or those who represent the people to handle that limited supply of wealth for the benefit of all mankind. Believing that, as I do—and I believe it—I feel that it is our duty, that it is the duty of the Government, in relation to such articles as coal or other necessary resources—not gold, which is not nearly so necessary to the well-being of man as is iron—that we conserve them.

That is why I offered the amendment here a while ago that the Government should take control of these deposits, should mine them for the benefit of the people, and issue them to the people to the extent of their needs without allowing any man to seize upon them for his private benefit or private gain or for selfish profit—profit which would have to be repaid tenfold in the misery and the suffering of other people.

That is why I am asking now for the retention in the Government of at least one-half of the coal lands of Alaska, not by a guess as to their quantity. The assignment made in this bill may prove to be too much; it may prove to be less than one-half. It seems to me that the people who are to follow us and build up the country are entitled to at least half of the natural resources within our boundaries if they are unable to secure more.

Mr. SHAFROTH. Mr. President, does the Senator realize that the coal fields up there which are known now would supply the world at the present rate of consumption for more than 100 years and would supply the Pacific coast for 5,000 years? Does the Senator want that locked up all that time, waiting for 5,000 years?

Mr. LANE. Mr. President, I was reading an article in one of the scientific journals the other day, in which there was shown a cut of a piece of mica. It was brown mica, such as many of you have noticed, with a spot, a radiating starlike looking spot, upon it, which has been noticed in mica for many years and which has always puzzled miners as to why it should be between the compact layers of the mica. A scientist in studying it out has found that it was made by the impingement of minute radioactive particles fired out by radium, or one of the subsalts less active than pure radium, and that it has taken to produce those spots, which are no larger than a copper penny in mica, which is one of the oldest substances known to geologists, 400,000,000 years. If the earth has been in existence that long—and it seems to prove that it has been in existence that long or thereabouts; you might leave off a hundred million or two hundred million years if you like; I am not particular about that; I would not insist upon it—but for the period in the future in which mankind is to live upon this earth without being ground down to some inefficient substitute in order to keep warm in winter, it might be well that we conserve our supply of coal to the extent that it may not be wasted and may last for the benefit of those who shall come after us.

Mr. WHITE. Mr. President, I should like to ask the Senator from Oregon, who speaks of one-half being reserved, did it ever occur to him which half?

Mr. LANE. The best half, Mr. President.

Mr. WHITE. I mean under the amendment which has been proposed.

Mr. LANE. I will say, in reply to the Senator, that I have an idea that the half which the Government will get when the selection is made will be the leanest and the poorest half, and the most inaccessible and the hardest to mine. I have no hope that the Government will get the best of it.

Mr. SHAFROTH. Does not the Senator recognize that under this bill the President can select whichever half he thinks best? Will he not select the best half?

Mr. LANE. I do not think the President, as wonderful a man as he is, is a good judge of coal mines, and probably he will not be able to appoint a man who will guess well on the subject.

Mr. POINDEXTER. Mr. President, the amendment which I offered provides that the portion which the Government reserves shall contain one-half of the high-grade coal. I think that that is an important provision. So far as the statement of the Senator from Colorado is concerned, that there is enough coal in Alaska to supply the generations of the human race for 5,000 years, if that is true I should think that one-half of it would be enough to turn over to private ownership. It is not so much a question of how much coal is there to supply our people who need it now as it is a question of alienating it for indefinite periods. Under the terms of this bill, which provides for a renewal of the leases at the end of 50 years, perhaps the coal lands would be leased for all time.

Mr. SHAFROTH. Mr. President, I will state to the Senator that, according to the Geological Survey report, there is enough coal in Colorado in private and public ownership together to supply the world for 300 years and more, and in Wyoming there is enough to supply the whole world for 441 years according to the present rate of consumption.

Mr. POINDEXTER. Most of that is in private ownership.

Mr. SHAFROTH. No; hardly any of it is. Only 2.8 per cent of it is in private ownership in the State of Colorado. Although we have had liberal land laws under which the coal lands could have been taken up at $10 an acre for 50 years, yet only 2.8 per cent of it is in private ownership. I do not believe there is as much in private ownership in the State of Wyoming. The theory that we are going to have a coal famine does not appear to me to be tenable. You could not have a coal famine according to present indications, for——

Mr. SMITH of Arizona. Two or three centuries.

Mr. SHAFROTH. Not only for two or three centuries, but for thousands and thousands of years.

Mr. POINDEXTER. We could have a coal famine a great deal sooner than that if we turned the ownership of coal lands over to private monopoly. One great trouble is the holding of the land undeveloped.

Mr. SHAFROTH. Mr. President, you can not have monopoly in Alaska, because there is a statute applicable to that Territory which provides that no corporation, directly or indirectly, by any device whatsoever, shall own more than 2,560 acres under penalty of forfeiture.

Mr. POINDEXTER. The Senator has a great deal of faith in that statute, and I myself think it is a fine statute; but I have not nearly so much faith in its actual beneficial effects as has the Senator. We have a statute which provides that there shall not be a monopoly anywhere, that there shall not be combinations in restraint of trade; but we have monopolies in nearly all of the necessities of life, and we are taxed more by those monopolies than we are by the Government for the support of all its departments, notwithstanding the statute.

Mr. SHAFROTH. There has not been any attempt, Mr. President, to enforce the antitrust law to speak of until recently; but corporations are being limited right now, and under the Sherman Antitrust Act I have not any doubt there is going to be a great curb on monopoly in this country. Of course, when that antitrust statute was enacted very few thought there was any validity in it; nobody tried to enforce it; but a public sentiment has grown up against monopolies and combinations, and that statute is now being effectively enforced. So when we have a statute applicable to Alaska which prescribes that no corporation, by any combination of directors or otherwise, directly or indirectly, shall in any way or by any device own more than 2,560 acres, it seems to me that if we have any confidence in our courts or any confidence in our public offi-

cials that limitation will be just as effective as a part of the general statutes as if it were made a part of a lease.

Mr. POINDEXTER. Mr. President, I have a letter from the Director of the Bureau of Mines in response to a direct inquiry, in which he states:

> The explorations made up to date indicate an area for the Bering River coal field of something more than 50 square miles and for the Matanuska coal field of probably 75 square miles, making a total of 125 to 150 square miles for the two fields.

Of course, as has already been stated, that is a mere estimate—the actual area of coal-bearing lands can not be accurately determined—and so it is all the more important that there should be a provision which should be elastic enough to cover conditions as they develop.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Washington to the amendment.

Mr. SMITH of Arizona. Mr. President, I should like to ask the Senator from Washington a question. I see that the amendment of the Senator, at the top of page 2, empowers and directs the President to cause coal mines to be equipped, opened, and so forth. Does not the Senator think it would be well to leave out the word "directed" at this time? I should like to suggest that amendment to the Senator. If he would consent to leave the direction out, I think there would be less objection to his amendment. It occurs to me that we are anticipating conditions somewhat to direct the President at this time to go into Alaska and operate coal mines. I think the purpose would be subserved if the discretion were lodged in the President.

Mr. POINDEXTER. Of course the Senator will observe that there is no requirement in the amendment as to the extent of the operation which the Government is directed to undertake. As we all know from experience—and the Senator has commented on it many a time—we sometimes have subordinate officials in charge of these affairs who are quite unreasonable, but at the same time, on account of the enormous avalanche of work, the administration frequently has to be guided by the action and advice of such officials. So I thought that it was a great deal better not to leave to their discretion the question of opening some coal mines, for the reason that the Government will soon be constructing a railroad in Alaska, which will consume a large quantity of coal both in its construction and in its operation, and the economy of using coal which lies in beds alongside of the railway lines, both being owned by the Government, is so obvious and so conclusive that it seems to me the use of it ought to be prescribed by Congress and not left to the discretion of any official.

Mr. SMITH of Arizona. Mr. President, the trouble is that the President is directed to open coal mines. That provision will take effect on the passage of his bill. The railroad which we are going to have built, as the Senator knows, will not be in operation for years. Thirty-five million dollars have been appropriated for that railroad, but no work has yet been done on it, so far as we know. We know the slowness with which that great enterprise must necessarily be carried on. So it seems to me it would be a mistake at this time to direct the President, when there is no exigency demanding it and when we do not know what the expense would be, to open and begin the operation of coal mines. I think the amendment would be in better form if there were left out the direction to the President to enter at once upon this work, and it were left in his discretion to proceed along that line whenever the exigency should occur or the necessity arise. The President, of course, would act, under the powers granted in the bill, without the directing clause, if the occasion should demand that he so act.

Mr. POINDEXTER. Mr. President, I will call attention to one further fact, and then I will conclude. The Senator gives an effect to the word "directed" there which I think the amendment does not contemplate. I do not think the amendment requires the President to start immediately; in fact, it does not say when he shall enter upon the work. The truth of the matter is that it still leaves, notwithstanding the use of the word "directed," very wide discretion in the President, in reality complete discretion, as to the time when he shall enter upon this work and the extent to which he shall go.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Washington.

Mr. NORRIS. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. SMITH of Georgia (when his name was called). I transfer my pair with the senior Senator from Massachusetts [Mr. LODGE] to the junior Senator from Tennessee [Mr. SHIELDS] and will vote. I vote "nay."

Mr. SMITH of Maryland (when his name was called). I transfer my pair with the senior Senator from Vermont [Mr. DILLINGHAM] to the junior Senator from Kentucky [Mr. CAMDEN] and will vote. I vote "nay."

Mr. WALSH (when his name was called). I am paired with the senior Senator from Rhode Island [Mr. LIPPITT]. For the present I withhold my vote.

The roll call was concluded.

Mr. MYERS. I transfer my pair with the junior Senator from Connecticut [Mr. MCLEAN] to the junior Senator from Maryland [Mr. LEE] and will vote. I vote "nay."

Mr. JOHNSON. I transfer my pair with the junior Senator from North Dakota [Mr. GRONNA] to the senior Senator from Illinois [Mr. LEWIS] and will vote. I vote "nay."

Mr. CULBERSON. I transfer my general pair with the senior Senator from Delaware [Mr. DU PONT] to the junior Senator from Ohio [Mr. POMERENE] and will vote. I vote "nay."

Mr. CHILTON. I announce my pair as on the previous vote and my reason for voting, and vote "nay."

Mr. REED (after having voted in the affirmative). For the second time to-day I have voted forgetful of the fact that my pair is out of the city. I have a pair with the senior Senator from Michigan [Mr. SMITH], contingent upon the absence of either of us from the city. Under those circumstances I shall be obliged to withdraw my vote.

Mr. STONE. I transfer my pair with the senior Senator from Wyoming [Mr. CLARK] to the junior Senator from Virginia [Mr. SWANSON] and will vote. I vote "nay."

Mr. FLETCHER. I make the same announcement as before as to my pair and its transfer and vote "nay."

Mr. GORE. I announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON] and withhold my vote.

Mr. OWEN. I have a pair and withhold my vote.

Mr. WALSH. I transfer my pair with the senior Senator from Rhode Island [Mr. LIPPITT] to the senior Senator from Virginia [Mr. MARTIN] and will vote. I vote "nay."

Mr. CHAMBERLAIN. I have a general pair with the junior Senator from Pennsylvania [Mr. OLIVER], which I transfer to the junior Senator from Georgia [Mr. WEST] and will vote. I vote "nay."

Mr. LEA of Tennessee (after having voted in the negative). I notice that the senior Senator from South Dakota [Mr. CRAWFORD] has not voted, so I withdraw my vote. If at liberty to vote, I would vote "nay."

The result was—yeas 11, nays 35, as follows:

YEAS—11.

Ashurst	Clapp	Lane	Perkins
Borah	Jones	Martine, N. J.	Poindexter
Brady	Kenyon	Norris	

NAYS—35.

Bankhead	Johnson	Robinson	Sterling
Bryan	Kern	Shafroth	Stone
Burton	McCumber	Sheppard	Thompson
Chamberlain	Myers	Shively	Thornton
Chilton	Nelson	Simmons	Vardaman
Culberson	Overman	Smith, Ariz.	Walsh
Fletcher	Page	Smith, Ga.	White
Hitchcock	Pittman	Smith, Md.	Williams
Hughes	Ransdell	Smoot	

NOT VOTING—50.

Brandegee	Gallinger	Martin, Va.	Smith, S. C.
Bristow	Goff	Newlands	Stephenson
Burleigh	Gore	O'Gorman	Sutherland
Camden	Gronna	Oliver	Swanson
Catron	Hollis	Owen	Thomas
Clark, Wyo.	James	Penrose	Tillman
Clarke, Ark.	La Follette	Pomerene	Townsend
Colt	Lea, Tenn.	Reed	Warren
Crawford	Lee, Md.	Root	Weeks
Cummins	Lewis	Saulsbury	West
Dillingham	Lippitt	Sherman	Works
du Pont	Lodge	Shields	
Fall	McLean	Smith, Mich.	

The VICE PRESIDENT. On the amendment of the Senator from Washington the yeas are 11 and the nays are 35, Senators REED, GORE, OWEN, and LEA of Tennessee being present in the Chamber and constituting a quorum; so the amendment is lost.

Mr. PITTMAN. Mr. President, I offer an amendment to perfect the section, to come in at the end of section 8, on page 17.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 17, at the end of section 8, it is proposed to insert a new section, 8a, as follows:

> 8a. If any of the lands or deposits leased under the provisions of this act shall be subleased, trusteed, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever, so that they form part of or are in anywise controlled by any combination in the form of an unlawful trust, with consent of lessee, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal entered into by the lessee, or

of any holding of such lands by any individual, partnership, association, corporation, or control, in excess of 2,560 acres in the Territory of Alaska, the lease thereof shall be forfeited by appropriate court proceedings.

Mr. PITTMAN. Mr. President, I will state that that is practically an amendment which is on the table, offered by the Senator from Washington [Mr. POINDEXTER]. It has been changed in some particulars.

Mr. POINDEXTER. Mr. President, I am very glad to see that the Senator has offered it. It is almost identical with the amendment I proposed on yesterday.

Mr. PITTMAN. Yes; I tried to make it as nearly identical as possible. There are only a few little changes of language that I have offered.

Mr. BORAH. Mr. President, do I understand that the amendment which has just been read at the desk is practically the same as the amendment to section 8 offered by the Senator from Washington, which is printed and on our desks?

Mr. PITTMAN. Yes; I so understand.

Mr. BORAH. What is the difference between the two, if any? The Senator's amendment has not been printed, has it?

Mr. PITTMAN. No; I simply took the printed amendment of the Senator from Washington and struck out some words and interlined others.

Mr. BORAH. As I understand that amendment, it says that "no coal land shall be subleased nor in any way whatsoever used for speculative purposes."

Mr. PITTMAN. The words "speculative purposes" are stricken out.

Mr. BORAH (reading):

And if any of the lands or deposits leased under the provisions of this act shall be subleased, trusteed, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever, so that they form part of or in any way effect any combination——

Mr. PITTMAN. That part there, "in any way effect," is stricken out.

Mr. BORAH. What I was seeking to arrive at was whether or not you proposed to put the proposition of controlling monopolies in the hands of the Secretary of the Interior, to enable him by regulations, and so forth, under the lease, to forfeit the lease, or whether you proposed to turn the parties over to the courts and to enforce the law of monopoly in Alaska the same as we are supposed to enforce it elsewhere in the courts?

Mr. PITTMAN. I will state to the Senator that this bill allows the department to place in the lease certain conditions necessary to protect the property from waste, to protect the welfare of labor, to protect the Government, and also to protect as against monopoly. There are numerous provisions in the bill protecting against monopoly, and there is a provision of forfeiture in the event that these conditions are violated, such forfeiture to be enforced in a court of proper jurisdiction. This is just an additional condition that will go in those leases.

Mr. BORAH. Mr. President, it seems to me that this addition is calculated to confuse the situation with reference to enforcing the law against monopoly. I am frank to say that about the only thing relative to the business which has commended itself to my judgment has been the possibility of a speedy and constant supervisory power of the Secretary of the Interior over that situation. If we are going to have a leasing system, and have no other protection with reference to monopoly in the coal fields and the working of the coal mines of Alaska than that which would arise by reason of the fact that we would prosecute them in the courts, in my judgment there is not very much left to the virtue of this leasing system.

Mr. PITTMAN. Mr. President, this is not an exclusive method of protecting against trusts. All the acts with regard to trusts that would affect those properties, or any action with regard to them, are still in force and effect with regard to them. This is simply an additional protection. In other words, the protection is included in the lease itself, which distinctly goes on to state that if the leases are used to assist any monopoly they shall be forfeited. I do not see why the Senator complains of that. That is one of the advantages of the leasing system. Where you dispose of property outright, your sole remedy then is under the general law, by fine or imprisonment or dissolution of the combination. Your remedy under a lease is the termination of the business by the forfeiture of the lease, the very subject of the trust. I believe that is one of the strongest arguments we have in favor of the leasing system.

Mr. BORAH. That argument has always been one of the strong arguments advanced in favor of the leasing system; that is to say, that we could not sufficiently protect the situation as against monopoly and the control of prices by those holding the coal fields in the courts or under the general law.

Mr. PITTMAN. We have had great difficulty in doing so.

Mr. BORAH. Yes. Now then, if notwithstanding the leasing system we must still depend ultimately for the enforcement of the antimonopoly law upon the courts, instead of upon a forfeiture on the part of the lessor, it seems to me that those who are supporting the leasing system concede that after all there is not so very much in the proposition that you must have a leasing system in order to protect yourself against monopoly.

Mr. PITTMAN. It is just an additional punishment. If the Senator does not desire any additional punishment for monopoly, his contention would be very good.

Mr. BORAH. Mr. President, I am not so anxious about additional punishment for monopoly as I am for an exhibition of some punishment for monopoly.

Mr. PITTMAN. This would be open to the assistance of the Senator in the enforcement of it.

Mr. WALSH. Mr. President, I should like to say to the Senator from Idaho that a prime consideration with those who are in a way responsible for the drafting of this bill was to have it so drawn that it would not be within the power and the discretion of the Secretary of the Interior to cancel this lease whenever he saw fit to do so; in other words, that he was not to be the complainant that a forfeiture of the lease had been incurred, and himself the court before which that complaint should be tried. Therefore it was provided that the lease could not be forfeited except by the decree of a court having jurisdiction; and the District Court of the Territory of Alaska was given jurisdiction over an action brought for the cancellation of the lease. Now, this is an additional ground of forfeiture—the utilization of the lease for the purpose of creating a monopoly. It is just the same as any other breach of the condition of the lease. The breach is not to be determined by the Secretary, who is really the complainant, and who is going to be the trial judge. If he contends that that provision has been violated he must go into the court and have the matter adjudicated, the same as in the case of any other violation of a covenant.

Mr. BORAH. Then, as I understand the law, when this bill shall have been passed, it will not be within the power of the Secretary of the Interior at any time, of his own volition or of his own motion, to punish in any way, by forfeiture or otherwise, for what is supposed to be a monopolistic practice on the part of the lessee?

Mr. WALSH. No, sir; and it was never intended that he should have that power; and as far as I am concerned I shall never vote to give him that power. Furthermore, I venture to say that if any such power is ever lodged in the Secretary of the Interior no man would ever take a lease, and in my judgment he would not have good business sense if he did so.

Mr. BORAH. I venture to say that if that is true there will be no difference, so far as the public is concerned, between the enforcement of the law against monopoly in Alaska under a leasing system and its enforcement if these mines were permitted to go to private ownership. If you must resort to the same procedure, the same delay, the same expense of litigation, and the same court when the lands are under lease that you would have to if they were under private ownership, the public will be in precisely the same position with reference to protection against monopoly under a leasing system that it would be under private ownership.

Mr. WALSH. Mr. President, not so. Under the existing system, if property owned in fee becomes the subject of an unlawful trust, the title to that property is not forfeited. The property was not taken away from the stockholders of the Standard Oil Co. when it was adjudged to be an unlawful trust. It remained in the stockholders. The Government did not attempt to forfeit any property. Now, however, under the leasing system and under this provision, if the leasehold interest shall become the subject of a trust, and it shall be so adjudicated, the right is absolutely forfeited and reverts to the Government.

Mr. BORAH. Mr. President, the protection of the public from monopoly will not be accentuated nor supported in any particular whatever by the mere fact of the forfeiture of title. In my judgment, it is simply an additional form of punishment. In the Tobacco case the decision of the Supreme Court was, in effect, a forfeiture of the property, because it decided that if the defendants did not conform to the decree within a certain time their property could be placed in the hands of a receiver and denied the right to enter the channels of interstate trade, which to them was practically the same as the forfeiture of their property. So the punishment was direct and specific and condign, and just as specific as it would be under any possible lease, so far as this law is concerned.

Mr. WALSH. Let me inquire of the Senator from Idaho, if the Senator will yield——

The VICE PRESIDENT. The Senator from Montana had the floor when this debate started.

Mr. BORAH. I yield to the Senator, if I have the floor. Have I?

The VICE PRESIDENT. The Senator from Montana had the floor when it started. The Chair does not know who has the floor now.

Mr. WALSH. Then I desire to say that the result of that would be that the property would be sold and the proceeds would be divided, if it passed into the hands of a receiver for the purpose of sale, and the avails of the sale would go to the stockholders. Here there would be nothing to sell, nothing to go into the hands of a receiver, but the title would be forfeited.

Mr. BORAH. Oh, I see that; but I do not see how the public would be in any different position, with reference to being protected against monopolistic practices or vices, under this system than under private ownership. I had supposed that it was intended to give the Secretary of the Interior some power to deal summarily with a party who was found in connection or in close association or in propinquity with a monopoly.

Mr. POINDEXTER. Mr. President, I should like to inquire of the Senator from Nevada what is the significance of the words which he has inserted in line 9 and line 11 of the amendment of which I gave notice, "with consent of lessee" and "entered into by the lessee," where it says:

If any of the lands or deposits leased under the provisions of this act shall be subleased, trusteed, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever, so that they form part of or are in any wise controlled by any combination in the form of an unlawful trust, with consent of lessee, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal entered into by the lessee—

That is evidently a limitation upon the provision. The words as they were before were applicable to "any combination in the form of an unlawful trust," or any occasion when they "form the subject of any contract or conspiracy in restraint of trade." Now, that has been limited by inserting the words "with consent of lessee" and "entered into by the lessee."

Mr. PITTMAN. I shall be glad to answer the Senator as to my object in changing it from the way it was before. It is this: The amendment reads, "or in any wise controlled by any combination." Now, if one of these lessees was involuntarily controlled by a combination, if his leasehold fell under the control of a combination involuntarily, we will say, in any way, not with the lessee's consent or with his approval—which, I take it, would mean the same thing—I think it would be entirely unfair to forfeit that lessee's claim if he was in no way responsible for that matter, if it was beyond his control. That is all I am getting at. If the Senator can think of language any more definite, I should be pleased to have him suggest it; but I do not think a lessee should forfeit his claim if he is controlled by a combination when he has no power to prevent it. That is the only object of it.

Mr. POINDEXTER. He could not be controlled by a combination in restraint of trade unless he was a part of the combination. Otherwise he would be an independent. I suppose all independent operators suffer to a certain extent from the effect of overpowering monopoly, but they are not called a part of the monopoly because they are affected in that way.

It seems to me to be rather a dangerous complication of the language to insert those words in it. There is no danger of the Secretary of the Interior or of any court punishing the victim of the combination as a part of the combination.

Mr. PITTMAN. I will say to the Senator that I did not like the language there, "in any wise controlled by any combination." I think it is indefinite, and I think the expression "form a part of any combination" is sufficiently definite.

Mr. BORAH. Mr. President, why not leave all this matter to the trade commission? It is under the jurisdiction of the trade commission. Let it control the situation.

Mr. PITTMAN. The only reason for that is that I believe in being definite wherever we can.

Now, as far as the other amendment is concerned—

Or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal—

A lease might be the subject of a contract between third parties, and certainly the lessee is not to be blamed for a contract entered into between third parties. I simply make the provision there so that the lessee, to be bound by the transaction, must be a party to the transfer. A transportation company might enter into a contract with which the lessee had nothing to do, a contract that they would not carry this coal, or they would not carry other coal, or that they would agree on a price for carrying coal.

Mr. WHITE. Mr. President, I wish to ask the Senator from Nevada a question before he takes his seat. There are two well-known rules by which a lessee can transfer the interest in his estate. One is by sublease and the other is by transferring or assigning the lease.

Mr. PITTMAN. Yes.

Mr. WHITE. Is there any reason, in the Senator's mind, for leaving out the other method, that of transferring or assigning the lease?

Mr. PITTMAN. That is not left out. The way it reads now is this:

If any of the lands or deposits leased under the provisions of this act shall be subleased, trusteed, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever, so that they form part of or are in any wise controlled by any combination in the form of an unlawful trust, with consent of lessee, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal entered into by the lessee—

That is the way it reads.

Mr. WHITE. I understand; but having used the term "subleased," and not using the other term, I wanted to know if there was any purpose in omitting it.

Mr. PITTMAN. The word "leased"?

Mr. WHITE. No; the words "transferred or assigned."

Mr. PITTMAN. There was no purpose at all in it. In reading it the other language seemed to me to control it, and I adopted entirely the language of the Senator from Washington, because it seemed to me sufficient.

The VICE PRESIDENT. The question is on agreeing to the amendment. [Putting the question.] The Chair is in doubt.

Mr. POINDEXTER rose.

Mr. PITTMAN. I will ask the Senator to yield, if he will, because this is simply another amendment, simply to perfect it.

Mr. POINDEXTER. I make the point of order that the other matter is before the Senate, undisposed of.

The VICE PRESIDENT. All in favor of the amendment offered by the Senator from Nevada will rise.

Mr. POINDEXTER. Mr. President, is it in order to offer an amendment to that amendment? If so, I offer the original amendment proposed by me as a substitute for the amendment.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The SECRETARY. In lieu of the words proposed to be inserted by the amendment of the Senator from Nevada the Senator from Washington proposes to insert the following:

SEC. 8a. That no coal land shall be subleased nor in any way whatsoever used for speculative purposes; and if any of the lands or deposits leased under the provisions of this act shall be subleased, trusteed, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever, so that they form part of or in any way effect any combination or are in any wise controlled by any combination in the form of an unlawful trust, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal, or of any holding of such lands by any individual, partnership, association, corporation, or control, in excess of 2,560 acres in the Territory of Alaska, the lease thereof shall be canceled, and said individual, partnership, association, or corporation shall forfeit the right thereafter of obtaining lands under lease under the provisions of this act.

Mr. WALSH. I should like the attention of the Senator from Washington. I find it a little difficult to understand what the significance of the first part of this amendment is:

That no coal lands shall be subleased—

Of course that is plain—

nor in any way whatsoever used for speculative purposes.

Just exactly what would that mean?

Furthermore, Mr. President, let me say to the Senator from Washington that no penalty is attached to using it for speculative purposes; no consequence ensues. It seems to me that the words "no coal lands shall be subleased nor in any way whatsoever used for speculative purposes and" might be taken out, so that it would read, "That if any of the land or deposits leased under the provisions of this act shall be subleased, trusteed, possessed," and so on, the amendment would have exactly the same significance. I will say to the Senator there is another provision which forbids the subleasing of the land without the approval of the Secretary of the Interior.

Mr. POINDEXTER. That, at the worst, would be a mere repetition and would do no harm. If any mere distinction of verbiage of that kind is needed, it could be very easily perfected in conference or otherwise. It is a prohibition against subleasing and against using for speculative purposes. There are other provisions in the bill which would enable the Secretary of the Interior to include prohibitions of that kind, if authorized by the law, in the lease. The more important part of the amendment is that which has been spoken of already by the Senator from Idaho [Mr. BORAH], which, in my opinion, is necessary to make it really effective; that is, to give power to the Government to take possession of this land and take it out of the hands of a monopoly. The antitrust law of the country contains some more or less drastic provisions, apparently, but through the course of procedure in the courts they have been rendered rather ineffective. The prohibition of monopoly is the

most difficult thing the Government has undertaken, and unless the laws relating to it are stringent and the remedies are more or less drastic and the means of using those remedies are plainly given it would be no use whatever to adopt them.

Mr. CHILTON. Mr. President, I am anxious to vote for a practical leasing system in Alaska, but if this amendment shall be adopted I want to call the attention of the Senate to what I consider are some of the dangers of it and some of the reasons why it is thoroughly impracticable.

There is no danger of any trust where there is any great risk. If there had been no Dukes and Liggetts and Myers and Reynolds and other people who developed the tobacco business over all the stages of its risks and dangers, and through all the experimental stages, there would not have been any Tobacco Trust. If there had been no Gates and Carnegies and Schwabs who took the chance and brought to bear the individual initiative and inventive genius, there never would have been any Steel Trust.

In the incipient stages of the development of Alaska coal under the leasing system, with all the detective forces in the United States, you can not find any trust in that country. They do not go where there is any risk to run. They wait until the energy, the initiative, the brain, the muscle, and the work of somebody else do the development; then, if they find it pays, the trust comes in and puts in its money or floats its bond issue and pours in the water, and you have the trust.

Mr. POINDEXTER. The Senator is mistaken about the fact as to there being no trusts in Alaska.

Mr. CHILTON. I am speaking about the chances of a trust in the coal business under the provisions of this bill, as reported. I want to vote to relieve the people in Alaska who are suffering for coal. I want this leasing system, if we adopt it, to be practical and to work. I want the enterprising people of Alaska and the States to take these leases and develop that coal. If you make it so that the poor man can not go there and make a little money, you are not going to have any development, and the whole thing will be a complete farce and a failure; and the leasing system will be condemned when it ought not to be, because it will not have had a fair chance.

The opening of coal mines is not any play business; it is not any easy business; it has its risks, and it requires a man of knowledge and experience and capacity to do it. If any people go there to develop the coal they will go for the purpose of trying to make some money by developing some kind of legitimate business. If you put every kind of a condition upon these leases, you weight them down so that these men can not get reasonable credit upon the intangible property which they will get from the Government, to wit, the right to mine coal from a piece of land. If they do not have reasonable conditions in the lease by which they can go into the markets or to the banks and get money there will be none of these leases worked; there will be no application for them and no competitive bidding.

Mr. President, to talk about a monopoly of the coal business in the United States, it seems to me, is going away into the future. It will be at that time when something will come along that is big enough to absorb the great fields of the country and take them over, and then the Sherman law and the Clayton bill will prevent the monopoly. Probably there might be some places where the coal business is in a way controlled by local conditions or by some market conditions, but there is too much coal in this country under development and in the control of thousands of different concerns to make a trust now possible. West Virginia has enough coal to supply the United States for many, many years to come, and it is of the highest grade; so has Colorado, Kentucky, and Wyoming; so has the State of Pennsylvania. If West Virginia can get her coals to market, she can supply the navies and the factories of the world with anything that comes under the head of bituminous coal, and with that coal the greatest economies can be secured. The high records in our Navy have been made with her coal; and it has gone to the front upon merit. It will be too far in the future to be the subject of legislation now when coal is scarce in West Virginia or the United States.

Of course, that does not do Alaska any good, since the people up there are paying $8, $10, and $15 a ton for coal, because it costs that much to take the coal there from the States. So the coal land that is there should be developed. I want to have it developed, and it will never be developed, Mr. President, under a leasing system if we put all these impractical conditions upon the leases which the Government will make, so that the man who has a mine can not raise the money to develop it properly.

Mr. BORAH. May I ask the Senator a question? If the Senator be correct in the proposition that there is no danger of a monopoly in Alaska——

Mr. CHILTON. I did not say that. I said that in its incipient stages you will find no trust there taking any leases from the Government. They take no such chances. Probably in the distant future, after men have gone there under proper leases and have developed the coal business, you will find a trust coming along with pockets full of money and a few buckets of water, and they may try to form a corporation and make a trust.

Mr. BORAH. If the Senator be correct in his proposition, this provision could not hurt anybody. If there are no trusts there, if there are no monopolies there, this provision which the Senator from Washington is seeking to have incorporated in the bill could not possibly affect anybody, because it only affects those who have formed a combination or a monopoly. It would not be any embarrassment to anybody carrying on a legitimate business or to those whom the Senator speaks of as developing the matter in its incipient stages. It would only apply when the men got there who, he says, come in due course of time.

Mr. CHILTON. I should like to ask the Senator whether he thinks the amendment adds anything to the Sherman law?

Mr. BORAH. No; I think——

Mr. CHILTON. Then what is the use of putting it in the bill?

Mr. BORAH. I do not know that it does, except that it is a specific proposition for the forfeiture of the lease.

Mr. CHILTON. Then, if hereafter you——

Mr. BORAH. I think it has about the same effect on the Sherman law as the Clayton bill.

Mr. CHILTON. The Clayton bill is a great deal better than it has ever been given credit for, and it will stand on its own legs when we come to the discussion in the Senate.

Mr. BORAH. I have not discovered any legs on which it could stand.

Mr. CHILTON. The Senator was not looking for legs; he was looking for trouble. If the Senator will look for legs and teeth, he will find plenty of them.

Mr. President, I just want to ask the Senator this question: When the time comes that there is danger of a trust, or if a trust should actually exist in the Territory of Alaska, and this should be the law, would the Senator proceed against the trust under this law or the Sherman antitrust law? Certainly you can not have both of them at the same time.

Mr. BORAH. Yes, you could; because this is in reference to the power of the Secretary of the Interior himself to forfeit the lease. That is a more expedient, summary method of disposing of the proposition, and if the Secretary of the Interior had knowledge of it he would not have to wait for the Department of Justice to bring an action. It is simply adding a more summary proceeding with reference to the disposition of the matter in case a trust is formed.

Mr. CHILTON. Then why not amend the Sherman law generally by providing that whenever the Secretary of the Interior finds any other kind of a trust he shall dissolve it. Why shall we vest in the Secretary of the Interior the power that is now vested in the Supreme Court of the United States? Does not the Senator think that that would be dangerous?

Mr. BORAH. The whole argument in favor of this leasing system before the people of the country has been that through the summary action of the Secretary of the Interior he can deal more effectively with those who are trying to monopolize, by combinations, the coal lands and the output therefrom. If there is nothing but the general provisions of the law which already apply to Alaska, if you are simply going to rely upon the general provision to destroy monopoly, why not permit this coal first to go to private ownership? The only question you have left is the mere question of getting more revenue out of it.

Mr. CHILTON. Then the Senator's position is to vest jurisdiction in the Secretary of the Interior to enforce the antitrust laws in Alaska as to the public domain.

Mr. BORAH. No; not at all.

Mr. CHILTON. It is part of it.

Mr. BORAH. I would invest the Secretary of the Interior with power to cancel a lease for a certain reason, and that reason is that he shall discover a combination or a trust. Now, as the lessor of the Government he has charge of the matter, and I would simply vest him with power to take care of the leases upon certain terms and conditions.

Mr. CHILTON. Would the Senator vest in the Secretary of the Interior the same power as to all homestead lands and as to all grants by the Government?

Mr. BORAH. If it was a leasing system, undoubtedly.

Mr. CHILTON. Why not in regard to a grant? Why let an individual take a piece of land from the Government and not

put in a condition that if at any time he uses it with a trust or with the grantee to propagate a trust the Secretary of the Interior shall forfeit the grant? Why do you want to do that with a leasehold and not with a grant? Both are really grants from the Government, and a trust clause that is good for one ought to be good for the other.

Mr. BORAH. I do not think that has very much relevancy to this situation, because we are now dealing with the proposition of leasing purely and simply; but I call the Senator's attention to the fact that when the title passes to that land, the manner of dealing with the land, and so forth, becomes a matter for the State to deal with entirely and not the National Government.

The VICE PRESIDENT. The question is on the amendment of the Senator from Washington [Mr. POINDEXTER].

Mr. POINDEXTER. Upon that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). Making the same announcement as to my pair as before, I vote "nay."

Mr. CULBERSON (when his name was called). Announcing my pair and its transfer to the Senator from Arkansas [Mr. ROBINSON], I vote "nay."

Mr. GORE (when his name was called). I transfer my pair with the junior Senator from Wisconsin [Mr. STEPHENSON] to the junior Senator from Kansas [Mr. THOMPSON] and vote "nay."

Mr. SMITH of Maryland (when his name was called). I transfer my pair with the Senator from Vermont [Mr. DILLINGHAM] to the Senator from Kentucky [Mr. CAMDEN] and vote "nay."

Mr. STONE (when his name was called). I make the same announcement of the transfer of my pair that I made on the last vote, and I vote "nay."

Mr. WALSH (when his name was called). I have a general pair with the Senator from Rhode Island [Mr. LIPPITT]. I transfer that pair to the Senator from Mississippi [Mr. VARDAMAN] and vote. I vote "nay."

The roll call was concluded.

Mr. CRAWFORD. May I inquire whether the senior Senator from Tennessee [Mr. LEA] has voted?

The VICE PRESIDENT. He has not.

Mr. CRAWFORD. I have a general pair with that Senator and withhold my vote.

Mr. CHAMBERLAIN. I transfer my general pair with the junior Senator from Pennsylvania [Mr. OLIVER] to the Senator from Georgia [Mr. WEST] and vote "nay."

Mr. REED. I am paired with the Senator from Michigan [Mr. SMITH]. In his absence I withhold my vote, unless it is necessary to make a quorum.

Mr. SMITH of Georgia. With the same transfer of my pair that I have made before to-day, I will vote. I vote "nay."

Mr. OWEN. While I am paired, I should like to be counted for a quorum.

The roll call resulted—yeas 12, nays 35, as follows:

YEAS—12.

Borah	Jones	Martine, N. J.	Perkins
Brady	Lane	Nelson	Poindexter
Clapp	McLean	Norris	Sterling

NAYS—35.

Ashurst	Hitchcock	Page	Smith, Ga.
Bankhead	Hughes	Pittman	Smith, Md.
Bryan	Kenyon	Pomerene	Smoot
Burton	Kern	Ransdell	Stone
Chamberlain	Lewis	Shafroth	Thornton
Chilton	McCumber	Sheppard	Walsh
Culberson	Martin, Va.	Shively	White
Fletcher	Myers	Simmons	Williams
Gore	Overman	Smith, Ariz.	

NOT VOTING—49.

Brandegee	Gallinger	Oliver	Swanson
Bristow	Goff	Owen	Thomas
Burleigh	Gronna	Penrose	Thompson
Camden	Hollis	Reed	Tillman
Catron	James	Robinson	Townsend
Clark, Wyo.	Johnson	Root	Vardaman
Clarke, Ark.	La Follette	Saulsbury	Warren
Colt	Lea, Tenn.	Sherman	Weeks
Crawford	Lee, Md.	Shields	West
Cummins	Lippitt	Smith, Mich.	Works
Dillingham	Lodge	Smith, S. C.	
du Pont	Newlands	Stephenson	
Fall	O'Gorman	Sutherland	

The VICE PRESIDENT. On the amendment of the Senator from Washington [Mr. POINDEXTER] the yeas are 12 and the nays are 35. The Senator from Missouri [Mr. REED] and the Senator from Oklahoma [Mr. OWEN] are in the Chamber and constitute a quorum. The amendment is rejected. The question now recurs on the amendment of the Senator from Nevada [Mr. PITTMAN] to the amendment.

The amendment to the amendment was agreed to.

Mr. ASHURST. I propose the following amendment, which I send to the desk and ask that the same be stated.

The VICE PRESIDENT. The amendment proposed by the Senator from Arizona will be stated.

The SECRETARY. In section 12, page 20, line 3, after the words "undue waste," it is proposed to insert:

Including a restriction of the workday to not exceeding eight hours in any one day for underground workers except in cases of emergency, provisions securing the workers complete freedom of purchase, requiring the payment of wages at least twice a month in lawful money of the United States, and providing proper rules and regulations to secure fair and just weighing or measurement of the coal mined by each miner.

Mr. ASHURST. The proposed amendment was prepared by Representative LEWIS of Maryland, and is substantially the same as that adopted by the House and placed upon the bill (H. R. 16136) to authorize exploration for and disposition of coal, phosphate, oil, gas, potassium, and sodium. It occurs to me that we should write into this proposed law a requirement that the leases shall contain the provisions as specified in my amendment, for this reason: When parties appear before the Secretary of the Interior attempting to secure a lease it may be that they will not display much solicitude as to requirements and provisions regarding the safety of labor. We do not know in the long years to come just who will be Secretary of the Interior, and it seems to me that adequately to protect labor we should, as the other House did, insert in the bill the amendment I have just offered.

The provision for "freedom of purchase" means that the laborers shall not be subjected to the odious scrip or "boletta" system which is common in some mining camps. In other words, the amendment simply looks toward the better protection of the men who dig the coal out of the ground. The justice of my amendment seems so obvious that argument appears unnecessary.

It may be urged, however, if any Senator should oppose the amendment, that section 12 fully covers the matter, but I doubt if it does. Section 12 simply provides:

That no lease issued under authority of this act shall be assigned except with the consent of the Secretary of the Interior. Each lease shall contain provisions for the purpose of insuring the exercise of reasonable diligence, skill, and care in the operation of said property, a provision that such rules for the safety and welfare of the miners and for the prevention of undue waste as may be prescribed shall be observed, and such other provisions as are needed for the protection of the interests of the United States.

There is, in the bill, no specific mandate requiring that these beneficent provisions for the protection of labor, as set out in my amendment, shall be incorporated into and made a part of the law.

Mr. SHAFROTH. Mr. President, I did not catch the full reading of the amendment. Has the Senator a copy of the amendment?

Mr. ASHURST. I will ask the Secretary again to state the proposed amendment.

The SECRETARY. In section 12, page 20, line 3, after the words "undue haste," it is proposed to insert the words:

Including a restriction of the workday to not exceeding eight hours in any one day for underground workers except in cases of emergency, provisions securing the workers complete freedom of purchase, requiring the payment of wages at least twice a month in lawful money of the United States, and providing proper rules and regulations to secure fair and just weighing or measurement of the coal mined by each miner.

The VICE PRESIDENT. The question is on the amendment to the amendment proposed by the Senator from Arizona [Mr. ASHURST].

Mr. PITTMAN. Mr. President, I know of no objection to that amendment. I have heard no one make objection to that character of amendment.

The VICE PRESIDENT. The question is on the amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. JONES. To come in after the amendment just adopted, I offer the amendment which I send to the desk.

The SECRETARY. After the amendment last agreed to, it is proposed to insert:

And every such lease granted under the provisions of this act shall also be upon the conditions that the lessee will at all times sell the coal extracted from the leased premises at just, fair, and reasonable rates, and without any discrimination in price or otherwise, as to persons or places; that the Interstate Commerce Commission shall, upon its own initiative, or upon the complaint of an aggrieved party, have the same power to pass upon, determine, and prescribe the present and future rates at which the coal shall be sold by the lessee as is given the said commission by the provisions of an act entitled "An act to regulate commerce," approved February 4, 1887, and all acts amendatory thereof or supplementary thereto, in respect to the transportation rates charged by common carriers; and that the lessee will conform to the rates prescribed by the said commission.

Mr. JONES. Mr. President, I simply desire to say that this amendment is similar to a provision contained in Senate bill

9955, reported in the Sixty-first Congress from the Committee on Public Lands. I know that the committee at that time gave the matter very careful consideration, and my recollection is that it was a unanimous report of the committee.

The amendment has for its purpose the fair treatment of the consumers of Alaskan coal. It is a provision in the interest of the consumers, looking toward reasonable prices for the coal to those who are really interested in the development of the Alaskan coal mines.

The provision places this matter under the control of the Interstate Commerce Commission. That is done because that commission has had a great deal of experience along this line and has had to do with matters in regard to prices and rates.

In a bill which passed the House a short time ago, and which is now pending in this body, it is attempted to place in the hands of the Secretary of War the right to regulate prices at which energy developed by water power may be sold. In my judgment that will simply result in creating another bureau in the War Department, because there is nobody there now who is expert in the matter of rates. So, if we should attempt to give the Secretary of the Interior the power which my amendment proposes to give to the Interstate Commerce Commission, it would result in the building up of another bureau in the Interior Department. Therefore the amendment gives this authority to the Interstate Commerce Commission, which now has to do with matters of this kind, and which, I think, can handle them with very little more expense to the Government.

Mr. WALSH. Mr. President, I trust the Senate will thoroughly understand the nature of the amendment now offered by the Senator from Washington. If I have gauged correctly the general trend of the sentiment of this body, the amendment will receive very little support. I myself am unequivocally opposed to the amendment.

A certain school of thought in this country advances the idea that we ought to have great monopolies, enormous aggregations of capital, combinations of all kinds engaged in handling our industries, and that the right way to take care of the situation is for the Government to regulate the prices at which they shall sell their products. I do not think that public sentiment approves that general doctrine. This amendment is an application of that theory. The idea is that perhaps, in some way or other, monopolistic conditions may come to exist in connection with the production and sale of coal in Alaska; that competitive conditions will not regulate prices, and that it will be necessary for some governmental agency to fix the prices at which the coal can be sold.

Mr. President, this bill is framed on an entirely different theory. This bill is framed upon the theory that, as yet at least, we may confidently rely upon competition to regulate prices and to bring those prices down to the level of a fair return upon the money invested in the enterprise. So it has been provided, for the purpose of taking care of competition, that no person or association shall acquire more than 2,560 acres of coal land in Alaska. It is confidently expected that at least three or four operators will go into the Bering River field and that from half a dozen to a dozen operators will go into the Matanuska field; so that the Matanuska field will be competing against the Bering River field and the latter against the former; and the individual operators in the Bering field will be competing against each other, and so with the individual operators in the Matanuska field.

We have just adopted a drastic provision the effect of which will be to forfeit every lease that is controlled by any combination which is a conspiracy in restraint of trade or which falls into the hands of a monopoly.

Mr. President, I feel that we have provided all the safeguards that are necessary, and that it is not at all essential that we now take the step which embarks this Government on the proposition of regulating the prices of commodities. We have not only taken that position, but we have provided for the construction of railroads in the Territory of Alaska into the various coal fields there, so that not even a monopoly of railroad and other transportation facilities can be enjoyed or can be seized by anyone for the purpose of establishing a monopoly.

If we get half a dozen operators in the Matanuska field and four or five in the Bering River field, and there is a Government railroad there which will offer exactly the same opportunities and facilities to each operator, we have done everything that we ought to try to do at this time to assure that only fair prices shall be received for coal; in other words, we have done everything that can be done under a competitive system; and let us not go into the general subject of price regulation by the Government.

The VICE PRESIDENT. The question is on the amendment of the Senator from Washington to the amendment reported by the committee.

Mr. SMITH of Arizona. Mr. President, my purpose in voting for this bill is to try to help the people of Alaska. I confess that I do not like it. I shall vote for it as being the best possible thing that we can do under present conditions. If you keep loading down your leases with all sorts of handicaps, the poor man will have just about as much chance in Alaska as he would have on Fifth Avenue in New York City.

You can not develop a country by holding it under foreign landlordism. The worst landlord in the world is the one that has the most heads and the fewest hearts. With the Government sending out its emissaries, each one anxious to make a reputation for himself, in his devotion to his public duty he must find daily some fault with somebody. Our wealth, our prosperity, the other side of the Rocky Mountains—yes; from this side on—has never grown under any such conditions as those, and Alaska, having less people to-day than it had 20 years ago, when we pass a few more "beneficent" measures like this it will have much less population than it has to-day.

We start out and go wild about a monopoly of things in a vast country, and we speak of a day's labor when the day lasts six months in a part of Alaska. [Laughter.] That is what we are doing, under the fervor of excitement and hysteria, to protect things. The fear of being called in favor of monopoly, if we talk common sense, makes us all accede to propositions which we know very well, or ought to know, are not going to help the purpose I have in voting for this bill, and that is to give Alaska and her people some chance, so that through the exercise of their individual American rights, with the acquisition of property, the individual poor man can have a chance in this the only unoccupied part now of our American possessions.

There is not a man who is going to take a lease in Alaska under this bill, in my judgment, who is not eminently able to do it as much so as if he were a corporation. He will not have to make a combination with anybody. He can take leases. These other men can not borrow a dollar under leaseholds that the Secretary of the Treasury, if he happened to be indignant at the gentlemen—I am not speaking of the Secretary personally; I am speaking of the office—could forfeit.

I will not advert to some things that happened under the administration of the last Secretary of the Interior, because I do not wish to make any invidious distinctions; but Alaska has got to be developed by getting into Alaska the bone and the sinew and the courage of the young American who is seeking to make his afterlife a better condition than the one into which he was born, and to do for his children more than his parents could do for him. Under these influences alone will we ever develop the highest possible character of American citizenship. The ownership, the feeling that "this is mine," is the inspiration of the home.

You have gotten it so that you write so many conditions in a lease that anybody can threaten to go to court with you at any time; and any four of us, with no money, going out to get a coal mine in Alaska to supply a want felt everywhere there, can not mine a pound or a ton of it unless we have the money in our pockets then and there to pay for it, or else do it with our individual hands. They will never do it under this bill, in my judgment.

At the risk of being charged with "standing in" with the monopolists that are trying to take everything, I do not believe they are going to try to take the coal lands of Alaska now, because the public sentiment has been awakened to conditions, and we are looking back 20 years at the most outrageous thefts of public lands and applying the situation then to to-day. The public conscience has been awakened in the meantime, and the public eye is alert to discover any effort to monopolize any of the resources of our country. The statute read by the Senator from Colorado applying to Alaska shows that they are in the very van of modern progress in the suppression of these monopolistic tendencies that have put the country in a condition which we all deplore.

I have lived in a Territory for thirty-odd years, and to-day, in my judgment, as I think every Senator here who has been through the same experience will testify, the governmental interference with our natural State possessions, the great withdrawals of lands—some of them reasonable enough, but administered very poorly—have taken out of the State the only thing on which the State could subsist; so if you find from now on, in any country anywhere, that the Government holds inviolate in its own name 50 per cent of the land within its borders you have a State condemned to stagnation. They can not live on it. You are now writing the epitaph on every hope of the Alaskan by throwing a thousand restrictions around him. The only beneficence in this bill, as far as I can see, is to give the poor devil who is freezing to death a right that has been prohibited heretofore—to go and dig some coal himself if he wants it.

You are giving him a permit to do a thing that everybody has had a right to do ever since the great mass of the population started across the Mississippi River.

So, my friends, your hope of developing Alaska under restricted holdings is a mistake. You will not build up any country in the world on leasehold title. It has been already admitted that the very same provisions could be inserted in a deed. It seems to me that all this leasing business is needless. You can just as well put a proper provision in a deed to coal lands restricting the holding. You can restrict it as just suggested by the last amendment, if you please. You can say that whenever the property shall come within a combination or a trust the title shall be forfeited; yet, as long as it is not forfeited, you give the man with the fee-simple title a chance to raise money to develop his claim.

No poor man can go into Alaska or anywhere else without the aid of somebody with money to open up those great resources. Whether the bill is going to do what is promised for it or not, I do not know. My purpose in getting up was to warn the Senate that instead of developing Alaska and giving the people a chance and letting the balance of the United States receive, if possible, some benefit from their enterprise, you had better be as liberal as you can with those people who are undergoing the hardships in a rugged climate and an unproductive soil, largely, say whatever you please about it. You had better give them some sort of a chance to build an American Commonwealth of individual, free men, who own their own property, for which they will fight and build homes wherein they will die in peace, after living in some sort of prosperity.

Mr. McCUMBER. Mr. President, I should like to ask the Senator, who understands this bill probably better than I do, what particular merit there is in it. What good will come to anyone from it?

Mr. SMITH of Arizona. Well, that is problematical.

Mr. McCUMBER. If there is a good feature in the bill, I want to know what it is.

Mr. SMITH of Arizona. Well, it lets a man go and get some coal to put in his own fireplace.

Mr. McCUMBER. It lets who get it—the individual?

Mr. SMITH of Arizona. Yes.

Mr. McCUMBER. The poor man? Can he get it under this bill?

Mr. SMITH of Arizona. It will give him the right to go and get a little coal.

Mr. McCUMBER. Oh, it will give him the right to go and get it; but can he get a lease unless he has the money, the backing, and the credit to go in there and open up those mines upon a big scale? Can he go into a little mine in Alaska himself, with a few laborers, and develop it and make anything out of it by mining under this leasing system?

Mr. SMITH of Arizona. I am free to say to the Senator that I do not think it is possible for him to do it. I suggested in the opening of the few remarks I had to make that this is tending to the very monopoly of which they complain, when they throw such restrictions around leases, and make the lease live on such tender roots, if you please, that it may be at once killed, and I suggested that the Secretary himself could do it. It will take a man who does not have to go into a combination with anybody, who can avoid combination with other people, with plenty of money, to develop the mine and put up the money for it. The leaseholders under this bill will necessarily be rich men; and instead of developing the country I am afraid it will retard its development.

Mr. McCUMBER. Then, Mr. President, after all, the Senator has not found any good in this bill so far as it affects the particular individuals that he desires to reach—the young men who go to Alaska to develop it?

Mr. SMITH of Arizona. No.

Mr. McCUMBER. It may benefit some one who has the wealth of a mighty corporation in the beginning by enabling him to develop that country.

Now, let me follow this by another question. The Senator has indicated quite clearly that he votes for this bill not because he does not believe it to be more or less vicious, but because he does not wish to be considered as casting his vote in such a way that it will look as though he was in favor of monopoly or some great corporation.

Mr. President, if we are influenced by that, has not the time arrived when we ought to have the courage as Senators to vote our convictions? Is it not far better that this bill should be defeated to-day, until we have reached the amount of courage where we dare vote for the right and present our case to the American people? Is it not bad policy to saddle upon the whole country a system of governmental authority and landlordism that probably, if it is once initiated, will remain over it for a century? Is it not better that we should strike that down now and wait until either we have gained the courage or the American people shall have gained the knowledge under which we can vote as we think is right? Should we not vote it down now, and trust that in a short time we may get a bill that will be satisfactory to the Senator from Arizona and that will be just and fair to the people of the great Territory of Alaska?

Mr. SMITH of Arizona. Mr. President, I am afraid my interest in what the Senator has said has led me inadvertently to forget the question.

I did not mean to be understood as saying that I was individually dodging or expressing any particular fear of what might be said as to me personally, as to whether or not my vote would be considered as "standing in" with corporations in this day of excitement, because I have had occasion to say as much against them—and say it truthfully—as probably any man in the Senate. I have seen the baleful effects of these trusts and combinations, as all of us have seen them. It is now the common experience of mankind.

I was speaking of the matter in this light: A fear of corporate power, trusts, and combinations getting possession of these lands leads us to take steps that otherwise we might deliberate longer before taking. Probably we are justified in that caution by recent history. My point, though, just as suggested in the first part of the Senator's question, is that the monopoly that we are all talking against, that every one of us honestly desires to see eliminated, not only in Alaska but everywhere else, is not going to be eliminated by this bill. You are putting so many conditions in this miserable leasehold that you will encourage the existence of monopoly itself in the leasehold. Then, when you try to restrict the price that the coal shall bring in the market by edict of the Secretary of the Interior or the President, or any other man on earth, you have made it impossible for any young man, or any man except one with money enough to meet exigencies and charge what he pleases, to go there; and if he has not a contract beforehand as to what shall be charged, then nobody will mine the coal at all. As suggested by the Senator from Montana, you can make conditions here such that nobody but a crazy man would ever attempt to develop Alaska under them.

My reason for voting for the bill is that the spirit is going abroad, and getting broader, and carrying this on into other parts of the country. I voted for the Alaskan railroad bill. I would not have voted for that railroad anywhere but in Alaska. I do not think I would vote for this bill, or one like it, anywhere except in the Territory of Alaska. That is on account of the sparse population and the enormous land, of what value I do not know. If you are going to experiment, and have Alaska tied up so that it can not move at all to-day, this bill will at least give an opportunity to a man to take a lease to provide for the ordinary consumption of himself and his neighbors about him. Under present conditions he can not get anything. I see no hope of mending those conditions as far as Alaska is concerned, whatever this branch of Congress might do. Therefore I have given my unwilling consent to supporting this bill, out of the hope that it may help the present conditions in that country.

The VICE PRESIDENT. The question is on the amendment of the Senator from Washington.

The amendment was rejected.

Mr. POINDEXTER. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. At the end of section 12 it is proposed to insert:

> The minimum wage paid any class of labor employed in mining operations on lands so leased or in Government mining operations shall be not less than the average wage paid for that class of labor by other employers under equivalent conditions, to be determined by the President; the hours of labor of all persons employed shall not exceed 48 per week, save in emergencies wherein life or property is in imminent danger; no person under the age of 16 years shall be employed; the President shall make all general rules and regulations to insure the safety of operatives employed; to provide for detailed reports upon all accidents; to provide for just and reasonable compensation in the case of any operative who may be injured or killed in the course of his work; to prevent unnecessary waste of coal in mining; to prevent any adulteration whatsoever of coal sold by any lessee or by the Government; and to provide for suitable and just fines to be imposed upon any lessee as penalties for specific breaches of rules or conditions of lease.

The VICE PRESIDENT. The question is on the amendment of the Senator from Washington [Mr. POINDEXTER].

The amendment was rejected.

Mr. BORAH. Mr. President, I offer an amendment, and I will say just a word in explanation of it. I am not going to delay the Senate. When the 20-year extension bill, with reference to reclamation projects, was passed a short time ago there was inserted in that law as section 16 a provision that hereafter the distribution of the fund, with reference to reclamation

projects, should be made by Congress instead of being made by the Secretary of the Interior, as has been done heretofore.

It will be said, of course, that the amendment is not germane to this particular measure, and strictly technically speaking I am willing to concede that; but I realize that I will never get that section repealed unless I do happen to get it on some bill.

The vice of that section is that it simply enlarges the operation and jurisdiction and scope of the pork-barrel system, and it is another feature of that system fastened upon our reclamation projects. It is out of harmony entirely with all the legislation which is now being enacted with reference to conservation matters, taking out of the hands of the executive officers the dealing with these matters, whereas the trend of all legislation, this bill included, is to place administrative matters solely under the jurisdiction of the administrative officers and outside of the operation of the general act of Congress.

The VICE PRESIDENT. The Secretary will state the amendment.

The SECRETARY. On page 21, line 16, the last section, section 18 of the bill, after the word "herewith," insert:

Also section 16 of an act passed and approved August 13, 1914, entitled "An act extending the period of payment for reclamation projects, and other purposes," which section reads as follows:

"SEC. 16. That from and after July 1, 1915, expenditures shall not be made for carrying out the purposes of the reclamation law except out of appropriations made annually by Congress therefor, and the Secretary of the Interior shall, for the fiscal year 1916, and annually thereafter, in the regular Book of Estimates, submit to Congress estimates of the amount of money necessary to be expended for carrying out any or all of the purposes authorized by the reclamation law, including the extension and completion of existing projects and units thereof and the construction of new projects. The annual appropriations made hereunder by Congress for such purposes shall be paid out of the reclamation fund provided for by the reclamation law."

Mr. SMOOT. Mr. President, I agree with all that was said by the Senator from Idaho [Mr. BORAH], and I hope the Senate will vote upon this amendment and adopt it.

I call attention to the fact that the provision of the law as it stands to-day was reported to the Senate in a conference report, and I believe there were at least a dozen Senators, among them myself, who stated that they would not vote for the conference report with that provision in it unless they could have it segregated in some way and have a direct vote upon that section.

I am quite sure that under the present law the spending of money upon reclamation projects in the future will not be so successful, and it will not be so justly distributed as it has been in the past, because from now on it will be expended according to the influence of a Senator or a Representative in Congress who may be living in any State where a reclamation project is located. With this amendment adopted the former system of having the reclamation funds expended by the Secretary of the Interior will be in vogue again, and it is the proper way of expending the money.

Mr. CLAPP. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Minnesota?

Mr. SMOOT. I do.

Mr. CLAPP. I am not as familiar with the reclamation law as some, perhaps, but the thought occurred to me whether the mere repeal of a provision which requires the fund to be appropriated would in itself restore any law under which the Secretary would distribute the fund without the direction of Congress. Ordinarily I do not think that would be the effect of repealing a law which made a provision for Congress to distribute it.

Mr. SMOOT. I will ask that I may see the amendment.

Mr. CLAPP. I just heard it read, and I may not have caught the full import of the amendment. I rose a moment ago to make that very inquiry.

Mr. SMOOT. I will call the Senator's attention to the fact that the amendment says, after the word "herewith," in line 16, page 21, to insert the following:

Also section 16 of an act passed and approved August 13, 1904, entitled "An act extending the period of payment for reclamation projects, and for other purposes," which section reads as follows:

"SEC. 16. That from and after July 1, 1915"—

That is 1915.

Mr. CLAPP. Oh, I see.

Mr. SMOOT. Therefore this would repeal that provision before it goes into operation.

Mr. CLAPP. I had not caught in the reading of it the date when it went into effect, and I supposed it related to a law which had been in effect. There is no question about it.

Mr. SMOOT. The former provision does not immediately go into effect. I sincerely trust that the Senate will vote for this amendment; and I shall ask for the yeas and nays upon it when the vote is taken.

Mr. GORE. I should like to ask the Senator from Utah or the Senator from Idaho to read to the Senate a list of the States receiving moneys heretofore for the construction of irrigation plants. I rather think that the list would indicate to the Senate that possibly these grants have heretofore been made in accordance with senatorial or other influence. I think it would be seen from that statement that the moneys have been expended largely in three or four Northwestern States.

Mr. SMOOT. I have not the list, but I think there are about 12 or 13 of them. I will say, as far as my own State is concerned, we have had only one project started by the Government, and that has been under development for some six or seven years. I will assure the Senator from Oklahoma that if his statement is correct, I must have had in the past very little influence with the Secretary of the Interior.

Mr. GORE. I did not mean to include the Senator in the number of those who had exercised influence in reclamation projects.

Mr. SMOOT. Mr. President, I want to call this one fact to the attention of the Senate, and it will disprove the Senator's suspicion——

Mr. GORE. There is no use to debate about it. If anyone has the list, that will speak for itself and we can all be governed by it. I think probably the State of the Senator from Idaho is one that has had certainly a disproportionate amount of money expended in it; perhaps justly so. I do not mean to charge it to influence. Now, this money——

Mr. SMOOT. The Territory, now the State, of Arizona has had a large appropriation made for the purpose.

Mr. GORE. That is true. That is one of the exceptions.

Mr. SMOOT. I want to say to the Senator that I do not disapprove of it.

Mr. GORE. I do not, either.

Mr. SMOOT. I know the conditions in Arizona. I know the arid country there, and the unbounded acres that can only be reclaimed by reclamation projects. As long as Arizona has water, as long as she contains irrigable land, as long as there are great prospects in that State for the reclamation of land under the irrigation system of the Government, I am not objecting to it one bit.

I will say to the Senator that there has not been a Republican Senator from Arizona, and before the admission of the Territory the Delegates from the Territory were Democrats, at least more than half the time. Therefore I take it for granted that there has been no political influence used in the past in relation to the distribution of that fund.

Mr. GORE. Mr. President, I think the State of Arizona is an exception to what appears to me to be a concentration of money in the far Northwest. I have made repeated efforts, I know, to secure this trial. There is one project in my own State where we have contributed $6,000,000 to the fund and so far we have been able to get about $60,000 expended by the Government. It is my recollection that the money has been largely expended in three or four Northwestern States. I do not mean to charge it to senatorial influence. The Senator raises a proposition that might occur hereafter, but for some reason my recollection is it has been concentrated, it seems to me, far too much. I do not know what the reason is, but if the Senator from Idaho has the list, which can be easily obtained, I should like to hear it, and I would like to have the Senate hear it.

Mr. BORAH. Mr. President, I am sorry to say that I have not the list here, neither do I carry in my mind what the figures are. I only want to say that my amendment expresses and accentuates my confidence in the present Secretary of the Interior, because I am perfectly willing to leave it to him. I think I could satisfy the Senator from Oklahoma conclusively that if a large amount has gone to Idaho it was not by reason of the influence of the Senator from Idaho with the previous Secretaries of the Interior.

Mr. MYERS. I ask for the reading of the amendment. Let it be again read.

The VICE PRESIDENT. The Secretary will read the amendment again.

The Secretary again read Mr. BORAH's amendment.

Mr. WALSH. Mr. President, I know of no man in either House of Congress from any of the public-land States in which any of these reclamation projects are being carried on, unless it be from the State of Oklahoma—apparently there is some sentiment favorable to it there—but outside of that I know of no man from any of those States who countenances or encourages or gives any support whatever to the amendment which was attached to the extension bill and for the repeal of which the amendment now offered by the Senator from Idaho [Mr. BORAH] provides. I am determinedly opposed to the principle of leaving to Congress the assignment of these funds. But, Mr. President, I do not think that the Senator

from Idaho ought to tack that amendment on this bill providing for the disposition of coal lands in Alaska. It has by his own confession no relevancy to the subject whatever.

Mr. President, there is scarcely a State in the Union—certainly it is the case in three-fourths of the States—that does not have an explicit provision in its constitution that no act shall embrace more than one subject, and that that shall be expressed in the title. That is done for the purpose of preventing the incorporation in a bill in relation to a certain subject that, perhaps, does not meet with any opposition at all in a legislative body secretly a provision that might provoke very much antagonism and discussion. Now, we know it is the general sentiment of this body to pass this Alaska coal bill. While there may be some opposition from some of the Senators, it looks as if the bill was going to pass, and the opposition is with reference to the details, concerning which a great many do not care. It is not at all unlikely that a great many Senators have already gone away who would be opposed to the amendment now offered by the Senator from Idaho. I do not think it fair at this time to put the amendment on the bill in their absence, without giving them an opportunity to debate it.

Mr. President, I want to suggest also that the adoption of the amendment means the defeat of the bill, because, if I may be permitted to say so, if the House conferees should accede to it at all, it is opposed, the Senator well knows, by the leaders of both the political parties in another branch of Congress, and it would give rise, unquestionably, to interminable debate there, which would render impossible at this session the passage of the bill.

Now, why should the bill be imperiled, particularly because before there is any necessity for making a further assignment in these funds for next year's work there will be another session of Congress convening on the first Monday in December. Congress will then be obliged to pass a bill in relation to these very matters, and before the next 4th of March the matter can be considered in connection with a bill to which it has some relevancy, and the Senate can then express its opinion with respect to the matter without any peril at all.

I appeal to the Senator from Idaho not to press his amendment at this time. Before I take my seat, however, because it might be gathered from some remarks of the distinguished Senator from Oklahoma [Mr. GORE] that the State of Montana had received an undue proportion of the reclamation fund for the construction of projects in that State, as I suppose Montana would be considered one of the Northwestern States. I wish to correct what is a misapprehension in regard to that matter. I desire to state now for the information of the Senate that the State of Montana has contributed a million dollars more to the reclamation fund than has ever been appropriated for projects in that State. So she has not yet received her quota of the fund.

Mr. BORAH. May I ask the Senator from Montana a question? Important as the amendment is and as the Senator knows it to be, would he be willing to have it go to conference, so that it could be dealt with if practicable?

Mr. President, while I am opposed to the bill I do not want, even if I could, to take a technical advantage of the situation and kill it. I do not think this will kill it. I think it would add some virtue to it. If the Senator will permit this amendment to go to conference, the conferees might be able to work it out without jeopardizing the bill, and if they were not able to do so unquestionably the Senate would recede from its position and pass the bill.

Mr. WALSH. Mr. President, let me ask the Senator, in answer to that, what could be expected of the House conferees? The House conferees are appointed upon this bill; the House has debated this particular question; by a most decisive vote they have declared in favor of the policy which is opposed by the Senator from Idaho as well as by myself. When those conferees meet our conferees, what can they do? They are obliged to say: "We can not agree to this; the House has already declared itself by an overwhelming vote on the subject."

Mr. BORAH. Mr. President, there is always hope that a great body, a wise body, like that, which may make a mistake, upon reflection will correct it.

Mr. WALSH. I desire to say to the Senator that while that may be the case with the House, we can not expect the conferees to accede to this.

Mr. BORAH. Well, Mr. President, I do not want to be placed in the position of desiring to kill this bill, although I am going to vote against it unless radically amended; but I think I must insist upon a vote on this proposition. I believe that if it were to go to conference the Senator would find a situation not so difficult as it was a few weeks ago.

Mr. JONES. Mr. President——

Mr. BORAH. Just a moment. I am satisfied—I do not know that a majority feel that way, but I am satisfied—that there was a condition with reference to this amendment in the House something like there was in the Senate.

Mr. WALSH. If the Senator from Idaho is desirous of having it go to conference to see whether or not we can get it, I shall not oppose it.

Mr. BORAH. I should be very glad if the Senator would permit it to go to conference, to see if the situation is such that the conferees can deal with it.

Mr. JONES. Mr. President, I will say to the Senator from Idaho that he is no more strongly opposed to this proposition than am I. I was a member of the conference committee on the bill between the House and the Senate which resulted in the adoption of this provision. The Senate conferees endeavored in every way possible to secure the elimination of the provision and endeavored in every possible way to secure a modification of it, so that it would be reasonably satisfactory. We conferred with different ones, whom I need not mention here, but we found that it was absolutely impossible to get this provision eliminated. The vote in the other House—if I may be permitted to refer to it—was about 4 to 1; I think probably it was about 5 or 6 to 1 in favor of the provision which the Senator seeks to repeal. It was not adopted in the House without consideration either; it was considered and debated on the floor of that body. As the Senator from Montana [Mr. WALSH] has said, the leaders on both sides of the House were strongly in favor of the proposition. Therefore, as much as I am in favor of the Senator's amendment, I am satisfied that it is absolutely useless to send the matter to conference; that no result can come from the conference except that our conferees will have to recede or bring the matter back to the Senate, and the Senate will have to recede. Of course, that can be done

Mr. BORAH. I do not think it is ever useless to try to do a good thing. Let us make an effort to do it anyway. We have got to have this matter fought out somewhere, and if it is necessary at some time or other to kill an important bill or get it, we will have to prepare ourselves to do it. So far as I am concerned, I propose that that matter shall go out of that law if it is possible to get it out.

Mr. JONES. The Senator can get it onto some appropriation bill, and I will be with him in such an effort.

Mr. BORAH. We could not get it on an appropriation bill under the rules of the Senate.

Mr. SMOOT. May I ask the Senator from Washington a question?

Mr. JONES. Certainly.

Mr. SMOOT. I want to ask the Senator whether the provision was sent back to the House by the conferees and voted upon by the House? I mean after the House knew that the Senate had disagreed to the amendment offered.

Mr. JONES. No; it was not, for this reason: After investigating the situation carefully—and I think the Senator from Arizona will bear me out in this statement—we were satisfied that if it got back to the House, we either would not get a bill at all or we would get it under much more unsatisfactory terms than those in which it was then framed; that there would be the insertion of several provisions to which we were very much opposed. Therefore, we thought it much better not to let it go back to the House on disagreement, because if we had done so, the bill would have failed or we would have gotten something that was much more unsatisfactory than what we did get.

That is the situation. I am for the repeal of this proposition, but our conferees will have to recede—there is not any doubt in my mind about that at all—or else this bill will fail.

Mr. BORAH. Mr. President, I do not see any reason why we should advertise here that we are going to surrender in advance of the surrender. This is a very important matter, and there is no reason to assume, if we can show the House that it was in error, that the House will not recede. We have no right to assume that it will not do so. We ought to permit the matter to go to conference to see whether or not it can be worked out.

Mr. JONES. In response to that remark I will say that I think the Senate is entitled to know the facts of the situation, and that is the situation and those are the facts. If we send this to conference, we send it there knowing that it will fail.

Mr. McCUMBER. Mr. President, if the Senator from Washington agrees that under our scheme of government each branch of Congress should be absolutely independent of the other, in order that it might exercise its own free judgment on what ought to be done, then does not the Senator believe that we ought to vote our convictions on this proposition irrespective of what the other House may do or may not do in reference to it?

Mr. JONES. Mr. President, I am not appealing to the Senator to vote against the proposition. I shall probably vote for

it; but I am telling the Senate just exactly what the situation is and what they may expect.

Mr. McCUMBER. I assume, however, that the appeal was made on the same ground that it was made by the Senator from Montana [Mr. WALSH]—that we ought not to vote for this provision because the House would undoubtedly cut it out.

Mr. JONES. I do not ask any Senator not to vote for it. I am simply stating the facts and conditions which confront us in reference to this matter.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Idaho [Mr. BORAH] to the amendment.

The amendment to the amendment was agreed to.

Mr. MARTINE of New Jersey. I offer the following as an amendment:

No lessees of any coal or other lands in Alaska shall employ, hire, or permit on their premises or lands so leased armed bodies of men, commonly known as mine guards, under the penalty of $5,000 and two years' imprisonment in jail.

I will say, in support of that amendment, that I think it has every merit. I can not imagine any Senator voting against the proposition. In the light of the experience I have had with mine guards, I say that to permit them further to be employed is a step backward and against our civilization.

About a year ago I introduced a bill designed to make impossible the recurrence of such conditions as obtained in the section which I visited—I will not mention the State. I felt that it was a horrid abuse. Since that time I have seen the results of the policy adopted by the mine owners, and we all have read of the fearful conditions which prevail in Colorado through the employment of so-called mine guards. They seem to have unlimited rights, notwithstanding the laws of the State, to employ Gatling guns and machine guns; and they fired their shots, scattering death broadcast in the little settlements of the miners in the State which I visited. Out of regard for the feelings of the Senators from that State I will not mention its name; but I say that the conditions prevailing there were a shame and a disgrace to the civilization of this broad land. I ask that the amendment be adopted.

Mr. McCUMBER. Mr. President, as an amendment to the amendment, after the words "mine guards" I move to insert "or to defend their property in any manner whatsoever."

Mr. MARTINE of New Jersey. Well, Mr. President, I understand the purpose of that; but if the Senator had seen that which your committee saw, if he had seen the women, pale and wan-eyed, and had known that a baby had been killed, he would not stand up in this enlightened presence and offer an amendment of that character for the purpose of ridiculing and defeating the proposition I have offered. I should like to have a vote on the amendment.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from North Dakota to the amendment offered by the Senator from New Jersey.

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The question recurs on the amendment as amended.

The amendment as amended was rejected.

Mr. JONES. Mr. President, I offer an amendment to come in at the close of section 2.

The VICE PRESIDENT. The Senator from Washington offers an amendment, which will be stated.

The SECRETARY. At the end of section 2 it is proposed to insert:

And the sum of $500,000 is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to enable the President to exercise the authority conferred upon him in this section, to continue available until used.

Mr. JONES. Mr. President, just a word with reference to this bill. I expect to vote for this measure. I will do so simply because of the conditions that confront us. As my colleague, Mr. POINDEXTER, said on yesterday, there is a condition in Alaska which we must face. That condition can not be any worse with reference to the disposition of coal than it is now. Largely by reason of the public sentiment throughout the country, this bill is the only possible relief that we can secure for that situation, and in the hope that this measure will be able to accomplish something I shall vote for it.

I shall vote for it for the further reason that, if it does not accomplish anything in Alaska, it will have demonstrated that a leasing system is not a success as applied to that Territory, and then we will have to take up at a later time something else in order to secure relief.

I want to say that I think the bill reported by the committee is just about as good a bill and contains about as good provisions as could have been reported with any hope of accomplishing any desirable results. I want to congratulate them upon the splendid work they have done with reference to the bill. If any good can come from a leasing system with reference to the coal lands of Alaska, I believe it will come under this measure; and if it does not, then we will provide some legislation that will accomplish something.

Now, Mr. President, with reference to the amendment, I will say that it simply makes an appropriation to enable the President to do what we have given him authority to do in section 2. Without some appropriation, of course, he can not do anything, if it should become necessary for him to act. That is all I care to say about it.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Washington.

The amendment was rejected.

Mr. STONE. Mr. President, I should like to inquire of the Senator in charge of this bill, and of Senators generally, if we can have a vote, so far as any Senator knows, upon this bill at once? If not, I desire to move an executive session.

Mr. PITTMAN. Mr. President, I desire to state that we have covered every amendment of which we have heard, except one, which I understand the Senator from Colorado [Mr. SHAFROTH] desires to offer. I do not know that it is long. I do not know whether or not he will make a speech on it.

Mr. SHAFROTH. Yes; I desire to make a speech on it. I have not offered any amendment up to this time, and the amendment which I intended to offer proposes to change very largely the character of the bill. It is really a series of amendments, and for that reason I do not think that I could finish in half an hour.

EXECUTIVE SESSION.

Mr. STONE. Manifestly we shall not get through with the pending bill to-night, and I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 20 minutes spent in executive session the doors were reopened.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the Speaker of the House had signed the enrolled bill (S. 1930) granting to the Atchison, Topeka & Santa Fe Railway Co. a right of way through the Fort Wingate Military Reservation, N. Mex., and for other purposes, and it was thereupon signed by the Vice President.

PETITION.

Mr. CRAWFORD presented a petition of the Sunday School Association of Stanley County, S. Dak., praying for national prohibition, which was referred to the Committee on the Judiciary.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JONES:

A bill (S. 6535) to reinstate Wilmot A. Danielson as a first lieutenant in the Coast Artillery Corps, United States Army; to the Committee on Military Affairs.

By Mr. SHEPPARD:

A bill (S. 6536) for the creation of cotton loan associations and the development of reliable cotton securities; to the Committee on Banking and Currency.

SALARIES OF FEDERAL EMPLOYEES.

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the bill (S. 6520) temporarily reducing salaries of persons in the Federal service, which was referred to the Committee on Civil Service and Retrenchment and ordered to be printed.

RECESS.

Mr. KERN. I move that the Senate take a recess until to-morrow morning at 11 o'clock.

The motion was agreed to; and (at 5 o'clock and 55 minutes p. m., Friday, September 25, 1914) the Senate took a recess until to-morrow, Saturday, September 26, 1914, at 11 o'clock a. m.

CONFIRMATIONS.

Executive nominations confirmed by the Senate September 25 (legislative day of September 24), 1914.

POSTMASTERS.

IOWA.

William L. Holtz, Newell.
A. A. Montgomery, Stuart.
James Nowak, Malcom.
William Walter, Dyersville.

HOUSE OF REPRESENTATIVES.

FRIDAY, *September 25, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Be graciously near to us, Eternal Spirit, our heavenly Father, as we thus pursue the journey of life through another day. Quicken our thoughts; broaden our views; uphold, sustain, and guide us in every good work, that we may be worthy of Thy love and good will. In the spirit of Him who taught us "the way and the truth and the life." Amen.

The Journal of the proceedings of yesterday was read and approved.

EMERGENCY REVENUE LEGISLATION.

Mr. UNDERWOOD. Mr. Speaker, I would like to be informed as to the amount of time that has been used on each side.

The SPEAKER. The gentleman from Alabama used 1 hour and 15 minutes and the gentleman from New York [Mr. PAYNE] exactly an hour.

Mr. UNDERWOOD. Mr. Speaker, I yield 15 minutes to the gentleman from Minnesota [Mr. HAMMOND].

Mr. HAMMOND. Mr. Speaker, when the President of the United States came before this body on the 4th of this month he stated that he had a very unpleasant duty to perform. Of course it is never a pleasant duty to levy taxes or to ask that taxes be levied upon a people. The Committee on Ways and Means, to whom that message was referred, had also a very unpleasant duty to perform. They attempted to perform it as well as they could. The House, now that the measure has come before it, has a very unpleasant duty to perform. Gentlemen, we all realize the danger, the political danger, of passing a bill like this just before an election. Without doubt it can be used to our injury; it will harm the Democratic Party; but if it is a duty that should be performed, neither the Democratic Party, nor any party, nor any body of citizens, should shrink from its performance simply because it will invite criticism and perhaps do some injury.

Now, the conditions which confront us are generally well known. I desire to call attention to a few figures that are illuminating. We have to-day, reading from the last daily statement of the United States Treasury, of date September 23, a surplus of about $118,000,000, $74,000,000 of which is deposited in the banks of the United States, leaving $44,000,000 in the Treasury. Some $27,000,000 of that is in subsidiary coin, fractional currency and silver bullion—money, of course, but not readily used for governmental purposes. This leaves a balance of $17,000,000. The revenues up to the 23d for this fiscal year are $166,000,000 and something over. For the same time in the last fiscal year they were $165,000,000. So our revenues up to the 23d of this month in this fiscal year exceed by nearly $1,000,000 the revenues in the last fiscal year. So upon paper, in so far as the revenues of the country are concerned, the result of the Democratic revenue measure, we are not in need of additional taxes. Our revenues apparently exceed the revenues of the last fiscal year at this time, but $12,000,000 came from the sale of warships to Greece. Deducting that, and we are about $11,000,000 short. Now, then, one may readily understand how our friends upon the other side of the Chamber may feel that it is unnecessary to levy this tax. They can not, of course, take the position that the tax is unnecessary and at the same time necessary on account of either Democratic legislation or Democratic extravagance. If it were true that we had been extravagant, if it were true that our legislation had failed to produce revenue, and the necessity existed, then, of course, they would join with us in passing necessary tax legislation, because, whatever the cause may be, when the Government needs money it must have money, and it is the duty of all of us to furnish it when the call is made. But the opposition does not take that position, as I understand it. It assumes that the Democratic tariff bill and Democratic legislation have produced the necessary revenues, and that there is to-day no necessity for the legislation which we present.

Now, I wish to read a line or two from President Wilson's message upon this proposition of necessity. He said:

> The Treasury itself could get along for a considerable period, no doubt, without immediate resort to new sources of taxation.

And that is precisely our position.

> But at what cost to the business of the community? Approximately $75,000,000, a large part of the present Treasury balance, is now on deposit with national banks distributed throughout the country.

Seventy-four million dollars, as I have shown you from the last Treasury statement.

> It is deposited, of course, on call. I need not point out to you what the probable consequences of inconvenience and distress and confusion would be if the diminishing income of the Treasury should make it necessary rapidly to withdraw these deposits. And yet without additional revenue that plainly might become necessary.

With $17,000,000 balance outside of these deposits, of course it would become necessary.

> And the time when it became necessary could not be controlled or determined by the convenience of the business of the country. It would have to be determined by the operations and necessities of the Treasury itself. Such risks are not necessary and ought not to be run. We can not too scrupulously or carefully safeguard a financial situation which is at best, while war continues in Europe, difficult and abnormal. Hesitation and delay are the worst forms of bad policy under such conditions.

Now, then, the crux of the situation is that it appears from this statement that there are $74,000,000 in the banks of this country. True, our customs revenues have shrunk. True, there are eight great nations in Europe engaged in deadly conflict to-day. True, six others are hovering upon the very brink of war, and no one can tell what news the next few months may bring us, so far as they are concerned. And from these great nations engaged in a life-and-death struggle we can not have the trade, we can not have the imports, and consequently the customs revenues, to keep pace with our needs. Twenty-five million dollars is our loss so far in customs this fiscal year compared with what they were a year ago.

The President, we believe, is in a better position to determine just what the business conditions of this country demand in time of a crisis than we are, for information may come to him that it would not be desirable to make public, for apprehension of danger sometimes causes the very calamity we seek to avert. Now, gentlemen, we feel on our side that we can place the utmost faith and reliance in the statement of the President as to these business conditions. He has come before this body; he has taken the responsibility for this legislation; he has stated as the Chief Executive of this Nation that the need exists; he has called our attention to the facts within our own knowledge; and he has stated to us as the Chief Magistrate that there is absolute necessity that this money remain in the banks for the present and be not withdrawn for Treasury purposes. And if it is not to be withdrawn, then it devolves upon us to supply funds for the Government. It is easy enough to uphold the hands of the President under smiling skies and in fair weather, but when the stress of storm comes it is just as necessary—yes, the necessity is greater—that those who belong to the party of the President at least should uphold his hands and stand by him, in order that his administration may in the future be as successful as it has been in the past. [Applause on the Democratic side.]

I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MCGILLICUDDY). The gentleman yields back two minutes of his time.

Mr. UNDERWOOD. Mr. Speaker, I yield 15 minutes to the gentleman from Missouri [Mr. DICKINSON].

The SPEAKER pro tempore. The gentleman from Missouri [Mr. DICKINSON] is recognized for 15 minutes.

Mr. DICKINSON. Mr. Speaker, I shall vote for this emergency revenue measure, made necessary, in the judgment of the President, because of war conditions in Europe that seriously affect the commerce between the United States and European countries, preventing the usual exports of our raw material, principally cotton, produced in this country and so largely used abroad, and the shutting off of the importations from the countries involved in the war, and that in time of peace furnished customs revenues which, together with other revenues, have been ample to meet all the necessary expenses of Government.

A courageous President tells the Congress and the country that the occasion for this emergency legislation is not of our making, that we had no part in making it, but it is here; and he calls upon Congress to respond and meet the responsibility thrust upon us by these war conditions, the like of which, in the destruction of life and property and in their world-wide influence, have not been seen since the dawn of creation.

In our judgment, Congress, regardless of party, should respond to the appeal of the President for this legislation. The Democratic Party, the responsible party in control of the Government, can not and will not dodge this responsibility. The Republican membership, conscious of the dire straits in which their party stands to-day before the country, may seek a partisan advantage in its desire for an issue, and with want of frankness may oppose this measure for the pure sake of politics. They will be disappointed. The country believes in Woodrow Wilson, in his honesty of purpose, and will approve his conscientious and courageous discharge of every public duty, and will indorse the action of the President and of the majority party in seeking to meet every emergency that may arise and that may call for legislation, whether in peace or war conditions, and will rebuke at the polls those who play mere partisan politics in their effort to deceive the country. [Applause on the Democratic side.]

In his recent address to Congress on this subject the President states a fact, known to all Members of Congress and every

intelligent citizen of the country, that conditions have arisen that no man foresaw.

The war in Europe came like a flash of lightning out of a clear sky. The horrible and unparalleled conditions affect the whole world of commerce and economic production. Ten millions of men called to arms in Europe and engaged in deadly strife are trying to destroy not only each other, but striving to destroy nations and change the map of Europe. This war to the death, in which millions of men may not only lose their lives, but billions of dollars' worth of property will be destroyed and lost forever, shocks not only the moral sense of all the world but seriously disturbs financial conditions everywhere, and especially in this country, because of large mutual commerce in time of peace. Trade and commerce with Europe has largely ceased and losses of revenues are being sustained. Our surplus can not be sold abroad. The serious conditions have brought a strain here and it became the duty of the President to call the attention of Congress to these abnormal conditions that could not be neglected without probably dangerous results.

In so far as they affect us, the President tells us that these conditions must be faced and dealt with, and that it would be unwise to postpone dealing with them. The Democrats of this House can not do other than respond to the message and address of the President. The country would rebuke the Democratic membership if it failed to make proper response to the appeal of the President for this legislation at this time.

I know how tempting it is for the minority party to embrace this opportunity in its hunger for a campaign cry. They raise the cry of economy—a stranger in the history of their party legislation. They cry out against additional taxes. Taxes are always burdensome and offensive to those compelled to pay them. It is refreshing to hear our Republican friends complain against taxation, when they know that the large burdens now borne by the people are the heritage in a large part of the obnoxious rule of their own party. [Applause on the Democratic side.]

The Underwood tariff law is criticized by many who would not reenact the Payne-Aldrich tariff law if given an opportunity. No general tariff law is perfect. But in my judgment the present tariff law will continue for years on the Federal statute book of the Nation with the approval of the people, who feel that it is immeasurably superior to the law which it displaced. I would like to see it amended in its income-tax provisions—a greater per cent levied on the larger incomes and the exemptions lowered, so that wealth should bear a fairer share of the burdens of Government. I would like to have seen an income-tax increase written in this bill, but it was thought best not to incorporate it in this emergency measure, when the income-tax feature would not be responsive before the end of the fiscal year, in June, 1915, but to leave it for future legislation.

Some desired other features in the bill, but an emergency bill could not well be written that would meet the judgment of every Member in all particulars. The provisions of this bill, levied principally on luxuries, should be reasonably satisfactory to all. It met the judgment of the President. It is indorsed by the Democratic membership of this body. It has been unanimously reported by the majority members of the Ways and Means Committee, which has responded to the desires of the President and the action of the Democratic caucus.

Should this bill become a law, it is estimated that the revenues derived during the coming 12 months will amount to $105,000,000, distributed as follows:

Fermented liquors	$32,500,000
Wines	6,000,000
Gasoline	20,000,000
Special taxes	16,500,000
Stamp taxes	30,000,000
Total	105,000,000

The stamp taxes to cease on the 31st of December, 1915, and it is hoped that the necessity for the continuation of this entire law may end when normal conditions may be restored in Europe.

Every man hopes for an early termination of that terrible struggle—a war blunder so colossal as to stagger the entire world, a very harvest of death to all that is best in European life. Our burdens are light as compared to their misery. There can be no compensation for such destruction of life and property, unless possibly new conditions may arise and old things shall pass away, bringing a change that only could result from revolution.

Out o the fearful struggle going on the world may receive some benefit, if the building of battleships and other engines of destruction may cease; a blessing may come to all mankind if all of Europe shall disarm by reason of this mighty conflict, and large standing armies may live only in history; if kingcraft shall yield its domination to democratic rule; if strife shall give way to peace; if the doctrine of hate shall give place to love and friendship; if war shall cease and the brotherhood of man be recognized. [Applause.] God forbid that the terrible lesson being enacted shall bring nothing of benefit to the human race. If new conditions shall arise, such as is desired by every peace-loving man, then taxes will be lowered everywhere and the heavy burdens upon labor and industry will be lessened. When Europe disarms, the necessity for large naval and army appropriations in the United States may cease and our burdens be lightened.

If by reason of this war militarism shall pass away and give place to industrialism, there will be some compensation for the great slaughter of to-day. Sorrow, famine, ruin may be the heritage of this generation in the war-stricken countries, but the cause having been removed future generations may live in peace and contentment. Who is there in all this broad land that does not hope for the coming of the establishment of a world-wide peace, so ardently desired in this land of ours and hungered for in the hearts of civilized man everywhere? [Applause.]

Let us meet this present necessary condition and respond to the message of the President; bear this burden to-day and then bend in the future every effort to aid to press upon the Old World that the day has come when the burden of militarism must be lifted from the shoulders of the masses, in order that the generations that are to follow may live and work out the great salvation of life. [Applause.] Strike down prejudice wherever it exists, whether it be between individuals or nations. Teach the great rulers of the world that they must respond to the heart throbs of suffering humanity, destroy war and every instrument of war, in order that men may live in peace and that the world may grow in wealth and in comfort. Governments can then be run with more economy, for when the great navies and large standing armies shall cease the necessity for huge levies will end, and the industries of the nations of the earth will be quickened and happiness and contentment will fill the hearts of mankind. [Applause.]

It may be a dream—a mere hope that may not be realized. The millennium may never come, but the hope will linger in the human heart and the prayer will be world-wide for every effort from every peace-loving nation to put an end to destructive war that brings sorrow and suffering to almost every home in every land. The burden of debt is the curse of the world. There is no hope for relief, there is no future prosperity for nations, unless their burdens be lightened and lifted from the shoulders of the nations and individuals. If history shall continue to repeat itself till the end of time, then what shall we say of our lauded civilization and the influence of the church upon the children of men? [Applause on the Democratic side.]

I yield back the balance of my time, Mr. Speaker.

Mr. UNDERWOOD. Mr. Speaker, will the gentleman from New York [Mr. PAYNE] allow me to yield a couple of minutes to a Member on this side?

Mr. PAYNE. Certainly.

Mr. UNDERWOOD. I yield three minutes, Mr. Speaker, to the gentleman from New York [Mr. GOULDEN].

The SPEAKER pro tempore. The gentleman from New York [Mr. GOULDEN] is recognized for three minutes.

Mr. GOULDEN. Mr. Speaker, the bill now under consideration is an emergency measure, made necessary by the war in Europe. This Government depends on the duties collected on imports for a considerable portion of the revenues necessary for its support. The President, by virtue of his office as Chief Executive, is responsible for the proper administration of the affairs of government. Under Article II, section 3, of the Constitution of the United States, he is expressly directed as follows:

> He shall, from time to time, give to the Congress information of the state of the Union, and recommend to their consideration such measures as he shall judge necessary and expedient.

In compliance with this requirement, President Wilson, on Friday, September 4, in keeping with the wise and salutary custom of the early Chief Magistrates of the Nation, appeared before the Congress and read his mesage on the needs of the country and its finances. In his opening he said:

> Gentlemen of the Congress, I come to you to-day to discharge a duty which I wish with all my heart I might have been spared; but it is a duty which is very clear, and, therefore, I perform it without hesitation or apology. I come to ask very earnestly that additional revenue be provided for the Government.
>
> During the month of August there was, as compared with the corresponding month of last year, a falling off of $10,629,538 in the revenues collected from customs. A continuation of this decrease in the same proportion throughout the current fiscal year would probably mean a loss of customs revenues of from sixty to one hundred millions. I need not tell you to what this falling off is due. It is due in chief part, not to the reductions recently made in the customs duties, but to the great decrease in importations, and that is due to the extraordinary extent of the industrial area affected by the present war in Europe. Conditions have arisen which no man foresaw; they affect the

whole world of commerce and economic production, and they must be faced and dealt with.

It would be very unwise to postpone dealing with them. Delay in such a matter and in the particular circumstances in which we now find ourselves as a nation might involve consequences of the most embarrassing and deplorable sort, for which I, for one, would not care to be responsible. It would be very dangerous in the present circumstances to create a moment's doubt as to the strength and sufficiency of the Treasury of the United States, its ability to assist, to steady, and sustain the financial operations of the country's business. If the Treasury is known, or even thought, to be weak, where will be our peace of mind? The whole industrial activity of the country would be chilled and demoralized. Just now the peculiarly difficult financial problems of the moment are being successfully dealt with, with great self-possession and good sense and very sound judgment, but they are only in process of being worked out. If the process of solution is to be completed, no one must be given reason to doubt the solidity and adequacy of the Treasury of the Government, which stands behind the whole method by which our difficulties are being met and handled.

In the same message he added the following, which I commend to the American people:

The occasion is not of our own making. We had no part in making it. But it is here. It affects us as directly and palpably almost as if we were participants in the circumstances which gave rise to it. We must accept the inevitable with calm judgment and unruffled spirits, like men accustomed to deal with the unexpected, habituated to take care of themselves, masters of their own affairs and their own fortunes. We shall pay the bill, though we did not deliberately incur it.

In order to meet every demand upon the Treasury without delay or peradventure, and in order to keep the Treasury strong, unquestionably strong, and strong throughout the present anxieties, I respectfully urge that an additional revenue of $100,000,000 be raised through internal taxes devised in your wisdom to meet the emergency. The only suggestion I take the liberty of making is that such sources of revenue be chosen as will begin to yield at once and yield with a certain and constant flow.

Our Republican friends on the other side of this Chamber decry this proposition as unnecessary at this time and, secondly, claim that it is due to extravagance on the part of the majority of this House. There is no question in the minds of all patriotic citizens not biased by partisan feeling of the necessity of maintaining the standard and solvency of the United States Treasury. The President clearly proves this fact in his admirable address.

Mr. GOLDFOGLE. Mr. Speaker, will the gentleman yield to me for a moment?

Mr. GOULDEN. With pleasure.

Mr. GOLDFOGLE. I recognize the fact that the gentleman has only a few minutes, but I desire to ask him as a man of large business experience and so successful in New York whether the deposit of moneys in the national banks, so much criticized by the other side yesterday, was not necessary to be made in order to preserve not only the solvency of the financial institutions throughout the country and their absolute stability, but also in order to avert the possibility of apprehension on the part of the people, however unjustified, which might give rise to financial unrest or distrust?

Mr. GOULDEN. My distinguished colleague is absolutely correct. Sixty millions of that money was deposited by the Republican administration and fifteen millions by the Democratic administration. It would undoubtedly disturb the business relations of our country and probably tend to bring about depression, if not a panic, had not every financial safeguard been taken to strengthen our financial institutions. [Applause.] The whole fabric of commercial and industrial life of the country depends on public confidence in the stability of our finances, or panic will inevitably follow. This is the time that prudence demands that the actual and growing deficiency in the Nation's revenue be made good. It will not do to put it off until some more convenient season. The time for action is here and must be promptly met by the Congress if serious financial and business troubles in the near future are to be avoided. Even if the war in Europe ended shortly, something of this kind would be imperatively necessary, as it would require a year, at least, for the belligerent nations to be able to manufacture goods for importation. The entire product of their factories and mills would be required for their own people; hence this measure might even then be required. President Wilson, having full information on this subject and being of discerning mind and patriotic heart, would not have made this urgent recommendation without cause. I would much prefer following him and his advice than that of our political foes on the other side of the Chamber. [Applause on the Democratic side.]

The second contention of our Republican brethren, that of extravagance, is as unfounded as the first objection. No one regrets more deeply than I that so important and necessary a proposition should be made a party question. The fact that the election is just 40 days distant is no reason whatever for trying to make political capital on a matter of such great import, one so fraught for good of the country.

In the matter of extravagant appropriations, the Republicans have been a party to them, both in the committees and in the House itself, having voted for the measures carrying appropriations. I do not admit, however, that these various appropriation bills passed by this Congress were extravagant. This is a billion-dollar Nation, growing from year to year, and the sums appropriated were absolutely necessary. The greatly increased activity along all lines of public endeavor, especially that of reclamation and irrigation of arid lands, the conservation of the public resources, and in general doing everything to make the country more prosperous and the people happier, demands larger sums from the National Government each year.

As to the measure under consideration, the loss of revenue from import from countries engaged in and affected by the war, comprising Austria-Hungary, Belgium, France, Germany, Japan, Russia, Servia and Montenegro, and the United Kingdom of Great Britain, the usual customs revenue coming from these countries annually has amounted to more than $100,000,000.

The Committee on Ways and Means, in their able report regarding this matter, say:

We have therefore reached the conclusion that it is conservative to state that the loss of customs revenue that will be caused by war conditions abroad for one year will be $100,000,000. This amount, unless replaced by taxes from some other source, will cause a serious deficit in our Treasury balance. It is true that at this time we have a general fund balance in the Treasury amounting to about $119,000,000. About $75,000,000 of this money is now deposited in the national banks of the country to assist in the movement of crops and to meet the Treasury daily needs when required. Of the remaining Treasury balance there is a large amount in subsidiary coin and bullion, which is not available for use in meeting current obligations.

President Wilson, with a keen appreciation of the actual needs of the country and with a sublime courage, meets this unfortunate condition, as he has met all others confronting the administration, successfully and patriotically. He asks us to do our duty by providing the necessary funds to maintain the honor and integrity of the Government. There is no doubt of the result. Many of us may differ in the manner as to how this sum should be raised, but having registered our protests and made our objections to the Committee on Ways and Means, it now becomes our duty as representatives of the people to pass the proposed bill. I feel that at best it is only a temporary burden, which the American people will cheerfully bear, as they always have done when occasion demanded.

Schedule A, the stamp taxes, will expire by limitation on December 31, 1915, unless sooner repealed. It must be noted that no tax was placed upon bank checks, and I had hoped that policies of life insurance, which is a burden upon the frugal savings of millions of our people, who in this case wisely seek to protect their dependent ones, might also have been omitted.

With the return of peace, which God grant may speedily come, the extra taxes imposed by this bill, similar in every respect to those of the Spanish-American War period, will be repealed. [Applause on the Democratic side.]

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. UNDERWOOD. Mr. Speaker, I want to yield two minutes to the gentleman from Missouri [Mr. GILL].

Mr. PAYNE. How much?

Mr. UNDERWOOD. Two minutes.

The SPEAKER pro tempore. The gentleman from Missouri [Mr. GILL] is recognized.

Mr. GILL. Mr. Speaker and gentlemen of the House, in the short time allotted me in the final discussion of the war-tax bill now pending, I wish to confine my remarks specifically to the machine, and more particularly to the automatic machine now in general use in industry.

Human labor, Mr. Speaker, is the universal element which enters into all conceptions of value. That which the world recognizes as concrete wealth has embedded in its heart the applied stored-up labor of a past time. Wring from your myriad indices of wealth this universal factor and you transform them back again to a state of nature. Our own continent in all that makes for outward, tangible wealth is the richest in the world's history. At no time in the chronology of past centuries has any nation approximated its billions upon billions of visible symbols of wealth. And yet on that October day in 1492 when Christopher Columbus found a new continent, it was absolutely void of a dollar's worth of value. It is almost inconceivable that in the short space of 422 years the human beings who have since made this continent their home could, by the application of their brain, bone, and brawn to the plastic material of a virgin continent, have transformed it from a trackless wilderness into the thriving, prosperous communities which now so resplendently adorn each and every country of this Western Hemisphere. Speech is powerless to adequately measure the boundless wealth which still sleeps within the bosom of its future, and a wise statesmanship will always have in mind the proper conservation of those factors inherent in its life and growth.

All political economists are agreed that labor is the one universal element which enters into and becomes the necessary factor of each and every object of value known to civilized man. That function of labor, its universality—and because of it, the responsibility of parenthood toward the creatures of sense compels it to take on what to me is the function of labor, its universality—makes it the principal element in the life of objective value. Rob any object of its inner life-giving labor element and it immediately becomes dead, useless, and valueless.

Now, sir, I am prepared at this stage of my inquiry to approach the analysis of the bill before this House with as large an element of candor, fairness, and justice as human insight into its problems can give to man. The great European war has brought on an absolutely unlooked-for condition. No superior foresight of statesmanship could have given ample warning of its coming. It is here and we must face it. Our able President has so brilliantly outlined what our duties are, and I, as a humble Democrat, am here to offer my loyal and unqualified support to him and his administration in this crisis. Let us have a war tax such as he suggests, and let us get busy and furnish it without too much delay. But in doing this I wish to utter a solemn warning, do not shackle labor with too onerous a burden. Remember, gentlemen, labor, the universal element in all forms of value, must not be taxed to death. Each separate entity of creation has its finite limit, beyond which endurance can not and dare not go. Wise conservation of society's labor element would call for the energizing instead of the enervating deed. Tax labor with too many burdens and you enervate the one substance which gives health, virility, and stability to the body whole. A wise, social husbandman would seek to keep alive and vigorous its ever-necessary labor factor.

Mr. Speaker and gentlemen of this House, I am ever ready to give the eye and ear of patient inquiry into the social need and shall hold myself ready to cooperate with all reasonable haste toward that consummation. But I am too much of a Democrat—aye, too much of a lover of my kind—to blindly stand aloof and permit an unreason do that for me and mine which spells misery, squalor, and actual want to millions of humble toilers in our land.

Gentlemen, our age is clamoring for quantity. Its great cry is more, and ever yet more. It recks not sympathy and knows no kin; nor youth, nor age, nor man, nor woman are subjects in the category of its reason. They know what they want, and call for what they know. It has transpired that in the domain of experience they have found a neuter thing called a machine, which does more with less trouble than the human which it has supplanted. It has no conscience, likewise no heart. It does not think and can not complain. It has no sense of time nor of place, and with a slight modicum of care and attention it whirrs away in ceaseless activity by day, by night, winter or summer, year in, year out, week day or Sunday, without let or hindrance. This creation of man's brain has taken his job away from him. The owners of it are waxing fat and great in the golden streams that flow from its loins. All admit that the profits or advantages of machine ownership are real, are ever-increasing. In the domain of political economy we designate this an advantage enjoyed. Therefore, Mr. Speaker, I think it both right and logical that for the advantage which the State ever gives in the security of life, liberty, and happiness to the least of its component parts the machine be asked to contribute back to the State an equitable pro rata share of the burdens of the State's maintenance. I insist that the war tax contemplated by this bill, under the extraordinary conditions now prevailing, in their proper proportion be also shared by the machine owners of industry, who receive the lion's share of its profits. I am not asking more than has ever been the vogue from time immemorial in regard to the person of the citizen in a State. He is ever expected by tradition, by custom, and by law to render his personal service back to his State in times of war as in the walks of peace, and why not demand the same obligation of the machine which has usurped his sphere?

Is it wrong in any sense to expect such a return from a machine-owned industry in order that our common country may still enjoy the blessings of government and peace among men? Is it asking more in its fair proportion than you as individuals already have and expect from the men and women of this Republic in the days of its imminent peril? And would not every loyal man and woman in our great country leap with bounding joy at the prospect of succoring our common country's need when danger stalks abroad? I ask nothing unreasonable. I ask only that which I deem is right. Let us get from the machine of modern industry its fair proportion of taxation, in conjunction with that of all of its citizens, that our great country may live and thrive and continue ever the land of the world's oppressed and a haven of peace. To that end let us conserve all of our processes of life and apportion its proper pro rata share of taxation to each and all alike—the personal as well as the impersonal elements of our economic structure.

In the evolution of human society it has happened that the newer and more complex needs of the social whole have gradually substituted the machine-made goods for those which were distinctively the immediate product of man's labor expended thereon. We are compelled to admit by all the unanswerable proofs of the senses that we are in the age of the machine. The products of labor are now mediated through the machine before they get into the market for the consumer's need. The day of handmade commodities is past. We do not want nor is there a desire on the part of the least of us to turn back the dial of time and stay the hand of progress. We welcome the machine as a blessing to mankind. We have learned the blessing of the cooperant-labor products, and are only asking that these blessings be extended downward as well as upward through all the grades of human society. The proper dispensation of the blessings of cooperant labor calls for consideration certain necessary factors of production and distribution which are inherent in the constitution of society. They may be properly grouped into those which make for development and those which conserve society's processes.

In the category of development of society's processes a proper regard must be had, first, to the physical make-up of the man, and, second, to the tools he has found necessary to invent to supplement his bodily labor effort in winning from nature a proper support for himself in health and happiness. Man must apply himself at first hand to the things within the compass of his horizon which will sustain his body in health against the opposing elements always at hand to wear out his bone and tissue. Labor properly directed in an environment favorable for its employment will accomplish this result. This favorable environment must be there. If in any degree it is curtailed, labor's applied effort is lessened, and, if not removed, in time will be valueless, as far as the human being using it is concerned. Favorable opportunity and health of body and mind must always be present to accomplish more than the minimum of aggregate results.

As man emerges out of a distinctively simple form of society, where the labor effort is closely connected and associated with what it produces and takes its stand alongside of and in company with other labor of a kind, then the problem of subsistence becomes intensified in the ratio of increased labor power exerted on a common environment, which calls for an ever-widening circle of labor opportunity. Should this opportunity fail to appear or become irregular or intermittent, then the precariousness of labor in the field of its employment is again complicated by the struggle among the labor units to find a proper field for its functioning. This struggle, as society advances and becomes more complex, becomes ever and anon a mad race for the coveted goal—which is, after all, nothing more than the original status of man in the primal society—of an opportunity to so place his labor power in a favorable environment as to win for his body its support in health and happiness. At heart our modern complex society is no different from its simpler primal social status. Man in any event in the domain of sociology must so place his nature-given labor power as to win his own proper sustenance from mother earth. Rob him of his God-given right to apply his labor in the smallest degree possible and you place a burden on his back which again lessens the dynamics of his personally applied labor effort. In the domain of experience he has only too early learned that this has been his heritage.

From savage culture up the long and toilsome pathway of the ages he has only too early found out that his fellow man, either from greed or an overweening egoism or avariciousness, has inflicted untold tortures on his weak and unprotected brother; and we find the annals of man's work strewn with countless and refined methods of cruelties inflicted for selfish personal gain. On closer analysis nearly all wars in history have been nothing more than an inner expression on the part of the combatants of some economic advantage about which they could not come in agreement. This persistent strife for advantage has been the prolific mother of discord in all time, and it is but uttering a trite commonplace in discussing the component parts of this measure of taxation when it is pointed out that some part of the aggregate whole is to be benefited or harmed in the specific case. I simply dwell on this fact at this time so as to bring home what is very clear to all observers—that our present economic structure of society presents the phenomenon of a very few millionaires, and all the rest beside paying tribute to their arbitrary but, I hope, temporary assumption of power. The ownership by our few millionaires of large industries, employing millions of human beings who are working in many instances on what are almost perfect automatic machines, makes

our problem of special taxation one of great importance to the country at large. A very vital question which here obtrudes itself is the one which asks, Who will you tax? Will it be the human being slaving long hours under the prospect of a constantly decreasing purchasing power of his wage, or will this Congress have the courage to see its duty to the great masses of mankind, whose opportunity is gradually slipping away from them and becoming embalmed in the ever-increasing sphere of the automatic machine in industry? Or can we see and locate the ever-increasing responsibility that inures to the ownership of automatic machines in industry of a kind? Mr. Speaker and gentlemen of this House, are you aware of the magnitude of the statement I have just made? Are you not cognizant of the fact that in nearly if not all the great staple industries of our economic structure the bulk of the work is now being done by the almost human machine of perfectibility? That being true, are you not also aware of the other terrible fact that the army of workers chained to the toil of these machines, in the great average, man for man, aye, woman for woman, are but minor and secondary factors in industry's economic life? The one and unmistakable sign of supremacy is that the machine as now constituted is the main factor of industry's existence. Our machines are nearly perfect in their mechanism, and the products that flow from them ought in all justice and equity be called on to carry the social burden of a tax.

Mr. Speaker, my point of contention is—and I can not make it too strong—that the product of the almost automatic machine ought to bear the brunt of this taxation. Some one will cry out, Why designate a thing so specifically? Do not you think that would be special or "class" legislation? I answer back as quickly as I can, most assuredly so; and because they, as a part—a very small part or class—of the whole of society, are enjoying—I might add monopolizing—the total profits of a socialized industry, to the exclusion of the great mass of our country who are not of the elect of that favored few. I am not craven coward enough to withhold my honest convictions when I see, and know from experience, what is transpiring in our very midst. Mr. Speaker, the trusts of our land—the interlocking group of industry owners—own the Frankensteins of production, aye, the marvelously complex machines which in evolution's gradual progression have come into our midst, and by reason of this ownership can, do, and ever increasingly will command the great markets of supply and demand and arbitrarily fix the price which the ultimate consumer will have to pay—who in our day and time is no one else than the millions of dependent toilers of our great country leading a hand-to-mouth existence by reason of the curtailed opportunity.

Mr. Speaker, the progressive, up-to-date workingman of our country looks not with hate at the machine which has taken his job from him. In the days of his harvest and plenty he had gone to school in the many senses in which that term can be used. In this school he has learned the great lessons of the social need for the very instrumentality which has taken his means of livelihood from him.

As a law-abiding citizen and a man of family, he has bravely taken his bitter medicine in calmness and stoic humility. His is that ever-present human element which the oceanic upheavals of society have cast upon the shores of time; and before going out forever the only sound heard above the din and roar of the breakers is the plaintive wail of sad-eyed mothers and children as they sit and hope and wait for the father's return. Ah, what frail tragedies are enacted in the homes of labor, where the nemesis of the machine has overtaken the skill and dignity and self-respect of the craftsman of a now vanishing past. The inexorable need of an ever-expanding social progress has called for and received its victims, and the votaries of a newer time can never know the many gaping wounds and desolate homes it has cost to buy this meed of progress for the future. Ah, this human element, Mr. Speaker. What waves of sadness well up in me when memory brings back the sterling figures of fellow workmen who have succumbed to the inevitable. Why the retrospect? The light of that time is becoming dim and hazy, and as the shadowy figures disappear below the horizon I am aware that night has come, and fagged brain and tired limbs call for rest—the night of labor whose enveloping folds draw unto itself the feverish quest and lagging footsteps of a father out of work, an only too true type of a workman displaced by the machine. Why ask less from a machine into whose ever insatiable maw pour the swollen streams of social profit and gain? If the greatest proportion of social profit and gain inures to machine ownership, then as social stewards of control this Congress must lay the hand of governmental authority on the shoulder of machine ownership and say, "Gentlemen, our country's common need in this period of extraordinary conditions looks to you, asks you—aye, commands you by law—to render back to its parent source a proper pro rata tax or share of the parent's present support." Is not this practical? Is not this fair? Is not this just? Is not this right?

The SPEAKER pro tempore. The time of the gentleman from Missouri has expired.

Mr. PAYNE. Mr. Speaker, I yield 25 minutes to the gentleman from Illinois [Mr. MANN]. [Applause.]

The SPEAKER pro tempore. The gentleman from Illinois [Mr. MANN] is recognized for 25 minutes.

Mr. MANN. Mr. Speaker, in his address which he read to the House on September 4, the President said:

> The Treasury itself could get along for a considerable period, no doubt, without immediate resort to new sources of taxation. But at what cost to the business of the community? Approximately $75,000,000, a large part of the present Treasury balance, is now on deposit with national banks distributed throughout the country. It is deposited, of course, on call. I need not point out to you what the probable consequences of inconvenience and distress and confusion would be if the diminishing income of the Treasury should make it necessary rapidly to withdraw these deposits.

The President practically admits that there is no necessity of increasing the revenues of the Government at this time if the Government could make use of the $75,000,000 which it now has on deposit with the national banks. It seems to me a novel theory that the Government should collect money by taxation, deposit it in the national banks of the country as a matter of convenience or otherwise, and then when money is needed, instead of drawing the deposits out of the banks, increase the taxes in order to raise more money, a portion of which will likely be again deposited in the banks. [Applause on the Republican side.]

It seems to me also a novel theory that it would be an injury to the country for the Government to withdraw its deposits from the banks, but is no injury to draw additional taxation from the pockets of the people or their bank accounts.

If the Government draws its deposits out of the banks with which to pay its bills, that does not take the money out of circulation. It will go right back into trade and commerce and probably back into the banks. It certainly will be no more distressing for the banks to pay out the deposits which have been made with them, and which they clearly have taken with the idea of paying out, than it will be to take from the pockets of the people permanently increased taxation which they can never recover and which will be taken from them only that we may deal more kindly with the banks which owe the Government the deposits. [Applause on the Republican side.]

The President also said:

> And we ought not to borrow. * * * To sell bonds would be to make a most untimely and unjustifiable demand on the money market; untimely, because this is manifestly not the time to withdraw working capital from other uses to pay the Government's bills; unjustifiable, because unnecessary. * * * These are not the circumstances, this is at this particular moment and in this particular exigency not the market, to borrow large sums of money.

At the time of the Spanish War we properly passed a bill for increasing the revenue. The people had determined upon partaking in the luxury of a war. It was proper that the people should pay the extra expenses for this war which they had insisted upon. But the situation now is entirely different. If there be any occasion for raising additional revenue now, which I deny, then we ought to obtain the additional money by borrowing. [Applause on the Republican side.] The President says that it would make unjustifiable demands on the money market for us to sell bonds now, and that it would withdraw working capital from other uses to pay the Government's bills.

The President seems to think that it will not withdraw working capital from other uses if the people pay the money as taxes, and that it will not make any demand on the money market for the people to pay the money in the form of taxes. [Applause on the Republican side.]

Here is another novel theory. Why does it not make just as much of a demand on the money market and just as much withdraw working capital from other uses for people to pay money to the Treasury in the form of taxes as it would for them to pay money to the Treasury in the purchase of bonds? The bonds would only have to be issued as needed, and no more would need to be issued than were necessary. On the other hand, the additional taxes may and probably will raise much more money than is needed, and is much more likely to withdraw the money from the market and from working uses than would be the issuance of bonds or temporary certificates of indebtedness.

I deny that there is any need for additional internal-revenue taxation at this time. I assert that the Government can run along without embarrassment if it will exercise proper economy. [Applause on the Republican side.] The present Democratic administration has been more grossly extravagant than any administration which preceded it. [Applause on the Repub-

lican side.] The requests of the present administration for appropriations have been for larger sums than ever before asked by any administration of the Government. The appropriations which have been made are larger than ever made before. These larger appropriations have been made in response to demands of the administration officials, but it is not too late for the President to order the officials under him to practice economy, and many of the appropriations already made do not need to be expended, at least for the present.

If the President will stop the extravagance of the Government and practice as well as preach economy, there is no need for increased taxation. [Applause on the Republican side.]

Our imports for August, 1913, were $137,651,553 in value of goods, while for August, 1914, they were $129,767,890, a falling off of less than $8,000,000 during the first month of the war, when shipping conditions were at their worst, and these conditions have greatly improved since.

The gentleman from Virginia [Mr. SLEMP] has furnished me with figures obtained this morning from the Department of Commerce, showing the imports of merchandise at New York City for the weeks of August and September of this year, which are as follows:

Week ending Aug. 1	$18,966,086
Week ending Aug. 8	15,817,093
Week ending Aug. 15	16,211,393
Week ending Aug. 22	12,162,307
Week ending Aug. 29	11,716,317
Week ending Sept. 5	12,212,002
Week ending Sept. 12	16,930,567

These figures show that while there was some falling off in August, owing to the deranged shipping conditions on the sea, that these conditions have become almost normal again and the importations are now almost back to normal.

As appears by the daily Treasury statement issued at the close of business Wednesday of this week, September 23, 1914, the ordinary revenues of the Government for the first 23 days of September of this year were $42,319,728.53, and for the same period in 1913 were $44,050,174.72, a decrease in this year from last year for the 23 days of $1,730,446.19.

From July 1 to September 23, inclusive, the revenues this year were $166,616,800.38, and for the corresponding period last year were $165,881,896, or an increase over last year of $734,904.13. [Applause on the Republican side.]

For the same period, from July 1 to September 23, this year the ordinary disbursements of the Government were $184,708,150.11, and for last year for the same period the ordinary disbursements were $176,856,929.77, or an increase in disbursements for that period this year over last year of $7,851,220.34.

While the ordinary revenues so far this year have been about the same that they were for the same period last year, the ordinary disbursements this year have amounted to nearly $8,000,000 more than they were last year.

All we need to do is to economize in Government expenditures, and there is not the slightest necessity at this time for levying new taxes to increase the revenues. [Applause on the Republican side.]

And if there be any necessity in the future for increasing the taxes, the increase ought to be put on the manufactured goods coming here from abroad in competition with our home production. [Applause on the Republican side.]

The following statement shows the imports and exports of merchandise for the month of July, 1914, and for the seven months of this year ending July 31 compared with the corresponding periods last year:

The usual monthly statement of the foreign trade of the United States was to-day completed by the Bureau of Foreign and Domestic Commerce, Department of Commerce. The imports and exports by great groups during the month of July and the seven months ending with July are presented in the following statement:

Analysis of the foreign commerce of the United States for the month of July.

Groups.	Month of July.		Seven months ending with July.	
	1913	1914	1913	1914
IMPORTS.				
Crude materials for use in manufacturing	$41,834,636	$48,433,945	$360,436,617	$395,483,11
Foodstuffs in crude condition and food animals	14,032,152	18,852,517	110,448,595	142,296,987
Foodstuffs partly or wholly manufactured	15,644,137	26,759,823	117,889,515	158,078,224
Manufactures for further use in manufacturing	30,737,764	24,695,188	206,494,732	179,544,085
Manufactures ready for consumption	36,259,002	39,806,149	216,599,582	255,861,254
Miscellaneous	554,079	1,129,668	6,779,634	9,319,705
Total imports	139,061,770	159,677,291	1,018,648,675	1,140,593,373

Analysis of the foreign commerce of the United States—Continued.

Groups.	Month of July.		Seven months ending with July.	
	1913	1914	1913	1914
EXPORTS.				
Crude materials for use in manufacturing	27,146,725	22,656,281	308,458,655	328,277,076
Foodstuffs in crude condition and food animals	12,944,652	27,937,100	97,251,472	80,195,409
Foodstuffs partly or wholly manufactured	23,138,221	17,988,203	188,892,724	152,088,991
Manufactures for further use in manufacturing	33,730,895	29,584,204	240,883,436	224,483,721
Manufactures ready for consumption	60,811,467	52,519,267	463,706,543	389,555,162
Miscellaneous	401,693	274,604	5,297,901	4,075,936
Total domestic exports	158,173,653	150,959,659	1,304,490,731	1,178,676,285
Foreign merchandise exported	2,817,125	3,179,288	22,782,406	22,305,877
Total exports	160,990,778	154,138,947	1,327,273,137	1,200,982,162

These figures show for the periods mentioned in 1914, as compared with similar periods in 1913, as follows:

For July, 1914:	
Imports increased	$20,615,521
Exports fell off	6,851,831
Change against us	27,467,352
For seven months ending July 31, 1914:	
Imports increased	121,944,698
Exports fell off	126,290,975
Change against us	248,235,673
Balance of trade in our favor first seven months, 1913	308,624,462
Same, 1914	60,388,789
Loss to United States by falling off of balance of trade	248,235,673
In July, 1914, the balance of trade against us was	$5,538,344
In July, 1913, the balance of trade in our favor was	21,929,008
Increase in imports of manufactures ready for consumption	39,261,672
Decrease in imports of manufactures for further use in manufacturing	26,950,647
Decrease in exports of manufactures ready for consumption	74,151,381
Increase in exports of crude materials for use in manufacturing	19,818,421

These figures show that during the period named while our imports of manufactures for further use in manufacturing, which means practically crude materials imported to be manufactured here into the finished products, were reduced by nearly $27,000,000 for the seven months, we increased our imports of manufactures ready for consumption by over $39,000,000.

That is the result of the Underwood tariff law, which decreased the tariff duties on the finished products, and in many cases increased the duties on the crude materials, and that means that the labor to turn the crude materials into the finished products was furnished in foreign lands instead of giving employment to labor in the United States. [Applause on the Republican side.]

The figures also show that while we were increasing our exports of crude materials for use in manufacturing abroad by nearly $20,000,000 during the seven months we were decreasing our exports of manufactures ready for consumption, or the finished products, by over $74,000,000. Instead of finishing the products here with American labor we were sending abroad the crude materials that they might be manufactured by foreign labor.

The balance of trade in merchandise in our favor in 1914 for the seven months was $60,000,000, while for the same period in 1913 this balance of trade in our favor was $308,000,000. In other words, under the Underwood tariff our balance of trade on merchandise for the seven months fell off $248,000,000, and that balance of trade we are called upon to make up by shipments of gold abroad or the equivalent of that. [Applause on the Republican side.]

That is one of the main reasons of the present difficulties about foreign exchange.

This loss in balance of trade is directly due to our legislation.

The figures all relate to the period prior to the commencement of the European war and represent no effect of the war, but of the normal conditions caused by the Democratic tariff law. [Applause on the Republican side.]

The following statement shows the customs receipts by months for the first seven months of 1914, ending July 31, as compared with a similar period in 1913,

In 1913 the Payne tariff law was in effect and in 1914 the Underwood tariff law was in effect.

Customs receipts, by months (first 7 months calendar years 1913 and 1914), Payne law and Underwood law.

[Daily Treasury statement.]

	1914	1913	Decrease in 1914 from 1913.
January	$23,528,079.83	$29,334,124.09	$5,806,044.26
February	17,609,603.70	27,605,115.83	9,995,512.13
March	25,927,212.90	27,457,489.20	1,530,276.30
April	22,232,766.57	23,693,966.76	1,461,200.19
May	20,800,573.25	20,434,749.21	[1] 365,824.04
June	23,553,447.58	23,668,598.63	115,151.05
July	22,988,465.04	27,806,654.54	4,818,189.50
Total	156,640,148.87	180,000,698.26	23,360,549.39

[1] Increase.

These figures show that while for the seven months in 1914 we had increased our importations over the corresponding period of last year by nearly $122,000,000, the customs duties arising on the importations fell off by over $23,000,000. The Government was losing the revenue and at the same time the foreigner was manufacturing the goods with foreign labor.

And, meanwhile, there has been no decrease in prices generally to the consumer in the United States. [Applause on the Republican side.]

Our labor and our manufacturers were losing the business and our Government was losing the revenues, and it was all for the benefit of the foreign producer.

All we need to do is to keep cool and avoid hysteria. The pending demand for increased taxes is an hysterical demand. The administration is not keeping cool. It is excited.

While our people are burdened with industrial depression and financial fears, largely resultant from a wrong economic tariff policy and dangerous provisions threatening to business and business men and doubts and uncertainty growing out of the new banking and currency law, it is not the time to add unnecessary burdens in the form of increased taxes. [Applause on the Republican side.]

If the people will restore the Republican Party to majority in this House, we promise the country that we will keep the expenditures of the Government down, avoid extravagant appropriations, and do away with the necessity for increased internal-revenue taxes. [Applause on the Republican side.] We will let the people use the money which they have to carry on business instead of paying new taxes. We will decrease the importations of articles which might better be made in this country and increase the exportation of manufactured articles made here. We will give the country renewed confidence, as we did in 1897. [Applause on the Republican side.] We will start up the mills, give labor employment, give capital proper rewards, give people confidence to go into business, give banks confidence to loan money, restore financial credit, and add to prosperity, and all without levying the unnecessary and exasperating stamp taxes. [Applause on the Republican side.]

Mr. Speaker, the country is tired of the Democratic assaults on our prosperity.

We are again reminded by existing conditions of the injury caused by the Democratic administration from 1893 to 1897.

The Democrats have now again enacted tariff legislation against the interests of our own industries and favoring those of foreign countries. They have reduced the output and opportunities of our domestic mills and increased the importation of the products of foreign mills. Labor is idle, capital is distressed.

For the 12 months ending April 30 last we increased our importations from Canada by $32,000,000, while during the same period we decreased our exports to Canada by $39,000,000. That was the result of a Democratic tariff and administration.

In July last, before the war abroad began, we imported $5,538,344 more than we exported—that was under the Democratic tariff—while in July a year ago we exported $21,929,008 more than we imported—that was under the Republican tariff.

The inevitable result of such a policy has been business depression and idle men looking for work.

Nearly a year ago the Democratic Congress enacted a new currency and banking law, in which the good things were taken from the Aldrich plan, but which included so many bad and doubtful provisions that the President, who insisted a year ago upon its speedy passage, has been afraid for months to put it into active and actual operation.

A war abroad is given as the excuse for the present dangerous financial condition in the country, but we would have had no really serious condition if we had had Republican policies and Republican confidence. Fear of the Democrats and their continued assaults on business and the results of their inefficient and almost imbecile legislation and management has well-nigh paralyzed the active forces of our land.

We are told now that instead of practicing governmental economy we must increase the taxes to be paid by the people. The present Democratic administration and Democratic Congress have been grossly extravagant. The appropriations and expenditures are greater than ever before, but the President, instead of enforcing economy, asks for more taxes.

Let us stop the extravagant expenditure of the public money and we can get along very well, for a time at least, without increased taxation, and if we properly tax the goods coming from abroad and competing with our home production we will not need to add to our home taxation.

To the idle mills and idle workmen crying for relief the President, instead of bread, offers increased taxation.

The Democratic administration is now proposing to grant financial relief by wild inflation of the currency. Gold is now practically at a premium. Inflation may give temporary exhilaration, but its logical effect is disaster and a demand for more inflation.

The value of the money in circulation and with which wages are paid must be maintained if our efforts will do so. We must, without yielding our honor, keep out of the European war. There is no partisanship in that, but we are in constant danger through the blundering legislation demanded by President Wilson and Secretary Bryan.

But the war has proved a "white hope" for the Democrats. They are almost glad it happened. They think it will divert attention from their misdoings. But the people should remember that the troubles were upon us before the war began. We were suffering from Democratic times prior to the end of July.

Not only had our business suffered at home, but this administration had ceased to give any protection to our business abroad. Americans, with their enterprises and capital, had been driven out of Mexico by the bandits there without the slightest protest of our Government.

This country has a great opportunity at present.

The other great commercial nations are at war with each other.

We have the chance of an age.

We should encourage, by proper protection, new factories here to produce dyestuffs, drugs, chemicals, silks, cottons, woolens, and so forth, and make ourselves independent of the foreign producer. We should reserve our home markets for our own producers.

Then, we should take the threatening hands of the Government off legitimate capital, business, and enterprise and tell our citizens to go out and get the commerce of the world. They can and will do it if the Government will quit hampering them with threats, with prosecutions, with Clayton antitrust bills, and with the constant efforts to repress enterprise.

But our people will only capture the world's markets in the effort to get rich. We should encourage men to try to get rich, to go after the business, to seek trade in other countries, to make money out of these foreign possibilities. Fighting in battle is not a pink-tea affair, neither is fighting for business. Both try men's souls. But let us quit kicking the heroes who win, and who win because they overcome obstacles. Let us take the restraining hand of government off proper business enterprise and tell our people to go out and get the trade and that we will bless them for it instead of awarding threats of penitentiary sentences.

The Democratic Party has shown that it does not know how to reduce the cost of living, though it has reduced the means of earning a living.

Mr. Speaker, you Democrats are good people, but you do not know how to run the country. [Prolonged applause on the Republican side.]

I append just a few of the numerous communications received, protesting against this unnecessary measure.

CHICAGO, ILL., *September 23, 1914.*

Hon. JAMES R. MANN,
House of Representatives, Washington, D. C.:

The Chicago Real Estate Board, the largest and oldest in the world, representing thousands of realty owners, protests most strenuously against the proposed taxes in the so-called war-tax measure on real-estate conveyances, mortgages, contracts, leases, etc. Our commodity bears the heaviest burden of local taxation, never is concealed, and in this State is taxed twice when mortgaged; and we likewise protest against the proposed real-estate brokers' license of $50.

THE CHICAGO REAL ESTATE BOARD.

CHICAGO, ILL., *September 23, 1914.*

Hon. JAMES R. MANN,
House of Representatives, Washington, D. C.:

During this period of business adjustment we appeal to you to oppose the special tax on banking capital, etc., which will be an added annual burden on business of over $600,000 in Illinois alone. It is a gross discrimination against the capital largely supporting the commercial activity, and is most unwise, particularly at this time, to alone penalize this class of capital, which is already overburdened with Federal income and other taxes. Imports only declined 6 per cent during August, compared with the corresponding month last year, and the total for the last eight months is actually greater than during the same period last year. Hence, this is not a war measure, appealing to the patriotism of business interests as during the Spanish War, when the banks made no protest against the discrimination at that time. If the tax must be levied, it should be spread where it will not delay the restoration of freer credits, lower interest rates, and the early resumption of normal business conditions.

ILLINOIS BANKERS' ASSOCIATION.

—

BOARD OF TRADE OF THE CITY OF CHICAGO,
Chicago, September 18, 1914.

Hon. JAMES R. MANN, M. C.,
House of Representatives, Washington, D. C.

DEAR MR. MANN: In the press reports of the proposed special tax to secure increased revenue for the Government, it has been reported that a considerable portion of the Spanish-American War tax bill would be reenacted.

Our position in regard to this matter is as follows:

During the Spanish War period the brokers of the United States were subject to a special percentage tax on all their contracts, which at that time amounted to a very considerable sum. The situation now, however, is entirely different. The stock exchanges of the country are all closed, the cotton exchanges are closed, and practically the only business which the commercial exchanges handling grain are transacting is the necessary buying and selling in connection with the millers, exporters, shippers, receivers, and others; in other words, the commercial handling of the property. Speculation is extremely limited in volume and amounts to very little when considered in a broad way. We should esteem it a great favor if you would see Mr. UNDERWOOD, or adopt any other method that may be best, and explain to him or to others that at the present time with the conditions outlined above the amount which the Government would secure from this percentage tax on brokers' contracts would be comparatively small, but the burden, in view of the dullness of business, would be very much felt.

Anything which you may be able to do along these lines will be very much appreciated by all your friends here. I remain,

Very sincerely, yours,

V. H. CANBY, *President.*

—

NEW YORK, *September 19, 1914.*

Congressman MANN,
House of Representatives, Washington, D. C.

DEAR SIR: Although a Democrat of 25 years past, I write to ask you why is it at all necessary that there should be new taxation here on account of the continental war?

August imports show only a small falling off, nor is there anything alarming about September figures to date.

Please consider these official figures of imports for 1913:

Austria-Hungary	$19,192,414
Belgium	41,941,014
France	136,877,990
Germany	188,963,071
Great Britain	295,564,940
Russia	29,315,217
Japan	91,633,240
Total	803,487,886

Now, please eliminate the great bulk of the figures of France and Great Britain and Japan, as commerce with those countries hence is surely not seriously affected—in fact, tonnage moving is large, owing to use for all heretofore idle bottoms of neutral nations, such as Scandinavia, which has a very large mercantile marine.

Admit, therefore, that shipments hence from Austria-Hungary, Belgium, Germany, and Russia are nothing. These total in round figures $279,700,000. On an average 54.47 per cent of the imports in 1913 came in free of duty. (Statistical Abstract of U. S., 1913, p. 635.) The average duty was 40.05 per cent under the old tariff and less under the new. Thus, if we infer that one-half of the above $279,700,000 is missing for revenue, this item at 40 per cent ad valorem on such value suggests a revenue loss of only fifty-six millions, or probably less, were the figures analyzed. (See pages 328 and thereafter of above publication.)

Now, you can save almost this amount in your appropriations—river and harbor bill, for instance—and economies elsewhere.

It seems to me that Mr. Wilson and Mr. UNDERWOOD have rushed into this thing without giving the matter proper consideration or waiting for actual developments.

I consider it an outrage that the country should be burdened still further with this new taxation.

But if you can force a proper economy on the Democratic Party you will avoid any new taxation. I hold it is not yet proven to be necessary, anyway.

Faithfully, yours, HERBERT V. FALK.

—

CHICAGO, ILL., *September 19, 1914.*

Hon. JAMES R. MANN, M. C.,
Washington, D. C.

DEAR MR. MANN: If a so-called "war tax" must be imposed upon our country at this time, I trust that the contemplated levy of 8 cents on each $100 of life insurance issued be not included. It may be well enough at times to tax luxury and extravagance, but it is out of all justice to exercise a tax on thrift. Life insurance to-day is taxed and taxed and taxed, and I reassert that this is merely penalizing the thoughtful individual who is attempting to make ample provision for those dependent upon him. It makes no difference if the companies pay it, as ultimately it comes from the pocket of the policyholder.

That you may wield your influence against this particular provision in an act that is as obnoxious as it is useless in a time of peace, is the earnest request of your constituent and friend.

C. F. AXELSON.

—

NEW YORK, *September 22, 1914.*

The Hon. Mr. MANN,
Minority Leader House of Congress, Washington, D. C.

DEAR SIR: I notice in the list of taxes which are covered by the war-revenue bill an item of 25 cents on warehouse receipts. Warehouses, as perhaps you know, give receipts for cases placed on storage, for which they get anywhere from 10 to 25 cents per month storage, and many of these cases only stay in one month. For every case put in they have to give a receipt.

You will easily see how ridiculous it would be to tax a warehouse 25 cents on every receipt it gives out, when all it may collect on the case for which it gives the receipt would be possibly 10 or 15 cents or, at the outside, 25 cents.

Yours, very truly,

THE SCHENCK WAREHOUSE CO.,
H. B. SHAEN, *President.*

I yield back any balance of my time.

The SPEAKER pro tempore. The time was all used.

Mr. UNDERWOOD. Mr. Speaker, will the gentleman from New York [Mr. PAYNE] yield to me at this time, to have a letter read that I am in receipt of from the Secretary of the Treasury in reference to the estimates?

Mr. PAYNE. Yes. Take your own time.

Mr. UNDERWOOD. Mr. Speaker, I send to the Clerk's desk a letter that I am in receipt of from the Secretary of the Treasury in reference to the Treasury balance, and ask to have it read at this time.

The SPEAKER pro tempore. The Clerk will read.

The Clerk read as follows:

TREASURY DEPARTMENT,
Washington, September 23, 1914.

The CHAIRMAN COMMITTEE ON WAYS AND MEANS,
House of Representatives.

SIR: With reference to the increase in receipts from ordinary internal-revenue collections for this fiscal year to date as compared with the same period of last fiscal year, reported by the daily Treasury statement as being in excess of $6,000,000, I have the honor to advise you that the actual increase in such collections to and including August 31, as shown by the collectors' reports received by the Commissioner of Internal Revenue, amounted to $2,139,643.02. The decrease in July amounted to $588,165.56, of which $429,335.61 was on distilled spirits. The increase in August amounted to $2,727,808.58, but the increase from distilled spirits in August amounted to $3,326,602.36, thus showing a decrease in August from sources other than distilled spirits.

The figures above given show the actual collections and differ from the Treasury daily statements, as those statements are made up from the certificates of deposit as received.

The collection districts reporting the principal increases in collections on distilled spirits, with the increase stated in each case, in August last over August, 1913, are as follows:

First California	$247,649.16
Fifth Illinois	222,376.66
Eighth Illinois	121,587.51
Sixth Indiana	178,838.93
Seventh Indiana	301,652.01
Second Kentucky	160,413.72
Fifth Kentucky	499,151.73
Sixth Kentucky	179,174.16
Seventh Kentucky	109,859.45
Eighth Kentucky	80,077.11
Louisiana	78,019.17
Maryland	105,572.72
First New York	146,797.42
Fourteenth New York	105,784.36
First Ohio	328,286.09
First Pennsylvania	172,734.43
Twenty-third Pennsylvania	151,857.34
First Wisconsin	60,426.52

The reason for the increased tax collections in August on distilled spirits immediately following decreases from the same source in preceding months is unquestionably due to the expectation or fear of distillers that the rate of tax on distilled spirits would be increased, and the same reason applies to increases indicated by the Treasury daily statements so far in September.

It is not practicable to report what part of the reported increase in September to date is on distilled spirits, as collectors of internal revenue compile such data but once a month, and that is done after the close of each month.

Respectfully,

W. G. MCADOO,
Secretary.

Mr. UNDERWOOD. Mr. Speaker, I ask that the August Treasury statement be printed following this letter.

The statement is as follows:

Receipts and disbursements affecting the general fund balance, August 31, 1914.

	This day.	This month to date, fiscal year 1915.	Corresponding month and date, fiscal year 1914.	Fiscal year 1915 to this date.	Fiscal year 1914 to corresponding date.
RECEIPTS.					
1. Revenues:					
Customs	$410,207.08	$19,431,362.52	$30,934,952.44	$42,419,827.56	$58,741,606.98
Internal revenue—					
Ordinary	659,179.85	27,468,917.60	26,192,448.42	52,287,198.28	51,913,293.55
Corporation and income tax	2,292.75	475,255.46	288,727.15	7,608,896.08	2,142,023.03
Miscellaneous	149,665.82	3,697,362.72	4,184,069.15	21,981,149.93	9,034,791.72
Total	1,221,345.50	51,072,898.30	61,600,197.16	124,297,071.85	121,831,721.28
2. Public debt:					
Proceeds of sales of bonds—					
Panama Canal					
Postal savings					1,116,880.00
Total					1,116,880.00
Grand total of receipts	1,221,345.50	51,072,898.30	61,600,197.16	124,297,071.85	122,948,601.28
DISBURSEMENTS.					
1. Ordinary:					
Pay warrants issued	1,229,388.07	67,244,767.16	60,764,899.46	135,993,048.84	128,688,156.80
Interest on the public debt	806.75	1,989,892.95	2,030,407.12	5,326,383.33	5,545,538.49
Total	1,230,194.82	69,234,660.11	62,795,306.58	141,319,432.17	134,231,695.29
Less unexpended balances repaid	27,850.40	2,283.13	631,594.79	1,382,558.82	1,859,234.22
Net ordinary disbursements	1,202,344.42	69,232,376.98	62,163,711.79	139,936,873.35	132,372,459.07
Excess of revenue receipts	19,001.08				
Excess of ordinary disbursements		18,159,478.68	563,514.63	15,639,801.50	10,540,737.79
2. Public debt:					
Bonds, notes, and certificates retired		3,825.00	2,540.00	7,945.00	7,885.00
3. Panama Canal:					
Pay warrants issued		4,107,459.88	4,452,104.07	9,042,986.04	7,665,465.22
Total public debt and Panama Canal disbursements		4,111,284.88	4,454,644.07	9,050,931.04	7,673,350.22
Grand total of disbursements	1,202,344.42	73,343,661.86	66,618,355.86	148,987,804.39	140,045,809.29
Net excess of all receipts	19,001.08				
Net excess of all disbursements		22,270,763.56	5,018,158.70	24,690,732.54	17,097,208.01

Proof of general fund balance.

Balance previous day	$121,481,399.19
Receipts this day increasing the general fund balance	1,221,345.50
	122,702,744.69
Disbursements this day decreasing the general fund balance	1,202,344.42
Balance general fund, page 1	121,500,400.27

Mr. UNDERWOOD. I ask the Clerk to read the letter from Secretary McAdoo which I send to the Clerk's desk, and that the Treasury statement for September 23 be printed following the reading of the letter.

The SPEAKER pro tempore. The Clerk will read.

The Clerk read as follows:

THE SECRETARY OF THE TREASURY,
Washington, September 24, 1914.

Hon. O. W. UNDERWOOD,
House of Representatives.

DEAR MR. UNDERWOOD: I think it is important that I should call your attention to the fact that although the total receipts for the fiscal year 1915 up to September 23, 1914, are in excess of the receipts for the same period 1914 by the sum of $734,904.38, as you will see by reference to page 3 of the Treasury statement inclosed, this is accounted for in two ways: First, $12,000,000 of the receipts for 1915 came from the sale of the two battleships to Greece; second, a large part of the corporation and income taxes for the previous fiscal year, which properly should have been paid in the last fiscal year, was paid in the first 10 days of July, 1914. This amounts to $5,732,255.30, as you will see by reference to page 3 of the statement inclosed. As these items might be discussed in the debate that may arise over the war-revenue measure, I thought you might like to be informed of the fact.

Faithfully, yours,

W. G. MCADOO.

(Inclosure.)

The Treasury statement for September 23 follows.

DAILY STATEMENT OF THE UNITED STATES TREASURY AT CLOSE OF BUSINESS SEPTEMBER 23, 1914.

Cash assets and liabilities.

GENERAL FUND.

ASSETS.		LIABILITIES.	
Cash:		Current liabilities:	
In treasury offices—		In treasury offices—	
Gold coin	$80,533,512.65	Disbursing officers' balances	$60,025,887.66
Gold certificates	42,797,250.00	Outstanding warrants	959,727.03
Standard silver dollars	1,442,103.00	Outstanding Treasurer's checks	2,090,849.83
Silver certificates	11,310,773.00	Outstanding interest checks	313,932.38
United States notes	9,648,942.00	Post Office Department balances	5,847,283.59
Treasury notes of 1890	1,397.00	Postal savings balances	2,120,958.30
Certified checks on banks	397,880.90	Judicial officers' balances, etc	13,850,460.87
National-bank notes	[1] 25,030,240.45	National-bank notes—redemption fund	15,485,443.00
Subsidiary silver coin	21,337,546.99	National-bank 5 per cent fund	39,435,070.15
Fractional currency	139.05	Assets of failed national banks	1,676,114.27
Minor coin	2,169,462.91	Miscellaneous (exchanges, etc.)	4,957,484.45
Silver bullion (available for subsidiary coinage)	4,925,806.27	Total	146,763,211.53
Total	198,705,054.22		
In national-bank depositaries—		In national-bank depositaries—	
To credit of Treasurer of the United States	67,354,269.15	Judicial officers' balances, etc	6,854,321.78
To credit of postmasters, judicial officers, etc.	6,854,321.78	Outstanding warrants	671,172.65
In treasury Philippines—		In treasury Philippines—	
To credit of Treasurer of the United States	1,537,235.43	Disbursing officers' balances	2,920,007.63
To credit of disbursing officers	2,920,007.63	Outstanding warrants	2,186,989.02
		Total	159,395,702.61
		Net balance in general fund	117,975,185.60
Total	277,370,888.21	Total	277,370,888.21

[1] This includes $11,887,605.45 which the Treasury has redeemed and for which it will receive payment from the national banks.

THE CURRENCY TRUST FUNDS, THE GENERAL FUND, AND THE GOLD RESERVE FUND.

ASSETS.		LIABILITIES.	
Currency trust funds:		Outstanding certificates:	
Gold coin	$733,915,853.00	Gold certificates outstanding	$980,002,869.00
Gold bullion	246,087,016.00	Silver certificates outstanding	493,613,000.00
Total gold	980,002,869.00	Treasury notes outstanding	2,405,000.00
Silver dollars	493,613,000.00		
Silver dollars of 1890	2,405,000.00		
Total currency trust funds	1,476,020,869.00	Total outstanding certificates, etc	1,476,020,869.00
General fund:		General fund liabilities and balance:	
Total cash assets, as above	277,370,888.21	Total liabilities, as above	159,395,702.61
		Balance in general fund, as above	$117,975,185.60
Gold reserve fund:		Gold reserve	150,164,524.98
Gold coin	100,164,524.98	NOTE.—Reserved against $346,681,016 of United States notes and $2,405,000 of Treasury notes of 1890.	
Gold bullion	50,000,000.00		
		Total net balances	268,139,710.58
Grand total cash assets in Treasury	1,903,556,282.19		1,903,556,282.19

The act of July 14, 1890, provides that deposits made by national banks to redeem circulating notes shall be covered into the Treasury as miscellaneous receipts and that the Treasury shall redeem from the general cash the circulating notes which come into its possession subject to redemption.

Receipts and disbursements affecting the general fund balance, September 23, 1914.

	This day.	This month to date, fiscal year 1915.	Corresponding month and date, fiscal year 1914.	Fiscal year 1915 to this date.	Fiscal year 1914 to corresponding date.
RECEIPTS.					
1. Revenues:					
Customs	$626,163.18	$13,352,492.06	$21,478,252.26	$55,772,319.62	$80,219,859.24
Internal revenue—					
Ordinary	842,496.37	26,341,504.18	19,843,047.63	78,628,702.46	71,756,344.18
Corporation and income tax	7,904.11	318,394.87	53,009.62	7,927,290.95	2,195,035.65
Miscellaneous	64,087.15	2,307,337.42	2,675,865.21	24,288,487.35	11,710,656.93
Total	1,640,650.81	42,319,728.53	44,050,174.72	166,616,800.38	165,881,896.00
2. Public debt:					
Proceeds of sales of bonds—					
Postal savings					1,116,880.00
Total					1,116,880.00
Grand total of receipts	1,640,650.81	42,319,728.53	44,050,174.72	166,616,800.38	166,998,776.00
DISBURSEMENTS.					
1. Ordinary:					
Pay warrants issued	1,890,134.86	45,936,881.71	44,800,324.47	181,743,825.39	172,731,465.02
Interest on the public debt	764.40	403,607.54	393,574.20	5,729,990.87	5,939,112.79
Total	1,890,899.26	46,340,489.25	45,193,898.67	187,473,816.26	178,670,577.81
Less unexpended balances repaid	76,813.74	1,383,107.33	709,427.97	2,765,666.15	1,813,648.04
Net ordinary disbursements	1,814,085.52	44,957,381.92	44,484,470.70	184,708,150.11	176,856,929.77
Excess of ordinary disbursements	173,434.71	2,637,653.39	434,295.98	18,091,349.73	10,975,033.77
2. Public debt:					
Bonds, notes, and certificates retired		140.00	225.00	8,085.00	8,210.00
3. Panama Canal:					
Pay warrants issued		1,073,526.44	42,342.49	10,116,512.48	7,707,807.71
Total public debt and Panama Canal disbursements		1,073,666.44	42,667.49	10,124,597.48	7,716,017.71
Grand total of disbursements	1,814,085.52	46,031,048.36	44,527,138.19	194,832,747.59	184,572,947.48
Net excess of all disbursements	173,434.71	3,711,319.83	476,963.47	28,215,947.21	17,574,171.48

Proof of general fund balance.

Balance previous day	$118,148,620.31
Receipts this day increasing the general fund balance	1,640,650.81
	119,789,271.12
Disbursements this day decreasing the general fund balance	1,814,085.52
Balance general fund, page 1	117,975,185.60

Panama Canal statement.

Total amount expended on purchase, construction, fortifications, etc., to date	$363,182,114.53
Amount thereof reimbursable by bonds	345,600,216.39
Amount expended from proceeds of bonds, including premiums	138,600,869.02
Amount expended from general fund	207,008,347.37
Total Panama Canal bonds authorized by law	375,200,980.00
Total of bonds issued to date	134,631,980.00
Balance of bonds authorized but not yet issued	240,569,000.00

Mr. PAYNE. Mr. Speaker, I yield 15 minutes to the gentleman from Iowa [Mr. GREEN]. [Applause on the Republican side.]

The SPEAKER pro tempore. The gentleman from Iowa is recognized for 15 minutes.

Mr. GREEN of Iowa. Mr. Speaker, March 4, 1913, is usually taken as the date when the Democratic Party came into power, but that date merely marked a change in administration. The same laws which had directed our commercial policies during 16 years of Republican rule were still in force. No important change was made until the Underwood tariff bill was enacted. October 3, 1913, the date when it became a law, in fact fixed the advent of Democratic control. Since that date practically a year has elapsed during which Democratic policies have been maintained. It is this period to which I especially invite your attention.

The record which will be stated is compiled for the greater part from figures given out by appointees of the present administration. Otherwise it is taken from trade journals that know neither politics nor parties. There is no occasion for me to color the record thus obtained by rhetoric or distort it for party purposes, were I so disposed. The plain, hard facts are more than sufficient.

While I shall particularly consider only the year in which Democratic policies have prevailed, it will be found convenient to divide the history of the Democratic Party under the present administration into three short periods.

The first period extends from the inauguration of President Wilson to October 13, 1913, when the Underwood tariff bill became a law.

The second period is from the enactment of the new tariff law to the time when the great war broke out in Europe—about August 1 of this year.

The third and shortest period is from the date last mentioned up to the present time.

While the history of the Democratic Party prior to the last presidential election had not been such as to give the American people any confidence in its ability to conduct our national affairs, the long years which had intervened since its last administration had tended to destroy the memory of that distressing epoch. The new generation had had no experience under Democratic rule, and the division in the ranks of the Republican Party over the question of who should lead and manage its forces caused the Republican Party to go down in defeat at the national election.

The distrusting public had been assured in the campaign that led up to the presidential election that the previous failure of Democratic policies had been caused by circumstances for which that party was not responsible. The voters were told that the Democratic Party had heretofore come into power at a time when a commercial crisis was imminent, that a cloud of financial depression was already looming when their party then took control, and that the sufferings which the country underwent under a former Democratic administration were only the inevitable result of a financial situation for which the Republican Party rather than the Democratic was responsible. It is not necessary that I should discuss or even contradict this statement, for it is not material to the subject under consideration. No party ever came into power under such favorable auspices, so far as our commerce and trade is concerned, as did the Democratic Party when it took charge on March 4, 1913. Wherever the eye could look it viewed prosperity on every hand. Never were our manufacturers so prosperous; never were our artisans so highly paid; never was our domestic commerce so large; never did our foreign trade show such a favorable balance. The whole land was a hive of industry. The farmer and the laborer, the merchant and the mechanic, the financier and the manufacturer alike were blessed. Many fondly imagined that our resources were so great and our commerce and finance on such solid foundations as not to be affected by a change in the administration, but in this reckoning they had not made sufficient allowance for the capacity of the Democratic Party to enact destructive legislation.

During the first period to which I have referred that kind Providence which sends its rays upon the just and unjust favored the Democratic Party, and, blessed by the continuance of Republican laws as yet unrepealed, our commercial advances were unchecked. Manufacturers found an abundant outlet for their products and wage earners a constant demand for their work. Our trade, both domestic and foreign, showed no signs of a decrease or unfavorable turn. The country waited half in expectancy, half in dread for the first act of a Democratic Congress.

The second period began with the enactment of the Underwood bill, which, however, did not go into force as to one important schedule, that of wool, until the first of the year, and as to another, that of sugar, until the 1st of March. With its enactment into law, the predictions of its opponents and the expectations of a majority of the American people were quickly realized.

The first to feel the effect of the new law was the farmer. He had been assured that he needed no protection, but he found himself compelled to compete with the cheap land and labor of Argentina, Australia, and Canada, as there was an increase in the importations of agricultural products for the first four months in which it was in operation amounting to about $30,000,000, which rose to nearly $80,000,000 by the end of June.

Corn prices in Chicago fell from 78 cents in September, 1913, to 64 cents in February, 1914, and the western farmer lost the eastern market for that staple to Argentina. Crop prices in July, 1914, on the farm, according to a bulletin of the United States Department of Agriculture, were 14 per cent below those of two years ago and 1.3 per cent below those of the average of the six years preceding.

The manufacturer felt the effect of the new law later, but with more continuous and more serious effect. In the four months ending with June of this year, which is the last month for which we have detailed figures, the importations of manufactures ready for consumption increased over $40,000,000, and the exports of such goods fell off $45,000,000, making a total loss in trade of $85,000,000. The greater part of this immense sum was taken directly from our workingmen, who lost the wages which they would have received had these products been made in our home factories.

Our total importations since the new law went into effect increased, up to June 1, over $162,000,000, the greater part of this increase having accrued since January 1.

The iron and steel trade is generally regarded as the barometer of business. When this trade is active, it indicates general prosperity. When it is depressed, business everywhere shows the same condition. At the end of June of this year the record for the seven months preceding shows that we had made 4,000,000 tons less of pig iron than for the year before, and the Iron Age, a trade journal published in Cleveland, estimated that over 1,000,000 men were out of employment in the trades alone.

In April the balance on our trade with foreign nations, which had heretofore been largely for our favor and which for the year ending June 30 was over $600,000,000, now turned against us. Our importations for the first time in many years exceeded the amount of goods we exported. The seven months ending with August 1 shows that we had lost $240,000,000 in the balance on our foreign trade when compared with the same period of the preceding year. Our gold began to go abroad in large sums to pay indebtedness thus created and other debts heretofore settled by a balance in our favor. Before the end of July nearly $90,000,000 in gold had been sent broad, and thus not only withdrawn from circulation but actually lost to us.

By June 1 the gross revenue of our railways had fallen off $30,000,000 and the railroads were beseeching the Interstate Commerce Commission to grant them an increase in freight rates.

I will not undertake to state the number of men out of employment, as there are no accurate statistics on the subject, but the number of the unemployed has been estimated at from three to five million, with the probability in favor of the larger estimate.

The loss of employment necessarily cost the loss of millions of dollars to our workingmen in wages, and this in turn affected all kinds of business institutions. The failures for December, 1913, amounted to the unprecedented sum of $31,000,000, and the number of firms that failed were over 2,500. At the end of June we found for the first six months of the year that over 5,300 more firms had failed, with the staggering total of $185,000,000 in liabilities, exceeding by $50,000,000 those of any other year.

To compensate for these enormous losses no offset can be found. No new outlet was found for our goods or new work for our laborers. The avowed purpose of the tariff bill was to reduce the cost of living. In this respect it not only failed completely, but the record shows its insufficiency. The New York Times Annalist, which ought to be good Democratic authority, has published a chart from which it appears that at the end of June the wholesale prices of 25 leading food commodities were higher than ever before.

The third period began with the month of August of this year, when the great war broke out in Europe.

As the summer passed each day brought added mercantile failures, each week another increase in our importations and decrease in exports; each month swelled the hordes of idle men who waited in vain for mills and factories to reopen. A campaign was coming on which was certain to place the real situation before the people, and it needed no prophet to foretell in the elections the fate of the party which was responsible for these conditions. At this time, most unfortunately for the world but providentially for the Democratic Party, the conflict abroad burst forth with the swiftness and fury of a cyclone. It has somewhat obscured our domestic issues, and it seems to be thought that this foreign war not only can be made responsible for the ills that had befallen us but that the country can be made to believe that it created an emergency with reference to our national finances. I shall undertake to show that the effect of the war upon the National Treasury so far has been slight, that any immediate necessity for additional taxation is wanting, and that if such necessity should arise in the future

it will be not by reason of the war but from causes for which Democratic control is wholly responsible.

The first effect of the war was upon prices. It caused a great increase in the demand for food products and their prices to rapidly rise. On the Chicago market wheat shot up from 80 cents to $1.20, and prices rose from 60 cents on the farm to $1. Corn rose about 15 cents a bushel; oats, 10 cents or more; and meats and provisions swiftly followed. All this afforded opportunity to the defender of the administration to point out to the farmer what prosperity he was enjoying amidst these high prices, while at the same time he could express to the consumer his profound regret that the war had prevented the Democratic Party from lowering prices upon the necessities of life. [Applause on the Republican side.]

To determine what relation the war had to the condition of the Treasury it will become necessary to briefly review its situation since it has been under Democratic management.

Never in the history of our country has the Government been more fortunately situated with reference to financial resources than the present administration during the year in which Democratic policies have been applied. The Republican Party had left an abundant working balance in the Treasury. The receipts from internal revenue were $3,000,000 larger than they had been the year before, and it inherited from Republican management a surplus of $3,000,000 in the Post Office Department. It sold two battleships for $12,000,000 and turned the proceeds into miscellaneous receipts. The ranks of the veterans of the Civil War were so thinned by death that $11,000,000 less was required to carry on the Pension Department. The expense of construction on the Panama Canal had been rapidly decreasing and soon would cease. The operation of the canal was beginning to return some revenue. Here was a splendid opportunity to make a showing of a surplus in the Treasury, but with all these favoring circumstances the Democratic Congress and administration proved unable to keep expenses within receipts.

The gentleman from Alabama [Mr. UNDERWOOD] told you yesterday that in the last fiscal year from ordinary receipts the administration had taken in $10,000,000 more than in the preceding year. This is correct, but it only shows that it had received about $10,000,000 more than the Republican administration, while needing $50,000,000 a year less, and yet was unable to make receipts equal expenditures. [Applause on the Republican side.]

What a record for a party that had in its platform denounced the Republicans for extravagance and obtained power on promises of economy! [Applause on the Republican side.] And how can it escape responsibility for this condition? It had put through the House appropriations which exceeded by $100,000,000 the amount ever before incurred in time of peace. The working balance in the Treasury was for the larger part loaned to or deposited in banks, and by the end of July the administration found that a deficit was approaching. With a depleted Treasury and a rising mountain of appropriation more money was wanted, and the European war has been made an excuse for the bill now before the House.

When this excuse is analyzed it will be found so much thinner than air that it becomes a vacuum. [Applause on the Republican side.] It is said that the customs receipts fell off largely after the war began, and figures are given for the loss in the month of August. There was a large difference between the receipts for August, 1914, under the Underwood bill, and those of 1913, under the Payne bill, but there had existed a large falling off before the war began. The Underwood bill was intended to reduce customs receipts. It did reduce them by lowering the rates and admitting free articles which heretofore had paid duty, and the difference was to be made up by the income tax. As a matter of fact, the importations for August were only $8,252,057 less than for the same month last year, of which, if the same average was maintained for previous months, about 60 per cent came in free of duty.

The average rate on free and dutiable merchandise for the year ending June 30 last was 15.4 per cent, but this was estimated on the year, which included three months under the new tariff. The average rate under the present tariff might be estimated at 14 per cent, and the loss of revenue caused by the decrease of imports in the month of August could not have exceeded $2,000,000, unless the imports exceeded those of the previous year, or there was an unusual proportion admitted free. It was the rates of the Underwood bill that caused the great decrease in custom receipts and not the war. Any decrease caused by the war is not likely to be maintained after the expiration of a few months. We may produce at home some articles which we have heretofore imported. Our imports, instead of increasing, as compared with the previous year, may be slightly less in amount while the war continues, but our wants must be supplied from some source, and our importations will be greater than at the present time.

In what condition must our finances be when such a temporary decrease frightens our financial guardians and makes them demand that more taxes be levied! Why can we not gradually withdraw some of the $74,000,000 now on deposit in the great banking institutions of the country at 2 per cent interest, and which they are loaning out at from 6 to 8 per cent? [Applause on the Republican side.] Why can we not dispense with the river and harbor bill for this session at least? [Applause on the Republican side.] Why not enter upon a program of retrenchment in accordance with whatever the necessity may be?

If we must have taxes, why not reimpose some of the duties which are now lost to the Government without in any way benefiting the consumer? Why not compel Argentina, Australia, and Canada to pay something for the privilege of entering our markets? [Applause on the Republican side.] Why not at one and the same time revive drooping industries and replenish the revenues? [Applause on the Republican side.]

If we must have more internal revenue, why not put an additional tax on whisky or patent medicines instead of gasoline? [Applause on the Republican side.] How many of our Democratic brethren are ready to rise in their seats and say that they approve of this tax upon gasoline?

Oh, I know the gentleman from Alabama [Mr. UNDERWOOD] said yesterday that no one wanted to amend this bill. The real fact is that he does not dare give any opportunity to amend it. [Applause on the Republican side.] The fact is that it will be necessary for some of the gentlemen upon the other side, when they go back to their districts, to say in faltering tones that this was an emergency measure. It was put through under a rule which permitted no amendments, and therefore they could not change it. [Applause on the Republican side.]

Are whisky and patent medicines to be taken under the special protection of the Democratic Party? Is whisky to be sheltered from emergency taxes, and the burden thereof to be placed upon articles of necessity? [Applause on the Republican side.] So it seems, under Democratic rule, but they will have trouble in explaining to the people why. It is quite evident why this new product of caucus legislation is to be driven through under a rule that gives little opportunity to discuss its provisions, and absolutely forbids amendment. Those who present it know full well that if amendments were permitted the bill, in its present form, could not obtain a majority of the votes of this House. Let them remember that it has yet to be approved by a majority of the voters. [Applause on the Republican side.]

But why impose taxes at all? Have Democratic policies brought our Treasury and credit into such a condition that nothing but taxes will place the country in a condition to meet a slight and temporary loss in revenues? If this is true, it is a confession of incompetency and inefficiency on the part of an administration that deems it necessary every few weeks to issue a new pamphlet reciting its extraordinary achievements. [Applause on the Republican side.]

It is said that we should not withdraw any of the money which is deposited with the banks. Is it possible that taxes are to be levied for the purpose of enabling the Government to loan money to great banking institutions? Are these institutions now under Government control so conducted that they can not properly discharge their functions without a tax being levied upon the people for their benefit? If so, we certainly need still another banking and currency bill.

The river and harbor bill, through the determined efforts of Republican Senators, in which, I am glad to observe, those from my own State joined, is likely to be reduced by more than one-half. It would be better to omit it entirely than to pass this bill. With the retrenchment that ought to be made in other directions, we could avoid laying additional burdens upon the people at a time when, owing to the business depression which prevails in so large a part of the country, they are least able to pay; but the Democratic majority and the administration are unwilling to retrench, and hence we must have taxes.

The plain, hard fact is that the Democratic Party can not carry on the Government without expenditures largely in excess of those which had been denounced as extravagant in its party platform. Its failure in this respect is not new. The Democratic policies have failed alike, whether applied to domestic industries or national finance. They have failed to reduce the cost of living or national expense, failed to protect legitimate business or our National Treasury, failed everywhere, and yet the administration is continually boasting of its achievements. [Applause on the Republican side.]

These achievements consist of a tariff which the country at large regards as a destructive and not a constructive measure,

of a currency bill enacted more than nine months ago which is not yet put in force and which the administration has always been afraid to put in force. When the financial storm clouds gathered it was forced to take shelter under a Republican law as the only security in time of emergency. It has, it is true, rushed much new and half-baked legislation through the House of Representatives on other subjects. Some of this has been unopposed, some fought by the Republican minority, but all of it is experimental in so far as it has laid down any new principle or entered upon any new policies, and none of it has yet been tried and tested. The only result it has so far produced is to unsettle business and to add uncertainty to the rules by which commercial transactions must be governed. To speak of these measures as "achievements" is to become as "sounding brass or a tinkling cymbal." [Applause on the Republican side.]

This Congress has, through its Democratic majority, in fact, "achieved" two distinctions by which it will always be remembered: It is the first Congress that was ever flooded with petitions for its adjournment, and it is the first Congress to levy a war tax in time of peace. [Applause on the Republican side.]

Some say we have at least kept out of war with Mexico; but who wanted war with Mexico? No Member on this floor has advocated it, and I have never met a man that favored it. There were no doubt some that thought we ought to object to the destruction of the property of our citizens and protest against their murder, and others who insisted that we ought to leave Mexico problems for Mexicans to settle, and not meddle with matters which did not concern us; but how could we get into a war with Mexico, divided as it was into warring camps, none of which represented that nation and none of which proposed to make war upon us? Only by taking the part of one guerrilla chief against another. This we did, and got into war with one clan as much as we could, that particular faction being at that time powerless to resent our acts. We shed the blood of our soldiers, and took the lives of Mexicans who resisted them in invading their country, because one of their chiefs declined to burn a little powder. Perhaps, after all, the administration is right in considering that it is fortunate that we did not get into a war after this performance, but it would have been easy to keep out of Mexico entirely; and, considering that we have spent about $5,000,000 in the occupation of Mexican territory, it certainly would have been much cheaper. Our position at Vera Cruz had not only become embarrassing but was becoming ridiculous, when the President ordered the troops removed, with conditions just what they would have been if the troops had never been sent, except that we had excited enmity against us by our policy, which can best be described as that of meddle and muddle. This day we hear that our ally, Villa, has started a new revolution, and that no one knows when wretched Mexico will have peace. The order for the recall of our troops is said to be countermanded, and this will, I suppose, constitute another "achievement."

A year of Democratic control has been a record of broken promises, of unkept pledges, and of unfulfilled prophecies. Promising to decrease expenditures, that party has increased by millions the annual budget; pledging that no legitimate industry should be injured, it has left scarcely any business unscathed; prophesying that it would reduce the cost of living, its pretense of fulfillment only raises a smile.

In Biblical times a proud and boastful monarch in his dreams saw written upon his palace walls the mysterious words, "Mene, mene, tekel, upharsen." Troubled by the dream, he called before him the Hebrew prophet, Daniel, to interpret it, and received the unwelcome answer that the judgment of a higher power had been pronounced upon him, and that his kingdom was doomed. It needs no dream for those who have directed our national policies for the last year to see written large upon the political sky the words of Daniel to the King of Babylon, "Thou art weighed and found wanting." [Applause on the Republican side.]

Mr. PAYNE. I yield 30 minutes to the gentleman from Pennsylvania [Mr. KELLY].

Mr. KELLY of Pennsylvania. Mr. Speaker, this time is yield to me on behalf of the Progressives, and I yield to the gentleman from Pennsylvania [Mr. HULINGS]. [Applause.]

The SPEAKER pro tempore. The gentleman from Pennsylvania [Mr. HULINGS] is recognized.

Mr. HULINGS. Mr. Speaker, the "wise man" once said, "All men are liars," and after listening to the utterly contradictory statements made about the same facts by the honorable gentlemen on both sides of the House upon this bill I am convinced that the "wise man" was up to snuff.

After listening attentively and studying the question independently of the partisan spirit so greatly in evidence here it is my deliberate judgment that the war in Europe has not created an emergency that requires us to impose a war tax upon the people of the United States.

It is true that there is a deficit of revenue, but that has been going on ever since the administration tariff bill went into operation.

It was known long before the war in Europe began that the revenue measures were a failure. Since the tariff bill took effect in October last there has been a large increase of foreign importations, taking the place of American goods and throwing many American workmen out of employment; but even though importations increased greatly the tariff was fixed so low that it did not produce enough revenue to run the Government.

Imports of foreign goods have increased in the last fiscal year one hundred and two millions, although your tariff has been operating but 10 months; yet this increase produced thirty-two millions less revenue than the preceding year.

At the port of Philadelphia, in the month of August, 1913, the imports were less than seven millions, producing $2,167,000 revenue, while last month the imports were over seven millions, producing $1,208,000 of revenue, or a loss at that port of $959,000 revenue in one month. At Boston the imports in 1913 for August were $7,200,000, while in August, 1914, the imports were $11,000,000—that is, $3,800,000 more foreign goods came in, but produced $682,000 less revenue.

You reduced the tariff on sugar, threw away about $16,000,000 of revenue, killed the native sugar raisers, and the Sugar Trust has been "soaking" the people ever since.

Oh, I know the war shut off the supply of German sugar to England, and her demand upon other sugar-producing countries compelled us to pay more for our raw sugar; but long before the German ports were closed the Sugar Trust was "soaking" us, simply because your low tariff wiped out our domestic sugar producers.

There is no secret about all this. Everybody except Democrats knew what would happen, and a short experience with your free-trade tariff opened your eyes, and even you realized months ago that you were facing a deficit of revenues. Your managers have been discussing it behind the door for months. Now, in seeking to cover up your mistakes by laying all the cause of it to the war in Europe you are neither candid nor honest.

The disturbance of American business caused by the war in Europe was due in large degree to the disappearance of foreign carriers and we had no shipping of our own. This you hoped to cure by the registry bill and the shipping bill, though it should be noted that the traditional policy of the Democratic Party against subsidies is the only reason why we do not have a merchant marine to do our own carrying, relieving us from dependence upon foreign shipping.

To cure this, now that they see what a "hole" it has put us into, it is suggested that the Government should engage in the ocean shipping business which private capital has not engaged in because it did not pay.

The scheme is nothing but a ship subsidy in disguise. Government aid to cotton producers, which southern Democrats favor, is nothing but a subsidy in subtle form. The 5 per cent reduction of duties on goods carried in American ships, which the Democrats put in the tariff law, is a subsidy pure and simple. Government-built levees and embankments in southern rivers are nothing but subsidies, but be careful that you do not call them "subsidies." How these walls have reechoed to Democratic roars against "subsidies." And how these roars subside into the gentle cooing of doves when the "subsidies" come their way. Free tolls to American coastwise traffic in the Panama Canal was called a "subsidy," and so on this plea the Democrats handed the canal over for the especial benefit of Great Britain. But this lack of shipping is only temporary. English and French ships are resuming their service. The ocean is free. The risks of capture are practically gone. Our over-seas traffic has been carried heretofore by foreign vessels. These neutral foreign vessels are just as available now as ever they were.

An editorial in yesterday's Washington Post declares there is no scarcity of ships, and that—

> shipping men insist there are plenty of bottoms for all freight offered, and show conclusively that the check to American export trade is not caused by lack of shipping.

This will speedily cure itself, and furnishes no reason for taxing the people.

Other contributing causes producing disturbance were the return of American securities and the drain of gold.

But none of these justify a "big scare."

Germany, that holds a great volume of American securities, did send some of them home and withdrew gold, but the moment

war was declared she could not send any more of them—the British fleet stopped that.

Great Britain and France hold other great volumes of American securities, and before the war did send some here and took gold, but as soon as they engaged in war and their people stopped producing and went to destroying it was plain that it is not our gold but food and clothing and munitions of all kinds which they will need and are bound to get in the United States if it takes all their warships to convoy the freighters they will be obliged to send here after the goods.

England owes four times as much as the United States. She is financing a great war, and she is not in a panic about her gold. France owes seven times as much as the United States, and she is invaded by a powerful enemy and is not scared about her gold supply. Now, we have four times as much gold as England, nearly twice as much as France. Our country is infinitely richer than any country in Europe. We have no war, and I refuse to be hurried into a panic because of a "scare" about gold.

The plea that the war has closed our foreign markets is another "*big* scare."

Undoubtedly there is a temporary embarrassment on this account, but the imperative need of breadstuffs will shortly compel England, France, and Italy to send here for them, and record shipments of wheat and flour are now being made, and Japan will largely increase her purchases of our cotton.

The Evening Star of yesterday announced there is enough shipping plying the seas to carry the normal imports of the United States.

> Imports from Japan are increasing.
> England's imports continue extensive.
> Some German goods are coming into American ports.
> These are the observations of customhouse officials recently attending the conferences of collectors at New York.

But if our exports of manufactured goods were wiped out, it ought not to raise more than a ripple of disturbance, for as a matter of fact our exports of manufactures never amounted to 5 per cent of what we manufactured; and if Europe continues to fight, our exports to South America and nonbelligerent countries, if we seize our opportunities, will restore tenfold all we lose of the European markets.

Now, of course, the war will shut out much of our imports, but what will be the effect?

We will get no Belgian glass, but American glassworkers will again go to work.

Germany will send little here and our people will go to work to produce the hosiery, cotton goods, ferromanganese, dyes, cutlery, toys, and other products which she has been sending and we undoubtedly will go to work and make all this stuff ourselves.

Importations from England and France will fall off, but we can and we will go to work and make for ourselves the things usually supplied us by those countries.

This reduction of importations will, of course, reduce revenues, and the deficit added to the deficit caused by your tariff law before there was any war demands level-headed attention.

But what is the "scare" about? Why must we rush this measure through the House in the clangor of the fire alarm? The gentleman from Alabama [Mr. UNDERWOOD] talks impressively of the "great emergency." We have passed bill after bill here since I entered this body under the spur of "great emergency." But what is it this time?

The Treasury is in no instant need. The new banking law, whatever may be said of it giving Wall Street the control of business credits, will certainly strengthen the banks. The one thousand millions of emergency currency provided for will certainly fortify the banks against any unusual demands upon them, and in case necessity required the banks could easily return to the Treasury the $73,000,000 of Government money now loaned to them. If the new banking law and the emergency currency law strengthen the banks, why should they not repay the money the Government loaned them at 2 per cent, when the Government needs the money? Why tax the people when the Government's money, collected from the people, is in the banks now? Why not use it?

I recognize the importance of the banker. I voted for the new banking law. I voted for the emergency currency law, to strengthen the banks and give stability and elasticity to currency issues, for the purpose of enabling them to accommodate the business interests.

Yet the banks, with reserves piled up, are charging the business men of the country 7 to 10 per cent interest. Banks that received Government deposits last year at 2 per cent to move the crops have been lending it to the farmers at 10 per cent. Eight per cent is a common figure the country over to-day in spite of emergency measures to strengthen the banks, while the English business man, though his country is at war, gets banking accommodation at 4½ to 5 per cent.

This is a condition that Congress had better concern itself about than to load more taxes upon the people.

Why not, like prudent business men, retrench in expenditures? Why not wipe from your calendar about nine-tenths of the public-building schemes that will come up at the next session; most of them should never be passed. Why not stop the irrigation of southern trout streams, and cut the "pork barrel" down to the last stave? Ligate superfluous public teats; fire the bench warmers and the supernumeraries. They are falling over each other in every department of the Government drawing unearned salaries.

Why not postpone the Alaska railroad for a year; postpone the unnecessary public buildings; postpone the doubtful experiment of the Government investing $40,000,000 in the shipping business; and cut out $30,000,000 of the rivers and harbors appropriations, and thus save more than $100,000,000?

Why not call in the loans to the national banks?

Everybody knows the bill to improve rivers and harbors, covering $53,000,000 appropriations, goes largely to improve "political prospects." Two-thirds of this sum can be saved by merely cutting useless and unnecessary items. Every department of the Government leaks money like a sieve leaks water. If the people could know how their money is wasted, a storm of anger would sweep the country from one end to the other. No up-to-date business house would permit the waste and extravagance that every Member knows exists here. Put the administration of the Government on an economical basis—not a niggardly, parsimonious, cowardly, nor panicky basis, but on a plain, sensible, business basis—and you can save every year double what you expect to raise by this tax. The Democrats promised to stop the waste and extravagance. Why have they not done it? Things have gone on worse, if anything, than ever before.

It is useless for anyone on this side of the House to make any suggestions. Nothing is considered unless it comes from the Democratic side. During all these weary 17 months the farce of debate has gone on, when everybody knew that all the important measures were cooked up in Democratic conclave just in the shape they were to be passed without alteration or amendment.

If the Lord himself were to offer a bill here, it would not have a chance in the world unless it advocated free trade, state rights, and was indorsed by a Democratic caucus, and He would not support either of those doctrines.

But it does not lie in the mouth of the Republican Party to charge Democrats with extravagance. For a generation they have had full control, and they did nothing to stop it. For a generation the Democrats have howled about Republican extravagance. Now that the Democrats are in control the rôles are exchanged—Republicans are doing the howling and Democrats are padding the expenses in the same old way. But these recriminations get us nowhere. It is merely the "pot" calling the "kettle" blackface.

We should face the situation like sensible, level-headed business men.

If you will cut out waste and extravagance and stop useless and unnecessary expenditures and postpone expenditures not immediately pressing, in a determined, businesslike way, the Treasury will take care of itself.

But even if it is considered that we must raise immediate funds, the Government provided for an issue of bonds to meet the cost of the Panama Canal; but instead the Treasury paid $207,246,398 of the cost out of current funds, leaving $240,569,000 bonds unsold; and if the emergency requires, why not sell some of these bonds?

The people, whether it is on account of the tariff or the war or for whatever reason, are in no shape to stand additional taxes.

The railroads are complaining, business men are complaining, the people are groaning under the high cost of living, which, by the way, you Democrats loudly promised to reduce, and nothing short of absolute necessity will reconcile them to additional taxation.

The President says we must not sell bonds, for that will disturb business; we must tax, but the only difference between the two is a mere matter of time.

Now, let us see. In either case the money must be drawn from the people. But will it disturb business more to draw it from the money-lending class as a loan than to draw it from people who are already overburdened? Will it disturb business more to draw it from the banks, who owe the money, than to take it from the pantries of the people?

If you raise it by an immediate tax you compel the masses to pay at a very inopportune time.

To raise it by selling bonds you borrow it from those able to lend and repay by a tax when the people are abler to pay; and besides, if these Panama Canal bonds are sold the traffic in the canal will pay the interest and at maturity retire the bonds.

But it is suggested that you can not sell bonds, for nobody with money would buy. I do not believe it. The people must furnish the money or your tax collector can not get it. If they have the money they will buy the bonds if you offer them to public subscription. The only difference will be that poor people will not be oppressed by higher cost of living when they are out of work.

I caution you to be careful of levying additional burdens upon the masses at this time.

I congratulate you that you have abandoned your freight-bill tax. It was the very worst scheme you could have devised. Some of your selected subjects of taxation are not much wiser, but I question the necessity of taxation at all at this time.

You insist on taxing "gasoline." It is well known that the Standard Oil Co. or its subsidiaries fix the price of crude oil and the price of the manufactured products. Although three-fourths of the production are consumed at home and only one-fourth goes abroad, under the shabby pretense that the foreigners were not buying oil the Standard stopped buying the crude, meanwhile cutting down the price of crude, and the trade is in a deplorable condition. Recently the Standard has resumed, at the marked-down price, the buying of probably as much of the production as the markets demand.

Unfortunately, the chief difficulty is that created by the producers, in producing and expecting the Standard to provide tankage for over 150,000 barrels every day more than the world uses.

Now, in this situation your bill puts a tax upon gasoline—by the way, a trifle of about 16 per cent—which under present circumstances is bound to be paid by the producer, and after he pays it will be made the occasion of raising the price by the wholesaler, the jobber, and the retailer; and the consumer—with the profits of each added—will pay probably 3 cents more for his gasoline.

And you failed to do an obvious thing that would have been of great benefit to the oil producers and would have added large sums to the revenues.

Mexico is sending into this country 66,000 barrels daily of cheap oil. It is brought here and used as a club to beat down the price of our oil, bringing distress to our own people. Instead of taxing gasoline you should tax Mexican imported oil.

Retrenchment and economy and a brave policy will surely postpone any need of taxation. If you must tax, make an addition to the income tax. This is a tax that will fall due next June and only fall on those able to pay.

Besides this, there is another tax which ought to be levied in the interest of the public morals, and I refer to a proposition which I introduced more than a year ago. It is now known as House bill 18591 and has laid in the Ways and Means Committee since without action. It would produce several millions of revenue and would prohibit gambling and bucket-shop transactions and would protect legitimate speculation, and I commend it to those Members of the House who wish to relieve honest business from burdens as much as possible, though it is useless to discuss it now, as amendments are not allowed.

The great disturbance and losses due to the war in Europe impress thoughtful men as never before with the importance of a policy of building up American industries and producing for ourselves whatever can be made here, and of building up a merchant marine, not by any precarious experiments, such as your shipping bill, but by a careful adaptation of the protective system that has so signally developed our manufacturing industries, and thus render this country largely independent of all other countries.

It is also easy to perceive that the present offers great opportunities for this country, and that great markets heretofore supplied by the belligerent nations now invite American goods.

It must not be imagined, however, that the trade of South American and the nations formerly supplied by Europe will be dropped into our laps like ripe plums.

England and Germany have built up a great trade with those countries through persistent efforts and wise catering to their wants, and before we can get much of that trade we must supply the banking facilities that are now nonexistent and prepare to give the merchants of those countries the long credits and facilities that England and Germany heretofore have given them. Even the trade we now have with them will be disrupted or be done with great difficulty, because the banking facilities furnished by Europe are not now available, and before we can enjoy that trade we must establish facilities of our own.

Certain other significant facts are also apparent. When Belgium ceases to ship her glass here American glassmakers go to work; when German hosiery ceases to come in American spindles begin to hum. These facts prove the beneficence of the protective tariff.

Our southern brethren are imploring the Government for aid to hold their cotton until Europe can manufacture it. We have pursued the senseless policy of shipping our cotton to England and Germany and France, having it manufactured there and returned to us before we could get it on our backs, while every pound of it ought to be and could be manufactured here, where the world would be obliged to come and get it.

If the war continues long, this is what we will be obliged to do, and already the statements are made that our mills will increase their manufactures of cotton from 10 to 15 per cent this year.

The war will shut out certain goods, and we may have to raise our revenues from other sources than customs, but if immediately we will go to work to produce for ourselves a new era of prosperity will ensue. This, after all, is the very purpose of a protective tariff.

And, Mr. Speaker, when the people of this country are industriously employed the expenses of government become a mere bagatelle.

There could nothing better happen to this country than if we were obliged to make for ourselves everything that could be made in America. This war is proving to Democrats that this is our true policy. Protectionists have known this all along.

Mr. Speaker, there is one feature in the present situation overlooked that is more important than the cry for gold. Normal economic conditions have been upset. The rising cost of food is in the nature of a tragedy. Workingmen everywhere are feeling the pinch of poverty. Taking advantage of war prices abroad, prices are raised as though we had a war here.

There is no justification for it. It is inspired by criminal greed and speculation. Congress is doing nothing about it or, if doing anything, is proceeding in the leisurely investigations of conditions that a blind man can see without glasses. Congress ought to take hold of these gamblers with a strong hand. It ought not sit quiescent with conditions heavy with misfortune staring us in the face. It has the power. If it were possible, it ought to levy an embargo upon the export of foodstuffs until prices fall to reasonable figures.

I can think of no speedier way to raise revenues or no more effective way of reaching the speculators and gamblers who are marking up prices and raising the cost of breadstuffs and the cost of living than by the levying of an export duty on breadstuffs, but I suppose our lawyers will tell you that would be unconstitutional.

England sets the example. Hardly had the war started when Parliament supported the Government in assuming control of the maximum prices of food to check attempts to corner or speculate with or arbitrarily raise the prices of food, and we should do something of the sort rather than to levy more taxes.

Mr. Speaker, I would be ashamed to raise factious opposition to this bill for partisan reasons. If it is really necessary to tax the people at this time, let us have facts and sound reason and not vague rumors and war scares; but until I see some bill of particulars, something more substantial than panicky rumors of some direful calamity, I shall not vote for a tax at this time. But if more money is necessary, why not spread it over a number of years by a sale of bonds? Or, better still, let us economize and retrench and postpone some of our expenditures or, as a last resort, impose an additional income tax upon those able to pay; but in any event let us keep our fingers out of the dinner bucket of the working classes.

I have faith that President Wilson will keep us out of all foreign entanglements, and if he does so there is no occasion for a "big scare." There is a golden opportunity. If we are wise and brave, we will not be misled by the so-called conservatism of those who make gold a "fetish" that always skulks and hides in time of need. The power of the Government to pay its debts depends never upon its possession of sufficient gold, but upon its unlimited power to tax.

Gold serves probably as well as any commodity could as a measure of values, but it never did exist in any great commercial country as a currency, because it never exists in sufficient quantity and is always supplemented by a greatly preponderant volume of forms of credit. Thus we have our greenbacks, our national-bank currency, and our emergency currency. All are

forms of credit measured in gold, but at the first lack of faith in the Government the gold would fly into hiding.

The war by shutting out competition affords us a great opportunity to set the brains and skill and brawn of all our people again at work, and if to do this it would be necessary to send every ounce of gold in the Treasury out of the country it would be a profitable operation, for every six months we could buy it all back with the profits of our industries.

Set our people to work and they will make small matter of raising your revenues. If we are alive to our opportunities, the war that is scourging Europe will in the providence of God reestablish the industry of our people which was crippled by your free-trade tariff.

This is no time to give new jobs to an army of tax collectors. Call out the dinner-bucket brigade and set it to work. That is the only way to create real wealth. Build up our merchant marine; we have the chance of a lifetime. This is no time for timidity. The coward dies a thousand deaths. This is a time for red-blooded, courageous statesmanship.

Mr. KELLY of Pennsylvania. I yield to the gentleman from California [Mr. STEPHENS]. [Applause.]

Mr. STEPHENS of California. Mr. Speaker, I can not vote for this war-tax bill. It is unwonted and unusual, uneven and untimely, unfair and unjust, unwise and unnecessary.

I might vote for a war-tax measure as careful and considerate of the man that has little as this is of the man that has much, of the individual who labors as of the corporation that lives off his labor; as considerate of the small independent oil-refining company as it is of the great Standard Oil Co., provided, of course, I could believe a war tax at all necessary at this time.

I might have voted for a war-tax measure equitably and justly drawn had Treasury conditions continued as they were in August last; but, Mr. Speaker, conditions are not now as then, perhaps, they promised to be, and this legislation is clearly unnecessary at this time.

The last daily statement of the United States Treasury, made at the close of business September 23, 1914, is in part as follows:

Receipts affecting the general fund balance, September 23, 1914.

	This day.	This month to date, fiscal year 1915.	Corresponding month and date, fiscal year 1914.	Fiscal year 1915 to this date.	Fiscal year 1914 to corresponding date.
Revenue receipts	$1,640,650.81	$42,319,728.53	$44,050,174.72	$166,616,800.38	$165,881,896.00

Mr. Speaker, the great State of California is unjustly affected by this bill. Every citizen of that State with any love of country in his heart is willing to bear his due proportion of the public expense; but every man does, as every man should, object to being levied on to a greater extent than his fellows elsewhere. Whenever a war tax is necessary, levy it alike upon all and I will be for it.

Mr. Speaker, my colleagues, whose districts are so seriously affected by the excessive tax proposed on wines, have facts and figures to advance that show the unfairness of this bill. Because amendment of this measure has been made impossible, and therefore argument unavailable, I shall close by submitting the following telegrams recently received:

LOS ANGELES, CAL., *September 22, 1914.*

Congressman WILLIAM D. STEPHENS,
Washington, D. C.:

We understand that a bill is to be introduced in the Senate and House proposing a tax of 2 cents per gallon on gasoline. This tax would be discriminating against a particular class of people already bearing more than their share of the taxes of this State, and the Motor Car Dealers' Association of Los Angeles, representing the largest body of motorists in California, do emphatically protest against this class legislation. Such tax will seriously injure an industry which forms an important element in the commercial welfare of the West, throttling a business already developed, and preventing an expansion decidedly promising at this time. It would involve injury to over a quarter of a million families depending upon this business alone in the State of California. We would earnestly ask your consideration of this bill and request you, as representative of this State, to use every effort in your power to prevent the passing of this bill.

MOTOR CAR DEALERS' ASSOCIATION,
C. F. SMITH, *President.*

—

PASADENA, CAL., *September 23, 1914.*

Hon. WILLIAM D. STEPHENS,
Washington, D. C.:

The Pasadena Clearing House Association at a meeting to-day unanimously protests against the provision of the Underwood bill taxing banks $2 per thousand upon capital, surplus, and profits, because it puts the burden upon one class of corporations instead of all corporations alike. The banks are willing to assume their fair share of the burden, and urge that the provision be readjusted so that a proportionate assessment be levied upon all corporations alike.

WILLIAM H. VEDDER, *President.*

—

LOS ANGELES, CAL., *September 24, 1914.*

Hon. WILLIAM D. STEPHENS,
House of Representatives, Washington, D. C.:

We believe proposed tax from 12 to 20 cents gallon on wines excessive, as much wine is sold at 15 to 20 cents a gallon. California is willing to pay its share of taxes, but would suggest smaller levy. Why not tax maker and consumer of chewing gum 1 cent a package? Would be felt less.

LOS ANGELES CHAMBER OF COMMERCE,
LOUIS M. COLE, *President.*

—

LOS ANGELES, CAL., *September 16, 1914.*

Hon. WILLIAM D. STEPHENS,
Washington, D. C.:

The proposed so-called war tax on gasoline would be very disastrous to the oil industry of this State. It would very likely put the independent refiner out of business. As independent oil refiners, we urge you to use your best endeavors to defeat this measure.

DENSMORE STABLER REFINING CO.

LOS ANGELES, CAL., *September 16, 1914.*

Hon. WILLIAM D. STEPHENS, M. C.,
Washington, D. C.:

Proposed tax of 2 cents per gallon on gasoline will put every independent manufacturer of gasoline in California out of business and destroy all revenue instead of increasing it for the Government. Certain large producers of gasoline can, by holding price as at present, compel small producers of gasoline to quit if tax is insisted on. Tax crude if must tax oil, and scatter amount on all products of petroleum and not on gasoline alone. By taxing crude the consumers, who are many, will bear the burden. By taxing gasoline the manufacturers will bear it, who are few.

T. W. OKEY.

—

LOS ANGELES, CAL., *September 18, 1914.*

Hon. WILLIAM D. STEPHENS,
House of Representatives, Washington, D. C.:

Members of Los Angeles Stock Exchange report themselves worried over war tax of $50 per capita, which they think is unjust, as Los Angeles broker can not be compared with eastern broker. Respectfully suggest graduated scale, with minimum amount of burden on western broker.

LOS ANGELES CHAMBER OF COMMERCE,
LOUIS M. COLE, *President.*

Mr. KELLY of Pennsylvania. Mr. Speaker, I yield to the gentleman from Minnesota [Mr. LINDBERGH].

Mr. LINDBERGH. Mr. Speaker, socially this is a unique period. Never before in the world's history did the political and social follies of men appear so clearly. The way is now open for some important corrections, because their folly in several matters has become so apparent.

CONGRESS HAS THE POWER TO ACT.

We need not dwell upon past errors, except when it is necessary in order to show the need for wise action. This is no time for criticism further than such criticism as points out the way to reform. Men and women are not to blame for what a false system forces upon them. But we are to blame if in the very light of recognized errors we fail to exercise that degree of judgment which we would naturally use if we were but to open our eyes and unlock our brains.

The President, in a message, asks us to vote a war tax; but why? We have no war and expect none. The only way we could get into a war would be to go around with a chip on our shoulder challenging other nations to knock it off. They do not want war with us. The President, of course, is in good faith, but what he really proposes is to patch an unnatural system, which is already worn in every part to shreds. The President proposes burden upon burden. The last straw breaks the camel's back. It is true that Europe is ablaze and the destruction of life and property is tremendous; but nothing should be destroyed here as a result of the war, so why should we allow the European war to destroy our reason? We could easily economize and save more than the $100,000,000 tax, and our economy, if properly exercised, would deprive no one. It is not my purpose, however, to point out transient economies. Now that we have an object lesson and the incentive to profit by experience, let us consider permanent things required to place men and women who earn their living in control, so that we may vitalize a system that will save us the suffering that re-

sults from our own follies as well as from the follies of other nations.

The European war destroys no legitimate agency in the United States. Men and women are as healthy and as able to work and produce as they ever were. Everything we require can be produced in the United States. We have had a good harvest and there is nothing legitimate to interfere with the prosperity of our people. The difficulties that we have are not due to natural conditions. They are the result of the failure of our political and social practices to conform to natural conditions. I purpose to strike directly at these failures in order to show wherein we may rescue ourselves from them.

First of all let us get the facts straight in our minds; then we can act intelligently.

A HUNDRED YEARS OF MECHANICAL IMPROVEMENTS.

A hundred years is but a short period in the life of nations, but the mechanical improvements have been tremendous in that period, and the last of the century has been more wonderful than any earlier part of it.

Since steam and electricity have furnished the basis for power men and women are able to accomplish more, by several hundred times in some respects, than they could accomplish before. But it is not alone in the use of steam and electricity that mechanics have advanced. The farmer of to-day is supplied with many mechanical devices that wonderfully economize his time and enable him and his family to furnish to the world more by several times in the way of farm products than he could when the spade, the hand sickle, the dash churn, the pitchfork, the simple needle and thread, and other simple tools and devices were his only implements. The wageworker, too, has placed in his hands various appliances that immensely increase the products from his toil. Without entering into special details in all of these respects, since all intelligent persons understand them, it is a fact that in every human pursuit the means of application have improved so greatly that men and women can accomplish immensely more than they could at any earlier period. It averages many times greater. We also understand nature better than ever and make a better application of our intelligence in deciding to what use the lands shall be put, what crops shall be grown, in applying water powers, and many other things. The sunshine, the rains, and the seasons are as good as ever. Therefore we possess the knowledge as well as the mechanical devices, and nature favors us. With these as the fundamental basis we should become immensely prosperous.

WHAT HAVE WE TO SHOW FOR IT?

Suppose we take a tour over an average farm; we would find a family, healthy, industrious, and intelligent. The production of that farm is sufficient to furnish all the food required by the family and as many as 10 or more other families of equal size. A few things, like salt, sugar, coffee, and so forth, they would have to buy, but these are, as a rule, raised in quantities on other farms. In addition, the same average farm would produce wool, hides, and so forth, to supply material for shoes and clothes. Of course, factories are required in which to make the finished product. But here again we have the wageworkers employed, who, each with the necessary mechanical appliances, make enough of the articles to supply hundreds of other persons. It is unnecessary to say more about this, for the intelligent person generally understands that each person engaged in work produces a sufficient quantity to supply numerous other persons, in some cases thousands of them. But if we return to the farmer we shall find that he toils early and late, and his wife likewise, and even then he is forced to pay all the surplus production of his farm for the few things he buys, and at the same time must go without many of the things that the family needs. The wageworker likewise works long days, and gives up all his surplus production for what he is forced to buy to furnish a bare subsistence for himself and his family. A few middlemen are required to make the exchanges, but each of them serves several hundred persons. All this that I have stated shows that if it were not for some other causes than those I have thus far mentioned the farmer, the wageworker, and all others performing useful service should each be several times more successful than he is. Now, then, since we understand that to be a fact, let us find the reason for our not being more successful.

THE REASON WHY.

It is because we are politically and economically proceeding upon a wrong basis. I purpose to point out that fact in connection with this proposed war tax. We are not at war. Therefore why vote a war tax? It is proposed because our finances are run by speculators. We are burdened in a way that we can not much longer bear. We have been fools for bearing it thus long. The President does not seem to know it. Several other Presidents do not seem to have known it. McKinley was the first since Lincoln to have made any public note of the wrong. Members of Congress seem to fear to analyze it. The war is a mere excuse for the emergency. The condition is here, irrespective of the war. This Nation is doomed to destruction by dry rot unless we remedy the false system that I am describing. It is worse than war, for servitude to a false system is the lowest state that man can enter upon.

Our potential wealth lies in our ability to work, and it should be our privilege as well as our right to obtain the value of what we produce without being forced to pay a rake-off to those who pay no equal value in return.

As business operates now, those of us occupied in productive enterprises are paid only a part of the value of what we produce or what our labor is worth. The other part is taken by monopoly and becomes capital. The capital becomes the basis on which we are forced to pay tribute in the form of rents, dividends, and interest. The more we produce the more capital gets to make us pay profits on. Besides, there are the patent privileges, inventions, so-called "good will," and other devices that are capitalized, and afterwards dividends and interest charged upon the capitalization, and the people made to pay it.

PROFITS AGAINST LABOR.

The terrible cost of paying the tribute that I have referred to can not be understood unless we examine into it, nor can we realize the wonderful prosperity that would result from the establishment of an honest system. Property is so controlled now that it is given the power through its owners to frightfully depress men and women who work for a living. I shall use two tables to prove in part its fearful effect.

Dividends, interest, rents, and so forth, are effectively the same whether figured on loans or on property. One dollar invested for 100 years at compound interest computed by the method practiced by the bankers amounts to the following sums:

Table No. 1.

6 per cent amounts to	$340
8 per cent amounts to	2,203
10 per cent amounts to	13,808
12 per cent amounts to	84,075
18 per cent amounts to	15,145,007
24 per cent amounts to	2,551,798,404

The above table shows the manner in which the capitalist is usurping the privileges that men and women should possess as a return for their labor.

Congress and the legislatures, as well as the courts, undertake to enforce interest and dividend payments on "vested capital" even beyond the possibility to pay in full and wholly regardless of common justice. The above table shows, and the practice in business proves, that no one can successfully compete with those who own property and control money and credit, nor can the smaller property owners successfully compete with the larger ones. Nothing can now compete with the $1 except $2, and nothing with $2 except $3, and so on up. The larger the sum the greater the cinch.

This compounding of profits, great as its ultimate results are, does not operate to the advantage of those of us who happen to have a few shares of dividend-paying stock or small deposits or sums of money due us on which we get interest, because we do not live long enough to secure the full advantage. But we need not live 100 years to have it operate against us, for the system has been in operation for more than 100 years, and during that period has accumulated the capital now controlled by a few and upon which we are required to pay the terrible toll that comes from compounding fortunes in the manner described in my Table No. 1 and that produced the effect described in my Table No. 2, which is as follows:

Table No. 2.

Number of the class.	Persons engaged.	Average income.	Aggregate income.	Number in each class, including their families.
1	37,815,000	$601	$22,725,590,000	94,537,500
2	126,000	4,500	567,000,000	315,000
3	178,000	7,500	1,385,000,000	445,000
4	53,000	12,500	632,500,000	132,500
5	24,500	17,500	428,750,000	61,250
6	10,500	22,500	236,250,000	26,250
7	21,000	37,500	787,500,000	52,500
8	8,500	75,000	637,500,000	21,250
9	2,500	175,000	437,500,000	6,250
10	550	375,000	206,250,000	1,375
11	350	750,000	262,500,000	875
12	100	1,500,000	150,000,000	250
	38,240,000	.....	28,426,440,000	95,600,000

Table No. 2 is approximately correct. There are a few persons whose annual incomes run from $5,000,000 to probably near $50,000,000.

Those in class 1 of the table have been reduced to about the lowest extremity. Occasionally persons in class 1 make a lucky strike or by some unusual circumstance get into a class with a larger income. To do so they must oppress the class from which they emerge or else reduce one or more in the other classes to a class with a smaller income. A few such cases occur, but the total of the underpaid and overworked will increase instead of diminsh as long as property—dead material—is socially and legally given a better status than human life; that is, it now enables the owner, the capitalist, to sit back idly and compel men and women, even children, to work and slave to pay tribute to mere material substance. That is not all. A system of credit is pyramided over and over and is supported by the products of our daily toil, and upon this credit we are also forced to pay tribute.

In consequence of this vicious system the farmer is forced to sell his farm products below their value, the wageworker and others are forced to accept less than they earn. Besides, there are millions unemployed.

I do not state these facts, the substantial truth of which can not be denied, for the mere purpose of showing that I know about them. It is of no value to me to know about them unless there are enough others who know so that by uniting we may force the adoption of a remedy.

The truth of what I have stated is evidenced in part by the desperate fight the railways are making to raise their freight and passenger rates. Only last week the presidents of seven railway systems appealed to the President of the United States in person for aid, and the President has promised to use persuasion for them. They wished to sell securities for the huge sum of $578,000,000, and wish to make the people pay higher freight and passenger rates in order to collect interest and dividends upon that sum from them. For several months proceedings were pending before the Interstate Commerce Commission to raise freight and passenger rates on the railways in the eastern division, and they were given a raise in order to meet the terrible drain upon them caused by the system. Other proceedings will follow for the middle and western divisions. They are forced to apply for relief in order to save themselves from bankruptcy. They will come again for more, because the interest will soon eat up any increased rates that may be given. Ultimately they will all be bankrupt, if we retain the present system, because the limit will be reached beyond which they can not go. My Table No. 1 shows the reason.

The railways are not alone in seeking to raise prices of what they have to furnish. The same thing is being done everywhere by everybody.

WHO PAYS FOR IT ALL?

It is paid for by the farmer, the wageworker, and some others who serve the welfare of men and women. That is why the farmer, who produces more than ten times as much as he consumes; the wageworker, and some others, who earn many times more than they are paid, give all their surplus production and earnings to support a system that creates parasites. They are paying these extraordinary dividends and interest charges for the support of the parasites.

If you wish to see the "nigger in the woodpile", who is making all this trouble, search the Wall Streeters who control the New York banks. The Wall Street banks also hold the reserves of the country banks.

Let me again remind the House that the new currency law gives still greater power than before existed to the Wall Streeters to concentrate their hold upon the money and credit system, and will enable them to extort more from the people than heretofore. It will keep things going for a short time, but in a few years look out for the snake that will creep out from it, devouring everything in its path. I stated in a minority report on that bill that the Government's money should not be turned over to the banks, because in any emergency it would bring distress to withdraw it for Government use. I did not then believe that my statement would so soon be proven by practical experience to be true. But now, only a few months later, the President, in a message, asks for a $100,000,000 war tax, and admits that it would not really be needed if we withdrew from the banks the $75,000,000 Uncle Sam has on deposit in them. The President does not wish to withdraw that, because he believes that to do so might be dangerous. There, then, is the proof of the prediction that I made in my minority report to the new currency bill. Still, under the provisions of that bill all the moneys of the United States will be placed in the banks when the new law is put in full operation. It will be working in time for them to grab the $100,000,000 tax which it is proposed to vote against the people.

The banks pay at the rate of about $1,500,000 per annum for the use of Uncle Sam's $75,000,000, and they charge the people on that sum directly at the rate of from $4,500,000 to $6,000,000. But that is not all. The $75,000,000 forms a basis for a credit system of over $500,000,000, allowing the same average for that as on other moneys. The banks charge for that credit also, and upon that the people pay at the rate of approximately $30,000,000 per annum, a charge which is based upon the money which they have paid in as taxes. I do not blame the banks for making all this easy money. Any of us would do the same if we were in the business, but we are fools for letting them get away with it. The people have not been given time to realize its meaning. If they do so, as I believe they soon will, there will be mighty few of those who are responsible for the maintenance of such a system in office after the election that follows. Those of the 95,000,000 of us who receive any cash go to the receiving windows of 30,000 banks and trust companies and hand them our hard-earned cash. This cash is flowing from the 30,000 banks into Wall Street and other speculating centers like a flood stream, and they make us pay interest and dividends on our own money.

The seven railway presidents who asked the President for aid to their roads presented the idea that should be a warning to us all. The railways—great institutions, performing a necessary service—they, too, are being ground between the stones by the same process that the rest of us are. But they have a chance to make an appeal for help. They have done so. The people have no such opportunity. The President has promised to help the railways. He has given them moral support already, which has enabled them to get some advantages that they could not have secured otherwise. But the advantages that they have obtained are taxed to the people, who themselves are already overburdened. Therefore I ask you to look into this matter a little deeper. The railway presidents, as a rule, are large stockholders in their railways, but in addition to their railway stock they and their associates control the Wall Street banks, and when I say Wall Street I mean all the affiliated banks in the larger cities. They use the railways to pay interest to their banks. The banks charge them high interest, and that makes the expenses of the railways large and forms an excuse for their presidents to ask for increase in freight and passenger charges. It is a deep game you well understand when you know those who work at it, and it all finally lands right square on the people's earnings and gobbles them up. The railways are now principally used for feeders to the big banks that are controlled by the large stockholders. I mention this that you may be reminded of the system. The railways need help, and we should give it to them by curbing the Wall Street banks.

WHAT ARE WE GOING TO DO?

Not only are the Wall Street bankers strangling the railways, but they are strangling all legitimate enterprise. Shall we now simply vote $100,000,000 tax to be levied on the farmers, wage earners, and others who earn their living by work? Even if they do not pay it in the first instance, they do in the end, and the end is not far off. Shall we do that in order that the $75,000,000 that has already been collected in taxes may be retained by the Wall Street banks? We will not if we serve the people. Those who have the brains to think, and use them, know that money and credit pay nothing. These are mere conveniences for measuring the pay; but the men and the women who really pay are the men and the women who work. It matters not whether the work they do is on the farm, in the shop, in the schoolroom, or elsewhere. The workers pay for all that are idle as well as for those who are occupied in other than useful pursuits and who contribute nothing, but are parasites, supported by the workers in the legitimate fields of industry. Money and credit as it is now obtained, the greater part of it, is falsely created and does not measure back to the workers a fair pay for the work they do, but, instead, is used as a means to gouge them out of the products resulting from their toil.

THE REMEDY.

There might be a temporary inconvenience if in one sweep we shifted from the present dishonest to an honest system that would give to the toilers an honest deal, but that inconvenience would be caused by the grasp that the greedy now have and would then exercise in order to make as much trouble as they could. But are we always to remain industrial slaves in order to avoid the inconvenience that these greedy ones might be able to make at first? Are we never to be free from their grasp? I have already noted that the railways are demanding an advance. The people have paid in full several times over for the rail-

ways, still they are capitalized larger than ever in order to make the people pay even more than heretofore. The same thing occurs in other business. Most of the so-called "big business" has been paid and repaid over and over, and still the capitalization grows larger and larger and the levies for dividends and interest increase yearly, and this is what we term "wealth," whereas in truth it is poverty, for it produces that effect upon the working men and women who sustain it.

LET US WAIT NO LONGER.

Now is an opportune time to wedge in with a remedy. I propose a remedy on a small scale, one that anyone can follow without being frightened, but nevertheless forming the wedge to ultimately pry greed out of the way.

AN AMENDMENT.

I am opposed to a $100,000,000 war tax or any other tax imposed in order to leave the $75,000,000, heretofore collected from the people, in the banks for speculation. We should first use what has been collected. But since the slates are made up to levy a $100,000,000 tax against the people, I wish to do the best I can to have that wrong do as little harm as possible. Therefore I have introduced an amendment to issue $100,000,000 in legal-tender notes, money to anticipate the tax and pay it for the Government operating expenses. Since it is proposed to tax the people $100,000,000, let us issue to them $100,000,000, to be returned and canceled as they pay it back in the taxes proposed to be levied. That is the honest way to pay the Government's operating expenses. It makes the amount available as rapidly as it would be required, and there would be no rake-off for the Wall Streeters if it remained in the Treasury until paid out for Government expenses. It would create no inflation, because it would be paid out naturally and return in payment of taxes. But doing that alone would not bring back the $75,000,000 that the Wall Streeters now have of Uncle Sam's money. We do not want to give that to them. It is true that the President stated in his message that it might be dangerous to make them pay it now. We should favor any reasonable way to get these matters adjusted in order to separate the Government from Wall Street. For that reason I have offered my amendment, providing that as rapidly as the notes are paid into circulation by the Treasury an equal amount of the Government's deposits with the banks shall be withdrawn until all is paid, thus collecting the money due the Government, in lieu of which it is intended to vote this war tax. Of course, you understand that as fast as the notes are paid out, like other money, it will be deposited in the banks and enable them to pay the Government deposits. I propose it in this way, because I know that Members of Congress—that is, a majority of them—as well as the President, fear to act independently of the banks. They have tied the Government's finances to the banks and are therefore afraid of the banks But my proposition will not in the least endanger the strength of the banks to meet their obligations.

The stand-pat press will say as little about my amendment as possible, unless it is to ridicule it. It will get no favorable mention except from the independent press. Still, I have advanced a plan that is absolutely practical, as well as scientific. To issue money indiscriminately, without providing a tax for its retirement, would be unscientific. But even that would be better than our present system, because the Government would get the rake-off instead of the private speculators, as is done under our present system.

WALL STREET'S PRINCIPAL DREAD IS THAT THE PUBLIC WILL LEARN HOW TO DO ITS OWN FINANCING.

Upon a certain fact the Wall Street bankers are silent; the "special interests" are silent; the stand-pat press is silent. Not one of them dares to whisper the facts about that certain truth. They wish to have a certain law repealed, but they dare not attempt it, because they know that if they did the public would learn about that law, and instead of it being repealed its scope would be widened and result to the enormous advantage of the people. Therefore a law which the Wall Streeters dread more than all other things is silently serving the public—silently, because it is kept a secret, because Wall Street fears that if the truth about this law were generally known the United States would issue and control its own money instead of giving the Wall Streeters the control as now.

How many people know about the law to which I have referred? This law was passed on the advice of Lincoln. By its authority there is in circulation $349,093,016 of the kind of money which my amendment proposes. It is the only honest money now in circulation, because it is the only money that did not start on its mission of exchange without raking off a part of the people's earnings when it was first put into circulation. That is why Wall Street and its agents are so profoundly secret about that law. Even Government officials dare not whisper it, for fear the Wall Streeters will undermine them if they do. Even the Secretary of the Treasury's daily reports dwarf the truth about the law by having it printed in minute type, so small that old people can scarcely read it and the younger pass it by unobserved, because the type in the rest of the report is so large as to obscure this. The purpose is to keep the people ignorant of the law, because it is believed that if they generally knew that the Government could, in the first instance, issue and pay into circulation currency it would be done in that way and the graft of the Wall Streeters would end. I have talked with Congressmen who did not know about this law. How can it be expected that the general public will know about it if Congressmen, whose duty it is to know, do not?

MORE EMPHASIS.

To further emphasize the fact, I repeat that by authority of the Lincoln law there is $349,093,016 of legal-tender notes—money—in circulation, supported by the credit of Uncle Sam, on which the Wall Streeters got no rake-off at the time of its issue. It is the only honest money in circulation, because it did not get its start by grafting the people. All the rest of the money and credit has been given over to the control of the "special interests," and I reemphasize that the new currency law is the worst ever. The system is already gnawing at the very vitals of our Nation, and when the new law gets into full swing its teeth will sink deeper.

THE KEY.

The amendment that I propose is the key with which to open the door to a new system. Whenever the Government appropriates for Government expenses, it means that the amount appropriated must be collected from the people. There is no escape of the tax that results. Therefore, simultaneously with the tax levy, there should be an issue of legal-tender notes equal to liquidate the tax to be collected, and paid into circulation for Government expenses covered by the appropriations. How natural for these notes to return in payment of the tax and be canceled unless needed for a like purpose. No stringency would occur, and there would be no rake-off for the Wall Streeters—no interest to be paid. The only reason for opposition to my amendment is because of the fear of Wall Street. If my amendment is passed, it will not be long until we will have a scientific money and credit system—one that will measure the values in commercial exchanges without the terrible rake-off from the earnings of the people that my Table No. 1 shows, and the effects disclosed by my Table No. 2. If the amendment is adopted, never again will a tax of $100,000,000 be imposed on the people in order to let the Wall Streeters keep the Government's deposits to speculate on.

THE BLAME.

This is not a currency bill; therefore I shall not discuss at length the intricate complications arising out of our present false financial system. I regret the various ways in which it is attempted to blame this, that, and the other thing for the trouble that is experienced by most of the people in securing the things that are necessary to their comfortable and proper living. We have an Industrial Commission, given three years' life, to find out why the cost of living is so high. We have passed a trade-commission law. Various proceedings are pending to prosecute individuals as well as the trusts, and legislation has been enacted which is alleged to be for the same purpose. All that work will go to waste and is a dead-weight and burden upon the people, and the acts to which I refer are mere temporary makeshifts, on which the "special interests" wish the people to hang their hopes for the future in the belief that they will be satisfied that something worth while will come out of all these things in the end. That is a game carefully played by the political parties.

WHO IS TO BLAME?

The trouble with public officials is not dishonesty. But too many of them are cowards. Shakespeare said: "Conscience doth make cowards of us all." If he had lived in our time and place, he might rightly have said: "Politics makes cowards of politicians." I have learned enough about public officials, both high and low in rank, to have formed a belief that most of them wish to accomplish the best for the public, but, as a rule, are too cowardly to do as well as they could for the public. They know that if they act independently in the interests of the public they would be opposed by the "special interests," and at the same time they believe that it would not be appreciated by the general public, because the latter is too busy with other matters to be informed thoroughly on the social and political problems. Therefore inactivity in the support of the public rights always

gets the favor of the "special interests" and their support in elections. That is why so few dare to take on a fight in the public interest. That may be a practical view for the politicians to take; and whether it is or not, many of them act upon it; and as long as that continues to the extent that it does now there will be many "make-believe reforms" before actual reforms will be provided. The public will be forced to learn by actual experience of the kind of grind that we are now subjected to industrially; the same kind of which the railways are complaining, though it is less severe on them than on the plain working people. This grind will never cease as long as property—dead material—is given first place, a preference, a privilege, to so-called reasonable profits, while men and women are given only sufficient to permit of their subsistence, and that in order that they shall be able to do the drudgery—the work necessary to maintain the system.

If we would get at the underlying causes of the present European struggle, we would find them in a greedy commercialism, in many respects similar, but older, than the system that exists in our own country. Our system was shaped largely by European influence in order that Europeans should have no example of a truly progressive people here. There the royalty, the aristocracy, the wealthy live off the working people. Here the speculators and aristocrats roll in luxury by extracting from the laboring people the accumulations of their labor. Of course there is dissatisfaction among those who perform the work and receive only a bare subsistence when they see the extravagance of the others—those who do nothing of value for mankind, but do all the spending. Anything is likely to be staged by those in power, enjoying all the advantages, to postpone the day when an honest system may be adopted which will result in universal prosperity instead of prosperity alone for the idle and useless, as it is now.

This war bill comes to us drafted by a committee and a secret caucus. We are forbidden the privilege of amendment, a proceeding quite common here in Congress. Such action enables the politicians to indirectly defeat the people's wishes without shouldering the blame themselves. Because the House has seen fit to permit the committee and the secret caucus to shut off all discussion and prohibit amendment, I am inserting my amendment in the RECORD. It is as follows:

SEC. —. That the Secretary of the Treasury be, and he is hereby, authorized to issue on the credit of the United States, in such sums as this act provides, in addition to the amounts heretofore authorized, United States noninterest-bearing notes, payable to the bearer at the Treasury of the United States, and of such denominations as he may deem expedient; and such notes shall be receivable in payment of all taxes, internal duties, excises, debts, and demands of every kind due to the United States, except duties on imports and interest, and of all claims and demands against the United States, except where otherwise stipulated, and shall also be lawful money and a legal tender in payment of all debts, public and private, within the United States, except duties on imports and interest, as aforesaid. That said notes shall be issued as nearly as practical in the form of the notes issued under the act to provide ways and means for the support of the Government, to wit, the act of March 3, 1863, and shall be paid into circulation for the general running expenses of the Government in manner as follows: Ten millions of dollars shall be issued and paid into circulation for said purposes as soon as practical, and thereafter, conditioned that the said $10,000,000 does not equal the average monthly collections made under the provisions of this act, such additional sums of said notes shall be issued and paid into circulation as may be required to make the total issue equal to the average monthly collections of taxes, internal duties, and excises made under the provisions of this act; and that when the said notes are returned to the Treasury they shall be repaid into circulation as soon as practical in anticipation of collection to be made under the provisions of this act, but to such extent only as will keep the outstanding issue authorized by this section equal to the average monthly collections made as aforesaid.

The amendment above proposed scared the Wall Streeters for fear their caucus system might fail them, so they published falsehoods about it. For instance, the New York Herald stated:

A brilliant contribution to the current debate on national revenue and taxation is made by CHARLES A. LINDBERGH, the new Representative from Minnesota.

"If there is liable to be a Treasury deficit of a hundred millions," says Mr. LINDBERGH, "why, print a hundred millions of greenbacks now and pay them out for running expenses of government; and if more should be needed, why, print them."

Several other newspapers in New York City and in other large cities also misstated the facts. Some of them published a whole column to make things appear falsely. That is the common practice of the "subsidized press." Fortunately there is an independent press also in this country.

Mr. PAYNE. Mr. Speaker, I yield five minutes to the gentleman from Ohio [Mr. FESS].

Mr. FESS. Mr. Speaker, on the 23d day of April, 1913, when the Underwood bill was presented, in the argument by the proponent of the bill, he read this statement and urged the House to note its meaning:

In presenting this bill the committee is met with a threatened deficit in revenue of about $100,000,000, which it is compelled to meet by extraordinary methods of taxation used heretofore only in time of war. As a revenue measure the committee at the very outset confess this bill to be a failure. It would seem as if a party pledged to a revenue tariff would strive to make the revenue feature conspicuous.

That is a statement in the report of the Republican minority in opposition to this bill and quoted on the floor by the gentleman from Alabama [Mr. UNDERWOOD] when he presented his bill. Then he says in the same address on the same day:

We will raise by the income tax, according to the estimates, $70,000,000.

Yesterday the same gentleman in presenting this measure now under consideration, which he proposes to force to adoption, announced that the income-tax receipts were $31,000,000. The estimate a year ago was $70,000,000, upon which the bill was based, and the actual receipts were $31,000,000, a loss of $39,000,000.

I can understand, I think, the embarrassment of the Treasury Department. I admit the serious situation of the Treasury Department, that it is heading directly to embarrassment. With that much I can agree with the gentleman from Alabama, but I do not agree with the methods of relief. I do not believe that this law is a success as a revenue producer. All that anyone needs to do is to look at the reports of the movement of commerce, which show increased importations and decreased exportations, and at the same time to the decreased income, both from customs revenue and from the income tax. They fall short of the requirements of the Government, even if economically administered on the basis heretofore, to say nothing about the extravagance of this year.

In discussing relief measures yesterday the gentleman raised the question, Who would go back to placing a tax on raw wool? I am one of the men who will go back and put a tax on raw wool. [Applause on the Republican side.]

Since the Democratic Party has come into power there has been a decrease of one-ninth of the flocks in this country. There has been a decrease of one-tenth of the fleece in this country. There have been imported into this country in seven months 207,807,000 pounds of raw wool upon which, when free, we raised not a dollar of revenue, and which, under the Payne law, would have raised over $19,000,000. How are you going to make that up? By your law you have decreased the product of wool in this country, and thereby you have discouraged to that extent the woolgrowers in this country, and while you are thus reducing the supply by discouraging the producer, the price to the grower will decrease for a time, but will not be gained by the consumer. When you decrease the price of wool you will not give the poor man the cheaper clothing that you promised. [Applause on the Republican side.] I will also say to the author of this bill, in answer to his challenge, that I would restore the duty on sugar.

We have dismantled 12 sugar mills, one-sixth of the sugar factories of the country, built up under the Republican protective policy. The production a year ago was 600,000 tons, and one-sixth of 600,000 is 100,000; we will produce about 500,000 tons probably this year. With this decrease of the supply of sugar without decreasing the demand you increase the price of it. This can be verified by simply consulting the price schedule before the war in Europe broke out. [Applause on the Republican side.]

And yet you offered free sugar for the benefit of the consumer. Mr. UNDERWOOD said, April 23, 1913, "duties reduced would reduce cost of living."

I here insert his words, taken from the RECORD:

Now, I would like the gentlemen on that side of the House, who have maintained this indefeasible system of taxing the poor for five decades, to listen to the other side of the story. On common soap you placed a tax of 20 per cent. We have lowered the tax to 5 per cent. [Applause on the Democratic side.]

You taxed the furniture of the poor man's house 35 per cent. We have lowered it to 15 per cent. [Applause on the Democratic side.]

You taxed bread and biscuits 20 per cent. We place them on the free list. [Applause on the Democratic side.]

On cotton clothing you taxed the people of this country 50 per cent. We have reduced it to 30 per cent. [Applause on the Democratic side.]

On the flannels that protect them against the cold winter storms you taxed the people of the United States over 93 per cent, and we have reduced the tax to 25 and 35 per cent. [Applause on the Democratic side.]

The tax on women's and children's dress goods under your system of levying a tax for the benefit of the manufacturer was about 100 per cent, and we have lowered that to 35 per cent. [Applause on the Democratic side.]

You taxed the shoes of the people of the United States, after giving the shoemaker free raw material and stating at the time you gave it that he did not need the protection; you gave him 10 per cent and we give free shoes to the people of America. [Applause on the Democratic side.]

Note that statement. You said the Republicans put a tariff on shoes and we will give free shoes to the people. What do you mean by free shoes? Are the people getting them without price or even any cheaper than they ever did under the old

tariff? Shoes have gone up. The price of clothing will go up, and for the same season. The price of sugar has gone up, and every other article of merchandise will go up when you make yourselves subject to a monopoly of the importer. [Applause on the Republican side.]

Mr. Speaker, who asks for this additional tax? The country does not want it. The Congress does not want it. No Republican or Democrat upon this floor wants it. No one need be in doubt about the accuracy of this statement. Then, who asks for it? The leader of your party, the President of the Nation. Why does he want it? To the general industrial depression so universal throughout the country, which has covered the land as with a pall, the President sees symptoms of a financial panic, the inevitable result of Democratic policy of "tariff for revenue only." He has determined not to employ the usual Democratic remedy of the issuance of bonds to care for the deficit due to Democratic legislation. He seems to think by changing the remedy the people may not discern the cause. By mere phraseology a people can be induced to accept without investigation. Business condition is merely psychological. Because of falling revenues when our country is at peace and the lanes of trade generally open, an emergency tax is tagged a war tax in the hope that the people will not detect the sophistry.

Mr. Speaker, the openly avowed purpose of a revenue tariff is to collect sufficient duties to defray the running expenses of the Government. This was the expressed purpose of the Wilson bill of 1894, and the widely heralded purpose of the Underwood bill of last year, under which we are now suffering.

As a revenue producer the near-free-trade scheme called "tariff for revenue only" has been a failure each time it has been tried. The scheme, if logically worked out, would place the tariff on the articles which we do not produce, such as coffee, tea, and so forth. This is England's method of revenue tariffs. But the Democrats have adopted the Republican plan in reference to these articles and left them on the free list. The authors of the revenue idea declare it wisdom to lay the duty on such articles as we import, the like of which we can produce, so low as to invite increased importation. The low rate will thus insure a vast bulk of importation, and in the aggregate yield a greater revenue than the higher rate on less importation.

As Mr. UNDERWOOD boldly argued, we want to open our American markets to the foreign producer, which means to place the American toiler in competition with the foreign laborer, and, in the language of the President, allow the American manufacturer to sharpen his wits in competition with his European competitor. It will be noted that the avowed purpose of this sort of legislation is to greatly increase importation and at the same time our revenues. Importations have increased under the Underwood bill, but revenues have decreased. The first seven months of the law the imports increased $123,000,000, while the customs duties decreased about $26,000,000 when compared with the same period of 1913 under the Payne law.

One of the trite arguments of the proponents of a "revenue-only tariff" is that if we open our markets to the foreign producer he in turn will open his to the American producer. In other words, if we increase our importations we will not only increase our revenue, but we will also increase our export. If we buy more, we in turn will sell more, is the dictum of this philosopher, the "revenue-only" advocate.

Here is the second item of disappointment in this legislation. During the first seven months of this law our exports, instead of increasing, decreased $126,000,000. The direct results of this law—buy more, sell less, and collect less revenue.

In April, 1914, we imported about $26,000,000 more and exported $37,000,000 less than one year before, during the same period—a change against us of $63,000,000. In May we imported about $30,000,000 more and exported $33,000,000 less, or we placed $63,000,000 again on the wrong side of the ledger.

In June we imported about $27,000,000 more and exported $6,000,000 less than June, 1913.

In July we imported $21,000,000 more and exported over $6,000,000 less than July, 1913.

From April to July, inclusive, we imported $104,000,000 more and exported $82,000,000 less than in the same period of 1913, under the Payne law, making a loss to American labor of $186,000,000 worth of goods, all of which should have been produced in the country, as it was one year before.

The reward for such a sacrifice to our own enterprise was a loss of about $26,000,000 of revenue, which without any war would amount to over $40,000,000 before the year is completed. And this amount will be further decreased when free sugar goes into operation, which will eliminate the one item upon which we have been collecting our largest amount of revenue, which last year amounted to $50,000,000.

These figures point to but one result, namely, as a revenue producer the Underwood law is a failure. In this it is like its predecessor, the Wilson bill of 20 years ago, when Cleveland had to resort to the issuance of bonds.

Before the McKinley law was placed upon the statute books the Democrats charged that we were collecting too much revenue. They had conducted one campaign with that charge as the chief issue. No one had ever heard that a protective tariff was a failure as a revenue producer.

On the other hand, Cleveland was elected in 1884 on the pledge that he would reduce the surplus produced by a protective law. In Cleveland's second term the Wilson bill was the fulfillment of that pledge by law, as it had been fulfilled in the first Cleveland administration by extravagant and unwise administration.

The first year of the Wilson law saw the revenues fall from $203,000,000 to $131,000,000, or $72,000,000, a loss of 36 per cent. The inevitable result of such legislation was either bankruptcy, a direct tax, or an issue of bonds. At that time there was no war in Europe, and it could not be called a war tax. A bond issue was seized upon, and Cleveland borrowed $162,000,000 to pay the running expenses of the Government. For this money the Government had to pay 4 per cent instead of 3 per cent, the rate of the Spanish War bonds, or 2 per cent, Panama bonds—a suggestion of a measure of national credit between Democratic and Republican times.

Note how history is repeating itself. The Underwood law is a lower rate than that of the Wilson law of 20 years ago by nearly one-third. As I have pointed out, the decrease of customs dues prior to August, before war broke out in Europe, pointed to but one inevitable result—a deficit. The authors of the law explain the falling off on the basis that the income tax did not produce as much as estimated. If the falling off is due to the failure of the income tax to raise the estimate when the country was under a protective system, with every business running, what will be the disappointment from this source when the incomes of the producers in the country are entirely wiped out by a law that transfers these profits from American producers to European producers? Let the Democratic leaders responsible for such legislation seek comfort in the condition of the railroads, and dozens of other businesses, which, as the distinguished New York Democrat, Mr. METZ, declared on the floor of the House, were running at a dead loss to keep their organization together. This statement was made by a man heroic enough to tell the truth, and, of course, he is not now a candidate for reelection. It is not a question of explanation; it is a simple fact that a deficit was inevitable, without any war to blame it on.

In July the gain of imports was 15 per cent, while the loss of customs dues was 17 per cent. In August the loss of imports was 6 per cent, while the loss of customs dues was 37 per cent. No man can be blind to the significance of these figures.

In 1895 Mr. Cleveland met the deficit by an issuance of bonds. In 1914 Mr. Wilson declines to issue bonds to make up the deficit, because that would take it out of the channels of trade. He chooses to lay a tax upon the people. The administration seeks comfort in the phraseology by linking the deficit with a European war, with which we have nothing to do, and at a time when the channels of trade are open, and he chooses to name the deficiency tax a war tax, as if names could change the real situation.

From estimates submitted it is claimed this deficit will reach $100,000,000. If it does, it will not be due to the continuance of the war. The channels of trade are still open between all the neutral countries. The allies at present control the seas, and will likely continue to do so, because of the vast preponderance of armament which permits much of the world's commerce freedom in transit. In view of this situation, I admit that one of two things should be done—either find a method to raise the deficit or retrench upon expenditures, or both. If we resort to the former alternative, then it must not be a temporary method. The remedy must be suited to the disease. The disease is a bad revenue law. The remedy, to be both speedy and effective, is not a war tax, but a rewriting of the revenue law, a repeal of the Underwood "revenue-only" law, and an enactment of a Republican protective law.

I will join the Members of this Congress in an effort to retrench upon wasteful expenditures or to rewrite the Underwood bill.

Whatever we may do about the production of revenue, we ought to set ourselves to cure the wasteful expenditures of this Congress.

When the present administration is judged by the standards of economy, there is but one verdict—gross extravagance. The supply bills of this Congress already passed, not including the

rivers and harbors bill, carry $1,089,000,000, which is over $60,000,000 more than the appropriations of the last Republican Congress. Had the $53,000,000 rivers and harbors bill passed, it would reach an excess of $100,000,000 beyond any Republican Congress, either in peace or war, say nothing of the proposed $25,000,000 to Colombia and $3,010,000 to Nicaragua. The saving to the Treasury of $33,000,00 on the indefensible harbors bill was due entirely to Republicans in the Senate, led by Senator BURTON. In that body the freedom of debate is still respected.

This excess is equal to the amount of tax the administration proposes to levy upon the people.

It would be statesmanship to direct our energies to ways of saving the $100,000,000 rather than means of direct taxation for increasing the people's burdens to that amount.

In the face of the platform declaration charging Republicans with profligate extravagance, it is the duty of the party in power to apply its own remedy and find a way to retrench, and thus back up its words by its deeds.

In the recent past we heard much abuse of the billion-dollar Congress.

The following statement of the appropriations since 1911 indicates how much retrenchment is attempted by the authors of the abuse:

1911	$978,521,087
1912	995,799,462
1913	988,353,340
1914	1,057,605,694
1915	1,089,408,777

I want here to subjoin the items of this Democratic bill, prepared and enacted by the party of long and loud profession for economy.

These items were put through a House of 145 Democratic majority at a time when every department of the Government is in the hands and under complete control of the Democracy. The items tell their own story, and when compared with former Congresses the showing might well be called, in the language of the Washington Post, a Democratic sheet, "the record of waste."

The subjoined table, giving the amounts appropriated by Congress for the support of the Government for the years 1913–14 and 1914–15 is compiled from the chronological history of appropriation bills, second session of the Sixty-third Congress, prepared by the clerks to the Committees on Appropriations of the House and Senate, cents being disregarded:

Title.	Law 1914–15.	Law 1913–14.
Agriculture	$19,865,832	$17,986,945
Army	101,019,212	94,266,145
Diplomatic	4,309,856	3,730,642
District of Columbia	12,172,539	11,383,739
Fortification	5,627,700	5,218,250
Indian	9,771,902	9,486,819
Legislative	37,630,229	35,172,434
Military Academy	997,899	1,099,302
Navy	144,808,716	140,800,643
Pension	169,150,000	180,300,000
Post office	313,364,667	285,376,271
River and Harbor		41,073,094
Sundry civil	110,070,227	116,795,327
Total	928,848,783	901,616,320
Deficiencies	23,363,587	28,074,912
Total	952,212,370	929,691,433
Miscellaneous	6,000,000	388,597
Annual total	958,212,370	930,080,030
Permanent	131,196,407	127,525,664
Grand total	1,089,408,777	1,057,605,694

This does not include the rivers and harbors bill, which, as it passed the House, carried $53,000,000, or $12,000,000 more than by the last bill.

If the proposed shipping bill, which carries $30,000,000 more, should pass, the grand total of this Congress will exceed any Republican Congress by almost $150,000,000, which increase alone would exceed the entire customs receipts by $15,000,000 of the first year of the famous Wilson bill of 1894. If the proposed treaties are ratified, the excess would reach $178,000,000.

The above statement shows one reduction, namely, $11,000,000 less for pensions for Union soldiers. This is the only large item of reduction. This extravagance either shows the insincerity of the Democratic Party or its incompetency. It may be both. The party has prided itself in its professions of economy. It has quadrennially proclaimed it in its platform and as frequently charged its opponents with profligacy. It has pledged itself, if intrusted with power, to reduce the expenditures. This pledge has been kept before the eyes of the leaders by Republican as well as some Democratic leaders. Mr. FITZGERALD, the Democratic chairman of the Committee on Appropriations, declared from the floor of the House that they had made a horrible mess of the whole thing, and when he thought of his duty to make a report to the country of the committee's work he felt like quitting his place.

The Democratic press of the country has likewise been vocal with utterances against it. But the hunger for place, stimulated by unexpected control of every department of the Government from cellar to garret, is too strong to be successfully resisted. The walls of efficient and economic administration must be battered down, the merit system must yield to the pernicious spoilsmen, to admit the hordes of hungry Democrats standing just without the breastworks. New offices must be created; new places must be opened to be filled by the faithful. This year $29,000,000 more than last year must be appropriated for the Post Office Department to allow southern Congressmen to erect Federal buildings in unknown villages of less than 3,000 people, with postal receipts of less than $200 per month.

There is scarcely a department that has not made its inroads upon the Treasury. There is no better illustration than the Treasury Department.

When the Democrats came into power there were 3,183 persons there; instead of the Democrats reducing the number of these employees as promised Secretary McAdoo asked for an increase of 358 of Treasury employees in Washington alone. When the Democrats came into power they found a field force in the Treasury Department of 1,407 persons, and under this economy program of the Democrats Secretary McAdoo asked for an increase in the field force of 678 persons. Think of it, an increase in the Treasury Department alone of 938 persons.

In these two instances "Democratic economy" will cost the Government over $1,750,000 in increased salaries alone. Watch their extravagance increase in other directions.

Congressman GILLETTE, of the Appropriations Committee, most succinctly pointed out some items of expense that tell their own story, which I will read. The Congressman says:

Leaving these larger details of comparison, involving as they do such enormous sums of excess over the work of other sessions of Congress, and turning to smaller but no less extravagant accomplishments in the way of new offices created and salaries increased by this Congress, the record discloses, even by cursory examination, instances like the following:

The new banking law creates five new offices with salaries of $12,000 each and increases the salary of the Comptroller of the Currency from $5,000, at which sum it had remained for 50 years, to $12,000 per annum.

The new trade commission act creates five commissioners at $10,000 each and a secretary at $5,000.

A new board of appeals, consisting of three members at $4,000 each, is created in the office of the Secretary of the Interior.

For commercial attachés, to be appointed by and compensated at such salaries as the Secretary of Commerce may fix, and a clerk each, at $1,500; and for traveling expenses, the sum of $100,000 is appropriated for a year.

The salary of the private secretary to the Secretary of the Treasury is increased from $2,500 to $3,000, which means that the private secretaries to the other nine Cabinet officers must also be increased from $2,500 to $3,000.

A chief of division, created less than a year ago under the income-tax law, is increased from $2,500 to $3,500.

Six Assistant Attorneys General in the Department of Justice have their salaries increased from $5,000 to $7,500.

The salary of the assistant to the Attorney General was increased during the extra session on an urgent deficiency bill from $7,000 to $9,000.

The salaries of our diplomatic representatives to Argentina, Chile, and Spain are raised from $12,000 to $17,500 each per annum, and the three secretaries of the legations to these countries are increased from $2,625 to $3,000 each.

The mission to Paraguay and Uruguay is divided and a new minister authorized, with a new salary of $10,000.

The Democratic House of the last Congress insisted upon and did abolish three internal-revenue collectors of the Republican administration, at $4,500 each. At this session one of them is re-created, the place to be filled by a Democratic administration. If the office was not necessary to collect revenues then, how can it be needed now, except to meet some political exigency? [Applause on the Republican side.]

In the Pension Office 40 special examiners, at $1,300 each, heretofore employed to facilitate settlement of claims for pensions of old soldiers, and whose appointments were controlled by civil-service law, are abolished. In their places 5 special examiners, at $1,300 each, who are not under the civil service but are political appointments, are provided for.

DEMOCRATIC ECONOMY AS PRACTICED BY AUTHOR OF DEMOCRATIC PLATFORM.

The Secretary of State, when he appeared before the committee in January last to explain the needs of his department, said, with reference to his estimates:

"I was determined that there would be one department that would be run on less than it was before, if I could bring it about, * * * and the cost is $120 less than it was last year." [Laughter on the Republican side.]

One hundred and twenty dollars did not seem a very striking economy. It did not substantiate the unceasing charge of Republican extravagance; and yet even that lonely and only economy was lost. Notwithstanding that brave statement, the appropriation bill came back from the Senate with two $1,800 clerkships added, together with an assistant to the Secretary, at $4,500. In view of his statement, it must be assumed that an extravagant Democratic Senate sought to thrust these needless places on Mr. Bryan.

The Secretary of the Treasury, too, asked and the Senate proposed to provide him with an assistant, at $4,500, notwithstanding the law already provided for three Assistant Secretaries of the Treasury, at $5,000 each, and other assistants to the head of that great department in the nature of bureau chiefs, division heads, and others, numbering thousands.

In view of this gross extravagance, self-admitted and self-charged, what should be the attitude of this side of the House toward your proposal to saddle upon the people an additional tax, a deficiency tax, which for the sake of political expediency you call a war tax? For one I shall refuse to be a party to that additional burden while this most extraordinarily extravagant expenditure continues and while this business-distracting legislation called the Underwood law is on the statute books. I repeat that I will join with you to lower expenses, as any prudent man would do in his private affairs, when depression sets in, or I will gladly join to rewrite the Underwood bill by placing a statute on the books which, while it raises revenue sufficient to defray the running expenses of the Government, will also protect American labor from the open competition with the cheap labor in Europe, which varies from 25 to 50 per cent of our standard of wages.

I must withhold my support from this deficiency measure unless it is reached by such legislation as will permanently cure the error.

The Underwood bill under normal conditions tells its own story of continued business distress. Its discrimination against the American producer, at the loss of purchasing power of the American consumer and at the loss of employment to American labor, is seen in every movement of trade.

When the increased imports are analyzed it will be noted to consist of finished goods made in a foreign country by foreign labor. The importation of goods to be used for further manufactures here has greatly decreased; that labor once employed here is now employed in a foreign country. The $250,000,000 which marks the loss to American enterprise of the first seven months of the Underwood bill, and which is this country's tribute to foreign capital and labor, would have supplied work for 500,000 wage earners for the seven months at $2.50 per day.

Had this merchandise been made in American shops and transported on American roads, the railroad situation would not be so serious. The statement of the roads, through their representative, Mr. Trumbull, to President Wilson, indicates the critical condition of American business. Note the significant utterance:

The net operating income of the railroads of the United States for the year ending June 30, 1914, was $120,000,000 less than for the previous year, or about 15 per cent. The gross earnings for the year were $44,000,000 less than for 1913. Expenses and taxes were $76,000,000 more.

The maintenance of the credit of the railroads—and the credit of the railroads establishes the standard for all industrial enterprises—depends upon their ability to increase their net earnings. The railroads may have the most perfectly appointed plants in the world, but if the net earnings are not adequate new capital can not be attracted.

In the important Eastern Rate case the Interstate Commerce Commission unanimously found that the railroads in the richest section of the country needed more revenue. That finding was based upon the situation prior to the 1st of July this year—indeed, upon conditions of a year previous.

No emphasis need at this time be put upon the new railroad capital which has heretofore been required to provide for normal development, but this has been from $400,000,000 to $500,000,000 per annum, and railroads should not only be able to keep abreast of the times but should, even in this emergency, be in a position to anticipate the demands of an expanding commerce.

While President Wilson expresses sympathy with the distressed, he is persistent in his dogmas, and joins with his campaign managers and the Secretary of Commerce, his chief publicity agent, in declaring that business is looking up. One might well ask him how else it could look, when it is flat on its back?

The railroad situation is but one item in the general distraction of business not caused by the war, as some of our Democratic Members would make believe, but due to an unwise attack upon the producing capacity of this country by an ill-advised piece of legislation.

Instead of the war hurting American industries it will greatly stimulate them. Prices will be augmented because of the demand upon us to supply Europe with articles displaced by a disturbance of her own production.

That will materially help the seller, but not much the buyer.

Another serious item in this legislation that is turning the foreign trade against us is the loss of gold to settle the balances.

If in seven months under the Underwood law we sell to Europe $250,000,000 worth of goods less than we sold under the Payne law during the same period, it does not take a Congressman, even, to see that the foreign producer who supplied this merchandise secured the $250,000,000 which this country secured last year. Especially does it become serious when the balance of trade is turned against us, as will be the case under this law.

When we sell more than we buy the settlement turns the gold current from Europe to America to pay for the balance. That is the Republican policy. When we buy more than we sell the gold current is toward Europe for the same purpose. That is the Democratic policy now in vogue.

Our vast circulation of currency, amounting to about three and one-half billion dollars, rests upon gold, of which we have about two billions. Under the law our Secretary of the Treasury is empowered to issue unlimited emergency notes, of which he has already issued something like $300,000,000. The money of the country is safe, providing we avoid laws that drain us of our business energies and turn our gold to foreign producers instead of keeping it at home. Such laws will repeat the fright of 1893. The trouble is not with the money, but with bad revenue laws.

In 1896, when the Democrats were at sea for an issue, Mr. Bryan, the present Secretary of State, found the issue in a demand for free coinage of silver at 16 to 1. Most of us recall how Senator John Sherman pointed out the defect in our unwise tariff legislation placed upon the statute books two years before, a law that turned the balance of trade against us and drained our country of its gold. He demanded a repeal of the law as the remedy. The Dingley law the next year was the final answer to the craze of 1896. Have the people forgotten the greenback days of 1878?

Have they forgotten the 16 to 1 episode? Will the people be again fooled by the political nostrum vender? Will they see a repetition of the days of 1878 and 1896? Will they credit the Democratic explanation of an inevitable failure of revenue as due to the war, with which we have nothing to do, especialy when the falling off began four months before any cloud had appeared in the horizon of Europe? "Money does not make business, business makes money."

Any legislation that looks to the displacement of American-made goods by foreign-made goods is in the interest of the foreign as against our own country. It is based upon the fallacy of the doctrine that the cheapest market is the most desirable market. The advantage is not in the cheapest market, but rather that market in which you can pay the easiest.

The cheap-market dogma is the planter's theory. The cotton States, now in control of the entire machinery of the Government, desire to buy in Europe rather than at home—industrial Europe, rather than industrial America, since Europe is their chief customer.

"Cotton is king" never was so significant as to-day. The Southland persistently confines itself to the raising of this one staple article to the almost entire exclusion of various other articles of consumption. It prefers to raise cotton, sell it, and buy the other necessaries of life. In a word, it prefers to be a seller of cotton and a buyer of all other necessaries. A glance at the census will indicate the dominance of this one article. Most of the cotton is therefore raised for export, but a small portion for home consumption. The time was when none was made into fabrics where it was grown. Even to-day most of it is shipped to a distant point for manufacture. Two-thirds of the vast crop goes out of the country to be made into the finished garment. Since these States sell chiefly to Europe it is but natural they would prefer to buy in Europe. Especially is this true when the article can be purchased at a lower price. The cheaper labor in Europe enables the manufacturer to sell his article cheaper, and if we remove the tariff and place New England in open competition with Europe the southern planter as well as the whole country for a time will get his article cheaper. This will continue up to the time when our own mills are closed and our market is under the control of the foreigner. Then we will pay the price he demands.

The error on the part of this country is in not manufacturing all this cotton in American mills, and thereby invest American capital, employ American labor, and maintain an American enterprise of stupendous importance to the Nation. There is absolutely no reason why raw cotton should be shipped to Europe, manufactured into cloth, and then shipped back to America. The South makes its first mistake in confining its energies to the cotton culture, rather than to a varied industry. Its second mistake is in seeking a market in Europe for the raw material, rather than working the raw material into the finished product here at home.

The cotton States pretend not to want protection of their cotton. It perhaps does not need it when one State alone in the cotton belt can and does produce three times the cotton that the next largest cotton-producing country produces. If the time should ever come when the South does not have a monopoly on cotton production, it will be insistent for protection as it is now on Angora goat hair and other articles it produces in small quantities.

If it would wisely inaugurate a plan to manufacture its own raw material, it would join New England in a demand for protection of the labor employed. As matters now stand the cotton section depends upon a foreign market where they not only persist in selling but also in buying. With the foreign market in temporary abeyance the States face a dilemma. Dependence upon any foreign buyer is as dangerous as dependence upon any foreign seller. Reliance upon a foreign consumer is as unwise as reliance upon a foreign producer. A wise policy would look to America for both.

To emerge from this embarrassment crudest proposals are being heard in legislative circles. One class of men propose that the Government issue Federal notes upon the security of warehouse receipts of cotton. This proposition has many adherents in this administration, chief of whom is Secretary McAdoo, whose soft-money ideas are disclosed whenever he refers to finance, as instanced by his contention that the 2 per cent bonds were worth par whether they commanded that price in the open market or not.

Another proposes that Congress permit the States to issue State currency as was done prior to the war; that is, remove the 10 per cent tax and return to wild-cat methods.

There is now a bill pending before the House to ask the Government to purchase the cotton at 10 cents per pound, to be held until it can command that price in the market. These crude suggestions remind one of the half-baked theories of prehistoric times, when it was thought that the government was capable of making all rich. Frequently we have been told that Uncle Sam could and should give us all a farm.

Already we hear it proposed that the Government should make large purchases of copper to help out the miners' situation, to keep the mines at work.

The Government is already issuing emergency currency, and no one can tell where it will stop. It is financing crop movements and playing it up in the press as a Government function. It has deposited $75,000 000 in banks in certain parts of the country and refuses to call it in, but now proposes to replace it by an additional tax which they call a war tax. You say Republicans loaned to the banks. We did deposit funds when called, but we never resorted to direct taxation for the sake of keeping funds in banks when they were there subject to call. The Federal Board is sitting with the Morgan banking committee to form a pool to take care of our gold, and this is the board appointed by this administration which won much of its momentum by its turbulent assaults upon Wall Street. In 1907 Wall Street was the evil spirit of the money power. In 1914 Wall Street is a very present help in time of trouble.

These crass suggestions very much remind us of a recent proposal of a very much disgusted observer and citizen. He said:

Inflation is proceeding rapidly.
Let us help it along.
To hades with the future when payment falls due; that is for posterity. It was on that principle that the railroads have been wrecked, so why not the Government?
Let us ask the Government to buy wool from the poor sheep raiser.
Let us start a movement to get the Government to purchase shoes from the shoemaker; malt from the maisters, who need help more than anyone I know; tin from the Steel Corporation, because the tin mills need aid; H. B. Claflin & Co.'s old stock, so that the creditors will get more than 20 per cent on the dollar; and so on through the list.
Why not?
All the Government has is what we pay in in taxes, and it is running behind in its revenue; but what is the difference? It can put a war tax on us to make up this difference and then another kind of tax, and then another, and use this money in buying silver, copper, cotton, wool, shoes, etc
Let us go the limit and forget that some day we will have to pay—"for to-morrow we die."

Members of the House may think these suggestions fantastic, but they are not more so than some of the harebrained theories proposed here. Already we are in the midst of financing the cotton and tobacco crops. In the name of common sense, why favor these southern products to the exclusion of all others?

Had we retained the protective system we would not now be in a spasm, emitting all sorts of crazy suggestions as remedies.

The experience of this Nation under protection justifies the statement. I challenge any man to point to a single period when in time of peace this country, under the protective system, had to resort to either the issue of bonds or a direct tax to provide funds for the Government. Where could a better example be cited than the period preceding the Underwood bill? We undertook the building of the Panama Canal, the world's greatest engineering feat. We estimated $400,000,000 as the outlay for that purpose. Authority was given to either issue bonds to provide for the necessary funds or to apply current revenues if available. Look at the record. I challenge any man to present a better showing. Over half of the construction was cared for from current revenues. Only a portion of the funds were provided by an issue of bonds. These were issued at 2 per cent, the lowest rate in our history. They always stood at par, until this Democratic administration began to disturb the credit, when they dropped to 96 per cent, which is the quoted price to-day. Think of it; the Government's own credit at a discount, and that at a time when, prior to the present Democratic control, the Nation was able to fund its debt at the lowest rate of interest known in the history of the credit of this or any other Nation.

This high credit is the result of that form of legislation that seeks to encourage American enterprise. Until recently we applauded men and women who achieved success in any and every constructive activity. The governmental expression of that applause was encouragement to capital and labor in the form of a protective tariff, which invariably raised the necessary revenue while it stimulated the employment of labor. True it is that after a successful protective law is in operation for some years it must be revised to secure sufficient revenue. When a protective duty is first laid it raises some revenue. This revenue decreases as we increase our home production. When we reach the point where we produce all we need, we cease to import, and thereby secure no revenue. This was true of many forms of steel. It was true of tin plate. It was true of many kinds of carpets and other forms of merchandise. It would be true of wool, and most certainly of sugar if we would but favor the production of each. This European war will operate as a protection tariff, and we will soon produce other articles of necessity.

Revenues decrease in two ways—by placing goods on the free list and by making them ourselves. The very basis of a protective tariff is to gradually decrease the revenue by a decrease of imports, displaced by our own manufactures. I repeat, the protective system is a success as a revenue producer. It is also a success by building up gradually the home market. It diversifies the country's industries. It gradually decreases the price of the article to the consumer. It makes the Nation independent at all times, and especially in times of stress.

Free trade, on the other hand, is a loss of the revenue that must be raised in some way; if not by tariff, then by direct tax as is now purposed in this bill. The price of the article increases to the consumer. As you discourage home production of any article, as, for example, sugar, the supply decreases. The demand does not decrease. The price goes up either with the decrease of supply or increase of demand, and especially so where both take place at the same time.

Take sugar for an illustration. Twelve of the 73 sugar mills will have dismantled. That means one-sixth of the capacity for sugar manufacturing. We produced last year 600,000 tons of sugar; one-sixth is 100,000 tons. This year we will probably produce but 500,000 tons, due to the dismantling of the mills. Another year we will produce less, because sugar goes on the free list in 1916. In this deal our production decreases, when it would easily increase by wise legislation. The demand will increase with the growth of population; hence the increased price to the consumer. This is especially true when the importer controls a monopoly, and he can fix his own price.

While the consumer pays a higher price, the industry representing a half billion dollars is crippled; the farmer has lost one of his most valuable crops and the Government has lost about $60,000,000 of revenue that must be made up.

This sort of legislation depresses the producer without an advantage to the consumer. For example, the manufacturer of the cloth required for a shirt waist receives about 20 cents. The shirt waist is sold over the counter in a New York store for $2.50. If we remove the tariff of 4 or 5 cents per yard from the cloth, the shirt waist will not be sold for less. The difference is so negligible that it will be taken by the middle man.

Likewise taking the tariff off of wheat will not reduce to me the price of my loaf of bread. What the wheat grower loses the bread eater does not gain. The reason is he eats bread instead of wheat. In this way it is clear why removal of protection does hurt the producer and does not help the consumer.

There is no one fact clearer than the fallacy of the Democrats on their claim to reduce the cost of living by removal of protection. On the other hand, they increase the cost of living without helping anyone. They can not longer resort to the cheap campaign cry so graphically expressed by the New England versifier:

"I ain t no statesman who can talk purtection ar free trade;
"My han's too stiff to hol' a pen, that's made to hol' a spade;
"Them 10-foot eddicated words my tongue can't wallop roun';
"But I'll make the things you sell go up, an' things you buy come down.
"I can't talk on the currency, nor on the revenue,
"And on the laws and statoots I'm as ignorant as you.
"An' I jest simply promise you, sure's I am Silas Brown,
"I'll make the things you sell go up, an' the things you buy come down."

The fairground echoed wide with cheers and loud huzzas thereat,
For who can ask a better scheme of statesmanship than that?
And next week at the polls he beat his rival high and dry.
But things we sell continue low, and things we buy are high.

So long as the productive ability of warring Europe is disturbed our country will have a call for the foodstuffs, which will keep up for a time the price of the farmer's products. This will not be due to the Democratic tariff, but rather in spite of it.

In view of all the facts stated, I can not be led or frightened into a support of this measure. I will willingly join in placing a law on the books that will be a permanent cure, namely, restore the protective system. I will also join in a plan of retrenchment. I refuse to vote $25,000,000 to Colombia as an apology for building the canal. I refuse to vote $3,000,000 to Nicaragua for a doubtful protectorate. I urge that the rivers and harbors bill be pared of its pernicious pork-barrel features and confine it to meritorious projects already begun until the emergency passes, when we can take up new projects. I recommend to scale down the building program so as not to provide public buildings in towns of 1,500 people with negligible postal receipts. I will join any effort to shut off the project of creating useless offices for hungry politicians. But so long as this present defective revenue law stands on the books and this reckless waste continues I will refuse to be a party to increasing the burdens upon the American people, by whatever name. Let us set ourselves to the task of increasing our capacity to do rather than lessening our ability to achieve, and so find ways to save money rather than new methods to spend it.

Mr. UNDERWOOD. Mr. Speaker, how much time has been consumed on each side?

The SPEAKER pro tempore (Mr. McGILLICUDDY). The gentleman from Alabama has used 1 hour and 59 minutes and the gentleman from New York 2 hours and 15 minutes.

Mr. UNDERWOOD. I would like to yield 10 minutes to the gentleman from Kentucky.

Mr. PAYNE. If the gentleman will allow me, I would like to yield to two gentlemen 5 and 10 minutes, respectively.

Mr. UNDERWOOD. The gentleman from Kentucky says that is agreeable to him.

Mr. PAYNE. Mr. Speaker, I yield to the gentleman from Washington [Mr. HUMPHREY].

Mr. HUMPHREY of Washington. Mr. Speaker, first, I wish to extend my sympathy to my Democratic friends who, in a few short days, have been converted from shouting optimists to most doleful calamity howlers.

Now everything is wrong. Now the poverty, idleness, and want that the Republicans have been saying exists is freely admitted by our Democratic friends. What a change has "come over the spirit of their dreams." They wanted to tax the people, and in order to justify their action they now admit the truth.

I have been somewhat surprised that some of my Republican colleagues have seen fit to deny that the revenue proposed to be raised by the Democratic Party at this time is not a "war" tax. There can be no doubt that it is a tax made necessary by war. It is a tax made necessary by the war the Democratic Party has been waging upon American industry. [Applause.] Of course, no one believes that our Democratic brethren desired the war that is now raging in Europe or that they rejoice at it, but they have accepted the political advantage that it has brought to them with a cheerfulness and a fortitude that command profound admiration. The echoes of the first shot of the great conflict had scarce died away when the Democratic Party was demanding additional tax to meet the expense of government. They were anxious to take advantage of the situation promptly for fear that something might occur that would take from them this excuse. It is true the war did lessen our revenues, but it only hurried the inevitable. With decreased income and the most extravagant Congress in the history of the Nation an additional tax upon the people or a bond issue was near at hand and would have come whether war had occurred in Europe or not. With decreased revenues on the one hand and enormously increased expenditures on the other, only a Democratic statesman could fail to clearly see what the end would be. History repeats itself. A Democratic administration and an empty Treasury are synonymous. [Applause.]

Our Democratic friends assure us that the falling off in revenue and therefore the necessity for taxing the people is caused by the war in Europe. They tell us the war reduced the revenue for the month of August more than $10,000,000 as compared with the corresponding month of last year. I wonder if it was the war in Europe that caused a decrease of $4,818,189 in the revenue last July as compared with the same month a year ago. But if it is claimed the shadow of war reached back over July, when no one in all the world anticipated it, I wonder if it was the war that caused the decrease in the customs revenues of $5,806,044 last January as compared with the same month a year ago. I wonder if it was the war that caused a loss in revenue of $9,995,512 last February as compared with the same month in 1913. Here is a loss almost as great as we sustained in August, and it came six months before the war. I wonder if it was the war that caused a decrease in the customs revenue for the year 1914, up to August 1, of $23,360,549 as compared with the corresponding period of 1913. I wonder if it was the war in Europe, in the face of this failing income, that caused a Democratic Congress to forget its economy pledges, to forget its denunciation of Republican extravagance, and appropriate already at this session of Congress the staggering sum of $1,089,409,777, the largest amount ever appropriated in a single session in the life of the Nation. I wonder if this unexampled extravagance was due to the war. And there is more to follow, as this mighty sum does not include either the rivers and harbors bill or the pending ship subsidy bill that will call for probably $60,000,000 more after they are passed.

What is the matter with this Nation to-day? Is it the war in Europe that has closed mills and factories, brought idleness and poverty, universal business depression, that has turned the balance of trade against us, sent our gold abroad, and left us with an empty Treasury?

I wonder if it was the war that caused us in July last to buy $20,605,521 more from the foreigner than we did in the month of July last year. I wonder if it was the war that in the same month caused us to sell the foreigner $6,851,831 less than we did in the month of July a year ago. I wonder if it was the war that caused us in this single month, the last month before the war began, a loss in foreign trade of $27,457,352, almost a million dollars a day. Was this enormous loss due to the war in Europe? I wonder if it is due to the war that since the Underwood tariff law went upon the statute books we have sold Canada 15 per cent less than we did under the Payne law for a corresponding period. I wonder if it is the war that has caused Canada to sell us 35 per cent more under the Underwood tariff law than it did under the Payne law for the same period last year. Here we have illustrated Democratic reciprocity—a 50 per cent gain to the foreigner. I wonder if it was the war that caused us during the first seven months of 1914—that is, the first seven months immediately preceding the war in Europe—to buy from the foreigner $121,943,698 more than we did the first seven months of 1913. I wonder if it was because of the war that we sold to the foreigner during the first seven months of this year $126,290,975 less than we did for the corresponding period in 1913. I wonder if this tremendous loss in our foreign trade of more than a million dollars every day, prior to August 1, that the present tariff law has been upon the statute books, was due to the war in Europe.

During the first seven months of this year—before the war began—we lost in foreign trade the tremendous sum of $248,234,673. I wonder if this was due to the military war in Europe or due to the Democratic industrial war in this country.

But the staggering loss of $248,234,673 in our foreign trade in the first seven months of 1914 apparently meant nothing to the Democratic administration. They continue to spend money more lavishly and more extravagantly than has ever before been done by any other Congress. This $248,234,673 of trade against us means that much gold or its equivalent taken out of the country. It means a loss in trade of more than a million dollars a day. It means that more than a million dollars a day, as compared with a year ago, is taken from the American workman and given to the foreigner. Remember this is the result of the tariff law that was to enable us to go forth and capture the markets of the world. And yet our Democratic friends, looking upon these figures, made public by their own official, express a profound surprise that mills and factories are closed or running on short time, that we have tramps and beggars, that millions are idle, and that there is universal business depression, and that our gold is going from us, and that we are facing an empty Treasury, and that the people must be further taxed to pay the expenses of the Government.

The trouble with this country is not the war in Europe, but the Democratic tariff law upon our statute books. It is not the war in Europe, but free trade, that has brought our industrial ruin. [Applause.]

THE MONEY IN THE BANKS.

If, as our Democratic friends contend, we need money to-day to meet the expenses of government, and it is admitted that we do—we always do under a Democratic administration—why not take the Government money deposited with the banks of the country? Why should this Nation loan its money to the banks of the country at 2 per cent interest and then directly tax the people to pay the expense of government? Is not this directly taxing the people of the Nation for the benefit of the

banks? Is it not directly taxing the people of this Nation in order that the Government may loan money to the banks at a cheap rate of interest that they in return loan at a higher rate of interest to the people to pay the identical taxes levied? If not, will some one explain why? The banks get this money from the Government for 2 per cent—that is, the money paid to the Government by the people—and then the banks in return again loan at from 6 per cent to 12 per cent to the people who paid it to the Government—a direct taxing of the people in order that the banks may make money by loaning Government funds that should be used to pay Government expenses.

And where is this money of the United States Government deposited? What banks are using it and profiting by it? Most of this money is in the banks of New York. So, while this Nation loans its money to assist speculators and gamblers it taxes the people, places a burden upon the legitimate industry, in order to do it.

The Democratic Party has been persistent in its denunciation of the "interests" and of the money power. They have sought to make great political capital by so doing. How does their vocabulary square with their acts? In the name of the people, the Panama Canal act was repealed, so that the railroads could increase their freight rates, and now in the name of the people the Government loans its money at 2 per cent to the banks that they may make money by loaning it again to those who are compelled to pay the tax.

I trust that the people of this Nation may be made to understand that they are taxed, not to pay the expenses of government, but to accommodate certain favored banks in New York and the South. What would be thought of a man that had money in the bank drawing only 2 per cent interest that would leave it there and borrow money at from 6 per cent to 12 per cent to run his business? Yet the Government does even worse. It takes the money of the people and loans it to the bank at 2 per cent and then taxes the people to pay the expense of the Government, thereby permitting the banks to again loan this money to the taxpayers at from 6 per cent to 12 per cent interest, and all this is done in the name of the people. All this is done in the name of reform; in the name of freeing the people from the burdens that the "interests" have so long placed upon them.

But our Democratic friends reply, "If you take the money out of the banks you will disturb business and take it out of the channels of trade." Can it be possible that such a proposition is seriously urged by sober-minded men? When money is taken out of the pockets of the people, is it not taken out of the channels of trade as much as if it were taken out of the banks? In fact, is not the money in the banks there for the express purpose of being placed in the pockets of the people in order that it may be used in the channels of trade? When the money is taken out of the pockets of the taxpayers, is it not taken out of general circulation as much as if it was taken from the banks? Is it possible to more widely disturb business than by direct taxation? Can you possibly conceive of any method that would more generally take the money out of the channels of trade than a direct tax?

Can it be possible that drawing $8,000,000 per month from these banks, having on deposit more than $75,000,000 of Government money, would disturb business as greatly as to levy this direct "war" tax of $105,000,000 upon the American people in this time, as you now admit, of general business depression and uncertainty?

Under this wise Democratic provision the taxpayer takes the money out of his pocket and gives it to the Government. The Government then gives it to the bank, and the bank again loans it out at a high rate of interest to the taxpayer, and he again puts it into his pocket. And yet our Democratic friends tell us that if they take it out of the banks in the first place it disturbs business.

Looking at this proposition at any angle you please, to the ordinary mind it appears that the only difference in the two transactions is that in the one case you give the profits made by loaning at a high rate of interest to the banks and in the other you give it to the taxpayer. This administration evidently prefers to permit the banks to loan to the taxpayer at a high rate of interest the very money that he is compelled to pay to the Government. But of course this Democratic proposition is not done for the benefit of banks of the country, but for the benefit of the people. This is a perfectly plain proposition, and anyone that fails to understand it or does not agree with the Democratic position is an un-American partisan.

DEMOCRATIC ECONOMY.

The plank in the last Democratic platform in regard to economy is as follows:

We denounce the profligate waste of the money wrung from the people by oppressive taxation through the lavish appropriations of recent Republican Congresses, which have kept taxes high and reduced the purchasing power of the people's toil. We demand a return to that simplicity and economy which befits a democratic government and a reduction in the number of useless offices, the salaries of which drain the substance of the people.

No one but a scared office-seeking Democrat can read that plank to-day without smiling. That plank of the Democratic platform, like the plank in regard to the Panama Canal, has been demonstrated to be merely "molasses to catch flies." It has been brazenly repudiated, as was the free-tolls plank and as the plank in regard to a second term for the President will be. Yet that Baltimore platform closed with these solemn words:

Our pledges are made to be kept when in office.

In the light of the present, that is the most humorous sentence ever uttered by a Democrat. What an altogether lovely picture Democratic promises and Democratic performances make when placed together!

Our Democratic friends so long attacked and denounced the Republican Party for extravagance that I am sometimes constrained to believe that some of the more credulous among them almost persuaded themselves that it was true. But now they have had the experience of running the Government themselves, and what is the result? What now about Republican extravagance and Democratic economy? This Congress cut $11,000,000 from the pension appropriations. About $20,000,000 less was needed this year for the Panama Canal than for some years past. But counting out $30,000,000 for the canal and pensions, counting out more than $40,000,000 for the rivers and harbors, counting out the $40,000,000 proposed in the Democratic ship-subsidy bill, counting out this sum of more than $100,000,000, and still this Democratic Congress, pledged to economy, that came into power with the hot denunciation of Republican extravagance upon their lips, has already appropriated $100,000,000 more this session than was ever appropriated in any session by any Republican Congress that ever met in this Capitol. Yet, says the Democratic platform, "Our pledges are made to be kept when in office."

What has caused this unparalleled extravagance and this unexampled waste of the public money by this reform Democratic administration, pledged to economy? It is mostly due to incompetency in every branch of the Government. Every department and every bureau, it appears, has increased its expenditures. This extravagance is largely due to the increase of useless offices—the very thing that the Democratic platform condemns. This administration has dismissed from the service some policemen guarding a street crossing, getting $900 per year, or some scrub woman on her knees, earning $20 per month, and then created a list of jobs for useless commissioners, assistant secretaries, and special attorneys drawing salaries from $3,000 to $12,000 per annum. Some of this wasted money went to buy automobiles for petty officials, as was illustrated in the case of the Public Printer having two high-priced electric machines, one of them principally for social purposes; or to buy automobiles for Cabinet officers without authority of law, as in the case of the Secretary of Labor; or to pay so-called experts, as in the case where $4,400 was paid to the editor of a Wall Street journal to write the present Democratic banking law.

All the low-salaried offices abolished, let it be remembered, were under civil service. All the high-priced offices created were filled by faithful Democrats as a reward for public service.

Certainly the question may be fairly asked why the Democratic Party should indulge in these unparalleled extravagances, creating useless offices, wasting the public money to pay political debts when there is widespread business depression.

Is this a time to indulge in unlimited expenditures? The people everywhere are compelled to economize. The people of this Nation to-day are spending far less money than they did under Republican rule. They are buying less clothes; they are eating less food; they are spending far less for pleasures and enjoyments; they are denying themselves the luxuries and many of the comforts of life. In such times as these why should not the Democratic administration practice at least reasonable economy? Why should they now tax the people that they may be indulged in the most extravagant and wasteful expenditures in all the Nation's history? Why in such times as these should this single session of Congress appropriate the enormous sum of $1,089,408,777, a sum more than $100,000,000 in excess of that ever appropriated in a single session by a Republican Congress, and this does not include either the rivers and harbors bill or the proposed ship-subsidy bill.

If the Democratic Party had practiced reasonable economy, there would be sufficient money on hand to-day to meet the expenses of government. If they had only appropriated during this session of Congress an amount equal to the greatest appropriation ever made by the Republican Party, they would still have more than sufficient money for all necessary expenses.

In the light of these facts what becomes of the promises of Democratic economy and upon what grounds can they now justify taxing the American people? In the face of these figures is it possible that any American citizen is so stupid as not to know that the plea of "war" tax is a mere pretext to hide Democratic incompetency and extravagance? [Applause.]

Mr. PAYNE. Mr. Speaker, I yield to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Speaker, when I picked up my newspaper yesterday morning, I read a statement of the bringing in of this war revenue bill; I glanced at another column, and to my profound regret I found that our dear friend, our companion in arms and erstwhile ally, Francisco Villa, had left the constitutionalist reservation and taken to the warpath. And I wondered if it was this outbreak down on the Mexican border—that called for a rapid depletion of the visible supply of "Watchful Waiting Wins" buttons that had been recently displayed about the Halls of Congress—that was responsible for a war tax in time of peace. [Laughter and applause on the Republican side.] Mr. Speaker, I think it is awfully unkind of our dear friend. It shows a woeful lack of gratitude and appreciation on his part, after all the administration has done for him, to break out at this inopportune time. Why could not he have waited until after the election, as I understand he promised to do, before pulling off his little insurrection? [Applause and laughter on the Republican side.]

Never again may it be truthfully said, "There is no new thing under the sun," for Democratic incompetency has burgeoned and blossomed and brought forth a thing hitherto unknown, undreamed of—a war revenue, protruding its unwelcome presence at a time when we sustain relations of profound and unruffled peace with all the world, except our late friend and ally Gen. Villa, who, I regret to say, is on the warpath again.

But let no one suppose that the presence of this strange and hitherto unheard of thing is an evidence of the possession of unsuspected inventive genius on the part of a notoriously uninventive, unimaginative political organization. In naming it a war revenue bill Democratic inefficiency and incompetency unconsciously and unwittingly pays tribute to truth, for while no martial note or sound of arms disturbs the quiet of our boundaries, this is in very truth a tax bill born of war; not of war abroad but Democratic war against thrift, industry, and prosperity at home. [Applause on the Republican side.]

The war whose losses and ravages you seek to repair and fortify against by forced levies on the people of a Nation at peace with all the world is not the war declared last month in the chancelleries of Europe, but the war against the welfare of the American people declared by your party at the beginning of your administration and relentlessly pursued to this day. Yours has been a war against sound, sane, and sufficient revenue and financial policies; against the lawful pursuit of legitimate enterprise and the wholesome and steady employment of honest labor; a war against that security of employment and income which is the anchor of the Nation's hopes and homes.

But the presence of this hateful, unusual, and unnecessary messenger of new burdens of taxation in the time of peace should occasion no surprise coming as a product of this Democratic Congress. The whole Nation will bear testimony that it is the expected and natural child of your policies. None can deny that it is the legitimate offspring of a Congress whose revenue legislation, paralyzing to prosperity, fails in the production of sufficient revenue for your extravagant expenditures. [Applause on the Republican side.] A Congress whose currency legislation fled to the bombproofs of the Republican Vreeland currency law at the first sound of a hostile shot 4,000 miles away. [Applause on the Republican side.] A Congress whose Uhlans and Cossacks of fantastic radicalism have spread terror and dismay throughout our industrial Belgiums. A Congress whose acts and attitude have served to match the devastation wrought by the war abroad with a vastly wider, if less complete, industrial paralysis at home. [Applause on the Republican side.] A Congress which has made it clear to our industrial Louvains that peace may have its devastation but little less complete than that of war. [Applause on the Republican side.]

Sixteen years ago the 27th of last May this Chamber witnessed the introduction of a real and necessary war-revenue bill, which you, lacking in real legislative, inventive genius and imagination, have slavishly copied in your bogus war-revenue bill. Seventeen of the men, including our honored Speaker and the leader of the majority, Mr. UNDERWOOD, who then sat upon the Democratic side and with all their Democratic colleagues save three, voted against that bill, now occupy seats on this floor. No hateful rule of cloture stifled your voices or denied you the right to amend. Two whole days and two night sessions gave ear to your declamations; an entire day was given to the consideration of amendments.

It was May. Dewey had just smashed the enemy at Manila Bay. Armies were organizing, the dogs of war were out of leash, the enemy's ships were at our water gates. What was your answer to that imperative patriotic call for immediate revenue? You voted against it. If you had had the power you would have withheld the needed revenue. You offered instead an income tax the Supreme Court had declared unconstitutional [applause on the Republican side], and which you did not propose to put in operation until four months after the date when hostilities actually ceased, peace was finally established, and the boys came marching home. [Applause on the Republican side.]

It is not the war in Europe, it is your war on prosperity and your reckless extravagance which has, in the main, created the situation that has urged your action. Your revenue bill failed from the start. Your extravagance accentuated the shortage. The loss of customs revenue through decreased imports, due to war, did not in the month of August exceed two and a half millions, and is not likely in the future to exceed that amount per month, or twenty-seven millions in a year, if the war lasts that long. The reduction in the appropriations for the current year below those of last year for pensions and the Panama Canal alone amount to almost exactly this sum. If it were not for the fact that, in spite of these decreases in expenditure, the total of your appropriations this year is the greatest in all our history, these reductions in expenditures would alone more than balance any loss of revenue by reason of the war in Europe.

The balance in the general fund of the Treasury is to-day, including $12,000,000 obtained from the sale of two battleships, over $121,000,000. It has been as low as $74,000,000 under your administration, so it could be reduced without danger. But you prefer to lay direct taxes on the people rather than to call upon the banks for any part of the $75,000,000 of this Treasury balance which they are holding at 2 per cent. Had you given us the opportunity to amend we gave you in 1898, we could have suggested how, if added revenue were necessary, it could be secured in such form as to aid rather than oppress our people; in such manner as to lay the burden on those seeking our markets rather than on our own citizens struggling to hold them. If you will neither retrench nor legislate wisely, to increase revenues without burdening the people, nor draw from the banks gradually a portion of the people's funds they now hold, still another course is open to you. Certificates of indebtedness, as provided by law, could be issued monthly in such sum as would represent the estimated previous month's loss of customs revenues, if any, due to decreased importations caused by war. Under the Republican administration of 1917, and the Republican prosperity which will come with it, the country would cheerfully and easily wipe out the debt you had accumulated. In fact, they expect to have to do that after Democratic administrations. We will support cheerfully any necessary measure of defense of the Public Treasury; but we refuse to vote a penny of added tax burden on the American people, in support of, or as a tribute to, your policies of war on prosperity, and of reckless extravagance in expenditure. [Applause on the Republican side.]

The SPEAKER. The time of the gentleman has expired.

Mr. UNDERWOOD. Mr. Speaker, I yield to the gentleman from Kentucky [Mr. SHERLEY].

Mr. SHERLEY. Mr. Speaker, I believe there is some virtue in partisanship, but I believe that it also ought to be intelligent, and a great deal of the partisanship of the opponents of this bill that has been voiced here yesterday and to-day has lacked that quality. I have known members of the Republican Party to undertake many gigantic tasks. I have marveled sometimes at their courage even while I deplored their lack of discretion, but I have never marveled more than at the task that has been undertaken here. They would have the country believe that the European war is of such a character that its effect upon the financial and economical conditions of America can be ignored. Now, a man who is willing seriously to propound that is willing to undertake anything under the sun. The most stupendous conflict of all time—one that has called actually into the field over 10,000,000 of men—is now in progress, and yet men would so minimize its results as to tell you that it has no effect upon the conditions of one of the great nations of the world. As a member of a great, historic party, I should be ashamed to advance any such absurd proposal, and I marvel at the Republican leaders undertaking to do so. Now, what are the plain facts, about which we all really agree? Approximately a thousand million dollars are raised annually by taxation of various kinds to run the Government. Of that one thousand million dollars, a little over $300,000,000 comes from postal

receipts—about matching postal expenditures—and therefore can be ignored for the present. Of the seven hundred and odd millions of general receipts, the Republicans raised by customs dues during the last year when they were in power about 44 per cent. The Democrats have raised, under the first year that they have been in power, by customs dues about 5 per cent less, or 39 per cent. I shall submit tables showing in detail the revenues received from customs, internal revenue, and other sources for the fiscal year ending July, 1913, and the fiscal year ending July, 1914.

The following are the tables referred to:

Ordinary receipts, fiscal year 1913.

Customs (customs receipts are 44 per cent of the total)		$318,891,395.86
Internal revenue—		
Ordinary	$309,410,665.81	
Corporation tax	35,006,299.84	
		344,416,965.65
Public lands		2,910,204.69
Miscellaneous		57,892,663.64
Total		724,111,229.84

Ordinary receipts, fiscal year 1914.

Customs (customs receipts are 39 per cent of the total)		$292,320,014.51
Internal revenue—		
Ordinary	$308,659,732.56	
Corporation expenses	10,671,077.22	
Corporation income	32,456,662.67	
Individual income	28,253,534.85	
		380,041,007.30
Public lands		2,571,774.77
Miscellaneous		59,740,370.13
Total		734,673,166.71

Mr. SHERLEY. Now, it is perfectly manifest to anybody who will be frank that with most of the great nations of the world at war the customs revenues that would come to the Government, either under a Republican tariff law or a Democratic tariff law, would be greatly lessened. That is so plain that he who runs may read. That being true, there are these alternatives open to the party in power and responsible for the conduct of the business of the country—either to supply new sources of revenue, not to levy additional taxes in the sense of getting additional money from the taxpayers, because that is not the fact, but to change the source and method by which you were to raise the moneys necessary to run the Government, or to tide over the deficiency, if it could be tided over, by drawing on any surplus that the Government might have, or by selling bonds and putting a mortgage on the future.

The Democratic Party in facing those alternatives was big enough to consider what should be done from the standpoint of what is right rather than what should be done as a matter of expediency. We could have delayed the levying of this tax, we could have delayed the bringing in of the bill until after election, and have deprived you of any campaign thunder you may be able to get by virtue of what you will be pleased to say is an additional burden laid upon the American people. But, instead of that, we realized what every thinking, conservative man in America realizes, that in a condition of such world convulsion, with credits impaired as they are, it was of the utmost importance that the Treasury of the United States should not only be in a position to stand any present shock, but any future shock that might come by reason of this tremendous disturbance of conditions. We believed that it was important not to put any greater strain upon the banks than was already placed upon them by this condition, and so believing, we have not looked to the moneys to the Government's credit in the banks, but have sought to obtain by internal-revenue taxes the revenues no longer to be had at the customhouse.

Members rail at the Democratic administration because it has deposited $75,000,000 with the national banks. Now, the only difference between the Democratic Party's action in that regard and the Republican Party's action in the past has been that you deposited money free of any interest and we have deposited money and asked 2 per cent interest on it. [Applause on the Democratic side.]

Now, the fact is this, also known of and admitted by all thinking men who are not talking simply for the sake of party advantage: We have lived under a currency system that has been the worst currency system of any civilized nation on the globe. Under it your discount rate upon speculative loans was always less than it was upon commercial loans, because there was no medium whereby you could rediscount commercial paper, and therefore the New York banks having reserves deposited with them by the interior banks had to loan money upon such character of collateral as would enable them in ordinary times to immediately get it back when money was called for by the interior banks that had loaned to them; and hence loans were made upon stock and bond collateral, a collateral that is readily convertible in ordinary times, but which in times of great distress becomes the most difficult and in many ways the worst collateral that a bank could have. Here were the banks of America with a great mass of this collateral. Here were more than a thousand millions of dollars of American securities owned abroad, every Government in Europe wanting gold, and gold only, to finance the war, and every one of the peoples of those countries struck by the blighting effect of this war, with the need to immediately use every possible resource for cash. The necessary result was the instant offering to America of vast quantities of these American securities held abroad, with a consequent destruction of their market value. If the banks had not been in a position, or had refused to protect in some degree those offerings, they would have destroyed much of their own collateral, their own securities would have dwindled, credits would have vanished, many would have faced bankruptcy, although in point of fact more than solvent, amply able ordinarily to take care of all demands.

If the Government with that situation had let the country understand that it was going to add to the burdens of the banks instead of taking from the burdens of the banks as far as they could, you would have had a panic in this country, and then the very men who are here railing against us because we do not go to the banks now and draw out this money would have been loudest in their statement that it was a refusal of the Government to help business and financial institutions that had forced the panic on us. [Applause on the Democratic side.]

I say to you that it takes courage and statesmanship of the highest order to face disagreeable tasks, to face them knowing that criticisms will be made which to the casual thinker will carry weight, and to do it without regard to political fortunes, because it is in the true interests of your country. I do not believe there is a man within the sound of my voice, acquainted with real financial transactions, with world currents, but that in his heart of hearts approves of the action that the Government has taken in strengthening the banks throughout the country at this time instead of undertaking to weaken them.

Now, that is the condition that has confronted us. It is perfectly apparent. I care not what may be read about your receipts from customs dues for this week or that week or the month past; the man who does not believe customs dues are going to fall off and continue to fall off for a considerable period of time as the result of this world war has so little knowledge of economic trade currents and conditions as to not make it worth while to bother with him. Of course, you have a large number of customs dues being paid now as the result of goods being taken out of bonded warehouses, and you will continue to have them for some little time, for I understand there is something like $50,000,000 worth of goods in such warehouses, and they will not be tax-paid until they are ready to be used in consumption.

But the gentleman from New York [Mr. PAYNE] says to us that communication between England and France and the United States is practically as free as before the war, and that Germany has found a method of exporting dyestuffs through Holland, as I recall, and that therefore we need not expect any great falling off in customs dues. Do you believe that Germany can put the army that she has put into the field, that France can put the army that she has put into the field, that England can put the army that she has put into the field and that she is preparing to put into the field, without affecting her industrial capacity and her capacity to export her manufactured products to other countries? A man who believes differently I do not know how to argue with, because his position is so patently absurd. All of us know that in those countries there is going to be a stagnation in trade and in business that will prevent them from being exporting countries in the true sense for many, many years to come, and of necessity the customs dues we would receive by virtue of importations from those countries will fall away.

The Democratic Party comes to the country and says that we need so much money, not a greater sum than we had anticipated, but we need money that we would have gotten from customs that, by virtue of this war, we will not now get, and therefore we will raise it by an internal-revenue tax. Why, to listen to gentlemen talk you would think there was some special virtue in a tax at the customhouse and some particular vice in a tax that was paid by internal revenue. In point of fact they are both taxes and are both burdens upon the people, and no amount of sophistry can make anyone believe that you get a benefit by levying a tax either at the customhouse or by internal-revenue methods. Taxes are the necessities and burdens of government. They are the price the people pay for the benefits

they get from the Government in protecting them in life, liberty, and property. So we do not go to the country with any proposition to lay additional burdens upon the people.

We go to the country simply with a proposal to supply the revenues that have failed through no fault of ours, and which you would have had to supply if you had been in power; only you would have had a greater failure of revenues, because you raised a greater proportion of your total from customs duties than we. To the extent that we have substituted income taxes and a corporation tax for customs dues, to that extent have we lessened the disarrangement of the Government finances by virtue of this world war. Therefore, if there be any difference in the attitude that the two parties would have been in in this emergency it is that we have a less sum to supply than you, because you would have had no revenues coming from an income tax and less from a corporation tax.

Now, statements are made here undertaking to prove that we would have gone bankrupt if there had been no war; and yet the fact is, as stated by the gentleman from Alabama [Mr. UNDERWOOD] and as shown by the receipts of the Treasury, that for the fiscal year 1913, excluding Panama, we had a surplus of receipts over expenditures of $34,418,677, and, including those, there was a difference only of something like $400,000. I consider that good finance. I do not believe, and I never did believe, that there was any merit in a system of taxation that piled up tremendous sums in the Treasury greater than were needed to be expended in a proper administration of the Government. I do not believe that there is any advantage in taxation. I repeat, I think it is a burden and not a benefit conferred upon the people.

Now, much is said also about extravagance, and much of it would find a receptive ear if it came from a little bit different source. [Applause on the Democratic side.] But, great heavens, think of it! Think of it when the gentleman from Wyoming [Mr. MONDELL] talks about economy. [Laughter on the Democratic side.] Think of it when the gentleman from Washington [Mr. HUMPHREY] talks about economy in the expenditures. Why, there is not a man here who does not know that every time we have had questions of appropriations up those have been the men who, if they have criticized us at all, have criticized us because we did not spend more instead of because we spent too much. [Applause on the Democratic side.]

The SPEAKER pro tempore. The time of the gentleman from Kentucky has expired.

Mr. UNDERWOOD. Mr. Speaker, I yield to the gentleman from Tennessee [Mr. HULL].

The SPEAKER pro tempore. The gentleman from Tennessee [Mr. HULL] is recognized for 20 minutes.

Mr. HULL. Mr. Speaker, if playing politics in the face of a great crisis were proof of patriotism, I could pronounce a eulogy upon the Republican side of the House that would place them in the category of the truest band of patriots to be found upon this planet. During my entire service here—in fact, during my entire life—I have never seen any assemblage of grown-up men reduced to such serious and desperate straits that they were willing to lay aside their judgment, the facts, the reason, and the patriotism of the situation and devote their efforts to the propagation of extreme, hidebound, stand-pat partisanship.

The gentleman from New York [Mr. PAYNE], in his interesting speech on yesterday, turned his mind back, as is his custom, to the Payne law. This recalls the fact that the lamented Senator Dolliver made the timely statement that during the year 1909 two of the most colossal frauds of this generation were inflicted upon the American people. One was the discovery of the North Pole by Dr. Cook and the other was the enactment of the Payne-Aldrich tariff law [applause on the Democratic side], and that the President of the United States promptly and with much satisfaction sent a telegram of hearty congratulation to the author of each. [Laughter on the Democratic side.]

Now, Mr. Speaker, whatever merits the Payne-Aldrich law had have been thrashed out and passed upon, both here and by the people of the country. The people have repudiated that law in no uncertain terms. It became odious to everybody except the friends of special privilege. I hope that after this bill leaves the House we shall hear no more of that abominable iniquity, that ghastly abortion—the Payne-Aldrich law. [Applause on the Democratic side.]

We hear much talk upon the other side about other methods of taxation, but we see no suggestion in concrete form offered by any gentleman upon that side. If they were really sincere in their criticisms of the Underwood law, they would rise up over there as one man and say that this law has broken down, that it is a failure, that it will not only fail to meet the demands of the Treasury in times of peace, but far less will it meet them under war conditions such as we have, and they would propose to repeal this law, with its income-tax provision, and reenact the Payne-Aldrich law. Why do they not do that? Why do they not offer some kind of a substitute if the country is going to the "demnition bow wows" so rapidly from the effects of the Underwood tariff law? They dare not propose to this House the reenactment of the Payne law and the repeal of the income-tax law, and go back to their constituents and tell them that they had decided that wealth ought not to pay its share of taxes in this country, that it ought to be exempt, as Republican administrations exempted it during all the past years [applause on the Democratic side], and that we ought again to restore a tax of 45 per cent on wool, 145 per cent on cheap woolen blankets, 90 per cent on cheap cotton socks, 60 per cent on ordinary woolen hats, 15 to 25 per cent on all agricultural implements that the farmers use, and on through the long category of all important necessities of the American people. They well know that they dare not make this offer, because the Progressive Republicans in the West——

Mr. CAMPBELL. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore. Does the gentleman from Tennessee yield to the gentleman from Kansas?

Mr. HULL. I have but a very few minutes. I will be glad to yield to the gentleman as soon as I have concluded the statement I am making.

The SPEAKER pro tempore. The gentleman from Tennessee declines to yield.

Mr. HULL. They know they could not get together upon a substitute bill of that character.

Now, I have been very greatly surprised at the attitude of the other side of the House in the face of this tremendous crisis, as compared with its attitude and the attitude of the Democratic minority during the Spanish-American War conditions. On that occasion the Democrats who addressed the House invariably stated that they had no disposition to delay the passage of a needed emergency revenue measure. They favored raising the war emergency revenue. They differed, however, as to some of the items that were to go into the bill, and whatever occurred in the way of discussion and votes on that occasion simply reflected differences of opinion as to the particular items that should compose the law.

Now, in that connection the gentleman from Ohio [Mr. FESS], with great glee, suggested that the Democrats proposed an income tax on that occasion to meet the emergency, but fails to do so now. Why, the gentleman has evidently given no attention to the surroundings at that time. At the time of the outbreak of that war we had a net balance in the General Treasury fund of $118,000,000.

The Republicans, led by Mr. Dingley and others, insisted that we ought to have a good-sized general balance in the Treasury. The Democrats did not controvert this, but cooperated in the passage of an emergency war-revenue measure of $100,000,000. Second, there was an immediate issuance of $199,000,000 of bonds and the transfer of their proceeds to the credit of the Treasury; and, in the third place, as everyone knew and calculated, the customs receipts jumped up $56,000,000 during the fiscal year 1899. The outcome was that the Republican administration during one fiscal year threw into the Treasury $300,000,000 of new revenue, with the further result that they had $100,000,000 surplus at the end of that fiscal year. When the Treasury was given immediate relief by the proceeds of $199,000,000 of bonds it was but natural that Democrats would urge an income tax to aid the war expenses. They talk about economy now. I recall that on that occasion Democrats earnestly suggested economy. Our Republican friends disregarded every phase of economy, even with respect to normal expenditures, and we find that for the fiscal year 1899 they voted $14,627,449 for rivers and harbors. We find that for that same year, in the very face of that crisis——

Mr. MANN. Will the gentleman yield?

Mr. HULL. Not now. I will be glad to yield later.

Mr. MANN. I do not wish to embarrass the gentleman.

Mr. HULL. I did not hear the gentleman. I find, according to the CONGRESSIONAL RECORD, that the appropriations were increased so that the normal expenditures were more than $39,000,000 in excess of those of the previous year, to say nothing of tens of millions of dollars of authorizations for public buildings, rivers and harbors, and other miscellaneous appropriations. That is in strange contrast with the attitude of these gentlemen on this occasion.

Mr. Speaker, the conditions at this time are immeasurably more serious than they were at the outbreak of the Spanish-American War. I wish I had the time to read one sentence from a noted financial publication describing the utter disruption of international business affairs and the almost complete standstill to which not only the interstate but the international

commerce of the entire world has come. From the farthermost countries of the world we are getting daily information that the people are in a state of terror as a result of this awful European conflagration, that business is suspended everywhere, and, of course, our international commerce is almost entirely paralyzed. Both our international credit and exchange has broken down. In the face of these tangible facts, admitted by the Republican press throughout the country, admitted by leading citizens everywhere who have been willing to be fair, we find the Republican minority here suddenly disposed, purely for the sake of temporary partisan advantage, to take the indefensible position they have announced on this floor.

They continue to harp about the Payne law as a revenue producer. I undertake to say, Mr. Speaker, and I would wager whatever reputation I have, that a board of experts, composed of fair men of both parties, who might go through all the facts and figures as to our imports, our exports, our Treasury receipts and expenditures, would unanimously hold that the Underwood tariff law during its first nine months yielded a greater revenue than the Payne law for the corresponding period of the year previous, or even greater than the Payne law would have yielded for the first nine months during which the Underwood law has been in operation.

The gentleman from Illinois [Mr. MANN] speaks about there being some excess of exports over imports during a portion of the recent past few months. Why, if he would turn back to the year after the Payne law was in operation he would find that the same condition existed. These temporary fluctuations signify nothing with respect to the operation and effect of a great tariff system. Furthermore, the Payne law was in operation four years. If the Republican administration had not issued two series of Panama Canal bonds, that law would have brought in a deficit to the Federal Treasury three out of those four years. In addition to that, it had an advantage that the Underwood law did not have in that during two of those years there were abnormal and unexpected and unaccountable increases from the internal-revenue proper—$22,000,000 for one year and $19,000,000 for another year. This makes $41,000,000 to the credit of the Payne law that was wholly unexpected and unaccounted for. These receipts decreased during the first year of the Underwood law, as it happened. During the four years that the Payne law was in operation $147,600,000 of Panama Canal expenses were paid. They issued $41,000,000 of bonds. That leaves $106,000,000 paid out of the general fund, or $26,650,000 a year. The Underwood law paid $34,000,000 of Panama Canal expenses last year, and still the Treasury came out about even. This canal feature reveals another annual loss of $7,500,000 to the Underwood law which did not apply to the Payne law. This makes an average annual difference of $18,000,000 derived from unexpected sources which went to the credit and advantage of the Payne law and which the Underwood law was deprived of. Now, we know—a blind man or a driveling idiot knows—that when this war broke out and our $7,000,000,000 commerce with Germany, Belgium, Austria, and European Russia suddenly went out of existence, when our international exchange broke down, when our exports of $650,000,000 of cotton and $50,000,000 of tobacco ceased, when every class of international business came to a standstill, the Treasury suffered losses at the customhouse. The returns show patently to any person who will read, or see, or hear that the loss of customs receipts for August, for example, was $11,500,000. Deducting the income tax average yield per month would make the net war loss at least $7,500,000 for this one month. We know further that for September, according to the latest Treasury report, there is a loss of $8,000,000 up to the 23d of this month. According to every calculation the loss to the customhouse growing directly out of the war will be for September near $6,000,000 after deducting more than $4,000,000 for the average monthly income tax yield.

If we therefore take the minimum of monthly customs revenue loss yielded since the war commenced, we would find a loss during this fiscal year of more than $60,000,000. Furthermore, any person who gives considerat on to our existing conditions knows that while England and France had on hand a surplus of goods with which they had been supplying us constantly before the war, and that after 30 days, and when the ocean became cleared of the enemy's vessels, they shipped to us as much of this surplus as they could, this was chiefly to fill orders received before the war. But since then virtually all of the factory workers in France have gone to the war. Stocks of raw material are rapidly disappearing, such as France and England procured from Germany and Belgium and other warring countries, with the inevitable result that our imports from Europe must naturally fall off as long as the war continues, and no one can prophesy that it will end within any short time.

That is the situation, Mr. Speaker; but in the face of all this serious condition we are upbraided, purely for blind partisan purposes, with not being able to secure not only enough money out of the Underwood tariff law to conduct the Government in a time of peace, but also to sustain the Treasury in a time of most serious war conditions. This is an extraordinary tax imposed for extraordinary purposes. While we are not actually at war, we are actually facing war conditions as much or more, in some respects, than if we were at war. Our international trade was never better than during the Spanish-American War. But the only answer we get from gentlemen on the other side in their political extremities and in their favorite pastime of undertaking to bunko the people again is that we ought to be economical. My God! a political organization that raised the ordinary national expenses of the Government from $460,000,000 in 1897 to $982,000,000 in 1913, more than doubled; first a billion-dollar Congress, and, second, as rapidly as they could get to it, a two-billion dollar Congress—they turn round and confront us with the impudent suggestion that we should be economical. [Laughter and applause on the Democratic side.] They say that this Underwood law that is helpless to protect the Treasury in times of peace and in times of normal trade is amply able, it has such great recuperative power in a time of war, that it will bring in ample revenue to meet all war emergencies. [Laughter and applause on the Democratic side.]

I can not understand another one of the many inconsistencies of gentlemen on the other side. I must confess, Mr. Speaker, that I am usually somewhat patient and have great respect for gentlemen on the other side and their opinions, but it is when they are asserting those opinions frankly, honestly, and candidly. I see my time is expiring, and I would say in conclusion that no one desires to pay this war tax, and no Member of Congress at all desires to impose it. It requires both courage and patriotism to impose this tax to meet inexorable war conditions, and it requires patriotism to pay it uncomplainingly. Neither will any two Members here agree on each item to be taxed. I did not get some of the important items I would have taxed. I strongly urged them. But being overruled by a majority of my colleagues and the President, I shall cheerfully go with them and help to meet this great war emergency by voting for the bill. Naturally, it will be repealed just as soon as conditions permit.

Mr. UNDERWOOD. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. GALLIVAN].

Mr. GALLIVAN. Mr. Speaker, this bill is our first official contribution to the cost of the European war—one of those glancing blows that the noncombatant nations must expect, I suppose—a spent bullet, so to speak, from the firing line. Fortunately, we are not hit yet in a vital part and the lesson written large on the eastern horizon is worth to our citizens all that this measure call upon them to pay.

A little over a month ago by the calendar—it seems a century in the march of events—we heard a chorus of criticism of the President's "colossal blunder" in Mexico. We were described in the opposition papers as "the laughingstock of Europe." Our "amateur diplomats," it seems, were a source of grief and shame as compared with the polished experts of the Old World. Well, by their fruits we know them better now. [Applause on the Democratic side.] The whirligig of time has not taken long to bring its revenges. Meanwhile the professional diplomacy of Europe has wrought a blunder so colossal that no man living can reckon its remote consequences. Will it set loose the repressed fanaticism of Africa and the near East? Will it bring Asia down upon the back of an exhausted and divided Europe? These are possibilities already discussed. And even if the equilibrium of the whole human race is not to be upset, the immediate result of the intriguers' handiwork must have horrified themselves if they have human feelings under the mask of professional calm. They see the young men of seven nations destroyed by new and hideous methods of slaughter or sent to the hospitals mutilated and enfeebled for life; womanhood wrung with anguish, children doomed to every privation. They see industry paralyzed, the harvests blighted, homes razed, villages burned, cities gutted and seared, venerable monuments laid low at the bidding of military necessity. Ten millions of men—the strongest, the freshest, the most capable—are torn from the paths and avenues of production and set to the task of destroying one another. The one sure harvest of this autumn in these seven nations involved, numbering over 400,000,000 human beings, is hatred. Children yet unborn will hate others yet unborn because of the extreme technical proficiency and masterly maneuvers of your "trained European diplomats." [Applause on the Democratic side.] Well may President Eliot, of Harvard, insist that a fruit of this war shall be the abolition of secrecy in the negotiations of

States and the adoption of more frank and democratic methods by which the various peoples, who have no murder-breeding differences with one another, may decide these momentous issues for themselves

In this welter of barbarous passion we note with satisfaction that the names of American diplomats emerge with honor. A Gerard, a Herrick, a Brand Whitlock, and many more, have proved themselves equal to the emergencies which have confronted them and won the respect of the countries to which they are accredited. That "amused Europe" of which we heard so much envies us now our tranquillity. Among the chancelleries which acknowledged President Wilson's offer of mediation there is not one—or any thinking man anywhere to-day—that does not wish he could have been summoned at an earlier stage to avert the tragedy now moving before our eyes to its awful consummation.

To what does our President owe his commanding eminence at this juncture? To his lofty character? To his breadth of historical vision? To his humanitarian sympathy? To his steadfastness of purpose? To his sense of justice which has placed our country definitely and irrevocably in the vantage position of strict neutrality? [Applause on the Democratic side.] To these personal qualities the President owes much of his world-wide influence and his achievement in foreign as in domestic policy; but his position is even more secure as a worthy and convinced exponent of the American tradition. The principles upon which our Nation was founded have received in this year of grace a vindication which makes every one of us glow not with exultation or pride but with gratitude to the fathers who stamped a whole continent with their political conceptions.

We are sometimes told that it is our isolation that makes us peaceful. We are a unit, without divisions of boundary, between two oceans that interpose their might in our behalf against foreign invaders. No doubt these accidents of situation have been a blessing to us; but there is something more than accident in the resolute antipathy to war which is a specific, ingrained element of the American character. We love peace because our Government is a Government of the people. Democracy, precisely because it rests on justice, has a natural predilection for peace; aristocracy, which rests ultimately on force, has a natural inclination for war. In no other country in the world have workingmen the freedom and the power that they enjoy in the United States. In no other country are women so honored, so influential, so advanced in industry and education. These are the two great classes whose voice, if it could have been heard in Europe before the fury came and swept away all reason, would have prevented the war. They hate war because they suffer most by war. The victorious general has his medals and titles and other prizes worth striving for—his name in history, perhaps—but the mechanic or farmer who fights in the ranks, the wife or mother in the empty home, what souvenirs have they? Wounds, loneliness, and the dreary grind of a lifelong poverty. It is they who can recite with most fervor the inverted beatitude of the late Mayor Collins, of Boston: "Cursed are the war makers, for they shall see the devil." As women and workingmen gain power wars will become fewer. [Applause.]

I have said that democracy is essentially peaceful, because it rests on justice. It can not consistently build its own foundations on a declaration of equal rights and proceed to the denial of these rights by wars of subjugation. A democratic nation like ours must aim at prosperity through industry and commerce, not by foreign conquest and the addition of territory which other peoples have made their own.

It is true we have had great soldiers in America, and honored many of them—our list of Presidents includes a Washington, a Jackson, a Taylor, a Grant, a Garfield, and a McKinley, but they were citizen-soldiers. Not one of them for an instant set his soldiery above his citizenship or was possessed with the mania of war as a discipline for manhood. The Christ of the Andes, cast from the metal of melted cannon used in the wars between Argentina and Chile, and set up on the boundary between these two reconciled nations in pledge of perpetual peace, would have moved them more than any battle monument glorifying mere supremacy in combat. The beauty of our Memorial Day is that it is a day not of triumph but of reconciliation.

We are not only a peaceful Nation, we are a Nation composed of many elements. Descendants of all the European peoples live here in harmony and in equal status before the law. This circumstance gives our neutrality a certain positive character. It is not negative or indifferent, but active. If the opportunity should come, we shall enter keenly upon the task of mediation, precisely because we know the worth of all the warring nations through their immigrant children who have become our fellow citizens. Through these immigrants we hope to see a reaction of the American idea upon Europe, so that the present calamity may be the last of its kind. Already democracy has worked its way into some of the most conservative nations of the world. We read of constitutions and parliaments in Turkey, China—even in Persia. As surely as that political conception spreads and its underlying philosophy is accepted, peaceful methods will follow and the appeal will be to reason and not to force. The only use of war in democracy is to punish the disturbers of peace. As the motto of Massachusetts runs, "*Ense petit placidam sub libertate quietem*"—"She draws the sword to insure peace under liberty."

Peace and liberty! They are the twin angels that guard us. May afflicted Europe soon turn to them for the protection which we enjoy! May a Christ of the Rhineland soon arise to guarantee friendship and mutual esteem between the great nations now locked in a barbarous death grapple, in which victory and defeat prove no more as to essential justice than the individual trial by combat of the Middle Ages.

Meanwhile Woodrow Wilson, President of the United States, stands before the world embodying the true American ideas—democracy, liberty, peace, and good will to all. As the exponent of these conceptions he has behind him the whole American people of to-day. [Applause.]

Mr. UNDERWOOD. Mr. Speaker, I yield to the gentleman from Wisconsin [Mr. REILLY].

Mr. REILLY of Wisconsin. Mr. Speaker, the revenue bill now under consideration is an emergency measure for which the President and his party are in no way responsible.

The greatest war not only of modern times but of all times now being waged in Europe is alone responsible for the situation that makes necessary the passage of this bill. Six European countries from which we have been receiving large imports are at war, with the result that there has been a falling off in customs duties to the amount of about $10,000,000 per month.

This bill does not provide for the raising of additional revenue. No additional revenue is required. This measure will furnish the Government with the same amount of revenue by other methods and from other sources that the Government would have received from customs duties if there had been no war in Europe.

This measure follows closely the lines of the Spanish War revenue law, except that certain articles are eliminated from and certain articles included in the tax list, and with the further exception that many of the rates are lower.

This bill is not just as I would have made it. I would have left out some of the articles upon which taxes have been levied, and I would have included other articles in the tax list.

However, a revenue bill can not be framed by one person alone, and it is impossible for each Member of this House to have a law to his liking. Legislation of this character is generally a compromise, and must necessarily be so.

I had hoped that it would not be necessary to pass any legislation of this character. In common with others, I thought that bonds could be sold to provide the necessary revenue until other and less objectionable methods for replenishing the Treasury could be put into operation.

After it became apparent that additional revenue from some source would have to be raised in order to take the place of our failing customs receipts I introduced an inheritance tax bill which provides a graduated scale of taxes on all devises, bequests, and transfers of property by will or the intestate laws of any State or Territory. My aim in drafting this bill was to subject the swollen fortunes of this country to a tax that would furnish a considerable sum of money for the support of the General Government. A tax on inheritance, together with an increase on the rates of the larger incomes, it was thought, would supply us with plenty of funds.

But the President and Secretary of the Treasury are of the opinion that a bond sale at this time would be impracticable and dangerous because of the critical financial condition of this country as a result of the war, and that revenues derived from an inheritnace tax and from an increase of rates on larger incomes would not be available for some months. Therefore these methods for increasing the revenues of the Government could not be considered in this emergency.

Since the beginning of the European war more than $1,000,000,000 of American securities owned by foreigners have been dumped, so to speak, upon our markets. The New York Stock Exchange was obliged to close its doors shortly after the war begun, and business has not been resumed since. The fact of the matter is the European war has not only struck down our customs duties to the amount of $10,000,000 a month, but it has

also completely demoralized trade and industry and brought about in this country a critical financial situation.

The United States Treasury can not stand the shrinkage of revenues resulting from this war. The financial integrity of the Government must be maintained.

Government funds now on deposit in various parts of the country for crop-moving purposes can not be withdrawn without running the risk of bringing about a financial and industrial crisis. For the same reasons a bond sale is impracticable at this time. A sale of $100,000,000 of bonds would cause a withdrawing from the banks of that much money, and consequently make the financial situation more critical. Therefore it appears that there is nothing left for Congress to do but to pass this emergency revenue measure.

An effort has been made in this debate to make it appear that the President and his Secretary of the Treasury are advocating the passage of an emergency tax bill because they are trying to favor the banks of the country by refusing to withdraw Government funds now on deposit in the banks.

A sufficient answer to this contention is the fact that by the terms of this bill the banks are called upon to pay a substantial part of the total sum to be raised.

It has been the policy of this Government for many years to keep Government funds on deposit with the different banks throughout the country, and the only difference between this administration and former Republican administrations in this respect is that under the present administration the banks are required to pay 2 per cent for the Government money in their vaults, while under former administrations they got the money for nothing.

It has been repeatedly charged on this floor that this legislation has become necessary because of the failure of the new tariff law as a revenue producer. But the facts do not sustain this charge.

The Government receipts from all sources, not including postal receipts, for the fiscal year ending July 1, 1914, first year of the Underwood tariff law, were $734,000,000, as compared with $724,000,000, the receipts from the same sources for the last fiscal year of the Payne-Aldrich tariff law.

Instead of being a failure as a revenue-producing measure, the Underwood tariff law, with its income-tax feature, produced approximately $10,000 000 more revenue in its first year than the Payne-Aldrich tariff law did in its last year. Therefore the tariff policy of the Democratic Party can not in any way be held responsible for the measure we are now considering.

Much has been said during this debate about the extravagance of the Democratic Party as a cause for this emergency tax measure.

Here again the facts do not support the charge.

The Democratic Party has been in partial control of this Government for 2 years, and in complete control for about 18 months, and during all of this period appropriations have been made for 3 fiscal years—1913, 1914, and 1915.

The appropriations for the fiscal years 1913 and 1914 were the joint work of a Democratic House, Republican Senate, and a Republican President, and both parties are responsible for these appropriations, although the record shows that when these bills became laws they carried appropriations to the amount of $54,000,000 more than they did when they were passed by the Democratic House, as a result of increases made by a Republican Senate.

The appropriations for the fiscal year ending July 1, 1914, for which the Democratic and Republican Parties are jointly responsible, amounted to $1,098,000,000.

The Democratic Party alone is responsible for the appropriations made by the present Congress, which amount to $1,115,000,000, in round numbers. These appropriations provide for the expenditures of the Government for the fiscal year ending July 1, 1915.

Increase of appropriations of present Congress for fiscal year ending July 1, 1915, over appropriations of Republican and Democratic Congress for fiscal year ending July 1, 1914, $17,000,000.

The present Congress has been obliged to make unusual and unavoidable appropriations for the fiscal year ending July 1, 1915, because of the development of the parcel post, the war scare in Mexico, the European war, and for the Panama Canal, as follows:

Increase in Post Office appropriations	$28,000,000
Appropriations resulting from Mexican situation	20,000,000
Appropriations resulting from European war	8,000,000
Appropriation for Panama Canal in excess of amount required of last Congress	2,000,000
Total appropriations of present Congress that were unavoidable and unusual	58,000,000

The pension appropriations for the present Congress were $11,000,000 less than the pension appropriations of the last Congress because of a decreasing pension roll. Deducting $11,000,000 from $58,000,000, we have $47,000,000 as representing the extraordinary and unavoidable appropriations required of the present Congress that were not required of the last Democratic-Republican Congress.

The increased appropriations because of the Mexican situation and the European war are accounted for as follows: The Army and Navy bills, when they finally became laws, carried appropriations amounting to approximately $12,000,000 more than they carried when they passed this House. There can be no doubt at all but that the increases in these bills made by the Senate were the result of the critical Mexican situation at that time. Appropriations in deficiency bills for the Army and Navy as a result of the Mexican situation were made to the amount of more than $8,000,000; $2,750,000 was appropriated for the purpose of bringing Americans home from war-torn Europe; $5,100,000 was appropriated for the purpose of starting a war-risk insurance bureau, made necessary by the European war, in order to enable American products to reach foreign markets; and $1,000,000 was appropriated to enable our foreign embassies to take care of increased business as a result of the war. Our embassies are handling to-day the foreign business of the warring powers.

In passing, it might be noted that the Post Office Department of this Government, for the first time in a quarter of a century, is self-sustaining, thanks to Democratic efficiency, and the increased appropriations made by the present Congress for the development of the parcel-post and postal facilities in general can not in any way be made the basis for the charge of extravagance against the present administration.

Eliminating the unavoidable and unusual appropriations of the present Congress made necessary by the Mexican and European situation, and eliminating increased appropriations for the Post Office, which are taken care of by the revenues of that service, and eliminating the increased appropriations for the completion of the Panama Canal, it appears that this Congress in its appropriations for the fiscal year ending June 30, 1915, has retrenched and economized to the extent of $30,000,000 in comparison with the appropriations of the Democratic and Republican Congress for the fiscal year ending June 30, 1914.

This is not the only comparison that can be made regarding national expenditures that will give us some idea as to what would have been the condition of the Public Treasury if the Democratic Party since coming into power had practiced the brand of economy that the Republican Party indulged in when it was in power.

The appropriations for the support of this Government were increased under Republican rule from $485,000,000 in 1898 to $986,000,000 in 1909, or an increase of more than 100 per cent in 11 years.

During its last six years of power the Republican Party increased the expenditures of this Government on an average of $210,000,000 a year, and during its last three years of official control the appropriations for the support of the Government were increased $307,000,000 over the appropriations for the three previous years, or an increase in national expenditures on an average of more than $100,000,000 a year.

The total appropriations for the last three fiscal years, during which time the Democratic Party has been in partial and complete control of the Government, exceeded the total expenditures for the three previous years—Republican years—by $150,000,000, an increase on an average of $50,000,000 a year, as compared with an increase on an average of more than $100,000,000 a year during the last three Republican years.

During the last 25 years appropriations for the support of the Post Office Department and for pensions have constituted the two big items that go to make up the sum total of our national expenditures, and in comparing the financial records of different administrations these two items may well be eliminated.

I say these two items may be eliminated because the Post Office Department, as stated herein, is self-sustaining, and any expenditures for that branch of the Government go directly for the benefit of the people and are paid for out of the growing post-office receipts and should not be considered at all in the matter of estimating increases or decreases in appropriations. Likewise should the appropriations for pensions be eliminated because, I take it, there are no Members of the Republican side of this House who will stand on this floor and denounce the Democratic Party for having made more liberal provisions for the old soldiers in their declining years.

Pension legislation has come to all parties as a result of our wars, and very little criticism has ever come from the public

generally because our pension laws have been made more liberal.

Personally I have no apologies to offer for any vote of mine on pension legislation. I believe that the gallant defenders of the Union—in fact, all the soldiers of the Republic—have received nothing more than they were entitled to at the hands of a grateful people.

I am satisfied that the Democratic Party will not be censured for having made appropriations to make easier and pleasanter the last days of the scarred veterans of the Republic as they march gallantly on toward the setting sun of life.

The appropriations for post-office maintenance for the last three fiscal years exceed the appropriations made for that service during the last three years of Republican rule by $132,436,000, and the appropriations for pensions for the last three fiscal years exceed the appropriation for the same fund during the last three Republican years by $41,478,000, or a total increase of appropriations for these two items during the last three years of Democratic control over the last three years of Republican rule of $174,000,000.

If we eliminate the increase in appropriations made during the last three years for the support of the Post Office Department and used largely in the development of the parcel post, and if we eliminate the increase in appropriations for pensions made during the same period, we find that the expenditures for running this Government have been $24,000,000 less during the said last three years under partial and complete Democratic control than they were during the last three years of Republican rule.

It is not contended that the Democratic Party has made the record for economy that it ought to have made since it has come into power in this House, but it is submitted that to be able to reduce the ordinary expenses of this Government $30,000,000 in a single year is an achievement that ought to at least protect the party from being charged with extravagance by the survivors of the Cannon régime.

It would seem that the party that permitted the expenses of our Government to increase 100 per cent in 11 years, that the party that increased the appropriations for the support of the Government during its last six years of official power at the rate of $210,000,000 a year on an average, ought not to be charging with extravagance a party that has been able to conduct the ordinary expenses of the Government with decreased and not increased appropriations.

If the Democratic Party had followed the example set by the Republican Party during its last six years of official life in the matter of governmental expenditures, the total appropriations for the present year, instead of being $1,115,000,000, would have been closer to $1,300,000,000.

Well might the gentleman from Pennsylvania [Mr. HULINGS], a Progressive Republican, state, as he did on the floor of this House in this debate, that "it lies not in the mouth of the Republican Party to charge the Democratic Party with extravagance."

A few weeks ago the ranking Republican Member of the Committee on Appropriations, the gentleman from Massachusetts [Mr. GILLETT], read a lecture to the Democratic Party on its extravagance in the management of the finances of this country. The gentleman especially denounced the Democratic Party for creating a lot of Federal offices, and in particular did he object to the conduct of the party in the creation of the Federal Reserve Board and the new Trade Commission.

I have no doubt at all but that every sympathizer with the old régime objects to the creation of the positions made necessary by the enactment of the Glass currency bill and the Federal Trade Commission bill. If Cannon was still in power in this House, these offices would never have been created, because the Cannon part of the Republican Party would never have framed any such laws. These laws were passed for the purpose of controlling monopoly. The supporters of Cannon and the believers in Cannonism never had much use for legislation designed to control monopoly, and particularly for legislation that would interfere with Wall Street in its control of the financial affairs of this country.

Here, again, the record makes the apologists for the old Republican régime look ridiculous when it disclosed the wholesale increasing of Federal offices during the last 16 years of that party's lease of power.

When the gentleman from Massachusetts and his party came into power in 1897 they found a Government pay roll of only 178,000 names, but when they left office in 1913 they left a Government pay roll upon which appeared the names of 441,000 people.

In the four-year period from 1909 to 1913, when this country was under complete control of the Republican Party, there were 100,000 names added to the pay roll of the Government, or an increase in Federal offices at the rate of 25,000 a year.

Think of it! From the inception of this Government down to 1897, it was found necessary to create only 178,000 Government positions; yet the Republican Party of Cannon, Dalzell, and PAYNE found it convenient to increase the number of public offices 260,000, or more than 200 per cent, in 16 years, in order to find official pap for every party worker.

The opponents of this bill are not opposing it because they object to any of its items. They are opposed to the passage of this bill or any bill of this character. In other words, they are playing politics. They do not hope to beat this bill; they do not wish to beat it. They do not desire that their country's financial and industrial welfare should be threatened by a refusal to pass this measure, but in the hopes that it may better their political fortunes they are widly denouncing the Democratic Party for attempting to pass this measure.

How unlike the conduct of the Democratic Party when the Spanish War revenue measure was up for consideration! The Democratic Members of Congress at that time did not oppose the granting of ample revenues to the Government, although they did differ on the methods to be adopted for securing such revenue.

At the time of the Spanish War bonds to the amount of $200,000,000 were issued and sold, and the proceeds turned into the Treasury, and an emergency revenue measure was passed providing for additional revenue to the amount of more than $100,000,000 a year.

The Spanish War lasted only a few months. War was declared in April; Dewey sailed into Manila Bay and sunk the Spanish fleet in May; the Cuban campaign was practically over in July, and the boys were being mustered out in September.

Charles Morris in his history of the Spanish War estimates that this war cost the Government $130,000,000.

Notwithstanding the fact that in the beginning of the Spanish War bonds were sold to the amount of $70,000,000 more than the total cost of the war, on the 13th of June, 1898, the Republican Congress passed an emergency revenue measure providing for the raising of $105,000,000 a year, and the said revenue measure remained on the statute book for more than 2½ years after the war was closed.

The fact of the matter is, the war was almost over when this revenue measure was passed, and after the Treasury had received from the sale of bonds more than enough to cover the total cost of the war.

Some of the Members on the floor of this House who assisted and were responsible for the financing of the Spanish War are now heard in denunciation of the Democratic Party in its attempt to raise $100,000,000 by an emergency revenue measure to take the place of $100,000,000 in customs duties struck down by the war.

It is a remarkable fact that the Members from the Republican side of this House who are most severe in their denunciation of this bill as an unjustifiable burden on the people, and who are loudest in their talk of economy, are the very Members who several months ago were trying to goad the President and this country into a war with Mexico. If these gentlemen had been successful in their efforts to bring about war in this country, what would have been the financial consequences of their efforts, not to mention the anguish and sorrow of mothers, fathers, brothers, sisters, and sweethearts of American soldier boys whose lives would have been sacrificed on the field of battle?

If our country was at war with Mexico to-day—and we would have had a war on our hands if the critics of this bill and of the Mexican policy of the President had had their way—the administration would be obliged to ask not for the passage of a hundred-million-dollar emergency revenue measure but for a billion-dollar measure.

This is not the time for playing politics when the credit and financial stability of the Government are at stake. The Democratic Party is facing a crisis not of its own creation. It is always disagreeable and highly dangerous from a political standpoint, especially on the eve of an election, to pass a tax measure.

President Wilson has solved this problem from the standpoint of what is right and not from the standpoint of what is expedient. The President believes in meeting all questions and all emergencies fairly and candidly; he believes in being honest with the people; and while it would undoubtedly be to his party's interest to have delayed the passage of this measure until after election, he is not the kind of a President to permit party expediency to interfere with what appears to him to be his plain duty.

Mr. PAYNE. Mr. Speaker, I yield to the gentleman from Nebraska [Mr. SLOAN.]

Mr. SLOAN. Mr. Speaker, I wonder if the gentleman from Massachusetts [Mr. GALLIVAN] had read the morning dispatches from the South what effect it would have had on his eloquent and beautiful exordium. [Laughter and applause on the Republican side.] I sat with interest listening to the eloquent gentleman from Kentucky [Mr. SHERLEY], who charged that the men on this side lacked intelligence in their defense and protest against the strong hand of taxation being laid on the American people. We on this side were all glad that the gentleman from Kentucky had not qualified as the official censor and critic of intelligence. I recognize in the gentleman from Kentucky the proof of intelligence and shrewdness which he denies us, because when the President of the United States suggested means of raising this revenue that it should be that from which there would be a "yield with a certain and constant flow"—mark the words—it meant malt first, vinous second, spirituous third. But the great product of Kentucky is exempt from the operations of this bill. [Laughter and applause on the Republican side.]

We think in triads. So when the first and second articles included in the suggestion were named, and then they suddenly sidestepped the third, took a tangent and burdened business, it was a violence to rhetoric, a shock to logic, but it seemed to conform to the demands of geography. [Applause on the Republican side.] The gentleman from Tennessee [Mr. HULL] saw fit to refer to those who happened to differ with him in respect to this bill as "driveling idiots." I deplore his adverse judgment. I will not answer in kind, because I know he is not. I want you to remember the gentleman from Tennessee is the author of the income tax; he predicted that from personal incomes we would raise $70,000,000 in the first year, whereas the actual amount realized is little more than $30,000,000. He came within $40,000,000 of it. Under the circumstances we can probably afford to take the gentleman's adverse characterization as complimentary. That is the second great failure feature of the Underwood law.

The gentleman from Tennessee also invoked the shades of the eloquent Senator from Iowa, Mr. Dolliver, who had in a moment of passion seen fit to characterize adversely the tariff law of 1909 as a fraud. Yes; and I venture to say that if the eloquent and superb Senator from the State of Iowa, once a Member of this House and now gone to his reward, could return to earth and look upon the legislation enacted since he departed, eloquent as he was, imaginative as he was, with such a profound command of the English language, with that precision and purity of diction for which he had no peer in America, he would have looked upon the Underwood bill, and, quailing at the task of proper characterization, said, "As a legislative folly and failure it was the last word in legislation." [Applause on the Republican side.]

The real proposition before us is that we shall lay the strong hand of the Government upon the people in the form of taxation, to wring from industry and the poor nearly a quarter of a billion of dollars. The sum is not $100,000,000, as asked by the President, nor yet $105,000,000, as discussed by the committee. The bill by its terms becomes operative upon its passage, presumably in a few days, except the stamp tax, which goes into effect November 1, 1914. The stamp tax ceases by the terms of the bill December 31, 1915. If the bill goes into effect early in October, the amount collected by the time the stamp tax terminates will amount to about $130,000,000. Taking into account the location of the veto power, those representing the people and opposed to this tax can not force its repeal before some time after March 4, 1917, when the collections will have amounted to $120,000,000 more, or a quarter of a billion in all.

The eminent author of the Underwood law endeavored to defend it as a revenue producer save for the loss of customs duties incident to the European war. He forecasted the customs income for the first year at $267,000,000, or $22,250,000 per month. The receipts from customs fell short of this average in November, December, February, April, and May following passage of the tariff act. The average falling off for August and September from that average was only $3,921,376 per month; and if this war continued with unabated fury for a year and customs duties not tend to become normal the deficit from that source would be less than $48,000,000. This is not possible; $30,000,000 would more probably fairly meet it. Now, the Underwood law will remain in operation, and even though it should fall short $30,000,000 on customs and $40,000,000 on income tax next year, as it probably will, there is no occasion for wresting a quarter of a billion taxes out of the people. In this appears the real reason why all amendment to the bill is forbidden by the rule under which its consideration is being conducted. An amendment to limit the operation of this law to six months or a little longer would have probably carried in the House if the Members had been free to vote on it. But the large purpose of the majority is to create a large fund to tempt large and extravagant appropriations.

The Underwood law is a failure, first, in its primary purpose as a revenue producer, as confessed in the presentation of this bill within a year after its passage. No great law should be constructed for simply "summer skies and sunshine"; it should be constructed to meet emergencies as well as ordinary demands.

It fails in its two principal features—first, customs duty; second, income tax.

As a revenue producer from customs, it fails largely because of its fundamental injustice and discrimination against the producers of America. Had farm products not been placed upon the free list, or rates so radically reduced, the revenue arising from their importation would have more than made up for all the probable loss that may arise by reason of the vast war zone of Europe. Farm products for the last year have been coming in from Australia, Canada, and South America, which are not embraced in the war zone. The importations for the first 10 months of the Underwood tariff law of 27 leading farm products amounted to $143,766,341, as opposed to $53,610,961 worth in the corresponding period under the former law. The loss of revenue for that period, due to the removal and reduction of rates of the Underwood law, amounted to $40,183,580.04. Assuming that the last 2 months of the first year of the present law will average with the other 10 months, the toal loss of revenue on these 27 articles will be $48,540,296.06. That this will really amount to more than $50,000,000 I am convinced, because I have just received the figures for August, and while the increase for 10 months amounted to only 168 per cent up to the month of August, 1914, the increase of these 27 articles over the August before amounted to 190 per cent. The amount of imports of these 27 articles for the month of August, 1913, was $4,246,659, while for August, 1914, it was $12,354,801. The following is a list of the losses of revenue upon each of these 27 articles for the first 10 months under the present tariff law:

	Loss of revenue.
Horses	$301,756.95
Cattle	4,678,137.45
Sheep	69,448.43
Other animals, including poultry	69,961.29
Corn	2,041,161.15
Oats	2,026,988.64
Wheat	302,489.40
Hay	305,006.00
Beef and veal	2,856,859.21
Mutton and lamb	207,498.97
Pork	159,271.57
Bacon and ham	143,353.24
Prepared meats	534,039.50
Bread and biscuits	95,573.25
Milk and cream	148,919.85
Butter and substitutes	268,980.88
Cheese and substitutes	1,060,301.74
Eggs	301,405.20
Beans	296,072.20
Onions	182,479.60
Peas	169,218.20
Potatoes	415,572.75
All other vegetables	146,472.30
Wool	23,402,612.27
Total for first 10 months	40,183,580.04

It will be seen by this that had the farmers of this country not been discriminated against there need be but little deficit in the Treasury, although the extravagant expenditures practiced by this Congress should be insisted upon and carried through.

When the President asked for $100,000,000 there was pending, with good prospect of passage, a rivers and harbors bill appropriating fifty-three millions. A determined minority of the Senate has since caused that to be cut down to twenty millions, thereby saving more than the reasonably expected deficit in customs receipts for the 12 months following the beginning of the war. There is a ship-purchasing bill, involving $30,000,000.

The present terms of that bill provide the amount to be raised by bond issue; but the President's message clearly shows that the bond issue would not be available at this time. Then, too, the Congress would probably do with this as it did with the Alaska bill. There it was proposed to raise the amount of money by the issuance of bonds, but when it came to the test Congress refused to issue bonds, and simply arranged for the payment out of the Treasury. Undoubtedly that would be the course followed in the ship-buying project. Then there is the project for paying Colombia $25,000,000 for some vague and shadowy claim which that country is asserting, which would make up, in all, $88,000,000. It would be very easy, by reasonable economy, to make up the additional $12,000,000 and dispense with any necessity of this war-revenue bill.

Everybody in the United States with a due sense of our conditions for the last 16 months has been economizing. Even

here in Washington more Members and Senators are dining at Childs's and fewer at the New Willard than have been for two decades.

The following is an editorial from the Beatrice Sun, the leading Democrtic paper of the congressional district which I represent:

Our beloved country is at peace with the world, yet it is proposed to impose a war tax upon our people, and, what is worse, special taxes upon business, which has not been as brisk as we could wish. Before the Government is fully committed to that policy for increasing its income, why not consider doing something to expenditures to make them come down to speaking terms with income?

In our individual affairs, when income is curtailed by bad crops, slow business, sickness, fire, storm, or any cause whatever, we try to get along without some of the things we would have bought had the income been unimpaired. The summer vacation is shortened or cut out altogether. The straw hat that saw its best days a year ago is made to serve. The old automobile is polished up and used another season instead of being traded in on the newest creation. When his income slacks up the prudent man tries to put the brakes on his expenditures.

The gentlemen with whom we have intrusted the running of our Government do not seem to apply the same principles to the public's affairs that they would apply to their own. Why not try to make appropriations meet income, part way at least, instead of imposing burdensome taxes upon the people and upon business in peaceful times in order to get money for Government luxuries? To a man up a tree it looks as though some economies might be effected "and still the White House carpet not be threadbare."

The farmers, business men, and laborers of the United States are not prepared to accept and are making their protest felt against the levying of war taxes in time of peace when the Treasury can be replenished by the exercise of the reasonable economy which the citizens of the United States are now observing. But the great reason for levying this war tax in time of peace is not to replenish the Treasury, but to enable the banks to keep the $75,000,000 now on deposit. Chairman UNDERWOOD said this money was deposited to the extent of $60,000,000 in the banks at the time his party came into power, and his party's administration has increased that amount to $75,000,000. This is a remarkable utterance in the light of the following plank in the Baltimore platform:

We condemn the present methods of depositing Government funds in a few favored banks, largely situated in or controlled by Wall Street, in return for political favors, and we pledge our party to provide by law for their deposit by competitive bidding in the banking institutions of the country, National and State, without discrimination as to locality, upon approved securities subject to call by the Government.

Even as this debate proceeds the Secretary of the Treasury is charging many of the banks, some of which are holding this Government money, with unduly hoarding their funds and charging an exorbitant rate of interest to their borrowers for what they had let out.

The farmers and business men do not want to pay through the price of gasoline, through the sum paid when they sign a note, execute a mortgage, or make any conveyance this money just to enable the banks in the East and South to hoard Government funds for which they pay 2 per cent interest and loan it out at from 6 to 10 per cent.

Neither do bankers, who obtain no advantage whatever from these deposits, nor other business men selected by this bill to bear special burdens of tax, feel that they are being properly treated by the taxing power of this Government in being required to pay a war tax in time of peace in order to raise money to pay the running expenses of the Government, while the Government has deposited, payable upon demand, $75,000,000 in certain banks. I might say in passing that not a dollar of this Government money is deposited in the congressional district I represent, and it has one of the largest crops in its history to move.

Of course, the second and most important failure of the Underwood tariff law is its disastrous effect upon business. The nonemployment of labor, the inactivity of factories, the stagnation of business generally, and the increasing purchase of foreign-produced articles have changed the course of the golden current which has heretofore been running into this country and sent it rushing to Europe. The balance of trade, beginning with April and ending with July, this year has been against us, in the sum of $20,500,000. For 13 months ending July 31, 1914, imports have increased $102,084,509 over the corresponding period, while the exports have fallen off in the sum of $108,166,147—a loss to us in our trade relations, so far as production of money is concerned, of $210,250,656. If that amount of money, which should have been kept in this country, were retained here and in the banks or elsewhere, there would not be so great a stringency as we have been suffering from for several months past entirely independent of the war.

I am not convinced that the drawing of two to four million dollars per month out of the banks for use by the Government—knowing that a very large portion of it would be returned to some of these banks—would seriously hamper any of them. And I believe that if this legislation is passed as it is being attempted to be passed—upon the basis that it would disturb the banks to have the Government draw its own money from them for its own purpose—it would cause the banks to lose more money from other depositors than all the Government might see fit to draw.

This bill should be defeated because it can only be necessary if unnecessary expenditures are made. Unnecessary expenditures need not be made if the Government will economize, as its citizens are doing. It is unnecessary and unwise to create a fund which at the end of this foreign war condition will leave from $150,000,000 to $250,000,000 in the Treasury to be exploited in all kinds of unwise, improvident, unsound, and unnecessary governmental expenditures. [Applause on Republican side.]

Mr. KELLY of Pennsylvania. Mr. Speaker, I yield to the gentleman from Illinois [Mr. THOMSON].

Mr. THOMSON of Illinois. Mr. Speaker, I shall vote against the passage of this bill. I shall do so with some reluctance. I would like to avoid, if possible, the casting of a vote that even had the appearance of being cast for political reasons. But, although a vote against this bill in the face of the reasons that are advanced for its passage may seem to some to be one inspired by a desire to play politics, I assure the House, and particularly those on the majority side, that I am not opposing the bill for any such reasons. I would support the administration in this matter without the slightest hesitation and vote for the imposing of further taxes if I was convinced that any such step was necessary at this time or that it was going to be necessary in the near future.

In proof of these statements I think I have but to point to the fact that I supported the President in the Panama tolls matter in the face of the fiercest kind of opposition, and I also voted in favor of the resolution upholding his course with regard to Mexico. But I am utterly unable to see the necessity of this bill now. It might be necessary to take such a step as this in time, and if that time came I would support such a measure as this, but until it does come I shall oppose it.

Mr. Speaker, the worst thing about this bill is the special rule by means of which it is being jammed through this House. Such a rule as this makes a joke out of representative government. It is without the slightest excuse or justification for existence and is the most outrageous and disgraceful of all such rules that the majority has brought into this House.

In the report filed on the war-tax bill by the majority of the Committee on Ways and Means they tell us that it is expected that the taxes it proposes will amount in the first year it is in force to $105,000,000. The special rule forced through the Committee on Rules and then forced through the House by the majority here under which we are considering this bill provides for seven hours' general debate, at the conclusion of which, the rule provides, "the previous question shall be considered as ordered on the bill to final passage without intervening motion, except on a motion to recommit." In other words, we are asked to tax the people of this country $105,000,000 in the next 12 months by placing additional taxes on the commodities and documents specified in this bill with a limit of seven hours placed upon its consideration and discussion. And we must take this bill with its terms just as they are or leave it, for under the terms of this special rule there is not only no hope of having the House adopt any amendment, but under the rule we are denied the right to even offer an amendment. What a farce such a proceeding is! Who is representing the people of the 435 congressional districts of this Nation in the making of this legislation so far as this House is concerned?

The majority members of the Ways and Means Committee are representing them, or, when you get right down to bedrock, their sole representative here is our genial and able friend from Alabama [Mr. UNDERWOOD]. He wrote this bill, and without the change of a letter, except as I shall note in a moment, it has been recommended by the committee and will be passed by the House.

What were the Members of this House sent here for? To turn over all their powers and duties and rights as legislators to the leader of the majority, whoever he might be? Not at all. But that is the practical result of the adoption of this special rule. Why, by means of the force and power that goes with greater numbers, compel Members of this House to take or leave a bill as one man chooses to offer it? Why jam a gag rule through the committee and the House, which refuses a full and free discussion of this measure, first, as to its necessity as a whole, and, second, as to the wisdom or need of its specific provisions?

All the time consumed on debate of any measure under a rule like this one is a joke. To be logical, those who believe in put-

ting legislation through in this way should have their rule provide for no debate at all. The result would be the same. But why do they not carry their theory to its logical end and put their legislation through without uselessly taking up even so brief a time as seven hours in debate that can not possibly affect the legislation in question? To fool the people, to give the proceeding the appearance, at least, of legislative procedure. To one looking on from the outside the use of such machinery as this to get a bill through the House would seem to mean that all the wisdom of the House resides in the minds of the majority members of the committee reporting the bill. But certainly the last word has not been spoken, either on the wisdom or the correctness of the detail of legislation, when the committee is through. The necessity of two corrections in the bill has been discovered since the bill was reported on Tuesday. Doubtless there are other changes that should be made and that could and would be suggested by the membership of this House but for this gag rule. And the majority makes this rule so drastic that it takes away from the House even the right to vote on the two changes that have been found to be necessary, for the rule provides that the two amendments making these changes *shall, upon* the adoption of the rule, "be considered as offered and agreed to." This is gag rule run mad.

I confess that when I come to consider and determine my vote on a bill, under the circumstances created by such a rule as this, I do so with something akin to a prejudice against the bill itself. I have made every effort, however, not to permit my disgust for the rule to interfere with my conclusions upon the bill.

Now, why are we asked to provide for this additional taxation at this time? Because during the month of August there was, as compared with the corresponding month of last year, a falling off of $10,629,538 in the revenues collected from customs, and we are told that a continuation of this decrease in the same proportion throughout the current fiscal year would probably mean a loss of customs revenues of from sixty to one hundred million dollars.

As I have considered that reason which has been advanced by the majority for this proposed legislation, two things have occurred to me. The first is this: The supposition that the falling off in revenues collected from customs during the month of August will or may continue throughout the present fiscal year is a pure guess, and I do not believe we ought to base a revenue bill calling for a hundred millions in additional taxes on a guess. It is admitted that the Treasury is in no need of these additional taxes to meet obligations now, but we are urged to avoid future embarrassment by providing for these additional revenues at this time. If the consideration of this legislation were postponed until the coming short term of Congress to be held this winter, we would then be able to tell much more accurately what the falling off in customs revenues would be for this fiscal year, because we would then know whether the falling off for August, the first month of the disturbance in Europe, was continuing about the same as it showed for that month or was increasing or decreasing. In other words, it seems to me that the figures for the first 30 days of the war are too uncertain on which to base additional revenue legislation, and before passing such legislation we might better wait until we are in a position to frame it and pass it in the light of the falling off in customs revenues which actually occur in the first three or four months of the war. If our Treasury did not enjoy its present balance on the right side of the books, the case might be different. But with a general fund balance in the Treasury amounting to about $119,000,000, it seems to me we can afford to wait before passing such a bill as this, at least until we have more than one month's experience with the results of the disturbance in Europe on our customs receipts.

Mr. UNDERWOOD told us yesterday that if the party in power kept silent on this question now and after the elections were over brought in such a bill as this the charge would be made that they had deliberately attempted to deceive the people and had avoided meeting the issue until after the election. I believe he is right about that. But any such result could easily be avoided by a frank statement issued by some official in authority to the effect that if the falling off in our revenues continued for several months as it had during the first month or two months of the war it would be necessary to provide for additional revenues, but that the passing of such legislation would not be taken up until after the first of the year, so that an opportunity might be given to determine as definitely as possible, first, whether conditions due to the war were going to so affect our revenues as to make such a measure necessary, and, second, if it did prove to be necessary, just how much further revenue was going to be needed. If the position of the party in power were thus clearly made known, and legislation did prove to be necessary later, no charge of attempting to deceive for campaign purposes could successfully be made.

Another thing that I would call attention to is this: We are asked to provide for additional revenue to the extent of a hundred million dollars on the ground of a ten-million-dollar falling off in customs revenues for the month of August compared with August, 1913. A falling off in the customs revenues to that extent does not warrant the levying of these additional taxes, it seems to me. The best friends of the Underwood tariff bill admitted that it would result in a falling off in customs revenues, and, of course, it did. This has nothing at all to do with merits or demerits of the present tariff law, and I do not wish to be understood as defending the old law. What I mean is that the present law, because of its lower duties, must necessarily have resulted in a falling off in customs duties. The party in power provided for that very result and put the income-tax law on the statute books so as to provide the Government with revenues to the extent of the falling off that was going to result from the lower duties provided in the new tariff law.

Now, if we are going to pass a bill at this time providing additional revenue for the Government based on the falling off in revenues, we should determine the amount of additional revenue called for in this bill, not on the falling off in customs revenues, but on the falling off, if there is any, in the total revenues. It is just as unreasonable to base the amount of additional tax to be levied by this bill on the falling off in customs revenues as it would be to argue that there could not possibly be any reason for any additional tax because of the increase in income tax collected in any given month this year over the corresponding month last year.

Mr. Speaker, I hold in my hand a copy of the daily statement of the United States Treasury giving the figures up to the close of business on Wednesday of this week, September 23. That statement shows the following facts with reference to the general fund balance: The total receipts of the Government, including customs, internal revenue, and miscellaneous, for the month of September up to and including the 23d were $42,319,728.53. The total receipts for the same period last year amounted to $44,050,174.72. This means a falling off in the total receipts of the Government for this period amounting to $1,730,446.19. The falling off in the total receipts for August of this year, as compared with August of last year, amounted to $10,527,208.86. In other words, present indications seem to point to the fact that the falling off in the total revenues, amounting in August to about ten million and a half, is going to amount to less than two million and a half for the present month.

In figuring up the falling off in revenues from all sources for any given month another fact must be taken into consideration. Under the income-tax law practically all the revenue from that source comes into the Treasury during May and June, and therefore we ought to spread the revenue from this source over the entire year in estimating a falling off in revenue for any one month as compared with the same month last year. If we pursue that course in estimating the falling off in revenues from all sources for August, that falling off will amount to only seven million and a half, for in spreading over the revenues from the income tax we would have to credit some $3,000,000 for each month. When we take this item into consideration in determining the condition of the revenues during the present month, instead of there being a falling off in revenues from all sources during September, as compared with this month last year, we will actually be running ahead about half a million dollars.

These facts prove to my mind that Congress is not justified in passing this bill levying more taxes and raising additional revenue, based on the supposition that the $10,000,000 falling off in the revenues that occurred in August is going to continue throughout the fiscal year. But even assuming a loss in revenue for the current year to the extent of a hundred million dollars, which I have shown will probably not be the case, I still contend that this measure is not necessary at this time. The majority tells us in their report on this bill that this loss of revenue will cause a serious deficit in our Treasury balance "unless replaced by taxes from some other source." That is not the only alternative open to us.

Retrenchments and economies can be made and practiced which will accomplish the same result. A good start has been made in reducing the appropriations made in connection with the rivers and harbors bill by reducing them from $53,000,000 to $20,000,000, provided they are kept there. It would be well to keep both eyes on that bill, by the way. It would be a fine spectacle if the Senate amendment to that bill should be disagreed to here and the bill sent to conference, there to slumber until after the elections and after additional revenues had been

assured by the passage of this bill, and then during the short session be returned by the conference committee in its original form or anything like its original form.

Another step in the right direction can be made by not passing the so-called shipping bill. Aside from the fact that there are good reasons why the Government should not take any such course as is suggested by the terms of that bill, particularly at this time, there is the additional reason for not passing it, that it can not be afforded. If that bill is not passed, the Government Treasury will be spared an expenditure of $40,000,000.

I believe a public-buildings bill has been contemplated for the session of this Congress to be held next winter. How many millions that bill would carry no one can tell. I presume forty millions would not be far out of the way. Most, if not all, of that should be eliminated at this time. If the purchase of no new building sites is authorized and the construction of no new buildings is provided for by this Congress, but such a bill confined to provisions for continuing contracts on projects now in course of construction, millions of dollars can be saved.

All the appropriation bills for the present fiscal year have been passed except the rivers and harbors bill. We were told yesterday that, disregarding that bill and the corresponding bill for last year, the total appropriations made for the current fiscal year exceed those made for last year by about $...1,000,000, and that statement has not been denied. Although Congress has passed the bills making these appropriations, there is no law that I know of that compels the different departments to spend all the money that has been appropriated. Even the proponents of these large appropriations would have pared them down millions of dollars if they could have looked into the future. Events that were in the future when the appropriations were made are now conditions of the present. Economies necessitated by these conditions can be practiced by the departments notwithstanding the appropriations. If that course is taken, the condition of our Treasury is not such as to need the increased revenues contemplated by the taxes proposed in this bill.

We are told that we have a general fund balance in the Treasury amounting to about $119,000,000, of which $75,000,000 is on deposit in the national banks on call. It is intimated that the withdrawal of these funds might disturb business. Doubtless it would if the banks were called on to return all these millions to the Treasury at once. But no such course as that is necessary. If this money was withdrawn from the banks and returned to the Treasury gradually, business would not be disturbed and the end sought would be reached, for the money would be available for Government use if needed. Certainly there is no justification for the raising of additional revenue by taxation for the purpose of maintaining deposits in national banks.

Mr. Speaker, these are the reasons why it seems to me the passage of such a bill as this, proposing the raising of $105,000,000 in additional revenue through the taxes specified in the bill, is not required at this time. As I said in the beginning, solely for the reason that I believe it is unnecessary, I shall vote against this measure.

Mr. KELLY of Pennsylvania. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. SHREVE.]

Mr. SHREVE. Mr. Speaker, the war measure now being considered is unjustified by existing conditions and unnecessary at the present time.

While customs have declined under the Underwood tariff law, the returns from internal revenue are heavy.

Banks have been allowed to issue emergency currency and, as shown by recent report of the comptroller, are in good condition.

The burden of taxation will fall heavily on our people, already oppressed by change in our system of raising revenue.

Under the Underwood bill nearly everyone in the district I have the honor to represent is taxed.

The farmer will have to pay his full share of the burden. The oil refiner having outstanding contracts on the gasoline he produces will have to continue his operations at a loss. The banker is not exempt. The manufacturer who ships his products will have to pay his part. The man who signs a note or makes a deed or executes a mortgage or takes out life insurance or protects his property with fire insurance is taxed. Everybody is taxed. [Applause.]

Mr. Speaker, the present Congress has been the most extravagant that has ever convened in Washington. Its appropriations exceed by more than a hundred millions any of its Republican predecessors.

By practicing economy we can easily meet the situation created by the war in Europe. Everybody now is practicing economy. Why not the Government?

It is impossible to consider this measure without being reminded that during the campaign of 1912 capital was rejoicing in its productiveness, work was plenty, labor was enjoying the right to sell its services at prices which brought happiness and comfort to all of our homes.

Under Republican rule we as a Nation had witnessed a long period of prosperity, with a steady rise of compensation for every service, whether of brain or muscle.

So securely established seemed our prosperity that many of our citizens thought it beyond the reach of politics, something to be calculated upon with certainty, and something beyond the reach of tariff changes. [Applause.]

Mr. Speaker, the Democratic Party met in convention at Baltimore and adopted a platform. It told the country just what it would do if it had a chance. The election followed and a Democratic House and a Democratic Senate and a Democratic Executive were elected. A free-trade tariff bill was passed, and to-day we are engaged in passing measures that will still further place a burden on the American people. But the change that was so much sought for two years ago has not produced the great benefits to humanity that were so much desired. The cost of living instead of being lowered has reached a higher plane. With the large shipments of farmers' products from Argentina, Canada, and Australia, the farmer finds that his ever-increasing load of indebtedness has not been reduced by reason of the change in party administration. If by virtue of Europe's producing ability being disturbed by the war new demands for foodstuffs will temporarily increase the price of our farmers' goods, it will nevertheless not lessen the burdens laid upon him by additional taxes. Many of our workshops are idle, and the honest and willing laboring men are seeking employment. Merchants suffer because consumers have no money. When we turn the searchlight of public opinion upon our present conditions the American people see things more clearly and now begin to realize that the program of the party in power as it relates to the interests of our people has not been satisfactory.

Mr. Speaker, going back over the history of our country for the last quarter of a century, and after carefully considering the last Democratic administration and comparing it with the present one, we see the deadly parallel and are irresistibly drawn to the conclusion that the paramount issue of this campaign is the tariff.

It will play the determining part in the next campaign for President. Shall the policy of protection, under which the country has so greatly prospered, be continued, or shall we continue under the Underwood tariff, with all of its demoralizing conditions, or shall a radically different policy be inaugurated? The Republican Party is ready with its answer. There is no uncertainty about its position on the tariff. It believes that to abandon the protective policy would be to inflict a serious blow upon American industries. It believes that the American people should supply the wants of America, and in order to accomplish this we must assure the American people of American markets. "Made in America" should be our slogan, inspiring, unifying, and fundamental. Let us carry this banner at the head of our columns.

Our products should be sold in the best markets of the world, American markets; sold where the people have the most money, right here in the United States of America; sold where the laboring man is best paid, best fed, best clothed, and best educated in all the world. Instead of this bill we need a protective-tariff law which will turn the balance of trade in our favor. So, then, it becomes our duty at once to lay the foundation for the victory of 1916 and to establish the principles and practices of protection. Depression will then have its last day. I am confident if the people will elect a Republican majority in the House this fall the Republican Party in 1916 will be returned to the control of national affairs. [Applause.]

Mr. PAYNE. Mr. Speaker, I yield to the gentleman from Iowa [Mr. TOWNER]. [Applause on the Republican side.]

Mr. TOWNER. Mr. Speaker, the President delivered his "war" tax message to Congress on September 4. It is now September 25. Twenty days have passed, not in open debate, not in the open at all, but in private meetings of party leaders behind closed doors, in secret committee conferences, and a secret party caucus. And now, after all these long days of subterranean scheming, this bill emerges, protected by a caucus rule which limits debate and prevents amendment. It is not possible to consider the measure and debate its merits. Barely time is allowed the minority to voice its protest. No opportunity is given to amend the terms of the bill, to strike out some of its items, or to substitute others. The bill must be

taken as it is, and the administration demands that it be passed without change, and at once.

The present Democratic House was elected partly as a protest against what was denominated the tyrannous Cannon rules and upon a promise that there should be free debate and a fair chance to consider on its merits every bill proposed. Instead of this, White House dictation and the caucus have instituted a reign of party tyranny that makes the Cannon régime pale into insignificance. This bill can not be considered under this rule on its merits, and the rule was expressly designed to accomplish that result. The only chance it has of real consideration will be in the Senate, where gag rules can not be applied. But the country is entitled to have measures affecting so vitally its interests considered by its Representatives, fresh from the people and understanding their condition and desires. They will not approve the shackling of their Representatives, and this bill will not the more commend itself to their favor when they understand the manner in which its passage was secured.

NATURE OF THE TAX.

This bill proposes to levy an extraordinary tax of $105,000,000 annually, distributed as follows: On beer and other fermented liquors, $32,500,000; on domestic wines, $6,000,000; on gasoline, $20,000,000; on bankers, brokers, amusement places, and so forth, $10,000,000; on manufacturers and dealers in tobacco and cigars, $5,000,000; on telephone and telegraph messages, $1,500,000; stamp taxes upon deeds, mortgages, bonds, notes, agreements, bills of lading, and so forth, $30,000,000.

The estimate on the amount which will be derived from gasoline is admittedly too low. It will be more likely $30,000,000 than $20,000,000. And the amount paid as a tax will not measure the amount paid on its account by the consumer. Iowa uses 75,000,000 gallons of gasoline annually, and the consumption is rapidly increasing. Its use is not confined to automobiles. It is used by farmers and mechanics all over the State in their stationary engines, and by the housewives in their kitchens. It is purchased for some purpose by nearly every family and is used in a multitude of ways. The direct tax paid on this 75,000,000 gallons will be $1,500,000 annually. But the tax is paid by the producer, and the jobber will add one-half cent to his price, the retailer one-half cent to his, and the consumer will pay at least 3 cents more per gallon on account of the tax. This will mean for Iowa alone an annual contribution of $2,250,000 to the Democratic "war" tax on gasoline alone.

REASONS GIVEN FOR ITS INFLICTION.

The President's advisers, by inducing him to recommend and force through this so-called "war" tax, have subjected him to a threefold attack: First, the Secretary of the Treasury and the sponsors of the new banking and currency scheme have been afraid to put their plan in operation unless they can force the people to contribute to the Treasury so that its resources and surplus may be piled mountain high as a refuge in case of a coming financial storm; second, the author of the Underwood tariff law and his party associates and the authors of the income-tax law, seeing the utter failure of those laws as revenue producers, seize upon the European war as an excuse for a forced assessment on the American people to make good their default; third, the managers of the Democratic Party in the House and Senate, realizing the record of reckless extravagance which their party has made in this Congress, and realizing also that more money must be obtained if they do not bankrupt the Government by their profligacy, inflict this tax to pay for their extravagance.

CONDITION OF THE TREASURY.

The contention that there is justification in the present condition of the Treasury for the imposition of a "war" tax is not justified. There is no necessity for any action at present, so far as the condition of the Treasury is concerned. The Government is not by any means insolvent. There is no deficit in sight. Even under the most pessimistic view we can safely run for months without any change in our laws. We are still operating the finances of the Government under Republican laws. When the Republicans turned over the Government to the Democrats on March 4, 1913, there was a net balance in the general fund of the Treasury of $149,000,000. It is true the Democrats have reduced this surplus until it is now but $119,000,000, but it is still a fairly good balance.

We had gold coin and bullion in the Treasury September 15, 1914, $1,213,000,000. It is true that we had depleted our fund of gold by $100,000,000 during June and July, for we were compelled to ship it abroad to pay the deficit on our adverse balance of trade. But we still have by far the largest gold reserve of any nation in the world. Although the European nations have been accumulating gold for months in anticipation of the war, we have six times as much as Germany, four times that of Great Britain, and twice that of France or Russia.

THE BANKS.

The President realizes this, for in his message to Congress he says:

> The Treasury itself could get along for a considerable period, no doubt, without immediate resort to new sources of taxation. But at what cost to the business of the community? Approximately $75,000,000, a large part of the present Treasury balance, is now on deposit with national banks distributed throughout the country. It is deposited, of course, on call. I need not point out to you what the probable consequences of inconvenience and distress and confusion would be if the diminishing income of the Treasury should make it necessary rapidly to withdraw these deposits.

According to the President's statement, it is not because the Government does not have the money to meet its needs, at least for a considerable time, but because a large part of it is deposited in the banks, and it would "inconvenience" them to withdraw it.

A singular justification for this imposition of a "war" tax on the people! This money was deposited by the Government in the banks, not for them to keep and consider their own, but only as a temporary deposit—"on call," as the President says, until the Government should need to use it. The Government now needs to use it. Why should it not do so?

The President says it would "inconvenience" the banks. No doubt that is true. The banks pay but 2 per cent interest on these Government deposits and loan them doubtless at 8. To the extent of their profit of 6 per cent they would be "inconvenienced." But is an inconvenience to banks who took the Government funds subject to call justification for a "war" tax that will injure and punish every man, woman, and child in the United States? Is the loss of the profits to the banks on these deposits of more consequence to the administration than the laying of $105,000,000 of taxation upon the people of the country?

But the President says that to "rapidly withdraw these deposits" would not only occasion "inconvenience," but also "distress and confusion" to the banks.

In the first place, it may be said that there is no necessity to withdraw the Government funds "rapidly" from the banks. The President estimates the deficit for the fiscal year, which it is necessary to make up by this proposed "war" tax, at $100,000,000. That is but $8,000,000 per month. It would be necessary to withdraw but $8,000,000 per month of the Government's money from the banks, and this amount would supply the expected deficit for nine months. That to do so would bring "distress and confusion" to the banks is not reasonable to suppose.

An examination as to the present condition of the banks shows that never in the history of the Nation were they as strong as now. Two causes have contributed to this: First, the widespread business depression occasioned, as we believe, by the free-trade policy of the administration has caused the banks to get ready for the regular Democratic panic which inevitably follows such legislation. The banks have therefore increased their resources to stand the storm when it should come. Second, the passage by the administration of a new banking and currency law which entirely changes our present system, and, indeed, revolutionizes our whole financial system, has caused the banks, in apprehension as to the anticipated consequences, to pile up their reserves mountain high, so as to be able to protect themselves against the unknown consequences of this theoretical and experimental legislation.

To such an extent has this been carried as to incur the angry denunciation of the Secretary of the Treasury. On the very day we commenced consideration of this bill he gave out a public statement saying that "there was an extraordinary hoarding of money by banks throughout the country and a piling up of resources without occasion." The legal requirements are but 15 per cent, but the Secretary gave instances where they had been increased to over 70 per cent. The Secretary severely censures these banks, publishes a list of them, and declares that no additional favors shall be given them.

And yet we are told that it is necessary to tax the Nation $105,000,000 rather than take out the money of the Government from banks which are unnecessarily piling up their reserves and hoarding their money.

The increases in the national banks within a year have been nothing less than marvelous. From June 4, 1913, to June 4, 1914, they increased their store of specie, mostly gold, $67,000,000; they increased their surplus and undivided profits $2,774,000; they increased their individual deposits $315,000,000, their Government deposits $15,000,000, and their postal savings deposits $5,000,000; they increased their total resources $445,000,000.

Their deposits June 30, 1914, amounted to $6,286,000,000. To withdraw from this vast sum $8,000,000 per month would hardly make a noticeable diminution. It would be only about one-hundredth part of 1 per cent.

That such withdrawal would in any perceptible degree impair the general business interests of the country is ridiculous when it is considered that besides the amount of deposits in national banks already stated there is on deposit in State, private, and savings banks and loan and trust companies $11,520,000,000, so that the total amount of money now on deposit in the banks of the country is $17,222,000,000.

It appears clear that it will not occasion "distress and confusion" to the banks for the Government to gradually withdraw and use as it may need its deposits. The American people will never justify the imposition of a "war" tax merely because the banks would prefer to keep the funds which the Government has deposited with them subject "to call" and because it would "inconvenience" them to allow the Government to withdraw and use its own funds when it needs them.

EFFECT OF THE DEMOCRATIC TARIFF.

The President, in his message to Congress, gives as his only reason for asking that Congress impose this extraordinary "war" tax upon the people that on account of the European war imports are falling off, with a consequent loss in revenue, and that if the falling off continues there will not be enough money to run the Government through the year. He says that—

During the month of August there was, compared with the corresponding month of last year, a falling off of $10,629,538 in the revenues collected from customs.

If continued, he says, this will mean a loss in the year's revenue of $100,000,000. Then at once he adds:

I need not tell you to what this falling off is due. It is due in chief part not to the reductions recently made in the customs duties, but to the great decrease in importations, and that is due to the extraordinary extent of the industrial area affected by the present war in Europe.

It would be inferred, of course, from this statement that there had been no lessening of revenue because of lowered duties, but that suddenly the European war came and at once—in one month—our revenues fell off $10,000,000. In fact, for every month since the Democratic tariff has been operative the revenues have fallen off as compared with the corresponding month a year ago. The President is quick to call attention to the diminished revenues for August, the first month of the war, and to attribute the loss not to the Democratic tariff but to the war. But why did he not tell the country of the diminished revenues for July, when there was no European war and when the excess of our imports over our exports was over $8,000,000, and of June, when the balance against us was $650,000, and of May, when the balance against us was over $2,000,000, and of April, when the balance against us was $11,000,000?

As a matter of fact, during all these months and before the European war we had increased imports but diminished revenues.

Our imports for the first seven months of the present year up to the 1st of August, when the European war broke out, amounted to $1,137,000,000. Our imports for the corresponding seven months last year under a Republican tariff were but $1,016,000,000. This shows an increase in the imports of $121,000,000 for this year. Now, mark the difference in revenue. Instead of a proportionate increase in revenue there was a large decrease. The duties collected last year were $196,000,000, while the duties collected this year were but $152,000,000—a loss of $44,000,000 in revenue for the first seven months of this year under the Democratic tariff. In other words, with $121,000,000 more imports we had $44,000,000 less revenue.

Why do our Democratic friends conceal these facts? Why is not the truth told regarding the "tariff for revenue" law?

During these seven months American products and American labor were displaced by foreign products and foreign labor to the extent of $121,000,000, while during the same period the Government lost $44,000,000 in revenue.

But that does not measure the loss to the Nation, for during the same period our exports fell off over $126,000,000. In seven months the loss to American producers and American labor was over $247,000,000. And all this was before any European war was thought of in America.

And what have been the compensating advantages of this immense sacrifice of American interests and Government revenue? None whatever. The cost of living has not decreased. No legitimate American industry has been benefited. On the contrary, factories have closed, business has stagnated, all lines of trade and commerce are depressed or ruined. Over a million workingmen with steady employment at American wages have been thrown out; 242,000 freight cars that should be busy moving the crops are idle. These conditions are not the result of the European war, they existed before the war. They are the direct result of the Democratic tariff law.

It should surprise no one that such results follow such policies. They always have. The most recent previous Democratic experiment in tariff reform brought about the same conditions. In that instance the Cleveland administration was compelled to issue bonds to carry on the ordinary expenses of the Government in a time of world-wide peace and following an era of Republican prosperity such as the country had never known before.

Now, the shadow of that humiliation hangs so heavily that the Democrats do not dare resort to the old expedient. Instead, they propose a "war" tax. In a time when the Nation is at peace with all the world a "war" tax is found necessary. It would have been better if they had again adopted the old plan. That would have forced a final consideration of the real difficulty, and might have led to a real remedy.

DEMOCRATIC FINANCIAL MANAGEMENT.

The inability of the Democratic leaders to comprehend questions of revenue and finance is further shown with regard to the income tax. They estimated that it would yield a revenue of from $70,000,000 to $100,000,000. Instead, it has produced but $31,000,000. The collection this last year was only for 10 months, but it is not expected the receipts for the present year will exceed that amount. There are not many flourishing incomes nowadays.

Their utter lack of method is shown in their delay in passing the necessary supply bills. As the gentleman from Massachusetts [Mr. GILLETT] has stated, the fiscal year of the Government begins July 1 of each year. The appropriation bills for each year should all be passed before July 1, for expenditures commence then. For 14 years, from March 4, 1897, to March 4, 1911, the Republicans controlled both branches of Congress. Every appropriation bill was passed before July 1, although there are 13 regular appropriation bills to prepare and pass each year.

How different is the Democratic record! During their first year nine of the appropriation bills were not passed for nearly two months after July 1. The Government was carried on by joint resolutions continuing the appropriations provided by a Republican Congress. In their second year the great sundry civil bill was not passed at all, and that was one of the reasons President Wilson gave for calling a new session of Congress. This year four of the great appropriation bills were not passed until weeks after the fiscal year had expired. It has been necessary during this Congress to pass three deficiency bills, and more are anticipated.

This is, however, but what might have been expected. It is but a repetition of the record under Cleveland. In his administration Congress was obliged to sit the whole year round to get the appropriation bills passed. This was not necessary for 20 years until last year and again this year. Twenty years ago, with 80 majority, the Democrats could not keep a quorum present to do business without docking the Members' pay. Now, with 141 majority, they are compelled to resort to the same device.

But the failure of the Democratic tariff and income tax as revenue producers do not justify the imposition of an extraordinary "war" tax. It is not a temporary ailment we are called upon to treat; it is a permanent disability. Nobody proposes a "war" tax as a permanent burden on the country. Nobody should support a temporary expedient for an inherent defect. Especially is this true when the demands of the present can be supplied from a surplus which Republican prudence and foresight has provided. The deficient revenues are due to two causes, neither of which can be remedied by a bill of this character. These causes are, first, theoretical and experimental legislation, based not on investigation and facts but upon political expediency and speculation; second, lavish expenditures and reckless extravagance. The remedy lies in getting back to well-tried principles and proceeding on safe lines.

Republicans are not in favor of excessive tariff rates. They only wish to so adjust them as to promote American industries and protect American labor. They do not oppose an income tax. They want to see the wealth of the country bear its fair share of the burdens of the Government. What is needed now is not the imposition of a "war" tax, but a rearrangement of our fiscal policy, so that sufficient revenue to run the Government, economically administered, can be obtained and our prosperity again established. And there is ample time to do that, even with diminished revenues. It will require nine months, if no further extravagances are indulged in, to exhaust the Republican surplus. In the meantime a frank and fair investigation

of conditions can be made and something that will not be so burdensome secured to meet these conditions.

It is not claimed that the European war will not cause at least a temporary decrease in our revenues, but the Republican contention is that that decrease is not the principal cause of our falling revenues and our business depression. Of course we shall suffer because of the European war. The whole world will suffer. But with our present surplus in the Treasury we do not need to burden our people with an extraordinary "war" tax. We can take time to rearrange our fiscal policy and adjust it with reason and care to whatever changed conditions exist. Especially is it unwise to respond to this ill-judged hysterical demand for more taxes, to meet not the changed conditions resulting from the European war but from Democratic free-trade policies, experimental legislation, and reckless extravagance.

DEMOCRATIC EXTRAVAGANCE.

It is not only necessary to provide funds; it is necessary as well to keep our expenditures within our income. No matter how large our revenues, if our expenditures exceed them the Nation will become bankrupt. Not only has the dominant party failed to provide adequate revenue to meet the expenditures of the Government, but it has during the last three years made a record of extravagance in expenditures unparalleled in the country's history. With diminished revenues and increased expenditures, the administration cried for help. It is because of this and not the European war that this tax is proposed. While the surplus provided by Republican legislation is as yet unexpended, and there is no immediate emergency, the administration knows that a final deficit is inevitable and will finally be made known.

It is a remarkable omission that the President in his address to Congress, in which he sets forth the deplorable condition of the Treasury, calling for an extraordinary increase in taxation, says not a word about the necessity for economy in expenditures. Is it only necessary to consider how to fill the Treasury and not to care how it is emptied? And this omission is the more remarkable in view of the fact that his party associates in both House and Senate were seeking by every possible means to drive through Congress a river and harbor bill, the largest and most lavish ever proposed in the history of the country, besides other expenditures of millions entirely unnecessary, especially in view of our diminishing resources.

The President presents his demand for more money with the deepest regret, saying that he does it "to discharge a duty which I wish with all my heart I might have been spared." Yet with this sad duty in his mind, in the fulfillment of which he tells the country they must tax themselves $105,000,000, he knows his supporters are by every parliamentary practice endeavoring to force a "pork-barrel" bill through Congress which would add $53,000,000 to our expenses.

REPUBLICAN RECORD ON ECONOMY.

The appropriations of the last Congresses exclusively controlled by Republicans, namely, the Sixtieth and Sixty-first Congresses, were remarkable for the fact that there was little increase during the four years. The ordinary appropriations, excluding the permanent and post-office appropriations for the four years, were as follows:

For fiscal year ending 1909	$627,516,000
For fiscal year ending 1910	648,191,000
For fiscal year ending 1911	663,725,000
For fiscal year ending 1912	634,549,000

The total appropriations for the last year amounted to $1,026,682,000. The Democrats were quick to denounce it as a "billion-dollar Congress." Their national platform declared:

> We denounce the profligate waste of the money wrung from the people by oppressive taxation through the lavish appropriations of the recent Republican Congresses, which have kept taxes high and reduced the purchasing power of the people's toil. We demand a return to that simplicity and economy which befits a democratic givernment and a reduction in the number of useless offices, the salaries of which drain the substance of the people.

DEMOCRATIC RECORD.

Now mark the return to Democratic "simplicity and economy." The first Congress Democratic in both branches marks its advent by appropriating more than $100,000,000 in excess of the last Republican Congress, which the Democrats denounced for its "profligate waste" and "lavish appropriations."

The appropriations this year exceed their own record of last year by $31,803,000, and are by far the largest ever made by any Congress in the history of the Government. Besides, if the bills become law which have already passed the House, $68,469,000 will be added to the total.

With regard to the amount of the total appropriations this year, the showing is worse when it is considered that the amount for pensions is smaller by $11,150,000 than last year on account of the large mortality among the survivors of the Civil War and that the appropriation for the Panama Canal was $14,108,000 less than it was last year.

The increases made in appropriations by this Congress have not been confined to any particular line; they have been all along the line. It will be remembered how Republican Congresses were denounced for their lavish support of militarism; yet the Army appropriation this year is larger by $7,644,000 than any Republican Congress ever passed. It will also be remembered how the Republicans were accused of useless extravagance in their appropriations for the Navy, yet the Democrats appropriated $17,590,000 more for the Navy this year than any Republican Congress ever allowed.

Take the Alaskan bill. We appropriated $36,000,000 to build a railroad, or rather a system of railroads, in Alaska. It was entirely justifiable to build a line from the coast to the interior, tapping the principal coal fields. As I showed on the floor of the House during the debate, such a road could have been built for $20,000,000. A distinguished Alaskan is quoted as saying it could have been done for $10,000,000. Yet the majority would not listen to argument and voted down every amendment to curtail the expenditure. They were bound to spend $36,000,000, and they did.

RIVER AND HARBOR BILL.

As originally introduced the river and harbor bill was large, altogether too large. It contained items which were not only unnecessary but ridiculous. On the floor of the House Republicans pointed out the defects and protested, but in vain. They would not listen to protest or appeal. The estimates submitted called for $34,266,000. The House, with its tremendous majority, forced an increase to $39,408,000, with authorizations for $4,061,000 additional in contracts, or a total of $43,469,000, or nearly $10,000,000 more than the original estimates. When it got to the Senate the Democratic committee increased this amount $10,000,000, so that the Democratic Party tried hard to pass a river and harbor bill carrying over $53,000,000. That it was cut down to $20,000,000 was not due to Democratic economy, but to Republican courage, persistence, and ability.

The action of the Democrats in trying to force through a large river and harbor appropriation this year is the more inexcusable when it is remembered that last year the Democrats passed a river and harbor bill carrying $41,000,000. From 1897 to 1904 the Republicans passed but two river and harbor bills—one for $16,000,000 and the other for $26,000,000. These were prosperous years, and certainly the need of river and harbor improvements was as great then as now. Last year the Democrats passed a bill carrying $41,000,000, and this year endeavored to pass another of $53,000,000, a total of $94,000,000 in two years. This is the Democratic record of "economy" as against the Republican record of $42,000,000 in seven years. Their action is still more inexcusable when it is known that there was on June 30 last an unexpended balance from previous appropriations of $45,338,000. Surely it would have been better to have waited until at least a larger part of the balance had been expended before forcing another appropriation.

It is a great service which the Republicans of the Senate have done the country in forcing down their appropriation from $53,000,000 to $20,000,000. It is known the Republicans of the House will endeavor to reduce the $20,000,000 to $5,000,000. I sincerely hope that may be done. If any appropriation at all is justified this year, $5,000,000 is ample to carry us over another year.

There has been no attempt or pretext of economy. Bill after bill has been passed, carrying appropriations which might have been omitted altogether, and in many cases where the appropriation was justified the amount was excessive.

And the program of lavish expenditures seemingly has only begun. The next bill to be considered is a proposition to expend $30,000,000 in buying ships to embark the Government in the shipping business.

Back of that lies the proposition to pay $25,000,000 indemnity to Colombia, and $3,000,000 for something in Nicaragua.

Where is the money to be had for these questionable projects? Is it deliberately proposed to provide for contemplated expenditures of this character by these "war" tax levies?

DEMOCRATIC TESTIMONY.

It is unnecessary for Republicans to prove the extravagance of this Democratic Congress and administration, for their own leaders admit it and fitly characterize it. The chairman of the Appropriations Committee [Mr. FITZGERALD] has vainly endeavored to stem the flood of extravagance. In one of his appeals to his colleagues, delivered on the floor of the House, he said:

> In a few months I shall be called upon in the discharge of my official duties to review the record that this Democratic House shall have made in its authorization of the expenditure of the public moneys. Whenever I think of the horrible mess that I shall be called upon to present to the country on behalf of the Democratic Party, I am tempted

to quit my place. I am looking now at Democrats who seem to take amusement in soliciting votes on the floor of the House to overturn the Committee on Appropriations in its efforts to carry out the pledges of the Democratic platform. They seem to take it to be a huge joke not to obey their platform, and to make ridiculous the efforts of the members of our party who do try to live up to the promises they made to the people. I know that some Members on this side are voting continually for appropriations, because they fear the wrath of the public if they do not vote out of the Public Treasury assistance for everything anyone suggests.

We charged the Republicans for 12 years of my service in the House, under Republican administrations, with being grossly extravagant and reckless in the expenditure of the public money. I believed that charge to be true. I believed that my party, when placed in power, would demonstrate that the charges we had made in good faith were true. We are entitled to the help and to the support of the Members on this side of the House in honest efforts to carry out the pledges of the Democratic Party, and in our attempts to show that what we charged in order to get in power was true. We have not had that support. Our Democratic colleagues have not given that support to us thus far during this session of Congress.

They have voted against recommendations that they should not have voted against. They have unnecessarily piled up the public expenditures until the Democratic Party is becoming the laughingstock of the country.

I appeal to them now before it is too late. I appeal to them now before we have gone beyond recall to stop the conduct of which they have been guilty. Do not continue to vote for these improper and improvident appropriations. Those who propose to continue to do so should at least have the courage openly to assert upon the floor of this House that they believe that the professions of the Democratic Party have not been made in good faith, that they can not be carried out, and that we are not entitled to power because of those professions.

And the gentleman from Mississippi [Mr. SISSON], a leading member of the same great committee, said:

I said this in a speech before, in the last session; and when I made that speech Members of the Democratic House came to me and asked me not to put it in the RECORD, because it would be used by the Republicans in their campaign book. Let them use it. If they do, it will be by way of confession and avoidance. They can get no consolation out of it, except that we know better. You may use that statement now, gentlemen, because when Democrats get to be so violently extravagant that it makes our record look bad as compared with the very wicked records of the Republicans, I must apologize to you Republicans for having ever used the words "criminally extravagant" in criticizing the appropriations that you made, for if that expression, "criminally extravagant," was proper to apply to you, my God! the English language has never found an adjective strong enough to apply to Democratic extravagance.

ABOLISHING USELESS OFFICES.

But the record would be incomplete without reference to another demand and promise made by the Democratic Party. In its platform it demanded "a reduction in the number of useless offices, the salaries of which drain the substance of the people."

The new administration came in with loud promises of reductions in offices. It at once dismissed a number of small-paid clerks. Most of these have been replaced, but in the replacement Democrats have been substituted for Republicans. Besides this the number and variety of new offices and places created for hungry Democratic office seekers is bewildering. Especially in the creation of big, fat jobs, with large salaries, are our Democratic friends adepts.

The new banking law creates five new offices with salaries of $12,000 each, with a multitude of other places.

The salary of the Comptroller of the Currency has been increased from $5,000 to $12,000.

The new Trade Commission creates five new offices, at $10,000 each; a secretary, at $5,000; and an unknown number of subordinates.

The new board of appeals has three members at $4,000 each.

Commercial attachés may be appointed by the Secretary of Commerce at any salary he may name, and for the payment of their salaries he is given for the first year $100,000.

The Secretary of the Treasury has been particularly active and strikingly successful in getting new places created in his department. Not only are the large number in the new banking department to his credit, but by some means he has secured the war-risk bureau also, although it properly belonged to the Department of Commerce. For the salaries in this branch $100,000 was appropriated, with $5,000 for the chief. Besides this he demanded a new assistant at $4,500, although he had three already at $5,000 each. When he took the place from his Republican predecessor there were 3,183 persons employed. At once he demanded an increase in the force in Washington alone of 358. At that time the field force of the department was 1,407. He demanded an increase in this force of 678. But yesterday he demanded 2 additional clerks in the division of loans and currency, 26 clerks and 16 counters in the office of the Comptroller of the Currency, 4 laborers in the same office, and 3 clerks, 2 counters, and 2 laborers in the office of the Treasurer. This little addition will only cost $41,260 a year.

The Democratic Senate has added 35 new employees at a total annual additional expense of $49,380.

Increases in salaries are almost "too numerous to mention." The salary of the private secretary to the Secretary of the Treasury has been increased from $2,500 to $3,000; chief of division income tax, $2,500 to $3,500; six Assistant Attorneys General, each $7,000, to $9,000; ministers to Spain, Chile, and Argentina, each $12,000, to $17,500. Besides a new minister to Uruguay has been created at a salary of $10,000.

In January last Mr. Bryan appeared before the Appropriations Committee and said:

I was determined that there would be one department that would be run on less than it was before, if I could bring it about.

And he submitted estimates that made the total expenditures for his department $120 less than it was the year before.

But his reputation as a reformer was lost when the bill was amended in the Senate at his request with the addition of an assistant to the Secretary at $4,500 and two clerkships at $1,800 each. He had economized by adding to the annual expense roll $7,980.

The ex-editor of the Commoner and bosom friend of Mr. Bryan was appointed governor of the Canal Zone at a salary of $14,000. This he was compelled to give up because the law abolished the office April 1. In order that the matter should be arranged satisfactorily, an entirely superfluous place was made for him. The authorization could not be secured until May 20, so, in order that there might be no break in his salary, President Wilson made an official order that the salary should commence April 1.

These are instances of the return to that "simplicity and economy" which the Democratic platform demands. It is not surprising that with a record of such extravagances Mr. FITZGERALD and Mr. SISSON should have berated their party colleagues for their inconsistency, violated promises, and bad faith.

This proposed "war" tax has no justification from any standpoint. We can not hope for prosperity under a Democratic administration. That party never has given the country prosperity, and apparently never can do so. But we ought to endeavor to injure the people just as little as we can. We ought not to burden and punish them unnecessarily and wantonly. If we will defeat this bill, adopt a system of the most rigid economy, such as everybody else is doing in these days, and after careful, nonpartisan, and intelligent investigation endeavor to readjust our revenue system so that we may meet the necessary expenses of the Government as they arise, we can get along until the next election, which will bring again a Republican administration and good times.

Mr. KREIDER. Mr. Speaker, when President Wilson, on September 4, delivered his address at a joint session of the two Houses of Congress and asked that additional revenue be provided for the Government, and gave as a reason for this request the failure of sufficient customhouse receipts, I am sorry that he did not furnish us with a general statement of the receipts by the Government from all sources, as well as a statement of the disbursements of all kinds, so that we might have had a full and clear understanding of our financial standing; for I take it that the levying of additional taxes is a matter of such extreme importance that it should be given our most careful thought and consideration. We should have a free, full, and, if necessary, a prolonged discussion, and only as a last resort should we levy additional taxes.

OPPOSED TO BILL.

Mr. Speaker, I am opposed to this bill. I am opposed to the levying of extra taxes, thereby placing an unnecessary burden on the people. I wish it were possible to prevent the passage of this bill by this House. I wish it were possible to prevent its enactment into law, for it must be borne in mind that we are passing through an industrial depression caused largely by the laws we have already passed, and the greatest possible service this Congress can render to the country is to repeal about $57,000,000 of extravagant, unnecessary, and reckless appropriations which we have already passed and then adjourn. If we do this, we will not need the revenue that it is proposed to raise by this war-tax measure.

The revenue laws now in force will produce sufficient revenue if we manage our affairs along business lines and avoid unnecessary and extravagant appropriations. On certain items we are able to make a considerable saving, especially on pensions and Panama Canal expenses. Last year we appropriated for pensions $180,300,000, this year we appropriated for pensions $169,150,000, making a saving on this item of $11,150,000. Last year we appropriated for the Panama Canal $34,826,941, this year we appropriated for the Panama Canal $20,718,000, making a saving on this item of $14,108,941, or a total saving on both items of $25,238,941.

But we find when we count up the appropriations made by this Congress that the appropriations exceed last year's appropriations by $31,803,082, which, if added to the saving on pensions and Panama Canal expenses, to which we have referred, makes a total excess appropriation of over $57,000,000. These figures do not include the rivers and harbors bills of either year. The House passed the rivers and harbors bill, which is now in the Senate, which with amendments calls for appropriations of $53,000,000; but thanks to the strenuous and successful opposition of the Republican Senators, led by Senators BURTON of Ohio and KENYON of Iowa, this is one instance where the Republican minority, after a most severe and determined fight, has been successful in curtailing Democratic extravagance. The appropriations in this bill will be cut down.

To this must be added the Democratic treaties with Colombia and Nicaragua, the former carrying an appropriation of $25,000,000 and the latter $3,000,000. In addition to these enumerated there are a large number of other bills pending, some of which have already passed the House, which carry appropriations amounting to about $35,000,000; so that if all these bills are passed, your appropriations will be more than $100,000,000 in excess of last year's appropriations. Would it not be better to cut out these appropriations which are really not necessary and practice a little economy, same as everyone else does under similar circumstances, instead of taxing the people? Had the President given instructions to the heads of the departments to economize instead of instructing Congress to levy taxes it would have been better.

Mr. Speaker, I want to show that the Democratic Party has received and disposed of a larger income since they are in power than the Republicans ever had to dispose of in a similar length of time. When President Wilson was inaugurated on March 4, 1913, a little over 18 months ago, there was a balance in the Treasury of $149,335,777.78. To show the result of the fiscal year's business ending June 30, 1913, for which the Republicans were responsible, although they relinquished office on March 4, 1913, I will quote receipts and disbursements of the Government, which include all receipts and disbursements except that of the Post Office Department, which department showed a profit:

Total ordinary receipts for 1913 were	$724,111,230
Total ordinary expenditures for 1913	682,770,706
Leaving a net balance to our credit of	41,340,524
Total ordinary receipts for 1914 were	734,343,701

DEMOCRATIC EXTRAVAGANCE.

This is an increase of ordinary receipts over the previous year's ordinary receipts of over $10,000,000, and the previous year shows a credit balance under Republican management of over $41,000,000, and now under Democratic management, with an increase of over $10,000,000 in receipts, you come to Congress, 60 days after the close of the year, and demand that additional taxes be levied to raise money for the Government, when, as a matter of fact, had you practiced the same economy that the Republicans had practiced you would have a balance of over $50,000,000 on hand.

The President stated that this tax is necessary because of the falling off of the revenue in the customhouses. We understood and you told us, when you passed the Underwood tariff bill, that you expected this falling off, and this was your excuse for passing the income-tax law, which you said was necessary to make up the deficit or falling off in customhouse receipts. And it did make up this loss, as the following figures will show. We collected at the customhouses for the year ending June 30—

1913	$313,891,366
1914	292,128,528
Showing a shortage of	26,762,838

The income tax has produced about $36,000,000, which is about $10,000,000 more than was lost in the tariff revenue, which accounts for the $10,000,000 increase in the ordinary receipts over the previous year to which I have referred. Of course the income from customhouse receipts this year will be less. Last year we had the benefit of the Payne law for three months, and the duty on wool for five months, as well as the sugar duty. Had the Underwood bill been in force for the entire year, even with the sugar duty that it carries about a year longer, the receipts would have been about $26,000,000 less, and on the same volume of receipts next year it will be so much less, and when the duty on sugar goes off in a little over a year from now you will lose about $40,000,000 more; and should the country be so unfortunate as to have the Democratic Party in control at that time, you must then pass some legislation to raise revenue, but such legislation is not needed now.

GOVERNMENT DEPOSITS.

When the President delivered his address on September 4 there was a balance in the Treasury of $122,843,190, of which $75,000,000 was deposited in national banks on call. It is a splendid thing for the Government to deposit funds in the banks to assist in moving crops, and so forth; and when you did this you only followed the Republican policy, but the difference is when the Government needed the money the Republicans withdrew it gradually as the Government needed it, but you Democrats are going to tax the people in order to keep it in the banks and tell us that if you withdraw it, it might disturb business by its withdrawal. I fail to see why the drawing of $100,000,000 from the pockets of the people is preferable to the drawing of $75,000,000 from the vaults of the banks.

NEW TARIFF BILL CAUSE OF TROUBLE.

Mr. Speaker, the real trouble is caused by the Democratic so-called "competitive" tariff bill passed by this Congress. Not only because it has proven a failure as a revenue producer, but rather because it has opened our markets to the manufacturers of the world and has resulted in increased importations of foreign merchandise, which in turn is responsible for the industrial depression which we are now experiencing. It was supposed that this bill would reduce the high cost of living. In this it also failed.

Mr. Speaker, there is another point in which it has failed which I consider of most extreme importance, to which I wish to call the attention of this House.

BALANCE OF TRADE.

It has affected our balance of trade adversely. Before the enactment of the present tariff law you told us that if we expect to increase our foreign business we must reciprocate by buying foreign goods, and that the present tariff law prevented the importation of these goods; but if this tariff law was removed and lower duty imposed, so that foreigners could sell more goods here, they would then buy from us in much larger quantities and that new markets would be opened to us.

Now, let us see what has happened and compare the results of the Payne law with the competitive tariff:

In 1911 our exports exceeded our imports	$522,094,094
In 1912 our exports exceeded our imports	551,057,475
In 1913 our exports exceeded our imports	652,875,915
In 1914 our exports exceeded our imports	470,457,375

And in November, 1912, the very month in which the Democratic Party was successful at the polls, we imported merchandise amounting to $153,094,898, and during the same month we sold abroad merchandise aggregating $279,244,191, leaving a balance of trade in our favor for that month alone of $126,149,293. It seems to me that these figures would convince any fair and open minded person that it is not necessary to buy abroad in order to sell abroad. You will notice the effect of the Underwood tariff bill in the figures of 1914. You will notice that our trade balance fell off over $182,000,000 as compared with the previous year, due entirely to the "competitive" tariff; whereas, as you will also notice, that under the Payne law this balance had gradually increased year after year.

The falling off as shown in the figures of 1914 continued month after month, growing less and less, until in the month of April we find a balance of trade against us amounting to $11,339,544, and this balance of trade has continued against us every month since that time. You will notice that these figures represent the conditions of trade when there was no thought of war in Europe. If these figures do not convince fair-minded persons of the utter failure of the Democratic Underwood tariff bill, I do not know what would convince them.

This bill has not opened up to us the markets of a single country that was not opened to us before the passage of the bill, but it has surrendered our markets to foreign countries; so that, aside from the loss of revenue for the Government, it has been far more harmful in that it caused and is directly responsible for the terrible depression of the manufacturing interests and the desperate condition of the wage earners, and it has resulted in turning the balance of trade against us.

It is indeed discouraging to look forward to the time when our year's bill must be squared, when we have no trade balance in our favor. Let us hope that, even though it be caused by the unfortunate war and conditions of foreign countries, we may succeed in exporting more goods and importing less, and again turn the balance of trade in our favor. Otherwise we will have a tremendous bill to settle. There have been, no doubt on account of the foreign war, turned back to us possibly $200,000,000 of stocks and bonds; we must pay out possibly $200,000,000 more for ocean freight carried in foreign bottoms. We have an interest account to settle on stocks and bonds held by foreigners, which will require possibly $200,000,000 more. The American tourists in foreign countries have spent fully

$100,000,000. All of these obligations must be paid in gold or its equivalent. If the President is fearful that the withdrawal of $75,000,000 from the vaults of the national banks, which money would be put immediately in circulation again in this country, will disturb business and affect the banks, what does he think will happen when from $600,000,000 to $700,000,000 in gold must leave the country in payment of our foreign debts?

It is certainly high time, and far more essential and important, that we should be concerned about this trade balance and the general depressed condition of the country than in levying additional taxes to provide funds to take care of the excessive, unprecedented, and extravagant appropriations made by this Congress, which have broken all previous records.

Mr. PAYNE. Mr. Speaker, I yield to the gentleman from Oregon [Mr. SINNOTT].

Mr. SINNOTT. Mr. Speaker, this war-tax measure before the House has necessarily focused attention upon the Underwood tariff bill. Under the Democratic gag law under which we are working, and under which I am now speaking, it will be impossible for me to pay attention to but one feature of the Underwood bill as it affects my State, the Pacific coast, and Northern States.

Mr. Speaker, the Underwood bill was brought before the House when I was but a juvenile, a freshman Member, when I had served but a few days in the House. On first glancing at that bill I noticed that cotton ties and cotton bagging were on the free list. I glanced down toward wool sacks and wool bagging and wheat sacks, and I noticed that they were not on the free list. I thought for a while, in my simple juvenile innocence, that this was an oversight, an inadvertence, that it would surely be corrected by our Democratic friends as soon as their attention was called to this seemingly careless omission of free wheat sacks; so I, like "innocence abroad," offered an amendment to put wheat sacks on the free list. Being artless and unsophisticated, I supposed, of course, that my amendment would carry. I saw myself making campaign thunder for my campaign in Oregon and on the coast, but alas! to my great dismay my amendment was defeated. Why was it defeated, Mr. Speaker? Why was the duty left on wheat sacks and wool bagging, while cotton bagging and cotton ties were placed on the free list? Mr. Speaker, I hold in my hand a campaign document, the campaign book issued by Mr. UNDERWOOD, the majority leader, in his senatorial campaign in Alabama last spring. It is headed:

"Democratic senatorial campaign. The issue and the facts. 'The man of the hour,' OSCAR W. UNDERWOOD, statesman, Democrat."

On the bottom of the first page is this quotation from the Bible:

"And ye shall know the truth, and the truth shall make you free."

[Applause on the Republican side.]

And he gave them free cotton bagging and ties! [Applause on the Republican side.] On page 13 of Mr. UNDERWOOD's campaign book in that memorable campaign against Mr. HOBSON he shows the saving to the cotton growers, his constituents and party friends, to be over $5,000,000 on account of free cotton bagging. Again, I call the attention of the House to page 35 of this campaign book, under the heading of "The mantle of Ananias," where he says:

"One of the innumerable conscious misrepresentations of R. P. HOBSON is with reference to the tariff tax on"—

And then, in large, heavy type—

"bagging and cotton ties. This is disposed of by Mr. UNDERWOOD's speech at Collinsville."

Here is the speech quoted:

"Capt. HOBSON charges I took the tax off of whisky and put it on cotton bagging and cotton ties to tax the farmers."

And again, this line in heavy type:

"That statement is as false as any ever made in the history of mankind. The exact opposite is true. We did not change the tax on liquor, but I did put cotton bagging and ties on the free list."

[Laughter and applause on the Republican side.]

Gentlemen, would that I could return to Oregon and say that I put wool bagging and wheat sacks on the free list. [Applause on the Republican side.] He says further in his speech:

"The records will sustain me in this statement. Why any sane man, knowing the record as Capt. HOBSON does, dares to make such a statement contrary to the facts I can not understand. The facts are that when we tried to pass the free list containing cotton bagging and ties over President Taft's veto, Capt. HOBSON was absent and did not vote."

I will have to skip down to the part where again in heavy letters he states:

"The item putting cotton bagging and ties on the free list is in the bill that is now a law."

Yes, Mr. Speaker; the item is in the Underwood bill. Free wheat sacks and free wool bagging denied to the North and the West; free cotton bagging and free cotton ties given to the constituents of the gentleman from Alabama for campaign thunder and campaign arguments in a senatorial contest in Alabama account, Mr. Speaker, for five or six million dollars of deficit in our revenue, which we must now supply with a war tax. [Applause on the Republican side.]

Again referring to the front page of this campaign book of our senatorial candidate in Alabama, "the man of the hour," OSCAR W. UNDERWOOD, I read:

"And ye shall know the truth, and the truth shall make you free." (St. John viii, 32.)

Yes; free from Democratic tariff discrimination against the North and the West.

I desire to cite another example of free-trade inconsistency and discrimination against the West practiced by our free-trade friends. I shall read from the CONGRESSIONAL RECORD of March 27, 1914, on page 5623, from the remarks of the author of the bill to repeal free tolls on the Panama Canal, Mr. SIMS of Tennessee, who endeavored unsuccessfully to conceal his desire for protection for the timber of his State, his free-trade inconsistency, and discrimination against the West behind the bogie man of the Lumber Trust and the Weyerhaeuser interests:

"Mr. SIMS. * * * Now, you southern people that are interested in forest products, that are interested in the value of lumber on the east and Gulf coasts, if you give the Lumber Trust, the Weyerhaeuser interests of the West, free passage through that canal, lumber on the Gulf and Atlantic coasts will go down from $3 to $5 a thousand. It will affect the price of lumber back from the coast for 500 miles. Yet gentlemen who represent a subsidized and protected monopolistic interest are willing to do it, even if they destroy or damage their own particular industry.

"In the hearings before the Interstate Commerce Commission Mr. Walker, representing the hardwood-lumber interests of the South, said distinctly that even now lumber from Washington is invading southern hardwood markets on the Gulf and Atlantic coasts. Now, you can see why the gentleman from Washington [Mr. HUMPHREY] stands where he does. If you give these Weyerhaeusers the privilege——

"Mr. COOPER. Will the gentleman yield?

"The SPEAKER. Does the gentleman from Tennessee yield to the gentleman from Wisconsin?

"Mr. SIMS. Certainly; if he is not a subsidist.

"Mr. COOPER. Do I understand that the gentleman is opposed to having western lumber compete with southern lumber?

"Mr. SIMS. Oh, no; but I am trying to show you what a very foolish thing it is to give the Weyerhaeusers the free use of a Government facility, paid for by the taxes of the people, when to do so reduces the value of the property of millions who pay these taxes.

"Mr. COOPER. You are trying to protect the South against the competition of the West.

"Mr. SIMS. I am trying to show the people in the southern hardwood country the folly of doing something which will reduce the price of their own products and to submit to being taxed in order to do it."

How cunningly our free-trade friend Mr. SIMS pleads for protection for the timber of Tennessee against the Pacific coast product. He wants his protection in the guise of tolls at the Panama Canal.

Again I read the Biblical quotation from Majority Leader UNDERWOOD's senatorial campaign book, which I hold in my hand:

"And ye shall know the truth, and the truth shall make you free." (St. John viii, 32.)

The voters will know the truth at the November elections, and we shall be free from sectional favoritism in congressional legislation.

Mr. PAYNE. Mr. Speaker, I yield to the gentleman from North Dakota [Mr. NORTON]. [Applause.]

Mr. NORTON. Mr. Speaker, President Wilson, in his message delivered to the Congress on the 4th of this month asking and urging Congress to provide additional revenue for the Government, assured us in clear-sounding phrases that the request was made by him with deepest regret, but that the necessity for further legislation to provide additional revenue was occasioned by the rapid falling off of the revenue under existing laws and prevailing conditions.

He cited to us the fact that there was a falling off in revenues collected in customs during the month of August amounting to $10,629,538, and he maintained that while the Treasury could, no doubt, get along for some time without any immediate resort to new sources of revenue, it would cause inconvenience, depression, and confusion of business to withdraw, to pay the running expenses of the Government, any of the approximately

$75,000,000 of the general funds of the Government deposited on call with the national banks in different parts of the country.

The falling off of the revenues, the President further says, "is due in chief part not to the reduction recently made in tariff duties but to the great decrease in importations." The President seems to have in mind that some one might have a suspicion that the falling off in revenue was in part due to the reduction recently made in the customs duties. As usual he gives no facts and cites no authority from which his conclusion is drawn. In his message he treats this whole subject in glittering generalities and with studied and pleasing phraseology.

The gist of his message, however, is that the present Democratic administration needs more money to pile up in the Treasury and in favored banks and to meet its extravagant expenditures. His conclusion is that under present conditions the easiest way to get this money is to take it out of the pockets of the people who toil on the farms, in the factories, and in the shops of the land.

The usual Democratic recourse to a bond issue to secure money to carry on the business of the country has been cast aside at this time, for, as the President says, the business of the country is in such condition that "the offering for sale of bonds would make an untimely demand on the money market, as this is manifestly not the time to withdraw working capital from other uses to pay the Government's bills."

"Draw it from the pockets of the people, not from the banks or the business of the country," seems to be the President's direction. Get the money and get it "so that it will begin to yield at once and in certain and constant flow," his message urges.

For many months business throughout the country has been in a very bad way. More men have been idle and seeking jobs than for many years. Whether this is due largely to the inefficiency of the present administration to conduct the Government safely and hold the confidence of those engaged in business, or whether it is due to the European war—which is now the Democratic stock excuse for all their blunders and mistakes—need here take no time for discussion. This fact is clear, however, that the country is in the throes of hard times. The fact, too, is that the customs revenues of the Government have not only fallen off, as the President has said, in August, but have been falling off for several months past.

The Underwood tariff bill has already, like other Democratic measures of its kind, proven to be a flat failure as a producer of sufficient revenue and as a means of reducing the high cost of living. For many months the working people of this country have had to deal with the existing business depression. They have been obliged to economize and curtail expenses in every possible way. In view of the protestations made in the past by the party now in power it might be expected that some of its preachments of economy would be put into practice at this time.

This is one of the planks of the Baltimore platform, on which the present administration rode into power:

We denounce the profligate waste of the money wrung from the people by oppressive taxation through the lavish appropriations of recent Republican Congresses, which have kept taxes high and reduced the purchasing power of the people's toil. We demand a return to that simplicity and economy which befits a democratic government and a reduction in the number of useless offices, the salaries of which drain the substance of the people.

How inconsistent have been the practices of the party since it has come into power! With the Democratic Party in full power and the South in the saddle, the party has shown its inability to manage the country. This Congress has been more reckless and more extravagant in its appropriations and expenditures than any Congress in the history of the country.

The table below, prepared by the clerks of the Committees on Appropriations of the House and Senate, give a chronological history of the appropriations made for the fiscal years 1914 and 1915.

The appropriations made for the fiscal year 1914 aggregated $1,057,605,694.40, not including the amount carried by the river and harbor act approved March 4, 1913, and which appropriated $41,073,094 and authorized contracts in addition amounting to $6,795,000.

The amount already appropriated by this Congress for the fiscal year 1915, not including the amount carried in the river and harbor bill, is $1,039,408,777.26, which is $31,803,082.86 more than appropriated by the last session of the Sixty-second Congress for the fiscal year 1914. The good Lord Himself only knows what the appropriations carried by the river and harbor bill this session would be if it were not for the long and hard-fought opposition made by Republican Members of the House and Senate to the outrageous expenditure proposed in this bill. When it is recalled and taken into account that the pension bill enacted by this session carries $11,150,000 less than the pension bill for the fiscal year 1914 the extravagant appropriations made by this session become more apparent.

Showing the disregard of economy that has been evidenced by the different departments of the Government and the growing tendency to extravagant use of Government funds is the fact that the Executive at the beginning of the session and at different times since has submitted estimatees for appropriations for the fiscal year 1915 amounting to $1,112,415,382.02. These estimates exceed by $23,006,604.76 the extravagant total appropriations that have been made.

Where economy has been exercised in any of the appropriation bills it has been largely due to the efforts made by this side, or by individual members of the Republican Party. The defeat in the Senate of the river and harbor "pork-barrel" bill, saving to the taxpayers of the country between thirty and forty million dollars, was due not to the President nor to any of the proponents of the bill or of the Underwood tariff bill, but to the persistent work of Republican Members of the House and of the Senate and to the response from the country, which was awakened to the further attempted extravagances of the present majority in Congress.

There really is no necessity for this additional tax on the people if a sensible economy in the management of the Government appropriations and expenditures is practiced at this time as the conditions of this country and the conditions in the world at large warrant.

Chronological history of appropriation bills, second session of the Sixty-third Congress, estimates and appropriations for the fiscal year 1914–15, and appropriations for the fiscal year 1913–14.

Title.	Estimates, 1915.	Reported to the House.		Passed the House.		Reported to the Senate.		Passed the Senate.		Law, 1914–15.		Law, 1913–14.
		Date.	Amount.	Date.	Amount.	Date.	Amount.	Date.	Amount.	Date.	Amount.	Amount.
Agriculture	$19,061,332.00	1914. Feb. 20	$18,947,232.00	1914. Mar. 14	$18,988,232.00	1914. Apr. 16	$19,511,302.00	1914. May 23	$20,089,012.00	1914. June 30	$19,865,832.00	$17,986,945.00
Army	104,947,758.65	Feb. 16	94,194,277.16	Feb. 28	94,190,577.16	Mar. 21	101,815,583.35	Mar. 28	101,730,118.50	Apr 27	101,019,212.50	94,266,145.51
Diplomatic and Consular	4,447,042.66	Apr. 17	4,483,702.66	May 16	4,455,852.66	June 12	4,359,986.66	June 16	4,366,086.66	June 30	4,309,856.66	3,730,642.66
District of Columbia[1]	14,491,614.49	1913. Dec. 15	11,465,480.49	Jan. 12	11,436,150.49	Mar. 6	13,137,256.49	Mar. 13	13,137,456.49	July 21	12,172,539.49	11,383,739.00
Fortification	9,124,399.49	1914. Jan. 23	5,175,200.00	Jan. 29	5,175,200.00	Feb. 6	6,895,200.00	Feb. 9	6,895,200.00	June 27	5,627,700.00	5,218,250.00
Indian	10,208,865.06	Jan. 28	8,661,737.82	Feb. 20	8,661,737.82	May 15	10,787,577.76	June 24	10,800,763.76	Aug. 1	9,771,902.76	9,486,819.67
Legislative, etc	39,584,709.70	Apr. 1	36,449,169.70	Apr. 17	36,532,109.70	May 25	37,238,278.70	June 15	37,841,158.70	July 16	37,630,229.70	35,172,434.50
Military Academy	1,052,875.61	Feb. 23	988,289.75	Feb. 28	988,289.75	Mar. 21	1,009,199.54	Mar. 28	1,009,099.54	Apr. 15	997,899.54	1,099,302.87
Navy	144,417,453.53	Feb. 28	139,964,333.61	May 7	139,808,333.61	May 14	140,990,833.61	June 2	141,164,433.61	June 30	[2] 144,868,716.61	140,800,643.53
Pension	169,150,000.00	Apr. 1	169,150,000.00	May 9	169,150,000.00	June 8	169,150,000.00	June 16	169,150,000.00	June 20	169,150,000.00	180,300,000.00
Post Office[3]	306,953,117.00	Jan. 12	306,952,867.00	Jan. 24	307,013,867.00	Feb. 18	310,652,267.00	Feb. 28	311,772,067.00	Mar. 9	313,364,667.00	285,376,271.00
River and harbor	[4](34,266,395.00)	Feb. 24	(39,221,504.00)	Mar. 26	(39,408,004.00)	June 18	(43,330,404.00)				[5]	[6](41,073,094.00)
Sundry civil	[7] 119,779,806.83	June 4	107,694,609.28	June 25	107,944,209.28	July 6	111,411,159.06	July 8	112,269,138.56	Aug. 1	[8] 110,070,227.39	[9] 116,795,327.01
Total	943,218,975.02		904,126,899.47		904,344,559.47		926,958,644.17		930,224,534.82		928,848,783.65	901,616,520.75

[For footnotes see next page.]

Chronological history of appropriation bills, second session of the Sixty-third Congress, estimates and appropriations for the fiscal year 1914-15, and appropriations for the fiscal year 1913-14—Continued.

Title.	Estimates, 1915.	Reported to the House. Date.	Reported to the House. Amount.	Passed the House. Date.	Passed the House. Amount.	Reported to the Senate. Date.	Reported to the Senate. Amount.	Passed the Senate. Date.	Passed the Senate. Amount.	Law, 1914-15. Date.	Law, 1914-15. Amount.	Law, 1913-14. Amount.
Urgent deficiency	[10] $25,000,000.00	1914. Feb. 19	$9,639,397.79	1914. Feb. 26	$9,754,068.59	1914. Mar. 17	$10,843,321.98	1914. Mar. 18	$10,850,821.98	1914. Apr. 6	$10,626,825.54	
		May 13	6,770,632.24	May 21	6,835,632.24	May 22	6,835,632.24	May 22	6,835,632.24	May 25	6,835,632.24	
Deficiency, 1914 and prior years		July 10	4,585,584.08	July 15	4,594,485.08	July 17	6,079,900.00	July 18	6,318,184.95	July 29	5,901,128.83	$28,074,912.31
Total	968,218,975.02		[9] 25,126,513.58		925,528,745.38		950,717,498.39		954,229,173.99		952,212,370.26	929,691,433.06
Miscellaneous	[10] 13,000,000.00										6,000,000.00	388,597.22
Total regular annual appropriations	981,218,975.02										958,212,370.26	930,080,030.28
Permanent annual appropriations	[11] 131,196,407.00										[11] 131,196,407.00	127,525,664.12
Grand total, regular and permanent annual appropriations	1,112,415,382.02										[12] 1,089,408,777.26	[13] 1,057,605,694.40

Amount of estimated revenues for fiscal year 1915	$728,000,000
Amount of estimated postal revenues for fiscal year 1915	308,000,000
Total of estimated revenues for fiscal year 1915	1,036,000,000

[1] One-half of the amounts for the District of Columbia payable by the United States, except amounts for the water department (estimated for 1915 at $136,860), which are payable from the revenues of the water department.

[2] Includes $4,635,000 out of proceeds of sale of battleships *Idaho* and *Mississippi*.

[3] Includes all expenses of the Postal Service payable from postal revenues and out of the Treasury.

[4] No river and harbor act having become a law, the amount of the estimates, the dates and amounts of the bill in its several stages of consideration up to this time, and the amount of the last law are shown (in parentheses) in order to preserve their history, but none of the amounts are included in the totals stated herein.

[5] No river and harbor act has become a law at this session, but the sum of $6,988,500 is appropriated in the sundry civil act to carry out contracts heretofore authorized for river and harbor improvements.

[6] The sum of $10,045,795 was appropriated in the sundry civil act to carry out contracts authorized by law for river and harbor improvements for 1914.

[7] This amount includes $7,217,500 to carry out contracts authorized by law for river and harbor improvements and $26,326,985 for construction and fortification of the Panama Canal for 1915, and is exclusive of $6,196,221 carried under "Miscellaneous."

[8] This amount includes $6,988,500 to carry out contracts authorized by law for river and harbor improvements and $21,842,475 for construction and fortification of the Panama Canal for 1915.

[9] This amount includes $10,045,795 to carry out contracts authorized by law for river and harbor improvements and $21,135,393 for construction and fortification of the Panama Canal for 1914.

[10] This amount is approximated.

[11] This is the amount submitted by the Secretary of the Treasury in the annual estimates for the fiscal year 1915, the exact amount appropriated not being ascertainable until two years after the close of the fiscal year. This amount includes estimated amount of $60,717,000 to meet sinking-fund obligations for 1915.

[12] In addition to this amount contracts are authorized to be entered into, subject to future appropriations by Congress, as follows: By the fortification act, $600,000; by the naval act, $26,650,000; by the sundry civil act, $810,000; in all, $28,060,000.

[13] In addition to this amount contracts are authorized to be entered into, subject to future appropriations by Congress, as follows: By the Army act, $150,000; by the District of Columbia act, $1,615,000; by the fortification act, $300,000; by the naval act, $21,296,524; by the river and harbor act, $6,795,800; by the public buildings act, $38,347,850 (exclusive of $8,161,000 for authorizations without contracts, etc.); in all, $68,505,174.

This statement from the Department of Commerce shows that while the customs receipts under the Underwood bill have been much less than under the Payne bill, the combined customs receipts and ordinary receipts have been and are now sufficient to meet all reasonable, necessary, and economical expenditures of the Government:

Customs revenue and total ordinary receipts for the fiscal years 1912, 1913, 1914, and 1915 to date.

CUSTOMS REVENUE.

Month.	1912	1913	1914	1915
July	$23,404,502.50	$28,136,502.27	$27,806,654.54	$22,988,465.04
August	25,952,466.21	30,205,331.96	30,934,952.44	19,431,362.52
September	24,746,309.77	27,475,127.85	26,794,494.25	
October	25,757,036.40	30,216,824.02	30,138,049.37	
November	24,704,345.15	25,666,353.25	21,173,627.85	
December	24,587,327.35	24,248,161.30	21,510,139.99	
January	24,654,652.30	29,334,124.09	23,528,079.83	
February	26,337,528.23	27,605,115.83	17,609,603.70	
March	30,408,561.39	27,457,489.20	25,927,212.90	
April	26,184,467.79	23,693,966.76	22,232,766.57	
May	26,578,973.14	20,434,749.21	20,800,573.25	
June	28,005,501.99	24,417,650.12	23,672,372.94	
Total	311,321,672.22	318,891,395.86	292,128,527.63	42,419,827.56

TOTAL ORDINARY RECEIPTS.

Month.	1912	1913	1914	1915
July	$52,085,061.76	$59,536,333.50	$60,231,524.12	$73,224,173.55
August	54,803,682.82	60,205,002.32	61,600,197.16	51,072,898.30
September	56,335,353.09	55,682,556.08	56,073,397.05	
October	56,054,411.33	64,469,504.07	64,196,633.15	
November	56,588,831.93	59,069,393.94	55,515,132.92	
December	53,749,605.62	55,821,538.88	53,152,435.89	
January	52,461,711.56	60,542,363.45	53,977,886.39	
February	53,932,609.01	54,803,419.47	43,633,857.33	
March	59,296,026.64	56,720,083.57	54,803,890.84	
April	53,305,711.82	53,452,556.72	50,488,806.53	
May	58,369,952.26	55,370,363.84	55,389,211.77	
June	84,795,507.53	88,438,114.00	125,280,727.05	
Total	691,778,465.37	724,111,229.84	734,343,700.20	124,297,071.85

I have here a statement giving the customs receipts by months for the years 1911, 1912, 1913, and up to September 1, 1914:

Duties collected from customs, by months, from January, 1911, to August, 1914, inclusive.

Year.	Month.	Duties collected.
1911	January	$24,293,336.53
	February	25,219,082.29
	March	30,108,417.99
	April	23,658,705.89
	May	24,073,286.02
	June	24,358,275.26
	July	23,404,502.50
	August	25,952,466.21
	September	24,746,309.77
	October	25,757,036.40
	November	24,704,345.15
	December	24,587,327.35
1912	January	24,654,652.30
	February	26,537,528.23
	March	30,408,561.39
	April	26,184,467.79
	May	26,578,973.14
	June	26,227,138.26
	July	28,136,502.27
	August	30,205,331.96
	September	27,475,127.85
	October	30,216,824.02
	November	25,666,353.25
	December	24,248,161.30
1913	January	29,334,124.09
	February	27,605,115.83
	March	27,457,489.20
	April	23,693,966.76
	May	20,434,749.21
	June	23,668,598.63
	July	27,806,654.54
	August	30,934,952.44
	September	26,794,494.25
	October	30,138,049.37
	November	21,173,627.85
	December	21,510,139.99
1914	January	23,528,079.83
	February	17,609,603.70
	March	25,927,212.90
	April	22,232,766.57
	May	20,800,573.25
	June	23,553,447.58
	July	22,988,465.04
	August	19,431,362.52

This shows that the falling off in customs receipts in February, 1914, as compared with February, 1913, was greater than the falling off of receipts in August, 1914, as compared with August, 1913.

Much of the real cause of the troubled business condition in the country and the hard times prevailing may be found in the following table showing our imports and exports of merchandise for the years 1912, 1913, and 1914:

Imports and exports of merchandise, by months.

Months.	Imports.				Exports.			Excess of—	
	Free of duty.	Dutiable.	Total.	Per cent of free.	Domestic.	Foreign.	Total.	Imports.	Exports.
1912—January	$80,489,225	$63,097,183	$143,586,480	56.1	$200,042,367	$2,403,906	$202,446,273		$58,859,865
February	70,854,771	63,333,667	134,188,438	52.8	196,836,787	2,007,539	198,844,326		64,655,888
March	80,939,284	76,637,754	157,577,038	51.4	202,491,847	2,919,615	205,411,462		47,834,424
April	88,713,339	73,857,820	162,571,159	54.6	176,159,441	3,140,901	179,300,342		16,729,183
May	84,475,481	71,222,405	155,697,886	54.3	171,294,137	4,085,921	175,380,058		19,682,172
June	66,698,563	64,332,234	131,030,797	50.9	133,682,197	4,551,545	138,233,742		7,202,945
July	77,130,205	71,536,533	148,666,738	51.9	146,166,703	2,718,652	148,885,355		218,617
August	84,068,025	70,688,745	154,756,770	54.4	165,103,787	2,741,084	167,844,871		13,088,101
September	76,523,920	68,295,573	144,819,493	52.8	196,908,711	2,769,351	199,678,062		54,858,569
October	102,711,717	75,276,269	177,987,986	57.7	251,587,995	3,045,509	254,633,504		76,645,518
November	89,688,024	63,406,874	153,094,898	58.6	275,077,667	3,166,524	278,244,191		125,149,293
December	90,051,367	64,044,077	154,095,444	58.4	247,344,417	2,971,390	250,315,807		96,220,363
Total, 12 months	992,343,921	825,729,134	1,818,073,055	54.6	2,362,696,056	36,521,937	2,399,217,993		581,144,938
1913—January	90,413,718	72,649,720	163,063,438	55.3	224,272,058	2,760,872	227,032,930		63,969,492
February	80,101,323	69,812,595	149,913,918	53.4	191,135,844	2,861,098	193,996,942		44,083,024
March	84,216,033	71,229,465	155,445,498	54.2	183,446,790	3,979,921	187,426,711		31,981,213
April	76,826,345	69,368,116	146,194,461	52.6	196,233,706	3,579,732	199,813,438		53,618,977
May	69,006,928	64,716,785	133,723,713	51.6	191,055,800	3,551,622	194,607,422		60,883,709
June	66,786,557	64,459,320	131,245,877	50.9	160,172,880	3,232,036	163,404,916		32,159,039
July	71,806,155	67,255,615	139,061,770	51.6	158,173,653	2,817,125	160,990,778		21,929,008
August	70,062,817	67,588,736	137,651,553	50.8	185,114,273	2,794,747	187,909,020		50,257,467
September	92,031,627	79,053,216	171,084,843	53.8	215,817,627	2,422,374	218,240,001		47,155,158
October	81,553,889	51,395,413	132,949,302	61.4	269,003,434	2,854,030	271,861,464		138,912,162
November	91,498,137	56,738,399	148,236,536	61.7	243,375,068	2,163,974	245,539,042		97,302,506
December	117,547,218	66,478,353	184,025,571	63.9	230,483,344	2,712,284	233,195,628		49,170,057
Total, 12 months	991,850,747	800,745,733	1,792,596,480	55.3	2,448,284,477	35,733,815	2,484,018,292		691,421,812
1914—January	94,511,619	60,231,304	154,742,923	61.1	201,609,006	2,457,597	204,066,603		49,323,680
February	92,471,968	55,572,808	148,044,776	62.5	171,605,138	2,315,007	173,920,145		25,875,369
March	111,644,978	70,910,326	182,555,304	61.2	183,934,601	3,564,633	187,499,234		4,943,930
April	107,779,852	65,932,262	173,762,114	62.0	158,969,703	3,582,867	162,552,570	$11,209,544	
May	103,148,377	61,133,138	164,281,515	62.8	157,492,718	4,239,901	161,732,619	2,548,896	
June	93,446,062	64,083,388	157,529,450	59.4	154,105,460	2,966,584	157,072,044	457,406	
July	94,585,449	65,091,842	159,677,291	59.2	150,959,659	3,179,288	154,138,947	5,538,344	
August	79,925,410	49,474,086	129,399,496		108,198,262	2,170,852	110,369,114	19,030,382	
Twelve months ending Dec. 31 1908	504,644,541	611,729,546	1,116,374,087	45.2	1,728,670,188	24,165,259	1,752,835,447		636,461,360
Twelve months ending Dec. 31 1909	699,714,958	775,805,768	1,475,520,724	47.4	1,700,721,985	27,476,660	1,728,198,645		252,677,921
Twelve months ending Dec. 31 1910	769,426,798	793,477,353	1,562,904,151	49.2	1,829,022,929	37,235,975	1,866,258,904		303,354,753
Twelve months ending Dec. 31 1911	794,444,255	737,914,905	1,532,359,160	51.8	2,054,413,224	34,113,522	2,092,526,746		560,167,586
Twelve months ending Dec. 31 1912	992,343,921	825,729,134	1,818,073,055	54.6	2,362,696,056	36,521,937	2,399,217,993		581,144,938
Twelve months ending Dec. 31 1913	991,850,747	800,745,733	1,792,596,480	55.3	2,448,284,477	35,733,815	2,484,018,292		691,421,812

This shows clearly that there has been a constant falling off in our balance of trade since the enactment of our present tariff law until now; and since April of this year, for the first time in 16 years, the balance of trade is against us. In October, 1913, our exports exceeded our imports by $138,912,162. In August, 1914, our imports exceeded our exports by $19,030,382. This accounts for the drain of millions of gold from this country to Europe as well as for many of our idle factories and workshops.

What our people need now is a lessening rather than an adding to their tax burdens. I am confident that there is no one in this Chamber but realizes deep down in his heart that with any reasonable economy in Government appropriations there would be no necessity for this tax at this time. When the people of this country are given the opportunity to right and readjust themselves and to again adopt a policy of government and legislation that will bring about a balance of trade in our favor, and under which the exports of our manufactured products will increase rather than decrease from month to month, all will be well. Then there will be no talk or discussion of a war-tax measure like this at a time when we are at peace with the whole world. [Applause on the Republican side.] No defense in reason can be made to the "gag" rule under which this bill has been brought into the House and under which it is now being considered. Under the rule not a single amendment to the bill can even be offered. The introduction of such an almost unheard-of rule by the majority on a measure of this kind is a plain admission that a free discussion of the different items of the bill is feared by its authors. The gentleman from Oregon [Mr. SINNOTT], who has preceded me on the floor, explained somewhat how cotton bagging and cotton ties were placed on the free list in the Underwood tariff bill, while in the same bill a duty was placed on wheat sacks and wool bags, and made clear the prominent part free cotton bagging and free cotton ties played in the recent senatorial campaign in Alabama. In examining this bill I have been unable to discover any good reason why California wines should be so heavily taxed and Kentucky whisky should escape any additional tax. Doubtless the authors of the bill have a reason which has not yet been clearly disclosed to the House.

The tax on gasoline provided for in this bill will lay a heavy burden of taxation on many families in the Northwest, where gasoline is so generally used in the household and for the operation of farm machinery. If in an emergency and under an economical and careful administration of the affairs of the Government such a tax as this were actually needed to meet the necessary expenses of the Government, our people, who are the most generous and patriotic people in all the world, would cheerfully pay it. But when there has not been shown any real necessity for the additional tax at this time and when extravagant appropriations and inefficient management of the Government have given rise to the legislation before us, it should be opposed by every citizen, irrespective of what his party affiliations may be. I trust that an aroused public will bring its influence to bear to defeat this unnecessary legislation as it assisted in the defeat of the indefensible appropriations that were proposed in the river and harbor bill. [Applause on the Republican side.]

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. UNDERWOOD. Mr. Speaker, I yield to the gentleman from Ohio [Mr. CROSSER].

Mr. CROSSER. Mr. Speaker, because of the great war now raging in Europe the amount of goods imported into this country is much less than usual, and, consequently, the amount of money which is collected as duties on goods shipped into this country is very much less than usual. The receipts of the Government are, therefore, not sufficient to pay the expenses. On account of this fact the President has recommended to Congress the passage of a war-tax law, which will provide an amount of money sufficient to make up the shortage in receipts which has been caused by the decrease in importations.

It is not a pleasant task at any time to levy taxes such as are proposed by the pending bill. Nevertheless, if such a tax be necessary in order to provide money to carry on the Government, then every courageous, broad-minded Member of this House, of

whatever party, should support the bill, and every person who has the country's best interest at heart will approve the action of the House in passing such a law.

I say that it is unfortunate that it has become necessary on account of the great European war to pass a war-tax bill. However, though we are not at war with any other nation of the world, yet the war that is now raging in Europe is so great in its proportions that it has seriously affected the trade of this and every other country in the world, because ships of commerce dare not sail the seas.

Yes, it is unfortunate that because of war in another part of the world we must pass this emergency war tax, but how much worse, how much more unfortunate it would be if we were compelled to levy a war tax because of a war in which this country itself were engaged.

The fact that this great Nation is at peace with all the world and is free from strife is something for which every citizen of this country should rejoice and be thankful. And yet if some of the so-called leaders of the opposition party could have had their way during the last year this country would no doubt be embroiled in one of the bloodiest and most disastrous wars in its history. When the present administration came into power it found the so-called Mexican problem on its hands. A state of revolution existed throughout all of Mexico. President Madero, of Mexico, had been murdered, and Gen. Huerta at once set himself up as dictator. The United States Government, with President Wilson at its head, refused to recognize Huerta as President of the Republic of Mexico. We declared that a Government which had secured its power by murder would not be recognized as a Government by the United States.

For taking this stand President Wilson, Secretary Bryan, and those of us in Congress who supported this policy were severely denounced and sneered at by those whose chief concern is to place themselves in power, regardless of how well the party in power may be conducting the affairs of the Government.

Time and time again our policy in regard to Mexico was severely criticized by some of the leaders, not the rank and file, of the Republican Party, and referred to contemptuously as a policy of "watchful waiting." Let me say, sir, that the American people are now very, very thankful that we did have a policy of "watchful waiting."

To-day 10,000,000 of men in foreign lands have been placed against each other for mutual slaughter. The modern guns and instruments of warfare are proving their awful power to slaughter human beings and destroy property.

Throughout Europe to-day there is misery and desolation. Hundreds of thousands have already been slain, and hundreds of thousands more have been far worse than killed—they have been horribly maimed and mangled. Young men who had their whole lives before them, who were the pride and joy of their parents, and who were looked to by their aged fathers and mothers as their sole support in old age, have either given up their lives or have been made absolutely helpless. Men who a little while ago were strong and rugged and cheerful will soon be wandering about unable to earn a living. Some will be hobbling about on wooden stilts; others will have empty sleeves hanging by their sides. Beautiful cities have been laid waste, homes have been destroyed, and many, many of the people who are not actually on the battle field are wandering about on the highways without a home of any kind to shelter them. Little children are asking piteously about the return home of their fathers, and sad-eyed, tender mothers have not the heart to tell them the truth.

All this because the statesmen of Europe listened to the jingoes. All this because the heads of European Governments gave heed to the silly talk about national honor.

It is only a few short months ago that President Wilson and Congressmen who supported him were sneered at and jibed, not only by the interests and party advantage seekers in this country, but also by the press and public men of the nations now at war in Europe. But the Government of the United States fortunately could not be stampeded and rushed into a war with Mexico, a war which would have had more serious results than many people supposed, and to-day ours is one of the few nations of the world which is enjoying peace and comfort.

And yet many of the people in this country have their sorrow because of the European war. Sons and brothers of many of our people have already fallen on the battle fields of Europe. Fathers and mothers of many of our people have been made penniless and are suffering terrible hardship. As a Nation, however, we are at peace with all the world.

Mr. Speaker, it is well to consider for a moment why this is so. It is because the Government of the United States is a Government of the people. The people of any country seldom make war, although it is they who must fight the battles when war is begun. In this country public officials are supposed to represent the will of the people. So far as a public servant carries the will of the people into effect, just so far is he a really successful official. In the years past we have had Presidents and Congresses who would engage us in war with little provocation, and there were always some who sympathized with that idea, but the great majority of the people never willingly entered upon a war without complete justification.

Almost every person in the United States is thankful to-day that we are not engaged in war. The President and Congress have done the will of the people in keeping out of war, and the people are showing unbounded confidence in those who have thus been true to their trust.

Mr. KELLY of Pennsylvania. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. FARR].

Mr. FARR. Mr. Speaker, I shall oppose this measure because I believe it to be unnecessary and an additional hardship to many already oppressed by the injurious effects of the Underwood tariff law.

The great, vital, material bread-and-butter issue before the American people is the tariff question as comprehended in the slogan, "Made in America."

The Underwood low-tariff measure has been disastrous from its very beginning. It has demoralized industry and trade and shattered confidence. It has not only increased the cost of living but has deprived several millions of wage earners from opportunities to earn any living.

The Underwood bill has forced a drain upon our gold that necessitates the remarkable pooling proposition of bankers to raise $100,000,000 in gold to pay debts and help our credit in distracted Europe. Instead of curtailing expenses and deferring expenditures upon projects that can be postponed, it is proposed to pass an emergency measure to take from the pockets of the people in times of peace $100,000,000 to make up for the losses in revenue that month by month has resulted from the made-in-Europe articles that have been placed on the free list and shipped here to displace American labor.

Instead of giving a balance of trade in our favor of three to five hundred million dollars a year to protect our gold supply, it has turned trade against us for goods made in Europe to the startling extent of about two hundred and forty millions a year. The war abroad is not responsible for this disastrous showing. Free-trade legislation is simply repeating its history.

The lowered duty on sugar was a serious blow to the sugar industry, cane and beet, throwing out of employment thousands of men and destroying millions of dollars of investments. It has lessened the home product by nearly 150,000 tons, strengthened the monopoly of the refiners, and added 2 to 3 cents a pound to the price to the consumer, and has already cost the Government twelve and a half million dollars in revenue.

Eight million fewer sheep in the United States is the result of the agitation for free wool and the removal of the duty, with consequent great losses to that industry and loss of employment to textile workers because of increased importations of woolen goods. This unwise legislation has deprived the Government of nearly twenty millions in revenue. It has not reduced cost of wearing apparel, but has displaced thousands of wage earners and has added to the cost of meat by lessening the supply of lamb and mutton.

The increased freight and passenger rates demanded by the railroads because of the large decrease in business and impairment of earnings the Underwood bill has caused to that great industry making and employing force will be another burden upon the people that should cause us to hesitate before passing this measure.

Senator BURTON'S successful effort in forcing the Democrats to agree to a reduction of fourteen millions of dollars in the rivers and harbors bill shows what can be done. Reduce expenditures. That is the way to make unnecessary a war tax on the people in time of peace. Other expenditures should be deferred, and not burden the people with an additional tax of one hundred millions in a period of hardship that the Nation is now passing through. It is the duty of the Nation as well as an individual to economize in expenditures when the income is falling off. The present Congress has spent millions more than the previous Congress, yet it purposes to take another hundred millions in an emergency tax from the people.

Mr. KELLY of Pennsylvania. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. VARE].

Mr. VARE. Mr. Speaker, a great deal has been said on the floor to-day concerning the failure of the Underwood tariff bill. I do not understand why so much stress is laid on that, because it is no new thing for a Democratic tariff law to be a failure. [Laughter and applause on the Republican side.]

Mr. Speaker, it is my intention to vote against this war tax bill because I am opposed to a system whereby the people in my district are to be forced to pay for Democratic improvidence, extravagance, and financial mismanagement.

The tariff for revenue only which the Democratic Party put into effect in October, 1913, is now admitted to be a failure. Under the guise of making up revenue lost by reason of the war, the Democratic Party is in reality trying to cover up the failure of the new tariff law to raise the revenue which it was expected from it.

Coming into power under an absolute pledge of strict economy, the Democratic Party has been wholly heedless in its extravagance. If the tariff for revenue only had not been enacted, the Treasury would not now be depleted. If the Democratic Party had been economical, there would be no necessity of raising $100,000,000. Unfortunately, however, there has been no attempt at economy, and none of the policies of the Democratic Party has been designed to build up. The river and harbor bill was framed with a view to satisfying preferences and prejudices and not with any idea of the national importance of the rivers involved. As a result, the entire bill has been discarded. The Delaware River, which should have had more than $1,000,000 for continuing work, now must go without any appropriation for such work because of the Democratic folly and mismanagement.

Why should the people of the country be taxed to pay the bill of the Democratic Party? Why should the people be compelled to pay additional taxes when the party in power, by the exercise of a little economy and the exercise of a little judgment in tariff making, could have conserved the revenues of the country? It is all very well to say that the European war brought about this condition in the Treasury, but the fact is that the revenues had fallen off to an alarming degree long before the war began. Later on I will cite figures in proof of this statement.

It is significant, however, that the revenues of the country have always fallen into an alarming condition after the enactment of these so-called tariffs for revenue only. After the passage of such measures four Presidents of the United States have been compelled to appeal to Congress for more revenues.

In his message to Congress in September, 1837, after the "sliding-scale act" had failed to properly finance the Government, President Van Buren said:

I deeply regret that events have occurred which require me to ask your consideration of such serious topics. I could have wished that in making my first communication to the assembled Representatives of my country I had nothing to dwell upon but the history of her unalloyed prosperity. Since it is otherwise, we can only feel more deeply the responsibility of the respective trusts that have been confided to us, and under the pressure of difficulties unite in invoking the guidance and aid of the Supreme Ruler of Nations and in laboring with zealous resolution to overcome the difficulties by which we are environed.

President Buchanan, in his message to Congress nine months after the passage of the "progressive free-trade act," said:

The earth has yielded her fruits abundantly and has bountifully rewarded the toil of the husbandman. Our great staples have commanded high prices, and up till within a brief period our manufacturing, mineral, and mechanical occupations have largely partaken of the general prosperity. We have possessed all the elements of material wealth in rich abundance, and yet, notwithstanding all these advantages, our country in its monetary interests is at the present moment in a deplorable condition.

In calling Congress together in special session, four months from the time of his inauguration, the "tariff for revenue only" having failed to maintain the Government, President Cleveland said:

The distrust and apprehension concerning the financial situation which pervade all business circles have already caused great loss and damage to our people and threaten to cripple our merchants, stop the wheels of manufacture, bring distress and privation to our farmers, and withhold from our workingmen the wage of labor.

President Wilson, in his message September 4, 1914, said:

Gentlemen of Congress, I come to you to-day to discharge a duty which I wish with all my heart I had been spared, but it is a duty which is very clear, therefore I perform it without hesitation or apology. I come to ask very earnestly that an additional revenue be provided for the Government. During the month of August there was, as compared with the corresponding month of last year, a falling off of $10,629,538 in revenues collected from customs. A continuation of this decrease in the same proportion throughout the current fiscal year would probably mean a loss of customs revenues of from sixty to one hundred millions.

And we ought not to borrow. We ought to resort to taxation, however we may regret the necessity of putting additional temporary burdens on our people. I respectfully urge that an additional revenue of $100,000,000 be raised through internal taxes devised in your wisdom to meet the emergency.

The argument of President Wilson is not tenable. Imports to the United States under the operations of the present law for 10 months ending July 31 increased $102,478,621, according to a table of the Bureau of Foreign and Domestic Commerce. In the same period, as shown by figures from the same source, duties paid on imports decreased $30,770,070, which is more than 30 per cent of the deficiency which the administration, preparing to levy special taxes, attributes to the European war.

A gain in imports was to be expected under the lower duties imposed by the Underwood bill, but it must come as a shock to those who framed the law that revenue has decreased to such a point where extra taxation is necessary.

Had a deficiency occurred under duties such as were levied by the Payne-Aldrich bill, we would have the satisfaction of having produced in our mills, with American labor, a large part of the manufactures accounted for in the increase of more than $100,000,000 in imports. As the matter stands, however, we have not made the goods, our working people do not get the wages, and we are more than $30,000,000 short in revenue, which is now to be made up by the further taxation of our people. This is unjustly charged to the war account.

The attempt to blame the decreases in revenue solely upon the war is shown up in its true light by the customs figures of Philadelphia.

At the port of Philadelphia the duties collected in August, 1913, amounted to $2,167,000 as against $1,208,000 for last month, a decrease of $959,000. If the theory of those who would blame the war is sound, then there must have been an unprecedented decrease in the imports received. The figures show, however, that $6,923,000 worth of goods entered at Philadelphia last month and $7,045,000 in August of 1913, a difference of only $122,000. Thus, under the Underwood tariff law, there was in one month a decrease in imports of only $122,000, while the decrease in duties collected reached the figure of $900,000.

The consequences of the tariff for revenue only policy were plainly in evidence before the European war began, and it will not be possible for the Democrats to attribute conditions to the European disturbances.

If the United States had been squarely upon a protectionist basis at the time of the European war it would have been in a better position to meet the shock of the situation. Mills would have still been running full time. There would have been employment for everybody and there would have been no convulsion of capital and labor. The country would have been able to meet the emergency much more boldly and effectively. Whenever the tariff issue has been presented squarely to the American people they have voted overwhelmingly for protection, but due to the split in the Republican Party in 1912, although a large majority voted for protection, a plurality elected Wilson and gave the excuse for the abandonment of the protective principle. It is for this error that the country is paying the price to-day, and the effort to confuse the situation by attributing the disasters to the European war will not be effective with any thoughtful person.

Even though it were not the acts and omissions of the Democratic Party which had brought about the conditions which this war tax is designed to meet, I would oppose the program, because it is as unscientific as the rest of the Democratic policies.

This bill is as haphazard as the tariff bill, and based on the same hit-or-miss policy. Just as the Democratic Party failed to guess what the tariff for revenue only would do, it may fail to guess what the war will do. And all this guessing falls heavily upon the people who pay the bill.

What does the administration know about the need of additional revenue? How can it say that $100,000,000 will be needed in the future? This bill is pure guesswork. The imports in August decreased, but no one can say what will happen in October or November or December. No man can tell whether the decrease in revenue for the fiscal year will be $25,000,000 or $150,000,000.

We could figure it out on the basis of decreases in revenue prior to the European war, but the Democratic Party preferred to ignore these decreases and regard merely the European war results. If this tax has been figured out solely on the basis of what has happened in one month of war, why should an estimate of losses be made for a whole year? What authority has the Democratic Party to say that this war will last a year?

It is impossible to consider the question of Democratic legislation without analyzing the Democratic policy as it is declared in acts and achievements rather than in promises. Since the beginning the Democrats have declared themselves to be the foes of what they called special privilege. They maintained, on the one hand, that conferring privileges on favored individuals or corporations was a crime against the general welfare, and on the other they averred that whether or not it was vicious or beneficial it was morally wrong to use the law-making power to such end and purpose.

It will be conceded that special privilege is as great an evil as the Democrats have declared it to be. It is a great evil to give to one at the expense of another through the medium of

a statute. But special privilege can work two ways. It is as bad theoretically so to frame statutes that those specially hated or feared shall receive punishment as that those favored or loved shall receive privileges.

The handing out of punishment by the same method stifles industrial activity, reduces the measure of prosperity, and there is no question of fair or unfair division of the profits, for the simple reason that there are no profits. There is only stagnation, unemployment, and taxes—always taxes and more taxes.

The further the investigation into recent legislation is carried the plainer it becomes that the lawmaking power of the Nation has been perverted, that statutes have been enacted to the end that political enemies might be punished. The aim of the tariff law was to hurt those who had succeeded. Rates were delicately adjusted so that they would do the most harm to the hated corporations, and the degree of the hate can be determined by a glance at the rate. No consideration was given to the prosperity of the country, and any industry which had shown a disposition to grow to large proportions was to have its activities reduced and profits impaired as a punishment for its success.

Now, we find that this system of tariff making is a complete failure. Industries have been injured and workingmen thrown out of work. Revenues have fallen off and advantage has come to nobody. The remedy proposed is to tax the people to make up a prospective deficiency of the Treasury, without knowing what that deficiency is going to be.

The Democratic Party promised to reduce the high cost of living, and the result has been an increase in the cost of living. The Democratic Party promised to end special privileges, and the result was constant legislation to destroy industry and employment and lower wages. The Democratic Party promised an era of economy, and the result has been a period of unparalleled extravagance. The financial management of the Government has been bungled and the people of the country are now to be forced to pay the bill.

In estimating the needs of the Treasury at $100,000,000, without knowing anything about what will be actually needed, the Democrats are deliberately making the country swallow extravagance. This tax will bear upon the small storekeepers and the consumers; upon men and women who can ill afford to pay additional and unnecessary taxes, which could be avoided by the exercise of the most ordinary economies. I want to voice my protest against this iniquitous oppression of the people who had been promised an economical administration, and who are now being asked to pay for blundering legislation and unprecedented extravagance. [Applause on the Republican side.]

Mr. HAWLEY. I can find no justification for laying upon our people at this time the great burden of this war tax of $100,000,000 when we are at peace with all the world. An effective and economical administration of the revenues of the Government would have reduced the deficit to a much smaller sum, and that should be made up by no war tax but by a revision of the tariff on a basis of moderate protection to agricultural and competitive manufactured products, thereby restoring the markets to our producers, employment to labor, and prosperity of the country.

Mr. KELLY of Pennsylvania. Mr. Speaker, I yield to the gentleman from Idaho [Mr. SMITH].

Mr. SMITH of Idaho. Mr. Speaker, I regret that I can not concur in the recommendation of the President that the revenue bill under consideration should be enacted. It proposes to tax the industries of the country to make up the deficiencies in the customs duties. There appears to me to be no immediate necessity or justification for levying additional taxes upon the people, who are already overburdened, when there are other and better ways to meet the embarrassing situation which confronts the Government.

Why would it not be wiser to curtail our appropriations for a year to the extent of $100,000,000? When a wise man is confronted with a reduction of his income he practices economy, and why should the Government not do the same thing, instead of imposing further taxes?

Would it not be wiser to offer for sale the Panama bonds still unissued, or a portion of them, and bring from hiding millions of dollars withdrawn from circulation, the bonds to be paid when the customs receipts again become normal?

Why not restore to the dutiable list wool, sugar, and a few other articles, which would doubtless bring ample revenue to meet the deficiency and thus avoid levying a tax as proposed, which should only be considered in a time of war?

When the Government is operating under a protective tariff system we have a surplus in the Treasury instead of a deficit. In addition, we are then selling abroad more than we buy, home industries are built up, labor is employed, and the people generally are prosperous.

Every thinking man must recognize that the business conditions of the country and the lot of the wage earner are far less satisfactory than at the close of the last administration 18 months ago. Since the enactment of the Democratic tariff bill it is a deplorable fact that many manufacturers in the country have curtailed production because of a lessening of demand for their products, which has resulted in the discharge of hundreds of thousands of employees, while some have closed down entirely to await sufficient orders to warrant resumption, and their employees have sought work elsewhere, generally without success.

But few, if any, merchants, professional men, farmers, or wage earners are as well off as one year ago, and there is not much hope for more prosperous times in the immediate future under existing conditions.

As intelligent beings it is natural that we should inquire into the cause of these adverse conditions and correct them.

Is it not a historical fact that whenever the Democratic Party has enacted a revenue tariff depressed business conditions have followed? What other result could be expected when the home market for the products of the American manufacturer and farmer is surrendered to the foreign importer, and we buy abroad many things which we can produce and thus keep our money in our own country?

The Wilson revenue tariff law of 1894, enacted by a Democratic Congress, not only resulted in a long siege of slackened business and unemployment, but our revenues were reduced to such an extent that a bond issue was necessary in order to raise money to pay the expenses of the Government, and $162,000,000 was borrowed at 4 per cent interest. Under the succeeding Republican administration the credit of the Government had been so improved that the Spanish-American War bonds of 1898 were floated at 3 per cent and the Panama Canal bonds a few years later at 2 per cent.

The Democrats are again in power and we are again confronted by a deficit in our revenues, due, in part, it is true, to a curtailment of imports on account of the European war, but largely because of the great falling off during this year of our revenues from customs duties as a result of the operation of the Underwood tariff law placing many articles on the free list and a radical reduction of the duty on other articles. Because of this partisan legislation the American people must now submit to a most arbitrary and unnecessary tax, which is soon to be forced upon the business interests of the country, which because of a gradual reduction in the commercial activities of the country during the last 18 months can not bear additional burdens without embarrassment.

The Democratic tariff law has resulted in great damage to the business and agricultural interests of my State, but the beet-sugar industry has suffered irreparably and will be forced out of existence if the tariff is finally removed, as provided for in the recent tariff law. The farmers will not raise the beets if the price to them is reduced, and the sugar manufacturers there can not compete with the foreign manufacturers without reducing the cost of production. A slight reduction has already been made in the price for raw material and in wages, and a large reduction in dividends to the stockholders, because of the reduction of the duty provided for, and yet the price to the consumer is higher than for years.

The lumber industry, the stock-raising industry, and the lead-mining industry, all of which are important factors in the prosperity of our people, are retrograding because of the disturbed business conditions due to the baneful effects of the abandonment of the protective-tariff policy of the Republican Party, under which this country has always prospered. [Applause on the Republican side.]

Mr. UNDERWOOD. Mr. Speaker, I yield to the gentleman from Illinois [Mr. GRAHAM].

Mr. GRAHAM of Illinois. Mr. Speaker, most of us would, I think, be glad if we could avoid the necessity of passing this bill, but its necessity arises out of conditions far beyond our control. The dreadful war now raging in Europe, which is wiping out myriads of lives and, like a great conflagration, destroying billions of dollars' worth of property, is seriously affecting every civilized country in the world, ours included. It will cause people to suffer the pangs of hunger in some countries because they can not have the food, while the people in other countries will go bankrupt because they can not sell them the food products they have to spare. It will drain working capital from every portion of civilization to invest in ways and means for destroying human life.

The world is far smaller than it used to be in a certain sense. Places that a generation ago were comparatively remote

and difficult of access are now linked together. Steam and electricity, the great ocean cables, and the wireless system of telegraphy have brought the ends of the earth together and have made neighbors out of distant nations.

Each one has learned to utilize the products of the others and to take advantage of them to such extent that the nations now constitute a kind of plexus, or web, so that a serious disturbance to any of the great industrial nations results in a corresponding industrial disturbance in the others.

The present cataclysm involves not one, but seven of the great nations of the earth with fair prospects of involving others. Populations aggregating 450,000,000 are involved directly and over 500,000,000 more are involved indirectly through colonies or subject races, almost two-thirds of all the inhabitants of the earth.

The whole machinery of the world's commerce is thrown out of gear. It is impossible that the effect would not be seriously felt. Our commercial relations with the nations involved were peculiarly close, and the effect on us is, of course, manifest.

In the development of the world's commerce, the high seas had been covered with fleets of merchant ships, busy carrying food and wares from country to country, so that the greatest danger to navigation arose from the collision of ship with ship. The seas were not big enough for safety.

But when war showed its horrid front, the ships that were abroad sought havens of refuge, and those in the harbors remained there. Commerce practically ceased.

A large part of our Federal revenue is derived from taxes collected from imports brought in through the customhouses of the country. But under existing conditions there will be, of course, a great falling off in imports and a consequent falling off in revenue.

These are indisputable facts, and facts are stubborn things.

What shall we do under these circumstances? How shall the situation be met? True, there is no immediate stress. The Treasury is far from empty, and if we had assurance that the exigency confronting us would be brief, there were little need to take any action. But there is no such assurance. Indeed, to ordinary foresight, the prospect is the other way; it points to a somewhat prolonged struggle, with the probability that yet other nations will become involved. Under such circumstances we can not afford to take any risks. We must not be found like the foolish virgins. We must procure oil for our lamps and keep them trimmed.

Indeed, under the conditions existing at this time, it is peculiarly necessary that the Federal Treasury be maintained in a perfectly sound condition.

Among the things which the European conflict will compel us to consider is the large amount of indebtedness we owe in Europe, which we will, no doubt, be called upon to pay on maturity. New York City is preparing to meet such a demand for $100,000,000 at an early day, and this is only typical of many other cases. To run the risk of an empty Federal Treasury at a time when our working capital is so likely to be depleted were worse than folly, it were madness.

We are criticized by our Republican friends for levying a war tax in time of peace. Of course we know, as everyone knows, that our Republican brethren would like to convince the country that our way is the wrong way. Their teeth have long been watering for the flesh pots. We know that, and the country knows it. But every thinking man also knows that the present disturbance in the industrial life of the country, resulting from this worst of wars, is greater than the disturbance caused by our little war with Spain 16 years ago.

Dependent as we are on Europe for many of the ingredients which enter into our manufactured products and without which we can make little headway in many lines, such as dyestuffs, alkalies, potash, tin in its various forms, and many other things, with far the greater part of the civilized world in desperate deadly strife, with so many of our industrial and financial interests bound up with theirs, with a large portion of our ordinary revenues cut off by the war, the need for action is so apparent that we should forget small politics and see only that larger patriotism befitting Members of the American Congress.

Gentlemen seek to place the blame for the falling off in revenue on the present tariff, and, harking back to the Payne law, insist that it would furnish sufficient revenue if it were now in force.

Our stand-pat protectionist friends, who lose no chance to lament the extinction of the Payne tariff law, think, or pretend to think, that if it were now in force it would produce plenty of revenue. It is pathetic, the superstitious faith they have in a protective tariff. It can produce a given result to-day, then, presto! change, and it produces the very opposite result to-morrow. The very purpose of it was to keep foreign-made goods out, but when we need more revenue, in spite of all danger of capture on the high seas, it would bring them in. Its tremendous capacity for producing diametrically opposite results is illustrated almost as well in the current number—September 25—of what might be called the official journal of protection, the American Economist, as it is in the speeches of protectionists on this floor. I quote:

> The whole aniline-dye trade, although aniline dyes were the discovery of an Englishman, has fallen into the hands of Germany simply because of the policy of free imports, which allowed the product of cheap German labor to replace that of the better-paid British workingman.

Think of it! Oh, ye gods! The cheap labor of protected Germany taking the work away from the better-paid labor of free-trade England. But in the next issue, or possibly somewhere else in this issue, of this organ—or, rather, oracle—of protection, we will be told about the high wages paid under protection and the low wages paid where that fetish is not worshiped.

The Payne tariff law could not produce the necessary revenue under existing conditions any more than the present one can. Such a claim is preposterous. How could we get a revenue from imports that were not imported? What difference to the revenue whether the tariff was 1 per cent or 100 per cent on goods that never came? Would a high tariff on the goods carried enable the ship that carried them to successfully evade the enemy's cruisers?

The gentleman from Alabama estimates that the falling off in revenue from customhouse taxes during the next year will amount to about $125,000,000. It is claimed that this is too high an estimate, as shown by the imports for last month—August—which fell only about $8,000,000 below the receipts for August, 1913. But last month does not furnish a fair test.

War was declared by Germany on the 1st day of August. But many ships were then on the way with cargoes, and, no doubt, most of them reached their destination. Then, again, England did not declare war till the 5th, and it was her entrance into the quarrel which did most to interfere with ocean commerce. And, again, it took all the belligerents some time to get their ships of war in action, so as to sweep the seas of merchantmen, so that the actual falling off in revenue for August does not mark the fair average loss for subsequent months. There is another reason for the slight loss in August which must not be overlooked. Many importers allow the imported goods to remain for some time in the Government or bonded warehouses at Boston, New York, Philadelphia, and other ports. The duty is not paid on these goods while they remain in the warehouse; it is only paid when they are taken out.

Thus the duty was paid in August on many goods imported long before, and the receipts for that month made larger than the actual imports justified.

The conditions which confront us are extraordinary. The world has never before witnessed anything like them. Great world responsibility may be thrown upon us at any moment. The industrial or financial exigencies of the situation may at any moment throw grave national responsibilties upon the Government.

We should be able to meet any of these with a full purse. We are well able to pay this additional tax. We hope not to have to pay it very long; but whether we do or not, we should act in time and place the Nation's Treasury and the Nation's credit above all questions of fear or doubt.

[Mr. GOLDFOGLE addressed the House. See Appendix.]

Mr. UNDERWOOD. Mr. Speaker, I yield five minutes to the gentleman from Texas [Mr. HARDY].

Mr. HARDY. Mr. Speaker, it seems to me that it comes with peculiarly bad grace from such a standpatter as my friend from Kansas [Mr. CAMPBELL] to be complaining of this measure on the ground that it imposes a burden of $1 per capita on the poor man of this country, or $5 to each family. Especially does that complaint come with bad grace from that side, who have for the 50 years of their practically continued power been delighted to lay heavy burdens on the great masses of the people by their exorbitant tariff taxes. But I wish to call attention to the fact that this measure does not tax in any sensible degree the great masses of the people.

This bill calls for a tax on beer, raising $32,500,000. I know that some of the poor people use beer, but it is classed as a luxury, and is an unnecessary expenditure. Six million dollars is raised from a tax on wine and $20,000,000 is raised from gasoline. None of those taxes in any sensible degree touch the poor, and they amount to $58,500,000 in the aggregate. And then a tax amounting to ten millions is levied upon banks, brokers, custom brokers, theaters, and so forth, making $68,500,000 thus far, and practically none of it has yet touched the

poor. And after that there is a revenue tax on tobacco running to $5,000,000, making in all $73,500,000, and then a tax on telephone messages where the charge is 15 cents or over, and that does not touch the masses. Then there is a tax of 1 cent each on telegrams. The average man may sometimes pay this telephone and telegram tax, from which $1,500,000 is expected. This makes $75,000,000, of which, I think, we can safely say not 1 per cent will be paid by the poor man. Then we come to the stamp tax. Stamp taxes are imposed on the following items:

Bonds, debentures, or certificates of indebtedness, etc., for each $100	$0.05
Certificates of stock, original issue, for each $100	.05
Certificates of stock, transfers, for each $100	.02
Sales of products at exchanges, for each $100	.01
Promissory notes, for each $100	.02
Express receipts	.01
Freight receipts or domestic bills of lading	.01
Bonds of indemnity and bonds not otherwise specified	.50
Certificate of profits, for each $100	.02
Certificate of damage	.25
Certificates not otherwise specified	.10
Broker's contract	.10
Conveyances, exceeding $100, for each $500	.50
Entry of goods at customhouse (according to value)	$0.25–1.00
Entry for withdrawal of goods from customs bonded warehouse	.50
Insurance:	
Life, on each $100 of the amount insured	.08
Marine, inland, and fire, on each $1 of premium charged	.0½
Casualty, fidelity, and guaranty, on each $1 of premium charged	.0½
Mortgages and conveyance in trust, exceeding $1,000, for each $1,500	.25
Passage ticket (according to value)	1.00–5.00
Power of attorney to vote	.10
Power of attorney to sell	.25
Protest of note, check, etc	.25
Sleeping and parlor car tickets	.02

Study the list carefully and there are few, very few of the items on which the poor man will pay. It might be that the tax on conveyances would be paid by the home buyer, but in my country when we sell a tract of land the seller pays for the execution of the deed, and all expenses connected with it. He sells for so much an acre, and this was one tax collected under the McKinley war revenue act in 1898 that the poor man never did pay. You can read over the whole sum up of taxes provided by this bill and scarcely 1 per cent will fall upon the poor. The truth is that this tax measure falls upon the rich, and that is the reason why gentlemen on that side are so strongly opposed to it. They have been so used to taxing the poor that they view with special horror any measure that might tax the rich. [Applause on the Democratic side.]

There is one thing further, Mr. Speaker, that I wish to call attention to. Gentlemen say it was justifiable to pass an internal-revenue tax measure to meet the conditions at the time of the Spanish-American War, but they see no conditions arising from this European war calling for the same action now by the Government. Why, when the Spanish-American War occurred it was a gentle breeze, so far as it affected the general conditions—commercial and industrial—of this country, as compared with the storm that this great war in Europe is producing and its effect upon the industrial conditions of the people of the United States and upon the revenues of the Treasury. Gentlemen talk to you about the Underwood tariff and revenue bill, and profess to believe that the diminution of our revenues has been caused by defects in that law. They know that, whatever the tariff law, you can get no revenue from its operation when there are no imports coming in, and they know that this war has had the effect of very largely cutting off our imports, and that under any tariff law the revenues of the Government would to-day be so diminished that other means would have to be found to supply the lost tariff taxes. But, then, they say we ought to raise all the added revenue we need by increasing the income tax. They know that such a tax would bear no immediate fruit, and that our need of revenue is now, and not next year. Does it not seem strange to hear the Republican Party now urging increased income taxes when during their nearly 50 years' lease of power they refused to levy an income tax at all? We, the Democrats, put the income tax in the Constitution and on the statute books, and we are not afraid to use it when it can be used. The Republicans do not want an income tax; they just want to find fault, justly or unjustly, with the bill we have presented. They are playing politics and trying to fool the people. Gentlemen here to-day on the other side even urge that we issue bonds rather than levy this tax, and they shed crocodile tears over taxing the poor. God save the mark. The country will see through their flimsy excuses and pretenses to their political hypocrisy.

The man who refuses to see conditions as they are to-day, who professes to believe that the Underwood revenue law, and not the European war, is the cause of the deficit in the Treasury, I think, does not even fool himself. He is not equal to the ostrich. That bird, it is said, in the open desert will stick its head in the sand and actually believe that all its feathers are hidden. If the Republican Party is equal to the ostrich, and does actually believe that it is hidden behind its criticisms and carpings, then, during this campaign, at least, that party ought to be known as the G. O. P., meaning thereby the Great Ostrich Party. [Applause on the Democratic side.]

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

Mr. UNDERWOOD. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. FOWLER].

The SPEAKER pro tempore. The gentleman from Illinois [Mr. FOWLER] is recognized for five minutes.

Mr. FOWLER. Mr. Speaker, nations as well as individuals pass through crises. The world is now passing through one of the greatest known to history. The reason America has not been drawn into that dreadful bloody contest in the East is because of the statesmanship of the man who now occupies the White House. [Applause on the Democratic side.] While he was planning for the best interests of this country during the Mexican war, you on the other side of the aisle often ridiculed his administration with "watchful waiting"; while he was struggling to save the lives and property of American citizens by standing neutral in that war, you on the other side of the aisle stood on the floor of this House and bitterly denounced his course and sought to inflame the minds of the public against him; while he has been struggling since his inauguration to enact wise and constructive legislation for the interests of the many, you on the other side of the aisle have been yelling "panic," and have done everything within your power to bring about depression in the business of the country; while he has been industriously laboring for the progress and prosperity of all, you have been appealing by your speeches on the floor of this House to the prejudice and selfishness of the rich in order that you might create a panic in this country, hoping thereby that you would be able to carry the next election; while he has been practicing statesmanship, you have been playing politics; and when his course in national affairs developed into the highest order of statesmanship and the people of the country, regardless of political affiliations, applauded him throughout the land, your guns were silenced until this revenue measure came in.

The President knows that a revenue measure is unpopular. He knows that an election will take place in every State in the Union within the next 40 days. He knows that the enemies to his administration will use this measure as a campaign document and that it will be used by designing politicians for the purpose of appealing not to the patriotism of the American voter, but to his selfishness, and in standing for a revenue measure just before the election, the President says to the country and to the world that the welfare of America is greater than the welfare of any party. [Applause on the Democratic side.] His management of national affairs is a wonderful exhibition of the highest order of statesmanship, and to-day he stands first among the heads of nations. You, on the other side of the aisle, have filibustered for the purpose of hindering and obstructing his plans and policies and, in my opinion, when you go before the people of this country during the remaining few days of the campaign, preaching from the stump the shortcomings of Mr. Wilson, you will receive an icy reception. One of the Republican politicians in the late campaign in Maine told me that every time he mentioned the name of Woodrow Wilson it was followed by a tremendous applause, and in voting against this measure with a view of manufacturing fresh campaign material you will find that the people will regard it as an effort to play cheap politics and not the result of a conscientious conviction.

Mr. Speaker, I would rather discharge my duty as a public servant in Congress for one term than to be in office 20 years playing politics the greater part of the time. Duty often calls upon men in high places for decisive action, and it requires courage to stand firm in the discharge of that duty, regardless of consequences. That is what Woodrow Wilson is doing to-day, and the fact that he is brave enough to discharge his whole duty, regardless of the consequences to his party, will go down in history as one of the greatest deeds of one of the greatest Presidents. [Applause on the Democratic side.]

During the last fiscal year, under the Underwood tariff law, we raised $10,000,000 more than was raised for any year since the Spanish-American War; and were it not for the danger now confronting us on account of the European war we would have plenty of money to run the Government. But the President says it is best to be on the safe side. He says it is necessary

to pass this bill, and I will vote for it, because I love my country and I will not stand against its best interest.

Mr. Speaker, there are some things in this bill which I would not have placed in it if I had prepared it. [Applause on the Republican side.] But legislation must necessarily be a compromise to a greater or lesser extent, and the Member who can not go into a legislative body and there make up a bill the best that can be made under the circumstances and then march up boldly and vote for it is not, in my opinion, equal to the occasion. We can not always have just what we want, especially in a legislative body, and the man who is always trying to put the burdens on the shoulders of others without being willing to share a portion of them himself must indeed be selfish, and is not worthy to be the representative of a free people.

Mr. Speaker, I hail Woodrow Wilson as the strongest man in public life and the greatest statesman in the world. [Applause on the Democratic side.]

Mr. UNDERWOOD. Mr. Speaker, I yield 10 minutes to the gentleman from Kentucky [Mr. JOHNSON].

tucky [Mr. JOHNSON] is recognized for 10 minutes.

Mr. JOHNSON of Kentucky. Mr. Speaker: An emergency revenue bill is now before this body for consideration, but more discussion has been devoted to the Underwood Act and to the former Payne Act than has been given to this bill. I had long ago reached the conclusion that the Payne Act was beyond discussion except in the States of Utah and Vermont.

We heard yesterday afternoon the gentleman from New York [Mr. PAYNE] himself extolling the great virtues of his act and telling how much better it was than the Underwood Act, under which we are now living. That, I thought, was a question which had been buried so deep by the American people that even its author would never attempt to resurrect it for discussion again. In the report of the minority of the Ways and Means Committee, which I assume was written by the gentleman from New York [Mr. PAYNE], I find this sentence:

> If we should defeat this bill, we would then compel the administration to economize or to resort to a bond issue.

Everybody knows that the Republican Party has never wished to economize in the expenditure of public money, and everybody knows that the Republican Party would like to place the Democratic Party in the position of resorting to a bond issue rather than pass a bill which places a tax upon luxuries and not upon the necessaries of life.

If the Democratic Party were to resort to a bond issue, it would finally be paid by taxing the necessaries of life. When the money that the Government now needs is paid, it will be paid, not by taxing necessaries of life, but by taxing the luxuries of life.

The first item which we have in the bill now before us is to increase the tax on beer from $1 to $1.50 a barrel. That does not increase the tax upon all the families of this country, but it increases the tax only upon the families of those who use beer. If beer is to be taxed at all, it can stand more tax than is imposed by this bill. If beer were taxed according to the alcohol that is in it, in the same proportion that whisky is taxed upon the alcohol that is in it, each barrel of beer would be taxed about $2.79 a barrel instead of $1.50 a barrel as is provided in this bill. Some votes are going to be cast against this bill by gentlemen who represent the wine districts of California, because they say that a tax of 100 per cent on wines will confiscate the product; yet for years and years the production of whisky has continued while paying a tax between 400 per cent and 500 per cent, according to the price of grain.

Some gentlemen will vote against this bill because it proposes to raise revenue at all upon intoxicants. Others will vote against it for other reasons. The opponents of this bill seem to prefer to tax bread instead of beer. While opposing this increase of tax upon beer, they are at the same time, without saying so in so many words, advocating a tax upon bread.

In the second paragraph of this bill I find a tax upon wine. Those who oppose the bill are more in favor of a tax upon swine than upon wine. The swine product is the pork which the laborer must have upon which to do a good day's work.

The third section of this bill is that which taxes gasoline. We all recall that only a year or two ago the Republicans stood almost to a man in favor of a tax upon farm implements and farm wagons. They seem now to prefer a tax upon those implements rather than to place 2 cents a gallon tax upon gasoline that is used in automobiles.

In the fourth section of the bill there is a tax upon the capital stock of banks. The gentlemen who oppose that seem to prefer to impose a tax upon the stocks of wearing apparel in the clothing stores.

The broker is to be taxed. What tax can be more equitable than that? He is the middle man through whose hands farm products pass and who really gets the big profit. It is better that the tax should be upon the broker than upon the farmer.

Lower down in the same paragraph the Republicans oppose taxing pawnbrokers. But no one has ever heard a Republican lift his voice in opposition to the taxing of the pawn. I say, let us tax the pawnbroker rather than the pawned property of the poor man.

In the fourth section of the bill another class of brokers is taxed $20. They are the brokers in goods, wares, produce, and merchandise. The Republicans seem to prefer to place tax on produce and merchandise, as was done in the Payne bill, rather than to put an occupation tax on the broker as is done in this bill.

The Republicans oppose section 5 of this bill which puts an occupation tax on the customhouse broker. Yet they are in favor of a tax upon every article which goes through the customhouse.

This bill proposes a tax upon idle amusements, but the Republicans seem to prefer to tax instead everything that goes into the workshop. This bill proposes a tax upon circuses, but the Republicans seem to prefer to tax the hay and peanuts fed to the elephant. It proposes a tax upon other public exhibitions, one of which is baseball. When the free-lumber question was up the Republicans proposed a tax upon lumber, and they are now insisting that lumber should be taxed. When we ask them to tax the proprietor of a baseball park they say "No," and insist that the boys pay a tax on the knotholes in the pine-board fence through which they must look.

The Republicans object to taxing the proprietor of a billiard room.

They also object to the tobacco broker paying a tax.

In the Democratic report upon this bill it is stated, and it is not denied, that import duties will fall off $125,000,000 in the next year. The Republicans prefer to levy this $125,000,000 upon the necessaries of life. By this bill it is proposed to collect $105,000,000 of that amount without putting a single dollar of it upon the necessaries of life. Which do you prefer?

The Democrats prefer to tax the gasoline which goes into the automobile. We prefer that kind of a tax rather than to tax the necessaries of life.

A gentleman said a few moments ago, in referring to the speech made by my colleague [Mr. SHERLEY], that perhaps he was undertaking to dodge the imposition of a tax upon whisky. I have just said that whisky is paying a tax of between 400 per cent and 500 per cent. Some would vote against this bill if it imposed a tax upon whisky at all, while others would vote against it if it imposed more. Answering the suggestion made in a speech a short time ago by the same gentleman, in which he intimated, with as little truth, that perhaps I, too, was interested in whisky, I wish to say that I have never been interested either in the manufacture or sale of whisky, and that thus far in life I have never swallowed a drop of either whisky or beer. [Applause.]

Republicans are to-day talking about economy.

I do not now recall a yea-and-nay vote during this Congress upon the passage of any appropriation bill except that which was had on January 12, 1914, on the District appropriation bill. Upon that roll call there were 36 votes against the passage of the bill. Among them were the gentleman from New York [Mr. PAYNE], the gentleman from Kansas [Mr. CAMPBELL], and the gentleman from Wyoming [Mr. MONDELL]. I and a number of others voted against that appropriation bill, because we were unwilling for our constituents at home to be taxed to pay half the taxes of the people in the District of Columbia. However, the three gentlemen whom I have just named, together with a few other Republicans, voted against the passage of the bill because it did not appropriate more money and because the bill required the owners of abutting property to pay part of the cost of the building of streets. The three gentlemen just named have, during to-day and yesterday, inveighed vigorously against the alleged extravagance of a Democratic Congress. I can not now recall a single appropriation that any one of the three of them has ever voted against, except the District bill just referred to, and in that case their objection was because the bill was a saving to the Public Treasury, and not because of extravagance. For instance, the gentleman from Wyoming [Mr. MONDELL] was very active when one appropriation bill was up, in which there were some provisions relating to the District of Columbia.

When, during this Congress, appropriations were sought with which to build "convenience stations," the gentleman from Wyoming [Mr. MONDELL] made a desperate effort in favor of an expenditure of $10,000 for each of two convenience stations.

Finally, when it was proposed to reduce the amount from $10,000 to $3,500 for each of these convenience stations, the gentleman from Wyoming spoke of them as "miserable little shacks."

In my section of the country when a man has a residence worth $3,500 he not only considers himself well off, but he really is. He would not think of expending more than $50 for a "convenience station" upon his premises.

In the tirades of the gentleman from Wyoming against alleged extravagance he must not forget that he considers $10,000 for a "convenience station" as modest, and that $3,500 for a "convenience station" will build nothing but a "miserable little shack."

I see gentlemen sitting before me who have clapped blisters upon their hands as big as walnuts in applauding Republican reference to Democratic extravagance, while not one of them has ever been known to vote against a bill which took money out of the Treasury.

The gentleman from Ohio [Mr. FESS] in a speech made to-day said that the imports under the Underwood tariff bill had increased, but that the tax from that source had decreased. That statement is true; and, to me, it is a matter of real congratulation. That means nothing more nor less than that the rate of taxation upon the necessaries of life which were imported from other countries was decreased by the Underwood bill.

The first day that the Underwood bill went into effect the tax paid at the New York customhouse alone upon clothing, blankets, and other such necessaries of life amounted to $10,000,000 less than if that tax had been paid the day before under the Payne-Aldrich bill. That means nothing more and nothing less than that those goods were distributed among the people of the United States at a decrease in price to them of $10,000,000. In other words, if the Payne-Aldrich law had continued in force that amount of $10,000,000 would have been imposed as a tax upon the people of the United States.

During this debate it has been stated several times that the tax upon goods imported from other countries is constantly falling off, and it is predicted that the tax upon goods which, under ordinary circumstances, would come from the European countries which are now at war will fall off a hundred and twenty-five million dollars during the next year.

There is one piece of consolation about that matter, and it is this: The people will still have the hundred and twenty-five million dollars, which, if the tax had been gathered, they would not now have.

The gentleman from New York [Mr. PAYNE] has stated, and many times reiterated, that the Payne-Aldrich bill would have realized more money than the Underwood bill produces. That is true; and because it is true the Payne bill has been repealed and a bill imposing less tax has been passed in its stead.

The people of this country must remember that every dollar which the Payne-Aldrich bill would have taken from them, and which the Underwood bill does not take from them, is a dollar left in their hands. The argument of the gentleman from New York [Mr. PAYNE] is that his bill taxes the people more than does the Underwood bill. I admit that to be true; and, in consequence, I am an advocate of the Underwood bill. In other words, I am for the Underwood bill as against the Payne bill because the Underwood bill levies the lesser tax upon the people.

The Federal Government is now in need of money. It is claimed that if the Payne law were in force ample money would now be in the Treasury without levying this special war tax. But it would have been derived from taxes collected at the customhouses upon the necessaries of life; while, as I have said, the bill which is now before us will collect the needed amount from beer, wine, gasoline, brokers who deal in stocks and bonds, pawnbrokers who charge usurious rates of interest, commercial brokers who may be termed the "middlemen" between the producer and the consumer, customhouse brokers, theaters and other places of idle amusement, circuses, billiard rooms, and tobacco dealers other than the grower.

Every Republican speech made during yesterday and to-day says that if the Payne-Aldrich bill were still in force there would now be plenty of money in the Treasury, but they must admit that it would have been derived from taxes upon articles such as clothing, blankets, shoes, and other articles of necessity.

No one can say that the present bill proposes to raise revenue by a tax upon any of the necessaries of life. I believe that the general masses of the people of this country have self-interest and sense enough to prefer that a tax be imposed upon luxuries rather than upon the necessaries of life.

Every fair man is bound to admit that the revenues at our customhouses have fallen off materially because of the war in Europe. Several Republicans have said in the course of this debate that that was not true, because the seas are still open to commerce. Last year nearly $120,000,000 was gathered in tax upon articles which came from Germany alone. Is there a man upon the floor of this Chamber who is reckless enough to say that the seas are now open for German vessels between Germany and the United States? Does not every man here know that Germany can not afford to send out a valuable cargo from that country to this, for fear that that cargo will be captured either by French or English vessels? It is well known to every school child in this country that France and England are now masters of the Atlantic Ocean, through which German products must come to this country if they come at all. Besides this, their mills and factories are closed. All the men have gone to the war. In addition, what goods they have for export can not be gotten to the coast for shipment.

There are seven countries which are now at war in Europe. From the imports from those countries last year we collected, in round figures, $386,000,000. That amount is falling off every day. No man living can say to what extent it will fall off, because no man can tell how long the war will last or what other complications will arise. It is, however, conservatively estimated that during next year our revenues upon imports from those seven countries will fall off $125,000,000.

The gentleman from Wyoming [Mr. MONDELL] only a few moments ago stated that this bill is the result of hysterics and fright. He said that when the first gun was fired in Europe, during the early part of August, Woodrow Wilson and the Democratic Party took fright, although that shot was 4,000 miles away.

I wish to admit that we and our President did take "fright," and that "fright" has grown since we have learned of the terrible carnage and the destruction to commerce which has followed that shot. It is well for us that our President so fully appreciates the situation that he stands in dread and fear for the welfare of the American people just at a time when there is waging the most extensive and the bloodiest war the world has ever known.

Woodrow Wilson's "fear" in this uncertain situation is but simple love for the American people. With him "fear" and "solicitude" are synonymous. If he, in these perilous days, did not "fear" for, was not solicitous and apprehensive about, the continued peace of our country and the safety of our people, we, too, would be engaged in war—first with Mexico and then with some great power in Europe.

Mr. UNDERWOOD. Mr. Speaker, I yield to the gentleman from Illinois [Mr. FITZHENRY].

[Mr. FITZHENRY addressed the House. See Appendix.]

Mr. UNDERWOOD. Mr. Speaker, I yield to the gentleman from Indiana [Mr. CLINE].

[Mr. CLINE addressed the House. See Appendix.]

Mr. UNDERWOOD. I yield to the gentleman from Alabama [Mr. BLACKMON].

[Mr. BLACKMON addressed the House. See Appendix.]

Mr. UNDERWOOD. I yield five minutes to the gentleman from Pennsylvania [Mr. BAILEY].

Mr. BAILEY. Mr. Speaker, If this were a bill to increase taxes, it would be difficult for me to support it. But it is not a bill to increase taxes. It is a bill to shift taxes from a failing and uncertain source to a source at once certain and unfailing.

The pretense of the critics of this emergency proposition that it is made necessary by the failure of the Underwood revenue bill to supply the Treasury is as false as the other pretense that this bill involves an addition to the burden of taxation. We are here providing for a deficit occasioned by a decline in customs receipts. This deficit is estimated at about $100,000,000 for the current fiscal year. That is the estimated loss due to failing import receipts. The paralysis of commerce following on the heels of European war has brought about this result, and it could not be otherwise, even were the Payne-Aldrich tariff in operation at this hour.

Mr. GORDON. Will the gentleman yield?

Mr. BAILEY. Yes.

Mr. GORDON. Is it not a fact that if the Payne-Aldrich law was in force the deficit would be very much greater?

Mr. BAILEY. Very much greater, indeed.

The imports from which a revenue has been derived at the customhouses have very largely ceased, and we can not expect a return to normal while war continues to rage and industry abroad in consequence languishes. In all probability it will be months, if not years, before we can reasonably hope for the return of normal conditions in our foreign commerce.

Meanwhile the Government must go on. Its needs must be met. Its functions must be discharged. Its obligations must be observed. Its credit must remain unchallenged. All its myriad activities must be sustained and its vast machinery kept in order. How can this be done if its revenues be inadequate? How shall it preserve its standing and maintain its dignity if it shall be reduced through failing customs receipts to a state of indigence?

I do not say nor would I have it understood that this measure is my ideal, even for the emergency we are facing. Personally, I would prefer more direct methods than those embodied in the bill under consideration. In fact, when the need for funds to compensate the losses due to failing customs receipts began seriously to be discussed I prepared and introduced a bill providing for a supertax on incomes of $20,000 and over, but when President Wilson came before us with the statement that the situation was so acute that to wait on relief would be imprudent I decided to forego any effort to press my own measure and to allow expediency to determine my course.

And the expedient thing at this juncture is not so far removed from the right thing as might at first appear. At the worst, the taxes provided for in this bill are an improvement on the tariff taxes which they are intended to replace. They fall upon the people less obliquely. They will be less capable of concealment. Few of them will accumulate in volume between the point of assessment and the point of liquidation. They will come more nearly staying where put than most indirect taxes; and for this reason they are less odious from an economic standpoint than those indirect taxes on commodities which our Republican friends lament.

Mr. Speaker, let me digress for a moment to note that gentlemen on the other side have scoffed at the gentleman from Tennessee [Mr. HULL] with reference to his miscalculation of the money-raising quality of his income tax. He thought it would bring in $70,000,000. It has actually yielded something less than $35,000,000. But it does not seem to have occurred to his critics on the other side of the aisle that the mistake of the brilliant Tennesseean was in underestimating the capacity to falsify their returns of those malefactors of great wealth who are chiefly supporters of Republicanism. The incomes were there to yield the $70,000,000, but they happened, in considerable part, to belong to men of extremely flexible conscience.

No one more than myself can deplore the circumstances which have conspired to make this tax bill necessary. The war in Europe was not of our making. It is true that we may in a degree have promoted it by our stupid and mischievous policy of preparedness, which gave stimulus to a similar policy in Europe. But in no proper sense can we be charged with immediate responsibility for the monstrous tragedy now being enacted on the blood-soaked soil of the Continent. Yet we must suffer some of its horrible penalties. We can not escape paying part of the price. We are paying it in ruined markets, in vanishing trade, in paralyzed industry, in unsettled credits, in disturbed finance, in decreased customs receipts, in hundreds of direct and indirect ways which make for unrest and uneasiness.

Should we add to this unrest and this uneasiness at this time by calling in the funds distributed among the national banks for crop-moving purposes? This has been suggested and urged by our Republican friends. But would they themselves resort to that were the responsibility theirs? Think of the possible results. These deposits are now absorbed in loans which it would be necessary to call were the Treasury to draw back the funds held by the banks. What would this mean to your constituents and mine? Might it not very well mean sacrifices of a most serious and far-reaching sort? Might it not mean keen distress in some quarters and possible ruin in others? Might it not indeed bring us to the very verge of a great financial disaster, which we may readily avert by resorting to another means of meeting a most unfortunate emergency?

In this business, as in other matters with which we have been called upon to deal, I stand with Woodrow Wilson rather than with the gentleman from Kansas [Mr. CAMPBELL], the gentleman from Wisconsin [Mr. LENROOT], or the gentleman from Illinois [Mr. MANN]. I stand with him in this as I stood with him in the fight for an equalization of tax burdens, for a curb on Wall Street cupidity, for international good faith in the matter of canal tolls, and for all the other big things with which his name is indissolubly associated; and I think in thus standing with him I am doing what the emergency calls for and what my people would have me do. [Applause on the Democratic side.]

Mr. UNDERWOOD. Mr. Speaker, I yield to the gentleman from Kentucky [Mr. FIELDS].

Mr. FIELDS. Mr. Speaker, the bill under consideration is not a bill to increase the rate of taxation; it is a bill designed to change the source of taxation to meet the emergency for which we are not responsible, but which was forced upon us by the European war, the effect of which is world-wide on trade and commerce, thereby affecting one source of our revenue, namely, the customs revenue. We have three sources of revenue from which we derive the funds to support and maintain the Federal Government. One of these sources is customs revenue or tariff taxes, levied on goods shipped into our country from foreign countries and collected at the United States customhouses. Another source is what is known as internal-revenue taxes, which is a certain tax levied upon goods manufactured or articles produced or sold, or on legal or commercial transactions in our own country and collected by the collectors of internal revenue throughout the country. The third and last source is an income tax, which was written into law and put into operation by the present Congress, which levies a tax upon incomes above a certain fixed amount, and by and through these channels the funds are collected to meet the expenses of running the Government of the United States.

The first two sources named levies a tax on goods consumed by the people, which, of course, added to the price of the goods, will ultimately be paid by the people who consume them, and it matters not whether the tax is levied on goods coming from foreign countries or goods which are manufactured in this country, it must be paid by the people who consume the goods, and means the same to them in dollars and cents regardless of whether the goods are produced at home or abroad. The third and last source, the income tax, does not levy a tax upon goods consumed by the people, but upon the incomes of the wealthier classes of the people, and I will say here that the Democratic Party advocating, as it always has, that the wealth of the country should bear its just proportion of the burden of taxation, fought for many years to secure the passage of an income-tax law, which it succeeded in enacting into law early in the present Congress and which contributes many millions of dollars per year to our Federal Treasury.

Mr. Speaker, the question of taxation is a delicate question with which to deal. A tax in any form is usually unpopular and regarded as a necessary evil; and if this were a bill to increase taxes, it, too, would be an unpopular bill. But it is not the purpose of this bill to increase taxes, but to shift the tax temporarily from customs receipts to internal receipts. This necessity is brought about by reason of the fact that the countries of the world from which we secure our imports in the main are now engaged in the bloodiest and most far-reaching war known to civilized man—a war of such magnitude and horror that it has staggered humanity, pauperized industries, and caused rivers to run red with human blood. On the one side are engaged Austria and Germany and on the other side are engaged Servia, Belgium, France, England, Russia, and Japan. Ten million soldiers face each other in deadly conflict, fighting with the greatest implements of war that the world has ever produced; fighting on the land, on the seas, under the seas, and in the air, raining terror from the skies upon even the noncombatants; and the able-bodied men of each country are rapidly enlisted or being drafted into the military service by their respective Governments to supplement the daily losses in the lines of battle. With this state of affairs existing the business of these countries is paralyzed. Their farms are deserted and their factories are closed. The exportation of their manufactured products to foreign markets is rapidly depleting to such an extent that other countries which have collected a portion of their revenues from customs levied on goods coming from these countries now engaged in war must collect same from other sources, for to the extent that the importation of dutiable goods decreases to that extent our revenue decreases.

During the last fiscal year we imported from Austria-Hungary, $15,232,645; Belgium, $21,324,417; France, $95,445,062; Germany, $119,383,978; Russia, $2,420,602; Servia, $9,627; United Kingdom (Great Britain), $132,173,220; making a total of $385,989,551 on which we collected approximately $125,811,000 customs revenue.

With present conditions in the warring countries and the present falling off in our imports from them, due to conditions there, it is reasonable to assume that our customs revenue for the next 12 months will decrease $100,000,000. We must therefore turn to some other source to raise revenue sufficient to supply the deficit until the emergency shall have passed and normal trade conditions are restored; at which time this measure will be dispensed with. And, Mr. Speaker, in the face of this situation the question presents itself as to what sources shall we turn. Shall we issue and sell bonds? No; we should not resort to that course, for it would ultimately add an increased burden of taxation to the American people to the extent of the accrued interest on the bonds. Nor can we meet the present emergency by an increase in the income-tax rate, for the

reason that the revenues derived from the income tax is not available until June 30 of each year, and the deficit caused by our diminishing customs duties must be met before that time. Then if we do not issue bonds we must shift our collection of customs taxes to internal-revenue taxes, and in shifting to internal-revenue taxes we should do what this bill proposes to do and will do, so far as it applies to goods and wares, we should tax the luxuries of life and leave free from taxation the necessaries of life that are consumed daily by the toiling men and women of the land.

Mr. Speaker, this bill is not a new proposition nor a departure from long-established precedent. Our country and other countries have always adjusted their revenues to meet conditions in time of war. In 1898 Congress passed a similar bill to meet conditions incident to the Spanish-American War, identical in part with this bill. But some gentleman on the other side of the aisle said a moment ago that conditions at this time do not compare with conditions at that time; that that bill was passed for the reason that we, ourselves, were then engaged in war, and are now at peace with the world. Why, Mr. Speaker, that contention is preposterous and absurd, and the gentleman knows it. Conditions are worse now than they were during the Spanish-American War, so far as our customs revenues are concerned, for the reason that during the Spanish-American War the importation of foreign goods to our country was not disturbed. They continued to come to our customhouses, and we continued to collect the revenue from them. But to-day the importation of dutiable goods has practically ceased, thereby cutting off our customs revenue. Yes; we are at peace with the world, and glad that we are. But while that is true, gentlemen should not be so blind to reason as to contend that the European war does not affect our revenue and our trade and commerce.

Mr. Speaker, I have followed this debate with a great deal of interest, and I must say with some degree of amusement at the arguments advanced on the other side; and I must confess that I am unable to decide from the speeches which have been delivered on that side, whether there is a division in the party across the aisle on this question or whether its members are engaged in an organized effort to create Republican campaign literature suitable for each congressional district of the United States, so divided and constructed that it will serve the purpose in the various localities of the country and meet the peculiar demands of each candidate of their party in his district. I am, however, inclined to believe that the latter is the correct conclusion to draw. Some of the speakers on that side contend that there is no need of this legislation, that the Underwood tariff law is producing sufficient revenue to meet the demands of the Government, and will continue to do so, regardless of the war, and that this bill is unwarranted and indefensible. I suppose, Mr. Speaker, that that is the kind of speeches they will frank out into districts where all the Democrats and most of the Republicans are satisfied with the Underwood tariff law, in the hope that they may create the impression that this bill means an additional tax. Then, others say that additional revenue is necessary, and that the necessity is wholly chargeable to the Underwood tariff law and that this law has proven its insufficiency to raise revenues to meet the running expenses of the Government. I assume that that character of speeches will be franked out by the Republican national committee to the districts that advocate a protective tariff, in an effort to rekindle and arouse the spirit of tariff protection to a sufficient degree to divert the attention of the voter from the achievements of the present administration. So there are two distinct lines of contradictory argument on that side. Then comes the gentleman from Iowa [Mr. GREEN] and says that this measure is Republican doctrine, and that as soon as the storm clouds arose that the administration was forced to take shelter under a Republican law, for this bill is in the main a reenactment of the Republican war tax bill of 1898. Then following close upon his heels comes the never-tiring orator from Wyoming [Mr. MONDELL] and vociferously avers that the bill is not in any degree a Republican policy, but that it is the newest thing under the sun; and I suppose, Mr. Speaker, that Mr. GREEN'S speech will be franked out to those sections of the country where the Republican revenue law of 1898 was unpopular, and that the speech so eloquently delivered by the gentleman from Wyoming [Mr. MONDELL] will go to the stand-pat districts where new ideas are looked upon with disfavor.

Mr. Speaker, my opinion that these gentlemen are playing partisan politics is based first upon a statement that I heard from a very reliable source a few days ago and, second, upon the performances in evidence. I was advised a few days ago by a reliable gentleman that the Republican Party would not get out a campaign textbook this year, but would make its fight by franking out to the different districts of the country such campaign documents as are most suitable in each particular section. So, from the statement received and the widely diversified speeches that are coming from even the leaders of that side, I think it morally certain that they in their desperation are exerting their efforts to manufacture campaign dope to meet their strenuous needs throughout the length and breadth of the land. But in this enlightened age, when the world reads, when 60 copies of the CONGRESSIONAL RECORD go into each congressional district and the weekly and daily papers and magazines go into almost every home, the people can not and will not be deceived by such acrobatic performances. We are frank to admit that some of these gentlemen are first-rate political acrobats, but we are unwilling to concede that they can ride two different horses in opposite directions at the same time and convince the people that both horses are going in the same direction. But inasmuch as they realize how scarce they are of campaign material at the present time I do not wonder at their efforts to manufacture same to meet the emergency which the splendid and wonderful achievements of the present administration have thrust upon them. But I want to serve notice upon them now that their efforts will be in vain, for the people have not forgotten the failure of that party to keep its platform promises in 1908, which led to its utter disorganization in 1912. Neither are the people in harmony with their opposition to the President's policies through which we are to-day at peace with the world. Nor are they overlooking the achievements of the present administration and its faithful performance of its campaign promises in 1912, upon which I desire to make a few brief observations.

We promised the country in 1912 that if we were returned to power we would repeal the Payne-Aldrich tariff law which placed the heavy burdens of taxation upon the necessaries of life and the cheaper commodities which are consumed by the poor. We have kept that promise. We passed the Underwood tariff bill which places upon the free list the prime necessities of life, including the principal food products, shoes, farming implements of every description with which the farmer must till his soil, and barbed wire with which he fences his fields.

We have also placed upon the statute books a banking and currency law which takes the control of the finances of the country out of the hands of Wall Street and places it under the supervision and control of the Federal Government, thereby depriving the powerful Money Trust of its power to create a financial panic such as the country suffered in 1907. We have passed antitrust measures, which will soon become laws, to prevent the capitalization of watered stock in great corporations, on which the people heretofore have paid enormous profits to the favored few, and by the same laws we have provided for Federal regulation and control of monopolies, to the end that they can no longer monopolize the sale of commodities and the prices at which they sell, to the detriment and everlasting burden of the consuming public. These laws have been demanded by the country for many years, but previous attempts to enact them have been defeated by the great special interests, who have for a half century played a potent part in national legislation, but who have been driven from the halls of legislation by the present administration. We have enacted many other valuable laws since the beginning of this administration, but I shall not take the time to refer to them here.

But I can not close without making some reference to the foreign policies of President Wilson, which have received the unanimous support of the Democratic Members of Congress. These policies led to a satisfactory settlement of the differences between the United States and Japan incident to the California land laws. These policies averted armed conflict with Mexico, which would have cost us millions of money and possibly incalculable toll of human lives. In brief, it can be truly said that had it not been for the wisdom, patriotism, forbearance, and peace-loving principles of Woodrow Wilson and the loyal and unswerving manner in which the Democratic Members of Congress have held up his hands in handling the Mexican situation your sons and my sons might to-day be numbered with the countless dead on a Mexican battle field; and further still, while the horrors of war, the shedding of blood, and the bankrupting of the treasuries of the leading countries of Europe are going on, our President, supported by a Congress in harmony with his policies, continues to steer our ship of state in the channels of peace, to the credit and the glory and the honor of the Nation.

But while the President was working out a solution to those delicate questions which threatened to involve our country in war gentlemen on the other side of the aisle continued to do as they are doing now—assault him from every quarter and urge intervention in Mexico. But the President, supported by the Democratic Members and the less partisan Republican Members of both branches of Congress, stood like the rock of

Gibraltar in advocacy of peace, and as a result of same he is to-day recognized throughout the civilized world as the earth's greatest champion of peace. His course is approved by a grateful people, who are in sympathy with his policies, and the wisdom, the judgment, and the patriotism of the American people will not permit a change in the National Congress at this critical time, but they will show their appreciation of Woodrow Wilson and his efforts for peace, his championship of the people's rights, his untiring efforts to have written into law the legislation for which they had contended for many years by going to the polls on the 3d day of November and returning a Democratic Congress to hold up his hands. [Applause.]

Mr. UNDERWOOD. I yield to the gentleman from Alabama [Mr. HOBSON].

Mr. HOBSON. Mr. Speaker, I wish to express first my gratitude to the gentleman from Alabama for giving me time even though I am opposed to the bill. I thought I had time from the other side, but my understanding proved to be a mistake.

I desire to state that my opposition to the bill is based on its containing sections 1 and 2, which place taxes on intoxicating liquors.

The temperance and prohibition forces of the country are opposed to this Government's further embroiling itself with the liquor interests. I will place in the RECORD telegrams of protest:

PITTSBURGH, PA., *September 24, 1914.*

Hon. R. P. HOBSON,
House of Representatives, Washington, D. C.:

Presbyterian board of temperance, representing 9,500 ministers and 1,500,000 members, asks that the Federal Government shall not compromise itself by accepting revenue from the vices of its citizens, as is the case when it takes toll from the liquor traffic, thus further intrenching said traffic. We therefore ask that the revenue bill be so amended as to eliminate this objectionable feature.

CHAS. SCANLON, *General Secretary.*

—

NEW YORK, *September 23, 1914.*

Hon. R. P. HOBSON,
House of Representatives, Washington, D. C.:

The board of managers of the National Temperance Society desires you to present its emphatic protest against the proposition to increase the national revenue by any tax upon fermented and spirituous liquors which would further commit this Government to dependence for income upon the vices of its people.

JOHN W. CUMMINGS, *Secretary.*

—

PITTSBURGH, PA., *September 23, 1914.*

Hon. RICHMOND P. HOBSON,
House of Representatives, Washington, D. C.:

At a civic mass meeting held in the First Presbyterian Church, Pittsburgh, this evening, attended by more than 1,000 persons, the following resolution was unanimously adopted:

"Whereas there is a measure now before Congress to increase the national revenues; and

"Whereas it is proposed to raise a portion of said revenue by placing an additional tax upon alcoholic liquors; and

"Whereas the effect of such taxation would be further to intrench the liquor traffic by making the Federal Government more dependent upon said traffic and give the traffic more influence in national affairs; and

"Whereas the patriotic people of the United States are able and willing to support their Government without allowing it to traffic in the weaknesses and vices of her citizens: Therefore be it

"*Resolved*, That this meeting expresses its earnest convictions that the Federal Government ought not to compromise itself by accepting revenues from the sins of its citizens, and we request that said measure be so amended as to eliminate all revenue from this objectionable source."

J. R. PARK, *Secretary.*

—

SPRINGFIELD, MO., *September 23, 1914.*

Hon. RICHMOND P. HOBSON, *Washington, D. C.:*

The thirty-second annual convention of Woman's Christian Temperance Union now in session, representing 10,000 women, register a protest against levying a war tax on wines and liquors.

(Not signed.)

—

NEW YORK, *September 24, 1914.*

Hon. RICHMOND PEARSON HOBSON, *Washington, D. C.:*

New York State Woman's Christian Temperance Union, 35,000 members, protest against increased war tax on alcoholic liquors.

ELLA A. BOOLE.

—

EVANSTON, ILL., *September 22–23, 1914.*

Hon. RICHMOND P. HOBSON,
House of Representatives, Washington, D. C.:

We have energetically protested to President Wilson and to UNDERWOOD against proposed revenue tax on liquors.

ANNA GORDON,
Acting President National Woman's Christian Temperance Union.

—

WINNEBAGO, MINN., *September 24, 1914.*

RICHMOND PEARSON HOBSON,
House of Representatives, Washington, D. C.:

Minnesota Methodist Episcopal Conference of 160 ministers, representing 20,000 members, earnestly protests against Underwood bill increasing revenue on beer and domestic wines.

Bishop WM. O. SHEPHERD, *President.*
H. O. LEACHOUT, *Secretary.*

JERSEY CITY, N. J., *September 24, 1914.*

Hon. RICHMOND PEARSON HOBSON,
House of Representatives, Washington, D. C.:

Hudson County Woman's Christian Temperance Union of New Jersey, in convention, representing 500 members, send protest against increased taxation on wines, beer, and whisky for revenue, and urge amendment of bill so that revenue will not be raised from the vices of the people.

HUDSON COUNTY WOMAN'S CHRISTIAN TEMPERANCE UNION.

This bill is called an emergency bill—to raise revenue.

Abroad the emergency for revenue among the belligerents is far greater than it is in America, and yet not a belligerent nation has adopted taxes upon intoxicating liquors to increase their revenues and intrench the liquor interests. Instead of seeking more tax from liquor they are foregoing sorely needed revenue and seizing the opportunity to suppress the liquor traffic. In Russia they are stopping the sale of vodka. In France absinthe has been suppressed. Paris has the lid on. Germany is suppressing even beer. England has forbidden liquor to be sent to its soldiers. In the light of modern science these Governments have come to recognize that there can be no emergency that would justify any action whose effect tends to undermine the public health, to undermine the public morals, tends to undermine the national efficiency and the national vitality. [Applause.]

Mr. GOLDFOGLE. Will the gentleman yield?

Mr. HOBSON. If the gentleman from New York will get me some more time.

Mr. GOLDFOGLE. I only want to ask one question. Is the gentleman in favor of taxing some other article than beer and wine?

Mr. HOBSON. I certainly am since the administration reports the need of additional revenue and the Democratic caucus has decided on that action. I hope before the bill comes back from the Senate that sections 1 and 2 will be stricken out and our party will not be put in the position of offering an affront to the temperance and prohibition forces of the Nation. The moral standing of our party is largely involved. While some individual interests may be affected for a while, the great organized liquor interests of America are gloating over the action of our party in framing this bill. Our party was long in eclipse largely because of its intimacy with slavery. We should free it from the threat of a similar intimacy now with liquor.

I do not believe that it is generally known by Members of Congress that the temperance and prohibition forces of the country do not wish this tax imposed and that they regard it as an affront. These temperance forces know that the beginning of the alliance of the National Government with the liquor interests, the beginning of the sinister power of liquor in politics, date from the internal-revenue bill of 1862, adopted in a war emergency against the protest of Abraham Lincoln. They believe that this Government ought to begin to free itself from any dependence upon a revenue raised in this way.

At the close of my very brief remarks I will print a statement on "Big facts and big conclusions about rum," setting forth the reasons for their opposition to liquor. Three facts have been definitely established about alcohol: First, that liquor is a protoplasmic poison; second, that alcohol is a habit-forming drug. There are 4,000,000 heavy drinkers in this country and 1,000,000 confirmed drunkards—5,000,000 abject slaves; more abject than any black man ever driven by a slave driver. Third, that alcohol is a universal specific cause of degeneracy. It makes a deadly attack upon the line of any creature's evolution. Whatever that line is, wherever the species is building, there is where the tearing-down effect of alcohol is deadliest. In the human species the line is in the top part of the brain, the seat of the will power, the seat of the moral sense, the consciousness of right and wrong, the consciousness of God, of duty, the impulses of good will, of charity, of love, of self-sacrifice, the test of character. Drink lowers fully 20 per cent the economic efficiency of our Nation; it must lower much more the average standard of character, thus undermining the foundation of our institutions and threatening the life of the Nation itself. Here in America 2,000 American citizens die prematurely every day between sunrise and sunrise as the result of liquor. In all the fields of war operations abroad there is not as large an average of killed. The soldier that falls on the field of battle with a bullet through his heart has no blow struck at his spiritual nature, no blow at his character, but every one of these victims of alcohol has been assaulted more in character than he has been in physical vitality. Just imagine a devilish weapon being invented that when fired at a man would not only tear the flesh, but would make a deadly wound in the character, in the soul. Then think of 2,000 American citizens falling by such weapons every day. What do you think of a party or a govern-

ment joining in this slaughter of its own citizens and sharing the spoils and blood money, forsooth, because we have an emergency?

The SPEAKER pro tempore. The time of the gentleman from Alabama has expired.

Mr. HOBSON. I will print here, under the general permission, my statement on "Big facts and big conclusions about rum."

The statement is as follows:

"BIG FACTS AND BIG CONCLUSIONS ABOUT RUM.

"BIG FACT NO. 1. ALCOHOL IS A PROTOPLASMIC POISON.

"Alcohol is the waste product, the excretion, of the great scavenger, the ferment germ, and as such is a toxic poison, a poison to the ferment germs themselves, which accounts for fermentation decreasing as the alcohol increases, stopping altogether when the alcohol exceeds 12 per cent solution, and a poison to all forms of life of a higher order than the ferment germ. Since the ferment germ is practically at the foot of the scale of life, its waste product, alcohol, is a 'protoplasmic' poison, a poison to all living organisms. An organic substance in alcohol is 'preserved,' because no organisms of decomposition can penetrate the alcohol, not even the ferment germs themselves.

"This big fact, which is an undebatable finding of science, undermines the whole popular conception of 'food value' in alcohol and the idea of virtue in its 'moderate' use. This big fact is the true foundation for the up-to-date, scientific education of the public mind on this great subject. Especially should the periodical literature of the day emphasize before the reading public the fact that no matter in what quantity it is administered alcohol in proportion to the quantity is a poison to all living tissues of plants, of animals, of man.

"This is why drink affects fundamentally the health of the individual and the public.

"BIG FACT NO. 2. ALCOHOL IS A SPECIFIC CAUSE OF DEGENERACY.

"The severest attack of this poison is on protoplasm that is tender and unstable. This is why drinking is doubly harmful in children and in youth. The tenderest, most unstable tissues of a living organism are those most recently evolved in the life history of the species. In the human species the latest tissues evolved are those of the nervous system, especially the tissues of the brain, the cortex of the cerebrum. These tissues of the cortex are the seat of the center of inhibition, the seat of self-control, and the seat of those activities associated with the moral sense—in a word, the seat of character. Nature is trying to evolve a race of men of ever nobler character. Alcohol's deadliest attack is upon this seat of character. Careful observation of a sober man of high character, who takes one drink, then another, and another, will show how his self-control is affected early, his consideration for others, his delicate sense of right, his moral conceptions, the transformation being a progressive brutalization. Though restoration to the normal may seem to gradually follow when the alcohol is eliminated, yet the process oft repeated makes the effect more and more permanent, till the man passes down to a lower plane, that of the semicivilized or even the savage. This process is what causes most of the deeds of violence to be committed 'in drink,' most of the lapses from virtue in man and woman to be preceded and attended by drinking.

"This is why drink affects fundamentally the morals of the individual and of the public. As stated above, tissue in the line of evolution is the tenderest; this tissue is at the tenderest stage in the prenatal and embryonic period. Drinking, then, has an appalling effect upon the heredity of the offspring, especially the nervous system. The investigations of Dr. Laitinin, of Helsingfors, show that of children born of total-abstaining parents nine out of ten are normal, while of children born of alcoholic parents only one out of six is normal, one out of five becoming insane, one out of three epileptic, idiotic, or feeble-minded.

"BIG FACT NO. 3. ALCOHOL IS A HABIT-FORMING DRUG.

"Alcohol has the property of ether and chloroform of quickly penetrating the fatty substance that protects the nerve fibers, and by deadening these fibers prevents the messages of pain that would otherwise be sent to the brain from the poisoning. Alcohol is thus its own anesthetic, and the sensations attending drinking, instead of being those of pain, to warn the drinker, are rather pleasurable sensations of exhilaration. This is why Solomon called wine a 'mocker.'

"This big fact undermines the popular conception of alcohol's being a stimulant and removes it entirely from its old position of a general medicinal remedy. The periodical literature of the day should emphasize this fact, that, instead of being a medicine, alcohol, in poisoning the tissues of the body and the corpuscles of the blood, lowers their vitality and opens the system to the attack of diseases.

"When the tissues come out from under alcoholic anesthesia their discomfort causes a yearning to be relieved by being put again under the anesthetic. Thus the appetite for drink grows with the drinking. The will power weakens as the appetite grows; hence the drink habit. The person is no longer a normal free-will being, but is only a slave to labor for those who sell the liquor.

"Beverages of this drug are easily made and served in attractive forms and lend themselves readily to social intercourse. Thus the traffic in this attractive, deceptive, habit-forming drug is the easiest means of drawing on the substance of the people, and for generations has been exploited by a powerful trade and by the revenue policies of all the Governments of the world.

"SCOPE AND MAGNITUDE OF THE RUM PROBLEM.

"The rum problem is the biggest problem of the Nation and of humanity. It strikes deep at the root of national efficiency and prosperity. The poisoning effects of even moderate amounts of alcohol lower to a marked degree the efficiency of all kinds of labor. German experiments indicate for temperate regular drinkers a loss averaging from 25 per cent to 40 per cent. Reliable estimates place the number of drunkards in the United States at 1,000,000, the number of heavy drinkers at 4,000,000, and the number of temperate regular drinkers at 20,000,000, while unestimated millions are occasional drinkers.

"The lowered efficiency of these millions of producers represents a huge loss of productiveness to the Nation. Remembering that the retail cash liquor bill of the Nation is over $2,500,000,000 yearly, spent on a poisonous beverage, remembering rum's share of the cost of crime, pauperism, insanity, and untimely death, we see that in spite of so many railroads and industries banishing rum from their employees the economic loss from rum overshadows the losses from all other causes combined.

"Rum strikes an equally heavy blow at the national health. French investigations have demonstrated that the mortality from tuberculosis is proportional to the amount of alcohol consumed per capita, and that in France alcohol is responsible for considerably over half of all deaths from consumption. Similar investigations show that alcohol shares a serious part of the responsibility in the mortality for other diseases. A general average of life insurance records show that a young man at the age of 20 as a total abstainer will live to the average age of 65, as a temperate drinker will live to the average age of 51, and as a heavy drinker will die at the average age of 35.

"The investigations of the British interdepartmental committee on physical deterioration, of the registrar general of England, and life insurance companies' records show in general that between the ages of 25 and 65 the mortality of the people at large is 1,000 deaths every year for each 61,000, while for total abstainers it is only 560 per 61,000. This astounding difference confirms the conclusions from the disease mortality investigations that rum strikes a deadlier blow than all other causes combined at the public health. Mr. Gladstone was right when he declared drink was more destructive than war, pestilence, and famine combined.

"Rum menaces our liberties and institutions as seen above. The attack of alcohol is more severe upon character than upon economic efficiency. The consumption of about 25 gallons of alcoholic beverage per capita for every man, woman, and child means an appalling lowering of the average standard of character of the Nation. History and reason alike demonstrate that free institutions and self-government demand a relatively high average standard of character of the citizenship.

"The facilities and profits of the traffic increase with the density of population, causing degeneracy in general to grow in proportion to the growth of city life. The growing venal degenerate vote in our great cities already constitutes a grave menace, not only in municipal but also in State and National elections. With the present rate of growth of city life over country life we can not wait long; we must solve the rum problem in our generation, or else our posterity will see the degeneracy of city life overthrow the liberties of America as it overthrew the liberties of Greece and the liberties of Rome. The same degeneracy that overthrows the liberties of a free people will ultimately entail the decline and the downfall of the Nation itself.

"The rum problem for America thus involves the very law of self-preservation itself. It also involves the evolutionary law that nature imposes on a nation as on every living thing, the law of improvement. It is the degeneracy from rum more than all other causes combined that interferes with nature's efforts to insure that each generation shall rise higher and nobler than the previous. Thus from the deepest law of nature we draw our first big conclusion, that—

"IN OUR GENERATION, WE MUST SOLVE THE RUM PROBLEM.

"Before nature and nature's god, every child has a right to be well born, without any taint of degeneracy in its blood. Rum, more than all other causes, taints the heredity of the Nation and violates the rights of citizens before they are born.

"Every child has a right to be born in a home with parental love for its tender years. Rum more than all other causes combined disrupts the homes of the Nation and violates the rights of citizens in childhood.

"Every child has a right to a real education and to protection from physical and moral harm during youth.

"Rum, more than all other causes combined, drives the girls and boys into the factories and mines and upon the streets, where rum in turn will capture them as easy prey. The investigations at Bellevue Hospital of the antecedents of their thousands of drunkard patients indicate that more than two-thirds of all the drunkards had contracted their drinking habits before they were 21 years old; that 30 per cent had contracted their habits before they were 16; that 7 per cent had contracted their habits before they were 12. What a slaughter of the innocents! Investigations show that few men begin to drink after they are grown.

"A man may drink, himself, but if he is a good man he does not want his boy to grow up drinking, or his neighbor's boy. There are very few men who would debase themselves by teaching a boy to drink. Who is it that thus debauches the boys and youth in the years when they are entitled to protection? Those who profit by the practice—the liquor interests themselves—who develop and maintain their business by a systematic debauching of the youth. Evidence before the Judiciary Committee of the Senate shows that they send liquor free to boys through the mail. Therefore we have the second big conclusion, that if we can kill the liquor interests the systematic debauching of the youth will cease and the next generation will grow up sober.

"This is in accord with nature's method of curing an organic disease, not so much by curing the old diseased tissue as by the building up of young tissue kept free from contracting the disease.

"The rum problem, then, is not a question of stopping old drinkers from drinking; it is not a problem of rescue work, but a question of insuring that the young shall grow up sober. This can be insured by destroying the organized liquor interests. So the question is, How can we destroy the liquor interests of America? Evidently license and regulation do not suffice. They have been tried in practically all lands with the same result. It is under these that the debauching of the youth now goes on. The quasi partnership of Government gives protection and respectability under which the traffic flourishes. Indeed, a comparison of the number of saloons in our cities with the number of United States tax receipts or licenses shows that illicit sale flourishes unregulated in the midst of regulation.

"Evidently prohibition by small areas can not suffice. It is better to have a county dry than wet, but if wet counties adjoin the virus will go over and infect the dry. It is better to have a State dry than wet, but in spite of the interstate-shipment law, if wet States remain the virus will go over and infect the dry. The disease in its very nature is not only organic but contagious—treatment in spots will not suffice. To realize a cure it must be put out of the whole body. National prohibition is the remedy. In what form? Not simply by a Federal statute, for what one Congress does another can undo. There could be no rest. Every national election would be torn and rent with this issue. The policy would shift back and forth from wet to dry. The time elements necessary in the treatment of organic diseases would be lacking; the young generation would not have time to grow up during the dry intervals. No; statutory prohibition is only superficial treatment. This is an organic disease and must have organic treatment. Prohibition must be placed in the organic law of the land, the people's law, where it would rest during a generation and permit a new generation to grow up sober. So our big 'conclusion No. 3' is that 'We must put prohibition in the Constitution of the United States.'

"In September, 1911, on the eve of the last election in Maine, the late Mrs. L. M. N. Stevens, national president of the Woman's Christian Temperance Union, issued a proclamation calling upon all friends of temperance and all patriotic and uplift organizations to join in a united movement for national constitutional prohibition. Upon the convening of Congress that year I introduced a joint resolution in Congress submitting to the States for ratification an amendment to the Constitution of the United States to forever prohibit in the United States and the territory under its jurisdiction the sale, manufacture for sale, importation for sale of all beverages containing alcohol. To this original resolution I added later the words 'exportation for sale,' and 'transportation for sale.' In a speech published in the CONGRESSIONAL RECORD of February 2, 1911, called 'The Great Destroyer,' I set forth the results of investigations that I had made with the cooperation of the Library of Congress. These investigations were disinterested and scientific and lead to the clear, inevitable conclusion that for a real cure we must have the organic treatment of placing prohibition in the Constitution of the United States. With the aid of friends I have sent out more than 2,000,000 copies of this speech, chiefly to the colleges, schools, and those who mold the thought of the young, and have written about a million and a half of letters to the youth of the land. During the last three years I have delivered lectures in all parts of the country and spoken on the subject to conventions, national, State, and local, of prohibition, temperance, religious, civic, uplift organizations.

"The second week in November last the greatest convention ever held in the world was held in Columbus, Ohio, at which were assembled official representatives of 97 national uplift organizations, including the churches and Sunday schools of all denominations, Christian Endeavor, Epworth League, Woman's Christian Temperance Union, Antisaloon League—practically all of the national uplift organizations of the Nation. For the first time the moral forces of a whole nation were assembled in a single convention. This convention unanimously adopted the proposition for nation-wide constitutional prohibition and for a nation-wide campaign of education on the whole question of rum to be carried forward together. The National Antisaloon League, in convention at the same time, unanimously adopted a similar proposition and authorized a committee of 1,000 men to be sent to Washington to memorialize Congress. On the 10th of December this committee, numbering nearly 3,000 men, coming from every State and Territory in the Union, met at Washington jointly with a similar committee of the Woman's Christian Temperance Union and memorialized both Houses of Congress to pass a joint resolution submitting to the States for ratification an amendment for national constitutional prohibition. The form of the resolution finally decided on is given in House joint resolution 277, which in substance is the same as my original resolution.

"In both Houses the resolution was referred to the Committee on the Judiciary. The Judiciary Committee of the House of Representatives has completed its hearings and has made a report without recommendation. So the resolution is on the calendar, and will probably be voted on before Christmas.

"The Judiciary Committee of the Senate has concluded its hearings, which were conducted through a subcommittee. The general opinion is that their report will be favorable.

"The prospects are that before the end of the present Congress, March 4 next, both Houses will vote on the resolution.

"The resolution will require for passage a two-thirds vote of both Houses, and for ratification will require ratification by the legislatures of three-quarters of all the States—36 out of the 48 States.

"About 55 per cent of all the people of the United States now live under prohibition law, and about 71½ per cent of all the area of continental United States is now under prohibition law. This majority of American people, as far as they could do so, practically have in regular form requested Congress to be allowed to pass on this great question. Under the spirit of our institutions they have a right to pass on it. Remembering that it deals only with the sale, and does not have the Federal Government touch the question of use, manufacture for use, transportation for use, and so forth, and thus does not invade the sanctity of the home or the rights of the individual; remembering that it is a referendum to the States to accept or reject, and is not, therefore, an encroachment upon the rights of the States; remembering that its great object is to stop the debauching of the youth, with which object all good men must be in accord, except those financially interested; remembering that practically all the organized moral forces of the Nation have unanimously resolved to make the question the paramount issue, irrespective of party affiliation, in every congressional and senatorial campaign; and remembering that Congress by passing the resolution would relieve itself of all responsibility and transfer the whole question to the States—remembering all of these considerations, we are led to big conclusion No. 4, that at a comparatively early date both Houses of Congress will pass the joint resolution proposing an amendment to the Constitution of the United States for national prohibition.

"When the proposed amendment goes before the States the opposition to ratification will be centered chiefly about the interests directly affected.

"The overwhelming consensus of experience shows such marked increase in general prosperity when prohibition has been adopted in cities, counties, and States, even with imperfect enforcement, that there will be but partial opposition on the part of interests affected only indirectly.

"Heretofore the advocates of prorum policies have prided themselves in the claim that 'prohibition does not prohibit.' This is not only a confession that the traffic is inherently lawless, but is also an admission that the wishes and rights of prohibition communities and States are ruthlessly invaded. Therefore the staunch advocates of State rights and local self-government will ultimately rally to the support of the amendment, recognizing in it not an encroachment upon the States, but a referendum to the States, which, when the will of three-fourths of them all is expressed, will create in the Federal Government simply an additional effective agent to carry out the will of the States.

"Drinkers who are not yet degenerates will quickly come to recognize that the amendment deals only with the question of sale, founded upon the public principle of contract, does not invade the home, does not infringe the rights of individuals or individual liberty, but in prohibiting the sale simply stops one citizen from gaining profit by harming a fellow citizen, thus simply destroying the organized rum traffic and putting an end to the systematic debauching of the youth; therefore the bulk of the drinkers and even some good men among the rum dealers themselves will ultimately support the measure as a means to insure that the next generation and future generations of Americans shall grow up sober.

"Extreme prohibitionists, who at first blush may be inclined to think that the measure does not go far enough, will soon realize that it does not prevent the States and smaller subdivisions from going further.

"Thus the opposition will center chiefly about the big cities, where the rum interests are controlled and the degenerate vote is gathered. Now, the big cities are located in a few States. Eleven States could be spared and yet ratification be completed. The fact that 71½ per cent of the area of Continental United States is now under prohibition law and that before the year is over the Pacific Coast States will almost certainly fall in line with Virginia in voting state-wide prohibition, shows how great will be the initial strength of the ratification campaign. Indeed, there are 36 States in the Union, the number necessary for ratification, within whose combined borders there are fewer saloons than in the one city of New York.

"When we realize that the vast bulk of the uplift forces of the Nation, practically all of the organized moral forces, are united and fast becoming unanimous in support of this measure and are marching forward, over 4,000,000 of petitioners having already petitioned Congress; when we remember that in the campaign for ratification these forces can adopt the strategy of concentrating their full efforts upon each State in turn, defeating the enemy in detail; when we remember that a State having once ratified remains always on the side of ratification, while an effort for ratification in any State failing at one time can be repeated as often as may be found necessary; when we remember that the whole process is educational and will steadily take home to the great body of our people the big facts about rum—when we remember these things we must come to big conclusion No. 5, that the joint resolution will not only be passed by the necessary two-thirds majority in both Houses of Congress, but will also be ratified by the necessary three-quarters of the States, making this prohibition amendment part of the supreme law of the land, part of the Constitution of the United States, where it will remain forever.

"With the destruction of the organized rum traffic the systematic debauching of the youth will end. Old drinkers in many cases will continue to drink, making for personal use their own distilled or fermented liquor, except as stopped or regulated by local-option laws of their individual States or counties or municipalities. But as the old drinkers die off, their places will not be filled by new drinkers, and America will in time become in scientific reality a sober nation.

"The big facts about rum are now known and are being disseminated with governmental aid in all civilized lands. Big conclusions, like the ones above, will be arrived at inevitably in other lands. America's leadership will be followed by the other nations. It is not simply a prayer rising from the heart of humanity, but a scientific demonstration, that leads to big conclusion No. 6, that the age-long reign of rum is doomed.

"With the overthrow of rum a millstone will be cut from around the neck of humanity. The great evolutionary laws of nature can then work their beneficent results with the human species. Applying a new energy and a new efficiency to industry, the world will groan with the bounty of production and prosperity. Sordid and selfish purposes will gradually vanish in industrial, political, and social activities. Wonderful reforms, insuring industrial and social as well as political justice for all, will soon follow. The germs of decay will gradually vanish from even city life. Nations will flourish for thousands of years and then be but in the vigor of youth. The human race, instead of being sloughed off as it rises, will produce wonderful thoroughbred types of intellectual and moral beauty. The great struggles will no longer be between good men fighting other good men, but between all good men fighting the powers of darkness as they are driven farther and farther back.

"Moral and spiritual forces will assume the ascendancy in individuals, in communities, in nations, and will permeate the relations of nations to each other. All the nations will be organized into a world body and bring about world peace and world justice; altruistic forces will develop a great brotherhood of man for complete and effective cooperation with nature, to cause a maximum of evolutionary development, a maximum of uplift of humanity, to fulfill the will of God in the world.

"RICHMOND PEARSON HOBSON."

Mr. UNDERWOOD. Mr. Speaker, I will ask the gentleman from New York to use the balance of his time.

Mr. PAYNE. I will yield the balance of my time to the gentleman from Michigan [Mr. FORDNEY].

Mr. FORDNEY. Mr. Speaker, I yield to the gentleman from Kentucky [Mr. LANGLEY].

Mr. LANGLEY. Mr. Speaker, the present distress of the country is not the result of President Wilson's psychology; it is the pathological sequence of democracy. [Laughter and applause on the Republican side.] I am opposed to this bill, not because of its Democratic parentage, but because it is unwise and unnecessary, although the two propositions are very frequently synonymous. [Laughter.]

Mr. CLARK of Florida. Will the gentleman yield for a question?

Mr. LANGLEY. No; I can not yield.

Mr. GOLDFOGLE. I only want to ask the gentleman one question.

Mr. LANGLEY. Oh, no; I am sorry, but I have not the time.

Eighteen months ago this country, in a healthy condition and prosperous, fell into the hands of the Democratic Party.

Two years ago a war in the Republican Party forced the Democrats into power, and now the Democratic Party is hoping and praying that the great war in Europe will keep them in.

Two years ago the Democrats promised not to disturb prosperity, and ever since then they have promised to bring prosperity back. When and how did prosperity take wings?

Two years ago mills were running, trains were running, candidates were running. To-day only the candidates are running.

Two years ago men were busy, money was busy. To-day the taxgatherer is busy.

The country has been fed on "wishes, hopes, and promises, the currency of idiots," and now in its impoverished condition, weakened and industrially and financially anemic, debilitated almost beyond the power to resist further unskillful treatment by the quack doctors of the Democratic Party, it is about to be given another dose of Democratic medicine labeled "War taxes in time of peace."

This is not a war-revenue bill. It is a Democratic revenue bill, for notwithstanding the war in Europe we would have been able, with proper management, under the policy of protection and economy to have met the unusual conditions and passed any crisis without resort to additional taxation of our own people.

Business men have acted—

said President Wilson to the Virginia editors June 25, 1914—

as some men do who fear they will have to undergo an operation and who are not sure that when they get on the table the operation will not be a capital operation. But—

The President added—

the treatment is to be constitutional rather than surgical.

The treatment certainly has been constitutional, and who blames the business man for fearing he will have to undergo an operation?

First, this quack clinic of Democratic doctors made a wrong diagnosis. The patient was healthy and strong, but a good subject upon which to experiment with quack theories.

They then administered a dose of free trade, which was entirely foreign to the patient's system and unknown to modern political materia medica, which at once debilitated the patient and impoverished his blood, reducing his weight and his resisting power. The Democratic doctors, failing to note the change for the worse, proceeded further to carry out the course of treatment prescribed by the quack clinic by next injecting a

hypodermic of currency into the patient's financial arteries, which, though slow in taking effect, threatens obesity.

The patient's condition growing still worse, and his financial pulse becoming quite irregular, the doctors in desperation injected a magnum of old-time Republican emergency currency, according to the formula of the eminent authority, Dr. Vreeland-Aldrich. This somewhat restored the patient's confidence and his hope of recovery, but other and more violent symptoms developed as a result of the foreign free-trade treatment, clearly indicating marasmus, or wasting disease, and although dieted upon the "New feed 'em," consisting of one part whole cereals from Argentina and Canada, one part noncompetitive raw materials, duty on, and two parts finished articles, free listed, the patient could not assimilate this food, and his ad valorem and internal-revenue canals failed to perform their functions.

To reassure his patient, Dr. Wilson told him that "as the diagnosis has progressed it has become more and more evident that no capital operation is necessary." In fact, the patient's constitution by this time was too enfeebled to withstand an operation.

The quack clinic now declares that after all there is nothing the matter with the patient, that his condition is "psychological," a state of mind altogether.

Then they proceed to administer the old-time Democratic remedy of cupping and leeching. He must be bled. He must have his spinal income trephined, his corporation surplus siphoned, his table of contents X-rayed, and his interlocking system separated.

This treatment, they declared, will be absolutely painless under the influence of an antitrust anæsthetic, which produces first wakeful watching and then "twilight sleep." While in this condition of helpless inertia the patient, like a good and trustful patient, is divested of what little he has left of mind, body, and estate through an alleged war-revenue tax, which is only a subterfuge with which to cover the incompetency of doctors of the old Democratic school who never learn anything by experience.

To revive the patient and restore him to normal will require the "Republican Red Cross Society" and the protection pulmotor.

Mr. Speaker, the war in Europe, absorbing in interest as it is, and affecting us as it undoubtedly does and will, can not divert the attention of the American people from the consequences to themselves that this Democratic administration's policies have inflicted upon them. Before the war's effects could be felt here in diminished imports and exports and loss of customs revenue our people were aware of the fact that the Democratic tariff law was a failure; that it did not do anything that its Democratic friends promised for it, but did do everything its Republican opponents said it would do.

The one great thing promised for it was that it would reduce the cost of living. This it did not do; but it reduced the chance to make a living. It increased importations of competitive goods by lowering or altogether abolishing duties thereon, and created a free list such as to put this country on practically a free-trade basis.

On this free list are finished manufactured goods, while the raw materials which go into them are in many instances made dutiable. The American producer is thus whipsawed. He is injured both ways, coming and going. At the same time the Treasury of the United States is deprived of revenue from customs duties and the consumer buys, if able to buy at all, at no less cost.

In July last, before the war in Europe commenced, our imports of foreign goods were valued at $160,078,133, on which were collected $22,988,465. In the month of July, 1913, under the Republican tariff law the imports were $139,061,770 worth, or $21,016,363 less than under the Democratic law; yet the revenue collected in July, 1913, was $27,806,654, or $4,818,189 more than in July of this year.

These figures alone illustrate the difference between a free-trade law, that lets in foreign goods to displace American goods without compensation either to the consumer or the Treasury for the privilege, and a protective-tariff law, that safeguards both the American market from foreign invasion and the United States Treasury from a deficit.

This happened before the European war. This happened also in each and every month, save one, since the Underwood tariff has been in effect. At the same time our exports fell off alarmingly. As imports increased, exports decreased. In this respect, as in others, the American people were made to burn their candle at both ends.

For the first time in 20 years the balance of trade in April, May, June, and July was against us. Imports for those months were greater than exports. We were buying more from foreigners than we were sending to them. Here are the figures:

	Excess of imports.
April	$11,339,544
May	2,476,896
June	653,522
July	6,462,233
Total	20,932,195

The President, in his address to Congress asking for $100,000,000 more revenue by taxing our own people, said there was a falling off in August last in revenues collected from customs of nearly $11,000,000. The President might also have stated that there was a falling off of revenues collected from customs in July of $4,818,189, in June of $115,151, in April of $1,461,200.19, in March of $1,530,276.30, in February of $9,995,512.13, and in January of $5,806,044.26, or a total decrease for the first seven months of 1914 of $23,360,549.39.

But the President saw fit not to refer to these facts.

The President, however, also stated in his address that the people "know and understand, and will be intolerant only of those who dodge responsibility or are not frank with them."

Absolute frankness, I submit, would have dictated a revelation by the President of our economic conditions during the months prior to the war in Europe, and not alone the conditions for the first month of the war, which were not due entirely to the war, but to the unfavorable operation of the Democratic tariff law.

It is true, as the President said, that the people "will be intolerant only of those who dodge responsibility." Yes. "The people know and understand" where the responsibility rests for the destruction of industries which the Democratic Party promised not to injure, for the lack of employment to American workingmen, for reduced wages, for curtailment of production, for general business distress and failures, for the arrest of development, for diminished revenues, for extravagance, and for the high and increasing cost of living.

The people knew and understood all these things before the foreign war began, and their minds will not be diverted from the facts of hard experience by any untoward circumstances. The people are not easily fooled. The Democratic Party already was weighed in the inexorable balances of public opinion before this war came on, and it can not now use that war successfully as a cloak with which to cover its own deception, its own broken promises, and its own incompetency.

The Democratic Party, ostrich-like, may hide its head in the shifting sands tossed upon our shores by the terrible undercurrents and billows of a great foreign war; nevertheless, its misdeeds are in plain sight of the American people.

No, Mr. Speaker, in ascribing wholly to the terrible conflict abroad the cause of our fast diminishing revenues the President did not deal frankly with us, and did not state all of the facts. Nor was the President altogether frank or happy in referring to the condition of the Treasury.

We have to-day a working balance of about $118,000,000, thanks to the revenue-producing quality of a protective-tariff law. This is $50,000,000 less than was the balance in the general fund at the end of the fiscal year 1913. Of the $118,000,000 balance at the prseent time the President stated that about $75,000,000 is on deposit with the national banks on call. "We ought not to draw this money out to help tide over the shortage," said the President, "because of probable inconvenience to the banks. Neither ought we to borrow," he said, "for to do so would be a most untimely and unjustifiable demand on the money market. But," he said, "we must resort to taxation and put burdens on the people."

In effect, the President says we must not think of drawing out of banks our own money for our own needs; the country is not able to stand a loan, but we will reach down and take what we need out of the people's pockets.

Mr. Speaker, this is strange reasoning, and to the American people who will feel the burden of additional taxation it will remain inexplicable. The people will want to know why they must be taxed in time of domestic peace to the extent of another $100,000,000 to run the Government when the Government has $75,000,000 of its own in the banks.

The people will want to know why they are to be taxed to meet a prospective deficit when, if necessary, the Government could as easily float a popular bond issue as did the city of New York a few days ago, which was cheerfully subscribed for by foreign investors as well as by our own people. Small capital, unable to find employment in the development of industries, appears eager to be invested in municipal securities. Why not, then, in the bonds of the United States? Has the administration itself lost confidence in the ability of our people or does it think the people have lost confidence in the administration?

But, Mr. Speaker, I do not advocate either the borrowing of money in time of domestic peace nor placing additional burdens of taxation upon an already overtaxed people. I believe this exigency, so far as one really exists, is due chiefly to Democratic fiscal policies and that it can be met in other ways than by borrowing from or taxing the people.

In the first place, I would economize. That is what the prudent and careful business man would do. But, Mr. Speaker, the President in his address recommending additional taxation of the people did not once suggest economy. In fact he has never once in any official paper since he has been President touched upon the subject of expenditures or economy, although elected on a platform which pretended to cry aloud for retrenchment. In this one respect alone, if in no other, he has allowed Congress to have its own sweet will. And Congress has piled up one extravagance upon another without a word of dissent from the White House.

Moreover, the Democratic caucus, when it had a chance to adopt a sensible and economical budget system as recommended by a Republican President, deliberately voted it down.

There is ample room for economy without unduly hampering the public service or its efficiency.

Even now it is not too late for legislative action that will save to the Government the $100,000,000 which President Wilson wants to take from the people's pockets.

If the Democratic Party really stands for economy, as it fooled the people into believing, it will throw this taxing bill into the discard and set about saving the people from the burden this bill imposes upon them by saving some of the people's money from wasteful and useless expenditure.

I would also restore protective rates of duty on foreign importations. Not all of the ocean lanes of commerce are closed. Most of them are open. Even with diminished imports a protective tariff, as in the past, would insure against a deficit in the Treasury and at the same time revive and protect our industries, which have languished or been displaced by the workings of the Democratic tariff law. Put back the duty on sugar, or even a reasonably protective duty. This would yield about $25,000,000 alone. Reducing the duty 25 per cent has enriched the Sugar Trust. The Treasury since March 1 has been losing sugar revenue at the rate of over $2,000,000 a month. The consumers have not benefited in the least. The Sugar Trust absorbed the tariff reduction, and then had the audacity arbitrarily and criminally to put up the price of sugar and blame it on the war in Europe. The Sugar Trust pays only 2½ cents a pound for Cuban raw sugar, the cost of refining is but one-third of a cent, yet it has sold the refined granulated from 6 to 9 cents a pound, and the fancy grades, such as cube and crystal domino, at much higher prices. This is the same crowd who were caught red-handed by the Republican administration and made to disgorge about $4,000,000 in duties withheld through frauds in weighing. Why should this Democratic administration play into the hands of the Sugar Trust at the expense of the Treasury? Can anybody explain it? Why should the Secretary of the Treasury, the President's son-in-law, deny to the State of Louisiana, whose sugar industry lies prostrate, the scant privilege of going into court to determine whether or not the Sugar Trust ought to pay the higher duty under the Cuban reciprocity treaty or the lower duty which it has been paying since March 1 under the Secretary's own construction of the Underwood law? The State of Louisiana can not have this legal question determined without authority of Congress, and the Secretary of the Treasury, jealous of his ministerial act in fixing the lower rate for the benefit of the Sugar Trust, declined to recommend favorable action upon the request pending before the House Judiciary Committee in the form of a joint resolution introduced and urged by the gentleman from Louisiana [Mr. BROUSSARD].

What possible harm can come, except perhaps to the Sugar Trust, from having the matter judicially determined? If the Secretary of the Treasury had fixed the higher rate of duty, the Government would already have been the richer by $14,000,000, and the Sugar Trust, if it felt aggrieved, could have appealed to the board of appraisers and to the customs court.

But the Secretary having fixed the lower rate under the Democratic tariff, the State of Louisiana can not appeal and must look to Congress for authority to go into court. This administration tore up its platform promise of free tolls for our ships at the Panama Canal on the hypocritical pretense of national honor, and secured the repeal of the free-tolls law because Great Britain, an old and powerful nation, had demanded it. Yet, when it came to keeping faith and upholding our national honor with Cuba, a young and weak nation, for which we stand sponsor before the world, a Cabinet officer, the Secretary of the Treasury, utterly disregarded our solemn obligations to that country and by his own dictum threw our reciprocity treaty with Cuba to the winds.

It seems to me that this needs an explanation and a very good reason why the Secretary of the Treasury should act as a buffer for the Sugar Trust.

If the revenue, about $14,000,000, which has gone into the pockets of the Sugar Trust is possible of recovery, as appears, it would help out at this time. Then why not go after it?

The local Federal attorneys uncovered some little fellows here in Washington not long ago who were indicted under the antitrust laws for conspiracy in restraint of trade by price fixing, and the Department of Justice made a loud noise about it. But what of the great and mighty Sugar Trust, against which the State of Louisiana and several hundred of her citizens have suits pending under the antitrust laws and can get no satisfaction?

The State of Louisiana, becoming weary of watchful waiting for the Department of Justice of this Democratic administration to prosecute the suits against the Sugar Trust filed by Republican Attorney General Wickersham, itself last week instituted ouster proceedings against the trust in the United States district court in that State.

The patience of Louisiana was exhausted by the procrastination, indifference, and dilatoriness of and the apparent friendliness for the Sugar Trust on the part of the present administration, and will try its own hand as prosecutor, using the testimony unearthed by a Republican administration, by which the Sugar Trust was brought to book for its wholesale frauds upon the Government revenues.

Is the Department of Justice, as well as the Treasury Department, afraid to tackle the Sugar Trust? If so, why?

Perhaps the paid agent of the Sugar Trust who wrote the sugar chapter in the Democratic campaign textbook, promising the people $125,000,000 saving if sugar were free listed, can explain.

Mr. Speaker, if it were not for such instances of unwise fiscal policy and administration as are presented in the Underwood tariff law and the friendly treatment of the Sugar Trust, and if it were not for the extravagance of this Democratic Congress, I might feel myself bound, as a public duty, to support this bill. But I can not delude myself or be deluded into the belief that it is necessary to impose these additional taxes on our own people. The argument or plea advanced by the President and by the Committee on Ways and Means in its report is untenable, in my judgment, if not disingenuous.

That it is ingenuous there can be no doubt. The war in Europe is the one adventitious thing that Democratic Congressmen needed as a blind with which to hoodwink the people into forgetting and forgiving them for wrongs inflicted and blessings withheld. They seized upon it at once and are working it overtime.

The committee says blandly and without regard for facts that if it had not been for the war in Europe the tariff act of October, 1913, and the other sources of revenue would have yielded sufficient revenue to meet the demands of the Government.

They show that the revenue collected for the fiscal year from July 1, 1913, to June 30, 1914, amounted to $292,000,000, which is true. But they do not show, and studiously avoid showing, that of that amount $105,794,498 was collected under the Republican tariff law.

They do not state what is a fact, that the 25 per cent sugar reduction did not take effect until March 1, 1914, and that between October 3, 1913, and March 1, 1914, about $42,000,000 were collected under the Republican law.

Nor did they state that the free raw wool provisions of the new law did not go into effect until December 1, 1913, and the provisions relating to the hair of the Angora goat, alpaca, and so forth, until January 1, 1914, and that between those dates and October 3, 1913, there was collected under the Republican law $8,397,000.

Nor did the committee state that for three months and three days, from July 1, 1913, to October 4, 1913, there was collected under the old law $55,550,119, or a grand total of $105,794,498, while the Republican law was wholly and in part effective during the fiscal year 1914. In other words, 36.19 per cent of all the customs revenue collected during that year was based upon Republican rates.

The committee does say that $85,500,000 was collected before the present law went into effect, but it does not state the whole amount that was collected, nor does it give the old law any credit for having helped to supply more than one-third of the total customs revenue for that year. Deduct this amount from the total for the year and apply the rates of the Underwood law and its big free list and then see how much revenue the Treasury would have from customs. It would have less than the

amount collected under the old law, or a deficit of $105,000,000, which by coincidence is exactly the amount that the committee estimates will be collected as additional taxes from the pockets of the people under this Democratic revenue bill.

The Underwood law was deficient as a revenue producer before the European war began. It failed to collect enough money both from customs and from income taxes. And yet the committee, disregarding the facts of recent history, has the nerve to say that if it had not been for the war in Europe the Underwood law would have yielded sufficient revenue. Why, at the average rate of loss of revenue per month of $1,511,000 for the five months from March to July, when the Underwood bill stood alone without Republican aid, as compared with the corresponding period of last year; with the prospect of diminishing customs revenue each month as the law with its big free list becomes better known abroad; large withdrawals of imported merchandise from bonded warehouses that came in under the old law and awaited lower rates of duty under the present law before withdrawal; the failure of the income tax to meet the shortage in customs revenue and the further prospect of its failure owing to shrinkage of incomes by reason of the general business slump produced by a tariff law in favor of foreigners, it can be seen clearly, even by a man with but one eye, that a deficit in the Treasury was inevitable within this fiscal year without the aid of a foreign war.

And be it remembered that at the end of another short year sugar, that greatest of all revenue producers, goes absolutely on the free list. That will mean $60,000,000 approximately lopped off altogether which the Treasury will not get. How will it be made up? It is not to be expected that foreign nations will again be so obliging as to constitute themselves a relief corps and get into another scrap or prolong this one for the benefit of the Democratic Party, so that it can levy more taxes on our own people and then say: "The war did it." But says the committee: "The new law provides an income tax to make up for the reduction in customs revenue."

But will it? What assurance have we that it will do better than it already has done. So far it has failed to meet expectations. But what if it does become more of a revenue producer? That will mean that we have abandoned the policy of collecting from the foreigner for the privilege of coming into our splendid home market with his goods; that we expect to make up the difference from the pockets of our own people, and at the same time expect our own business men successfully to cope with foreign competitors. And if they do not, and are compelled to go to the wall and blame it on the Democratic tariff, then they are to be hung on a gibbet as high as Haman's, in accordance with the President's announced policy.

I do not share fully the feeling of most of my party colleagues regarding this so-called gag rule, although I voted against the rule because it cut off the privilege of amendment and I wanted to offer some amendments to the bill. As a result of Republican division, you of Democracy, although representing the minority of the voters, have been vested with the legislative and executive power of the Nation, and are temporarily in control of its destiny. You are responsible to the country for what is done while that power continues. You have framed this bill through your party leaders the way you want it, and days of argument, criticism, and denunciation would not change it in the slightest. We Republicans who have been pleading in vain for economy in our finances can show our good faith by practicing economy of time. So far as I am concerned, I am ready for the vote, and have been since the bill was taken up, and really feel it a waste of time to talk at all. There is sometimes mercy in expedition. Please jam this nauseous dose down our throats as quickly as possible and let us be done with it. [Laughter and applause on the Republican side.]

I shall avail myself of the privilege granted by the House to extend and revise my remarks in the RECORD.

Mr. UNDERWOOD. Mr. Speaker, I said a moment ago that there would be but one more speech on our side, but I had forgotten one promise that I had made, and if the gentleman from Michigan will yield, I would like to yield for a short speech on this side.

Mr. FORDNEY. Certainly.

Mr. UNDERWOOD. Mr. Speaker, I yield five minutes to the gentleman from Indiana [Mr. GRAY]. [Applause.]

Mr. GRAY. Mr. Speaker, while all must regret the prostration of the world's commerce by reason of the European war, and the consequent falling off of imports upon which our tariff taxes are levied, and the resulting loss of revenue to the Government, it should be realized that the loss, which this bill is being enacted to make up to the Treasury, will be trivial in comparison to the burdens of a great war debt to hang over the people for a generation, to say nothing of the appalling sacrifice of human life, the wounded, the mangled and the dead, the widows and orphans, and the anguish of bereavement in the thousands of homes, which we will suffer if we fail to preserve peace, if we fail to maintain neutrality, if we fail to avert war.

In this world-war crisis through which we are passing it should be realized that our first and highest duty is to preserve peace; that every citizen and every public official, as well as the acting head of the Government, is chargeable with the grave responsibility of maintaining neutrality and averting war. A single spark of fire may start a conflagration and consume a great city, and the word or act of a single individual or official of the Government may serve to inflame the public mind, precipitate a conflict among men involving nations. [Applause.]

In this crisis it should be realized that men of different races and nationalities are in all things too apprehensive as to wrongs and injuries committed against them. They are too ready to assume and take to themselves words and acts as indignities and encroachments not intended or directed toward them. They are too ready to involve themselves and their governments in hostilities to avenge imaginary wrongs and injuries existing only in apprehension. In this crisis it should be realized that we are brought face to face with an intensely practical side of human life; that we must take the world as it is and not as we may think it ought to be; that we must deal with men as they are constituted and not as we may think they should be constituted. In this crisis the question is not what we have a legal right to do under international law, nor what it is possible for us to do, nor what we have power to do, nor what we have the force to do, nor the might to do. But the one supreme question of the hour is what it is policy for us to do, what we can do that will best preserve peace, best maintain neutrality and best avert war.

Mr. Speaker, I believe all the world to-day honors the flag of this Nation. I believe all the world to-day respects the citizenship of this Republic. I believe all the world to-day is actuated by motives of good will and friendship toward us, and desires only to continue in such honor, respect, and cordial relations. But a great world war is being waged around us. The nations are engaged in mortal strife and deadly combat about us, and in the frenzied haste of battle, in the feverish throes of life against life and the death struggle, belligerents are not always careful, cautious, and considerate of the welfare of their neutral neighbors. In this crisis it should be realized that a wise and prudent course requires that we should not see all that there is to be seen, that we should not hear all there is to be heard, that we should not know all there is to be known, and that we should not understand all that there is to be understood [applause], and that we should act only with caution, deliberation, and considerate judgment upon that which we are compelled to see and hear and know and understand.

In this crisis it should be realized that policy, discretion, diplomacy, and a close and good faith adherence to the principles of justice, equity, and right between nations and their people will be of far greater avail in preserving peace, maintaining neutrality, and averting war than all the force and might which armies and navies could bring to bear; that a parade of our Army or a review of our Navy or a display of our military power or naval strength would serve only to jeopardize our peace, impair our neutrality, and invite hostilities; and that such policy, discretion, diplomacy, international equity, justice, and right is our only assurance of peace, our only safeguard of neutrality, our only security against war.

In this crisis it is no time for the display of an exacting honor, a captious dignity, or a false national pride, but a time for a broad, charitable view of human affairs, a comprehensive consideration of the welfare of humanity at large, and the subordination of selfish motives, prejudice, impulse, and all the animosities dividing men and arraying them against each other. This is a time for the realization of our responsibilities as citizens of a great Republic exercising sovereign power, directing the affairs of state, shaping world-wide policies and the destinies of the human race.

Whether acting as private citizens or public officials, we can not absolve ourselves from the responsibilities we have assumed as such citizens and public officials. Our obligations are more than to preserve our own peace, more than to maintain our own neutrality, more than to avert war with our own country. We can not perform our full duty without extending our good offices to restore peace abroad and bring a termination of the cruel and devastative war now drenching the earth in human gore and strewing its valleys with the mangled bodies of the dead.

And in this crisis no quest of profit in trade should be allowed to swerve us from our course of duty and service to mankind; no hope of selfish gain should be suffered to impair the good faith and confidence we hold of all nations of the world to-day;

no act of selfish aggrandizement should be permitted to prejudice the powers now at war from accepting the tender of our good offices to terminate hostilities and restore peace.

In this crisis a great opportunity awaits this Nation—the one great power remaining neutral—to serve mankind; an opportunity for mediation and to bring peace to the wounded and bleeding nations of the world at war; an opportunity to become a world power. Not a world power of brutal force, of savage might, of human carnage, or of death, desolation, devastation, and war, but a world power for peace, for human happiness, for the cultivation of all the arts and graces of civil life, and all the charities that soothe and heal and bless; a world power of true fame, true glory, and true renown to endure through all the ages. [Applause.]

EMERGENCY REVENUE LEGISLATION.

Mr. TREADWAY. Mr. Speaker, I am absolutely opposed to all features of the so-called war revenue bill. In the first place, the name itself is a misnomer. This country is at peace with all the world. We are neither at war nor are we in need of war revenue. Comparisons are made between this bill and the act of 1898. At that time we were engaged in war and needed the revenue to support the Army and Navy of the United States. The speeches of the gentlemen advocating this bill to-day, made at that time, make pleasing reading now. The present Speaker of the House and the able leader of the minority both made speeches against the enactment of what was at that time necessary legislation. Let the Democrats cover up and make such explanations as they can, the people during the next month will learn, if they do not already know, the real cause of the enactment of this bill.

There are two plain and simple reasons for this enactment. These reasons are the failure of the Underwood tariff law as a revenue producer and the extravagance of the Democratic Congress. The convincing figures already submitted by the various gentlemen during the progress of this debate and in the minority report show conclusively the correctness of this statement.

It is the plainest form of subterfuge to claim that this new burden of taxation upon the people is caused by the foreign war. These figures alone show a loss of commerce of $182,000,000 for the year. Not only has this loss been sustained by our business, but the increased loss to the people of our country through decrease of trade and wages can not be estimated. Notwithstanding this loss of occupation, it is to-day proposed by the Democracy to tax our people to make up the deficiency caused by Democratic failure to construct a suitable revenue-producing measure.

The other great cause is Democratic extravagance in appropriations. I need only to call the attention of the House to the able speech of my colleague [Mr. GILLETT] for convincing proof of this statement. The Democratic platform condemns Republican extravagance, but the appropriations of this Congress exceed those of the last Republican Congress by over $100,000,000. Most emphatically have our Democratic brethren strained at the gnat and swallowed the camel.

An editorial from the New York Sun of September 7, based upon the figures made by the Committee on Appropriations, is illuminating, and from it I quote as follows:

THE RECORD OF WASTE.

The subjoined table, giving the amounts appropriated by Congress for the support of the Government for the years 1913–14 and 1914–15, is compiled from the chronological history of appropriation bills, second session of the Sixty-third Congress, prepared by the clerks to the Committees on Appropriations of the House and Senate, cents being disregarded:

Title.	Law 1914–15.	Law 1913–14.
Agriculture	$19,865,872	$17,986,945
Army	101,019,212	94,266,145
Diplomatic	4,309,856	3,730,642
District of Columbia	12,172,539	11,383,739
Fortifications	5,627,700	5,218,250
Indian	9,771,902	9,486,819
Legislative	37,630,229	35,172,434
Military Academy	997,899	1,049,302
Navy	144,868,716	140,800,643
Pension	169,150,000	180,300,000
Post Office	313,364,667	285,376,271
River and harbor		41,073,094
Sundry civil	110,070,227	116,795,327
Total	928,848,783	901,616,520
Deficiencies	23,363,587	28,074,912
Total	952,212,370	929,691,433
Miscellaneous	6,000,000	388,597
Annual total	958,212,370	930,080,030
Permanent	131,196,407	127,525,664
Grand total	1,089,408,777	1,057,605,694

* * * * * * *

The comparison of total appropriations, excluding river and harbor appropriations, for a series of years shows this disturbing record:

Year.	Amount.
1911	$978,521,087
1912	995,799,462
1913	988,353,340
1914	1,057,605,694
1915	1,089,408,777

The appropriations which are given in detail above were made by a party in full control of the legislative and executive departments, which won power on a platform denouncing Republican extravagance and pledging its candidates to frugal administration.

* * * * * * *

Neither denunciation nor protest need be added to this record. It carries with it a lesson no thoughtful man can escape.

Economy in appropriations is the proper method of securing necessary funds to transact the Government's business, not the levying of additional taxes upon the people.

The newspaper cartoonist, daily in search of bright ideas to place before the people, must keep his ear close to the ground. The present situation is aptly covered in the cartoon in last Sunday's Washington Star, and I am glad to see that one of the papers in Massachusetts copied it on Tuesday. The wider publicity of this cartoon the better. The poor, shivering lamb of a taxpayer, the wool already removed and even the hide penetrated in many places, is tied to a stake, while Miss Democracy, with the shears of extravagance levying a war tax, faces the cringing lamb and says, "I hate to do it—with winter coming on, too."

After November 3 Miss Democracy will feel still worse about it, for the taxpayer, grown to his full strength as a voter, in a mighty army of his comrades will dig a deep pit for Miss Democracy and will place over her grave a monument with the epitaph:

Here lies the body of Miss Democracy, the victim of broken promises to the people, of extravagance and incompetency in governmental management.

Mr. FORDNEY. Mr. Speaker, I yield to the gentleman from Iowa [Mr. GOOD].

Mr. GOOD. Mr. Speaker, the Democratic Party has been in full power for more than 18 months. With the Chief Executive and both branches of Congress Democratic, that party has had full opportunity to redeem its pledges to the American people. Parties, like men, are to be measured by their performance and not by their promises. To-day the Democratic Party has many apologists, less defenders, and few champions. The Underwood tariff law has not accomplished a single thing its advocates claimed would follow its enactment. The Democratic Party has not redeemed a single pledge nor performed a single promise made to the American people in 1912.

Fortunately for the Democratic Party the terrible war in which all the great powers of Europe are now engaged has befogged the issue in the forthcoming campaign. The secret hope of Democracy is that this terrible war will be cruel enough and deadly enough and protracted long enough to distract the voter's mind from the broken promises, the unredeemed pledges, the stupendous blunders, and the unparalleled extravagance of this Democratic Congress.

DEMOCRATIC PROMISES.

In 1912 the Democratic Party was very prolific in promises. It had a sure cure for every ill and an unfailing remedy for every imaginary wrong.

It promised the consumer to reduce the cost of living.

It promised the farmer cheaper farm implements.

It condemned the Republican Party for extravagance in the administration of governmental affairs and promised the people an economical administration. It denounced display by Government officials, and pledged the party to return to that "simplicity which befits a democratic government." These are but samples of the many promises which the Democratic Party made in 1912, but they are typical of them all.

Wonderful were the Democratic claims of the great benefits that would flow as the direct result of a Democratic tariff law. Beautiful, indeed, were the theories advanced which contemplated that the consumer would be able to buy the necessaries of life cheaper, and that the farmer and the producer would be able to sell these same necessities of life for a higher price. Everything the consumer had to buy was to be cheap, and everything the farmer and producer had to sell would be high. These were some of the benefits that would follow as the direct result of the enactment of a Democratic tariff law. Useless offices, "the salaries of which drain the substance of the people," were to be abolished and $300,000,000 annually saved to the people by Democratic economy.

In their delirium millions of voters thought they saw the dawning of a new millennium. Bright and cheerful and optimistic were these Democratic promises in 1912. To many voters they seemed almost irresistible. This promise to make every-

one's lot easier, without making anyone's lot harder, was accepted by many American voters in all seriousness.

UNFULFILLED.

But how has the Democratic Party kept its pledges? How has it performed these promises? Let our Democratic friends give an account of their stewardship. Let them explain to the American consumer wherein they reduced the cost of a single necessary of life. Let them explain to the farmer wherein they reduced the price of a single tool or machine. Let them explain wherein they economized in a single department of the Government. Let them explain wherein they kept a single material promise. No one can truthfully claim that they have accomplished any of these things. On the question of the performance of these solemn pledges, made in 1912, our Democratic friends are as silent as the voice from the tomb. How that party roared in its promises then and how it whispers in its performances now. History will record that it completely failed to keep a single promise or redeem a single pledge made to the American people.

THE BURDEN OF TWO UNDERWOOD BILLS.

The Underwood tariff law, designed to raise revenue for running the Government, has been in force for 11 months. That it became a law too soon and has remained on the statute books too long most people now admit. We have before us now a second Underwood revenue bill, designed to replenish a Treasury rapidly being depleted by the first Underwood law and extravagant appropriations of a Democratic Congress. The first Underwood tariff law relieved importers, who are contributing under assumed names to Democratic campaigns, from the payment of import duties. The second Underwood tariff bill levies a heavy tax on honest American industry to replenish a Treasury which is being looted by unjustifiable extravagance.

Keeping in mind the platform declarations of the Democratic Party, it is not strange that it should single out agriculture for its principal attack in tariff legislation.

THE DEMOCRATIC TARIFF AND THE FARMER.

The attention of the farmer is called to some of the provisions of the Underwood tariff law in so far as they relate directly to farm products. I particularly desire to call the farmer's attention to certain reductions which that law made in tariff duties on agricultural products. The following is illustrative of the agriculture schedule:

	Duty under Payne law.	Duty under Underwood law.
Animals, domestic, for human food	20 per cent	Free of duty.
Bacon and hams	4 cents pound	Do.
Beef, fresh	1½ cents pound	Do.
Buckwheat	15 cents bushel	Do.
Buckwheat flour	25 per cent	Do.
Cattle, domestic, for human food, less than 1 year old	$2 per head	Do.
One year or over:		
Valued at not over $14 each	$3.75 per head	Do.
Valued at over $14 per head	27½ per cent	Do.
Corn	15 cents bushel	Do.
Corn meal	40 cents 100 pounds	Do.
Cream, fresh	5 cents gallon	Do.
Eggs	5 cents dozen	Do.
Fresh beef, lamb, mutton, pork, and veal	1½ cents pound	Do.
Oats	15 cents bushel	6 cents bushel.
Poultry	3 cents pound	1 cent pound.
Sheep, domestic, for human food:		
Less than 1 year old	75 cents per head	Free of duty.
One year old or over	$1.50 per head	Do.
Rice, flour, meal, and broken	½ cent pound	½ cent pound.
Wheat	25 cents bushel	Free of duty.
Wheat flour	25 per cent	Do.

It is to the credit of the Republican Party that in all tariff legislation the farmer was given the same degree of protection that was given to other American industries. Not so with the Underwood tariff law. Search any other schedule contained in the law and you will find no such sweeping reductions as these. Why was the agriculture schedule singled out for attack? Why was the American farmer and the products of the American farm made the subject of this unjustifiable and un-American onslaught? Was it because the farmer's occupation was considered less honorable by the Democratic Party? Was it because that party did not understand his industry? Was it that Congress did not comprehend the farmer's real need for protection that caused the Democratic Party to write into its tariff law a discrimination against a farm population in the United States of 30,000,000 people? Of course, one not in the confidence of the Democratic administration can not state authoritatively what its real object was. As for myself, I am satisfied that these unjustifiable reductions were written in the law as a deliberate, unsympathetic, and un-American plan to reduce the price which the American farmer received for his product by completely surrendering his home market in agricultural products to the farmers and stockraisers of the world.

In the elections of 1910 and 1912 the Democratic Party was committed to free trade in agricultural products grown in the North. In the election campaign of those years the Democratic national congressional committee circulated in the cities of every northern and western State a campaign circular entitled "The High Cost of Living." This circular was not sent to the farmer. It was sent only to voters in the cities. I have a copy of this circular before me. It contains a list of 15 articles the prices of which it claimed were too high. That circular bitterly assails the Republican Party for its tariff legislation, and charges that the high prices of those 15 articles are the direct result of the protection under the Republican tariff law. It pledges the Democratic Party to a return to the prices that prevailed on those articles in 1896. Think of it! The Democratic Party pledging to the voters of the cities a return to the bankrupt prices of farm produce of 1896! Here is the list of these articles the prices of which the Democratic Party claimed were too high, together with the prices which it claimed the retail dealer should receive for them:

Salt pork, 5 cents per pound.
Pork chops, 10 cents per pound.
Pork ribs, 6 cents per pound.
Smoked shoulder, 7½ cents per pound.
Sausage, 7½ cents per pound.
Lard, 7 cents per pound.
Corned beef, 5 cents per pound.
Butter, 10 cents per pound.
Eggs, 10 cents per dozen
Cheese, 13 cents per pound.
Flour, $3.50 per barrel.
Chickens, 4 cents per pound.
Sugar, 21 pounds for $1.
Steak, 10 cents per pound.
Roast beef, 10 cents per pound.

This Democratic circular points to the prices that prevailed in 1896 for farm products as ideal prices. If the present tariff law does not fully restore those bankrupt prices it is not the fault of the party in power, for that was its promise to the consumer. It is because of conditions over which it had no control. That it promised the voter in the cities to restore those prices all must admit. To-day that party is saying to the voters in the city that high prices are due to the war in Europe, while to the American farmer it is saying that it is due to a Democratic administration.

I have before me a bulletin of the Department of Agriculture, being No. 41, entitled "A Farm Management Survey of Three Representative Areas in Indiana, Illinois, and Iowa." This bulletin gives the actual financial results which obtain on the farms to-day. It disproves the statement so often made that men are becoming enormously wealthy by agricultural pursuits. From page 10 of this bulletin I quote:

> The assertion that farmers are making large profits is erroneous. They are living on the earnings of their investment and not on the real profits of the farm. * * * The average investment from the farms in Illinois is 3.6 per cent, in Iowa 3.2 per cent, and in Indiana 3.5 per cent.

It is to be regretted that this great industry, which pays the farmer less than 3½ per cent on the investment, should have been singled out for this unjustifiable onslaught, and the protection which our farmers have enjoyed taken from them. It is not strange that the circulation of this bulletin, first published on January 14, 1914, should be discontinued, in view of Democratic legislation, designed to reduce still lower the return to the farmer on his investment and his toil. It was in keeping with the Democratic administration to immediately suppress the circulation of this one of their own publications, because it published facts inconsistent with Democratic theories.

To-day the principal powers of Europe are at war. Men ordinarily engaged in gainful pursuits have left the plow and the reaper and answered their country's call to arms. War prices for farm products is the inevitable result. When conditions again become normal, as they will, when peace shall have been declared in Europe, as it will, the millions of men now engaged in that terrible war will again take up the avocations of peace, and prices will again seek their level. Then the farmers of this country will realize the baleful effects of an un-American policy of surrendering our home markets in farm products to the farmers and stock raisers of the world.

PROMISE OF CHEAP FARM MACHINERY A FAILURE.

But what has become of the Democratic promise to reduce the price of farm machinery? How about the great saving the farmer was to enjoy in the purchase of his tools and machines? The gentleman from Indiana [Mr. ADAIR] told us that the "placing on the free list all kinds of farm implements will without question save the farmers of the country millions of dollars annually." It remained, however, for the eloquent gentleman from Kentucky [Mr. JAMES], now a Senator of the

United States, to picture the glories that would be realized by the farmer through free trade in farm machinery. In support of that bill he said:

I want to appeal to both sides of this House for the passage of this bill. I appeal irrespective of politics in behalf of the American farmer, and I beg this House to pass this bill giving to the farmers of our Republic free farming implements—tools of trade, implements to till the earth—free from any tariff taxation. In the name of millions of honest hearts which beat in the bosoms of these Americans behind the plow, upon the harrow, at the drill, those who make the harvesters sing in fields of golden grain, I beg you in their name to take the heavy hand of taxation off of the tools with which they woo from the earth the food which feeds the millions of this world. * * * The farmer stands, under your Republican policies, bowed by the weight of your oppressive tariff, even upon the implements with which he farms.

He leans upon his hoe and gazes upon the ground,
The emptiness of ages in his face and on his back the burden of the world.

Can you, will you, deny him this relief? God grant that you will pass this bill. [Loud and continued applause.]

Farm implements were placed on the free list. Almost a year has passed since the Democratic Party took the alleged "hard hand of taxation off of the tools with which they woo from the earth the food which feeds the millions of this world." What has been the result? Can the farmer buy his tools and machinery cheaper? No. That law has not reduced the price of a single tool or lowered the cost of a single machine. Being obliged to purchase some farm machinery this year, I wrote to an implement dealer in my home city, asking for prices and calling his attention to the promise of reduction made by the Democratic Party. Here is his reply:

CEDAR RAPIDS, IOWA, *February 27, 1914.*

In reply to your favor of the 24th instant, will say the Underwood tariff has not lowered the price of farm machinery yet. We are paying higher prices for the same than last year. The farmer seems to be getting the worst of it, as his produce is on the decline.

J. W. EMERSON.

Yes, you traded the farmer's home market in all he produces in the North for free farm machinery. You put him in open competition with the farmers and stock raisers of Canada, Mexico, and Argentina, and when war prices cease to prevail that competition will bring down on your heads the righteous indignation of the farmer in the North. Yes, your promises to the farmer have absolutely failed. You now propose to lay on him a heavy tax to pay for your folly and your extravagance. Still—

He leans upon his hoe and gazes upon the ground.
The emptiness of ages in his face and on his back the burdens of the world.

LOSSES IN REVENUE BY FREE FARM PRODUCTS.

But these are not the only losses occasioned by the removal of the duty from agriculture products. Under the Payne law the agriculture schedule was third in importance as a revenue producer. The following table will show the loss in revenue by the removal of the duty on cattle, beef, veal, prepared meats, sheep, mutton and lamb, corn and oats, for eight months ending July 31, 1914:

Loss in revenue from October 1913, to July 31, 1914.

	Imported.	Duty.	Loss in revenue.
Cattle	$17,326,435	Free	$4,678,137.45
Beef and veal	17,967,668	.....do	2,856,859.21
Prepared meats	2,136,158	.....do	534,039.50
Loss in revenue			8,069,036.16
Sheep	423,208	Free	69,448.43
Mutton and lamb	1,305,025	.....do	207,498.97
Loss in revenue			276,947.40
Corn	[1] 13,607,741	Free	2,041,161.15
Oats	[1] 22,522,096	6 cents per bushel.	2,026,988.64
			4,068,149.79
Total loss in revenue on above articles.			12,414,133.35

[1] Bushels.

BEEF TRUST BENEFICIARY.

Who got the benefit from these reductions? The Government lost the revenue, that is certain. Did the consumer buy these articles for a less price? No; there has not been a single reduction in the price to the ultimate consumer. The Beef Trust and the Corn Products Co are the beneficiaries of this legislation, and the consumer is now called upon to make good the shortage in revenue. The total loss in revenue through the removal and reduction of the duties on articles in the agriculture schedule will approximate $40,000,000 annually.

Under normal conditions our farmers can not compete on even terms with the cheap land of Canada or the still cheaper land and low wages paid for labor in Argentina. Our farm land in the corn belt sells at from $100 to $250 per acre, and good farm labor is usually scarce at $30 per month with board. Corn land in Argentina can be had all the way from $20 to $100 per acre, while farm labor commands only from $12.50 to $15 per month. Freight rates on corn from Argentina to New York is from 3 to 7 cents per bushel, while freight rates from Omaha to New York is 17 cents per bushel. If a protective tariff is not to equalize this difference in the cost of production, what will equalize it? Without protection the difference will not be equalized at all. Argentina will take our home markets and control the price.

We have recently been called upon to vote on a bill appropriating $5,000,000 to insure American cargoes of corn, wheat, and cotton for the war zone. At least we were told by the gentleman from Alabama [Mr. UNDERWOOD] that these were the products which it was desired to ship abroad. It appears that during the very week the House was considering that bill more wheat was exported from the United States than was exported for the corresponding week in 1913. We had a short corn crop in 1913, and of that crop we will export this year less than 9,000,000 bushels. Hence it is not wheat or corn for which we must make this extraordinary provision to export. That appropriation of $5,000,000 was made to send cotton abroad in the interest of the cotton farmers and not in the interest of the raiser of wheat and corn.

On that question our Democratic friends find themselves in a most ludicrous position. A year ago, according to them, the price of corn and of wheat was too high, and they removed the tariff on these articles in order to lower the price. Now, while the price of wheat and corn is 25 per cent higher than it was then, they would make enormous appropriations in order to export our surplus of wheat and corn, which would result in sending the price of foodstuffs at home still higher. And all the time we are receiving Argentine corn and Canadian wheat free of duty. Democratic stupidity is accomplishing for Argentina and Canada what the statesmen of those countries can not secure for themselves, namely, the exportation to the war zone of their surplus of corn and of wheat at the expense of the United States. But the appropriation of $5,000,000 for insurance and $30,000,000 for the purchase of ships is not the greatest hazard we assume or the greatest liability we may incur. All foodstuffs are conditional contraband of war, and the shipment of them in American bottoms with the safe delivery insured by the Government of the United States is not the wise policy of a neutral power. Such action may yet involve this country in that terrible war that threatens the annihilation of a large part of the Old World. Whatever our domestic policy may be, our foreign policy must be to observe strict neutrality.

"WAR" TAX IN TIME OF PEACE.

This is the first time the country has been called upon to pay a "war" tax in time of peace. It is not the first time, however, the country has witnessed a surplus in the Treasury dwindle into a threatened deficit as the result of Democratic free-trade legislation. History is only repeating itself. Twenty years ago Republicans turned the affairs of the Government completely over to the Democratic Party. Then the Treasury was full to overflowing. Times were good and labor was well employed. In less than a year times were hard, labor was begging for bread, and a bond sale was necessary to prevent national bankruptcy.

So, under the Underwood law, before the war in Europe was declared, times were hard, workingmen were losing their positions and shipments of our gold to Europe to pay for excessive importation of goods that came in free of duty was rapidly depleting our Treasury. The United States was losing at both ends in the transaction. The reduction of the duty brought in increased importation, which called for gold in settlement. The goods coming in free of duty or by greatly reduced duty reduced the revenue to the United States. The balance of trade, which for 16 years had been in our favor, now, under the Underwood law, turned against us for the first time since the Cleveland administration.

THE VANISHING TRADE BALANCE.

In November, 1912, when the American electorate was voting the Democratic Party in power, we purchased foreign-made merchandise valued at $153,094,191 and sold our merchandise abroad valued at $279,244,191, leaving a balance of trade in our favor, for that month, of $126,149,293. During the month of April, 1914, we purchased foreign-made goods valued at $175,896,476 and exported our goods valued at $162,550,870, leaving a balance of trade against us of $11,345,606. Under the Repub-

lican policy we received in a single month over $126,000,000 in excess of what we paid in the exchange for foreign goods. Under this Democratic administration we paid out in a single month for foreign goods $11,345,606 more than we received for our merchandise exported abroad. How long could such a condition exist without producing hard times and a shortage of money, even in times of peace in Europe?

WAR ON AMERICAN INDUSTRY.

War in Europe is the excuse for levying these taxes, but it is not the cause. That may satisfy you in your plea for votes as a justification for levying this heavy tax, but the verdict of the American people will be that it is the result of Democratic extravagance and un-American tariff legislation.

We are told that this is a "war" tax. This is a "war" tax of $105,000,000 a year on our people when we are at peace with all the world. This "war" tax is not because of the war in Europe. This "war" tax is because of the war declared by the Democratic Party against honest American industry and honest American labor. It is a "war" tax to pay for Democratic extravagance. It is a "war" tax to pay for Democratic "pork-barrel" appropriations.

A CONTRAST.

Mr. Speaker, under the policy of protection the Republican Party was able to pay all the expenses of the Government from revenues received and in 10 years to pay more than $200,000,000 toward the construction of the Panama Canal, and to turn over to this administration a Treasury full to overflowing; and now, in less than 18 months of Democratic rule, we are asked to resort to the drastic practice of taxation to pay the expenses of the Government as administered by the Democratic Party. What has become of the much-heralded promise of economy?

The Underwood law levied a tax on incomes to take the place of the loss in revenue through reduced duties. That tax has produced a large income. No large expenditure of money, such as building the Panama Canal, is making a draft on the Government. Is there any real reason why the administration should at this time increase the burdens of our people by laying on them the heavy hand of taxation? There is one reason always present when the Democratic Party is in power, and that is extravagance and inefficiency. If this administration would voluntarily practice the same rigid economy that individuals and families are compelled to practice, taxation at this time would be unnecessary. A strange commentary on Democratic economy is that while one branch of Congress is considering a bill to lay a heavy tax on our people, claimed as necessary to run the Government, in another branch of Congress Republican Senators were compelled to speak continuously for days to strike out useless items of the worst "pork-barrel" rivers and harbors bill ever considered by Congress. Less pork-barrel legislation in Congress and the practice of a little economy would make additional taxation unnecessary. Promising economy, the administration has practiced wholesale extravagance. Protestations of a return to simplicity "which befits a democratic Government" have been followed by notorious practices of outward gorgeous displays hitherto exhibited only in royalty.

EXTRAVAGANT IN PROMISES AND APPROPRIATIONS.

This Democratic administration was elected on a platform which provides:

> We denounce the profligate waste of the money wrung from the people by oppressive taxation through the lavish appropriations of recent Republican Congresses, which have kept taxes high and reduced the purchasing power of the people's toil. We demand a return to that simplicity and economy which befits a democratic government and a reduction in the number of useless offices, the salaries of which drain the substance of the people.

How faithfully it has kept this promise is revealed by a comparison of appropriations for several years, leaving out of consideration river and harbor appropriations for the entire period, as no appropriation has yet been agreed upon for this year:

Total appropriations, excluding rivers and harbors act.

1911	$978,521,087.68
1912	995,799,462.72
1913	988,353,340.41
1914	1,057,605,694.40
1915	1,089,408,777.26

Elected on a platform of economy, this Congress has appropriated more than $100,000,000 in excess of the appropriations made for 1913, the last year of the Taft administration. Why?

So indefensible was this Democratic record of extravagance and waste that the Democratic chairman of the Appropriation Committee roundly condemned it on the floor of the House. Here is his admission of Democratic inefficiency and extravagance:

> Mr. Chairman, it may seem somewhat strange, but I hope it is not out of place to remind Members on this side of the House that the Democratic platform pledged us in favor of economy and to the abolishment of useless offices; but it did not declare, Mr. Chairman, that the party favored economy at the expense of the Republicans and the abolition of useless offices in territory represented in this House by Republicans while favoring a different doctrine wherever a Democratic Representative would be affected. In a few months I shall be called upon, in the discharge of my official duties, to review the record that this Democratic House shall have made in its authorization of the expenditure of the public money. Whenever I think of the horrible mess I shall be called upon to present to the country on behalf of the Democratic Party I am tempted to quit my place. I am looking now at Democrats who seem to take amusement in soliciting votes on the floor of this House to overturn the Committee on Appropriations in its efforts to carry out the pledges of the Democratic platform. They seem to take it to be a huge joke not to obey their platform and to make ridiculous the efforts of the members of our party who do try to live up to the promises they made to the people.

But this was to be expected. No one familiar with the history of Democratic legislation expected an economical administration. Heedless of the advice of Chairman FITZGERALD, his Democratic colleagues continued to vote lavish appropriations for the establishment of new offices and for extravagant expenditures of money in Democratic districts. While much has been said about abolishing "useless offices, the salaries of which drain the substance of the people," this Congress not only refused to reduce the number of offices, but it has increased them all along the line.

For instance, when this administration came into power there were 3,183 employed in the Treasury Department at Washington. Instead of reducing the number, this administration increased it to 3,541. This administration found a field force under the Secretary of the Treasury of 1,407 persons, mostly civil-service employees. A Democratic Congress removed these positions from the classified service, destroyed the merit system in the field force to make place for Democratic spoilsmen, and increased that field force to 2,085 persons. Instead of a reduction, as promised, we find that in a single year there is an increase of 1,036 officers and agents in a single department of the Government. Democratic economy in this instance alone cost the taxpayers $1,750,000 annually.

You absolutely failed to reduce the number of officials, but, on the contrary, you increased them all along the line. Here are a few of the many increases:

The new banking law creates five new offices with salaries of $12,000 each and increases the salary of the Comptroller of the Currency from $5,000, at which sum it had remained for 50 years, to $12,000 per annum.

The new trade-commission act creates five commissioners at $10,000 each and a secretary at $5,000.

A new board of appeals, consisting of three members at $4,000 each, is created in the office of the Secretary of the Interior.

For commercial attachés, to be appointed by and compensated at such salaries as the Secretary of Commerce may fix, and a clerk each, at $1,500; and for traveling expenses, the sum of $100,000 is appropriated for a year.

The salary of the private secretary to the Secretary of the Treasury is increased from $2,500 to $3,000.

A chief of division, created less than a year ago under the income-tax law, is increased from $2,500 to $3,500.

Six Assistant Attorneys General in the Department of Justice have their salaries increased from $5,000 to $7,500.

The salary of the assistant to the Attorney General was increased during the extra session on an urgent deficiency bill from $7,000 to $9,000.

The salaries of our diplomatic representatives to Argentina, Chile, and Spain are raised from $12,000 to $17,500 each per annum, and the three secretaries of the legations to these countries are increased from $2,625 to $3,000 each.

The mission to Paraguay and Uruguay is divided and a new minister authorized, with a new salary of $10,000.

The Democratic House of the last Congress insisted upon and did abolish three internal-revenue collectors of the Republican administration, at $4,500 each. At this session one of them is re-created, the place to be filled by a Democrat. If the office was not necessary to collect revenues then, how can it be needed now with less revenue to collect, except to meet some political exigency?

"WILD ASSES" AND SOME "GREEN CORN."

Senator TILLMAN proved himself a prophet, for at the very beginning of this administration he said:

> The Biblical quotation I used a few days ago will become historical: "The wild asses of the desert, athirst and hungry, have broken into the green corn." That applies all along the line from top to bottom. The Democrats have been out in the cold so long * * * that they are simply wild.

They are becoming quite tame now. They have all the old jobs and thousands of new ones, and the people are now about to be taxed to pay their salaries.

DEMOCRATIC SIMPLICITY.

This is a sample of real Democratic economy. But how about a return to the Democratic simplicity? The Secretary of Labor asked for an appropriation of $9,500 for the purchase of automobiles for his use, a seven-passenger limosine car and an electric runabout. In support of this estimate he urged that if the automobiles were not purchased it would be necessary for the Secretary to have six horses—to employ coachman and footman for the Secretary. It was claimed that each of the Cabinet officials have at least two span of horses, and all of them have footmen in addition to the coachmen.

The Secretary of the Treasury, in violation of the law which provides that "revenue cutters shall be used exclusively for public service and in no way for private purposes," has turned large vessels of the service into luxurious steam yachts to be used by Democratic politicians for ocean cruising at Government expense. At the same time a Democratic Congress appropriated $475,000 to build two new boats to be added to this pleasure craft, "for the good of the service."

Even the great commoner, the present Secretary of State, who is credited with having written the last Democratic platform, has ceased to lead the simple life. Finding his salary of $12,000 inadequate to meet his living expenses, he has been obliged to neglect his official duties in order to supplement it by lectures. The manner in which Mr. Bryan would enforce the simplicity plank of the Democratic platform is best told by a great Democrat, Col. George Harvey, editor of the North American Review:

I would direct your attention to the fact that only the other day the Secretary of State appeared before the Senate Committee on Appropriations and announced with pardonable pride that, while he had been conducting the affairs of his department with all the fire and dash of an angleworm, he had reduced the estimated expenditures of his department from $354,160 to $354,040, thus effecting a net saving of $120 per annum. He achieved this reduction, moreover, without impairing the so-called efficiency of his force. Acting under the inspiration of his financial astuteness, by the simple method of dropping a clerk who had been drawing $900 a year, he was enabled to employ a footman, and added, somewhat pathetically, "You gentlemen, of course, know that you can not get along with a driver alone when engaged in the matter of returning cards." The Senators addressed nodded understandingly, and, probably to show their own familiarity with the conventions, granted the allowance. So, too, finally did the House, though with less grace, because Representative GOOD, of Iowa, disliked the appellation "footman" and wished to substitute "messenger who shall act," etc. After Mr. GOOD'S motion had succumbed to a point of order, Representative MURDOCK, of Kansas, objected to the appropriation for "equipment for drivers," which he insisted meant "livery and nothing else," and said emphatically, "I know the Secretary of State; I protest for him; I know the country from which he hails and its customs; we do not believe in that sort of thing out there." Nevertheless, since nobody seemed to know what is considered a suitable costume for a footman where footmen are unheard of and the only cards known are euchre decks, the protest passed unheeded and the appropriation was made with one condition, that "equipment" should not comprise "skintight pants," thus completely demolishing the theory of the Peacham philosopher that "it's not the coat that makes the man, it's the pants."

OBJECTIONS TO PROPOSED TAX.

Mr. Speaker, it is proposed by this bill to raise, by taxing the American people, $105,000,000 annually. In his message to Congress urging this legislation the President says:

Approximately $75,000,000, a large part of the Treasury balance, is now on deposit with national banks distributed throughout the country. It is deposited, of course, on call. I need not point out to you what the probable consequence of inconvenience and distress and confusion would be if the diminishing income in the Treasury should make it necessary rapidly to withdraw these deposits.

And we ought not to borrow. We ought to resort to taxation, however we may regret the necessity of putting additional temporary burdens on our people. To sell bonds would be to make a most untimely and unjustifiable demand on the money market; untimely, because this is manifestly not the time to withdraw working capital from other uses to pay the Government's bills; unjustifiable, because unnecessary. The country is able to pay any just and reasonable taxes without distress. And to every other form of borrowing, whether for long periods or for short, there is the same objection.

I can not agree with the President in this. Where is the money now which will be required to pay this tax? Is it not in the banks? It will be withdrawn from the banks to pay this tax. Every reason assigned by the President against a bond sale can also be urged against this tax.

Government funds on deposit with certain national banks, if gradually withdrawn to pay current bills, would soon find its way back to the banks in the usual course of business. By taxing the people $105,000,000 annually does not create a single dollar of currency. If it is a hardship on the banks to pay the Government what they owe it, how much more will be the hardship on the American people to require them to pay what they do not now owe? By this bill we add to their obligations; we create new debts for them; we add to their burdens by this heavy tax.

The final result is that in order for the Government to loan $75,000,000 to the banks at 2 per cent the people will be taxed $105,000,000, which they will have to borrow to pay the tax from the same banks at 7 per cent interest. Since when have we become a Government of the banks, by the banks, and for the banks?

The Washington Post of to-day contains the following statement issued yesterday by Secretary McAdoo:

Senator LEA of Tennessee informs me that the State of Tennessee has $1,600,000 of short-term notes, maturing October 1; that the State desires to renew or extend $1,400,000 of these notes; that a commission representing the State has been in New York for some time trying to effect this loan, but without success.

It is preposterous that one of the great States of the Union should find it impossible to procure from the banks such a comparatively small amount of money. Senator LEA informed me that he was going to New York last night for the purpose of joining the commission in its efforts to secure the needed loan.

If Senator LEA and his associates are unable to procure from banks in the city of New York or elsewhere, and upon reasonable terms, the desired loan, I will myself see if banks can not be found to take up this loan for the State of Tennessee on October 1 next, upon reasonable terms and at a reasonable rate of interest.

If it will inconvenience the banks of the country to repay gradually to the Government what they owe it, how much more will it inconvenience the banks to be compelled to make a new loan to a State of $1,600,000? If banks are to be coerced to make this loan to the State of Tennessee, shall they not likewise be compelled to make new loans to all the other States or to municipalities needing funds? If it is necessary for the National Government to tax our people $105,000,000 in this emergency, why should not the State of Tennessee resort to taxation to pay its maturing obligations? If the Government is to lay a tax on our people in order for the Government to loan money to banks, should not the State of Tennessee by taxation raise money to pay her debts to the same banks?

FRUGALITY TAXED; LUXURIES ESCAPE.

Mr. Speaker, this Democratic Congress has decreed that this bill shall be passed without amendment. The Democratic majority in the House has passed a special rule limiting debate to seven hours and denying the right of Members to offer amendments. Certainly if the American people could vote on this measure it would be defeated by an overwhelming protest. You lay a tax on business and refuse to tax certain articles of commerce because some of that tax would come from the South. You tax the cigar maker and cigar dealer, but refuse to levy a tax upon the luxury itself. You tax frugality while encouraging extravagance. You lay a tax of $8 a year on a man because he protects his wife and little ones with a $10,000 life insurance policy, but you leave untaxed the Kentucky whisky, for which his fellow laborer spends his wages to become intoxicated, only to abuse his wife and children. The fact that the Democratic caucus refused to increase the tax on whisky gives credence to the report that the Whisky Trust from Kentucky and Tennessee was maintaining a lobby in Washington to prevent any increase in the tax on whisky.

If we should place the same tax on cigars, tobacco, snuff, and cigarettes that is levied by Great Britain, the annual revenue, based upon present consumption, would be more than $400,000,000 from that source alone. Great Britain and Ireland levy a tax of $2.99 per gallon on distilled spirits. Canada taxes distilled spirits at $2 per gallon, while the United States taxes distilled spirits at only $1.10 per gallon. We collect from this source at the present rate over $140,000,000 annually. It is not proposed by this bill to increase the tax on whisky. If we strike from this bill the tax on gasoline, which will amount to $20,000,000 annually; the special taxes, which will amount to $16,500,000 annually; and the stamp taxes of $30,000,000 more, and place an additional tax on distilled spirits of 50 cents per gallon, such an increase on whisky alone would yield annually over $70,000,000 in revenue; add to this the increase on beer and wine carried in this bill and a total annual revenue of $108,500,000 would be the result.

If we must raise money by taxation in order to loan certain national banks $75,000,000 at 2 per cent, and to make extravagant appropriations, let the tax be on the luxuries and not on the necessities of life. In support of the gag rule under which we are considering this bill, the gentleman from Tennessee [Mr. GARRETT] said:

This bill will be unpopular. Taxes are always unpopular. Everybody says "tax the other fellow."

That is what this Democratic Congress, dominated by the South, proposed to do, "tax the other fellow."

Before long our people will discover the real reason for this tax. Charles S. Barrett, of Union City, Ga., president of the National Farmers' Union, at joint conference of the Texas District Union at Fort Worth, Monday, August 31, gave one reason for it, and he said:

There is only one thing to do, and it is this:
That the United States must buy three or four million bales of cotton at not less than 10 cents a pound from the farmers of the South. Three or four hundred million dollars is all that will be required.

The South is in the saddle at Washington and the South can do whatever it wants. The boys at Washington will do whatever you tell them to do if you give them to understand you mean business.

HISTORY REPEATS ITSELF.

Yes; this Democratic Congress has been doing what "the boys" were told to do. Individual responsibility has been made subservient to the demands of the political boss. Real statesmanship has given way to a policy of political expediency. Truly, history repeats itself, and what Senator GORE said of the Fifty-second Congress applies in every particular to this, the Sixty-third Congress. In a speech delivered at Dallas, Tex., in 1896, he said:

The trouble with the Democratic Party is it is a party of statesmen without statesmanship, patriots without patriotism, heroes without heroism. Their policy begets farmers without farming, laborers without labor, freemen without freedom. * * *

The Fifty-second Congress had a Democratic majority of 148, and if it redeemed a single pledge, observed a single promise, kept a single command, or discharged a single obligation made to the people of the United States, I will quit the stump and retire from the canvass. * * *

The Fifty-second Congress was elected on retrenchment and economy, the free coinage of silver, and the repeal of the McKinley law. In the matter of economy that Congress exceeded the Republican $1,000,000,000 Congress by $40,000,000.

BETRAYAL OF TRUST.

I shall vote against this bill as an unwarranted and unjustifiable tax on the American people to replenish a Treasury becoming depleted by Democratic extravagance. This Congress was elected on a platform to reduce the burdens of the people; absolutely failing to do that, it would by the enactment of this law add to their burdens by direct taxes $105,000,000 every year. To the constituents of Members who vote for it I commend the splendid advice of the present Secretary of State, in his speech to the Pennsylvania Legislature a year ago:

The Representative who secures office on a platform and then betrays the people who elected him is a criminal worse than he who embezzles money.

Mr. FORDNEY. Mr. Speaker, I yield to the gentleman from Washington [Mr. JOHNSON].

Mr. JOHNSON of Washington. Mr. Speaker, under a gag rule which limits debate and prevents the offering of any amendment the Democrats in the House are imposing an additional tax burden of over $100,000,000 upon the American people.

The Democrats acknowledge that this tax will not be popular. They know why. They know that the reasons put forth for the necessity of it are not correct. It is called a war tax. In reality it is a tax to cover a deficiency caused by the failure of the Underwood tariff. That such a deficiency would occur before the year 1914 ended was apparent the 1st of last May—90 days before war broke out in Europe.

In a letter written the last of May and read at the Washington State Republican convention in Tacoma, June 7 of this year, I made two predictions—one was that in a short time a quorum of this overwhelmingly Democratic House could only be kept here by force; the other was that a deficit would occur. Both predictions have come true, and I say frankly that one did not have to be much of a prophet to make the forecast. I thought the Democratic administration would be forced to issue bonds, as Grover Cleveland was obliged to do at the time of the last low-tariff experiment.

But the war in Europe furnished an excuse to get away from an issue of bonds and furnished an opportunity for the levying of a direct tax, wrongly called a "war tax."

The designation of "war tax" is absolutely inaccurate. There was a war tax in 1898, when the Nation, through the constitutional exercise of congressional power, declared war upon Spain and brought about a happier condition of affairs in distressed Cuba. There is no need now for such a tax. The United States is at peace with all the world and even the expense of the naval crusade to Mexico, the capture of an unoffending seaport, and the maintenance of an army at Vera Cruz did not add enough millions to the national expense to create trouble. It is absurd to talk of a war tax in time of peace.

THE DEMOCRATIC CONTENTION.

The Democratic contention, plainly set forth by Mr. UNDERWOOD, the Democratic leader, is that there is a deficiency in the revenues due to the decrease in importations. His estimate is that the falling off in revenues during the next 12 months from the countries which are at war will be $125,000,000. He admits that the total imports, free and dutiable, in August, 1913, aggregated in value $137,000,000, while in August, 1914, they were $129,000,000, a difference of only $8,000,000, but asserts that a very large quantity of undutiable material came from countries which are not at war. He defends, also, the various methods by which the tax is to be raised, calling especial attention to the fact that as to almost every item the scheme of the Republican levy of 1898 had been followed.

This position is peculiarly interesting, in view of the fact that Mr. UNDERWOOD opposed and voted against the war tax of 1898, because, as he then said in debate, it would "fall almost entirely on the hard-working and industrious artisans, merchants, mechanics, farmers, and professional men of the country, but not on idle wealth that is protected but never made to pay for benefits received."

This characterization is appropriate to the tax legislation which the Democrats are now seeking to enact.

REPUBLICAN POSITION.

The Republican position, voiced by Representative MANN and others, is that the deficiency in the revenues is not due to the European war, but to the failure of the tariff law to produce income, besides which the Democratic Congress has, by extravagant appropriations, involved the Government in expenses which can not be met except by additional taxation. It is shown, for instance, that last January the falling off in customs revenues was $5,800,000, and in February the decrease was $9,995,000, with a steady decline up to August 1, when the war began.

As to the appropriations, the figures show that this Congress has already contracted to expend $70,000,000 more than the last Republican Congress, with $20,000,000 to be added by the river and harbor bill; $25,000,000 asked for Colombia, $3,000,000 for Nicaragua, and $30,000,000 for creating a merchant marine. The Republicans assert that if the Democrats had practiced what they preached in the matter of economy, or if the revenues had not been depleted by a free-trade law, the present emergency would not have arisen.

In addition to this, the administration is criticized for refusing to take out of the national banks the Government deposits of $75,000,000, it being claimed that it would have been better to have taken the money out of the banks than out of the pockets of the people.

If the Senate passes the bill—and debate in the Senate will not be shut off, as it was in the House—the people will pay the increased taxes.

The American people can not allow the Government to fail in meeting its obligations. They must go down in their pockets to meet the deficiency and leave the question of responsibility to be settled at the polls.

MONEY LOANED TO BANKS.

The Treasury is admittedly in a bad way. Why? Because $75,000,000 has been loaned to the big national banks, which banks are even now accused by Secretary of the Treasury McAdoo with hoarding money. The United States money is out on call. Why not call it in—not all at once, but just fast enough not to cripple the banks?

The President, in his address which he read to the House on September 4, said:

The Treasury itself could get along for a considerable period, no doubt, without immediate resort to new sources of taxation. But at what cost to the business of the community? Approximately $75,000,000, a large part of the present Treasury balance, is now on deposit with national banks distributed throughout the country. It is deposited, of course, on call. I need not point out to you what the probable consequences of inconvenience and distress and confusion would be if the diminishing income of the Treasury should make it necessary rapidly to withdraw these deposits.

The President practically admits that there is no necessity of increasing the revenues of the Government at this time if the Government could make use of the $75,000,000 which it now has on deposit with the national banks.

Think of the proposition for a moment. Is it not rather odd that the Government should collect money by taxation, deposit it in the national banks of the country as a matter of convenience, or otherwise, and then, when money is needed, instead of drawing the deposits out of the banks, increase the taxes in order to raise more money, a portion of which will likely be again deposited in the banks?

WHERE DOES THE MONEY COME FROM?

Also, what do you think of the proposition that it would be an injury to the country for the Government to withdraw its deposits from the banks, but is no injury to draw additional taxation from the pockets of the people or their bank accounts?

The gentleman from Illinois [Mr. MANN] has put the case clearly in the following words:

If the Government draws its deposits out of the banks with which to pay its bills, that does not take the money out of circulation. It will go right back into trade and commerce and probably back into the banks. It certainly will be no more distressing for the banks to pay out the deposits which have been made with them, and which they clearly have taken with the idea of paying out, than it will be to take from the pockets of the people permanently increased taxation which they can never recover and which will be taken from them only that

we may deal more kindly with the banks which owe the Government the deposits.

Mr. MANN says further:

The President seems to think that it will not withdraw working capital from other uses if the people pay the money as taxes, and that it will not make any demand on the money market for the people to pay the money in the form of taxes.

Here is another novel theory. Why does it not make just as much of a demand on the money market and just as much withdraw working capital from other uses for people to pay money to the Treasury in the form of taxes as it would for them to pay money to the Treasury in the purchase of bonds? The bonds would only have to be issued as needed, and no more would need to be issued than were necessary. On the other hand, the additional taxes may and probably will raise much more money than is needed, and is much more likely to withdraw the money from the market and from working uses than would be the issuance of bonds or temporary certificates of indebtedness.

ORDINARY REVENUES SAME AS LAST YEAR.

Our imports for August, 1913, were $137,651,553 in value of goods, while for August, 1914, they were $129,767,890, a falling off of less than $8,000,000 during the first month of the war, when shipping conditions were at their worst, and these conditions have greatly improved since.

The following figures were obtained this morning from the Department of Commerce, showing the imports of merchandise at New York City for the weeks of August and September of this year:

Week ending Aug. 1	$18,966,086
Week ending Aug. 8	15,817,093
Week ending Aug. 15	16,211,393
Week ending Aug. 22	12,162,397
Week ending Aug. 29	11,716,317
Week ending Sept. 5	12,212,002
Week ending Sept. 12	16,930,567

These figures show that while there was some falling off in August, owing to the deranged shipping conditions on the sea, that these conditions have become almost normal again and the importations are now almost back to normal.

As appears by the daily Treasury statement issued at the close of business Wednesday of this week, September 23, 1914, the ordinary revenues of the Government for the first 23 days of September of this year were $42,319,728.53, and for the same period in 1913 were $44,050,174.72, a decrease in this year from last year for the 23 days of $1,730,446.19.

From July 1 to September 23, inclusive, the revenues this year were $166,616,800.38, and for the corresponding period last year were $165,881,896, or an increase over last year of $734,904.13.

For the same period, from July 1 to September 23, this year the ordinary disbursements of the Government were $184,708,150.11, and for last year for the same period the ordinary disbursements were $176,856,929.77, or an increase in disbursements for that period this year over last year of $7,851,220.34.

While the ordinary revenues so far this year have been about the same that they were for the same period last year, the ordinary disbursements this year have amounted to nearly $8,000,000 more than they were last year.

All we need to do is to economize in Government expenditures, and there is not the slightest necessity at this time for levying new taxes to increase the revenues.

IMPORTS INCREASE; EXPORTS FALL OFF.

The following figures show clearly how imports increased and exports fell off this year, up to August 1, when the war began. The figures all relate to the period prior to the commencement of the European war and represent no effect of the war, but of the normal conditions caused by the Democratic tariff law:

For July, 1914:	
Imports increased	$20,615,521
Exports fell off	6,851,831
Change against us	27,467,352
For seventh months ending July 31, 1914:	
Imports increased	$121,944,698
Exports fell off	126,290,975
Change against us	248,235,673
Balance of trade in our favor first seven months, 1913	308,624,462
Same, 1914	60,388,789
Loss to United States by falling off of balance of trade	248,235,673
In July, 1914, the balance of trade against us was	5,538,344
In July, 1913, the balance of trade in our favor was	21,929,008
Increase in imports of manufactures ready for consumption	39,261,672
Decrease in imports of manufactures for further use in manufacturing	26,950,647
Decrease in exports of manufactures ready for consumption	74,151,381
Increase in exports of crude materials for use in manufacturing	19,818,421

These figures show that during the period named while our imports of manufactures for further use in manufacturing, which means practically crude materials imported to be manufactured here into the finished products, were reduced by nearly $27,000,000 for the seven months, we increased our imports of manufactures ready for consumption by over $39,000,000.

The Underwood tariff did that—not the war.

That tariff decreased the duties on the finished products and in many cases increased the duties on the crude materials. This means that the labor to turn the crude materials into the finished products was furnished in foreign lands instead of giving employment to labor in the United States.

BALANCE OF TRADE FALLS OFF $248,000,000.

In seven months we increased our exports of crude materials for use in manufacturing abroad by nearly $20,000,000. During the seven months we decreased our exports of manufactures ready for consumption, or the finished products, by over $74,000,000.

Instead of finishing the products here with American labor, we were sending abroad the crude materials that they might be manufactured by foreign labor.

The balance of trade in merchandise in our favor in 1914 for the seven months was $60,000,000, while for the same period in 1913 this balance of trade in our favor was $308,000,000. In other words, under the Underwood tariff our balance of trade on merchandise for the seven months fell off $248,000,000, and that balance of trade we are called upon to make up by shipments of gold abroad, or the equivalent of that.

Did the war have anything to do with it? Nothing.

Further, while for the seven months of 1914 we had increased our importations over the corresponding period of last year by nearly $122,000,000, the customs duties arising on the importations fell off by over $23,000,000. The Government was losing the revenue, and at the same time the foreigner was manufacturing the goods with foreign labor.

The House is bound and gagged by a rule. It will pass its so-called war-tax measure. Should the Senate pass the bill as it now stands, it is estimated that the revenues derived during the coming 12 months will amount to $105,000,000, distributed as follows:

Fermented liquors	$32,500,000
Wines	6,000,000
Gasoline	20,000,000
Special taxes	16,500,000
Stamp taxes	30,000,000
Total	105,000,000

It will also give new jobs to a lot of tax collectors.

The Democratic revision of the tariff is a failure as a revenue producer. Democratic appropriations are record breakers.

PEOPLE WILL UNDERSTAND.

These are parlous times the world over. Conditions are upset, but we can not blame the war for what the Underwood tariff had already done to us. The war has cost many a man in the United States his job, and it is costing many a citizen his business and his income. Let us blame the war for what it has done, but do not make it carry the blame for what the Underwood tariff did to the finances of the United States three months of last year and seven months of this year.

Information spreads rapidly in this country, and it will not take long for the people, who have not found the cost of living reduced, to understand the question which has been presented to them.

Mr. FORDNEY. Mr. Speaker, I yield to the gentleman from West Virginia [Mr. MOSS].

[Mr. MOSS of West Virginia addressed the House. See Appendix.]

The SPEAKER pro tempore. The gentleman from Michigan is recognized for 32 minutes.

Mr. FORDNEY. Mr. Speaker, it is claimed by the friends of this measure that the war in Europe is the cause. That is exceedingly misleading, in my opinion. The war is not the cause of this burdensome tax; it is the excuse. War is causing slight losses in revenues, it is true; but the war is about 10 per cent cause and about 90 per cent excuse. [Applause and laughter on the Republican side.] Yesterday we were called upon to vote for a very drastic rule. Some call it a gag rule. I do not know just what constitutes a gag rule, but I do know if there ever was a gag rule that was one, unadulterated. The gentleman from Alabama [Mr. UNDERWOOD], for whom I have the highest regard—I love him as I do a brother—said in a speech before this House in 1909, when the Payne tariff bill was under consideration:

The rules of this House for a hundred years have recognized that when you come to consider a great appropriation bill or a great revenue bill the only way the House can express the sentiments of the country and the Members can express the sentiments of their constituencies

is to consider the items contained in the bill item by item. It is impossible to get a consensus of this House or an expression of the opinion of the country by voting en bloc for a tariff bill, as much so as if it was a general appropriation bill.

How materially the gentleman from Alabama has changed his opinion on that subject since 1909. [Applause on the Republican side.] Much has been said by our Democratic friends before and after the passage of the Underwood tariff law that it was their purpose to pass a tariff law that would increase our exports. No one will deny that. What can be put into a tariff law that will aid our export trade? There is no export tax upon goods going from this country. A tax of that kind would be contrary to the Constitution of the United States. The only one thing that can be placed in a tariff law, in my opinion, that can in any way aid our export trade is an import duty on competitive products so high that our own factories will furnish constant employment for our labor and capital, and our industries will run at their fullest capacity, full time, and if necessary overtime, and by so doing products can be made in this country at the lowest possible cost, and our surplus may compete in a measure with the cheap-made products of foreign lands. [Applause on the Republican side.] You failed to put such provisions in your tariff law. On the other hand, you have torn down the tariff wall built by the Republican Party, that brought such great prosperity to this country for so many years, and you have bid welcome to the cheaply made products of every country in the world to come and capture our markets and take away from honest American labor and capital of this country their right to produce these things at home. [Applause on the Republican side.] The gentleman from Alabama yesterday said that he did not like this law, that it was a hardship placed upon him and his party at this time to impose additional taxes upon the people of this country. Why, we Republicans do not like your bill any better than you do. [Laughter and applause on the Republican side.] Regarding your bill and your style and kind of legislation, gentlemen, we are like two Irishmen who stayed overnight at a cheap lodging house in Toledo. The next morning Pat asked his friend how he had rested, and he said that he had not rested at all. "Why, what was the reason?" said he. "Well, there was a little red bug that bothered me all night, and I did not rest well." "Well, you evidently did not like the little red bug, then?" "Oh," he said, "I did not care much about the bug, but the thing I do not like is the way he gets his living." [Laughter and applause on the Republican side.] We do not like the manner of legislation because we do not like the way that it takes employment away from American labor and American capital and brings hard times to the people of this country. [Applause on the

The gentleman from Alabama yesterday stated that about $60,000,000 of this $75,000,000 now out in national banks was placed there by a Republican administration. God knows it was a good thing for the banks and the people that at that time somebody was in power that had $60,000,000 to put in the banks. [Applause on the Republican side.] You do not have it. [Laughter on the Republican side.] You have a bill now upon the calendar which, if enacted into law, appropriates $10,000,000 for the purchase of ships to establish a merchant marine for us on the high seas that will carry the American flag. There is a provision in that bill also that authorizes the officials of this Government to dispose of $30,000,000 worth of Panama Canal bonds, the proceeds of which are to be used together with the $10,000,000 you propose to appropriate in cash to purchase ships.

Where are you going to buy those ships? There is not a boat for sale by any nation in the world except Germany, and England and France have served notice upon us that if the Government of the United States purchases German ships now hiding in harbors of the United States and sends them outside of the 3-mile limit they will capture them or send them to the bottom of the sea. Why, they claim such purchase would be a violation of our neutrality laws. And if that is done, my friends, serious complications will be brought about between this Government and foreign countries. [Applause on the Republican side.]

And again, my friends, you propose to establish a merchant marine at a time when if there is a boat for sale by any country in the world it will to-day demand double the price that it would bring in normal times or when conditions in the country are normal. But what a glorious time it is to advance our merchant marine! Put foreign ships under the American flag, purchased at twice their normal value, place upon those ships American seamen who will receive the American scale of wages, which is more than twice the scale of wages paid by any other country of the world, and you are going out upon the high seas under such adverse conditions to compete with cheaply built vessels from abroad and with cheap foreign labor, and capture the markets of the world. You would establish a merchant marine now, at a time when you know it is impossible, if you are sane! [Applause on the Republican side.]

On the 4th day of September the President of the United States came in person to the House of Representatives and called Congress together in order to deliver to them a message upon this war-tax matter. Ever since President Wilson delivered his first message in person to this House Theodore Roosevelt has never cracked a smile. [Laughter and applause.]

You say you do not like to pass this law now, but that it is a matter of necessity, and that you are brave and patriotic, and are going to face the enemy, the masses of the people. You remind me of the boy referred to by our dear, beloved, deceased friend Francis W. Cushman, when speaking on a bill in this House. He said, "I am placed in the position"—and you are in that position—"of the boy who was digging potatoes in a field, when a man came along and said, 'Young man, what are you getting for doing this?' The boy replied, 'I do not get anything for doing it, but I will get hell if I don't do it.'" [Laughter and applause.]

The fellow that would give you "hell if you don't" is only a little way down Pennsylvania Avenue. [Applause on the Republican side.]

The President in his message delivered on the 4th day of September referred to the customs receipts for August, 1914, and claimed that was the cause for his coming here and calling for additional revenue. Let us see whether he is right about that. He said that revenues from customs receipts—and he referred to August, as I assume, although he does not make himself quite clear, because perhaps he did not want the masses of the people to fully understand just what he meant [applause on the Republican side]—had fallen off $10,629,000. The President is in a position to get absolutely correct information from this Government, but the fact is, gentlemen, in customs receipts there was a falling off in August of $11,503,000, but on the total revenues collected from imports—customs receipts and from all other sources—there was a falling off of about the amount named by the President. Did he mean August or did he mean for the 11 months during the life of the Underwood tariff law?

The imports into this country for the month of August fell off $8,252,000 below the value of imports for the month of August, 1913, and yet he calls your attention to the fact that the customs receipts for August this year were about $10,600,000 below August last year—in fact, it was $11,500,000. Can you conceive how there could be a falling off of $11,500,000 in customs receipts on such a slight falling off in value of imports? Why, my friends, the loss of revenue from customs receipts for August this year was 37 per cent below the amount of customs receipts collected during the month of August, 1913, and our imports fell off but 6 per cent. Where would you imagine you could lay the blame? On the Underwood tariff law, of course, which law has been an absolute failure, as far as furnishing revenue for this Government is concerned. [Applause on the Republican side.]

The revenue from customs receipts for the month of February this year was $10,000,000 less than the customs receipts for February, 1913. Why, gentlemen, did the President not say something about February? Why did he not say that there had been a falling off of customs receipts month by month from the very adoption of the Underwood tariff law down to the day he delivered his message in this House? He evidently did not want to tell you all. The customs receipts for the month of February fell off 36 per cent below the customs receipts for February, 1913, although the imports for the month of February this year were but 1.6 per cent below imports for February, 1913.

My Democratic friends, you reduced the duty on imported sugar in the Underwood tariff law from $1.348 to $1 per 100 pounds, and the loss of revenue from sugar alone since the 1st day of March to the 1st day of September, this year, is $12,727,000. And what have you done for the consumers? Have you lowered the price of sugar to them? Oh, in what a sorrowful position you have put yourselves in this matter! Last March, February, and January sugar was selling wholesale in New York, free on board cars, for $4.21 per 100 pounds, and the domestic beet-sugar producers in the State of Michigan were selling their sugar at the same time for $3.90 per 100 pounds, 2 per cent off for cash in 10 days. Beet sugar went off the market before the 1st day of June—all the sugar in the State of Michigan, except that possibly one concern, the German-American Sugar Co., had a little left, as was said by the press.

Where is the price of sugar to-day? Oh, but you say the war is responsible for the high price of sugar to-day. There was no war in 1911 I know of, except the war you Democrats declared on domestic producers, that could have affected the price of sugar, and yet the American Sugar Refining Co., the

Federal Sugar Refining Co., and the Arbuckle Bros. Sugar Refining Co., in New York, put sugar up to 7½ cents a pound, where they have it to-day. In other words, gentlemen, sugar is 3½ cents per pound higher to-day than in March last.

Mr. GORDON. Mr Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Michigan yield to the gentleman from Ohio?

Mr. FORDNEY. I have such a limited time that I can not yield now, but I will yield at the end of my speech if I have the time.

Mr. GORDON. There was just one point there that I wanted to ask you about.

Mr. FORDNEY. Three and one-half cents a pound on a barrel of 350 pounds of sugar is $12.25 per barrel, and the people of the United States are consuming on the average about 70,000 barrels of sugar a day. Twelve dollars and twenty-five cents a barrel on 70,000 barrels is $857,700 a day that you, by the enactment of your paragraph in the Underwood tariff law on sugar, are wringing from the consumers of this country and putting into the pockets of the Sugar Trust. [Applause on the Republican side.]

You have robbed the Government of $12,727,000 revenue from sugar during that time, and $857,500 a day, or $25,725,000 a month, is what the people are paying. Oh, what a glorious, charitable act you have performed for the Sugar Trust! [Applause on the Republican side.]

As I said, you will say, "The war is the cause of this abnormal increase in the price of sugar." I am going to be fair with you. I am going to admit that war is responsible for a portion of that increase in price. But there was no cause on earth in 1911, no warrant whatever, that justified the Sugar Trust of this country in advancing the price of sugar to 7½ cents except that the power to do so was in the refining companies. And the only competition they have, the only thorn in the side of the great refining trust of this country, is the domestic sugar industry. While that domestic sugar is upon the market, you know and I know and everybody knows that the price of sugar to the consumer is way below the price the consumer pays in the summer months, during the canning season, when there is no domestic sugar upon the market in competition with trust-made sugar.

THE LOUISIANA SUIT SHOULD BE TRIED.

I offered an amendment to this bill in the Committee on Ways and Means. I asked that permission by Congress be given to the Supreme Court of the United States to hear the State of Louisiana in a case that State presented to the Supreme Court wherein it asked the Supreme Court to determine whether or not the paragraph in the Underwood tariff law affecting sugar is constitutional. The State of Louisiana holds that that paragraph is unconstitutional, because it is a violation of the treaty entered into between this Government and the Government of Cuba in 1903, because the treaty itself says that no change shall be made in the treaty until one or the other of the contracting parties has given 12 months' notice in advance of their intention to change or abrogate the treaty. No notice was given to Cuba, and you lawyers know if that question were submitted to the Supreme Court of the United States they would hold that paragraph in the Underwood tariff law to be unconstitutional; and all the State of Louisiana asked was that in case the Supreme Court of the United States should so hold the Treasurer of the United States should be directed to collect the back taxes on sugar now held by the Sugar Trust and cover that money into the general fund in the Treasury of the United States. But my amendment was voted down by your unanimous vote.

Mr. BROUSSARD. Mr. Speaker, will the gentleman yield there?

The SPEAKER. Does the gentleman from Michigan yield to the gentleman from Louisiana?

Mr. FORDNEY. Yes, sir.

Mr. BROUSSARD. Just for an explanation?

Mr. FORDNEY. Yes.

Mr. BROUSSARD. How much money would be covered into the Treasury if the State of Louisiana were permitted to bring this suit and were successful in carrying it out?

Mr. FORDNEY. It would be $12,727,166.96 to the 1st of September.

Mr. BROUSSARD. Just another question, for information.

Mr. FORDNEY. Yes, sir.

Mr. BROUSSARD. Would the Government of the United States suffer one cent of expense if the State of Louisiana were successful in that suit?

Mr. FORDNEY. Absolutely none; but if the Supreme Court should so hold, they would gain $12,727,000 to put into the Treasury of the United States, and it would make it unnecessary to raise that much under this nefarious war-tax measure, so called. [Applause on the Republican side.]

My friends, to show you how you have aided the Sugar Trust, here are some circulars sent out last winter by Sears, Roebuck & Co. and Montgomery Ward & Co., in which they offered 100 pounds of sugar for $2.75, first-class granulated, produced by the American Sugar Refining Co., Arbuckle Bros., or the Federal Sugar Co. On the cover of Montgomery Ward & Co.'s March and April, 1914, grocery list the following is printed in large letters: "Thirty-five pounds granulated sugar, $1." The second page of their list is devoted to their sugar advertising, and they print the following:

We do not handle beet sugar. We will fill your order with one of the following well-known eastern refiners' brands: Arbuckle's, Havemeyer & Elder's, McCahan's, Franklin, or Mollenhauer's.

The last two named are refiners of the American Sugar Refining Co. On another printed list I have here they advertise:

One hundred pounds sugar, $2.75. Of course, your local store at home can't meet our prices, but the owner of it is doing the best he can, and it may be a source of satisfaction to you to know just how much he has to charge you over our price.

Sears, Roebuck & Co. devote several pages of their May and June, 1914, grocery list to sugar advertising. On page 2 is the following:

Forty pounds sugar, $1. This gives you sugar at 2½ cents a pound.

There is every evidence this kind of advertising is made possible and encouraged by the Sugar Trust with the one aim of crushing the domestic industry. It has unmistakable earmarks of the cunning of Frank C. Lowry, the hireling of the Sugar Trust, who boasts of dictating Democratic sugar legislation. Oh, what a lovely kind of competition you have brought about at a time when the domestic sugar is on the market; and the moment it is off the market war is declared in Europe and up goes the price to 7 or 8 cents a pound wholesale.

Mr. GORDON. Will the gentleman yield?

Mr. FORDNEY. I yield for a short question.

Mr. GORDON. Just on the point the gentleman is making, that the reduction of the tariff had not lowered the price of sugar, will the gentleman tell us how it has put the sugar producers out of business, if that is true?

Mr. FORDNEY. My friend, the sugar manufacturers of this country must contract for beets in December and January. They had to make their contracts in December and January last for this fall's grind. It takes all summer to grow beets, and the contracts are made with the farmers several months in advance of planting, and there was no indication given out by you or your President that there was going to be a war. [Laughter on the Republican side.] And finding sugar for sale in Chicago at $2.75 a hundred pounds last winter, just about the sum the beet-sugar manufacturer pays to the farmer for the sugar in the beets delivered at the factory, they knew that kind of ruinous competition would put them out of business. They have made a great mistake, however, if the war lasts and the trust holds up the price.

UNDERWOOD BILL HAS DESTROYED DOMESTIC INDUSTRY.

You closed out 12 of the 73 beet-sugar factories in the United States and will lessen the production of beet sugar this year by 125,000 tons, and you have closed from 20 to 30 per cent of the production of cane sugar in the State of Louisiana. The President has said he would injure no legitimate industry. Therefore your sugar industry must not have been legitimate or President Wilson never would have signed a bill placing sugar on the free list, to take effect May 1, 1916. He has taken off a little piece at a time, as the Irishman did with his dog's ears, so that it would not hurt so much. [Laughter.]

The amendment offered by me provided for an additional paragraph, as follows:

Be it further enacted, etc., That in order that paragraph 177 of Schedule E and paragraph B of section 4 of the act of October 3, 1913, may be interpreted by the Supreme Court of the United States in the light of the Cuban reciprocity treaty of December 11, 1902, and in pursuance of the decree of said United States Supreme Court of June 22, 1914, the authority of Congress is hereby granted that the State of Louisiana may institute suit against the United States for the purpose of determining the legal rate of duty to be assessed on sugar imported from Cuba and other countries: *Provided*, That if the Supreme Court finds that the duty assessed against Cuban sugar since March 1, 1914, has been insufficient the Secretary of the Treasury is directed to institute proceedings to recover the balance due the United States, and upon recovery to cover it into the Treasury to the credit of the general fund.

The substitute does not contemplate any new tariff legislation. It merely provides for an interpretation by the United States Supreme Court of the law already on the statute books. It does not carry one cent of appropriation out of the Public Treasury. It is so clearly in the interest of the public welfare that, when understood, official opposition to it amounts to nothing less than a public scandal.

If the authority is granted by Congess to have this question settled by the Supreme Court and that tribunal should decide that the sugar duties are being improperly construed and enforced, it will result in a recovery of more than $25,000,000 a year by the Public Treasury, which sum is now being wrongfully diverted into the treasury of the Sugar Refining Trust. This amount is equivalent to one-fourth of the sum which the revenue legislation under consideration is intended to wring from the American people in the shape of war taxes.

What honest opposition can be interposed to having the highest court of the land pass upon this question? From the very beginning of this Government all disputed issues affecting the revenues have been prosecuted with relentless vigor. One of the cherished traditions of the American people has been that those charged with the administration of our fiscal affairs could be depended upon to show unbending zeal in this regard. The Government has never permitted the slightest paltering in such matters, but has ever pursued relentlessly transactions of a questionable interpretation affecting the Public Treasury. Even the humblest moonshiner in the remotest mountain fastness, whose evasions of our internal-revenue laws could result in only an inappreciable loss to the Government, has been hunted down without mercy or remorse.

It has remained for the present administration to reverse that policy. Instead of seizing upon this opportunity to possibly recover $25,000,000 to the Public Treasury, we find it attempting to frustrate the plan to even have the matter passed upon by the Supreme Court, yet at the same time urging Congress to burden the people with $100,000,000 of internal taxes.

This course of the administration is all the more astounding because the identical interests that are charged with improperly profiting by the loss of this $25,000,000 to the United States Treasury were the chief culprits referred to by the last Attorney General of the United States when he stated in his annual report, in discussing "frauds upon the revenues," that "they had been guilty of a long-continued system of defrauding the Government of unparalleled depravity." They are the same interests that under the last administration were convicted by the Department of Justice of bribing and corrupting United States employees upon the sugar docks; the same interests that placed secret springs in the Government scales on which the cargoes of imported sugar were weighed, so that they could steal a pound or two on each sack; the same interests that the Department of Justice, under the last administration, compelled to return to the United States Treasury more than $4,000,000 of their stealings.

In contrast with that splendid record we find the Department of Justice to-day apparently in league with these interests. When the European war broke out and these same interests increased the price of sugar to an enormous figure, the Department of Justice as at present conducted, instead of instituting proceedings against them under the Sherman anti-trust law, issued an outrageous innuendo against the American farmer.

RIDICULOUS ANNOUNCEMENT BY DEPARTMENT OF JUSTICE.

That department gave out to the public press a statement that one of its agents in Kansas City has reported that this year's crop of beet sugar had mysteriously disappeared, which was held in that community to be responsible for the high price of sugar. The stupidity of this story, which attempted to fasten one of the machinations of the Refining Trust on the domestic sugar producers, was only equaled by the stupidity of the department in selecting the place to make public such a silly story.

It so happened that when that canard was given out the ink was hardly dry on a decision of the Interstate Commerce Commission granting cheaper rates on Hawaiian sugar into Chicago over the protest of the refining combine. The Louisiana sugar interests, while having no direct interest in this case, secured through Senator RANSDELL the publication of the testimony in order that the action of the sugar refiners in opposing cheaper sugar could be exposed. It was printed a few weeks ago as Senate Document 493, Sixty-third Congress, second session, and on page 128 we find an interesting statement by Mr. J. R. Koontz, general freight agent of the Atchison, Topeka & Santa Fe Railway. He says:

I consider Kansas City as a great dumping point; it is a storage point. We have our storage arrangements on sugar, and there are hundreds and hundreds of tons of sugar stored there * * * This sugar moves into Kansas City from California and New Orleans and from the Colorado and Utah factories in immense quantities.

Instead of looking into the mammoth railroad warehouses at Kansas City for this immense supply of sugar held for the refiners by the roads free of storage, the agent of the Department of Justice sent out the silly story about the disappearance of the beet-sugar crop that had not yet been harvested, much less manufactured. In this same Senate document evidence is printed that the railroads, in violation of the law, store immense quantities of sugar for the refiners at Chicago, as well as Kansas City, and while this practice has been called to the attention of the Department of Justice, it has apparently taken no action.

This indifference to the unlawful practices of the sugar refiners and their allies has resulted in a serious menace to American business. Having conspired with the present administration to destroy the domestic sugar producers, the refiners are now working, apparently through the connivance of the powers that are, to eliminate the small merchants and thus to further increase their immense profits. They have struck hands will the mail-order houses, and the significance of this connivance on the part of the Department of Justice to their free storage on the outskirts of Chicago is understood when we read the announcements of these latest of the allies of the refiners.

In one of their alluring circulars intended to eliminate the retail grocers from the sugar trade this statement is made:

In our March-April grocery catalogue we listed sugar at $4.19 for 100 pounds. This was less than the "wholesale market price." That is, less than the price at which wholesale grocery houses were selling sugar to the retail grocers at the time we issued our March-April list. * * * The reason we can afford this price is that we are among the largest distributers of sugar, retail or wholesale, in the world. We sell annually over 35,000,000 pounds. * * * It comes direct from the refinery in those bags and goes direct to our customers in the same bags. We furnish the bags, and the refinery fills them by automatic machinery as the sugar comes out of the drier. It is never touched by anyone's hands until our customers open the bags in their homes. * * * In spite of this exceptional handling, we sell the sugar at retail to our customers for less than the jobber sells to the retail grocer at wholesale. We guarantee our price to be always as low as the wholesale price and often it is lower. We can do this because we sell over 35,000,000 pounds of sugar a year and have only one handling.

Washington was recently flooded with red circulars sent on by another one of these agencies of the refining ring that is escaping the warehousing and other fixed charges that the wholesalers and jobbers have to pay. It said:

One hundred pounds sugar, $2.75. This is fine, white, granulated sugar. Same quality sells in stores everywhere at about $6 per 100 pounds. Of course your local store at home can't meet our prices, but the owner of it is probably doing the best he can, and it may be a source of satisfaction to you to know just how much he has to charge you over our price. While his charge will seem exorbitant, compared to ours, he has probably bought his goods in small quantities, on credit, from a high-salaried drummer; his sales are small compared with his expenses, and he is therefore obliged to sell at high prices.

DAMAGING LETTERS OF SUGAR TRUST.

But the most culpable inaction by the Department of Justice in failing to prosecute the Sugar Refining Trust is to be found in Louisiana. During the last administration a raid was made on the headquarters of the Sugar Trust. It resulted in the capture of correspondence between the officials and their subordinates in various parts of the United States. Among the letters captured were two written by the manager of the trust properties in Louisiana, which are as flagrant a violation of the anti-trust law as has ever been discovered. Here they are:

[Extract from letter of J. T. Witherspoon, manager of the New Orleans plant of the American Sugar Refining Co., to H. C. Mott.]

NEW ORLEANS, *October 27, 1904.*

Mr. H. C. MOTT,
No. 117 Wall Street, New York.

DEAR SIR: It was mentioned yesterday that some of the parties here who have sold us large lots of sugar at a fixed price under the New York price day of arrival would probably enter into an arrangement with the Federal Refinery, of New York, whereby this concern throughout November and December would buy small lots on the New York market at not less than 4¼ for 96° test, and thereby fix the New York quotations at this figure, which in turn would be the supposed figure for settlement of sugars arriving here.

While this would be a most contemptuous plan, still there are some people here not too good to make the attempt, and if the Federal is willing, I am satisfied some of the large buyers here would reimburse them for any loss they might sustain.

I only mention this to show you what might possibly take place, and for you to be on your guard. * * *

Commencing with the latter part of next week the daily arrivals here on account of contracts already made will be large. These contracts, as you know will be settled at a differential under the New York price day of arrival. Hence it behooves you to depress the New York market as much as possible, for the lower the New York quotation is the less these sugars will cost us.

Yours, very truly,

J. T. WITHERSPOON.

[Extract from letter of J. T. Witherspoon, manager of the New Orleans branch of the American Sugar Refining Co., to President Thomas.]

NEW ORLEANS, *October 28, 1908.*

Mr. W. B. THOMAS,
President the American Sugar Refining Co.,
New York, N. Y.

MY DEAR MR. THOMAS: I want to bring to your attention the competition in the way of refined sugars that we will have in New Orleans during the coming winter. * * *

What I particularly desire to call your attention to is that the higher we hold our prices for granulated sugar here during the next three months naturally the more profit these plantations will make on their product, and if the information once gets abroad that it is more profitable for the different plantations to produce granulated sugar than to turn out raws or clarified, I am afraid next season many others will commence doing likewise; consequently it might be well for you to consider the proposition of permitting New Orleans during the next

three months to maintain a difference in price below New York of at least 10 cents, and at periods of extreme dullness, when these outsiders here are quoting low prices and selling their product, of even 20 cents per hundred pounds.

What I am particularly interested in is seeing the little outside competition develop as little as possible.

Yours, very truly, J. T. WITHERSPOON.

I have explained at some length the attitude of the Treasury Department and the Department of Justice as at present administered toward the sugar-refining combine. That combine is the only interest that could possibly suffer should the United States Supreme Court decide the suit proposed by my amendment on behalf of the Government.

The object sought to be accomplished by this amendment is to secure the consent of Congress to permit the State of Louisiana to file suit in the Supreme Court of the United States with a view to having two sections of the Underwood bill pertaining to the sugar schedule interpreted by that court.

The tariff act of October 3, 1913, has this provision in it:

SCHEDULE E—SUGAR, MOLASSES, AND MANUFACTURES OF.

177. Sugars, tank bottoms, sirups of cane juice, melada, concentrated melada, concrete and concentrated molasses, testing by the polariscope not above 75°, seventy-one one-hundredths of 1 cent per pound; and for every additional degree shown by the polariscope test, twenty-six one-thousandths of 1 cent per pound additional; and fractions of a degree in proportion.

Later on, in the same bill, under section 4 of the administrative features of the bill, paragraph b reads as follows:

b. That nothing in this act contained shall be construed as to abrogate or in any manner impair or affect the provisions of the treaty of commercial reciprocity concluded between the United States and the Republic of Cuba on the 11th day of December, 1902, or the provisions of the act of Congress heretofore passed for the execution of the same, except as to the proviso of article 8 of said treaty, which proviso is hereby abrogated and repealed.

The first of these provisions, paragraph 177 of Schedule E, provides for an average decrease in the duty on sugar of 25 per cent—a horizontal cut on all grades of sugar. In other words, the Payne law, as it had been under prior law, the Dingley Act, showing the duty was ninety-five one-hundredths of 1 cent per pound for sugar showing 75° by the polariscopic test and thirty-five one-thousandths of 1 cent per pound for each additional degree. That rate under the Underwood Act was cut down to seventy-one one-hundredths of 1 cent per pound for sugar testing 75°, with an increase of twenty-six one-thousandths of 1 cent per pound for each additional degree of purity. That reduction under this bill was not to take effect at the time the bill became law, but on the 1st day of March of the following year, 1914. And that reduction as it appears in the first provision, under Schedule E, was to last only until the 1st day of May, 1916, after which the provision itself was to disappear, as sugar would then be automatically placed on the free list.

On the other hand, in the administrative feature of the Underwood law under section 4 the statement is made that nothing in the act itself shall be construed as altering, amending, or in any wise changing the treaty with Cuba, except the proviso of section 8, which is repealed by the act; and nothing therein contained shall be construed as changing, altering, or modifying in any wise the law under which that treaty was put into effect. That law, the law upon which rests this Cuban reciprocity agreement, was reenacted.

The Cuban treaty was sent to Congress by President Roosevelt on December 16, 1902. It was discussed at considerable length, and the Senate made several amendments of minor features, but placed two important amendments into the treaty before ratifying it. One of these was article 11. This reads as follows:

This treaty shall not take effect until the same shall have been approved by the Congress.

The other and most important amendment which the Senate placed in the treaty was the proviso of section 8, referred to in paragraph B of section 4 of the Underwood bill, and reads:

Provided, That while this convention is in force no sugar imported from the Republic of Cuba, and being the product of the soil or industry of the Republic of Cuba, shall be admitted into the United States at a reduction of duty greater than 20 per cent of the rates of duty thereon as provided by the tariff act of the United States, approved July 24, 1897 (the Dingley bill), and no sugar the product of any other foreign country shall be admitted by treaty or convention into the United States while this convention is in force at a lower rate of duty than that provided by the tariff act of the United States approved July 24, 1897 (the Dingley bill).

In other words, the treaty not only was to affect Cuba and the duty on sugar coming from Cuba, but made it obligatory never to give Cuba more than 20 per cent reduction, while at the same time agreeing to give any other country a less rate of duty than that existing at the time the treaty was enacted; that is, the Dingley tariff rate.

When the bill to carry the Cuban treaty into effect was introduced in the House in 1903 the identical provision contained in article 8 of the treaty was incorporated verbatim in the bill. It reads as follows:

Provided, That while said convention is in force no sugar imported from the Republic of Cuba, and being the product of the soil or industry of the Republic of Cuba, shall be admitted into the United States at a reduction of duty greater than 20 per cent of the rates of duty thereon as provided by the tariff act of the United States, approved July 24, 1897, and no sugar the product of any other foreign country shall be admitted by treaty or convention into the United States while this convention is in force at a lower rate of duty than that provided by the tariff act of the United States approved July 24, 1897.

So we find this provision both in the enabling law and in the treaty itself, a provision by which this Government binds itself by a solemn treaty with the Republic of Cuba that so long as that treaty is in existence there shall be no change in the duty imposed upon the importation of sugar into this country.

If there was no law forming the basis of this treaty it would be a question of honor on the part of this Government toward the people of Cuba, whether this obligation should be carried out or not, or whether Congress, having reduced the rate of duty by 25 per cent, the loss incurred by the Republic of Cuba should not be met by a corresponding reduction of the reciprocal trade advantages allowed this country as recited in the treaty.

But this treaty could not exist except through the enabling act of Congress. The Senate itself said, "We will not ratify it until Congress has given the authority for this treaty," and the United States Supreme Court has held that this Cuban treaty was effective from the date of the passage of the enabling act of Congress. In the case of the United States v. the American Sugar Refining Co. (202 U. S., p. 563), the Supreme Court held that—

where there is discrepancy between the treaty and the act enabling the treaty to be concluded, the courts will not look to the treaty, but will look to the enabling act itself, for guidance.

It will therefore be seen that when Congress reduced the duty 25 per cent on sugar imported from every country in the world, and reenacted at the same time the law of 1903, in which it is provided that so long as that treaty continues to exist there shall not be any change in the duty on sugar imported into this country, that two contrary and opposite provisions were written in the Underwood act. Here we have an anomaly presented, where in one clause of an act of Congress it provided that the duty shall be reduced 25 per cent, and following that, in the same act, we have a provision which says that nothing in this act shall change the duty provided in tariff act of 1897.

The language of the last tariff act plainly says that there has been no repeal of the enabling act of the treaty—the act of Congress which gave the treaty its very life, and without which it could not exist. There has been a repeal of the proviso of section 8 of the convention itself, but there was a reenactment of the enabling act, which is the basis of that convention, and we must look in such cases, says the United States Supreme Court, to the enabling law and not to the treaty where such discrepancies exist.

There is obviously a conflict of meaning, and therefore the United States Supreme Court should decide whether in that conflict the legislative intent was really to repeal what, in effect, has been reenacted by paragraph b, section 4. It is upon this question that the State of Louisiana seeks to have the opinion of the Supreme Court of the United States.

SUGAR VOTES SELECTED DEMOCRATIC NOMINEE.

Mr. Speaker, when I addressed the House some weeks ago upon the ungrateful treatment meted out to the domestic-sugar industry by this administration I pointed out the invaluable aid given by the delegates from the sugar-cane growing sections of the South, who actually won the nomination for the successful candidate before the Baltimore convention.

I was an interested observer of that contest. The Democrats had just passed the so-called popgun free-sugar bill in this House. It was pending in the Senate while the Baltimore convention was in session, but was destined to be denounced by the Democratic members of the Finance Committee as un-Democratic and violative alike of the traditions and platforms of that party, and they doomed free sugar to defeat before the adjournment of the Sixty-second Congress.

Aside from having taken an active part in the discussion of the popgun free-sugar bill, I was, as I have said, an interested spectator of the fight made within the ranks of the Democratic Party by the sugar-refining interests against the domestic-sugar farmers, because my own State has become one of the principal producers of beet sugar, and I am also a taxpayer in the State of Mississippi, near the neighboring sugar-cane fields of Louisiana, and a taxpayer in Louisiana as well.

I recall, Mr. Speaker, that the people of Mississippi, in a State-wide primary, expressed a preference for their neighbor, the gentleman from Alabama [Mr. UNDERWOOD], then, as now, the Democratic leader of this House, for President. At the same time they named the gentleman from Missouri, then, as now, the Speaker of this House, as their second choice. In expressing a choice for either the gentleman from Alabama or the gentleman from Missouri they were only repeating the expressed preferences of practically all of the reliably Democratic States of the South. The candidate from New Jersey, who finally triumphed over them at Baltimore, was receiving very little support or comfort at that time from the solid South.

Mississippi spoke on May 6, and the press agent of Gov. Wilson, on realizing the completeness of the defeat, lost no time in shaking the dust of that State from his heels.

The Times-Democrat of May 8 announced his arrival in New Orleans the previous night from Jackson, Miss., "where he had been active in the preferential primary." The paper quotes him as—

Charging that Gov. Wilson's strongest opponent is Speaker CLARK, and that there is a combination of Democratic Congressmen at Washington which is boosting the candidacy of the Speaker in all of the States where primaries are held to decide the people's preference. He was much interested in the result of the Mississippi primary, and said he did not think the majority for UNDERWOOD would count for much in the convention. He attributed it to the hundreds of letters that were sent out by Senator-elect VARDAMAN in behalf of Mr. UNDERWOOD, and in which the Mississippian expressed his preference for Speaker CLARK for second choice.

Then began, Mr. Speaker, a campaign that has had few parallels in American politics and is not likely to be repeated when the duplicity in all of its details become known to the American people.

As I have said, the popgun free-sugar bill, which struck at the very vitals of Louisiana's chief industry, had passed this House and was then pending in the Senate. But an even greater catastrophe was impending. The greatest flood in history was then sweeping down the Mississippi Valley. The barriers in Kentucky, Missouri, Tennessee, Arkansas, and Mississippi had successively given way as the crest of the flood swept south, but the greatest suffering and loss was reserved for the low, fertile fields of Louisiana.

Appalling as the European war has proved, the territory ravished and the loss entailed have been but small compared with the havoc of that flood. Hundreds of thousands of people were made homeless and hundreds of millions of dollars were destroyed. In their hour of trouble the people of Louisiana turned to the Speaker of the House, who dwelt, like they did, near the great Father of Waters. They felt that if elected he would take over the control of the great river and forever protect them from a repetition of its floods.

Accordingly, on May 26, 1912, the Times-Democrat carried a telegram from Baton Rouge stating that Gov. Hall, feeling like most of the other southern executives, had issued a prepared statement announcing that he personally favored the nomination of Speaker CLARK by the Democratic national convention.

Immediately the emissaries of Gov. Wilson began the notorious campaign of promises to the sugar growers of the State. That campaign resulted in the nomination of Gov. Wilson at Baltimore through these same sugar votes, only to be followed by a repudiation of the promises as soon as he came into power and was confronted with the necessity of choosing between the Sugar Refining Trust and its inveterate enemy, the American farmer who produces sugar.

To counteract Gov. Hall's pronouncement in favor of Speaker CLARK, the Wilson people made a public announcement the same day through Hon. Edgar H. Farrar, former president of the American Bar Association and one of the leaders of the American bar. It will be found in the New Orleans Times-Democrat of May 26, 1912:

With regard to Louisiana Democrats, Mr. Farrar said that he could not understand how any one of them could vote for CLARK in the face of the influence that the Speaker had exerted to have sugar placed on the free list.

After reviewing Speaker CLARK'S record in Congress and giving seven reasons why he could not support such a candidate, Mr. Farrar continued:

"I oppose Mr. CLARK as a Louisianian and a tariff-for-revenue Democrat. Mr. CLARK is responsible for the action of the House in placing sugar on the free list, which I regard as a flagrant violation of every principle laid down in any Democratic platform.

"Personally I am a free trader, and I hope to see the time come when we shall have no tariffs in this country and the Government will be supported on an income tax, an excise tax on liquors and tobacco, and an inheritance tax; but that result can only be reached slowly and by degrees.

"This country has swallowed too much tariff poison, and that poison has become too intimately incorporated into its industrial life to be cured by drastic action.

"In my judgment, the putting of sugar on the free list, while leaving everything the sugar producer buys in order to live and produce his crops on the protected list, was an economic crime in general, and an absolutely unjustifiable action in respect to a national industry that grew up in Louisiana before it became a part of the United States.

"I can not conceive how any Louisiana Democrat can support Mr. CLARK."

PRE-ELECTION PROMISES TO SUGAR INDUSTRY.

I hold here, Mr. Speaker, a certified copy of the official journal of the State of Louisiana of May 31, 1912, containing a public statement made to the people of that State at that time by the personal representative of Gov. Wilson in Louisiana to secure the support of the sugar-growing farmers. In it he says:

I can scarcely believe that Gov. Hall has expressed a preference for CHAMP CLARK, as reported in the newspapers. * * *

To all Louisianians, and especially those in the sugar, rice, and lumber sections, I would call attention to the following language of CHAMP CLARK on March 25, 1897, volume 165, page 270, Fifty-fifth Congress, first session:

"Let me tell you, gentlemen, the debate on the tariff question will go on forever unless you come to the doctrine of common sense, the doctrine of free trade."

Again, on January 15, 1894, second session, Fifty-third Congress, page 833, CONGRESSIONAL RECORD:

"I am in favor of letting woolens come in free. And, what is a good deal more, I am in favor of letting everything else come in free. That is my creed. I propose to support every amendment to this bill (Wilson bill) that puts anything on the free list. You can not have too much of a good thing. I am a free trader from the crown of my head to the sole of my foot. That is the doctrine of nature and of common sense."

On the same occasion he stated that he would tear down the custom-houses of the United States.

I desire to place in juxtaposition with this statement of Mr. CLARK'S the following from Gov. Woodrow Wilson, which was said at the National Democratic Club of New York, January 3, 1912:

"Now, what are we going to do? Are we going to act as free traders? I wish that I might hope that our grandchildren could indulge in free trade, but I am afraid that even they can not, because they have to pay bills of the Federal Government. We have a Federal system of government, and it is wise, it is good housekeeping, it is good management, to leave direct taxes, for the most part, to the State governments, because they have current bills to pay. It is likely that for an indefinite period we will have to pay our national bills by duties collected at the ports. Though I am not for drastic changes, yet I wish I saw some ultimate escape from it. At present I do not. Therefore, what we have to ask ourselves is not the principle upon which we are to act, for that is plain. We are to act upon the fundamental principle of the Democratic Party, not free trade but tariff for revenue, and we have got to approach that by such avenues, by such stages and at such a pace as will be consistent with the stability and safety of the business of the country."

IN NORTH LOUISIANA.

While north Louisiana can, if it will, declare against any protection of Louisiana industries, particularly that of sugar, which antedates statehood, and, as everyone knows, is the least expensive revenue, in the collection by the United States, it can not afford to subscribe to any drastic revolution that would injure any section of the State. What hurts one section hurts all. The man whose land has not overflowed during the recent mad rush of the relentless floods is not so indifferent to his neighbors' loss as to congratulate himself ostentatiously and offensively upon his escape.

I say again and I repeat with all the emphasis of sincere conviction, that Louisiana is essentially a Wilson State, because of his high character, Democracy, availability, and southern birth and education.

You will note that the representative of Gov. Wilson spoke of the devastating flood that had just swept the State. So great was that catastrophe that the United States Government maintained a fleet of boats for months passing over the areas that had been thriving villages and cultivated fields, attempting to give succor to these people; the United States Army was called upon to maintain supply and medical stations among them, and while his emissary was extolling Gov. Wilson's eminence in scholastic circles through expounding half-baked theories and the generalities of government to the students of Princeton the Legislature of Louisiana was considering whether it should relieve its overflowed population by the remission of all taxes for a period of two years, by a reduction of assessments on all property for a longer period, or by an appropriation of money by the general assembly. "The remission of taxes for two years or more," it was said, "might enable the owners of property in the flooded district to rebuild their homes, restock their farms, and get on a producing basis again."

This statement of facts will enable the American people to understand the conditions that confronted the sugar producers of Louisiana when overtures and promises were made them in order to defeat the growing strength of Speaker CLARK at Baltimore. Already overwhelmed by floods that originated beyond their borders and threatened with the reenactment of free-sugar legislation that would complete their ruin, they were told that their only safety lay in sending a delegation to Baltimore that would insure the nomination of Gov. Wilson.

The bargain was struck. The sugar men of Louisiana prevented a Clark delegation being selected. They carried out their part of the compact at Baltimore. When the Louisiana sugar votes were announced during the roll calls of that long struggle it was like a Wilson oasis in a desert of Clark and Underwood votes from the South which bitterly opposed Gov.

Wilson to the end in one of the most protracted fights that has ever characterized a national convention. But in the end the sugar producers won. Their unyielding support secured the nomination for Gov. Wilson.

They returned home conscious of having fulfilled their part of the contract and addressed themselves to retrieving the disaster of the flood. It is true that the chairman of the Republican State committee warned them that they would be tricked, and sent Mr. Wilson an open telegram on October 5, 1912, in which he said:

The last Democratic House passed the Underwood free-sugar bill. The Democratic platform for 1912 approved the legislation of the Democratic House at its last session. The Democratic Campaign Book for 1912 advances extended arguments in favor of free sugar. Notwithstanding these facts, sugar men in Louisiana are being assured that you will not advocate the Underwood free-sugar bill, if elected President, but will be guided by the fourth paragraph of the Democratic platform on the tariff question, which promises downward revision that will not injure or destroy legitimate industry. The Republican campaign opens in Louisiana on the 10th instant. We do not wish to misrepresent your position. May I ask if you are in favor of the Underwood free-sugar bill or not? If not, what duty on sugar will you advocate if elected President? We will publish your answer in full with this telegram.

C. N. HERBERT,
Chairman Republican State Central Committee.

President Wilson's answer was as follows:

PHILLIPSBURG, KANS., *October 6, 1912.*

C. N. HERBERT,
Chairman Republican State Central Committee,
New Orleans, La.:

Your lettergram of October 5 received. My position on the question mentioned was stated in my speech of acceptance.

WOODROW WILSON.

Remembering the explicit statements made by Mr. Wilson's prenomination representative among them, the Louisiana sugar farmers felt this telegraphic correspondence was conclusive. They were among his most enthusiastic supporters. The Louisiana popular contributions, to which they were large subscribers, headed the list given out at his Chicago headquarters, and when he was elected no section of the entire Union was so much gratified. Their existence seemed secure.

But they had been reckoning without their host. A special session was immediately called to revise the tariff, and they learned to their dismay that, notwithstanding all they had done at Baltimore and afterwards to fill the campaign chest, their claims were as nothing compared with those of the Sugar Refining Trust. As Mr. Henry N. Pharr, who spoke for the sugar farmers, put it when he appeared before the Finance Committee—

The rude awakening to a realization of the fact that the domestic sugar industry had been singled out by the administration for destruction came like a thunderbolt from a clear sky.

We were absolutely staggered by the news flashed over the wires from Washington that we must decide in 24 hours between the acceptance of free sugar at the end of three years, with an immediate reduction of what is in reality nearly 40 per cent, provided no opposition was made to the measure in the Senate, or to take our chance of being sacrificed immediately for the supposed benefit of the ultimate consumer.

In this hour of desperation we could discern nothing save the insatiable greed of the sugar-refining interests of the country and the fact that their hypocritical and pharisaical campaign for free sugar was about to engulf our industry in absolute destruction.

When Mr. Wilson complains about the revenues for the month of August having fallen off $10,500,000 below the customs receipts collected for August, 1913, why did he not tell you all the truth? Why did he not tell you that for the 11 months during the life of the Underwood tariff law, from October last to August this year, there never has been a single month during the life of that law when the customs receipts reached $26,000,000, and never but one month during that time when they were over $24,000,000? He could have told you that for the last eight months the average customs receipts were but $22,000,000, and that the customs receipts collected for February were but $17,000,000 as against $19,500,000 for August; and we did not hear a peep out of you or your general manager down at the other end of Pennsylvania Avenue about February receipts. [Laughter on the Republican side.] He watchfully waited for the first gun to be fired in the European war, and before the next shot could be fired was up here appealing to you to replenish the Treasury of the United States because of the war. [Laughter and applause on the Republican side.] The following tables show the revenue receipts of the Government in detail during the life of the Underwood tariff law compared with a corresponding period under the Payne tariff law one year previous. It must be remembered that the law was not enacted until October 3, 1913, and that some provisions of that law did not go into effect until November 1, December 1, January 1, and March 1. The portion of the month of October under the new law can not be used as a fair comparison, for importers withheld large quantities of goods awaiting the reduced rates.

Revenues of the Government from Oct. 4, 1913, to Sept. 15, 1914, compared with the corresponding period one year previous.

	1913–14	1912–13
CUSTOMS RECEIPTS.		
October	$26,237,024	$27,057,054
November	21,173,628	25,666,353
December	21,510,140	24,248,162
January	23,397,006	30,334,024
February	17,609,603	27,605,115
March	25,927,214	27,457,490
April	22,232,766	23,693,966
May	20,800,574	20,434,749
June	23,553,447	23,668,598
July	22,988,465	27,806,654
August	19,431,362	30,934,952
September (1 to 15)	8,533,584	14,313,598
Total	254,464,842	301,400,787
INTERNAL REVENUE (ORDINARY).		
October	26,720,324	26,364,743
November	29,199,312	28,921,807
December	27,451,111	27,194,360
January	24,425,557	24,499,974
February	21,328,817	22,417,852
March	23,908,303	23,525,328
April	22,884,283	24,198,679
May	23,972,735	25,824,198
June	27,993,019	28,279,593
July	28,818,280	25,720,848
August	27,468,917	26,192,448
September (1 to 15)	18,586,284	12,477,698
Total	298,846,942	295,717,531
INTERNAL REVENUE (INCOME AND CORPORATION TAX).		
October	178,589	132,245
November	243,816	190,241
December	146,605	205,138
January	508,008	406,684
February	778,762	519,234
March	1,009,433	1,092,643
April	1,497,626	773,581
May	3,955,786	1,235,394
June	60,828,935	28,742,846
July	7,133,640	1,853,299
August	475,255	288,727
September (1 to 15)	258,080	39,139
Total	77,013,536	35,279,170
MISCELLANEOUS RECEIPTS.		
October	3,410,733	4,148,614
November	4,898,378	4,290,993
December	4,043,579	4,273,882
January	6,147,279	6,301,581
February	3,916,673	4,261,216
March	3,958,943	4,044,624
April	3,874,130	4,786,328
May	6,660,212	7,876,022
June	12,005,364	7,418,767
July	18,283,787	4,850,722
August	3,697,362	4,184,069
September (1 to 15)	1,560,964	1,807,083
Total	72,610,398	58,903,901

RECAPITULATION.

	Oct. 4, 1913, to Sept. 15, 1914.	Oct. 4, 1912, to Sept. 15, 1913.	Gain or loss in receipts.
Customs receipts	$254,464,842	$301,400,787	[1]$46,934,945
Internal revenue:			
Ordinary	298,846,942	295,717,531	[2] 3,129,411
Income and corporation tax	77,013,536	35,279,170	[2] 41,734,366
Miscellaneous	72,610,398	58,903,901	[2] 13,706,497
Total	702,935,718	691,301,389	[2] 11,634,329

[1] Loss. [2] Gain.

Total revenue receipts, by months.

Months.	1913	1912	Gain.	Loss.
October 4 to 15	$56,647,757	$57,702,656		$1,054,899
November	55,515,134	59,069,394		3,554,260
December	53,151,435	55,921,542		2,770,107
	1914	1913		
January	54,477,850	61,542,263		6,764,413
February	43,633,845	54,803,417		11,169,572
March	54,803,893	56,720,085		1,916,192
April	50,488,805	53,452,554		2,963,749
May	55,389,307	54,370,463	$1,018,844	
June	118,380,765	88,109,805	30,270,960	
July	77,224,072	60,231,523	16,992,549	
August	51,052,896	61,600,196		10,547,500
September 1 to 15	28,938,912	28,697,518	241,394	
Total	702,935,718	691,301,389	11,634,329	

Comparison of imports free and dutiable during corresponding months under the Payne and Underwood tariff laws.

IMPORTATIONS.

Months.	Payne tariff law, October, 1912, to August, 1913.		Underwood tariff law, October, 1913, to August, 1914.	
	Free imports.	Dutiable imports.	Free imports.	Dutiable imports.
October	$102,911,717	$75,276,269	$81,551,001	$51,327,895
November	89,688,874	63,406,874	91,477,872	56,738,662
December	90,051,367	64,044,077	118,087,218	66,500,353
January	90,413,718	72,649,720	94,190,460	60,227,787
February	80,101,323	69,812,595	90,400,578	55,572,803
March	84,216,033	71,229,465	111,853,628	70,909,326
April	76,826,345	69,368,116	107,913,514	65,982,962
May	69,006,928	64,716,785	103,076,377	61,133,138
June	66,786,577	64,459,320	93,446,062	64,083,388
July	71,806,155	67,255,615	94,883,308	65,294,825
August	70,062,817	67,588,736	79,925,410	49,474,086
Total	891,671,834	749,807,572	1,067,785,418	667,245,227

Increase under new tariff law of free imports	$176,123,584
Decrease under new tariff law of dutiable imports	82,562,345
Total increase of imports for 11 months	93,561,239
Increase of free imports, month of August	9,862,593
Decrease of dutiable imports, month of August	18,114,650
Payne tariff law:	
Total imports October, 1912, to August, 1913	1,641,479,406
Customs receipts October, 1912, to August, 1913	287,087,179
Average ad valorem duty collected, 17.48 per cent.	
Underwood tariff law:	
Total imports October, 1913, to August, 1914	1,735,040,645
Customs receipts October, 1913, to August, 1914	245,931,258
Average ad valorem duty collected, 14.17 per cent.	

If an average duty of 17.45 per cent had been collected on the imports from October, 1913, to August, 1914, customs receipts would amount to $303,285,104. A reduction in the ad valorem rate from 17.48 per cent to 14.17 per cent means that but 81 per cent of former customs receipts are now being collected. Free sugar will deprive the Government of not less than 15 per cent of the present total customs receipts, which will have to be made up by some manner of direct taxation.

The Democrats say it would not be wise at this time to withdraw Government money on deposit from the banks of the country. Action of this kind, they claim, would quite likely cause a money panic of great magnitude. They seem to think, however, by this war tax they can put the administrative hand into the pocket of the people so politely and gently the people will be unconscious of the fact that $100,000,000 is being taken from them.

Taking the money out of the banks, they say, would be withdrawing money from the channels of trade; but taking it from the people would be entirely different—it would simply be raising revenue, nothing more. The Democratic Party seems to be made up of inconsistencies, but they will not be able to blindfold the people as they hope.

WAR TAX LEGISLATION.

President Wilson, in his address to Congress, September 4, 1914, urging additional tax laws, said:

I come to you to-day to discharge a duty which I wish with all my heart I might have been spared but it is a very clear duty, and therefore I perform it without hesitation or apology. I wish to ask very earnestly that additional revenues be provided for the Government.

He then compared the month of August, 1914, with the month of August, 1913, and stated that customs receipts had fallen off some $10,600,000. He added:

It is due in chief part not to the reductions made in the customs duties—

and said it was due to the European war.

CONGRESS TOLD ONLY HALF THE FACTS.

When President Wilson delivered that message in the House the war had been declared by Germany against Russia but 31 days, and through the press the question of additional revenues had been discussed from the very beginning of the war, and the agitation was attributed to the administration. However, the President seemed to be especially alarmed on account of the fact that customs receipts for August had fallen off, compared with the corresponding month one year ago, and blamed it entirely on the war. He said:

The occasion is not of our own making. We had no part in making it.

Why was not the President alarmed in February, when the customs receipts were $10,000,000 less than the corresponding month one year ago? He could not blame it on the war then. Why did he not then see his clear duty to ask for additional revenues? The customs receipts in August were about $10,000,000, and this was so alarming it was made the subject of a special message to Congress. Why did not the customs receipts in May—$20,000,000—cause some alarm, or in February, when the receipts were but $17,000,000, or $2,000,000 less than in August? The President says the $10,600,000 loss in customs receipts for August was due almost entirely to the war. Does he not know, as I have stated before, that there has not been a single month since the Democratic tariff law was enacted that customs receipts have amounted to $26,000,000 and but one month that customs receipts exceeded $24,000,000? Yet he tells us that customs receipts for August—$19,400,000—were $10,600,000 below what they should be, and that the war was to blame—not the tariff. The average amount of customs receipts collected in the nine months ending August 1, 1914, were $22,200,000 per month, or but $2,800,000 more than receipts for the month of August. If the month of August showed the Government would require $100,000,000 additional revenue, certainly it must have been evident to the administration long before August that more revenue was needed. Why did the President not see his clear duty long ago and break the news to Congress and ask for more revenue?

The President compares customs receipts under the Republican tariff law with the month of August under the Democratic tariff law, and claims the decrease is due to a war in Europe. Was not the income tax enacted to make up for loss in revenue occasioned by the reduction of tariff duties? If so, why does the President ask for the passage of a new tax measure that will make up for the entire difference in customs receipts for August, 1913, and August, 1914, before and after the tariff reductions? It is a glaring inconsistency.

Democrats blame the war as being the cause for this tax measure. The real cause is Democratic extravagance in office, and they selected this time to impose their added burdens of taxation on the people. I congratulate the Democratic Party on not having a lengthy campaign to face this fall, in which their record could be reviewed. It would be good politics for Democrats to remain in Washington until after the November elections.

The deficit in customs receipts on account of the war, judging from the month of August, is something less than $3,000,000 per month, and the war may last but a few months. What will Democrats do for revenue in 1916, after sugar automatically goes on the free list and customs receipts are thereby reduced $4,000,000 per month? Will they continue their war tax long after the war is over? Why do they not adopt some revenue scheme now that they intend to use in 1916? If they must have a stamp tax and other direct taxes provided in the pending bill, I wish Democratic leaders would admit it, so the people of this country may know. This kind of a bill, together with previous "freedom-from-taxation" campaign powder used by Democrats, would be good food for thought for the voters this fall.

Among some there is an idea that the war has completely removed the necessity of tariff protection against foreign imports, not only now but for some time to come. We hear it said that now is the opportune time for our manufacturers to produce articles heretofore not produced in America; that now is the time to boost American-made goods and the "made in America" slogan. In this connection I quote an extract from a letter by one of America's leading manufacturers. It is as follows:

There seems to be a popular idea that American manufacturers have been buying stuff abroad for amusement. Such is not the case. They have been buying stuff abroad, broadly speaking, that they could not get here, because what they buy abroad that is cheaper than it could be made for in this country naturally results in the extinction or non-introduction of the production of that article in this country; consequently there is no place to get it except abroad.

Next, no manufacturer is going into the business of making a thing, as a broad general principle, simply because there is a temporary war on in Europe, knowing that as soon as the war is over, with the low tariff in force, the cheaper goods from abroad will resume their sway over the American market. I think the American manufacturers are about as clever and keen as politicians in Washington about promoting the welfare and industry and prosperity of the American people, and I for one resent the strictures and comments put forward by the politicians in Washington.

The war has indisputably proved one thing, and that is the great value of industrial independence. This country should not be dependent upon foreign countries for products we must have if such products can with reasonable economy be produced in America. Industrial independence can only be attained by the policy of adequate tariff protection. The policy of the Democratic Party—freedom of trade. I believe they call it; they ought to call it freedom from employment [laughter]—tends to make America dependent on foreigners for every product that can be produced more cheaply abroad than at home.

One point on which all political parties agree, I believe, is the great advantage of having the value of exports exceed the value of imports. It is interesting to review the favorable balance of trade of this country before and after the passage of

the Underwood tariff law. What were indications as to the future growth of our balance of trade under the Republican tariff law? What has been the result of Democratic tariff legislation?

Under the Payne tariff law the favorable balance of trade of the United States was steadily increasing. During the last nine months of the life of that law that favorable balance of trade amounted to $419,702,087, and for the corresponding nine months one year previous, $283,129,664. In other words, the last nine months of that law showed an average monthly increase in the favorable balance of trade of the United States amounting to $15,173,713.

Democrats condemned that law, nevertheless, and claimed it stifled our export trade and the prosperity of the Nation. They promised a tariff law that would increase exports and enable Americans to "capture the markets of the world."

During the six months ending September 1, 1914, the favorable balance of trade not only completely vanished but our imports exceeded our exports by $33,872,251, or an unfavorable balance of trade averaging $5,645,375 per month. During the corresponding six months one year previous we had a favorable balance of trade of $250,829,413, or $41,804,902 per month. In other words, the balance of trade of the United States for the past six months shows a loss of $284,701,664, compared with the corresponding six months one year ago, under the Payne law, or a net monthly loss of $47,450,277.

From the above it can be seen that the Democrats have abolished a tariff law that was increasing our favorable balance of trade by $15,173,713 per month and have enacted a tariff law that is decreasing that balance of trade by $47,450,277 per month; a total change in results amounting to no less than $62,623,990 per month—over $2,000,000 per day, which would furnish employment to 1,000,000 American workingmen at $2 a day.

The loss in the balance of trade represents money that has been sent abroad to purchase foreign products, which money should have been retained in America. It means loss of employment to American working men and women and a corresponding loss in the purchasing power of our people.

The following table shows the increase of imports, month by month, and the decrease of exports since the new tariff law was enacted compared with corresponding months one year previous, when a Republican tariff law was in effect. It shows a loss in trade in 10 months of $392,452,214.

	Importations.	Increase of imports.	Decrease of imports.
November, 1912	$153,094,898		
November, 1913	148,236,536		$4,858,332
December, 1912	154,095,444		
December, 1913	184,025,571	$29,930,127	
January, 1913	163,063,438		
January, 1914	154,742,923		8,320,515
February, 1913	149,913,918		
February, 1914	148,044,776		1,869,142
March, 1913	155,445,498		
March, 1914	182,555,304	27,109,806	
April, 1913	146,194,461		
April, 1914	173,762,114	27,567,653	
May, 1913	133,723,713		
May, 1914	164,281,515	30,557,802	
June, 1913	131,245,877		
June, 1914	157,529,450	26,283,573	
July, 1913	139,061,770		
July, 1914	159,677,291	20,615,521	
August, 1913	137,651,553		
August, 1914	129,399,496		8,252,057

Increase of importations under new law, $138,764,436.

	Exportations.	Increase of exports.	Decrease of exports.
November, 1912	$278,244,191		
November, 1913	245,539,042		$32,705,149
December, 1912	250,315,807		
December, 1913	233,195,628		17,120,179
January, 1913	227,032,930		
January, 1914	204,066,603		22,966,327
February, 1913	193,996,942		
February, 1914	173,920,145		20,076,797
March, 1913	187,426,711		
March, 1914	187,499,234	$72,523	
April, 1913	199,813,438		
April, 1914	162,552,570		37,260,868
May, 1913	194,607,422		
May, 1914	161,732,619		32,874,803
June, 1913	163,404,916		
June, 1914	157,072,044		6,332,872
July, 1913	160,990,778		
July, 1914	154,138,947		6,851,831
August, 1913	187,909,020		
August, 1914	110,337,545		77,571,475

Net loss in exports	$253,687,778
Net increase in imports for 10-month period	138,764,436
Net decrease in exports for 10-month period	253,687,778
Net loss in trade for 10-month period	392,452,214

During the last 12 months under the Payne tariff law, October, 1912, to September, 1913, inclusive, the balance of trade in favor of the United States amounted to $704,151,261.

The following table shows the steady decline in that balance of trade since the enactment of the Democratic tariff law, October 3, 1913:

Months.	Exports.	Imports.	Excess of exports.	Excess of imports.
October, 1913	$271,861,464	$132,949,302	$138,912,162	
November, 1913	245,539,042	148,236,536	97,302,506	
December, 1913	233,195,628	184,025,571	49,170,057	
January, 1914	204,066,603	154,742,923	49,323,680	
February, 1914	173,920,145	148,044,776	25,875,369	
March, 1914	187,499,234	182,555,304	4,943,930	
April, 1914	162,552,570	173,762,114		$11,209,544
May, 1914	161,732,619	164,281,515		2,548,896
June, 1914	157,072,044	157,529,450		457,406
July, 1914	154,138,947	159,677,291		5,538,344
August, 1914	110,337,545	129,399,496		19,061,951

Excess of exports, October to March, $365,527,804.
Excess of imports, March to August, $38,816,141.

How long will the good thinking people of this country endure with patience the glaring inconsistencies of the Democratic Party? During the many years the Democrats were in the minority they made pleasing promises too numerous to mention. Among other things, they promised greater prosperity, low cost of living, and ample employment; they promised freedom from oppressive taxation and the greatest economy in the expenditures of Government money.

What has been their record? Have they kept their pledges to the people? Is this country in a prosperous condition? In regard to the present depression in business and lack of employment there are some who contend the war is to blame. But the fact can not be concealed, and it can not be denied, that there were great numbers of unemployed and that business was suffering a serious depression before the war was anticipated. The Democrats then said the business depression was psychological. They admitted, however, a grave business depression did exist and offered a flimsy excuse for hard times.

During the last campaign the Democrats promised, if placed in power, to enact a tariff law that would enable American manufacturers to increase their export trade and capture the markets of the world. "The future growth of American industry lies across the sea" was their slogan. They scoffed at cheap, foreign labor, and said, "Let us have competition and whet the wits of our business men." They were placed in power; they enacted a tariff law in conformity with their views. What has resulted?

Since November 1, 1913, after the passage of the Democratic tariff law and down to September 1, 1914, American exports have not only failed to increase but have fallen off to the enormous extent of $253,000,000 as compared with the corresponding months of the previous year. Can Democrats quibble about it; can they devise or invent an excuse? That law is not aiding Americans to capture foreign markets, but is materially helping foreigners to capture American markets. It will sharpen the wits of our business men to the disadvantage of the Democratic Party. During the 10 months ending September 1, 1914, that tariff law has enabled foreigners to increase their sales in American markets by $138,000,000 compared with the same 10 months of the previous year.

HOW THE UNDERWOOD TARIFF HAS FAILED.

During the 10 months mentioned the favorable balance of trade of the United States with foreign countries has fallen off more than $390,000,000. This means that $390,000,000 which should have been paid to American producers, employing American labor, has been sent across the seas to purchase goods from foreign producers, employing foreign cheaply paid labor. That tariff law is displacing American labor; it is decreasing the purchasing power of the American people. Is not all this some cause for a business depression? In the face of this, how can Democrats make intelligent people believe in their psychological excuse? The President has said, "Let us have pitiless publicity." I agree with him.

How about Democratic pledges of economy? The Democrats have bitterly accused the Republicans of extravagance in office, and have pledged themselves repeatedly to a policy of strict economy. Their record in office has shown their pledges to be a "comedy of errors."

In the Democratic platform of 1908 they said:

We denounce the needless waste of the people's money * * * as no less than a crime against the millions of working men and women, from whose earnings the great proportion of those colossal sums must be extorted. * * * We demand that a stop must be put to this frightful extravagance, and insist upon the strictest economy in every department compatible with frugal and efficient administration.

Again, in the platform of 1912, they said:

We denounce the profligate waste of the money wrung from the people by oppressive taxation through the lavish appropriations of recent Republican Congresses, which have kept taxes high and reduced the purchasing power of the people's toil. We demand a return to that simplicity and economy which befits a democratic Government and a reduction in the number of useless offices, the salaries of which drain the substance of the people.

The conclusion of the Democratic platform of 1912 makes the farce complete. They said:

Our pledges are made to be kept when in office as well as relied upon during the campaign.

Let us turn to the record of economy the Democratic Party has made during the short period they have been in office. Their appropriations at this session of Congress bid well to exceed the greatest appropriations by any Republican Congress by $125,000,000 to $160,000,000, and as a result they are enacting a war tax at a time when this country is at peace with the whole world. In a court room it is most difficult to procure evidence that will overcome an admission against interest. As strong evidence of Democratic waste of public moneys I wish to call attention to an admission against interest by the chairman of the Committee on Appropriations in a speech on the floor of the House when appropriation bills were under consideration. The following extract from his remarks can be found on page 6553 of the CONGRESSIONAL RECORD of April 10, 1914:

In a few months I shall be called upon in the discharge of my official duties to review the record which this Democratic House shall have made in its authorization of expenditures of public moneys. Whenever I think of the horrible mess that I shall be called upon to present to the country on behalf of the Democratic Party I am tempted to quit my place.

In that speech Mr. FITZGERALD refers to his colleagues as a "band of Treasury looters." This is what a Democratic leader thinks of his own party and their record of unparalleled extravagance.

In the address of the President, delivered at a joint session of the two Houses of Congress, September 4, 1914, in regard to the necessity of raising additional revenues, he said it was due in chief part to the war in Europe. He said:

The occasion is not of our own making. We had no part in making it.

Considering the great extravagance of the Democratic Party, I contend the Democrats had everything to do in depleting the Treasury and making additional taxation a necessity. In 1900, in their political platform, the Democrats denounced the Spanish war tax, and said:

We favor the reduction and speedy repeal of the war taxes, and a return to the time-honored Democratic policy of strict economy in Government expenditures.

The only loss in revenues the European war could cause is in our customs receipts. The President, in his message showing that loss, compared the month of August, 1914, with the month of August, 1913. He compared a month under a Republican protective tariff with a month under the new Democratic law. Why did he not compare customs receipts during August with the average monthly receipts during the preceding eight months, or since wool was placed on the free list? If he had done so he would have shown the loss of revenue in the month of August was $2,800,000, whereas by taking August, 1913, as a basis for his comparison, he showed a loss of customs receipts of something over $10,000,000 for the month. When the Democrats were preparing their new tariff law and reducing duties they conceded they would have to resort to some other manner of taxation, and adopted the income-tax law, which appears as a part of their new tariff law. That income tax was intended to make up for the loss in customs receipts caused by the passage of the Underwood tariff law, and is answering that purpose. Notwithstanding the existence of the income tax and the new tariff law, the President, as before stated, compares the month of August, 1913, with the month of August, 1914, and says the difference in customs receipts is due to the war in Europe. Will he not admit that a reduction of duties will to some extent reduce customs receipts? If not, why was the income tax enacted? Democratic unparalleled extravagance is the one and only explanation.

At the present time the administration is moving heaven and earth to work out some plan to maintain the price of cotton. They urge the southern planters to hold their cotton for better prices and advise others to buy cotton to hold so prices may not decline. The administration seeks much praise and glory for its course. At the very same time we find the administration ordering an investigation of the beet-sugar producers of the North to find whether or not they are withholding any sugar from the market.

If sugar is withheld, the administration threatens to instigate prosecutions for violations of the trust laws. The administration also seeks much praise and glory for this. I do not seek to condemn the attempt to aid the cotton growers, but what I do criticize is the absolute inconsistency of the Democratic administration. Cotton is as much a necessity of life as sugar, and the domestic sugar industry is as worthy of encouragement as the cotton industry. If it is a violation of law for the sugar manufacturer to hold his product until the canning season, when he will receive a better price, why is it not a violation of law for the cotton planter to hold his cotton? The truth of the matter is that 99 per cent of the beet sugar produced in the 1913–14 campaign was disposed of prior to June, 1914. Democratic legislation has already destroyed a portion of the domestic sugar industry, and the administration is now persecuting that industry and charging the sugar manufacturers as being criminals for doing the very things that are now being advocated in the South. This is an example of Democratic consistency. They seek praise for aiding a southern industry and glory for ruining a northern industry.

Democrats have advocated competition as a means of curbing trusts, but we find that political party aiding the great Sugar Refining Trust by curbing its only competition, the domestic sugar industry. If one will but observe sugar quotations for the past few years, it will be seen that as soon as the domestic beet sugar is off the market the price of sugar is advanced. In March the refiners were selling refined sugar at about 40 cents above the cost of raw sugar. On September 17, 1914, without domestic competition, we find they have increased their differential from 40 cents to $1.36 per 100 pounds. It is evident the only way to insure low-priced sugar to the consumer is to protect the home industry as a thorn in the side of the Sugar Trust. The sugar schedule of the Democratic tariff law will not aid the consumers; it will rob the Treasury of from fifty to sixty million dollars annually of badly needed revenue; it will ruin an American industry and foster and enrich as greedy a trust and monopoly as this country has ever known.

The Democratic Party have made all manner of insincere statements and promises. They resorted to every political tactic to win an election. Their position they will find untenable. They have built upon the sand, and the wind and rain—perhaps next November—will wash them away.

I want to call attention to some statements made on the floor of this House some years ago. When the Spanish War tax was before this House Mr. Dingley, then chairman of the Ways and Means Committee, said:

The demand on our resources for new taxation comes upon us at a time when we are just emerging from a long period of deficiency of our revenue.

He was answered by a gentleman by the name of Sayers, from Texas, who said:

Tobacco, snuff, cigars, patent medicines, mineral water, etc.; soldiers at $13 a month must pay a tax on the tobacco they smoke while sitting around the camp fire on the battle field. There is no justice in the measure. There is no patriotism in it. The policy proposed is wrong from beginning to end. It is purely a Republican measure.

Mr. UNDERWOOD on April 28, 1898, also spoke on the bill and said:

This tax will fall almost entirely on the hard-working and industrious artisans, merchants, mechanics, farmers, and professional men of the country, but not on idle wealth that is protected but never made to pay for the benefits received.

I know its features are partisan and unjust; they will oppress the masses of the people; they are unnecessary, and the same amount of revenue could be raised from sources that would equalize the burdens of taxation and not be felt by the people.

Now, there was another gentleman, my dear friend, my beloved friend, the Hon. CHAMP CLARK, whom some of you may know [laughter]. This is what he said on May 3, 1898:

You talk like you brought on this war. This is not a Republican war, but an American war. My Republican friends, we took you by the scruff of the neck and dragged you into it, and that will be the verdict of history. We started the fire among the people, and they heated you so hot that at last you had to go into it or go out of business.

I will tell you what we are going to do, and it is a short-meter story. We will buy no more presidential pigs in poke. Next time we will know what we are getting. We intend to get together in 1900 and not only reaffirm the Chicago platform, but readopt it word for word, without abating one jot or one tittle, and place upon it our brilliant and well-beloved leader, William J. Bryan, and elect him [applause on the Democratic side], thereby ushering in the twentieth century with a Democratic administration [applause on the Democratic side].

As an honest, fair-dealing man, as a Speaker that has exerted every effort to be fair to both sides of this House he will go down in history, but as a prophet on presidential candidates he will never again be heard of. [Great laughter and applause.]

Mr. UNDERWOOD. Mr. Speaker, I yield the remainder of my time on this side to the gentleman from Kentucky [Mr. STANLEY]. [Applause.]

The SPEAKER. The gentleman from Kentucky is recognized for 21 minutes.

Mr. STANLEY. Mr. Speaker, the gentleman from Michigan [Mr. FORDNEY] and others who have addressed this House complain bitterly of the rule under which this bill was brought before this Congress. They demand greater latitude for debate and amendment, but debate and amendment should be permitted for a legitimate purpose and not simply for debate and amendment.

The tariff bill was open to debate, open to amendment, during the whole time it was considered by this House. We were notified in advance that you proposed no amendment to this measure; that the attitude of the minority toward this bill was to be one of blind obstruction. A minority is useful that proposes a better way, but a minority is pitiful that sits silent, blind, and stubborn simply to obstruct. [Applause on the Democratic side.]

You either can not or will not propose a better way; you offer nothing in your minority report. We had no reason to believe that anything better could or would be secured by amendment.

We had a duty to perform to the American people, a duty to perform with fidelity and celerity, and so we have proposed to put this bill through, and we will put it through without unnecessary delay. [Applause on the Democratic side.]

The gentleman from Illinois [Mr. MANN] says that the President has shown a strange tenderness for the banks; that his unwillingness to take $75,000,000, now on call in the banks all over this country, from the uses of the borrowers and to make it available for the Federal Government is showing a reprehensible tenderness for the moneyed interests and an indifference to the people, whom he proposes to burden with additional legislation.

In the light of history, that is a strange charge. In the memory of men now past the meridian of life no man can remember when the minority ever proposed an efficient measure to curb and control the monopoly of the moneyed interests. It remained for the majority, after your ignominious failure after failure, to take the control, to break the strangle hold of Wall Street and of the Money Trust upon the credits of the country, and to give to the people of America an elastic and available system of banking.

Mr. MADDEN. Mr. Speaker, will the gentleman yield for a question?

Mr. STANLEY. Yes.

Mr. MANN. What bill is it that is in force now and furnishing this country and its people with emergency currency? Is it not the Vreeland bill? [Applause on the Republican side.]

Mr. STANLEY. The Vreeland bill without the Glass-Owen Act would be just what the Vreeland bill was before that bill was inaugurated—a mockery, a delusion, and a snare. [Applause on the Democratic side.]

Mr. MADDEN. Does not the gentleman know that the Glass bill has not been put into effect at all? [Laughter on the Republican side.]

Mr. STANLEY. I know that. It is the law of the land upon which the people can rely, and that the anticipation of its benefits is our bulwark at this time. We have the moral effect of the Glass-Owen Act.

Mr. HENRY. Mr. Speaker, will the gentleman yield?

Mr. STANLEY. Yes.

Mr. HENRY. The gentleman might remind the other side that the Aldrich-Vreeland bill could not be put into operation until it was amended by this Congress on the 4th day of August. [Applause on the Democratic side.]

Mr. STANLEY. Mr. Speaker, the gentleman proposes not to tax beer, not to tax wine, not to tax luxuries, but to tax fabrics, to tax the manufactured articles. I defy the gentlemen to bring into this House a motion to recommit, to take this hundred millions of dollars from beer, to take it from wine, to take it from gasoline, and to place it upon naked backs in need of raiment or in hungry mouths that need food. [Applause on the Democratic side.] I defy him to place it either upon woolen goods or wool or to place it upon sugar.

Mr. BURKE of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. STANLEY. Yes.

Mr. BURKE of Pennsylvania. Where are these naked backs and these hungry mouths under this administration? [Applause and laughter on the Republican side.]

Mr. STANLEY. Oh, there are left just a few which we have over from the Payne-Aldrich bill. We have managed to clothe and feed the most of them. [Applause on the Democratic side.]

Mr. GOOD. Will the gentleman be willing that some of this tax be put upon whisky?

Mr. STANLEY. I will not. The gentlemen by proposing a tax on spirituous liquors at this time show their absolute ignorance of the conduct of their own party. During the Spanish-American War you imposed a tax similar in many respects to this proposed tax. You placed a tax of a dollar a barrel upon beer, and you placed not one red cent upon whisky, and now you condemn us for doing the identical thing you did yourselves when you had the power. You exempted spirituous liquors. The reason is perfectly plain. A tax of 20 cents a gallon upon distilled spirits would not produce one dollar of the revenue you seek. There are now in bonded warehouses 286,901,784.9 gallons of distilled spirits. Under the law the distiller has eight years in which to pay the $1.10 imposed under existing law. Did you propose to put an additional tax upon those distilled spirits, 150,000,000 gallons at least would be taken out of bond before the act could become a law, and thus more than $150,000,000 would be taken from the very banks that you are attempting to protect, and enough distilled spirits would be tax paid to meet the exigencies of trade, and, more than probably, until after the repeal of this temporary tax. In that event you would never receive a cent of additional tax. More than that, a gallon of beer now pays a tax of 5 cents, and a gallon of wine pays a tax of from 12 to 20 cents. A gallon of distilled spirits pays a tax of $1.10. The alcoholic content in distilled spirits is taxed from two to three times as much as the alcoholic content of any other intoxicating liquor. The tax upon distilled spirits is from four to eight hundred per cent greater than the cost of producing it.

Mr. JOHNSON of Washington. Could not the distilled spirits that might be taken out of the warehouses be made legal tender the same as the cotton bale under the bill proposed by the gentleman from Texas?

Mr. STANLEY. I have not the slightest doubt it will be just as good as money to the gentleman who interrupted me, but not to the public generally.

We have been taunted with the statement that this bill was brought into this House and has been passed because our general manager at the other end of the Avenue has asked to have this bill reported. Aye, and the Democratic majority, thank God, can go before the country at this hour and state that the President demands it, and by his past performances we had the right to trust the wisdom of his judgment. [Applause on the Democratic side.] He asked for a revision of the tariff and it was given. I had imagined that a tariff bill that had its incipiency in false promises, that dragged with it a discredited party to defeat and to destruction, would be accorded decent burial, and that no Republican would exhume the malodorous thing in an hour like this. [Applause on the Democratic side.] That same President came before this House and asked for a reform in the currency system. Not the Democratic Party, not the Republican Party, not the Bull Moose Party, but the American people without regard to party have applauded the wisdom of his action. That same President asked this Congress to wait, asked for patience, asked that those in charge of delicate foreign relations should not be driven by the unwary or the hot-headed, asked that we might not be precipitated into the maelstrom that to-day has engulfed every other world power on the reeling earth. You said that his caution was cowardice. You said that his patience was pusillanimity, and now we alone are at peace, our youths employed in productive industries, our homes undismantled, enjoying a prosperity and a power no other country can anticipate or emulate, while the rest of the world is engulfed in the wreck and ruin of universal war. We can still say to you and we can still say to the country we do grant this measure of relief to the Federal Treasury and to the Federal Government because we have a general manager whom we can trust. [Applause on the Democratic side.]

The leader of the minority has said that this tax is imposed at this time not because it is necessary but because Woodrow Wilson is hysterical. I call your attention to a single sentence of that hysterical man:

> We must accept the inevitable with calm judgment and unruffled spirits, like men accustomed to deal with the unexpected, habituated to take care of themselves, masters of their own affairs and their own fortunes.

[Applause on the Democratic side.]

Is that the language of a hysterical man? Viewed through the white light of peace, descried through the red haze of war, he alike maintains his poise and his equanimity, and he deserves a deathless place in the history of immortal statesmen. [Applause on the Democratic side.] Who at this hour and at this trying time would exchange the hysteria of Woodrow Wilson for the placidity of Theodore Roosevelt? [Laughter.] Who at this time would exchange the indolence of Woodrow

Wilson for the tireless activity of William Howard Taft? [Applause on the Democratic side.]

In the midst of the sunshine and in the shadow of a great grief, with a breaking heart, he has been the same calm, serene, fearless, and capable leader, allowing neither his personal comfort nor his great bereavement to divorce him for an hour from the duties imposed upon him. He has stood Titan-like under a weight that might have crushed even a mighty man, for never since the Civil War has any President been called to meet such responsibilities, and never since Jefferson's pen fell from his master hand has any President discharged them with such fidelity. [Applause on the Democratic side.]

We can indorse or, if you prefer, we can follow a leader whose patriotism and whose wisdom has yet to be impugned or questioned. [Applause on the Democratic side.]

The SPEAKER. The time of the gentleman has expired.

Mr. LA FOLLETTE. Mr. Speaker, I ask unanimous consent that the gentleman have time in which to finish his oration.

The SPEAKER. All time has expired. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was accordingly read a third time.

Mr. PAYNE. Mr. Speaker, I move to recommit the bill to the Committee on Ways and Means, and on that motion I move the previous question.

Mr. UNDERWOOD. I understand the previous question was ordered on the bill to its final passage, but that would not cut off amendment.

The SPEAKER. The gentleman from New York moves the previous question on his motion to recommit.

Mr. KELLY of Pennsylvania. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. KELLY of Pennsylvania. Does not a motion to recommit with a substitute in definite form take precedence over a motion such as was made by the gentleman from New York?

The SPEAKER. A motion to recommit can be amended, or a substitute offered for it, or anything of the sort, except where the previous question is ordered.

Mr. LINDBERGH. Mr. Speaker, I offer the following.

Mr. HOBSON. Mr. Speaker, I move to amend.

The SPEAKER. The gentleman from New York [Mr. PAYNE] moves the previous question on his motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from New York to recommit.

The question was taken, and the motion was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. MANN. On that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 234, nays 135, answered "present" 2, not voting 60, as follows:

YEAS—234.

Abercrombie	Carlin	Finley	Helm
Adair	Carr	Fitzgerald	Helvering
Adamson	Carter	FitzHenry	Henry
Aiken	Casey	Flood, Va.	Hill
Alexander	Clancy	Floyd, Ark.	Holland
Allen	Clark, Fla.	Foster	Houston
Ansberry	Claypool	Fowler	Howard
Ashbrook	Cline	Gallagher	Hughes, Ga.
Aswell	Coady	Gallivan	Hull
Bailey	Collier	Gard	Igoe
Baker	Connelly, Kans.	Garner	Jacoway
Baltz	Copley	Garrett, Tenn.	Johnson, Ky.
Barkley	Covington	Garrett, Tex.	Johnson, S. C.
Barnhart	Cox	George	Jones
Bathrick	Crosser	Gerry	Keating
Beakes	Cullop	Gill	Key, Ohio
Beall, Tex.	Dale	Gilmore	Kinkead, N. J.
Bell, Ga.	Davenport	Gittins	Kirkpatrick
Blackmon	Decker	Glass	Kitchin
Booher	Deitrick	Godwin, N. C.	Lazaro
Borchers	Dent	Goeke	Lee, Ga.
Borland	Dershem	Goldfogle	Lee, Pa.
Bowdle	Dickinson	Goodwin, Ark.	Lesher
Brockson	Dies	Gordon	Lever
Brodbeck	Difenderfer	Gorman	Levy
Broussard	Dixon	Goulden	Lewis, Md.
Bruckner	Donovan	Graham, Ill.	Lieb
Brumbaugh	Dooling	Gray	Linthicum
Buchanan, Ill.	Doolittle	Griffin	Lloyd
Buchanan, Tex.	Doremus	Gudger	Lobeck
Bulkley	Doughton	Hamill	Logue
Burgess	Dupré	Hamlin	Lonergan
Burke, Wis.	Eagan	Hammond	McAndrews
Burnett	Eagle	Hardwick	McCoy
Byrnes, S. C.	Edwards	Hardy	McGillicuddy
Byrns, Tenn.	Estopinal	Harrison	McKellar
Cantor	Evans	Hart	Maguire, Nebr.
Cantrill	Fergusson	Hay	Mahan
Caraway	Ferris	Hayden	Mitchell
Carew	Fields	Heflin	Montague
Moon	Quin	Sherwood	Townsend
Morgan, La.	Rainey	Sims	Tribble
Morrison	Raker	Slayden	Tuttle
Moss, Ind.	Rauch	Smith, Md.	Underwood
Mulkey	Rayburn	Smith, Tex	Vaughan
Murray, Mass.	Reed	Sparkman	Vollmer
Murray, Okla.	Reilly, Conn.	Stanley	Walker
Neeley, Kans.	Reilly, Wis.	Stedman	Walsh
O'Brien	Riordan	Stephens, Nebr.	Watson
Oglesby	Rouse	Stephens, Tex.	Weaver
Oldfield	Rubey	Stone	Webb
O'Shaunessy	Rucker	Stout	Whaley
Padgett	Russell	Talcott, N. Y.	Whitacre
Page, N. C.	Sabath	Tavenner	White
Park	Saunders	Taylor, Ala.	Williams
Peterson	Scully	Taylor, Ark.	Wilson, Fla.
Phelan	Seldomridge	Taylor, Colo.	Young, Tex.
Post	Shackleford	Taylor, N. Y.	
Pou	Sherley	Thomas	

NAYS—135.

Ainey	Gillett	Lenroot	Scott
Anderson	Good	Lindbergh	Sells
Anthony	Green, Iowa	McGuire, Okla.	Shreve
Avis	Greene, Mass.	McKenzie	Sinnott
Barchfeld	Greene, Vt	McLaughlin	Sisson
Bartholdt	Griest	MacDonald	Slemp
Barton	Hamilton, Mich.	Madden	Sloan
Britten	Hamilton, N. Y.	Manahan	Smith, Idaho
Browne, Wis.	Haugen	Mann	Smith, J. M. C.
Bryan	Hawley	Mapes	Smith, Minn.
Burke, Pa.	Hayes	Miller	Smith, Saml. W.
Burke, S. Dak.	Helgesen	Mondell	Stafford
Butler	Hinds	Morgan, Okla.	Steenerson
Callaway	Hinebaugh	Morin	Stephens, Cal.
Campbell	Hobson	Moss, W. Va.	Stephens, Miss.
Cary	Howell	Mott	Stevens, Minn.
Chandler, N. Y.	Hughes, W. Va.	Nelson	Stevens, N. H.
Church	Hulings	Nolan, J. I.	Sutherland
Cooper	Humphrey, Wash	Norton	Switzer
Cramton	Johnson, Utah	O'Hair	Temple
Curry	Johnson, Wash.	Paige, Mass.	Thompson, Okla.
Danforth	Kahn	Parker	Thomson, Ill.
Davis	Keister	Patton, Pa.	Towner
Dillon	Kelley, Mich.	Payne	Treadway
Drukker	Kelly, Pa.	Peters	Vare
Dunn	Kennedy, Iowa	Platt	Volstead
Esch	Kennedy, R. I.	Plumley	Wallin
Falconer	Kiess, Pa.	Porter	Walters
Farr	Kinkaid, Nebr.	Prouty	Willis
Fess	Kreider	Ragsdale	Wingo
Fordney	Lafferty	Roberts, Mass.	Witherspoon
Frear	La Follette	Roberts, Nev.	Woods
French	Langham	Rogers	Young, N. Dak.
Gardner	Langley	Rupley	

ANSWERING "PRESENT"—2.

Donohoe	Kennedy, Conn.

NOT VOTING—60.

Austin	Faison	L'Engle	Powers
Bartlett	Francis	Lewis, Pa.	Rothermel
Bell, Cal.	Graham, Pa.	Lindquist	Small
Brown, N. Y.	Gregg	Loft	Smith, N. Y.
Brown, W. Va.	Guernsey	McClellan	Stringer
Browning	Harris	Maher	Sumners
Calder	Hensley	Martin	Taggart
Candler, Miss	Hoxworth	Merritt	Talbott, Md.
Connolly, Iowa	Humphreys, Miss.	Metz	Ten Eyck
Conry	Kent	Moore	Thacher
Crisp	Kettner	Murdock	Underhill
Driscoll	Kindel	Neely, W. Va.	Watkins
Edmonds	Knowland, J. R.	O'Leary	Wilson, N. Y.
Elder	Konop	Palmer	Winslow
Fairchild	Korbly	Patten, N. Y.	Woodruff

So the bill was passed.

The Clerk announced the following pairs:

On the vote:

Mr. GREGG (for the bill) with Mr. AUSTIN (against).

Mr. PATTEN of New York (for the bill) with Mr. MOORE (against).

Mr. SUMNERS (for the bill) with Mr. BROWNING (against).

Mr. TALBOTT of Maryland with Mr. MERRITT (against).

Mr. BROWN of West Virginia (for the bill) with Mr. FAIRCHILD (against).

Mr. UNDERHILL (for the bill) with Mr. WINSLOW (against).

Mr. SMALL (for the bill) with Mr. GUERNSEY (against).

Mr. HUMPHREYS of Mississippi (for the bill) with Mr. CALDER (against).

Until further notice:

Mr. FRANCIS with Mr. BELL of California.

Mr. CANDLER of Mississippi with Mr. WOODRUFF.

Mr. CONNOLLY of Iowa with Mr. POWERS.

Mr. NEELY of West Virginia with Mr. LINDQUIST.

Mr. HENSLEY with Mr. J. R. KNOWLAND.

Mr. KENNEDY of Connecticut with Mr. EDMONDS.

Mr. PALMER with Mr. MARTIN.

Mr. BARTLETT with Mr. GRAHAM of Pennsylvania.

Mr. KONOP with Mr. LEWIS of Pennsylvania.

Mr. KENNEDY of Connecticut. Mr. Speaker, I voted "yea." I find I am paired to-day with the gentleman from Pennsylvania, Mr. EDMONDS. I wish to change my vote and answer "present."

The SPEAKER. The Clerk will call the gentleman's name.

The Clerk called the name of Mr. KENNEDY of Connecticut, and he answered "Present."

The result of the vote was announced as above recorded.

On motion of Mr. UNDERWOOD, a motion to reconsider the vote whereby the bill was passed was laid on the table.

EXTENSION OF REMARKS.

Mr. FOSTER. Mr. Speaker, I ask unanimous consent to insert in the RECORD a speech delivered by Hon. HENRY T. RAINEY at the Democratic State convention in Illinois last Friday.

The SPEAKER. The gentleman from Illinois [Mr. FOSTER] asks unanimous consent to insert in the RECORD a speech made by his colleague, Hon. HENRY T. RAINEY, at the Illinois State Democratic convention. Is there objection?

There was no objection.

ENROLLED JOINT RESOLUTIONS SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled joint resolutions of the following titles, when the Speaker signed the same:

H. J. Res. 339. Joint resolution to correct an error in H. R. 12014;

H. J. Res. 342. Joint resolution to correct an error in H. R. 12014; and

H. J. Res. 335. Joint resolution to amend an act entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war," approved July 21, 1914.

ADJOURNMENT.

Mr. UNDERWOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 55 minutes p. m.) the House adjourned until to-morrow, Saturday, September 26, 1914, at 12 o'clock noon.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURNETT: A bill (H. R. 18975) granting an increase of pension to Mary E. Patterson; to the Committee on Pensions.

By Mr. CARAWAY: A bill (H. R. 18976) granting an increase of pension to John Sorrels; to the Committee on Invalid Pensions.

By Mr. KENNEDY of Connecticut: A bill (H. R. 18977) granting an increase of pension to Hannah Kelley; to the Committee on Invalid Pensions.

By Mr. LAFFERTY: A bill (H. R. 18978) granting an increase of pension to Martha P. Johnson; to the Committee on Pensions.

By Mr. MORGAN of Oklahoma: A bill (H. R. 18979) to correct the military record of James M. Rice and grant him an honorable discharge; to the Committee on Military Affairs.

By Mr. NEELEY of Kansas: A bill (H. R. 18980) granting a pension to Allen Sigler; to the Committee on Invalid Pensions.

By Mr. SMITH of New York: A bill (H. R. 18981) granting a pension to Charles A. Webber; to the Committee on Invalid Pensions.

By Mr. UNDERWOOD: A bill (H. R. 18982) for the relief of Samuel T. Shelton; to the Committee on Military Affairs.

By Mr. WALSH: A bill (H. R. 18983) for the relief of Adolph W. Fries; to the Committee on Military Affairs.

By Mr. HOBSON: A bill (H. R. 18984) for the relief of Emma Louise Du Bois, heir of Amos Towle; to the Committee on Claims.

By Mr. KEATING: A bill (H. R. 18985) granting a pension to Walter E. Doyle; to the Committee on Pensions.

Also, a bill (H. R. 18986) granting an increase of pension to Mary E. Goodlander; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. AINEY: Petition of Braintrim and Tuscarora Sunday School Association, Wyoming County, Pa., favoring national prohibition; to the Committee on Rules.

By Mr. BAKER: Petition of citizens of Vineland and New Gretna, N. J., favoring national prohibition; to the Committee on Rules.

By Mr. BRODBECK: Petition of 500 citizens of Gettysburg, Pa., favoring national prohibition; to the Committee on Rules.

By Mr. BROWNING: Petition of 50 citizens of Auburn and 250 of Swedesboro, N. J., favoring national prohibition; to the Committee on Rules.

By Mr. CANDLER of Mississippi: Petition of citizens of Iuka, Miss., favoring national prohibition; to the Committee on Rules.

By Mr. DERSHEM: Petition of 400 citizens of Greencastle, Pa., favoring national prohibition; to the Committee on Rules.

By Mr. DILLON: Petition of citizens of Evanston, Ill., favoring national prohibition; to the Committee on Rules.

By Mr. EAGAN: Petition of the First National Bank, Guttenberg, N. J.; Manufacturers' National Bank, Newark, N. J.; and New Jersey Bankers' Association, against proposed tax on banks; to the Committee on Ways and Means.

By Mr. GERRY: Petitions of George E. Noble, J. A. Eddy, G. A. Burgess, J. H. Shippee, I. A. Dexter, C. L. Sweet, J. W. Shaw, E. A. Hopkins, L. L. Claugh, W. H. Ford, W. W. Lovell, I. A. Taft, Louis Remily, Fritz Arndt, C. F. Jencks, C. L. Shippee, F. W. Jacques, H. A. Tulles, O. R. Blackman, D. O. Chapman, James Winsor, W. J. Farrow, J. Randall, Byron W. Page, W. I. Card, O. J. Fague, E. J. Morin, Chester Fague, H. Bucklin, B. O. Sweet, H. D. Smith, J. B. Rounds, G. O. Parker, George H. Horton, R. J. Paine, Edward Shortsleeves, A. K. Thornton, B. F. Buso, D. A. Davis, W. F. Moore, N. E. Rounds, W. H. Pierce, H A. Baxter, C. H. Hubbard, Martin S. Smith, Joseph C. Bearse, Amos F. Maker, W. M. Burlingame, Harold D. Durfee, W. P. Mather, M. Hanson, O. H. Arnold, H. C. Clarke, M. H. Hawkins, W. C. Tourtelotte, F. R. Andrews, David Elder, Byron I. Hopkins, Hubert W. Mowry, Albert J. Farrow, A. Martt, W. P. Mather, M. H. Hascom, H. Mellinger, F. L. Austin, Henry J. Chapman, Angell T. Mowry, H. W. Hopkins, Reuben C. King, Frank C. Davies, S. C. Irons, Byron Shippee, Loren W. King, Louis W. Harris, W. W. Guden, Walter Whitaker, Charles R. Clark, S. B. Whitaker, E. F. Pratt, J. M. Brightman, Benedict A. Burlingame, Arthur B. Young, F. D. Greene, C. A. Ahern, J. H. Curley, Forrest G. Brown, Irving W. Brown, I. E. Edmonds, W. A. Potter, G. H. Grover, W. H. Durfee, L. M. Cochran, A. W. Burgess, M. T. Reynolds, L. P. Lowell, Henry Edwards, E. L. Carr, A. B. Langford, James Donnell, Carl S. Young, Charles M. Gardner, F. H. Peckham, Albert H. Lovell, W. C. Edson, George Bishop, Lewis J. Boss, Chester A. Mowry, Ralph A. Mowry, R. W. Harris, M. C. Hawkins, W. E. Davis, E. S. Stone, G. A. Dupra, A. C. Farrow, and George Edwards, all of N. Scituate, R. I., urging the passage of legislation providing for national prohibition; to the Committee on Rules.

By Mr. HOBSON: Petitions of Nebraska Conference of the Methodist Episcopal Church and the National Section, Cadets of Temperance of North America, favoring national prohibition; to the Committee on Rules.

By Mr. HOWELL: Petition of Salt Lake (Utah) Stock and Mining Exchanges, against a tax on stockbrokers; to the Committee on Ways and Means.

Also, petition of Cigar Makers' Union of Ogden, Utah, against tax on cigars; to the Committee on Ways and Means.

By Mr. McKENZIE: Petition of 97 citizens of Oregon, Ill., favoring national prohibition; to the Committee on Rules.

By Mr. MORIN: Petition of Pittsburgh Clearing House Association against tax on banks; to the Committee on Ways and Means.

Also, petition of Pittsburgh Clearing House Association, favoring amendment of Clayton bill; to the Committee on the Judiciary.

By Mr. NORTON: Petition of citizens of Max, Bowbells, Ray, Minot, Coleharbor, Hebron, Underwood, Garrison, Washburn, White Earth, and Tioga, N. Dak., favoring taxation of mail-order houses; to the Committee on Ways and Means.

By Mr. PAIGE of Massachusetts: Petition of citizens of Winchendon, Mass., favoring national prohibition; to the Committee on Rules.

By Mr. SAUNDERS: Petition of 90 citizens of Keysville, Va., favoring national prohibition; to the Committee on Rules.

By Mr. SCULLY: Petition of Philadelphia Board of Trade, against Government ownership of merchant vessels; to the Committee on the Merchant Marine and Fisheries.

Also, petitions of Asbury Park (N. J.) Trust Co.; First National Bank, South Amboy, N. J.; Monmouth County (N. J.) Bankers' Association; and Seacoast National Bank, Asbury Park, N. J., against tax on banks; to the Committee on Ways and Means.

By Mr. J. M. C. SMITH: Protest of two citizens of Kalamazoo and one citizen of Walloon Lake, Mich., against the publication of theories and methods of treatment of one particular school of medicine as a Federal document by the Bureau of Education; to the Committee on Education.

Also, petition of Dr. J. H. Kellogg, of Battle Creek, Mich., favoring passage of House bill 16637, relating to rural sanita-

tion and mental diseases; to the Committee on Interstate and Foreign Commerce.

By Mr. STEPHENS of Nebraska: Petition of George H. Hershey and others, of Nebraska, against increased tax on tobacco; to the Committee on Ways and Means.

By Mr. YOUNG of North Dakota: Petition of Typographical Union No. 311, Grand Forks, N. Dak., favoring amendment of section 85 of House bill 15902; to the Committee on Printing.

SENATE.

SATURDAY, *September 26, 1914.*

(Legislative day of Thursday, September 24, 1914.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

Mr. SMOOT. Mr. President, I desire to suggest the absence of a quorum before resuming the consideration of the pending bill.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	James	Page	Smoot
Bankhead	Johnson	Perkins	Sterling
Brady	Jones	Pittman	Stone
Bryan	Kern	Poindexter	Thompson
Chamberlain	Lea, Tenn.	Pomerene	Thornton
Chilton	McCumber	Reed	Townsend
Clapp	Martine, N. J.	Robinson	Vardaman
Crawford	Nelson	Shafroth	Walsh
Culberson	O'Gorman	Sheppard	West
Fletcher	Overman	Simmons	White
Hughes	Owen	Smith, Ariz.	

Mr. PAGE. I desire to announce the necessary absence of my colleague [Mr. DILLINGHAM]. He is paired with the senior Senator from Maryland [Mr. SMITH]. I wish to have this announcement stand for the day.

Mr. PITTMAN. I wish to state that the Senator from Virginia [Mr. MARTIN] is absent on account of illness in his family.

Mr. TOWNSEND. The senior Senator from Michigan [Mr. SMITH], who is temporarily absent, is paired with the junior Senator from Missouri [Mr. REED]. I desire to have this announcement stand for all votes to-day.

Mr. SMOOT. I desire to announce the unavoidable absence of my colleague [Mr. SUTHERLAND]. He has a general pair with the senior Senator from Arkansas [Mr. CLARKE]. I will allow this announcement to stand for the day.

I wish also to announce the absence of the senior Senator from New Hampshire [Mr. GALLINGER] by leave of the Senate. He is paired with the junior Senator from New York [Mr. O'GORMAN].

I desire also to announce the necessary absence of the junior Senator from West Virginia [Mr. GOFF], who is paired with the senior Senator from South Carolina [Mr. TILLMAN].

Mr. SHAFROTH. I desire to announce the fact that my colleague [Mr. THOMAS] is absent by leave of the Senate and that he is paired with the senior Senator from New York [Mr. ROOT].

Mr. MARTINE of New Jersey. I have been requested to announce that the junior Senator from Kentucky [Mr. CAMDEN] is absent on account of illness. I ask that this announcement may stand for the day.

Mr. CHILTON. I wish to announce the necessary absence of the Senator from New Mexico [Mr. FALL]. I will let this announcement stand for the day.

The VICE PRESIDENT. Forty-three Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of absent Senators, and Mr. LANE answered to his name when called.

Mr. COLT, Mr. WILLIAMS, Mr. MYERS, Mr. SMITH of Georgia, and Mr. LEE of Maryland entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. There is a quorum present.

INTERLOCKING DIRECTORATES OF BANKS.

The VICE PRESIDENT. The Chair lays before the Senate a communication, which the Secretary will read.

The Secretary read as follows:

CHICAGO, ILL., *September 25, 1914.*

Hon. THOMAS R. MARSHALL,
Senate, Washington, D. C.:

The Clayton bill as reported by the conference committee contains a provision that prohibits a person from being a director of more than one bank or trust company in any city having a population of over 200,000. Such legislation is harmful and unjust to the general banking interests in this country and tends to impair their strength and will result in weakening the personnel and standing of the directors. There are 28 cities in the United States with a population exceeding 200,000. The financial resources of the banks of these cities represent more than half of the financial strength of all the banks in this country. It is upon the banks of these cities that the burden largely rests to protect our commerce and industry. The banks of the smaller cities rely upon those in the larger cities for assistance and support. It is not right to attempt to discriminate against the banks of these 28 cities, particularly at this time, when acute financial disorders prevail throughout the world. I submit that no sound reason can be advanced why the director of a State trust company or bank should be prohibited from being a director of a national bank. State banks act as trustees, executors, administrators, and in other recognized corporate trust positions. They discharge functions that can not be exercised by national banks. The business of each of these two classes of institutions correlates and fits in with that of the other and does not conflict or compete. There are several hundred national banks which have affiliations with State trust companies or banks and have one or more common directors. The proposed legislation will introduce uncertainties, and, in my opinion, no bank legislation that is not absolutely necessary ought to be attempted at a time like this, when our commercial and financial interests are greatly distressed. Furthermore, I do not think it right to mix up an important banking question with the provisions of the Clayton bill, that has to do with the regulation of trusts and monopolies. I submit these views in the interest of the people and of the banking institutions of the country generally, and not because of any peculiar hardship that the proposed legislation will work against me or the institution of which I am president. I therefore urge that the prior action of the Senate in striking out the entire provision should be maintained.

GEO. M. REYNOLDS,
President Continental & Commercial National Bank of Chicago.

LEAVE OF ABSENCE.

Mr. BRADY. Mr. President, I ask unanimous consent that I be granted leave of absence for the remainder of the session.

The VICE PRESIDENT. Is there objection? The Chair hears none, and unanimous consent is given the Senator from Idaho to absent himself from the Senate during the remainder of the present session.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed a bill (H. R. 18891) to increase the internal revenue, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED.

H. R. 18891. An act to increase the internal revenue, and for other purposes, was read twice by its title and, on motion of Mr. SIMMONS, was referred to the committee on Finance.

MEMORIALS.

Mr. JONES presented telegrams in the nature of memorials from J. A. Loudon, secretary of the North Yakima Clearing House Association; from W. H. Pringle, secretary of the Tacoma Clearing House Association; and from E. V. Klein, secretary of the Spokane Clearing House Association, all in the State of Washington, remonstrating against the proposed tax of $2 per thousand on the capital and surplus of national banks, which were referred to the Committee on Finance.

Mr. CRAWFORD presented memorials of the First National Bank, the Lake County Bank, the Dakota State Bank, and the Banking House of Mackay Bros., of Madison; of the secretary of the Aberdeen (S. Dak.) Clearing House Association; and Brown Bros.' State Bank & Trust Co., of Aberdeen, all in the State of South Dakota, remonstrating against the enactment of a war-revenue law taxing bank checks, certificates of deposit, drafts, or other bank documents used to carry on daily business, which were referred to the Committee on Finance.

EMERGENCY REVENUE LEGISLATION.

Mr. RANSDELL submitted an amendment intended to be proposed by him to the bill (H. R. 18891) to increase the internal revenue, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

ALASKA COAL LANDS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 14233) to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes.

Mr. SHAFROTH. Mr. President, I indicated on yesterday that I would offer an amendment to the pending bill, which amendment, it seems to me, ought to meet the approval of everyone. It is an amendment which will run through the entire bill by inserting, after the word "lease," the words "or sale." The object of the amendment, of course, is to get the cheapest coal that we can obtain.

The contention has been, Mr. President, that under a leasing system, such as is provided in this bill, coal can be mined cheaper than in any other way. I have taken issue upon that proposition and have contended that it is not as favorable for the production of cheap coal as is the selling system. Under the amendment which I propose I wish the two to compete side by side; in other words, we ought to have the cheapest coal to the consumer. We do not want to lock up the coal lands in Alaska by one system if that system is not going to

operate well. Consequently, if we give the option and let the coal be either mined under lease or sold, it can readily be seen, after a fair trial, which will produce the cheaper-priced coal. I believe everyone, including the proponents of this bill, wants cheap coal; that is the object of the bill; and it seems to me that when we adopt this amendment we shall be furnishing a means by which it can be provided.

Mr. President, I want to call attention to some of the experiences which have been had in leasing coal mines by governments. In the first place, I want to call attention to the facts that under the selling system, which prevails in three-fourths of the mines of the United States, we have the cheapest coal in the world. We have got coal on an average, as certified by the United States Geological Survey, for sale at the mouth of the mine at $1.11 a ton. When you compare that price with the price in those countries which have a leasing system, it is found that coal there does not sell at any such low price. I will read what is the selling price of coal at the mouth of the mines in the countries which have the governmental leasing system. In Nova Scotia coal sells at the mouth of the mine for $2.01 a ton; in New South Wales, under a leasing system, it sells at $1.82 a ton; in New Zealand, where they have State mines, it sells at $2 a ton; in Victoria, which also has State mines, coal sells at $2.28 a ton; and in West Australia it sells at $2.22 a ton.

Mr. President, these are countries which have had the governmental leasing system for a long time; and it is said that that system is a success. It is a success as to the lessees, but it is not a success as to the consumer of the coal, as can be seen from these figure, which are taken from the official report of these various countries and are embodied in Senate Document No. 482.

Mr. WEST. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Georgia?

Mr. SHAFROTH. I yield.

Mr. WEST. And the figures which the Senator from Colorado states, are in face of the fact that we have the highest paid labor of any country in the world, are they not?

Mr. SHAFROTH. Yes, sir; we have the highest paid labor for coal miners of any country in the world; yet by reason of the existing sharp competition, we are able to sell coal not only at a cheaper price, but nearly one-half as much as any other country.

Mr. LANE. Mr. President, I should like to ask the Senator from Colorado a question.

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Oregon?

Mr. SHAFROTH. I yield.

Mr. LANE. Does the Senator from Colorado contend that these prices of coal apply to the consumers; that the consumers get coal cheaper in those countries than they do here? Do not they pay about the same for coal as we do, or do they not pay more for it?

Mr. SHAFROTH. I do not know as to the consumer, but evidently it indicates that there is not a monopoly in the production of coal. I myself think that what ought to be done is in some way to cut out these enormous amounts that are added after the coal is dug and turned out—the transportation, the price for hauling, the delivery, and the commissions which are paid—all of which make up this enormous amount that the people have to pay. It is not fair, however, to charge that to the coal miner himself when, according to the report of the Geological Survey of the United States, he is selling coal on an average of $1.11 a ton.

Mr. President, I want to read an extract from the hearing before the Senate Committee on Territories on May 7, 1913, which will be found at page 113 of Senate Document No. 482. It is from the testimony of Mr. McDonald. He says:

> The keen competition in the production and sale of coal in the United States under our system of private ownership of the coal land is saving the industries that consume our coal, as compared with those countries operating under the leasing system, hundreds of millions of dollars annually. Our present consumption is about 400,000,000 tons per year. Now compute the annual saving to the industries of the United States on this annual coal bill of 400,000,000 tons as against New South Wales.

Then he takes the difference between the selling price there and the selling price in the United States, which he places at 64 cents a ton. According to those figures, the saving to the industries of the United States by reason of the system which we have now is $256,000,000 a year. I think, as a matter of fact, any change in the way of increased royalty or anything of that kind would, when carried all through the various operations, increase the cost to the consumer many times.

As compared with Nova Scotia and New Zealand, there is a difference in favor of the United States of 89 cents per ton, showing a saving to the industries of the United States by reason of the manner in which our coal is mined and produced as compared with the systems employed in those countries of $356,000,000.

Take West Australia. The price at the mouth of the mine in that country is $1.11 in excess of what it is in this country, or exactly double. On that basis there is a saving of $444,000,000 a year to the industries of the United States. In the case of Victoria there is a saving of $1.17 per ton, which would make $468,000,000 per year which the industries of the United States save by reason of the system we employ as compared with the governmental leasing system in that country.

Mr. PITTMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Nevada?

Mr. SHAFROTH. I do.

Mr. PITTMAN. Has the Senator any information as to the wages paid miners in the various countries he has mentioned?

Mr. SHAFROTH. No; but I know, as a general thing, that the wages paid in the United States are about the highest of any wages paid in the world.

Mr. PITTMAN. Would the Senator like, for the benefit of the consumer, to cut down the wages of the miners in the United States to a level with those paid in foreign countries?

Mr. SHAFROTH. Mr. President, when we have a system by which we are enabled to give our miners high wages and yet at the same time secure coal at the cheapest price, it seems to me that that is the system which should be adopted.

In connection with the amendment which I have proposed, I have not so far said anything against the leasing system, because I have already expressed myself upon that subject. I think it is not a policy which ought to be adopted, but it seems to me the bill is approaching its close, and what I want is to insure the operation of the two systems competing with each other; that is all. We are trying to get the cheapest coal for Alaska; we are trying to get the cheapest coal for those who will buy Alaskan coal, and if we have the two systems working side by side it can be demonstrated whether or not one system is better than the other; but if you exclude the proprietor system, if you exclude the right to go up there and buy coal properties, then there will be no opportunity to compare the two systems and ascertain which is the better.

I have not any doubt that conditions may be such in Alaska now, by reason of the fact that coal entries can not be made and therefore coal can not be produced, that the price of coal is high in that country, and consequently, so far as the lessee is concerned, the leasing system would probably be a success, because the lessee would be able to make a profit. He would be able to undersell the coal that comes from Australia and British Columbia, and therefore he would probably be able to make a success of his operations under lease and obtain a profit; but, Mr. President, that is not the object of this bill. I know the Senator from Nevada wants the people of Alaska to get coal just as cheaply as is possible consistent with fair wages. The wage question, however, is not determined by the fact that there is or is not a leasing system.

The Senator has stated correctly that under a leasing system an operator would not be required to have the capital which would be essential if he were compelled to purchase the ground, and for that reason he will be better equipped to produce cheap coal than if he were compelled to buy the land.

Mr. WEST. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Georgia?

Mr. SHAFROTH. I yield.

Mr. WEST. Is not this another strong reason why it would be better to work the Alaskan mines under a system providing for a sale of the land than under a leasing system, namely, that under a system where the property is sold much more coal would be obtained from a given territory?

Mr. SHAFROTH. I think experience has shown that mines worked by the owners are operated more economically than mines operated by lessees. The owner works the mine with a view to development in the future, and, consequently, operates the mine more efficiently and economically.

Mr. President, Senators have contended here that under a leasing system it will be possible to get cheaper coal. If that be true, if there were no doubt about it, of course there would be no question that it would be in the interest of cheap coal to adopt that system, but the contention upon our part is directly to the contrary. We contend that in those countries where the leasing system prevails, according to the statistics,

the amount paid for coal at the mouth of the mine is nearly double the amount paid in the United States under the ownership system. That being the case, there ought to be consideration given to the views expressed by the majority as well as to the views expressed by those of us who have been contending the other way, and that can be done simply by inserting after the word "lease" the words "or sale."

Mr. CHILTON. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from West Virginia?

Mr. SHAFROTH. I yield.

Mr. CHILTON. Do I understand the Senator as saying that he has statistics or proof that under a leasing system——

Mr. SHAFROTH. Under a governmental leasing system.

Mr. CHILTON. The Senator said "under a leasing system."

Mr. SHAFROTH. I meant under a governmental leasing system.

Mr. CHILTON. To what does the Senator refer? Where is there any governmental leasing system?

Mr. SHAFROTH. That system prevails in a number of countries. If the Senator was not here when I read it, I will reread a statement I made as to the price of coal in countries where that system prevails.

Mr. CHILTON. The Senator was not speaking as to the United States?

Mr. SHAFROTH. Oh, no.

Mr. OWEN. I will ask the Senator to read the statement to which he refers.

Mr. SHAFROTH. Very well. Here is Table No. 3 in Senate Document No. 482. It gives the average amount that the coal sells for at the mouth of the mine in each one of these countries. The first is compiled by Mr. Parker, of the Geological Survey, and is for the year 1911. It gives the average value of coal per ton at the mine in the United States as $1.11. It does not take in anthracite coal. This is bituminous coal and all lower grades of coal.

In Nova Scotia, where they have the governmental leasing system, it is $2.01 a ton.

In New South Wales, where they have the leasing system, it is $1.82 a ton.

In the New Zealand State mine it is $2 per ton. The New Zealand leasing mine proper is not given in this table.

In the Victoria State mine it is $2.28 a ton.

In West Australia, under a leasing system from the Government, it is $2.22 a ton.

Mr. President, as I have said, that shows there is no monopoly in the United States on coal, or at least on bituminous coal. There may be on anthracite. I do not know. If there is, it ought to be stopped in some way; but evidently you can not make out a monopoly in coal. There may be some local monopolies in some parts of the Union; but as a general mass, selling at that price, nobody would contend that there could be a monopoly in the selling.

I want to read, if the Senator was not here, this expression from this same author, who gave a tabulation just to show how much of a saving it was to the United States Government to have ownership of coal instead of the Government leasing system. He said, before the Committee on Territories, on May 7, 1913, at page 117:

> The keen competition in the production and sale of coal in the United States under our system of private ownership of the coal land is saving the industries that consume our coal, as compared with those countries operating under the leasing system, hundreds of millions of dollars annually. Our present consumption is about 400,000,000 tons per year. Now compute the annual saving to the industries of the United States on this annual coal bill of 400,000,000 tons as against New South Wales, a saving of $0.64 per ton, $256,000,000; Nova Scotia and New Zealand, a saving of $0.89 per ton, $356,000,000; West Australia, a saving of $1.11 per ton, $444,000,000; Victoria (State mine), a saving of $1.17 per ton, $468,000,000.
>
> This indicates a saving to the industries of the United States of approximately a million dollars per day—no mean advantage when we are seeking a world's market for the products of our mills and factories.

Mr. President, I bring this up simply for the purpose of showing that there are two views of this matter. First, the theory that the system of leasing by the State or by the National Government will produce the cheaper coal, as advocated by the statement that, of course, you do not have to have your capital invested in the coal land itself; second, the theory that the cheaper coal is produced by the economical management and extraction of coal by reason of the persons owning the land and working it to its best advantage. They are two different theories. It seems to me that the history of the world indicates the soundness of the theory I have advocated—that private ownership, as contrasted with State or National ownership, is much more advantageous.

Mr. President, in this bill all I want is to permit it to be done by either, that we can have these two systems competing against each other. The National Government can let leases in Alaska. That is all right. As long, however, as you do not have competing by the side of it some mine that is operated under private ownership there is nothing to compare it with. You can readily say, "Oh, well, the price is high up there, it is true, because it is a cold climate, and you can not get men to work there as cheaply as you can somewhere else"; but when you permit a mine right by the side of it to be operated by the owner, then we shall see which one can pour out the coal to the best advantage.

What all this legislation means is cheapness of coal for the consumer. We want to establish in this Government the system that will produce the cheapest coal to the consumer, and by letting them both undertake it, it seems to me you will get the best results.

Mr. PITTMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Nevada?

Mr. SHAFROTH. I yield.

Mr. PITTMAN. While we recognize that the furnishing of coal to the consumer at a low price is a very important thing, I consider it far more important that the labor which produces that coal shall be protected. It is customary in business in this country, whenever a reduction is necessary, to start in that reduction on the labor. Now, while the cost of the coal at the mines in this country is $1.11 per ton on the average, the price of it to the consumer is probably in the neighborhood of three or four dollars per ton on the average.

Mr. SHAFROTH. That may be, but that is caused by other things.

Mr. PITTMAN. On behalf of the consumer, you start in to cut down expenses. Like everyone else, the first thing you want to do is to go to the laborer and cut down his wages.

Mr. SHAFROTH. Mr. President——

Mr. PITTMAN. I will ask the Senator to wait just a second.

Mr. SHAFROTH. All right.

Mr. PITTMAN. There is no doubt that the laborers in the coal mines in this country are not sufficiently paid. I might go further than that, and I think the Senator will agree with me, and say that the wages of labor—and I mean all kinds of labor; the wages of a Senator, for instance—have not increased in the United States in proportion to the cost of living. In other words, the price of labor has not increased in proportion to the price of other products, and it is perfectly natural that that should be so. Other products have no fixed price, and they increase in accordance with the law of supply and demand. Labor has a fixed price; wages are fixed, and for that reason it is much more difficult to raise wages than it is to raise the price of wheat or cotton or meat, which is not fixed, but depends on supply and demand.

All of the argument of the Senator so far has been devoted to the consumer. I would like to have him devote a little of his attention to the wage earner in this matter, because one of the objects of the leasing system is to have such a control over the mining operations that if the laborer is not paid a fair wage, if the laborer is not protected in his life and his health, the lease shall terminate and the lessee shall cease to operate upon Government lands.

Mr. SHAFROTH. Mr. President, I want to say to the Senator that I am satisfied that the wages paid to the miners in the United States are larger than the wages paid under any governmental leasing system, and that, consequently, on the general proposition, it is to the interest of the miner himself that the system of ownership instead of a system of leases should prevail.

On the other proposition I want to say that whether we have the leasing system or the private-ownership system will not in any manner affect the question of wages. If I lease 2,560 acres of land under this bill, which I would be entitled to do if I were in the leasing business, I would begin to develop that mine, and I would have to pay, and would pay, necessarily the market price of the labor, whatever it was, in the community. I would have to do that if I owned the land in exactly the same way.

These provisions that are made within this bill are all upon a competitive basis. The bill provides that whenever a lease is applied for, if 2,560 acres are asked for, or any other amount, they shall advertise for the best bid. By inserting the word "sell" there, we adopt the principle that whenever a man makes application for 2,560 acres of land to be sold to him it is to be sold upon competitive bidding. I want to say, further, that toward the close of the bill I have an amendment to the effect that no bid shall be accepted that is lower than the minimum price prescribed by law, which in the United States and also in Alaska is not less than $10 an acre when it is more than

15 miles from a railroad, and not less than $20 an acre when it is within 15 miles of a railroad.

Mr. President, with that provision no combination of bidders can be made by which the Government will be cheated. Twenty dollars an acre is a pretty stiff price, when you consider that we paid 2 cents an acre for this land 47 years ago. It seems to me that when we offer it by advertisement for competitive bids, and say that you can not bid less than $20 an acre for this land, that you must put in bids above that price. If the land is worth more, then the Government will get the full value of the land.

Mr. President, it seems to me that by adding such a provision, so that these two systems can absolutely compete with each other, side by side, we are going to get the cheapest coal; and the question of wages will be determined in exactly the same way. The Government, in this bill, does not attempt to say what wages shall be paid. It does not attempt to restrict the lessee in regard to the amount he shall pay. There is not any provision of that kind; and the lessee will want to mine his coal just as cheaply as the operator who owns the property. He gets a larger profit when he gets a cheaper wage; and consequently it will be to his interest, and he will be guided by the same impulses as the man who owns the mine and wants to make a profit out of it.

Mr. JONES. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Washington?

Mr. SHAFROTH. I do.

Mr. JONES. What, if any, restrictions would be upon the owner if the Senator's amendment should be adopted and the coal lands were purchased?

Mr. SHAFROTH. All of the restrictions which are in the bill now and applicable to a selling proposition. I will read the Senator some of them, because it is a very easy mode of amending this bill and at the same time getting competition. For instance:

> The Secretary shall offer such blocks or tracts and the coal, lignite, and associated minerals therein for leasing—

I say "or selling"—

> and shall award leases—

I put in "or sales"—

> thereof through advertisement, competitive bidding, or such other methods as he may by general regulations adopt to any person above the age of 21 years—

That is the provision of the law now in regard to taking up coal lands—

> who is a citizen of the United States, or to any association of such persons, or to any corporation organized under the laws of the United States or of any State or Territory thereof: *Provided*, That no more than one of said blocks shall be included in any lease or sale: *And provided further*, That no railroad or common carrier shall be permitted to take or acquire, through purchase, lease, or permit, under this act any coal or coal lands in excess of such area or quantity as may be required and used solely for its own use, and such limitation of use shall be expressed in all leases or permits issued to railroads or common carriers hereunder.

That is the way it runs all through. All the provisions and restrictions that could possibly apply are adopted; and then, when it comes purely to leasing, of course the provisions apply to the leases.

Mr. JONES. The Senator thinks these provisions would be included in any patent that would be issued?

Mr. SHAFROTH. Well, no; because they relate to something that is before patent. The mode of location is provided for just as at present.

Mr. JONES. What I was getting at is, What restriction will be imposed on the owner after he gets his title?

Mr. SHAFROTH. Why, the restriction that I think is the most pertinent has already been enacted into law, and it will be reenacted into this law.

Mr. JONES. That is the antitrust provision?

Mr. SHAFROTH. Yes, sir.

Mr. JONES. I remember that.

Mr. SHAFROTH (reading):

> That if any of the lands or deposits purchased under the provisions of this act shall be owned, leased, trusteed, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever, so that they form part of or in anyway effect any combination or are in anywise controlled by any combination in the form of an unlawful trust, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal, or of any holding of such lands by any individual, partnership, association, corporation, mortgage, stock ownership, or control, in excess of 2,560 acres in the District of Alaska, the title thereto shall be forfeited to the United States by proceedings instituted by the Attorney General of the United States in the courts for that purpose.

Mr. JONES. Under the Senator's amendment, one purchaser could acquire by purchase from the Government 2,560 acres, or whatever the amount is?

Mr. SHAFROTH. That is the amount.

Mr. JONES. Yes. Now, then, after he gets his title to the 2,560 acres, and some other man gets title to 2,560 acres, is there anything that would prevent one of the men, in good faith, for a full consideration, from buying out the other?

Mr. SHAFROTH. Yes; it is right here in this statute—a provision that prevents them from combining.

Mr. JONES. That is not combining. That is disposing of the land by purchase.

Mr. SHAFROTH. Or selling in any manner.

Mr. JONES. Does it not say "for the purpose of acquiring a monopoly," or something like that?

Mr. SHAFROTH. No; I think not.

Mr. JONES. It seemed to me there were some such qualifying terms. It absolutely prevents any man from buying in good faith from another?

Mr. SHAFROTH. Yes, sir; you can not do it. That is, if you take up a thousand acres and you want to buy 1,560 acres more, you can do that.

Mr. JONES. Yes.

Mr. SHAFROTH. But whenever you reach the limit of 2,560 acres this statute absolutely makes the purchaser forfeit all the title to all the land if he does it. That condition follows the title; it goes into the patent, and consequently it is perpetually and forever a check with relation to the matter. If some administration should be lax in enforcing it, the next administration could come along and enforce it. So it seems to me it is an absolute safeguard. The laws of Alaska were made after the scandals came up concerning some of the coal lands up there, and were made for the very purpose of preventing combinations and large ownership of these lands. You have upon the statute books the most perfect law that is known to prevent combinations of that kind.

Mr. PITTMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Nevada?

Mr. SHAFROTH. I yield.

Mr. PITTMAN. At what price does the Senator propose that these lands shall be sold?

Mr. SHAFROTH. As I explained a little while ago, in this provision, of course, by inserting the word "sale," the land shall be put up at competitive sale, and it will go to whoever bids the highest amount, just like in our State. That is the way we have the system in Colorado, simply putting a minimum price on it, and then saying that bids are solicited. Some man comes into the land commissioner's office and says, "I want to buy a certain tract of land out here, and I want to make an application for it." He makes an offer for that land at some amount. We have there the requirement that no land shall be sold for less than $3.50 an acre; that is, agricultural land or grazing land. That minimum is placed on it, and then they advertise that there will be sold at public auction, at the State capitol in the city of Denver, this particular land. Then they post that notice on the land itself in three or four conspicuous places, and then at the post office at the nearest place, and then at the county seat of the county, and then at the State capitol itself. Previous to the sale there is a certificate issued by the commissioner of the land office to the effect that on such and such a day there will be sold at the State capitol of the State of Colorado this described land, naming the county, the township, the range, the section, and the quarter section. The notice of sale includes all property applied for during the month preceding and is published in a paper in the county where the land is situate and in a daily Denver paper. Then they come in and bid. I have found that they get into spirited bidding for these lands, and they have bid as high as $50 an acre on specially located land.

Mr. PITTMAN. That brings me just to the idea I had in mind. They bid up to $50 an acre. It has occurred to us that a great many people in Alaska who have been living there for a great many years, who are miners—4, or 5 or 6 of them, it may be 20 of them—could get together, and by uniting their capital, could raise sufficient money to start mining under a lease.

Mr. SHAFROTH. Yes.

Mr. PITTMAN. But if they had to compete against capital bidding $50 an acre, we will say for 2,560 acres, it must occur to the Senator that they would have no chance on earth of enjoying the coal mines at their very door that they have discovered.

Mr. SHAFROTH. Mr. President, I am not proposing by this amendment that you can not do exactly what you have wanted to do. This is simply an addition. The leasing system goes on, and miners can come in and cooperate. Whenever a person makes an application for a lease, of course, that is not for sale and

the lease could be made under the regulation of the Secretary of the Interior, and he could offer it in any manner he wants.

Mr. STERLING. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from South Dakota?

Mr. SHAFROTH. I yield.

Mr. STERLING. I wish to ask a question, if the Senator will permit me, relative to the practical administration of his system of leasing or selling the lands by the Secretary of the Interior. How will it be managed? Will the Secretary of the Interior first advertise for competitive bids in leasing the land and then for competitive bids in the sale of the land, or will he advertise that he will receive bids for the sale and for the leasing of the land?

Mr. SHAFROTH. I will state——

Mr. STERLING. If the Senator will permit me, suppose he does advertise that he will receive bids for the sale and the leasing of land and he receives a bid from one——

Mr. SHAFROTH. I will explain how it is done in our State.

Mr. STERLING. Let me just complete my question.

Mr. SHAFROTH. Certainly.

Mr. STERLING. Suppose he receives a bid from one for the purchase of land and from another for the leasing of land, then will it rest in the discretion of the Secretary of the Interior whether he will lease or sell?

Mr. SHAFROTH. I think it likely would. But it is going to be controlled by regulations that he makes. He is given the power to make all needful rules and regulations with respect to this matter, and consequently he will determine it. As a usual rule, no doubt, as this thing proceeds if a man applies for a lease the Secretary will say, "Well, we will give the preference to a lease." I do not know that he would. We can not tell. He might say, "I will give the preference to a sale."

Mr. STERLING. Let me ask the Senator if that would not in itself create dissatisfaction with the system? If the Secretary of the Interior under such circumstances decided to lease instead of selling, would he not be charged with partiality to the leasing system, and vice versa, if he sold instead of leasing, would he not be charged with partiality to the selling system?

Mr. SHAFROTH. That is a matter which can not be regulated absolutely by the law unless you put in the statement that a preference shall be given to whoever first applies, and I do not know whether that would be wise. I think it is better to leave those things to the Secretary himself. On that account I do not think there is going to be any difficulty, because I do not believe that people are going to buy up there in great quantities. They can not buy in unlimited quantities, and they can not buy very much unless it is right close to a railroad, because there is no market for it.

Coal lands in my State beyond 15 miles from a railroad have had no market value. For 50 years—just think of it—only 2.8 per cent of the coal lands of Colorado have been taken up, when they have been opened up for $10 an acre, where they were beyond 15 miles from a railroad. They have been opened up and they could have been gotten by anybody on earth, and yet only 2.8 per cent of the coal lands in my State have been located.

Mr. JONES. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Washington?

Mr. SHAFROTH. I yield to the Senator from Washington.

Mr. JONES. I wish to say that when the Senator suggested his amendment I was rather inclined to favor it, but in reflecting upon it I am impressed with the view that if we place these two systems side by side in the bill, under the conditions which exist in Alaska, one is likely to destroy the other.

Mr. SHAFROTH. The only way it could destroy it would be by giving cheaper coal.

Mr. JONES. No; I look at it like this: Here is a tract of land supposed to be good for coal. Right by the side of it is another tract supposed to be good for coal. A man contemplates the purchase of one tract, and yet he is confronted with the fact that after he purchases that possibly the other tract may be leased, and he feels that he does not want to compete with a proposition of that kind; therefore he will not purchase. The other man who contemplates leasing a tract knows that another tract adjoining him might be acquired by purchase, and he might say, "Well, I do not want to enter into competition with a proposition of that kind." Therefore we would have neither tract taken.

As I said yesterday, I do not look for very much relief from this leasing bill. I am inclined to think that the conditions are so onerous not only in the bill—though not more onerous than may be necessary to pass it, as far as that is concerned—but the local and physical conditions are so onerous that we are not likely to have much leasing done. However, the sentiment of the country, I am satisfied, would not indorse any proposition that looks to the transfer of the title of the land. The sentiment of the country wants the leasing proposition tried, and I believe that ought to be done. I am impressed with the idea that we are likely to work out this situation better in the long run by trying one system, without complicating it with something else. I feel pretty well satisfied that this leasing system is likely to be a failure; but it will require an actual demonstration to convince the people that it will be a failure, and when they are convinced of it then we will be in a position to take up something else. So I am rather inclined to think that it might be unwise from either standpoint to put these two systems in the bill, and that it would likely destroy the one or the other.

Mr. TOWNSEND. Will the Senator allow me to ask him a question in this connection to clear it up in my mind?

Mr. SHAFROTH. Certainly.

Mr. TOWNSEND. If the Senator's amendment should carry, would it be possible for some party to purchase 2,560 acres of this coal land and also to lease the same quantity?

Mr. SHAFROTH. He could have 1,280 acres of leased land and an equal quantity of the other, but the most he can work is 2,560 acres.

I wish to say to the Senator from Washington that I got this idea very largely from a bill that was introduced by the Senator from Montana [Mr. WALSH], who is the author of most of these bills, but it applies only to the States. That Senator has a bill here which permits the purchase of land within the States, and at the same time there is the leasing bill which the House has passed and which has come over to the Senate. Under the Walsh bill 1,280 acres can be purchased, at not less than $10 per acre or $20 per acre, instead of leasing, if the parties prefer it. Reading that bill I formed the idea that it would be better to incorporate this as an amendment on the pending bill. Therefore I felt that it was better to amend this bill all the way through just by providing for a sale and limiting the amount to 2,560 acres, and I believe there are enough coal lands now known in Alaska to supply 6,000 competing companies, and if they had 2,560 acres each there would not be any danger of a monopoly.

Mr. President, the bill as it has now been amended will have three features in it, if this is added. There is, first, the feature of withdrawal absolutely for the Government. The bill as it was introduced provided that there should be two tracts of land, which was increased to three tracts of land for the Government to own, and nobody can lease or buy any of them.

Then there was an amendment adopted that one-half of the balance of coal lands in all Alaska should be reserved from lease or entry, so that reserves probably two-thirds or three-fourths of the coal fields of Alaska for Government use, and the balance of the bill, as to the leasing and as to the sale, applies only to the one-third that is left.

So you have every safeguard against any monopolization if monopolization were possible under this statute. In other words, you have reserved up there two-thirds of the coal area of Alaska for the Government, with power to permit the Government I believe, to operate it in any way it wants, that it may mine it for naval purposes or for competitive purposes, as the word "competition" is there. So we will have two-thirds of that land reserved for the purpose of having the Government undertake coal mining at its own expense and at its own risk.

Now, this sale business would apply only to the remaining one-third, and surely it would be safe to permit sales and leasing therein. In fact it is nothing but the old system we have had under which this whole country has been developed and under which we have the cheapest coal in the world, with restriction as to amount that can be acquired.

For that reason I can not understand why this amendment is not admitted unanimously. I do not see why the Senator from Nevada does not consent to this amendment and let it go into conference and let the parties there investigate it thoroughly.

I want to say that 2,560 acres have been regarded as about the area by which you could have development and at the same time not have monopoly.

Mr. President, there is another thing I want to consider, and that is that Alaska must have some property that it can tax. If you do not permit it to have property that it can tax, I do not see how it can ever be admitted as a State. There is only one-fiftieth of 1 per cent of the area of Alaska now in private ownership.

Mr. PITTMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Nevada?

Mr. SHAFROTH. Certainly.

Mr. PITTMAN. I want to ask a question particularly on this tax question. In our State we indirectly tax mines the titles to which are held in the United States Government.

Mr. SHAFROTH. You tax the output.

Mr. PITTMAN. Yes; we tax the output. A mine is worth nothing except for the output.

Mr. SHAFROTH. Oh, Mr. President——

Mr. PITTMAN. Just wait a second. If you could tax the output of coal in Alaska, which is the only value of the coal mines that I know of, would not the Government receive more from that taxation than it would now receive when the Government owns all of it?

Mr. SHAFROTH. There is not any question but that some little taxation would come. I do not know whether taxing the mines in the Senator's State is satisfactory to him, but I mean to say that the taxing of the mines in my State is not satisfactory to me.

Mr. PITTMAN. It was not always satisfactory to us, because the law was not enforced, but it is daily becoming more satisfactory by reason of our law being enforced, and it is bringing in a great revenue to the State.

Mr. SHAFROTH. I want to state to the Senator that we have in Colorado coal lands in the ownership of the Government which have been estimated by the Government to be worth $500,000,000, but that is too high a valuation. Not an acre of that is being worked. Consequently there is a large coal property there—seven to nine million acres—within the borders of the State exempt from taxation.

The sovereignty of a State which is recognized by the Constitution of the United States is the right to tax every piece of property within its borders to maintain its existence, except such reservations for purely governmental purposes, such as military, naval, or post-office purposes, or property held temporarily in trust.

Mr. President, you can readily see that with $500,000,000 of property in the State of Colorado from which the State is deriving no revenue, if we have a leasing system and an alternative sale system we would get some revenue by taxing the property sold; otherwise we practically will get nothing.

I never noticed this condition particularly until I was governor of Colorado and I began to inquire what was the matter with our revenues; why is it that we get a measly $1,800,000 for our yearly budget and at the same time we pay to the General Government taxes to the extent of more than $5,000,000 a year? There was a State not receiving revenue enough for its own maintenance—only one-third of what it pays to the Federal Government.

There are in my State one or two counties where nine-tenths of the land is in a forest reserve, and as a result they get very little revenue for county and school government. Those counties, of course, are in a deplorable condition.

Mr. President, I think there never was an intention on the part of the Federal Government to own perpetually the public domain. If there is any scheme of governmental leasing or perpetuation of title, it should be in the State, because the State must get a revenue. Such royalties would be a substitute for taxes. Even in that case it is not exactly right, because one county may have State lands within its borders which would be exempt from taxation, and consequently its county government and school government would not derive revenue therefrom. Consequently the very safest and best way is to have all lands subject to taxation for State, county, and school purposes.

It seems to me that is the system we ought to have for the States and Alaska. If Alaska has one-fiftieth of 1 per cent only of the lands within its borders upon which to raise revenue, how can it support decently a school system? It will have to make taxation upon the property in private ownership so high that it will be unendurable.

Mr. President, I wish to offer this amendment if there is no other discussion. I want to say that the system of State land leasing in Colorado is not at all satisfactory. We lease them at 5 cents an acre. That is the best we can get, and the result is that is not 1 per cent of their value. These lands sell for $5 to $10 per acre. Five per cent of the value would be 25 to 50 cents an acre, yet we are leasing them at only 1 per cent to one-half of 1 per cent of their value. If the lands were in private ownership, and were subject to taxation, they would yield more of a revenue to the State, county, and schools than would be raised by the leasing of them.

Mr. CHILTON. Mr. President, if I understood the Senator from Colorado and the deductions which he made from the little pamphlet which he quoted—Senate Document No. 482—he announced the general proposition that in countries where there is a leasing system coal is produced at a higher price.

Mr. SHAFROTH. That is true in countries where there is a governmental leasing system, a leasing by the Government. I can say that the keen interest of the landlord will produce better results than can the Government.

Mr. CHILTON. Mr. President, taking that same pamphlet, I have made a little calculation, and I want to show to the Senator that his argument will not hold good. Take, for instance, the State of Pennsylvania, which produced for the year stated 219,000,000 tons of coal; the State of Illinois, that produced over 50,000,000 tons of coal; and the State of West Virginia, that for the year mentioned produced over 50,000,000 tons of coal, though last year it produced 70,000,000 tons. I take it that this was for the year 1909 or 1910. All of the States have increased their production each year by a very healthy per centage; but I will take the production for the year mentioned, and I take it that it would be practically the same for the other years.

The State of Pennsylvania produced by ownership operation 88 per cent of its coal; Illinois produced by ownership production 79 per cent of its coal; and West Virginia produced by that method 32 per cent of its coal. If there is anything in the argument, Pennsylvania and Illinois coal should be produced for less than West Virginia coal, because, whereas Pennsylvania, by the leasing system, produced a very small percentage of her coal, West Virginia produced over 67 per cent of her coal by that system.

Mr. SHAFROTH. But West Virginia did not produce an ounce of coal by a governmental leasing system, whereas the countries to which I have referred do so.

Mr. CHILTON. Mr. President, of course the Senator from Colorado should have some answer to his position; but let us carry it out a little further. The fact is that it is shown by this same pamphlet that West Virginia produced its coal at 90 cents a ton, Illinois produced its coal at $1.11 a ton, and Pennsylvania produced its coal at $1.01 a ton. Now, I should like some one to tell me how on earth there could be any difference as to whether or not the producer of the coal owned the land or leased the land? Take the rates fixed in this bill at from 2 to 5 cents. If you have a vein of coal that runs 6 feet you will produce about 9,000 tons of coal to the acre. As I understand, coal runs about 1,500 to 1,600 tons per foot of thickness to the acre. So a 6-foot vein of coal, which we will take as an average, will produce about 9,000 tons to the acre. At 2 cents a ton, the Government would get $180 an acre for the land; at 5 cents a ton the Government would get about $450 an acre. If a man bought that land at $100 an acre, of course he would have to pay interest upon the money, he would have to care for it, he would have to pay the taxes upon the land, owning the fee of it, and when you run $450, which you have paid at 5 cents a ton, or $180 an acre, which you have paid at 2 cents a ton, over a series of years, you would see that they would about balance or even each other.

Mr. President, there can not be any practical difference in the same section, in the same State, or really in the same country. The only way to determine whether or not there is any difference is to take each specific country. Take Nova Scotia. It can not be possible that Nova Scotia is working side by side a coal system where the producer of coal owns the land and another system where the producer has a lease upon the land. There may be a material difference in the production of coal, and the market competition would settle that and would level it. You can not have a coal mine here and a coal mine there in the same field, one of them producing under materially better and cheaper conditions than the other; that is impossible.

Mr. President, the main argument of the Senator from Colorado was based——

Mr. SHAFROTH. The Senator from West Virginia must not forget that I am asking the same competition that exists in West Virginia; that is, that they side by side can use the two systems in one field or another, so as to ascertain which is the cheaper. So long as you simply have one system there is no doubt but that it can be contended that it is either cheap or high, but when you have both systems you can readily see which one will produce the better results.

Mr. CHILTON. But, Mr. President, after all, when you take the facts and figures and market conditions into consideration you will find that the coal business is like any other business; that it is regulated by market conditions and by transportation. If a coal field is in such a position that by reason of the exactions of the transportation companies, persisted in, it can not get coal to market so as to compete with the same kind of coal in the same market it can not live. I think, when you run it down, you will find no reason why there should be any difference between Government ownership and Government leasing and private ownership and private leasing, so far as the

selling of the coal and so far as the cost of its production may be concerned.

The chief cost of producing coal is labor. Whether you have a governmental system or have a private-ownership system or a Government leasing system or a private leasing system, labor is going to regulate its own wage, and labor is going to get a better wage by virtue of its own demand, and not by anything that the Government has done. For that reason the Democratic Party has always contended that protection does not give labor anything; that laws do not give labor anything. Labor goes out into the market and gets its wage by its own demand and by its own merits.

Mr. SHAFROTH. Whether under a leasing system or under an ownership system.

Mr. CHILTON. Or any other system; yes, sir. If the Senator means to say now that there is no difference in these two systems I agree with him; there can not be any. They are regulated by the market and by other things that we can not regulate here by law.

Mr. President, the Government of the United States has much property in Alaska; it was paid for by all of the people of the United States; it is valuable. We are not called upon now to look forward to the time when Alaska shall ask to come into the Union. When that time comes, if we find that the State which we are about to admit can not exist because it can not get any revenue, we do not have to admit it. Certainly this Congress is not called upon to give away a great estate, which all the people of the United States have in that Territory, simply because at some time and in some way Congress may want to admit this Territory as a State of the Union. When that time comes, if we find that the Territory is so poverty stricken that it can not pay its own expenses we shall not admit it into the Union. We do not, I repeat, have to admit it into the Union. If it were now a question whether it was best to let Alaska come into the Union, even though all of this land were in private ownership, I am not prepared to say that it would be best for us to do so, and I do not know that the Senate is prepared to say so.

Mr. WHITE. Mr. President——

The VICE PRESIDENT. Does the Senator from West Virginia yield to the Senator from Alabama?

Mr. CHILTON. Yes.

Mr. WHITE. Is it the Senator's idea that this Territory is never to be admitted as a State into the Union?

Mr. CHILTON. I have never said so, nor have I intimated any such thing.

Mr. WHITE. What is the Senator's view on that question?

Mr. CHILTON. I have not any view on it. I do not know whether Alaska ought to be admitted as a State or not, but I say we should not give away our property, we should not throw away the property of the United States, and should not neglect to perform our duty of conserving that property and saving it for all the people simply because we can not say that it would be best for Alaska if she should hereafter be admitted as a State. I do not think the argument holds good at all.

Mr. President, after all, the question is simply this: The people of Alaska need coal; they are paying an exorbitant price for coal, due to the cost of transportation; they have it there near at hand; and what is the sensible and practical thing for Congress to do at this time? We should provide a way by which people, if they want to do it, if it pays to do it, can lease the coal land in that Territory and can produce coal. We should pass this bill giving the Government the power to make leases, and we should provide for fair, practical, and reasonable provisions in the leases. The Government should not sell the land to Tom, Dick, and Harry, because it is very valuable; it should not think of selling the land until it finds out something about the value of it and whether or not it can get a fair return for it. By a leasing system, which has been tested in every State in the Union, it can ascertain what return it can get per acre. In my judgment, it is the practical and the sensible thing to do, and, unless the bill shall be loaded down with such unreasonable and impractical conditions as to convince me that it can do no practical good to the Government and will not relieve the people of Alaska, I intend to vote for it.

The VICE PRESIDENT. The question is on the amendment of the Senator from Colorado. The Secretary will state the amendment.

Mr. SHAFROTH. Mr. President, I think I had better propose one amendment at a time.

Mr. CHILTON. I should like to have the amendment stated, if it is not too long.

Mr. OVERMAN. Let the whole amendment be stated.

Mr. SHAFROTH. I can not state it all, because it is too long. I first move, after the word "leasing," in line 4, page 14, to insert the words "or selling."

The SECRETARY. On page 14, line 4, after the word "leasing," it is proposed to insert the words "or selling."

Mr. McCUMBER. Mr. President, I want to ask the Senator from Colorado if there is a provision in his amendment limiting the acreage of coal land which may be sold to any one individual or corporation?

Mr. SHAFROTH. The provision fixing a limit at 2,560 acres would apply in the case of selling, the same as it would in the case of leasing. The conditions in the bill applicable to the leasing provisions will apply as well to the selling provisions, and providing for the two methods will be, it seems to me, a much better way of handling the subject so far as Alaska is concerned than by simply providing for one method.

I will state to the Senator that the Senator from Montana [Mr. WALSH] has introduced a bill which is applicable to the States in the way of selling, and I thought of offering that as an amendment to the pending bill, but I am inclined to think that it would be better to insert the words I have suggested, so that the regulations in large part in regard to leasing will apply also as to sales of coal lands in Alaska made by the Government.

Mr. McCUMBER. Let me ask the Senator also if it is not his conviction that if provision is made in this bill allowing the Secretary of the Interior either to sell or lease there will be no leasing under the provisions of the bill, but that there probably may be an opportunity for some sales?

Mr. SHAFROTH. No; I do not think so, because the provision requiring safeguards in regard to leases would apply to sales as well. For instance, the bill reads:

The Secretary shall offer such blocks or tracts and the coal, lignite, and associated minerals therein for leasing—

After the word "leasing" I propose to insert the words "or selling"—

and shall award leases—

And my amendment would insert the words there "or sales"—

thereof through advertisement, competitive bidding, or such other methods as he may by general regulations adopt, to any person above the age of 21 years who is a citizen of the United States.

That is the provision of the general statute now in regard to those who can legally take up land.

Mr. McCUMBER. I think the Senator does not understand the purport of my inquiry. I should not have voted for this bill in the shape it was yesterday; I would have voted against it, because I do not believe either in the Government operating mines or holding them or leasing them; I do not believe in the landlord system in our Territories. I am inclined to think that with the many conditions imposed upon the leases by this bill no man would ever attempt to lease; but, if the Government is allowed to sell, there will be a great many who will be glad to purchase coal lands at a reasonable price and operate as they see fit their own property. I shall therefore vote for this bill with the Senator's amendment, if it carries, with the conviction that the result will be individual ownership and individual operation, and not Government ownership or Government landlordism.

Mr. SHAFROTH. I will state to the Senator that the very object of this proposed amendment is to prevent a failure of development. As a matter of fact some predict, as the Senator from North Dakota does, that there will not be any leasing under the provisions of this bill. Whether there will be or will not be is a matter of controversy, some people holding one view and others the contrary; but if you leave it in the alternative, then, if the land is not taken up under one system it may be taken up under the other, and there will be a better chance of getting some development in Alaska. For that reason it seems to me that the amendment should prevail.

Mr. PITTMAN. Mr. President, the Senator from North Dakota is in favor of the amendment because if it is adopted he thinks the sales will not be encumbered with the conditions which will apply to leases. The Senator from Colorado is urging his amendment because he says all the conditions will apply to the sales which apply to leases.

Mr. SHAFROTH. Not all, but a number of them.

Mr. PITTMAN. Will the Senator say which conditions would apply and which would not apply?

Mr. SHAFROTH. For instance, the precautions against any attempt to get lands at too low a price. The provision that there shall be competitive bidding applies to sales or to leases. Then, under my proposed amendment it is contemplated that no sale shall be for less than the minimum price prescribed by law.

Mr. PITTMAN. Let me see what the Senator means by saying that some of the conditions will apply and some will not. Will the provision requiring that labor shall be worked only 8 hours a day in underground mining apply after the land is sold?

Mr. SHAFROTH. I should think not after title had been acquired, unless you want to make it apply. If you desire to make that apply in the case of sales you can so provide as a condition of holding the title.

Mr. PITTMAN. In case the land is sold, will this bill carry with it the restriction that labor shall only be employed 8 hours in underground mining? I ask the Senator if he thinks it will.

Mr. SHAFROTH. That will depend on whether or not you put such a provision in the bill and say that it shall be a condition of the title.

Mr. PITTMAN. It is in the bill now. That amendment has been adopted.

Mr. SHAFROTH. I have not seen the amendment.

Mr. PITTMAN. That is in the bill now as an amendment.

Mr. SHAFROTH. If my amendment should be adopted, that provision can be made to apply to it in just the same way that it applies to leasing.

Mr. PITTMAN. That is one of the provisions of the bill.

Mr. SHAFROTH. That may be; but I have not seen a printed copy of it.

Mr. PITTMAN. Is there any chance that all the provisions of the bill which apply to leasing will apply to selling?

Mr. SHAFROTH. The bill now is simply and purely a leasing bill. If you want to provide for that condition in the sale of the land, the same provisions can be applied to sales as apply to leases.

Mr. PITTMAN. Do they apply?

Mr. SHAFROTH. My amendment is an amendment to the bill and not an amendment to that amendment. After I have seen that amendment, if desired, I can make it apply.

Mr. PITTMAN. Under this bill at the present time the restrictions contained in it apply to leases. Among those restrictions is one that labor shall not be employed in the mines to exceed eight hours a day in underground mining, and another that the mines shall be worked in a certain way, looking to the preservation of the property. Would those provisions apply to the purchaser under the Senator's selling clause?

Mr. McCUMBER. Mr. President, I should like the attention of the Senator from Colorado again for a moment.

Mr. PITTMAN. Mr. President, I think I still have the floor.

Mr. McCUMBER. I want to ask the Senator if he believes that it would be good policy on the part of the Government, in disposing of its public lands, agricultural and mineral, by sale, to attach a condition to the sale that no laborer shall be employed upon a farm so sold or in a mine for a longer period than eight hours a day? If it is to be applied to the mine, would he not also apply it to the farm? What would he think of a provision that a farmer and his family should not work more than eight hours a day upon his farm obtained through the Government, and about how much profit does he think the average farmer would get out of his farm with that kind of a condition attached to it?

I should be glad if the Senator would explain why you should make a distinction between disposing of mineral land and disposing of farm land in respect to conditions.

The VICE PRESIDENT. Does the Senator from Nevada yield for the purpose of this question?

Mr. PITTMAN. I yield for the purpose of that question. I should like to have the Senator from Colorado answer it before he answers my question.

Mr. McCUMBER. I thought the Senator had taken his seat. That is the reason I addressed the Chair.

Mr. PITTMAN. I shall be very pleased to have the Senator from Colorado answer that question first, and then answer my question later.

Mr. SHAFROTH. Mr. President, I will say that I have always been in favor of limiting underground working to eight hours a day, and I do not think the provisions of the Senator would apply; but I do not want to mix this question with the other question. When you come to that question, if the Senator wants to move that the patents shall contain a clause like that, we can discuss the question as to whether it is advisable. You can readily see that there is a disposition on the part of some Senators not to agree to it, and it seems to me that can be perfected as we proceed.

I feel that this is a very important amendment, not only in the interest of Alaska, but also in the interest of cheap coal in that locality. I hope the Senator will accept these amendments and let them go into conference and study about it a little more. I am satisfied that it can not help doing good. I do not see where the harm will be. By this amendment we are simply permitting something that has been the law for years and years and years, and under which the greatest development in the world has taken place. It is in the alternative and is guarded by many restrictions that would be applicable. It seems to me there could be no harm in letting it go into conference and try to get a system that will be satisfactory.

Mr. PITTMAN. Mr. President, I think it is apparent from the Senator's answer to the questions that have been asked that he rather favors the provision in the bill with regard to the protection of labor, and that he doubts very seriously whether his amendment would protect labor in absolute safety.

Mr. SHAFROTH. Oh, it would if you put it in there.

Mr. PITTMAN. I can not for the life of me understand how if you pass the fee-simple title to land you can reserve the right of forfeiture upon any failure to comply with certain requirements in connection with that land subsequently. I do not think the Senator's amendment reaches that point, either. I am satisfied that his amendment is totally impracticable in this bill; that it would create confusion; that it is not definite, and means nothing. I believe that as far as Alaska is concerned, in this bill we have got to adopt one of two systems; that is, either a system of leasing or a system of selling. The whole theory of this bill is antagonistic to selling. It ought to be remodeled all over again from beginning to end if the lands are to be sold.

I want to state now that whether we are in favor of a leasing bill or a selling bill there is but one bill that can pass Congress, there is only one bill that can become a law, and that is a leasing bill. This bill contains a great many splendid provisions. It is said that men will not take leases. I know miners all over the country to-day who have been looking for leases everywhere on good ground. I know to-day that I would rather take a lease on a valuable piece of ground where I only had to pay royalty as the coal came out of the ground than to have to bid against capital probably up to $50 an acre, and then take a chance on whether or not the ground was worth the $50 an acre.

It is simply a question of policy. It is a question as to whether a person is opposed to what is called "bureaucracy." That is the only argument against this bill. The bill is a good bill as far as a leasing bill goes. For those who are willing to stand for leasing in Alaska it is a good bill. It is the best bill that all the committees working on this matter could possibly frame, and only those who are absolutely opposed to and will not stand for leasing even in Alaska have any right to vote against the bill.

Why, here is a provision in the bill which allows any person living in Alaska to mine on 10 acres of the Government ground without any charge whatever; to take out coal for his own domestic use for a period of 10 years. Is not that a good provision? Is not that an equitable provision? We have heard the argument that he can not do it because he has not capital enough to do it. Why, we all know that there are exposed coal measures all over Alaska, where all a man has to do is to go with a pick and shovel and get it out—that is, for his own domestic use. We know that before Alaska was closed up they did use that coal. They went in and dug it out and used it themselves. There are places up in Alaska, as has been told you by the Senator from Oregon [Mr. LANE], where for 500 miles in every direction there is not a stick of timber any bigger than your finger, simply little willows growing, and yet there are coal measures in that very country that to-day they are prohibited from using under the existing laws.

I know the Senator's answer to that is, "Why do you not sell this coal land to them? Why do you not extend the laws of the United States to it?" Because Congress will not do it. There is no use in standing here and asking why we do not do something that we can not possibly do. You might as well have a man starving to death, and have two doctors complaining and debating and fighting over whether or not he should be given one kind of soup or another kind of soup. A starving man wants soup, and the people in Alaska want the right to get that coal out. They want it for their own self-protection. They want it to protect them against an Arctic winter. If this bill did not have any other provision in it than that one provision alone, providing for the mining of coal for domestic use without any charge whatever, it would be worthy of passage by this body.

I trust the bill will not be emasculated by the amendments the Senator from Colorado has now offered, which will either result in its defeat or will result in a debate that will take weeks and weeks in a conference committee, and then will result in ultimate failure to adopt the conference report.

Mr. SHAFROTH. Mr. President, I want to say just a word with relation to the statement of the Senator. These insertions

will not interfere in the slightest degree with a man mining coal for domestic purposes under the leasing system. It does not interfere with it. The only thing it does is also to let the competitive system in there. If it can live, a competitive system will of necessity prevent high prices, and consequently will be of benefit to the people of Alaska.

I want to say that I believe all the people of Alaska are opposed to a leasing system. I find that when Secretary Fisher went up to Alaska about three years ago he was met at Valdez with a petition, which was a strong one, and a part of which I have read; but there was also contained in that petition this provision:

The leasing system is unanimously opposed in Alaska because it is un-American and, further, because it would intensify rather than diminish the chances of monopoly. None but wealthy corporations could do anything with a lease, and they would demand concessions unlikely to be granted, and which, if granted, would license monopoly. The leasing dream would mean an indefinite postponement of coal mining in Alaska.

That is what the people of Alaska thought. They may be wrong, and the Senator from Nevada may be right; but why not let both go in the bill, so if one fails the other can be operative? Consequently, why not let the sale system be inserted without diminishing the leasing provisions one particle, nor interfering with it, nor curtailing a single privilege under the leasing system?

Mr. WALSH. Mr. President, because reference was made by the Senator from Colorado to the general leasing bill, for which I am in a way responsible, and for a bill introduced accompanying it, I feel justified in saying a word in this connection.

The general leasing bill, so called, is not exactly accurately named so far as it applies to the disposition of coal lands, because it gives an option either to lease or to buy, as the parties see fit. The Senator from Colorado desires to apply the same principle in Alaska. I want to indicate, in a few words, why I think it ought not to be applied.

The Senator from Colorado has referred to coal lands in his State or in the State of Wyoming, I do not now recall which, valued by the United States Geological Survey at $400 per acre, and actually sold by the Interior Department at that sum; so that a man who buys 640 acres of that land is obliged to make an initial capital investment of six hundred and forty times $400. That represents a huge capital investment. With reference to valuable lands of that character, I undertake to say that a man will not be likely to buy if he has an opportunity to lease. He will prefer not to put that enormous amount of money into the thing in the first instance, but will take a lease.

The Senator from North Dakota [Mr. MCCUMBER] feels that there is no great likelihood of anybody taking a lease, and he looks for the development of these coal lands only through the system of alienation in fee. He expresses some dread of "landlordism." Now, we have heard a good deal about tenantry and landlordism. Of course the Senator from North Dakota comes from a State whose resources are practically exclusively agricultural, and I can very well understand how the idea of a lease or of endeavoring to conduct business upon a tenantry system strikes him as altogether ridiculous and absurd; but of course when you come to consider the operation of coal land that is worth $400 an acre, when you take into consideration the system of leasing as it is carried on, for instance, in the State of West Virginia, where it is an eminent success, it has quite a different aspect.

I want to speak about that further in a minute. I pause, however, to say that the terms "tenantry" and "landlordism" are quite ridiculous when one comes to consider the conditions under which mining is carried on upon a commercial basis. A man can dig a little hole in the ground and take out some coal for domestic use, and possibly sell a few tons of coal to his neighbors, at a very small expenditure for equipment; but those acquainted with the matter recognize that in order to mine coal on any kind of a commercial basis in the Territory of Alaska you will have to have a plant that will cost you a quarter of a million dollars. This tenantry constitutes a tenantry that represents, for equipment alone, an investment of at least $250,000. You can not equip a coal mine in my State so as to enter into the business of the production of coal upon a commercial basis for less than $150,000 to $200,000.

That being the case, you take a piece of coal property that will sell for $400 an acre, and I undertake to say that the man who wants to operate that property will lease rather than buy. Why do I say so? We ought to bring to our aid—and I suggest this for the benefit of the Senator from Colorado, who seems to feel likewise, that the property will not be developed at all under a leasing system—the experience of the world and of our sister States in the matter.

Reference was made here the other day to the State of Minnesota. It has enormous areas of iron lands in the northern part of the State. It does not sell those lands. It leases them. The iron-ore operator, however, can buy iron lands in the northern part of Minnesota if he desires to do so, or he can lease iron-ore lands. What does he do? The Senator from Colorado and the Senator from North Dakota would tell you, of course, that he buys; that no man would operate under a leasing system if he could buy. I want to read you, however, from an address by Frank L. McVey, chairman of the Minnesota Tax Commission, delivered at Toronto, Canada, on October 6, 1908, as follows:

The iron-ore properties—

Speaking of those in the northen part of Minnesota—

are held in fee and in lease. Ownership in fee, since the increased value of mining properties, has in large measure ceased to be the principal method of controlling iron properties. The investment of capital in fees creates a permanent interest charge, which mining companies are very anxious to avoid. The consequence is that leases are made on a tonnage basis by which the lessee agrees to pay a certain sum for every ton of ore that he takes out of the ground. The interests of the fee owner usually are guarded by royalty on a minimum tonnage.

That is the operation of the system in the State of Minnesota. Bear in mind that he says that has been the operation since the value of these mining properties has increased. Now, that is the situation in Alaska.

In Alaska we have two great fields of coal. The coal is of a very high quality. There are very large quantities of anthracite coal in both these fields. If you are going to value those properties for the purpose of sale, the value must be placed away up high. Therefore, under the rule which is inevitable whenever the property is valued high, operators will prefer to take leases; so that, so far as those fields are concerned, the sale system will not go into operation.

But, Mr. President, I do not want it to go into operation. Take the Nenana field. We had a map and photographs here some time ago showing the measures there to be 30 feet thick, cropping out on the very face of a cliff. We can go right in and take out the coal at any time in vast quantities and at a trifling expense. I do not want to sell those properties, Mr. President. I want to have them operated under the leasing system, with the title to those rich properties reserved in the Government.

In the Western States, such as Colorado, Wyoming, Montana, and Utah, we very rarely have these properties that will sell for $400 an acre. They are ordinarily valued at from $10 to $50 an acre. Now, property that is valued at $50 an acre can be leased, but when you get down to property that is worth $10 an acre, in my estimation, it would not be leased, and I believe it might properly be offered for sale. The initial investment would not be large in the case of the low-grade properties. Therefore I am willing to put both systems in operation so far as the disposition of the coal lands in the West is concerned, but I am not willing to put it in operation so far as Alaska is concerned, because the Geological Survey has already located and surveyed these two rich tracts, and because those two tracts will be able to furnish a high-grade coal, and a coal that can be mined at a comparatively small cost.

Those two fields will supply all the demands of Alaska for years to come. Then, Mr. President, there will be plenty of time, 5 years from now, 10 years from now, 15 years from now; if the leasing does not develop Alaska as rapidly as the people then believe it could be developed under the sale system, it is a very easy thing to provide for the sale of the large areas of coal lands outside of these two fields. That is why I do not believe that the principle of the general leasing bill, so called, ought to be applied to the disposition of coal lands in Alaska.

The VICE PRESIDENT. The question is on the amendment of the Senator from Colorado [Mr. SHAFROTH].

The amendment was rejected.

Mr. SHAFROTH. I will not offer the other amendment, because it is the same principle that is involved in the amendment just rejected.

Mr. WHITE. Mr. President, I should be glad if the Senator having in charge this bill will answer a question before I commence what I have to say. Does the Senator from Nevada believe that Alaska is so circumstanced that it will ever become a State in the American Union?

Mr. PITTMAN. Yes; I do. Let me say, further, that I think that time will be expedited by this bill. I believe that the taxable property of Alaska will be more rapidly increased by this bill than nearly anything else that could be devised, for the sole reason that mines are universally taxed on their proceeds rather than on the surface land.

Mr. WHITE. Does the Senator believe that while these lands are held by the United States Government, and while they are being operated under leases carrying royalties payable to that Government, that either the mines or the royalties could be

taxed by the State, if one should be formed and admitted into the Union?

Mr. PITTMAN. I will answer the Senator by stating that in our State there are thousands of mining claims which are owned by the United States, the title of which is in the United States, and the possessory right solely being held by individuals, the output of which the States are to-day taxing to the persons operating them. While the lessee, you understand, does not own the property, he becomes the owner of the ore or coal he mines, and upon that he pays taxes to the State in which he lives, if the tax is levied.

Mr. WHITE. But does he pay royalty on the output of the mine to the Government of the United States?

Mr. PITTMAN. No; but he pays an equivalent of royalty to the Government of the United States in the form of an assessment. It is within the power of the Government of the United States prior to the patenting of those claims to compel the payment of the royalty if the Government so desires.

Mr. WHITE. Then do I understand from the Senator that the lands are really patented? Has the Government issued patents to these miners?

Mr. PITTMAN. In Nevada, the gold and silver mines I am speaking of?

Mr. WHITE. Yes.

Mr. PITTMAN. No; they have not been patented by the Government. The Government owns them and the Government imposes conditions upon the use of such mining claims.

Mr. WHITE. What are the conditions attached to them?

Mr. PITTMAN. The condition at the present time is that the claimant shall do $100 worth of development work upon each one of these claims every year.

Mr. WHITE. And eventually acquire title?

Mr. PITTMAN. There is no provision that they shall eventually acquire title at all.

Mr. WHITE. He has an option.

Mr. PITTMAN. He has the option of acquiring title if he performs certain conditions, but what I am getting at is this: Mining property which is owned by the Government of the United States is subject to taxation indirectly by the taxation of the ore that is taken out of those properties.

The only value of mining property generally is the value of the ores. Practically the only value of a gold and silver mine is the gold and silver ore. Practically the only value in most places in Alaska of coal lands will be the value of the coal produced. If the land were patented to some individual, the State could tax the land as any other land. If, on the other hand, it was not patented; if the title is held in the Government, but is mined, no matter under what provisions it is mined, the ore is subject to taxation. As the ore is the only real value, the real value is taxed under the leasing system.

Mr. WHITE. Then I want to ask——

Mr. SHAFROTH. Mr. President——

Mr. WHITE. In one moment I will yield to the Senator from Colorado. Then, as I understand, it is possible for the State to so tax the output as to drive the miner from his leasehold estate, for you know the power to tax carries with it the power to tax to any extent. Is that not true?

Mr. PITTMAN. Answering the Senator, I believe that it has been agreed that governments have the right to tax to any extent. Under the Constitution I think probably there is no right to discriminate in the taxation.

I wish to say that in our State the tax rate on ore is just the same as it is on other personal or real property. There are no restrictions on the taxing power of the State as to property owned by individuals or corporations and within the jurisdiction of the State, except those imposed by the State constitution.

Mr. WEST. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Georgia?

Mr. WHITE. I do.

Mr. WEST. The Government may give the lease, but the output is there.

Mr. PITTMAN. That is all. In other words, while the Government owns the land, when the ore is taken out of the ground it becomes the property of the person who took the lease, and it is subject to taxation just the same as a cow that is raised on Government land is subject to taxation. If the Senator's contention is correct, the State could not tax the cow, because the cow is raised on a Government range that is leased.

Mr. WHITE. It then becomes separated from the soil; it becomes personal property—the property of the miner. His mining operations are carried on independently of and disconnected in every way from any ownership or control by the Federal Government. Mr. President, that is not a parallel case to the one presented by this bill and the one that I am discussing. I am discussing the right of the States to impose a tax upon the output of mines that are being operated under a lease from the Federal Government while royalties are being paid the Federal Government on the output. Taxes levied in these circumstances are taxes against the United States Government, and can not be imposed by the States.

Mr. PITTMAN. I am sorry to differ with the Senator, but that has been held to be constitutional.

Mr. WHITE. With all due respect to the Senator from Nevada, quite the contrary has been held by the Supreme Court of the United States.

Mr. SHAFROTH. Mr. President——

Mr. WHITE. It can be claimed with equal force that the States can tax the bonds or other securities issued by the United States, as it can be that either the lands or the output of the mines can be taxed by the States when operated under the provisions of the pending bill. If the States could impose taxes on property in this way, they could tax the lessee or the miner to such an extent as would drive him out of business, and in doing this they would drive the United States Government out of the same business.

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Colorado?

Mr. WHITE. I do.

Mr. SHAFROTH. Directly in line with what the Senator has stated there is a provision here which clinches it:

> SEC. 13. That the possession of any lessee of the land or coal deposits leased under this act for all purposes involving adverse claims to the leased property shall be deemed the possession of the United States, and for such purposes the lessee shall occupy the same relation to the property leased as if operated directly by the United States.

Mr. PITTMAN. That is true as to the property leased, but that is not true as to the coal that comes out of the ground.

Mr. SHAFROTH. If the United States were mining it and taking it out, is it possible that any charge could be made on it or any tax?

Mr. PITTMAN. If the bill stated that the coal after it was mined should be the property of the United States, as it is stated that the lease claims shall be treated, that argument would be true.

Mr. SHAFROTH. Is it not a fact, however, that even if that were the way with the collection of the output of the mine, you can not get $1 out of a good many of them in the way of taxation? To many people it is a personal charge. Consequently it is like personal-property taxation; it is very difficult indeed to collect.

But the great feature in this bill in relation to reserving these lands in this way is the fact that when one lease will be taken out all the other valuable territory will be exempt from taxation. If, however, the land is going to be perpetually owned by the Government it not only relates to the particular mines that are leased, but there is exempt from taxation forever all the rest. There is the difficulty, it seems to me, and you would get only a very fractional amount even if the taxation suggested by the Senator were operative on a particular claim.

Mr. PITTMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Nevada?

Mr. WHITE. I do.

Mr. PITTMAN. In the Senator's time, I would simply like to ask the Senator from Colorado if his State does not tax bullion and the output of the mines?

Mr. SHAFROTH. It is called taxation on the output, but really on the net profits of the mines.

Mr. PITTMAN. You tax the output of your mines?

Mr. SHAFROTH. Certainly we do. That is about the only way we can get anything, and we do not get a satisfactory revenue from it.

Mr. PITTMAN. You tax them before the title of the property has left the Government?

Mr. SHAFROTH. Yes; after the output is produced. There is no doubt about that; but in Colorado, for instance, there is $500,000,000 worth of property——

Mr. PITTMAN. I was only discussing the legal phase which the Senator from Alabama seems to think——

Mr. SHAFROTH. None of which is taxed but under the leasing system. It never would be taxed except the net profit of the output of one or two mines.

Mr. WHITE. I am glad that the Senator is disposed to discuss that phase of the question. In Colorado the Federal Government is not receiving a royalty on the bullion that is taxed; it occupies the same relation to the Federal Government that the annual crops grown on the homestead occupy to it, where land has been entered or homesteaded from the Government. That is not the proposition involved in this bill at all. In this

bill the Federal Government lays a royalty of 2 cents a ton to 5 cents a ton upon every ton of coal that is mined. If the State has the right to levy 10 cents a ton upon every ton of coal that is mined, the lessees, instead of paying 2 cents a ton royalty only, will pay 12 cents a ton—2 cents royalty and 10 cents tax. It is therefore in effect taxing the Government of the United States, and it has been most positively held that the States have no power to do it; in fact, the Constitution settles that.

Mr. McCUMBER. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from North Dakota?

Mr. WHITE. I do.

Mr. McCUMBER. Just supplementing the statement of the Senator, suppose the Government enters into a contract with an individual to mine coal belonging to the Government upon a certain royalty at which the lessee can afford to mine it. Then the State comes in and taxes the product so high that he can not afford to mine it, and thereby destroys the contractual relation between the Government and the individual. Can the State levy a tax in such a manner as would amount to a destruction of the right of the Government and its ability to collect its own revenue from its lessees?

Mr. WHITE. Certainly not; and that is the theory upon which the Federal Government will not permit its securities to be taxed.

Mr. WALSH. Mr. President——

Mr. WHITE. Just a moment, Mr. President. It never has been said by the Supreme Court of the United States or any other court, so far as I know, that the State had in fact levied a tax that was destructive of the security, but it has been said that to concede the power to tax would give the State the right to do it to any extent, and therefore the Federal Government would not concede the power. I now yield to the Senator from Montana.

Mr. WALSH. Of course the Senator is considering now a situation of affairs that will arise at some time in the remote future, when the Territory of Alaska shall be a State of the Union. That may be 5 years from now, or 10 years from now, or 15 years from now, or 20 years from now; we can not anticipate it in less than 5 years. Of course that situation could take care of itself when it arises. But I want to say, for the information of the Senator from North Dakota [Mr. McCUMBER] as well, that exactly the condition the Senator from Alabama speaks about exists now. Every locator of a mining claim has what may be said to be a contract with the Government of the United States. The Government of the United States contracts with him to the effect that if he will do a hundred dollars' worth of work each year upon a mining claim, until he shall have done $500 worth of work on the claim, and then shall pay to the Government at the rate of $5 an acre for that land in the case of a quartz claim and $2.50 in case of a mining claim, the Government of the United States will give him a patent to that land. Now, that is the contract. He goes and locates a claim and says, "I will take that proposition." Is it conceivable that the State will levy so high a tax upon the output of that mining claim? We will say it levies a tax of $2 a ton on all ore containing gold extracted from the mine. The man might as well give up his claim; he can not work it. It would be foolish for him to go on and do his hundred dollars' worth of work or $500 worth of work or pay $5 an acre for it, because it is useless.

So, Mr. President, under the existing condition of affairs the State can levy so heavy a tax upon the output of a mining claim as to practically destroy the contract a man has with the Government. But the State does not do it, because it feels that it is to its own interest to have the property worked. It does not tax him out of existence any more than it taxes the dry-goods merchant. You could impose a license tax upon the conduct of the dry-goods business in any State so that a man's right of property would practically be destroyed. But the State does not do it. It thinks the dry-goods stores are a good thing.

Mr. WHITE. I do not say that the State would do it or that States have done it. I am talking about the power it would give the States if conceded.

Mr. WALSH. I am trying to explain to the Senator that the State has that power now with reference to mining claims.

Mr. WHITE. I will say to the Senator that question has never been raised and never has been presented to the Supreme Court of the United States. It is an entirely different proposition from the question presented here. The proposition that you present is precisely the question that would be presented if the State levied a tax upon the products of the farm when the entryman was cultivating it before he had acquired his patent.

Mr. WALSH. I agree with the Senator entirely about that. Let me say to the Senator that we are contemplating to-day in the State of Montana levying a tonnage tax upon the output of copper mines. We now have a net-proceeds tax. We now tax the net proceeds of the mine, but we are contemplating imposing a tonnage tax upon the copper, a per-pound tax. The very same principle will permit us to impose a tax upon the production of wheat; that a man shall be obliged to pay so much per bushel on the wheat that he raises. Here is a man who has a homestead and is producing a thousand bushels of wheat a year off that homestead. It is the proposition of the Senator that the State is prohibited from putting a tax of 5 cents a bushel upon the production of that wheat.

Mr. WHITE. No; I never said that. I said nothing like that. That is an example advanced by the Senator.

Mr. President, I said that a State could not tax the output of mines operated under the provisions of this bill, where the Federal Government is receiving a royalty upon every ton of coal mined; that it would be violative of the Constitution of the United States; and I repeat that. If the Senator's State levies a tax, as he suggests, upon the output of the copper mines and those copper mines are being leased by the Federal Government on a royalty basis and the question is ever presented to the Supreme Court of the United States he will ascertain that his State can not tax in that way.

Now, Mr. President, I have been somewhat diverted. I agree with the Senator from Nevada [Mr. PITTMAN] as to the likelihood of the Territory of Alaska becoming a State in the Federal Union, and as that is the status of the Territory we must deal with it having in view the proper relations not only of the States but of the Federal Government to this embryo State. What duties do these relations impose upon the Senate as representatives of the Nation as well as of the States?

First, Mr. President, the welfare of this contemplated State must be paramount to all other questions. As representatives we must be entirely unselfish and must not commercialize the resources of this unborn State. That is the policy which has been pursued with all the other Territories.

The Senator from Montana [Mr. WALSH] says that Alaska may be admitted 5, 10, or 15 years from now. The day was when the great State which he represents was as far distant from admission into the Federal Union as the Territory of Alaska is to-day. Suppose the older States had commercialized the productions of your State before it was admitted into the Union and appropriated them to their own uses, I dare say your State never would have been admitted. The Senator from West Virginia [Mr. CHILTON] suggests that we can admit Alaska or deny her admission as it suits our whim after we have stripped her so that she can never be operated as a successful sovereignty. Of course we have the power to do this, but should we do it?

In our treatment of the other Territories we granted the public domain to their citizens at a nominal cost. We have treated all their natural resources practically in the same way. By this means great inducements were offered people to migrate to and populate them. The population thus attracted to them became owners of their resources and permanent in their occupations. They were by these means given local attachment. There they builded their homes, exerted their energies, employed their talents, thereby enriching themselves and the State that was to come after them. They were dignified by its ownership. They were given a better and broader view of life. They exerted themselves to make their surroundings comfortable not only for their own pleasure but for the enjoyment of their posterity that was to follow them.

It was in this way that all the States in the Union, except the original thirteen, have been treated, under which treatment they have grown great and under which their populations have been made happy and contented. For that matter, the original thirteen States were treated quite as well by the mother country.

Mr. President, shall we now depart from the policy under which we have established and have in existence 48 sovereign States welded together in a Federal Union? If we are to depart from that policy, why should we do it? Why should we strike first at Alaska, that Territory that needs our care, that Territory that needs our help more than any other section of this country? She is far removed from the other States. Because of her isolation she can not lean on them for support, as they can lean upon each other. She must, to a large extent, stand or fall by herself. Therefore she must be self-supporting.

Mr. President, what is offered in this bill to induce people to migrate to that country? Are they permitted to homestead the lands as people were permitted to do in the other Territories? Is anything offered to invite or attract immigration to that Ter-

ritory? Nothing whatever. On the contrary, under the provisions of this bill the main resources of the Territory that would attract immigration and hold population are being dissipated—yea, worse than dissipated; they are to be turned over to foreigners and others, who will in no sense become permanent citizens. By the bill we are proposing to exploit the resources of Alaska. Mr. President, under the provisions of this bill there need not be a single citizen of Alaska interested as a lessee or otherwise, in operating the system we are inaugurating. The lessees are not required to live in that Territory even for a day. Those who will be attracted there by this bill will feel no local interest, have no local pride, their homes or families will not be there, the only interest that they will have in the country will be to work it to the best advantage to accumulate wealth and remove it from the Territory, and at the end of their term of 50 years they will have enriched themselves and impoverished the Territory.

Mr. President, the right to exploit Alaska is not only given to the citizens of the other States under this measure, but corporations of other States are allowed to lease and hold for 50 years her wonderful resources. It is not confined even to them. Foreigners, the people of Canada, just across the line, can become the owners of the property of Alaska under the provisions of this bill. Is it contemplated by those who are pressing this measure that the great resources of that Territory shall be turned over to foreigners, who have no interest in this country, who have no interest in Alaska, except to exploit her and her resources? Mr. President, corporations organized in any State may become lessees under the provisions of this bill, and citizens of foreign States may become incorporated in the other States and thereby become the owners of Alaska. Why, I ask, should we adopt this policy?

The only excuse for it that I have heard is that we may thereby cheapen the price of coal. It is true it has been suggested once or twice that the people in Alaska needed some of this coal for immediate use, and that there was no way by which they could be given the use of it except by the passage of this bill. I deny it. We can pass a bill through this Congress in less than 10 days giving the people of Alaska the right to mine coal for their own consumption without paying a dollar for it; and that ought to be done. A measure like that would attract people to Alaska—real people, people who would feel an interest in the country itself.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER (Mr. POINDEXTER in the chair). Does the Senator from Alabama yield to the Senator from Nevada?

Mr. WHITE. One moment, and I will yield. Foreigners may become virtually the owners of the soil under this system; they may be transported by the shipload to that Territory and that section of country be drained of its resources, its wealth transferred to other sections. Now I yield to the Senator from Nevada.

Mr. PITTMAN. I do not know where the Senator from Alabama has obtained his information with regard to the ease with which certain bills may be passed through Congress. I want to state that I have not experienced that. I am chairman of the Committee on Territories, and in that capacity have had some experience with the Alaskan railroad bill, which required a fight of some four or five months, and then there was a compromise. As to this particular bill, we commenced work on it about six months ago, or longer—yes; nine months ago. The work began by the introduction of 8 or 10 bills by different Senators, all expressing their ideas. Many of those bills provided for the sale of those coal lands to the people of Alaska; others of those bills were for the giving of certain portions of those coal lands to the people of Alaska. We found that it was impossible to get any consideration in another branch of this Congress for any measure that did not carry with it the policy of leasing. I think the Senator will find, if he investigates the matter as carefully as some members of the committee have investigated it, that when he goes over to the House of Representatives he will not find the same enthusiasm on behalf of the people of Alaska as he himself has, so far as giving anything to them is concerned.

When we proposed to give them something up there for nothing the Members of the House held up their hands in holy horror at the idea of giving away the resources of this country to anybody. The truth about it is, I will say to the Senator, that every member of the committee who has been working on this bill has practically come to the conclusion that if we get the bill through at all we shall be very fortunate. That is the truth about it.

So far as foreigners are concerned, this bill absolutely prohibits a foreigner or anyone except a citizen of the United States from taking any advantage of it.

Mr. WHITE. Point to the section of the bill that does that.

Mr. PITTMAN. Very well; I have it here right now.

Mr. WHITE. I challenge the Senator to produce such a provision.

Mr. PITTMAN. The bill provides that "any person above the age of 21 years who is a citizen of the United States."

Mr. WHITE. Yes; and corporations organized by the Government of the United States or by any State are permitted to lease lands under the provisions of this bill. Such corporations may be organized in practically every State in the Union with no other than foreigners holding stock in them. In this way they can take advantage of the provisions of the bill, and if they do, as I am sure they will, we shall have transferred this magnificent empire of ours to foreigners, conferring upon them the right to hold and occupy exclusively for 50 years the land, with a consequent right to consume and thereby destroy the only thing of value contained in it.

Mr. PITTMAN. The Senator is a very good Democrat. Let me ask him another question.

Mr. WHITE. No; let me answer the question which the Senator has already asked.

Mr. PITTMAN. I will take the time later.

Mr. WHITE. I will give the Senator an opportunity, and shall be glad to do it.

The Senator from Nevada says a bill granting to the people of Alaska the right to take coal free for their own consumption could not be passed through this Congress. Will the Senator point me to a bill of that kind that either House of Congress has refused to pass?

Mr. PITTMAN. No; because we could not get such bills out of the committee.

Mr. WHITE. Then, Mr. President, it seems that the committees are responsible for giving away this empire. Why should Congress or this Senate yield to them any such right or submit to any such dictation? I suggest that a bill be introduced giving the people of Alaska the right to mine and use such coal as is necessary for home consumption and endeavor to have it passed. We should not assume that Congress will not enact such a law.

Mr. PITTMAN. All I want to say is this——

Mr. WHITE. I yield to the Senator.

Mr. PITTMAN. The Secretary of the Interior will have the power to decide as to how these leases shall be granted; and I have confidence enough in the Secretary of the Interior, knowing that it is the intention of the bill that none but citizens of the United States shall have the benefit of it, that he will investigate any corporation before he grants a lease to it.

Mr. WHITE. That, Mr. President, is no answer to my argument. The Secretary of the Interior under this bill will be compelled to grant leases to foreigners.

Mr. PITTMAN. Under the bill he is allowed to make the rules under which leases shall be granted.

Mr. WHITE. The provisions of the bill are peremptory that he shall grant leases to corporations of the United States or corporations of the States.

Mr. PITTMAN. Under such rules and regulations as he may prescribe.

Mr. WHITE. The rules mentioned relate to the mere matter of operation; that is all. The Secretary of the Interior is given the right to arrange the wording of the lease as to the manner in which the mines are to be operated, but he has no discretion under this bill by which he can deny corporations composed of citizens of European countries from acquiring leasehold interests in the Territory and thereby fill Alaska with undesirables.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Nevada?

Mr. WHITE. I do.

Mr. PITTMAN. If the Senator is really trying to perfect this bill, and not trying to kill it, let me suggest——

Mr. WHITE. I am not trying to perfect it; I am trying to defeat it.

Mr. PITTMAN. If the Senator really——

Mr. WHITE. At heart I desire to bury it, and bury it beyond resurrection.

Mr. PITTMAN. I do not want to interrupt the heart's desire of the Senator.

Mr. WHITE. Of course not, but I do not want the Senator to understand for a moment that I am trying to perfect such a bill as this; I am fighting it.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Nevada?

Mr. WHITE. I do.

Mr. PITTMAN. I do not want to interrupt the Senator unless he desires to be interrupted.

Mr. WHITE. I am glad to be interrupted, but I do not want to be misunderstood.

Mr. PITTMAN. May I go on?

Mr. WHITE. The Senator may go on.

Mr. PITTMAN. I want to suggest that if the Senator has not confidence in the Secretary of the Interior, he can move to amend the bill by inserting some such provision as this:

Provided, however, That a majority of the stockholders of such corporation shall be citizens of the United States.

Mr. WHITE. Mr. President, I am not the author of this bill, and I do not propose to assume responsibility for any of its provisions, but we are commercializing that Territory, which is to become a State in the Federal Union, and, if its resources are conserved, may become one of the greatest States in the Union. Its territory is equal in extent to one-fifth of the territory of all the other States.

Mr. President, I have thought all my life that the sale of Joseph into slavery by his brethren constituted one of the darkest pages in history, but in passing this bill we are writing even a darker page in history than that. By it we are making the States we represent strip their unborn sister of her dowry and sell her into servitude for 50 years. Joseph's brethren had some excuse for what they did; they really and sincerely believed that he had supplanted them in their father's affections; but what, Mr. President and Senators, has this unknown sister done that justifies her 48 sisters in consigning her unborn to the fate proposed in this bill?

I beg that we wait at least until this embryo sister has been born. If Alaska is to be deprived, as is proposed by this bill, of her greatest natural resource, the one upon which depends the development of all her other resources, we have left her at the mercy of the snow and ice that is already bearing her down and from which she can not uncover herself if deprived of her only source of heat and power.

Mr. President, before perpetrating this wrong upon Alaska, I appeal again to Senators and ask them to wait at least until she has been born. Then let her sisters gather around the cradle of her birth, and perhaps her infant smiles or her baby tears may touch—yea, even soften—their obdurate hearts.

Mr. President, the idea of a Democratic Congress establishing in one of our Territories a system of foreign landlordism, a system that will require the presence of large numbers of Federal employees, to keep them there when their presence will be irritating and exasperating to the real citizenship of the country, is revolting to me. It was never contemplated by our Constitution. It is repugnant to our form of government. The framers of the Constitution never dreamed that such use would be made of Federal power. It was understood by them, and heretofore has been understood by us, that the Federal Government held the lands and resources of the Territories in trust for the benefit of their people until States were formed, and then for the benefit of the States.

The Federal Government has no right to permanently occupy or control the territory of the country except to discharge some Federal function, and leasing lands to foreigners for them to operate is not one of the functions of the Federal Government.

If this bill is enacted into law, hordes of Federal employees as well as foreigners will infest the territory of Alaska, there to interfere with and perhaps prevent that Territory from becoming a State of the Union.

Mr. President, are we going to reverse the policy of the Federal Government which has been in force from the time it was formed until to-day and inflict this wrong upon the people of the Territory of Alaska?

How long, Mr. President, would the States themselves, having the right to speak and to be heard in the halls of Congress, submit to such interference with and usurpation of their rights, as is proposed in this legislation? They would not submit for a moment to have their domain invaded by Federal authority and made the dumping ground for undesirables of foreign countries.

We can well imagine when this useless, heartless, and sanguinary struggle in Europe has ended that the population from that distressed and impoverished country will flee from its blood-stained fields and flock to Alaska. The innumerable impoverished host will gladly accept the invitation that this bill on its passage will extend, and when they arrive they will not come imbued with the love of peace and good will that characterizes American citizenship, but rather will they bring with them what they have been taught by the war lords of Europe—disrespect for our representative form of government and be disposed to rule by militarism with the sword.

Does any reason exist why we should transplant this kind of population, with its un-American views, to our continent, to Alaska, if you please, there to menace our institutions and threaten our liberties? Let us pause and contemplate the consequences before we do it.

Mr. President, the only reason advanced for passing this bill, except that the few people now in Alaska need a small amount of coal for their own consumption, is that it will reduce the price of coal. This is not a sufficient reason. We have cheap coal now, probably cheaper than any other Nation in the world, and even if we needed cheaper coal, can we afford to pay the princely price we are offering to pay by the passage of this bill? That is, to surrender the Territory of Alaska to the control of foreigners for the long period of 50 years, and even this will not cheapen coal in this country. When these lessees have lined their pockets with gold, obtained by exhausting the resources of Aalska; when the coal diggers have been paid, as they must be paid, their wages for mining; when the royalties to the Federal Government have been paid, as they must be, and when the middlemen have taken their toll; when all these greedy hands have been filled, when their avarice has been satisfied, the people of the States need not expect that they will get coal any cheaper than they are getting it now.

Mr. President, what does this bill do for Alaska? What wrong is this that we are about to perpetrate on her? Aye, sir, we are robbing her of her greatest, most vital, and indispensable resource. Situated as she is in the frozen north, isolated from the other States, she needs, above all things, her fuel supply, a supply not for this year or next, but for centuries to come.

That land can not be inhabited, that climate can not be endured except by the aid of artificial heat, and by this measure we are depriving that country of this prime necessity. We are robbing this embryo State while she is helpless. She lies prostrate and voiceless at our feet. Her silent helplessness should appeal to our sense of justice as well as manhood in her behalf.

When we deprive Alaska of her fuel supply, we strike at her very right to exist, we deny her the right of development and growth, we stop forever the wheels of progress on her shores. Without the benefit of coal her other resources must lie dormant. The wonderful possibilities of her gold deposits will be denied her. Even her power and agricultural productions will be greatly hampered. She needs them all in cooperation, and when properly developed they will not only make her habitable but great.

These great assets, if conserved, will attract to her a population worthy of the advantages she holds in store for them. They will be enriched by her, and she in turn will be enriched by them.

Mr. President, the other States of this Union may assemble around the table to partake of this unnatural feast, which has been provided by requisitioning the resources of this coming sister into the Union. I want it understood, however, that Alabama will not be there, and will not participate.

If this bill passes, the Territory of Alaska may bid farewell to all hopes of statehood and dreams of sisterhood with the States of the Union we represent. Pursuing somewhat the thought of the immortal Prentiss, I will say that if this bill passes, if Congress enacts this measure, then the star that should represent Alaska ought to be withheld from the flag. In its light her existence as a State can never be reflected; its only office will be to furnish light in which her degradation may be read in its stripes.

Mr. President, I urge that the Senate do not pass this bill.

Mr. PITTMAN. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. It is proposed to add at the end of the first section, on page 13, the following:

There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $100,000, for the purpose of making surveys herein provided for, to continue available until expended: *Provided*, That any surveys heretofore made under the authority or by the approval of the Department of the Interior may be adopted and used for the purposes of this act.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada.

The amendment was agreed to.

Mr. MARTINE of New Jersey. Mr. President, I am very happy, indeed, to find that I have an ally in the Senator from Alabama [Mr. WHITE], who expresses himself in utter opposition to this bill. I feel very kindly toward the Senators, my neighbors sitting here, who are pressing it; but I believe this to be infinitely a dangerous and a bad measure, and I am op-

posed to it in toto. As I said before, and I need not now reiterate, I believe in the Government ownership of these mines.

As showing how much profit comes through individual and private ownership of this great necessity, this article, by a singular coincidence, came into my hands while this discussion was going on. I hold in my hand the Philadelphia Record, published in Philadelphia, Pa., right up in the coal regions. It says:

Last year was not considered a good year for the anthracite coal trade, so it is especially gratifying to learn that the Lehigh & Wilkesbarre Coal Co. are able to worry through with the modest profit of 36.2 per cent. In the year previous, last year, it did even better. Then it declared 48 per cent available for dividends.

Such figures as these should convince anthracite consumers of the impossibility of our coal-producing companies carrying any greater burdens than they now stagger under.

That tells the truth in regard to individual, private ownership of coal. I live in New Jersey, right on the line of the coal transportation coming through to the city of New York. The price of coal has been shoved up until now it is $7 or $7.50 a ton, and it will go up within the next few days until it reaches about $8; yet these companies fatten on profits of 36.2 per cent.

I say that this prime and stern necessity should be the people's, and for the people; and, while this place of discussion—Alaska—is far removed from Pennsylvania, yet the same principle will hold good. In Heaven's name, while we own the Territory, while we are providing for the building of the railroads for transportation, let this prime necessity and blessing come to the people as freely and as cheaply as it can. Cut out profits of 36.2 per cent and what would be the price to the average consumer? It would be a blessing to humanity.

I hope this Democratic Senate will have the courage of its convictions and vote against this measure. I have voted for very many amendments to it, hoping that I might make it better. I fear I can foresee the passage of the bill, but my vote shall be recorded unalterably and positively "no."

Mr. POINDEXTER. I offer the amendment which I send to the desk.

The PRESIDING OFFICER (Mr. ASHURST in the chair). The amendment will be stated.

The SECRETARY. After the word "renewal," on page 18, in line 6, it is proposed to insert:

All net profits from operation of Government mines and all royalties and rentals under leases as herein provided shall be deposited in the Treasury of the United States in a separate and distinct fund, to be applied to the reimbursement of the Government of the United States on account of any expenditures made in the construction of railroads in Alaska, and the excess shall be deposited in the fund known as the Alaska fund, established by the act of Congress of January 27, 1905, to be expended as provided in said last-mentioned act.

Mr. SHAFROTH. Mr. President, I wish to call the attention of the Senator from Nevada to the system of taxation to be imposed—the reference there is to the net receipts—and I also wish to call his attention to the fact that I do not believe there is any one of the Western States that taxes the output except the net profits. The net output is insignificant compared to the value of the mine, and if the same thing should apply to the mines in Alaska the amount to be derived from such taxation would be very insignificant indeed—nothing to compare to the ordinary taxation on the value of lands.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. PITTMAN. I offer the amendment which I send to the desk, to be inserted on page 14, after the word "thereof," in line 11.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 14, line 11, after the word "thereof" and before the colon, it is proposed to insert:

Provided, That a majority of the stock of such corporation shall at all times be owned and held by citizens of the United States.

Mr. WHITE. Mr. President, I will ask to have the amendment stated again.

The Secretary again stated the amendment.

Mr. WHITE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Alabama?

Mr. PITTMAN. I do.

Mr. WHITE. I should like to inquire of the Senator why he does not make it all of the stock. Why is there any reason or necessity for allowing foreigners to become the owners of that property?

Mr. PITTMAN. To become stockholders in companies in this country?

Mr. WHITE. Yes; which is the same thing.

Mr. PITTMAN. I do not know whether that is good policy or not; but I know one thing, and that is that there is not a State in the Union but permits foreigners to own some of the stock of corporations organized in it. As a matter of fact, I have been a member of mining companies where we were very glad to get English capital in them, so long as we controlled the corporations. It is the control of the corporations that is material to our people. If we want to sell treasury stock to raise money for working a lease up in the coal lands of Alaska, we intend to obtain control. After we have control we do not care who buys the remaining stock. It is the control we want.

Not only that, but the administration of these mines would be too difficult if you provided any more than control. I am trying to make this thing practical. The poor man who goes up to Alaska will take a lease of 2,560 acres, and he will organize a little corporation; he will set aside in the treasury a third or a fourth of the stock, and then he will go out to the public and say, "I have a good lease, and I want you to help me develop this property. I want you to purchase this treasury stock."

Mr. WHITE. This is what I want to have the Senator answer: These foreigners are becoming the owners of this property, practically the owners of the soil, before Alaska is admitted into the Union; and they may in that way exercise their influence against having it admitted as a State.

Mr. PITTMAN. I have already stated to the Senator that the bill expressly provides that nobody but a citizen of the United States can take the benefit of this act; and now I provide by this amendment, so as to satisfy the Senator, that no corporation except one controlled by citizens of the United States can take the benefit of the act.

Mr. WHITE. Does the Senator for one moment say that without that amendment foreigners could not have leased under the provision of this bill?

Mr. PITTMAN. I will admit that if the Secretary of the Interior had been the character of man the Senator from Alabama evidently thinks he is, corporations controlled by foreigners might have benefited under it. I want to say also that foreigners can own their claims and mine under the same conditions in the Senator's State of Alabama; and I should like to know whether they have ever taken any steps in the State of Alabama to help correct it?

Mr. WHITE. No; because we have a sovereign State there, and our sovereign State controls such matters; but you are turning this matter over to foreigners, who can determine for themselves whether or not Alaska shall ever be admitted. I should have no objection to their owning stock in the coal mines if it were in a State of the Union. I do object to foreigners leasing the land for 50 years, and by their possession and control of it prevent the admission of Alaska into the Union for that time.

Mr. PITTMAN. The bill absolutely excludes foreigners from taking or controlling any of such leases. Such protection could not be insured if the lands were sold, because there is nothing to prevent an owner of property in Alaska from selling to a foreigner.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on the amendment in the nature of a substitute as amended.

The amendment as amended was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. WHITE. On that I call for the yeas and nays.

The yeas and nays were not ordered.

Mr. WHITE. I make the point that there is not a quorum present.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hughes	Nelson	Sheppard
Borah	Johnson	Norris	Shively
Bristow	Kern	O'Gorman	Simmons
Bryan	Lane	Overman	Smith, Ariz.
Chamberlain	Lea, Tenn.	Owen	Smoot
Chilton	Lee, Md.	Page	Sterling
Clapp	Lewis	Perkins	Thornton
Colt	McCumber	Pittman	Townsend
Culberson	McLean	Poindexter	Walsh
Fletcher	Martine, N. J.	Reed	White
Gore	Myers	Shafroth	Williams

The PRESIDING OFFICER. Forty-four Senators have answered to their names. Not a quorum is present. The Secretary will call the roll of absentees.

The Secretary called the names of absent Senators, and Mr. POMERENE, Mr. SMITH of Georgia, Mr. THOMPSON, and Mr. WEST answered to their names when called.

Mr. MARTIN of Virginia and Mr. HITCHCOCK entered the Chamber and answered to their names.

The PRESIDING OFFICER. Fifty Senators have answered to their names. A quorum is present. The bill having been read three times, the question is, Shall it pass?

The bill was passed.

Mr. SHAFROTH. Mr. President, I ask unanimous consent that the address of Mr. George E. Baldwin, of Valdez, Alaska, delivered to the American Mining Congress at Chicago, Ill., October 24, 1911, be published in the RECORD.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado? There being none, the address is ordered to be printed as requested.

The address referred to is as follows:

THE ALASKAN QUESTION.

[By George E. Baldwin, Valdez, Alaska.]

I wish at the beginning of my remarks to extend to the American Mining Congress, in behalf of the people of Alaska, our profound and sincere thanks.

It seems that of late years scarcely any sort of a national meeting could be held, no matter for what purpose convened, or by whom constituted, without passing some sort of resolutions for our benefit, and, considering the Niagara of misinformation and the deluge of lies about Alaska with which the country has been flooded by the muckraking writers for a certain class of publications, it is not surprising that certain ignorant but well-meaning people should make mistakes.

As the residents of Alaska depend almost entirely for a livelihood upon mining and its subsidiary industries, it is a reasonable presumption that the members of the American Mining Congress should best appreciate the difficulties under which we labor and be most competent to suggest remedies. The resolutions concerning our Territory passed at your last meeting reminded us that one great organizaion at least was our friend.

What are the needs of Alaska? Considering the fact that a country of great natural and undeveloped resources has remained stationary in population for 10 years, if not actually decreasing, its trade and commerce the same, the question is certainly one to demand thoughtful study.

The Secretary of the Interior recently visited Alaska and was presented with a memorial by the citizens of Valdez, in part as follows:

"Primarily Alaska demands and needs the same right of untrammeled development that has been accorded to every other Territory of the United States pioneered by Americans. Alaskans ask that American citizens and all other industrious men be permitted to create property for themselves out of the limitless resources of this vast Territory unhampered by bureaucratic dictation and interference. The people of Alaska are a unit in opposition to Federal landlordism over its mines, forests, and water power.

"The doctrine that the Federal Government, 5,000 miles away, knows better what is good for Alaska than the pioneers who have spent years within its boundaries is a political heresy that can not long stand before the enlightened sense of justice which characterizes the American people. If left to herself, Alaska would enact laws for her government and development with the same intelligence and regard for natural right that was shown by the early immigrants into the Pacific and mountain States, of whom Justice Field said in a judicial opinion:

"'Wherever they went they carried with them that love of order and system and of fair dealing which are the prominent characteristics of our people.'

"And the Senator who introduced the first mining law into Congress in 1866, which was merely a Federal recognition of miners' law, said that the miner had given the honest toil of his life to discover wealth, which when found was protected by no higher law than that enacted by himself, under the implied sanction of a just and generous Government.

"This just and generous Government has been succeeded by one that seeks to create a distant landlordism over Alaska. This policy, if continued, will forever stunt the development of the Territory. Men born under republican institutions will not long remain where they have to get permission of a Government agent to transact business. The garroting of Alaska by the last two national administrations has stopped its growth, decreased its population, and financially ruined many men who had not anticipated that the great National Government would make Alaska the dumping ground of eastern political fads."

And upon that subject I wish to add that, in my opinion, a form of local self-government at least as liberal as has ever been accorded the pioneers of any Territory is absolutely necessary to our proper and orderly development. We will be satisfied with no makeshift, no halfway measure; it is our right as Americans, and it is rights we demand, and not permits and privileges that we sue for. So much for the political side of Alaska's needs.

ALASKA HAS PAID DEBT TO NATION.

It has been urged by certain people utterly unacquainted with the risks and hardships of pioneering, and who have never wandered far from their own firesides, that Alaska was bought and paid for out of the taxes paid by the American people and they are entitled to get something out of it. Our answer is that they have gotten something out of it and are getting something out of it. The nearly two hundred million of Alaska gold which has been poured into the channels of trade of this Nation, stimulating industry in all its branches, has more than paid any debt Alaska owes the Nation. During the panic of 1907 our bankers were begging the money power of Europe for a loan of twenty million in gold.

Alaska that year produced nearly that amount of the yellow metal, all of which went to the United States, not loaned, but to purchase commodities from almost every State in the Union, for up there we must import almost everything, except the air we breathe and the water we drink—and I suppose if the ultraconservationists had their way we would pay a direct royalty on these.

Any attempt to impose upon the people and resources of Alaska any burden not borne by the people and resources of the balance of the country will fail—first, because it is unjust; second, because it is economically wrong.

It seems to me, in my boyhood days I read a story of fools who killed a goose that was laying golden eggs.

The mining laws of the United States, as they stand to-day, have stood the test of nearly 40 years. These laws have been interpreted by the courts at an expense to the miners of millions of dollars. All important points have been settled, and to enact a new set of laws at this late date, with all this to be gone over at the expense of the mining industry of Alaska, which is practically all on the public lands, would impose on that industry a burden it could not well bear.

Again, we demand—with reason, we think—the same laws as apply to the remainder of our country. One might think to hear some people talk that the present residents of Alaska had established a close corporation and were trying to keep out the remainder of the people from participating in the possible profits of its development, while as a matter of fact we are crying for miners, investors, prospectors, and industrious, thrifty men generally to come and take up their residence with us.

The town I live in is located in a forest reserve. Last summer I was doing a little building, and purchased lumber from Puget Sound, 1,400 miles away, which, quality considered, was cheaper than could be produced by the local mills after they had paid the royalties and complied with the regulations of the Forest Service. If our gold mines are to be put on a leasing basis, and managed the same as our forests, I have no doubt we shall be able to extract gold from sea water cheaper than from the rocks and gravels of Alaska.

The problem of conservation has become so confused with the problems of Alaska that a few words upon this subject may not be amiss. A short magazine article published recently upon political subjects contained the word "conservation" no less than 26 times.

Now, what is conservation?

HOW SOME ALASKANS REGARD CONSERVATION.

From our standpoint conservation to date is an attempt to gather all the public lands of our Territory as an estate—its forests, its mines, its water power, its wharf sites—to be managed by a vast horde, a devastating host of Government underlings and worked by our citizens as tenants, licensees, and lessees; these underlings to be ruled by a retinue of officials stationed at Washington, thousands of miles away; all of these locusts of officialdom to consider themselves the people's masters and not their servants. Why this retinue stationed at Washington? So they can be in closer touch with questions to be decided? No; so they can be promptly on the ground to lobby for more appropriations to hire more officials to lobby for more appropriations, ad infinitum. And they will need these appropriations, for such a system has never in past history paid its way and never will.

For generations we have been decrying the heartless greed of Irish landlords, yet here is a system of landlordism that out-Irishes the most Irish landlord that ever disgraced the human race by his rapacity—a landlord who refuses to develop his property, refuses to let anyone else develop it except under the most onerous conditions, and refuses to pay one cent of taxes to be expended by local officials for local needs. The manifest injustice of all this needs no comment.

The idea that an owner will not more efficiently conserve resources than a Government official is too silly to merit discussion.

I, in common with all other Alaskans, have nothing but words of commendation for that great body of scientific men who have represented the various branches of the Government service in Alaska.

There is another way to look at conservation.

It is a foolish attempt on the part of this generation to do the thinking for generations yet to be. What can be more ridiculous? You have probably heard the story told by Congressman HUMPHREY of Washington of the old woman who went into hysterics after she had concluded that some epidemic was going to kill all the geese in the world, that the people would forget how to write, because there would be no quills to make pens with. It is to be presumed that had conservation been a fad in those days, all the remaining public land would have been promptly declared a goose reserve.

Less than a century ago, well-meaning men were making doleful prophecies about the impending extinction of the sperm whale, and on that account the world would soon be in darkness from sundown until sunup. What a pity some power strong enough did not then declare the seven seas a whale reserve!

The idea of thinking for future generations has been tried. About 100 years ago naval reserves of live-oak timber in the Southern States were created to provide the material to build the battleships of the future. After these acres had been held for generations in unproductive idleness they were recently restored to the use of man, and if an individual went to the Navy Department to-morrow to sell live oak for building battleships, he would be considered a candidate for the lunatic asylum.

The doctrine of radical conservation, as applied to coal, is an absolutely hopeless one, for no matter how little or how much is used each year, it will finally all be gone.

RIGHT-MINDED CITIZEN ABHORS WASTE.

Every right-minded civilized man abhors waste, particularly of something that can never be replaced; but the doctrine that this is the last generation of inventors and scientists that will live and that the many forces of nature now going to waste, compared to which all the coal in the world is as tallow dip to a thousand arc lights, that these sources of power will never be harnessed by man, and that the present generation must be starved as we Alaskans are being starved—well, words fail me when I attempt to express my opinion of such criminal foolishness.

These lamenting Jeremiahs who moan over the exhaustion of our natural resources pay all their attention to that section of the country where the population is sparse, while the resources in the section of the country where the population is dense are being used as circumstances demand, without any of their valuable advice and assistance.

One of the problems of our Nation is to restrict the people of our country from congregating in the centers of population; yet these radical conservationists demand the continuance of, and extension of, a system that is depopulating our Territory, in which at present there is only one human being—man, woman, child, Siwash, squaw, and pappoose—for every 7,700 acres.

Alaska is being literally reserved to death. We have forest reserves, military reserves—one of them 100 miles in diameter—coal reserves fish reserves, naval reserves, missionary reserves, church reserves, school reserves, seal reserves, bird reserves, and, I suppose, by this time, bug reserves, and cranks crying for more reserves.

Soon there will be nothing for us sour-dough Alaskans to do but act as cooks and packers for me "lud," the eastern faddist, who comes out to see what has been reserved at his behest and then we will be disappointed, for not one out of a hundred of these fanatics will ever

leave the deck of the steamer. In this connection I wish to state that the self-styled leader of the conservation movement has recently visited Alaska. This great musher, this great trail blazer, who has penetrated the impenetrable fastnesses of the mountains, who has communed with nature, knows the trees because when all the world but he and they were asleep he purloined their bark-lark secrets, this marvel of fortitude, after traveling 4,000 miles on Pullman cars and palatial steamships, got within 15 miles of the Matanuska coal fields, about which he and his paid assassins of character have been ranting, on a trail that has been traveled for years by men, women, children, and cripples—still it was too tough for him. He turned around and came back and spent a large part of his time in Alaska around hotel lobbies trying to justify his actions before a hostile and outraged people. If the pioneers of Alaska had been made of no sterner stuff than he, the Matanuska coal fields would never have been discovered. Less than two-hundredths of 1 per cent of the land of Alaska is in private ownership, more than ninety-nine and ninety-eight one hundredths are still in the public domain, and I ask you, in all candor, do you blame us for using rather strong language when our development is retarded by Executive orders, issued at the behest of faddists, who cry that Alaska is being gobbled up?

ALASKAN COAL QUESTION.

In regard to the so-called Alaskan coal question, the practically unanimous expressions of the people of our section are voiced in the following extract from the memorial to the Secretary of the Interior previously referred to:

"Alaskans recognize that the Alaska coal problem is hopelessly perplexing, chiefly because of the vast discharge of wholesale misinformation. Alaskans know that there is no danger of an Alaska coal monopoly. The coal fields are widely scattered and of far less value than advertised in hysterical print. Alaskans generally believe that the coal lands should be disposed of under existing laws for development by private enterprises, relying upon the Government to deal with monopoly should it be threatened. Recognizing, however, that in the present exaltation of the eastern mind through the epidemic of conservation, this is impossible, many Alaskans are inclined to urge that the Government itself undertake the operation of the coal mines. If this could be done successfully by a competent official board, it would vindicate the theories of those who believe that the Government should have absolute control of its remaining fuel supply. If a capable Government commission, with full power to manage business under regulated statutes should be unable to accomplish satisfactory results, the project could be abandoned after a few years.

"It is needless to repeat arguments often iterated to emphasize the folly of continued bottling up of Alaska coal. Alaskan residents are paying exorbitant prices for fuel and the Government is paying unnecessarily high prices for coal transported from the East for naval and other Federal uses on the Pacific coast, while political agitators wrangle over the unknown possibilities of Alaska coal fields.

"The leasing system is unanimously opposed in Alaska, because it is un-American, and, further, because it would intensify rather than diminish the chances of monopoly. None but wealthy corporations could do anything with a lease, and they would demand concessions unlikely to be granted, and which, if granted, would license monopoly. The leasing dream would mean indefinite postponement of coal mining in Alaska."

Large numbers of people in the States advocate the leasing of the Alaska coal fields without a second thought upon the matter. It is not generally known that the leasing of mineral lands in the United States has been tried, proved a disastrous failure, and was condemned by two Presidents of the Nation in messages to Congress.

A high Government official has recently returned from Alaska advocating the leasing of the coal lands there and citing the case of British Columbia as an example of where the leasing system works well. This is not denied, but the cases are vastly different. Does an applicant for a lease in British Columbia have to enter into negotiations with officials in London acting under laws passed by the British Parliament? No. Does he even have to go to Ottawa? No. At Victoria the laws are passed by local people, the negotiations entered into and consummated all right at home.

ALASKAN COMMITTEE REPORT.

I wish at this point to quote from the report of your committee on Alaska affairs made to this session of the American Mining Congress. I very much regret that time does not allow the reading of this report in full. This report represents the work of many months of painstaking labor on the part of that committee, but it will be published with the records of this session. It being probable that some of you at least will not read this report, I take the liberty of quoting from it as follows:

"We are also opposed to making of Alaska the experiment station for new ideas. We are unable to find where the leasing system has ever been successful in the operation of coal fields under any Government. Leasing is perhaps successful to some extent in the coal mines of Pennsylvania, where a market is near at hand and transportation is well provided, frequently by competing lines, and the leases are from individuals. It is not a Government leasing system.

"It has been said that the leasing system works well in British Columbia, Yukon Territory, and in Australia and New Zealand. We can only repeat the statement that a half truth is frequently the most dangerous and misleading falsehood. The system in British Columbia is in no sense a leasing system as is proposed in the United States. The lessee in British Columbia may obtain a lease of 6,400 acres for five years, with a renewal for three years, but is privileged at any time during the lease, or within three months thereafter, to purchase the lands at $20 per acre. It is a significant fact, too, that no mines are operated in British Columbia under the leasing system. All are operating upon granted lands. There is a law for leasing the coal lands in the Yukon Territory. The only attempts ever made to operate under that law resulted in failures. There is not a single coal mine operated in the Yukon Territory upon a lease from the Government. In a similar manner the laws of Australia and New Zealand provide for private ownership at the option of the lessee. It is reported that much coal is mined there under a leasing system, but that is because the operators do not find it necessary to exercise the option given them to purchase the land. They are given that option, however, and are thus afforded the security of private ownership whenever they see fit to exercise the privilege. No such system has been proposed for Alaska. None of the leasing bills introduced in Congress permit the lessee ever to acquire title to the land. The Robinson bill, now pending before Congress, even provides for only a portion of the royalty upon coal mines in Alaska to be expended in the territory, and the balance is to be turned into the Treasury of the United States. It is a rank injustice to compel the residents of Alaska to pay a royalty into the Treasury of the United States upon the coal they consume. Why not a similar royalty from the consumers of coal elsewhere? The consumers of Pennsylvania coal would object to paying such a royalty to the Federal Government, and the consumers in Alaska are entitled to urge the same objections.

"Poor old Alaska has surely had quite enough of the leasing system. It was leased by Russia from 1799 until 1867 to the Russian-American Co. That company was the absolute lord and master, and its leasehold sovereignty absolutely prevented development. Fortunately, nobody was lured there under false premises. Only those went there who did so for the Russian-American Co. A leasing system was not inflicted upon honest, hardy pioneers as is now proposed by the American Government. Fortunately for the United States, Alaska was not colonized or settled by the Russians. Their leasing system prevented it. Otherwise the Russian people would have so well developed Alaska by 1867 that the United States could not have bought it for 2 cents an acre, with its wonderful fisheries and a fur-seal herd of 6,000,000 thrown into the bargain. The first thing we did, however, was to lease that seal herd to a company which in 40 years made a net profit of $5,738,000 and depleted the seal to about 75,000. In the meantime the United States Government spent more money in patroling the seal islands than it obtained from royalties on the lease, and Alaska got absolutely nothing, not a cent in taxation, not a lighthouse, not a schoolhouse, not as much as a flagpole. Now, the United States Government has gone into the sealing business itself, and has already begun to make a profit. But this kind of talk may lead us to advocate the building of railroads in Alaska and the operation of coal mines there by the Government."

Our opposition to the leasing system is based upon another and, we believe, a higher principle. It places the control of our resources in the hands of a power 5,000 miles away—out of touch, out of sympathy, and indifferent to local needs and requirements. It is a return to the system of land tenures that obtained in feudal days, where the landlord was both landlord, lawgiver, and law interpreter. It has been argued that a large number of coal mines of the United States are operated on a leasing basis; but these leases are between man and man, both of them standing equal before the law and having to submit any differences that may arise between them to a court before whom they stand as equals. This system of governmental leasing leaves the question of any differences to be decided absolutely in the hands of the lessor. There is still another objection in the fact that this system will in all probability not stop with the governmental leasing of coal mines. We have seen the Forest Service, organized ostensibly for the purpose of conserving the forests, gradually, stealthily, insidiously, and in many cases without a shadow of law to back their actions, extend their fields of operations. We have seen them assume control of our water power. We have seen them grab our wharf sites. We have seen them meddle with the mines included in the forest reserves to the great detriment of that industry. We deny that a people can be considered a free people who live under a system in which the owner of the land is both the landlord and the law.

Any number of schemes that are probably practical and workable ones in such small compact countries as Switzerland or New Zealand are absolutely unworkable in a country as vast as ours.

The securing of title to a few acres of land in Alaska involves almost endless correspondence with Washington, the unwinding of miles of red tape and generally years of delay; and the matter of issuing patents to Government lands is something in which our officials have the experience of over a century to guide them. To introduce some new system now would, as the Valdez memorial states, "mean the indefinite postponement of coal mining in Alaska."

ABOLITION OF FOREST RESERVES URGED.

One of Alaska's needs is the immediate abolition of forest reserves. The recent and present governors of the Territory have in their reports condemned them. I wish to speak for a moment upon the Chugach reserve, in which I live. This reserve covers thousands of square miles along the southern coast, more than 90 per cent of which is utterly destitute of timber, being barren slopes, glaciers, and mountains above timber line. Less than 10 per cent is covered with a scattering growth of spruce, hemlock, and cottonwood of inferior quality, practically all mature and largely supermature. Not a foot of this timber will ever be exported. In fact, a large part of the lumber used within the limits of this reserve is shipped from Puget Sound. It is only useful for local needs, and should be used by our people without undue restriction.

Forest reserves are supposed to be created to provide timber for future generations, to attract rainfalls, to regulate stream flow, to prevent forest fires, and provide Government revenue.

Let us take up these propositions in turn.

First. What is the use of preserving timber that is falling down and rotting of old age for future generations?

Second. As to rainfall, the area embraced within the limits of this forest reserve receives a rainfall of from 70 to 120 inches per annum. As over 90 per cent of this reserve is destitute of timber and the treeless Aleutian Islands to the west of us receive more rains than we do, the idea that the cutting of the timber needed by our people will have any effect upon rainfall is utterly absurd.

Third. As to stream flow, our streams largely have their sources in the everlasting glaciers, and would flow bank full for centuries without a drop of precipitation.

Fourth. As to forest fires, there never has been a forest fire in this reserve, and never will be, soaked with rain in summer, and covered with snow in winter.

Fifth. As to Government revenue, it has cost the Government $2 for every $1 it has collected so far, besides imposing a cost of thousands of dollars upon our citizens in obtaining permits.

We defy the Forest Service to show one single benefit it has conferred upon the people living in this reserve, upon the people who will live in it in the future, or upon the people of the United States generally.

In conclusion, I wish to state that, in my opinion, there is no Alaskan question any more than there was a Montana question or a Colorado question 50 years ago. All we wish and all we ask is the same rights as have been accorded the pioneers of other Territories in their primitive struggle for development.

PROPOSED ANTITRUST LEGISLATION.

Mr. CULBERSON. I move that the Senate proceed to the consideration of the conference report on the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas.

The motion was agreed to.

The PRESIDING OFFICER. The Chair lays before the Senate the conference report. The question is on agreeing to the report.

Mr. CULBERSON. Under the circumstances, in view of the lateness of the hour, I will not insist on taking up the report for final consideration this afternoon. I think, probably, it ought to be read. I ask that the report be read.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Idaho?

Mr. CULBERSON. Certainly.

Mr. BORAH. May I ask the Senator from Texas if it is intended to take up any other business this afternoon?

Mr. CULBERSON. I understand not.

Mr. KERN. Not unless there is some matter of business which some Senator desires to present to the Senate.

Mr. CULBERSON. I should like to have the report read.

The PRESIDING OFFICER. The Secretary will read the report.

The Secretary proceeded to read the report, which is as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 25, 35, 38, 42, 45, 46, 47, 53, 56, 59, 63, 80, 93, and 94.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 8, 9, 10, 11, 12, 13, 14, 15, 17, 19, 20, 21, 23, 24, 27, 28, 29, 30, 31, 32, 33, 34, 36, 37, 40, 44, 48, 65, 66, 67, 68, 69, 70, 75, 79, 81, 82, 83, 85, 87, and 88; and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following:

"SEC. 2. That it shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly to discriminate in price between different purchasers of commodities, which commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce: *Provided*, That nothing herein contained shall prevent discrimination in price between purchasers of commodities on account of differences in the grade, quality, or quantity of the commodity sold, or that makes only due allowance for difference in the cost of selling or transportation, or discrimination in price in the same or different communities made in good faith to meet competition: *And provided further*, That nothing herein contained shall prevent persons engaged in selling goods, wares, or merchandise in commerce from selecting their own customers in bona fide transactions and not in restraint of trade."

And the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 3. That it shall be unlawful for any person engaged in commerce, in the course of such commerce, to lease or make a sale or contract for sale of goods, wares, merchandise, machinery, supplies, or other commodities, whether patented or unpatented, for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, or fix a price charged therefor, or discount from, or rebate upon, such price, on the condition, agreement, or understanding that the lessee or purchaser thereof shall not use or deal in the goods, wares, merchandise, machinery, supplies or other commodities of a competitor or competitors of the lessor or seller, where the effect of such lease, sale, or contract for sale or such condition, agreement, or understanding may be to substantially lessen competition or tend to create a monopoly in any line of commerce."

And the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the figure "3" inserted by said amendment insert the figure "4"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 5. That a final judgment or decree hereafter rendered in any criminal prosecution or in any suit or proceeding in equity brought by or on behalf of the United States under the antitrust laws to the effect that a defendant has violated said laws shall be prima facie evidence against such defendant in any suit or proceeding brought by any other party against such defendant under said laws as to all matters respecting which said judgment or decree would be an estoppel as between the parties thereto: *Provided*, This section shall not apply to consent judgments or decrees entered before any testimony has been taken: *Provided further*, This section shall not apply to consent judgments or decrees rendered in criminal proceedings or suits in equity, now pending, in which the taking of testimony has been commenced but has not been concluded, provided such judgments or decrees are rendered before any further testimony is taken.

"Whenever any suit or proceeding in equity or criminal prosecution is instituted by the United States to prevent, restrain, or punish violations of any of the antitrust laws, the running of the statute of limitations in respect of each and every private right of action arising under said laws and based in whole or in part on any matter complained of in said suit or proceeding shall be suspended during the pendency thereof."

And the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the figure "5" inserted by said amendment insert the figure "6"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the figure "6" inserted by said amendment insert the figure "7"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the words stricken out by said amendment insert the word "substantially"; after the word "acquisition" and the comma thereafter, in line 16, page 7, insert "or to restrain such commerce in any section or community"; and after the word "or," in line 16, page 7, insert the word "tend"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the words stricken out by said amendment insert the word "substantially"; after the word "acquired" and the comma thereafter, in line 24, page 7, insert "or to restrain such commerce in any section or community"; and after the word "or," in line 1, page 8, insert the word "tend"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the words stricken out by said amendment insert the word "substantially"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment as follows: After the word "thereof," at the end of said amendment, add the words "or the civil remedies therein provided"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment strike out only the matter contained in lines 16 to 24, inclusive, page 9, and lines 1 to 17, inclusive, page 10; at the beginning of line 18, page 10, insert "Sec. 8"; after the word "association," in line 21, page 10, strike out the comma, and after the word "company," in the same line, insert a comma; after the words "United States," in line 22, page 10, insert a comma; strike out the figures "$2,500,000," in line 24, page 10, and in line 3, page 11, and insert in lieu thereof in each instance the figures "$5,000,000"; in line 16, page 11, after the word "association," strike out the comma, and in the same line, after the word "company," insert a comma; in line 17, page 11, after the words "United States," insert a comma; strike out the word "one," in line 18, page 11,

and insert in lieu thereof the word "two"; and after the word "association," in line 23, page 11, strike out the comma; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment as follows: In line 16, page 12, after the word "than," insert the following: "banks, banking associations, trust companies and"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows: Change "Sec. 8" to "Sec. 9"; and after the words "accruing from" in said amendment insert the following: ", or used in,"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 11. That authority to enforce compliance with sections 2, 3, 7, and 8 of this act by the persons respectively subject thereto is hereby vested: in the Interstate Commerce Commission where applicable to common carriers, in the Federal Reserve Board where applicable to banks, banking associations, and trust companies, and in the Federal Trade Commission where applicable to all other character of commerce, to be exercised as follows:

"Whenever the commission or board vested with jurisdiction thereof shall have reason to believe that any person is violating or has violated any of the provisions of sections 2, 3, 7, and 8 of this act, it shall issue and serve upon such person a complaint stating its charges in that respect, and containing a notice of a hearing upon a day and at a place therein fixed at least 30 days after the service of said complaint. The person so complained of shall have the right to appear at the place and time so fixed and show cause why an order should not be entered by the commission or board requiring such person to cease and desist from the violation of the law so charged in said complaint. Any person may make application, and upon good cause shown may be allowed by the commission or board, to intervene and appear in said proceeding by counsel or in person. The testimony in any such proceeding shall be reduced to writing and filed in the office of the commission or board. If upon such a hearing the commission or board, as the case may be, shall be of the opinion that any of the provisions of said sections have been or are being violated, it shall make a report in writing, in which it shall state its findings as to the facts, and shall issue and cause to be served on such person an order requiring such person to cease and desist from such violations, and divest itself of the stock held or rid itself of the directors chosen contrary to the provisions of sections 7 and 8 of this act, if any there be, in the manner and within the time fixed by said order. Until a transcript of the record in such hearing shall have been filed in a circuit court of appeals of the United States, as hereinafter provided, the commission or board may at any time, upon such notice and in such manner as it shall deem proper, modify or set aside, in whole or in part, any report or any order made or issued by it under this section.

"If such person fails or neglects to obey such order of the commission or board while the same is in effect, the commission or board may apply to the circuit court of appeals of the United States, within any circuit where the violation complained of was or is being committed or where such person resides or carries on business, for the enforcement of its order, and shall certify and file with its application a transcript of the entire record in the proceeding, including all the testimony taken and the report and order of the commission or board. Upon such filing of the application and transcript the court shall cause notice thereof to be served upon such person and thereupon shall have jurisdiction of the proceeding and of the question determined therein, and shall have power to make and enter upon the pleadings, testimony, and proceedings set forth in such transcript a decree affirming, modifying, or setting aside the order of the commission or board. The findings of the commission or board as to the facts, if supported by testimony, shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the commission or board, the court may order such additional evidence to be taken before the commission or board and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The commission or board may modify its findings as to the facts, or make new findings, by reason of the additional evidence so taken, and it shall file such modified or new findings, which, if supported by testimony, shall be conclusive, and its recommendation, if any, for the modification or setting aside of its original order, with the return of such additional evidence. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari as provided in section 240 of the Judicial Code.

"Any party required by such order of the commission or board to cease and desist from a violation charged may obtain a review of such order in said circuit court of appeals by filing in the court a written petition praying that the order of the commission or board be set aside. A copy of such petition shall be forthwith served upon the commission or board, and thereupon the commission or board forthwith shall certify and file in the court a transcript of the record as hereinbefore provided. Upon the filing of the transcript the court shall have the same jurisdiction to affirm, set aside, or modify the order of the commission or board as in the case of an application by the commission or board for the enforcement of its order, and the findings of the commission or board as to the facts, if supported by testimony, shall in like manner be conclusive.

"The jurisdiction of the circuit court of appeals of the United States to enforce, set aside, or modify orders of the commission or board shall be exclusive.

"Such proceedings in the circuit court of appeals shall be given precedence over other cases pending therein, and shall be in every way expedited. No order of the commission or board or the judgment of the court to enforce the same shall in any wise relieve or absolve any person from any liability under the antitrust acts.

"Complaints, orders, and other processes of the commission or board under this section may be served by anyone duly authorized by the commission or board, either (a) by delivering a copy thereof to the persons to be served, or to a member of the partnership to be served, or to the president, secretary, or other executive officer or a director of the corporation to be served; or (b) by leaving a copy thereof at the principal office or place of business of such person; or (c) by registering and mailing a copy thereof addressed to such person at his principal office or place of business. The verified return by the person so serving said complaint, order, or other process setting forth the manner of said service shall be proof of the same, and the return post-office receipt for said complaint, order, or other process registered and mailed as aforesaid shall be proof of the service of the same."

And transpose the same to follow amendment 51.

And the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 10. That after two years from the approval of this act no common carrier engaged in commerce shall have any dealings in securities, supplies or other articles of commerce, or shall make or have any contracts for construction or maintenance of any kind, to the amount of more than $50,000, in the aggregate, in any one year, with another corporation, firm, partnership, or association when the said common carrier shall have upon its board of directors or as its president, manager, or as its purchasing or selling officer, or agent in the particular transaction, any person who is at the same time a director, manager, or purchasing or selling officer of, or who has any substantial interest in, such other corporation, firm, partnership, or association, unless and except such purchases shall be made from, or such dealings shall be with, the bidder whose bid is the most favorable to such common carrier, to be ascertained by competitive bidding under regulations to be prescribed by rule or otherwise by the Interstate Commerce Commission. No bid shall be received unless the name and address of the bidder or the names and addresses of the officers, directors, and general managers thereof, if the bidder be a corporation, or of the members, if it be a partnership or firm, be given with the bid.

"Any person who shall, directly or indirectly, do or attempt to do anything to prevent anyone from bidding or shall do any act to prevent free and fair competition among the bidders or those desiring to bid shall be punished as prescribed in this section in the case of an officer or director.

"Every such common carrier having any such transactions or making any such purchases shall within 30 days after making the same file with the Interstate Commerce Commission a full and detailed statement of the transaction showing the manner of the competitive bidding, who were the bidders, and the names

and addresses of the directors and officers of the corporations and the members of the firm or partnership bidding; and whenever the said commission shall, after investigation or hearing, have reason to believe that the law has been violated in and about the said purchases or transactions it shall transmit all papers and documents and its own views or findings regarding the transaction to the Attorney General.

"If any common carrier shall violate this section he shall be fined not exceeding $25,000; and every such director, agent, manager, or officer thereof who shall have knowingly voted for or directed the act constituting such violation, or who shall have aided or abetted in such violation, shall be deemed guilty of a misdemeanor and shall be fined not exceeding $5,000 or confined in jail not exceeding one year, or both, in the discretion of the court."

And transpose the same to follow line 23, page 13.

And the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment as follows: In lieu of the figure "11" inserted by said amendment insert the figure "12"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "transacts business; and all process in such cases may be served in the district of which it is an inhabitant, or wherever it may be found"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment as follows: In lieu of the figure "12" inserted by said amendment insert the figure "13"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment as follows: In lieu of the figure "13" inserted by said amendment insert the figure "14"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate number 58, and agree to the same with an amendment as follows: Reinsert the matter stricken out by said amendment and insert the word "penal" after the words "any of the" and before the word "provisions," in line 15, page 14; and omit the matter inserted by said amendment; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment as follows: In lieu of the figure "14" inserted by said amendment insert the figure "15"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment as follows: In lieu of the figure "15" inserted by said amendment insert the figure "16"; and the Senate agree to the same.

Amendment numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment as follows: In lieu of "six, and seven," in said amendment insert "three, seven, and eight"; and the Senate agree to the same.

Amendment numbered 64: That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment as follows: In lieu of the figure "16" inserted by said amendment insert the figure "17"; and the Senate agree to the same.

Amendment numbered 71: That the House recede from its disagreement to the amendment of the Senate numbered 71, and agree to the same with an amendment as follows: In lieu of the figure "17" inserted by said amendment insert the figure "18"; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows: Reinsert the matter stricken out by said amendment, inserting the word "sixteen" in lieu of the word "fourteen," in line 5, page 18; and the Senate agree to the same.

Amendment numbered 73: That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment as follows: In lieu of the figure "18" inserted by said amendment insert the figure "19"; and the Senate agree to the same.

Amendment numbered 74: That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment as follows: Strike out the comma after the word "employees," in line 18, page 18; and the Senate agree to the same.

Amendment numbered 76: That the House recede from its disagreement to the amendment of the Senate numbered 76, and agree to the same with an amendment as follows: In lieu of the figure "19" inserted by said amendment insert the figure "20"; and the Senate agree to the same.

Amendment numbered 77: That the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with an amendment as follows: Reinsert the words stricken out by said amendment, and in lieu of the matter inserted by said amendment insert the following: ", whether singly or in concert," and strike out the comma after the word "advising," in line 12, page 19; and the Senate agree to the same.

Amendment numbered 78: That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment as follows: Add a comma after the word "information," at the end of said amendment; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment as follows: In lieu of the figure "20" inserted by said amendment insert the figure "21"; and the Senate agree to the same.

Amendment numbered 86: That the House recede from its disagreement to the amendment of the Senate numbered 86, and agree to the same with an amendment as follows: In lieu of the figure "21" inserted by said amendment insert the figure "22"; and the Senate agree to the same.

Amendment numbered 89: That the House recede from its disagreement to the amendment of the Senate numbered 89, and agree to the same with an amendment as follows: In lieu of the figure "22" inserted by said amendment insert the figure "23"; and the Senate agree to the same.

Amendment numbered 90: That the House recede from its disagreement to the amendment of the Senate numbered 90, and agree to the same with an amendment as follows: In lieu of the figure "23" inserted by said amendment insert the figure "24"; and the Senate agree to the same.

Amendment numbered 91: That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with an amendment as follows: In lieu of the word "twenty" inserted by said amendment insert the word "twenty-one"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment as follows: In lieu of the figure "24" inserted by said amendment insert the figure "15"; and the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment as follows: Change "Sec. 27" to "Sec. 26"; and the Senate agree to the same.

C. A. CULBERSON,
LEE S. OVERMAN,
W. E. CHILTON,
Managers on the part of the Senate.

E. Y. WEBB,
C. C. CARLIN,
J. C. FLOYD,
Managers on the part of the House.

Mr. NELSON. I suggest to the Senator from Texas that the report be printed in the RECORD and treated as though it had been read. It would save time and would be just as effective.

The PRESIDING OFFICER. The Chair will state to the Senator from Minnesota that the report has been printed in the RECORD.

Mr. NELSON. I suggest to the Senator from Texas to ask unanimous consent to dispense with the further reading of the report.

Mr. CULBERSON. In view of the suggestion of the Senator from Minnesota [Mr. NELSON], a member of the committee and one of the conferees, I ask unanimous consent that the further reading of the report be dispensed with.

The PRESIDING OFFICER. The Senator from Texas asks unanimous consent that the further reading of the conference report be dispensed with. Is there objection? The Chair hears none, and the reading is dispensed with.

Mr. TOWNSEND. I understand the Senator from Texas suggested there is nothing further to come before the Senate

this afternoon—no business pressing. I believe we ought to be able to stay here this afternoon and dispose of Senate bill 392. I move that the bill be taken up now for consideration.

Mr. NELSON. I would suggest to the Senator from Texas that he ask that the conference report be informally laid aside, so as to make it the unfinished business.

Mr. SMOOT. It is a privileged question.

Mr. TOWNSEND. It is a privileged question. I call for the regular order.

The PRESIDING OFFICER. The Senator from Michigan moves that the Senate proceed to the consideration of Senate bill 392.

Mr. CULBERSON. Until the unfinished business is disposed of the motion of the Senator from Michigan is out of order.

Mr. TOWNSEND. It is in order at any time to move to take up a bill.

Mr. CULBERSON. The motion would displace the unfinshed business if adopted.

Mr. SMOOT. I wish to say to the Senator that the conference report is a privileged matter at any time.

Mr. CULBERSON. The presentation of a conference report is privileged, but its consideration has to be passed upon by the Senate each time.

Mr. SMOOT. The Senator can bring the conference report before the Senate at any time he desires.

Mr. CULBERSON. It is now the unfinished business, and it has not been displaced. Of course, if the motion of the Senator from Michigan is adopted, it will displace the unfinished business, which is the conference report, unless the unfinished business is temporarily laid aside.

Mr. SMOOT. Of course that is true as far as the unfinished business is concerned, if the bill the Senator from Michigan moves is not disposed of on this legislative day.

Mr. CULBERSON. So far as I am concerned, I can remedy the matter by asking unanimous consent that the unfinished business be temporarily laid aside.

Mr. TOWNSEND. I yield for that purpose.

The PRESIDING OFFICER. The Senator from Texas asks unanimous consent that the unfinished business be temporarily laid aside. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

TITLE TO HOMESTEAD ENTRIES.

Mr. TOWNSEND. I renew my motion that the Senate proceed to the consideration of Senate bill 392.

Mr. MYERS. I wish to present a privileged question to the Senate.

The PRESIDING OFFICER. The Senator from Montana will present it.

Mr. MYERS. I submit a conference report on House bill 11745, and ask that it be read.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11745) to provide for certificate of title to homestead entry by a female American citizen who has intermarried with an alien having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same.

H. L. MYERS,
REED SMOOT,
Managers on the part of the Senate.

SCOTT FERRIS,
EDWARD T. TAYLOR,
BURTON L. FRENCH,
Managers on the part of the House.

Mr. MYERS. I move the adoption of the conference report.

Mr. TOWNSEND. Mr. President, a point of order. While it is a privileged matter to present the conference report it is not privileged to be considered at this time, and it can not take me from the floor, on the motion which I made, and I do not yield for that purpose. The conference report goes over under the rule.

Mr. MYERS. I will ask the Chair if action on the conference report is not privileged, too.

The PRESIDING OFFICER. The Chair recognized the Senator from Montana to present a privileged report.

Mr. MYERS. I will say to the Senator from Michigan and others that there will be no debate on the adoption of the report, and it would have been adopted by this time if there had been no point raised. It will take but half a minute to dispose of it. I do not think anyone will vote against it.

Mr. TOWNSEND. If I can yield without yielding the floor, I will do so.

Mr. MYERS. I ask then for the use of the floor to make this motion with the consent of the Senator from Michigan without taking him from the floor.

The PRESIDING OFFICER. Does the Senator from Michigan yield for that purpose?

Mr. TOWNSEND. I do.

Mr. MYERS. I move that the report be adopted.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Idaho?

Mr. TOWNSEND. I do not know exactly what the situation is. I yielded for the purpose of allowing the Senator from Montana to have the conference report adopted.

Mr. BORAH. I simply wanted to ask a question. I am not going to oppose the motion. I understood from the reading of the report that it is something in the nature of a homestead law.

Mr. MYERS. I will say to the Senator from Idaho, who is seeking information, that it is a conference report on House bill 11745, to provide for certificate of title to homestead entry by a female American citizen who has intermarried with an alien. The bill was amended in the Senate so as to read:

That any female citizen of the United States who has initiated a claim to a tract of public land under any of the laws applicable thereto, and who thereafter has complied with all of the conditions as to the acquisition of title to such land prescribed by the public-land laws of the United States, shall, notwithstanding her intermarriage with an alien, who is entitled to become a citizen of the United States, be entitled to a certificate or patent to such entry equally as though she had remained unmarried or had married an American citizen.

The amendment of the Senate is to insert, in line 8, after the word "alien":

who is entitled to become a citizen of the United States.

The House recedes from its disagreement to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

VOLUNTEER OFFICERS' RETIRED LIST.

Mr. TOWNSEND. I renew my motion that the Senate proceed to the consideration of the bill (S. 392) to create in the War Department and Navy Department, respectively, a roll designated as "the Civil War volunteer officers' retired list," to authorize placing thereon with retired pay certain surviving officers who served in the Army, Navy, or Marine Corps of the United States in the Civil War, and for other purposes.

Mr. OVERMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from North Carolina?

Mr. TOWNSEND. Not for the purpose of making a motion to adjourn. I want a vote on the motion which I have submitted to the Senate.

Mr. OVERMAN. I think we had better have a quorum here before we take up that motion. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from North Carolina suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hitchcock	Myers	Reed
Borah	Hughes	Nelson	Robinson
Bristow	Johnson	Norris	Smith, Ga.
Bryan	Kern	O'Gorman	Smoot
Chamberlain	Lane	Overman	Sterling
Chilton	Lea, Tenn.	Page	Thompson
Clapp	Lee, Md.	Perkins	Thornton
Crawford	Lewis	Pittman	Townsend
Culberson	McCumber	Poindexter	Williams
Fletcher	McLean	Pomerene	
Gore	Martine, N. J.	Ransdell	

The PRESIDING OFFICER. Forty-two Senators only have answered to their names. There is not a quorum present.

Mr. OVERMAN. Not a quorum having appeared, I think it is too late in the evening to take up an important bill. Therefore I move that the Senate adjourn.

Mr. TOWNSEND. On that I demand the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. GORE (when his name was called). If my vote is necessary to make a quorum, I will vote "yea." Otherwise I will not vote.

Mr. O'GORMAN (when his name was called). I am paired with the senior Senator from New Hampshire [Mr. GALLINGER] and withhold my vote.

Mr. SMITH of Georgia (when his name was called). I have a general pair with the senior Senator from Massachusetts [Mr. LODGE], which I transfer to the junior Senator from Virginia [Mr. SWANSON], and vote "yea."

Mr. TOWNSEND (when the name of Mr. SMITH of Michigan was called). I desire again to announce that the senior Senator from Michigan [Mr. SMITH] is paired with the junior Senator from Missouri [Mr. REED].

Mr. WALSH (when his name was called). I have a general pair with the Senator from Rhode Island [Mr. LIPPITT]. I transfer that pair to the junior Senator from Kentucky [Mr. CAMDEN] and vote "nay."

Mr. WILLIAMS (when his name was called). Transferring my pair with the senior Senator from Pennsylvania [Mr PENROSE] to the junior Senator from South Carolina [Mr. SMITH], and asking that that announcement may stand for the day, I vote "yea."

The roll call was concluded.

Mr. LEWIS (after having voted in the affirmative). Mr. President, I had just come into the Chamber, and thought the motion was to take up the bill, and I voted "yea." Understanding that it is a motion to adjourn, I vote "nay."

Mr. CULBERSON. I transfer my general pair with the Senator from Delaware [Mr. DU PONT] to the Senator from Virginia [Mr. MARTIN] and vote "yea."

Mr. SHAFROTH. I desire to announce the absence of my colleague [Mr. THOMAS] by leave of the Senate, and to state that he is paired with the senior Senator from New York [Mr. ROOT].

Mr. SMOOT. I desire to announce the following pairs:

The Senator from Idaho [Mr. BRADY] with the Senator from Mississippi [Mr. VARDAMAN];

The Senator from Maine [Mr. BURLEIGH] with the Senator from New Hampshire [Mr. HOLLIS];

The Senator from New Mexico [Mr. CATRON] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Wyoming [Mr. CLARK] with the Senator from Missouri [Mr. STONE];

The Senator from Rhode Island [Mr. COLT] with the Senator from Delaware [Mr. SAULSBURY];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Maryland [Mr. SMITH];

The Senator from New Mexico [Mr. FALL] with the Senator from West Virginia [Mr. CHILTON];

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from Rhode Island [Mr. LIPPITT] with the Senator from Montana [Mr. WALSH];

The Senator from New York [Mr. ROOT] with the Senator from Colorado [Mr. THOMAS];

The Senator from Wisconsin [Mr. STEPHENSON] with the Senator from Oklahoma [Mr. GORE];

The Senator from Utah [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. CLARKE];

The Senator from Wyoming [Mr. WARREN] with the Senator from Florida [Mr. FLETCHER]; and

The Senator from Massachusetts [Mr. WEEKS] with the Senator from Kentucky [Mr JAMES].

Mr. CLAPP (after having voted in the negative). I have a general pair with the senior Senator from North Carolina [Mr. SIMMONS]. I transfer that pair to the junior Senator from California [Mr. WORKS] and allow my vote to stand.

Mr. CHAMBERLAIN (after having voted in the negative). I have a general pair with the junior Senator from Pennsylvania [Mr. OLIVER], but I understand that he would vote as I did, and therefore I will let my vote stand.

Mr. GORE. I transfer my pair with the junior Senator from Wisconsin [Mr. STEPHENSON] to the senior Senator from Nevada [Mr. NEWLANDS], and I vote "yea."

The result was announced—yeas 16, nays 22, as follows:

YEAS—16.

Bryan	Lane	Ransdell	Smith, Ga.
Culberson	Myers	Reed	Thornton
Gore	Overman	Robinson	White
Hughes	Pomerene	Shafroth	Williams

NAYS—22.

Bristow	Lea, Tenn.	Norris	Sterling
Chamberlain	Lee, Md.	Page	Thompson
Chilton	Lewis	Perkins	Townsend
Clapp	McCumber	Poindexter	Walsh
Johnson	McLean	Sheppard	
Kern	Nelson	Smoot	

NOT VOTING—58.

Ashurst	du Pont	Martine, N. J.	Smith, Mich.
Bankhead	Fall	Newlands	Smith, S. C.
Borah	Fletcher	O'Gorman	Stephenson
Brady	Gallinger	Oliver	Stone
Brandegee	Goff	Owen	Sutherland
Burleigh	Gronna	Penrose	Swanson
Burton	Hitchcock	Pittman	Thomas
Camden	Hollis	Root	Tillman
Catron	James	Saulsbury	Vardaman
Clark, Wyo.	Jones	Sherman	Warren
Clarke, Ark.	Kenyon	Shields	Weeks
Colt	La Follette	Shively	West
Crawford	Lippitt	Simmons	Works
Cummins	Lodge	Smith, Ariz.	
Dillingham	Martin, Va.	Smith, Md.	

So the Senate refused to adjourn.

The PRESIDING OFFICER. No quorum having voted, the Secretary will call the roll of absentees.

The Secretary proceeded to call the names of absent Senators.

Mr. SMITH of Georgia. Mr. President, I rise for an inquiry. There having been further business transacted since the partial call of the roll, is it not necessary to call the entire roll?

The PRESIDING OFFICER. No quorum voted, and the Secretary was simply directed to call the names of absentees.

Mr. SMITH of Georgia. My point is that it is necessary to call the entire roll now, there having been business transacted since the partial call of the roll.

The PRESIDING OFFICER. The Senator from Georgia desires the roll to be called in its entirety. In the absence of objection, that will be done.

The Secretary proceeded to call the roll.

Mr. LEWIS. Mr. President, a parliamentary inquiry. What business intervened to which the Senator from Georgia alluded?

The PRESIDING OFFICER. If the Senator will pardon the Chair, the roll must be called; the Chair can not make any response to the inquiry while the roll is being called.

The roll call was concluded, and the following Senators answered to their names:

Ashurst	Gore	McLean	Robinson
Borah	Hitchcock	Myers	Shafroth
Bristow	Johnson	Norris	Sheppard
Bryan	Jones	O'Gorman	Simmons
Chamberlain	Kern	Page	Smoot
Chilton	Lane	Perkins	Sterling
Clapp	Lea, Tenn.	Pittman	Thompson
Crawford	Lee, Md.	Poindexter	Thornton
Culberson	Lewis	Ransdell	Townsend
Fletcher	McCumber	Reed	White

The PRESIDING OFFICER (Mr. LEWIS in the chair). Forty Senators have answered to their names.

Mr. OVERMAN. I move that the Senate take a recess until Monday at 12 o'clock noon.

Mr. TOWNSEND. That motion is out of order; there is not a quorum present.

Mr. OVERMAN. Then, I move that the Senate adjourn.

Mr. TOWNSEND. Upon that I demand the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. FLETCHER (when his name was called). I have a general pair with the Senator from Wyoming [Mr. WARREN], which I transfer to the Senator from Nevada [Mr. NEWLANDS] and vote "yea."

Mr. GORE (when his name was called). I transfer my pair with the junior Senator from Wisconsin [Mr. STEPHENSON] to the junior Senator from Tennessee [Mr. SHIELDS] and vote "yea."

The roll call was concluded.

Mr. JOHNSON. I transfer my pair with the junior Senator from North Dakota [Mr. GRONNA] to the senior Senator from Indiana [Mr. SHIVELY] and vote "nay."

Mr. CULBERSON (after having voted in the affirmative). Again announcing my pair and its transfer to the Senator from Virginia [Mr. MARTIN], I will allow my vote to stand.

The result was announced—yeas 17, nays 20, as follows:

YEAS—17.

Bryan	Lee, Md.	Reed	Thornton
Culberson	Myers	Robinson	White
Fletcher	Overman	Shafroth	
Gore	Pittman	Sheppard	
Hughes	Ransdell	Simmons	

NAYS—20.

Bristow	Johnson	Lewis	Poindexter
Chamberlain	Jones	McLean	Smoot
Chilton	Kern	Norris	Sterling
Clapp	Lane	Page	Thompson
Crawford	Lea, Tenn.	Perkins	Townsend

NOT VOTING—59.

Ashurst	Brandegee	Catron	Cummins
Bankhead	Burleigh	Clark, Wyo.	Dillingham
Borah	Burton	Clarke, Ark.	du Pont
Brady	Camden	Colt	Fall

Gallinger	Martin, Va.	Sherman	Swanson
Goff	Martine, N. J.	Shields	Thomas
Gronna	Nelson	Shively	Tillman
Hitchcock	Newlands	Smith, Ariz.	Vardaman
Hollis	O'Gorman	Smith, Ga.	Walsh
James	Oliver	Smith, Md.	Warren
Kenyon	Owen	Smith, Mich.	Weeks
La Follette	Penrose	Smith, S. C.	West
Lippitt	Pomerene	Stephenson	Williams
Lodge	Root	Stone	Works
McCumber	Saulsbury	Sutherland	

So the Senate refused to adjourn.

The PRESIDING OFFICER. No quorum having voted upon the last roll call or upon the one preceding, the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bristow	Hitchcock	Norris	Shafroth
Bryan	Hughes	Overman	Sheppard
Chamberlain	Johnson	Page	Smoot
Chilton	Kern	Perkins	Thornton
Clapp	Lea, Tenn.	Pittman	Townsend
Crawford	Lee, Md.	Pomerene	Walsh
Culberson	Lewis	Ransdell	White
Fletcher	Myers	Robinson	

The PRESIDING OFFICER. The Chair announces that the result of the roll call discloses the presence of 31 Senators.

Mr. TOWNSEND. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

Mr. OVERMAN. In lieu of that motion, I move that the Senate adjourn.

The PRESIDING OFFICER. The Senator from North Carolina moves that the Senate adjourn subsequent to the motion of the Senator from Michigan——

Mr. OVERMAN. As a substitute for that motion, I move that the Senate adjourn.

The PRESIDING OFFICER. The amendment taking precedence of the motion of the Senator from Michigan, the question is, Shall the Senate adjourn?

Mr. TOWNSEND. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "yea."

Mr. VARDAMAN (when his name was called). I have a general pair with the junior Senator from Idaho [Mr. BRADY]. I transfer that pair to the junior Senator from Georgia [Mr. WEST] and vote "yea."

Mr. WALSH (when his name was called). Transferring my pair as heretofore announced, I vote "yea."

The roll call was concluded.

Mr. JOHNSON (after having voted in the negative). I voted inadvertently, forgetting my pair with the junior Senator from North Dakota [Mr. GRONNA]. Not having been able to obtain a transfer of pairs, I withdraw my vote.

Mr. FLETCHER. Announcing my pair and its transfer as before, I vote "yea."

Mr. GORE. I transfer my pair with the junior Senator from Wisconsin [Mr. STEPHENSON] to the junior Senator from Tennessee [Mr. SHIELDS] and vote "yea."

The result was announced—yeas 24, nays 17, as follows:

YEAS—24.

Bankhead	Hughes	Pomerene	Smith, Ariz.
Bryan	Lea, Tenn.	Ransdell	Thornton
Culberson	Lee, Md.	Robinson	Vardaman
Fletcher	Myers	Shafroth	Walsh
Gore	Overman	Sheppard	White
Hitchcock	Pittman	Shively	Williams

NAYS—17.

Bristow	Kern	Nelson	Smoot
Chamberlain	Lane	Norris	Townsend
Chilton	Lewis	Page	
Clapp	McLean	Perkins	
Jones	Martine, N. J.	Poindexter	

NOT VOTING—55.

Ashurst	du Pont	Newlands	Smith, S. C.
Borah	Fall	O'Gorman	Stephenson
Brady	Gallinger	Oliver	Sterling
Brandegee	Goff	Owen	Stone
Burleigh	Gronna	Penrose	Sutherland
Burton	Hollis	Reed	Swanson
Camden	James	Root	Thomas
Catron	Johnson	Saulsbury	Thompson
Clark, Wyo.	Kenyon	Sherman	Tillman
Clarke, Ark.	La Follette	Shields	Warren
Colt	Lippitt	Simmons	Weeks
Crawford	Lodge	Smith, Ga.	West
Cummins	McCumber	Smith, Md.	Works
Dillingham	Martin, Va.	Smith, Mich.	

So the motion was agreed to; and (at 3 o'clock and 15 minutes p. m.) the Senate adjourned until Monday, September 28, 1914, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

SATURDAY, *September 26, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Thou to whom millions turn daily with faith, hope, and confidence, and are not disappointed, turn not Thou away from us, but satisfy, we beseech Thee, the longings, hopes, and aspirations of our souls with truth, justice, wisdom, mercy, that our work may bear abundant fruit acceptable unto Thee. In Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

TERMS OF DISTRICT COURT—NORTH CAROLINA.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 18732 and concur in the Senate amendment. The Senate amendment is only a change in the spelling of one word.

Mr. MANN. It does not require unanimous consent.

The SPEAKER. It requires unanimous consent because we have not yet exhausted the rule under which the House has been operating. The Clerk will read the title to the bill.

The Clerk read as follows:

H. R. 18732. An act to amend section 98 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911.

The Senate amendment was read.

The SPEAKER. The gentleman from North Carolina asks unanimous consent for the present consideration of this bill. Is there objection?

There was no objection.

The Senate amendment was agreed to.

THE RIVER AND HARBOR BILL.

Mr. SPARKMAN. Mr. Speaker, I ask unanimous consent to take up the bill H. R. 13811, the rivers and harbors bill, and concur in the Senate amendment.

The SPEAKER. The gentleman from Florida asks unanimous consent to take from the Speaker's table the rivers and harbors bill for present consideration of the Senate amendment. The Clerk will report the bill.

The Clerk read as follows:

H. R. 13811. An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, I would like to ask the gentleman from Florida what would be his purpose in reference to time for debate and offering amendments, either to-day or later?

Mr. SPARKMAN. As far as I am concerned, I would agree to a reasonable time for debate. I understand that some Members would like to discuss the Senate amendment and perhaps other things not in but connected with the Senate amendment. As far as I am concerned, I expect to address the House briefly on that amendment.

Mr. MANN. Of course, if it came before the House in this way, the gentleman would have the power to move the previous question.

Mr. UNDERWOOD. I would suggest to the gentleman from Illinois that I think this proposition ought to be acted upon before we adjourn. I can readily understand why Members on both sides of the House desire to debate it, and yet if we are going to accept the amendment in the end to make sufficient appropriation to take care of the present improvement, it is economy to act on it at as early a date as possible, because nonaction is tying up some Government work and costing a good deal of money. I suggest that the gentleman from Florida would be willing to go into Committee of the Whole on the amendment.

Mr. SPARKMAN. I desire to say I had supposed that if there was to be any discussion it would be in Committee of the Whole, though that may not be necessary. Some members of the Rivers and Harbors Committee suggested that it go back to that committee, but I do not think any good can come of such a course. I should have no objection to its being discussed in Committee of the Whole, if we can agree upon the time for discussion.

Mr. MANN. It does not seem to me that it ought to be brought up to-day. Why not let it go to the committee and let the committee report it back, and then it would be in order to come up on Tuesday next, when all the Members of the House have had notice. There is not much difference in time.

The SPEAKER. Is there objection?

Mr. GOLDFOGLE. Mr. Speaker, reserving the right to object, I desire to ask the chairman of the Committee on Rivers and Harbors whether this Senate amendment takes out of the bill the appropriation for the improvement of the Hudson and East Rivers in the city of New York?

Mr. SPARKMAN. It takes out of the bill all new projects, but it takes care of existing and continuing projects.

Mr. GOLDFOGLE. In other words, does the amendment have the effect of preventing the carrying out of the project to deepen the East River channel and the Hudson River channel?

Mr. SPARKMAN. Some of those are new projects and, of course, they are eliminated by this amendment.

Mr. GOLDFOGLE. So that the work can not be done. The gentleman from Florida, I presume, has read, if he has not received, the communication from the mayor of the city of New York in reference to these projects and the absolute necessity at the present time of making an appropriation for the East and Hudson Rivers.

Mr. SPARKMAN. Yes; I have read the mayor's communication on that subject, and I understand the great importance of that particular work. But there are other works provided for in the bill as it left the House also of great impotrance, as far as navigation is concerned; but they were all eliminated, along with East River, in the Senate. I would like to see them all taken care of in this bill, and they ought to have been, but the Senate has cut them out, and the question now is whether we are going to get anything at all at this session of Congress for the purpose of carrying on river and harbor work that has already been begun. In my judgment, it is this bill or nothing.

Mr. GOLDFOGLE. I would like to ask the gentleman, who has had a large and varied experience in these matters and understands the conditions that attend us in New York, if he understands that if the appropriations are withheld at the present time for the improvement of the East River there will be not only grave danger of having some of the work that is now going on there removed, namely, the subway improvement, the tunnel, but also increasing at some future time the cost of doing that work?

Mr. SPARKMAN. I am not responsible for that condition.

Mr. GOLDFOGLE. But is it not so?

Mr. SPARKMAN. Yes; it will inconvenience the city of New York a good deal and delay an important work. They want to run a tunnel under Coenties Reef, and it is important the reef be first removed.

Mr. HUMPHREY of Washington. Will the gentleman yield?

Mr. SPARKMAN. Yes.

Mr. HUMPHREY of Washington. None of these projects are in the bill; they are all cut out.

Mr. GOLDFOGLE. I understand the Senate amendment cuts them out, and that is what I am discussing now. I want to know why they were cut out.

Mr. SPARKMAN. I will have to pass that up to some one at the other end of the Capitol.

Mr. HUMPHREY of Washington. Mr. Speaker, I want to ask the gentleman from Florida if we can agree upon a time for debate, and if he will agree also that amendments may be offered? If so, how much time will he be willing to grant for debate?

Mr. BORLAND. Reserving the right to object, I want to ask the gentleman a question.

Mr. SPARKMAN. I am willing to try to agree as to a reasonable time for debate. I understand, though, that a motion is always in order to concur with an amendment. I would be perfectly willing to try to agree to some time with the gentleman or with anyone else who wants to discuss it.

Mr. HUMPHREY of Washington. Can we agree upon a time when we shall take it up?

Mr. SPARKMAN. It was suggested by the gentleman from Illinois [Mr. MANN] that next Tuesday would be a suitable time. I myself have no objection to that date.

Mr. FREAR. In this division of time, is it all to be apportioned to those who are in favor of the bill, or on this occasion can others be heard? That was not the case when the bill was first discussed.

Mr. SPARKMAN. I should suppose that within proper limitations anybody who wanted to talk could be heard.

Mr. FREAR. What will be the division of time?

Mr. MANN. The control of the time is by unanimous consent.

Mr. FREAR. I do not know who would have control of the time.

Mr. MANN. That would be arranged by unanimous consent. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. MANN. This being a Senate amendment to the river and harbor bill, and the river and harbor bill being a privileged bill reported to the House, if it should go now to the committee and be reported back from the committee would it not still retain its privilege to be called up at any time?

The SPEAKER. The Chair thinks it would; yes.

Mr. BORLAND. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Missouri rise?

Mr. BORLAND. I rise to reserve the right to object. I want to ask the gentleman a question. What is the request now being made for unanimous consent?

Mr. SPARKMAN. The request was for unanimous consent to take up the river and harbor bill and concur in the Senate amendments.

Mr. BORLAND. At once; forthwith?

The SPEAKER. Substantially so.

Mr. MANN. The request submitted was to take up the river and harbor bill for the consideration of the Senate amendments.

The SPEAKER. That is what the Chair understands.

Mr. BORLAND. I understand the Senate amendments provide for an appropriation of $20,000,000, to be expended by the Engineers of the Army upon works which are now under construction. In the case of the Missouri or Mississippi Rivers, where a continuous project has been adopted by the committee, and a number of jobs are being carried on at different points, some of them by contractors and some of them by Government force work, does this bill contemplate that only existing jobs now let shall be continued, or that the program of work as outlined for next season shall also be continued?

Mr. SPARKMAN. Under the provisions of this bill the Secretary of War, with the assistance of the Chief of Engineers, is to distribute this $20,000,000 among the different projects that have been adopted and upon which work is now being prosecuted and not completed. Of course, the Chief of Engineers will have the matter in hand, and can expend it in any way he sees proper upon projects covered by its provisions.

Mr. BORLAND. I want to ask this question: On the Missouri River, which is a project adopted by the committee and by the engineers, there are now 13 different jobs being carried on between Kansas City and St. Louis. Seven of those——

Mr. CARLIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CARLIN. Is it necessary to have unanimous consent to take the bill from the Speaker's table and move to concur?

The SPEAKER. It undoubtedly is, when he have not got through with the rule yet.

Mr. MANN. It would be, anyhow.

The SPEAKER. Without deciding that question, it is necessary now.

Mr. GARNER. Mr. Speaker, it is evident that this discussion is not resulting in any good. Unanimous consent is not going to be given for the consideration of this matter. Why go on and consume time?

Mr. BORLAND. We do not know that unanimous consent will not be given.

The SPEAKER. The Chair does not know that.

Mr. GARNER. I am sure it is not going to be given.

Mr. BORLAND. We do not know that at all. We think unanimous consent may be given.

Mr. GARNER. We know it will not be given.

Mr. BORLAND. If the gentleman wants to object, that is the end of it.

Mr. GARNER. I have no desire to object, Mr. Speaker, but why throw away an hour in discussing a matter that is useless, when it is not going to be consented to?

Mr. BORLAND. If the gentleman will bear with me about a minute——

The SPEAKER. The gentleman has his remedy.

Mr. BORLAND. On the Missouri River there are 13 jobs on which work is being prosecuted under that project. Seven of them are under contract——

Mr. FREAR. Mr. Speaker, I rise to ask the chairman of the committee if he has anything to do with the determination of the disposition of the appropriation, in view of the fact that it is all placed in the hands of the engineers, and the Secretary of War can grant anything? It is surely a waste of time.

Mr. SPARKMAN. I yield to the gentleman from Missouri for a question.

The SPEAKER. The gentleman from Florida has yielded to the gentleman from Missouri.

Mr. SPARKMAN. I shall be glad to yield to the gentleman from Wisconsin later.

Mr. BORLAND. Now, if I may continue, I will call the attention of the chairman of the committee to this fact, that on one project, the Missouri River between Kansas City and St. Louis, there are 13 jobs now being carried on. 7 of them by contract work and 6 by force work. As I understand now from telegrams from the engineer, they will have to stop that work on the 1st day of October on all 13 of these separate jobs that are being carried on. Now, the contractors who have 7 of those jobs have their work laid out for next season. Is it intended that they shall go on under this bill with the preliminary work for the next season?

Mr. SPARKMAN. That is all left to the engineer, or, rather, to the Secretary of War.

Mr. BORLAND. Is that possible under this Senate amendment?

Mr. SPARKMAN. Oh, it is possible; yes.

Mr. LLOYD. In this Senate amendment the Mississippi River Commission is given control over the expenditures to the mouth of the Ohio. What is the effect of that amendment so far as the commission is concerned north of the mouth of the Ohio? As I understand it, the Mississippi River Commission now has authority to Rock Island. What will become of the work between Rock Island and the Ohio River?

Mr. SPARKMAN. Mr. Speaker, I do not think they can, under the Senate amendment, go above Cape Girardeau on the Mississippi River. As the bill left the House there was a provision in it that permitted this to be done, but I fear the amendment does not retain the provision. Still it is a matter of construction, and I may be wrong.

Mr. LLOYD. This goes only to the mouth of the Ohio. It does not go to Cape Girardeau.

Mr. SPARKMAN. There is no doubt that it goes to Cape Girardeau. That was fully discussed in the Senate, and attention was called to the verbiage in which the mouth of the Ohio River was mentioned, and there was no doubt but it included Cape Girardeau.

Mr. LLOYD. What will be the effect of the provisions for the upper Mississippi River? Those are continuing orders, are they not?

Mr. SPARKMAN. No. As I said, I do not think any work can be done under the Senate provision in the matter of levee building above Cape Girardeau, yet I may be wrong as to that. It will depend upon the construction given to the river and harbor act of 1913.

Mr. LLOYD. What will be the effect of the improvement of the river under the 20-year contracts?

Mr. SPARKMAN. That will be under the jurisdiction of the engineers and the Secretary of War.

Mr. LLOYD. And may be provided for if the Secretary of War sees fit to do so?

Mr. SPARKMAN. Oh, yes.

Mr. RAINEY rose.

Mr. HOWARD. Mr. Speaker, I rise to a point of order, to demand the regular order.

The SPEAKER. The gentleman from Georgia demands the regular order. Is there objection to the request of the gentleman from Florida [Mr. SPARKMAN]?

Mr. BOOHER. Mr. Speaker, I object.

The SPEAKER. The gentleman from Missouri [Mr. BOOHER] objects.

Mr. MANN. Mr. Speaker, I ask that the river and harbor bill, under the rule, be referred to the Committee on Rivers and Harbors.

The SPEAKER. That is what the Chair is going to do. It will be referred to the Committee on Rivers and Harbors.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. BURKE of Wisconsin, after to-day's session, for 10 days, on account of sickness in his family.

RADIUM-BEARING ORES.

Mr. FOSTER. Mr. Speaker, I present the following privileged report from the Committee on Rules.

The SPEAKER. The gentleman presents a privileged resolution, which the Clerk will report.

The Clerk read as follows:

House resolution 630 (H. Rept. 1169).

Resolved, That upon the adoption of this resolution further proceedings in the consideration of bills as provided for in House resolution 536, adopted August 14, 1914, shall terminate, and that H. R. 12741 shall be held and recognized to be privileged as are bills from standing committees of the House now privileged under the rules of the House: *Provided*, That there shall be not exceeding four hours general debate, to be equally divided between those who favor and those who oppose the same, one half of such time to be controlled by the gentleman from Illinois, Mr. FOSTER, and the other half by the gentleman from Utah, Mr. HOWELL. After the bill shall have been perfected in the Committee of the Whole, the same shall be reported to the House with such recommendations as the committee may make and the previous question shall be considered as ordered on the bill and amendments to final passage without intervening motion, except one motion to recommit. All debate shall be confined to the subject matter of the bill.

Mr. FOSTER. Mr. Speaker, this resolution provides for the termination of bills provided for in House resolution 536. The only bill that was left among the number mentioned in that resolution was the bill (H. R. 12741) providing for the treatment of radium-bearing ores, known generally as the radium bill. I was very anxious that that bill might be considered—in fact, I was in hopes that it might have been considered long ago and have become a law before this time; but conditions have arisen since this report was made whereby it is thought not best to press the bill for consideration at once. I have therefore asked that this rule be passed, providing that the bill may be made privileged, and at a future time in this Congress we may be enabled to call it up for consideration. I am frank to say to the House that I do not know, of course, whether this bill could be taken up during this Congress or not, but I feel that I would like to have the opportunity of doing so, if it is possible. I am anxious to pass it. I am a friend of the bill and do not want to see it defeated at this time, which might be the case, owing to the appropriation in the bill.

Mr. COOPER. Mr. Speaker, will the gentleman yield?

Mr. FOSTER. Yes.

Mr. COOPER. Does the gentleman know anything about the truth of the reports in the newspapers that this bill has already been delayed until all of the radium ores of any importance have been taken up?

Mr. FOSTER. I think that is probably not correct.

Mr. COOPER. The gentleman says "probably not correct." Does the gentleman admit that there is a probability that it is correct?

Mr. FOSTER. Mr. Speaker, a good many of these claims have been taken, I will say to the gentleman from Wisconsin, and when this matter was first discussed in the newspapers and throughout the country there was a great rush to locate these claims, but it is claimed there is still plenty of them left. Those who oppose the bill say it is in abundance. At that time there was one firm in this country manufacturing radium; practically all of the product came from this one firm. They have located a large number of claims, and they have a lot of those claims now. I do not know whether we will be able to get sufficient ore or not, but I think that under this bill we will secure enough to get what the Government needs for its hospitals and some to spare. I will say this: That nearly all of the ore that has been taken out of the mines in Colorado and Utah has been shipped to Europe. A gentleman who came from Europe just before the war broke out informed me that while traveling through Europe he saw considerable quantities of American carnotite ore stacked up at chemical works ready to be reduced to secure radium for foreign hospitals. The Governments in some of those countries in Europe in which radium is located have already taken charge of radium-bearing ore in the several countries. They do not permit it to be mined outside of the Government, as their supply is not large, and so the Government controls it.

Mr. COOPER. Will the gentleman yield for an interruption?

Mr. FOSTER. Yes.

Mr. COOPER. If this is of such importance, as unquestionably it is, why has consideration been delayed and delayed in order to permit the consideration of bills of vastly less importance?

Mr. FOSTER. Well, it is one of those legislation conditions which can not be avoided; many times very important bills can not be brought up for consideration.

Mr. COOPER. Why postpone it now? It ought not to be postponed one minute.

Mr. FOSTER. The only reason why I have asked this might be done at this particular time is that this provides for an authorization of an appropriation of $450,000; and with financial conditions as they are now I feared the bill might fail for that reason, and I want it to pass when it is considered, and would rather wait a little while than to have it fail now.

Mr. COOPER. Does the gentleman think that an appropriation of only $450,000, when we are about to collect $100,000,000 of revenue by a new tax, should suffice to prevent consideration of a bill of such tremendous importance as is this bill for the conservation of radium-bearing ores in Government lands?

Mr. FOSTER. I agree with the gentleman from Wisconsin that the bill should become a law at the earliest opportunity; but in view of the existing conditions I think, and the committee thinks as well, that it is best to let it go for a more opportune time. I hope that in the near future we will be able to

take it up and pass it. I do not feel now like asking Congress to make an appropriation of this amount, when we are levying a tax.

Mr. MANN. Will the gentleman yield to me five minutes?

Mr. FOSTER. I will. Mr. Speaker, I yield five minutes to the gentleman from Illinois.

Mr. MANN. Mr. Speaker, I agree with my colleague [Mr. FOSTER] that it is not expedient or wise at this time to consider this bill with a view to its immediate passage. I think this is a time when we ought to exercise very strict economy, but I doubt the advisability at this time of making privileged a nonprivileged bill which can be called up at any time during the short session of Congress. We have been here in session now since a year ago last spring, in continuous session, and if we ever have any hope of being away from here next summer that hope must be based upon the passage of the appropriation bills at the short session of Congress next winter. Some of the appropriation bills this year were not passed until after July 1. Some of the appropriation bills last year were not passed until after July 1, but if we are away from here next summer it will be *because all* the appropriation bills have become laws on the 4th day of March next, at noon. For the House now to make a bill which is now nonprivileged privileged at the next session of Congress, to be called up at any time, may seriously interfere with the business of the House at the short session of Congress. I take it that the Democratic side of the House in control of the committees will be prepared as soon as Congress meets at the regular session in December to bring some of the appropriation bills to the House for consideration at once. I have no doubt that that is the intention, and I hope it will be the case. Now, it is proposed to insert here the privilege of calling up this bill at any time. Well, we had one bill made privileged at this session of Congress, to be called up at any time. That was the dam bill, I believe, which hung over the House for weeks and months. Nobody knew if it was going to be taken up; nobody knew how long it would consume if it was taken up. If the other side of the House, of course, want to take the responsibility of making unprivileged matters privileged, to take up the time at the next session of Congress, in advance now, they have the power to do so; but the wisdom of it, it seems to me, is to be greatly doubted. If the gentleman will permit, I will offer an amendment to the resolution, to strike out all of the resolution after the provision which rescinds the existing rule, and then if the Committee on Rules at the next session of Congress finds that there is time in the House, they have the same power to bring in a resolution making that bill privileged as they have now. But to start in now to make bills privileged at the next regular session of Congress seems to me unwise.

Mr. FOSTER. Mr. Speaker, I yield five minutes to the gentleman from Tennessee [Mr. GARRETT].

Mr. GARRETT of Tennessee. Mr. Speaker, I think it possible that there are a number of Members who may not understand precisely the situation in regard to this bill. Some time in June last the Committee on Rules reported a resolution for the consideration of five bills—that is, making those bills in order—and included in the resolution a provision that that order should be the continuing order until disposed of, making certain exceptions—for instance, appropriation bills, conference reports, bills affecting the bonded indebtedness, and revenue bills. That resolution was adopted, and one of the bills that was included was withdrawn by unanimous consent of the House. The other three bills have been considered and passed by the House, and now there is left the last bill, commonly known as the radium bill. Under that resolution, which has been adopted by the House, it is the order of business and will take precedence over anything except conference reports and bills affecting the bonded indebtedness and revenues of the country and appropriation bills. Now, it has been deemed wise by the author of the bill, the chairman of the committee which reported the bill, the gentleman from Illinois [Mr. FOSTER], to withdraw it at this time, but he does desire to retain the privileged character of the bill in order that if the exigencies of the situation will permit him in the future to call it up, that it may have a status and privilege which is, in fact, a little bit lower than it has now. If the resolution now presented by the gentleman from Illinois [Mr. FOSTER] shall not prevail, then the order of business is to take up the radium bill. It is not desired by the gentleman from Illinois or by his committee, or desired by the House at this time, I think, to take that bill up in preference. Now, that is a statement of the conditions actually existing in regard to this rule.

Of course, if it be adopted it will make the bill privileged, but that is all. At any time if the committee responsible for the bill should desire to call it up and the House should not desire to do so, it can vote down the motion to go into the Committee of the Whole House upon it. It takes away from it the high privilege, which it has now of being a continuing order, and simply places it on the plane of a privileged bill. I thought it fair to make that statement in order that gentlemen might understand it fully.

I yield back the balance of my time.

The SPEAKER. The gentleman yields back two minutes.

Mr. COOPER. May I have three or four minutes?

Mr. FOSTER. Mr. Speaker, I yield to the gentleman from Wisconsin four minutes.

Mr. COOPER. Mr. Speaker, this bill was introduced on the 31st of last January. It was favorably reported by the Committee on Mines and Mining to the Committee of the Whole House on the 3d of February. A rule was introduced in June to take the bill up for consideration as the fourth of the Government land bills It is entitled—

> A bill to provide for and encourage the prospecting, mining, and treatment of radium-bearing ores in lands belonging to the United States, for the purpose of securing an adequate supply of radium for Government and other hospitals in the United States, and for other purposes.

In its report of last February the Committee on Mines and Mining says:

> From the information brought before it, the committee is convinced of the great public need of the legislation herein proposed.
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> * * * * * * *
>
> At present, on account of the tremendous demand for the material abroad, there is no means of keeping radium ores or radium in America except by overbidding the excessive price now being offered for them in European markets; and this means that the people of this country must buy back from foreign countries at speculative and exorbitant prices the very radium which was their own and which their Government has allowed to become subject to foreign exploitation.

A moment ago, in reply to my question, the distinguished gentleman from Illinois, Dr. FOSTER, said that the mining and treatment of radium-bearing ores and the production of radium was largely in the hands of a monopolistic combination. And so it is proposed to allow this business to be exploited by a private monopolistic combination and to make no effort to stop the exploitation, although, as the committee reports, it is of great importance that the United States should encourage and regulate the mining and treatment of radium-bearing ores in lands belonging to the Government in order to secure an adequate supply of radium for use in Government and other hospitals in the United States. In its report the committee further says:

> It has already been shown that foreign Governments and municipalities are prepared to pay prices for radium far in excess of the cost of production and manufacture, and they have already obtained more than half of the available ores produced in the United States. It was in France, Germany, and Austria that the value of radium was first appreciated. Here a demand for it was first established and processes for extracting it from these ores were developed. Meanwhile our own Government has been giving away its deposits of radium-bearing ores, which even though limited are the most extensive known, and allowing them to pass into the ownership of a foreign corporation, a few American companies acting as shipping agents for other foreign corporations, or to an American company which sells its radium largely to foreign purchasers. The high price of radium salts—by far the larger part of this price representing a profit to the manufacturer—is taking radium out of the country, and even if it stays in the country, the present price makes its use so expensive that the material can hardly be expected to be available to people of small means, except in so-called charity cases.
>
> Accordingly, it seems extremely important that the United States Government shall make such provision as may be necessary to obtain supplies of radium requisite to meet the more urgent needs of the American people.

Yet in the face of a report filed in this House last February and containing such statements the gentleman from Tennessee [Mr. GARRETT] asks that practically nothing be done. Now, I desire to know the reason for this attitude of the gentleman from Tennessee, a member of the Committee on Rules. The report last February of the Committee on Mines and Mining asserts that this bill is of the utmost importance to the poor people of this country who are afflicted with certain diseases, and who can not buy radium because of its great price. That committee says that the Government of the United States ought to retain control of this inestimably valuable ore in its own lands in order to supply radium for use in Government hospitals, and yet the committee reporting all this last January and February has done nothing, and now proposes to do nothing, to pass the bill and prevent the further private monopolistic exploitation of this very valuable ore. I would like to know why. [Applause.]

Mr. FOSTER. Mr. Speaker, I beg to say just a word in reply to the gentleman from Wisconsin. I realize the great importance of legislation of this kind. But I want to say at the same time that this does not defer the consideration of this bill indefinitely. I assure the gentleman it is my intention to call up this bill just as soon as conditions are more favorable for appropriating this money, and I hope it may be taken up before this session closes. However, it was thought best that it should be deferred for the present.

Mr. COOPER. The gentleman states the facts, but he does not give any reason at all for the action of the committee. Why can it not be taken up to-day, as the House supposed it would be taken up, in regular order after the other three Government land bills had been disposed of?

Mr. FOSTER. I do not know that I could convince the gentleman of a particular reason why it should be done any more than I have given as to the appropriation of $450,000 at this time. I think it ought to have been taken up a long time ago, but I know it is not always easy to do as we wish.

Mr. COOPER. What influence has prevented it? Has this private monopoly which has taken so much of these lands and is very much opposed to this bill had anything to do with the prevention of its consideration?

Mr. FOSTER. I would not say it has had anything to do with it.

Mr. COOPER. Of course the gentleman would not like to say it, but will he deny it?

Mr. FOSTER. Yes; I emphatically deny it.

Mr. COOPER. Does not the gentleman think this bill is of as pressing importance now to the people of the United States as is the Philippine resolution, which it is proposed shall take its place?

Mr. FOSTER. Yes; I think it is of great importance.

The gentleman can not say too much to me, so far as the importance of this legislation is concerned, but others may differ with me on that point on both sides of the House.

Mr. COOPER. The importance of the bill could not be more strongly stated, for the gentleman from Illinois is not only a Member of this House in exceedingly high standing on both sides of the aisle, but he is also a distinguished physician and an honor to his profession, and knows what the truth is concerning radium and this proposed legislation.

Mr. FOSTER. I thank you; and I regret conditions are not such that we can pass it now.

Mr. HAMLIN. Mr. Speaker, I want to make a suggestion, and I would like a couple of minutes.

Mr. FOSTER. Mr. Speaker, I yield two minutes to the gentleman.

Mr. HAMLIN. Mr. Speaker, I am sure that the criticisms of the gentleman from Wisconsin [Mr. COOPER] are made in the best of faith. I am sure he is not going to accuse the committee of having any evil intentions in not pushing this matter at this time.

I am a member of the Committee on Mines and Mining, and we took up this matter for consideration last winter; I have forgotten the exact time, but I presume the time he gave is the correct date. It turned out that while we were considering this matter and taking testimony, having before us such physicians as Dr. Kelly, of Baltimore, and Dr. Abbott, of New York, eminent surgeons, who have had some experience in treating diseases with radium, especially cancer, the moment it was known that Congress had begun an investigation of the matter, a certain firm, with headquarters at Pittsburgh, having already sent their agents out through Colorado and Utah, wired them to locate all the claims possible.

Now, my understanding of the situation is—and we might as well face it—that before it was physically possible for this bill to be brought before the House, practically all of the radium-bearing ores had been located and filed on.

Mr. GOULDEN. Mr. Speaker, will the gentleman yield for a question right there?

Mr. HAMLIN. And it is just a case now of trying to lock the barn door after the horse is stolen.

Mr. GOULDEN. Will the gentleman yield for just one question for information?

Mr. HAMLIN. Yes.

Mr. GOULDEN. How or under what law did that corporation called "foreign" by the gentleman from Wisconsin [Mr. COOPER], and stated by you to be established in Pittsburgh, locate these claims? And is it not time to stop any further acquisition of these valuable radium lands?

Mr. HAMLIN. Under the existing law, allowing people to locate mineral claims.

Of course, the purpose of this bill is to withdraw certain radium-bearing or carnotite-ore lands from the operation of the general law. But before it was possible for the House to consider this bill, according to the information I have, practically all of the radium-bearing or carnotite-bearing ores have already been located by private parties, and therefore I can not see that any great damage will now be done if we were to defer the consideration of this bill at this particular time.

Now, if we could have considered it four or five months ago, or six months ago, then perhaps it would have been a very good thing for us to have done so.

Mr. COOPER. Mr. Speaker, will the gentleman yield to an interruption?

Mr. HAMLIN. I will.

Mr. COOPER. Does the gentleman from Missouri think that the United States is still the owner of lands in which radium can be found?

Mr. HAMLIN. I understand that there are perhaps some ores that are yet available.

Mr. COOPER. Does the gentleman think that these private prospectors do not know that?

Mr. HAMLIN. I am inclined to think they do know it.

Mr. COOPER. Does the gentleman propose to delay the consideration of this bill and give them more opportunity to secure these lands?

Mr. HAMLIN. I think they have practically all the good radium-bearing lands already located and filed on.

Mr. COOPER. But the gentleman says that the Government still owns some that they have not got hold of?

Mr. HAMLIN. Naturally, I suppose there are some yet to be located.

Mr. COOPER. And yet it is still proposed to delay the passage of this bill, although they know the existence of these lands. The gentleman proposes, then, to give them more opportunity to get them?

Mr. HAMLIN. I think likely they now have all they want or all that they think valuable. I do not think any harm will come if we defer the consideration of the matter for a while longer.

Mr. MANN. Mr. Speaker, will the gentleman from Illinois yield to me to offer an amendment?

Mr. FOSTER. No. I am going to move the previous question. Mr. Speaker, I move the previous question.

The SPEAKER. The gentleman from Illinois [Mr. FOSTER] moves the previous question.

The question was taken, and the Speaker announced that the noes seemed to have it.

Mr. FOSTER. I ask for a division, Mr. Speaker.

The SPEAKER. The gentleman from Illinois [Mr. FOSTER] asks for a division. Those in favor of ordering the previous question will rise and stand until they are counted. [After counting.] Eighty-two gentlemen have arisen in the affirmative. Those opposed will rise and stand until they are counted. [After counting.] Fifty-seven gentlemen have arisen in the negative. On this question the ayes are 82 and the noes are 57. The previous question is ordered. The question is on agreeing to the resolution.

The question was taken, and the Speaker announced that the noes seemed to have it.

Mr. FOSTER. Mr. Speaker, I ask for a division.

The SPEAKER. The gentleman from Illinois [Mr. FOSTER] demands a division. Those in favor of the resolution will rise and stand until they are counted. [After counting.] Eighty-three gentlemen have arisen in the affirmative. Those opposed will rise and stand until they are counted. [After counting.] Fifty-five gentlemen have arisen in the negative. On this question the ayes are 83 and the noes are 55.

Mr. MANN. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. The gentleman from Illinois asks for the yeas and nays. Those in favor of taking the vote by yeas and nays will rise and stand until they are counted. [After counting.] Forty-four gentlemen have risen in the affirmative—a sufficient number—and the Clerk will call the roll. Those in favor of the resolution embodying the rule will, when their names are called, answer "yea"; those opposed will answer "nay."

The question was taken; and there were—yeas 194, nays 114, answered "present" 3, not voting 120, as follows:

YEAS—194

Abercrombie	Burgess	Dixon	Gilmore
Adair	Burke, Wis.	Donovan	Gittins
Adamson	Burnett	Doolittle	Glass
Aiken	Byrns, Tenn.	Doremus	Godwin, N. C.
Allen	Callaway	Doughton	Goeke
Ansberry	Cantor	Dupré	Goldfogle
Ashbrook	Cantrill	Eagan	Gordon
Aswell	Caraway	Eagle	Gorman
Bailey	Carlin	Edwards	Goulden
Baltz	Carter	Evans	Graham, Ill.
Barkley	Clancy	Ferris	Gray
Barnhart	Clark, Fla.	Fields	Gudger
Beakes	Claypool	Finley	Hamill
Beall, Tex.	Cline	Fitzgerald	Hamlin
Bell, Ga.	Coady	Flood, Va.	Hammond
Blackmon	Collier	Floyd, Ark.	Hardwick
Borchers	Connelly, Kans.	Foster	Hardy
Bowdle	Cox	Fowler	Harrison
Brockson	Crosser	Gallivan	Hay
Brown, W. Va.	Cullop	Gard	Hayden
Brumbaugh	Davenport	Garner	Heflin
Buchanan, Ill.	Decker	Garrett, Tenn.	Helm
Buchanan, Tex.	Dent	Garrett, Tex.	Helvering
Bulkley	Dies	Gerry	Henry

Hill	Maguire, Nebr.	Rayburn	Stout
Holland	Mitchell	Reed	Switzer
Howard	Montague	Reilly, Conn.	Taggart
Hughes, Ga.	Moon	Reilly, Wis.	Tavenner
Hull	Morgan, La.	Riordan	Taylor, Ala.
Jacoway	Morrison	Rouse	Taylor, Ark.
Johnson, Ky.	Moss, Ind.	Rubey	Thomas
Johnson, S. C.	Mulkey	Rucker	Thompson, Okla.
Jones	Murray, Mass.	Russell	Tribble
Keating	Murray, Okla.	Sabath	Tuttle
Kennedy, Conn.	Neely, W. Va.	Saunders	Underwood
Key, Ohio	Ogiesby	Scully	Vaughan
Kirkpatrick	O'Hair	Seldomridge	Vollmer
Kitchin	Oldfield	Shackleford	Walsh
Lazaro	Padgett	Sherley	Webb
Lee, Ga.	Park	Sherwood	Whaley
Lesher	Peterson	Slayden	Whitacre
Lever	Phelan	Smith, Tex.	White
Lewis, Md.	Post	Sparkman	Williams
Lieb	Pou	Stedman	Wilson, Fla.
Lloyd	Quin	Stephens, Miss.	Wingo
Lonergan	Ragsdale	Stephens, Nebr.	Witherspoon
McCoy	Rainey	Stephens, Tex.	Young, Tex.
McGillicuddy	Raker	Stevens, N. H.	
McKellar	Rauch	Stone	

NAYS—114.

Ainey	Farr	Kennedy, Iowa	Prouty
Anderson	Fess	Kennedy, R. I.	Roberts, Mass.
Anthony	FitzHenry	Kinkaid, Nebr.	Roberts, Nev.
Avis	Fordney	Lafferty	Rogers
Bartholdt	French	La Follette	Rupley
Barton	Gallagher	Langley	Scott
Bathrick	Gardner	Lenroot	Sells
Booher	Gillett	Lindbergh	Sinnott
Borland	Good	Lobeck	Slemp
Britten	Green, Iowa	McAndrews	Sloan
Browne, Wis.	Greene, Mass.	McGuire, Okla.	Smith, Idaho
Bryan	Greene, Vt.	McKenzie	Smith, J. M. C.
Burke, S. Dak.	Hamilton, Mich.	MacDonald	Smith, Minn.
Butler	Hamilton, N. Y.	Manahan	Smith, Saml. W.
Campbell	Haugen	Mann	Stafford
Cary	Hawley	Mapes	Steenerson
Chandler, N. Y.	Hayes	Miller	Stephens, Cal.
Cooper	Helgesen	Mondell	Stevens, Minn.
Copley	Hinebaugh	Morgan, Okla.	Sutherland
Cramton	Howell	Moss, W. Va.	Talcott, N. Y.
Curry	Hughes, W. Va.	Mott	Temple
Danforth	Humphrey, Wash.	Nelson	Thomson, Ill.
Davis	Igoe	Nolan, J. I.	Towner
Dillon	Johnson, Utah	Norton	Treadway
Donohoe	Johnson, Wash.	Paige, Mass.	Volstead
Drukker	Kahn	Payne	Woods
Dunn	Keister	Peters	Young, N. Dak.
Esch	Kelley, Mich.	Platt	
Falconer	Kelly, Pa.	Plumley	

ANSWERED "PRESENT"—3.

Houston	McLaughlin	Page, N. C.	

NOT VOTING—120.

Alexander	Elder	Kreider	Shreve
Austin	Estopinal	Langham	Sims
Baker	Fairchild	Lee, Pa.	Sisson
Barchfeld	Faison	L'Engle	Small
Bartlett	Fergusson	Levy	Smith, Md.
Bell, Cal.	Francis	Lewis, Pa.	Smith, N. Y.
Brodbeck	Frear	Lindquist	Stanley
Broussard	George	Linthicum	Stringer
Brown, N. Y.	Gill	Loft	Sumners
Browning	Goodwin, Ark.	Logue	Talbott, Md.
Bruckner	Graham, Pa.	McClellan	Taylor, Colo.
Burke, Pa.	Gregg	Madden	Taylor, N. Y.
Byrnes, S. C.	Griest	Mahan	Ten Eyck
Calder	Griffin	Maher	Thacher
Candler, Miss.	Guernsey	Martin	Townsend
Carew	Harris	Merritt	Underhill
Carr	Hart	Metz	Vare
Casey	Hensley	Moore	Walker
Church	Hinds	Morin	Wallin
Connolly, Iowa	Hobson	Murdock	Walters
Conry	Hoxworth	Neeley, Kans.	Watkins
Covington	Hulings	O'Brien	Watson
Crisp	Humphreys, Miss.	O'Leary	Weaver
Dale	Kent	O'Shaunessy	Willis
Deitrick	Kettner	Palmer	Wilson, N. Y.
Dershem	Kiess, Pa.	Parker	Winslow
Dickinson	Kindel	Patten, N. Y.	Woodruff
Difenderfer	Kinkead, N. J.	Patton, Pa.	
Dooling	Knowland, J. R.	Porter	
Driscoll	Konop	Powers	
Edmonds	Korbly	Rothermel	

So the resolution was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. GREGG with Mr. AUSTIN.

Mr. BROWN of New York with Mr. FAIRCHILD.

Mr. TALBOTT of Maryland with Mr. MERRITT.

Mr. CONNOLLY of Iowa with Mr. POWERS.

Mr. HENSLEY with Mr. J. R. KNOWLAND.

Mr. KONOP with Mr. LEWIS of Pennsylvania.

Mr. BARTLETT with Mr. GRAHAM of Pennsylvania.

Mr. PALMER with Mr. MARTIN.

Mr. NEELY of West Virginia with Mr. LINDQUIST.

Mr. FRANCIS with Mr. BELL of California.

Mr. HUMPHREYS of Mississippi with Mr. CALDER.

Mr. SMALL with Mr. GUERNSEY.

Mr. SUMNERS with Mr. BROWNING.

Mr. PATTEN of New York with Mr. MOORE.

Mr. UNDERHILL with Mr. WINSLOW.

Mr. ALEXANDER with Mr. BARCHFELD.

Mr. BRODBECK with Mr. BURKE of Pennsylvania.

Mr. BYRNES of South Carolina with Mr. EDMONDS.

Mr. CANDLER of Mississippi with Mr. FREAR.

Mr. CARR with Mr. GRIEST.

Mr. CASEY with Mr. HULINGS.

Mr. CONRY with Mr. LANGHAM.

Mr. DERSHEM with Mr. KIESS of Pennsylvania.

Mr. DIXON with Mr. KREIDER.

Mr. ESTOPINAL with Mr. MADDEN.

Mr. FERGUSSON with Mr. MORIN.

Mr. LEE of Pennsylvania with Mr. PATTON of Pennsylvania.

Mr. SIMS with Mr. PORTER.

Mr. SISSON with Mr. SHREVE.

Mr. THACHER with Mr. VARE.

Mr. TOWNSEND with Mr. WALLIN.

Mr. WATKINS with Mr. WILLIS.

Mr. WALKER with Mr. WALTERS.

Mr. WATSON with Mr. WOODRUFF.

On the vote:

Mr. GOODWIN of Arkansas (for rule) with Mr. MCLAUGHLIN (against).

Mr. TAYLOR of Colorado. Mr. Speaker, I desire to vote.

The SPEAKER. Was the gentleman in the Hall, and listening, when his name should have been called?

Mr. TAYLOR of Colorado. I was standing in the door of the cloakroom.

The SPEAKER. The gentleman does not bring himself within the rule.

Mr. TAYLOR of Colorado. May I vote "present"?

The SPEAKER. No; the gentleman can not vote at all. The Chair can count the gentleman if necessary to make a quorum.

The result of the vote was announced as above recorded.

THE PHILIPPINE ISLANDS.

Mr. GARRETT of Tennessee. Mr. Speaker, I call up House resolution 606, a privileged resolution from the Committee on Rules.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House resolution 606 (H. Rept. 1170).

Resolved, That immediately upon the adoption of this resolution the House shall resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 18459, "A bill to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands." There shall be not exceeding eight hours of general debate, one-half to be controlled by the gentleman from Virginia [Mr. JONES] and one-half by the gentleman from Iowa [Mr. TOWNER]. At the conclusion of the general debate the bill shall be read for amendment under the five-minute rule, and after being perfected the same shall be reported to the House with such recommendation as the committee may make; whereupon the previous question shall be considered as ordered upon the bill and all amendments thereto to final passage without intervening motion except one motion to recommit. All members speaking upon the bill or amendments offered thereto shall have the privilege of extending their remarks in the RECORD, and all members shall have the right to print remarks for not exceeding five legislative days: *Provided*, That all debate shall be confined to the subject matter of the bill.

Mr. GARRETT of Tennessee. Mr. Speaker, I should like to inquire of the gentleman from Kansas [Mr. CAMPBELL] if there is a desire for debate beyond the regular time?

Mr. CAMPBELL. Mr. Speaker, there is a desire for considerable time for discussion of the rule, more than I thought on yesterday. I have had requests for as much as an hour on this side of the House.

Mr. GARRETT of Tennessee. Mr. Speaker, of course it will be impossible for me to control the time except by unanimous consent so as to allow an hour's debate on that side of the House. I am willing to enter into any reasonable agreement——

Mr. MANN. Under the circumstances I think we can agree, even that the previous question may be considered as ordered on the rule.

Mr. GARRETT of Tennessee. What is the gentleman's suggestion?

Mr. CAMPBELL. I think there will be no disposition to ask for a roll call on the previous question, and that the previous question may be considered as ordered at the conclusion of the debate upon the rule.

Mr. MANN. And that the gentleman have two hours' time, and give one-half of it to this side, and with the previous question ordered we will not have even the right to amend the rule.

Mr. GARRETT of Tennessee. Mr. Speaker, I ask unanimous consent that the debate on the rule may proceed for not exceeding two hours—one-half of the time to be controlled by myself and one-half by the gentleman from Kansas [Mr. CAMPBELL]—

and that at the end of that time the previous question shall be considered as ordered.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that there shall be not to exceed two hours' debate on the resolution or rule—one half the time to be controlled by the gentleman from Kansas [Mr. CAMPBELL] and the other half by himself—and that at the end of the debate the previous question shall be considered as ordered on the resolution. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Tennessee [Mr. GARRETT] is recognized for an hour.

Mr. MANN. Before the gentleman proceeds, although we have agreed to the previous question, will the gentleman allow me to ask him a question?

Mr. GARRETT of Tennessee. Certainly.

Mr. MANN. I notice that the rule provides that the general debate shall be confined to the subject matter of the bill. Of course I have no objection to the gentleman confining the debate, but we are getting to a point where a great many Members of the House, particularly on the other side of the aisle, wish to extend remarks for various purposes. We have had a great many such requests lately. I wonder if there is going to be any opportunity, beyond yesterday, when gentlemen will have the right to insert in the RECORD what I should denominate political speeches? Because, if no such order is to be extended generally, I want to say that I do not think permission will be granted in many special cases.

Mr. GARRETT of Tennessee. I will say to the gentleman from Illinois that it was the idea of the Committee on Rules that debate upon this bill ought to be confined to the bill, and it was thought that those printing would recognize that idea. I think there was unanimous consent on the revenue bill that all Members should have permission to extend remarks in the RECORD.

Mr. MANN. I think there was for seven days, and that would cover this case. I have noticed that rules lately provide that instead of leaving it to the gentleman that has charge of the time to do what is the common practice, whether it is advisable or not, to yield a short time for some gentleman to ask unanimous consent to extend remarks in the RECORD. Under this rule, if gentlemen were granted leave to extend they would not be permitted to insert anything except it had reference to the bill.

Mr. GARRETT of Tennessee. Personally I think speeches on this proposition should be confined to the bill. I have no objection to entering into some sort of an agreement on some other matter whereby gentlemen can print in the RECORD political speeches, but I think the debate on this ought to be confined to the bill. I think we ought to adhere to the rule.

Mr. ADAIR. Will the gentleman yield?

Mr. GARRETT of Tennessee. I will.

Mr. ADAIR. Permission was given on the revenue bill for extending remarks in the RECORD. Does that apply to that particular bill or to subjects outside?

Mr. GARRETT of Tennessee. I will yield to the gentleman from Alabama to answer that.

Mr. UNDERWOOD. Leave to print under that rule is to be confined to the subject matter of the bill. I do not think it wise at this time to grant leave to print on all subjects. Any gentleman who desires leave to print and states upon what subject he desires to print has been treated very liberally on both sides of the aisle.

Mr. GARRETT of Tennessee. Mr. Speaker, so far as the Committee on Rules is concerned, it has looked at the bills that it presented resolutions for the consideration of, and has not considered general political debate. The Committee on Rules has presented this rule with the provision that the debate shall be confined to the bill, and, so far as I am personally concerned, during the consideration of the bill I shall insist on the debate being confined to the bill. Upon the question of general political debate at some other time I will be glad to take it up.

Mr. FESS. Will the gentleman yield?

Mr. GARRETT of Tennessee. Does the gentleman wish to ask a question about this particular matter?

Mr. FESS. I do.

Mr. GARRETT of Tennessee. I will yield to the gentleman.

Mr. FESS. In reference to confining debate to this question. This has been a political question ever since 1900. Your platform has had something in it in reference to the Philippines every year. Suppose we want to refer to the attitude of both parties on the Philippine question; that does not pertain to this bill, and somebody might rise to a point of order. Who is going to decide whether you are debating the bill or not?

Mr. GARRETT of Tennessee. This says "the subject matter of the bill." I think that is pretty broad. I think that would let in, so far as my personal opinion is concerned, any legitimate discussion on the Philippine question.

Mr. FESS. The gentleman's idea is that it would exclude political speech on other subjects?

Mr. GARRETT of Tennessee. That is my idea.

Mr. FESS. I would agree to that myself.

Mr. GARRETT of Tennessee. It would exclude, for instance, discussion on the currency and on the tariff, but I think it would permit a discussion of the Philippine question. By the way, Mr. Speaker, I wonder if this is coming out of my time?

The SPEAKER. It is.

Mr. GARRETT of Tennessee. Well, I reckon I can stand it. Mr. Speaker, the rule provides for the consideration of House bill 18459. It conforms with the suggestion made from various quarters as to the amount of time desired for general debate; that is, eight hours. It does not interfere with conference reports or appropriation bills or with revenue bills or other bills privileged under the rules of the House. It is a very liberal rule. I reserve the remainder of my time.

The SPEAKER. The gentleman from Kansas [Mr. CAMPBELL] is recognized for one hour.

Mr. CAMPBELL. Mr. Speaker, the rule itself is liberal. It gives all the time for general debate that was suggested and it leaves opportunity for amending the bill. But it occurs to me that this is an inopportune time to take up and discuss any question that involves in the remotest degree our foreign relations or any question that could extend to our foreign relations.

I should like in the discussion of this bill to make some observations that I would not feel at perfect liberty to make at this time. I feel in regard to the Philippine Islands that, so far as this bill is concerned, it does enlarge in a proper way their local self-government, gives them an opportunity for the exercise of the schooling they have had and whatever they have learned upon the question of self-government, and they are apt in that school. But there are questions involved in the discussion of the Philippine question presented in this bill looking to the ultimate independence of the Philippine Islands that should be predicated upon treaties with foreign countries, questions of our foreign relations with other countries that, in my judgment, ought not to be discussed at this time. [Applause on the Republican side.]

I see no immediate necessity for the adoption of this rule and for taking up this bill for consideration now. I do not believe that this bill can become a law before the adjournment of the Sixty-third Congress. Even if that were possible before the 4th of March next, I think it would be wise for the country and for Congress to delay to as late an hour as possible the consideration of the questions involved in this bill. I yield 20 minutes to the gentleman from Iowa [Mr. TOWNER].

Mr. TOWNER. Mr. Speaker, the minority of the Committee on Insular Affairs are entirely satisfied with the nature and character of the rule, but they do protest most vigorously against the consideration of this legislation at this time. We are nearing, we hope, the close of this present session of Congress. It is a singular fact that this bill is called up for consideration at this time. There is not a Member of the House, I presume, who is not surprised that the bill is called up. There must have been some reason which Members generally do not understand why at this particular time this bill is called up for consideration under a special rule. Most of the Members of Congress are tired. They are anxious to get away. They have had their minds engrossed with other measures. It is impossible that the bill shall now receive consideration from the membership of this House. Mr. Speaker, I ask for order.

The SPEAKER pro tempore (Mr. CLINE). The House will be in order. The gentleman from Iowa.

Mr. TOWNER. Mr. Speaker, those gentlemen in the back part of the House do not comply with the request of the Speaker for order, and I insist that order shall be obtained.

The SPEAKER pro tempore. The House will be in order. Gentlemen in the back part of the Chamber will be in order. The gentleman from Iowa is recognized.

Mr. TOWNER. Mr. Speaker, it is impossible—the condition of this House to-day shows that it is impossible—for this House to give consideration to this bill. There are only a handful of people here now when it is called up. The very fact that it is called up empties the House, and the few gentlemen who are present will not give consideration to it. It is impossible for the Chair to require them to listen or give any consideration to the measure. That is the condition under which the bill is called up before the House. None of the Members are asking for

the consideration of this bill. There is no demand from the country at large that this bill should be considered.

When it has been suggested within the last few days that this bill was to be pressed for consideration by this Congress, the press with almost absolute unanimity all over the land deprecated the fact. There is no reason why we should consider it at this time; there is no demand on the part of the people for consideration of the measure now. Mr. Speaker, that is not all; if it shall be considered that this action is taken for the reason that the Filipino people are demanding the passage of the bill, then upon that proposition I venture to state that the Filipino people do not desire the passage of this bill. I know how assiduously gentlemen have sought to create the impression that the Filipino people were in favor of the passage of the bill; but the fact, I think, is otherwise. A slight consideration of the bill is sufficient to show that the Filipino people can not be satisfied with the bill. The Filipino people are demanding independence, so these gentlemen all tell us, and they are demanding immediate independence, so we are told. This bill does not give them immediate independence, and it does not give them independence at any time, unless certain undefined requirements shall be complied with in the estimation of some future administrations or Congresses that may be called upon to pass upon their qualifications. So it can not satisfy them. As a matter of fact, we know that meeting after meeting in the Philippine Islands, attended by thousands of Filipinos, have protested against this bill as a violation of the pledges of the Democratic Party to the Filipino people in not giving them, if not immediate independence, at least a definitely stated time when independence would be granted. It does not comply in any sense with the demand of the Filipino people for independence, absolute or qualified.

It is, of course, understood that this bill is, first of all, a political measure. It is intended not for the relief and benefit of the Filipinos, but for the relief and benefit of the Democratic Party in the United States. The minority members of the committee desired to formulate this bill, as it ought to be formulated, in an entirely nonpartisan spirit and upon the merits of the case. There is no doubt but that it would be for the benefit of the Filipino people if certain changes in existing laws could be made, and we would have been glad to take up and consider such measure or measures as would really have been for the benefit of the Filipino people. But that was impossible because of the fact that it was necessary, as the majority of the committee determined, to reaffirm the Baltimore platform and place that in the bill as an integral part of it.

Prior to the formation of this bill the committee was engaged in the formation of a bill for the government of the island of Porto Rico. That island, as should these islands, ought to have a change in its existing form of government. It has outgrown its old clothes and ought to have a new suit. So the committee took up that proposition. We were urged to do so by the Governor of Porto Rico, who said it was necessary for the benefit of their people and essential to their prosperity that we should immediately consider and pass a law of that kind. Therefore the committee went to work and formulated a bill. There was no difficulty about it. A subcommittee was appointed, consisting of the chairman, the ranking member on the Democratic side, and myself, and we formulated a bill for Porto Rico without the slightest difficulty. That bill was reported to the full committee and by that committee reported to this House, and it has been upon the calendar for months, but nothing more has been accomplished. That was long prior to taking up this Philippine question at all. I know, because the chairman has so told me, that he has done everything that he could to get the consent of the leaders of this House that the Porto Rico bill should be considered. But, no, there was no political advantage, real or imagined, that could result from the passage of that bill. No consideration could be obtained for it, and that bill, reported months before, on the calendar now, lies slumbering there, and will remain without action during the remainder of the session.

Mr. GORDON. Mr. Speaker, will the gentleman yield?

Mr. TOWNER. Yes.

Mr. GORDON. Do you consider that a political platform has any binding force and effect on the members of that committee?

Mr. TOWNER. I do, and so does my party; but you do not, and neither does your party. [Applause and laughter on the Republican side.] Mr. Speaker——

Mr. GORDON. Will the gentleman yield further?

Mr. TOWNER. No; I do not yield any further. Mr. Speaker, it is unwise to discuss at this time the Philippine question. There is no more vexed question that can arise affecting the international interests of the United States. There is no question more delicate or more important than the question of whether or not the United States is to hold or desires to hold the Philippine Islands, or as to what effect the holding of the Philippine Islands will have upon the international problems of the Far East. There is no question whatever that a discussion of these matters at this time is unwise, and certainly ought not to be indulged in. We have been told by the President, and it has been echoed by everyone of his supporters who has spoken upon the subject, that we should exercise the utmost caution in these perilous times regarding questions that may affect our foreign relations, and since this bill has been presented to this House questions have arisen in the Far East vitally affecting American interests and vitally affecting our relations to the Philippine Islands, and through them to every nation that has any interest in the Orient.

It would be unwise now for us to take up and discuss frankly, as we ought to be allowed to do, these questions. With this view I introduced a resolution before the committee, which is as follows:

Whereas since the introduction of the Jones bill (H. R. 17856), and since the commencement of its consideration by this committee, a European war of unprecedented magnitude, involving all the great powers of Europe, has begun; and

Whereas the developments of the last few days have shown that Japan will become involved in the conflict, and that active war will soon be in progress in the Far East; and

Whereas the location of the Philippines within the active area of these operations will make any action by this committee or Congress touching the future of the Philippines inexpedient and unwise so long as these conditions exist: Now, therefore, be it

Resolved, That further consideration and final action by the committee on said bill be postponed until the next session of this Congress, which will commence December next.

In my judgment it would have been the part of wisdom to have passed that resolution. In my judgment it would be the part of wisdom to do so now. The resolution was voted down in the committee by a strictly party vote. Since then the scope of war in the Far East has been greatly enlarged. England has come actively to the aid of Japan in the taking of Kiaochow. The allies have taken possession of practically all the islands that were controlled by Germany in the Pacific. There has been already considerable change of the geography in the Far East as the result of this war. If Germany shall succeed in this conflict, what will be the consequences? You know very well the field of operation will be transferred from Europe and the Atlantic to the Far East and the Pacific. It will be at least an active war between Germany and Japan. If it shall be considered from our attitude and action that the Philippine Islands are of no consequence and value to the United States, that she has no particular interest in keeping them; if it shall be determined by the warring powers that the United States has so little interest in the Philippines, that it would not make any very serious protest as to what becomes of the Philippine Islands; then they may readily fall a prey to the first power that thinks it of advantage to take them. They would probably become the scene of warlike operations and be overrun with contending armies. It is not difficult to imagine what that would mean to the Philippines. But what would it mean to the United States? It would certainly mean war with the first nation or nations that set foot on the Philippine Islands, or in any way violated their neutrality as a part of the United States. Doubtless there are many Americans who have very little interest in the Philippines; but there is not one man even on the Democratic side of this House who would allow any nation on earth to take from this country by force and without its consent one single foot of American soil. [Applause.] So that it is unwise in the extreme to go into a question of that kind at this time. But our friends suggest that we ought to take up this matter for the reason that the Philippine Islands are now in a condition really of distress. They are suffering from the result of the European war, as well as the United States and other nations. The majority of the committee say:

The enactment of such legislation at this time is not only warranted upon general grounds, as has hereinbefore been set forth, but owing to greatly disturbed international conditions at the present time has become quite imperative. Under existing law, the Philippine government has no power to enact tariff legislation or to raise the rate of income taxation or to issue bonds. These powers reside only in the Congress of the United States. A large part of the insular revenues has heretofore consisted of tariff receipts. These have been greatly reduced in consequence of the prevailing war conditions in Europe. There is a condition of free trade between the United States and the Philippines, and the fact that a number of the countries with which a large part of Philippine trade and commerce are carried on are now at war necessarily reduces to a minimum the income derived from customs duties.

While it is true that the foreign trade of the Philippines for the first half of the present year shows a gratifying increase as compared with the corresponding period a year ago, and while it might be reasonably expected that this advance in prosperity under normal conditions would continue, the development of a European crisis which seriously affects the trade and commerce of the Philippines with the belligerent nations

of Europe has seriously reduced the yield of customs duties. Under these conditions, and with the provisions of the existing law such as to compel the insular government to look to congressional action, it is obvious that some means of relief must be devised by Congress, or else that the government of the islands must be vested with the full power necessary to enable it to meet the serious situation now confronting it.

Then the committee goes on to say:

This committee is of the opinion that the Legislature of the Philippine Islands will be more fully able, if empowered to do so, to provide a remedy than is Congress.

It will be observed, gentlemen, that Congress has the power now at this time as an emergency measure to change the law either with regard to tariff legislation or to raise the rate of income-tax legislation or to issue bonds. We could do any of those things now at this time and pass them as an emergency measure. We know that it will be practically impossible to get this bill through this Congress at all. This bill will not receive any consideration when it goes to the other House during this session, and it is not expected it will——

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. TOWNER. I will ask for a little more time.

Mr. LENROOT. Mr. Speaker, in absence of the chairman, I will yield the gentleman five minutes additional.

The SPEAKER pro tempore. The time of the gentleman is extended five minutes.

Mr. TOWNER. There is no question that this Congress will not pass this bill during this session of Congress. It is exceedingly unlikely, as the gentleman from Kansas [Mr. CAMPBELL] has said, that it will receive consideration or be passed during the winter session by the Senate, but even if it should be passed at this time, even if it should be passed immediately as an emergency measure, what will be the consequences then? The gentlemen of the majority say it will be better if they allow the Philippine Legislature to meet this emergency, but the Philippine Legislature will not be voted for or even elected until next June, and the Philippine Legislature will not go into session at all until next October. More than a year will elapse before anything can be done in this emergency to help the Filipino people by passing this bill. It is not expected that this bill will help the Filipino people in this emergency. I think I am justified in saying that that is a mere pretense, because it can not help them, and these gentlemen must know that it can not help them. Members on this side will be ready and glad to do, as they have always done, anything really in the interest of the Filipino people. It is not likely that any benefit could come to the Filipino people from raising their tariff rates.

It is not likely either that any benefit could come to them from a system of income tax or the passage of another war-tax bill. That would not help the Filipino people, because they can not stand that character of taxation. There is but one measure of practical relief that can help the people of the Philippines at this time, and that is to enlarge the limit of their indebtedness. I introduced a bill in Congress, and it is now pending, to increase the limit of their indebtedness from $5,000,000 to $15,000,000. The limit now under the present law for the issuance of bonds by the Philippine people is $5,000,000, a small amount for such a country as that, and they have exercised their privilege up to the limit. They ought to have the privilege of issuing bonds to tide them over this emergency. That is what they desire and that is what will help them. Such a law can be passed as an emergency measure, and would be unopposed. Such a bill will go to the Senate and be considered there as an emergency measure, and passed in 15 minutes' time. Such a bill can become a law quickly and render quick assistance. This Democratic political measure can not be considered by the Senate at this session, and will probably never become a law. It will be of no benefit to the Philippine people, and I doubt whether it will be of benefit even as a political measure, if the people understand it. And so for that reason——

The SPEAKER pro tempore. The time of the gentleman has again expired.

Mr. TOWNER. And for that reason I say this bill ought not to be considered and ought not to pass at this time. [Applause.]

Mr. GARRETT of Tennessee. Mr. Chairman, how does the time stand?

The SPEAKER pro tempore. The gentleman from Tennessee has used 8 minutes and the other side has used 31 minutes.

Mr. GARRETT of Tennessee. I yield 15 minutes to the gentleman from Virginia [Mr. JONES].

Mr. JONES. Mr. Speaker, my friend from Iowa [Mr. TOWNER], the ranking member of the minority of the Committee on Insular Affairs, has very earnestly and eloquently appealed to the House to postpone consideration of this Philippine bill and has advanced a number of reasons, or alleged reasons, why this course should be taken. He will be candid enough to admit, I know, that he would be just as much opposed to the bill if it were called up in the next session of this Congress or in any subsequent Congress as he is to its consideration at this time. He characterizes the statements in the report of the committee with reference to the urgency for the passage of this legislation as mere pretenses. Mr. Speaker, I have in my hand the views of the minority written by the gentleman himself and from these views I find that he is upon record as declaring that there is great need just now for legislation that will immediately and materially benefit the Filipinos. The gentleman therefore admits that there is urgent need for some legislation which will give present relief to the financial and business situation in the Philippines. I hold that the legislation proposed in this bill will supply that which the minority admit to be necessary, and that it will do so speedily; that it will enable the Philippine government to deal with the unfortunate conditions with which it is admittedly confronted. The revenues of the Philippines consist largely of customs receipts, and the same causes which have so disastrously affected the customs receipts of the United States have affected even to a larger degree proportionately those of the Philippine Islands. It is therefore absolutely necessary, Mr. Speaker, that something shall be done for the relief of the Filipino people. The Congress of the United States must either lend them out of hand a sum of money sufficient to meet their needs or it must inaugurate and pass for them the necessary remedial legislation or else confer upon them, what they do not now possess, the power and authority to legislate for themselves. This bill proposes to give them this power. As is stated in the report of the committee, the Philippine government, under existing law, can not change the tariff laws that obtain in the islands, can not pass an income-tax measure and can not borrow a dollar of money. Its hands are completely tied, and Congress must do one or the other of the things which I have specified or else permit that government to starve. It must either untie the hands of the Filipinos and permit them to legislate for themselves, as this bill proposes, or it must loan them the money out of the United States Treasury or else legislate here and now for them.

The gentleman from Iowa—and I desire to call his particular attention to this—has stated in his report and has reiterated that statement to-day upon this floor that the claim that this bill will enable the Filipino government to deal with the emergency which confronts it, to use his own language, is a mere pretense, for the reason, as he alleges, that the legislature elected under its provisions will not be elected until June of next year and will not convene until the following October. The gentleman surely has not read the bill that he thus undertakes to criticize, for I would not charge him with willfully and deliberately misrepresenting the facts. Mr. Speaker, this bill contains this language in its twelfth section, and I read from the bill itself:

All local legislative powers in the Philippines, except as herein otherwise provided, shall be vested in a legislature which shall consist of two houses—

And so forth. Then follows this important proviso, which, strange to say, must have escaped the attention of the gentleman from Iowa:

Provided, That until the Philippine Legislature, as herein provided, shall have been organized, the existing Philippine Legislature shall have all legislative authority herein granted to the government of the Philippine Islands—

And so forth. So that it thus clearly appears that the present legislature, which convenes on the 16th day of next month, 20 days from now, is empowered under this bill to enact legislation to meet the emergency which it is admitted exists, and that if it is enacted into law the Philippine government will not have to delay the passage of sorely needed remedial legislation until the legislature provided for in it convenes a year from next October.

I think the gentleman from Iowa, in all fairness and in justice to himself and to his colleagues, will now admit that his argument, which I have thus shown is founded upon alleged facts which do not exist, must fall to the ground. I think the gentleman will admit that this bill clearly provides that until the new legislature is elected and organized the present legislature is empowered to do any and all the things that I have stated it may do, and which are essential for the relief of the Filipino people. So much for this strenuously presented argument.

Mr. Speaker, the gentleman also said there was no demand anywhere for this legislation. I have shown, I think, that there is an urgent need for it. I have shown from the report of the minority itself that it is there admitted that there is urgent need for it. I have shown, too, that there is nothing in the con-

tention that it can not be afforded under this bill. The gentleman from Iowa also said that the Filipinos themselves are not asking for this bill, but, on the contrary, are demanding an immediate independence measure. The gentleman is absolutely mistaken and woefully misinformed if he believes any such thing as that. I have received copies of as many as 100 resolutions adopted in the various municipalities and Provinces of the Philippine Islands urging the passage of this identical bill. The sentiment in the Philippines in favor of its passage is well-nigh universal.

I hold in my hand a copy of a cablegram which I will read. It has been urged in some quarters that there were religious organizations opposed to the passage of this bill. This is the cablegram:

The Philippine clergy, which does not concern itself in local and transitory political contests, but is interested only in the stability of public institutions, favors urgent approval of the Jones bill.

Mr. MILLER. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore. Does the gentleman from Virginia yield to the gentleman from Minnesota?

Mr. JONES. I will yield for a question.

Mr. MILLER. Will the gentleman favor the House with a quotation of the complete cablegram that was sent at that time?

Mr. JONES. I have read the complete cablegram as it was given to me. If it contained another word, I have never heard of it. I have seen what purported to be an exact copy of this cablegram; in fact, the cablegram as delivered by the telegraph company.

Mr. MILLER. I assure the gentleman that that is only one paragraph, and an entirely misleading one.

Mr. JONES. This is the cablegram as it was delivered to me.

Mr. QUEZON. Mr. Speaker, will the gentleman yield?

Mr. JONES. Yes; I will be glad to have the representative of the islands [Mr. QUEZON] make a statement as to this cablegram.

Mr. QUEZON. I received that cablegram myself, Mr. Speaker, and that is the only thing that there was in the cablegram.

Mr. MILLER. If I may be allowed——

Mr. JONES. Do you wish to ask a question?

Mr. MILLER. I would like to add just a sentence in connection with what the gentleman has said.

Mr. JONES. I do not care to have the gentleman make a statement in my time.

Mr. MILLER. The gentleman has full time. It would seem, unless I made an explanatory statement, that I had accused the gentleman from the Philippines [Mr. QUEZON] with not having given the gentleman from Virginia [Mr. JONES] the complete cablegram, and therefore I would like to make a statement.

Mr. JONES. Not in my time.

The SPEAKER pro tempore. The gentleman from Virginia declines to yield.

Mr. JONES. Mr. Speaker, my friend from Iowa [Mr. TOWNER] also says there is no demand anywhere for this legislation. I know, on the contrary, that the Filipinos of the civilized and Christianized Provinces of the islands, who constitute nine-tenths of the inhabitants of those islands, have expressed, through resolutions adopted in the municipalities and throughout the Provinces, their earnest approval of this bill, and that they ask for its passage. I am aware, too, Mr. Speaker, that a small party or a clique recently sprung into existence in the Philippines has held a meeting in Manila or somewhere else and has declared that this bill did not meet its approval because its members desired immediate independence. But I am prepared to say, because the information comes to me from leading Filipinos resident in the islands, including the distinguished speaker of the Philippine Assembly, that the people who attended this meeting do not represent in any sense the Filipino people, and I have received a stack of cablegrams from all over the islands repudiating the action of these demagogues who seek to make political capital for themselves out of the fact that the bill does not grant the Filipino people that immediate independence desired by them as a whole. So, Mr. Speaker, the gentleman is absolutely mistaken when he says that the sentiment of the Filipino people is not in favor of the passage of this bill. Not only are the Filipinos in favor of it, but the business element, as represented by Americans and other foreign residents of the Philippine Islands, are anxious for its immediate passage.

The gentleman also said that a number of newspapers in the United States have expressed opposition to its passage at this time. I do not doubt this, but those papers would doubtless oppose its passage at any time. I would ask the gentleman if he has read the letters written by Mr. Fairchilds, published in the New York newspapers, the Journal of Commerce for one, in reply to the newspaper comments to which he has referred? This gentleman represents one of the largest, if not the largest, foreign interest in the Philippine Islands—a corporation that has invested $4,000,000 of its money there and is desirous of investing much more as soon as it knows definitely what the disposition of the American Congress is in respect to the future political status of those islands. He has replied to these editorials, and he is not a Democrat, either. He is a business man, residing in the Philippine Islands, and he says that, so far from this being an inopportune moment for declaring the purpose of the people of the United States as to the future political existence of those islands, such a course is imperatively demanded.

And that is the opinion and the wish of the business men of the Philippine Islands, of the clergy of the islands, and of the masses of the Filipino people. The foreign-complications bogy which the gentleman has now conjured up to frighten Congress and prevent its doing its plain duty did not exist when the opposition of the gentleman from Iowa to the consideration of this bill was first made manifest. He has always opposed its consideration, and because it contains a declaration as to the future political status of the Filipino people. The gentleman has said here to-day and upon other occasions as well that a measure which contained no promise of future independence could easily be agreed upon.

The gentleman says that the Democratic Party does not regard its party pledges as does the Republican Party, and he would like to substantiate and to prove this baseless aspersion upon the Democratic membership of this House by frightening them into repudiating a solemn pledge of their party. In one breath he denounces this as a partisan measure, which for that reason should be abandoned, and in the next he undertakes to chide Democrats for not living up to their party pledges.

I say that if the Democrats of this House were to listen to this sort of talk from the gentleman from Iowa they would justify his unjustifiable and—I say it in no unfriendly spirit—his untruthful statement that the Democratic Party does not live up to its pledges. [Applause on the Democratic side.] Nothing could prove that more to the satisfaction of the gentleman, and nothing could prove it more to the shame of the Democratic Party, than for it to refuse to consider a measure upon the ground that it sought to carry into effect a pledge contained in the Democratic national platform.

The SPEAKER pro tempore. The time of the gentleman from Virginia has expired.

Mr. JONES. The gentleman says this bill is a partisan measure.

The SPEAKER pro tempore. The time of the gentleman from Virginia has expired.

Mr. GARRETT of Tennessee. Mr. Speaker, I yield to the gentleman two minutes more.

The SPEAKER pro tempore. The gentleman from Virginia is recognized for two minutes more.

Mr. JONES. The gentleman from Iowa [Mr. TOWNER] says that this is a partisan measure; that the Republicans would have been willing to have considered it from a nonpartisan standpoint; that it is a bill brought in here in obedience to the dictates of the national platform of the Democratic Party, and therefore is a purely political measure; and he seeks to win Democratic votes for its defeat by saying the Democratic Party does not live up to its party pledges.

Such an appeal as that may have its effect with the minority, but I can assure my friend that it will have no weight with Democrats.

Mr. Speaker, the gentleman admits in his minority report that this is a conservative bill. He says that he approves of many of its provisions, whilst he disapproves of others. But the report which he wrote does not give the House one particle of information by which it can be enlightened, since he neglects wholly to mention a single feature which he approves and fails to indicate one which he disapproves. [Applause on the Democratic side.]

The SPEAKER pro tempore. The time of the gentleman from Virginia has expired.

Mr. LENROOT. Mr. Speaker, in the temporary absence of the gentleman from Kansas [Mr. CAMPBELL] he asked me to control the time on this side. I wish to be notified at the end of 10 minutes, if I consume that much time.

The SPEAKER pro tempore. The gentleman from Wisconsin is recognized for 10 minutes.

Mr. LENROOT. Mr. Speaker, there is one marked contrast between this rule and the rule that the House adopted on the day before yesterday. This rule, so far as the rule itself is concerned, is one that no one can take any exception to. It provides for eight hours' general debate, debate under the five-minute rule, and unlimited right of amendment.

That is upon a bill of comparatively little importance to the American people, while upon the bill which was passed yesterday, imposing a tax of $105,000,000, affecting all of the people of the United States, they permitted seven hours of general debate, with no right of amendment.

Mr. Speaker, I shall vote against this rule, not because I am against the bill—I have not examined it sufficiently to come to any conclusion upon that point—but I do think it is an inexpedient time to discuss or consider legislation of this character, and there is not a man upon that side of the aisle who does not know that this bill will not become a law, if it is passed by this House, during this session of Congress. And permit me to say that it is my judgment that this bill is not presented at this time with any idea of its becoming a law, but there is another purpose in the presentation of it just now. It has been generally understood—understood in the Committee on Rules—that in what were supposed to be the closing days of this session emergency legislation, as determined by the administration, should have the right of way, and it was expected that all that character of legislation would be considered before this Philippine bill would be presented at all. Now, I am violating no confidence in saying that the Committee on Rules has acted upon another rule, and it is expected that it will be presented immediately following the passage of this bill, and that rule makes privileged and brings up for consideration what is known as the ship-purchase bill, a bill providing for the sale of bonds to the extent of $30,000,000 and appropriating out of the Treasury $10,000,000. Now, why was not that legislation brought on immediately following the war-tax bill? There is a very good reason for it, Mr. Speaker. It would have been embarrassing, indeed, to gentlemen on the other side, after passing the war-tax bill upon the claim of the President of the United States that we could not sell bonds for the purpose of taking care of the Treasury because it would disturb the money market, to bring on, immediately after the roll had been called and that bill had been gotten out of the way, the ship-purchase bill, providing for the sale of $30,000,000 of bonds to buy ships. [Applause on the Republican side.]

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. LENROOT. Yes.

Mr. GARRETT of Tennessee. The gentleman knows that the rule for the Philippine bill was reported out before the report of the Committee on the Merchant Marine and Fisheries on the shipping bill.

Mr. LENROOT. Yes; and the gentleman also knows that that rule was also reported out before the rule was reported out on the war-tax bill; yet the war-tax bill came in ahead.

Mr. STAFFORD. Will the gentleman yield?

Mr. LENROOT. Yes.

Mr. STAFFORD. Does the rule give precedence to this bill over private claims, or over Calendar Wednesday, or District business?

Mr. LENROOT. Oh, no; it simply makes the bill privileged.

Mr. STAFFORD. It is not seeking to bring the matter to a hasty conclusion at all?

Mr. LENROOT. Oh, no.

Mr. GARRETT of Tennessee. The suggestion of the gentleman from Wisconsin [Mr. STAFFORD] is very apropos of the remark which the gentleman has just made that this rule was reported out before the revenue bill was reported out. The revenue bill was a highly privileged bill under the rules of the House.

Mr. LENROOT. Yes; and they did not need to have a rule from the committee at all for the consideration of the revenue bill; yet they came to our committee and got the rule.

Now, Mr. Speaker, the purpose of it is clear. This is a long bill. There will be a long debate upon it. It is expected that the consideration of this bill will occupy one or two weeks' time, and it is hoped that the American people, with that length of time intervening between the war-tax bill and the ship-purchase bill, will forget to connect up the two very closely. [Applause on the Republican side.]

Mr. TOWNER. Will the gentleman yield?

Mr. LENROOT. Yes.

Mr. TOWNER. The only days on which this bill can be properly considered under the rules, and under the terms of this special rule, will be on Tuesdays, Thursdays, and Saturdays of each week, will they not?

Mr. LENROOT. Yes.

Mr. STAFFORD. In that connection, I assume that it will not be considered on those days ahead of the conference report on the river and harbor bill.

Mr. LENROOT. Certainly not.

Mr. STAFFORD. Or of the conference report on the anti-trust bill?

Mr. LENROOT. Certainly not.

Mr. STAFFORD. So this bill is likely to be before us for two or three weeks, or perhaps until after the election.

Mr. LENROOT. It is plain to be seen that gentlemen hope it will relieve them of a good deal of embarrassment when the ship-purchase bill does come up, although I have been given to understand that the administration regards the ship-purchase bill as an emergency measure, and I have heard no information that the administration regards the Philippine bill as an emergency measure.

One other consideration: It was generally understood up to three or four days ago that when what was called emergency legislation had been passed through the House—the war-tax bill and the ship-purchase bill—there would be a speedy adjournment or, if not an adjournment, that the House would practically cease its labors and take recesses of three days at a time. The newspapers of yesterday stated—and I have no reason to doubt their correctness—that within the last 72 hours a new program has been promulgated by the administration, a program that will call for a continuous session of this body from now until December, and the bills that are proposed to be put through are stated in that program, among them a bill affecting revenue cutters, which I suppose is to be regarded as an emergency bill, two or three other bills, and it is also stated that the Democrats will make a determined effort to secure the passage of the bill introduced by the gentleman from Texas [Mr. HENRY] for the loan of Government funds to cotton planters in the South. When this program shall be entirely unfolded, and when we realize all that the program means, I wonder if it will finally develop that the real purpose of this war-tax bill, taxing the people $105,000,000, in addition to taking care of the national banks of this country, was to provide funds for the cotton planters of the South?

Mr. STEPHENS of Texas. Will the gentleman yield at this point?

Mr. LENROOT. Yes.

Mr. STEPHENS of Texas. The gentleman appears to have no sympathy whatever for the cotton planters of the South. That is very manifest from his remarks.

Mr. LENROOT. I have sympathy for the cotton planters of the South.

Mr. STEPHENS of Texas. The gentleman shows it by the insinuation he has just made.

Mr. LENROOT. But I do not think the cotton planters of the South have any more right to come and make a demand upon the Federal Government than the corn planters of the country had some years ago, when they could get practically nothing for their corn during a certain memorable administration.

Mr. HUMPHREY of Washington. Does the gentleman have any more sympathy for the cotton planters of the South than he has for the taxpayers of the entire country?

Mr. LENROOT. No; not a bit. But there is another reason——

The SPEAKER pro tempore. The gentleman's 10 minutes have expired.

Mr. LENROOT. I will take five minutes.

The SPEAKER pro tempore. The gentleman is recognized for five minutes.

Mr. DECKER. Will the gentleman yield?

Mr. LENROOT. For a question.

Mr. DECKER. Can the gentleman look me in the face and say that he thinks that the Democratic Party expects to pass the Henry bill?

Mr. LENROOT. No; I would not say that. I am stating what the effort would be on the part of a very considerable part of the Democratic majority.

Now, Mr. Speaker, there is an additional reason for this new program for keeping Congress here constantly in session, and I want to commend our Democratic friends for showing most excellent judgment in the preparation of this new program. A few years ago, Mr. Speaker, there was a song which was very popular, and its title was, "I Am Afraid to Go Home in the Dark." [Laughter and applause on the Republican side.] I am inclined to think that every Democrat who voted for that bill yesterday and the infamous rule of the day before can well say "I am afraid to go home at all." You are much safer here than you are at home after that performance. [Laughter and applause on the Republican side.] Indeed, I doubt if there is a Democrat who voted for that bill who is not ashamed to face his constituents from any platform in this campaign. [Applause on the Republican side.] But with that excellent judgment that they have displayed in this new program, and knowing the straits that they are in, I, out of abundance of charity,

hope that they may profit by it. [Applause.] Mr. Speaker, I yield back the remainder of my time.

The SPEAKER pro tempore. The gentleman yields back three minutes.

Mr. GARRETT of Tennessee. Mr. Speaker, I yield five minutes to the gentleman from the Philippine Islands [Mr. QUEZON].

Mr. QUEZON. Mr. Speaker, if before listening to the remarks made upon this floor this afternoon I had not already believed that the passage of the Philippine bill is a matter of paramount importance to us, I should now be convinced that it is. Each of those who have spoken, in comparing this bill with others now on the calendar, says that it is of no importance. This bill proposes, Mr. Speaker, among other things, to give to the people of the Philippine Islands the means by which they can meet the difficulties that have arisen on account of the war, yet Members assert that it should be put aside and given no consideration whatever. It is true that the gentleman from Iowa [Mr. TOWNER] has said that the Congress can pass for the Philippine government such measures as will relieve that government of the embarrassment in which it finds itself as a result of the war. But would Congress do it? If, as stated by some gentlemen, matters affecting the Philippines are of no importance or at least of less importance to the American people than the radium bill, for instance, how can we confidently expect that the Congress will enact such emergency measures as are needed should this rule be defeated?

As the chairman of the Committee on Insular Affairs said, we have found ourselves, since the war broke out, without the means of supporting the government of the Philippine Islands. You will therefore either have to give us the funds we need or grant us the power by which we can raise those funds.

Now, Mr. Speaker, I am ready to take such funds as may be generously given to us by the American people through Congress, but if you should ask me which I prefer—the power of imposing upon my own people new taxes to enable them to meet the present emergency or a present from the American people—I should say I would rather have the power to impose the taxes upon my own people than to receive such a present.

Any people not ready to take care of themselves, to assume the burden of government, are not entitled to be free. [Applause.] And it is because we want to be free that we prefer to assume the burdens of new taxes rather than to receive presents from the American people. [Applause.]

Mr. TOWNER. Will the gentleman yield?

Mr. QUEZON. I will yield to the gentleman.

Mr. TOWNER. I judge, then, and I hope that I am correct, that the gentleman would be strictly in favor of the passage of my bill, which extends the limit of indebtedness from $5,000,000 to $15,000,000.

Mr. QUEZON. Certainly; but I should prefer to have the Philippine bill adopted, because it gives us the means necessary to meet the emergency. Suppose we are granted by Congress only the power to increase our bonded indebtedness. The government of Porto Rico is trying to sell its bonds, and can not dispose of them. We may be able to sell our bonds, but I am afraid we shall be in a position similar to that of the people of Porto Rico, and that we shall not be able to sell the bonds. If we do not sell the bonds, what are we to do? This bill not only permits the Philippine people to increase their indebtedness but gives them the power by which they can amend the revenue laws of the Philippine Islands; and so I say that this bill is a better means of meeting the emergency than the one proposed by the gentleman from Iowa.

Now, Mr. Speaker, there are other reasons why this bill should be considered. The American people have been in the Philippine Islands since 1898. In 1902 the Congress of the United States enacted a law entitled "An act temporarily to provide for the government of the Philippine Islands." The title of the act itself shows that the government created by that act was to be of a temporary character. Everybody understands why at that time the Congress of the United States was not in position to enact a bill that would create a stable government in the Philippine Islands.

The SPEAKER. The time of the gentleman from the Philippine Islands has expired.

Mr. GARRETT of Tennessee. I yield to the gentleman two minutes more.

Mr. QUEZON. You had been in the islands only a very short time. You did not know the condition of the country, and, not knowing the facts, you could not very well have enacted a law that would be permanent in character and that would meet all the conditions there. This act has been in force since 1902, and we have been living under a temporary government created by a confessedly temporary law.

Are any gentlemen ready to admit that during these years, from 1902 to 1914, Congress has not been able to learn the conditions in the Philippines, and thus to enact legislation that will have a more permanent character than that enacted in 1902? But it is said this is not the right time to consider this legislation, because of the European war. Gentlemen, in this legislation you are not establishing an independent government for the Philippine Islands. No international relations are in any way touched upon in this bill. You are simply rearranging the internal affairs of a country still under the sovereignty of the United States. Can anyone seriously pretend that because of the war the American people can not say what kind of government they wish to establish in the Philippines? It is true that this bill has a preamble stating what the policy of the United States will be in the future as regards the Philippine Islands. And this is the very best of all times for making such a statement. Russia is at war, and she has said what she is going to do with Poland. Japan is at war, and she has said what she is going to do with Kiaochow. Most of the nations of Europe are stating their purposes regarding colonies they have or had. Why, then, does this war, wherein you are fortunately not engaged, prevent you from making a like statement? I myself believe that the war is the best of all reasons for making this statement to-day, since when the days of peace come and consideration of general international relations is begun, the great powers of the earth will remember what the United States wishes and proposes to do with regard to the Philippine Islands, and will give such plans due weight. [Applause.]

Mr. GARRETT of Tennessee. Mr. Speaker, I have a suggestion to offer, and I hope that this will not come out of my time. First, I will inquire how the time stands.

The SPEAKER pro tempore. The gentleman from Tennessee has 28 minutes remaining, and the gentleman from Kansas 19 minutes.

Mr. GARRETT of Tennessee. Mr. Speaker, it is my desire to close the debate in possibly a three-minute talk, perhaps only two. I have this thought in mind, which I will suggest to the gentleman from Kansas and see if we can not agree upon it. I would like to know if we can not agree that when I close debate the time remaining of the two hours set apart for debate on the rule unused should be added to the general debate on the bill and a vote on the rule be taken at the conclusion of my remarks. It is evident that the Members of the House do not care to proceed further with this matter to-day.

Mr. CAMPBELL. I have no objection to that.

Mr. GARRETT of Tennessee. Of course I want it understood that the vote on the rule will follow my remarks.

Mr. CAMPBELL. I will say that I have promised to yield 10 minutes to the gentleman from Ohio, Dr. FESS. He would prefer to speak upon the rule, and if the gentleman from Tennessee will yield at this time, I would be very glad to yield him that time now, or perhaps a little longer time if he should desire it, and then the remaining time could be added to the debate on the bill, as suggested by the gentleman.

Mr. MANN. Mr. Speaker, will the gentleman yield for a question?

Mr. GARRETT of Tennessee. Yes. This is not coming out of my time.

Mr. MANN. The question I desire to ask has reference to the rule.

Mr. GARRETT of Tennessee. Then that should properly come out of my time, Mr. Speaker. I yield to the gentleman.

Mr. MANN. Mr. Speaker, under the terms of this rule would it be possible to bring up anything in the House on Monday, Wednesday, or any other day until this bill is disposed of?

Mr. GARRETT of Tennessee. That is the construction the Committee on Rules places upon it and which I think will be placed upon it by the Speaker. In the rules which have heretofore been adopted, where it is intended to supplant other matters, the words "and shall be the continuing order until concluded" have been used. Those words are not used in this rule.

Mr. MANN. No; but this rule says that immediately upon its adoption the House shall resolve itself into the Committee of the Whole House on the state of the Union, and the Speaker has always held that where such language was used it did not require a motion; that a demand for the regular order would resolve the House automatically into the Committee of the Whole. I am merely trying to avoid trouble in the future. There is the conference report upon the antitrust bill, which may be before the House before this bill is disposed of, and there is the river and harbor bill which may be before the House before this bill is disposed of. I do not know whether it is intended to shut out Calendar Wednesday or District Day next Monday, but there is no such exception made in the rule. If

that is not the intention, it seems to me that the rule ought to be amended in those respects.

Mr. GARRETT of Tennessee. Mr. Speaker, I will say to the gentleman that it was not the intention of the committee to interfere with Mondays, Wednesdays, or Fridays.

Mr. MANN. Will not the gentleman say that on Monday or Wednesday or Friday a demand for the regular order will require the Speaker to declare that the House automatically resolves itself into the Committee of the Whole House on the state of the Union for the consideration of this bill?

Mr. GARRETT of Tennessee. I have not thought so, because it does not say that it shall be the continuing order.

Mr. MANN. I know; but it does not say anything about it. It simply makes it the continuing order.

Mr. GARRETT of Tennessee. And because every special rule which has been heretofore adopted by which it was intended to supplant those days did say that it should be the continuing order.

Mr. MANN. The question will undoubtedly be raised, unless the rule is corrected. I will say to the gentleman. I have no objection to making the rule conform to that.

Mr. GARRETT of Tennessee. May I again inquire how the time stands, Mr. Speaker?

The SPEAKER pro tempore. The gentleman from Tennessee has 25 minutes and the gentleman from Kansas has 19 minutes.

Mr. MANN. The gentleman can ask unanimous consent that any time on either side not used on the rule shall be added to the time for general debate on the bill.

Mr. CAMPBELL. Mr. Speaker, I yield 10 minutes to the gentleman from Ohio [Mr. FESS].

Mr. FESS. Mr. Speaker, I want to call the attention of the Members of the House to two things that the distinguished representative from the Philippine Islands [Mr. QUEZON] mentioned a moment ago. The first was that the necessity for action now is due mainly to the war and to the running low of the resources, and to there being no way to replenish the treasury of the Philippines. That was not the cause when the bill was introduced in 1912, and was not the cause when this bill was written and considered in the committee. This bill was written and considered before there was any thought of a war in Europe, and it is just as unreasonable to say that the Philippine solution now is demanded because of the war as it is to say that the emergency tax of yesterday was imposed because of the war.

The war is a wonderful convenience in the legislation of this Congress, it seems. The other point I want you to specially note is that he says that it does not involve anything international, and he asked this question: Has not Japan said what she proposes to do in reference to certain holdings in east China? I would like to suggest to this body that it makes little difference what a nation says in the opening what its purpose is to be. The original purpose will not determine what is going to be done. The result of the struggle will determine what will be done. No matter what the purpose of Japan now is, she is in war, and when that war in Europe ends she may do differently from what she originally purposed, as a logical result of the war, just as we, when we went in the Spanish War, did entirely different from what we originally purposed to do. You can not make an agreement between nations where war is entered upon, go into the war, see conditions entirely changed from what they had been by the result of the war, and then hope to fulfill the agreement that had been entered into before the war. No matter what may be our policy to-day, if there should occur any indiscreet event to amount to any disturbance, and I hope there will not be, that policy can not mean anything. Probably no war in history ever ended as the initiatory power had expected. I would like to recall to the Members of this House that the Spanish-American War was not chosen. It was not the choice of the President of the United States. Well do I remember how he tried to avoid it. Not until the destruction of the *Maine* did he lose control of the public mind. The people of the country allowed the newspapers to impress them with the necessity of immediate action that something be done at once, and Members on this floor and at the other end of the Capitol were charging President McKinley as a weakling because he did not rush into complications that he feared might produce a world-wide war. McKinley had tasted war and knew what it meant, and did not want to take a step needlessly that would lead to needless war. And here in this RECORD which I hold in my hand, two months to the day after the *Maine* was blown up, are the words of one of the most distinguished gentlemen that the Old Dominion ever produced, giving a most powerful argument that something must be done, and done at once, in which he criticizes the President because the President, as he says, wanted to wash his hands of the responsibility of war by turning it over to the Congress. This distinguished Senator continued:

> The President has relegated the issue to Congress; he has handed it over to us and said that he awaits our action. It was our responsibility before he said so; it is doubly our responsibility now that he has washed his hands of it and has left us without any specific recommendations.

Why was it that President McKinley did not want to take the step? Because he was not only afraid of war, but the fruits of war. The American people forced him into it, thoughtless of the possibilities pertaining to its progress or of its results. One of the results of that war unforeseen by anyone at the time is the unhappy Philippine problem. We did not accept the Philippines because we wanted them. They were an inevitable consequence of war. The Republican Party did not want them as an inheritance, and I do not think the Democratic Party wanted them, but the Congress allowed themselves to be forced into war and the Philippines came as a result. When the war closed we had this problem on our hands; we compelled Spain to relinquish them and we assumed their protection.

Mr. GORDON. Will the gentleman yield? Ever since that day they have been an issue before the country.

Mr. FESS. That is where the issue came in 1900. It was declared to be the paramount issue in that campaign. The Democratic Party in their platform made a certain declaration—I only have 10 minutes, and I am afraid my friend will ask me the same sort of a question he asked the gentleman from Iowa [Mr. TOWNER] a while ago. [Laughter on the Republican side.]

Mr. GORDON. I want to ask the gentleman——

Mr. FESS. I do not want to embarrass my colleague, and I choose not to embarrass him by yielding. [Laughter on the Republican side.] In 1900 the Democratic Party made an issue out of the Philippine question. They declared in favor of immediate independence. The Republicans resisted such contention. We had those islands on our hands. We would have been very glad to have relieved the Nation of the problem, but we had a duty to perform to the people whom we had relieved from Spanish control. We went into that war not because we wanted Cuba or Porto Rico or the Philippines, but because public opinion forced it upon a humanitarian standpoint, as expressed by Democrats and Republicans, in the press, and in the forum. As a result this problem falls to us. From that day we have been in a dispute as to which would be the better plan of disposition. In 1900 our Democratic friends declared for independence; the Republicans for the performance of a duty. In 1904 the Democratic policy was a virtual repetition of 1900; the Republican policy was continuance of duty. In 1900 the people sustained the Republican policy, as they did in 1904. In 1908 the Democratic policy again was announced to get rid of that responsibility, which is virtually the heart of their contention. We felt then, as we feel now, that we could not afford on behalf of the Filipinos to shift the responsibility. Everybody knows that they are of no advantage to us. To retain them under our protection is not for us, but for them. The United States does not want them for the purpose of exploiting them.

This Government has never done that. What we do in connection with these peoples is not for us, but for them. We have built roads, we have built railroads, we have built schools for them, we have stimulated a civilization there, which is not to be ignored and which ought to be appreciated. There can be no question about that, whether the Filipinos appreciate what has been done or not. We did not want them originally for our use, and we do not retain them for ourselves. We retain them for the benefit of the people whom the young man who has a seat on the floor of this House represents.

Mr. QUEZON. Will the gentleman permit me a question?

Mr. FESS. Certainly.

Mr. QUEZON. When the gentleman said we built roads, we built schools, does he mean to say that the American people paid for those roads and those schools?

Mr. FESS. I mean to say that the American administration built those roads.

Mr. QUEZON. Not from United States funds?

Mr. FESS. No; they were built under the administration of this Government by using the resources of the Philippines for their benefit. How many roads did you build? How many were built under the Spanish régime? And you were under that Government for 400 years and you have been under this Government only since 1898, since when there has been a rejuvenation of the islands. I doubt whether there is a case in history where such progress has been made. [Applause on

the Republican side.] You ought to be appreciative of what has been done. Now, Mr. Speaker, this question has been forced at this time. I say it is unwise, it is ill-advised, it is unnecessary, and if gentlemen on that side of the House respect at all the wishes of the President when he said that we ought not to say or do anything that might involve us in international complications when the powers of Europe are at war, they will certainly hesitate to press this question at this juncture. If the President meant anything, he certainly meant that we ought not now to discuss a question that has been an international one from the day it was opened until the present time. The issue has been before the Nation quadrennially, and in every campaign the present policy toward the Philippines has been urged and agreed upon, and it seems to me that it is necessary for this Nation to continue its protection of these peoples. No man will say that has no international significance. Whatever you might say when all the world is at peace, our utterances should be tempered when most of the world is at war.

I am not free as a Representative of my people at this time, especially with war in Europe, to say what is in my mind, because I think I can see the necessity of respecting the wishes of the head of the Government and not say anything that might be misinterpreted. My friends, the greatest war that was known to man up to this time was the Civil War, when men of the same blood, the same religion, the same laws, the same language were at war, and yet there never was more than a million and a half soldiers in the field at one time in that awful conflict. But now, at this moment, we have a war with almost all Europe involved. These nations have 10,000,000 soldiers in the field and with a possibility of 7,000,000 more going into the field. Germany alone can put 6,000,000 in the field and the combined powers in the allied forces can more than duplicate them easily. And not only is there a war with 10,000,000 warriors in action——

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. CAMPBELL. I yield to the gentleman from Ohio five minutes more.

Mr. BORLAND. Will the gentleman yield for a question?

The SPEAKER pro tempore. Will the gentleman yield to the gentleman from Missouri?

Mr. FESS. Yes.

Mr. BORLAND. Does not the gentleman think that if we retain the Philippine Isalnds in their present condition as a dependency of this country, and we should unfortunately become engaged in a general war, the Filipinos would be the first helpless victims of that war?

Mr. FESS. There is only one thing that we want to do now, and that is to keep out of this war. [Applause.] Retaining the Philippines is not putting us in the war, but to suggest to the Filipino now that we intend to give him independence may provoke a difficulty that other nations may take advantage of.

Mr. BORLAND. Will the gentleman explain just how?

Mr. FESS. That is one of the things your President does not want anybody to talk about, and while you obey him in all his wishes I will try to obey him in this, even though his party unwisely provokes every Member on this side of the House to ignore him.

Mr. BORLAND. Our President has not put any veto on this bill. The gentleman is wholly mistaken.

Mr. FESS. The President has called Members from this floor to the White House and asked them not to speak on certain questions. I can be specific if it becomes necessary.

Mr. BORLAND. He does not take the view that the gentleman does, that we must not discuss the Philippine Islands.

Mr. FESS. Mr. Speaker, as I said a moment ago, there are 10,000,000 soldiers in the field in this European war. They are not fighting as the soldiers fought in the Civil War. They do not use weapons that were used then, the most modern at that time. They use guns that shoot 600 times a minute and machine guns that simply have no respect for human life. An army is like chaff in the wind when raked by these weapons of destruction. And the war is not confined to the land. It extends to the sea, with 700 sea monsters on one side and over 1,200 on the other, each one a floating fortress, carrying a small-sized army to operate the guns that can lay waste the coasts. And it is not confined to the surface of the sea. They fight under the water by squadrons of submarines, as was suggested by the destruction of three of the vessels of a belligerent by one submarine but the other day. And it is not confined to land and sea, but the fight is taking place in the air, through the squadrons of the air, the monoplane or biplane as against the Zeppelin, all of which are yet untried. This is modern warfare, and strange as it is and hard as it is to believe, this moment the nations are breathless, awaiting results. Now, with all Europe in war, including an oriental country of wonderful ambition as among the nations of the East, we are here and now raising a question that might be of interest in the international balance, that we had better keep quiet about and hold our peace while it is not too late. Whatever might be the Government's future policy on the Philippines, this is not the time to discuss it. It will do no good, and it may do harm not only to the Filipinos, but to ourselves. [Applause.]

Mr. GARRETT of Tennessee. Mr. Speaker, I yield two minutes to the gentleman from the Philippine Islands [Mr. QUEZON].

Mr. QUEZON. Mr. Speaker, I wish to make a few explanatory remarks. The gentleman from Ohio has said that we of the Philippines ought to be grateful to you, because you have built roads, schools, and railroads for us. I want it, first of all, understood that if I represent my people at all I can say for them that whatever good has been done by the American people in the Philippine Islands is fully and gratefully recognized. [Applause.] But when it comes to the statement that you have built roads and schools and railroads for us, then the fact that I am not familiar with the English language forces me to ask this question: Do you mean to say that one who has not paid the money for the building of the roads and schools has a right to say that he is himself building those roads and those schools? Every school in the Philippine Islands, Mr. Speaker, is built with the money of the Filipino people, and this money is drawn not simply from taxation but also from voluntary contributions. The best indication how civilized and how progressive my people are is found in the fact that we are building schools and roads by voluntary contributions. We are all helping to raise the money that has been used for roads and schools. Now, if the gentleman means to say that these schools and these roads have been built with the consent, and, perhaps, under the direction of the American administration of the Philippine Islands, and that we should be grateful for that, then I am ready to agree with him.

Mr. DONOVAN. Will the gentleman allow a question?

Mr. QUEZON. Yes, sir.

Mr. DONOVAN. Was this great fashionable road that was built for the officers, these people with gilt lace, and so forth, these handsome Yankee soldiers, paid for by the Filipino people?

Mr. QUEZON. Yes, sir; paid for by us.

Mr. DONOVAN. I suppose the great doctor from Ohio will claim that is a credit to the American people.

Mr. QUEZON. The gentleman calls my attention, doubtless, to a road 20 miles long, more or less, which has been built in the Province of Benguet, but which has not been very much used by the Filipino people themselves.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. GARRETT of Tennessee. How much time have I remaining?

The SPEAKER pro tempore. The gentleman has three minutes left.

Mr. GARRETT of Tennessee. I yield three minutes to the gentleman.

Mr. BRYAN. Will the gentleman yield?

Mr. QUEZON. Yes.

Mr. BRYAN. Does the gentleman know how many American men and American women are engaged there now in teaching school and attempting to develop the Philippine Islands at this time, especially in the schools?

Mr. QUEZON. I believe that the educational report for 1913 said that there were about 700 American school-teachers there, and about 4,000 Filipino school-teachers.

Mr. GORDON. They are all getting paid for it, are they not?

Mr. MILLER. Will the gentleman from the Philippines permit an interruption?

Mr. QUEZON. Yes.

Mr. MILLER. I know the gentleman does not want to do any injustice to his own school-teachers. There are 8,000 Filipino teachers.

Mr. QUEZON. Yes; the gentleman is correct. But my point is that we are paying those school-teachers.

Now, as to the road to which my attention has been called, nobody can deny that it was primarily built for the use of American employees of the Philippine government. I do not wish to indulge in criticism of the American administration in the Philippine Islands for having built this road. They say it was necessary for the health of American employees. I think it was. The American administration had to take care of those employees. The fact is, however, that if we did not have those American employees we would not have needed to build this

road, because we did not need it for ourselves. [Applause on the Democratic side.]

Mr. MILLER. Mr. Speaker, will the gentleman yield?

Mr. FESS. Mr. Speaker, will the gentleman yield to me?

The SPEAKER pro tempore. To whom does the gentleman yield?

Mr. QUEZON. I yield to anyone.

Mr. MILLER. Is it not a fact that the present Philippine Legislature, the lower branch, consisting entirely of Filipinos, and the other branch containing a majority of Filipinos, has made an appropriation to construct a road to this very same place, Benguet?

Mr. QUEZON. Oh, Mr. Speaker, this suggestion simply shows the common sense and the sense of duty of the Philippine Legislature. That is a case where we found a road already built, for which we had expended several million dollars, and it was a question of either throwing away all the money already spent or of spending a little more for its maintenance. We had to choose the lesser evil. If we had had the decision in the first place, we should never have built that road.

Mr. FESS. Now, will the gentleman yield?

The SPEAKER pro tempore. Does the gentleman from the Philippine Islands yield to the gentleman from Ohio?

Mr. QUEZON. Yes, sir.

Mr. FESS. Do you mean to state to the American people that if the American administration had not been in operation there would have been the same progress for your people that you now have?

Mr. QUEZON. I said that if the American officials had not been in the Philippine Islands we would not have built that road. Now as to your question: This is, of course, purely a matter of conjecture and speculation, but I say "yes." [Applause on the Democratic side.] I will tell you why. As to the advance of the Filipino people in education, does the gentleman pretend to tell me that this would have been possible if those people had not themselves deserved education? [Applause on the Democratic side.] And does the gentleman pretend to tell me that you can educate any people if those people have not the mental capacity to profit by education? [Applause on the Democratic side.]

Mr. FESS. Will the gentleman yield again?

Mr. QUEZON. Yes.

Mr. FESS. Your answer has no reference to the question I asked you. I want to ask another question.

Mr. QUEZON. Then I did not understand the gentleman.

Mr. FESS. I did not ask you about the road. I asked you about the advance of your people. Do you mean to say that your people would have advanced as high as they have done if the American administration had not been there?

Mr. QUEZON. I do, and I say it for this reason: The reason why the people have advanced in education is two-fold—first, that they want to educate themselves, and, second, that they are capable of learning; and I may say, third, that they are ready to spend money for that education.

Mr. FESS. How many people were in the schools in 1898?

Mr. QUEZON. Nobody. We were at war then.

Mr. FESS. How many had been in before that?

Mr. QUEZON. I have not the figures just now. There were not as many as there are to-day, but I want to tell the gentleman this: The public schools in the Philippine Islands are voluntarily attended by our boys and girls, there being no system of compulsory education in the Philippines. All the Americans who have been in the Philippines—and I invite the testimony of the gentleman from Minnesota [Mr. MILLER], who has been there—will testify to the fact that——

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. GARRETT of Tennessee. Mr. Speaker, I yield five minutes to the gentleman from Ohio [Mr. GORDON].

The SPEAKER pro tempore. The gentleman from Ohio [Mr. GORDON] is recognized for five minutes.

Mr. GORDON. Mr. Speaker, I asked the gentleman from Ohio [Mr. FESS] to yield to me for a question, but he refused to do so. Now, I have no ill feeling against the distinguished gentleman from Ohio. Of course, I think he is a political Bourbon, who never learns and never forgets. He is a Republican of the vintage of 1872. [Laughter.]

The question I desired to put to him when he was explaining to the House that the Philippine Islands were forced on us was, By whom were they forced on us? I wished to ask him to explain how they were forced on us. I will call a witness from his side of the House, the late Thomas B. Reed, of Maine, who resigned the high office of Speaker and his membership in this House because his country and his party had been disgraced by the Philippine policy it had entered upon. He said, "You bought 10,000,000 yellow bellies at $2 a head." [Laughter.] That is the way you got them. Everybody knows it, and it is a matter of history. They were not forced upon the people of this country except by the administration then in power, and I say that this whole Philippine enterprise is one of the most disgraceful chapters in the history of the United States.

Mr. COOPER. Mr. Speaker, will the gentleman yield?

Mr. GORDON. I will not; and the man who does not admit that——

Mr. KELLEY of Michigan. You will yield to me, will you?

Mr. GORDON. No, sir; I will not yield. [Laughter.]

The SPEAKER pro tempore. The gentleman from Ohio declines to yield.

Mr. GORDON. Any man who is not ashamed of this Philippine enterprise is not familiar with the history of the United States, in my judgment. The gentleman brags here about building roads and things, and yet the gentleman knows that the Filipino people have been taxed to death to pay for them and to support a lot of carpetbag officials that you sent over there besides. [Laughter.] We imposed upon the people of the Philippine Islands, when those people were weak and exhausted by the destruction and devastation of war, an export tax which absolutely took all the profits out of their products. One of the good things that this Congress has done has been to repeal that tax.

Now, it is not necessary to get mysterious about this. The gentleman from Ohio [Mr. FESS] seems to be afraid to have us discuss this proposition. He says we must all keep still. So far as I am concerned, I do not feel under any obligations to keep still about it. [Laughter.] As one American citizen, I want here and now to publicly repudiate any sympathy with this Philippine enterprise. I never had any for it, and I am proud to say that the party to which I belong is in no way responsible for it. [Applause on the Democratic side.]

Mr. YOUNG of North Dakota. How about Bryan? [Laughter on the Republican side.]

Mr. GORDON. That is one of the gravest mistakes Mr. Bryan ever made, in my judgment, when he helped you fellows to ratify that treaty. [Laughter on the Republican side.] But he did it in the interest of peace, as he thought. But I say it was a mistake. Why, this Philippine history is a thing that every decent American ought to try to forget, and the way to forget it is to unload our responsibilities and get out of there just as quickly as we can decently and in order, and in the meantime let us try to treat those people fairly. They are our wards. We took them over by force, in violation of every principle of American government that we ever professed. When gentlemen stand up here on this floor and talk about them being forced on us they say what is not true. The facts of history disprove it. They were not forced on us. We bought them.

Mr. MILLER. Will the gentleman yield for a question?

Mr. GORDON. Yes.

Mr. MILLER. What would the gentleman have done with the Philippine Islands at the conclusion of the treaty of peace with Spain?

Mr. GORDON. I would have done with them just what I would do now—set them up in business for themselves and let them work out their own destiny. I would do just what this bill proposes to do.

Mr. MILLER. Is the gentleman, then, in favor of this bill?

Mr. GORDON. Yes.

Mr. MILLER. What part of the bill proposes to set them up for themselves?

Mr. GORDON. It is a step in that direction. Of course, when we bought them and took them over we assumed certain responsibilities. We can not unload those responsibilities as easily as we could if we had never assumed them.

Mr. MILLER. The gentleman is very courteous. Will he permit one more question?

Mr. GORDON. Yes.

Mr. MILLER. Does the gentleman think it was better for the Philippine Islands that they came beneath the American flag rather than to have remained beneath the Spanish flag?

Mr. GORDON. I have never been in the Philippine Islands. The gentleman who represents those people says not, and I am inclined to think he knows more about it than the gentleman from Minnesota does. But that has nothing to do with this discussion. We are here to legislate for those islands, so far as we can. We have taken them over, and now the thing to do is to get rid of them as quickly as we can, and escape further responsibility for maladministration on the other side of the earth.

Mr. MILLER. Is the gentleman authorized to quote the gentleman from the Philippines [Mr. QUEZON] as stating that it

would have been preferable if the Philippine people had remained under the Spanish flag?

Mr. GORDON. No; I did not hear him say that, and I do not think he said it.

Mr. MILLER. I understood the gentleman to say so.

Mr. GORDON. They were fighting pretty hard to get out from under the Spanish flag when we went over there and grabbed them. I have never heard any man who represented the Philippine people say that they wanted to remain under the Spanish flag. As a matter of fact, they had successfully revolted from Spanish rule at the time we got in there and took them over. [Applause on the Democratic side.]

The SPEAKER. The time of the gentleman has expired.

Mr. GARRETT of Tennessee. I yield five minutes to the gentleman from Kentucky [Mr. HELM].

The SPEAKER. The gentleman from Kentucky [Mr. HELM] is recognized for five minutes.

Mr. HELM. Mr. Speaker, this is a day and an occasion that has been too long delayed. The war of the United States on the Philippine people was one of the darkest chapters, if not the darkest chapter, in the history of our Government. We Democrats, as distinguished from you who belong to the Republican school of politics, still adhere to that fundamental democratic principle that all just powers of government are derived from the consent of the governed. The line of demarcation between the Democratic Party and the Republican Party begins at this very point. When the Battle of Manila was fought the great Admiral sent back to the President of the United States the word that the Philippine people were more capable and competent to govern themselves than the people of Cuba, for whose freedom this Government had gone to war. I take decided issue with the gentleman from Ohio [Mr. FESS] when he proclaims that the American policy inaugurated in the Philippines after the Battle of Manila was not inaugurated with the approval of the then President of the United States, William McKinley, and those around his council table, in spite of the word sent back from Manila by Dewey to leave those people to themselves and let them work out their own destiny. The line is again drawn between the Democrats and the Republicans, the fundamental mistake that the gentlemen on the Republican side of the aisle make is that the Philippine people could not have governed themselves, and that they could not have made progress comparing favorably to that they have made, if they had been permitted, after the Battle of Manila, to take charge of their own affairs, and if Dewey had been ordered to turn his ships away and to bring the fleet back to the United States.

Mr. FESS. Will the gentleman yield?

Mr. HELM. I have only five minutes.

The SPEAKER. The gentleman declines to yield.

Mr. HELM. I assert, and I believe the statement will stand the test, that the mistake you men make is in assuming that the Philippine people were and are not capable of self-government. I cite you, as an example, to the man who has spoken to you here [Mr. QUEZON], who comes from the very jungles of those islands—from the Island of Luzon.

Mr. CAMPBELL. That is not a jungle; that is the best of the islands.

Mr. FESS. Will the gentleman yield now?

Mr. HELM. No. I would like to do so, but I have not time.

The SPEAKER. The gentleman declines to yield.

Mr. HELM. The Philippine people have the capacity to govern themselves. They were in revolt against the Spanish régime. The Spaniards had stood across the path of progress of the Philippine people. They had been denied the advantages that they now have, not because of their incompetency but by the will of Spain, and there is where you gentlemen make your fatal mistake. If these people then and there had had the right to maintain and conduct their own government, they would have made measurable progress, if not all the progress that they have made since the Spanish régime was done away with in the islands. [Applause on the Democratic side.]

The SPEAKER. The time of the gentleman has expired.

Mr. GARRETT of Tennessee. Mr. Speaker, may I inquire how much time I have remaining?

The SPEAKER. The gentleman has 13 minutes.

Mr. GARRETT of Tennessee. How much time has the gentleman from Kansas?

The SPEAKER. Six minutes.

Mr. GARRETT of Tennessee. I yield five minutes to the gentleman from Missouri [Mr. DECKER].

The SPEAKER. The gentleman from Missouri [Mr. DECKER] is recognized for five minutes.

Mr. DECKER. Mr. Speaker, the question before the House is the adoption of a rule that provides for the present consideration of the Philippine bill. I did not intend to speak upon this rule, but I feel it my duty to make a brief reply to the eloquent remarks of the distinguished gentleman from Ohio [Mr. FESS]. I regard the gentleman as a man of learning, ability, and patriotism; but I have noticed that he is also possessed of political shrewdness. He bases his opposition to the consideration of this bill not upon the merits of the bill but upon his alleged fear that something may be said in the discussion of the bill that will be inconsistent with the desire of all good Americans to preserve a position of strict neutrality toward all the nations engaged in war. I can not see anything in this bill, a legitimate discussion of which would call forth any remarks that would tend to mar the friendly relations existing between this country and any other nation. Briefly stated, the purport and effect of this bill is to give a larger scope of self-government to the people of the Philippine Islands. It is the acknowledgment of the doctrine, not new in this country, that no man is good enough to govern another man without that man's consent. It is a step toward the vindication of the doctrine proclaimed to all the world by the Declaration of Independence, that document which proclaimed not only our national independence but the primal rights of all mankind; that document the spirit of which goes forth, as Sumner says, "breaking bolts, unloosing bonds, opening prison doors, visiting all who are downtrodden, whispering that there is none so poor as to be without human rights which every man is bound to respect, none so degraded as to be beneath its beneficent influence, none so lofty as to be above its restraining power, while before it despotism and oligarchy fall on their faces like the image of Dagon, and the people everywhere begin to govern themselves." This is not a new doctrine in the United States nor one which will give surprise or offense to any other nation.

The gentleman from Ohio surely did not mean to infer that those on this side of the House are not as anxious as those on that side of the House to save this country from bitter embroilments and strife. After the events of the recent past it is a strange warning to come to us from that side of the aisle. It sounds strange to us who, while the Mexican situation was acute, sat here calmly while we were accused of weakness and lack of patriotism and almost of cowardice.

The gentleman has pictured the horrors of the present war; he has not painted the picture too dark. There are men living in our land to-day who have tasted the horrors of war, men who wore the tattered gray and marched to the tune of "'Way Down South in Dixie," faced the belching cannon, endured the pangs of hunger for what they thought was right; men who wore the blue and marched to the tune of "Yankee Doodle" and fought for the preservation of the Union and the Stars and Stripes. The Civil War was an awful war, the horrors of which we younger men can never know. But the war that is now being waged is one which, for destruction and disaster, staggers the minds of even the men who followed the fortunes of Lee and Grant. In the Civil War hundreds of thousands faced hundreds of thousands in deadly conflict. In the present war millions against millions surge back and forth, leaving lines miles long of dead. They are fighting under the sea; they are fighting in the air. They are dying over there; they are dying by platoons, by battalions, by the thousand—aye, I fear, even by the million. The disaster of this war can not be measured by the numbers slain. We do not sorrow alone for those who fall in the awful charge never to rise again. Think of the mothers who mourn for the brave sons who are never coming back; the fathers who shall never see again those whom they bade goodby with stern and solemn faces and saw them march away to war. Think of the wives who will mourn for husbands dead, sisters who will miss the brother's smile, of the orphans who will know no more a father's help and guiding care; think of the poverty, the squalor, the sickness, the despair that will follow in the wake of this awful war. Think of the burdens of taxation that will fall on the shoulders of countless millions yet unborn.

When we contemplate the tidings of horror and disaster that come from across the sea there is not a man, woman, nor child that is not grateful to our President, who, supported by the men on this side of the aisle, has made it possible for us to say, "We are at peace with all the world." We were not afraid to fight with Mexico. With all our wealth, with all our arms, with all our ships, we could have swept swiftly over the hills and plains of Mexico and placed again the Stars and Stripes over the halls of the Montezumas. We could have trampled with the iron heel of war from one end to the other of unhappy Mexico, leaving famine and desolation in our wake; but the man in the White

House was thinking of the mothers whose boys would never come back, of those who would go through life maimed and halt; he was thinking of the burdens and the sorrows that war would bring to the people whom he had been chosen to guide. He was also thinking of the people of Mexico—people distracted by strife, bowed down by oppression, impoverished by wrongs; people who, like us, hunger when they have no food, bleed when they are wounded, and grieve when they are wronged. He was thinking of these people as well as his own. Unmindful of the taunts that came from that side of the aisle, heedless of the darts of derision that came from the public press, imperturbed by the tempests of prejudice and passion stirred up throughout this country by sinister interests, he kept the even tenor of his way and has demonstrated that watchful waiting is better than war.

Since the present war came with such suddenness to a startled world, the foreign policy of this great man has been the policy of peace. When the rumbling of marching men was first heard, and the awfulness of the coming tragedy was first realized, this great leader, with heart bowed down by his own great sorrow, yet sorrowing for those whom he did not know, sent to the contending nations an appeal for mediation and peace. To his own people, who have learned to honor and trust him, he sent forth a message requesting that in thought, in speech, and in action they observe an attitude of strictest neutrality.

This message should be heeded by all Americans, from the humblest to the highest. It should be heeded by the multitudes as they go their daily ways. It should be heeded by the preachers, the lawyers, the doctors, the teachers, and by those who gather and disseminate the news, and, above all, it should be heeded by the men who sit in this Chamber and help to make the laws.

A government can not be neutral unless its people are neutral. The people that compose this Government come from every land and clime. Many come from the lands now torn by war. The ties of blood and kindred bind them in bonds of sympathy to the land from which they or their forebears come. Yet by the bonds of patriotism and interest they are bound to the flag of their adoption. For this flag in the past they have rendered, and in the future will render, if need be, the last full measure of devotion. It is fitting that out of regard each for the other, our people should heed the President's plea for neutrality. It is especially fitting that we, the representatives of them all, and responsible for the harmony, the happiness, and prosperity of them all, should heed the President's plea, and say nothing inside or outside of this Chamber that would weaken the friendship between this Nation and any other nation engaged in war. The gentleman from Ohio has referred to this request of the President for neutrality as a reason for not discussing this bill at this time. We on this side of the aisle appreciate our duty in this regard. We believe, as I said in the beginning, that there is nothing in this bill that should prevent any legitimate discussion of its merits at this time. We have faith in the patriotism of the men on this side of the aisle—yes, and we have faith in the patriotism of the men on that side of the aisle—that for the sake of mere partisan advantage or personal gain they will not go far afield in this discussion and say things that should not be said at this time. I have faith in the patriotism of the men in this House. I believe we all realize the solemnity and seriousness of the crisis that confronts the world, and I believe it is the desire of each and every one of us to rise above partisanship at a time like this. While from different quarters of the world we hear the noise of carnage and despair, it is our desire to do our best to preserve for our people the blessings of prosperity and peace. While we realize that political gloom and chaos, crumbling kingdoms, and changing dynasties may result from this war, we will keep the beacon light of liberty and order burning on this the highest hilltop of the world.

Mr. CAMPBELL. Mr. Speaker, I do not care to use any more of my time with the understanding that the six minutes will be added to general debate.

Mr. GARRETT of Tennessee. Mr. Speaker, how much time is remaining?

The SPEAKER. Eight minutes.

Mr. GARRETT of Tennessee. Mr. Speaker, I intend to use two minutes, and then I ask unanimous consent that the unused time on the rule may be added to general debate on the bill.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that whatever time is not consumed on the rule shall be added to the time for general debate on the bill. Is there objection? [After a pause.] The Chair hears none. The Chair wishes to state to the House that it is positively against the rules for any Member to sit in his seat and interject remarks into another man's speech. It is not treating the man who has the floor fairly. The House is gradually drifting into that habit, and the Chair hopes that it will not be indulged in. [Applause.]

Mr. GARRETT of Tennessee. Mr. Speaker, the debate has taken a wider range, and a more humorous range, than I had anticipated when I presented the rule. This is a very important bill. There have been many things said on the Republican side of the House in the argument that are not justified. My friend from Wisconsin [Mr. LENROOT] suggested that there was some devious method being pursued in presenting this rule at this time. As a matter of fact, Mr. Speaker, one intention from the moment this Congress assembled until now has been that a bill along the line of this should be presented and acted upon.

The only arguments that have been made against the consideration of the bill are these: First, the gentleman from Iowa, the gentleman from Wisconsin, and other gentlemen say that there is no possibility of its passing, and so there is no use considering it. Why, Mr. Speaker, there is no possibility of its passing unless the House considers it well. That we propose to do, and so that argument is disposed of. The second argument is that it is not wise to bring it up at this time because, forsooth, some gentlemen may make unwise speeches. Well, sir, there is certainly no legitimate connection between this bill and the troubles now convulsing the European countries.

Why is it inopportune for the party now in power to take a step toward carrying out that which it has declared for the last 14 years it would do? Why is it inopportune, because a war is convulsing Europe, for this country to say that one of its dependencies, thrust upon it under circumstances with which we are all familiar, shall be given an opportunity to take a step toward autonomous republican government? This last suggestion which gentlemen make reduced to its final analysis is this: There is no legitimate or logical argument to be made connecting the European war and this bill. There is no legitimate or logical connection between the conditions which exist in Europe and the propositions contained in this bill. But, nevertheless, do not bring the bill in, because, if you do, we may make speeches by which we will make ridiculous spectacles of ourselves. [Applause on the Democratic side.] There will, I think, be nothing indiscreet said upon this side of the House during the discussion of this bill. If anything indiscreet be said upon that side, it will not have a legitmate connection with this bill, and the responsibility will rest upon the individual who says it.

Mr. MANN. Mr. Speaker, will the gentleman yield for a question?

Mr. GARRETT of Tennessee. Yes.

Mr. MANN. Does the gentleman think it would be improper or indiscreet in discussing our relations with the Philippine Islands to discuss our relations with Japan and the relations which may exist between Japan and the Philippine Islands?

Mr. GARRETT of Tennessee. Mr. Speaker, I do not see how it is possible for a bill providing that in the course of time the Philippine Islands are to be granted absolute self-government and independence, and that now a step shall be taken in enlarging the autonomy of their government, to be in any way connected with our relations with Japan.

Mr. MANN. If we make a declaration in favor of Philippine independence, does the gentleman think it would be improper to discuss the relations which may exist between Japan, the Philippine Islands, and the United States and the control of the Pacific Ocean?

Mr. GARRETT of Tennessee. Mr Speaker, I can not control the speeches made by gentlemen.

Mr. MANN. I was trying to get the gentleman's opinion as to whether he thought I would be doing an improper thing if I made a speech upon those subjects.

Mr. GARRETT of Tennessee. I simply say that, in my opinion, there is no occasion for making such a speech, and no legitimate reason for making such a speech on this bill. The gentlemen can discuss the matter according to their own ideas. I ask for a vote.

The SPEAKER. The Chair will state that nine minutes will be added to the time for general debate on the bill, under the unanimous-consent agreement. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. MANN) there were—ayes 61, noes 44.

So the resolution was agreed to.

The SPEAKER. Under the rule the House will automatically resolve itself into the Committee of the Whole House on the state of the Union, and the gentleman from Virginia [Mr. FLOOD] will take the chair.

Mr. MANN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MANN. Under the rule does the House automatically resolve itself into the Committee of the Whole or does it require a motion?

The SPEAKER. It seems to the Chair that the rule makes it go into the committee automatically.

Mr. MANN. I agree with the Chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands, with the gentleman from Virginia [Mr. FLOOD] in the chair.

The Clerk reported the bill by title.

Mr. JONES. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. JONES. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. FLOOD of Virginia, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 18459, and had come to no resolution thereon.

IMPORTATIONS.

Mr. MANN. Mr. Speaker, I have some figures in reference to importations which I would like to have inserted in the RECORD, and I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD by printing certain figures about importations.

Mr. MANN. And a short speech.

The SPEAKER. Is there objection?

There was no objection.

ENROLLED BILL SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 18732. An act to amend section 98 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911.

ADJOURNMENT.

Mr. JONES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 50 minutes p. m.) the House adjourned until Monday, September 28, 1914, at 12 o'clock noon.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 2673) granting a pension to William L. Brown; Committee on Invalid Pensions discharged and referred to the Committee on Pensions.

A bill (H. R. 17865) granting an increase of pension to Martha Ann Benjamin; Committee on Invalid Pensions discharged and referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. HOBSON (by request): A bill (H. R. 18987) to construct two national auto highways, the first along or near to the thirty-fifth parallel of north latitude, from the Atlantic to the Pacific Ocean; the second along or near to the twenty-third meridian west from Washington, D. C., north to Canada and south to Mexico; to the Committee on Roads.

By Mr. MURRAY of Oklahoma: A bill (H. R. 18988) to prohibit the operation of trains of more than one-half mile in length in interstate traffic and in the District of Columbia or any territory of the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. RUPLEY: A bill (H. R. 18989) for the purchase of a site and the erection thereon of a public building at Mechanicsburg, Pa.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 18990) for the purchase of a site and the erection thereon of a public building at Shippensburg, Pa.; to the Committee on Public Buildings and Grounds.

By Mr. BRYAN: A bill (H. R. 18991) for the relief of the city of Bremerton, Wash.; to the Committee on Appropriations.

By Mr. MURRAY of Oklahoma: Joint resolution (H. J. Res. 354) to prescribe the use by the Senate and House of Representatives of strings, cords, and other materials made of fiber, to be made of cotton or some American product; to the Committee on Accounts.

By Mr. CANTOR: Joint resolution (H. J. Res. 355) authorizing the Secretary of War to proceed with the improvement of East River and Hell Gate, N. Y.; to the Committee on Rivers and Harbors.

By Mr. FLOOD of Virginia: Joint resolution (H. J. Res. 356) to convey the appreciation of Congress to their excellencies Señor Domicio da Gama, Señor Romulo S. Naon, and Señor Eduardo Suarez for their generous and distinguished services as mediators in the controversy between the Government of the United States and the leaders of the warring parties in Mexico; to the Committee on Foreign Affairs.

By Mr. RAGSDALE: Resolution (H. Res. 631) directing the Secretary of the Treasury to furnish to the House of Representatives the amount of Government funds deposited in the banks in sixth district of South Carolina; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROCKSON: A bill (H R. 18992) for the relief of George T. Hamilton; to the Committee on Claims.

By Mr. FLOYD of Arkansas: A bill (H. R. 18993) for the relief of Absalom C. Phillips; to the Committee on War Claims.

By Mr. HUMPHREY of Washington: A bill (H. R. 18994) to reinstate Wilmot A. Danielson as a first lieutenant in the Coast Artillery Corps, United States Army; to the Committee on Military Affairs.

By Mr. KENNEDY of Connecticut: A bill (H. R. 18995) granting an increase of pension to Hannah L. May; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18996) granting an increase of pension to Maria L. Aldrich; to the Committee on Invalid Pensions.

By Mr. LAZARO: A bill (H. R. 18997) to remove the charge of desertion from the military record of Bernard Curley; to the Committee on Military Affairs.

By Mr. LEE of Pennsylvania: A bill (H. R. 18998) granting an increase of pension to Philip Boyer; to the Committee on Invalid Pensions.

By Mr. LIEB: A bill (H. R. 18999) granting a pension to Nancy A. Sumner; to the Committee on Pensions.

Also, a bill (H. R. 19000) granting an increase of pension to Benjamin F. Bishop; to the Committee on Invalid Pensions.

By Mr. ROGERS: A bill (H. R. 19001) granting a pension to Mark Gleason; to the Committee on Invalid Pensions.

By Mr. STEVENS of Minnesota: A bill (H. R. 19002) granting a pension to Susan M. Spoor; to the Committee on Invalid Pensions.

By Mr. TREADWAY: A bill (H. R. 19003) granting an increase of pension to Henry C. Rand; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition of Michael C. Paul, of Philadelphia, Pa., favoring an internal-revenue tax on bills of lading, deposit slips, checks, receipts, tickets to places of amusement, etc.; to the Committee on Ways and Means.

By Mr. CARR: Petition of 100 people of Woodruff, Pa., favoring national prohibition; to the Committee on Rules.

By Mr. CARY: Petition of members of Wisconsin Association of Wholesale Liquor Dealers, protesting against tax on wines; to the Commitee on Ways and Means.

By Mr. FLOOD of Virginia: Petition of 100 people of Buchanan, Va., favoring national prohibition; to the Committee on Rules.

By Mr. GALLIVAN: Petition of St. John's Sunday School, South Boston, Mass., favoring national prohibition; to the Committee on Rules.

By Mr. LOBECK: Petition of Omaha (Nebr.) Clearing House Association and Nebraska State Bankers' Association, protesting

against unfair taxation of banking capital; to the Committee on Ways and Means.

Also, memorial of retail druggists of Douglas County, Nebr., favoring the passage of House bill 13305, the Stevens standard-price bill; to the Committee on Interstate and Foreign Commerce.

Also, petition of Harry W. Dotson and 6 other citizens of Nebraska, protesting against national prohibition; to the Committee on Rules.

By Mr. LONERGAN: Petition of B. B. Bassett, of New Britain, Conn., in re tax on intoxicating liquors; to the Committee on Ways and Means.

Also, petition of the Hartford Clearing House Association, Hartford, Conn., protesting against the proportion of the emergency war tax to be placed on banks; to the Committee on Ways and Means.

By Mr. MAGUIRE of Nebraska: Petition of business men of Talmage, Nebr., favoring the passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. J. I. NOLAN: Protest of the Clearing House Association of San Francisco, Cal., against that section of House bill 15657 affecting bank directorates; to the Committee on Ways and Means.

By Mr. PAIGE of Massachusetts: Petition of 26 citizens of Worcester County, Mass., favoring national prohibition; to the Committee on Rules.

By Mr. STONE: Petitions of sundry citizens of Indiana, favoring national prohibition; to the Committee on Rules.

By Mr. TREADWAY: Papers to accompany a bill to increase the pension of Henry C. Rand; to the Committee on Invalid Pensions.

By Mr. WEAVER: Petition of Woman's Home Missionary Society of First Methodist Episcopal Church of Oklahoma City, protesting against House bill 16904, relative to railroad tracks opposite Sibley Hospital; to the Committee on the District of Columbia.

Also, petition of Rev. T. J. Davis and many other citizens of Pottawatomie County, Okla., favoring national prohibition; to the Committee on Rules.

Also, petition of C. E. Hall and other citizens of Stillwater, Okla., for relief against unfair methods of mail-order houses; to the Committee on Ways and Means.

Also, petition of Miss Bessie Hupp and 24 others, of Oklahoma City, Okla., and Mrs. M. E. Manwaring, of Oklahoma City, Okla., favoring national prohibition; to the Committee on Rules.

SENATE.

MONDAY, *September 28, 1914.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, Thou art the God and Father of us all. Thou dost take within Thy care and within Thy great purpose all men and all nations and all ages. Thou art the center and source of all power and of all greatness and of all good. We come to Thee in the discharge of the sacred and important duties of this hour and lift our hearts to Thee for Thy blessing and guidance; that we may be saved from every selfish purpose; that we may be given a clear insight into every duty; that we may be given courage for all the obligations of life. Grant that the service we render this day may be first of all to God and then to our Nation and to the world, and may all that is done be with the approval of the God and Father of us all. For Christ's sake. Amen.

The Secretary proceeded to read the Journal of the proceedings of the legislative day of Thursday, September 24, 1914, when, on request of Mr. SMOOT and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House had passed the bill (S. 5798) authorizing the health officer of the District of Columbia to issue a permit for the removal of the remains of the late Earl A. Bancroft from Glenwood Cemetery, District of Columbia, to Mantorville, Minn.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 657) to authorize the reservation of public lands for country parks and community centers within reclamation projects in the State of Montana, and for other purposes.

ENROLLED BILL SIGNED.

The message further announced that the Speaker of the House had signed the enrolled bill (H. R. 18732) to amend section 98 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, and it was thereupon signed by the Vice President.

PETITIONS AND MEMORIALS.

Mr. TOWNSEND. In behalf of the junior Senator from Illinois [Mr. SHERMAN], I desire to present two telegrams in reference to the so-called revenue-tax bill, which I ask may be printed in the RECORD without reading.

There being no objection, the telegrams were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

CHICAGO, ILL., *September 23, 1914.*

Hon. LAWRENCE Y. SHERMAN,
Senate, Washington, D. C.:

The Chicago Real Estate Board, the largest and oldest in the world, representing thousands of realty owners, protests most strenuously against the proposed taxes in the so-called war-tax measure on real-estate conveyances, mortgages, contracts, leases, etc. Our commodity bears the heaviest burden of local taxation, never is concealed, and in this State is taxed twice when mortgaged; and we likewise protest against the proposed real-estate brokers' license of $50.

THE CHICAGO REAL ESTATE BOARD.

CINCINNATI, OHIO, *September 17, 1914.*

Senator LAWRENCE Y. SHERMAN,
United States Senate, Washington, D. C.:

The National Association of Life Underwriters in convention assembled, representing over 103,000 agents of over 100 legal reserve life insurance companies of all sections, and in the name of our 25,000,000 policyholders, protest vigorously against the reported proposal to impose a Federal stamp tax upon our policyholders. We shall do our utmost to arouse them against this additional exaction among America's thrifty and provident self-taxing citizens. No European countries, even under pressure of war, so far as known, have resorted to taxing life insurance. Why should America, at peace, increase the cost of protecting their families in addition to the present burdensome taxes of 48 States? We submit that taxing only the legal reserve companies, even those purely mutual, and excluding very properly assessment and fraternal associations and therefore increasing the cost to the 30,000,000 policyholders upon whom this additional tax will solely fall, is unjustified and indefensible. When England exempts money paid for life insurance from her income tax should peaceful America tax it? We earnestly request that at a time when a decreased cost of living is demanded so vital an agency for thrift and preventive of dependency as life insurance will not be increased in cost, especially by a Congress that wisely struck from the income-tax bill the provisions taxing life insurance. This Government has already the discreditable distinction of being the only one in the whole world to tax life policyholders. Surely the present Congress will not increase this burden.

ERNEST J. CLARK,
President National Association of Life Underwriters.

Mr. MARTINE of New Jersey. I have received a letter, transmitting a petition from the banking and currency committee of the New Jersey Bankers' Association. I ask that the petition may be printed in the RECORD and properly referred.

There being no objection, the petition was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

To the Federal Reserve Board:

The banking and currency committee of the New Jersey Bankers' Association, acting under authority conferred by that association, and at the request of the national banks of northern New Jersey, respectfully petition your honorable body to review the assignment of the banks of northern New Jersey to the Federal reserve district No. 3 (Philadelphia) and to alter the district lines so that the banks in New Jersey north of the northerly line of the counties of Ocean and Mercer shall be included in Federal reserve district No. 2 (New York). This would involve transferring the banks in the counties of Monmouth, Somerset, Passaic, Morris, Middlesex, Union, Hudson, Sussex, Hunterdon, Essex, Bergen, and Warren, in the State of New Jersey, from the Federal reserve district No. 3 (Philadelphia) to Federal reserve district No. 2 (New York)

We present to you herewith petitions signed by 123 member banks in the counties above mentioned, asking for this change and authorizing us to represent them. The capital and surplus of the banks signing these petitions is $31,226,427; their deposits, $156,465,000. Nine banks did not sign petitions, the capital and surplus of those not signing being $1,177,500 and their deposits $5,310,000. These figures are taken from the published report of the Comptroller of the Currency for 1913, those being the latest official figures available to us.

Northern New Jersey is allied so closely with New York, both commercially and financially, that the banks of that section should be assigned to the New York district, in compliance with the Federal reserve act, section 2, which says:

"That the districts shall be apportioned with due regard to the convenience and customary course of business, and shall not necessarily be coterminous with any State or States."

The volume of checks drawn on any particular city which are received on deposit by a bank show very accurately the amount of business which is done by the community in which the bank is located with the community on which the checks are drawn. Taking this method as a basis, we find that the commercial business of northern New Jersey with New York is fully ten times as much as the commercial business of that section with Philadelphia, and throughout that section of the State the ties, both commercial, financial, and social, are almost entirely with New York City. The industrial enterprises of northern

New Jersey, especially those located in the large cities of Hudson, Passaic, Essex, Union, and Middlesex Counties, do a very much greater volume of business with New York than with Philadelphia. Most of these concerns have offices in New York City, while but few of them have offices in Philadelphia. We append tables showing the population and industrial importance of northern New Jersey.

We are advised by the banks of northern New Jersey that of the checks which they receive on deposit drawn on the cities of New York and Philadelphia from 85 per cent to almost 100 per cent are drawn on New York City, and on account of the large volume and amount of these checks payable in New York City it is essential that they be sent directly there in order to insure prompt presentation and prompt notice in case of nonpayment. It is impracticable to send these checks to New York by way of the Philadelphia reserve bank. This very same question will arise in connection with the very heavy volume of checks payable in northern New Jersey which are received on deposit by the New York City banks. An analysis of figures which were received by the Comptroller of the Currency from banks of northern New Jersey during the month of June last will demonstrate the close relationship existing between New York City and northern New Jersey, and will show that this relationship is much more active and close than that existing between northern New Jersey and Philadelphia. In taking these figures into consideration it must be borne in mind that the comptroller's figures separate New York City from New York State, but do not separate Philadelphia from the State of Pennsylvania. We give below figures covering the month of June furnished by five representative institutions in Newark, N. J., showing the volume of checks on Newark received from New York City and from Philadelphia and the currency shipments between Newark and New York, there being none with Philadelphia:

On local banks, received from New York City	$19,096,489
On local banks, received from Philadelphia	2,351,506
Currency shipments to and from New York City	2,034,000

At present many of the banks in northern New Jersey maintain accounts with Philadelphia banks, but these accounts are not maintained by reason of the natural flow of business there, but are due entirely to the fact that New York City banks have for many years charged exchange for the collection of country checks, whereas Philadelphia banks have been willing to collect these checks at par. Prior to the time when the New York Clearing House adopted the rule requiring its member banks to charge exchange on country checks the banks of northern New Jersey, with very few exceptions, carried no accounts in Philadelphia, and the figures will demonstrate that immediately after the imposition of this exchange charge by the New York Clearing House the deposits of country banks with Philadelphia banks increased very materially. With equal facilities provided by the banks of the two cities, practically all of these accounts kept in Philadelphia by the banks of northern New Jersey would be eliminated, as there is not a sufficient volume of business on the territory naturally covered by Philadelphia to warrant the maintenance of these accounts. These facts will also account for the considerable volume of business received by the banks of northern New Jersey from the banks of Philadelphia, as checks on northern New Jersey from all over the country are by reason of the exchange charge imposed by the New York clearing house diverted to Philadelphia rather than through their natural course by way of New York.

The relations existing between the banking institutions of northern New Jersey and the banks of New York City have always been most intimate, and the transactions between that section of New Jersey and New York City are carried on in a very large degree through personal contact, resulting in mutual advantage. On account of this close relationship no artificial barriers should be erected, and if erected, will prove injurious to the banks of northern New Jersey.

A considerable number of the banks in northern New Jersey at certain times in the year purchase commercial paper. This is all purchased through New York brokers, and is usually passed upon by New York banks before being purchased.

The bankers of New York City are in very close touch with the credit standing of northern New Jersey corporations, and are thus in much better position to advise with the directors of the Federal reserve bank of New York City regarding conditions in northern New Jersey than are the bankers of Philadelphia.

Many of the industries of northern New Jersey maintain bank accounts in New York City as well as in New Jersey, sell their paper in the New York markets, and are otherwise financed there. This further results in very close and accurate knowledge by the bankers of New York City of the credits and needs of the industries of northern New Jersey.

The very large commuting element in the population of northern New Jersey alone causes a very considerable flow of business to and from New York City. Many considerable towns in northern New Jersey are inhabited almost entirely by people who are in business in New York City. We are advised by the Pennsylvania Railroad Co. that during the past year on their lines east of and including New Brunswick 11,051,715 passengers were carried to and from New York City. The Central Railroad Co. advised us that on their lines in northern New Jersey they have at least 12,000 commuters from points in northern New Jersey to New York City, and, in addition, they carry about 35,000 passengers to and from New York City and New Jersey points each day. The Delaware, Lackawanna & Western Railroad Co. advise us that the number of passengers carried between stations in northern New Jersey and New York City during the month of June, 1914, was 1,421,537. The Erie Railroad Railroad Co. advise us that in June, 1914, they carried 1,555,314 passengers between stations in northern New Jersey and New York City. These figures show that over 60,000,000 passengers per year are carried between New York City and northern New Jersey points, and this does not include the traffic from points in Hudson County which reaches New York City by other means than the railroads. The retail purchases of a large portion of the commuting element of the population are made in New York City, and much of the wholesale and retail business throughout northern New Jersey follows the same course.

A large proportion of the business of many banks located in the commuting cities and towns of northern New Jersey are accounts of New York business men residing in those town and cities. A recent agreement, which has been entered into by many of the country banks located near New York City provides that the New York Clearing House banks will take checks on these banks at par, the local bank agreeing to remit for them in New York Clearing House funds at par on receipt. These checks are therefore readily received in New York, but if northern New Jersey were in another Federal reserve district than New York City this arrangement would probably be terminated, and it is unlikely that New York City banks would receive these checks freely if they had to collect them through the Federal reserve bank in New York City, and from that bank through the Federal reserve bank in Philadelphia. This would result in the transfer of many of these accounts of New York men in the local banks to banks in New York City.

Efforts are already being made by New York City banks to secure the accounts of business men and industrial concerns located in northern New Jersey, the New York banks using the argument that the New Jersey banks being attached to the Philadelphia reserve bank district will interfere with the availability of deposit accounts in New Jersey banks. This will probably result in the diversion of considerable business from New Jersey banks to the banks of New York City if the present assignment of the northern New Jersey banks is continued.

Access to New York City from northern New Jersey is rapid and easy, and to Philadelphia is much longer, and frequently more difficult, as few portions of the northern part of the State have direct train service to Philadelphia, while all have direct train service to New York City. From certain sections in the northern part of New Jersey it is impossible to reach Philadelphia, transact business and return the same day, whereas New York City can be reached from every part of northern New Jersey with time for the transaction of business and return within convenient hours of the same day. Thus from Newton, the county seat of Sussex County, a trip to Philadelphia, by way of New York, which is the quickest route, would involve leaving Newton at 9.10 a. m., reaching Philadelphia at 3 p. m. The only other route to Philadelphia, without going through New York City, involves leaving Newton at 9.10 a. m., reaching Philadelphia at 4.17 p. m., with three changes of cars. On account of the large number of commuters living throughout northern New Jersey the train service to New York is very frequent and good, making a trip to that city practically as convenient as going from one part of New York City to another. Hudson County and, to a lesser extent, Essex County, on account of the tube connections with New York City, are practically a part of New York City for banking and business purposes, fully as much so as is Brooklyn, and the same condition is to a very large extent true as regards the other near-by counties.

Six banks in Hudson County are associate members of the New York Clearing House and clear their checks there every day. We give below several examples of the time of transit from down town in New York City to points in New Jersey, as contrasted with the time of transit to points within the city limits of New York City:

Newark, 20 minutes by Hudson & Manhattan Railroad.

Exchange Place, Jersey City, 3 minutes by Hudson & Manhattan Railroad.

Hoboken, 9 minutes by Hudson & Manhattan Railroad.

Bayonne, 26 minutes by Central Railroad from Liberty Street.

Elizabeth, 30 minutes by Central Railroad from Liberty Street.

Passaic, 35 minutes by Erie Railroad from Chambers Street.

Paterson, 45 minutes by Erie Railroad from Chambers Street.

Ninety-sixth Street, New York City, 16 minutes from city hall by subway.

Two hundred and forty-second Street and Broadway, 42 minutes from city hall by subway.

One hundred and eighty-first Street and Boston Road, 40 minutes from city hall by subway.

One hundred and twenty-fifth Street and Broadway, 22 minutes from city hall by subway.

St. George, Staten Island, 20 minutes from Whitehall Ferry.

Mariner's Harbor, Staten Island, 43 minutes from Whitehall Ferry.

Tottenville, Staten Island, 78 minutes from Whitehall Ferry.

Jamaica, borough of Queens, 20 minutes from Pennsylvania Station, Thirty-third Street.

Jamaica, borough of Queens, 40 minutes from down town, New York City.

Flushing, borough of Queens, 22 minutes from Pennsylvania Station, Thirty-third Street.

Flushing, borough of Queens, 42 minutes from down town, New York City.

Far Rockaway, borough of Queens, 45 minutes from Pennsylvania Station, Thirty-third Street.

Far Rockaway, borough of Queens, 65 minutes from down town, New York City.

The matter of telephone service also enters into this question of convenience, as connections with New York City are much quicker, more satisfactory, and cheaper than telephone connections with Philadelphia.

The members of your honorable body fully realize that the money transactions in our section, especially those running into large figures, necessitate the use of checks payable in New York City, resulting in our banks being constantly called upon for New York certifications. Checks which are not made payable through the New York Clearing House will not fulfill the requirements. As a consequence, if our reserve is kept elsewhere than in New York City, large balances will have to be maintained by us in New York banks, not only at a loss in earnings, but also to the detriment of all the manufacturing communities in this section, because of the diminished loaning power of the banks.

Accounts will also have to be kept in New York City to cover currency transactions, most of which are now handled by messenger and which run into very large amounts. Many of our banks have currency transactions with New York City aggregating in the neighborhood of $500,000 a month, and the currency shipments of at least two of the banks in Jersey City average over $1,000,000 a month, all handled by messenger.

A great bulk of the coupons are payable in New York City, including those of a large number of the municipalities and corporations located in northern New Jersey, and the collection of these coupons by our banks will necessitate accounts in New York City if we are not connected with that reserve district.

A very considerable amount of foreign exchange is dealt in, both buying and selling, by the banks of our section of New Jersey, and this business has all been done through New York on account of the better facilities and closer rates that can be obtained there, and it would be a serious disadvantage to our banks to interfere in any way with the trend of this business to its natural center.

If it has been thought to obviate the difficulties which we anticipate will arise through our being put in another than our natural district by some method of clearing checks, why should you not adopt the simpler and surer method of putting us in the district in which we belong through common association, natural trend of business, both banking and commercial, and by physical contiguity? It should not be necessary to devise means of overcoming the difficulties created by our being placed in a district artificially created in direct opposition to the natural flow of trade.

The recent election of directors for the Federal reserve bank of Philadelphia demonstrates the impossibility of electing any representative banker from New Jersey as a member of the board of that bank. This is a serious condition for the bankers of northern New Jersey, as the bankers of Philadelphia and Pennsylvania are not closely in touch with the needs and credits of northern New Jersey, whereas lack of such representation, if we were affiliated with the New York reserve bank, would not be material, owing to the close knowledge of our locality and of its needs and credits by the bankers representing New York City on the board of the Federal reserve bank of New York.

It is most desirable for the success of the Federal reserve system that the State institutions should become affiliated as members. If the present handicap due to the assignment of northern New Jersey banks continues, it is very improbable that any State institutions will become members. Positive statements to this effect have been made to us by a considerable number of the more important State institutions in the northern part of the State, and these statements carry all the more weight as their reserves are freed by legislation from restriction to any one locality and follow the natural channels of business. If the State institutions of northern New Jersey remain out of the system, the member banks will be at a serious disadvantage in competition with them under present conditions.

At the time the organization committee was holding hearings in New York we took a poll of the banks of New Jersey and reported to that committee that the banks of the counties mentioned above desired to be affiliated with the New York City district, and the poll which the committee later took will confirm the facts which we laid before them at that hearing.

The figures of the banks of northern New Jersey, in accordance with their report to the Comptroller of the Currency on June 30, 1914, are as follows:

Capital	$16,307,000
Surplus	16,183,500
Undivided profits	7,938,239
Individual deposits	157,522,332
Bank deposits	17,115,557

If the northern New Jersey banks are continued in the Philadelphia district, it will very seriously interfere with the smooth conduct of their business under the Federal reserve act, will take from them many of the advantages which they would otherwise gain through membership in the Federal reserve system, and will prevent the fullest possible development of the system in this part of the State. It is directly contrary to the currents of trade and banking, and as such can not help being injurious to the State and its industries. The banking business of a section does not originate with the banks themselves, but arises out of the commerce of their section and follows the course of trade, and anything which tends to disturb the flow of banking business along with the natural flow of general business can not but be injurious. Any action which places the national institutions at a disadvantage in their competition with the State institutions should not be continued, as it is wise to encourage the greatest possible development of banks under national charters.

Respectfully submitted.

BANKING AND CURRENCY COMMITTEE
NEW JERSEY BANKERS' ASSOCIATION.
WALTER M. VAN DEUSEN, *Chairman,*
National Newark Banking Co., Newark, N. J.
ROBERT D. FOOTE,
National Iron Bank, Morristown.
BLOOMFIELD H. MINCH,
Bridgeton National Bank, Bridgeton.
HENRY G. PARKER,
National Bank of New Jersey, New Brunswick.
EDWARD C. STOKES,
Mechanics' National Bank, Trenton.

MANUFACTURES, NEW JERSEY.

Statement showing number of wage earners and value of products for the years 1899, 1904, and 1909 in the principal manufacturing centers of northern New Jersey.

City, town, or borough.	Average number of wage earners.			Value of products.		
	1909	1904	1899	1909	1904	1899
Newark	59,955	50,697	42,878	$202,511,520	$150,055,227	$112,728,045
Jersey City	25,454	20,353	17,391	128,774,978	75,740,934	72,929,690
Bayonne	7,519	7,057	4,670	73,640,900	60,633,761	38,601,429
Perth Amboy	5,866	3,950	2,005	73,092,703	34,800,402	14,061,072
Paterson	32,004	28,509	28,542	69,584,351	54,673,083	48,502,044
Passaic	15,086	11,000	6,399	41,729,257	22,782,725	12,804,805
Elizabeth	12,737	12,335	9,498	29,147,334	29,300,801	22,861,375
Hoboken	8,100	7,227	5,712	20,413,015	14,077,305	10,433,079
Harrison	6,500	4,040	2,839	13,142,377	8,408,924	6,086,477
New Brunswick	5,264	4,590	3,835	10,004,802	8,916,983	5,791,321
West New York	1,508	(1)	(1)	9,273,717	(1)	(1)
Orange	4,383	2,450	1,640	9,175,910	6,150,635	2,995,688
Phillipsburg	3,432	3,148	2,216	9,150,227	6,684,173	4,584,886
Garfield	2,530	(1)	(1)	8,893,710	(1)	(1)
Kearny	2,820	1,303	986	8,306,276	4,427,904	1,607,002
Union	2,894	1,856	1,376	7,941,047	3,512,451	3,403,136
Bloomfield	2,957	1,893	1,612	5,894,710	4,645,483	3,370,924
West Hoboken	2,782	3,562	2,733	5,577,439	5,947,267	4,769,436
East Orange	1,386	854	690	3,724,879	2,326,552	2,086,910
Plainfield	1,758	1,986	1,384	3,648,745	3,572,134	2,437,434
Irvington	540	(1)	(1)	3,017,824	(1)	(1)
Hackensack	738	812	487	1,977,966	1,488,358	782,232
Long Branch	415	294	96	1,116,663	577,268	280,590
Montclair	252	151	169	1,025,585	621,145	663,592
West Orange	476	(1)	(1)	747,684	(1)	(1)
Morristown	201	307	252	724,233	704,412	595,592
Asbury Park	264	(1)	(1)	602,194	(1)	(1)

[1] Figures not available.

POPULATION, NEW JERSEY.

Statement giving the population for 1900 and 1910 of 32 incorporated places having a population of over 10,000, located in northern New Jersey.

City, town, or borough.	1910	1900	City, town, or borough.	1910	1900
Newark	347,469	246,070	Plainfield	20,550	15,369
Jersey City	267,779	206,433	Kearny	18,659	10,896
Paterson	125,600	105,171	Bloomfield	15,070	9,668
Elizabeth	73,409	52,130	Harrison	14,498	10,596
Hoboken	70,324	59,364	Hackensack	14,050	9,443
Bayonne	55,545	32,722	Phillipsburg	13,903	10,052
Passaic	54,773	27,777	West New York	13,560	5,267
West Hoboken	35,403	23,094	Long Branch	13,298	8,872
East Orange	34,371	21,506	Morristown	12,507	11,267
Perth Amboy	32,121	17,699	Irvington	11,877	5,255
Orange	29,630	24,141	West Orange	10,980	6,889
New Brunswick	23,388	20,006	Garfield	10,213	3,504
Montclair	21,550	13,962	Asbury Park	10,150	4,148
Union	21,023	15,187			

Table compiled from information furnished by the banks of northern New Jersey, showing time of travel to New York City and Philadelphia, proportion of banking and commercial business as between New York City and Philadelphia, frequency of visits by bank representatives to New York City and Philadelphia, and character of population of the various counties.

County.	Population.	Time to New York.	Time to Philadelphia.	Banking with New York.	Commercial business with New York.	Visits by representatives to New York.	Visits by representatives to Philadelphia.	Character of population.
Bergen	138,002	10 to 50 minutes, direct.	2½ to 4 hours, not direct	Over 90 per cent.	Practically 100 per cent.	2 to 6 times a week.	Hardly ever	Manufacturing, commuting.
Essex	512,886	20 to 40 minutes, direct.	1½ to 2½ hours, not direct, except Newark.	90 per cent	Over 80 per cent.	do	Never to twice a year.	Do.
Hudson	537,231	3 to 35 minutes, direct.	2 to 2½ hours, not direct, except Jersey City and Bayonne.	Over 95 per cent.	Over 90 per cent.	3 times a day	Rarely	Manufacturing.
Hunterdon	33,569	1½ to 2 hours, direct, except 3 towns.	1½ to 2½ hours, half direct	50 to 90 per cent.	50 to 90 per cent.	Twice a week.	Seldom	Farming.
Middlesex	114,426	1 to 1½ hours, direct, except 2 towns.	1½ to 2½ hours, 5 towns, direct.	75 to 90 per cent.	80 per cent	do	Rarely	Manufacturing, farming.
Monmouth	94,734	1 to 2 hours, direct	2 to 4 hours, half direct	90 per cent	90 per cent	do	do	Summer resort, farming.
Morris	74,704	60 to 90 minutes, direct.	3 to 3½ hours, not direct	Over 90 per cent.	Over 90 per cent.	Daily	do	Commuting.
Passaic	215,902	40 to 60 minutes, direct.	2½ to 4 hours, not direct	do	Over 95 per cent.	do	do	Manufacturing, commuting.
Somerset	38,820	1 hour, direct	1½ to 3 hours, part direct	90 per cent	90 per cent	do	Seldom	Commuting, farming.
Sussex	26,781	2 to 2½ hours, direct	6 hours, not direct	do	do	Twice a week.	Rarely	Farming.
Union	140,197	30 to 45 minutes, direct.	2 hours, direct	90 to 100 per cent.	90 to 100 per cent.	Daily	do	Manufacturing, commuting.
Warren	43,187	2 hours, direct, except 1 town.	3 to 4 hours, 2 places direct	Over 95 per cent.	95 to 100 per cent.	Weekly	do	Farming.

Mr. KERN presented memorials of the Tell City National Bank; the National Exchange Bank of Anderson; the Citizens' National Bank of Evansville; the Lynnville National Bank, of Lynnville; the Citizens' State Bank of Morocco; the Knisely Bros. State Bank, of Butler; the First National Bank of Jeffersonville; the Citizens' Savings & Trust Co., of Wabash; the First National Bank of Greens Fork; the Farmers' National Bank of Newcastle; the State Bank of Monticello; the State Bank of Battle Ground; the Howard National Bank, of Kokomo; Gaudy's State Bank, of South Whitley; the First Na-

tional Bank of Terre Haute; the Parker Banking Co., of Parker; the First National Bank of Medaryville; the First National Bank of Columbia City; the Northern Wayne Bank, of Economy; the Union County National Bank, of Liberty; the First National Bank of Brownstown; the Home National Bank, of Thorntown; the State Bank of Westfield; the Indianapolis Clearing House Association; the American Trust & Savings Bank, of Evansville; the Old State Bank, of Evansville; the West Side Bank, of Evansville; the Evansville Clearing House Association; and the Indiana Bankers' Association, all in the State of Indiana, remonstrating against the proposed tax on capital, surplus, and undivided profits of banks, which were referred to the Committee on Finance.

He also presented memorials of the Reserve Loan Life Insurance Co., of Indianapolis; the Lincoln National Life Insurance Co., of Fort Wayne; and the People's Life Insurance Co., of Frankfort, all in the State of Indiana, remonstrating against the proposed tax on life insurance policies, which were referred to the Committee on Finance.

He also presented a memorial of the Indianapolis Telephone Co., of Indiana, remonstrating against the proposed tax on telephone messages, which was referred to the Committee on Finance.

He also presented the memorial of Charles J. Daum, of Evansville, Ind., remonstrating against the proposed war tax on brokers, which was referred to the Committee on Finance.

He also presented a memorial of the C. Bayer Cigar Co., of Fort Wayne, Ind., remonstrating against the proposed tax on cigars, which was referred to the Committee on Finance.

Mr. SHEPPARD. I present a petition signed by a large number of cotton producers of Montague County, Tex., praying that some plan be devised whereby they may realize on a full product of cotton. I ask that the petition be printed in the RECORD, omitting the signatures, and that it be referred to the Committee on Banking and Currency.

There being no objection, the petition was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

We, as producers of Montague County, Tex., do hereby ask our mother Government to tide us over this crisis in the cotton market by devising some plan whereby we may realize on a full product of our cotton.

We hereby ask our Government to devise some plan whereby we can get money direct from our Government without paying our banks such a high rate of interest.

We do ask our Government to advance us as much as 12 cents per pound, middling basis.

We furthermore ask, if we can not get money direct from you, that you set a reasonable rate of interest at the banks, not exceeding 5 per cent.

Mr. ASHURST presented a petition of the inmates of the Arizona State Prison, praying for the removal of certain restrictions on prisoners' mail, which was referred to the Committee on Post Offices and Post Roads.

Mr. VARDAMAN presented telegrams in the nature of memorials from the Port Gibson Bank and the Mississippi Southern Bank, of Port Gibson; the Bank of Hattiesburg; the First National Bank of Greenville; the Bank of Yazoo City; the Citizens' Bank & Trust Co., the Delta Bank & Trust Co., the Exchange Bank, and the Security Savings Bank, all of Yazoo City; of W. S. Webster and J. B. Small, of Winona; and of the Merchants and Farmers' Bank, of Columbus, all in the State of Mississippi, remonstrating against the proposed tax on capital and surplus of national banks, which were referred to the Committee on Finance.

He also presented a telegram in the nature of a memorial from George M. Reynolds, president of the Continental & Commercial National Bank, of Chicago, Ill., remonstrating against the enactment of legislation to prohibit interlocking directorates, which was ordered to lie on the table.

He also presented a telegram in the nature of a memorial from Lloyd T. Binnford, of Memphis, Tenn., remonstrating against the proposed tax on life insurance policies, which was referred to the Committee on Finance.

Mr. PERKINS presented memorials of the Merchants' Exchange and of the Chamber of Commerce of Oakland, Cal., remonstrating against the proposed tax on wine, which were referred to the Committee on Finance.

He also presented memorials of the Clearing House of Pasadena; the California National Bank, of Sacramento; the Peoples' Savings Bank of Sacramento; and the Clearing House Association of San Francisco, all in the State of California, remonstrating against the proposed tax on capital and surplus of banks, which were referred to the Committee on Finance.

He also presented a petition of Local Grange No. 332, Patrons of Husbandry, of Mountain View, Cal., praying for the enactment of legislation to prevent the extermination of the dove, which was referred to the Committee on Agriculture and Forestry.

He also presented a petition of Local Grange No. 332, Patrons of Husbandry, of Mountain View, Cal., praying for the enactment of legislation to provide Government ownership of telegraph and telephone service, which was referred to the Committee on Post Offices and Post Roads.

He also presented the memorial of C. W. Godard, of Sacramento, Cal., remonstrating against the proposed tax on motion pictures, which was referred to the Committee on Finance.

Mr. MYERS presented a petition of the Woman's Christian Temperance Union of White Pine and Plains, in the State of Montana, praying for national prohibition, which was referred to the Committee on the Judiciary.

EDWARD B. KELLEY.

Mr. CLAPP, from the Committee on Indian Affairs, to which was referred the bill (H. R. 6939) to reimburse Edward B. Kelley for moneys expended while superintendent of the Rosebud Indian Agency in South Dakota, reported it with an amendment and submitted a report (No. 798) thereon.

THE OIL INDUSTRY.

Mr. CHILTON. I ask unanimous consent to call up at this time Senate resolution 442. It is a resolution which I submitted September 5, regarding the oil situation in New York, Ohio, West Virginia, and Pennsylvania, and it has been reported from the Committee to Audit and Control the Contingent Expenses of the Senate, committing the investigation to the Interstate Commerce Commission instead of to a special committee of the Senate. I do not think there will possibly be any objection to it, and we can dispose of it in a minute. I therefore ask unanimous consent for its consideration.

The VICE PRESIDENT. Is there objection to the consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution, which had been reported from the Committee to Audit and Control the Contingent Expenses of the Senate with amendments.

Mr. SMOOT. I wish to ask the Senator if there is any expense attached to the investigation?

Mr. CHILTON. None whatever. It merely requests the Interstate Commerce Commission to make the investigation.

Mr. SMOOT. I have not read the resolution, but as it had been referred to the Committee to Audit and Control the Contingent Expenses of the Senate I thought there must be some expense attached.

Mr. CHILTON. None whatever, as reported. The part which provided for an expenditure of money has been stricken out by the committee.

The VICE PRESIDENT. The amendments of the committee will be stated.

The amendments of the Committee to Audit and Control the Contingent Expenses of the Senate were, on page 3, line 1, after the words "*Resolved*, That," to strike out:

A committee of five Members of the Senate is hereby created, its members to be appointed by the President of the Senate, for the purpose and with direction.

And to insert:

The Interstate Commerce Commission be requested.

On page 1, line 15, to strike out "committee" and insert "commission."

On page 4, line 11, to strike out "committee" and insert "commission."

In line 19, after the word "information," to strike out "such committee" and insert "the commission."

After line 23, to strike out the words:

Said committee is authorized to sit in the recess of the Senate, and at any point in the United States, to employ such counsel, clerks, and stenographers as it may find necessary, to summon and swear witnesses, send for persons and papers, and to do any other thing necessary to the success of the investigation committed to it.

On page 5, line 4, to strike out "committee" and insert "commission."

In line 6, after the word "completed," to strike out the remainder of the resolution, in the following words:

And shall make reports from time to time as required by the Senate. All expenses incurred by said committee hereunder shall be paid out of the contingent fund of the Senate.

So as to make the resolution read:

Resolved, That the Interstate Commerce Commission be requested to make thorough investigation of the conditions prevailing and that have prevailed in the States of New York, Pennsylvania, West Virginia, and Ohio, or elsewhere, affecting the production, transportation, and marketing of crude petroleum, with especial reference to the manner in which the market for same has been created, maintained, and controlled, and by whom, and the effect of such market and the maintenance and con-

trol thereof upon the inducement of capital to seek investment in the oil business, and especially in the development of new fields.

Said commission shall also ascertain what connection or relation of any kind has existed or now exists between or among any two or more of the pipe-line companies which have been or are now transporting crude oil within said fields, together with what, if any, common ownership, interest, or control has at any time existed or now exists between such pipe lines or any of them, and the various agencies that have purchased crude oil in said States since 1890, and what disposition such agencies have made of the crude oil so purchased, and to whom it has been turned over for refining and manufacture, and under what conditions, with the object of ascertaining for the information of the Senate whether the charge is true that substantially the same interests have operated the pipe lines, made the market, bought the crude oil, refined it, and fixed the price of the refined products, and whether in such respect the laws of the United States have been violated.

Said commission shall also inquire into and ascertain if it is true that said pipe-line companies, or any of them, have recently stopped taking all or any part of the crude oil produced by independent producers into tanks to which such pipe-line companies have connected their pipe lines, and whether it is true that said purchasing agencies, or any of them, have recently stopped purchasing all or any part of the crude oil so produced by independent producers in said States, together with any information the commission may be able to obtain as to the reasons for such refusal to run and purchase oil, and what effect the same is having upon the oil industry, and especially properties already developed in the States named.

Said commission shall report to the Senate its findings, together with the evidence taken, when its work hereunder is completed.

The amendments were agreed to.

Mr. CHILTON. On behalf of the senior Senator from Oklahoma [Mr. GORE], I move, in line 7, on page 3, to insert "Oklahoma" after "West Virginia," so as to read:

In the States of New York, Pennsylvania, West Virginia, Oklahoma, and Ohio, or elsewhere.

The amendment was agreed to.

The resolution as amended was agreed to.

The VICE PRESIDENT. The committee recommends striking out the preamble. Without objection, the preamble will be stricken out.

Mr. GORE. I desire to call up Senate resolution 457, submitted by me on the 24th instant.

Mr. CULBERSON. I have no objection to considering the resolution at this time, but after it is disposed of I shall have to call for the regular order.

Mr. SMOOT. If the Senator from Texas wants to get consideration of the conference report directly, I think the best plan would be for him to call for the regular order at this time.

The VICE PRESIDENT. The resolution of the Senator from Oklahoma is not now in order, because it is a resolution coming over from a preceding day, and the morning business is not yet closed It will be handed down by the Chair when we reach that point.

Mr. GORE. I undertook to call it up at this time because really it is a companion resolution to the one just adopted.

The VICE PRESIDENT. The introduction of bills and joint resolutions is in order.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PITTMAN (for Mr. NEWLANDS):

A bill (S. 6537) granting a pension to Mabel De Chaine; to the Committee on Pensions.

By Mr. THORNTON:

A bill (S. 6538) for the relief of the heirs of Antoine Bayard (with accompanying papers); to the Committee on Military Affairs.

By Mr. TOWNSEND (for Mr. SHERMAN):

A bill (S. 6539) granting a pension to Cora Alward;

A bill (S. 6540) granting an increase of pension to Joseph Wardle;

A bill (S. 6541) granting an increase of pension to Alfred J. Adair;

A bill (S. 6542) granting an increase of pension to William Porter; and

A bill (S. 6543) granting an increase of pesion to Henry Clay; to the Committee on Pensions.

By Mr. STERLING:

A bill (S. 6544) granting a pension to Frank Sutterfield; and

A bill (S. 6545) granting an increase of pension to James W. Sargent (with accompanying papers); to the Committee on Pensions.

By Mr. SMITH of Arizona:

A bill (S. 6546) granting an increase of pension to Hannah M. Bates (with accompanying papers); and

A bill (S. 6547) granting an increase of pension to John E. Penn; to the Committee on Pensions.

By Mr. OVERMAN:

A bill (S. 6548) for the relief of the estate of Addison G. Lee, deceased (with accompanying papers); to the Committee on Claims.

By Mr. LEE of Maryland:

A bill (S. 6549) for the relief of George Berry Dobyns; to the Committee on Naval Affairs.

By Mr. JOHNSON (for Mr. BURLEIGH):

A bill (S. 6550) granting an increase of pension to Joseph N. Stockford; to the Committee on Pensions.

By Mr. PERKINS:

A joint resolution (S. J. Res. 188) ceding to the State of California temporary jurisdiction over certain lands in the Presidio of San Francisco and Fort Mason (Cal.) Military Reservations; to the Committee on Military Affairs.

WITHDRAWAL OF PAPERS—JOHN J. BOESL.

On motion Mr. STERLING, it was

Ordered, That the papers accompanying S. 3467, granting a pension to John J. Boesl, Sixty-third Congress, first session, be withdrawn from the files of the Senate, no adverse report having been made thereon.

THE STANDARD OIL CO.

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a preceding day which will be read.

The Secretary read Senate resolution 457, submitted by Mr. GORE on the 24th instant, as follows:

Resolved, That the Federal Trade Commission be requested, as soon as organized, to investigate the following matters and report its findings to the Senate:

1. The relation now existing among the several branches or companies into which the Standard Oil Co. was resolved after its dissolution in pursuance of the decision of the Supreme Court.

2. The relation between the producing, purchasing, transporting, and refining agencies of the Standard Oil Co. or its branches and the methods and practices on the part of such agencies toward the independent producers, transporters, and refiners of oil.

3. The efforts of the Standard Oil Co. or the companies into which it was divided to control the price of crude oil and the price of its refined products, as well as the results of such efforts.

4. The capital and declared dividends of the Standard Oil Co. for three years prior to dissolution, and as to the capital and declared dividends of the several companies into which it was resolved since the date of its dissolution, together with a comparison of such earnings with the earnings of independent oil-refining companies.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution was agreed to.

STANDARD BOX FOR APPLES.

The VICE PRESIDENT. The morning business is closed.

Mr. JONES. There has been a motion pending to reconsider the vote by which the bill (S. 4517) to establish a standard box for apples, and for other purposes, was passed. The bill was recalled from the House and the motion to reconsider has been pending for some time. I think it will take only a minute or two to dispose of it. I should like to have it disposed of.

The VICE PRESIDENT. The question is on the motion to reconsider the vote by which the Senate passed the bill.

Mr. OVERMAN. Who made the motion to reconsider?

Mr. JONES. The Senator from Minnesota [Mr. CLAPP], in order that he might offer a couple of amendments to the bill which the friends of the bill think would practically emasculate it. So I hope the motion to reconsider will be defeated.

The motion to reconsider was rejected.

The VICE PRESIDENT. The bill will be returned to the House of Representatives.

BOUNDARY LINE BETWEEN CONNECTICUT AND MASSACHUSETTS.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 3550) ratifying the establishment of the boundary line between the States of Connecticut and Massachusetts, which were to strike out all after the title down to the enacting clause and to strike out all after the enacting clause and insert:

That Congress hereby consents to the establishment of a boundary line between the States of Massachusetts and Connecticut, heretofore agreed upon by said States, which boundary line is shown by duplicate maps, one copy of which has been deposited with the secretary of state of Massachusetts and another copy in the library of the State of Connecticut, and which boundary line has been fixed and determined according to the terms of an act of the Legislature of the State of Connecticut entitled "An act establishing the boundary line between Connecticut and Massachusetts," approved June 6, 1913, which act has been sent to and received by the State of Massachusetts, and an act of the Legislature of the Commonwealth of Massachusetts entitled "An act to establish the boundary line between the Commonwealth of Massachusetts and the State of Connecticut," approved March 19, 1908, which act has been sent to and received by the State of Connecticut each of which acts contains a full description of said boundary line.

Mr. McLEAN. I ask immediate action on the amendments of the House, if there is no objection.

The VICE PRESIDENT. Are they satisfactory to the Senator from Connecticut?

Mr. McLEAN. The change made by the House, I understand, is merely to eliminate the preamble in accordance with the law. There is no change in the substance of the bill, and I certainly hope that the amendments will be concurred in.

The VICE PRESIDENT. The Senator from Connecticut moves that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

PROPOSED ANTITRUST LEGISLATION.

Mr. CULBERSON. I move that the Senate proceed to the consideration of the conference report on the disagreeing votes of the two Houses upon the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. POINDEXTER. Will the Senator from Texas withhold his motion for a minute until I ask consent to take up a brief matter—House joint resolution 241, for the appointment of four members of the Board of Managers of the National Home for Disabled Volunteer Soldiers? There is no quorum on that board and there are a great many important matters needing attention. I have a statement from one of the members of the board to that effect.

Mr. CULBERSON. I ask the Senator from Washington if the joint resolution will provoke discussion?

Mr. POINDEXTER. I think none at all. I can not imagine that there will be any objection to it.

Mr. CULBERSON. I will withhold the motion for the present.

Mr. JONES. I wish to call the attention of my colleague to the fact that the Senator from Ohio [Mr. BURTON] has objected to it heretofore, and he is not present this morning.

Mr. POINDEXTER. I did not know that. I did not know there had been any objection to it.

Mr. JONES. He objected to it a time or two.

Mr. POINDEXTER. If the Senator knows that to be the case, I will withdraw the application until the Senator from Ohio is here.

Mr. CULBERSON. I renew my motion.

The VICE PRESIDENT. The Senator from Texas moves that the Senate resume the consideration of the conference report on the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

The motion was agreed to.

Mr. REED obtained the floor.

Mr. LEWIS. Will the Senator from Missouri pardon me for one inquiry?

Mr. REED. I yield for that purpose.

Mr. LEWIS. May I ask the junior Senator from Michigan [Mr. TOWNSEND], who has charge of the bill providing for a retired list for volunteer soldiers, what is the disposition as to that bill? I understood it was to be resumed this morning.

Mr. TOWNSEND. The consideration of the bill was to have been resumed this morning if it could have been placed before the Senate. The Senator from Texas [Mr. CULBERSON] secured recognition to call up the conference report, and in order for me to get the bill up at this time it would be necessary for me to supplant the motion that has been made and carried. I realize that that would be difficult for me to do, because there are some Senators who profess to be friends of this measure, and I have no doubt they are, who have said they would not like to displace a conference report with it.

I have tried the best I could from the first to accommodate myself to Senators. I have not pressed the bill unduly. I tried on Saturday, when a Member of the Senate proclaimed that there was nothing for the Senate to do. I tried at that time to get it up, but the quorum was broken, and it was impossible.

Mr. LEWIS. May I understand——

Mr. BRYAN. Mr. President, I call for the regular order.

The VICE PRESIDENT. The Senator from Missouri is recognized.

Mr. TOWNSEND. I understood that the Senator from Missouri yielded to the Senator from Illinois.

Mr. LEWIS. I only desired to be assured——

Mr. REED. I yielded to the Senator from Illinois for the purpose of an inquiry.

Mr. LEWIS. I thank the Senator from Missouri. I was only attempting to ascertain in behalf of myself and others interested that the volunteer retirement bill would not come up to-day, or, if to-day, not until after the conference report was disposed of. Am I correct in that assumption?

Mr. TOWNSEND. I wish to say to the Senator that I shall take advantage of the first opportunity to get this bill up to-day or any other day. If I could arrange a day certain when it would come up I am sure the Senate would be accommodated. I should like to, but I feel certain I can not.

Mr. LEWIS. I appreciate the courtesy of the Senator from Missouri.

Mr. REED. Mr. President, this bill is entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes." I shall endeavor to show that, if it passes in its present form, the title ought to be amended to read:

"An apology to unlawful restraints and monopolies."

I may be pardoned for briefly stating my position on the various phases of this legislation.

ATTEMPTS TO RESTORE CRIMINAL PENALTIES AND OTHERWISE TO STRENGTHEN THE BILL.

As a member of the Judiciary Committee I insisted from the first on retaining all of the substantive provisions of the House bill except section 3. The section not being before the Senate, I need not further discuss it.

I voted for and insisted upon the retention of every criminal penalty.

When the committee struck out section 2, which sought to prohibit trusts and monopolies from crushing smaller competitors by temporarily cutting prices in the trade territory of a competitor, thus driving him into bankruptcy and out of business, I insisted upon its restoration.

When the committee struck out section 4, which prohibited the owner of an article from stipulating in the contract for lease or sale that the purchaser or lessee must buy his other supplies or goods from the seller or lessor, I contended for the restoration of the section. I renewed this contest upon the floor of the Senate, and when my efforts were defeated by a majority of one I brought forward the same question a second time. Again the Senate refused to restore the section, but the direct result of that contest was the introduction of a substitute section drawn by Senator WALSH. Indeed, the known fact that the Walsh substitute would be offered probably accounts for the majority of the Senate voting against the restoration of the section.

The Walsh substitute prohibited the class of contracts referred to, but limited the prohibition to articles covered by patents. This substitute was offered to meet the decision of the Supreme Court of the United States in the case of Henry against Dick, rendered March 11, 1912, which I had cited, and which clearly demonstrated that contracts of the character referred to had been held to be legal when they were made with reference to a patented article.

But the Walsh amendment did not contain any penal clause. Upon the floor of the Senate I offered an amendment making the practice referred to a misdemeanor, punishable by a fine of $5,000 and imprisonment for one year, or both, in the discretion of the court. The amendment was adopted.

When the committee struck out various other sections of the bill I protested against that action.

I supported the proposition to make the final judgment or decree of a court "heretofore or hereafter rendered" prima facie evidence in other proceedings.

I supported the proposition not only to prohibit corporations from owning stock of other corporations, if the Government could prove that such acquisition would lessen competition, but I opposed the insertion of the word "substantial," and sought to have such stock ownership absolutely prohibited.

I offered an amendment providing that no corporation other than common carriers having a capital stock and surplus in excess of $250,000,000 could engage in interstate commerce. The amendment was rejected.

I offered an amendment, which appears as section 25 of the bill as it passed the Senate, providing that whenever a corporation shall acquire or consolidate the ownership or control of the plant, franchises, or other properties of corporations, copartnerships, or individuals, so that it shall be adjudged to be a monopoly or combination in restraint of trade, the court rendering such judgment shall not only decree its dissolution but shall appoint receivers and wind up its affairs, and shall divide it so as to restore competition. This amendment was passed in the Senate and stricken out in conference.

I supported an amendment extending the statute of limitations in actions brought against trusts to six years. This amendment has been stricken out in conference.

I have supported every proposition contained in the House bill imposing criminal penalties for trust practices. I have done this because I have believed for years that men who engage in the business not of honest trade but of crushing and destroying business rivals, not of seeking to serve the public for an honest profit but of practicing extortion by the power of combination, should be classed as common criminals, and should be so treated.

I have been further impelled to this course by the fact that the Democratic platforms for years have loudly demanded the imposition of criminal penalties.

I have insisted that the jurisdiction to enforce the provisions of this supplemental trust legislation should not be taken from the courts, but that at least the courts should retain jurisdiction to enforce the provisions of the act, even though a concurrent jurisdiction might be vested in various boards and tribunals.

If my attempts have not been altogether or at all successful, I at least have the satisfaction of knowing that my course is fully justified by the platforms of the Democratic Party, by my own conscience, and, I believe, by the enlightened opinion of the people of my own State

Mr. President, I have said this much of a personal nature, because I want the Senate and so much of the country as is interested to know that the attitude I am assuming here to-day I have maintained from the first.

A Dough-Bullet Bill.

THE CONFERENCE REPORT STRIKES OUT ALL CRIMINAL PENALTIES FOR TRUST PRACTICES.

If the allies had undertaken to stop the German invasion with dough bullets, the soldiers of the Kaiser would have occupied Paris in 24 hours.

So far as its antitrust features are concerned, this is a dough-bullet bill. The powerful and intrenched monopolies can not be driven from their fortifications with that kind of ammunition. The task requires solid shot.

This measure has been loudly heralded as the Clayton antitrust bill It should be now known as the "conferees' capitulation bill." Presumably it was brought forward as the legislative crystallization of the years-old Democratic promise that the trusts should be exterminated root and branch. The people were led to believe that the Democratic Party, now in full possession of all branches of the Government, by this bill intended to make private monopoly, which has hitherto been characterized as "indefensible and intolerable," both unprofitable and dangerous.

In its inception this legislation was a challenge to the field of battle. In its finality it is a sort of Hague propaganda promulgated under white flags to the soothing melodies of "Peace on earth, good will toward the trusts."

The doctrine of extermination has given place to the policy of diplomatic negotiations to be conducted by various boards, with the express understanding that, whatever the result, no law violator is to be hurt, no trust magnate is to be sent to jail, no rude sheriff or marshal is to lay his callous fingers upon the perfumed collar of a captain of industry.

Mr. Rockefeller, like another Richard, can thus soliloquize:

> Now is the winter of our discontent
> Made glorious summer by these conferees,
> And all the clouds that loured upon our house
> In the deep bosom of the ocean buried.
> Now are our brows bound with victorious wreaths,
> Our bruised arms hung up for monuments,
> Our stern alarums changed to merry meetings,
> Our dreadful marches to delightful measures.
> Grim-visaged war hath smoothed his wrinkled front;
> And now, instead of hiding out in Europe
> To 'scape the fearful process of the courts,
> We caper nimbly in the stock exchange
> To the lascivious pleasing of the ticker.

THE SHERMAN ACT HIGHLY PENAL.

The Sherman Antitrust Act has been upon the books for 24 years. During all that time it has disturbed the dreams and troubled the waking hours of trust magnates.

With brutal frankness and shocking candor it declares that "every person who shall make any contract, combination in the form of trust or otherwise, or conspiracy in restraint of trade, or who shall monopolize interstate trade or commerce, shall be guilty of a misdemeanor and shall be punished by a fine not exceeding $5,000, or imprisonment not exceeding one year, or by both." By positive command it directs the Department of Justice to enforce its drastic, harsh, and ungentle provisions.

We are now about to prescribe a new procedure which does not contain a single criminal penalty for trusts—not one.

The New Method of Dealing with Trusts.

COMMISSIONS SUBSTITUTED FOR COURTS—INVESTIGATIONS AND ORDERS FOR INDICTMENT AND IMPRISONMENT.

Previous to the enactment of this legislation there was but one road the officers of the law could travel in pursuit of a conspirator against commercial independence.

We have by this bill provided another legal highway, the great length and numerous meanderings and sinuosities of which eventually lead to certain hybrid tribunals called commissions, without power even to enter a final decree. They can neither levy a fine, enforce a mandate, nor send a single culprit to jail. They can not even tax the costs.

After time has for years run its weary course and the ingenuity of counsel has at last failed to furnish an excuse for misconduct or find escape in legal technicality, the worst fate the trust can suffer under this bill is that it may be directed to stop some particular practice, in which event the trust magnate's disappointment is palliated by the consoling reflection that he retains the loot, is in no danger of the jail, and is free to devise some new and equally safe plan of plunder.

Accordingly, having provided the two roads where there was but one, and thus afforded a sometimes reluctant Attorney General the choice of alternatives, it is easy to understand that the one just now created will be most generally employed.

We refuse to lay the knife to the root of the cancer. For the old surgery which cut out the diseased part we have adopted a system of painless poultices as undisturbing to the patient as absent treatment secretly administered.

I venture the prediction that the new procedure will be welcomed by the trusts, because it affords a means of avoiding prosecution in real courts where painful results may follow. Whenever a law violator shall hereafter feel himself in danger of a criminal prosecution, he naturally will rush to some one or the other of the commissions, procure the filing of a charge against him, and thereupon cry, "Sanctuary!"

How the Clayton Bill was Emasculated.

The genesis and progress of this legislation are alike interesting and instructive.

When the Clayton bill was first written it was a raging lion with a mouth full of teeth. It has degenerated to a tabby cat with soft gums, a plaintive mew, and an anemic appearance. It is a sort of legislative apology to the trusts, delivered hat in hand, and accompanied by assurances that no discourtesy is intended.

Before discussing the disintegration of the Clayton bill, I advance these observations:

If the Sherman Act was in itself sufficient to destroy monopoly and prevent restraint of trade, then it needs no change. Amendment of the trust laws can only be justified upon the theory that in some important respect the law has failed to protect against the trust practices under which the people have suffered. If, then, there is a class of evils employed by powerful combinations which oppress the people, which are contrary to sound public policy, and destructive of commercial liberty; if these devices are employed by those who are willing to sacrifice the general welfare for their private emolument and profit, such practices should be denounced by the law, and the perpetrators thereof punished as are other criminals.

If, however, the practices are of so innocent a character as to produce but trifling annoyance, it is a grave question whether legislation is either necessary or desirable.

It is not the business of Congress to undertake to accomplish the impossible task of eradicating every slight or trifling embarrassment. It is our duty to reach the great evils.

After 24 years of experience under the Sherman Antitrust Act it has been concluded that evils of a grave nature do exist which can not be effectively reached under it.

It is recognized that certain vicious practices are constantly employed, not only by existing monopolies, but by those who are engaged in creating monopoly.

These practices are all inherently unjust, oppressive, and wicked; they are perpetrated willfully, deliberately, and premeditatedly; they are not the result of accident, misunderstanding, or mistake; they are as coolly entered upon and cruelly executed as is the plan of a dynamiter who manufactures a bomb to destroy life and property.

There are four well-known devices, each of which has long been employed by the great combinations and trusts of the country to destroy competition. To eradicate these evils the House passed the Clayton bill. If the press is to be credited, so great was the confidence of the President in the learned chairman of the Judiciary Committee of the House, Mr. Clayton, that he was requested to remain at his post in Congress until the bill could be completed.

The result of his labors was an act defining, prohibiting, and penalizing four of the most oppressive practices of monopoly.

Section 2 prohibited price discriminations done for the purpose of destroying or wrongfully injuring the business of a competitor.

Section 4 denounced tying contracts in general. This is the device by which a manufacturer controlling a patented or staple article compels all who purchase or lease it to agree to purchase other goods or supplies from the seller, thus aiding him in restraining the trade of rivals and enabling him to create a monopoly.

Section 8 prohibited a corporation from owning the capital stock of another corporation where the effect would be to substantially limit or lessen competition.

It also prohibited holding companies where the effect of their stock holdings was to substantially lessen competition.

A violation of any of these sections was punishable by fine and imprisonment.

Section 12 broadly declared that whenever a corporation should violate any of the provisions of the antitrust laws the responsible directors and officers should be guilty of a misdemeanor.

It will be observed that these four sections—2, 4, 8, and 12—applied to trusts and monopolies. They were calculated to reach the principal devices employed by monopoly to crush rivals and despoil the public.

The criminal provisions have been stricken out as to sections 2, 4, and 8. Section 12 is emasculated, as I shall show.

Mr. WALSH. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Montana?

Mr. REED. I do.

Mr. WALSH. I desire to interrupt the Senator here to say that I do not understand that any one of these sections applied to trusts and monopolies. I understand that the bill was not intended to reach the practices of trusts and monopolies. The members of the Judiciary Committee, at least, did not intend that it should. It was the common belief that the practices of actual trusts and monopolies are already amply taken care of by the law. It was intended to reach the practices that were not the practices of things that have developed into trusts and monopolies, but were practices of trade which, if persevered in and continued and developed, would eventually result in the creation of a monopoly or a trust.

It seems to me that the Senator will hardly be able to justify by the language of the bill the statement now made, that these sections were intended to suppress the practices of trusts and monopolies.

Mr. REED. Mr. President, as the bill came from the conference committee it undoubtedly was not intended to suppress the practices of trusts or monopolies; and, in my opinion, it is not calculated to suppress anything, except the rising indignation of the public, by for a time deceiving it into the belief that we are doing something we are not in fact doing.

Mr. WALSH. I referred to the bill as it was presented to us from the House, not to the conference report.

Mr. REED. I make the prediction, notwithstanding the apology of the Senator for the form of this bill——

Mr. WALSH. Mr. President, if the Senator will pardon me, the remark that the Senator from Montana is apologizing seems to me quite aside from the question. I am apologizing for nothing. I simply challenge the statement of the Senator, now made solemnly, that these four sections were intended, as the bill came from the House, to suppress the practices of trusts and monopolies. As the bill came from the House it was believed and understood that the practices of actual trusts and actual monopolies were already provided for by the law. It was to suppress those practices which, if persevered in and developed, would eventually result in the creation of a monopoly—trusts in their very incipiency, before they had reached the stage where the Sherman Act would take hold of them.

Mr. REED. Mr. President, every one of these practices results in a restraint of trade; but the restraint may, nevertheless, be hard to prove. Every one of them tends to monopoly, yet, again, that fact may in a particular case be difficult of legal demonstration. Until they have reached the point of restraint of trade no harm has been done. The purpose of this bill was something more than the Senator would have us believe. I propose to proceed to discuss it in my own way. A little later on I shall refer again to the plea in confession and avoidance which has just been entered.

It is now confessed, therefore, by one of the sponsors of this bill, that it is not intended to touch the trusts and monopolies. I say that the people of the United States have expected us "to touch trusts and monopolies," and I am glad to be met in the early part of this discussion with an admission that we have not laid so much as a finger upon them.

DEMOCRATIC PLATFORM VIOLATED.

I was remarking when I was interrupted that these four practices had been condemned by Democratic platforms. I shall undertake to show not only that they were condemned but that we specifically pledged the application of criminal penalties to them by our platforms. I might also say that Republican platforms have strongly tended in the same direction. The only platform I know of that has ever proposed to treat these concerns in any other way than by criminal penalties and drastic legislation was the Bull Moose platform, which to-day might be read as a requiem at the dying bedside of that emaciated, discredited, and almost forgotten animal. Inspiring that Bull Moose platform, which is so faithfully followed by this bill, was the Hon. George W. Perkins, author of the Harvester Trust and various other combinations. I shall have more to say of that later.

The Democratic platform of 1912 read as follows:

A private monopoly is indefensible and intolerable. We therefore favor the vigorous enforcement of the criminal as well as the civil law against trusts and trust officials, and demand the enactment of such additional legislation as may be necessary to make it impossible for a private monopoly to exist in the United States.

We favor the prevention of holding companies, of interlocking directorates, of stock watering, of discrimination in price, and the control by any one corporation of so large a proportion of any industry as to make it a menace to competitive conditions.

We condemn the action of the Republican administration in compromising with the Standard Oil Co. and the Tobacco Trust, and its failure to invoke the criminal provisions of the antitrust law against the officers of those corporations after the court had declared that from the undisputed facts in the record they had violated the criminal provisions of the law.

In that section of the platform which begins by anathematizing the trusts and monopolies as indefensible and intolerable and which concludes with a condemnation of the administration of the Department of Justice for not enforcing criminal penalties—between that beginning and end the platform named the four practices specified in this bill, all of which now appear without a criminal penalty being provided.

We also added a further clause to that section of our platform. Let me read it:

We regret that the Sherman antitrust law has received a judicial construction depriving it of much of its efficacy, and we favor the enactment of legislation which will restore to the statute the strength of which it has been deprived by such interpretation.

The very purpose of this legislation was to redeem that platform pledge. It was to restore the strength of the statute and to make it more drastic and all-embracing. It was the purpose of this legislation to extend the criminal penalties to acts which standing by themselves, under the old law, might not be reached because the complainant might not be quite able to prove that trade had actually been restrained or the actual existence of a monopoly.

Mr. WALSH. Mr. President, will it trouble the Senator if I interrupt him there?

Mr. REED. Not at all.

Mr. WALSH. I simply wish to say that the Senator has now expressed quite accurately my idea of this legislation. It is to reach these practices in the case of corporations and others against whom you can not get proof enough to establish that they constitute a trust or monopoly. The Senator has now very accurately expressed my idea of the scope of this legislation.

Mr. REED. And it was also intended to make it so that when an institution like the Standard Oil Co., for the purpose of destroying a rival, cuts the price of oil below the point of the cost of production, by simply proving that fact, together with the fact that the cutting was purely local and not general, you would have made out a good case.

It was intended to reach the trust and deprive it of the power to exercise an enormous control through interlocking directorates.

It was intended to prevent it from owning a majority of the stock of a lot of other corporations, thus controlling a string of corporations and keeping them under one management.

It was intended to reach all of the practices I have named. It was for these purposes the bill was drawn and the criminal penalties attached. It was not intended, as the Senator would have us believe, to reach only those innocent and small institutions which may be doing something that really injures no one. Such institutions call for no legislation.

Criminal penalties were embraced in every one of the four sections of the Clayton bill which I have heretofore set out. As that provision came to us all of them contained this language:

Whoever shall violate the provisions of this section shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding $5,000 or by imprisonment not exceeding one year, or by both, in the discretion of the court.

The criminal penalty has in every instance been stricken from the antitrust sections of the bill.

The trusts of the country under this bill can not be fined, can not be imprisoned, can not be sent to jail, can not be punished in any way except by the command "please stop doing what you are now doing."

Mr. OVERMAN. Mr. President, I wish to understand the Senator's statement.

Mr. REED. Criminal penalties have been reserved in the bill, but they do not touch industrial monopoly.

Mr. OVERMAN. Does the Senator mean that a trust can not be punished criminally?

Mr. REED. Under this bill.

Mr. OVERMAN. Oh.

Mr. REED. That is what I said.

Mr. OVERMAN. What does this mean——

Mr. REED. I know what the Sherman Act means.

Mr. OVERMAN. Of course.

Mr. REED. I can almost repeat the Sherman Act verbatim from memory. If the Sherman Act is sufficient unto itself, why need we have even mentioned the word "trust" in this bill? I am complaining because you pretend to pass antitrust legislation, and from that pretended antitrust legislation you have taken the criminal penalties.

Mr. OVERMAN. If the Senator will pardon me, he was one of the many advocates of not touching the Sherman antitrust law.

Mr. REED. Certainly, I was opposed to doing anything that would impair or destroy that law.

Mr. OVERMAN. And he admits a trust can be punished and put in the penitentiary now. Then, what is the use for us to pass any legislation regarding the trust itself? This is intended to prevent the formation of a trust.

Mr. REED. Mr. President, Senators will have great difficulty in imposing upon anybody by attempting thus to becloud the issue. I have already said with great distinctness and clearness that the Sherman Antitrust Act does have criminal penalties. I have said with great distinctness and clearness that if it covers trust practices completely and absolutely we do not need any new legislation. I have said with equal distinctness that this new legislation was in its inception supposed to reach certain practices more easily than they could be reached under the old law, and that as to the new legislation you have taken out every criminal penalty applicable to the trust. You preserve them as to railroads and corporations selling to railroads, and the omission of criminal penalties for the trusts is somewhat curious when we find them preserved as to other corporations. Criminal penalties, I remark again, have been preserved in the bill, but in no case do they touch the industrial monopoly. From every section, denouncing the evil practices of these masters of the commercial world, has been drawn the last fang and claw which by any possibility might draw even a drop of blood from the veins of monopoly. The Clayton bill when it started upon its journey was a criminal statute. The remedies proposed were chiefly fine and imprisonment. As the measure comes to us from the conferees it is not, so far as the trusts are concerned, penal; it is merely prohibitive, and the prohibition is to be effectuated through various nonjudicial boards, without power themselves to prohibit or punish.

The bill has been otherwise emasculated. It has been rendered, in my opinion, so far as trust legislation is concerned, absolutely valueless. Let me trace these changes. And, Mr. President, in view of the fact that there are very few Senators in the Chamber, and as a bill of this kind does not appear sufficiently important to elicit their distinguished consideration, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Borah	Jones	Perkins	Smoot
Bristow	Kern	Pittman	Sterling
Bryan	Lea, Tenn.	Poindexter	Swanson
Chilton	Lee, Md.	Ransdell	Thornton
Crawford	Lewis	Reed	Townsend
Culberson	McCumber	Shafroth	Vardaman
Fletcher	Martine, N. J.	Sheppard	Walsh
Gore	Myers	Shields	Warren
Hitchcock	Nelson	Shively	West
Hughes	Overman	Smith, Ariz.	White
Johnson	Page	Smith, Ga.	

Mr. TOWNSEND. The senior Senator from Michigan [Mr. SMITH] is absent from the Senate on important business. He is paired on all votes with the junior Senator from Missouri [Mr. REED]. This announcement may stand for the day.

Mr. LEA of Tennessee. I wish to announce the necessary absence of the junior Senator from Kentucky [Mr. CAMDEN] on account of illness.

Mr. WARREN. I desire to announce the unavoidable absence of my colleague [Mr. CLARK]. He is paired with the senior Senator from Missouri [Mr. STONE].

Mr. SMOOT. I desire to announce the absence, by the leave of the Senate, of the senior Senator from New Hampshire [Mr GALLINGER]. He is paired with the junior Senator from New York [Mr. O'GORMAN].

I wish also to announce the necessary absence of my colleague [Mr. SUTHERLAND], who is paired with the senior Senator from Arkansas [Mr. CLARKE].

I wish also to state that the junior Senator from West Virginia [Mr. GOFF] is necessarily absent and that he is paired with the senior Senator from South Carolina [Mr. TILLMAN].

Mr. PAGE. I desire to announce that my colleague [Mr. DILLINGHAM] is necessarily absent. He is paired with the senior Senator from Maryland [Mr. SMITH]. I will let this announcement stand for the day.

Mr. SHAFROTH. I desire to announce the absence of my colleague [Mr. THOMAS], by leave of the Senate, and to state that he has a general pair with the senior Senator from New York [Mr. ROOT].

Mr. LEWIS. I desire to announce the absence of the Senator from Oregon [Mr. CHAMBERLAIN], who was suddenly called from the Chamber on an emergency matter.

The VICE PRESIDENT. Forty-three Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of absent Senators, and Mr. SMITH of South Carolina, Mr. THOMPSON, and Mr. WILLIAMS answered to their names when called.

Mr. STONE, Mr. ASHURST, and Mr. MCLEAN entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. There is a quorum present. The Senator from Missouri will proceed.

AMENDMENTS FAVORABLE TO TRUSTS.

TRUSTS PROTECTED AGAINST USE OF DECREES AS EVIDENCE.

Mr. REED. Mr. President, the original Clayton bill contained certain other provisions of great force and virtue which have been practically destroyed in the conference or in the Senate, but especially in the conference.

Section 3—conference section 4—gave every person injured by anything forbidden in the antitrust laws the right to sue and recover threefold damages.

Section 4—conference section 5—as it left the Senate gave the Government or a private complainant the right to use in evidence any final judgment against a monopoly either *heretofore* or hereafter rendered.

Under these two sections private citizens or the Government could sue and avail themselves of every decision, decree, and finding rendered up to the date of trial and they could be introduced in evidence, and the work of traveling over the same ground at enormous labor and expense obviated.

The conferees have practically destroyed this valuable right by providing that judgments heretofore obtained can not be used in evidence. Not content with that emasculation, they have added this indefensible and detestable provision:

Provided, That this section shall not apply to consent judgments or decrees entered before any testimony has been taken: *Provided further*, That this section shall not apply to consent judgments or decrees rendered in criminal proceedings or suits in equity now pending in which the taking of testimony has been commenced but has not been concluded: *Provided*, That such judgments or decrees are rendered before any further testimony is taken.

When the conferees eliminated the word "heretofore" they cut off from use as evidence the findings and judgments rendered in the 82 great trust cases which have been heretofore decided against the trusts. These cases embrace such important suits as the Standard Oil case, American Tobacco case, Joint Traffic Association case, Northern Securities case, the Lumber Co. case, the Harvester Trust case, and many others, a list of which I herewith furnish, and which I desire to have printed as a part of my remarks.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The list referred to is as follows:

LIST OF CASES DECIDED UNDER THE SHERMAN ANTITRUST ACT IN WHICH THE GOVERNMENT WAS SUCCESSFUL.

United States *v.* Jellico Mountain Coal Co.
United States *v.* Workingmen's Amalgamated Council of New Orleans et al.
United States *v.* Elliott.
United States *v.* Joint Traffic Association.
United States *v.* Addyston Pipe & Steel Co.
United States *v.* Coal Dealers' Association.
United States *v.* Chesapeake & Ohio Fuel Co. et al.
United States *v.* Northern Securities Co. et al.
United States *v.* Swift & Co. et al.
United States *v.* The Federal Salt Co. et al.
United States *v.* The Federal Salt Co. (criminal case).
United States *v.* General Paper Co. et al.
United States *v.* MacAndrews & Forbes Co. et al.
United States *v.* Metropolitan Meat Co. et al.
United States *v.* Nome Retail Grocers' Association.
United States *v.* Otis Elevator Co. et al.

United States v. F. A Amsden Lumber Co. et al.
United States v. National Association of Retail Druggists.
United States v. Phoenix Wholesale Meat & Produce Co.
United States v. Standard Oil Co. of New Jersey et al.
United States v. Atlantic Investment Co. et al.
United States v. American Seating Co. (two cases).
United States v. The Reading Co. et al.
United States v. National Umbrella Frame Co. et al.
United States v. American Tobacco Co. et al.
United States v. Charles L. Simmons et al.
United States v. Union Pacific Railroad Co. et al.
United States v. E. J. Ray et al. (two cases).
United States v. John H. Parks et al.
United States v. Albia Box & Paper Co. et al.
United States v. John S. Steers et al.
United States v. Imperial Window Glass Co. et al.
United States v. Missouri Pacific Railroad Co. and 24 other railroads.
United States v. Southern Wholesale Grocers' Association.
United States v. Great Lakes Towing Co. et al.
United States v. Frank Hayne, James A. Patten et al.
United States v. Standard Sanitary Manufacturing Co. et al. (two cases).
United States v. General Electric Co. et al.
United States v. William P. Palmer et al. (five cases).
United States v. F. W. Roebling et al.
United States v. Phillip H. W Smith et al.
United States v. Frank N. Philips et al.
United States v. E. E. Jackson, jr., et al.
United States v. Lake Shore & Michigan Southern R. R. et al.
United States v. Standard Wood Co. et al.
United States v. Hunter Milling Co., Blackwell Milling & Elevator Co., and Frank Foltz.
United States v. A. Haines et al. (two cases).
United States v. Pacific Coast Plumbing Supply Association et al.
United States v. New Departure Manufacturing Co. et al.
United States v. Aluminum Co. of America.
United States v. Central West Publishing Co. et al.
United States v. Consolidated Rendering Co. (two cases).
United States v. Philadelphia Jobbing Confectioners' Association.
United States v. Page et al.
United States v. Krentler Arnold Hinge Last Co. et al.
United States v. The Southern Wholesale Grocers' Association et al.
United States v. International Brotherhood of Electrical Workers' Local Unions Nos. 9 and 134 et al.
United States v. The Burroughs Adding Machine Co. et al.
United States v. American Coal Products Co. et al.
United States v. The New Departure Manufacturing Co. et al.
United States v. Thompson et al.
United States v. International Harvester Co. of America.
The Eastern States Lumber Dealers' Association case.
The Bituminous Coal case.
The Alaska Transportation cases.
The Southern Wholesale Grocers' Association case.
The National Wholesale Jewelers' Association case.
The Thread case.
The American Telephone & Telegraph Co. case.

Mr. REED. Briefly and broadly speaking, the above cases embrace the entire field of trust litigation; they cover the practices and relate to the conduct of the principal trusts of the United States. These trusts are still in existence. They are still following the very practices denounced by this bill, many of them now liable to the private citizen and to the Government for infractions of the law; and yet, after the Government has gone to the expense in all these 82 cases of collecting the evidence, of proving a case, and of obtaining judgment, the conferees provide that the evidence, judgments, and records can not be used against any one of the already convicted criminals.

Why is that restriction put into this bill? Why did the conferees thus destroy the vitality of the bill? Why so tender to the convicted Standard Oil Co.? Why should we now deny to a citizen or to a State having further litigation with that company the right to use the record already made? Why should a State or a citizen, finding itself or himself oppressed by that great monster of the commercial world, be forced again to gather the testimony now on file? Why compel future litigants to do again the work performed by my State? Missouri sent its attorney general to the city of New York, there to be met by the refusal of the officers of the Standard Oil Co. to testify. He was compelled to go into court and obtain an order for the arrest of the recalcitrants, to spend eight or nine months of time in dragging from their reluctant lips and from their musty files evidence of their iniquity. Why should this evidence not be used by other litigants? Why should the Standard Oil Co. be thus favored by the conferees?

Mr. President, I raise the question of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Borah	Lee, Md.	Ransdell	Swanson
Bristow	Lewis	Reed	Thompson
Colt	McCumber	Shafroth	Thornton
Culberson	Martine, N. J.	Sheppard	Townsend
Gore	Nelson	Shields	Vardaman
Hitchcock	Overman	Shively	Walsh
Jones	Page	Smith, Ariz.	Warren
Kern	Pittman	Smith, Ga.	West
Lea, Tenn.	Poindexter	Smoot	Williams

The VICE PRESIDENT. Thirty-six Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of the absentees.

The Secretary called the names of the absent Senators, and Mr. ASHURST, Mr. HUGHES, Mr. JOHNSON, and Mr. STERLING responded to their names when called.

Mr. WHITE, Mr. FLETCHER, Mr. POMERENE, Mr. BRYAN, and Mr. SIMMONS entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-five Senators have answered to the roll call. There is not a quorum present.

Mr. VARDAMAN. Mr. President, Senators evidently are engaged in something else this morning, and in recognition of that fact I move that the Senate adjourn.

The VICE PRESIDENT. The question is on the motion of the Senator from Mississippi.

Mr. SMOOT. I ask for the yeas and nays.

The VICE PRESIDENT. Is the request for the yeas and nays seconded? [A pause.] Not one-fifth of the Senators present have seconded the request for the yeas and nays. The question is on the motion of the Senator from Mississippi that the Senate adjourn. [Putting the question.] The Chair is unable to determine. Those in favor of the motion to adjourn will rise. [A pause.] Those opposed will rise. [A pause.] It is quite evident the motion is lost.

Mr. CULBERSON. I call for the regular order, Mr. President.

The VICE PRESIDENT. The Chair does not know what the regular order is.

Mr. CULBERSON. There is a standing order, as I understand, that the Sergeant at Arms be directed to request the attendance of absent Senators.

The VICE PRESIDENT. There can not be a standing order to that effect.

Mr. CULBERSON. It has been frequently understood heretofore that there was such an order. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will request the attendance of absent Senators.

Mr. CHILTON, Mr. CLAPP, Mr. LANE, and Mr. STONE entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. There is a quorum present.

Mr. REED. Mr. President, why should not this Government or any State of the Union or any private citizen, having been wronged by the Harvester Trust, and required to prove the fact that a trust exists, be allowed to lay down in court the transcript of the evidence secured by months of labor and toil, together with the decree of the court, against that company? Why should not the dealer in agricultural implements in the State of New Jersey or in the State of Arizona or in any other State, when he finds that the Harvester Trust has by some of its practices injured him in his business, be allowed in his suit for damages to lay down the record and decree in order to make his case, so far as the facts covered by the decree are pertinent? Why should he, having been injured but a few hundred or thousand dollars, be obliged to spend tens of thousands of dollars in traveling over a road that has already been painfully pursued by the Government? Why should he be obliged to take depositions all over the United States, to chase down the reluctant witnesses, and finally to bring into court the identical evidence which has already been gathered by the Government and solemnly preserved of record? What tender sentiment for the Harvester Trust inspired the conferees to deprive the people of the United States of that privilege which was written into this bill when it left the Senate?

Mr. BORAH. Mr. President——

The PRESIDING OFFICER (Mr. CLAPP in the chair). Does the Senator from Missouri yield to the Senator from Idaho?

Mr. REED. I do.

Mr. BORAH. Has the entire section with reference to this matter been cut out, or has it simply been modified?

Mr. REED. It has been modified by striking out the word "heretofore." As the section read, it provided that a decision heretofore or hereafter rendered could be used in evidence. The conferees struck out the word "heretofore," and then—as I stated while my friend the Senator, I think, was temporarily absent from the Chamber—they added a clause cutting out substantially all of the pending cases. When they took out the word "heretofore" they cut off as evidence the 82 great trust decisions already rendered. When they added the proviso to which I shall presently call attention they substantially cut out all of the 46 cases now pending.

That provision is as follows:

Provided, That this section shall not apply to consent judgments or decrees entered before any testimony has been taken—

That clearly relates to the future and covers every case that may ever be brought where there is a consent judgment—

Provided further, That this section shall not apply to consent judgments or decrees rendered in criminal proceedings or suits in equity now pending in which the taking of testimony has been commenced but has not been concluded, provided such judgments or decrees are rendered before any further testimony is taken.

But I return to my theme, if the Senator will pardon me, and shall come again to this particular phase of it.

Why should a tobacco dealer in any State of the Union who believes he has been robbed and despoiled by the practices of the Tobacco Trust, and who desires to bring a suit for treble damages, be compelled to travel up and down the earth to produce the same witnesses and bring forward the identical evidence that has already been gathered by the Government, preserved in bills of exception, approved by the final decision of the Supreme Court of the United States, and solemnly crystallized into a decree by that great court? Why this tenderness for the Tobacco Trust? Why deal so gently and so kindly with these concerns that have ridden roughshod over the law; that have defied the courts for an entire lifetime? By what process of reasoning do the conferees justify their act in eliminating from evidentiary value the decisions already rendered?

Of course their action will be very pleasantly received in the office of every trust attorney in the United States. With this section in the bill as it passed from the Senate every man desiring to sue any one of the 82 concerns that have been convicted would have at hand the evidence that would make out the main body of his case and would be put to no greater exertion than is necessary simply to prove the damage he has suffered. The fact that the concern is a monopoly, the fact that it is engaged in a conspiracy against trade, the fact that it exists for the purpose of destroying competition, the fact that it has an enormous capital, vast resources, an army of agents—all of these things will be at hand; and he can lay down the decree in a court where his case is on trial and thus will have made out the hardest part of his case. But the conferees have relieved the tobacco company of that danger.

Mr. President, if the Government of the United States has a further controversy with the institutions concerned in and a part of the Joint Traffic Association, which was convicted in a suit brought on January 8, 1896, why should it be compelled again to find and introduce the same evidence which it has already once introduced?

Why should any city, town, or village desiring to purchase cast-iron pipe through which to conduct water to its inhabitants, upon discovering that the Cast-Iron Pipe Trust has a monopoly in that section of the country, and is engaged in charging extortionate prices, be compelled to go back and prove ab initio that that concern is a trust, to bring forward evidence as to the kind and character of organizations under which it operates, and to produce witnesses to swear to its various methods of procedure? Why should this be necessary, when in the case of the United States against the Addyston Pipe & Steel Co. all that evidence was accumulated, carefully sifted by the trial court, scrutinized and analyzed by the appellate courts, and finally its reception approved by the Supreme Court of the United States?

Of course the manager of that trust is delighted when he reads this conference report. He knows now that if anybody sues him that individual must spend thousands and perhaps tens of thousands of dollars again gathering the evidence, plodding wearily over the land, hunting for witnesses who are skilled in dogging subpœnas.

Why should a man or a State seeking to reach the National Association of Retail Druggists be compelled to produce anew the same evidence the Government has once gathered—evidence taken with the attorneys of that concern in court, evidence taken when it was given the full and complete right to defend itself?

Why should a citizen now being oppressed be forced to go out and get that same evidence? Of course the Retail Druggists' Association is delighted on this balmy autumn afternoon to know that the danger has been removed by 8 or 10 men sitting in conference.

Why should some shipper, finding that the old Reading outrage is still being perpetrated and desiring relief, be compelled to tread the wine press alone, although the vintage has already been trampled by the Government and a decision upon the law and facts rendered?

To compel the private citizen to collect this evidence again is to deny him justice and to permit the monopoly already convicted to go untouched by the lash of the law. Why this tenderness for this particular trust?

If the Union Pacific Railroad Co. were again to get into litigation with the Government, involving a question of combination, why should not the existing decree, so far as it is pertinent, and the evidence which has been collected be utilized again by the Government?

If Mr. Frank Hayne and Mr. James N. Patten were again to undertake to run a corner in cotton, why should not the evidence already taken in their cases, if pertinent to the issues, be available?

When the United States tried and convicted the Standard Sanitary Manufacturing Co. and had it fined $51,000 because it was a criminal, why should we be so gentle and tender with that criminal, if it again violates the law, as to deny the Government the right to use the evidence heretofore taken, if pertinent to the case?

The Government had a long battle with the General Electric Co. It made its case so firm that the company knew there was no possibility of escape, and so it consented to a decree. Of course that decree was not entered by the consent of an innocent concern. It was entered because guilt was so overwhelming and the evidence so conclusive that there was no escape. The lawyers had looked for every loophole, they had seized upon every technicality, had examined every avenue of escape, and seeing none, this beneficent institution consented to a decree. Now, because of the conference amendment, a citizen wronged by the practices the Government inveighed against in its petition can not use this solemn admission of guilt, lest the tender sensibilities of the confessed criminal shall be wounded. The institution ought to banquet those who are so kind to it.

There were some enterprising gentlemen under the name of W. P. Palmer et al. who entered into a combination under the title of the Weather Proof & Magnet Wire Association. They were violating the law. Of course they knew they were violating the law. They were indicted in some seven cases. Sometimes there were 33, sometimes 38, sometimes 17, sometimes 15, sometimes 14, and sometimes 10 defendants. They contended until contention was not only useless but dangerous, and then 36 defendants entered pleas of nolo contendere, and were fined $128,700. Now, a citizen wronged by this combination, robbed by these criminals, can not under this report of the conferees, if it becomes a law, introduce in evidence the record showing their plea of guilty.

Mr. President, I might continue to read case after case until I had read the eighty-six, and I could continue to iterate and reiterate what I have now said with reference to certain of the cases and make it applicable to all.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Montana?

Mr. REED. I do.

Mr. WALSH. Let me inquire of the Senator if he understands the purport of the bill as it is recommended by the conference committee to reach the case of a judgment entered on a plea of guilty.

Mr. REED. I do; a judgment by consent, in my opinion, covers a judgment entered upon a plea of nolo contendere.

Mr. WALSH. Now——

Mr. REED. If the Senator will pardon me, whether it is so covered or not all the old judgments are cut out under that clause of the bill which excepts all judgments heretofore rendered.

Mr. WALSH. I was not referring to that.

Mr. REED. I think it would be cut out now under the language of the bill even after judgment.

Mr. WALSH. That is what I wanted to inquire of the Senator. He thinks that the term "consent judgment" would reach to a judgment entered on a plea of guilty?

Mr. REED. I think it would. It is a judgment nolo contendere. It is really a judgment by consent.

Mr. WALSH. I would scarcely give that significance to the language.

Mr. REED. The language is this:

Provided, That this section shall not apply to consent judgments or decrees entered before any testimony has been taken.

Of course back of that lies the other provision, that past judgments are excepted.

Provided further, That this section shall not apply to consent judgments or decrees rendered in criminal proceedings or suits in equity now pending, in which the taking of testimony has been commenced but has not been concluded, provided such judgments or decrees are rendered before any further testimony is taken.

It is my opinion, from that language, that the deduction must be drawn that the exception applies to criminal as well as civil consents. The only way you can consent in a criminal case is by an absolute plea of guilty or the plea nolo contendere.

Mr. WALSH. Of course I understand that all past judgments are excluded, likewise judgments now entered in cases

pending by consent as well as past judgments by consent, but I scarcely think the Senator will care to say that judgments hereafter entered upon a plea of guilty would fall under the discrimination of consent judgments or decrees, because I take it that no criminal would ever consent that a judgment be entered against him when he pleads guilty. The judgment goes as a matter of course against him. If the Senator will pardon me——

Mr. REED. May I suggest to the Senator that without a statute expressly giving the right to use a decree the decree can not be used. So silence in the statute is deadly unless the observation I am now about to make is correct. But I will make that when the Senator has concluded his interruption.

Mr. WALSH. I have nothing further to say, except that the Senator will remember this was the subject of rather earnest discussion when the bill was before the Senate, and I think the Senator will recall that I took the position—and I encountered the opposition of the Senator—that the judgment should be made not only prima facie but conclusive in an action subsequently brought. If it be made prima facie, I see no reason why it should not be applicable to past decrees, but I am concerned now with reference to the meaning of the thing in the future. I am not able to agree with the Senator that in the future the judgment entered upon a plea of guilty in a criminal action would not be available under the proposed statute.

Mr. REED. Before the Senator takes his seat, since he has stated that he desired in the committee to have these judgments made conclusive——

Mr. WALSH. And on the floor as well as in the committee.

Mr. REED. And also on the floor, and that then I took the position that they should be made only prima facie, the Senator ought to say, in fairness to me, that I stated all along that if they could be made conclusive without impinging upon the Constitution and without destroying the validity of the law, I desired to have them made conclusive; but I doubted, and so the Attorney General's office doubted, the ability to make them conclusive; and lest we might destroy the law by going too far, and because I thought that if they were made prima facie they would be almost as valuable as if made conclusive, I took the position in favor of prima facie.

Mr. WALSH. Of course I am very glad to say that was the Senator's position and as well the position of all the members of the Judiciary Committee who objected to making the decree conclusive. My own judgment about the matter is that it is a right, as I said in the course of the debate on the floor, of very little value when it is made only prima facie evidence.

Mr. REED. I do not agree with the Senator on that. I believe if the judgment is made evidentiary and is sufficient to make out a prima facie case the jury will take care of the rest of the job.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Idaho?

Mr. REED. I do.

Mr. BORAH. I want to see if we agree on what this section actually accomplishes in express terms. Section 5 as it now is says:

That a final judgment or decree hereafter rendered in any criminal prosecution or in any suit or proceeding in equity brought by or on behalf of the United States under the antitrust laws to the effect that a defendant has violated said laws shall be prima facie evidence against such defendant in any suit or proceeding brought by any other party.

That general clause limits all these judgments to the judgments which are hereafter taken. That is clear enough. Then it says:

Provided, That this section shall not apply to consent judgments or decrees entered before any testimony has been taken.

It cuts out all judgments that are rendered and all judgments entered by consent or decree entered before testimony has been taken.

Provided further, That this section shall not apply to consent judgments or decrees rendered in criminal proceedings or suits in equity, now pending, in which the taking of testimony has been commenced but has not been concluded, provided such judgments or decrees are rendered before any further testimony is taken.

That last proposition is a very peculiar provision and would seem to have been made to fit a particular case; that is, a case that is now pending in which the testimony is closed. There seems to be a case in existence that would just fit in there exactly.

Mr. LEWIS. In this connection——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Illinois?

Mr. REED. I do.

Mr. LEWIS. May I ask the Senator from Idaho does he mean to give us the information that from his viewpoint the statute prohibits all future judgments? The Senator used the words "future judgments." Does the Senator think the provision prohibits the use of any future judgments as prima facie evidence in civil proceedings?

Mr. BORAH. Oh, no. Did I say "future judgments"?

Mr. LEWIS. The Senator said so. I thought it must have been an error, or I had read the statute wrong.

Mr. BORAH. It was an error. I am obliged to the Senator. I said that all judgments heretofore rendered were cut out by the general clause to begin with. Then it says:

That this section shall not apply to consent judgments or decrees entered before any testimony has been taken.

That would include future judgments, that particular class, would it not?

Provided further, That this section shall not apply to consent judgments or decrees rendered in criminal proceedings or suits in equity, now pending, in which the taking of testimony has been commenced but has not been concluded—

That would cover future judgments as to that particular class. Of course the future judgments which are entered, however, are limited to a particular class of judgments.

Mr. OVERMAN. That only applies to suits that have been brought. It will not apply to suits hereafter brought.

Mr. LEWIS. I will say, answering the Senator from Idaho, if I may be pardoned by the Senator from Missouri, granting his viewpoint, if I am in error that it may be corrected, I assume that the provisions had been put in with a view to facilitating the Government to carry out consent matters which had been entered into in the form of settlement in equity proceedings wherein the defendant had possibly come into court and agreed upon a decree and thus relieved the Government of the necessity of taking evidence and the great expense incident thereto. I had in mind that possibly the New York, New Haven & Hartford Railroad litigation, which is now under settlement, was one of the things in consideration, and that if the provision to which the Senator from Missouri alludes had been left as it originally was the proceedings would have probably fallen, as the defendants would not wish to consent to a peaceable settlement with the Government when it was to act as a basis of private lawsuits for private individuals upon which to collect damages; but that hereafter having knowledge that such was not the basis of future civil proceedings it would then consent to a peaceful settlement with a full knowledge of the consequence.

I have an idea the object was to exclude those particular negotiations which are now on foot and which were undertaken before this provision was framed and in order to facilitate rather than to retard them. If I am in error as to that, and the Senator from Idaho and the Senator from Missouri think I am, I should like to be corrected. I merely offered that as my reason for thinking that was the motive for the exception.

Mr. BORAH. Of course I would not assume that the Senator from Illinois is in error as to his understanding of the provision, but I call the Senator's attention to this provision:

That this section shall not apply to consent judgments or decrees entered before any testimony has been taken.

That would cover any judgment of that kind which is entered under those circumstances in suits brought in the future, would it not?

Mr. LEWIS. I am intruding on the time of the Senator from Missouri.

Mr. REED. I am glad to accommodate.

Mr. LEWIS. I dare say that provision has in contemplation the encouragement of the defendants coming into court and confessing their violation of law wherever found, where there had not been a deliberate or criminal intent to allow them to escape the consequences by an honest confession and future avoidance, without penalizing them by this other section, which will enable persons to sue them in damages, but to enable persons to sue them in damages wherever they had held an attitude of belligerency to the Government and exposed the Government to the necessity of large costs in undertaking through the court to escape. I assume that that must be the reason.

Mr. REED. Let us assume that is the reason, and let us analyze it for a moment. In the first place, the Government ought not to desire that any citizen, individual or corporate, should ever come into court and confess to a violation of law unless the law has been violated. Nobody ought to hold out an inducement of any kind to seduce an unwary trust into a confession of guilt if it be not guilty. On the other hand, if it be guilty, will the Senator from Illinois tell me why it should not respond in damages, as the law says it should? Why, sir, if a trust be guilty of a restraint of trade, that is not enough to give me the right to recover damages against it; I must, in addition to showing that it has restrained trade, show that it

has thrust its hand into my pocket and taken my money. If it has done that, why should it not respond to me in damages? Why should the Government deprive me of the evidence incident to a confession of guilt?

Mr. OVERMAN. There is no question about responding in damages if guilty. It is only a question as to the introduction of testimony.

Mr. REED. Ah, but that is the whole question we are debating.

Mr. OVERMAN. No; it is not the question. They can bring suit just like they always could.

Mr. REED. Certainly. We propose by this section to extend the law so that if a citizen be wronged or the Government be again wronged the evidence once taken in a case may be used in subsequent litigation. It is now admitted that that is the proper theory upon which to proceed.

Mr. OVERMAN rose.

Mr. REED. Wait just a moment and then I will yield further. We are discussing this particular phase of the question: Shall the citizen or the Government be allowed to use a confession of guilt made in one suit in another suit and thus avoid the necessity of proving the case anew? Now, mark you, that does not make out a complete case for the citizen; he can not recover a penny unless he has been damaged and proves his damages.

Mr. OVERMAN. He ought not to.

Mr. REED. He should not recover damages, and he can not under any phase of this bill as it was originally drawn, as it left the Senate, or in any other phase unless he proves his damage. But he can be relieved of searching for evidence of the wrongful acts of a trust if they have already been proven or confessed.

Mr. OVERMAN. The reason why I rose was to ask a question. I understood the Senator to say that the Government was depriving him of the right to bring suit for damages.

Mr. REED. Oh, no; I said this bill as amended deprives him of the right to use a confession of guilt as evidence.

Mr. OVERMAN. Let us understand that. That is not true at all.

Mr. REED. It deprives him of the benefit of the evidence.

Mr. OVERMAN. Of making it prima facie evidence.

Mr. REED. Yes.

Mr. OVERMAN. And it ought to.

Mr. REED. And when the Government does deprive the ordinary citizen of the right to use that evidence it has substantially deprived him of the right to recover, and for the reason following: In order to prove the combination and the conspiracy upon which his suit for damages must be bottomed it is necessary to take evidence which is so difficult to obtain that it is well-nigh impossible for a private citizen to secure it. So when you deny him the evidence you practically deny him his remedy, and it is for that reason——

Mr. OVERMAN. Will the Senator contend that there is anything in this bill that deprives any citizen of the United States of any right he has now?

Mr. REED. I am not talking about the deprivation of rights that now exist. We are sitting here in Congress supposed to be passing a remedial statute. We are supposed to be doing something now in response to the demands of a certain document I am about to read. We are supposed to be here for the purpose of affording the citizens of this country rights that they do not now possess. But when we consider what has been done by the conferees to this section we find that they have cut out its vitals.

Mr. OVERMAN. I want to say to the Senator it is true, and he knows it is true, that we have not deprived a citizen of a solitary shade or shadow of a single right he has now in the courts.

Mr. REED. You have not done it because you could not do it, but I am going to show in a minute that you have tried to do it.

Mr. OVERMAN. The Senator can not show it.

EVEN THE RECORD SHOWING A PLEA OF GUILTY CAN NOT BE SHOWN IN EVIDENCE.

Mr. REED. I will stop and show it now. When a criminal stands in a court of justice and pleads guilty, that plea of guilty can be introduced in evidence against him in any case where his guilt is in question—not the judgment, perhaps, but the fact that he pleaded guilty can be shown. Let me illustrate. A man murders the husband of a woman; he pleads guilty to murder. There is a statute in the State giving the widow the right to recover damages in case her husband has been wrongfully killed. She can put a witness on the stand and prove that the defendant stood up in court and said "I am guilty"; she can introduce the indictment and the fact. You have tried to cut that kind of evidence out.

Let me illustrate further: A man defrauds another of $10,000; he is indicted for it; he pleads guilty in court——

Mr. OVERMAN. The Senator does not contend that that applies in this case?

Mr. REED. Just a moment until I finish my sentence. The injured party thereupon sues him to recover a civil judgment for $10,000. Under the law now he can introduce the indictment and the fact that the man stood in court and pleaded guilty to the indictment.

Mr. OVERMAN. Does the Senator from Missouri contend that there is anything in this bill which applies to suits between individuals of the kind of which he is speaking?

Mr. REED. Why, certainly. This applies to that class of evidence, of course; it is limited to trust cases; there can not be any doubt about that; and you have tried to cut out the pleas of guilty in trust cases. You have got no more right to destroy the evidentiary value of a plea of guilty in a trust case than in the case of an embezzler or a murderer. The evidence in either case can be used without any statute. Here is what you said:

That this section shall not apply to consent judgments or decrees entered before any testimony has been taken.

In other words, you can not introduce the record if there has been a plea of guilty. What is a consent judgment?

Mr. OVERMAN. That is under the antitrust laws.

Mr. REED. Certainly that is under the antitrust laws. I go further and say that in a civil suit where there has been a consent judgment the decree can be introduced without any statute. You can not generally introduce the evidence that has been preserved in the bill of exceptions, but you can introduce in evidence the plea or the consent to the entry of judgment. This is a right independent of any statute. This right you have sought to take away in trust suits.

There is a reason why a consent judgment or plea of guilty should be received that does not apply to an ordinary judgment. What is it? An ordinary judgment is rendered generally upon a disputed set of facts. The questions are in controversy. The jury may make a mistake; the judge may commit an error; but, sir, when a man goes into court and consents to a decree, it is his solemn admission of record, it imports verity; there can be no mistake. When a man consents to a decree he comes in admitting the charge. There is no mistake of a jury; no error of law or of fact on the part of the court in such a case. The man sitting in judgment upon his own acts confesses his own guilt.

By this bill the conferees say that plea should not be introduced in evidence against him. Absurdity could go no further than that; tenderness for trusts could lead us to no greater extreme. There is not an attorney for the Steel Trust in the United States, big attorney or little, who would have had the temerity to have asked that the bill be thus amended. No final judgment heretofore rendered can be introduced in evidence; and for all practical purposes neither the evidence nor judgments in any case now pending can be used in other cases. Even when the parties have said, "Here we are; we are guilty; we admit it; we have been violating the law; we did it with our eyes open," we by this bill propose to say to the injured and innocent party who has a suit against the culprit, "You can not prove that fact in your suit where you are seeking to get back the money of which you were robbed by the scoundrel who has just admitted his guilt."

Oh, this is a great antitrust Congress! Compared with the Congress that put upon the statute books the Sherman Act, we appear as would a lot of wet nurses in comparison with soldiers on the field of battle, arms in hand. If we had the original Sherman Act before this Congress the "trust busters" of the present day and generation would shy like the country horse of 15 years ago did at the sight of an automobile. You would not find this Congress using this violent and offensive language of the Sherman Act:

Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is hereby declared to be illegal.

Offer that to-day, and immediately speculation would begin. "What, every contract! Think how far-reaching that is; you will catch some innocent who has sinned through inadvertence. I pray you be not so harsh." What would this Congress do if asked to enact into law this fearful language which follows that which I have just read:

Every person who shall make any such contract or engage in any such combination or conspiracy, shall be deemed guilty of a misdemeanor.

"What! Take an unsuspecting merchant"—would say the latter-day legislator—"take an innocent merchant who has formed an innocent little combination to skin the public, ravish

him from the bosom of his family, tear him from the loving arms of his wife, and haul him away to jail with the cries of his children ringing in his ears—will you do such a wicked thing as that?" Such would be the arguments we would now hear.

Well, old John Sherman and the Republicans of that day did pass that law. Their "little fingers were bigger than our loins." Theirs was the spirit of the eagle, ours that of the barnyard fowl. "Be careful, do not let it be proven in evidence that a man has plead guilty to violating the Sherman law." So say the worthy conferees. Mr. President, the gorge rises as we contemplate that provision.

Let me read you a testimonial on this subject. I am careful to tell you it is a quotation, lest I should be adjudged guilty of using extreme language. It was the prophecy of this legislation itself, a different kind of prophecy, too, than we find in the statements of the Senator from Montana [Mr. WALSH], who says this bill was not to have anything to do with trusts:

I hope that we shall agree in giving private individuals who claim to have been injured by these processes the right to found their suits for redress upon the facts and judgments proved and entered in suits by the Government where the Government has upon its own initiative sued the combinations complained of and won its suit, and that the statute of limitations shall be suffered to run against such litigants only from the date of the conclusion of the Government's action. It is not fair that the private litigant should be obliged to set up and establish again the fact which the Government has proved. He can not afford—

Where now is my friend, the distinguished Senator from North Carolina [Mr. OVERMAN], who asked what rights we were depriving these private litigants of? Let him listen as I read further:

He has not the power to make use of such processes of inquiry as the Government has command of. Thus shall individual justice be done while the processes of business are rectified and squared with the general conscience.

As I read that splendid example of English you all know from its rhythmic sound and its terseness of expression that it came from the pen of Woodrow Wilson. Now, what say the conferees? "It is right to deprive the citizen of this evidence in all cases that have been tried. It is right to deprive the citizen of the evidence in all cases that are pending, or nearly all of them. It is right to deprive the citizen, not only now but in the future, of the right to use all consent decrees."

I ask Senators, some of whom have claimed such devoted adherence to the President, how many propose to square this abortive provision with the demand made by the President.

Mr. VARDAMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Mississippi?

Mr. REED. Certainly.

Mr. VARDAMAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Borah	Jones	Nelson	Smith, Md.
Bristow	Kern	Page	Smoot
Chamberlain	Lane	Perkins	Swanson
Chilton	Lea, Tenn.	Pomerene	Thornton
Clapp	Lewis	Reed	Vardaman
Culberson	Martin, Va.	Robinson	Warren
Gore	Martine, N. J.	Sheppard	West
Hitchcock	Myers	Shields	Williams

The PRESIDING OFFICER. Thirty-two Senators have answered to their names. There is not a quorum present. The Secretary will call the roll of the absentees.

The Secretary called the names of the absent Senators, and Mr. BANKHEAD, Mr. POINDEXTER, Mr. RANSDELL, Mr. SHAFROTH, Mr. SMITH of South Carolina, Mr. WALSH, and Mr. WHITE responded to their names when called.

Mr. THOMPSON, Mr. STERLING, Mr. OVERMAN, Mr. BRYAN, Mr. LEE of Maryland, Mr. HUGHES, Mr. SHIVELY, Mr. SIMMONS, and Mr. OWEN entered the Chamber and answered to their names.

Mr. REED. Mr. President, what is the result of the call? Is there a quorum present?

The PRESIDING OFFICER. Forty-eight Senators have answered to the call. A quorum is not present.

Mr. CULBERSON. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay Mr. STONE entered the Chamber and answered to his name.

The PRESIDING OFFICER. Forty-nine Senators have answered to the roll call. A quorum is present.

Mr. REED. Mr. President, in addition to the words of the President's message relating to this particular topic I desire to read a line or two further. Indeed, I desire to read all of that clause of his message and then ask Senators, some of whom have claimed such devoted adherence to the President, how they propose to square this abortive provision with the demand made by the President. It occupies an important part of the President's message. He said:

THE BILL VIOLATES THE PRESIDENT'S MESSAGE.

There is another matter in which imperative considerations of justice and fair play suggest thoughtful remedial action. Not only do many of the combinations effected or sought to be effected in the industrial world work an injustice upon the public in general; they also directly and seriously injure the individuals who are put out of business in one unfair way or another by the many dislodging and exterminating forces of combination.

Notice, the President was talking about trusts and monopolies already formed. Notice, he was discussing conditions now existent. He was not engaging in an expedition in the nebulous region of the future; neither was he dealing with the innocent practices of small concerns. The language of his message had to do with trusts and monopolies and with the practices by them indulged. He adds what I have already read, but I read it now that it may appear in the context.

I hope that we shall agree in giving private individuals who claim to have been injured by these processes the right to found their suits for redress upon the facts and judgments proved and entered in suits by the Government where the Government has upon its own initiative sued the combinations complained of and won its suit, and that the statute of limitations shall be suffered to run against such litigants only from the date of the conclusion of the Government's action. It is not fair that the private litigant should be obliged to set up and establish again the facts which the Government has proved. He can not afford, he has not the power, to make use of such processes of inquiry as the Government has command of. Thus shall individual justice be done while the processes of business are rectified and squared with the general conscience.

I have laid the case before you, no doubt as it lies in your own mind, as it lies in the thought of the country. What must every candid man say of the suggestions I have laid before you, of the plain obligations of which I have reminded you? That these are new things for which the country is not prepared? No; but that they are old things, now familiar, and must of course be undertaken if we are to square our laws with the thought and desire of the country. Until these things are done, conscientious business men the country over will be unsatisfied. They are in these things our mentors and colleagues. We are now about to write the additional articles of our constitution of peace, the peace that is honor and freedom and prosperity.

Thus said the President on the 20th day of January, 1914. He asked for laws applicable to the practices of trusts and combinations. He asked for relief in the name of oppressed and outraged business. He asked it in the name of the conscience of the country. Now come the conferees with soft and gloved hands, with tender and delicate words, proposing to cut off the business man of the country who has been wronged and injured from the right to use any of the decisions that have been heretofore rendered, and practically cutting him off from the benefit of the decisions in cases which are now pending.

Mr. President, there are now pending some 46 important cases. I have here a long list which I desire to have printed in the RECORD. A few of the cases in the list may have been decided since the document I am quoting from was prepared; but, whether decided or pending, they come within the purview of this exception.

The PRESIDING OFFICER (Mr. LEA of Tennessee in the chair). Without objection, the request of the Senator from Missouri is granted.

The matter referred to is as follows:

CASES PENDING UNDER THE SHERMAN ANTITRUST ACT.

United States v. Motion Pictures Patents Co.
United States v. Prince Line (Ltd.).
United States v. Keystone Watch Case Co.
United States v. United Shoe Machinery Co.
United States v. American Sugar Refining Co.
United States v. United States Steel Corporation.
United States v. Booth Fisheries Co.
United States v. Eastman Kodak Co.
Plumbing Supplies Case.
United States v. American Wringer Co.
United States v. Kellogg Toasted Corn Flake Co.
United States v. Quaker Oats Co.
United States v. American Can Co.
United States v. Metropolitan Tobacco Co.
United States v. Southern Pacific Railroad Co.
United States v. Reading Co.
United States v. National Wholesale Jewelers' Association et al.
United States v. Terminal Railroad Association of St. Louis et al.
United States v. Corn Products Refining Co. et al.
United States v. McCaskey Register Co. et al.
United States v. Cleveland Stone Co. et al.
United States v. Charles S. Mellen, Edson J. Chamberlin, and Alfred W. Smithers.
United States v. American-Asiatic Steamship Co. et al.
United States v. The North Pacific Wharves & Trading Co. et al.
United States v. United Shoe Machinery Co. (An equity case.)

United States v. National Cash Register Co. et al.
United States v. Colorado and Wyoming Lumber Dealers' Association and the Lumber Secretaries' Bureau of Information.
United States v. S. W. Winslow et al.
United States v. Edward E. Hartwick et al.
United States v. William C. Geer, president Albia Box & Paper Co.
United States v. American Naval Stores Co.
United States v. Hamburg-Amerikanische Packetfahrt Actien Gesellschaft et al.
United States v. Isaac Whiting et al. (Two cases.)
United States v. John H. Patterson et al.
United States v. Associated Billposters and Distributors of the United States and Canada et al.
United States v. The Delaware, Lackawanna & Western Railroad Co. and the Delaware, Lackawanna & Western Coal Co.
United States v. White et al.
United States v. John P. White et al.
United States v. Board of Trade of the City of Chicago et al.
United States v. The Master Horseshoers' National Protective Association of America et al.
United States v. New York, New Haven & Hartford Railroad Co.

Mr. REED. Why, Mr. President, I can imagine the organizers of the Tobacco Trust, the organizers of the Sugar Trust, the organizers of the Standard Oil Co., the men who looted the New Haven Railroad—I can imagine these and a host of others not like three but like scores of witches around the caldron, which contains this so-called antitrust medicine, singing as sang the witches of Macbeth—the lines being brought down to date:

Let the caldron boil and bubble,
This bill won't give any trouble.

Mr. President, somebody has stated that these concerns might have pleaded guilty without knowing that the decree could afterward be used against them. What a harsh thing it would be, now, to use the decree! What an outrage is involved in the thought of using a decree rendered in a case which was resisted to the end! Again, what injury or wrong is done by using in future litigation the confession of guilt that a guilty man has made?

Mr. President, I pass from this particular section, which is section 6 of the House bill, section 4 of the Senate bill, and section 5 of the conferee's report.

COMMITTEE VIOLATES INSTRUCTIONS OF BOTH HOUSES OF CONGRESS.

I now desire to call the attention of the Senate to certain other emasculations this bill has suffered, especially to the action of the conferees with reference to section 3 of the conferees' report. I challenge any man to justify the action of the conferees upon this section. I affirm that the conferees have undertaken to repudiate the instructions given by both Houses of Congress; that they have assumed the right to make this section of the bill themselves to suit themselves. I declare that if this practice can be here justified we might as well abolish debates upon the floor and votes in the Chambers and simply appoint a conference committee to go out and make a bill to suit itself.

If I understand anything of the business of conferees, it is this: It is the duty of the Senate conferees to contend for that which the Senate has done; it is the duty of the House conferees to contend for that which the House has done; and when they find contention means disagreement, then one or the other of them will yield to the other or they will compromise the differences, each side yielding in part. But that they have the authority to strike out the instructions of both Houses, to repudiate the action in each case of their principals, to write something that suits them and that is in the teeth of the instructions of both Houses, I utterly deny.

The section to which I refer, as it came from the House, read as follows:

That any person engaged in commerce who shall lease or make a sale of goods, wares, merchandise, machinery, supplies, or other commodities for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, or fix a price charged therefor, or discount from, or rebate upon such price, on the condition, agreement, or understanding that the lessee or purchaser thereof shall not use or deal in the goods, wares, merchandise, machinery, supplies, or other commodities of a competitor or competitors of the lessor or seller, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding $5,000, or by imprisonment not exceeding one year, or by both, in the discretion of the court.

Now, notice that was a broad section. It prohibited all classes of tying contracts. It was not limited to patented articles or to tying contracts relating to patented articles, but it embraced and covered the patented article along with every other kind of article.

The section was stricken out by the Senate Judiciary Committee. I brought the question to the attention of the Senate by a motion to restore the section. The vote on that motion showed a majority of one against restoring the section as it came from the House. I renewed the motion later, and again it was defeated; but the principal reason the House provision was not restored is to be found in the fact that it was well known upon the floor that the Senator from Montana [Mr. WALSH] intended to offer a substitute. That substitute was afterwards offered by the Senator from Montana and read as follows:

That it shall not be lawful to insert or incorporate a condition in any contract relating to the sale or lease of or license to use any article or process protected by a patent or patents the effect of which will be to prohibit or restrict the purchaser, lessee, or licensee from using any article or class of articles, whether patented or not, or any patented process, supplied or owned by any person other than the seller, lessor, or licensor, or his nominees, or the effect of which will be to require the purchaser, lessee, or licensee to acquire from the seller, lessor, or licensor, or his nominees any article or class of articles not protected by the patent; and any such conditions shall be null and void, as being in restraint of trade and contrary to public policy.

Mr. President, the distinction between the substitute offered by the Senator from Montana and section 4 as passed by the House was this: Section 4 as passed by the House covered all articles, patented and unpatented——

Mr. OVERMAN. No, Mr. President.

Mr. REED. And all classes of tying contracts attached to those articles.

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from North Carolina?

Mr. REED. I do.

Mr. OVERMAN. No, Mr. President; the Senator is mistaken. The Senate committee put in the words "patented or unpatented."

Mr. REED. Very well.

Mr. OVERMAN. I think that was upon the Senator's own motion.

Mr. REED. Yes; that is true. The words were put in as a matter of precaution. Nevertheless, the general language of the bill as it came from the House would, in my opinion, have covered patented articles, certainly that is true, except for a case which had been overlooked, undoubtedly, in the House, and which was not considered until the bill came to the Senate. The case I refer to is the one known as Henry against Dick, in which it was held that a patentee had the lawful right to make a tying contract. Whether or not this section as it came from the House would have covered patented articles, such was clearly its purpose and intent, because the language was—

who shall lease or make a sale of goods, wares, merchandise, machinery, supplies, or other commodities—

And so forth.

The distinction, then, between the House bill and the Senate substitute as offered by Senator WALSH was that the House bill was intended to cover all kinds of articles, whereas the substitute was intended to apply only to patented articles. The House bill in covering all classes of goods was undoubtedly intended to cover patented goods. There was this further distinction: Senator WALSH's amendment had no penal clause. Thereupon I offered to amend the section by adding these words:

Any person violating the provisions of this section shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding $5,000 or by imprisonment not exceeding one year, or by both, in the discretion of the court.

That amendment was adopted by the Senate. Now, how stood the case? The House had prohibited tying contracts as applied to all classes of goods, and had provided a criminal penalty. The Senate cut down the scope of the House section, making it apply to only one of the classes of goods covered by the House section, and added the criminal penalty to that. The conferees of the House were in duty bound to stand for the criminal penalty, because the House had put it on not only with reference to patented and unpatented articles but with reference to other articles. The Senate conferees were bound to stand for it, because the Senate had specifically put it on with reference to patented articles. Then the conferees got together and took out the criminal clause as to everything. When they did so they violated their instructions from both wings of this Capitol.

Mr. OVERMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from North Carolina?

Mr. REED. I do.

Mr. OVERMAN. Section 2 and section 4 were stricken from the House bill by the Senate. Those two sections then came up in conference. Our section 2, which was the Walsh amendment, as passed by the Senate, amended the House bill. Then our section 2 and the House sections 2 and 4 all went into conference. The conferees, of course, under the instructions of the Senate, could not accept as they were sections 2 and 4 of the House bill, and absolutely declined to accept section 2 of the House bill. The matter was settled by a compromise, by putting

in "patented or unpatented articles" and adopting sections 2 and 4 without the penalty.

Mr. REED. Since the Senator has gone into the reasons of the conferees, I should like to ask him if the House conferees insisted on taking out the criminal clause from their own section, which you were restoring?

Mr. OVERMAN. No; it was a common agreement of the conferees since the establishment of the Trade Commission that that ought to be left with the Trade Commission.

Mr. REED. In other words, the House conferees did not insist upon taking out the criminal penalty that the House had put in and although the Trade Commission bill had been passed before we passed this bill through the Senate, and although we had added a criminal penalty here, you consented to have it stricken out.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Idaho?

Mr. REED. I do.

Mr. BORAH. I understood the Senator from North Carolina to say that the reason for taking out the provision with reference to punishment was because it was thought unnecessary in view of the Trade Commission act.

Mr. OVERMAN. We concluded that it ought to be looked after by the Trade Commission; that that would prevent these discriminations.

Mr. BORAH. The first fruit, then, of the Trade Commission act is to eliminate the criminal liability from this trust act?

Mr. OVERMAN. No; the Trade Commission having defined it, making it unlawful, it was recognized that there was the jurisdiction under the Trade Commission to stop it whenever they saw it exercised.

Mr. BORAH. It does give jurisdiction to stop it, but nevertheless the first results substantially of the Trade Commission act is to emasculate the antitrust law so far as criminal statutes are concerned.

Mr. OVERMAN. It does not emasculate the Sherman antitrust law.

Mr. BORAH. I do not say the Sherman antitrust law; I said this trust law.

Mr. OVERMAN. As to these corrupt practices.

Mr. REED. Mr. President, it can not be that the House conferees came over here to take out the criminal penalties from their own sections. If they did they assumed to repudiate the action of the 435 Representatives who compose the House of Representatives. On the other hand, in what kind of a position are the Senate conferees placed? The Trade Commission bill had been enacted before I offered my amendment to add a criminal penalty to the Walsh substitute.

Mr. OVERMAN. Right there——

Mr. REED. And the Senate acted with full knowledge of the Trade Commission act and by a vote added the penalty.

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from North Carolina?

Mr. REED. I do.

Mr. OVERMAN. I do not want to be misunderstood. The House conferees did not agree at once, but this was a matter of compromise. They preferred the House provision. The Senate had ordered us to strike out sections 2 and 4. The House conferees insisted upon their disagreement and they would not agree to our action, and the whole thing was a matter of compromise.

Mr. REED. I understand it was a matter of compromise. It was also a process of vivisection. The conferees operated upon the bill, and when you got through it was so thoroughly cut up that it does not make a respectable looking legislative corpse.

I can see how the House conferees could have come forward and said, "We want our section." I can see how the Senate conferees would have finally said, "We will yield to the House and give the House its sections." But how could the Senate conferees insist that if the body of the House section was restored the criminal clause should be stricken out in view of the fact that the Senate had expressly voted for the criminal clause? That, Mr. President, was not a compromise. That was going further than the House demanded.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Montana?

Mr. REED. I do.

Mr. WALSH. I should like to inquire of the Senator from Missouri whether he feels that any importance at all is to be attached to the fact that after the House had passed the Clayton bill with the provisions of which the Senator now speaks it thereafter approved and adopted the Trade Commission bill with section 5 in that bill incorporated in it by the Senate, which denounced as unlawful all forms of unfair competition, and provided for the enforcement of them, and whether he does not think that a fair statement of the case ought to embrace a recital of that fact?

Mr. President, it is perfectly well known that those two sections went out of the Clayton bill here because of the conviction that the conditions with which they dealt in sections 2 and 4 were already provided for and taken care of by section 5 of the Trade Commission bill. The Senator from Missouri did not agree with the Senate about that; he thought they were not. The Senate thought otherwise. That bill went over to the House, and apparently the House agreed with the Senate concerning the significance of it and passed that bill. In view of the action of the House in passing the Trade Commission bill with that provision in it, which was here declared by the Senate to cover the case intended to be provided by sections 2 and 4 of the Clayton bill, does not the Senator think, with that statement of fact, he ought to advise the Senate and the country that the House had likewise declared in that form and thereby warranted its conferees in acceding to the action of the Senate in striking those provisions from the bill?

Mr. REED. Mr. President, it is certainly not necessary to say to the Senate what I think I have already said, that the Trade Commission bill was passed by the Senate before the Clayton bill was passed by the Senate. Everybody in the Senate knows it, and everybody in the country who has followed the course of events knows it.

Mr. WALSH. I simply want to ask the Senator——

Mr. REED. Let me conclude my answer. The Senator has asked me several questions, and I want a moment to answer one or two before the Senator asks further questions.

The Senator says that the section was stricken out of the bill by the Senate committee because it was thought that the Trade Commission bill covered the practices. That is true; it was so thought by some of the members; but was the provision reported by the conferees in that shape?

The Senator asks me if I do not think that the conferees were controlled by the same motive as the Senate committee when they went into conference. I answer no, because if they had been they would have allowed the section to stay out of the bill and justified their action on the ground that the matter had been taken care of by section 5 of the Trade Commission bill. On the contrary, they said it was not taken care of by section 5 of the Trade Commission bill when they insisted that it should be again inserted in this bill. It follows they took no such position as was taken by the Senate committee. The fact is that the Senate conferees, going from the Senate Chamber with the vote of the Senate in favor of a criminal penalty ringing in their ears, went to a House committee that was insisting on restoring section 4, which contained a criminal penalty and was otherwise practically equivalent to the Senate substitute, and the conferees thus instructed cut out the penalty clause. I think it came out because the conferees of the Senate wanted it out. I can not conceive of the House of Representatives insisting upon having their section restored and then insisting that it should not be completely restored but must be mutilated.

I now yield to the Senator from Montana.

Mr. WALSH. After all, the enforcement of the House provision was to be through the Trade Commission act.

Mr. REED. Yes.

Mr. WALSH. How could they insist upon a penalty unless there was a method of enforcing it?

Mr. REED. Certainly; that question is answered by the bill itself. There are two other sections in the bill. Where there is a criminal penalty and the sections are enforcible through the Interstate Commerce Commission or the Trade Commission.

Mr. WALSH. Can the Senator refer to the particular section?

Mr. REED. Certainly. Let me call the attention of the Senator to section 10 on page 13:

SEC. 10. That after two years from the approval of this act no common carrier engaged in commerce shall have any dealings in securities, supplies, or other articles of commerce, or shall make or have any contracts for construction or maintenance of any kind, to the amount of more than $50,000, in the aggregate, in any one year, with another corporation, firm, partnership, or association when the said common carrier shall have upon its board of directors or as its president, manager, or as its purchasing or selling officer, or agent in the particular transaction—

At the end is the clause—

If any common carrier shall violate this section it shall be fined not exceeding $25,000; and every such director, agent, manager, or officer thereof who shall have knowingly voted for or directed the act constituting such violation or who shall have aided or abetted in such violation shall be deemed guilty of a misdemeanor and shall be fined not exceeding $5,000, or confined in jail not exceeding one year, or both, in the discretion of the court.

There is still another criminal penalty.

Mr. WALSH. That is all. There is a general enforcement of that through the Trade Commission.

Mr. REED. Yes.

Mr. CULBERSON. There is no provision for the enforcement of section 10 by the Interstate Commerce Commission.

Mr. REED. I say there is. That is my opinion. I merely express it.

Mr. WALSH. If the Senator will refer to section 11, he will satisfy himself fully about it. Section 11 provides that sections 2 and 3 shall be enforceable by the Trade Commission.

Mr. CULBERSON. Those are the only ones.

Mr. WALSH. Those are the only ones.

Mr. REED (reading):

SEC. 11. That authority to enforce compliance with sections 2, 3, 7, and 8 of this act by the persons respectively subject thereto is hereby vested in the Interstate Commerce Commission where applicable to common carriers, in the Federal Reserve Board where applicable to banks, banking associations, and trust companies, and in the Federal Trade Commission where applicable to all other character of commerce, to be exercised as follows:

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Idaho?

Mr. REED. I do.

Mr. BORAH. Do I understand the supposition is that the Trade Commission under section 5 will only have jurisdiction of such form of unfair competition as may be turned over to its jurisdiction by some express statute? In any form of unfair competition which might arise anywhere the Trade Commission would have jurisdiction, would it not? So it would not be necessary in order that the Trade Commission might have jurisdiction of this particular section that it be specified in this statute that it shall have jurisdiction of it.

Mr. CULBERSON. This bill as reported by the conferees did not rely entirely upon the definition in section 5 of the trade commission act, but these particular acts in sections 2, 3, 7, and 8 were expressly denounced as unlawful and their enforcement was placed in the hands of the three commissions where applicable respectively.

Mr. BORAH. But if the Trade Commission as created should conceive that anything in the commercial world constituted unfair competition it could take jurisdiction of it and deal with it, could it not?

Mr. CULBERSON. I think so, under that act. But the conferees did not see fit to leave that to the discretion of the trade commission. They went further and denounced these acts respectively, each separately, under sections 2, 3, 7, and 8, and left their enforcement to the Trade Commission, in the case of banks to the Federal Reserve Board, and of common carriers to the Interstate Commerce Commission.

Mr. BORAH. Yes; I understand the position of the Senator from Texas.

Mr. CULBERSON. That is the bill.

Mr. BORAH. I understand the bill also, but suppose we had not designated and defined these particular acts to be unlawful, what we conceive to be unfair competition; suppose we had omitted them from the bill entirely, the Trade Commission as created, if then they had come within its jurisdiction, could have dealt with them. So we are simply assuming that possibly they might not take this view of it.

Mr. CULBERSON. I think the position of the Senator is the correct view, Mr. President.

Mr. REED. Mr. President, I think I can show the Senators that the commissions do have jurisdiction. Let me read section 10 a little further. I think we will find out that the Interstate Commerce Commission has something to do with it, at least.

Mr. WALSH. It is not the question that it has not something to do with it. The Senator called my attention to some provision of the bill where a certain act was denounced and penalized and at the same time a provision was made for the punishment and restriction of the act through the operation of the Federal Trade Commission. The Senator can not find anything of that kind, and I think, in candor, the Senator should say he was mistaken about it.

Mr. REED. If I am mistaken——

Mr. WALSH. Of course you are.

Mr. REED. Whenever I conclude that I am mistaken I will be quite candid. In the meantime I hardly need any lectures or any chiding or to be told what my duty is. Let me see whether I am wrong or right. I did not speak of the Trade Commission. I spoke of the commissions, and it is equally fatal to the point raised by the Senator whether this authority is vested in the trade commission or in the Interstate Commerce Commission or in the Federal Reserve Board.

Mr. WALSH. I agree with the Senator entirely, and the Senator, I think, will be unable to point out where at one and the same time an act is penalized and power is given to any commission to enforce it.

Mr. REED. Very well. Section 10:

That after two years from the approval of this act no common carrier engaged in commerce shall have any dealings in securities, supplies, or other articles of commerce, or shall make or have any contracts for construction or maintenance of any kind, to the amount of more than $50,000 in the aggregate in any one year with another corporation, firm, partnership, or association when the said common carrier shall have upon its board of directors or as its president, manager, or as its purchasing or selling officer, or agent in the particular transaction any person who is at the same time a director, manager, or purchasing or selling officer of or who has any substantial interest in such other corporation, firm, partnership, or association, unless and except such purchases shall be made from or such dealings shall be with the bidder whose bid is the most favorable to such common carrier, to be ascertained by competitive bidding under regulations to be prescribed by rule or otherwise by the Interstate Commerce Commission. No bid shall be received unless the name and address of the bidder or the names and addresses of the officers, directors, and general managers thereof, if the bidder be a corporation, or of the members, if it be a partnership or firm, be given with the bid.

Any person who shall, directly or indirectly, do or attempt to do anything to prevent anyone from bidding or shall do any act to prevent free and fair competition among the bidders or those desiring to bid shall be punished as prescribed in this section in the case of an officer or director.

Every such common carrier having any such transactions or making any such purchases shall within 30 days after making the same file with the Interstate Commerce Commission a full and detailed statement of the transaction showing the manner of the competitive bidding, who were the bidders, and the names and addresses of the directors and officers of the corporations and the members of the firm or partnership bidding; and whenever the said commission shall, after investigation or hearing, have reason to believe that the law has been violated in and about the said purchases or transactions it shall transmit all papers and documents and its own views or findings regarding the transaction to the Attorney General.

If any common carrier shall violate this section, it shall be fined not exceeding $25,000; and every such director, agent, manager, or officer thereof who shall have knowingly voted for or directed the act constituting such violation or who shall have aided or abetted in such violation shall be deemed guilty of a misdemeanor and shall be fined not exceeding $5,000, or confined in jail not exceeding one year, or both, in the discretion of the court.

Mr. NELSON. Will the Senator yield to me for a moment?

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Minnesota?

Mr. REED. I do.

Mr. NELSON. In connection with the section the Senator has just read, I desire to call his attention to one peculiarity. While sections 2, 4, and 8 are put under the commission form of government, either the Interstate Commerce Commission or the Trade Commission, and also the section giving injunctive relief to individuals, this section 11 is both immune from the commission form of government under the Trade Commission act or under that style, and is also immune from injunctive relief under section 16. In other words, the men who furnish supplies to the railroad companies are put in a class by themselves and given immunity distinct from everybody else.

Mr. REED. Mr. President, there is another section here that I am not going to stop to examine. The point is not important. The Senate can judge whether I am correct or the Senator from Montana. The point raised is a mere side issue anyway. There is no reason why there may not be a criminal penalty and the commissions also exercise jurisdiction over civil violations.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Idaho?

Mr. REED. I do.

Mr. BORAH. There is one feature of this matter which is interesting to me. It seems to be conceded that punishment is inconsistent with the theory of the Trade Commission act, and that wherever the Trade Commission has jurisdiction the idea of punishment should be eliminated. I understand the theory upon which this particular clause was left out is because it came under the Trade Commission act, and that wherever the Trade Commission act operates, the theory of punishment should be eliminated.

Mr. REED. Mr. President, I want to say now, lest I forget it, that when we had section 5 of the Trade Commission bill here under discussion, and when it was alleged that we ought to write into that section a definition of what constitutes unfair competition, the argument was repeatedly made upon the floor of the Senate that that bill was to be followed by the Clayton bill, which named certain specific offenses or acts and denounced them. When it was alleged that there ought to be a penal clause put into the Trade Commission bill it was always met by the argument that these penal clauses were following in the Clayton bill. No sooner was the Trade Commission bill passed than these same gentlemen proceeded to use it to destroy the substan-

tive law which was to follow it and which we were told would be passed. Thus the country is to be deprived of antitrust legislation.

Now, Mr. President, returning after this very pleasant digression into a field that grew nothing but June grass, I call attention again to section 3 of the conference report. Not only did these gentlemen cut out the criminal provision, but they disemboweled the section. Now, mark, here came the House with a provision that denounced all tying contracts of whatsoever kind or nature as criminal, and proposed to so punish them. Here came the Senate denouncing contracts relating to patented articles and proposing to punish them. Here sit the assembled conferees with these instructions. They strike out first the criminal penalty, although both Houses had voted for a criminal penalty. The section had provided that all contracts for the sale of goods, wares, machinery, supplies, or other commodities, whether patented or unpatented, for use, consumption, or resale, which should attempt to fix a price on the goods sold upon the condition, agreement, or understanding that the purchaser should not use or deal in the goods, wares, merchandise, machinery, or supplies of another. The conferees added this language:

Where the effect of such lease, sale, or contract for sale or such condition, agreement, or understanding may be to substantially lessen competition or tend to create a monopoly in any line of commerce.

Before that amendment was put on it was enough to go into court and prove that a man had made a contract for the sale of an article, and in that contract had specified that the purchaser should not use some other article. That was all you had to prove, and the gates of the jail swung inward to receive the guilty man. But now, when you have proven the making of the contract, you have not made a case at all. You can be demurred out of court. You must go further and prove that the making of the contract may substantially lessen competition or tend to create a monopoly in that line of commerce.

Notice that the lessening of competition or the tendency to create monopoly in one section or city is not enough. The line of commerce, taken as a whole, must be substantially involved.

What individual contract could be said to so substantially affect an entire line of trade as to tend to create a monopoly? What contract would substantially lessen competition in an entire line of commerce? Apply that rule to the Standard Oil Co. Its "line of commerce" embraces the habitable earth. Its customers are all the civilized races of men. Its weekly sales mount far into the millions.

How will it ever be possible to prove that any single contract tends to substantially restrain competition or establish monopoly in a "line of business" so vast as to be incomprehensible? How are you going to prove that it may lessen competition? I affirm that you can not make a case out under that clause as easily as you can prove a restraint of trade, which is all that you have to prove in order to make a case under the Sherman Act.

Mr. NELSON. Will the Senator from Missouri yield to me a moment?

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Minnesota?

Mr. REED. I do.

Mr. NELSON. I call the Senator's attention to the fact in this connection that they have injected a new term which will lead to endless disputes—the word "substantially" in the phrase "substantially lessen competition." That is a phrase that is not included in the antitrust law. You will find running through this bill in half a dozen different places that same word "substantial" or "substantially," thus injecting a term that may lead to endless litigation as to what is substantially the lessening of competition.

Mr. REED. Mr. President, let us stop and analyze the situation now in which the representative of the Federal Government will find himself under this section. We will take the Shoe Machinery case, which is now pending. The Shoe Machinery Trust has a contract which contains a clause which in substance and effect is that whoever shall use one of the principal machines obtained from the Shoe Machinery Co. must obtain certain other machines from that company. That is what is called the "tying clause." As this section stood as written by the Senator from Montana [Mr. WALSH] the Government in the prosecution of that concern would only be obliged to come in and lay down the contract which the Shoe Machinery Co. had made with AB and prove that a machine had been delivered to AB under the terms of that contract. Thereupon the Government would have made a complete case and need go no step further; but under the present language of the bill, when the Government has done all that, it has done nothing; it must now prove, under the first clause of this amendment, that the making of that contract may be to substantially lessen competition in that line of commerce.

Let us see. Here are two concerns making the machines. They were in competition with each other before one of them made a tying contract. They are in competition with each other after the contract is made. Both of them, under this clause, have the right to make such a contract. There is the same degree of competition, exactly, after the contract is made that there was before the contract was made.

Here are 10 men engaged in selling horses. I make a contract with A by which, if I sell him one horse, he agrees to buy five other horses from me if he needs them. My rival, B, makes the same kind of contract, if he sees fit, with his customer, and so on through the 10. There are still 10 rivals in competition; there are still 10 men competing; the competition is still there; there has been no lessening of competition; but there has been a restraint of trade, because this man whom I compelled to sign a contract that he will buy in future from me and not from the other man is restrained of his natural right, his natural liberty to trade where he pleases; but the competition has not been lessened, though the opportunity of my rival has been lessened.

Mr. WALSH. Let me inquire of the Senator if that is the case, what harm does he see in it?

Mr. REED. I see great harm in the amendment to the section.

Mr. WALSH. I understand; but I refer to the case of which the Senator has spoken.

Mr. REED. I see great harm in it for this reason——

Mr. WALSH. Take the 10 men engaged in selling horses.

Mr. REED. I see tremendous harm in it. I distinguish between lessening competition and restraint of trade. You do not lessen competition until you have put your competitor into a position where he can no longer do business; but so long as he is there and can do business, you have not lessened competition, because all the men are competing who were originally competing. You may have restrained trade, you may have restrained the commercial liberty of the man who was forced to sign the contract, and you may have restrained the opportunity of the competitor to get that trade, but you need not have "substantially lessened competition in that line of commerce."

Mr. WALSH. Mr. President, if the Senator will pardon me, it was not the general matter about which he speaks that I was referring to. Here are 10 men engaged in raising horses. I am one of those 10. One of them comes to me and wants to buy a horse. I say "I will sell you this horse for $175." He says "I may want five or six horses more during the course of the winter." I say, "I will tell you what I will do; if you will agree to buy from me whatever horses you may need this winter at the same figure, I will sell you this horse for $150." What I want to know is, what is the harm in that?

Mr. REED. Mr. President, I ought not to be expected to stop and discuss the details of every little, simple illustration I use. In the case put by the Senator there would be no harm; in a little, simple transaction of that kind there would be no difficulty; but if we admit the principle, we must admit it for all cases. Accordingly, when an institution has gained, through the possession of a patented article, which is essential in some line of business or trade or manufacture, a monopoly, and thereupon, having a monopoly of that essential article proceeds to compel everybody who acquires the right to use it to buy everything else they use in their factory from the proprietor of that article, the result is monopoly, or restraint of trade. That is exactly the practice which has been followed by the Shoe Machinery Co. and by many other trusts.

Mr. WALSH. There is no doubt about that, and of course we all want to reach that case.

Mr. REED. Accordingly, if we are going to reach it, we can only reach it by a general provision.

Mr. WALSH. But the provision favored by the Senator I was afraid would stop the horse trader from making that kind of a contract.

Mr. REED. I am perfectly willing to stop him, and there is no reason why he should not be stopped; there is no reason why that kind of contract should be made. It is not essential to the public welfare; it does not make for the freedom of trade. We must, if we hope to reach these big concerns, make our laws so that occasionally some small man may have to alter his method of doing business.

But, Mr. President, I do not now want to be led aside into the discussion of details. What I am trying to impress upon the Senate and upon the conferees—and it is as hopeless a task as I ever undertook in my life to try to impress anything on the conferees—is that the term "substantially lessen competition in a line of business" can not be proven as easily as simple restraint of trade. If that be true, then the section is without

value, because, in order to make a case under it, the complainant must prove all that it is necessary to prove under the Sherman Act. Thus, I say, you have disembowled this section.

You have another phrase in the report, a catch phrase—I ought to say a catchpenny phrase—"or tend to create a monopoly in any line of commerce." Mr. President, it is the law to-day that when a combination tends to restraint of trade or monopoly, when that result may come therefrom, it is within the Sherman law. You are not obliged to prove that monopoly has been created; it is enough to show that the legitimate consequence of the act or acts complained of is monopoly or restraint of trade. So, after all this fulmination and after all this effort, we get nowhere.

To-day the Government goes in to try the Shoe Machinery Trust case—I go back to that because it has been often discussed. The first thing the Shoe Machinery Trust alleges is that, under the authority of the Dick case, they have a natural and legitimate monopoly by patent upon certain of their machines; and that, having that legitimate monopoly upon their machines, they have the right, under the decisions of the courts, to specify the terms and conditions upon which that monopoly can be used by the people. The decision in the Dick case, you will remember, stated that they could attach a little notice in the form of a license, "Only certain kinds of material purchased from us can be used on this machine." That practice is not made illegal by this bill; that is not condemned by this bill. It is only condemned by this bill when the complainant, in addition to proving the contract, can go further and show that the effect of the contract is to lessen competition, or that it tends to create a monopoly. In other words, the Government will be obliged to prove substantially all it has to prove to-day under the Sherman Act. Thus, I say, the conferees have very carefully, very artistically, with the skill of the trained surgeon and the delicate touch of experts, taken all the substance out of this provision.

Mr. NELSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Minnesota?

Mr. REED. I do.

Mr. NELSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Jones	Overman	Smith, Md.
Bankhead	Lane	Page	Smoot
Bryan	Lea, Tenn.	Perkins	Sterling
Chilton	Lewis	Pomerene	Swanson
Clapp	McLean	Reed	Thornton
Crawford	Martin, Va.	Robinson	Vardaman
Culberson	Martine, N. J.	Sheppard	Walsh
Fletcher	Myers	Shields	Warren
Hughes	Nelson	Shively	

Mr. LANE. I wish to announce that my colleague [Mr. CHAMBERLAIN] has been called from the Chamber on business of the Senate.

Mr. THORNTON. I desire to announce the necessary absence of my colleague [Mr. RANSDELL] on public business.

The VICE PRESIDENT. Thirty-five Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of the absentees.

The Secretary called the names of the absent Senators, and Mr. KERN, Mr. OWEN, Mr. SHAFROTH, and Mr. WHITE responded to their names when called.

The VICE PRESIDENT. Thirty-nine Senators have answered to the roll call. There is not a quorum present.

Mr. CULBERSON. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The VICE PRESIDENT. The question is on the motion of the Senator from Texas.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will execute the order of the Senate.

Mr. SMITH of South Carolina, Mr. WEST, Mr. THOMPSON, Mr. SMITH of Arizona, Mr. POINDEXTER, Mr. HITCHCOCK, Mr. GORE, and Mr. STONE entered the Chamber and answered to their names.

Mr. REED. Mr. President, I should like to know the result of the roll call.

The VICE PRESIDENT. The Chair will state that 47 Senators have responded up to this time.

Mr. COLT, Mr. WILLIAMS, and Mr. MCCUMBER entered the Chamber and answered to their names.

The VICE PRESIDENT. Fifty Senators have answered to the roll call. There is a quorum present.

RECESS.

Mr. KERN. I move that the Senate take a recess until 11 o'clock to-morrow forenoon.

The motion was agreed to; and (at 4 o'clock and 45 minutes p. m., Monday, September 28, 1914) the Senate took a recess until to-morrow, Tuesday, September 29, 1914, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

MONDAY, *September 28, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Infinite and eternal Spirit, never very far from any of us, we would draw near to Thee, that our faith may be increased, our hearts purified, our lives ennobled; that we may be able to cast out the demons which doth so easily possess us, jealousy, anger, malice, hatred, revenge, avarice, licentiousness, and the rest of that ill-begotten family; that the better angels of our nature may be in the ascendancy, working the works of righteousness; that we may become altogether God-like, which is the real business of life, after the similitude of the Master. Amen.

The Journal of the proceedings of Saturday, September 26, 1914, was read and approved.

EXTENSION OF REMARKS.

Mr. DOOLITTLE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by giving the authentic status of the National American Woman's Suffrage Association in the congressional election.

The SPEAKER. The gentleman from Kansas [Mr. DOOLITTLE] asks unanimous consent to extend his remarks in the RECORD to show the real position of the Woman's Suffrage Association with reference to congressional elections. Is there objection?

Mr. MANN. Which association?

Mr. DOOLITTLE. The National American Woman's Suffrage Association.

Mr. MANN. Does the gentleman also show the position of the other association?

Mr. DOOLITTLE. They have no connection with the other association.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. ADAIR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on matters of legislation.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. MADDEN. Mr. Speaker, I wish to ask unanimous consent to extend my remarks in the RECORD on the subject of the Clayton bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. ADAIR]? [After a pause.] The Chair hears none. Is there objection to the request of the gentleman from Illinois [Mr. MADDEN]? [After a pause.] The Chair hears none.

Mr. HUMPHREY of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the general subject of legislation.

The SPEAKER. The gentleman from Washington asks unanimous consent to extend his remarks in the RECORD on the subject of legislation. Is there objection? [After a pause.] The Chair hears none.

Mr. PAYNE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the state of the Union. [Laughter.]

The SPEAKER. The gentleman from New York [Mr. PAYNE] asks unanimous consent to extend his remarks in the RECORD on the subject of the state of the Union. Is there objection?

Mr. FITZGERALD. Is that the best information the gentleman can give as to what he is likely to effuse about?

Mr. PAYNE. I think that covers the scope. [Laughter.]

The SPEAKER. Is there objection?

Mr. FITZGERALD. Oh, well, let the gentleman from New York have it.

The SPEAKER. The Chair hears no objection.

ORDER OF BUSINESS.

Mr. JOHNSON of Kentucky. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. JOHNSON of Kentucky. I would ask the Chair as to whether or not, under the rule in reference to the Philippine bill which was adopted Saturday, this is District day?

The SPEAKER. The Chair has examined that rule very carefully and thinks it cuts out District day.

Mr. JOHNSON of Kentucky. Mr. Speaker, I ask unanimous consent that to-day be devoted to District business.

Mr. CALLAWAY. Mr. Speaker, I object.

The SPEAKER. The gentleman from Kentucky asks unanimous consent that to-day be devoted to District business and the gentleman from Texas [Mr. CALLAWAY] objects.

Mr. JOHNSON of Kentucky. Mr. Speaker, has the Chair the right to recognize me to move to suspend the rules to-day?

The SPEAKER. Has the Chair the right to do what?

Mr. JOHNSON of Kentucky. To recognize me to move to suspend the rules upon this question?

The SPEAKER. No; this is not the day given to suspension of the rules. Next Monday will be the day, unless the Chair has the almanac wrong.

Mr. JOHNSON of Kentucky. Mr. Speaker, I ask unanimous consent that next Monday be set aside for District business instead of to-day.

Mr. UNDERWOOD. Mr. Speaker, I suggest to the gentleman from Kentucky that next Monday is unanimous-consent day, in which every Member of the House is interested.

Mr. JOHNSON of Kentucky. What day would the gentleman suggest?

Mr. UNDERWOOD. I would rather it would be some other day than unanimous-consent day.

Mr. JOHNSON of Kentucky. Mr. Speaker, I ask unanimous consent that next Saturday be set aside for District business in lieu of to-day.

The SPEAKER. The gentleman from Kentucky [Mr. JOHNSON] asks unanimous consent that next Saturday be set apart for the consideration of District business.

Mr. CALLAWAY. Mr. Speaker, I object at this time. If we get through with this Philippine bill, I will not object.

The SPEAKER. The gentleman from Texas objects.

Mr. JOHNSON of Kentucky. Mr. Speaker, I ask unanimous consent that to-morrow week be set aside for District business.

The SPEAKER. The gentleman from Kentucky [Mr. JOHNSON] asks unanimous consent that to-morrow week be set aside for District business. Is there objection to that?

Mr. CALLAWAY. Mr. Speaker, I object unless it is put on the contingent ground that we get through with this Philippine bill.

Mr. JOHNSON of Kentucky. Then, Mr. Speaker, I ask unanimous consent that the first day except Wednesday or unanimous-consent day be set aside for District business after the Philippine bill is disposed of.

The SPEAKER. The gentleman from Kentucky [Mr. JOHNSON] asks unanimous consent that the first day after the Philippine business is concluded shall be set aside for District business except Wednesday and unanimous-consent day. Is there objection?

Mr. GARNER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GARNER. If that consent is given, will that put it on the status of to-day, so that conference reports and other privileged matters, if desired, can be considered?

The SPEAKER. Yes; it is simply that day, whatever it is, for to-day. Is there objection to that?

Mr. MANN. Mr. Speaker, reserving the right to object, after the Philippine bill is disposed of, I take it there will likely be the conference report on the Clayton bill, and that some time between now and later at least action upon the rivers and harbors bill.

If the gentleman should have his request granted, and the entire day set aside should be used for either one of those purposes, it would not accomplish the gentleman anything.

Mr. JOHNSON of Kentucky. That seems to be the best I can get.

Mr. MANN. I am quite in sympathy with the gentleman about getting a District day. May I ask the gentleman from Alabama [Mr. UNDERWOOD] if we can get any indication from him as to what we are likely to do in the House after we have disposed of the Philippines bill, the conference report on the antitrust bill, and the river and harbor bill?

Mr. UNDERWOOD. I will say to the gentleman that the question of whether the shipping bill will come up or not before next month is yet undecided, but if we can reach an adjournment when those bills are disposed of—that is, if the business in the Senate is such that we can not reach an adjournment if they are disposed of—I will be very glad to enter into a pact to let the Members go home until election, or until the revenue bill comes back from the Senate. But I am not prepared to answer the gentleman fully this morning, because the decision about whether the shipping bill will be taken up or not has not been finally reached.

Mr. MANN. Does the gentleman from Alabama, in view of the list of public business and the length of the session, think it is desirable now to postpone action on the conference report on the trust bill or the rivers and harbors bill in order that the District may have a day?

Mr. UNDERWOOD. Well, as I understood the gentleman's request, it was merely to make another day District day, as to-day is. When we reach that day, if the House desires to take up a conference report or privileged matter, it does not have to take up the District business, and can decide then. If it was making a District day that would exclude everything else, I would not be in favor of the order being made at this time, but as I understand it, if the order is made now it merely gives the gentleman the same right that he would have to-day, and, of course, if a majority of the House, when that day is reached, desires to clear up matters, they can raise the question of consideration and take up the other matters.

Mr. MANN. Of course, the request made by the gentleman from Kentucky [Mr. JOHNSON] was that the first day following, and so forth, should be set apart for the consideration of District business. And while the Speaker did not state the request that way——

Mr. UNDERWOOD. I understood the Speaker to state that the request was to substitute another day for to-day, which, I understand, would give the gentleman from Kentucky and the District business no more rights or no less rights than they would have to-day, and with that status I have no objection. Of course, I would not wish to see an order made now that might put District business ahead of a conference report or business that we would have to transact in order to get away. But as it leaves it open to the House to determine whether they will set aside District business when it is reached or not, I see no objection to the order being made at this time. And I understand that is the status the gentleman desires to obtain.

Mr. JOHNSON of Kentucky. I think that is correct.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, I would like to have the request submitted so that we would know what it is.

The SPEAKER. The request is that the first day after the conclusion of the Philippine bill that is not a Calendar Wednesday or a unanimous-consent day shall take the place of to-day for the consideration of District business.

Mr. MANN. District business has no rights to-day. They have been cut out.

The SPEAKER. Well, I know; but I am talking about the general right. It means simply this—that the first day after the conclusion of the Philippine bill, if it is not Wednesday or a unanimous-consent day, shall be substituted for to-day with all the rights and appurtenances thereunto belonging and no more. [Laughter.]

Mr. JOHNSON of Kentucky. That hardly states it correctly, for the reason that if the next day after the conclusion of the Philippine bill should be either Wednesday or unanimous-consent day, then the District Committee would be excluded.

The SPEAKER. Oh, no; the first day that happens after this bill is finished that does not fall within one of those two categories you are to have. Is there objection? [After a pause.] The Chair hears none.

REMAINS OF EARL A. BANCROFT.

Mr. JOHNSON of Kentucky. Mr. Speaker, I have insisted that we have a day for the District, but that has been denied. I would not ask to bring up anything about which there would be any sort of discussion, but there is a bill on the calendar which came out of the District Committee and in which the gentleman from Minnesota [Mr. ANDERSON] is interested. It relates simply to the removing of the remains of a young man from one cemetery here to another cemetery. I do not think it would take any debate whatever, and I ask unanimous consent to take it up and pass it.

The SPEAKER. The gentleman from Kentucky asks unanimous consent for the present consideration of a bill which the Clerk will report.

The Clerk read as follows:

An act (S. 5798) authorizing the health officer of the District of Columbia to issue a permit for the removal of the remains of the late Earl A. Bancroft from Glenwood Cemetery, District of Columbia, to Mantorville, Minn.

Be it enacted, etc., That the health officer of the District of Columbia be, and he is hereby, authorized to issue a permit for the removal of the remains of the late Earl A. Bancroft from Glenwood Cemetery, District of Columbia, to Mantorville, Minn.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. JOHNSON of Kentucky. Mr. Speaker, I ask unanimous consent that all debate upon the bill immediately close.

There was no objection.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, was read the third time, and passed.

PARKS IN RECLAMATION PROJECTS.

Mr. FERRIS. Mr. Speaker, a parliamentary inquiry. Does the adoption of the rule under which we are operating take away the privilege of considering conference reports?

The SPEAKER. It seems to the Chair that it sweeps the platter clean.

Mr. FERRIS. I have a conference report here that will not take a moment's time. I ask unanimous consent to take up for consideration at this time the conference report on the bill S. 657, and pending that I wish to say that this bill passed by unanimous consent, with four amendments, and the Senate has receded from all of them.

The SPEAKER. The Clerk will report the conference report by title.

The Clerk read as follows:

Conference report on the bill (S. 657) to authorize the reservation of public lands for country parks and community centers within reclamation projects in the State of Montana, and for other purposes.

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, Mr. Speaker, this conference report has not previously been submitted, has it?

Mr. FERRIS. It has been. It has been lying on the Speaker's table two or three weeks. I have neglected it because I had other matters to attend to.

I will say to the gentleman that this is a Senate bill, and the House put four amendments on it, and it passed by unanimous consent in the House. The Senate disagreed to those amendments at first and asked for a conference, and then receded. If the House passes this conference report now it will do precisely what we did heretofore by unanimous consent in passing the bill.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The Clerk will read the conference report.

The conference report was read as follows:

CONFERENCE REPORT (NO. 1121).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 657) to authorize the reservation of public lands for country parks and community centers within reclamation projects in the State of Montana, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 1, 2, 3, 4, and the amendment of the title of the bill, and agree to the same.

SCOTT FERRIS,
EDWARD T. TAYLOR,
BURTON L. FRENCH,
Managers on the part of the House.

H. L. MYERS,
KEY PITTMAN,
REED SMOOT,
Managers on the part of the Senate.

The statement is as follows:

STATEMENT.

The managers on the part of the House on the disagreeing vote of the two Houses on certain amendments to the Senate bill (S. 657) to authorize the reservation of public lands for country parks and community centers within reclamation projects in the State of Montana, and for other purposes, submit the following written statement in explanation of the effect of the action agreed upon by the conference committee and submitted with the accompanying conference report as to each of the House amendments, namely:

On amendment No. 1: The Senate recedes and concurs in the House amendment, as it was deemed advisable to make this a general act applicable to all of the States in which reclamation projects are situated, rather than having it confined to the State of Montana alone.

On amendment No. 2: The Senate recedes and concurs in the House amendment, as it was deemed appropriate that that language should be inserted in section 2 as an expressed condition upon which these community centers shall be set apart.

On amendment No. 3: The Senate recedes and concurs in the House amendment, as it is deemed that the language in section 4 more than appropriately covers this subject and that the provisions of section 4 are amply sufficient.

On amendment No. 4: The Senate recedes and concurs in the House amendment, as the terms of the amendment are deemed more suitable, appropriate, and practical, as well as equitable, than the language stricken out.

It is also mutually agreed that the title should be amended by striking out "in the State of Montana," so as to make the title correspond with the amendments and bill as so amended. In other words, the Senate recedes and accepts all of the House amendments, as your committee deem the bill as so amended more in harmony with the spirit of the reclamation act and the object of this bill.

SCOTT FERRIS,
EDWARD T. TAYLOR,
BURTON L. FRENCH,
Managers on the part of the House.

AMENDMENTS.

(1) Page 1, line 4, strike out "in the State of Montana."

(2) Page 2, line 3, after "That," insert "subject to the provisions hereinafter contained."

(3) Page 2, line 22, after "States," strike out all down to the period in line 24.

(4) Page 3, line 7, after "the" where it first occurs, strike out all down to the period in line 9 and insert "disposition of lands reverting to the United States under the provisions of this act, and from sales of water rights, shall be covered into the reclamation fund and placed to the credit of the project wherein the lands are situate."

Amend the title so as to read: "An act to authorize the reservation of public lands for country parks and community centers within reclamation projects, and for other purposes."

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

LEAVE OF ABSENCE.

Mr. STEDMAN, by unanimous consent, was granted leave of absence indefinitely, on account of illness in his immediate family.

THE PHILIPPINE ISLANDS.

The SPEAKER. Under the special rule the House automatically resolves itself into Committee of the Whole House on the state of the Union for the further consideration of House bill 18459, with the gentleman from Virginia [Mr. FLOOD] in the chair.

Thereupon the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands, with Mr. FLOOD of Virginia in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 18459, the Philippine bill, of which the Clerk will report the title.

The Clerk read as follows:

A bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands.

Mr. JONES. Mr. Chairman, the ratifications of the treaty of peace between the Kingdom of Spain and the United States took place in this city on the 11th day of April, 1899, or more than a decade and a half ago. During the more than three years that elapsed between that date and the 1st day of July, 1902, the military, civil, and judicial powers employed in the government of the Philippine Islands were exercised as prescribed by the President of the United States, through military and civil officials appointed by him. The act of Congress known as the organic law of the Philippines was approved on the 1st day of July, 1902, since when the Philippine Islands have been

governed in accordance with the provisions of that act and certain amendments thereto subsequently adopted by Congress. It thus appears that the act of Congress of July 1, 1902, as amended in unimportant particulars, although expressly declared therein to be a temporary measure, has been the law under which the Philippine Islands have been governed for more than 12 years past.

The bill now under consideration not only provides a more autonomous government for the Philippine Islands than that which they now have, but it declares it to be the purpose of the people of the United States to grant to the inhabitants of those islands their full and complete independence so soon as a stable government has been established therein. If, therefore, this bill is enacted into law, it will contain an authoritative declaration on the part of the people of the United States as to the future political status of the people of the Philippine Islands.

It will be observed that this declaration conforms substantially, if not literally, to the declarations contained in the platform of the last Democratic national convention—the platform upon the declarations and pledges of which the Democratic Party was intrusted with the control of both the executive and legislative branches of the Federal Government, and to the performance of which that party has been solemnly committed.

It ought not to be necessary to occupy the time of the House in the presentation of arguments in favor of the adoption at this time by the Congress of the United States of a declaration setting forth definitely that it is not the purpose of the American people to permanently retain possession of the Philippine Islands, but that, on the contrary, it is their purpose to grant to their inhabitants their independence so soon as they have demonstrated their capacity to govern themselves. As is set forth in the report which accompanies this bill, "all Americans who by virtue of their official position or their intimate knowledge of the facts are entitled to consideration state that it was never the intention of the people of the United States in the beginning of the War with Spain to make that war one of conquest or territorial aggrandizement." On the contrary, all those who have been charged with the responsibility of governing the Philippine Islands since they came into possession of the United States, and whose opinions by reason of their high official positions are entitled to consideration and weight, have with one voice proclaimed that the Filipino people were ultimately to be given their independence. That it is the consensus of the best opinion of the American people that the United States should not hold the Philippine Islands in perpetuity and govern them as a colonial possession there can be no doubt, and no respectable body of American citizens, from the day that Dewey entered Manila Bay, thus foredooming Spanish sovereignty in the Philippines, up to the present moment, has ever declared in favor of the permanent retention of these islands. On the other hand, precisely the contrary has been proclaimed over and over again by the recognized leaders and spokesmen of the Republican Party. Why, then, may I ask, should any Republican oppose the adoption of the preamble to this bill for the reason that it declares it to be the purpose of the people of the United States to grant the Philippines their independence so soon as a stable government has been established therein?

It will be conceded, I think, that there is no higher Republican authority as to the attitude of his party toward the Philippines than former President Taft. In 1908, at the direction of President Roosevelt, and in his capacity as Secretary of War, he visited the Philippine Islands, and upon his return made a voluminous report as to conditions in those islands. In that report this distinguished Republican stated that there were many Filipinos who desired that the American people should declare a definite policy as to the Philippines, so that they might be informed as to what that policy was. He did not, he said, see how any more definite policy could be declared than was declared by President McKinley in his instructions to Secretary Root for the guidance of the Philippine Commission, which, he affirmed, was incorporated into law by the organic act of Congress.

That policy—

He said—

is declared to be the extension of self-government to the Philippine Islands by gradual steps from time to time as the people of the islands shall show themselves fit to receive the additional responsibility.

He went on to say:

It necessarily involves in its ultimate conclusion as the steps toward self-government become greater and greater the ultimate independence of the islands.

In another part of this report the then Secretary of War undertakes to define even more specifically and clearly the policy of the United States toward the Philippines, and in doing so he employs these words:

Shortly stated, the national policy is to govern the Philippine Islands for the benefit and welfare and uplift of the people of the islands, and gradually to extend to them, as they shall show themselves fit to exercise it, a greater and greater measure of self-government.

He added that the logical deduction from this proposition is—

that when the Filipino people as a whole show themselves reasonably fit to conduct a popular self-government, maintaining law and order, and offering equal protection of the laws and civil rights to rich and poor, and desire complete independence of the United States, they shall be given it.

If, then, it be true, as asserted by Mr. Taft, that President McKinley announced, and that his announcement was afterwards affirmed by Congress, that it is the policy of the United States to grant complete independence to the Philippines when the Filipinos desire it, and show themselves reasonably fit to conduct a popular self-government, maintaining law and order, and offering equal protection of the laws and civil rights to rich and poor, what possible objection can any consistent Republican have to stating the same proposition in different language in this bill? Will it be seriously maintained by anybody that there is any essential difference between promising the Filipinos their independence when they have shown themselves to be capable of maintaining law and order and of offering equal protection of the laws and civil rights to rich and poor, and promising them that independence so soon as they have establish a stable government? Any government failing to maintain law and order and not offering equal protection of law and civil rights to rich and poor alike is lacking in the most essential elements of stability. Stable government fulfills every condition set forth by Mr. Taft, and embraces more besides. A stable government is one that is securely and firmly established, and no government can be stable whose people are incapable of maintaining law and order and of affording protection to all persons alike. I can not therefore understand the attitude of the gentlemen who, subscribing to the proposition laid down by President Taft as the policy of his party, pretend to see danger and harm in that which is set forth in the preamble of this bill. If Congress has affirmed the McKinley policy as defined by Mr. Taft, surely there can be no harm at least in reaffirming that policy in terms substantially and essentially the same and equally as conservative.

To hold and govern the Philippine Islands permanently is, therefore, not only contrary to the oft-repeated declarations of such Republicans as ex-President Taft, but contrary to the free principles upon which our Government is founded, and therefore the very thought is repugnant to every liberty-loving American citizen. [Applause on the Democratic side.] It may be that there are a few Americans who, from selfish and interested motives, favor the permanent retention of the Philippines, but their number is inconsiderable and their motives quite apparent. Those, for instance, who enjoy a monopoly of trade in certain Philippine productions, such as manila hemp, may not favor the withdrawal of American sovereignty over the islands. And it may not be unnatural also that many American officeholders in the islands should view with disfavor any action on the part of the United States which will have the effect of separating them from the public service. The permanent retention of the Philippines, too, necessarily involves the maintenance of larger military and naval establishments than would otherwise be necessary, and that means, of course, quicker promotions in the Army and Navy, so that it is to be expected that some opposition to granting the Philippines their independence may be anticipated in those quarters; but, as I have said, it can not be questioned but that the great body of the American people are opposed to the permanent retention of the Philippines. Nor can it be truthfully denied that their retention by the United States is a source of military weakness and a constant menace to our peace. To embark upon the turbulent waters of imperialism will mean that some day, not far distant, we shall be plunged into the dangerous maelstrom of oriental politics. So that from the standpoint of our own best interests, as well as from the higher considerations of justice and right, it would seem that the time is ripe for a declaration on the part of the people of the United States as to their intentions and purposes in respect to the future political status of the Philippines.

I shall not stop now to discuss the financial and economic aspects of the Philippine question as they appear to me to affect the people of the United States, for, serious as they must be admitted to be, they are not, in my judgment, the most important ones. It may not be amiss, however, to state at the outset of this discussion, for the benefit of those who have not informed themselves upon the subject, that the statements so often made to the effect that the Philippine Islands are self-

sustaining are wholly misleading if it be meant thereby to convey the idea that the retention of the Philippines is imposing no financial burdens upon the United States. For, on the contrary, whilst it is quite true that up to the present time the cost of civil government of the Philippines has been paid out of the revenues of the islands and been borne by the Philippine people, it is also equally true that the annual cost to the United States of our military occupancy of the islands is many millions of dollars. Just how many millions it is not possible definitely to state.

President Taft, in response to a resolution calling for information upon this subject, informed the House that this cost problem was "insoluble." It has been carefully estimated, however, to be as much as $40,000,000 annually, and I believe that an examination of all the items that go to make up this vast sum will demonstrate that it is not far out of the way. The expenditure of this money out of the Treasury of the United States by reason of our occupation of the Philippines is unquestionably, therefore, a matter of much importance to the American people; and yet to my mind the political relations to be established between the people of the United States and those of the Philippine Islands ought not to be determined upon the basis of mere dollars and cents.

If, therefore, Mr. Chairman, it were true that the Philippine Islands were not a real financial burden to the American people, I should still be unalterably averse to their retention for a moment longer than the time when they may be permitted to establish for themselves a stable government of their own and thus be offered the opportunity to demonstrate to the world, as I am firmly pursuaded they are prepared to do, their capacity for self-government.

It has long been conceded that no substantial commercial or business advantages are to be gained by the permanent retention of the Philippines. The total value of the imports from and the exports to the United States for the first six months of the present calendar year, under conditions of free trade, was less than $27,500,000. But, Mr. Chairman, were the Philippines as rich as proverbially are the Indies, and the possibilities for lucrative trade with them a thousandfold greater than they have ever been pictured, such sordid and unworthy considerations could not, and would not, justify the people of the greatest and the freest Republic on earth in denying to them that independent existence, freedom, and liberty for which their own forefathers staked their lives and their fortunes. [Applause on the Democratic side.] The assertion of the right of all men to govern themselves was no vainglorious and meaningless declaration. Having been sealed with the blood of American patriots, it may never be repudiated without national dishonor. [Applause on the Democratic side.]

There are many reasons why Congress should not defer longer to declare that it is not the purpose of the people of the United States to hold the Filipinos in perpetual bondage, and they are justly entitled to such an authoritative assurance as this. The business interests in the islands have already suffered as a result of the failure of the United States to define what are to be the future political relations between this country and those islands, and they are demanding that the doubt and uncertainty which enshroud this question of transcendent importance to them shall be speedily removed.

The Filipinos as with one voice are appealing to the Congress that at the very least they be given some definite and positive assurance that it is not our purpose to hold them in possession and govern them against their will for an indefinite and remote period. Whilst they would much prefer the fixing of a definite date in the near future for the granting of their independence, I am justified in saying that they accept in good faith the assurances contained in this bill in the full confidence of their ability to measure up to the capacity for self-government standard which it imposes upon them. Conscious of their ability to establish and maintain a stable government, they eagerly welcome the opportunity to demonstrate that fact to the world.

Speaking for the majority membership of the Committee on Insular Affairs, I may say that we have no misgivings upon this subject, and, therefore, not being willing to deny to the Filipinos that inherent right to govern themselves which pertains to the people of every country on earth, we propose in this bill to afford them the means through the exercise of which they may make manifest to the world their capacity to do so.

Surely a people who have made such wonderful progress in recent years, particularly in the spread of education, in the general diffusion of knowledge, in the acquisition of the English language as a common medium of communication, and in the art of government itself, can not be lacking in the elements which make for stable and independent government.

But wonderful as this progress has been in the past few years, let no one suppose that the Filipinos were the ignorant, illiterate, and uncivilized people prior to the establishment of American rule in the islands that they have sometimes been described to have been. Philippine deputies sat in the Spanish Cortes at Madrid more than a hundred years ago, and at one time there were as many as 17 Filipinos in the Spanish Parliament. Before Harvard existed the University of St. Joseph had been established at Manila, where the Filipino youth were educated in the higher branches of learning, in medicine and in law, in literature and in philosophy, in science and in art. And government-supported schools flourished all over the archipelago years before there was a public school in many of the States of our own Union. Let us not forget, too, that the Philippine people are the only Christians in all the Orient; for, whilst it is true that the uncivilized Moros are Mohammedans and that there are pagans in a number of the outlying and uncivilized mountain Provinces, they constitute but a small percentage of the total population of the archipelago. Ten years ago, according to so high an authority as the late James A. Le Roy, whose admirable work on the Philippines was published in 1905, approximately one-half the Christian population over 10 years of age was literate. Three years ago more than one-half of the Christian inhabitants, constituting, as they do, more than nine-tenths of the total population of the Philippines, had learned to speak the English language, and to-day the proportion of those who speak English is much larger, since for several years past there has been an annual attendance upon the public schools of more than 600,000 children taught in English by 9,000 teachers, at least 92 per cent of whom are Filipinos. But I can not dwell longer upon this phase of the subject. If additional arguments are needed to establish the fact that the Filipinos possess the educational qualifications for self-government, they are to be found in the report which accompanies this bill.

Since 1907 the Philippine Legislature has consisted of two bodies, an appointive commission and an elective assembly. This generation of Filipinos has therefore had some experience in legislative work, and having watched with sympathetic interest the course of those who have constituted the membership of the assembly, it is my deliberate opinion that they have fulfilled the highest hopes of their well wishers and grievously disappointed those of their critics in and out of the Philippines, with whom the wish has been father to the thought, who have prophesied that their acts would demonstrate their incapacity to wisely legislate for themselves.

The testimony of all competent and impartial observers is to the effect that in the main the popular branch of the legislature has been composed of earnest, industrious, capable, and patriotic members, and that the intelligence and wisdom displayed by them in the initiation of beneficial legislation has made manifest the capacity of the Filipinos for the performance of those legislative functions which pertain to representative government.

But, Mr. Chairman, however widely the majority and the minority members of the Committee on Insular Affairs may differ as to the capacity of the Filipinos, and despite all that may be urged by the staunchest imperialist against the wisdom of Congress declaring it to be the policy of the people of the United States to grant the Philippines their independence so soon as a stable government has been established therein, there surely should be no disagreement anywhere as to the unwisdom of longer continuing the anomalous, incongruous, and utterly inharmonious bicameral legislative system now in vogue in the Philippines.

The one strikingly damaging fact that for the three successive legislatures prior to the last there occurred deadlocks between the commission appointed by and responsible only to the President of the United States and an assembly elected by and responsible to their Filipino constituents which resulted in the failure of the passage of three annual appropriation bills upon which the very life of the Philippine Government depended, is sufficient to forever condemn the present legislative system.

It may not be amiss if I pause here just long enough to give such Members of this House as may possibly be without knowledge upon the subject some information as to the character and functions of this Philippine Commission. It is composed of nine members, one of whom is the Governor General, and until recently a majority of its members, at least, had been Americans. Since the heads of the four executive departments of the government are members of this commission, it exercises all of the executive authority of the Philippine government, as well as participates in its legislative functions. Whilst it has an equal voice with the assembly in all legislation affecting the organized

Provinces, it is endowed with the exclusive right to legislate for those that are inhabited by Moros and other non-Christian tribes. The taxes, in the main, are paid, of course, by the civilized and Christianized inhabitants of the organized Provinces, and yet the commission has hitherto exercised the right to appropriate such sums out of the public revenues as it saw fit, and without the approval or consent of the assembly, for the exclusive benefit of the Moros and other non-Christians. Thus it is in the power of the commission to expend every dollar of the public revenues for public works and other purposes in non-Christian territory from whence no appreciable portion, if any, of it is derived. It is the use and the abuse of such authority as this which rendered every American-controlled commission obnoxious to the Philippine people, and which has created the well-nigh universal demand for its substitution by an elective senate, with powers coordinate with those of the assembly, thus assuring that harmonious action so essential to just and orderly government. The expenditure of millions of the public revenues in the construction and upkeep of the Benguet automobile road in non-Christian territory, which naturally aroused the indignation of the Filipino people, is a striking illustration of the necessity for the abolition of the Philippine Commission. This short road, some 22 miles in length, has already cost the Filipinos more than $100,000 a mile.

Mr. Chairman, this bill therefore not only contains for the Filipinos a definite promise of political independence, but it provides for them practical and substantial legislative independence. It does not, as I have said, fix a definite and precise date at which this solemn promise shall become effective, but it provides for them a far more liberal form of government than that under which they now live and gives to them such enlarged participation in the affairs of that government "as will enable them, by demonstrating their capacity for self-government, to hasten the date for final separation between the United States and the Philippines."

I now desire, Mr. Chairman, to direct attention as briefly as I may to the more important changes in existing law made by this bill.

It declares who shall be deemed to be citizens of the Philippine Islands and confers upon the Philippine Legislature authority to provide for the acquisition of citizenship by certain other persons, among them citizens of the United States residing in the islands. Strange to say that whilst citizens of all European countries residing in the Philippines may now be granted Philippine citizenship those of the United States are debarred.

It reenacts the bill of rights set forth in the organic act containing substantially the personal and property guaranties of the Constitution of the United States.

It provides that all expenses incurred by the Philippine Government shall be paid by that government; that all the powers now conferred upon the Philippine Legislature and the Philippine Commission may be exercised by the Philippine Legislature authorized in this bill; that the laws now in force in the Philippines shall so continue until changed or repealed by the legislature created in this bill or by act of Congress; and that such legislature shall have power to amend or repeal any law now in force when not inconsistent with the provisions of this bill.

It transfers the whole of the public domain acquired from Spain by the United States, except such portions as the President may designate for military and other reservations of the United States, together with the undisposed-of portions of what are known as the friar lands, to the Government of the Philippines, to be administered for the benefit of the inhabitants thereof.

In addition to the usual powers exercised by legislative bodies, the legislature created by this bill is empowered to enact tariff, currency, and coinage laws, but all of its enactments relating to those subjects, as well as to public lands, timber, and mining, must receive the approval of the President of the United States before they become effective, and it is also expressly provided that the trade relations between the Philippines and the United States shall be governed exclusively by laws of the Congress of the United States.

A Philippine Legislature, as has already been stated, consisting of two houses, to be known as the senate and house of representatives, is established, in which is vested all legislative authority. The islands are to be laid off into 12 senate and 90 representative districts, 1 of these senate and 9 of the representative districts to be established in territory not now represented in the legislature, or what is known as the Moro and non-Christian Provinces. The 2 senators and 9 representatives who shall represent these districts are to be appointed by the Governor General without the consent of the Philippine Senate and without restriction as to residence. The remaining 22 senators and 81 representatives are to be elective. This I regard as the most important feature of this bill. It gives to the civilized and Christianized inhabitants of the Philippines the right to elect, with the exception of two of its members, a senate which shall be responsive to Filipino public sentiment and at the same time it abolishes the commission, of whose remarkable functions I have already spoken.

The truth is, Mr. Chairman, that the existing legislative system is indefensible, and there are few, if any, who are even willing to attempt to justify its longer existence. The minority members of the Committee on Insular Affairs do not oppose the substitution of an elective senate for the appointive commission. Those of them who subscribe to the "views of the minority" are upon record as declaring that "many of us have no objections to an elective senate or to some of the other changes in existing law provided in the bill."

It may be objected that the appointment of two senators and nine representatives by the Governor General, as provided for in the bill, is undemocratic. Just how best to safeguard the interests of the uncivilized tribes is a problem which, it must be admitted, is difficult of solution. It has been suggested that the Provinces inhabited by non-Christians, with the exception of the Moro Province, be incorporated into the Christian Provinces, and that the Moros be excluded altogether from representation in the legislature, but the plan proposed in the bill is believed to be the more equitable as well as the more feasible. But after all has been said that can be said upon this subject, it must be conceded that the best method by which these "wards of the Nation" may be represented in the legislature is that which will best subserve and protect their interests. With the wide discretion given the Governor General in the selection of these representatives, it can not be doubted that they will be among the ablest and most efficient in the legislature.

The suffrage provisions of the existing law are so enlarged as to grant the right of suffrage to those who read and write any native language. The present law limits this class of voters to those who read and write either English or Spanish.

It is not believed that any sound reason can be given for excluding from the exercise of the elective franchise the hundreds of thousands of adult male Filipinos who can read and write a native language. To impose a similar test to that which prevails in the Philippines in any Commonwealth in America would disfranchise the bulk of those of its voters whose right to vote is dependent upon their literacy. It has had this effect in the Philippines. The Filipinos of the present generation have made astonishing progress in the acquisition of English, but there are still many educated Filipinos who have not and may never acquire that language, and to deny to them the right of suffrage would be most unjust.

The Governor General, who, together with the justices of the supreme court, is to be appointed by the President, is empowered to appoint, by and with the consent of the Philippine Senate, such officers as may now be appointed by the Governor General, as well as those he is authorized under this bill to appoint.

It has been objected that the appointments of the Governor General ought not to be subject to confirmation. It is said that in a number of the States of our Union there is no such requirement. That is true; but in those States their chief executives have the appointment of few public officials, and, generally speaking, only of those of minor importance. The more important positions are filled either by popular vote or by the State legislatures. The Governor General of the Philippines, on the other hand, will not only appoint the heads of the four executive departments of the insular government, but he will name the heads and assistant chiefs of the numerous bureaus of those departments. He will appoint every provincial prosecuting attorney and treasurer throughout the archipelago, and every judge, save only the justices of the supreme court, of every superior and inferior court. This is an enormous power to lodge in the hands of one individual, and therefore it has been thought best to follow the plan laid down in the Federal Constitution rather than those of the States, where conditions are so dissimilar.

An important provision of this bill—which I indulge the hope it may never again be necessary to resort to—is that which provides that if at the close of any fiscal year the appropriations necessary for the support of the government for the ensuing year shall not have been made the several sums appropriated in the last annual appropriation bills shall be deemed to be reappropriated. This provision has been so reworded as to prevent, it is hoped, the possibility of the recurrence of the vicious and, as I believe, absolutely illegal practice thrice resorted to in the past of applying—or, rather, misapplying—funds appropriated for specific objects to other and quite differ-

ent objects in the sole discretion of the Governor General. I have never believed that the language employed in the present statute was susceptible of the construction placed upon it. I believe that the action referred to is utterly indefensible. Under such a remarkable interpretation of this law it is within the power of the Philippine Commission to turn over to the Governor General every dollar of the public revenues of the Philippines, to be by him expended without reference to the objects specified in the last appropriation bills, and only in accordance to his individual judgment as to the needs of the public service, by simply refusing to agree to any appropriation measure. How a construction fraught with such mischievous consequences could have been placed by any one holding so responsible a position as that of Governor General of the Philippines upon an enactment the purpose and intent of which were so manifest, even were it conceded that its language was lacking in perspicuity, is difficult to comprehend. Although, as I have said, it is hoped that the necessity for making clearer this paragraph has passed, its phraseology has been changed with that end in view.

Whilst power is given the Philippine Legislature to override the veto of the Governor General by a two-thirds vote of each house, there is reposed in the President of the United States an absolute veto over all legislation, and the right to annul any and all enactments is reserved to Congress, thus removing any danger of hasty or unwise legislation and thoroughly protecting the interests of the United States. There are many other changes made in existing law by this bill, but I think I have directed attention to the more important ones. All of them can be considered when the bill is read for amendment under the five-minute rule.

Mr. Chairman, the passage of this measure at an early day is urgently demanded by reason of the economic and financial conditions existing in the Philippines—conditions which could not have been anticipated and which are not peculiar to those islands, and for which neither their government nor their people are responsible. It is not necessary to state to this House what those conditions are. They are common to both the United States and the Philippine Islands, and the Congress is even now considering measures for the relief of our Treasury. Customs duties constitute the principal source of Philippine revenue, and they have suddenly fallen off to such an extent as to create an alarming financial situation for the government. Under existing law the insular government is to a great extent helpless. It can neither change its tariff laws, increase its income tax, nor borrow money, for the limit of its public indebtedness as now fixed by Congress has already been reached. This bill, if enacted into law, will permit it to do all of these things. If, therefore, it is not promptly passed, and public bankruptcy shall befall the Philippine government, Congress must assume the responsibility therefor. The situation is a critical one, and every consideration of just and fair dealing requires that it be promptly met. Either Congress must provide the means for meeting the obligations of the Philippine government or else it must pass legislation such as is embodied in this bill. Let me repeat that the Filipinos are the wards of this Nation, and so long as they remain such the duty of providing for their welfare rests with Congress.

In urging the passage of this bill as an emergency measure I am not unmindful that it is solemnly stated in the views of the minority that even if it could pass both Houses during the present session of Congress it would be entirely useless as such. The reason assigned for this doleful prophecy is that the first election under it is to be held in June, 1915, and that the legislature then elected will not convene until the following October. The distinguished author of the views of the minority and his subscribing associates surely must have overlooked the fact that it is expressly provided in the bill that until the legislature provided for shall have been organized the existing Philippine Legislature shall have all the legislative authority granted to the government of the islands, except such as may now be within the exclusive jurisdiction of the Philippine Commission.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield there for a question?

The CHAIRMAN. Does the gentleman from Virginia yield to the gentleman from Wisconsin?

Mr. JONES. I will.

Mr. STAFFORD. Will the gentleman kindly inform the committee as to the amount of bonds that the Philippine Government has issued for public improvements? I believe that the gentleman has stated that they have reached the limit of their bonded indebtedness.

Mr. JONES. Five million dollars. That is the limit authorized by the organic act.

Mr. STAFFORD. Does the gentleman remember the supplementary act that was passed, whereby the Government of the United States was to guarantee certain bonds for internal improvements? Is that in addition to the original authorization?

Mr. JONES. Under an act of Congress the insular government guarantees 4 per cent interest for a period not to exceed 30 years on certain bonds issued for the construction of certain lines of railroal. The total amount of bonds upon which there is a government guaranty was, on the first of this year, something over $15,000,000 in United States currency. The annual liability of the insular government on account of these bonds is about $625,000.

Mr. STAFFORD. Altogether $15,000,000 or $16,000,000, including the $5,000,000 originally authorized?

Mr. JONES. No; the $15,000,000 of which I have spoken are the bonds of railroad companies.

Mr. STAFFORD. So that the $15,000,000 or $16,000,000 was utilized exclusively for internal improvements?

Mr. JONES. It was expended by railroad companies to build railroads. The Government simply guarantees the interest for 30 years upon those bonds.

Mr. STAFFORD. Well, the railroad is a public improvement.

Mr. JONES. Since the minority admit that "there is a great need just now of legislation that would immediately and materially benefit the Filipinos," this complete answer to their contention that this bill, if enacted into law, will not afford immediate relief, robs them of a leg to stand upon. The next Philippine Legislature will assemble on the 16th of the coming month.

There is, Mr. Chairman, no sound reason that can be advanced for the further postponement of legislation respecting the Philippines, but there are the strongest and most imperative reasons why Congress should act as promptly as possible. Those members of the minority who insist that action on this bill at this time is inadvisable occupy untenable ground. They declare that they do not object to what they call the "conservative features" of the bill, although they do not indicate which are conservative and which radical. They do say, however, that "they are pleased that changes proposed are so comparatively slight." And they make it clear that their opposition to declaring the purpose of the people of the United States in respect to the future political status of the Philippines is quite independent of and apart from the dangers which they profess to see, or imagine they see, in the present greatly disturbed conditions of the world, and which they urge as a reason for postponing consideration of this bill. This being true, I can not but feel that the apprehensions which they profess to entertain because of the disposition to press the consideration of this bill at this particular time is not their only, or even their principal, reason for seeking postponement. Some Republicans have been quoted as expressing the belief, or at least the hope, that the next House may be Republican. May not these minority Members share their optimism? And if so, would they not regard it as good party policy to indefinitely postpone action on this bill? Upon no other theory, I think, can their apparently perturbed condition of mind be satisfactorily explained.

I have said, Mr. Chairman, that the Philippine Government was not responsible for the unfortunate conditions with which it is confronted. Since President Wilson so wisely applied the policy of Filipinization of the Philippines to the highest branch of their government by naming as members of the Philippine Commission five Filipinos and four Americans, thus giving to the Filipinos the control of both houses of their legislature, the friction that had theretofore existed to such a paralyzing extent has been entirely removed. As a striking illustration of the harmony which marked the proceedings of the last legislature it may be stated that in January last, for the first time in three years, the general appropriation bill was passed without a dissenting vote in either house. An even stronger vindication of the wisdom of President Wilson's action, and a higher tribute to the intelligence and patriotism of this Filipinized legislature is the fact that without in any respect impairing the efficiency of the government a saving of more than $1,000,000 was effected in the current annual expenses, thus averting an impending treasury deficit. According to later information recently received, a saving of more than two and a half millions of dollars, in the aggregate, will be effected this year over the total amount expended last year. But despite such rigid economies and retrenchments as these significant facts reveal, and despite the further fact that the total foreign trade of the Philippines exports and imports exceeded for the first six months of this year that of the corresponding period for last year by $6,000,000, the Harrison government is confronted, by

the sudden loss of its revenues, with a serious financial situation which it behooves Congress to speedily meet.

Mr. Chairman, I must not resume my seat without some reference to the noteworthy accomplishment of Gov. Gen. Harrison within the short period that he has directed the affairs of the Philippine Government. First and foremost, it may be said that he has established a confidence on the part of the Filipino people in the justice and fairness of the American people, which, unfortunately, did not exist when he assumed the difficult and delicate duties of his high office.

He has vitalized the doctrine, so often enunciated by his predecessors in office, that "to the Filipinos belong the Philippines," by Filipinizing the public service as rapidly as a proper regard for civil-service laws and the public interests would permit. This he has accomplished in the face of much opposition and bitter criticism on the part of interested Americans temporarily resident in the islands.

He has inaugurated a system of economy and retrenchment in the expenditures of the insular government which has already saved more than a million of dollars to the Filipino taxpayers, and which promises this year a saving of two and a half times that amount without in any respect imparing the efficiency of the government.

He has caused the repeal of the law which permitted the friar lands to be sold in larger tracts than is authorized by the organic law.

He has been instrumental in the creation of the public utilities commission, the primary object of which is to prevent the exploitation of the Philippines and otherwise safeguard and protect the interests of the public.

He has brought about the enactment of a pure-food and drugs act, having for its object the protection of the health of the Filipinos.

He has reorganized the judiciary to the end that crime is now more speedily punished and justice more expeditiously dispensed.

He has substituted civil for military authority in the Moro Province, and, despite the evil forebodings of his critics, is maintaining peace and order among its inhabitants without assistance from the Army, thus proving that these uncivilized Mohammedans are less intractable than has been represented. [Applause.]

He has promoted the passage of a bill abolishing the needless bureau of navigation, with its high-salaried, superfluous, and incompetent administrators—a bureau which operated at enormous cost to the Philippine people a small fleet of government-owned vessels, serving no useful purpose and chiefly employed as the pleasure craft of high officials.

These, Mr. Chairman, are among the more notable achievements of the Harrison administration within the short space of a few months. Am I not justified, then, in saying that the ability and courage displayed by Francis Burton Harrison in the discharge of his arduous and extremely delicate duties, the just and sympathetic treatment which he has accorded the Filipino people—treatment which has won for him their love and respect and for the American people their widespread confidence—have abundantly justified the wisdom of his appointment as Governor General of the Philippine Islands?

His former colleagues, recalling his distinguished services in this House, and mindful of that loftiness of purpose and devotion to duty which ever characterized his public career in this body, will not be surprised to learn of the splendid success which has crowned his work in the far-away Philippines. To them his triumphs will bring a deep and abiding sense of just and laudable pride. [Applause on the Democratic side.]

Mr. TOWNER. Mr. Chairman, I make the point of no quorum.

The CHAIRMAN. The gentleman from Iowa [Mr TOWNER] makes the point of no quorum. The Chair will count.

Mr. MANN (after a pause). Mr. Chairman, I ask that the Chair announce the result of the count.

The CHAIRMAN. So many Members have come in——

Mr. MANN. The Chair has counted some of them more than once, and still you have not got a quorum.

The CHAIRMAN. Ninety Members are present, not a quorum.

Mr. BRUMBAUGH. Mr. Chairman, I move that the committee do now rise.

Mr. MANN. Oh, you will not make anything by that.

The CHAIRMAN. The Clerk will call the roll.

Mr. MANN. We are not filibustering.

Mr. HAY. Mr. Chairman, the gentleman from Ohio [Mr. BRUMBAUGH] moves that the committee do now rise.

The CHAIRMAN. Yes. The gentleman from Ohio [Mr. BRUMBAUGH] moves that the committee do now rise. The question is on agreeing to that motion.

The question was taken, and the Chairman announced that the noes seemed to have it.

Mr. GARRETT of Tennessee. Mr. Chairman, I demand a division.

The committee divided; and there were—ayes 41, noes 61.

Mr. MANN. I ask for tellers.

Mr. BRUMBAUGH. I ask for tellers—I withdraw the demand.

Mr. MANN. No; but I ask for tellers.

Tellers were ordered, and the Chairman appointed Mr. CAMPBELL and Mr. BRUMBAUGH.

The committee proceeded to divide.

Mr. GARRETT of Tennessee. I hope the Chair will count those present and not voting.

Mr. MANN. The Chair can not do that.

Mr. GARRETT of Tennessee. Oh, yes.

The committee divided; and the tellers reported—ayes none, noes 101.

The CHAIRMAN. The committee refuses to rise. A quorum is present, and the gentleman from Iowa [Mr. TOWNER] is recognized.

Mr. TOWNER. I yield 60 minutes to the gentleman from Minnesota [Mr. MILLER].

Mr. MILLER. Mr. Chairman and gentlemen of the committee, I have been somewhat surprised in listening to the arguments presented by the various gentlemen representing the majority in the debate hitherto had on this bill. I am surprised because it seems to me remarkable that so many gentlemen should speak with such fervency and with such earnestness, and yet apparently be so completely fooled in the provisions and character of the bill that is before the House. However, the attitude which they have assumed here upon the floor is entirely consistent and in harmony with the attitude assumed by the majority members of the committee in the preparation and presentation of this bill. And, Mr. Chairman, I think it is of the utmost importance that we should not fool ourselves, even if we are trying to fool the people of the United States.

The bill as it is upon the calendar, with the exception of the preamble, which in no sense is a part of the bill, is a bill purely administrative in its features, and contains not an atom of politics and should never be considered from a partisan point of view. [Applause on the Republican side.]

When it became apparent that the majority of the House intended Philippine legislation at this session of Congress, the minority Members desired full well to take up the bill in a purely nonpartisan manner. We felt that American honor has been and is at stake in the administration of the affairs of the Philippine people. If we betray that honor, if we decide Philippine affairs and Philippine questions simply to bolster up party politics at home, we are unworthy of the trust that providence has given to us. But when we made the presentation of our position, desiring to consider this bill in a nonpartisan attitude, desiring to acquire all information bearing upon the subject which it was possible to secure or conveniently could be secured, and desiring then to take up the bill exactly as we took up the Porto Rican bill some months ago, we were met by the statement that "this is a party question; this is a partisan matter; information is not necessary; information is not desired. We shall write a text that shall be in harmony with partisan politics here at home." And, Mr. Chairman, while this city has been filled with men, both Democrats and Republicans, whose long period of service in the Philippine Islands has acquainted them intimately with Philippine affairs and Filipino characteristics, qualifying them to enlighten this House abundantly that we might guide our course aright, the majority closed their ears and their eyes to this testimony and preferred to legislate stupidly in the dark. Nay, more, Mr. Chairman, the Philippine Islands have a most distinguished representative who is a Member of this body, the gentleman from the Philippines [Mr. QUEZON]. He is an interested spectator here to-day. He will speak before the House upon this bill; but, Mr. Chairman, in the consideration of this matter by the Committee on Insular Affairs Mr. QUEZON was not allowed to say one word. During all the weeks that we considered the bill, a bill vitally affecting 8,000,000 of his brothers and sisters, this gentleman, who represents the Philippine people, with an office on the same floor as the committee room, never for one moment was permitted to enlighten the committee, to give us one particle of evidence, or to express one particle of opinion on behalf of his people.

One of two things is true—either that the gentleman from the Philippine Islands failed in the performance of his duty by not demanding and receiving an opportunity to address the committee, or the majority members of that committee decided that they would determine this question regardless of what the

Philippine people wanted or what their Delegate here might say. And, Mr. Chairman, after I have examined this measure carefully, participated in its consideration by the committee, and listened to the presentation here made, I am convinced that the latter alternative states the true situation.

I have heard it said on the floor of this House recently that this bill is to comply with the platform of the Democratic Party; that its enactment into law will be the fulfillment of a Democratic campaign pledge. Never was a statement wider of the truth made upon the floor of this House. But that statement, Mr. Chairman, possesses one excellent Democratic quality; it is that of consistency. It is just as much a redemption of a Democratic campaign pledge as has been the redemption of the other pledges which they made, and no more. We know they were elected with a campaign pledge that the coastwise boats flying the American flag should sail through the Panama Canal free of tolls. We have lived to see them pass a law imposing tolls. We read in their Democratic platform a pledge to economy, and now all the world knows that the present Congress, wholly in control of the Democratic Party, has been the most profligate and extravagant that ever assembled beneath the American flag. [Applause on the Republican side.] We also have read many another of their campaign pledges. One and all have been violated and broken, with such a disregard for party honor that it is almost beyond our comprehension to grasp. There was in the Democratic platform of 1912 an older plank than them all, and, Mr. Chairman, not alone older but rottener than all of the others. It was the plank respecting the Philippine Islands. For fear some of our Democratic brethren never read the Democratic platform, or if they did have forgotten it and do not know it now, I want to invite their attention to what the promise was, so that you may measure it with the performance.

Beginning back in 1900, when the Philippine question first came to be a question affecting our national life, I find this pledge in the Democratic platform of that year:

> We condemn and denounce the Philippine policy of the present administration. It has involved the Republic in unnecessary war, sacrificed the lives of many of our noblest sons, and placed the United States, previously known and applauded throughout the world as the champion of freedom, in the false and un-American position of crushing with military force the efforts of our former allies to obtain liberty and self-government. The Filipinos can not be citizens without endangering our civilization. They can not be subjects without imperiling our form of government; and as we are not willing to surrender our civilization or to convert the Republic into an empire, we favor an immediate declaration of the Nation's purpose to give the Filipinos—
> 1. A stable form of government.
> 2. Independence.
> 3. Protection from outside interference, such as has been given for nearly a century to the Republics of Central and South America.

They promised three things: First, we should enable a stable government to be established in the Philippine Islands. Then at once we should give them their independence and protect them in it as long as there was any danger from outside interference.

Now, they got so unmercifully licked in that campaign on that which they called the paramount issue that they sidestepped their position a little in 1904, but this is what they said:

> We insist that we ought to do for the Filipinos what we have done already for the Cubans, and it is our duty to make that promise now, and, upon suitable guarantees of protection to citizens of our own and other countries resident there at the time of our withdrawal, set the Filipino people upon their feet, free and independent to work out their own destiny.

Not a word about a protectorate, not a word about neutralization, simply giving them their independence, set them on their own feet to stand or fall, if they can.

However, in 1908 they got back again to about where they started. The platform of 1912 is a verbatim repetition of that of 1908, and I want to read it that you may know exactly where you stand:

> We condemn the experiment in imperialism as an inexcusable blunder which has involved us in enormous expenses, brought us weakness instead of strength, and laid our Nation open to the charge of abandoning a fundamental doctrine of self-government. We favor an immediate declaration of the Nation's purpose to recognize the independence of the Philippine Islands as soon as a stable government can be established, such independence to be guaranteed by us as we guarantee the independence of Cuba, until the neutralization of the islands can be secured by treaty with other powers.

And that was repeated, as I before stated, in the campaign of 1912. That means that we should immediately declare the Filipinos are to have their independence; second, that we should guarantee their independence, and then proceed to secure a treaty of neutralization to perpetuate their integrity.

There is not a word in this bill about independence. There is not a word in this bill about neutralization. There is not a word in the bill about guaranteeing the integrity of the Philippine Islands. There is nothing about its independence except in the preamble, and the preamble does not comply with any one of the requirements of the Democratic platform.

Now, Mr. Chairman, it is not essential for us at this time to discuss the importance of neutralization or of guaranteeing independence if we grant it. Let us see for a moment, however, what each of these things requires. If the Democratic people and party by their platform which I have read meant that at some time independence would be given to the Philippine Islands, although it might be 50 or 100 or 200 years from now, they buncoed the Filipino people. They buncoed the people that they talked to from the platform, because we know that without a single exception they lifted their voices with all the strength and vehemence at their command, saying that the Filipino people now are fit to govern themselves, that they are capable of self-government, that their independence should be given them now. So strongly was this impressed in 1900—14 years ago—by the then candidate for the Presidency, Mr. Bryan, that he stated that if successsful he would call an extra session of Congress to give the Filipinos independence then.

Mr. Chairman, if after 14 years' tutelage and schooling they have not advanced beyond the period of 14 years ago, then they are hopeless. Of course they have advanced. Why, the Philippine Islands at this hour would never be recognized by a man who stood there in 1900. The people have changed, their manners have changed, their customs have changed, indicating a marked progress which they have made under the American flag. If they were fit for government then, they surely are now. The Republicans then said they were not, and we say so now. A Democratic majority in this House at this hour says exactly as we do. You must admit that by this bill and by its presentation at this time you admit that the Filipino people are not capable of self-government. They have not advanced to that point where they can carry on a government after we have established it. By this bill you repudiate everything you have said about the Philippine Islands and their people since the islands became ours, and by it you indorse clearly and emphatically the entire policy of the Republican Party on the Philippine question.

But let us look for a moment at one of the other two things. Suppose we should turn them loose and guarantee their independence—a beautiful dream, poetic, philosophic, and ideal. If their independence is in jeopardy, thus requiring that we guarantee it, they are in danger of invasion or being absorbed by some foreign power, and every man with peanut ability knows that that is true. Suppose, however, that we give them their independence, that we haul down the American flag, that we send the American ships back to home ports 8,000 miles away, that we withdraw all troops and soldiers; Mr. Chairman, by that very act we have absolutely incapacitated ourselves from guaranteeing their independence. [Applause on the Republican side.] We have physically made it impossible for us to carry out the purpose, even if we ever intend it.

Furthermore, is any man so childlike as to think, after the history of the last 60 days, that the American people could ever be induced to carry out such a program as that? We have recently heard it said that neutralization of a small territory is about like writing on so much scrap paper. Belgium was neutralized and now lies devastated, bleeding, and prostrate. After what we have observed, is there anyone here—does the Delegate from the Philippine Islands himself believe that neutralization could be accomplished?

Now, Mr. Chairman, if it has been the purpose of the Democratic Party to carry out their campaign pledges in respect to the Filipino people, they having been in power for about 18 months, it is high time that they should have something to offer as to neutralization. If it is the purpose to carry out their oft-repeated declaration, what have they done to secure neutralization of the independence of the islands? I fancy we will wait in vain to hear anybody reply to that question.

I myself believe, and I wish to make this statement on such authority as I have been able to gather, and I have been able to gather some, that the State Department of the present administration has endeavored to see what the nations of the world would do regarding the neutralization of the Philippine Islands, and I am informed that it has been impossible to secure the cooperation of a single nation of the world. Of course that is so. Of course that always must be so. What nation of the world now wants to shoulder a burden such as that would be, without a single compensating feature? We can not shoulder either our burden or our duty upon the back of the rest of the world. Of course not. Independent, and a neutralized land is a poetic fancy; beautiful, I say, but absolutely impracticable.

To return now for a moment to exactly what this bill does, I am not going to enter into a discussion of the various detailed provisions it contains, but I want to talk about the burden of the bill, the change that it makes in the basic principle of our relations with the Philippine Islands if it makes any. After we have looked into this for a while, we find it makes no change in a policy that was established 14 years ago respecting the Philippine Islands, and which has been followed uninterruptedly from that hour to this. In the first place, when we established civil government in the Philippines, we found a people who had never had an hour's practice in self-government. We found a people that were not educated; we found a people that had been taught every lesson in government which a people ought not to learn; we found a people that had never been taught a lesson in self-government that any self-governing people must learn. Their sovereignty had been such as to blight any incipient notion ever brought to their islands by their countrymen who had traveled abroad respecting independence and liberty. About them they found no examples, and they had no neighbors who, by their example, could aid them. There was an empire to the north, an empire farther to the west, and the islands of the sea, with no republican form of self-government in all that part of the great hemisphere. So, Mr. Chairman, it is not remarkable at all that we found them in a condition where they had pretty nearly nothing to start with.

I do not like to criticize anyone particularly, but a statement was made here on Saturday to which I desire to pay some little attention at this time. In response to a question asked by the gentleman from Ohio [Mr. FESS], the representative of the Filipino people on the floor of the House [Mr. QUEZON] stated that in his judgment the Filipino people would have made as great progress in their education and schools had they been left alone by themselves as they have made under American tutelage and instruction. Mr. Chairman, I think I know why the gentleman from the Philippines made the statement. I would not embarrass him at this moment by giving the reason, but I do know this: I know that a more marked, complete misstatement of the situation could not be made. I will say this: It is a characteristic of the Filipino people—they have many lovely and beautiful characteristics as well—it is one characteristic that they never like to admit that anybody else can do anything as well as they can. That is an American characteristic also, but the Filipino people have it a little stronger than I have ever found it anywhere else in the world. It does not matter where you go, it does not matter what you see, you can find at hand always Filipinos ready to say that if left alone they could have done it just as well and perhaps better. Unfortunately, Mr. Chairman, it is not an argument in behalf of the Filipino people, testifying to their present competence and capacity to handle their own affairs, for their distinguished leader—and distinguished he is—to make a statement of that kind. It is contrary to the common sense, contrary to the judgment, of mankind who may never have seen or heard of the Philippine Islands, and of necessity must be wholly out of harmony with the facts.

Just let me give a few moments' attention to the system of public education in the Philippines. When the American flag was first unfurled in that part of the globe there was no adequate system of public instruction. There was a paper system promulgated by the Spanish Government, which was never put into effect. If you could read the beautiful reports which the governor general sent back to the Cortes of Spain, you would find many glowing accounts of the schools and the teachers and the pupils; but the teachers and the schools and the pupils had little physical existence outside of the imagination of the man who penned the lines. There were some schools back a little earlier than 1898. They were mostly church schools. There were no public schools, however, under the supervision of the Government, excepting a limited few. And what did they teach? I have seen the buildings they were in—if you could call them buildings. You would not put a dog in such a place; and if you would put a self-respecting hog in there, he would go out in the sunshine, amidst God's green grass, to live, and live decently. That was the kind of buildings the Spanish provided, so far as they provided any at all, for schools.

Mr. QUEZON. Mr. Chairman, will the gentleman yield?

Mr. MILLER. Certainly.

Mr. QUEZON. Mr. Chairman, I have been educated in the public schools. I want to make just one statement. The gentleman does not pretend to say that we did not have any kind of public schools?

Mr. MILLER. I have just stated that there was some system.

Mr. QUEZON. My native town is 150 miles north of Manila; it is very small and is in the mountains; and there was a public school in my town, and I was educated in the public school and it was not a church school, either.

Mr. MILLER. I was just stating what the gentleman has said. It is his misfortune that he did not have the benefit of schools existing there for the last 14 years, and it is to his great credit that he has made such a wonderful career with the education given him at that time.

Mr. QUEZON. We have 2,000 public schools.

Mr. MILLER. But he will agree with me that the education which really has fitted him for his life work he acquired after he left that school. Let me continue a little further in the description of those schools. It is true there were some of those schools, running to-day, closed to-morrow, supported now, denied to-morrow. Anyone who observed the course of instruction, however, must have been forcibly struck by the fact that it had no possible connection or relationship in fitting a boy or a girl for citizenship or to perform a citizen's part in a self-governing community. It was not designed or adapted either to give them advancement in industrial life or to fit them for the responsibilities of government to be carried on by themselves. They did have some system of schools, and I trust I have been fair and impartial in whatever I have said to the extent of the time that I have devoted to it; but, Mr. Chairman, those schools were all closed at the time we went there. The American soldier no sooner had participated in the pacification of an area than he became a school-teacher, and he has carried it on from that day to this. In many remote and distant jungles or on mountain sides, where only wild people live, where only soldiers of our Caucasian race have penetrated, I found those soldiers setting up and maintaining a little school. The American flag has meant not only safety and protection, but it has meant education. [Applause.] After the soldier came the American school-teacher and established a system of schools and gave an education adapted to fit them for an industrial life and to fit them for self-government.

Now, Mr. Chairman, in the 14 years we have been there we have built schools in nearly every section, and when I use the term "we" I want to indorse what the gentleman from the Philippines said last Saturday. We have not paid for it; it has been paid for by the Filipino people. We have been the supervising directors, we have promulgated a system, and we have supervised its operation. The Filipino people, however, have paid the bills, and it is to their eternal credit that they should have done so; and perhaps I might be pardoned if I should pause long enough to refute a common expression respecting the cost of the Philippines to the United States. I have heard it stated by gentlemen on this floor, and I have frequently heard it stated among the people of our country, that the Philippine Islands are a source of great expense to us. Not at all. When we speak of road building and bridge building, when we speak of school buildings and public buildings, when we speak of sanitation, health, and all that great work of regeneration and public benefaction carried on in the islands, we speak of development that is paid for by the Filipino people.

Mr. MANN. Will the gentleman yield for a question?

Mr. MILLER. Yes.

Mr. MANN. Does the gentleman say that all of these expenses were paid for by the Filipino people?

Mr. MILLER. Those I have enumerated are.

Mr. MANN. Is it not a fact that shortly after we acquired the Philippines we passed a tariff law in reference to merchandise passing between the Philippines and the United States and levying a rate of duty on goods imported from the Philippines to the United States, and on goods imported to the Philippines from the United States, and turned all the money which was collected at both sources over to the Philippine government?

Mr. MILLER. The gentleman is entirely correct in that statement, which was some years ago.

Mr. MANN. Oh, it came down to the Underwood tariff law.

Mr. MILLER. That is true, that in tariff matters the Filipino people have received many benefits from congressional enactments of this body.

Mr. MANN. Well, they got the money—not merely the benefits, but they got the money out of us.

Mr. MILLER. That is true, and to a certain extent the statement is entirely proper. I say, Mr. Chairman——

Mr. DONOVAN. Mr. Chairman, will the gentleman pardon an interruption?

Mr. MILLER. Certainly.

Mr. DONOVAN. The gentleman from Illinois [Mr. MANN] could make himself stronger if he should state the volume of that money. It was practically a small amount that came out of the customs to the Philippine Islands.

Mr. MILLER. Mr. Chairman, I do not care to yield my time——

Mr. MANN. It was a very considerable amount.

Mr. MILLER (continuing). For discussion to other gentlemen; but the gentleman from Illinois has stated it was substantially a large sum in fact.

Mr. DONOVAN. Mr. Chairman, will the gentleman permit another question?

Mr. MILLER. Certainly.

Mr. DONOVAN. It is a matter of record, and the records will bear me out that it was a considerable sum of money.

Mr. MILLER. Let the gentleman put the figures in the RECORD, if he desires to do so.

Mr. HELM. Will the gentleman yield?

Mr. MILLER. I do.

Mr. HELM. Do I understand the gentleman to make the statement that there has been no considerable expense devolving upon the United States by reason of its occupancy of the Philippine Islands?

Mr. MILLER. Well, yes. I have in mind what the gentleman is about to say, and if he will make it exceedingly brief I am willing for him to inject it here.

Mr. HELM. Do I understand that the gentleman excluded the estimated cost in June, 1902, by Senator Hoar of $600,000,000 that had been expended to that date by the United States, from the beginning of the Philippine war up to that date, in maintaining our Army?

Mr. MILLER. Oh, I will say to the gentleman that I have attended a great many Fourth of July celebrations where bombastic oratory was soaring and statements were made as wide from the facts as they could be made, but I do not think I ever heard any quite so wide from the truth as that statement to which the gentleman referred. [Applause on the Republican side.] And everybody who knows anything about the Philippine Islands at all——

Mr. HELM. Do I understand the gentleman as taking issue that Senator Hoar, who was a very eminent Republican, made that statement? Does the gentleman deny that he made that statement?

Mr. MILLER. Certainly I could not deny it; I could not deny it. I have no intention of denying he made the statement.

Mr. HELM. Then the gentleman's statement is that Senator Hoar himself made a mistake?

Mr. MILLER. If anybody made the statement, it was a misstatement.

Mr. HELM. Well, if it was stated in August, 1911, that the maintenance of our army in the Philippines for the then last 10 or 12 years was at an expense of $167,486,000 in excess of the cost of maintaining an army of similar size in the United States, would the gentleman say that was a false statement also?

Mr. MILLER. I anticipated the gentleman's remark by what I said previously, that I expected to get that statement. I believe the gentleman's figures are excessive. The only charge against the American people incident to our Philippine relations for many years, for which we paid out money directly, has been such increase in the cost of maintaining the army in the islands over the amount it would have cost had they been elsewhere in the United States.

Mr. HELM. Just right there.

Mr. MILLER. But it is no such sum as the gentleman suggests.

Mr. HELM. This statement was made by Gen. Wood, who was then Chief of Staff.

Mr. MILLER. I do not feel that I can yield further for discussion.

Mr. HELM. I simply want to know if the gentleman considers himself in a better position to know what had been expended for the maintenance of the army there than Gen. Wood, who was then Chief of Staff of the Army?

Mr. MILLER. The reports to Congress contain all the information on this subject that any gentleman could possibly require.

Mr. MANN. Is it not a fact that we passed a resolution asking the War Department to report to us what the cost had been to the United States, and they said it was not possible to determine it?

Mr. MILLER. I thank the gentleman for the statement. That is entirely true.

Mr. MANN. The gentleman from Kentucky may be able to determine it, but the War Department could not.

Mr. HELM. I would like to state that this statement of Gen. Wood was in response to that resolution.

Mr. MILLER. The gentleman from Kentucky [Mr. HELM] will have time and can make any presentation of that fact that he cares to make.

But to return to the argument I was about to make respecting the system of education in the Philippine Islands. No sooner had the American soldier started to become a schoolteacher than we took up the matter of public education of the Philippine Islands in a big way, commensurate with the way the American people do things. We advertised for and secured by careful selection about 1,000 first-class American schoolteachers. And, Mr. Chairman, they have gone into all parts and sections of the islands. They have been missionaries not only of light and learning to an ignorant people, but they have been missionaries of character, missionaries of ideals, missionaries of all the high concepts of manhood and womanhood that American civilization stands for. [Applause on the Republican side.] I believe I am well within the facts when I say that the work of the American school-teacher in the Philippine Islands is the most notable achievement that stands to the credit of any missionary or any group of people, secular or religious, since human history began. [Applause on the Republican side.] Not only did they instruct the youth as buildings were provided and funds procured, but they did that which was equally necessary and has since proven to be absolutely indispensable, they started to teach the Filipino people to be teachers. They started with about 150,000 children in the schools. There are now 550,000 Filipino children enjoying a splendid system of instruction in the islands. There are to-day about 700 American teachers engaged in the work—a less number than there were at the outset—all there in a supervisory capacity. The great bulk of the instruction to-day is by Filipino teachers, of whom there are above 8,000. Why, Mr. Chairman, when we think that 14 years ago there was not a single Filipino capable of being a teacher in the system of schools established, and to-day there are 8,000, what wonderful progress has been made!

Mr. QUEZON. Mr. Chairman——

The CHAIRMAN. Will the gentleman from Minnesota yield to the gentleman from the Philippines?

Mr. MILLER. Certainly.

Mr. QUEZON. Does the gentleman mean to say that there was not a single Filipino capable of being a teacher?

Mr. MILLER. I hope the gentleman heard my statement. I said there was not a single Filipino capable of being a teacher in the system of schools then established.

Mr. QUEZON. Because you were teaching English.

Mr. MILLER. We were teaching a thousand things—something besides the catechism, I admit.

Mr. QUEZON. There were Filipino teachers.

Mr. MILLER. But only a handful throughout the islands, and not qualified to teach in the system of public schools that was then established and has since been carried on. If it be stated that without American instruction and guidance the Filipino people could have accomplished as much as they have, then the part of the Scripture wherein it says "If the blind lead the blind, they fall in the ditch" is untrue and unworthy of a place in human philosophy. They have been led and wisely led, and they have responded nobly.

Now, I wish to make a statement further testifying to the statement offered by the gentleman from the Philippines on Saturday. The Filipino people have taken to education with wonderful alacrity. It is to their credit. I have traveled not alone in the larger centers, but out in the Provinces and remote regions, where the American schoolhouse and Filipino schoolhouse are combined, the Filipino schoolhouse erected by American genius and Filipino money, situated out among the palms and the pines, and I have seen the boys and girls there at 7 o'clock in the morning waiting for school to open. There are not schools enough there now to accommodate all the children. There are more than 1,000,000 children of school age in the Philippine Islands. They are being cared for and accommodated, however, just as rapidly as buildings can be constructed and teachers employed.

I think I am well within the facts when I say that the greatest handicap yet experienced in extending the school system is the lack of teachers. There is a splendid normal school in the city of Manila, where 1,200 Filipino men and women are studying to become teachers, and they are doing magnificent work. No one can see what they are doing or what has been done without having anything but the highest praise for it all. But, my good friends, the genius back of the entire movement has been the genius of the American. The Filipino has accepted it, embraced it, utilized it, all to his credit, but without the Americans it never could have been. If not so, then why do you find the condition in the other islands of Polynesia that you do? The Philippine Islands at the present is the only section of that quarter of the globe where there is a real public system of instruction.

Mr. QUEZON. Mr. Chairman, I would like to ask the gentleman if he is informed that before the American occupation of the Philippines the main cause of our dissatisfaction against Spain was the desire of the Filipino people to get more and better education in the Philippine Islands?

Mr. MILLER. That is absolutely correct.

Mr. QUEZON. Then where did the American Government help to instill that desire for education in our minds?

Mr. MILLER. The American gave spirit to and enlarged the Filipino desire to learn, but without America where would you have procured the teachers, where would you have had the instruction, where would you have had the system of education that you have to-day? I want to say something further about the system of education. I have been a school-teacher during a period of my life that I look back upon with probably more satisfaction than upon any other period of my existence. I conceive that a school-teacher is performing about as high and satisfactory service as is performed by any class of people in the United States. So when I see a public system of instruction I think I am entitled to have some notion respecting it. When I visited the islands I made it my special purpose to investigate and visit the public-school system wherever it could be found. I think I visited pretty nearly every school of importance in the islands, and I visited hundreds, literally hundreds, of the small primary schools. I therefore make this statement after a full investigation: I believe that the system of education which we have established and maintained in the Philippine Islands is the best adapted to the needs of its people of any system of education existing anywhere among any people on earth.

Never in any other region has industrial education been carried to the logical and extended limit that it has been carried in the Philippine Islands. From the time a child first enters school, whether a boy or a girl, that child learns to work with the hands, learns to perform some manual labor in an industrial line that will equip him or her for future usefulness in life; and one of the greatest things the schools have done is to dignify human labor, and no man can possibly appreciate this more than certainly will the gentleman from the Philippine Islands [Mr. QUEZON]. You see some remnants of that old prejudice against labor there, although, thank goodness, under 14 years of American occupation it has been rapidly dissipated. There is a feeling that physical labor is degrading. I think that came from the Spanish idea. We had not only to teach the people industrial occupations, but we had to teach them that physical labor is manly and womanly and honorable in every respect; and to have accomplished that is, to my mind, probably as great an achievement as any. All through the schools, from the primary up through the intermediate grades to the high schools, even into the normal schools and colleges, the girls are taught domestic science, embroidery, lace making, hat making, and a score or more of other industrial pursuits. Likewise, the boys are trained in all manner of manual training. They are trained to be carpenters, to be blacksmiths, to be machinists.

The Filipinos need industrial training as they need nothing else. They need it even more than they need to have the philosophy of education expounded unto them, and such has been the system that has been endowed and established there; and it is beyond human comprehension how any gentleman would care to make the statement that, unaided and unguided, they could have achieved this remarkable result.

I am going to make this statement here publicly, although I almost regret the necessity of making it. I had two objects in view in studying the school system in the Philippines. I wanted to see how it was adapted to training boys and girls for future responsibilities as citizens. I also wanted to see what was the result to the school of removing American supervision. So I traveled and I saw. I found that wherever American supervision was immediate, was direct, was there on the ground, the work of the teacher and the children and the school was efficient. It was what you might call satisfactory. The spirit was good. The morale was good. Things were shipshape. The atmosphere was such as you would like to see in a school. But, without a single exception, when you removed that immediate supervision and allowed a school in charge of a Filipino teacher to be removed and separated and to exist by itself the decline was immediate and most disheartening.

Oh, I visited so many of the schools that if they had not been named "schools" I would never have known that they were schools, because the supervision was not there; eloquently testifying to the capacity of the Filipino teachers to respond to the ideas that they see, and to the utmost importance of the supervision and direction on the part of the American supervising force. This does not mean the Filipino teacher never can be self-reliant; it simply means that, while advancing, he has not yet reached it.

Mr. Chairman, I have occupied vastly more time in discussing education in the Philippines than I ever expected to. I want now to advert very briefly to what has been done in the Philippine Islands in the extension of the policy inaugurated there at the time President McKinley sent his message to the first commission.

Mr. TOWNER. Mr. Chairman, will the gentleman yield?

Mr. MILLER. Yes.

Mr. TOWNER. Allow me, Mr. Chairman, to say to the gentleman from Minnesota [Mr. MILLER], so that he can govern himself accordingly, that he has 10 minutes more of his hour, and I intend to yield to him 10 minutes after the expiration of that time, so that he has now 20 minutes in all.

Mr. MILLER. I thank the gentleman. In the first place, it must be remembered that not only had a system of education to be established, but that Filipino people had to be trained to exercise the responsibility of governing positions even in the small places. Now, I recognize that under the Spanish régime there were a great number of Filipino officials; but the way the government was transacted under Spanish direction and requirement was such as to make it practically impossible for those men to possess any value in the experience which they had enjoyed, so that we had to train men for the work.

I find, in looking over the history of the Philippine Island government, that to-day, without this bill in effect, under the Republican administration almost complete self-government has been given to the Filipino people. The Philippine Islands are grouped in municipalities. Every municipality is governed entirely by Filipino people; only with a check upon the work in the hands of the American Central Government, utilized and exercised only as necessity requires. The Provinces are almost entirely within the control of the Filipino people themselves. There are three officials in the governing board—a governor, the third member, and the treasurer. The first two are Filipinos. We found by experience that it was necessary that the treasurer should be an American, although at the outset we had a Filipino treasurer as well. In the insular government in 1907 an assembly, popularly elected by the people, was established as the lower house of the legislature.

I might recite many other things, all showing that at every possible step a still greater and further participation in their government has been given to the Filipino people.

Now, this bill is but an added step in that direction. This bill goes a step further. It is in complete harmony with the policy pursued by the Republican administration from the days of William McKinley until now. There is nothing new in this bill; there is nothing revolutionary in it, as far as policy is concerned; but there are, most unfortunately, some most vicious provisions which unquestionably would have been eliminated, in my judgment, if the consideration and preparation of the bill had been approached from the nonpartisan standpoint and everybody worked together to perfect it. It is by reason of those features that we find it necessary to oppose the bill as a whole.

The gentleman from Virginia [Mr. JONES] in a most remarkable statement last Saturday and somewhat further to-day claims that this bill is desired by the Filipino people; that they want this bill. After listening to what he said and reading his report I thought they were all like the children of America, who cry for Castoria; that they are crying for the Jones bill—the bill Honas, as they call it over there in the Spanish language. I thought from what he said and after reading his report that from early morning until late at night the old and the aged, the manly and the strong, the infant and the weak were praying and crying for Bill Jones. But, Mr. Chairman, the gentleman from the Philippines [Mr. QUEZON] only prays in his heart this minute that that were true. As a matter of fact, it is not true. The gentleman has stated a half truth which contains all the elements of a misstatement, which he did not intend to make. I desire to be understood that I do not accuse him of deliberately and intentionally making a misstatement; but the statement that he made is only a half truth, which is in effect a whole untruth. I want to introduce the membership of the House to some of the yearnings on the part of the Filipino people for this bill. I am going to read to you an account of some meetings called in the Philippine Islands the minute they heard about this bill and what it provided. It may be that the Democratic Members of this House can beguile themselves into believing that this bill is a fulfillment of their hitherto announced position toward the Philippine Islands, but you can not make the Filipino people believe it. You may bunco yourselves, but you can not bunco them.

Now listen to some of the things they have to say about the bill. I am reading from the Cablenews-American its account of a meeting in its issue of June 13:

CONDEMN DEMOCRATS AT MASS MEETING—HARRISON'S POLICIES ARE ROUNDLY SCORED AND HE IS BLAMED FOR PRESENT ECONOMIC DEPRESSION.

A hot protest was made Friday night before between five and six thousand people gathered in the vicinity of the Katubusan cigar factory against the new Jones bill and the attitude not only of its author but also against that of the Democratic majority in Congress in regard to the independence of the Philippines.

The chief note of the gathering was its orderliness, and the police reserves that were held in readiness and the plain-clothes men who mixed with the crowd did not have to intervene in any way to keep peace.

The speeches were for the most part made in Tagalog, but the theme of them all was the same—a protest against the failure on the part of the Democratic Party to fix the date of ultimate independence. Personalities were forgotten. Even local political parties were left free from attack, the keynote of the speeches being, "We want independence and not parties. Down with personalities and long live principles."

The leading speakers were to have been Teodoro Sandico and Dominador Gomez, but neither was able to attend, the former because he had been called to Bulacan to address a meeting there and the latter because he was confined to his bed with catarrh.

While this was a disappointment to the crowd, other speakers made up in great measure for their absence. Among the chief speakers were Pedro Gil, of the Consolidacion Nacional, and Antonio Montenegro, one of the leaders of the new third party.

Señor Gil called attention to the fact that the Filipino people were playing their last card in the independence question, and that their silence in the face of the present situation would be looked upon badly in Washington. He and other speakers also called attention to the fact that the Republican Party had been more honest in their attitude toward the Filipino people than had the Democrats, who, while they declared for the justice of the cause of independence, were now backing out of their promise.

Congressman MILLER, with his scheme of an elective senate, also came in for much praise—

You will pardon me for reading this portion of the gentleman's speech, and I pause long enough to state that the one thing that I did in my own mind determine by reason of my visit to the islands as an essential and proper step soon to take was to give the Filipino people an elective senate, that they might have a complete legislative body elected by themselves—

it being held that even that was much more favorable than the present nondescript scheme, which left the matter where it was in the days when President Taft declared for independence when the people showed their capacity for it.

The policy of Gov. Gen. Harrison was roundly scored. The present economic depression was laid to his door as much as to that of the Democratic Party in the States, and several of the speakers went so far as to declare that the change of administration had been disastrous for the country.

It was finally announced that this morning a cable would be sent to the President of the United States denouncing the Jones bill and asking that a definite time for the granting of independence be fixed.

That cablegram was sent. I did not see anything about it in the report of the committee or in the remarks of the gentleman from Virginia.

Seven thousand members of the seamen's union also clubbed together to cover the cost of a cable in the same terms.

Among the interested spectators, though standing in the background, was Speaker Sergio Osmeña, accompanied by his aid, Antonio Torres.

The CHAIRMAN. The gentleman's hour has expired.

Mr. TOWNER. I yield 10 minutes more to the gentleman.

Mr. JONES. May I ask the gentleman a question?

Mr. MILLER. Certainly.

Mr. JONES. I want to ask if that paper from which the gentleman read that account is not an American paper, and if it has not always been regarded as bitterly anti-Filipino?

Mr. MILLER. I would not say that the last statement is true. The first statement is true. It is edited by an American; but if the gentleman has any doubt about its accuracy, if he will hold his patience for a moment, I am going to read him a volume of stuff from Filipino papers if I have the time. I am going to read some of it, anyhow. That was a meeting of five or six thousand. There were many of these meetings where there were thousands and thousands present, protesting in the strongest language against the Jones bill. Here is another one from the Manila Times, not the Cablenews-American, giving an account of another mass meeting of Filipinos:

THREATENED MAN WHO PRAISED JONES BILL—SPEAKER PREFERS TAFT TO JONES, AND IS CHEERED.

That ex-President's Taft's suggestion to grant the Philippines independence after three generations is infinitely better than the new Jones bill, which sets no time at all, was the assertion which Sr. Medina, one of the leaders of the Partido Democrata Nacional, made during a powerful speech delivered before a great crowd assembled around the band stand on calle Moriones last night for the purpose of protesting against the passage of the new Jones bill. This statement was received with enthusiastic applause by the multitude, thus showing the intense feeling of disapprobation which they have against the said bill.

The meeting commenced shortly after 9 o'clock, which was one hour later than the scheduled time, the delay being due to the nonappearance of Dominador Gomez and Isabelo de los Reyes, who had promised to speak on the occasion. As the crowd showed signs of impatience, due to the nonarrival of these gentlemen, Sr. Medina was introduced, after whom Gen. Antonio Montenegro and ex-Gov. Teodoro Sandiko also spoke.

Gen. Montenegro whelmed the entire Nacionalista Party in a comprehensive condemnation. He called the members of that organization humbugs, despots, and ungrateful. The Nacionalistas, he said, made all kinds of promises to the people while they were candidates for office, but once the people had placed them in the coveted places, both the people and the promises were forgotten. For these reasons, nevermore should the citizens place their confidence and trust in them.

Gen. Montenegro then changed his topic and spoke of the new Jones bill. But hardly had he pronounced a few sentences against the measure when a man emerged from amidst the crowd and asked to be allowed to say a few words. This request was courteously granted by the speaker, who afterwards regretted having done so: for the unknown speaker, holding an entirely different opinion in regard to the Jones bill from that entertained by the previous speakers, challenged the statements made by the general, and in vehement language called "ignorants" those who would say a word against the measure. "This law," he said, "is still in the air. No copy of it has yet been received in the islands. We do not know whether, when finally presented by its author to Congress for approval, it will have the same provisions that it is reported to have to-day. All criticisms, therefore, are premature, and those who are trying to wage a campaign against it are fighting against their own shadows."

But here a thunder of protest burst from the infuriated crowd, who, incensed by the somewhat complimentary remarks of the speaker, filled the air with cries of "Fuera! Fuera! You are not a Filipino! We are all against the Jones bill. You are the only one in favor of it. You are not a Filipino! Fuera!"

The gentleman from the Philippines knows what "Fuera" means.

SEVERAL MEMBERS. We do not know.

Mr. MILLER. It means "Begone, away from here; you are not of us."

The words were uttered with such anger by the excited crowd that for a time the life of the man seemed to be in danger; but, thanks to the presence of a number of police, the incident passed without actual violence.

Peace was restored when Teodoro Sandiko was introduced, and that gentleman had an opportunity to discuss the question calmly. Among the statements made by him the most notable was that in which he advocated a reform of the present law so as to extend the right of suffrage to those who are able to write in their native language. "In America," he remarked, "the people are not required to speak or write any foreign language in order that they may be allowed to vote at public elections," and it seemed illogical that Americans should see fit to enforce such a rule here.

As both Dominador Gomez and Isabelo failed to show up, the crowd dispersed at the termination of Sandiko's speech.

Now the gentleman here, Señor QUEZON, knew what the Filipino people had been led to believe, knew the attitude that they would immediately take toward this bill, and he took counsel to see what he might do. There are two Resident Commissioners, Mr. QUEZON and Mr. EARNSHAW. Where is Señor EARNSHAW? Where has he been for the last four months? I will tell you. The moment the White House gave an edict that this bill and this bill alone should pass, Mr. EARNSHAW, in desperation, hurried to the Philippine Islands in an effort to sugar-coat the bill. He carried in his possession a draft of the bill. It was known that he was coming. The day and hour was set for his arrival. A great outpouring of Filipinos gathered in the opera house, before whom Señor EARNSHAW proceeded at once to read and explain the bill. I wish I had time to give you a full account of what occurred on that memorable occasion. I can only give a little. Here is the account:

Between four and five thousand persons, a large majority of whom represented the anti-Osmeña forces of the progresista and third parties, packed the big auditorium to its fullest capacity, and alternatively cheered and jeered as the adherents and opponents of the fixed-date propaganda strove to gain a hearing. At one time only was there any semblance of continued calm, and that was during the address of Commissioner EARNSHAW.

At the opening of the meeting the proposal for a resolution of confidence to be cabled to Commissioner QUEZON was presented, but in its original form it contained no reference to "a fixed date." Attorney Jose O. Vera was on his feet almost instantly with a proposal to amend the draft by the addition of the words "at a fixed date," thereby winning for himself thunderous applause from the vast assemblage. On the proposed amendment there was a heated argument, during the course of which those who arose to oppose it were hooted down by the crowd, while those who appeared in its defense were cheered to the echo.

Before the vote on the question was taken, however, Commissioner EARNSHAW was introduced by Assemblyman de la Rosa. At this the tumult abated, and the audience listened with rapt attention during the whole of his rather protracted address. At its close he was heartily applauded, but scarcely had he withdrawn from the stage before pandemonium was again let loose. The cause for this outbreak was the apparent intention on the part of those in charge of the meeting to adjourn it without calling for the vote on the "fixed-date" amendment offered by Attorney Vera.

A score of the more fervent of the radicals pushed forward to the orchestra chairs, shaking their fists at the members of the committee and demanding that the vote be taken immediately. Mariano Lim, who was acting as master of ceremonies, finally stilled the crowd long enough to call upon those in favor of the proposed amendment to raise their hands. Instantly almost the entire house was upon its feet, and the forest of waving hands gave ample proof of the sentiment of the crowd. A call for those opposed to the proposed amendment was responded to by a score or so of intrepid spirits, but these were ignominiously jerked off of their feet by those in favor of the measure.

The announcement that the amendment had been carried was the signal for a wild demonstration of enthusiasm, which lasted for a full quarter of an hour, at the conclusion of which, after vain calls for Sandiko to address the meeting, the crowd slowly dispersed.

That was a meeting called by the friends of Señor QUEZON and Señor EARNSHAW that Señor EARNSHAW might have himself a favorable opportunity for presenting the terms of this bill, and, if possible, to get the Filipino people to like it. How far he got that account shows. Now, this was the resolution they had previously prepared and which they expected to jam through:

The Filipino people, including all classes, interests, and vital forces of the country, in public session assembled, solemnly ratify the confidence reposed in you and your comrade, the Hon. MANUEL EARNSHAW, to secure from the Congress of the United States the immediate concession of our independence.

But that would not satisfy the crowd. Four or five thousand against twenty persons insisted upon adding these words, "at a fixed date." And those words were added at the end. So, my good friends, if you think you are satisfying your consciences by the bill which you have here, you are a long ways from satisfying the Filipino people that you have not betrayed the confidence they placed in you.

For fear the gentleman from Virginia [Mr. JONES] will be disinclined to believe the Americans when they talk, preferring to rely upon the statements of Filipinos when they talk, I want to, for his information, give some of the accounts of the Filipinos of this meeting, and I am going to print in the RECORD a lot of extracts that I have not time to give here. Here is what a leading Filipino paper, Consolodacion Nacional, says:

It is truly sad to observe the inexplicable attitude adopted by the Osmeñaites with reference to the imposing manifestation of popular will at the Grand Opera House on Sunday last. Just because the meeting convoked by the Osmeña gang themselves did not do what was desired—the people feeling the weight of responsibility resting upon them, acting spontaneously and expressing their will—Osmeña and his satellites are now publicly showing their contempt of the will of the people. Drunk with power, they are beginning to think that their mandates must be complied with invariably, that their will must be accepted by the people as the supreme law, without protest, without recalling that the power of the bosses is derived from the people. To these unfortunates the people are the charmed circle of their political adherents, and they are always ready with words of scorn for the masses of the people, the real backbone of the country, who make known their will by the force of their votes under a government where the will of the people is supreme. But what do these enemies of democracy really seek to accomplish? Are they trying to establish an oligarchy here so as to be able to give free rein to their caprices and to do violence with impunity to the interests of the majority? It seems almost incredible that after more than nine months of a Democratic administration, in which every effort has been made to instruct the Filipino people in the art of self-government, there should still remain among us men who can not free themselves from these pernicious ideas of political absolutism.

The people treacherously and cowardly abandoned and neglected by the Osmeñistas and the members of the extinct Liga Popular Nacionalista have been welcomed by the Partido Nacional Democrata and the Progresistas, says La Democracia. This fact, which constitutes the political sensation of the hour, was the cause of the colossal downfall of the Gran Partido Nacionalista at the mass meeting held last Sunday at the Grand Opera House.

We are not going to discuss whether or not the people have a right to ask for a fixed date for the concession of our independence. But at the convention held yesterday morning at the Grand Opera House they have proved that they can not always be made the unconscious, pliant instruments of our double-dealing and conspiring politicians and that they have the courage of their own dogmas and convictions.

The death knell of the inflated Immediatistas was sounded yesterday at the opera house, because the people have at last come to their own and realized the dangerous elasticity of the vague but alluring policy advocated by the Osmeñistas and that the inconsistent attitude of the latter has proved that either the Progresistas were right in not fixing the date for independence or that the policy of the Osmeñistas is nothing short of a wildcat political scheme and efficient means by which to ascend the heights of government power.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. TOWNER. I yield to the gentleman 10 minutes more.

Mr. MILLER. Mr. Chairman, here is an extract from another Filipino paper, La Vanguardia:

The Grand Opera House meeting Sunday was a political event of the first order. A most delicate and fundamental question was discussed, namely, the fixing of a date for independence and the attitude our representatives in Washington should adopt. These matters had been aired previously in rather heated discussion, and varied opinions were expressed. But at yesterday's meeting perfect harmony prevailed. It is true that there were explosions of enthusiasm and manifestations for or against certain of the speakers. But this is only natural in affairs of that kind. The meeting clearly shows that there really exists a public opinion. Our detractors insistently denied this. The public, which yesterday gathered at the Grand Opera House, understood that in order to assure the success of our cause in the United States it is necessary to give new encouragement to them and reiterate our faith in our standard bearers, who are sacrificing themselves by leaving their country and interpreting at Washington the will of the people of the Philippines. As one man, and seemingly moved by one patriotic sentiment, the gathering voted on the principal point, which is that of confidence in our representatives.

El Ideal is the official organ of the Nacionalista Party, the party now in power. Speaking of the opera-house meeting, this paper says:

The people at the Sunday meeting said, "We want immediate independence, and we ask our delegates at Washington to secure it." This is exactly what the great Nacionalista Party always has preached, and is preaching to-day. What will the American Nation say to the petition of the Filipino people? This question only the Resident Commissioners can answer, because they know the situation in the United States. Two bills have been introduced by the Democrats anent the Philippine problem—the old Jones bill, which fixes the date of independence, and the new measure, which does not.

After quoting President Wilson's words stating his position with reference to the fixing of a date, El Ideal continues:

These words indicate, first, that the present administration is not inclined to grant us immediate independence; and, secondly, that the only thing that can be conceded to us is the new Jones bill. The question has been thus put by Commissioner EARNSHAW: "Shall we accept the new Jones bill without prejudice to our right to continue advocating independence in the future, or shall we prefer to have things remain as they are now?" Speaking for ourselves, we are in favor of the new Jones bill; decidedly so. Not to accept it would be an act of insanity. When the Philippine Assembly was inaugurated the people accepted it as a concession. They did not renounce their ideals, and remained determined to work for still larger concessions. When Gov. Gen. Harrison brought us the news that there was to be a Filipino majority on the commission, we accepted that concession for the same reason and without renouncing our ideals. Why are we now to reject a positive benefit, just because our ultimate object is to attain a thing which at present is not conceded, but still not renounced? The race of Don Quijotes, we believe, is a thing of the past, at least in the Philippines. If you become tired out, finding your path obstructed by dense growth, you will accept a glass of water and a little morisqueta, won't you, so as to gain renewed strength to continue the arduous journey to the top.

Now, that is from the Nationalist organ, the organ of the party represented by Señor QUEZON, and the party in control. Whether or not they like this new Jones bill, you can be assured they would not rush into print against it, and to say what they did must have been inspired by strong feeling.

Speaking generally, La Democracia, another Filipino paper, says:

The new Jones bill, which has been the cause of a vigorous protest made manifest in the press and in the meetings, puts in bold relief the discrepancy among the prominent Nacionalistas and a great part of the people.

This state of affairs should no longer continue, if the intention is to give the Philippines a democratic and not a despotic government, with the sole control and will of high-handed caciques. In matters like independence, which vitally and directly affects the Filipinos, Congress, like the President of the United States, should consult the diverse opinions prevalent among the Filipinos before approving or adopting any measure or resolution concerning the Philippines. In this way Congress would act with more wisdom and tact, and it would not be said that the Filipino people are governed by a lot of petty tyrants.

We have no doubt that President Wilson acts in good faith, but we believe that it will be erroneous and in a certain way prejudicial to consult exclusively the personal opinion of Señor QUEZON concerning anything anent the question, because measures would then be adopted without first consulting the opinion of the majority of the Filipinos, measures which would perhaps be against our own interest. As a concrete case, we have the new Jones bill, which does not seem to have the solid support of the majority of our people.

It is undeniable that neither QUEZON or Osmeña represent the opinion of a considerable portion of the Filipino people, as is proved by the fact that there now exist two distinct Nacionalista parties, besides many other important elements, which, although being independent in politics, can not by any means be indifferent when dealing with a great and important question such as the independence of their country.

This is just as much as the Filipino people love the Jones bill.

But we have the words of the Resident Commissioner himself in respect to how he apprehends his countrymen will take the new Jones bill. Not even sending one of the commissioners back in an effort to appease the people did they think would be sufficient. So hundreds of cablegrams had to be sent, and some of them go a long way. This is from Señor QUEZON himself. It is an account given by the newspaper publishing the telegram:

PRESENT MEASURE ALL HE COULD GET IS REPORT MADE BY QUEZON—IF PRESENT PHILIPPINE BILL FAILS, DOESN'T THINK FUTURE CONGRESS WOULD GIVE AS MUCH.

That the Filipino Resident Commissioners in the United States submitted a bill to President Wilson establishing a Philippine constitution and a Filipino republic, but that the President opposed it, is the news contained in a lengthy communication given out at the office of the secretary of the assembly this morning.

The communication is from Speaker Osmeña and was received several days ago, with orders that it should be given out only when the Jones bill was presented to Congress. It contains an expression from the Resident Commissioners in which they justify their attitude in supporting the new Jones bill. This expression of sentiments follows:

"The Jones bill is the result of a long and continuous struggle and can be called a compromise measure.

"On our return from the Philippines in last December we submitted to the President and to other Democratic leaders the independence bill prepared in the islands, which provided for the approval of a constitution and the immediate relinquishment of American control after the establishment of the government created by the constitution. But all our efforts were without avail.

"Then we urged the consideration of the original bill known as the Jones bill, but the President objected to this bill on the ground that the time could not be predicted when independence could be given.

"Because of pressure of domestic matters as well as foreign affairs we found that the administration was not disposed to consider the Philippine question, and besides this there was the incessant and vigorous labor of our opponents not only to prevent consideration of an independence measure, but also any other bill giving new concessions to the Philippines.

"The situation seemed very discouraging to us, especially as we realized that if we continued to insist on a bill conceding immediate independence or fixing a date when that independence should be given our efforts would be resultless and we should not obtain any legislation during this Congress.

"Believing that it was wise and prudent to secure the greatest possible concessions before this Congress adjourned, always with the hope and plan of continuing after the step was taken, we decided to concur in a bill which would have the approval of the President and Congress and which would give almost complete self-government to the Filipinos and at the same time assure complete independence in the future.

"For this reason we began to work for a bill giving some concessions of this nature and after a series of conferences the President approved a bill of this character, which will be presented this week by Congressman JONES, which, while it may not become law this session, we have reason to believe will be passed at the next session.

"We submit these facts through you to the Filipino people in the confident hope not only that our efforts will be appreciated as more or less successful, but that we have encountered all difficulties with unshakable loyalty to our country and with the purpose of serving to the best of our abilities the interests of the Filipino people.

"We now ask the united support of the Filipino people to use it against the strong campaign of our enemies here, not forgetting that if by any circumstance this bill, the only one now obtainable, can not secure passage in this session of Congress the damage done will be so considerable that we can not predict being able to secure a similar concession from Congress later."

That indicates how satisfactory this bill is even to the Resident Commissioner himself. Mr. Chairman, I want to pause long enough to give my personal testimony to the fact that Señor QUEZON has labored in season and out during all the years he has been here, with the administration and with the American people, trying to procure the independence of the Philippine Islands. I believe that he has kept faith with his people. [Applause.]

But I know the Democratic Party has not kept faith with him, and he and his party at this time find themselves led up to the brink, dangling over, and dropped by their professed friends. I want to go on record as saying that after traveling through the islands and listening to the expressions of their sentiments, their ideals and desires expressed by those who talk on the subject, that this Jones bill will not unlikely be the political death of the Nationalist Party in the Philippine Islands.

If you do not like to take my word for it, take that of a great Democrat in the Philippine Islands. This is the statement of a man named Kelley, who says that he stood within 10 feet of President Wilson when the committee informed him that he was nominated for the Presidency of the United States, and in the course of this prepared article he says that this Jones bill, if it becomes a law, is the death shroud of Osmeña, QUEZON, and the Nacionalista Party.

Amzi B. Kelley has issued the following statement to the newspapers of Manila:

As a member of the Democratic notification committee, standing within 10 feet of the Hon. Woodrow Wilson, I heard him say: "I summon all honest men, all patriotic, all forward-looking men to my side. God helping me, I will not fail them if they will but counsel and sustain me." Now is the time for just such men to act and help one who can not possibly, without our counsel, take proper action upon the important questions affecting these islands.

To the people of the Philippine Islands, of every race, color, and creed, and every phase of political belief:

* * * * * * *

But the present "bill" does not specify a definite date, nor is there anything in its provisions, as quoted in the press, that really changes the political status of to-day or to-morrow from what it was yesterday. The statement to be in said bill, that "Independence is to be granted when a stable government is established," has been directly or indirectly proclaimed by every President of the United States since the first day of American occupation, and preached to the people by every Governor General from Taft.

But leave that date uncertain and the Jones bill will prove to be but the death shroud of the Partido Nacionalista; and on account of our scarcity of public men trained in the art of government this will be exceedingly unfortunate, for so sure as the night follows the day they will go down in defeat and a new party will come forth promising to fix the date of independence.

Mr. Chairman, I hope the prediction will not prove true. I personally believe that Osmeña, QUEZON, and their confrères are infinitely the people entitled to be the leaders of the Philippine Islands. I devoutly hope this prediction will not come true. But all of the reasons for bringing it about are found in the bill and in the shameless abandonment by the Democratic Party of the criticisms which they have leveled on the Republican policy during a period of 14 years.

Mr. SHERLEY. Mr. Chairman, will the gentleman yield?

Mr. MILLER. I would like to yield, but I have only three or four minutes left.

Mr. TOWNER. I will yield the gentleman five minutes more, if he desires.

Mr. MILLER. Very well.

Mr. SHERLEY. Mr. Chairman, I did not hear the first part of the gentleman's speech; but aside from depicting what are the opinions of the Filipinos, is his criticism of the bill the fact that it does not fix a definite date at which Philippine independence shall be granted?

Mr. MILLER. If the gentleman means would I prefer a bill that would fix a definite date, I can not at this time answer him as he desires. I may say, without expressing any opinion of my own, that the bill, unless it does fix a date, unless it does say something about independence proper, is not a fulfillment of the Democratic platform or of the expressions of the Democratic Party.

Mr. SHERLEY. I heard the gentleman's statement about what he considered our fulfillment of our promise. What I am trying to arrive at is what the gentleman's position is as to what should be done with the Philippines? Does the gentleman's party or does the gentleman favor the granting of independence at a fixed date?

Mr. MILLER. Manifestly at the expiration of my time I could not take up an answer to that question. [Laughter on the Democratic side.] I will answer it in due time, if the gentleman desires, before the hearing of this bill is concluded.

Mr. Chairman, the statement of the majority to support the bill I have read with amazement. It contains the shadow of substance, but the substance is not there. It contains more misinformation on the Philippine Islands than I have ever seen compressed within the same space anywhere else.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. TOWNER. Mr. Chairman, I yield the gentleman five minutes more.

Mr. MILLER. Mr. Chairman, I am not going to take occasion at this time to point out all of these things, but I may do something with it later on, and as illustrative of the whole, I want to read this. The gentleman from Virginia [Mr. JONES], with great unction, glibly let fall from his lips on Saturday the statement that clergy of the Philippine Islands desired the passage of this bill. They desire it just as much as the Philippine Islands do, and not a bit more, which is not at all. However, he quotes this in his statement:

The Philippine clergy, which does not concern itself in local and transitory political contests, but is interested only in the stability of public institutions, favors urgent approval of the Jones bill.

The gentleman in his statement says that is a cablegram to the Resident Commissioner, Mr. QUEZON. He does not say who it is from. It is signed by no one. He does not say who sent it or who signed it, and he does not say what clergy. Is it the Catholic clergy or the Protestant clergy? Is it the expression of a convocation of clergy or the private expression of an individual? Inasmuch as the gentleman either having the information did not see fit to give it to the House, or not having it could not do so, I will give it to the House. There was a meeting of clergymen in the city of Manila. They were not called to consider the bill, but incidentally some discussion of it arose, and in an account of what took place there the public press reported that the clergy while deprecating the legislation at all, yet it being apparently the program of this administration to enact Philippine legislation, in view of the protest of the Filipino people over the bill, in view of the almost riotous conduct of the mobs in Manila when they were considering it, in view of the stagnation of business on account of its apprehension, in view of the chaos that exists in the islands now and has for months, they said, "If you are going to inflict the punishment, do it now and end the suspense." That is the extent to which the clergy favor the Jones bill. [Laughter on the Republican side.]

If the gentleman desires a direct expression, I will leave the gentleman and leave the gentlemen of the committee to the interview of Archbishop Harty, given in Hongkong at the time he made his recent trip to the United States and published in the press. The gentleman will find there how far the head of the Catholic clergy in the islands is willing to indorse the Jones bill or any other bill anywhere nearly like it. If, however, it might be inquired about the Protestant clergy, I have a great variety of material that gentlemen might be interested in. However, I shall confine my statement to one, that of Bishop Oldham, of the Methodist missions in the Philippine Islands. Here is what he said very recently:

It is on behalf of the masses of the plain people, who have not yet come to intelligence and a clear understanding of what a republic means, that the real friends of the Philippines urge a less hasty program than that which is now promised.

To leave the Philippines to become the prey of designing leaders, the theater of such exhibitions as that which Mexico is now affording, is surely not the altruistic program to which we were so manifestly called when Dewey entered Manila Bay.

I have nothing but deep respect for the present national leaders of America who propose the program of immediate independence, but if time be given for a closer investigation of all the facts, I am very certain that I have spoken the deeper truth of matters that are not on the surface, and an investigation of this will give Congress pause.

Let us wait until two more generations have been through the public schools, till the mass of the farmers and plain people of the smaller villages have learned the real meaning of a republic.

It is important, however, that the American people should not be misled into thinking that this cry for independence carries with it any promise of what we are accustomed to mean by a democratic form of government. If our intention, after these 15 splendid years of trusteeship, is to hand over to the exploitation of their racial leaders the masses of the plain people of the Philippines, then there is no reason to withhold the early granting of entire autonomy.

Mr. Chairman, I recognize that the limitations of the hour have made it necessary that I should express in a fragmentary way only many of the vital things that we ought to take into account in the consideration of a bill of this kind.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. TOWNER. Mr. Chairman, I yield the gentleman two minutes more.

Mr. MILLER. Mr. Chairman, when the Declaration of Independence was framed there was written into form and given to the humanity of the world the doctrine of individual liberty and self-government. That was the American contribution in concrete form to the constitutional rights of the peoples of the world. When we hoisted our flag in the distant Orient in the Philippine Islands we gave to the world a new idea in colonial government. Colonial schemes have been used by many nations for their own enrichment and aggrandizement. The whole history of our 14 years in the Philippines has been dedicated to but one thing, the welfare of the Filipino people. [Applause.] There has been no selfish motive; there has been no hope of bettering and aiding the American people or the American Nation. We have been endeavoring to give to a people that knew it not real liberty, real learning, consciousness of the responsibility of government, and an opportunity to develop capacity for self-government. We have achieved with greater success within those 14 years than we dared to hope. Much of the criticism that has been urged against our policy by foreign Governments is because they can not understand how the American policy has been one of such complete altruism. The American flag has meant, and means to-day, education, prosperity, peace, happiness, and he who would speak of it otherwise knows not the lesson of the last generation. My personal opinion is, after having traveled through the islands from one end to the other, visiting every Province and every tribe, that while there are some splendid, well-educated, and intelligent people who are as capable of self-government as you or I, of whom Señor QUEZON is one, 85 per cent of the inhabitants of the Philippine Islands do not now have an adequate idea of what self-government is, its duties and responsibilities, or what independence really consists of. [Loud applause on the Republican side.]

The CHAIRMAN. The time of the gentleman has again expired.

Mr. JONES. Mr. Chairman, I yield five minutes to the gentleman from the Philippines [Mr. QUEZON]. [Applause.]

[Mr. QUEZON addressed the committee. See Appendix.]

Mr. JONES. Does the gentleman from Iowa [Mr. TOWNER] care to use some time now?

Mr. TOWNER. Will the gentleman use some of his time? I can arrange to use some time pretty soon, I think.

Mr. JONES. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, in dealing with a question such as the one we now have under consideration and which we are about to dispose of, I like to turn to one of the greatest democrats of any period and seek in his utterances some inspiration for my own thoughts. And so, when it was learned that some opportunity might be offered me to participate in the debate on this bill, my hand stretched out for a little volume which is kept within easy reach, and by a happy chance—or was it chance?—it opened upon this passage from a speech by Abraham Lincoln at Chicago on the 1st day of March, 1859:

I do not wish to be misunderstood upon this subject of slavery in this country. I suppose it may long exist, and perhaps the best way for it to come to an end peaceably is for it to exist for a length of time. But I say the spread and strengthening and perpetuation of it is an entirely different proposition. There we should in every way resist it as a wrong, treating it as a wrong, with the fixed idea that it must and will come to an end.

Abraham Lincoln was talking of a chattel slavery which then threw its dark shadow across the land and limited the vision of thousands and even millions of honest and patriotic Americans, as imperialism has limited and still limits the vision of so many in our own time. To-day we are talking of another sort of slavery. And about this I do not wish to be misunderstood. I suppose it may long exist, and perhaps the best way for it to come to an end peaceably is for it to exist for a length of time. But I say that the spread and strengthening and perpetuation of it is an entirely different proposition, and that there we should in every way resist it as a wrong, treating it as a wrong, with the fixed idea that it must and will come to an end.

In the Democratic platform of 1900 I find the following declaration, one which still rings true, breathing the very spirit of Thomas Jefferson and of Abraham Lincoln:

We assert that no nation can long endure half republic and half empire; and we warn the American people that imperialism abroad will lead quickly and inevitably to despotism at home. * * * We are in favor of extending the Republic's influence among the nations, but believe that that influence should be extended not by force and violence, but through the persuasive power of a high and honorable example.

And in our platform of 1904—aye, even in that—we took high ground by declaring that—

We oppose, as fervently as did George Washington himself, as indefinite, irresponsible, discretionary, and vague absolutism and a policy of colonial exploitation, no matter where or by whom invoked or exercised.

Four years later we were still true to the faith, still committed to the earlier gospel of Democracy, still with faces set toward the light in spite of those sitting in darkness, for in the great platform adopted at that wonderful convention in Denver we issued this proclamation:

We condemn the experiment in imperialism as an inexcusable blunder which has involved us in enormous expenses, brought weakness instead of strength, and laid our Nation open to the charge of abandoning a fundamental doctrine of self-government. We favor an immediate declaration of the Nation's purpose to recognize the independence of the Philippines as soon as a stable government can be established, such independence to be guaranteed by us as we guarantee the independence of Cuba, until the neutralization of the islands can be secured by treaty with other powers.

Nor does this complete the record. At Baltimore, as at Denver, at St. Louis, and at Kansas City, the Democracy of the Nation spoke out against a strange graft upon the free institutions of this favored land. In precisely the language of the platform of 1908 the platform of 1912 reaffirmed the position thrice announced against a policy of imperialism and colonial exploitation in the Philippine Islands or elsewhere. And never did the Democratic Party endear itself to my heart more than it did when it took and held this lofty ground, this ground of the Declaration of Independence, this ground of the golden rule, this ground of fundamental democracy.

For what is imperialism but an utter denial of all that the great Declaration implies, the golden rule embodies, and fundamental democracy inculcates? It is as foreign to all these as slavery was or as a king would be to the free atmosphere of the White House. It never had a moral sanction. It was compounded of greed and of an unholy lust for power. In no sane moment of the Republic could its foundations have been laid in conquest and carried out through duplicity and bad faith.

Mr. Chairman, the time is not at my disposal for an exhaustive discussion of our adventure in imperialism; nor if time were allotted me would my abilities equal the task. Others shall speak where my voice fails. Others shall tell the story better and more clearly than I could hope to do, for there are men in this House who, since the beginning of this sordid and bloody adventure, have fought to preserve the Republic by fighting to overthrow the forces of imperialism, those sappers and miners of our day who were and are weakening the very foundations of free government. And in this connection I can not forbear an especial reference to the distinguished author of the bill now before the House, the able, the consistent, the courageous, and the faithful gentleman from Virginia [Mr. JONES]. [Applause.] Ever since the beginning of this mad adventure this loyal soul has battled, sometimes almost alone, to check its progress. At every turn he has challenged it. On every field he has met it with the weapons of fundamental democracy. In every emergency he has borne himself with rare fidelity and still rarer poise. And here at last he is about to see the fruitage of all his patient endeavor.

Mr. KELLEY of Michigan. Is it the gentleman's notion that independence should have been given the Filipinos 14 years ago?

Mr. BAILEY. Independence you can not give. It inheres as a natural right. It was stolen from them.

Mr. KELLEY of Michigan. Why do you not do it now, then?

Mr. BAILEY. I would if I could.

Mr. KELLEY of Michigan. You have the votes over here with which to do anything you want.

Mr. BAILEY. As I was saying when interrupted, Mr. Chairman, the gentleman from Virginia is to see the fruitage of his patient endeavor in the adoption of this measure. It is perhaps not his highest thought on the subject of the Philippines. It is perhaps less than he had hoped to write into the laws of the land. But I am sure that his aspiration is written into the preamble and that if it were not for that and for the assurance its

adoption will give he would feel, as he should feel, that the word of promise had been kept to the lip and broken to the hope.

For, after all, Philippine independence is not carried in this bill. Only a larger self-government for the islands is the message it carries as far as actual legislation goes. But more than the legislation is the pledge which precedes it, for the preamble is the really vital thing. All the rest is of transitory significance.

Mr. MADDEN. Will the gentleman yield for a question?

The CHAIRMAN. Will the gentleman from Pennsylvania yield to the gentleman from Illinois?

Mr. BAILEY. I will.

Mr. MADDEN. I would like to ask the gentleman, for information, whether he thinks the preamble has anything to do with the law?

Mr. BAILEY. As a mere legal proposition, I think not. I do not think the Declaration of Independence was anything more than a preamble to the Constitution. I think the Declaration of Independence got there, however, with both feet.

Mr. SLAYDEN. Will the gentleman permit me a question?

Mr. BAILEY. I will.

Mr. SLAYDEN. Does not the gentleman think it desirable, where so many people seem to question the fundamentals of our Government, to assert those principles now?

Mr. BAILEY. Most emphatically. But to return to what I was saying a moment ago. The preamble to this measure is the really vital matter. Yet the rest is big with promise of better things for the people of the Philippines. It turns over to the Filipinos practically complete control of their own affairs. They are still bound to us by ties which should sit lightly upon them and which may prove helpful in working out the problems of self-government preparatory to that independence, title to which is theirs by divine right.

It is not my purpose here, Mr. Chairman, to attempt an analysis of the bill. That task has already been performed by its talented and most distinguished author; and no doubt others who shall follow me will elaborate its details and throw into relief its various provisions. Let me content myself with saying that in a most substantial manner it keeps faith with the country and with the Filipinos. It appeals to the people of the archipelago as it should appeal to the people of the United States. It is instinct with the spirit of our own institutions. It breathes the very breath of our Bill of Rights. It embodies the vital things which are so very dear to our hearts. In practically every aspect except that involving international relations the Filipinos are to be as free and as self-governing as though their sovereignty were absolute.

Of only one particular phase of the measure do I care to speak at this time. I refer to that provision which continues the trade relations now subsisting between the islands and the United States. It is a relation of free trade, and with all my heart I wish that this relation might never be broken. It is the one relation between the Philippines and the United States that has been beneficial to both. It has been as salutary for the people of the islands as it has for those in our own country. And I am bound, in this connection, to pay a tribute to William Howard Taft for the great part he played in breaking down the superstition, the prejudice, and the barriers of ignoble self-interest which so long denied free exchange of products between the two peoples—between the conquered and the conquerors. Had Mr. Taft during his long service as governor and later as President of the United States performed no other meritorious act, this alone would fairly entitle him to the plaudits of all enlightened men and to the especial gratitude of the Filipino people.

I wish I might here set forth the full story of free trade between the archipelago and the United States. It is a story which gives the lie to every claim of the trade killers who choose to call themselves protectionists, and who "protect" industry by putting it in a strait-jacket, by placing shackles upon its feet, or by choking it to the very death. The response of trade to the open door which a repeal of the tariffs offered was scarcely less than marvelous. Instantly the flow of traffic increased in volume. From practically nothing it swelled to relatively astounding proportions, and now that the Filipino people are to be bound to us by a friendlier tie we shall expect the volume steadily to increase and the benefits to them and to us to become more and more diffused.

And now I return to the first thought when this subject was taken up, the thought that this bill does not go as far as some of us have felt that it should go. I do not wish to be misunderstood upon this business of imperialism. I suppose it may long exist, as Lincoln supposed slavery must when he was speaking in 1859; and perhaps the best way for it to come to an end peaceably, as Lincoln said of chattelism, is for it to exist for a length of time. But I say of imperialism and colonial exploitation, as the great Lincoln said of the evil which he was facing, that the spread and strengthening and perpetuation of it is an entirely different proposition.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. JONES. Mr. Chairman, I yield one minute more to the gentleman.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for one minute more.

Mr. BAILEY. Let me repeat. The spread and strengthening and perpetuation of imperialism is a different proposition. There we should in every way resist it as a wrong, treating it as a wrong, with the fixed idea that it must and will come to an end; and that is the fixed idea of this bill. It offers a guaranty against the spread, the strengthening, and the perpetuation of the imperialistic propaganda. We are here resisting it as a wrong, treating it as a wrong, and proceeding with the fixed idea that it must and will come to an end.

And I pray God with all my heart and with all my strength and with all the faith of one who believes that "ever the right comes uppermost and ever is justice done" that imperialism may reach its end as speedily as chattel slavery reached its end after Lincoln spoke the living words which I have dared to take as my text and my inspiration. [Applause on the Democratic side.]

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. MOON having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Carr, one of its clerks, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 11745) to provide for certificate of title to homestead entry by a female American citizen who has intermarried with an alien.

The message also announced that the Senate had passed the following resolution:

Resolved, That the Secretary be directed to return to the House of Representatives the bill (S. 4517) entitled "An act to establish a standard box for apples, and for other purposes."

The message also announced that the Senate had passed with an amendment the bill (H. R. 14233) to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes.

THE PHILIPPINE ISLANDS.

The committee resumed its session.

Mr. YOUNG of North Dakota. Mr. Chairman, this is a most important bill, and there are only a score of Members here. I think we ought to have a quorum in the consideration of this bill. I make the point that there is no quorum present.

The CHAIRMAN. The point of no quorum is made. The Chair will count. [After counting.] Forty-two Members are present—not a quorum.

Mr. RAKER. Mr. Chairman, would tellers take a little more time and get a quorum here?

Mr. MADDEN. The Chair has already announced that there is no quorum present.

Mr. SHERLEY. Mr. Chairman, I move that the committee do now rise.

The CHAIRMAN. The gentleman from Kentucky [Mr. SHERLEY] moves that the committee do now rise. The question is on agreeing to that motion.

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. SHERLEY. A division, Mr. Chairman.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 10, noes 33.

Mr. JONES. Tellers, Mr. Chairman.

The CHAIRMAN. The gentleman from Virginia demands tellers.

Tellers were ordered, and the Chair appointed Mr. JONES and Mr. YOUNG of North Dakota to act as tellers.

The committee again divided; and the tellers reported—ayes 4, noes 45.

The CHAIRMAN. On this vote the ayes are 4 and the noes are 45—not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Aiken	Bartlett	Calder	Casey
Allen	Bell, Cal.	Callaway	Chandler, N. Y.
Ansberry	Brown, N. Y.	Candler, Miss.	Clancy
Anthony	Browning	Cantor	Clark, Fla.
Austin	Bruckner	Caraway	Connolly, Iowa
Barchfeld	Burke, Pa.	Carew	Conry
Barkley	Burke, Wis.	Carr	Copley
Bartholdt	Byrnes, S. C.	Carter	Covington

Dale	Harris	Loft	Rucker
Davenport	Hayden	McClellan	Rupley
Difenderfer	Hayes	McKellar	Russell
Dooling	Helvering	Maher	Saunders
Doughton	Henry	Manahan	Scully
Driscoll	Hensley	Martin	Sells
Drukker	Hobson	Merritt	Shreve
Eagan	Howard	Metz	Sinnott
Elder	Hoxworth	Mondell	Slemp
Estopinal	Humphreys, Miss.	Montague	Small
Evans	Johnson, S. C.	Morin	Smith, Md.
Fairchild	Johnson, Utah	Mott	Smith, Minn.
Faison	Keister	Murdock	Smith, N. Y.
Farr	Kennedy, Conn.	Murray, Okla.	Stedman
Fitzgerald	Kent	Neeley, Kans.	Stevens, N. H.
Floyd, Ark.	Kiess, Pa.	Nelson	Stringer
Francis	Kindel	O'Brien	Sumners
Gardner	Kinkead, N. J.	Oglesby	Talbott, Md.
Garner	Kitchin	O'Leary	Taylor, N. Y.
George	Knowland, J. R.	O'Shaunessy	Ten Eyck
Glass	Konop	Palmer	Townsend
Godwin, N. C.	Korbly	Parker	Underhill
Goldfogle	Kreider	Patten, N. Y.	Vare
Goodwin, Ark.	Langham	Patton, Pa.	Wallin
Goulden	Lee, Ga.	Platt	Walsh
Graham, Pa.	L'Engle	Porter	Watkins
Gregg	Lesher	Powers	Willis
Griest	Lever	Ragsdale	Wilson, Fla.
Griffin	Levy	Rainey	Wilson, N. Y.
Guernsey	Lewis, Md.	Reed	Winslow
Hamill	Lewis, Pa.	Reilly, Conn.	Witherspoon
Hamilton, N. Y.	Lindquist	Riordan	Woodruff
Hammond	Lloyd	Rothermel	Woods

Thereupon the committee rose; and the Speaker having resumed the chair, Mr. FLOOD of Virginia, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands, and finding itself without a quorum, he had caused the roll to be called, whereupon 268 Members had answered to their names, and he presented a list of the absentees for publication in the RECORD and in the Journal.

The SPEAKER. The committee will resume its session.

The committee resumed its session.

Mr. TOWNER rose.

The CHAIRMAN. The gentleman from Iowa [Mr. TOWNER] is recognized.

Mr. TOWNER. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio [Mr. FESS]. [Applause.]

Mr. FESS. Mr. Chairman, what we do here about the Philippines at this time ought, I think, to be determined by the effect it will have upon the Filipino. Most of us, as American citizens, would think that in most matters we ought to keep our own interest as a Nation in mind also, but I think on this question everybody is agreed that the solution of the Philippine problem for this Nation is from the standpoint of the Filipino himself, and not so much from the standpoint of our own citizenship, except in the performance of a duty that must be respected.

The discussion upon this question has taken two angles—a political angle and a political-science angle. The question has been discussed from the standpoint of what ought to be done because of proclamations by political parties, and also from the standpoint of what we would call equal rights or equal opportunity in the rivalry of life for all citizens in the nations that are at interest. In the first place, I do not believe that we ought to discuss it from the standpoint of partisan politics, and yet it seems to be forced to that issue. Every time anyone has spoken in favor of the bill it has been urged that the party represented here in power had committed itself. It did it in 1900, and again in 1904, and again in 1908, and again in 1912, and it seems that the desire of the majority is to fulfill that promise, made in the heat of a political campaign.

Now, I take issue with my Democratic friends upon that proposition. What we do for the Philippines, I say, is not to be determined by the effect it will have upon any political party or any faction in any political party, but rather by the effect it will have upon the peoples whose interests are at stake from the standpoint of cosmopolitan philanthrophy, fulfilling the duty of a great Nation to a people that demands our attention. I think that we reduce the discussion of this question far below the stage that is demanded when we discuss it upon the plane of partisan politics. Permanent welfare of a people is one thing; partisan advantage is another thing.

From the standpoint of political science as presented in committee in our consideration of the question there we were told that there was no use of having any hearings upon this bill because it is a question of political science, and we could not change the principles of political science by hearing men giving facts relative to this particular bill. I at that time raised the question of the necessity of having all the information we could secure. I take issue with the gentlemen who thus spoke upon that question, persisting in the waste of time in gathering facts relative to the need of the Filipino. It is not so much a question of the naked principles of political science as it is a question of the application of the principles of political science to a people in that far-away island country. We may study the principles of political science as outlined by writers upon the subject, but those principles will be mere abstractions unless we can see them embodied in practice where governments built upon those principles are in operation.

We can not separate our knowledge of those principles from the practical working of them. What this body must do is to satisfy itself that the political principles here proposed can be applied in the country in mind. Our chief concern here is the application of the principles of political science. That must depend upon the facts about the country touching upon the preparation of the people for self-government.

These facts could have been gathered by the committee from persons within our midst, experts on the Philippine situation; but the committee declined our urgency, denied our requests, and proceeded to consider the bill upon the basis that we had no need of further knowledge, because it is a question of political science. And when we speak of political science, as it was interpreted by the member of the committee, he takes the position that we have no right to continue our system of protectorate or occupation of the Philippines, because our duty, he says, is to give them absolute self-government, political autonomy, just as soon as it is possible to do so, without saying what he means by the phrase "as soon as it is possible for us to do so." What is the significance of the word "autonomy"? When we talk about self-government we always think of our own Government and judge all others by that standard. We think of a country where there is universal education, where almost every State of the Union, if not every State, has compulsory education, where most of the States have a minimum limit of time to be spent in school in the course of a year. My own State fixes a limit of seven months, and some of the States have an even higher minimum.

We speak of local self-government with the view that here is a country in which the people have been trained in the principles of local self-government through the famous town meeting of New England and the township and county governments of all the States. We do not stop to think that a government of universal education that rests its destiny upon the intelligence of the citizen by opening its schools to all alike, rich and poor, white and black, or it ought at least so to do, can not be used as a fair example for all countries of vastly different conditions. It does not mean that we can extend the same form to a country where 85 per cent of the population, according to the statement of a man who knows, can neither read nor write. Local self-government, I repeat, depends upon the intelligence of the participants. It works well if properly directed by a responsible head. With our Nation in control in the islands self-government is possible in the municipalities. Something like 725 towns have a modern commission government now. The beneficial effect of a government of the type of ours must depend upon the ability of the participant to know what it is best to do and how to do it. When you speak of giving local self-government without any supervising authority to a population 85 per cent of which can neither read nor write, you have the same problem that now confronts Mexico. Most of you pity war-torn Mexico. How many of you will vote to forestall a duplication in the Philippines? You talk about constitutional government in the Republic south of us, and yet there is not one of you who does not know that Mexico has never experienced a constitutional government. Out of the 15,000,000 people there not over 100,000 voters participate in the election. Not one in one hundred knows or cares for the ballot. Government there becomes a bone to be fought over by factions, like hungry beasts. Think of the small per cent who have any knowledge of the duties of citizenship if called upon to participate in the Government, and yet you agree that the effectiveness of a republican form depends upon the intelligence and interest of the voter. You demand by this bill that this country, now making the most marvelous progress in the development of this island people of any people in the world, shall withdraw, and let a people 85 per cent of whom can neither read nor write substitute a local government for the government that the United States is conducting. I do not think this is wise. I should not say that this bill asks immediate withdrawal, but I do say that if it is presented, as the majority profess to keep a platform pledge, then it means immediate withdrawal, for that is the ruling plank on this question in prior campaigns. The bill permits immediate withdrawal, if it does not command it. It says as soon as a stable government is established. Let me ask you

on the Democratic side of the House. What prevents your interpreting that bill for immediate action by this majority, declaring that there is now a stable government in the Philippines? That, I fear, is the purpose of the bill, and I do not think it wise; I think it very unwise.

Mr. GORDON. Will the gentleman yield?

Mr. FESS. I think I will have to yield.

Mr. GORDON. I simply want to ask you if you are sure about your figures when you say that 85 per cent of those people are unable to read or write?

Mr. FESS. I take that from the statement of the gentleman from Minnesota [Mr. MILLER], who, when asked about it, confirms the statement.

Mr. GORDON. I will say to you that you are mistaken. The literacy in the Philippines is higher than it is in any country south of the United States.

Mr. KELLEY of Michigan. It is as good as it is in Mexico, is it?

Mr. FESS. My colleague is capable of any sort of a statement, without regard to whether it is true or not, and therefore I shall not enter into a controversy longer with him. I can not allow anybody to interrupt me who has absolutely no regard for what he says. [Applause on the Republican side.] If we in this House insist that we ought to give every individual a right to participate in government, then I think some of our friends on the Democratic side of the Chamber are in somewhat of an embarrassing situation, and I think I appreciate the problem that confronts them.

I have looked over the census of my country. I find that about 30,000,000 people are in what would be called the "black belt." Out of that 30,000,000, 34 per cent are colored; that is, nearly 9,000,000 are negroes, citizens of this country, declared so by the fourteenth amendment of the United States Constitution.

In Mississippi 56 per cent—much over half—are colored. In South Carolina 55 per cent are negroes; in Georgia, 43 per cent; in Alabama, 42½ per cent. What do we observe in these States? In Alabama one clause of the constitution declares all men equally free and independent, and so forth—"all political power is inherent in the people and government exists for their benefit." Then, in another clause, by what should be called the "grandfather clause," it effectually denies the right of participation in government to the colored man.

Take the State of Florida, with 204,000 men of voting age; nearly half of them are of the black race. That means that out of the 204,000, over 102,000 have the right to participate in the government so far as the rights of electors are concerned. But when you take the actual vote as cast in an actual election, there is not as large a vote in the whole State by at least one-half as will be cast in my district in November. And yet when you discuss the Philippine problem you clamor for their participation in government, but deny the same right to American citizens. You stand on this floor and argue that we are guilty of a great wrong because we prefer not to give to this people, 85 per cent of whom are illiterate, located in an island country 8,000 miles away from us, their protectors, the freedom to launch their own government without any sort of supervision by us. And yet you who speak for Philippine freedom have the problem upon your own hands of practicing what you preach. How do you solve the problem of participation in government? You disobey the law. I would not say anything unkind, but I must declare the facts as they are to you who demand these rights for the Filipinos. You ignore the law. The fourteenth amendment declares when the right to vote in any State is denied to any male citizen 21 years of age, the basis of representation in Congress in that State shall be reduced in the proportion that those thus denied hold to the entire voting population in the State.

States have denied this right. Representation has not been reduced. The fifteenth amendment forbids denial of right to vote to any citizen because of race or color; yet the States have found ways to effectually evade the very spirit and purpose of this part of the organic law of the land. The clamor for Philippine independence upon the ground that we are denying them their liberty of governmental participation can certainly find no justification by the Members who persistently deny the same sort of rights to American citizens.

Mr. COX. Will the gentleman yield again?

Mr. FESS. I will.

Mr. COX. Can the gentleman inform the Committee of the Whole what per cent of the people living in the American Colonies in 1776 were illiterate?

Mr. FESS. The only thing I can say to my friend is this, and it is the best possible test that can be deduced: Eleven years after the date you mention we held the Constitutional Convention, in which 56 members sat. They were elected by the people of the States, and therefore must fairly represent the people. Out of those 56, 29 were college bred.

Mr. COX. Going back, then, to the adoption of the Constitution of the United States, can the gentleman inform the committee what per cent of the total population of the country were regarded then as illiterates?

Mr. FESS. A very small number in comparison with what it would be in Europe at that time, since those who left Europe were among the most intelligent.

Mr. COX. Has the gentleman any figures on that?

Mr. FESS. I have no figures here. I have given the gentleman the best test that I know of. A representative body in 1787, to draw up a constructive form of government, had more college-bred men in it than members who were not college bred. That is the best example I can give, and it ought to be sufficient.

Mr. COX. I am trying to get concrete facts, if I can. The gentleman says the Filipinos are illiterate, and therefore ought not to be armed with the ballot or have any voice in the government, and I am trying to get the gentleman to give to the committee a statement of how much illiteracy there was in this country when we adopted our present form of government. I did not say anything about college graduates.

Mr. FESS. We were a picked people, coming from the best sources in Europe.

Mr. TRIBBLE. Different races.

Mr. FESS. Different races; at least four different elements entering into our composite make-up. In New York were the Dutch, who came from Holland and brought with them the traits of character still found in parts of the State. To Pennsylvania came the Quakers and the Moravians and the Germans, as well as the Scotch-Irish later. Traits of all these can still be detected in the State. To Maryland came the English Catholics with Lord Baltimore; and to the Carolinas came the French Huguenots, with their passion for religious freedom. To New Jersey came the Scotch Covenanters, with their strong Presbyterian bias. These people gave us Princeton. To Delaware came the Swedes; and to Massachusetts and New England the Puritans, which have stamped a distinctive character upon that people. These people gave us Harvard. To Rhode Island came the liberty-loving Baptists, led by Roger Williams. Down into Virginia came the famous Cavaliers. Into Georgia came the men who were running away from persecution because of imprisonment for debt, the persecuted poor, and with these came the Wesleys for a time, and the Methodists. We had a composite people, made up from the picked people of Europe, and the best class of men and women to form a local self-government that ever has been known from that time to the present. [Applause.] I am saying this in reply to my friend from Indiana [Mr. Cox], to indicate the high character of our early settlers, and also to indicate that the men on the Democratic side of this House who insist that we are un-American in our Philippine policy, and that we are trying to perpetuate a system we can not indorse, are in an inconsistent and embarrassing situation when they make the charge, for there are 9,000,000 American citizens south of the Ohio River who have very little participation in the Government. Yet, recognizing that fact—even openly admitting it—you say that we are un-American when we do not give the Filipino his independence and full control of his own country. That is said at a time when our Government exercises prerogatives in the islands solely for his sake and not ours. I want to say that whatever may be said, whatever should be our position, these friends from the cotton belt are not in a position to charge the Republican side of this House, for men who live in glass houses should not throw stones. [Applause on the Republican side.]

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. FESS. I will.

Mr. GARRETT of Tennessee. I want to inquire if the constitution of the gentleman's State still retains in it the word "white" as regards qualification for voters?

Mr. FESS. It still retains the word "white," but it does not have any effect. [Laughter on the Democratic side.] It does not mean anything. It is not a qualification for a voter. Colored men vote in our State just the same as white.

Mr. GARRETT of Tennessee. Was not two years ago a proposition voted down in that State to eliminate the word "white" from the constitution?

Mr. FESS. It was voted down, with the voting down of woman suffrage and the fastening of the liquor question on our State; all three went together. People who opposed woman suffrage refused to cut the word "white" out of the constitution. I am not proud of that.

Mr. MADDEN. Will the gentleman yield?

Mr. FESS. Yes.

Mr. MADDEN. Notwithstanding the use of the word "white" in the constitution of the gentleman's State, every man who is entitled to citizenship has a right to vote, whether black or white?

Mr. FESS. Certainly; and he does vote.

My friend from Kentucky [Mr. HELM] spoke of this question Saturday and quoted Thomas Jefferson. He said that he believed still in the principles of Jefferson, which was life, liberty, and the pursuit of happiness, as expressed in the Declaration of Independence. The gentleman did not use those words, but that is the substance. He quoted in affirmation of this bill Thomas Jefferson. I do not care so much about what Thomas Jefferson has said, except to know what his words meant to him, and that we can find out by noting what he did. I regard Thomas Jefferson as one of the greatest men America has ever produced. I put him in the class with the great men of his time. I have always stood up in the classroom and on the platform and asserted that this country, while it needed a Thomas Jefferson as representing liberty in government, it had also to link with him Alexander Hamilton, as representing power in government. [Applause on the Republican side.]

The country has need of both. Each is an essential pillar of the Government. If you lose the one, you weaken both, and for that reason I have regarded Thomas Jefferson as a very important figure in the Nation. And I will not allow any bitter partisanship to deny me the right to speak on this floor, or anywhere, in eulogy of the author of the Declaration of Independence, for he is one of our greatest figures in American history. But I also assert without the powerful influence of Hamilton the country would have suffered. [Applause.]

It was Thomas Jefferson who was resorted to in the confirmation of our duty to pass this bill. Let us see what Thomas Jefferson did on matters of governing territories, involving the questions now before us. He was inaugurated on the 4th of March, 1801. The greatest act of his life was the purchase of Louisiana—greater than the Declaration of Independence, for that would have been written anyway; somebody would have written it, probably not so well as Jefferson; but the principles were in the mind of these people, and it would have found expression. But I will tell you a thing that might not have been done, and that is, when Thomas Jefferson wanted to expand the boundaries of this Nation from the Mississippi to the Rocky Mountains he undertook a task that might easily have been omitted had it not been for his insistence. As you will remember, he called three of the great statesmen of this country, and especially one—Albert Gallatin, the famous Swiss, the great financier—and he said to Gallatin: "How can we purchase Louisiana?" Gallatin replied, in substance: "You have no constitutional right to purchase except as the end justifies the means—just purchase it." Jefferson was anxious to prevent England from seizing it in the war that was then raging between France and England. But Jefferson said: "We can not read our right in the Constitution," and then suggested an amendment to the Constitution so that the purchase might be made. But Gallatin said: "If you undertake to do that, France will have been defeated on the seas by England, and France will have lost Louisiana to England before two years are up." Then Jefferson said to Gallatin: "Let us proceed to buy it and submit it to the people to be ratified." But the wise old head, Gallatin, said: "Do not proceed to do a thing on the ground that the people will ratify what you have not a right to do; it will be like them to turn against you." When Jefferson asked, "What can we do?" Gallatin replied, "Proceed to buy it." Jefferson bought it, and said in a letter, "I stretched the Constitution until it almost cracked."

But he did it, and the statesmanship of Jefferson is seen in his ability to rise above petty consistency and do the thing that ought to be done, though he said he could not do it under his political theory of expressed powers. That is his statesmanship. Now, this was done, and Louisiana was ours. We paid but $15,000,000 for it. It was on our hands. It was peopled by Indians and by emigrants that had gone from the older States east of the Mississippi. They had to inaugurate a government. Who was President? Thomas Jefferson, the man whom you quote. Who ordered the Government? Jefferson. When was the Government established? In 1804 there was established its first territorial government. And what was it? Why, a governor appointed by Thomas Jefferson, and 13 commissioners appointed by Mr. Jefferson, the 14 constituting the legislative body of that territory. Were they elected? No; they were appointed. And by whom? By Thomas Jefferson, the man you are quoting for local self-government in confirmation of your position on this bill. These 14 presidential appointees form the legislative body. They made the laws which stood unless rejected by Congress. The governor had the power to convene and prorogue the legislative body. This was under Jefferson, whom you are quoting on independence. Here is a case where Jefferson proceeded in the only rational and legitimate way.

Mr. BORLAND. Mr. Chairman, will the gentleman yield?

Mr. FESS. Yes.

Mr. BORLAND. How long did that temporary form of government for Louisiana last?

Mr. FESS. From 1804 until 1805, and in 1805 the legislative body was reduced from 14 to 4, and that lasted until 1812.

Mr. BORLAND. And in 1811 Missouri, one portion of that territory, was given an elective legislature, and in 1821 she was made a State.

Mr. FESS. The Louisiana Purchase agreement of 1803 had in it one clause giving to the State the right to admission without any enabling act being passed, and she came into the Union in 1812, but the Territory of Louisiana was organized first in 1804, and then in 1805 was governed by four commissioners, and everything that was done in the way of legislation was done by those four commissioners, and it would stand unless Congress repudiated it.

Mr. BORLAND. And that lasted only eight years?

Mr. FESS. That is all right. It lasted but eight years, but the people were our own people, who spoke our own language, who had our system of schools, recognized our institutions, our laws, our customs, and were ready for our Government in eight years. The same thing had taken place in the Northwestern Territory, out of which my State came. The same rule applied to your State. In 1821 you were admitted after a struggle. You wanted to be and we wanted you to be admitted, but that is a different proposition from a people 8,000 miles away, 85 per cent of whom are unable to read or write, of different customs, language, government, and traits of racial distinctions. That was a problem that is not like this one. I am calling the attention of the Democratic side to the inconsistency of their quoting Thomas Jefferson in confirmation of their view on this bill. That is all I have mentioned this for; otherwise, I would not have mentioned it at all. What we do to the Philippines will be determined by what is best for the Filipinos. I have listened with as much interest as any man on this floor to the distinguished chairman of this committee for whom I have such respect. I think his presentation was a masterful one from the standpoint of what the bill intends to do, and from his contention of what we ought to do; but, my friends, he made statements that I think any of us will agree to, and yet, agreeing to them does not mean that we must adopt this bill or favor it. Think of what the Philippine problem is, and how it came to be. I remember probably as well as anyone here how it came about. I was a professor in a university at the time, surrounded by a thousand or more students, thrown into a vortex of excitement, with the spirit of war upon us. I joined in sympathy with a great many people of the country in feeling like criticizing the President who came from my State, because he did not speak and act quickly.

I was one who walked the streets of my town on the morning of February 16, 1898, and who said, "Now, will the President act," for at 4 o'clock the night before, 266 of the boys in blue went down into the muddy waters of Habana Harbor. When that event took place, speaking to a group of excited students on the campus, I was not careful of my language, and what I was saying was being said upon this floor here by some on both sides of the Chamber, and was being said at the other end of the Capitol by men of great distinction. The great McKinley pleaded with our people to keep cool and withhold judgment. Finally, when the report was made as to the cause of the blowing up of the *Maine*, the people went wild in commanding that something be done, and still the President was inactive. He was almost vilified by the passionate populace. Few people knew that we did not have at the time enough ammunition to make it possible to fire one blast in the Pacific. And I was criticizing mentally, not audibly, and many other people were finding fault bitterly with President McKinley for his inaction, and yet I did not know that our fleet was scattered on the Pacific, and I did not know that the word had gone out to Dewey, "Mobilize your fleet at Hongko g." We demanded a declaration of war, and denounced the Congress for not so declaring. Although a teacher of international law, I had overlooked the fact that a declaration of war would force our vessels out of neutral ports within 48 hours. But finally when the moment came, when the storm of criticism broke upon the brow of the President, after he had vainly tried to hold the people at bay——

The CHAIRMAN. The time of the gentleman has expired.

Mr. TOWNER. Mr. Chairman, I yield to the gentleman from Ohio 10 minutes more.

Mr. FESS. When the time came that the fleet was mobilized, then President McKinley finally gave the order, "Seek out the Spanish fleet; capture it or sink it." War was on, and this nation was to write a new chapter in the history of human progress—war for the sake of humanity. Dewey was near Hongkong, 728 miles from Manila, with his small squadron and its bunkers filled with coal. When he sailed out of Hongkong he knew that every bushel of coal that he could command was in the bunkers of his vessels, and when he started on the 728 miles he knew that he had to find the Spanish fleet, sink it, capture the coaling station at Cavite, or go to the bottom of the sea, for there was nowhere within 6,000 miles that he could take coal.

On the way, whenever anyone would caution him, he would say, "Keep cool and steam ahead." On they went until they finally entered that bay and began a movement like the letter "S," coming a little closer and a little closer to the defenses, and when the guns from the enemy began to play, aimed at our squadron, our men were exasperated, ambitious, but the order went out as before, "Keep cool and steam ahead"; but when the order came at last to fire, such a volley was hurled against the defenses at Manila that Spain in a very brief time could boast of only a magnificent submarine squadron. [Applause.] From that May day until the late autumn our Army and Navy refused to shell the city for the sake of the inhabitants. We refused to allow any looting. Here is a chapter yet to be written in the annals of warfare. Now, why did we go to war? Why to the Philippines? Was there any advantage to us? McKinley knew that he might touch a powder magazine that would send the world into a conflagration. He did not seek war for any national advantage. It could mean nothing of that sort to us. He was afraid, and he hesitated. Finally Senator Thurston and Senator Proctor went to the island of Cuba to study the situation and report. There is probably not a man in this House who does not remember the marvelously exciting effect that the speech of Senator Thurston made when he spoke at the other end of the Capitol, for as he was coming across the sea his wife took ill. Before she died on the sea she made him promise he would tell the story of human suffering as he had witnessed it right about the governor's mansion in Habana. When he rose at the other end of the Capitol his first sentence was, "Mr. President, I speak at the command of lips that are still in death." He broke down and could not continue for a moment. When he had finished the painting of the situation in Cuba the Senate and the House rose as with one voice and demanded action, not as a war of aggression, but a war for humanity. The Nation was in arms, not because McKinley wanted it, but because of the stress of public opinion, outraged by the situation in Cuba.

When we drove Spain out of Cuba our problem was what to do with Cuba. We tried it as an experiment by giving her a conditional republican government. No nation yearned more for Cuba's success than ours, for we were responsible for her after the war. When in the first election a faction refused to abide by the will of the people in that election, you can not forget that the President sent the Secretary of War over to Cuba, backed by the Army, and you well remember that it was generally understood that if Cuba did not maintain order that Army, when it once returned only to be sent back again because of further outbreaks, would go to stay, not because we wanted it but because of the necessity. Cuba has been a fairly representative Government since that day. It is the fervent hope that she will prove herself worthy the confidence placed in her. What did we do with Porto Rico, a people who have been rejuvenated by the school system inaugurated by the next governor of Pennsylvania, Dr. Brumbaugh, a personal friend of mine? [Applause.] And when Dr. Brumbaugh, the head of the education department of the University of Pennsylvania, declined to go because he did not want to undertake the work, President McKinley summoned him to Canton, Ohio, the home of my friend, Mr. WHITACRE. President McKinley laid upon the heart of Dr. Brumbaugh that the problem of the insular question had to be solved by education. He declared these people must not be set adrift, but must be started right. And so Porto Rico has a modern system of education, inaugurated at the time and carried into effect. Now what about the Philippines?

My friend from Indiana [Mr. Cox], I think, comes from the district in which is located the college the president of which was sent as the second commissioner of education to the Philippines. That man is Dr. E. P. Bryan, a personal friend of mine, and now president of Colgate University.

Mr. COX. Will the gentleman yield for a question right there?

Mr. FESS. Yes.

Mr. COX. Did not Admiral Dewey say that the Philippine Islanders were more capable of self-government than the Cubans were when he sailed away from the Philippines?

Mr. FESS. I heard Mr. QUEZON say that. I have never seen the statement. I do not want to enter into that particular period, because I will say something that will be unkind. I have read much of the record, much of the proceedings, of the insurgents, and I know what was being done in the awful days from December 10, 1898, when the treaty was signed, until February 4, 1899, when Aguinaldo led his insurrection. Those manuscripts, those records, are in our possession, and if you want to know about the movement in the Philippines, that is the place to get it and not from what somebody says, either one side or the other. These records do not inspire much confidence in capacity for independence.

But the Philippine problem was one of education. Dr. Bryan was one of the men who inaugurated it.

Mr. KELLEY of Michigan. This bill does not provide for the independence of the Philippine Islands?

Mr. FESS. No.

Mr. KELLEY of Michigan. Does the gentleman think that in good faith independence would necessarily follow in a short time?

Mr. FESS. No. I do not think that that could be deduced as a corollary from that bill. I think we may say, as Mr. MILLER said, that that simply is a statement that will do more harm in the Filipino mind than it will do good. If independence is a good thing with the condition of the people as it is, then it will be better, perhaps, to do it now and settle it for all time. I might say this bill fixes the time when stable government is established. There is nothing in the way of the majority or the President declaring that stable government is already established.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. FESS. May I have five minutes additional? I want to say one thing more.

Mr. TOWNER. I yield five minutes to the gentleman.

Mr. FESS. This is what I wanted to say before I sat down. The Filipino problem is one of education. I am somewhat disturbed at the statements of the Resident Commissioner from the Philippines. He is the only representative now upon the floor of these people, as he remarked to-day. I put the question straight to him, "Do you think that without American occupation the Philippines would be as well off now as they are?" He first did not answer. I pressed it, and then he said, "I do," and gave his reasons. And the membership on the Democratic side of the House applauded that statement, meaning that they believe that the American occupation, with all the loss of treasure and blood and sacrifice, has been useless. Is it possible? Can such an utterance meet with approval on either side of the aisle?

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. FESS. I will yield.

Mr. GARRETT of Tennessee. May I suggest to the gentleman that the question he put to the Resident Commissioner was perhaps not entirely fair.

Mr. FESS. I meant it to be.

Mr. GARRETT of Tennessee. If he meant as compared to the Spanish régime, that, of course, would be a different proposition; but if he meant as compared with the Filipinos running their own affairs, that would be another thing.

Mr. FESS. But here is a question just as clear as any man can state it. He first said, "Yes." Then I put it this way:

Do you mean to state to the American people that if the American administration had not been in operation there would have been the same progress for your people that you now have?

Mr. GARRETT of Tennessee. Ah, but the only issue that there has ever been a chance to make was as between the Spanish régime and the American régime.

Mr. FESS. His answer was:

This is, of course, purely a matter of conjecture and speculation, but I say, "Yes."

That is his answer. Then I put another, as follows:

I did not ask you about the road. I asked you about the advance of your people. Do you mean to say that your people would have advanced as high as they have done if the American administration had not been there?

The English language can not be plainer than that. What is his answer? It was:

I do; and I say it for this reason.

Mr. MADDEN. Is that where the applause came in?

Mr. FESS. Yes; and it is recorded.

Mr. STANLEY. Will the gentleman yield? The gentleman is a learned man, and a college professor; does he believe that any amount of culture can compensate for the loss of liberty?

Mr. FESS. I think that question can be put up to you as to Kentucky and other States. I do not know whether I could be justified in saying that we ought, if we had the power to make an entire change in the real form of government in Mexico from what they have. I mean it is republican in form but not in reality. I have my doubts. The same thing I would say about the Philippines.

And this, Mr. Chairman, in conclusion, is what I want to say to my Democratic friends over here: That——

Mr. DECKER. Mr. Chairman, will the gentleman yield to an interruption before he concludes?

The CHAIRMAN. Does the gentleman from Ohio yield to the gentleman from Missouri?

Mr. FESS. I will not have any time; but I will yield to the gentleman.

Mr. DECKER. I just wanted to ask you if you heard the speech of the Delegate from the Philippine Islands this afternoon, in which I think he explained his position more clearly than he did when you took him by surprise on Saturday.

Mr. FESS. He said that he appreciated what we had done over there, but that does not change the meaning of his statement Saturday.

Mr. MOORE. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Ohio yield to the gentleman from Pennsylvania?

Mr. FESS. Yes; I yield.

Mr. MOORE. Did not the Philippine Commissioner in his further explanation to-day say that, given the means and the opportunity, they would have done as well?

Mr. FESS. Yes. That is what we are doing—giving them the means and the opportunity, and remaining in the islands to see that the means and opportunity are not used to despoil or exploit.

Mr. MOORE. I want to ask the gentleman if they ever had such an opportunity before, as was suggested by the gentleman from Kentucky [Mr. STANLEY].

Mr. FESS. There has never been a case in the history of the world where any people has treated any other people as our country has treated the Philippines. I defy any man in this House, or any man in this Congress on either side of the House, to point to a case in history where such an expenditure of money and means was made, at the risk of the lives of soldiers, for the pure purpose of humanity, as was done in Cuba and in the Philippines.

Why do we not get out of the Philippines? I will tell you why. We think too much of the Filipinos to get out of the Philippines. It was said here that it is not the intention to return to the miserable Filipino policy. What is the policy?

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. TOWNER. I yield two minutes more to the gentleman from Ohio.

The CHAIRMAN. The gentleman from Ohio [Mr. FESS] is recognized for two minutes more.

Mr. FESS. I shall not yield any more except to yield the floor.

Mr. BORLAND. Go on to the crescendo.

Mr. FESS. No; it is not a crescendo. I am not a sophomore. I want your attention, Mr. BORLAND. We have no interest in the Philippines from the standpoint of industry except to advance the Filipino—no interest to ourselves—in the Philippines. We have no capital that we are wanting Americans to invest, except as it may appear to the advantage of both American and Filipino. We are having no exploits that we want to propagate in the Philippines. We have a duty to perform. We can not perform it with the conditions now present if we pull stakes and leave these people to themselves.

The chairman of the committee says it is an international question, and could be more easily solved if we would pass the bill. I say it is dangerous to turn the Philippines afloat. The moment that foreign capital, coming from foreign countries, will get a foothold, that moment conflicting interests will be found. The moment there is any attempt in a junta to take advantage in the Philippines and to exploit them, that moment foreign countries will be interested. Men may charge us with exploiting these people. I deny it. We are preventing others from doing it. How long, my friends, will independence continue in a rich country—one of the richest in the world, with only one-tenth of the agricultural riches developed, in its very infancy—how long would those countries or islands be independent as a rich prize to the colonizing powers of the world? This is a delicate question, but it goes to the core of the situation.

We ought not to get out of there until we can assure ourselves as well as the people of the Philippine Islands that we are not so recalcitrant that we turn them adrift to face international complications created by domestic warfare. I am frank to say we would rid ourselves of this burden at once if we could do so honorably. But I refuse to turn them over to the juntas and allow internecine struggles to take place that will present an opportunity for other countries to come in and take charge of them. For myself, I will stand by the interests of the Filipinos rather than against their interests. To do that we can not safely contemplate this question with definite action at this time. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. JONES. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. SLAYDEN].

The CHAIRMAN. The gentleman from Texas [Mr. SLAYDEN] is recognized for 10 minutes.

Mr. MANN. Why not rise now?

Mr. JONES. Mr. Chairman, there seems to be a disposition on the part of the committee to rise. I intended to make the motion to that effect; but the gentlemen around me think we ought to go on, therefore I yield 10 minutes to the gentleman from Texas.

Mr. MANN. Mr. Chairman, I make the point of order that there is no quorum present.

Mr. FOSTER. A point of order was made unnecessarily this afternoon, and that brought a crowd in here.

Mr. MANN. We did not make it unnecessarily.

Mr. DONOVAN. Mr. Chairman, a point of no quorum has been made by the gentleman from Illinois [Mr. MANN].

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] makes the point of no quorum. The Chair will count. [After counting.] Fifty-five gentlemen are present—not a quorum.

Mr. JONES. Mr. Chairman, it is evident that it will take some time to get a quorum, and I move that the committee do now rise.

The motion was agreed to.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. FLOOD of Virginia, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands, and had come to no resolution thereon.

LEAVE TO WITHDRAW PAPERS—EDWARD VON LICHTENSTEIN.

By unanimous consent, at the request of Mr. DRISCOLL, leave was granted to withdraw from the files of the House, without leaving copies, the papers in the case of Edward Von Lichtenstein (H. R. 7844) Sixty-third Congress, no adverse report having been made thereon.

RIVER AND HARBOR APPROPRIATIONS.

Mr. SPARKMAN, from the Committee on Rivers and Harbors, presented the following report (No. 1174), which was referred mittee of the Whole House on the state of the Union and ordered to be printed:

The Committee on Rivers and Harbors, to whom was referred the bill (H. R. 13811) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, for the fiscal year ending June 30, 1915, together with Senate amendment thereto, having had the same under consideration, reports the bill back without amendment and recommends that the Senate amendment be agreed to.

ENROLLED BILLS SIGNED.

The SPEAKER announced his signature to enrolled bills of the following titles:

S. 657. An act to authorize the reservation of public lands for country parks and community centers within reclamation projects, and for other purposes; and

S. 5798. An act authorizing the health officer of the District of Columbia to issue a permit for the removal of the remains of the late Earl A. Bancroft from Glenwood Cemetery, D. C., to Mantorville, Minn.

ENROLLED BILL PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bill:

H. R. 18732. An act to amend section 98 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911.

COAL LANDS IN ALASKA.

Mr. FERRIS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 14233) to provide for

the leasing of coal lands in the Territory of Alaska, and for other purposes, and to disagree to the Senate amendments and ask for a conference.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to take from the Speaker's table the Alaska coal bill (H. R. 14233) and ask for a conference. The Clerk will report the title of the bill.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

There was no objection, and the Speaker appointed as conferees on the part of the House Mr. FERRIS, Mr. GRAHAM of Illinois, and Mr. LENROOT.

ADJOURNMENT.

Mr. JONES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 5 o'clock and 10 minutes p. m.) the House adjourned until Tuesday, September 29, 1914, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. ADAMSON, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (S. 2616) to promote the efficiency of the Public Health Service, reported the same without amendment, accompanied by a report (No. 1171), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. BULKLEY, from the Committee on Banking and Currency, to which was referred the bill (S. 6398) to amend section 1 of an act approved May 30, 1908, entitled "An act to amend the national banking laws," reported the same with amendment, accompanied by a report (No. 1173), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. FINLEY: A bill (H. R. 19004) providing for the issue of emergency currency to aid in and facilitate the marketing of the cotton crop for the year 1914, and for other purposes; to the Committee on Banking and Currency.

By Mr. RUPLEY: A bill (H. R. 19005) for the purchase of a site and erection thereon of a public building at Millersburg, Pa.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 19006) for the purchase of a site and the erection thereon of a public building at Annville, Pa.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 19007) to amend an act entitled "An act to regulate commerce," approved February 4, 1887; to the Committee on Interstate and Foreign Commerce.

By Mr. CARY: A bill (H. R. 19008) to authorize and direct the payment of pensions monthly; to the Committee on Invalid Pensions.

By Mr. BOWDLE: A bill (H. R. 19009) declaring it to be unlawful for any person, firm, copartnership, stock company, corporation, or association of any kind to construct or contract to construct within the United States or territorial jurisdiction any war vessel or guns or military equipment of such vessel for any foreign nation, and providing penalties for violation thereof; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRUMBAUGH: A bill (H. R. 19010) granting an increase of pension to John Hobensack; to the Committee on Invalid Pensions.

By Mr. DONOHOE: A bill (H. R. 19011) granting an increase of pension to Thomas Whalon; to the Committee on Invalid Pensions.

By Mr. REILLY of Connecticut: A bill (H. R. 19012) granting an increase of pension to Julia Miller; to the Committee on Invalid Pensions.

By Mr. SMITH of Maryland: A bill (H. R. 19013) for the relief of George Berry Dobyns; to the Committee on Naval Affairs.

By Mr. SMITH of Texas: A bill (H. R. 19014) granting an increase of pension to Catherine E. Wooldridge; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ASHBROOK: Petitions of business men of West Salem, Doylestown, Orville, and Dalton, all in the State of Ohio, in favor of House bill 5308; to the Committee on Ways and Means.

Also, evidence to accompany House bill 18949, granting an increase of pension to Jacob A. Thuma; to the Committee on Invalid Pensions.

By Mr. BAILEY: Petition of Branch Patton (Pa.) Socialist Party, protesting against exportation of any foodstuffs to any nation at war; to the Committee on Foreign Affairs.

By Mr. BATHRICK: Petition of the Schuster Co., of Cleveland, Ohio, protesting against tax on dry wines; to the Committee on Ways and Means.

Also, petition of bankers in nineteenth Ohio congressional district, protesting against tax on capital stock and surplus; to the Committee on Ways and Means.

Also, petition of citizens of Akron, Ohio, protesting against merchant-marine law; to the Committee on Ways and Means.

By Mr. CARY: Petition of Great Northern Life Insurance Co., Wausau, Wis., against war tax on life insurance; to the Committee on Ways and Means.

By Mr. ESCH: Petition of sundry citizens of Sparta, Wis., relative to investigation of cucumber diseases; to the Committee on Agriculture.

By Mr. FESS: Petition of Ohio Woman's Christian Temperance Union, protesting against tax on liquors; to the Committee on Ways and Means.

By Mr. GARDNER: Petition of the Men's Bible Class of Market Street Baptist Church, of Amesbury, Mass., favoring national prohibition; to the Committee on Rules.

Also, petitions relating to proposed new taxation legislation signed by A. T. Lange, A. E. Webber, Francis H. Rogers, A. J. Orem, Frank Curtis, Irvin W. Masters, E. E. Brazier, and T. A. Frissell; to the Committee on Ways and Means.

By Mr. HART: Petition of citizens of New Jersey, favoring national prohibition; to the Committee on Rules.

By Mr. REILLY of Connecticut: Memorial of the National Association of Vicksburg Veterans, favoring appropriation by Congress for reunion of veterans at Vicksburg, Miss.; to the Committee on Appropriations.

By Mr. UNDERHILL: Petition of Philadelphia Board of Trade, protesting against passage of House bill 18666, providing for the ownership, etc., of vessels in the foreign trade; to the Committee on the Merchant Marine and Fisheries.

By Mr. WILLIAMS: Petition of 99 citizens of Oregon, Ill., favoring national prohibition; to the Committee on Rules.

Also, petition of Twenty-fifth Ward Branch Socialist Party, of Chicago, favoring administration by the Government of food supply of the country; to the Committee on Interstate and Foreign Commerce.

SENATE.

TUESDAY, *September 29, 1914.*

(Legislative day of Monday, September 28, 1914.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

EMERGENCY REVENUE LEGISLATION.

The VICE PRESIDENT. The Chair lays before the Senate a communication, which will be read and referred to the Committee on Finance.

The communication was read and referred to the Committee on Finance, as follows:

[Telegram.]

ANTIGO, WIS., *September 28, 1914.*

Hon. THOMAS R. MARSHALL,
Vice President of the United States, Washington, D. C.:

On behalf of 5,000 members of the Wisconsin Woman's Christian Temperance Union we respectfully urge that the emergency internal-revenue tax shall be levied that we as patriotic citizens may help bear this national burden, and for other cogent reasons we earnestly protest against raising any part of this emergency revenue from a tax on alcoholic liquors.

MRS. W. A. LAWSON, *President.*

Mr. JONES. I have here a telegram from the Baker Boyer National Bank, the First National Bank, the Farmers' Savings Bank, the Third National Bank, and the People's State Bank, all of Walla Walla, Wash., protesting against the injustice of levying a tax of $2 a thousand on capital, surplus, and undivided

profits of banks. I ask that it may be referred to the Committee on Finance.

The VICE PRESIDENT. It will be so referred.

Mr. STONE. I have a clipping which I took from the Chicago Tribune—I was about to say on Sunday, but it may have been Saturday—containing an interview with Mr. COPLEY, Republican Member of the House of Representatives from the State of Illinois, giving reasons why he had voted for the bill which just passed the House providing for additional revenue. I should like to have it read. It is short.

The VICE PRESIDENT. Is there any objection? The Chair hears none, and the Secretary will read.

The Secretary read as follows:

Mr. COPLEY voted for it because he believed its passage absolutely necessary to the well-being of the country.

The Republicans turned their attacks on the war tax to a defense of the "iniquitous Payne-Aldrich" tariff law as a revenue producer. They declared that the Underwood-Simmons tariff law is a failure as a revenue getter, and that had the Democrats listened to them and left the Payne-Aldrich law on the statutes there would be no necessity for a war tax now.

Mr. COPLEY answered this argument tersely. "I am a protectionist," he said, "from the bottom of my feet to the top of my head, but there has never been in the history of this House or any other a tariff law which would produce enough revenue to meet the needs of a nation as large as the United States during a war as comprehensive as the present one in Europe.

CALLS IT "GOOD BUSINESS."

While I do not agree with all features of the bill, on the whole it is a good one. It can be and probably will be improved by the Senate. But if it should fail to pass there, I know from my own experience in business that within three months there will be need for this country to increase its revenues. It is better to provide for that need now than to wait until it is pressing. Delay would only mean a more drastic measure. More than that, delay would be exceedingly bad government business. The passage of this bill to-day is nothing more nor less than good business.

LABOR CONDITIONS IN COLORADO.

Mr. SMOOT. In behalf of the Senator from New Mexico [Mr. CATRON] I present one or two letters which he desired to have printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DENVER, COLO., *September 12, 1914.*

Hon. T. B. CATRON,
Senate Chamber, Washington, D. C.

DEAR SIR: Pursuant to your suggestion, I inclose correspondence disclosing the facts relative to one instance of what, to me, appears an unjust interference by the Federal troops with our right to employ men and the correlative right of men to work if they so desire.

Yours, truly,

W. J. MURRAY.

—

DENVER, *September 10, 1914.*

Maj. D. C. CABELL,
Commanding United States Troops, Ludlow, Colo.

DEAR SIR: A few days ago, probably late in August, a man by the name of Guadalupe Gusman, applied for and was given work at our mine at Delagua. He came to us wholly of his own volition, without solicitation upon our part. He was subsequently compelled by men under your command to give up his job. Will you not be kind enough to advise me of the circumstances surrounding this case?

Yours, truly,

W. J. MURRAY.

—

HEADQUARTERS UNITED STATES TROOPS,
Trinidad, Colo., August 28, 1914.

Subject: Conditions under which labor may be employed in the coal mines.

To all station commanders:

1. Pursuant to instructions of the Secretary of War, dated August 26, 1914, the following is published for the direction and guidance of all concerned:

To secure uniformity the orders heretofore issued will be carried out hereafter in the following particulars and dealt with thus: With respect to those mines which are running—

First. Operators are not permitted to gather men and ship them in to such mines.

Second. Miners who apply at mines may be there employed, provided, (a) they are residents of the State of Colorado; (b) and have complied with the laws of Colorado relating to miners.

2. The coal-mining laws of the State of Colorado referred to in (b) above provide: (a) No males under 16 years of age and no females can be employed in or about coal mines or coke ovens except in clerical capacity. (b) From and after January 1, 1914, it shall be unlawful for any owner of any mine to employ coal examiner, shot firer, mine foreman, assistant mine foreman, or fire boss who does not possess a certificate from the board of examiners, except as herein provided.

3. Request has been made of the Secretary of War for a ruling as to who is a "resident of the State of Colorado" for the purpose of this order. Until receipt of such ruling a "resident of the State of Colorado" is defined to be a person actually residing in the State on this date, August 28, 1914.

By order of Col. Lockett:

V. JAS. ROCKWELL,
Captain and Adjutant, Eleventh Cavalry, Adjutant.
LUDLOW, COLO., *September 11, 1914.*

—

To Mr. W. J. MURRAY,
Vice President and General Manager,
Victor-American Fuel Co., Denver, Colo.:

1. Returned. The examination of this man developed that he came of his own will without solicitation. He came into this State from Kansas after August 28, 1914, and for this reason was prevented from working in the mines, in accordance with instructions contained in letter from Headquarters United States Troops, August 28, 1914, copy inclosed.

D. R. C. CABELL,
Major, Eleventh Cavalry,
Commanding United States Troops, Ludlow, Colo.

PROPOSED ANTITRUST LEGISLATION.

Mr. CULBERSON. I ask for the regular order, Mr. President.

The Senate resumed the consideration of the conference report on the disagreeing votes of the two Houses upon the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. SMOOT. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered the roll call. There is not a quorum present. The

Ashurst	Kern	Pomerene	Smoot
Bryan	Lea, Tenn.	Reed	Thompson
Chamberlain	Martin, Va.	Shafroth	Thornton
Chilton	Martine, N. J.	Sheppard	Townsend
Culberson	Myers	Shively	Weeks
Gore	Nelson	Simmons	West
Hughes	O'Gorman	Smith, Ariz.	Williams
Johnson	Overman	Smith, Ga.	
Jones	Perkins	Smith, S. C.	

The VICE PRESIDENT. Thirty-four Senators have answered the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of absent Senators, and Mr. FLETCHER, Mr. PAGE, Mr. PITTMAN, Mr. RANSDELL, Mr. ROBINSON, Mr. STERLING, Mr. VARDAMAN, and Mr. WHITE answered to their names when called.

Mr. PAGE. I desire to announce the unavoidable absence of my colleague [Mr. DILLINGHAM], and to state that he is paired with the senior Senator from Maryland [Mr. SMITH]. I should like to have this announcement stand for the day.

Mr. MARTINE of New Jersey. I was requested to state for the Senator from Kentucky [Mr. CAMDEN] that he is necessarily absent on account of illness in his family.

Mr. MCCUMBER entered the Chamber and answered to his name.

Mr. MCCUMBER. I desire to announce the unavoidable absence of my colleague [Mr. GRONNA]. He will be absent during the entire week, and I make this statement now for the week.

Mr. LANE entered the Chamber and answered to his name.

Mr. SMOOT. I desire to announce that my colleague [Mr. SUTHERLAND] is necessarily absent, and that he is paired with the senior Senator from Arkansas [Mr. CLARKE].

I wish also to announce that the senior Senator from New Hampshire [Mr. GALLINGER] is absent by leave of the Senate and is paired with the junior Senator from New York [Mr. O'GORMAN].

I desire also to announce that the junior Senator from West Virginia [Mr. GOFF] is unavoidably absent, and that he is paired with the senior Senator from South Carolina [Mr. TILLMAN].

Mr. BANKHEAD, Mr. NORRIS, Mr. WALSH, Mr. COLT, and Mr. STONE entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. There is a quorum present. The question is on agreeing to the conference report.

Mr. REED. Mr. President, I send to the desk and ask to have read as a part of my remarks the following telegram.

The VICE PRESIDENT. Is there objection? The Chair hears none. The Secretary will read.

The Secretary read as follows:

ST. LOUIS, MO., *September 28, 1914.*

Hon. JAMES A. REED,
United States Senate, Washington, D. C.:

The shoe-manufacturing industry is one among the few great industries in this country in which no form of trust has ever existed. The shoe manufacturer, however, is surrounded by trusts and is absolutely dominated by the Shoe Machinery Trust. Since its methods have destroyed all competition in shoe machinery, no more grasping or domineering trust ever existed. The great work you have done to curb the Shoe Machinery Trust is very gratefully appreciated. Can you not get the criminal provision as provided in the Senate bill restored? It is very important that this be done.

INTERNATIONAL SHOE CO.

Mr. REED. Mr. President, I send to the desk and ask to have read a telegram from Hon. John C. Roberts, who is proprietor of the St. Louis Star, a man who has been for many years a very successful business man and manufacturer, and who also is one of the best Democrats in the United States and an original Wilson man.

The VICE PRESIDENT. The Secretary will read.

The Secretary read as follows:

ST. LOUIS, MO., *September 28, 1914.*

Hon. JAMES A. REED,
United States Senate, Washington, D. C.:

Your stand in the Clayton bill is most gratifying. I trust you will put the teeth back into it and fight to a finish. It seems the Democrats have forgotten their Baltimore platform pledge.

JOHN C. ROBERTS.

Mr. VARDAMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Mississippi?

Mr. REED. I yield.

Mr. VARDAMAN. I ask to have printed in the RECORD a telegram from the Vicksburg Clearing House Association and one from the secretary of the Mississippi Bankers' Association and that they be referred to the Committee on Finance.

The VICE PRESIDENT. Without objection, the telegrams presented by the Senator from Mississippi will be printed in the RECORD and referred to the Committee on Finance.

The telegrams are as follows:

VICKSBURG, MISS., *September 28, 1914.*

Hon. JAMES K. VARDAMAN,
United States Senate, Washington, D. C.:

We strongly urge you to oppose amendment of Clayton bill in such manner as to prohibit interlocking directorates, and particularly interlocking directorates of banks in smaller communities. Such legislation at this time would accentuate the unsettled conditions now existing and render more difficult than ever the return to normal conditions.

VICKSBURG CLEARING HOUSE ASSOCIATION.

VICKSBURG, MISS., *September 28, 1914.*

Senator JAMES K. VARDAMAN,
Washington, D. C.:

Tax imposed on banks by Underwood bill appears unjust and discriminatory. Banks are willing to pay their proper share, but urge that Underwood bill be modified so as to distribute tax more equitably, by assessing other classes of corporations. Would appreciate your efforts toward this end.

T. H. DICKSON,
Secretary Mississippi Bankers' Association.

Mr. REED. Mr. President, I have here an article printed in the St. Louis Post-Dispatch of September 10, 1914, which contains an analysis of the bill now under consideration. Although the article does not bear directly upon the conference report, because it antedates that report, it is nevertheless pertinent. After digesting the bill the writer has some comments to make upon it, and I ask that that part of the article under the subtitle "Some serious flaws" be read from the desk.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

SOME SERIOUS FLAWS.

The foregoing digest is made from the House bill as amended by the Senate, passed, and sent to conference. It is the substance of the bill as it stands to-day. Needless to say, it should be further amended, and presumably will have to be, if it is to receive the approval of President Wilson.

Because, in its present form, while it improves the position of the wage earner, the trust victim suing for redress, the corporation stockholder, and the Government, it falls far short of fulfilling either the Democratic Party's platform pledge or the country's need.

Whose crime is meaner, more infamous, than that of the forestaller and monopolist of life's necessaries, inflicting the misery of want upon a multitude of people?

Shall such a man, or group of men, being convicted, be found guilty, as this bill proposes, of nothing more serious than a misdemeanor? Shall the new law limit the possible punishment of such men to a "fine not exceeding $5,000, or by imprisonment for not exceeding one year, or by both, in the discretion of the court"—a punishment which the court may, if he so please, fix at a fine of 1 cent, or of one minute in jail, or both?

Shall the officer or director of a railroad, having looted or permitted the looting of millions from his stockholders, be permitted, as this bill proposes, to escape with a possible fine of $500 or a minimum of a year in jail, at the court's discretion?

If guilt is to be "made personal" in this field, ought not its punishment to bear some nearer relation to the quantity and quality of the crime? Would it not be ridiculous expressly to limit that punishment, in the law, to a fine which the offender could pay without missing it, and which he can, as he so often has done, promptly collect from the people by raising the price of his goods?

Could Standard Oil ask for anything better than that paragraph of section 6 which authorizes the formation of subsidiary corporations to carry on its business in the several portions of the country? This is, indeed, precisely the device which Standard has long employed to operate in States from which it has been banished for law-breaking, and to keep up the false appearance of competition where in fact no competition existed.

Why exempt railroads from the prohibition of interlocking directors when it is notorious that this abuse has borne its worst fruits in railroad management?

Why is the bill silent on the subject of stock watering, among the gravest of corporate evils, which has defrauded investors out of millions upon millions of dollars and bred grave conflicts between corporate managers trying to pay dividends on the water and their employees demanding higher wages?

If it be desirable, as the Democratic Party declared in its platform, to "restore to the statute the strength of which it has been deprived (by the Supreme Court's "rule of reason" decision), why does not this bill specifically so declare? Is the Congress incapable of writing a law whose meaning shall be so clear that the Federal courts can not mistake it?

Far more than the fate of the Democratic Party is bound up in this proposed legislation. It is to cure old evils, prevent new abuses, and provide a foundation upon which America's commerce may go forward during a long period of years without further regulative interruption. Is it not, then, vital to give the bill in its formative period the sharpest scrutiny, the most searching criticism, lest it emerge as a betrayal of the dominant party's pledges, a profound disappointment of the country's deep desire?

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Nebraska?

Mr. REED. I do.

Mr. NORRIS. Mr. President, I suggest the absence of a quorum.

Mr. BRYAN. Mr. President, I raise the point of order that there has been no intervening business since the absence of a quorum was last suggested.

The VICE PRESIDENT. That has heretofore been the ruling of the Chair. No business has been transacted.

Mr. NORRIS. A parliamentary inquiry, Mr. President. The Senator from Mississippi [Mr. VARDAMAN] presented two telegrams and asked unanimous consent to have them printed in the RECORD and referred to the Committee on Finance. That was done. I do not see any reason why that is not business.

The VICE PRESIDENT. The Chair was in error as to what had taken place. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Lane	Page	Sterling
Bryan	Lea, Tenn.	Perkins	Swanson
Chamberlain	McCumber	Pittman	Thompson
Chilton	Martin, Va.	Pomerene	Thornton
Colt	Martine, N. J.	Reed	Townsend
Crawford	Nelson	Sheppard	Walsh
Culberson	Norris	Shively	Weeks
Fletcher	O'Gorman	Smith, Ariz.	West
Hitchcock	Overman	Smoot	White

The VICE PRESIDENT. Thirty-six Senators have answered to the roll call. There is not a quorum present.

Mr. WILLIAMS, Mr. SIMMONS, Mr. HUGHES, Mr. GORE, and Mr. MYERS entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-one Senators have answered to their names. There is not a quorum present. The Secretary will call the roll of the absentees.

The Secretary called the names of the absent Senators, and Mr. MCLEAN, Mr. SHAFROTH, and Mr. WARREN answered to their names when called.

Mr. TOWNSEND. I desire to announce that the senior Senator from Michigan [Mr. SMITH] is paired on all votes with the junior Senator from Missouri [Mr. REED]. This announcement may stand for the day.

I also desire to announce that the senior Senator from Washington [Mr. JONES] is temporarily absent on official business.

The VICE PRESIDENT. Forty-four Senators have answered to the roll call. There is not a quorum present.

Mr. OVERMAN. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The VICE PRESIDENT. The question is on the motion of the Senator from North Carolina.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will execute the order of the Senate.

Mr. KERN, Mr. VARDAMAN, Mr. RANSDELL, Mr. JOHNSON, and Mr. BANKHEAD entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. There is a quorum present.

Mr. REED. Mr. President, when the hour of recess arrived last evening I was discussing section 3 of the conference report, which prohibits tying contracts, and had undertaken to show that the conferees, by adding an amendment to the original House provision first taking out the criminal penalties and then adding the qualifying clause, "where the effect of such lease, sale, or contract for sale or such condition, agreement, or understanding may be to substantially lessen competition or tend to create a monopoly in any line of commerce," have so weakened the bill as practically to destroy its remedial effect.

I desire, before passing from this section, to make one additional observation.

The section as passed by the Senate contained this language:

That it shall not be lawful to insert or incorporate a condition in any contract relating to the sale or lease of or license to use any article or process protected by a patent or patents.

The words "or license to use" are of great import, because they exactly describe the practice now in vogue by the great monopolies that are employing this particular tying device for

the purpose of extending their monopolistic control. The method is to attach to a machine which is patented a simple license stipulation providing somewhat as follows:

This machine is licensed upon the express understanding that the holder thereof shall use upon it only products which are manufactured by the lessor—

Or "the seller," as the case may be. Now, the term "or license" is left out of the bill as it comes to us from conference. Hence it is very probable that the particular practice I have referred to is not inhibited by the bill as it now stands.

The bill as we passed it covered the "licensing or selling of any article or process upon condition that the purchaser shall not purchase goods from another than the seller," and so forth. Now, it so happens that there are certain patented processes the right to use which is granted by sale, license ,or lease, the article itself not being sold, licensed, or leased. The striking out of the words "or process" leaves the bill so that it does not embrace tying conditions in contracts relating to processes. I simply call attention to these two matters in passing.

I might as well now as elsewhere discuss an important change which has been made by inserting, in section 4, the word "*substantially*." In this section you will find that the conferees have not provided that a tying contract shall be void in itself because it is against public policy, but it is to be void only when the making of the contract shall result in *substantially* lessening competition. In section 7 of the bill, which limits the acquisition of the stock of one corporation by another corporation, the Senate prohibition covered stock ownership where the effect of the acquisition might be to lessen competition In the conferees' report, however, we find that phrase changed to "may be to substantially lessen competition"; and further on in the same section some three different times the word "substantially" is written in to qualify the phrase as it existed when the bill left the Senate.

This leads me to offer some observations upon the word "substantially."

Mr. WALSH. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Montana?

Mr. REED. I do.

Mr. WALSH. Before the Senator proceeds to do so, it might be well to remark that the word "substantially" was in the bill when it came from the House; that the bill received very careful consideration from the Judiciary Committee, of which the distinguished Senator from Missouri was a member; that the committee was not moved to take out the word, but that it was taken out in the Senate, and simply restored by the conferees as it was passed in the House and approved by the Senate Judiciary Committee.

Mr. REED. Yes; but I presume the action of the Senate in taking out the word "substantially," notwithstanding the fact that the Senate committee had allowed it to remain in, gives added force to what I am saying, because manifestly it is a much graver thing for the conferees to recede from an action taken by the Senate, after solemn debate and upon vote, than it is to recede from a proposition that was merely reported by a committee and accepted as a matter of course by the Senate.

Mr. WALSH. I referred to the fact because I thought it might fairly be inferred, as I think is the case, that the Judiciary Committee was not impressed with the difference between "lessening competition" and "substantially lessening competition" sufficiently even to excite discussion upon the subject.

Mr. REED. Well, Mr. President, whether the Judiciary Committee was or not, the Senate was; and the Senate, after full debate, struck out the word "substantially."

Mr. OVERMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from North Carolina?

Mr. REED. I do.

Mr. OVERMAN. Does the Senator mean to say that in all cases the conferees on the part of the Senate should insist and insist and stand all the time for what the Senate did? If that were true, could there ever be an agreement in conference?

Mr. REED. Mr. President, I have not made any such insistence, and no one is warranted in drawing such a deduction from what I have said.

Mr. OVERMAN. Well, the Senator has been criticizing——

Mr. REED. In commenting upon this bill as it is now before us as the result of the conferees' work, however, it is entirely proper for me to challenge the thought of the Senate to the fact that the bill as now presented is an unsound measure. Such comment need not be regarded as a reflection upon anybody or any criticism of anybody.

Mr. OVERMAN. I did not take it as a criticism, but I am taking it as a principle and as a matter of procedure. How in the world, because the Senate has put on an amendment, can it be said that we have got to continue to insist and insist and never agree? If we did that, we never would have any bill at all. Where there was a difference between the House and the Senate, we never would have any legislation. These matters are matters of compromise, and all legislation is a matter of compromise, or you will have no legislation.

Mr. REED. Mr. President, the question we are considering now, or that we will consider before this controversy is over, is whether this bill will be recommitted with instructions; and as pertinent to that issue I propose to discuss every defect in this bill to the best of my ability and to discuss them as long as I shall feel like proceeding with the discussion.

Mr. OVERMAN. Mr. President, I am not criticizing the Senator. He is proceeding within his rights. He has a right to do this; but when he criticizes the conferees for yielding I want to know how we can ever agree to any bill without concessions on each side.

Mr. REED. Mr. President, I have not mentioned this morning the fact that the conferees yielded or did not yield. My friend evidently did not sleep well last night or got out of the wrong side of bed this morning, and got out wrong end to. I have not said anything to-day about the conferees yielding.

Mr. OVERMAN. The Senator got up wrong about a month ago. He has been criticizing and continuing to criticize for weeks.

Mr. REED. I know that any man is wrong who criticizes the sacred action of the conferees. I know that there is a sentiment in the Senate, pretty generally disseminated, that if a man can get on a conference committee he can there write a bill to suit himself.

Mr. OVERMAN. The Senator has never been on a conference committee, so far as I know.

Mr. REED. Yes; I have been on a conference committee.

Mr. OVERMAN. Probably when he does he will see that you have to agree with the other parties before you can have any legislation.

Mr. REED. I fully understand the duties of a conferee. When I have been here as long as the Senator from North Carolina has and have gained that wisdom which comes with the ripeness of age and great experience I may fall into the idea that when I am a conferee I have the right to do as I please. Just at present, however, being a mere tenderfoot and greenhorn who has blundered into this august body, and being almost completely overwhelmed by the intellectual superiority of my associates, I venture occasionally to entertain the old-fashioned notion that the Senate of the United States is bigger than the conferees of any committee. Further, I desire to say this in all kindliness, for the love I bear my good friend passeth all understanding, which he very well knows—also, I profoundly respect him and do most ardently admire him—that I am making no personal fight here. I make contention because I believe this bill is a betrayal of the Democratic Party and of the country. I do not care how innocent that betrayal may be; I do not care how much of good faith may have gone along with it; as I view this legislation it is an absolute turning around, a facing about, by our party. We march now to the rear where we promised the country an advance to the front. The proposition no longer is to proceed by penalties, no longer is to suppress by the fear of fine and imprisonment. For these methods we now propose to substitute a sort of regulation. Whereas formerly the penalties of the law hung like the sword of Damocles above the head of every man who, in willful violation of the law, sought to levy unjust tribute upon the country, we now propose to adopt a new method and to turn him over to the tender care of a commission that can not punish him by a single day in jail, the levy of a fine or imposition of any penalty whatsoever, and I shall continue to protest, sir, even though complaisant acquiescence might be for the moment more popular.

Mr. President, I am entirely willing to yield to any Senator at any time for a question, but hereafter when a Senator feels the spirit moving him so that he wants to make a speech or to express his spleen or to lecture me I trust he will restrain himself until he can relieve his feelings in his own time. These acrimonious interruptions are discords in melodies I am now producing and entirely destroy their soothing effects.

I was about to offer some observations on the word "substantially." It either has a meaning in this bill or it does not have a meaning. If it has no meaning, it should not be in the bill. If it does have a meaning, then it is important to ascertain to what extent it qualifies the language in connection with which it is used.

When we come to examine the word "substantially" in section 7 in its context we find it thus appears:

That no corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of another corporation engaged also in commerce where the effect of such acquisition may be to lessen competition.

So said the Senate bill, but now we find it is made to read:

May be to substantially lessen competition.

Now, what does "substantially" mean as thus used? It has a meaning or it would not have been inserted by the conferees. Plainly it was intended to say that it is not enough that the stock owned by a corporation may lessen, but it must do more; it must substantially lessen competition.

Further on in the bill, in the clause relating to holding companies, as the bill is now drawn, the word "substantially" again appears, so that as to holding companies the fact that a corporation owns the stock of two or more corporations and that the effect may be to lessen competition is not sufficient to warrant the bringing of an action, the lessening must be substantial.

Further on in the bill the word "substantially" twice again appears. I will not stop to comment upon the context in these two latter cases, because I have said enough to lay the foundation for the observations I desire to make.

I regard it, Mr. President, as a general principle that when a law, general in its terms, is amended by singling out specific acts or practices which would otherwise be embraced within the general terms of the existing law these acts or practices thus singled out are thereafter to be governed by the provisions of the amendment. I believe it to be true that if a statute in general terms defines larceny and affixes a punishment, under such a statute a horse thief could be tried and the penalty of larceny inflicted. But if subsequently a law is passed dealing specifically with horse stealing and affixing a penalty, thereafter the horse thief would be tried under the latter statute and the penalty therein prescribed would be visited.

Applying the foregoing I have this to say: The Sherman Act denounced all agreements in restraint of trade and provided a penalty of fine and imprisonment. We now propose to enact a statute denouncing tying contracts and certain other practices which may be of such a character as to amount to a restraint of trade. Having thus singled out and specifically provided for this particular practice in restraint of trade, it is at least open to argument whether we have not thereby taken that particular practice from the purview of the Sherman Act itself.

If we fail in the present bill to reenact the same penalty provided in the Sherman Act, we are in danger of finding that we have removed the particular practice specified from the scope of the Sherman Act where it can now be penalized and place it under another law where no penalty follows.

THE INCORPORATION OF THE WORD "SUBSTANTIAL" IN THE BILL A MORE RADICAL CHANGE IN THE TRUST LAWS THAN THE INSERTION OF THE WORD "UNREASONABLE" BY THE SUPREME COURT.

We have changed the rule of the Sherman Act. The Sherman Act provided that all contracts in restraint of trade were illegal. The conferees, by their amendment, have interjected the word "substantial." It was enough under the Sherman Act to show that there was a restraint of trade. Under this section, treating of the same character of subjects embraced within the Sherman Act, we now provide that the restraint of trade—lessening of competition—must be "substantial." That is a very different thing from the rule of the Sherman Act. The change is radical, far-reaching, and is likely to be disastrous.

All will remember when the Supreme Court wrote the word "reasonable" into the Sherman Act. When that decision was announced it was recognized as being of a revolutionary character. It struck the country as being a deadly blow to trust litigation. Within a week's time some half dozen propositions to amend the Sherman statute so as to nullify the effect of the decision were introduced into the Senate. Now, however, by positive legislation, we propose to write into the act a vastly greater qualification than the Supreme Court injected into it.

The Supreme Court said that the restraint of trade must be "unreasonable." We say it must be "substantial." Unless the word "substantial" means as much as the word "unreasonable," it means nothing. In my opinion the word is of broader significance and the injury done to our trust legislation by its interpolation is greater than was accomplished by the Supreme Court when it manufactured and imported into the statutes of Congress the term "unreasonable."

Moreover, in the future, when the court comes to construe the trust act in a case against a trust and finds that one of the practices employed by the trust for the purpose of completing its monopoly is a tying contract, the court will naturally say that before it can hold such an act to be illegal it must find that the tying contract substantially lessened competition, a thing very difficult to prove and entirely different from the requirements of the Sherman law, which are to the effect that if trade is at all restrained then the act is illegal.

It is my opinion that by accepting the amendment of the conferees we shall give legislative sanction to the process of whittling away the body of our trust legislation.

SECTION 2 WORTHLESS WITHOUT A PENAL PROVISION.

I now come to consider section 2, and without indulging in any language which may be regarded as violent or strong I declare it to be my opinion that section 2 as now written is absolutely silly, because it is absolutely without any practical force. That is pretty strong language, and yet I believe I can demonstrate it to be fully justified.

What is section 2? It is brought forward here as a remedy for the existing evil of local price cutting. The common practice indulged by very great and wealthy concerns is to go into a trade territory where there is competition and drop the price of an article below the cost of production. In a little while its competitors have been absolutely driven into bankruptcy or forced to quit the field. Thereupon the great concern proceeds to advance the price on that same community and recoup itself for all losses. In the meantime, without the ultimate loss of a penny, it has established a monopoly in that country, State, or neighborhood by driving out all competitors.

The evil is not a trifling one. The House in its report, which is adopted by the Senate committee, had this to say:

Section 2 of the bill is intended to prevent unfair discriminations. It is expressly designed with the view of correcting and forbidding a common and widespread unfair trade practice whereby certain great corporations, and also certain smaller concerns which seek to secure a monopoly in trade and commerce by aping the methods of the great corporations, have heretofore endeavored to destroy competition and render unprofitable the business of competitors by selling their goods, wares, and merchandise at a less price in the particular communities where their rivals are engaged in business than at other places throughout the country.

The violation of any of the provisions of this section is made a misdemeanor, and is made punishable by fine or imprisonment, or both.

Every concern that engages in this evil practice must of necessity recoup its losses in the particular communities or sections where their commodities are sold below cost or without a fair profit by raising the price of this same class of commodities above their fair market value in other sections or communities. Such a system or practice is so manifestly unfair and unjust, not only to competitors who are directly injured thereby, but to the general public, that your committee is strongly of the opinion that the present antitrust laws ought to be supplemented by making this particular form of discrimination a specific offense under the law when practiced by those engaged in commerce.

The committee then goes on to state that so great is this evil, and so widespread, that it has been made the subject of specific legislation in 19 different States, and adds:

In seeking to enact section 2 into law we are not dealing with an imaginary evil or against ancient practices long since abandoned, but are attempting to deal with a real, existing, widespread, unfair, and unjust trade practice that ought at once to be prohibited in so far as it is within the power of Congress to deal with the subject.

Mr. President, I ask to attach hereto as a part of my remarks, without reading, the list of States which have enacted laws denouncing local price cutting.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The list referred to is as follows:

1. Arkansas, act of 1905, as amended March 12, 1913.
2. Idaho, antitrust act of 1911.
3. Iowa, Revised Statutes.
4. Louisiana, act of 1908.
5. Missouri, Revised Statutes.
6. Nebraska, act of 1913.
7. New Jersey, act of 1913.
8. North Carolina, act of 1913.
9. Oklahoma, act of 1913.
10. South Carolina, act of 1902.
11. Utah, act of 1913.
12. Wisconsin, act of 1913.
13. Wyoming, Revised Statutes, 1911.
14. Kansas, act of 1905.
15. Michigan, act of 1913.
16. Massachusetts, act of 1912.
17. Montana, act of 1913.
18. North Dakota, act of 1913.
19. California, act of 1913.

Mr. REED. Mr. President, in every one of these States, so far as I know, the indulgence in this practice has been made a crime, and heavy penalties are laid against those who practice the evil. Among the States which have prohibited the practice is New Jersey, which covered it by the act of 1913. I again call attention to the language of the committee's report:

It is important that these State statutes be supplemented by additional legislation by Congress, for—

Says the report—

it is now possible for one of these great corporations doing business in not only the 48 States, but throughout the world, to lower the prices of its commodities in a particular State and sell within that State at a uniform price in compliance with State laws, and thereby destroy the

business of all independent concerns and competitors operating within the State.

Mr. President, if that report be true, then we are dealing with an evil of gigantic magnitude; we are confronted by a situation where trusts, combinations, and vast aggregations of capital are able to go into a sovereign State, reduce the price upon some necessity of life below its actual cost, destroy every competitor within that State, then take and hold the field alone. Having taken the territory, it has power to levy the monopolist's toll and extort not only the pound of flesh but the blood that flows from the gaping wound. If one-tenth of what is said in that report is true, then we have no right to trifle with this evil. When we propose to trifle with it we betray the party that sent us here instructed to eradicate these great wrongs.

Mr. President, I again assert that for all practical purposes section 2 might as well have been eliminated from this bill at the same moment of time that its criminal penalty was eliminated. Why do I say that? How long would it take to suppress horse stealing if the law provided that you must first catch the thief, then carry him before a commission, then prove him guilty, then give him the right of appeal to the courts, then give him the right to go to the appellate courts, and, at the end of all the years of litigation, all you could do with him were to command him not to steal any more horses, and allow him to ride away on the horse he had stolen?

How long would it take to suppress burglary if the law provided that you must catch your burglar, take him before a commission, and after the commission had examined into the facts, after the long course of years had run, and on appeal the finding of the commission had been sustained, all you could do with the burglar were to say to him, "Go, thou, and sin no more; but keep the swag you have already accumulated"?

But this provision is even worse than that illustration. Under this provision a monopoly or trust can enter a great State; it can, as says the committee of the House, absolutely proceed by a system of price cutting to drive out of business every man engaged in that particular line of trade in that State. In the meantime, by advancing prices elsewhere, it can recoup its losses. Having driven all of these men out of business, it now occupies the field and can collect the enormous profit monopoly always exacts. It can continue to collect these profits to the day of final judgment.

What is the remedy we propose by this bill. The concern can be taken before a commission; weeks and months will undoubtedly elapse before the commission shall have concluded its hearings. All the skill of the best corporation lawyers will be employed; every method of delay will be sought, every technicality will be raised. The time necessary to collect the evidence will necessarily be very considerable. Depositions may be taken perhaps from New York to San Francisco. At the end of all the hearings will come the argument of counsel. Then days and possibly weeks or months of deliberation by the commission.

In the meantime what? In the meantime the practice goes on; in the meantime the concern collects its monopolistic toll. In the meantime what further? In the meantime the competitor is being choked to death; his trade is being destroyed; bankruptcy is impending, maybe it has come. At last the commission renders its decision. Then, with the look of a saint and with the manner of a martyr, the attorney for the corporation appeals from the decision of the commission to the United States court of appeals. Again comes the consumption of time incident to the filing of the record, the briefs of counsel, the arguments before the court. After about two years have elapsed—and that is the shortest time in which you can hope to obtain a hearing even under the provisions of this bill—a decision is rendered. In the meantime what? In the meantime the monopolist has still been crowding, crowding, crowding his weaker competitor from the field of action. The United States court of appeals decides against the practice, whereupon a writ of error is immediately sued out an dthe case is carried before the Supreme Court of the United States. Again come the counsel with their briefs and green bags. Again, after months, perhaps years, of delay, the Supreme Court reaches its decision. The final decision is that the practice has all along been wrong; that it has all along been wicked; that it has all along been unjustifiable; that it has all the time been condemned by the statute. But what has happened during the five or six years the case has been pending or the litigation going on? What about the competitor who stood there so weak that he needed aid and needed it at once? What about him? He has been driven into bankruptcy; he has quit the field; he is already ruined; perhaps he has been compelled to sell out to the combination.

I am not indulging in fancy, for the highways of commerce are strewn with evidence of the statements I am making. In almost every town and village of the land dead chimneys stand as a monument of the fact that an invader in the form of a trust has been there and has put out the fires in the furnaces of the smaller industries. What about the men who have been ruined? Is there any salvation for them in this bill? This bill, sir, is a letter of marque and reprisal authorizing the trusts to operate for four or five or six years, and at the end of that time to go unscathed.

Mr. WALSH. Mr. President, the Senator seems to forget that the operation of the trust is prohibited all the time.

Mr. REED. Oh, yes. Every time I drive you from this bill, every time I show you that this bill is so absurd and ridiculous that it can not be defended, you take refuge in the old Sherman Act. You all act like a Kansas farmer who, when he sees a cloud as big as a man's hand, ducks into his cyclone cellar. The Sherman Act is the cyclone cellar for the defenders of this bill. When they can no longer defend this bill they cry out, "We have the Sherman Act." If the Sherman Act covers these practices, why obstruct the statute books with an unnecessary law?

Mr. WALSH. It does not; but it covers the operations of the trusts. That is what the Senator is talking about. The trust, the unlawful combination the Senator is talking about, is all the time amenable to criminal prosecution; but the Senator always argues upon the assumption that it is not.

Mr. REED. Oh, no; I do not; I never made such an argument in my life. I do not mean to answer my friend abruptly, but he never heard such a statement fall from my lips or the suggestion of such a statement.

Mr. WALSH. I interrupted the Senator because the Senator said, substantially, that the trusts, the unlawful combinations, will continue in these unlawful practices while the procedure takes its regular course through the Trade Commission and eventually crush their independent creditors.

Mr. REED. Exactly; and the Senator fully understood that I was talking about what the trusts can do under this bill. The record will show that I have so said not once but twenty times.

Mr. WALSH. But meanwhile the trusts will be subject to criminal prosecution every day.

Mr. REED. Oh, yes. Mr. President. Then, why are you putting this bill on the statute books? You are putting it on the statute books as an additional remedy; you are putting it on as something that is better than the trust act; you are putting it on to reach the case of the big man and the little man.

Mr. WALSH. To reach the case of the man who is not subject to prosecution under the Sherman Act because he does not stand in the attitude of a trust or an unlawful combination.

Mr. REED. Mr. President, the Senator's views are at variance with the views laid down in the House report. I will come back and argue that in a moment, if the Senator can restrain his impatience long enough to let me conclude one thing at a time.

Mr. WALSH. I will try not to interrupt the Senator again.

Mr. REED. I am perfectly willing to be interrupted, but always these interruptions come just at the time one is about to conclude the discussion of a question.

I say under this bill, and so far as it is concerned, the trust magnate or the man, whether he be big or whether he be little, can resort to all the delays I have named, and during the time his rival is being destroyed and driven from the field can be pocketing the profits of his buccaneering expedition, and at the end of it all, so far as this bill is concerned, he keeps the money he has gained. All the commission can do is to tell him he must stop the particular practice. Whereupon he thrusts his hands into his pockets, fingers his profits, and looks for new fields of enterprise where he may with equal safety pursue similar methods.

What about the people who are to be considered? Can they recover anything? There may be here and there some large dealer who will be able to show sufficient damages to warrant him in bringing a suit, but the great consuming public, which buys at retail and which is robbed a penny or a farthing upon each little purchase, is remediless. The toll has been collected; the blood has been drawn from the people's veins drop by drop; they may look a little pale and anemic, but they can not prove their damages in any court on earth; and yet they have been grievously damaged.

Mr. WALSH. Mr. President, I do not want to interrupt the Senator except to correct him in his statement of what I said. I did not say that these are the practices of trusts and monopolies alone, nor that they are to be prohibited as such. These are the practices of trusts and monopolies, and when they are

the practices of trusts and monopolies those trusts and monopolies are subject to prosecution under the Sherman antitrust law. Unfortunately, however, they are the practices of business organizations that are not trusts and monopolies, and those are the things that this bill is intended to reach.

Mr. REED. Does the Senator claim that this bill was not intended to reach the big man as well as the little man?

Mr. WALSH. Why, of course it was intended to reach the big man who can not be reached under the Sherman Act.

Mr. REED. Does the Senator say that it was not intended to reach the big trust as well as the little concern?

Mr. WALSH. The Senator from Montana asserts that it was not intended to reach the trust, big or little; that the trust is reached by the Sherman Act. It was intended to reach the business organization that can not be reached by the Sherman Act, that is not subject to it.

Mr. REED. Mr. President, the Senator from Montana does not stand with the committee of the Senate, and he does not stand with the committee of the House, and he does not stand with the President of the United States, whose message I read here yesterday. I now read from the report of the committee of the House. Let us see whether this legislation was intended only to affect the small man.

Mr. WALSH. The Senator from Montana has said that that is not the case. It is intended to reach the big man, no matter how big he is, who can not be reached by the Sherman Act.

Mr. REED. Let us see if it was not intended to reach the trust and if it was not intended to reach trust practices, born in the brain of a trust, worked out through trust methods, and the profits carried over and put into the coffers of the trust. I read from the House report on the bill:

> The Committee on the Judiciary, having had under consideration the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes, report the same back with the recommendation that the bill be amended as follows:
>
> * * * * * * *
>
> Your committee, after the delivery of a message by the President of the United States, on January 20 last, to the Congress, making certain recommendations relating to the matter of trusts and monopolies—

Not of little men, not of retailers, but "making certain recommendations relating to the matter of trusts and monopolies"—

> immediately prepared and published tentative bills which were designed to give legislative expression to the views contained in the President's message, and in order that the country might be given ample time to discuss them the committee conducted public hearings until April 4, at which time they were concluded.
>
> * * * * * * *
>
> The bill is not designed to destroy or hinder business, but, on the contrary, to help business and the whole people of the country who are related to or affected by it. The able and patriotic message of the President has been ever before us and the program which he proposed is contained in the provisions of the bill, and if enacted into law will in truth be "additional articles in our constitution of peace—the peace which is honor and freedom and prosperity."

There is not a word there about the little fellow. We are dealing with trusts and monopolies; and the President's message that I read yesterday and that I shall not take time to read again dealt with trusts and monopolies.

Now, I read a little further:

> Every concern that engages in this evil practice must of necessity recoup its losses in the particular communities or sections where their commodities are sold below cost or without a fair profit by raising the price of this same class of commodities above their fair market value in other sections or communities.

Let us stop and analyze that for a minute. A concern must be a pretty large concern before it can indulge in this practice with any effect. It must be able, first, to stand the financial loss of cutting the price of an article in a trade territory below the cost of production, else it could not drive out a rival. Second, it must be able to withstand the financial drain for many months, perhaps for years. Third, it must be so large a concern that it not only covers the particular trade territory where its practice is being indulged, but it is so spread over the country that it can collect in other States and other communities the profits with which to sustain its unholy warfare.

Why, this can not apply to little things. A little concern can not employ such methods. It is only the large concern that can ever use them with any effect. And what says this report?

> The necessity for such legislation is shown by the fact that 19 States have enacted laws forbidding this particular form of discrimination within their borders. These State statutes have practically all been enacted in the last few years, and most of them in the years 1911, 1912, and 1913. It is important that these State statutes be supplemented by additional legislation by Congress—

Now, listen to the description of one of your little things that is not a trust or monopoly:

> for it is now possible for one of these great corporations doing business in not only the 48 States but throughout the world to lower the prices of its commodities in a particular State and sell within that State at a uniform price in compliance with State laws, and thereby destroy the business of all independent concerns and competitors operating within the State.

And yet the Senator says this legislation was not intended to apply to anything but little concerns.

Mr. WALSH. Mr. President, I never made the statement, and the Senator ought not to charge me with doing so. On the contrary, I expressly declared that it was intended to be applicable to anybody, no matter how big he was, and the bigger the more applicable it is.

Mr. REED. Very well; then it does apply to the trusts.

Mr. WALSH. Excuse me; it is not intended specifically to apply to the trusts that are already subject to prosecution.

Mr. REED. But does it or does it not apply to trusts?

Mr. WALSH. Why, it may. A trust may do these things; but the trust, when it does them, is liable every day to prosecution under the Sherman Act.

Mr. REED. And so is any individual who does them liable to prosecution under the Sherman Act. So also is a corporation, whether big or little, whenever it does them in a way to restrain trade; and if it does not do them in a way to restrain trade then, whether it is a big concern that we commonly call a trust, or whether it is a little concern that we commonly call a corporation, its acts are not unlawful and can not be reached under the Sherman Act.

This section of the bill was originally intended to have some practical effect. That intent has been nullified. As it passed the House, it is true, it would have taken some time to have enforced the statute. The delays of courts would have occurred. The wrongful practice might still have gone on for some time, and in the meantime a competitor might have been put out of business, but at the end of the litigation the trust magnate or the man indulging in the practice, big or little, was in danger of adorning his dishonest back with the stripes of a felon. But by this bill you say to him, "We will simply issue an order telling you that you must not do it any more."

Such a law is worse than farcical, because it is a betrayal. It is a pretense to the public that we are offering a remedy when we are offering no remedy that will effectuate any good end.

It is singular, but every time the conferees touched this bill they drew its teeth. I am aware of no single provision the conferees put in this bill that tended to make it a more drastic bill against trusts, combinations, monopolies, or restraints of trade.

Mr. WALSH. Mr. President, if the Senator would like information about the matter——

Mr. REED. I shall be glad to have it.

Mr. WALSH. I will call his attention to this fact: The Senator moved to amend by changing the word "is" to "may be." The language of the bill as it came from the House was "where the effect is to eliminate or substantially reduce competition." It was adopted by the Judiciary Committee, and as it came to the Senate it read in that way. The Senator himself moved to amend by substituting the words "may be" for "is." He made a very strong argument in favor of his amendment, a convincing argument. He convinced the Senate that that was the way it ought to be. We agreed with him. That amendment was adopted. I find that the Senate conferees, of whom I was not one, required the House conferees to yield to that amendment.

Mr. REED. Mr. President, I have not intended to say that none of the Senate provisions went into the conference report. What I meant to say—and if I did not make myself plain, I will do so now—was that when the conferees got up an amendment of their own they invariably weakened this bill. They diluted it. I commented upon some of those changes on yesterday. I shall have more to comment upon as I proceed.

I repeat, it is a singular thing that whereas the conferees amended this bill in a number of particulars, I know of no single instance where they did not weaken the bill, so far as it bears upon trusts or monopolies.

Mr. WALSH. If the Senator would like some further light on that point, I think I can furnish it.

Mr. REED. I shall be glad to have it.

Mr. WALSH. In the same connection, I moved to strike out the provision, which was to the effect that if the effect of the things denounced by the act is to create a monopoly, they were made unlawful. The Senate refused to strike that out on my motion, but left it as it was—where the effect is to create a monopoly.

Mr. REED. In what section is that?

Mr. WALSH. In the same sections, 8 and 9. The Senate conferees changed that so as to make it where it may tend to create a monopoly. That made the provision very much more drastic.

Mr. REED. Did the Senator say section 9?

Mr. WALSH. Sections 2, 4, 7, and 8. I speak of the sections as they were. I do not know how they stand in the conference report. I will give them to the Senator.

Mr. CULBERSON. Sections 7 and 8 of the conference report are the ones to which the Senator from Montana refers. The Senator will find the first one at the bottom of page 5 of the conference report.

Mr. REED. Why, Mr. President, that whole clause is an assassination of the section itself.

Mr. WALSH. I will call the attention of the Senator to it.

Mr. REED. I refer to the one that the Senator from Texas, the chairman of the committee, has just called attention to. What was the section? I am referring now to section 3 of the conferees' report, which was section 2 of the House bill and corresponded to section 2 of the Senate bill, and which appears at the bottom of page 5 of the conference report.

Mr. WALSH. I refer the Senator to section 7.

Mr. REED. In a moment. I shall discuss the one that is called to my attention by the Senator from Texas and then I will take up the other.

The Senate bill and the House bill had absolutely prohibited the making of contracts which had tying clauses to them; the Senate bill, however, being limited to patented articles. In that form such a contract could not be made. The conferees, however, added the clause—

> Where the effect of such lease, sale, or contract for sale, or such condition, agreement, or understanding may be to substantially lessen competition or tend to create a monopoly in any line of commerce.

In other words, since this clause has been added, it is not enough, as I argued yesterday at length, to show that such a contract was made—which was sufficient under the House provision or under the Senate provision—but you must go further and show its effect to be to substantially lessen competition or to create a monopoly.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER (Mr. WARREN in the chair). Does the Senator from Missouri yield to the Senator from Idaho?

Mr. REED. I do.

Mr. BORAH. How would it be possible for a person examining a separate act or transaction, individually, to determine whether or not that particular act had a tendency to create a monopoly? In other words, if you do not prohibit the tying of itself, almost any shrewd organizer of monopoly could show that the particular act which you had undertaken to prohibit would not tend to create a monopoly; that if it was created it would be in another way. So you can not look ahead and see what the effect of a particular act will be in the matter of creating a monopoly.

Mr. REED. The Senator's observation is, as most of his observations are, very lawyerlike and very wise. In support of that observation and in illustration of the fact that he has put his finger upon the very weakness of this measure I call attention to this fact: You may read every trust petition filed by the Government of the United States in the great number of trust suits it has brought and in no single instance, to my knowledge—I do not claim to have read them all, but I have read many—do you find the Government in its petition singling out any specific act and resting its case upon that act. On the contrary, the petition usually begins by attacking the method of organization. It sets forth a condition of facts showing that there was a bringing together under one control of a great many institutions, the tendency of the combination being to produce monopoly. These allegations are followed by pleading innumerable oppressive practices and acts such as local price cutting, the hiring of a competitor's employees, the slandering of a competitor's business, the effort to forestall him in his market where he purchases his raw material, the effort to drive him out of a particular corner by the rental of the property which he had expected to obtain—these and a multitude of other instances are all grouped together so that out of the vast mass of circumstances may be woven a mesh so fine that the trust proprietor can not escape. In no one of these cases can you find the Government bottoming its case upon one act.

Mr. BORAH and Mr. WALSH addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Missouri yield further to the Senator from Idaho?

Mr. REED. In just a moment. The Senator from Montana has risen.

Mr. WALSH. I rose in response to the request of the Senator from Missouri.

Mr. REED. Very well.

Mr. WALSH. The section found on page 8 is section 7 of the conferees' report and is equivalent to section 6 of the bill which passed the Senate. The first part of it, as the Senator recalls, deals with one corporation holding stock of another corporation; the second part deals with what is known as the holding corporation. The language of the bill originally was:

> Where the effect of such acquisition or the use of such stock by the voting or granting of proxies or otherwise may be to eliminate or substantially lessen competition between such corporations, or any of them, whose stock or other share capital is so acquired, or to create a monopoly of any line of trade in any section or community.

The conferees made it read:

> Or to restrain such commerce in any section or community or tend to create a monopoly of any line of commerce.

In the latter part of the section the conferees changed the language "or to create a monopoly" to the language "or tend to create a monopoly." I thought that that strengthened the bill rather than weakened it.

Mr. REED. If those clauses stood alone, they would strengthen the bill, as also would the other two interpolations made by the conferees, which I read:

> Or to restrain such commerce in the section or community.

Those words appear twice. If those words alone had been added by the conferees they would have strengthened this section. But, Mr. President, the conferees put back the word "substantially."

Mr. WALSH. Does it not occur to the Senator that that is a separate change? I understand the Senator believes that to weaken the bill. Let us dismiss that. Let us agree with the Senator that that weakens the bill.

Mr. REED. Very well.

Mr. WALSH. Now take the other and consider it separately.

Mr. REED. But it can not be considered separately, as I am going to try to show, and I shall be as fair as I know how to be in discussing this report. I say that the words "or to restrain such commerce in any section or community" do strengthen the bill, but they are not here alone. At the same time the conferees restored those words they put in the word "substantially," so that the words put in do not mean "or to restrain such commerce in any section or community," but they mean to substantially restrain such commerce in any section or community, which is a very different thing. That word "substantially" I have protested against. It is there to qualify these new words. So we do not get their full benefit. However, I will say to the Senator frankly, if the phrase interpolated by the conferees had gone into the bill alone, it would have strengthened it.

Now, Mr. President, coming again to section 2 of the conference report, I call attention to the fact that in addition to cutting out the criminal penalties which are the very vitals of that section, without which, as I have argued here at length, it has no potentiality, will produce no results, and will protect nobody, the conferees have added a qualifying clause, which follows the language providing that goods shall not be sold at different prices in the same or different communities, and that clause is:

> Where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce.

Again, they have added the words:

> Or discrimination in price in the same or different communities made in good faith to meet competition.

I do not object to the last clause, but as to the former let us give it a moment's attention—the seven Senators who are present.

SEVERAL SENATORS. There are nine.

Mr. REED. I am corrected; there are nine Senators present. Let us give it attention, and I say now, as Senator LA FOLLETTE once said on this floor, "If we do not attend, the country will." What is meant by the phrase "where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce"?

Mr. President, when you prove that you have made out a case under the Sherman Act, as I understand the decisions. So the effect of this whole section is, you shall not discriminate in price in such a way that you violate the Sherman Act, and if you do, we will take you before a commission that can not do anything to you except tell you to stop, instead of taking you before a court under the Sherman Act, fining you, and sending you to jail. If I am not mistaken in my construction of those qualifying words, you can not get a conviction under that section unless you are able to prove a case, which would entitle you to go to a jury in a prosecution under the Sherman Act.

Mr. WALSH. Mr. President, that statement strikes me as rather important.

The PRESIDING OFFICER. Does the Senator from Missouri yield further to the Senator from Montana?

Mr. REED. I do.

Mr. WALSH. That is a case which challenges our very earnest attention, and I should like to inquire about it.

Where the effect of such discrimination may be to substantially lessen competition.

So if an individual should cut prices on another, and the effect of that cutting would be to substantially lessen competition, he would be amenable to the Sherman Act?

Mr. REED. If I am correct, the term "substantially lessen competition" is synonymous with the term "restraint of trade." I have argued that——

Mr. WALSH. The Senator must bear in mind that section 1 of the Sherman Act deals simply with combinations and conspiracies. That contemplates the union of two or more organizations. That is not this case. The second clause says that it is criminal to create or attempt to create a monopoly. That is not this at all. You may not attempt to create a monopoly at all; you may not create a monopoly; but if you do a thing which tends to create a monopoly, you are amenable under this bill.

Mr. REED. The Senator is wrong in his analysis of the Sherman Act, in my opinion, and I want to be plain in what I am saying now in regard to this section. I am not setting up my opinion as final upon it. I am not saying that I am necessarily right; but I am arguing and appealing to Senators to consider it. I am giving my opinion, which I frankly say I may change, but which I do not think I am likely to change. I hold that the words "substantially lessen competition" have no other meaning than "restraint of trade"; and that therefore this section means nothing different than it would if it were to read "where the effect of such discrimination may be to restrain trade." I argued that at great length yesterday, and I do not intend at this time to cover the same ground. If I am correct in that, it could be, in my judgment, met under the Sherman Act. As I understand the decisions under that act, it is not necessary to prove that an actual restraint of trade has been worked.

Mr. WALSH. I will say to the Senator that he ignores the essential part of section 1 of the Sherman Act, which relates to combinations and conspiracies in restraint of trade.

Mr. REED. That section applies to more than mere combinations. There are two sections. The Sherman Act covers the act in combination and it covers the individual action.

Mr. WALSH. Exactly; section 2 covers the individual act.

Mr. REED. Section 1 reads:

Every contract, combination in form of trust or otherwise, or conspiracy in restraint of trade or commerce among the several States or with foreign nations is hereby declared to be illegal.

I do not think that section is limited to conspiracies. I do not think that language is——

Mr. WALSH. Combination contracts.

Mr. REED. Every contract. You can cut out all the rest of it except in restraint of trade. It does not say every contract and combination in restraint of trade, but every contract, and then follows the language:

Every person who shall make any such contract or engage in any such combination.

All that is necessary is to make a contract which restrains trade. It can be done by an individual or it can be done by a combination of individuals. That is my opinion, and I think I can satisfy the Senator on that point, but I can not do it now, for I have no time to go and get the law books. However, I think if the Senator will examine it himself he will arrive at the conclusion that an individual may be guilty of restraint of trade under the Sherman Act.

Mr. President, while these interruptions are very entertaining and I do not complain of them, they are taking some time and throwing me a little off of the thread of what I intended to talk about. I am not engaged in any filibuster or attempt to consume time. I believe I could have, without interruption, concluded what I wanted to say on yesterday.

HOLDING COMPANIES FAVORED.

I desire to call the attention of the Senate now to sections 7 and 8. As I have already discussed the word "substantially," inserted in these sections, I pass the sections with simply one observation: When you give to a holding company the full right to own the stock of other companies and then impose upon the Government the duty before it can prohibit that holding to show that there has been a substantial lessening of competition, you have required it to show more than it is necessary for it now to show under the Sherman Act. The section, in my opinion, in its present form is without the slightest value.

The criminal penalty also is here stricken out. I want to know why it should be stricken out. No man ever organized a holding company and substantially restricted competition who did not do so with his eyes open. He did not err through inadvertence. The reason he organized that holding company in the first instance was to lessen competition. That is what holding companies are for.

Will somebody tell me why a man who deliberately sits down with his lawyer and evolves a scheme to organize a company to hold the stock of 10, 20, or 30 companies that are in competition, thus effectuating a monopoly through the form of one company instead of a trust through the form of a trust agreement—will some one tell me why the man who does that should not be fined, should not be imprisoned, should not be treated at least as severely as we treat a man who does not pay a license on a box of cigars that he has made in the back room of his house?

SMALL OFFENDERS PUNISHED—GREAT CRIMINALS ESCAPE.

We have no difficulty in prescribing criminal penalties for the little fellow. We can with the knife of the law disembowel the little criminal and smile at his expressions of agony. We can, without compunction, arrest a poor, unlettered fellow who has been reared away off in the mountains and who regards it as a sort of a God-given privilege to make whisky and not pay any Government license, who has a little still that cost about $10 originally and has been handed down from father to son unto the tenth generation. We have not a bit of difficulty in putting that poor fellow in jail, not because he made the whisky, but because he did not pay the tax. But, then, he is only a little fellow. He wears plain, common clothes. His boots are coarse and run down at the heels. He does not shave every day. He is just an ordinary individual; besides, he is poor. We throw him in jail without the slightest hesitation. His overworked wife may trudge along the stony paths of the mountain toting little baskets of vegetables to the market to get money upon which she may live while the father of the household is in jail. There is no trouble about sending the moonshiner to jail or keeping him in jail. He has not robbed anybody; he just beat the Government out of a little tax, that is all.

But when a gentleman sits down behind a mahogany desk along with a lot of other gentlemen who look like they own the diamond mines of South Africa, the case is quite different. These wealthy gentlemen are consorting together for the purpose of getting up a scheme to rob entire communities, to crush great business concerns, to bankrupt States, to put out the fires in the furnaces of a hundred factories, and in the end to pilfer and filch with monopoly's cruel fingers from the pockets of the poor and the needy. They intend to gather the farthings and the pence and the nickels and the dimes from thousands of homes and pile them up in the vaults of banks. They intend to unload a vast amount of watered stock upon the unwary. They intend out of the accumulated profits to pay for bacchanalian feasts. They contemplate plowing the oceans with yachts big enough for trans-Atlantic steamers. They intend to take a part of the criminal loot and with it capitalize the campaigns of those who are willing to do their service in public places, to bribe legislators with their evil gains, to buy the souls of men, to even pollute the bench and stain the ermine of the judge—when such as these are to be dealt with we do it through a commission. This is the frightful, the bloody, penalty we intend to inflict. We shall say to them in mild and gentle accents, sweet as the notes of an æolian harp, "Dear respected friends, we are very sorry, but really you must quit it."

That is the whole trouble, sir, with our civilization; it is the rotten spot of American jurisprudence. We usually have one law for the impoverished and the same law for the wealthy, but when we come to the application of the law we enforce it against the man in rags and we fail to enforce it against the man in broadcloth. Just now we are making a law for the rich rogues; we are making it for the public plunderers; we are making it for the buccaneers of commerce; we are making it for the pirates who sail the high seas of trade, and in dealing with them our touch is as tender and as harmless as the kiss of a mother to the cheek of her first born. We do not send them to jail. Ah, no; we investigate them before a commission.

"DEMOCRATIC PARTY PLEDGED TO ENFORCE CRIMINAL PENALTIES AGAINST TRUSTS."—BRYAN.

We are playing the hypocrite, sir. We came here sounding our cymbals, girding up our loins, burnishing our weapons; we said to all the world, "When this great Democratic host shall assemble, when it shall bear down upon the citadels of greed, of corruption, of plunder—ah, then you will see how valiant arms, backed by honest hearts, will hew a clean path for the common people to tread." But now, having marched up the hill to the heroic voices of the bugles of war, we are sitting down by the camp fire and attuning our ears to the seductive notes of Home, Sweet Home. Some of us will hear from home—not now; the people are hypnotized just now, some

of them. But I have never seen a fraud put off upon the American people that at the end of 10 days there was not somebody in every community who knew about it, and at the end of six months everybody in every community knew about it.

Have we promised criminal penalties? I read you the platform—one platform only, though I might have read many—demanding these criminal penalties. I also call your attention to the fact that we are here pledged, not by platforms alone, but by the utterances of our great men. Ah, I have been following those men, and I hope that as the years go by I may still follow them as with flaming swords they stand in front of the hosts of the people to battle against those who live by plundering the people. I read:

Other criminal laws are enforced against all offenders who can be found: why should we draw a distinction between the horse thief who violates the law against horse stealing and the trust magnate who violates the law against trusts?

Let me paraphrase that: "Why should we draw a distinction between the horse thief who violates the law of horse stealing and the organizer of a holding company who is engaged in creating a trust through that corporate form?" I read further:

The Senator [Mr. Beveridge] complains because I have said that private monopoly must be eliminated, that the trust must be destroyed root and branch.

Let me interpolate, that was the doctrine of the Bull Mooser—not to destroy monopolies, but to regulate them; not to carry them to the courts of justice, but to a commission; but said this great man whom I now am quoting in reply to Mr. Beveridge:

That is my position—that is, to destroy them root and branch—and that position was set forth in the Democratic national platform in 1900 and was indorsed by more than 6,000,000 voters.

Again, this great statesman said:

In the beginning the executive officers thought the civil part of the statute sufficient, and attempted to break up the trusts by injunction. That proving unsatisfactory, resort was next had to the criminal provisions of the law with the idea that a fine would be sufficient. The fine has been shown to be ineffective, and the President is turning more and more toward the imprisonment clause. It is useless to attempt to prevent combinations by fine levied against corporations when the fines are small compared with the sums made by the combination. Imprisonment, however, is real punishment, and the trust magnates will become scarce as soon as the penitentiary doors close upon a few of the offenders.

That is the language of William Jennings Bryan, the present Secretary of State, honored by the President with the highest position within his gift. That, sir, is yet the doctrine of the Democratic Party. You may strike out the criminal penalties of this bill; but I say to you that the aroused conscience of the American people will demand their restoration. You may, instead of providing courts and juries and jails for the great criminal, provide that he shall go before a commission, as you do by this section, and that the commission may finally tell him he must quit his practices and let him go free; but the day is coming when you will be obliged to write criminal penalties into this statute, and I predict they will be more severe when written in than those you have stricken from this bill.

If, sir, in the opinion of Mr. Bryan the Sherman law was not sufficiently drastic or was not enforced in a sufficiently drastic manner, what shall be said of this law, which proposes to say to the man who has organized a holding company for the purpose of creating a monopoly, "You can not even be fined; you can not be sent to jail; nothing can be done to you, sir, except you will be told to quit"?

I call attention to this statement. It is no anemic, expurgated thing; it is not of uncertain meaning; it has red blood in it, the fire of battle animates it, the courage of the statesman blazes through it.

CHAMP CLARK'S POSITION.

If I had my way, I would fill the penitentiaries and jails of the United States so full of trust magnates that their arms and legs would stick out of the windows.

That was the declaration of honest CHAMP CLARK. There is nothing in anything CLARK ever said that suggests a reprimand before a commission for a monopolist.

I shall be met with the argument that I am still fighting the commission. I never fought the commission. What I have objected to and object to now is the denuding of the courts of the authority that ought to be reposed in them and transferring the care of great criminals to a tribunal that is as impotent to prevent their evil practices as is the weak arm of a child to choke to death a Numidian lion.

In May, 1908, the American Lawyer, at pages 267 and 268, printed this:

Government ownership and Government regulation by commissions are not radically different and will be discredited by experience. Regulation by definite prohibitions of law is the effective process.

That was the contribution of Woodrow Wilson to the thought of the time. It was a wise statement; it was a profound utterance; it has the ring that goes with sincerity of purpose.

Mr. President, I could read to the Senate for hours similar pledges made by great Democrats. In my own small and weak way I have uttered equivalent expressions. I believe that the doctrine of prohibition with a criminal penalty attached to the prohibition is an essential part of the Democratic creed.

Mr. President, I raise the question of a quorum.

Mr. LEA of Tennessee. Mr. President, I make the point of order that no business has intervened since the last roll call.

The PRESIDING OFFICER. The Senator from Missouri [Mr. REED] suggests the absence of a quorum. The Senator from Tennessee [Mr. LEA] makes the point of order that no business has intervened since the last call for a quorum.

Mr. SMOOT. Mr. President, as I remember, after the lack of a quorum was shown, there was a motion made instructing the Sergeant at Arms to request the attendance of absent Senators.

Mr. LEA of Tennessee. But not after the result of the roll call was announced.

Mr. SMOOT. I think the motion was made after the result was announced, and that the RECORD will so show.

Mr. REED. Mr. President, I am very much obliged to my friend the Senator from Tennessee [Mr. LEA]. He is very courteous; I can not refrain from expressing my appreciation. In the Senate at the present time is the Senator from North Dakota [Mr. MCCUMBER]——

Mr. LEA of Tennessee. I dislike to interrupt the compliment to myself, but I make the point that no debate is in order.

Mr. REED (continuing). The Senator from Utah [Mr. SMOOT]——

The PRESIDING OFFICER. Debate is proceeding by unanimous consent, of course. The Chair believes that there has been sufficient business to authorize the suggestion of the absence of a quorum, and the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Lee, Md.	Perkins	Smoot
Bryan	Lewis	Poindexter	Stone
Chamberlain	McCumber	Pomerene	Swanson
Culberson	Martin, Va.	Reed	Thornton
Fletcher	Martine, N. J.	Robinson	Vardaman
Gore	Nelson	Shafroth	Walsh
Hughes	Norris	Sheppard	Warren
Kern	O'Gorman	Shields	Williams
Lane	Overman	Shively	
Lea, Tenn.	Page	Simmons	

Mr. SHAFROTH. I desire to announce the absence of my colleague [Mr. THOMAS] by leave of the Senate, and to state that he is paired with the senior Senator from New York [Mr. ROOT].

The PRESIDING OFFICER. Thirty-eight Senators have answered to their names. There is not a quorum present. The Secretary will call the roll of the absentees.

The Secretary called the names of absent Senators, and Mr. CHILTON, Mr. SMITH of Maryland, and Mr. WEST answered to their names when called.

Mr. SMITH of Georgia, Mr. BORAH, Mr. WEEKS, Mr. WHITE, Mr. HITCHCOCK, Mr. ASHURST, Mr. THOMPSON, and Mr. JOHNSON entered the Chamber and answered to their names.

The PRESIDING OFFICER. Forty-nine Senators have answered to their names. A quorum is present.

Mr. REED. Mr. President, I am delighted to know that 49 Senators have answered to their names, but by actual count there are not 16 Senators in the Chamber now.

Mr. ASHURST. And there will be less in a few minutes.

Mr. REED. And there will be less in a few minutes, as is said by the Senator from Arizona. Incidentally, I venture the remark that two-thirds of those who are not here have not read the conference report. I am not complaining on my own account. Having for a long period of my life been accustomed to address 12 men who could not get away, because they were in charge of a sheriff, I view with great delight the fact that 6 more than are necessary for a jury voluntarily remain.

The result of this bill concerns me no more than it does the other Members of the Senate. I have a great deal of sympathy for Senators who absent themselves from the Chamber. The fact that I am addressing the Senate is perhaps a sufficient excuse.

Mr. BORAH. Mr. President——

Mr. REED. If the Senator will allow me, I should like to finish this sentence.

Mr. BORAH. I simply want to say that one of the Senator's jury has gotten away.

Mr. REED. I felt that virtue had departed—not from myself, but from the Senate Chamber—when I noticed the vanishing coat tails of the last gentleman who left. [Laughter.]

Mr. President, a condition of indifference, resulting from fatigue, apparently exists at both ends of the Capitol. The cry is that things must be done at the present moment. The disposition of many Senators is to pass this bill regardless of its provisions, for I have heard that sentiment expressed repeatedly. The word is being circulated, "Pass this bill, and we will amend it hereafter."

In this condition of mind we approach the most important legislation that has been or that will be before this Congress. In my judgment, men will vote upon this bill who have never read the conference report, who have neither read the bill nor heard a word of the discussion. That, of course, is for them to do if they see fit so to do; but the fact remains that we are here, under these conditions, legislating for 90,000,000 people, not for to-day, not for to-morrow, but for many years in the future. The policies we determine by this legislation will affect, for weal or woe, the people of this great country.

Mr. WALSH. Mr. President, will the Senator pardon an interruption here?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Montana?

Mr. REED. I do.

Mr. WALSH. I was particularly careful not to interrupt the Senator while he was indulging in such observations of a general character as he cared to make in connection with the section of the bill which now receives his attention; that is, the holding-company section.

The Senator will recall that when the bill was before the Senate I moved to amend it so as to outlaw holding companies absolutely. The Senator voted with me upon my amendment, as I perceive by the RECORD now before me. I desire, however, to call his attention to the fact that with respect to that matter, as well as with respect to the penalty clause, the conferees carried out the instructions of the Senate.

The Senate refused to take out the provision in relation to holding companies, and it took out the provision in relation to penalties. The conferees did what was their duty—to maintain the provisions as the Senate wrote them, if they could. They seem to have done so.

I desire to inquire of the Senator now if he feels that it is quite fair to those of us who deem it our duty to sit here and listen to the Senator to detain us upon the question of the adoption or rejection of the conference report, with a criticism of the measure as it stands now, when the conferees did just exactly what the Senate directed them to do?

Mr. REED. Mr. President, I do not desire to detain the Senator at all, whether my discussion be fair or unfair. Of course, his presence is always a delight to me; but while his vacation of the room would wound me very deeply, I nevertheless do not desire him to stay if he regards remaining as in the nature of a punishment. I have seen fit to comment upon this bill in a general way, because it is very difficult to select just a particular item. I am contending that this bill ought to go back to conference, and I am contending that when it does go back to conference every criminal penalty ought to be restored, and that the House conferees, who represent the body that first wrote these criminal penalties into the sections, ought to be willing to put them back, and that our conferees ought not to oppose it.

Mr. WALSH. But, Mr. President, I wish to inquire of the Senator whether it was not the duty of the conferees to insist that they should not go back, since that was the vote of the Senate?

Mr. REED. Oh, perhaps on this one section; but why pause to discuss such a question? There are plenty of cases where they yielded that which the Senate had gained, and I am about to discuss one of the most important of those propositions.

I call attention to section 14 of the conference report. There has been a change worked here which apparently, at first glance, is innocent, but which, taken in connection with the other things the conferees did, absolutely, or almost absolutely, destroys the effect of the provision.

When this bill came to us from the House it provided:

That whenever a corporation shall violate any of the provisions of the antitrust laws such violation shall be deemed to be also that of the individual directors, officers, or agents of such corporation who shall have authorized, ordered, or done any of the acts, etc.

A penalty of $5,000 fine, or imprisonment, or both, was prescribed for these officers. As the bill came to us the section was of great potentiality, because by a number of sections the House had provided criminal penalties. These sections as they came to us from the House were penal sections. Therefore, when we provided that any officer of any corporation who was a party to the violation by that corporation of any of the penal antitrust acts should be criminally liable we reached the officers of great numbers of corporations who will be brought within the purview of this bill.

The conferees, however, took all of the penal clauses out of the antitrust legislation contained in this bill, and kept the word "penal" in the provision relating to the officers of corporations; and as the penal provisions are stricken out, this section has not left in it a particle of vitality so far as trusts or monopolies are concerned. It will now be held, and must be held, to apply only to the section that deals with railroad securities, and I believe with banks.

The section as now drawn does not apply as it would before these penal clauses were stricken out. It is almost as though we had stricken out all criminal clauses from the bill, and then said that any officer who permits a corporation to violate any of the penal clauses, there not being any, shall be sent to the penitentiary.

Let us apply the section. Suppose a corporation goes out and organizes a holding company. Suppose it restrains trade through the holding company. You undertake under this provision to arrest its officers. You can not hold them, because the act of the corporation is not denounced as a penal act.

SECTION 26 STRICKEN OUT.

Mr. President, I desire to call attention to two other sections, which were inserted in the Senate and stricken out by the conferees. I refer first to section 26.

It shall be unlawful for any corporation engaged in commerce to do any business in any State contrary to the laws of the State under which said corporation was created or contrary to the laws of the State in which it may be doing business. The District of Columbia shall be deemed a State within the meaning of this section.

Let us give that section a few moments' consideration.

It shall be unlawful for any corporation engaged in commerce to do any business in any State contrary to the laws of the State under which said corporation was created.

That is the first clause. Why should anyone object to that? Why should a corporation be permitted to do business contrary to the very laws that breathed into it the breath of life?

I shall wait a long time for any man to answer that question on ethical grounds. The man who undertakes to answer it must assume the position that it is right for one of these artificial bodies to violate the very law of its existence, and to do the very thing that the power which created it said it should not do. The opponent of this provision must contend that he is unwilling to punish an institution for violating law. He must place himself side by side with the concern that breaks the law that gave it life.

The second clause of the section is as follows:

Or contrary to the laws of the State in which it may be doing business.

Again I ask, why should that clause be stricken out? An individual can not do business in a State contrary to the laws of that State. Why should we hesitate to add the strength of the Government to the protection of a State against an institution created in some other State which enters its domain and violates its laws?

Why should this Government that possesses the exclusive right to regulate interstate commerce deny to a State protection against a corporation which enters its borders and violates its laws? With that section in the statute it is my opinion that two-thirds of the trusts of this country would be forced to dissolve to-morrow. With it out they still will exercise the same privileges they at present enjoy.

That section was added in the Senate. I must assume that the Senate conferees contended for it. It would be interesting to know upon what basis the House conferees refused their concurrence. I challenge gentlemen to stand in the open and tell us why a corporation should be permitted to engage in interstate commerce that violates the law of the State that gave it birth or violates the law of the State in which it transacts business.

SECTION 25, PROVIDING FOR REAL DISSOLUTION OF TRUSTS, ELIMINATED.

Mr. President, when this bill was before the Senate I offered an amendment, which appears as section 25 and which reads as follows:

SEC. 25. That whenever a corporation shall acquire or consolidate the ownership or control of the plants, franchises, or property of other corporations, copartnerships, or individuals, so that it shall be adjudged to be a monopoly or combination in restraint of trade, the court rendering such judgment shall decree its dissolution and shall to that end appoint receivers to wind up its affairs and shall cause all of its assets to be sold in such manner and to such persons as will, in the opinion of the court, restore competition as fully and completely as it was before said corporation or combination began to be formed. The court shall reserve in its decree jurisdiction over said assets so sold for a sufficient time to satisfy the court that full and free competition is restored and assured.

That amendment was accepted by the Senate. It is stricken out by the conferees. Once more the trusts win. No word of

criticism was offered against the section on the floor of the Senate, and no successful criticism can now be made. It was offered to meet a real evil. All of us know that many of the trust decisions, wrought out as the result of much travail and time and money expended, have practically been of no value to the people. The Department of Justice has spent months in digging out of musty tomes and dusty archives the evidence to demonstrate that the primary organization of a trust was violative of the law. It has sent its agents, at the expense of hundreds of thousands of dollars, to gather evidence in every nook, corner, and cranny of the land. Its attorneys have been met in the tribunals of justice by the most skilled advocates the monopolies could employ, and at the end of a long and arduous battle the Government has gained its case. Then this suit, brought for the purpose of relieving against monopoly—this suit, bottomed upon the fact that there was an unlawful combination—this suit, in which it was alleged that a great number of independent concerns had been brought together into one concern for the purpose of plundering and plucking the people of the land—this suit, that had these purposes for its basis and its aim, has too often resulted in a decree that left the situation worse than it was before the case was brought. The victory has been turned to disaster because courts, like Congresses, seem to be unable to look two or three hundred million dollars in the face without blinking their eyes. I am not presenting only my individual opinion. I call attention to a letter that came from the Attorney General's Office a few weeks ago, which I read into the RECORD. It contains this statement:

The fundamental weakness in the enforcement of the antitrust act in previous administrations was the failure to insist upon a real dissolution of monopolies and combinations which the courts had adjudged unlawful.

The prosecution had to be begun in response to the voice of outraged public opinion, it had to be carried on for the same reason, the decision had to be secured for the same reason, and then, having gained the victory, the people were at the end robbed of the fruitage of the labor. This is the indictment brought by the Attorney General's Office. He does not say whether it was the fault of previous Attorneys General or the fault of the courts.

In such a condition as that, with such a fact as that before us, the plain duty of Congress is by law to provide that there shall be a real dissolution. Why do we pass antitrust laws? Is it that we shall have a long trial, a full hearing, eloquent arguments, logical briefs, and in the end not dissolve the thing we have denounced as a monster of the commercial world and as a menace to our country?

Why do we have these cases? Why do we bring them? Is it merely to allay public indignation, or is it to accomplish substantial results?

Now, if it be true that a combination has been formed and that it is a wicked thing, why should we not dissolve it into its constituent parts? You would have no difficulty in so providing for the little fellow. You would find no one shying at the proposition of putting the knife into his emaciated and skinny form and then turning the knife around. But when it is proposed by law to say to a combination that has a capital of a billion dollars, you shall be dissolved into your constituent parts, the loot shall be disgorged, the decree shall be a real mandate of dissolution, the punishment shall fit the offense, you can not get such a law passed—not in this Congress.

I read you what the Attorney General's Office had to say about the past dissolutions. We did not need the word of the Attorney General's Office. All we needed to do was to listen to the ticker on Wall Street, which told the story of many of these dissolutions in columns of figures that eloquently recorded the story of the profits of dissolution.

It seems that we might almost apply to these dissolution suits which were supposed to be the death of the trusts the philosophy of the fellow who had his life insured for $100,000, and who, when some one warned him against reckless conduct, said, "It does not make any difference if I do get killed; I can make money by getting myself killed." These concerns after dissolution and death have been more valuable than they were before, if we can trust the stock market. The winding sheet seems to give an added value. The funeral is a profitable thing. The requiem sung over their corpses produces a resurrection and a new life, with enlarged opportunities and more dollars and cents in bank.

When I propose that we shall have a real decree, that there shall be a real burial, and that we shall sod down the grave upon the monster that was created in defiance of law, but that we shall at the same time preserve its parts and restore them to competition and activity, the conferees say, "You must not do that. Gently, my friends; do not touch these great trusts with rude hands. Let the courts by easy methods persuade them to somewhat change their form without in so much as by a hair's breadth changing their methods."

FAKE DECREES AGAINST TRUSTS—STOCK OF DISSOLVED TRUSTS INCREASES IN VALUE—STANDARD OIL CASE.

When the Standard Oil case was in court and there was danger of some real legal surgery being performed that might divide it into parts and destroy its monopoly control and consequently cut off its monopoly profit, the stock actually declined to 585. Even in the period before the patient had been put on the judicial operating table the mere fact that the nurses were assembling and that the smell of anesthetics was in the operating room beat down the price of these stocks to 585. There was some chance that the knife might go deep enough to reach a vital point. But after the legal surgeons had made their incision it was discovered that they had not even stained the blades of their knives. The operation was bloodless and painless. The patient instantly recovered. Evidently it did not even experience a shock. Accordingly, its temperature, as recorded in the stock exchange the next day, was not only normal but health and vigor had been greatly increased by virtue of the remarkable judicial operation. The stock which had been 585 now registered 900. This result obtained because the patient had been discharged not only as completely cured but was certified as sound in wind, limb, and eyesight, and, moreover, was immune from any future punishment for any of the acts that had been then and there adjudicated.

Suppose we had had this statute on the books then; the Standard Oil Co. would have gone out of existence. It would not be able, as it is to-day, to go into States and by local price cutting destroy the independent concerns. It would not be able, as it is to-day, to cut down the price 10, 20, 30, 40, 60 per cent upon crude oil and close the markets of entire States whenever it sees fit so to do.

Mr. OVERMAN. Mr. President, I want to say for the information of the Senator that this was the last amendment that was settled in the conference. It was considered from every standpoint. Our attention was called to a very important case in the Senator's own State with which the Senator is very familiar. The court said that in dissolving the corporation, as to selling them out, the public interest must be considered. The court said in the United States against St. Louis Terminal:

We come now to the remedy. In determining what this should be we, as said by this court in Standard Oil Co. *v.* United States (221 U. S., 1, 78), must not overlook the fact that in applying a remedy "that injury to the public by the prevention of an undue restraint on or the monopolization of trade or commerce is the foundation upon which the prohibitions of the statute rest, and moreover that one of the fundamental purposes of the statute is to protect, not to destroy, the rights of property." If, as we have already said, the combination of two or more mere terminal companies into a single system does not violate the prohibition of the statute against contracts and combinations in restraint of interstate commerce, it is because such a combination may be of the greatest public utility. But when, as here, the inherent conditions are such as to prohibit any other reasonable means of entering the city, the combination of every such facility under the exclusive ownership and control of less than all of the companies under compulsion to use them violates both the first and second sections of the act, in that it constitutes a contract or combination in restraint of commerce among the States and an attempt to monopolize commerce among the States which must pass through the gateway at St. Louis.

In the Senator's own State, in the city of St. Louis, I think, there were some 39 corporations that had their terminals; and, quoting from the opinion of the Supreme Court of the United States, the court said if all those corporations were sold out and dissolved it would have been impossible for the great railroads to secure rights of way through that great city; that it would have been impossible for them to have different stations for each railroad and detrimental to the public interests.

St. Louis is a city of great magnitude in the extent of its area, its population, and its manufacturing and other business. A very large number of trunk-line railroads converge in this city. In the brief of one of the well-informed counsel in this case it is said that St. Louis is one of the largest railroad centers in the world. Suppose it were required of every railroad company to effect its entrance to this city as best it could and establish its own terminal facilities, we would have a large number of passenger stations, freight depots, and switch yards scattered all over the vast area and innumerable vehicles employed in hauling passengers and freight to and from those stations and depots. Or suppose it became necessary in the exigency of commerce that all incoming trains should reach a common focus, but every railroad company provide its own track——

Mr. REED. For the sake of getting myself right, I wish to ask if the Senator was asking me a question?

Mr. OVERMAN. I want to show our reason for finally yielding on this matter after a contention for weeks. I should like if the Senator will kindly yield to me to show how it would work in a corporation in my own State.

Mr. REED. I will yield.

Mr. OVERMAN. There was a tobacco company there. The American Tobacco Co. owned 51 per cent of its capital stock,

The owner of the 49 per cent of the stock brought suit against the American Tobacco Co. to dissolve the corporation and also brought suit for damages and also to get the stock back, because it had been obtained under a false representation, as I understand. They took that State corporation into the Federal court in my State and removed it to a Federal court in New Jersey and made it a party in New Jersey to the celebrated American Tobacco case. One man, who owned the 49 per cent, was taken to New Jersey, out of his own State, and made a party to this American Tobacco Co.'s case. The Senator will find that fact stated in the Supreme Court decision in that case. Now, if there had been a receiver appointed, as this amendment provided, this man who had been contending against the company would have had his property sold out entirely, with nobody to buy it, and 49 per cent of the stock would have gone into the scrap pile. There would have been $40,000,000 worth of property sold out in the entire property of the American Tobacco Co. in my State, with nobody to buy, if you had compelled the court to sell out.

Therefore to punish one man you might injure 10,000 innocent men, and, as the Supreme Court says, the public interest, the interest of innocent people, must be thought of in connection with dissolution and appointment of receivers. If it could have been worked out to protect innocent people, it ought to have been done, and the courts should not be put in a strajt-jacket.

Mr. REED. Yes; and who are the innocent people? The innocent people are the 90,000,000 people of the United States. They are not the mere stockholders of the trusts and corporations.

The argument which the Senator has just made amounts to nothing more than this—that the trusts and combinations must be kept, because we can not dissolve them without doing more harm than we do good.

Mr. OVERMAN. No; Mr. President, not dissolved, but selling them out.

Mr. REED. If it is true that you can not dissolve them without doing more harm than good, then let us repeal our trust and monopoly statutes and embark upon a new public policy.

Mr. OVERMAN. Does the Senator think he is fair there when he uses the word "dissolution"? The question is as to a receivership and selling them out. The court uses the language to sell out. That was the question. That was the Senator's amendment.

Mr. REED. Very well. How will you work a dissolution that is a real dissolution without a sale? How are you going to dissolve a corporation? How do you ordinarily dissolve a corporation by any court except through the appointment of a receiver?

The Senator objects to the word "sale." Everyone understands, and these conferees must have understood, that any court of equity ordering a property of that kind sold, if it saw fit so to do, could divide the property into its original part and dispose of it by sale without the sacrifice of the property. There is no difficulty if we want to accomplish the task.

ST. LOUIS TERMINAL CASE.

The Senator [Mr. OVERMAN] referred to the St. Louis Terminal case—the court said that it had the right to dissolve that company, but that it would not do so. When the court took that position it denied the city of St. Louis the relief for which it had contended and battled for 25 years. If we had had this law, we would have had a real dissolution instead of the decision cited by the Senator, which, by the way, is now back again with the original court. The long, weary road to the Supreme Court is now once more being traveled, and still the old monopoly does business.

Let us see. There was a ferry across the Mississippi River known as the Wiggins Ferry. It carried trains of cars; it was the one entrance for cars coming from the East to the city of St. Louis, which is on the west bank of the river. Its prices were extortionate, so much so that it greatly burdened the commerce of that growing city. Thereupon a bridge was built to carry trains, which it was expected would be a rival of the Wiggins Ferry Co., and that thus, through rivalry, the rates would be reduced to a reasonable sum. I think they charged at that time 50 cents to haul a single passenger over that ferry when the passenger was in a train of cars. The rates upon freight were equally extortionate. The bridge was built. It had been built but a short time when it was discovered that the bridge and the ferry companies had been brought into one common control; the stock had been exchanged, the officers were the same, and the rates were the same.

Years went by. The manufacturers of the city of St. Louis found they could not compete with the manufacturers upon the Illinois side because they were compelled by this monopoly to pay extortionate charges on freights crossing the river. Thereupon enterprising citizens, in the hope of relieving their city from this burden and to gain for it the advantages which naturally it ought to have, organized a company known as the Merchants' Bridge Co., the stock of which was to be owned by the local people. They obtained a charter from Congress. That charter expressly provided that if ever that bridge company came under the same control or pooled its earnings with the old monopoly the charter should be forfeited by virtue of that act. They had scarcely finished the bridge when they discovered that somebody had slipped down to Congress and had an amendment passed to the charter taking out the prohibitive provision regarding stock ownership. Thereupon the stock was pooled, a common control obtained, and, after having built the bridge at great expense, the people discovered that they had only added to the assets of the monopoly. I have a bill here now pending to forfeit the franchise of that bridge company.

Unable to get relief in the courts, the people of the city of St. Louis voted bonds to build another bridge; but when they came to arrange for its approaches sinister influences were at work, which three times have succeeded in defeating the issue of bonds to build an approach to the bridge. That very matter is still pending.

A great city has sprung up on the eastern bank of the river, where manufacturing industries have located because they could not locate on the western bank and pay the extortionate rates. If the justices of the Supreme Court of the United States had known the situation as the citizens of St. Louis knew it, they would not have argued that harm would come; they would have dissolved this miserable monopoly; they would have broken the shackles upon the commerce of the great southwestern metropolis; they would have given new life and new energy to that people and to that community, and the blessings of the fathers and the mothers and the children would have been upon them. The case cited by my friend from North Carolina is a very unfortunate illustration.

Representing the people of Missouri in part, I am prepared to say that St. Louis will build a monument in its chief public grounds; it will construct it of Parian marble and it will surmount it with the bust, in heroic proportions, of the man who will dissolve that terminal monopoly. Please God, if we had had this provision in the law when that case was tried, St. Louis would have broken the thralldom of 30 years. It is because courts take that kind of view that I am here to appeal for a law that we who represent the people and speak for them ought to enact.

I was, however, when interrupted by Senator OVERMAN, commenting on the good old Standard Oil Co. and on the rise in the value of its stocks. That decision did not make as much difference to the Standard Oil Co. for all practical purposes as it would if an individual defendant had been in court and it had been solemnly decreed that he must go to the barber shop and get shaved. The penalty amounted to no more than that. That institution still fixes the prices not only upon the oil that is consumed by the people, but it fixes the price upon all the oil that the Almighty stored beneath the surface of the earth to light the feet of the shadowy hosts who shall march across this "bank of time" in the next thousand years.

TOBACCO TRUST DISSOLUTION A FRAUD.

The American Tobacco Co.: That company was created out of a vast number of institutions. It built itself up by practices that were brutal and cruel and criminal. It struck down and destroyed as remorselessly and with as little feeling as does one of the great guns of the Kaiser when it hurls its 2,000-pound missile, loaded with explosives, against a fortress. It took great men and wealthy men in its powerful grip and crushed them as easily as a giant can crush the infant child.

I had an old friend who, by shrewd investment, by the practice of economy, and by careful attention to business, had accumulated a fortune that was supposed to reach something like a million and a half dollars. Notice was served upon him by the trust to surrender. He had the temerity to refuse. In a few months' time the iron bands were tightened here and tightened there until, in order to save himself, he sacrificed something like a million dollars of his property and surrendered, glad to escape with part of his fortune.

These mighty combinations go into communities where there are not little men, but where there are men of great affairs, and strike them down as coldly, as criminally, as does a murderer who, from the dark, strikes an unsuspecting victim. Power like that is too dangerous to be lodged in the hands of any one concern.

The Tobacco Trust was at last brought to the bar of justice. It came with the insolent swagger of the bully who thinks he owns the court, the sheriff, and the jury. But the storm was

rising; popular opinion was making itself felt even in the citadels of the mighty. It appeared at last possible to put the iniquity of this concern into the balances of justice and obtain a righteous decision. Long and fearsome was the struggle. The legal athletes battled back and forth in the forum of the court, but at last the clock of time struck the hour of judgment. A judgment was rendered dividing this trust, which was a combination of 250 concerns, into 14 corporations which permitted common-stock ownership; and, as there was common-stock ownership, of course there was common control. Common-stock ownership is the vital bond that binds these corporations together as the attachment of flesh and blood and skin bound together the Siamese twins from birth to death. After it had been dissolved the stock of the company rose from $390 to $529 per share in a single day.

Why was that? Let me tell you. Until that decree was entered there was always the possibility that the law might be enforced; that some day and somehow, in the providence of God, that institution would be brought before a judge who would strike it down. Even before the case was begun shrewd investors knew that its practices were illegal and that impending over it always was the threat and possibility of punishment and dissolution. But when a decree had been rendered that did not in any way injure the trust, that still left it able to dominate the commercial world, the danger was past. The decree of dissolution was, of course, at the same time a bar to any further prosecution. It was a sort of perpetual corporate franchise granted by the court, the terms and conditions of which were fixed in the decree, and so fixed that the institution was as powerful after the decree as it was before. No longer was there any danger of prosecution. It was all ended. The Government of the United States, desiring to prosecute to-day, must begin at that decree, and can not go back of it for a single potential fact or base upon such fact a judgment hereafter to be rendered. Therefore the stock of the Tobacco Trust went up in the markets of Wall Street.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Montana?

Mr. REED. I do.

Mr. WALSH. I desire to inquire of the Senator from Missouri if it is his view that a judgment in a civil action against a trust under the Sherman Antitrust Act is a bar to a criminal prosecution either against the corporation or against its officers?

Mr. REED. I am not speaking of that; I am speaking about a civil action; that the judgment in the civil case having been rendered and having been complied with——

Mr. WALSH. No other civil action could be prosecuted.

Mr. REED. No other civil action could be brought.

Mr. WALSH. But the Senator does not contend, as I understand him, that the Standard Oil Co., its directors, or trust magnates, may not be prosecuted even yet under the criminal provisions of the law?

Mr. REED. Possibly they might if the conferees had not been so busy. We put in a section extending the statute of limitation to six years, but it disappeared in conference. The three-year statute has run against nearly all of these enterprising buccaneers to whom I am referring.

Mr. WALSH. Mr. President, I desire to inquire of the Senator further, then, if the statute has run, is it his view that we could institute a prosecution even if the statute of limitations were subsequently extended?

Mr. REED. I do not think we could if it has actually run. When I said "has run," I perhaps ought to have said "has run or is about to run."

Mr. WALSH. Then, I desire to inquire of the Senator whether the criminal court is not still open to the Government, and whether those remedies are not available, notwithstanding the judgment which has been rendered in the civil action?

Mr. REED. The Senator means for the enforcement of criminal penalties?

Mr. WALSH. Yes.

Mr. REED. Undoubtedly the civil judgment is not a bar to criminal prosecution.

Mr. WALSH. I am glad the Senator takes that view of it.

Mr. REED. If the criminal prosecution is not barred by the statute of limitations, it may still go on; but, Mr. President, while that is true, that does not by so much as one jot or tittle take from the force of my argument, if it have any force, that there should be a law demanding a civil judgment that will restore conditions as they were before the trust was organized.

Mr. President, as part of my remarks, I desire to have incorporated into the RECORD, without reading, a short article pertinent to the matter to which I have just been referring, from the Literary Digest of June 15, 1912, under the title "Dissolved trusts under scrutiny."

The PRESIDING OFFICER. Is there objection? The Chair hears none.

The article referred to is as follows:

DISSOLVED TRUSTS UNDER SCRUTINY.

A few months ago the public learned, to its amazement, that the securities of the various companies which had made up the Standard Oil and Tobacco Trusts represented on the stock market a value many millions in excess of the rating of those trusts before their dissolution. Now, two cases before the courts give rise to the curious suspicion that the oil and tobacco octopi are not only richer since their disintegration, but more active, more predatory, and more powerful. In one of these cases the litigation had its beginning in the refusal of Henry Clay Pierce, president of the Waters-Pierce Oil Co., to count the proxies offered in behalf of the Standard Oil interests, although those proxies represented a majority of the Waters-Pierce stock. In defense, Mr. Pierce argues that the alleged dissolution of Standard Oil has not really robbed the trust of any of its potentialities, and that if his company recognizes the Standard Oil control it will lose its charter in Missouri, its home State. In the course of the proceedings it has been testified that the secret daily meetings of the directors of the Oil Trust did not cease after the dissolution, but are still held every day in room 1500 at 26 Broadway. And it is contended by the Pierce interests that the same group who controlled the subsidiaries through the Standard Oil Co. of New Jersey are still in control of all of them, and are trying to control the Waters-Pierce Co., in violation of the Supreme Court's decree and of the mandates of the Missouri courts.

As a witness John D. Rockefeller testified that he had "given no attention at all" to the matter of reorganizing the companies in accordance with the dissolution decree, but when Samuel Untermyer asked, "then how do you know whether it is being managed so as to cut loose and hold tight?" he answered with heat that "there has been no such thing as cutting loose and holding tight." The effect of his testimony is thus summarized in the news columns of the New York Times:

"Although Mr. Rockefeller parried almost every thrust from Mr. Untermyer, and usually slipped away from committing himself, the general effect of his testimony was to show that the men who formerly dominated the trust—and Mr. Rockefeller didn't hesitate to refer to it as a trust—were the men who decided what individuals should take charge of the subsidiary companies after they had been 'liberated,' as he expressed it."

"No more elusive, subtle, noncommittal, impossible witness ever took the stand," exclaims the New York American, which quotes the opinion of the London Economist that "there are more brains behind the Standard Oil 'crowd' than there are behind the whole United States Government at Washington." Mr. Rockefeller's very evasions, thinks the chief counsel for the Waters-Pierce contestants, will convince the public that the Standard Oil reorganization has not been all that it pretends to be. And in the New York Herald we read:

"The Federal authorities made their best efforts and operated under the most stringent laws on the books to abolish this fattest of trusts. The result was a paper victory for the people. The real victory, it is now admitted by Mr. Rockefeller, was won by the oil company, which is run in practically the same old way, by the same old men, with profits even greater than formerly."

A lawyer connected with this case estimates "from fairly exhaustive data," we read in the New York World, that Mr. Rockefeller's fortune now amounts to $900,000,000, and that it has increased $100,000,000 since the dissolution of Standard Oil.

The New York Evening Journal notes that before its dissolution the Standard Oil Trust was worth "just about $321,000,000 less than it is worth now," and it goes on to say:

"When you compel a Tobacco Trust or a Standard Oil Trust to dissolve, what do you do?

"You give the insiders a chance to make millions at the expense of innocent stockholders.

"Some of these separate Standard Oil concerns have jumped up to the most phenomenal prices of $2,000 and $3,000, and even $6,500 a share.

"Can't you imagine which particular individuals knew what would happen?

"Don't you know that the insiders, the men who control the trust, knew perfectly well that one particular subsidiary concern was valuable and that another particular concern was running at a loss or small profit? * * *

"As long as the trust was run all as one concern the stockholders of the trust stock got his part of the profit from everything.

"When you divide it up you find a few big, rich men holding the valuable parts in their hands and getting all the profit, and the poor, silly fools—the public—holding in their little pockets the worthless stuff."

Turning to the litigation which has dragged the Tobacco Trust again into the limelight beside the Standard Oil octopus, we read that it is a suit brought by an independent tobacco concern, E. Locker & Co., against the American Tobacco Co., the Liggett & Myers Tobacco Co., and the P. Lorillard Co. The petition claims that despite the dissolution decree, these companies are doing business virtually as the same old Tobacco Trust and employing the same old methods to crush independent dealers.

Referring ironically to the efforts of the officers of the companies which once made up the trust to restore competition between these companies, the petition says:

"One of the means employed by them in their earnest efforts to restore so-called competition is for four of the big companies to come into a territory, apparently to compete with each other, but in reality to attack the common enemy—that is, the independent manufacturer—simultaneously and from all sides, so that whereas the independent tobacco people had a fighting chance before when attacked by one trust, their annihilation is now a matter of certainty, for who can withstand a simultaneous attack of four trusts operating in concert and at the same time? And so there have been more failures of independent tobacco jobbers in this city within the last few months, since these new companies have started out to restore competition, than there have been in so many years."

Mr. REED. I also desire to incorporate in my remarks an article from the Literary Digest of April 4, 1914, entitled "Steel and oil prosperity."

The VICE PRESIDENT. There being no objection, it is so ordered.

The article referred to is as follows:

A sign of the times with Standard Oil, we are informed, is that while many Wall Street brokers have been laying off employees, dealers in Standard Oil subsidiary shares have in some offices doubled their pay roll and keep their people busy until 9 in the evening. Since the dissolution of the Standard Oil Co. two years ago these shareholders of the old New Jersey company, says the Wall Street Journal, who have held onto all their fractions, have benefited during this period of the appreciation in the market value of the companies' shares and of the cash dividends paid, and this paper adds:

"These indicate a total profit in Standard Oil shares since the dissolution of at least 115 per cent. On December 15, 1911, Standard Oil stock, which included the New Jersey company, and all subsidiaries, sold at $640 a share, while to-day these shares are quoted around $1,230, an increase of $590 a share, or over 90 per cent. Cash dividends paid by the Standard Oil Co. during the past two years have aggregated more than $160,000,000, equivalent to over 160 per cent on the capital stock of the Standard Oil Co. of New Jersey, and equivalent to over 25 per cent on the investment in the old shares at $640.

"A review of the 34 companies included in the Standard Oil group for 1913, the second year of restored competition between these companies under the watchful eye of the Washington Government, discloses a state of prosperity probably unequaled by any other group of companies in the United States."

Mr. REED. Mr. President, I have never posed as a trust baiter; I have never posed as the enemy of capital. My interest in this subject springs from no such narrow ground. Ever since we have had civilization there have been two different philosophies. One of them has asserted that it is the God-given right of a few men to control in affairs of government, and that God-given right has always been translated into the privilege of the few to plunder the many. It was for centuries contended that only a select few were sufficiently intelligent to conduct affairs of government, and that they alone could protect the people against their own foolishness. The idea that all of the people were possessed of natural rights was scorned by the philosophers and leaders and teachers of the world through thousands of years.

Governments granted patents of monopoly entitling certain favored individuals to enjoy the exclusive privileges of trade. Those gentlemen always used the privilege to extort the last possible penny from the masses of the people. It was thought that trade could not exist and prosper if it were not carried on under the protecting ægis of the Government. But a new thought was born in the world: Some wild dreamer conceived the idea that if you gave everybody a chance the sum total of good that would result would be greater than if you gave only a few men a chance. Accordingly we wrote it into our creed, that all men were created free and equal, and that all are entitled to life, liberty, and the pursuit of happiness. We construed "liberty" to mean not merely the right to walk upon the streets of cities or through the lanes of the country, but liberty to embark in business, to engage in commerce, to solve for one's self the problem of one's own happiness and success. We came to the conclusion, too, that there could be no liberty in commerce if the entire field of business was controlled in a few hands; that to say to a man, "You have a right to engage in business," but at the same time to create or permit a condition which made engaging in business an impossibility, was simply to tickle his ear with a delusive phrase while denying to his soul the substances of liberty.

So we began enacting legislation calculated to produce a condition which would leave open for all men, big and little, the opportunity to engage in the affairs of life. The man who holds to that doctrine is not the enemy of business; he is the friend of business.

The nation that first drove from the ocean the pirate craft was the best friend of commerce, for it made possible the voyage of all vessels, big and little, bearing an honest cargo. The Government that says to men, "You shall not build monopoly upon the ruins of the hopes and aspirations and fortunes of the millions" is not an enemy of business; it is the friend of business in the broader sense. It opens the field of enterprise so that all men may there enter and lay the foundations not only of their own private fortunes, but of the fortunes of their country.

After 24 years of trial of the Sherman Act, we have found in the school of experience that there are defects in our antitrust legislation. We entered upon the present attempt at amendment with the idea that we could reach much of the evil of monopoly by condemning its favorite practices. That thus we could provide a short cut to their vitals. We thought it would be easy to prove a particular practice and to impose a swift and speedy penalty. We end by taking every penal provision out of the trust sections of this bill. We end by providing a smooth and easy road which may be traveled through the years, until finally a commission shall issue an innocuous, nonenforcible decree, a decree that can be vitalized only by being affirmed by a court. At the conclusion of all the litigation we propose to impose no penalty, levy no fine, send no one to jail, and we permit the culprit to preserve his swag!

This is the proud record we are writing. Against it I have for hours now protested, perhaps to deaf ears; but I shall, at least, have the satisfaction of knowing that every position I have taken is in accordance with the platforms of my party; with the declarations of the great leaders of my party; that every position I have taken here is a part of the warp and woof of Democracy.

It has been hinted more than said here this morning that we have reached a point where it is not safe to dissolve these great concerns; that by dissolving them we shall do more harm than good, and therefore we must touch them with gentle hands. If that be true, it can only be true because monopoly is a beneficent thing; and if monopoly be a beneficent thing, then let us have done with the false pretense that it is to be exterminated.

THE FIRST MONOPOLY.

I deny, sir, that monopoly is a good thing. There can be no monopoly that is not built upon the grave of human hopes. There can be no monopoly that has not crushed out the life and the prosperity of individuals and of communities. There never has been a good monopoly, and there never will be. Until you can find a beneficent murderer, or a Christian burglar, or a kind-hearted assassin, you will not find a good monopoly. Monopoly is born of greed; it is cradled in avarice; its soul is cupidity. There never was a monopoly created in this world but that the man who created it did so in order that he might take advantage of the necessities of his fellow man. Always and forever the vision before the eye of the monopolist is so to control a prime necessity of life that he may be able to compel the people to pay his price. His object is not to compete in the market, but to sell to hungry mouths at the price hunger is willing to pay.

It has been so from the first. The earliest monopoly of which we have record was in the land of Egypt. There were seven fat years. The world laughed with glorious harvests. The Valley of the Nile was rich in fruitful crops. Vast fields of grain stretched away like shoreless yellow seas. The king learned that there were to be seven years of famine, and so, at the cheap prices of the hour he gathered into vast granaries the immeasurable crops of corn. He awaited the hour when the people must buy. Then came the years of drought. The hot sun shot its fiery arrows into the burning soil. The earth opened its mouth and cried for water. Nature refused to produce her fruitage.

Then came the brown hosts of Egypt—the women whose sons and brothers had died to give glory to the Empire—the soldiers upon whose stout shields had been borne to a thousand victories the imperial monopolist.

With parched lips they cried, "Give us corn, O Pharaoh." Then spake the king: "Bring hither your silver and your gold." They piled it in shining heaps at the feet of the monster they had worshiped as a god.

Again they cried, "O Pharaoh, give us corn lest we perish." The merciless reply came, "Bring hither your flocks and your herds." They drove the lowing kine through the dusty valley of the Nile and surrendered them to the tyrant's insatiate greed.

Once again came the piteous appeal. "Give us corn, O Pharaoh, for we die of hunger." He looked upon them; the lips of want were drawn back from the teeth of starvation; their eyes were bloodshot from the agony of hunger; the flesh had fallen from their bones. They crouched before him, a skeleton army upon which death had cast his ashen mark. Pharaoh knew the time was ripe to enslave the people, and he said: "Bring hither your sons and your daughters, your manservants and your maidservants." When the ancient monopolist had concluded that hellish bargain he owned all of the lands, and all of the cattle, and all of the gold, and all of the silver, and all of the bodies of the countless hosts of the empire of Egypt. Five hundred years afterwards the Sacred Writer declared "the people are slaves even unto this day."

Such is the story of the first monopolist of whom we have record in history. Every man who has since gathered the necessities of life, cornered the means of production, or combined and combined until he dominated the commercial world has been inspired by the same motives, has pursued the same methods, and is no better than was the heathen king of 4,000 years ago.

We are dealing with that century-old question to-day. The American people are looking on and saying, "Give us bread," and we are responding, "We will give you this stone. We will not harass or annoy these gentlemen who build monopolies. We will deal gently with them. In fact, we are a little afraid

to dissolve them at all. We dare thus to answer in the name of Democracy and reform!"

What change has come over the spirit of our dreams? Where now are the soldiers of Democracy who said, "Lead us to the charge"? Where now the bold and dauntless orators who on a thousand platforms and a hundred thousand stumps declared to the people of the land, "Open to Democracy the doors of the citadel, and we will expel the rogues. Give us the key of the temple, and"—in imitation of the Savior 1,900 years ago—"we will make a scourge of cords and drive the money-changers from the high places of the land"? Your scourge of cords is but a wisp of straw, to which you set the match, that even it shall be turned to ashes which may be blown about by idle winds.

Mr. President, I have too long wearied the Senate. I thank the Senate for its attention.

Mr. CHAMBERLAIN. I ask unanimous consent to take up House joint resolution 241, for the appointment of four members of the Board of Managers of the National Home for Disabled Volunteer Soldiers.

Mr. SMOOT. Mr. President, I wish to say to the Senator that I know very little about that bill; but the Senator from Ohio [Mr. BURTON] has asked to be present when the bill is considered. I understand that he will be in the city either tomorrow or next day, and I ask the Senator to let the bill go over until the Senator from Ohio returns.

Mr. CHAMBERLAIN. I will not insist, Mr. President, though I understood when the matter was first broached that the Senator from Ohio wanted to be present, and that when it was taken up he was present, and he did not ask to be present the next time it was considered. If the Senator insists, however, of course I do not want to take it up in the absence of the Senator from Ohio.

Mr. SMOOT. No; I do not want it taken up in the absence of the Senator from Ohio.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. STERLING. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Kern	O'Gorman	Shields
Bankhead	Lane	Overman	Smoot
Bryan	Lee, Md.	Page	Sterling
Chamberlain	Lewis	Perkins	Swanson
Chilton	Martin, Va.	Poindexter	Thompson
Culberson	Martine, N. J.	Reed	Thornton
Fletcher	Myers	Robinson	Vardaman
Hitchcock	Nelson	Shafroth	West
Jones	Norris	Sheppard	

Mr. LEWIS. I wish to announce that the senior Senator from Tennessee [Mr. LEA] is detained from the Chamber by official business at one of the departments.

The PRESIDING OFFICER (Mr. CHAMBERLAIN in the chair). Thirty-five Senators have answered to their names. There is not a quorum present. The Secretary will call the names of absentees.

The Secretary called the names of absent Senators, and Mr. WARREN answered to his name when called.

Mr. LEE of Maryland. I am requested to state that the senior Senator from Tennessee [Mr. LEA] is absent from the Senate on public business.

Mr. CRAWFORD, Mr. WILLIAMS, Mr. SIMMONS, Mr. STONE, Mr. HUGHES, Mr. GORE, and Mr. JOHNSON entered the Chamber and answered to their names.

After a little delay Mr. SHIVELY, Mr. WHITE, Mr. WALSH, Mr. SMITH of Maryland, Mr. MCCUMBER, and Mr. SMITH of Georgia entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. There is a quorum present.

Mr. KERN. I move that the Senate proceed to the consideration of executive business.

Mr. NORRIS. Will the Senator yield for a moment that I may submit a request for unanimous consent?

Mr. KERN. Does the Senator wish to have me yield for any considerable length of time?

Mr. NORRIS. No; I wish to ask unanimous consent to have matter printed in the RECORD, if the Senator will yield.

Mr. KERN. I yield for that purpose.

PROPOSED CONSTITUTION FOR AN INTERNATIONAL GOVERNMENT.

Mr. NORRIS. I ask unanimous consent to have printed in the RECORD a proposed constitution for an international government by Dr. Taylor, editor of the Medical World, together with some comments made by Dr. Taylor on it. I do not desire, however, to say by this action that I approve of everything in the constitution, neither does Dr. Taylor offer the constitution as a perfected instrument, but for the purpose of getting discussion and general debate on the subject of international peace. He conceives this to be an opportune time to offer some suggestions in regard to what he believes may bring that about. In carrying out that idea I desire to have it printed in the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

PROPOSED CONSTITUTION FOR AN INTERNATIONAL GOVERNMENT.

PREAMBLE.

In order to prevent war, abolish national armaments (except limited police provisions to preserve internal peace, law, and order), diminish national prejudices, and to promote peace, prosperity, happiness, and the general welfare, we, the people of the nations which shall agree to this compact, as signified by affirmative popular vote after thorough discussion and authoritative submission, do ordain and establish this inviolable instrument, and proclaim it as a sign and evidence of a higher civilization than any that the human race has heretofore attained.

ARTICLE 1.

All local governmental authority shall remain as at present constituted or as may hereafter be legally constituted within the constituent nations, except as necessarily modified by this constitution.

ARTICLE 2.

All general governmental authority shall be given, and is hereby given, to two bodies, a senate and a representat, composed as provided herein, which shall constitute the international government. But the constituent nations and the people therein reserve the right of initiative, referendum, and recall, as shall be provided.

ARTICLE 3.

1. The senate shall consist of three members from each constituent nation, and an additional member for each 50,000,000 population and (or) major fraction thereof in any constituent nation, not including colonial possessions.

2. The international senators shall be chosen by the legislative authority of each constituent nation, in joint session if such authority be lodged in two bodies.

3. The regular length of term for international senators shall be seven years, but succession shall be so arranged that a change of not more than one-third of the body shall be made in any one calendar year.

4. The compensation of international senators shall be $15,000 per year, with 10 cents per mile for the necessary traveling distance from the home of each senator to the place of meeting and return once per year.

ARTICLE 4.

1. The representat shall consist of a representative for each 5,000,000 population and major fraction thereof in each constituent nation, not including colonial possessions, popularly elected by the regular voters in each constituent nation according to regulations to be established by the popular representative body or "lower house" in each constituent nation; but each constituent nation shall have at least one such representative.

2. The regular length of term for representatives shall be three years, and the term of not more than one-half of the membership of this body shall expire in one calendar year.

3. The compensation of representatives shall be $10,000 per year, with the same mileage as that allowed for senators.

ARTICLE 5.

1. The senate shall be in constant session except for one permissible recess in any calendar year not to exceed 30 consecutive days, counting Sundays. During such recess a committee of at least three members shall remain on duty, with such discretionary power as may be granted by the senate. Longer or additional vacations may be granted to individual members by majority vote of the senate, but not more than one-fourth of the body may be absent from duty at any time except during a recess.

2. The representat shall have annual sessions, and it shall determine the time of convening and length of sessions, but extraordinary sessions of the representat may be called by a two-thirds vote of the senate.

ARTICLE 6.

1. The senate and representat shall each select its president and other officers, and shall determine the duties, powers, and compensation of the same. The president of each body shall be a member, but the other officers need not be members. Each body shall determine its own rules.

2. The credentials of membership of each body shall be determined by a court to be designated or established by both bodies in joint session. But until such court is designated or established, each body may judge the credentials of its own members.

ARTICLE 7.

Senators and representatives shall be subject to recall at any time after six months' incumbency in office by the constituencies represented, respectively. The process of recall may be established by the different constituencies represented; but if not so established within three years after the establishment of this constitution the senate shall establish a process of recall for senators, and the representat for representatives, to be applied in constituencies in which no process of recall has been established, until said constituencies shall establish a process of recall.

ARTICLE 8.

1. Powers of the international government: The government hereby established shall acquire, possess, and have full authority over all military and naval establishments in the signatory nations. This shall mean all ships of war, fortifications of all kinds, artillery for land and sea, arms of all kinds for both cavalry and infantry, ammunition and military stores of all kinds, and all military apparatus for navigating the air. Police provisions for the maintenance of internal peace and order shall be permitted to the constituent nations; but the total strength of the same may be limited by the international government. Militia may be permitted to the constituent nations, but its regulation and control must primarily reside in the international government.

2. A standing army and navy shall be maintained by this government sufficient to maintain peace among the constituent nations and to protect any and all the constituent nations from outside aggression.

3. All international relations of a political nature among the signatory nations shall be under the entire control of this government, which shall, in its discretion, deal with them directly, or establish a court for this purpose.

4. Declaration of war against, or the conclusion of peace with, any power foreign to this international government shall be the exclusive province of this government as herein constituted.

5. This government shall be supported by revenue raised by its own authority from individuals or private corporations, and not by assessment of the constituent nations. Taxes may be laid in any manner that the wisdom of the government may devise, but the method or methods adopted shall be applied uniformly in all the nations constituting the international government.

6. Commerce may be regulated among the constituent nations of this government, and between this government as a whole or any one or more of its constituent nations, and any one or more nations foreign to this government, by this government as herein constituted.

7. An international coinage system may be proposed by this government to its constituent nations, and it may put the same into operation among those constituent nations assenting to the plan.

8. Each constituent nation shall have full control of education and language within its boundaries; but the government may make regulations as to the language or languages to be used orally among its individual members. All public documents must be published in the legal language of each constituent nation for use in each nation.

9. All treaties, either between constituent nations or between a constituent nation and a nation foreign to this government, may be revised by the senate.

ARTICLE 9.

1. The government shall make international laws for the purposes set forth in this instrument.

2. The business of the senate and representat shall be coordinated by a coordinating committee consisting of three members elected from and by each house in a manner to best secure a fair representation of varying sentiments or factions, and one member to be appointed by the highest court established by the government, and this member may be a member of said court, but not a member of either house; and until such court shall be established, the seventh member of the coordinating committee shall be elected by a majority vote of both houses in joint session.

3. This coordinating committee shall have authority over the sequence of consideration and voting upon bills in both houses, to the effect that neither house shall neglect bills passed by the other house.

4. A quorum of either house shall be a majority of its members.

5. Ordinary bills shall become laws upon passage by both houses by a majority of members present, and the signature of the president of each house.

6. All revenue bills shall originate in the representat; but they may be amended by the senate if said amendments are acceptable to the representat. Any revenue bill, when rejected by the senate, if passed by a two-thirds vote of the entire membership of the representat twice, the votings to be separated by an interval of at least 30 diurnal days, including Sundays, shall become law.

ARTICLE 10.

The chief administrative branch is the senate. Additional administrative provisions may be established by law. Additional administrative officers shall be proposed by the senate and confirmed by the representat. They shall be under the direction and control of the senate, and subject to dismissal by a majority vote of that body; but they shall be subject to recall by a two-thirds vote of the entire membership of the representat.

ARTICLE 11.

At the first general election for the election of the representat after this constitution shall have been in operation 10 consecutive years, the senate and representat shall, by majority vote of each, submit to the popular electorate a system of popular initiative and referendum, both for ordinary general legislation and also for constitutional amendment, which shall be deemed a part of this constitution if favored by a majority of the voters voting thereon in a majority of the constituent nations. If such majority shall also constitute a majority of the sum total of all the votes cast thereon in all the constituent nations.

ARTICLE 12.

1. This constitution may be amended, in addition to the provision in the previous article, as follows:

Upon demand of the senate and representat, by majority vote of each, or by a two-thirds vote of either the senate or representat on two separate occasions, separated by a period of not less than two years nor more than five years, any proposed amendment of this constitution shall be submitted to the electorate at the next election of the representat, but it shall be passed and made a part of public records not less than one year previous to said election; and said amendment shall be considered adopted and made a part of this constitution if favored by a three-fifths majority of all the votes cast thereon in three-fifths of the constituent nations, if such majority also constitute a three-fifths majority of the sum total of all the votes cast thereon in all the constituent nations.

2. Provisions shall be made by law for informing voters concerning measures or constitutional amendments submitted to popular vote.

COMMENTS BY DR. TAYLOR.

One of the "bones of contention" in this constitution will be the composition of the senate, as it was in our convention in Philadelphia in 1787. The problem was a new one then. The small States contended for equal representation in the Senate, while the large States contended for representation according to population. This question came near breaking up the convention. Finally the large States yielded, as, it was argued, the lower House was based on population. Really, the line of difference is that the Senate represents the State governments, while the House represents the people. That is the idea in the above proposed constitution—that the senate shall represent the government. In 1787 our State governments wanted representation as such, as the State idea was then dominant, the national idea not being developed much at that time. But the recent amendment providing for popular election of United States Senators changes somewhat the original idea. United States Senators will henceforth represent the people of their States rather than the State government.

In any international constitutional convention this same question would arise, and at the present time, governments, as such, would demand representation, just as our States demanded representation, and equal representation, as such. In the course of years, under such a constitution, particularly after free diffusion of the people from one nation into another, which as we have seen takes place to a considerable extent under the present restrictions, the local national feeling would become much less than it is at present. The State feeling among us has almost entirely disappeared.

One danger might be that some of the empires, as Germany, would wish to break up and claim representation in the senate for each constituent part, and thus control the entire senate. This would have to be guarded against. And I think that rather more representation in the senate according to population would be demanded than I have provided for, as France, for example, would want more senators than Holland or Norway. The problem would be to keep the senate small, and yet satisfy the small nations. A better plan than I have presented for this could doubtless be devised. My plan is "the first dash," and I add these comments for modification.

Perhaps a better way to constitute the senate than the one given above would be by the Norwegian plan for constituting the upper house; that is, provide that the representat select the senate from its own members. In this way the senate could be strictly limited in numbers, and there would be no complaint of excess of representation of the smaller nations in the senate. Provision could easily be made that one-third of the senate pass out of office and renewed each second year. It might be desirable occasionally to make a selection for the senate outside of the representat. The constitution might grant permission to the effect that one-third of the senate may be constituted from outside of the membership of the representat.

The giving up of armies and armaments would be "a bitter pill" to the governmental authorities of some nations, but they would have to yield to this absolute necessity. The first step for peace among people who want to fight is to disarm them; and if all are disarmed they are on as equal a footing as if all were armed to the utmost, only they could not do much harm when disarmed—and the first object of an international government would be to put a permanent stop to the waste, destruction, and horrors of war. And we want to put a stop to the contention that battleships make for peace. They would if one nation were sufficiently strong to dominate the whole world; but that would be peace only on the terms of that one nation. We want to make one power sufficiently strong to dominate the whole world, but we want that to be an international power, controlled by an international government constituted justly to all concerned. Then battleships, owned and directed by that government, would make for peace, both among the constituent nations and between the "union" and the outside world, by protecting the constituent nations from both internal and external aggression.

The only way to secure and certainly preserve the world's peace is by some such combination of nations, the aggregate of which would be sufficiently strong to successfully meet aggression by the rest of the world, the internal peace being secured by disarmament of the constituent nations, and placing all armaments under the control of the international government, for the preservation of internal peace and protection from external aggression.

This is a large subject, but we must take it up some time, and just now it is forced upon us. Its importance overshadows everything else. Shall we shirk or face it? The most important task that humanity has before it is the permanent prevention of war. This should be done in a way in which the support of armaments shall be reduced to the minimum, in order to reduce the burden. A plan by which the armaments of the constituent nations shall be united and maintained only to the point of domination over outside opposition would secure this minimum, which would be reduced as new nations would come into the plan, until it would disappear entirely The main object of war prevention being secured, many other advantages would come along in the wake of cooperation along this line, which would be far-reaching beyond our present conception.

THE COPPER INDUSTRY.

Mr. SMOOT. Mr. President, I have just received a telegram from the International Metals Selling Co., of 42 Broadway, New York, which I desire to read into the RECORD:

NEW YORK, *September 29, 1914.*

Hon. REED SMOOT, *Washington, D. C.:*

British Government's interference copper shipments, neutral bottoms, Rotterdam, seriously endangers copper industry this country. Appeal to you, as Senator representing large copper industry, make representations State Department stop unreasonable interference our neutral trade. British royal proclamation, Second Hague Conference stipulations, American War Risk Bureau do not mention copper as even conditional contraband. Unless shipment copper to neutrals can be kept open, afraid further reduction production inevitable.

INTERNATIONAL METALS SELLING CO.,
42 Broadway.

Mr. President, I read this telegram into the RECORD at this time and express the hope that everything will be done by the State Department to prevent interference with copper shipments in neutral bottoms, and thus allow the copper industry of this country to maintain the present number of men employed, which is only about one-half of the usual number. If interference is allowed with the shipments into neutral countries and in neutral bottoms, it will mean the total suspension of the copper industry of this country.

EXECUTIVE SESSION.

Mr. KERN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House agrees to the amendment of the Senate to the bill (H. R. 18752) to amend section 98 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911.

The message also announced that the House disagrees to the amendment of the Senate to the bill (H. R. 14233) to provide

for the leasing of coal lands in the Territory of Alaska, and for other purposes, asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. FERRIS, Mr. GRAHAM of Illinois, and Mr. LENROOT managers at the conference on the part of the House.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED.

The message further announced that the Speaker of the House had signed the following enrolled bills and joint resolutions, and they were thereupon signed by the Vice President:

S. 657. An act to authorize the reservation of public lands for country parks and community centers within reclamation projects, and for other purposes;

S. 3550. An act ratifying the establishment of the boundary line between the States of Connecticut and Massachusetts;

S. 5798. An act authorizing the health officer of the District of Columbia to issue a permit for the removal of the remains of the late Earl A. Bancroft from Glenwood Cemetery, District of Columbia, to Mantorville, Minn.;

H. J. Res. 335. Joint resolution to amend an act entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war," approved July 21, 1914;

H. J. Res. 339. Joint resolution to correct an error in H. R. 12914; and

H. J. Res. 342. Joint resolution to correct an error in H. R. 12914.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PAGE (for Mr. DILLINGHAM):

A bill (S. 6551) granting a pension to Abbie Holbrook (with accompanying papers); to the Committee on Pensions.

By Mr. O'GORMAN:

A bill (S. 6552) for the relief of Samuel A. Russel; to the Committee on Military Affairs.

Joint resolution (S. J. Res. 189) authorizing the Secretary of War to proceed with the improvement of East River and Hell Gate, N. Y.; to the Committee on Commerce.

ALASKA COAL LANDS.

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 14233) to provide for the leasing of coal land in the Territory of Alaska, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. MYERS. I move that the Senate insist upon its amendment, agree to the conference asked for by the House, the conferees on the part of the Senate to be appointed by the Chair.

The motion was agreed to; and the Vice President appointed Mr. MYERS, Mr. PITTMAN, and Mr. SMOOT conferees on the part of the Senate.

RECESS.

Mr. KERN. I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 4 o'clock and 17 minutes p. m., Tuesday, September 29, 1914) the Senate took a recess until to-morrow, Wednesday, September 30, 1914, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate September 29 (legislative day of September 28), 1914.

UNITED STATES DISTRICT JUDGE.

Augustus N. Hand, of New York City, to be United States district judge, southern district of New York, vice George C. Holt, resigned.

ASSOCIATE JUSTICE OF THE SUPREME COURT OF THE DISTRICT OF COLUMBIA.

Walter I. McCoy, of East Orange, N. J., to be associate justice of the Supreme Court of the District of Columbia, vice Job Barnard, resigned.

REGISTER OF THE LAND OFFICE.

Thomas Jones, of Vale, Oreg., to be register of the land office at Vale, Oreg., vice Bruce R. Kester, term expired.

SURVEYOR OF CUSTOMS.

Cyrus W. Davis, of Waterville, Me., to be surveyor of customs in customs collection district No. 1, in place of Joshua L. Chamberlain, deceased.

PROMOTIONS IN THE ARMY.

INFANTRY ARM.

Second Lieut. Edward S. Hayes, Twenty-eighth Infantry, to be first lieutenant from August 3, 1914, vice First Lieut. James Regan, Ninth Infantry, promoted.

Second Lieut. Simon B. Buckner, jr., Ninth Infantry, to be first lieutenant from August 5, 1914, vice First Lieut. Gilbert M. Allen, Nineteenth Infantry, promoted.

Second Lieut. Charles H. Bonesteel, Twelfth Infantry, to be first lieutenant from September 11, 1914, vice First Lieut. John Randolph, Twenty-third Infantry, promoted.

Second Lieut. Thomas J. Johnson, Ninth Infantry, to be first lieutenant from September 13, 1914, vice First Lieut. Harry Graham, Twenty-second Infantry, promoted.

Second Lieut. Robert H. Fletcher, jr., Eighth Infantry, to be first lieutenant from September 14, 1914, vice First Lieut. Jubal A. Early, Twentieth Infantry, who died September 13, 1914.

PROMOTIONS AND APPOINTMENTS IN THE NAVY.

Ensign Stuart S. Brown to be a lieutenant (junior grade) in the Navy from the 5th day of June, 1914.

Talmadge Wilson, a citizen of Georgia, to be an assistant surgeon in the Medical Reserve Corps of the Navy from the 12th day of September, 1914.

John D. Target, a citizen of Pennsylvania, to be an assistant surgeon in the Medical Reserve Corps of the Navy from the 19th day of September, 1914.

Walter W. Cress, a citizen of California, to be an assistant surgeon in the Medical Reserve Corps of the Navy from the 19th day of September, 1914.

Boatswain Thomas James to be a chief boatswain in the Navy from the 31st day of January, 1913.

POSTMASTERS.

ALABAMA.

C. N. Parnell to be postmaster at Maplesville, Ala., in place of Ralph Callaway, resigned.

GEORGIA.

George G. Brinson to be postmaster at Millen, Ga., in place of Albert S. Anderson, resigned.

Emma Pettis to be postmaster at Cave Spring, Ga., in place of Albert N. Tumlin, resigned.

IOWA.

William P. Coutts to be postmaster at Kellogg, Iowa, in place of Eugene J. Birchard, resigned.

Eugene F. Kieffer to be postmaster at Remsen, Iowa, in place of Louis H. Schulte, resigned.

Samuel B. Wesp to be postmaster at Fredericksburg, Iowa, in place of Milo L. Sherman, resigned.

KENTUCKY.

L. W. Springfield to be postmaster at Sebree, Ky., in place of Perry Westerfield. Incumbent's commission expired May 19, 1914.

MICHIGAN.

A. E. Millett to be postmaster at Armada, Mich., in place of Neil Mills, resigned.

MINNESOTA.

George W. Owens to be postmaster at Elmore, Minn., in place of Ole C. Enge, resigned.

MISSISSIPPI.

Edgar G. Harris to be postmaster at Laurel, Miss., in place of Asa A. Edwards, resigned.

MISSOURI.

J. Vance Bumbarger to be postmaster at Memphis, Mo., in place of De Witt Wagner, resigned.

NEBRASKA.

H. C. Letson to be postmaster at Red Cloud, Nebr., in place of Theodore C. Hacker, resigned.

NEW HAMPSHIRE.

Charles L. Bemis to be postmaster at Marlboro, N. H., in place of Charles L. Bemis. Incumbent's commission expired December 20, 1913.

NEW MEXICO.

Charles M. Samford to be postmaster at Hagerman, N. Mex., in place of Thomas B. Platt, resigned.

James L. Seligman to be postmaster at Santa Fe, N. Mex., in place of John Pflueger, removed.

NEW YORK.

Harry A. Miller to be postmaster at Lestershire, N. Y., in place of Charles J. Quick. Incumbent's commission expired June 23, 1913.

Elbridge J. Stratton to be postmaster at Theresa, N. Y., in place of Emmons R. Stockwell. Incumbent's commission expired June 10, 1914.

George J. Webb to be postmaster at Salem, N. Y., in place of N. Austin Baker. Incumbent's commission expired December 16, 1912.

NORTH DAKOTA.

Marjorie J. Bloom to be postmaster at Devils Lake, N. Dak., in place of Richard Daeley. Incumbent's commission expired March 11, 1914.

OHIO.

Robert E. Sickinger to be postmaster at Milan, Ohio, in place of Levi Roscoe, resigned.

OKLAHOMA.

John M. Jones to be postmaster at Hennessey, Okla., in place of Jabez A. Felt, resigned.

Preston S. Lester to be postmaster at McAlester, Okla., in place of Harry C. Clark, resigned.

PENNSYLVANIA.

John Kehoe to be postmaster at Pittston, Pa., in place of Harold J. Mahon. Incumbent's commission expired March 31, 1914.

William A. Kessler to be postmaster at Homestead, Pa., in place of John Grein. Incumbent's commission expired June 24, 1914.

H. F. Sowers to be postmaster at Yatesboro, Pa., in place of William G. Miller. Incumbent's commission expired March 16, 1914.

SOUTH DAKOTA.

Anton Koch to be postmaster at Isabel, S. Dak., in place of L. A. Wilson, resigned.

TENNESSEE.

John B. Dow to be postmaster at Cookeville, Tenn., in place of S. D. Davis, resigned.

P. L. Harned to be postmaster at Clarksville, Tenn., in place of Roy P. Smith. Incumbent's commission expired May 31, 1914.

B. F. Grisham to be postmaster at Newbern, Tenn., in place of Norwell L. Scobey, resigned.

TEXAS.

James M. Kennedy to be postmaster at Naples, Tex., in place of John C. Walker, removed.

G. C. Tiller to be postmaster at Carthage, Tex., in place of Samuel E. Morris. Incumbent's commission expired June 13, 1914.

UTAH.

George Alva Zabriskie to be postmaster at Springville, Utah, in place of John F. Bringhurst. Incumbent's commission expired June 24, 1914.

VIRGINIA.

Gordon E. Gilly to be postmaster at Big Stone Gap, Va., in place of Winfield S. Rose. Incumbent's commission expired February 21, 1914.

WISCONSIN.

Dorothea Devlin to be postmaster at Loyal, Wis., in place of Albert F. Fuchs, resigned.

CONFIRMATIONS.

Executive nominations confirmed by the Senate September 29 (legislative day of September 28), 1914.

POSTMASTERS.

ALABAMA.

John J. Dunlap, jr., Eutaw.

TENNESSEE.

Mamie Erwin Perkins, Selmer.

HOUSE OF REPRESENTATIVES.

TUESDAY, *September 29, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Lord God, impart unto us wisdom, strength, courage, fortitude that we may walk worthy of the vocation where unto Thou hast called us, and weave into the tissues of our being something noble, something worthy, and thus add to our moral character that we may know the purity of the divine life. In Christ Jesus, our Lord. Amen.

AMENDING THE CONSTITUTION.

Mr. ROGERS. Mr. Speaker, I introduced a resolution last July for a constitutional amendment, and as there seems to be no opportunity of getting time for discussion of measures not connected with the pending measure, I am forced to ask unanimous consent to extend my remarks in the RECORD which I have prepared upon that subject.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to extend his remarks in the RECORD upon a resolution which he has introduced submitting a constitutional amendment. Is there objection?

There was no objection.

ATLANTIC DEEP WATERWAY ASSOCIATION.

Mr. SMALL. Mr. Speaker, I ask unanimous consent to print in the RECORD an address delivered by my colleague, Hon. J. HAMPTON MOORE, of Pennsylvania, delivered at the recent session of the Atlantic Deep Waterway Association.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to print a speech made by the Hon. J. HAMPTON MOORE, of Pennsylvania, in the deep-waterway project. Is there objection?

There was no objection.

The Journal was approved.

LEAVE OF ABSENCE.

Mr. FRENCH, by unanimous consent, was given leave of absence indefinitely, on account of illness.

RESIGNATION OF A MEMBER.

The SPEAKER laid before the House the following letter:

WASHINGTON, D. C., *September 28, 1914.*

Hon. CHAMP CLARK,
House of Representatives, Washington.

MY DEAR MR. SPEAKER: I am to-day writing as follows to the Hon. David I. Walsh, governor of Massachusetts:

Hon. DAVID I. WALSH,
Governor of Massachusetts.

MY DEAR GOVERNOR: President Wilson nominated me some weeks ago to be postmaster at Boston, in place of Hon. Edward C. Mansfield, resigned. Mr. Mansfield's resignation is effective at the close of business September 30, 1914. I shall become postmaster on the 1st of October, and therefore I herewith tender my resignation as Representative in Congress.

With great respect. I am,
Very truly, yours, WILLIAM F. MURRAY.

May I ask you to lay this resignation of mine before the House? With kindest regards, I am,
Very respectfully, yours, WILLIAM F. MURRAY.

LABOR.

Mr. CULLOP. Mr. Speaker, I ask unanimous consent to have inserted in the CONGRESSIONAL RECORD a speech by my colleague, the Hon. H. ROBERT FOWLER, made at Bicknell, Ind., on the 7th day of September, 1914, Labor Day.

The SPEAKER. The gentleman from Indiana asks unanimous consent to extend his remarks by inserting in the RECORD a speech made by the Hon. H. ROBERT FOWLER at Bicknell, Ind., on Labor Day. Is there objection?

There was no objection.

RIVER AND HARBOR APPROPRIATION BILL.

Mr. SPARKMAN. Mr. Speaker, I ask unanimous consent to take up and consider the bill H. R. 13811, the river and harbor bill, together with the Senate amendment thereto.

The SPEAKER. The gentleman from Florida asks unanimous consent to take up for consideration the river and harbor bill with the Senate amendment. Is there objection?

Mr. CALLAWAY. Reserving the right to object, Mr. Speaker, I want to know how long it will take.

Mr. SPARKMAN. I am under the impression that it will take all the afternoon if we get unanimous consent. My purpose is to give time for discussion, and I am informed that there are enough gentlemen asking for time to run throughout most of the afternoon.

Mr. CALLAWAY. I would not object if I knew that we could get through with the river and harbor bill to-day.

Mr. UNDERWOOD. Mr. Speaker, I would like to say to the gentleman from Texas that of course the river and harbor bill will be in order when the bill now under consideration is out of the way, because it will be privileged. But the bill as reported from the committee favors the Senate amendment, and only provides for the completion of the work now in progress. A number of contractors have had to stop work on account of the delay. Every day that the passage of the bill is delayed it is costing the Government money. If we are going to continue the work, the sooner they are furnished with the money the less it will cost the Government. I should like very much, if we can do so, to get the opportunity for the gentleman from Florida to present the bill to the House. Of course he has to give gentlemen opposed to it a reasonable opportunity to be heard, but I think it is possible to get through with it this afternoon if we take it up now. I would like to ask the gentleman from Illinois whether there will be any opposition on that side that will probably run longer than this afternoon?

Mr. MANN. I should think that if the bill were taken up now, we might finish it this afternoon. But the gentleman from Washington [Mr. HUMPHREY] knows more about the time than I do.

Mr. HUMPHREY of Washington. I think we could get through this afternoon. I think we want about two hours.

Mr. SPARKMAN. The gentleman means on that side?

Mr. HUMPHREY of Washington. Yes.

Mr. UNDERWOOD. Did the gentleman say two hours?

Mr. HUMPHREY of Washington. Two hours and a half, for I shall yield to two gentlemen on the other side; we will not divide on party lines.

Mr. SPARKMAN. Of course, we should want as much time on this side, although I think we could close up in two hours.

Mr. MANN. I think we could get through this afternoon.

Mr. SLAYDEN. Mr. Speaker, I would like to ask the gentleman from Florida a question.

Mr. SPARKMAN. I will yield.

Mr. SLAYDEN. Is it not a fact that if we do not accept the bill as it passed the Senate we will get no river and harbor legislation at this session?

Mr. SPARKMAN. That is decidedly my opinion.

Mr. SLAYDEN. Is it not a fact that confronting that situation there is no doubt about the consent of the House being given to the legislation?

Mr. SPARKMAN. I hope there is no doubt. As I see the situation, I think there is little doubt but that the House will accept the Senate amendment.

Mr. SLAYDEN. There is no doubt but that the House will accept what the newspapers describe as "pork" in the $20,000,000 if they can not get $53,000,000. I do not see why there should be a whole legislative day consumed in the discussion of what is already foreordained. I wish we could agree on a shorter time.

Mr. SPARKMAN. I will say that this thing has been going on six months. Six months ago the bill went to the Senate, and the discussion began two months afterwards when it was reported out of the committee.

Mr. SLAYDEN. Can not we agree on a shorter time?

Mr. SPARKMAN. I do not see how we can.

Mr. MANN. This is a more important matter than the Botanic Garden, and we spent two days on that.

Mr. SPARKMAN. I think we ought to discuss this matter at some length, but, of course, not at too great a length.

Mr. UNDERWOOD. If the gentleman from Florida will yield to me a moment, I would like to ask the gentleman from Washington what proposals they have by way of amendment, after the general debate has been concluded?

Mr. HUMPHREY of Washington. Mr. Speaker, there will be one amendment submitted. There will be an amendment submitted to reduce the amount considerably from what it is now.

Mr. UNDERWOOD. Could an agreement be made that after five hours of general debate any amendments may be offered during the debate and that at the end of five hours the previous question shall be considered as ordered on the Senate amendment and all amendments thereto and the House go to voting?

Mr. MANN. Mr. Speaker, as far as I am concerned, I think it would be perfectly fair to consider the Senate amendment in the House, instead of going into the Committee of the Whole, with the right to offer amendments during the five hours, and then that the previous question should be considered as ordered on the amendments and the bill.

Mr. HUMPHREY of Washington. Mr. Speaker, I think that would be satisfactory, because the only amendment I anticipate will be an amendment to reduce the amount.

Mr. UNDERWOOD. Does the gentleman desire to have the amendments voted on when they are offered in the House or at the end of the general debate?

Mr. MANN. I think we better vote at the end, because otherwise it would be sure to run over.

Mr. BORLAND. Would not the bill be considered in the Committee of the Whole in any event?

Mr. UNDERWOOD. The proposition is that it shall be considered in the House as in the Committee of the Whole.

Mr. MANN. That is a matter of unanimous consent.

Mr. UNDERWOOD. I take it that there will be no desire to prolong matters.

Mr. BORLAND. The amendments would be disposed of in the Committee of the Whole.

Mr. UNDERWOOD. As I understand it, there is no desire to use any delaying tactics.

Mr. MANN. Mr. Speaker, if we considered it in the House, and there were a great many amendments offered, it might delay, but we want a roll call at least upon one amendment, or upon a motion to recommit, it does not make any difference which, for it would be in order in either case, but we want only one roll call.

Mr. UNDERWOOD. Then I suggest to the gentleman from Florida that he ask unanimous consent for its consideration along that line.

Mr. SPARKMAN. Then, Mr. Speaker, I ask unanimous consent for the present consideration of the bill H. R. 13811, the river and harbor appropriation bill, with a Senate amendment thereto, and pending that I also suggest that we have five hours of general discussion.

Mr. MANN. I suggest to the gentleman that he make that a part of his request.

Mr. SPARKMAN. Very well; and that we have five hours of general discussion, or at least that the discussion end by 5 o'clock.

Mr. MANN. Make the request in this way: That the bill be taken up for consideration, together with the Senate amendment, that it be considered in the House as in the Committee of the Whole, with five hours of debate, one-half to be controlled by the gentleman from Florida [Mr. SPARKMAN] and one-half by the gentleman from Washington [Mr. HUMPHREY], and that any gentleman having the floor shall be entitled to offer an amendment to be voted upon at the end of the general debate, and that at that time the previous question shall be considered as ordered.

The SPEAKER. The gentleman from Florida asks unanimous consent for the present consideration of the river and harbor appropriation bill, including the Senate amendment thereto; that the debate thereon shall not exceed five hours; that it shall be considered in the House as in the Committee of the Whole; that any gentleman getting the floor shall have the right to offer an amendment; and that at the end of the general debate, if it stops short of five hours, the previous question shall be considered as ordered on the Senate amendment, and all amendments thereto, and that all of these amendments offered by Members pending the debate shall be voted on at the conclusion of the debate, one half of the time to be controlled by the gentleman from Florida and the other half by the gentleman from Washington. Is there objection?

Mr. CALLAWAY. If that could be amended so as to make it four hours, I shall not object; but I do not believe that we can get through with five hours of debate in this day.

Mr. MANN. If the gentleman from Texas yields, I would suggest that if we make it four hours of general debate, we would not be able to go ahead with anything else to-day.

Mr. CALLAWAY. I know; but I want this thing to be gotten off the boards to-day.

Mr. MANN. We can get it off the boards, I think, without any trouble to-day.

The SPEAKER. Is there objection?

Mr. FREAR. Mr. Speaker, I reserve the right to object.

Mr. CALLAWAY. Mr. Speaker, if that request is so modified as to make it extend no longer than this legislative day, I shall withdraw the objection.

The SPEAKER. The Chair will suggest to the gentleman that it is possible to extend the legislative day until the 4th of March.

Mr. CALLAWAY. Then, that it does not extend any longer than this calendar day.

Mr. SPARKMAN. I have no objection to that.

The SPEAKER. And also to be coupled with the request the provision that the discussion and disposition of the matter shall not extend beyond this calendar day. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

Mr. MANN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MANN. Under the rule which was adopted with reference to the Philippine bill, and which seems to have cut out everything else, is Calendar Wednesday cut out?

The SPEAKER. No; it is not. The Chair would have ruled, if the point of order had been made, that it took a two-thirds vote of the House to pass that rule, provided it cut out Calendar Wednesday.

Mr. MANN. Then, Mr. Speaker, may I submit another inquiry, if it is in order? I noticed a while ago that the gentleman from Alabama [Mr. UNDERWOOD] had quite an audience in private conversation, and while I do not wish to intrude, I would like to inquire whether he has any statement which might be made to both sides of the House?

Mr. UNDERWOOD. Mr. Speaker, I will say to the gentleman from Illinois that if I can reach an understanding with this side of the House about one particular bill, I will be glad to submit a proposition to him and his side of the House to make a pact that will let Members go home. I hope to be in a position to do so by to-morrow, and that is as close as I can get. [Applause.]

EXTENSION OF REMARKS.

Mr. GOOD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of tariff and labor.

The SPEAKER. The gentleman from Iowa [Mr. GOOD] asks unanimous consent to extend his remarks in the RECORD on the subject of tariff and labor. Is there objection? [After a pause.] The Chair hears none.

RIVER AND HARBOR APPROPRIATION BILL.

The SPEAKER. The gentleman from Florida [Mr. SPARKMAN] is recognized for two and one-half hours.

Mr. SPARKMAN. Mr. Speaker, so as to have it pending——

Mr. MANN. Mr. Speaker, I suggest the bill be laid before the House and the Senate amendment reported.

The SPEAKER. That is correct; and the Clerk will report the bill by title and report the Senate amendment.

The Clerk read as follows:

The bill (H. R. 13811) entitled "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes."

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That the sum of $20,000,000 be, and the same hereby is, appropriated out of any moneys in the Treasury not otherwise appropriated, to be immediately available and to be expended under the direction of the Secretary of War and the supervision of the Chief of Engineers, for the preservation and maintenance of existing river and harbor works, and for the prosecution of such projects heretofore authorized as may be most desirable in the interests of commerce and navigation, and most economical and advantageous in the execution of the work: *Provided*, That allotments from the amount hereby appropriated shall be made by the Secretary of War upon the recommendation of the Chief of Engineers: *Provided further*, That allotments for the Mississippi River from the Head of Passes to the mouth of the Ohio River shall be expended under the direction of the Secretary of War in accordance with the plans, specifications, and recommendations of the Mississippi River Commission as approved by the Chief of Engineers: *And provided further*, That at the beginning of the next session of Congress a special report shall be made to Congress by the Secretary of War showing the amount allotted under this appropriation to each work of improvement."

Mr. SPARKMAN. Mr. Speaker, so as to have the same pending, I move that the Senate amendment be agreed to.

The SPEAKER. The gentleman from Florida [Mr. SPARKMAN] moves that the Senate amendment be agreed to.

Mr. SPARKMAN. Mr. Speaker, I do not make this motion because I like the provision which the Senate has given us as a substitute for the bill we sent them months ago. On the contrary, I do not hesitate to say I am not at all pleased with it. I make the motion to concur because I am instructed by the Committee on Rivers and Harbors to do so. I also make it because I am convinced it is the only thing to do if we are to have money to prosecute the work on the many great projects for river and harbor improvement now under way or to maintain in their efficiency those already completed.

If I were actuated by the rule-or-ruin spirit, if I were to say as others have said—if not in words, in acts—adopt my views or our navigable waterways will get nothing, I might perhaps take a different view; but I am convinced it is either this amendment or nothing; that we must either take what the Senate, after keeping the bill six months, has deigned to give or else cease work on the most of the projects now under way, at least until after the 4th of March next, a course of action that would result in much damage not alone to uncompleted but to completed works as well. Not only is it of great importance that a work once started should go on without material interruption to completion, but that a finished project should be maintained in its efficiency, otherwise great damage might be done both to the work and the commerce to be accommodated by it.

Already much loss has resulted from the delay in passing this bill. As early as the 11th of July last the Chief of Engineers furnished to the Rivers and Harbors Committee a statement, accompanied by a list, showing the improvements upon which work had then stopped or would cease within the two or three months following. From this statement it will be seen that work on 106 projects out of the 225 provided for in the House bill were in those classes. In the statement accompanying the list the Chief of Engineers said that:

On account of lack of funds work is now suspended, or will shortly be suspended, on about one-third of the works provided for in the pending river and harbor bill. Should no act be passed at this session, the number of works suspended will be very considerably increased before an act could be passed at the next session of Congress. The suspension of work results not only in positive loss of time and possibly interference with navigation, but seriously handicaps and greatly adds to the cost of future work by the disorganization of working forces and the effect which it has upon the confidence of contractors supplying materials or doing work for the department.

I shall print with my remarks a copy of this statement, with the accompanying list, which throws considerable light upon conditions already resulting from the delay from passing this measure and those that will result if we pass no bill at all.

Nor would I object to this provision because I think it carries a sum too small for the work contemplated by it. On the contrary, I regard the sum as sufficient for the purposes intended. Likely it could stand a slight, but only a slight, reduction, for the bill has been delayed so long in the Senate that a considerable part of the fiscal year has gone by, so that as much money is not now needed at any place as if the measure had become a law by the 30th of June last, the end of the fiscal year covered by the estimates upon which the bill of 1914 was framed, while in some localities—those in the more northerly districts, for instance, where work can not be carried on in the winter months—less will be needed. So I repeat that the amount provided in the Senate amendment is, in my opinion, ample for all the purposes it was intended to answer.

Although I think any amendment interposed by the Senate ought to have retained other features of the House bill, the dislike I have to the provision now before us is based largely on the ground that by appropriating a lump sum for the Secretary of War to distribute we abdicate for the time being our legislative functions in favor of an administrative branch of the Government. Nor is my objection to the provision based upon any lack of faith in the engineers, but because I think such legislation in a majority of instances is unwise. There is quite a tendency now in that direction, and if this should be regarded as a precedent to be followed in the future it would leave little worth having in the hands of the lawmaking body so far as legislation for the improvement of our rivers and harbors is concerned. But it need not, nor do I believe it will, be taken as a precedent or followed hereafter, as the objections to it, save under exceptional conditions, are too manifest.

I believe Congress should ordinarily apportion all sums appropriated for river and harbor work among the various projects adopted by it. With the information at hand or easily obtainable for intelligent action, we are as capable of exercising that function as the Army Engineers—and I yield to none in my admiration for that splendid corps of officers—but the responsibility is ours, and we should not ordinarily shirk it. We may make mistakes, and doubtless do, but so may the engineers, with no direct responsibility to the electorate, while for our errors we may be held answerable to the people. But this is an exceptional case, and as such we should deal with it here and now. I am willing to assume my share of the responsibility, which I do with the hope and the belief that it will not be drawn into a precedent for similar legislation in the future.

Mr. Speaker, I know some are disinclined to accept this amendment—at least, not at present—on account of a hope they have that by disagreeing to it or by agreeing with certain amendments the new projects in the House bill, some of them of great importance and all worthy, may be inserted along with the surveys, which were likewise eliminated by the Senate amendment. But anyone who has followed the debates in the Senate on the measure must see the futility of such an effort.

Those discussions and the various amendments there proposed revealed at least two groups of Senators as their respective advocates, whose differences were never composed, but seemingly grew more pronounced as the weeks and months went by. Moreover, it is the view of many there that nothing can come of any effort at amending either by reinserting the eliminated items or even apportioning here the money provided among the various projects upon which it is to be expended. In other words, it seems to be this or nothing, and, in my opinion, it is the part of wisdom to accept it. Then, again, I am satisfied, unless we permit our actions in adopting this amendment to be drawn into a precedent, no harm not already suffered by the delay will be done, as it is expected another bill will be framed at the next session, when the items omitted from this bill may be considered and adopted. The preparation of such a measure should begin in a few weeks and become a law, if at all, by the 4th of March next, so that no considerable delay is likely to be encountered. Hence I say no great harm can come from the action proposed.

Mr. Speaker, on the 26th of March last we passed through the House the annual bill for this year, which, after six months, comes back to us with all its provisions for maintenance and original construction work on more than 300 projects, together with other important provisions, including those of surveys, stricken out and a single provision appropriating a lump sum to be distributed by the engineers inserted in their stead. As it left the House, the bill was an excellent measure—not faultless, perhaps, but one framed in accordance with that policy of river and harbor improvement we have been following for nearly two decades; a policy based upon public sentiment, indorsed by all the great political parties, and demanded by the rapidly growing commerce of the country. Since and including the bill of 1896 we have enacted into law nine general river and harbor bills and two small emergency measures, the whole aggregating $483,375,023.48.

The bill of 1896, passed over President Cleveland's veto at a time when we were borrowing money, was the largest that had ever been passed up to that time, carrying as it did $76,195,570.37. Then followed the bills of 1899, 1902, and 1905, all liberal measures, which in turn were succeeded by the act of 1907, providing for 361 projects and carrying $86,872,432—the largest ever enacted into law by the Congress of the United States. I wish especially to call the attention of the critics of the bill of 1914 to this measure, and would like to have them compare it in all its details, including items and amount, with that of 1914 as it passed the House.

Mr. CLARK of Florida. Mr. Speaker, may I ask my colleague one question?

Mr. SPARKMAN. Certainly.

Mr. CLARK of Florida. Who was chairman of the Rivers and Harbors Committee in 1907?

Mr. SPARKMAN. The Hon. THEODORE E. BURTON, now Senator from the State of Ohio.

The bill of 1907 has been referred to by some, and regarded, no doubt, by many, as the best ever enacted in the history of river and harbor legislation. It has been said that it was framed on scientific lines—whatever that may mean—and provided for the completion of a larger number of projects than any other. Nor am I disposed to detract from its merits. On the contrary, I wish to say that it was an excellent measure; and yet this bill, the one we are now considering, abused and traduced as it has been, was framed along the same lines as that, and was similar in form and substance, except that, being an annual bill, this did not carry, and did not need to carry, so much by way of authorizations as that of 1907.

Mr. MOORE. Mr. Speaker, will the gentleman yield?

Mr. SPARKMAN. I will.

Mr. MOORE. Is it not a fact the bill of 1907, passed at the time Mr. BURTON of Ohio was chairman of the Committee on Rivers and Harbors, was a bill which contained items affecting nearly every State in the Union, and nearly every congressional district, so it was almost impossible for a vote to be obtained against that bill in the House?

Mr. SPARKMAN. Well, I would not like to say that; but I will answer the first part of the gentleman's question——

Mr. MOORE. But did not the newspapers at the time so report, and was it not common rumor over the country that the bill was so built up it was bound to pass?

Mr. SPARKMAN. There has never been a river and harbor bill—at least during the past 20 years—that has not been criticized by somebody. The bill contained items affecting every section of the country, from Maine to Puget Sound, and carried, as I said a moment ago, a larger amount than any bill before or since.

Mr. MOORE. Does the gentleman remember the difficulty of finding anybody in the House to vote against the bill at the time? Is not that the fact?

Mr. SPARKMAN. Very few did vote against it.

Mr. MOORE. Yes; it is a fact that very few did vote against the bill then.

Mr. SPARKMAN. That measure also exceeded this bill in the number of projects treated. The former, carrying appropriations for 361 improvements, provided for the completion of 99, or 27 4/10 per cent of the whole, while the latter, containing 301 items, provided for the completion of 71, or 23 6/10 per cent, or a little more than 3 per cent in favor of the bill of 1907, if that feature is to be taken as one of merit.

Mr. FREAR. Will the gentleman yield?

Mr. SPARKMAN. I will.

Mr. FREAR. Was that an annual bill, the bill of 1907?

Mr. SPARKMAN. Oh, no; it was intended, I believe, to provide for two years, and carried a little more than twice as much as the amount carried in this measure.

Mr. FREAR. This bill provides for annual payments.

Mr. SPARKMAN. But it is about the same in substance, because that act provided for two years, carrying nearly $87,000,000, whereas this bill as it passed the House provided for one year and carried about $43,000,000.

Mr. FREAR. Will the gentleman yield for one other question?

Mr. SPARKMAN. If the gentleman will pardon me, I would like to finish; and if he will note his questions, I will be glad to yield at the end of my remarks.

Mr. FREAR. All right.

Mr. SPARKMAN. But in the matter of provisions for completing projects the present measure as it left the House was far ahead of any of the others passed during the period mentioned. There is another comparison, however, based upon the proportionate cost of the new projects adopted in each and the freight tonnage of the respective waterways involved that is somewhat in favor of the House bill of this year. The bill of 1907, for instance, adopted 63 new projects, accommodating in the aggregate 126,963,567 tons of commerce and requiring $42,728,000 to complete, while the bill of 1914 as it left the House contained 71 new projects, calling for $42,479,000 to complete and accommodating a tonnage of 146,728,920. From these figures it will be seen that not only was the aggregate cost of the new projects about the same in each bill, but that the average number of tons per project was likewise about the same, that of 1914, however, being somewhat larger.

A further analysis of the two bills shows that the cost of the projects in the bill of 1907 which may properly be designated as small projects—that is, projects requiring less than $100,000 to complete—amounted altogether to $1,172,512, but that they accommodated a commerce of only 4,494,994, while the projects in the bill of 1914, calling for less than $100,000 to complete, required $1,170,247 and accommodated a commerce of 19,258,000. In other words, while the smaller projects of the bill of 1907 were accommodating at the time the bill was passed a little less than 4 tons of freight for each dollar to be expended, the same class of projects in the bill of 1914 was, when that bill passed the House, accommodating a little more than 16 tons for each dollar required to complete. Certainly this does not show a wanton waste of money on small projects.

I will insert just here a statement of new projects in each of the two measures, giving amounts to complete, together with the tonnage and value of the freight accommodated by such waterway at the time as shown by the reports recommending the respective projects.

Statement showing new projects, cost to complete, and amount appropriated for such items in the river and harbor act of 1907, together with tonnage accommodated by the waterways covered by said projects.

	Amount estimated to complete.	Amount appropriated.	Commerce.	
			Tons.	Value.
Cape Porpoise Harbor, Me.	$46,000	$46,000	8,000	.....
Penobscot River, at Bangor, Me.	130,000	130,000	248,869	.....
Kennebec River, Me.	275,000	275,000	400,735	.....
Beverly Harbor, Mass.	39,680	38,500	150,062	.....
Dorchester Bay and Neponset River, Mass.	125,233	125,233	332,000	.....
New Bedford and Fairhaven Harbors	527,000	100,000 [1] 200,000	869,149	.....

[1] Continuing contract authorization.

Statement showing new projects, cost to complete, etc.—Continued.

	Amount estimated to complete.	Amount appropriated.	Commerce.	
			Tons.	Value.
Newport Harbor, R. I.	$250,900	$85,000 [1]165,900	1,770,816	
Bridgeport Harbor, Conn.	463,000	113,000 [1]350,000	944,929	$16,546,754
Norwalk Harbor, Conn.	[2]63,500	63,500	200,000	
Thames River, Conn.	16,250	16,250	446,004	3,302,361
Coney Island Channel, N. Y.	188,300	188,300		
Black Rock Harbor, N. Y.	4,560,000	1,000,000 [1]1,000,000	2,500,000	
Cold Spring Inlet, N. Y.	907,000	311,000 [1]596,000		
Newark Bay and Passaic River, N. J.	1,216,775	200,000 [1]650,000	2,567,000	
Ferriwig Bar, Delaware River	50,000	50,000	17,918	4,927,450
Salem River, N. J.	29,000	29,000	36,346	1,134,700
Cohansey River, N. J.	55,800	55,800	34,000	
Mispillion River, Del.	87,065	40,000	121,687	3,349,300
Broadkill River, Del.	33,330	33,330	30,000	
Tyaskin Creek, Md.	6,500	6,500	3,060	96,463
Crisfield Harbor, Md.	37,707	37,707	271,500	4,360,500
Elk River, Md.	18,803	18,803	29,086	[3]327,069
Norfolk Harbor, Va.	1,132,000	282,000 [1]850,000	11,000,000	500,000,000
Occoquan Creek, Va.	19,000	19,000	25,880	200,000
Meherrin River, N. C.	6,000	6,000	8,000	1,000,000
Pamlico and Tar Rivers, N. C.	11,563	11,563	567,330	13,694,531
Cape Fear River at and below Wilmington, N. C.	1,392,750	165,000 [1]250,000	871,106	49,223,307
Savannah Harbor, Ga.	1,000,000	300,000 [1]700,000	3,801,049	194,836,773
Brunswick Harbor, Ga.	496,650	146,650 [1]350,000	1,656,257	43,832,290
Fernandina Harbor, Fla.	115,000	115,000	737,378	9,986,425
Apalachicola Bay, Fla.	85,000	85,000	44,000	1,200,000
Withlacoochee River, Fla.	215,400	65,400 [1]150,000	249,884	2,355,229
Mobile Harbor, Ala.	560,000	200,000 [1]360,000	2,485,213	62,297,150
Conecuh River, Ala.	31,000	31,000	82,250	
Wolf River, Miss., and Jordan River	30,000	30,000	37,476 67,640	598,750 1,301,250
Tallahatchie River, Miss.	4,000	4,000	88,353	1,372,944
Big Sunflower River, Miss.	75,000	75,000	188,792	1,366,026
Waterway, Franklin to Mermentau, La.	289,292	89,292 [1]200,000		
Galveston Harbor, Tex.	3,985,100	300,000 [1]700,000	2,320,000	515,073,828
Aransas Pass and Bay, Tex.	1,288,699	200,000 [1]290,000	2,565	383,300
Texas Inland Waterway	433,829	133,829 [1]300,000		
Sulphur River, Tex. and Ark.	36,000	36,000		
Cumberland River above Nashville	550,000	150,000 [1]400,000	382,807	10,509,789
Cleveland Harbor, Ohio	98,000	98,000	11,419,797	
Ludington Harbor, Mich.	839,877	100,000 [1]739,087	1,421,558	
Manistee Harbor, Mich.	147,488	25,000	469,870	
Cheboygan Harbor, Mich.	15,000	15,000		
Rouge River, Mich.	6,575	6,575	234,861	1,612,462
Detroit River	$6,670,950	$2,000,000 [1]4,670,950	55,508,360	
St. Marys River at the Falls	6,250,000	1,200,000 [1]5,050,000	44,270,680	$416,965,484
Kenosha Harbor, Wis.	22,000	22,000	72,011	
Racine Harbor, Wis.	50,000	50,000	141,792	
Sheboygan Harbor, Wis.	40,000	40,000	1,376,767	
Manitowoc Harbor, Wis.	376,000	100,000 [1]276,000	1,376,767	
Two Rivers Harbor, Wis.	90,000	90,000	43,569	
Duluth-Superior Harbor, Minn. and Wis.	1,768,000	525,000	22,676,145	196,751,583
Humboldt Bay and Harbor, Cal.	83,000	83,000	616,754	13,628,164
Petaluma Creek and Napa River, Cal.	15,239	15,239	404,983	
Columbia River and tributaries above Celilo Falls to mouth of Snake River.	400,000	120,000	6,000	180,000
Grays Harbor, Wash.	600,000	200,000 [1]400,000	17,196	650,000
Do	2,500	2,500	47,250	250,000
Columbia River between Wenatchee and Bridgeport, Wash.	42,000	42,000	23,000	
Willapa River and Harbor, Wash.	25,000	25,000	76,713	456,213
St. Michaels Canal, Alaska	248,000	98,000 [1]150,000	29,893	2,493,697
Honolulu Harbor, Hawaii	1,658,894	200,000 [1]200,000	296,229	33,781,816
Hilo Harbor, Hawaii	1,700,000	200,000 [1]200,000	161,419	5,737,540
San Juan Harbor, P. R.	757,500	157,500 [1]600,000	921,050	35,000,000
Total	42,728,859	30,620,408	177,309,515	

[1] Continuing contract authorization.
[2] $15,040 of the amount appropriated was to be applied to improving East Norwalk Channel, on which there was a commerce of 8,444 tons.
[3] Local.

Statement showing the new projects in the bill of 1914 as reported to the House, together with amount to complete, amount therein appropriated, and the tonnage and value of the commerce then being accommodated by the waterways covered by said projects.

	Amount estimated to complete.	Amount appropriated.	Commerce.	
			Tons.	Value.
Wills Strait, Casco Bay, Me.	$16,500	$16,500		
Tenants Harbor, Me.	12,500	12,500	48,926	$343,000
Beverly Harbor, Mass.	123,000	61,500	325,053	2,173,365
Milford Harbor, Conn.	6,700	6,700	12,043	106,125
Greenwich Harbor, Conn.	35,000	35,000	101,500	9,000,000
New London Harbor, Conn.	230,000	170,000	841,113	78,323,083
Sterling Basin, Greenport Harbor, N. Y.	22,500	22,500	230,000	
Upper Bay, New York Harbor, N. Y.	$30,000	250,000	14,186,489	1,915,644,233
East River, N. Y.	13,400,000	500,000	45,331,216	
Hudson River at Ossining, N. Y.	79,700	35,000	60,550	254,000
Tonawanda Harbor, N. Y.	[1]	[1]	286,207	
Matawan Creek, N. J.	$72,000	$72,000	80,000	$191,000
Raritan River, N. J.	784,000	250,000	1,177,157	64,338,510
Shoal Harbor and Compton Creek, N. J.	56,800	56,800	92,015	701,440
Shrewsbury River, N. J.	295,000	100,000	1,306,000	6,820,750
Chester River, Pa.	3,600	3,600	138,000	895,600
Appoquinnimink River, Del.	11,000	11,000	27,370	1,712,400
Murderkill River, Del.	31,468	12,000	34,895	1,472,750
Mispillion River, Del.	70,400	35,200	140,895	5,876,550
Chesapeake and Delaware Canal	6,785,710	1,300,000	$11,245	
Curtis Bay Channel, Baltimore Harbor, Md.	123,700	61,850	10,029,875	
Breton Bay, Md.	3,000	3,000	14,000	
Herring Bay and Rockhole Creek, Md.	11,800	11,800	4,571	350,720
Tred Avon River (North and South Forks), Md.	19,600	19,600	36,532	1,160,540
Nansemond, River, Va.	4,500	4,500	63,700	2,402,920
Hampton Creek, Va.	27,000	27,000	137,000	
Tangier Channel, Va.	16,434	16,434	5,000	321,000
Oyster Channel, Va.	11,250	11,250	18,600	350,000
Norfolk Harbor, Va.	1,114,000	270,000	28,307,501	1,600,000,000
Locklies Creek, Va.	4,100	4,100	3,000	50,000
Occoquan Creek, Va.	43,000	21,500	49,558	140,962
Scuppernong River, N. C.	31,800	31,800	26,653	320,990
Northeast Cape Fear River, N. C.	25,375	25,375	150,019	1,800,000
Bennett River, N. C.	6,000	6,000	51,000	585,000
Deep Creek, N. C.	5,400	5,400	2,000	157,000
New begun Creek, N. C.	5,000	5,000	5,000	300,000
Lumber River, N. C. and S. C.	2,000	2,000		
Jeremy Creek, S. C.	5,000	5,000	2,000	49,000
Santee River, S. C.	10,000	10,000	62,300	1,000,000
Waterway, Charleston to Winyah Bay, S. C.	[1]	[1]	44,267	924,875
Waterway, Orangeburg to Charleston, S. C.	35,000	35,000		
Waterway, Charleston, S. C., to Savannah, Ga.	100,000	50,000		
Savannah Harbor, Ga.	154,000	154,000	3,120,620	293,444,103
Generals Cut, Ga.	1,000	1,000	200	260,000
Back River, Ga.	5,000	5,000	25,000	250,000
Oklawaha River, Fla.	733,000	175,000	102,647	1,179,445
Kissimmee River, Fla.	47,000	47,000	71,950	2,930,500
Caloosahatchee River, Fla.	25,000	25,000	109,200	4,370,000
Crystal River, Fla.	10,000	10,000	48,742	1,250,000
Anclote River, Fla.	22,000	22,000	34,100	1,033,375
Boca Ceiga Bay, Fla.	10,700	10,700	5,085	354,330
Deep Creek, Fla.	9,000	9,000	111,108	1,546,870
Waterway, St. George Sound to Rio Grande	3,632,910	330,000		
Bayou Teche, La.	315,000	100,000	864,835	8,222,312
Lake Pontchartrain, La.	32,000	32,000	731,818	4,805,667
Vermilion River, La., and channel to waterway	37,500	37,500	29,151	292,292
Colorado River, Tex.	25,000	25,000		
Cumberland River, above Nashville, Tenn.	4,500,000	340,000	308,085	7,750,730
Huron Harbor, Ohio	34,500	34,500	2,000,000	
Fairport Harbor, Ohio	238,500	158,000	2,754,256	17,662,727
Cuyahoga River, Ohio		5,000	14,296,078	75,250,255
Menominee Harbor and River, Mich. and Wis.	$3,400	$3,400	520,514	$8,264,702
Sturgeon Bay and Lake Michigan Ship Canal, Wis.	33,000	33,000	500,000	4,051,000
Fox River, Wis.	[2]	[2]	145,890	634,632
Baudette River and Harbor, Minn.	2,750	2,750	71,000	
Michigan City Harbor, Ind.	42,000	48,600	30,000	
Chicago Harbor, Ill.	38,170	38,170	3,644,745	
Gasconade River, Mo.	6,500	6,500	47,589	420,000
Kansas River, Kans.	6,000	6,000	562,700	275,000
Richmond Harbor, Cal.	428,000	100,000	4,500,000	
Petaluma Creek, Cal.	7,500	7,500	231,735	12,719,747
Sacramento and San Joaquin Rivers, Cal.	5,860,000	200,000	500,000	30,000,000
Falls of the Willamette at Oregon City, Oreg.	80,000	80,000	500,000	
Willapa Harbor and River, Wash.	347,950	100,000	766,416	5,077,665
Columbia River at Cathlamet, Wash.	6,000	6,000	5,551,617	31,053,378
Skamokawa River, Wash.	1,800	1,800	780	10,000
Total	41,295,017	5,731,329	146,728,920	4,214,480,548

[1] Transfer of funds.
[2] Deed levee to State.

Again, there was a greater disproportion between the cost and tonnage of some of the items in the bill of 1907 than the cost and tonnage of similar items in the bill of 1914. For instance, in the former there was a project costing in all $1,288,699, with an appropriation and an authorization of $490,000 with only a commerce of 2,565 tons to its credit, while another, costing in all $400,000, with an initial appropriation of $120,000, only accommodated 6,000 tons of traffic.

Mr. STAFFORD. Will the gentleman kindly indicate what those projects were?

Mr. SPARKMAN. If the gentleman will pardon me, when I shall have finished I will be glad to and will try to answer any questions propounded, but would prefer not to yield just now.

No such discrepancy between freight tonnage and cost of work can be found in the bill of 1914. Of course, the amount of commerce at the time a report is submitted is not the only criterion by which to judge a project, because prospective traffic as well as other matters should be considered; but it is not amiss to call attention to such differences when the one measure is severely criticized on the theory that it is made vicious by the presence of certain features, while the other, more obnoxious in those very particulars, is lauded as a work of superior excellence.

Moreover, anyone who will stop to compare the bill of this year as it left the House with other like measures during the past 20 years will be convinced that it is not subject to the criticisms leveled against it, or, if it is, that all the others are subject to like, indeed, to harsher, criticism.

Another matter to which I wish to direct attention is that although we had a bill in 1905, that of 1907, only two years after, carried nearly $87,000,000, or twice as much as the House bill of this year, yet this measure has not only been condemned as a vicious waste of public money, but also on account of the number of smaller projects adopted, while the bill of 1907, carrying more than twice as much, is regarded as a model of perfection.

Now, I mention all this, Mr. Speaker, not only for the purpose of defending, as anyone so minded can, the bill which has been thrown aside in another body after weeks and months of the most violent criticism both there and in the press of the country, but also to illustrate the lack of knowledge of the subject discussed by those indulging in such criticisms and denunciations. Furthermore, we are to have another bill, I hope, at the next session, and it is barely possible that good may come of the analyses and comparisons I have been making.

Again, Mr. Speaker, these charges seem to be based somewhat upon the idea that the people at home want the appropriations this House was endeavoring to make. Well, that is true, for the demand comes from every part of the country where navigable waters exist or may be created at reasonable cost. But why do the people demand them unless they think they will be benefited by the desired improvement? The money asked does not go into the pockets of the people, who can neither receive nor hope to receive any benefit from an appropriation of that nature except in the way of improved navigable waterways. There can be no other reason for this demand, and the very fact that the people near a waterway demand its improvement is a strong though, of course, not a conclusive argument in favor of Government aid in making the improvement, for the people might be and sometimes are mistaken. But even then they are in a better position to judge of the merits of a proposition for such work than is one coming into the Halls of Congress from some remote section who, never having seen the waterway, is totally unacquainted with its merits and possibilities. But in any event they are honest in their demands, and it ill becomes anyone, no matter how limited his knowledge or wide his information on the subject of navigable waterway development, to condemn their representatives as thieves and grafters in making an honest and an honorable effort to carry out their wishes.

Mr. Speaker, no better illustration of the truthfulness of the adage that "a little learning is a dangerous thing" could be furnished than is afforded by the denunciation of this bill by some of its critics. Knowing little of past river and harbor legislation, and less of the policy upon which it is based, they have perhaps unwittingly been led into grievous errors and have done some harm to that important class of Government work. But unless the history of the past fails to repeat itself, their success, if indeed it can be called such, will be short lived, for the people demand the improvement of their navigable waterways and will not be denied. Of course no one wants extravagance or the adoption of projects without merit, but in my judgment the House bill of this year was neither extravagant in amount nor vicious in any of the items contained in it. Some, of course, were more meritorious than others, but none that did not come clearly within the policy we have been pursuing for the last two decades. Not one but would if completed bring beneficial results commensurate with the cost of the work, not only to the people and the commerce in the immediate vicinity, but to those of the entire country. They all form a part of our great system of navigable waterways, now the greatest and soon to become the most perfect in the world unless the work of improvement which has been going on so satisfactorily for the past two decades is halted.

Think what it would mean to have all our more than 25,000 miles of inland waterways connected by an intracoastal system so as to afford even a barge traffic over each and all of these streams in order that freight, the products of this and foreign countries, could be carried from any one point to any other place in the country reached by a navigable stream, whether called a creek or a river. Think, if you can, how much it would add to the prosperity and happiness of the people. And all this can be furnished in a few years without excessive cost if the work is prosecuted on business principles and with a view to obtaining the best results with the money expended.

Mr. Speaker, there must be something captivating in magnitude and fascinating in largely multiplied numbers, for some of these critics while passing over in silence, or giving their indorsement to, projects costing millions, though affording no immediate promise of great commercial importance, will exhaust their vocabulary of denunciation and abuse in criticism of a small project costing only a few thousand dollars, but with perhaps a hundred times as much commerce, when the money to be expended is considered. Take, for instance, the seven small projects in North Carolina so severely criticized here and elsewhere. These works would only cost to complete about $80,000, and yet in advance of the proposed improvement they now accommodate a traffic tonnage of 235,000 tons, valued at $3,000,000. This is 3 tons of commerce—one year's traffic—for each dollar to be expended, with the promise of a largely increased tonnage in the future, while some large rivers passed over without notice or with little criticism, but costing tens of millions of dollars, only show a commerce of 1 ton for each two or three dollars expended in a given year, with the improvement extending over a long period of years. Now, I do not say that these large and more expensive improvements ought not to be made, for the most of them should. But the critic who sees nothing worth noting, either to praise or censure, in the larger, but everything to condemn in the smaller, is, to say the least, not a safe watchdog of the Treasury. [Applause.]

Mr. Speaker, I have no sympathy and little patience with the view expressed by some that these smaller waterways are so distinctly local that their improvement is not justified by the Federal Government. The claim is made that they are only used by a few, and that their improvement benefits a very limited number in the localities near the waterways.

Not only is the tendency to minimize the utility of the stream, but its dimensions as well. Even though it be a river of respectable proportions, it is designated by its would-be witty, if not reasonable, critics as a creek or a duck pond, dry half the year, the other half useless, and more susceptible to macadamization than of any other kind of improvement.

It is needless to say that, while this may be wit of a certain order, the claim in no instance has any foundation in fact. Not one, no matter what it is called—whether creek, slough, or river—but is a useful artery of commerce; not one but is national in its scope and, if improved, would bring results commensurate with the expenditures required for its improvement. Each one flows directly or indirectly into the ocean, where its commerce may become coastwise or foreign, or, upon being landed upon wharves reached by railroads, may be carried thence to any or all parts of the country, and often is so carried. Take the rivers in the State of Florida, for instance, whether designated in cheap witticisms as creeks or sloughs, not one but carries an important commerce, some foreign, some interstate, thus falling as completely under the commerce clause of the Constitution and becoming as distinctly national as if the stream flowed through half a dozen States and required millions to improve its bed and banks.

The changes have been rung on the word "creek," in connection with the legislation proposed in the House bill of this year, until one would think that the measure was made up of creeks and sloughs, and yet there were only 12 in all, costing the relatively small sum of $192,900 to complete, but accommodating a traffic of 644,664 tons valued at $26,905,739. Can anyone truthfully say that such streams are unworthy of Government aid? If they are not worthy, then our whole policy of river and harbor improvement—a policy based upon the greatest good to the greatest number and which we have been pursuing for the past 20 years—is wrong and vicious.

Mr. Speaker, the work of waterway development by the National Government has been going on for nearly a century. At first it was undertaken with caution, but with our activities in that direction growing and extending, until we have, with the work now under way, perhaps accomplished 75 per cent of that necessary to fit our navigable waterways for the service demanded of them. The most of this work has been done or authorized during the past two decades, we having appropriated during this period over $480,000,000 of the $750,000,000 appropriated for that class of work since the beginning of our Government. The increased activity of recent years has been the result of the liberal policy we have been pursuing since about 1894. For that policy the people alone have been responsible, as we have but reflected their wishes in our legislation here. Neither have the expenditures been unnecessarily wasteful nor the works undertaken lacking in merit, except, perhaps, in a few isolated cases. Indeed, by comparing the work for the improvement of our navigable waterways in this country with those abroad it will be seen that less waste has occurred here, with fewer vicious projects undertaken, than has been the case in foreign countries.

Now, on former occasions here I have undertaken to show that it will require less than a quarter of a century to complete the work yet remaining to be done to place our waterways in such a condition as that they may easily and readily meet the greatest demands of our rapidly growing commerce. Nor will the cost be as heavy as that borne during the past two decades, for while we have appropriated in those years upward of $480,000,000, it will, in my judgment, require less than $450,000,000 to complete all the remaining work, including that under way and that yet to be undertaken. Is it not, then, the part of wisdom to go on to the end under the policy that has brought such magnificent results in the past? To this I think there can be but one answer, and that an affirmative one. [Applause.]

Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a statement furnished by the Chief of Engineers, to which I referred some moments ago.

The SPEAKER pro tempore (Mr. SAUNDERS). Is there objection to the request of the gentleman from Florida? [After a pause.] The Chair hears none.

Mr. SPARKMAN. I presume it is not necessary to do so, but I reserve the balance of my time.

The statements referred to are as follows:

MEMORANDUM CONCERNING THE PRESENT STATUS OF CERTAIN RIVER AND HARBOR WORKS, AND PROBABLE EFFECT ON OTHERS, IN THE EVENT OF THE FAILURE OF THE PENDING RIVER AND HARBOR BILL.

JULY 11, 1914.

The estimates submitted by the Engineer Department in recent years have been submitted on the assumption that there would be a river and harbor act each year, the act to be passed during the long session becoming a law not later than June 30, and that passed during the short session to become a law not later than March 1. Every effort has been made to keep the estimates down to the amounts actually needed to permit of economical prosecution of the works adopted by Congress up to the dates mentioned, and by reason of the regular passage in the past four years of river and harbor acts, confidence that this policy would be continued has been gradually acquired; and not only the Engineer Department, but contractors engaged in furnishing materials or doing work under the department have acquired the same confidence, and have made their plans accordingly.

On account of lack of funds work is now suspended, or will shortly be suspended, on about one-third of the works provided for in the pending river and harbor bill. Should no act be passed at this session, the number of works suspended will be very considerably increased before an act could be passed at the next session of Congress. The suspension of work results not only in positive loss of time and possible interference with navigation, but seriously handicaps and greatly adds to the cost of future work by the disorganization of working forces, and the effect which it has upon the confidence of contractors supplying materials or doing work for the department.

A list is given herewith showing the present status of the work on a considerable number of river and harbor works. Of the works in urgent need of additional funds, attention is particularly invited to the following:

Boston Harbor, Mass., 35-foot channel: While money is on hand to pay all contract requirements for the completion of this channel, there are no funds available for the work of maintaining the completed portions. An estimate of $200,000 was submitted for this work and is carried in the pending bill, and it is very desirable that this amount should be made available at an early day.

Hudson River, N. Y.: This project was adopted in 1910 with a view to completion within a period of four years. Considerable delay was experienced in getting this project started, but the work is now well under way and should be prosecuted without interruption. Unless additional appropriations become available all work carried on with Government plant and hired labor must be suspended by July 15, or such a reorganization of the working force be made necessary as will tend to further delay the completion of the project and increase the ultimate cost. This project is in extension of the New York State Erie Barge Canal, and the lock and channel involved should be available by the time that canal is completed.

Delaware River between Philadelphia and the sea: The existing (35-foot) project is being prosecuted at the rate of over $1,000,000 a year. When the estimate for the current year was submitted it was prepared with the expectation that the appropriation would be made on or before June 30, 1914. Unless additional funds become available at an early day work with Government plant must cease and the present working force be discharged. Work under contract must also be reduced to a minimum in order to cover office expenses and care of plant until work shall be resumed under future appropriations.

Absecon Inlet, N. J., and Wilmington Harbor, Del.: The river and harbor act of 1912 authorized the construction of dredges for these two localities. These dredges will be completed within the next few months, but no funds will be available for their maintenance or operation until provided by Congress.

St. Johns River, Fla.: Unless further funds are provided work with Government plant as at present organized must be suspended about October 1 and the plant laid up or transferred to other localities.

Channel from Apalachicola River to St. Andrews Bay, Fla.: This project was adopted in 1910 and is now near completion, but work with Government plant has already been shut down for lack of funds, and further operations must await additional appropriations. An item of $65,000 for completion of this project is carried in the pending bill.

Black Warrior River, Ala., locks and dams: The pending bill contains an item of $750,000 for the completion of this project. Unless these funds become available at an early day work on Dam No. 17 must be suspended.

Southwest Pass, Mississippi River: No funds are available for purchase of stone for raising the jetties, and this important work must be held in abeyance until additional appropriation is made.

Mississippi River between the Missouri River and Minneapolis, Minn.: This project is being prosecuted with a view to completion within a period of 12 years from 1910, and the estimates are prepared with the understanding that additional funds will be made available on or before June 30 of each year. Part of the work with Government plant has already been stopped, and more will be suspended on July 15. In addition to the loss to the United States incident to the breaking up of the present working force, storage of plant, etc., failure to proceed with the work at this time will entail great hardship on the contractors on account of large quantities of materials gotten together by them on their own responsibility with a view to future contracts, relying on the declared policy of Congress in favor of an annual river and harbor bill.

Monongahela River, Pa.: Work of reconstruction of Lock and Dam No. 6 will be suspended by August 1 unless additional appropriation be made available prior to that date.

Ohio River, locks and dams: Suspension of work by hired labor on this project will be necessary at an early day, as well as postponement of beginning construction of additional locks and dams, unless further appropriations are made available for the prosecution of this project, which is to be completed within a period of 12 years.

Columbia River at The Dalles-Celilo Canal, Oreg.: Work on this project is practically closed, and, as the overhead charges there are high, it would be desirable to shut down immediately and entirely if it were not probable that the appropriation for completion of the work which is carried in the pending bill would become available at an early day.

Coos Bay, Oreg.: Unless funds become earlier available, work of dredging with Government plant will close down before August 1, thus losing a part of the most favorable season for work at this locality.

Columbia River, at the mouth, Oreg. and Wash.: Without additional funds, work on this project must cease about August 15. Suspension of operations in connection with this improvement must be regarded as most unfortunate. The life of the trestle used in dumping rock into the jetty is short at best, and in addition to being expensive in first cost requires heavy expenditures for its upkeep. Deterioration is as rapid when not in use as when work is in progress. Experience has shown that periods of idleness involve very large sums for restoration of plant and equipment and also increased quantities of rock on account of scour at the exposed end of the jetty. Uninterrupted operations are therefore essential to economy and the accomplishment of the best results. Any considerable delay at this time would greatly add to the cost of an already expensive project.

Columbia and lower Willamette Rivers below Portland, Oreg.: An expensive plant has been provided by Congress for use in cooperation with the port of Portland commission in securing and maintaining a 30-foot channel up to Portland. Unless funds are forthcoming this plant must be laid up about September 1.

Grays Harbor and Bar, Wash.: This project is similar to that at the mouth of the Columbia River. The work of repair and maintenance of the jetty trestle will be suspended August 1 unless additional funds are provided.

Mississippi River Commission: While work has not yet been suspended on the Mississippi River between Head of Passes and the mouth of Ohio River, a longer delay in providing additional appropriations will necessitate limiting the work of the commission to dredging and tend to exhaust all reserves for high-water protection works.

The remainder of the list is made up of works smaller in magnitude but perhaps relatively as urgent.

Memorandum showing present status of certain river and harbor works and condition at other localities in the event of the failure of the pending river and harbor bill.

Locality.	Status.
Boston Harbor, Mass., maintenance of 35-foot channel.	Work suspended for lack of funds.
Thames River, Conn.	Desirable maintenance dredging deferred from lack of funds.
New Haven Harbor, Conn.	Dredging will be suspended about Aug. 1.
Port Chester Harbor, N. Y.	No work in progress, due to lack of funds.
East Chester Creek, N. Y.	Do.
Westchester Creek, N. Y.	Do.
Tarrytown Harbor, N. Y.	Do.
Hudson River, N. Y. (day labor)	Part of the work must be suspended and the rest prosecuted under a less advantageous system.
Harlem River, N. Y.	Work will stop sooner or later this season.
Bronx River, N. Y.	Do.
Mamaroneck Harbor, N. Y., et al. in district.	Do.
Delaware River below Philadelphia, Pa.	Hired-labor work will be suspended at an early day and contract work be prosecuted at a minimum rate.
Cooper River, N. J.	Work now suspended for lack of funds.
Appoquinimink River, Del.	Do.
Raccoon Creek, N. J.	Work will be suspended in September.
Murderkill River, Del.	Work will be suspended in July.

Memorandum showing present status of certain river and harbor works and condition at other localities in the event of the failure of the pending river and harbor bill—Continued.

Locality.	Status.
Mispillion River, Del. (maintenance)	Work will be suspended in August.
Wilmington Harbor, Del	No funds available for operation of new dredge upon completion, about Jan. 1.
Absecon Inlet, N. J	Do.
James River, Va	Work will be suspended about September.
Trent River, N. C	Work suspended for lack of funds.
Swift Creek, N. C	Do.
Waterway, Pamlico Sound to Beaufort Inlet, N. C.	Do.
Cape Fear River, N. C.:	
Above Wilmington (maintenance)	Do.
Below Wilmington	Work will be suspended Sept. 1.
Charleston Harbor, S. C	Work now suspended.
Congaree River, S. C	Work can be continued 3 months.
Altamaha, Oconee, and Ocmulgee Rivers, Ga.	Hired-labor work will stop July 15.
St. Johns River, Fla.:	
Below Jacksonville	Hired-labor work with present plant will stop about Oct. 1.
Above Jacksonville	Work now suspended for lack of funds.
Clearwater Harbor–Tampa Bay Channel	Do.
Apalachicola River, Fla	Do.
Flint River, Ga	Do.
Chattahoochee River, Ga. and Ala	Do.
Channel, Apalachicola River to St. Andrews Bay, Fla.	Do.
St. Andrews Bay, Fla	Do.
Choctawhatchee River, Fla. and Ala	Do.
Escambia and Connecuh Rivers, Fla. and Ala.	Hired-labor work will stop July 31.
Alabama River, Ala	Do
Apalachicola Bay, Fla	Work suspended for lack of funds.
Gulfport Harbor, Miss	Do.
Mobile Bar, Ala	Do.
Channel from Mobile Bay to Mississippi Sound, Ala.	Do.
Tombigbee River, Ala. and Miss	Work will suspend in about a month.
Mobile Harbor, Ala	If available, funds are used for Locks 2, 3, and 16; work on Lock 17 must suspend about Sept. 1. If funds are used to keep work going on Lock 17, work on Locks 2 and 3 must be suspended, interrupting navigation completely and dams not properly protected. Suspension of work may lead to great loss or damage.
Black Warrior River, Ala	Work now suspended for lack of funds.
Bayou Terrebonne, La	Do.
Bayou Grossetete, La	Work will suspend Nov. 1.
Bayou Teche, La	Work will suspend Aug. 15.
Bayou Plaquemine Brule, La	Open-channel work suspended.
Trinity River, Tex	Maintenance work suspended.
Cypress Bayou, Tex. and La	Work will be suspended about November.
Red River above Fulton, Ark	Maintenance work suspended about Aug. 15.
Red River below Fulton, Ark	Work will be suspended about October.
Trinity River, Tex. (locks and dams)	Do.
Sabine Pass, Tex. (maintenance)	Work now suspended.
Texas Coast Waterway:	Funds exhausted; redredging needed before next year's bill.
Guadalupe River	Funds exhausted; redredging needed before next year's bill.
Aransas Pass to Pass Cavallo	Do.
Brazos River to Matagorda Bay	Do.
West Galveston Bay to Brazos River	Work will be suspended Aug. 31.
Aransas Pass to Corpus Christi	Work will be suspended Sept. 30.
Brazos River:	Open-channel work now suspended.
Lock No. 1	Do.
Lock No. 8	Work now suspended.
Ouachita River, La. and Ark	Work will be suspended about Sept. 15.
Yazoo River, Miss	Work now suspended; very important; low-water period being wasted.
Big Sunflower River, Miss.:	Work now suspended for lack of funds.
Open-channel work	Do.
Lock and dam	Do.
Ouachita River, Lock 3	Do.
White River, Ark	Do.
Cache River, Ark	Only half force working; suspend Sept. 1.
Current River, Ark. and Mo	Without further funds; will suspend Dec. 1
Black River, Ark. and Mo	Work already cut down one-half; will suspend all work except dredging Aug. 1.
St. Francis River, Ark	Day labor on dams and shore protection already suspended; all day-labor work including dredging must shut down July 15. No funds for care of plant and office expenses after Aug. 15. Failure to proceed will entail great hardship to contractors on account of materials gotten out for future work on their own responsibility.
Arkansas River, Ark. and Okla.:	Must suspend about November.
Snagging	Already suspended.
Dredging	Work will be suspended by November.
Mississippi River:	Work will be suspended by September.
Ohio to Missouri River	Work now stopped by lack of funds.
Missouri River to Minneapolis	Day-labor work already suspended.
St. Paul to Minneapolis	
Brainerd to Grand Rapids	
Missouri River:	
Kansas City to Sioux City	
Sioux City to Fort Benton	
Gasconade River, Mo	
French Broad River, Tenn	

Memorandum showing present status of certain river and harbor works and condition at other localities in the event of the failure of the pending river and harbor bill—Continued.

Locality.	Status.
Tennessee River, below Riverton, Ala	Day-labor work will be suspended in 2 weeks.
Ohio River, Dam 39	Hired-labor work must suspend July 31.
Ohio River	Hired dredges must be released Sept. 1.
Pittsburgh Harbor	Maintenance work suspended.
Monongahela River, Dam 6	Day-labor work will be suspended Aug. 1.
Ohio River, locks and dams:	
Dams 12, 14, 19, 20	Contracts for movable parts must be deferred.
Dam 15	Work suspended in incomplete state Jan. 1.
Dam 26	Work suspended Sept. 1.
Dam 28	Work suspended Aug. 1.
Dams 21 and 22	Work can not be started.
Dam 43	Work will be suspended Sept. 30.
Ontonagon Harbor, Mich	Work suspended.
Agate Bay, Minn	Work will be suspended July 15.
Keweenaw harbor of refuge, Mich	Work can not be resumed.
Two Rivers Harbor, Wis	Work will be suspended Aug. 1.
Racine Harbor, Wis	Do.
Fox River, Wis	Work will be suspended Aug. 10.
Michigan City Harbor, Ind	Funds needed immediately for repairs and dredging.
South Haven Harbor, Mich	Work suspended awaiting funds for maintenance.
Ludington Harbor, Mich	Do.
Muskegon Harbor, Mich	Work will be suspended about Aug. 1.
Harbor Beach harbor of refuge, Mich	Repair work important; no funds available.
Toledo Harbor, Ohio	No funds available for maintenance; funds for contract dredging will be exhausted in September.
Huron Harbor, Ohio	Maintenance dredging prevented by lack of funds.
Charlotte Harbor, N. Y	Work suspended for lack of funds.
Los Angeles Harbor, Cal	Dredge will be laid up Jan. 1; funds needed to remove silting in East Basin.
Humboldt Bay, Cal	Work will be suspended Aug. 1.
Sacramento and Feather Rivers, Cal	Work will be suspended Jan. 1.
Coos Bay, Oreg	Work will close down before Aug. 1; bar dredge losing most favorable season for work.
The Dalles-Celilo Canal, Oreg	Work practically closed; overhead charges high.
Willamette River:	
Portland to Oregon City	Operations are suspended.
Above Oregon City	Operations will be suspended about Sept. 15.
Clatskanie River, Oreg	Operations are suspended.
Cowlitz River, Wash	Do.
Lewis River, Wash	Work will be suspended about Aug. 15.
Columbia and Lower Willamette Rivers, Oreg. and Wash.	Work will be suspended about Sept. 1.
Columbia River, jetties at mouth	Work will be suspended about Aug. 15.
Columbia River, Bridgeport to Kettle Falls, Wash.	Work now suspended for lack of funds.
Grays Harbor and Bar, Wash	Work will be suspended Aug. 1.
Grays Harbor and Chehalis River, Wash.	Work delayed on account of lack of funds.
Mississippi River Commission	Failure of bill will necessitate limiting work to dredging and would exhaust all reserves for high-water protection works.

Mr. HUMPHREY of Washington. Mr. Speaker, I offer the following amendment, and ask to have it read for the information of the House.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Page 6, line 11, after the word "of," strike out "$20,000,000" and insert "$5,000,000."

[Applause.]

Mr. HUMPHREY of Washington. Mr. Speaker, I offer another amendment, practically in the nature of a substitute, that I ask to have read at this time.

The SPEAKER. The amendment will be reported.

The Clerk read as follows:

That the sum of $5,000,000 be, and the same hereby is, appropriated, out of any moneys in the Treasury not otherwise appropriated, to be immediately available and to be expended under the direction of the Secretary of War and the supervision of the Chief of Engineers, for the preservation and maintenance of existing river and harbor works: *Provided*, That allotments for maintenance from the amount hereby appropriated shall be made by the Secretary of War upon the recommendation of the Chief of Engineers: *Provided further*, That allotments for the maintenance of the Mississippi River from the Head of Passes to the mouth of the Ohio River shall be expended under the direction of the Secretary of War in accordance with the plans, specifications, and recommendations of the Mississippi River Commission as approved by the Chief of Engineers: *And provided further*, That at the beginning of the next session of Congress a special report shall be made to Congress by the Secretary of War showing the amount allotted under this appropriation to each work of maintenance.

Mr. HUMPHREY of Washington. Mr. Speaker, I ask that I be notified at the end of 15 minutes.

I am opposed to the Senate amendment for this reason, among others, that it takes away from Congress the power of saying where this money shall be expended and places it entirely in the

control of the Government engineers. When the original river and harbor bill was being discussed in this House and while it was being discussed in the body at the other end of the Capitol, a constant criticism was made that the Government engineers had been unduly influenced or that they were incompetent or that they were biased in their judgment, and that the committees had been influenced in making up the bill by the report of the engineers, and that that influence was what had made the bill largely what was termed a "pork-barrel" proposition.

Now that criticism of the engineers, I think, is entirely unjust. [Applause.] From my experience with the engineers I believe that they are a competent body of men, and I am certain that they are as high-minded and honest as any men in this country. [Applause.] I have never seen the slightest indication to justify any of the criticisms in regard to the engineers, except, of course, in some cases where it was a matter of judgment. Like all other men, they make mistakes in that regard. But criticism of the engineers was the foundation for the criticism of this bill. Yet when it comes back from the Senate we find that those distinguished gentlemen who had been criticizing the engineers finally succeeded in sending it back here with a lump sum of $20,000,000, leaving that to be apportioned entirely by the engineers and take away all control over these expenditures by Congress. If ever there was a "pork-barrel" proposition brought before the Congress, it is this Senate amendment. The "pork" has not been taken out of this bill, if there was any in it at the beginning. It simply has been cut in two, and they come now and ask us to stultify ourselves—we, the members of the committee—and admit that we have been guilty of what they term a "pork-barrel" poposition; that we have been guilty of trading with each other; that we have recommended projects that were unworthy; and ask us to confess that we were trying to loot the Treasury and that we are still willing to take 50 cents on the dollar if we can not get any more.

Mr. TREADWAY. Will the gentleman yield?

Mr. HUMPHREY of Washington. Yes.

Mr. TREADWAY. If it is just cut in two, will it not be more available if it is designated as to the places where it is to be used?

Mr. HUMPHREY of Washington. On the other proposition, if the House bill was grand larceny, this is petty graft; and as between the two I would rather have the dignity of stealing a larger sum.

Mr. McKELLAR. Will the gentleman yield?

Mr. HUMPHREY of Washington. Not just at this moment, but later on.

The proposition they make is this, and this is the main reason why I am opposed to this bill. Remember that if there was a bad proposition in the House bill or in the Senate bill, it is still there. Not a single proposition has been eliminated from the expenditure of this money. The only difference is that the bad proposition and the good proposition may each get 50 cents instead of a dollar. We have simply cut the proposition in two. But the worst feature of this proposition is this: We propose now to throw the whole matter into a lump sum, and then the man that has the most influence will get the biggest chunk of pork. And they ask self-respecting men on that committee to approve of a proposition of that character. They propose to take the $20,000,000 and place it in a lump sum, and then place it where the man that can bring the most influence on the engineers will get the most money. I say that it is unjust and is unfair to those engineers, who, to a certain extent, hold their positions by favor of Congress. That is, they are in a position where, at least, they can be greatly annoyed; perhaps greatly injured. This $20,000,000 is not sufficient to take care of half of the propositions in this country, and placing upon the engineers the responsibilities under political pressure that will come of deciding as to where that money shall be expended is unjust and dangerous. It is well understood, because the proposition has been talked about—and I am violating no confidences—that certain members of the committee of another body that wanted $20,000,000 as a matter of economy, and are willing to reduce it to that amount, are not willing that Congress shall say where it should be expended. If there were any bad items in the bill, they should be cut out; if there were any items that ought not to be allowed, let those be taken out of the bill. But when these propositions were submitted, the only answer is that it must be a lump sum or else it would never pass the Senate. Well, for one, if we are to be placed in a position where we must stand up and confess that we are not competent to draw a bill, that we are not competent to be trusted with legislation, that we must turn the matter over to the other body in a lump sum in order that they may fight over it and see who shall get the most of it, I am willing here and now, before I consent to such a proposition as that, to resign my place upon the Rivers and Harbors Committee, because we have no longer any reason for our existence. [Applause.]

Now, we have offered an amendment here to reduce it to $5,000,000, and I will tell you why. Because that will take care of the maintenance; that will take care of and prevent any destruction of Government property.

Mr. SPARKMAN. Will the gentleman permit an interruption? I just want to say that $2,000 000 will do that.

Mr. HUMPHREY of Washington. Oh, yes; $2,000,000 will do that; $2,000,000 will take care of the maintenance, strictly speaking, but $2,000,000 will not cover all the expenditures that ought to be made in order to prevent the Government from suffering injury.

For illustration, take the $2,700,000 strictly for maintenance. I will give the gentleman an illustration. Under this beautiful proposition that has come back from the Senate you take the work that is going on at the mouth of the Columbia River, which, fortunately, is not in my neighborhood and does not in any way affect me politically. They have their railroad tracks there. They have their buildings assembled. They have a force of five or six hundred men, or had when I was there a year ago. They have their machinery. Now, under this proposition that whole matter stops. We want, in addition to maintenance, sufficient to protect that plant and protect that work until we can get sufficient money to continue it.

And in view of the fact that this pressure has been brought to cut this bill in two, because of the plea that has been made, not openly, but underneath the surface, that the war abroad has brought on a condition where we must economize, if we are going to economize and cut some propositions and stop work on part of the river and harbor projects of this country in the name of economy, why not treat all alike and economize by stopping work on all of them? [Applause on the Republican side.] Why not stop all constructive work, if we are going to stop part, and simply provide sufficient money to protect the projects from deterioration?

We are told that the river and harbor appropriations shall be cut in two so that we can economize, so that we will not have to tax the people $105,000,000 more. Yet, following after this bill, we are to have a ship-subsidy bill, and a ship-subsidy bill brought in by a Democratic majority—a ship-subsidy bill that proposes to subsidize ships built in foreign yards by foreign cheap labor, officered by foreigners, and manned by Chinese.

They propose to subsidize that kind of shipping. They have gone far beyond what any Republican ever advocated. I presume that I have been as persistent an advocate of ship subsidies as any man in the United States, but the Democratic proposition is far too much for me. If it comes to a time when, in order to get a merchant marine, we must buy foreign ships, built by foreign cheap labor and manned by foreigners and then subsidize them, I am unwilling to pay the price. [Applause on the Republican side.]

Then, we are talking about economy and must keep down the rivers and harbors bill and can not take care of the great improvements of our country in the interest of commerce, and yet there is standing back in the shadow a treaty whereby $25,000,000 of the people's money is to be taken and paid to Colombia to mollify her feelings because we refused to be blackmailed by that country. Now, I wonder how much sincerity there is on this side of the House when you go to talking economy, when it comes down directly to your own propositions. I have seen men on that side of the House for the last 12 years standing up and orating against subsidies, but I never saw one, either upon that side of the House nor one on this side of the House, that ever voted against a proposition to expend money in his own district. And I am going to give you gentleman a chance to show whether you are in favor of it now. I have discovered, since I have been a Member of this House, that the difference between "a subsidy" and "a wise expenditure of the public money" depends upon who gets it. [Applause on the Republican side.]

Mr. Speaker, I reserve the rest of my time, unless somebody wants to ask me a question.

Mr. JOHNSON of Washington. Mr. Speaker, I would like to ask my colleague a question, if he will permit.

Mr. HUMPHREY of Washington. Certainly.

Mr. JOHNSON of Washington. Would not the expenditure of $20,000,000 as a lump sum by the Board of Engineers result in extreme criticism and the discrediting of that board after the expenditure, no matter how well they tried to expend it?

Mr. HUMPHREY of Washington. Yes. Let me answer that by giving my colleague a few of the facts, without mentioning any names. The reason why this lump-sum proposition is here—and I speak advisedly—is because certain distinguished gentlemen could not agree upon how it was to be divided, and

they did agree to throw it all into a pot and take their chances on getting what they thought was their part afterwards. That is the truth about it, and that is the reason why we have a lump sum here, instead of dividing it. The very moment they attempt to parcel out this $20,000,000, then trouble commences, because every man wants his project taken care of. You can imagine what this is going to lead to when you appropriate this $20,000,000 in a lump sum. It will not be on the statute books 15 minutes before the engineer's office will be crowded with Senators and Representatives demanding that their projects, at least, be taken care of. It is the most disgraceful proposition that has ever been submitted to Congress since I have been here. [Applause on the Republican side.]

Mr. SPARKMAN. Mr. Speaker, I yield five minutes to the gentleman from Missouri [Mr. RUSSELL].

The SPEAKER pro tempore. The gentleman from Missouri [Mr. RUSSELL] is recognized for five minutes.

Mr. RUSSELL. Mr. Speaker, I am deeply interested in this bill, because my constituents are interested in it, and also because I recognize that it is one of very great importance to the transportation interests of the country. It is generally confessed to-day that water transportation is the cheapest known to commerce, and the improvement of inland waterways is one of the most important questions of the age. It was believed that this bill as it passed the House would do very much to promote the cause of transportation and of commerce over the waterways of this country, and I, with many others in the Mississippi Valley, am greatly disappointed by the action of the other branch of Congress in adopting this amendment.

Like the gentleman from Washington [Mr. HUMPHREY], who has just spoken, I regret exceedingly that the Senate has seen fit to reduce this appropriation from $53,000,000 to $20,000,000, but I do not fully appreciate his logic when he objects to the reduction from $53,000,000 to $20,000,000 and then seeks to further reduce it by offering an amendment proposing to place it at $5,000,000. I agree with him that I would much prefer that Congress should control the allotments of this money rather than that it should be done by the Secretary of War and the Government engineers. Still I am for this bill now, because I understand from the chairman of the committee and from other sources of information that it is a question of this bill or no bill at all at this session of Congress. Moreover, I have confidence in the ability and judgment of the Government engineers, and believe that they will place the money where most needed and where it will do the most good.

In the district where I live, with five counties bordering upon the Mississippi River, the matter of water transportation is one of the very greatest importance, and especially to-day, since the Panama Canal is completed, as we hope in the early future to see the products of the soil and of the factory in that section loaded upon ships that will carry their cargoes to all the markets of the civilized world without change. While these appropriations are made, as I understand and appreciate, for the purpose of improving the channels of the rivers and for the purpose of navigation, still there are incidental benefits of very great importance that our country appreciates and that are of great value to my constituents.

The country in which I live is sometimes overflowed, and in the last two years we have had floods from the Mississippi River which were unprecedented in the history of this country that destroyed property worth many millions of dollars. I understand that levees are not constructed exclusively for the purpose of protecting property, but primarily to aid navigation; still they do protect the flooded country from these annual overflows and are of incalculable value to the thousands of citizens who reside behind them. There are growing cities of great importance and wealth that are sometimes menaced by caving banks, and revetment of the river banks in many cases is proper and important. I regret that the $20,000,000 carried in this bill seems to be all we can get at this session of Congress, but I realize that it is only a short time, only a little more than two months, until the next regular session of Congress will convene, and I have every reason to hope that this amount will take care of the most important improvements now required until Congress shall convene in regular session in December. So in supporting this bill to-day it is not as a matter of choice, as between the bill originally passed by the House and this bill, but it is because it seems to be the only bill that can be passed at this session of Congress, and as such I heartily approve it and support it. [Applause.]

Mr. SPARKMAN. Will the gentleman from Iowa [Mr. KENNEDY] use some of his time now?

Mr. KENNEDY of Iowa. Mr. Speaker, I yield 10 minutes to myself.

I regret that I can not vote with the majority of the committee to concur in the Senate amendment to the rivers and harbors bill. While I believe in river and harbor improvements as a general proposition, we are confronted at this time with a condition in the country brought about by the falling off of the revenues that calls for the practice of the most rigid economy in governmental expenditures.

The Senate amendment provides that a lump sum of $20,000,000 shall be appropriated, to be expended under the direction of the Secretary of War and the supervision of the Chief of Engineers, for the preservation and maintenance of existing river and harbor work and for the prosecution of such projects heretofore authorized as may be most desirable in the interest of commerce and navigation and most economical and advantageous in the execution of the work. The amendment cuts out all new projects provided for in the House bill and eliminates the surveys authorized in that measure. You will notice there is no limitation in the amendment on the amount that may be allotted to any project, the only condition being that the project on which the money is to be expended must have been previously authorized. It leaves the whole matter in the discretion of the Secretary of War and the Chief of Engineers as to the amount that shall be spent on the various works now being prosecuted. If there is any ground for the criticism made of the Engineer's Office in another body, this amendment would only accentuate it, for under its provisions the engineers can allot any sum to any project which has been authorized up to the amount necessary to complete the project.

Now, I am opposed to large lump-sum appropriations for any department of the Government, for I believe such a policy breeds extravagance and is inimical to the economical administration of governmental affairs. [Applause on the Republican side.] Now, what will happen in case this amendment is agreed to and the bill becomes a law in its present form. The Engineer's Office will be overwhelmed by requests from Members of Congress and organizations in localities that are interested in works that are now being prosecuted for more liberal allotments than the urgency of the work being carried on would merit, and sufficient pressure will be brought to bear in some cases to allot sums from this fund to projects where it is not most urgently needed in the interest of navigation. I am opposed to this amendment because I do not believe such a large sum is needed at this time. How was the amount of $20,000,000 arrived at as being the necessary amount to carry on the work until the funds of the next rivers and harbors bill should become available? Was there any investigation made on the part of the Engineer's Office to ascertain the amount that would be required to tide over the work for the few months until the next bill becomes a law? There was not; in fact, the engineers are quoted as saying that it would require some three weeks to acquire sufficient data to tell just what amount was needed. If the policy of yearly bills is to be continued, the next one must become a law before the 4th of March, and as amounts carried in the rivers and harbors bills are available from the time the bill becomes a law the next bill will provide funds in ample time to resume work early in the spring, which bill can be made up based on accurate data furnished by the Engineer's Office.

Mr. MOORE. Will the gentleman yield for a question?

Mr. KENNEDY of Iowa. I yield to the gentleman from Pennsylvania.

Mr. MOORE. Does the gentleman think that the appropriation of $20,000,000 at this time will lead to the expenditure of money in certain sections of the country, by reason of the fact that frost and ice will prevent any work being done in other sections of the country?

Mr. KENNEDY of Iowa. I think so. Conditions in the Northern States are such that navigation closes about the middle of November, and after this money is allotted it will be impossible to accomplish anything on any project where the climate is rigorous.

Mr. MOORE. If the $20,000,000 is appropriated speedily, and the engineers get to work speedily, as they undoubtedly will, they will be able to finish up certain projects in sections of the country that are not subjected to climatic rigors, so that at least some work could be done in those parts of the country before the season closes.

Mr. KENNEDY of Iowa. Yes; some work could be done in those places. But take the case of the upper Mississippi. Work has been suspended there already, crews laid off, and fleets laid up. Now, by the time this money is allotted there will not be more than 15 or 20 days before navigation closes, and they can not accomplish anything to speak of in the northern part of the country this season.

Mr. MOORE. Then during the months of November, December, January, February, and March, in the judgment of the gentlemen, there would be very little work done in the Northern States. Is that the gentleman's idea?

Mr. KENNEDY of Iowa. I think little, if anything, could be done.

Mr. MOORE. Then is it the thought of the gentleman that the bulk of the money would go into States that are not affected by these climatic conditions and rigors?

Mr. KENNEDY of Iowa. I should think if the money is to be expended before the money in the next appropriation bill is available, it will necessarily have to be expended largely in terr' ory not affected by winter conditions.

Mr. SPARKMAN. Mr. Speaker, will the gentleman permit an interruption?

Mr. KENNEDY of Iowa. Certainly.

Mr. SPARKMAN. The gentleman does not consider, however, that that would be an objection to appropriating a sum of money to be expended by the engineers? In other words, I do not suppose his objection to the lump sum is based upon the idea that there might or would be frost in one section and none in another?

Mr. KENNEDY of Iowa. I have stated heretofore two or three of my reasons that were not along that line. But we have a right to expect equal treatment to all parts of the country.

Mr. SPARKMAN. Of course the gentleman understands that there could not be equal treatment if conditions would not permit work to be carried on in northern latitudes during the winter months. I want to add that none of us here in the House, neither the chairman or other members of the Committee on Rivers and Harbors, are responsible for the fact that this work has not been going on during the time of the year when the money could have been properly and judiciously expended on projects in more northerly latitudes.

Mr. KENNEDY of Iowa. But the condition exists, and the money would be chiefly expended in the South.

Mr. SPARKMAN. In other words, I do not think sectionalism should enter into the matter at all, and I hope it may not.

Mr. MANN. It has.

Mr. KENNEDY of Iowa. Now, it is contended that great loss will ensue to the Government if this sum is not provided at this time.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. KENNEDY of Iowa. I yield to myself five minutes more.

The SPEAKER pro tempore. The gentleman is recognized for five minutes more.

Mr. KENNEDY of Iowa. I do not believe that any great loss would be sustained if this bill should fail to pass. It has been generally understood for months that no rivers and harbors bill would pass at this session of Congress, and members of the committee joined in this belief. Now, when there is a probability that no additional funds will be provided, or rather that the rivers and harbors bill will fail of passage, before the funds are completely exhausted in the various districts a sufficient amount is set aside to keep intact the organization, so there will be no delay in resuming work when additional funds are provided.

It is claimed that contractors who engage in river and harbor work will sustain losses if this bill does not pass. As the law prohibits the engineers from entering into contracts for river and harbor work unless the funds are available to pay for same or the contract is authorized, in which case it is carried in the sundry civil bill; so that no work can be contracted for unless funds are on hand or in sight at the time the contracts are entered into. So that contractors would not be affected on any work being prosecuted at this time. I take it that they have felt as we have felt—that there would be no rivers and harbors bill at this session and have "trimmed their sails" to meet such a contingency.

The House bill was passed on March 26 and went to the Senate, where it remained for six months waiting action by that body. The bill was before the Senate practically the whole time that river and harbor work could be carried on in the northern part of the country. Take the upper Mississippi, where I am somewhat familiar with conditions. Part of the work was suspended early in the summer owing to a lack of funds, and for some time the fleets which have had this work in charge have been laid up and the crews scattered so that it would be absolutely impossible by the time it could be arranged to resume work to accomplish anything this season, because navigation closes about November 15; and if this bill should pass it would not be possible to do anything on the upper Mississippi River project and no funds would be required to carry them over until the next rivers and harbors bill becomes a law. I take it that the condition on the upper Mississippi is typical of conditions in the Northern States, where very little work could be done even if we should provide the twenty millions contemplated in this amendment.

It seems to me if a war tax is to be levied to raise a hundred millions of dollars that we should retrench in every way possible, and that here is an opportunity to practice it. [Applause on the Republican side.] I do not believe the country will approve of appropriations that are not absolutely necessary and that can be very well postponed until some future time.

The proposed war tax at 2 cents per gallon will mean a yearly burden on the people of the State, which in part I have the honor to represent, based on the consumption of gasoline in the State for the past year, of $1,500,000, and that is only taking into consideration the increase of 2 cents per gallon, which is the amount of the tax levied, and in all probability the increase to the consumer will be even greater than that amount.

Iowa has some 200 more banks than any State in the Union, and under the proposed war tax the capital stock and surplus of these institutions will also be taxed. Our people will also be taxed under almost every other provision of the war-tax bill. I do not believe the people of my State or the people of the country will approve of this appropriation of $20,000,000 at this time without any data on which to base it, and I shall vote for the amendment proposed by the gentleman from Washington for an appropriation sufficient to maintain the work which is now being prosecuted, and which I believe is all that is necessary to be done at this time.

I yield back the remainder of my time.

Mr. HOBSON. Mr. Speaker, I ask unanimous consent, for two minutes, in which to place before the House two telegrams that I have received.

The SPEAKER pro tempore. The gentleman from Alabama asks unanimous consent for two minutes to place before the House two telegrams.

Mr. SPARKMAN. Reserving the right to object, I want to ask if that will come out of the time allotted here to-day?

Mr. MANN. The gentleman can only get time by having it yielded to him.

Mr. HOBSON. I will ask each of the two gentlemen to give me one minute.

Mr. MANN. I suggest that the gentleman ask it from his own side of the House.

Mr. SPARKMAN. I yield one minute to the gentleman from Alabama.

The SPEAKER pro tempore. The gentleman from Alabama is recognized for one minute.

Mr. HOBSON. Mr. Speaker, I desire to place before the House two telegrams protesting against the emergency revenue bill. They are as follows:

LAWRENCEVILLE, ILL., *September 26, 1914.*

Hon. RICHMOND P. HOBSON,
Washington, D. C.:

Southern Illinois conference of 225 pastors of 50,000 Methodists voted unanimous protest against Underwood liquor revenue increase.

WILBUR H. THIRKELD.
Bishop J. C. KIMSON, *Secretary.*

—

PORTLAND, OREG., *September 25, 1914.*

Hon. RICHMOND P. HOBSON,
House of Representatives, Washington, D. C.:

The Oregon Methodist Episcopal conference, in annual session assembled and representing a constituency of over 50,000 citizens of Oregon, do earnestly protest against the passage of the Underwood bill to add increased revenue tax on beer and domestic wines, thus making the Government more dependent upon liquor revenues and thereby increasing the power of the liquor interests in national affairs. We sincerely call upon all Oregon Congressmen and Senators to use their utmost endeavors to secure the defeat or radical amendment of this bill.

RICHARD J. COOKE.
Presiding Bishop of the Oregon Conference.
C. C. RARICK, *Secretary.*

Mr. SPARKMAN. Mr. Speaker, I yield to the gentleman from Maryland [Mr. LINTHICUM].

[Mr. LINTHICUM addressed the House. See Appendix.]

Mr. SPARKMAN. Mr. Speaker, I yield to the gentleman from Florida [Mr. WILSON].

[Mr. WILSON of Florida addressed the House. See Appendix.]

Mr. SPARKMAN. Mr. Speaker, I yield five minutes to the gentleman from Missouri [Mr. BORLAND].

Mr. BORLAND. Mr. Speaker, I have been very much interested during my entire career in the improvement of inland waterways. I believe that in such a country as ours, with a great inland commerce and a vast extent of inland region remote from the seaboard, transportation is our greatest problem.

[Applause.] It will, I think, always be the greatest problem of this great Nation.

I regard the improvement of inland waterways as one of the great means of solving the problem of the constant pressure upon the transportation facilities of this Nation. I regret to see a wholesale attack made on the river and harbor bill prepared by a committee of this House on the ground that it is a pork-barrel measure designed purely to loot the Public Treasury in the interest of the private political fortunes of some of the Members. I should much prefer to have seen, and would have had much more confidence in the attack made on the bill, if the gentlemen could have pointed out and eliminated in the interest of the public the measures that they claim were unworthy in that bill. [Applause.]

I confess that it is only with the utmost regret that I shall vote for the Senate amendment to the river and harbor bill. I would not do it under any other circumstances than the circumstances that now present themselves. These circumstances are that projects have been authorized by the Rivers and Harbors Committee of this Congress; that these projects have been adopted with the consent of Congress, work begun upon them, and that work has come to a standstill because of the delay and failure of Congress to provide the necessary means.

In this situation the only solution with which we are confronted is either a wholesale cessation of the work or a lump sum placed at the disposal of the River and Harbor Board of the War Department. Of these two evils there can be but one choice, and for those interested in the permanent and continuous development of our inland waterways that is to choose the lesser of the two evils and accept a lump-sum appropriation placed in the hands of the board of engineers.

I hope Congress will never be confronted with that situation again, but will understand before a river and harbor bill is taken up in the future that the projects are to pass under the watchful eye of the representatives of the people, and that we are not to be confronted with another lump-sum appropriation. I am as much opposed to lump-sum appropriations as is the gentleman from Washington, and I can only conceive of their being acceptable to this House as a temporary expedient to tide over an emergency in which we now find ourselves.

I represent a project in the river and harbor bill which I not only regret, but resent hearing classed in a wholesale denunciation as a pork-barrel bill. I want to say to this House that I intend to put in as a part of my remarks a statement by men actively engaged in transportation on the Missouri River from Kansas City to St. Louis showing that 3,000 tons of freight are to-day moving down that river every month, and of that 3,000 tons of freight 65 per cent of it consists of wheat and flour. [Applause.] That shows that this is no pork barrel, but, if anything, that it is a great bread basket, for the improvement of that river has done what its friends said it would. It has opened up the granary of the West, has taken the farmers' wheat and the flour made from it and has provided the facilities by which it goes out to the Gulf for shipment to the Atlantic seaboard. The 3,000 tons of freight going down the Missouri River monthly is the direct product of the farms of the West and mills in the small towns of Missouri and Kansas. That transportation line on the Missouri River to-day is refusing to take tonnage of freight at St. Louis because its equipment has not kept pace with the demand for transportation facilities on that river. Under these conditions I resent the wholesale denunciation of the river and harbor bill as a pork-barrel measure.

Mr. EDWARDS. Will the gentleman yield?

Mr. BORLAND. Certainly.

Mr. EDWARDS. Has not the improvement of the Missouri River greatly reduced the freight rates on the railroads on all classes of freight?

Mr. BORLAND. I will say this, that the freight rates on the traffic actually carried is 80 per cent of the railway rates, and that 80 per cent absorbs the switching charges at terminals, so that it is a net saving to the shipper of 20 per cent. There has been a reduction from Mississippi River points and from Chicago to southern Kansas and Colorado, based partly on the improvement of facilities for water transportation, but there has been no general reduction in the local freight rates on the river, because the volume of traffic has more than kept pace with the facilities for transportation.

The statement referred to above is as follows:

KANSAS CITY, MO., *June 4, 1914.*

PROJECT.

The Kansas City Missouri River Navigation Co. has a capital of $1,202,000, subscriptions payable on the installment plan; slightly over $1,000,000 paid in to date. The capital is divided into $2,000 common stock and $1,200,000 preferred, the common stock having full voting power and being owned in equal amounts by the 13 directors.

Printed copy of articles of association attached explains nature of corporation.

FLOATING EQUIPMENT.

Two towboats, 7 cargo box barges, and 1 packet and passenger steamer, all having steel hulls and the barges being steel throughout, absolutely fireproof, and all hulls having water-tight compartments for purposes of safety. Total horsepower of boats, 1,900; total carrying capacity of barges, 5,400 tons.

TERMINAL EQUIPMENT.

At the Kansas City terminal the city has provided a modern municipal wharf and warehouse, with mechanical freight devices; cost, $75,000. Wharf is 526 feet long and 50 feet wide; warehouse 306 feet long and 40 feet wide, of steel mill-building construction, cement on metal lath, rubberoid roof, wharf and warehouse served by switch track to facilitate interchange of freight between water and rail.

At East St. Louis the company owns warehouse and wharf of modern design, equipped with modern freight-handling device, and served by switch track connected with all lines entering East St. Louis and St. Louis. For repair and quartering of boats the company has a shipyard at the mouth of the Kansas River, Kansas City, Kans., and one at the mouth of the Gasconade River, Gasconade, Mo.

OPERATIONS.

The packet steamer *Chester* carries passengers and freight between Kansas City and St. Louis, also serving the local points.

The towboats *A. M. Scott* and *Advance*, tow barges, carrying freight between Kansas City and St. Louis, operating night and day on the uptrip and daylight only on the down trip. Night operating downstream may safely be done when in improved stretches of the river, where the dangers of shifting channels are obviated.

Freight upstream averages 65 per cent third class and higher, the remaining 35 per cent being lower than third class. This is a very high average, and we do not know of any transportation company whose records will show equally good. This freight consists largely of dry goods, pianos, notions, hardware, groceries, steel and wire products, furniture, window and plate glass (in large quantities), chemicals, queensware, druggists' sundries, etc.; in fact, almost as varying as rail movement.

Downstream freight consists of export flour and grain products, live-stock, and miscellaneous manufactured articles.

Our experience as to loss and damage claims shows about one-fourth in amount compared to a relative rail movement.

Most of the westbound freight comes to us in carloads from eastern lines, direct to our dock, where it is transferred by electric telpher and conveyer direct to boats and barges. On arrival at Kansas City the carloads are transferred to cars and switched to industries and warehouses having track connection. This gives the consignee exactly the same service as would be received from a rail line and enables us to secure freight which would not move by boat if it were necessary for the consignee to accept delivery at the river front.

Since the filing of our grain-products tariff with the Interstate Commerce Commission this spring we have had practically full-capacity loads of export flour downstream.

RATES.

Our rates are uniformly 20 per cent less than rail rates between the same points, and this rate includes the necessary switching of carloads to and from industries having track connection; in other words, shipments on our line show a net saving in freight of 20 per cent between the points we reach.

TONNAGE.

Last season we handled only 10,000 tons of freight, most of which was handled prior to July 15. After that date the stage of river was very low, due largely to the drouth west of us, and a great deal of channel difficulty was experienced. Government reports show the lowest stage of water after July 15, 1913, that has occurred in the past 20 years. At present we are handling over 3,000 tons per month, due partly to the securing of full capacity downstream and partly to increased equipment. The volume during June and July will show an increase due to the better stage of water prevailing during these months. Another reason for increased freight movement is the greater familiarity of operating men with the channel and general operating conditions. Young and active men are being attracted to river navigation and the organization is becoming more efficient from year to year. The river, having been in disuse for so many years, attracted very few men of the right caliber to the service, and it has been necessary to develop an operating force. The benefit from the volume of freight handled is enhanced by the average high class of freight, as, of course, the saving per ton is much greater on the higher classes.

RIVER IMPROVEMENT.

The $4,400,000 appropriated by Congress for river improvement since the beginning of this enterprise has been expended in contracts for systematic improvement of the river between Kansas City and its mouth, a distance of 390 miles. Such sections as have been improved now have permanent channels of 6 feet and greater depth, and have very materially aided navigation. Larger contracting firms have been attracted to this work, which means a more rapid completion of the contracts, and the Government has very materially enlarged its own fleet so as to be able to accomplish a great deal more work. There remain a number of bad sections along the river which can not be improved until they are reached under the systematic continuing plan of improvement, but the elimination of the "pork barrel" means an earlier completion of the whole work at less cost to the Government.

PUBLIC INTEREST.

While this company is fortified with freight contracts from the larger shippers, guaranteeing a portion of their tonnage for a period of years, it has not been necessary to resort to these contracts to secure freight, and our list of shippers is gradually increasing, based on the merits of the service and the actual saving in freight rates.

CONCLUSION.

From the standpoint of boat service, increased operating efficiency, improvement freight handling, river improvement, and tonnage increase the development all along the line is encouraging to the point of assuring success in the restoration of river commerce in a large way, to the benefit of the Missouri Valley, Kansas City, and surrounding territory.

The SPEAKER pro tempore (Mr. SAUNDERS). The time of the gentleman has expired.

Mr. BORLAND. I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. The gentleman asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. SPARKMAN. Will the gentleman from Washington use some of his time?

Mr. HUMPHREY of Washington. Mr. Speaker, I yield 15 minutes to the gentleman from Pennsylvania [Mr. MOORE].

Mr. MOORE. Mr. Speaker, what amazes me in this whole transaction is the docility of the House. More than six months ago we passed the river and harbor bill, three hundred and ninety odd Representatives of the people, coming directly from them and undertaking to represent them in matters of this kind.

Mr. SLOAN. Will the gentleman yield?

Mr. MOORE. Yes.

Mr. SLOAN. The gentleman speaks of the docility of the House. Does he mean in reference to this matter or the general docility of the House?

Mr. MOORE. I refer to this particular matter at this particular time, because if there has ever been an exhibition of greater docility and subservience on the part of the House than in the matter of the river and harbor bill, I have failed to observe it.

Apparently we are to yield to the dictation of another body, not to the whole body, because half of it seems to have been asleep for the whole of the six months during which the House bill was before that body. Indeed we are to yield to the dictation of only three or four men, one or two of whom knew what they were talking about, and the others of whom knew little about it, except that they had discovered something which a few of the newspapers denominated a "pork barrel." And it is a difficult thing for some men who love sensations to resist the newspapers on such a proposition.

Mr. Speaker, all river and harbor bills, since I have been a Member of this House, have been framed in substantially the same way that this river and harbor bill was framed. The representatives of the people, voicing the sentiments of their constituencies, did what they could before the House committee to obtain recognition for what they believed to be needful projects, and those projects were included in the House bill, just as they have been included from time immemorial.

Mr. McKELLAR. Mr. Speaker, will the gentleman yield?

Mr. MOORE. Yes.

Mr. McKELLAR. Was the bill that passed in 1907 framed in the same way that this bill was; along the same lines by those who had charge of it then?

Mr. MOORE. Substantially the same. The gentleman may be putting a catch question——

Mr. McKELLAR. Not at all.

Mr. MOORE. But I want to be just as broad in this matter as though I were a Member of his side of the House. There is positively no difference between the conditions under which this river and harbor bill of 1914 was framed and the conditions under which the bill of 1907 was framed. It may be and probably is true that the party now in power took care of its own a little more than was done in the bill of 1907, but my recollection is that those sections of the country which have been fairly well recognized in this bill of 1914 were also very well taken care of in 1907. If we were to use the Mississippi River as an illustration, the stream that has taken the bulk of the appropriations, we would probably find that it was cared for by appropriation in 1907 very much as it is to-day, except that the appropriation is larger.

The House acted. It passed a bill which it was believed met the needs of the situation. It was not an unreasonable bill in amount, because the sentiment of the country had come to demand an annual river and harbor bill and the completion of work already undertaken. This bill went to the Senate; there it slumbered for six months, the majority party making no effort to pass it until the European war broke out and the cry of economy was raised. Then it was taken up in the face of those tactics which led on to filibustering "heroics," which delighted the sensational newspapers of the land.

Here and there from the great editorial sanctums came statements indicating that there was "pork" in this bill. The editors were aroused to the news features of the discussion and treated the well-known and well-worn river and harbor facts as a revelation. Unmindful of the history of river and harbor bills, they helped along the general fund of misinformation.

The Senate finally sent the bill back, but in such form that it is practically an instruction to the House to pass it as the Senate indicates. They had six months on the other side to consider it, six months to cull it and disarm it, if it had anything in it that was improper, but they sent it back without analyzing a single item or permitting a single item to stand. The Senate dispenses with the House bill in toto and submits an amendment providing for a lump-sum appropriation. If the House accepts the Senate amendment, it takes away from both bodies, the Senate and the House, all right to appropriate the public funds for rivers and harbors. An administrative body is given full power in the amendment to appropriate the money of the Government. The legislative body, which is empowered by the Constitution to exercise legislative functions, delegates its power to one of the executive departments. More than that, it specifies the Corps of Engineers to have exclusive jurisdiction over a lump sum, and thus subjects it to all of the embarrassments that result from logrolling and political influence, which perhaps are just as vicious in their way as is what is commonly called the "pork barrel." The Senate amendment does not correct the so-called "pork barrel"; it merely transfers the matter of rivers and harbors from an alleged "pork-barrel" system to a new system of logrolling and political influence, which must now be withstood by one of the departments. [Applause.] In other words, the Congress of the United States will have abdicated its power and will have itself submitted to a voluntary infraction of the Constitution of the United States if it passes this amendment as the Senate undertakes to cram it down our throats.

Mr. Speaker, I do not believe that any man is going to make a great reputation from long night sessions or sleepless filibusters if he destroys what the people of this country want. [Applause.] I am satisfied that the people of the country, whether the party in power is erring in this respect or not, want a river and harbor bill, because it represents inland transportation competition with railroad transportation, because it means more economic living, and because it is calculated to develop trade and commerce which now lie dormant in many instances, due to the inaction of Congress. The amount of money expended on rivers and harbors in the United States is insignificant compared with what is expended by other countries. The single State of New York, over yonder, has expended more than $140,000,000 upon one canal of its own, and that $140,000,000 is as much as the whole Government of the United States had expended up to 1907 on all of the rivers and harbors in all of the States along the Atlantic seaboard from Maine to Florida, east of the Appalachian chain, since the beginning of our history.

At the single port of New York we take in in customs every year $210,000,000, which is distributed to the entire country for various purposes, and some of it surely should find its way into those internal improvements which tend to promote trade in all the States.

Mr. Speaker, I have just returned from a very unusual convention that had something to say on this subject, a convention along the Hudson Valley, where the people turned out in great numbers because they learned that Congress proposed to stop work upon certain projects already begun. They lined the river banks on either side for 150 miles; whole cities poured out their residents, who gave open and earnest expression of protest against the failure of a river and harbor bill this year. And why? Up yonder in New York State, between Albany and Troy, a distance of 6 miles, and a little below Albany, is a barrier to commerce. The State of New York has expended its $140,000,000 bringing the Great Lakes from Duluth and Chicago and Detroit down to the Atlantic Ocean through hundreds of miles of canalization.

The Government has made a belated effort to deepen the Hudson River from the Atlantic Ocean to Troy and Albany to connect with this great barge system across the State to the Great Lakes. There on Friday last was presented to the people of this country, particularly to those who were so unfortunate as to see it, a spectacle that ought to make American Congressmen ashamed. A torpedo boat of the Government, one of the lightest in draft, going 150 miles up the Hudson River with the view of reaching the approach to the New York State Barge Canal, was stuck in the mud. It could not move because the appropriations of Congress had failed to keep the channel clear. One hundred and fifty miles this side to the ocean, hundreds of miles already improved by a single State to the west, all waiting to be connected, and yet a small intervening barrier which this Government has failed to remove blocks it all. It is a shame; and yet, sitting in 25-story skyscrapers in New York, we have seen great editors writing editorials approving the filibusters and giving out sensational statements to all the people that because of a "pork barrel" a rivers and harbors bill should not pass. [Applause.] The people of the Hudson Valley set some fires under those editorial offices, they set some fires under the magazine writers, and I question whether they will be quite so conspicuous hereafter in cutting out their own

appropriations in New York and up the Hudson as they have been heretofore.

It may be, Mr. Speaker, that certain sections of the country were favored in this bill. The party in power being voted into power by the people doubtless did take care of itself. I have been one of those on the Republican side who has not found fault with the party in power for taking "its own" when it could get it. I have rather expected it would, but I do believe without regard to politics that every dollar spent upon river and harbor improvements in this country has been well spent. [Applause.] While I object to abdicating my place here as a Member of Congress and dedicating to an administrative officer the law-making power the people conferred upon me, though I have every confidence in the Army engineers and will sing their praise as loud as any, I object to and I protest against the senatorial action which puts that body of engineers in charge of the distribution of public money without regard to Congress. [Applause.]

I believe that rivers and harbors money is well spent. Instances could be cited without number to prove the return the Government gets out of every dollar it spends in this way. Over on the Delaware River in my State work has been stopped. The dredges have been taken off because, perchance, some gentlemen in the Senate and possibly some in the House have been indulging in a filibuster with a view to stopping appropriations. What is the result? The river is beginning to fill up. It collects in customs receipts for the Government approximately $20,000,000 a year. It must be maintained. No highway was ever built of macadam or of concrete that did not have to be repaired. No house was ever constructed that did not have to be cleaned. No river will ever be dredged without having to be maintained, and the man who insists that maintenance is costly and seeks to stop work on that account simply does not know the ordinary necessities of conducting a great business. The channel must be cleared. The clearing of the channel must be paid for. Obstructions will form, and they must be removed, and this costs money.

I say it costs money to clear away the obstructions in channels; it costs money to connect rivers by canalization; it costs money to dredge out harbors, but if we do not dredge out New York, if we do not dredge out Portland, if we do not dredge out Philadelphia, if we do not dredge out Boston or Savannah, we do not get the returns into the coffers of the United States that modern civilization and modern business methods require. [Applause.]

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. MOORE. May I have five minutes additional?

Mr. HUMPHREY of Washington. I yield the gentleman five minutes additional.

Mr. MOORE. And if we do not spend money, pray what becomes of it? It does no good to hoard it. In the present instance by stopping the expenditure of money upon rivers and harbors the filibusters have accomplished two things. Where we had contract work the contractors have had to discharge their men and get off the job and there has been great waste and loss resulting from it. Over at Troy, on the Hudson, a great dam, intended to complete the work connecting the commerce between the Great Lakes and the Hudson River has been stopped in midstream. The waters are rushing by and disintegration is taking place. That is what filibustering brings in its wake when Congress indulges it. Over yonder in the Delaware, of which I have knowledge, the stream is silting up. That is what filibustering brings to the Government and to us. It is the same story at the mouth of the Columbia on the Pacific. Work has been stopped and loss sets in. If a contractor discharges his men and they go off and look for work elsewhere, especially at this time, when men are in need of work, what becomes of the Government employees? I am informed there are about 30,000 men altogether engaged in river and harbor work. Many of these have already been turned aside. The working organization of the Government to a certain extent has been disorganized. What good has been done must stop temporarily. It will take time and money to pick it up again. It is not an extravagance to say that if no river and harbor bill is passed by this session of Congress there will be at least 200,000 souls that have depended upon the breadwinners employed upon river and harbor work that may have to look elsewhere for support. This is another achievement of the filibusterers.

Mr. Speaker, the money that is spent, even if some of it goes as "pork" to a little stream, in the river and harbor bill is spent in this country, thank God, and goes into circulation amongst our own people. It is not lost. [Applause.] But it is lost to our own people when we spend it in the building of foreign ships or the buying of foreign ships at the expense of our own industries. The money we spend upon rivers and harbors of this country is spent upon ourselves, and the main question is to see that it is fairly and wisely apportioned.

As an advocate of improved waterways in this country, I do not desire to see the river and harbor bill fail. If, however, I dealt with this question only as an agitator, I might regard it as good politics to have it fail, because if all work should be suddenly stopped, there would be such an uprising of men and women engaged in trade and commerce in this country as would bring to Congress an expression of the will of the people that could not be forgotten. It would lead to some prompt and systematic method by which hereafter the Government would take care of its own enterprises.

But, Mr. Speaker, I dislike to encourage waste. I would rather have a crumb than no bread at all; and even if we are to be crowded to the wall, even if our prerogative as legislators is to be taken away, even if the Senate is to force the House to admit that everything above $20,000,000 in its original policy is "pork barrel" and graft, even if there is to be a confession by the party in power that it yields under fire, I am about ready to take what will come, so that at least some men in this country may have employment and at least some of the uncompleted projects may go on and the waste due to a needless filibuster may stop. [Applause.]

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. SPARKMAN. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. GALLIVAN].

Mr. GALLIVAN. Mr. Speaker, like the gentleman from Pennsylvania [Mr. MOORE], I, too, have been impressed by the docility of this House in the present consideration of this bill. I had asked for a few moments in order to offer an amendment, but I understand that a colleague from Massachusetts has in mind the same amendment to offer, and as he is a member of the committee which has this bill in charge, I shall defer to him. Of course it is an amendment which we hope may bring some good to Boston Harbor.

While I am on my feet I want to call to the attention of this House the fact that the Commonwealth of Massachusetts to-day is spending $11,000,000 of its own money on the development of the port of Boston. We have been told that altruism with regard to port development is that each port should have a channel suitable to the kind of vessels which are attracted and in service to it. Now, if Boston merely had the freighters or the tramp steamers drawing 25 feet or so of water, of course she would not need 40 feet in her channel. But Boston has the combination passenger and freight boats, the big boats, in fact. And I know this House will be surprised to learn that of the 172 commercial vessels in the whole world 500 feet and over, during 1913, 27 of those vessels were in service in Boston. In short, almost one-sixth of the vessels of the world 500 feet long and over were in service in our harbor.

In the last 40 years the State of Massachusetts has contributed most generously. The port directors of Boston have $4,000,000 to spend on the development of that harbor, and they ask the cooperation of the Federal Government. Why, Mr. Chairman, the largest dry dock in the world is in the course of construction at Boston at the present day. It is to be 1,200 feet long, 150 feet wide, and able to accommodate the largest vessels afloat or projected. There is not a dry dock on the Atlantic coast big enough to take several of the largest steamships now coming to our ports.

It is not fair to Boston and it is not fair to the steamship companies when they put in service to Boston a vessel capable of loading to 34 feet that the ship can only be loaded to 31 feet at the most, for the difference of 3 feet in vessels of the type in service to Boston would carry practically one-third more cargo with comparatively little increase of cost for operation, and this 3 feet either makes it profitable or unprofitable for that ship to trade to Boston.

The 35-foot channel at Boston is only the equivalent of a 30-foot channel or less, for at low tide, with an off-shore wind, there is a minus tide of 2 or 3 feet which brings the 35-foot channel down to 32 or 33 feet.

A vessel under way has a "squat" in the water of about 3 feet, bringing the 33-foot channel down to 30 feet, so far as this vessel is concerned, and the boat should be entitled at least to a couple of feet more under her keel as a matter of safety, which still further reduces the available depth to 28 feet.

Fourteen of the trans-Atlantic lines at Boston carry passengers varying from a few hundred to a few thousand, and, as a matter of safety, the channel should be deepened, and also, as a matter of expedition, for Boston's nearness to Europe of 190 miles, as against the nearest Atlantic port to the south (New

York), is appreciably diminished if the boats at Boston must wait for the tide to enter or leave port.

It is not fair to Boston to have such conditions exist, particularly when the State of Massachusetts is spending millions to develop the port of Boston and particularly when so much of the prosperity of New England and the very life of the industries there depend upon the speedy, cheap transportation facilities best supplied by the big combination passenger and freight boats.

The 1912 report of the Rotterdam Chamber of Commerce and the March, 1914, publication from the Port of London Authority, giving the net tonnage of shipping entering the various ports, prove that Boston is now the second port in North or South America and the fifth largest in the entire world.

The latest figures obtainable are those for 1912, and show the net tonnage of shipping, foreign and coastwise, entering the ports to be as follows:

New York (estimated)	22,367,103
London	16,561,094
Hamburg	13,797,000
Rotterdam	12,094,030
Boston	11,755,071
Antwerp	11,608,000
Liverpool	10,590,291

The port of Boston, following closely after New York, London, Hamburg, and Rotterdam, now outranks such world-wide ports as Antwerp and Liverpool.

Boston in 1912 had 3,061,733 net tons of shipping in the foreign trade and 8,693,338 net tons of shipping in the coastwise trade, making a total of 11,755,071.

This was still further increased in 1913 to 12,182,759 net tons, a gain of 427,688 net tons of shipping in one year.

The foreign trade of the port last year was $260,482,097, a gain of $25,563,122 over 1912.

Of this $260,000,000, $85,712,088 was exports and $174,770,009 was imports, foreign and domestic; $44,332,457 was Canadian business.

The port of Boston has more than contributed her share to the running expenses of the Federal Government, providing an average of $25,000,000 a year for the past six years.

The customs dues collected at Boston in 1913 were $23,789,690.82.

Boston has 49 steamship lines, foreign and coastwise, to and from all parts of the world.

Thirty-five of these lines are in the foreign trade running to and from Liverpool, London, Manchester, Glasgow, Hull, Fowey, Antwerp, Rotterdam, Hamburg, Bremen, Copenhagen, Libau, Christiania and Gothenburg, Trieste and Adriatic ports, Barcelona and Almeria, the Mediterranean, Calcutta and the East Indies, China, Japan, the Philippines and the Far East, New Zealand and Australia, South American ports, the River Plate, Central America, the West Indies, Habana, Cuban ports, Porto Rico, and St. John, New Brunswick; Yarmouth and Halifax, Nova Scotia; and the Canadian Provinces.

Fourteen of these lines are in the coastwise trade to State of Maine ports; New York; Philadelphia; Baltimore; Norfolk; Newport News; Charleston, S. C.; Savannah, Ga.; Jacksonville, Fla.; and two through the Panama Canal to Los Angeles, San Francisco, and Puget Sound ports.

The steamship lines trading to Boston in the foreign trade are the Cunard, Leyland, White Star, Warren, Allan, Wilson, Furness, Red Star, Holland-America, Hamburg-American, North German Lloyd, Scandinavian-American, Russian-American, Sweden-Norway, Austro-American, Spanish-American, Italian, American-Indian, American-Manchurian, American-Oriental, Federal-Shire, Barber, Houston, United Fruit, Habana, Munson, United States Shipping, Porto Rican, International, Yarmouth, and Plant.

In the coastwise trade are the Eastern Steamship Co., the Maine Coast Steamship Co., the Metropolitan, the Merchants & Miners, the Ocean Steamship Co., the Clyde Line, and through the Panama Canal the Boston-Pacific and the American-Hawaiian Lines.

There were at the port of Boston last year 106 boats from Liverpool; 26 from London; 25 from Manchester; 25 from Glasgow; 21 from Hull; 26 from Antwerp; 25 from Rotterdam; 40 from Hamburg; 5 from Bremen (new service); 21 from Copenhagen; 2 from Libau (new service); 18 from the Mediterranean; 73 from Central America; 52 from the West Indies; 13 from Habana; 157 from St. John, New Brunswick; 172 from Yarmouth; 67 from Halifax; 6 from Fowey, England; 17 from South America; 46 from Calcutta and the East Indies; 26 from China, Japan, the Philippines, the Far East, and so forth; in addition to the immense coastwise traffic.

The trans-Atlantic passenger business of the port of Boston last year was 134,315, a gain of 28,652 over 1912 and a gain of 38,053 over 1911.

There were also 1,600 Central American and West Indian passengers, 134,000 Canadian passengers, and about 408,000 coastwise passengers.

These, together with about 22,000,000 excursion passengers, make a total of about 22,677,915 people who used the port of Boston last year.

The port of Boston has 141 miles of linear water front, extending from Point Shirley in Winthrop on the north to Point Allerton in Hull on the south. Forty miles of this 141 is used commercially, of which about 10 miles is located in Boston proper.

The harbor has a water area of 47 square miles (30,000 acres), not including the islands.

The State of Massachusetts in the past 40 years has cooperated with the Federal Government to the extent of $10,787,262.12, of which $5,406,138.79 was spent under the jurisdiction of the State harbor and land commission from 1870 to 1911 and $5,381,123.33 by the directors of the port of Boston from 1911 to date, September 1, 1914.

The port directors have still some $4,000,000 to spend, and trust that the Federal Government will so cooperate in the matter of a 40-foot channel, that it may be invested to the best possible advantage.

The largest dry dock in the world is under course of construction at Boston, 1,200 feet long, 150 feet wide, able to accommodate the largest vessel afloat or projected. There is not a dry dock on the Atlantic coast big enough to take several of the large steamships now coming to this country, and the port of Boston is providing the necessary facilities to accommodate them, and it is the function of the Federal Government to provide the necessary depths of channels to allow these vessels to take advantage of these facilities, both in fairness to the port of Boston for providing them and in fairness to the boats in case of accident.

In the year preceding the adoption of a 40-foot channel project for New York Harbor, 1898, there were in service to that port only 9 steamers drawing 30 feet or over, with a maximum of 32 feet, and the largest vessel in prospect was to draw 33 feet.

At Boston last year 20 vessels drawing 30 feet and over entered or left the port. (Figures from the pilot commissioners of Boston.)

And so, judging from figures, Boston is twice as much entitled to a 40-foot channel now as New York was 15 years ago.

And again, a 40-foot channel authorized now will not be ready for 15 years, at which time it will undoubtedly be small enough.

Since the port directors were established in 1911 the shipping tonnage of the port has increased 5 per cent, the foreign trade of the port over 13 per cent, the trans-Atlantic passenger business over 43 per cent, and the number of steamship lines over 22 per cent.

The port directors have been working for a deeper channel for Boston since December, 1911, almost three years. The project has successfully passed every stage and investigation, until now it is before Congress, and the United States Government should cooperate at the port of Boston by giving Boston a 40-foot channel, the same as New York.

The board of port directors is composed of three of the ablest men in public life in Massachusetts. Its chairman, the Hon. Edward F. McSweeney, has held many public positions, and has recently, at the urgent request of our distinguished governor, the Hon. David I. Walsh, undertaken the work of further developing our harbor facilities. He is a man who does not limit himself to "office hours" when he accepts a commission from our Commonwealth. Day and night, with every ounce of energy and enthusiasm at his control, he is working to make the port of Boston what it should have been years ago. His two valued assistants, the Hon. Joseph A. Conry, a former Member of Congress, and the Hon. Lombard Williams, a former leader in our State senate, are by his side cooperating in every way possible so that the millions which the Commonwealth has appropriated may be expended honestly, wisely, and most advantageously.

As a Representative of Boston and Massachusetts I ask this body to fairly consider our claims. I ask you to cooperate with our people, who have at last awakened to the possibilities before them. Boston and the old Bay State seek no "pork-barrel" gifts, but want your help in a necessary and most urgent undertaking. Give us your aid now. [Applause.]

Mr. SPARKMAN. Mr. Speaker, I yield 20 minutes to the gentleman from North Carolina [Mr. SMALL].

Mr. SMALL. Mr. Speaker, while the amendment or substitute adopted by the Senate and recommended by the House committee has been explained to the House, it may be well to recur to it again briefly. It provides a lump appropriation of $20,000,000, to be expended, first, in the preservation of existing projects and also in the prosecution of the projects which have been heretofore adopted by Congress. Some of these projects already adopted are prosecuted directly by the engineers and others by contractors. All new projects carried in the bill as it passed the House are eliminated, and no surveys are carried in the pending amendment. I think there is no difference between the Members upon either side of the House as to their attitude toward this amendment. The objections which have been urged are well founded. It is a bad precedent—bad legislation—and will come up in the future to plague this body in future appropriation bills. So, therefore, I suppose if every friend of the improvement of our waterways would consult his individual judgment about the matter he would vote against the adoption of the amendment passed by the other body. But there is another consideration. If no appropriation is made at this session of Congress, there are many improvements underway the condition of which is so urgent and as to which deterioration will be so great, both as to the equipment and as to the work in progress, as to result in the loss of hundreds of thousands, if not millions, of dollars during the ensuing few months. I might mention one improvement which comes to my mind at the present time, namely, the upper Hudson River. During 1915 the great Barge Canal in New York, with a minimum depth of 12 feet, will have been completed. It can not be operated unless the dam at Troy, undertaken by the Government, is completed contemporaneously, and it is exceedingly important that that work shall have an immediate allotment or appropriation in order that the work of construction may proceed. The same may be said as to the improvement of the upper Hudson, particularly between Albany and the Troy Dam.

So there are other improvements throughout the country which are equally as urgent, and I think it is the duty of every Member of this House who believes in the improvement of waterways as the handmaid of commerce to vote for this bill, if for no other reason than that expressed by the gentleman from Missouri [Mr. BORLAND], because it is the lesser of two evils.

I deplore some little manifestation to-day of a partisan spirit in the consideration of this bill. I have heard it frequently stated by Members of long service on the Committee on Rivers and Harbors and other Members of this House that there has been heretofore nothing partisan in the formulation of river and harbor bills or in their consideration. I know during the time in which I have seen service on the committee that there has never at any time been introduced a partisan or sectional reason for the approval or rejection of any item of improvement, and I hope that this disposition, slight as it may be, that has been manifested to-day may not find lodgment in the minds of the membership of the House.

Mr. Speaker, having made this brief reference to this amendment, I desire to talk briefly on the general subject of our waterways. One gentleman well said that in transportation is involved the prosperity of our country, because upon it rests in part the development and growth of our domestic commerce. It also is important in that it affects our foreign trade. One of the most important economic problems before the American people to-day is the extension of our oversea trade. That extension depends upon the extent to which we put ourselves in a competitive condition with respect to other countries. With cheaper transportation we can cheapen the cost of production, so that both in domestic and foreign trade transportation is the very lifeblood of our commerce. The development of our harbors and our interior waterways ought to impress every Member of the Congress.

In former years the volume of appropriations and the tendency of improvements were largely toward the harbors. Perhaps that was necessary at that time. Perhaps, also, the fact that these harbors were terminals of great trunk lines of railroads may have had influence. But the trend of opinion throughout the entire country for some years has been toward the improvement of our interior waterways, and this bill, as it was formulated and presented to the House by the committee, was, in my opinion, superior to any bill that has heretofore been presented, certainly as good as any during the last few years, in that it recognized in a large way—not overgenerous, but still in a proper way—the necessity of the improvement of these interior waterways. And among these interior waterways not the least important are streams which in themselves may seem insignificant. What may be termed a creek, and yet constituting the only means of transportation for the community which it serves, is just as worthy of an appropriation and being improved as are the larger projects.

Mr. MOORE. Mr. Speaker, will the gentleman yield?

Mr. SMALL. In just one minute. And in the main the appropriations for these small streams affect as large a volume of commerce and, in many instances, larger than those for longer and more important waterways. Now I yield to the gentleman.

Mr. MOORE. The old-time sailing vessel is rapidly disappearing from the high seas, is it not?

Mr. SMALL. It is.

Mr. MOORE. And the motor boat and the barge have come very extensively into use in inland waters, so that to a very great extent, on a coast line like that of the Atlantic, the inland waterways are useful in carrying trade and commerce in a new form of craft which is rapidly developing?

Mr. SMALL. The gentleman is entirely right. The trend is along the line of developing barge transportation, improved types of self-propelled barges or exclusive freighters, in order to reduce the cost of transportation to the minimum.

Now, it is not my purpose to discuss any particular project in these remarks, both because it is not necessary in the consideration of this bill and because I wish to discuss in a general way the relation of waterways to our commerce and to our progress. The critics of river and harbor legislation have not always taken the trouble to inform themselves as to the facts or the premises upon which the improvements are demanded or based, and that has been particularly true in respect to some of the periodicals and newspapers of the country. Of course I would not have the temerity or the discourtesy to suggest that any distinguished Member of this House who had criticized river and harbor appropriations was not fully informed. Even if it were so, a Member soon finds that criticisms which are not based upon worthy motives or upon correct statements of fact redound to his discredit more than they injure any proposition before this House.

I agree with some of the critics to this extent, that some of our interior waterways have not developed the volume of commerce which their improvement would justify; and I think that if critics of the improvement of our waterways would devote more of their efforts toward uniting with other friends who seek the promotion of our commerce upon these waterways, they would render a higher service to the country.

I wish to discuss two or three elements which are necessary in the development of commerce upon these waterways. First is the introduction of a better type of carrier. We must study the carriers which are in use on the waterways of continental Europe with reference not only to the cost of operation but also as to the cost of construction, with a view to developing a type of barge or exclusive freighter which in cost of construction and operation shall enable us to reach the minimum of cost in carriage.

Another necessity lies in the provision of terminals at all our harbors and on all our interior waterways. The development of commerce absolutely depends upon the construction of terminals. These ought not to be a burden upon the General Government, but ought to be constructed at the expense of the localities, preferably the States or the municipalities contiguous to the waterways. The terminals are just as necessary to the waterways as they are to railroads, and I am glad to say that our committee two years ago included in the bill which was then passed a provision directing the engineers to investigate the condition of terminals and the absence of terminals at all the ports and cities and landings upon our interior waterways, and that investigation has been completed by the engineers and its results published in a large volume, which contains a fund of information which the student will find most interesting.

These terminals should have ample water fronts and capacious warehouses and facilities for unloading and loading freight with the greatest expedition and at the least cost. They should be constructed and owned by the municipality as a representative of the public, and in addition they should be physically connected by rail with the railroad or railroads serving the community which is contiguous to the waterway. These belt lines of railroad should be owned by the public, and the use of them should be given to the several lines of railroad upon fair terms, yet at such a price as will yield some revenue to the municipality. I believe the time is soon coming when Congress ought to make its appropriations for waterways conditioned upon the public providing or assuming the construction of terminals which shall answer the demands of commerce, because it is not the function of the Federal Government to improve channels unless there shall be developed in those channels a reasonable amount of commerce commensurate with the appropriation.

In addition, the development of our commerce upon our waterways depends upon a system of prorating between water carriers and rail carriers. There was a time in the United States when the tracks of railroads were not standardized, when cars were not standardized, so that there had to be a transfer of freight at the termini of the respective railroads where freight was carried over the lines of more than one road. To-day not only has there been this standardization of track and of cars, but there is a system of prorating between the railroads of the country, so that the shipper at the most remote point in the United States may go to the agent of his railroad and secure a rate of transportation and a through bill of lading to the most distant point in the country, even though in the meantime it should be carried over six or a dozen different lines of railroad. Contending as we do, and as every student admits, that transportation by water is the cheapest method of transportation known, every opportunity should be afforded to shippers to take advantage of the cheap rates by water, and where freight is to be carried partly by water and partly by rail, the shipper is of right entitled to go to the railroad, if the freight must first be shipped upon a line of road, or to the agent of the water carrier if the conditions are reversed, and secure a through rate by the water carrier and the railroad and a through bill of lading to the point of destination. In the Panama Canal act passed in 1912 there was a general provision conferring jurisdiction upon the Interstate Commerce Commission to establish and enforce such a system of prorating. Owing in part to opposition from the railroads and to indifference or lack of knowledge of the necessity for it upon the part of the water carriers, this system of prorating between water carriers and railroads has not yet had general introduction. But the development of water carriers, the growth of commerce upon our interior waterways, will not secure its full fruition, growth, and development until such a system of prorating is established and maintained between water carriers and rail carriers, in the interest of the man who does the shipping and who pays the freight.

The SPEAKER pro tempore (Mr. HAY). The time of the gentleman has expired.

Mr. SPARKMAN. I yield to the gentleman five minutes more.

Mr. SMALL. So, Mr. Speaker, admitting, as we all do, that water transportation is the cheapest method of movement, admitting, as we all do, that the development of water-borne commerce is involved essentially in the progress and prosperity of our country, we must give greater attention in the future to these conditions upon which the development of water-borne commerce depends. One of the grounds of criticism which we frequently hear of projects of river and harbor appropriation is the citation of interior waterways upon which no adequate movement of commerce has developed. It may have been a sufficient answer in the past to have replied that the improvement of such waterways had regulated and reduced freight rates by rail. Valuable as such a result may be—and I do not minimize its value—the time has come when that result alone is not a sufficient justification of appropriations for the deepening of channels or the improvement otherwise of our interior waterways, and we must secure an improved type of carrier, suitable to the respective localities. We must insist that there shall be local cooperation to the extent of providing adequate water terminals, and we must further insist on educating the shipping public, to the end that there shall be prorating, not only as between different lines of water carriers but as between water carriers and railways, so that the shipper may take advantage of the low rate by water and secure the transfer of his freight from the water carrier to the railroad car through the facilities of the water terminal, expeditiously and cheaply; and thus, through these three conditions, make for the development of our water-borne commerce and remove the only justifiable criticism which has been urged against this improvement of our waterways.

I repeat again that if the critics of the appropriations for these improvements will join hands with those who are seeking to promote water-borne commerce and aid in promoting the conditions which will make for the greatest development of transportation by water, they will serve in large degree, and more effectively than they are serving now, the best interests of the people of the entire country. [Applause.]

I yield back any time I may not have used.

The SPEAKER pro tempore. The gentleman yields back one minute.

Mr. HUMPHREY of Washington. I yield 15 minutes to the gentleman from Illinois [Mr. GALLAGHER].

Mr. GALLAGHER. Mr. Speaker, I have no set speech and no prepared argument upon this Senate amendment. I agree fully with what my friend from North Carolina [Mr. SMALL] said a little while ago about the necessity for waterway improvements, but I disagree with him when he says that he will not attempt to talk about the amendment because the amendment has been fully explained. I would like to hear somebody stand up here and explain what the Senate amendment means. I would like to have somebody tell where this money is going to be expended and upon what projects it is going to be expended, and what improvement is intended to be made by it. I do not believe there is anybody in this House who can tell where the money is going. I would like to know something about it before I vote to pass any such measure in this House.

Mr. SPARKMAN. Mr. Speaker, assuming that the gentleman is directing his question to me, I wish to say that, of course, there are no particular projects mentioned in this amendment, but I can easily inform him as to the classes of projects upon which the appropriation will be expended.

Mr. GALLAGHER. The gentleman does not need to do that. I know all about that myself.

Mr. SPARKMAN. I would like to know, then, why the gentleman asked the question?

Mr. GALLAGHER. I know what class of projects this money will be spent upon, and I think the gentlemen at the other end of this building knew very nearly upon what projects the money will be spent when they agreed to pass such an amendment in the Senate, but I know there is nobody who can tell offhand where a dollar of this money is going.

For that reason we of the committee wanted to have the engineers come in and tell us where they were going to spend the money, upon what projects it was necessary to spend the money to maintain them, and upon what projects we should appropriate money to protect them so that the Government would not suffer loss.

Mr. SPARKMAN. Will the gentleman yield?

Mr. GALLAGHER. Certainly.

Mr. SPARKMAN. Perhaps I can be a little more definite than my suggestion a moment ago indicated. The money will be expended, in so far as it is necessary, in the prosecution of work that can be done between now and the 4th of March next upon adopted projects not heretofore completed, and also upon projects upon which maintenance is necessary.

Mr. GALLAGHER. We ascertained, when we tried to find out yesterday for what projects money would be needed, that it would be necessary to wait for three or four weeks, or possibly six weeks, before the engineers could report anything about it.

Mr. SPARKMAN. I wish to say that the gentleman is entirely mistaken about that; there was no statement made before the committee like that. The gentleman is mistaken.

Mr. GALLAGHER. That is the way I understood it.

Mr. SPARKMAN. That is the trouble with the gentleman; I fear he often misunderstands.

Mr. GALLAGHER. Not very often. I understand this amendment, and it is because I think I fully understand it that I am standing up here and kicking against it. [Laughter and applause.]

Mr. SPARKMAN. What I said was that the engineers could not at this time tell how much they could expend on any particular project mentioned or referred to in this provision; that they would have to send to the district engineers to get a statement from them, which I said I was informed would require two or three weeks; and they will have to do that, anyway, before they allot much of this money.

Mr. GALLAGHER. I do not care to go into any argument with the chairman of the committee on this proposition, as I think he really feels at heart the same as I do about the whole matter. I propose to make a statement to the Members of the House as to the situation confronting the House. I do not expect to make many converts on that side of the House.

Mr. SPARKMAN. Has the gentleman gone over to the other side?

Mr. GALLAGHER. No; but I am going to give my reasons, because there is such a large attendance on our side of the House and so much inattention that I am afraid a large part of what I have to say will not be heard by many Members, and I may be unable to make many converts on that side of the aisle.

I am in favor of waterway improvement, and I was also in favor of the bill reported by the committee. I did not have much to do with the making up of the bill. I was absent a great deal of the time on account of sickness in my family; but I had served long enough with the members of the committee to believe that they were sincere in trying to develop our waterways,

improve the streams, and bring increased commerce to our rivers and harbors. I agreed to support the bill as it was passed in this House.

Now, I am not opposed in any way to the bill that the House adopted, and I do not believe that the people are dissatisfied with the bill. I do not believe that there was such an amount of pork as some people would try to make us believe; in fact, I do not believe that there was any pork in the bill whatever. I wish I could say that much for this amendment that is presented here to-day.

Now, the papers in New York had a great deal to say about the pork-barrel measure, and that bill carried a very substantial appropriation for New York Harbor. Some of the Democratic representatives of New York City were here the other day crying out for money to carry on improvements in New York Harbor. Of course there is no pork in the improvements they wanted; the pork must be in some other part of the country. The papers in Philadelphia—and Philadelphia, God knows, has been well taken care of by river and harbor appropriations—the papers of Philadelphia called it a thieves' bill and a grafters' bill, and yet they had a very substantial appropriation for the Delaware River and Philadelphia Harbor.

Mr. DONOHOE. I presume when the gentleman says Philadelphia has been well taken care of he means in recent years.

Mr. GALLAGHER. Oh, yes; the distinguished gentleman from Pennsylvania is on the job most of the time when improvements are wanted for his city. There was no "pork" in the bill as far as Philadelphia was concerned. The "pork" was somewhere else. The Boston papers termed it a "pork-barrel" bill, and our Democratic colleagues from Boston told us to-day that they needed money for improvement of the Boston Harbor. There was no "pork" in the bill for Boston. It must be for some other place. The papers in Washington, on the Pacific coast, said that there was a lot of "pork" in the bill. Now they find out that they can not get an appropriation for the Columbia River and other projects in that State. Now, there was no "pork" in the bill for Washington; it was some other place. And so it is all over the country.

Now, this bill or this amendment which you propose to act upon this afternoon turns over $20,000,000 to the engineers to parcel out as they see fit, subject to orders of the Secretary of War. I have had enough experience around this Capitol to know that if there is any influence to be exercised upon the Secretary of War or upon any of the heads of the great departments, the very potent influence does not come from Members of this body. It will probably be exercised by gentlemen at the other end of the building; and they must know, or there must have been some understanding about this matter, when they could agree, after all of the abuse that was heaped upon the river and harbor bill over there—they must have known, or do know, or have some understanding, where this $20,000,000 is going to be spent.

I am not going to vote and allow them to carry out anything other than what I think is right, believing it is our duty to know where the money shall be spent and for what purpose it shall be spent. I do not propose to abrogate any right that I have or to allow myself to be convinced that the people over on the Senate side know any more about where money should be spent or is needed than I do. We sent the bill there early in the spring and the bill lay over there nearly all summer.

Then they took it up, and in a quarrel among themselves abused the bill and everything in it, and finally decided that the best way to settle the matter would be to make a lump appropriation and let the Secretary of War parcel it out. If you want to do that, go ahead and vote for this bill. I do not. If you are satisfied that that is the way to spend the money of the people, go ahead and spend it; but I do not believe, in the face of the arguments that have been made in this House over the war-tax measure and on account of the condition of the Treasury, due to the falling off of revenues, and of having passed a bill to tax the people for $105,000,000, that we ought to go to work and squander $20,000,000 or vote $20,000,000 of the people's money for intended improvements upon rivers and harbors when we really do not know for what projects it is intended to spend the money. I am against the Senate amendment.

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired.

Mr. HUMPHREY of Washington. Mr. Speaker, I yield to the gentleman from Wisconsin [Mr. FREAR].

Mr. FREAR. Mr. Speaker, six months ago a river and harbor bill passed the House carrying over $43,000,000. The bill further authorized new projects which, apart from cash included in the 1914 appropriation, created an additional obligation of over $32,000,000, or a total of more than $76,000,000. The bill was opposed in the House, but not enough votes could be secured against it to secure a single roll call. All proposed amendments were voted down, although facts were presented to the House based on Army engineers' reports that disclosed the wasteful character of a large number of the projects.

Thereafter the sundry civil bill was passed and became a law, carrying $6,990,000 in various river and harbor projects.

The regular bill of $43,289,004 cash was taken up by the Senate committee, and several of the vicious projects contained in the bill were stricken out by that committee, including Mattawan Creek, the Kissimmee and Oklawaha Rivers. In all, it was an eventual saving in expenditures of nearly a million dollars. However, the Senate committee, after making such deductions, proceeded to add over $10,000,000 to the bill, so when reported to the Senate it carried over $53,000,000, which, together with over $32,000,000 in new projects and appropriations carried by the sundry civil bill, reached, in all, over $93,000,000 for rivers and harbors in 1914. The history of the bill's stormy road in the Senate is recent history. It was finally defeated, and the substitute amendment, drawn by Senator BURTON and introduced by Senator BANKHEAD, was passed at $20,000,000 in a lump sum, to be apportioned among the different localities as was deemed advisable under the authority of the Secretary of War and Board of Engineers.

AMOUNT NOW AVAILABLE FOR WATERWAYS.

From the report of the Secretary of War, in response to a Senate resolution, it appears that on June 30, 1914, there was an unexpended balance from previous appropriations for rivers and harbors of $45,338,653. Just what portion of this can be expended on existing projects is in dispute; but whatever the amount may be, it is in addition to the $6,990,000 already appropriated by the sundry civil bill and the $20,000,000 carried by the Senate substitute, now before the House.

The gentleman from Washington [Mr. HUMPHREY] has offered an amendment of $5,000,000 to the Senate substitute. The question under discussion is, Shall the amendment reducing the substitute to $5,000,000 be agreed to?

By passing the substitute the Senate bill, which in present and future expenditures begun this year amounted to about $86,000,000, will be cut $66,000,000; and if the amendment of the gentleman from Washington is accepted, it will be a further saving of $15,000,000, or a total reduction of $81,000,000 in the Senate bill as reported to that body.

From all we can learn, $5,000,000, in addition to the $6,990,000 carried by the sundry civil bill and balance available from the $45,000,000 of unexpended appropriations, will continue work on necessary projects, particularly at a time when a $100,000,000 war tax in time of peace is being levied to care for extravagant expenditures for other purposes.

For this reason I favor the amendment, and hope it will pass.

DECEPTIVE TONNAGE STATISTICS.

A few words additional may properly be said at this time, because the temporary defeat of the overloaded river and harbor bill will not be a permanent saving unless future appropriations are kept within reasonable limits. It has been the practice of waterway enthusiasts who seek to secure favor for any particular project or for the whole bill to speak of the tonnage carried on the particular river, harbor, or creek and to thereby try and justify Government expenditures.

Such efforts have been undertaken in the present discussion. A fact is offered for your consideration on this point which I can only briefly suggest without attempting to discuss.

Whenever a bill is presented we are given tonnages from all ports of the country, whether subject to recent improvements or not, and the tonnage of the ocean and lake ports is used to swell a rapidly diminishing river traffic.

A brief examination of the subject will disclose the facts. Again, river traffic is subject to many peculiar conditions that frequently discredit the deductions of Army engineers who approve commercial possibilities of projects. Only through an analysis of traffic can a fairly clear understanding be reached of its character and value.

From the best obtainable Government data we find—for instance, on the Ohio River, which carries the largest river traffic—a loss occurred of 34 per cent in seven years. Ninety per cent of all the traffic goes by open river, unaffected by the present $63,000,000 canalization project. Four-fifths of the 10 per cent passing through locks is coal or low-grade freight, leaving approximately 2 per cent high-grade freight accommodated by the canal locks.

DUPLICATIONS OF FREIGHT.

On different projects connected with the Ohio River system lockage traffic is of uncertain value, because the freight on the same boat is frequently recounted at different locks, and yet

waterway orators all over the country persist in ignoring these patent facts when they are after Government appropriations.

On the upper Mississippi I have brought to the attention of the House in other remarks that receipts and shipments of the same identical freight at a river town are added together. On the Missouri River I presented tables in the April 10 RECORD, page 7076, showing that even under the loose methods of duplication only 34,334 tons, or 15 per cent of the total traffic, could possibly be included as important freight. Sand, wood, logs, and revetment material compose over 90 per cent of such traffic.

Logs that would better float without canal locks than with compose 90 per cent of the traffic on some of the North Carolina and other southern streams that want Government money. Other illogical or misleading statistics are used to bolster up wasteful projects, but I do not intend to discuss such general phases of the subject, although they have formed strong ground for argument during recent debates on the river and harbor bill at both ends of the Capitol. I realize, and every other Member must have discovered, that actual merit is of little consideration in determining whether or not a waterway is to be improved. It may figure in public consideration or in enthusiastic waterway conventions held throughout the country, but it is not the controlling factor.

CRITICISMS OF ARMY ENGINEERS.

I have been charged with undue criticism of Army engineers, and it has been suggested that Gen. Goethals is an Army engineer and his accomplishments render all others immune from criticism. To couple the name of Goethals with that of other officials who have burdened this country with hundreds of wasteful waterway projects on which millions of dollars are being spent, is to dodge behind Goethal's coat tails. Read, if you will, the criticisms of Senators BURTON, KENYON, and GALLINGER of different projects having approval of Army engineers, and find a verification of the same conclusions drawn from the same reports when the bill was before the House. A careful study of these reports will bring the same deductions from any unprejudiced jury that could be placed in possession of the facts.

Army engineers are human and subject to human weaknesses. If this be treason, then I will quote some of their foremost champions in corroboration of my statement.

That Congress does not trust the judgment of Army engineers is evidenced by statements of some of the ablest men on the Rivers and Harbors Committee presented in the RECORD for Tuesday, September 29.

In his address in this debate, Chairman SPARKMAN stated, in substance, that he did not care to abrogate the right of Congress to determine where public moneys are to be expended and turn it over to Army engineers. Nothing but dire necessity compelled him to support that proposition.

Mr. HUMPHREY of Washington, the able leader of the minority of the committee, said:

I am opposed to the Senate amendment for the reason, among others, that it takes away from Congress the power of saying where this money shall be expended and places it entirely in the control of the Government engineers. * * * They propose to take the $20,000,000 and place it in a lump sum and then place it where the man that can bring the most influence on the engineers will get the most money. I say that it is unjust and is unfair to those engineers who, to a certain extent, hold their positions by favor of Congress. * * * This $20,000,000 is not sufficient to take care of half of the propositions in this country, and placing upon the engineers the responsibilities under political pressure that will come in deciding as to where that money shall be expended is unjust and dangerous.

The gentleman from Washington stated a self-evident truth.

THE SAME INFLUENCE IS BEHIND PROPOSED PROJECTS.

A similar situation was presented when the chairman first reported the bill to the House, with a statement that many projects had been passed by Army engineers that could not be undertaken at this time, and, further, that numerous new surveys were being considered by Army engineers.

He did not then say, which is also a reasonable conclusion, that in every instance "there is placed upon engineers the responsibilities under political pressure that will come in deciding" as to what projects shall be passed and what rejected, and what policy "is unjust and dangerous."

The distinguished gentleman from Missouri [Mr. RUSSELL] has said in this debate:

I agree with him [Mr. HUMPHREY] that I would much prefer that Congress should control the allotments of this money rather than that it should be done by the Secretary of War and the Government engineers.

Another able member of the committee, Mr. KENNEDY of Iowa, has given utterance in the same debate to these remarks:

Now, what will happen in case this amendment is agreed to and the bill becomes a law in its present form? The Engineer's Office will be overwhelmed by requests from Members of Congress and organizations in localities that are interested * * * and sufficient pressure will be brought to bear in some cases to allot sums to projects where it is not most urgently needed in the interests of navigation.

Does not the argument apply with equal force where proposed projects are being considered by the Army engineers? If you doubt the fact, read the Engineer's report where honest, capable, underofficers are overruled when political influence is exercised on their superiors.

In the remarks of the distinguished gentleman from Pennsylvania [Mr. MOORE] regarding this $20,000,000 Senate substitute, appears this trite observation:

More than that, it specifies the Corps of Engineers have exclusive jurisdiction over a lump sum, and thus subjects it to all the embarrassments that result from logrolling and political influence, which, perhaps, are just as vicious in their way as is what is commonly called the "pork barrel."

This statement can not be successfully disputed by any Member on the floor, and the gentleman is right, beyond question.

THE ARMY ENGINEER HAS ENTIRE CONTROL.

That the Engineer's office will be besieged by a throng of Senators and Representatives from morning to night is probable. That the Chief of Engineers, who has been so frequently lauded by the advocates of the present system, will be hounded to death and wish he could delegate the job elsewhere is equally true. For years we have made him the sole arbiter on all projects, with power to allow and disallow, subject to no appeal. For years troops of Senators and Congressmen have traveled, hat in hand, up to the Engineer's sanctum, and after waiting patiently their turn have one and all pressed upon this distinguished official the interests of their several constituents. His powers of resistance are measured by human endurance, so that constant dropping day by day has worn out opposition. The Oklawaha, Kissimmee, Scuppernong, Trinity, and countless other questionable projects are approved. When once allowed it becomes a scramble for the Treasury. That is the beautiful system we have adopted.

In proof of my statement I make the prediction that practically every worthless project exposed by Senators GALLINGER, KENYON, and others in the list of North Carolina creeks will be taken care of by a watchful engineer's department. The Hudson River important project to connect the Great Lakes with the ocean canal through New York State will be relegated presumably with unimportant projects to a "back seat." If so, it will be added proof of the statement by defenders of the engineers that political pressure and not merit is to determine the distribution of funds just as such pressure has determined the allowance of many worthless projects.

IS CRITICISM INVITED BY PRESENT METHODS?

Criticism has been heard upon this floor of those who declare the river and harbor bill to be a "pork barrel." Members have denounced the press for so stating. Gentlemen at both ends of the Capitol have grown red in the face and demanded proof that this is a "pork barrel." Listening with ears that will not hear, looking with eyes that will not see, such gentlemen profess to know nothing about a pork barrel. No one is deceived. No one is fooled. The press of the country has mercilessly dissected the bill and the specious arguments offered in its defense. From all parts of the country has come denunciation of the worst pork barrel ever offered to Congress. The press generally reflects public sentiment. Occasionally a paper represents some special interest, but as a rule news editors are as able, fearless, and as well informed as Members on this floor.

During the last 60 days the press has made possible the successful fight waged against the "pork barrel." It has forced an administration to back down over the infamous bill. That service may have been influenced in some instances by the startling fact that a direct war tax is about to be passed to cover a "pork barrel," but the Treasury ought ever to be protected against what Senator TILLMAN once termed a "humbug and a steal," and all honor to the American press that helped win the battle.

WHAT IS A "PORK BARREL"?

No Member on this floor receives any direct benefit from a pork barrel. Why does an entire Congress determine where a public building or a river and harbor project should be located? One of my first acts performed in a legislative capacity was to introduce two bills for public buildings for cities that furnished the requisite postal receipts. I learned the department did not determine the matter. Congress had to act, and any proposed appropriations, I was informed, would be cut in half. Only two public buildings have been erected in that district in the 74 years of statehood we have enjoyed. One other has been authorized. Possibly these are all that will be allowed for some time, but if my vote to secure a public building for my district involves voting for a corrupt pork barrel I will not stultify myself by supporting for my own people what I denounce in others.

I believe public buildings are of permanent good to local communities, but the interests of Government business should be paramount in determining where such buildings are to be located, and the present system of pork-barrel distribution prevents the consideration by comparative merit. It ought not to depend upon political pull. No man defends the system, and a better businesslike plan should be substituted that will better serve public interests. I refer to public buildings, because two Members of the House assailed my sincerity of purpose by mentioning these bills. I have nothing to conceal nor to defend. If these buildings are worthy projects, they should be built, but with only two public buildings in the district no one will accuse my predecessors of having much influence with any pork barrel in the 74 years the district has been represented in this House.

PUBLIC SERVICE, NOT PERSONAL MOTIVES, AT ISSUE.

Independent of my own purposes, the question is not whether I have any interest in rivers and harbors or public buildings. The real question is whether or not a pork barrel exists, and, if so, what should be substituted. I do not assume at this time to say what is the best substitute. Until we become disgusted with pork-barrel methods, until public sentiment forces Congress to change the system, it is idle to propose a change. Possibly I am over sanguine in believing that Congress will some day reject the present system. It is firmly intrenched, but no cause is hopeless if it is right, and every man who has a good, meritorious waterway project should be ready to submit his case to an unprejudiced body for its determination.

HOW IS THE PORK BARREL MADE?

Anyone who imagines the river and harbor bill is not a pork barrel for constituencies can be quickly disillusioned by presenting a river and harbor improvement separately to the House or Senate. No one project could be pushed through Congress even though it was subject to introduction as a separate claim or bill. No 10 or 20 river and harbor projects could be engineered through Congress, however meritorious they might be. I do not believe I am misrepresenting the case when I say that no 100 projects, however meritorious individually, could be passed in one bill through Congress.

THE BILL'S SUPPORT.

Let us face the facts squarely. The present bill includes some 350 projects. Nearly a hundred additional projects approved by the engineers are on "the waiting list." Hundreds of others are hoping to be advanced in their turn to "the waiting list." Hundreds of other projects are on the maintenance list. Hardly a single Member is not importuned on some project, and this makes up the vote that carries the bill through Congress. Good, bad, and indifferent projects are in the bill. All must be considered. New York Harbor gets in, providing the Scuppernong is remembered. Chicago and other lake ports are included after the lower Mississippi is assured of the lion's share. Boston is placed in the bill when the notorious Trinity gets its place at the pie counter. The river men in the interior insist that improvements at Philadelphia and elsewhere are for the benefit of railways that own or control the terminals, and Philadelphia points to the dwindling Mississippi River commerce, reduced over 80 per cent in 15 years, and declares that the Mississippi River is a land reclamation proposition.

North Carolina, with influential Members at both ends of the Capitol, gets 28 projects, while Florida, equally well represented, runs over a score.

Is it the best we can do? Can any man defend such a scandalous system? How can anyone blame every newspaper in the land for labeling this bill a "pork barrel." To say it is half "pork" or one-half of 1 per cent "pork" does not mean anything definite. If the Philadelphia and Delaware River project, reaching approximately $21,000,000, is for the benefit of railway terminals, as claimed by Louisiana, then it will generally be regarded as a "pork" proposition for the Government to finance such special-interest projects. The same is true of Bridgeport, Providence, and many other ports mentioned in the report of the Commissioner of Commerce. If the Mississippi River, with its proposed $9,000,000 in 1914 below St. Louis, is a vast reclamation scheme, as many authorities declare, it, too, is "pork." If the Ohio River $63,000,000 project is of doubtful value and is undertaken simply to keep contractors and employers busy, it is a questionable investment, particularly when river traffic has fallen off 34 per cent within the last seven years and only a small fraction of river freight goes through the locks.

LARGE AND SMALL GRABS.

These are large projects. Some of them may be of value, but others are questionable, and doubts arise from Government reports as to their character. I have not discussed the intercoastal canal. North Carolina's officials, from Cabinet members to humble Representatives, are ready to fight for the Beaufort $5,400,000 canal, although it is of no more use as a naval asset than a fifth wheel to a wagon, in the opinion of other disinterested authorities. The Delaware & Chesapeake Canal, whether it is $8,000,000 or $20,000,000, is another link that connects the railway terminals of Philadelphia with the railway terminals of Baltimore, although no railway nor municipality contributes toward this promising bankrupt canal project.

And so it runs, from the Murderkill to the Newbegun, and from Raccoon Creek to the Trinity, and over on the Red and on the Ouachita, that was to receive $327,500 in the amended substitute bill offered in the Senate. Measured by standards of actual commerce and permanent benefit to navigation, some of these projects are generally conceded to be "pork"—possibly not by those who are urging their passage, for even the water-power interests on the Coosa and Black Warrior are indignant and resent the term, and so do interests along the Tennessee and Cumberland Rivers.

Many of these projects have been analyzed and condemned by the greatest waterway expert in the country, and Senator BURTON'S judgment will not be rejected by the average unprejudiced mind. It does not answer to insinuate that this distinguished statesman has passed other bad bills in other years, resting his protest with the committee.

A HISTORIC FIGHT AGAINST GRAB.

The country knows that Senator BURTON has performed a great public service in exposing the 1914 pork-barrel items and a greater service in defeating an infamous proposition that presumably would not have received a half dozen votes in either House had the projects been voted upon separately.

Every consideration of personal comfort and legislative ease called for tacit consent or silence on his part. The Ohio Senator gave to the country a splendid exhibition of courage, matched by phenomenal physical endurance, that will never be forgotten by those who write the true history of river and harbor legislation.

I have been accused of self-seeking and other offenses, when the big fact remains that the 1914 river and harbor bill, first challenged in the House, was riddled and perforated from beginning to end through the wonderful knowledge of his subject possessed by Senator BURTON.

Many of the wasteful projects exposed in the House were criticized with equal severity by Senators GALLINGER and KENYON, both of whom came to the same conclusions, based upon a careful study of the Engineers' reports. These Senators and those who aided them in giving to the country a true understanding of the infamous bill, are entitled to everlasting credit for the bill's defeat.

PERSONALITIES VERSUS ARGUMENT.

For prejudiced, narrow-visioned critics to engage in personalities because of the pork barrel defeat only indicates an absolute lack of fairness possessed by Members who are either ignorant of the provisions of the bill or bitter toward those who oppose their wasteful projects.

In his sweeping statements in the House, the distinguished gentleman from Tennessee [Mr. HULL] honors me with consideration because of my humble efforts to defeat the "pork barrel." The country that has read a telling analysis of extravagant and wasteful Tennessee and Cumberland River projects, as presented by the great waterway expert, Senator BURTON, will not search for a reason. A countercharge that the press of the country enjoys a great graft, which should be investigated, is not creditable to the courage or moral standards of any consenting Member who comes to such conclusions. Much can be said on both sides of that question, but the fact that a speech defending a pork barrel can be sent broadcast throughout the country free, under a Congressman's frank, may also raise an interesting question affecting governmental mail expenditures.

The 1914 pork barrel would not have been defeated but for the splendid fight made by the independent press against it. As an educational medium, it helped keep $66,000,000 in the Federal Treasury by that defeat. This, in itself, is a highly creditable act, which can not in any degree be placed at the door of the gentleman from Tennessee.

WHY NOT HIT THE SENATE COMMITTEE?

Mr. Speaker, I have no intention of replying to the half-hour tirade indulged in by the irascible gentleman from Florida [Mr. CLARK] and his understudy, the gentleman from Mississippi [Mr. HARRISON]. The gentleman from Florida was indignant because the Kissimmee River ($47,000) and the Oklawaha ($733,000) projects were criticized by me on March 26, when discussing river items in the House. Two facts are significant. First, that it took a Rip Van Winkle sleep of over six months for in-

dignation to sink deep into the mind of the Florida champion before he found time and place for expression. The second and most important factor is that when the Senate committee reported the Senate bill, although it raised the total over $10,000,000, that committee, with commendable wisdom, struck out the Kissimmee Creek, unnavigable, but not dry, eight months in the year, and the crooked Oklawaha, together with other projects which I exposed in the House. The Senate committee could not swallow such vicious projects, and when no chance for squeezing them through in conference dawned upon the Florida statesman, who honored me with his criticism, then and not until then did the full extent of my offending, six months before, appear.

It is toward the Senate committee, and not myself, that the popguns of the gentleman from Florida should have been aimed.

A STUDY IN GLASS HOUSES.

The gentleman from Mississippi [Mr. HARRISON] seems to be subject to an aggravated case of forgetfulness and Quixotic pork-barrel championship.

In other legislative bodies where parliamentary courtesy is observed in debate I have learned that abuse harms only those who indulge in it. Abuse is not argument, and never was the fact more plainly demonstrated than by the unfortunate position into which the gentleman from Mississippi so easily tumbled.

Even the courteous gentleman from Massachusetts [Mr. TREADWAY], who was originally opposed to me on the river and harbor bill, felt called upon to express indignation, when he said:

I do not believe it is very becoming of the gentleman from Mississippi [Mr. HARRISON] to devote four-fifths of his speech to criticizing the Member of the House [Mr. FREAR] who may have been more responsible than any other man for inviting public opinion and fixing public thought on these extravagances.

Mr. Speaker, these are generous words, whether deserved or not, coming as they do from a gentleman who recognizes that vituperation has no proper place in this House.

I will not reply to misrepresentation indulged in by the gentleman from Mississippi concerning "pork" for my district, because I introduced several pension bills for men who gave the best years of their lives trying to keep Mississippi in the Union, men who are now aged invalids. The attack of the Mississippi Member was preceded by a pronounced statement that he would be unworthy of the commission he held if he should refuse to vote for a just pension bill. The Republican leader of the House, who commands the respect and admiration of the entire country, saved me from the necessity of a reply. Somewhere in the remarkable brain of the gentleman from Illinois [Mr. MANN] there reposes a cell that years before located and tabulated records which determined the truth or untruth of expressions of loyalty to veterans.

After the Mississippi Member finished his carefully prepared verbal assault, the distinguished Republican leader of the House rose and in the course of his remarks said:

I think it is a mistake in the House where some gentleman makes a fight, believing that he is right, that other Members of the House should indulge in personal criticism, if not abuse. [Applause on the Republican side.] I was much surprised that the gentleman from Mississippi [Mr. HARRISON], for whom I have alway entertained a high regard, descended so far in debate, as it seems he did, endeavoring to give a roast to the gentleman from Wisconsin [Mr. FREAR], who, I think, is entitled to the thanks of the country for what he has done, whether he be right or wrong. [Applause on the Republican side.]

The applause is not mentioned to give color to the voluntary defense offered by the gentleman from Illinois [Mr. MANN], but to show the silence of Democratic Members who a day or so before had passed a $100,000,000 war-tax bill under a gag rule, but were not pleased to save $33,000,000 to the country through an emasculated river and harbor bill.

THE RECORD SPEAKS FOR ITSELF.

Continuing his remarks, the gentleman from Illinois, while gently fingering several RECORDS before the watchful eyes of the professed lover of war veterans, said:

The gentleman from Mississippi [Mr. HARRISON], addressing the House with considerable fervor, said:

"You call this a 'pork-barrel' bill. It is no more a 'pork-barrel' bill than the pension bills. I have always voted for pension bills, coming from the South as I do."

Mr. HARRISON. Will the gentleman yield?

Mr. MANN. What for?

Mr. HARRISON. I know the gentleman does not want to misrepresent me, but I did not say that I always voted for pension bills. I said I believed in a reasonable pension for those who deserve it.

Mr. MANN. The gentleman said in effect that he always voted for the pension bills. If he does not make any change in his remarks, the RECORD will justify what I say. It excited my attention and recalled to my memory the fact that the gentleman was slightly in error, in my judgment, and I sent for the RECORD. We have had several roll calls on pension bills, both on private pension bills and on the general appropriation bills during the last Congress. The gentleman said, in effect: "Look at me. I favor pension bills to be paid to the northern soldiers, but you are now opposing a river and harbor bill to be expended in the South," and he criticized the gentlemen who were opposing the Senate amendment in this respect. And I find that on March 21, 1912, when the gentleman from Missouri [Mr. RUSSELL] moved to suspend the rules and pass a private omnibus pension bill, which was passed by a vote of 193 yeas to 34 nays, the name of the gentleman from Mississippi [Mr. HARRISON], while it did not lead all the rest, is to be found conspicuously among those voting nay; and that on February 18, 1913, when the vote was taken again on the passage of an omnibus private pension bill, and the yeas and nays were ordered at the demand of Mr. Roddenbery, when the yeas were 219 and the nays were 40, again the name of the distinguished gentleman from Mississippi [Mr. HARRISON], who favors pension legislation and pension bills, is found recorded among those voting "nay." And on March 9, 1912, when we had before us the annual appropriation bill making appropriations to pay those pensions which had already been allowed under the law, on a point of no quorum being made, and the yeas and nays being ordered, the yeas on the passage of the bill being 214 and the nays 38, I find that again the distinguished gentleman from Mississippi, so ardently in favor of pension bills and pension appropriation bills, has his name recorded as voting "nay."

I should not have referred to this except for the holier-than-thou attitude which the gentleman from Mississippi assumed while criticizing the gentleman from Wisconsin [Mr. FREAR]. It is a pretty good thing when you live in a glass house not to throw stones.

THE GENTLEMAN FROM MISSISSIPPI.

Mr. Speaker, may I digress for a moment to say that one of the best things which has come before the American public this year is "The Gentleman from Mississippi." Good, moral lessons are not taught from the pulpit alone nor by the world's greatest writers. Other messages of human interest, that leave distinct impressions, are often pictured upon the stage.

In the play of that name "the Gentleman from Mississippi" is Senator Langdon, who energetically denounces in the United States Senate a proposed land grab in his own State. His arrival in Washington is featured upon meeting a Union veteran, whose pension he undertakes to secure. While generously placing a roll of bills in the northerner's hands with which to send him home, the gentleman from Mississippi and the northern veteran recall the days when they gallantly fought on opposite sides of the same intrenchments.

Langdon afterwards exposes the "Altacoola" land purchase by the Government of lands in Mississippi and defeats the bill, although it concerned his own State.

"The Gentleman from Mississippi" is a fine type of manliness; a true American, whose sense of honor and justice could not be influenced by personal interests, local considerations, or lobbyists.

"Hamlet" is a wonderful and weird study of human conduct that interests and fascinates the scholar in search of motives, but "The Gentleman from Mississippi," unknown to fame, is a wholesome sermon that appeals to the best impulses of every man.

PROJECTS I HAVE CRITICIZED IN THE HOUSE.

May I offer a further reply of a personal character? Upon this floor, with all my energies, I opposed the $9,000,000 appropriation for the lower Mississippi River land-reclamation scheme, which is part of an unlimited expenditure; also, a $2,000,000 appropriation for the wasteful Missouri River project, part of an estimated $20,000,000 wasteful scheme; also, a $5,000,000 appropriation for the canalization of the Ohio River, part of a $63,000,000 project; and also a $2,250,000 appropriation for a bankrupt canal project, part of an eventual $20,000,000 scheme. The RECORD will bear out my statement. I have also introduced several resolutions showing the insiduous character of the worst lobby ever organized in this country in favor of any bill, a lobby which annually pushes on the pork barrel. The resolutions were promptly smothered or ignored by the committee. The Mississippi Member, in a personal attack, complains because I only presented a score of amendments against the pork barrel, all of which were promptly voted down by a House that refused a roll call; also, because I persisted in offering resolutions of inquiry.

Further amendments were useless where responsibility could not be fixed by roll calls. It was an equal waste of effort in making demands upon the Rivers and Harbors Committee for a report upon my resolutions. Only a simpleton would have wasted time on either proposition. Surely only a simpleton could expect it, and I assume there are no simpletons here.

The reversal of the House's action on the pork-barrel bill is an answer to abuse, and a score of letters of commendation from those engaged in the fight show the resolutions served a purpose, if not all that was desired. I appealed from the House action to a higher forum in the case of the pork barrel, and I appeal to a higher forum than any committee when I insert in these remarks a portion of the evidence I have to sustain allegations contained in the resolutions.

HUMBLE EFFORTS ARE APPRECIATED.

Mr. Speaker, by our acts we shall be known. I do not expect to measure up to my own ideals while a Member of this House. I expect to make mistakes, and shall ever be glad to receive fair criticism, but insincere accusations are of no value.

I can not find words of appreciation for the remark of the distinguished gentleman from Illinois that I am in any degree entitled to the thanks of the country for my work against the $53,000,000 pork barrel. The generous expression of the gentleman from Massachusetts that I, more than any other one man, may have been responsible in uniting public opinion and fixing public thought on river and harbor extravagances, is also appreciated. May I be pardoned for here inserting other kindly words, which come unsolicited from a distinguished Senator who perfected an organization and rendered eloquent service to the country with Senator BURTON when the $53,000,000 vicious pork barrel was defeated.

UNITED STATES SENATE,
September 23, 1914.

Hon. JAMES A. FREAR,
House of Representatives, Washington, D. C.

MY DEAR MR. FREAR: Now that the river and harbor bill is defeated, I can not refrain from giving credit where credit is due. You are the man who started the whole fight; you are the man who is entitled to the credit. You, in my judgment, performed one of the greatest public services that any man has ever done in Congress. I congratulate you from the bottom of my heart.

If you need me in your campaign, I will be glad to come there and tell the people what a splendid Representative you have been. Would that we had more men in Congress like you.

Sincerely, yours, W. S. KENYON.

A brief word received from the distinguished man who made the great victory possible is also inserted:

HOT SPRINGS, VA., *October 1, 1914.*

Hon. JAMES A. FREAR,
House of Representatives, Washington, D. C.

MY DEAR MR. FREAR: I learn that the House concurred night before last in the Senate substitute after a lively debate.

I am here for a brief rest, but can not omit to congratulate you on your part in this most happy outcome. I am sure that you will be listened to more attentively next winter than you were last winter or spring.

Yours, sincerely, T. E. BURTON.

Words of commendation quoted from Members of the House and Senate, with many others from leading journals of the country, I place in the scales against the record of the gentleman from Mississippi, which was read to the House by the gentleman from Illinois.

To show that legitimate transportation companies are not misled as to the real issue, a brief extract is offered from a lengthy resolution passed at its annual meeting in 1914 by the leading commercial body of the country, the New York Board of Trade and Transportation:

Whereas through the efforts mainly of Congressman JAMES A. FREAR, of Wisconsin, and Senator THEODORE E. BURTON, of Ohio, the 1914 rivers and harbors bill as reported by the Senate Commerce Committee has been defeated—

* * * * * * *

Resolved, That while we regret the defeat of certain items in the rivers and harbors bill * * * we nevertheless regard with approval the defeat of the bill as a whole, and commend Congressman JAMES A. FREAR, of Wisconsin, and Senator THEODORE E. BURTON, of Ohio, for their courage and perseverance in opposing the inflated rivers and harbors bill and cordially congratulate them upon the success of their efforts.

It is needless to say I had no intention of dragging my own personality into this controversy, but from many kind words received throughout the country I am content to leave my record to the judgment of those who are disinterested and unprejudiced.

THE MISSISSIPPI RIVER PROJECT.

Mr. Speaker, I have made an investigation in a small way of the Mississippi River land-reclamation scheme. Under the 1914 river and harbor bill which passed the House the Mississippi River below St. Louis received the enormous amount of $8,000,000, whereas the river above St. Louis, of about equal length and carrying equal tonnage, received only $1,500,000. When the bill was reported to the Senate it carried $9,000,000 below St. Louis and $1,500,000 above that city to St. Paul. In other words, for every dollar spent on the northern half of the river six dollars were given to the southern half. And it must not be forgotten that traffic upon the lower Mississippi has decreased over 80 per cent within the last 20 years, according to Government reports.

This is the bill carrying $9,000,000 for the lower Mississippi River that I am charged—I trust correctly—with having helped to defeat.

Just how much of the $20,000,000 will be spent by Army engineers on the Mississippi remains to be seen.

THE PORK BARREL IS NOW A KEG.

The substitute amendment carries $20,000,000, or less than two-fifths of the $53,000,000 contained in the original pork barrel. If other projects receive an equal proportion of the new "pork keg," then the Mississippi, instead of receiving $9,000,000 below St. Louis, will be given approximately two-fifths of $9,000,000, or about $3,600,000. This will be a saving to the country of $5,400,000 that ought not to be squeezed out of our people in unjust and unnecessary war taxes. For this result I am held, in part, responsible by the gentleman from Mississippi, and it is not unreasonable to presume that his indignation in part is predicated upon that loss to the lower Mississippi and proportionate saving to the Government. Is it a "pork" proposition to throw millions of dollars annually into the Mississippi River? I recognize the cry for flood protection that has been raised by people of the lower Mississippi River Valley, and I believe I am as much in sympathy with that cry as other Members on this floor. But I am firmly convinced that nearly all of the money now poured into the lower Mississippi is being wasted; that we have been hypnotized by the voice of the experimenting Army engineer, on the one hand, and have been influenced by a hope that we are helping to prevent floods, on the other.

I firmly believe the present Mississippi River reclamation system is a monstrous waste of money, and that the country will awake to the true state of facts within a short space of time. I further believe that much of the agitation behind the present Mississippi levee improvements is caused by reclamation interests which desire to reclaim private lands at Government expense. Thus far in the discussion of the waterways of the country I have tried to furnish credible testimony on every point to sustain my belief. If I fail to do so in this case, I know it will invite ridicule, but I am not concerned, because ridicule encountered when we began the fight against the river and harbor bill determined nothing. Results count.

Let me say, in passing, it would be ungenerous to accept credit or all blame for that fight when we remember the excellent aid given to the same movement by the able gentleman from Texas [Mr. CALLAWAY]. He was called away to defend his record before his constituents, a splendid record, far better in service to his State and country than the record of those who tried to save the Trinity River project. After his departure I tried to keep alive interest in the matter. I claim no credit for performing a public duty.

THE MISSISSIPPI HAS SWALLOWED A VAST SUM.

Mr. Speaker, the Mississippi River has received between $150,000,000 and $200,000,000 from Government and local contributions, most of which has gone into the river south of St. Louis. Army engineers have indorsed all manner of worthless schemes. Politics, personal interest, and a variety of causes are assigned for incompetence. In the case of the Mississippi River wholesale criticism arises, in my judgment, from a combination of unfortunate influences. If political pressure will affect the distribution of the $20,000,000 pork barrel, as has been stated on the floor of the House by champions of the Army engineers' system, then what must be expected where the owners of lands and other interests to be affected bring pressure for the same purpose against the same officers?

At this point I desire to introduce a resolution into the RECORD concerning the Mississippi River, which is now awaiting action from the Rivers and Harbors Committee:

[H. Con. Res. 50. Sixty-third Congress, second session. In the House of Representatives. September 21, 1914. Mr. FREAR submitted the following concurrent resolution, which was referred to the Committee on Rivers and Harbors and ordered to be printed.]

Whereas about $200,000,000 have been expended in attempt to control the Mississippi River below Cairo, principally by the use of levees and revetments, which as a means for that purpose are deemed by many to be impracticable and futile; and

Whereas by the present rivers and harbors bill further great sums of money are proposed to be appropriated to continue this questionable attempt by the same means: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That no appropriation made by the present rivers and harbors bill shall be available for use upon the Mississippi River below Cairo until the feasibility and advisability of plans which depend upon levees and revetments for control of the Mississippi River below Cairo have been approved, or other plans substituted by an advisory board of consulting engineers, in accordance with the provisions of H. R. 18169, now before the Committee on Rivers and Harbors.

Resolved further, That the members of such advisory board of consulting engineers, appointed by the President in conformity with the provisions of said bill, shall require to be confirmed by the Senate.

Mr. Speaker, it is impossible in a few remarks to present more than an outline of the weakness and wastefulness of the present Mississippi River system. The flood of the early eighties, followed by the flood of 1903 and the recent floods of 1912 and 1913, do not faze the Mississippi River Commission nor the Army engineers who are superintending the project. Washed-out levees and flooded districts are viewed with equanimity as long as the Treasury holds out. Political conventions of all parties are persuaded to adopt resolutions with promises of aid, and Presidents are importuned to exercise their influence in retaining present officials and keeping up the present wasteful system.

A BILLION-DOLLAR LAND PROJECT.

Nor is the reclamation of lands overlooked when it is estimated that 20,000,000 acres in the Deltas can be protected by a

system of levees. Of this amount 80 per cent is estimated to be now valueless, but when the land is reclaimed the increase in value will be phenomenal.

Prior to the floods of 1880, before these levees had been tested and their inadequacy ascertained, the opinions of Presidents and of Congresses were clearly set forth in frequent utterances, one of much significance being a provision in the 1881 rivers and harbors bill, which expressly provided that no portion of the sum thereby appropriated should be used in the repair or construction of levees for the purpose of preventing injury to lands by overflow or for any other purpose whatever, except as a means of deepening or improving the channel of said river.

It is significant that the river and harbor bill of 1881, which covered every river and harbor in the country from Maine to California, reached a total expenditure of $8,951,500, whereas the amounts carried by the river and harbor bill for this year on the Mississippi alone reached $10,500,000, and of this amount $9,000,000 was for the lower Mississippi, south of St. Louis. More money was carried for the lower Mississippi River in the 1914 bill than for all the rivers and harbors of the country in 1881, and yet remember, according to Government reports, the traffic on the lower Mississippi has decreased over 80 per cent since 1881.

The total amount carried by the sundry civil bill and river and harbor bill for 1914 was about seven and one-half times the amount carried in 1881. River traffic decreased on southern waterways as a whole during that period, although according to the statement of the gentleman from Massachusetts [Mr. TREADWAY], as shown by page 17361 of the RECORD, considerably over one-half was for the South.

THE STARTLING APPROPRIATIONS FOR 1914.

A $10,500,000 appropriation for the Mississippi River is amazing because of the following facts:

First. When refusal to appropriate Federal funds to aid private reclamation was put into effect, vast waterway influences, so called, were organized to secure funds from the Government for the Mississippi River land-reclamation scheme.

Second. The 1914 bill carried more money for reclamation of the Mississippi River lands than the entire appropriation for all Government waterways in 1881.

Third. Navigation has decreased 80 per cent on the lower river and is now comparatively small, although the policy of 1881, protesting against the use of money except for navigation, is being completely brushed aside.

I am not expecting to see a change in policy at this time, because "flood protection" and not land reclamation is kept before the people as the issue. Neither do I expect to see a change at this time in the policy of giving $60,000,000, or ten times that amount, of Government money in order to reclaim 20,000,000 acres of land along the lower Mississippi for private parties, land that is not to pay anything for benefits received.

The propaganda carried on by the Mississippi River Levee Association and by the Rivers and Harbors Congress has bewildered Congress and the people into acquiescing in this great land-reclamation scheme at Government expense.

I am confident the appalling raids on the Federal Treasury in the name of "flood protection" are growing in force and frequency, so that the country will soon ask Congress to investigate what this reclamation scheme comprehends.

WASTED MONEY THE REAL ISSUE.

However, these are suggestions that are not involved in the proposition I desire briefly to discuss, and that is the incompetency and waste which characterizes the present levee scheme. I have asked in a resolution for a competent advisory board; a board of distinguished high-class engineers, who will squarely confront the problem and solve it, if it is to be solved. The judgment of Goethals and men of his size would give confidence that the money spent is not entirely wasted, as is now contended. A million dollars spent in ascertaining the truth would be economy, although no one believes it would cost one-tenth of that amount. The present commission is pursuing its own course, and it will do so until the American people are brought face to face with the fact that the Mississippi River reclamation policy has been a drifting policy and a wasteful piece of growing extravagance.

When the river and harbor bill was before the House I believed the subject was of such importance that I discussed the bill at some length. The enormous sums of Government money to be spent on this project, in addition to the great economic loss involved, leads me now to offer opinions of others as to the present levee plan.

AUTHORITIES, NOT PERSONAL OPINIONS, OFFERED.

I have no opinion to express as to what plan should be urged. That is a matter for experts to determine. I do believe that common sense and a knowledge of elementary physics will serve to discredit the present plan. One of the witnesses whose word is of more than ordinary value is Gen. Herman Haupt, known throughout the country as an eminent military and civil engineer, a man who died several years ago. Gen. Haupt left a pamphlet of great value to the country at this particular time. Gen. Haupt was an engineer, author, and inventor of wide experience and high character. The positions he occupied as engineer of railroads and other great corporations, including at one time the city of Philadelphia, entitle his words to more than ordinary weight.

In a remarkable pamphlet issued a few years ago, entitled "The Problem of the Mississippi," he presents a strong, comprehensive arraignment of the present system. On page 8 he says:

> Charles Ellet, who represented the United States Government in connection with river investigation in 1851, was sufficiently bold to assert that to sustain a flood of the velocity of that of 1851 the levees must be made at least 2 feet higher from Red River to New Orleans, for which assertion he was in 1861 severely criticized by the representatives of Government in charge of river matters. Instead of 2 feet levees are now [at the time he was speaking] 5 feet higher than in 1857. The estimate of the Government engineers in 1861 for complete protection from Cairo to the Gulf, including value of existing levees, was $26,000,000. There have been expended since 1861 in levees still incomplete more than $5,000,000, and the cost of the levee system when completed will not be less than $100,000,000.

Since that day the total has doubled in amount. One might imagine this was a chapter from engineers' estimates on the Coosa or the Red or the Black Warrior or the Trinity or a hundred other streams on which Government engineers have increased their estimates. Gen. Haupt, in presenting his case against the present levee system, calls upon the opinion of Mr. L. W. Brown, civil engineer, wherein Mr. Brown asks:

> Has the Mississippi River Commission such knowledge and has it made such investigation as one necessary to determine that the bed of the river is not being lengthened? If they have, why is not this most valuable information made public? If the flood elevations are increased, as past experience teaches us they have been, and if they have occasioned a decrease in the slope of the whole river, as is shown to be the case, although not published by the commission, by what hydraulic laws would the deduction be made that the bed is not fouling? If no phenomenon has occurred which was not anticipated by them, the commission is responsible for the losses this country sustained in 1897, amounting to upward of $100,000,000.

Two further brief extracts are quoted. On page 20 Gen. Haupt says:

> It has been shown that before the river was interfered with by the construction of continuous levees the changes in flood elevations were very slow, only 1 foot in 90 years, while the construction of levees has caused a rise as great as 1 foot in 2½ years.

A further extract from page 23 is directly to the point when he says:

> No single plan of improvement can solve the problem of the Mississippi—neither levees, outlets, waste wiers, or diversions will singly be sufficient, but a combination of all, directed by intelligence. Levees are required for local protection, but a system of continuous levees for highest floods from Cairo to the Gulf is the worst that could have been conceived.

CONTINUOUS LEVEES ARE VALUELESS.

Surely the last statement is significant when we are appropriating for the levee system more per year than we did for the whole country a little over a score of years ago.

Prof. Lewis M. Haupt, a son of Gen. Haupt, a civil engineer of high standing, has made a study of conditions on the Mississippi River, and has presented several instructive papers on the subject, which it is impossible to more than refer to briefly.

In an address before the Franklin Institute on "Controlling the floods of the Mississippi River" he says, after discussing the great loss of property through floods:

> In behalf of the engineering profession it seems necessary to state the responsibility for these disasters does not rest with it, since Congress has the sole jurisdiction and control of these questions and its attention has frequently been called by engineers and river men to remedial measures which have not been adopted. The real causes may better be ascribed to politics and local interests, as may be illustrated by the following reported interview with one of the most sagacious railroad magnates of the country (Jay Gould), now deceased, who, on being requested to lend his aid to the passage of an act which would have provided earlier relief to the Mississippi Valley, is said to have replied: "I have read all the arguments before Congress. The outlet system is correct and the only way to deepen the Mississippi River. If that were done, what would become of not only my own but all other railroads coming to New York?" They would be ruined, and for that reason he would favor the levee system, for so long as that be kept up there need be no fears of the Mississippi as a competitor.

If Jay Gould were alive to-day his road and every other railway in the Mississippi Valley would join the railways that are now contributing to the support of the Mississippi River Levee Association.

Several years ago Prof. Haupt presented a strong comprehensive report on the Mississippi River problem, which reached the same conclusions as those formed by Gen. Haupt, Charles Ellett, and Mr. Brown.

Believing that a personal letter, one of a large number received from Prof. Haupt during the past six months, may throw additional light on the Mississippi levee system, I quote brief passages:

CYNWYD, PA., *September 28, 1914.*

Hon. JAMES A. FREAR.

MY DEAR SIR: Your favor of the 26th is at hand, and I hasten to comply, feeling that the almost lifelong study I have given the question may not have been in vain when carefully considered by unbiased interests. You have sized up the situation as to levees, and the demand made upon the Government to aid in them under the guise of improving navigation, but, as Senator Berry said, it was a blind, since Congress had no authority to go into reclamation of lands.

One of the best men, thoroughly familiar with the river, is Lyman E. Cooley, civil engineer, of Chicago, also James Sedden, of St. Louis, both of whom were in the service of the United States in early years. Others, now deceased, like Prof. Johnson, Brown, Starling, etc., have left their record. Ockerson and Taylor, who are still on the commission, are very capable and well-informed men, but in the minority.

Sedden's papers and hydrographs indicated a rational system for protection from floods and providing an adequate navigation by lateral reservoirs in the waste lands, but this is only a partial remedy, and it has been vigorously opposed by levee advocates by stating they would be wholly inadequate.

I can not go into details, but for all the remedial elements will refer you to the letter I sent Judge BURTON extracted from the Transportation Crisis (a copy of which I think I sent you some time ago), vide page 20 in the Great Basin, and page 27, the Great Belt Route—Levees and Navigation.

The letter referred to making inquiries was from Senator Brice, of Ohio, 1887. This was 27 years ago, since when probably over $100,000,000 have been expended and the 9-foot stage has not been secured on either the Ohio or the Mississippi. See the confession made by the commission of 1900 (p. 29): "It is continually making experiments looking to the best use of available material when Congress shall provide for such a systematic improvement."

ENGINEERS, NOT CONGRESS, ARE RESPONSIBLE.

This it seems is not the duty of Congress, as it is an engineering question and has not been satisfactorily solved, since the policy is vacillating and the attempt seems to be made to correct the river locally by patchwork instead of as a whole by applying physical laws to the entire basin.

See V. P. 41 (2) giving a summary of the fifth of this series of papers. I send a blue leaflet, No. 2, giving extracts from Maj. Guin, United States engineer, and the various estimates. Since then many of the natural outlets have been closed in efforts to force all the water through the Passes to scour out the bars, but overlooking the fact that the mud remains to be ejected at the outlets, thus increasing the rate of advance of the bars and the amount of dredging.

While the United States engineers are absolutely independent of politics they are also not amenable to the electorate (the people), hence are virtually unaccountable to anyone for their mistakes, and the officials change their posts so often that they can not even assume the honor or responsibility for results. I say this without criticism, for it is the radical fault of the system.

Continuing, as to interference with the power of the engineers, who control the river and harbor projects of the country, Prof. Haupt says:

They are intrenched behind the Treasury, but as the Missouri Commission was abolished for insufficient results it may be possible to follow the precedent and satisfy the public that their levees and property will be better secured by the use of all remedies available instead of the single one—the levee system—which must ultimately bring disaster and destruction, because there is no escape for the silt.

THE REAL PROJECT.

In conclusion Prof. Haupt makes this cogent statement:

As you have asked for my candid opinion, I have not hesitated to give it, so that perchance it may lead to a change of policy for the public weal. The public at large is not interested, so long as they do not own plantations behind the levees; and those who do, demand the protection of private property, which is given without legal sanction and paid for by the Nation. The money is virtually wasted in redoubts and intrenchments—against an invisible foe—which can not escape, but builds its own counterscarps, scales the barriers, and destroys the innocent citizens living under their shelter.

Very respectfully, yours, LEWIS M. HAUPT.

On the day following the introduction of the Mississippi River resolution, I received personal words of commendation from high authority here in Washington, stating that my premises were right, the present system wasteful and disastrous, and the only protection to the country would be by the appointment of a high-class temporary advisory board, as I proposed, to make an investigation and report without delay. I was assured that such a board would unhesitatingly condemn the present extravagant and wasteful scheme, which is unsound in character but continues to receive the approval of an ossified policy, as fixed and immovable as the prejudices which governed the persecutors of Columbus.

I do not offer this statement by way of argument, but to show the difficulty surrounding efforts to obtain the truth, when officials and competent authorities feel obliged to write "personal" at the top of their communications for obvious reasons—and I have received many such messages during the six months' consideration of the river and harbor pork barrel.

ANOTHER ENGINEER'S STATEMENT.

A strong, fearless man who has a long list of accomplishments to his credit, and who has frequently pointed out to me the disastrous Mississippi River policy now being undertaken by the Government, is Mr. Carroll L. Riker, of Brooklyn, an engineer of large experience in waterway work. Mr. Riker believes he has solved the Mississippi River problem, and has presented a bill to that effect, now before Congress. While it appears to be reasonable and logical to the layman, I have no opinion to express as to its merits, nor does Mr. Riker ask for its support until he has convinced Congress that the present system is wrong and, to use his words, "criminally wasteful."

With unbounded courage he guarantees to compel admissions of incompetency of the present plan from the Army Engineers themselves if he can secure a hearing—and no man can listen to his plain, common-sense exposition of the Mississippi River problem without being impressed by his sincerity and ability. Mr. Riker has accomplished some important things in the way of public engineering service that can not be disputed, and I believe he would be able to convince any unprejudiced man or body, if given a hearing, that the present Mississippi River improvement scheme is as bad as he declares it to be.

Mr. Riker is a mild-mannered man, who, however, does not mince words when he says, in a statement made to me:

The plans of the United States Army Engineers for the control of the Mississippi River are the greatest engineering blunders which have ever been perpetrated upon a nation. These plans show that they do not understand the underlying and first principle which naturally governs the flow of a river.

If an advisory board of consulting engineers be appointed who are not graduates of West Point to investigate these plans, and they used as data only that which is printed and officially indorsed by these Army engineers, they would certainly confirm the above statement after less than 24 hours of actual consideration.

Mr. Riker then engages in a technical, but clearly presented, discussion of river currents and other related influences which I will not quote; but he further adds some information in unmistakable English which the lay mind can easily digest. He says:

These United States Army engineers for more than 50 years have uniformly shown ignorance of the existence of the greatest law in the universe, that of contrifugal force, or the law of straight tendency, which is constantly exerting its influence to straighten the course of all rivers and, where obstructions to such a course are removed, maintains rivers in a course as straight as an arrow. * * * This straight tendency, which is due to the influence of centrifugal force, causes all matter in motion to move in a straight line and unlike that of any other force increases with the square of velocity of the matter in motion. * * * This force influencing the waters of the Mississippi River to maintain a straight line increases sixty-four fold as the velocity of its waters increase from one-half mile per hour to 4 miles per hour.

EMBALMED FALLACIES OF ENGINEERS.

Referring to authorities that have been the fetish of Mississippi River work, he says:

The embalmed fallacies of Humphries and Abbott have been blindly followed for more than 50 years by these engineers, who have built dikes, revetments, and levees at the cost of more than a hundred million dollars in their efforts to make this river pursue a crooked and unnatural course, wholly in opposition to all of nature's natural inclinations.

There are engineers of the Army who would not commit themselves to these blunders The president of the Mississippi River Commission represents those who do and expresses their views on this question in the following paragraph contained in his report bearing date of May 16, 1913, to the Chief of Engineers, United States Army, in reply to the request of the President for information on this subject:

"Cut-offs: By cutting off the bends in a river, its length is diminished and slope increased. This would increase its discharge at a given height. This method of relief can not be applied to the Mississippi River, as it would seriously injure its navigability during low water, and increase the caving of its banks, which is now excessive. While it would afford relief in the upper portions of the river thus straightened, it would increase flood heights at the lower end, benefiting one locality at the expense of another." (See Appendix A, p. 11.)

When the engineering profession have had their attention specifically drawn to the facts connected with the present plans of the Army engineers for control of this river it will entail a national engineering disgrace that is unavoidable. Thirty-four annual reports of the Mississippi River Commission, concurred in by the various Chiefs of Engineers, United States Army, then acting, are mute witnesses against them that can never be effaced. There is not one word that can be uttered in extenuation of these blunders which have been perpetrated by these engineers upon the citizens of the United States for a lifetime. They are now preparing a trap for the unconscious, confiding settlers in the valley of that river which will terminate in a terrible catastrophe as certain as the sun is to rise unless the present program be radically modified.

Mr. Speaker, it may be said by those who are criticized that personal interest influences the judgment of men who are not Army engineers. It is an argument used at both ends of the Capitol by statesmen of greater or less caliber, who impugn motives of personal interest to every act, and who ascribe disappointment or other unworthy influences to all criticisms of the pork barrel. Such replies will have no weight with those in search of the truth, and I am sure the common-sense proposition offered by the eminent men I have quoted can not be scoffed out of court much longer.

THE MISSISSIPPI RIVER COMMISSION'S DEMAND OF $12,000,000 FOR 1915.

If any corroboration is needed of lack of knowledge and understanding of the Mississippi River problem, then an examination of the testimony of Judge R. S. Taylor, of the Mississippi River Commission, taken by the Committee on Commerce of the United States Senate, will convince doubters. Other amazing

confessions of uncertainty and doubt appear in the hearings conducted before the Senate committee, and yet, with an audacity possessed only by a Col. Fox, with whom we may later become acquainted, the Mississippi River Commission demands $12,000,000 for that river in 1915. Even this extravagant amount does not satisfy all land reclamationists along the lower stretch of the river, persons who see visions of wealth whenever the present worthless lands along the river are reclaimed by the taxpayers of the country through the agency of a Federal Treasury.

Read House Report No. 390 of this Sixty-third Congress. It relates to claims for damages against the Government because of improper levee plans on the Mississippi River. Nothing further is required to place a seal of condemnation on the Government's handling of the Mississippi problem. I quoted from this report in my remarks contained in the RECORD for June 19. It is an astounding fact that we continue to annually pour millions into the river without any comprehensive plan or permanent results in mind. What is the reason? Who is responsible for this enormous waste of Government funds? Everybody places the burden on the shoulders of some other body. Why not get at the facts by passing my resolution?

WHAT DO THE RIVER PEOPLE SAY?

Those who are familiar with local conditions declare misfortune has been shrewdly capitalized and the Government Treasury is the goal of those who, in the aggregate, have many hundreds of millions of dollars at stake through a reclaimed land scheme. I am not able at this time to discuss the selfish purposes behind the Mississippi River improvement scheme, but I am endeavoring to show that though the Government pours its millions into the river for the benefit of reclamationists the supposed beneficiaries will not receive any anticipated benefit, because the improvements will not be permanent.

The present plan does not deceive many people along the river valley, as I propose to show. Without means of securing all the information I would gladly present, I offer such proof as has accidentally fallen into my hands.

On September 28, 1914, the New Orleans Item printed an editorial which relates to several matters involved in this discussion, all of which may not be strictly pertinent to this particular point, but it clearly shows a leading publication of the great Queen City is not in sympathy with the Mississippi River Levee Association, the present system of river levee improvements, or the 1914 pork barrel. For all of these reasons the Item is entitled, in my humble judgment, to the thanks of the Mississippi Valley, which looks for permanent improvement of the river, not extravagance, waste, and a blindness to impending danger. I place the editorial in the RECORD because it is relevant to the subject:

[From the New Orleans Item, September 28, 1914.]

THE PORK BARREL, US, AND OUR NEIGHBOR.

"From the news column of The Item we learn that Congressman FREAR, of Wisconsin, proposes to introduce a resolution directing the Attorney General to investigate alleged lobbying activities of the National Rivers and Harbors Congress and the Mississippi River Levee Association:

"The grounds are that they have brought improper influences to bear in favor of the rivers and harbors bill; that they are using agents and newspapers to stir up sentiment * * *; that they have collected money for their propaganda from various commercial and railway bodies * * *; that they have assumed to dictate to Members of Congress how to vote; and that they are carrying on an insidious lobby.

"These grounds are so nearly identical with those on which The Item and Mr. George H. Maxwell, champion of the Newlands bill, and Mr. J. J. Hill's ready typewriter, have based their own fight against the Ransdell-Humphreys bill that we have an idea that these are the sources from which Mr. FREAR has gathered his alleged information."—New Orleans States.

This statement of the case and the "idea" of our sad contemporary are alike utterly untrue and needlessly incorrect. When we recall the blunders into which The States boggled in its efforts to misrepresent the attitude of President Wilson and the governor of Ohio on the problem of river control, however, we have no reason to anticipate that anything but profound ignorance and destructive prejudice will shape the utterances of our esteemed contemporary on this subject.

The National Rivers and Harbors Congress conducts a national lobby for the pork-barrel bill.

The Mississippi River Levee Association was organized by some railroad interests who do not want genuine and permanent stream control, because it threatens competition by levee-board politicians and levee contractors whose jobs and profits depend upon the perpetuation of the stupid and vicious old system of disjointed levee maintenance under which the people of the valley have been bled and pillaged, both ignorantly and willfully, for the past generation, and left hopelessly exposed to terrible floods at the end of the process. The genii that framed this latter organization also framed a bill, and Mr. RANSDELL and Congressman HUMPHREYS of Mississippi let their names be tacked to it.

The two institutions are ostensibly separate.

The statement that the Item or Mr. Maxwell attacked the Rivers and Harbors Congress is untrue. Our general attitude toward it has been a feeling that if the Federal Treasury is to be looted for the selfish purposes of Congressmen and local interests that have strings on Congressmen, our own part of the country had as well have its share of the loot. The managers of the Newlands campaign have gone further than that, however, and figured on using whatever could be derived from this bill as an adjunct to Mississippi appropriations under the Newlands bill.

What the item has done in this matter is to tell its readers the simple truth about the standing of this pork-barrel measure before the people of the country. We have not been ignorant or dishonest about it. We told you a year ago that the feeling of the Nation against the abuses of the pork barrel was approaching a climax so rapidly that it was utterly unsafe to trust to the barrel for any adequate relief from floods. We warned you that the country would not allow many more pork barrels to be opened. We advised some other method, and led the fight for the Newlands bill as the best one.

The Item has been the only newspaper in New Orleans to take this course. The result vindicates its stand. We have been bitterly berated for this course by the other three newspapers. Ignorance or untruth alone can account for their behavior. We urge you to be charitable in determining for yourself to which their course is chargeable.

The Item's readers know from its past exposures that the Mississippi Valley Levee Association is built on a foundation of railroad cash. It is a pleasure to note that the Item's photographic proof of this fact was exhibited to the Senate during the recent debate. Everybody ought to know the truth.

Our contemporary's statement of Mr. FREAR'S attitude on the pork-barrel lobby, with which the Item had nothing whatever to do, is quite incorrect. He did not object to the fact that the managers of the "congress" have "collected money for their propaganda." He charged that they used solicitors for this purpose and paid these solicitors one-half of the money thus collected from innocents who thought they were giving up their cash for legitimate constructive waterway promotion, and could not have known that half of it stayed with the seductive gentlemen who took it away from them.

How would you like to hand a persuasive gentleman $10 "for rivers and harbors" promotion, knowing that he was going to keep $5 for his own drinks, cigars, and board bill?

The States' idea that we furnished the information for this charge to Mr. FREAR does us too much honor. The source of it appears on page 16785 of the CONGRESSIONAL RECORD for the current term, in the following language:

"Mr. KENYON. Now, where does the money come from to carry on this great propaganda throughout this country? Why should it be necessary for large sums of money to be spent in giving dredgers' association banquets to influential citizens, as I have here read from their statements? * * *

"I want to get into the record, which I am trying to preserve for the people of this country, who are going to pass on this question eventually, a letter, which I am authorized to use, to Mr. FREAR, of Wisconsin, who fought this bill in the House almost alone. * * * This letter is from Mr. Richard M. McCann, the publisher of Waterways and Commerce, a monthly magazine. * * * In it he says:

"'I inclose herewith original subscription lists obtained from a canvasser named Mr. John M. Williams, of the National Rivers and Harbors Congress, who received 50 per cent for obtaining the amounts set opposite each name. As you will see, the subscriptions cover 1909, 1910, 1911, and 1912.'"

The States could not have expressed such a blundering "idea" as that we have just exploded except in utter ignorance of a public record open to everybody.

The self-intoxication of politician journalism was never better exemplified than in our contemporary's further language:

"We trust that the Item's cup of satisfaction is full now that the Republican filibusters have succeeded in striking $4,500,000 from the appropriation provided for the Mississippi, and thus very largely increase the peril which must confront the people of Louisiana and Mississippi when the next great flood comes rolling down. It is to be entitled to share whatever credit may be due for the blow at our security, and it may be added that no Senator who voted against the bill can be blamed for doing so when he can point to a New Orleans newspaper for vindication of his course."

Is our befuddled neighbor not a little premature in its mathematics? Hasn't $20,000,000 been left to the Army engineers for use in their discretion? They say they do not know yet how they will apportion it. Is the colonel their boss, too? Is he going to limit his suffering people to such a trifle as three and a half millions?

And suppose we had got "our" eight millions, which was merely a figment of Mr. RANSDELL'S fruitless imagination—he was imagining $60,000,000 at the same time—what "peril" would it have "averted"? Would it not have been merely a continuation of the "delightful stream of scattered driblets," as the classic JOHN SHARP WILLIAMS once phrased it, that are just enough to glide into the river by the time the next high water comes up? Has it not been a generation of pork-barrel driblets and political newspaperdom that destroyed Dayton and submerged a score of Louisiana parishes at the end?

We do not accept our good neighbor's well-meant statement of the case, but lest there be any doubt about it, we hasten to assure everybody that we are quite proud of our contribution to the enlightenment of a suffering people, oppressed by log-rolling politicians and benighted by an ignorant and incompetent press, upon the fundamental causes that keep the pall of flood above them.

From Memphis, a city that has suffered through the ill-advised experiments of Army engineers, comes a note of warning in two editorials forwarded to me by a gentleman who appears to understand the Mississippi River problem better than those who are now disbursing Government funds for an impractical levee scheme.

The News Scimitar, of Memphis, on November 26, 1913, gave a clean-cut expression of the views of the people it represents in the second great city of the Mississippi River Valley. It is as follows:

[From the Memphis News Scimitar, November 26, 1913.]

ON TO WASHINGTON.

After a Peter the Hermit campaign, carried on by Evangelist John A. Fox, at the expense of the railroads, for several months, in which a purely unreckoning and mechanical sentiment has been worked up in favor of the futile "levees-only" idea, a descent is to be made on Washington in the near future, through which, by a show of numbers, Congress is to be coerced into siphoning out of the Treasury $60,000,000 for a continuation of the mud-pie system of confining the waters of the Mississippi River at flood tide. Anticipation is cloud piercing, and the bird of hope is soaring high without moulting a feather in the ranks of

the political levee boards up and down the river, while the absentee Mississippi River Commission fancies it sees before it a new lease of life. In spite of all this, there will be snags encountered in the stream. * * *

It is not unknown in Congress and throughout the country that those cooing turtle doves, the political levee boards, * * * are thoroughly discredited by the property owners, and that they maintain a show of vitality by shaking hands with each other. The "indorsements" so much touted mean nothing more than the price which various organizations that care nothing and know nothing about the question are willing to pay to be let alone. They have all been appealed to, barring the Ladies' Auxiliary of the Hod Carriers' Union, with the same result, which meant, "Take it and get away."

For 200 years the levee system has been tried and found wanting, and the more money that is spent on levees the more disastrous do they become.

Valuable lands on the outside of the levees have been rendered worthless by the increased elevation of of the flood heights, and no consideration is given these people or their 9,000 square miles of territory in the way of reimbursement. Memphis has suffered sorely as a result of levees, and is now asked to join in the clamor for more levees.

Congress is asked for $60,000,000, while it is admitted that no proper surveys have been made, and under the present pork-barrel system there is no assurance that competent engineers will have the work in charge.

Figures will not yield to clamor. In 1882, with 52 feet of water on the gauge at Cairo, the stage at Memphis was 35 feet, there being no levees on the Arkansas side. Every part of the city was above water. *In 1913 Cairo had a stage of 56 feet, while Memphis was submerged and much property destroyed by a stage of 46.5 feet, or an increase of 11.5 feet over the stage of 1882.* We are issuing bonds for local protection while being called upon at the same time to ask for more money and more levees, which are making local expenditure for self-preservation necessary.

The old brutal logic that we must "get some of that Yankee money down here" is no longer appealing. The Mississippi River Commission has been discredited by its own reluctant admissions. The political levee boards have been discredited by the people and the logic of events. We must have a new deal and a square deal. We must adopt new and better methods. We must put new and better men in charge, and we must make provision to reimburse those whose property the levee system has destroyed.

Listen to the following denunciation from the Memphis Press of September 12, 1914:

THE "PORK BARREL" IS AN ENEMY OF NAVIGATION.

We have told our readers on many occasions that the conscience of the Nation was revolting against the "pork barrel."

We told them that we were crucifying our own chances for permanent relief from floods and from permanent reestablishment of navigation when we continued longer to put our faith in the hodge podge, wasteful, selfish, aimless conglomeration of good, useless, and evil projects annually or biennially labeled the "rivers and harbors bill."

The method of the rivers and harbors bill is indefensible, and the results of that method pursued through generations are its own damnation.

* * * * * * *

The would-be perpetrators of the "pork barrel" are the enemies of the comprehensive program, the enemies of real safety, the enemies of revived navigation.

It is not going too far to say they are, in effect, traitors to the Republic.

Another illuminating editorial on the same general subject criticizes the Army engineers' levees without gloves. It is short and I insert it entire:

[From the Memphis News Scimitar, January 12, 1914.]

FLOOD CONTROL.

* * * * * * *

The consensus of opinion among experts is that the fundamental defect of the Ransdell-Humphreys bill is that, although it professes to be in aid of navigation, it provides for large expenditures for levees, which increase the rapidity and total volume of the caving of the banks into the river. The Chief of Engineers reported to the Secretary of War that until the caving of banks into the Mississippi below St. Louis can be stopped it is practically hopeless to expect any improvement of low-water conditions in the river. In other words, the stream can not be continued navigable.

It is estimated that there are 749 miles of caving banks on the lower Mississippi, from which 9 acres in area by 66 feet deep for each mile is thrown in the stream, which in 50 years would mean half a million acres of land to a depth of 66 feet tumbled in to obstruct navigation.

* * * * * * *

It is claimed by those high in authority that the Ransdell-Humphreys bill should be entitled "A bill to destroy the navigability of the Mississippi River, and to eventually make it impossible to protect the valley from devastation by floods."

This is just what the railroads want, and have been working for so successfully, and this is why they are behind the levees-only people, who are making so much noise, but which is "all cry and little wool." The more that people investigate the matter the more they see the futility of patchwork and mud pies. Those who have been forced to study the question because it has been brought home to them, like Mayor Reubenstein, of Stockton, Cal., who has had experience in the San Joaquin Valley, know something about flood control. In replying to a communication from Secretary Fox, of the local association, Mayor Reubenstein exposes the fallacies contained in the Ransdell-Humphreys bill, and states: "Fortunately for our country a plan has been submitted that is sufficiently comprehensive to insure an orderly start on this great work, and with ample means for its successful completion."

I would willingly print additional personal letters and opinions regarding the extravagance, waste, and utter uselessness of the present Mississippi River reclamation scheme, but I have already devoted more time to consideration of that river than I first intended. If I have presented sufficient proof of the failure of the present project to awaken interest at either end of the Capitol to prevent wasteful appropriations reaching upward to eight and ten millions of dollars annually, if I can secure a fair hearing for House concurrent resolution No. 50, which proposes an investigation by an advisory board, if I am able to resurrect the resolution from the committee morgue, to which it has been consigned, together with other resolutions and to which I propose briefly to refer, then I shall feel an effort in exposing the utter wastefulness of the lower Mississippi River reclamation pork barrel has not been in vain.

I am not easily discouraged, Mr. Speaker, and, although I make no prediction as to any investigation into the Mississippi levee scheme, I am confident that ultimate failure and waste will bring about such investigation in the not far-distant future and that condemnation will be visited then upon the heads of Army engineers, instead of upon Congress, where the responsibility should primarily rest.

DIFFERENT PROJECTS HERETOFORE DISCUSSED.

Before I take up one further subject, which I believe is of far more importance than the Mississippi River reclamation project, bad as that is, I desire to say that in my attempt to call attention to the bad features of the project I have been actuated by a purpose to secure, if possible, an investigation of the whole river and harbor proposition. On other occasions I have discussed the $83,000,000 Ohio River canalization project and the $20,000,000 Missouri River project, showing the character of traffic in each and the average cost per ton to the Government of freight carried through the locks or over on the Missouri. (RECORD of April 10, June 3, June 8, and June 19.) In like manner I have tried to show the railway control of terminals at Philadelphia, Providence, Pittsburgh, Cairo, and elsewhere, as appears in my remarks of June 19 last. The chairman of the Rivers and Harbors Committee, who has ever treated me with unvarying courtesy, said to me recently, "Whatever else may be said of your criticism of projects in the rivers and harbors bill, you play no favorites." I have no conscious prejudice on the subject. Legitimate appropriations for actual navigation will not be opposed by anyone, if for public use. I believe contributions from localities benefited should generally be demanded in order to avoid a grab-bag policy; but I am firmly convinced that to pay money out of the Federal Treasury for land reclamation schemes, water-power projects, fertilizer plants, or harbors where public terminals do not exist is wrong and vicious and leads to corruption and to the infamous "pork barrel."

A GREAT ISSUE IS INVOLVED.

I desire to consider briefly one other phase of river and harbor legislation. While the "pork barrel" of 1914 was cut from $53,000,000 in cash and $32,000,000 in new continuing projects down to a $20,000,000 lump-sum pork keg, future barrels will be encountered next year and every year thereafter as long as present conditions exist. A victory of $33,000,000 saved to the country in cash and $32,000,000 in new projects begun, or $65,000,000, is to the credit of those who carried on the fight in the United States Senate, with equal credit to the press and all other agencies which helped to bring about the result.

It may make Army engineers and "pork-barrel" builders more cautious for a time, but we must not delude ourselves into the belief that "pork barrels" will go out of fashion. They will threaten the American people as long as the present system, within and without Congress, continues to exist.

A little over a decade ago a new factor sprang into existence that has served to exaggerate former "pork-barrel" evils. Waterway associations were organized in different parts of the country to urge upon public attention and upon Congress waterway improvements for different projects. The Mississippi Levee Association, the Ohio Valley Improvement Association, the Atlantic Deeper Waterways Association, and a number of other waterway organizations from the Atlantic to the Pacific, largely composed of public-spirited, strong men in each community, all pulling for the particular project in which that association was interested. Soon thereafter it occurred to a promoter that if a trust or monopoly was a good thing in business for those interested, although injurious to the nine hundred and ninety-nine outside of the business monopoly, the same principle could be applied to annual raids on Uncle Samuel's Treasury.

AN ANNUAL $50,000,000 LOOT TRUST.

A trust organization of all the waterway associations was thereupon formed that chose for its battle cry "$50,000,000 annually for waterways." Good, bad, or indifferent, all were welcome in order to insure a $50,000,000 annual grab. In order to give force and character to the new waterway loot, trust officials were chosen who had great legislative influence directly and indirectly at Washington.

Quarters were engaged at Washington covering practically the entire floor of one of the largest business blocks in the city, and some of the brightest and ablest publicity agents in the

country were engaged by this $50,000,000 loot concern, which in its literature declared itself to be "second in importance only to the Congress of the United States."

From an humble beginning it grew in aggressiveness until it dominated the framing of annual "pork barrels." Ten days before the bill was reported from the Senate committee in 1914 this $50,000,000 annual loot organization sent out from its headquarters in Washington to the press of the country a statement, which read as follows:

While the river and harbor appropriation bill is still held in the Senate Committee on Commerce and the additions made to the House bill are still subject to the secrecy that is put upon members of committees dealing with appropriations until the bills are finally reported to the Senate, enough has been learned to predict that the Senate Committee on Commerce has increased or added to the waterway bills some $10,000,000.

The prediction was verified to the exact amount. Ten million dollars was loaded on to the House pork barrel of $43,289,004, and the bill was reported out of committee at $53,641,600. And it must not be forgotten that some of the worst projects disclosed in the House bill, including the Kissimmee, Oklawaha, and Mattawan Creek, were stricken out of the bill before it was reported by the committee to the Senate.

DO THE OFFICERS REPRESENT THE MEMBERS?

Whatever opportunities for securing special inside information are possessed by the Rivers and Harbors Congress or any other organization would be developed by House concurrent resolution No. 49 if an investigation could be had with power to subpœna witnesses and compel the production of books. I do not overlook the fact that great waterway organizations, made up of honest, public-spirited men, are accustomed to choose for administrative offices men of ability and influence in Congress who can be induced to act in that capacity. It is also fair to presume that the affairs of such organizations are managed and determined by those officers during the interim between annual meetings. I am not questioning the sincerity of such officials nor their own honesty of purpose in supporting any project, however wasteful or visionary it may seem to me.

When, however, they decide to throw the influence of the organization in favor of a pork-barrel bill, whose contents are not known to a handful of Members, then I believe they usurp the authority with which they are clothed. When such officials, occupying legislative seats at either end of the Capitol, consent to and approve back-fires, fictitious demands, or threats based on wrong premises, all to be directed at legislators who are trying to honestly and patriotically represent their constituents and their country under their oaths of office, then I believe it is time to expose the worst secret lobby and most powerful influence that ever advocated any appropriation is that which now exists behind the annual pork barrel. If any member of any organization encourages such lobbying, he is equally responsible, but I do not believe the average member has any knowledge of the character of bills that are known as pork barrels, nor do I believe he would authorize anyone to represent him in an effort to force a vicious bill through Congress. It is with no desire to reflect upon the purposes of any organization, with two exceptions, or upon the membership of any organization, in any case, that I submit th following facts, which have induced me to introduce resolutions of inquiry.

SOME FACTS CONCERNING THE LOBBY.

Individually, with the handicap of inexperience and no authority to investigate, any first-term Member is helpless to get at many facts, and yet I believe what I am about to submit imperatively demands from us an investigation, in order that Congress and the country may know what secret influences are employed to esecure the passage of annual $50,000,000 river and harbor bills. What amounts of money are used and for what purpose, what political influence is secretly employed to further the barrel's course, and just how far particular interests, including engineers, dredgers, and contractors, are engaged in efforts to push the barrel.

I am prepared to show that to some degree they work together, and it is difficult to determine without an effective investigation just how far the activities of one special interest are separate from other interests that are to be financially benefited by the passage of an annual pork-barrel bill, but the facts submitted speak for themselves.

Mr. Speaker, the dredgers of the country have a special interest in the passage of all river and harbor bills, and are found among the contributors toward waterway organizations that are annually trying to push through a $50,000,000 pork barrel. I will present connecting evidence hereafter. Here is a secret, confidential report that is illuminating:

REPORT OF THE BOARD OF DIRECTORS OF THE ATLANTIC AND GULF COAST DREDGE OWNERS' ASSOCIATION, MARCH 13, 1901.

To the Atlantic and Gulf Coast Dredge Owners' Association.

GENTLEMEN: In accordance with the constitution, rules, and by-laws of this association, your board of directors, through your president, present for your consideration herewith their report for the year ending February 13, 1901, adding thereto such recommendations and suggestions as your board have considered during the past year.

The year just closing, the eighteenth year of the association, and the years since its organization have been marked by constant and faithful effort to promote, through the means of general work and enterprise, everything that will make for the good of every operator enrolled in its membership. Measures have been constantly brought to your attention and every effort made to uplift our business and protect it in all proper and legitimate channels.

These efforts have been more or less successful, but always along the line of an earnest endeavor to conserve the real interests of our business.

During the past year your board have especially taken up for consideration the question of its department for fixing prices on work and the allotment of work through the commissioners of that department, and have carefully studied the problems which present themselves in connection with that line of work.

The department in question was not originally contemplated by the founders of this association, nor was it intended as any part of the work for which the association was formed.

The organization had its origin in the recognized desire of many operators in the dredging business for effective cooperation in many important fields of work, where the general interests of their business had long been neglected. It was felt by the progressive men who had invested large amounts of capital in this business that an organization of operators could be effected by the Atlantic coast, whose duty and object would be the closer affiliation of operators, and the combination of the talent and energy in the business for the promotion by all lawful means for the advancement of their business, and to present a united front, supported by united resources, to meet and overcome any and all obstacles then existing or thereafter appearing.

IN UNION THERE IS STRENGTH.

It was the old and tried principle, to wit, "In union there is strength" and "A house divided against itself falls," and the keynote of all successful organizations must be that very same principle. Following this rule, the effort of this association should have been confined entirely to meeting and overcoming obstacles which come from without—fighting the common enemy, so to speak. This would mean the promotion of all measures for urging public bodies to undertake public improvements in submarine work, compelling the enactment of reasonable laws governing our work, and the repeal of obnoxious and vexatious laws; experiments in all branches of machinery and devices used in our business, and a general department for furnishing to each member information desired by him regarding any particular work, or concerning which other members may have knowledge, giving in every way to each member the fullest possible data regarding dredging operations on the coast and the history of each piece of work.

So many measures of general interest and value are included in the work that could be successfully performed by an association to the advantage of its members, and so much can be done in the way of promoting good fellowship amongst them by means of this organization, and also by entertaining prominent and influential men at its banquets and through special committees that enumeration here of all these different and important measures is unnecessary.

Any thoughtful man who is engaged in our business can readily see how important it is that an efficient organization of operators should be maintained to promote measures of general interest and value.

QUARRELING OVER SPOILS.

Some years after the organization was effected an element entered into its work which has almost crowded out all features of general work and has practically turned the association, which was originally formed for general benefits only, into a special organization for the distribution of work and apportionment of contracts. Starting, as it did, in the desire to combine against outsiders, it has ended in combining against itself; and instead of its members standing together to promote the business of dredging in all its general and important details, as above mentioned, we behold a spectacle of members quarreling one with another over the division of work, and each one complaining that the association is a failure because it does not give to each one all the work that he feels is his due, each member forgetting that the association simply undertook this duty because it was forced upon it, and because other agencies to do that work had failed, and because the operators on the Atlantic coast refused to enter into proper arrangements for dividing work amongst them and preferred to load this work upon the association, a work for which the latter was unfitted, for which it was never intended or formed, and the only excuse for foisting this measure upon it was apparently the dredging operators failed to appreciate that this kind of work was done in other lines of business by special pools organized for no other purpose and specially organized for that purpose alone.

It is time that all thoughtful men in this association pause and consider whether the association is to blame for failing to perform a task entirely beyond its powers or resources, and also whether it would be well for the association to reject this burden and relegate it to proper agencies and take up the duties for which it was organized.

We think it is time that this be done and this bone of contention removed from the midst of our association and the members once more united and working along the lines of common interest. Little of the real value of this association has been demonstrated or developed of recent years and much disagreement and bitterness has come between the members in that time, and all because the association has neglected its real duties and buried itself with false ones. The former would bind its members more firmly together, whereas the latter simply disintegrates our ranks.

It is certainly time that this "Jonah" be thrown overboard and left to the tender mercies of some sufficient "whale" or "pool" and the association be permitted to again bend to its task and resume its long interrupted voyage.

In presenting these views to the members, your board feel that they are simply pointing out the pitfall into which this association has become entangled, and which has retarded its growth and usefulness for

some years and has brought upon it an immense amount of work foreign to its proper duties. Much of the dissatisfaction has been due to this very cause, and members have been alienated whose assistance was of the greatest value to us. We have seen the camel crowd into our tent and force out everything else, and it is time that this fruitless and thankless task, which was put upon the association, be now put off, and the department created for the allotment and apportionment of dredging work and contracts be abandoned and all rules pertaining thereto be repealed.

The association should, on the other hand, favor the creation of pools in each district formed upon the lines of other successful business arrangements of like character.

The association as a whole will then confine itself to legitimate business of acquiring work and promoting the resources of members for doing work, leaving to the separate pools the business of dividing up that work at good prices.

TO THROW ALL RESOURCES ON PROJECTS.

We count in this association the membership and influence of every man engaged in the business; each one has something of value to us in the way of ideas, talent, energy, or influence, and it is the work of the association and its proper object and function to use these various factors for the benefit of the whole membership, and to throw upon any desired point the full resources of the association. In this way and by turning its steps in the right direction and with the full confidence and cooperation which it would then have from all its members, there no longer being any grounds for contention or rivalry amongst one another, when once this department of allotment was abandoned, the association will once more resume its proper place and perform many duties of the highest use and importance to its members.

The cost of its work would be distributed, and no member would have any cause for regretting that he was enrolled in its ranks.

If these views meet with your approval, your board would earnestly urge that, at least for a time, the district commission and all rules pertaining thereto be abrogated and discontinued; that the Loard of directors be instructed to arrange and appoint a series of committees, chosen of their own ranks, as well as from the entire membership, giving to each committee certain specified duties, which will include all matters which it is to the interest of the association to have promoted and studied. These committees should report from time to time to the board of directors, and the latter, being a representative body from all parts of the coast, would be most efficient in taking up and promoting all suggestions and measures requiring action.

No expense should be incurred by the committees, except as specially authorized by the directors from time to time and in cases where the necessity for such expenditures is apparent.

The board should organize a bureau of information, which would furnish to each member at regular intervals a synopsis of what is going on in the way of dredging operations on the coast, improvements in machinery or methods of doing work, with descriptions of such improvements, locations, etc., and the general work being done by and through committees and in the board of directors; this and such other additional information as may suggest itself.

This bureau should be in charge of a competent man, whose business is to procure and intelligently transmit matters of interest.

The question of insurance has never been adequately considered, and some measure should be taken up and carefully considered, so that a general scheme of insurance could be devised to secure some reduction of the large premium now paid by members to the insurance companies. Very little, if any, work of this kind has been done in our business, and it is believed that a system of employment of representative agents for our insurance would be found profitable and a great saving.

DREDGERS NEGLECTED THE PORK BARREL.

The lack of association methods and the failure to use the means in our hands for the general good was forcibly illustrated recently in the river and harbor bill, where absolutely no effort was made by the association to procure any amendment to the bill or any provision inserted therein for its benefit.

It also appears in the case recently of certain collisions which occurred in the Savannah River, where the law at present provides that a dredge occupying a channel in navigable waters is doing so at its peril, and no damages resulting to the said dredge can be recovered. These and a great many instances could be cited to show the neglect that general interest of dredging men is receiving at this time and emphasizes the necessity for proper action by the association, to wit, such as this one was intended to be and should be.

Your board of directors desire to assure this association and its members that they have devoted their best efforts, during the year just ended, to a consideration of all matters affecting the interests and business of those for whom they have acted. They have appreciated that the duties which they assumed in accepting the offices of directors required them to give the necessary time to consideration of the matters intrusted to them, and they looked over the entire field of cooperative work, and have determined that the association could be made of great value to the members if conducted on the lines heretofore specified.

They are also of the opinion that the work which the association has been attempting to do, namely, the allotment of work among members, has been entirely contrary to the spirit of this organization, and has proven a stumbling block in all its efforts to promote the general interests of its members. We feel that by means of thorough reforms in our methods, such as has been outlined, that the organization will rapidly add to its membership, and soon include all the operators on the Atlantic and Gulf coasts; that there will no longer be any reason why anyone engaged in the business should not join with us in our efforts to promote the business and encourage the giving of work by those having it in their power to do so, as well as the many other features which have been touched upon in this our report.

The board have held meetings on the second Wednesday of every month except the months of July and August, during which latter months the constitution provides a recess shall be taken, and the meetings have been well attended.

BOARD IS TO WORK FOR PORK BARRELS.

Your board feels regret that the river and harbor bill has failed of passage, and considers it all the more important that the association should be organized for the purpose of adding its influence to urging work by municipal organizations and bodies, and doing all in their power to create offerings of work in the various ports of entry and harbors. It is only by persistent effort that the loss entailed upon us by the failure of the harbor bill can in any way be compensated for. Your board further wishes to emphasize their regret that the annual banquet of the association has been allowed to go by default for two or three years. These entertainments do not entail any serious expense upon the association, but they do create the greatest possible prestige for our business in the estimation of those whose favor it is to our advantage to gain. Influential public men and men of business affairs having to do with transportation companies and steamship lines are entertained by us on these occasions with the greatest possible benefit to our business—municipal officers, heads of departments, Members of Congress and of legislatures—and their favor and interest is legitimately gained and has been found to be of the greatest value when circumstances required it. The expense of our entertainment is wisely expended, and brings an adequate return for every dollar so spent.

We might also add that the occasion also affords an opportunity for members to meet on holiday terms, and encourages in every way good fellowship and kindly feelings among them. It is therefore to be hoped that in another year this banquet will be again a feature of the association.

The work of the association has been so largely confined to the burdensome details of allotment and district commission work during the past year that very little of general interest has developed.

We have done the best we could with the allotment problem, and have done even better than an association of this kind could have been expected to do; but we hope that the whole matter will be relegated to other agencies, and the efforts of this association left untrammeled for the coming year to perform the duties for which it is properly fitted.

All of which is respectfully submitted.

Dated New York, March 13, 1901.

BOARD OF DIRECTORS,
By FRANK A. FURST, *President.*

—

SECRETARY'S OFFICE,
New York City, April 25, 1901.

DEAR SIR: The Atlantic and Gulf Coast Dredge Owners' Association cordially tender to you an invitation to join them in their work of promoting the interests of dredging men upon the Atlantic coast.

It has been the object of this association during the 18 years of existence to provide a means of acquaintance and intercourse amongst men engaged in the same kind of business, to promote good fellowship amongst them, and encourage all movements that will provide work and stimulate large undertakings in the improvement of waterways.

The association has been of great assistance to its members in these respects, and is the only organization existing among dredging operators having these objects in view. By assembling together operators from all points on the coast the combined talent, energy, resources, and influence of the various members, coupled with the long experience of the association, is placed at the disposal of the members for the ultimate benefit of each, and for the promotion of measures for their interest.

The association further aims at promoting social intercourse between operators and customers and influential men by its annual banquets, and with great success in the past. It does not hinder or control any operator in his business or in the prices he may obtain for his work, but leaves all individual matters of that character to the members themselves, without interference, seeking to advance the interests of each member through general features which build up and improve the general business in which all are engaged, and where these matters can be fully discussed and acted upon when necessary.

Your consideration is therefore cordially requested and your application for membership will be met with the fullest explanation of our work. The expense of membership is reasonable.

Hoping to hear from you, I am,

Very truly, yours,

JOHN F. CLARK,
Clerk of the Board.

By order of the board.

Mr. Speaker, if the report I have presented is authentic, and such an organization as this exists, having for its purpose the advancement of "pork barrels" through Congress for the mutual interest and benefit of its members, it is time that an investigation of such secret influences was had.

As bearing upon this proposition I offer for consideration a short clipping which purports to have been taken from the Atlantic Deep Waterways Bulletin of 1915:

THE PRESIDENT GETS A GOOD JOB.

Frank A Furst, president of the Maryland Dredging Co., was one of the principal figures at the annual meeting of the Dredge Owners' Protective Association, of which he is president, held in New York last month.

Mr. Furst's company is digging the canal across Cape Cod, which is a link in the chain of waterways along the Atlantic coast. In addition the Maryland Dredging Co. is draining the Everglades of Florida. Mr. Furst spoke of both of these projects before the association, and told some very interesting stories in connection with the difficulties encountered in the Everglades project.

Will it be reasonably questioned that a committee might get at some interesting facts regarding influences behind "pork barrels" if possessed of authority to subpœna witnesses for that purpose? It must be admitted that sufficient information has been offered on which to base proceedings, and there is more that can be furnished when the committee reports out my resolution for investigation and provides the machinery for its conduct.

Hereafter, in its proper place, I will connect up the dredgers' organization with kindred spirits; but I wish to precede such action by disclosing certain other activities in favor of the 1914 pork barrel which are hand in glove with the dredgers. They were exposed in the Senate on September 19 by Senator KENYON, who quoted from a back-fire reaching into my own district. He said:

The National Rivers and Harbors Congress has been a pretty busy institution in creating the same kind of sentiment; and it does seem to me that associations that are trying to create sentiment to influence Members of Congress are coming very near the lobby proposition. Some time ago, on July 27, 1914, they sent out a letter from Washington which I shall ask to insert in the RECORD and only read portions of it at this time.

The PRESIDING OFFICER (Mr. LEA of Tennessee in the chair). Without objection, permission is granted.

Mr. KENYON. I thank the Chair. The letter is as follows:

THE BACK FIRE IN WISCONSIN.

NATIONAL RIVERS AND HARBORS CONGRESS,
Washington Office, July 27, 1914.

CENTRAL LUMBER CO., *Hudson, Wis.*

GENTLEMEN: One of the most violent attacks, if not the most violent, that has ever been made upon the policy of improving our national waterways has for some time been in progress in the Senate of the United States, supported by a portion of the daily press and certain periodicals of wide circulation.

Since 1910, when the policy of annual, instead of triennial, river and harbor bills was adopted, the estimates submitted by the Army engineers call only for the amount which can probably be expended during the succeeding fiscal year. To provide for continuous work on projects already under way, the pending bill should have been passed before July 1; and already, because of exhaustion of funds, work has been suspended on a number of improvements, and with every day of delay in the passage of the bill the number of suspensions will increase.

But that is not the worst of the situation. For many reasons Senators are anxious to get away from Washington; other legislation of great importance, and concerning which there is a wide difference of opinion, is yet to be considered. The river and harbor bill has had no right of way; it has received only brief and occasional consideration, and has now been definitely displaced by the trust-regulation bills, and can receive no further consideration until these have been finally disposed of. The rules of the Senate allow any Senator to speak on any subject to the limit of his endurance. In 1901 Senator Carter, unaided, talked a river and harbor bill to death. Several Senators are cooperating in the present attack. Some of them have stated directly that they consider the bill so bad that it ought to be defeated, and the tactics which have been pursued thus far look very much like a filibuster.

Out of about 350 waterway projects, only 15 are under the continuing-contract system. On all the rest, if the pending bill fails of passage, work must be stopped for at least a year; costly machinery will rust in idleness; efficient working forces built up during the past four years will be disorganized and scattered; uncompleted work will be damaged or destroyed; investments in terminals will be rendered unproductive; the movement, well under way in many parts of the country, for the restoration of navigation on our inland waterways will receive a serious check; the deepening of our ocean harbors will be delayed, while our foreign competitors take the cream of the benefits of the Panama Canal, and the railways will retain their monopoly of transportation for at least another year, meantime redoubling their efforts to retain it for all time by preventing the completion of a national system of connected waterways and harbors.

MATHEMATICAL ACCURACY OF AN ARMY ENGINEER.

Along with the charge that this bill is "the most vicious and vulnerable" that has ever been framed must be considered the statement of Gen Kingman, the Chief of Engineers, "My judgment is that there is less than one-half of 1 per cent of 'pork' in the river and harbor bill now pending in the Senate," and the assertions of Senators SIMMONS, SMITH of Michigan, and RANSDELL—all members of the Commerce Committee and of the subcommittee which devoted weeks of conscientious study to the framing of the bill—who have stated on the floor of the Senate that it does not include a single item which is not fully justified and that there is not one cent's worth of "pork" in it.

One of the enemies of the bill has intimated that it is highly improper for the people of a community to seek to promote the improvement of the waterways or harbors in which they are particularly interested or for a national organization with an office in Washington to request that any letters or telegrams shall be sent to Senators or Representatives regarding pending legislation.

Nevertheless I consider it my duty to inform you that unless the friends of waterways bestir themselves the bill is likely to fail, because after a month or more of debate on the trust-regulation bills through the heat of a Washington summer Senators will be so worn out that it will be very hard to keep a quorum present to consider other legislation, no matter how important it may be.

In the opinion of the writer the failure of the river and harbor bill would be nothing short of a national disaster. Whether you will take any steps to avert this threatened disaster is a matter which must be left for you to decide.

Very truly, yours, S. A. THOMPSON, *Secretary.*

This is sent to a lumber company in Wisconsin.

THE BACK-FIRE IN IOWA.

Senator KENYON continues:

From my own State I am in receipt of a newspaper setting forth some of the correspondence received by the mayor of this city on the river from Mr. Thompson, secretary of the National Rivers and Harbors Congress. In that letter "the mayor is urged to use his influence in keeping the Iowa Congressmen and Senators at Washington in order that a quorum may be had up to the final hour of adjournment. If a quorum of the Members of Congress can be maintained, it is contended that the bill can readily be enacted into law. With Muscatine on the Mississippi River, the following appeal addressed to Mayor Kern should be of interest locally."

This very interesting document refers to the question of Senator PENROSE to the Democratic leader, Senator KERN, as to the passage of a river and harbor bill; and the answer of the Senator from Indiana apparently did not satisfy this distinguished secretary of the National Rivers and Harbors Congress, because he says in this letter:

"You will note that the agreement was not that the bill should be passed, but that it should be disposed of, which is a very different matter. It is very evident that the group of Senators who have been conducting the filibuster against the bill intend to continue their opposition. And in private conversation Senator KERN strongly emphasized the statement that has already been repeatedly made from this office, viz:

"The passage of the river and harbor bill depends absolutely upon the maintenance of a quorum both in the Senate and the House."

I do not assume that this gentleman had any authority to speak for the Senator from Indiana. He says:

"Do not make the mistake of supposing that the House has nothing more to do with the matter. Many amendments have been made to the bill as passed by the House, which makes it necessary that the bill, when passed by the Senate, shall be sent to conference, and the report of the conference committee must receive an affirmative vote, both in the House and the Senate, before the bill will be finally passed.

"Weariness from the almost continuous sessions during the past two years"—no reference is made here to the weariness of night sessions—"the near approach of the fall campaign"—that was in July—"and many other reasons make it entirely natural that Senators and Members should be anxious to leave Washington as soon as the trust bills and emergency legislation made necessary by the war in Europe shall be disposed of. Nothing but the pressure of public opinion will insure the maintenance of a quorum until the river and harbor bill is passed."

We are going to bring a pressure now, not of public opinion but against public opinion, to bring the Senators here under the order by means of special sergeants at arms, under reasonable compensation, I assume.

"That pressure must be exerted and the quorum maintained, for the failure of the bill would be nothing short of a national disaster.

* * * * * * *

LOOK OUT FOR THE SHORT SESSION.

"Thus far those who have conducted the filibuster have made only general charges instead of specific criticisms. They and certain newspapers and periodicals which have approved their course seem to want not to eliminate objectionable items, but to defeat the bill as a whole. It should be remembered that it is ten times as easy to defeat a bill at the short session of Congress as at the long session. If the bill of 1914 is defeated, there is little hope for one next year.

"Petitions, memorials, and resolutions adopted by commercial organizations are all effective means of influencing Senators and Representatives, but the most effective method is a flood of genuinely personal letters and telegrams from their constituents. Duplicated letters and telegrams in identical language will not answer—in fact, do harm rather than good—but no Member of either the House or the Senate will fail to heed hundreds or thousands of letters and telegrams which are evidently written by those whose names are signed thereto."

THE OREGON BACK-FIRE.

This is one of the wisest diplomats that this association has in its service that it ever has been my pleasure to observe.

Now, that is not all; and I want to make my case against this method of affecting public sentiment, in view of this criticism here.

Out in Astoria their paper, the Daily Budget, of September 1, 1914—which has been blue-penciled and sent, I suppose, to most Members of Congress—contains "the pleasing language with which Capt. Wilson I. Davenny, field secretary of the National Rivers and Harbors Congress, described his impressions at the rooms of the Port of Columbia Commercial Club. The meeting was under the auspices of the Columbia and Snake River Waterways Association, which was joined by every commercial organization in the city."

This distinguished representative, who was engaged in the business of creating public sentiment, said to these people, among other things, this—and I will read only a very short portion of it:

"You people have a laudable ambition. Everywhere I have been today I hear your demand for nothing less than 40 feet in the channel across the shoal at the mouth of the river. Such an object is a commendable one, and when accomplished will place you on the great international highway of commerce. It is an ambition that looks big for a little community like this, when one considers that New York, with all her wealth and influence, has been working for years on a similar project, and to-day there is only that amount of water in the Ambrose Channel. But you can attain your goal if you but persist, and the Rivers and Harbors Congress will help you, as it is through that body you have a means of reaching the legislative branch of the Government, with the backing of the representative interests of the entire Nation.

"The improvement of river channels"—

Says this field agent—

"and of harbors does not come by accident, but in accordance with a well-defined and studied plan. The Rivers and Harbors Congress is the center around which that plan is worked out. It is an organization of the live ones of the country, who realize the importance of improving our means of transportation and lowering its cost."

And in the letters which they send out they have a motto, "Second only in importance to the Congress of the United States."

"The result thus far has been the passing of four annual appropriation bills, not including the one which is now pending. It is strange how few people understand the problem of transportation and the portion of its cost which each must pay, as well as the bearing which our waterways have upon it. Transportation cost is a concealed tax, and every commodity must stand its portion. Search the world over and you find the cities which are the centers of activities are those located adjacent to bodies of navigable waters. With due deference to the Interstate Commerce Commission, it may be fairly said that improved waterways are the best regulators of transportation rates."

Then the distinguished gentleman proceeds to consider that to some extent, and says:

"The passage of the rivers and harbors measure is one which concerns the commercial welfare of the entire country. It is not one based on selfish motives, but for fostering the industrial development of the land. Any Congressman, any Senator, or any newspaper which opposes it is an enemy to your advancement."

Here was the great argument that this gentleman presented; but that kind of argument does not always carry weight with some Oregonians.

"The bill gives to Oregon in cash and commitments one-eighth of the full sum to be appropriated. Why, then, should anyone here oppose it?"

True; why should they? Why should anyone in any State, receiving any part of the money for use in that State, oppose great appropriation measures? That is the vice of the whole thing. That is the kind of public sentiment that this particular institution seems to be unconsciously building up.

WHERE DOES THE MONEY COME FROM?

Now, where does the money come from to carry on this great propaganda throughout this country? Why should it be necessary for large sums of money to be collected and spent in giving dredgers' association banquets to influential citizens, as I have read here from their statements? I do not want to neglect to read the condemnation of that from the New York Waterway Association, which seems to have a different conception of affairs. I want to use and get into the record in this case, which I am trying to preserve for appeal to what I consider a higher court—the court of the people of this country, who are going to pass on this question eventually—a letter which I am authorized to use, to Congressman FREAR, of Wisconsin, who fought this river and harbor bill in the House almost unassisted and alone, actuated by a public spirit that seldom has been witnessed in the Halls of the American Congress. This letter is from Mr. Richard M. McCann, the publisher of Waterways and Commerce, a monthly magazine devoted to restoration of the American merchant marine and the establishment of world peace. In it he says:

"I inclose herewith original subscription lists obtained from a canvasser named Mr. John M. Williams, of the National Rivers and Harbors Congress, who received 50 per cent for obtaining the amounts set op-

posite each name. As you will see, the subscriptions cover 1908, 1909, 1910, 1911, and 1912."

WHERE THE MONEY GOES.

Here is a canvasser—if this authority is correct, and I assume it is—who is collecting money to be used in creating public sentiment and receiving 50 per cent of what he collects; and these letters are going out, criticizing Members of Congress for the stand they may take as to this river and harbor bill, and paying the expenses of field representatives who go out and make their speeches and urge the passage of the measure.

We find that in 1910 the subscribers were the following:

List of 1910 subscribers from State of New Jersey to National Rivers and Harbors Congress.

A. B. Ayers, Newark, N. J., 358 Ogden Street, paid Sept. 6	$25
Builders' Material Supply Co., Henry W. Sayre, president, Newark, N. J., paid Sept. 6	25
Balback Smelting & Refining Co., Edward Randolph, secretary Newark, N. J., paid Aug. 17	50
Dr. M. R. Brinkman, Hackensack, N. J., paid Feb. 15	5
P. Ballantine & Sons, Newark, N. J., paid Feb. 12	10
James Crowell, 364 Ogden Street, Newark, N. J., paid Aug. 29	50
John J. Cone, 532 Bergen Avenue, Jersey City, N. J., paid June 22	5
Columbia Insurance Co., Jersey City, N. J., paid Feb. 12	10
Eastwood Wire Manufacturing Co., John H. Eastwood, treasurer, Belleville, N. J., paid Sept. 10	25
James S. Higbie, care of James R. Sayre, jr., & Co., Newark, N. J., paid Mar. 9 (for 1910 and 1911)	5
William A. Jones & Son, Newark, N. J., paid Sept. 10	25
Lister's Agricultural Chemical Works, Newark, N. J., paid Aug. 18	50
Marshall & Co., Newark, N. J., paid Sept. 10	50
Board of Trade, Newark, N. J., paid Oct. 3	100
Newark Express & Transportation Co., J. H. Wood, president, Newark, N. J., paid Sept. 24	25
The Nairn Linoleum Co., Kearney, N. J., paid Feb. 7	10
Philadelphia-Trenton-New York Deeper Waterways Association, C. Arthur Metzger, secretary, Trenton, N. J., paid June 14	100
Passaic River Protective Association, William A. Jones, jr., secretary, Newark, N. J., paid Dec. 16	25
Mitchell B. Perkins, Beverly, N. J., paid Jan. 24	5
George F. Reeve, 88 Front Street, Newark, N. J., paid May 23	5
Standard Oil Co., C. E. Young, manager, Newark, N. J., paid Sept. 12	25
J. C. Smith & Wallace Co., Newark, N. J., paid Sept. 6	25
James R. Sayre, jr., & Co., Newark, N. J., paid Sept. 6	20
Peter Shields, Cape May, N. J., paid Jan. 27	5
Trenton Chamber of Commerce, Trenton, N. J., paid Nov. 16	25
Tomkins Bros., Newark, N. J., paid Aug. 3	30
Van Kuren & Sons, Newark, N. J., paid Aug. 29	10
Walsh & Sons Co., Newark, N. J., paid Sept. 10	10
George W. Tomkins, Newark, N. J., paid Aug. 3	20

I have also a list for other years, which possibly it will not be necessary to insert in the RECORD.

THE OHIO BACK-FIRE.

Continuing his exposure of the secret back fire behind the pork barrel, Senator KENYON said:

Then I want to call attention to a letter along this same line of influence, and it is one of threats with relation to this river and harbor bill. This is a letter to Senator BURTON from the G. H. Williams Co., E. P. Lord, secretary, of Cleveland, Ohio, and I am going to read it, because I want it in the RECORD:

"CLEVELAND, OHIO, *September 10, 1914.*

"Hon. THEODORE E. BURTON,
"United States Senate, Washington, D. C.

"DEAR SIR: As manufacturers of special machinery used very largely by river and harbor contractors and United States engineers doing that class of work, we desire to express the wish that the opposition to the passage of the rivers and harbors bill now before the Senate be so modified or withdrawn that the full passage of the bill may be assured at the earliest moment.

"It seems to us that the manufacturers of the country at large are suffering sufficiently through the general depression and lack of business of all kinds, and that there should be nothing done by the Government that would add to the troubles we already have.

"A very large volume of our business comes from the contractors who are working on dam contracts along the rivers, and also by United States engineers on river and harbor work in all sections of the country. We have quite recently been following up our previous orders from these various sources to obtain some expression as to when we might anticipate further business, and in every case thus far we have received one and the same reply, and that is that all construction work in their district has been suspended on account of the failure of Congress to pass the rivers and harbors bill and that they would not be in the market for clamshell buckets or other material in our line until this bill passed; and from the extreme South, where we do considerable business, they go so far as to say that all field operations have practically ceased in that section for lack of funds; thousands of men are lying idle, and the contractors express their determination that they will never buy anything made in Ohio owing to the fact that our Senators are strenuously opposing the rivers and harbors bill."

So here comes this insidious influence working around through boycott channels to try to stop Senators who may be honest from opposing this measure:

"From this particular class of business we have been receiving a very large bulk and volume of our trade and which now is absolutely flat. We do not have one order on our books, and the necessity of closing down our plant stares us in the face; and if this harbors and rivers bill is not passed and all the vast amount of work of this kind is cut off, and the large contractors, who are our best customers, are obliged to suspend operations, there will be no further business for us until a change takes place. We therefore ask your aid in seeing that this bill is passed, and that at as early a date as possible.

"Respectfully submitted.

"THE G. H. WILLIAMS CO.,
"E. P. LORD, *Secretary.*"

THE BIG STICK USED IN OHIO.

At this point the Iowa Senator was interrupted in his reading by an Ohio Senator:

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER (Mr. LEA of Tennessee in the chair). Does the Senator from Iowa yield to the Senator from Ohio?

Mr. KENYON. I do.

Mr. POMERENE. The Senator from Iowa has just read a letter which was written to the Senator from Ohio [Mr. BURTON] by the G. H. Williams Co., of which E. P. Lord is secretary. I received, perhaps about the same day, identically the same letter. Here is an Ohio firm, I am ashamed to confess it, that writes to the Senators of that State asking them to stop all opposition to this bill, which involves the expenditure of about $53,000,000, for what reason? Because the bill is right? No. Because the items therein provided for are proper items of expenditure by the Government? No. But the single reason urged is that this firm of manufacturers, out of the $53,000,000 of expenditure from the Public Treasury, may be able to get orders for a few clamshell buckets, and they are inspired to write this letter because, they say, there are some contractors in the South who are interested in this measure.

I am not holding the South responsible for this. I am not going to question the high purposes that lie back of the authorship of most of the items in this bill. Most of these items, so far as I am familiar with reference to this bill by the contents of this letter. It is so contain manufacturers and contractors attempting to influence public servants in the performance of their duty, and, in substance, asking them to disregard their sworn oaths, language fails me in my effort to either describe the letter or the writer of it, even if he is from my State, or the southern contractors whose correspondence seems to have inspired it. Judging their moral and civic character by this letter, they must, to say the least, be lacking in a proper conception of public duty.

Mr. KENYON. The letter the Senator has is identical, I assume, with the one I read.

Mr. POMERENE. I understood from my colleague that he had such a letter, and while the Senator from Iowa was reading it I compared the one I have in my hand with it. It is identically the same.

I am not going to be deterred in the position I shall hereafter take with reference to this bill by the contents of this letter. Is is so contemptible in its spirit that it deserves to be treated with silence. There have been other matters that have come to my attention. I have been waited upon and told that this bill was right in all respects, and that I should vote for it as it is. I am not in the habit of accepting dictation from men who come to me in that spirit. I recognize that it is a very great honor to represent the great State of Ohio on the floor of this Chamber, but I am more honored by the opposition of men who can write a letter of this kind than I can be honored by a seat in this Chamber.

The evidence introduced by Senator KENYON includes letters written to Wisconsin and to Iowa by the secretary of the Rivers and Harbors Congress on the pork barrel. The contents speak for themselves.

In the Astoria paper of September 1, quoted by Senator KENYON, it was set forth in a half page article that Capt. Wilson I. Davenny, field agent of the National Rivers and Harbors Congress, was on hand at a waterway meeting urging that Senators be kept on the job until the pork-barrel bill could be passed, and a strong resolution was thereupon passed by the association urging Oregon Senators to support the pork barrel and not adjourn until the task was finished.

In the correspondence of Secretary Thompson the records will undoubtedly show that the G. H. Williams Co., of Cleveland, was given to understand that an impending "disaster is threatened," and the Williams Co. out in Cleveland demands that "opposition to the passage of the rivers and harbors bill now before the Senate be so modified or withdrawn that the full passage of the bill may be assured at the earliest possible moment."

It is significant that both Ohio Senators received a copy of the demand, indicating that the same influence exerted in Oregon was working in Ohio, and all under the direction of the Rivers and Harbors Congress officials, who were in Washington directing a campaign in favor of the bill. What wonder that the Senator from Ohio, who had taken no part in the debate, should rise in his place on the floor of the Senate to express his indignation at the general tenor of the letter and at other agencies that were active in pressing the bill.

These activities in the press, through letters, and by traveling agents are of such character that they invite the attention of a Federal Congress that is to be relieved from intelligent consideration of a $50,000,000 annual pork barrel after it has once been prepared by the officials of the National Rivers and Harbors Congress, who style themselves "second only in importance to the Congress of the United States."

THE MISSISSIPPI LAND RECLAMATION BIG STICK.

An interesting phase of waterway activities is afforded by loud protests against swinging of a big stick wielded by the lower Mississippi River land reclamationists. This charge does not come from irresponsible sources, but from an association presided over by one of the ablest Members upon this floor and one of the most vigorous champions of the intracoastal system, Hon. J. HAMPTON MOORE, of Philadelphia. The association supports a monthly journal devoted to waterways. In a recent number, published in February, 1914, the following vigorous protest speaks volumes for the effective work now being secretly carried on for the $60,000,000 Humphreys-Ransdell bill. It reads as follows:

Business men in the Eastern States may not realize the systematic campaign which is being waged from points in the Mississippi Valley to dragoon everyone into the ranks for an unprecedently large and continuing appropriation for the Mississippi River. Some of these let-

ters amount practically to threats of transfer of business unless eastern houses fall in line and go on record with their Congressmen in favor of the project. Without present discussion of the merits of the bill, and for obvious reasons omitting names, the following letter sent us by an eastern correspondent is herewith reproduced as a matter of information:

"GENTLEMEN: Will not your firm kindly aid in the matter of securing national legislation such as will prevent a recurrence of the disastrous floods of 1912 and 1913 on the lower Mississippi River?

"A measure known as the Ransdell-Humphreys bill, providing for the expenditure of $60,000,000 by the National Government to complete the levee system during the next five years, and thereby prevent these disastrous floods, is now before Congress.

"This measure was framed in accordance with the plans and recommendations of the Army engineers and provides the only practicable and feasible means of solving the problem.

"The people of the region affected have already contributed $70,000,000, and it is considered but right that the Nation contribute its share toward controlling the flood waters from so great a part of the country on a stream of such national magnitude.

"Letters from your firm asking the delegation from your State to support the measure in Congress will help us very greatly; and, as our loss is your loss and our prosperity your prosperity, we hope that you will feel a personal interest in the matter."

CONGRESSMEN MUST FAIRLY DIVIDE "PORK."

"For ways that are dark" this threatening campaign is original. "Our loss is your loss and our prosperity is your prosperity." Was this a reference to mutual claims upon the pork barrel, or did it mean that southern business houses were about to secede from northern connections unless the Pennsylvania Congressmen came across with their support?

The Waterways Journal, from the City of Brotherly Love, understands it to be the demand of a legislative highwayman organization, and it protests against this unprofessional campaign carried on by the Ransdell-Humphreys bill. With the ethical standards of either organization we are not concerned, but what other interesting leads might be developed by an investigation of the $150,000 promotion fund or the wielding of a big stick whereby hesitating Congressmen are forced to join in an irresistible political push on the pork barrel.

A NEW YORK CANAL BIG STICK.

The Mississippi River incident occurred in February, before the river and harbor bill was made up and presented to the House. Thereafter it passed the House, and when introduced in the Senate it contained $9,000,000 for the lower Mississippi and also generous appropriations for the intracoastal system. The bill was riddled in the Senate by the ablest waterway expert in the country and by other able men and then defeated through the aid of an independent press.

The $20,000,000 substitute is now before the House and the distinguished gentleman from Philadelphia, Mr. MOORE, editor of the journal that so properly resented intimidation from lower Mississippi River sources, has just stated, amidst applause:

Sitting in 25-story skyscrapers in New York, we have seen great editors writing editorials approving the filibusters and giving out sensational statements to all the people that because of a "pork barrel" a rivers and harbors bill should not pass. [Applause.] The people of the Hudson Valley set some fires under those editorial offices, they set some fires under the magazine writers, and I question whether they will be quite so conspicuous hereafter in cutting out their own appropriations in New York and up the Hudson as they have been heretofore.

And so, Mr. Speaker, the New York papers and the New York magazines have been muzzled, and through self-interest in the pork barrel will hereafter remain mum over the $50,000,000 "humbug and steal," as it was termed by Senator TILLMAN when it did not reach one-half of its present proportions.

MUZZLING THE PRESS OF THE COUNTRY.

I realize the power that exists behind the "pork barrel," a power that impels Members to remain silent and support the measure; but when that power reaches out and controls the press of the land by methods as dangerous and far-reaching as those employed by Louisiana land reclamationists on Pennsylvania business men, then it is time for the country to revolt.

In Philadelphia was once written an immortal document that declared this people to be free and independent. That spirit is still found in Philadelphia, as I propose to show.

At the First Congress of the United States, held in 1789 in New York City, there was adopted the first amendment to the Federal Constitution, which read:

Congress shall make no law * * * abridging the freedom of speech or of the press.

A power denied to Congress is proposed now to be exercised by secret influences in order to pass $50,000,000 "pork barrels." Whether the New York newspapers or magazines can be smothered remains to be seen, but I quote from the shadows of Independence Hall a brief editorial published in the Philadelphia Inquirer a few days ago. This utterance from a great newspaper indicates that the smothering process did not begin in Philadelphia. The Philadelphia Inquirer said editorially on September 16:

Gaily the debate over the thieves bill, politely known as the rivers and harbors appropriations, goes on in the Senate. Having cut out appropriations of genuine merit to serve the interests of southern statesmen, it is interesting to watch the antics of our southern friends in their efforts to defend the great steal. * * * The South is in the saddle sure enough.

The Chicago Tribune of September 10 says:

If the rivers and harbors appropriations were 50 per cent pure, they would be opposed by uncompromising Congressmen determined that filching should not have recognized place in the process of Government. Until the question of internal improvement can be taken up honestly by Congress these bills ought to be opposed.

I could quote from the Washington Times, New York Sun, the Press, the Times, the Philadelphia Press, Cleveland Plain Dealer, and innumerable papers that ask Congress to swat the barrel.

Collier's National Magazine, La Follette's, Pierson's, Chappel's, World's Work, Saturday Evening Post, Harper's, and other periodicals have had strong editorial utterances on the subject. Are all these newspapers and magazines to be silenced? I do not believe so.

A WAR CRY FOR $50,000,000 ANNUAL LOOT.

In order that we may fully understand the purposes of the National Rivers and Harbors Congress which, according to its field secretary, Mr. Davenny, is a "body through which you have a means of reaching the legislative branch of the Government," I quote the first provision of its constitution affecting its purposes:

ART. II. Objects: The objects of this congress shall be the collection, preparation, and presentation to the Congress of the United States of such statistics and other information bearing upon the question of improvment of rivers and harbors of all the Nation as will secure for such purpose an annual appropriation by the said Congress of not less than $50,000,000.

This remarkable provision that commits all the members of this "second congress" to an annual $50,000,000 loot of the Federal Treasury, irrespective of character or merit of projects, is the tie which binds.

No more scandalous proposition was ever advanced by any organization in the history of the country.

If the Army officers or Navy officers organized to secure a specific fund from the Federal Treasury every year, there would be vacancies in the Army and Navy that could not be credited to the plucking board.

If any general or admiral was president of such board and directed his paid agents to organize a back-fire whereby the Federal Congress would be compelled to pass a "pork barrel" a large part of which was waste, if such a thing could happen, what floods of patriotic oratory would overflow the pages of the RECORD. How Members would properly resent such public or secret interference.

The Rivers and Harbors Congress is a benevolent organization that demanded over $53,000,000 in 1914 in addition to $6,990,000 previously covered by the sundry civil bill, and of that $53,000,000 the sum of $10,500,000 was to go into a river that had lost 80 per cent of its traffic within the past score of years, and of that amount six-sevenths, or $9,000,000, was to be expended on the lower Mississippi River on what competent engineers already quoted, term a "land-reclamation scheme."

A PRESIDENT'S BATTLE CRY.

In his annual address before a recent convention of the congress, its distinguished president and a national legislator of renown, who presides over this second congress, made the following strange prophecy in 1911 when announcing his battle cry to Congress:

Dense ignorance as to the benefits of water transportation exists in many quarters. Congress is committed to an annual river and harbor bill only by the precedent of the past two years. Thirty millions a year is a great advance over twenty millions, but it is still far below our battle cry of "fifty millions per annum." Nor can our fondest enthusiast say that we have fully established the wise, definite waterway policy we set out to secure. In spite of our great success, much remains to be done. But the coveted goal is almost in sight. Let us struggle hard for a few years longer and victory will be sure to crown our efforts.

[Applause.]

Reharking back to a prior "congress," I find the same distinguished president and national legislator recorded as saying to his congress:

I am glad to see so many Members of the American Congress in this hall. These Senators and Representatives are here to receive instructions from you. They are your servants and will do what you wish. [Applause.]

Mind you, gentlemen of the American Congress, you are awaiting instructions from this $50,000,000 annual river congress, that supports no project, but a barrel.

COL. FOX GIVES CONGRESS ITS INSTRUCTIONS.

In the same proceedings Special Director Col. John A. Fox took part. Col. Fox is the publicity agent, mentioned in my remarks of June 19, and the man who compelled the railroads

to give down. He has also been active in trying to get Mr. Rockefeller interested during a search for funds, as I will later show.

Col. Fox, with commendable modesty, tells what he intends the Congress of the United States shall do. He sees our duty, and with the aid of his "second congress" will look after its performance. He says in the 1911 report:

Gentlemen, we must not simply meet here and pass resolutions, adjourn, and go home, but we must see to it that the Congressman from every district in the United States understands the problem from a national viewpoint, sees it not from his local district's point of view, but from the point of view of a great national problem. We will see to it that he votes that the $40,000,000 or $50,000,000 that are needed every year toward completing this great work shall be appropriated.

SECRETARY ELLISON'S LEGISLATIVE STANDARDS.

A speech by a third officer of this second congress, delivered on the same occasion, is of special interest. We will again meet Capt. Ellison, the secretary and treasurer of the Rivers and Harbors Congress, but he has given the Members of the Federal Congress a new freedom of action, governed only by ability to get each one's share of loot. It is a novel amendment to the oath of office to which Congressmen subscribe. Mr. Ellison says in his annual speech:

I want to repeat and to emphasize that in supporting the National Rivers and Harbors Congress you are supporting your own cause. Another thing, be big and broad enough to demand that the improvements which are well underway, whether or not they happen to be your own particular projects, shall be put under the continuing-contract system and be taken off the appropriation map. The sooner that is done the sooner your own will receive its just recognition. * * * Mark you, it is not my intention to criticize either Congress or Congressmen for lack of business methods, for I truly believe the average man who comes to Washington is just as good a business man as the average man he has left at home. It is not his fault, as I see it, but our fault, and I use the word "our" in a nation-wide sense. We send him here to legislate for the Nation, theoretically, but actually to get all he can for us; and if he does not get our share, and then some, we do our best to replace him with some other man, who will take better care of our particular congressional district.

What think you, gentlemen of the Sixty-third Congress, of these standards of legislative ethics to which the second congress subscribes through the pronouncements of its officers? Get all you can from the Federal Treasury, for by the amount of boodle you bring home will you be known. If you do not get your share of the annual $50,000,000 loot, then you will be replaced, because twentieth century legislative morals have radically changed from those promulgated by the founders of the Federal Constitution.

PROJECTS DISTRIBUTED ACCORDING TO CONTRIBUTIONS.

One of the cardinal principles of this Rivers and Harbors Congress is that "nothing given, nothing got." By paying 1 per cent of Federal appropriations to the support of the Rivers and Harbors Congress every community can feel it has the supporting arm of Mr. Fox, Mr. Ellison, Mr. Thompson, Mr. Davenny, and other officials of this second congress. On pages 60 to 62 of the 1911 report appears a list of appropriations given to the different States of the Union amounting, in all, to $178,616,897 from 1907 to 1911, inclusive.

In two columns the members of the second congress are impressed with the relation between that body and the amount of Government appropriations for each separate State. I quote literally from the listed method of comparison and cite a dozen States or more to show the proportionate grabs that are held out invitingly to gaze by the Rivers and Harbors Congress officials.

	Amounts subscribed to the support of National Rivers and Harbors Congress, by States, 1906–1911, inclusive.	Amount of appropriations received by States, in rivers and harbors bill, 1907–1911, inclusive.
Pennsylvania (east)	$4,295	$4,837,745
Connecticut	2,115	2,318,000
Massachusetts	2,850	1,451,733
Maryland	1,755	2,778,265
New Jersey	2,735	3,484,895
North Carolina	2,538	2,259,614
South Carolina	1,137	1,237,290
Virginia	4,306	4,082,454
Georgia	8,281	4,102,889
Florida	1,620	5,188,670
District of Columbia	1,530	1,243,000
Alabama	6,090	6,952,000
Louisiana	9,505	3,820,292
Texas	8,825	9,193,309
Mississippi River	.....	21,842,775

Mississippi River (1914), $10,500,000, or nearly one-half of the six years' total.

DISTRIBUTING THE PORK.

New York and Florida receive more than the average State, excepting that the Mississippi River lump sum would swell the adjacent States over $21,000,000, if counted. Florida has many small waterways, like the Kissimmee and the Oklawaha, and is the home of influential Members at both ends of the Capitol, who determine the fortunes of the annual river and harbor bill.

Doubtless it appeals to lay members to realize that by the investment of $1 in the second congress $100 will be forthcoming from the Federal Congress. It is in harmony with the views of Secretary Ellison and of the purposes set forth so eloquently by the constitution.

To become entitled to the generous Federal appropriations I have presented as a harvest for a 1 per cent investment, the following rates for annual dues are provided for membership in the "National Rivers and Harbors Congress of the United States," as it is styled by its officers:

	Annual dues.
Individuals	$5
Firms or corporations	10
Organizations of less than 400	25
Organizations over 400 and less than 600	50
Organizations of 600 to 1,000	75
Organizations of 1,000 or more	100
Waterway associations	100

A system of graduated contributions for which graduated appropriations are in effect assured.

The report contains many interesting items, among which is Mr. Ellison's treasurer statement to members that receipts by him for the second congress from December 1, 1910, to November 30, 1911, coming from 171 cities, amounted to $34,756.25. As this modest amount does not correspond with other statements in my hands, I believe it will serve a laudable purpose for me to insert in the record some contributions made to this remarkable organization from among the thousands of individuals living in the 171 cities. Just how this money is being expended is not disclosed, but a few discrepancies in amounts will be referred to, and in some of the cases I hold in my hands what purports to be original subscription lists, from which I will quote.

I next introduce a letter which may throw an interesting light upon contributions and be of service to contributors who meet Mr. Williams in his future travels.

WATERWAYS AND COMMERCE,
No. 150 Nassau Street.

Hon. JAMES A. FREAR, *Washington, D. C.*

MY DEAR CONGRESSMAN FREAR:

* * * * * * *

I inclose herewith original subscription lists obtained from a canvasser named John M. Williams, of the National Rivers and Harbors Congress, who received 50 per cent for the amount set opposite each name. As you will see, these subscriptions cover 1908, 1909, 1910, 1911, and 1912.

You may regard them as your property to do as you please with them.

Sincerely, yours,

RICHARD M. MCCANN, *Publisher.*

I have knowledge of the information on which the foregoing statement is made, and believe it is correct as stated.

This certificate is introduced because it relates to the fortunes of Mr. Williams, whose activities will be briefly followed in connection with the Rivers and Harbors Congress and other waterway organizations:

STATE OF OHIO, EXECUTIVE DEPARTMENT,
OFFICE OF THE GOVERNOR,
Columbus, November 26, 1909.

Mr. JOHN M. WILLIAMS,
Pittsburgh, Pa.

MY DEAR SIR: I have the honor to appoint you as one of the delegates from Ohio to attend the coming session of the National Rivers and Harbors Congress at Washington, D. C., December 8–10, 1909.

You are advised that there is no fund out of which the expenses of the delegates to this congress can be paid, but I feel that your interest in the purposes of the congress is such as to lead you to attend, if it is possible for you to do so.

Respectfully,

[SEAL.] JUDSON HARMON, *Governor.*

BALTIMORE'S CONTRIBUTIONS TO A CONGRESS.

As I am unable to secure a congressional investigation of the activities of the Rivers and Harbors Congress, I have digressed long enough to call attention to a copy of the proceedings of the eighth annual convention of the "congress second only in importance to the Congress of the United States," held at Washington December 6, 7, and 8, 1911. On pages 51 to 54 are given the total receipts from 171 cities from December 1, 1910, to November 30, 1911, inclusive, amounting to $34,756.25, as previously stated.

Referring to the total contributions received from Maryland during this period we find, on page 53, that Baltimore contributes $25 and Pocomoke City $5; total, $30.

This is the published statement given to the members of the Rivers and Harbors Congress, but I have in my hands what

purports to be some original subscription lists, and it is significant that Mr. Furst's dredging company's subscription of $100 and others noted fail to appear in the statement submitted for 1911, although Pocomoke City, that eventually will receive a share of pork for its $5 offering, gets into print with its widow's mite.

BALTIMORE IS FIRST AMONG THE NEEDY.

Here follows a special plea for the Atlantic coast canal system, which at once must be improved. The plea reached the pocketbooks of dredgers, contractors, and others, as hereafter appears, following this pointed letter of introduction.

[National Rivers and Harbors Congress: JOSEPH E. RANSDELL, president, Washington, D. C., and Lake Providence, La.; J. F. Ellison, secretary and treasurer, Cincinnati, Ohio; John A. Fox, special director, Washington, D. C.]

WASHINGTON OFFICE, 1910.

To the business interests of Baltimore, Md.:

The National Rivers and Harbors Congress is working earnestly to secure the adoption by the Federal Government of a permanent waterway policy that will provide for improving all the worthy waterways of the Union

The improvement of the canals and waters of the Atlantic coast, in which Baltimore has such a direct and vital interest, should be among the first to receive the benefit of the increased and regular appropriations for rivers and harbors that this organization is working to bring about.

Funds are needed to carry on the work which the National Rivers and Harbors Congress has persistently urged, and to the end that a strong demand may come from every section of the Republic we earnestly invite your financial cooperation.

John M. Williams is authorized to receive and receipt for all moneys that may be subscribed. He is working under the direction of and reporting to the undersigned officers of the congress.

Very respectfully,

JOS. E. RANSDELL,
President.

P. S.—We earnestly urge the people of Baltimore to contribute to the support of this great work.

DAVID H. CARROLL,
Vice President.
JOHN R. SHERWOOD,
Director.

The foregoing presents our old friend, Mr. Williams, of 50 per cent collection-terms fame. That he was industrious the following statement shows.

Attached to the letter is the following evidence of appreciation:

Baltimore subscribers to the National Rivers and Harbors Congress.

Baltimore Steam Packet Co	$50
David H. Carroll (paid)	50
Maryland Steel Co	50
Chesapeake Steamship Co	50
U. S. Fidelity & Guaranty Co	25
J. H. Whaleight (paid)	50
Baltimore, Chesapeake & Atlantic Railway Co	50
Chas. C. Fulton & Co. (Baltimore American)	50
Emmon Drug Co., per J. Hinder (paid)	25
James A. Gary (paid)	25
William B. Hurst	25
Walter Amker, superintendent of Baltimore & Ohio Railroad Co	50
The Red Oil Manufacturing Co	25
The Crown Cork & Seal Co	25
Woodward & Balwin Co. (paid)	50
The Deford Co. (paid)	25
Baltimore & Steamboat Co	25
Duke, Peterson Hardware Co. (paid)	10
Old Town National Bank, Baltimore, Md., by John W. Hook, president (paid)	10
A. Schumacher (paid)	10
William E. Woodalls & Co. (paid)	10
The A. S. Abell Co. (Baltimore Sun)	50
Baker-Whiteley Coal Co. (paid)	10
Walter Ancker, Baltimore & Ohio Building, expires Feb. 4, 1911	5
Atlantic Transport Co., J. C. Gorman, manager, expires Dec. 5, 1908	50
Baltimore Steam Packet Co., John R. Sherwood, president:	
Expires 1908	50
Expires Feb 4, 1910	10
Baltimore Chamber of Commerce, H. A. Wroth, secretary:	
Expires 1909	25
Expires July 19, 1910	25
W. B. Brooks, president Sanford & Brooks Co., 24 Commerce street, expires Feb. 1, 1910	5
Baltimore & Chesapeake Railway Co., Thompson G. Williams, vice president and general manager, expires Dec. 5, 1908	50
Chesapeake Steamship Co., Key Compton, president, expires Jan. 31, 1911	10
Consolidated Coal Co., J. H. Wheelwright, vice president, expires Dec. 5, 1908	50
Reuben Foster, 2301 North Charles Street, expires Dec. 5, 1908	100
Jacob W. Hook, Old Town National Bank, expires Jan. 24, 1911	5
Merchants & Manufacturers' Association, Thos. G. Boggs, secretary, expires Feb. 11, 1909, 1910, 1911	25
Maryland Dredging & Contracting Co., F. A. Furst, president, 803 Fidelity Building:	
Expires 1908	100
Expires Jan. 24, 1911	10
Merchants & Miners' Transportation Co., J. C. Whitney, president, expires Dec. 5, 1908	100
Manufacturers' Record Publishing Co., R. H. Edmonds, president, expires Jan. 5, 1907	10
John G. Ruge, care of Ruge Bros. Canning Co., 607 American Building, expires Nov. 27, 1909	5
Sanford & Brooks Co., expires Dec. 5, 1908	50
Tolchester Co., William C. Eliason, president, expires Dec. 5, 1908	25

TWO CONGRESSES SHAKE HANDS.

A further list of subscribers shows that Mr. Furst, president of the Dredge Owners' Protective Organization, is not wholly unmindful of the services rendered his organization by the Rivers and Harbors Congress.

The Dredge Owners' Protective Organization confidentially assists. Witness the following:

[Dredge Owners' Protective Organization: Frank A. Furst, chairman. William P. Ryan, secretary. Executive committee: F. A. Furst, George Leary, John Gerrish, J. McMullen, P. Sanford Ross, W. J. Bradley.]

BALTIMORE, MD., *August 4, 1910.*

Mr. JOHN M. WILLIAMS, *General Agent,*
National Rivers and Harbors Congress, New York City.

DEAR SIR: I find yours of the 1st instant awaiting my return to the city this morning.

Replying to your inquiry, I am submitting below a list of our members for your confidential use, as follows:

Morris & Cumings Dredging Co., 17 State Street, New York.
Eastern Dredging Co., 247 Atlantic Avenue, Boston, Mass.
Newark Meadows Improvement Co., 62 Cedar Street, New York.
American Dredging Co., Mariner & Merchants Building, Philadelphia, Pa.
W. H. Beard Co., 21 State Street, New York.
International Contracting Co., 17 State Street, New York.
Atlantic, Gulf & Pacific Co., Park Row Building, New York City.
P. S. Ross (Inc.), 277 Washington Street, Jersey City, N. J.
Hy Steers (Inc.), 17 Battery Place, New York.
North American Dredging Co., San Francisco.
American Dredging Co., San Francisco.
Sanford & Brooks Co., Baltimore.
Coastwise Dredging Co., Bank of Commerce Building, Norfolk.
Norfolk Dredging Co., 217 Water Street, Norfolk.
Bowers Southern Dredging Co., Galveston.
Breyman Bros., East Boston, Mass.
J. S. Packard Co., 31 Market Square, Providence, R. I.
Daly & Hannan Dredging Co., Ogdensburg, N. Y.
Bay State Dredging Co., 185 Summer Street, Boston, Mass.
R. Moore, Mobile, Ala.

Yours, very respectfully, W. P. RYAN, *Secretary.*

Here is the confidential collector of the congress receiving a confidential list of the Dredgers' Association from its secretary for the purposes of securing funds from the dredgers to aid the River Congress in putting through an annual pork barrel for Baltimore projects and for other localities.

These look like encouraging prospects, but no statement discloses their purpose in the statement before me:

Key Compton, president Chesapeake Steamship Co., Pier 19, Light Street Wharf.
Capt. W. C. Eliason, president Tolchester Co., Pier 16, Light Street Wharf.
Capt. Willard Thomson, vice president and general manager Baltimore, Chesapeake & Atlantic Railway, Pier No. 1, Pratt Street.
Clarence Shriver, agent, Ericsson Line, Pratt and Light Streets (second floor).
John C. Whitney, president Merchants & Miners Transportation Co., Light and German Streets.
Harry G. Skinner, president Skinner Shipbuilding & Dry Dock Co., Locust Point.
William E. Woodall & Co., South Side of Basin.
James C. Gorman, agent Atlantic Transport Co., No. 201 Chamber of Commerce Building.
Robert Ransay Co., No. 705 Keyser Building.
A. Schumacher & Co., agents North German Lloyd Co., Gay near Baltimore Street.
Dresel Rauschenberg & Co., No. 319 Chamber of Commerce Building.
Winfield S. Cahill & Co., South Side of Basin.
Mason L. Williams, Baltimore & Carolina Steamship Co., No. 604 Union Trust Building.
W. E. Slaughter, Eastern Shore Steamboat Co., Pier 5, Pratt Street.
John C. Bosley, manager Steamer *Dreamland*, Browns Wharf.
F. W. Wood, president Maryland Steel Co., Sparrows Point, Md.
Wallace Stebbins (Cons.), Charles and Lombard Streets.
Walter Ancker, superintendent floating equipment, Baltimore & Ohio Railroad, Baltimore and Charles Streets.
O. F. Lackey, engineer, Harbor Board, City Hall, Baltimore.
John W. Hook, president Old Town Bank, Gay and Exeter Streets.
George C. Thomas, No. 529 Law Building.
William B. Hurst, care John E. Hurst & Co., Hopkins Place and Lombard Street.
William H. Fehsenfeld, president Red "C" Oil Co., 111 Cheapside.
Thornton Rollins, president Maryland National Bank, Continental Trust Building.
Capt. R. M. Spedden, Third National Bank, Baltimore and North Streets.
Mr. J. R. Bland, president United States Fidelity and Guaranty Co., Calvert and German Streets.
Reuben Foster, No. 920 Equitable Building.
B. N. Baker, No. 903 Calvert Building.
Emmerson Drug Co. (Jos. Hends).
Crom Cork Co.

DELAWARE RIVER IS ALSO FIRST AMONG THE NEEDY.

Here follows the pressing need of the Delaware River, which must have an appropriation at once, according to the Rivers and Harbors Congress. This brought a generous subscription from all ports on the Delaware, including something substantial from Philadelphia.

The letter reads:

[National Rivers and Harbors Congress, second in importance only to the Congress of the United States: JOSEPH E. RANSDELL, president, Washington, D. C., and Lake Providence, La.; J. F. Ellison, secretary and treasurer, Cincinnati, Ohio; John A. Fox, special director, Washington, D. C.]

WASHINGTON OFFICE, 1910.

To the business interests of Wilmington, Del.:

The National Rivers and Harbors Congress is working earnestly to secure the adoption by the Federal Government of a permanent waterway policy that will provide for improving all the worthy waterways of the Union.

The deepening of the Delaware River and the improvement of the canals and waterways of the Atlantic coast, in which Wilmington has such a direct and vital interest, should be among the first to receive the benefit of the increased and regular appropriations for rivers and harbors that this organization is working to bring about.

Funds are needed to carry on the work which the National Rivers and Harbors Congress has persistently urged, and to the end that a strong demand may come from every section of the Republic your financial cooperation is invited.

Very respectfully,

ANTHONY HIGGINS,
Delaware Director of National Congress of Rivers and Harbors.

The bearer of this letter, Mr. Williams, has been properly introduced, and it is desirable that those interested in improvement of the waterways by the National Government should contribute to this propaganda, and I urge upon all to do so as liberally as they can.

HORAN WILSON,
Vice President for Delaware.

It may be well not to overlook the fact that this recommendation is given to our old friend, Mr. Williams, who is alleged to have received 50 per cent of collections in other cases and who is aiding "this propaganda" to the best of his ability. A list of a few Philadelphia subscriptions follow. It is significant that it includes varied interests from transportation companies that are understood to favor the Chesapeake & Delaware Canal down to the Sugar Trust.

Philadelphia subscribers to the National Rivers and Harbors Congress.

Geo. E. Bartol, No. 220 the Bourse, Feb. 7, 1910	$50
E. W. Clark & Co., Feb. 10, 1910	100
E. Wm. Fry, Feb. 14, 1910	50
Crew Levich & Co	25
J. W. Pew	100
Edward F. Henson & Co	25
Baltimore-Philadelphia Steamboat Co	25
R. D. Woodson	25
J. J. Mohs & Sons	25
O. G. Stemplead & Sons	25
E. E. Walele Sons	25
Chas. Gring	25
Wm. S. McGram	10
F. W. Munn	25
Earn-Line Steamship Co	50
Justice, Bateman & Co	25
Henry Disston & Sons (Inc.)	100
The Philadelphia Transportation & Lighting Co	25
Pure Oil Co	50
The Wm. J. McCahan Sugar Refining Co	50
Union Petroleum Co., by A. C. Woodman	50
Indepcndent Pier Co., by C. Nyle	25
Wm. Sellers & Co., Inc., by Coleman Tellers, president	20
Kline & French Co	25
Wm. J. Thompson	20
T. B. Rice & Sons Co., by W. L. Rice	25
Hampton Dunn	50
John T. Bailey Co	25
John B. Stetson Co	25
T. S. Westanell	50
John L. Vandier	25
Geo. Baunlamp	25
M. C. Hansiman	10
Slevenwnerr Busche	10
Morris, Wheeler & Co	25
Garrett-Buchanan Co., by J. S. Siners, president	20
E. J. Lavino & Co	20
Philip Godley	10
Stephen F. Whitman & Son	20
M. L. Dupee & Co	25
Merchant & Evans Co., by J. M. Macke, treasurer (paid)	20
Wm. H. Horstmann Co., by Walter Hortsman (paid)	25
Alan Wood, Iron & Steel Co., by J. R. Iser, treasurer (paid)	25
Whitall Tatum Co., by R. O. Nickolson, general manager	20

THE OHIO RIVER IS ALSO FIRST AMONG THE NEEDY.

Here is a declaration that the Ohio stands at the head and must at once be improved. The Rivers and Harbors Congress gets a generous offering through the instrumentality of Mr. Williams, who is again to the rescue.

ADVOCATES A POLICY, NOT A PROJECT.

[National Rivers and Harbors and Harbors Congress: JOSEPH E. RANSDELL, president, Washington, D. C., and Lake Providence, La.; J. F. Ellison, secretary and treasurer, Cincinnati, Ohio; John A. Fox, special director, Washington, D. C.]

CINCINNATI, OHIO, *September, 1909.*

To the business interests of Pittsburgh, Pa.:

The National Rivers and Harbors Congress in its work to secure legislation that will result in the adoption and putting into effect by the Federal Government of a permanent policy that will provide funds for the improvement of the waterways of the Nation, the worth of which has been demonstrated, solicits financial cooperation; this is necessary in order that the campaign of arousing throughout all parts of the United States a demand for such a policy may be carried on systematically and uninterruptedly.

The improvement of the Ohio River, which most directly concerns the commercial interests of Pittsburgh, now admittedly stands at the head of all rivers. It has been so placed by the United States Engineer Corps, working to bring about and will be the first to benefit from such appropriations.

The general agent of the organization, John M. Williams, is authorized to receive and receipt for all moneys that may be subscribed. He is working under the direction of and reporting to the undersigned officers of the congress.

Very respectfully, yours,

JOS. E. RANSDELL, *President.*
J. F. ELLISON,
Secretary and Treasurer.

I most heartily indorse the above appeal and sincerely hope that in view of the great benefit to our city to be derived from the improvement of the Ohio River that our people will cheerfully contribute toward the expense involved in carrying on the work of this organization.

WM. B. RODGERS, *Director.*

It is hardly possible that any casual reader will overlook the fact that Mr. Williams, of 50 per cent collection fame, is now working on other prospects. Also we meet with our old friend Capt. Ellison.

Pittsburgh subscribers to the National Rivers and Harbors Congress.

James Rees & Sons Co., by Thos. M. Rees (paid)	$250
John H. Jones	250
H. K. Korter Co., by H. K. Korter, jr. (paid)	100
Midland Steel Co., by William C. Fownes, jr., secretary (paid)	100
Standard Sanitary Manufacturing Co., per W. A. Myher, secretary (paid)	100
United Engineering & Foundry Co.,, by Isaac W. Frank (paid)	100
Colonial Steel Co. (paid)	100
E. H. Jennings Bros. Co. (paid)	100
Thomas A. Jenkins	50
Standard Underground Cable Co., J. W. Marsh, president (paid)	100
Riter-Conley Manufacturing Co	100
Joseph Horne Co. (paid)	100
H. D. W. English	25
The Natural Gas Co. of West Virginia, by George Heeard (paid)	25
I. V. Thompson (paid)	100
Rogers Sand Co., by J. W. Rogers	250
The T. A. Gillepsie Co., by W. H. Wanveck, secretary	100
Pittsburgh Steel Co., by W. H. Rowe (paid)	100
Dilworth, Porters Co. (paid)	100
Iron City Sand Co. (paid)	50
Arbuthnot-Stephenson Co., by W. S. Arbuthnot (paid)	100
Clyde Coal Co., by James G. Geeger (paid)	100
The A. R. Budd Coal Co., by A. R. Budd (paid)	100
Pittsburgh Plate Glass Co., by C. B. Brown (paid)	100
The Pittsburgh Dry Goods Co. (paid)	100
United States Glass Co., by J. S. Knox (paid)	100
Wilson-Snyder Manufacturing Co. (paid)	100
J. K. Davidson & Bros. (paid)	100
National Tube Co., by John D. Culbertson (paid)	250
H. J. Heinz Co. (paid)	200
Armstrong Cork Co. (paid)	100
The May Drug Co. (paid)	25
Follansbee Bros. Co. (paid)	100
Kier Fire Brick Co. (paid)	25
Rosembaum Co. (paid)	25
Pittsburgh Brewing Co. (paid)	50
Mutual Union Brewing Co. (paid)	25
Oil Well Supply Co., John Eaton, president (paid)	100
Frick & Lindsay Co. (paid)	25
Zug Iron & Steel Co. (paid)	50
J. N. Pew	50

Again we find Pennsylvania generously contributing to the Rivers and Harbors Congress, and across the Alleghenies we find the Steel Trust reaching hands with the Sugar Trust; but the most interesting phase of the foregoing subscription list lies in the fact that while the total reaches $4,025, and presumably does not include all Pittsburgh contributions, the report of the treasurer of the Rivers and Harbors Congress, Mr. Ellison, of good advice, for the following year, mentions only $105 from Pittsburgh. I hold other subscription lists from Pittsburgh, which prove that the business concerns there are generous contributors. What the members of the Rivers and Harbors Congress and the public generally will desire to know is whether or not Mr. Williams increased his commission from 50 per cent to 95 per cent of the collections when visiting the Smoky City. If more was collected, how has it been accounted for? A congressional investigation would explain this apparent discrepancy of 95 per cent in collections within one year, and also the Baltimore collections and other discrepancies, that indicate much larger contributions than appear from the report of Secretary Ellison.

NEW JERSEY'S CONTRIBUTORS.

Again referring to the report of the treasurer of the Rivers and Harbors Congress for 1911, it appears that $120 is contributed by Newark to keep the ship of the Rivers and Harbors Congress on an even keel. Without analyzing the following subscription list, it is apparent that New Jersey has been a generous and a frequent contributor in the effort to secure its share of $50,000,000 in annual appropriations for the river and harbor bills regularly confronting Congress, war tax or no war tax.

Contributors to National Rivers and Harbors Congress of New Jersey.

N. J. Adamont Manufacturing Co., Harrison; expired Feb. 7, 1908	$10
Atlantic City Bureau of Information and Publicity, George S. Lenhart, director, Pacific and Tennessee Avenues, Atlantic City; expired Dec. 7, 1909	5
A. B. Ayers, 358 Ogden Street, Newark; expired May 7, 1908	25

Dr. M. R. Brinkman, Hackensack; expires 1911	$5
A. T. Bell, secretary the Leads Co., Chalfonte, Atlantic City; expired May 9, 1909	5
P. Ballantine & Sons, Newark; expired Feb. 12, 1911	10
Balbach Smelting & Refining Co., Newark; expired Apr. 25, 1908	100
E. P. Backus Lumber Co., Newark; expired May 27, 1908	25
George Brown & Co., Gilbert C. Brown, president, Newark; expired Apr. 20, 1908	50
John J. Cone, 532 Bergen Avenue, Jersey City; expired June 22, 1911	5
Columbia Insurance Co., Jersey City; expired Feb. 12, 1914	10
Cawley Clark Co., 278 Passaic Street, Newark; expired Feb. 7, 1908	10
James Cromwell, Fort Cross Street, Newark; expired Feb. 7, 1908	5
Clark Thread Co., post office box 154, Newark; expired Feb. 7, 1908	10
Clark Mile End Steamship Co., Newark; expired Feb. 7, 1908	10
Cook & Genung Co., Newark; expired May 9, 1908	25
Frederick W. Donnelly, Opera House Store, Newark; expired Jan. 26, 1911	5
Elizabeth Board of Trade, William F. Groves, secretary, Elizabeth; expired Sept. 21, 1914	25
Eastwood Wire Manufacturing Co., John H. Eastwood, treasurer, Belleville; expired Apr. 20, 1908	50
Edmund C. Hill, 7 West State Street, Trenton; expired Feb. 3, 1910	5
Edward H. Horwood, Hoboken Board of Trade, Hoboken; expired Feb. 4, 1910	5
Headley & Farmer Co., Newark; expired Feb. 7, 1908	10
David Harper, Harrison; expired Feb. 7, 1908	5
James S. Higbie, James R. Syer, jr., & Co., Newark; expired Feb. 10, 1911	5
Hoboken Board of Trade, by the secretary, Hoboken; expired July 22, 1908	25
William A. Jones & Son, Newark; expired Feb. 7, 1908	10
Listers Agriculture Chemical Works, Newark; expired Feb. 12, 1911	10
Marshall & Co., Newark; expired Apr. 19, 1908	50
The Nairn Linoleum Co., Kearney; expired Feb. 7, 1911	10
Passaic River Protection Association, by secretary, Newark; expired Mar. 27, 1907	25
Mitchell B. Perkins, Beverly; expired Jan. 24, 1911	5
W. H. Quigley, Coopers Point, Camden; expired Jan. 1, 1909	5
George F. Reeves, 88 Front Street, Newark; expired May 23, 1911	5
Standard Oil Co., post-office box 278, Newark; expired Feb. 19, 1911	10
Peter Shields, Cape May; expired Jan. 11, 1911	5
The Trenton-Philadelphia Deeper Waterways Association, by secretary, Trenton; expired June 14, 1911	100
Trenton Chamber of Commerce, by secretary, Trenton; expired Nov. 18, 1910	25
Ambrose Tomkins, 74 Passaic Street, Newark; expired Feb. 20, 1908	10
Tomkins Bros., 74 Passaic Street, Newark; expired Feb. 7, 1908	10
Van Kuren & Sons, Harrison; expired Apr. 20, 1908	25
Walsh & Sons Co., Newark; expired Feb. 7, 1908	10
S. T. Zabriskie, president the Anderson Lumber Co., Passaic; expired Dec. 7, 1909	5
Acme Rubber Co., Trenton, expires Oct. 21, 1912	25
George Brown & Co., Newark, expires Apr. 25, 1912	25
Cook & Genung Co., Newark, expires Apr. 25, 1912	25
Cawley-Clark Co., Newark, expires Apr. 26, 1912	15
Cook's Linoleum Co., Trenton, expires Sept. 25, 1912	50
H. W. Dunn, Trenton, expires May 6, 1913	5
Eureka Flint & Spar Co., Trenton, expires Oct. 16, 1912	25
Golding Sons' Co., Trenton, expires Oct. 17, 1912	25
C. T. Hilderbrecht, Trenton, expires Oct. 21, 1912	5
Samuel Heath Co., Trenton, expires Oct. 20, 1912	10
James S. Higbie, Newark, expires Mar. 20, 1912	5
S. E. Kauffman, Trenton, expires Nov. 1, 1912	10
A. K. Lueckel & Co., Trenton, expires Nov. 1, 1912	10
Lister's Agriculture Chemical Works, Newark, expires Oct. 27, 1912	25
E. W. McClave & Son (Inc.), Harrison, expires Apr. 26, 1912	25
Richard Morrell, Passaic, expires Jan. 25, 1913	5
Monument Pottery Co., Trenton, expires Nov. 30, 1912	25
Thos. Maddock, Sons & Co., Trenton, expires Oct. 10, 1912	50
J. L. Mott Co., Trenton, expires Sept. 21, 1912	50
Henry G. Parker, New Brunswick, expires Oct. 10, 1912	10
Princeton Worsted Mills, Trenton, expires Oct. 10, 1912	25
People's Brewing Co., Trenton, expires Oct. 10, 1912	50
Horace G. Reeder, Trenton, expires Jan. 17, 1913	5

Senator KENYON'S list of 1910 subscriptions from New Jersey is also of interest. I presented it in connection with his remarks.

COL. FOX AND MR. ROCKEFELLER.

How much did Col. Fox collect from John D. Rockefeller?

Col. John Fox is the leading publicity agent for the lower Mississippi River and for the River and Harbor Congress. In my remarks contained in the RECORD for June 19 last, I gave some special notice to the extended operations of Col. Fox among newspapers and magazines while engaged in his labors directing public sentiment. Without question he has successfully kept his waterway proposition in the public eye for several years, and frequent expressions of universal concern over lower Mississippi floods were usually inspired by Col. Fox, publicity agent, for his great land-reclamation scheme. If further data than that already furnished are desired, an investigation will disclose the facts.

Col. Fox has been the head and shoulders of waterway activities, even to the extent of showing Congressmen what to do and when and where to do it. As he modestly stated before the association which he so cleverly pilots:

> We will see to it that he (the Congressman) votes that the $40,000,000 or $50,000,000 that are needed every year toward completing this great work shall be appropriated.

During the recent fight in the Senate to defeat the pork barrel, Col. Fox, the congressional guardian, occupied a front seat in the Senators' private gallery, pulling for the bill. And Col. Fox's pull should not be ignored.

I presented to the House on a former occasion what purports to be a photographic copy of subscription lists secured by Mr. Fox for the lower Mississippi River reclamation project, which reached the neat sum of $150,000, according to his statement, in annual contributions.

It included liberal subscriptions from many railroads, the Harvester Trust, and other large interests which presumably have holdings in lands that are to be redeemed or reclaimed at the expense of the National Government. I will refer to that list again.

A FAMOUS NEW YORK LUNCHEON.

How much did Col. Fox, special field director of the Rivers and Harbors Congress, receive from John D. Rockefeller? That he solicited funds I am sure Mr. Gates, Mr. Rockefeller's representative, will admit, and the records ought to show how much. How much did Col. Fox raise in New York, where he and Col. Stevens, also an agent of the Rivers and Harbors Congress, gave a notable luncheon at the Mechanics' Club, New York City, in 1910? Hon. Nathan Straus, Mr. Havemeyer, John Hays Hammond, C. M. Schwab, and a number of other distinguished citizens were among the invited guests. These guests are among New York's leading men. Some of them are noted for public spirit and great wealth. How much did Mr. Fox collect from these gentlemen, and what became of the funds? How much was employed in pushing the back-fire against Senators while Special Field Director Fox, from his seat in the Senate gallery, like a field marshal of old, watched his commander, the president of the congress, marshaling his hosts in battle array.

We have learned that the congress received contributions from the Steel Trust at Pittsburgh and from the Standard Oil Trust at New York and from the Harvester Trust at New Orleans. Philadelphia also gave a small contribution from the Sugar Trust. But how much came from the great organizers of trusts, Mr. Rockefeller and Mr. Havemeyer, as well as from the distinguished guests who were invited to meet Col. Fox at that luncheon?

EATING HIS WAY INTO PLUTOCRACY.

I feel sure Col. Fox will not deny the Rockefeller incident nor the luncheon, because I have examined what I believe to be interesting original correspondence on the subject. It sustains the belief that if Col. Fox was on the 50 per cent commission list for his congress collections, he wasted no time in getting to the fountainhead of individual wealth with that same alacrity evidenced when he annually lands on the Federal Treasury for $50,000,000.

How much did he raise in New York, from whom, and how was it spent? Is it a matter of record? If so, where?

In view of the fruitful offerings from railroads and other sources that greeted Col. Fox's efforts elsewhere, a waiting public and even the River and Harbor Congress would be interested in knowing how much was raised through that luncheon; and how was it expended? We must not forget that the dredgers' secret report recommended feeding Members of Congress at banquets. The Ohio Valley Society is shown to have expended some $1,500 for the same general purpose on one occasion. Money was contributed by the Central Life Insurance Co. and hundreds of other subscribers along the Ohio River.

With this object lesson in waterway improvement and land reclamation before him, Col. Fox undoubtedly attempted to reach his distinguished New York guests through their gastronomical organs. How well he succeeded will be disclosed by an investigation.

That the score or more of waterway associations, aside from the Rivers and Harbors Congress, are all giving active aggressive support to the passage of every rivers and harbors bill may be generally understood, but the amounts collected and the character of expenditures are not matters of general knowledge. Leaving for the time being the larger organization, that places a protecting wing over all other waterway associations and all projects, whether good, bad, or indifferent, when once incorporated into a $50,000,000 annual pork barrel, I will offer two or three subscription lists which indicate that in efforts to persuade Congress that particular projects are of value thousands of dollars are handled annually by organizations that rank second to and are closely affiliated with the Rivers and Harbors Congress.

RAILROAD CONTRIBUTIONS.

On June 3, on pages 10591 to 10599 of the RECORD, appear my remarks before the House wherein I pointed out secret efforts to influence Congress on rivers and harbors bills from

subscriptions of money to the use of threats against business men. At that time I presented the following subscriptions, running for five years, taken from what purported to be a photographic copy of a typewritten statement made by Col. John A. Fox, secretary and manager of the Mississippi Levee Association:

It has been estimated that a minimum fund of $30,000 per annum is necessary for this organization to do its work in a complete and thorough manner, and already a considerable portion of this sum has been pledged annually for five years (or $150,000 in all). The subscriptions are as follows:

Southern Ry. Co	$1,000
Mobile & Ohio R. R. Co	1,000
Frisco R. R. Co	1,000
Missouri Pacific Ry. Co	1,000
Chicago, Rock Island & Pacific Ry. Co	1,000
St. Louis & Southwestern Ry. Co	1,000
Illinois Central R. R. Co	1,000
Yazoo & Mississippi Valley R. R. Co	1,000
Chicago Mill & Lumber Co	1,000
Caldwell & Smith, Memphis	1,000
International Harvester Co	1,000

Assurance has been given of other substantial amounts.

As I have before stated, on June 3 I called the attention of the House to contributions made by eight railways for the purpose of aiding in the passage of a river pork barrel. It will be remembered that contributions approximating $150,000 for the five-year period were given in the RECORD, and it was further shown that $40,000 of this amount was guaranteed by eight railroads for the purpose of influencing Congress to pass the bill. At that time I asked why an investigation was not had of this remarkable situation, and I further demanded in my resolution that all interests engaged in lobbying through such bills should be compelled to come out in the open.

A congressional investigation would be wonderfully enlightening in showing what other contributions reached the hands of Col. Fox, who is special director of the Rivers and Harbors Congress and an active publicity agent second to none in the country, as I have offered abundant testimony to prove.

CINCINNATI IS WIDE-AWAKE.

I hold what purports to be a detailed statement of the Cincinnati subscriptions for 1909 of the Ohio Valley Improvement Association, amounting to $4,566.25. Capt. Ellison, the secretary of the association, was later secretary of the Rivers and Harbors Congress. I will not set forth at length the list, which reaches nearly 200 subscribers, nor do I question the right of these individuals to subscribe any amount desired to advance the Ohio River propaganda. The list includes the name of a distinguished brother of the then President of the United States, and of others interested in urging the Ohio River proposition in Congress. The Union Central Life Insurance Co., which, I believe, had mutualized before that year, was a contributor, according to the list, whether with or without the consent of policyholders does not appear. Contract companies, transportation companies, and even the United Commercial Travelers were persuaded to contribute.

The Business Men's Club put in $100, and the next space is filled by an ice concern, in order to preserve an equable distribution of temperature throughout the list. Many banking interests joined in the propaganda, also brewing companies gave liberally, and everything that looked easy along the Ohio seems to have been solicited in the "On to Cairo" movement.

In view of the report made by the Commissioner of Corporations that all the terminals at Cairo and most of those at Cincinnati are owned by the railways, it is interesting to note that no railway subscriptions appear in this particular list.

The treasurer's statement to our friend Ellison follows:

QUEEN CITY SUPPLY CO.,
Cincinnati, October 27, 1909.

Capt. J. F. ELLISON,
Secretary Ohio Valley Improvement Association, City.

MY DEAR SIR: Referring to the recent convention in our city of the Ohio Valley Improvement Association, I submit, as treasurer, the following:

Subscriptions received, as per list herewith attached	$4,566.25
Payments for entertainment and all other expenses, as per vouchers herewith attached	1,543.44
Leaving a balance of	3,022.81

For which please find check herewith. This check is in accordance with the understanding of the committee and the Ohio Valley Improvement Association.

Yours, truly, GEO. PUCHTA.

MR. WILLIAMS IS BEARER OF A CONSTANT TOUCH.

Here follows a gem among a collector's jewels. It purports to be for Portsmouth, Ohio, for 1913, and introduces our old tried and true friend, Mr. John M. Williams, who is alleged to have a contract with the secretary of the Rivers and Harbors Congress for 50 per cent fee for certain collection.

It is not uninteresting to note that portion of the letter introducing Mr. Williams, which feelingly declares:

We must be in constant touch with the Rivers and Harbors Committee while Congress is in session and this can only be done through the presence of our president in Washington.

From which it appears no "touch" is overlooked. What more eloquent plea for funds can be imagined than the following:

Unless the business interests continue their support other more active and progressive sections of the country clamoring for similar appropriations will crowd us out. Such a result would be not only humiliating but most deplorable from every point of view.

Remembering that in the two 1914 bills, the sundry civil and the regular pork barrel, a total of some $9,176,000 was set apart for the Ohio, it does not look very humiliating in amount compared with Chicago, which carries at its two ports practically the same tonnage as the entire Ohio River, according to Government reports, and gets about one hundredth part of the amount given to the Ohio.

The 1913 touch overlooked no small towns. The letter follows:

"ON TO CAIRO."

OHIO VALLEY IMPROVEMENT ASSOCIATION,
OFFICE OF THE SECRETARY, CHAMBER OF COMMERCE,
Portsmouth, Ohio, 1913.

To the business interests:

A widespread feeling that the Ohio River improvement is positively assured and that no further occasion for attention to the matter exists is now the greatest barrier against its early completion.

What has been accomplished is the definite adoption of the project by Congress, and annual instead of triennial appropriations have been secured. But the appropriations are not large enough by far to complete the work within a reasonable time. To insure such completion the project must be put, in point of appropriations, on the Panama Canal basis, so that the work may be prosecuted on a large scale all along the line.

Nothing short of manifestations of public interest and constant planning and agitation on the part of the Ohio Valley Improvement Association will accomplish this. We must be in constant touch with the Rivers and Harbors Committee while Congress is in session, and this can only be done through the presence of our president in Washington. In addition we must keep up the interest all along the river and throughout the Ohio Valley.

Unless the business interests continue their support, other more active and progressive sections of the country clamoring for similar appropriations will crowd us out. Such a result would be not only humiliating but most deplorable from every point of view.

We trust that this appeal will meet a financial response commensurate with the tremendous importance of the subject.

The bearer, John M. Williams, or H. M. Parsons are authorized to receive and receipt for all moneys subscribed.

Very respectfully, yours,

W. C. GULKINS, *Secretary.*

Approved and indorsed.

JOHN E. WILLIAMS, *Vice President.*

The Excelsior Shoe Co. (paid)	$35
The Selby Shoe Co. (paid)	50
The Portsmouth Stove & Range Co. (paid)	25
The Peebles Paving Brick Co. (paid)	25
The Breece Manufacturing Co. (paid)	25
The Stockham Co., by J. M. Stockham (paid)	10
Ohio Stove Co., Robert G. Bryan, president (paid)	10
The Hibbs Hardware Co. (paid)	15
The Anderson Bros. Co. (paid)	10
The First National Bank (paid)	10
The Portsmouth Gas Co. (paid)	10
Allen Jordan (paid)	10
L. D. York (paid)	25
The River City Lumber Co. (paid)	10
L. A. Turley (paid)	10
The Joseph J. Reed Co. (paid)	10

For fear it may be assumed that this "On to Cairo" is a cheap movement, I offer a Pittsburgh list of subscribers. Other lists for other years contain similar names and amounts. Among the many collection lists I have scanned this one has some unusually interesting and instructive features. It introduces our old friend Mr. Williams, who is alleged to have a contract with the National Rivers and Harbors Congress for 50 per cent of certain collections. An investigation would determine the facts in view of the announcement that—

The records of the association for the past 12 years is a guaranty that all funds subscribed to the association will be devoted entirely and effectively to the work for which the association was formed, viz, the improvement of the Ohio River.

So Pittsburgh gets to work to land its share, and we find the Consolidated Coke & Coal Co. that controls most of the navigation contributing $500 annually, which amount, however, is matched dollar for dollar by the Carnegie Steel Co. This list only gives a few of the larger amounts that are contributed by the interests that are "keeping in constant touch with the River and Harbor Committee," to use an expression contained in the Portsmouth (Ohio) letter.

A $5,000 TOUCH WITH PITTSBURGH.

"ON TO CAIRO."

OHIO VALLEY IMPROVEMENT ASSOCIATION,
OFFICE OF THE SECRETARY,
No. 204 East Front Street, Cincinnati, Ohio, July 1, 1907.

To the business interests of Pittsburgh, Pa.:

The Ohio Valley Improvement Association in its work to secure legislation for the advancement of the movement to improve the Ohio River

from Pittsburgh to Cairo, on the basis of a 9-foot stage, with its consequent enhancement for transportation facilities, solicits financial cooperation, which is necessary in order that the work may proceed systematically and uninterruptedly.

Mr. John M Williams, the general agent of the association, is authorized to receive and receipt for all moneys that may be subscribed. He is working under the direction of and reporting to the undersigned and officers of the association.

The records of the association for the past 12 years is a guaranty that all funds subscribed to the association will be devoted entirely and effectively to the work for which the association was formed, viz, the improvement of the Ohio River.

Very respectfully, yours,

JOHN L. VANCE, *President.*

J. F. ELLISON,
Secretary and Treasurer.

We strongly approve the above, and urge the business interests of Pittsburgh to subscribe liberally to support and advance the work of the association.

JAMES A. HENDERSON,
JOHN H. JONES,
WM. B. RODGERS,
Vice Presidents.

Standard Sanitary Manufacturing Co., per W. A. Myler, secretary and treasurer, July 9, 1907 (paid)	$250
The Natural Gas Co. of West Virginia, by George Heard, president, July 10, 1907 (paid)	100
Clyde Coal Co., James G. Geegan, July 10, 1907 (paid)	100
Pittsburgh Forge & Iron Co., Calvin Wells, treasurer, July 11, 1907 (paid)	100
United Coal Co. (paid)	250
Midland Steel Co., Thomas C. Fownes, jr., secretary (paid)	250
Joseph Horne Co., Darlim Horne, president (paid)	100
Lockhart Iron and Steel Co., C. I. Guissper, treasurer (paid)	100
Oil Well Supply Co. John Eaton, president (paid)	100
H. D. W. English, president chamber of commerce (paid)	100
J. M. Caffry (paid)	100
James W. Brown, president Colonial Steel Co. (paid)	100
United Engineering & Foundry Co., Lincoln Foundry Co., dept., the Lloyd Booth Co., dept., Chilled Roll Foundry Co., dept., Isaac W Frank, president (paid)	100
The A. R. Budd Coal Co. (paid)	100
Logan Gregg Hardware Co (paid)	100
The Phillips Mine & Mill Supply Co. (paid)	100
Mellon National Bank, by A. W. Mellon (paid)	100
McCreery & Co. (paid)	100
Arbuthnot-Stephenson Co., W. W Miller, president (paid)	100
The National Supply Co. (paid)	100
Ward-Mockey Co. (paid)	50
The Pittsburgh Dry Goods Co., H. N. Neely, vice president and general manager (paid)	100
Pittsburgh Brewing Co., William Ruske, secretary (paid)	100
Pittsburgh Terminal Warehouse & Transfer Co., G. W. C. Johnston, secretary (paid)	100
James Rees & Sons Co., T. M. Rees (paid)	250
H. K. Porter Co., by W. E. Martin, treasurer (paid)	100
Chess Bros. (paid)	100
Rauh Bros. & Co (paid)	50
American Natural Gas Co., X. Wittmer, president (paid)	100
Geo. K. Stevenson & Co. (paid)	50
Dilworth, Porter & Co. (Ltd.), Sept. 9, 1907 (paid)	100
The Monongahela River Consolidated Coal & Coke Co., Francis L. Roffiel (paid)	500
Thomas Carlin's Sons Co., Theodore W. McBride, treasurer (paid)	50
Carnegie Steel Co., W. W. Blackburn, secretary (paid)	500
Kaufmann Bros. (paid)	100
Kier Fire Brick Co., S M. Kier (paid)	50
L. F. Smith (paid)	25
John B. Haims & Sons (paid)	50
Thomas C. Jenkins (paid)	50
E. W. Babcock Co. (paid)	50
J. K. Davison & Bro. (paid)	50
H. M. Brackenridge (paid)	25
Rosenbaum Co. (paid)	25
Independent Brewing Co. of Pittsburgh, Charles E Succop, treasurer (paid)	100
Pittsburgh Steel Co., W. H. Rowe, president (paid)	100
Ernest Rusch (paid)	25
A. Dempster (paid)	50
Wayman & Wood Co., R. Wayman, jr., secretary (paid)	25
Graham Nut Co., Albert Graham, president (paid)	25
James B. Sipe & Co. (paid)	25
Mackintosh, Hemphill & Co. (paid)	50
Zug Iron & Steel Co. (paid)	100
J. N. Fen (paid)	100
E. H. Jennings Bros. Co. (paid)	100
The Chapin Fulton Manufacturing Co. (paid)	25

I have other subscription lists that are of equal interest and amount, but I have refrained from introducing more than a single list from several cities, although annual contributions appear to have been generously made in different cases.

Have I made a case that deserves investigation? The suggestion by the gentleman from Mississippi [Mr. HARRISON] that the River and Harbor Committee intends to smother the resolutions asking for an investigation must have been made with authority. Ordinarily I would have no hesitation in leaving my case with any committee, and it is needless to express my high respect for the members of the Rivers and Harbors Committee, individually and collectively, but I do not believe any investigation ought to be undertaken unless it is serious and thorough in character.

No man would care to try his case before a judge or judges who were not impartial. The absurdity of wasting the time of that committee or of myself in a fruitless undertaking was apparent from the first, but courtesy compelled me to await its orders. Now that it appears to be useless, I have undertaken to present to the House and to the country a portion of the evidence, most of which I believe to be original in character, and which has been held in my hands for the committee's use.

TRYING TO GET AT THE FACTS.

On May 4, nearly five months ago, I introduced House concurrent resolution No. 38. It proposed to secure information that would have opened up to the taxpayers, who foot the bills, concealed conditions behind the $50,000,000 annual loot bill.

In its wisdom the Rivers and Harbors Committee, to which the resolution was referred and which prepares the annual bill, ignored the appeal for an investigation.

On August 25 I introduced House resolution No. 603, which sets forth the progress of the rivers and harbors bill after it left the House and reiterates a demand for an investigation. This resolution, affecting an annual grab of $50,000,000 was too unimportant to receive any more attention than its predecessor, and as it presents some interesting propositions to the patient investigator I incorporate it in my remarks at this point:

[H. Res. 603. Sixty-third Congress, second session. In the House of Representatives, August 25, 1914. Mr. FREAR submitted the following resolution which was referred to the Committee on Rules and ordered to be printed.]

Whereas the rivers and harbors bill as it passed the House carried $43,389,000 in cash and over $76,000,000, including proposed dribbling appropriations, for new projects; and

Whereas the said rivers and harbors bill, now under consideration by another body, has had added to it by the committee of said body over $10,000,000 in additional cash items over and above the $43,000,000 contained in the House bill; and

Whereas some of the items so added had been previously refused approval and place in the bill by the House committee; and

Whereas the said committee of such other body has now stricken from said bill as passed by the House approximately $1,000,000 alleged to have been for wasteful and vicious items, including $72,000 for Mattawan Creek, $47,000 for Kissimmee Creek, $733,000, present and prospective, for Okalawaha Creek, and various amounts for other insignificant creeks; and

Whereas it is currently reported that a proposal is pending to strike from the $53,000,000 rivers and harbors bill, now before another body, approximately $10,000,000, thereby leaving the amount of the appropriation at practically the figures approved by the House, but upon different projects; and

Whereas the Chief Engineer of the Army is authoritatively quoted as stating that not more than one-half of 1 per cent contained in the present bill is "pork"; and

A $93,000,000 PORK BARREL FOR 1914.

Whereas approximately $7,000,000 has been appropriated by Congress during the present session by the sundry civil bill of 1914 for river and harbor improvements in addition to the pending bill of $53,000,000 cash and $33,000,000 new projects, or approximately $93,000,000 in cash and new projects for 1914; and

Whereas press dispatches report that employees of a House committee have circulated letters of inquiry throughout the country asking if people of the particular locality affected by the 400 different projects included in said bill are ready to concede that the local project is a "humbug and a fraud"; and

Whereas House concurrent resolution 38, introduced on the 4th day of May, 1914, is now before said House committee for action and in words and substance is as follows:

Whereas many millions of dollars of public moneys are annually wasted on our rivers and an absence of businesslike methods is being pursued by the Government in carrying on river and harbor improvements, the following facts are submitted as a preamble in support of this resolution:

That on March 17, 1914, the chairman of the Rivers and Harbors Committee stated to the House as follows: "Why, there are propositions advanced, some of them are now before Congress, advocated and supported by men of national repute, the adoption and carrying out of which, it is said by competent engineers, would cost billions of dollars";

That river and harbor appropriations have increased approximately 500 per cent, while navigation on rivers has decreased 80 per cent, as is shown by the following Government data:

Appropriations for rivers and harbors: 1875 to 1894 (20 years), $187,099,000; 1894 to 1904 (10 years), $184,425,000; 1911 to 1914 (4 years), $184,345,000;

The following river traffic is reported from the city of St. Louis: Missouri River, 1890, 31,385 tons; 1906, 6,050 tons; loss, 80 per cent. Lower Mississippi, 1890, 765,880 tons; 1906, 141,575 tons; loss, 81 per cent;

That commerce on practically all of the inland waterways, excepting the Great Lakes, has greatly decreased and often been driven from the rivers by railway competition;

That the Interstate Commerce Commission and railway commissions of the several States have general powers to reduce railway freight rates wherever conditions warrant and to prevent increase wherever reduction has been made;

That the river and harbor bill for 1914 as passed by the House appropriates or authorizes an expenditure of $43,289,004, in addition to $32,895,871 in new projects begun and to be maintained by continuing appropriations from future Congresses, in all calling for a proposed expenditure of $76,184,875. To this vast amount, judging from past experience, will be added from $4,000,000 to $5,000,000 before the bill is returned from the Senate;

That the adopted projects which we are obligated to complete, including those embraced in the 1914 bill, include a future expenditure of $305,500,000;

That in addition thereto the Army engineers have recommended 93 new projects, which will require a further expenditure of $92,500,000 whenever Congress can be prevailed upon to make such appropriations;

That 120 additional surveys are authorized by the 1914 bill as it passed the House, which will require an indefinite amount for such projects, possibly reaching $100,000,000, judging from the average last noted;

BILLIONS OF DOLLARS FOR PORK BARRELS.

That to these extravagant expenditures will eventually be added billions of dollars, according to the opinion of the chairman of the Rivers and Harbors Committee of the House, whenever men of national repute now advocating and supporting other projects can secure their adoption;

That the 1914 bill as it passed the House appropriates $9,500,000 for the Mississippi River, 84 per cent of which is to be expended on the lower river, notwithstanding its commerce decreased over 80 per cent during the past 20 years;

That the Mississippi River Commission on April 14, 1914, at St. Louis, recommended to Congress a further appropriation of $12,000,000 for the Mississippi River for next year;

That the 1914 bill as it passed the House appropriates $2,000,000 for the lower Missouri River between Kansas City and the Mississippi, which appropriation is part of a $20,000,000 project for that portion of the river, notwithstanding traffic is negligible and actual commerce is alleged to have cost the Government approximately $100 per ton for 1912;

That the 1914 bill as it passed the House appropriates $5,000,000 for canalization along the Ohio River, a $64,000,000 project, comprehending 63 locks, but no part of the open-river service. Canal freight for 1912 is alleged to have cost the Government over $35 per ton, after allowing full railway freight rates for coal traffic;

That after spending many millions of dollars on the Coosa, Trinity, Brazos, and Red Rivers, these projects are now alleged to be of no practical benefit to navigation.

That the intracoastal waterways project, present and postponed, as reported by the Government engineers, involves a past, present, and proposed expenditure of $96,931,006;

That this system includes the construction of new canals of doubtful value, the purchase, through the 1914 bill, of a bankrupt canal proposition, the stock of which is shown to be worthless; of projects that propose to especially benefit certain communities to the injury of others, and projects which it is alleged will drive legitimate private waterway ventures into bankruptcy;

That the 1914 bill as passed by the House contains appropriations for projects where the expenditure, according to engineers' reports, is exclusively for local private business interests and not for use by the general public;

That the 1914 bill as passed by the House contains appropriations for creeks which, according to the accompanying engineers' reports, are dry for eight months in the year;

That the 1914 bill as passed by the House contains appropriations for creeks involving in a single instance an appropriation of $750,000, wherein it is alleged the engineers' report was reversed after real estate speculators had brought political pressure to bear in such case;

That the 1914 bill does not carry appropriations for the amount required to complete projects as asked for by the engineers in many cases, thereby preventing the Government from entering into proper or profitable contracts until full appropriations are made;

That the 1914 bill is open to all the objections urged by President Taft against the 1910 bill for the last mentioned reasons and contains wasteful appropriations amounting to many millions of dollars;

Therefore, for the foregoing reasons, it is

LET THE INTERSTATE COMMERCE COMMISSION INVESTIGATE.

Resolved by the House of Representatives (the Senate concurring), That the Interstate Commerce Commission be, and hereby is, authorized and directed to immediately investigate and as soon as practicable report to Congress the following information:

First. The character and amount of proposed expenditures by the Government now being advocated and supported "by men of national repute," as stated on the floor of the House, the adoption and carrying out of which will cost billions of dollars.

Second. The character and value to the general public of projects to which the Government is now committed aggregating $305,000,000.

Third. The character and value to the general public of 93 new projects recommended by Army engineers but not yet adopted by Congress, which will require a further expenditure of $92,500,000.

Fourth. The character and value to the general public of 120 new surveys authorized by the 1914 bill as it passed the House, which will require an indefinite amount reaching to over $100,000,000, based on average last noted, providing such projects are recommended by the Army engineers.

Fifth. To report all river or harbor projects begun and afterwards abandoned by the Government within the past 40 years, together with all expenditures so wasted and reasons for such abandonment.

Sixth. To report as to the truth or falsity of the statement made upon the floor of the Senate that "the whole scheme of river improvement is a humbug and a steal," and to report further as to the truth or falsity of statements made during debate in the House that the river and harbor bill for 1914 as it passed the House is a fraud upon the people, a pork-barrel raid upon the Federal Treasury, approximating in its scope an expenditure of over $76,000,000, and more vicious in character than any of its predecessors.

Seventh. To investigate and report all active influences urging the adoption of the Mississippi River reclamation, the Ohio River canalization, the Delaware & Chesapeake Canal, and other projects contained in the 1914 bill as it passed the House, together with the names of all organizations, companies, individuals, or hired lobbyists now actively engaged in urging such projects.

INVESTIGATE THE MISSISSIPPI RIVER LAND RECLAMATION SCHEME.

Eighth. To report fully as to the Mississippi River reclamation project, its probable cost, local benefits to be conferred, and value of any lands to be reclaimed; the ownership of such lands; the contributions equitably required from adjoining States, municipalities, or individual interests, if any; the injuries to Memphis, Vicksburg, or other communities alleged on the floor of the House to have been caused by ill-advised engineering projects, and further to report as to the permanence of the reclamation project and probable value compared with Government expenditures required.

Ninth. To investigate and report as to the desirability of having the Government take over the Chesapeake & Delaware Canal at double its actual value fixed by the House committee; to report whether the canal company stock is worthless and its bonds valued at only 50 cents on the dollar, as stated on the floor of the House; to report whether this canal project can be completed for $10,514,290, as estimated by the Army engineers; to report whether such amount includes the Government contribution of $450,000, made about 90 years ago, and interest and dividends wrongfully withheld during that period; and to report further whether or not the project is to be taken over for the especial benefit of canal bondholders and shipping interests of Baltimore and Philadelphia. In making such investigation the commission is directed to not limit its hearings to stock and bond holders of the canal company, or to local political influences or interested shipping interests of Baltimore and Philadelphia.

Tenth. To report further what river and harbor projects now under consideration are for the benefit of strictly private business interests, without corresponding benefits to the general public, and the interests that secured such projects for such interests.

Eleventh. To report what proportionate benefits should occasion contributions, and to what extent, from local communities, particularly where improvements are of strictly local value and of no material aid to navigation.

Twelfth. To report the financial policy or absence of policy pursued by the Government as to the rivers and harbors during the past 40 years; benefits that have accrued to the public through improved river navigation and increased river traffic, if any, resulting from such improvements, together with all further available information on the subject that may be had, together with such recommendations based thereon as may be found proper to make in the premises, having particular reference to the following information:

Thirteenth. To report the practicability of taking away from the Chief of Army Engineers the exclusive right and power of determining the commercial necessity of river and harbor projects and leaving with the Army Engineer Bureau the single question of technical engineering work.

Fourteenth. To report the practicability of turning over to the Interstate Commerce Commission or the Department of Commerce all river and harbor improvements, with full power to exercise all the duties now imposed upon the Army Engineer Bureau, excepting such duties as strictly pertain to civil engineering; and

LET THE JUDICIARY COMMITTEE INVESTIGATE.

Whereas no report has been made to the House in reference to such resolution, nor has any hearing been called for its consideration: Therefore be it

Resolved, That the House Judiciary Committee, in lieu of the Interstate Commerce Commission, be requested to hold hearings upon said resolution (H. Res. 38) at the earliest practicable day and to report to the House its findings, in order that the House membership may be informed as to the facts contained in recitals in such resolutions.

Resolved further, That said committee be directed to ascertain from the Chief of Engineers of the Army what $260,000 contained in the rivers and harbors bill, being approximately one-half of 1 per cent, is conceded to be "pork."

Resolved further, That such committee be directed to ascertain if the appropriations struck out of the bill for the Kissimmee, Mattawan, Oklawaha, and other creeks, amounting to approximately $1,000,000, consist of wasteful and improper items, as found by the committee of another body.

Resolved further, That such committee be directed to ascertain if the additional amount of $10,000,000 in items proposed to be struck out by such other committee consists, as alleged, of wasteful and improper items.

Resolved further, That such committee ascertain the importance and character of the $10,000,000 added to the House bill of $43,000,000 by such other committee, and that the result of such investigation be reported to the House at the earliest possible moment, together with its recommendations thereon; and the said Judiciary Committee is hereby authorized and empowered to issue subpœnas and examine witnesses and to procure all documents bearing upon the matters referred to, and to employ needed stenographers and clerks in the prosecution of such inquiry.

AN EFFORT TO INVESTIGATE THE DREDGERS' PUSH.

Having proof of the dredgers' secret agreement to push pork barrels, which I have already placed in my remarks, together with the confidential list furnished to the collector of the Rivers and Harbors Congress, supported by subscriptions from the dredgers to push the $50,000,000 barrel, and with a full understanding that the terrific back-fire waged on Congress was part of a concerted action which would not stand up in the light of publicity, I offered House resolution No. 612, asking for an investigation of the activities of the dredgers' secret organization, that reads as follows:

[H. Res. 612, Sixty-third Congress, second session. In the House of Representatives, August 29, 1914. Mr. FREAR submitted the following resolution; which was referred to the Committee on Rules and ordered to be printed.]

Whereas the press of the country has been giving consideration to the unprecedented haul on the Treasury sought to be made by the $53,000,000 rivers and harbors bill for 1914, which bill, with future dribbling appropriations for new projects, will reach approximately $86,000,000; and

Whereas $45,000,000 of unexpended appropriations is still available for contracts now being performed; and

Whereas a further sum of $6,990,000 has been appropriated by the present Congress, under the sundry civil bill for 1914, for the improvement of rivers and harbors; and

Whereas it is probable that nine hundred and ninety-nine persons out of every thousand receive no benefits, directly or indirectly, from the large mass of 1914 appropriations; that the great majority of our people are ignorant of the unprecedented size and wasteful character of the 1914 river and harbor bill disclosed by engineers and other governmental reports; and

Whereas, notwithstanding such overwhelming popular disapproval, a persistent secret back-fire has been inaugurated in the several States to the end that commercial bodies and individuals of local influence are now engaged in importuning Members of Congress to pass the $53,000,000 bill in addition to the $6,990,000 sundry civil items already enacted into the law and the $45,000,000 left available on June 30 last; and

Whereas the secret back-fire is believed to have been largely inaugurated by individuals and concerns having personal interests in performing the work, or by communities and individuals favorable to some particular project irrespective of the remaining hundreds of projects, many of which have been exposed as wasteful and useless almost beyond belief; and

Whereas it is alleged that the dredgers of the country have in past years, through their official organization, sought to actively and secretly influence the passage of river and harbor legislation, as appears from the following extract, quoted from a report of the board of directors of the Atlantic and Gulf Coast Dredge Owners' Association, issued after the defeat of a former river and harbor bill, which extract from the signed report reads as follows:

DIVIDING THE SPOILS.

"We count in this association the membership and influence of every man engaged in the business: each one has something of value to us in the way of ideas, talent, energy, or influence, and it is the work of the association and its proper object and function to use these various factors for the benefit of the whole membership and to throw upon any desired point the full resources of the association. In this way, and by turning its steps in the right direction, and with full confidence and cooperation which it would then have from all its members, there would no longer be any grounds for contention or rivalry amongst one another. When once this department of allotment is abandoned, the association will once more resume its proper place and perform many duties of the highest use and importance to its members." (An apparent admission that all contracts are, or were, controlled by the board of directors and subsequently allotted to the different members by a dredging trust); and

Whereas the directors' report further states:

"The board should organize a bureau of information, which would furnish to each member at regular intervals a synopsis of what is going on in the way of dredging operations on the coast, improvements in machinery or in methods of doing work, with descriptions of such improvements, locations, etc., and the general work beir; done by and through committees and in the board of directors—this and such other additional information as may suggest itself.

"The lack of association methods and the failure to use the means in our hands for the general good was forcibly illustrated recently in the rivers and harbors bill, where absolutely no effort was made by the association to procure any amendment to the bill or any provision inserted therein for its benefit"; and

FILLING UP MEMBERS OF CONGRESS.

Whereas the directors' report states:

"Your board feels regret that the river and harbor bill has failed of passage, and considers it all the more important that the association should be organized for the purpose of adding its influence to urging work by municipal organizations and bodies, and doing all in their power to create offerings of work in the various ports of entry and harbors. It is only by persistent effort that the loss entailed upon us by the failure of the harbor bill can in any way be compensated for. Your board further wishes to emphasize their regret that the annual banquet of the association has been allowed to go by default for the last two or three years. These entertainments do not entail any serious expense upon the association, but they do create the greatest possible prestige for our business in the estimation of those whose favor it is to our advantage to gain. Influential business men and men of public affairs having to do with transportation companies and steamship lines are entertained by us on these occasions with the greatest possible benefit to our business—municipal officers, heads of departments, Members of Congress, and legislatures—and their favor and interest is legitimately gained and has been found to be of the greatest value when circumstances required it. The expense of our entertainment is wisely expended, and brings an adequate return for every dollar so spent"; and

Whereas it is reasonable to believe from such statements that said dredgers' association is secretly and actively aiding in the back fire now being urged upon Congress by commercial bodies that are particularly interested over their local projects, and to the exclusion of other items, good, bad, and indifferent, and, further, that said board may now control all dredging contracts, as suggested in such report, to be hereafter allotted to the different members; and

Whereas House resolution 603, heretofore introduced, asks the Judiciary Committee of the House to investigate the present system of making up river and harbor appropriations, and for other information relating thereto, as is more specifically set forth in said resolution, and to include all secret lobby methods used heretofore and now to urge the passage of such bills: Therefore be it

Resolved, That the Judiciary Committee of the House be instructed to bring before it the officers and board of directors of the Atlantic and Gulf Coast Dredge Owners' Association, and such other parties as may be deemed advisable, and ascertain what efforts have been exerted toward securing the passage of the rivers and harbors bills in past years, its methods of allotments of contracts, and what connection, if any, such organization or the membership thereof have with the remarkable secret back fire now being urged in Congress in behalf of the 1914 bill.

A WAR TAX AND THE LOBBY.

In a further effort to attract publicity to the back-fire waged by the officers of the $50,000,000 annual loot, war cry bill, that had $9,000,000 at stake for the lower Mississippi land reclamation scheme, as heretofore set forth, I introduced House concurrent resolution No. 49. It refers to the activities of the officers of the Rivers and Harbors Congress, and is as follows:

[H. Con. Res. 49. Sixty-third Congress, second session. In the House of Representative September 17, 1914. Mr. FREAR submitted the following concurrent resolution, which was referred to the Committee on the Judiciary and ordered to be printed.]

Whereas the President has asked Congress to pass a war tax of $100,000,000, to be imposed upon 100,000,000 consumers in the country, for the purpose of meeting expenses of Government, including an anticipated wasteful rivers and harbors appropriation bill now pending before Congress amounting to $53,000,000, and also for an additional $52,000,000 for rivers and harbors, which last-mentioned amount is a balance authorized to be expended from preceding appropriations; and

Whereas the total proposed expenditures for rivers and harbors in 1914 is six times the total expenditures for the four years from 1875 to 1878, inclusive, when commerce on the rivers of the country carried four times the present diminishing traffic, according to Government reports; and

Whereas the proposed $105,000,000 expenditures for rivers and harbors, for which a war tax must be levied, includes many millions of dollars of wasteful and extravagant projects, according to the opinion of experienced waterway experts throughout the country; and

Whereas the demand for a wax tax directs public attention to the present extravagant business management of the country which reaches in appropriations, exclusive of rivers and harbors, the unprecedented sum of $1,057,605,694.40 for 1914 and $1,089,408,777.26 for 1915, and which latter amount exceeds all appropriations for 1913 by over $100,000,000; and

Whereas any demand for a war tax to meet unparalleled expenditures for rivers and harbors or for other Government purposes directs public attention toward insidious lobbies that seek to shape legislation at Washington and perform other functions not contemplated under the Constitution; and

Whereas the National Rivers and Harbors Congress and the Mississippi Levee Association are alleged to be practically identical in aims and character; organized primarily to advance lower Mississippi River land reclamation interests, interests which are given by the 1914 rivers and harbors bill the unprecedented sum of $9,000,000, part of over $100,000,000, counting unexpended balances previously appropriated for waterway purposes; a large part of which enormous fund, in the judgment of the best and most experienced waterway experts in the country, is to be wasted on crooked creeks and ill-advised waterway projects; and

INVESTIGATE THE BACK FIRE.

Whereas it is alleged on trustworthy authority that the National Rivers and Harbors Congress has sent thousands of letters throughout the country and has also sent its agents to different points in the country extending from the Atlantic coast on the east to Astoria, Oreg., on the west, in order to persuade local commercial organizations to pass resolutions which demand the passage of the 1914 rivers and harbors bill, and further demand the constant attendance of Members of Congress to preserve a quorum in order to pass such a bill; and

Whereas the National Rivers and Harbors Congress and its kindred Lower Mississippi River Levee Association has been charged by a reputable waterway organization with instigating threats against Pennsylvania manufacturers and other eastern business men in order to compel the support of local Members of Congress for lower Mississippi River projects in the manner and form set forth in H. Res. 613; and

Whereas it is alleged that through secret, insidious, persistent, and unprecedented lobbying methods southern river contractors and other parties interested in the passage of the 1914 rivers and harbors bill are demanding, as a price of transacting business with Ohio manufacturers, immediate efforts by such Ohio business men to compel support of such vicious bill by Ohio Representatives in either branch of Congress; and

Whereas it is further alleged that the National Rivers and Harbors Congress with its affiliated Lower Mississippi River Levee Association has sought to have enacted into law Louisiana House bill No. 514, which bill endeavors to make legal contributions of $1,000 annually by all State levee boards in order "to encourage the growth of public sentiment favoring increased national appropriations for the construction and maintenance of the system of Mississippi River levees"; and

LET US ASCERTAIN RAILWAY INFLUENCES.

Whereas it is further alleged in addition to contributions sought to be obtained from the State of Louisiana to secure increased Federal appropriations for the lower Mississippi River, hundreds of thousands of dollars have been collected by the National Rivers and Harbors Congress and the Mississippi Levee Association, including annual contributions from thousands of organizations throughout the United States including the Newark Board of Trade; the Trenton Board of Trade; the Standard Oil Trust; the International Harvester Trust; the Southern Railway Co.; the Mobile & Ohio Railway Co.; the Frisco Railway Co.; the Missouri Pacific Railway Co.; the Chicago, Rock Island & Pacific Railway Co.; the Illinois Central Railway Co.; and thousands of other firms and individuals as set forth in part by H. Res. 613; and

Whereas it is further alleged that many thousands of dollars thus collected by the National Rivers and Harbors Congress, from boards of trade, the Standard Oil Trust, contracting companies, and other individuals throughout the country were divided equally between the collecting agents of said "congress" and the "congress" itself, which congress retained one-half of the amount collected and yet declares itself to be second only to the Congress of the United States; and

Whereas such charge if true is a fraud upon all the contributors to such great fund, raised ostensibly to further improvements of waterways, but which fund is alleged to be used in entertaining and banqueting officials in high authority and for other lobbying purposes hereinbefore stated, in order to insure the passage of an annual $50,000,000 pork barrel through "a species of mutual bribery among those actively interested, all too much in evidence for the health of public morals and interests of the tax-paying public," according to the report of the New York Board of Trade and Transportation, as set forth in H. Res. 613; and

Whereas it is alleged that said National Rivers and Harbors Congress, through its officers and agents and through its large fund collected as aforesaid, has assumed to determine the political fortunes of Senators and Representatives, the membership and composition of important congressional committees, the particular projects for which appropriations shall be granted, and the amount thereof, all of which if true is demoralizing to public legislation and the best interests of the country; and

Whereas if the foregoing allegations are true as contained in the report of the New York Board of Trade and Transportation; and as to allegations of equal division of subscription between the congress and its agents; and as to use of such money to send agents throughout the country to make false and improper statements as to the character of the vicious 1914 rivers and harbors bill; and as to activity of such agents in order to secretly and improperly influence the consideration of such bill; and as to efforts to force eastern business men to favor the Mississippi River reclamation project, and also efforts to force Ohio business men into creating a back fire against their Representatives in Congress; and as to other insidious and manifestly improper acts, then and in such case the Postmaster General ought to prohibit the use of the mails for such questionable and improper purposes: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That the Attorney General is hereby directed to ascertain the facts of such charges hereinbefore set forth, and if true in whole or in part to proceed without delay in prosecuting any and all parties engaged in unlawful practices, and to take such further action as may be deemed proper.

This resolution and others of similar tenor were given some degree of publicity and also attracted criticism from reputable journals. My attempts to secure an investigation received attention and strong support from many high-class publications throughout the country, including in the West notably the Chicago Tribune, but the Herald of that city questioned a "fanaticism rather than reason" in the following editorial, which I quote under date of September 17:

[From the Chicago Record-Herald, September 17.]

CONGRESSMAN FREAR GOES TOO FAR.

Representative FREAR, of Wisconsin, has done the country much good service by his persistence in calling attention to the "pork" in the river and harbor bill. But in his present attack on organizations of citizens formed to promote internal improvements Mr. FREAR is showing fanaticism rather than reason.

No brief is held here for the organizations called the Rivers and Harbors Congress or the Mississippi Levee Association. It is merely remarked that they are visibly composed, in the main, of respectable citizens, who should not be accused of anything in the nature of corrupt activities in legislation unless upon clear proof.

It is altogether probable, of course, that promoters of wasteful and useless expenditures have attached themselves to these organizations. Attempts are always made to attach schemes of private or merely local gain to any widespread movement. Quite possibly these organizations have been unduly tolerant of "log-rolling" tactics.

What Mr. FREAR forgets, however, is that there are some meritorious projects in the pending bill. It may be admitted that the ratio of them to the "pork" is more than usually low. Yet they are there, and should not be made to suffer because they are unavoidably in bad company.

Let Mr. FREAR cease to see ghosts of "insidious lobbies" and devote himself to getting the "pork" out of the bill. There is plenty of it to get out.

Here is an editor of a great journal asking us with childlike innocence to get the "pork" out of a bill, when he ought to know it could not be blown out with dynamite.

It is a matter of record that of scores of wasteful, vicious items exposed on the floor, no record vote could be had. In another body the vicious Trinity River $10,000,000 project only received a few votes of protest, although it was riddled by the criticisms of Senator BURTON and others. Good and bad projects float or sink together when in a pork barrel.

COMPLACENT IGNORANCE OF CONDITIONS.

No criticism is offered in reply to the editorial, because I do not reply to criticisms unless some good purpose may be served. The Herald is an influential paper and its voice on the side of the Government Treasury would be invaluable in these days of pork barrels, and war taxes with which to pay them. Probably a lack of knowledge of the real conditions may have inspired the charge.

Is it fanaticism to shout "Burglars" when you see the Treasury is being looted under the guise of waterway improvements? When land reclamationists, water-power interests, dredgers, contractors, and last, but not least, when a $50,000,000 war cry for annual plunder is echoed throughout 171 cities and their respective States that contribute, is it fanaticism to demand the facts?

To declare that the management of a railway needs investigation when the president and directors of the New Haven loot the road, does not attack the stockholders of the road who are entertained by pretty balloons that are kept dancing before their eyes. The members of the Rivers and Harbors Congress are not to blame, excepting that every stockholder should know what use is made of his name and funds.

I do not care to inject my own individual views into any discussion, but there has been shown beyond reasonable doubt by Senators BURTON, KENYON, GALLINGER, and others in both Houses of Congress that present waterway improvements financed by the Government are largely vicious in character, and are used to cover up other purposes than actual improvements to navigation. These expositions have been based on the reports of the very engineers who approved projects that were all originally supported by political influence.

The engineers are no more to blame than are those who successfully urged the wasteful projects. That is a minor consideration at this time; nor is the defeat of the 1914 pork barrel, with its temporary saving of $33,000,000 or $66,000,000, as you choose to figure it, the real question which confronts Congress and the country.

I have produced evidence that has not been disputed, showing that since the Rivers and Harbors Congress, with its associated waterway organizations, has been organized, notwithstanding river and canal traffic, has rapidly decreased, annual Government expenditures for wasteful projects have doubled and quadrupled.

Legitimate waterway projects have been choked by this effort to arouse local "cupidity," as it was termed by the New York Board of Trade and Transportation. The battle cry of $50,000,000 loot, without any attempt to control projects, aroused a vigorous protest from the leading commercial body of the country years ago.

In my remarks of June 3 I made reference to a report of the New York Board of Trade and Transportation, which had refused to join hands with the association now boosting the Mississippi River, because of the fact that the association was a "log-rolling" concern founded on "mutual bribery." I have been asked to give in full this report, which was made by the New York board after a careful investigation into the methods of the National Rivers and Harbors Congress. Believing that a report coming from one of the highest trade bodies of the world is of especial importance at this time, particularly as it relates to a proposal to filch $50,000,000 annually from the Federal Treasury, I herewith present the report containing its refusal to indorse what it denominates to be a mutual bribery organization:

THE NATIONAL RIVERS AND HARBORS CONGRESS.

NEW YORK, *March 27, 1907.*

To the New York Board of Trade and Transportation:

The undersigned special committee, appointed to consider the policy that this board should adopt toward the National Rivers and Harbors Congress, reports as follows:

The National Rivers and Harbors Congress is an alliance of individuals, firms, and corporations, waterway associations, and other organizations. It has a president, an executive committee, and a secretary-treasurer. The members of the association pay annual dues. Its object, as stated in its circulars, is "to arouse public interest to such an extent that a united demand, coming from all sections of the country for regular and adequate rivers and harbors appropriations, will induce Congress to provide an annual river and harbor bill of $50,000,000."

The New York Board of Trade and Transportation is invited and urged to become a member of the National Rivers and Harbors Congress.

The chairman of your committee personally conferred with a representative of the organization and has been fully informed of its purposes and methods. Its whole work, as stated in the objects quoted, is to be directed toward making an effective demand upon Congress for appropriations. Its policy is that no specific projects of public improvement shall be individually indorsed by the organization. A general indorsement is given to all projects heretofore approved by the United States engineers and the completion of which would require from $320,000,000 to $350,000,000; but no effort is made to ascertain or verify the necessity of such projects and plans.

The organization, while advocating and demanding enormous and unprecedented appropriations from the Public Treasury, thus cleverly attempts to avoid all the responsibilities for its proper and honest expenditure. Another advantage to them of this policy is that they avoid all dissensions among themselves over the questions of merit as to the projects proposed. They welcome to the support of their cause everybody who wants an appropriation from the Treasury, and none is repulsed. The wonder is their numbers are not larger.

This fact should somewhat allay the fears of the taxpayers of the country as to the result, and as actually less than 5 per cent of the commercial organizations of the country have espoused the cause, or less than one-sixth as many organizations as demanded the passage of railroad-rate legislation, not including as many more agricultural societies, the movement has thus far failed to develop enough strength to make it dangerous.

It is manifest that such a plan should appeal strongly to many localities whose natural conditions are forbidding and unattractive to commerce and whose commerce is consequently small. It is quite within reasonable expectation that the people of such localities would be encouraged to hope or believe that by uniting to swell the demand for larger appropriations enough might be drawn from the Treasury to satisfy the demands of more necessitous projects and leave them a little by way of reward for their help and to encourage them to continue their "interest and cooperation." Every congressional district thus enlisted would deliver one additional vote in Congress for the blanket proposition.

THE PRESSURE ON CONGRESSMEN.

Nearly every Congressman is charged with procuring an appropriation for some project in his district. The approval of his constituency and often his reelection depends upon his success in getting an appropriation. He can not question the merits of the project for which such demands are made upon him. He may know that the project has no just claim upon the room of the Committee on Rivers and Harbors until he has worried a promise from the chairman. Thus the chairman of the committee has his troubles. It is a most Herculean task to sift out the bad and decide upon the merits of the numerous propositions which are brought to his attention. It requires most patient, painstaking study on his part to inform himself and to make sure that he is not imposed upon, and he must have extraordinary discretion, tact, and courage to put off importunate Congressmen and reject projects which investigation has convinced him are unworthy. Necessary projects must be passed for the good of the country and votes must be had to pass them. Frequently the price of a needed vote or several votes is the recognition of a project which would not otherwise have any consideration, and to get the important projects through the sacrifice is made, and so the bill is loaded. When the bill comes into the House with such items on it there is no one to object, because few, if any, of the Members know about the individual items. Even when occasionally a particularly objectionable item has been singled out for criticism in the newspapers, there is none to protest against it on the floor, because each Member must have his particular appropriation and it is understood that if the bill is to pass it must stand pat or fall as a whole. When one part of its structure is withdrawn, the harmony of the situation is gone and disintegration sets in.

The policy of the National Rivers and Harbors Congress would make the task no easier for the chairman of the Rivers and Harbors Committee. There would be more money to go around, but if the Rivers and Harbors Congress should succeed in their plan "to arouse public

interest—they should have said 'cupidity'—to such an extent that a united demand, coming from all sections of the country," would develop new schemes of improvement before unheard of, the demands upon him for unworthy projects would be increased far out of proportion to the worthy ones, and so the difficulties would be aggravated.

ORGANIZED FOR MUTUAL BRIBERY.

It would foster beyond all previous experience the most pernicious of all methods of procuring legislation, known as "logrolling," a species of mutual bribery among those actively interested already too much in evidence for the health of public morals and the interests of the taxpaying public.

The present system may not be ideal, but the responsibility and power imposed in the important office of chairman of the House Committee on Rivers and Harbors develops in the incumbent a conservatism and care for the public weal which establishes conditions and works out the problems in a way which it would be difficult to improve upon. The country has been in recent years especially fortunate in this respect. Mistakes may have been made. Some projects may have been for a time neglected which should have been more rapidly progressed, and some may have received more recognition than their importance would seem to warrant, but a proper appreciation of the difficulties of the office would foster a spirit of charity and compel commendation instead of criticism.

In conclusion, we desire to make our position clear. As an organization we have done much for the improvement of the water transportation. We may stand upon our record as to that, and will not swerve from our faith in the future; but we are opposed to the plans of the National Rivers and Harbors Congress, and urge the business interests of the country to consider carefully the evils of the system which would result from its success.

It is the duty and should be the care of the exponent organizations throughout the country to guard at all times the public interests of the city, State, and Nation with unswerving integrity of purpose and to encourage by every means at their command the highest possible standard of action in all the affairs of our public life. They can not, without doing an injury to the body politic, shift from their own shoulders to others any responsibility which they themselves should assume. They can not, without giving conscientious and painstaking study and consideration, indorse important projects and measures or general and vaguely defined policies and leave to others the working of them out to a conclusion without danger of harm. The conditions inherent in our public life are such that the gravest dangers attend and menace the interests of the people at each step from the initiation and promotion to the consummation of all public measures and works under every branch of our Government. These conditions make easier the evasion of individual responsibility and discourage the expression of opposition to measures which appeal to the individual conscience as wrong. They foster cupidity and encourage duplicity and fraud, and where the objects in view depend for success upon access to the Public Treasury the moral resistance is relaxed.

We therefore view with apprehension this systematic propaganda by influential men and organizations, which our experience and judgment tells us, unless checked by the more conservative elements of the people, will ultimately lead to the wildest extravagance and waste of the public moneys which has ever marked our history.

REFUSES TO JOIN A "LOG-ROLLING" ORGANIZATION.

Your committee therefore recommends that the New York Board of Transportation and Trade decline the request to become a member of the National Rivers and Harbors Congress.

While expressing our disapproval of the methods of the National Rivers and Harbors Congress we have great pleasure in commending the action of President Roosevelt in appointing on the 14th of the present month the Inland Waterways Commission, whose duty will be to report a comprehensive plan for the improvement and control of the river systems of the United States. The President in his letter of appointment to the members of the commission, who have been manifestly selected for their eminent qualifications and fitness for the duty imposed, outlines at length his views, which are patriotic, broad, and comprehensive. The appointment of the Inland Waterways Commission is, to our minds, a first important step in the right direction, which gives promise of the development of a national plan, taking knowledge of all river improvements which should properly be nationalized, and eliminating the elements of danger to which we have hereinbefore referred.

Upon such a plan, which will indicate in advance what improvements are contemplated, what they will accomplish for the welfare of the country, and what they will cost, all the organizations of the country should unite.

Respectfully submitted.

S. V. V. HUNTINGTON, *Chairman*,
W. S. ARMSTRONG,
CHAS. H. PATRICK,
EUGENE H. CONKLIN,
THOS. F. MAIN,
Special Committee.

The foregoing report was unanimously adopted by the New York Board of Trade and Transportation March 27, 1907.

A true copy.

Attest:

FRANK S. GARDNER, *Secretary.*

A PORK-BARREL PROPHECY REALIZED.

The predictions made in that report appear to have been fully realized. An organization now controls the annual $50,000,000 pork barrel that has no responsibility to the people. It assumes to determine river and harbor legislation. Its battle cry is for $50,000,000 annually, and it makes no difference whether it goes to the fertilizing factories at Mattawan, at Shoal Harbor, or on the North East River, as disclosed by the Engineers' reports. It is immaterial whether it covers real estate interests on Florida projects or $9,000,000 in 1914 for a Mississippi River reclamation project. Everything goes, and when opposition develops in Congress, all the machinery at the disposal of the Rivers and Harbors Congress is put into force, demanding the pork bill's passage by a secret back-fire.

If it be fanaticism to say this astounding condition surrounding a great appropriation bill is wrong, then what is right? The puny efforts of Mulhall and the Manufacturers' Association sink into insignificance when compared with the $50,000,000 annual pork barrel, the guardianship of which amount the Federal Congress delegates to the Rivers and Harbors Congress, according to modest admissions of the latter body.

I have given more time to this subject than I intended, although I have only been able to briefly point out the wastefulness of the Mississippi land reclamation and flood project and the influences that are behind the $50,000,000 annual pork barrel.

WORKING FOR A NEW PORK BARREL.

Congress has been notified through many channels that the Rivers and Harbors Congress, which meets here during the coming December, will be here when Congress is in session. A thousand waterway enthusiasts who do not know the secret work of their congress will then press on the Federal Congress a $50,000,000 or $60,000,000 pork barrel for 1915 in order to carry $12,000,000 demanded by the Mississippi River Commission for a wasteful levee system.

We protest against abrogating to engineers the constitutional power of Congress to determine where $20,000,000 is to go. Why not protest against an abrogation of our constitutional power to legislate for navigation, which appears to have been assumed by the second congress, and which encompasses every known interest apart from actual navigation that could be crowded into a pork barrel. All constitutional bars against such expenditures for local interests are now swept away. The battle cry of a Rivers and Harbors Congress, which controls the situation, is for $50,000,000 loot, irrespective of projects. Is it not a serious condition that should challenge the attention of thoughtful Members of Congress? A pressure for local projects has ever been instrumental in tying hands that otherwise would be raised against the pork barrel. Ninety-nine per cent of our people would protest against the barrel and the system behind it if these facts could be brought home to them. Yet they are to be called upon in 1915 to pay an inexcusable war tax for pork barrels. A congressional investigation would serve to give needed publicity, if made exhaustive. It would save many millions of dollars annually to our people, but more important from a legislative point of view, it would remove from a control of $50,000,000 annually an organization that has grown arrogant and powerful beyond comprehension, that gives its orders through its local members for Senators to stay on the job and work for the pork barrel; that collects unknown amounts of money from innocent contributors, paying 50 per cent collection fees in certain cases; an organization which has injected into pork-barrel legislation of former years an element of cheek and phenomenal nerve both astounding and wicked in its influence.

Until such an investigation can be had and until a change in the system of making appropriations for rivers and harbors is inaugurated, the pork barrel will thrive and grow and be a constant menace to the Federal Treasury.

HOW TO STOP PORK BARRELS.

The abolishment of pork-barrel legislation can be brought about by a strong advisory board of high-class men, to include Army and civil engineers and members of the Cabinet. This board ought to be appointed by the President and to have supervision of all waterways, making its annual recommendations to Congress in the same manner that Cabinet officials present their recommendations.

A board of this character would be opposed by this Rivers and Harbors Congress and many affiliated associations, because the usefulness of the second congress has not been directed toward developing legitimate navigation, but toward the accumulation of an annual $50,000,000 pork-barrel fund from out the Federal Treasury.

Good projects would be approved by a high-class board and worthless, wasteful projects discarded. These latter projects, and there are many of them, together with political pull, will join hands in opposing any change in the present disgraceful system.

Congress can cure a growing cancer only by using the surgeon's knife. Such cure would reduce the present heavy tax burdens and give many millions of dollars annually to legitimate governmental expenditures.

More important by far, such change in handling the waterway problem would make short shrift of the annual legislative curse which poisons all other legislation by its system of barter and trade and other influences with which it comes in contact.

We have smashed the 1914 barrel, or knocked it down into keg size, but in character it is still a generous sample of the larger barrel. Apart from the saving in funds, no permanent good has yet been accomplished. We must eliminate the gratuitous makers of the barrel—the Rivers and Harbors Congress—or, rather, the officials who assume to and who do exercise a vicious influ-

ence in determining the general character and amount of river and harbor appropriations. We have unconsciously abrogated powers possessed by the Federal Congress to this "Second Congress," powers that have been grossly abused. Let us place the power and responsibility in the hands of a high-class board which will command the confidence of the American Congress and of the country.

Mr. SPARKMAN. Mr. Speaker, I yield 15 minutes to the gentleman from Mississippi [Mr. HARRISON].

Mr. HARRISON. Mr. Speaker, it is a pleasant diversion to study the Members of a great body like this. Here we find the faithful public servant, the sincere economist, the sensational reformer, and the blatant demagogue.

It is the first two classes that dominate our membership, that transacts the public business, preserves the high standard of the House, and reflects credit upon the country.

The latter two classes are few in numbers, but conspicuously prominent by their frequency of speech and wildness of assertion. They ascribe unto themselves the virtues of the world and see no good in others. They win public favor through misrepresentation and hold it through false pretenses.

They play upon the ignorant and unwary, create a sentiment of suspicion and a feeling of unrest that breeds anarchy and makes socialists. They crave publicity and thirst for notoriety. Their entrance into public life is always a pity and their exit swift and sure.

The people of this country are fair and intelligent and will not be fooled. What they want from us is sincerity, not hypocrisy; action, not protestation; results, not criticism.

I hope my friend who has just taken his seat will not ascribe what I have said to himself.

I have been interested in his fight, delighted at his patriotism, astonished at his knowledge, amazed at his results.

The gentleman from Wisconsin [Mr. FREAR] modestly takes credit for having assisted greatly in having this bill reduced from $43,000,000 to $20,000,000. For my part, if the gentleman thinks that to take $23,000,000 from the improvement of the great waterways of this country is a feather in his cap, then I say, "Take it and wear it where all the country may see it." And when, sir, you show it to your people, tell them that it is a prize that you have won for having affected the commerce that goes out of the harbors of this country, carrying the products of our soil and industries and bringing back the gold of the world.

Tell them that you have won it by preventing river improvements, thereby allowing the railroads of the country to continue to rob the consumers of the land by charging high and exorbitant freight rates.

Tell them that you have won it by preventing improvements on the Mississippi River, so that the rains that fall in your section and find outlet through the great river may in their mad rush to the sea sweep away the lives of my people and destroy their property. [Applause.]

I am afraid, though, Mr. Speaker, that the gentleman's enthusiasm and love of the limelight has somewhat exaggerated in his own mind the result of his labors.

Mr. BUTLER. Will the gentleman permit me to ask him a question?

Mr. HARRISON. I have not the time. I wish that I could.

Mr. BUTLER. I am sure of that.

Mr. HARRISON. When this bill was up for consideration in the House and before it was emasculated in the Senate through filibustering tactics, the distinguished gentleman from Wisconsin apparently found no good in it and attempted to cure it of its defects and so-called "pork-barrel" symptoms by offering amendments to it. He had that right as a Member of this House, and his record on the bill then under consideration ought to reflect his true opinion of it; for I take it that he is that sincere and patriotic that he would certainly not sit here as a Member of this House, interested as he is against this so-called "pork-barrel" bill, and fail to endeavor to rid it of its many features that he considered objectionable by offering amendments to it. If there were objectionable features to it and he failed to exercise his right of offering amendments in order to rid the bill of them, the distinguished gentleman either confesses his ignorance of the subject or his unfaithfulness to his people. I am not willing to concede either, and I am sure that the gentleman will back me up in that statement.

Now, Mr. Speaker, after all his display of enthusiasm the sum total of all the amendments that he offered to the bill at that time amounted to $568,225. In other words, if every amendment he offered had been adopted the bill in the House would have been reduced from $43,289,004 to $42,720,779; and yet he terms it a pork-barrel bill and attempts to create the impression throughout the country that it is a pork-barrel bill.

Mr. FREAR. Will the gentleman yield?

Mr. HARRISON. I can not yield now.

Mr. FREAR. I just wanted to correct the gentleman's statement.

The SPEAKER pro tempore. The gentleman declines to yield.

Mr. HARRISON. Why do I say that the gentleman attempts that? Because his actions in this House prove it. He thirsts for notoriety. He hungers for publicity. That is a disease, and many public men have it. It might well be called "resolutitis." Its symptoms are offering resolutions, criticizing somebody or something, alleging sensational happenings in order to get in the public prints, and then allowing the resolutions to die.

On May 4, 1914, the distinguished gentleman was attacked with this malady. He offered a 10-page resolution, citing many whereases with respect to river and harbor improvements, and asked the Rivers and Harbors Committee of the House to allow the Interstate Commerce Commission or the Department of Commerce to pass on rivers and harbors appropriations.

That was the last of that resolution, but it answered its purpose. He got his name in the papers.

On August 25 following he had a relapse of the disease and offered another resolution, containing 11 pages, which went to the Committee on Rules, reciting many whereases and asking the Judiciary Committee of the House to investigate the action of the Senate in increasing the House rivers and harbors bill by $10,000,000 and to report to Congress their findings and recommendations—certainly an unusual action to be placed on the Judiciary Committee. That resolution has not since been heard of, but it served its purpose. He got his name in the papers.

Two days afterwards another resolution was offered by the gentleman and referred to the Committee on Rules asking the Appropriations Committee of the House to report to Congress whether an urgency existed for enacting a wasteful rivers and harbors bill—certainly a great question for a great committee to pass upon. That resolution went the way of the others, but served its purposes. He got his name in the papers.

On August 29 the gentleman offered another resolution asking the Judiciary Committee of the House to bring before it the officers and directors of the Atlantic & Gulf Coast Dredge Owners' Association to ascertain what efforts have been exerted to secure rivers and harbors legislation in the past. That resolution died, but answered its purpose.

Two days later he introduced another resolution asking the Judiciary Committee to investigate the general character of the Rivers and Harbors Congress and ascertain whether it is a first or second congress in its influence, and to report, as he says—

> the exact nature of the constitutional obligations and duties of all individuals who are active officials in both congresses and who are attempting to serve both bodies in a dual capacity.

That resolution died but it answered its purpose.

On September 2, again on September 3, and again on September 17 he introduced resolutions along similar lines, calling for investigations, with like purposes and like results.

The gentleman is certainly easily satisfied and content with the mere introduction of resolutions, for none of them have been considered or reported on by the committees, and, I am advised, have never been insisted on by the gentleman from Wisconsin.

Mr. Speaker, it may be excusable for Representatives to mislead an unsuspecting public by the mere introduction of verbose resolutions filled with sensational charges and misrepresentations. In time the public will judge that the author of such resolutions is either playing them for idiots or has not sufficient influence to have his resolutions considered.

It may be justifiable in some instances for Representatives to extend their remarks in the RECORD in order that the public may get the benefit of their views. But there is no excuse or justification for a Member of this House to extend his remarks in the RECORD by directly or indirectly criticizing the public services or private actions of his colleagues.

And yet the distinguished gentleman from Wisconsin, in order to catch the headlines of the sensational press, through the courtesies extended him by this House on June 3 to extend his remarks in the RECORD, saw fit to violate that courtesy, and made references to Members of this House and the other body as chief beneficiaries of this river and harbor legislation, and that they were influenced by certain special interests. That was the purport of his remarks.

I merely mention this to show how fair and open the gentleman is in his mad thirst for distinction and notoriety.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. SPARKMAN. I yield five minutes more to the gentleman.

Mr. HARRISON. You may oppose the Ransdell-Humphreys bill, you may disagree with the authors of that bill in their fight for the waterways of this country, but you can never lessen the high regard and respect of those who know the distinguished Senator from Louisiana [Mr. RANSDELL] and my colleague in this House [Mr. HUMPHREYS] for their faithful, splendid, and patriotic public services. [Applause.]

They have been here too long and have served their people too faithfully and are known by this body too well for one who has yet much to learn and little to forget to unjustly, through the extension of his remarks, criticize them. [Applause.]

Much has been said and written about the rivers and harbors bill being a "pork-barrel" bill. This is unfair to the improvements of the great waterways of this country. There are, no doubt, some items in the rivers and harbors bill that passed this House this year, as there are probably in every rivers and harbors bill that has passed Congress, that are not meritorious. But I do not believe there is any bill that passes this House that is better safeguarded than the rivers and harbors bill. What other bill is there that before an appropriation is made must first be recommended by experts?

It was the present Senator from Ohio [Mr. BURTON] who is responsible for the emasculation of the present bill in the Senate, who caused the establishment of the present system. It was on his bill and his motion that the Board of Army Engineers for Rivers and Harbors was first created, and the law so written that appropriations be made only on their recommendation.

And I do not believe there is any branch of the public service so competent and efficient in their particular line of work and as free from outside influence as the Board of Army Engineers for Rivers and Harbors. They are men of the highest character and splendid qualifications for their work. [Applause.]

They hold their offices for life, and they are not personally interested in any of the projects they are called to pass upon. How could a bill be made up with less pork-barrel qualities in it than when it is made up on the recommendation of such an array of expert talent? The present bill as it left the House was made up of items on the recommendation of the Army board.

And yet, because my people and my district are so fortunate as to be favored by nature with harbors and rivers that need to be improved and maintained, and because, forsooth, the Board of Army Engineers should recommend their improvement that the people of all the country might increase their commerce and trade with foreign nations, and when I insist upon the improvements so recommended by that board, I am to be accused of trying to get pork and my district penalized. It is but natural and right that Congressmen and Senators who represent districts blessed with rivers and harbors should see that the Federal Government make reasonable appropriations for their improvement and maintenance.

Because one Representative might obtain a larger appropriation than another in the rivers and harbors bill is no reason why he should be criticized. Appropriations are made in most instances as they ought to be, according to the necessities and demands of the district, without respect to the Congressman who represents that district.

Why is it that when a Member here obtains an appropriation for some worthy project for the District of Columbia he is not styled a "pork-barrel Congressman"? Ah, sirs, it is because it is an appropriation not for his immediate constituents. But when one represents faithfully those who send him here and he obtains for them their proper recognition, then he must be criticized.

There is little "pork" in this bill; and I want to say to the gentleman from Wisconsin [Mr. FREAR] and those others who may style the rivers and harbors bill as the "pork-barrel measure," that the accusation would just as well lie against many other bills that are brought in here, notably the pension bill. None of that appropriation goes into my section; but I would be unworthy of the commission I hold if I should refuse to vote for a just pension bill. I believe the men who fought to preserve the Union ought to have reasonable pensions if they are in need of them; but I want to say to the gentleman that because you have many of them in your district and I have none in mine, and when you may fight for them I might say that that was "pork" as much as you can say, because in the rivers and harbors bill I have a provision for my rivers and for my harbors, that that is "pork."

Why, sirs, when the gentleman from Wisconsin says that we are trying to waste the people's money in this bill and are pork-barrel statesmen, I commend to his consideration the fact that no Member of this House has shown more zeal and activity in tying to take money from the Public Treasury for his own district than he. Not content with his constituents abiding by the general pension laws and proving their claims for pensions under its provisions, why, I notice that during his short service here he has introduced 18 special private pension bills for his constituents, ranging in amounts from $12 to $60 a month. [Applause.]

If the gentleman had some rivers and harbors in his district, certainly at that rate he would soon be styled the champion pork-barrel statesman in Congress.

But that is not all. I notice that for the little town of Rice Lake, in his district, where 3,968 people live, he has introduced a bill to take from the Federal Treasury $75,000 to erect a public building there. [Applause.] And, again, I notice that in the little town of Hudson, in his district, where only 2,810 people live, he has introduced a bill to erect at the Government's expense a post office to cost $75,000. [Applause.]

Ah, sirs, the gentleman in his display for economy blows hot and cold It is a case of whose ox is gored.

It comes with poor grace for the gentleman from Wisconsin to fight pork in the rivers and harbors bill when he is trying to get all he can out of the public-buildings bill and for pensions for his constituents.

Mr. SMALL. Mr. Speaker, may I ask to whom the gentleman is referring?

Mr. HARRISON. To the gentleman who has just taken his seat, the gentleman from Wisconsin [Mr. FREAR].

Now, Mr. Speaker, one other thought and I am through. I notice that the distinguished gentleman from Massachusetts [Mr. TREADWAY] recently gave out this statement to the press; I will read it:

> Representative TREADWAY, of Massachusetts, a Republican member of the committee, suggested the advisability of a still further cut in the appropriation, making it $5,000,000. He said climatic conditions were such that very little work could be done in the North, and declared that such meritorious projects as the Boston Channel and New York Harbor could not be benefited by the small appropriation. The entire expenditure, he said, would probably be made in the South. He will fight the bill on the floor of the House.

I can not believe that the gentleman from Massachusetts, whom I admire and whose judgment I respect, who is always fair and broad-minded, could have made such a statement.

Surely he would not measure legislative action for the waterways of this country by geographical lines or length of seasons. That would be too unlike the gentleman. This Congress certainly has shown no partiality to the South, and if because we can work better in the winter on our rivers and harbors than they can in Maine, Massachusetts, or Washington, then that ought to appeal to the gentleman's high sense of justice and be a matter of felicitation to him rather than sorrow, if we adopt this article as the gentleman's view. Under the same rule of reasoning, if the gentleman's section had perpetual winter and we had perpetual summer, he would not then, of course, be in favor of any rivers and harbors legislation.

I hope the gentleman has been misquoted and that this apparent feeling of partisanship or sectionalism is not true.

I recently voted, and did it with pleasure, for an appropriation for the fire sufferers of Salem, in the gentleman's own State. I voted for two Members from his State to go on the great Committee on Rivers and Harbors, the gentleman and his colleague [Mr. MURRAY], and in this connection, Mr. Speaker, I want to say, since my good friend and colleague [Mr. MURRAY] retires from this great committee and Congress to-morrow to take up a high office in the city of Boston, that we all regret to see him leave. No man has ever retired from this House that I hold in higher esteem and friendship than BILL MURRAY. [Applause.]

Mr. Speaker, with only one exception, and that one Pennsylvania, your State of Massachusetts is the only State of the Union that has two men on that committee. Has the South played sectionalism or partisanship with your section? I say no; and the gentleman knows that we have not, and I hope that he will join in for the immediate passage of this bill that will mean so much for the improvement of the waterways of this section and to the people of every part of this country. [Loud applause.]

Mr. SPARKMAN. Mr. Speaker, will the gentleman from Washington [Mr. HUMPHREY] consume some of his time now?

Mr. HUMPHREY of Washington. I yield 15 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

The SPEAKER. The gentleman from Massachusetts [Mr. TREADWAY] is recognized for 15 minutes.

Mr. TREADWAY. Mr. Speaker, I desire to offer an amendment.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

Page 66, line 16, strike out the word "existing."

Mr. TREADWAY. Mr. Speaker, I desire first to speak to the amendment which I have offered. My colleague [Mr. GALLIVAN], the new Member from Boston, who now has the task of solely representing that great city in this body—I am glad to say with skill, ability, and capacity [applause on the Democratic side]—has referred in his remarks to the possibility of this amendment being offered. It is offered to protect the interests of the second greatest shipping port in our great land.

We have in Boston Harbor to-day a channel of 35 feet in depth, and all the interests in New England have been especially anxious that that project should be continued and made 40 feet in depth rather than 35 feet. The gentleman representing part of the city of Boston, or, as I say, all of it here to-day, has explained some of the reasons why that should be continued; and if there is any money to be expended on river and harbor work during the next six months, it seems to me that the great ports of the cities of Boston and New York ought to be first considered.

The mayor of the city of New York and many of the leading citizens of that city appeared before our committee urging to be done in New York Harbor work that, if not now done, would seriously interfere with some of their local projects. The gentleman from New York [Mr. GOULDEN] introduced a bill which had the support of the entire New York City delegation, and which was adopted by the Committee on Rivers and Harbors. In constructing the new and direct rapid-transit tube from Brooklyn to the city hall, New York, it is necessary to remove Coenties Reef, and this is certainly an urgent need of the great city of New York.

Consequently it seems to me no more than right and fair that the word "existing" should be stricken out of the amendment which we are considering here to-day, in order that such great works as the two to which I have referred can be undertaken at this time.

I regret to be obliged to differ from the members of the Rivers and Harbors Committee, with whom I have had such pleasant associations during the present session and for whom I have such high personal regard; nor am I able to submit to the will of the majority of the committee and accept the vote they passed in favor of reporting the Senate amendment.

Returning to a consideration of the bill under discussion, I am very glad, indeed, that my good friend from Mississippi [Mr. HARRISON] was kind enough to read a statement purporting to have come from me. I do not deny it; and I am glad that I have opportunity to admit that I made very nearly the statement which he read to this House, because it seems to me that he, when he talks about the beauties of the southern winters and the rigors of the northern winters, shows very clearly the justification of the statement that I made. This is absolutely true: That outside of a very small amount of money which will be used for maintenance of existing projects every dollar additional must be expended in the South. I am not a sectionalist. I will take credit of being what he says—a little broader than a sectional man. But reference has been made here on this floor during this debate to sectionalism and partisanship. It is mighty nice, gentlemen, not to talk these things openly, just because you have the power to enforce them with your votes over our heads. Time and again votes have been passed during this session greatly to the advantage of the Southern States. We on this side will not talk of sectionalism or partisanship when we have the same chances that you gentlemen on that side of the aisle now have, but we have not got them at this time nor have we the same chance in this bill.

Mr. DONOHOE. Will the gentleman yield?

Mr. TREADWAY. I am sorry I can not yield; but my time is very limited and, of course, a member of the committee can get time. The gentleman also says that we have been very well treated in the existing bill. I do not know just what he means by that, but I have taken occasion to look up what the original bill was. I suppose he was referring to the bill as it passed the House, not the bill under discussion here to-day. I have taken occasion to look up the difference between the appropriations made for the North and for the South, and I find that, including in the northern items the appropriations for the Ohio River—which are over $5,000,000—in the North, with all the great amount of commerce in the cities of New York, Boston, Philadelphia, San Francisco, Seattle, and so on, and with all the great commerce on the Lakes carried in the bill as it passed the House, we had $19,000,000, whereas our southern friends had in that bill $23,000,000. As I say, the $19,000,000 included $5,000,000 for the Ohio River, as the following computation of the appropriations carried in the bill will show:

Amounts appropriated.

NORTH.	
California	$1,029,500
Connecticut	312,700
Delaware	1,486,000
District of Columbia	95,000
Indiana	83,600
Illinois	58,170
Kansas	10,000
Maine	218,000
Massachusetts	273,000
Michigan	511,280
Minnesota (includes sums for several States—Mississippi River improvement)	218,750
New Jersey	1,309,800
New York	2,624,875
Ohio	3,136,400
Oregon	2,240,175
Pennsylvania	1,186,800
Vermont	2,000
Washington	208,300
Wisconsin	260,400
Total North	19,264,850
SOUTH.	
Alabama	1,795,500
Arkansas	431,350
Florida	882,200
Georgia	456,250
Louisiana	244,500
Maryland	135,500
Mississippi (includes sums for several States—Mississippi River improvement)	9,500,000
Mississippi	655,000
Missouri	2,336,500
North Carolina	910,075
South Carolina	561,000
Tennessee	1,140,000
Texas	3,730,000
Virginia	977,784
West Virginia	25,000
Total South	23,780,659
Total North	19,264,850
South over North	4,380,309

So that while we may have been as fairly treated as our proportionate votes here on the floor——

Mr. SPARKMAN. Mr. Speaker, will the gentleman yield?

Mr. TREADWAY. I will yield to the chairman of the committee, surely.

Mr. SPARKMAN. I will not ask it, because I know the gentleman's time is limited.

Mr. TREADWAY. Now, I do not care to deal with the phase of the question very extensively, but I do want to call attention to the fact that the bill which we have under consideration here to-day is not the bill that is being supported by the gentlemen who have talked in its behalf. Our very able chairman [Mr. SPARKMAN] said, in effect, that the lump-sum appropriation abrogates the legislative function of this body. The distinguished gentleman from North Carolina [Mr. SMALL] admitted in the very beginning of his remarks that this bill was bad legislation. He used those very words. Now, I for one do not intend to be shackled by any threat from any other branch of our Government that if we do not pass this legislation we can not get any bill at all. [Applause.] How do we know that? Let us pass a good bill. Let us pass a bill that is based on reason and common sense, and then, if some other body does not see fit to accept it, all well and good—the blame is not on us.

After this bill had been under consideration for months in another branch, one day an amendment was voted down, and a little later some other gentleman made the same identical proposition in order, as the RECORD shows, to avoid a night session and keeping the Members up all night. I can not believe that such a bill as that is the only kind of a bill that one of the greatest legislative bodies in the world will consider and pass. I will not agree that we must accept the bill as it has come from the Senate or not have any bill. As conditions now are, after the long lapse of time since the House passed the original bill on March 26, and in view of the fact that winter is coming on, I heartily agree to the amendment proposed by the ranking Republican member of the committee, which provides that the bill should be absolutely limited in its amount to maintenance and prevention of waste. What logic is there in coming here one day and saying that the Treasury is getting bankrupt, and that we must reach down into the pockets of the people and provide the Treasury with $105,000,000 more revenue to prevent going bankrupt and not being able to pay our bills—what kind of logic is there, I say, when we take that step and the very next day or two after pass the next appropriation measure that comes up including $15,000,000 more than is required?

If that is Democratic logic, I am glad I am something of a partisan to-day, and that I shall vote for the partisan amendment—call it so, if you please—proposed by the gentleman from Washington [Mr. HUMPHREY]. I am not willing to go before the people of my district and tell them that I was one of those who voted $15,000,000 out of the Treasury of our Government when the President himself says that we are in need of new forms of revenue. I want to call attention to one phrase in the Senate amendment which it does not seem to me has received very much consideration; that is in the lines omitted in the amendment offered by the gentleman from Washington [Mr. HUMPHREY]:

For the prosecution of such projects, heretofore authorized, as may be most desirable in the interest of commerce and navigation and most economical and advantageous in the execution of the work.

The gentleman from Mississippi [Mr. HARRISON] says that I show sectionalism when I do not accept that kind of a phrase. Here it is the first of October. It will be the first of November before any work can be done under this bill if it is passed. Still the gentleman thinks that we of the North ought to stand for that kind of a phrase being adopted by this Congress, when it is practically impossible to do any of the desired kind of work in the northern section of our country during the period which will intervene between now and the time another measure can be prepared. It is therefore perfectly evident that, excepting the item of maintenance, every dollar of this money will be expended in the South. I was very glad to vote for the original bill. I have no apologies for so voting. I, as a member of the committee, scrutinized very carefully the items with which I was most familiar, namely, those in New England and possibly in New York. As I knew that those were worthy projects, I was perfectly willing to rely upon the judgment of the chairman and of my colleagues on the committee that the items wherein they were especially interested were likewise worthy projects. But since that time there has come a large volume of criticism of that bill, and certain projects have been shown to be not as worthy as others. I do not think it is very becoming of the gentleman from Mississippi [Mr. HARRISON] to devote four-fifths of his speech to criticizing the Member of the House who may have been more responsible than any other one man for uniting public opinion and fixing public thought on those extravagances.

A very serious objection to the bill before this House is the fact that the appropriation is to be made in a "lump sum." As the chairman of the committee has stated, we abrogate our legislative functions and turn them over to the Board of Engineers. This board was severely criticized during the debate in the Senate, but notwithstanding this, either from haste in preparation of the final bill or not being able to agree upon projects for which the particular amount was to be expended, the lump sum was voted and is before us to-day. No pretense of an effort is made to allot this amount upon any equitable basis or in accordance with the merits of the various projects. We can easily see the wild scramble among influential Democrats to be the first ones to reach the office of the engineers after this bill passes. The precedent about to be established will surely be a source of trouble in the future. A far better plan is to provide for maintenance only at this time, and next winter prepare a bill that will adequately care for the necessary river and harbor improvements.

Let us not pass this bill to-day. Let us pass the substitute offered by the gentleman from Washington [Mr. HUMPHREY], and then see whether or not the other branch of Congress will accept a fair, a reasonable, and an economical measure rather than insist, as some Members on the floor have stated, that unless we take their bill there will be no bill at all. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. HUMPHREY of Washington. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. PAYNE].

The SPEAKER. The gentleman from New York [Mr. PAYNE] is recognized for 10 minutes. [Applause on the Republican side.]

Mr. PAYNE. Mr. Speaker, the State of New York is as much interested in river and harbor improvements as any State in the Union, and I think I am putting it very modestly when I say that. It pays 20 per cent of the bills for all the river and harbor improvements in the country, as estimated by experts who have given the matter attention. Of course, no one knows the exact proportion of the taxes that come from the people of any State, but about 20 per cent come from the State of New York. We have in New York real rivers that do not stand in need of any artificial irrigation, and real harbors where there is commerce.

There is one improvement in the State of New York, in the East River, that should appeal to every man interested in commerce. I understand that the initiation of that improvement was provided for in the original bill. We have an improvement in the upper Hudson River made necessary and essential for the full benefit of the people of the West of the $102,000,000 improvement that we are putting on the Erie Canal. The Erie Canal runs through my district from one end to the other, and branches of it run out into nearly every part of the district, connecting some of the inland lakes with the navigation of the canal. So that my people are interested in the improvement of the terminal of this great waterway.

But when I enlist for economy in expenditures of the National Government I am willing to forego for the time being the improvement that my constituents are interested in, uniting for the general good. I want to do everything I can to remove the shadow of an excuse for any part of the unjust and odorous and burdensome taxation that you are proposing now to put upon the people of this country. [Applause on the Republican side.] You can do it by economical administration. I have in my hand the daily report of the Treasury Department for the 26th of September, Saturday last. I find that for the portion of the fiscal year 1915 ending on the 26th of September the total ordinary disbursements, the net ordinary disbursements, after deducting the unexpended balance, was $192,803,285.53. That is for this fiscal year 1915 up to date last Saturday from the 1st day of July.

I find in the next column the disbursements a year ago for the same period were $183,317,254.87. In other words, the disbursements for this last three months exceed the disbursements of a year ago for the same period by $9,586,030.66. [Applause on the Republican side.]

That is pretty near $10,000,000, and it is safe to say it will be $10,000,000 on the 30th day of this month. Ten million dollars for the first quarter in excess of expenditures! Do you see at what rate you are going—$40,000,000 a year more than last year, without any river and harbor bill this year, and with a river and harbor bill last year? Where will the end come if you go on with this extravagance of expenditure and extravagance of appropriation?

I want to begin right here at home. I want to vote for the amendment of the gentleman from Washington cutting the bill down to $5,000,000. I would like to see it become a law in that respect. It is more important that we relieve the people of this country from additional taxation than it is to run the risk of wasting this money on improvements that never ought to be undertaken, or, if they ought to be, can wait a little while until the commerce and business of the country catch up to the improvements already made. Cut this appropriation down; set an example to the Executive of this country. Let the President call his Cabinet together and take into careful consideration the question of how much they can lop off of the appropriations already made for the expenses of this year. A careful executive in each department, careful officials, can cut off a little here and a little there without crippling the service. Why should it not be done?

Oh, you gentlemen agonize about taking the "people's money" when you get out on the stump. You will have to cut that out of your speeches this fall. [Applause on the Republican side.] After having voted for this unjust, inexcusable tax bill of last week, how are you going to meet your constituents? I am holding out something for you to meet them with. Tell them that you cut down the appropriations, even if you did wait until the last moment on the last bill, and that you tried to do the best you could. Tell them that you set an example to the Executive whereby he might cut down something of this extravagant expenditure. Be something besides a rubber stamp here in Congress. [Laughter and applause on the Republican side.] Do not follow where you are led blindly, for fear you will fall into the ditch all together. Do your own thinking, have your own independence, have courage sufficient to carry to the other end of the Capitol, lest you lack the courage to get back home before election day and meet your constituents that will have to pay the bills.

Why should we not pass this amendment offered by the gentleman from Washington? Why should we not insist upon it? The Senate, you say, will not agree to it. They will if you stand firm. The Senate is no more than mortal. I know some of you think they are. You pass undigested legislation under a rule or a gag law, without consideration, without hearings from the opposition. It goes to the Senate, and they have debate. There are two parties in the Senate, and one does not override the other. I used to talk about the Senate rules and thought that they ought to have something whereby they could bring an end to debate; that we ought to have rules here where we could

do business. Well, when I see how our rules can be abused and how the rules in the Senate can be used to give a chance for debate and discussion; when I have seen improvements written on bill after bill that you have sent over there, coming back far from perfect, and yet how much better than when they left here, I can not but believe that the Senate rules are a good deal nearer right than the House rules are, especially under a Democratic Congress. [Laughter and applause on the Republican side.]

You started out with the idea, and the Executive seems to share it, that this was a Democratic administration and that nobody but Democrats should have anything to say. You did not appreciate the good, honest criticism that might come to you from the other side. You thought everything was perfect when it was sent to you. [Applause on the Republican side.] You did not even have to think about it. You said, "Yes; I am for it," and voted that way. It would have been a great deal better if you had started out at the beginning of the extra session with an appreciation of the criticism made against your bill from a different viewpoint and weighed it carefully. You would have stood a good deal better now before the country than you do if you had done that, and you would have had better legislation, and you would have had better chances for your future salvation if you had done that. Gentlemen, vote once for economy. [Applause on the Republican side.]

The SPEAKER. The time of the gentleman from New York has expired.

Mr. GALLAGHER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. SMALL. Mr. Speaker, I make the same request.

The SPEAKER. Is there objection?

There was no objection.

Mr. TREADWAY. Mr. Speaker, I make the same request.

The SPEAKER. Is there objection?

There was no objection.

Mr. HUMPHREY of Washington. Mr. Speaker, I make that request for all gentlemen who speak on this bill.

The SPEAKER. The gentleman from Washington asks unanimous consent that all gentlemen who speak on this bill may be permitted to extend their remarks in the RECORD. Is there objection?

Mr. MANN. Mr. Speaker, after the close of the discussion I may have no objection to that, but for the present I object.

Mr. SPARKMAN. Mr. Speaker, I yield to the gentleman from Louisiana [Mr. DUPRÉ].

Mr. DUPRÉ. Mr. Speaker, when a highwayman meets you on the road and points a pistol at your head, and you are unarmed and defenseless, the only sane thing to do is to throw up your hands and surrender. That is the situation here in regard to this river and harbor bill. It has been the victim of a legislative holdup. Its friends are powerless to hit back, and there is nothing for us to do except to accept the Senate amendment. If there were any other course open with impunity, I would never vote for that Senate amendment, because I regard it as absolutely wrong in principle and utterly inadequate in amount. [Applause on the Democratic side.]

Mr. SPARKMAN. Mr. Speaker, I yield 10 minutes to the gentleman from Ohio [Mr. SWITZER].

Mr. SWITZER. Mr. Speaker, the gentleman from Massachusetts [Mr. TREADWAY] criticizes the Senate amendment to the river and harbor bill for the reason that he says that in all likelihood a large amount of it will be expended on the improvement of the Mississippi River and other southern streams. Other gentlemen have risen and have objected to the bill because some of this money may be used in the building of levees on the Mississippi. I desire to call the attention of my Republican colleagues to a plank in the Republican national platform of 1912, which reads as follows:

> The Mississippi River is the Nation's drainage ditch. Its flood waters, gathered from 31 States and the Dominion of Canada, constitute an overpowering force which breaks the levees and pours its torrents over many million acres of the richest land in the Union, stopping mails, impeding commerce, and causing great loss of life and property. These floods are national in scope, and the disasters they produce seriously affect the general welfare. The States unaided can not cope with this giant problem. Hence we believe the Federal Government should assume a fair proportion of the burden of its control so as to prevent the disasters from recurring floods.

The Mississippi River is the only river that is mentioned in the Republican national platform, and now when it is likely that a considerable amount of money will be expended upon this project, which is indorsed by the Republican Party, some gentlemen want to squeal. I for one propose to take my medicine. I think that our platform, as a distinguished man once said, means something, "that it is not molasses to catch flies, and that it means business." Objection has been made because some large amount of this money may be expended upon one of the single projects referred to in this Senate amendment. What is the objection to that? Has not every project referred to in the Senate amendment been passed upon by the Board of Engineers? Has it not been passed upon by this House, existing projects and those that are authorized? Do we not intend to prosecute each of these projects to completion at some future time? Are they not all worthy?

After the Senate had thrashed around for seven or eight months they cut out all of the new projects, but they did not cut out, as I understand it, a single one of the projects under construction and those already authorized. So they have the stamp of approval of the Senate. There is a certain estimate made for each one of these improvements, and the money will not be wasted if $20,000,000 are expended on the Mississippi or if $20,000,000 are expended on the Ohio River alone, although we do not anticipate there will be that much spent on the Ohio; only perhaps a million or two million dollars. But how could the money be wasted? The canalization of the Ohio River is estimated to cost about $64,000,000. Of course, there can not be expended $20,000,000 on the Ohio River during the next three or four winter months. But if it could be done there would be just that much less work to be performed on this project at some future time.

Some gentlemen talk as though these twenty million of dollars were to be expended in the next two or three or four months. I doubt whether very much of it will be expended then, but it will continue to be available through next spring and summer and fall. What objection is there to appropriating a lump sum for specified projects, all of which have been passed upon by the Board of Engineers? If we were making these appropriations for each specific project, we would be guided in the main by what the engineers say they can expend on this particular project for the next 2 or 3 or 10 months.

Mr. Speaker, I desire to call the attention of the House to another proposition. It seems there is another plank in the Democratic national platform that is about to be shattered. If you will read their platform, long and voluminous, you will find that it says, in effect, that the Democratic Party is not going to take any backward step in river and harbor improvements the country over, and specifies the Mississippi River, and even the drainage of the lands in the Mississippi Delta.

But, Mr. Speaker, for the benefit of some gentlemen who have been criticizing this bill and who think that they have raised such a furor over the country that there will be no river and harbor appropriations in the future, I desire to say that on the 25th of August last, after this filibuster had been started against the river and harbor appropriation bill in the Senate, three political parties met in convention in the city of Columbus, Ohio. The Progressive Party declared that it favored "the speedy completion of the Ohio River improvement project." The Republican Party also met in convention on the 25th of August and it declared in favor of the river and harbor improvements, as follows:

> We urge Congress to make liberal and regular appropriations to complete the improvement of the Ohio River.

The Democratic Party in convention assembled in Ohio kept silent upon this proposition, but there is a good reason, likely, for that. The Democratic Congress had repudiated one plank of their platform of 1912 and it had ignored many others and had failed to fulfill in many respects its pledges pertaining to its platform.

This Democratic Congress was still in session, and I take it the Democratic Party in convention in Columbus, not knowing what sort of an antic the Democratic Congress would cut next, kept silent, not only in reference to saying anything about the Ohio River, but never mentioned the Democratic national platform of 1912. But, regardless of this silence on the part of the Democrats of Ohio, I desire to say that I believe they are all in favor of the speedy completion of the canalization of the Ohio River. I know that the Democrats who live in the Ohio Valley are just as earnest and active in the movement to bring about these results as the Republican Members.

Now, I feel that if we can not get the whole loaf of $43,000,000 we started out with in March, which I believe we ought to have, we ought to take the next thing to it, nearly a half a loaf. It is better sometimes to compromise. For instance, the work on numerous locks and dams in the Ohio River, some 15 or 20 now under process of construction or authorized to be commenced, on which I understand by the language of this bill this money can be used, would be greatly retarded if we failed to pass something like a $20,000,000 appropriation. The

$20,000,000, as I understand, will only about cover $10,000,000 which will be expended on projects which are now being prosecuted by Government plants and about $2,500,000 in the maintenance of existing river and harbor works, and $7,500,000 to carry out the work under private contract. I regret, as much as the gentleman from Washington [Mr. HUMPHREY] and the other gentlemen who have spoken, to abdicate my power as a legislator or as a member of the committee, but when the President appeared here on the 4th of September and personally notified us that a deficit stared him in the face in our revenues, that there was a possibility we might soon have an empty Treasury, and recommended the levying of a war tax in time of peace, that moment the river and harbor bill as it passed the House was doomed. I do not give the credit for the defeat of the river and harbor bill to the gentleman from Wisconsin [Mr. FREAR]; I attribute it to the President of the United States and the failure of the Underwood tariff bill to produce sufficient revenues to meet the ordinary expenses of the Government.

Since the President's address on the 4th of September last there has been a great cry for economy on the part of Congress, and in response to this demand the Senate cut the House bill as amended by the Committee on Commerce of the Senate from $53,683,004 to $20,000,000. It seems to me that this is a sufficient retrenchment on the annual appropriation for rivers and harbors, and which is so badly needed for numerous projects upon which work is now being done.

Mr. SPARKMAN. Mr. Speaker, I yield 10 minutes to the gentleman from Tennessee [Mr. HULL].

Mr. HULL. Mr. Speaker, the question as to whether or not the river and harbor measure shall be defeated in its passage on account of the condition of the Treasury, due to war conditions, is one question, and the question as to whether this bill shall be defeated and blacklisted, as it were, upon the ground that it contains items without merit in such large numbers as to subject it to the charge of being a "pork-barrel" measure, in the offensive sense of that term, is another and entirely different question. Upon this latter proposition I desire to offer a few remarks, but before doing so I desire to say I was somewhat amused at the remarks of the gentleman from New York [Mr. PAYNE], to which I wish to make a brief reference. As is his custom while purporting to discuss a nonpolitical subject, he drifted into political affairs. The gentleman from New York [Mr. PAYNE] preaches to us a lecture on economy in connection with this particular class of legislation. If I were disposed to drift into politics as he has, I might reply to him by calling his attention to the fact that in 1896, when the Treasury was empty and when the Cleveland administration was being compelled to issue tens and hundreds of millions of dollars of bonds, a large river and harbor bill passed a Republican House, went to the President, was vetoed upon the ground—and the most urgent ground—of economy, and the gentlemen on the other side, disregarding every consideration of economy, then in control of the House, rose in their might and passed that bill over his veto.

Mr. McKELLAR. Will the gentleman yield?

Mr. HULL. I will.

Mr. McKELLAR. Did Mr. PAYNE vote for that bill over the President's veto at that time?

Mr. HULL. I have no desire to do the gentleman an injustice; I do not know.

Mr. SPARKMAN. It is safe to say the gentleman did.

Mr. HULL. I am advised that he did. In 1899, when the Spanish War emergency legislation was pending, the Republican side was in control of the House. Now, the emergency legislation, together with bond issues and the calculated increase in customs receipts, gave to the Treasury within one fiscal year about $300,000,000 in additional taxes. During that first year, as I recall, the gentlemen in charge of the House voted between $15,000,000 and $16,000,000 of river and harbor appropriations. In 1899, $23,000,000 for rivers and harbors, not to mention public buildings, were voted. We heard no suggestion of economy then except on the Democratic side. Now, without pursuing that subject further, I wish to say that the present administration during its brief existence has had many difficult and urgent questions to solve. In my judgment it has met and solved those that have been thus far disposed of in a manner most satisfactory to the American people, and I have no doubt that upon the question of public expenditures, when I view the Democratic record in all the States and in the General Government during former years, it will be but a very short time when the question of a system of sound and economical expenditures in the General Government will be worked out and put into operation by this administration. Upon the other question gentlemen have referred to, if there be any gentleman who has been exploiting this bill for mere publicity, I could tell him how he could get much more publicity by exerting his efforts along another line. A few years ago a notable commission reported, as I recall—and I do not wish to be incorrect—that the magazines and other like publications were receiving some $50,000,000 subsidy from the Government through the mail service. Now, if the same gentleman wants publicity, and is sincere about economy, he can get all the publicity he is looking for by attacking that proposition.

Mr. Speaker, as a Member of this House, I have always welcomed and urged the closest scrutiny of every item of appropriation, and do so now; but this haphazard, ignorant, careless, negligent criticism, for filibustering purposes, often does a serious injustice to an item in an important bill. I now have in mind one relating to the Cumberland River. The gentleman who now belongs to another body, but who was at one time chairman of the Committee on Rivers and Harbors in the House, recently engaged in a lengthy filibuster against this measure. During that time he referred to this particular river, the Cumberland, in the States of Kentucky and Tennessee—and I refer to it because I happen to have personal knowledge of the actual facts pertaining to the merits of that stream—the gentleman who made this lengthy filibuster and who uttered innumerable charges against this river, in most instances did not touch the important facts. He even went so far as to offer sweeping and damaging charges and reflections against the Department of Engineers, notwithstanding he had been their champion in this House almost for 15 years, notwithstanding he was the author of the provision creating the Board of Engineers, and has stood on this floor year after year and defended them for their fairness, their efficiency, the accuracy of their judgment, and their ability as engineers. Yet, when he comes to a river in the course of this filibuster and he seeks to destroy a project and is unable to find sufficient facts on which to base even a reasonable charge, he turns his attention to the engineers and grossly reflects upon the fairness and freedom from bias of those gentlemen. He even imputes to them such weakness as to render them subject to undue influence on the part of Members of Congress. He even charged, or strongly intimated, that the Department of Engineers had reported that a certain section of the upper Cumberland River was not worthy of improvement "at the present time," and that within 14 months, through congressional influence, they reversed that opinion and made a favorable report. He goes further than that and strongly hints they did this without any further direction, either from Congress or from the Rivers and Harbors Committee.

Now, all these statements or intimations are absolutely untrue. I can not think that the gentleman had any particular intention of assassinating, as it were, a meritorious river proposition, but for filibustering purposes during his enthusiasm he became seized with such a spirit of recklessness that he was ready to go to such extremes and lengths as to attempt to injure in a measure the reputation that these splendid engineers have built up by a lifetime of honest, earnest work in their department. I want to say that I have been coming in contact with those gentlemen for many years, and while I have often been overruled in my contentions and have often been almost provoked by adverse rulings, I can say in all candor that I have not appeared before any court in my State or section that was harder to move on a question of fact than the Department of Engineers have been difficult to move on what I considered a highly meritorious state of facts in support of a waterway improvement. The truth as to the favorable report in this case is that only three Congressmen and two business men were present in December, 1912, when the discovery of double the amount of reported commerce changed the attitude of the board.

Now, this illustrates, Mr. Speaker, in a striking manner the rank injustice that is done by indiscriminate criticism of items embraced in a comprehensive appropriation bill, such as the pending river and harbor bill. There is no more meritorious item in this bill than the upper Cumberland River. I would join with any gentleman who is anxious to practice economy in the light of our war conditions in putting this bill into conference and letting it go over until a later period [applause], but I do not propose to stand here and seemingly admit, if a majority of this House should adopt the pending Senate substitute resolution, that a single charge or a single statement derogatory to different items in this measure that were not based upon the facts—and most of them were not—should be taken as confessed. I think that it ought to be thoroughly agreed that if the House should adopt the Senate substitute amendment, it is without prejudice to these new projects and it is with the distinct understanding that there is no concession

as to the soundness or truthfulness of most of the charges that have been carelessly and recklessly and indiscriminately made against items in the pending House measure. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Wyoming asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. SWITZER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. GILL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Missouri asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. BALTZ. Mr. Speaker, I shall oppose the Senate amendment for the reason that if the rivers and harbors bill as passed by the House is a "pork-barrel" bill, then this Senate amendment is *nothing* more nor nothing less than a "pork-barrel" measure. I shall not go on record as supporting any measure that has any "pork" in it.

The item in the bill as passed by the House carrying an appropriation for that section of the Mississippi River that bounds the district which I have the honor to represent has no "pork" in it. The cities of Granite City and East St. Louis, two great industrial centers, are menaced by the Mississippi River in times of high water, and great damage has been done there in the past by the high waters. A few years of the destruction wrought by the Mississippi River would many times pay for this appropriation, and it would relieve in a great measure any future trouble of this nature. East St. Louis is a city of 80,000 people, and Granite and her sister cities add 30,000 more people that need this protection. These people have experienced the floods in the past, and I want to go on record for the appropriation carried in the bill passed by the House for that part of the Mississippi River touching my district as one of urgent need and necessity for the lives and property of the cities of East St. Louis and Granite City. Under the laws of the State of Illinois the people in this part of my district have expended $6,500,000 for protection from the Mississippi River. They are now taxed to the limit, and it seems to me the Government should assist them in the meritorious work they have started for the saving of life and property from the Mississippi River during times of high water.

Mr. HUMPHREY of Washington. Mr. Speaker, I yield three minutes to the gentleman from New York [Mr. PARKER].

Mr. PARKER. Mr. Speaker, I offer the following amendment.

The SPEAKER. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 67, line 7, after the word "improvement," insert: "*And provided further*, That of the $20,000,000 herein appropriated, $750,000 shall be applied to the improvement of the Hudson River by continuing the construction of the lock and dam at Troy, N. Y."

The SPEAKER. The gentleman from New York is recognized for three minutes.

Mr. PARKER. Mr. Speaker, I assume that this conference report will be adopted, but out of fairness to the State of New York I ask that you accept the amendment that I have just proposed, because upon the completion of the improvements of the Hudson River at Troy depends the efficiency of the Barge Canal, which is being built at an expense of $201,000,000, which enormous sum is being raised by the taxpayers of the State of New York without one cent of Government aid.

It is a well-known fact that the barges from the Erie Canal and the Champlain Canal will be unable to proceed down the Hudson River unless the work of constructing the dam at Troy and deepening the channel below is completed, and completed simultaneously with those two great projects. You are appropriating $20,000,000 for river and harbor improvements to be left entirely to the discretion of the engineers, with no guaranty or recommendation that any particular improvement or work be continued. In answer to my question, the gentleman from Florida [Mr. SPARKMAN], chairman of the committee, said that he presumed that the work at Troy would be continued.

All that I ask you to do is to insert a provision in this bill that will make it mandatory for that work to be continued. It seems to me eminently unfair to the great State of New York, that must pay at least 20 per cent of the $20,000,000, that it should be left in any doubt regarding the continuance of this work, which is absolutely essential to the carrying out of the canal scheme. The gentleman asks why the State of New York does not do this work itself, and let me say in answer that he must know that the Hudson River at that point is a navigable stream; therefore it is entirely under the jurisdiction of the United States Government. We of the State of New York are as powerless to help ourselves as though this project was located in the center of the Atlantic Ocean.

Again I appeal to you in all fairness to allow this amendment to pass, not as a matter of charity or as a matter of showing your good will toward the State of New York, but simply and solely as a matter of common justice, to insure the completion of one of the greatest projects of modern times, and not leave the completion of this project to the whims and caprices of any board of engineers, regardless of how able they may be.

Mr. WILSON of Florida. Mr. Speaker, will the gentleman yield?

Mr. PARKER. I will.

Mr. WILSON of Florida. On what do you predicate your figures of $750,000?

Mr. PARKER. On the item in the original copy of the bill.

Mr. WILSON of Florida. The House bill?

Mr. PARKER. The House bill. And I think the item was made up by the Engineers. The work on the dam is now going on. There is no question but that the Government intends to complete the work.

Mr. SPARKMAN. Mr. Speaker, I yield two minutes to the gentleman from New York [Mr. GOULDEN].

The SPEAKER. The gentleman from New York [Mr. GOULDEN] is recognized for two minutes.

Mr. GOULDEN. Mr. Speaker, some minutes since I had hoped to have 10 minutes or more in which to speak about the merits of this proposition that has come over from the Senate, but pressure for time by the Members has impelled me to take less and to curtail my remarks.

Mr. Speaker, the Members of the House have heard something to-day of the splendid waterways meeting held in New York last week, so ably presided over by our colleague from Pennsylvania [Mr. MOORE], and which has done so much for the improvement of the Nation's navigable waters.

I had the privilege of attending its first day's session and of hearing the able young mayor of New York City, Mr. John Purroy Mitchel, in his cordial address of welcome, plead for the needs of that great port.

He spoke strongly in favor of all the improvements appropriated for in this bill as it passed the House, but especially of the East River project, which I had the honor of fathering in this Congress. This stream, which carries annually 45,000,000 tons, and for which my bill had an item of $500,000 to remove some rocks, and especially those at Coenties and Corlears Reefs.

The first named lies directly over a proposed tunnel about to be built by the city in the extension of its great passenger traffic system.

Until these rocks are removed nothing can be done and the project is held up. Immediate action should be had by the Government, first to improve this important and useful river; secondly, to enable the city authorities to proceed with its necessary rapid-transit plans. The arguments of Mayor Mitchel should be heeded. The Hudson and Harlem Rivers, two navigable streams, carrying 72,000,000 and 15,000,000 tons, respectively, each year, will be in danger of being cut out by the adoption of the conference report. The State of New York last year agreed to appropriate $1,000,000 to secure the right of way for a much-needed improvement in the last-named stream at Johnston's Iron Works. The port of New York badly needs the completion of such important waterways as the Bronx River and Westchester and Eastchester Creeks, now under construction, and of the deepening and widening of the Bronx Kills, an improvement recommended by Gen. Newton in 1874, and several times since then by the Government engineers, all urging its importance and necessity.

I wish that it were possible to change this conference report and replace the measure as it passed this body in March last. That seems now to be out of the question, and to save something for those projects now under improvement I will reluctantly vote with the House Committee on Rivers and Harbors to accept $20,000,000, especially in view of the loss of revenues on account of the war in Europe. I certainly would not do so if there was any other way out of the difficulty.

I hope the improvements now under construction in and around the port of New York will share in the amount carried in the amended bill, and that the Government engineers will see that these are continued during this fiscal year, as they so richly deserve. [Applause.]

Mr. HUMPHREY of Washington. Mr. Speaker, I yield five minutes to the gentleman from Wisconson [Mr. STAFFORD].

The SPEAKER. The gentleman from Wisconsin [Mr. STAFFORD] is recognized for five minutes.

Mr. STAFFORD. Mr. Speaker, in my opinion there is no question whatever that every Representative from a northern district voting for this extravagant $20,000,000 proposition will retract and apologize before election on November 3 next. There is at the present time, or was on June 30 last, $45,338,000 available for river and harbor improvements, of which $27,872,000 was assigned to certain uncompleted contracts, leaving an unexpended balance available for all river and harbor work on certain designated projects of $18,288,000. That report, from the Secretary of War, is as late as August 3 of this year.

You can not beguile the people in the passage of this added appropriation of $20,000,000 with the idea that it is simply for the maintenance of projects. Scan this report from the Secretary of War and you will see that innumerable projects in every district in the country have available balances for continuing the work, and that in each district there are amounts totaling from $200,000 to $500,000 and more, the average being about $400,000 for each engineering district; and here you are trying to justify the burden that last week you placed upon the people by claiming that one-fifth of the tax levy is for maintenance work of rivers and harbors, when there is at present from last year's river and harbor act and prior bills ample funds for not only maintenance but $18,000,000 for continuing improvement on various projects.

Why, so violent is the protest in the Northern States against the added burden that you cast upon the people last week that the Democrats in their county convention at Madison, Wis., protested against the war-revenue tax as unjustified and unwarranted. [Applause on the Republican side.] And yet, in the face of these protests from all quarters, you are going ahead and loading them down still more with this added appropriation of $20,000,000.

Cut down that $20,000,000; save the taxpayers their rightful money. Do not levy taxes upon them until the burden becomes so great that they can not bear it. Why, even the Missouri River—and I call this to the attention of my genial friend from Kansas City [Mr. BORLAND]—had $850,000 available on June 30 for improvement from Kansas City to the mouth of the river. The Galveston district had $600,000 available. The Mississippi River improvement, from the Ohio to the Missouri, had $300,000 available. The Mississippi River to Leach River, Minn., had over $100,000 available. And so on throughout the entire report—on every main project ample funds for continuing the work.

I favor river and harbor bills, but when this bill was under consideration in the House I joined with my colleague [Mr. FREAR] and the gentleman from Texas [Mr. CALLAWAY] in opposing those projects which even the War Department, I believe, will not authorize, among them that unjustified intercoastal canal scheme, which will involve this Government in an expenditure of $100,000,000.

Mr. GORDON. Mr. Speaker, will the gentleman yield?

Mr. STAFFORD. I can not yield, because my time is limited. I opposed that scheme because it is chimerical.

I say to the gentlemen of this House that while I favor river and harbor improvements, I do not believe that any business concern would favor bonding or mortgaging their property in order to go ahead with some new project, and that is what the Senate amendment provides. No pressing need exists for this work. In fact, this and the last Congress has been appropriating so much money for this work that the department has not been able to spend it as fast as it is appropriated. The surplus of eighteen millions at the beginning of this fiscal year is proof of your extravagance, and with this large surplus you have the temerity to demand another twenty million. The substitute offered by the gentleman from Washington [Mr. HUMPHREY] strikes out all authorization for the prosecution of work on existing projects and limits the amount to maintenance, which can be justified. But no man can justify in these times—these pressing times—the expenditure of such a large amount as one-fifth of what you intend to levy in your war revenue tax bill for improvements that can without injury to projects or commerce be postponed. I call upon you Democrats who wish to be consistent to show your consistency in favor of economy now. There is $18,000,000 available for river and harbor improvement work at the present time. Five millions will be ample, added to that $18,000,000, to tide over existing conditions, until we can see whether the revenues will warrant further expenditures. Place the country above your partisan influences in favor of local projects. Look at this from the standpoint of what is best for the country as a whole, and do not show that you are in favor of extravagance when the country demands you to be economical in the extreme. [Applause on the Republican side.]

The SPEAKER pro tempore (Mr. POU). The time of the gentleman from Wisconsin has expired.

Mr. HUMPHREY of Washington. Mr. Speaker, I yield to the gentleman from Washington [Mr. JOHNSON] such time as he desires.

Mr. JOHNSON of Washington. Mr. Speaker, the district which I have the honor to represent has nearly a thousand miles of shore line, and probably it has more navigable rivers than any other district in the United States. In the House rivers and harbors bill as finally perfected there were eight projects for that district and two surveys, to say nothing of the interest of my district in certain of the Columbia River projects. All of those items went into this bill strictly on their merits to such an extent that in the hearings it was not necessary to make a statement of more than a few words concerning them. Two projects had to await the arrival of certain papers. The bill was held open for the printed report on the Willapa Harbor report, and no verbal report was necessary. The Grays Harbor maintenance item was forced to await the arrival of the district engineer's estimate and recommendations, and statements that these were here are not true. The Grays Harbor item was added in the Senate on the recommendations of the board, just as I was assured it would be. I was told by the committee that detailed statements were not wanted, and I was asked to write statements for one of the committeemen and the clerk, which I did.

I mention these matters, Mr. Speaker, because out in my district a few disgruntled spirits and disappointed office seekers are still howling over my handling of these items, in spite of the fact that all were settled properly on their merits and were in the bill up to the day the Senate abandoned the whole thing. No one of them could have handled a single item differently.

As a matter of fact, I was most fortunate to have eight worthy and meritorious projects in the bill. Of the eight, three were new projects, namely: Willapa Harbor, Columbia River at Cathlamet, and Skamokawa River. Under the Senate's lump-sum scheme, which the House is now asked to indorse, these three items must wait until another rivers and harbors bill is written. But, Mr. Speaker, inasmuch as we can not have a perfect bill, and inasmuch as the presentation to the Rivers and Harbors Board of Engineers of $20,000,000 in a lump sum, to be expended as that board sees fit, will cause the board to be damned in the long run, no matter how well it expends that money, I am in favor of the substitute which provides $5,000,000, which is enough to fully provide for the maintenance and upkeep of all the established projects mentioned in the amended rivers and harbors bill. Under that sum five of the eight projects in southwest Washington should be cared for. I quote from pages 41 and 42 of the comparative print of H. R. 13811:

Improving Grays Harbor and bar entrance, Washington: For maintenance, $110,000.

Improving Grays Harbor and Chehalis River, Wash.: For maintenance of improvement of inner portion of Grays Harbor and of Chehalis River up to Montesano, $30,000.

Improving Cowlitz and Lewis Rivers, Wash.: Continuing improvement and for maintenance, including North and East Forks of Lewis River, $16,000.

Improving Grays River, Wash.: For maintenance, $500.

Improving Puget Sound, Wash.: For maintenance of improvement of Puget Sound and its tributary waters, $25,000.

As I said a moment ago, my district loses the new projects—Willapa, Cathlamet, and Skamokawa. Mr. Speaker, in the campaign against me at home I am being roundly criticized by what is called my inactivity and want of knowledge in regard to the southwestern Washington items in the rivers and harbors bill. Inasmuch as eight items and two surveys were placed in the bill on merit, and as five of them are in a position to be cared for under any bill that can be passed, I feel that such criticism is not only unwarranted but extremely unjust. Those who are making such charges are not familiar with the real situation and are taking advantage of the fact that I can not be at home to answer them. These same critics will now charge, without the slightest warrant, that I am sacrificing Willapa, Cathlamet, and Skamokawa. I think, however, that all can see that even with $20,000,000 these three, being new projects, can not be included in the grand grab that is about to begin.

A portion of southwestern Washington lies on the Columbia River, and it will be interesting to citizens there to know that under the $5,000,000 substitute the maintenance of the lower Columbia, the Columbia at Celilo Falls, and repairs and maintenance at the mouth of the Columbia would all be cared for.

As fares the district which I represent, so fare all of the other congressional districts. Then, why, Mr. Speaker, should this House turn loose an extra $15,000,000 to be scrambled for at a time when the majority has just declared that a special direct tax is necessary; at a time when the entire South is clamoring that the Government must help take care of its cotton crop; at a time when the far West is feeling the pinch?

Mr. Speaker, up to this moment during my term in Congress I have not given expression to a single calamity howl, although I have long known that things were going from bad to worse in the Northwest. I had hoped the situation would change. But, Mr. Speaker, in my own district, only last week, five banks closed their doors.

You gentlemen of the South are feeling badly over the cotton situation. You are attending meetings which are being held right here in Washington, D. C., which declare that the Government must buy cotton or give first aid to the banks that will hold warehouse receipts for the cotton. O my friends, the situation is just as bad in the logging industry in the Northwest. Bankers, merchants, millmen, and workingmen know it. I do not care for the political situation; neither do I care what is any man's politics now, when it comes to taking out of the Treasury and placing with the Army Board of Engineers a lump sum of $20,000,000 to spend as it pleases, and which sum the board, I am very sure, from interviews I have had, prefers not to receive.

Mr. Speaker, if owing to circumstances over which we have no control we can not have the perfected bill that was laid down here by a competent committee, that knew what it was doing, we are in poor business to throw out a $20,000,000 lump sum to the Board of Engineers simply because the majority of the Senate will have it that way. [Applause on the Republican side.]

Mr. HUMPHREY of Washington. I yield to the gentleman from Pennsylvania [Mr. KREIDER].

Mr. KREIDER. Mr. Speaker, I have listened with a great deal of interest to the discussions of this bill and want to say that I have no doubt many improvements could and should be made in the rivers and harbors of the United States, and I am not opposed to such necessary and reasonable improvements, but unfortunately our Democratic friends have been appropriating money and continued to appropriate money until we find that the entire probable income of the Government is entirely insufficient to cover the extravagant appropriations already made, and as a result only last Friday the Democratic Party passed the so-called war-tax revenue bill in this House, which, if passed by the Senate and signed by the President, will lay added unnecessary and grievous burdens on the people, and for no other reason than to provide money for these reckless appropriations.

The Democratic Party has been preaching economy through its platform, through its press, and from the stump, and yet, when they come into power, the appropriations of a Democratic Congress exceed those of the most extravagant Republican Congress by over $100,000,000.

I repeat what I said last week when the Democratic war-revenue bill was before this House and was passed by a "gag" rule, limiting debate and cutting off all amendments, that if the President had called the heads of the departments together and asked them to at least make some pretense of practicing economy, which the Democratic Party has been preaching for many, many years, instead of calling the two Houses of Congress together and asking them to place extra taxes on the people, it would have been a great deal better and more consistent with Democratic pretenses.

I commend the action of the Senate, which was brought about by the Republican Members of that body, in cutting the appropriations of $53,000,000, which this bill carries with its amendments, to $20,000,000; and if this House will now adopt the amendment offered by the ranking minority member of the committee, Mr. HUMPHREY, and cut this $20,000,000 to $5,000,000, which is ample to maintain and preserve existing improvements, it will be at least one honest effort to economize and will be an example which, if it had been followed by the Democrats months ago, would have obviated the need of additional taxes.

In my speech last week I also called attention to the fact that if the Democratic Party had managed the affairs of the Nation on the same economical lines that the Republicans did the balance on hand would have been in excess of $51,000,000 on July 30, 1914, the end of the fiscal year. With this balance on hand and the extra income from the income tax there would have been a sufficient balance that, even if the Democratic Underwood tariff bill fails to produce the revenue, because of the foreign war, there would have been no need of extra taxation. But, unfortunately, these $51,000,000 have been expended, and the balance in the Treasury, which was over $149,000,000 when President Wilson was inaugurated on March 4, 1913 is now less than $115,000,000, showing a decrease of $34,000,000. Notwithstanding these facts, you seem to be determined to keep on appropriating money, regardless of income, and then you pretend to blame the deficit on the European war, when, as a matter of fact, your extra appropriations, which have broken the record, amount to as much as you propose to levy by this war-tax bill which you have just passed; and I want to go on record here and now and say that if you do not stop these reckless appropriations the tax bill you have just passed, even though it will produce $150,000,000 instead of the $105,000,000 you estimate, will be insufficient, and more taxes must be levied before your term of office expires.

When I advocate this cutting out of appropriations, I only advocate that which is practiced by every successful business man and corporation. I need not call your attention to the savings which the railroads of the country have been obliged to make, nor those of other large corporations and the business men and, for that matter, the private citizen; when the revenues are decreased, the sensible thing to do, the proper thing to do, is to cut out unnecessary expenses.

And, furthermore, I am only advocating the course that has always been followed by the Republican Party when they were in control. For instance, when the Spanish War was going on, in 1898, the Republicans passed a war-revenue bill; but did they then turn around and appropriate $20,000,000 for river and harbor improvements? No; they did not pass any river and harbor bill at all in 1898, during the continuance of the war, but in 1899 they passed a very modest river and harbor bill, which carried an appropriation of $16,000,000, with no river and harbor bill at all the year before; and for this modest appropriation what did our Democratic friends say? I will quote from the Democratic platform of 1900:

We denounce the lavish appropriations of recent Republican Congresses, which have kept taxes high and which threaten the perpetuation of the present war levies. We favor the reduction and speedy repeal of the war taxes and a return to the time-honored Democratic policy of strict economy in governmental expenditures.

Mr. Speaker, the Republicans passed no river and harbor bill during the Fifty-sixth Congress; the next river and harbor bill after 1899 was passed in 1902. Three years passed by without the passage of a river and harbor bill, and it seems the country was not suffering anywhere because of river and harbor improvements. To repeat, in 1898 we made no appropriation; in 1899 we appropriated $16,000,000; in 1900, nothing; in 1901, nothing; in 1902 we appropriated $26,000,000, and we had made no further appropriations up to the time the Democratic convention met in 1904, and then what does the Democratic platform say?

Large reductions can easily be made in the annual expenditures of the Government without impairing the efficiency of any branch of the public service, and we shall insist upon the strictest economy and frugality compatible with vigorous and efficient civil, military, naval administration as a right of the people too clear to be denied or withheld.

Is it any surprise that the people of the country are dumfounded at these extravagant appropriations in the face of these declarations of economy contained in the Democratic platforms? Is it any surprise that the people of the country are beginning to regard the Democratic platform as a joke?

Think of it! A Democratic national convention said that $16,000,000 in two years was gross extravagance; that $26,000,000 in four years was a wanton expenditure, and now, last year, this Democratic Congress appropriated $41,000,000, almost as much as the Republican Congress had appropriated in six years, and this House had passed another bill appropriating, with amendments, $53,000,000, but which has been cut to $20,000,000 by the Senate, but you now insist upon appropriating this $20,000,000 in the face of the fact that there are about $18,000,000 of the appropriation made last year still unexpended, and are refusing to let go of these $20,000,000, which you seem determined to raise by direct taxation. For fear you may have forgotten it, let me again call your attention to the last Democratic national convention, held in Baltimore, when you nominated Woodrow Wilson, and compare your course with your pledge to the people:

We denounce profligate waste of the money wrung from the people by oppressive taxation through the lavish appropriations of recent Republican Congresses, which have kept taxes high and reduced the purchasing power of the people's toil.

We demand a return to that simplicity and economy which befits a democratic government and a reduction in the number of useless offices, the salaries of which drain the substance of the people.

Does that sound consistent with your actions here and now, when you are in power? Do you not think that your extra taxation which you have laid upon the people will "drain the substance of the people," and this after you have plunged the country into an industrial depression through the enactment of the

Underwood tariff bill, which has destroyed to a large extent the opportunities of the wage earners of the country, who in the last analysis are compelled to pay these taxes?

Laying all politics aside, let us consider what is the situation confronting us. We passed a river and harbor bill during the winter when no one dreamed of a war in Europe and the governmental receipts may have justified the expenditure of the money; but since that time a war in Europe has broken out and this has caused the President to demand extra and new taxation in order to defray the expenses of the Government, and last week a bill in accordance with the ideas of our Democratic friends passed this House by their votes, and their votes only, not a single Republican or Progressive voting for it, and before the ink is hardly dry on the signature of the Clerk of the House, transmitting it to the Senate, you now propose, in face of your repeated promises of economy, in the face of the immense appropriation made last year, in face of the economic record of the Republicans in the past, in face of the fact that no Congress preceding the last Congress has ever appropriated or passed two river and harbor bills in any one Congress, you propose at this time, when we are laying new burdens of taxation upon the people, to appropriate another $20,000,000, which is not needed, and you compel every man who signs a promissory note to contribute to these river and harbor improvements; every man who sends an express or freight package will contribute to these river and harbor improvements; every man who signs a deed will pay 50 cents on each $.00 of value, so that it may be sunk in river and harbor improvements; every man who takes out life insurance will pay 8 cents on each $100 of insurance to contribute to these expenditures; every man who takes out fire insurance will pay 5 mills on each dollar of premium for the same purpose; every wage earner and every farmer who is compelled to borrow money and mortgage his property because of the industrial depression and hard times will contribute 25 cents on each $500 of mortgage above $1,000 for the same purpose. I can not go into the details of this bill, because the whole bill is so obnoxious to me, because it is unnecessary, that I will waste no time to discuss it; but I ask you frankly, you Democrats of the House, is it worth while? Do you want to go to the country upon the proposition that you will appropriate now $20,000,000 for river and harbor improvements, while you are at the same time adding to the taxes of the people? These improvements that have been started can easily be maintained by an appropriation of $5,000,000, and will not be injured if they wait over until such time that the money is available and need not be collected by special taxation. As stated before, $16,000,000 in 1899 carried them along all right for two years, $26,000,000 more in 1902 carried them along all right for four years, and the $41,000,000 appropriated last year certainly should be sufficient to carry them until the next session of Congress. And let me suggest to you here and now that, if you will accept our advice and cut out these needless appropriations which you may as well cut out as not, it is just possible that the Senate may see fit to strike out all of those odious stamp taxes in the war-revenue bill. Let me appeal to you in behalf of the people of this country, and especially in behalf of the people of my district, that you put into practice your professions of economy and abandon your seemingly utter disregard and wasteful, extravagant expenditures of the people's money.

Mr. SPARKMAN. Mr. Speaker, I yield to the gentleman from Florida [Mr. CLARK].

Mr. CLARK of Florida. Mr. Speaker, I have been in this House for nearly 10 years, and during all that time I have observed the distinguished gentleman from New York [Mr. PAYNE], and I never thought that I should live to see this day, bringing, as it does, the spectacle of the father of the "Payne bill" weeping great tears of grief over the extravagance of Congress. It is a sight that I never thought these eyes of mine would behold. [Laughter.] And then the gentleman from Wisconsin [Mr. STAFFORD], another disciple of all the extravagance which has characterized the proceedings of Congress for many years, delivers to us a lecture on economy. Oh, ye gods! [Laughter on the Democratic side.]

But, Mr. Speaker, I rose to refer to some remarks that were made a few days ago by the gentleman from Wisconsin [Mr. FREAR]. That gentleman saw fit to make an attack upon a couple of rivers in my State. One was the Kissimmee River; and in the course of his remarks he made this statement, which will be found on page 10620 of the RECORD:

> A letter to the engineers is quoted in House Document No. 137, which shows up the $47,000 Kissimmee Creek fraud. This creek, it will be remembered, is shown by the engineer's reports to be dry for periods varying from five to eight months in a single year.

Mr. Speaker, I hold in my hand the report referred to, and the gentleman can not point to a single line in this or any other engineer's report which states that the river was dry at all for any period of time. I want to call your attention to what the engineers do say. This is a letter from Gen. Bixby, under date of July 8, 1913, and in the course of that letter he makes this statement:

> Although the amount of commerce handled is small, the special board is of the opinion that this river is worthy of improvement to the extent of maintaining at mean low-water stages a 3-foot channel over the entire 137 miles from Kissimmee to Lake Okeechobee, for which a light-draft dredge and tender will be required at an estimated cost of $35,000 for construction, $12,000 for dredging the first year, and $6,000 for six months' operation annually thereafter.

Then, further down, we find this:

> The board concurs with the special board in believing that it is advisable for the United States to maintain a 3-foot channel in the Kissimmee River from Kissimmee to Lake Okeechobee.

Mr. FREAR. Will the gentleman permit me to point out the report where the statement is found?

Mr. CLARK of Florida. I can not yield; I will not. I have the report here. Here is a letter from Mr. Beach, of the Corps of Engineers. He speaks of the low-water surface of Lake Okeechobee, Kissimmee, and Caloosahatchee, and I want to say right here that some statement has been made that this survey of Lake Okeechobee, the Kissimmee and Caloosahatchee Rivers was a scheme to drain certain lands in that vicinity. That statement is absolutely untrue. I want to say, Mr. Speaker, that the original provision for this survey was put in the river and harbor bill at the instance of the State authorities to determine whether or not after a survey the Federal Government would object to the State lowering the water in Okeechobee in order to carry out their drainage operations, but it was not to cost the United States Government one single, solitary cent. The State was doing the drainage work and this survey was for the sole purpose of determining whether or not the water in that lake could be lowered by the State for drainage purposes without interfering with the navigability of the lake and the rivers, and it was in no sense a scheme to have the Government drain lands in Florida at all. To continue, Mr. Speaker, from this report:

> It appears from the information now available that the section of country covered by this report is rapidly developing, that it is reasonable to believe that there will be a steady increase in the amount of commerce produced in the future, and that as practically all the territory tributary to both the Kissimmee and Caloosahatchee Rivers is dependent upon these streams for transportation any improvement in their navigability will be of material benefit. After long-continued droughts the minimum depth is sometimes reduced to less than 1 foot at shoal places in the upper portion of the river.

There is not one single, solitary line anywhere in it about the river ever having been dry. There is a letter here from Capt. Clay Johnson, captain of a steamer that plies the Kissimmee River, and in that letter he says:

> THE WATERS & CARSON GROCERY CO.,
> *Kissimmee City, Fla., March 30, 1909.*
>
> Mr. J. M. BRAXTON,
> *United States Engineer Office, Jacksonville, Fla.*
>
> DEAR SIR: The length of time that the boats have been tied up on account of low water on the Kissimmee River and canals since the year 1901 is as follows:

For the year—	Months.
1902	6½
1903	None.
1904	4
1905	1½
1906	None.
1907	8
1908	5

> In regard to improving the river I would say, first, to lock the canals between Kissimmee City and Lake Kissimmee, which will throw all the water into one channel and give better water where it is so shoal now; cut off the sharp points so that the boats can make the turns easier, and I think a great deal of good to the run will be accomplished.
>
> Yours, sincerely, CLAY JOHNSON.
>
> P. S.—Will have postmaster forward record of rainfall.

It will be observed that Capt. Johnson does not say one word about this river ever being dry. Mr. Speaker, this is a figment, pure and simple, of the gentleman's imagination. There is not one word in the RECORD anywhere to justify it.

With reference now to the Oklawaha River, the gentleman on page 5417 of the RECORD says, paraphrasing Mother Goose:

> We have a crooked creek that has a crooked name, and grabs a crooked million while in a crooked game; to make a crooked water power run up a crooked hill it crooks your Uncle Samuel through a crooked river bill.

Now, this statement, in alleged rhyme, I have no doubt the gentleman believes is the very acme of refined humor, but the trouble is that there is not a scintilla of fact upon which to base it. It is entirely lacking in truth. The gentleman is undoubtedly seeking to pose for the benefit of the "folks back home" as a "watchdog of the Treasury," but, unfortunately for him, his record is against him. Why, Mr. Speaker, this gentleman has presented to this House during this session of

Congress two bills to take $75,000 in each case from the Treasury to construct Government buildings in towns in his district, one of them with a little over 2,000 population, and the other with a little over 3,000 population. What is that when you are dealing in crooked games? Is there anything crooked about that? Maybe not. That is economy!

I want now to call attention to Document No. 415, with reference to the Oklawaha River. This document says:

The district officer states that the towns in the vicinity of the lakes have a commerce amounting to about 110,000 tons, none of which is now shipped by water. Ocala has a commerce amounting to about 300,000 tons, of which practically none is now handled by water. The district officer believes that a conservative estimate of the saving that would result from the improvement on a basis of 200,000 tons of commerce would be about $600,000 annually. He believes that the river is worthy of improvement, under certain conditions named, to the extent of providing a 6-foot channel, at an estimated cost of $616,000 and $12,000 annually for maintenence. The division engineer concurs generally in the views of the district officer, and reports the locality as worthy of improvement by the United States.

Yet this is a crooked game, that saves to the people of that community over $600,000 annually in freights upon their produce!

Mr. Speaker, this kind of economy talk makes me sick. There has never been a river and harbor bill more honestly framed, more carefully considered than this one, and I want to say to the gentleman from Wisconsin [Mr. FREAR] that when he was wearing swaddling clothes, politically—and he has hardly got them off yet—my colleague, the distinguished and honored chairman of this committee [Mr. SPARKMAN] was a member of this committee, and he knows more about the rivers and harbors and waterways of this country than the gentleman from Wisconsin would ever know if he lived to be as old as Methuselah. [Applause and laughter.] I want to say again, Mr. Speaker, that no Member of this House who has served here in all of the 20 years that the honored chairman of this committee has been here would have gotten up on this floor and reflected upon him as the gentleman from Wisconsin has seen fit to do, without rhyme or reason, and without facts to support it.

The SPEAKER pro tempore (Mr. POU). The time of the gentleman from Florida has expired.

Mr. CLARK of Florida. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. CLARK of Florida. Mr. Speaker, for 20 years the able and honored chairman of this committee, Mr. SPARKMAN, has served his State and his country upon the floor of this House. For practically all of that time he has been a member of the Committee on Rivers and Harbors, and for the past four years he has been its chairman. There are men here on both sides of this Chamber who for all these 20 years have observed his work as a Representative, and I hazard nothing when I proclaim that no man of loftier purpose, stricter integrity, and manlier conduct ever occupied a seat upon this floor. He is absolutely incapable of engaging in a "crooked game" here or elsewhere, no matter what the stake may be. His name will live in the history of waterway improvement in this country long after the names of the puny critics of this river and harbor bill shall have been effaced from the memory of men.

Mr. Speaker, for many years past the Congress, recognizing the navigability of the Kissimmee and Oklawaha Rivers, has been making appropriations for them.

In 1902, under a Republican administration, a project for the improvement of the Kissimmee River was adopted. The project provided for a channel 3 feet deep at ordinary low-water stages and from 30 to 60 feet wide for about 99.5 miles, from the town of Kissimmee to Fort Bassenger. Ever since that time Republican Congresses have been appropriating the people's money to carry on this project, and not one howl of economy has been raised against it until the gentleman from Wisconsin [Mr. FREAR] broke into Congress and discovered that Republican Congresses, Democratic Congresses, Boards of Engineers, and Secretaries of War had all been engaged for all these years in a "crooked game."

In House Document No. 137, Sixty-third Congress, first session, at page 5, Col. Lansing H. Beach, Corps of Engineers, says:

In his report on preliminary examination, under the act of 1909, the district officer reports that 3 small steamboats, drawing about 2 feet, and 50 to 60 launches are in use on the river; that these boats can be operated at ordinary low stages of the water, but that navigation practically ceases during long-continued dry weather. He states that there appears to be about 10,000 tons of freight handled on the Kissimmee River and 30,000 tons in the town of Kissimmee. At a hearing before this board on April 28, 1913, statistics were presented by local parties claiming a present tonnage of about 85,000 tons on the Kissimmee River in addition to 15,000 passengers carried.

From the same document, at page 14, I desire to submit a statement of estimated freights carried on the Kissimmee River for the three years ending December 31, 1905, and December 31, 1906, respectively:

EXHIBIT A.

STATE BANK OF KISSIMMEE,
Kissimmee, Fla., June 25, 1906.

W. H. CALDWELL,
Assistant Engineer.

DEAR SIR: Replying to your favor requesting estimates of freights transported on Kissimmee River and connections, I beg to submit the following for the year ending December 31, 1905:

	Pounds.
Bricks	32,000
Lumber	500,000
Other building material	200,000
Crossties	120,000
Crate material	400,000
Fertilizers	400,000
Fish	1,500,000
Grain	750,000
Hay	120,000
Hides	50,000
Rosin and turpentine	300,000
Oranges and fruits	400,000
Vegetables	50,000
Groceries	1,000,000
General merchandise	200,000
Logs	12,500,000
Cattle and sheep	1,500,000
	20,022,000

Comparing this with the estimate of previous years will show the progress and impetus given to freights on the river.

Very respectfully,

CLAY JOHNSON.

EXHIBIT B.

STATE BANK OF KISSIMMEE,
Kissimmee, Fla., June 24, 1907.

W. H. CALDWELL,
Assistant Engineer.

DEAR SIR: Replying to your favor requesting estimate of freights transported on Kissimmee River and connections, I beg to submit the following for the year ending December 31, 1906:

	Pounds.
Bricks	32,000
Lumber	500,000
Other building material	200,000
Crossties	120,000
Crate material	400,000
Fertilizers	400,000
Fish	1,500,000
Grain	750,000
Hay	120,000
Hides	50,000
Rosin and turpentine	500,000
Oranges and fruits	400,000
Vegetables	50,000
Groceries	1,000,000
General merchandise	200,000
Cattle and sheep	1,500,000
Logs	12,500,000

EXHIBIT C.

	Pounds.
Lumber, 20,000 feet daily	24,000,000
Grain and groceries	10,000,000
Turpentine and rosin	2,000,000
Crossties	10,000,000
Oranges and vegetables	6,000,000
Cattle and sheep	3,000,000
Fertilizers	500,000
General merchandise	5,000,000
Wood	500,000
	61,000,000

Now, Mr. Speaker, I desire to call attention a little further to the proposed improvement of the Oklawaha River and as to the necessities for that improvement. In House Document No. 514, Sixty-third Congress, second session, at page 5, in the report of Maj. Lansing H. Beach, the following language is used:

There seems to be a very general demand for this improvement and a firm belief that it would result in a very marked development throughout the adjacent country and create a commerce of considerable magnitude. There is a large section of very rich and fertile country tributary to this waterway and to the lakes at its head, which is being converted into orange groves and truck farms. It is stated that under present conditions business is hampered by high transportation charges and by congestion in rail freights during the busy season, and that relief can be obtained only by a competitive waterway.

Again, in the same document, on page 8, I read from the report of Capt. J. R. Slattery, Corps of Engineers, a portion of a former report made by Capt. Sackett, and which is quoted by Capt. Slattery, as follows:

I am informed that during the time the Oklawaha steamers ran to Leesburg the rate on a box of oranges from Leesburg to Jacksonville was 10 cents. Shipments from the large orange groves at Emeralda, situated on the river and on Lake Griffin where the river leaves the lake, are now required to be made across the lake on a boat owned by the railroad and delivered at the terminal owned by the railroad at Leesburg. The rate from Emeralda to Leesburg is 9 cents per box and the rate from Leesburg to Jacksonville is 17 cents, a total of 26 cents, as against the rate of 10 cents formerly enjoyed. There is said to be 100,000 boxes of oranges and vegetables shipped from Emeralda annually. This represents a very considerable burden upon the shippers of this locality. It is said to frequently happen that during the rush of the shipping season the railroads can not or do not supply sufficient

cars to care for the shipments offered, and much delay and often considerable loss is occasioned thereby.

Again, on page 19, Capt. Slattery, after giving a statement of the commercial statistics of the towns and localities tributary to the Oklawaha, sums the whole matter up by using this language:

From the foregoing statement it will be seen that there are approximately 500,000 to 600,000 tons of freight, the transportation charges on which will be affected more or less by the improvement on the Oklawaha River.

On the same page of the report, Capt. Slattery again says:

If as a result of the improvement of the river there should be a general reduction of 15 cents per hundredweight in rail rates, approximately the existing difference between the Sanford and the Leesburg and Ocala rates on sixth-class goods, the total saving in freight would amount to $1,800,000. I do not believe that any such saving as this is probable, but I believe it would be conservative to estimate that a saving of 15 cents per hundredweight would result on 200,000 tons, making a total annual saving of $600,000, if a 6-foot channel were provided.

I want to say just here that Capt. Slattery is one of the ablest officers and ablest engineers attached to our military establishment, and after he had made a full and complete investigation and personal inspection of the Oklawaha River and the country tributary thereto, and had thoroughly examined into the present and reasonably prospective commerce, he sums the whole matter up, on page 20 of the report, by using the following language:

In view of the material saving that would probably be effected in freight charges if the river were improved, the promising character of much of the territory that borders the lakes and the swamp through which the river flows, and the fact that an improved waterway along this line would be a step toward a trans-Florida canal along the best route as recommended by a special board of engineer officers, I am of the opinion that the Oklawaha River is worthy of improvement to the extent of providing a 6-foot channel from its mouth to Mount Dora. * * *

Notwithstanding the fact, however, that this matter has been so thoroughly investigated and the project approved by the district officer, the division officer, and the Board of Engineers and the Chief of Engineers, and was then approved by the House Committee on Rivers and Harbors, it remained for the gentleman from Wisconsin [Mr. FREAR] to belittle it and to put his judgment in the scale as against the judgment of all these gentlemen. We have the testimony of every engineer, and in fact of every individual who has examined the project who knows anything at all about the subject, that it is worthy of improvement by the Government of the United States and ought to be undertaken. With these facts and with this record, I am willing to submit the case to the judgment of my colleagues upon this floor.

Mr. HUMPHREY of Washington. Mr. Speaker, I yield to the gentleman from Nebraska [Mr. SLOAN].

Mr. SLOAN. Mr. Speaker, responding immediately to the last statement of the gentleman from Florida [Mr. CLARK], in reference to the garb of the gentleman from Wisconsin, who he said was wearing only "his political swaddling clothes," I presume the friends of the gentleman from Wisconsin will congratulate him upon wearing those early garments rather than wearing what a great many gentlemen who are trying to get through this big river and harbor bill will be wearing pretty soon, namely, their political shrouds. [Applause on the Republican side.]

Mr. Speaker, in considering the situation that is here I do not see any reason for intense partisanship. I am in favor of reasonable improvements, whether they are in the interior of this great country of ours or along the coasts or along the banks of the great rivers. But this seems to be the proposition before the American people now: How much of this money shall be used, and what are we trying to use it for? It was enormous as it passed the House. It was $53,000,000 to begin with in the Senate. It was reduced by a determined minority to $20,000,000. The purpose of the bill seems to be to purchase water to fill some rivers and some harbors and to let it run through some creeks which perhaps were never moist except in the case of a heavy dew. [Laughter on the Republican side.]

But the next proposition in the disposition of the people's money, after we buy water to fill the rivers and harbors, is to buy ships to float on this purchased water in these moistened harbors and rivers. [Applause on the Republican side.]

And how do we expect to get the money to buy this water in which to float these ships on these rivers and harbors? We have just solved that in the last few days. We passed a war-revenue tax bill in time of peace to grind the faces of the poor and press down upon and overload the industries of this country. These being the main propositions before the American people, it seems we ought to make the burden just as light as possible. Therefore I am in favor of reducing the sum to be here appropriated to the smallest amount possible, for two reasons: First, the $20,000,000 proposition is to be taken from under the jurisdiction and the authority of Members of this House and its coordinate body, and is to be given to the administration of an executive branch of this Government to be disposed of by it and beyond the control of the membership of this body. We ought to have the right and power to determine when or in what part of the United States this money should be spent. But if we are to abdicate our authority and jurisdiction over the funds of the people of the United States, we ought to abdicate for as small an amount as possible.

The second reason why this amount should be small is this: We should set the pace for economy for the other body, or, perhaps, we should respond to the example that has been so well set by the other body in this bill. The war-revenue measure provides for the taxing of the American people to raise about a quarter of a billion of dollars during its probable lifetime. Taking into account when the bill will probably become a law and the period within which it all will be in force, there will be a quarter of a billion collected from the people. The gentleman from Pennsylvania [Mr. MOORE] said the Senate slept with this bill for six months and reduced it to $20,000,000. Let us send it back for another nap, and let it be cut to $5,000,000. [Applause on the Republican side.]

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. SLOAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD.

The SPEAKER pro tempore. The gentleman from Nebraska asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. HUMPHREY of Washington. Mr. Speaker, I yield to the gentleman from Kentucky [Mr. LANGLEY].

[Mr. LANGLEY addressed the House. See Appendix.]

Mr. SPARKMAN. How many more speeches will the gentleman have?

Mr. HUMPHREY of Washington. I will only have two—one very short.

Mr. SPARKMAN. All right, then, proceed until you have used up one more speech, and then I will proceed.

Mr. HUMPHREY of Washington. Mr. Speaker, this morning I attempted to give my reasons why I was opposed to the Senate amendment. I have no criticism of the bill as reported to the House. I think it was made up honestly. I do not think there was any politics or partisanship in it. Of course, there may have been some mistakes. In addition to what I said this morning, in view of the changed conditions which have come about, and in view of the fact it will only be a few months before we make up another bill, and in view of the fact that on a great many projects no money can be expended until after the 4th of next March, I think we ought to listen to the demand that has come from the people that we economize. The condition throughout the country is most deplorable. Even the majority now admit this. We may not agree what has caused this condition, but we know that it exists. You gentlemen upon that side of the aisle say it is due to the war. Upon this side of the aisle we say that the condition existed before the war. I call the attention of the House and the country to this fact as having some bearing upon the condition in the country to-day, that every day that the present Democratic tariff law has been upon the statute books we have lost more than $1,000,000 in our foreign trade, and every day of this session of Congress a Democratic majority, pledged to economy, has already spent $363,000 more than the most extravagant Republican Congress that ever met in this Capitol.

I think you can find explanation for the condition of the country here in these enormous expenditures, surpassing any that have ever been made, and by the tremendous falling off in our trade. The falling off in our foreign trade alone amounts to $1,000,000 each day in wages taken from the Americans and given to the foreigner.

Mr. COOPER. And had been before the war?

Mr. HUMPHREY of Washington. The condition I am speaking of was before the war. In other words, our foreign trade decreased $248,000,000 this year up to August 1. This is the calendar year. And the people everywhere are economizing. The people of this country to-day are not spending as much for clothes as they did a year ago. They are not eating as much as they did a year ago. They are denying themselves amusements and pleasures. Every man that is in business is being compelled to economize. We have heard economy talked on that side of the aisle, and I trust that every man on this side will vote for real economy. There is no great necessity why we should have a sum greater than $5,000,000 to take care of our river and harbor projects until we can pass another bill. [Applause.] It has been suggested that if the appropriation

is cut to $5,000,000 that many of the projects in the State of Washington will suffer. Even if that is true I would be unworthy of a place upon this floor if I thought only of my own State. I know that I represent a constituency that do not want what they are not willing to grant to their neighbor. At this time, when they are being forced to economize in everything, the people of my State do not want to be further taxed to care for the river and harbor projects of others that can without great injury be passed for a time, and they do not want the rest of the country taxed to pay for theirs in the same condition. Except in a few localities, owing to climatic conditions and to the fact that the force on many projects have already scattered because of the long delay in passing this bill, but little work can be done until next spring. The war in Europe may have ended by then. In a few weeks another bill can be made up in view of the conditions as they then exist. In my own State, whether we pass a bill for $20,000,000 or $5,000,000 will make little difference. We will get little, if any, of the $20,000,000, except for maintenance, and we will get that if only $5,000,000 is appropriated. Under either proposition the much-needed improvement at Willapa Harbor will not be cared for. Under either no surveys will be authorized. This omission will result in great injury to the Lake Washington Canal. Here we have strikingly illustrated the iniquity of the Senate amendment where a great project costing more than $5,000,000 is indefinitely delayed by a refusal to grant a survey that probably would not cost the Government $50. In fact it is merely a formality, but this can not be done. Looking at it from a purely selfish standpoint, it makes practically no difference to western Washington whether the bill carries $5,000,000 or $20,000,000 if it is given in a lump sum. We will get practically the same amount in either event. But for the good of the river and harbor improvements in this country in the future I think it would be infinitely better for us to appropriate only a sufficient sum to maintain present projects until the next session of Congress.

Mr. SPARKMAN. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. RAINEY].

Mr. HUMPHREY of Washington. Mr. Speaker, how much time did I use?

The SPEAKER pro tempore. Three minutes.

Mr. RAINEY. Mr. Speaker, I offer the following amendment.

The SPEAKER pro tempore. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, by striking out, in lines 24 and 25, on page 66, the words "the mouth of the Ohio River" and insert in lieu thereof "Rock Island, Ill."

Mr. RAINEY. Mr. Speaker, this amendment is made for the purpose of correcting what I believe to have been an error made by the Senate. It does not increase the amount of the appropriation as agreed upon in the Senate. The effect of the amendment is to provide that any moneys expended on the Mississippi River, under the direction of the Mississippi River Commission, for the purpose of revetting banks and assistance in levee building, shall be expended not on the lower Mississippi River alone, but also on the upper river as far north as Rock Island, Ill.

This is not a new project. In the bill of 1913 an appropriation of $200,000 was made for the upper river for the purpose of making surveys, the balance left after paying the expense of the surveys to be allotted among the several levee districts on the upper river; and this was done. The surveys were made, and they cost $10,000, leaving $190,000 of this amount which the Mississippi River Commission have actually allotted to levee districts on the upper Mississippi River. The original act establishing the Mississippi River Commission in 1878 gave it jurisdiction all the way from the Head of the Passes to the headwaters of the river. Appropriations heretofore have been made, however, for the purpose of levee building, to be expended under the control of the Mississippi River Commission, and have until 1913 been limited to points below the mouth of the Ohio River.

Now, I expect to vote for this bill whether this amendment is adopted or not. I always vote for river and harbor bills, and I regret exceedingly the emasculation of this bill in the Senate. The effect of the Senate amendment is to declare martial law for the rivers of the United States, and leave it to the discretion of Army engineers as to how $20,000,000 is to be expended. The place to economize is not in the rivers of the country, the great freight regulators reaching out through all the States; the place to economize is somewhere else.

Now, I hope this amendment will prevail. It will not make any difference whatever in the amount of this appropriation if it does prevail. It simply is an act of justice for the levee districts on the upper river, and there are nearly 50 of them maintained now by the owners of the land back of them, not assisted by the Government in any way, although the Government heretofore has on two or three occasions assisted in levee building on the upper river. Back of these levees—and there are 216 miles of levees along this stretch from Cape Girardeau north to Rock Island, Ill.—in the State of Illinois alone, there are nearly 800,000 acres of the best land in the world, that can all be reclaimed. On these rich alluvial bottoms along the upper river it is possible to raise every year, if the river is kept out of the levee districts, 60,000,000 bushels of corn, worth at the present prices of corn in this country over $40,000,000. Money expended on levees on the upper river is not wasted, because the river does not wander around through a wide valley, but maintains its channel, and we have the kind of material up there for the building of levees which hold against overflows, and when a levee is once built, if it is built high enough and wide enough at the base, it will hold back almost any flood in the upper Mississippi River.

The land back of these levees on the upper river will produce other crops than corn. It will produce wheat, rye, oats, potatoes, clover, alfalfa; in fact, anything that will grow in the North Temperate Zone can be produced on this land—the richest land in all the world, more fertile than the land in the valley of the Nile. The principal crop, of course, is corn. They grow corn in all the nations of the world. Every European nation produces corn; but these lands on the upper river we are trying to reclaim will produce every year one-third as much corn as can be produced in all of Europe. The land back of these levees will produce more corn every year than we can ever expect the Argentine Republic to send us in one year, even if we have in this country another shortage equal to that of last year.

We consider corn to be just as valuable a crop as cotton, adding just as much to the national wealth. If the cotton plantations of the South are to be protected against the ravages of this great river, the same reasons for protection apply also to the cornfields of the North.

There is no conceivable reason why Government aid for levees should stop at Cape Girardeau, Mo. In 1878, when the present policy was adopted, it was contemplated in the act that the jurisdiction of the Mississippi River Commission should extend as far north as the headwaters of the Mississippi River. My amendment to this bill simply restores to this commission a part of the jurisdiction of which it has been deprived and permits the commission to assist in levee building as far north as Rock Island, Ill., out of the fund provided for levee building on the Mississippi River.

The bill of 1913 appropriated $200,000 for levees on the upper river; $190,000 of this amount remains. This is not a new project—Government aid for levees on the upper river. The surveys have been made; the commission has reached its conclusions as to what districts ought to be helped. They have in their hands now $190,000 to assist in the work on the upper levees.

The Senate substitute, which we are now considering, through an error, I believe, deprives the commission of the jurisdiction of the upper river that it was given in the act of 1913. In the Senate there was no objection to expending a portion of the fund allowed for levee building on the upper river. This was not a subject of criticism in the Senate. The most violent stretch of imagination can not say that this part of the bill is improper or can be considered a "pork-barrel" measure, and no one in the Senate made a charge of that character. This is simply an oversight which ought to be corrected, in justice to thousands of farmers in the North engaged in producing cereals for the Nation.

Even if my amendment is adopted, every dollar provided for in the Senate substitute which may be allotted to levee building can still be expended on the lower river if the commission thinks the flood situation demands that it be expended there; and even if any part of it is spent on the upper river, we expect by far the greater portion of the amount allotted for levees to be expended on the lower river.

I have every reason to believe that this merely formal amendment which I propose will be accepted without difficulty by the Senate and will not imperil the passage of this bill. If I thought it would, I would not insist upon it at this time.

I sincerely hope the amendment will be adopted.

The SPEAKER pro tempore. The time of the gentleman has expired. The gentleman asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. BALTZ. Will my colleague yield?

Mr. RAINEY. My time has expired.

Mr. SPARKMAN. Mr. Speaker, I yield five minutes to the gentleman from Missouri [Mr. CLARK]. [Loud applause.]

Mr. CLARK of Missouri. Mr. Speaker and gentlemen, I am very much in favor of the amendment offered by the gentleman from Illinois [Mr. RAINEY]. But before I discuss that I want to state emphatically that there is no ground whatever for claiming that this was a sectional bill originally. That is settled by reading the list of the gentlemen who compose this Committee on Rivers and Harbors. There are 9 southern men on that committee, counting Missouri and West Virginia as Southern States, and 12 northern men. The list of the committee is: Mr. SPARKMAN of Florida, Mr. BURGESS of Texas, Mr. HUMPHREYS of Mississippi, Mr. TAYLOR of Alabama, Mr. EDWARDS of Georgia, Mr. SMALL of North Carolina, Mr. BOOHER of Missouri, Mr. GALLAGHER of Illinois, Mr. DRISCOLL of New York, Mr. DONOHOE of Pennsylvania, Mr. SCULLY of New Jersey, Mr. MURRAY of Massachusetts, Mr. LIEB of Indiana, Mr. KETTNER of California, Mr. HUMPHREY of Washington, Mr. KENNEDY of Iowa, Mr. BARCHFELD of Pennsylvania, Mr. HUGHES of West Virginia, Mr. SWITZER of Ohio, Mr. POWERS of Kentucky, and Mr. TREADWAY of Massachusetts; and Massachusetts and Pennsylvania are the only two States in the Union that have two members each on that committee.

I would be perfectly willing to adopt the speeches of the gentleman from Missouri [Mr. BORLAND] and the gentleman from Illinois [Mr. RAINEY] as my speech. This amendment, offered by the gentleman from Illinois [Mr. RAINEY], does not increase the amount to be spent one cent. It simply undertakes to do for the Mississippi River north of the mouth of the Ohio River partially what it does for the river south of the mouth of the Ohio River.

The northern portion of the Mississippi River runs through the richest country under heaven—richer than the valley of the Ganges or the Delta of the Nile. It is in the heart of the continent. It has on its banks great cities and manufacturing plants, to say nothing of the vast agricultural products. St. Louis is the metropolis of the Mississippi Valley and it is on the upper Mississippi River.

At Louisiana, in the county that I live in, is the largest nursery on the face of the earth. About 4 miles above that, in the same county, on the banks of the Mississippi, is the largest dynamite mill in the world. About 20 miles above that—still in my district, but not in my county, in Ralls County—is what is called the Hannibal cement plant, although Hannibal itself is in Mr. LLOYD'S district. That is the largest cement plant in the wide, wide world. In addition to that you have the cities of Louisiana, Hannibal, Quincy (Ill.), Keokuk, Burlington, Muscatine, and finally at the north end of this part of the Mississippi that we propose to improve are the tri-cities, Davenport, Iowa, Rock Island and Moline, Ill., and there is a United States armory that ought to be made the largest in the United States.

It is just as important to improve the upper portion of the Mississippi River—perhaps not as important, because there is more water, and therefore there will be more commerce from the mouth of the Ohio down—but nevertheless and notwithstanding, it is a wise and economic principle in the long run to improve the upper Mississippi River and to improve the Missouri River, as the gentleman from Kansas City [Mr. BORLAND] stated.

I am not in favor of squandering or wasting money; but if it was wise—and I believe it was, and I helped along with it—to irrigate the dry lands of the West in order to settle up that country, why is it not just as wise to keep the waters of the United States off of the lands along the Mississippi and the Missouri, to create homes for our children and our children's children? [Applause.] Of course, any drainage project should be so safeguarded that ultimately it will pay back to the Government every dollar advanced, just as it is expected and intended that the irrigation projects shall do.

There is enough overflowed land on the Mississippi and its tributaries—the richest land, acre for acre, under the shining sun—to make a State as big as the State of Missouri, that ultimately would support 25,000,000 people, right in the heart of civilization, where we have churches and railroads and schools and telephones and telegraphs and all the appliances of the highest civilization the world has ever known; but the very minute that anybody wants to do anything for the overflowed lands out in that country the yell goes up that it is a "pork" proposition. It is a monstrous canard, and that is all there is to it. [Applause.]

The SPEAKER pro tempore. The question is on agreeing to the amendment offered by the gentleman from Illinois [Mr. RAINEY].

Mr. MANN. Not yet.

Mr. SPARKMAN. Mr. Speaker, I yield three minutes to the gentleman from Washington [Mr. BRYAN].

The SPEAKER pro tempore. The gentleman from Washington [Mr. BRYAN] is recognized for three minutes.

Mr. BRYAN. Mr. Speaker, I have been listening all day to this debate, and have been trying to square my vote with the amendments that have been offered. My colleague, the ranking Member on the Republican side of this committee [Mr. HUMPHREY of Washington] has rendered faithful service in the matter of getting appropriations for harbors and for public buildings in the district that he has represented, and I feel a hesitancy when it comes to voting against an amendment that he proposes, on the ground that it does not get money for my State; but each and every one of the propositions submitted for the State of Washington and included in the report of the committee is a very meritorious proposition. Each project is a worthy one. I represent in part the entire State, as a Member at large on this floor, so that I feel an interest in each one of these projects, including the projects down at Willapa Harbor and at Grays Harbor, where my colleague [Mr. JOHNSON of Washington] is the Representative. But if we vote for $5,000,000 instead of $20,000,000, we shall, it seems to me, vote against the best interests of those projects. If they are meritorious propositions, as I know they are, they will very likely get in on the $20,000,000; but if they do not get in on the $20,000,000, they will surely have a better chance later on, if the $20,000,000 is appropriated, than if the $5,000,000 is appropriated. I can not, for the life of me, believe that I should be voting for the interests of my State if I voted for the $5,000,000 amendment, as my colleagues, Mr. HUMPHREY and Mr. JOHNSON, have advised in their speeches on this floor. I can not believe that I should be voting for the interest of Willapa Harbor and Grays Harbor, that are represented by my colleague [Mr. JOHNSON of Washington]. I feel that when I vote for those improvements I am not only voting for the interest of my State, but I am voting for the interest of the country at large, and that a vote for them is a meritorious vote. That is why I am unable to accord any kind of approval to the proposition to eliminate $15,000,000 from this bill. We need all that we can get. I do not believe we ought to economize in that way. I believe that $20,000,000 is not too much to be appropriated. The original report of the committee, appropriating about $40,000,000, was concurred in by the gentlemen of the minority generally. This bill directly benefits my people in the State of Washington as to those particular improvements, and I say it seems to me that I would not only be violating the interest of Willapa Harbor and Grays Harbor and the harbors in the district of my colleague [Mr. JOHNSON] and those in the district of my other colleague, but that I would also be violating the interests of the country at large if I were to vote for $5,000,000 instead of $20,000,000. [Applause.]

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. SPARKMAN. I yield five minutes to the gentleman from Kentucky [Mr. BARKLEY].

Mr. BARKLEY. Mr. Speaker, I do not care to discuss the political phases of this bill as it now presents itself to the House. I think it is futile to discuss whether the reduction in this river and harbor bill has been brought about by reason of the war in Europe or by reason of the filibuster of the distinguished Senator from Ohio [Mr. BURTON]. The practical proposition that we must confront now and pass upon to-day is whether we shall adopt this $20,000,000 proposition or defeat it and run the risk of getting more or none at all. I am frank to confess my regret that it has been necessary to bring into the House a bill appropriating the lump sum of $20,000,000 to be expended by any department of the Government. There are many meritorious propositions and projects in the United States which ought not to be delayed or deferred. I indorse absolutely and in toto every word that the Speaker of the House uttered a moment ago with reference to the Mississippi River. The Mississippi and the Ohio are the two great rivers in the United States that may be considered national propositions. Several years ago, under the leadership of the distinguished Senator from Ohio [Mr. BURTON], a project was inaugurated to canalize the Ohio River from the head of navigation to its mouth on the Mississippi.

If the investment of Government money in the Ohio River will not prove a successful and paying investment from the standpoint of commerce, then it is absolutely useless to spend money on any other river in the United States, for on either side of that great stream, both north and south, there are not only rich acres of fertile land but numerous cities dotting either bank from the mouth to the head of navigation. Not only that, but there are tributaries to this great river like the

Cumberland, which above Nashville carried more than 9,000,000 tons of freight last year and below Nashville practically the same amount, which runs into the coal regions which has as much coal as there is in Alaska, where we propose to spend $40,000,000 to take out coal and ice and other materials indigenous to that country. If the canalization of the rivers of the central Ohio, Mississippi, Missouri, Tennessee, and the Cumberland will not be a paying investment, I think the sooner we disband and abolish all river improvements the better it will be for the country at large.

I regret—whether it be chargeable to a filibuster in another body of Congress or on account of the European war—that we are compelled as a matter of necessity to take $20,000,000 in a lump sum or run the risk of getting no improvements whatever. I have confidence in the Board of Engineers and believe that they will allot the money where it will be most necessary. I hope that they will allot it to such places and will not undertake to satisfy every Member of Congress. I am willing to give up a portion of that which will come to my district if it will help the others. I am willing, if it is necessary, to sacrifice a part of the appropriation for the rivers that affect my district, which has more miles of navigable streams than any other district in the United States, composed, as it is, of the Mississippi, Ohio, Tennessee, and Cumberland, but I do believe that the Board of Engineers, with patriotism and expert knowledge, will allot the money to the Mississippi River Commission, which will have charge of that allotted to the Mississippi, and will parcel out the money where it will be most economically spent not only for navigation and commerce but for the saving of the lives of the people and the destruction of property.

I have not time to recount the great destruction of property from the mouth of the Ohio River to New Orleans, a region where the Government of the United States is undertaking to prevent destruction and loss of life.

As I say, in the absence of any better proposition, in the absence of the hope of getting more, under protest, I am willing to vote for the $20,000,000 proposition which the Senate has sent over to us.

Mr. SPARKMAN. Mr. Speaker, how much time have I remaining?

The SPEAKER pro tempore (Mr. POU). The gentleman has 14 minutes.

Mr. SPARKMAN. I yield, Mr. Speaker, to the gentleman from Pennsylvania [Mr. DONOHOE].

[Mr. DONOHOE addressed the House. See Appendix.]

Mr. SPARKMAN. Mr. Speaker, I yield to the gentleman from Indiana [Mr. LIEB].

[Mr. LIEB addressed the House. See Appendix.]

Mr. SPARKMAN. Mr. Speaker, I yield to the gentleman from Illinois [Mr. FOSTER].

[Mr. FOSTER addressed the House. See Appendix.]

Mr. SPARKMAN. Mr. Speaker, I yield to the gentleman from Kentucky [Mr. STANLEY].

[Mr. STANLEY addressed the House. See Appendix.]

Mr. SPARKMAN. Mr. Speaker, I yield to the gentleman from Virginia [Mr. HOLLAND].

Mr. HOLLAND. Mr. Speaker, I shall vote for this amendment, not because I favor it but because I am unwilling that the projects therein provided for and already commenced shall be temporarily abandoned and thousands of men now engaged in work on these improvements thrown out of employment. I am opposed, however, to the appropriation of a "lump sum" to be expended under the direction of the Board of Engineers, as provided for in this amendment. The money appropriated for these improvements ought to be allotted in accordance with the merits of all the various projects recommended by the engineers, and should not be confined simply to old projects, some of which may be of far less importance than the new ones. I am also opposed to it because I know that whatever allotments may be made by the Board of Engineers will probably subject the members thereof to the criticism, whether just or unjust, of yielding to the importunities of the more influential Members of this body. This might tend to lessen our confidence in this board.

But, Mr. Speaker, I arose to say only a few words in support of the project for the improvement of the Norfolk-Portsmouth and Newport News Channels. This is a new project and will be defeated by the adoption of this amendment. I very much regret this, because I know that the commerce of these ports is amply sufficient to justify the appropriations recommended by the Board of Engineers. The amount recommended for this project by the Board of Engineers was only $1,114,000, and the bill as it passed the House carried an initial appropriation of $400,000 therefor.

I have heard much said to-day about the commerce of the great ports of Boston, New York, Philadelphia, and Baltimore. I am convinced that the commerce of these great ports is amply sufficient to justify us in making appropriations for their improvement. I believe that they should be improved in the interest of commerce. I have been somewhat surprised, however, that none of the speakers have included the port of Norfolk-Portsmouth among the great ports of the Atlantic seaboard. And yet, Mr. Speaker, the tonnage of the port of Norfolk-Portsmouth certainly ranks fourth, if not third, among the ports of the Atlantic coast, and the combined water tonnage of Norfolk-Portsmouth and Newport News is probably greater than that of any other port on the Atlantic coast, with the single exception of New York. The water commerce of the port of Norfolk-Portsmouth, which amounted to less than 2,000,000 tons in 1888, 5,000,000 tons in 1900, and 12,000,000 tons in 1910, for the fiscal year 1912 exceeded a total of 22,000,000 tons and a value of more than one and one-half billion dollars. The increased tonnage for the fiscal year ending June 30, 1913, was over 3,000,000 short tons. The same increase for the fiscal year ending June 30, 1914, would make the present tonnage of this port exceed 25,000,000 tons. It is doubtful if any port on the entire Atlantic coast can show a more steadily increasing tonnage, and if this increase continues, and it is confidently believed it will, the day is not far distant when its water tonnage will exceed that of some of its present rivals. It is already greater than any of the South Atlantic or Gulf ports, and when combined with the tonnage of Newport News, also provided for in the defeated project, it is doubtful if any port on the Atlantic coast, with the single exception of New York, can show a greater tonnage.

In addition to its commerce the Norfolk-Portsmouth Channel is traversed by naval vessels, including the largest colliers and battleships, going to and from the Norfolk Navy Yard. For the fiscal year ending June 30, 1913, 6,666 vessels, of which 2,298 were American, 3,125 foreign steamers, and 33 foreign sailing vessels, cleared the port of Norfolk-Portsmouth. This does not include the large number of coastwise steamers and vessels having Norfolk as the southern terminus of their lines, and does not include the many local tugs and sailing vessels entering this port. The Norfolk-Portsmouth Channel is a very busy one. As many as four and five vessels are frequently seen abreast in the channel. The width of the channel is not sufficient for the actual demands of its business, and a greater width is demanded for its growing commerce.

The total appropriations made for the improvement of the Norfolk-Portsmouth Harbor from 1876 to 1914 aggregate only $2,265,458.84, a small amount in comparison with the amounts expended for the improvement of the other great ports on the Atlantic seaboard. The steady growth of its commerce amply justifies the expenditure of this amount in the improvement of this harbor. I had hoped that the additional appropriation carried in the House bill for its further improvement would not be defeated. It is an improvement that ought not longer be neglected, and which the business of this harbor properly requires.

The bad projects, if any, in the House bill ought to have been eliminated, but projects of this character ought to have been provided for.

Mr. HUMPHREY of Washington. Mr. Speaker, I yield the balance of my time to the gentleman from Illinois [Mr. MANN].

Mr. MANN. Mr. Speaker, I never expect to agree with everybody else and seldom with anybody else. Hence I have no criticism to make of people who do not agree with me. I think it is a mistake in the House where some gentleman makes a fight, believing that he is right, that other Members of the House should therefore indulge in personal criticism, if not abuse. [Applause on the Republican side.] Hence I think some of the remarks which have been made to-day violently criticizing the gentleman from Wisconsin [Mr. FREAR] were unjustifiable, although in many respects about the river and harbor bill I do not agree with him.

I was much surprised that the gentleman from Mississippi [Mr. HARRISON], for whom I have always entertained a high regard, descended so far in debate, as it seems to me he did, endeavoring to give a roast to the gentleman from Wisconsin [Mr. FREAR], who I think is entitled to the thanks of the country for what he has done, whether he be right or wrong. [Applause on the Republican side.]

But the gentleman from Mississippi [Mr. HARRISON], addressing the House with considerable fervor, said:

You call this a "pork-barrel" bill. It is no more a "pork-barrel" bill than the pension bills. I have always voted for pension bills, coming from the South as I do.

Mr. HARRISON. Will the gentleman yield?

Mr. MANN. What for?

Mr. HARRISON. I know the gentleman does not want to misrepresent me, but I did not say that I always voted for pension bills; I said I believed in a reasonable pension for those who deserved it.

Mr. MANN. The gentleman said in effect that he always voted for the pension bills. If he does not make any change in his remarks, the RECORD will justify what I say. It excited my attention and recalled to my memory the fact that the gentleman was slightly in error, in my judgment, and I sent for the RECORD. We have had several roll calls on pension bills, both on private pension bills and on the general appropriation bills, during the last Congress. The gentleman said in effect, "Look at me; I favor pension bills to be paid to the northern soldiers, but you are now opposing a river and harbor bill to be expended in the South," and he criticized the gentlemen who were opposing the Senate amendment in this respect. And I find that on March 21, 1912, when the gentleman from Missouri [Mr. RUSSELL] moved to suspend the rules and pass a private omnibus pension bill, which was passed by a vote of 193 yeas to 34 nays, the name of the gentleman from Mississippi [Mr. HARRISON], while it did not lead all the rest, is to be found conspicuously among those voting nay; and on February 18, 1913, when the vote was taken again on the passage of an omnibus private pension bill, and the yeas and nays were ordered at the demand of Mr. Roddenbery, when the yeas were 219 and the nays were 40, that again the name of the distinguished gentleman from Mississippi [Mr. HARRISON], who favors pension legislation and pension bills, is found recorded among those voting nay. And on March 9, 1912, when we had before us the annual appropriation bill making appropriations to pay those pensions which had already been allowed under the law, on a point of no quorum being made, and the yeas and nays being ordered, the yeas on the passage of the bill being 214 and the nays 38, I find that again the distinguished gentleman from Mississippi, so ardently in favor of pension bills and pension appropriation bills, had his name recorded as voting nay.

Mr. Speaker, I should not have referred to this except for the holier-than-thou attitude which the gentleman from Mississippi assumed while criticizing the gentleman from Wisconsin [Mr. FREAR]. It is a pretty good thing when you live in a glass house not to throw stones. So much for that.

Mr. Speaker, the Spanish War was going on in 1898. I entered the House during that Congress. The first regular session was being held when the Spanish War was declared. That war was going on when Congress adjourned. Did the Republicans pass a river and harbor appropriation bill at that session of Congress? We passed a war-revenue bill, increasing the tax laid upon the people. Did we turn around then and appropriate money for river and harbor improvements which might easily wait over? We did not. We passed no river and harbor bill in 1898, during the continuance of the war, and immediately following the law providing for an increase in taxation. The next year, in 1899, what did we do? We passed a river and harbor bill which carried only $16,000,000. Sixteen million dollars, and no river and harbor bill the year before. We passed a modest river and harbor bill, and shortly after that the Democratic national convention adopted a platform, bearing in mind even the appropriation of $16,000,000 in two years for rivers and harbors, in which they made use of this language, and I read now from the Democratic platform of 1900:

We denounce the lavish appropriations of recent Republican Congresses, which have kept taxes high and which threaten the perpetuation of the oppressive war levies.

We favor the reduction and speedy repeal of the war taxes, and a return to the time-honored Democratic policy of strict economy in governmental expenditures.

[Laughter on the Republican side.]

Mr. Speaker, we passed no river and harbor bill during the Fifty-sixth Congress. The next river and harbor bill after 1899 was passed in 1902, at the first session of the Fifty-seventh Congress. We did not pass a river and harbor bill at the first session of the Fifty-eighth Congress. Three years passed by without the passage of a river and harbor bill, and, so far as I know, the country was not suffering anywhere because we were waiting on river and harbor improvements.

Mr. SPARKMAN. Mr. Speaker, will the gentleman yield?

Mr. MANN. If the gentleman will yield me the time. I will yield if he will take it out of his time.

The SPEAKER pro tempore. The gentleman from Illinois declines.

Mr. MANN. I decline to yield out of my time, but not out of his.

Mr. SPARKMAN. Then I will say what I have to say in my own time.

Mr. MANN. That is better. We appropriated $16,000,000 in 1899, nothing in 1898, nothing in 1900, nothing in 1901, and in 1902 we appropriated $26,000,000, and we had made no further appropriation up to the time that the Democratic convention met in 1904. That convention, foreseeing the future, foreseeing that in the Sixty-third Congress the Democratic Party would appropriate $41,000,000 last year and try to appropriate $53,000,000 this year—and even if it appropriates $20,000,000 this year it will appropriate $63,000,000 in two years, where the Republicans have appropriated $26,000,000 in four years—in one of its planks adopted this language:

Large reductions can easily be made in the annual expenditures of the Government without impairing the efficiency of any branch of the public service, and we shall insist upon the strictest economy and frugality compatible with vigorous and efficient civil, military, and naval administration as a right of the people too clear to be denied or withheld.

Think of it! A Democratic national convention said that $16,000,000 in two years was gross extravagance; that $26,000,000 in four years was a wanton expenditure, and the country has not changed very much since then, as far as any river and harbor improvements are concerned. And now last year this Congress having appropriated $41,000,000, as much as a Republican Congress had appropriated in six years, you insist upon appropriating another $20,000,000 in the face of the platform of the last Democratic national convention. I know you want to forget it, but I am going to read it to you. I do not blame you for wishing you could tear it out of the platform:

We denounce the profligate waste of the money wrung from the people by oppressive taxation through the lavish appropriations of recent Republican Congresses, which have kept taxes high and reduced the purchasing power of the people's toil. We demand a return to that simplicity and economy which befits a democratic government and a reduction in the number of useless offices, the salaries of which drain the substance of the people.

[Applause on the Republican side.]

I am glad to note that a few gentlemen on the Democratic side can still applaud that utterance in that platform without blushing. [Laughter on the Republican side.] Most of them can not do it. [Applause on the Republican side.] What is the situation confronting us? We passed a river and harbor bill during the winter, when no one dreamed of a war in Europe. The governmental receipts may have justified the expenditure of the money, but since that time a war in Europe has broken out which has caused this administration to demand a new taxation. The ink is hardly dry on the signature of the Clerk of this House transmitting to the Senate a bill to increase the taxes of the people and now, in the face of the record of the past, in the face of the fact that no Congress preceding the last Congress has ever appropriated or passed two rivers and harbors bills in any one Congress, you propose to reverse all the policy of the Government in the past, at this time when we are laying new burdens of taxation upon the people, and appropriate the money, which is not needed for present maintenance of projects. Every man who signs a promissory note will contribute to these river and harbor improvements which might wait over without damage; every man who sends an express or freight package will contribute to these river and harbor expenditures; every man who sends a telephone or telegraph message will contribute to these river and harbor expenditures; every man who signs a deed will pay 50 cents on each $500 of value that it may be sunk in river and harbor improvements; every man who takes out life insurance will pay 8 cents on each $100 of insurance to contribute to these rivers and harbors expenditures; every man who takes out fire insurance will pay 5 mills on each $1 of premium to the same end; every man who is hard up and mortgages his property will contribute 25 cents on each $500 of mortgage above $1,000 to this end. Is it worth the while? Do you think on the Democratic side of the House that you want to go to the country upon the proposition that you propose to appropriate now $20,000,000 for river and harbor improvements while you are in the meanwhile adding to the taxes of the people? These improvements will not be injured if they wait over. Sixteen million dollars in 1899 carried them along well; $26,000,000 more in 1902 carried them along well; $41,000,000 last year was sufficient to carry the river and harbor improvements certainly until the next session of Congress. Economy! My friend from Florida [Mr. SPARKMAN] referred to the gentleman from Wisconsin [Mr. FREAR]—and I am not sure but he did to myself—as being in favor of extravagant expenditures. While I do not criticize my friend from Florida, who is so seldom here on the floor that he does not know what position we do take, but whatever position we have taken, we take the position now that these river and harbor improvements and maintenance can well wait over until we know what effect will be caused by the European war upon our revenues. [Applause on the Republican side.] It will not hurt anybody except those

who seek to be returned to Congress only upon the basis that they have secured appropriations, and I hope there are none of that kind.

I do not think it wise to do this. If this river and harbor bill is defeated, or the amount appropriated is reduced from $20,000,000 to $5,000,000, the Senate may well strike out all of these odious stamp taxes in the war-revenue bill, and if we will keep the expenditure for rivers and harbors down to where they belong at this time that action, in my opinion, will be taken in the Senate. And then when we have the money raised in the ordinary way we will continue the river and harbor improvements throughout the country where they ought to be continued, by proper legislative action, instead of leaving it as a matter of favoritism to the engineers of the Government. [Applause on the Republican side.]

How much time have I remaining, Mr. Speaker?

The SPEAKER. The gentleman has seven minutes remaining.

Mr. MANN. I yield that to the gentleman from New York [Mr. FITZGERALD], if he so desires.

Mr. FITZGERALD. Mr. Speaker, I desire to make a brief statement of my position on this bill. The motion to concur in the Senate amendment will eliminate all new projects which were proposed in the bill by the House. When the bill passed the House it contained an item of $500,000 for the removal of what is known as Coenties Reef, in the East River. The city of New York is engaged in the construction of a subway system to relieve the congested transportation situation in that city that involves an expenditure of $300,000,000. One of the tubes to connect the island of Manhattan with Brooklyn is projected to pass through that reef. The officials of the city of New York, joining with the Army engineers, presented to the Committee on Rivers and Harbors the item for the appropriation and authorization for the removal of the reef at this time, because if it be not done at the earliest opportunity it will have to be undertaken after tubes providing for double-track trains have been built under the river through the reef. The cost will be greatly increased, while the danger of doing the work and the possibility of completely damaging, if not ruining, the subway system is recognized by all engineers as very great. I can not bring myself to vote for an appropriation of $20,000,000 to continue river and harbor improvement work throughout the country if an item of this character, of such vital importance to a community of almost 6,000,000 souls, to a community which has contributed more than 60 per cent of the money expended by the State of New York in the construction of a canal system that has cost $139,000,000, without any help from the Federal Government, is not to be provided for at this time. Contributing, as it does, so much toward the revenues of the Government, relying so much upon its own resources, whatever provision is made by the Congress for river and harbor improvements at this time, in my judgment, should contain the necesssary authority and money to remove Coenties Reef and thus permit the public improvements mentioned, so vital to the welfare and prosperity of the metropolis of the country, to be continued without jeopardizing the safety of the people and increasing the financial burdens that will result. So long as this bill does not provide for that improvement I shall not vote for an appropriation of $20,000,000. Rather than be a party to authorizing an expenditure of $20,000,000 for river and harbor improvements without provision for this item so vital to the interests of the city of New York, I shall vote for the amendment, which I understand has been offered by the gentleman from Washington [Mr. HUMPHREY], to appropriate $5,000,000 to continue only the absolutely essential maintenance work upon existing improvements. [Applause.]

Mr. SPARKMAN. Mr. Speaker——

The SPEAKER. The gentleman from Florida is recognized for 13 minutes.

Mr. SPARKMAN. Mr. Speaker, I do not expect to occupy the time of this House for 13 minutes—at least, I hope not—but I do wish to take a very few minutes to reply to some remarks made here this afternoon and also to refer briefly to one or two amendments offered.

The first amendment to which I desire to direct attention is that of the gentleman from Illinois [Mr. RAINEY]. I sympathize very much with the objects and purposes of that amendment, but if we were to adopt it, as I stated this morning, we would in all probability imperil the passage of that measure in the Senate when our action goes back there for action.

I am told that if it goes back there with any amendment attached to it likely to provoke discussion, it will probably be hung up there indefinitely and likely not reach a vote in that body, which, of course, would be fatal to the proposed legislation.

Then, there is another objection to the proposed amendment, but before I go further I want to say that the Rivers and Harbors Committee of the House inserted a provision, not just of that nature but which would have met the same ends sought to be gained by the amendment, but it was stricken out in the Senate and went along with other discarded items at that end of the Capitol. That provision, like this, would have extended the jurisdiction of the Mississippi River Commission up to Rock Island, Ill. But work on the channel of the river between the mouth of the Missouri and Rock Island is now being prosecuted under a project which is in charge of the engineers and over which the Mississippi River Commission has no jurisdiction. In other words, it is a project calling for open-channel and regulation works as contradistinguished from that of levee building. This project was adopted some years ago, and appropriations have been made for it in each bill since its adoption. This bill as it left the House carried a large appropriation for the work, so that if the amendment offered were to be adopted it would, I fear, interfere materially with work under this project.

Mr. RAINEY. Mr. Speaker——

The SPEAKER. Will the gentleman from Florida yield to the gentleman from Illinois?

Mr. SPARKMAN. Let me finish this statement, and I will be glad to do so.

Now, Mr. Speaker, when we went to deal with the feature of levee building above the mouth of the Ohio River we inserted a separate provision from that, in which an appropriation to be expended on the lower part of the river was made, simply providing that any funds appropriated in the bill for improving the Mississippi River between Head of Passes and the mouth of the Ohio River, and which may be allotted to levees, may be expended, under the direction of the Secretary of War, in accordance with the plans, specifications, and recommendations of the Mississippi River Commission, as approved by the Chief of Engineers, for levees upon any part of said river between Head of Passes and Rock Island, Ill., in such manner as, in their opinion, shall best improve navigation and promote the interests of commerce at all stages of the river.

It will be observed that the Mississippi River Commission under the preceding paragraph was given a sum of money to be expended under the direction of the Secretary of War, in accordance with plans, specifications, and recommendations of the Mississippi River Commission as approved by the Chief of Engineers, for the general improvement of the river, for the building of levees, and so forth, thus clothing the Mississippi River Commission with the power not only to build levees but to do construction work in the river. Now, to adopt the amendment offered by the gentleman from Illinois would give the Mississippi River Commission like jurisdiction over the channel above the mouth of the Ohio and at least as far up as Rock Island, Ill., thus taking from the engineers the work they are now doing there; besides, it might have the effect of very seriously interfering with, if it did not make it impossible to do, the work in the river between Rock Island and St. Paul.

That is to say, we provided that the jurisdiction of the Mississippi River Commission should be extended to Rock Island, Ill., and that any money that was appropriated for the purpose of levee building in the interest, of course, of navigation should be expended by the Mississippi River Commission. Now, to adopt this particular amendment would be going beyond that provision and would take that work from the engineers, causing, no doubt, a great deal of confusion. It would take away from them the work that they are doing and would turn that open-channel work over to the Mississippi River Commission—something that we have not as yet contemplated, and something for which there is no recommendation whatever by the engineers.

Mr. RAINEY. Mr. Speaker, will the gentleman yield there?

Mr. SPARKMAN. I will.

Mr. RAINEY. Is it not true, however, that the effect of my amendment, if adopted, would leave it optional with the Mississippi River Commission as to whether they would expend any money on the upper river or not?

Mr. SPARKMAN. That is correct.

Mr. RAINEY. Then, one question further. If that is true, the adoption of this amendment would not interfere with any project south of the mouth of the Ohio River. If the Mississippi River Commission wanted to spend all of this money south of the mouth of the Ohio River, they could still do it?

Mr. SPARKMAN. Yes; but it would turn over to the commission all the open-channel and other work, which was not

contemplated, as the purpose was to only permit them to do levee building in the interest of navigation.

Mr. RAINEY. Is not my amendment in line with the original act creating the Mississippi River Commission, which gave them jurisdiction as far north as the headwaters of the river?

Mr. SPARKMAN. Yes; that is probably true, but since then by several acts of Congress that jurisdiction of the commission has been cut down from time to time until now it only extends upstream to the mouth of the Ohio River.

Mr. RAINEY. If my amendment should be defeated, what is going to become of this $190,000 of unexpended balance which the Mississippi River Commission has already allotted to the levees on the upper river?

Mr. SPARKMAN. I was coming to that. I am not sure, I will say, Mr. Speaker, but that the Mississippi River Commission already has jurisdiction up to Rock Island. That is a legal question depending upon the construction of legislation had regarding that matter in the bill of 1913.

Mr. RAINEY. This bill now limits all expenditures to the lower river.

Mr. SPARKMAN. That depends, as I said, upon what construction is placed upon the 1913 act. It may not have been necessary, but out of abundance of caution we inserted the provision in the way I stated, but the language contained in the amendment offered by the gentleman would, I fear, repeal the project upon which we are now doing work in the upper Mississippi River, at least as far up as Rock Island.

Now, Mr. Speaker, a word in regard to the amendment offered by the gentleman from New York relating to Coenties Reef. That is a very important work, but, so far as navigation is concerned, is no more urgent than many others cut out by the Senate amendment; but still it is important that the reef be removed before the city of New York runs the tunnel through it, because if the tunnel is constructed first, the blasting that would be necessary later in order to remove the reef might destroy the tunnel, as dynamite used in blasting might destroy the tunnel; so that the Committee on Rivers and Harbors thought it wise to insert and did insert a provision in the bill appropriating $500,000 for the removal of this reef; but in the Senate it was, along with many other good provisions, eliminated; and while I sympathize very much with the city of New York, and am sorry the provision was stricken out, as it was a very meritorious one, I can not consent to the amendment offered by the gentleman from New York, for if we adopt that amendment we will be doing something for that project that we are not doing for any other place; we will be making an exception that we ought not to make, unless we are prepared to open up the bill all along the line. So, very reluctantly, I am compelled to oppose the amendment and for reasons just given to express the hope that it will not be adopted.

Now, just a word in regard to the remarks made by the gentleman from Illinois [Mr. MANN] as to the appropriations that have been made during recent years for river and harbor improvement. For instance, the gentleman spoke of the bill of 1899 as carrying, I think, fifteen or sixteen million dollars, while, as a matter of fact, Mr. Speaker, that bill carried about $37,000,000.

Again, the gentleman spoke of quite a number of Congresses during which there were no appropriations at all made for rivers and harbors. He passed over in silence the year 1901, when one among the largest bills for rivers and harbors ever framed was passed by this body, with the gentleman, I presume, voting for it, as he usually votes for those measures, and very properly, too. But it went to the Senate, and there it was talked to death by a distinguished Senator who obtained the floor with the intention of killing it. This Senator talked until the 4th of March had rolled around, and the bill died on the calendar. Now, a word——

Mr. DONOVAN. Mr. Speaker, did I understand the gentleman to say that the gentleman from Illinois [Mr. MANN] was in error and that instead of a $16,000,000 appropriation there was $38,000,000?

Mr. SPARKMAN. Thirty-seven million dollars.

Mr. MANN. Does the gentleman say——

Mr. SPARKMAN. Will the gentleman yield me some time if I answer his question?

Mr. MANN. I will. How much time have I remaining?

The SPEAKER. Two minutes.

Mr. SPARKMAN. I will yield to the gentleman, anyway, and without any condition.

Mr. MANN. Does the gentleman say that the river and harbor bill of 1899 appropriated $37,000,000?

Mr. SPARKMAN. No; I did not say that. I said it carried that amount; but the gentleman did not call attention to the large authorization carried in that bill which is equivalent to a cash appropriation, as it comes in succeeding sundry civil bills.

Mr. MANN. That is true; I did not. But it was not appropriated at that time, nor for a considerable time after that.

Mr. SPARKMAN. That is a very common way gentlemen sometimes have—I will not say the gentleman from Illinois—of getting around or distracting attention from such large appropriations regarded by some as extravagant. [Applause on the Democratic side.]

Mr. MANN. I did not hear what the gentleman said.

Mr. SPARKMAN. Now, a few words with reference to the amount appropriated by the Democrats here for rivers and harbors since they have had control of this body—the gentleman spoke of some very large amount as having been appropriated since then, I have forgotten just what it was, but it was something enormous—much larger than the records will show it to have been.

I want to say that the only bills that have been passed by Congress since the Democrats have assumed control were those of 1912 and 1913, the aggregate of which footed up about $80,000,000; but from 1896 down to 1911, inclusive, the Congress during all these years being under the control of the Republican Party, appropriated—very properly, in my judgment—the large sum of about $400,000,000, while during the years that the Democrats have had the House—now nearly four—we have only appropriated $80,000,000, and in doing this we have kept within the recommendations of the engineers. In other words, the engineers have recommended every project we have adopted in this House and each sum we have appropriated for the various projects carried in each bill.

Mr. DONOVAN. I should like to ask the gentleman if he said the amount was $400,000,000 during the years that the gentleman from Illinois [Mr. MANN] said it was only $16,000,000?

Mr. SPARKMAN. I do not recall what the gentleman from Illinois said.

Mr. DONOVAN. Do we understand the chairman of the commitee to say that $400,000,000 was spent from 1898 to 1911, inclusive, when the gentleman from Illinois wanted us to believe that it was practically only $16,000,000?

Mr. SPARKMAN. I think the gentleman from Connecticut is in error as to the $16,000,000.

Mr. DONOVAN. But you say $400,000,000 is correct?

Mr. SPARKMAN. Yes. Now, Mr. Speaker, just a word with reference to the amount that is now available or was available on June 30 last. Remarks have been made which would indicate that gentlemen are laboring under an erroneous impression as to that matter, and I should like to have the special attention of the gentleman from Wisconsin [Mr. STAFFORD] while I am on that subject. He repeated a remark which has been made several times, that the available balance on that date was $45,338,000, or something like that. I want to say that he has perhaps been led into error by not noticing closely the first column of the figures furnished by the War Department in Senate Document 550. The first column of this document refers to balances unexpended and to available balances. The report in the last column shows the available balance to be only $22,000,000 instead of $45,000,000, and that out of that should come $4,350,000, which pertains to works of improvement held up pending compliance with terms of cooperation on the part of local interests, and which will not be expended until those conditions have been complied with.

Now, this amount should be deducted, as it is not available for immediate use, and may not be for months and years. Deducting this would leave the apparent balance at $18,288,411, but I am told at the War Department that this apparent is not the actual available balance applicable to works contained in the rivers and harbors bill as it left the House, and that only about $9,000,000—I speak in round figures—is really available for the projects covered by the House bill, so that instead of having $45,000,000 available, as the gentlemen have said, we only have about $9,000,000. Now, I do not suppose that any gentleman intended to mislead, but that he only was mistaken by reason of not having noted carefully the difference between "balances unexpended" and "balances available," which are often quite different things.

Now, Mr. Speaker, I do not like to refer to politics or political parties when considering a river and harbor bill, which is a business proposition and should not be treated from a partisan standpoint. Since I first entered Congress to the present time no river and harbor bill, so far as I know, has ever been framed or considered upon political lines, and I regret to see an ap-

parent effort here to-day to inject politics into our deliberations. But since reference has been made to the appropriations made by Congress while last under the control of the Republican Party, and a comparison sought to be made between appropriations during that period and those made since Congress passed into the control of the Democratic Party, I will here insert in my remarks the following statement, showing the amounts carried in the various river and harbor bills since and including that of 1896:

June 3, 1896	$76,195,570.37
Mar. 3, 1899	36,730,166.07
June 13, 1902	65,107,602.00
Mar. 3, 1905	35,366,533.04
Mar. 2, 1907	86,872,432.00
Mar. 3, 1909	10,071,625.00
June 25, 1910	51,945,843.50
Feb. 27, 1911	36,956,987.00
July 25, 1912	33,259,370.50
Mar. 4, 1913	47,868,894.00
Total	480,375,023.48

I do not wish it to be understood that I am finding fault with the appropriations. They were all needed, while the most of them have been expended, and that, too, upon worthy projects. But reference to them will enable anyone to see that both parties have been liberal—none too liberal, let me say—toward river and harbor improvement during the past two decades.

Mr. STAFFORD. If the gentleman will yield, I stated all those facts.

Mr. FITZGERALD. Mr. Speaker, I wish to offer an amendment.

Mr. CLARK of Florida. Mr. Speaker, a point of order. The amendment had to be offered during the debate, as I understood it.

The SPEAKER. The Chair's recollection of the agreement is that anybody who made a speech could offer an amendment.

Mr. CLARK of Florida. While he had the floor.

Mr. MANN. I yielded to the gentleman the time which I had.

Mr. CLARK of Florida. Yes; but he did not offer the amendment when he had the floor.

The SPEAKER. The gentleman from Illinois has two minutes yet remaining.

Mr. MANN. I yield two minutes to the gentleman from New York [Mr. FITZGERALD].

Mr. CLARK of Florida. Oh, well, if the gentleman does that——

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Page 6, line 16, after the word "works," insert "including not to exceed $500,000 for improving East River and Hell Gate, N. Y., in accordance with the report submitted in House Document No. 108, Sixty-third Congress, first session."

Mr. FITZGERALD. Mr. Speaker, this amendment if adopted would enable the Army Engineers to commence the work of removing Coenties Reef, to which I have already referred, through which one of the tubes of the $300,000,000 subway system in the city of New York is to be constructed. It seems to me that the House, if it intends to appropriate $20,000,000 for river and harbor work, considering the gravity of the situation and the tremendous importance of the item to the city of New York, taken into consideration with the fact that that city has contributed from 60 to 70 per cent of the $139,000,000 expended by the State of New York for the construction of a 1,000-ton barge canal without appealing to the Federal Government for aid, ought to adopt this amendment. The amendment does not increase the proposed expenditure of $20,000,000, but if adopted it would authorize the work and enable preparations to be completed and the work begun. Otherwise if the tube is completed through the reef before the necessary removal is done and afterwards the work is authorized, as it soon must be, the cost, in the opinion of the best engineers, will be enormously increased, while the safety of the tubes will be impaired. Such a situation has never existed elsewhere in the country. If this item affected some improvement desirable, important, even essential to the development of the port of New York, special effort would not be made at this time to have it included in the pending bill. But a situation unique in our history is present. A subway system unrivaled in all time has been projected, planned, authorized, and financed. Contracts have been let to successful bidders, and an improvement vitally affecting 6,000,000 people and to cost $300,000,000 has been begun. The removal of the proposed portion of this reef is imperative at this time. Refusal to act can not be justified, and the House should adopt the amendment.

Mr. HUMPHREY of Washington. Mr. Speaker, I withdraw the first amendment that I offered.

Mr. SPARKMAN. Mr. Speaker, can we have that amendment reported?

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Page 66, line 11, after the word "of," strike out "$20,000,000" and insert "$5,000,000."

The SPEAKER. The gentleman from Washington withdraws that amendment, and the Clerk will report the second amendment offered by the gentleman from Washington.

The Clerk read as follows:

Substitute for the Senate amendment:

"That the sum of $5,000,000 be, and the same hereby is, appropriated, out of any moneys in the Treasury not otherwise appropriated, to be immediately available and to be expended under the direction of the Secretary of War and the supervision of the Chief of Engineers, for the preservation and maintenance of existing river and harbor works: *Provided*, That allotments for maintenance from the amount hereby appropriated shall be made by the Secretary of War upon the recommendation of the Chief of Engineers: *Provided further*, That allotments for the maintenance of the Mississippi River from the Head of Passes to the mouth of the Ohio River shall be expended under the direction of the Secretary of War in accordance with the plans, specifications, and recommendations of the Mississippi River Commission as approved by the Chief of Engineers: *And provided further*, That at the beginning of the next session of Congress a special report shall be made to Congress by the Secretary of War showing the amount allotted under this appropriation to each work of maintenance."

Mr. MANN. Mr. Speaker, several amendments were offered to perfect the text of the Senate amendment, and those would come first before the vote on the substitute. This amendment of the gentleman from Washington is a substitute, and the other amendment would come first and the substitute next.

Mr. SPARKMAN. Mr. Speaker, I make a point of order that the gentleman's substitute was not read during the debate, and the agreement this morning was that all amendments should be offered during general debate.

Mr. MANN. I think the gentleman from Florida must have been asleep.

Mr. HUMPHREY of Washington. It was read.

The SPEAKER. The suggestion of the gentleman from Illinois as to the manner in which these votes shall be taken is correct. The substitute will be waived for the time being, and then the Chair will pass upon the points of order. The Clerk will report the first amendment.

The Clerk read as follows:

Amend, page 66, line 16, by striking out the word "existing."

The SPEAKER. The question is on the amendment.

The question was taken, and the amendment was rejected.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment offered by Mr. PARKER:

"Page 67, line 7, after the word 'improvement,' insert '*And provided further*, That of the $20,000,000 herein appropriated $750,000 shall be applied to the improvement of the Hudson River by continuing the construction of the lock and dam at Troy, N. Y.'"

The SPEAKER. The question is on the amendment.

The question was taken, and the amendment was rejected.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment by Mr. RAINEY:

"Amend by striking out, in lines 24 and 25 on page 66, the words 'the mouth of the Ohio River' and insert in lieu thereof 'Rock Island, Ill.'"

The SPEAKER. The question is on agreeing to the amendment.

The question was taken, and on a division (demanded by Mr. RAINEY) there were—ayes 46, noes 123.

So the amendment was rejected.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment by Mr. FITZGERALD:

"Page 66, line 16, after the word 'works,' insert 'including not to exceed $500,000 for improving the East River and Hell Gate, N. Y., in accordance with the report submitted in House Document No. 108, Sixty-third Congress, first session.'"

The SPEAKER. The question is on agreeing to the amendment.

The question was taken, and on a division (demanded by Mr. FITZGERALD) there were—ayes 61, noes 136.

Mr. FITZGERALD. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from New York makes the point of order that there is no quorum present, and the Chair will count. [After counting.] Two hundred and thirty-seven Members present—a quorum.

So the amendment was rejected.

The SPEAKER. The Clerk will now report the second Humphrey substitute.

Mr. MANN. Mr. Speaker, that has been already reported.

The SPEAKER. Very well. What point of order was it that the gentleman from Florida desired to make against that?

Mr. SPARKMAN. Mr. Speaker, I do not care to make the point of order against the substitute.

The SPEAKER. The question is on agreeing to the amendment offered by the gentleman from Washington [Mr. HUMPHREY] in the nature of a substitue.

Mr. MANN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 130, nays 171, answered "present" 0, not voting 130, as follows:

YEAS—130.

Adair	Fitzgerald	Kennedy, Iowa	Plumley
Anderson	Fitzhenry	Kennedy, R. I.	Post
Anthony	Fordney	Kinkaid, Nebr.	Prouty
Ashbrook	Foster	Kreider	Reilly, Wis.
Avis	Frear	La Follette	Roberts, Mass.
Bailey	Gallagher	Langham	Roberts, Nev.
Barton	Gallivan	Langley	Rogers
Borchers	Gard	Lenroot	Saunders
Brown, W. Va.	Gardner	Lobeck	Scott
Browne, Wis.	Gillett	McAndrews	Seldomridge
Bulkley	Goeke	McKenzie	Sells
Burke, S. Dak.	Good	McLaughlin	Shreve
Callaway	Gorman	MacDonald	Sloan
Campbell	Gray	Madden	Smith, J. M. C.
Carew	Green, Iowa	Maguire, Nebr.	Smith, Minn.
Cary	Greene, Mass.	Manahan	Smith, Tex.
Clancy	Greene, Vt.	Mann	Stafford
Connelly, Kans.	Griest	Mapes	Stephens, Miss.
Cooper	Hamilton, Mich.	Metz	Stephens, Tex.
Cramton	Hayes	Miller	Stevens, Minn.
Crosser	Helgesen	Mondell	Stone
Danforth	Helm	Morgan, Okla.	Talcott, N. Y.
Davis	Helvering	Morrison	Taylor, Colo.
Decker	Hinds	Moss, Ind.	Thompson, Okla.
Deitrick	Hinebaugh	Norton	Thomson, Ill.
Dillon	Howard	O'Hair	Towner
Doolittle	Hulings	O'Leary	Treadway
Drukker	Humphrey, Wash.	Page, N. C.	Volstead
Dunn	Johnson, Utah	Paige, Mass.	Walters
Esch	Johnson, Wash.	Patten, N. Y.	Webb
Evans	Keating	Patton, Pa.	Whitacre
Fairchild	Kelley, Mich.	Payne	
Fess	Kelly, Pa.	Platt	

NAYS—171.

Abercrombie	Difenderfer	Igoe	Rucker
Adamson	Dixon	Jacoway	Russell
Aiken	Donohoe	Johnson, Ky.	Scully
Alexander	Donovan	Johnson, S. C.	Shackleford
Allen	Doremus	Kettner	Sherley
Aswell	Dupré	Key, Ohio	Sherwood
Baker	Eagan	Kirkpatrick	Sims
Baltz	Eagle	Kitchin	Sinnott
Barchfeld	Edmonds	Lafferty	Slayden
Barkley	Falconer	Lazaro	Small
Barnhart	Fergusson	Lee, Ga.	Smith, Idaho
Bathrick	Ferris	Lee, Pa.	Sparkman
Beakes	Fields	Lesher	Stanley
Beall, Tex.	Finley	Lieb	Stephens, Cal.
Bell, Ga.	Flood, Va.	Logue	Stout
Blackmon	Floyd, Ark.	Lonergan	Sutherland
Booher	Fowler	McCoy	Switzer
Borland	Garner	McGillicuddy	Taggart
Bowdle	Garrett, Tenn.	McKellar	Tavenner
Brockson	Garrett, Tex.	Mahan	Taylor, Ala.
Brodbeck	Gerry	Mitchell	Taylor, Ark.
Broussard	Gill	Moon	Temple
Brumbaugh	Gillmore	Moore	Ten Eyck
Bryan	Glass	Morgan, La.	Thacher
Buchanan, Tex.	Goodwin, Ark.	Moss, W. Va.	Thomas
Burgess	Gordon	Mulkey	Townsend
Burnett	Goulden	Murray, Mass.	Tribble
Butler	Graham, Ill.	Murray, Okla.	Tuttle
Byrns, Tenn.	Gudger	Neely, W. Va.	Underhill
Caraway	Hamlin	Nolan, J. I.	Underwood
Carter	Hardwick	Oldfield	Vare
Casey	Hardy	Padgett	Vaughan
Church	Harrison	Park	Vollmer
Clark, Fla.	Hart	Parker	Walker
Cline	Hawley	Peterson	Watson
Collier	Hayden	Phelan	Weaver
Cox	Heflin	Pou	Whaley
Crisp	Henry	Quin	White
Cullop	Hill	Rainey	Williams
Curry	Holland	Raker	Wilson, Fla.
Dent	Houston	Reilly, Conn.	Wingo
Dickinson	Hughes, Ga.	Rouse	Young, Tex.
Dies	Hull	Rubey	

ANSWERED "PRESENT"—0.

NOT VOTING—130.

Ainey	Chandler, N. Y.	George	Jones
Ansberry	Claypool	Gittins	Kahn
Austin	Coady	Godwin, N. C.	Keister
Bartholdt	Connolly, Iowa	Goldfogle	Kennedy, Conn.
Bartlett	Conry	Graham, Pa.	Kent
Bell, Cal.	Copley	Gregg	Kiess, Pa.
Britten	Covington	Griffin	Kindel
Brown, N. Y.	Dale	Guernsey	Kinkead, N. J.
Browning	Davenport	Hamill	Knowland, J. R.
Bruckner	Dershem	Hamilton, N. Y.	Konop
Buchanan, Ill.	Dooling	Hammond	Korbly
Burke, Pa.	Doughton	Harris	L'Engle
Burke, Wis.	Driscoll	Haugen	Lever
Byrnes, S. C.	Edwards	Hay	Levy
Calder	Elder	Hensley	Lewis, Md.
Candler, Miss.	Estopinal	Hobson	Lewis, Pa.
Cantor	Faison	Howell	Lindbergh
Cantrill	Farr	Hoxworth	Lindquist
Carlin	Francis	Hughes, W. Va.	Linthicum
Carr	French	Humphreys, Miss.	Lloyd
Loft	Oglesby	Sabath	Taylor, N. Y.
McClellan	O'Shaunessy	Sisson	Wallin
McGuire, Okla.	Palmer	Slemp	Walsh
Maher	Peters	Smith, Md.	Watkins
Martin	Porter	Smith, N. Y.	Willis
Merritt	Powers	Smith, Saml. W.	Wilson, N. Y.
Montague	Ragsdale	Stedman	Winslow
Morin	Rauch	Steenerson	Witherspoon
Mott	Rayburn	Stephens, Nebr.	Woodruff
Murdock	Reed	Stevens, N. H.	Woods
Neeley, Kans.	Riordan	Stringer	Young, N. Dak.
Nelson	Rothermel	Sumners	
O'Brien	Rupley	Talbott, Md.	

So the Humphrey substitute was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. HUMPHREYS of Mississippi (against substitute) with Mr. WINSLOW (for).

For to-day:

Mr. HAY with Mr. KAHN.

Until further notice:

Mr. GREGG with Mr. AUSTIN.

Mr. WATKINS with Mr. WILLIS.

Mr. SUMNERS with Mr. BROWNING.

Mr. UNDERHILL with Mr. CALDER.

Mr. FRANCIS with Mr. BELL of California.

Mr. BARTLETT with Mr. GRAHAM of Pennsylvania.

Mr. KONOP with Mr. LEWIS of Pennsylvania.

Mr. HENSLEY with Mr. J. R. KNOWLAND.

Mr. CONNOLLY of Iowa with Mr. POWERS.

Mr. TALBOTT of Maryland with Mr. MERRITT.

Mr. PALMER with Mr. MARTIN.

Mr. DERSHEM with Mr. KIESS of Pennsylvania.

Mr. ANSBERRY with Mr. AINEY.

Mr. BUCHANAN of Illinois with Mr. BARTHOLDT.

Mr. BURKE of Wisconsin with Mr. BRITTEN.

Mr. BYRNES of South Carolina with Mr. BURKE of Pennsylvania.

Mr. CANDLER of Mississippi with Mr. CHANDLER of New York.

Mr. CANTOR with Mr. COPLEY.

Mr. CANTRILL with Mr. FARR.

Mr. CARR with Mr. GUERNSEY.

Mr. DAVENPORT with Mr. HAMILTON of New York.

Mr. DOUGHTON with Mr. HAUGEN.

Mr. STEDMAN with Mr. HOWELL.

Mr. EDWARDS with Mr. HUGHES of West Virginia.

Mr. ESTOPINAL with Mr. KEISTER.

Mr. GODWIN of North Carolina with Mr. LINDQUIST.

Mr. GOLDFOGLE with Mr. MCGUIRE of Oklahoma.

Mr. KINKEAD of New Jersey with Mr. MORIN.

Mr. LEVER with Mr. MOTT.

Mr. LEVY with Mr. PETERS.

Mr. LEWIS of Maryland with Mr. PORTER.

Mr. LINTHICUM with Mr. SLEMP.

Mr. MCCLELLAN with Mr. SAMUEL W. SMITH.

Mr. MONTAGUE with Mr. STEENERSON.

Mr. NEELEY of Kansas with Mr. WALLIN.

Mr. RAGSDALE with Mr. WOODRUFF.

Mr. REED with Mr. WOODS.

Mr. SABATH with Mr. YOUNG of North Dakota.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on concurring in the Senate amendment in the nature of a substitute.

The question was taken, and the Senate amendment in the nature of a substitute was concurred in.

On motion of Mr. SPARKMAN, a motion to reconsider the vote by which the Senate amendment was concurred in was laid on the table.

ENROLLED BILL SIGNED.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 3550. An act ratifying the establishment of the boundary line between the States of Connecticut and Massachusetts.

ADJOURNMENT.

Mr. SPARKMAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 51 minutes p. m.) the House adjourned until to-morrow, Wednesday, September 30, 1914, at 12 o'clock noon.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. MACDONALD: A bill (H. R. 19015) to provide for the establishment of a national employment bureau in the Department of Labor; to the Committee on Labor.

By Mr. RUPLEY: A bill (H. R. 19016) for the purchase of a site and the erection thereon of a public building at Lykens, Pa.; to the Committee on Public Buildings and Grounds.

By Mr. MacDONALD: A bill (H. R. 19017) to provide for the establishment of a national employment bureau in the Post Office Department; to the Committee on the Post Office and Post Roads.

By Mr. SMITH of Texas: A bill (H. R. 19018) to enlarge the powers of Federal reserve banks; to the Committee on Banking and Currency.

By Mr. CARTER (by request): A bill (H. R. 19036) to amend an act entitled "An act granting to Savanna Coal Co. right to acquire additional acreage to its existing coal lease in the Choctaw Nation, Pittsburg County, Okla., and for other purposes," approved June 25, 1910; to the Committee on the Public Lands.

By Mr. SHERWOOD: Joint resolution (H. J. Res. 357) to correct certain errors in H. R. 12045, H. R. 12914, H. R. 13542, H. R. 14234, H. R. 14738, H. R. 15692, and H. R. 16294; to the Committee on Invalid Pensions.

By Mr. CARY: Joint resolution (H. J. Res. 358) authorizing the printing of 200,000 copies of Uncle Sam's Cook Book; to the Committee on Printing.

By Mr. MANN: Joint resolution (H. J. Res. 359) to correct a clerical error in the act entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war," approved July 21, 1914, Private Act No. 86, Sixty-third Congress; to the Committee on Invalid Pensions.

By Mr. NORTON: Resolution (H. Res. 632) requesting certain information of the Secretary of the Treasury; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 19019) granting a pension to Anna R. Wright; to the Committee on Invalid Pensions.

By Mr. BROWN of West Virginia: A bill (H. R. 19020) granting an increase of pension to Daniel W. Jones; to the Committee on Invalid Pensions.

By Mr. CLARK of Missouri: A bill (H. R. 19021) granting an increase of pension to Charles S. Elliott; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19022) granting a pension to Augusta Neff; to the Committee on Pensions.

By Mr. CULLOP: A bill (H. R. 19023) granting an increase of pension to John C. Hennon; to the Committee on Invalid Pensions.

By Mr. DONOVAN: A bill (H. R. 19024) granting an increase of pension to Ella A. Buckley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19025) granting an increase of pension to Gertrude E. Cornell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19026) granting an increase of pension to Robert L. Keith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19027) granting a pension to Bridget Goffney; to the Committee on Pensions.

By Mr. JOHNSON of Washington: A bill (H. R. 19028) granting a pension to William C. Fowler; to the Committee on Pensions.

By Mr. LANGHAM: A bill (H. R. 19029) granting an increase of pension to George Adams; to the Committee on Invalid Pensions.

By Mr. LIEB: A bill (H. R. 19030) granting an increase of pension to John Collignon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19031) granting an increase of pension to John C. Gorman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19032) granting an increase of pension to James Royer; to the Committee on Invalid Pensions.

By Mr. McCLELLAN: A bill (H. R. 19033) granting an increase of pension to Orrin Maybe; to the Committee on Invalid Pensions.

By Mr. RUSSELL: A bill (H. R. 19034) granting an increase of pension to John Clinkenbeard; to the Committee on Invalid Pensions.

By Mr. SMITH of New York: A bill (H. R. 19035) granting an increase of pension to George C. Foose; to the Committee on Invalid Pensions.

By Mr. ALLEN: A bill (H. R. 19037) granting an increase of pension to Nina B. Pugh; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Memorial of Theodore A. Woodruff, Parker, Ariz., relative to emergency mining legislation; to the Committee on Labor.

By Mr. ASHBROOK: Petitions of the churches at Fredericksburg, Creston, and Wooster, Ohio, in favor of national prohibition; to the Committee on Rules.

By Mr. BAILEY: Petitions of First National Bank, Altoona, Pa., and First National Bank, Patten, Pa., against taxing banks; to the Committee on Ways and Means.

By Mr. CARY: Petition of George H. Russell, Milwaukee, Wis., favoring placing tax on all newspapers and magazines issued; to the Committee on Ways and Means.

Also, petition of Joseph Schlitz Brewing Co., Milwaukee, Wis., protesting against special tax on liquors; to the Committee on Ways and Means.

By Mr. FOSTER: Petition of Southern Illinois Methodist Conference, protesting against increasing the tax on beer and wine; to the Committee on Ways and Means.

By Mr. GALLIVAN: Petition of Men's Temple Class, Boston, Mass., favoring national prohibition; to the Committee on Rules.

By Mr. GLASS: Petition of business men of Bedford City, Salem, Roanoke, East Radford, all in the State of Virginia, favoring House bill 5308, to tax mail-order houses; to the Committee on Ways and Means.

By Mr. LANGHAM: Petition of Pennsylvania State Association of Letter Carriers, Harrisburg, Pa., favoring passage of the McGillicuddy compensation bill for letter carriers when sick; to the Committee on the Post Office and Post Roads.

By Mr. LOBECK: Petition of National Association of Vicksburg Veterans, favoring appropriation for semicentennial celebration at Vicksburg Military Park; to the Committee on Appropriations.

Also, petition of members of the Woman's Christian Temperance Union of Nebraska, favoring national prohibition; to the Committee on Rules.

Also, petition of the Socialist Party of Nebraska, favoring strict neutrality of the United States Government during European war; to the Committee on Foreign Affairs.

By Mr. MAGUIRE of Nebraska: Petition of business men of Brock, Nebr., favoring passage of H. R. 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. RAKER: Memorial of San Francisco and Stockton (Cal.) Clearing House Association, protesting against special tax on banking houses; to the Committee on Ways and Means.

By Mr. STEVENS of Minnesota: Memorial of Minnesota Veteran Cavalry Association, protesting against any change in the American flag; to the Committee on the Judiciary.

By Mr. TALCOTT of New York: Memorial of the Socialist Party, Utica (N. Y.) Local Organization, favoring maintaining strict neutrality by the Government in regard to European war; to the Committee on Foreign Affairs.

Also, memorial of New Orleans Association of Commerce, relative to revival of American merchant marine; to the Committee on the Merchant Marine and Fisheries.

Also, memorial of the National Association of Vicksburg Veterans, favoring appropriation by Congress for reunion of veterans at Vicksburg, Miss.; to the Committee on Appropriations.

By Mr. THACHER: Petition of citizens of Hingham and Sandwich, Mass., favoring national prohibition; to the Committee on Rules.

SENATE.

WEDNESDAY, *September 30, 1914.*

(Legislative day of Monday, September 28, 1914).

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

THE OIL INDUSTRY.

The VICE PRESIDENT laid before the Senate a communication from the Interstate Commerce Commission acknowledging the receipt of the resolution of the 28th instant, in relation to an investigation of the conditions prevailing and that have prevailed in the States of New York, Pennsylvania, West Virginia, and Ohio, or elsewhere, affecting the production, transportation, and marketing of crude petroleum, etc., which was ordered to lie on the table.

INTERLOCKING BANK DIRECTORATES.

The VICE PRESIDENT. The Chair lays before the Senate a communication, which will be read.

The Secretary read as follows:

NEW YORK CITY, *September 29, 1914.*

Hon. THOMAS R. MARSHALL,
President United States Senate, Washington, D. C.:

The American Bankers' Association, composed of 15,000 banks throughout the country, the large majority of whom are small institutions, earnestly urges the injustice and impolicy of the provisions of section 8 of the Clayton antitrust bill, which prevent a person from being an officer or director in two national banks where either have deposits and capital exceeding $5,000,000, or from being a director in a smaller national bank where he is also a director in a State bank or trust company with deposits and capital exceeding $5,000,000, and also prohibits in cities of upward of 200,000 population a person from being an officer or director of a national bank who is a private banker or director or officer in any other bank. Hundreds of small national and State banks throughout the country have upon their boards of directors a man who is also an officer or director of a national bank above the $5,000,000 limitation in a larger city, and in the 28 cities with a population exceeding 200,000 there are numerous small banks in outlying districts who have upon their directorate an officer of a large bank in the same city. In every such instance the dual relationship is helpful to the smaller institution and to the community which it serves. The banks are in different localities and noncompetitive. There is no possibility of undue control or concentration of credit and nothing in such relationships which violate the spirit or purpose of the antitrust laws. The severing of these relationships would be of great detriment to all these small institutions by depriving them of the advice and judgment of men of experience, and might result in a withdrawal of capital from small communities by men who would be deprived of all voice in the management of their investments. The situation does not call for any such legislation, and the Senate, when the Clayton bill was before it, wisely adopted the report of its Judiciary Committee and entirely eliminated these provisions from the bill. They have been put back in conference and are now before the Senate. We reiterate the hardship and injustice of allowing these provisions to remain in the bill and urge that they be eliminated. We are mailing you copy of a brief which was filed before the Senate Committee on the Judiciary when the bill was before it last June, urging the entire elimination of these provisions, or, if any legislation is necessary, giving the Federal Reserve Board power to require resignations of officers in competitive institutions where any abuses are found. This brief contains extracts from letters from bankers all over the country showing actual conditions upon which the proposed provisions would injuriously operate.

COMMITTEE ON FEDERAL LEGISLATION,
By THOMAS B. PATON,
General Counsel, 5 Nassau Street.

The VICE PRESIDENT. The Chair lays before the Senate the following communication, which will be read.

The Secretary read as follows:

CHICAGO, ILL., *September 29, 1914.*

Hon. THOMAS R. MARSHALL,
Vice President of the United States, Washington, D. C.:

I very much appreciate your courtesy and thank you for reading my prior telegram to the Senate. I to-day telegraphed Senator CULBERSON. If that message should fail to reach the Senator and is not read by him to the Senate, will you kindly submit to the Senate the following copy of my telegram:

"Hon. CHARLES CULBERSON,
"United States Senate, Washington, D. C.:

"I note in the press dispatches this morning that you say you will discuss before the Senate to-day my attitude with reference to bank directors, and that you will contend that my testimony before the Pujo committee is not consistent with my telegram which Vice President Marshall read to the Senate on the 26th. Such comment, if indulged in by you, will not be correct. I am to-day as much opposed to interlocking bank directors of competing banks as I was when I testified before the Pujo committee. I was then and I am now opposed to legislation that will prevent banks from securing the services of men of high and tried ability and integrity who have been successful in their business just because they may happen to be directors of other banks which are not real or potential competitors. In my prior telegram I said that there was no second reason why a director of a State trust company or bank should be prohibited from being a director of a national bank, because the business of each of these two classes of banks correlates and fits in with that of the other and does not conflict or compete in any way. I respectfully submit that the question of whether banks compete or potentially compete with each other has always been the crux of my contention. My statement made at the Pujo hearing was based entirely upon a situation where there were common directors in potential competitors, and this applies to all kinds of institutions, whether business or financial. I insist that there is no valid or just reason why a director of a State bank or trust company should be prohibited from being a director in a national bank when there is no possible competition between the two institutions. I ask you in all fairness whether there is any justification for a law which permits a director of a State bank or trust company of a city of 200,000 inhabitants or less to be a director of a national bank, but if the same city should thereafter add one person to its population such directorship must immediately cease? If it be made legal to have common directors in San Antonio, Tex., why should it not be equally legal to have common directors in Portland, Oreg., whose population is just above the 200,000 mark?"

GEORGE M. REYNOLDS,
President Continental and Commercial National Bank of Chicago.

Mr. MARTINE of New Jersey. I present a telegram from George M. Reynolds, president of the Continental and Commercial National Bank of Chicago, which I ask may be printed in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

CHICAGO, ILL., *September 25, 1914.*

Hon. JAMES E. MARTINE,
Senate, Washington, D. C.:

The Clayton bill, as reported by the conference committee, contains a provisions that prohibits a person from being a director of more than one bank or trust company in any city having a population of over 200,000. Such legislation is harmful and unjust to the general banking interests in this country, and tends to impair their strength and will result in weakening the personnel and standing of the directors. There are 28 cities in the United States with a population exceeding 200,000. The financial resources of the banks of these cities represent more than half of the financial strength of all the banks in this country. It is upon the banks of these cities that the burden largely rests to protect our commerce and industry. The banks of the smaller cities rely upon those in the larger cities for assistance and support. It is not right to attempt to discriminate against the banks of these 28 cities, particularly at this time when acute financial disorders prevail throughout the world. I submit that not a sound reason can be advanced why the director of a State trust company or bank should be prohibited from being a director of a national bank. State banks act as trustees, executors, administrators, and in other recognized corporate trust positions. They discharge functions that can not be exercised by national banks. The business of each of these two classes of institutions correlates and fits in with that of the other and does not conflict or compete. There are several hundred national banks which have affiliations with State trust companies or banks and have one or more common directors. The proposed legislation will introduce uncertainties, and, in my opinion, no bank legislation that is not absolutely necessary ought to be attempted at a time like this when our commercial and financial interests are greatly disturbed. Furthermore, I do not think it right to mix up an important banking question with the provisions of the Clayton bill that has to do with the regulation of trusts and monopolies. I submit these views in the interest of the people and of the banking institutions of the country generally, and not because of any peculiar hardship that the proposed legislation will work against me or the institution of which I am president. I therefore urge that the prior action of the Senate in striking out the entire provision should be maintained.

GEORGE M. REYNOLDS,
President Continental and Commercial National Bank of Chicago.

THE COPPER INDUSTRY.

Mr. SMOOT. I offer a resolution and ask unanimous consent for its consideration.

The resolution (S. Res. 458) was read, as follows:

Resolved, That the Secretary of State is hereby directed, if not incompatible with the best interests of the Government, to inform the Senate whether the British Government is interfering with export shipments of copper from American points to Rotterdam, carried in neutral bottoms, and if so, what reasons or justification are assigned by the British Government for so doing.

Mr. CULBERSON. I suggest to the Senator from Utah that it is not usual to direct the Secretary of State to transmit information.

Mr. SMOOT. I am perfectly willing to change "directed" to "requested." The Senator will notice that I put in the phrase "if not incompatible with the best interests of the Government."

Mr. CULBERSON. But the resolution proposes to direct the Secretary of State.

Mr. SMOOT. I say I am perfectly willing to put in the word "requested."

Mr. CULBERSON. I think that is the usual form.

Mr. SMOOT. I will modify the resolution by using the word "requested" instead of "directed."

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. CULBERSON. I object unless the language is changed.

Mr. SMOOT. It has been changed, I will say to the Senator.

The resolution as modified was considered by unanimous consent and agreed to.

FOREIGN-BUILT VESSELS UNDER AMERICAN REGISTRY.

Mr. JONES. Mr. President, I understand the conference report is before the Senate.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. JONES. I wish to take just three or four minutes of the time under this order, but not in connection with it, to present a petition from some of my constituents, since by taking recesses we are not able to present petitions as they should be presented.

I wish to call the attention of the Senate to a petition which I have received relating to the act which we passed a short time ago providing for the admission of foreign-built ships to American registry. The bill was recognized by everyone as an emergency and temporary measure, and in it it was provided that the President could in his discretion, when the needs of foreign commerce required, suspend the navigation laws with reference to the employment of foreigners in connection with watch officers on ships so admitted to American registry.

I think everyone recognized that measure as a temporary measure. I think everyone felt that the President, in exercis-

ing the discretion that Congress gave him, would exercise it having in mind the conditions existing not only with reference to the necessity of having ships for the foreign trade, but also having in mind the supply of American officers for positions of that character.

I know that in the Senate we amended the bill, and I think that the amendment we put in the bill expresses the real views and real sentiments of Congress with reference to this matter. We provided that—

Whenever the President of the United States shall find that the number of available persons qualified under now existing laws and regulations of the United States to fill the respective positions of watch officers on vessels admitted to registry by this act is insufficient he is authorized to suspend by order, so far and for such time as he may find to be necessary, the provisions of law prescribing that all the watch officers of vessels of the United States registered for foreign trade shall be citizens of the United States.

There was no serious opposition to that proposition. It showed that at least the Senate was not in favor of suspending the law with reference to watch officers unless the supply of American officers was insufficient. We so expressly provided, and it seems strange that the President did not seem to take this into account in making his order. While this provision was not finally adopted, it seems to me that the whole theory and purpose of the bill would have led the President to take the available supply of qualified American officers into account.

Now, then, Mr. President, I want to call attention to the fact that the President has issued an order suspending this law, without apparently taking into account the supply of American officers who are ready and prepared to fill these places, and also that the President has not followed the spirit of the measure as a temporary measure and suspended the law for a mere temporary period, but he has suspended the law for the period of seven years, which, in my judgment, was not contemplated by Congress when it passed the measure.

It seems to me that the suspension of the law for a period of seven years is an unreasonable suspension. Congress would never have given this unlimited power if it had thought there would be such an unreasonable extension of it. The petition which I have shows that not only is the suspension for an unreasonable period, but also that it has not taken into account the supply of American officers to fill these positions, which, in my judgment, it was clearly the intention and expectation of Congress that the President would do. As it is, the United Fruit Co., the Standard Oil Co., and those other companies who have been sailing under foreign flags during times of peace may now, when danger threatens, come in under the American flag and keep them officered for seven years with foreigners, while American citizens, well qualified for these positions, must go unemployed.

I send to the Secretary's desk and ask to have read the resolution of the American Association of Masters, Mates, and Pilots, Puget Sound Harbor, No. 16, Seattle, Wash.

The VICE PRESIDENT. Is there objection? The Chair hears none. The Secretary will read.

The Secretary read as follows:

Whereas by Executive order dated the 4th day of September, 1914, the President did, by virtue of the act of Congress approved August 18, 1914, entitled "An act to provide for the admission of foreign-built ships to American registry for the foreign trade, and for other purposes," suspend the provisions of the law prescribing that the watch officers of vessels of the United States registered for foreign trade shall be citizens of the United States, so that foreign-built ships which shall be admitted to United States registry under the act may retain their watch officers without regard to citizenship for seven years from date of the act, and such officers shall be eligible for promotion; and prescribing that vacancies occurring among such officers within two years may be filled without regard to citizenship, but that vacancies occurring thereafter shall be filled by a watch officer who is a citizen of the United States; and

Whereas the said Executive order works injustice upon the American watch officers and the American public for the following reasons:

1. There are on the Pacific coast alone 500 American licensed officers out of employment, and these men have no opportunity to get employment on the vessels admitted to registry under this act for the reason that such vessels will retain their old crews.

2. There will be no opportunity for an American officer to get employment on one of these vessels until a vacancy occurs in one of the lower positions two years hence.

3. The American shipper and passenger will, if he uses one of these vessels, run the risk of the unseaworthiness and the other defects of the vessel due to lack of inspection and the inferior abilities of foreign officers in charge, with none of the restrictions as to hours of labor and other humane regulations in force on American vessels: Now, therefore, be it

Resolved by Puget Sound Harbor No. 16, American Association of Masters, Mates, and Pilots, Seattle, Wash., That the President be, and he hereby is, requested to so modify this Executive order as to provide that when it shall appear to the satisfaction of the Department of Commerce that the available supply of licensed American officers is practically exhausted, and that the vessels under American registry can not be manned without the issuance of licenses to officers who are not citizens of the United States, that in that event and only then shall licenses be issued to such officers who are not citizens; and be it further

Resolved, That a copy of this resolution be transmitted to the President and the Secretary of Commerce and to each of the Senators and Representatives from this State, and that the latter be urged to use their influence with the President to procure a modification of said Executive order in accordance with the views expressed in this resolution.

Adopted unanimously at regular meeting held September 21, 1914.

[SEAL.] S. A. CHAPIN, *President.*

Attest: P. MULLEN, *Secretary.*

PROPOSED ANTITRUST LEGISLATION.

The Senate resumed the consideration of the conference report on the disagreeing votes of the two Houses upon the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the report.

Mr. SMOOT. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Lea, Tenn.	Perkins	Sterling
Bryan	Lee, Md.	Pittman	Swanson
Chilton	Lippitt	Ransdell	Thompson
Clapp	Martin, Va.	Robinson	Thornton
Culberson	Martine, N. J.	Shafroth	Walsh
Hughes	Myers	Sheppard	West
James	Nelson	Shields	White
Jones	Norris	Simmons	
Kern	Overman	Smith, S. C.	
Lane	Page	Smoot	

Mr. PAGE. I wish to announce the necessary absence of my colleague [Mr. DILLINGHAM] and to state that he is paired with the senior Senator from Maryland [Mr. SMITH]. I desire to have this announcement stand for the day.

Mr. SHAFROTH. I desire to announce the absence of my colleague [Mr. THOMAS] by leave of the Senate, and to state that he is paired with the senior Senator from New York [Mr. ROOT].

The VICE PRESIDENT. Thirty-seven Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of the absentees.

The Secretary called the names of absent Senators, and Mr. CHAMBERLAIN, Mr. REED, Mr. VARDAMAN, and Mr. WILLIAMS answered to their names when called.

Mr. SMOOT. Mr. President, I wish to announce that the Senator from New Hampshire [Mr. GALLINGER], the Senator from Utah [Mr. SUTHERLAND], and the Senator from West Virginia [Mr. GOFF] are unavoidably absent from the Senate, and that they are paired, respectively, with the Senator from New York [Mr. O'GORMAN], the Senator from Arkansas [Mr. CLARKE], and the Senator from South Carolina [Mr. TILLMAN].

Mr. SHIVELY, Mr. O'GORMAN, Mr. SMITH of Michigan, Mr. SMITH of Arizona, Mr. JOHNSON, Mr. STONE, Mr. MCCUMBER, and Mr. POMERENE entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. There is a quorum present. The pending question is on agreeing to the conference report.

Mr. NELSON. Mr. President, the subject matter of this bill has been so amply and comprehensively discussed by the Senator from Missouri [Mr. REED] that there is really not much for me to say on the subject. Were it not for the fact that I was a member of the conference committee, and that I was unable to agree with that committee and to unite with them in the conference report, I should remain silent.

In my opinion, Mr. President, aside from what I call the labor provisions and the provisions relating to injunctions, in all other respects the conference committee has greatly emasculated and diluted the bill. In its remedial features the bill is entirely inferior to the original House bill and to the bill as it passed the Senate. Many of the important remedial features of the House bill have been eliminated, and many important features in the Senate bill have been eliminated. I propose, with the leave of the Senate, to proceed to take the bill up by sections, to discuss each section separately, and to show what has been done by the conference committee, and to what the action of the conferees leads.

Section 1 of the bill relates simply to definition of phrases and terms, and I will not spend any time on that.

Section 2 is one of the most material and important sections in the bill. In the Senate the section was entirely eliminated on the theory that it was a subject matter that properly belonged to the jurisdiction of the Trade Commission laws, and that the Trade Commission ought to take charge of that matter. It has been restored by the conference report, but in a greatly diluted and weakened form; in fact, with all the vitality taken

out of it. Let me call your attention now to section 2 as it read in the House bill:

SEC. 2. That any person engaged in commerce who shall either directly or indirectly discriminate in price between different purchasers of commodities in the same or different sections or communities, which commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States—

Now, listen to this language—

with the purpose or intent thereby to destroy or wrongfully injure the business of a competitor of either such purchaser or seller.

The gist of the section in the House bill is the inhibition against discrimination in prices for the purpose of ruining or destroying a competitor. Such discrimination was declared to be an offense, and in the House bill a penal provision was made to apply to it.

Now, what have the conference committee done in this matter, Mr. President? They have not only eliminated the penal provision of the section but they have injected a provision into it that makes it utterly worthless and nugatory as a protection to the individual against whom the discrimination is made. They struck out these words, "with the purpose or intent thereby to destroy or wrongfully injure the business of a competitor," and in their place they have inserted these words, "where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce."

What does that mean? Under that provision the Standard Oil Co. or any other company can, by unfair price discrimination, drive a dealer utterly out of business and ruin him, and yet when he goes to court and his case comes to trial, although he may prove that he has been utterly ruined and destroyed by price discrimination, unless he can make it appear that the effect in his case may have been to substantially lessen competition or tend to create a monopoly in any line of commerce he is without remedy; in other words, he must not only prove that he has been obliterated from the map, that he has been destroyed, but he must go a step further. He must, in addition, prove that the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce.

How can a poor fellow make that kind of proof? Here, for example, is a merchant engaged in trade in a given place; he is subject to this unfair method of competition and is driven out of business by unjust discrimination. He may be only a small trader, a mere drop in the bucket, a mere dipper in the waters of the Potomac in respect to the general trade of the country, and yet, although he is extinguished and obliterated, unless he can show that the crushing out of his little business and the destruction of his little industry affects the general result and substantially lessens competition and tends to create monopoly in any line of commerce there is no remedy.

Mr. CHILTON. Mr. President——

Mr. NELSON. I will ask the Senator to wait a minute until I finish this thought. That is not all. While section 11 allows such a case to be brought before the Trade Commission, where the injured party may have a hearing, and may afterwards go into court, by this amendment you have hamstrung both the Trade Commission and the court, because in every instance they must find not only that this man has been driven out of business by unfair competition but they must find that the effect of driving a single individual out of trade and business has been substantially to lessen competition or has tended to create a monopoly "in any line of commerce." I want to call your attention to another matter in this connection.

Mr. WILLIAMS. Is the word "and" or the word "or" used there?

Mr. NELSON. It reads:

Where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce.

Mr. WILLIAMS. Then the word "or" is used and not "and."

Mr. NELSON. Now, can not Senators see how difficult it will be for an humble trader, a single individual in a given place, to show that the effect of driving him out of business has tended to lessen competition in that line of commerce or has led to a monopoly in that line of commerce?

Now, can not Senators see how difficult it will be for an humble trader, a single individual in a given place to show that the effect of driving him out of business has tended to lessen competition in that line of commerce or has led to a monopoly in that line of commerce?

Mr. CHILTON. Mr. President——

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from West Virginia?

Mr. NELSON. Yes.

Mr. CHILTON. I want to ask the Senator if he does not think it would be just as difficult to prove the purpose or intent specified in the House provision as it would be in the provision of the bill as reported by the conference committee? In the case of the House bill the resort to price discrimination must have been—

With the purpose or intent thereby to destroy or wrongfully injure the business of a competitor of either such purchaser or seller.

Now, the bill as reported by the conference committee does not say that you must prove a purpose or intent. It does not relegate the man to the difficult thing of proving the intent of the guilty party, but it says:

Where the effect of such discrimination—

Not "will be," but—

may be to substantially lessen competition.

Now, that is not all:

Or tend to create a monopoly in any line of commerce.

It does seem to me that the one is more easily proven than the other.

Mr. NELSON. The Senator is laboring under a confusion of ideas. In the House bill the provision is that driving a competitor out of business by discrimination, if it is done with the intent to do it, is obnoxious to the law, whereas in the other case it is not a question of intent at all, and there is where the Senator confuses it. It is a question of what is the effect of the particular act.

Take, for instance, a dealer in the little town where I live, a place of 3,000 people, who is engaged in selling illuminating oil. The Standard Oil Co. goes to work and drives him out of business in the city of Alexandria, Minn., by unjust discriminations in that locality. It is a clear case—as clear as may be. He is utterly obliterated from the map as a dealer in oil. Yet that poor fellow, if he comes into court and seeks relief under the provisions of this bill as amended by the conference committee, must show that the effect of obliterating him in the little town of Alexandria is to substantially lessen competition, or that it tends to create a monopoly in that line of commerce.

Mr. OVERMAN. If he is destroyed, would not that lessen competition or tend to lessen competition?

Mr. NELSON. It would be so slight that it would be very difficult to prove. It would be like a dipper of water poured into the Potomac.

Mr. OVERMAN. There is a competitor put out of business. That is lessening competition, is it not?

Mr. NELSON. Well, it would be so slight that it would not be appreciable. It would not be a substantial lessening of competition or the creation of a monopoly.

Mr. OVERMAN. How would it be slight when the man was absolutely driven out of business?

Mr. NELSON. It is not in reference to his business; it is in reference to the effect on the trade and commerce in that line in general.

Mr. OVERMAN. That means the trade and commerce of that town.

Mr. NELSON. The Trade Commission could have given relief in this case, and that is why the Senator left it out of the bill.

Mr. CLAPP. Mr. President, will my colleague pardon an interruption?

Mr. NELSON. Yes, sir.

Mr. CLAPP. I may anticipate my colleague, but right in that connection I desire to say that in the States where they have tried a prohibition against local underselling involving the intent to destroy they have no difficulty whatever in enforcing it. Among other States is the State which the Senator and myself have the honor to represent in this body. It is easy to prove that you have driven a man out of business when it is very hard to prove that that lessens competition; and if one is as effective as the other, I should like my colleague to pardon me while I make the inquiry, Why did you not leave in the one which had been demonstrated to be simple and effective?

Mr. OVERMAN. Mr. President, I will answer that by saying that the Senate itself struck out that section; and the Senator from Minnesota did not protest, as I recollect, or vote against it. The Senate as a body struck out that whole section here upon the floor of the Senate.

Mr. CLAPP. The Senator did protest.

Mr. OVERMAN. I did not think the Senator from Minnesota did. I beg his pardon. Anyway, the Senate struck out that section.

Mr. NELSON. The Senate struck it out, as I understood, on the theory that it was a proper subject for the Trade Commission; that it would come under the head of unfair methods

of competition. I am inclined to think that theory was correct; but while section 11 of this conference bill provides that the Trade Commission may have jurisdiction of such cases, as in the cases of unjust methods of competition, yet you have hamstrung the commission and the court by requiring not only proof that a person has been driven out of business by unjust discrimination but also proof that the effect of driving that individual out of business has been substantially to lessen competition or to create a monopoly in any line of commerce.

In this connection I desire to call attention to another fact. Ex industria, in many provisions of this bill the conferees have injected a new phrase, unknown to the antitrust law. They have used the words "substantially" or "substantial" in many places. You will find that in many instances—the phrase "substantially lessen competition." You will find that time and again. That leaves a new question for the future corporation lawyer and for the judges over their midnight oil to determine, What is the meaning of the word "substantial" or "substantially"?

It was for some time commonly understood by the legal profession that the Supreme Court, in the Standard Oil case, injected the word "reasonable" or "unreasonable" into the Sherman Antitrust Act. It is doubtful whether the court really did so; but in any event in the Tobacco case Chief Justice White in his opinion cleared that matter up. I quote from his opinion in the case of United States *v.* The American Tobacco Co. (221 U. S.). Here is what he said, after commenting on the opinion in the Standard Oil case:

> In other words, it was held not that acts which the statute prohibited could be removed from the control of its prohibitions by a finding that they were reasonable—

Now, listen to that—

> In other words, it was held not that acts which the statute prohibited could be removed from the control of its prohibitions by a finding that they were reasonable, but that the duty to interpret which inevitably arose from the general character of the term "restraint of trade" required that the words "restraint of trade" should be given a meaning which would not destroy the individual right to contract, and render difficult, if not impossible, any movement of trade in the channels of interstate commerce the free movement of which it was the purpose of the statute to protect.

So you see, if you study that phrase of the judge's opinion, that he does not hold any longer, if he ever did, in the Standard Oil case, that it was a question of "reasonable" or "unreasonable" restraint of trade.

What does the antitrust law provide? It provides that any restraint or any monopoly is obnoxious to the law. Now you have injected into this statute the word "substantially." We have gotten rid of the word "reasonable," according to the expression of Chief Justice White in the Tobacco case, but now you are injecting a new term into it; and that raises the question as to what "substantial" or "substantially" means. What is a "substantial" lessening of competition? That phrase has been injected into this bill ex industria in a great many points, and it tends greatly to weaken it, to lead to confusion, and to further hairsplitting arguments. There is no such qualification in the antitrust law. It does not say "substantially to restrain trade" or "substantially to create a monopoly."

I conclude my remarks on section 2 by reiterating again that by injecting this condition into it you have actually destroyed its effectiveness as a remedial statute for the individual who suffers from unjust discrimination and whose business has been destroyed by such discrimination.

I submit that if we intend to legislate so as to afford remedies to the public; if we intend, as has been proclaimed and given out from the housetops, to strengthen the antitrust law, give ampler remedies to the public, and aid that law in its enforcement, the poorest way to do it is to emasculate it and dilute it, as we have done in the case of section 2 of the conference bill.

Mr. REED. Mr. President——

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Missouri?

Mr. NELSON. I yield.

Mr. REED. Before the Senator leaves that point, if he was about it leave it, or had concluded——

Mr. NELSON. Yes.

Mr. REED. I should like to offer a suggestion, partially in reply to the inquiry which was made by some Senator, and which was to the effect that the language of the House bill, which I quote—

> With the purpose or intent thereby to destroy or wrongfully injure the business of a competitor—

Is a broader qualification than the conferees' language, which is:

> Where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce.

Mr. President, under the House section—and I adopt the illustration of the Senator from Minnesota—if the Standard Oil Co. were to go into the Senator's town and cut the price of gasoline and coal oil to 3 or 4 cents a gallon less than it was selling for in an adjoining town, the dealer in that city who represented an independent company could bring a suit, could show the simple facts I have recited, and from those facts a jury would be warranted in finding the intent to injure the representative of the independent concern, and a judgment bottomed upon such evidence would stand. The case would be narrowed merely to a question as to whether there had been a local price-cutting, unexcused, the effect of which would be to destroy the business of that particular individual. Under the language adopted by the conferees it must be shown, not that there was a substantial lessening of competition in one community by the driving out of one man, but that there was a substantial lessening of competition in that line of commerce.

Now, let us analyze it. What is that line of commerce? That line of commerce is the sale of hundreds of thousands, of millions of dollars' worth of oil all over the world. No court would be warranted in saying that the mere driving out of one dealer in the little town where the Senator lives has substantially lessened the competition in that business which is spread over the world, and you could not make out a case by the proof that one man had been destroyed.

Mr. NELSON. Mr. President, I am obliged to the Senator. It was the thought I intended to convey which he has expressed more clearly and emphatically than I did.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Nebraska?

Mr. NELSON. Yes.

Mr. NORRIS. I should like to suggest, along the same line, that the means by which this wrong would be done in the instance cited by the Senator from Missouri would be by competition, so that perhaps the fact would be disclosed that there was more competition than there had been before. It is a ruinous competition, which I understand we are trying to avoid by law, that is used to drive the man out.

Mr. NELSON. Yes; I supposed it was the purpose and intention to protect individuals against ruinous competition.

Mr. NORRIS. Yes.

Mr. NELSON. That evidently was the purpose of the Trade Commission law.

Mr. NORRIS. That evidently is the purpose of the House provision in section 2.

Mr. NELSON. Certainly. The House provision is perfectly clear and a good provision.

Mr. NORRIS. Exactly; but in the case of the provision of the conferees, as I understand it, where they say that you would have to show, among other things, that "the effect of such discrimination may be to substantially lessen competition," the competition while they were driving a man out of business would be greater than it ever was before. They would not be able to show that, although the damage would be going on, and it would be ruinous competition while they were doing it.

Mr. NELSON. I call the Senator's attention to the fact that in the House bill the words after "United States," namely, "with the purpose or intent thereby to destroy or wrongfully injure the business of a competitor of either such purchaser or seller," are entirely obliterated.

Mr. NORRIS. Of course they are, together with——

Mr. NELSON. And you are not only thrown back on the question what effect driving that one little dealer out of business has upon competition in that line of trade—illuminating oil, for instance—but you are driven back to the question of monopoly; and in order to make it still worse they put in the word "substantially." It must be a substantial lessening of competition. In the great aggregate of trade of the Standard Oil Co. throughout this country, how could the fact that a little dealer in the city of Alexandria, my home, has been driven out of the oil business be regarded as a substantial lessening of competition in the line of Standard Oil commerce?

Mr. CHILTON. Mr. President——

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from West Virginia?

Mr. NELSON. Yes; for a question.

Mr. CHILTON. I simply wish to call the attention of the Senator to the fact that both he and the Senator from Missouri [Mr. REED] fail to put the proper emphasis upon the words "may be." I know he wants to do justice to this section. I believe he does.

Mr. NELSON. Yes.

Mr. CHILTON. I want to call his attention to the fact that in the one you must do the difficult thing of proving an intent.

That is the provision of the House bill. You must prove an intent.

Mr. NELSON. Yes.

Mr. CHILTON. Now, the conferees adopted the more logical, the more scientific method, and the one adopted by most of the States, of forbidding the act, not where the effect is or shall be to create monopoly, but where the effect may be and where the tendency is to create monopoly. I respectfully submit that that is easily proved.

Mr. NELSON. I want to say to the Senator that I am not an artist in the matter of elocution, and perhaps not capable of putting the proper emphasis on the particular words that ought to be emphasized; but the language as an entirety is perfectly clear. What can be clearer than this: Where the effect of a discrimination against John Jones as an individual may be to substantially lessen competition or tend to create monopoly in any line of commerce——

Mr. CHILTON. Mr. President——

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from West Virginia?

Mr. NELSON. I do not want to have endless interruptions. I want to get a chance to make a statement now and then. I have no doubt it worries the Senator, and I will give him a chance later on.

Mr. CHILTON. If the Senator will pardon me, he misquoted the section. It is not where the effect of injuring John Jones is, but where the effect of the act is. The Senator ought to be fair about it.

Mr. NELSON. There is no use quibbling about terms. It is where the effect of driving him out of business by discrimination is to substantially lessen competition or to create a monopoly in any line of commerce.

As I said, take the matter of the trade in illuminating oil. How can you make out a case where a little dealer in my home town of Alexandria is driven out of business in illuminating oil by the great Standard Oil Co.? He is driven out of the business by unjust discrimination. He is utterly deprived of every relief, and he comes into court and shows that fact. They will say here that is not enough. You must show that driving you out of business has substantially lessened competition and created a monopoly in that line of commerce. That is what it means.

Now, if you had left that condition out, if you had left this section, even with the penal clause out of it, as it came from the House, and then remitted it to the Trade Commission under section 5, it would have afforded a remedy; but by injecting this amendment you have hamstrung the Trade Commission, you have hamstrung the court to enforce the order, and you have made it practically of no value.

What you have done in respect to section 2 you have done in respect to section 3 of the bill. In that case you have even done worse. There are a number of patentees in this country who, in order to create a monopoly and to get undue advantages of the public, not only seek to control the article on which they have secured patents, but in connection with it they require the patentees to buy from them certain nonpatented articles, certain supplies for operating the patented machine with. We have an illustration of one of that kind of contracts in the case of Henry *v.* Dick Co., found in Two hundred and twenty-fourth United States. It related to a mimeograph. The mimeograph was sold with these conditions:

> This machine is sold by the A. B. Dick Co. with the licensed restriction that it may be used only with the stencil paper, ink, and other supplies made by A. B. Dick Co.

There you have a clear instance of what we call a tying contract, and there are a great many such cases. There are the tabulating-machine company, the shoe-machinery company, the mimeograph company, and I do not know how many others resorting to this method.

The Supreme Court in a labored opinion, five of the justices concurring, held such a contract of sale to be valid. I will read from the syllabus two paragraphs on that point. Three of the justices, including Chief Justice White, dissented. Justice Day did not participate in the case. Here is the syllabus of what they decided:

> While an absolute and unconditional sale operates to pass the patented article outside of the boundaries of the patent, a patentee may by a condition of sale so restrict the use of his vendee within specific boundaries of time, place, or method as to make prohibited uses outside of those boundaries constitute infringement and not mere breach of collateral contract.
>
> * * * * * * *
>
> A patentee may exclude others from the use of his invention although he does not use it himself.
>
> Although a contract in regard to use of a patent may include interstate commerce and restrain interstate trade, if it involves only the reasonable and legal conditions composed under the patent law it is not within the prohibitions of the Sherman Act.

In other words, they held that such a tying contract as that was valid; that the party who bought that mimeograph was required to buy his stencils, his ink, all the materials that he used with that machine from this company, and all those articles were unpatented.

In the Senate we adopted the amendment of the Senator from Montana [Mr. WALSH], a carefully drawn amendment, calculated to reach this precise evil. It was section 2 of our bill as we passed it. It reads:

> SEC. 2. That it shall not be lawful to insert or incorporate a condition in any contract relating to the sale or lease of or license to use any article or process protected by a patent or patents the effect of which will be to prohibit or restrict the purchaser, lessee, or licensee from using any article or class of articles, whether patented or not, or any patented process, supplied or owned by any person other than the seller, lessor, or licensor, or his nominees, or the effect of which will be to require the purchaser, lessee, or licensee to acquire from the seller, lessor, or licensor, or his nominees, any article or class of articles not protected by the patent; and any such conditions—

Now listen to this—

> and any such conditions shall be null and void.

There was something effective, there was something that created an absolute remedy, by declaring that such tying contracts as the one I have read here from the decision of the Supreme Court were absolutely void, and that ended the matter.

But what transpired in the conference? That beneficent provision, incorporated at the instance of the Senator from Montana, was eliminated, and in lieu of that a milk-and-water provision was inserted. Not only was the provision of the House inserted, but they added to it the same attachment that they added to section 2. Let me read it:

> That it shall be unlawful for any person—

This is the conferees section—

> SEC. 3. That it shall be unlawful for any person engaged in commerce, in the course of such commerce, to lease or make a sale or contract for sale of goods, wares, merchandise, machinery, supplies, or other commodities, whether patented or unpatented, for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia, or any insular possession or other place under the jurisdiction of the United States, or fix a price charged therefor, or discount from, or rebate upon, such price, on the condition, agreement, or understanding that the lessee or purchaser thereof shall not use or deal in the goods, wares, merchandise, machinery, supplies, or other commodities of a competitor or competitors of the lessor or seller.

That was the language of the original House bill, and the original House bill had a penal provision. It held that any man who violated the provision should be subject to a penalty.

Mr. OVERMAN. Mr. President, the Senator wants to be fair.

Mr. NELSON. Wait until I get through and I will explain that.

Mr. OVERMAN. The Senator said that was the original language of the House bill. The Senator is mistaken about that, because the Senate added "whether patented or unpatented."

Mr. NELSON. I am calling attention to the penal provision. The only change we made in the bill as it was reported from the committee was to strike out the penalty provision and put in the words "whether patented or unpatented."

Mr. OVERMAN. That is right.

Mr. NELSON. That is what the Judiciary Committee did. Now, what have they done in conference? They have not been content to leave the House bill, which was, under the circumstances, not as good as the amendment of the Senator from Montana; not as drastic and effective as that, but still there was some meat in it. But what have they done? They have taken the amendment with those words that we put into it in the Senate, "whether patented or unpatented," and they have hamstrung it with this same attachment that they added to section 2, and they have added this to it:

> Where the effect of such lease, sale, or contract for sale or such condition, agreement, or understanding may be to substantially—

Here is the word "substantially" again. You will find that all through—

> to substantially lessen competition or tend to create a monopoly in any line of commerce.

In other words, to make out a case you must establish in every instance the fact that the effect of that tying contract may be to substantially lessen competition or tend to create a monopoly.

Mr. CLAPP. In any line of commerce.

Mr. NELSON. Yes; in any line of commerce. Of course that means in that line of commerce. It can not refer to anything else.

Now, can you see how that weakens it? By another provision of this bill the Trade Commission is given jurisdiction of it. But the commission in order to afford relief must not only find that there is such a contract of sale or lease as is specified in section 3, as adopted by the conference, but they must go a step further and find that the effect of that tying

contract is substantially to lessen competition and to create a monopoly in any line of commerce.

Mr. CHILTON. The language is not "is," but "may be."

Mr. NELSON. "May be to substantially lessen competition or tend to create a monopoly." The words "may be" do not mean any different from the word "is." You can not put any other construction on it where the effect of it may be and where the effect of it is. So in every one of these cases——

Mr. OVERMAN. Right there will the Senator yield to me?

Mr. NELSON. Certainly.

Mr. OVERMAN. The Senator said, which is true, that this matter is referred to the Trade Commission finally to administer. There are four or five men sitting on that bench to decide the case. The Senator says that the word "is" and the words "may be" are the same. If the Senator was on the bench to decide a case, take the Oil case, he would have the widest discretion to see whether it may be, not that it does it, but that it is the tendency to do it. It gives the discretion.

Mr. NELSON. Whichever the case may be.

Mr. OVERMAN. Yes.

Mr. NELSON. A new condition has been injected into it. In the one case as the section came from the House of Representatives and as it was in the House bill you left it simply as a question of fact to determine whether such tying contracts had been made; and if there was such a tying contract, then it could be stopped or canceled by the commission.

Mr. OVERMAN. It is not a question of fact, it is a question of the opinion of the board whether that may have the effect; that is all. It is not whether it is, but whether it may have that effect. It leaves the discretion to the Trade Commission to decide.

Mr. NELSON. You are taking out the virtue and effect of it. Instead of affording protection in any individual case or in any individual locality, you are making it general as to what effect it has on the general trade or commerce of the country in that line. The effect of such contract was not embraced in the House bill. The only question left by that bill was the fact of the existence of the inhibited contract.

Even if you had eliminated the penal provision from the House section as it came to us and left in the words "whether patented or unpatented" and then referred it to the Trade Commission, they would have had a simple case. It would have been simply a question of fact—has such a tying contract been made, and is it an unfair method of competition? But now you have added another condition. It will be no longer sufficient to prove the existence of the contract, but in order to get relief you must also prove that the effect of it is to substantially lessen competition or to create a monopoly in any line of commerce.

I might elaborate this subject further, but it is sufficient to say on this point that by injecting into these two sections—2 and 3—these conditions as to the effect you have deprived the party injured of any direct remedy and relief and have merely remitted him to the relief given under the antitrust law. As remedial measures, these two sections, as diluted by the conferees, might as well be excluded from the bill.

Mr. CULBERSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Texas?

Mr. NELSON. Certainly.

Mr. CULBERSON. Would the Senator care at this time to hear the opinion of the United Shoe Machinery Co. of section 3 as written here?

Mr. NELSON. I have not the case here.

Mr. CULBERSON. I ask the Senator if he would care to hear the opinion of this company with reference to section 3 as it is written here at this time?

Mr. NELSON. A private letter? No; I do not care to have it. I only know this, I want to say to the Senator from Texas, the chairman of the committee, that in all my experience I never found more lobbying about any piece of legislation than I did about this matter of tying contracts. I was approached by both men and women on the subject, and they were very restless. They particularly dreaded the amendment that was injected into the bill by the Senator from Montana, and in order that they could escape from that they affected to be opposed to the other provisions of the bill.

Mr. CULBERSON. The Senator does not, however, answer my question as to whether he would care to hear at this time the opinion of this company with reference to section 3.

Mr. NELSON. I prefer not to have it injected at this time. I do not want to be discourteous to the Senator.

Mr. CULBERSON. It is not any discourtesy.

Mr. NELSON. I prefer not to have it injected at this time.

Mr. OVERMAN. The Senator knows——

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from North Carolina?

Mr. NELSON. Certainly.

Mr. OVERMAN. The Senator says there was lobbying about this matter. Does he not know that these people now are protesting more vigorously than they have ever done before against the way we have written this bill?

Mr. NELSON. Oh, no; the protest was against the amendment of the Senator from Montana.

Mr. OVERMAN. But since we have adopted the amendment has not the Senator been approached repeatedly?

Mr. NELSON. No, no, no.

Mr. OVERMAN. I have a list of them here.

Mr. NELSON. In their bosoms and hearts they say amen. They affect to be greatly chagrined, but it is only an affected matter. What they dreaded was the drastic and effective amendment of the Senator from Montana, which would have effected a complete cure; and now, in order to retire like a rear guard, they fire off their arms and say, "Oh, even this amendment is horrible; we can not stand it." But what they dreaded was the amendment of the Senator from Montana.

Section 4 of the conference bill is simply a reenactment of section 7 of the antitrust bill; nothing more, nothing less. Section 5 relates to the effect of judgments or decrees as evidence. As that amendment was perfected and prepared by the Senate committee it was a good and effective amendment. I think the House provision which made the judgments and decrees in such cases conclusive evidence in other cases was undoubtedly unconstitutional. But the Senate provided, in lieu thereof, in section 5, that a final judgment or decree heretofore or hereafter rendered in any criminal prosecution or in any suit or proceeding in equity brought by or on behalf of the United States under the antitrust laws to the effect that a defendant has violated said laws shall be prima facie evidence against such defendant in any suit or proceeding brought by any other party against such defendant under said laws as to all matters respecting which said judgment or decree would be an estoppel as between the parties thereto.

That was a provision which the Senate put into the bill. The conferees not only struck out the word "heretofore"—and there may have been some reason for that—but inserted the two following provisos:

Provided, This section shall not apply to consent judgments or decrees entered before any testimony has been taken: *Provided further*, This section shall not apply to consent judgments or decrees rendered in criminal proceedings or suits in equity now pending in which the taking of testimony has been commenced but has not been concluded, provided such judgments or decrees are rendered before any further testimony is taken.

These provisos deal tenderly with the great trusts and monopolies, who, knowing that they are guilty, can come into court, plead guilty, and say, "We have violated the law; we admit our guilt; we will agree to a consent decree; but these decrees must not be used in other suits against us where a private individual has been injured by the trust." Where he brings his suit under section 7 of the antitrust law to recover triple damages against a trust and a monopoly, he can not have the benefit of such decrees or judgments.

See what a great hardship that involves? It is always difficult in the prosecution of cases against such trusts and monopolies as the Standard Oil Co., the Tobacco Trust, the Sugar Trust, the Steel Trust, and others, to get the necessary and proper evidence. The Government oftentimes spends months and even years, through an army of inspectors going all over the country, to gather the facts and secure the testimony in such cases. At great expense, with great labor, and with great loss of time this evidence is secured and accumulated. After the court has decreed and determined that the Sugar Trust is a monopoly; that the Steel Trust is a monopoly, that it is existing in violation of the antitrust law, that it is a restraint of interstate commerce, that it is a monopoly in interstate commerce, when the poor litigant goes into court under section 7 of the antitrust law to seek his remedy for triple damages, why should he be compelled to scour the country to get that evidence? Why should you put him to that trouble? If the defendant has plead guilty in a suit brought by the Government of the United States and has admitted that it has violated the law, why, in Heaven's name, should not that poor individual litigant get the benefit of that admission? Why should he be put to the great expense and trouble of hunting up evidence to prove that the trust has violated the antitrust law when the trust has plead guilty?

Mr. WILLIAMS. I ask the Senator from Minnesota from what section he is reading?

Mr. NELSON. I am quoting from section 5. The conferees have added the words I am about to quote, and I will tell you

what this provision covers. It is the poor little infant trusts which these provisos protect. Let me read them:

Provided, This section shall not apply to consent judgments or decrees entered before any testimony has been taken—

Listen to this—

Provided further, This section shall not apply to consent judgments or decrees rendered in criminal proceedings or suits in equity, now pending, in which the taking of testimony has been commenced but has not been concluded, provided such judgments or decrees are rendered before any further testimony is taken.

This, of course, it is argued will be an inducement for them to come into court and plead guilty. If they shall all be treated as the Tobacco Trust was treated in its final dissolution, I do not wonder that they are ready to come into court and plead guilty. Let me read you a list of the cases of the poor, innocent trusts that are relieved by these provisos; this list is from the office of the Attorney General: "At present there are pending suits under the antitrust act against the International Harvester Co., the United States Steel Corporation, the Reading system of railroads and coal companies, the Lehigh Valley system of railroads and coal companies, the United Shoe Machinery Co."—that is one of the companies which is protected by section 3 of the conference report, which has emasculated and diluted section 4—" the American Sugar Refining Co., the American Can Co., the Corn Products Co., the Southern Pacific Co., the Eastman Kodak Co., and the International Cash Register Co." All these poor orphans come under the beneficent provisions of this section. I have no doubt, if this becomes a law, they will feel like pleading guilty.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Nebraska?

Mr. NELSON. I yield to the Senator.

Mr. NORRIS. I wish to ask the Senator if he can explain the meaning of the last proviso, which reads:

Provided such judgments or decrees are rendered before any further testimony is taken.

What does that mean?

Mr. NELSON. If the Senator will take the whole paragraph together he will plainly see its meaning. We will suppose a suit has been commenced against one of these companies; that they have taken a little testimony—and in some of these cases, notably the Steel Trust case, they have taken a good deal of testimony; I do not know but that the most of it is taken—but this provides that if they should come in and acquiesce in a consent decree, without continuing the taking of testimony, the decree can not be used against them by any other party.

Mr. NORRIS. It seems to me that this very proviso implies that it is customary to take testimony after the decree is rendered. Of course the decree is rendered after the taking of testimony, except in supplementary proceedings to enforce or carry out the decree.

Mr. NELSON. That is the first proviso; but the second proviso relates to cases where decrees have not been rendered, where only a part of the testimony has been taken.

Mr. NORRIS. Does it mean that in the cases that are now pending the trusts may come in and plead guilty before they take all their testimony—that after this law is passed it will apply to them?

Mr. NELSON. Yes, certainly; and that you can not use the judgment itself in a suit brought by anyone else.

Mr. NORRIS. Exactly; but after the passage of this bill—assuming that it becomes a law—if some additional evidence is taken this exemption would not apply, as I understand it. Is that what it means?

Mr. NELSON. If they do not plead guilty without taking further evidence, they do not get the benefit.

Mr. NORRIS. In other words, as soon as this bill is enacted and becomes a law, in every case then pending it will be up to the defendants to decide whether they are going to consent to a judgment or whether they are going to take further testimony; and if they take more testimony after the law is passed, then this proviso does not apply to them?

Mr. NELSON. Yes; that is so.

Mr. NORRIS. Is that the Senator's understanding?

Mr. NELSON. If they take more evidence it would not apply, of course; but there are two provisos here, as the Senator will observe. One of those provisos reads:

This section shall not apply to consent judgments or decrees entered before any testimony has been taken.

That is one proviso. The next proviso reads:

This section shall not apply to consent judgments or decrees rendered in criminal proceedings or suits in equity now pending in which the taking of testimony has been commenced but has not been concluded—

And so forth.

The argument in favor of those provisions is that it will induce the parties to come in and plead guilty; and, as was well said by the Senator from Missouri [Mr. REED] in his magnificent argument, why should not the private litigant have the benefit of this plea of guilty? A consent decree is nothing more nor less than an admission of guilt. And why should not the poor private litigant, who comes in under section 7 and seeks to recover damages for the special injury that has been done to him, have the benefit of this admission?

I now come to the next section which I desire to take up.

Mr. NORRIS. Mr. President, before the Senator leaves the section he has been discussing——

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Nebraska?

Mr. NELSON. Yes.

Mr. NORRIS. I should like to ask the Senator from Minnesota a question. This section simply provides:

That a final judgment or decree hereafter rendered in any criminal prosecution or in any suit or proceeding in equity brought by or on behalf of the United States under the antitrust laws to the effect that a defendant has violated said laws shall be prima facie evidence against such defendant in any suit or proceeding brought by any other party against such defendant—

And so forth.

Does not the Senator think, notwithstanding the proviso to which he has referred, if this bill shall pass, that the judgment in a suit hereafter commenced could be offered and would be proper evidence, although it might not establish a prima facie case?

Mr. NELSON. I do not think so, unless the parties should be the same.

Mr. NORRIS. That might be true; but what I mean is this: While I agree with the Senator that the proviso ought not to be in the bill at all, still, the proviso being in, it would not necessarily follow that on account of the proviso a judgment could not be offered as evidence if it were otherwise admissible.

Mr. NELSON. The effect of a judgment would not be restricted under the general law; but the Senator from Nebraska, who himself has been a judge, knows very well that where there is not an identity of parties the judgment could not be used.

Mr. NORRIS. I understand that; but I do not think the Senator gets my idea. What I wanted to get the Senator's opinion on was this: Notwithstanding the proviso, which says that the section shall not apply to certain cases, suppose that in all other respects it was proper to offer a judgment in evidence and there was no reason why it should not be admitted, assuming that in other respects the judgment is proper evidence, then this proviso would not exclude it, as I understand.

Mr. NELSON. No.

Mr. NORRIS. The only thing about this is that it would not establish a prima facie case.

Mr. NELSON. The Senator can see—and if not, I desire to call his attention to the fact—that this section without these provisos is a highly remedial section. It makes the decision in cases against trusts and monopolies prima facie evidence in a suit brought by a private individual against that monopoly; in other words, by making such a judgment prima facie evidence the burden of proof is shifted.

Mr. NORRIS. Yes.

Mr. NELSON. In the absence of evidence to the contrary that decree will be sufficient evidence in a suit by an individual for triple damages under section 7 to prove that the trust has violated the antitrust law, that it is a monopoly, and that it has been guilty of restraining interstate commerce.

Mr. OVERMAN. Mr. President, I understand there is nothing in this proposed act that deprives any citizen of any right he now has under the law.

Mr. NELSON. Does the Senator regret that?

Mr. OVERMAN. I merely make that suggestion to the Senator. I am not regretting it, of course, because suits have been brought in my State without any prima facie evidence provision or without any conclusive-evidence provision, and damages have been recovered. I think the Senator will agree with me that there is nothing in this act that would deprive any citizen of any right that he now has to bring a suit under section 7 of the antitrust law.

Mr. NELSON. There is nothing to prevent him from bringing a suit under section 7.

Mr. OVERMAN. It does not interfere with any right he has at present.

Mr. NELSON. It does not interfere with any right, but we were supposed to be giving the poor fellow some value received by this law. We proposed to give him a remedy by this section. What was the remedy we proposed to give him before the section

was spoiled by these provisos? The unconditional remedy we proposed to give him was that where the Federal Government had instituted a suit against a trust or monopoly and had obtained a judgment or decree against it, declaring it to be guilty of violating the antitrust law, an individual litigant could come into court and get the benefit of that decree and be relieved from the trouble of securing evidence to establish the facts that were involved in the judgment.

Mr. OVERMAN. This act does that as to all future cases.

Mr. NELSON. That is true of all future cases, but in respect to pending cases it is not true. I want to say to the Senator that it is my candid opinion that with these two laws—the Trade Commission law and the one we are about to enact—there will be very few prosecutions under the antitrust law. These two laws together will be the shield under which the trusts and monopolies will crawl in the future. They will always come in and say, "Oh, I am prosecuted under the Clayton antitrust law," or, "I am followed up under the Trade Commission law. For the Lord's sake, do not prosecute me under the Sherman antitrust law."

Mr. NORRIS. They will not be prosecuted under this law, because the criminal provisions are all taken out of it.

Mr. NELSON. I will next call the attention of the Senate to section 6, the labor section. I will read it. The first sentence is unique:

SEC. 6. That the labor of a human being is not a commodity or article of commerce. Nothing contained in the antitrust laws shall be construed to forbid the existence and operation of labor, agricultural, or horticultural organizations, instituted for the purposes of mutual help, and not having capital stock or conducted for profit, or to forbid or restrain individual members of such organizations from lawfully carrying out the legitimate objects thereof; nor shall such organizations, or the members thereof, be held or construed to be illegal combinations or conspiracies in restraint of trade, under the antitrust laws.

All but the first sentence of this section is exactly the law now. I am not aware that a single suit has ever been brought in any court to dissolve a labor organization as being in violation of existing law.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Montana?

Mr. NELSON. Yes, sir.

Mr. WALSH. The Senator doubtless recognizes, I dare say, that the conference report on the bill as to that section is identical with the section as adopted by the Senate? No change whatever was made by the conferees in that section.

Mr. NELSON. I am aware of that fact, but I am calling attention to the bad features of this bill.

Mr. WALSH. But not the bad features of the conference report itself.

Mr. NELSON. I am calling attention to the bad features of this bill in general.

The labor organizations have been seeking for this legislation. It is simply declaratory of what our courts have decided time and again. No court has ever decided that it is illegal, nor has it ever been held illegal, for such organizations to exist. Labor organizations are like corporations—so long as they keep within the pale of the law and do not undertake to violate the law they are legal; and there has been no attempt, as I have said, to break up a labor organization as such by any court or in any judicial proceeding, so far as I know.

There have also been included in the provision agricultural societies and farmers. There is not a single farmer in the State of Minnesota who has ever asked me to assist in securing the enactment of any such legislation; but to give a sort of color to it, and to show that something else than labor organizations has been included, agricultural societies and horticultural organizations have been embraced within the provisions of the section; but, as I have said, all but the first sentence, which was injected into the bill on the motion of the Senator from Iowa [Mr. CUMMINS], during its consideration in the Senate, is nothing more than declaratory of the present law. However, this unique provision is in the section:

That the labor of a human being is not a commodity or article of commerce.

Until this moment I have always supposed that the labor of a workingman was his chief capital, and that his labor was as much entitled to protection as his trowel and his hammer. To put labor outside of the pale of the law, as this provision does, seems to be a unique piece of legislation. It is a sort of Pope's bull against the comet. It is a fulmination of an academic character. The purpose of those who inserted it was to establish the principle that the right to labor, the right to carry on labor, and to do business is not a matter of commerce, and is not therefore subject to the protection of the Constitution of the United States, because the power of Congress under the Constitution is limited to interstate commerce; and, undoubtedly, back of this peculiar amendment is the purpose to have this declaration, so that labor organizations and laboring men can not be reached because of the constitutional provision limiting the power of Congress to the regulation of interstate commerce.

If I were a laboring man—and to some extent I still am, and my heart beats with that of the laboring man—if I were a laboring man to-day, living by the sweat of my brow, working in any trade or employment, I should feel it an insult to me to have such a declaration put into the law.

Why do we protect laboring men on the railroads by safety-appliance laws and by other laws for the welfare of the men who operate railroads? If they are not within the interstate-commerce clause of the Constitution, what right have we to protect them?

I am surprised at the leaders of labor organizations being satisfied with such a taffy of a declaration. I do not think the rank and file of the labor organizations are with them or ask for this.

Aside from that first sentence, however, there is no objection to that section; it is merely declaratory of the existing law.

I come next to section 7 of the bill. It relates to two matters. The first part of it prohibits one corporation engaged in commerce from acquiring, directly or indirectly, the stock or shares of another corporation where the effect of such acquisition may be to substantially lessen competition. In the Senate amendment we struck out the word "substantially." Here is the way it left the Senate:

Where the effect of such acquisition may be to lessen competition between the corporation whose stock is so acquired and the corporation making the acquisition.

And here again, ex industria, the conferees have injected the word "substantially" before the words "lessen competition." It is not enough if it lessens competition; it must be a substantial lessening before it is subject to the provisions of this section.

We come next to holding companies, in the same section; and in respect to holding companies they have injected the same word. That is, a holding company is obnoxious to the law if it substantially lessens competition. The word "substantially" is injected again. They have many exceptions in the case of these holding companies, however, and they are most dangerous exceptions.

This section shall not apply to corporations purchasing such stock solely for investment and not using the same by voting or otherwise to bring about, or in attempting to bring about, the "substantial" lessening of competition.

As long as there is no "substantial" lessening of competition holding companies, for stock manipulating purposes, may continue to exist.

This permits a holding company to buy the stock of any other company and hold it as a matter of investment, and unless you can show that it has been done for the purpose of "substantially" lessening competition the company is not liable.

Then there is another exception to this provision in relation to the construction of branch lines or feeders, and another exception to which I call your attention:

Nor shall anything contained in this section prevent a corporation engaged in commerce from causing the formation of subsidiary corporations for the actual carrying on of their immediate lawful business, or the natural and legitimate branches or extension thereof—

In other words, under this provision the Standard Oil Co. could have, as it has had in the past, as many subsidiary companies scattered around the country as it likes or may find convenient—

Nor shall anything contained in this section prevent a corporation engaged in commerce from causing the formation of subsidiary corporations for the actual carrying on of their immediate lawful business, or the natural and legitimate branches or extensions thereof, or from owning and holding all or a part of the stock of such subsidiary corporations, when the effect of such formation is not to substantially lessen competition.

The word "substantially" is again injected into the bill, and the section contains this unique condition at the end of it in italics on page 9:

Nothing contained in this section shall be held to affect or impair any right heretofore legally acquired: *Provided*, That nothing in this section shall be held or construed to authorize or make lawful anything heretofore prohibited or made illegal.

This seems to be aimed at curing some of the past transactions. What its effect may be in that direction I am unable to tell.

We now come to section 8, which relates to interlocking directors of banks. That provision of the House bill in reference to interlocking directors of banks, State and Federal, was eliminated by the Senate, but restored in conference and put into the bill. What I have to say in reference to that is this:

The banks of this country in the present emergency have been doing great and glorious work in protecting the financial integrity of this country. They have done it without any aid from the Reserve Board and without any aid from the new currency law that has been adopted. The only aid they have had is that which has been given them under the Aldrich-Vreeland bill. In the midst of this financial tension and embargo the banks of New York have not only taken care of the obligations of that city and raised the money to meet its maturing obligations, but they have also provided and are now engaged in providing large sums to take care of the gold reserve and protect the depletion of our gold reserve in this country and to meet our obligations abroad. In the face of such good work as the banks of New York have performed and the banks of the other large cities throughout the country have performed, why should we inflict upon them this legislation? Why is it injected into this bill?

Oh, Mr. President, they had an investigation of the "Money Trust" some time ago, carried on under the auspices of a noted New York lawyer. Under his auspices they carried on an investigation, and in order to show some result of that investigation they injected these provisions into this bill.

Mr. President, when the banks are doing their utmost to take care of the financial affairs of this country, doing it without any help from the Federal Reserve Board, doing it without any help from the new currency law, doing it without any other instrumentality than is obtained through the Aldrich-Vreeland law, why should we go on here and hamstring them with this legislation? Why should we manifest such antipathy to the banks of this country? In the face of the fact that this bill deals so gingerly and so tenderly with interlocking directors of supply and construction companies, the appurtenances of the railroad companies, why should we resort to such drastic course against the banks? Why go out of our way to tie a cord around the necks of the great banks of the country while they are struggling against adverse circumstance to maintain our financial integrity?

I am not here to defend them; but let it be said to the credit of the great banks in New York City that in the black list issued by the Secretary of the Treasury—and I am not criticizing it—of banks that have secured Government aid and hold undue reserves there is not a single bank from New York City. That is to their great credit.

In this connection I ask to have an article that I clipped from the Washington Post read by the Secretary, without reading the heading.

The VICE PRESIDENT. Is there any objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

NEW YORK, *September 27.*

The two transactions in modern financing by the United States, each of which is without any precedent, constitute for America the most important news of the day, and, from one point of view, of any day in American history. These two transactions will pass into tradition, and there will be enumerated among the remarkable triumphs of finance. There is not the spectacular feature which was associated with the swift and speedily successful cooperation, chiefly by the bankers of New York, whereby the currency panic of 1907 was ended, for there was visible demonstration of the anxiety and the activity and energy of those who were leading that movement. The meetings at Mr. Morgan's office and the all-night sessions in his library, together with the hasty visit of Mr. Frick and Judge Gary to President Roosevelt at Washington, were incidents which were in the eyes of all men, either through report or personal observation.

But the magnitude of the financing which is now under way, the highly artificial and yet sound machinery which was suddenly created to meet the emergency, and the unifying of the banks of the United States, so that to a certain extent they perfected the functions which a central bank, had there been one, would have possessed, together with the unprecedented emergency and world-wide chaos, which, nevertheless, was free from panic, make this most modern undertaking a gigantic achievement of finance.

Mr. NELSON. Mr. President, here is a short editorial bearing on the same subject which I ask may be read. It is also from the Washington Post.

The VICE PRESIDENT. In the absence of objection, the Secretary will read as requested.

The Secretary read as follows:

BITING OFF TOO MUCH.

The fact that previous legislation has not worked in practice according to the schedule laid down in theory does not seem to have discouraged the party in power in tampering with the business of the Nation. The tariff for revenue only had produced a Treasury deficit months before the European war began. In the war emergency the party turned to the much-maligned Aldrich-Vreeland Currency Act, written by Republicans, for relief, although a new currency law had been enacted.

In the dropping of the railroad securities bill there was an indication that the party in power had come to a realization that this was hardly the time for tampering with business. It is now reported, however, that the conference committee which is considering the Clayton bill has adopted certain provisions which the business world had believed were in the discard.

One of these injurious provisions is designed to provide a criminal penalty to prevent interlocking directorates. Hundreds of national banks are working under joint management with trust companies and savings institutions for the general convenience of their clients, and the result of the interlocking prohibition would be to cause an upheaval in such organizations.

The Clayton bill now strikes more vigorously and deliberately at the heart of business than was expected even when business was not hampered with a great European war. As if the burden of the European financial strain and clogged sea commerce were not enough for business and the banks to carry, Congress would now impose additional hardships.

The new currency law has been accepted pretty generally by the national banks of the country, although they have as yet had no benefits from it. In fact, the only thing accomplished has been the resort to the Republican Aldrich-Vreeland Act. If the operation of the new currency law is to be accompanied by an irksome condition, inflicted by an entirely different law, some of the national banks may be driven out of the new system.

Whatever is to be done now should be carefully considered. This is no time for drastic experiments. The Clayton bill, duplicating and supplementing the Sherman law and adding obnoxious provisions to the patent and currency laws, is filled with pitfalls.

Mr. CHILTON. Mr. President, may I ask the Senator from what paper the editorial is taken?

Mr. NELSON. From the Washington Post.

Mr. CHILTON. The Post, then, seems to be opposed to the bill because it is a little too drastic, as I understand?

Mr. NELSON. The editorial speaks for itself.

Mr. CHILTON. I just wanted to know whether we shall read its news items encouraging opposition to the bill, or its editorials criticizing the bill, in that light.

Mr. NELSON. I will leave that to the Senator's judgment.

Mr. CHILTON. I do not blame the Senator for not undertaking to answer it.

Mr. NELSON. Later on I shall come to something that will be a little more interesting to the Senator from West Virginia.

Section 9 of this bill provides for criminal prosecution of directors. It is a curious incident that on the 17th of July I ventured to introduce and have referred to the Judiciary Committee the following amendment to the Clayton bill, as an additional section to this bill:

That the officers and directors of every corporation subject to the jurisdiction of the Interstate Commerce Commission shall be jointly and severally liable to the corporation and the stockholders thereof for all losses or damage which may in any manner or degree be entailed upon the corporation or the stockholders thereof through the malfeasance or negligence of such officers or directors; and such losses or damage may be recovered in a suit or civil action by the corporation or by any stockholder thereof on behalf of himself and the other stockholders of the corporation.

Shortly after that amendment was introduced there was injected into this bill the following provision:

SEC. 8. Every president, director, officer, or manager of any firm, association, or corporation engaged in commerce as a common carrier who embezzles, steals, abstracts, or willfully misapplies or willfully permits to be misapplied any of the moneys, funds, credits, securities, property, or assets of such firm, association, or corporation arising or accruing from or used in such commerce, in whole or in part, or willfully or knowingly converts the same to his own use or to the use of another shall be deemed guilty of a felony—

And so forth.

The amendment I introduced and which I have quoted would furnish an effective remedy for company and stockholders in such cases as that of the New Haven road.

While this bill professes to give relief by criminal procedure against directors and officers, it will be observed that it is exceedingly circumscribed. It relates simply to the embezzlement of funds arising or accruing from or used in such commerce. With that phrase in the bill, it is difficult to see what it can cover except what is in common parlance known as the operating income of the railroads.

Mr. CHILTON. Mr. President——

The PRESIDING OFFICER (Mr. NORRIS in the chair). Does the Senator from Minnesota yield to the Senator from West Virginia?

Mr. NELSON. Does the Senator want to call for a quorum?

Mr. CHILTON. No, sir; I merely want to call the Senator's attention to the history of that provision. I merely wish to recall the facts to his mind. He will remember that was adopted by the Senate committee without the words which he has mentioned being in it; in other words, "arising or accruing from such commerce."

Mr. NELSON. That was inserted in the Senate.

Mr. CHILTON. It was inserted by the Senate on motion of the Senator from Texas [Mr. CULBERSON], and the words "or used in" were inserted in the conference committee upon motion of one of the Senator's colleagues, I believe one of the House members.

Mr. NELSON. I remember that very well.

Mr. CHILTON. I believe the section is perfectly good with those words in it, and that is the way it was when I introduced it in the committee of the Senate.

Mr. NELSON. The section may be good as far as it goes, but it does not reach anything. As a criminal section, it would be utterly useless in a case like the New Haven road. Where the directors and officers have been guilty of stock manipulation, stock watering, or carrying on such proceedings as were carried on in the case of the New Haven road, this criminal provision could not and would not affect them. It is difficult to see what other matters it can cover, except what is commonly known as the operating income of railroads, and even then it would not cover what was derived from local or intrastate traffic. There has been, as far as I know, little complaint of the embezzlement by directors and officers of the funds and revenues derived by railroad companies from the transportation business. There are very few such cases; I can not at this moment recall any. Where the officers and directors have committed a wrong against the corporation, it has been of a different character; it has been of a character not resulting from the commerce or traffic but from outside manipulation. While this section professes to be a criminal section, and to impose a criminal liability, yet the scope of it is so limited and the effect of it is so circumscribed that it is simply the smallest kind of a homeopathic remedy that you can well imagine.

Mr. STERLING. Mr. President——

The PRESIDING OFFICER (Mr. NORRIS in the chair). Does the Senator from Minnesota yield to the Senator from South Dakota?

Mr. NELSON. I do.

Mr. STERLING. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Lane	Overman	Smith, Ariz.
Bankhead	Lea, Tenn.	Owen	Smith, Ga.
Borah	Lee, Md.	Page	Smith, Mich.
Bristow	Lewis	Perkins	Smoot
Bryan	Lippitt	Pittman	Sterling
Chamberlain	McLean	Pomerene	Thompson
Chilton	Martine, N. J.	Ransdell	Thornton
Clapp	Nelson	Reed	Vardaman
Culberson	Norris	Shafroth	Walsh
Fletcher	O'Gorman	Sheppard	Warren
Hitchcock	Oliver	Shively	Weeks

The PRESIDING OFFICER. Forty-four Senators have answered to their names. A quorum is not present. The Secretary will call the names of the absentees.

The Secretary called the names of absent Senators, and Mr. KERN, Mr. POINDEXTER, Mr. SIMMONS, Mr. STONE, Mr. THOMAS, Mr. WEST, and Mr. WHITE answered to their names when called.

Mr. HUGHES entered the Chamber and answered to his name.

Mr. THOMPSON. I was requested to announce that the junior Senator from Arkansas [Mr. ROBINSON] is absent on official business.

Mr. JOHNSON, Mr. CRAWFORD, and Mr. SWANSON entered the Chamber and answered to their names.

The PRESIDING OFFICER (Mr. OLIVER in the chair). Fifty-four Senators have answered to their names. A quorum is present. The Senator from Minnesota will proceed.

Mr. NELSON. Mr. President, I now come to the greatest transfiguration that has occurred in this bill, and that is section 9. I may say that one of the evils railroad companies have been suffering from for years has been the fact that their officers and directors have organized and maintained what you might call supply companies—companies that are manufacturing machinery, equipments, and other things for the use of the railroad, and doing construction work for them—and in order that it might prove mutually profitable generally the leading officers and managers and the leading manipulators of the railroad companies were connected with these companies, which I, for short, shall call supply companies, furnishing supplies to the railroad companies. In every case where supplies were bought from these concerns the buyer and the seller were the same. These men bought from themselves and exercised their own sweet will in reference to these matters.

To remedy this evil, to cure it—and it was a great evil, as we all know from the history of the past—the House bill contained this provision in section 9. I call your attention to page 10 of the print that contains the three bills in parallel columns. Here is the way it reads and as it passed the House:

SEC. 9. That from and after two years from the date of the approval of this act no person who is engaged as an individual, or who is a member of a partnership, or is a director or other officer of a corporation that is engaged in the business, in whole or in part, of producing or selling equipment, materials, or supplies to, or in the construction or maintenance of, railroads or other common carriers engaged in commerce, shall act as a director or other officer or employee of any other corporation or common carrier engaged in commerce to which he, or such partnership or corporation, sells or leases, directly or indirectly, equipment, materials, or supplies, or for which he or such partnership or corporation, directly or indirectly, engages in the work of construction or maintenance; and after the expiration of said period no person who is engaged as an individual or who is a member of a partnership or is a director or other officer of a corporation which is engaged in the conduct of a bank or trust company shall act as a director or other officer or employee of any such common carrier for which he or such partnership or bank or trust company acts, either separately or in connection with others, as agent for or underwriter of the sale or disposal by such common carrier of issues or parts of issues of its securities—

And so forth.

That provision in the House bill was a good and effective provision. It reached out to cure the evil which had existed of having interlocking directors, officers, and managers between these supply and construction companies and the railroad companies. If there was any case where it was of importance and a vital matter to prevent interlocking directorates, it certainly was in a case of this kind. But what has transpired? In the place of this provision there is a diluted provision which it is most difficult in all its parts to fathom and explain. I will read it and you will see what a strange transfiguration there is. The first part of section 9 of the House bill I have just read, and when I read this you will see what a strange transfiguration the section has undergone.

SEC. 10. That after two years from the approval of this act no common carrier engaged in commerce shall have any dealings in securities, supplies, or other articles of commerce, or shall make or have any contracts for construction or maintenance of any kind, to the amount of more than $50,000 in the aggregate, in any one year, with another corporation, firm, partnership, or association when the said common carrier shall have upon its board of directors or as its president, manager, or as its purchasing or selling officer or agent in the particular transaction, any person who is at the same time a director, manager, or purchasing or selling officer of, or who has any substantial interest in, such other corporation, firm, partnership, or association, unless—

Now, here comes the exception—

unless and except such purchases shall be made from, or such dealings shall be with, the bidder whose bid is the most favorable to such common carrier—

I will not take up the time with reading it, but ask to have the balance of the section as adopted by the conferees inserted in my remarks at this point.

The PRESIDING OFFICER. Without objection, leave is granted.

The remainder of the section is as follows:

to be ascertained by competitive bidding under regulations to be prescribed by rule or otherwise by the Interstate Commerce Commission. No bid shall be received unless the name and address of the bidder or the names and addresses of the officers, directors, and general managers thereof, if the bidder be a corporation, or of the members, if it be a partnership or firm, be given with the bid.

Any person who shall, directly or indirectly, do or attempt to do anything to prevent anyone from bidding or shall do any act to prevent free and fair competition among the bidders or those desiring to bid shall be punished as prescribed in this section in the case of an officer or director.

Every such common carrier having any such transactions or making any such purchases shall within 30 days after making the same file with the Interstate Commerce Commission a full and detailed statement of the transaction showing the manner of the competitive bidding, who were the bidders, and the names and addresses of the directors and officers of the corporations and the members of the firm or partnership bidding; and whenever the said commission shall, after investigation or hearing, have reason to believe that the law has been violated in and about the said purchases or transactions it shall transmit all papers and documents and its own views or findings regarding the transaction to the Attorney General.

If any common carrier shall violate this section it shall be fined not exceeding $25,000; and every such director, agent, manager, or officer thereof who shall have knowingly voted for or directed the act constituting such violation, or who shall have aided or abetted in such violation, shall be deemed guilty of a misdemeanor and shall be fined not exceeding $5,000, or confined in jail not exceeding one year, or both, in the discretion of the court.

Mr. NELSON. It simply provides in substance, in lieu of the paragraph of section 9 of the House bill, which I have quoted, that in these cases the railroad company can buy to the extent of $50,000 in the course of a year from anyone it pleases, without competitive bidding, and that beyond that it must be done by competitive bidding. Now, it sounds very plausible and nice that it must be done through competitive bidding, but it is an old saying of my native land—I will have to render it in English; and it may seem rather crude—that "One crow does not pick out the eyes of another crow." So in this case where a railroad company has an attendant or appurtenant supply or construction company from which it draws its supplies and equipment, although it may go through the form of competitive bidding, yet that attendant or appurtenant company will get the bids, because no other supply company of another railroad corporation would want to interfere—one crow would not pick out the eyes of another crow.

There is another unique matter, too, in connection with it, in regard to any violation of this milk-and-water provision, for I can not call it anything else. It is a provision that in practice is easily evaded. It is a provision about which, as a matter of fact, there is little you can do, because, ex industria, after

there has been investigation by the Interstate Commerce Commission under this unique substitute all the Interstate Commerce Commission shall do is to report it to the Attorney General.

We have included section 2, section 4, section 7, and section 8 in what I call the procedure provision of section 11; in other words, where the court can investigate and issue its order to stop it, and where, if it is not stopped, they can go before the court and get an order of injunction to carry it out. Not only that, but, ex industria, it has been excluded from another provision of the bill—section 16. Section 16 is a most meritorious section, which gives for the first time the right of a private litigant to go into a court of justice and get injunctive relief under the antitrust laws, a remedy he never had before, and which embraces in its provisions sections 2, 3, 7, and 8; but section 10 is omitted. This is excluded from the provisions of section 11, and it is also excluded from the provisions of section 16. It is left in the air, to the tender mercies of the Department of Justice to move or not as they see fit.

Mr. CHILTON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from West Virginia?

Mr. NELSON. I will in a moment. How much care has been taken to protect these poor supply companies that are furnishing equipment and carrying on construction for these railroad companies, against the inroads of the Trade Commission, of the Interstate Commerce Commission, to prevent them from going into court and getting injunctive relief when everybody else can get it? It passes my understanding. But I can see very well that men may feel tender in such cases, and I am not here to question their motives. Only it looks to me like a case of extreme tenderness.

I yield to the Senator from West Virginia.

Mr. CHILTON. The Senator has either been unfortunate in his statement or else he has not carefully read the section which he is discussing. It would be impossible for him to apply his crow story to the section if he will give the proper meaning to all the words of the section. It not only prevents corporations which are interlocked by officers and directors, but it says:

Or who has any substantial interest in such of them.

The Senator will recall all we had before us, the ease by which interlocking directorates could be gotten around; in other words, you could have your son, or your cousin, or your lawyer, or your agent upon the corporation and accomplish the same thing as if you were on the board yourself.

Mr. NELSON. May I ask the Senator a question before he proceeds further? If this remedy is good in these cases of interlocking directorates between a supply company and the railroad company, if it is a valuable paregoric, why in the world did you not apply the same principle in the case of banks and other companies to interlocking directorates? Why make these supply companies the favorites?

Mr. CHILTON. It is general, and it meets the very thing that it was intended to meet; that is, a case where the members of a railroad company or of a common carrier will go out and buy its own securities and then sell them to the banks, or where they have interlocking directors or an interlocking interest between the railroad and the bank, they buy securities, say, at 60, and then sell them to the trust company or to the life insurance company for 85 or 90. This prevents that. It was to meet that particular situation. They can not dodge it by having a supply company, and even though they have discarded the form of interlocking directors, if there be the interest of the railroad or the common carrier in the supply company, as the Senator chooses to call it, then it is prohibited.

Mr. President, it is made a crime simply as larceny is made a crime, as selling whisky is made a crime, as conspiracy is made a crime, and it can be met by the Attorney General. There is no need to send this to the Trade Commission, though I would not object to it, because when the Trade Commission would get it the transaction would be over. It is one transaction. The directors are selling, say, a million dollars' worth of bonds for themselves at less than they are worth, and if they do it without having competition as prescribed by the Interstate Commerce Commission it is made a crime. Then the transaction is over. There is nothing to go to the Trade Commission with. It is just as if a man sells whisky. When he sells it it is a crime, and there is no use to go and lock the stable after the horse is out.

Mr. NELSON. Would it not be a good plan to enjoin them from doing it in the future?

Mr. CHILTON. But they are enjoined by a specific statute. Each act is an offense.

Mr. NELSON. The Senator is a good lawyer, but I think you would find it exceedingly difficult to draw an indictment under the provisions of that section.

Mr. CHILTON. I do not think there would be a particle of difficulty.

Mr. NELSON. Let me ask the Senator a question as to section 16, where you give injunctive relief to private individuals. Suppose the officers of a railroad company find out that some of their directors are about to violate this law, that they are about to proceed to get these supplies contrary to the provisions of the law, can the Senator tell me why they should not have the same opportunity as other litigants to go into a court of justice and get an injunction? Why do you except them from the provisions of section 16?

Mr. CHILTON. Mr. President, if the Senator will let me answer that, I will say they are not excepted. You could enjoin them. If you discovered that any officer or director of a corporation was about to engage in a conspiracy not only to violate a law of the United States, but to violate a fundamental principle of morality, and to violate the common law of every State in this Union, anybody interested could enjoin him from doing it. But let me ask the Senator, where an offense consists of a single act, which, when done, completes the offense, and the doing of it does the injury both private and public, would the Senator favor the issuance of an injunction in such a case? Why not enjoin from selling whisky contrary to law? Why not have an injunction to prevent a man from committing forgery of the paper of the United States? The Senator is certainly not logical in his argument. There is no restriction here against injunction at all.

Mr. NELSON. I call attention——

Mr. CULBERSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Texas?

Mr. NELSON. Yes.

Mr. CULBERSON. With the Senator's permission and in further answer, I call his attention to the language of section 16, which is as follows:

SEC. 16. That any person, firm, corporation, or association shall be entitled to sue for and have injunctive relief, in any court of the United States having jurisdiction over the parties, against threatened loss or damage by a violation of the antitrust laws.

This law is by express provision of section 1 made one of the antitrust laws referred to.

Mr. NELSON. Yes; but why do you enumerate? The bill reads, "including sections 2, 3, 7, and 8 of this act." Why do you not include section 10 in the enumeration?

Mr. CULBERSON. We include sections 2, 3, 7, and 8 because their enforcement is given to these commissions; and we wanted to make this remedy clearly cumulative and not exclusive.

Mr. NELSON. You have excluded them from the procedure. I call the Senator's attention to section 11, which is found on page 15. It is as follows:

SEC. 11. That authority to enforce compliance with sections 2, 3, 7, and 8 of this act by the persons respectively subject thereto is hereby vested: in the Interstate Commerce Commission where applicable to common carriers, in the Federal Reserve Board where applicable to banks, banking associations, and trust companies, and in the Federal Trade Commission where applicable to all other character of commerce.

Now, the first paragraph of section 9 is eliminated, and its substitute section 10 is not included either in the procedure provision of section 11 or in section 16, giving injunctive relief.

Section 12 of the bill relates simply to the question of venue and the service of process. Section 13 relates to the subpœnaing of witnesses. Section 14 relates to the liability of officers found guilty of violating the antitrust law.

I will now call your attention to how in this section the conferees have diluted and weakened this provision:

Whenever a corporation shall violate any of the penal provisions.

Recollect that the offense is limited to a violation of the penal provisions, and that excludes section 7 of the antitrust law, which gives private relief in triple damages.

SEC. 14. That whenever a corporation shall violate any of the penal provisions of the antitrust laws, such violation shall be deemed to be also that of the individual directors, officers, or agents of such corporation who shall have authorized, ordered, or done any of the acts constituting in whole or in part such violation.

I call your attention to the words "who shall have authorized, ordered, or done any of the acts." See how that limits the scope of the provision. There must be either an order or an authorization or an act committed. In the Criminal Code we have language which covers this in a more comprehensive and searching manner, as follows:

SEC. 332. Whoever directly commits any act constituting an offense defined in any law of the United States, or aids—

Now, listen to the language—

or aids, abets, counsels, commands, induces, or procures its commission, is a principal.

That is perfectly plain language. We put that same provision in the Senate bill, the language of which reads:

That every director, officer, or agent of a corporation which shall violate any of the penal provisions of the antitrust laws, who shall have aided, abetted, counseled, commanded, induced, or procured such violation, shall be deemed guilty of a misdemeanor.

There we had the most comprehensive and drastic language—the very language of the Criminal Code—while the language found in the conference report limits the offense, so that in many cases officers and directors, if they are careful not to come out in the open and give an order, not to come out in the open and authorize the act to be done, not to come out in the open and do the act themselves, will be immune and can not be punished. Under the drastic language of the Criminal Code nothing further was needed in this direction than that section of the code. They would be liable if they abetted, if they counseled, if they consented, if they induced, or if they procured in any manner such violation. Senators can see how the change of language dilutes and diminishes the force and effect of the entire provision. The provision of the Criminal Code is ample to cover the offenses of officers and directors in such cases, and hence there was no need for such a section as section 14, and if the section remains in the bill it ought to have the scope and vigor of the Criminal Code, and not be weakened and diluted as it is in the bill.

As I said a moment ago, how easy it would be to evade this language. If you can not show that a man gave an order, if you can not show that he authorized the act, if he did not do the act himself, he is not liable; yet he may have sat back in a corner and whispered to other men, urged them quietly and secretly to do this act, and through other instrumentalities, through mere dummies, he may have had the act ordered, he may have had it authorized; and yet this man who sits back, who inspires the act and brings these things to pass, the father of all the evil, is immune under this provision. It is difficult to see why the conference committee did not adopt the language of the Senate bill, which was in exact conformity with the criminal code which I have quoted. It seems there was a deliberate purpose to dilute and weaken the bill in order to leave an opening of escape for the directors and officers of corporations who violate its provisions.

Section 15 of the bill is simply a reenactment of sections 4 and 5 of the antitrust law—nothing more and nothing less.

Section 16 gives, for the first time, injunctive relief under the antitrust laws to private individuals, but it is somewhat limited in scope, and there are but a limited number of cases which can come under it. I can not conceive many cases, except cases involving the rights that might be enforced under section 7 of the antitrust law. It is only in those cases where it is available; and if you will read the section, you will see that its scope is but limited:

SEC. 16. That any person, firm, corporation, or association shall be entitled to sue for and have injunctive relief, in any court of the United States having jurisdiction over the parties, against threatened loss or damage by a violation of the antitrust laws.

In other words, there may be a trust and there may be a monopoly existing, and the complainant is obliged to show not only that there is such a trust and such a monopoly, but he has to show that he is threatened with irreparable special damage. Unless he can make it appear that he is threatened with such damage, he will not be entitled to injunctive relief.

As I said a moment ago, the provisions of sections 2, 3, 7, and 8 of this act are included in section 16, while the provisions of section 10 are entirely omitted. That seems to be the favored class of corporations. Banks are included under section 11; holding companies are included under it; industrial corporations are included under it; everything is included under the provisions of the proposed law, except the companies that furnish supplies to do construction work for the railroad companies. We have in the past noticed the great evils that have been perpetrated by these supply construction companies.

The Northern Pacific Railroad Co., as the older Senators well know, was wrecked, passed through a reorganization process, and was reincorporated. Many of the original stockholders sustained great losses, and those losses were entailed by construction companies. The directors and some of the other officers of the company formed construction companies and got the job of building sections of the railroad, of supplying the iron, the ties, and the other material for its construction at exorbitant prices. They made fortunes out of it, while the road itself was wrecked.

Why we should deal in such a gingerly and timid manner with these supply corporations, with this class of business, while we take the others by the throat and hold them up as examples, is a mystery to me.

I now come to section 17 of the bill, which relates in general to the remedy by injunction for the public at large, for everybody except labor organizations. There is some slight change in the section from the new equity rule 73 recently adopted by the United States Supreme Court. The most material change is that the order becomes effective and the time commences to run from the moment the injunction is issued, and not from the time it is served, as is commonly the practice in the courts. In all other judicial proceedings time does not begin to run, as a rule, before the service is complete; but while I think that is a mistake it has been cured by an amendment which allows the court to grant additional time.

Section 18 relates to the giving of security for injunction, and section 19 relates to the form of restraining orders and prescribes what a restraining order or an interlocutory injunction shall set forth, and so on. There is no particular objection to that.

The next section, section 20, relates to injunctions in labor cases; and to this section I desire to briefly call your attention. It provides:

That no restraining order or injunction shall be granted by any court of the United States or a judge or the judges thereof in any case between an employer and employees, or between employers and employees, or between employees, or between persons employed and persons seeking employment, involving or growing out of a dispute concerning terms or conditions of employment, unless necessary to prevent irreparable injury to property or to a property right of the party making the application.

This part of the section differs from the general injunctive provision of section 17. The language of that section is:

No temporary restraining order shall be granted without notice to the opposite party, unless it shall clearly appear from specific facts, shown by affidavit or by the verified bill, that immediate and irreparable injury, loss, or damage will result to the applicant.

And so forth.

For the public at large, injunctive relief is obtainable by section 17 when "immediate and irreparable injury, loss, or damage will result to the applicant." This is and has long been existing law. In section 20, relating to injunction in labor disputes, the language is:

Unless necessary to prevent irreparable injury to property or to a property right of the party making the application.

When this bill was pending in the Senate, I put the question to the Senator from New York [Mr. O'GORMAN], as to what the effect of that language in section 20 would be, and he said, as I recall it—and I think he was correct—that it meant nothing at all; that it made no change in the law and did not have a different legal effect from the provisions contained in section 17. Why, then, was this language put in section 20, so different from that in section 17?

Mr. O'GORMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from New York?

Mr. NELSON. Yes.

Mr. O'GORMAN. The statement made by the Senator is substantially correct, excepting that, in response to his inquiry some weeks since as to what the language meant, I did not say that it meant nothing at all. I, however, expressed the opinion that it did not alter the existing law. The Senator may remember that is what I said.

Mr. NELSON. Perhaps I overstated it; the Senator has stated correctly that he said it did not alter existing law; that is true.

Why was this provision put in? It was put in, to use plain language without circumlocution, as a sop to the laboring men of the country; to make them believe that they have secured an important concession. Their leaders have constantly argued before the committees of this body and elsewhere that the right to labor, that the right to carry on and do business was not a property right; that it was outside the pale of the law; that one was not entitled to relief unless the destruction of some physical property was threatened. Their theory is, Mr. President, that the right to carry on a business or the right to labor is in no wise a property right; in other words, taking their argument and carrying it to its legitimate conclusion, they hold that, while you can have protection against the destruction of the tools, the plant, and the buildings of a manufacturing corporation, if an injury is threatened to those physical properties, you are entitled to protection by injunctive relief, but if an effort is made simply to break up and entirely destroy a business, that that is not property and is not subject to injunctive relief; or if laboring men are prevented from going to work, if they are excluded from the opportunity of earning their daily bread by the sweat of their brow, that they are not entitled to relief. My opinion is—and it coincides with that of the

Senator from New York—that although the conferees have incorporated these words as a sop, as I said a moment ago, to the laboring men, yet it does not change the effect of the law in the least. In other words, while they have been crying for bread in this respect it is practically giving them a mere stone.

The section goes on further to provide:

And no such restraining order or injunction shall prohibit any person or persons, whether singly or in concert, from terminating any relation of employment.

That is the law now and it always has been the law, so far as I know. There have been one or two instances, perhaps, where the courts have taken a different view; but, as an entirety, the courts of the country have always held that laboring men had a right to quit their work, either singly or in concert. There may be cases where it would not apply, perhaps. Suppose, for instance, that a train of cars is stopped on a track between stations; the road is a single-track road; other trains are about to come from either direction, and there is a likelihood of a collision happening. I do not think that the crew of that train, stopped in that condition, would be warranted or justified in quitting the train for the time being. That would be practically committing a most serious offense.

Then there is a picketing provision in the bill and a provision recognizing the primary and secondary boycott. I desire to say that I think the courts have always justified, so far as I know, what I call peaceable picketing—that is, the kind of picketing where men on strike communicate in a peaceful manner with so-called strike breakers, advise them why they, the strikers, have quit their employment, explain to them what has been the trouble, and urge the strike breakers to quit also. There never has been an inhibition against that practice. But when they proceed to the extreme of going in large bodies and interrupting the business or operations of a factory or a plant, or where they assemble in large bodies in front of the residence of an employee, although they may be quiet, although they may not resort to any threats, although they may not resort to any physical violence, yet if they appear there in a body, there may be cases where such action amounts to intimidation. If you study the history of strikes in our country, you will find that the most baneful thing, the thing that leads to riot and bloodshed and trouble, comes from picketing.

While this provision in the bill is in a mild form—and I do not think that it authorizes what I call illegal or unlawful picketing—and while I do not think it justifies violence, yet I think it is put into this bill for the purpose of giving the laboring men a reason to believe that they get a broader permission, a greater authority, than they have ever heretofore had under the law. I do not think that this provision, construed in its proper light, is open to that interpretation, and I believe that it will prove misleading to laboring men—may, under bad leaders, encourage them to go to extremes.

Now I come to the next provision, the boycott provision. In my opinion that provision includes both the primary and secondary boycott. There are only two classes of cases, so far as I know, where the Supreme Court has passed upon this question. One was a case against laboring men; the other against retail lumber dealers. The former was in what is known as the Danbury Hatters' case, where by a secondary boycott the workers broke up the industry of a manufacturer of hats in Danbury, Conn. The other was known as the Retail Lumber Dealers' case, recently decided by the Supreme Court, in which retail lumber dealers throughout the country undertook to boycott every manufacturer and wholesale dealer who sold direct to consumers in towns where these dealers were located. The Supreme Court applied the same rule that it did in the Danbury Hatters' case and held that, notwithstanding the retail lumber dealers moved with circumlocution and in careful and in a studied manner by circulars and letters, it was nevertheless in fact a boycott, and the court enjoined it and prohibited the continuance of it.

Sections 21, 22, 23, and 24 relate to the remedy for contempt, and here is another matter as to which I want to explain how the laboring men will feel themselves disappointed. While sections 21, 22, and 23 provide for the trial of contempt cases for violation of an injunction by a jury in all cases where the violation of the injunction is a criminal offense—and most of such violations are criminal offenses—yet in the case of the Federal Government under section 24 that rule does not apply. Section 24 reads as follows:

That nothing herein contained shall be construed to relate to contempts committed in the presence of the court, or so near thereto as to obstruct the administration of justice, nor to contempts committed in disobedience of any lawful writ, process, order, rule, decree, or command entered in any suit or action brought or prosecuted in the name of, or on behalf of, the United States, but the same, and all other cases of contempt not specifically embraced within section 21 of this act, may be punished in conformity to the usages at law and in equity now prevailing.

In other words, in every case brought by the Government—and most of the cases that are brought under the antitrust law are brought by the Government, for it is only actions under section 7 of the antitrust law and section 16 of this law that individuals can sue—the same rule prevails and continues with regard to contempt of injunction orders that has heretofore prevailed. That is to say, violations of injunction orders or contempts of court are triable by the courts and not by a jury.

Most of us here are old enough to remember the noted railroad strike in Chicago in 1904. The employees of the Pullman Co. were in a labor dispute with that company. They were unable to settle it. Mr. Debs and other leaders of labor organizations hit upon the plan of establishing what they called a sympathetic strike throughout the entire country—in other words, to place an embargo on the hauling of Pullman cars on all the railroads of the country, to prohibit every railroad throughout the country from hauling those cars, and threatening to strike and suspend work on every train that hauled a Pullman car. That led to great violence in Chicago—violence on the part of the labor leaders and their followers, violence on the part of an outside mob that sympathized with them, the destruction of railroad cars, the burning of cars, the wrecking of trains, the tearing up of tracks, and all that, with a suspension of railroad traffic to and from that city. The governor of Illinois at that time, Mr. Altgeld, said to be a Socialist, did not try to do anything to intervene and stop that calamity. Finally President Cleveland ordered United States troops there to preserve peace and restore order——

Mr. LEWIS. Mr. President——

Mr. NELSON. Wait until I get through with my statement. In the meantime, however, application was made on behalf of the Federal Government to the United States court for an injunction order, and an injunction was granted and served on Mr. Debs and his followers, and the effect of that injunction was that it stopped and broke up that sympathetic strike.

Mr. LEWIS. Mr. President, will the Senator from Minnesota yield to me to make a correction?

Mr. NELSON. Certainly.

Mr. LEWIS. I am sure the Senator from Minnesota did not mean a reflection upon the memory of the late John P. Altgeld; but I will assure him, from the history of that distinguished man, that the suggestion that he was a Socialist does great injustice to him.

While I was not able to agree with Gov. Altgeld, in the days of his administration, on many matters for which he stood in their details, I do not hesitate to say that a better Democrat, a sincerer Democrat, a purer and more zealous Democrat, has never honored the ranks of the Democracy of America. He was a Democrat, and not a Socialist. His objection to the Federal troops being sent into Illinois by President Cleveland was not upon any ground of social view, but, I will say to the able Senator from Minnesota, upon the ground which existed in those days, and which found expression upon the part of very eminent scholars of government, to wit, that the Federal Government should never send Federal troops into a State without the demand of the executive of the State.

I invite my able friend from Minnesota to remember that that was Gen. Palmer's position, when he was governor of Illinois, as against the President at a time preceding Gov. Altgeld's administration, and was the exact position of a distinguished Republican governor under similar conditions in another State of the Union, upon the theory, right or wrong—the able Senator and myself will not now discuss that question—that the Federal Government has no right to interfere in the sovereign matters of a State without the consent of its people, nor to send Federal troops into any State until the executive shall first have announced his inability to maintain order by the local constabulary. That was the theory upon which Gov. Altgeld acted, I may say to the able Senator.

Mr. NELSON. I am quite familiar with that matter. Whether Mr. Altgeld was a Socialist or not I will not undertake to say. If it suits the Senator, I will withdraw that remark. It was the common understanding, outside of Mr. Altgeld's environment in Chicago, that he belonged to that class. Whether he did or not, it is sufficient to say that he made no effort to stop that violence and lawlessness. President Cleveland acted on the theory that he had the right, and it was his duty, as President of the United States, to protect the transportation of the United States mails and to keep the channels of interstate commerce free and open.

Mr. LEWIS. Mr. President——

Mr. NELSON. He acted on that ground; and the Supreme Court in its decision in the Debs case put it on the same ground,

and not on the ground of antitrust law, as the lower court had done, although the Supreme Court said that the decision of the lower court was on good ground, yet the Supreme Court preferred to put it on the higher and broader ground that it was justified for the protection of the operations of the United States Government in carrying the mails of the country and keeping open the arteries of commerce.

The PRESIDING OFFICER (Mr. OLIVER in the chair). Does the Senator from Minnesota yield to the Senator from Illinois?

Mr. LEWIS. Mr. President, the Senator is correct. I will not interrupt the Senator.

Mr. NELSON. I am not here to criticize those men of the past, and I am not referring to it for that purpose, Mr. President. I simply refer to these historical events as a prelude to what I am now about to state.

The Federal Government instituted a suit in the United States court to stop that strike. An injunction was applied for, an injunction was issued, and that broke up the trouble. Mr. Debs undertook to violate that injunction, and he was adjudged guilty of contempt by the court. In his statement—and it is found in tl report of the court—he stated that that injunction was the only thing that disturbed him—that stopped the strike and that that was more fatal than the troops. After the injunction was served it broke up the lawlessness and the strike was at an end.

I have called attention to these matters for this reason: After the trial of Debs for contempt we heard the hue and cry throughout the country of "government by injunction." "What a horrid thing to think of that the United States was seeking to rule by injunction—was seeking to keep the arteries of commerce open by means of the writ of injunction." Ever since that time there has been some agitation in labor circles to deprive the court of this power. They want to get relief from that. They do not want government by injunction, such as there was in the Debs case. It has been an eyesore to them. But what do they get in this case? Do they get any relief in that direction?

The Debs case was a case on the part of the United States. If the provisions of section 24 as they are now had been in force at that time, it would not have changed the situation. This bill in section 24, does not change the existing law in the matter of contempts where the United States is a party. It is only in suits of private parties; and those are very few and far between under the antitrust laws.

Does it not strike you, Senators, as a little unfair that by section 16 of this bill you have for the first time given private individuals the right to go into court and get injunctive relief as the Federal Government can get it, and then, after having given private individuals this remedy by injunction, you deprive them of part of the remedies that the Federal Government has in a suit instituted by it?

In the first place, that is a grave discrimination between the Government and the private litigant. In the next place, it amounts to very little in behalf of the laboring man, because the suits that will be brought by private litigants will be exceedingly limited.

So, Mr. President, when you study this bill from first to last, you will find that when it comes to these trusts, monopolies, and combinations the bill deals with them in a most gingerly and harmless manner. It administers legislative relief in homeopathic doses of the very slightest and feeblest kind. This is true as to labor organizations also.

They imagine that they get a good deal out of the phrase in section 6, declaring that labor is not an article of commerce. They imagine that they get a good deal of relief out of the section which prescribes that no injunctive relief shall be permitted, except it involves property or property rights. They imagine that they get immense relief from the requirement that in a few limited cases contempts shall be tried by a jury. When you sum it all up, however, they get almost as little out of this bill as the public at large gets out of the remedial sections of the bill in respect to trusts, monopolies, and unjust combinations.

Mr. President, I want to say, in conclusion, that I am not hostile to the laboring men. The first 20 years of my life were a struggle with abject poverty. My sympathies and my heart are with them. I have no hostility to laboring men; but if I were to-day toiling as a laboring man, as I did during the first 20 years of my life, I would say, "Measure out the same law and the same gospel to me that you do to other classes of the community." I should feel humiliated, as a laboring man, if I asked any special favors, different from other people of the community.

I want to say, Mr. President, that the rank and file of the laboring men I have talked with, and especially the railroad men in my country—and they are a high grade of men—do not ask any special favors. I have not had a letter or a communication from any railroad organization in the State of Minnesota—and we have some of the great transcontinental lines there—asking for this particular legislation. None of the farmers have invoked it. There are certain petty labor organizations in the cities—a few small organizations like those of cigar dealers and so on—that have written me letters, but the great aggregations of laboring men, the men who do the transportation business of this country, the men who do the great work of this country in the industrial fields, are actuated by no desire and no purpose to get any other permission than anybody else to violate the laws of this country. In my experience, and I have had much of it, I have always found that in the long run you could talk to these laboring men and reason with them, and you would find them just and fair and law-abiding, asking no favors beyond their fellows in the community.

That is my experience; and I have always found, in conferring with laboring men, that they are ready to obey the laws of our country without fear or favor, and to respect the flag and the authority of our Government.

Mr. President, I have taken up more of the time of the Senate than I intended to take, but I felt that I must review the provisions of this conference bill. What the Senator from Missouri [Mr. REED] has so well said is impressed upon my mind. This bill as it emerges from the conference committee indicates truly a retiring from the program that was announced at the beginning of this administration.

It was announced that we should supplement the antitrust law, fortify it, make it more drastic and more effective. This bill as it emerged from conference is anything but drastic and anything but effective.

In this connection I will call the attention of the Senate—and with that I will cease to occupy the attention of the Senate—to a part of a letter of Mr. Henry Clews, of New York, a banker who issues weekly letters about the financial condition of the country. What I quote from this letter will attest the truth of what the Senator from Missouri has stated in much more eloquent terms than I can use. Here is what Mr. Clews observes:

We have already referred—

This is in his letter of September 26—

We have already referred to the improved political outlook at Washington. The administration is decidedly more friendly to big business and there is less disposition to unduly harass great business concerns, which already have problems enough on hand. It is also rumored that the Government will drop the proposal for entering into the shipping business—a project that was unnecessary, and would surely have meant an increased burden upon the taxpayers without any corresponding benefit to the public at large. A great deal of opposition is developing against new measures of taxation. The majority are feeling hard times. They are in no mood to consider increased taxes, which in the end the consumer invariably pays—

And so forth.

So, Mr. President, in conclusion I want to say that while this bill was launched with a great blare of trumpets as a measure that was calculated to fortify the antitrust law, to give greater and more comprehensive remedies against trusts, and to give ampler latitude to labor organizations, yet in all of these respects it is diluted and emasculated and an utter failure as a remedial measure. As a strengthening of the antitrust law it is an abject failure; and in respect to the legislation asked for by labor organizations, it is to a large extent a failure, and fails to give them what they looked for and expected.

Mr. BORAH. Mr. President, a noted southern lawyer, in an address sometime ago, used this language:

Great aggregations of capital have been formed which h[illegible] seized upon specific industries and driven everybody else out of t[illegible] They stand like armed colossi astride the gateways of commerce a[illegible] stroy every entrant who presumes to compete with them. They have no legal grant or monopoly, but monopoly comes to them by virtue of their size, organization, and strength, just as surely as monopoly went to the East India Co. by royal grant.

In an address made by our esteemed and honored President before he was inaugurated he said:

I believe, as I believe in nothing else, in the average integrity and the average intelligence of the American people, and I do not believe that the intelligence of America can be put into commission anywhere. I do not believe that there is any group of men of any kind to whom we can afford to give that kind of trusteeship.

I will not live under trustees if I can help it. No group of men less than the majority has a right to tell me how I have got to live in America. I will submit to the majority, because I have been trained to do it—though I may sometimes have my private opinion even of the majority. I do not care how wise, how patriotic the trustees may be, I have never heard of any group of men in whose hands I am willing to lodge the liberties of America in trust.

Again, in a later address, he says:

Everything I know about history, every bit of experience and observation that has contributed to my thought, has confirmed me in the

conviction that the real wisdom of human life is compounded out of the experiences of ordinary men.

In an article published in the Atlantic Monthly in 1901 the same distinguished author says:

It is no longer possible to mistake the reaction against democracy. The nineteenth century was, above all others, a century of democracy, and yet the world is no more convinced of the benefits of democracy as a form of government at its end than it was at its beginning.

Mr. President, these quotations contain a statement of facts, the announcement of a principle, and the suggestion of a situation interesting if not serious with reference to our institutions. I indorse the fact, I am in thorough harmony with the principle, and I think the suggestion well worthy of reflection.

There are cross currents apparently running in American affairs and in those matters which deal particularly and directly with the interests of the citizen—cross currents of propaganda and of action. This is a time when we are advocating popular government, the placing of the Government more completely under the control of the electorate, and transferring its powers more completely to the people. But, as a matter of fact, every act of legislation, not only the immediate legislation with which we are dealing but for years, has had a tendency to withdraw from the people those fundamental powers which so essentially deal with their interests and have so broadly and comprehensively to do with their welfare. While we discuss popular government and profess to be its advocate, we are legislating to place in the hands of a few trustees, of a commission, powers without any limitation as to discretion or without any regard to the great principle inherent in and indispensible to our form of government—the division of powers. We have, as I mentioned in the Senate a few days ago, at this time our transportation interests under the control of a commission, we have our currency under the control of a commission, we are contemplating putting the electric capacity of the country under the control of a commission, we have placed our great industrial affairs under the control of a commission, and we are now advocating the idea of placing our tax-levying power under the control of a commission; thus all the great, fundamental, essential powers of government which deal so directly and vitally with the interests of the masses of the people are being withdrawn and placed in the hands of a few men whom the people can neither elect nor recall. We not only place in the hands of these few men the ordinary reins of government but we clothe them with an unlimited and undefined discretion which amounts to the lodgment of arbitrary power.

So, Mr. President, while the advocacy is being made for popular government and the extension of rights, placing them more completely in the hands of the people, we are quietly by our legislation pursuing the very opposite course.

My objections to this bill, therefore, Mr. President, are fundamental and have very little to do with the particular work which the conference committee performed. I am opposed to the theory upon which the Trade Commission bill was built, and this law is in effect nothing more than an aid to the Trade Commission, the Interstate Commerce Commission, and the Federal Reserve Board. Whenever we shall have thoroughly analyzed the different provisions of this bill and have worked out to their final conclusion the effect of the different provisions we will arrive at no other conclusion than the fact that this bill is now made to conform entirely to the principle of the Trade Commission act, the Federal reserve act, and the Interstate Commerce Commission law. In fact, I think, with the exception of one or two sections, it might be designated as entirely in aid of and as a supplement to those acts. I feel, therefore, perfectly justified in discussing this measure from a somewhat broader view and upon a wider basis, I may say, than a mere objection to the action of the conference committee.

In fact, Mr. President, it may be said in justification of the report of the conference committee that it is in harmony, and the committee has undoubtedly sought to bring the bill into harmony, with the general trend of legislation. While I might, were I in favor of this kind of legislation, find some reason for discussing the details of the report, infinitely more important to me is the other question, whether we are prepared at this time to give our final approval to an entire change of policy with reference to dealing with these matters, concerning which we deal under the Trade Commission, the Interstate Commerce Commission, the Federal reserve act, and this bill.

In other words, Mr. President, this is another step indicating a complete change of policy upon the part of the Government with reference to dealing with monopolies and trusts. It is a confirmation of steps which have heretofore been taken along that line and, indeed, must be considered as in a measure a final approval of the change of policy.

The fact, Mr. President, that the Sherman law remains upon the statute books does not at all mollify my opposition to this law; neither does it, in my judgment, change the fact that we are changing our policy with reference to it, because it is not a question of the Sherman law remaining upon the statute books, but the question is, Are we preparing to abandon the enforcement of the Sherman law and to ignore that method and manner of dealing with monopolies and trusts, and are we preparing to take up another method which must be in its practical workings in contravention to the theory which is embodied in the Sherman law? Are we substituting a method of dealing with monopoly, which substituted method will strengthen the argument of those who disbelieve in the Sherman law and the principle upon which it was founded?

In view of the difficulty which we have had in past years in securing the enforcement of the Sherman law, in view of the tremendous pressure against its enforcement in certain quarters, and in view of the fact, as we know, that the propaganda is constantly going forward to the effect that it is in contravention to the best interests of the business of this country that it be enforced, and that it should be repealed, can we doubt that when another method is at hand, notwithstanding the Sherman law remains upon the statute books, the other method will be adopted, and in a very few months, or a very few years at most, and instead of undertaking to destroy monopoly and to end its existence in the industrial field we will content ourselves with an attempt to regulate it, to somewhat modify its extortions, and to somewhat control its demands upon the American public? It is my fear of this result, my settled conviction that this is to be its final effect, that leads me to impose upon myself the task of speaking somewhat at length to a tired and listless Senate. I shall, I know, change no vote. I shall not be able to arrest the passage of this measure, but I shall keep the record straight, and possibly at a later period arrest the attention of those to whom all final appeals should be made under our form of government; that is, our present form of government.

I think that the supporters of the bill will agree with me, that it establishes two things pretty conclusively. First, that it is in support and in aid of the trade-commission principle, to wit, the regulation of monopolies, because that is what it will result in, and, secondly, that the enforcement of the criminal law with regard to trusts is undesirable if not ineffective. Both of these propositions are in clear contravention to the whole theory and every principle of the Sherman law.

We have not only brought some of these sections to expressly provide that they shall be enforced by the Trade Commission, but we have specifically provided that where that is true there shall be no punishment of the offenders. In other words, we are up against the proposition already which it seemed to me clear from the beginning we would have to meet, and that is that in just so far as is extended the principle of the Trade Commission act, which is the beginning of regulation and control, we must recede from the other proposition of the destruction of monopolies and the punishment as offenders of those who create monopolies. This bill not only clearly discloses by reason of those sections which bring it under the enforcement of the Trade Commission act but by reason of the rejection of penal sections that we are prepared even so soon to go the full distance of announcing to the country that the rigors of the Sherman antitrust law are to be mollified and the enforcement of any criminal statute or the enactment of any criminal statute to deal with monopolistic practices is, in the judgment of this body and of Congress, unwise. We give the weight of our judgment in a clear and conclusive way that monopoly and monopolistic practices are both tolerable and defensible and may be successfully regulated.

There will be but one interpretation placed upon these acts, and justly so, when they are thoroughly understood, and that is that the Congress of the United States has in its wisdom determined that the course which has been heretofore pursued has been a failure; that the ultimate success for which we hoped can not be realized; and that, slowly, it is true, but step by step, we are changing the policy and are undertaking to regulate and control these vast monopolies and combines instead of destroying them.

Mr. President, I am perfectly willing to concede to some of those who take that view the same integrity of purpose, the same patriotism which those who are opposed to it claim for themselves. They may be right. It may be that we shall be driven to that course. It may be that that is the only successful way, or if not the only successful way, the only partially successful way in which we can deal with these questions. But speaking for myself, I am not ready to adopt the policy. I am not willing to concede the proposition. I am so firmly convinced

that in the present condition of the Sherman law as interpreted by the Supreme Court it can be successfully enforced, and I am so firmly convinced that its successful enforcement will be to the ultimate good of the people of this country, yea, more necessary for the ultimate preservation of the Republican institutions of this country, that I can not bring myself to yield in the first struggle for this new policy. I look upon the very existence of these monopolies, these vast and powerful combines, as so fraught with evil, so destructive of every theory and principle upon which a republic is built that I must oppose to the last any policy which would tolerate them.

It will be understood, therefore, Mr. President, that I am not undertaking to criticize as to details the report of the conference committee. I want to discuss it upon a different ground. I want to see legitimate business protected and I want to see it prosper. I want to legislate upon the theory that 98 per cent of our business men are honest and conduct their business upon and along honorable lines. I want to hold to the wise and most salutary rule wrought out by human experience that, except in most urgent and in most exceptional instances, men should be left free to work out through their own initiative and self-help their own salvation and that bureaucracy is as blighting to the energies of free men as the August frost to the husbandman's hopes. But I do not want to see either now or hereafter any compromise with illegitimate business or dishonest methods through and by means of which great monopolies are built up. I want the same kind of punishment administered to theft, however it may be committed. Upon these lines I want to see legislation framed.

This change of policy has not come around suddenly. It is not the result of lack of thought or consideration. I frankly concede that there has been a vast amount of discussion and a great deal of consideration given to it. It had its real beginning with the announcement of the Supreme Court in the Standard Oil and the Tobacco cases. It is true that prior to that time there were sporadic instances of people advocating that theory, but a well-organized propaganda for the doing away with the Sherman law, the adopting of a different course, creating a commission at Washington to deal with these questions and to regulate them and not destroy them, the impossibility of enforcing the Sherman law through the criminal processes of the courts—these views were thoroughly presented for the first time immediately following the decisions in those cases.

Senators who listen to me will recall that immediately after the rendition of the decision in the Tobacco case and the Standard Oil case there were a number of articles published in a number of newspapers of the United States, over the signatures of some of the most prominent men in the country, discussing, in view of those decisions of the court, what should be our future policy. It would be interesting to all who are interested in the question, and it has been interesting to me, to go back and reread those articles, because in this bill are found the embodiment, to a very large extent, of the policies which were announced by some of those writers who thought that the Sherman law was an impossible law for business.

I am not going to take much of the time of the Senate to read them; but I call attention to some of the passages. I shall not, when I read these quotations, give the names of the parties, principally for the reason that I think it unnecessary to refer to individuals in the discussion of this matter and to attack men's view in a personal way who are not in a position to defend them; but I am entitled to call attention to these views and to say this much, that those from whom I read are those who have been connected with the organizing of large combines and trusts of this country, either as counsel or as business participants in their organization. In one of the articles published in the New York Times it is said:

> But aside from this intolerable doubt as to financial consequences, there is the anxiety growing out of the uncertainty of an attempted enforcement of the criminal provision of the act, which subjects offenders, if found guilty, to the possibility (if that section of the law be upheld) of a year's imprisonment for every separate offense.
>
> The officers of interstate corporations are in constant jeopardy of a sudden criminal attack. There is no fixed standard by which they can govern their conduct. The industrial world is at the mercy of Secret Service men and the Department of Justice.

And the writer concludes his article by saying:

> Let the Government, instead of fettering or shackling the tremendous and limitless resources, energy, and strength of our industrial world, turn its fruits into paths of profit and usefulness for all of the people.

Another writer upon this subject, whose article was published in the Chicago Daily Tribune, said:

> The Department of Justice is now bombarded with requests for their opinion upon such questions, because good business men desire to take no risk with the law, and rather than run the risk of prosecution for something they do not regard as criminal are seeking to have the Department of Justice, an association of lawyers, assume the powers of review upon business methods which this tribunal would assume. This situation, in itself, constitutes an argument for this proposed law.

The proposed law which he suggests there was that there should be a method worked out through the Interstate Commerce Commission or some other department in Washington by which a body of business men should be there authorized to advise the other business men what they could properly do and what they could not properly do. The argument was to the effect that only business men could determine what was legitimate and what was moral and what was proper in the business world, and that to undertake to lay down a rule of right conduct rigidly in a statute and say that that should be enforced or if violated the party should be punished was an impossible principle to undertake to intrench in business affairs. So he argued for a commission.

Now, I read from another distinguished business man:

> In my opinion the Sherman antitrust law was based upon unsound theories. It should now be repealed. Under it some 30 or 40 prosecutions have occurred and many corporations or combinations have been broken up.

The writer from whom I quote in this instance is one who has been very prominently connected with the organization of these large industries. He has organized or assisted in organizing a monopoly which has come under the condemnation of the law and so adjudged by the courts. He says:

> Instead of even attempting to enact legislation to regulate and control our great interstate and international agencies of trade—regulation that would eradicate the evils that exist and preserve to the people the good that exists—the legislative branch of our Government shirked and unloaded its responsibility onto the Supreme Court, which was asked to interpret a law passed under ancient commercial conditions in such a way as to fit modern commercial conditions. No more difficult task was ever put up to a body of intelligent men. As a result our Government has set out to disrupt our great industrial concerns and force them, under the provisions of an antiquated law, to adopt and pursue destructive competitive methods, and our Government is in the anomalous position of prohibiting ruthless competition in the railroad world and demanding ruthless competition in the industrial world.

And he says, in conclusion:

> Create at once, in or out of the Department of Commerce and Labor, a business court or controlling commission composed largely of experienced business men.

And the logic of his position is, after that is done, repeal the Sherman antitrust law.

Mr. President, it is not necessary to repeal the Sherman antitrust law. Unless a powerful public opinion is constantly demanding it it will not be enforced. Experience teaches us that. So with it left upon the statute book they need to have no fear of its enforcement if some other remedy is found by which we assume to deal with this question. The same writer says:

> For 20 years our statesmen have been bending every energy to find out what the Sherman law means and endeavoring to enforce it regardless of the law of evolution, while the statesmen of other countries during the same period have been bending every energy to find out what the law of evolution means and endeavoring to conform to it. Our statesmen have their faces turned toward the past; the statesmen of other nations have their faces turned toward the future.

Another gentleman most prominently connected with large business interest and one of the ablest among them all has, in speaking of this subject, said:

> Since great benefits result from these consolidations, and yet possibilities of danger may arise from a misuse of their power, it would seem necessary to find some plan for preserving the benefits and eliminating the dangers by some sort of regulation.
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> * * * * * * *
>
> A corporation commission should be created similar to the Interstate Commerce Commission.

Mr. President, that was the real beginning of the propaganda. It followed immediately after the decision of the Standard Oil case and the Tobacco case. It has been going forward from that time until this. In many different ways we are advised that the Sherman law is a failure, that it interferes with the development and the evolution of business, that it should not be enforced and can not successfully be enforced, and that it is the duty of the Government to erect some kind of a commission to oversee these vast powers, to see that they do not do that which they ought not to do.

If I thought it would be within the power of the commission to stand against these tremendous monopolies and these vast financial units in the business world so that they could protect the citizen in a mere material way, I might in some measure yield my opposition. I do not believe, however, that even that could be done. But there would still be this proposition, that such a government as that in a hundred years would not be a republic at all. It is perfectly idle to say that when the great industries of the country shall have gone into the hands of 40, 50, or 100 or 500 men, wielding the power which they would wield in the political world, the influence which they would exert in elections, their power to corrupt elections and to control them, they would not in the end control the commis-

sions which would have to do with their interests. They would have but one fight to make, but one Liege to capture, but one fortress to hold, and looking back over their past conduct at the merciless way in which they throttled competition, shall we doubt how effectively they would take to their work?

At this point, Mr. President, I want to read a statement from an article published lately by William G. Brown, entitled "The New Politics." He was, it seems to me, a man with a clear vision. There are some things in his book well worth the while for anyone to consider. He is speaking of this condition of affairs as to the preservation of democracy and the principles of democracy with these vast industrial units in existence, and he says:

But that these things are so does not rid us of the fact that the coming of the new order has meant a real loss of independence, of industrial freedom, to the great mass of individuals. Their chance to rise is a chance to rise in but one way—by obedience to the laws of the system to which they belong; and in the making of those laws they have had no voice. There is real independence only at the top; and to reach the top is beyond the hopes of any but a very, very few. In this respect the new order is, perhaps, more like the military system than anything else. Clearly it is less democratic, less in accord with the democratic ideal, less conducive to the democratic spirit and temper than the old.

On page 24 of the book he says:

The possibility, taken with the vastness of our extent and our wealth, is staggering. Four centuries ago the Medici were masters of Florence because they were supreme there in finance; but Florence at her best was but a city of perhaps 100,000 inhabitants, with a territory far smaller than that of our average single State. If, therefore, the Medici could make themselves so great a place in history and play so great a part in the life of their time, what might not they do who should establish even a like control over the limitless industry, the incalculable opulence, of America? In the presence of such power how could democracy survive? Such power could go far to corrupt the press. Less power has, in fact, already gone far to corrupt the press. Less power has already corrupted legislatures, has suborned executives, has reached even the courts. But these indirect and vile ways are not the only ways—perhaps not the most truly effective ways—in which such power would work to the undoing of democracy. When we shall have substituted the new order for the old régime of competition and free individual initiative in all the great industries, when every one of them shall be organized into a single system under a single-headed control and there shall be set above them all the money lenders, the financiers, themselves brought into an equal solidarity, we shall have gone far to deprive democracy of the very air which it must breathe to live. We shall have denied to the mass of individuals the use and practice of self-dependence, self-direction, the wont and exercise and habit of freedom, without which they can not fit themselves either to win it or preserve it.

Back of this whole question, sir, rising superior and dominant to the mere questions of prices and wages, is the question of whether a government founded on the principle of a democracy and an industrial system founded on the principle of absolutism can thrive in harmony under the same flag. Can you train men to the aspiration of freemen, endow them with the virtues of self-reliance and self-trust in the political arena, and satisfy them with a circumscribed, limited, and more or less slavish life in the industrial field? And with all our great industries, our natural resources in the hands of a few men, even regulated men, that is what it means to the masses. Can you under such an industrial system rear that class of citizens who can discharge the political obligations of government, who are to prove themselves commensurate with the duties and obligations which attach to all upon whose shoulders rests the weight of a republic. It is not sufficient that the ordinary citizen be placed in a sty and well bedded and well fed—no such men, sir, sustain free institutions; they must also have as a portion of their heritage the opportunity to rise, to share not only the material things which keep the soul within the body, but the things which fire the soul with the hope of enjoying the honor and the power and the glory of the country of which they feel themselves a part.

The next great struggle of Democracy, and the one which will test every timber in its mighty structure, will take place not on such fields as Gettysburg and Appomattox, but in the midst of the American market place. Can men and are men to stand there free and untrammeled from privilege and monopoly? There must be equal opportunity, so far as the laws and the economic policies of government are concerned. It will not be sufficient to say to freemen that this industry and that industry are in the hands of a most limited group of men well regulated; that this natural resource, coal or oil, is now in the hands and under the exclusive control of a certain family and a few friends, well regulated; that your protection against undue extortion is in a commission at Washington, with whose personnel you, as a practical fact, have nothing to do. It will not do to say that politically you are free; that you are citizens of a great Republic, but industrially you are circumscribed and limited and the door of opportunity has been closed.

Mr. President, this much we ought to know by this time—that there is only one safe rule with reference to those with whom we intrust great powers of government: First, that they shall perform their trusteeship under definite and specific rules of action or law which applies alike to all; second, that those who shall represent the people shall come from them and return to them at stated periods to render an account of their stewardship. There is only one safe rule, and that is that the man who makes the law and prescribes the rule of conduct shall, as our learned President so well said, represent not the expert view alone, but the ordinary common sense of the common citizens of the country. Let us read it again:

Everything I know about history, every bit of experience and observation that has contributed to my thought, has confirmed me in the conviction that the real wisdom of human life is compounded out of the experience of ordinary men.

Or to state it in another way, by one equally gifted in the power of expression:

The accumulated intellect of the masses is greater than the heaviest brain God ever gave to a single man.

Mr. President, that form of so-called democracy which turns itself over to the tender mercies of a bureaucracy, that form of so-called democracy which places its hopes and its reliance in and delegates all its powers to experts and depends upon rare and exceptional and heroic accomplishments and virtues rather than upon the composite wisdom of its millions of freemen, will end shortly in a sea of venality and corruption, and thereupon a period of disintegration and decay. In matters of government, as has been well said, the principles are vain and the talents wasted when they fail to secure national durability.

Mr. President, regulative or administrative commissions have their place in a republican form of government, but it is a limited sphere in which they should be permitted to act. The power to make the law, to prescribe the rules, to establish a rule of conduct which shall be a unit and applicable to all alike, must be lodged not in a commission or in an administrative body not selected or subject to the control of the people, but that power must be lodged alone with those who come fresh from the people from year to year, from decade to decade, that you may get the ordinary common sense of the common man and crystallize it into the rules of conduct as he desires them to be. The prime duty of all commissions is to investigate and report or to carry out the well-defined work authorized by the legislature. The sheriff is necessary, but we would scarcely permit the sheriff to be a lawmaker, a law interpreter, and a law executer all combined. These commissions, however, which we are creating, selected not by the people, exercise all the powers of government under this discretion which is given them of lawmaking, of interpretation, and of execution.

Mr. President, the great majority of the business men of this country are honest. They want to do business along lines which are in harmony with right conduct and with moral perceptions and principles; they do not need surveillance; they do not need to be controlled by a class of men whose business it is to oversee their conduct from day to day. Ninety-five per cent of the business men of this country have no trouble with the Sherman law at all; they have no trouble in observing those rules which one man and another would say are the rules of right conduct in the business world. There are but very few who have entered upon this field of creating vast monopolies through immoral and dishonest methods. Perhaps if we would name 300 men we could cover all the men in the United States who are directly responsible for this condition of affairs. This proposed law takes away the strength of the existing law so far as they are concerned by either actually leaving it out or discouraging the principle of criminal punishment, and it undertakes to deal rather with the ninety millions of men who so far have not seemed to require anything of that kind.

Mr. President, I am not at all concerned about the small matters with which some seem to think this Trade Commission will have to deal; they will right themselves and rectify themselves ninety-nine times out of one hundred in the business world. They have been found conducive to energy, to self-reliance, to self-help, and to business ability upon the part of the business world; but I am concerned about those two or three hundred men who have created a monopoly, who have taken advantage of franchise rights and special privileges, and have intrenched themselves in a way in the business world to interfere with and prevent the business success of the smaller man.

In my judgment there is only one way in which to deal with that class, and that is to destroy their power absolutely. I think the Attorney General, as was said by the Senator from Missouri [Mr. REED], has stated the fact correctly, that the fault with the Sherman law has been its lack of enforcement. Therefore, Mr. President, with the leave of the Senate I am going to try to find out something about the Sherman law and what we are prepared to do under it. There seems to be a view to the effect that that act is incomplete; that its defini-

tions, as announced by the court, are difficult to understand; that men have difficulty in knowing what they are to do; and that it is incomplete and insufficient to accomplish the purposes for which it was passed.

That law was passed, Mr. President, in 1890, and has been upon the statute books now for over 23 years. For only about 6 or 7 years during its existence has there been any real attempt, in my judgment, to enforce it. It contains a provision for injunctive relief against the formation of these combines, a provision for the punishment of those who violate it, a provision for the forfeiture of property, and a provision for the dissolution of the combines after they are formed. It is wide-reaching, comprehensive, and now, under the decisions of the court, it covers every conceivable form of monopoly or of monopolistic practice. It is not a question of the insufficiency of the law, therefore, but it is a question of its enforcement.

But, as I said a moment ago and as I have said before, I would support any provision which would individualize the specific principles which have been announced by the court under that law, and attach to it a penalty for its nonobservance. Anything which would make easier the enforcement of the Sherman law, which would enable the party injured to recover his damages in a more expeditious and less costly way, anything which would enable him to go into the court without being confronted with the proposition of being ruined in the way of costs—all those provisions which would seek to simplify and expedite the enforcement of that law, would find support on my part. I believe, nevertheless, that there is now, under the decisions of the court, ample means on the part of the Government to enforce that law against every conceivable form of industrial monopoly.

Mr. President, the first decision under the Sherman antitrust law of any note was in what is known as the Knight case. The opinion rendered in that case was rather discouraging from the standpoint of those who believed in the law. I think the opinion as it was rendered was due largely to the peculiar state of the pleadings and the facts as they were adduced in the case. As said by the court in the rendition of the opinion, there was no specific allegation that the acts complained of were acts in contemplation of or having for their purpose the intent to control interstate commerce, and that there was no proof of the fact that that was the ultimate object and aim of the parties making the organization, notwithstanding the fact that the evidence was at hand and must have been procurable to prove that question beyond a doubt. In fact, it always seemed to me that that inference from the facts was irresistible. But whatever there was in that case, Mr. President, it has been fairly overruled by reason of later decisions; and no longer need we fear that because a transaction is one happening wholly within a State, with reference to the purchase of property within a State, or the purchase of stock within a State, or is participated in by a corporation operating under a State charter—no longer need we fear that that will interfere with the enforcement of the law as to a particular transaction in case the allegations of the complaint are in proper form and proof is adduced as to the ultimate object and purpose of the parties. No more complete answer could be had to the Knight case than is found in what is known as the Meat Trust case in One hundred and ninety-sixth United States; and I am going to read a paragraph or two from that decision. The court says:

> It will be noticed further that the intent to monopolize is alleged for the first time in the eighth section of the bill as to raising, lowering, and fixing prices. In the earlier sections the intent is reached to restrain competition among themselves. But after all the specific charges there is a general allegation that the defendants are conspiring with one another, the railroads and others, to monopolize the supply and distribution of fresh meats throughout the United States, etc., as has been stated above, and it seems to us that this general allegation of intent colors and applies to all the specific charges of the bill. Whatever may be thought concerning the proper construction of the statute, a bill in equity is not to be read and construed as an indictment would have been read and construed a hundred years ago, but it is to be taken to mean what it fairly conveys to a dispassionate reader by a fairly exact use of English speech.

The defense in this case was that these transactions were within a particular State of the Union; that it was the mere purchase of property upon the part of an individual or a corporation, the mere purchase of cattle or the manufacture of meat, and that therefore it came within the Knight case; but the court said:

> The scheme as a whole seems to us to be within reach of the law. The constituent elements, as we have stated them, are enough to give to the scheme a body and, for all that we can say, to accomplish it. Moreover, whatever we may think of them separately when we take them up as distinct charges, they are alleged sufficiently as elements of the scheme. It is suggested that the several acts charged are lawful and that intent can make no difference. But they are bound together as the parts of a single plan. The plan may make the parts unlawful. The statute gives this proceeding against combinations in restraint of commerce among the States and against attempts to monopolize the same. Intent is almost essential to such a combination and is essential to such an attempt. Where acts are not sufficient in themselves to produce a result which the law seeks to prevent—for instance, the monopoly—but require further acts in addition to the mere forces of nature to bring that result to pass, an intent to bring it to pass is necessary in order to produce a dangerous probability that it will happen. But when that intent and the consequent dangerous probability exists, this statute, like many others, and like the common law in some cases, directs itself against the dangerous probability as well as against the completed result. What we have said disposes incidentally of the objection to the bill as multifarious. The unity of the plan embraces all the parts.

Now, in view of some things which have been said here upon the floor of the Senate, I invite your attention to the language where it says that the Sherman law directs itself against the dangerous probability of a monopoly being formed as well as against the completed monopoly. Under the Sherman law, therefore, while, of course, if you were proceeding under the criminal feature of it, you would undoubtedly have to prove a completed monopoly, I entertain no doubt that in a court of equity it would be within the power of the Government whenever it is sought to form one of these monopolies to enjoin any act which tended to establish a monopoly or any monopolistic practice which would likely result in the creation of a monopoly as completely as the completed result could be enjoined and prohibited and dissolved. The law contemplates that injunctive relief may be had against all acts which are steps in the formation of a monopoly, and looks not alone to a completed monopoly, but to those acts or conditions which make it dangerously probable that a monopoly is to be formed or consummated.

Mr. LEWIS. Mr. President, may I ask the able Senator if the case from which he is reading did not come from Wisconsin?

Mr. BORAH. No; this is the Meat Trust case.

Mr. LEWIS. It came up from Wisconsin, did it not?

Mr. BORAH. It came up from Illinois, I think; that is where the Meat Trust has its home. It came from the northern district of Illinois.

Mr. LEWIS. I thank the Senator.

Mr. BORAH. It is a case found in One hundred and ninety-sixth United States. Again, the court said:

> Although the combination alleged embraces restraint and monopoly of trade within a single State, its effect upon commerce among the States is not accidental, secondary, remote, or merely probable. On the allegations of the bill the latter commerce, no less—perhaps even more—than commerce within a single State, is an object of attack. Moreover, it is a direct object; it is that for the sake of which the several specific acts and courses of conduct are done and adopted. Therefore the case is not like the United States *v.* E. C. Knight Co. (156 U. S., 1), where the subject matter of the combination was manufacture and the direct object monopoly of manufacture within a State. However likely monopoly of commerce among the States in the article manufactured was to follow from the agreement, it was not a necessary consequence nor a primary end. Here the subject matter is sales, and the very point of the combination is to restrain and monopolize commerce among the States in respect to such sales.

There can be no doubt, Mr. President, that, had the same allegations been made in the Knight case that were made in the Meat Trust case, the court would have arrived at the same conclusion. We therefore have it pretty well established that whenever a combination of separate acts go to make up a general scheme, which general scheme has for its purpose the control of interstate commerce, the mere fact that those acts, taken separately and by themselves, would be solely under the jurisdiction of the State, and matters of intrastate trade and commerce, does not take the transaction from out of the operation of the Sherman law; and every combine formed in a State, if it has for its ultimate object to specifically affect interstate commerce, may be dealt with under the Sherman antitrust law. It is the scheme—the purpose—which combines the separate acts and lifts the whole transaction within the purview of the law.

There was another opinion rendered early in the history of the law in what is known as the case of In re Greene in 52 Federal Reporter. This was another case in which the decision was against the Government, and it is well to give sufficient attention to it to enable us to see what is the effect of the later decisions with reference to the principle which was there announced. Reading from the syllabus—

> Congress has no authority under the commerce clause or any other provision of the Constitution to limit the right of a corporation created by a State in the acquisition, control, and disposition of property in the several States, and it is immaterial that such property or the products thereof may become the subjects of interstate commerce; and it is apparent that by the act of July 2, 1890, in relation to monopolies, Congress did not intend to declare that the acquisition by a State corporation of so large a part of any species of property as to enable the owners to control the traffic therein among the several States constituted a criminal offense.
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> * * * * * * *
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> To constitute the offense of "monopolizing or attempting to monopolize" trade or commerce among the States within the meaning of section 2 of said act it is necessary to acquire or attempt to acquire

an exclusive right in such commerce by means which will prevent others from engaging therein.

All those propositions, Mr. President, have been dealt with by the Supreme Court since that time. I shall call attention to them briefly, but before doing so I want to call attention to the statement of facts upon which this opinion was rendered, that we may see that, so far as the principle here announced is concerned, it has been distinctly modified.

The first count then alleges that, in pursuance of said purpose and intent, they, under the form and guise of said Distilling & Cattle Feeding Co., on October 3, 1890, did, at Boston, within the district of Massachusetts, "negotiate a sale, and did sell," to the firm of D. T. Mills & Co., 5,642.82 proof gallons of alcohol, which was then in the State of Illinois; that by reason of said combination and of their control of the large number of distilleries and the manufacture of 75 per cent of all such products in the United States, they did fix the price at which said D. T. Mills & Co., who were dealers therein at Boston, should and did sell said alcohol within said district of Massachusetts, or for transportation into any other State, "and did compel said Mills & Co. to sell said alcohol within said district of Massachusetts for use in said district, or for transportation to other States of the United States, at no less price than that fixed" by the accused; that by this means they controlled the amount of distilled product sold within the State of Massachusetts, and did fix the price at which said products were sold by dealers in said State; that they thereby prevented and counteracted the effect of free competition on the usual price at which said products were sold within the State, and did increase and augment the usual price at which said distillery products were sold in the State of Massachusetts for use therein or transportation therefrom; and that they thereby, and by the means aforesaid, did "restrain the trade and commerce in said distilling products between the State of Massachusetts and the States of the said United States other than the State of Massachusetts," contrary to the form of the statutes in such case made and provided.

This was an instance in which the parties undertook to control the price to the ultimate consumer by a price between the distiller and the parties to whom they sold the product. They not only exercised the power which they had by reason of controlling a large supply of the output, but they entered into contracts providing for rebates to those who would sell at a certain price or agree expressly that they would not sell below a certain figure. This was held in this case of In re Green to be a transaction within the State, a mere sale of property, a matter of private contract, and a matter concerning the State alone and not subject to the terms of the Sherman antitrust law.

Mr. President, that principle has been entirely rejected. It has been renounced, as it were, by the courts, not only in a general course of reasoning, but by a specific reference to that kind of a transaction.

I call attention briefly to one case upon that subject, and that is the case in Two hundred and twentieth United States, at page 373:

The complainant, a manufacturer of proprietary medicines which are prepared in accordance with secret formulas, presents by its bill a system, carefully devised, by which it seeks to maintain certain prices fixed by it for all the sales of its products, both at wholesale and retail. Its purpose is to establish minimum prices at which sales shall be made by its vendees and by all subsequent purchasers who traffic in its remedies. Its plan is thus to govern directly the entire trade in the medicines it manufactures, embracing interstate commerce as well as commerce within the States, respectively. To accomplish this result it has adopted two forms of restrictive agreements limiting trade in the articles to those who become parties to one or the other. The one sort of contract known as "Consignment contract—Wholesale," has been made with over 400 jobbers and wholesale dealers; and the other, described as "Retail agency contract," with 25,000 retail dealers in the United States.

In the body of the opinion it is further stated:

That these agreements restrain trade is obvious. That, having been made, as the bill alleges, with "most of the jobbers and wholesale druggists and a majority of the retail druggists of the country," and having for their purpose the control of the entire trade, they relate directly to interstate as well as intrastate trade, and operate to restrain trade or commerce among the several States, is also clear.

It will be seen by reading this opinion that the facts are somewhat similar to the facts stated in the account of the case of In re Green. In other words, it was an attempt to control the price of the product by having a contract which prevented the retail salesmen from selling below a certain price. That having been declared in the case of In re Green to be, in effect, not in contravention of the Sherman law, the same contention was made in this case. The Supreme Court distinctly declared, however, that such a principle can not be permitted to obtain, and that any contract which has for its ultimate effect or purpose the control of the price of the product has a tendency to restrain trade and is in violation of the Sherman law, notwithstanding the fact that the contract was made and completed wholly within a single State. The court in a clear and conclusive way limited the right of a party as to the manner of disposing of his own property if the manner of that disposal had the effect of restraining interstate commerce.

Mr. President, I have called attention to the Green case and these other cases for the reason that they have often been regarded as announcing a principle which would be difficult of application in the successful enforcement of the Sherman law. In so far as those cases announced any rule which would be inimical to the successful enforcement of that law, the rule has been renounced by the Supreme Court.

I desire now to take up some of the decisions which discuss the Sherman law, its wide reach, and its most comprehensive scope, with reference to all kinds and conceivable forms of monopolies and restraints of trade. As I do so, I wish to submit to the Senate this proposition and have it answered, if anyone can conceive of an answer. That is, what form of monopoly, what possible combination in restraint of interstate commerce, can you conceive of that may not be reached and destroyed under the principles which are now established by the Supreme Court in its decisions under the Sherman antitrust law? Is there any form of monopoly or monopolistic practice or restraint of trade which directly affects interstate commerce that will not be found to come within the clear announcement of the principles of the Supreme Court in the rendition of these different decisions? They have covered the entire field and dealt with all kinds of practices and have not only denounced the specified practices but announced general principles which are a guide as to future practices. It seems to me that we are fairly safe in saying that every conceivable form of conduct heretofore arising has been specifically referred to; and where not specifically referred to, general principles have been announced which bring them within the law, whatever they may be.

Mr. President, I am perfectly aware that I am discussing a subject with which the Members of the Senate are just as familiar as I am, and I shall not be able to throw any light on it, so far as they are concerned. I have engaged myself to do this, however, for the sole reason of getting into the RECORD the scope of these decisions, so that there may not be any misunderstanding in the country at large, if anyone cares to investigate it, as to the scope of the opinions, as to the power which we have under the Sherman antitrust law to deal with this entire subject; that it is not a question of having the power, of having the law defined, of knowing what we should do, how we should do it, or of our capacity under the law to effectuate our purposes, but it is simply and solely a question of courage to go forward and do it. If we are in favor of terminating the existence of industrial monopoly in this country, after 20 years of contest and after repeated decisions by the Supreme Court, we find ourselves now, on the 30th day of September, 1914, with the power in our hands, the decisions clear and definite, and the punishment condign and certain, if we have the courage to go forward and do it.

The first case to which I call attention is that of the United States against the Freight Association. In this case an effort was made to take the railroads from under the operation of the law. It was argued that it could not have been in contemplation of the makers of the law that railroads should be included. But the court held that the railroads must be considered as coming under the terms of the act, and further held that the particular contract involved, which contract in general terms undertook to agree upon certain rates to be charged, was inhibited. I quote briefly from the opinion:

The point urged on the defendant's part is that the statute was not really intended to reach that kind of an agreement, relating only to traffic rates entered into by competing common carriers, by railroads; that it was intended to reach only those who were engaged in the manufacture or sale of articles of commerce and who, by means of trusts, combinations, and conspiracies, were engaged in affecting supplies or the price or place of manufacture of such articles. The terms of the act do not bear out such construction. Railroad companies are instruments of commerce and their business commerce itself.

The court then takes up the contract and holds that it was in restraint of trade and in violation of the law, and that its violation could not be valid by allegations of an intention or of a desire to simply maintain reasonable rates. The only comment which I would make upon this decision when passing is that the contract which was here condemned was a contract which would have been held to have been in unreasonable restraint of trade or void at common law. All contracts were void at common law which were in restraint of trade, except that class of contracts which were incidental to a primary contract, such as an agreement to remain out of business when selling the business or an agreement when entering into a partnership not to go into business which was in competition with the partnership.

I need not take up the case of The United States against the Joint Traffic Association, in the One hundred and seventy-first United States, for it is largely a review and a reconsideration of the same questions which were decided in the Trans-Missouri Association.

I next direct the attention of the Senate to the Pipe Co. case, in the One hundred and seventy-fifth United States. This is one of the most important of the cases. It involved a contract in iron pipes between a large number of manufacturing companies, which contract was to the effect that these companies should maintain certain prices and share the profits. It was provided that in pursuance of the general plan no one should sell iron pipe to any purchaser without the permission of the combination, and as most of their dealings were with municipal corporations, they had an arrangement as to the manner in which they should do the bidding. The opinion in the case below was rendered by ex-President Taft, and is one of the most illuminating and instructive of all the decisions which have been rendered in the consideration of this law.

The contract was held void, and it was held that it would have been void at common law. Had the court continued to adhere closely to the Sugar Trust case, there might have been difficulty in holding this contract void, but it was clearly perceived that the intent of all these transactions was to control sales in interstate commerce.

I quote a single sentence from the decision of the Supreme Court in this case:

> Where the contract is for the sale of the article and for its delivery in another State, the transaction is one of interstate commerce, although the vendor may have also agreed to manufacture it in order to fulfill his contract of sale. In such case a combination of this character would be properly called a combination in restraint of interstate commerce, and not one relating only to manufacture.

I next consider the Northern Securities case. I first invite attention to the terms of the State charter. I read from the statement of facts:

> Its certificate of incorporation stated that the objects for which the company was formed were:
>
> "1. To acquire by purchase, subscription, or otherwise, and to hold as investment, any bonds or other securities or evidences of indebtedness, or any shares of capital stock created or issued by any other corporation or corporations, association or associations, of the State of New Jersey, or of any other State, Territory, or country.
>
> "2. To purchase, hold, sell, assign, transfer, mortgage, pledge, or otherwise dispose of any bonds or other securities or evidences of indebtedness created or issued by any other corporation or corporations, association or associations, of the State of New Jersey, or of any other State, Territory, or country, and while owner thereof to exercise all the rights, powers, and privileges of ownership.
>
> "3. To purchase, hold, sell, assign, transfer, mortgage, pledge, or otherwise dispose of shares of the capital stock of any other corporation or corporations, association or associations, of the State of New Jersey, or of any other State, Territory, or country, and while owner of such stock to exercise all the rights, powers, and privileges of ownership, including the right to vote thereon.
>
> "4. To aid in any manner any corporation or association of which any bonds or other securities or evidences of indebtedness or stock are held by the corporation, and to do any acts or things designed to protect, preserve, improve, or enhance the value of any such bonds or other securities or evidences of indebtedness or stock.
>
> "5. To acquire, own, and hold such real and personal property as may be necessary or convenient for the transaction of its business."
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> * * * * * * *
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> The duration of the corporation was to be perpetual.

Mr. President, here was a corporation organized to do practically everything that one would want to do in the way of creating a monopoly. So the Supreme Court had to meet the proposition that that which those men had done they were authorized to do by a charter from a Commonwealth of the Union, and that any criticism of conduct upon their part was apparently a criticism of the action of a sovereign State.

I might say here in passing, too, that if the people of this country really desire to be rid of monopoly, all they have to do is to take away the power which they have given these people to create monopolies. Far back in the history of the Supreme Court they rendered a decision to the effect that a corporation could not exercise any power other than the power which was specifically given it by the terms of the charter; that if it wanted to exercise a power it must put its finger upon the plain provision of the charter which authorized it to do so. In addition, they held that one corporation could not hold the stock of another corporation. So, after having these opinions, the men who desired to create monopoly and to exercise monopolistic power went to the different State legislatures and secured the power by which they built up these vast combines or monopolies. There is not to-day in existence in the Union a combine or a monopoly of which I have any knowledge that does not exist by virtue of specific authority from some State legislature.

If the principles announced by the Supreme Court of the United States in its early decisions, and in its later decisions with reference to the powers of corporations, and what they could do and could not do, had been observed by the different legislatures of this country as announced by the court, and had been regarded as sound principles of corporate power, in my judgment we would not be to-day contending with the question of monopolies in this country at all. No individual builds up a monopoly of any vast proportions. He goes and secures authority from some State to organize a corporation with vast charter powers, such powers as no State should ever grant.

So, in this case, when these men concluded to combine the holdings of stock of the two railroad companies they sought corporate authority from a State of the Union. When they were brought into court that was one of their defenses and one of the difficult subjects with which the court had to deal; but its solution vastly clarified the right and authority of the Government of the United States to deal with questions of monopoly under the Sherman antitrust law.

The court goes on to say:

> The Government charges that if the combination was held not to be in violation of the act of Congress, then all efforts of the National Government to preserve to the people the benefits of free competition among carriers engaged in interstate commerce will be wholly unavailing, and all transcontinental lines, indeed the entire railway systems of the country, may be absorbed, merged, and consolidated, thus placing the public at the absolute mercy of the holding corporation.

Commenting upon this, Justice Harlan said:

> The mere existence of such a combination and the power acquired by the holding company as its trustee constitute a menace to and a restraint upon that freedom of commerce which Congress intended to recognize and protect, and which the public is entitled to have protected. If such combination be not destroyed, all the advantages that would naturally come to the public under the operation of the general laws of competition, as between the Great Northern and Northern Pacific Railway Cos., will be lost, and the entire commerce of the immense territory in the northern part of the United States between the Great Lakes and the Pacific at Puget Sound will be at the mercy of a single holding corporation organized in a State distant from the people of that territory.
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> How far may Congress go in regulating the affairs or conduct of State corporations engaged as carriers in commerce among the States or of State corporations which, although not directly engaged themselves in such commerce, yet have control of the business of interstate carriers? If State corporations, or their stockholders, are found to be parties to a combination, in the form of a trust or otherwise, which restrains interstate or international commerce, may they not be compelled to respect any rule for such commerce that may be lawfully prescribed by Congress?

Before taking up the question Justice Harlan reviewed the cases which had been decided theretofore under the Sherman antitrust law, and announced the principles which had been announced and which I am going to read into the RECORD.

Up to the time of the rendition of the opinion in the Northern Securities case the following principles had been announced by the court, and they cover a very wide field of activity. Justice Harlan says:

> It is sufficient to say that from the decisions in the above cases certain propositions are plainly deducible and embrace the present case. Those propositions are:
>
> That although the act of Congress known as the antitrust act has no reference to the mere manufacture or production of articles or commodities within the limits of the several States, it does embrace and declare to be illegal every contract, combination, or conspiracy, in whatever form, of whatever nature, and whoever may be parties to it, which directly or necessarily operates in restraint of trade or commerce among the several States or with foreign nations.
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>
> That railroad carriers engaged in interstate or international trade or commerce are embraced by the act;
>
> That combinations, even among private manufacturers or dealers, whereby interstate or international commerce is restrained are equally embraced by the act;
>
> That Congress has the power to establish rules by which interstate and international commerce shall be governed, and by the antitrust act has prescribed the rule of free competition among those engaged in such commerce:
>
> That every combination or conspiracy which would extinguish competition between otherwise competing railroads engaged in interstate trade or commerce, and which would in that way restrain such trade or commerce, is made illegal by the act;
>
> That the natural effect of competition is to increase commerce, and an agreement whose direct effect is to prevent this play of competition restrains instead of promoting trade and commerce;
>
> That to vitiate a combination such as the act of Congress condemns it need not be shown that the combination in fact results or will result in a total suppression of trade or in a complete monopoly—

That would be a complete answer to the Green case—

> but it is only essential to show that by its necessary operation it tends to restrain interstate or international trade or commerce or tends to create a monopoly in such trade or commerce and to deprive the public of the advantages that flow from free competition.

Let me digress here to say that at this particular time a very earnest defense is being made by very able men upon the political rostrum, of one of the great combines and monopolies of this country because thus far it has not seen fit to oppress those who deal with it. That is recited as a justification for the existence of that monopoly—that thus far it has dealt fairly with its competitors; that thus far it has not oppressed those who purchase its goods; and therefore, notwithstanding it be a monopoly, in so far as its conduct has been satisfactory it should not be condemned.

That defense is being made for one of the most unconscionable, illegal, and indefensible monopolies that now exists. It

goes to the very kernel of one of the contentions which we make who are in favor of the Sherman law. It pronounces a death sentence upon monopoly when it exists, not by reason of any particular conduct of which it may be guilty, but because the combination of such power is dangerous to the interests of the people of the Republic, and the industrial world will not be subjected to the mercy or the beneficence of that kind of a power. No combine having built itself up through wrongful methods, having taken practical possession of an industry through monopolistic methods, should be heard to say we are entitled to be let alone because we are not now utilizing our power in a wrongful way.

Mr. WEST. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Georgia?

Mr. BORAH. I do.

Mr. WEST. Under that construction they wanted a beneficent monopoly to be undisturbed under the law, as I understand the Senator. Was that it?

Mr. BORAH. Exactly. That is the argument which is being made in defense of one of our monopolies—that thus far it has dealt kindly; and notwithstanding the fact that the court found it was a monopoly and ordered its dissolution, the court is criticized for doing so because of the fact that they claim the evidence showed that thus far, at least, they had not oppressed the purchasers or the dealers in their products as greatly as they might have done.

The court further says:

That the constitutional guaranty of liberty of contract does not prevent Congress from prescribing the rule of free competition for those engaged in interstate and international commerce; and,

That under its power to regulate commerce among the several States and with foreign nations, Congress had authority to enact the statute in question.

* * * * * * *

Underlying the argument in behalf of the defendants is the idea that as the Northern Securities Co. is a State corporation, and as its acquisition of the stock of the Great Northern and Northern Pacific Railway companies is not inconsistent with the powers conferred by its charter, the enforcement of the act of Congress, as against those corporations, will be an unauthorized interference by the National Government with the internal commerce of the States creating those corporations. This suggestion does not at all impress us. There is no reason to suppose that Congress had any purpose to interfere with the internal affairs of the States, nor, in our opinion, is there any ground whatever for the contention that the antitrust act regulates their domestic commerce. By its very terms the act regulates only commerce among the States and with foreign States. Viewed in that light, the act, if within the powers of Congress, must be respected, for by the explicit words of the Constitution that instrument and the laws enacted by Congress in pursuance of its provisions are the supreme law of the land, "anything in the constitution or laws of any State to the contrary notwithstanding"—supreme over the States, over the courts, and even over the people of the United States, the source of all power under our governmental system in respect of the objects for which the National Government was ordained. An act of Congress constitutionally passed under its power to regulate commerce among the States and with foreign nations is binding upon all; as much so as if it were embodied, in terms, in the Constitution itself. Every judicial officer, whether of a National or a State court, is under the obligation of an oath so to regard a lawful enactment of Congress. Not even a State, still less one of its artificial creatures, can stand in the way of its enforcement. If it were otherwise, the Government and its laws might be prostrated at the feet of local authority.

In other words, Mr. President, we have nothing to do with the creation of State corporations, nothing to say as to what terms shall be incorporated in their charters; but we have the power to say that no State corporation can enter the channels of interstate trade except upon such terms as the Congress of the United States dictates. We have the power to say that a State corporation must purge itself of certain acts or conduct, or the result of certain acts or conduct, before it may enjoy the right to enter the channels of interstate trade. So the Supreme Court put an end to the contention that some peculiar right arose by reason of an authority granted to the corporation by the State which did not belong to a State or did not belong to an individual, to wit, to interfere with interstate commerce.

It is said that whatever may be the power of a State over such subjects, Congress can not forbid single individuals from disposing of their stock in a State corporation, even if such corporation be engaged in interstate and international commerce; that the holding or purchase by a State corporation, or the purchase by individuals, of the stock of another corporation, for whatever purpose, are matters in respect of which Congress has no authority under the Constitution; that, so far as the power of Congress is concerned, citizens or State corporations may dispose of their property and invest their money in any way they choose; and that in regard to all such matters citizens and State corporations are subject, if to any authority, only to the lawful authority of the State in which such citizens reside or under whose laws such corporations are organized. It is unnecessary in this case to consider such abstract, general questions. The court need not now concern itself with them. They are not here to be examined and determined, and may well be left for consideration in some case necessarily involving their determination.

* * * * * * *

We do not understand that the Government makes any such contentions or takes any such positions as those statements imply. It does not contend that Congress may control the mere acquisition or the mere ownership of stock in a State corporation engaged in interstate commerce. Nor does it contend that Congress can control the organization of State corporations authorized by their charters to engage in interstate and international commerce. But it does contend that Congress may protect the freedom of interstate commerce by any means that are appropriate and that are lawful and not prohibited by the Constitution. It does contend that no State corporation can stand in the way of the enforcement of the national will, legally expressed. What the Government particularly complains of—indeed, all that it complains of here—is the existence of a combination among the stockholders of competing railroad companies which in violation of the act of Congress restrains interstate and international commerce through the agency of a common corporate trustee designated to act for both companies in repressing free competition between them. Independently of any question of the mere ownership of stock or of the organization of a State corporation, can it in reason be said that such a combination is not embraced by the very terms of the antitrust act? May not Congress declare that combination to be illegal? If Congress legislates for the protection of the public, may it not proceed on the ground that wrongs when effected by a powerful combination are more dangerous and require more stringent supervision than when they are to be effected by a single person? (Callan *v.* Wilson, 127 U. S., 540, 556.) How far may the courts go in order to give effect to the act of Congress and remedy the evils it was designed by that act to suppress? These are confessedly questions of great moment, and they will now be considered.

So, Mr. President, the court takes up the question of the power of State corporations to in any way authorize acts which the National Congress had declared to be inhibited or to constitute the means by which a combination could be formed which would have a tendency to restrain trade or create a monopoly in interstate commerce.

It does not seem at this time, Mr. President, so serious and so profound a question as it did at the time it was being so strenuously presented by those who are now contending that the Sherman antitrust law should be repealed. The contest went on with vigor and with great force and effect in presenting these different schemes by which to emasculate the Sherman antitrust law until the Supreme Court took up one after another of these questions and dealt with them finally and conclusively. When the time arrived that all avenues seemed closed they ceased their contest and entered upon the proposition of a repeal or emasculation of the Sherman antitrust law, and schemes providing other methods with which to deal with monopoly which in the end would have the effect of rendering the Sherman law a dead letter. From the time that these several propositions were announced and the broad and comprehensive principles presented to this country by the court until this time the propaganda has gone forward that this law, which was once considered insufficient and ineffective, is now too efficient and too effective to enable them to proceed along the lines they desired to proceed and must be repealed or rendered a dead letter. The court says:

If, as has always been understood, the sovereignty of Congress, though limited to specified objects, is plenary as to these objects, the power over commerce with foreign nations and among the several States is vested in Congress as absolutely as it would be in a single government having in its constitution the same restrictions on the exercise of the power as are found in the Constitution of the United States.

Upon page 344 of the decision the court says:

And all, we take it, will agree, as established firmly by the decisions of this court, that the power of Congress over commerce extends to all the instrumentalities of such commerce, and to every device that may be employed to interfere with the freedom of commerce among the States and with foreign nations. Equally, we assume, all will agree that the Constitution and the legal enactments of Congress are, by express words of the Constitution, the supreme law of the land, anything in the constitution and laws of any State to the contrary notwithstanding. Nevertheless, the defendants, strangely enough, invoke in their behalf the tenth amendment of the Constitution, which declares that "the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively or to the people"; and we are confronted with the suggestion that any order or decree of the Federal court which will prevent the Northern Securities Co. from exercising the power it acquired in becoming the holder of the stocks of the Great Northern and Northern Pacific Railway Cos. will be an invasion of the rights of the State under which the Securities Co. was chartered, as well as of the rights of the States creating the other companies. In other words, if the State of New Jersey gives a charter to a corporation, and even if the obtaining of such charter is in fact pursuant to a combination under which it becomes the holder of the stocks of shareholders in two competing, parallel railroad companies engaged in interstate commerce in other States, whereby competition between the respective roads of those companies is to be destroyed and the enormous commerce carried on over them restrained by suppressing competition, Congress must stay its hands and allow such restraint to continue to the detriment of the public because, forsooth, the corporations concerned or some of them are State corporations. We can not conceive how it is possible for anyone to seriously contend for such a proposition. It means nothing less than that Congress, in regulating interstate commerce, must act in subordination to the will of the States when exerting their power to create corporations. No such view can be entertained for a moment.

I shall not read further. But the court dealt with the entire subject of the relation of the Government and State corporate charters, of the right of private contract, of the power of Congress, full and complete, to fix a rule for interstate commerce, and held that the scheme was inhibited and must be dissolved.

On page 351 of the report Justice Harlan makes a general statement which I think it worth while to record:

It is the history of monopolies in this country and in England that predictions of ruin are habitually made by them when it is attempted, by legislation, to restrain their operations and to protect the public against their exactions. In this, as in former cases, they seek shelter behind the reserved rights of the States and even behind the constitutional guarantee of liberty of contract. But this court has heretofore adjudged that the act of Congress did not touch the rights of the States and that liberty of contract did not involve a right to deprive the public of the advantages of free competition in trade and commerce. Liberty of contract does not imply liberty in a corporation or individuals to defy the national will, when legally expressed. Nor does the enforcement of a legal enactment of Congress infringe, in any proper sense, the general inherent right of everyone to acquire and hold property.

The dissenting opinion in what is known as the Knight case in effect became the leading opinion of the court in the Northern Securities case. Many of the questions which were up in the former case were, to some extent at least, up for consideration in this case.

Mr. President, where lies the trouble with reference to the Sherman law? What is the defect of it that we need other remedies or other means? Wherein has the Government lost in any of its contentions? What principle has it contended for which has not been finally allowed? What form of monopoly can exist under it? What form of restraint of trade can exist under it? The Government, as I said a moment ago, has been successful in all its contentions. The disturbance has arisen, it seems to me, over the fact that it has been successful, not that it has failed, but that it has been successful.

Mr. WALSH. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Montana?

Mr. BORAH. I yield.

Mr. WALSH. The conclusion to which the Senator arrives is that really there is no necessity for any elaborate program of legislation upon the subject with which this measure deals—that the field is already entirely covered?

Mr. BORAH. No; not exactly that, Mr. President. I said a while ago that I am entirely in harmony with the proposition of any line of legislation which would enable, for instance, individuals who had been injured by reason of these laws to recover more easily, with less cost, under the Sherman law their threefold damages.

Mr. WALSH. They will have the right to maintain action under the Sherman Act, and the Senator would give them a little better rule of evidence?

Mr. BORAH. Yes; as evidenced by some of the amendments which were formerly added to this bill.

Mr. WALSH. I desire to inquire of the Senator, then, if, in his view, it would not be necessary to denounce price cutting and tying in contracts and other so-called monopolistic practices because they were already under the condemnation of the law?

Mr. BORAH. No, Mr. President; I stated the contrary in the former part of my remarks, that wherever these specific acts which were conceded to be well within the principle of the Sherman antitrust law could be individualized and the process with reference to their enforcement simplified, such as tying contracts and cutting prices, and so forth, I would be in favor of that, and of attaching to the violation of any such law a severe penalty. But if the Senator gets my view of it, it is this: I am opposed to defining those things and then turning the enforcement over to the discretion of a commission.

Mr. WALSH. I understand. The Senator, however, takes the view that they are all now punishable under the Sherman Act?

Mr. BORAH. I have not any doubt that they are inhibited by the principles of the Sherman law, though not to be dealt with except in equity as separate acts.

Mr. WALSH. And that unless some of our legislation, enacted or prospective, should take their right away they would be subject to punishment under that law?

Mr. BORAH. Yes; if I understand the Senator correctly that would be true, if he is speaking of them as ingredients of the Sherman law; and there might be cases where a separate act would be punishable.

Mr. WALSH. Then, I take it the Senator does not share the apprehension of the Senator from Missouri [Mr. REED] that these practices will now go on without any necessity or concern on the part of those pursuing them of amenability to the criminal law?

Mr. BORAH. I rather agree with the Senator from Missouri, for this reason. As I said a few moments ago, the result of this legislation will be that the Sherman law will become a dead letter.

Mr. WALSH. I understand the Senator believes that the prosecution will be through the trade commission rather than through the criminal courts?

Mr. BORAH. Yes.

Mr. WALSH. But the Senator recalls the provision here that the procedure before the Federal trade commission by no means prevents the prosecution under the Sherman Act?

Mr. BORAH. As a matter of law, it does not prevent it; but in the practical operation of these bills I entertain no doubt that as a practical fact these questions will be settled before the trade commission.

The court proceeds with the subject——

Mr. WALSH. That is the position, I understand, of the Senator, but——

Mr. VARDAMAN. Mr. President——

Mr. WALSH. If the Senator from Mississippi will pardon me a minute—that the liability under the law to criminal penalties exist, I understand the Senator entertains no doubt?

Mr. BORAH. I think there is no doubt about that; that is, that men can, as a legal proposition, be punished under the Sherman law; but I fear the intention is never to do so.

Mr. VARDAMAN. I was just going to ask if the Senator from Idaho thinks there is anything in the measure which he is now discussing before the Senate that repeals in any way the provisions of the Sherman law? I understand he does not think there is, but he believes it would become a dead letter by custom.

Mr. BORAH. Yes; that is my view. I do not contend that the Trade Commission act or anything in this bill actually repeals any of the provisions of the Sherman antitrust law. I did not understand the Senator from Missouri to say that. I would hesitate to differ from the Senator from Missouri upon any legal proposition, but I do not entertain that view. I am not at all of the opinion that it actually, in legal effect, destroys any of the provisions of the Sherman antitrust law; but I have no doubt that in the practical operation of this law the Sherman antitrust law will come to be regarded as cumbersome, drastic, too severe, calculated to disturb business, and that it will be infinitely better both for the country, so it will be argued, for these men to be brought before the commission and told not to do that any more, and infinitely more in accord with their theory that they go there than to be proceeded with under the Sherman antitrust law.

Mr. WALSH. Let me ask the Senator, will not that depend very largely upon the kind of an Attorney General we have?

Mr. BORAH. Yes; it will depend very largely upon that.

Mr. WALSH. And, of course, the kind of Attorney General we will have will depend very largely upon the kind of a President of the United States we will have.

Mr. BORAH. I suppose so.

Mr. WALSH. Likewise, Mr. President, does it not occur to the Senator that when the Federal Trade Commission investigates one of these organizations and discovers that it is engaged in practices of this character, and issues its order enjoining it from perpetrating them any longer, the matter becomes public property, the facts in relation to past transgressions are developed, and we are likely in that way to get prosecutions for past offenses that would otherwise have never been noticed at all?

Mr. BORAH. No, Mr. President, I do not entertain that view. That state of facts being disclosed, I do not think it necessary to have any more facts than we have in regard to violations of the Sherman antitrust law. But I would not at all oppose a commission to ascertain facts in relation to the violation of the Sherman law. What I object to is that part of the Trade Commission act which by order would regulate these monopolies and their practices. I would have them gather the facts and report them to the Department of Justice for action.

Mr. WALSH. If the Senator will pardon me, the idea occurred to me most prominently in connection with the New Haven Railroad Co. The idea of prosecuting the directors of the New Haven Railroad Co. was a most nebulous idea in the public mind. Just as soon as the Interstate Commerce Commission investigated the matter and the testimony was published to the world immediately a demand went out for the criminal prosecution of the men concerned in those nefarious practices; and, responsive to public demand and public opinion as well, I take it, as to the enlightenment which the Department of Justice got, that prosecution is going on to-day.

Mr. BORAH. I have been informed from reliable sources, which I have no reason to doubt, that in that case the Department of Justice, long before the investigation took place, was prepared to prosecute and intended to prosecute.

Mr. WALSH. I feel quite certain they have been confirmed in that purpose by the public view.

Mr. BORAH. Yes; I think very likely the public did have something to do with that; that is, so far as certain parties were

concerned; but I do not think it affected the Attorney General very much.

Mr. MARTINE of New Jersey. Mr. President, will the Senator from Idaho yield a moment?

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from New Jersey?

Mr. BORAH. Yes.

Mr. MARTINE of New Jersey. I have much admiration, I beg to state, for the judgment and opinion of the Senator from Idaho, and, if I understood him correctly, his view of the situation is that the adoption of the conference report would tend to make the Sherman antitrust law a dead letter. Am I correct?

Mr. BORAH. Yes; that is my view.

Mr. MARTINE of New Jersey. I want to ask if, in the Senator's judgment, any step that would tend to lessen the force of or tend to make the Sherman antitrust law a dead letter would not be a public calamity?

Mr. BORAH. I would so regard it.

Mr. President, perhaps I had better again state, as I intended to state and thought I did state in the opening when there were not so many Senators present as there are now, that I do not contend that this conference report, if adopted, will repeal any of the provisions of the Sherman antitrust law. I said in the beginning that my objection to the report took a wider range and was broader, and that was to what I considered to be the initiation of a new policy; not as to what the legal and technical effect of the adoption of this report would be, but as to what it will be in its practical operation and in a practical working out of this proposition; the Senate knows that there is a tremendous propaganda going on in this country to the effect that these prosecutions should not be maintained at all; that prosecutions under the Sherman law are ill-advised; that they are calculated to disturb business; that without these monopolies and combines we can not compete with the other nations of the earth in commerce; that they are an evolutionary growth; that they are wise and beneficent institutions; that they give us cheaper products; that the people are generally benefited; that the only thing which should be done in regard to them is that an occasional bad practice should be inhibited by some commission; and that the desire to have a commission is that they may go on serenely and undisturbed with all their special privileges, their assumption of power, their vast commercial advantage, and remain undisturbed in their integrity of organization, but that any practice which might seem to be unfair between them and some competitor may be inhibited by a commission.

That is the trend, as I readily recognize and frankly admit, of public opinion at this time; and, as the Senator from Montana [Mr. WALSH] has just said, public opinion has very largely to do with it. If public opinion continues to approve of that course, as it apparently does at this time, the Sherman antitrust law will become a dead letter, and its enforcement will not be followed up, but the mere inhibition of what is conceded to be or thought to be unfortunate practices will go on. In the end, however, Mr. President, and in the course of a few years, those commissions will come to imbibe the same feeling and the same spirit with reference to vast corporations and great combines and monopolies—that they are essential, that they are indispensable to our commercial supremacy, that they are beneficent institutions—and therefore those commissions, too, will look with a great deal of favor upon anything in the way of unfair competition that is not notoriously and indefensibly bad. Now, I am opposed to monopoly. I think its presence a menace. I know it is the parent of inequalities, of classes, the fruitful source of luxury and dissipation on the one hand and want and misery on the other. They divide our people into classes, breed discontent and hatred, and in the end riot, bloodshed, and French revolutions.

Mr. WALSH. Mr. President, I am not at all unmindful of the sentiment of which the Senator speaks and of the powerful sources from which it emanates nor of the influence that it exerts; I am further not unmindful, and am not entirely free from apprehension in the matter, that those same individuals look possibly to this legislation as the realization of their hopes in that direction; but, Mr. President, I have not sounded public sentiment as has the Senator, namely, that that sentiment is now growing, and that it is in a way dominant at the present time. My own conviction is that there never was in this country up to this good day so healthy a sentiment in favor of unrestricted competition, in favor of the enforcement of the Sherman antitrust law and of every law as that which exists at the present time.

The Senator from Idaho has well said that law was a dormant statute until less than 10 years ago. It was dormant because the public were not particularly concerned in the enforcement of the statute; they had not waked up to the necessity of the matter; the ideas of which the Senator now speaks were then in the ascendancy; they were entertained by people in high places in official life and in business life as well, and through them very largely permeated the community as a whole; but I am inclined to think that the other sentiment is now growing, and quite outweighs the idea that we ought to tolerate and regulate monopoly.

Mr. POMERENE. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Ohio?

Mr. BORAH. I yield.

Mr. POMERENE. The Senator from Montana [Mr. WALSH] is usually very accurate in his statements, but I must take issue with him when he makes the statement that the public has not waked up to the necessity of enforcing the Sherman antitrust law. The public was awake on this subject long before the Sherman antitrust law was passed. The Department of Justice only recently awoke from a deep sleep on the subject.

Mr. LEWIS. If I may be permitted at this particular juncture to call the attention of the Senator from Idaho to a matter, I invite his attention to this viewpoint: If the Senator from Idaho is accurate in his fear that there is now an increased sentiment, which has been growing, against the enforcement of the Sherman Antitrust Act, and that because of such there will come a time when all resort will be limited to the preventive act, known as the trade commission act; and I ask the Senator if it would not be true that, if such sentiment did prevail, then prosecutions initiated under the Sherman Antitrust Act would be absolutely futile, because such sentiment would actually prevent convictions? Does not the Senator feel such would be true?

Mr. BORAH. I think the logic of the Senator from Illinois is sound if the premises are admitted; but I would want to make an addition to that presentation, which is what I am, in my humble way, trying to do now, and that is to see if there can not be some retarding of the public sentiment in that direction.

Mr. LEWIS. Might I suggest to the Senator this thought, therefore: Since it is apparent that if the premises which he fears exist, they would undoubtedly restrain proceedings under the act; and if proceedings were instituted they would tend to paralyze any hope of conviction, because public sentiment would be against the trial of such cases. Would it not be well, under such conditions, that we have some preventive act, such as the Trade Commission act, or some such body as the Trade Commission, in order at the outset to avoid combinations, which at the end would not have been prosecuted with success?

Mr. BORAH. Yes, Mr. President, of course, if we are to give up the rigid enforcement of the Sherman Act or abandon the proposition as perhaps an unsuccessful principle, or a principle which can not be enforced successfully, I presume that we ought to try to create a commission to deal with some of the more obnoxious features of monopoly; but, Mr. President, I am opposed to admitting the necessity, I am opposed to admitting the principle of the regulation of industrial monopoly at all. I said in the beginning of my remarks that it may be that it is coming; it may be that others are going to yield to the proposition, but not I. I am so thoroughly convinced that this propaganda is being carried on with success from the same sources that derived their existence from monopoly and their supply from monopoly that I believe, if it is properly presented to the country, the people will not accept it. Men whom the people have absolute confidence in are advocating to-day the regulation of monopoly, while the men who are behind the scenes and directing its course are the men who are closely allied with the great monopolies of this country.

Mr. VARDAMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Mississippi?

Mr. BORAH. I yield.

Mr. VARDAMAN. I do not want to interrupt the Senator's trend of thought; he is making a very attractive and illuminating speech, but his statement is a very remarkable one. I take it that he means by it that the forces behind this legislation are the men who were sought to be curbed by the Sherman antitrust law.

Mr. BORAH. No, Mr. President; I do not believe that the men who are in charge of this legislation——

Mr. VARDAMAN. I should, speaking more properly, not have said "the men," but rather the influences, the interests which the Sherman law was intended to restrain and correct

are the ones that are now urging this legislation as a palliative—a kind of delusion and a snare.

Mr. BORAH. I believe that to be true.

Mr. VARDAMAN. That is a very remarkable statement, and I am not prepared to say the able Senator is in error in his surmises. These great interests work in mysterious ways their schemes to perfect.

Mr. BORAH. I do not mean to say by that, however, that all those who are in favor of this kind of legislation are by any means swayed by that influence to which the Senator from Mississippi has referred. I do not want to be misunderstood on that for a moment. I think that there are people who believe that this legislation will have the effect of restraining monopoly; and I think that some of those who are most urgent in support of this measure are perfectly sincere in their belief that it will have the effect of helping to restrain or destroy monopoly. I do not want, Mr. President, to be understood in any other light.

Mr. CULBERSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Texas?

Mr. BORAH. I yield.

Mr. CULBERSON. The Senator from Idaho recalls, does he not, that this bill permits prosecutions under the antitrust law?

Mr. BORAH. I so understand.

Mr. CULBERSON. In order, Mr. President, that it may appear in the RECORD at this point, if the Senator will permit me I will read the paragraph from section 11 of the conference report. It is as follows:

> No order of the commission or board or the judgment of the court to enforce the same shall in any wise relieve or absolve any person from any liability under the antitrust acts.

Mr. BORAH. I understand that, Mr. President, and I have already stated in answer to the Senator from Montana [Mr. WALSH] that I do not contend that there is anything in this proposed act which, as a legal proposition, would relieve anyone from the operation of the Sherman antitrust law. As a legal proposition, I agree with the Senator from Texas and the Senator from Montana. I do not think that is true. I tried to make it plain in my opening statement that that would not be the legal effect of it, but that such would be the effect of it in the practical operation or the working out of this proposition. It would be a substitute, as it were, for the enforcement of the Sherman antitrust law against these objectionable acts on the part of the combines and monopolies; it would be deemed sufficient and efficient for the Trade Commission to deal with them without going to the prosecution or to a dissolution of them under the Sherman Antitrust Act.

Now let me make this prediction: I have often been warned not to make prophecies, but let me make the prediction that if the Trade Commission is at all successful, if it is established, and the law creating it remains upon the statute books, in less than 10 years you will never hear of an action to dissolve a monopoly under the Sherman antitrust law.

Mr. CULBERSON. Mr. President, is not the philosophy and theory of this bill and of the Trade Commission bill that its enforcement will prevent the creation of trusts and combinations and monopolies rather than to regulate them?

Mr. BORAH. I suppose the Senator from Texas and others entertain that view; but suppose we assume that it is for the purpose of preventing monopolies. There has not been a monopoly formed in this country, that I know of, since the Tobacco case. After the rendition of the Standard Oil decision and the Tobacco decision there seems to have been a belief that there was no conceivable form of the organization of a monopoly which was not inhibited. I do not know of any monopolies now being formed. Our task is to rid the industrial world of those long ago illegally formed, and you can not do it by orders of a commission. You can not kill cancer with cologne water.

We know that prior to the rendition of the decision in the Northern Securities case they conceived that they could escape through securing authority from a State corporation and proceeding. They found they could not do that. Then they conceived that they could escape by the method in which the Tobacco Trust was organized. It was said at the time the Tobacco Trust was before the court that if that method of taking in and completely absorbing different corporations and covering them all by bonds and interlocking issues of stocks, and so forth—which would have the effect of making them one corporation, the contention being that it was a natural growth—did not escape the law, there would be no escape from the Sherman antitrust law; that the keenest and the ablest advisers would have exhausted all methods and all means of getting from under that statute. I have here a statement by a gentleman at one of the famous Gary dinners, in which he said that they were waiting with bated breath for the decision of the Tobacco case. When the Tobacco decision came and the court said, "This organization is subject to the law," and further said that there is no conceivable form of monopoly which can not be reached by it—that no subtlety, no device, no covering up, no misnomer of different acts can cover up such a proposition—from that hour I do not know of the organization of or the attempt to organize a great monopoly in this country.

Mr. WALSH. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Montana?

Mr. BORAH. I yield.

Mr. WALSH. Referring to the prophecy ventured just a moment ago by the Senator from Idaho——

Mr. BORAH. I would rather be known as a Senator than as a prophet, but I will take a chance in this instance.

Mr. WALSH. Let me refer to the fact that in the late decision of the circuit court for the eighth circuit in the Harvester Trust case it was declared by one of the judges that the proof exonerated the corporation from the charges of unfair practices in the conduct of its business. I do not venture to say whether that remark was justified or not, but I should like to have the Senator assume, for the purposes of the discussion, that it is true. Only about 60 days ago I was myself engaged—being relieved from my duties here for about two weeks—in prosecuting one of the aggregations charged to be in violation of the Sherman antitrust law. I sought diligently to get proof, in order to make out my case against the combination, of unfair practices in trade, of abuses such as are often introduced in these causes for the purpose of establishing monopoly or an attempt to establish a monopoly, and I was unable to do so. Yet it is a great, big combination of a large number of corporations which are consolidated into one, and, in my estimation, like the International Harvester Co., a combination in violation of the first section of the Sherman Antitrust Act.

Now, let us take the International Harvester Co. and assume that it never has been guilty of any of these improper practices.

Mr. BORAH. Of course we must only assume that.

Mr. WALSH. Yes; certainly. Let us assume that for the purposes of this discussion. The Federal Trade Commission would not reach that institution at all, would it? And is the Senator of the belief that it would be allowed to exist after the passage of this bill?

Mr. BORAH. Mr. President, that is precisely the argument of those who want a commission—that it should be permitted to exist unless it does some specific oppressive act.

Mr. WALSH. Mr. President, I agree that it is the argument of some people who want a commission, but not the people responsible for this bill.

Mr. BORAH. No; I am perfectly willing to concede that. I have no doubt that the object of the Senator from Montana and the Senator from Texas is the same that I have, and that we all desire to accomplish the same thing. I can not too often repeat that I do not want to be understood in any other way. It is a difference of view as to what will be the effect of our action. Now, what I say is that this is the first step in the direction that those desire to go who believe that such combinations as the Harvester Trust ought to be let alone unless they commit some particular, notorious, offensive act.

Mr. WALSH. But, Mr. President, leaving the views of those distinguished gentlemen out of the case, I put the question to the Senator as to whether he believes that should we pass this legislation there would be no more suits for the dissolution of such organizations as the International Harvester Co. and the one to which I referred, with the prosecution of which I was connected?

Mr. BORAH. There would be more if I had anything to do with it, but I do not expect to have much to do with it. I have no doubt, if the Senator will permit me to say so, that if a certain school of thought should get control of the Government and this commission it would undertake to satisfy the public that the commission was doing all that ought to be done in regard to the matter, and it would have the commission as a basis upon which to begin its propaganda. Not only that, but the Senator from Montana understands that this being the first step, the second step—already attempted to be taken and thoroughly presented to the country in different ways—is that these concerns should be let alone and that the whole business should be relegated and left to a commission.

The objection I have is this: Here is a law which you say is in aid of the Sherman Antitrust Act, and yet you make it in aid of the Trade Commission act. This law could be very justly entitled "An act in aid of the Trade Commission, the Federal Reserve Board, and the Interstate Commerce Commission."

Yielding to that principle, which is that all these things should be finally disposed of by that commission, you now prohibit tying contracts to a certain extent. Why? If it is an evil—and I think it is—why not make the offender punishable for it? You prohibit certain other specific acts, but you yield to the principle of those who say that the ultimate act shall be only admonished or prohibited and that the parties shall not be punished. You bring yourself completely within the line of procedure and the line of conduct of those who say that the Harvester Trust should be left undisturbed, because, instead of making those specific acts punishable—which is in harmony with the Sherman antitrust law—you make them nonpunishable, and render them simply subject to an admonition, which is in harmony with their principles. So, step by step, and as the public opinion shall be molded, we will more and more come to ignore the principle of the Sherman antitrust law—that is, punishment for these acts—and more and more to accept a mere admonition or an order to prevent the acts.

Mr. WALSH. Mr. President——

Mr. BORAH. I yield to the Senator from Montana.

Mr. WALSH. The Senator from Idaho will remember that both of those sections were absolutely taken out of the bill as it passed the Senate and were only put back through the insistence of the House conferees. My own judgment about the matter is that it is incongruous here; but, as has been suggested before, we can not always have the legislation just exactly as we want it.

Mr. BORAH. Mr. President, I said in the beginning that I had no criticism of the conference committee so far as the details of its transactions are concerned. My objection is fundamental. I am opposed to the proposition as a whole, because I think it is yielding to a policy to which I am unalterably opposed. Perhaps, technically speaking, the conference committee did what it should have done with reference to dropping some of these things. I am not going to discuss that question; others have discussed it, and they have their view about it. I have tried to make myself plain as to the fact that that is not the feature of this situation which is disturbing me. I simply want to put myself, once and for all, against the propaganda of the regulation of monopoly and against yielding upon the most stringent enforcement of the Sherman antitrust law and against putting anything covered by the Sherman antitrust law into a separate statute and putting that under the trade commission. I am against that entire policy; and for that reason I look upon this bill as unfortunate, because I can not see it in any other light than as going in that direction.

Mr. WEST. Mr. President, do I understand the Senator from Idaho to mean that the Federal Trade Commission should not have been created under the law, but that, if there were any hiatus or any monopoly that the Sherman law did not cover, then there should have been put on the statute books legislation covering it and a resort had to the courts?

Mr. BORAH. I think the Senator states, in a measure, my position; but I can state my position in language far better than I am capable of using by reading the following:

> The business of the country awaits also, has long awaited and has suffered because it could not obtain, further and more explicit legislative definition of the policy and meaning of the existing antitrust law. Nothing hampers business like uncertainty. Nothing daunts or discourages it like the necessity to take chances, to run the risk of failing under the condemnation of the law before it can make sure just what the law is. Surely we are sufficiently familiar with the actual processes and methods of monopoly and of the many hurtful restraints of trade to make definition possible, at any rate up to the limits of what experience has disclosed. These practices, being now abundantly disclosed, can be explicitly and item by item forbidden by statute in such terms as will practically eliminate uncertainty, the law itself and the penalty being made equally plain.

A bill formed upon that principle would have received my vote and my support without any qualification whatever.

Mr. SMITH of Michigan. Mr. President, from whom is the Senator quoting?

Mr. BORAH. I am quoting from the President's message on the trust question.

Mr. President, I can not conceive that the principle announced by the President has been complied with. The President says that there are certain practices which are "now abundantly disclosed." How? Why, by the decisions of the Supreme Court, which have covered this vast field of activity, and have singled them out, and said that this, that, and the other means by which monopolies are built up are in contravention of the principles of the Sherman law. But the President says that the general principle may be made more certain and more available to honest business by individualizing the practice, as it were, and putting it in a separate statute. Now, you did that with one or two propositions, and did properly in doing so, but he says:

> The law itself and the penalty being made equally plain.

One of the addresses which first introduced the President of the United States to the public in so pronounced a way was his address, I think made in the State of Kentucky a number of years ago, in which he argued for the individual responsibility and the individual punishment of those who should violate the principles contained in the Sherman antitrust law. Now, that is not this bill. There is no punishment prescribed here for those who violate the principles of the Sherman antitrust law.

Mr. CULBERSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Texas?

Mr. BORAH. I do.

Mr. CULBERSON. I invite the attention of the Senator from Idaho to old section 12 of this bill. It visits the guilt of the corporation upon the individuals who authorized, ordered, or performed any of the acts.

Mr. BORAH. Yes; I had not observed that section. I may discuss it in a few moments; but that is not a matter which I conceive to be one of the principles which have been individualized out of the Sherman antitrust law, like section 2, and the tying-contract section, and the other section. There is a punishment in regard to that, I believe. That is true.

Here is an illustration of what I was contending for. I read section 2:

> That it shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly, to discriminate in price between different purchasers of commodities, which commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States—

One of the most brutal and unconscionable methods by which the Standard Oil Co. built up its vast monopoly was discrimination as to prices in a given locality, and keeping up their prices in all other localities until their little competitor was driven into bankruptcy. That is a practice so vicious, so indefensible, and so often and constantly used by the unconscionable persons who are building up these monopolies, that no honest man would defend it, and no man of ordinary intelligence would have any doubt about what he was doing when he was doing it. It is not anything about which there is any uncertainty, either in law or in morals. Now, what do we do in regard to it?

Mr. WALSH. Mr. President, will the Senator pardon me for a moment?

Mr. BORAH. In just a minute. What do we do? We say—

> Where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce.

And then the matter is referred for enforcement, as I understand, to the Trade Commission.

I now yield to the Senator from Montana.

Mr. WALSH. Of course when the Senator puts that side of the question there is no answer to make to it; it is a basely criminal act; one destructive of the very best interests of the public. And yet if the Senator has endeavored to write a statute, as I have, to reach the case, which will not utterly destroy business operations that are entirely legitimate, he will find the task not a simple one at all; nor is it easy. I undertake to say, for any man to write a statute that would not carry evil results in many cases. Just take the reverse of it. Assume now the case of a feeble competitor of the great Standard Oil Co. It wants to introduce its product into a certain town where that organization now has a monopoly. It offers a special inducement to a man there. It says, "I will sell you the stuff at such and such a price." Outside of that it maintains its regular prices. It does so merely that it may exist against this awful monopoly. Yet you would prohibit that and you would make it penal for any competitor thus to cut prices?

Mr. BORAH. Mr. President, of course up to a certain limit that smaller corporation might be justified, but we are seeking to permit a corporation to do an act which if the monopoly did not exist it would be unfair and improper for it to do. The Senator defends it, I understand, because they are contending against a great monopoly. Mr. President, there is one complete answer to that proposition, as it seems to me, and it is the one for which I contend, and that is the destruction of that monopoly, and then establish a rule of conduct for honest men and for men who are not monopolists.

Mr. WALSH. I agree fully with the Senator, but the point I am making now is that you argue it ought to be made criminal because of the practices of this great monopoly. Now, if you consider that that great monopoly is eliminated, then it is a very simple proposition: we do not need the statute at all.

Mr. BORAH. Mr. President, if I may be permitted to say it, that is one thing that we never can do—that is, legislate so that

the same statute will apply to a monopolist and one who is not a monopolist; we must get rid of the monopoly.

Mr. WALSH. Rather, Mr. President, if the Senator will pardon me, we can get rid of that monopoly, but we want to prevent, if we can, other monopolies from developing by exactly the same process.

Mr. BORAH. In order to prevent other monopolies all you have to do is to establish a universal rule as to everybody, and enforce it. If you get rid of the monopoly you want to fight by means of this method of lowering, then there is no occasion for any man to charge a lower price in one community than he does in another. So the thing to do is to get out of our commercial existence these monopolies which necessitate us to have a government by men instead of a government by law. You can not have a government by law in a republic where these monopolies exist.

Mr. WALSH. Let me remark, Mr. President, that the Senator has not reached the difficulty yet. I want him to assume the case of an organization that is not a monopoly but is a great, powerful institution, and its competitor is a feeble little organization just beginning. That is the condition I want the Senator to consider.

Mr. BORAH. As a practical proposition, of course it would be utterly useless for a small corporation to enter upon a contest with the Standard Oil Co. to lower its price in a town in order to gain some advantage. The Standard Oil Co. could say to the corporation, "Take this proposition for the present," until it got large enough to invite attention to it, and then it could lower its prices in the entire territory over which the small corporation attempted to operate, and put it out of existence.

Mr. CLAPP. Will the Senator pardon an interruption?

Mr. BORAH. I will.

Mr. CLAPP. Then, under those circumstances would the small corporation lowering its prices in a commercial war with the Standard Oil Co. ever get big enough to excite any such hostility on the part of the Standard Oil Co.?

Mr. BORAH. I think not likely. It would likely think de minimis lex or something of that kind.

If the Senator from Indiana [Mr. KERN] wants to move an executive session, I will not interfere.

EXECUTIVE SESSION.

Mr. KERN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 30 minutes spent in executive session the doors were reopened.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House agrees to the amendment of the Senate to the bill (H. R. 13811) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

ENROLLED BILL SIGNED.

The message also announced that the Speaker of the House had signed the enrolled bill (H. R. 13811) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, and it was thereupon signed by the Vice President.

PETITIONS AND MEMORIALS.

Mr. CHILTON. I ask to have printed in the RECORD the following telegram from the Oil and Gas Producers' Association of West Virginia, remonstrating against the proposed tax of 2 cents per gallon on gasoline, and I ask that it be referred to the Committee on Finance.

There being no objection, the telegram was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

[Telegram.]

PARKERSBURG, W. VA., *September 28, 1914.*

Hon. W. E. CHILTON,
United States Senate, Washington, D. C.:

Oil and Gas Producers' Association of West Virginia, in convention assembled, hereby protest against the tax of 2 cents per gallon on gasoline provided by the revenue bill as exorbitant and unfair in that said tax at 2 cents per gallon is 25 per cent on the present wholesale price of gasoline. If taxed at all, it should not be over one-fourth cent per gallon, and then only on gasoline marketed and sold. The provisions of section 3 of the bill as drawn now would not, in our judgment, be fair, because it does not apply on gasoline in storage, which gasoline would escape taxation. We are informed that there is at this time sufficient gasoline in storage to cover requirements during the period of taxation.

OIL AND GAS PRODUCERS' ASSOCIATION OF WEST VIRGINIA,
By W. W. WALKER, *Vice President.*

Mr. McLEAN presented a memorial of the Clearing House Association of Hartford, Conn., remonstrating against the proposed tax on capital and surplus of banks, which was referred to the Committee on Finance.

Mr. PITTMAN presented telegrams in the nature of memorials from the Clearing House Association of Reno; from the Washoe County Bank of Reno; and from the First National Bank of Lovelocks, all in the State of Nevada, remonstrating against the proposed tax on capital and surplus of banks, which were referred to the Committee on Finance.

He also presented telegrams in the nature of memorials from A. E. Kimball, president of the Nevada Bankers' Association, of Elko, Nev.; from the Clearing House Association of Reno, Nev.; and from George M. Reynolds, president of the Continental and Commercial National Bank, of Chicago, Ill., remonstrating against the adoption of the provisions in the so-called Clayton antitrust bill as to interlocking of bank directorates, which were referred to the Committee on the Judiciary.

Mr. WARREN. I present a telegram in the nature of a memorial from the president of the Wyoming Bankers' Association, which I ask may be printed in the RECORD and referred to the Committee on Finance.

There being no objection, the telegram was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

[Telegram.]

RAWLINS, WYO., *September 25, 1914.*

Senator F. E. WARREN,
Washington, D. C.:

The Wyoming Bankers' Association urge that you file a protest with the House Ways and Means Committee against the injustice of the Underwood bill taxing banks $2 a thousand upon capital and undivided profits, because it singles out one class of corporations alike, and therefore it is unfair and discriminatory. The banks are willing to assume their fair share of the burden, and it is urgent that the provision be readjusted so that the amount of revenue estimated to be derived from bank capital be raised by proportionate assessments upon all classes of corporations, including banks. Immediate protest by this association through you is urgent.

WYOMING BANKERS' ASSOCIATION,
J. M. RUMSEY, *President.*

ALASKA COAL LANDS.

Mr. WALSH. There is on the calendar a bill (S. 4425) to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes, being Order of Business 318. The Senate passed the House bill a few days ago, and I ask that the Senate bill be taken from the calendar and postponed indefinitely.

The VICE PRESIDENT. Without objection, that action will be taken.

BILLS AND JOINT RESOLUTIONS INTRODUCED.

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHIVELY:

A bill (S. 6553) granting an increase of pension to George Schmidt (with accompanying paper); to the Committee on Pensions.

By Mr. WARREN:

A bill (S. 6554) granting an increase of pension to Wilhelmina Myer (with accompanying paper); to the Committee on Pensions.

By Mr. SMOOT:

A bill (S. 6555) to authorize the Secretary of the Interior to issue patents for certain lands to the town of Duchesne, Utah; to the Committee on Public Lands.

By Mr. LEA of Tennessee:

A bill (S. 6556) to amend an act approved February 4, 1887, entitled "An act to regulate commerce," as amended by an act approved June 29, 1906, and all other amendatory acts; to the Committee on Interstate Commerce.

By Mr. O'GORMAN:

A joint resolution (S. J. Res. 190) authorizing the Secretary of War to use any allotment made under the provision of H. R. 13811, Sixty-third Congress, second session, for the improvement of East River and Hell Gate, N. Y.; to the Committee on Commerce.

By Mr. STONE:

A joint resolution (S. J. Res. 191) to convey appreciation of Congress to their excellencies Señor Domicio da Gama, Señor Rómulo S. Naón, and Señor Eduardo Suárez for their generous and distinguished services as mediators in the controversy between the Government of the United States and the leaders of the warring parties in Mexico; to the Committee on Foreign Relations.

EMERGENCY REVENUE LEGISLATION.

Mr. WILLIAMS submitted seven amendments intended to be proposed by him to the bill (H. R. 18891) to increase the internal revenue, and for other purposes, which were referred to the Committee on Finance and ordered to be printed.

WITHDRAWAL OF PAPERS.

On motion of Mr. WARREN, it was

Ordered, That authority be, and is hereby, granted to withdraw the papers filed in support of Senate bill No. 2016, Sixty-second Congress, first session, for the relief of Fred C. and C. Helen Fisher, no adverse report having been made thereon.

PRESIDENTIAL APPROVAL.

A message from the President of the United States, by Mr. Latta, executive clerk, announced that the President had, on September 29, 1914, approved and signed the following act:

S. 4274. An act to authorize and require an extension of the street railway lines of the Washington Railway & Electric Co., and for other purposes.

RECESS.

Mr. KERN. I move that the Senate take a recess until to-morrow at 11 o'clock a. m.

The motion was agreed to; and (at 5 o'clock and 35 minutes p. m., Wednesday, September 30, 1914) the Senate took a recess until to-morrow, Thursday, October 1, 1914, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate September 30 (legislative day of September 28), 1914.

UNITED STATES DISTRICT JUDGE.

Benjamin F. Bledsoe, of San Bernardino, Cal., to be United States district judge, southern district of California. (An additional position created by the act approved July 30, 1914.)

PROMOTIONS IN THE ARMY.

CAVALRY ARM.

Lieut. Col. Frederick S. Foltz, Cavalry, unassigned, to be colonel from September 27, 1914.

Lieut. Col. Harry C. Benson, Cavalry, unassigned, to be colonel from September 27, 1914, vice Col. Lloyd M. Brett, unassigned, detached from his proper command.

Maj. Robert A. Brown, Fourteenth Cavalry, to be lieutenant colonel from September 27, 1914, vice Lieut. Col. Grote Hutcheson, unassigned, detached from his proper command.

Capt. Elmer Lindsley, Cavalry, unassigned, to be major from September 27, 1914, vice Maj. Robert A. Brown, Fourteenth Cavalry, promoted.

First Lieut. John Alden Degen, Twelfth Cavalry, to be captain from September 27, 1914, vice Capt. Fred E. Buchan, Eighth Cavalry, detailed in the Quartermaster Corps.

Second Lieut. Robert C. Rodgers, Fourth Cavalry, to be first lieutenant from September 27, 1914, vice First Lieut. John Alden Degen, Twelfth Cavalry, promoted.

APPOINTMENT IN THE ARMY.

Rev. Haywood Lewis Winter, of Texas, to be chaplain with the rank of first lieutenant, from September 28, 1914, vice Chaplain Samuel H. Bell, First Field Artillery, retired from active service November 15, 1913.

PROMOTIONS AND APPOINTMENTS IN THE NAVY.

Lieut. John J. Hannigan to be a lieutenant commander in the Navy from the 1st day of July, 1914.

Lieut. (Junior Grade) William H. Lee to be a lieutenant in the Navy from the 1st day of July, 1914.

Don F. Cameron, a citizen of Indiana, to be an assistant surgeon in the Medical Reserve Corps of the Navy from the 23d day of September, 1914.

Sydney Walker, jr., a citizen of Illinois, to be an assistant surgeon in the Medical Reserve Corps of the Navy from the 24th day of September, 1914.

First Lieut. Arthur Stokes to be a captain in the Marine Corps, to fill a vacancy occurring June 9, 1914, and to take rank from May 6, 1914.

CONFIRMATIONS.

Executive nominations confirmed by the Senate September 30 (legislative day of September 28), 1914.

UNITED STATES DISTRICT JUDGE.

Augustus N. Hand to be United States district judge, southern district of New York.

POSTMASTERS.

KANSAS.

Thomas C. Rodgers, Beloit.
Inez E. Smith, Robinson.
B. F. Tatum, Kinsley.

SOUTH DAKOTA.

Martin M. Judge, Webster.

VIRGINIA.

Gordon E. Gilly, Big Stone Gap.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *September 30, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Infinite Spirit whose life-giving rays permeate all space and whose love reaches out to all mankind, we thank Thee for the strong, intelligent, ever-growing faith which recognizes Thee as Father of all souls, enhances, dignifies, and ennobles life, takes away the fear of death, fills the heart with eternal hope, accentuates the sinfulness of sin, and inspires to holy living. Grant, O most merciful Father, that it may continue to grow, that Thy kingdom may come and Thy will be done on earth, as it is in heaven. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS.

Mr. HULL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an editorial from the Washington Herald, and comment thereon.

The SPEAKER. The gentleman from Tennessee [Mr. HULL] asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

RESIGNATION OF A MEMBER.

The SPEAKER. The Chair lays before the House the following letter:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
Washington, D. C., September 30, 1914.

The Hon. CHAMP CLARK,
Speaker of the House of Representatives, Washington, D. C.

DEAR SIR: I beg to inform you that I have tendered to the governor of Maryland my resignation as a Representative in the Sixty-third Congress of the United States from the first congressional district of Maryland, to take effect on this date.

Very respectfully,
J. HARRY COVINGTON.

ORDER OF BUSINESS.

Mr. HENRY. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

The SPEAKER. The gentleman from Texas asks unanimous consent to address the House for two minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. HENRY. Mr. Speaker, the morning papers have the statement that the House is expected to take a recess or adjourn early next week. I think it is only fair to the House and the country to say that, as the chairman of the Committee on Rules, I have been authorized to report a rule on the ship-purchase bill and instructed to present that rule immediately after the completion of the Philippine legislation. In my last conference with the President, which I think is perfectly fair for me to state to the House, he insisted that he was very anxious for this bill to be taken up for consideration, and urged me to call the Committee on Rules together at the earliest practicable date, which was done; and they acted on the special rule. That special rule is now in my hand, and just as soon as the Philippine legislation is out of the way, I desire to inform the House I shall present the special rule to take up for consideration the ship-purchase bill.

Mr. HUMPHREY of Washington. For immediate consideration?

Mr. MANN. For this evidence of Democratic harmony we are truly thankful.

Mr. HENRY. It is harmony. There is no trouble about it.

The SPEAKER. This is Calendar Wednesday, and the House resolves itself into the Committee of the Whole House on the state of the Union automatically——

Mr. HENRY. Mr. Speaker, before we proceed I would like to extend my remarks in the RECORD by adding a few more words.

The SPEAKER. The gentleman from Texas asks leave to extend his remarks in the RECORD on the subject about which he was speaking. Is there objection?

Mr. ANDERSON. Mr. Speaker, reserving the right to object——

Mr. MANN. Mr. Speaker, reserving the right to object, I understood the gentleman asked leave to extend his remarks in the RECORD on the subject of whether we were going to have the shipping bill or not. We are all much interested in the subject of whether we get away or not. Why can not the gentleman give us the information instead of making us read it at some future time in the RECORD?

Mr. HENRY. The information bears upon the pending legislation, and I have prepared a statement for the RECORD, and it will throw light on the very subject the gentleman asks about.

The SPEAKER. Is there objection?

Mr. ANDERSON. Mr. Speaker, reserving the right to object, I think we are entitled to that information now.

Mr. HENRY. I have no objection.

The SPEAKER. I know, but the gentleman only had two minutes and he used that up.

Mr. ANDERSON. I ask unanimous consent, Mr. Speaker, that the gentleman have five minutes more.

The SPEAKER. The gentleman from Minnesota asks unanimous consent that the gentleman from Texas have five minutes in which to address the House. Is there objection? [After a pause.] The Chair hears none.

Mr. HENRY. Mr. Speaker, I will ask the Clerk to read the statement that I have prepared.

The Clerk read as follows:

"We should not think of adjourning Congress at this crisis. In the first place, only yesterday the southern governors, many Senators and Representatives resolutely determined in a historic conference in the Senate Office Building to 'make every possible effort to secure Federal legislation which will enable the producers of cotton to obtain loans of public funds to be deposited in banks at a reasonable rate of interest to be fixed by the Government,' and so forth.

"Hence, southern Senators and Representatives must keep faith and make a determined fight for this legislation. If they do not, they can not go home and look their people in the face with the cotton industry, our great international product, utterly prostrated and the market completely paralyzed.

"Second. We should pass the ship-purchase bill. This is one of the most far-reaching, beneficial, and glorious measures yet proposed by the President. It will rescue our commerce, manufactures, and agricultural exports from the most merciless, cruel, and grinding shipping trust and monopoly on the high seas the world ever saw. By the prompt establishment of this merchant marine it will bring countless blessings and benefits to our export manufactures, products of the field and farm, and commerce in general, by breaking the strangle hold of the piratical masters of the sea, who dominate rates on the high seas throughout the universe by their 'conferences,' agreements, and conspiracies to monopolize in freight charges.

"Third. We should pass the three important bills reported by the House Committee on Banking and Currency and passed by the Senate, to wit, S. 6398, S. 6505, and H. R. 15038, so that the Federal reserve act may be speedily put in operation for the benefit of business and the relief of the distressed people throughout the South.

"Fourth. We should speedily pass the boiler-inspection bill, H. R. 17894, an emergency measure, and thus save thousands of lives on the railroads. This bill has been favorably reported by the House Committee on Interstate and Foreign Commerce, and the Rules Committee has authorized a special rule for its consideration.

"There are some other important matters that should be passed. These things are of more importance to the masses of people than the political fortunes of a few men or any set of men.

"Therefore, I shall resist adjournment until these matters are disposed of and fight to the death for action that will relieve the suffering and sorely distressed people of the cotton-growing States, which constitute about one-third the area and population of the Union."

Mr. ANDERSON. Mr. Speaker, may I ask what this rule for the consideration of the shipping bill provides as to the debate, and so forth?

Mr. HENRY. Of course, we can not take it up now. It is authorized to be reported. It provides for eight hours' general debate and for unlimited right of amendment and discussion under the five-minute rule.

Mr. MADDEN. Will the gentleman yield to me?

Mr. HENRY. I will.

Mr. MADDEN. Will the gentleman tell us when the boiler-inspection bill was passed? Was not that passed 10 years ago?

Mr. HENRY. This is extending the act.

Mr. MADDEN. This is extending it?

Mr. HENRY. The gentleman is on a cold trail about that. It is a very important measure.

Mr. MADDEN. The gentleman seems to be on quite a hot trail.

Mr. HENRY. I think not. Just the usual procedure as to the business of the House.

The SPEAKER. The time of the gentleman from Texas has again expired.

Mr. MOORE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the shipping bill.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD on the shipping bill. Is there objection? [After a pause.] The Chair hears none.

Mr. MANN. Mr. Speaker, I ask unanimous consent to proceed for two minutes.

Mr. BARNHART. Mr. Speaker——

The SPEAKER. Wait until the Chair puts the question. The gentleman from Illinois [Mr. MANN] asks unanimous consent to proceed for two minutes. Is there objection?

Mr. BARNHART. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Illinois [Mr. MANN] to make that seven minutes in order that I may yield five minutes of the time to the gentleman from Maryland [Mr. COVINGTON], who has a message not political and in which we may all be interested.

Mr. MADDEN. I might ask to make it 10, so that I may have 3 minutes.

The SPEAKER. How is the gentleman going to yield the time of the gentleman from Illinois? He asked two minutes in which to address the House.

Mr. BARNHART. I asked it in order that he might yield it to Mr. COVINGTON.

The SPEAKER. He can not yield it to Mr. COVINGTON.

Mr. METZ. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

The SPEAKER. Wait a moment. The gentleman from Illinois [Mr. MANN] asks unanimous consent to address the House for two minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. MANN. Mr. Speaker, all I desire to do is to ask the gentleman from Alabama [Mr. UNDERWOOD] whether he is prepared this morning to make any statement to the House on the probability of adjournment or taking any other procedure by which Members may shortly go home?

Mr. HENRY. I beg the gentleman's pardon. Was the gentleman addressing his remarks to me?

Mr. MANN. I was not. I was addressing the old leader of the majority side of the House.

Mr. HENRY. I disclaim any right to leadership.

Mr. UNDERWOOD. Why, Mr. Speaker, if the House will permit me, I will answer the gentleman's question. I would like to make a pact, if it is possible, that would let the House get away for a few weeks before election. So far as I am concerned, I would be glad to do so; but the gentleman from Illinois understands, of course, that a pact of that kind can only be made by unanimous consent, and until this side of the House is determined to live up to a pact of that kind and that side of the House is also willing to do so there is no chance for the gentleman from Illinois and myself to make an agreement. If the time arrives in the near future when the sentiment on both sides of the aisle is prepared to enter into a pact and live up to it, so far as I am concerned I shall be very glad to live up to it.

Mr. MANN. I made the inquiry in view of the statement of the gentleman from Alabama yesterday morning, to see if anything had eventuated that would be of interest to the House to know.

Mr. UNDERWOOD. I will say candidly that if the ship bill is taken up and a rule is considered we shall probably not get away much before election, if at all. I shall be glad to support a rule on the shipping bill and support the bill; but I would be entirely willing and glad to have the rule on the shipping bill considered and the consideration of that bill go over until after election, because I think it could be delayed to that extent without any serious harm. I realize the necessity of gentlemen on both sides of the House going to their districts, if possible, but I do not think the situation is such that we can make an agreement now; but I hope that maybe the situation will clear itself up in a few days, and if it does I shall be glad to endeavor to make a pact with the gentleman from Illinois.

The SPEAKER. The time of the gentleman has expired.

Mr. METZ, Mr. HENRY, and Mr. ADAMSON rose.

IMPORTATION OF CHEMICALS.

The SPEAKER. The gentleman from New York [Mr. METZ] is recognized.

Mr. METZ. Mr. Speaker, I simply want to state the condition of the international chemical situation to-day for the benefit of those who are interested, so that they may inform their constituents from whom they get inquiries, and there are a lot of them.

The German Government has consented to give us all the chemicals we need of every kind, except that they have put an embargo on raw materials for dyestuff making. They impose two conditions: First, that we shall guarantee not to furnish these chemicals to any nation with which they are at war; and, second, that we shall transport them in American vessels.

That is, they do not want to take the risk of shipping these goods with the idea that they are for America and then have them exported to other countries. They promise that we shall get them if we send over American vessels in which to transport them.

Such vessels can be had and sent over, and in that way our mills can be kept supplied with the necessary chemicals, and we can get all we need from Germany. Under these conditions, if we send American vessels to Rotterdam, the vessels can be loaded and the chemicals and dyes brought here.

There is to be a conference at the State Department at 3 o'clock this afternoon for the purpose of taking up this question with the representatives of the textile, mining, and agricultural interests.

There have been a lot of reports, scattered around by people who do not know anything about the matter, as to the manufacturers who can make these goods here and the Swiss manufacturers. But the fact remains that we, as well as the Swiss, English, and French manufacturers, must all get our raw materials from Germany, and whether or not we shall ever be able to make these goods here is academic, in view of the fact that we want them now to keep our mills going.

We want Germany's chemicals and Germany wants our cotton, and it is up to us to get it there.

The conference, held at the office of the Secretary of the Interior on September 3, resulted in a memorandum being issued, which I offer herewith, together with my suggestions thereon:

MEMORANDUM FOR THE PRESS.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
September 3, 1914.

Two definite suggestions were made at the conference held by Secretary Lane to-day with about 25 representatives of the leading manufacturers of coal-tar, chemical, and pharmaceutical products:

First. That there should be a system instituted in this country similar to the one in England, whereby if a foreign patent is not used and manufactured within a reasonable time it will be opened to use by American manufacturers.

Second. A law should be passed whereby unfair competition will be cut off. This relates to the practice known as "dumping." This would preclude the practice, which it is alleged is now followed, of selling foreign products below the costs of manufacture.

It was pointed out that on account of foreign monopoly, aspirin, for instance, sells in this country for 32 cents an ounce, whereas abroad it sells for 42 cents per pound.

The statement was also made that about 20 per cent of the aniline dyes used in the United States are produced here, but from intermediate material, which is largely imported, although we have an abundant supply of coal tar; that there is only about a three-months' supply of dyestuffs in this country; and that the manufacturers in Germany have a supply on hand that would last this country for about a year if it could be procured; that most of the processes for the manufacture of dyestuffs are open to use in this country, but German patents preclude the manufacture here of many medicinal preparations; that many of these patents are being used as they expire; that products covered by foreign patents which have now expired are selling by the pound for what they sold by the ounce before the expiration of the patents.

It was thought by all the representatives of the manufacturers present that it was not profitable to go into the business, for the reason that a demand could not be secured for a sufficient amount of American dyestuffs with open foreign competition. The textile representatives stated that this was due to the fact that they could purchase dyestuffs manufactured abroad cheaper than they could purchase the same material in America. Secretary Lane asked if it was not possible to secure capital to invest in manufacturing plants if the users of dyestuffs would get together and give the manufacturers sufficient business. This was answered by the statement that it was impracticable and even impossible to get the users of dyestuffs to enter into such an agreement on account of the change of styles, the different materials required, and the uncertainty of demand, which would preclude the placing of orders for a period of several years.

The Secretary was requested to use his efforts through the State Department to secure permission for the exportation of dyestuffs from Germany on condition that the moneys needed were furnished. One of the far-reaching suggestions of the conference was that the wisest way to develop a great coal-tar product industry in the United States as exists in Germany was for the Government to establish a Government plant whose primary purpose should be the making of nitroderivatives of coal tar and other materials needed for explosives by the War and Navy Departments. This plant could experiment in processes which would become public property and be the foundation for private enterprise. The startling statement was made that the United States to-day was absolutely dependent on Germany for some of the essential elements in smokeless powder, and that if Germany stopped their manufacture or prohibited export to this country we would be helpless. In time of war we could not supply our own war materials, even though the very raw materials from which they come were exported from the United States.

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NEW YORK, *September 26, 1914.*

Hon. FRANKLIN K. LANE,
Secretary of the Interior, Washington, D. C.

MY DEAR MR. SECRETARY: Referring to my recent call on you, and the conference with the manufacturers of coal-tar chemical and pharmaceutical products had at your office, permit me, in order to add to the record, to make the following remarks upon the memorandum, dated September 3, which your department issued and of which you gave me a copy.

First. In regard to the English system compelling the working of a patent, Germany provides in her patent law that a patent must be worked, but an exception is made in the case of American patents, and this exception was made at the request of the United States and is the subject of a treaty with Germany. There are so many more American patents, on machinery especially, taken out by Americans in Germany that the preponderance of interest is entirely on the side of the United States in not having the working clause enforced. England has such a working clause, which resulted, so far as chemicals and dyestuffs are concerned, in compelling large German plants—at least two of them—to erect plants in England in which the essential features of the patents are carried out; small quantities of the goods are made, but in all cases from raw material obtained from Germany from the original plants of the patentees. These patents, of course, are owned by English companies under the English law, but it is fair to assume that the stock control is in the German plants, either directly or indirectly.

Since the war broke out I have had telegrams from England and letters from the managers of these plants stating that they were compelled to shut down for lack of raw material, and asking if we could supply them from the United States either with the finished products or with the raw materials necessary to run their plants. England, in spite of its patent law, is therefore in a worse position than the United States, so far as these products are concerned. There are comparatively few of them, but they are very essential in various industries and also for the public health.

Second. "Unfair competition" is a general statement that covers largely the excuse of the man who is not able to compete. There is no "dumping" of German products, so far as chemical products are concerned, in the United States, because we are compelled to pay duty upon the "market value abroad," and the customhouse very soon raises invoices that do not come up to the market value, and a penalty falls upon the importer. Importers are not selling goods at a loss simply to dispose of the surplus stock of Germany, and even if such a condition did exist, no one knows better than the makers of the dyestuffs themselves, who, besides manufacturing a limited amount of colors in this country from raw materials imported from abroad, import very largely the finished product, that undervaluation or "dumping" is entirely out of the question and that none of the foreign manufacturers are selling their products below cost of manufacture. These domestic manufacturers have a 30 per cent protection under the present tariff. They haven't had less than that in 30 years. Under the Payne bill they succeeded in having a large number of intermediate products and raw materials, which formerly paid 20 per cent, placed upon the free list. These intermediate products or raw materials are really the basis of an industry, and upon them depends the development of the color industry in the United States.

Under the Underwood tariff most of these intermediate products or raw materials were put back on the dutiable list, with duties varying from 10 per cent to 20 per cent, for the very purpose of encouraging the production of benzole and the intermediate products derived therefrom. Practically nothing has been done, but aniline oil, betanaphthol, and some other products which were formerly free and are now paying duty are being sold in the markets of the world, not only in the United States but everywhere else, below the price at which they were sold before these duties went into effect, and the manufacturers abroad are not complaining about doing business at a loss on them even at the present time.

It was pointed out that on account of patent restriction "aspirin, for instance, sells in this country for 32 cents an ounce, whereas abroad it sells for 42 cents per pound." This is a shining example of conditions just exactly as they exist, because, in the first place, aspirin is covered by an American patent; the patent is owned by an American company and is practically the only one of all the coal-tar medicinal products, excepting phenacetine and acetanilid, that is made in the United States. It is made in Albany, at the plant of the Hudson River Aniline Co., which is in close affiliation if not actually controlled by the Farbenfabriken vorm. Friedrich Bayer & Co., of Germany, the original patentees of phenacetine and aspirin. The duty on aspirin is 25 per cent, and since the patents abroad expired there have been constant suits for patent infringement on stuff brought in in violation of the American patent. A patent is a monopoly granted for the product patented, and the American manufacturers have spent and are spending thousands and thousands of dollars protecting their rights against the infringing product from abroad. Therefore, quoting aspirin is entirely wide of the mark, has no bearing on the case whatever, for it is essentially a product patented in America, owned by an American company, and being manufactured by an American factory in Albany, N. Y. Practically the only product of this group on which the price was raised when the war began was aspirin. None of the German proprietary products were raised or have been raised up to the present time more than to simply cover the extra cost of transportation and war risk.

Aspirin was advanced 50 per cent because salicylic acid, from which it is made, went up 100 per cent in price; and when the supply in hand is exhausted no more can be produced, because it is made from crystal carbolic acid produced only in England and Germany. It is contraband of war and under embargo in both countries against exportation. The result will be that the aspirin people will have to get their supplies from Germany instead of making it here if it is to continue in this market.

The statement that "20 per cent of aniline dyes used in the United States are made here" may be correct if the volume in pounds and not in values is considered, and only aniline colors as such and no alizarines nor the derivatives of anthracene or alizarine, indigo, and other coal-tar colors are considered.

The betanaphthol, paranitraniline, and similar intermediate products also used directly by the textile mills for producing color on the fiber must be eliminated in such a calculation. It covers mainly nigrosines used for leather and for shoe blacking in large quantities, soluble blues, magenta, and a few products used largely by the paper mills, alkali

blues and eosines used in paints and inks, all of which are the simplest of aniline colors to produce, but it is possible to make them only because of the free raw materials or the low rate of duty thereon and the 30 per cent protection on the finished product. Undoubtedly many products, after the patent expires, are sold by the pound at a price that formerly ruled for the ounce. This is not unusual for goods made in Germany only, but it can be truthfully stated of goods made anywhere else, including even the United States. That is how the inventor and patentee reimburses himself for the outlay, trouble, and study which the invention caused him and which every Government realizes under its patent law that he shall be entitled to the benefit of for a certain number of years in return for acquainting the world at large with the method of carrying out his invention. The fundamental product, of course, after all, in the discussion of coal-tar chemicals and dyestuffs is benzole, which is produced here by the Coal Tar Products Co. and the Barrett Manufacturing Co., who are in close affiliation. I have been told by their representatives that it would take them from 18 months to 2 years to construct plants to increase their supply of benzole. They produce enough now to take care of our present requirements on this side and produce just enough aniline oil, the next stage in the process of color making, to meet their contracts now in force, and no more. The German Government had given permission to export dyestuffs. They were coming in freely until it was ascertained that some of them were reexported to Canada and England, and I have a strong suspicion and reason to believe that one of the gentlemen most active in the conference held in your office had agreed to act as a go-between for Canadian manufacturers desirous of obtaining German dyestuffs to keep their mills going. Undoubtedly these manufacturers will see to it that the English mills with which they are affiliated will also get the necessary supplies if they can be obtained in this way. But there are much graver conditions in this situation than simply the dyestuff industry, although that is far-reaching.

The production of cyanides—largely used by mining interests, the potash used for fertilizers, etc.—are all controlled practically by Germany. These goods could have all been shipped to us down the Rhine, via Rotterdam, by steamers of the Holland-American Line, and a quantity of colors sufficient to run the country for another four to six weeks has come in in that way since the war began. There were rumors, however, that England would seize these supplies and keep them for herself, even though she had to pay for them in a prize court. Whether or not these remarks had effect upon the situation, the German Government a few days ago placed an embargo on all chemicals of every nature and description unless they could be transported to the United States in American vessels under the American flag. As soon as such vessels are provided we can get all we need, and not only dyestuffs but cyanide and potash as well may be exported to this country.

There is to be a conference on Wednesday at the State Department in regard to this matter, and undoubtedly steps will be taken to furnish American bottoms to bring these much-needed products into this country. Incidentally, it may be well to call attention to the fact also that the exportation of all raw materials and intermediate products that can be used for color making has been absolutely prohibited by the German Government, undoubtedly for fear that these products might find their way back to England and thus help supply the English textile industry.

I realize, of course, we have no interest in the industries of England, Germany, or any other country excepting our own. There is no reason why we can not keep our own supplied if we do not pay too much attention to the few who want to take advantage of this crisis to further their own lines at the sacrifice of thousands and thousands of mills and other consumers who need the products, and upon obtaining which the prosperity of this country so largely depends.

Just one point more: If all these things can be brought about, if we could compel the carrying out of patents in this country, if we could compel manufacturing here, the result would be the same as in England. The large German plants with their experience would simply duplicate their own plants here on a small scale, just enough to comply with the law, and would make the American consumer pay for the amortization of these plants during the life of the patent, and the first time trouble arose we would be in the same position we are now, because no one would make raw materials and products not patented on a losing basis in competition with those who could beat them at least 100 per cent at any time.

The labor involved in chemical industry is very small. It is the smallest item of all, so we would not gain much for "labor" by establishing chemical plants in this country. There are a great many more men employed in the merchandising of chemicals than there are in making them, and always will be.

Yours, very truly,

HERMAN A. METZ.

ADDRESS OF JUDGE COVINGTON.

Mr. MANN. Mr. Speaker, I ask unanimous consent that the House hear the gentleman from Maryland, Judge COVINGTON, for five minutes. [Applause.]

The SPEAKER. The gentleman from Illinois [Mr. MANN] asks unanimous consent that the gentleman from Maryland [Mr. COVINGTON] may address the House for five minutes. Is there objection?

There was no objection.

Mr. COVINGTON. Mr. Speaker, as the letter of resignation read a few moments ago from the Clerk's desk indicates, this is the last day of my service in the House of Representatives. I would have been quite content modestly to retire without uttering a single word at the time of my departure if I did not feel so deep a sense of gratitude, which I now desire briefly to express, for the very generous and more than merited praise which my colleagues on both sides of this Chamber have expressed for me and my work on this floor. The genuineness and warmth of those expressions have deeply touched me, and I shall always cherish them as of my brightest memories.

Mr. Speaker, I leave this body with a great sense of humbleness, because I have come to realize what service in it really means. We know theoretically about the great coordinate branches of the Federal Government. We know that its Legislature contains another body at the opposite end of the Capitol, but we also know that Anglo-Saxon liberty has always had its bulwark in the great popular assembly of the whole people. From the time when the great charter was wrested from King John on the green field of Runnymede, the progress of English liberty has simply kept pace with the increasing power of the House of Commons. Here in the United States, from the day of the Articles of Confederation to the present time, the basic structure of our institutions has been our popular assembly. The Senate is a great body, with certain high constitutional prerogatives, but its incorporation in the Constitution as a section of our National Legislature was the result of compromise made essential by the conditions surrounding the framers of the Constitution. In a time of great popular upheaval it might be abolished and the solid framework of our Government would remain unimpaired. The title and the constitutional prerogatives of our Chief Magistrate might be altered; the organization of our judicial system might be radically reconstructed without the constitutional liberty of the American people being in the slightest infringed upon. But you can never change the essential form or lessen the power of the House of Representatives and maintain unimpaired the freedom and happiness of our people. This Government in its majesty, with the Stars and Stripes as its glorious emblem of blood-bought liberty, will stand as a monument and guide to freedom in the world just so long as the House, in its full constitutional power of to-day, with each individual Member therein representative of and responsible to a great constituency of citizens, remains the keystone of the Government.

And so in leaving I can not say that I regard it as a promotion to go from the House of Representatives to the Federal bench. The legislature and the bench are fields apart in our coordinate scheme of government, and men will constantly go from one to the other of them; but no man, in assuming an appointive judicial position, no matter how high, can fairly say that he has been promoted from the post he has thrice occupied in this House as the representative by their suffrages of 200,000 freemen.

Mr. Speaker, in departing from these seats of the mighty—for it is a mighty place—the happiest thought one can have, the greatest source of gratification, is the thought that he will be able truthfully to tell his fellow citizens that there is much less of narrow and offensive partisanship and a great deal more of lofty patriotism among the Members of this House than the public are wont to believe. Ours is a government by political parties. They were really first organized of necessity in this country in the Congress. Citizens differ in opinion as to what is best for the States, and a political party is the organism which, with straightforward and unquestionable power, with fixed purpose and the collective force of masses of the people, can make effective the primary opinions upon which certain masses agree. But at any critical moment in the Nation's history in this House it may well be said, "There none were for the party and all were for the State."

It has been glorious to know the broad catholicity of the Members of this House. Friendships do not follow party lines, and I shall always remember most gratefully the cordial fellowship which I have had with the members of the party to which I am opposed as well as with my own political associates.

Mr. Speaker, I observed a few days ago that the genial gentleman from West Virginia [Mr. HUGHES] was engaged in the pastime of making a presidential candidate for 1916. I imagine that, belonging to the party to which he does, he was engaged in a chimerical performance, perhaps trying to extract sunbeams from political snowballs. But, seriously, Mr. Speaker, if by some strange revolution of politics the now minority party shall have even a chance to elect a President, I know of no one of its members so fit as the great minority leader, the gentleman from Illinois [Mr. MANN]. Whatever of good record his party has before the people to-day is due to his industry and keen political acumen in this House. His party will honor itself in honoring him with the nomination for the Presidency. [Applause.] Of course, I hope it will be only an empty honor, but an honor well deserved nevertheless.

As a parting word, I thank the Members of this House from the depths of my heart for the constant courtesy and consideration they have accorded me since the day I first came here, and I leave this Chamber and its inspiring associations with genuine regret. [Applause.]

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Carr, one of its clerks, announced that the Senate had insisted upon its amendment to the

bill (H. R. 14233) to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes, disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. MYERS, Mr. PITTMAN, and Mr. SMOOT as the conferees on the part of the Senate.

The message also announced that the Senate had agreed to the amendment of the House of Representatives to the bill (S. 3550) ratifying the establishment of the boundary line between the States of Connecticut and Massachusetts.

CALENDAR WEDNESDAY—REVISION OF PRINTING LAWS.

The SPEAKER. This being Calendar Wednesday, the House automatically resolves itself into the Committee of the Whole House on the state of the Union for the further consideration of H. R. 15902, to amend, revise, and codify the laws relating to the public printing and binding and the distribution of Government publications, with the gentleman from North Carolina [Mr. PAGE] in the chair.

The CHAIRMAN. The House is in the Committee of the Whole for the further consideration of H. R. 15902, which the Clerk will report by title.

The Clerk read the title of the bill.

The CHAIRMAN. When the committee rose on last Wednesday an amendment offered by the gentleman from Iowa [Mr. GOOD] was pending, to strike out the paragraph relating to the method of allotting documents to Members.

Mr. BARNHART. Mr. Chairman, as this is probably the most important paragraph in the bill, I would like to enter into an arrangement with the gentleman from Iowa [Mr. GOOD], if he is present, as to time, so that we may go into this matter fully for the information of all.

Mr. MANN. The gentleman from Iowa [Mr. GOOD] has just stepped out, and is not in the Chamber at this moment.

Mr. BARNHART. Mr. Chairman, does the gentleman from Illinois feel that he can enter into an agreement as to the time?

Mr. MANN. I expect to speak in opposition to the motion of the gentleman from Iowa [Mr. GOOD]. I do not know who will want to be heard in favor of the motion.

Mr. BARNHART. Mr. Chairman, I ask unanimous consent that all debate close in 30 minutes.

Mr. MANN. I think Members will want more time than that.

Mr. MADDEN. Make it an hour.

Mr. BARNHART. I ask unanimous consent that all debate on the motion of the gentleman from Iowa to strike out the paragraph be closed in one hour.

The CHAIRMAN. The gentleman from Indiana asks unanimous consent that debate on the pending amendment be confined to one hour.

Mr. MANN. One-half of the time in favor, and one-half opposed.

Mr. BARNHART. One-half to be controlled by the gentleman from Iowa [Mr. GOOD] or whomsoever he may designate, and one-half by myself.

The CHAIRMAN. One half the time to be used by those who favor the amendment, and the other half by those who are opposed to it.

Mr. BORLAND. Reserving the right to object, I want to ask the chairman of the committee whether that agreement applies only to the first paragraph of section 68, ending with line 4, on page 77?

Mr. BARNHART. Yes.

Mr. BORLAND. It does not apply to the balance of that section?

Mr. BARNHART. No.

Mr. MANN. No; only to that paragraph.

Mr. BARNHART. Only the first paragraph.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BARNHART. Mr. Chairman, I would like to inquire if there is anyone on the other side who would now like to use any of the time?

Mr. MADDEN. The gentleman from Iowa [Mr. GOOD] is not here, and the gentleman from Illinois [Mr. MANN] is going to speak in opposition to the motion.

Mr. BARNHART. Mr. Chairman, for the information of those present on both sides of the House who may not have examined this paragraph carefully I want to state briefly, and as fairly and fully as I can, so that all may understand, that this is the paragraph in the bill that provides for changing the present method of allotting documents to Members of Congress, substituting a valuation plan for the present system. That is, instead of allotting all sorts of documents to each Member of Congress hereafter, if the provisions of this bill are adopted, an allotment, not in money but in publications, will be given to each Member, and he may draw against that valuation or that allotment any document which he cares to use. Furthermore——

Mr. MADDEN. Will the gentleman yield to me for a question?

Mr. BARNHART. Yes; I yield.

Mr. MADDEN. Would that include the farmers' bulletins?

Mr. BARNHART. Yes; it includes the farmers' bulletins. And in this connection I want to state briefly that not only the present Committee on Printing but several former committees who have gone before have unanimously agreed that something of this sort is really necessary to give the people of the several congressional districts of the country what they really want, and yet effect a great saving in the matter of the publication of documents. The gentleman from Illinois referred to farmers' bulletins. I want to explain in that connection that for the past 10 years the cost of the farmers' bulletins, 12,500 to each district, has been, according to the size of the publication and the number of pages, from $191 to $205 each year to each congressional district. Now, it has been discovered that many Members of Congress have not used the farmers' bulletins—that 30 Members did not draw any bulletins at all in one session of Congress, and there became an accumulation of 3,000,000 copies in the Agriculture Department, where they have lain until many have become practically obsolete. That is for the reason that scientific research has progressed since the publication of the bulletin whereby that makes such publications absolutely worthless to anyone.

The provision of the present bill is that you may have $1,800 in document value, and you may draw it all out in farmers' bulletins if you see fit, or if you do not need any bulletins in your district you can have it in horse books or cattle books or yearbooks or geological surveys and a thousand and one things set forth in the pamphlet which has been mailed to each Member of the House setting forth the wide range of publications.

Mr. STAFFORD. Will the gentleman yield?

Mr. BARNHART. Yes.

Mr. STAFFORD. Can the gentleman inform the committee as to the total estimated cost of the publications that are usually received during the year by a Member of Congress as compared with the basis proposed by the committee?

Mr. BARNHART. The average cost of allotment to Members has been, in the 10 years past, some $1,500 to $1,550 to each Member. This new provision will give $1,600.

Mr. STAFFORD. That $1,500 average includes the farmers' bulletins?

Mr. BARNHART. No; it does not. We have allowed $1,600 in value for the publications that you have been receiving through the folding room and added $200 to that for farmers' bulletins, which makes the total of $1,800.

Mr. J. M. C. SMITH. Will the gentleman yield?

Mr. BARNHART. Yes.

Mr. J. M. C. SMITH. I would like to inquire how the price is arrived at for the Yearbook, say? It is proposed to publish 470,000, and in the report they are figured at $1 apiece. I think they can be purchased for a good deal less than that.

Mr. BARNHART. I thank the gentleman from Michigan for asking the question. The Agricultural Yearbook under the present proposition will not carry the annual report of the Secretary of Agriculture. That is really an official report. We will thereby reduce the cost of the total publication $16,000, and the reports will still be available to anybody that wants them by asking the department for them. The Yearbook has cost by actual competition anywhere from 60 cents to 97 cents. To that has been added 10 per cent, as it is on all publications, to cover the expense of wrapping, storage, and so forth, and that 10 per cent this bill proposes to remove.

The CHAIRMAN. The gentleman from Indiana has occupied five minutes.

Mr. BARNHART. I would like five minutes more. The Yearbook will cost, it has been estimated under this plan, with the elimination of the report of the Secretary of Agriculture, something like 50 cents a copy. There will be no addition of 10 per cent. The cost of the horse book will be about 40 cents a copy, and there will be a reduction, provided the size of the volume remains the same, of 10 per cent from that, which will bring it to about 36 cents a copy. The cattle book will cost about 36 cents per copy, and the farmers' bulletins cost on an average a cent and a quarter apiece, and not 5 cents, at which the Government sells them, because there is the expense of mailing, wrapping, and stationery, which in order to keep the office whole had to be added to the cost.

The prices fixed have been established so as to protect the Printing Office against loss. The committee believes, the Senate

committee believes, the Joint Committee on Printing believes, and every committee that has ever investigated the abuses and every committee that has had anything to do with it, without regard to politics, believes that for the benefit of the membership of the House, for the efficiency of the service to the people whom Members serve, and for the welfare of the Public Treasury, such a provision ought to be adopted.

Mr. MADDEN. Mr. Chairman, the gentleman from Indiana, chairman of the committee, states to the House that the plan proposed would give to the people in the districts throughout the country such documents as they may be interested in. My experience is that the people throughout the country are interested in all the documents. They are not interested in any particular district in a given document. Let us suppose, for example, that if the plan in this bill shall be carried out that the 30,000 school children in my district ask for a map of the United States because they know that we have a given allotment made in value, what else can I do but to respond to those requests, and what would become of the other people interested in public documents? Some people want one kind of a document, other people want another. But let us assume that any given number of children in the public schools had made up their minds that they wanted a map of the United States, and the fever for that map should spread throughout every school in the district, and that each one should request to be supplied with it.

Mr. FINLEY. Will the gentleman yield?

Mr. MADDEN. Yes.

Mr. FINLEY. What do these people do now when they ask for more maps than the gentleman has to dispose of?

Mr. MADDEN. Everybody knows that each Member has an allotment of a certain number of documents of a given kind. Under the proposition of this committee everybody would be advised that a certain amount of money corresponding to the value of a certain number of documents had been placed to the credit of each Member of Congress. All anyone would have to do would be to form a combination in any given district to get a given kind of document, and a Member of Congress would be powerless to refuse to send that document as long as he had any to his credit from which to send it. That would leave him in the embarrassing position of not being able to supply the varied information of the Government activities. The women everywhere are interested in farmers' bulletins. The men are also interested in them. They want to know what recommendations the Agricultural Department makes on all the different topics studied by that department. Lots of people are interested in yearbooks. Veterinary surgeons, students at veterinary colleges, are interested in horse books and cattle books. Engineers and scientists are interested in the geological surveys. All kinds of people, thinking in all kinds of ways, want the information that fits their particular case, and to-day Members are permitted to extend to these people all privileges which the Government affords by sending them the particular documents, to the extent of their allotment, which the people request. But give notice to the public that Members are allotted a certain value in documents, and let the public come to believe that their request for a given document will be responded to, and they may take out all of your allotment in one document, and the result will be that all the rest of the people in the territory represented by a Member of Congress will have to make their requests in vain. To-day Members are able to supply the needs of the people according to their varied thoughts and their interest in Government activities, and this amendment ought not to be voted down. On the contrary, it ought to be adopted.

Mr. COX. Mr. Chairman, I believe this is a very important bill, and the section sought to be stricken out is the very vitals of the entire measure. I do not think that the amendment ought to prevail at all, and I believe it is up to every Member here to study carefully this amendment before he casts a vote upon it. The gentleman from Illinois [Mr. MADDEN], who just preceded me, struck the keynote, namely, that every district, or practically every district, desires its own peculiar literature. For that very reason the amendment ought not to carry. It ought not to obtain. I am not at all afraid of an onslaught being made upon me by the people of my district demanding a certain kind of literature that will exhaust my quota. I have never yet found the people of my district unreasonable. When I have told them that I did not have books to my credit they have accepted my statement. I have scores and scores of publications to my credit that I am ready now to turn over to any Member upon the floor of the House who wants them. In the seven years that I have served in this House I think I have had but two demands for geological bulletins. Yet I have a tremendous number of them to my credit. They are down here in the folding room or some place else—I do not know where—taking up room, and they are of no use, no value to me, and there is no demand for them in my district whatever. But I happen to have an agricultural district. The demand upon me for agricultural yearbooks is tremendous, and I am unable to supply it. Seven years ago when I came to Congress I invested several dollars, merging into the early hundreds of dollars, in agricultural yearbooks. I paid that money out of my own pocket until I probably had stored away in the folding room some six or seven thousand yearbooks, going back to the year 1903. Since that period of time I have been substantially able to meet the demands of my people for agricultural yearbooks; but had I not adopted that plan, I could not have begun to supply the demand. I have a tremendous demand for agricultural bulletins. The State of Indiana two years ago enacted a law requiring agriculture to be taught in our public schools. To-day the teachers in my district are expecting thousands of farm bulletins from me, and it keeps me eternally going to Members of the House who come from cities, begging them for farm bulletins, and I have to exchange things which I have to meet that demand. I have an unprecedented demand for horse-doctor books and cattle-doctor books, and things like that. Those four things—the agricultural yearbooks, farm bulletins, the horse-doctor and the cattle-doctor books—are the four pieces of literature to which I have an unprecedented demand. So far as these large mounted maps are concerned, of course they are a nice present to send out occasionally to some one to whom you want to send something, but there is no real educational value in one of them.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. FINLEY. Mr. Chairman, I do not know that it is proper for one Member to take especial pride in any one piece of proposed legislation, but for many years I served on the Committee on Printing, and everyone knows that the work of that committee is largely a business proposition. I want to say that so far as the work of the committee extended during all of the years of my service upon it, which ended with the beginning of this Congress, politics cut small part in the deliberations of the committee. Generally speaking, the matters that came up were questions of business, and for about eight years there was a Joint Investigating Commission on Printing and a Joint Committee on Printing, as well as a Committee on Printing in both the House and the Senate. The first organization I mentioned has ceased its labors, but one of the purposes that the joint investigating commission had was to simplify the Government printing and to economize in all matters appertaining to that branch of the Government service. It has been correctly stated here by the gentleman from Indiana [Mr. BARNHART], the chairman of the present Committee on Printing in the House, that it has been the unanimous opinion and finding of all those who have investigated the question of public printing, appointed of the House and Senate, that the old system of publishing so many thousands or hundreds of thousands of documents and then distributing those documents without regard to the subjects among the membership of the House and of the Senate on a pro rata was wrong in practice. My friend from Illinois [Mr. MADDEN], who spoke a moment ago, I think presented all of the arguments against this proposition, but I would like to ask him one or two questions. I know that he is a good business man, and I know that he is a good legislator, and I pay tribute to him for that; but I would like to ask him what is the necessity of giving to the people along the banks of the lower Mississippi bulletins that would interest the people of Nevada or some great mining section? What would be the use of giving to children in a city school many of the documents and bulletins that would properly interest children in a country school, in an entirely different section of the country, and, lastly, I would ask him this: Is it true that the school children of this country read and study all of the farm bulletins as textbooks in the public schools of this country? I know that they do not. I do know this, that occasionally a request is received from a particular school that a certain bulletin be sent to the teacher of that school or to a trustee of that school. A matter of interest contained in that bulletin it is supposed will be useful in the training and education of the children of that locality.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. BARNHART. Mr. Chairman, how much more time have I remaining?

The CHAIRMAN. The gentleman has 11 minutes remaining and those who are favorable to the amendment have 25 minutes remaining.

Mr. BARNHART. Then I yield the gentleman three minutes more.

Mr. MANN. Does the gentleman have charge of the time? I thought the Chair had charge of the time; but I do not care.

Mr. FINLEY. Mr. Chairman, I ask unanimous consent to continue for three minutes.

The CHAIRMAN. The gentleman from South Carolina asks unanimous consent to proceed for three minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. FINLEY. Mr. Chairman, it is a matter of economy to the Government and will save to the Government hundreds of thousands of dollars a year. I have stated here before, and I do not care to repeat it now, that the work of the Joint Printing Investigating Commission and the Joint Committee on Printing and the Committees on Printing of the House and the Senate have saved to this Government more than a million dollars a year for years past. Now, as to distribution, a great deal has been said about the Yearbook. I have said that is a public document of such general information as to make it of large import. It is a fact that we have the same number of Yearbooks printed to-day that we had in 1895. It is also true that the membership of the House and the membership of the Senate have increased during that time, so that whereas in 1895 each Member of the House had a quota of 991 Yearbooks annually, to-day he has 812, and that is accounted for on the ground that the membership of the House has been increased so that we receive 179 less now. I may say, Mr. Chairman, what each Member here can say, that there are hundreds of public documents printed that do not interest the people I represent here on this floor. The purpose of this bill and the purpose of this provision that is under discussion here is to give to each Member of the House and Senate the publications which are of value to the people he represents. Why, only four years ago more than a million of public documents were sent to the junk heap, and I believe this year more than 900,000 copies were sent to the junk heap, because they were under the old system—because they were published under existing law. There was not a general demand for them, so they were piled up in the document room to the credit of the membership of the House and the Senate, but were not sent out to the public because the public do not want those publications. So, Mr. Chairman, I submit that one of the very wise and best provisions of this bill is that providing for the valuation and giving to the membership of the House and the Senate the right and privilege to say what particular documents they wish for the people they represent, and then they will be able to supply those on requests made.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. MANN. Mr. Chairman, I desire to be recognized.

The CHAIRMAN. Is the gentleman from Illinois opposed to the amendment?

Mr. MANN. I am opposed to the amendment. Mr. Chairman, I am sorry there are not more Members of the House present, not for the purpose of hearing me but in order that they might consider this proposition more for their own information. If it should become a law it is quite important, and if it should not the proposition is important. Under existing law there are certain publications published with an addition of a fixed number; various reports of departments, various reports of different governmental activities, and the old printing law provides for the publication of a fixed number. They are divided between the House and Senate folding rooms in addition to what we call the usual number, which goes to libraries, and so forth, and each Member of the House receives a certain number of those publications, not quite so many now, since we have increased the membership of the House, as it used to be when I first came to the House. Many of them are of no interest to the average citizen or the average Member of Congress. Most of those publications are wasted, no matter what is done with them. They are wasted if they are thrown in the wastebasket and equally wasted as a rule if they are sent to some constituent. We send out most of our publications, but very often a constituent does not feel at all flattered by receiving some technical scientific publication concerning something that he does not know the first thing about. And it may not always be practical to send to people who do know about them. We all endeavor to do the best we can in that way. Now, the proposition pending before us is to give each Member a certain credit with the Government Printing Office, and whenever any publication is published within a certain list of considerable length named in the bill that then the Member of Congress can take just as many copies of that publication as he pleases, so that he does not exceed his credit balance at the Government Printing Office. Under that a man can take Smithsonian Institution reports or American Historical Society reports, or the Yearbook of agricultural reports of such number as he pleases within his limit. Now, to-day we get the Yearbook, which is very popular and which we get in large numbers. In addition to that we get the report of the Secretary of Agriculture, which is purely statistical and practically of no interest to the average citizen, and I doubt whether many Members of Congress send them out unless they send them out thinking they are Yearbooks, which they are not, but under the system proposed as a Member examines the documents which are issued he will get his quota of those documents, fixing the number that he himself wants.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TRIBBLE. Mr. Chairman, I ask that the gentleman from Illinois have leave to proceed for five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia? [After a pause.] The Chair hears none.

Mr. MANN. Then we often order published a document to be placed to our credit in the folding room, like the horse book, the cow book, the cookbook some time ago, various things of that sort, and I am inclined to think that this system, if adopted, will lead to the ordering of various documents of that kind to be printed which are of interest to the people, instead of publishing a lot of documents, as we do now, that are of no interest to the people; and to me it seems the wiser plan, with the Government collecting a large amount of information, to publish the information in a form which will entertain and instruct the people whom we represent.

I understand there are some dangers in this proposition as a matter of convenience. One danger is that it will be represented that a Member of Congress receives an allowance of $1,800 in addition to his present salary and his present mileage and his present stationery account. Well, I do not think that will cut very much figure. There is another difficulty that will arise. Now, when a constituent reads in a public paper that a certain document has been issued which he can get by writing to his Member of Congress, he writes to the Member of Congress. He does not know what the document is nine times out of ten; does not want it, and has no use for it, but he thinks he can get something for nothing, and he writes for it. If a number of papers in your district have carried a statement of that sort, you may get 50 requests when you have only four documents. What do you do? You write a courteous letter and tell him your quota is exhausted, and if you are able to get it by trading or otherwise, for any other matter, you will get it and send to him. I assume that is what Members do, because that is the sensible thing to do. You are doing the best you can, but under this system if somebody starts a report in the paper that a popular document has been printed which he can get by writing to his Member of Congress, and you get a thousand requests for it, you can not say your quota is exhausted, because, if you do, they would not believe you. They know you have a credit to begin with of $1,800, and they will think they are entitled to a share of it. A few years ago when the Smithsonian Institution got out one of its annual reports it furnished a newspaper statement to be printed in the press referring to that annual report as the "People's Own Book." I think that was the title, although I am not sure. It was something like that. And all over the country the city press and the country press published the statement that by writing to your Member of Congress you could get a most interesting document called the "People's Own Book." I think I got a thousand requests, and I had 8 copies, maybe 11, at that time. Well, that sort of thing may happen in the future. It may be embarrassing, but that is one of the chances we have to take. We have to take a chance also with the schools telling the school children to write for certain documents. You can send word into my district to the superintendent of half a dozen schools, and I will get a thousand or two thousand requests for anything within a week, coming from that, as has frequently happened to me in the past. We have to take the chances on that.

This scheme will not cost the Government any more. I doubt whether it will cost any less, but it will permit the Member of Congress to receive a document which is of interest to his constituents, which he can send to his constituent, knowing that the person who receives it will examine it, probably read it, receive both information and interest from the reading of it, and he is not required to send out the book in relation to how many ships there are, and the names of them, which his constituents in the inland do not want, or the report of the Coast and Geodetic Survey, which his constituents in the inland do not want, or the report about subterranean waters out in Kansas, which they do not want in Illinois, or the geological survey of Colorado, which they do not want in South Caro-

lina. That is what we get now. So I am opposed to the amendment and in favor of the proposition in the bill as they have already modified it.

Mr. BUTLER. Mr. Chairman, I am opposed to this amendment.

The CHAIRMAN. The time of the opposition to the amendment has been exhausted.

Mr. BUTLER. I feared that, but I suppose I will not be disorderly if I make a simple statement.

The CHAIRMAN. Is there anyone who desires to be recognized as favoring the amendment?

Mr. MANN. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania [Mr. BUTLER] be permitted to proceed for five minutes, to be taken out of the hour's time.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that the gentleman from Pennsylvania be allowed to proceed for five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. BUTLER. Mr. Chairman, I appreciate that this discussion does not have in it anything that is very exciting. I know that it does not involve contention, and therefore it gets but very little attention; but its subject involves, as I understand—and I would like the chairman of the committee, who is well informed, to give me his attention for a minute—something like a million of dollars' cost to the Government every year. Am I right about that?

Mr. BARNHART. About $750,000 has been the average.

Mr. BUTLER. The purpose of the provision in the present bill is to enable Members to distribute public documents in a way, by a method, that will be more useful to our constituents? I had intended to bring into the House this morning the catalogue or list of public documents furnished to me by the department. You will remember names of the documents are found in a book or catalogue, and the documents are kept in the folding room. I am sorry I forgot to bring the catalogue with me. I should like to have read to the committee the long list of documents which I have not distributed, useless to my constituents, and, indeed, that I do not know where to send. I felt at first, when the gentleman from Indiana, the chairman of this committee, spoke to me of this provision that I could not vote for it, for reasons which other gentlemen have already discussed. But those reasons have disappeared, and I believe that this is a wise provision, and I believe that the committee should adopt it. I regret very greatly that Members have not seen fit to attend this session in order to consider it.

Take the eulogies, for instance. We grow fond of each other while in the service here. Our relations are agreeable generally, and when nature works its end with any of us, the going is filled with regret. What do our different constituents know about the humble and inconspicuous Member of Congress? They have no desire for an account of his service or history of his life, yet each Member has placed to his credit 15 or 20 eulogies, containing material interesting to only those who knew him—very expensive publications. I am very glad, indeed, to hand them over to the gentleman who happens to be returned from the district which the deceased Member represented in his lifetime. If you take up your list and examine it, together with what you have to your credit, you will find a great quantity of documents, I presume, that you will never use.

Here is the title of a document—Abridgment of Messages and Documents. What is that document, anyhow? What does it contain? I presume that I should know, but in 18 years' experience I have never had a constituent who asked for the Abridgment of Messages and Documents.

If I had the time, I could go through this long list and what I could say to you might be of some use, perhaps, because of my long experience in the House. A great mass of this material is of no use whatever to my constituents. I further illustrate: I live not far from the Delaware River—it runs by the side of my district—and those of my constituents who have motor boats and other water craft, and those who intend to own one, are properly anxious to have maps of the Coast and Geodetic Survey in order that they be comforted with the knowledge that they have the maps. [Laughter.] They are entitled to the maps, which belong to them. I have spent a good deal of my time hunting for those maps. I think I am regularly allotted 20. I think I supply about 300 or 400. I would like to have a chance to go and order them from the public document room, and that opportunity I shall get if the provision passes. I could illustrate for an hour.

I do not see where an argument can be made against the adoption of this provision, which seems to me so sensible. I presume that some of our constituents will say that we are going to help ourselves to $1,800 extra pay. The gentleman from Illinois suggested that there would be some criticism to that effect. I do not care for the fellow in my district who would say that of me. I can get along; I shall try to find a majority without him; and I do not fear the damage he would desire to create by his ignorant statement. Yet it will work to our disadvantage in one particular, that our constituents may feel that we, having an opportunity to obtain what they wish, ought to get it for them. As for me, I have made it a rule to get what my constituents wish to have, and therefore this misunderstanding will not conflict in any way with my happiness or my usefulness. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MANN. Mr. Chairman, I ask unanimous consent that the gentleman from Washington [Mr. HUMPHREY] may address the House on a matter apart from the bill, the time to come out of the hour's debate.

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] asks unanimous consent that the gentleman from Washington [Mr. HUMPHREY] may address the House on a matter apart from the bill, the time to come out of the hour's debate. Is there objection?

There was no objection.

Mr. HUMPHREY of Washington. Mr. Chairman, what has this administration done for the State of Washington? We hear the constant boast that the Democratic Party since it came into power has written more constructive legislation upon the statute books than any other administration in the history of the Nation. These boastful orators make a slight mistake. What they mean is that this administration has passed more destructive legislation than any other in the history of this Nation. In a few short months this administration has destroyed confidence, paralyzed industry, closed mills and factories, created tramps and beggars, driven millions into idleness, and emptied the National Treasury. Destructive, and not constructive, legislation has ever been the height of Democratic accomplishment.

What has this administration done for Washington? The first thing that it did was to enact a tariff law. Lumber, shingles, fish, coal, lime, and practically all farm and dairy products were placed upon the free list. Immediately upon the enactment of this law mills and factories in the State of Washington began to close. Others began to run on short time. Men were thrown out of employment and wages were reduced. But in British Columbia, just across the international boundary line, mills began to open. They began to run 24 hours in a day. The Democratic tariff law closed our mills, it opened those of the foreigner; the Democratic tariff law took the work and wages from the American, it gave work and wages to the foreigner.

More shingles were brought into the United States from British Columbia in each of the months of June and July, 1914, than ever came into this country before in any one entire year. I select these two months in order that it can not be claimed that the European war had anything to do with the situation. The consumption of shingles in this country has not increased—in fact, it has decreased. So that the number of shingles that we have imported means just that much work and that much wages taken from the American citizen in the State of Washington and given to the Chinaman, the Jap, and the Hindu in British Columbia. The Government has lost the revenue that should have been collected on these shingles, but not a single human being has bought a shingle for a penny less since the new Democratic tariff law was enacted.

The lumber mills of Washington have run on short time. Some of the mills have closed. Many of the men formerly employed in them have been idle, and millions of feet of lumber have been imported. Again just that much wage taken from the American and given to the foreigner. The Government has lost the revenue and not a single American consumer has bought a foot of lumber for a penny less.

The new tariff law has almost destroyed the lime industry in the State of Washington. The output of our factories has been greatly reduced. Our import of lime has increased. We have been made the dumping ground for the lime produced in British Columbia. Many men have been thrown out of employment; the Government has lost the revenue. That much work and that much wages have been taken from the American and given to the foreigner, but no American consumer has bought a bushel of lime for a penny less.

Our great fishing industry, second in importance only to our timber industry, has been greatly injured by the new tariff law. Fish were placed upon the free list. Our industries have been compelled, without protection, to compete with the Government-subsidized fisheries of British Columbia. More fish have been imported into this country than formerly. That much wages

and that much work taken from the American fisherman and given to the foreigner. The Government has lost the revenue, but no American consumer has bought his fish for a penny less.

In western Washington alone, while thousands of men are out of employment and looking for work, while thousands of others are working on short time, the present Democratic tariff law each month has taken from the American workingman not less than $3,000,000 and given it to the oriental labor in British Columbia. The Government has lost millions of dollars in revenue, the consumer has not paid less for his products, and no one has been benefited but the foreigner.

Surely the working people of Washington should rise up and call this administration blessed, that has taken the bread out of the mouths of their women and children and given it to the Jap, the Hindu, and the Chinaman.

NO RECIPROCITY.

Or many competitive articles produced in British Columbia we do not charge them the same tariff to sell in our market as they charge us on similar articles to sell in their market. This is true of many of our timber products, of lime and fish, and most agricultural articles. Why should we permit British Columbia to send her competitive products into our markets free when she compels us to pay to send the same products into her markets? Why should we let British Columbia send her lime into this country for less than she lets us send ours into her market? Yet we do this very thing. Why should we let British Columbia send her lumber into this country free when she places a tariff on ours? Why should the Washington farmer pay more to sell his fruit in British Columbia than the British Columbia farmer pays to sell his fruit in the Washington markets? Yet this is exactly what we do. We protested in vain against this injustice when the present Democratic tariff law was being written. We are taught to love our neighbor as ourselves; but to treat the foreigner better than he treats us is not altruistic, it is not good sense, it is blundering stupidity.

It is true that this administration has brought to the people of the State of Washington the inestimable privilege of buying eggs from China, of purchasing butter from New Zealand, of getting meat from Australia, and corn from Japan. The Government upon all these items has lost the revenue, and we are now asked to make up this deficiency by direct taxation. The foreigner has taken that much of the American market from the American producer, but the cost of living has not been reduced. For all these favors conferred by this administration the people of the State of Washington are duly thankful and will express their appreciation at the polls in November.

PANAMA CANAL.

And I have not catalogued all the blessings brought to my State by this administration. The Democratic platform adopted at Baltimore contained this plank:

> We favor the exemption from toll of American ships engaged in coastwise trade passing through the canal.

The people of the State of Washington believed that the Democratic Party would keep that platform pledge. They had a right to believe it. President Wilson, then a candidate, specifically indorsed this plank of the platform. All Democratic candidates everywhere approved it. A Democratic Congress, after full and exhaustive debate, wrote this declaration into law. The Democratic platform further declared that "our pledges are made to be kept when in office." And President Wilson in one of his speeches when he was a candidate announced that the Democratic platform was not "molasses to catch flies."

Relying upon that platform promise, relying upon the promise of the Democratic candidate for President, relying upon the promises of all Democratic candidates for Congress everywhere, relying upon the solemn promise of the Democratic Party as written into law, the people of Seattle, of Tacoma, and other Puget Sound ports spent millions of dollars, and obligated themselves to spend millions of dollars more, preparing for the benefits that would come to our country by the opening of the Panama Canal.

Who will claim that the Democratic Party kept these promises? Who will claim that the Democratic candidates kept faith with the people? What candidate in any party in the State of Washington will dare to uphold the action of the Democratic Party in regard to the Panama Canal?

No man can point out where there was a single change in conditions from the day that the Baltimore platform was adopted, from the day when Mr. Wilson was nominated, from the day when he wrote his letter of acceptance, from the day when he made his speech approving the tolls plank in the platform, or when there was any other justification, for the Democratic Party, shamelessly and without explanation, cowardly and unpatriotically, betraying the people of the West and disregarding their interests and giving to British Columbia the great benefits of the canal that justly belonged to them. For this action there is but one reason. It was done to secure the influence of the great transcontinental railroads and to purchase the friendship of Great Britain.

This one act alone is sufficient to condemn the Democratic Party forever on the Pacific coast. It is the most brazen refutation of platform promises in the history of this Nation. If the Democratic Party can do this thing and live, then popular government is a failure. In view of this record of the Democratic Party, what is a Democratic promise worth? Who will hereafter believe a promise in a Democratic platform?

No wonder the real leaders in the Democratic Party, like CLARK, UNDERWOOD, FITZGERALD, KITCHIN, and DOREMUS, refused to stultify themselves and voted against the refutation of their platform and their promises. No wonder that Mr. UNDERWOOD called this action of his own party "un-American" and that Speaker CLARK denounced it as "unspeakable degradation." No American citizen in the State of Washington, in any party, will dare attempt to justify this action of the Democratic Party in regard to the Panama Canal.

The repeal of the Panama Canal act raised the freight rate on lumber from the Pacific coast to the Atlantic markets $1.50 per thousand. This increase in freight rates applies not only to that carried through the canal, but also on all that is carried by rail, for the water rate, as everyone knows, to all competing points fixes the rail rates. The repeal of the Panama Canal act increased the freight on every carload that the consumer on the Pacific buys on the Atlantic $60. It increases the freight rate $60 on every carload that the producer on the Pacific sends to the Atlantic. These facts clearly show that President Wilson was right when he declared that the chief purpose of a free canal for American ships was to compel lower rates on our railroads.

SEATTLE AND VANCOUVER.

The increase in freight rates resulting from the repeal of the law giving American ships free passage through the Panama Canal is not the only injury to Seattle nor the greatest danger from this act. The really great markets that the Panama Canal will open to the people of the Pacific coast are the eastern markets of our own country. The Panama Canal will be of little advantage in securing markets in other parts of the world.

The British Columbia lumberman can charter a cheap foreign vessel to reach the eastern markets of the United States; the Washington lumberman can not. He can use only American vessels, built by American labor, and manned by sailors receiving, by comparison, high wages. Here is a difference so great that the American lumberman can not overcome it. It amounts to approximately $2 per thousand feet. And let it not be forgotten that every other American industry on the Pacific coast labors under exactly a similar handicap. The great markets of New York, Boston, Philadelphia, Baltimore, and other Atlantic cities, by the repeal of the Panama Canal act, were largely taken from us and given to British Columbia. Vancouver, and not Seattle, is to become the great commercial city of the Pacific Northwest if American ships are to receive no advantage in the use of the Panama Canal. For this situation the Democratic Party alone is to blame. The repeal of the present Democratic law is the only hope for the future commercial supremacy of Seattle.

Here is the situation that has been brought about by Democratic legislation, and against which the Republican Representatives of the State of Washington have protested in vain: A builder in Spokane buys a thousand tons of structural steel from the eastern coast. If American ships could pass through the canal free, as they could before the Democratic repeal law went upon the statute books, that steel would be brought to Seattle and then sent to Spokane; but now an American ship must pay the same as a foreign ship to pass through the canal. Consequently, that steel will be sent on a cheap foreign ship to Vancouver, British Columbia, and then from Vancouver to Spokane. This can be done without the payment of a cent of duty. Again, the producer of eastern Washington, when he sends his produce to the Atlantic coast, will ship it to Vancouver—not to Seattle—and from there it will go by a cheap foreign ship, with its foreign crews, to its destination. These foreign cheap vessels, under our laws, can not come to Seattle; but the shipper, by going to Vancouver, can get every advantage of this foreign cheap tonnage. The freight rates between Spokane and Vancouver are exactly the same as the rates between Spokane and Seattle, and this applies, of course, to practically all interior points. When the emergency shipping legislation was pending

the Republican Members of the House and Senate from the State of Washington used every endeavor to have this unjust discrimination corrected, but a Democratic majority refused. If such unjust and tyrannical discrimination applied to a city of the South as it applies to Seattle, it would be corrected in less than 90 days.

The wayfaring man can see what is going to be the result of this Democratic legislation. All the trade of the Pacific Northwest that will pass through the Panama Canal, except the very small amount along the water's edge of Puget Sound, will pass through Vancouver. Vancouver will be the place where rail and water traffic will meet. Vancouver and not Seattle will be the great commercial city of the North Pacific. For this situation there is but one remedy, and that is a return of the Republican Party to power. As soon as the Republican Party once more takes control of the Nation it will relieve this situation and redeem the credit and honor of the Nation by immediately reenacting the law that will give every American ship the right to pass through the Panama Canal absolutely free. To this end and to this purpose I expect to strive and fight every day until it is realized as long as I remain a Member of Congress.

The repeal of the Panama Canal provision permitting American ships to pass through the canal without the payment of tolls by the Democratic Party, in spite of their platform pledges, was a fatal blow to Seattle's greatness and prosperity. I can not understand how any American citizen, and especially a citizen of Seattle, can vote for a party that by law deliberately attempts to destroy Seattle in favor of our foreign rival. The people of Seattle do not yet fully understand this situation, but they will as the days go by and as the traffic through the canal increases.

By the repeal of the Panama Canal act the Democratic Party placed a burden upon every industry on the Pacific coast. It increased the cost of living to every family. It favored the railroads as against the people. It favored the foreigner as against the American.

For this great blessing, for this great piece of constructive legislation, for this betrayal of their confidence, for this destruction of their hopes, for this taking from them the benefits of the canal for which they had hoped and for which they had paid and upon the prospects of which they had pledged their credit and expended millions—for thus taking these benefits and giving them to the foreigner without money and without price the people of the Pacific coast are filled with gratitude, and will lift up their voice in pæans of praise for the patriotism and the courage and the integrity and the good faith shown by the Democratic Party.

EMERGENCY SHIPPING LEGISLATION.

The war in Europe caused a great clamor in the Democratic Party, and especially from members of that party in the South, for ships to carry out foreign commerce. Cotton was hit. These southern Members suddenly forgot the fight that they had made for years against an American merchant marine. The cry of subsidy died upon their lips. They demanded immediate relief, and a law intended to help this situation and to get their cotton to market was promptly passed. The people of the Pacific coast pleaded that this law help them also, that provisions be made in this law whereby the products of the Pacific coast could be sent to the Atlantic markets. The lumbermen especially asked for aid. The Pacific coast people pointed out that they were helpless; that the repeal of the Panama Canal act giving free tolls to American ships had given a great advantage to British Columbia. But this plea for relief for the Pacific coast was denied. The South and the East were cared for, and, as usual, the Pacific coast was neglected. Surely the people of the State of Washington should feel grateful to the Democratic Party for the way it was treated in this emergency shipping bill. Under this administration the South has always been carefully cared for, and the Pacific coast is always neglected.

SUSPENSION OF THE NAVIGATION LAWS.

Under the emergency shipping legislation recently passed the President was given the power to suspend the navigation laws with reference to foreign vessels that took the American flag. He had the power of permitting these foreign vessels that took the American flag to be officered by foreigners. The Masters, Mates, and Pilots' Association of the Pacific Coast recently protested against this being done with reference to vessels on the Pacific Ocean. This association pointed out that there were between 600 and 800 American officers on the Pacific that were idle; that they had served their country faithfully; that they had paid for their licenses; and they asked that they be given preference over citizens of other countries, but their protests went unheeded. To-day we have many idle American officers, while many of our ships are manned by foreigners. For this also the people of Puget Sound should give thanks to this administration.

The Democratic Party is now thoroughly committed to the policy of building up our merchant marine by buying foreign ships built in foreign yards by foreign cheap labor, manned by foreign sailors, and run by foreign officers; the only thing American about this Democratic merchant marine being the flag, and even that may have been made in a foreign land.

DEMOCRATIC PROMISES.

The Democratic Party promised to reduce the cost of living and to bring greater prosperity than we possessed in 1912. It was this promise more than anything else that brought the Democratic Party again into power. Who to-day will contend that they have kept that promise? Who to-day will say that they prefer the conditions that exist now to those in 1912? Who will contend that prices have been reduced? Who will contend that wages have been increased? Who will contend that there is more work now than there was when the Democratic administration went into power? Who will deny that there are more idle men now than then? Where is the family that will say that the burden of living is lighter now than then?

When the Democratic Party boasts that it has done much for the State of Washington I challenge the statement. It has not opened a single mill. It has not lighted a single fire in a furnace. It has not given a single man an additional day's work. It has increased no man's wages. It has not given an additional loaf of bread to any family. It has increased idleness. It has increased poverty. It has thrown thousands out of employment. It has reduced wages. It has increased the cost of living for the family of every toiler. Democratic legislation has been sectional. It has been unjustly favorable to the South and unjustly discriminatory against the Pacific coast.

WAR TAXES.

And now the Democratic Party proposes to place upon the State of Washington, as upon all other parts of the country, a "war" tax in time of peace. It is, indeed, a "war" tax. It is a tax made necessary by the Democratic war upon American industry. It is made necessary by the Democratic Party opening our markets, without price, to the goods of foreign countries. It is a free-trade tax. The war may have hastened it, but it would have come anyway. This was certain. Increased expenditures on the one hand and decreased revenues on the other would have suggested to any but Democratic statesmen that the end would be an empty Treasury. A Democratic administration and an empty Treasury are synonymous. For this additional burden of a direct tax in time of peace the people of my State are expected to regard as an additional blessing and to be duly thankful therefor.

ALASKA.

It is the constant boast of this administration that it has been of great benefit to Alaska. Upon what foundation or facts do these claims rest? During this administration legislation has been passed providing for the construction of a railroad in Alaska that may cost $35,000,000. That this legislation was of great benefit to Alaska and the State of Washington we all hope and believe. This proposition to construct a railroad in Alaska was begun under President Taft, and the preliminary work was done during his administration. When this legislation passed Congress it was opposed and favored by men in all parties. The vote was strictly nonpartisan. The strongest opposition to this legislation came from the Democratic chairman of the great Committee on the Public Lands. But the administration is entitled to credit, and no fair-minded man desires to diminish it or to take it from them.

But this building of a railroad in Alaska, if it is accomplished, and little so far has been done except on paper, will amount to nothing unless it is supplemented by other legislation. Unless Congress passes more laws that will develop the coal mines and the other resources of Alaska this railroad, when finished, will be only an idle and discreditable streak of rust.

For more than a year and a half this Democratic administration has been in continuous session. With all its promises and its boasts, what has it done for Alaska? No legislation is yet upon our statute books that will open the coal mines in Alaska, and upon the opening of these mines all progress and development of Alaska waits. A few days ago the so-called coal-leasing bill passed the House. It was passed for political purposes and not for the purpose of the benefit of Alaska. It is impractical and was hurried through the House for the effect it would have upon the so-called conservationists in the East at the coming election. This bill was passed to get votes, not to open mines.

More than 500 coal claims in Alaska are awaiting decisions. These claims have been awaiting decisions ever since this administration went into power on the 4th day of March, 1913. All the facts and evidence in most of these cases have been before the department for more than a year and a half. The people of Alaska have been demanding and petitioning that these claims be decided. The claimants have been clamoring for a decision. What is the reason of this delay? If these claims are fraudulent, why does not the department say so and decide for the Government? This certainly would be in the interest of the people. If, on the other hand, the claimants are honestly entitled to their claims, why does not the department say so? What is the matter? There can be but one explanation. The Democratic officials in the Interior Department do not have the courage to do their duty. They are waiting until after the election. The conditions in Alaska, so far as the coal claims are concerned, stand exactly as they did four years ago. There is no justification for such action. While these officials stand and wait, fearing to act, the people of Alaska are forced to pay exorbitant prices for foreign coal, while they dare not touch the unlimited supply that lies at their very doors. And yet this administration proceeds in a loud voice to proclaim that they are special friends of Alaska.

The people of Alaska and the State of Washington pleaded with Congress to give a small appropriation to locate the dangerous rocks and other obstructions to navigation along the Alaskan coast. They presented their petition and filed with it a list showing an appalling loss of life and property. The number of vessels that have recently gone to their doom tell a story that it was thought this Democratic Congress must certainly heed. Personally I wrote a letter to every Member of the House and Senate pointing out the result of these disasters and asking in the name of humanity, the people of Alaska and the Northwest, that a small sum be appropriated for this purpose. This appeal for this appropriation was refused with scant consideration.

In all the countless millions appropriated by this Congress—the most extravagant in the history of the Nation—there was nothing to make more safe navigation between Puget Sound and Alaska.

Again the people of Alaska asked for a small appropriation for hospitals and medical assistance for the natives of that Territory. They pointed out the fearful ravages that disease is making among these people, the necessity of aid to save them from extermination. But the insignificant sum of $50,000 asked for this purpose was rejected. Certainly the people of Alaska should feel grateful to this Democratic Congress when they look upon this record and when they see the extravagance in all other departments and then remember that they have been denied these small pittances to protect their most vital interests.

BUSINESS AGITATION.

Like all other sections, the State of Washington and Alaska have been greatly injured by the constant agitation and attacks on business since the Democratic Party came into power. The fear and uncertainty caused by proposed legislation for political purposes only has injured the entire Nation. This agitation will continue as long as the Democratic Party remains in power. It must continue, for the foundation of all our industrial disturbance to-day is the Underwood tariff law. The Democratic Party, of course, will never consent that it be changed. Consequently they must continue to agitate and to do something else to try to overcome the evil effect of our present tariff. What this Nation needs to-day above all things else is an adjournment of Congress. What we need is more prosperity and less legislation. Congress will stay in practically continuous session as long as the Democratic Party controls the country. The one hope for prosperity and for business peace is a Republican majority in the next House of Representatives.

Mr. TAVENNER. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD very briefly on the subject of general legislation.

The CHAIRMAN. The gentleman from Illinois [Mr. TAVENNER] asks unanimous consent to extend his remarks in the RECORD relating to the legislation of this Congress. Is there objection?

Mr. LEE of Pennsylvania. Reserving the right to object, Mr. Chairman, I ask for the same privilege.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. LEE] asks for the same privilege. Is there objection to these two requests?

There was no objection.

The CHAIRMAN. No gentleman desiring to be recognized, the question now is on agreeing to the amendment offered by the gentleman from Iowa [Mr. GOOD].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 68. PAR. 2. The superintendent of documents shall supply, wrap, mail, and otherwise dispatch all publications subject to valuation distribution upon the written order of the person entitled to the same, who shall furnish addressed frank slips or envelopes therefor; and the superintendent of documents shall charge a price uniform to everyone for publications so supplied sufficient to cover the cost of paper, handling, and printing from plates as determined by the Public Printer: *Provided*, That upon the requisition of the superintendent of documents the Public Printer is hereby authorized to print or reprint from time to time a sufficient number of copies of such publications as shall be necessary to carry out the provisions of this section: *Provided further*, That the superintendent of documents shall promptly furnish each person entitled to a valuation account or document quota under this section with information and the prices of all publications available for such distribution in advance of printing the first edition thereof, if possible, and he shall also render statements from time to time to each person entitled to the same concerning the condition of his valuation account.

Mr. BARNHART. Mr. Chairman, I offer a committee amendment, which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from Indiana [Mr. BARNHART] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 77, line 11, after the word "supplied," strike out the words "sufficient to cover the" and insert ", which price shall be the actual."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. MANN. Mr. Chairman, I would like, if I can, to know what this provision means, anyhow. What is it that this provision does?

Mr. BARNHART. If the gentleman will permit, I will state that there is another amendment; there are three. One strikes out the word "handling," and another makes it the actual cost of paper and printing. As I stated in my opening remarks to-day, this was contemplated in the bill all the way. That word "handling" there might be construed to mean that there would be a charge for wrapping, and it is the intention of the committee to have these documents supplied at the cost of the actual printing, because the Printing Office has the labor to do the necessary wrapping.

Mr. MANN. I will say to my friend from Indiana that I think it is still left in doubt as to what it means, even with that provision stricken out. Let us see what it says. This is a very important section under this valuation plan. The preceding section provides for the valuation credits. Then this paragraph comes along and says:

The superintendent of documents shall supply, wrap, mail, and otherwise dispatch all publications subject to valuation distribution upon the written order of the person entitled to the same, who shall furnish addressed frank slips or envelopes therefor; and the superintendent of documents shall charge a price uniform to everyone for publications so supplied sufficient to cover the cost of paper, handling, and printing from plates as determined by the Public Printer.

Now, is this "paper, handling, and printing from plates" the cost of printing the editions, or is it the cost in the office of the superintendent of documents? The superintendent of documents plainly has nothing to do with the printing from plates, nor would the superintendent of documents, where he has gone to the expense of handling documents, transfer to the Public Printer the authority to determine the amount. And while that provision, in connection with the preceding one, might lead to the impression—and possibly that was the impression of the author of the bill—that the cost to be charged to a Member was the cost of wrapping and the wrapping paper used, still the language of the bill does not carry out that thought. We both want to get at the same thing——

Mr. BARNHART. Yes; we are both aiming at the same thing. The intention is to perfect this provision and make it right and clear.

Mr. MANN. So that we will know what it means.

Mr. BARNHART. Yes. The paragraph as amended will read, beginning in line 9—

And the superintendent of documents shall charge a price uniform to everyone for publications so supplied, which price shall be the actual cost of paper and printing from plates as determined by the Public Printer.

The superintendent of documents will be instructed by the Public Printer as to exactly this cost, and that is what he must charge; no more and no less.

Mr. MANN. Here are two charges, and I want to know which one this refers to. I should like to have the gentleman's statement for future reference in construction. There is one charge for printing the documents, and there is paper and there is handling, and there is presswork in connection with printing from plates. There is another charge, entirely separate from that, after the edition has been printed, when a Member makes a requisition for certain copies of that edition. There is a charge for wrapping and handling in the office of the superin-

tendent of documents. Now, which of these two charges is referred to here?

Mr. BARNHART. I have explained to the gentleman that the amendment offered by the committee will strike out the word "handling." That will eliminate the wrapping feature, and the bill, when it is perfected, will read—

Which price shall be the actual cost of paper and printing from plates as determined by the Public Printer.

It will not include the cost of making the plates, but just the reprint.

Mr. MANN. If the cost is for printing the edition. I do not think the word "handling" ought to come out, because in fixing the price at which these documents are furnished to a Member he should be charged with the cost of the paper that is used in the book, the cost of handling in the Printing Office in connection with the work of printing, and the cost of the presswork. He should be charged with all that.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANN. I ask unanimous consent that I may proceed for five minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that he may proceed for five minutes. Is there objection?

There was no objection.

Mr. MANN. If it means the cost of handling, then the word "handling" ought to be in. If it means that the Members are to be charged with the cost of wrapping and mailing out the documents, then we ought to strike it out entirely, or else strike out the presswork cost.

Mr. BARNHART. It is understood in printing offices that the cost of paper and the cost of reprinting from plates would imply the handling of the plates and the handling of the paper for that part of the work. It is not merely putting it on the press; it is the work of assembling it and getting it ready for printing and adjusting the press. That is all a part of the printing.

Mr. MANN. That is all a part of the cost of printing?

Mr. BARNHART. Yes.

Mr. MANN. Yes; but the Printing Office keeps those items separately. Now, you undertake to say here what cost shall be included in fixing the cost, and you say "paper." The cost of paper does not include any handling by itself in the Printing Office. There is the cost of the paper and the cost of printing from the plates. Of course plainly that was intended to cut out the cost of composition, but the cost of preparing the plates is plainly intended to be included, and ought to be. Now, if you cut out handling in the Printing Office and charge nothing but the cost of the paper and the presswork itself, and if this means the cost of the edition, why the word "handling" ought to stay in. But if it does not mean that—and there has been a question raised about it—why there is another proposition. I wish the gentleman would say for the benefit of the RECORD and of those who are going to construe this law whether this cost that is to be charged to Members is to be the cost in the office of the superintendent of documents or the cost of printing the edition in the Public Printing Office only.

Mr. BARNHART. The language would clearly set forth that it would be the cost in the office of the Public Printer only, because it specifies the paper and printing. Now, I have explained to the gentleman from Illinois that the present law carries a 10 per cent increase over the cost of paper and printing, to bear certain expenses that it was alleged it cost in getting work ready for delivery after it was done. But in conference with the Public Printer it was found that this varies so widely, and that inasmuch as he has a force used largely for that purpose——

Mr. MANN. I understand that.

Mr. BARNHART. So it was thought best to strike that out entirely and let the general appropriation for the Public Printer take care of the matter of making everything ready for delivery that he prints, whether it is for sale or whether it is allotments to Members of Congress.

Mr. MANN. I understand that; but I submitted this matter to several gentlemen, some of them in the House and some of them employees of the House, and among them the very efficient clerk of the Joint Committee on Printing. I will not undertake to say what he said or what the others said, but a number of them stated to me upon reading this that their judgment was that this would cover the cost of wrapping and mailing from the office of the superintendent of documents. I said I thought the bill was intended only to cover the cost of the edition, and I understand that the gentleman from Indiana takes that position, although I have not been able to get him to say so without qualification.

Mr. BARNHART. If I have not made myself clear, I am sorry.

Mr. MANN. Why does not the gentleman say in so many words whether that is his opinion?

Mr. BARNHART. Certainly when you remove the word "handling" you remove the possibility of any charge for wrapping.

Mr. MANN. But you do not remove the charge for wrapping paper. I contend that the provision does not include the office of superintendent of documents at all. You can not mix them; it is one or the other.

Mr. BARNHART. So long as it sets forth, with the word "handling" out of it, that it shall cover the cost of printing from plates and paper, I do not see how anyone can construe that language to mean that there should be an additional cost for wrapping.

Mr. MANN. Is it to cover the cost of wrapping paper?

Mr. BARNHART. Certainly not. They wrap most all documents printed, whether they are for sale or to be distributed under allotment, and it is not intended to cover wrapping paper at all.

Mr. MANN. Now, Mr. Chairman, may I ask the gentleman another question? This says:

The superintendent of documents shall supply, wrap, mail, and otherwise dispatch all publications subject to valuation distribution upon the written order of the person entitled to the same, who shall furnish addressed frank slips or envelopes therefor.

That would apparently say that all the documents subject to valuation distribution—and that will include everything after it goes into effect except those things which Members now have in the folding room—should be distributed by the superintendent of documents.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANN. I ask unanimus consent for five minutes more.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent for five minutes more. Is there objection?

There was no objection.

Mr. MANN. Apparently that language would indicate that all the distribution is to be made by the superintendent of documents. I think we had a sort of understanding in the House the other day, based on several votes which were had, that if the folding room of the House should be retained—and that is purely a matter for the House to determine hereafter—Members might draw out their quota of books under the credit balance and transfer them to the superintendent of the folding room in the House. In other words, if we print an edition of The Horse Book this year, and a Member is entitled under the law and desires to avail himself of the right of taking 500 copies, which he does not wish to distribute at once, only as the demands come in, he may transfer them to the folding room of the House for storage, and so supply the documents as the requests come to him, because there will not be an edition printed every year. I think the language ought to be corrected so as to clearly show that we have that right.

Mr. BARNHART. In line 6, Mr. Chairman, of section 68, paragraph 2, one of the amendments sent to the desk will change the language as follows:

The superintendent of documents shall supply, wrap, mail, or otherwise dispatch all publications subject to mailing.

He may wrap and mail them or dispatch them up here to the Capitol, as he is directed.

Mr. MANN. The gentleman, being in charge of the bill, is of the opinion that if that language is modified in that way and enacted into law, if any Member desires he may order from the superintendent of documents a hundred copies of a certain publication to be sent to his credit in the folding room as long as the House maintains the folding room?

Mr. BARNHART. I have no doubt about it.

Mr. MANN. The gentleman says he has no doubt about it, but which way?

Mr. BARNHART. The gentleman asked me a question if I believed so and so, and I say I have no doubt about it. It seems to me I could not make it any clearer.

Mr. MANN. The gentleman might have no doubt that I was wrong. It is hard to get the gentleman to state square-toed his position without some qualification.

Mr. BARNHART. If the gentleman will state to me in clear language what he means, I think I can answer him. I can not surmise what the gentleman wants me to say in addition to saying that I have no doubt, under the provisions of this bill and the amendment, that he will be permitted to direct the superintendent of documents to send such volumes as he may desire to the folding room, where he can get them at such times as he desires.

Mr. MANN. That is what I have been trying to get the gentleman to say.

Mr. BARNHART. And it is what I have constantly been saying.

Mr. TALCOTT of New York. Will the gentleman yield?

Mr. BARNHART. Certainly.

Mr. TALCOTT of New York. Does the chairman think that if these books should be placed to the credit of Members in the folding room and a number were left when his term of office expired, they would pass to the credit of his successor?

Mr. BARNHART. They ought to. They would be to the credit of the district; that is the provision of the bill.

Mr. FESS. Will the gentleman yield?

Mr. BARNHART. With pleasure.

Mr. FESS. I would like to ask the chairman in reference to the same paragraph. I had understood that this paragraph would probably abolish the folding room. Is there any intention of doing that?

Mr. BARNHART. No.

Mr. FESS. With the paragraph as it stands, amended as you have suggested, we could get our documents from the folding room the same as we do now?

Mr. BARNHART. Certainly; if Members choose to do it that way. It would make it more expensive if you have them sent up here to the House folding room. The House folding room was continued for the purpose of having speeches folded and in order to have the advantages and conveniences and efficiency of such a service near at hand for the Congress.

Mr. FESS. My desire was to know whether we would have to go to the superintendent of public documents for a document for ourselves?

Mr. BARNHART. Mr. Chairman, I think any order that the gentleman would give to the superintendent of documents might be filled by sending it to the gentleman's office, or he might send it at the gentleman's direction by mail or to the House folding room, but it will be charged to the gentleman when it is given to his order. It will be out of the care and keeping of the superintendent of documents at the Printing Office after it leaves his custody, and it will then be charged to the Member's allotment.

Mr. FESS. If I were sending a document to my district, I would not care so much, but if I wanted it for my own use here I think I could get it much more quickly from the folding room than I could get it from the superintendent of documents.

Mr. BARNHART. That might and it might not be true, because the intention is to use the Printing Office delivery. If the gentleman wanted it sent to his office, it would go directly to him.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Indiana.

The amendment was agreed to.

Mr. BARNHART. I have another amendment, Mr. Chairman.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Page 77, line 12, after the word "paper," strike out the word "handling."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Page 77, line 6, after the word "wrap," strike out the words "mail, and" and insert in lieu thereof the words "and mail or."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BORLAND. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Insert, page 77, line 5, after section 68, paragraph 2, the following: "All publications for valuation distribution upon orders of the Vice President, Senators, Representatives, Delegates, Resident Commissioners, and officers of the Senate and of the House of Representatives shall be delivered to their respective folding rooms, to be wrapped and credited to the persons entitled to them and held subject to the orders of said persons.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Missouri.

Mr. BORLAND. Mr. Chairman, I would like to explain that a little. This amendment has the effect of sending these documents to our folding rooms. I expect that is the intention of the committee, or I gathered it from the colloquy that has been had. If it is not the intention of the committee to send these documents to our folding rooms, then it seems to me the amendment ought to go in there in that form.

Mr. BARNHART. Mr. Chairman, will the gentleman yield?

Mr. BORLAND. Yes.

Mr. BARNHART. One of the purposes of this bill is to effect dispatch of the public service, and economy. The Government has just constructed a post office adjacent to the Government Printing Office, with connecting tubes, and the cost of hauling these documents to the Capitol and letting them lie here and then hauling them back to the post office is the very thing that the Committee on Appropriations has been eliminating from all the departments, because it is an extra cost. If the House sees fit to send its force to the Government Printing Office, that is what it ought to do; but the discontinuance of hauling these documents to the Capitol and storing them here and then going to the expense of hauling them back to the post office is one of the economies of this bill, and I do not see how the gentleman from Missouri [Mr. BORLAND], if he has any concern for economy, which we are seeking to effect, together with efficiency of getting the documents out quickly, can oppose the plan proposed here. If you want to send your documents to the House folding room here, under the changes that have been made, you can have them all sent down here; but a Member would hardly want to do that. If he wants to send his documents by mail, he will send direct to the superintendent of documents and have them sent out from there, and there is no provision in this bill anywhere that that may not be done by the wrapping force that we now have. It is in the hands of the House. It does not take it out of the hands of the House at all.

Mr. BORLAND. Mr. Chairman, if it is in the hands of the House now, and it is not designed to take it out of the hands of the House, and there is nothing in this except the question of where the documents shall be hauled to or from, what is the objection to the amendment? Whether the folding room is located in some convenient quarter adjacent to the Government Printing Office or located in this Capitol Building is immaterial, but the question that is material is whether it remains under the control and jurisdiction of the Members of this House; and if the chairman means what he says about that, that it is the intention that it shall remain under the control and jurisdiction of the Members of this House, then he and I have no dispute as to where this wrapping shall be done. Of course I recognize the general policy adopted by the committee, to prevent unnecessary hauling of documents back and forth across town. I recognize it is utterly immaterial for the purposes of this bill or any other whether that folding room be adjacent to the Public Printing Office or in this building. In fact, I think it ought to be adjacent to the Public Printing Office, but I think the vital point is whether it remains under the control of the membership of this House. There is nothing in my amendment that militates against the economy proposition of having the document room adjacent to where the documents are printed, and I hope the chairman will accept the amendment.

Mr. BARNHART. Mr. Chairman, the committee could not accept an amendment of that kind for the reason that it is estimated by the Public Printer that the transportation of documents back and forth, and so forth, as now done, costs $20,000 a year. If the gentleman from Missouri wants to insist that we should pay $20,000 a year to haul documents from the post office up here in order to handle them here and then send them back to the post office, then it would appear to me that he is advocating a proposition that is far from economic, and I trust that he will not insist upon his amendment.

Mr. BORLAND. I trust the gentleman will not mistake the issue that is between us. The gentleman referred to that awhile ago about the Government hauling documents over here. There is no such issue involved in this amendment. There is no $20,000 involved. Then, what further objection has the gentleman to it?

Mr. BARNHART. The objection to the amendment offered by the gentleman from Missouri is that it provides that all documents shall be brought to the folding room here at the Capitol and wrapped and then carried back to the post office.

Mr. BORLAND. No; I think the gentleman is mistaken about that. It provides that they shall go to our folding room and remain under the control of the Members of this House, and it does not provide that they shall be brought to this Capitol.

Mr. BARNHART. Then, what——

Mr. BORLAND. It provides exactly what the chairman said was provided by this bill.

Mr. BARNHART. It will necessitate an extra system of bookkeeping.

Mr. BORLAND. It does provide a system of bookkeeping.

Mr. BARNHART. I said an extra system, not a system.

Mr. BORLAND. It provides the present system of bookkeeping and has no other purpose.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANN. Mr. Chairman, I offer the following amendment to the amendment.

The CHAIRMAN. The Clerk will report the amendment to the amendment.

The Clerk read as follows:

Line 3 of the Borland amendment, after the word "shall," insert "upon the individual order of the person entitled thereto."

Mr. MANN. Now, Mr. Chairman, I think that ought to be acceptable to both gentlemen. That would permit any Member to order any documents to his credit.

Mr. BARNHART. I want to ask the gentleman's pardon to have the amendment reread; I was engaged at the moment.

Mr. BORLAND. I would like to hear it also, as I was engaged with the chairman.

Mr. MANN. The amendment offered by the gentleman from Missouri would require all documents coming to any Member of Congress to be sent to the folding rooms of the House and the Senate. The amendment which I have offered would leave to the individual Member to determine what documents he will have sent to his respective folding room.

Mr. BARNHART. The committee will readily accept that; that is the very point aimed at.

Mr. MANN. That will leave to the Member the authority to have documents sent to the folding room, which I suppose will be exercised in some cases. In many cases clearly it would be economical and equally efficient to have documents mailed from the office of the superintendent of documents, and it would leave to the Member the control of the matter.

Mr. FINLEY. Will the gentleman yield?

Mr. MANN. Certainly.

Mr. FINLEY. As I understand the purport of the gentleman's amendment, they would be folded at the Government Printing Office and then brought over on the individual order of any Member.

Mr. MANN. I do not think it would be necessary that they should be folded. I understood from the statement made a while ago that a Member might order the documents sent to him before they had been folded, to his room or otherwise; that is, before they had been wrapped. It would not make any difference where it is done.

Mr. BORLAND. Mr. Chairman, I want to say, as far as I am personally concerned, that the amendment offered by the gentleman from Illinois would not change the situation to me. It has been my universal custom to have all documents sent to my own office, and I inspect and sort out everything that is sent there, so that I am sure what I send out to my constituents is something important to the particular men to whom I am sending them. It is a vast amount of work which I do in my own office, and I would not object to the amendment of the gentleman from Illinois, but I think we ought to have somewhere provided in this bill this system of bookkeeping by which a Member has, under control of the House, a knowledge of what he has to his own credit. I understand that is preserved in the amendment of the gentleman from Illinois, and I am perfectly willing to accept it.

Mr. BARNHART. The Government Printing Office is under the control of the Congress.

Mr. MANN. No; it is controlled by a gentleman named by the President.

Mr. BARNHART. Yes and no; but Congress has legislative control.

Mr. MANN. I think this would protect everybody's rights.

Mr. BARNHART. I appreciate that fact, but I would like to inquire of the gentleman just where this amendment comes.

Mr. MANN. After the word "shall," insert "upon the individual order of the person entitled thereto."

Mr. BARNHART. That makes it plain, so that nobody could misunderstand it.

Mr. MANN. Yes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The question now is on the amendment as amended.

Mr. BARNHART. That would complicate the matter to adopt both amendments.

Mr. MANN. No; my amendment is an amendment to the amendment.

Mr. BARNHART. Oh, yes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri as amended.

The question was taken, and the amendment as amended was agreed to.

The Clerk read as follows:

SEC. 68. PAR. 4. Documents specifically ordered by Congress for congressional valuation distribution and the following publications shall be printed and subject to distribution by the superintendent of documents under the provisions of this section: *Provided*, That the superintendent of documents shall supply, on the request of the Vice President, or any Senator, Representative, Delegate, or Resident Commissioner, not to exceed two copies each of any publication of the Government not provided for by this section which he may have available in stock and charge the same against their respective valuation accounts; and if the publications so furnished were printed for sale by the superintendent of documents, the Public Printer shall credit the amount charged therefor to the reprint account of said superintendent by transferring a like sum from the allotment for printing and binding for Congress: *Provided further*, That this section shall not be construed to include the speeches of any Senator, Representative, Delegate, or Resident Commissioner in whatever form printed.

Mr. BARNHART. Mr. Chairman, I desire to offer an amendment by the committee making a verbal correction.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 78, line 23, after the word "against," strike out the word "their" and insert the word "his."

Mr. MADDEN. I would like the gentleman to explain how that will make it read.

Mr. BARNHART. "Which he may have available in stock and charge the same against his," so as to simply agree with the antecedent "he" and make it good language.

Mr. MANN. Does not the gentleman want to change the word "accounts" to "account"? I think that would be proper. The object the gentleman desires is not accomplished unless he changes the word "accounts" to the word "account."

Mr. BARNHART. Mr. Chairman, I think that is right and that that should also be in the singular, but let us have a vote on this and then I shall move to strike out the letter "s" in the word "accounts."

The question was taken, and the amendment was agreed to.

Mr. BARNHART. Mr. Chairman, I move that, in line 24, the letter "s" in the word "accounts" be stricken out.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 78, line 24, strike out the letter "s" from the word "accounts."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

Mr. MANN. The gentleman also wants to strike out the word "respective."

Mr. BARNHART. That refers, however, to the Senators, Representatives, Vice Presidents, Delegates, and Resident Commissioners.

Mr. MANN. You would not say "respective account." "Respective" refers to plural.

Mr. BARNHART. I think, Mr. Chairman, the word "respective" ought to go out, and I move that, in line 4, it be stricken out.

The CHAIRMAN. The gentleman offers an amendment which the Clerk will report.

The Clerk read as follows:

Page 78, line 24, strike out the word "respective."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

(1) Addresses and messages of the President to Congress: *Provided*, That the annual message of the President shall be printed in pamphlet form immediately upon its receipt by Congress.

Mr. MANN. Mr. Chairman, I move to strike out the last word in order to make an inquiry. We do not have to pay for the President's messages which are laid on our desks, do we?

Mr. BARNHART. Oh, no, Mr. Chairman; there is a provision that the usual number will be printed, and this is only for a reprint that goes to the valuation plan. In addition to that, each Member may have two copies of any document. That is the general provision.

Mr. MANN. This section covers the congressional distribution, as I understand?

Mr. BARNHART. As the gentleman well knows, there is now an abridgment of the allotment of messages.

Mr. MANN. I am not talking about the abridgment; I am talking about the messages which the President comes here and reads to us or sends to us.

Mr. BARNHART. This does not change the present plan in that respect as to the annual messages that come here from time to time. It does not change the law in printing the usual number that is now printed. This will make it possible, if you want more than that, to order from allotment. If there should

be a reprint ordered by the House and it were sent to the folding room for distribution, it would then give you the privilege of taking under your valuation plan any number of such messages as you would choose to send out in addition to what you were given under the usual number printed for the House.

Mr. MANN. Now, just as a matter of practice, it is usual when the President's annual message is presented to Congress to have it printed in advance, have copies of it on the floor and distributed to Members at the time the message is delivered to the House. I do not see how it can be done under this. Maybe it can.

Mr. BARNHART. Well, Mr. Chairman, these copies that come in advance, of course, are White House copies. They are the President's publication. He has a printing allotment, too, and, in addition, when the usual number is asked you have them just the same as you have now, and, furthermore, if anyone should want a larger number than has already been printed, and a resolution should be passed to that effect, they would be sent to the folding room, just as they would be now, and they would be charged against your allotment.

Mr. MANN. I had supposed they were copies that came from the document room.

Mr. STAFFORD. Will the gentleman yield? Does this paragraph refer to the compilation of addresses and messages of the President which we receive each session?

Mr. BARNHART. It does not.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn, and the Clerk will read.

The Clerk read as follows:

(2) Congressional Directory: *Provided*, That there shall be prepared, under the direction of the Joint Committee on Printing, not to exceed two editions of the Congressional Directory during each session of Congress. The first edition shall be distributed to the Vice President, Senators, Representatives, Delegates, Resident Commissioners, the principal officials of Congress, and the heads of the executive departments, independent offices, and establishments of the Government on the first day of the session, and shall be ready for distribution to others within one week thereafter. The number and disposition of such directories shall be under the control of the Joint Committee on Printing, except as otherwise provided in this section. Official correspondence concerning the directory may be had in penalty envelopes, under the direction of the Joint Committee on Printing. The compiler of the Congressional Directory shall be appointed by the Joint Committee on Printing and shall receive a compensation of $1,600 per annum.

Mr. BARNHART. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The gentleman from Indiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 80, line 4, after the word "receive," strike out the words "a compensation of $1,600 per annum" and insert in lieu thereof the following: "$1,600 for compiling, preparing, and indexing the Congressional Directory for each regular session of Congress, one half to be disbursed by the Secretary of the Senate and the other half to be disbursed by the Clerk of the House of Representatives."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Indiana.

Mr. MANN. Mr. Chairman, I wish to be heard upon the amendment. This amendment is an addition to the provision here?

Mr. BARNHART. The amendment, I will say to the gentleman from Illinois, is really the readoption of the present law in the bill. And, in brief, I might say there were two purposes of it, one is that it is in harmony with what——

Mr. MANN. Mr. Chairman, may we have the amendment reported again?

The CHAIRMAN. The Clerk will report the amendment.

The amendment was again reported.

Mr. MANN. Mr. Chairman, I move to amend the amendment by striking out "$1,600" and inserting "$1,000."

The CHAIRMAN. The gentleman from Illinois offers an amendment to the amendment, which the Clerk will report.

The Clerk read as follows:

Amend the amendment by striking out "$1,600" and inserting in lieu thereof "$1,000."

Mr. MANN. Mr. Chairman, I should have preferred to have offered another amendment first. A couple of years ago, I think it was, we had a discussion in the House here over payment to the person who got up the Congressional Directory, and the Democratic side of the House threw several cat fits. It was asserted we were paying at that time, and I think we were, $1,000 or $1,200 or $1,400 to somebody whose duty it was to get up the directory, and that that person was paying $300 or $400 to have somebody else do the work, and that the difference was a rake-off. And I expect it was true. My recollection is that a former newspaper correspondent, who has since passed away, was the person charged with the duty of preparing the material and supervising the work of getting up the Congressional Directory; that he had transferred the work to some one else whom they said at the time had done the work from time immemorial, and the person who did the work was receiving $300 or $400 or $500 a year, or something like that. Maybe I have the figures too small or maybe too great. Anyway, it was far below the price paid.

I think the price paid originally was less than $1,600. Now, that contemplated getting out five editions of the directory for each Congress at least. This bill contemplates doing away with one edition of the directory—and I think it is a mistake—but at the same time it contemplates keeping up the price. The fact is that the Congressional Directory in the main has grown to be a laughable farce. Whoever gets it up does not understand his business. It used to give information about Members of Congress. It does not give any now, unless some comparatively new Member of Congress falls for the request and proceeds to furnish something which he supposes will make people believe it came from some other source, and not from himself, and when he reads in the directory how valuable a man he has been, he blushes and says, "I will never do it again."

Why, the directory used to give the vote for Members of Congress. It does not do it any more. There is hardly a southern Member of Congress that inserts the vote that he gets, and many of the northern Members do not do it any more. In the old days the compiler of the Congressional Directory obtained this information, if it was not furnished to him by the Member of Congress; but he does not do it now. Much of the material that is in the Congressional Directory is not down to date.

Mr. BARNHART. Mr. Chairman, will the gentleman yield?

Mr. MANN. Yes.

Mr. BARNHART. Would the gentleman from Illinois admit that the compiler of the Congressional Directory should add to or take from any copy that has been prepared by Members for it? Does the gentleman think that ought to be done?

Mr. MANN. I think they ought to furnish the vote. If it is done in one case, it ought to be done in every case.

Mr. BARNHART. Mr. Chairman, will the gentleman yield further?

Mr. MANN. Yes.

Mr. BARNHART. I recall clearly when I first came to Congress that I inserted the vote that I had received. The first time, as I recall, I had 290 plurality, the next time 420 plurality, the next time 1,200, and the next time nearly 12,000. I was too modest to use it.

Mr. MANN. The next time the gentleman will leave it out, and for another reason. [Laughter.] The first time I had it in the directory I had 29,000 majority.

Mr. BARNHART. And you put it in?

Mr. MANN. No; I took it out. I thought people would think it too large, and would urge the making of another district. My first biography in the directory was very short. It is now even shorter. It does not amount to a row of pins. You propose to fix it so that it will not amount to anything. At the long session you propose to fix it so that there will be only two editions of the Congressional Directory. At the long session, of course, the committees are appointed, and the first edition will be printed before the committees are appointed. The second edition——

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. MANN. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. MANN. The second edition ought to be printed immediately after the committees are appointed, and that has been the practice in the past. The first edition is ready on meeting day, at the beginning of December. The second edition has always been furnished at the beginning of January. Now, you propose to eliminate that, or else have no other edition of the directory for a year, and pay the compiler, who does but little work—and he does not do what little he does do correctly—an exorbitant salary. I do not know who does this work now, but I know that $500 would be good pay for the editorial work of compiling the directory. So I have offered to make the pay $1,000, and thus pay him double.

Mr. BARNHART. Mr. Chairman, I am delighted to see the gentleman from Illinois assume an air of economy at this late date. In the Fifty-eighth Congress, a Republican Congress—and this is not any reflection on it—they decided that a competent man, a man who is capable of editing, preparing, proof reading, and, in fact, exercising a general supervision over publications of the Congressional Directory, ought to be paid $1,600.

Nobody has objected to that up to the present time. And I want to say, in defense of the present compiler of the Congressional Directory, that he does give his time all to the preparation of the Congressional Directory. He does more than act as a figurehead. He is not a newspaper man. He is the compiler of the Congressional Directory; and I believe the House can trust the Joint Committee on Printing to see to it that the compiler of the Congressional Directory will attend to his duties.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. BARNHART. I would like to finish this statement, then I will yield.

Now, Mr. Chairman, it is no fault of the compiler of the Congressional Directory if a Member of Congress furnishes him with a biography that is ridiculous. But, as I stated to the gentleman from Illinois, I doubt seriously if any Member of this House, after he furnishes the copy for his biography, would like to delegate to the compiler of the directory the privilege of adding to or taking from that biography as he saw fit. A partisan compiler in that case might make the Republicans look ridiculous or the Democrats look righteous and the Progressives look like nothing. [Laughter.] There is a strong probability that something of that kind might be done.

So far as the compensation is concerned, Mr. Chairman, heretofore, when there was an extra edition of the directory, the Republican Congress always paid the compiler of the Directory $800 for that extra edition. I think it was too much; and in the past few years it has not been done. The compiler now gets $1,600 for as many editions as the Joint Committee on Printing authorizes, and the purpose of the committee is not to take anything from it, but to try to make it better. For the information of the gentleman from Illinois, I hold in my hand a petition that has just been submitted to the joint committee to make the Congressional Directory still better by inserting the photograph of every Member of the House and Senate, and the petition sets forth with considerable argument the idea that it would be a great educator. And instead of the Congressional Directory being ridiculous, as the gentleman from Illinois alleges, I find it to be in the greatest demand of any Government document that I have to give out. Ministers and teachers and readers generally like it, and there is more demand on me for it than I have copies to supply; and I think that is true with other Members of the House.

Now, of course the reduction of the salary might possibly make the Congressional Directory better. It might eliminate some of these objections that the gentleman from Illinois sees. But I hardly see how that could be. The bill as it is arranged provides for large economies. It provides sufficient salaries, and yet eliminates every unnecessary expense that the committee could find. The committee believed that a man competent to edit and prepare as important a book as the Congressional Directory should be worth $1,600 a year.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. BARNHART. Yes.

Mr. STAFFORD. I had always been under the impression that this $1,600 salary was more or less of a perquisite for some attaché to the Committee on Printing. The gentleman stated that the man who performs this work of compilation gives his exclusive time to its preparation. Am I correct?

Mr. BARNHART. Yes. He has an office in the Maltby Building, and has had it there for several years.

Mr. STAFFORD. That man, then, does nothing else than attend to the compiling of the Congressional Directory?

Mr. BARNHART. That is his exclusive business.

Mr. MANN. Mr. Chairman, the gentleman from Indiana [Mr. BARNHART] said that my ideas of economy were belated. They began before the gentleman was in public life, and they have always been adhered to. A few Congresses ago, when some of the Democratic Members endeavored to cut down the pay of the compiler of the Congressional Directory, I sympathized and worked with them. It is a wonder that the gentleman will not do now the same thing that he was then trying to do. I have maintained a consistent position. I was in favor all the time of reducing the excessive pay of a nearly useless official. But the gentleman says that we paid the compiler $1,600 when the Republicans had control, and therefore the Democrats should pay him $1,600 now. Well, in this bill they have cut off one edition out of three of the Congressional Directory for the long session, but although they have removed all of this onerous work from this overworked official they have not proposed any decrease in the pay of the official. Now, as a matter of fact, outside of the biographies most of the Congressional Directory is the same all the time. All that it is necessary to do is to change a few names and addresses, and they do not do that correctly. Frequently, being forced to examine the Congressional Directory for information, I find grievous errors in it, although the error I have in mind just now did not occur in the Congressional Directory, and although I do not know whether the compiler of that directory is the one who got up the Biographical Directory, or history of Members of Congress, the record of all Members of Congress. I had occasion to consult that yesterday. There is an old edition and a new edition. There used to be a Member of the House from my State by the name of Herman W. Snow. He was celebrated in his day because he had beaten Uncle Joe. Afterwards he was Sergeant at Arms of the House. We have just been copying from one of his circular letters about reduction in pay, much to the discomfort of the Members of the House. The old directory gave him as living in Illinois. It did not say, I believe, that he was elected from Illinois. They have recently revised that history. I think the same man did it, although I am not sure; but in the new and revised edition they elected Mr. Snow a Member of Congress from Georgia. Is not that a valuable compilation to have? It is just about as valuable as most of the information in the directory.

Mr. BARNHART. The difficulty about the gentleman's statement is that the compiler of the directory did not have anything to do with that. It was gotten out by the printing clerk of the Senate, who was employed to do an entirely different work, and he had no responsibility on him except to get out that publication and get the money for it.

Mr. MANN. I have never been able to find out before who did get it out.

Mr. BARNHART. He was the man who got it out.

Mr. MANN. But I suspect that the compiler of the directory is the man who really got it out—perhaps not the present compiler.

Mr. SLAYDEN. Does not the gentleman from Illinois think he is reflecting on many sources of curious and valuable information when he criticizes the directory as he does? Think of the advantages to be obtained from the biographical sketches in the directory.

Mr. MANN. I know the gentleman is not referring to his own biographical sketch or mine. I believe the shortest one that was in the directory was the biographical sketch of a Member who has left us for reasons which appealed to several Members.

Mr. BARNHART. Mr. Chairman, I want to call the attention of the House to the fact that if the amendment of the gentleman from Illinois should prevail, it must necessarily imply that we shall find some gentleman in Washington, D. C., who will take this position and do this work. No man would come here any distance at all from his home for such a salary as that. We have some rights of patronage for our home districts. You have those rights on your side when you are in control and we have them when we are in control. According to this amendment it would be necessary to pick up somebody in Washington who would be willing to take that work part of the year, instead of having a man upon whom the responsibility rests all the time, because we all realize that no man can afford to come here and work and live in Washington in these days for a thousand dollars a year. The gentleman from Illinois says the committee is not trying to economize, but I say he is mistaken. The committee doubted the propriety of issuing an extra edition of the Congressional Directory and paying $800 to the compiler for each edition. Instead of that it limited it to three editions and paid him the same that he is now receiving. I trust the amendment of the gentleman from Illinois will not prevail.

Mr. STAFFORD. Will the gentleman yield?

Mr. BARNHART. Yes.

Mr. STAFFORD. Do I understand that the amendment offered by the gentleman substitutes, instead of an annual salary, a compensation based upon the number of editions of the Congressional Directory?

Mr. BARNHART. Not that. It simply pays him for the work.

Mr. STAFFORD. What is the amendment?

Mr. BARNHART. One of the purposes of the amendment is that it would eliminate the possibility, under the language as it stands now, of the Joint Committee on Printing bringing some man here and having him do the work, and then discharging him and putting some political henchman in the place to finish up the year. Under the present language that might be done if the Joint Committee on Printing saw fit to do so. Stranger things have happened. This simply eliminates that possibility. It employs a man to do the work for $1,600 a year, and yet he can not be discharged at the end of a month. Of course he could be discharged for inefficiency or failure to perform his duties, but it would not enable the committee to discharge a man after

he had performed the work and then appoint some one else to draw the balance of the annual salary.

Mr. STAFFORD. May we have the proposed amendment read again?

The CHAIRMAN. If there be no objection, the amendment will be again reported.

The Clerk read as follows:

Amendment offered by Mr. BARNHART:
Page 80, line 4, after the word "receive," strike out the words "a compensation of $1,600 per annum" and insert in lieu thereof the following: "$1,600 for compiling, preparing, and indexing the Congressional Directory for each regular session of Congress, one half to be disbursed by the Secretary of the Senate and the other half to be disbursed by the Clerk of the House of Representatives."
Amendment to the amendment, offered by Mr. MANN:
Strike out the figures "$1,600" and insert in lieu thereof "$1,000."

Mr. MANN. May I ask the gentleman one question?

Mr. BARNHART. Certainly.

Mr. MANN. I take it that the gentleman's proposition is to include all the compensation that the compiler is to receive.

Mr. BARNHART. Certainly.

Mr. MANN. The amendment of the gentleman from Indiana says:

For compiling, preparing, and indexing the Congressional Directory for each regular session of Congress.

Mr. BARNHART. He is to have $1,600 for compiling the directory for each session.

Mr. MANN. It says "each regular session of Congress." How much is he to get when we have a special session?

Mr. SLAYDEN. Is it the gentleman's idea that it will come to $4,800 when we have three sessions?

Mr. BARNHART. What is the proposition of the gentleman?

Mr. MANN. We had a special session of Congress last year, and I think we had a Congressional Directory.

Mr. BARNHART. Yes.

Mr. MANN. Of course I am not in favor of paying $1,600 for each session of Congress, and I take it the gentleman is not.

Mr. BARNHART. Oh, no.

Mr. MANN. It says $1,600 for each regular session. I think it reads "for compiling the directory for each session of Congress."

Mr. BARNHART. "For compiling and indexing the directory for each regular session of Congress."

Mr. MANN. How much will be paid for a special session?

Mr. BARNHART. It would probably have to be specifically provided for, if a directory was ordered. That would be in the hands of the House, if they deemed it necessary to order it. Under this bill he would not be permitted to go ahead and issue an edition without the order of the House.

Mr. MANN. The bill proposes to pay $1,600 per annum, and you propose to pay $1,600 for two regular sessions of Congress. It is sure that when there is a special session there will be a directory ordered and printed, as there ought to be.

Mr. BARKLEY. Will the gentleman yield?

Mr. MANN. Yes.

Mr. BARKLEY. Would not the same construction be placed on this language, "each regular session," as is now placed on it with reference to the provision giving Members mileage?

Mr. MANN. That is the construction that is placed upon it.

Mr. BARKLEY. It has been construed that the language "each regular session" includes a special session.

Mr. MANN. Oh, the gentleman is mistaken.

Mr. BARKLEY. The law with reference to mileage reads "each regular session."

Mr. MANN. The law does not provide mileage for a special session.

Mr. BARKLEY. Then what authority is there for appropriating mileage at a special session?

Mr. MANN. Congress has the power to appropriate money to build machines in the moon, and it may do so some time. When we have a special session it diverts the appropriation made for the regular session to pay the mileage for the special session. They have done that in repeated instances.

Mr. BARKLEY. I thought that a ruling had been made by the Treasury Department that the language "regular session" applied also to special sessions.

Mr. MANN. Not at all; that is not the case. Quite the contrary.

Mr. SLAYDEN. Mr. Chairman, in order to remove any doubt in the minds of gentlemen, this proposes to pay a compensation of $1,600 a year. Is not that right?

Mr. BARNHART. It is.

Mr. SLAYDEN. Then why not say that that shall be the compensation per annum; that it shall be the duty of the officer to compile an index and directory for each session of Congress, regular or special, as the case may be, at a compensation of $1,600 per annum. Would not that make it clear?

Mr. BARNHART. Yes; and yet if the gentleman was present when I made my first statement he will see the difficulty. This is the law as it stands now, and it is perfectly satisfactory; but the joint committee, as I have said, saw that there had been $800 extra compensation for a number of years, and they want to eliminate that.

Mr. STAFFORD. Will the gentleman yield?

Mr. BARNHART. Yes.

Mr. STAFFORD. The gentleman says that it is the law now. Does he wish to make that broad statement in view of the fact that in the proposed amendment he adds "each regular session of Congress"?

Mr. BARNHART. That is what we sought to do to prevent the possibility of misunderstanding along the very lines that I have been talking. The language of this has been submitted to the comptroller and he approved it.

Mr. STAFFORD. I listened to the gentleman when he gave the reasons for changing the language from the annual to the present method. I think it would add to the clearness to adhere to the language in the bill rather than substitute the amendment which has been offered by the gentleman from Indiana.

Mr. BARNHART. This was offered at the suggestion of the comptroller and the committee accepted it. It was suggested by authorities higher up that it be changed so as to be beyond question whether an additional sum might be allowed or demanded by the joint committee.

Mr. STAFFORD. I can not see where you could demand an additional salary if you adhere to the language as it is in the bill.

Mr. BARNHART. That does not eliminate the difficulty and the possibility of some committee at some time asking some man to do all the work during the fall and winter when directories are compiled and then discharging him and putting some political henchman on for the balance of the year with nothing to do. That was the purpose of the change in language, and nothing else.

Mr. STAFFORD. But the gentleman knows that that would only be a very rare contingency.

Mr. BARNHART. The committee thought it would strengthen the bill, and so prepared the amendment, and I have offered it.

The CHAIRMAN. The question is on the amendment of the gentleman from Illinois to the amendment offered by the gentleman from Indiana.

The question was taken, and the Chairman announced that the noes seemed to have it.

Mr. MANN. I ask for a division to see whether there are any economists in the House.

The committee divided; and there were—ayes 14, noes 15.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Indiana.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

(4) Digest and Manual of the House of Representatives: *Provided*, That the House of Representatives shall print and bind as many copies as it may desire, even though the cost thereof may exceed $500.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word for the purpose of making a brief inquiry. What is the purpose of carrying in both paragraphs the limitation as to the limit of cost? I know it is existing law, but I can not see the purpose of carrying it into permanent law.

Mr. BARNHART. The law limits a House resolution to $500.

Mr. STAFFORD. This is a provision for the Senate Manual and the House Manual.

Mr. BARNHART. If a simple resolution of the House provided a document that the House wanted and needed, it might authorize the publication of more than $500 worth without asking the Senate to concur. It is a matter wholly within the discretion of the House, and is the present law and has worked very well.

The CHAIRMAN. Without objection the pro forma amendment will be withdrawn and the Clerk will read.

The Clerk read as follows:

(10) Annual Report of the Comptroller of the Currency, Department of the Treasury: *Provided*, That when the annual report of the Comptroller of the Currency upon the national banks and banks under State and Territorial laws is completed or while it is in process of completion, if thereby the business may be sooner dispatched, the work of printing shall be commenced under the direction of the Secretary of the Treasury, and the whole shall be printed and ready for delivery on or before the 1st day of December next after the close of the year to which the report relates: *Provided further*, That the Secretary of the Treasury is authorized to print not to exceed 10,000 copies for distribution by the Treasury Department.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. I wish to inquire of the chairman whether that

authorization to the Secretary of the Treasury to print 10,000 additional copies is existing law?

Mr. BARNHART. It is an increase of 3,000.

Mr. STAFFORD. I assume that the reason for the increase is to provide additional copies for the increasing number of banks.

Mr. BARNHART. That is the purpose of it.

The Clerk read as follows:

(13) Publications of the Public Health Service, Department of the Treasury: *Provided*, That the Secretary of the Treasury is authorized to print not to exceed 4,000 copies of the Annual Report of the Public Health Service for distribution by the Treasury Department: *Provided further*, That the Secretary of the Treasury is authorized to print not to exceed 5,000 copies in any one fiscal year of each of the Bulletins of the Hygienic Laboratory, not exceeding 10 in number in any one fiscal year, and of the Yellow Fever Institute of the Public Health Service of the United States, not exceeding five in number in any one fiscal year: *Provided further*, That the Secretary of the Treasury is authorized to print other publications of the Public Health Service and extracts therefrom in such numbers as he may deem for the best interest of the Government.

Mr. FOSTER. Mr. Chairman, I move to amend by striking out "4,000" and inserting in lieu thereof "10,000."

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 82, line 7, strike out the word "four" and insert in lieu thereof the word "ten."

Mr. FOSTER. Mr. Chairman, the Treasury Department is now permitted to print 4,000 copies of the annual report of the Public Health Service each year. Those 4,000 copies do not nearly supply the demand for this publication. It is of a good deal of interest. It is on the subject of public health, and it is gotten out annually, and it seems to me the number that is printed ought to be increased and that we ought to print more of these reports. I know that since I have been a Member of the House I have had difficulty in securing a sufficient number of these reports to supply those who want to read them to know what has been done by the Public Health Service in the past year, and I think it is of importance that we should have more of these reports printed for distribution among the people. It has been only a short time, a year or two, since the scope of the Public Health Service was enlarged so that they are now able to print certain bulletins that are distributed to Members, which are received possibly once a week, and which can be sent out not only to the physicians but to the public generally. I think that it is of a good deal of importance in the matter of hygiene and health that we should have these publications distributed among the people. I think we could do no better work, so far as this bill is concerned, than to increase the number of the publications gotten out by the Public Health Service.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. FOSTER. Certainly.

Mr. STAFFORD. Would not the Secretary of the Treasury have that authority under the proviso in the last paragraph, which gives him unlimited discretion to print other publications of the public service in such numbers as he may deem necessary for the best interest of the Government?

Mr. FOSTER. I think not. This refers to such bulletins as he may be allowed a certain allotment of money to print, but it has been the law, so far as I understand it, that the Secretary can permit the Director of the Public Health Service to print 4,000 copies of the annual report, and that he is limited and has always been limited to that number. Is not that correct?

Mr. BARNHART. That is the present law.

Mr. FOSTER. This does not increase it.

Mr. BARNHART. No. I think I can explain the matter satisfactorily to the gentleman from Illinois. So far as the committee is concerned, and so far as I as chairman of that committee am concerned, I want to indorse everything that the gentleman from Illinois [Mr. FOSTER] has said. I have always been in favor of furnishing to the people of my district everything possible that may contribute to their health and general comfort, and I believe that as a matter of education we could not go too far in distributing bulletins and publications to rising generations that will equip them or afford them with the largest means of health and prosperity possible; but in this instance, while the intention of the gentleman is good, I want to call his attention to the fact that this merely provides that the same amount of publications shall be published as now, and without any resolution in the Congress reprints may be furnished by the superintendent of documents; also if the gentleman from Illinois or myself—and I shall avail myself of the privilege very largely—chooses to take such bulletins from the superintendent of documents, rather than the geological surveys and the vast number of publications which we can not use, then we can get all we want and have them charged to our allotments. We submitted this to the Health Service and to the Treasury, and there was no objection. In fact, there was approval of the plan, and I trust that the gentleman will see the economy and efficiency of permitting it to stand as it is, although the few additional copies, it is true, would be inconsequential in cost.

Mr. FOSTER. I suggest that it would not cost a great deal more to print this additional number and have the whole report together. I hope the gentleman will not oppose the amendment, because I think it is important enough to be adopted.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois.

The amendment was agreed to.

The Clerk read as follows:

(17) Annual report to Congress of the Commissioner of Patents, without list of patents and patentees, Department of the Interior: *Provided*, That section 494 of the Revised Statutes of the United States is hereby repealed.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. I wish to inquire what is the purpose of the committee in recommending the repeal of section 494 of the Revised Statutes? I notice that that section requires the Commissioner of Patents to make an annual report, giving a detailed statement of all moneys received for patents and copies of patents and the like—an account of his administration of that bureau. This provision repeals that section.

Mr. BARNHART. Mr. Chairman, he is under obligations to make a fiscal report to the Congress just the same as now. The purpose of this is to get rid of this voluminous document, that is of practically no use to anyone. It is a long list of patents and publications that no living man ever takes the time, probably, to go through. It has been published year after year, and it accumulates in large numbers. The Commissioner of Patents has asked that this action be taken; and I think the gentleman, under those conditions, will appreciate the importance of the amendment. The report is printed in another form—more condensed.

Mr. STAFFORD. Of course I can understand how it would be of no interest to Members of Congress, but I thought that perhaps it might be of some interest to practitioners before the Patent Office. The gentleman is quite certain that he will continue to make his account of moneys received in regular form?

Mr. BARNHART. Oh, yes; he would have to do that to the Congress.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn and the Clerk will read.

Mr. MOON. Mr. Chairman, I do not believe there are a dozen men here, and I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Tennessee makes the point of order that there is no quorum present. The Chair will count. [After counting.] Forty-one gentlemen are present—not a quorum—and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Anthony	Edmonds	Hughes, W. Va.	Moore
Austin	Elder	Humphreys, Miss.	Morgan, La.
Baker	Faison	Johnson, Utah	Morin
Barchfeld	Fields	Jones	Mott
Bartlett	Finley	Kahn	Murdock
Bell, Cal.	Francis	Keister	Murray, Mass.
Bell, Ga.	Frear	Kent	Neeley, Kans.
Borland	French	Kiess, Pa.	Oldfield
Broussard	Gardner	Kindel	O'Shaunessy
Brown, N. Y.	George	Kinkaid, Nebr.	Paige, Mass.
Brown, W. Va.	Gerry	Kinkead, N. J.	Palmer
Browning	Gillett	Kitchin	Parker
Brumbaugh	Godwin, N. C.	Knowland, J. R.	Payne
Bryan	Goldfogle	Konop	Peterson
Burke, Pa.	Gorman	Korbly	Porter
Burke, Wis.	Goulden	Lafferty	Pou
Byrnes, S. C.	Graham, Ill.	Langley	Powers
Calder	Graham, Pa.	Lazaro	Reed
Callaway	Greene, Mass.	Lee, Ga.	Riordan
Cantor	Gregg	L'Engle	Sabath
Cantrill	Griest	Lever	Scully
Carlin	Guernsey	Levy	Seldomridge
Carr	Hamill	Lewis, Md.	Sells
Carter	Hamilton, N. Y.	Lewis, Pa.	Sherley
Clancy	Hammond	Lindbergh	Slemp
Connolly, Iowa	Hardwick	Lindquist	Small
Conry	Harris	Lloyd	Stedman
Copley	Hart	Loft	Stevens, Minn.
Covington	Haugen	McClellan	Stevens, N. H.
Cramton	Hay	McGuire, Okla.	Stringer
Difenderfer	Hayes	McKenzie	Sumners
Dooling	Heflin	Maban	Taylor, Colo.
Doughton	Hensley	Mann	Thompson, Okla.
Driscoll	Hinebaugh	Martin	Townsend
Drukker	Hobson	Merritt	Treadway
Dunn	Howard	Metz	Tuttle
Eagan	Howell	Mondell	Vare
Eagle	Hoxworth	Montague	Vollmer

Walker	Watkins	Whitacre	Winslow
Wallin	Weaver	Williams	Woodruff
Walsh	Webb	Willis	Woods
Walters	Whaley	Wilson, N. Y.	

The committee rose; and the Speaker having resumed the chair, Mr. PAGE of North Carolina, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 15902, and finding itself without a quorum, under the rule he caused the roll to be called; whereupon 264 Members responded to their names—a quorum—and he reported the list of absentees to be entered upon the Journal.

The SPEAKER. The committee will resume its sitting.

The Clerk read as follows:

(18) United States maps, Department of the Interior: *Provided*, That United States maps prepared in the General Land Office may be mounted with rollers ready for use for congressional valuation distribution.

Mr. CLARK of Florida. Mr. Chairman, I move to strike out the last word. Mr. Chairman, on last Monday, when the Philippine bill was under discussion, the gentleman from Ohio [Mr. FESS] declined to be interrupted by his colleague, Mr. GORDON——

Mr. BARNHART. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Indiana rise?

Mr. BARNHART. I would like to inquire of the gentleman from Florida if his remarks pertain to the bill in hand?

Mr. CLARK of Florida. Well, just let me have five minutes.

Mr. BARNHART. Do not spring something on us that will take up a lot of time, otherwise I shall have to ask for the regular order.

Mr. CLARK of Florida. Mr. Chairman, in declining the gentleman used this language:

I can not allow anybody to interrupt me who has absolutely no regard for what he says.

In the same column of the RECORD in discussing what has been called the "grandfather clause"——

Mr. STAFFORD. Mr. Chairman, I reserve a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. STAFFORD. I wish to have it understood, if the gentleman is going to speak extensively——

Mr. CLARK of Florida. Five minutes is all I desire.

Mr. STAFFORD (continuing). On what the gentleman from Ohio said I shall insist that the gentleman from Ohio [Mr. FESS] shall have an equal amount of time in which to reply.

Mr. BARNHART. Mr. Chairman, this bill has been under consideration for a long time, and I am anxious to get through with it. The very fact is that if the gentleman from Florida is allowed to speak on a topic other than that under consideration, other Members will be entitled to the same privilege, and I trust the gentleman will not insist upon it at this time.

Mr. CLARK of Florida. If the gentleman will yield to me——

Mr. FESS. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Ohio rise?

Mr. FESS. Mr. Chairman, I wish to submit a request for unanimous consent to allow the Member from Florida to have five minutes.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent that the gentleman from Florida may proceed for five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. CLARK of Florida. Mr. Chairman, in the same column of the RECORD the gentleman used this language in discussing the "grandfather clause," as it has come to be known with relation to certain States:

Take the State of Florida, with 204,000 men of voting age; nearly half of them are of the black race. That means that out of the 204,000, over 102,000 have the right to participate in the government so far as the rights of electors are concerned. But when you take the actual vote as cast in an actual election, there is not as large a vote in the whole State by at least one-half as will be cast in my district in November.

I want to submit, Mr. Chairman, that there is a very clear intimation in the gentleman's remarks that some sort of "grandfather clause" obtains in the Florida constitution. I am not here to apologize for "grandfather clauses," because I believe any act is justifiable when it has for its object the rule of the intelligent and virtuous of any community; but I am here to say, Mr. Chairman, that there is absolutely no disfranchisement of anybody in the laws of the State of Florida. We have what is known as a poll-tax prerequisite. The sum of $1 a year is to be paid by every man, of whatever color he may be, as a poll tax, which goes into a school fund; and if at the election it appears that for the two years immediately preceding such election his poll taxes have not been paid he can not vote——

Mr. FESS. Will the gentleman yield?

Mr. CLARK of Florida. In just a moment. Then, Mr. Chairman, we have the Australian ballot in its purity and in its simplicity. We have no symbols by which an ignorant person can make a mark in a circle and thus vote an entire ticket.

The names of the candidates, without regard to party, are arranged alphabetically, without a symbol of any character, and a man must know how to read in order to vote for candidates of his choice.

Mr. FESS. Will the gentleman yield?

Mr. CLARK of Florida. I am glad to yield, of course.

Mr. FESS. As to the reference to the poll tax, before one votes he must satisfy the election officials that he has paid his poll tax, and that satisfaction is by the receipt?

Mr. CLARK of Florida. Yes.

Mr. FESS. That is one method that I think you ought to make plain here. That likely would be difficult to do.

Mr. CLARK of Florida. Why would it be difficult to do?

Mr. FESS. Because usually, or frequently, people do not carry receipts around with them.

Mr. CLARK of Florida. You do not have to produce your receipt unless your name does not appear on the list as having paid the tax. All the names of those who have paid appear; but if by accident or by mistake some name does not appear, then the voter is challenged, and he produces his receipt. And I want to say that any man in any State who is not willing to pay $1 a year for the school fund of his State ought not to be allowed to vote, whether he is black or white. [Applause on the Democratic side.]

Now, then, Mr. Chairman, one thing further——

Mr. FESS. Will the gentleman yield?

Mr. CLARK of Florida. Just a moment. The gentleman stated we would not poll half the vote in the whole State of Florida that he would poll in his district. In the last election there were thirty-six thousand and some hundred votes polled in the gentleman's district. In the general election of 1912 in the State of Florida there were over 44,000 votes polled for Members of Congress; but in the primary, which really determines it, there were in the neighborhood of 65,000 votes polled in the State of Florida. The gentleman charges his colleague with not having due regard for veracity, and right on the heel of it shows such a reckless disregard for the truth as to make these two statements, which he could have found out were untrue by only a few moments of investigation. [Applause on the Democratic side.]

And, again, the population of Florida of men over voting age is 214,195. Of whites there are 124,311, and of negroes only 89,659, a clear majority of white voters of over 35,000 men. In addition, we have 225 of Chinese and other races.

We do not have to do anything unfair or unjust to defeat this black horde and to prevent their controlling our State affairs. [Applause on the Democratic side.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. FESS. Mr. Chairman, I ask unanimous consent for five minutes.

Mr. CLARK of Florida. I ask it for him, too, Mr. Chairman.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to proceed for five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. FESS. The statement in the RECORD is an incorrect one, due to my own——

Mr. WILSON of Florida. Ignorance.

Mr. FESS. Not ignorance, but inadvertence in not making the correction that was made here upon the floor. I presume that I am more ignorant than you are, but I beg your pardon for not being quite as gentlemanly as you are. I made the statement on the floor here, in reference to the State of Florida, that you do not cast as many votes as any two districts in my State that I could name. That is the statement I made on the floor here.

Mr. CLARK of Florida. That is not the record. Why did not the gentleman correct it before he let it go to print?

Mr. FESS. Let me explain. I looked up the vote after the utterance was made, and was surprised to find that your vote in 1912 was less than 40,000, according to the World Almanac.

Mr. CLARK of Florida. Will the gentleman permit me just a moment?

Mr. FESS. Yes.

Mr. CLARK of Florida. If the gentleman will examine the returns of 1912 he will see that the three congressional districts voted over 44,000 and the vote for President was over 51,000.

Mr. FESS. And you have upon the floor here how many Congressmen?

Mr. CLARK of Florida. We have four now, under the last apportionment.

Mr. FESS. You have four Congressmen?

Mr. CLARK of Florida. Yes, sir.

Mr. FESS. To each Congressman that would be less than 10,000 votes at the election?

Mr. CLARK of Florida. I beg your pardon.

Mr. FESS. According to the statement in the RECORD.

Mr. CLARK of Florida. I will say to the gentleman that in the primary in 1912 there were over 25,000 Democratic votes cast in my district.

Mr. HUMPHREY of Washington. How many votes were cast in the election? You did not give it in the directory.

Mr. FESS. I want to be fair in this matter. I do not want to be regarded as my friend from Florida has regarded me, as making a statement without any reference to its accuracy. I made the statement that there was a very small vote in your State and that I could name two districts in my own State that cast more votes than your entire State. That statement is true. The statement that is in the RECORD was meant to be one and a half of the vote in my district. It should have stated your entire vote will not exceed by one-half the vote which my district will cast next November. The truth is that by your own figures of 51,000 your entire State cast less than a thousand votes more than were cast in 1912 in the counties that make up my new district, which cast 50,621 votes in 1912 and will cast more than that next November. But that does not change the issue between us. If you mean that the colored man votes the same in your State that he does in my State and in other States north of the Ohio River you certainly are misinterpreting the situation. Now, secondly, you are living under the Constitution, the fourteenth amendment of which says that whenever the right to vote is denied to any male citizen of 21 years or over the basis of representation in this House shall be reduced in that State. Thus denying in proportion that those denied hold to the whole voting population, out of a voting population of 204,000, according to your statement, only 51,000 vote, or one in four. The denial to the colored man his suffrage has certainly been done, yet representation has not been reduced. And you certainly do not mean that you do not deny the right to vote to certain citizens in your State, do you?

Mr. CLARK of Florida. I absolutely do. I absolutely do deny that any man in the State of Florida who pays his poll taxes to the educational fund and who can read a ticket is denied the right to vote.

Mr. FESS. And that reading is not a reading of a ticket, but the reading and interpreting the constitution of his State, as is the case of other States in the South.

Mr. CLARK of Florida. Not at all. There is not a word about the constitution in it.

Mr. FESS. Then you are different from Alabama, which State I was discussing when I employed the term "grandfather clause," which is a part of its constitution.

Mr. CLARK of Florida. That may be; but I want to say this to the gentleman, if the gentleman will permit me——

Mr. FESS. Yes.

Mr. CLARK of Florida. The gentleman should recognize that the State of Florida is a very small State. The State of Ohio is a very large State. You are more thickly populated. But we are the largest State in point of area east of the Mississippi, except one; but we have not the population.

Mr. FESS. You have over a million and a half.

Mr. CLARK of Florida. No, sir. The last census gave us about three quarters of a million.

Mr. FESS. Yes; about 750,000. It was South Carolina that has the million and a half, and it was another State I was examining upon this point.

The CHAIRMAN. The time of the gentleman has expired. The Clerk will read.

The Clerk read as follows:

(19) Publications of the Bureau of Education, Department of the Interior: *Provided*, That said publications shall be published in such editions as may be recommended by the Secretary of the Interior, but not to exceed 10,000 copies for the first edition: *Provided further*, That the Secretary of the Interior is authorized to print not to exceed 20,000 copies of the Annual Report of the Commissioner of Education for distribution by the Department of the Interior.

Mr. WILSON of Florida. Just a moment, Mr. Chairman. Is the gentleman from Ohio [Mr. FESS] present, or did he leave?

A MEMBER. He is here.

Mr. WILSON of Florida. I simply wanted to say that I put in a hasty remark here a moment ago when I said that the gentleman's statement was due to ignorance. I did not mean ignorance. I should have stated "a misunderstanding of the facts," and I want to apologize to the gentleman if I offended him in any way. [Applause.]

Mr. FESS. Mr. Chairman, I simply want to say that I recognize that this is always a habit of my distinguished and amiable friend from Florida; and not only is it his habit, but that of every other man that I have ever heard speak from the sections that I have been discussing; that with them the mark of perfect gentlemanliness has always been present, so far as I know. I thought the gentleman's statement was a slip that he did not mean, and I resented it a little, and I beg the gentleman's pardon for the manner in which I spoke a moment ago. [Applause.]

Mr. STAFFORD. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk, to be inserted after the word "edition," in line 24, page 83.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Page 83, line 24, after the word "edition," insert "and not more than that number for a subsequent edition."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. STAFFORD. Mr. Chairman, I think the chairman of the Committee on Printing will agree that there should be some limitation on the discretion of the bureau chief in the reprint of subsequent editions, and not permit him to continue reprinting subsequent editions ad infinitum. The amendment that I sent to the Clerk's desk would restrict the publication to a second edition.

Mr. FOSTER. Does the gentleman's amendment limit that to 10,000?

Mr. STAFFORD. I intend to follow that up by making that 25,000 or a greater number.

Mr. BARNHART. Mr. Chairman, this resolves itself back to the same proposition that we had before. This is a publication that now comes to the folding room if so ordered printed. The valuation account is based upon the publications that have been issued by this bureau from year to year. The bureau is given a publication account. They ask for the number that they think they can use, and we give them what they ask.

Now, if Congress decides that this is not sufficient, then the joint committee, of course, will print and make available all of the publications they want, to be charged up to the valuation account. However, we have a limitation, and the limitation is that the bureau can publish only one edition.

Mr. STAFFORD. Oh, no. The provision provides that there shall not be more than 10,000 copies of the first edition, without any limitation whatever upon subsequent editions.

Mr. BARNHART. Mr. Chairman, if it should develop now that a larger number than 10,000 might be demanded by the membership of the House and Senate, and that a larger edition should be printed, it would be cheaper to print one edition of 20,000 copies than two editions of 10,000 copies each. As a matter of course, under such conditions the gentleman from Wisconsin would not insist that his limitation should prevail.

Mr. STAFFORD. I grant the strength of the position taken by the gentleman, but I was under the impression that this was a provision that provided for the bulletins to be distributed by the bureau itself.

Mr. BARNHART. It does, so far as this one edition is concerned. But after that a reprint is made, and we can only get a reprint by the authority of the Appropriations Committee.

Mr. STAFFORD. The gentleman will recall that earlier in the session we had this very proposition pending before the committee on a bill reported from the Committee on Education, and, if I mistake not, the committee decided that there should be an edition of 25,000 copies for the first edition and restricting any further publication to an edition of a like number. I was seeking to have the bill pending before the committee conform to the action of the House taken at that time.

Mr. BARNHART. That was on the theory that the present allotment plan should continue; but inasmuch as we allow the Bureau of Education to print an edition of 10,000, it is surmised that will take care of the needs of the bureau, except in cases where Members want copies, and then they will get them from the superintendent of documents.

Mr. STAFFORD. If the gentleman will permit, it was the consensus of opinion at that time, from the report of the Bureau of Education, that 10,000 copies of these educational bulletins was altogether too small a number for distribution, and that 25,000 copies was the minimum that should be printed in the first edition. I think every Member agreed that 10,000 copies were inadequate to meet the demands of the country for these valuable educational bulletins.

Mr. BARNHART. It would be under the present law, but under the allotment plan it makes no difference how you get it, whether the Printing Office gets the money direct for the printing or whether you get it through the Bureau of Education.

Mr. STAFFORD. I am not considering this from the standpoint of the valuation plan so much as I am from the standpoint of the bureau, to enable the bureau to distribute these valuable bulletins throughout the country to meet the demand that exists for them. If you are going to limit the edition to 10,000 copies for the use of the bureau, I think it is too small. The House at that time, after a thorough consideration of the subject, after three or four hours' debate, agreed that the first edition should be 25,000.

I had intended to follow up this amendment with an amendment increasing the edition from 10,000 to 25,000.

Mr. BARNHART. This part of this section was authorized by the Bureau of Education, or was suggested by it when the bill was submitted to it. It provides that it may print additional editions, of course, if it has the money to do it, and it would be in the discretion of the bureau to use its money to print either a small or a large edition. I hardly see how it would be important under this plan. This bill pertaining, as it does, to what is called the folding-room allotment to Members of Congress, it would have nothing to do with enlarging or decreasing the allotment asked for by the bureau and granted by the Committee on Appropriations.

Mr. STAFFORD. Let me ask, for the information of the committee and for my own enlightenment, whether the proviso has any reference to the editions that will be published by the Public Printer to meet the demands of Members of Congress under their allotments.

Mr. BARNHART. None whatever.

Mr. STAFFORD. That is the way I construed it.

Mr. BARNHART. He might print an edition of 100,000 if there was sufficient call to justify such an edition, which would make it very much cheaper, and therefore afford very many more bulletins for the Members.

Mr. STAFFORD. Then, do I understand that this proviso only seeks to restrict the number to be used by the Bureau of Education?

Mr. BARNHART. That is it.

Mr. STAFFORD. Does not the gentleman believe that 25,000 should be substituted for 10,000? The gentleman will remember that some time ago we considered a bill reported by the Committee on Education, giving to the Bureau of Education ad libitum discretion in the number of bulletins which might be printed. The House after careful consideration of the matter decided very positively that 25,000 should be the number of the first edition, and that there should be a restriction to that number for the second edition. Does not the gentleman think for that reason that 25,000 should be substituted for 10,000?

Mr. BARNHART. I will answer that by saying that that might be true or it might not be true. The Bureau of Education might be overenthusiastic about some publication and print 50,000, and then discover that there was not much demand for it. Stranger things have happened. But the Bureau of Education itself has fixed the limit at 10,000, and it has the privilege and the authority of law to print additional prints in such editions as it sees fit. If they want to make it 25,000, I do not see anything in the bill that would restrict it.

Mr. STAFFORD. Right here you provide that of the first edition there shall not be more than 10,000 copies.

Mr. BARNHART. That is the first edition. The purpose of that is just what I explained. There might be an overenthusiastic estimate, under which a large number of bulletins might be printed, and the demand might not prove to be very great. The gentleman has seen that occur on the floor of the House. I recall that some time ago, when the price of meat went high, some enthusiast here introduced a resolution providing for the publication of hundreds of thousands—and I do not know but it went into the millions—of a bulletin on the cooking and use of meat, and I apprehend that there was not 1 Congressman in 50 who ever sent out all of his allotment of those bulletins.

Mr. STAFFORD. Oh, the gentleman is mistaken. To my knowledge there were any number of Congressmen who sent out their full quotas of that bulletin. The gentleman contradicts himself, or else the Bureau of Education contradict their earlier position.

Mr. BARNHART. If the gentleman from Wisconsin will take the time to inquire of the folding room, he will find an enormous accumulation of those bulletins. I have a good many of them. I remember distinctly that I submitted the bulletin to a lady who I thought was something of an expert cook, and she said she would not send out a bulletin of that kind; that it was an imposition on the time and intelligence of the average cook.

Mr. STAFFORD. Will the gentleman permit me right there?

Mr. BARNHART. Yes.

Mr. STAFFORD. Does not the gentleman recall the discussion that took place in the House some few months ago in the consideration of the bill that I have just referred to, increasing the number of bulletins that might be used by the Bureau of Education for distribution?

Mr. BARNHART. No; I do not remember it.

Mr. STAFFORD. We had a very heated discussion about that on two Calendar Wednesdays. At that time I remember distinctly that the Commissioner of Education called attention to the fact that 10,000 was altogether too limited an edition to meet the growing demands of the bureau, and insisted that it should be at least 25,000. This is a return to that.

Mr. BARNHART. Will the gentleman yield?

Mr. STAFFORD. I yield to the gentleman.

Mr. BARNHART. I think I can enlighten the gentleman on that. The law originally provided for an edition of 12,500, all told. The Commissioner of Education came in and asked that that be increased to 25,000. Now we start on the basis of giving them 10,000 as a first edition, and then afterwards they may publish additional editions if necessary.

Mr. STAFFORD. The gentleman only states it half correctly. The Commissioner of Education wanted to have 25,000 for his first edition and without limit on subsequent editions. That was the bill reported from the Committee on Education, and the House inserted the further limitation of only permitting him to have printed for his second edition the same number, namely, 25,000. That was the judgment of the House. I should think the gentleman would take the judgment of the House on that matter in connection with this item.

The CHAIRMAN. The gentleman's time has expired. The question is on the amendment of the gentleman from Wisconsin.

The amendment was rejected.

Mr. STAFFORD. Mr. Chairman, I offer another amendment, to strike out "10," in line 23, page 83, and substitute "25."

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 83, line 23, strike out the word "ten" and insert in lieu thereof the word "twenty-five."

The question being taken, the Chairman announced that the noes appeared to have it.

Mr. STAFFORD. Division, Mr. Chairman.

The committee divided; and there were—ayes 4, noes 19.

Accordingly the amendment was rejected.

Mr. MOON. Mr. Chairman, it is very obvious from the last vote that there is no quorum present, and I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Tennessee makes the point that there is no quorum present. The Chair will count.

Mr. STAFFORD. Will not the chairman of the Committee on Printing kindly move that the committee rise?

Mr. BARNHART. No; I will not move that the committee rise.

The CHAIRMAN (after counting). Fifty-two Members present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Aiken	Difenderfer	Hamilton, N. Y.	Lenroot
Alexander	Dooling	Hammond	Lesher
Allen	Doughton	Harris	Lever
Anderson	Driscoll	Harrison	Levy
Austin	Drukker	Hart	Lewis, Pa.
Baker	Dunn	Hay	Lindbergh
Barchfeld	Eagan	Hayes	Lindquist
Bartholdt	Eagle	Hensley	Linthicum
Bartlett	Edmonds	Hinds	Lloyd
Bathrick	Elder	Hinebaugh	Lobeck
Beall, Tex.	Estopinal	Hobson	Loft
Bell, Cal.	Evans	Howard	McClellan
Borland	Faison	Howell	McCoy
Brockson	Falconer	Hoxworth	McGuire, Okla.
Broussard	Farr	Hughes, W. Va.	McKellar
Brown, N. Y.	Ferris	Hulings	MacDonald
Brown, W. Va.	Fields	Hull	Mahan
Browning	Fitzgerald	Humphreys, Miss.	Manahan
Burke, Pa.	Fordney	Johnson, S. C.	Martin
Burke, Wis.	Francis	Jones	Merritt
Calder	Frear	Kahn	Metz
Candler, Miss.	French	Keister	Miller
Cantor	Gardner	Kelley, Mich.	Mondell
Cantrill	Garrett, Tenn.	Kelly, Pa.	Montague
Carlin	George	Kent	Moore
Carr	Gillett	Key, Ohio	Morgan, La.
Carter	Gittins	Kiess, Pa.	Morin
Clark, Fla.	Godwin, N. C.	Kindel	Moss, W. Va.
Connelly, Kans.	Goldfogle	Kinkaid, Nebr.	Mott
Connolly, Iowa	Gorman	Kinkead, N. J.	Murdock
Conry	Goulden	Kitchin	Murray, Mass.
Cooper	Graham, Ill.	Knowland, J. R.	Neeley, Kans.
Copley	Graham, Pa.	Konop	Neely, W. Va.
Covington	Greene, Mass.	Korbly	Nelson
Davenport	Gregg	Kreider	Nolan, J. I.
Deitrick	Guernsey	Lee, Ga.	Oldfield
Dies	Hamill	L'Engle	O'Shaunessy

Paige, Mass.	Riordan	Stevens, N. H.	Walsh
Palmer	Roberts, Mass.	Stout	Walters
Parker	Roberts, Nev.	Stringer	Watkins
Patten, N. Y.	Rothermel	Sumners	Webb
Payne	Sabath	Taggart	Whaley
Peterson	Scully	Talbott, Md.	Whitacre
Platt	Seldomridge	Townsend	Williams
Porter	Sells	Treadway	Willis
Pou	Slemp	Underhill	Wilson, Fla.
Powers	Sparkman	Vare	Wilson, N. Y.
Prouty	Stedman	Vollmer	Winslow
Rainey	Stephens, Nebr.	Walker	Woodruff
Reed	Stevens, Minn.	Wallin	

The committee rose; and the Speaker having resumed the chair, Mr. PAGE of North Carolina, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the bill H. R. 15902, finding itself without a quorum, had caused the roll to be called, and 232 Members responded to their names, and he presented a list of the absentees.

The committee resumed its session.

The Clerk read as follows:

(20) Publications of the Geological Survey, except maps, folios, and atlases, Department of the Interior: *Provided,* That the said publications shall consist of the annual report of the director, which shall be confined to one volume of octavo size; monographs and professional papers, of quarto size; bulletins, of octavo size; report on the mineral resources of the United States, which shall be published in not to exceed two volumes of octavo size, separate chapters of which on any given mineral product may be printed in pamphlet editions on request of the Director of the Geological Survey, approved by the Secretary of the Interior; water-supply papers, of octavo size; and topographic and geologic maps, folios, and atlases: *Provided further,* That two copies of each map and atlas shall be placed at the disposal of each Senator, Representative, Delegate, and Resident Commissioner, if published within his term, and that not to exceed 500 copies of each map and atlas shall be distributed gratuitously among foreign Governments and departments of our own Government, to literary and scientific associations, and to such educational institutions and libraries as may be designated by the Director of the Geological Survey and approved by the Secretary of the Interior: *Provided further,* That the Department of the Interior is authorized to sell the maps and atlases prepared and published by the Geological Survey at the cost of paper and printing, as fixed by the Director of the Survey and approved by the Secretary of the Interior: *Provided further,* That the Secretary of the Interior may authorize the printing of any of the publications of the Geological Survey, including separate chapters on mineral resources, but excluding the annual report of the director, in such number as he may deem for the best interest of the Government, for distribution by the Department of the Interior; of the annual report of the director, not to exceed 4,000 copies shall be printed.

Mr. MADDEN. Mr. Chairman, I notice in the proviso on page 84, line 24, that the words "Department of the Interior" are used, and in every other case the words "Secretary of the Interior." I would like to ask the chairman of the committee if he wants to use the words in one case and not in the other?

Mr. BARNHART. I think that ought to be corrected. I thank the gentleman. Mr. Chairman, I move that, in line 24, the word "Department" be stricken out and the word "Secretary" be inserted.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 84, line 24, strike out the word "Department" and insert in lieu thereof the word "Secretary."

Mr. STAFFORD. Mr. Chairman, I noted the suggestion made by my colleague from Illinois [Mr. MADDEN], and the query came into my mind whether you do not wish to leave this to the department or some bureau chief. I direct attention to the same phraseology on line 9, page 85, which reads "for distribution by the Department of the Interior." In that particular you would not wish to have the phraseology changed to "Secretary."

Mr. BARNHART. I think it would be better to use the word "Secretary," in line 24, page 84, and I trust that the amendment may be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken, and the amendment was agreed to.

Mr. MADDEN. Mr. Chairman, in line 9, page 85, I think the word "Department" should be stricken out and the word "Secretary" inserted. I offer that amendment.

The Clerk read as follows:

Page 85, line 9, strike out the word "Department" and insert the word "Secretary."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

(b) Farmers' bulletins: *Provided,* That such bulletins shall be adapted to the interests of the farmers of the different sections of the country: *Provided further,* That on and after September 4, 1914, no copies of farmers' bulletins shall be printed for distribution except as authorized by this act, but each Senator, Representative, and Delegate shall be entitled to distribute the bulletins that may then be to his credit with the Department of Agriculture, and four-fifths of the amount available at that time for the specific purpose of printing farmers' bulletins of the allotment for printing and binding for the Department of Agriculture shall thereupon be transferred and credited to the allotment for printing and binding for Congress.

Mr. BARNHART. Mr. Chairman, I offer two amendments, which I send to the desk.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Page 86, line 16, after the word "after," strike out "September" and insert in lieu thereof the word "March."

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Page 86, line 16, after the word "and," strike out the word "fourteen" and insert the word "fifteen."

Mr. STAFFORD. Mr. Chairman, I wish to inquire of the chairman of the committee the real intent of this proviso. As I understand, under existing law the department has one-fifth of the farmers' bulletins now printed for distribution, as the Secretary sees fit. This proviso would seek to discontinue the available one-fifth of those publications at his command.

Mr. BARNHART. That was not the intention. It discontinues the four-fifths and leaves him the one-fifth that he now has for the balance of the fiscal year. The purpose was to give the Secretary of Agriculture the bulletins that he is now entitled to for his own distribution.

Mr. STAFFORD. I call the gentleman's attention to the following language in the proviso:

Provided further, That on and after March 4, 1915, no copies of farmers' bulletins shall be printed for distribution except as authorized by this act.

Where will there be any authority in the Secretary of Agriculture to obtain those farmers' bulletins which he now distributes if you carry that phraseology? Under existing law, as the gentleman knows, there is a provision for distribution by the Secretary of one-fifth of the allotment.

Mr. BARNHART. Mr. Chairman, if the gentleman will refer back to page 85, paragraph 22, he will find the general authorization there for the Secretary of Agriculture to print such number of copies of reports and bulletins, containing not more than 100 octavo pages each, and of his annual report for distribution by the Department of Agriculture, as he shall deem for the best interest of the Government.

Mr. STAFFORD. That is an introductory paragraph to the various subdivisions which follow, which enumerate the various character of publications, and the second subdivision is farmers' bulletins. In the provision we are now considering you absolutely repeal, in the language that I have pointed out, all authority for printing any additional farmers' bulletins. That phraseology would certainly refer to the farmers' bulletins authorized now for distribution by the Secretary of Agriculture.

Mr. BARNHART. I would ask the gentleman from Wisconsin if it would not make it clearer if, after the word "distribution," in line 17, we inserted the words "by Members of Congress."

Mr. STAFFORD. What is the purpose of the proviso at all? Does it accomplish anything except to meet the temporary conditions which will confront the department when this law goes into effect, as far as farmers' bulletins are concerned?

Mr. BARNHART. The purpose intended was that the department might use its one-fifth, but could not use all of the other. Really, I do not see, if it takes effect in the future—next March—that it makes any difference if we entirely eliminate it.

Mr. STAFFORD. Why not strike out the proviso entirely? That would remove all ambiguity and all doubt.

Mr. BARNHART. The trouble would be that, instead of a new, incoming Member of Congress having available four-fifths of the documents that had been transferred to the superintendent of documents, the Department of Agriculture would have the use of them until the beginning of the fiscal year.

Mr. STAFFORD. Under the existing practice Members of Congress are entitled to the quota already provided, which will expire at the end of the fiscal year June 30, 1915.

Mr. BARNHART. If the gentleman thinks best to make the motion to strike it out, the committee will not object.

Mr. STAFFORD. I suggest that the gentleman better first withdraw his amendment.

Mr. BARNHART. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

Mr. STAFFORD. Mr. Chairman, I move to strike out the proviso.

The CHAIRMAN. The gentleman from Indiana withdraws his amendment, without objection, and the gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 86, line 15, strike out the remainder of the paragraph beginning with the words *"Provided further."*

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CARY. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 86, at the end of line 26, add the following: *"Provided further,* That there be collected, assembled, and bound into a single volume the bulletins of the Department of Agriculture on cooking and domestic science, the volume to be entitled 'Uncle Sam's Cook Book'; and that of these volumes there shall be printed 200,000 copies, 140,000 for the use of the House of Representatives and 60,000 for the use of the Senate."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was rejected.

The Clerk read as follows:

(h) Annual Report of the Beet Sugar Industry in the United States, Department of Agriculture: *Provided,* That the Secretary of Agriculture is authorized to print and distribute annually not to exceed 8,000 copies of the said annual report covering the progress of the beet-sugar industry in the United States: *Provided further,* That the preparation and publication of such annual reports shall be within the discretion of the Secretary of Agriculture.

Mr. BARNHART. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 88, following line 5, insert as a new paragraph:

"(i) Special Report on the Diseases of Cattle and Special Report on the Diseases of the Horse, Department of Agriculture: *Provided,* That whenever necessary the same shall be revised and brought to date under the supervision of the Secretary of Agriculture."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

(23) Monthly Summary of Commerce and Finance, Department of Commerce: *Provided,* That the Secretary of Commerce is authorized to print not to exceed 4,000 copies for distribution by the Department of Commerce.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word.

Mr. BARNHART. Mr. Chairman, I will ask the gentleman to withhold that for a moment until I offer an amendment.

Mr. STAFFORD. Very well.

Mr. BARNHART. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 88, line 6, after the word "Commerce," strike out the words "and Finance."

The CHAIRMAN. The question is on the adoption of the amendment offered by the gentleman from Indiana.

The amendment was agreed to.

Mr. STAFFORD. Mr. Chairman, I understand the paragraph under consideration is subsection 24. I wish to inquire of the chairman of the committee the real need of having a publication of the reports on foreign commerce and navigation?

Mr. BARNHART. Well, Mr. Chairman, I can hardly answer that except to say that in the preparation of this bill these matters, item by item, were taken up by the authorities, and such publications were eliminated as they reported no calls for, but in order to make the bill broad enough and in order to take care of every possible contingency we left that in; but, of course, if there is no demand for them there will be no printing of them.

Mr. STAFFORD. There will be certainly the first printing.

Mr. BARNHART. Yes; there will be the first printing.

Mr. STAFFORD. And they may become a drug on the shelves of the department.

Mr. BARNHART. There will be no printing unless they are authorized by the Joint Committee on Printing, as a matter of course, and there would be no authorization by the Joint Committee on Printing unless there should be a demand from the membership of the House.

Mr. STAFFORD. I question whether any Member has ever availed himself of these annual reports, comprising, as I recall, a lot of statistical information of very little value when printed. I thought it of such a character that it could be purposely eliminated from the bill.

Mr. BARNHART. It is possible it would never be called for. If it should be, the department has already the printing and the plates, and it would give Members an opportunity under the valuation plan, and there might be a change in conditions ensue by which there would be a revision of the form of it, and eventually it might become more valuable. It will certainly incur no expense unless there is a demand for it.

Mr. STAFFORD. There is an expense in the compilation of the large tome which the gentleman has in his hand.

Mr. BARNHART. The department will issue these on its own account. This publication is by the Department of Commerce, and they will continue to issue it as a part of their appropriation. If they do not, of course there could be no reprint.

The Clerk read as follows:

SEC. 68. PAR. 5. Copies of Government publications subject to distribution under this section shall be printed promptly when the same shall be ready for publication, and shall be bound in paper or cloth, as directed by the Joint Committee on Printing.

Mr. BARNHART. Mr. Chairman, inasmuch as the next paragraph carries a provision that will be of interest to each Member of the House and inasmuch as the committee feels that it ought to be taken up at a time when there is a larger representation than there is now, and as there is no disposition upon the part of the committee to make the point of no quorum, I am going to ask that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. PAGE of North Carolina, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 15902 and had come to no resolution thereon.

ENROLLED BILL SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 13811. An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

ENROLLED JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States for his approval the following joint resolutions:

H. J. Res. 335. Joint resolution to amend an act entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war," approved July 21, 1914;

H. J. Res. 339. Joint resolution to correct an error in H. R. 12914; and

H. J. Res. 342. Joint resolution to correct an error in H. R. 12914.

ORDER OF BUSINESS.

Mr. HEFLIN. Mr. Speaker, I ask unanimous consent that when the House meets on Friday next I may address the House for one hour on the subject of the cotton situation in the South.

The SPEAKER. The gentleman from Alabama asks unanimous consent that when the House meets on Friday, immediately after the reading of the Journal, the clearing of the Speaker's table, and conference reports, he shall be permitted to address the House for one hour. Is there objection?

Mr. MADDEN. Mr. Speaker, reserving the right to object, would the gentleman concede the right to somebody from districts representing shoe manufactories and machinery manufactories, all of which need to be upheld and the products placed in warehouses on account of not being sold——

Mr. HEFLIN. I will not object to anybody speaking whose products are affected as we are on account of the war.

Mr. MADDEN. I would like very much to see all of those things taken care of by the Government, if that question is to be——

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, if the gentleman will couple with his request that some person on this side shall have the right to speak, for one I shall not object; otherwise I shall.

Mr. HEFLIN. Mr. Speaker, I hope the gentleman will not object to my request to present my views. I am not trying to get time for somebody else to present views. I want to present my views on this question.

Mr. STAFFORD. The gentleman will realize there is no opportunity for Members on this side at the present time to enter into general debate on matters pertaining to the welfare of the country. All we ask is that we be given a like time on this side.

The SPEAKER. Is there objection?

Mr. STAFFORD. I object.

Mr. HEFLIN. If the gentleman on that side will ask for somebody to speak an hour, I will not object.

Mr. STAFFORD Embody in your request that somebody on this side be allowed to speak an hour on general subjects.

Mr. HEFLIN. I want to state to the gentleman that the gentleman from Texas [Mr. BURGESS] spoke 50 minutes on this subject, and there was no objection to it, and the other gentleman from Texas [Mr. SLAYDEN] spoke 10 minutes. I did not agree with the views they expressed to some extent. I want a chance to speak on this cotton industry. There are 30,000,000 people dependent on this industry, and I want to speak concerning it.

Mr. STAFFORD. I have no objection if you will couple with your request that some Member on this side shall have an hour to speak on some subject.

Mr. HEFLIN. I do not know that you have anyone who wants an hour.

Mr. STAFFORD. There are plenty of them.

The SPEAKER. Is there objection?

Mr. STAFFORD. I object.

ADJOURNMENT.

Mr. BARNHART. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 44 minutes p. m.) the House adjourned until Thursday, October 1, 1914, at 12 o'clock noon.

EXECUTIVE COMMUNICATION.

Under clause 2 of Rule XXIV, a letter from the Commissioners of the District of Columbia, submitting, in accordance with the provisions of an act approved March 4, 1913, annual report of the United States Express Co. (H. Doc. No. 1169), received September 22, 1914, was taken from the Speaker's table, referred to the Committee on the District of Columbia, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. KEATING, from the Committee on Labor, to which was referred the bill (H. R. 17800) to regulate the method of directing the work of Government employees, reported the same with amendment, accompanied by a report (No. 1175), which said bill and report were referred to the House Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 18794) granting an increase of pension to Charles McCurdy, and the same was referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. STEPHENS of California: A bill (H. R. 19038) making an appropriation for the improvement of Los Angeles Harbor, at Los Angeles, Cal.; to the Committee on Rivers and Harbors.

By Mr. RUPLEY: A bill (H. R. 19039) providing for the nationalization of railroads; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 19040) amending the acts relating to the granting of pensions; to the Committee on Invalid Pensions.

By Mr. METZ: Joint resolution (H. J. Res. 360) authorizing the Secretary of War to use any allotment made under the provisions of H. R. 13811, Sixty-third Congress, second session, for the improvement of East River and Hell Gate, N. Y.; to the Committee on Rivers and Harbors.

By Mr. SHERWOOD: Joint resolution (H. J. Res. 361) to correct certain errors in H. R. 12045, H. R. 12914, H. R. 13542, H. R. 14234, H. R. 14738, H. R. 15692, and H. R. 16294; to the Committee on Invalid Pensions.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADAIR: A bill (H. R. 19041) to correct the military record of William Mauchamar; to the Committee on Military Affairs.

By Mr. BYRNES of South Carolina: A bill (H. R. 19042) for the relief of the legal representatives of the Beaufort Library Society; to the Committee on War Claims.

By Mr. BYRNS of Tennessee: A bill (H. R. 19043) for the relief of the estate of Ed Lawrence, deceased; to the Committee on War Claims.

By Mr. DECKER: A bill (H. R. 19044) for the relief of Ella M. Wheeler; to the Committee on Military Affairs.

By Mr. DEITRICK: A bill (H. R. 19045) granting an increase of pension to Augustus Ordway; to the Committee on Invalid Pensions.

By Mr. DONOVAN: A bill (H. R. 19046) granting a pension to Bridget Gaffney; to the Committee on Pensions.

Also, a bill (H. R. 19047) granting an increase of pension to Ella A. Buckley; to the Committee on Invalid Pensions.

By Mr. GARD: A bill (H. R. 19048) granting a pension to Sarah Moorehead; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19049) granting a pension to Joseph Turner; to the Committee on Pensions.

Also, a bill (H. R. 19050) granting a pension to Elizabeth Walter; to the Committee on Pensions.

Also, a bill (H. R. 19051) granting an increase of pension to Carrie B. Phillips; to the Committee on Pensions.

Also, a bill (H. R. 19052) to correct the military record of Peter A. Potticher; to the Committee on Military Affairs.

By Mr. KENNEDY of Connecticut: A bill (H. R. 19053) granting an increase of pension to Oliver W. Walden; to the Committee on Invalid Pensions.

By Mr. KIESS of Pennsylvania: A bill (H. R. 19054) granting an increase of pension to Charles L. Burnham; to the Committee on Invalid Pensions.

By Mr. J. R. KNOWLAND: A bill (H. R. 19055) granting a pension to Ralph C. Eulass; to the Committee on Pensions.

By Mr. LEWIS of Maryland: A bill (H. R. 19056) granting a pension to Emma M. Wolf; to the Committee on Invalid Pensions.

By Mr. MURRAY of Oklahoma: A bill (H. R. 19057) granting an increase of pension to John C. Maddox; to the Committee on Invalid Pensions.

By Mr. THOMSON of Illinois: A bill (H. R. 19058) granting a pension to Catherine Seymour; to the Committee on Pensions.

By Mr. WILLIAMS: A bill (H. R. 19059) for the relief of Edward B. Hughes; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BAILEY: Petition of Pennsylvania State Association of Letter Carriers, favoring the passage of the McGillicuddy bill, relative to pay for letter carriers when off sick; to the Committee on the Post Office and Post Roads.

Also, petition of Waverly Oil Works Co., Pittsburgh, Pa., protesting against tax on gasoline; to the Committee on Ways and Means.

Also, petition of Pittsburgh (Pa.) Oil Refining Co., protesting against revenue tax on petroleum; to the Committee on Ways and Means.

By Mr. BORCHERS: Petitions of business men of the State of Illinois, favoring passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. CURRY: Petition by 100 citizens and residents of San Joaquin County, Cal., in favor of amendment to be offered to section 85 of House bill 15902; to the Committee on the Post Office and Post Roads.

By Mr. DICKINSON: Petition of 178 citizens of the sixth district of Missouri, relating to Senate joint resolution 144 and House joint resolution 282; to the Committee on Naval Affairs.

By Mr. DOOLITTLE: Petition of 131 citizens of Westmoreland, Kans., favoring national prohibition; to the Committee on Rules.

By Mr. KENNEDY of Rhode Island: Memorial of Providence Council, No. 67, United Commercial Travelers of America, favoring 1-cent letter postage; to the Committee on the Post Office and Post Roads.

By Mr. KONOP: Petitions of cashiers of First National Bank and Citizens' National Bank, of Appleton; State Bank, of Seymour; First National Bank of Crandon, and board of directors of the Citizens' National Bank, of Green Bay, Wis., protesting against tax on capital stock and surplus of banks; to the Committee on Ways and Means.

By Mr. LEE of Pennsylvania: Petitions of Tamaqua (Pa.) National Bank, First National Bank of Frankville, Pa., and Schuylkill Haven Trust Co., of Pennsylvania, protesting against tax on capital stock and surplus of banks; to the Committee on Ways and Means.

Also, petition of Pennsylvania State Association of Letter Carriers, of Harrisburg, Pa., favoring passage of the McGilli-

cuddy bill for pay for carriers when off sick; to the Committee on the Post Office and Post Roads.

Also, petition of Pittsburgh (Pa.) Oil Refining Co., protesting against revenue tax on petroleum; to the Committee on Ways and Means.

By Mr. McANDREWS: Petition of Grand Army of the Republic national encampment, adopted at Detroit, Mich., September 1, 1914, favoring national encampment at Vicksburg National Park; to the Committee on Appropriations.

By Mr. STEPHENS of California: Petitions of 61 citizens of the United States, relative to due credit to Dr. Cook for his polar efforts; to the Committee on Naval Affairs.

Also, petition of members of Fraternal Brotherhood of Maple Leaf Lodge, No. 360, favoring Hamill civil-service bill; to the Committee on Reform in the Civil Service.

Also, petition of board of directors of Chamber of Mines and Oil, Los Angeles, Cal., favoring passage by Congress of an emergency measure suspending the operation of mining laws; to the Committee on Mines and Mining.

By Mr. TAVENNER: Petition of 100 citizens of the United States, relative to due credit to Dr. Cook for his polar efforts; to the Committee on Naval Affairs.

SENATE.

THURSDAY, *October 1, 1914.*

(Legislative day of Monday, September 28, 1914.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

PROPOSED ANTITRUST LEGISLATION.

The Senate resumed the consideration of the conference report on the disagreeing votes of the two Houses upon the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

The VICE PRESIDENT. The pending question is on agreeing to the conference report.

Mr. BORAH. Mr. President, I was diverted last evening from the line of argument which I was attempting to make. I do not desire to take too much of the time of the Senate, so I shall ask generally at this time that I may be permitted to insert in my remarks some quotations from decisions from which I had intended to read.

The VICE PRESIDENT. Without objection, it will be so ordered.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Lea, Tenn.	Shafroth	Vardaman
Borah	Martine, N. J.	Smith, Ga.	Warren
Bryan	O'Gorman	Smith, Mich.	Weeks
Chamberlain	Oliver	Smoot	West
Chilton	Overman	Sterling	White
Clapp	Page	Swanson	Williams
Culberson	Perkins	Thompson	
Gore	Pittman	Thornton	
Kern	Reed	Townsend	

Mr. BRYAN. I desire to announce that my colleague [Mr. FLETCHER] is necessarily absent from the Senate.

Mr. SMOOT. I wish to announce that the senior Senator from New Hampshire [Mr. GALLINGER], the junior Senator from Utah [Mr. SUTHERLAND], and the junior Senator from West Virginia [Mr. GOFF] are necessarily absent. The senior Senator from New Hampshire [Mr. GALLINGER] is paired with the junior Senator from New York [Mr. O'GORMAN], my colleague [Mr. SUTHERLAND] is paired with the senior Senator from Arkansas [Mr. CLARKE], and the junior Senator from West Virginia [Mr. GOFF] is paired with the senior Senator from South Carolina [Mr. TILLMAN].

Mr. WARREN. I wish to announce the unavoidable absence of my colleague [Mr. CLARK]. He is paired with the senior Senator from Missouri [Mr. STONE]. I make this statement for the day.

The VICE PRESIDENT. Thirty-three Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of absent Senators, and Mr. JOHNSON, Mr. McCUMBER, Mr. SHEPPARD, and Mr. THOMAS answered to their names when called.

Mr. SMITH of South Carolina, Mr. SMITH of Arizona, and Mr. LANE entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty Senators have answered to the roll call. There is not a quorum present.

Mr. CULBERSON. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will carry out the instructions of the Senate.

Mr. SIMMONS, Mr. BANKHEAD, and Mr. HUGHES entered the Chamber and answered to their names.

Mr. HUGHES. I desire to announce the absence of the junior Senator from Tennessee [Mr. SHIELDS] on important business.

Mr. POMERENE, Mr. LEE of Maryland, Mr. NELSON, Mr. JAMES, Mr. OWEN, Mr. MYERS, and Mr. NORRIS entered the Chamber and answered to their names.

The VICE PRESIDENT. Fifty Senators have answered to the roll call. There is a quorum present.

Mr. BORAH. Mr. President, it is my purpose now to call attention to the decisions in the cases known as the Standard Oil and the Tobacco cases and to some opinions which followed in the wake of those opinions, so that we may see how thoroughly the court has dealt with this subject, which is not only of concern to the people but a matter of consideration in the Senate. Everyone looked upon the approaching decisions in the Standard Oil case and in the Tobacco case as likely to be conclusive as to the final and settled construction of the Sherman antitrust law.

It was felt, Mr. President, that if these combinations and trusts were dissolved by the Supreme Court and it was found that the Sherman law was sufficient and efficient to deal with such combinations as those the statute would thereafter be regarded as effective for the great purpose for which it was enacted. On the other hand, it was believed that the case against these combinations would be the real test as to the efficiency of this law and that if they should escape the condemnation of the statute it would be wholly ineffective thereafter.

For a time after the rendition of these decisions it was believed that the court had read into the statute a phrase which would likely render the statute thereafter, in large measure, effective; but, as public opinion settled down and it came to be known that these decisions had really condemned every conceivable form of monopoly against which the people have ever complained, as the decisions came to be better and more fully understood, the country arrived at the conclusion that the Sherman antitrust law had become a great, powerful, effective statute.

I quote a single paragraph from the body of the Standard Oil decision, found in Two hundred and twenty-first United States, at page 59, wherein it is said:

> That in view of the many new forms of contracts and combinations which were being evolved from existing economic conditions, it was deemed essential by an all-embracing enumeration to make sure that no form of contract or combination by which an undue restraint of interstate or foreign commerce was brought about could save such restraint from condemnation. The statute under this view evidenced the intent not to restrain the right to make and enforce contracts, whether resulting from combination or otherwise, which did not unduly restrain interstate or foreign commerce, but to protect that commerce from being restrained by methods, whether old or new, which would constitute an interference that is an undue restraint.

Every conceivable form of contract or combination arising out of economic conditions, new or old, and every form of monopoly of the ten thousand different subtle forms in which it might appear was adjudged to be within the inhibition of the statute, provided it affected unduly interstate commerce, or provided that it built up a monopoly or was a step in the direction of building up a monopoly.

It is well to bear in mind, Mr. President, that the word "unreasonable" can have effect only upon the first section of the Sherman antitrust law; that as to the second section, which deals with monopoly, the court condemned all conceivable forms of monopoly, and, furthermore, inhibited and condemned every step which would lead to the formation of a monopoly. There is no act which would be considered or regarded as tending to build up a monopoly that is not now inhibited by the Sherman antitrust law, and you may go into a court of equity and prevent that single act from being accomplished or achieved if its tendency be to build up a monopoly, or if it be a step in that direction. There could be no more complete condemnation of monopoly, which is the real evil from which the country is suffering, than is found in these decisions. The court says further:

> Undoubtedly the words "to monopolize" and "monopolize" as used in the section reach every act bringing about the prohibited results. The ambiguity, if any, is involved in determining what is intended by "monopolize." But this ambiguity is readily dispelled in the light of the previous history of the law of restraint of trade to

which we have referred and the indication which it gives of the practical evolution by which monopoly and the acts which produce the same result as monopoly—that is, an undue restraint of the course of trade—all came to be spoken of as, and to be, indeed, synonymous with, restraint of trade. In other words, having by the first section forbidden all means of monopolizing trade—that is, unduly restraining it by means of every contract, combination, etc.—the second section seeks, if possible, to make the prohibitions of the act all the more complete and perfect by embracing all attempts to reach the end prohibited by the first section—that is, restraints of trade, by any attempt to monopolize, or monopolizations thereof—even although the acts by which such results are attempted to be brought about or are brought about be not embraced within the general enumeration of the first section.

Mr. President, there is no escape from the principle there announced, and now constituting the final decision and the final judgment of the court with reference to this statute. All forms of monopoly, all steps leading to monopoly, all acts in contemplation of monopoly, are prohibited, as well as the final result, to wit, a monopoly. There is not in this bill a specification or condemnation of any individualized act which can be considered as tending to create monopoly which is not now condemned by the decision of the Supreme Court in the Standard Oil case; and the thing we are seeking to reach in this country is the eradication and elimination of monopoly in its different forms.

I have never felt that there was any great necessity for the Congress or the lawmaking body to provide for the surveillance or the overseeing or the superintending of the different forms of contest or industrial war which characterize generally the business world, unless they are acts which in themselves can create monopoly. If so, they stand under the ban of the law as it is now written.

Permit me now to call attention to a paragraph in the American Tobacco Co. case. The court says:

Coming then to apply to the case before us the act as interpreted in the Standard Oil and previous cases, all the difficulties suggested by the mere form in which the assailed transactions are clothed become of no moment.

It is well known, and the briefs disclose, that the attorneys presenting the Tobacco case felt that the form in which the combination had been organized or which it had taken, the manner in which the different independent industries had been brought together, the method by which one corporation had practically absorbed all the others, and the scheme by which they were interlocked and intertwined and covered and blanketed by stock issues and bond issues, would enable them to say, "We are simply a great industry—not a combination, but a great industry, grown up through and by legitimate methods, and are entitled to be protected under the law." But the court looked through these forms. As a court of equity will, it pierced through the outer covering and looked to the ultimate object, intent, purpose, and power of the combination as made; and, looking through the form, it saw within from the beginning an intent to monopolize the industry, to control it exclusively, if possible, or so nearly exclusively as to enable it to dominate the industrial field in that particular line. Having arrived at the conclusion that it was a monopoly, the court said it was indifferent as to the form which the assailed transactions took. The court further said:

This follows because, although it was held in the Standard Oil case that—giving to the statute a reasonable construction—the words "restraint of trade" did not embrace all those normal and usual contracts essential to individual freedom and the right to make which were necessary in order that the course of trade might be free, yet, as a result of the reasonable construction which was affixed to the statute, it was pointed out that the generic designation of the first and second sections of the law, when taken together, embraced every conceivable act which could possibly come within the spirit or purpose of the prohibitions of the law, without regard to the garb in which such acts were clothed. That is to say, it was held that, in view of the general language of the statute and the public policy which it manifested, there was no possibility of frustrating that policy by resorting to any disguise or subterfuge of form, since resort to reason rendered it impossible to escape by any indirection the prohibitions of the statute.

Mr. President, what form of monopoly or what monopolistic practice can the most ingenious mind now conceive that is not subject to condemnation and dissolution under this law? As I said yesterday, as the business world interpreted this decision, they soon came to know that there was no possible escape from the decision of the Supreme Court. They fought earnestly, up until this decision was rendered, for some gap out of which they might go or escape; but since the hour this decision was rendered there has not been, to my knowledge, a combination or monopoly created or built up in the industrial world. I have never doubted that had it been said, either by the party then in power or the party now in power, that this decision in all its specifications and its strength and comprehensiveness would be enforced, so far as any new combination was concerned the industrial world need not fear it in the future.

We have been 20 years in building up these decisions. It takes time to build up a great code of law to circumvent the ingenuity of those who desire to evade principles and policies. There is no court and no body of lawmakers which can in the first instance define all the different methods by which men will seek to escape a general principle announced; but in the 20 years which have passed the court has dealt with one combination after another, until in these decisions are found a code of rules, of principles, which seem now to cover every conceivable form of transaction having for its purpose the creation of a monopoly.

Finally, Mr. President, what does the Supreme Court say in the Tobacco case? I doubt if the purport or the strength of this judgment has ever been understood or its real weight properly regarded by the public. It says—this is the judgment of dissolution—

That in the event, before the expiration of the period thus fixed, a condition of distintegration in harmony with the law is not brought about, either as the consequence of the action of the court in determining an issue on the subject or in accepting a plan agreed upon, it shall be the duty of the court, either by way of an injunction restraining the movement of the products of the combination in the channels of interstate or foreign commerce or by the appointment of a receiver, to give effect to the requirements of the statute.

I will venture to say that there will not be found in the history of chancery in England or in this country any such decree as is here found in the Tobacco case, so drastic and so effective that there could be no possible escape. The court lays down the rule that if the defendants violate the law or fail to bring themselves within the provisions of the law they shall be prohibited from enjoying the benefit of interstate trade and denied entrance to the channels of interstate commerce.

Mr. President, there is a complete and efficient program by means of which we can deal with this subject. First, every form of monopoly, in whatever guise it may robe itself, is condemned. Second, the condemnation may take the form of providing that it shall not enter the channels of interstate trade at all.

There was one other attempt, after the rendition of this opinion, to break through. Those who had formulated the gigantic scheme in Chicago and elsewhere to corner the market, as it was known, conceived the idea that they were not within the inhibition of the statute; that cornering the market was a transaction wholly within the State, and did not come within the purview of interfering with interstate trade; and the court had occasion in the case of United States v. Patten (226 U. S.) to pass upon this question. In determining it the court said:

We come, then, to the question whether a conspiracy to run a corner in the available supply of a staple commodity, such as cotton, normally a subject of trade and commerce among the States, and thereby to enhance artificially its price throughout the country and to compel all who have occasion to obtain it to pay the enhanced price or else to leave their needs unsatisfied, is within the terms of section 1 of the antitrust act, which makes it a criminal offense to "engage in" a "conspiracy in restraint of trade or commerce among the several States." The circuit court, as we have seen, answered the question in the negative; and this, although accepting as an allegation of fact, rather than as a mere economic theory of the pleader, the statement in the counts that interstate trade and commerce would necessarily be obstructed by the operation of the conspiracy. The reasons assigned for the ruling, and now pressed upon our attention, are (1) that the conspiracy does not belong to the class in which the members are engaged in interstate trade or commerce and agree to suppress competition among themselves; (2) that running a corner, instead of restraining competition, tends, temporarily at least, to stimulate it; and (3) that the obstruction of interstate trade and commerce resulting from the operation of the conspiracy, even although a necessary result, would be so indirect as not to be a restraint in the sense of the statute.

Upon careful reflection we are constrained to hold that the reasons given do not sustain the ruling and that the answer to the question must be in the affirmative.

So long, sir, as it seemed possible to find an avenue of escape from the Sherman antitrust law our attention was directed to the attacks which were being made upon that law; but when the time arrived that every possible avenue seemed to be closed against the activities of those who would create monopolies, a different line of action was adopted and a new policy undertaken to be fastened upon the country. As I said yesterday, as soon as that condition of affairs arose there began a propaganda in this country by some acting in perfect good faith, by others with a design to enable them to do that which they were not permitted to do under the Sherman law—create monopoly—and that propaganda has gone forward. What was its purpose? What did it seek to do? To bring the public mind to the belief that these monopolies, notwithstanding they were condemned under the Sherman law, should be permitted, in the interest of business and business growth and evolution, to continue, and merely their practices prohibited by some ruling power, such as a business court or a commission. It was not, Mr. President, that the Sherman law was ineffective, it was that it was effective, that started the propaganda. It was not that it was insufficient, it was that it was sufficient, that started the new theory and the new policy with which we are now dealing.

To my mind, the most reprehensible piece of politics that ever has been practiced upon the public has been this constant attack upon the courts. It was said they had failed to do their

duty under the Sherman law and to respond to public opinion with reference to this all-important question. The courts from the beginning, with two single exceptions, both of which exceptions are now eliminated by reason of subsequent decisions, have dealt with this subject in a way that has resulted in a complete code of laws sufficient and efficient to accomplish everything that the most sanguine desire in regard to dealing with this subject. Those who have desired to bring about a commission have apparently felt it necessary to attack the courts and to show that they were incapable of dealing with this subject, in order that it might be more justifiable in the minds of the public that we should find a new tribunal.

But it is said that the law has been made uncertain by reason of the decision in the Standard Oil case and the Tobacco case, and reading into the statute, as they say, "unreasonable restraint of trade"; that it is unenforceable as a criminal statute; that juries are not prepared to determine with sufficient safety and certainty what is unreasonable restraint, even under the instructions of the court; and that the statute has been rendered ineffective as a criminal statute. What does the Supreme Court say in regard to that?

In the case of Nash *v.* United States (229 U. S.) it is said:

> The two counts before us were demurred to on the grounds that the statute was so vague as to be inoperative on its criminal side.
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> * * * * * * *
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> The objection to the criminal operation of the statute is thought to be waranted by The Standard Oil Co. *v.* United States (221 U. S., 1) and United States *v.* American Tobacco Co. (221 U. S., 106). Those cases may be taken to have established that only such contracts and combinations are within the act as, by reason of intent or the inherent nature of the contemplated acts, prejudice the public interests by unduly restricting competition or unduly obstructing the course of trade. And thereupon it is said that the crime thus defined by the statute contains in its definition an element of degree as to which estimates may differ, with the result that a man might find himself in prison, because his honest judgment did not anticipate that of a jury of less competent men. The kindred proposition that "the criminality of an act can not depend upon whether a jury may think it reasonable or unreasonable. There must be some definiteness and certainty," is cited from the late Mr. Justice Brewer, sitting in the circuit court.
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> But apart from the common law as to restraint of trade, thus taken up by the statute, the law is full of instances where a man's fate depends on his estimating rightly—that is, as the jury subsequently estimates it—some matter of degree. If his judgment is wrong, not only may he incur a fine or a short imprisonment, as here; he may incur the penalty of death. "An act causing death may be murder, manslaughter, or misadventure, according to the degree of danger attending it," by common experience in the circumstances known to the actor. "The very meaning of the fiction of implied malice in such cases at common law was that a man might have to answer with his life for consequences which he neither intended nor foresaw." "The criterion in such cases is to examine whether common social duty would, under the circumstances, have suggested a more circumspect conduct." If a man should kill another by driving an automobile furiously into a crowd, he might be convicted of murder, however little he expected the result. If he did not more than drive negligently through a street, he might get off with manslaughter or less. And in the last case he might be held, although he himself thought that he was acting as a prudent man should. But without further argument, the case is very nearly disposed of by Waters-Pierce Oil Co. *v.* Texas (No. 1) (212 U. S., 86, 109), where Mr. Justice Brewer's decision and other similar ones were cited in vain. We are of opinion that there is no constitutional difficulty in the way of enforcing the criminal part of the act.

For any act, Mr. President, for which any combination would ever be indicted, for any act for which they would ever be brought into a court to be tried for their liberty, there would not be any difficulty in a jury arriving at the question whether or not they had been guilty of a violation of the law; neither would there be any question as to the fact that the parties who were guilty of the act had full knowledge of the fact that they were violating the law when they did so.

When you take the Standard Oil decision and the decision in the Tobacco case and analyze them and pick out those separate and distinct acts by means of which they built up their monopoly and by means of which they put other people out of business, there is not one of those separate and distinct acts that one would not readily say was dishonest. Neither is there one of those acts which any man in the business world could have committed without knowing in his heart that he was doing that which was dishonest, extortionate, and overpowering toward his neighbor or his competitor.

The question of lowering prices for the purpose of putting a competitor out of business while keeping prices up in another part of the country, the question of sending spies to spy upon an independent industry or to foment strikes within an independent industry, the question of purchasing competitors and dismantling projects and putting them out of business are all so flagrant, so open, and such unquestioned acts in violation of the statute that no man guilty of them would have any question at the time of their doing or achievement that he was within the inhibition of the law.

The statute is not only enforceable in a court of equity but it is equally enforceable, in my judgment, in the criminal court. The jury has to deal with reasonable doubt, with degrees in the question of murder, with degrees in the question of negligence, with the question of intent; and in the recovery against corporations, of employees, and coemployees under the instructions of the court the jury may deal with all the different degrees of negligence. It is no different question from that with which they would have to deal here.

Mr. President, there was another question raised with reference to the Sherman antitrust law which was an important one, because it had to do with the question of the statute of limitations. It was argued upon the part of some parties who were brought to answer under this law that the conspiracy became consummated, finished, at a certain time, and therefore a number of these monopolies or combines which had been formed in previous years had come within the inhibition of the statute of limitations so far as any prosecutions of the participants were concerned. It was an important question in the sense that many who had violated the law in some time past might wholly escape, and it was important from another standpoint, and that is, that if the Department of Justice should not discover the evidence within time to prosecute in the short period of three years many of them might escape in the future. But the court said in regard to that question:

> Although mere continuance of result of a crime does not continue the crime itself, if such continuance of result depends upon continuous cooperation of the conspirators, the conspiracy continues until the time of its abandonment or success.

Upon page 607 it is said:

> The defendants argue that a conspiracy is a completed crime as soon as formed, that it is simply a case of unlawful agreement, and that therefore the continuando may be disregarded and a plea is proper to show that the statute of limitations has run. Subsequent acts in pursuance of the agreement may renew the conspiracy or be evidence of a renewal, but do not change the nature of the original offense. So also, it is said, the fact that an unlawful contract contemplates future acts, or that the results of a successful conspiracy endure to a much later date, does not affect the character of the crime.
>
> The argument, so far as the premises are true, does not suffice to prove that a conspiracy, although it exists as soon as the agreement is made, may not continue beyond the moment of making it. It is true that the unlawful agreement satisfied the definition of the crime, but it does not exhaust it. It also is true, of course, that the mere continuance of the result of a crime does not continue the crime. But when the plot contemplates bringing to pass a continuous result that will not continue without the continuous cooperation of the conspirators to keep it up, and there is such continuous cooperation, it is a perversion of natural thought and of natural language to call such continuous cooperation a cinematographic series of distinct conspiracies, rather than to call it a single one. Take the present case.

Thus the court reviews the facts in the case, holding that the conspiracy continued until they had ceased to enjoy the benefits or privileges of the conspiracy. So long as they were engaged in carrying on or sustaining a monopoly, so long as they were enjoying the fruits of the combination, the conspiracy continued and the statute of limitations did not run.

It is also contended, Mr. President, and it has been stated here upon the floor, that juries will not convict. There was a time when that seemed to be a just criticism of the law, but since the law has been thoroughly defined and these decisions have been rendered, and it is well known what may be done and what may not be done, there has been a distinct change with reference to the action of juries in the matter of convictions.

Under the last administration—and I take that because I have the data gathered in regard to it since the rendition of those decisions—out of 11 criminal prosecutions actually brought to trial before a jury, the jury disagreed in but 2 cases and acquitted the defendants in but 2 other cases. The defendants voluntarily pleaded guilty in 2 cases and in 6 cases the juries convicted individual defendants, who were sentenced by the court to pay fines and in two instances to imprisonment as well as fines.

In addition to the cases specified, two other cases, in which the indictments had been found prior to the last administration, resulted during its term in verdicts of guilty against the individual defendants. In one of these cases the court imposed a fine; in the other both fine and imprisonment were imposed, although the Supreme Court reversed it on the question of error.

I venture to say, Mr. President, that if you will take 11 noted criminal cases in general, where any kind of a crime is charged against the defendant, you will not find any larger per cent of convictions than you find here since the rendition of these opinions in the enforcement of the Sherman law. Indeed, sir, the number of acquittals in murder cases in this country has led many to advocate the doing away with juries entirely, a policy with which I do not agree. I venture to say that you may take any class of criminal cases and you will find the percentage of acquittals and the percentage of disagreements quite as large as you will find during the last six or seven years under the Sherman antitrust law.

In one of these criminal cases, in which there was a jury trial, the distinguished judge who presided used language at the time he was passing the sentence which seems to me so appropriate that I am going to read it. He said:

However much that law has been misunderstood by many because of their ignorance, and misrepresented by others, or charged with uncertainty by designing persons who would cripple it, fearing its application to their own conduct, or for other reasons, it is nevertheless in itself a clear statement of its meaning, and it can not be misunderstood by anyone who really desires to obey it. It contains no standard of conduct other than the standard every fair-minded, reasonably conscientious man applies to his conduct in the various relations of life. It seeks to protect the common right of every citizen, however humble, to enter into any lawful business he chooses and there to exercise such talents as he has—his enterprise, his skill, and such capital as he can command, to lawfully develop, in such ways as his judgment may dictate, his business into a success if he can accomplish it; but if he must fail, to fail whether through want of skill or sufficient enterprise or capital or bad judgment or because of inferiority of product or bad management or misfortune of one kind or another, but not because of ruthless acts of oppression, sometimes final in their very selves, and sometimes through the exercise by competitors of acts amounting almost to physical force, and in some instances amounting to assaults by putting his agents in fear.

The jury in that case had no difficulty in arriving at a conclusion under the instructions of the court.

I want next, Mr. President, to call attention to some decrees which have been entered since the Standard Oil decision, in order to advise the Senate and more particularly the country of the extent to which the courts go in prohibiting every conceivable form of misconduct by these decrees; and no business man need have any trouble at arriving at what course he can properly pursue if he will just give a few hours' attention to these decrees before he starts in upon his enterprise or in his exploitation of his neighbor's business. I take these statements as to the terms of these decrees from an address of ex-Attorney General Wickersham.

In the Pacific Coast Plumbing Supply Association cases 24 corporations and 60 individuals were enjoined. They were enjoined first from combining, and so forth, to prevent manufacturers of plumbing supplies from selling to persons not members of the association or not listed in a blue book published by the association.

They were enjoined—

From publishing any such book.

From publishing any list of manufacturers who had not agreed to sell only to members of the association or to persons listed in the blue book.

From advertising lists of persons in the business who are not members of the association.

From combining to boycott a manufacturer for having sold to persons not members of the association and not listed in the blue book.

From conspiring to prevent persons located in a given territory from purchasing plumbing supplies from manufacturers or other dealers.

From communicating with a manufacturer or dealer to induce him not to sell to persons not members of the association or not conforming to the definition of a jobber given in the blue book.

Take the case of the General Electric Co. They were enjoined—

From fixing prices by agreement.

From maintaining by agreement differentials between lamps which did not in fact differ in quality or efficiency and from allowing discounts based on the aggregate of purchases from different manufacturers.

From making agreements with jobbers, and so forth, under which they could only secure goods manufactured by the General Electric Co. on condition of agreeing to take all other goods manufactured by them.

From making more favorable terms of sale to customers of any rival manufacturer than it at the same time offered to its established trade, with the purpose of driving such rival out of business.

In the Central West Publishing Co. and the Western Newspaper Union cases the injunction was to this effect:

From underselling any competing service, with the intent or purpose of injuring or destroying a competitor.

From sending out traveling men for the purpose or with instructions to influence the customers of the competitors or either of them so as to secure the trade of the customers without regard to the price.

From selling their goods at less than a fair and reasonable price, with the purpose or intent of injuring or destroying the business of a competitor.

From threatening any customer of a competitor with starting a competing plant unless he patronized the defendant.

From threatening the competitors of either one that they must either cease competing with the defendants or sell out to one of the defendants, under threat that unless they did so their business would be destroyed by the establishment of near-by plants to compete with them.

From in any manner, directly or indirectly, causing any person to purchase stock or become interested in the other for the purpose or effect of harassing it with unreasonable demands or inquiries.

From circulating reports injurious to the business of the other.

From persuading customers of competitors to violate contracts made with them by undertaking to indemnify them against loss and damage by reason of so doing, and so on ad infinitum.

Mr. President, I have trespassed upon the time of the Senate to present in mere outline the code of principles which have finally been announced in the decisions by virtue and under the Sherman antitrust law.

There are two ways, Mr. President——

Mr. CLAPP. Mr. President, if the Senator will pardon me, I was out on a meeting of a committee. I should like to inquire the case from which the Senator was reading just now?

Mr. BORAH. The last case I was reading from is what is known as the Central West Publishing Co. and the Western Newspaper Union case. The other cases from which I read the decree were the General Electric Co. and the Pacific Plumbing Supply Association.

There were two ways in which it might have been possible to have strengthened the Sherman antitrust law. At one time I am frank to say that I was very much in favor of those two methods. I am still in favor of them, but not so enthusiastic as I was, for the reason that it seems to me that the decisions of the Supreme Court have rendered those things largely unnecessary. The decisions have been such as to make it possibly unnecessary to have any of these methods adopted by which it was formerly contemplated we might strengthen the Sherman antitrust law; but I would still, Mr. President, be perfectly willing to give what support I could to statutes which would specifically individualize these different methods of building up monopolies which have been singled out and designated as objectionable by the Supreme Court, putting them in a separate statute, making those particular acts in themselves punishable in case of their commission by anyone, and in that way enable the law to be enforced more expeditiously and with less cost and the punishment made more certain, and perhaps bring more clearly to the mind of the business world the things which the business world might do and might not do.

Secondly, Mr. President, we might have strengthened the Sherman law by making it easier for private individuals to recover under that law; making it less expensive to recover their treble damages. There is no influence or power quite so effective in the enforcement of law as that of the injured private party. A bureau or a department of justice may postpone or procrastinate with reference to the enforcement of statutes, but a man who has suffered an injury, and knows that he has suffered an injury, and sees a speedy remedy for it, a remedy which he can pursue without the fear of bankruptcy, though he be a man of limited means, will almost invariably seek his recovery; and while he is seeking his recovery he is bringing about greater respect for the law and more obedience to the law upon the part of those who might violate it. There could be no safer guardian for the Sherman antitrust law than the hundreds and thousands of people who are injured by these monopolies if the law were made easy of enforcement so far as they are concerned. In that respect, Mr. President, the Sherman antitrust law, in my judgment, might have been strengthened and possibly made a more effective statute than it is; but even with regards to those methods they have been rendered largely unnecessary by virtue of these decisions.

My objection, therefore, to this proposed legislation, to begin with the Trade Commission act and, secondly, with this bill, is that the principle upon which the Sherman antitrust law is built is being abandoned. No better illustration of that could be found than in section 2 of this particular act. Section 2 provides:

SEC. 2. That it shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly, to discriminate in price between different purchasers of commodities, which commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce: *Provided*, That nothing herein contained shall prevent discrimination in price between purchasers of commodities—

And so forth.

Mr. President, the enforcement of that section is turned over to the discretion of a commission, which commission may tolerate, if it conforms to their attitude of mind, that which is clearly denounced and condemned by the Sherman antitrust law as a rigid, definite proposition; in other words, instead of defining and prescribing precisely what may be done and writing it into the statute so that every man in the United States may know precisely what he may do and the punishment which he will suffer if he violates the law—and that is what the Sherman antitrust law does—we have changed the policy and have attached to it a condition. Then, we have said that that entire matter is subject to the discretion and the judgment of a commission as to whether he can or can not do it. He will never know, Mr. President, until the commission decides it for him in his particular case, whether a certain act tends to lessen competition or to substantially lessen competition.

We should definitely and positively and beyond question deny the right to lower prices in a particular community when prices are kept up in another community, and we should attach a penal clause to that act punishing those who violate such a statute. That is one of the methods by which these monopolies have been built up; that is the method which practically all of them have pursued. It is reprehensible in law and reprehensible in morals, and it should not be left to the discretion of a commission, but should be definitely prohibited if we are going to deal with it at all. If we think it is necessary, in view of the decisions under the Sherman antitrust law, to deal with it, we should deal with it definitely, put it specifically into the statute, and attach to it a penal clause punishing those who violate it.

Section 3 of this proposed law reads:

SEC. 3. That it shall be unlawful for any person engaged in commerce, in the course of such commerce, to lease or make a sale or contract for sale of goods, wares, merchandise, machinery, supplies, or other commodities, whether patented or unpatented, for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, or fix a price charged therefor, or discount from, or rebate upon, such price, on the condition, agreement, or understanding that the lessee or purchaser thereof shall not use or deal in the goods, wares, merchandise, machinery, supplies, or other commodities of a competitor or competitors of the lessor or seller, where the effect of such lease, sale, or contract for sale or such condition, agreement, or understanding may be to substantially lessen competition or tend to create a monopoly in any line of commerce.

And the enforcement of that section is turned over to the Trade Commission. The enforcement of this entire act, Mr. President, with some exceptions to which I may call attention in a few moments, are so turned over; but the important features of it and the important provisions of it are turned over as to enforcement to either the Trade Commission, the Federal Reserve Board, or the Interstate Commerce Commission, whose powers go no further than to investigate and to issue an order against the doing of those things, provided that they conceive that the doing of them substantially lessens competition or they conceive the act to be within the purview of the statute; but all idea of punishment, of absolute prohibition, all idea of prohibiting things which we positively and unequivocally know build up monopoly and punishing them if they violate the law, are abandoned by virtue of this statute and by reason of the terms of the statute and the method of its enforcement. In other words, Mr. President, it is announced to the world as the judgment of the Congress that these matters should be tolerated, that they can be defended, and that they should be regulated through a commission. I think it is in direct contravention to the principle upon which the Sherman law is built, and will lead in the end to the most tremendous bureaucratic system of government here at Washington of which the human mind could conceive.

We are reaching into every field of activity and into every field of industry through our bureaucratic system and drawing to the city of Washington every individual and every citizen of the United States to find out from a board what he may do or what he may not do. The law should be written upon the statute books so that he may read it in his home, and when he reads it that he may know what he may do, and go into court and have his rights enforced and seek justice in his own bailiwick and within his own jurisdiction.

Mr. President, the wellsprings of democracy are individual freedom, individual initiative, self-reliance, and equal opportunity. From these sources come the resuscitating, rebuilding forces through and by means of which our obstacles to progress are overcome and the enemies of democracy are conquered. In the atmosphere of a free, open arena men grow to that full stature of citizenship which bears without weariness the weight and discharges with success all the obligations and duties of citizenship in a republic. You can not rear that class of citizens in a country of special privileges or in the character-destroying blight of bureaucracy. Self-reliance, self-help, the ambition to be one's own master and to look upon success in life as of one's own building are as indispensable to citizenship as God's own sunlight to the teeming forces of nature.

Privilege in any of its ten thousand subtle and insidious forms, monopoly regulated or unregulated, are at war with the first principles of a representative republic. Those people who are talking about regulating business are deceiving the people, for what they propose to do is not to regulate big business, which may be in no sense a monopoly, but to regulate monopoly, which is a different thing. Regulated monopoly is no different from unregulated monopoly, except that regulated monopoly has attached to it a horde of public officials for whom the people must pay, for in the end the monopoly would regulate the regulators and the only effect of regulation would be an additional amount of supernumeraries in the way of public officials. Regulated monopoly will separate the people into classes just as effectively, because there stands between the two classes in this instance the Government, which would in a sense be a barrier against the breaking down of classes. Regulation might help to ameliorate the amount of extortion, but classes would be established just the same and just as certainly. The very nature of monopoly is this, that some citizen has a privilege and an advantage which his fellow citizen has not. The very nature of monopoly is that some one is living off of another's toil.

Monopoly is founded in special favors and establishes its own distinction as to citizens. The old distinctions as to royalists and plebeians, of the governing and the governed, have more justification and were more easily defended than the distinctions founded in special favors or exclusive privileges. The thing to do is not to regulate such things but to destroy them. I do not care in what form privilege comes, it is not here for regulation but destruction. We had beneficent and kindly kings and monarchs, but we wanted none such. To hear men going about over the country arguing that because some grasping monopolies have not yet oppressed the people, or as much as they might have done, is to remind one of those miserable satellites of kingly power who lived upon the bounty of their monarchs and prostituted their minds and intellects by pleading for his continued power. You will find that many of those who are preaching for the regulation of monopoly are on the pay roll, directly or indirectly, of monopolies, or the beneficiaries of their political donations. To tell the people of this country that their food, their clothing, their warmth, their shelter, their wage must be trusted to the beneficent disposition of monopoly, or that those few men having this tremendous power will fear some political commission which they have created is to mislead and deceive and betray the people to their ruin and to plant the seeds of disintegration among their institutions and tabernacles of government.

To ask the people of this country at a time when they have won their fight in the courts against monopoly, at a time when there lies before them a code of laws and principles which puts the seal of condemnation and death upon special privilege and industrial monopoly in whatever conceivable form they appear, to now stand aside from the fight, let special privilege grow and monopoly thrive and trust to some commission to regulate these powerful institutions, a most false and vicious theory—institutions which have grown up in defiance of law—is to trifle with the happiness and future of every home in the land and to shamelessly leave the Republic to the mercy of those who despise the very name of democracy. Mr. President, I am not opposed to big units in business; on the other hand, I am thoroughly in favor of them where they are built up through giving services to the people, a better quality of goods; built up along honest and legitimate lines, no one can object to them, and no one will ever have any occasion to object to them. So long as business is conducted along honest and legitimate lines there will be no trouble about there being enough in the field to prevent monopoly. But I am opposed to all this meddlesome surveillance, this bureaucratic interference with the thousands of honest business men while we are preparing to let illegitimate business and monopoly practically have its own way. I am opposed to this scheme which has for its effect, if not for its purpose, to draw the fight away from monopoly and expend our energies and our time in overseeing those who need no overseeing and who need no surveillance. I know why it is done and everyone who reflects upon the situation knows why it is done.

So I am for open war on monopoly. Fifteen hundred years ago the Emperor Zeno issued the following edict: "We command that no one may presume to exercise a monopoly of any kinds of clothing or of fish or of any other thing serving for food or for any other use, whatever its nature may be, and if anyone shall presume to practice a monopoly let his property

be forfeited and himself condemned to perpetual exile." The principle of that edict is as indispensable to the perpetuity of a republic as the principle of the emancipation proclamation of Abraham Lincoln.

Mr. WEEKS. Mr. President, the legislative situation existing in Washington is well illustrated, I think, by the attention which has been given to the masterly speech which the Senator from Idaho [Mr. BORAH] has just concluded. I do not believe there is a living man who can successfully controvert the statements which he has advanced relating to the results which are sure to come from this legislation which is now pending. Nobody knows what is going to happen. The best lawyers of this body and of the House of Representatives are in entire disagreement as to what the effect of this bill will be.

I have been listening to the debate on this subject off and on for several weeks, and I have come to the conclusion that there is not a Member of the Senate who really knows what the result of this legislation is going to be, either from a legal standpoint or from the standpoint of the great industrial operations of this country. Neither do those who framed the bill know what motives are behind this legislation.

It is contended that the people are demanding it. I do not know what people are demanding it. There is not anything in my correspondence which indicates that anyone is in favor of this legislation. I have examined with care the records of the hearings before the Interstate Commerce Committee and the Judiciary Committee of the House to find whether there was any definite desire on the part of any considerable number of people that legislation of this kind should be put on the statute books; and I have found, as the result of that investigation, that at least 25 witnesses have appeared against it where 1 has even given his assent to some form of it. The evidence which has been submitted to Congress on this subject is distinctly opposed, in my judgment, to any legislation of this kind, and the warning which the Senator from Idaho has delivered to the Senate with such force, and which has not, I regret to say, been listened to so that it will have any effect upon this legislation here, will be read and listened to by the country, for it is entirely justified. We have already adopted a bureaucratic system of government, which is sure to react against the best interests of business and every other operation in which our people are engaged.

I had sent to me this morning an editorial from the St. Louis Star, a paper referred to with approval yesterday in the debate by the junior Senator from Missouri [Mr. REED], in which it approves of his course in opposing the conference report and calls on the President to veto the bill if it passes as the conference report provides. Why, bless the writer's innocent intellect, if he would confer with his representatives on the floor of the Senate, with the junior Senator from Missouri, or with his Washington representative, he would find that in the "bad old times" that formerly existed, when the House of Representatives and the Senate disagreed about legislation or the terms of legislation, they met and came to some kind of a compromise agreement, but under the "new freedom" which exists to-day there are three conferees—those representing the House, those representing the Senate, and the President himself; and, if common report can be given any credence in this matter, the President has had quite as much to do in bringing about the conference report which we are now considering as have the conferees of the two Houses themselves; and it is not likely that the editor of the St. Louis Star is going to attract any attention from the President of the United States looking to the veto of a proposition which he in a practical sense is himself dictating.

The result of that procedure is illustrated in the attendance on the deliberations of the Senate to-day, and the lack of attention to arguments for or against this legislation. The responsibility which should go with putting on the statute books such legislation as this should attract here every Senator, instead of only a small minority, during the discussion of this great question.

I am not criticizing the conferees in this matter, because we are creatures of custom and the slaves of practice; the custom and practice now is what I have outlined—not the deliberations of the representatives of the Senate and the House, but the deliberations of the representatives of these two bodies practically dictated to in detail by the administrative end of this Government. That condition in itself, in my judgment, will cause us serious trouble in time.

I am not going to discuss in detail the various phases of this bill. If I were to do so and were able to do so, I should do it along the lines followed by the Senator from Idaho [Mr. BORAH]. I believe it is bad legislation, and legislation that is going to cause serious trouble in this country. There might be some excuse for experimenting along these lines if business conditions were normal; but everybody knows that business conditions are abnormal, due to various causes, and especially to the great war which is being fought in Europe. It is no time to be imposing on business a new form of strait-jacket, the effect of which will have to be determined by long-continued litigation, as in the case of the Sherman Antitrust Act.

I am one of those who believe that those engaged in large business, generally speaking, have been honestly trying to carry out the provisions of that law. They have employed the best legal talent, not to be told how to avoid the provisions of the law, but to be told what they can do and obey the law. Neither they nor their attorneys have known how far they could go; and it has only been as a result of long court procedure and the decisions of the court of last resort that there has been finally given to business men a fairly clear course which they may follow and keep within the provisions of the law.

When the Trade Commission bill was under discussion I referred to an opinion given by Senator Hoar to what was known as the Wire Pool very soon after the passage of the Sherman Antitrust Act. Those people, engaged in manufacturing wire, asked Senator Hoar, who had had very much to do with if he was not a dominating factor in drawing that bill, if they could, within the provisions of the act, continue the methods of business which they were then following; the Senator gave a very long and comprehensive opinion on the subject. He was a great lawyer, and it may be assumed that he was as intimate with the terms and provisions of the act as any man in the Senate or any man in the United States at that time. The men who asked for the opinion followed with exactness the course which he outlined; and yet, within the last five years, every one of them has been fined from one to five thousand dollars for doing what Senator Hoar had told them they could do. That opinion is of so much importance, and may be of so much interest to Senators, that while I have not it at hand I ask unanimous consent that I may insert it in my remarks and have it printed in the RECORD.

The VICE PRESIDENT. Is there any objection? The Chair hears none, and permission is granted.

The matter referred to is as follows:

The question is proposed whether an agreement with each other by several companies, the product of each of whom is manufactured in one State to be sold and delivered in another or in a foreign country, by which they stipulate that their product shall not be sold for less than an agreed scale of prices, and that each shall pay into the common stock, to be divided into an agreed proportion, all profits by it received beyond what comes from a specified amount of sales, is illegal, and exposes those who take part in it to the proceedings and penalties provided in the act of Congress approved July 2, 1890, entitled "An act to protect trade and commerce against unlawful restraints and monopolies." Section 1 of said act is as follows:

"Every contract, combination, in the form of trust or otherwise, or conspiracy in restraint of trade or commerce among the several States or with foreign nations, is hereby declared to be illegal. Every person who shall make such contract or engage in any such combination or conspiracy shall be deemed guilty of a misdemeanor," etc.

It is clear that the second section of this statute has no bearing upon the question. One of the principal objects of the law is to prevent monopolies, which section 2 prohibits. But there is nothing in the above-described agreement which tends to create a monopoly. On the contrary, if enforced, it gives an advantage to corporations who do not enter into it and who can sell their product at a lower rate.

The only inquiry, then, is whether this contract is in restraint of trade within the meaning of section 1.

The object of the statute under consideration is to extend the common law to interstate and international commerce. The United States has no common law. Our national law consists of the Constitution and the statutes and treaties made in pursuance thereof. The several States, except those where the civil law prevailed at the time of their admission to the Union, adopted the English common law, either by the express provisions of their constitutions or statutes or by usage, so far as it is adapted to their circumstances and conditions. Among the common-law principles so adopted is that which renders certain contracts in restraint of trade unlawful. In some cases this rule is enforced by the penalties of the criminal law. In others contracts which do not subject those making them to any punishment are held illegal, as contrary to public policy, and the courts decline to enforce them.

Although the United States has no common law, yet where the phrase is used in national legislation to which the common law or the practice in the States has attached a special and definite meaning, the national legislation is presumed by the courts to use the phrase according to its common-law meaning or the meaning given to it by general usage in the States.

The Constitution gives to Congress the power of regulating commerce with foreign countries and among the States.

The sale of goods in one State to be delivered in another or in a foreign country is such commerce within the meaning of the Constitution.

The purpose of the statute above referred to, was to adopt the common-law principle as to contracts in restraint of trade as applicable to commerce with foreign nations or among the States, and to enforce that principle by suitable remedies and penalties.

We must look to the common law or to the usage of the States for the meaning of the words "restraint of trade" as used in the statute. It is not every contract which limits the freedom of the individual to engage in trade that the statute is intended to prohibit. Every person entering into a general copartnership is prohibited from trading on his own account in transactions within the scope of his copartnership business, and in that way his capacity to trade is restrained. But, of course, it could not be supposed for a moment that it was the purpose

of Congress to prohibit the ordinary contract of partnership for the purposes of interstate or international commerce. So the sale of the good will of a business carries with it a restraint on the part of the grantor from engaging thereafter in the business in such a way as to affect the value of the good will he has sold. Yet no man would suppose that it was the purpose of Congress to prohibit a transaction so common and everywhere lawful by which a business gained by a lifetime of industry and skill may be made valuable to its possessor when he desires to retire from it.

It is needless to multiply examples. We must, therefore, take it to be unquestionable that it was the purpose of Congress in prohibiting contracts in restraint of trade to prohibit only such contracts in restraint of trade as were deemed unreasonable and contrary to public policy by the common law.

We understand that the common law prohibited contracts whose purpose was improperly and unreasonably to restrain trade in a manner which should affect the public interest by getting one party to a contract into the power of the other. But it did not prohibit such arrangements as were made upon good consideration and were necessary to the reasonable protection of health and legitimate business. There is some variety of opinion in the courts of different States as to the application of these simple principles. But it will be seen that in all the cases the courts have endeavored and undertaken to apply them to the best of their ability.

There are some cases in which the courts have treated contracts as illegal because they tended to defeat the object of special statutes. After the repeal of such statutes the decisions under them are no longer applicable, and are not to be considered as furnishing a rule in determining what contracts are to be considered as contracts in restraint of trade. For instance, there was an old English statute limiting wages in certain employments. Agreements entered into for the purpose of raising wages to a point above that fixed by these statutes were held illegal by the English courts. Those statutes have been repealed. Since their repeal it is presumed such contracts would be held innocent in the United States where no such statutes existed, and this whether with or without an express legislative sanction to that class of contracts. It has been held in accordance with the principles above laid down that a contract not to engage in a certain kind of trade or business in a particular locality is lawful. Such a contract is reasonable, as it enables the person entering into it to dispose of the good will of a business. But a contract not to engage in a particular trade or calling anywhere in the country or realm is unreasonable, in restraint of trade. Such a contract deprives the country of the skill of one of its citizens, while it is unnecessary for the protection of any other person in his trade or calling. Since the great change in the method of transacting business by the increased facilities of communication of modern times I suppose an agreement by one person not to manufacture in competition with another would be held valid, although the competitors' places of manufacture might be quite remote from each other. It was held in an early Massachusetts case that a contract by one person not to engage in the business to the northwest coast of North America was legal, and it was enforced by the court. At that time that trade was of very small extent, and one person could not well engage in it without competing with others so engaged. In the case above referred to, Perkins *v.* Lyman (9 Mass., 421), the court says: "The stipulation is for the benefit of the public, for it prevents the trade from being overdone, and so profitable to none."

Judge Sedgwick, Pierce *v.* Fuller (8 Mass., 222), states very well the doctrine of the common law in regard to restraint of trade. He says all contracts "barely in restraint of trade, where no consideration is shown, are bad. But cases of a limited restraint of trade, where it appears from the special circumstances that the contract is reasonable and useful, shall be good. And the consideration must always be shown that the contract may be supported by the special circumstances which induced the making of it. But these circumstances the court must judge, and if upon them it appears to be a just and honest contract, it will be maintained." Mr. Rand, in his note to the above case, says: "In order that a contract in restraint of trade may be valid, it must be partial, reasonable, and for an adequate consideration."

In Snow *v.* Wheeler (113 Mass., 197) Colt. J., says, "In the relations existing between labor and capital the attempt by cooperation on one side to increase wages by diminishing competition, or on the other to increase the profits due to capital, is within certain limits lawful and proper." It ceases to be so when unlawful coercion is employed to control the freedom of the individual in disposing of his labor or capital, and so it was held that an agreement not to teach new hands and thereby increase the number of persons to compete with the laborer was not unlawful.

In Carew *v.* Rutherford (106 Mass., 1, 14) it is said, "It is no harm for men to associate themselves together and agree that they will not work under a certain price." I can have no doubt that in Massachusetts an agreement of workmen not to work under a certain price, or not to work more than a certain number of hours per day, and an agreement among employers not to sell their goods under a certain price, or not to produce more than a certain quantity during any fixed season, supposing in both cases the agreement to have for its object the prevention of injury to the parties making it, by the lowering of the price of what they have to dispose of and so the destruction of their business on the same hand, or the loss of employment on the other, there being no attempt at a coercion of other people by criminal or unlawful means, would be held legal and valid. The cases depend upon the same principle. Such contracts are, I think, held reasonable by the community and will be sustained by the courts. They are not artifices or conspiracies entered into for the purpose of putting the community at the mercy of speculators or monopolists, but are only a reasonable method of self-defense against methods of competition which if unchecked are likely to end in the destruction of weak and feeble concerns or individuals and the establishment of monopolies by the rich and powerful.

In Mallan *v.* May (11 M. & W., 653) and Hitchcock *v.* Coker (6 Ad. & El., 438) it is affirmed that a covenant in restraint of trade is reasonable when it does not extend further than is reasonably necessary for the protection of the business of the obligee, and is unreasonable if it does extend further than is necessary for such protection.

In Hilton *v.* Eckersley (6 El. & Bl., 47) an agreement by 18 mill owners to be governed as to wages, discipline, and general management of their works by a majority of the parties to it, including the obligation to suspend or close the works altogether when the majority should so order, was held to be in restraint of trade and could not be enforced. That decision, however, was by a majority of the court, only Justice Erle dissenting. The facts of that case are exceedingly different from those supposed here. In that case the obligors put their own freedom of the conduct of their business absolutely into the control of each other. I suppose it would not be contended anywhere that an obligation to give up business altogether, not merely for a limited extent of territory, is not a contract in restraint of trade. And the contract in Hilton against Eckersley included that obligation if a majority of the parties should so require. Even on that case Justice Erle was of opinion that the agreement and its tendency was for the advancement of trade. For the workmen by combining not to work for one master while they are supported by wages from the others might ruin each separately, and unless the masters could protect themselves more effectually than by an indictment their trade might be destroyed.

There are two New York cases in which it was held that an agreement by all the owners of boats upon the Erie Canal to charge a certain price for freights and to keep a limited number of boats, and that if any boat owner had an application for more freight than he could accommodate with his existing number of boats he was to get the freight carried on the best terms possible and pay over the profit to the association, was illegal in restraint of trade. The reason chiefly insisted upon by the court was that these public carriers were using a canal provided by the State for the public accommodation at large cost, the canal route itself having many competitors, so that this arrangement was an injury to the State and contrary to the policy which had provided the canal for the public. Some phrases of the opinion imply that the court thought the contract void, as in the general restraint of trade. In King *v.* Journeymen Tailors of Cambridge (8 Mod., 10) an indictment was held good for conspiracy by the defendants to raise their wages. This was under a statute which fixed wages and made it criminal to conspire to raise them. Chief Justice Shaw, in Commonwealth *v.* Hunt (4 Met., 122), comments on this case and says that "all the laws of the parent country which were made for the purpose of regulating the rate of wages, not being adapted to the circumstances of our colonial condition, were not adopted, used, or approved here." In Young *v.* Timmins (1 Cr. & J., 331) it is said: "A contract in partial restraint of trade is good when upon an adequate consideration." Best, chief justice, in Homer *v.* Ashford (3 Bing., 324), says of reasonable contracts in restraint of trade, supported by adequate consideration: "The effect of such contracts is to encourage rather than cramp the employment of capital in trade and the promotion of industry." Park, chief justice, in Mitchell *v.* Reynolds (1 P. Wm., 191), says: "There may happen instances where these contracts may be useful and beneficial, as to prevent a town from being overstocked with any particular trade." Story on Equity, section 293, says: "It may even be beneficial to the country that a particular place should not be overstocked with artisans or other persons engaged in a particular trade or business, or a particular trade may be promoted by being for a short period limited to a few persons, especially if it be a foreign trade recently discovered, and it can be beneficial but to a small number of adventurers." There are some ancient forms of indictment at common law for conspiracy by workmen to raise their wages, but there can be no doubt that neither in any State in this country nor in England would such indictment be now sustained. Parsons on Contracts, volume 2, page 888, says: "The rule of the law upon this subject is somewhat peculiar. So long ago as in the times of the yearbooks the courts frowned with great severity upon every contract of this kind, but after a while the excessive aversion became much mitigated. Many exceptions and qualifications were allowed. If the series of cases on this subject are critically examined and considered in connection with the temporary alterations in the law or usage in other respects, we can not but think that reason may be found for believing that the law in relation to these contracts grew out of the English law of apprenticeship, to which we have already referred. By this law, in its original severity, no person could exercise any regular trade or handicrafts except after long apprenticeship and generally a formal admission to the proper guild or company. If he had a trade, he must continue in that trade or have none. To relinquish, therefore, was to throw himself out of employment, to fall as a burden upon the community, to become a pauper. But this ancient severity of the law is apprenticeship abated, and as this severity gradually relaxed it will be seen that contracts 'in restraint of trade' were treated with less and less disfavor until the present rule became established. In the application of this rule we shall see a gradual enlargement, until in this country at least it seemed to be a little more than nominal."

Upon the whole it seems to me very clear that the agreement by each of the persons in the contract above supposed furnished an adequate consideration for the agreement of all the others. Further, it seems to me that a contract, although in partial restraint of trade, which is reasonable and reasonably limited in point of time, which has for its object merely the saving the parties from a destructive competition with each other, is not prohibited by the statute above referred to. The question whether this contract is reasonable will be for the court. I think the contract above proposed is reasonable and would be so held by the courts of the United States. No manufacture can be established in this country without the prospect of reasonable permanence. To engage in the manufacture contemplated by these parties requires an expensive plant, large outlay for machinery, materials, and supplies, and the gathering together of sufficient number of artisans skilled in this particular manufacture. It is for the interest of the public that such enterprises shall be undertaken. They will not be undertaken without a prospect of reasonable permanence in prices, and they will not be undertaken by new and small establishments in competition with old and powerful ones if they are to be exposed to what is commonly called the cutthroat or "cutting under" process. The opinion of courts, like the opinion of the rest of the community, may vary in different generations as to what is reasonable. But the question of reasonableness will be a question of law for the courts, to be determined upon all the facts and in the light of the experiences, the business habits, and the public opinion of the present time.

This being my opinion, I think the parties to the agreement above supposed would not be likely to be convicted of an offense under the statute of last year.

I am further asked whether it is likely that a prosecution will be instituted against us. This is not a question of law. The gentlemen who are concerned in this business can judge as well as I can of the probability in this regard. It is probable that at some time proceedings will be instituted which will test this question as other similar questions that may arise under the statute. Whether this business would be likely to be selected as the object of proceedings for such a test would depend upon the feeling of their customers, and possibly their business rivals would be in favor of supporting and not of overthrowing this arrangement.

I can not see any distinction in principle between a contract of workingmen not to work for less than a stipulated sum as wages and a contract of employers not to sell their product for less than a stipu-

lated sum. Both these being intended for their legitimate protection and not accompanied with any stipulation for unlawful, oppressive, or fraudulent methods, seem to me to be lawful within the policy of the law as it now exists and not to be in restraint of trade, but in advancement thereof.

My attention has been called also to the statute of the State of Missouri, approved April 2, 1891, entitled "An act providing for the punishment of pools, trusts, and conspiracies to control prices, and as to evidence and prosecution in such cases." This act can have no effect upon interstate commerce as above defined, namely, the manufacture of goods in one State to be sold and delivered in another. The jurisdiction of Congress over that subject is exclusive after Congress has acted, and no State law affecting it can have any constitutional validity. The law of Missouri is operative upon property within the State sold to be delivered there. The regulation of such sales is not within the constitutional jurisdiction of Congress. I am informed that there is a law like that of Missouri in Illinois, which I have not seen.

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Mr. WEEKS. After 20 years of trials of cases following the advice of attorneys and followed by the decisions of the courts, business has finally come to a reasonably sound conclusion, as far as the Sherman Antitrust Act is applicable. It will take as many years of doubt to determine what this law means, multiplied by the increased number of cases which will be covered by the provisions of this law as compared with those which are affected by the Sherman Antitrust Act. There are 300,000 corporations in the United States which would come under the jurisdiction of this commission; and anyone who has followed the course of the courts in the case of the Sherman Antitrust Act must be convinced that it will be many, many years before there will be even a reasonable course outlined by the courts themselves to indicate where business men may go, how far they may go, and where they must stop. All the time they will be employing expensive counsel to advise them what they may do, and the advice of counsel in many cases will be wrong, as it was in the case of Senator Hoar, to which I have referred.

There is one provision in this act to which I wish to refer particularly, and that is the one in section 8 relating to directorships in banks. We follow a directly contrary course in this country regarding directorships from that which has been evolved as a result of the experience of the rest of the world. In foreign countries with which we are in competition, where there are great industrial and business enterprises involved, it is the intent and the purpose of those who are interested in corporations or large business enterprises to obtain as directors those men whose previous experience and whose knowledge of the current conduct of business will make them safe and wise advisers. There are practically professional directors in those countries, and there is no limitation to the number of boards or the character of the boards on which such men may serve. Even the great national banks of Europe are directed by men who are almost without exception directors in other large corporations—directors in private banks, directors in joint-stock banks, directors in trust companies, directors in all the multitudinous operations in which the people of Germany and France and Great Britain are involved.

We are now providing that a man in a city having 200,000 people or more can not be a director of a national bank and a director of a State bank at the same time. There could not be a greater piece of folly, from the standpoint of sound business, than to put any such provision as that in this law. I regret that the Senate conferees did not stand by the bill as it passed the Senate; but, in any case, to limit directorships in a national bank to men who are not directors in a State bank under such conditions is going to be demoralizing and prejudicial to the best conduct of banking business in every one of the 28 cities which will come within the provisions of that paragraph.

Mr. CHILTON. Mr. President——

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from West Virginia?

Mr. WEEKS. Yes; I yield.

Mr. CHILTON. The Senator has noticed, I presume, that the provision to which he refers does not go into effect for two years?

Mr. WEEKS. Yes; but the provision is fundamentally wrong. It is not a question of when it goes into effect. It is a question of whether it is wise and sound, or unwise and unsound; and I contend that it is the latter.

State banks and trust companies in many respects conduct an entirely different kind of business from that conducted by national banks in such respects. They are supplementary to national banks. They do a trust business, a mortgage business, and various other things which are prohibited by the national banking act, so they are supplementary to national banks. But there is another and even sounder reason.

Mr. OVERMAN. Mr. President, will the Senator yield to me?

Mr. WEEKS. Certainly.

Mr. OVERMAN. There is a proviso here allowing any bank to have one trust company at the same place, which can do the very thing the Senator is talking about.

Mr. WEEKS. Yes; but if the Senator will read the provision I think he will find that in that case the trust company must be entirely owned by the stockholders of the bank.

Mr. OVERMAN. Exactly; and it can do that kind of work. Another thing to which I wish to call the Senator's attention is that while a person can be a director in only one bank in one of these cities, outside of the city he can be a director in as many banks as he pleases. It applies only to banks located in the same city.

Mr. WEEKS. Mr. President, I think I know the reason why this legislation has taken this form. There were cases, in one of the great cities of this country, especially, where certain men became directors in a considerable number of banks. I want to say frankly that I think it was carried too far, and that a provision which would prevent any such condition would be wise and salutary. If, however, the trust company or the State bank does perform the same general kind of banking which is conducted by the national bank, it is of manifest advantage to have a director of a State bank also eligible for a directorship in a national bank.

If there is any value in the examination of banks by examiners or inspectors—and I believe there is—that value is negatived by the fact that the same inspectors or examiners who examine the national bank never see the inside of the State bank. If, however, there is a man on the board of directors of the national bank who is at the same time a member of the board of directors of the State bank, so that he may give to the officers of the national bank the information which comes from his experience as a director of the State bank, then he is a more valuable director than any other that can be obtained.

You are taking that possibility away from hundreds of banks in the cities to which this legislation refers. It is injudicious and unwise, in my judgment, and I regret, as I said before, that the conferees of the Senate did not insist on leaving this provision out of the bill, although a provision which would have covered the instance which I have given would have met my approval.

Mr. President, what I particularly want to refer to in connection with this legislation is the bogy man which has been set up by almost all those who have discussed it, in the shape of the company known as the United Shoe Machinery Co. I know that in this saturnalia of crimination and recrimination and denunciation which goes on against large business combinations, large corporations called trusts, it is unusual for anybody to venture to say a word in defense of what he believes has been the building up of a great industry, which has been of benefit to all the people of this country and other countries. Yet I can not believe that in relation to this particular enterprise Senators or Representatives or the country at large has sufficient knowledge of its operations to warrant their indulging in the denunciation which has been indulged in, and in using it as a basis—as has been done in this case, in my judgment—for legislation.

It is true that the United Shoe Machinery Co. is now being proceeded against by the Government, which has asked for a dissolution of the company. That in itself should be sufficient reason, I think, why legislation should not be passed which is going to affect the operations of that company. The trial of the case has been completed; the evidence has been submitted; the arguments have been made. Incidentally, I want to say that all the evidence which has been retailed, in one form or another, before the Senate and House committees, and before the Senate itself, has been submitted to the United States courts in Boston. All of it has been passed on, and much of it has been thrown out of court, and it is now in the hands of three judges, who are writing the decision.

Under the circumstances I think Congress might well refrain from legislating in a way which is intended to affect directly that great industry until our courts have determined what course should be taken.

Not only that, but we have pending in the House legislation which very largely relates to this industry. It is a revision of the patent laws, which, in effect, is exactly what we are doing in this bill. A report has been made, and the bill is now on the House calendar dealing with this subject. I suppose, under the procedure we are now following, that some day this bill will be taken up in the Senate. When it is, it should be as thoroughly discussed as any legislation that ever has come before this body, because we have excelled in many of our industrial and business operations in this country because of our patent laws, as a result of our patent legislation; and be-

fore anything is done to destroy the effects of that legislation, the change should be given the utmost scrutiny.

I notice in the report which has been made on that bill, House bill 15989—a report which is astounding in its lack of accuracy—a paragraph which I want to read:

A monopoly of 98 or 99 per cent of the shoe-manufacturing machinery business of the United States brought about by acquirement of ownership of between seven and twelve thousand patents completely covering the shoe industry exists in the United States to-day. There is not a single shoe manufacturer in the United States able to continue in business against the pleasure of the owner of these patents, because of the power to enforce the tying and restrictive clauses based on patents and embodied in the lease contracts. This monopoly compels every shoe manufacturer in the United States using its machinery, and there are no others, to buy from it only at its arbitrarily fixed price all nails, wire, wax, and other necessities of the industry, under penalty of having his machinery ripped from his factory without notice or redress. Nobody can buy shoe-manufacturing machinery from this monopoly at any price, and because of the tying and restrictive clauses based on patents inserted in its lease contracts a monopoly of the manufacture of shoemaking machinery has been built up until to-day only 1 or 2 per cent of the shoe machinery in the United States is made by competing companies, and the machines made by these competing companies are only such machines as are not covered by patents and which can not be manufactured at a very great profit.

The Shoe Machinery Trust, by virtue of tying and restrictive clauses based on patents, under no circumstances permits its lessees to install shoe machinery obtained from a source other than itself, and as a result control of practically all of the shoe machinery in operation in the United States is retained in the patentee manufacturers. Machinery may be obtained from this monopoly by lease only. The company will not sell its machines, and its monopoly in its field is complete.

Mr. President, substantially every statement made in that report is untrue. Some of them are so far from the truth that it would seem as if the writer could not have given any investigation whatever to the facts. The entire record of the evidence of the trial of the Shoe Machinery Co., in Boston, which is now before the court, would substantiate the correctness of the statement which I have just made. But I want to refer particularly to some of the statements.

First. This record shows that even the United States abandoned the claim that the United Co. monopolizes shoe machinery generally, and claimed only that the company had a monopoly of "machines for preparing and attaching the bottoms to the uppers of boots and shoes, eyeletting machines, and clicking machines." In all other respects it abandoned the contention that there was a monopoly in shoe machinery.

I may well say at this point, Mr. President, that when the United Shoe Machinery Co. was formed it was a combination of three fundamental machines—the Goodyear Shoe Machinery Co., the McKay Shoe Machinery Co., and the McKay Lasting Machine Co.—all different in their purposes, one supplementary to the other, but not in any degree competitive. All those machines have to do with the sole of the shoe or the heel of the shoe and attaching the sole and the heel to the upper. The United Shoe Machinery Co. does not furnish the machinery which is used in making the uppers of shoes. Much of that machinery is made by the Singer Sewing Machine Co., which puts out many machines a day where the United Shoe Machinery Co. puts out one for use in the shoe-manufacturing business.

It takes more than 60 different machines to make a shoe. In some shoes as many as 185 operations are gone through, 28 of which are by hand, even in these days of machinery making. Some of that handwork has been obviated very recently by the United Shoe Machinery Co., which has spent a million dollars in developing what is called the pulling-over machine, which simply means pulling the leather over the last and tacking or fastening the leather to the sole of the shoe. It leases those machines to manufacturers on a royalty basis of three-eighths of a cent a pair.

Now, if it were necessary to buy such machines at a cost of $3,000 or $3,500, in addition to the great number of other machines which are necessary in making a shoe, it would be impossible for the smaller shoe manufacturers to purchase sufficient equipment to conduct their business. More than half of the 1,300 shoe manufacturers in the United States manufacture less than 700 pairs of shoes a day. They conduct a small business, but are able to undertake the business because they can lease machinery of the United Co.

Mr. OVERMAN. I feel curious on one point, to know what would be the cost, in making one pair of shoes, of the royalty paid for the use of these machines.

Mr. WEEKS. The highest possible machinery cost in making shoes is less than 6 cents a pair. The average is 2⅔ cents a pair. There are some grades of shoes where the cost is less than 1 cent a pair. On all the McKay shoes, not Goodyear shoes, manufactured in this country the machinery cost averages 1½ cents a pair. It is the only element entering into the manufacture of shoes which has not increased in cost since the organization of the United Shoe Machinery Co. in 1899.

Mr. BORAH. The Senator from North Carolina asked the Senator what would be the royalty derived for making a pair of shoes by those who own the machines. Is that the way the Senator understood the question?

Mr. WEEKS. I understand that it is less than 6 cents a pair.

Mr. LIPPITT. If the Senator will yield to me a moment, does he mean by machinery cost the royalty cost?

Mr. WEEKS. The royalty cost.

Mr. LIPPITT. The price of the royalty?

Mr. WEEKS. The price of the royalty.

Mr. WEST. I thought the Senator said it was a cent and a half.

Mr. WEEKS. I said the highest possible cost is less than 6 cents a pair, and that in the McKay shoe the average machinery cost is 1½ cents a pair, and of all the shoes made by machinery in this country, 300,000,000 pair, the average machinery cost is 2⅔ cents a pair.

Mr. MARTINE of New Jersey. I should like to ask the Senator how the other cost for a pair of shoes is made up. In material——

Mr. WEEKS. The other cost is made up in material, overhead cost, labor cost. The labor cost of making a pair of shoes is 22 per cent of the total cost.

Mr. MARTINE of New Jersey. But the machine takes the place of the former individual labor.

Mr. WEEKS. Oh, no; the Senator has not investigated the subject. The actual labor cost of making shoes is 22 per cent to-day. It is 22 per cent of the cost of the shoe, in addition to which the machinery cost may be from two-thirds of a cent a pair to 6 cents a pair.

Mr. MARTINE of New Jersey. Even admitting that fact, it would seem that we are paying to somebody an inordinate price for shoes.

Mr. WEEKS. The average profit made by shoe manufacturers in the United States on all shoes sold is less than 7 cents a pair. Take shoes like those the Senator is probably wearing now. I presume that he paid $5, the retail price.

Mr. MARTINE of New Jersey. The Senator is about right.

Mr. WEEKS. The cost of those shoes was about $3 a pair to the manufacturer—probably $2.75, but call it $3 a pair. Of that cost 66 cents, or 22 per cent, went to labor; and of that cost not over 4½, probably not over 4, cents a pair was machinery cost.

Mr. MARTINE of New Jersey. I know this fact. I have come in contact with a good many of the unfortunate and lowly in my walks in life, and I have come in contact with many of those who are making shoes and who have a pegging machine, a lasting machine, or whatever else. I have talked with a number of them, and they all of them rebel that they can not own their machines. I can not recall an instance where they have not rebelled at the thought that they had to hire the machines. I recall a German who said in his broken tongue that he felt when he had really to pay his money that he should have the right to own his machine and not be restricted to buy his thread, his wax, his pegs, and God knows what—all that went into a shoe—from the company that leased these machines. I heard his tale.

Then I have heard the tale of a very distinguished and delightful gentleman whose name is Barbour, of the Barbour flax thread that enters into shoes. I happen to know Mr. Barbour, who is a multimillionaire, a fine type of a fellow, who had an ambition to run for Congress once in New Jersey. He lives in Paterson. But he was annihilated in the contest for votes. It was Mr. Barbour's idea that it was a great blessing for the shoe man that he could not buy his machines, that he had to lease them; and, by the way, he is largely in the Shoe Machinery Co.

Now, there were two sides; one was the poor devil who was using the machine, the other was the millionaire who was getting a profit out of it. They viewed it through different lenses. It does seem to me that there ought to be some way to get together. I do not know that it is unfortunate to be a shoemaker, but they work hard and long and get but little compensation. It does seem to me that there should be some way whereby the man who owns these privileges and patent rights should be reasonably satisfied and that the fellow who sits bending over his last at the tiresome task of making shoes the day long should have the right to own that which he was quite willing to pay for. I think it is an awful evil.

I happen to know this gentleman, Mr. Barbour, that I speak of. He is a multimillionaire, as I said, a fine, genial gentleman, a very good, loyal friend; and I know other poor men

with whom I come in contact, and I very often ask myself, in God's name, is there not some way by which these two ends may be reasonably and yet fairly satisfied?

Mr. WEEKS. Has the Senator finished?

Mr. MARTINE of New Jersey. Yes, sir.

Mr. WEEKS. I do not know anyone who could make a more tearful plea for the manufacturer than the Senator has just made, but if he will take the trouble to examine the record of the hearings before the Judiciary Committee of the House or the Interstate Commerce Committee of the Senate, he will not find a single word from a manufacturer of shoes who manufactures less than 10,000 pair a day protesting against this process which he is now criticizing, and I will say to the Senator, if this legislation takes effect, instead of having 1,300 shoe manufacturers in the United States, some of them—the little fellows he is speaking of—will be eliminated, so that we will have a monopoly in the shoe-manufacturing business, something that would be a thousand times worse than that complained of in the case of machinery. Attempts are being made now—and I intend to show, before I get through, the animus of this attack on the United Shoe Machinery Co.—for attempts are being made by those who manufacture on a large scale to break down this system so that they may get their machines on different terms from those made to the smaller men, so that they may control the manufacture of shoes in this country.

Mr. MARTINE of New Jersey. Mr. President——

The PRESIDING OFFICER (Mr. THORNTON in the chair). Does the Senator from Massachusetts yield to the Senator from New Jersey?

Mr. WEEKS. I always yield to the Senator.

Mr. MARTINE of New Jersey. I do not speak with any desire to be bitter or to be unjust or unfair toward these men.

Mr. WEEKS. I understand the Senator.

Mr. MARTINE of New Jersey. As I said, the gentleman whose name I mentioned I know very well. He is a most companionable and delightful citizen. But I speak from the humanitarian side. My sympathies are very quickly and very easily reached. Perhaps some of my fellows here have discovered it. My heart has ached under the present situation. It has seemed to me that with the wonders of our progress and our intelligence and our ingenuity we should devise a plan somehow soon, whereby both these men might meet on fair ground, with ample and reasonable compensation and justice to both.

Mr. WEEKS. Mr. President, the Senator's heart will not ache for the particular individuals to whom he is referring if this legislation goes into effect, because they will be out of business. They could not continue business if they had to buy the more than 60 machines that are used in manufacturing shoes. Some of those machines cost a thousand dollars apiece. I referred to the pulling-over machine which would have to be sold at $3,500 apiece. The very fact that these machines are leased on a fair basis, I think, enables the smallest man to start a shoe-manufacturing business, and that is the reason why the industry is so thoroughly distributed in the United States to-day. As I have said, more than half the manufacturers manufacture less than 700 pairs a day.

Mr. OVERMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from North Carolina?

Mr. WEEKS. Very gladly.

Mr. OVERMAN. The Senator from Missouri [Mr. REED] contends that the teeth have been extracted from this measure. I understand the Senator from Massachusetts to say if it goes into effect there will be a monopoly of shoe machinery.

Mr. WEEKS. I wish to frankly say that I do not expect to influence anyone by what I am saying. The United Machinery Co. is a Massachusetts corporation. It employs something like 3,000 to 4,000 men. It pays them the highest average pay paid to any similar number of employees in any industry in the United States or in the world. I am interested that such an enterprise shall be fairly represented on the floor of the Senate, and it is for that reason that I am trying to explain to the Senate and trying to put in the RECORD what the United Shoe Machinery Co. is, what it has done or is doing, and I am trying to point out that it is not the reprehensible corporation which it has been held to be in the discussions which have taken place.

Mr. WEST. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Georgia?

Mr. WEEKS. Gladly.

Mr. WEST. Before the Senator from Massachusetts drifts away from that part of the subject in reference to the making of shoes, he said a few minutes ago that it took 66 cents to pay for the labor and there was a payment of 4 cents on the machinery.

Mr. WEEKS. I said for such a shoe as would retail at $5.

Mr. WEST. I wear a pair of shoes bought in this city for which I paid $6. I am curious to know where the balance of that $6 goes; 70 cents goes to the machinery and the labor; where the balance of it goes is what I am curious to know. Of course there is some part of the cost in the material.

Mr. LIPPITT. Will the Senator yield to me? Before answering that question perhaps the Senator will state what the wholesale price is of the shoe that retails at $6.

Mr. WEEKS. I will. Of course I am not attempting to give accurate figures, because they will vary with varying cases; but the labor cost is about, as I said, 22 per cent of the cost. The other costs to the manufacturer are the cost of his material, the overhead charges, and all the expenses that go to make up the cost in any manufacturing establishment; but in the case of a shoe that would sell at four dollars and a half, we will say, the cost of manufacture would be about two dollars and a half.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Missouri?

Mr. WEEKS. Just let me finish this sentence, please. It would be about two dollars and a half, possibly two dollars and seventy-five cents. The wholesaler would make, perhaps, 5 cents a pair, certainly not over 10 cents, and probably, ordinarily, not over 5 cents. It costs about 33 per cent of the selling price of shoes to retail them. Therefore, if you take a shoe selling at $4.50, 33 per cent of that would be $1.50, which would be the cost of retailing. The retailer may make 10, 15, or 20 cents a pair profit; the wholesaler may make 5 cents a pair on shoes costing the manufacturer $2.70 a pair. The average profit which the manufacturer makes on all the shoes made in the United States, as I said before, is about 7 cents a pair. I yield to the Senator from Missouri.

Mr. REED. The royalty collected by this shoe machinery company may run as high as 6 cents a pair.

Mr. WEEKS. It may run as high as 6 cents a pair.

Mr. REED. So the royalty collected by this one company may be almost equivalent to the profits of the manufacturer who has taken all the chances of the business and who has done all the work of producing the shoe.

Mr. WEEKS. That may be the case, but the Senator——

Mr. REED. Does the Senator think——

Mr. WEEKS. Just a moment. The Senator will recall that in the McKay shoe the average royalty is 1½ cents a pair, and there are more McKay shoes made than all the others put together, and that the average royalty paid for all shoes is only 2⅜ cents a pair.

Mr. REED. The Senator spoke about the organization of these three companies into one company, which is now the United Shoe Machinery Co. Does the Senator know the name of the attorney who worked out the legal problems of that consolidation?

Mr. WEEKS. I presume that there was more than one attorney engaged in doing it. One of the attorneys, who was for a long time a director of the company and who, I have understood, drew the leases which have been in operation ever since, was Mr. Brandeis.

Mr. REED. That is Mr. Louis D. Brandeis?

Mr. WEEKS. Yes.

Mr. REED. The reformer. I understand the Senator to say that he understood Mr. Brandeis had also drawn the leases which this company has been using?

Mr. WEEKS. I have been informed that Mr. Brandeis drew the original leases which the shoe machinery company used and which they are using to-day substantially as they were originally drawn.

Mr. REED. The Senator spoke this morning of the allegations upon which the Government is now standing in the suit against the Shoe Machinery Trust, and therefore I conclude he must be familiar with that litigation. I want to ask him if it is not a fact that one of the main allegations in the Government's suit is that these contracts which the Senator says were drawn by Mr. Brandeis are violative of the Sherman Act?

Mr. WEEKS. The Government's contention has been modified very materially since it was originally made, but the Government is contending that the United Shoe Machinery Co. is a monopoly, and has brought suit to dissolve the monopoly.

Mr. REED. I want to call attention, if I am not interrupting the Senator against his will——

Mr. WEEKS. Not at all; I am glad to yield.

Mr. REED. I call the Senator's attention to the seventh section of one of those contracts made the 3d day of August, 1910, between the United Shoe Machinery Co. and the Commonwealth Shoe & Leather Co. Section 7 reads as follows:

7. If at any time the lessee shall fail or cease to use exclusively welt sewing and outsole stitching machinery held by him under lease from the lessor, in the manufacture of all "welted" boots, shoes, or other footwear made by or for him, the welts or soles of which are sewed by the aid of machinery, or shall fail or cease to use exclusively turn sewing machinery held by him under lease from the lessor in the manufacture of all "turn" boots, shoes, or other footwear, the soles of which are sewed by the aid of machinery, the lessor, although it may have waived or ignored prior instances of such failure or cessation, may at its option terminate forthwith by notice in writing this lease and license and any other lease or license of "Goodyear department" machinery then existing between the lessor and the lessee, whether as the result of assignment to the lessor or otherwise; and the possession of and full right to and control of all the leased machinery and all "Goodyear department" machinery held by the lessee under lease or license from the lessor or its assignor shall thereupon revest in the lessor free from all claims and demands whatsoever.

I understand that to be what is commonly known as the tying clause of these contracts. I understand that that tying clause is the work of the legal ingenuity of Mr. Brandeis. If I am able to interpret it, it vests in this company the power to take out of any factory machinery obtained from it which it has heretofore used or which it is now using; that no matter how long the lease may run under its terms, no matter what the conditions of the sale may have been, there is vested in this shoe machinery company the right to enter the premises where the machinery is installed and take it out if the lessor ventures to use any one of these machines that are named which was not obtained from this company. I want to ask the Senator if those facts do not constitute one of the main grounds of the attack by the Government to-day in its suit?

Mr. WEEKS. Mr President, that is one of the grounds.

Mr. REED. I want to ask the Senator if that system were to be extended and generally employed by those who may possess some patented article of great value if it is not possible under it for the owner of a patented article to practically establish a monopoly not only over the patented article, but over a great number of machines which he may manufacture.

Mr. WEEKS. Mr. President, as a definite statement I think the Senator is correct, but there are modifications which would apply to the United Shoe Machinery Co. which I will, when I have an opportunity, indicate to the Senate.

Mr. REED. The Senator has stated that Mr. Brandeis drew this contract. I want to ask the Senator if this particular form of contract was not attacked in the Legislature of Massachusetts and some legislation attempted to make it impossible to make this kind of a contract?

Mr. WEEKS. It was, Mr. President.

Mr. REED. Does the Senator know who at that time was representing the Shoe Machinery Co. in resisting that legislation?

Mr. WEEKS. The information I have on that subject is contained in a letter which I have before me, which was included in the hearings before the Committee on Patents of the House of Representatives. A letter written by Mr. Coolidge, treasurer of the United Shoe Machinery Co., to Hon. CALVIN D. PAIGE, who represents the fourth district of Massachusetts, who was a member of that committee, in which he says, speaking of Mr. Brandeis:

Mr. Brandeis helped to organize the United Shoe Machinery Co. Prior to 1899 he was a director of the McKay Shoe Machinery Co., one of the three noncompeting concerns from which our company was formed. He was one of the first directors of the United Shoe Machinery Co. and one of its legal advisers, and as a lawyer he helped to draft the leases which he now denounces. Assuming that he felt then as he says he feels now—that the director of a company occupies a fiduciary relation to its stockholders—he must have believed himself responsible for the character of our leases, even if he had not helped to draw them; yet throughout his association with our company he never criticized them, and in 1906 he appeared before the Massachusetts Legislature to defend the very methods which he now attacks.

And later in that letter Mr. Coolidge says, speaking of an opinion by him to Charles H. Jones, his client. In this published opinion he assured Mr. Jones—this is the quotation:

The leases being invalid, you can not be liable for failure to perform.

Mr. REED. I wish to ask, after the Massachusetts Legislature passed the bill which restricted the right to make leases of this character, whether the Senator knows who it was who devised the plan to escape the effect of that law, the plan being to simply add a clause giving a right to terminate the lease—the clause, indeed, that I read a moment ago, and under which the proprietor of the machinery or lessor of the machinery can go into a man's factory the moment he puts in a machine that he did not make and take out all the machines there are there and close down his business and ruin him? I wish to ask if the Senator knows whether Mr. Brandeis devised that means of meeting the statute of Massachusetts?

Mr. WEEKS. No, Mr. President; I have not any information on that subject.

Mr. REED. I want to ask the Senator, if I am not too much trespassing upon his time, if he knows who it was who first introduced into the House of Representatives a bill containing what is now substantially section 5 of the Trade Commission bill, section 5 being the provision that "all unfair competition is hereby declared to be unlawful"?

Mr. WEEKS. Mr. President, I do not recall who introduced it.

Mr. REED. I will say to the Senator that that bill was introduced by Representative STEVENS of New Hampshire. Representative STEVENS of New Hampshire also introduced at about the same time House bill 13305, entitled "A bill to prevent discrimination in prices and to provide for publicity of prices to dealers and to the public," a clause of which reads as follows:

That in any contract for the sale of articles of commerce to any dealer, wholesale or retail, by any producer, grower, manufacturer, or owner thereof, under trade-mark or special brand, hereinafter referred to as the "vendor," it shall be lawful for such vendor, whenever the contract constitutes a transaction of commerce among the several States * * * to prescribe the sole uniform price at which each article covered by such contract may be resold.

Then follow some qualifying provisions.

I want to ask the Senator from Massachusetts if he does not know that that bill was introduced at the request of the American Fair Trade League, and that Mr. Ingersoll, the president of the Ingersoll Watch Co., is the president of the American Fair Trade League; and if he does not also know that Mr. Brandeis is his attorney?

Mr. WEEKS. I have not any information on that subject.

Mr. REED. Well, evidently I have gotten into a field that the Senator from Massachusetts has not been over.

Mr. WEEKS. I have no information at all on the subject.

Mr. REED. The Senator from Massachusetts has stated that Mr. Brandeis did draw the contracts of the Shoe Machinery Trust. Does the Senator know at what time Mr. Brandeis severed his connection with that concern as attorney or officer?

Mr. WEEKS. Mr. President, in that particular I have quoted what is a part of the public record in relation to Mr. Brandeis's association with the organization. As an attorney for the United Shoe Co. in 1906 he did appear for the company before the legislature. Since that time he has been employed by others than the Shoe Machinery Co., and he has publicly attacked the laws which he is supposed to have had a very potent hand in drawing.

Mr. REED. Does the Senator from Massachusetts know whether Mr. Brandeis had anything to do with instigating the litigation that is now pending and furnishing information?

Mr. WEEKS. I have no definite details, Mr. President, but Mr. Brandeis has represented those who have been very active in attacking the Shoe Machinery Co., particularly Mr. Charles H. Jones, of the Commonwealth Shoe Co. of Massachusetts.

Some time ago, Mr. President, I was referring to a report which had been made by the Committee on Patents relating to this subject, and I indicated that, in my judgment, there was no statement in that report which was accurate; that some of the statements were very far from having any basis; and that the records of the United States court in Boston would bear out the truth of my contention. Now I am going on to read some of the replies to the statements made in the report from which I have read:

The record shows—

That is, the record of the United States court—

without contradiction, that of the 1,300 to 1,500 shoe manufacturers of the United States, the United Co. leases machines to not more than 1,033, and to many of these it leases only one or two machines of the hundreds which they use.

Incidentally, and perhaps properly to be referred to at this time, one of those who have attacked the United Shoe Machinery Co. for years is Mr. Richard H. Long, of Framingham, Mass., a shoe-machinery manufacturer and a shoe manufacturer. Mr. Long manufactures what is known as the Waldorf shoe, a shoe well known in the trade, which he sells through his own stores. Mr. Long has not to-day, and he has not had for years, a single machine in his factory put out by the United Shoe Machinery Co.; all of his machines are machines of his own manufacture or of the manufacture of some other than the United Shoe Machinery Co.

The reason why manufacturers use the machinery of the United Shoe Machinery Co. is because it is the best machinery; it is a test of efficiency, pure and simple; it is not a question of a lease or of a tying clause or of a sale or of anything of that kind.

The United Shoe Machinery Co. puts out something like 300 different machines. Most of those machines may be purchased or leased, at the option of the user. It is only the three fundamental machines relating to those parts of the shoe to which I have previously referred which are leased, and only leased.

I want to say now, for fear that I may overlook it, that not only are these machines leased to every manufacturer in the United States, large and small, East and West, North and South, on exactly the same terms, but they are leased to every manufacturer in Europe who uses the machines on exactly the same terms. The United Shoe Machinery Co. manufactures machines in England, in France, and in Germany, and it leases to the foreign manufacturer those machines which are manufactured where the labor cost is hardly more than one-third of what is the labor cost in the United States on exactly the same terms the lease is made in this country.

I think I ought to say here that one reason why we dominate—and it is the main reason—the shoe-manufacturing business not only of this country, but of the world, is because of the perfection of the machinery which has been developed by this company. I have any amount of testimony here from manufacturers—and Senators can find it in the reports to which I have referred—relative to the excellence of this machinery. We not only provide ourselves with shoes in this country, but we are exporting shoes—a very unusual thing for us to do under the tariff conditions which obtain—because we make them in this country to fit the foot. We have developed the last and machinery to such perfection that we are able to furnish any shaped foot with a shoe. Senators will recall that 20 years ago when they bought a ready-made shoe they almost invariably had to break it in at considerable pain and trouble. Now you can go into any 1 of 20 shoe stores down here on Pennsylvania Avenue and the salesman will fit your foot with a shoe, so that you walk off with as much comfort as if you had worn it for a month. That is due not only to the perfection of the lasts, which we have developed in this country, but to the perfection of the machinery in making the shoe, and very largely to the Goodyear welt, which is the best form of shoe we have developed and of which there are made in this country probably twenty times as many as there were when the United Shoe Machinery Co. was formed 15 years ago.

Now, to proceed with the answers to the statement in this report of the House Committee on Patents:

Second. The record shows without contradiction that of the 1,300 to 1,500 shoe manufacturers of the United States the United Co. leases machines to not more than 1,033, and to many of these it leases only one or two machines of the hundreds which they use.

Third. The record shows that the United Co. offers to all manufacturers leases of its leased machines without any tying clauses whatever. The tying clauses are used at the option of the shoe manufacturer in connection with wholesale and cheaper methods of obtaining the use of the company's machines. Where he takes the leases with the tying clauses in them, he does so because he prefers those leases.

Fourth. The company requires manufacturers to buy nails or wire or eyelets of it only when they lease machines, the entire payment for the use of which is comprised in the price charged for the nails or wire or eyelets. The company does not require wax or any other necessities of the industry to be bought of it, either "under penalty of having machinery ripped from the factory without notice" or any other penalty.

There is a reason for buying nails and wire of a standard quality. A machine works well when the material with which it has to work is of the highest standard, but it may work badly if the material furnished for that purpose is of low standard. Knowing the standard of this product, in order to assure that the machines of this company will work satisfactorily, as they should work and do work, it has been considered advisable and desirable that the manufacturers using the machines should buy the nails and wire of this company at the price at which they would be purchased in the open market.

Fifth. The record shows that the company sells outright to all customers at uniform prices 170 different types of machines, or considerably more than half of the various kinds it manufactures.

Sixth. The record abounds in testimony from shoe manufacturers that the company has never interfered with their obtaining machines of other manufacturers and using them side by side with machines obtained from the United Co.

I want Senators to remember that I am reading from the record of the trial of this case in the United States court in Boston. I read further:

All the machines for stitching the uppers of shoes in every factory in the United States are obtained from manufacturers other than the United Co. Even the United States made no claim that the United Co. had a monopoly of machines for stitching the uppers of shoes.

It is unnecessary in detail to further refute the assertions made. The record in the case mentioned is a complete answer to them. The files of the Commerce Department of the United States show by the reports of its consular and other agents that the United States leads the world in the variety and excellence of its shoe machinery, and this result has been accomplished by the efforts of the United Co.

There probably has not been a year since the organization of that company that at least $500,000 has not been spent in developing machinery; and when the United Shoe Machinery Co. develops a new machine or an improvement on an old machine, it takes out the old machine and puts in the new one without any cost to the manufacturer, so that the manufacturer has the benefit of up-to-date machinery all the time. If Senators could go back to conditions which existed before 1899, before the organization of this company, and understand under what restrictions the shoe business was carried on on account of machinery then used, they would the better appreciate and value what this company has been to the industry. For instance, every manufacturer of shoes wishes to have as modern and up-to-date machinery as can be obtained. He would buy a machine which seemed to be all right which was so represented, but it had not been thoroughly tested, and as a result it would buck. It was necessary for the manufacturer to keep at hand a skilled mechanic all the time to make the necessary renewals and repairs. Under these conditions frequently such machines had to be taken out after they had done an amount of poor work, which would affect adversely the business of the manufacturer in addition to the actual loss involved.

The machines of the United Shoe Machinery Co. are thoroughly tried out before they are put in, and the Shoe Machinery Co. employs men, available at all times, to keep the machines in order, without any cost to the manufacturer except the cost of spare parts where new parts are needed. That policy is not only a benefit to the manufacturer, but it is of special benefit to the shoe workmen.

I have myself talked time and again with the employees of shoe factories in Massachusetts about the results obtained from this manner of conducting the business, and I never have seen a man who has not stated to me, "We get better results under the conditions to-day than we did in the old days when the machines were breaking down." "Why?" "Because frequently a machine would break down under those old conditions and the manufacturer would have to send for an expert to repair the machine and we would be laid off for half a day, sometimes for a day, before the machine would be ready to go on with its work. Now in 15 or 20 minutes, in any large shoe-manufacturing center, an expert can be obtained who makes the machine workable, so that the workmen can complete a day's work each day within reasonable hours."

Now, let me point out to you how it is a benefit to the small manufacturer. The extract which I will read is only one of hundreds of such from small manufacturers relating to this industry. It is written by Mr. R. O. Green, of Fort Dodge, Iowa, in which he refers to the advantages in very definite terms and denies the truth of many statements that have been made concerning the Shoe Machinery Co. Mr. Green says:

Now, as to any presumed extortion from the consuming public. What would be the result if we were operating under old conditions? Several different machines for doing the same operations would be on the market, some good, some bad, and some quite indifferent, but none of them with the efficiency of the machines in operation now, because the United Shoe Machinery Co. do not put out machines until they have been thoroughly tested and found absolutely perfect in their operation.

This is necessary from every point of economy, because their revenue depends upon the perfect and constant working of the machines, as most of the royalty is paid so much per pair. The shoe manufacturer is not a machinist. When, under old conditions, he bought a machine he had to buy it outright and take his chances on its doing the work as represented by the company selling, and also take his chances on an improvement being made at any time which would make his machinery worthless. He would have to employ an expert machinist, competent to take care of all his machines, which could hardly be done, for the United Shoe Machinery Co. people find they have to and do employ separate machinists for each system of machines. If such a machinist could be employed, he would be a very high-priced man, and the ordinary manufacturer could not afford to pay the price, and if they did they would have to add the extra cost to the cost of the shoe. So, taking the expense incurred by depreciating machinery, which would be constantly occurring in large degree, other than ordinary wear and tear on account of continual supposed improvement, together with the large expense of employing at high salaries expert machinists to take care of and keep in repair the machines, the cost per pair over what it now costs would conservatively amount to four or five times as much as the present royalty system involves. What would be the result? Every small concern, and, in fact, every concern except the very largest, would be forced out of business, because they would not have capital enough to keep up their machinery account and employ the high-priced experts to take care of it, and we would have a shoe manufacturers' trust far more formidable and costly to the consumers than under present conditions. The fact is that under the admirable organization of the United Shoe Machinery Co. the industry of shoe manufacturing is stimulated, so that any energetic, capable person with a little money can go into the shoe-manufacturing business.

I will not quote further, but there is much more to the same general purport in the letter.

I have here a statement made by Hon. James M. Curley, the present Democratic mayor of Boston. I presume Mr. Curley, before he had investigated, might have had in his own mind some doubt about the value of the policy which was being carried on by this company, but it seems that last summer he made an investigation, and I quote from a statement which he

made which was published in the Boston papers. Mr. Curley said:

I sincerely wish that it were possible that every public man, especially our State and National officials, visit this industrial institution that they might grasp at first hand the grand work that the United Shoe Machinery Co. is striving to do, that the benefits it affords its home community, the State, and eventually the Nation might be comprehended. The policy of the State and National Governments would no longer persevere in the channels recently chosen, secondhand information would no longer be accepted in substitution for facts, bitter and unfounded attacks would be constituted a crime. The Government instead would throw about beneficent companies of this character a protecting arm, warding it from abuse, suits, and legal entanglements which it now places in its path, that its energies be allowed to develop and be conserved for larger and more highly efficient industry.

Look about you. New England cities and towns are dotted with shoe factories owned by whom? By the young men of New England, small manufacturers who have prospered and developed under the liberal policy of the United Shoe Machinery Co., and to-day many of them are beyond the state of immediate financial worry. Young men, and in New England there are hundreds of them, who have nothing to offer this company as security but brains, energy, perseverance, and an expert talent for making good shoes, have by the policy pursued by this company become successful manufacturers, grown and fostered by the United Shoe Machinery Co.

There is more of it, but that is an indication of what the mayor of Boston said after he had made an examination of the premises and the manner of conducting the company's business.

Mr. President, what is the incentive for this legislation? Who has been creating the public sentiment which has apparently brought this company into such disfavor with legislators and in other ways? Why, it is none other than those who want to break down the policy which this company has been following in order that they may profit thereby. It is not the small manufacturer, for he has profited by their policy; but it is the large company that wants to break down that policy so that it may buy its machines on better terms than the small company can do, at wholesale prices, so to speak, for it knows that the little fellow can not raise the capital to buy the machines, and as a result the business would become concentrated. There is no doubt this would be the result if this bill becomes a law and the United Co. is compelled to change its method of doing business.

My friend the junior Senator from Missouri [Mr. REED] put into the RECORD yesterday a telegram from the International Shoe Co., of that State, and also a telegram from John C. Roberts, commending him for what he was doing in connection with this legislation, and showing a particular leaning against the United Shoe Machinery Co. As those telegrams are in the RECORD, I will not read them now; but I want to say, before I overlook it, that Mr. John C. Roberts, who was referred to as the editor or the owner or the manager of the St. Louis Star, is one of the firm of Roberts, Rand & Johnson, shoe manufacturers of St. Louis, which is now a part of the International Shoe Co.; and, therefore, when a telegram is printed here from the International Shoe Co., it may be presumed that it is from Mr. Roberts as well, so no additional weight can be given to the telegram, which has been printed in the RECORD from Mr. Roberts.

What is the International Shoe Co.? This company has an authorized capital of $25,000,000 and an issued capital of $21,000,000. They have the largest capacity of any shoe manufacturing concern in the world—over 50,000 pairs of shoes a day. There are very few concerns in the United States which have a capacity of 10,000 pairs a day. Of the 1,300 shoe-manufacturing concerns in the United States, the United Shoe Machinery Co., as I have stated, leases machines to about 1,000, and to many of these it leases only one or two machines of the hundreds which are used. Of the 1,000 shoe-manufacturing concerns in the United States which get machines from the United Co., 750 make less than 500 pairs a day. In other words, the International Shoe Co. has a capacity which is more than the equivalent of 100 of these smaller concerns, and these smaller concerns, almost without exception, are partnerships or individually owned. There are very few corporations engaged in the shoe-manufacturing business which have a capacity of 5,000 pairs a day.

The International Shoe Co. comes nearer than any other concern in the world to being a shoe trust, and it is constantly reaching out for more. The only thing that stands in its way is the United Shoe Machinery Co., and that, in my judgment, accounts for its animus against that company. Its methods of doing business, enabling the small manufacturer to get this machinery on the same terms as the larger company, prevents the International Co. from extending its operations indefinitely, as it otherwise would do.

The value of the different concerns which went to make up the consolidation now called the International Shoe Co. at the time the consolidation was made was about eight and a half million dollars, or one-third of the authorized capitalization of the combination.

I am simply giving this information because I want Senators to have clearly in their minds some of the animus behind this attack on the shoe machinery company.

The International Shoe Co. is, in the amount of its authorized capital, two-thirds as large as the United Shoe Machinery Co., which is being attacked. It was formed by the combination of many concerns, most of which were originally in competition with one another, selling their shoes in the South and Southwest. The combination now includes 11 formerly independent concerns and controls 21 factories in Missouri and Illinois. The nucleus of the combination was the firm of Roberts, Johnson & Rand, of St. Louis, which had developed a large business from a small beginning while using the United Shoe Machinery Co.'s machines on the very terms which they now denounce as oppressive and tyrannical.

They never had made shoes at all until after the organization of the United Co. The Roberts, Johnson & Rand Shoe Co.'s first attempt at monopolizing the southwestern shoe business was early in 1911, when they tried to effect a combination of the four largest shoe-manufacturing concerns in St. Louis, known at that time as the "big four"—the Roberts, Johnson & Rand Shoe Co., the Hamilton-Brown Shoe Co., the Brown Shoe Co., and the Peters Shoe Co. These concerns at that time did a business of about $80,000,000 a year. Prior to that time the Roberts, Johnson & Rand Shoe Co. had taken over the plants of three independent companies—the Jerseyville Shoe Co., of Jerseyville, Ill.; the Star Shoe Co., of Hannibal, Mo.; and the Desnoyers Shoe Co., of Springfield, Ill. Hamilton-Brown and the Brown Shoe Co. preferred to remain independent; but in December, 1911, the International Shoe Co. was organized, taking over the business of the Roberts, Johnson & Rand Shoe Co. and the Peters Shoe Co. This gave them the control of 16 factories, 2 of which were in the State of Illinois and 14 in the State of Missouri. Ten of these had been managed by the Roberts, Johnson & Rand Shoe Co. and 6 by the Peters Shoe Co.

December 10, 1912, the International Co. took over the business of the Friedman-Shelby Shoe Co., who were then operating five shoe factories in Missouri. The Friedman-Shelby Co. was itself a combination, having taken over three independent plants—the Morris Bros. Shoe Co., of Mexico, Mo., in October, 1907; the Giesecke Boot & Shoe Manufacturing Co., of Jefferson City, Mo., in January, 1910; and the Giesecke-D'Oench-Hays Shoe Co., of St. Louis, in January, 1910.

On August 1, 1913, the International Co. took over the business of the Sterling Shoe Co., in Belleville, Ill.

In July, 1912, after the retirement from business of the Monnig Shoe Co., the International Co. obtained possession of that plant in Marshall, Mo.

It is not necessary for me to discuss any other phase of this attack on the United Shoe Machinery Co., as applied to large companies, than simply to give the details which I have given of the organization of the International Shoe Co. It in itself, as far as it can be, is a combination intended to dominate the shoe-manufacturing business in the section of the South and Southwest which is tributary to its factories; and, as far as it has been able to do it, it has done so, so that to-day it is the largest shoe-manufacturing concern in the world. All of the attacks—and the records bear me out in this statement—that are made on the United Shoe Machinery Co. are made by concerns similar to the International Shoe Co., big people doing a large business, who want to get their machines at wholesale prices and under such conditions that the small manufacturer can not buy them. That is the animus behind this whole attack.

Mr. President, I do not desire to delay the Senate any longer in a discussion of this subject, except to read from a statement made by Mr. Frederick P. Fish, the great patent lawyer of Boston, one of the leading lawyers of the United States, in an argument which he made to the court in closing the case which the Government brought against the United Shoe Machinery Co., and I read it because it states in very definite terms the value of this company to shoe manufacturing. He has been discussing the reason for the attacks made on the company, and continues by saying—

And why? Simply because this defendant company has succeeded in doing what the public wanted; that is, in giving the best possible shoe machines, in organizing absolutely and radically new methods of dealing with and promoting the interests of its customers, in establishing new relations with them that were not foreshadowed, and which are not imitated to-day in any other business, in accordance with which this United Shoe Machinery Co. is the engineer for the shoe manufacturers; it is the organizer for the shoe manufacturers; it tells them how to lay out their shops; it tells them how to do their business; it trains their help; and it finances them to the full extent of the machinery which it supplies. Thirty-five million dollars of the property of the shoe-machinery company is in the hands of these shoe manu-

facturers. It finances them, as I say, to that extent. It keeps those machines in repair, so that the shoe manufacturers have no question of maintenance, no cost of maintenance to deal with. It in every way looks after their interests. It sees that information calculated to make the operation of the machinery more effective is collected and disseminated throughout the factories. It makes it possible for them to avoid that tremendous difficulty that is in the way of every manufacturer, of knowing what his costs are as far as his machinery is concerned, for there is no question of cost, no question of depreciation. The shoe manufacturers who deal with our company do not have to be on the watch to get the best possible machines. They know that the defendant will supply them with the best. They run no danger of making mistakes in their machinery. Everything is tested out to perfection before it comes to them. They know that their machinery is the best in the world, and that if better is devised they will surely have it.

I want to emphasize that by saying that when an improvement on a machine is made by the United Co., it takes out the old machine and puts in the new one without any cost to the manufacturer.

There is nothing for them to look after except the question of labor, the purchase of material, the design of their goods, and selling them. And there is, as I say, no business in the world which even imitates that of the defendant in these respects.

Mr. President, as I stated in the beginning, I have engaged in this desultory discussion of the business conducted by the United Shoe Machinery Co. because I do not believe the people of this country appreciate what is being done in the legislation which we are about to put on the statute books. Nobody knows what the result is going to be; but in a case of this kind, in an attempt to destroy what is termed a monopoly, which the courts are passing on or will pass on, we are going to do the very thing which will create a monopoly of the shoe-manufacturing business of this country as surely as the sun rises. That possibility should cause some halt to the endeavors to put this legislation on the statute books.

Mr. TOWNSEND. Mr. President——

The PRESIDING OFFICER (Mr. JONES in the chair). Does the Senator from Massachusetts yield to the Senator from Michigan?

Mr. WEEKS. I do.

Mr. TOWNSEND. Before the Senator from Massachusetts takes his seat, I wish to say that I have listened with a great deal of interest to his argument, and to me it seems that he has certainly made out a case in favor of the benefits which can come from this machinery; but that being true, there is one thing that I can not quite understand. As I understand, the objection to these contracts is because of the provision which prohibits the lessor from using any other machinery than that of the United Shoe Machinery Co. in the manufacture of shoes. Now, if it is for the benefit of the small manufacturer to lease these machines instead of expending the money necessary to buy them, if they are the best machines that can be put upon the market, why is it necessary to have that clause in the contract?

Mr. WEEKS. Mr. President, the Senator from Michigan, who has been good enough to listen to a large part of what I have been saying, evidently was not present when I tried to explain that provision. In the first place, the only tying clause that applies to any of these machines applies to the three fundamental machines made by the Goodyear Co., the McKay Co., and the McKay Lasting Machine Co. The United Shoe Machinery Co. puts out about 300 machines altogether, and, with the exception of half a dozen machines, it offers to sell or lease any of these machines, or all of them, at the option of the manufacturers, who take them under the lease provision rather than buy them, because it is more economical for them to do it. It does not require as much capital to go into the business, and the net results have proven distinctly to the advantage of the manufacturer

It is only these three fundamental machines to which the tying clause is applied, and that is applied only because those machines are supplementary to one another. They are not in competition in any way. One does one thing in connection with the making of a shoe and another does another thing. Now, if one of these machines were operating on a shoe and the machine of some other manufacturer were employed in carrying on the operation, there might be such defects in the connecting link that the results would be unsatisfactory to the manufacturer himself.

I am not a shoe manufacturer and I am not an expert in these details, but at one time I did give a great deal of attention to this question, because it seemed to me there must be some reason why, in this particular industry, we dominated the whole world, not only in making shoe machinery, but in making shoes; and I came to the conclusion that it was due to the perfection of the machinery and the manner in which it was leased or sold to the manufacturer.

I do not know that there would be any result which would be harmful to the companies or harmful to the public if these tying clauses were entirely done away with; but, knowing the character of the individuals and the companies which are fomenting this attack on the United Co., I am fearful that they have in mind a combination in manufacturing shoes which will make the combination of the United Shoe Machinery Co., admitting that it is as bad as its detractors claim, look, not like 30 cents, but like 3 cents. [Laughter.]

I want to see the American people get good shoes at the lowest possible price, and I believe they are doing it under the system which now prevails.

Mr. WEST. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Georgia?

Mr. WEEKS. I do.

Mr. WEST. Before the Senator takes his seat, I have one question to ask. I see that the Senator is thoroughly familiar and conversant with the subject he is talking about.

My question is this: I understood the Senator to say that the United Shoe Machinery Co., in making and putting out these machines, requires the use of certain nails and wire, perhaps, that the machine uses. I understand why it would be necessary, if there was a given kind of a superior make, for them to use it, because it would result in the machine turning out superior work. Do they go any further than that in the requirements?

Mr. WEEKS. These requirements are only in the case of wire, nails, and eyelets used by the three fundamental machines to which I have referred. The Senator can see very well that there is ample reason for requiring that. If an inferior nail or an inferior piece of wire were used, the result would not be satisfactory to the user of the shoe, and the blame for the failure might be with some propriety laid to the machinery rather than to the material which was furnished by some one other than the maker of the machinery.

Mr. WEST. I understand that thoroughly, and it is entirely true; but what I wanted to know was whether the manufacturers of these machines went any further than that requirement.

Mr. WEEKS. Wire, nails, and eyelets are the only things to which it applies, as I understand it.

Mr. CHILTON. Mr. President, in discussing the Clayton bill and kindred legislation it is impossible to disassociate the subject from the distinguished Senator from Missouri. All through the discussion he has impressed his strong personality and his peculiar views upon the Senate. He was one of the chief antagonists of section 5 of the trades commission bill, which section condemns unfair methods of competition, and he brought to bear his admitted powers of debate and his skill as a parliamentary tactician to prevent that section from becoming the law of the land. The Senate and the House have both decided that proposition against him, and some of us fear that there are evidences in the debate upon the pending bill which indicate that he has not wholly adjusted himself to the new situation. It is useless for me to state that in discussing the report of the conference committee, or in any other discussion on the subject, I would not, even if it were necessary, make an assault upon him nor condemn him for any position which he has taken. The business of the Senate is to search for the truth, find every avenue for discovering truth, and then apply the truth in legislating for the people, and I have nothing to say about individual motives. Much as I disagree with the distinguished Senator's argument, I could not find it in my heart to fire even a dough bullet at him personally, and even though he has strayed away, in my judgment, from the true standards of legislation on the trust question now open to the Congress, I must admit that the Senator has made his circuitous road pleasant with song and poetry and has garlanded every by-path of nonessential with the choicest flowers of rhetoric. He has made even error plausible and musical, and has clothed his theories with a presentable coat, even though it be, like Joseph's, "of many colors." It is most fortunate, however, that Shakespeare did not write much law that is accepted by the courts of the United States in these modern days, and that we are now legislating for a hundred millions of people who have been happy for over a century under a Government in this Western Hemisphere, whose people separated from the mother country hundreds of years after that "winter of discontent" "followed by that glorious summer," put into the mouth of King Richard by Shakespeare.

These new people in this Western Hemisphere are trying the experiment of governing themselves, and, as has been well said, a government of the people is nothing but organized self-restraint. No people can succeed with a truly popular form of government unless they can put aside prejudices, both public and private, and can approach with a judicial mind the admitted facts which confront them at each stage of their progress. Every reform is complicated with conditions. Every step for-

ward must be made over the prostrate bodies of prejudice, error, idols, and mistakes, and must keep in view the innocent along with the guilty, and must recognize that honestly acquired property is generally held by the same title as that which is dishonestly acquired. We can not divorce ourselves from what our fathers have been, and yet because they have worshiped idols or made mistakes is no reason why we should worship the same idols or make the same mistakes when we have discovered that they are real idols and actual mistakes. In other words, when we express a reform we can not shut our eyes to either the smallest or the greatest factor in the great labor, business, and commercial interests of the country which contribute to our prosperity. The United States Congress has the power, if it so desires, to make it impossible for any corporation suspected of being a trust to do business, but it could not do so by a law that did not apply equally to all business, little as well as big. This is a government of granted powers and of constitutional limitations. That Constitution goes to the protection of every person in the land, and we can not make laws that will put "big business" in a strait-jacket without applying it to "little business" similarly situated. Whether this bill shall fire dough bullets or 2,500-pound shells from siege guns, this Congress can not be the gunner that would have the deadly missile always pointed at "big business" and never at "little business." In the last analysis the courts will be the gunners and may determine the direction in which the gun shall be pointed. There never was a piece of constructive legislation enacted as to which criticism could not be made from some standpoint. It takes time and patience and even experiment to work out a great problem. Poetry and literature must play their part. They must point out the extreme cases and the excesses here and the injustice there, but when it comes to legislation we can not go every place where the heart would lead, but must follow the interpretation of the courts and keep ever before us the Constitution of our country.

Long ago the American people recognized that its vast resources, the ease with which money can be made, and the greater ease, after being made, that it could be concentrated, had put fabulous wealth in a few individuals and unheard of wealth in a few corporations, and that this power was interlocked in such a way as to make it a danger to the legitimate business of the country. Alongside with this conviction came another—that money making is not the whole purpose of life, and that along with prosperity there can be nurtured the higher ideal that recognizes manhood and its perfections as the highest worldly ideal after all. Twenty years ago the Sherman antitrust law was enacted. Probably every Senator upon this floor could repeat its provisions. All of us recognize it, and it is now so recognized by the country, as a great piece of constructive legislation, but that it lay almost dormant for several years; but when the necessity came, or was realized, its enforcement was all sufficient to meet the greater of the evils to which I have adverted. There is not a Senator on this floor who would repeal a single line or word of it for two reasons—first, because it has been indorsed by the country, and, second, because it has been construed by the courts as a general rule in such a way as to meet the situation which it was intended to cover. Anything which is a monopoly, or anything which in its nature may be used for monopolistic purposes, or anything which is in restraint of trade, is inhibited by the Sherman law, and a violation of that law is made a penal offense. So far as I am concerned, I have long ago satisfied myself why the great combines could not be curbed under that law. In an address made in my own State at least six years ago I am on record as saying that it was impossible to give the people perfect relief and to restore competitive conditions under the banking and currency system which this country then had. So long as it was possible for the money and banking combinations of the country to be manipulated against the small man in business and in favor of the big combinations that power alone would prevent the small man from building up a business that could be in any wise competitive to the larger combination. As long as it was possible to get all of the money that was needed in Wall Street upon New York, New Haven & Hartford stock, for instance, and at the same time it was impossible to get 25 per cent of its value upon well-improved city real estate, there was no use to talk about competitive conditions. It was for this reason that I looked upon the passage of the present banking and currency law as the greatest antitrust measure that it is possible for the Congress to pass. It puts it in the power of the Government to prevent the use of the Government's circulating medium in the interest of any section or any set of men or against any section or any set of men. Whenever the Government undertakes to furnish the people with a circulating medium—that is, with something to represent value and to make trading convenient—it assumes a trust whose responsibility can not be measured.

The people and the States are prevented from improvising any form of circulating medium which is at all practical. No matter how great may be the values upon which a circulating medium may be based, the Government practically said that it alone would attend to that duty, and, as I said before, it can be at once seen that that duty carries with it the high responsibility of seeing to it that it shall not be manipulated for the interest of anyone or of any section. The new currency bill is an approach toward absolute honesty and fairness in dealing with the circulating medium and is a guaranty to business that banks can not make it scarce and can not refuse to do their duty toward the trading public, and that stocks and bonds which may happen to be blessed by a few individuals shall not be the sole basis of credit. When this law shall be thoroughly understood and shall be put into practical operation under an administration dedicated to the cause of all the people and knowing no favorites, I have no doubt that the same genius, enterprise, and activity which have developed the steel, woolen, cotton, tobacco, and other businesses of the country will be applied to the building up of competition to those great combinations which have heretofore dominated those industries. Without absolute fairness in handling the circulating medium of the country the genius and enterprise of the people are stifled. With the new currency law properly enforced and fairly administered, business and trade will be infused with new life and will develop along new lines.

Indeed, there are great thinkers in this country who, I am constrained to believe reason correctly, contend that monopoly can not live under a fair banking and currency law; that if the Government of the United States will fully discharge its duty to the people in respect to the volume and flow of currency, there is no business which will not become almost at once competitive, and that it would then be impossible for any set of men to monopolize any line of trade. If we will look back over the growth of monopoly it will be seen that the genius and enterprise of the American people made the different businesses, which were later combined and now are the component parts of those combinations which we denominate "trusts." There was at one time a man named Carnegie, another one named Gates, another one named Schwab, and so on, in the steel business. These men all began business in a small way. They were quick to seize new methods of production which would give the finished product to the consumer at the lowest cost. In time we had the Carnegie Steel Co., the American Steel Co., the Federal Steel Co., and various other corporations, which were later organized into what is known as the United States Steel Corporation. But the United States Steel Corporation also has immense cash and credits. This is power. It is of itself a power with every bank with which it does business. It is itself a power with every corporation with which it transacts business. Without having a single director in any bank, that corporation can be powerful with the bank simply by the manipulation of its cash deposits. It can be powerful with railroads, except as prevented by the Interstate Commerce Commission, from the fact that it has immense freight to transport. It can be a factor in the coal situation, because it is a large producer of coal. It can have its influence upon the gas companies, because it is a large user of gas. But there are millions of tons of coal now produced and hundreds of thousands of acres of coal land not developed which it would be practically impossible for the steel company to control. There are vast areas of iron ore undeveloped and an ample tonnage that is developed which are not controlled by the Steel Corporation.

There are hundreds of men of genius and ability who would go into the steel business and manufacture steel in all its forms in competition with the Steel Corporation; but everyone knows that to do this would require immense capital, and there is practically no source of capital available to any independent competitor under our former currency and banking system. The power of the men in the Steel Corporation, and the power of the wealth of that corporation, could of itself create sentiment in the restricted available banking centers which would make the securing of capital practically impossible. Take the great tobacco business, which was called the "Tobacco Trust." That business was built up by men like the Dukes, Liggett & Myers, the late Paul Sorg, Reynolds, and others from small beginnings. These men of ability built up by hard work and native genius a large trade in tobacco. They catered to the trade; they manufactured the tobacco in such a way as to meet the demands of that trade; and each of them became wealthy. They were in every way successful. Later the money geniuses saw an opportunity to combine these different businesses and put them all into one corporation. When that was done the combination had immense amounts of cash. They had patented processes. The men connected with the trust were connected with large banking institutions, not alone as directors, but as stockholders, or as depositors and customers

of banks, and this very power could be wielded under our old system of banking and currency. There are plenty of brains left in the country to organize competition. There is little or no trouble in buying tobacco. The same genius which formed the original constituent parts of the Tobacco Trust could go forward and make a success in the tobacco business again, but under the former peculiar banking and currency system of the country credits went by favors, and in nine cases out of ten the geniuses which built the businesses which together formed the Tobacco Trust would be compelled to go to their competitors to get the money with which to compete. It is so in every other business which has been controlled by a trust. The great banking centers of Boston, New York, Chicago, Philadelphia, St. Louis, New Orleans, St. Paul, San Francisco, and Atlanta had banks not connected altogether by interlocking directors, but controlled by the masonry of money—the understanding that there were certain leaders whose approval was necessary to the flotation of any important undertaking. Anything which required a large amount of money and was taken to New York to be financed had to be approved by one of about three groups of corporations. If the proposition were taken to Boston, Boston would call up New York; if it were taken to Chicago, the same influences which controlled in New York controlled there. There was a network of owners and controllers of banks, and in a large measure the banks would not approve of anything which was condemned by this strong body of "captains of industry."

In 1907 a money panic and business depression came suddenly upon the country. Business became so stagnated that at one time during that depression there were over 400,000 empty railroad cars with nothing to do—a condition which was rarely seen before that time and has never been seen since. Men with money in bank were compelled to pay a premium to have their checks cashed in order to get the currency to meet pay rolls. In other words, "big business" and "big money" got frightened at about the same time, and they declared that business should stop, and it did stop. At that time a business man in the city of Wheeling, in my State, with an office building and grounds assessed at a quarter of a million dollars, with his building fully insured, could not get $50,000 in cash upon it. But this all-powerful combination of banks and big business would permit money to be loaned on stocks and bonds. For instance, a favorite stock at that time was the New York, New Haven & Hartford Railroad. Any bank would lend money upon that stock, but not a cent could be gotten upon a solid, unchangeable security of a business block or other piece of real estate. The inherent error of the position of the banks at that time is now known, because the real estate is still a solid security, while some of the railroad stocks have proved to be of little value. Since the panic of 1907 there has been little permanent liquidation. The railroads have sold short-time notes; other large borrowers of money have borrowed upon short-time paper, and the fact is that since 1907 there has been no sure, certain, and permanent revival of business, and the banks and the business world know that that is the true condition. After years of education the people became convinced and the banks had to admit that our banking system was inadequate and that it was used not for the benefit of business and all the people, but largely for a few interests, and these were so consolidated and connected together that when a banker in New York became frightened the effect of his fear spread all the way to California and New Orleans, and other business men depending upon credit were materially injured thereby.

Therefore the most important constructive legislation which this Congress was called upon to pass was the banking and currency bill, in order that the bank reserves of the United States might be mobilized and then put into corps, regiments, and companies, officered by men selected by the Government, in order that this vast power might be used fairly and justly to serve the business of the United States. I repeat, Mr. President, that it is a crime for the Government of the United States to permit its supply of money to be under the control of any power on earth except that of the Government itself. The amount of money in circulation, the freedom of its circulation, and the fidelity with which credits are handled make the greatest power that was ever exerted upon business. It has power to take from a business man the savings of a lifetime. It has the power to build up one community at the expense of another. It has the power to build up one line of industry at the expense of another. It has a power as great as that of taxation; and no people can develop their industries, wealth can not be fairly distributed, unless the whole banking power shall be vested absolutely in and controlled by the Government, and the law be so framed that no private interest on earth can effectively exert itself in so important a matter. I still believe that when in full working order and when perfected, as it will be, the present banking and currency law will prove to be the greatest boon that was ever conferred upon the people. Besides guaranteeing to the honest banker freedom from runs and disaster it will guarantee to the honest business man credit, not when the money power chooses to extend it, but when he needs it and has the security to demand it. This reform will do more for the American people than all the trust legislation which could be enacted. Indeed, it will be a prime trust regulator and a trust buster. It will free the inventive genius and enterprise of the American people. It will take away the greatest power of the trusts to stifle competition, and it will put it in the power of the geniuses of the United States to utilize our raw material and to compete in every line of business.

This Congress could have well stopped with the passage of the banking and currency bill, and could have said to the people: "We have now freed business from unnecessary taxation and have now put the banking and currency and credits under the control of the Government. Go forward and develop the resources of the United States in absolute security that the money power can not manufacture money panics and take away from you the results of your genius and enterprise."

But both parties had some committals upon the subject of trusts. When the platforms of 1912 were promulgated no one dreamed that the present banking and currency law could be passed. Very few thought that such a reform would be possible. The declarations of the party platforms of 1912, therefore, upon the trust question approached that subject directly, little reckoning that there would be an inspiration in the shape of money legislation which would at one swing of the ax cut off the head of so many monsters. But, obedient to party pledges, the Congress took up the subject of trust legislation, and two bills came to this body from the other branch. One of these bills was the Trade Commission bill, a bill which was fully considered by both the House and the Senate committees and which assuredly was amply discussed in this body. The principal fight here was on section 5, which, as it passed this body, simply provided that unfair competition should be unlawful and then placed it in the power of the Trade Commission to determine what is unfair competition. That debate here was a most instructive one. There were those who contended that by prescribing what is unfair competition the courts would be restricted; that is, there would be considered by the courts only those things which had been heretofore condemned in England and in this country as unfair trade or unfair competition. The other view was that while the Sherman law condemned monopoly and restraints of trade, it said nothing about competition, and that unfair competition meant all of those practices by which one competitor sought to destroy another, and after destroying the other and then another, and so on, until he would get the field to himself, he would have a complete restraint of trade of everyone except himself and would have what is known as a monopoly of the business. Time and time again this Senate was challenged to define "unfair competition." More than one Senator undertook to do this, and when he had finished it was not difficult to point out other things or other expedients which had been adopted by the monopolist in order to get rid of a competitor. The general things mentioned at the time were cutting of prices, tying contracts, interlocking directors, and holding companies, and yet anyone can well see that there were dozens and dozens of other practices which would be just as despicable and which would be equally as effective in destroying a competitor.

The spy system, in my judgment, is the most offensive and one which by its very nature is criminal. I would much rather visit a criminal penalty upon one who employed spies in order to get at a competitor's business secrets for the purpose of injuring him than to put criminal penalties upon one who made what is called a "tying contract," or who cuts prices for the same purpose. The last two have long been regarded as legitimate, and while they are severe and now condemned, still they have been used by men of character and standing. The spy system, however, is the resort of the criminal minded. It speaks of crime because it is an underhanded system. It is a dark-lantern method that the high-minded man condemns. I would rather put in the penitentiary a man who controlled large deposits in a bank and who secretly requested a bank, and supplemented that request by a look or a nod that might be construed as a threat to withdraw deposits, to refuse legitimate credit to a competitor than to put in the penitentiary the man who happened to be a director of two or more corporations. I would rather apply a jail penalty to a rich man who built a few miles of railroad for the sole purpose of destroying the little railroad near by than to visit the same penalty upon the owners of a holding company. I mention these, however, in

order to illustrate that unfair competition is like "reasonable doubt," "a reasonable length of time," "with malice aforethought," and many other terms that the law uses. It is easy to distinguish a case that is applicable when the facts are presented, but it is practically impossible to give a definition which would meet every case that could arise. A juror has no trouble in determining when there is a reasonable doubt, but about as near as the courts have ever come to defining it is to say that it is a doubt for which you could give a reason, and then, whether or not it is a good reason must be left to the conscience of the individual juror. "A reasonable time" is an expression that is most common. Sometimes six months is a reasonable time; in other cases three months; and in an emergency probably two days or a few hours would be a reasonable time; and yet throughout the affairs of men great transactions are determined without any other guide to the courts except the requirement of a "reasonable time," and the world has lived under that law without great inconvenience. In my State no one can be hanged for murder unless it is committed with "malice aforethought." No one can give a definition of that term that would cover every phase of the question, and yet men are hung, they are sent to the penitentiary for life, and the ends of justice are entirely met without any other criterion for so severe a penalty than is contained in the expression "with malice aforethought" or "with premeditation." After a full discussion in the Senate, which discussion was learned and able, the Senate determined on the passage of the bill and on consideration of the conference report that the general expression "unfair competition" or "unfair methods of competition," which mean the same, was amply sufficient, and it voted by a large majority to pass the Trade Commission bill with section 5 in it, containing no other guide than this general term. Now, under it would be included some of the following:

First. The subject of what is now section 2 in the pending bill, to wit, the cutting of prices.

Second. What is now section 3—tying contracts.

Third. What is now section 8—interlocking directors.

Fourth. What is now section 7—holding companies.

All of these practices were condemned in the bill as it originally passed the House, and were made penal offenses and penalties were prescribed. When the bill left the Senate and went to conference all of these penalties were taken out except that for "tying contracts." A substitute was drafted and introduced in the Senate by the Senator from Montana which was section 2 of the bill as it passed the Senate. In other words, the Senate and House have adopted a theory of handling those practices in competition which were not reached by the Sherman law; they condemned four of them specifically and all of them generally by section 5 of the Trade Commission bill, and had put a penalty upon but one, to wit, tying contracts.

Now, I submit, Mr. President, that upon any theory this is not scientific legislation, it is not fair legislation, and, with all respect, it is cowardly legislation. If tying contracts should be penalized in the first instance, so should interlocking directors, so should the financing of holding companies, so should price cutting. But when we have done that we are not half through the gamut of expedients adopted by the builder of trusts. Who can justify himself in making a tying contract criminal and not make criminal the act of employing spies to go into the business of a competitor and get his confidence and then his secrets; find out his customers, his sources of supply, and then use this information for the purpose of cutting his throat? This alone smacks more of criminality than does any of the others, and yet no one has attempted to make the employment of spies a penal offense.

I want to say in passing that it is a part of the history of this legislation that when this Congress approached the subject of trusts there were two theories. One was to create a trades commission to which should be referred all of those embryonic stages of restraint of trade and monopoly which had not developed far enough to come within the provision of the Sherman antitrust law. Another was to define them item by item, so that the courts in administering them could, from the definition in the statute, determine whether or not the facts brought the case within the provisions of the law. So far as this Senate is concerned that battle was fought out in the discussion of the Trades Commission bill, and when that bill was passed it determined the general provision that the Trades Commission, subject to review by the courts, should determine what was fair and what was unfair competition. The mind of man can not conceive of any monopoly or any contract in restraint of trade or any conspiracy to restrain trade which the Sherman law does not cover. Whatever may be done, the Sherman antitrust law should remain in full force and vigor, and no law which should now be passed must be construed as modifying or repealing that law. That is easily said, but not so easily done; and however strong may be the reasons for maintaining the Sherman law in its full force and vigor, because the courts have construed and the people have understood it, still it is not an easy matter to pass a law which deals with the subject without in some way destroying some of the effectiveness of the Sherman law. It is hard for the Congress to legislate upon a subject and then say that it does not intend to do anything of the kind. It is idle to proscribe a thing already proscribed and then put in a proviso that the second law shall not affect the first. It was on account of these considerations and the passage of the Trades Commission bill that both the Senate and the conferees found great difficulty in shaping the Clayton bill so as to make all of its provisions fit into existing statutes.

To go over an old subject very briefly, I want to call the attention of the Senate to the fact that the Sherman law, in section 1, deals with the following subjects:

1. Every contract in restraint of trade.
2. Every combination in the form of trust or otherwise in restraint of trade.
3. Every conspiracy in restraint of trade.

In section 2 it deals with the following:

1. Monopolization of any part of interstate commerce.
2. Attempts to monopolize it.
3. Combinations to monopolize it.
4. Conspiracies to monopolize it.

The third section makes illegal every such contract, combination, or conspiracy.

If we adhere to the expressed will of the people and the evident purpose of Congress to maintain that law in its full integrity, so that the work of construing, applying, and enforcing the law, already done, shall not be questioned in any future litigation, it seems to me too plain for argument that we should be cautious in our definitions when we come to consider those practices which may come under the head of "unfair competition."

The House recognized this zone of danger in preparing sections 2, 4, 8, and 9 of the House bill.

Its definitions of illegal acts kept in view the broad scope of the Sherman law, as I shall show later on.

But, to return to my argument, there is another instance of unfair methods of competition which smacks much more of criminality and moral turpitude than either the making of tying contracts or the cutting of prices. There are cases in which a competitor has falsely labeled goods, adulterated them, and sold them as goods of the competitor. This practice is not only immoral, but it is so plainly a species of fraud that in an action at law there should be little doubt of the liability of the person guilty of it to the one who should be injured thereby. If done in interstate commerce, it would clearly come under the head of unfair competition, condemned by section 5 of the Trades Commission bill. It is very strange that so much eloquence has been expended upon the three or four pet theories dwelt upon by the opponents of this bill, and yet no one has presented an amendment covering the subject of false labeling and adulteration. One is compelled to marvel at the inconsistent demand that price cutting should be a penal offense and false labeling and adulteration should be left to the judgment of the Trades Commission. Another practice well known to business and to business men is the one of erecting a competitive business by the side of a competitor, and not by price cutting or tying contracts, but by the power of money and its use, in methods of delivery, in false advertising, and in dozens of ways that genius can invent and that wealth can execute, undermine and tear down the business of a competitor, not for the purpose of legitimate competition, but for the sole purpose of destroying the competitor. Another favorite way of destroying a competitor in transportation is to build a useless short line of railroad between two given points, not because the public needs two lines, not because it is the general plan of the transportation company to have another line, but for the sole purpose of destroying one of the lines which may become a part of a greater system of transportation. No one has asked to make that practice a criminal offense by this bill. Another unfair practice is that of deliberately closing the field of credit to a competitor. This need not be done by interlocking directors—not even by interlocking stockholders—but the large concerns can, by withholding or threatening to withhold patronage and deposits, prevent a bank or a trust company, at the crucial time, from extending legitimate and proper credit to a competitor.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Missouri?

Mr. CHILTON. With pleasure.

Mr. REED. If the last statement just made by the Senator be true, then is not the root and source of the evil the great power of these great corporations?

Mr. CHILTON. It is not the root of it, but one of the great sources undoubtedly.

Mr. REED. If it is the power of the great combinations to control the credit market so that another competitor can not exist, then is it not necessarily true that the source of the particular evil we are discussing lies in the great combinations?

Mr. CHILTON. Very largely that is true.

Mr. REED. Now, as to a concern which does that sort of business, which controls the credit market and crushes a competitor by any of the methods he has designated—local price cutting, spies, adulteration of goods, substitution of goods—does the Senator think any buccaneers engaged in that line of piracy ought not to go to jail the same as an individual who steals a horse or purloins a loaf of bread?

Mr. CHILTON. Mr. President, the Senator and I have never disagreed about that. The only thing is that I think I am logical and for *one* time in his life I think the Senator is illogical.

Mr. REED. Does the Senator think——

Mr. CHILTON. Pardon me, let me finish this thought, and then I will yield.

Mr. President, somebody has to decide everything. The Senate in its wisdom decided that the Trade Commission should be the policy of the lawmakers. That has been settled. It was settled after one of the greatest debates that has ever been heard on this floor. I may say that because I did not take any part in it, and the distinguished Senator who is questioning me did. He took a most conspicuous part in it; he contributed to the sources of information, the knowledge, and the wisdom of that occasion. I was told by a man who looks into the discussions of Congress that that was one of the most enlightening and most able debates that it had ever been his pleasure to read, and he always did read the debates of the Senate. The Senate then adopted a theory. We can not take two. I say to the Senator that he can not sit here and in 12 months write down the different things that will come or that ought to come under the jurisdiction of the Trade Commission. In my judgment it is not logical to make one of them a penitentiary offense and not make all of them. The only logical thing for the Senator to do is to put in section 5 of the Trade Commission bill the provision that anyone who shall engage in unfair competition shall be guilty of a penal offense and shall be confined in the penitentiary. Then you take in everybody; you ought not confine that penal clause to one or two things, because just as soon as the trusts find out that you have condemned the few they will take some of the other courses to break up a competitor and will keep clear of the penal offenses. In other words, you simply confine the activities thereafter of the trust to fields in which they can get along very well. Now I yield to the Senator.

Mr. REED. The Senator has gone so far from the remark he has just made that the remark I was going to make in reply would be practically without point now. But does the Senator think that if there are certain well-known acts which are vicious and bad and criminal in their nature we ought not to prohibit them and penalize them because there are certain other acts equally bad that we may not be prepared to legislate upon? Is that any reason? Should we sacrifice the passage and enforcement of that just law to stop an evil practice because we can not at the same time pass a law affecting all the evils?

Mr. CHILTON. The Senator decides the case in his own favor in his question by asking if we should not pass a just law. I am trying to show him that in a given state of facts it would not be a just law.

Mr. REED. Will the Senator pardon me there, because we get right to the point? Is it just to pass a law condemning a practice that is in its nature criminal? That is just, of course.

Mr. CHILTON. It is just if you can define it so as to reach it.

Mr. REED. And it is not unjust to pass such a law simply because you do not at the same time pass a law condemning some other practice. Is not that true?

Mr. CHILTON. It is true, with some limitations. If you are dealing with a subject, you should deal with it justly and comprehensively.

Mr. REED. Has the horse thief any right to insist that a law should not be passed against him unless there is at the same time one passed against the burglar? Has either one of these criminals any right to insist upon immunity because somebody else is not punished at the same time?

Mr. CHILTON. I think the Senator could well set it down that I would answer that in the negative; yet, in doing so, I do not admit his contention to be correct.

I could go on, Mr. President, and mention dozens, even scores, of things which have come within the condemnation of section 5 of the Trade Commission bill; many of them worse, many of them smacking more of criminality and underhandedness than tying contracts and meaner than interlocking directorates or any practices under them. My contention is that if one of them be criminal, the others must be; and that a law making only one of them criminal is not fair.

It is beyond the power of any man to name the unfair, inequitable, immoral, and malicious practices which the minds of men can invent and the use of money can execute, all willfully meant and intended to break up and ruin a competitor. The practice is modified in each instance by local conditions, by the situation of the competitor, his surroundings, and the network of conditions with which his business life may have surrounded him. It is sufficient to say that wherever there is a business there is always an opportunity whereby a stronger competitor can willfully and maliciously injure or destroy the weaker. The field for such work, to destroy a competitor, is as varied and as far-reaching as is the human intellect and the power of money. As we can not write down everything which would constitute fraud, that is no reason why fraud generally should not be condemned. Any reasonable man can recognize a fraudulent transaction when it shall be presented to him, so any fair-minded man can recognize unfair methods of competition when the facts shall be known, but no reason has ever yet been given, nor can one be given, why any one of these practices should be dealt with in a different way from any other. They are all species of underhanded, fraudulent, or malicious purposes. Unfortunately the Congress can not deal with unfair, fraudulent, or malicious purpose unless it be to regulate interstate commerce. Our powers here are limited to the regulation of interstate commerce, and the exact boundaries of our power have not been defined. Interstate and intrastate commerce go along hand in hand. Almost every business man engages in some interstate commerce, no matter how small the business may be. In his banking, purchasing, or selling some transactions will necessarily cross State lines, and from some standpoint the transaction will be interstate. We have to recognize that as to every corporation we have to deal first with the State. This Government is composed of 48 sovereign States, each having primarily the right to deal with its own corporations. Each State creates corporations. It gives them certain powers and exercises the jurisdiction of sovereignty over them. Subject to constitutional limitations which in most of the States mean nothing, because the State usually reserves the right even to repeal the law under which they are created, the State has full power over them. The laws of practically every State not only prescribe the powers which the corporation may exercise, but it regulates the number and power of the directors or controlling body, its meetings, how the stock shall be voted, and usually these laws provide for the qualification and the term of the directors and officers. In dealing with the subject of interlocking directors the question always arises, Where does the power of the State end, and where does the power of the Federal Government, whose right is limited to the regulation of interstate commerce, begin and end? If the United States Government has full power over corporations because they engage in interstate commerce, then the State has no power over such corporations. It is impossible that it can be true that there are two sovereignties in this country both of which can do as they please with a corporation engaged in interstate commerce. A corporation formed by a State makes its contracts under the laws of that State. It may mortgage its property under those laws. Its title to its property in that State is held under those laws, and the creditors in that State are entitled to the protection of those laws. Therefore in dealing with directors and all kindred matters concerning the management of the corporation some line had to be drawn defining the point at which the Federal Government could justly and fairly regulate a corporation created and controlled by a sovereign State.

Our power over it begins and ends with the clause of the Constitution giving us power to regulate interstate commerce. We can exclude certain kinds of organizations from interstate commerce. We could say that corporations organized in a particular way should not engage in interstate commerce. Our power to regulate is supreme and unrestricted over the commerce, but we have no power over the corporations except and unless we correctly rest the power upon the grant to regulate that commerce and see to it that the control exercised over the corporation is truly a regulation of such commerce.

In dealing with the subject I can not forget the enterprising, hustling thousands of workers and little-business men who organize for profit the orchard, oil, gas, coal, lumber, cotton, wool, mercantile, and trading companies for legitimate purposes,

and who have no thought of monopoly, no purpose to injure anyone else. There are hundreds of thousands of these who may be interested in small banks and other enterprises in their localities, and they, of necessity, engage in interstate commerce. They build the houses, explore for oil and gas, open coal mines, run sawmills, produce apples, peaches, and grapes, start the small enterprises, and develop the country. Among these there are interlocking directors, maybe inoffensive holding companies.

Mr. REED. Mr. President——

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Does the Senator from West Virginia yield to the Senator from Missouri?

Mr. CHILTON. To be candid, I was right in the middle of a thing which I thought was pretty good, and I wanted to finish it.

Mr. REED. Mr. President, I wanted to install my poor contribution right in the middle of that cluster of jewels, if I might be permitted, but I will of course wait.

Mr. CHILTON. I can not forget what the inventor has done for man's convenience and comfort. In machinery, electricity, and chemistry the inventor has made nearly all things possible. The patent laws were intended to secure to him the benefits of his work and genius. By common consent of civilization he is entitled to the rewards which come to the originator. While condemning the tying contract, I do not want to make less valuable the invention and thereby take away the incentive to the highest achievement in original thought and work.

The theory of the House and Senate has been to preserve the Sherman law and not to injure any legitimate business, and to so frame the law that criminal business only would be impossible. We should be severe as to a known evil, radical with monopoly, but conservative with those things which must of necessity reach the small-business man. It is unwise and unfair to put every business man in fear. We should proceed upon the theory that business is lawful and that the great body of the people are honest. We should restrain dishonest methods without a blanket condemnation which the small-business man can not be sure fits his situation or not.

Now I will gladly yield to the Senator from Missouri.

Mr. REED. I understood the tendency of the Senator's remarks at the moment I rose to be that interlocking directorates were something which should not be condemned.

Mr. CHILTON. Oh, not at all. Do not get that into your head, because that would be erroneous, as the Senator will see later on.

Mr. REED. I understood the Senator to say that there were a great many small concerns which had such directors.

Mr. CHILTON. If the Senator from Missouri wants me to anticipate myself, I will say to him that when you get to ordinary business matters which people must not do, you must be careful to define and say that only the fellow who does them with criminal intent or with a purpose that is against good policy shall be hurt. That is my theory. I do not want a net here that will catch everybody. The law should set its net only for the man who commits these acts with criminal intent and whose purpose is to do something which under the Constitution of the United States we have a right to forbid.

Mr. REED. But the Senator applies that to interlocking directors.

Mr. CHILTON. For that very reason, Mr. President, I think interlocking directors ought to be controlled under the Trade Commission bill.

Mr. REED. I want to call the Senator's attention to this plank in the last Democratic platform——

Mr. CHILTON. Unless the Senator wants to put it into the RECORD, I would say to him that I know it by heart.

Mr. REED. Well, I did want to put it into the RECORD.

Mr. CHILTON. I do not object to the Senator reading it; it is all right.

Mr. REED. It is as follows:

We favor the declaration by law—

Not by a trade commission or by any other kind of a commission, but by law—

of the conditions upon which corporations shall be permitted to engage in interstate trade, including, among others—

Not the regulation, but—

the prevention of holding companies, of interlocking directors, of stock watering, of discrimination in price—

I find no qualification of that language.

Mr. CHILTON. I want to call the attention of the Senator to the fact that his guide there for the time being does not mention "tying contracts." He is now contending that this conference report should be sent back in order to have a criminal penalty put upon tying contracts.

Mr. REED. I think it does. In the same plank of the Democratic platform——

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Missouri?

Mr. CHILTON. I yield with pleasure to the Senator.

Mr. REED. This plank continues:

And control by any one corporation of so large a proportion of any industry as to make it a menace to competitive conditions.

I think that covers a tying contract, which is the very basis and soul of monopoly, and which, notwithstanding the ingenious argument of the Senator from Massachusetts [Mr. WEEKS] this morning in defense of the Shoe Machinery Trust, is the means employed by that trust by which it has built up its complete control over the shoe-machinery business of the country.

Mr. CHILTON. No; Mr. President, that plank of the Democratic platform does not cover tying contracts. Tying contracts were too well known to the men who wrote that platform for us to assume that they would not know the difference between a holding company and a tying contract. What is referred to there is the case of one corporation holding such control as to constitute monopoly, or else to the holding company. Of course, tying contracts were known, and they were not put into the platform, because possibly its authors did not think of doing so. We have denounced holding companies; we have denounced price-cutting; we have denounced interlocking directorates in this bill. It proposes to provide against that by law, and in what I claim to be the most effective way of securing relief. The Democratic Party is committed and probably the Republican Party, and, for aught I know, the Progressive Party; and probably everybody in this country feels that any party which seeks to get the confidence of the people is committed to the proposition of regulating these great combinations.

After all, the question is, How shall we do it? Shall we do it justly or unjustly? Shall we do it in a half-way manner, or shall we do it completely? Shall we do it comprehensively and scientifically, or shall we go at it bunglingly? My proposition is that we should go carefully in those directions which take us to unknown fields. When we know that our neighbors are involved, that the little banker, the little grocer and trader, the small business men in different communities are engaged in this kind of business, I am not afraid to say that I want to step lightly and be sure that we do not accomplish more harm than good.

I do not want anybody in West Virginia to feel that there is a possibility that the first knowledge he will have that he has violated the law will be a visit from the marshal to serve upon him an indictment found by a Federal grand jury. I, just as earnestly as the Senator or anyone else—and I have worked just as earnestly as anyone to frame a bill to that effect—want a bill that will describe the thing the trust does to injure the little man and make that act an offense and stop it. I want everybody to understand that I am not conceding that we are stepping easy with the trusts. We have provided a punishment that is designed to stop their evil practices and which will stop them. It is a voluntary assumption that any trusts favor this bill.

Mr. REED. What punishment is there provided in this bill?

Mr. CHILTON. I will show the Senator a little later on. I can not argue everything at once.

In regard to holding companies, the House adopted the following criterion as the one by which we should ascertain whether the corporation should come within the ban of the law; that is to say, holding companies should be inhibited "where the effect of such acquisition, or the use of such stock by the voting or granting of proxies or otherwise, is to eliminate or substantially lessen competition." In other words, the House dealt with the subject of competition, whereas the Sherman antitrust law dealt with monopolies and restraint of trade; and, as is admitted on this floor and conceded even by those who oppose this bill, there is not a case of monopoly or restraint of trade which is not completely covered by the Sherman antitrust law; and yet Senators every time we approach a subject or call to mind a particular practice want that ground covered again. We have everything covered now. The House criterion was that the condemned act must be such as "to eliminate and substantially lessen competition."

Why was that done? There was a reason for it. The House recognized, as every man who studies the question must recognize, that you can not interdict all holding companies in interstate commerce; you can not interdict all interlocking directors in interstate commerce. There would come here 90 per cent of the people to condemn us for doing anything of that kind. We would break up and destroy the little business of the country.

What we wanted to do was to get at the criminal and interdict the act when it was done for criminal purposes.

Mr. REED. Mr. President, if the Senator will pardon me, if that is what he wanted to reach and did reach, in the name of goodness why did he strike out the criminal penalty for the criminal that he was seeking to reach?

Mr. CHILTON. I did not strike it out. The Senator knows that I am not speaking for the Senate; I am not speaking for all of the conferees; I am not speaking for the House; and what I did in the Senate will be disclosed by my vote. I think, except on the Trade Commission bill, I voted as the Senator did. I have found, however, in this body, and in many others, that I can not always get what I want; and I am not disposed to break up the game because I do not win every heat. I am perfectly willing to take my medicine in this body, as I have had to take it everywhere else in life. When the Senate decided that it wanted a Trade Commission bill, I supposed they wanted to go down the gamut upon that theory; and when they decided that they wanted certain practices left outside of the criminal provisions, then my own sense of justice and my own idea of logic and right teach me that there is no good reason, with all respect to those who think otherwise, in providing that one kind of practice, and the least objectionable one, shall be a criminal offense, and leaving the greater ones to be regulated through a commission.

Mr. REED. Mr. President, may I ask the Senator a question at that point?

The PRESIDING OFFICER (Mr. WEST in the chair). Does the Senator from West Virginia yield to the Senator from Missouri?

Mr. CHILTON. With pleasure.

Mr. REED. Is it because the Senator entertained that idea that the one criminal penalty that was put in the bill by the Senate with reference to trusts is not now found in the bill?

Mr. CHILTON. I will come to that in a moment and tell the Senator about it.

The Senate, however, Mr. President, adopted as its criterion the following, "where the effect may be to lessen competition." In other words, the Senate struck out "eliminate" and "substantially." My judgment is that there is very little difference between the two. To lessen is to substantially lessen. Competition is everywhere. A pleasant word, prompt and quick service are both methods of competition. If a competitor takes one customer away, it is lessening, and possibly "substantially" lessening competition; because when one customer shall be secured by one of the competitors to that extent there may be no competition. But when House section 8, which is Senate section 6, came to conference the House conferees insisted that the words "eliminate" or "substantially lessen competition" should be the standard. The Senate conferees insisted that the language of the Senate should be adopted, to wit, "where the effect may be to lessen competition." As always happens with men of ordinary sense, with men who want to carry out as best they can the instructions of their superiors, the conferees had to find some common ground upon which their minds could meet, and the result was a compromise, which is section 7 in the bill reported by the conferees. That compromise was the adoption of the words "may be" instead of the word "is," so that instead of reading "where the effect is" the bill now reads, "where the effect may be"; that is, where it is possible for the effect to be, which was a decided victory for the Senate. We struck out "eliminate," which was another victory for the Senate. We left in the word "substantially," which was a victory for the House; but the House conferees insisted that that would change the section and would not accomplish the purpose intended by it; that a corporation might acquire the stock of another corporation, and there would be no lessening of competition, but the tendency might be to create monopoly or to restrain trade or commerce, and therefore there was added to the definition the following: "Or to restrain such commerce in any section or community or tend to create a monopoly of any line of commerce."

Now, Mr. President, does anyone want to have any better law than that? There is a clear-cut rule fixed that will save the little man, and yet it will reach the people who are trying to break up their competitors. In other words, as regards holding companies, the bill as reported makes the holding of stock in another company unlawful "where the effect may be to substantially lessen competition or to restrain commerce or tend to create a monopoly." In my judgment, the language of the conferees is much better than the language adopted by either House; the definition is clearer, and gets at the evil intended to be corrected; and, to be perfectly candid with the Senate, I like it because it saves the small business man, who does not want to restrain trade and would not, if he could, create a monopoly.

Mr. CLAPP. Mr. President——

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Minnesota?

Mr. CHILTON. With pleasure.

Mr. CLAPP. Why not add "and could not, if he would"?

Mr. CHILTON. I will accept the suggestion, and will add "would not, if he could." As to that man who could not if he would and who would not if he could, I am here to say I would not injure a hair on his head by any voluntary act of mine.

Mr. CLAPP. If he would not if he could and could not if he would, I should like the Senator to explain how this legislation in the form it passed either the House or the Senate could affect him?

Mr. CHILTON. It would not; and yet, Mr. President, I will say now that the Senator from Minnesota is so situated, he has been so educated, and the Lord has put such a heart in him that he would not if he could and he could not if he would commit murder, and yet I would not repeal the law of his State prohibiting murder, because there are other people who would commit that crime.

Mr. CLAPP. If I could not if I would and would not if I could, a law against murder would impose no burden or harm upon me. Just so with little business.

Mr. CHILTON. So far as I am concerned, the law of murder against the Senator from Minnesota hereby stands repealed; and if there were no one in the State where I live except men like the Senator, I would never attempt to enact such a law. Unfortunately, however, it is hard to find that kind of a community, and I do not believe that the Senator would claim that even Minnesota comes within that description.

In that same section there was a proviso put in by the Senate, as follows:

> Nothing contained in this section shall be held to affect or impair any right heretofore legally acquired: *Provided*, That nothing in this section shall be held or construed to authorize or make lawful anything heretofore prohibited or made illegal by the antitrust laws nor to exempt any person from the penal provisions thereof.

That was put in, Mr. President, out of an abundance of caution. We did not want anything we said here to be construed in any place as repealing, altering, amending, or changing the Sherman antitrust law.

This was not entirely new matter inserted by the Senate, but was put at the end of the section in lieu of the following clause in the House bill:

> Nothing contained in this section shall be held to affect or impair any right heretofore legally acquired: *Provided*, That nothing in this paragraph shall make stockholding relations between corporations legal when such relations constitute violations of the antitrust laws.

The purpose of the Senate was not to exempt any person from the penal provisions of the antitrust laws. The conferees adopted the Senate provision, but added "or the civil remedies therein provided," so as to make clear that nothing in the section should exempt any person from either the penal provisions of the antitrust laws heretofore passed or from the civil remedies therein provided.

Mr. President, I feel confident that that section as it came from the conferees was decidedly improved from any standpoint. I know that the junior Senator from Montana, after the bill went to conference, was very solicitous that this addition to the section to save the civil remedies should be made, and he called the attention of the conferees to the subject. In this, as in all matters connected with this legislation, he has been a most useful member of the Judiciary Committee.

Section 9 of the House bill was stricken out by the Senate, but the House insisted on it, but not in the original form. Instead of section 9 of the House bill, the Senate adopted section 10 of the Senate bill, which applied to common carriers; but instead of undertaking to regulate the matter of interlocking directors through the personnel of the board, it dealt directly with the evil, which was the objectionable transaction. It made it a criminal offense for certain officers of a common carrier to deal in securities or supplies, or make contracts with another corporation where there were interlocking directors and officers, unless the transaction was by competitive bidding under rules and regulations prescribed by the Interstate Commerce Commission. That is dealing with an offense which can easily be described in an indictment and which ought to be prevented. If it had been the law, it would have prevented many of the transactions which have shocked the country. It does not put legitimate business in fear, and yet it makes it impossible for officers of a common carrier to traffic and deal with those who conduct both sides of the transaction to the profit of individuals who may conduct the negotiations. If a common carrier

has bonds to sell, it can not sell them to a bank which has as its director or manager or purchasing officer anyone who at the same time occupies a trust capacity or is interested in another corporation with which the dealings may be had, unless the transaction is open and fair, and the common carrier, after competition, gets the best prices for the bonds, and in case the transaction is a purchase by the common carrier, unless it gets the lowest price for the articles purchased. It makes an exception to the amount of $50,000 in any one year, to cover those cases of emergency which would occur to anyone giving the subject any thought.

The management of common carriers has become a matter of acute public concern, and so has the financing of its securities. A scandal affecting the securities of a common carrier may be far-reaching. It has affected prices and has at times caused Europe to become uneasy over American securities as a whole. I want to see American securities standardized, so that this annual scare of European dumping of our securities will cease. This can be accomplished by enforcing honest, open methods in issuing and selling the securities and in purchasing and constructing by the common carriers. No honest management has anything to fear from this section, but it has a severe penalty that will deter the dishonest manipulator. Much criticism has been indulged over section 5 as reported by the conference committee. This was section 6 as passed by the House, which made the judgment in favor of the United States in a suit in equity conclusive in favor of any other party in any action or proceeding brought under the antitrust laws, but it was confined to suits hereafter brought.

I want to pause here a minute to say this to the Senate: I hope when Senators vote upon this measure they will recall the history of each section, see what the House passed, note what was reported to the Senate, observe what was done by the Senate, and thereby realize the restricted field which was left to the conferees as a basis for giving and taking so as to get together. If that is done they will see that the conferee's bill is nearer to the Senate bill and the Senate theory than it is to the House bill; that the Senate has gotten most of the things for which it contended. If this bill shall be passed, and it and the Trade Commission bill shall go along together, it will be seen that it is the theory of the Senate which is the law of the land and not the theory of the House. Section 5 of the Trade Commission bill was the guiding star of this legislation, and the conferees who had the bill in charge tried to mold and fit it to make it a logical whole, so that the country would have a piece of logical legislation upon the statute books, and not one that was top-heavy.

Section 6 as passed by the House made the judgment in favor of the United States conclusive, but it applied to suits "hereafter brought."

In other words, the House provision is subject to all the criticisms which have been poured down upon the devoted heads of the Senate conferees. The House provision would not have applied to any suits heretofore brought or concluded or to any suits now pending. The suitor who wanted to use the judgment in any antitrust case in favor of the Government would have had to wait for the judgment to be entered in suits in equity brought after the passage of the bill under the House provision. The Senate committee reported section 4 of the Senate bill, which made judgments in suits in equity or in criminal prosecution prima facie evidence, and provided that it should apply to final judgments heretofore or hereafter rendered. There was a radical difference between the House provision and that of the Senate. The House provision applied entirely prospectively; that is, to suits hereafter brought. The Senate provision made it apply to judgments heretofore or hereafter rendered. The House provision made it apply only to suits in equity. The Senate provision made it apply to both suits in equity and criminal prosecutions, and the House provision made the judgment conclusive, while the Senate provision made it prima facie evidence. I never heard any demand from the people for either provision. The only demand which I have ever heard from litigants and attorneys representing litigants was that the evidence taken by the Government in a prosecution against a trust might be available for a private suitor on the ground that the Government is able to get evidence which the private suitor could not. The demand was that the evidence be admissible against the same defendant where it was otherwise competent. Both section 6 of the House bill and section 4 of the Senate bill went further in some respects and not so far in others, as was my understanding of the demands of the situation. It is my judgment that there would come more relief to those who would be injured by the violation of the antitrust laws if the provision had been that any evidence taken in any trust suit by the United States should be available against the same defendant when certified by the clerk of the court. This would give a litigant a right to the evidence regardless of the outcome of the case. It would give no more effect to that evidence than would be given to it if it had been taken in open court in the second litigation, but it would enable suitors to get evidence which otherwise they could not procure.

The conferees had to deal with these two wide-apart provisions. The House conferees insisted upon section 4 and we insisted upon the Senate provision. The matter was debated and considered, and the only thing that was possible was section 5 as it now appears. Section 5 applies both to a criminal prosecution and to a suit in equity. That far it was a decided victory for the Senate. It made it apply to judgments hereafter rendered and not to suits hereafter brought, likewise a Senate victory. It retained the prima facie provision as provided in the Senate section, another Senate victory. However, it was recognized that heretofore consent judgments and decrees had been entered, and it seemed to the conferees that where defendants had gone in before the passage of this bill and had consented to a decree as demanded by the Government, it was hardly fair to give that decree the force and effect which should be given to one which had been tried out; and inasmuch as it was the purpose of the bill to be practical, and knowing that suits were now pending, it was thought nothing but fair that where the defense surrendered and consented that the Government should take a decree without any evidence the section as adopted by the conferees would be fair to all parties, but it was further recognized that there are suits now pending in which evidence has been taken, and if these defendants should come forward now and consent to judgments in favor of the Government they would be in a worse position than those who should consent where evidence has not been taken. Therefore it was provided as a compromise that the section should not apply to consent decrees where no testimony had been taken, nor should it apply to consent decrees where evidence had been taken if the defense now surrendered and took no further testimony.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Missouri?

Mr. CHILTON. I do.

Mr. REED. Of course, the entire virtue of this section lies in the ability of the Government or the private citizen in subsequent litigation to use as evidence the decree which has been rendered. It has no other effect than that. Of course, the private litigant having a suit does not make out a case by merely showing the decree. He must show that he has been injured. The Government in any subsequent litigation does not make out a case in its second suit by showing the decree in the first. It can only use that as one fact. It must, however, proceed to show that the corporation or combination is still violating the law.

I want to ask the Senator this question: If a private citizen has been injured by a combination, ought he not to be permitted to use in evidence against that combination every admission it has ever made?

Mr. CHILTON. I doubt very much whether that would be true in everything. My idea is this: My whole theory—and, as the Senator knows, the one that I contended for all the time—is that neither the House bill nor the Senate bill gave the people what they wanted. What the people wanted was the evidence. They did not ask us to make it prima facie evidence or to make it a finality. They will take care of that. Hardly anybody sues a trust that has not a good case, and if he makes out a good case the courts and the juries will so decide.

What the people wanted was to have the benefit of the investigation which the Government had made and the evidence which was on file in the case. They wanted us to let the evidence there be certified and used against the same defendant. That is all they asked us to do, and with that evidence they can take care of the litigation.

Mr. REED. But does the Senator think that any combination ever stood up in court and pleaded guilty when it was not guilty?

Mr. CHILTON. I think not.

Mr. REED. Now, if it was guilty, and if it admitted its guilt, and if a private party had a suit against that concern for damages, why should not he be permitted to show that this institution had admitted its guilt? What harm can be done, what rule of law outraged, what principle of equity infringed upon?

Mr. CHILTON. I do not know of any, but——

Mr. REED. Then why not leave in the word "heretofore"?

Mr. CHILTON. Simply because, as I said before, I am not the Senate of the United States, nor is the Senator from Missouri the Senate of the United States.

Mr. REED. No; but the Senate put in the word "heretofore."

Mr. CHILTON. That is right; and the Senate has passed a lot of things that the House has not agreed to. The Senate has passed many bills which have not become the law of the land. I am telling you what occurred in the conference. We have brought you here the very best that is possible. I am giving the Senate the reasons why it was done. I am trying to show the Senate that it is an improvement upon existing law. It is not for me to lecture the House, nor is it for me to lecture anybody on the conference committee. I tried my best to get what the Senate directed me to contend for. My colleagues from the Senate on that committee did the same thing; but we thought the object of a conference was to agree on the very best thing possible and to come the very nearest we could to what the Senate desired the law to be. We have reported it.

It is useless to ask me my views. I am giving the conferees' views and trying to show the Senate that this is better than the present condition; that this is an improvement; that this will help. Even if the Senator be right in all that he contends for, he will find out, as I will find out, if we stay in this body, that there are many things which we would like to have that we can not get; and there will be many a time when we will vote for a bill that never will be written on the statute books.

Mr. REED. I understand that.

Mr. CHILTON. I can not tell you why. I can only say to you that we could not get all that the Senate wanted. We tried to get the bill as it was passed by the Senate, and we could not do it. There was another side to the proposition.

Mr. REED. What argument can be advanced——

Mr. CHILTON. I do not want to advance any argument against it, and there is no need to argue for it. I voted for it. I voted for the bill as it passed. I voted as the Senator did on many things, and I voted for the bill as it left the Senate. I tried to keep that section in as it was passed by the Senate, and I could not do it. We have to take this or defeat the bill. We can not get anything else out of it. It is a good section, though, Mr. President, and confers a great deal of benefit; and, after all, the contention is that we should not deal with things in a retrospective way. If we can get the future right, we can well let the past take care of itself. That was the theory that was adopted, and we could not get any more. I have an abiding faith that the section as now reported is just and fair.

Mr. CLAPP. Mr. President, will the Senator pardon an interruption?

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Minnesota?

Mr. CHILTON. Certainly.

Mr. CLAPP. I should like to have some suggestion of the authority upon which the Senator says we will get this or get nothing.

Mr. CHILTON. Oh, well, I withdraw that statement. I was just giving my opinion.

Mr. CLAPP. I ask because in the bill as it passed the House there were several very valuable features which went out in conference; and we can hardly assume that the House would defeat the bill if it were sent back for that reason.

Mr. CHILTON. Oh, yes; because the situation was entirely changed. The Senator knows that after the House and the Senate passed this bill the President signed a bill establishing an entirely different theory on these things and putting them into the hands of the Trade Commission. The House could very properly, in my judgment, change its position, and could not be logical and consistent unless it did change the theory upon which it legislated in the first place. My view all the time has been that after the Trade Commission bill was passed we could not be logical, we could not be fair with ourselves and the other House, unless we changed our theory of handling these matters.

Mr. CLAPP. Mr. President, that is true as to those things that would then conflict with the Trade Commission bill. The House, however, put in this bill a provision relating to tying contracts. The House put in a provision relating to underselling. The conferees have kept in those things, but they have changed the terms of them. If they were in conflict with the Trade Commission bill, they had no business in this report at all.

Mr. CHILTON. I am not so sure that they should be in; and it seems to me that everybody who will study the question will say that this body can not justify itself in selecting one of them and making it a criminal offense and leaving probably hundreds of other things to be dealt with by the Trade Commission. That is what I mean.

Mr. CLAPP. Oh, Mr. President, I, for one, can not let that statement go unchallenged. The fact that you can not interdict one thing is no reason why you should not interdict another, if it ought to be interdicted. There is no getting away from that.

Mr. CHILTON. Of course, in the abstract, what the Senator says is correct. Applied, however, to what he and I were talking about, it is absolutely wrong in principle and can not be justified upon any theory of logic. The abstract statement is all right; but, applied to what he and I were talking about, I dissent from it in every particular.

This section is clearly a compromise between the divergent views of the two Houses. It may be said for the Senate that there is more of the Senate provision retained than there is of the House provision. It may be said, in conclusion of this matter, that section 5 is an effort at justice and fairness, and is intended to give a remedy to suitors who may not be as able as the Government to secure evidence. The provision takes no unfair advantage of anyone, but it does encourage those corporations who want to conform to the ideas of the Government and who desire to adjust their business and dissolve the combination in accordance with the demands of the Government. There is even an inducement that they should do so. This takes nothing from anyone. It is new matter and grants a privilege and a right to those injured by monopoly. The fact that we could not get all that the Senate may have wanted is no reason for defeating the bill and depriving the litigants of a substantial benefit.

Much comment has been made upon the striking out of the statute of limitation in section 4 as passed by the Senate. It has been assumed upon this floor that it will curtail the statute of limitation. That is erroneous. As the law now stands there is no general statute of limitation as to suits in equity in the United States courts. They are regulated by analogy to the statutes of the several States. As to most of them, the six-year period would shorten the time in which suits could be brought. The conferees could not agree upon a period, and finally, to settle the matter, that part of the provision fixing an iron-clad statute of limitation was stricken out. The law is left just as it is now.

Just to show, now, how the attacks upon this bill go, it has been assumed here because we cut out the statute of limitations of six years that that is in favor of the trusts; in other words, that it gives the Government less time in which to prosecute or bring a suit. Absolutely the contrary is the case. As the law now stands, there is no general statute of limitations as to suits in equity in the United States; and in my State such a suit would be barred only by analogy to the statute of limitations if the court should enforce it, or upon the general rule of laches, which, I take it, would never go against the Government. The statute of limitations now is left as it is in the States. There was a disagreement as to whether it should be four years or six years or longer, or less, and we could not agree upon it. Inasmuch as we have gotten along very well with the statute of limitations as it is, and we could not agree on the change to be made, we just struck it out and had no legislation at all on that subject.

Mr. REED. Mr. President, if the Senator will pardon me, I am not willing to let that comment go in that form.

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Missouri?

Mr. CHILTON. I do.

Mr. REED. The Senator's statement that there is no statute of limitations in equity suits is true. As far as the Senator's statement went, it was probably correct; but the clause that was stricken out, and the elimination of which I objected to, covered criminal as well as civil cases.

Mr. CHILTON. Oh, well; I understand that. The Senator is correct.

Mr. REED. And it did extend the statute of limitations in a criminal prosecution from three years to six years.

Mr. CHILTON. That is correct.

Mr. REED. That was stricken out, although the Attorney General had expressly requested it.

Mr. CHILTON. That is right; and I voted for it, and would vote for it now if we could find any way to get it in here; that is, if we could be the House and the Senate at the same time.

Section 8 of the bill as passed by the Senate was carried in the bill as section 9 of the conference report. There was a slight amendment made to it. The bill as passed by the Senate makes it a crime to embezzle or willfully misapply the funds of a corporation engaged in commerce as a common carrier, or any property or funds arising or accruing from such commerce. The amendment made it apply not only to funds "arising or accruing from," but also "used in" such commerce. It was only an

effort to place the law clearly within the powers of the Congress. I will say in passing that that section and section 10 are submitted to the Senate as provisions having "teeth" in them.

Mr. President, the guiding star of the conferees was that it was the purpose an intent of both the Senate and the House that there should be no modification of the Sherman antitrust law. That has been construed by the courts, and when properly executed will reach the great combinations which have distressed commerce. In so far as that may fail, the new currency system will supply the deficiency, and the business of the United States will be hereafter free, if the laws shall be properly executed. This bill was not intended by either House to abolish trusts and monopolies, but to catch certain practices in their incipient stages and prevent them as far as Congress had jurisdiction so to do. This and the Trade Commission bill were intended to stop the practices which lead to monopoly. Certain well-known practices, price cutting, tying contracts interlocking directors, holding companies, are put in his bill in answer to platform declarations, and the true test of our jurisdiction to control them is written in the bill. After the House bill was passed the Trade Commission bill was put upon the statute books. That of necessity would modify the situation, because it was in this Senate that section 5, which denounced unfair competition, was put into the Trade Commission bill, and thereafter it became a question of determining whether or not—full jurisdiction having been given to the Trade Commission to deal with this subject—any of them should be dealt with as criminal offenses in this bill.

The Senate decided that only one of them should be made a criminal offense. That was tying contracts. The conferees on the part of the Senate could not retain that one criminal provision in the bill. The Senate conferees never at any time surrendered a position taken by the Senate where it was possible to retain it. The conference committee worked for many weeks, every day, and the conferees upon the part of the Senate did everything in their power to induce the House conferees to take the Senate bill section by section as it was passed by the Senate. It is injustice to use the word "surrendered" in this debate. I submit that it is unfair to the Senate conferees to make the deduction that there was any weakening upon the part of the Senate conferees. A conference necessarily means compromise. The very purpose of a conference is to report back to the two Houses the matters upon which the conference can agree, if possible. If the Senate wanted the House bill, the Senate had an opportunity to take it; but the Senate having discarded the principles of penal offense for these embryonic trust practices, the conferees upon the part of the Senate could see no reason for selecting one of the practices and making that a criminal offense and not doing so as to others even more reprehensible. Therefore the conferees adopted a way to reach a conclusion, dictated by reason; and the conferees submit again to the Senate the proposition that no one can give any good reason why tying contracts should be made a criminal offense and all of the others, even more reprehensible practices, which I have mentioned should be referred to the Trade Commission.

If the Trade Commission shall do its duty, the road to be traveled by those who engage in unfair methods of competition will be a most difficult and hard one. The guilty party can be put in jail until he does desist. The remedy is full and effective to meet the situation and stop the practices, and that, after all, is the purpose of the law. It leaves the Sherman antitrust law in full force and vigor, and it meets, in a sensible, practical way, those well-known methods of unfair competition which breed and develop the trusts. But this bill does even more: it settles forever all of those controverted questions affecting labor which have weakened the prestige of the Federal Government, and which have created a feeling among the people that the Federal courts have hidden powers that deprive men of their rights. This bill gives the right of jury trial in contempt cases and defines the things which Federal courts may enjoin and the things which they may not enjoin in labor controversies.

It has been said that this is class legislation. It is nothing of the kind. It is simply defining the policy of the United States for its courts in a State. If we should take away the power of injunction in labor disputes entirely from the Federal courts that is depriving no one of a remedy. The State courts are still open. It is a very small percentage of cases of this kind of which the Federal courts have jurisdiction anyhow. It so happens that in labor disputes sometimes one set of cases will be in a State court and another in the Federal court. This necessarily brings about friction. We would deprive no one of his remedy by taking away the power of injunction in such cases from the Federal court. This, however, has not been done. The holdings of the best of the authorities have been followed and the right of jury trial has been preserved. This will tend to create a better feeling; but whatever may be said about it it is in accordance with the Democratic platform and promise and is a full redemption of that promise. Employer and employee will now understand their rights. A nonresident person or corporation going into a State can now understand what the Federal court practice is in labor disputes. If he chooses to go into a jurisdiction which all of the other residents of that State can not invoke, he must do so under the rules laid down in this bill. Hereafter there will not be one rule in one district and another rule in another district. This applies to all Federal courts wherever they may be, and if a nonresident person or corporation does not like it the State courts are open to him as they are to the citizens of the State where the suit may be brought.

Section 15 of the House bill and section 16 of the Senate bill, which is section 17 of the conference bill, have been commented upon. This section 17 is practically the same as rule 73 of the Supreme Court rules. It has been said here that a secondary boycott is legalized by this bill. That is not correct, but whatever is legalized and whatever it may be called, these provisions are in the interest of justice and fair dealing and give to the courts all the power which the Federal courts should assume in any State. The bill simply prevents Federal courts from enjoining a person from doing what he might lawfully do and prevents such courts from enjoining a person from attending at any place where he may lawfully attend for a lawful purpose, and it does take labor and certain agricultural organizations from the ban (?) of the Sherman antitrust law so long as they conduct their organizations not for profit and without capital. This is putting into the law what was the understanding of it at the time it was enacted and what is the understanding of the best courts of the land now.

The labor provisions and the injunction provisions had little or no opposition in either branch of Congress. There is now an opportunity to settle these important matters and take them from the field of political agitation. It will be difficult to convince organized labor and the business men who want these questions settled that the Congress is in good faith for the injunction and labor provisions if the bill shall be defeated upon the ground that a penalty is not provided against the offense of tying contracts, that section 25 was stricken out, and that a few changes in phraseology were made in other sections.

The general scope of the things which are to be made illegal has been agreed upon. It is a forward step in reform and our promise to labor has been redeemed.

Now I come very briefly to two other sections, and then I shall have done.

There were two sections added to this bill in the Senate, one upon the motion of the junior Senator from Missouri as section 25 and one upon the motion of myself as section 26. My section 26 shared the same fate in the conference committee as his section 25; both were stricken out. I violate no confidence when I say, after the most vigorous argument I could make and after marshaling the strongest reasons for its passage and answering, as I thought, conclusively, all the arguments made against the section, I was humiliated to find that my section 26 shared the same fate as did the old colored man in my State who ran for mayor—it got but one vote, and I know who cast that vote. All of the other conferees on the part of both House and Senate refused to consent that section 26 should become a part of the law of the land.

Mr. REED. Mr. President, that is very interesting——

The VICE PRESIDENT. Does the Senator from West Virginia yield to the Senator from Missouri?

Mr. CHILTON. Certainly.

Mr. REED. I had understood that it was the part of our conferees when they went into conference to battle for the things the Senate had done. We are now informed that the only vote cast in favor of section 26 was cast by the Senator himself.

Mr. CHILTON. That was on the final vote. From the time when we first went into conference to the last hour of the last day the Senate conferees contended for the Senate bill as a whole and each one of the sections as a whole. Of course, while this was true of the initiative steps, it can be seen that if the Senate conferees and the House conferees had insisted on their respective measures in their entirety we would never have gotten the bill through. I mean to say, that when the final vote came mine was the only vote in favor of retaining the section.

I may be wrong, but I never could see any reason why Congress, whose powers over the subject of keeping the channels of interstate commerce clean are supreme, should do anything or permit anything to be done under its sanction which is obnoxious to the laws of a sovereign State. I have always been in favor of an amendment to our internal-revenue laws which will

stop the practice of the Government laying a tax upon a business which is outlawed in a State. In my opinion it is an insult to levy a tax upon a local business in that State, and thereby, in a sense, giving national sanction to the running of that business, when the laws of the State prohibit the business from being carried on within its borders. It tends to create friction; it discourages the enforcement of law in that State; and necessarily creates a feeling that the Government is a thing apart from the people, when our purpose should be to have the people of every county in every State love and respect the Federal Government. Likewise, I condemn the practice that one State should create a corporation and send it forth to do business in all of the other States, but prohibit it from doing business in the State which created it. Likewise, the Federal Government should pass no law which of itself legalizes the transaction of any business contrary to the laws of the State where the business is to be carried on. I expressed this idea as well as I could by section 26, and in order to make it free from any objection which was raised, I offered to amend the section so that it would not apply to those cases in which there could possibly be any conflict between the laws of the State and those of the Federal Government; for instance, to meet those cases wherein it has been held that where the Government of the United States has jurisdiction to legislate upon the subject, and does so, as in the case of navigable waters as part of interstate commerce, then, that the laws of the United States should always be supreme, notwithstanding any law of a State to the contrary. This would have met every objection which I have heard raised to section 26 as passed by the Senate; but, as I said before, the conferees disagreed from me, and instead of fighting this whole bill and depriving business, labor, and the public generally of the benefit of its many salutary provisions by defeating the whole bill, which a vote against the conferees' report will do, I surrendered gracefully and am willing to take the bill notwithstanding that I did not get all I wanted.

This brings me to section 25, the pet of the junior Senator from Missouri. In my experience with him in this Senate and upon the Judiciary Committee, I have learned that he is a great lawyer as well as a wonderful advocate. He has the legal ability to prepare a much better section, and has qualities as an advocate to defend a much worse one. The Senate conferees did their full duty as to section 25. It was only on the last hour of the last day of the conference that the Senate conferees finally yielded as to section 25, and it was stricken from the bill. We considered ourselves in duty bound to do so, though I must be candid and frank with the Senate, and this compels me to say that after an investigation of the subject and after hearing what the House conferees had to say, I was convinced that section 25 is, to say the most of it, a piece of doubtful legislation. In the first place section 25 singles out the monopoly or combine in restraint of trade and leaves out of the section other things in restraint of trade. There is brought within the purview of the section only the case of a corporation which shall acquire or consolidate or control the plants or property of other concerns. I doubt very much whether it would reach the holding company, but for the sake of the argument let us assume that the word "control" would reach the holding companies. The objections which were raised to the section were, first, that it is a direction to the court to prescribe a given remedy regardless of the circumstances surrounding the case. In other words, it compels the court not only to decree a dissolution but to appoint a receiver and wind up its affairs and cause all of its assets to be sold in such a manner and to such persons in order to restore competition as fully as it was before the corporation or combination began to be formed. It was argued with force that this was a reflection upon the courts, and was an assumption by Congress that the courts will not do their duty, if not a charge that the courts had not done so.

Mr. REED. Mr. President——

Mr. CHILTON. I think when I get through the Senator will find——

Mr. REED. I merely wish to ask the Senator if he does not think it is true that the courts have not done their duty in a great many instances.

Mr. CHILTON. I have lost many cases, and I have exercised the privilege of going behind the house and making a few remarks that may not be worth repeating regarding what the court has done, and I have condemned the courts in individual instances about as much as anyone, but there always comes a time when we forget those things. The softening hand of time brings us around to read the old record, to read the other fellow's brief, and we get a judicial temperament again. After all, as a rule, I would say that the courts do not decide cases wrong. I do not think the courts get wrong any oftener than probably we Senators do. I do not think they get wrong any oftener than other people do. I would dislike to think that I live under a Government where, as a rule, the courts are either ignorant or corrupt. I know the Senator does not think that; but I think they do often make mistakes; I think they do err just about like the common run of humanity. They make mistakes, and they may do foolish things at times.

Mr. REED. Does the Senator think it is a reflection upon the court for the lawmaking body in passing a law to prescribe the penalty?

Mr. CHILTON. In regular order I will say what I think on that point. I lay it down as a proposition that a court which will not honestly and effectively dissolve a combination after ascertaining that it is unlawful within the meaning of the Sherman law would be the kind of court which, to save the corporation, would refuse to find it guilty under a statute which fixed an unvarying decree to be entered. In other words, if the court will not be honest in administering the relief it would not be honest in deciding the facts, and if there were a court which wanted to save a corporation it could do so effectively by refusing to find it guilty, and would do that if the effect of finding it guilty would be to compel a decree required by Senate section 25.

The Sherman antitrust law requires the court to decree a dissolution, and the courts have been doing this by injunction; that is, the courts have been enjoining the different parts of the combination from acting until brought within the court's view of competitive conditions. It was the judgment of the conferees, therefore, that Congress would be going a little too far to say that it could not trust the courts of the United States to enforce the law. But the answer to this is that that is what the law does in fixing any penalty; and the response to the answer is that the Sherman law fixes a penalty for the violation of its criminal provisions; and that is after a trial by jury; and that terrible time has not yet come when we shall have the same severe judgments in civil causes which are provided in criminal cases after a verdict of a jury.

But there is a second objection which was raised to this section, which, to my mind, was most convincing, and that was that it might be a serious injustice to innocent men and might bring the laws of the United States in contempt in the States. Take, for instance, a combination which is made up of a New Jersey corporation which buys 60 per cent of the stock of a corporation in Massachusetts, 60 per cent of another corporation in West Virginia, and 60 per cent of another corporation in Missouri. Before it purchased this controlling stock of the three corporations the Massachusetts corporation had executed a mortgage upon its property to secure creditors by bond issue or otherwise. The West Virginia corporation may have leased property in West Virginia, and may have purchased property and issued bonds secured by a mortgage upon it. The Missouri corporation may have owned valuable franchises and rights and real estate in Missouri and had executed a mortgage upon its property. In addition to this, there may have been judgment liens upon the property of the corporations in each of the States, and their creditors or leinors would be entitled to participate in the assets of the corporation. We seriously doubt the power of a court of equity to do complete justice in a final winding up of these affairs to the creditors and lienors and security holders of the individual corporations. If the suit which the Government brings is not a creditor's suit, it does not marshal the assets of the corporation, nor does it convene the creditors.

As I understand the law, it is only in exceptional cases that a receiver appointed in one State, even by a Federal court, has jurisdiction outside of the State in which he may be appointed. I know that in the case of a railroad running through different States it has been held that the appointment of a receiver in one State will operate to put the whole property in the hands of the receiver upon the ground of necessity, it being held in that kind of a case that the property must be run as a whole, and that the receiver first appointed and taking possession has the right to the possession of the whole assets and to the whole line of the railroad in order to run it as a going concern, each one of the parts being dependent upon the other and it being impossible to run successfully a part of a railroad except in connection with every other part. But even in those cases the usual practice is to apply to the courts of each State in ancilliary proceedings and have the courts of every State through which the road may run to recognize the original receivership of the court which first acquired jurisdiction. There is another line of cases wherein the courts have held, as in the Charter Oak and Iron Hall cases, that the courts of the State which create the corporation and which provide for the appointment of a receiver could appoint such receiver, and that his jurisdiction would extend into any State in which the property of the corporation might be. That theory was sustained

upon two grounds: First, upon the ground that everyone dealing with the corporation was in duty bound to know the laws of the State which created it and that those laws were part of the contract which was entered into by everyone with the corporation, and that since those laws provided for the manner of appointing a receiver and winding up its affairs, when that law was complied with and the receiver was appointed he stood in the same attitude as a voluntary assignee in every State where there might be property of the corporation. It was further sustained upon the ground that complete justice could not be done to all of the stockholders, policyholders, and creditors of such a corporation by having its assets administered by several courts in different States, and in the very nature of the case complete justice could not be done to all parties interested except in one court where all of its assets could be marshaled and all of the creditors might be convened and the rights of all the stockholders and policyholders could be adjudicated.

It is a most dangerous piece of legislation, in my judgment. While I voted for it with the Senator from Missouri, and it struck me as being a good remedial piece of legislation, still when these facts and arguments were presented to me, notwithstanding the fact that I insisted upon it as one of the conferees of the Senate, I must say that when the argument was over I did feel that, in my judgment, the agreement of the conferees was the best thing to be done, and the most that I could say of it was that, in my judgment, it is a very doubtful piece of legislation.

Now, Mr. President, I want to say in conclusion——

Mr. REED. Will the Senator allow me to remark, in view of his recent statement, it is not difficult for me to tell how I lost my case when my counsel became so thoroughly convinced that I was wrong, and I should like to have the privilege of employing at least associate counsel before judgment was entered by consent.

Mr. CHILTON. Still, after all, in view of the peculiar duties which we have to perform here in legislating, one of the first things about it is that we shall be frank with each other, and if I feel that way I can not pretend to the Senator that I feel another way. It is for the Senate to determine whether or not the objections which I have frankly, candidly, and fully given here are not substantial ones. I have great faith in the ability of the Senator. I have found that when you convince him that he is wrong he is fair enough to admit it. I admire the way he fights. I admire the way he stands by a proposition. But, Mr. President, I think that the reasons that I have suggested here are so strong and so cogent that before this is over the Senator is going to say that, as now drawn, his section 25 is not only dangerous, but it is an impracticable piece of legislation.

Mr. REED. If the Senator expects me to stand here and make any such admission as that——

Mr. CHILTON. Not now.

Mr. REED. He will have to use some acumen other than he even hinted at or suggested, because, with all respect to the Senator, who is as ingenious as any man I ever knew, I think his attempt to attack this section is the most hopeless failure it is ever possible for a smart man to make.

Mr. CHILTON. We are where we started, then. The Senate can well see that if the Senator and I had been on the conference committee, this Congress would adjourn by limitation before we would ever agree upon a bill, certainly upon section 25 as an original proposition, from my present sources of information.

But in the case of winding up a combination, under section 25, there is no provision for marshaling the assets of a corporation, and, in my judgment, it could not be done in a suit brought by the Government. The Government institutes a statutory proceeding for the purpose named in the statute. Section 4 of the Sherman law provides that the several courts of the United States are vested with jurisdiction "to prevent and restrain violation" of the act. It then provides "such proceedings may be by way of petition setting forth the case and praying that such violation may be enjoined or otherwise prohibited." In other words, the Sherman law provides that a proceeding shall be brought by petition, and the case of the Government shall be set forth in the petition, and that the prayer shall be that the violation shall be "enjoined or otherwise prohibited."

Neither in the Sherman law nor in section 25 of the Senate bill is there any provision for winding up the business of a corporation or a combination, and it may be seriously doubted whether or not a court of equity could, on a petition praying that the violation of the law should be prohibited, go forward and administer all of the assets of the various corporations which make up the combination. At most, it would be an unwieldy proceeding. But the substantial objection to it is the injustice which would be done to creditors and stockholders and others holding contractual relations with one of the corporations in any of the States. Take, for instance, the corporations in Missouri, 60 per cent of whose stock was purchased, in the supposed case.

Say that the Missouri corporation had real estate, leases, and various franchises. The trust owned 60 per cent of the stock and the stockholders of Missouri owned 40 per cent. The citizens of Missouri owning the 40 per cent did not vote to go into the trust and, in fact, took no part in any of the trust arrangements. The 60 per cent of the stock was grabbed by the holding company, and that controlled all the property, leases, and franchises in Missouri, but the Missouri corporation was preserved as a separate entity. Now, when the court shall wind up the combination, would it sell the 60 per cent of stock owned by the corporation or would it wind up each one of the individual corporations, stock in which was owned by the trust? Suppose it would sell only the 60 per cent of the stock held by the corporation, who would buy it? The owners of the 40 per cent of the stock in Missouri would be thus left at the mercy of many conditions which they could in no way control. Would the court winding up the corporation call in 60 per cent of the Missouri stockholders and leave the other 40 per cent out when it was entering a decree which so materially affected the interest of the 40 per cent? Then, what would become of the creditors of the corporation in Missouri? What would become of the contracts of the corporation? The argument which has been made that there are no innocent minority stockholders may be true in quite a number of cases, but it could not be true in all cases. The history of these transactions teaches that there are many cases where innocent holders of a minority of the stock could be materially injured by this kind of a law. It is clear that the statute is aimed at the assets, because the section in question required the court to retain jurisdiction over the assets for a sufficient time to satisfy the court that full and free competition is restored. Even if we considered only the disposition of the 60 per cent of the stock, would it be equitable and just for the court to reserve the final disposition of the 60 per cent of the stock for an indefinite time, regardless of the rights and the interest of the owners of the 40 per cent, and regardless of the rights and interests of the creditors? When we come to a consideration of the creditors, it may be that the corporation has bonds issued upon which interest is to be paid at certain stated times, and in case of failure to pay interest the whole principal sum secured by the mortgage shall become due. The hands of the 40 per cent of stockholders in Missouri would be tied. They would have no income out of which to pay the interest due at the required period, and it might so happen that while the court was dealing with the 60 per cent and with its receiver the interest would be defaulted and the whole principal sum due under the mortgage would be declared due and payable under its terms, and all of the property would be subject to sale, and the innocent holders of the 40 per cent of the stock would lose everything which they had in the corporation. It seems to me now, after hearing all the facts and all of the arguments against this section, that it would be unwise legislation.

The eminent lawyer who drew this section was no doubt inspired by the loftiest of purposes, but I fear that he did not have before him sufficient data upon which to frame legislation that would do complete justice to everyone who might be involved. In this, as in every other matter affecting these combinations, we are dealing with a condition and not a theory. Creditors and stockholders in the different States have rights. Liens created and contracts made in the different States should not be ruthlessly dealt with, and the courts should not be compelled to enter a decree in every case unless we can say that in every case the innocent will not be injured, and the remedy which we provide will always do exact justice. When we compel a court to do a specific thing, in every case we should be sure that there is the best of reason for it and that approximate justice will be the result. In view of the fact that there is a grave danger that innocent people may be injured and that there is really no way by which the court can in a practical way wind up these combinations by receivership in every case, the conferees felt that the section as drawn would be a grave mistake. But there was another reason urged against this section which deserves consideration, and that is the constitutional limitation as to the power of the Federal court to enact legislation. As I have said before, we can only deal with interstate commerce, and about all that has been settled on that line is that we may regulate what is interstate commerce, and in regulating it we may prohibit and enjoin certain combinations and organizations from engaging in it, and we may keep the channels of interstate commerce clear; that is, we can pass laws that

will prevent any person or persons or combinations from clogging interstate commerce. We can regulate its instrumentalities and in that way exercise complete control over it. The great lawyers who prepared the Sherman antitrust law provided that the courts should prohibit these combinations and trusts. In other words, when the court finds that there is a monopoly or combination in restraint of trade it shall enjoin the things which violate the law. Now, suppose that a corporation of the State of West Virginia should become a part of a trust or combination in restraint of trade. The courts can undoubtedly enjoin it from engaging in interstate commerce, but can the courts confiscate its property? Can the courts confiscate its property as a punishment for crime after conviction by a jury?

If such a corporation of the State should be adjudged by a court to be a part of a combination in restraint of trade engaged in interstate commerce, could not the corporation say, "All right, I will pay the fine for this offense, and I will cease to engage in interstate commerce, and will retire to the State which created me, and will do business alone in that State, and will do only intrastate business; in other words, I will retire from the field of interstate commerce"? This would be legitimate and proper and clearly within its rights. The court has no power over any person or corporation except in so far as it may be necessary to exercise power to regulate interstate commerce. Section 25 of the Senate bill would prevent a corporation from taking this alternative. It is but just and fair that the Senate conferees offered to take this section 25 with an amendment making it optional with the court to appoint a receiver, but it could not keep the section in even with that offer. The Senate conferees obeyed the directions of the Senate in standing by the section until the time came when there could be no agreement with that section in the bill. They then yielded; and I have attempted to show the reasons why they did so, and I can not be frank with the Senate without saying that, in my judgment, the reasons were very strong, and if the matter were presented to me now I could not vote for the section in its present form. In my judgment it is impracticable; and if not impossible of enforcement, it would be so onerous and difficult of enforcement as to make it unwise.

Mr. President, this is a great constructive bill. Its purpose is to make certain things which have been uncertain. Its aim is to free business from suspicion and to allow every good man to go his way without fear and to make it possible for the Government to stop peremptorily any unfair methods which may lead to monopoly and restraint of trade. All of us should remember that the farmer, the workingman, the trader, and the professional man are stockholders, directors, and officers of thousands and thousands of corporations which are transacting business all over the United States.

It is not the purpose, and it ought not to be the purpose, of Congress to put these developers of the commerce of the country in perpetual fear. It ought not to be the law that when an active, energetic man in a community wants to be a director in a corporation he must go into the records of each corporation and analyze every possibility and probability of business and determine whether or not by accepting a responsibility or doing an ordinary act he will become a criminal. We must remember that 99 per cent of the transactions of this country are honest. The great majority of the people are honest. We want the people to engage in business. We want them to be enterprising and alert. It would be injurious to the business of this country to have it so that at every organization of a little corporation for the convenience of the people, and at every meeting of the board of directors of the apple companies, the orchard companies, the oil and gas companies, the stone companies, the coal companies, and the banks and other corporations, representing the activities of the people, it should be necessary to have an expert criminal lawyer always present. The fact is that when these little agencies of commerce are organized no one can tell where their activities and opportunities may lead them. They may become competitors of other corporations tomorrow when they are not to-day. We should encourage enterprise in the people and not stifle it. These two bills, when they become a law, together will make it so that the honest business man will not fear the blackmailer nor dread the unseen possibilities of a dragnet. He can go on, without fear, in any legitimate enterprise, and if others shall take his corporation into unfair practices the Trade Commission can regulate it, and he will have notice that what he had always understood to be a legitimate practice shall not be used as grounds for an indictment. I want to see business free from all unfair methods. I want to see the trusts and monopolies destroyed under the Sherman law. I want to see these unfair methods of competition stopped by the Federal Trade Commission. I want to see the banks made subservient to the people and instruments for their convenience under the direction of the Federal Reserve Board. That is the theory of these two bills.

I believe that this law will be the beginning of a better understanding between capital and labor, between the people and their Government, and that it will be the crowning act of that great constructive legislation which, beginning with the Interstate Commerce Commission, then followed by the Federal reserve act, and then by these two bills, will make a four-horse team that will put the power to compel a fair and just regulation of money, credits, transportation, and interstate business in the hands of the Government. It will then be up to the people to control their Government. The people can not control anything except through their Government. The mission of this administration is to put the Government into the hands of the people, and then give the Government power over these dangerous combinations, but do it in such a way as to assure, not to terrorize, legitimate business. I believe that they will take pride in doing so. These measures will free business from unlawful restraints and will start the people upon an era of prosperity which they have never known before.

It has been said that the President favors the adoption of the conference report. Knowing something of his good sense and of his practical way of meeting the duties which daily confront him, I would not be surprised that he is. He has not told me so, but, so far as I am concerned, nothing would give me more pleasure than to know that the humble part which I have taken in framing this legislation and on the conference committee has been crowned with a work which meets with the approval of the great Democratic leader, whose sound judgment in every crisis and whose poise in every national danger have attracted the admiration and compelled the respect of the entire people, not only of this country but wherever civilization exists.

Mr. LEWIS and Mr. NORRIS addressed the Chair.

The VICE PRESIDENT. The Senator from Illinois.

Mr. LEWIS. Mr. President, I inquire of the Senator from Nebraska if he desires to address himself to the pending question at some length?

Mr. NORRIS. I hardly know how long I shall speak, but I will say to the Senator that it will take me some time, and I am perfectly willing that the Senator from Illinois should proceed.

Mr. LEWIS. I will yield to the Senator from Nebraska. I dare say the Senator from Nebraska desires to present such objections as are in his mind to the conference report. Is that the purpose of the Senator?

Mr. NORRIS. I am opposed to the conference report, but I am perfectly willing that the Senator shall now proceed.

Mr. LEWIS. I thank the Senator from Nebraska. I did not assume to ask him what the line of his remarks was to be, but since the Senator from West Virginia [Mr. CHILTON], a member of the committee, has presented very fully his views, I take it that those on the other side of the question should be heard. I do not think, therefore, that I will intrude at this time, and I yield to the Senator from Nebraska, it having been understood that he was to speak, and a little later I will present myself for the recognition of the Chair.

Mr. NORRIS. Mr. President, I voted for this bill as it passed the Senate——

Mr. REED. Mr. President, before the Senator proceeds I should like to suggest the absence of a quorum. I do so with some hesitation, but the speeches this afternoon have been listened to for the most part by seven or eight Senators, and a discussion carried on under such circumstances is utterly useless. I therefore suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Lane	Overman	Smith, Mich.
Bryan	Lewis	Perkins	Smoot
Chilton	Martin, Va.	Pomerene	Sterling
Clapp	Martine, N. J.	Reed	Swanson
Culberson	Myers	Robinson	Thomas
Fletcher	Norris	Saulsbury	Thompson
Kern	O'Gorman	Sheppard	Thornton

The VICE PRESIDENT. Twenty-eight Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of the absentees.

The Secretary called the names of the absent Senators, and Mr. CHAMBERLAIN, Mr. LEA of Tennessee, Mr. PAGE, Mr. POINDEXTER, Mr. SHAFROTH, Mr. SHIVELY, and Mr. SMITH of Georgia responded to their names when called.

Mr. JONES, Mr. DU PONT, Mr. BRISTOW, Mr. TOWNSEND, Mr. JOHNSON, Mr. STONE, Mr. MCLEAN, Mr. WILLIAMS, Mr. SIMMONS, Mr. HUGHES, Mr. BANKHEAD, Mr. WEEKS, Mr. WHITE,

and Mr. McCUMBER entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. There is a quorum present.

EXECUTIVE SESSION.

Mr. KERN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

PETITIONS AND MEMORIALS.

Mr. CHILTON. I have received a telegram in the nature of a memorial from the oil and gas producers of St. Marys, W. Va., relative to the proposed tax on gasoline. I ask that the telegram be printed in the RECORD and referred to the Committee on Finance.

There being no objection, the telegram was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

[Telegram.]

ST. MARYS, W. VA., *September 30, 1914.*

Senator CHILTON, *Washington, D. C.:*

Oil and gas producers of this district call attention to the fact that the revenue bill as it now stands is unjust in that it does not tax imported gasoline or gasoline in storage. Besides, is so excessive that its passage means a closing down of almost the entire casing-head gasoline industry.

J. D. DINSMOOR.
O. C. SWEENY.
W. C. DOTSON.

Mr. OLIVER presented memorials of sundry national banks and trust companies in the State of Pennsylvania, remonstrating against the proposed tax on capital and surplus of banks, which were referred to the Committee on Finance.

He also presented a petition of sundry citizens of Mercer County, Pa., praying for the enactment of the so-called Shackleford good roads bill, which was referred to the Committee on Appropriations.

He also presented a memorial of the Chamber of Commerce of Pittsburgh, Pa., remonstrating against the passage of the so-called Rayburn bill as affects the Carmack amendment relating to the liability of common carriers, which was referred to the Committee on Commerce.

He also presented memorials of sundry citizens of Pennsylvania, remonstrating against the proposed tax of 2 cents per gallon on gasoline, which were referred to the Committee on Finance.

He also presented memorials of the Pittsburgh Clearing House Association, of Pittsburgh, Pa.; of the Philadelphia Clearing House Association, of Philadelphia, Pa.; and of the Continental and Commercial National Bank, of Chicago, Ill., remonstrating against the adoption of the provisions in the so-called Clayton antitrust bill as to interlocking of bank directorates, which were referred to the Committee on Finance.

He also presented memorials of sundry citizens of Reading, Pa., remonstrating against the proposed rates of revenue tax on cigars, which were referred to the Committee on Finance.

He also presented memorials of sundry citizens of Pennsylvania, protesting against the proposed tax of $100 on moving-picture shows, which were referred to the Committee on Finance.

He also presented a memorial of the Philadelphia Board of Trade and the Maritime Exchange of Pennsylvania, remonstrating against the enactment of legislation providing for Government ownership and operation of merchant vessels in the foreign trade, which was referred to the Committee on Commerce.

He also presented a petition of the City Council of Pittsburgh, Pa., praying for the enactment of legislation providing for the pensioning of superannuated civil-service employees, which was referred to the Committee on Civil Service and Retrenchment.

He also presented a memorial of the Trades Assembly of Bradford, Pa., remonstrating against the wholesale exportation of wheat and other foodstuffs to the nations now engaged in war, which was referred to the Committee on Finance.

He also presented a petition of the Pennsylvania State Camp, Patriotic Order Sons of America, of Philadelphia, Pa., praying for the enactment of legislation to further restrict immigration, which was referred to the Committee on Immigration.

Mr. WEEKS presented a petition of the Chamber of Commerce of Taunton, Mass., praying for the enactment of legislation to provide that goods covered by foreign patents taken out in this country shall be manufactured here, which was referred to the Committee on Patents.

Mr. McLEAN presented a petition of the Court of Common Council of Hartford, Conn., praying for the enactment of legislation to provide pensions for civil-service employees, which was referred to the Committee on Civil Service and Retrenchment.

Mr. SMITH of Michigan presented memorials of the Real Estate Board of Detroit, Mich., remonstrating against the proposed tax on real-estate conveyances, which was referred to the Committee on Finance.

He also presented a memorial of sundry citizens of Grand Rapids, Mich., remonstrating against the proposed revenue tax on cigars, which was referred to the Committee on Finance.

He also presented memorials of the Michigan Bankers' Association, the Clearing House Committee of Detroit, and the National Bank of Commerce of Detroit, all in the State of Michigan, remonstrating against the proposed tax on capital and surplus of banks, which were referred to the Committee on Finance.

Mr. OWEN presented memorials of sundry citizens of Oklahoma, remonstrating against the imposition of an emergency tax on miscellaneous products, which were referred to the Committee on Finance.

He also presented memorials of sundry citizens of Oklahoma City, Tulsa, Durant, Muskogee, and Ardmore, all in the State of Oklahoma, remonstrating against the proposed tax on gasoline, which were referred to the Committee on Finance.

He also presented memorials of sundry bankers of Hartshorne, Pawnee, Marietta, Fort Towson, Woodville, Mangum, Amorita, Eakly, Tribbey, Claremore, Calera, Cushing, and Cherokee, all in the State of Oklahoma, remonstrating against the proposed tax on capital and surplus of banks, which were referred to the Committee on Finance.

INTERNATIONAL CONGRESS ON EDUCATION.

Mr. O'GORMAN. From the Committee on Foreign Relations I report back favorably, without amendment, the joint resolution (S. J. Res. 187) requesting the President of the United States to invite foreign Governments to participate in the International Congress on Education, and I submit a report (No. 800) thereon. I ask unanimous consent for the present consideration of the joint resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

Mr. SMOOT. Let the joint resolution be reported.

There being no objection, the Senate as in Committee of the Whole proceeded to consider the joint resolution, which was read, as follows:

Resolved, etc., That the President of the United States is hereby authorized and requested to invite foreign Governments to appoint honorary vice presidents and otherwise participate in the International Congress on Education, to be held at Oakland, Cal., August 16 to 27, 1915, in connection with the Panama-Pacific International Exposition: *Provided,* That no appropriation shall be granted at any time hereafter in connection with said congress.

Mr. O'GORMAN. I desire to say that there is no expense attached to the Government in connection with the joint resolution.

Mr. SMOOT. Mr. President, I simply wish to state for the record that if I am here and an appropriation is ever asked for this purpose I shall oppose it.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

THE RECLAMATION SERVICE.

Mr. SMITH of Arizona, from the Committee on Irrigation and Reclamation of Arid Lands, to which was referred the joint resolution (S. J. Res. 172) excepting the Reclamation Service from the operations of section 5 of the act of Congress approved July 16, 1914, reported it without amendment and submitted a report (No. 799) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WEEKS (for Mr. SHERMAN):

A bill (S. 6557) granting a pension to Sarah J. Crackel; to the Committee on Pensions.

By Mr. McLEAN:

A bill (S. 6558) granting an increase of pension to Rebecca L. Lapaugh (with accompanying papers); to the Committee on Pensions.

By Mr. SMITH of Michigan:

A bill (S. 6559) to remove the charge of desertion from the military record of George W. Blakeslee; and

A bill (S. 6560) to remove the charge of desertion from the military record of Nelson H. Daniels (with accompanying papers); to the Committee on Military Affairs.

EMERGENCY REVENUE LEGISLATION.

Mr. THOMPSON submitted three amendments intended to be proposed by him to the bill (H. R. 18891) to increase the internal revenue, and for other purposes, which were referred to the Committee on Finance and ordered to be printed.

Mr. WILLIAMS submitted six amendments intended to be proposed by him to the bill (H. R. 18891) to increase the internal revenue, and for other purposes, which were referred to the Committee on Finance and ordered to be printed.

RECESS.

Mr. KERN. I move that the Senate take a recess until to-morrow at 11 o'clock a. m.

The motion was agreed to; and (at 4 o'clock and 45 minutes p. m., Thursday, October 1, 1914) the Senate took a recess until to-morrow, Friday, October 2, 1914, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate October 1 (legislative day of September 28), 1914.

UNITED STATES ATTORNEYS.

George W. Anderson, of Boston, Mass., to be United States attorney, district of Massachusetts, vice Asa P. French, whose term has expired.

Melvin A. Hildreth, of Fargo, N. Dak., to be United States attorney for the district of North Dakota, vice Edward Engerud, resigned.

CONFIRMATIONS.

Executive nominations confirmed by the Senate October 1 (legislative day of September 28), 1914.

AMBASSADORS EXTRAORDINARY AND PLENIPOTENTIARY.

Frederic Jesup Stimson to be ambassador extraordinary and plenipotentiary to Argentina.

Henry P. Fletcher to be ambassador extraordinary and plenipotentiary to Chile.

CHIEF OF BUREAU OF FOREIGN AND DOMESTIC COMMERCE.

Edward Ewing Pratt to be Chief of Bureau of Foreign and Domestic Commerce in the Department of Commerce.

SURVEYOR OF CUSTOMS.

Cyrus W. Davis to be surveyor of customs in customs collection district No. 1.

PROMOTIONS AND APPOINTMENTS IN THE NAVY.

Lieut. Commander David W. Todd to be a commander.
Lieut. William W. Galbraith to be a lieutenant commander.
Lieut. John V. Babcock to be a lieutenant commander.
Lieut. (Junior Grade) Damon E. Cummings to be a lieutenant.
Lieut. (Junior Grade) Warren G. Child to be a lieutenant.
The following-named ensigns to be lieutenants (junior grade):
Ward W. Waddell.
Jesse D. Oldendorf.
James B. Rutter.
Midshipman William E. Malloy to be an ensign.
Charles W. Depping to be an assistant surgeon in the Medical Reserve Corps.
Ensign Stuart S. Brown to be a lieutenant (junior grade).
Talmadge Wilson to be an assistant surgeon in the Medical Reserve Corps.
John D. Target to be an assistant surgeon in the Medical Reserve Corps.
Walter W. Cress to be an assistant surgeon in the Medical Reserve Corps.
Boatswain Thomas James to be a chief boatswain.
Lieut. Joseph L. Hileman to be a lieutenant commander.
Lieut. (Junior Grade) John W. W. Cumming to be a lieutenant.
The following-named lieutenants (junior grade) to be lieutenants:
Augustin T. Beauregard.
Herbert S. Babbitt.
The following-named ensigns to be lieutenants (junior grade):
Lee P. Johnson.
Robert G. Coman.
Robert H. Bennett.
Vance D. Chapline.
Joseph A. Murphy.
Ervin L. Matthews to be an assistant surgeon in the Medical Reserve Corps.
Robert L. Nattkemper to be an assistant surgeon in the Medical Reserve Corps.
Machinist John W. Merget to be a chief machinist.
Arthur Freeman to be an assistant surgeon in the Medical Reserve Corps.
Fredric L. Conklin to be an assistant surgeon in the Medical Reserve Corps.
A. Contee Thompson to be an assistant surgeon in the Medical Reserve Corps.

POSTMASTERS.

ALABAMA.

C. N. Parnell, Maplesville.

GEORGIA.

George G. Brinson, Millen.
Emma Pettis, Cave Spring.

MISSISSIPPI.

Edgar G. Harris, Laurel.

MISSOURI.

J. Vance Bumbarger, Memphis.

NEBRASKA.

H. C. Letson, Red Cloud.

NEW MEXICO.

Charles M. Samford, Hagerman.
James L. Seligman, Santa Fe.

NEW YORK.

Elbridge J. Stratton, Theresa.

OKLAHOMA.

Preston S. Lester, McAlester.

SOUTH DAKOTA.

Anton Koch, Isabel.

TENNESSEE.

John B. Dow, Cookeville.
B. F. Grisham, Newbern.
P. L. Harned, Clarksville.

HOUSE OF REPRESENTATIVES.

THURSDAY, *October 1, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father who art in Heaven, we bless Thee for that sublime optimism, born of faith in Thee and in humanity, which confidently looks forward to the triumph of right and truth and justice, and we most fervently pray that we may work together with Thee to that end, under the spiritual leadership of Thy son Jesus Christ. For Thine is the kingdom, and the power, and the glory forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

QUESTION OF PERSONAL PRIVILEGE.

Mr. GORDON. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state it.

Mr. GORDON. On the last day this House was in session having under consideration the Philippine bill this colloquy occurred——

Mr. MANN. What day?

Mr. GORDON. Page 15849.

Mr. HENRY. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Texas [Mr. HENRY] makes the point of order that there is no quorum present. The Chair will count. [After counting.] Evidently there is no quorum present.

Mr. UNDERWOOD. Mr. Speaker, I move a call of the House.

The SPEAKER. The gentleman from Alabama [Mr. UNDERWOOD] moves a call of the House. The question is on agreeing to that motion.

A call of the House was ordered.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Ansberry	Browning	Connolly, Iowa	Elder
Austin	Bryan	Conry	Falson
Barchfeld	Burke, Pa.	Copley	Falconer
Barkley	Burke, Wis.	Curry	Ferris
Bell, Cal.	Calder	Dooling	Fields
Brockson	Candler, Miss.	Doughton	Fitzgerald
Brodbeck	Cantor	Driscoll	Francis
Broussard	Carr	Eagle	French
Brown, N. Y.	Church	Edmonds	Gard

Gardner	Hughes, W. Va.	Loft	Scully
George	Humphrey, Wash.	McClellan	Shreve
Gillett	Humphreys, Miss.	McCoy	Slemp
Gilmore	Johnson, Wash.	Mahan	Smith, Md.
Godwin, N. C.	Keister	Martin	Smith, N. Y.
Goldfogle	Kelly, Pa.	Merritt	Sparkman
Goulden	Kent	Metz	Stedman
Graham, Ill.	Kiess, Pa.	Montague	Stevens, N. H.
Graham, Pa.	Kindel	Morin	Stringer
Gregg	J. R. Knowland	Mott	Sumners
Guernsey	Konop	Murdock	Taylor, Colo.
Hamill	Korbly	O'Shaunessy	Treadway
Hamilton, N. Y.	La Follette	Page, N. C.	Walker
Hammond	Langley	Paige, Mass.	Wallin
Harris	L'Engle	Palmer	Walsh
Helgesen	Lenroot	Parker	Watkins
Hensley	Levy	Patten, N. Y.	Whaley
Hill	Lewis, Pa.	Powers	Willis
Hinebaugh	Lindbergh	Prouty	Wilson, N. Y.
Hobson	Lindquist	Rainey	Winslow
Howard	Linthicum	Reed	Woodruff
Hoxworth	Lloyd	Sabath	

A number of Members having appeared at the bar to have their names recorded,

Mr. CARTER. Mr. Speaker, am I recorded?

The SPEAKER. The Clerk will see if the gentleman from Oklahoma is recorded.

Mr. CARTER. Am I recorded?

The SPEAKER. The gentleman is not.

Mr. CARTER. I wish to be recorded.

The SPEAKER. The Clerk will record the gentleman's name.

Mr. WHITACRE. Mr. Speaker, I wish to be recorded.

The SPEAKER. The Clerk will record the name of the gentleman from Ohio. The Chair will state that this overflow, as it may be called, on roll calls is getting to be almost equivalent to a third roll call, and the Chair advises all Members to examine the rule book carefully to see if they have the right to answer at all under such circumstances.

Mr. CARTER. I will state, Mr. Speaker, that I answered to my name, but I was not sure that it had been recorded.

The SPEAKER. The Chair understands. His remark has nothing more to do with the gentleman than with any other Member of the House. It is a waste of time.

Mr. UNDERWOOD. What is the announcement, Mr. Speaker?

The SPEAKER. On this roll call 306 Members have answered to their names.

Mr. UNDERWOOD. Mr. Speaker, I move to suspend further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors. The gentleman from Ohio [Mr. GORDON] is recognized.

Mr. GORDON. Mr. Speaker, on last Monday, the last day on which the Philippine bill was under consideration, the following colloquy occurred on the floor of this House:

Mr. GORDON. Will the gentleman yield?

Mr. FESS. I think I will have to yield.

Mr. GORDON. I simply want to ask you if you are sure about your figures when you say that 85 per cent of those people are unable to read or write?

Mr. FESS. I take that from the statement of the gentleman from Minnesota [Mr. MILLER], who, when asked about it, confirms the statement.

Mr. GORDON. I will say to you that you are mistaken. The literacy in the Philippines is higher than it is in any country south of the United States.

* * * * * * *

Mr. FESS. My colleague is capable of any sort of a statement, without regard to whether it is true or not, and therefore I shall not enter into a controversy longer with him. I can not allow anybody to interrupt me who has absolutely no regard for what he says. [Applause on the Republican side.]

Now, Mr. Speaker, it is not my purpose to engage in competition with the gentleman from Ohio in the use of billingsgate or in the bandying of epithets, but I simply desire to state to this House that I was constrained to interrupt the gentleman upon the highest possible ground of public policy.

Mr. MANN. Mr. Speaker, I make the point of order that the gentleman has not stated a question of personal privilege. If the gentleman desires some time and will give this side time, I shall have no objection.

The SPEAKER. The gentleman asks for five minutes.

Mr. HAY. Mr. Speaker, I think the gentleman from Ohio [Mr. GORDON] has stated a question of personal privilege. The gentleman from Ohio [Mr. FESS] has practically stated that what the gentleman stated is untrue, and that is a question of personal privilege.

The SPEAKER. The only reason the Chair stated that the gentleman asked five minutes was to expedite matters. The Chair thinks, as he decided upon the point of order raised by the gentleman from Illinois on December 12, 1912, that it is a question of privilege.

Mr. FESS. Mr. Speaker——

The SPEAKER. The Chair did not decide, of course, as to this particular language. It is only a question of whether it reflects upon a Member in his representative capacity.

Mr. MANN. Mr. Speaker, I do not think that is the point of order. The point of order is whether words spoken in debate and not taken down give rise to a question of personal privilege hereafter. If the Speaker holds that they do——

The SPEAKER. The gentleman from Illinois and myself both know, and so do a good many others, that there are many Members of the House who never investigate the rule about taking down words and do not know anything about it, and they lose their opportunity that would come up under that rule. The Chair is not passing upon this language in this particular case in what he is going to say in a general way, but the practice by which one Member can stand up here and vilify another about what he is saying in his representative capacity, and because he does not understand that rule about taking down words the complaining Member loses his opportunity to have the matter corrected——

Mr. FESS. Mr. Speaker——

Mr. GORDON. Mr. Speaker, to save time I will ask unanimous consent that I may be permitted to address the House for five minutes.

The SPEAKER. The gentleman from Ohio asks unanimous consent to address the House for five minutes. Is there objection?

Mr. FESS. Mr. Speaker, I hope there will be no objection to that.

The SPEAKER. Is there objection?

There was no objection.

Mr. GORDON. As is well known to the membership of this House, there have been several questions of fact raised here between the gentleman from Ohio [Mr. FESS] and myself. We are not upon especially friendly terms, and I was extremely reluctant to interrupt him the other day, and would not have done so except with his consent and upon what I deemed to be the highest reasons of public policy. He had stated that 85 per cent of the people of the Philippine Islands are illiterate. I called his attention to the statement. I had not at hand the figures and data to refute it at that time, but I have since looked into the question, and find that a census taken by the Government of the United States in 1903 reported that only 55.5 per cent of the people of those islands were then illiterate, and since that time, as has been stated in speeches which we have heard on the Republican side, a "campaign of education" has been going on over there, so that we have a right to assume that the people have not declined in literacy to the extent of 30 per cent as a result of that campaign of education. We have had several insurrections over there, and when members of the Committee on Insular Affairs, availing themselves of the privileges of the floor of this House, see fit to make erroneous statements concerning those people upon a question like their literacy or illiteracy, upon which any people are extremely sensitive, it seems to me it imposes a grave duty upon the House itself and every Member in it to call attention to the misstatement, whether it is made intentionally or not. That was the sole purpose for which I rose, and I do not care to carry on this discussion. I think I can place my reputation for veracity, standing, or character alongside that of any other Member of this House among the people who know me. [Applause.]

Time at last sets all things even. Justice travels with a leaden heel, but strikes with an iron hand.

I thank the House for its courtesy. [Applause.]

Mr. FESS. Mr. Speaker, I ask unanimous consent for one minute.

The SPEAKER. The gentleman from Ohio asks unanimous consent to address the House for one minute. Is there objection?

There was no objection.

Mr. FESS. Mr. Speaker, the announcement that my colleague [Mr. GORDON] made a moment ago—that we were not on the most friendly terms—is a surprise to me, for I had no intimation that that was true. I did not know that there was anything at all between Mr. GORDON and myself. That may seem strange to some people, but I am not responsible for the gentleman's feeling on that matter. In the second place, if the Speaker referred to me in his statement to the House that if anyone thought he could get up here and vilify a Member, and allow it to pass, when the Member might not know his recourse by having the words taken down, I want to apologize to the Speaker and to the House if any words from my lips appeared to be in the form of vilification, for I did not mean them in that way; and to my friend [Mr. GORDON] I want to say pub-

licly that I have absolutely no ill feeling toward him, and if it shall appear that I have wronged him, I will be glad to make a public apology and ask that the words be taken from the RECORD, for I have no intention of doing anything of the sort. [Applause.]

The SPEAKER. The Chair will state that the Speaker stated positively and plainly that the remark he made did not apply to this particular case, and was not intended to, but laid down a general proposition in answer to a point of order made by the gentleman from Illinois [Mr. MANN].

Mr. MILLER. Mr. Speaker, I ask unanimous consent to address the House for not to exceed three minutes.

The SPEAKER. The gentleman from Minnesota asks unanimous consent to address the House for not exceeding three minutes. Is there objection?

There was no objection.

Mr. MILLER. Mr. Speaker, inasmuch as the altercation of the other day, which has been brought to the attention of the House this morning, started possibly from the speech which I had made a few hours previously, and inasmuch as the gentleman from Ohio [Mr. GORDON], with commendable industry, has been searching the records to endeavor to find facts to establish what he then said, and has made a statement with regard to literacy in the Philippine Islands, it may be proper that I say a word respecting literacy in the islands. In the first place, the statement which was quoted by the gentleman from Ohio——

Mr. SHERWOOD. Which one?

Mr. MILLER. The statement of the gentleman from Ohio, Mr. FESS, in reference to literacy, he inadvertently doubtless made because he understood me to say that 85 per cent of the inhabitants of the islands were illiterate. The figures which I gave at that time were in respect to the proportion of the Philippine people who were acquainted with and had a proper appreciation and knowledge of the meaning of independence, or the institution of independence, the 15 per cent being the class who did and the 85 per cent being the class who did not. But even at that, Mr. Speaker, the statement of the gentleman from Ohio is perhaps well within the facts, as they are pertinent to the discussion which we had at that time.

Mr. ANTHONY. Which gentleman?

Mr. MILLER. Mr. FESS. It is not true that 85 per cent of the population of the Philippine Islands to-day are illiterate. Why? Because beneath the Stars and Stripes the American schoolhouse has been there for 14 years. [Cries of "Oh!" on the Democratic side.] Wait a moment. Talk all you please when I have finished.

The SPEAKER. The House will be in order.

Mr. MILLER. The children of the islands are literate, as far as their schools have been able to furnish them facilities.

Mr. BURNETT. What did Mr. FESS say that for then? Did he not intend to tell the truth?

Mr. MILLER. Never mind. I can not yield. I have but three minutes.

The SPEAKER. The gentleman declines to yield.

Mr. MILLER. But if it be said in respect to the adult people, those who are charged with public affairs to-day and with the administering of any political institutions that might be established by reason of independence, including both civilized and uncivilized peoples, it is probably entirely and absolutely correct. [Applause on the Republican side.] There are regions where a very much larger per cent are literate; then there are regions where practically the total population are illiterate.

One word further. There are certain qualifications the possession of any one of which enables a man in the Philippine Islands to vote to-day. One is property and one is education—the capacity to read or write Spanish or English. If a man has any literacy at all, he should be able to read or write Spanish or English. But even under those liberal terms, in the election of 1912, their last election, there were but a little over 240,000 voters out of a population of more than 8,000,000 people, and of those 240,000 more than 70 per cent were absolutely illiterate.

The SPEAKER. The time of the gentleman has expired.

Mr. ADAMSON. Mr. Speaker, I ask unanimous consent that a Senate bill on the Speaker's table, an innocent little uncontested bridge bill, be taken up for immediate consideration, there being an identical House bill on the calendar.

Mr. JONES. Will the gentleman delay that just a moment to allow me to make a request?

Mr. ADAMSON. I certainly will, for the purpose indicated.

Mr. JONES. I ask unanimous consent to address the House for five minutes.

Mr. MANN. Mr. Speaker, I think I will ask for the regular order.

THE PHILIPPINE ISLANDS.

The SPEAKER. The regular order is to go into Committee of the Whole House on the state of the Union. Under the rule the House will resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 18459, the Philippine bill.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. FLOOD of Virginia in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of the bill of which the Clerk will read the title.

The Clerk read as follows:

Mr. JONES. Mr. Chairman, before yielding to the gentleman from the Philippine Islands [Mr. QUEZON], I wish to consume about two minutes in making a statement. The gentleman from Minnesota [Mr. MILLER], who has just addressed the House, has undertaken to justify a statement which he made on Monday last as to the extent of illiteracy in the Philippine Islands. I hold in my hand the fourteenth special report of the director of education of the Philippine Islands, which has just been received but which has not as yet been printed. In this report the director of education states that in the year 1866 there were 1,674 schools reported, with an attendance of 135,000 boys and 12,260 girls; in all, 147,260 Filipinos in the schools in 1866. In the year 1892 the number of schools had increased from 1,674 to 2,173.

I also have before me a book written by the confidential secretary of Mr. Dean C. Worcester, who was until recently the commissioner of the interior of the Philippine Islands. Another and larger edition of this book has recently been published, the introduction to which was written by former President Taft, who testifies to the accuracy of statement of the author. This book was written in 1905, and its author makes this statement in it:

> One may fairly say that approximately one-half the Christian population over 10 years of age is literate. But this includes the people of the most backward and outlying Christian settlements, in the mountains of north-central Luzon, in unsettled islands like Mindoro and Palawan, and on the outskirts of Mindanao.

That was nine years ago. Since that time there has been on an average 600,000 children in the Philippine schools, and I am absolutely justified in saying, and the statement will be supported by those familiar with the facts, that 75 per cent of the inhabitants of the Philippine Islands to-day over 10 years of age in the Christian Provinces are literate. [Applause on the Democratic side.]

Mr. TOWNER. Will the gentleman yield?

Mr. JONES. To a question.

Mr. TOWNER. I understood the gentleman to say that in 1866 there were 147,000 children in the public schools.

Mr. JONES. Public and private.

Mr. TOWNER. How many in the public schools and how many in the private?

Mr. JONES. A large majority of them in the public schools. Now, Mr. Chairman, I yield 20 minutes to the gentleman from the Philippine Islands [Mr. QUEZON].

Mr. QUEZON. Mr. Chairman, the bill we are now discussing is of momentous importance to 10,000,000 people on the other side of the Pacific Ocean; it affects their life, their property, their welfare, and, what is more vital than all else, their liberty. The action of the Congress upon this bill will determine whether the long struggle for freedom, wherein those people have been engaged with untold sacrifice in life and wealth, will be crowned with success or doomed to disheartening failure

The bill is also important to 100,000,000 people on this side of the Pacific; it puts to a test the foundations of their national life and it affects their national duty as much as their national honor.

SIGNIFICANCE OF THE BILL.

Let no man upon this floor have any doubts regarding the nature of the question upon which he is to vote. In its last analysis that question is simply this: Will you, as a Christian and powerful Nation, do to another Christian but weak nation what the Golden Rule commands you to do? Will you, as the offspring of those who pledged their lives, their property, and their sacred honor to the enforcement of the principle that all men are born free and are entitled to their freedom, and that just governments derive their powers from the consent of the governed, be true to the covenant of your fathers? Nay, the question involves more than the observance or disregard of a duty imposed by general or, as some may cynically say, outworn principles. The question is whether you are ready to redeem or would prefer to repudiate concrete and recent prom-

ises, both expressed and implied, made in the name of your faithful and honorable Nation to the people of the Philippine Islands, that the dawn of a glorious day shall come when full justice will be done them and when every opportunity shall be given for self-development and progress under the auspices of their own free and independent flag. [Applause.]

THE PHILIPPINE ISLANDS.

Mr. Chairman, the Philippines are an archipelago lying between latitudes 21° and 40° north and between meridians 116° and 127° east longitude. On these islands nature has bestowed with generous hand and in harmonious combination her riches and her beauties. Millions of acres of agricultural land capable of growing all kinds of tropical products; forests with excellent woods in large quantity and variety; mines of gold and silver and rich deposits of lead, iron, and petroleum; glorious sunsets, moonlight and stormy nights, cascades, lakes, valleys, rivers, mountains, volcanoes, enchanting inland seas, and beautiful panoramas make this land the "Pearl of the Orient."

This is the country which in the daybreak of a beautiful May morning of 1898 witnessed the majestic entrance into Manila Bay of a powerful fleet bearing the death sentence of Spanish sovereignty in the Philippine Islands.

THE FILIPINO PEOPLE.

This country was then, as it is now, the dwelling, the home, of a people homogeneous in race, one in religion—with the exception of a proportionately small number of uncivilized non-Christians—welded together into a common nationality and united in a single overmastering ambition—to be free and independent.

These people had then been, for three long centuries, subject to the civilizing and ennobling influence of the doctrines of the Saviour, which they had espoused and which taught them the equality and the dignity of men. Science, arts, and letters were then familiar subjects among the leaders of that people, as public instruction was already within reach of the masses, a large percentage of whom were literate before American occupation. Social life among the wealthy and highly educated class was similar to that of the corresponding class in western Europe, except that there were never aristocratic tendencies among the wealthy and educated Filipinos. An ideal home with mutual devotion between husband and wife and between parents and children constituted the solid foundation of this growing nationality. The hospitality and sobriety of these people were then, as they are now, among their most conspicuous characteristics, just as their thirst for education and love for freedom were and are their greatest national virtues.

Such are the people who a decade and a half ago fell under the sovereignty of the United States, and in whose interest the Congress is now called upon to legislate.

PUBLIC SCHOOLS DURING THE SPANISH RÉGIME.

Mr. Chairman, I am so pressed for time that I should have stopped with the foregoing general description of the Filipino people were it not for certain statements made by the gentleman from Minnesota [Mr. MILLER] that require to be answered with concrete data. The gentleman from Minnesota in the course of his speech said that—

When the American flag was first unfurled in that part of the globe there was no adequate system of public instruction. There was a "paper system"—

He said—

promulgated by the Spanish Government, which was never put into effect.

Then he proceeds:

If you could read the beautiful reports which the Governor General sent back to the Cortes of Spain, you would find many glowing accounts of the schools and the teachers and the pupils, but the teachers and the schools and the pupils had little physical existence outside of the imagination of the man who penned the lines. There were some schools back a little earlier than 1898. They were church schools; there were no public schools, however, under the supervision of the Government excepting a limited few.

Mr. Chairman, at the time these remarks were made by the gentleman from Minnesota he was kind enough to allow me to make the statement that there were public schools in the Philippines long before American occupation, and that, in fact, I was myself educated in one of those schools, although my native town is a very small village isolated in the mountains of the northeastern part of the island of Luzon. What I then said I now reiterate.

That the system of public instruction established by the Spanish Government was far less efficient than the system established by the United States is, of course, unqualifiedly true; but that such a system was to be found only on "paper," and that the teachers and the schools and the pupils had little actual existence outside of the "imagination" of the man who wrote that paper is very wide of the mark.

Why, Mr. Chairman, as early as the year 1866, when the total population of the Philippine Islands was only 4,411,261, and when the total number of municipalities in the archipelago was 900, the number of public schools was 841 for boys and 833 for girls, and the number of boys attending these schools was 135,098 and of girls 95,260; and these schools were real buildings, and the pupils alert, intelligent, living human beings. In 1892 the number of schools had increased to 2,137, of which 1,087 were for boys and 1,050 for girls. I have seen with my own eyes many of these schools and thousands of these pupils. They were not "church schools," but schools created, supported, and maintained by the Government.

How real these schools were can be gathered from the paragraph that I shall directly read from the Philippine census—an American-made document. It should be noted that to a certain extent the census shares the pessimistic views of the gentleman from Minnesota regarding said schools, yet it admits that the schools were something more substantial than the creatures of a prolific imagination. After giving the number of schools and pupils as I stated them and depicting the deficiencies of that system of education, the census makes this remarkable admission:

Popular instruction attained a more than average advance, evidently due to the natural talent, the virtue of the race, and its precocity and willingness to be educated, all of which were characteristic and common qualities of young Filipinos.

How could any advance in popular instruction have been possible if the schools and the pupils did not exist in reality and in the flesh?

LITERACY PRIOR TO AMERICAN OCCUPATION.

There is still another evidence of the existence of old schools and of the pupils I have described. According to this same census, those who could neither read nor write when you arrived at Manila were only 55.5 per cent of the population 10 years of age and over. How did the remaining 44.5 become literate? By intuition perhaps? [Laughter.]

I am inclined to believe, Mr. Chairman, that the utterances of the gentleman from Minnesota [Mr. MILLER] upon which I have commented were more or less rhetorical figures of speech. The gentleman's gift as a born orator will not permit him to adhere merely to bare, cold facts. He doubtless meant only to convey to the committee a graphic idea of the unsatisfactoriness of the Spanish system of education and of the poor quality of the schools as compared with the system and the schools we now have. If so, the gentleman from Minnesota has more than a mere excuse for his statement; he has a justification in fact. [Laughter and applause.]

But while I could thus explain the seeming inaccuracy of the gentleman from Minnesota, I am at a loss to understand, Mr. Chairman, how it was possible for the gentleman from Ohio [Mr. FESS], a distinguished and learned professor as he is, to make upon this floor the amazing remark that to-day 85 per cent of the population of the Philippines can neither read nor write.

It will be noticed that the figures of the census I have already cited regarding persons who could neither read nor write were 55.5 per cent, or 30 per cent lower than the figures given by the gentleman from Ohio; and, further, that those figures of the census represented the degree of literacy prior to 1903, while the figures of the gentleman from Ohio refer to the supposed illiteracy in this year of grace 1914. Is it possible that illiteracy in the Philippines was lower before American schools were established there? Have we, then, retrograded? Can these American schools have served to render the Filipino people more illiterate than before? What a humiliating tale would that be for the American government in the islands, whose beneficial and uplifting influence has been so enthusiastically described by the gentleman from Ohio himself. Fortunately for you and for us, Mr. Chairman, and for the common glory of both your teachers and our youth, such is not the case, for instead of going backward we have, as everybody knows, gone onward by leaps and bounds. [Applause on the Democratic side.]

PRIVATE SCHOOLS, COLLEGES, AND UNIVERSITY UNDER SPAIN.

Mr. Chairman, returning to the condition of education during Spanish régime, I have shown convincingly to the most skeptical, I think, that there were public schools in the Philippines, though not half as good or as numerous as the schools of to-day, half a century before American occupation, and that those schools were not private or church schools, as the gentleman from Minnesota would have us believe. It is absolutely true, however, that besides these public schools there were also private schools, as there were colleges and one university where professional training was given. Some of these institutions preceded for many hundred years the establishment of Government schools. Founded and supported by private funds, these institu-

tions were to be found not only in Manila but in the Provinces as well. The more important of the colleges were Santo Tomás, San Juan de Letrán, Ateneo Municipal, Escuela Normal, San José, Escuela Náutica National, Escuela de Contaduría, Academia de Pintura y Dibujo, and the seminaries in Manila, Nueva Segovia, Cebu, Jaro, and Nueva Caceres. The college of Santo Tomás, founded in 1519, was converted into the university of the same name in 1645, since which date this institution of learning has given to the scientific world distinguished men in almost every branch of science. Bishops, members of the Spanish Parliament, high officers in the Spanish Army, priests, judges, doctors in philosophy, in medicine, and in laws are to be found in the long list of distinguished pupils of this ancient alma mater of the Filipino youth. Living witnesses to-day of the efficiency of these colleges, seminaries, and this university are the three Filipino members of the insular supreme court, among them the chief justice, who was honored by the University of Yale with the degree of doctor of laws, the Filipino members of the Philippine Commission, the two Filipino bishops of the Roman Catholic Church, the speaker and members of the Philippine Assembly, the attorney general, the Filipino judges of the courts of first instance, the provincial fiscals (prosecuting attorneys), the provincial governors, some of the Filipino treasurers, and some of the professors in the government university—in a word, almost every one of the Filipino officials occupying responsible and important positions now, since they were all educated at those centers, the youth educated in American schools not having as yet attained the maturity to occupy such positions.

AMERICAN PUBLIC SCHOOLS.

Mr. Chairman, enough of this history. Let me now come down to the education of the day. I need not, I am sure, long detain the committee on this subject, for there are few things among those accomplished in the Philippines during your time that have been so widely published as the work done in education. It may not be amiss, however, to indicate that the average enrollment for the last 10 years of our public schools has been half a million, and that the number of public schools, according to the latest report of the director of education, is 4,304. How much these schools have accomplished can be gathered from the following statement of the Chief of the Bureau of Insular Affairs in his report to the Secretary of War of March, 1913: "At least 3,000,000 children have been instructed in English," said Gen. McIntyre.

There is a further evidence of the achievement of these schools. When they were first established in the islands, in view of the fact that all the instruction had to be given in English, and that there were scarcely any Filipinos who knew this language, few, if any, Filipinos were appointed teachers. To-day, of the total of 9,483 teachers teaching English 8,825 are Filipinos. I shall pause here, Mr. Chairman, long enough to compare the statement made by the gentleman from Minnesota as to the capacity of the Filipino teacher to take charge of a school independent of any American supervision with that recently made by the director of education.

Let me read what the gentleman from Minnesota said in his speech:

I also wanted to see what was the result to the school of removing American supervision. So I traveled and I saw. I found that wherever American supervision was immediate, was direct, was there on the ground, the work of the teacher and the children and the school was efficient. It was what you might call satisfactory. The spirit was good. The morale was good. Things were shipshape. The atmosphere was such as you would like to see in a school. But, without a single exception, when you removed that immediate supervision and allowed a school in charge of a Filipino teacher to be removed and separated and to exist by itself the decline was immediate and most disheartening.

Oh, I visited so many of the schools that if they had not been named "schools" I would never have known that they were schools, because the supervision was not there, eloquently testifying to the capacity of the Filipino teachers to respond to the ideas that they see and to the utmost importance of the supervision and direction on the part of the American supervising force. This does not mean the Filipino teacher never can be self-reliant; it simply means that, while advancing, he has not yet reached it.

Contrast with this the words of the director of education in his special report of January 23, 1914:

It has been the policy of the bureau of education to lay an increasing amount of responsibility upon the Filipino teacher. As a result, where five years ago there were 70 Filipino and 390 American supervising teachers, there are to-day 124 Filipino supervising teachers and 185 American. Moreover, there are a number of Filipinos assigned to work which is at least equal in importance and responsibility to that of the supervising teachers. There are now 29 Filipino provincial industrial supervisors, and this number will be constantly increased. There are at present 120 intermediate schools with Filipino principals. Five years ago there were 208 Filipino and 366 American teachers engaged in intermediate instruction. At the present time there are 430 Filipinos and 148 Americans. Primary instruction, except in a very few classes where special work is being carried on, is entirely in the hands of Filipinos.

It would not be far from the truth to state that the school system as it existed seven years ago, with the exception of certain administrative officers, has been almost completely Filipinized.

Evidently the director of education would not have increased and would not contemplate a further increase in the number of Filipino supervisors if such a policy resulted in defective service. And it is also evident that the opinion of the director of education is more authoritative in this case than that of the gentleman from Minnesota, for the director of education has had more time and opportunity to know the facts, while it has been his daily business to acquaint himself with the work of the Filipino teachers.

HIGHER INSTRUCTION OF TO-DAY.

Keeping pace with the marvelous progress in the number and quality of our public schools since American occupation, private schools and colleges have also increased numerically, so that to-day not only the old private schools and the institutions of higher instruction are in existence in the Philippine Islands, but thousands upon thousands of new private schools and scores of colleges for girls and boys and one more university sustained by the government, every one filled almost to its full capacity with students, are to-day being carried on.

Before passing to another subject it is interesting to notice that the most striking feature of Filipino life to-day is the ardent desire for education. I shall quote, because it expresses the consensus of opinion on the subject in the most concrete and beautiful way, a few paragraphs of a speech made by Col. Harbord before the Lake Mohonk conference in 1909. Col. Harbord, who has been for over 10 years a colonel of constabulary stationed in the Philippines, said:

No sojourner in the Philippines can fail to notice the intense desire of all classes of the people for education. It is the wish of which he will be most constantly reminded. Servants, coachmen, laborers, hundreds of them, carry little phrase books of short-language methods and are earnestly striving to learn English. * * * Public money for education is one appropriation never criticized by the vernacular press of Manila. Night and day schools are well attended, and in some of the former local officials, overcoming their fear of ridicule and swallowing their pride, have sat beside their own children as pupils learning English. * * * Certainly the desire for education is one of the moving motives of Filipino life to-day. Parents make the most complete sacrifices to send their children to school, and the pupils themselves endure hunger and privation to secure learning.

PRESENT LITERACY ESTIMATED.

In view of what has been said, Mr. Chairman, I think I can safely predict, without being overoptimistic, that if a new census were to be taken to-day among the Christian population the degree of illiteracy will be found to have fallen to 15 or 20 per cent; or, in other words, the 85 per cent mentioned by the gentleman from Ohio will not represent those who can neither read nor write, but those who can both read and write.

FILIPINO APPRECIATION OF THE BENEFITS OF THE AMERICAN RÉGIME.

Mr. Chairman, I shall not take up more time of the committee in discussing the merits of the school system established in the islands by the United States. The rapidity with which the English language has spread throughout the archipelago and the readiness with which Filipinos have become both able to use that language and able also to teach it stand as an eloquent testimonial not only to the intellectual capacity of the Filipino people but also to the efficiency of that system, as well as to the ability and devotion to duty of American teachers, both men and women, who have done so much and so well by the Filipino youth. God bless them. We shall never be able to repay their labors. An elaborate discussion of that system has been offered by the gentleman from Minnesota [Mr. MILLER], and, with the exception of the statement regarding the Filipino supervising teachers to which I have already referred, I can indorse what he said.

What I do wish to emphasize, Mr. Chairman, because of an incident which occurred the other day, when I and my people came near being accused of being inappreciative of the benefits we had received from the American Government in the islands, is that there is a well-nigh universal appreciation on our part of the services you have rendered to our country. And to convince you that this is not a tardy or a forced confession, I have only to refer to my maiden speech, delivered upon this floor on May 14, 1910, wherein I said:

To those distant islands, Mr. Chairman, I beg to direct the attention of the House, and in so doing I am glad to be able to affirm, first of all, that simultaneously with the American occupation there has been established a more liberal government, and from that day the Filipinos have enjoyed more personal and political liberty than they ever did under the Spanish Crown. [Applause.] These facts are freely acknowledged throughout the length and breadth of the islands, and my countrymen wish me most cordially to assure the House, and through it the people of the United States, that they are grateful, profoundly grateful, for all the benefits that your Government has conferred upon them.

The Philippine Assembly, the body vested with full authority to speak for the people of the islands, has on every occasion

when a great concession has been made by this Government to the Filipino people invariably spoken words of deep-felt gratitude.

It is recorded in the archives of this Government that the first action adopted by the Philippine Assembly created by a Republican Congress, upon its inauguration, was unanimously to pass on October 19, 1907, the following resolution:

Be it resolved by the Philippine Commission and the Philippine Assembly, That on their own behalf and on behalf of the people of the Philippine Islands they convey, and they do hereby convey, to the President of the United States, and through him to the Congress and the people of the United States, their profound sentiment of gratitude and high appreciation of the signal concession made to the people of the islands of participating directly in the making of the laws which shall govern them.

The first act of the Philippine Assembly after Gov. Gen. Harrison delivered to the Filipino people the message of President Wilson reaffirming the statement that the policy of this Government is to grant the Filipinos their independence as soon as the safety and permanent interests of the islands will permit, and promising the appointment of a majority of Filipinos in the upper house of our legislature, was to adopt the following address:

We, the representatives of the Filipino people constituting the Philippine Assembly, solemnly declare that it is evident to us that the Filipino people have the right to be free and independent, so that in advancing alone along the road of progress it will on its own responsibility work out its prosperity and manage its own destinies for all the purposes of life. This was the aspiration of the people when it took up arms against Spain, and the presence of the American flag, first on Manila Bay and then in the interior of the archipelago, did not modify but rather encouraged and strengthened the aspiration, despite all the reverses suffered in war and difficulties encountered in peace. Being called to the ballot box the people again and again ratified this aspiration, and since the inauguration of the Philippine Assembly the national representative body has been acting in accordance with the popular will only; thus, in the midst of the most adverse circumstances, the ideal of the people never wavered and was respectfully and frankly brought before the powers of the sovereign country on every propitious occasion. On the other hand, our faith in the justice of the American people was as great and persistent as our ideal. We have waited in patience, confident that sooner or later all errors and injustices would be redressed. The message of the President of the United States to the Filipino people is eloquent proof that we have not waited in vain. We accept said message with love and gratitude, and consider it a categorical declaration of the purpose of the Nation to recognize the independence of the islands. The immediate step of granting us a majority on the commission places in our hands the instruments of power and responsibility for the establishment by ourselves of a stable Filipino Government. We fully appreciate and are deeply grateful for the confidence reposed in us by the Government of the United States. We look upon the appointment of the Hon. Francis Burton Harrison as Governor General as the unmistakable harbinger of the new era in which we expect the attitude of the people to be one of cooperation, and, finally, we believe happily the experiments of imperialism have come to an end and that colonial exploitation has passed into history. The epoch of mistrust has been closed and the Filipinos, upon having thrown open to them the doors of opportunity, are required to assume the burden of responsibility which it would be inexcusable cowardice on their part to avoid or decline. Owing to this, a few days have sufficed to bring about a good understanding between Americans and Filipinos, which it had been impossible to establish during the 13 years past. We are convinced that every onward step, while relieving the American Government of its responsibilities in the islands, will, as in the past, fully demonstrate the present capacity of the Filipino people to establish a government of its own and guarantee in a permanent manner the safety under such government of the life, property, and liberty of the residents of the islands, national as well as foreign. We do not wish to say by this that there will be no difficulties and embarrassments nor do we even expect that the campaign opened or concealed of the Filipino cause will cease soon, but we feel sure that through a conservative use of the powers intrusted to us the Filipino people will, with God's favor and the help of America, emerge triumphantly from the test, however difficult it may be.

The first act of the Philippine Legislature after the majority of the appointive commission had been made to consist of Filipinos was to pass, at a joint session of the legislature, wherein no American member was present, a resolution which reads as follows:

Whereas upon his arrival on these shores, on the 6th day of October, 1913, the Hon. Francis Burton Harrison, Governor General of the Philippine Islands, was the bearer of an expressive message from the President of the United States, Hon. Woodrow Wilson, to the people of these islands, assuring that as a first step in the new policy said people would be given a majority on the legislative commission; and

Whereas a few days thereafter the said President sent to the Senate of the United States the nominations of four new Filipino members of the commission, retaining, besides, one of the Filipino members in office, so that the majority announced would become effective upon confirmation of the nominations of the new members by said Senate; and

Whereas on October 27, 1913, the august body last mentioned confirmed the nominations of Victorino Mapa, Jayme C. de Veyra, Vicente Ilustre, and Vicente Singson Encarnacion, who, with Rafael Palma, constitute the promised majority of Filipino members on the commission; and

Whereas on this 30th day of October, 1913, when the new members of the Philippine Commission took the oath of office, a decisive step was taken under the present administration toward self-government, and the Filipino people were granted an ostensible power, tending to make it directly responsible for its own destiny: Now, therefore, be it

Resolved by the Philippine Commission and the Philippine Assembly, convened in joint session in the marble hall of the Ayuntamiento, That they express, and hereby do express, their deepest gratitude toward the President and Government of the United States for granting the people of the Philippine Islands a majority on the commission as soon as circumstances permitted, the announcement of the promises being thus followed by immediate action; and the Filipino people, upon assuming on this day its new responsibility, hopes to be able to justify by acts the confidence reposed in it, managing the public affairs through the new legislature in such manner that the results shall be conducive to the maintenance of law and order, the progress and the improvement of the general conditions of these islands, and the safeguarding of all legitimately established interests in the same, be they foreign or native; and be it

Resolved further, That the Chief Executive of the Philippine Islands be, and he hereby is, requested to transmit the text of this resolution by cable to the President of the United States.

Adopted, October 30, 1913.

ARE THE FILIPINOS UNGRATEFUL?

Yet, and in spite of these public acknowledgments, we are misunderstood, we are called ungrateful when we take exception to the idea so earnestly advanced by many that since you have established splendid schools, fine roads, up-to-date sanitation, and a more liberal government than Spain ever did, the United States should not only keep her flag floating for an indefinite period of time, or forever, over the Philippines, but should also retain and continue to exercise direct, absolute, and complete control of our domestic affairs. And when we dare to say—even though only when actually forced to speak our mind—that we believe we can make progress and develop hereafter without American sovereignty, and that perhaps we should have done as well as we have thus far done under the control of the United States had we been left alone after we had established our short-lived Philippine Republic, our words provoke stormy protests.

Mr. Chairman, in connection with this I am constrained specifically to call the attention of the committee to a remark made by the gentleman from Ohio [Mr. FESS] on September 28, the last day that this bill was up, because I wish to put myself correctly on record.

The gentleman from Ohio said:

This is what I wanted to say before I sat down. The Filipino problem is one of education. I am somewhat disturbed at the statements of the Resident Commissioner from the Philippines. He is the only representative of these people now upon the floor, as he remarked to-day. I put the question straight to him, "Do you think that without American occupation the Philippines would be as well off now as they are?" He first did not answer. I pressed it, and then he said, "I do," and gave his reasons. And the membership on the Democratic side of the House applauded that statement, meaning that they believe that the American occupation, with all the loss of treasure and blood and sacrifice, has been useless. Is it possible? Can such an utterance meet with approval on either side of the aisle?

Mr. Chairman, I am very sorry to have uttered anything that could disturb the gentleman from Ohio. Let it be noted, however, that he had placed me in a position which allowed me no option but to say what I did say. The gentleman's own presentation of the incident proves it. "I put the question straight to him," the gentleman says, "Do you think that without American occupation the Philippines would be as well off now as they are?" Then he adds, and I beg the committee to listen to these words attentively: "He first did not answer. I pressed it, and then he said, 'I do,' and gave his reason."

Mr. Chairman, the learned professor from Ohio [Mr. FESS] knows as well as I do that it is at times the part of wisdom to keep silent on certain questions, but when a man must open his mouth it is his duty to himself and to others to say precisely what he thinks. Come what may, we are bound to tell the truth, or what we believe to be the truth. I did not first answer the question of the gentleman because I thought it wiser to keep my own counsel on that subject; but he insisted upon an answer, he pressed me, as he himself has said, when he might have been gracious enough to save me from the embarrassment of saying something against my will, and so to spare himself the displeasure of hearing it. The result was what any sympathetic man must have expected.

Mr. FESS. Will the gentleman yield?

Mr. QUEZON. Mr. Chairman, much as I regret it, I can not yield, for I have not the time. I do not wish to be discourteous——

Mr. FESS. Does the gentleman decline to yield when he refers to what I said?

Mr. QUEZON. Mr. Chairman, I hope the gentleman will understand my position. I can hardly go into a personal controversy with Members of the House during the debate on this bill, for I do not feel as free to express myself as they do. My position is different from that of any other Member, since I am acting here as an advocate while they both advocate their own views and act as judges as well. And how unwise and inadvisable it is for an advocate to quarrel with another advocate who is also the jury and the bench. [Applause on the Democratic side.] If the gentleman is so desirous to discuss the Philippine question with me, he will find me ready to meet him either in a private debate between ourselves or in public.

But I must decline, Mr. Chairman, to engage in personal arguments on this floor while this bill is under your consideration, because I might antagonize not only him with whom I am arguing, but by reason of the esprit du corps which exists in every organization I may also antagonize everyone else. [Applause on the Democratic side.]

Mr. FESS. Will the gentleman yield?

Mr. QUEZON. If I must, I will.

Mr. FESS. Does the gentleman mean that the gentleman can talk to me privately about a matter of which he could not speak here?

Mr. QUEZON. Mr. Chairman, I hope I may be able to make myself understood by the gentleman from Ohio. No; I do not mean that. I mean that I do not propose to be dragged into a personal controversy on this floor while this bill is pending, unless, after these protestations, I am still forced into it. Now, if the gentleman insists, he is welcome to put any question or present any argument he may wish.

Mr. FESS. I would like to ask the gentleman—now after Monday when the question was put to the gentleman and he answered that a little reluctantly, and it is now several days since that occurred—does the gentleman think that the Philippine situation would be in as good a shape if the American occupation had not been there up to this time?

Mr. QUEZON. Mr. Chairman, if the gentleman from Ohio desires a fair answer to his question, I shall have to give him more time so that he may explain to me exactly what he means. If he means to ask whether the Philippines would have been in as good a shape as they are now had not the American Government taken the place of Spain, and had we remained under the Spanish Government, my answer would be a most emphatic negative. Who does not know that under Spanish rule we had to struggle and even to fight to obtain schools and other progressive institutions, while under the rule of the United States such institutions were voluntarily established by the Government? Who does not know that the Spanish Government was centralized and despotic all along the line from the municipalities up to the insular government, while to some extent the American Government is decentralized and representative? I will say to the gentleman, moreover, that I do not think that we should have made the progress we have made under American control or that we should have been given the same government we now have were we under the control of any other foreign Government. For this reason, if we are so unfortunate as to have to be forever subject to some master, we prefer a million times the United States in that relation. [Applause on the Democratic side.] But if the gentleman asks me whether, in my opinion, had we been left with the government we had established, and had we been free from outside aggression we should have advanced under that government as much as we have actually advanced under the American régime, and whether that government would have been as liberal and representative at least as our present government, I say, yes; certainly. [Applause on the Democratic side.] And if the gentleman wishes to know why I so believe, I shall tell him presently.

Mr. FESS. Will the gentleman yield?

Mr. QUEZON. I will in a minute. [Cries of "No!" on the Democratic side.] I will yield, Mr. Chairman; but before I yield again I wish to give the committee the reasons for my assertion:

THE EPHEMERAL PHILIPPINE REPUBLIC.

In the first place, the comparison of the government we had established with the present government of the islands is decidedly in favor of the former in so far as the representative character of each government is concerned.

The Filipino government which had been established had a constitution pronounced by that great statesman from Massachusetts, Senator Hoar, to be as good, as liberal, as progressive—framed as it was after the Constitution of the United States—as any in the world. I know that there has been constant—I had almost said intentional—misrepresentation of this Filipino government, its objects, and its achievements since the day when its upholders and framers were scattered by the American forces; but these misrepresentations can never destroy the truth of a historical fact.

Prof. Jorge Bocobo, of the Philippine University, in his recent historical monograph on the life of Felipe G. Calderon, affords the following accurate and able review of the facts regarding the first Republic of the Eastern Hemisphere:

On September 15, 1898, the Philippine Congress met at Barasoain, Province of Bulacan, composed of the best men that the island of Luzon could give. There were over 90 members, of whom about 40 were lawyers, 16 physicians, 5 pharmacists, 2 engineers, and 1 priest. The rest were merchants and farmers. Many of the representatives were graduates of European universities. Pedro A. Paterno, a lawyer, educated in Spain, and a distinguished publicist, was the president of the assembly. On September 17, Paterno delivered a thrilling speech in the name of human liberty. Among other things he said:

"Filipinos, to-day begins a new era; we are beholding the political resurrection of our people. Amidst the glooms of yesterday, amidst the graves of our heroes and martyrs, amidst the ruins of the past, there arises and stands the refulgent genius of liberty, embracing all the islands and uniting the Filipinos with bonds of holy brotherhood.

"Liberty is the ideal purpose of our existence on earth, the foundation of life and progress.

"Our past, the era of cruelty, of deceit, of slavery, has ended. We shall renew the history of the Philippines. * * *

"Filipinos, proceed! Let our steps be unflinching and ever forward; let them be steps of justice, of love, of harmony, and of charity; let us win the sympathy of the whole world with generous and humanitarian deeds; and let us write in the presence of the Lord, of the Supreme Being, the oath of our independence."

The rules of the Spanish Congress were temporarily adopted. Committees were immediately created, one of which was composed of 18 members, most of whom were able lawyers. Calderon likewise formed a part of the committee; he was requested to draft the constitution. The committee reported the proposed constitution, through Calderon, on October 8, 1898. The discussion of its articles in the congress began on October 26 and ended November 29, when it was approved and immediately transmitted to Aguinaldo for promulgation, which, however, was not done until December 23 on account of certain amendments recommended by the executive. The constitution was discussed article by article in 17 meetings, Calderon strongly defending his work from the attacks made. Among those who were prominent in the debates were Tomas G. del Rosario, Arcadio del Rosario, Joaquin Gonzales, Ignacio Villamor, Ambrosio Rianzares Bautista, Alberta Barretto, Aguedo Velarde, and Pablo Tecson Roque.

The committee reported:

"The work which the committee has the honor to submit to the consideration of the congress is one of real selection, for the execution of which this committee has borne in mind not only the French constitution, which has been made the basis, but also those of Belgium, Mexico, Brazil, Nicaragua, Costa Rica, and Guatemala, because these nations are believed to be the ones most similar to our people."

The first representative to take the floor was Arcadio del Rosario, who contended that the work of the committee should have been molded by the Constitution of the American Nation, which, "being the champion of liberty, is the most democratic nation, and with which the Filipino people are united by strong ties of friendship and sympathy." Calderon replied that the gratitude which the Filipino people owed the American Nation did not oblige them to adopt the institutions of the latter, taking into consideration the differences in their history, usages, and customs, and that the country was most akin, politically, to the South American Republics and other Latin nations. The latter opinion prevailed in the convention, which fact does not surprise those who know the forces that lie at the bottom of Filipino institutions, and upon which those who would require as a condition precedent to Philippine independence a form of government patterned after the American Republic should seriously reflect.

The constitution established a democratic republic, which was parliamentary or responsible, unitary, and unicameral. The principle of separation of powers was recognized, although the legislative branch was supreme.

The preamble was formulated in the following terms:

"We, the representatives of the Filipino people, legally assembled to establish justice, provide for the common defense, promote the general welfare and secure the blessings of liberty, imploring the aid of the Supreme Legislator of the Universe in order to attain these ends, have voted upon, decreed, and sanctioned the following political constitution."

This constitution was of a temporary nature, as the people had not yet elected delegates to a constitutional convention.

POLITICAL STATUS.

Title 1, headed "Of the Republic," contained the following declarations:

"The political association of all Filipinos constitutes a nation, whose State shall be known as Philippine Republic.

"The Philippine Republic is free and independent.

"Sovereignty resides exclusively in the people."

These fundamental statements defining the status of the Republic were expedient and timely, for the reason that the Malolos government was just coming into light. However, during the debate the objection was made that the second declaration was premature. Another point raised was that the proposed constitution did not determine the territorial limits of the Republic.

FORM OF GOVERNMENT.

Title 2, headed "Of the government" had but one article, as follows:

"The government of the Republic is popular, representative, alternative, and responsible, and is exercised by three distinct powers, which are denominated legislative, executive, and judicial.

"Two or more of these powers shall never be united in one person or corporation, nor shall the legislative power be vested in one individual."

The committee, referring to this important declaration, reported:

"The committee needs but a little effort to demonstrate the need of faithfully carrying out the doctrine of Montesquieu. * * * Hence the establishment, absolutely independent from the executive and judicial powers, of the national assembly, synthesis of popular sovereignty and genuine representative of the highest prerogative of the people, which is to make laws."

The foregoing must be read in connection with what Calderon said several years afterwards, that "the Congress of the Republic was the supreme power in the whole nation." It is clear, therefore—and a reading of the constitution will show it—that the English and French idea of making the legislature sovereign took hold of the Philippine convention. What causes led to the adoption of such principle? The revolution against Spain created a class of leaders who, on account of the troublous times, assumed ample powers. This was to a certain extent necessary for the time being, but the representatives saw the extreme peril involved by such state of affairs if continued indefinitely, so they curtailed the power of the executive. It must not be understood, however, that they were ever moved by the same reckless spirit which prevailed in the constituent assembly during the first years of the French Revolution. Nor is it to be supposed that Mabini, who was the adviser of Aguinaldo, ever desired to make the latter a dictator.

Neither the article under consideration nor any other provision stated whether the government was federal or unitary. But a simple glance

at the constitution reveals the fact that the latter system was sanctioned. This feature of the constitution did not excite much controversy, as the centuries of Spanish centralization had ingrained in the habits of the people the practices of a unitary government.

RELIGION.

Title 3 deals with religion. Calderon proposed to follow the examples of Spain, Argentina, Bolivia, Peru, Colombia, Paraguay, Uruguay, Costa Rica, and Santo Domingo by the establishment of a State religion, the Roman Catholic. However, he was in favor of allowing the private exercise of any other religion, provided it was not contrary to morals and good customs and did not subvert the security of the nation. His idea was strongly opposed in the house, and this produced the most learned and eloquent debate during the life of that body. The opposition was led by Thomas G. del Rosario. The debate lasted four days, the speakers, especially Calderon and del Rosario, exhausting the arguments on both sides and showing such profound knowledge of history and the science of government that any legislature in the world would be proud to have on its record a similar discussion. The first vote was a tie—25 to 25—which indicates the irresistible logic of both sides. The president declined to cast his deciding vote, so another one was taken. At the second voting Representative Pablo Tecson Roque, who did not vote at the first one, voted in favor of the opposition. Title 3, therefore, read thus:

"The State recognizes the liberty and equality of all religious worships, as well as the separation of the church and state."

CIVIL AND POLITICAL RIGHTS.

Title 4 was headed thus: "Of Filipinos and their national and individual rights." This paragraph had 27 articles, in which the privileges and immunities of freemen were clearly and emphatically formulated. Aliens were likewise protected, as the new government was intended to win the support of the enlightened opinion of the world. The said rights were freedom from false and arbitrary imprisonment; writ of habeas corpus, security of private property; the prohibition of criminal convictions unless by a competent court and according to the law in force at the time of the commission of the crime; inviolability of private dwelling; liberty to choose one's residence and exemption of Filipinos from deportation; secrecy of correspondence; freedom of the press, right of petition, and to form associations not contrary to public morals; freedom of instruction, primary education being compulsory; right of aliens to engage in their profession or industrial pursuit; prohibition of special courts, except military and naval courts having jurisdiction over crimes against discipline; illegality of institutions permanently entailing property and prohibition of titles of nobility; and invalidity of taxes not imposed by the assembly or other competent authority and in accordance with the form prescribed by law. There were three articles of general character:

"No Filipino who may be in the full enjoyment of his civil and political rights shall be hindered in the free exercise thereof.

"Crimes committed on the occasion of the exercise of the rights stated in this title shall be punished by the courts according to the law of the land.

"The enumeration of the rights stated in this title does not imply the prohibition of others not especially consecrated."

Some of these articles had for their source the Spanish constitution of June 30, 1876. A few were taken from the Belgian constitution of February 30, 1831, such as article 29, which ordered that no previous authorization was necessary to prosecute public officials. The enumeration, however, was broader and more effective than that of the constitutions of Spain and Belgium. It compared favorably with the declaration of rights contained in the constitution of any country. This was because the representatives of the Filipino people cherished the idea of constructing a government founded upon the imperishable truths secured by the human race from kingcraft and upon those indestructible principles which constitute the mainstay of modern civilization.

However, it is doubted by many whether the Philippine Republic could have protected these constitutional liberties. It must be admitted, however, that the Filipino people, in consecrating these salutary principles at the first opportunity they had, without even waiting for the result of the diplomatic negotiations at Paris, and at the very time when militarism was at the height of its influence in the Philippine Republic, have shown that there is in the woof and warp of their social fabric a strong, firm attachment to liberty and law, a force which, had the Republic been recognized, would have summoned the energies of the nation in the upbuilding of a stable and progressive state. No one denies the possibility of disorder in a country with a newly organized government, but the question as to whether social convulsions are apt to become chronic depends largely, if not exclusively, upon the temper and habits of the people. Now, the Filipino people are peaceful and slow to condemn the enormity of abuses. They do not have the impetuousness of character and the revolutionary spirit of Spaniards and Spanish-Americans. Their respect for the constituted authorities has been observed by American officials and demonstrated by the undeniable fact that the Spanish Government, in spite of its intolerable oppression, easily maintained order for centuries with a small number of soldiers. If we take into account this trait of the Filipinos, it is reasonable to presume that the constitutional safeguards declared in the Malolos document would have been supported and upheld by a strong and steady government. But it is often said that the "politicians" would have produced anarchy and chaos and that such constitutional guaranties would have been a contemptible mockery. The experience of the Spanish-American republics is pointed out to strengthen the contention. But a mere presidential election can plunge most of the countries south of the United States into a civil war and thus force a suspension of individual rights, because the leaders take advantage of the indomitable nature and warlike tendencies of the people. In the Philippines only a question of life and death to the country could produce a serious commotion, because the Filipinos are law-abiding and self-restraint is a dominant feature of their national character.

The remaining titles, except the last two, treated of the structure of the Philippine republic. Titles 5 and 6 dealt with the legislative power; titles 7 to 9, with the executive department; title 10, with the judiciary; and title 11, with provincial and municipal governments. Title 12 was about finance, title 13 provided for the amendment of the constitution, and title 14 referred to constitutional oath and other matters. There were also some temporary provisions.

THE LEGISLATURE.

The legislature was unicameral, the examples of Greece, Costa Rica, Nicaragua, Salvador, Guatemala, Honduras, and Santo Domingo having been followed. This system has been so generally rejected that an explanation of the reasons for its adoption in the islands would seem not to be out of place. There were three grounds upon which Calderon based his proposal: (1) That in the Philippines there were no conflicting interests, as in Europe and the United States; (2) that the country was in a formative period, and the existence of two chambers was liable to clog and embarrass the affairs of the state; and (3) that there might not have been enough men for both chambers. The Malolos congress did not devote much attention to this important question. It was simply taken for granted that there was no need of an upper house, which, it was feared, might have become the bulwark of special privileges. This action of the assembly demonstrated its overruling spirit, which was to banish from these shores all institutions which had a proneness to crush democratic polity. The writer is not unmindful of the fact that in most cases the purpose of an upper chamber is merely to secure calm and wise legislation, and that such body does not necessarily undermine popular government, but he is merely stating the primal thought of the Filipino representatives.

Another phase of the legislature which is strange to Americans but not to Europeans was its supremacy over the other powers. In the first place the parliamentary or responsible system, as opposed to the presidential or nonresponsible type, was preferred. Then a permanent committee of the legislature was created.

PARLIAMENTARY SYSTEM.

The Malolos constitution worked out the European system, as follows: The legislature elected the president of the republic. The latter, as well as the representatives, initiated legislative measures. He could dissolve the legislature, with the consent, however, of the assembly or of the permanent committee, in pursuance of articles 36 and 70. The latter article was taken from article 5 of the French law of February 25, 1875, with this difference, that in France the Senate gives the necessary consent to the dissolution of the National Assembly. Just how the Malolos assembly could have been dissolved in case of its refusal to adjourn did not appear in the constitution. Mabini proposed to eliminate said consent, but the assembly rejected his idea. The secretaries of the government were "collectively responsible to the assembly for the general policy of the government and individually for their own personal acts," which provision was a literal copy of article 6 of the French law of February 25, 1875; they could speak in congress. The house could pass a vote of censure, and every member thereof had a right to address an interpellation to the government.

Let us see whether the cabinet or parliamentary system was better for the Filipinos than the presidential system. This is an intricate problem, but two statements may be ventured: (1) That the parliamentary system was more expedient, because it was the one known to the Filipinos; and (2) that a nonresponsible government, the capital drawback of which is, according to Mr. Bryce, its "want of unity," would not have responded to the stern exigencies of the period. The first Philippine Commission criticized the system adopted by the Filipinos, saying:

"They (the Filipinos) had never dreamed of the simple American plan of giving the chief executive large powers and of holding him strictly accountable for the use made of them, his cabinet being merely an advisory body, and they had not risen to the great and fruitful conception of the complete separation and mutual independence of the executive, judicial, and legislative departments of government. It will take time and require visible demonstration of the American method of a strong executive who shall be completely independent of the legislature."

The above opinion is, of course, based upon the assumption that the American arrangement is better than the European plan. This question is one of the most delicate problems of modern political science, and the commission's view, therefore, merely states one side of the controversy. Had the Philippine congress given Aguinaldo a strong hand, the advocates of the theory of our supposed incapacity would now undoubtedly make a weighty argument of this fact to show that the republic was a sham and that political absolutism was the all-absorbing principle.

THE PERMANENT COMMITTEE.

The permanent committee of the legislature was an institution adopted from Mexico, Chile, Paraguay, Uruguay, Haiti, Guatemala, and Costa Rica, especially from the last two countries. It was to perform its duties during the recess of congress. Its powers were to decide whether impeachment proceedings could be instituted; to call a special session of the assembly, with the concurrence of the president; to dispatch pending business, so that the same could be discussed by congress; to call a special session of the legislature; and to take the place of the assembly in all its powers, except the making of laws.

NATURE OF A REPRESENTATIVE'S DUTY.

Another matter which deserves special attention in connection with the legislature is the duty of each member, as defined in the following provision:

"The members of the assembly shall represent the whole nation and not merely the electors choosing them. No representative shall receive any binding instruction from the electors."

This principle is seldom enunciated in constitutions. Yet it bespeaks the admirable foresight and broad statesmanship of the authors of the Philippine constitution. Universal experience vouches for the soundness of such doctrine. As President Wilson said:

"If the representative be a mere delegate, local interests must clash and contend in legislation to the destruction of all unity and consistency in policy; if however, the representative be not a mere delegate, but a fully empowered member of the central government, coherence, consistency, and power may be given to all national movements of self-direction."

OTHER POWERS OF THE ASSEMBLY.

Little remains to be said regarding the legislative department. The constitution did not enumerate the general powers of the congress, as written constitutions generally do. The usual parliamentary privileges were guaranteed. The assembly determined the rules of its proceedings, judged the elections and qualifications of its members and approved their resignations, and elected its officers. It tried all impeachments. No representative could accept any pension, employment, or commission with emolument, except the secretaryships of the executive department or other offices enumerated by special laws. The representatives held office for four years.

THE EXECUTIVE DEPARTMENT.

Titles 7 to 9, as above stated, treated of the executive department. The executive power was vested in a president of the republic, who exercised such power through his secretaries. In addition to what has already been said in connection with the cabinet government, the following provisions may be noticed: The president appointed to all civil and military positions, designated the secretaries, conducted diplomatic and commercial relations with other powers, looked after the

prompt and full administration of justice, granted pardons, presided over state functions, and received envoys and ambassadors of foreign powers accredited to him. He needed the authority of a special law to alienate, cede, or exchange any part of Philippine territory; to incorporate any other territory with that of the Philippine Islands; to admit foreign troops into said territory; to ratify treaties of offensive and defensive alliance, special treaties of commerce, those stipulating the payment of subsidies to any foreign power, and all treaties which might have been binding upon Filipinos individually, provided that in no case could secret articles of a treaty annul public ones; to grant general amnesties and pardons and to coin money. He commanded the army and the navy, declared war and made and ratified peace, with the previous consent of the assembly. He promulgated the laws within 20 days; laws could be passed over his veto by a two-thirds vote. His election was for four years, and he could be reelected. He was responsible only in case of high treason. He had seven secretaries—for foreign affairs, of interior, finance, war and navy, public instruction, communications and public works, and agriculture, industry, and commerce. All his orders were to be signed by the proper secretary, without which requisite such orders were not to be obeyed.

THE JUDICIAL DEPARTMENT.

The judiciary was regulated by title 10. The chief justice and the attorney general were appointed by the national assembly in concurrence with the president and his secretaries. Every citizen had a right to institute criminal action against all members of the judiciary for crimes committed in the discharge of their duties. Although the constitution was silent on the subject, yet it is safe to presume that the courts did not have power to decide the constitutionality of laws, because the legislature was supreme, as already pointed out.

LOCAL GOVERNMENT.

Title 11 declared the principles upon which provincial and municipal governments were based. Local autonomy was protected as long as the Provinces and municipalities did not override the limits of their powers.

FINANCE.

The budget and taxation were dealt with in title 12. The executive department was to prepare the budget every year. No payment could be made but in accordance with an appropriation or other special law in the form and under the responsibility determined by law, which provision appears to be better and more explicit and efficacious than Article I, section 9, paragraph 7, United States Constitution, and section 5 of the Philippine bill; it is because Calderon was an economist, and he saw the importance of fixing the responsibility before law and public opinion for reckless management of the people's money. A special law was necessary for the disposal of property of the state and for the borrowing of money on the credit of the nation. The public debt was under the special protection of the nation. No debt was to be contracted unless the means with which to pay the same were approved at the same time, which shows that the men who organized the Philippine republic wanted to avoid the dangers to which some South American Republics are exposed when they fail to pay their debts to European nations.

AMENDMENT OF THE CONSTITUTION.

Title 13 was about the amendment of the constitution by a constitutional convention; amendments were to be proposed by the assembly or the president. Lastly, there were some temporary provisions.

ESTIMATE OF THE PHILIPPINE REPUBLIC BY AN AMERICAN OBSERVER.

It is true that the government provided for by this constitution had hardly come into existence before it was destroyed; but this was not due to the machinations of any designing Filipino who sought to enslave our people, but to the exigencies of war. Indeed, almost upon the very inauguration of the Philippine Republic the hostilities between the American and Filipino forces were begun, and therefore martial law was unavoidably proclaimed.

Short as was the life of this government, however, and struggling, as it had to, for its very existence, first with Spain and later with the United States, it lived long enough to show that if it had been permitted to grow and maintain its place among the independent nations of the world it would have contributed its due share to the advancement of mankind. It is worth while to recall once more what two officials of the United States Navy reported to Admiral Dewey with regard to that government. I therefore quote a part of that report:

It has been my privilege to have been intimately associated with the Filipino people for a short time at a most interesting period of their history. With the permission of Admiral Dewey I spent the greater part of the months of October and November of 1898, in company with Paymaster W. B. Wilcox, United States Navy, in the interior of the northern part of the island of Luzon. It will be remembered that at that date the United States had not yet announced its policy in regard to the Philippines. The terms of the treaty with Spain were being negotiated by our commissioners at Paris, and the fate of the islands hung in the balance. In the meantime, the native population, taking matters into their own hands, had declared their independence from all foreign jurisdiction and had set up a provisional government, with Aguinaldo at its head. * * * Although this government has never been recognized and in all probability will go out of existence without recognition, yet it can not be denied that, in a region occupied by many millions of inhabitants, for nearly six months it stood alone between anarchy and order. The military forces of the United States held control only in Manila, with its environs, and in Cavite, and had no authority to proceed further, while in the vast remaining districts the representatives of the only other recognized power on the field were prisoners in the hands of their despised subjects. It was the opinion at Manila during this anomalous period in our Philippine relations, and possibly in the United States as well, that the state of affairs must breed something akin to anarchy. * * * I can state unreservedly, however, that Mr. Wilcox and I found the existing conditions to be much at variance with this opinion. During our absence from Manila we traveled more than 600 miles in a very comprehensive circuit through the northern part of the island of Luzon, traversing a characteristic and important district. In this way we visited seven Provinces, of which some were under immediate control of the central government at Malolos, while others were remotely situated, separated from each other and from the seat of government by natural divisions of land, and accessible only by lengthy and arduous travel. As a tribute to the efficiency of Aguinaldo's government and to the law-abiding character of his subjects, I offer the fact that Mr. Wilcox and I pursued our journey throughout in perfect security and returned to Manila with only the most pleasing recollections of the quiet and orderly life which we found the natives to be leading under the new régime.

PROGRESSIVE TENDENCIES OF THE PHILIPPINE REPUBLIC.

Mr. Chairman, among the things done by this ephemeral government, most significant for the future because they clearly indicate the tendencies of the governmental forces at work and what they would have done for the Filipino people had they endured, are the establishment of free and compulsory public education and provision for the creation of a government university. Does history record another instance of a newborn government which, during the few months of its existence and while it was still carrying on war, proceeded to take steps for the spread and promotion of public instruction among the masses? This fact alone fully justifies my presumption that the Filipino government would have done as well as the American Government, since it had been shown to have at least the same progressive tendencies, if not more actual interest, in the welfare of the people. And since the funds spent by the American Government now are paid by the Filipinos, who would have also supported the Filipino government, where would the difference have been? Surely no sane person would suggest that the results attained would have been different, because the same causes would have given different results, inasmuch as in one case the government is foreign and in another is native. Would any man pretend that in the case of education, for instance, Filipino students would have not shown the same capacity to learn under one government as under the other, considering that their intellectual ability is not due to any government?

We can cite Japan as affording an example of, or analogy to, the probable course of development in the Philippines had the islands been free from a foreign yoke. Japan, without falling under the rule of another nation, nevertheless made marvelous progress within a short time. If it be remembered that when Japan began her development she was much less familiar with occidental civilization than were we when we sought to organize our own government, it would seem apparent that we should have made at least the same advance. When Japan decided that in order to live she must adopt modern and occidental methods, she knew absolutely nothing of their technique, and yet how brief a time did she require to adopt those methods and even to surpass some of the older powers? What was it that Japan did? She sent her sons throughout the world to acquire learning, occidental instruction; she brought to her land men who could teach every branch of human knowledge and who could help to organize a modern government. Would anyone pretend to say that because of this foreign help Japan's was not a process of self-development and progress? Why could we not have accomplished, by using the same means, what Japan has accomplished? Who can say that Japan would have made as much progress had she fallen under a foreign yoke?

PARAMOUNT ADVANTAGE OF SELF-GOVERNMENT.

Indeed, I question most seriously the statement that any nation can successfully direct the course of development that must be followed by another. The education of the individual is most successful when it affords the best vehicle for self-expression; the education of the nation or the race proceeds most naturally as a matter of internal evolution. Mistakes may be made, and when made they bring their own penalty. Now as always it is true that experience is the best teacher, and that only by endeavoring, aspiring, and striving can a government attain to practical efficiency. That has been conspicuously the history of the Anglo-Saxon race. Magna Charta was not bestowed by some friendly conqueror, but was the product of long years of struggle and effort. American constitutional government was not the gift of Howe, Cornwallis, or the King of England. Is there not a way of national progress from within, as compared with that stimulated from without, that gentlemen seem sometimes to overlook? Are we mindful of the fact that the one priceless advantage of self-development is that it proceeds along the proper lines, in accord with the tendencies, peculiarities, and special abilities of the people; in other words, that it is always a natural growth, while progress imposed from without may result in an unnatural type of evolution?

Mr. Chairman, without being overcritical, let me speak of this matter frankly. It is a fact that your work in the Philippines has not been as free from errors as the former officials of the Philippine Government in their self-laudation would have us believe. There have been mistakes—mistakes that were very expensive to the Filipino taxpayers; there have been injustices and wrongs. Some things have been overdone and other things

have been neglected. I do not, however, on that account underrate the value of your work as a whole, and I gladly reiterate that considering all the circumstances you have done marvels. No government of men is free from shortcomings. I only wish to note the fact that some of the mistakes which your representatives have made in the Philippines, because of their unfamiliarity with the people and the country, would not have been made by us.

Mr. FESS. Now are you ready to yield?

Mr. QUEZON. Yes; I am ready. [Cries of "No!" "Go on!"] Mr. Chairman, how much time have I left?

The CHAIRMAN. The gentleman has five minutes remaining.

Mr. OGLESBY. Mr. Chairman, I understand from the chairman of the committee that he has not any more time to yield to this gentleman, and I ask in all fairness that he ought not to be interrupted.

The CHAIRMAN. The Chair will say that that is entirely in the hands of the gentleman himself.

Mr. HELM. Will the gentleman yield to me a moment?

Mr. QUEZON. Yes.

Mr. HELM. I want to make a request. I want to ask, in view of the fact that the gentleman from the Philippines, representing as he does a nation and is here speaking in their behalf, the only man who has a voice, that he be allowed to proceed, in view of the fact that the gentleman from Ohio [Mr. FESS] has consumed his time, until he has finished his remarks, the time of the interruptions not to be taken out of the general debate.

The CHAIRMAN. The Chair will say that matter is entirely in the control of the gentleman from the Philippines. If he does not desire to be interrupted, he will be protected in that.

Mr. HELM. Mr. Chairman, I ask unanimous consent that the gentleman from the Philippines be permitted to conclude his remarks, not to be taken out of the time that is allotted to general debate.

The CHAIRMAN. The gentleman——

Mr. MANN. Mr. Chairman, I suggest that the chairman can not submit that request to the committee. The House has fixed the time for general debate, and the committee has no power to extend it.

Mr. QUEZON. My five minutes are flying, Mr. Chairman, and I want to say another word. I hope this conversation will not be taken out of my time.

The CHAIRMAN. It will not be taken out of the time of the gentleman from the Philippines.

Mr. QUEZON. I will ask the gentleman from Iowa [Mr. TOWNER] if he can give me five minutes.

Mr. TOWNER. I will yield five minutes of my time to the gentleman.

Mr. HENRY. Mr. Chairman, I would like to ask this question: Would it be in order now for the committee to rise and the House extend the time of the gentleman?

The CHAIRMAN. It is in order at any time for the committee to rise.

Mr. HENRY. Then, Mr. Chairman, I move that the committee do now rise.

The CHAIRMAN. The gentleman from Texas [Mr. HENRY] moves that the committee do now rise.

Mr. SHERLEY. Mr. Chairman, I make the point that the gentleman from Texas has not the floor for such a motion as that.

The CHAIRMAN. The Chair thinks that is true. The time belongs to the gentleman from the Philippines.

Mr. HENRY. If the gentleman will yield for that purpose, I will move that the committee do now rise.

The CHAIRMAN. Does the gentleman from the Philippines yield?

Mr. HENRY. I understood he did.

Mr. QUEZON. Mr. Chairman, I appreciate more than I can say the kindness of the gentleman from Texas and the courtesy of the Members who desire to extend my time, but I am so much interested in the speedy consideration of this bill that I can not agree to the extension of general debate even for my own benefit. Therefore I must decline to yield to the distinguished chairman of the Rules Committee, my beloved friend Mr. HENRY, whom I thank with all my heart just as if he had secured more time for me.

FREEDOM AGAINST WEALTH AND PROSPERITY.

Now, Mr. Chairman, let me return to the discussion at the point where I was compelled by interruptions to break off. In what I have said I tried to show that there was no blasphemy in my asserting that we could have made the same intellectual and material progress under our own rule that we have made under yours. But I will say that were I to admit that what you have done along those lines would have never been equaled or even approached by our own efforts, this fact could never justify before the court of justice, and surely not in our estimation, the continuation or permanency of American control over us. I might admit without mental reservation that in 15 years of American occupation we have been given, at our own cost, more and better schools, solidly built roads, more sanitary and more beautiful cities, and so forth; and yet I should say, and my people would say, that all the schools in the world, combined with the most comfortable railroads, the most excellent sanitation, the most artistic buildings, and everything else that makes for enlightenment and comfort is no compensation for the loss of freedom. "What shall it profit a man if he gain the whole world and lose his own soul?" [Applause.]

Mr. Chairman, the American people have been too long beguiled by speeches telling of the wonderful material and educational progress that is said to have been made under your guidance in the islands. Too many such assurances have been put forward within years past, their purpose being apparently to conceal the real and great issue involved in the Philippine problem. I repeat, and I mean every word, that intellectual advancement, public improvements, and material prosperity alone will not make the Filipinos happy and contented under your rule nor induce them to concede the necessity of that rule. If any man thinks that he can purchase the Filipino people with material prosperity and intellectual advancement, and so make them forget their rights as men and as a nation, he is utterly mistaken. All these beneficent things to meet our wishes must be accompanied by a definite promise that we may look forward to a future time when an absolutely independent government will be granted us, and must in the meantime be coupled with the immediate establishment of a government which shall afford us power to determine how the present development of the country shall be carried on. Ah, Mr. Chairman, if to our misfortune we must be forever destined to be ruled by a foreign power, better would it be to leave us in misery and in ignorance! The demands of starving stomachs may prevent our minds from realizing the burden of slavery, while our ignorance would prevent us from knowing what freedom means, and, therefore, from desiring to attain it. Under these circumstances we should have less comfort in life, but we should be less miserable. We should at least have that peace of mind which would give us some happiness. Can not you, Mr. Chairman, sympathize with us? Ask the bird if it prefers a golden cage to the air and the sunshine; or ask Patrick Henry to explain his choice between liberty and life. [Applause.]

Mr. Chairman, it should be easy for you to understand how we feel. Forget for a moment that you are a citizen of the greatest and most powerful Commonwealth upon the face of this earth. Close your eyes to the present and, heeding the testimony of the past, go back to those days, fortunately for you long since gone, when instead of possessing a country extending from the Dominion of Canada to the Rio Grande and from the Atlantic to the Pacific you were confined to the region east of the Mississippi River, and when, instead of 100,000,000, you were but 3,000,000 souls. Remember how your forefathers felt when they were as we are now struggling for freedom. And, finally, bear in mind that the love for liberty in human hearts has not decreased, but, on the contrary, has grown as human civilization has advanced. Sir, you who at one time were under foreign rule and who were to be kept in that condition of subjection on the ground that you could do nothing for yourselves, that you were too ignorant to establish any suitable government, or too unpatriotic to be permitted to take care of your own country, you can sympathize with us. You can not blame us if our hearts bleed when we are told that the United States Government must forever remain in the Philippines because we are so incapable or so unpatriotic as not to be intrusted with our own affairs. So long as these words sound in Filipino ears we should not be men were we complaisantly and calmly to assent to permanent American control in the Philippines. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. JONES. Mr. Chairman, one gentleman to whom I had promised 10 minutes has generously said that he desired it to go to the gentleman from the Philippines. I yield it to him.

The CHAIRMAN. The gentleman is recognized for 10 minutes more.

Mr. QUEZON. Mr. Chairman, I thank the gentleman from Virginia [Mr. JONES] and the other gentleman who was kind enough to renounce his time in my favor. If I can proceed without any more interruptions I hope to be able to devote these 10 minutes to the consideration of the bill itself, though without going into details, but merely pointing out its most salient features.

TWO PRIME FEATURES OF THE BILL.

This bill is composed of a preamble and of legislative provisions. The preamble states the object of the bill, which is to

give the people of the Philippine Islands ample opportunity to demonstrate to the world their capacity for self-government, so that, after such a demonstration shall have been made, they may be granted absolute and complete independence. The preamble recites that it was never the purpose of the American people to make the War with Spain an occasion for territorial aggrandizement or commercial expansion, and that it has always been the intent of the American people to recognize the independence of the Philippines as soon as a stable government shall have been established therein. The legislative provisions of the bill offer the Filipino people, as the preamble indicates, every opportunity to demonstrate their capacity for self-government by placing in their hands general legislative powers, with only such limitations as will enable the Government of the United States to prevent any possible misuse of those powers.

MAIN CHANGES IN THE PRESENT ORGANIC ACT.

Mr. Chairman, the substantial changes which the legislative provisions of this bill propose to make in the organic law of the Philippine Islands now in force are two in number, as follows: First, the increase of the powers now vested in the Philippine Government; and, second, the substitution for the present system of government, mainly responsible to the President of the United States, of a government which shall be responsible to the Filipino people. The first change is brought about by conferring upon the Philippine Government general legislative powers and by specifically authorizing it to enact land, timber, mining, coinage, and tariff laws with the approval of the President of the United States. The second change is secured by providing that both branches of the legislature shall be elected by the Filipino people and that the appointment of Government officers shall be subject to confirmation by the Senate.

NECESSITY OF INCREASING THE POWERS OF THE PHILIPPINE GOVERNMENT.

That the powers of the Philippine Government should be enlarged, as proposed in this bill, should be a foregone conclusion to every student of political science. It should be done as a matter of principle, because, if the Philippines are not to become an integral part of the American Nation, like the States of the Union, but, on the contrary, they are to be kept a distinct and separate nation, as they really are, their government should have now, even before it is declared an independent commonwealth, all the legislative powers that it needs to promote the growth of the country upon its own national lines.

From the standpoint of expediency the necessity of vesting the Philippine Government with these powers becomes acute. Indeed the whole experience of the world shows that legislative powers vested in a body thousands of miles away from the people and not responsible to them do more harm than good. This is because under these conditions such powers are seldom exercised, and when they are they are usually employed in the wrong way. The utter impossibility of arousing interest on the part of the legislature in the affairs of a people so far removed and the difficulties which prohibit such a legislature from supplying itself with the information to legislate wisely inevitably lead to this result.

But it is not enough, Mr. Chairman, that governmental powers be vested in some body that is on the ground; they must be granted to the Filipino people themselves, first, because self-government is the birthright of every people regardless how that right is exercised; and, second, because the Filipino people, as far as they have had the opportunity, have shown that they possess the capacity to govern themselves.

EVIDENCES OF FILIPINO CAPACITY FOR SELF-GOVERNMENT.

Mr. Chairman, the Filipino people have sufficiently demonstrated that they can safely be intrusted with the powers granted in this bill. I should be losing precious time were I to tell the committee that since the early days of the American régime both the municipalities and the Provinces have been successfully governed by Filipinos elected by the people. This is a fact admitted even by those most opposed to Filipino self-government. It is also unnecessary for me to say that the Filipinos occupying appointive positions in the insular government are fully justifying themselves, as is demonstrated by the fact that not only are they kept in office but that their number has been continuously increasing. Had these appointments been failures they would have been recalled and no further appointments of a like kind would have been made. Filipinos so appointed hold places on the supreme bench and in the courts of record. Every justice of the peace, the secretary of finance and justice, five members of the Philippine Commission, the attorney general, the solicitor general, the provincial fiscals (prosecuting attorneys), some chiefs and assistant chiefs of bureaus, and the majority of the civil-service employees are Filipinos.

As to the legislative capacity of the Filipinos, the work of the Philippine Assembly since 1907 and the achievements of the Philippine Legislature since, and the appointment of a majority of Filipinos on the commission, which became practically a Filipino body, furnish conclusive testimony to the intelligence, culture, and devotion to duty of our Filipino legislators. It will not be amiss, Mr. Chairman, to cite to this committee the testimony of Americans prominent in the councils of each of the three parties in the United States.

Ex-President Taft, who is considered by many as one of the Americans best informed on things Philippine, said in his special report on the Philippines as Secretary of War:

> The Philippine Assembly has shown a most earnest desire, and its leaders have expressed with the utmost emphasis their intention to labor for the material prosperity of the Philippines. * * * In other words, thus far the assembly has not manifested in any way that obstructive character which those who have prophesied its failure expected to see.

This testimony is supported by ex-President Roosevelt, who in a message to Congress used the following language:

THE PHILIPPINES.

> Real progress toward self-government is being made in the Philippine Islands. The gathering of a Philippine legislative body and Philippine Assembly marks a process absolutely new in Asia, not only as regards Asiatic colonies of European powers but as regards Asiatic possessions of other Asiatic powers; and, indeed, always excepting the striking and wonderful example afforded by the great Empire of Japan, it opens an entirely new departure when compared with anything which has happened among Asiatic powers which are their own masters. Hitherto this Philippine Legislature has acted with moderation and self-restraint, and has seemed in practical fashion to realize the eternal truth that there must always be government, and that the only way in which any body of individuals can escape the necessity of being governed by outsiders is to show that they are able to restrain themselves, to keep down wrongdoing and disorder. The Filipino people, through their officials, are therefore making real steps in the direction of self-government.

An American scholar resident in the Philippines, Dr. Robertson, who has been carefully studying the conduct of the Philippine Assembly, wrote of this body as follows:

> When one considers the lack of opportunity that the Filipinos have had for representative government, this extraordinary session marks an epoch in the history of the Philippine Islands. This remark is no idle panegyric, but is based on actual contact and conversation with various members of the assembly, as well as attendance at many of the open meetings of the assembly. * * *
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> The assembly just closed was remarkable in several respects; for the discipline exercised by the speaker; for the great earnestness displayed by the representatives in general; for their dignity of bearing; and for their freedom from jingoism; and, outwardly at least, from party passion—outwardly, I say, because considerable party passion and personal feeling did at times creep into committee and secret meetings. In general, it may be said that this assembly in its quietness and dignity of action has established a precedent that can well be taken as a form for future sessions. * * *
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> While it might be said that this special session was called upon to consider but a limited range of subjects, and can not, therefore, be taken as a typical session, where there is more at stake, yet an examination of the various bills introduced and discussed shows a considerable range of interests, and those interests among the most vital in the Philippines. That they were treated in so earnest and dignified a manner must score a point in favor of the working of the assembly. On the whole, there was an absence of bombast and fireworks that was refreshing. * * *
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> Most of the delegates were exceedingly in earnest and worked up to the measure of their ability. * * * Conversations with various of the delegates showed them to be, on the whole, men of relative superior intelligence, alert, and anxious for the best good of the Philippines. This last is a very significant fact. The delegates, although elected to represent a certain locality, are keenly alive to the fact that they represent all the Philippines and must obtain the best good for the whole country. * * * If the leaders proceed with the wisdom that Rizal would have had, it is not too much to say that the Filipino Assembly will have permanently an honored place among the deliberative assemblies of the world.

These observations as to the results attained by the establishment of a popularly elected branch of our legislature are corroborated by the opinion rendered by the present Governor General of the Philippines on the work of the Philippine Legislature during a year where both of its branches, controlled by Filipinos, assumed under most trying circumstances the legislative powers of the Philippine Government. Mr. Harrison, in his annual message to the Philippine Legislature, on February 6, 1914, said:

> Gentlemen of the legislature, nearly four months ago I addressed you for the first time. I came to you then with high expectations of your legislative ability. Those expectations have now been justified. During the regular session which has just elapsed your labors for the public welfare have been earnest, industrious, and efficient. Your course has been one of progress and economy of the public moneys. Many laws of great importance have been enacted. Among these is the general appropriation act for the current expenditures of the Government, the first to become law since 1910. This act effected many reforms in the fabric of this government and has met with widespread approval. Peace and prosperity throughout the islands and tranquillity of the public mind bear evidence of this approval. The President of the United States has expressed his appreciation, and the Secretary of War has sent the following message:
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> "I congratulate you on the passage for the first time in three years of a general appropriation bill, and on the fact that the bill was passed unanimously by both houses. I have no doubt but that there were, as to a great many features, differences of opinion, but it is a source of satisfaction to the department that such differences were satisfactorily adjusted. Please extend to both houses of the Philippine Legislature my congratulations on this event, and express to them my hope that this is but an indication of what may be expected in the future."

The general appropriation act, in many ways, increases the efficiency of the Government service, and will result in a saving of over ₱2,000,000 in our current expenses. We must now guard jealously the economies already effected and proceed to consider further reforms and retrenchment of unnecessary expenditures. By these methods we shall entirely avert the deficit in the general unappropriated funds of the treasury which faced us at the opening of the October session. And, further, we may also enact now a law appropriating funds for the public works and continue in every respect the previous admirable progress in the construction of roads, bridges, and artesian wells. For the framing of such an appropriation bill, as well as for a proper deliberation and careful scrutiny of many other measures of public moment, I have called this special session of the legislature to sit from to-day until the 28th of February, 1914. During the course of your proceedings I shall make to you certain recommendations for your consideration.

The art of government is, in many respects, the highest of the sciences. You have already demonstrated the ability of a legislature composed almost entirely of Filipinos to enact difficult and progressive legislation. In the days to come you will maintain the high standard you have already raised. Many eyes are upon you; many minds are fixed upon your every act. The time is one of utmost importance to the ultimate achievement of Filipino aspirations. The people of the United States are your friends. All of them, I am sure, wish earnestly for a continuation of the successful outcome of your labors.

A more detailed account of the work of this "Filipinized" legislature is given in the following letter written by the Manila correspondent of one of the metropolitan newspapers of this country:

MANILA, *July 25.*

Nearly 10 months have elapsed since October 6, 1913, when the new Governor General of the Philippines, Francis Burton Harrison, of New York, landed in Manila, and half an hour later delivered his now famous "Luneta address," announcing the intention of President Wilson to give the Filipinos a majority on the Philippine Commission. The announcement was hailed with joy by the Filipinos, by the majority of Americans and foreigners in the islands with misgivings and forebodings of political disaster.

As to the success of the experiment, opinions vary. In general, however, it may be stated that adverse criticism of the "Filipinized" legislature has largely subsided, if not entirely ceased.

How far has the faith of the present administration at Washington in the ability of the Filipinos to assume complete control of the legislative branch of the government been justified? What effect upon general sociological, political, and business conditions has the new order of things produced? Would the United States be justified in extending still further political autonomy to the Filipinos? This letter will be confined to a recital of facts and figures bearing on the accomplishments of the last session of the Philippine Legislature, the first in which both branches were under Filipino control.

THE "FILIPINIZED" GOVERNMENT.

The assembly, or lower branch of the Philippine Legislature, has, since its establishment in 1907, been composed exclusively of Filipinos elected by popular vote. The Philippine Commission is appointed by the President of the United States, with the consent of the Senate. Formerly it was composed of five Americans and four Filipinos, the Governor General being president of the body. By the appointment of four new Filipino commissioners and the reappointment of Commissioner Palma the Filipinos obtained last October a majority of one.

The three new American commissioners, who, with the Governor General, compose the racial minority, were also appointed in October, but did not reach the islands until the regular session of the legislature was practically over; so that whatever credit or discredit might attach to the last session of the Philippine Legislature must be placed on the shoulders of the Filipino commissioners, the Philippine Assembly, and, to a certain extent, upon those of the Governor General.

While it is true that the Governor General, because of the authority of the Washington Government behind him, and because of the powers and prerogatives vested in him by the organic act of 1903, can wield a vast influence upon the shaping of legislation, particularly in the upper house, yet, in fact, the chief executive did not avail himself of nearly the full influence inherent in his position.

Mr. Harrison desired to test the actual capacity of his Filipino confrères; therefore he effaced himself almost completely from the routine work of legislation. Of the bills introduced, but a negligible percentage were introduced by the Governor General, by far the major portion being framed and presented by the Filipino commissioners, who had been designated individual committees to deal with the various special phases of the legislative business.

WORK OF THE FILIPINO COMMISSIONERS.

Commissioner Mapa, the only Filipino commissioner having departmental supervision, or a portfolio, as they call it here, handled all bills pertaining to his own department, that of finance and justice; Commissioner De Veyra prepared bills having to do with the department of commerce and police; Commissioner Singson took care of the department of the interior legislation, with the exception of matters concerning the Moro Province, which were largely attended to by Commissioner Ilustre, who is a native of that Province. Commissioner Palma was intrusted with matters pertaining to the department of public instruction, and presided in the absence of the Governor General.

During practically the entire regular session the American commissioners intrusted with the three last-named portfolios, were absent, and the Filipino commissioners, in addition to their legislative duties, took care of the administrative work of these departments, which embrace in their jurisdiction the entire executive branch of the government.

The Governor General took but small part in the detail work of legislation in the commission. As a matter of fact, he absented himself time and again from the sessions of that body. On not a single occasion did he make use of his veto power to coerce or impede legislation. His congressional experience served him in good stead in parliamentary procedure, and he conducted the proceedings of the commission with system and dispatch.

It should be remembered, however, that in his "Luneta speech" and in his first message to the legislature he had previously outlined the policies of the administration with respect to finances, the civil service, "big business," and the relations of the governing to the governed. He had laid down a sweeping economy program, calculated to correct the alleged extravagances of the previous administration; he had declared the administration's intention more rapidly to substitute Filipinos for Americans in the civil service; he had announced that "business is intended to serve the government, not the government to serve business"; and he had assured and convinced the members of the legislature that the administration intended to give the Filipinos a fair test of their fitness for self-government.

The commission, as well as the assembly, adhered closely to the lines laid out for them in the Governor General's message. This was not due, as might be inferred, to servile compliance on their part with the will of the chief executive, but rather to their sympathy with the general principles and policies enunciated by Mr. Harrison. The fact that the Filipinos can not be led like sheep by the Governor General was evidenced in the discord and practical stoppage of constructive legislation that prevailed during the previous régime dominated by Mr. Forbes.

During the session just past, for the first time in the history of Philippine bicameral legislation under the American régime, there existed perfect accord in aims and principles between the Governor General and the two houses of the legislature. The two houses worked in harmony, and in but one instance—concerning the passage of a dental-practice regulation bill—did they fail to come to an agreement. There had been more or less constant friction between the assembly and the commission. The assembly always has stood for greater economy in governmental expenditures, more rapid "Filipinization" of the civil service, and greater consideration for the rights, aspirations, and customs of the people.

The commission in the past seemed to take the attitude that the Filipinos were unable to assure safe and sane forms of conduct with respect to nearly all matters arising for settlement by legislative action. The labors of the assembly were depreciated and ridiculed by the mass of Americans and foreigners over here, as well as by the local American press.

In 1910 the two houses came to a deadlock over the general appropriation bill, the most important measure arising in the legislature, and the Governor General was forced to resort to the expedient, prescribed by law, of continuing the last jointly approved appropriation bill for another year by executive order, although the measure was considered by the lower house extravagant and unfair to the people.

INFLUENCE OF A NEW SPIRIT.

The "new era" heartened and quickened the legislative machinery. More bills were passed than at any previous session. A much greater percentage of bills originating and passing in the commission was approved by the lower house than ever before, and a surprisingly large number of excellent bills of prime importance to the islands and in line with the best and most progressive modern thought were enacted into law. An appropriation bill was passed which bids fair to turn the threatened deficit in the insular treasury into a sizable surplus, and an entirely new system of apportioning and appropriating Government funds for the different bureaus was evolved and provided for.

The following comparative table will make clear the quantitative results of the last session as compared with that of previous sessions:

	Sessions.			
	1910–11	1911–12	1912–13	1913–14
Bills introduced in commission	63	69	71	103
Bills passed by commission	48	52	61	69
Commission bills enacted by legislature	17	17	18	50
Bills introduced in assembly	484	518	421	398
Bills passed by assembly	98	181	131	169
Assembly bills enacted by legislature	33	69	51	51
Percentage of commission bills enacted by legislature	35	25	30	72
Percentage of assembly bills enacted by legislature	34	38	39	30
Percentage of bills passed by either house enacted by legislature	34	37	36	42

It will be seen that whereas the percentage of bills passed by the assembly and enacted by the legislature fell from 39 last year to 30 for this year's session, the percentage of commission bills passed by the legislature rose from 30 to 72.

The decrease in the number of assembly bills enacted was largely due to the fact that the extraordinary labors involved in the framing in the general appropriation bill resulted in the holding over of a great many bills in the lower house without action. Moreover, due to the renaissance of the national spirit, there was more activity in the lower house in the matter of framing bills and more initiative in the presentation of measures. Then, the commission was very cautious in its consideration of bills arising in the lower house, and brought its superior wisdom and experience to bear on measures arising there. It thus performed its intended function as a check upon the more youthful and exuberant spirits of the assembly.

CONFIDENCE IN THE COMMISSION.

On the other hand, the unbounded confidence of the assembly in the commission, a new condition in Philippine legislation, is demonstrated by the fact that 72 per cent of bills passed in the upper house were approved by the lower chamber. Compare this figure with the 30, 25, and 35 of the three previous years.

During the last session 101 bills were enacted into law. For the three previous years the figures are 69, 86, and 50.

In the session of 1910–11, outside of a "negotiable instruments" act, a bill for the reorganization of the justice of the peace courts, and a bill granting a gas franchise for the city of Manila, no important measures were enacted. In the following session the most important laws passed were an act permitting the utilization of the "gold standard and reserve" fund for public-works loans to Provinces and municipalities; a warehouse-receipt act, governing the use of this class of business documents; an automobile law, fixing speed limits, etc.; and an act providing for systematic government inspection of the municipal police forces in the islands. This latter law was never enforced for lack of appropriation. During the session of 1912–13 the only important laws enacted were a bill providing for the registration of patents, a law regulating the practice of veterinary medicine, and a bill appropriating funds for a portion of the cadastral survey of the islands.

QUALITATIVE VIEW OF LAST SESSION.

The list of important bills for the 1913–14 session is as follows:

(1) General appropriation bill: This measure was the principal source of the present administration's unpopularity among the Americans in the islands. It did away with reimbursable appropriations. It reduced all salaries above $3,000 from 5 to 10 per cent. It provided for a reduction of the American force in most bureaus and the placing of

Filipinos in more responsible positions. It did away with unnecessary expenditures and gave the bureau chiefs less leeway in handling public funds. It eliminated some positions entirely, and even eliminated an entire bureau, which had been a drag upon the Government's finances in the previous administration. It consolidated other bureaus into more efficient and economical organizations. It was a bill intended to accomplish the principal object of the government's financial policy—economy. The bill was framed by the assembly, amended, and redrafted by the commission, and acepted by the assembly, after conference, with but few changes.

When it was made public a terrible howl went up from the unfortunate Americans who were deprived of positions or suffered reduction in salary. Many resigned. The bill was derided and pointed to as a horrible instance of the incapacity of the Filipinos for self-government. As a matter of fact, it was a creditable piece of legislative work—one that few legislatures in the world could have accomplished with equal thoroughness and dispatch. As a result of this bill government expenditures for the first four months of the present fiscal year showed a saving of approximately $1,000.000 as compared with last year, and no one has noticed any appreciable slackening up in the functioning of the government machinery. Had this bill not been passed salaries and bureau expenditures would have eaten up all the government's revenues, not leaving a centavo for public works.

ANTISLAVERY BILL PASSED.

(2) An antislavery bill, which Worcester claimed could not be passed in the assembly.

(3) A judiciary bill, entirely reorganizing the higher judiciary system in the islands.

(4) An internal-revenue act, totally revising the old internal-revenue act. Great opposition arose to this bill because it provided for a small tax on the output of gold mines. This provision was finally eliminated, but will be passed in the next session.

(5) A bill abolishing the bureau of navigation: This bureau operated a fleet of vessels for which there was no real use except to serve as junketing ships for the higher officials. It ran a marine repair shop on an extravagant basis and supported several superfluous and mostly incompetent high-salaried officials. It was apportioned between the bureau of customs and the bureau of public works. Much wailing arose over the passage of this measure.

(6) A bill establishing a board of public utilities commissioners, patterned after the New Jersey public utilities law. Indignation in railroad and corporation circles.

(7) A bill limiting the sale of friar lands to individuals to 16 hectares and the sale to corporations to 1,024 hectares. One hectare is about 2½ acres.

(8) A law standardizing the hemp product of the island: In the past different concerns had different brands and different classifications and marks. This resulted in much inconvenience and dissatisfaction to the importers abroad. This bill was denounced by the hemp brokers as unfair, but the manufacturers abroad approved it and welcomed it. The dealers and growers will greatly benefit by it as well.

(9) An antiopium bill, increasing the severity of sentences for the use and importation of opium.

(10) A patent-medicine bill providing for the labeling and advertising of patent medicines and so-called therapeutic appliances, and providing adequate punishment for infractors.

(11) A wireless telegraph bill, grating a franchise to the Marconi Wireless Co. for the establishment of a station.

Mr. Chairman, I feel that I have given the committee enough evidence regarding the capacity of the Filipino people to legislate for themselves. I might well stop here, since no further proof is needed. There is, however, one more witness whom I can not omit, for I feel that as he is himself a great legislator the committee should not be deprived of his views on this subject.

The gentleman from Minnesota [Mr. MILLER] during his rather hasty trip to the islands last year paid a visit to the Philippine Assembly. The assembly received the gentleman with all the honors becoming a Member of the Congress of the United States. Speaker Osmeña greeted the distinguished visitor with warm words of welcome and asked him to convey to the Congress the respect and regard of the people of the Philippine Islands. The gentleman from Minnesota, after graciously returning the greetings of the speaker, said something in praise of the work done by the assembly. It had been my fortune and honor to act as a translator for the gentleman on that occasion, a difficult task, indeed, for his speech was, as usual, very eloquent. It was almost impossible for me to find the corresponding words in Spanish, and I am not even sure that I quite understood what he said. If I did not, then I unintentionally and regretfully misrepresented him to the assembly. The gentleman can tell me now whether I have or have not misrepresented him. I shall not undertake to repeat his own eloquent words, but what in effect I understood him to say is that the assembly had done well and had shown its capacity to legislate.

Mr. MILLER. Has the gentleman finished the quotation?

Mr. QUEZON. That is not all that the gentleman said, but for my purpose that is all I care to cite now.

Mr. MILLER. It was so long?

Mr. QUEZON. Yes.

Mr. MILLER. I want to say that the gentleman's translation at the time was perfect, as I gathered from my knowledge of the Spanish, and that his statement to-day is perfect, with one slight exception.

Mr. QUEZON. What is that?

Mr. MILLER. The gentleman said I told the Philippine Assembly it had done splendidly. I told them they had done splendidly and they had done nobly——

Mr. QUEZON. That is true.

Mr. MILLER. And that they had demonstrated their capacity as legislators, and that I was in favor of permitting them to elect a senate. So I indorse all that the gentleman said and make it stronger.

Mr. QUEZON. I am glad to learn that I succeeded in understanding and translating the speech of my distinguished friend. [Applause.]

Mr. Chairman, there is just one more thing I wish to say regarding the assembly, in connection with a statement made by the gentleman from Ohio [Mr. FESS]. The gentleman suggested that because out of the 56 members of the constitutional convention held in 1787, 29 were college bred, this fact indicated conclusively the grade of literacy and political capacity in the American colonies.

What would the gentleman from Ohio say, Mr. Chairman, if I told him what is true, that the members of the Philippine Assembly are 81, and that the proportion of college bred among them is 100 per cent, for every one of them is college bred? [Applause on the Democratic side.]

CONFIRMATION OF APPOINTMENTS.

Mr. Chairman, I shall now take up the matter of the confirmation by the Senate of the Governor General's appointments. This is one of the most important features of the bill, and it ought not to require much argument to convince the committee of its wisdom. You have this provision in your Federal Constitution, because your fathers knew the dangers of giving too much power to the Executive. If an elective President can not be trusted with unlimited discretion in the appointment of the administrative officials of the Government, how could anyone believe that an appointive Governor General could be safely intrusted with such a discretion? Were the Governor General of the Philippines to make his appointments without being subject to confirmation by another branch of the government, he could easily equal the Czar of Russia in so far as absolute power is concerned, for it must be remembered that the veto power vested by this bill in the Governor General is, to all practical intents, unlimited. The Governor General of the Philippines will, under the terms of this bill, appoint the members of his cabinet or the heads of the executive departments; he would further appoint all those officials now appointed by him, or, in other words, every judge of the courts of first instance, every justice of the peace, every provincial fiscal (prosecuting attorney), every chief and assistant chief of bureau, every provincial treasurer; in fine, every officer of the judiciary, excepting the members of the supreme court, and the most important positions of the executive branch of the Philippine Government. Can anyone fail to see what a tremendous power this lodges in the hands of a single man? How dangerous a weapon for an unscrupulous or incompetent Governor General! It might be harmless, nay, beneficial, in the case of a patriotic Governor General like Francis Burton Harrison, but there are not many of Mr. Harrison's type, even in the United States, and it is enough that there be a possibility of an unworthy Governor General to justify the adoption of legislative measures that will prevent him from doing his worst. Restrictive laws are written for the wicked, and they are essential to the protection of society as long as humanity has the weakness of the flesh.

NEW GRANT OF FRANCHISE.

Mr. Chairman, I have touched upon the most important changes in our present organic law as contemplated in the bill. There are only two more innovations which deserve comment at this time.

The qualifications of voters now required by law in the Philippines are as follows:

SEC. 13. Qualifications of voters: Every male person 23 years of age or over who has had a legal residence for a period of six months immediately preceding the election in the municipality in which he exercises the suffrage, and who is not a citizen or subject of any foreign power, and who is comprised within one of the following three classes:

(a) Those who, prior to the 13th of August, 1898, held the office of municipal captain, gobernadorcillo, alcalde, lieutenant, cabeza de barangay, or member of any ayuntamiento.

(b) Those who own real property to the value of ₱500, or who annually pay ₱30 or more of the established taxes.

(c) Those who speak, read, and write English or Spanish shall be entitled to vote at all elections: *Provided*, That officers, soldiers, sailors, or marines of the Army or Navy of the United States shall not be considered as having acquired legal residence within the meaning of this section by reason of their having been stationed in the municipalities for the required six months.

The bill reenacts these provisions, but it adds that those who can read and write in any language may also vote. Such an innovation is wise and right. There are many literate Filipinos educated in the use of their own language who, because they could neither write Spanish or English, are disqualified to vote under the present law. It is unjustifiable to deprive of the franchise those Filipinos who can inform themselves of the rights and duties of citizenship through native literature. The

proposed innovation would at once increase the number of the Philippine electorate and would put a stop to the assertions of the past few years that the paucity of electors in the islands in proportion to the rest of the population furnishes evidence of the incapacity of Filipinos for self-government.

GOVERNMENT OF THE NONCHRISTIAN TRIBES.

Mr. Chairman, there is one provision in the bill which I must admit I swallowed only after much effort and which I have not fully as yet digested. I refer to the proposed plan for governing the non-Christian native inhabitants of the Philippines. There are about 600,000 of these non-Christians in the total 8,000,000 population of the islands. About one-half of them are pagans and the other half Mohammedans. The immense majority, while uncivilized in the sense that they have not accepted occidental civilization, are not, however, savages. They live in villages and towns; they have their own homes and farms; and they follow regular pursuits of life. They live under well-organized municipal and provincial governments, and they pay their local taxes. A few of the pagans are nomads, and a few others up to a few years ago were head hunters.

We have all heard the ridiculous assertions that there is a lack of sympathy between the Christian and the non-Christian Filipinos, and that the former can not be trusted to govern the latter. As for placing the Mohammedans, or so-called Moros, under the control of a Filipino government, we are warned of the horrors that would follow such attempt. Of course there is no more ground for such statements than there is for the charges regarding the incapacity of the Christian Filipinos to govern themselves. Both aspersions are due to the same cause—the determination of certain persons to keep in their own hands the tempting job of ruling both non-Christian and Christian Filipinos.

The majority members of the insular committee had, as I understand it, to face the fact that so much has been said about this supposed antagonism between the Christians and the non-Christians that they had to make some concession to those who in good faith fear that too radical a change in the present government of these non-Christians might result in disaster. With a rather conservative step it was hoped to silence in part the pessimistic prophets. As regards the increase of the powers of the Christian Filipinos to govern themselves, while opposition was to be expected, the old battle cry of Filipino incapacity could be answered effectively with the mere recitation of proofs to the contrary already afforded by the Filipinos. But such an answer could not be made were it proposed to turn the non-Christians completely over to their Christian brothers, because the Christian Filipinos have had no opportunity thus far to govern those wards of the Nation. For this reason some sort of compromise measure was adopted.

According to the organic law, the government of the non-Christians is exclusively vested in the appointive Philippine Commission, thus allowing the Filipino people no participation whatever in the process of government. The commission could appropriate from funds in the treasury raised by taxing the Christian Filipinos any sum it chose to spend for the benefit of the non-Christians without consulting the assembly, and even in the face of its protests. This power has been abused in the past. The bill proposes that the government of these non-Christians shall be vested in the Philippine Legislature provided for in the act, but that they shall be represented in the legislature by 2 senators and 10 representatives appointed by the Governor General.

It is evident that this new proposal is better and less undemocratic than the present system, and I therefore accept it as a lesser and only a temporary evil—temporary because the bill provides that when the newly created legislature shall have convened it may revise this undemocratic arrangement.

PRACTICAL TEST OF FILIPINO CAPACITY OFFERED BY THE BILL.

Mr. Chairman, there is one point that the promoters of the bill can make, after all is said on both sides of the question, that must effectively destroy all argument against the granting of these new powers to the Filipino people. That point is this: The great merit of the bill, that which constitutes its most apparent justification, is that it offers the only practical means whereby the capacity of the Filipino people for self-government can be tested. If the Filipinos justify themselves, as I know they will, then this issue is ended; if they fail, as I know they will not, then the Congress may return to the present system of absolute American control. The bill is framed with so much regard for the interests of the United States, as well as for that of the Filipinos themselves, that while it permits the Philippine Legislature to initiate and pass all sorts of legislation, it reserves to the Governor General a qualified and to the President an absolute veto power, besides the constitutional right of Congress to annul any of such laws after they have been enacted. In this way the Filipino people can do nothing that will jeopardize the interests of the American people or seriously affect their own should the experiment result in a failure.

THE PREAMBLE.

Mr. Chairman, we have been told, both by the ranking member of the minority on the Committee on Insular Affairs, the gentleman from Iowa [Mr. TOWNER], and his colleague on the committee [Mr. MILLER], that were it not for this preamble, which, they say, makes the bill a partisan measure, there would have been some possible agreement, at least between the minority and the majority members of the Committee on Insular Affairs, as to most of the legislative provisions of the bill.

Mr. Chairman, the spokesmen for the minority members of the Insular Committee have complained of the attitude taken by the majority members of that committee in framing the bill. I submit in all earnestness, Mr. Chairman, that whatever may have been the attitude taken by the Democrats in dealing with the Republicans in the committee room, that should not affect the opinion of the Republicans as to the intrinsic merits of the measure. It may be true that the gentleman from Virginia [Mr. JONES] and the other majority members on the committee have shown a partisan spirit in the discussion of the bill in the committee; I do not know. It may be true—and, indeed, there can be no dispute about it—that this is a Democratic measure in the sense that it was introduced by a Democratic Member, reported favorably by a Democratic committee of the House, and indorsed by a Democratic administration. It may be true, as I can see clearly, that the preamble is practically a copy of the Philippine plank of the Democratic platform, and that, therefore, the bill is a redemption of a Democratic campaign pledge. But this does not make it a partisan or a political measure, as the gentleman from Iowa [Mr. TOWNER] put it, nor should it, for that matter, be opposed by any Republican Member of this House.

Mr. Chairman, this preamble is not a partisan declaration; it is not an expression of a partisan policy. It is the congressional confirmation of all the declarations made by the Chief Executives of the Government of the United States to the world and to the Filipino people from the beginning of the Spanish-American War up to this day regarding the national policy of the American people toward the inhabitants of the islands.

Has anyone forgotten those memorable words of the late President McKinley, that—

Forcible annexation, according to the American code of morals, is criminal aggression.

More recent and more to the point are the declarations made by ex-President Roosevelt and ex-President Taft.

Mr. Taft, in his special report as Secretary of War to the President of the United States in 1907, said:

There are in the Philippines many who wish that the Government shall declare a definite policy in respect to the islands so that they may know what that policy is. I do not see how any more definite policy can be declared than was declared by President McKinley in his instructions to Secretary ROOT for the guidance of the Philippine Commission, which was incorporated into law by the organic act of the Philippine Government, adopted July 1, 1902. That policy is declared to be the extension of self-government to the Philippine Islands by gradual steps from time to time as the people of the islands shall show themselves fit to receive the additional responsibility. * * * It necessarily involves in its ultimate conclusion as the steps toward self-government become greater and greater the ultimate independence of the islands.

Ex-President Roosevelt, in his annual message to the Congress in 1908, declared:

I hope and believe that these steps mark the beginning of a course which will continue till the Filipinos become fit to decide for themselves whether they desire to be an independent nation.

* * * * * * *

I trust that within a generation the time will arrive when the Philippines can decide for themselves whether it is well for them to become independent, or to continue under the protection of a strong and disinterested power, able to guarantee to the islands order at home and protection from foreign invasion.

After such authoritative statements from men who are the accredited spokesmen of your respective parties and at that time were leaders of the Nation as well, can you now, gentlemen of the Republican and Progressive side of the House, turn around and repudiate those declarations by voting against this preamble simply because its language, though substantially the same as your own spokesmen's declarations, is literally copied from the Baltimore platform?

To the Democratic side of the House I have but a little more to say in connection with the preamble. You know that the preamble is but a recital of what has been the Philippine plank of your platform ever since the Philippines came under the Government of the United States, and without frank and open disregard of that pledge you can not vote against that preamble.

Moreover, the titular leader of your party has already informed the Filipino people, not only on behalf of his Democratic administration but in the name of the American Nation, that the policy of this Government toward the islands is what this preamble states it to be. And this message of President Wilson has been delivered to the Filipinos by Gov. Gen. Harrison, the present representative of the United States, on the solemn occasion of his arrival in the Philippines, in the following address:

Citizens of the Philippine Islands, the President of the United States has charged me to deliver to you the following message on behalf of the Government of our country:

"We regard ourselves as trustees acting not for the advantage of the United States, but for the benefit of the people of the Philippine Islands.

"Every step we take will be taken with a view to the ultimate independence of the islands and as a preparation for that independence. And we hope to move toward that end as rapidly as the safety and the permanent interests of the islands will permit. After each step taken experience will guide us to the next.

"The administration will take one step at once and will give to the native citizens of the islands a majority in the appointive commission, and thus in the upper as well as in the lower house of the legislature a majority representation will be secured to them.

"We do this in the confident hope and expectation that immediate proof will be given in the action of the commission under the new arrangement of the political capacity of those native citizens who have already come forward to represent and to lead their people in affairs."

This is the message I bear to you from the President of the United States. With his sentiments and with his policy I am in complete accord. Within the scope of my office as Governor General I shall do my utmost to aid in the fulfillment of our promises, confident that we shall thereby hasten the coming of the day of your independence. For my own part I should not have accepted the responsibility of this great office merely for the honor and the power which it confers. My only motive in coming to you is to serve as well as in me lies the people of the Philippine Islands. It is my greatest hope that I may become an instrument in the further spread of democratic government.

To every Democrat government rests only upon the consent of the governed. And we do not maintain that self-government is the peculiar property of our nation or that democratic institutions are the exclusive privileges of our race. On the other hand, we do not believe that we can endow you with the capacity for self-government. That you must have acquired for yourselves. The opportunity of demonstrating it lies before you now in an ever-widening field.

As for ourselves, we confidently expect of you that dignity of bearing and that self-restraint which are the outward evidences of daily increasing national consciousness. In promising you on behalf of the administration immediate control of both branches of your legislature, I remind you, however, that for the present we are responsible to the world for your welfare and your progress. Until your independence is complete we shall demand of you unremitting recognition of our sovereignty

You are now on trial before an international tribunal that is as wide as the world. We who appear before this august court in the light of your advocates are proud of the privilege that has fallen to us, and we do not shun the responsibilities of our rôle, which is without a parallel in history. We shall eagerly await convincing proof that you are capable of establishing a stable government of your own. Such a government may not necessarily denote an entire reproduction of our own institutions, but one which guarantees to its citizens complete security of life, of liberty, and of property. We now invite you to share with us responsibility for such a government here. Every Filipino may best serve his country who serves us in this endeavor, and to that end I call upon every good citizen of these islands, and all who dwell therein, whether of native or foreign birth, for assistance and support.

People of the Philippine Islands, a new era is dawning. We place within your reach the instruments of your redemption. The door of opportunity stands open and under Divine Providence the event is in your own hands.

[Applause on the Democratic side.]

Mr. Chairman, that message of President Wilson and the words of Gov. Harrison, with which he delivered to us that message, as well as every prior similar declaration made by former Presidents and Governors General have been received by the Filipino people as the solemn promise made by the American people regarding the future independence of the Philippines. To us there are no Democratic Presidents or Democratic Governors General, no Republican Presidents or Republican Governors General. There are to us but American Presidents and American Governors General, and what they say and do we receive as words and actions of their Nation itself. What a terrible disappointment it would be to the Filipino people if the Congress were now to repudiate those declarations by the defeat of the preamble! And how such a repudiation would shake the faith of the Filipino people in this Nation!

Mr. Chairman, some say that this preamble is worthless because it is not actually a part of the bill, and is therefore without force. If so, then there should not be much opposition to it, for if left in the bill it can do no harm. As for myself I value this preamble for its full worth. It is the one feature of the bill that will permit the Filipino people, even while you still retain your sovereignty over the islands, to feel that they can lift their heads so long bowed in hopeless subjection. It is the one feature of the bill that will permit the Filipino people to look to the days of the morrow with joyous hearts, full of hope and expectation. It is the one feature of the bill that will permit the Filipino people to look at your flag, even while it floats over our public buildings and edifices, as the ensign not of physical force exercised for the permanent domination of a weak people, but as the symbol of the generous purpose of a great country to help a smaller nation that strives to be free to attain its goal, to stand some day soon upon its own feet and move forward thereafter unaided and uncontrolled. [Applause on the Democratic side.]

Mr. Chairman, the eyes of the Filipino people are now upon the Congress, and at this particular time upon this House. They live breathless with the horrible suspense caused by the doubt as to what you will do with this bill. On this occasion, momentous as it is to the destinies of that people, they appeal to you not as Democrats, Republicans, or Progressives, but as Americans representing the people that of their own accord have proclaimed themselves as the champions of human freedom. Would you fail them, you who have sacrificed so much in life and in treasure on the altar of this sacred cause? Would you fail them, you whose example, whose influence, whose sympathy have in the past inspired other subject nations and have helped them to attain their freedom? Would you fail them, you who have gone to war in order to liberate Cuba? Would you fail them, you who have encouraged them to overthrow the sovereignty of Spain and accepted their assistance in the Spanish-American War? Would you fail them, after so many of your implied as well as expressed promises of rapid extension to them of self-government and ultimate independence?

Mr. Chairman, the Filipino people have resorted to every means to secure their freedom, and what they have done shows that they deserve to be free. They have shown to the world that they are a people conscious of and longing to secure their national rights. Scores of thousands of their sons have laid down their lives and millions upon millions of their wealth have been destroyed for the sake of that one most precious boon granted to humanity by God Almighty. Failing in this struggle because of their lack of sufficient physical strength, they have tilled the soil, they have searched the mysteries of science, they have learned to appreciate the beauties of art, they have familiarized themselves and complied with their duties as citizens, hoping against hope that what they could not win in battle they might gain through their industry, their culture, and their enlightened and patriotic citizenship.

The Filipino people, Mr. Chairman, beg you to pass this bill. Indeed, they contend that they have given enough proofs of their capacity for self-government to warrant a complete delivery to them of unrestricted powers of government. But since it is said that this bill is all you are now disposed to consider and in view of the fact that they have absolute confidence in the American people, they are willing to accept this bill, and in good faith they acquiesce in the new and more ample trial to which they are to be submitted.

Shall government of the people, by the people, for the people perish from the earth?

Mr. Chairman, sixscore and eighteen years ago your forefathers "brought forth on this continent a new nation, conceived in liberty and dedicated to the proposition that all men are created equal."

This proposition was once challenged as applicable to all men residing within the confines of that Nation, regardless of their color and their race. The world, which had doubted "whether that Nation, or any Nation so conceived and so dedicated," could "long endure," watched with eager eyes the outcome of this issue. Your fathers "gave their lives that that Nation might live." "From these honored dead" the survivors took "increased devotion to that course for which" their noble comrades "gave the last full measure of devotion." They highly resolved "that these dead shall not have died in vain; that that Nation, under God, shall have a new birth of freedom; and that government of the people, by the people, for the people shall not perish from the earth."

Mr. Chairman, twoscore and eleven years have gone by since this sacred resolve was sworn to. To-day the doctrine of the government of the people, by the people, for the people is challenged. Shall you renew that resolve, or shall you demonstrate that those dead have died in vain? [Loud applause.]

Mr. TOWNER. I yield 20 minutes to the gentleman from Illinois [Mr. MANN]. [Applause on the Republican side.]

Mr. MANN. I wonder if you have in your mind's eye the North Pacific Ocean and the lands which bound it and the islands which lie in it? On this side of the ocean lies Central America, the United States, a little strip of British Columbia, and then the long coast line of Alaska, reaching clear over to Russia; and running out from Alaska a little to the southerly are the Aleutian Islands, which reach far toward Japan. We have toward the southern end on this side the Panama Canal, which we will strongly fortify and protect. A little to the west, some 2,500 miles, lie the Hawaiian Islands; a little to the west of those Midway Island and Wake Island, and farther west

the island of Guam, and then, farther west, the Philippine Islands. We have to the south of the Hawaiian Islands our share of the Samoan group of islands—the Tutuila and Manua groups. The United States controls, through its own ownership, the great bulk of the strategic positions on this side of the North Pacific Ocean, on the north side of the North Pacific Ocean, and the islands in the North Pacific. On the other side of the Pacific, Russia, with Siberia, and Manchuria, under the control practically of Japan; Korea, under the control of Japan, and China, reaching well to the south. We control to-day to a large extent the strategic positions of the Pacific Ocean lying east of Asia and Japan. The civilization has girdled the world. It started in the Far East and has moved westwardly, taking possession of westerly Asia and northern Africa, of Europe, and, finally, of the American Continents, and as it has reached the Pacific coast on our side it has come in contact again with the civilization of the Far East.

Only a few years ago Japan was opened to the world and to modern civilization. The changes which have been made in Japan, the marvelous growth of her influence, are not equaled by any other nation, I think, in the history of the world.

Close to Japan, lying like a sleeping giant of the world, is China, with her vast territory, with her immense population, and that which was going on in Japan a few years ago is now going on in China. The awakening of China is more marvelous, perhaps, than was the awakening of Japan; and as these great people in China arise to the civilization of our modern days and engage in the manufacture of products, in the production of all which man produces, we will enter upon a series of competitive efforts with the Far East which have never yet been equaled in this world of ours.

The great population of China, we say, shall not be permitted to come to our shores. At the same time we say that China shall not be permitted to shut out our people or our goods. Such a position as we take perhaps can not be abandoned by our people, but it can never be enforced in the long run without the power to enforce it. When China is awakened and the tendency comes which always comes to an awakening country, thickly populated, going out into the world either with her own people or with the production of goods made by her people, we will have a conflict on our hands which will last for many years, possibly for many centuries. And we who are now legislating, if we do not bear in mind the possibilities not merely of to-day or to-morrow or of 100 years from now—we who are legislating now, who do not bear in mind the possibilities of hundreds of years from now and the inevitable conflict, commercial or otherwise, which we will meet in the Far East, have forgotten the principles which ought primarily to actuate us. [Applause on the Republican side.] I have no doubt that it is as certain as that the sun will rise to-morrow morning that a conflict will come between the Far East and the Far West across the Pacific Ocean. All of which has taken place in the world during the history of the human race up to now teaches us that the avoidance of this conflict is impossible. I hope that it may only be a commercial conflict; I hope that the war may not come; I hope that there will be no conflict of arms. But I have little faith that in this world of ours people and races are able to meet in competition for a long period of time without an armed conflict. A fight for commercial supremacy in the end leads to a fight with arms, because that is the final arbiter between nations.

We command the Pacific Ocean to-day with the land that we have on this side, with the islands which we possess in the sea, and with the Philippines on the other side. Will we surrender our command? I say no; never. [Applause on the Republican side.] If we should let the Philippine Islands go to-day without a string tied to them they would belong to some other country inside of 10 years. But if they could keep their independence for 25 or 50 or even 100 years, in the end they would be used against us instead of in our favor in this inevitable conflict between competing races. I am opposed to giving the Philippine Islands independence.

Mr. QUEZON. Will the gentleman yield?

Mr. MANN. It is one of the characteristics of my friend from the Philippine Islands that he can not sit still while somebody is discussing the Philippine question. I do not blame him, but I hope he will wait until I get through. I may say something to console him before I am through. I do not believe that we should grant independence to the Philippine Islands. I do not believe that we ought to grant independence with a string tied to it. I had rather grant them absolute independence than to grant independence with a string tied to it, as suggested by the gentleman from the Philippine Islands.

Mr. QUEZON. I did not.

Mr. MANN. The gentleman says he did not, but he did in the speech he just made. I do not believe that the example we are having in Mexico is any inducement to extend, either directly or indirectly, the so-called Monroe doctrine, or anything like it, to the Philippine Islands. [Applause on the Republican side.]

We are having trouble enough now about a country where we say we can not afford to let another nation enter; we are having trouble enough now in Mexico, and with the other Republics to the south, without engaging in any more enterprises of that kind.

Who would propose on the part of the Philippines that they be given their independence without reserving a naval station to us? I am not sure that I am in favor of reserving any naval station. I think that if they are to go, let them go and let Japan and China take them, or Germany or England, as is inevitable, and then we will know what we have got to fight. Who would propose to-day that we let Japan have a naval station in Mexico? Who to-day in our country would assent to a proposition, if England should propose it, to transfer British Columbia to Japan? Would we consent to it? We would go to war in a minute to prevent it. Why? Because we would be opposed to letting Japan or China have a base for supplies on this side of the Pacific Ocean. Why? Because when it comes to that we know that it would hurt us in the conflict that we know will come. Now, we have the Philippine Islands. They came to us not by our taking away their independence. We did not seize them. We took them from Spain. I think that in justice to our own country and to those who will come after us it is our duty, first, to keep the Philippines under the flag of the United States, and, second, to make them our friends. It would be no great advantage to the United States to own the Philippine Islands or to have them a part of us in time of war if they were unfriendly to us. It is our business not only to keep them under our flag but to make them want to stay under our flag. I do not think that any gentleman can say, as I have heard said here, that this is an impossibility. Not at all. Most of the people who get under the American flag want to stay there. If we deal with the Filipino people rightly, they will want to stay here. I have heard debate here about whether the Filipinos are capable of self-government or incapable of self-government. I assume, for the purpose of argument at least, that they are capable of self-government. I am in favor of giving to the Filipino people the broadest liberty of self-government, retaining them under the American flag. [Applause on the Republican side.] The objection I have to the pending bill, in part, is that it has too many restrictions in it. If others do not offer amendments to remove those restrictions, I expect to offer a number of amendments to remove the restrictions upon the Philippine Legislature; and for this reason: If we keep them, we ought to give them the widest liberty of action in all their local affairs.

If we have determined or do determine upon eventual independence, we ought then to try to give them the widest liberty now and see whether they abuse it; and all these restrictions, which we would not impose upon a Territory of our own country, which we nowhere endeavor to impose upon the States of our country, I think ought to be wiped out. I think we ought to give those people a chance to see whether they can carry on their own local affairs, make them friends of the United States, so that in the future when these conflicts will arise we will have control of this side of the Pacific Ocean and we will have warm, devoted, patriotic American friends and citizens in the Philippine Islands on the other side of the Pacific Ocean, so that this country and our race may remain supreme on the fighting ground of the future, the Pacific Ocean. [Applause on the Republican side.]

I yield back whatever time I may have remaining.

The CHAIRMAN. The gentleman has consumed 20 minutes.

Mr. JONES. Mr. Chairman, I yield one minute to the gentleman from Ohio [Mr. GORDON].

Mr. GORDON. Mr. Chairman, I shall avail myself of the privilege of extending my remarks in the RECORD, and I yield back the balance of the time.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio? [After a pause.] The Chair hears none.

Mr. JONES. Mr. Chairman, I yield to the gentleman from Iowa [Mr. KIRKPATRICK].

Mr. KIRKPATRICK. Mr. Chairman, briefly stated, the Philippine Archipelago embraces within its range over 3,000 separate and distinct islands, with an area of land amounting to 115,000 square miles, an area more than twice as large as that of the State of Iowa.

None of these islands is wholly without inhabitants after the similitude of this particular race of people. They are not of that size and stature that characterizes the Anglo-Saxon or the North American Indian; hence by some they are denominated as "little brown men."

In the incipiency of our war with Spain it was announced by President McKinley that the contest would not be one of conquest or territorial aggrandizement, and later he proclaimed that in the event of occupation of the Philippine Islands the process of benevolent assimilation would soon add greatly to the uplift of the people inhabiting those islands, thus insuring a better life, higher ideals, and greater civilization; yet within 90 days after occupancy of the islands there were over 400 American saloons in the city of Manila.

From a selfish standpoint I would favor the retention of these islands, following the advice of the old lady to her husband on his leaving for the West to buy land, "Git a plenty while you're a gittin, says I." Again, there are others moving in the world powers who have longing eyes and designing motives in regard to these possessions, and if at any time we should become involved in a war they would not, in my judgment, hesitate to take advantage of the situation, as has already been demonstrated since the European War began. In this connection, I would not thrust a shaft nor hurl a javelin at Japan without calling attention to the action of France in placing Maximilian on the throne of Mexico, a thing that she would not have dared to do had our hands been free from an internal war of our own.

If the crisis in Europe is to result in changing the map of that continent, I think I will defer the purchase of a map until such time as we may be able to get a later issue or a revised edition.

But let us return to a discussion of the bill now being considered by the Congress. We captured Cuba, and should have kept it. We could have used it in our business, but we returned it to ungrateful occupants. In the settlement and adjustment of our difficulties with Spain, I would have exercised the same power and dominion over that country that Germany did over France at the end of the Franco-Prussian War, and in addition thereto an indemnity of $10 000 should have been paid to the family of each of our brave boys who went down in the *Maine*.

The Philippines are, as it were, our wards, and in the granting of autonomy to these people we should continue to exercise such power and influence over the islands as will protect and perpetuate the very modest desires of these people, and to this end let us extend a helping hand such as will insure to them a happy and prosperous name in the history of the nations of the world.

Mr. OGLESBY. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

Mr. MANN. Mr. Chairman, reserving the right to object, I would like to make the inquiry as to whether the gentlemen who are asking to extend their remarks in the RECORD are asking to extend remarks on this bill or upon another matter?

Mr. OGLESBY. On this bill.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. GARRETT of Tennessee. Mr. Chairman, I call attention to the fact that the rule provides that all gentlemen may print on this subject whether they speak or not.

Mr. JONES. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. DICKINSON]. [Applause.]

Mr. DICKINSON. Mr. Chairman, I have listened with great interest to the Representative from the Philippines, and also to the distinguished leader of the minority, Mr. MANN, of Illinois. I am in sympathy with the well-spoken words of the Philippine Representative, who pleads for the fulfillment of promises repeatedly made to the Filipinos, whose hearts yearn for national liberty and the right to control their own affairs. I am out of accord with the utterances of the minority leader, who would perpetuate conditions by which national freedom to this people shall be delayed and the expensive burden upon our people shall be continued. I am heartily in favor of the passage of this bill. The Members on this side of the aisle will not forget the repeated declarations of the Democratic Party in its several national platforms in favor of Philippine independence and the surrender of control of their own affairs to those people. I have heard a great deal of discussion here about the literacy and illiteracy of the people of the Philippine Islands. I care not for that. I care little for that discussion, but more that justice be done, and that they be not longer held in national bondage by this great liberty-loving Republic of ours, which has proclaimed so long to all the world the right of a people to be free and to govern themselves.

The American people are more interested in the doctrine of freedom and independence and liberty of a people whose hearts hunger for the right to govern their own affairs than it is in the percentage of literacy or illiteracy of its population. The literacy of this people is far greater than that of our southern Republic, and yet we are not seeking to extend our control over this Republic that lies in turmoil and trouble to our south. Some have talked about having taken the Philippines from Spain. We purchased from Spain a title about to be lost by assuming $20 000 000 of indebtedness that she was unable to pay at the end of the Spanish War, and we assumed the payment of that $20,000,000 indebtedness and took this title to the Philippines that Spain had already about lost. For 400 years Spain had ruled with an iron hand those people, who struggled for liberty and had already acquired or were about to acquire full control of their own affairs, when we, without any conception that we would ever go into the Orient and acquire foreign territory, traded the right to pay $20,000,000 of indebtedness growing out of Cuban conditions in order to assume control in the far Orient. It had never been the policy and desire of this country that we should own colonies, especially in another hemisphere. The Democratic Party that had believed in the utterances of Thomas Jefferson has never believed that any people were good enough to control and rule any other people without their consent. [Applause on the Democratic side.]

We ought not to be in the Orient for purposes of conquest or of government over an alien race, and I have no patience and no sympathy with the idea that we should establish dominion over a country in the Orient, when we continually assert the Monroe doctrine and proclaim the thought that no European power shall extend dominion in the Western Hemisphere. [Applause on the Democratic side.] I have no sympathy with the playing upon the prejudices of any people and predicting and inviting war with either a people in the Orient or anywhere else on the face of the earth. On this day we pray for the time when militarism shall end and when the doctrine of peace and friendship shall be proclaimed in all the world. I have no sympathy with great leaders who hold up before us at all times the idea that war, endless, continual, everlasting war, shall be the heritage of this and all other countries for all time. [Applause on the Democratic side.] I believe it is in the power of this Government to advance a nobler and a better thought—that of peace on earth and friendship between all nations. We pay tribute to Japan and to her leaps to intelligence and power. Why not also give tribute to these splendid people who are a thousand miles away from Japan and six or eight thousand miles away from us, whose literacy is greater than the literacy of Mexico, greater than the literacy of Spain when it dominated these Filipinos, and greater than the literacy of hundreds of people who control their own affairs. They are leaping to the front. Why not extend to them their heart's desire to govern themselves? Let them come into their own; let us surrender the dominion acquired in order that they may assume their rightful control over their own affairs, and withdraw our armies from their midst and stop the enormous expense to the American people of sustaining a large standing army in a foreign country.

Thomas Jefferson uttered the thought and many repeated the idea of the acquisition of Cuba, so as to round off our own country and thus better safeguard our rights in our part of the world, making more secure the domination by us of the Panama Canal, built at so large a cost, in our desire to connect two great oceans and to shorten distance for trade purposes. A hundred times better to have acquired Cuba, that lay in the Atlantic so near our border, than to have acquired and now try to perpetuate dominion over these islands in the far-away waters of the Pacific Ocean.

The American people gave to the world their plighted faith that they would not acquire Cuba for permanent occupation and sovereignty, and in its declaration of war against Spain, referring to Cuba, declared:

> That the United States hereby disclaims any disposition or intention to exercise sovereignty, jurisdiction, or control over said island, except for the pacification thereof, and asserts its determination, when that is accomplished, to leave the government and control of the island to its people. (Apr. 20, 1898.)

We kept this promise with reference to Cuba. If willing to let Cuba be free to govern herself, why should we be less generous and just to the Philippines? Should not Democrats at least attempt to keep faith with its party promises? The last national declaration of the Democratic Party, uttered at Baltimore, reads as follows:

> We reaffirm the position thrice announced by the Democracy in national convention assembled against a policy of imperialism and colonial exploitation in the Philippines or elsewhere. We condemn the experiment of imperialism as an inexcusable blunder, which has involved

us in enormous expenses, brought us weakness instead of strength, and laid our Nation open to the charge of abandonment of the fundamental doctrine of self-government. We favor an immediate declaration of the Nation's purpose to recognize the independence of the Philippine Islands as soon as a stable government can be established, such independence to be guaranteed by us until the neutralization of the islands can be secured by treaty with other powers.

In recognizing the independence of the Philippines our Government should retain such land as may be necessary for coaling stations and naval bases.

Four times in its national platform declarations the Democratic Party has said that the Filipinos should have their independence. Admiral Dewey years ago declared that the Filipinos were more intelligent than the Cubans, and, if true, it is not a question of education but a question of right and justice to the Filipinos and of justice and relief to the American people.

Why not pass this bill, a moderate measure, but a positive declaration, to the end that these people shall have their desire when they shall evidence to the people of the United States that they have established a stable government. Let us separate ourselves from continued domination of this far-away country, and we will be the better able to follow out the immortal doctrine laid down and preached by Thomas Jefferson, who declared that the settled policy of our people should be peace and friendship with all nations and entangling alliances with none. [Applause on the Democratic side.]

Mr. KELLEY of Michigan. Will the gentleman yield?

Mr. DICKINSON. I will.

Mr. KELLEY of Michigan. This is the first time that the Democratic Party has been in full control of the Government since these islands were acquired——

Mr. DICKINSON. And the first time it has had any opportunity to keep its plighted word given to the world about the Filipinos.

Mr. KELLEY of Michigan. With that opportunity before you, why do you not go ahead now and free these islands and set up an independent government there? You may not have a chance again for a long time.

Mr. DICKINSON. Mr. Chairman, I am perfectly willing to go the full limit; and I believe, regardless of the fact that there are disturbances to the south of us, regardless of the fact that there is war in Europe, regardless of the growth of any people anywhere, the United States of America is strong enough to declare to-day their purpose for complete independence for these people. But the Republican side of the House so long has resisted the idea of giving at an early or at any date full and complete independence to the Philippines that out of this conflict there has arisen this moderate bill that every man ought to be willing to give his cordial support to. [Applause on the Democratic side.]

Mr. JONES. Mr. Chairman, I yield 10 minutes to my colleague on the Insular Affairs Committee [Mr. GOULDEN].

Mr. GOULDEN. Mr. Chairman, as a member of the Committee on Insular Affairs, presided over by the distinguished gentleman from Virginia [Mr. JONES], and to whom credit is due for his untiring efforts in framing this bill, I am in entire accord with the measure.

The administrative features of the bill were satisfactory in the main to all the members of the committee. The preamble, or introduction, which is in harmony with the platform adopted at the Baltimore convention and meets the approbation of the best sentiment of the people of the United States, caused a division in the committee on political lines.

The platform of the Republican Party adopted at Chicago in 1912 means nothing, as it contains no specific declaration on the subject. On the other hand, the Democratic position, as expressed at Baltimore, is clear and explicit. Briefly, it reads as follows:

> We favor an immediate declaration of the Nation's purpose to recognize the independence of the Philippine Islands as soon as a stable government can be established, such independence to be guaranteed by us until the neutralization of the islands can be secured by treaty with other powers.

The preamble in the bill is as follows:

> Whereas it was never the intention of the people of the United States in the incipiency of the War with Spain to make it a war of conquest or for territorial aggrandizement; and
>
> Whereas it is, as it has always been, the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein; and
>
> Whereas for the speedy accomplishment of such purpose it is desirable to place in the hands of the people of the Philippines as large a control of their domestic affairs as can be given them without, in the meantime, impairing the exercise of the rights of sovereignty by the people of the United States, in order that, by the use and exercise of popular franchise and governmental powers, they may be the better prepared to fully assume the responsibilities and enjoy all the privileges of complete independence.

Certainly there can be no misunderstanding, as the declaration is as clear as the noonday sun, so that he who runs may read and understand.

On the question of ultimate independence of the Philippines, as early as it can safely be done, and the sooner the better for both countries, there is no division of opinion among Democrats. The members of that party on the committee differ somewhat as to the probable time this can be done safely and advantageously to the 8,000,000 people of the islands.

Personally I am in perfect accord with the President in believing that the time has not arrived to do this, no matter how desirable it might seem to be.

The changes in the proposed new organic law, while not radical, are in the interest of both countries, and will prove of incalculable advantage to the Filipinos, enabling them to demonstrate their ability to govern themselves. It is satisfactory to them, as voiced by 3 leading Provinces and 40 municipalities; by the able representatives in Congress, Commissioners QUEZON and EARNSHAW; by Gov. Gen. Harrison, a former distinguished Member of the House; by the majority party there; and the clergy in the islands. The attitude of these men, familiar with conditions there and knowing the sentiment of the people, should induce the Congress to promptly pass this wise beneficial legislation.

The principal changes in the proposed law are to define citizenship substantially in accordance with existing law, the only change being that the Philippine Legislature is authorized to confer the right of citizenship upon citizens of the United States residing in the islands. Places upon the Philippine Government the responsibility for all expenses contracted by that government on its own account. Declares that the statute laws of the United States hereafter enacted shall not apply to the Philippines except where expressly so provided. Confers upon the Philippine Legislature authority to amend or repeal any law continued in force by this bill, and specifically extends this power to all laws relating to revenue and taxation in effect in the Philippines subject to certain limitations. Confers the legislative power now exercised by the Philippine Legislature and the Philippine Commission upon the legislature authorized in this bill. Provides that the trade relations between the islands and the United States shall continue to be governed exclusively by laws enacted by the Congress of the United States. Establishes a Philippine Legislature, to consist of two houses, to be known as the senate and the house of representatives, respectively, and vests all legislative authority in them, except as otherwise specified. Provides that the members of the senate shall be elected for terms of four years, and that each senate district shall have the right to elect two senators. Defines the qualifications of those who shall vote for senators and representatives and for all other elective officers.

It gives the people of the islands a much larger measure of home rule and must prove much more satisfactory to both countries. The best sentiment of the business men having money invested in the islands is favorable to this bill.

The leading newspapers of the country are favorable to it, to quote extracts from the New York World and the Evening Post among the many at hand. The former in a recent issue said:

> This pledge is faithfully observed in the bill now reported to Congress by Chairman JONES of the Insular Affairs Committee. It asserts a purpose to recognize Philippine independence when a stable government has been established; and in providing a Philippine Legislature which will be elective for both branches and which will have broad powers, subject to certain restrictions in tariff and currency and land legislation and to the veto of the Washington Government, the way is opened for the Filipinos to prove their capacity to establish a stable government.
>
> Through such an act we shall have an end of the twaddling and deceiving policy which holds out to the Filipinos a promise of independence when they are fit for it and then denies them a man's chance to prove their fitness.

[From the Evening Post, New York, an old and independent newspaper.]

> The Jones bill, reported Saturday, not merely follows the Democratic pledge that independence be granted the Philippines as soon as a stable government could be established in the islands, but it looks to effective steps to bring about conditions that will permit the severance of political relations with the United States. The substitution for the commission of a popularly elected Senate follows naturally the action of the administration last fall in giving the Filipinos a majority in the upper appointed body. The new bicameral legislature, with full powers of legislation except as regards tariff, currency, and public lands and the restriction of a congressional veto, will give the islanders full room to demonstrate their governmental capacity. The suffrage is also enlarged. Under Gov. Gen. Harrison, and with the admirable order that has characterized the Filipinos in the recent uncertain months, the development of a stable government should be rapid. Friends of the Philippines, as well as advocates of caution, may be glad that the eight-year date for independence proposed in the first Jones bill has been dropped.

The minority report, signed by 5 of the 7 Republican members of the committee, dissents from the unanimous report of the majority, consisting of 14 members. Its objections are confined almost entirely to the declarations, which are termed politics for the want of a better name. Our friends on the other side of this Chamber do not seem to be especially in love

with the platform adopted at Baltimore, and always object to its being carried out by the Democratic Party in fulfillment of its pledges; but that party will assume all responsibility, as the people in 1912 decided it should do. The Democrats of this Congress, appreciating the trust placed in them by the people, will pass this measure, which will inure to the benefit of the Philippines and the American Nation. [Applause.]

Mr. JONES. I yield to the gentleman from Texas [Mr. SLAYDEN].

Mr. SLAYDEN. Mr. Chairman, after the eloquent and earnest plea of the gentleman from the Philippines for the right of his people to be free, everything that comes after in this debate is anticlimax. He spoke with a comprehension and with a feeling which perhaps no other Member of this House can possibly have. And it is a curious criticism of the present state of the public mind in this country that the representative of a people who are not free, but who would like to be, has to appeal to the representatives of a country which boasts of its freedom to be given the same privilege. That is a reflection upon us and upon this Congress; and I hope that at the first opportunity which may hereafter arise the step toward such a goal that we are now taking may be followed by others and this glorious work completed.

Mr. Chairman, when the debate on this bill closed last Monday the gentleman from Ohio [Mr. FESS] had just concluded an entertaining speech against it. He never fails—at least, I have never known him to fail—to make an entertaining speech, but on that occasion he fairly surpassed himself. His account of the settling of the American Colonies was scholarly, entertaining, and instructive, but, really, so far as I was able to judge, shed no particular light on the Philippine problem.

I was charmed with the grace and skill with which he recalled those stirring days at the outbreak of the Spanish-American War, the sea battle at Manila, and the heroic behavior of our Army and Navy. But I have always thought that courage in American soldiers and sailors might be taken for granted. I thought so in 1898, and I could never see the reason for the hysteria and bragging at that time. It was all brought back to me pleasantly and reminiscently by the gentleman's speech. I realized again the whole situation as it was in April and May, 1898, with its confusing mixture of sincerity and humbuggery, bathos, fustian and brag, heroes and near heroes, and skilled politicians who played it up for personal gain. The one new element introduced by the gentleman from Ohio was the self-given certificate of virtue and integrity and the note of thankfulness that we Americans are not like other men.

It was a real pleasure to meet these old acquaintances again, and, notwithstanding their new dress, they were easily recognized.

As a Democrat I am glad to know that the distinguished gentleman approves Thomas Jefferson, although he seemed to be specially pleased only with that great man's departure from the strict letter of the Constitution when the Louisiana Territory was bought. That, however, is not surprising when we remember that he is from a State that has a constitution which is persistently disregarded.

He also indorses the Declaration of Independence—for home use—but does not want its principles applied in the Philippines. Government only with the consent of the governed sounds well in Ohio, but is not to be thought of in the Philippines.

The gentleman, by the way, was also distressed over the illiteracy in the Philippine Islands, and that led to an unpleasant controversy between him and one or two other Members of the House, which I am pleased to say has now been put away, and the sun shines once more.

Mr. FESS. Mr. Chairman, will the gentleman yield for a moment just at that point?

Mr. SLAYDEN. No, sir. If I shall have concluded at the time the gavel falls, I will be happy to yield to the gentleman for any question he wants to ask.

The gentleman now seems to be alarmed, as I was saying, at illiteracy in the Philippines. But the party of which he is such an ornament was not haunted by that fear nor its partisan purpose halted 45 years ago when millions of unlettered blacks were given control of the Southern States. As if to insure the supremacy of the illiterate and unfit at that time, the whites were disfranchised just when the blacks were enfranchised.

But, Mr. Chairman, that has nothing to do with this bill or the effort to give the Filipinos the independence which the true American spirit always encourages people to demand.

The gentleman from Ohio says that in the consideration of this bill we should give attention to it from the point of view of Philippine interests, and only after that consider American interests. I hope the time will soon come when all Philippine legislation will be done in Manila; but until that time does come I can not divest my mind of the idea that it is our duty to keep always before us the possible influence on American affairs of every legislative act.

Mr. Chairman, let me make my position perfectly clear. I am interested in the Filipinos, and I want them to have independence and justice, but I am more interested in my own people. The problem has always been not what we should do with the Filipinos, but what they will do with us.

Mr. FESS. Mr. Chairman, will the gentleman yield for a question?

Mr. SLAYDEN. How much time have I left, Mr. Chairman?

The CHAIRMAN. The gentleman has two minutes remaining.

Mr. SLAYDEN. It is quite impossible.

Mr. JONES. Mr. Chairman, I yield to the gentleman five minutes more.

The CHAIRMAN. The gentleman from Texas [Mr. SLAYDEN] is recognized for five additional minutes.

Mr. FESS. The reference to my statement that the gentleman made, that my only concern was for the Filipino people must be modified——

Mr. SLAYDEN. In giving them absolute independence, in making the divorce as complete as possible, we will be doing a great service to our own people.

In giving them absolute independence, in making the divorce as complete as possible, we will be doing a great service to our own people.

This bill is the first tardy step in the redemption of a pledge repeatedly made to release the people of the Philippine Islands from any sort of political obligation to the Government of the United States. It begins the work of breaking a bond which ought never, speaking my humble judgment, to have been forged.

There has hardly been a day since Dewey sailed into Manila Bay in 1898 that our presence in the Philippines has not been unwelcome. We are an alien people, and the Filipinos regard us as interlopers. They view us as we would them if the situation were reversed.

Neither party has ever declared for a perpetual political association with the islands, and the Democratic Party has persistently, in every convention since 1900, inclusive, frankly stated its sympathy with the desires of the Filipinos for absolute independence. Many of the friends of Philippine independence have believed there should be a gradual concession in that direction which would ultimately transfer to the people of the islands a complete and unhampered control of their own affairs. This end is what I have hoped for and always worked for, but I have never wavered in the belief that it should be granted without delay or conditions except, possibly, an arrangement with certain great powers for their neutralization. In a speech which I delivered in this House on the 15th of February, 1905, I put forward the suggestion of neutrality, basing my remarks on an argument made by Erving Winslow, of Boston, before the Thirteenth International Peace Congress in that city in 1904. So far as I am advised Mr. Winslow was the first person in the country to propose such a settlement of the Philippine question. Other gentlemen have since pressed the neutrality idea with zeal and persistence, and my colleague, Mr. BURGESS, is entitled to much credit for his earnest work in behalf of the island people and neutralization.

Let me briefly review the platform utterances of the two great American parties on this question. In 1900 the Kansas City Democratic platform said:

> We condemn and denounce the Philippine policy of the present administration. It has involved the Republic in unnecessary war, sacrificed the lives of many of our noblest sons, and placed the United States, previously known and applauded throughout the world as the champion of freedom, in the false and un-American position of crushing with military force the efforts of our former allies to achieve liberty and self-government.

In the same year the Republican platform, after a sort of meaningless, high sounding rodomontade, made this mild pledge to the Filipinos:

> The largest measure of self-government consistent with their welfare and our duties shall be secured them by law.

We were to judge of what was needed for them. The Philippine people asked for bread and were mocked with that stone.

The Democratic platform in 1904 said:

> It is our duty to make that promise—
>
> The promise of freedom—
>
> now, and upon suitable guaranties of protection to citizens of our own and other countries resident there at the time of our withdrawal set the Filipino people upon their feet, free and independent, to work out their own destiny.

The Republican platform of that year promised nothing to the Philippines and was content with saying that they had been

useful as a base from which to send relief to the legations in Peking, which had been assaulted by the Boxer revolutionists.

In 1908 the Democrats again condemned the experiment in imperialism and colonial enterprises and favored a declaration by the Government for Filipino independence and expressed a desire to have the islands neutralized.

The Republican platform of that year boasted of the achievements of the party and claimed that it was advancing the people of the islands to "an ever-increasing home rule." That was a very mild draft for people who were thirsting for liberty.

The Democratic platform of 1912 reaffirmed the declarations of the platforms of 1900, 1904, and 1908 on the Philippine question, except that it declared it to be the duty of this Government to guarantee the independence of the Philippines until—

The neutralization of the islands can be secured by treaty with other powers.

The Republican platform of 1912 had on this question one declaration with which I am in hearty accord. It said:

Our duty toward the Filipino people is a national obligation which should remain entirely free from partisan politics.

That is a sane and patriotic, a wise and noble position, and I hope all the Republicans in this Congress will be guided by it and vote their honest sentiments on this bill. I believe that if this question had never been associated with partisan politics an overwhelming majority of both parties would long ago have voted for a resolution like this, perhaps for one much more advanced. It would have resulted in legislation highly gratifying to the Filipinos and good for our own people.

Mr. Chairman, I support this measure as an act of justice to the Philippines and because it offers relief to this Government from expensive and embarrassing obligations which should never have been assumed and which should be put away as quickly as possible.

In undertaking to maintain government over an unwilling, alien people we violate a fundamental of our own country. The Filipinos have never consented to our control, and they never will do so. That is reason enough for the political divorce this bill proposes. But we will make our own position in relation to other countries stronger by withdrawing from the Philippines. They contribute nothing to our security; they are a place to defend, where successful defense is almost impossible, and thus are a source of weakness.

Mr. DIES. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Texas yield to his colleague?

Mr. SLAYDEN. I would like to, but have only a minute and a half left.

Mr. KELLEY of Michigan. And the gentleman has promised me, too.

Mr. DIES. Mr. Chairman, I raise the question of no quorum.

The CHAIRMAN. The point of no quorum has been made. The Chair will count. [After counting.] Only 26 Members are present—not a quorum. The Clerk will call the roll.

The Clerk proceeded to call the roll, when the following Members failed to answer to their names:

Anthony	Gardner	Knowland, J. R.	Peterson
Austin	George	Konop	Plumley
Barchfeld	Gill	Korbly	Porter
Bartholdt	Gilmore	Lafferty	Powers
Bartlett	Gittins	Lee, Ga.	Prouty
Bell, Cal.	Godwin, N. C.	L'Engle	Ragsdale
Bowdle	Goeke	Lever	Reed
Brockson	Goldfogle	Levy	Reilly, Conn.
Broussard	Good	Lewis, Pa.	Rothermel
Brown, N. Y.	Graham, Pa.	Lindbergh	Rouse
Browne, Wis.	Greene, Mass.	Lindquist	Sabath
Browning	Gregg	Linthicum	Scully
Brumbaugh	Griffin	Lloyd	Shreve
Burke, Pa.	Gudger	Loft	Slemp
Burke, Wis.	Guernsey	McClellan	Smith, Md.
Calder	Hamill	McGuire, Okla.	Stedman
Cantor	Hamilton, N. Y.	MacDonald	Stevens, N. H.
Cantrill	Hammond	Madden	Stringer
Carr	Hardwick	Mahan	Summers
Church	Harris	Mann	Talbott, Md.
Clancy	Harrison	Martin	Talcott, N. Y.
Connolly, Iowa	Hayes	Merritt	Ten Eyck
Conry	Helvering	Metz	Townsend
Copley	Hensley	Mitchell	Treadway
Danforth	Hinebaugh	Mondell	Tuttle
Dooling	Hobson	Montague	Vare
Doremus	Howard	Moore	Walker
Doughton	Hoxworth	Morin	Wallin
Driscoll	Hughes, W. Va.	Mott	Walsh
Dunn	Hulings	Murdock	Watkins
Elder	Humphreys, Miss.	Neeley, Kans.	Whaley
Estopinal	Johnson, Utah	O'Shaunessy	Whitacre
Evans	Keister	Page, N. C.	Willis
Fairchild	Kelley, Pa.	Paige, Mass.	Wilson, N. Y.
Faison	Kent	Palmer	Winslow
Fields	Key, Ohio	Parker	Woodruff
Fitzgerald	Kiess, Pa.	Patten, N. Y.	
Francis	Kindel	Patton, Pa.	
French	Kinkaid, Nebr.	Payne	

The committee accordingly rose; and the Speaker having resumed the chair, Mr. FLOOD of Virginia, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands, finding itself without a quorum, he caused the roll to be called, whereupon 276 Members, a quorum, answered to their names; and he presented the names of the absentees to be printed in the Journal and RECORD.

The SPEAKER. A quorum is present. The committee will resume its session.

Accordingly the committee resumed its session, with Mr. FLOOD of Virginia in the chair.

The CHAIRMAN. The gentleman from Texas [Mr. SLAYDEN] has three minutes remaining.

Mr. SLAYDEN. Mr. Chairman, it is a little embarrassing to realize that the only way in which I can possibly get such an audience is to have them called in, as this has been.

Mr. Chairman, I was addressing myself to the thought that an alien government is never a happy or satisfactory government for the people on whom it is enforced. Enforced outside government over people of a different race, language, and religion is rarely, if ever, satisfactory. Examples of this fact are brought to our attention from time to time, and in a way we can not afford to ignore. A great war is now raging in Europe; a war with armies so huge that the forces of Xerxes, which so impressed us in our youth, appear an insignificant mob; a war which in its evil economic influences threatens to surpass in six months the destruction done in the Thirty Years War or that of the Napoleonic era, from which Europe did not fully recover in all the years between Waterloo and the Crimea.

This unparalleled conflict is largely the outgrowth of a struggle between Slav and Teuton in that turbulent section of Europe generally referred to as the Balkans. No doubt either Franz Josef of Austria or Wilhelm of Germany could give those people a government which, in all essentials but one, would be as good as they can give themselves. That one essential is the quality of self-government. The Slav does not want a Teuton overlord any more than the Teuton would want a Slav executive. Race and language are different, and each has tremendously developed all the prejudices and hopes of its own people—prejudices and hopes that are fundamental, that spring from the natures of the two peoples.

Statesmen in Europe who can see through and beyond the smoke of battle are already considering what steps should be taken to insure continued peace when peace shall come again. With wonderful unanimity the statesmen of all countries that are not actually battling for the possession of the territory and sovereignty of other people are agreed that when the map of Europe comes to be redrawn the boundaries must run, if peace is to continue, along racial lines. Slav should have Slav government and Teutons a Teutonic government. In a word, if they are to be content, the people who are to be governed must be consulted and their wishes respected.

If that doctrine is sound in Europe, why is it not sound in Asia and America? I think it is, and I believe that we should apply it in the Philippines and that the government of the Filipinos should be conducted by themselves.

Let me say again, Mr. Chairman, that I support this bill because it is right, because the Filipino people want it, and because I am thoroughly convinced that it will be best for our own people. We can not continue to force government on an unwilling people without cultivating contempt for the great principles on which our Republic is founded. I have not forgotten that one of our own officials in the Philippines referred to the Declaration of Independence as a "damned inflammable document." It is an inflammable document, and I am glad of it. It helped to light and has kept burning the fires of liberty throughout the world for nearly 140 years. What American would have it otherwise? [Applause.]

Mr. TOWNER. Mr. Chairman, I yield to the gentleman from Illinois [Mr. MCKENZIE].

Mr. MCKENZIE. Mr. Chairman, from that eventful morning when the thunder of Dewey's cannon rolled away over Manila Bay and reverberated in the mountains of Luzon, sounding the death knell of Spanish sovereignty over that island kingdom, and as the American flag floated out on the breeze from the walls of the citadel where for 400 years the banner of Castile had been the emblem of power, the people of our country have had an unexpected but no less great responsibility placed upon them.

This responsibility might have been shirked. Dewey could have sailed away with his fleet after the battle, leaving the

people of those islands to their fate. Some other nation might now be exercising sovereignty over them. However, in my judgment, the hand of Him who controls the destiny of men and of nations pointed the way, and by a series of events placed the millions of people in the Philippines in our hands. Have we as the guardians of these people proved ourselves worthy of the trust? Let the world pass judgment upon our work. In discussing matters pertaining to the duties we have to perform in the exercise of our sovereignty over these people, how pitiable to hear men in this body belittle our work and decry our motives. How idle for our Democratic brethren to talk about their recent and past political platforms in relation to this matter. Oh, that in this matter we might rise to the heights of real statesmanship, that prejudice could be laid aside, that the nobility of purpose and the unselfishness of the motive of the great Republic might be understood, at least by our own citizens. How regrettable are such statements as those made by the gentleman from Ohio [Mr. GORDON] the other day when in discussing this bill he said, among other things:

I say that this whole Philippine enterprise is one of the most disgraceful chapters in the history of the United States. Why, this Philippine history is a thing that every decent American ought to try to forget.

He further said in his speech, giving as his authority ex-Speaker Reed, that we bought them for $2 a head. I say such statements are regrettable, and I do not think they set forth the true sentiment of the American people. I differ from my friend from Ohio and all persons who hold such views. I do not think the taking over of the Philippines by our Government marks a disgraceful chapter in our history; but, on the other hand, when the work is complete, which we have undertaken for the Philippine people, it will conclude not only the most glorious chapter in the history of our country but the most glorious and unselfish chapter in the history of any nation. Is there an American who does not feel some pride in the work of his country in the Philippines, mighty as our country is; able, as Mr. QUEZON well said, "to dominate his country with physical force," and misuse his people, instead of aiding them in their preparation for self-government and liberty?

It is true that after we had vanquished Spain, the mother country, we paid her $20,000,000 to relinquish all of her claims, not only in the property in the Philippine Islands but to sovereignty in every sense. Did we buy the Philippine people as chattels? No; but we did pay to the mother country a sum in full consideration for every claim to the people and property of the islands. Why? We were not bound to do so. Was it wise? Yes, in my judgment; for when the time comes for the Philippine people to unfurl their flag as a nation they will in truth and fact be free. All claims were paid by the unselfish citizenship of the great free Republic of the western world. We paid the price. When the flag of our country, the emblem of liberty, was unfurled in those islands, and as the morning sun kissed its beautiful folds a new day dawned in that far-away land; the night of ignorance and superstition which had obscured the light of liberty was dispelled, and the Philippine people awakened to the fact that the road to freedom and self-government was opened up to them. It was hard for them at first to grasp our true purpose, but we have demonstrated to them that it was not to take them by the throat and rob them, but it was our purpose, as we loved liberty, to take them by the hand and lead them step by step up the pathway of civilization and teach them self-government until such time as they were fitted to walk alone in the march of the nations of earth. How have we proceeded in this work? In the way some critics for political buncombe would have the world believe? Oh, no. Have we taxed the people for our benefit? No; but, on the other hand, we have poured our treasure into the work; and while it may be true that a few individuals have been unfaithful to their trust in this work, it is always so, and all such should be summarily punished; but as a Nation we have been doing an unselfish work, and one that we could relinquish at any time and escape responsibility if we did not have the future welfare of these people at heart. Thus far, step by step, we have led them on in their efforts, giving them a voice in the control of their municipal affairs as fast as it seemed wise. The bill under consideration is only a part of the plan outlined in the beginning and is a long step forward, giving them practical self-government under our protection, and is the proper thing to do.

The bill as reported from the committee, in my judgment, is not perfect and should be amended; but in the discussion of the bill and in the work to follow I do not think it is in keeping with the exalted purpose of our policy to express too great a readiness, either by preamble to this bill or otherwise, to shake the dust from our feet and leave the Philippine people to shift for themselves. Why this haste to declare we are going to let them go and shift for themselves? Let us rather give them the right to self-government under our protection, aiding them in every way we can, and when they have demonstrated their ability to conduct a government such as we hope to see them enjoy, free representative government, and they then petition for the relinquishment of our sovereignty over them, we will gladly withdraw, as we did in Cuba, taking down our flag and, as we behold theirs flung to the breeze, join with them in rejoicing that a new nation is launched in that far-off clime. But let us remember that in order to have and enjoy self-government such as our Republic, the people must have general intelligence and education relating to the matters of government; not just a few of them, such as we see in our sister Republic in Mexico. Such a government is a farce when spoken of as a Republic. Such a people should be ruled by a monarch. We wish to see the Philippine people have a real Republic, and in order to have that the masses should be educated; and it is inconceivable that at this time, after only a few years of freedom, that the masses of the people could have the education and experience to justify us in saying that they are fitted for the character of self-government we, as free men, would desire to see established. As an American, loving liberty and despising despotism, abhorring the political teachings of royal blood and class distinction, I cheerfully join in the enactment of any legislation that will tend to better the condition, make happier the hearts, and inspire the souls of the Philippine people with an ambition to press forward to the goal of self-government under the guiding and protecting hand of the great American Republic.

I yield back the remainder of my time.

Mr. JONES. Mr. Chairman, I yield to the gentleman from Oklahoma [Mr. DAVENPORT].

[Mr. DAVENPORT addressed the committee. See Appendix.]

Mr. TOWNER. I yield 10 minutes to the gentleman from California [Mr. KAHN]. [Applause on the Republican side.]

Mr. KAHN. Mr. Chairman, it is just 13 years to-day since I returned from the Philippine Islands to my home at San Francisco. At that time the Philippine insurrection had just been quelled and the first shipload of American schoolteachers had landed at Manila. Military rule was giving way to civil administration. In the following long session of the Fifty-seventh Congress, in 1902, the Philippine civil-government bill was enacted into law.

Since then, under the policies and administrations of the Republican Party, we have affected to render civil control independent of and superior to the military power, and have abolished an inquisitorial system of criminal investigation and secured for the humblest citizen charged with crime the advantage of a fair and speedy trial.

We have cleared the southern seas of the archipelago of piracy and everywhere suppressed brigandage and outlawry and made life and property secure throughout all the civilized parts of the islands.

We have suppressed intertribal strife among the uncivilized peoples and inspired in them a desire to pursue the arts of peace.

We have built schoolhouses and colleges throughout the Philippine Islands and kept among the Filipino people schoolteachers, who have taught the children to read and write.

We have done more in a dozen years to spread a common language among the Filipino people than was accomplished in all preceding centuries.

We have built hospitals for the sick and spread throughout the islands the principles of modern sanitation. We have eradicated smallpox, suppressed Asiatic cholera and bubonic plague, and prevented the scourge of beri-beri.

We have encouraged intercourse with the outside world by building in Manila Harbor the finest docks in the Orient and one of the most extensive breakwaters in the world, by lighting the coasts, and by improving all other Philippine harbors.

We have encouraged interisland communication by providing new routes of communication, new lines of steamships, new railways, new telegraph and telephone lines, and new roads and bridges.

We have constructed great public works and undertaken important irrigation projects, driven artesian wells, built market places, and instituted many other permanent improvements.

We have encouraged every native industry and implanted new industries. We have more than doubled the commerce of the archipelago. We have provided new markets for Filipino products and given the islands the advantage of free trade with the home country.

We have increased the demand for labor and more than doubled the wages of labor and have raised the standard of living.

We have replaced a base and fluctuating currency, which made trade a gamble, with a stable and uniform system.

We have settled the agrarian difficulties connected with the friar lands, which for more than a quarter of a century were a constant source of irritation and controversy throughout the archipelago. We have made the public domain available for settlement by the common people and have afforded means of acquiring and securing land titles at little cost.

We have destroyed a system of taxation which imposed its burden upon the poor and weak, and substituted therefor an adequate system of revenue, distributing its burden so as to require of every Filipino only his fair share.

We have given the Filipino people complete autonomy in their municipal governments and a majority of direction in the provincial governments and a large and increasing share in the central government. We have provided a Philippine Assembly, composed wholly of duly elected native members, coequal in power with the Philippine Commission in all legislative matters. We have permitted the Filipinos to share in the composition of the Philippine Commission, in all of the courts, and in all of the executive departments. We have led them steadily in the way of self-government, and given them meanwhile honest and efficient administration.

We have economically collected the revenues of the islands and honestly expended every cent thereof for the mental, moral, and material development of the Filipino people.

Mr. Chairman, it is only fair to say that this has all been accomplished out of the revenues of the Philippine Islands. While thousands of our countrymen may be under the false impression that the islands have been a great financial burden to us, that is not the case. Their possession has probably added somewhat to the cost of our military and naval establishments, but after our experience of unpreparedness in the Spanish-American War the American people undoubtedly would have demanded an increase of the Army and the Navy even if we had not come into possession of the Philippine Archipelago. But I believe every American must feel proud of what we have accomplished in the Philippines. It is a record of achievement that any political party might well be proud of; it is a record of achievement in colonial administration that has probably never been equaled at any time in the history of the world.

But, Mr. Chairman, to-day the Democratic Party is at the helm in this country. It seems to me our Democratic friends are laboring under the fatuous belief that a Filipino republic can be founded by legislative fiat. Otherwise we probably would not now be considering a bill whose preamble, in my judgment, is fraught with evil and danger. It is a well-known principle of judicial construction that the preamble of a measure is not a part of the law. The preamble of the Jones bill simply declares the purpose of the people of the United States at some indefinite time in the future to recognize the independence of the Philippine Islands. In my judgment, this preamble carries the germs of insurrection and revolution. Strike the preamble from the bill and I think many of us can support the bill. The preamble can never have the force of law. Anyone who is familiar with the oriental character and the mental processes of eastern peoples will recognize the fact that the preamble is loaded with danger. It was an alleged promise of the recognition of Philippine independence that brought about our first Philippine insurrection immediately after the War with Spain. Aguinaldo claimed that he had the promise of Admiral Dewey for such recognition. Admiral Dewey, on the other hand, stated unequivocally that there never was such a promise made by him; and as between Aguinaldo and Admiral Dewey, the overwhelming majority of the American people take the word of the distinguished victor of the Battle of Manila Bay.

Mr. Chairman, I have heard some remarkable statements made on this floor within the last half hour or so regarding conditions in the Philippines. The gentleman from Missouri [Mr. DICKINSON] stated in effect that at the time the Americans went into the Philippine Islands the natives had about accomplished their independence; that thereupon we came in and took possession of the islands. My friend from Missouri is not familiar with Philippine history. Nearly six months before our entrance upon the scene the leaders of the revolution against Spain had sold out their people. They agreed to accept ₱800,000, and in consideration thereof some of their leaders, including Aguinaldo, promised to lay down their arms and to quit the islands forever; ₱400,000 were deposited to Aguinaldo's credit, or to the credit of Aguinaldo & Co., in a bank in Hongkong; ₱200,000 were paid to Isabelo Artacho, to be divided among the insurgent leaders remaining in Biacnabato in the Philippines, and I believe ₱200,000 were never paid. But they got to quarreling among themselves about the loot. Aguinaldo denied the right of Artacho and his followers to divide the ₱200,000 paid to them by Primo de Rivara, the Spanish governor general, and claimed it should have been sent to him at Hongkong. Subsequently Artacho went over to Hongkong and commenced a suit in the supreme court of Hongkong for an accounting. Then Aguinaldo and two or three of his followers, under assumed names, sailed out of Hongkong and started to go to Europe without having made an accounting. Those are historical facts. What is the use of trying to fool ourselves? What is the use of trying to fool the American people?

Mr. JONES. May I ask the gentleman a question?

Mr. KAHN. I will yield in a moment. Aguinaldo, accompanied by G. H. del Pilar and J. M. Leyba, all traveling under assumed names, went down to Singapore on their way to Europe. At Singapore they learned that war was about to break out between Spain and this country. Then, in violation of their agreement that they would quit the Philippines, they sought the good offices of the representatives of the United States Government and asked to be taken back, and our officials agreed to take, and later on did take, them back. Then, after the American occupation, they claimed that Admiral Dewey had promised them independence, and a new revolution started in the Philippines, this time against the Americans. Admiral Dewey said positively that he had never made any promise of independence, and other officials stated that they had never made any promise of independence. Now I will yield to the gentleman from Virginia.

Mr. JONES. Mr. Chairman, the gentleman from California has made some exceedingly derogatory remarks about the leaders and patriots of the Philippine Islands. He has said that they sold out the liberties of their people to the Spanish Government, and that his charges were historical facts. I want to ask the gentleman if he can vouch a single respectable authority for that statement. Does he know of any history ever written of the Philippines that contains any such statement?

Mr. KAHN. The treaty of Biacnabato speaks for itself. And not only that, but Dr. Dean C. Worcester states the same thing in his work entitled "The Philippines, Past and Present." And, I may add further, these were matters of common report and notoriety when I was in the islands two years after the American occupation.

Mr. JONES. I do not believe that any man who knows anything about the history of the Philippines will believe such a statement.

Mr. KAHN. Is it not a fact that Aguinaldo and several of his followers left there? Is it not a fact that they agreed to receive ₱800,000 on condition that they would never come back into the islands? Is there not the evidence of the lawsuit in Hongkong for the accounting?

Mr. JONES. There is the fact that they received ₱800,000, but it is not a fact that Aguinaldo ever used a dollar of that money for his own purposes.

Mr. KAHN. I did not charge that he did.

Mr. JONES. I think the gentleman did.

Mr. KAHN. I did not. I said there was a suit for an accounting, whereupon he drew out ₱50,000 from the chartered bank, which had become due under the terms of the deposit, and ran away.

Mr. JONES. Is it not a fact that the gentleman said that Aguinaldo and his fellow compatriots sold out their people to the Spanish? That is not true.

Mr. KAHN. What did they agree to take the ₱800,000 for? Why did they leave the Philippines and agree never to come back? These facts are all true.

Mr. QUEZON rose.

The CHAIRMAN. Does the gentleman from California yield to the gentleman from the Philippine Islands?

Mr. KAHN. I do.

Mr. QUEZON. Let me ask the gentleman a question. Is the gentleman informed of the fact that in the treaty of Biacnabato, when it was agreed to give this money to these leaders, it was stated that the Spanish Government was going to give the Filipino people these reforms in the government of the islands that had caused that revolution?

Mr. KAHN. I believe the Spanish Government did agree to inaugurate certain reforms.

Mr. QUEZON. Is it not also true that the Filipino leaders took the money with them to Hongkong, but that Mr. Aguinaldo did not use the money, but kept it in the bank, and then, when Spain did not comply with the terms of the treaty that she would establish the reforms in the government, Aguinaldo went back and used the money to buy guns to compel Spain to comply with the treaty? That is history.

Mr. KAHN. Oh, the gentleman from the Philippines explains the thing in a plausible way.

Mr. COOPER. Mr. Chairman——

Mr. KAHN. I must decline to yield at present. I want to answer the gentleman's [Mr. QUEZON] question. The fact remains that the treaty of Biacnabato was signed December 15, 1897, and only about four months elapsed before Aguinaldo left Hongkong to go to Europe. He did not, so far as my investigation of the matter has been able to discover, apply the money for the purchase of arms. He started for Europe under an assumed name. Dean Worcester quotes Maj. J. R. M. Taylor as saying that "he gave as his reason for departure that he was going to remain under cover until Artacho could be bought off." Aguinaldo went as far as Singapore. When he arrived there the trouble between Spain and the United States had grown to be acute. Then he got into touch, through a newspaper man down there, an Englishman named Bray, with our consul general, Mr. E. Spencer Pratt, who in turn put him in touch with the consul general at Hongkong and with Admiral Dewey. That is how he got back into the Philippine Islands. There is no mystery about it; the facts will be patent to anyone who wants to look into them.

Mr. FESS. Will the gentleman yield?

Mr. KAHN. Yes.

Mr. FESS. Is the statement the gentleman just made any stranger than the facts recorded in the proceedings of the insurgents, the record of which we have, during the time between Dewey's taking possession of Manila and the time that Aguinaldo was taken? Is there anything more strange in the gentleman's statement than that record shows?

Mr. KAHN. There is not.

Mr. Chairman, in the light of these events it is small wonder that the people of the United States readily and fully believed the statements of the Admiral of the Navy as to his refusal to give any promise for Philippine independence. And yet on the mere assertion by Aguinaldo that such a promise had been made to him, he again raised an insurrectionary army in the Philippines. For months he caused bloodshed, and brought ruin and disaster to thousands of his countrymen.

If this bill should pass with its expressed promise of independence, it will be a serious blow to the islands, in my judgment. Capital will refuse to invest in the archipelago. The politicos, or politicians, of the Philippines will constantly agitate for the fulfillment at an early date of the promise contained in the preamble of the Jones bill. Many of us who have visited the Philippines doubt the ability of the Filipino peoples for self-government, at least at any time in the near future. I speak of the Filipino peoples, because the inhabitants of the Philippine Islands are not a homogeneous people. They are divided into many tribes and subdivisions. They speak many different languages and dialects. Although Spain exercised sovereignty over the archipelago for over 300 years, a vast majority of the inhabitants never spoke, and were absolutely unable to speak, Spanish at all. The Filipino peoples are also divided into two great religious classes—the Christians and the non-Christians. The latter number fully a million inhabitants and are themselves broken into many subdivisions. These subdivisions of the non-Christian peoples differ in language, customs, habits, and traditions, and until our occupancy of the archipelago many of them were constantly at war with each other. They had made no advance whatever in the scale of political development, and in many instances were even without tribal government or organization. It is frequently claimed by the so-called anti-imperialists of the United States that the peoples of the Philippines are as capable of self-government as the people of Cuba. Mr. Chairman, conditions in Cuba and the Philippines are entirely dissimilar. The people of Cuba have one language and one religion. There is no fanatical Mohammedan population in Cuba. There are no heathen tribes in Cuba. And yet since Cuba was originally given her independence in 1898 the Government of the United States found it necessary at least on one occasion to intervene between the conflicting elements in that island. I believe it cost the people of the United States between six and eight millions of dollars on that occasion to put down civil strife in Cuba.

Does anyone doubt that civil strife will tear asunder the Government of the Philippines if we should withdraw from the islands and grant their peoples independence? Why, the situation in Mexico will pale into insignificance when compared to the quarrels that will break out between the rival politicos in the Philippines. The troubles of the Filipino peoples and the troubles of the Cubans and the troubles of the Mexicans arise largely through personal politics. Personal politics is the curse of those countries. Mr. Chairman, we ought not to let doctrinaires and theorists lead us into a hideous mistake that is sure to bring misfortune and disaster to the great mass of Filipinos. The demand for independence in the Philippines arises almost entirely from the politicians, or politicos, as they are called. The politicos are supported in their demand chiefly by the Tagalogs. This demand for independence is largely artificial. It is not a real demand. Anyone who knows anything at all about the archipelago knows that the peoples of the Philippines are easily led and influenced.

There are thousands of natives who do not even know the meaning of the word "independence." I have had called to my attention the case of Ruperto Rios, of the Tagalog Province of Tayabas. This worthy in succession promoted himself to brigadier and major general, and then announced himself as generalissimo. He was a cunning bandit who was caught by the Americans, and, after his trial and conviction on the charge of murder in 1910, was very properly hanged. It is told of him that he used to promise as a reward for the commission of any deed of special villainy in which he might be interested a bit of "independencia"—independence. He would show his dupes a box with the word "Independencia" painted on it and declare to them that it contained a supply which had been sent to him from Manila. He never failed to find men who were willing, on promise of the receipt of a bit of this "independencia," alleged to be contained in that box, to carry out any devilry that he might plan. I merely cite the case to illustrate the point that thousands of the natives are entirely ignorant of the very meaning of independence. Indeed, it is a well-known fact that the farther away from Manila one travels the less one hears of independence.

The island of Mindanao, in the south, is the largest of the group. It is peopled principally by Mohammedans and savages. Prior to the advent of the Americans the Moros of that island and Jolo were engaged in piracy, and made frequent excursions to the more northern islands, burning, killing, and carrying off slaves. It is more than likely that under independence this island, left to its own devices, would revert to its former condition and be lost to civilization. Hon. John M. Dickinson, formerly Secretary of War of the United States, visited that island in August, 1910. During that visit Secretary Dickinson, responding to the plea of a Filipino for immediate independence, with consequent control of the Moros, declared the Government of the United States to be unwilling to intrust to the 66,000 Filipinos living in Mindanao the government of the 350,000 Moros residing in that Province. There were four datos, or chiefs, present, with 2,000 of their people, who, representing a population of 40,000 Moros, at the close of the speech of Secretary Dickinson swore allegiance to our Government, and requested that if the Americans ever should withdraw from their country they—the Moros—should be placed in control of it. At the same time they stated that they would begin to fight their northern neighbors as soon as the Americans should take their departure.

The Moros testified to their appreciation of what our Government has done for them, and the four chiefs declared that they were well contented to let matters continue as they are. Why, sir, up to the time of the American occupation of the islands a Filipino dared not go beyond the walls of the city of Jolo, the capital of the Moro people, for fear of losing his life, so bitter was the antagonism between Moro and Filipino.

It is a well-known fact, too, that the Christianized Filipinos have nothing in common with the pagan mountaineers of northern Luzon. They fear and dread the head-hunters of those mountain Provinces. I doubt whether any considerable number of Tagalogs had ever ventured far into the country of the Igorrotes, for prior to American occupation there was constant strife between them. Indeed, a Christian governor of one of the Provinces bordering on the territory occupied by the wild tribes expressed the belief that the only way to treat these neighboring tribes, who numbered about 50,000 souls, was to kill them all. He contended that they were worse than useless. He opposed the expenditure of moneys for their benefit, and contended that by killing them off all questions as to their welfare would be answered forever.

Mr. Chairman, it were well to let the future take care of the problem we have on our hands in connection with our ownership and government of the Philippines. I stated on a former occasion on this floor that our Government, at an earlier period of our country's history, made a grievous mistake in yielding up territory of the United States without a full knowledge of what that step would mean for future generations. I refer to the Oregon country controversy, when the battle cry of the Democratic Party, in the campaign of 1844, was "Fifty-four forty or fight." If we had maintained our position in that controversy and had retained the territory between the forty-ninth degree of north latitude and the southern boundary of Alaska, we would have had no boundary disputes with Great Britain, and that powerful

nation would never have had a seaport on the Pacific Ocean side of the American Continent. Let us not make another mistake of that character at this time.

But there is another reason, a humanitarian reason, why we should not promise to withdraw from the islands for many years to come, and that is this: When our troops took possession of the islands there were thousands of natives who promptly swore allegiance to the Government of the United States. Of course they were not the fiery fighters of the Philippine insurrection. They were a substantial part of the population who wanted peace for their unhappy country. They took no interest in the personal ambitions of men who styled themselves Filipino patriots and deemed that the actuating motive of the latter was largely the lust for office and gain. Then, too, we remember the loyal support given our armed forces by the Macabebe Scouts. These men helped to fight our battles in the Philippines. We owe all of these people protection—protection for their lives and property. The history of the Philippines prior to the advent of the Americans is replete with instances of the summary vengeance visited by those in power upon the luckless heads of those who had incurred the displeasure of the latter. It is not so many years ago since burying their enemy alive was one of the favorite methods of dispatching an adversary. Several generations will probably have to pass off the scene before the animosities engendered during the early days of American occupation shall have been forgotten or forgiven.

Mr. Chairman, I firmly believe that if this preamble to the Jones bill should be adopted and is to express the attitude of our Government toward the Philippines it would be well to let the natives of those islands know in no uncertain language that if we ever withdraw it will not be the policy of this Government to exercise a protectorate over them. The natives should be taught, once and for all, that if we ever leave the islands we will leave them for good. That if we leave they will have to assume all responsibility for their national defense; they will have to protect themselves against the possible encroachments of those countries that are bent on extending their colonial possessions. They must be taught that they will have to maintain their own army and their own navy to insure their independence if the forces of the United States once take their departure. I believe, sir, that if this fact is brought home to the Philippine people without equivocation and with proper emphasis the politicos or politicians of the archipelago, whose principal stock in trade to-day is a demand for Filipino independence, will find themselves like Othello—their occupation gone. [Applause on the Republican side.]

Mr. JONES. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. BORLAND].

Mr. BORLAND. Mr. Chairman, if this debate has demonstrated anything to the American Congress and to the American people, it has demonstrated the scant information upon which we are attempting to legislate upon the rights and destinies of 7,000,000 people. Yet we have assumed for 14 years control of the most intimate and internal affairs with such scarcity of knowledge and information as has been brought out here in this debate. As a climax to that farce comes now the gentleman from California [Mr. KAHN] with his 13-year-old information, and tells us how bandits lived there 13 years ago when he was familiar with the islands, and when the first insurrection had been suppressed and the first boatload of American school-teachers had just landed in the islands——

Mr. KAHN. Will the gentleman yield?

Mr. BORLAND. I will.

Mr. HENRY. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Texas makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and two Members present, a quorum. [Applause.]

Mr. BORLAND. Mr. Chairman, I yield to the gentleman from California.

Mr. KAHN. I wanted to give the correct date. The incident I spoke of in connection with the trial and execution of Ruperto Rios occurred in 1910, four years ago.

Mr. BORLAND. Yes; but I was warranted in saying that the gentleman began his address by saying it was 13 years ago to-day when he left the islands——

Mr. KAHN. No; when I landed in San Francisco from the islands.

Mr. BORLAND. When he landed in San Francisco from the islands, the day——

Mr. KAHN. Has the gentleman ever been in the islands?

Mr. BORLAND. I do not claim the information which the gentleman claims—the day that the first insurrection had been suppressed and the first boatload of American teachers had landed. It is on that kind of information we are to deny these people the right of government.

Mr. KAHN. Mr. Chairman, the gentleman, with the persistence of gentlemen on that side of the House, misquotes me and misstates the facts.

Mr. BORLAND. I have yielded to the gentleman, and will be glad to do so. Mr. Chairman, I do not claim to have given the care and attention that men who have visited the islands or gentlemen on our committee have given to it. I concur with the judgment of the committee that the time has now come to take a step——

Mr. KELLEY of Michigan. Will the gentleman yield——

Mr. BORLAND. That, according to the majority report and the minority report, has been the declared policy of this Government from the acquisition of the islands. Now I yield to the gentleman from Michigan.

Mr. KELLEY of Michigan. Does the gentleman know whether the President of the United States has had a personal representative visit the Philippine Islands and whether or not a report has been made and the nature of the report on this question?

Mr. BORLAND. I do not; no. But the point I wish to make is this: That we have assumed to govern for 14 years a distant people, having their own aspirations, their own local needs, and their own problems to solve.

And we have assumed to-day, with no more information than we have seen disclosed in this debate, and the gentlemen of the minority are insisting, that we continue in the same attitude toward those people and toward the world, and to continue to govern with no more agreement upon the facts upon which our legislation is based than there has been shown here on this floor.

Mr. HUMPHREY of Washington. Will the gentleman yield?

Mr. BORLAND. Yes.

Mr. HUMPHREY of Washington. Are you in favor of the independence of the Philippines; and if so, when?

Mr. BORLAND. I will come to that.

Mr. HUMPHREY of Washington. Why was it not put in your bill? While you have control of the Government and all its branches, why do you not introduce a bill that squares with your theory?

I think this bill does square with our theory, and I think it comes so near squaring with the promises held out by the present minority when they were in power that it puts them in a very embarrassing position. The great difficulty, I want to say to the gentleman, is that we have continued, on account of what has been recognized as a political mistake of the former majority in control of this Government, the policy of the indefinite retention of the islands, with an undeclared policy, which, in my judgment, is the worst political mistake we can make. I want to say that I do not think if it had not been made a cardinal political principle of the platform of the gentleman's party, that that mistake would never have been persisted in or be seriously persisted in now.

Mr. HUMPHREY of Washington. On this side of the House we have declared unequivocally that we are not in favor of independence. You have talked independence, and now are you in favor of it, and will you put something of that kind in your bill?

Mr. BORLAND. This bill does exactly what I think at this juncture ought to be done. It enlarges the power of the Filipino people to govern themselves, places a measure of responsibility upon them, to which, if they respond as it is expected they will respond, independence ought to follow. That is my idea about that bill, and I think that is the policy of the gentlemen who drew it. I concede, and I am glad to concede, that American occupation of those islands has been productive of lasting good to the people of the islands. I am glad to know that the Resident Commissioner from the Philippines frankly and boldly declares that American occupation has resulted in substantial improvement in the general condition of his people. And I want to say that, proud as I am of that fact and confident as I was that that would be the result and has been the result wherever the American flag has flown, I can not deny to the Filipino people themselves the just degree of credit they have in the result. I do not believe that that result could have been accomplished unless the material of citizenship was in the islands upon which the improvement could be made.

Mr. FESS. Will the gentleman yield?

The CHAIRMAN. Will the gentleman yield to the gentleman from Ohio?

Mr. BORLAND. Yes.

Mr. FESS. Do you agree in the theory that if we had not been in the islands, but had turned them over to the Filipinos, they would be just as far advanced now as they are?

Mr. BORLAND. No. And I want to say to my good friend from Ohio that it is utterly immaterial whether we agree with the Commissioner on that point or not. But this point is material, that my respect for the Resident Commissioner of the Philippine Islands, whom I highly respect and love, would be lessened if he did not make and believe such an assertion. [Applause on the Democratic side.] If he did not believe that his own people, left to themselves and freed from Spain or any other power, would have developed better and faster than they have under a foreign power, I would not hold the respect for him and I would not treasure the regard for his patriotism that I now do.

Mr. FESS. Will the gentleman yield again?

Mr. BORLAND. Yes. Whether it is true or not is, in my judgment, utterly immaterial.

Mr. FESS. Would you be willing to proceed as a legislator on the basis that he said that because he ought to do so, whether it is true or not?

Mr. BORLAND. Yes; and one reason why is because a race that will produce a man that will take that high stand of patriotism is producing men that will make self governing citizens.

Mr. GREENE of Vermont. Would the gentleman hold, it having been proved to the contrary by history as we have read it, that a country that has made no progress of its own in about 300 years would in 10 years reach that same altitude of social progress that it took our race 1,000 years to reach?

Mr. BORLAND. There are many assumptions in the gentleman's contention, and I do not agree with the premise. I am not prepared to say that they have not made any progress in 300 years.

Mr. GREENE of Vermont. Comparatively.

Mr. BORLAND. I can not agree with all of the assumptions in the gentleman's premises.

Mr. GREENE of Vermont. I did not expect you would do so.

I am just as proud of the results obtained there by the Americans as my friend, the Resident Commissioner, is of the contribution to those results made by the Filipino people, and he and myself are good friends on that score. Whether the Americans contributed the most or the Filipinos contributed the most, we have a right to our own opinion.

Mr. GORDON. Is that 20-mile automobile road that the Americans built over there one of the things of which you are proud?

Mr. BORLAND. I want to say to my friend that he recalls a point I want to make, and that is that carpetbag government is the worst species of government we can engage in. I believe in local self-government by the consent of the governed, so that there is always a check upon the action of those in power by those who are on the spot and know what is going on. I am free to say, although I hold a share technically in the responsibility for that road, I do not know anything about it, and I do not believe any American Congress can regulate local affairs of that kind, and that is one of the reasons why I am in favor of this bill.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. BORLAND] has expired.

Mr. BORLAND. Mr. Chairman, I ask the gentleman from Virginia [Mr. JONES] to yield me five minutes more.

Mr. JONES. I yield five minutes more to the gentleman from Missouri.

Mr. JOHNSON of Washington. I desire to ask if the gentleman's party did not specifically declare in its platform against a carpetbag government in Alaska and then appoint nonresident officials there this year?

Mr. BORLAND. I was about to say this, Mr. Chairman: That while I have no familiarity with the conditions in the Philippine Islands, and while I recognize that if I were charged with the responsibility and insisted upon retaining them I ought to have some intimate knowledge of the conditions there, I am not in a position to discharge the powers of local legislation upon those islands without that knowledge, but it ought to be committed to those who are on the ground and know what the problems are.

But I have some knowledge of conditions in one of the other colonies of this country—Porto Rico—and I know that the advance of the Porto Ricans into a control over their own government has had the best steadying and developing effect of any step ever taken by the American Congress. I think the gentleman from Ohio [Mr. FESS] was unfortunate in his reference to the Louisiana Purchase, even if the conditions were the same in other respects and it were contiguous territory.

As a matter of fact we have pursued unvaryingly in this country three steps of developing acquired territory: First, we put it under military rule; second, we organized a civil government of a limited character, with an elective lower house and an appointive council and governor; third, we established two elective houses, with a governor only retained by the national power, and the next step beyond that is statehood or independence.

Now, unless statehood is the legitimate aspiration of any section of acquired territory, independence ought to be their legitimate aspiration. If the gentlemen can say that this policy of indefinite retention, with an undeclared policy, has been beneficial to the Philippine Islands, they are entitled to insist upon its continuance. But if they want to go back to the original doctrine of the Republican Party, that ultimately the Filipino people must govern themselves, then they must point the way either to independence or to statehood. If they can not point the way to statehood, to becoming an integral part of this great Nation of ours, then the Filipino people have the right to work out their own destiny and the attainment of their own racial and national aspirations.

Mr. TOWNER. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Missouri yield to the gentleman from Iowa?

Mr. BORLAND. I yield to the gentleman.

Mr. TOWNER. I would like to ask the gentleman from Missouri if he would apply that rule to Hawaii and Porto Rico?

Mr. BORLAND. I would apply it to Porto Rico. I have not any familiarity with Hawaii. I anticipate final statehood for Porto Rico. I have no hesitation about saying that.

Mr. TOWNER. What do you say about Hawaii?

Mr. BORLAND. I do not know about Hawaii.

Mr. TOWNER. You know it belongs to the United States.

Mr. BORLAND. Yes; I know it belongs to the United States, and I know that the Philippine Islands belong to the United States.

Mr. TOWNER. And that it is situated thousands of miles away from the United States.

Mr. BORLAND. Yes. As I understand it, we have responsibilities resting upon our shoulders that we imperfectly meet, and I think the gentleman from Iowa must admit that.

Mr. Chairman, we have heard a great deal of the jingo talk that used to be popular about 10 years ago, about hauling down the American flag. That used to be the prime art of the demagogue when he wanted to defend the attitude of the administration toward the Philippines, to get up and whoop and hurrah about the dishonor of hauling down the American flag. I will tell you where the national honor is more involved. It is in making a success of our control of those countries. There is no dishonor in hauling down the American flag, but there is dishonor in keeping up our domination over a people whose status we refuse to recognize; and if we want to point to the glory of this country, we point not to the jingo talk about not hauling down the American flag, but to the solemn declaration we have made against a war of aggrandizement and acquisition of territory. [Applause on the Democratic side.] And if we can convince ourselves and the world that we were sincere and honest when we said we entered into that war not for aggrandizement or the acquisition of territory, but that we purposed to carry out in good faith the destiny of the people who fell within our hands, there is more honor in the redemption of that solemn pledge than in all the jingo talk about not hauling down the American flag that any demagogue ever indulged in. [Applause on the Democratic side.]

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. BORLAND. I yield back any time I have remaining, Mr. Chairman.

Mr. JONES. Mr. Chairman, does the gentleman from Iowa desire to use any of his time?

Mr. TOWNER. Yes. I yield 10 minutes to the gentleman from Minnesota [Mr. STEENERSON].

The CHAIRMAN. The gentleman from Minnesota [Mr. STEENERSON] is recognized for 10 minutes.

Mr. STEENERSON. Mr. Chairman, the title and preamble of the bill reads:

A bill to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands.

Whereas it was never the intention of the people of the United States in the incipiency of the War with Spain to make it a war of conquest or for territorial aggrandizement; and

Whereas it is, as it has always been, the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein; and

Whereas for the speedy accomplishment of such purpose it is desirable to place in the hands of the people of the Philippines as large a control of their domestic affairs as can be given them without in the meantime impairing the exercise of the rights of sovereignty by the people of the United States, in order that, by the use and exercise of popular franchise and governmental powers, they may be the better prepared to fully assume the responsibilities and enjoy all the privileges of complete independence: Therefore—

And so forth.

The question before us can be considered a domestic question only in a limited sense, for it is so closely connected with our responsibilities to the civilized world and with our relations to other nations that in a larger and truer sense it is international and of international concern.

I regret that this bill has been framed in a partisan spirit and has been brought in as a party measure, under gag rule, in order, as it is proclaimed, to carry out the pledges of a party platform four times repeated and four times rejected by a majority of the people of the United States. I commend to the consideration of the majority party in this House and to the American people the declaration of the Republican platform on this subject in 1912, which says:

The Philippine policy of the Republican Party has been and is inspired by the belief that our duty toward the Filipino people is a national obligation which should remain entirely free from partisan politics.

How different the attitude of the Democratic Party! At the first opportunity after the close of the Spanish War and the acquisition of the Philippines, in the platform of 1900, they denounced the acquisition of the Philippines as un-American and declared for their immediate independence. The substance of this declaration was repeated in 1904, 1908, and 1912. Their last declaration is as follows:

We reaffirm the position thrice announced by the Democracy in national convention assembled against a policy of imperialism and colonial exploitation in the Philippines or elsewhere. We condemn the experiment in imperialism as an inexcusable blunder, which has involved us in enormous expenses, brought us weakness instead of strength, and laid our Nation open to the charge of abandonment of the fundamental doctrine of self-government. We favor an immediate declaration of the Nation's purpose to recognize the independence of the Philippine Islands as soon as a stable government can be established, such independence to be guaranteed by us until the neutralization of the islands can be secured by treaty with other powers.

In recognizing the independence of the Philippines our Government should retain such land as may be necessary for coaling stations and naval bases.

This bill is brought forward as an attempt to fulfill these platform promises, although it falls far short of that. I will not go into an examination or criticism of the body of the bill; that has been done very ably by others, but I want to call attention to the title and preamble. The title is to declare the purpose of the people of the United States as to the future political status of the Philippine Islands and to provide for an autonomous government for those islands. There is not, however, one word in the bill that declares anything as to the future status of the islands, except by inference and innuendo. The preamble reads:

Whereas it was never the intention of the people of the United States in the incipiency of the War with Spain to make it a war of conquest or territorial aggrandizement; and

Whereas it is, as it has always been, the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein.

It will be observed that these declarations relate to the past, and not to the future. The War with Spain was undertaken as a duty to humanity, but it did result both in conquest and in territorial expansion and aggrandizement; in fact, these were the necessary consequences of the war, and no one can say that the intention of the American people was contrary to these results. We were victorious and acquired the Philippines, Guam, Cuba, and Porto Rico. Our declaration of war against Spain contained these provisions in reference to Cuba:

That the United States hereby disclaims any disposition or intention to exercise sovereignty, jurisdiction, or control over said island, except for the pacification thereof, and asserts its determination, when that is accomplished, to leave the government and control of the island to its people. (Apr. 20, 1898.)

Note that this declaration of intention as to the exercise of sovereignty by the American people was carefully limited to the island of Cuba, and if Congress had at that time intended not to extend its sovereignty in any event over any other Spanish territory it would have so declared. I object to having this clause enacted more than 16 years after the fact. I do not believe that the Democratic Party as represented in Congress to-day is either authorized or competent to say what the intention of the American people was at that time.

The second clause also relates to the past purposes of the people of the United States. I think it is a safe rule to scrutinize with great care every bill, whether it be in the form of a preamble or an enactment, which relates to past events. Congress, being possessed of the legislative power only, should, as a rule, confine its enactments and declarations to the future. It is the very essence of legislative power that it looks to the future. It is the very essence of judicial power that it looks to the past, and the legislature can not authoritatively declare what the law is or has been, but only what it shall be. It is not competent for Congress now to declare what the purpose of the United States was with regard to the Philippine Islands 16 years ago. Whatever that purpose was we can not change it. It must be determined by the facts of history.

The Republican platform for 1900, more than a year after the ratification of the treaty of Paris, by which we acquired the Philippines, was as follows:

In accepting by the treaty of Paris the just responsibility of our victories in the Spanish War, the President and the Senate won the undoubted approval of the American people. No other course was possible than to destroy Spain's sovereignty throughout the West Indies and in the Philippine Islands. That course created our responsibility before the world and with the unorganized population whom our intervention had freed from Spain to provide for the maintenance of law and order and for the establishment of good government and for the performance of international obligations.

Our authority could not be less than our responsibility, and wherever sovereign rights were extended it became the high duty of the Government to maintain its authority, to put down armed insurrection, and to confer the blessings of liberty and civilization upon all the rescued peoples.

The largest measure of self-government consistent with their welfare and our duties shall be secured to them by law.

Upon this platform President McKinley ran for reelection and received 7,207,923 votes, as against 6,358,193 cast for the Democratic candidate, who demanded the immediate independence of the Philippines and denounced the Republican policy. Four years later Theodore Roosevelt was elected over Parker by more than a million and a half majority on the same issue. At the last election Wilson received 6,293,019, and Taft and Roosevelt, who both favored the Republican position on the Philippine question, received 7,604,463 votes, or a majority of 1,311,444. It is therefore manifestly erroneous to say that the American people, or a majority of them, have ever favored the policy of the Democratic Party either as declared in their various platforms or as attempted to be enacted in this bill.

While the Democratic Party might now, through their control of Congress, appropriately make a declaration as to the future policy of the Nation in regard to the Philippines, they have no right to make a retroactive one as to what the policy was when they did not control it. What do they say here? They say it never was the intention, at the incipiency of the War with Spain, to make it a war of "conquest" or "territorial aggrandizement." The meaning sought to be conveyed seems to be that these despicable results were unintentionally inflicted upon an innocent people by our armed forces, and that we now disclaim them and desire to undo the work as far and as soon as possible! That, it seems to me, is what most people will understand by it. I wonder what the American people will think of this. The Philippines cost us much blood and treasure. Many of the brave sons of your State and mine fought and suffered there, and many of them are sleeping in lonely graves in those distant lands. I wonder what they would say if they could come back to earth and hear these things. They at least believed they were fighting for a just cause, and perchance with their dying breath chanted the beautiful words of the Battle Hymn of the Republic:

In the beauty of the lilies Christ was born across the sea,
With a glory in his bosom that transfigures you and me,
As He died to make men holy, let us die to make men free,
While God is marching on.

If they could come back now, would they not be surprised to hear that they did something of which the Nation is ashamed and disclaims any intention of doing?

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. STEENERSON. Will the gentleman from Iowa give me more time?

Mr. TOWNER. Yes.

The CHAIRMAN. The gentleman from Minnesota is recognized.

Mr. STEENERSON. Mr. Chairman, conquest, as well as territorial aggrandizement, is the usual and ordinary result of war, and must be held to have been in the contemplation of every belligerent. We certainly undertook that war with the intention of winning, which meant to conquer and conquest—conquest against the dark forces of anarchy and savagery and for human liberty and civilization. The fact that we intended to use the power gained by conquest for the benefit of the people concerned and the advancement of human liberty does not change the nature of the act. It was conquest nevertheless, but honorable and praiseworthy, because undertaken in the interest of liberty and humanity.

We hurl back the insinuation against our national honor and still sing:

Then conquer we must when our cause it is just,
And this be our motto, "In God is our trust!"
And the Star-Spangled Banner in triumph shall wave
O'er the land of the free and the home of the brave.

[Applause on the Republican side.]

The CHAIRMAN. If there is no further debate, the Clerk will read.

Mr. JONES. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. ANSBERRY].

The CHAIRMAN. The gentleman from Ohio [Mr. ANSBERRY] is recognized for five minutes.

[Mr. ANSBERRY addressed the committee. See Appendix.]

Mr. TOWNER. I yield 10 minutes to the gentleman from Pennsylvania [Mr. AINEY].

The CHAIRMAN. The gentleman from Pennsylvania [Mr. AINEY] is recognized for 10 minutes.

Mr. AINEY. Mr. Chairman and gentlemen of the committee, I am quite in accord with those gentlemen who have said that the Philippine question should be considered apart from partisan politics.

I am not so much concerned at the present moment in party declarations as I am concerned, and deeply so, in determining my duty as an American citizen, presently charged by an American constituency with the performance of a duty on the floor of this House with respect to a measure the influence of which is likely to prove of so much importance in the present and of so far-reaching consequence in the future.

I have therefore sought for all available information and tried to consider the question from all the several angles from which it has been presented.

We are not agreed upon a statement of the facts; we are not agreed as to the materiality of some of these facts; we are not harmonized as to the standing or authority of those whose opinions are quoted nor upon whose observations we may rely.

A wide difference of opinion as to our duty with respect to the Philippines has developed, and greater still is the divergence when it comes to a consideration of the best method by which our duty may be performed.

I regret exceedingly the extended range of this debate, developing so many phases, political and historical, economic and altruistic, and even invading the realm of our future as likely to be affected by the great world movements in the coming days.

This regret is not because these subjects are not involved in the Philippine question as a whole, but because they carry the mind over such a wide extent that it is not possible within the confines of legitimate debate to adequately analyze or fairly discuss them.

Surely I can not be accused of presenting a partisan witness if I shall ask you to listen to the words of a distinguished member of the present Cabinet, one who has traveled extensively in the Philippines and carefully observed the varied conditions. While I have indulged in the privilege of differing with him on many political questions, of him personally I have the highest regard; his statements covering his observations would for me be a sufficient guaranty of their accuracy. I present his statement to you for the purpose of seeing if we may not from a disinterested and, at least from my standpoint, nonpartisan expression, arrive at some important, salient facts. In an address which he made at Lake Mohonk, N. Y., but little over two years ago, he spoke of his trip to the Philippines and of his observations of the people on his travels into the interior. Of some of these Filipinos, he said:

He does not know how to read or write. He can not speak the language of the man 10 miles down the railroad track. He can not speak the language of the man 25 miles up the railroad track. He speaks no Spanish; he speaks no English; he speaks his native dialect, and that is all. His children are beginning to be taught English now. We go up the track 25 miles and we come into the other Province and another language. And now, passing on to the end of the road and taking the Government automobile up to the hilltop, we begin to find the non-Christian tribes. I will not take time to describe their clothing, although it is so limited that I might do so without losing time.

Mr. FESS. Will the gentleman yield there?

Mr. AINEY. I yield to the gentleman.

Mr. FESS. Whom is the gentleman quoting?

Mr. AINEY. I thought I would reserve that statement until the conclusion of the reading. I think it will interest some of these gentlemen to do that.

He continues:

These half-naked men are men, these mountaineers. * * * and you begin to get a faint idea that there is no such thing as a Filipino people. A man who had courage to say that there was, in what we ordinarily mean by that word, such a thing as one Filipino people would say what was either a very ignorant thing or a very ridiculous thing.

In one day, through four languages, from perhaps the cultured people of the Tagalog Tribe in Manila up to the cultured or partly cultured, dog-eating and hunting Igorrotes, is the unified people of whom we read in the speeches of some Tagalog politicians. Here is a task which is simply this—the making of a people.

We have not here to deal with an Indian tribe that must be educated from childhood into manhood; we have here the absolute act of creation of a people, and that creation is going to be an act of slow growth if it is to be a permanent one.

I am sure he had not in mind the distinguished Delegate from the Philippine Islands, who has so recently and eloquently addressed you, and therefore he was not the one in particular to whom reference is intended in the address, which continues:

The Tagalog people—you will observe I will not say Filipino people, I do not recognize that there is such yet; I hope there is coming to be a Filipino people—the Tagalog people excel in all the arts of expression. A political Tagalog orator would bring tears from a wooden Indian! He would apply the principles of the Declaration of Independence with a sonority and comprehensiveness that the fathers of this Republic never dreamed of, and he will believe probably that so long as he himself can govern the toa, and so long as Igorrotes may be beneath his care and the Negrito may be his subject, and so long as somebody, somewhere or other, will keep the fierce and fanatical Moro off his hands, he will believe in independence. But what folly it is that people speaking 20 or more diverse languages, differing in customs, in habitat, some lowlanders, some mountaineers, through heathenism to paganism, through Christianity to Mohammedism, 1,500 miles apart, some peaceful, some fanatical, some warlike, others peasant farmers—what a pitiful idea it is that this mass, united by a law passed twelve or fourteen thousand miles away, should be turned loose upon the world to be governed by a minority of their own number! It is perfectly inconceivable to me that anybody knowing even the superficial facts should venture to think for a moment that the so-called Philippine Republic aimed at to-day by certain publicists in India would have either life or liberty!

* * * * * * *

Now, one final suggestion as to the Philippine policy. I believe that the question of separate independence of the Philippine Islands should be taken out of American politics until such time as, say, two-thirds of the adult male population of those islands are able, under the present very simple qualifications for voting, to exercise a deliberate judgment either against or in favor of it.

I am sure that the gentlemen of this House will be interested to know that these are the words of the Hon. William C. Redfield, now Secretary of Commerce. [Applause.]

Mr. CLINE. Will the gentleman yield?

Mr. AINEY. I will.

Mr. CLINE. The gentleman has done some traveling lately in the Orient. I would like to inquire if he thinks that is a fair and honorable statement of the conditions there.

Mr. AINEY. If the gentleman is suggesting by his inquiry that I visited the Philippine Islands, I want to say that I did not have that opportunity.

Mr. CLINE. The gentleman gives full credence to the statement?

Mr. AINEY. I certainly do, knowing Mr. Redfield.

Mr. CLINE. Is the gentleman as favorable to the economic statements of Mr. Redfield as he is about the conditions in the Philippines?

Mr. AINEY. I would accept Mr. Redfield's statements of fact at any time and place; nor does it in anywise lessen my high personal regard for him or his opinions that I disagree with Mr. Redfield's conclusions with respect to the tariff. [Applause on the Republican side.] Does that answer the inquiry of the gentleman?

Mr. CLINE. Yes. I wanted to know if the gentleman was in harmony with Mr. Redfield's economic suggestion.

Mr. AINEY. I accept unquestioningly Mr. Redfield's statement of facts, because I believe the distinguished gentleman who occupies a position in the President's Cabinet is one of the ablest men in that Cabinet, and that he would not for a moment lend himself to a misstatement of conditions as he saw them. I disagree with him very radically in some of his political conceptions. Let me now present another statement of facts which I believe to be uncontroverted and to my mind of vital importance.

The First Philippine Assembly was elected in 1907. Out of a population of 8,000,000 there were but 98,257 votes cast.

At the election in 1909 there were 192,975 voters, being less than 3 per cent of the population.

At the election in 1912 there were registered 248,154; only 235,786 persons voted. Of those who voted but 81,916 possessed the requisite educational qualifications. The other voters came in on property qualifications, or because they had held office under the Spanish régime. The proportion of participating literate electors to the population in the territory affected was 1.47 per cent. Whatever the cause, and without for the moment discussing who is responsible for the condition, the fact remains that at the present time an almost infinitesimal number of Filipinos are participating in the election of members of the legislature (assembly), which we have granted them. That legislature, therefore, can not be said to have yet attained the position of a body representative of the Filipino people.

Strictly speaking, it represents but 250,000 electors out of a total population of 8,000,000.

I am concerned as to the people who are not a part of that small electorate, the great mass who do not or can not vote.

Until the United States by education and attention has taught this immense majority of nonelectors how to vote, and secured them in the right, it has not fulfilled its duty.

The conferring of more power and authority at the top is wrong construction; we must build from the bottom. It is not now so much the question of opening of high positions to and conferring more authority upon the 250,000 electors as to giving our attention to the overwhelming numerical majority of non-voters now having no part in the function of government.

Mr. Chairman, I am opposed to this bill because it violates safe and sane fundamental principles. It proposes to weaken the Federal authority of the Federal Government without relieving that Government of responsibility.

In governments responsibility and authority must go hand in hand. To retain responsibility while yielding authority is inane. To disturb the equipoise between them is unwise.

I may not in the brief time at my disposal do more than hint at the marvelous accomplishments under American control, nor the peculiar aptitude shown by the Filipino.

If, however, this splendid work of the American Government is not completed, it ties its hands; it retains the right to veto bad legislation, but has no power whatever to enact or enforce good.

If there be any further duty owing by the American Government to the Philippine peoples, it is one of construction. This bill does not meet that need, because its emphasis is directed toward strengthening the hands of an already powerful though small directing class (gente illustrada), which through a small electorate, 250,000 voters, is and would remain in control of the legislative body. The true place of emphasis should be to create a strong, reliable middle class, both capable and having the right of franchise and desirous of exercising it.

A third fact, which I think will not be controverted, shows light upon the attitude of the numerically small gente illustrada, or directing class.

When in 1906 the Members of Congress visited the Philippines, the argument advanced in a memorial presented to them for immediate independence was:

> It is undeniable that there exists in the Philippines in sufficient numbers the so-called "directing class," a small portion of which is employed by the present government in all the branches of administration, cooperating actively and effectively with the government in its gubernatorial labor. If the Philippine Archipelago has a governable popular mass, called upon to obey, and a directing class in charge of leading, it then has conditions to govern itself by itself. These are the only two factors, without counting the casuals, who determine the popular capacity of a country. The directing class is the entity that knows how to lead, and the popular mass is the entity that knows how to obey.

Of all the gentlemen favoring this bill, the gentleman from the Philippines sees it in its true light. He favors it because it weakens the Federal control. His advocacy does not rest upon educational advantages accruing to the Filipino by larger opportunity to participate in the functions of government.

It is but the wedge upon which he and the other members of the gente illustrada, elected by 250,000 votes, propose to strike their blows which shall ultimately bring the split.

In an article which the gentleman from the Philippines recently published in his magazine is this:

[From the Filipino People, July, 1914, p. 16.]

> That, both now and ever, it will be the duty, as it undoubtedly is the intent, of all Filipinos to continue undiminished effort for the actual practical establishment of independence, free of all foreign control. We take for granted, and we once again solemnly pledge, both to the Filipino people and to those American citizens who have steadfastly supported the cause of free government, that there shall be no cessation or intermission of our efforts to secure the independence of the Philippines, either now or in the future, whatever Congress may do or may fail to do.

He takes the position that the people of the Philippines are capable of self-government, entitled to it, and need no assistance from the Federal Government, and therefore his position is perfectly consistent. But I can not conceive for a moment how other gentlemen can argue that the Government of the United States has further responsibility with respect to establishing conditions in the Philippines, which will lead to the highest and best in that country, and placing them so that they may be capable of self-government, and then support this bill which will deprive the United States of every vestige of authority for the accomplishment. If the American Government has any responsibility, it is along lines educational, political, and industrial to build these people up, and yet you are by this bill taking that authority away from yourselves and not relieving yourselves of the responsibility.

Mr. CLINE. Will the gentleman pardon me for another interruption?

Mr. AINEY. Surely.

Mr. CLINE. Has it not been the theory not only of the Democratic Party in this House but also the theory of the Republican side of the House that autonomy ought to be extended to the Filipino people as rapidly as they were capable of exercising it?

Mr. AINEY. I think perhaps that may be.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. TOWNER. I yield to the gentleman three minutes more.

Mr. CLINE. If that be true, is it not a proper thing to extend that autonomy politically so that they may demonstrate whether they are capable of running their own affairs?

Mr. AINEY. The answer to that is, as stated by the gentleman from the Philippine Islands, that they do not need any such demonstration; it has already been made. The demonstration which is needed is not by giving larger legislative authority, which will be lapped up as quickly as a saucer of milk by the "gente illustrada," but by giving the great mass of the people—common people, if you please—who are admittedly without vote or say in the government, some part in its affairs. They must be educated and inspired both to know how and to exercise their part in any Philippine government. If that government shall be of the kind contemplated by the American people for them, it is a combined educational, sociological, economic, and political problem which confronts them. It can not be solved by law; it may be by schools.

Another fact appears in School Statistics Report of the Bureau of Insular Affairs, Philippine Islands, Brig. Gen. Frank McIntyre, Chief of Bureau, page 62:

American teachers	664
Philippine teachers	7,699
Population, excluding Moro Province, census of 1903	7,293,997
School population	1,215,666
Average monthly enrollment, 1911–12 (being 33 per cent of the school population, or 5 per cent of the total population)	395,075
Total number of schools	3,685
The school population is divided—	
Secondary students	3,599
Intermediate-school pupils	24,458
Primary-school pupils	367,018

Lastly, Mr. Chairman, I am opposed to this bill because it fosters a condition which we are all seeking to avoid. I admit very frankly that in the Philippines the small but active "directing class" would like independence. It would be valuable to them. It would, in my judgment, be independence for them, but it would not be for the millions of inhabitants of that country just emerging from ignorance.

Anyone following the affairs of the Philippine Islands must know that every American in official station, no matter how unimpeachable his name or high his character, has been attacked and sought to be discredited by this small band of Filipinos unless he became an advocate of their demand for independence.

This bill is another step in arraying the "directing class" against the American Government, not that they have antipathy to the people of the United States, but the unrestrained control of 8,000,000 of people and the richest islands of the world by a mere handful of men is a stake well worth playing for, and upon it is based this vociferous demand by them for independence.

You are now seeking to put in the hands of 250,000 Filipino electors the power to make laws without any power to control what those laws shall be. Oh, yes, you reply, we still have the veto power; but there is no constructive power in a veto; it is merely negative; and if the responsibility still rests upon us to aid the Filipino people, we should have legislative control over that government so long as responsibility rests upon us. You have given the Filipinos one legislative branch of the government where they may originate laws, and now by appointment they have a majority in the other branch. They have the opportunity to make every law which in their judgment would lead to the betterment of their people, and you have thereby already limited to quite an extent the authority of the Federal Government.

Mr. JONES. Will the gentleman yield?

Mr. AINEY. Yes.

Mr. JONES. Did not the gentleman from Illinois, the leader of the minority, Mr. MANN, say that when the bill came up under the five-minute rule he proposed to offer amendments giving them much more power and authority than this bill gives them?

Mr. AINEY. I heard him make that statement, and I have no doubt he will do it, but the authority will be along differ-

ent lines than that proposed in the bill. I am not opposed to giving them authority. They have a wide range in municipal affairs; I am glad that they have constables and justices of the peace. I am pleased that there are judges and professional men among them. That is along the educational line, but now you propose to cut the very cord that holds the Stars and Stripes over that country, and I am opposed to it. [Applause on the Republican side.]

Mr. TOWNER. Will the gentleman yield?

Mr. AINEY. Yes.

Mr. TOWNER. Has it not been the policy of the Republican Party from the first to extend, even more rapidly than probably they were capable of receiving and using, the autonomy, as the gentleman from Indiana calls it?

Mr. AINEY. We have undoubtedly done that.

Mr. TOWNER. Giving them self-government and home rule.

Mr. AINEY. Yes; but what I am trying to point out is not a step toward autonomy, it is a step toward oligarchy, and deprives this Government of any authority to control or interfere, whereby the unprotected masses of Filipinos might be brought within the beneficent privileges which we have always contemplated should be theirs. I am opposed to being placed in a position where we can not engage in a constructive policy or aid in the upward progress of the Filipino people. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. TOWNER. Mr. Chairman, I yield 15 minutes to the gentleman from North Dakota [Mr. YOUNG].

Mr. YOUNG of North Dakota. Mr. Chairman, the treaty of peace of Paris was concluded December 10, 1898. Almost two years thereafter there was another treaty concluded with Spain by which the United States acquired the title to some islands in the Jolo Sea. The second treaty was concluded in November, 1900, and the main portion of that treaty provides that:

> Spain relinquishes to the United States all title and claim to title which she may have had at the time of the conclusion of the treaty of peace of Paris to any and all islands belonging to the Philippine Archipelago lying outside the lines described in article 3 of that treaty, and particularly to the islands of Cagayan Sulu and Sibutu and their dependencies, and agrees that all such islands shall be comprehended in the cession of the archipelago as fully as if they had been expressly included within those lines.

Now, the title to those islands in the United States is just as good as our title to Florida or to Alaska, and it seems to me that we should in considering this bill at this time do nothing to abridge our rights to do with these particular islands in the future as seems best shall be done as the future unfolds itself. I believe it will be a grave mistake at this time to include those islands with the Philippine Islands proper in a quitclaim deed that will forever foreclose our even considering the advisability of retaining them, if that should become important in the future I will state, too, that a quibble as to the consent of the governed can not be very well introduced with respect to them, because only one of the islands was inhabited at the time we obtained title to them, and the 50 or so people who lived on that one inhabited island had no organized government whatsoever, and were independent. In the matter of language, some of them speak Malay and some Sulu.

Mr. JONES. May I ask the gentleman a question?

Mr. YOUNG of North Dakota. Certainly.

Mr. JONES. Does the gentleman say there is only one island in the Philippines that was inhabited at the time they came into our possession?

Mr. YOUNG of North Dakota. Only one island described in the second treaty concluded with Spain in the month of November, 1900.

Mr. JONES. That only one was inhabited?

Mr. YOUNG of North Dakota. Only one.

Mr. JONES. Which one was that?

Mr. YOUNG of North Dakota. Cagayan Sulu, which was some 8 miles long and 4 miles wide. That was the only island inhabited at the time, and, according to Congressman MILLER, of Minnesota, who recently made an exploration of all these islands, it is the only island occupied or inhabited at this time.

Mr. JONES. I do not want to take up more time of the gentleman, but I am utterly astounded at the gentleman's statement.

Mr. YOUNG of North Dakota. Does the distinguished chairman of the Committee on Insular Affairs mean to say that the islands described in the second treaty made with Spain, in November, 1900, are all inhabited, or were at the time we acquired them?

Mr. JONES. I do not remember what islands were described in that treaty, but I got the idea from the gentleman's statement that he was referring to one of the Philippine islands. If I have misunderstood the gentleman——

Mr. YOUNG of North Dakota. The only islands I attempted to describe were the islands in the Jolo Sea, described in the treaty with Spain, from which I quoted.

Mr. JONES. Does the gentleman say he means the islands in the Jolo Sea, or north of Luzon?

Mr. YOUNG of North Dakota. Well, I have made the description of them as clear as I could.

Mr. JONES. I beg the gentleman's pardon. I may have misunderstood him.

Mr. YOUNG of North Dakota. I made it is plain as the English language describes it in the second treaty. The second treaty is referred to in the bill which the gentleman [Mr. JONES] has introduced, in section 1.

Mr. JONES. I may not have heard all the gentleman said. My attention was diverted.

Mr. YOUNG of North Dakota. To be more specific, the Cagayan Sulu Islands embraced in the treaty of 1900 are located in the southwestern part of the Jolo Sea, sometimes called the Sulu Sea, and consist of Cagayan Sulu, the two Muligi Islands to the south of it, with Kinapusan, Pomelikan, Bintut, Bisu Bohan, Bohan, Mandah, and Lapun Lapun to the north.

These islands have seldom been visited and it is difficult to obtain accurate information concerning them. Admiral Keppel visited Cagayan Sulu in 1847. Sir Edward Belcher, and later an English traveler by the name of St. John, visited the islands and made some rather superficial investigations. Then the islands were visited last year by Congressman MILLER, who possesses, perhaps, more thorough and accurate information concerning them than has heretofore been published by any traveler or explorer.

It will be noticed that we purchased these islands just the same as we purchased Florida or Alaska. They were not a part of the Spanish War settlement. They came to us as the result of separate negotiations. It is important that we legislate respecting these small islands with intelligence. We should not act hurriedly and without thought. They belong to the United States. Our title to them is unquestioned. As guardians of the public domain—as conservationists, if you will—should we take the responsibility of quitclaiming away our title to these outlying islands in a blanket deed to the Filipinos without even ascertaining their value? It is generally believed now that England overlooked a trick—in fact, made a colossal blunder—when she parted with the title to the little island of Helgoland. We should not in the dying days of this session rush through a bill of such tremendous importance. This question should be faced squarely. We owe it to the people of our day as well as to those yet to come.

Congressman CLARENCE B. MILLER, who has explored these islands, says that Cagayan Sulu contains a wonderful harbor, which could with comparatively small expense be made one of the best harbors in the world. According to his statement what might be called the outer harbor is deep, with the exception of the entrance, where there is a formation of coral rock, which could easily be removed. Then, at a distance of 50 yards and at a height of 40 feet, there is an interlake containing fresh water. As there are no fresh water docks within thousands of miles its commercial value is apparent. Undoubtedly a big business could be done if the fresh-water lake were connected up by locks, so that the vessels of the nations could go there to have barnacles removed. It could be made a ship hospital, not only convenient, but profitable.

Cagayan Sulu Island seems to be about 8 miles long and 4 miles wide. Sibutu Island is about 14 miles long and 2 miles wide. The remaining islands are smaller. The soil and climate are said to be favorable to the cultivation of tobacco, sugar cane, hemp palm, yams, bananas, coconuts, and a variety of fruits and vegetables. Admiral Keppel, who visited Cagayan Sulu in 1847, says of it:

> Capt. Sir Edward Belcher, in describing his voyage in these seas, mentions having discovered in the south side of Cagayan Sulu a circular inlet of very deep water, cut off from the sea by a very shallow bar. Being very anxious to discover this fathomless basin, we kept a good lookout from the masthead, and a spot answering the description having been observed in passing it was determined to send an exploring party the next day.
>
> On the 17th we came to, in 10 fathoms, about a mile off the south side of Cagayan, and immediately commenced our examination of the curious circular lake before mentioned. The entrance is by a gap about 50 yards wide; this, however, is crossed by a bank of coral, which extends along the whole south coast and at low water is nearly dry, so as to exclude any boat larger than a canoe. On passing the bar we found ourselves inside a magnificent circular lake of deep blue water. Its circumference was about 3 miles. It was completely encircled by sandstone cliffs, upward of 200 feet in height and nearly perpendicular. Their sides were covered with trees and shrubs.

In sounding we found the depth of the water to vary from 50 to 60 fathoms, and it appeared to be as deep at the sides as in the center. Nothing could be more beautifully luxuriant than the growth of the jungle trees of every description their trunks and branches covered with an endless variety of beautiful creepers in brilliant blossom hanging in festoons to the very water's edge.

Forming ourselves into small parties, we dispersed, some to haul the seine, some to search for shells, while a third party explored the gap on the northeast side, clambering up without any anticipation of a further treat which was in reserve for them. At a height of about 40 feet another beautiful lake burst on their astonished sight, circular in form, and as nearly as possible similar to that which they had just left. The water of the higher or inner lake was perfectly fresh.

Guillemard, the naturalist, gives the idea that the island was originally colonized from Sulu and Borneo. He says:

With regard to the birds, the few species we collected or identified were interesting as showing the island to have been peopled with immigrants both from the Philippines and Borneo, though, as might be expected from its proximity, chiefly from the latter country.

Mr. Chairman, whether our country, in the event of the final granting of complete independence to the Filipinos, should retain the outlying islands in the Jolo Sea is perhaps one which should be settled in the future. If so, we should not at this time abridge the right of freedom of action. If section 1 of the bill and the preamble are passed as they are now written, our sovereignty in the outlying islands in the Jolo Sea will be surrendered.

ABSENT VOTER'S LAW.

Mr. Chairman, some of the gentlemen who sit before me have a worried look. There was a time when they hoped to at least get home for a couple of weeks before election day. Now they are worrying because there is some doubt about getting home even to vote. Not so the North Dakota delegation. While we would like to go home to take part in the political campaign now in progress, the problem of voting is already solved by our absent-voter's law, which will permit us to vote by mail if we are detained here by public business.

North Dakota has once more blazed the trail. Our State legislature passed an absent-voter's law during the session of 1913. At the primary election held in our State a couple of months ago many absent voters enjoyed the rare privilege of having their votes recorded. The wording of the law is very simple and fully safeguards the purity of the ballot. Every citizen who knows he will not be able to be at home on election day writes to the county auditor of his county for an absent-voters' ballot. He receives it by mail and mails it back to the auditor, who places it with the election supplies to be sent to his voting precinct. On the envelope is a short affidavit form wherein the voter makes oath that he has voted it in secret and that he has not been influenced in marking it by the officer before whom he took the oath. On election day the absent voter's name is entered on the voting registers and the ballot is deposited in the ballot box, the same as though he were personally present.

The absent-voter's law bears directly upon the question of compulsory voting laws. Many thoughtful people have hesitated to enact such laws. The large percentage of those who do not vote, however, which seems to be increasing by the returns from the primary elections in the different States, presents a real problem. Some do not vote because it is against their religion. They are, of course, excusable in a land of religious freedom. Others do not vote because of neglect. Then there is the class of conceited, self-satisfied, and superior-minded citizens who refuse to muddy themselves with what they call the sordidness of politics. Well, the country has in some way managed to live without their exercise of the right of franchise in the past, and may through a kind Providence be able to exist without them in the future. But there is a great class of our citizens, including railroad employees and traveling salesmen, who are unable to vote, and it would be a great injustice were the State to deprive them of their vote because of their inability to be at the polls. Our laws have hedged the polls about with many restrictions, regulations, and rules, made necessary, no doubt, by the desire to keep the ballot free and unstained by corruption, but which have acted in a measure to prevent a large number of voters from casting their ballots. Preeminent in this class are the traveling men, intelligent as few professions are as a whole; intensely interested in the great questions of the day; hearing those questions discussed and discussing them from every angle, as they must in their daily journeys; the first to note the effect of every new policy and law, touching elbows with all classes, as they do, and not circumscribed by a narrow horizon. How shall these men have an opportunity to express all they have learned in their journeyings across their territory when those very journeyings take them from home on election day? It would be difficult to overestimate the power of these men and the good they may do and actually accomplish in the State or Nation. We have the newspaper, telegraph, telephone, and their endless means of dissemination of the news, but these fall short of that personal contact that the traveling salesman alone can and does give. The merchant rising from a reading of his daily newspaper meets the knight of the grip at his door, and his first question is almost invariably, "What is the inside of this story in the paper concerning So-and-so?" And nine times in ten the personal opinion of the traveling salesman becomes unconsciously the personal opinion of one-half the men on his route.

We know and fully appreciate the power of the traveling salesmen in North Dakota. They have perhaps been unable to vote, but their opinion as they have traveled from town to town has settled grave questions for us, has elected and defeated men, and they have I am bound to say, always been on the side of honor and decency in politics. It was through their influence and activity that the legislature was induced to pass the law.

Already North Dakota has calls from all over the Union for copies of the law that statutes may be modeled after it for other States. It is of vital interest to every voter who finds it difficult to be at home on election day. For instance, the commuter from New Jersey to New York is interested. He wants to vote, but he can not take the day off from his business to do so. His own business or his employer's will not permit it. Yet if he can take the ballot in his home and, with his wife, deliberate upon it and mark it slowly and carefully—and not as men must on election day, in five minutes or less—do you judge he will vote with stupidity or thoughtlessness? He will not. It will be the better for the time and consideration he can give it. Then many thousands who live here at the Capital could vote, if absent-voter's laws were enacted in all the States. I see some faces of gentlemen in the press gallery who can not go home to vote without spending from $5 to $200, to say nothing about the loss of time.

North Dakota has once more taken its place in the vanguard of States in matters of legislation. It would never have done so, at least so far as the absent-voter's law is concerned, had it not within its borders a body of traveling men, smaller perhaps in numbers than that within most of the other States, but of a high moral standard, alert, intelligent, thoughtful, energetic, courageous, patriotic, and filled with an enthusiasm not only for business but for a government honestly and wisely administered.

The CHAIRMAN. If there is no further debate, the Clerk will read the bill.

Mr. STAFFORD. Mr. Chairman, if there is no further debate, I would like to make the point of order that there is no quorum present.

Mr. JONES. I hope the gentleman will withhold his point.

Mr. STAFFORD. The Chair stated that if there was no further debate the Clerk would read, and I certainly will not have the bill read under the five-minute rule with such a small number present.

Mr. JONES. I desire to yield 20 minutes to the gentleman from New Jersey [Mr. BAKER].

Mr. STAFFORD. Then I will withhold the point of order.

Mr. BAKER. Mr. Chairman, a sliding scale is doubtless a useful thing in various operations. It is not quite so desirable in the size of the audience here, and particularly is it undesirable when you find yourself allowed 1 minute or 60 minutes, just as the scale may stand at the time you are permitted to speak. It may interfere somewhat with the intelligence and continuity of your address and militate against its utility.

Mr. SLOAN. Will the gentleman yield?

Mr. BAKER. Certainly.

Mr. SLOAN. The gentleman was saying something about the smallness of the audience. Does the gentleman understand this is simply a "baker's" dozen we have here now? [Laughter and applause.]

Mr. BAKER. I am doubtful whether there are that many.

Mr. BAKER. Mr. Chairman, the preamble in the bill is a clear statement of the reasons and objects of the proposed legislation.

No one has taken definite issue with either; only as to the propriety of the formality.

The proponents of the bill seek to expedite the qualification of the Philippine people for self-government by extending to them every facility to acquire adjustment and aptitude in the processes, and fortitude in the maintenance of orderly, free, and autonomous government.

Ultimate executive dominance, or sovereignty, alone is withheld, awaiting only their preparedness to take over the control and conduct of their own government.

The opposition never say what they intend to do; they know the American people are in a false and insecure position in this Asiatic business, but they do not indicate a firm or definite

purpose to get away from it, even on terms highly favorable to our trade, commerce, and defense.

They are only, like the Irishman, "Agin the Government." They would treat the Philippine people as they did the infant industries in the tariff—keep up the nursing and keep on the swaddling clothes until they are hoary headed, and then still nurse and swaddle and exploit them. [Applause.]

We hope to accelerate their attainment of maturity in self-governing faculty by giving them an opportunity to try. We want peace and progress and self-government everywhere. [Applause.]

We have enough to do to mind our own business and keep our house in order without and instead of nosing around the world like some Nebuchadnezzar or Darius or Alexander or Cæsar, or other despotizers, to get more provinces and to quarrel and contend with people about whose evolution and habits and prejudices and emotions we know nothing.

If we want to be political missionaries we might take lessons from Mahomet, who did a land-office business in that line. But it is doubtful if we could ever appreciate the ethics or circumvallate the periphery of his system.

We talk about the science of politics. Europe has always been crowded with professors of that science, and they have made a mess of it.

They have turned a paradise into a shambles. They have covered their hills and strewn their valleys with dead men and have turned their rivers red with the blood of their young men, the hope of the nations. [Applause.]

George Washington had more scientific sense in his unscientific head than all the professors of the science of politics, from Machiavelli down to this grim day.

War is absurd. It shows the veil between civilization and barbarism is the thinnest thing on earth. And yet and also war is the price of the denial of equal rights among men, and that denial is about the only possible justification of the crime of war. [Applause.]

Covetousness is an original moral disease of the first magnitude and most universal prevalence, and its restraint has engaged the devoted attention of good and true men in all ages.

There never was a thief who was not covetous; he wanted that which belonged to another, and being a specialist and less scrupulous and more subtle or stronger than his victim, he exercised his faculties.

It is the same with nations as it is with individuals; no more, no less. A big thief is not entitled to consideration on account of the size of the loot.

The most valuable possession men have is freedom, the right to govern themselves. When that is taken away nothing remains but sordid, spiritless servitude. [Applause.]

"All just powers of government are derived from the consent of the governed." We said that when we were oppressed. Do we say that now when are able to oppress others? Civil institutions are purely concessionary.

George III declared that he did not dare withdraw his Government from the American Colonies because if he did they would fall into anarchy and destroy each other.

He was an altruist, and a conscientious one at that. All that ailed him was a lack of education and better information on the limitations of his junior partnership with the Almighty in the matter of his divine right to govern men. The democracy of the United Kingdom of Great Britain has elucidated that question.

No despot ever lived who did not believe, including those of us who are disposed to despotize, that he was the best friend the people ever had, and that they needed him every hour.

It is always a case of felonious force or hypocritical bighead, and it seems few are immune who have a chance to practice the transparent fraud.

Our government in the Philippines was superimposed by force; it continues by force, and it can not live without force. [Applause.]

A pretty business for real men, American men at that, to be engaged in. If the fathers of the Republic, from Samuel Adams and George Washington down, knew it, they would hide their faces for shame, and they would cry out in anguish, "How sharper than a serpent's tooth is an ungrateful child." [Applause.]

Some say we got the Philippines by accident. An honest man does not keep that which belongs to another and which he acquired by accident or force. [Applause.]

It is said that this is not the time to vindicate the dependableness of our word of honor, when Europe is stark mad with slaughter and the burning of the homes of the people and the destruction of the monuments of civilization. [Applause.]

On the contrary, this is the time of all times to set a light in the firmament that all the world may see that there is one nation the essence of whose profession is the perfection of its performance and that good faith and self-government are the hope of the world. [Applause.]

We are dallying with triple serpents—pride, deceit, and covetousness—and we will get stung. [Applause.]

We call it altruism; it is "all-folly-ism." [Applause.] Let us quit talking about the square deal and engage in the "fair-do" [applause] with all men, and the whole world will say, "There is the truthteller, the fair doer, your real Uncle Sam." [Applause.]

This bill is saturated with honor; it rings with righteousness [applause]; it is clothed with freedom. [Applause.] Adopt it and we will once more know the ecstacy of a good conscience. [Loud applause.]

The CHAIRMAN. The gentleman from New Jersey [Mr. BAKER] has consumed 15 minutes.

Mr. JONES. Will the gentleman yield back the balance of his time?

Mr. BAKER. I yield back the balance of my time.

The CHAIRMAN. The gentleman yields back 5 minutes.

Mr. JONES. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. FLOOD of Virginia, Chairman of the Committee of the Whole House on the state of the Union, reported that the committee had had under consideration the bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands, and had come to no resolution thereon.

ENROLLED BILL PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bill:

H. R. 13811. An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

EXTENSION OF REMARKS.

Mr. BURKE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from South Dakota asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. ADAMSON. Mr. Speaker, I would be glad if the House would consent to let me take the Senate bridge bill from the Speaker's table and consider it.

Mr. HELGESEN. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the RECORD.

Mr. GARNER. Mr. Speaker, will not the gentlemen always indicate the character of the speeches they wish to insert?

Mr. HELGESEN. My remarks are on the effect of legislation on the business of the country.

The SPEAKER. The effect of legislation on the business of the country. Is there objection?

There was no objection.

Mr. CANTOR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the Philippine bill.

The SPEAKER. Is there objection?

There was no objection.

BRIDGE ACROSS THE MISSISSIPPI RIVER AT ST. PAUL.

The SPEAKER. The gentleman from Georgia asks unanimous consent to take from the Speaker's table a Senate bill——

Mr. ADAMSON. There is an identical House bill on the calendar.

Mr. STAFFORD. I hope the gentleman will bring that up the first thing in the morning.

Mr. ADAMSON. I never can get a chance to do it in the morning. There is always a row. [Laughter.]

Mr. GARNER. Why not take it up this evening? It is not 5 o'clock yet.

Mr. ADAMSON. It is a bill of the gentleman from Minnesota [Mr. STEVENS]. It is not my bill.

Mr. MOORE. Reserving the right to object, will the gentleman state where the bridge is to be constructed?

Mr. ADAMSON. Away out in the West. Mr. STEVENS of Minnesota is responsible for it.

Mr. MOORE. That is a pretty broad expanse.

Mr. ADAMSON. It is a pretty good bridge. I would not let it hurt navigation.

The SPEAKER. The Clerk will report the title of the bill.

The Clerk read as follows:

An act (S. 6440) to authorize the Chicago, Milwaukee & St. Paul Railway Co. and the Chicago, St. Paul, Minneapolis & Omaha Railway Co. to construct a bridge across the Mississippi River at St. Paul, Minn.

Mr. ADAMSON. It is an old bridge, and it needs to be repaired, and they need to have authority to do it. It is a reconstructed bridge.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the Chicago, Milwaukee & St. Paul Railway Co., a corporation organized and existing under the laws of the State of Wisconsin, and the Chicago, St. Paul, Minneapolis & Omaha Railway Co., a corporation organized and existing under the laws of the State of Wisconsin, and their successors and assigns, be, and they are hereby authorized to construct, maintain, and operate a bridge and approaches thereto across the Mississippi River at a point suitable to the interests of navigation, in the east half of the southwest quarter of section 12, township 28 north, range 23 west of the fourth principal meridian, in the city of St. Paul, county of Ramsey, and State of Minnesota, to replace the bridge and approaches there located, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby reserved.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, was read a third time, and passed.

On motion of Mr. ADAMSON, a motion to reconsider the vote by which the bill was passed was laid on the table.

By unanimous consent, a corresponding House bill (H. R. 18607) was laid on the table.

THE PHILIPPINE ISLANDS.

Mr. JONES. Mr. Speaker, I desire to submit a request for unanimous consent that 30 minutes of the time remaining for general debate may be used at the conclusion of the reading of the bill under the five-minute rule instead of at the end of general debate.

The SPEAKER. Does the gentleman mean there shall be 30 minutes of general debate at the conclusion of the five-minute debate?

Mr. JONES. It is to be taken from the time that has been fixed upon for general debate.

The SPEAKER. But it is to be used at the end?

Mr. JONES. To be used at the end of the consideration of the bill under the five-minute rule.

The SPEAKER. The gentleman from Virginia [Mr. JONES] requests that 30 minutes of the time for general debate which has been allotted shall be subtracted, in the first instance, from general debate, and that general debate for 30 minutes be permitted at the end of the discussion under the five-minute rule. Is there objection?

Mr. STAFFORD. Reserving the right to object, first I would like to inquire how much time now remains for general debate, if the gentleman can inform the House?

Mr. JONES. I think there is about an hour and a half remaining; and I will say that the gentleman from Iowa [Mr. TOWNER], who is the ranking member of the minority, desires, as well as myself, that this be done.

Mr. STAFFORD. Does the gentleman's request contemplate 30 minutes on each side?

Mr. JONES. No; 15 minutes on a side.

Mr. STAFFORD. Is that general debate to be limited to the bill?

Mr. JONES. Limited to the bill, of course.

Mr. STAFFORD. It is rather an unusual request to have general debate after a bill is concluded. Does the gentleman mean after the passage of the bill?

Mr. JONES. I mean after the bill has been considered under the five-minute rule for amendment. Then there is to be this 30 minutes of debate, 15 minutes on each side. I will say to the gentleman this was not my suggestion.

Mr. FESS. Mr. Speaker, do I understand the chairman to say that the gentleman from Iowa [Mr. TOWNER] has agreed to that?

Mr. JONES. Judge TOWNER has agreed to this proposition.

The SPEAKER. Now, the understanding is that 30 minutes of the general debate under the rule shall be subtracted therefrom and shall be used after the five-minute debate is over, the gentleman from Virginia [Mr. JONES] having 15 minutes of the 30 minutes and the gentleman from Iowa [Mr. TOWNER] having 15 minutes, and the debate is to be on the bill?

Mr. JONES. To make the matter perfectly plain, Mr. Speaker, the understanding is that 15 minutes is to be taken from the time remaining to the majority and 15 minutes from the time remaining to the minority and to be controlled as the time is now controlled.

The SPEAKER. Is there objection?

There was no objection.

ADJOURNMENT.

Mr. JONES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 50 minutes p. m.) the House adjourned until Friday, October 2, 1914, at 12 o'clock noon.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. SHREVE: A bill (H. R. 19060) to establish a standard basket for grapes when packed in baskets, and for other purposes; to the Committee on Coinage, Weights, and Measures.

By Mr. TAYLOR of Colorado: A bill (H. R. 19061) for the relief of homestead entrymen under the reclamation projects of the United States; to the Committee on the Public Lands.

By Mr. BEALL of Texas: A bill (H. R. 19062) to amend an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911; to the Committee on the Judiciary.

By Mr. STEPHENS of Texas: Joint resolution (H. J. Res. 362) to correct an error in the enrollment of certain Indians enumerated in Senate Document No. 478, Sixty-third Congress, second session, enacted into law in the Indian appropriation act approved August 1, 1914; to the Committee on Indian Affairs.

By Mr. KINKEAD of New Jersey: Resolution (H. Res. 633) authorizing the Doorkeeper to employ additional help; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BAILEY: A bill (H. R. 19063) granting an increase of pension to Robert M. Skillington; to the Committee on Invalid Pensions.

By Mr. CARY: A bill (H. R. 19064) granting an increase of pension to Solomon H. Foster; to the Committee on Invalid Pensions.

By Mr. DONOHOE: A bill (H. R. 19065) granting a pension to Jennie Allen; to the Committee on Invalid Pensions.

By Mr. LEE of Pennsylvania: A bill (H. R. 19066) granting a pension to Annie Welsh; to the Committee on Invalid Pensions.

By Mr. McGILLICUDDY: A bill (H. R. 19067) granting an increase of pension to Cordelia Briggs; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19068) granting an increase of pension to Dorcas M. Watkins; to the Committee on Invalid Pensions.

By Mr. PHELAN: A bill (H. R. 19069) granting a pension to Mary Kimball; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19070) granting an increase of pension to Edward C. Thompson; to the Committee on Invalid Pensions.

By Mr. RUPLEY: A bill (H. R. 19071) granting an increase of pension to Charles U. Burns; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19072) granting an increase of pension to Zachary Miller; to the Committee on Invalid Pensions.

By Mr. TALBOTT of Maryland: A bill (H. R. 19073) granting a pension to Howard E. Tolson; to the Committee on Invalid Pensions.

By Mr. WINGO: A bill (H. R. 19074) granting an increase of pension to James Smith; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition of sundry citizens of New Mexico, favoring certain amendments to existing mining laws; to the Committee on the Public Lands.

By Mr. CARY: Petition of the First National Bank of West Allis, Wis., protesting against revenue tax on bank capital and surplus; to the Committee on Ways and Means.

By Mr. GRAHAM of Pennsylvania: Petition of Pittsburgh Oil Refining Co., protesting against tax on petroleum; to the Committee on Ways and Means.

By Mr. HAYDEN: Petition of Theodore A. Woodruff, favoring certain amendments to existing mining laws; to the Committee on the Public Lands.

By Mr. J. I. NOLAN: Resolutions of the Chamber of Commerce of Oakland, Cal., and the Berkeley Branch of the Socialist Party, of Berkeley, Cal., favoring the passage of the Hamill bill, providing for the retirement of superannuated Federal civil-service employees; to the Committee on Reform in the Civil Service.

By Mr. O'SHAUNESSY: Memorial of Providence Council, No. 67, United Commercial Travelers of America, favoring 1-cent letter postage; to the Committee on the Post Office and Post Roads.

Also, petition of Weaver & Co. and J. H. Preston & Co., of Providence, R. I., protesting against legislation prohibiting business men from purchasing stamped envelopes from the Government; to the Committee on the Post Office and Post Roads.

By Mr. REILLY of Connecticut: Petition of City Council of Hartford, Conn., favoring Hamill civil-service retirement bill; to the Committee on Reform in the Civil Service.

By Mr. TOWNSEND: Petition of citizens of Essex County, N. J., favoring national prohibition; to the Committee on Rules.

By Mr. TUTTLE: Petition of Woman's Home Missionary Society of the Methodist Episcopal Church of Mendham, N. J., against the bringing of railroad tracks opposite Sibley Hospital, Washington, D. C.; to the Committee on the District of Columbia.

Also, petition of Socialist Party, Branch No. 1, Rockaway, N. J., favoring observance of neutrality by United States during European war; to the Committee on Foreign Affairs.

Also, petition of Liquor Dealers' Protective League of New Jersey, against a tax on beer, whisky, or wines; to the Committee on Ways and Means.

Also, petition of Young Men's Christian Association, Elizabeth, N. J., against legislation which will prevent purchasing at local post offices stamped envelopes with address printed thereon; to the Committee on the Post Office and Post Roads.

By Mr. WILLIAMS: Petition of 77 citizens of the United States, relative to due credit to Dr. Cook for his polar efforts; to the Committee on Naval Affairs.

SENATE.

FRIDAY, *October 2, 1914.*

(Legislative day of Monday, September 28, 1914.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

EMERGENCY REVENUE LEGISLATION.

Mr. TOWNSEND. Mr. President, I ask unanimous consent to present a proposed amendment to the bill (H. R. 18891) to increase the internal revenue, and for other purposes, and that it may be printed and referred to the Committee on Finance.

The VICE PRESIDENT. Without objection, that action will be taken.

AUTOTRUCKS FOR POSTAL SERVICE.

Mr. TOWNSEND. I ask unanimous consent to submit a resolution, and I ask for its consideration. I should like to have it read.

The VICE PRESIDENT. The Secretary will read the resolution.

The Secretary read the resolution (S. Res. 459), as follows:

Resolved, That the Postmaster General be, and hereby is, directed to send to the Senate at the earliest possible date all information in his possession or in the possession of the Post Office Department in any manner bearing upon the action of the department inviting the manufacturers of autotrucks, some time prior to the 8th day of September, 1914, to submit bids for supplying such trucks for the use of said department.

Such information to include the department's invitation to bidders; copies or originals of the respective bids received; the action of the department in forming a committee to pass upon the bids; how, by whom appointed, and under what instructions the committee acted, as well as the names of the individuals composing said committee; the full report of the committee, and the reasons for its award of contract or contracts to other than the lowest responsible bidder, if such awards were made, and all correspondence or facts that will tend to give the fullest possible information regarding this transaction.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. CULBERSON. I ask for the regular order.

The VICE PRESIDENT. The resolution will lie over for a day. The Senate resumes the consideration of the conference report on House bill 15657.

PROPOSED ANTITRUST LEGISLATION.

The Senate resumed the consideration of the conference report on the disagreeing votes of the two Houses upon the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. NORRIS. Mr. President——

Mr. TOWNSEND. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Jones	Page	Swanson
Bryan	Lane	Perkins	Thomas
Chamberlain	Lea, Tenn.	Pomerene	Thompson
Chilton	McCumber	Reed	Thornton
Clapp	Martin, Va.	Robinson	Townsend
Culberson	Martine, N. J.	Shafroth	Vardaman
Fletcher	Myers	Sheppard	West
Gore	Norris	Shively	White
Gronna	O'Gorman	Simmons	
Hughes	Oliver	Smith, Ga.	
James	Overman	Smoot	

Mr. THORNTON. I desire to announce the necessary absence of my colleague [Mr. RANSDELL]. I will let this announcement stand for the day.

The VICE PRESIDENT. Forty-one Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of absent Senators, and Mr. JOHNSON, Mr. SMITH of Arizona, Mr. STERLING, Mr. WALSH, and Mr. WILLIAMS answered to their names when called.

Mr. MCLEAN entered the Chamber and answered to his name.

Mr. SMOOT. I wish to announce that the senior Senator from New Hampshire [Mr. GALLINGER], the junior Senator from Utah [Mr. SUTHERLAND], and the junior Senator from West Virginia [Mr. GOFF] are necessarily absent. The senior Senator from New Hampshire [Mr. GALLINGER] is paired with the junior Senator from New York [Mr. O'GORMAN], my colleague [Mr. SUTHERLAND] is paired with the senior Senator from Arkansas [Mr. CLARKE], and the junior Senator from West Virginia [Mr. GOFF] is paired with the senior Senator from South Carolina [Mr. TILLMAN].

Mr. STONE and Mr. BANKHEAD entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. There is a quorum present. The Senator from Nebraska will proceed.

Mr. NORRIS. Mr. President, I voted for this bill as it passed the Senate. I voted for the Trade Commission bill. I voted for the conference report on the Trade Commission bill. While I voted for this particular bill as it passed the Senate, I was not by any means satisfied with the bill as it passed the Senate. I voted for a great many amendments that were defeated, and I voted to keep in the bill some of the House provisions that were taken out by the Senate. The House bill had some very good provisions in it that were taken out by the Senate; the Senate bill, as it passed, had some excellent provisions; so that out of the House bill and the Senate bill, if we had kept in what was good in both, we should have had a good law. In my judgment, the conferees in the main have kept in what was bad in both bills, and we have now but very little of good in the conference bill. The conferees have taken the House bill and the Senate bill, and out of them have drafted a new measure. In the shape of a conference report, that bill is now before the Senate, and we must vote for it as an entirety or against it as an entirety. There is no possibility now of amending it; but in my opposition to this conference report, and my determination to vote against it, I think I have already shown that such a conclusion reached by me has not been arrived at because I am opposed to this kind of legislation. I am not willing to admit that a vote against the conference report means that there will be no trust legislation. A vote against the conference report and its defeat means that the report will go back to conference and that we may ultimately get a good bill.

The conference bill has taken out practically all of the teeth of the legislation. It is a milk-and-water proposition, as I look at it. While it contains some good, even though I believed a defeat of the conference bill would mean no trust legislation at this session of Congress, I would rather take that responsibility and defeat it than to have the bill passed in its present form.

The Senator from West Virginia [Mr. CHILTON] has argued that if we do not pass this conference bill the probabilities are there will now be no trust legislation. If we do pass the conference bill, then the cry will go out that this Congress has legislated on the trust question, and it will perhaps be a generation before additional legislation will be had. If we defeat this conference bill, the issue will still be before the American people, and in the end I believe we shall get good legislation.

Mr. President, I believe this conference bill is a fraud and a sham. If it is enacted into law in its present form, it will have

the appearance of having passed through John D. Rockefeller's Sunday-school class, rather than through the Congress of the United States. If this bill becomes a law in this form, it will be the greatest victory of a legislative nature that has been won by the trusts and combinations within the lifetime of any man here.

Section 2 of the bill as it passed the other House was in part as follows:

SEC. 2. That any person engaged in commerce who shall either directly or indirectly discriminate in price between different purchasers of commodities in the same or different sections or communities, which commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, with the purpose or intent thereby to destroy or wrongfully injure the business of a competitor of either such purchaser or seller, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding $5,000, or by imprisonment not exceeding one year, or by both, in the discretion of the court.

The conference bill, instead of that section, contains the following provision:

SEC. 2. That it shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly, to discriminate in price between different purchasers of commodities, which commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States.

It will be noted that the criminal provision is stricken out, and that the conferees have simply in this section made a declaration that it shall be unlawful for these practices to be indulged in, without providing any penalty for their prohibition.

Mr. President, the iniquity that this section seeks to cover is one of the worst that has been in existence in our country. It is one of the principal means by which great trusts and combinations have been built up, and by which enormous fortunes have been made at the expense of the consuming public. It was the main method by which the Standard Oil Co. gained its wealth and its power; it is a means of discrimination that is paralyzing, that means death and destruction to honest business. The Standard Oil Co. and similar trusts that indulge in this practice have been in the habit of going into some community where they had some competition and there, regardless of cost or of anything else, underselling their competitor until they had driven him out of business. When they had driven him out of business or got him in such condition that they were able to buy him out, then the price was raised in that community. While it was often lowered in one community, it was raised in other communities; so that they could make up their losses and a profit besides. It has been one of the most sinful practices; and the road to these great combinations that have won wealth and power by this means has been strewn all along with the dead and withering bones of honest business, sacrificed in an honest attempt to make an honest living. In the end the consuming public has always been compelled to foot the bill.

Mr. OVERMAN rose.

Mr. NORRIS. I yield to the Senator from North Carolina.

Mr. OVERMAN. The Senator recognizes the fact that the Senate struck out this section entirely, does he not?

Mr. NORRIS. Yes, sir.

Mr. OVERMAN. The Senator, then, surely is not criticizing the conferees for compromising and putting something in?

Mr. NORRIS. No; I am finding fault with the different provisions that were left out of the bill, no matter where they were left out.

Mr. OVERMAN. This was left out by the Senate.

Mr. NORRIS. The Senate struck it out, but it was before the conferees.

Mr. OVERMAN. Yes; but the Senate having stricken it out, it became necessary for the conferees on the part of the Senate to insist on it staying out. Is not that true?

Mr. NORRIS. Well, the Senator from West Virginia yesterday argued that proposition along this line: He said the Senate had stricken out all, I believe, but one of the criminal provisions that were contained in the House bill.

Mr. OVERMAN. But the whole section was stricken out in the Senate.

Mr. NORRIS. Yes; but this was only one of the criminal provisions, and the Senator from West Virginia said that in the one section, where the Senate had left in the House provision containing a criminal clause, the act to which that penalty attached was not so great a crime as the act concerning which the criminal penalty was stricken out, and therefore they felt that they ought even to surrender the one which the Senate had left in. It seems to me that the proper view to take is this: That if the Senate kept in a criminal provision attaching to a minor offense it would follow, as a matter of course, that the Senate would favor a criminal provision for a greater offense.

Mr. OVERMAN. Mr. President, the Senator will recognize the fact that the fight in the Senate raged about section 2, and after a long discussion, probably for two days—I do not remember whether the Senator protested against leaving it out or not——

Mr. NORRIS. I voted against leaving it out.

Mr. OVERMAN. The Senate, after a vote, struck it out, and then the conferees on the part of the Senate were met with the proposition as to whether they would stand by what the Senate had done, and, the House standing by their action, whether we could agree to a compromise on this matter and secure the best compromise which it was possible to obtain. So, certainly the Senator will not criticize the Senate conferees.

Mr. NORRIS. I do not want the Senator to get the idea that in anything I shall say I intend to make any personal criticism against anybody.

Mr. OVERMAN. I understand that.

Mr. NORRIS. I do not. I have no personal feeling in this matter.

Mr. OVERMAN. I understand that thoroughly, Mr. President, and I know the Senator is always fair; but he has been on conference committees; he has been in the House a long time, and he knows how these matters are arranged between the conferees. They try to arrive at some compromise, if possible; and he knows that the conferees were met with the proposition that the Senate had refused to reinstate section 2.

Mr. NORRIS. The Senate conferees did not have to refuse to do it. The Senate conferees could have yielded; they might have come back to the Senate for instructions; they might have done various things; but they did probably what they thought was right, and I am going to do what I think is right.

I think this provision ought to have remained in the bill and the other criminal provisions that were stricken out ought also to have remained, and I expect to be able to show that the Senator from North Carolina is bound by a greater pledge—perhaps not a greater pledge than I am, but a greater pledge than binds a good many Senators on this side of the Chamber—to keep these very provisions in the bill.

Mr. President, this particular provision is a sample of some of the others. We have taken out the teeth of this provision. We have done nothing more than to declare that this practice is wrong; we have taken away the penalty. As I think I shall show further on, there are but two ways in which we can successfully break down trusts, and the enactment and enforcement of criminal provisions is one of those two ways. I am dealing now with that particular part of it. We have taken away the penalty. Any man who has had any experience either as a legislator or as an attorney at the bar knows that when a statute is passed and no penalty is attached it is not much better than though the space it occupies on the paper were left blank.

These crimes, or these practices, which would be crimes if this provision of the House bill were enacted into law, are not committed by the common people; these practices have not been laid at the door and can not be laid at the door of the ordinary citizen. They are indulged in by the powerful and the wealthy; they are the practices of millionaires, and many millionaires have been made by practices of that kind—by the contributions in pennies of the struggling poor of our country.

Mr. CLAPP. Mr. President——

Mr. NORRIS. I yield to the Senator.

Mr. CLAPP. And do not forget that every time a millionaire has been made by that process scores of independent men, with a competency before them, have been reduced to little better than poverty.

Mr. NORRIS. That is absolutely true. Not only were these contributions made by the struggling poor, but, as the Senator from Minnesota well suggests, other men engaged in honest business were robbed of what they had honestly acquired by pursuing an honest business. So it is said to this kind of criminals—and, although there is no statutory law that has made them criminals, in the eyes of humanity and in the eyes of God I believe they are the worst criminals outside of jail—we say by this law to them, "This practice which you have been following is wrong; you must not indulge in it any more; keep the ill-gotten gains that you have made, but do not practice on this community this kind of a business any longer; you can go to another community and do it over again if you want to; you can start in some other business and perform the same kind of a trick on the same community if you want to, but when we catch you at it we will tell you to stop; it is not right. Why, here is a statute, a regular Sunday-school statute, passed

by the Congress, that says that it is not right to do this." So they leave those fields and go into new ones, but the poor fellow who is out of a job—perhaps driven out of a job by this very kind of practice—and who steals a loaf of bread to feed his starving children must go to prison now as heretofore; the easy-going colored man who robs a henroost must go to jail, but the millionaire who robs a community is patted on the back and is told to go and sin no more. It seems to me that that does not exaggerate the condition in which this law is going to place the country.

The Senator from West Virginia said yesterday that if all men were a good and as honest as the Senator from Minnesota [Mr. CLAPP] he would be in favor of repealing the law against murder, because he said the Senator from Minnesota could not commit murder if he would and would not if he could; he was so constituted that he could not commit such a crime. To have been consistent he ought to have said: "Inasmuch as there are some men like the Senator from Minnesota who are honest and square, and who have to pay their proportionate part in the way of taxes for enforcing the criminal laws, therefore we will repeal the law of murder, and in its place we will enact a statute which says that it is wrong to commit murder, and we will turn it over to a commission; and when a man gets into the murdering business we will send the commission out, and we will tell him, 'Here, the law says it is wrong; you must stop, and if you do not stop we will go into court and get an injunction against you, preventing you from committing any more crimes.'"

Mr. President, what can be said by our Democratic brethren in defense of this provision? In the last campaign from every stump was proclaimed the doctrine, "Make the guilt personal." In every platform something was said about criminal prosecutions for the trust magnates. "Put the trust magnates behind the bars," was your slogan. We heard it everywhere. You criticized everybody else who had been in power because they had not done that very thing. I had a good deal of sympathy with the criticism. I made some of it myself. But you said: "Put us in power and we will prosecute criminally these violators of the antitrust law."

In your national platform for 1912, adopted at Baltimore, you had this plank:

A private monopoly is indefensible and intolerable. We therefore favor the vigorous enforcement of the criminal as well as the civil law against trusts and trust officials, and demand the enactment of such additional legislation as may be necessary to make it impossible for a private monopoly to exist in the United States.

In redemption of that pledge now you are going to say to the trusts, "It is wrong to do this; you must not do it any more."

Another plank in the same platform was as follows:

We condemn the action of the Republican administration in compromising with the Standard Oil Co. and the Tobacco Trust, and its failure to invoke the criminal provisions of the antitrust law against the officers of those corporations after the court had declared that from the undisputed facts in the record they had violated the criminal provisions of the law.

There is a statement from your platform that these men were practically found guilty of violating the criminal statutes of the country, and demanding that they be prosecuted. You have held complete control of the reins of this Government for nearly two years, and not one of those criminals that you denounced your opponents for not prosecuting has been arrested or indicted, nor has any attempt been made anywhere to prosecute them for the violation of law that you say in your platform has already been proven and demonstrated. Does that look like good faith?

Now, let us see further. You said in the last plank of that same platform:

Our pledges are made to be kept when in office as well as relied upon during the campaign.

It seems to me it is up to you particularly—and when I say it is up to you I do not mean that the responsibility is all off of everybody else—but you have a particular obligation here and a particular duty here to redeem a pledge that you solemnly made in order to get into office.

But, Mr. President, so that it may not be thought for a moment that that plank in the platform was "slipped in" or got in by some circuitous route, like it was claimed some other planks got in, I want to read what the President said about the platform pledges. This has been read several times before, and I do not know but that I ought to apologize for reading from the Democratic platform and charging that it has been violated by Democrats since they have come into office. Perhaps I ought to apologize for it, because these violations are getting to be chestnuts. There is not anything particularly left of the platform that has not been violated. At the present time I can only think of one plank, and that is the plank that pledged the candidate for President not to be a candidate for reelection. That has not been violated yet. Mr. Wilson, while a candidate, speaking in New Jersey on the 5th day of August, 1912, said:

Our platform is not molasses to catch flies. It means business. It means what it says. It is the utterance of earnest and honest men, who intend to do business along those lines and who are not waiting to see whether they can catch votes with those promises before they determine whether they are going to act upon them or not.

With that statement by the leader, the man who is still the leader, that this platform means business, how can a Democrat consistently vote now to practically free all these trusts from future prosecution and to liberate them from criminal prosecution when your very pledge was to the contrary?

But, Mr. President, there was another great Democratic leader who had something to say about platform pledges. Mr. Bryan, speaking before the legislature at Harrisburg, Pa., on the 13th day of May, 1913, used this language:

A representative who secures office on platform pledges and then betrays the people who elected him is a criminal worse than any embezzler of money.

That is not my language. That is the language of your leader. That is the proposition, it seems to me, that ought to be in the mind of every Democrat before he votes to do what I believe to be a repudiation of a platform pledge made for the purpose of securing votes.

Mr. Bryan says, further:

It cost vast sums of money, it cost the lives of the best men in the world, to secure a representative form of government. Those fortunes and that blood was spent in vain if representatives, after their election, are to be permitted to betray and defy the people and trample their platform pledges under foot.

Again, he says:

I certainly would have no man violate his conscience. But his conscience ought to commence working before his election. Because he will not violate his conscience, is that any excuse for violating his platform? Such a man ought to violate neither his conscience nor his platform.

Now, see what he says he ought to do—he is telling you:

He ought to resign and let some man take his place whose conscience does not revolt against keeping platform pledges.

Why, Mr. President, if that statement were enacted into law, if it were followed out, there would not be a quorum either in the House of Representatives or in the Senate. That is not all, Mr. President. There would have been a vacancy before this in the White House, and the man who occupies the presiding officer's chair in this Chamber would now be President of the United States.

Why, Mr. President, in all of that memorable campaign one of the principal things that I heard was the denunciation of the methods by which those in office had permitted trust magnates to escape. From every platform, from the very housetops, was proclaimed the doctrine that the guilt of trust magnates must be made criminal, the same as that of the man who steals a horse or robs a store. That was the pledge. That was the doctrine. Why, you seemed then to be imbued with a sort of a "knock-down-and-drag-out" spirit. You seemed to be working along the lines of a "swallow-'em-whole, eat-'em-alive" inclination. It almost seemed as though every Democratic campaigner must eat and swallow whole before breakfast every morning at least one ordinary-sized trust in order to keep himself in good physical condition. Your doctrine was that if you were put into power you were going to compel these men to look through the bars. You promised it to the people. But now, when you are in office and have the power, you are suddenly smitten with heart failure. You become merciful now to the men that you before condemned and whose practices you said you would make criminal; you pat them on the back now, and say, "I will forgive the past. Go, and sin no more."

Why, you were a good deal like a regular Sherlock Holmes when it came to punishing Republican lawbreakers, but you have become a band of Sunday-school superintendents when it comes to looking after Democratic lawbreakers.

Much more might be said about the particular practice that the particular section about which I am now talking would have remedied had it been enacted into law as it passed the House. If there was anything wrong about it, if there was something to be changed, if something can be pointed out that ought to be different, the conferees had power to make the change; but what you have done is that you have extracted every tooth and left nothing here of any value.

Mr. CLAPP. Mr. President, will the Senator pardon an interruption?

Mr. NORRIS. I will.

Mr. CLAPP. The way that section was finally fixed by the conferees there would have been no gum for the tooth to have

been embedded in; because, outside of conference, outside of the action of the two Houses, they inserted this:

Where the effect of such discrimination may be to substantially lessen competition—

Not at the point where the small independent was crushed out, but in the world-wide operations of a trust whose operations encircle the globe.

Mr. NORRIS. Yes.

Mr. CLAPP. Consequently, with that added, there could be no offense under section 2, because the crushing out of a man in one town would not even tend to affect the business of a world-wide operation.

I trust the Senator from Nebraska will dwell on that before he leaves section 2.

Mr. NORRIS. I think the suggestion made by the Senator from Minnesota is very well taken. I want to say just a word now that his suggestion reminds me of, and that refers to the clause which provides that it shall be unlawful to practice the things I have enumerated—

Where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce.

Take the question of competition. Why, Mr. President, where the practices that this section seeks to deal with are engaged in, it is competition that does the business. It is the ruinous, unconscionable, and what ought to be the unlawful, competition that drives honest men out of business. It is the competition that means in the end higher prices to the consumer. Then of what use is it to say, "This section shall not apply unless it tends to lessen competition"? Why, at the time the mischief is being done there is greater competition than there ever was at any other time.

And then there is this word "substantially," but I will not take up that now, because it comes in later in another place in the bill, and I intend to discuss it at some length.

Section 3 of the bill as it passed the House was as follows:

SEC. 3. That it shall be unlawful for the owner, operator, or transporter of the product or products of any mine, oil or gas well, reduction works, refinery, of hydroelectric plant producing coal, oil, gas, or hydroelectric energy, or for any person controlling the products thereof, engaged in selling such product in commerce to refuse arbitrarily to sell such product to a responsible person, firm, or corporation who applies to purchase such product for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, and any person violating this section shall be deemed guilty of a misdemeanor and shall be punished as provided in the preceding section.

The preceding section is the one that I read before, which was stricken out; and the penalty there is a fine of $5,000 or imprisonment not exceeding one year, or both fine and imprisonment, in the discretion of the court.

Now, this section 3 is entirely out and nothing is put in its place. In my judgment, Mr. President, the evil that is sought to be covered by section 3, that criminal section, while a great one, is not near as sinful, not near as disastrous, not near as wicked as the one that is sought to be covered by section 2, a practice that every man, woman, and child in the United States knows has been engaged in by practically every trust that has been engaged in mercantile and commercial business, and of which the Standard Oil Co. is a shining light. But nothing is given us in place of this section. The practice is not even declared illegal. The fellow can follow this practice and there will be no men to come along and pat him on the back and tell him he must not do it any more. He can not only keep what he has stolen in the past, but he can keep on stealing in the future.

Section 4 of the House bill was stricken out in the Senate, and what was section 2 of the Senate bill was passed in its stead. This section reads as follows as it passed the Senate:

SEC. 2. That it shall not be lawful to insert or incorporate a condition in any contract relating to the sale or lease of or license to use any article or process protected by a patent or patents the effect of which will be to prohibit or restrict the purchaser, lessee, or licensee from using any article or class of articles, whether patented or not, or any patented process, supplied or owned by any person other than the seller, lessor, or licensor, or his nominees, or the effect of which will be to require the purchaser, lessee, or licensee to acquire from the seller, lessor, or licensor, or his nominees any article or class of articles not protected by the patent; and any such conditions shall be null and void, as being in restraint of trade and contrary to public policy. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding $5,000 or by imprisonment not exceeding one year, or by both, in the discretion of the court.

The conferees struck out that provision and in its place have inserted the following:

SEC. 3. That it shall be unlawful for any person engaged in commerce in the course of such commerce to lease or make a sale or contract for sale of goods, wares, merchandise, machinery, supplies, or other commodities, whether patented or unpatented, for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, or fix a price charged therefor, or discount from, or rebate upon such price on the condition, agreement, or understanding that the lessee or purchaser thereof shall not use or deal in the goods, wares, merchandise, machinery, supplies, or other commodities of a competitor or competitors of the lessor or seller where the effect of such lease, sale, or contract for sale or such condition, agreement, or understanding may be to substantially lessen competition or tend to create a monopoly in any line of commerce.

Again, Mr. President, in the conference bill every tooth is taken out; everything that might offend the most tender conscience of any trust magnate whoever lived is excluded. Again, this applies, as does section 2, to men of great wealth. Here is a crime that the Senate sought to saddle on men guilty of what I believe everyone will concede to be the most obnoxious and most wicked and most sinful practice, a crime; and here again the conferees have taken the sting out of it and said, "It is unlawful to do this. You must not do this if it tends to substantially lessen competition; but if you do do it, all we do is to tell you to stop. There is no crime. The criminal provision is taken away. There shall be no penalty. We will put you in the same class with the other trust magnate who has built up his enormous machine and his enormous power and his enormous wealth by unfair methods of competition by driving men out of business. We will put you in a class with him, because you belong to the same class. You are both millionaires. No poor man can engage in this kind of business. It applies only to the rich. We will take away the criminal penalty. We will violate the Democratic platform pledge given to the people upon which Democrats were elected to office, and we will simply declare this illegal and let the rich man go. The poor devil who is engaged in stealing because he is hungry or committing petty crimes can still be sent to jail and punished, but you are above that kind of punishment. We will turn you over to some fellows who will say to you, 'Keep what you have; keep your ill-gotten gains; but do not do it any more.'"

Mr. REED. Mr. President——

Mr. NORRIS. I yield to the Senator.

Mr. REED. I call the Senator's attention to the fact that the language upon which he is now commenting does not stop with the expression "where the effect of such lease, sale, or contract for sale or such condition, agreement, or understanding may be to substantially lessen competition," but there are words following which give to the language "to substantially lessen competition" a very much greater scope than they would have if it were not for the following words. The words I refer to are "in any line of commerce."

As I interpret that section, it would not be enough to show under it that competition had been lessened in a certain locality—that some individual had been put out of business—but you would have to show that the lessening of competition had been substantial; and, of course, whether it was substantial or not would depend, under the language of this section, upon whether the lessening of competition was a substantial lessening of competition in the whole line of business, not in some neighborhood, not in some community, not as to some individual, but a substantial lessening of competition in the entire trade in that line of business.

Mr. NORRIS. Certainly.

Mr. REED. Accordingly, if the Standard Oil were to adopt such a system of contract, and if they were brought to the Trade Commission upon a charge that they had substantially lessened competition in that line of business, the question the court would have to determine would be whether the putting out of business of a particular individual in a community or of one rival in a town had substantially lessened the whole field of competition that was embraced in the line of trade now pursued by the Standard Oil; and, as the business is world-wide and as hundreds of millions of dollars of business is done every year, they would be able to say that the crushing of one rival in one town or the crushing of all rivals in a town had not substantially lessened the competition in that entire line of business.

It seems to me that when the words "to substantially lessen competition in any line of business" were inserted it was done with the express purpose of requiring something more than the destruction of an individual to be proven, but it was to require proof amounting to a restraint of trade, not as to a community, but possibly as to the entire country.

Mr. NORRIS. I think so. I do not think there is any doubt about it. I am much obliged to the Senator.

Mr. REED. There is another section here somewhere that has a line in it which emphasizes this. That section states "in any section or community." That is not the language which is applied here.

Mr. NORRIS. No; this is "in any line of commerce," which covers the whole country. Of course it means, in my judgment, merely nothing. In practical effect it would be impossible even

if you attached the penalty to make out a case under the law, because the fact that a man is ruined and driven out of business in a town does not affect the trade in thousands of other towns all over the country, which would have to be proven before even the commission could tell him that he was doing wrong.

Mr. SMITH of Michigan. The attempt on the part of the American Sugar Refining Co. to undersell the regular market quotations of sugar in the Missouri Valley was intended to cripple the development of the sugar industry in that valley. It had purely a local effect. The prices were lowered there, and what they did did not tend to substantially come under the requirement of this proposed law.

Mr. NORRIS. No; but that very practice that the Senator mentions was indulged in, and it ruined some men who were engaged in the beet-sugar business. That is the same practice that I spoke of awhile ago coming under section 2 that the Standard Oil built itself upon, and it would have been covered if section 2 of the House bill had been enacted into law.

This particular section about which I am now talking was intended to make illegal the tying contracts that we have heard about a great deal. For instance, the Dick Co. had a patent to a very valuable and unique method of duplicating writing or typewriting, making a large number of copies from one copy. They had a patent on it, and to almost all men in all lines of business and professions it was a great help—almost a necessity—and there was a great demand for it. It is conceded that the men owning the patent and owning the article could charge what price they wanted to; it was theirs. But what did they do? They named a certain price, and then provided that the purchaser must use a certain kind of material with it, such as ink, paper, and so forth. They could have included everything that they wanted to of that kind. They could have, perhaps, gone far enough to provide that it must be operated by a girl with red hair. There was not any limit to the extent to which they could go. The men who wanted this machine, who needed paper to use in it, could go out on the street and buy paper wherever they pleased.

Mr. WEST rose.

Mr. NORRIS. Just a moment; let me finish this thought. They could use any material they could get anywhere not patented, but by this kind of a tying contract they prohibited the use of anything except what they sold and what they named in their contract.

This section was intended to make that illegal and to make it a crime, but in the way it has been doctored up by the conference committee it is declared illegal under certain conditions, and those conditions, as the Senator from Missouri has pointed out, are so difficult to establish that it would be a practical impossibility for them ever to prove it before the commission. But the worst part of it all is that they have taken away the criminal provision. There is not anything left in it that will have a tendency to make men have any respect for it. It is in reality a dead letter.

The bill as it passed the Senate, in section 4, contained the following language:

SEC. 4. That a final judgment or decree heretofore or hereafter rendered in any criminal prosecution or in any suit or proceeding in equity brought by or on behalf of the United States under the antitrust laws to the effect that a defendant has violated said laws shall be prima facie evidence against such defendant in any suit or proceeding brought by any other party against such defendant under said laws as to all matters respecting which said judgment or decree would be an estoppel as between the parties thereto.

Now, the conferees have added a proviso to that provision that says:

Provided, That this section shall not apply to consent judgments or decrees entered before any testimony has been taken: *Provided further*, That this section shall not apply to consent judgments or decrees rendered in criminal proceedings or suits in equity now pending in which the taking of testimony has been commenced but has not been concluded, provided such judgments or decrees are rendered before any further testimony is taken.

The real effect of that proviso is to make the section inapplicable to cases in which consent judgments have been taken in cases where pleas of guilty have been entered by the defendant. Why should a judgment rendered upon a plea of guilty be any different from a judgment rendered upon a trial where the evidence was taken? If there is any difference, it is in favor of the plea of guilty, judgment being accepted as true, because the defendant admits it and has never contested it.

Mr. President, the Government commences suit against a corporation, charging it with violation of the antitrust law. That suit may run along for two or three years and be fought bitterly; there may be some doubt, there may be an honest doubt, as to whether or not the defendant trust is guilty; but when the Government commences a prosecution against a great trust or against a trust magnate, and they or he come into court and plead guilty, is there any doubt of their guilt? Is there any question about it? Do you suppose they would admit guilt if it were not true? Do you suppose they would plead guilty unless they knew that the Government had the proof and was going to substantiate its case and that it would get a verdict of a jury finding them guilty? The statement of the proposition, it seems to me, is its answer.

Then, why should consent judgments be excluded? Why should the private citizen be required to go to the trouble, the expense, and the delay of traveling over the country to hunt up the evidence in a case that he had commenced against a trust when the trust had already been in court and admitted the truth of the allegations? Why put the citizen to that burden?

Mr. CLAPP. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Minnesota?

Mr. NORRIS. I yield to the Senator.

Mr. CLAPP. I hardly know how to characterize the phase of the matter that I am going to suggest; I would not think of humor in connection with so serious a subject, but the incongruity, the ludicrous character of the matter manifests itself when we realize that the trust can always thereafter plead its confession as an estoppel, and the people who have been injured by the trust can not use that judgment in a suit against the trust.

Mr. NORRIS. Yes; that would be true. If any litigation arose in which it would be advantageous for the trust to plead this very judgment rendered on a plea of guilty or an agreement or a consent, it could do so, of course. Everybody knows—and that is the reason for this section—that it is an extremely difficult matter, almost an impossibility, for a private individual to go to the expense of litigating with one of these monstrous institutions. If you will follow some of the cases in which the Government has been engaged, if you have observed that it has taken a year or two years to get the evidence, and that the Government's attorneys have traveled from one end of the country to the other taking evidence at various places, you will realize the difficulty an individual of but ordinary means would have if he undertook to prosecute that kind of an institution.

Mr. OVERMAN. Mr. President——

Mr. NORRIS. I yield to the Senator from North Carolina.

Mr. OVERMAN. I want to say that, while it is difficult in any lawsuit to do what the Senator suggests, I know of one case in my own State where an individual citizen sued the American Tobacco Co.—he was not worth any money, either, they having destroyed his business—and he recovered threefold damages and all his costs.

Mr. NORRIS. Well, that was good. I presume there are instances of that kind; but there are thousands of other cases where men have given up because they did not have the financial ability to follow these gigantic trusts through the various details which were necessary in the litigation. There might be an instance where the evidence would all be in one place and where it would be easy to obtain it.

Mr. BORAH rose.

Mr. NORRIS. I yield to the Senator from Idaho.

Mr. BORAH. Mr. President, the instance which the Senator from North Carolina [Mr. OVERMAN] suggests and the other instance which comes to my mind, in which an individual sued what is called the Sugar Trust and recovered, I think, some $3,000,000, are the most effectual means of enforcing the Sherman antitrust law, in my judgment, that we could possibly have. One of the ways in which we could strengthen the Sherman antitrust law is by making it more available to the private individual than it now is.

I rose, however, to ask, Is there any instance now in which an individual may avail himself of these judgments except in a case which is hereafter tried and contested? As I understand, it is limited alone to that class of cases. I may be in error, but the language is:

That a final judgment or decree hereafter rendered in any criminal prosecution or in any suit or proceeding in equity brought by or on behalf of the United States—

Of course, if that stood alone in all cases, whether they were consent judgments or otherwise, the individual could avail himself of the judgment as prima facie proof; but it eliminates from that the following:

That this judgment shall not apply to consent judgments or decrees entered before any testimony has been taken.

Not to judgments or decrees entered by consent heretofore, but any that are entered in the future, I take it, by consent are eliminated.

Mr. NORRIS. But if the Senator will notice the first part of the section, it reads——

Mr. SMITH of Michigan. From what section is the Senator from Idaho reading?

Mr. BORAH. From section 5.

Mr. NORRIS. It reads "that a final judgment or decree hereafter rendered."

Mr. BORAH. Yes; "in any criminal prosecution."

Mr. NORRIS. So that it would not apply to any judgment that had been rendered heretofore.

Mr. BORAH. Exactly. Not only that, but it does not apply to all judgments hereafter rendered, but only to those rendered in contested cases.

Mr. NORRIS. That is absolutely true. Judgments that are hereafter rendered, in order to have them apply, must have been contested judgments.

Mr. BORAH. Then we are narrowed by the provisions of this section to one class of judgments alone, so far as using them as prima facie proof is concerned, and that is to judgments hereafter rendered when there is an actual contest or trial.

Mr. NORRIS. Yes; I think so.

Mr. President, section 6, as it passed the Senate, read in part as follows—I shall not read all of the section, but I will read that part of section 6 which has been modified by the conferees. It is:

SEC. 6. That no corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of another corporation engaged also in commerce, where the effect of such acquisition may be to lessen competition between the corporation whose stock is so acquired and the corporation making the acquisition, or to create a monopoly of any line of commerce.

Instead of that language, the conferees adopted the following language:

SEC. 7. That no corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of another corporation engaged also in commerce, where the effect of such acquisition may be to *substantially* lessen competition between the corporation whose stock is so acquired and the corporation making the acquisition.

It will be noticed that practically the only change made is to interject into the law the word "substantially." Under the bill, as it passed the Senate this was made illegal "if the effect of such acquisition may be to lessen competition," and so forth. Under the bill as reported by the conferees, it reads "the effect of such acquisition may be to substantially lessen competition"; in other words, it would require additional proof, if we were going to offer proof under such a law, to substantiate an allegation under the bill as reported by the conferees, over and above the requirement reported in the bill as passed by the Senate.

I want to consider, in connection with that part of the section, another part, where practically the same change is used and where it applies to holding companies. The bill in the section, as it passed the Senate, provided as follows:

No corporation shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of two or more corporations engaged in commerce where the effect of such acquisition, or the use of such stock by the voting or granting of proxies or otherwise, may be to lessen competition between such corporations, or any of them, whose stock or other share capital is so acquired.

The conferees have reported this language:

No corporation shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of two or more corporations engaged in commerce where the effect of such acquisition, or the use of such stock by the voting or granting of proxies or otherwise, may be to *substantially* lessen competition between such corporations, or any of them—

This section applies, and is intended to apply, to the case of one corporation controlling another by the purchase of its stock and also to the regulation of holding companies formed for the purpose of buying the stock of various different corporations. There are exceptions to the rule, which I have not read, which were properly included in the bill as it passed the Senate and are in the bill as reported by the conferees. For instance, the provision does not apply to savings banks or similar institutions which purchase stock for the purpose of investment; it does not apply to the case where a railroad company wants to build a branch line. So that there are very properly exceptions.

The particular objection I have to the section as reported by the conferees as compared with the bill as passed by the Senate is that the conferees have incorporated the word "substantially." It is a small matter; its importance is not as great, in my judgment, as the importance of some other acts of omission or commission which I have mentioned and some others which I will mention later; but it does, it seems to me, demonstrate that everywhere the bill as reported by the conferees undertakes to make it more difficult to fasten any crime or any wrong or any sin upon the trusts, and makes it more easy for the trusts and the trust magnates to escape.

What does the word "substantially" mean in this connection and why should it be incorporated in the law? Let us see. We desire to organize a holding company, let us say, a good honest one, for the purpose of investment; perhaps we are interested in a savings bank and we want to buy the stock of various corporations, some of which are competing, and hold those stocks for investment. That is not illegal; it is not intended to be made illegal by the bill which we have before us now. Why, if we are buying that stock honestly, should we want the word "substantially" in the law as a preventive? We are not trying to interfere with competition. The bill as it passed the Senate said holding companies could not be organized if their object were to lessen competition. If we are honest in our investment, the omission of the word "substantially" will not hurt us, because we will not be undertaking to lessen competition; but if we are dishonest—and the dishonest man is the man we want to get—and we are organizing the holding company for a sinister purpose, if we are doing it to create a monopoly, if we are doing it to throttle competition, then any man who complains has got to make additional proof; he must prove that it substantially lessens competition.

I want to say to you that by the time this word runs the course of the courts and winds its weary way through the various avenues of attack and defense under our judicial practice and procedure and finally reaches the Supreme Court and receives an adjudication, it will have accomplished its purpose and ruined thousands of honest business men. What is the use of putting it in? It will not help the honest corporation, but it will have a tendency to keep the dishonest corporation out from under the penalties of the law.

Mr. CLAPP. Mr. President——

Mr. NORRIS. I yield to the Senator.

Mr. CLAPP. Was the Senator about to leave that section?

Mr. NORRIS. Yes.

Mr. CLAPP. Well, before he leaves it, I want to remind him that buried in the provisions of section 7 is a very peculiar situation. The House provision applied to two conditions, as did the Senate provision and as does the conference report. One the condition of creating a monopoly, the other the lessening of competition. Now, as the section reads in the conference report it provides:

That no corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of another corporation engaged also in commerce where the effect of such acquisition may be to substantially lessen competition between the corporation whose stock is so acquired and the corporation making the acquisition, or to restrain such commerce in any section or community—

Of course, such acquisition would not restrain commerce, but it would create a monopoly. When we get down to the monopoly phase of section 7 we find this situation:

Or to restrain such commerce in any section or community or tend to create monopoly of any line of commerce.

In reference to the monopoly provision, the words "in any section or community" are stricken out.

Mr. NORRIS. Yes.

Mr. CLAPP. So that the section is left without any force as to both situations. The act prohibited must, in order to offend against the latter clause, be a general limitation upon commerce.

Mr. NORRIS. In other words, it is a limitation which practically nullifies whatever good there might be in the provision.

Mr. CLAPP. Absolutely.

Mr. NORRIS. I agree with the Senator.

Mr. CHILTON. Mr. President——

Mr. NORRIS. I yield to the Senator from West Virginia.

Mr. CHILTON. Does the Senator think that the Congress has anything to do with trade "in any section or community" as such, except as it is a part of interstate commerce?

Mr. NORRIS. The Senator has included that in the bill which he has brought in.

Mr. CLAPP. If not, then why the language of the conference report with reference to monopoly?

Mr. CHILTON. It is difficult to answer two questions at the same time. I understand the Senator's theory about it, but inasmuch as the provision is attacked because the words "in any section or community" were stricken out, I desire to call the attention of the Senator to the fact that those words were stricken out by the Senate and not by the conferees. Therefore, so far as the Senate conferees were concerned, we had the instructions of the Senate to strike them out. Why were those words stricken out? The matter was discussed on the floor of the Senate. They were stricken out simply because a monopoly is a monopoly anywhere and everywhere. There is no such thing as monopoly in interstate commerce in a town, or monopoly in interstate commerce in a county, or monopoly in interstate commerce in a section or a community. It is a monopoly

or it is not a monopoly. If it is a monopoly in interstate commerce, that is what we have power to deal with, and to put in the words "in any section or community" would simply becloud the definition and make it, possibly, inconsistent with itself and with everything else. A monopoly in interstate commerce is a monopoly in interstate commerce; you can not qualify it; you can not limit it; you can not extend it. If it is not a monopoly, it is not one; and if it is, it is; and it was the deliberate judgment of the Judiciary Committee of the Senate and of the Senate itself that the words "in any section or community" were either meaningless or else a restriction that might destroy the law, and therefore should be stricken out; and your conferees carried out the judgment and the direction of the Senate in leaving them out.

Mr. NORRIS. I do not think the explanation of the Senator from West Virginia does away with the fact that I believe to be true, that the words "or tend to create a monopoly in any line of commerce" mean and must mean the entire country. They must include within their scope the entire country, and if a particular provision can not be effective until that condition exists, then, as the Senator from Minnesota has well said, you might just as well strike out the section, because it is a nullity; it means nothing. That language is a modification of the section. Under the conference bill this section has no application unless there is a monopoly in any line of trade which includes the entire country as a result of the thing complained of.

Now I want to pass over to section 11 of the bill as it passed the Senate. There was an amendment in that section that was put in upon the floor of the Senate upon my own motion. It was stricken out by the conferees, and the bill as brought back by them has no provision whatever relating to the particular thing to which I want to call attention.

Section 11, as the bill passed the Senate, read as follows:

SEC. 11. That any suit, action, or proceeding under the antitrust laws against a corporation or against officers of a corporation by stockholders thereof may be brought not only in the judicial district whereof it is an inhabitant, but also in any district wherein it may be found or transacts any business; and all process in such cases may be served in the district of which it is an inhabitant, or wherever it may be found, and where in any such suit against officers of a corporation necessary and proper defendants reside in other districts than the one in which the action is pending the court shall make an order for the summoning of such defendants, and the same may be served in any district by the marshal thereof.

In lieu of that the conferees have brought in a section, known as section 12, which reads as follows:

SEC. 12. That any suit, action, or proceeding under the antitrust laws against a corporation may be brought not only in the judicial district whereof it is an inhabitant, but also in any district wherein it may be found or transacts business; and all process in such cases may be served in the district of which it is an inhabitant, or wherever it may be found.

Now, you will note the particular thing that is omitted. The particular provision that was in the Senate section that has been omitted by the conferees is that part of the section which gives a stockholder of a corporation the right to sue the corporation, and after he has sued the corporation to have summons served in any other district where necessary parties reside.

These words, in the first place, are omitted:

Or against officers of a corporation by stockholders thereof.

So that the section, as it reads now, contains no authority for the stockholder of a corporation to begin an action against the corporation under the antitrust laws, which, as I shall show shortly, is a very important proposition. Then it omits this language:

And where in any such suit against officers of a corporation necessary and proper defendants reside in other districts than the one in which the action is pending the court shall make an order for the summoning—

And so forth.

I want to call the attention of the Senate now to an actual case. The bill as it passed the Senate would, for instance, enable a stockholder of the Lake Shore & Michigan Southern Railway to begin an action by injunction against the officials of the Lake Shore & Michigan Southern and the New York Central & Hudson River Railways to prevent them from amalgamating those two companies and various other companies, as they have been doing within the last few months. The bill as it is brought back here by the conferees prohibits any such thing.

It was thought by some lawyers that section 57 of the United States Code gave this authority. Several months ago some stockholders of the Lake Shore & Michigan Southern Railway commenced, in the United States district court at Detroit, Mich., an action asking for an injunction restraining the carrying out of certain schemes of combination between the New York Central, the Lake Shore & Michigan Southern, the Michigan Central, and some other companies. The stockholders of this company went into court. They got a temporary order issued, or an order to show cause, or something of that kind. The first step was taken. They thought section 57 of the United States Code gave the court authority to issue the order.

That case came on for hearing. It was the case of Charles J. Spencer against the Lake Shore & Michigan Southern, the New York Central & Hudson River Railway, and others, I think, and on the 26th day of last June the preliminary order was issued. Later it came on for hearing, and the case was dismissed by the district judge—and, I believe, properly—on the ground that he had no jurisdiction.

Mr. CHILTON. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from West Virginia?

Mr. NORRIS. I yield to the Senator.

Mr. CHILTON. Was that a suit brought to test the rights of stockholders under the laws of the State? I do not refer to jurisdiction, now. Was it a suit brought to test the rights of stockholders in the property of the corporation after the corporation had failed to do its duty as to some matter, or was it a suit brought under the antitrust laws?

Mr. NORRIS. I will say to that, Senator, that I have not, of course, read the papers filed in the case—— .

Mr. CHILTON. I think it is very important that we should know that.

Mr. NORRIS. But I think I can tell the Senator what sort of a suit it was. It was a suit asking for an injunction to restrain the officials of those railroad companies from carrying out the program of consolidation that they had agreed on.

Mr. CHILTON. Then, as I understand, it was clearly a suit which the antitrust laws could not affect, but was a suit brought by stockholders, as parties in interest, under the well-known rule that where the managing officers of a corporation fail to perform a duty affecting the property of the corporation, then, after notice as required in the Federal court, and, under such rules as may be prescribed by the State court or the law, the stockholder may bring the suit himself. Am I not right?

Mr. NORRIS. No; the Senator is not quite right, as I understand the suit. It was alleged and claimed by the plaintiffs in the suit that things were about to be done by these corporations that were contrary to the antitrust laws of the United States and were illegal.

Mr. CHILTON. I want to call the Senator's attention to this feature of the matter: Does the Senator think the words "or against officers of a corporation by stockholders thereof" confer any jurisdiction? Does the Senator think those words give any jurisdiction in regard to that subject matter? The section in question deals with the venue and the service of process.

Mr. NORRIS. I do; yes.

Mr. CHILTON. I hope the Senator will look at it again. The section is speaking here of the service of process; that is, in suits to be brought. It does not say here that the stockholder may bring a suit against the officers of a corporation; but, where the jurisdiction is already given and the right already secured, this speaks of the service of process and how it may be had—quite a different subject. There is no jurisdiction conferred here, and no right conferred except as to where a suit may be brought and how process may be served.

Mr. NORRIS. Then, I suppose the Senator thinks that whether these words are in or out it is exactly the same; that if they are in, they do not mean anything?

Mr. CHILTON. If they are in, they give no further jurisdiction to a Federal court and no further right to a stockholder. The only thing they do is to provide for the service of process when it is already provided for, and it only complicates the matter.

Mr. NORRIS. I do not think there is any question about it. As a matter of fact, if these words do not mean anything, I am surprised that they were not permitted to remain in; but those are not the only words that have been taken out. There is the method of getting service. I wish the Senator would let me go on with this particular case.

Mr. CHILTON. I certainly will. I beg the Senator's pardon.

Mr. NORRIS. I want to show the history of what actually occurred.

This case came on in Detroit. One of these corporations was an inhabitant of the State of Michigan. Another one was an inhabitant of the State of New York, although, as I shall call attention to later, the Lake Shore Railroad had had its articles of incorporation recorded in the State of New York under a statute of New York, so that it became a New York corporation also. The judge, in deciding that case, attached this notation to his opinion:

For the sole reason that this court had no jurisdiction to make said order of June 26, 1914, because this suit was not commenced to enforce

any legal or equitable lien upon or claim to or to remove any encumbrance or lien or cloud upon the title within this district where this suit was brought within the true intent and meaning of section 57 of the Judicial Code, and the said New York Central & Hudson River Railroad Co. is and was not an inhabitant of or found within this district, and has not voluntarily appeared to this suit, no question other than whether this court had jurisdiction to make said order of June 26, 1914, was decided.

Mr. CHILTON. Mr. President——

Mr. NORRIS. Let me follow the suit. I am going to take it up in another court, and show you just exactly what happened. So that there may be no question about it, I have here section 57 of the code under which these people brought that suit. In part, so far as it applies here, it reads as follows:

When in any suit commenced in any district court of the United States to enforce any legal or equitable lien upon or claim to, or to remove any encumbrance or lien or cloud upon the title to real or personal property within the district where such suit is brought, one or more of the defendants therein shall not be an inhabitant of or found within the said district, or shall not voluntarily appear thereto, it shall be lawful—

And so forth.

Then it tells how the court can get service on him. The judge in Detroit held—and, as I think, very properly—that this particular case could not stand under that section of the code, and it was the only section of the United States law that it was even pretended gave the courts any jurisdiction, and he dismissed the suit. These stockholders, having their money invested in this property and claiming that the officers of these railroad corporations were violating the laws of the United States and thus squandering their property, wanted to get into some court to restrain them from doing so. They claimed and alleged that they were doing something that was contrary to the antitrust laws of the United States in regard to combinations. They went into Detroit, commenced their action in the district court of Michigan, where the Lake Shore & Michigan Southern road resided, and tried to get service under section 57 on the New York Central road in New York, and the court held they could not do it.

Then they took the next step. They found that the Lake Shore road had gone through the formality of reincorporating in the State of New York; so they went to New York and commenced their action, where there was not any question that the court had jurisdiction of both of these railroad companies. They began their action in New York and the judge in New York threw them out of court. I read an extract from the New York Sun of September 9, 1914, showing what happened to these people when they got down into New York:

In a decision denying a motion for a temporary injunction restraining the proposed merger of the New York Central and the Lake Shore & Michigan Southern Railway lines Judge Grubb, in the United States district court, yesterday suggested that a suit by the Government under the Sherman law would be the best way of determining the legality or illegality of the merger. This method, he intimates, would also settle a similar question in connection with the present control of the Lake Shore lines by the Central, which holds the former under a lease.

The motion for a temporary injunction was made by minority stockholders of the Lake Shore. They wanted to prevent the roads from carrying out the consolidation plans during the pendency of the equity suit by which the minority stockholders seek to prevent the merger.

The plaintiffs allege that the proposed consolidation is not only in violation of the Sherman law, but an injustice to the minority stockholders of the Lake Shore, who would receive less stock in the consolidated company than their present holdings are worth.

The railroads replied that the computations by which the plaintiffs arrived at this conclusion were erroneous. They also held that an injunction under the Sherman law could be asked for only by the Government. If the proposed consolidation is in violation of the Sherman law, they argue, then the lease under which the Central holds the Lake Shore lines must be in a similar category. On the other hand, they say, the Government has for years acquiesced in the Central's control of the Lake Shore lines through the failure of the Department of Justice to take action in the case.

Judge Grubb, however, said that such "acquiescence" would not prevent the Government from hereafter instituting proceedings to dissolve the combination if it were found to be in violation of the Sherman law. To have the legality or illegality of the Central's control determined in this way once and for all, he said, would be of great advantage.

And in conclusion, now, using the judge's exact language—language in quotation marks—this article says:

"The averments of the bill," says Judge Grubb, "are sufficient to put in issue, as a matter of pleading, the illegality of the proposed consolidation under the Sherman Act. It is clear that so important and complicated an issue can not be satisfactorily determined except upon final hearing, and would be best determined in a suit in which the Government was the complaining party, since a decision in a suit instituted by the United States would be binding on all parties."

Now, here is an instance where a man had gone from one court to another trying to restrain what he alleged to be a violation of the antitrust laws of the United States, and he was driven out of one court after another, first because one court had no jurisdiction and, when he got the corporation where the court did have jurisdiction, then because the judge said the suit ought to be commenced by the Government of the United States.

Mr. CHILTON rose.

Mr. NORRIS. I yield to the Senator from West Virginia.

Mr. CHILTON. Mr. President, I recognize the force of what the Senator says, but it is incomprehensible to me that any man can argue that the words referred to in section 11 would extend the scope of these antitrust cases. Let me read from that section just a moment and then I will ask my question:

That any suit or action or proceeding under the antitrust laws against a corporation—

I will read it that way—

may be brought—

And so forth. That provides where the suit may be brought. It does not give any further jurisdiction or right. If, as a matter of fact, the suit could not be brought before that section was passed, it would not allow the suit to be brought afterwards. It only speaks of the service of the process and where the suit may be brought. It does not refer to the jurisdiction of the court. The other language of the section provides that process may be served in another district. That is already the law. If the bill be passed, if the court has jurisdiction of the case, suits may be brought in one district and the other defendants may be served in another district.

The conferees gave considerable consideration to this. There were two reasons why the conferees struck out the words referred to. First, it added nothing to the jurisdiction, and, even if it did, we do not want to bring the antitrust laws into contempt by allowing officers and stockholders who go into these trusts to use the antitrust laws to fight out and settle their own differences. We want these laws to be in the hands of the Government, so that they can stop violations of the antitrust laws. The jurisdiction of the court is properly fixed, and where process may be served is definitely laid down in the law. In this act we do not want it possible for these people to get in ahead of the Government and go into a community, with all kinds of litigation and decrees, and mix up the situation before the Government takes its straight, even, comprehensive course to break up the combination.

This, if it would do anything, would retard and injure the Government in its effort to break up these monopolies. We do not want Tom, Dick, and Harry, who may be stockholders, to bring suits against the directors here and there and probably interfere with the ordinary course of the Government's suits. This section now does not do that. It confers no additional jurisdiction. It simply provides how you can serve process, having jurisdiction already. There is not a line here giving jurisdiction in that kind of a case.

The Senator put in his amendment at the wrong place. If he wanted to give a stockholder the right to sue the officers of a corporation, he should have given it in the jurisdictional section. If the court has not jurisdiction, there is no suit to be brought; and if there is no suit to be brought, what need we care as to where you may serve process? The proposition has no place in the section under consideration.

Mr. NORRIS. Mr. President, in the first place I do not believe there is any doubt about the jurisdiction. There are two provisions here, both of which have been stricken out. One is as follows:

Or against officers of a corporation by stockholders thereof.

Another is:

Where in any such suit against officers of a corporation.

Mr. President, I do not believe there can be a possibility of doubt that with that language the court would have jurisdiction, and having jurisdiction, then it could make the order to bring about the service. Let me assume, however, for argument's sake, that it would not, and that the Senator from West Virginia is right. What is the position? Here come the conferees and say "This ought to be put in in a different place; the language is not quite right; it ought to have been different." Then, for God's sake, why did they not make it right and bring it in here and correct it? Why did they strike it out? If there is something wrong about it, if in my ignorance, shared in by the Senate of the United States, we have not reached that high pinnacle of wisdom that enshrouds and shines around the conferees on this bill, why did they not give us light instead of striking it out? Why not be fair about it? If this is not the right place, put it in the right place.

Mr. REED. Mr. President——

The PRESIDING OFFICER (Mr. O'GORMAN in the chair). Does the Senator from Nebraska yield to the Senator from Missouri?

Mr. NORRIS. I yield.

Mr. REED. I think I can answer the Senator's question. I have examined the work of the conferees very carefully. I think they acted according to a policy. They are consistent.

It was never to strengthen anything, and they would have had to violate that rule if they had strengthened this particular section.

Mr. NORRIS. I think that makes a pretty——

Mr. CHILTON. Mr. President, if the Senator will allow me——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from West Virginia?

Mr. NORRIS. I yield.

Mr. CHILTON. I am glad to see a smile on Senators' faces when that statement is made. Conferees are sometimes in a very unfortunate position. I do not think that any Senator here would in seriousness make the charge which might be implied by the answer of the Senator from Missouri. Of course, if he were serious, I would have to say to him that his statement was voluntary, and I would have at once to enter my protest against any such criticism of the work of the conferees. There is nothing in the work of the conferees, I must insist, that does not show that everything they have done here is founded upon a reason which they are not afraid to state in the United States Senate, and which they are not afraid to discuss before the people of the country.

The assumption is that those who are here trying to get some bill passed in the Senate in order that the things as to which there was no controversy, and as to which the great laboring world and the great business world is now standing on tiptoe to see what this Senate shall do, shall be settled, may not be in favor of substantial reform. I am willing to leave it to the country whether the friends of the reform shall be upon the side of those who want the best bill possible, or on the side of those who want to beat this legislation unless they happen to get what they may want. That is for the country to decide. I make that statement in the best of humor and in the best of feeling to all parties concerned.

I simply want to state for the conferees that they came to the conclusion as lawyers that these words could possibly have no meaning in this law, and they struck them out. They agreed to strike them out. The House did not want them there and the Senate conferees could not give any good reason for having them there; and I will say further that when the amendment was offered by the Senator from Nebraska I naturally supposed, as many of us here supposed, that there was jurisdiction already conferred in some place by the general law and that the words inserted, on the motion of the Senator, were in aid of that jurisdiction already conferred.

Mr. NORRIS. The Senator supposed there was jurisdiction?

Mr. CHILTON. I did not then know anything definite about it.

Mr. NORRIS. He supposed there was jurisdiction, and he therefore favored the amendment. If later on he found there was no jurisdiction, why, in the name of heaven, did he not give jurisdiction? He and the other conferees had the power.

Mr. CHILTON. I told the Senator that we did not believe it was the best policy to give jurisdiction to the stockholders to mix up in a suit by the Government to dissolve these corporations.

Mr. REED. Mr. President——

Mr. NORRIS. I yield to the Senator from Missouri.

Mr. REED. The claim has been repeatedly made, by direction or indirection, upon the floor of the Senate that those who are insisting that this conference report should not be accepted, but that the bill should be sent back to the conferees with instructions to restore to it certain provisions are in favor of beating all this legislation. That statement is not warranted by any fact or by any utterance upon the floor of the Senate or elsewhere. It is a strange proposition that the Senate of the United States having named four agents to carry out its will does not have the right when those agents report to either accept or reject their report and then to send them, if it sees fit, back for further labor in conference to the end that the will of the Senate may be properly engrafted into this statute.

The statement has been repeatedly made here until I am inclined almost to resent it that we must take this or have no legislation. That is not the situation. Surely the conferees do not mean to say to the Senate that if the Senate sees fit to disagree to their labor they will decline to obey the directions of the Senate and endeavor to perfect this legislation in accordance with the will of the Senate. They can not afford to take that position, and surely they do not take it.

Therefore, when the statement is repeatedly made here that it is this bill or nothing, the statement is not a sound statement. That is not the situation. The situation to-day is whether the Senate is willing to accept this bill as it is; and, if not, whether it will give the conferees further instructions. That has been often done, and it can be properly done. When any man stands upon the floor of the Senate or in the cloakroom or otherwise and charges that those who want this report amended are in favor of defeating the entire bill, he is making a gratuitous statement which, in so far as I know, is not founded upon any fact.

There are some good features in this bill that we all desire to preserve. I know no one worked in committee more assiduously than I did to preserve the anti-injunction features of the bill. No one contended more vigorously than I did, no one has been a better friend of that class of legislation than I have been, not only in this session of Congress but for many years. But it does not follow because that legislation is in the bill that in order to secure it we must permit the trust legislation of this country to be emasculated or the Democratic platform, indeed I might say the platform of the country, to be repudiated by the adoption here of trust legislation that will, in my opinion, practically result in the emasculation of trust prosecution.

This is not a "pork-barrel" bill. It is not to be passed upon the theory that because some parts of it suit you you must vote for a lot of things that do not commend themselves to your judgment.

I am taking this much of the time of the Senator from Nebraska because I know the report has been assiduously circulated upon the floor of the Senate that it is this bill just as it is brought to us or nothing. I repudiate that idea. I say that the Senate of the United States is supreme in this matter; that it can send its conferees back, and it can send them back again and again, and at the end of all the conferences it can then determine whether or not it will accept the bill as reported.

It is not my judgment that the conferees are so wedded to their opinion or so proud of their work that they will not listen to the opinion of the Houses which created them. I do not believe the House conferees are going to take the position stubbornly that they have finished the work, that the book is written, that it has been sealed, and that Congress must accept it or else have no bill at all. I have never seen anything in the past character or history of those gentlemen from the House of Representatives or our own conferees to warrant the conclusion that they would assume any such position.

Mr. CHILTON. Will the Senator allow me?

Mr. NORRIS. I will yield to the Senator.

Mr. CHILTON. I wish to make just this statement. I hope nothing which I said may be construed as meaning that this would be the only bill which could be passed now. I simply volunteered my own opinion for what it is worth. The Senator is entitled to his opinion and I am entitled to mine. Meanwhile, Mr. President, I am very much gratified that the Senator from Nebraska, the Senator from Massachusetts, and the Senator from Minnesota are so zealous in maintaining the Democratic platform in their efforts to prevent the bill, as reported, from becoming the law of the land.

Mr. NORRIS. Mr. President, I said in substance, at the beginning of my remarks about this conference report, what the Senator from Missouri [Mr. REED] has so much better said—that the rejection of the report does not mean necessarily no legislation—but I will add again that, if it does, as far as I am concerned and as far as I am able to go, I am willing to take the responsibility of defeating it entirely rather than to put it on the statute books in this form, because if we defeat it now and there is not any legislation at this session, it will be an issue before the country, and we will fight it out before the country and eventually get the sentiment of the country enacted into law.

Now, I want to say just a word about the remark the Senator from West Virginia [Mr. CHILTON] made about my solicitude for the Democratic Party. I am a believer in individual responsibility. I am not much of a party man. I listened to the arguments of various Democrats and agreed with them that we ought to make the guilt personal; but it did seem to me that with the Democratic platform written as it has been and promulgated as it has been, and having obtained a triumph in the election upon that platform, even I, without criticism, might have the right, the privilege, of humbly calling the attention of Democratic friends to the promises which they made the country and what I believe to be a violation of those promises when they are placed in power to make them good; and I will take that liberty now and elsewhere whenever I see fit. I have no particular solicitude for the Democratic Party nor any other political party. My allegiance to a party is not so great that I will ever vary one hair's breadth in any official action that I have to take because of the demands of party leaders or party caucuses or party machines or party bosses.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield?

Mr. NORRIS. I yield to the Senator.

Mr. REED. I might say that the attitude assumed by the Senator from Nebraska in calling attention to the Democratic platform has a warrant in very ancient precedent. Long ago it was written, "Out of your own mouths do I condemn you."

Mr. NORRIS. Yes; that ought to be taken home by every Democrat. I mention it in the best of faith. I have called attention to the Republicans, when they were in power, to their platforms, and I have condemned their conduct when I believed it to be wrong. I had the greatest admiration for the Senator from Missouri, when his own party was in power, in getting up before the Senate and before the country and calling attention to the party pledges and the way they were being disregarded here, and the country will uphold him in it, regardless of politics, and I commend him for it, regardless of politics. I will do it anywhere, at any time, in any campaign. It seems to me we ought to go that far to be fair. If platforms are worth anything, they ought to be kept. As I said, the Democratic platform has been all tattered and torn to pieces, with one plank left, and there is ample opportunity to violate that before the time has expired.

Mr. President, when I was interrupted I was discussing an actual case, where a citizen of the United States had brought suit—a whole lot of them, in fact. They were not all in the suit, but there was one of them who began the suit and carried it on in his own name. Others helped him and bore their share of the expense. They went into court in good faith up in Michigan, and the judge threw them out of court because the New York Central was not within its jurisdiction. Then they went to New York, and there the judge threw them out of court because he said—and I think wrongfully, but without any criticism of him; he had the right to do it—the Government of the United States ought to begin the suit. There was an Attorney General, Mr. McReynolds, here in Washington at that time who would not begin the suit. So what are you going to do about it? His attention had been called to it. He had been written to in regard to it. He declined to intervene. The Government of the United States, as represented by the Attorney General, at that time would not turn a wheel. What is the citizen going to do? Grinding between these two big corporations there is a minority stockholder seeking first in one court and then in the other to get relief, driven out of that court because of want of jurisdiction and out of this court because the judge said the Government ought to file a suit, and the Government would not. There is no question about it, but the Government would not. What are you going to do when you have an Attorney General who believes in these combinations, who will not turn a wheel to break any of them up?

I say that in this case without fear of successful contradiction, because I introduced a resolution in the Senate here calling the attention of the Senate to it. I read here in the Senate letters that were written to the Department of Justice calling their attention to this very combination, written by stockholders, asking the Department of Justice to take action. There was nothing done. What are you going to do, then?

Here was a provision in the bill that would bring relief, and the conferees strike it out and say we ought not to do that; that if we let a lot of these little fellows get into court here, they might interfere with some action that the Government would want to begin. Nobody will begin those suits if the Government will commence them; but when you have an administration that will not begin them, that does not want to break up those combinations apparently, then what? Then let the innocent suffer. Then let the minority stockholder pocket his losses and let the railroads combine and combine without interference from any source. That is the result of the striking out of this language in the bill as it passed the Senate.

Now, Mr. President, the bill as it passed the Senate contained what was then section 25, a very useful and important section, in my judgment; one that has more teeth in it than any other one section of the bill. I believe it is more valuable than any other section in the bill. That section read as follows:

SEC. 25. That whenever a corporation shall acquire or consolidate the ownership or control of the plants, franchises, or property of other corporations, copartnerships, or individuals, so that it shall be adjudged to be a monopoly or combination in restraint of trade, the court rendering such judgment shall decree its dissolution and shall to that end appoint receivers to wind up its affairs and shall cause all of its assets to be sold in such manner and to such persons as will, in the opinion of the court, restore competition as fully and completely as it was before said corporation or combination began to be formed. The court shall reserve in its decree jurisdiction over said assets so sold for a sufficient time to satisfy the court that full and free competition is restored and assured.

That was contained in the law as it passed the Senate. It is out of the bill as it comes back in the shape of the conference report. It is entirely out. There is no modification of it. There is nothing done; it is entirely stricken out.

Mr. President, I have always contended that in order to successfully solve the trust proposition we must enact laws that would make one of two things certain. If not both, at least one of these two things must be certain. One of them is that you must provide, by proper criminal law, jail sentences for those who organize and control trusts in violation of law. That is one way. Another way is to make it financially unprofitable for anybody or any set of men to organize a trust. I contend that either one of those methods will break up the trusts. If you will send a few trust magnates to jail, that will break it up. If you will pass a law that will make it financially unprofitable to organize trusts, that will break it up; and it will be a sure remedy, because no trust was ever organized except for the purpose of profit.

This bill, if you will take the provisions of the House bill and the provisions of the bill as it passed the Senate, contained both such provisions. It was within the power of the conferees to bring in a bill here that contained criminal provisions and contained other provisions that would make it unprofitable for trusts to organize or for trusts to exist, but they have done neither one. So it was within the power of the conferees to bring a bill here that would give absolute relief and without doing any honest man any injury. What have they done? They have stricken out all the criminal provisions. They have stricken out the provision that would have made it unprofitable for a trust to organize and to be dissolved by the Government. It has been shown here, it is common knowledge that the Tobacco Trust was worth more after the Government got through dissolving it than it was before. It is common knowledge that the Telephone Trust that was dissolved recently under the present administration was worth more after it was dissolved than it was before. We ought to pass a law that would provide that a trust shall pay the Government as a tax a certain percentage of the profit it makes by the dissolution of such a trust by the Government. If we are going to dissolve trusts and make money for them, we ought to give the Government a part of the profits. I believe the trusts would be willing to give a portion of it and would not kick.

Here is a provision that, if it had been enacted into law, whenever a trust was dissolved by a court, would have taken some of the property of that trust; in other words, it would not have been profitable for a trust to organize and have the Government dissolve it. That would have made the business financially unprofitable and would have been an efficient remedy.

The Senator from West Virginia, in quite a long and labored argument yesterday, explained why the conferees took out this provision. The Senator's argument was that, if this provision had been left in, it would have been a harsh remedy; it would have caused too much annoyance to the trust, too much trouble to them to be dissolved, and would have been too expensive for them. Well, if you want to stop the trust business, that is just what you want to do. Is not that true as to every other violator of the law? Could we not say the same of the common thief? Suppose we had before one of our committees an organization of train robbers, and they said, "Now, we want you to change the law against train robbery, because every time we rob a train and the Government gets after us it is too expensive for us; there is too much trouble about it; it costs us too much of our loot to get away; we want the law modified; we would like to have you strike out the penalty, and turn us over to some Young Men's Christian Association or to some Bible class somewhere and have them deal with us." That would be just as reasonable. Here come the trusts, and they say, "Why, here is a provision in this law that costs us something when we violate the law; it makes it expensive if we become violators of the law; if the Government brings suit against us and we are dissolved, we will have to pay some money; we can not stand that; we have been used to being dissolved and making a profit out of it; we do not want such a law as this." The conferees come along and say, "Why, sure, gentlemen, you millionaire trust organizers, when we dissolve you we always give you a bonus on a silver platter and raise the price of your stock on the stock exchanges, so we will not put in this law something that authorizes and directs the court to appoint a receiver to take charge of the assets of your institution."

Mr. CULBERSON. Mr. President——

Mr. NORRIS. I yield to the Senator from Texas.

Mr. CULBERSON. The Senator from Nebraska says this provision "authorizes" the courts to appoint receivers. Does he not recall that it expressly directs and commands them to do so in all such cases?

Mr. NORRIS. Yes. Did I say "authorizes"? I am willing to correct that; it directs.

Mr. CULBERSON. Does not the Senator understand that the existing law authorizes the courts to dissolve combinations in restraint of trade?

Mr. NORRIS. Probably; yes.

Mr. CULBERSON. And to appoint receivers?

Mr. NORRIS. Yes.

Mr. CULBERSON. Well, does the Senator believe that that ought to be done in all cases—that the courts ought to be required in every case to do that?

Mr. NORRIS. I do not know of any case that ought to be an exception, but I am glad the Senator from Texas has called my attention to it, because I realize that in legislative matters a great many minds are better than a few, and our conferees meeting the conferees of the other House, offering arguments back and forth and exchanging ideas, may get ideas that have not occurred to us here. Let us say that this is too severe; suppose there is something in this provision that is wrong; suppose it ought to be modified, then why not modify it? The conferees had the power to do so. Why exclude it altogether? If there is anything too severe in it, then modify it.

The Senator from West Virginia made an argument against this provision as being too harsh, too terrible a remedy to enforce in all cases. Then why not bring the provision in in a modified form? If there is something about it that is wrong, if there is something about it that will hurt an honest man, then let us modify and change it; but let us not strike it out entirely.

I think we ought to provide by law that where a court finds that there has been a trust in existence, it ought to go further and find how much profit the trust has made out of its illegal business, and the trust ought to be assessed a penalty of about twice that profit to be paid to the Government of the United States.

Mr. CULBERSON. Mr. President——

The PRESIDING OFFICER (Mr. LEE of Maryland in the chair). Does the Senator from Nebraska yield to the Senator from Texas?

Mr. NORRIS. I yield.

Mr. CULBERSON. The Senator from Nebraska will recall, doubtless, that in the Tobacco case, reported in Two hundred and twenty-first United States, the Supreme Court of the United States, speaking by the Chief Justice, declared that in the United States courts there are two general remedies; first, the dissolution of combinations by injunction and prevention of entering interstate trade by those combinations and monopolies; and, second, by the appointment of receivers and sales of property. When that general authority exists and those remedies are recognized by the highest tribunal in our land, would not the Senator from Nebraska be willing to leave the matter to the discretion and judgment of the court, as the conferees did, as to whether or not receivers should be appointed?

Mr. NORRIS. No. If I had my way about it, I would enact the provision that is here or some similar provision. I have not had anything called to my attention that makes me believe there is anything wrong with it; but I would certainly be glad, if I had it in my power, to either put it on the statute books or not; I would be glad to listen to some one who claims that there was something wrong about it; and if convinced that there was, I would certainly modify it.

Mr. CULBERSON. Would the Senator from Nebraska be willing for me to have read from the desk an excerpt from the opinion of Chief Justice White in the Tobacco case, giving reasons why in all cases receivers should not be appointed?

Mr. NORRIS. No; I prefer that the Senator should not take my time to do that. We are all familiar with that decision.

Mr. CULBERSON. The Senator was saying that he had never heard any reason given why receivers should not be appointed in all cases, and I was suggesting that Chief Justice White, of the Supreme Court of the United States, undertook to give such reasons.

Mr. NORRIS. Yes; I have read what the Chief Justice said, and I was about to suggest, when the Senator interrupted me, suppose we prosecute a trust, and it has been found guilty, and the court dissolves it, and a receiver is appointed; suppose that in that case it has not done much wrong; suppose, for the purpose of illustration, that it has not been successful, or something of that kind, that it has not any property to amount to anything. There is not anything in particular to do if it has not got control of a long line of trade in a large section of country, if it is confined to a small industry, to some locality or something of that kind, perhaps justice would not demand that anything be done with its property. It might have been a failure financially. In that case a receiver could not hurt it any; if a receiver were appointed there would not be anything to do but to have him discharged; there would not be any injury.

Mr. CULBERSON. But the section which the Senator is discussing expressly declares that there shall be a receiver appointed, and that the property shall be sold in all such cases.

Mr. NORRIS. It might be well to modify that probably, and to provide that the property should not be sold in all cases, but that a receiver should be appointed. Perhaps there ought to be a rule laid down regarding it. I have always thought that we ought to provide by rule of law that the courts should determine, should make a judicial finding as to how much profit the trust had illegally made by reason of its combinations, and then should hold sufficient of that property, take it away from the trusts, perhaps twice the amount, so as to make it unprofitable, so that it would not again go into the business, or even take away from them the property they had unlawfully acquired; at least, they should not be permitted to profit by their illegal methods, and they should not be permitted to keep their ill-gotten gains when they are found guilty.

Mr. CULBERSON. Now, if the Senator will pardon me, the provision reads:

> The court rendering such judgment shall decree its dissolution and shall to that end appoint receivers to wind up its affairs and shall cause all of its assets to be sold.

So this section, if adopted literally, would not only require a dissolution in all cases where monopoly and restraint of trade were proven, but it would require the appointment of receivers and the sale of all the assets, the property of the combination, in every case whatsoever, regardless of the circumstances under which the court found the property surrounded.

Mr. NORRIS. Mr. President, I presume, if we were going to adopt this section literally, what the Senator from Texas says would be true; but I have repeatedly pointed out that we need not take it literally; the conferees could have modified it. Trusts not financially profitable are not prosecuted—they dissolve themselves; they do not get into court.

Mr. CULBERSON. Suppose the conferees on the part of the Senate endeavored to secure a modification, would they not have discharged their full duty to the Senate?

Mr. NORRIS. I do not want the Senator to get the idea that I am urging that the conferees on the part of the Senate have not discharged their full duty. I do not know what went on in the conference room, and I do not pretend to know; but I am pointing out here what I believe to be the objectionable features of this legislation and giving my idea as to what ought to be done by the Senate. Regardless of what happened anywhere or everywhere, regardless of what went on in the conference room, regardless of how faithfully the conferees on the part of the Senate may have endeavored to retain this provision and other Senate provisions in the bill, we have the concrete fact here before us, as I believe, a bill that is almost worse than nothing; that leaves out all the teeth of the antitrust legislation; that gives us a milk-and-water proposition. So far as I am concerned, I should be willing to take the responsibility, if I only could do so, of defeating the bill entirely rather than to have it go on the statute books in that form; for, if we pass this bill, it will be years before we shall have any further trust legislation; the matter will be considered as settled by the party in power; it will be ended, and we will not go any further with it. So, regardless of everything that may have happened—so far as my vote and my influence are concerned, I care not what happened—I know what is before us. I believe it is unworthy of the Senate, it is unworthy of the Democratic Party with the pledges it has made. We ought to send this bill back to conference; and if we can not get anything better out of a conference, we ought to kill the bill if we can, and let the country take it up as it will.

Mr. CLAPP. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Minnesota?

Mr. NORRIS. I do.

Mr. CLAPP. Referring to section 25, which has been stricken out, I desire to remind the Senator from Nebraska that crimes are committed under two conditions, sometimes under the stress of mental duress, brought about either by intense passion or by a strong stress of circumstances in the form of necessity; and some consideration should be shown to those who commit crimes under those circumstances; but no body of men ever organized a trust and carried that trust forward year after year without being conscious of it, doing it deliberately, and under no natural moral stress. They could avoid all the errors that have been depicted as flowing from the enactment of the Senate amend-

ment by simply withholding and restraining from being a trust. The conferees are too merciful.

Mr. NORRIS. There is no doubt about that.

I desire now to refer to another section, which has been stricken out. Section 26 as it passed the Senate provided:

SEC. 26. It shall be unlawful for any corporation engaged in commerce to do any business in any State contrary to the laws of the State under which said corporation was created or contrary to the laws of the State in which it may be doing business. The District of Columbia shall be deemed a State within the meaning of this section.

In the bill as it comes back to us from conference that provision is entirely stricken out and nothing is offered in its place. I am not going to comment further on that.

Mr. President, it seems to me that it can be truthfully said that we will never be able to settle the trust question until we either make it unprofitable for a trust to organize or surround trust magnates with such criminal laws as will make it dangerous for them to organize. That danger, if we resort to that method, must be so certain as to amount almost to a conviction, and when we put into the law little words that will enable them in a court to offer unusual evidence, to secure delays, to resort to technicalities—when we incorporate in the law such words as the word "substantially," which has been so often used throughout this bill in different places by the conferees, we only give the trusts and trust promoters additional avenues of escape.

The kind of legislation that I have outlined would not be harmful to business; it would not injure honest men; it would do no injury to those who were obeying the law. If we want to handle the trusts and trust magnates lightly and gingerly, as this conference bill will handle them, we might just as well give them license to prey upon the people and the country without limit.

I am not moved by the plea that some of the remedies proposed would be harsh. We must make them harsh; we must make penalties that are severe if we would deter men from wrongdoing, and we do so in all other cases. The common individual, the ordinary citizen, the man with whom we do business, whom we meet on the street and in our homes and in our clubs, the ordinary person, has to run these risks. He is liable to criminal laws and to laws controlling his business, and he is sent to jail if he violates them. It is safe to say that it is very seldom, if ever, that the innocent go to jail or are punished. That may happen sometimes, but when you come to deal with a millionaire who has organized a trust, you immediately are stricken with mercy, and say, "We should not be harsh with this man; we ought not to provide any remedy, such as the dissolution of his illegal combination, which would injure him or cause him any worry or cause him any expense or financial loss; we ought to deal gently with him."

Mr. President, it seems to me that, until we are willing to bring everyone before the law without regard to his power, his position, or his wealth, and let everyone stand equally the punishment and the penalty for violation of the law, we can not claim that we are doing our duty to ourselves, to our country, or to humanity.

Mr. CLAPP. Mr. President, in considering this conference report, I find it necessary to deal somewhat with the genesis of the movement and the sentiment out of which this legislation has grown; and in doing that I shall have recourse to certain declarations made by the present Chief Executive of the United States. I shall not deal with this question from a partisan standpoint, because I shall demonstrate unquestionably that the evil back of the present situation is bipartisan rather than partisan.

I hold in my hand a collection of speeches made by the present Chief Executive. Unfortunately, the date of each speech is not given, but the one from which I desire to quote first, I judge from the text, must have been delivered between the time of his election and the time when he took the oath of office. I want to say that, if it were in my power, I would have every young man in America read this work entitled "New Freedom." While I think the President has never sounded the depths of real democracy as a Jefferson or as a Lincoln would have sounded those depths, there is in this work a world of splendid enunciation of fundamental principles. I quote from page 201:

We are at the parting of the ways. We have, not one or two or three, but many, established and formidable monopolies in the United States. We have, not one or two, but many, fields of endeavor into which it is difficult, if not impossible, for the independent man to enter.

At this point I am going to deal for a moment with the question of whether or not any legislation in free government designed to regulate any forces within that government is necessary or desirable. According to my concept there can be but two possible excuses for government. One is that there may be certain benefits that can be derived from the combined force of the people in the association called government which the individual unaided can not secure, such as highways, schools, sanitation, fire protection, and so forth. Aside from those benefits there is only one possible excuse for the burden of government, and that is that there always has been, and is now, a minority, numerically small, seeking—and I prove this out of the mouth of the President himself—to impose unjust burdens upon the many. There are those who fear the tyranny of the many, but the fact is that the eternal struggle of the ages has been on the part of the many to protect themselves from the aggressions of the few. This being true, then it follows that in free government it is necessary and desirable that there should be a constant endeavor made to repress the efforts of that few.

In dealing with this question, as I proceed I shall have occasion to refer to that class of people against whom society finds itself obliged to organize for protection. I want to say at the outset that for one I believe that the great majority of men are honest; I believe that the great majority of those engaged in business are honest; but that there are in our midst to-day those engaged in business who have transferred to the peaceful field of industrial and commercial life that spirit of dominion which that same force lost upon the field of battle goes without question.

Were any additional proof of the desirability of proper regulative legislation necessary I would simply refer to the fact that the friends of this conference report and everyone else in both Houses of Congress insist that the Sherman antitrust law, that great regulative measure which Congress passed years ago, must not be impaired or interfered with. Out of the mouths, then, of the advocates of the conference report I establish the necessity and the advisability of legislation in restraint of inordinate greed and the spirit of commercial and industrial oppression.

This movement began some years ago, and, as I have once before stated upon this floor, the Sherman antitrust law was passed at a time that was most inopportune for the history of that measure itself. Following its passage came the great panic of 1893 to 1897, following that the Spanish-American War, and coincident with that the revival of business. During that long period there was little thought or effort to restrain the growth of monopoly in this country. People then were turning toward and pleading and longing for a revival of industrial activity, but there came a time when the American people began to realize the importance of enforcing the Sherman antitrust law and of defending the principles upon which that law was based.

From 1901 to 1909 there was a marked period of activity along this line. During that period we passed the great anti-rebate law of 1903; we passed the great railroad law of 1906; we passed that law of publicity of which my distinguished colleague [Mr. NELSON] was the author; we passed laws providing for pure food; we passed a great series of laws calculated to relieve the American people and to put some limitation upon the inordinate greed of those who were exploiting the public and gathering to themselves the fruits of that exploitation.

Is it true, as the President says, that we have come to the "parting of the ways"—that not only shall the movement be abandoned, but that the people have abated their interest in their struggle for industrial freedom?

A few days ago my distinguished colleague, who was one of the conferees on this bill and refused to sign the conference report, in answer to some suggestion, I think, of the Senator from West Virginia [Mr. CHILTON], made the statement that the effect of this conference report was to grant immunity to the trusts. If that statement had been made five or six years ago, falling from his lips, with the prestige of his long service, with his knowledge of what law stands for, of his just vision of the rights of mankind, it would have been flashed from one ocean to the other, and the American people would have been shocked at the suggestion that after all the antitrust agitation we were granting immunity. As it was it fell largely upon dull and deaf ears.

The distinguished Senator from Idaho [Mr. BORAH] attributes this to a sort of complacency that has been brought about in the public mind through a propaganda in behalf of "big business." I attribute it more to the fact that preceding the election of Woodrow Wilson there rang from ocean to ocean the utterances of that man as an assurance that if he came to a position of power and influence there would be wise, just legislation in the interest of the people; and the people, listening to those speeches and reading those great essays upon the fundamentals of free government, rest complacently in the

thought that they are in fact being carried out. Coupled with this condition of complacency, undoubtedly, there is a condition growing out of the somewhat disturbed business condition of the country.

So I agree with the President: "We are at the parting of the ways"; and the question now is, assuming the necessity, the advisability of legislation to restrain inordinate greed, Shall we go forward with that legislation, or shall we take a backward step?

I want to say, having been a participant in this legislation, having been a watchful attendant upon these proceedings, without any hesitation and without impugning the motives of any man, that the adoption of the conference report in its present form upon the antitrust bill known as the Clayton bill is an absolute going backward upon this great question.

We began this administration with a plea that there was to be a legislative policy; that we would have tariff enactment, followed by trust legislation; that the trust legislation should consist of three great acts of Congress—one, the Trade Commission bill; another, the bill known now as the Clayton antitrust bill; and the third, the bill to regulate the issue of securities.

During the campaign of 1912 the second leading candidate for the Presidency had taken a strong position in favor of a sort of coordinate control of big business; and perhaps just slightly influenced by that action, although in harmony with his general declarations upon this subject, the present President during that campaign severely criticised that theory of government. I quote again on page 60:

> I don't want a smug lot of experts to sit down behind closed doors in Washington and play Providence to me.

Again, he said:

> If the Government is to tell big-business men how to run their business, then don't you see that big-business men have to get closer to the Government even than they are now?

And now I quote from pages 202 and 203:

> At the least, under the plan I am opposing, there will be an avowed partnership between the Government and the trusts. * * *
> There is no hope to be seen for the people of the United States until the partnership is dissolved. And the business of the party now intrusted with power is going to be to dissolve it.

He carried out that theory and harmonized with it in his later declarations when he declared that legislation should point out these matters which by common experience have come to be recognized as evils.

Quoting now from an address which he delivered to Congress on the 20th of January, 1914:

> Surely we are sufficiently familiar with the actual processes and methods of monopoly and of the many hurtful restraints of trade to make definition possible, at any rate up to the limits of what experience has disclosed.

The experience of the country under the Sherman antitrust law had disclosed three great and acute conditions. In the first place, there had been developed and disclosed this condition of local underselling. That is, a trust or combination would enter some particular locality, put down the price of its article until it had crushed out the local independent concern, and then restore the price, and the monopoly in that particular place would be complete. The Senator from West Virginia [Mr. CHILTON] this morning insisted that we have no right to deal with monopoly locally. But the fact is our right to deal with monopoly does not depend upon the locality where it is attempted to establish the monopoly, but upon the instrumentality that is used, and if that instrumentality is interstate commerce, then our jurisdiction over the subject is complete and whole.

Another evil that had grown up and had been discovered was the so-called tying-in contract.

Another evil that had grown up was perhaps the occasional attitude of a trust in refusing to sell a commodity to any particular individual.

Experience had brought out these three matters in bold relief. The court had held that the tying-in contract, if applied to patented articles, could not be reached under the Sherman antitrust law. The court had enumerated the local underselling as something to be reprehended and as a link in the chain of evidence that might lead to the conclusion that a trust existed.

If, when this trust legislation began, acting upon the advice of the President, which I have just read—

> These practices, being now abundantly disclosed, can be explicitly and item by item forbidden by statute in such terms as will practically eliminate uncertainty, the law itself and the penalty being equally made plain—

Congress had taken these three distinct matters, which experience had disclosed as evils not fully cured by the Sherman antitrust law, declared each and every one of them to be a misdemeanor and applied a penalty, it would have met the situation for trust legislation. It would have left the Sherman antitrust law not only unimpaired by legislation, but unimpaired practically; but now it will be found to be impaired practically by the passage of this bill if it passes in its present form.

In the meantime, however, a change had come. We had come to the "parting of the ways." Recurring now to the year 1912, it was my privilege to sit as chairman of the Senate Committee on Interstate Commerce during the long hearings which were held upon the trust question. One after another, as the great trust magnates came before that committee, with this theory or that, in the last analysis nearly every one reached the point where he wanted a body of men in Washington that he could come to, sit down with, and discuss the situation. It was, then, with much astonishment that I beheld the Executive apparently viewing with favor the proposition to establish a trade commission. He had suggested a trade commission, but had carefully safeguarded in his suggestion giving that trade commission any authority to declare what was or what was not illegal, for he had declared, not in the inexperience of a precampaign speech, but after a year of experience, in his address of January 20, 1914, dealing with trusts and monopolies and referring to a trade commission:

> The opinion of the country would instantly approve of such a commission. It would not wish to see it empowered to make terms with monopoly or in any sort to assume control of business, as if the Government made itself responsible.

The Trade Commission bill, however, came in, and I for one voted for it. I voted for it with some misgiving; but I realized that we can not always have such legislation as we want, and if the Trade Commission bill were fairly and loyally administered, it might prove a benefit to the country. I recognized, however, at the same time—and voted for it with hesitation for that reason—that it enlarges and emphasizes government by men.

Now, of course we all realize that, considered as an abstraction governing and guiding the policies and activities of mankind, there never was and never will be such a thing as government by law. All government, in the last analysis, rests more or less extensively in the somewhat twilight zone of human discretion; but it is desirable to limit as far as possible that twilight zone of discretion. It is in that zone that government breaks down; and the more plain and explicit we can make the mandate of the law the more we narrow that zone of discretion.

I voted for that measure because, as I say, I felt that if it were wisely administered, it might be of service to the country. I am now satisfied that it was part and parcel of a policy of which I believe the President himself was ignorant, of which I believe even the conferees on this bill are ignorant; I mean, of course, the Democratic conferees, who signed the report, for the Republican conferees refused to sign it; a policy to put this Government back into the hands of "big business."

Mr. POINDEXTER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Washington?

Mr. CLAPP. I yield.

Mr. POINDEXTER. The Senator expresses the opinion that the President and the conferees are ignorant of the program which he says he believes to exist. I should like to ask him, notwithstanding their ignorance of it, if he is correct in his belief that such a program is being carried out, whether the President and the conferees are not being made the agents in the carrying out of that program?

Mr. CLAPP. I base my conclusion that they do not understand the full scope of the report upon two facts. First, running all through the President's precampaign speeches and running through his addresses to Congress in February is a spirit that voices service to the public that I can not reconcile with a knowledge on his part of the absolute surrender that is involved, not by the conferees, but in this conference report.

I base my conclusion upon the apologies that are offered for this report which, I say in all seriousness, betrays, to my mind, an utter lack of comprehension of the scope of the conferees' work in this case. So I must say that I believe that neither the President nor the conferees have consciously surrendered to "big business."

Mr. BRISTOW. Mr. President——

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Kansas?

Mr. CLAPP. With pleasure.

Mr. BRISTOW. Does the Senator conclude, then, that the President and the conferees are unable to comprehend what the real purpose of this bill is?

Mr. CLAPP. I conclude that the President is somewhat in the situation that the late great Senator from Iowa, Mr. Dolliver, described ex-President Taft as being in—"surrounded by some very amiable gentlemen who know just what they want."

Mr. BRISTOW. And how to get it?

Mr. CLAPP. And how to get it. I say that in a spirit of regret. When a group of us here broke with the Republican Party in 1909 I realized then that unless the American public could be convinced that the men then in control of the party were not the party, there would be a Democratic President. I realized then as well as I realize now that if that Democratic administration failed, and especially if it failed coincidently with an industrial depression, you could no longer talk altruism to empty stomachs; the people of this country would say, "We want to see the wheels go round," and the tendency would be to put back again into power the very men who, according to my humble judgment, betrayed their party and their country. Therefore, while I hold no brief for the Democratic Party, I wanted to see that party, at least, make good to a point where the spirit of altruism that had been aroused in those years would be able to concentrate and consolidate itself into some political force that might stand as a guiding force in the policies of this Republic.

But we have seen this work go on; we saw the Trade Commission bill pass and then this bill came here, and again I voted for this bill upon the express statement that I hoped and believed the House conferees would insist upon the House provisions which the Senate had stricken out. Let me say again that this criticism is not partisan. As I recall the history of this bill upon the floor of this body, the band of Democratic Senators, headed by the Senator from Missouri [Mr. REED], would have prevented the elimination of some of the valuable features put into this bill by the House had it not been for the votes cast by so-called Republicans. I think the RECORD will disclose this as to several votes, just as in 1909 there was that invisible government standing behind both parties. Seven times in the history of the Payne-Aldrich tariff bill we would have defeated Mr. Aldrich upon a roll call; and once defeated on a roll call, we could have given this country a decent tariff bill; but in every one of those seven emergencies, when they arose, he was able to go on the Democratic side of this body and get the necessary number of votes to sustain him upon the roll call.

I wish the American people could see what is hidden in the misty mazes of the CONGRESSIONAL RECORD; how easy it is for a Senator to stand against the amendment of a bill and then in the end vote against it, when, had he voted for the amendment, it would of itself have defeated the bill. In the consideration of that rank free-trade measure put through the Senate by Mr. Taft, known as the Canadian reciprocity bill, we might possibly have defeated that bill if some of the Senators who finally voted against the bill had voted with us in amending the bill. But a man can stand on this floor and, by the control of amendments, insure the defeat or success of legislation, and then, at the conclusion of that legislative policy, vote for or against the measure. It is this invisible, bipartisan government that is the curse of this country; and its only kindred curse, the only one that rises in dignity to it, is this fetich of party. So I trust no one will accuse me of any partisan bias in discussing this conference report.

I shall only deal with two or three features of the report. In the first place, let me take up section 2. I want to preface it by a quotation from the President which applies to all the efforts that have been made in this bill to deal with the trusts from the standpoint of benevolent, beneficent suggestions on the part of the Government. I quote again from page 203:

> And I don't believe that benevolence can be read into the hearts of the trusts by the superintendence and suggestions of the Federal Government; because the Government has never within my recollection had its suggestions accepted by the trusts. On the contrary, the suggestions of the trusts have been accepted by the Government.
>
> There is no hope to be seen for the people of the United States until the partnership is dissolved. And the business of the party now intrusted with power is going to be to dissolve it.

Referring now to the terms of the report of these three more acute, vicious practices that have grown up, I refer, first, to underselling; and I can not believe that the President is in sympathy with the conference report, because I read again from his book on page 177:

> You know, of course, how the little man is crushed by the trusts. He gets a local market. The big concerns come in and undersell him in his local market, and that is the only market he has; if he can not make a profit there, he is killed. They can make a profit all through the rest of the Union while they are underselling him in his locality and recouping themselves by what they can earn elsewhere. Thus their competitors can be put out of business one by one wherever they dare to show a head.

Now, some years ago——

Mr. BRISTOW. Mr. President, will the Senator yield to me?

Mr. CLAPP. Certainly.

Mr. BRISTOW. The Senator says he does not believe that the President can be in sympathy with the bill as framed in the conference. Does not the Senator know that the President has announced that he is entirely satisfied with the conference report, that he wants it to pass, and that it will pass regardless of this debate exactly as it is reported here by the conference committee?

Mr. CLAPP. I do not know that. I could not know that, because there is no message to Congress embodying that view, but the messages which the President did deliver to Congress, and which I propose to quote, would controvert such a suggestion.

Mr. BRISTOW. As a matter of fact, has it not been stated in the public prints for days and days, and undenied, that the President is in favor of this conference report, that it meets his views, and that he has no doubt of its being adopted?

Mr. CLAPP. Without intending any reflection upon the public prints, I would hardly accept that statement in the public prints, even though undenied, as refuting the deliberate public utterances of the President made on the platform and in addresses to Congress. I should want some stronger proof than that, and I do not intend it as any reflection at all upon the press.

Mr. BRISTOW. If the Senator will pardon me further, does not the Senator know in his own heart that there are in this Chamber a dozen Senators, more or less, a dozen approximately, who would vote against this conference report if they did not know that the President wants to have it adopted?

Mr. CLAPP. No; I would not say that. I think there is a force back, beyond, and disassociated with the President. I say in all sincerity that undoubtedly a great many Senators of the dominant party would like to be in harmony with the express views of the President. The Senator from Missouri [Mr. REED] puts himself in that attitude in his present position in opposition to this report, harmonizing, as it does, his position with the heretofore declared utterances of the President.

Mr. POINDEXTER. The Senator speaks of the force back of the President. Does he mean the treasurer of the American Shoe Machinery Co.?

Mr. CLAPP. No; I do not.

Mr. POINDEXTER. I asked the question, because it is published in the papers, and I agree with the Senator that we can not rely upon information gained solely from that source; but it is published with a good deal of detail and circumstance that in some way or other—I do not know how—the treasurer of that great corporation, with whose action we are all familiar—it has been a public question for a long time—was here in connection with this legislation during the time it was in conference. I know nothing about it, but as the Senator speaks of great forces it occurred to me that possibly he had in mind the forces that have been active in that way.

Mr. CLAPP. I think every man who has been in any way associated with me in the last six years recognizes that the hand of the invisible government is closing down day by day until, quoting again from the late lamented Senator from Iowa, "In its brazen effrontery it has lost its cunning." What this force is, how it meets this situation, how it influences this man or that man, I would not pretend to say; but no student of American conditions can fail to recognize that this invisible bipartisan force, for it knows no party save when it sounds a party slogan to arouse the followers of a party name, surely and certainly is closing down day by day.

Mr. JONES. Mr. President——

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Washington?

Mr. CLAPP. I yield.

Mr. JONES. I have always thought that I appreciated the guileless and unsuspecting nature of my friend from Minnesota, but he discloses it in a stronger light to-day than I really expected. I wish to ask the Senator if he does not recognize the fact that during the last 8 or 10 or 16 months no important legislation has passed this body or any other body until after it has first been really approved by the President of the United States I think our experience demonstrates that; and if that is so, would it not add very much to the credit which should be given to the current newspaper reports that this conference report was first approved by the President before it came in here?

Mr. CLAPP. Undoubtedly, in a broad general way, the President, to say the least, is not putting forth any effort to defeat this conference report. I say it in all candor and in all sincerity. I do not believe the President realizes what is in this

report, and in that sense I repeat I do not believe that he indorses and approves it. As you study this report day by day it discloses more and more the fact that somewhere there has been a complete surrender; items that were good and were put in by the House were stricken out; some items that were good that the Senate put in were stricken out, and we find in this conference report items that are bad that neither House put in. I do not believe, I say with all the force that I can give it, that the President yet realizes, nor do I believe—and it is intended as no reflection upon the Democratic conferees, who alone signed it—that they yet fully realize the complete import of this conference report.

Mr. BRISTOW. If the Senator will yield further——

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Kansas?

Mr. CLAPP. I yield.

Mr. BRISTOW. The Senator is of the view, as I understand him, that the conference report is directly in antagonism to the plain declarations of the President on the trust question.

Mr. CLAPP. In many vital particulars.

Mr. BRISTOW. In many vital particulars.

Mr. CLAPP. One I was just proceeding to state.

Mr. BRISTOW. Now, it must be accepted that the President either does not know anything about what is going on in Congress or he approves this conference report, and I would rather accept the view that he approves it than that he is in utter ignorance of what we are doing, because that is a violent contradiction of what everybody knows to be true.

Mr. CLAPP. No; I do not think we have to accept that alternative. Mr. Wilson has been a student of principles. As I said before, if I had it in my power, every boy in America would read this work on "New Freedom," for while it stops far short in some particulars of being real democracy, it is a wonderful exposition of fundamental principles. The President has been engrossed with the situation with reference to Mexico; he has been engrossed with reference to the European situation. No man can know all that is going on. I do not believe that we are driven to the alternative of either saying broadly that he approves the detail and spirit of this report or else he does not know what is being done. In one sense it is impossible. This Senate and the very Senators who have been discussing this report from day to day, active as they have been—some for a quarter of a century—in the study of this subject, discover from day to day new things in this report. So I do not believe we are driven to the alternative of either in a broad sense saying he does not know it or in a technical sense only that he approves of it.

Mr. BRISTOW. If the President does not know this report which is to be adopted by the majority as it is, is it not time, considering what has been said by the Senator and other distinguished Members of this body, that somebody was advising him as to what is being done here?

Mr. CLAPP. It is time that American Senators rising to the dignity of ambassadors of great States shall take their responsibility for legislation and take the declarations of no man, whether he be within or without the White House. The danger of this one-man power is that no matter how true, how pure, how ideal a man may be in the White House, it is impossible that he shall know all that is going on, and any influence that can surround that situation can work untold injury to this Republic. Therein lies the danger of men humbly bowing their necks to any man who happens to be President of the United States. Therein lies the danger of Senators surrendering their high prerogative as Senators and saying they do this because some man, who can not know as much about it as they, says do so-and-so.

There are men in this body to whom I might refer. Take my distinguished colleague [Mr. NELSON], who for more than 30 years has fought the battles of the people along this line of industrial liberty and freedom in his own State, and has fought those battles valiantly upon this floor, and who was one of the conferees on this bill, but declined to sign the report. Can it be assumed that a man fresh from academic halls and receiving his information only at second hand should be the guiding policy and force to a man who has spent the better part of a lifetime in the study of these problems?

On the passage of this bill and the kindred bills there has been on this floor, for instance, the senior Senator from Iowa [Mr. CUMMINS], who for more than a quarter of a century has been in this work. Shall it be said that a man fresh from academic halls knows more of these questions than a man like him?

Therein lies the danger of Congress tamely surrendering and submitting to a man simply because temporarily, and it can only be temporarily, for 8 or 12 years at the outside, happens to be President of the United States?

I wish the American people could realize the danger that lies in this one-man power at the head of the Government and the influences that may surround him. He may be the very embodiment of honor and high ideals, he may be a man who would not consciously swerve one iota, and yet these great forces, with their powerful machinery for putting forward a propaganda, with their alert agents on every hand, may surround that man and he may unconsciously surrender. It is far easier to thus surround one man by sinister influences than it is to surround 90 men. The safety of free government, the basis of free government, is the broad equation and not the narrow apex. It was that apex that man struggled for centuries to get away from that he might get down to this broader equation. As Mr. Wilson so aptly says in one of these lectures, the reforms come from below and not from above.

It is foreign to our theory of government, it is vicious and hostile to the best interests of the American people that any man, I care not who he is, shall have the power by which he can say by a nod of his head what the alleged and expressed convictions of men shall be upon public questions, when those men have spent a lifetime in the study of those questions, men like the Senator from Iowa [Mr. CUMMINS], now home battling for a return to this body, who has literally sacrificed his health, if not shortened his life, in that great struggle.

Mr. POINDEXTER. Mr. President——

The PRESIDING OFFICER (Mr. POMERENE in the chair). Does the Senator from Minnesota yield to the Senator from Washington?

Mr. CLAPP. I yield.

Mr. POINDEXTER. Is it true that the President has decided that Congress shall adjourn on October 15?

Mr. CLAPP. I do not know.

Mr. POINDEXTER. We read it in the newspapers.

Mr. CLAPP. What the President has decided, in one sense—and I mean it in no sense of disrespect—is immaterial to me. Since I entered this Chamber no man has been the keeper of my conscience, and high as I hold a seat in this great body, I will retire to private life before any man shall become the keeper of my conscience or my judgment. I have perhaps this advantage over some, that I took this same position when the party I was then in harmony with was in power, and I can speak for the freedom of declaration and purpose of a Senator.

Mr. BRISTOW. Mr. President——

Mr. CLAPP. I yield to the Senator.

Mr. BRISTOW. I infer from the Senator's very eloquent and forcible remarks that he thinks this bill would not be approved by the Senate if it were not for the influence of the President behind it.

Mr. CLAPP. I think if the President should put his seal of disapproval upon this bill of course it would not be approved by the majority party. I repeat, and I repeat it in all sincerity and candor, it is impossible for the man in the White House to know all that is in this bill.

The Senator from North Carolina [Mr. OVERMAN] has stood upon this floor and, in response to the criticism that we do not give the man who is wronged by a trust the right to go into court and rely upon the record of the conviction of that trust, has blandly inquired, "Well, we have not taken from him any of the rights he had before." We have had 18 months of trust agitation and legislation, and now the citizen is told, "Get on your knees and thank a benign and beneficent Providence that you have as many rights as you had when we entered upon this legislative career." Does the Senator from Kansas believe that the President of the United States would say "amen" to that suggestion or that thought? It is in that broad spirit that I say again I do not believe the President realizes the contents, the force, and the scope of this conference report.

Mr. BRISTOW. Since the Senator from Minnesota asks what the Senator from Kansas believes, he will state, by the Senator's permission, that he thinks the President knows all about this conference report, just what it contains and just what it does not, and the President wants to have it passed because it does just what it does; that he now is not in favor of enacting into law the things that he advocated in the "New Freedom"; in other words, that he has surrendered his administration to the sinister influences in this Republic, and from now on there will not be and has not been for half a century an administration so abjectly subservient to the Wall Street influences as the present one.

Mr. CLAPP. I can not stand here and acquiesce in that statement in its fullness. I do believe that the invisible government has fastened upon this administration. I believe that invisible government is tightening its hold day after day, and I

believe now what I did not believe when I voted for the Trade Commission bill or for this bill in the Senate, that these bills and the postponed third bill, which will be the great remedy to deal with securities, are part and parcel of a program; but I can not believe that any man possessing the ideals of the President is conscious of this surrender and this betrayal.

Mr. BRISTOW. Mr. President——

The PRESIDING OFFICER. Does the Senator from Minnesota yield further to the Senator from Kansas?

Mr. CLAPP. I yield.

Mr. BRISTOW. Does not the Senator think it is very fortunate that the securities bill, the third bill in the program, has been postponed? Does he not believe that if it had been brought forward and enacted into law it would have been a measure that would have validated all the watered securities that have been set afloat in this country for the last 25 years? Does not the Senator think that the American people are fortunate in having that postponed, considering the experience we are having with this bill?

Mr. CLAPP. Well, I would answer that in this way: I believe in being frank and plain. I believe that eight months ago the one-man power, the party unification, team work, brought the Democratic Party to the verge of a disaster as great as that which overtook the Republican Party from precisely the same cause. I believe that under those conditions, whoever is the personification of this hidden power recognized that there would be in the loss of the prestige of the President and his party an opening of the vision of the American people that would begin to scan these measures, and that that is why that measure probably was abandoned. I believe that same force, emboldened now by the prestige which has come through the misfortunes that have drenched Europe in blood, will again put forth its hand, and if it did, then, as the Senator from Kansas suggests, that bill would probably be another link in the enslavement rather than the breaking of another bar for the freedom and liberation of the American people.

Now, I want to come back to section 2. I was reading what the President said of the vice of local underselling. Some years ago, in what was then called the Northwest, although now it is the Central Northwest, there was an awakening; and I want to say that that sturdy character, my colleague [Mr. NELSON], had much to do with the development of the legislation under that awakening. The people of Minnesota, following the action of Iowa, passed a law relating to local underselling, but of course limited to intrastate traffic, and it was limited to the products of petroleum. That law was subsequently adopted by the States of North and South Dakota, I think Nebraska, and I think also Arkansas. The hearings which we held in 1912, when Mr. Bartles, the head of one of the independent oil companies, came down here, showed how efficient that legislation had been. Not only had it enabled the independents to stand up against the Standard Oil, but it had so broken the monopoly of the Standard Oil that it had loosened its hold upon the railroads.

In former years, Mr. Bartles testified, if he would seek permission from an official of a certain railroad to build a warehouse he would be told in a few weeks that the official regretted it very much, but he could not have the site for the warehouse; but after this law became a fixed fact and had been sustained in the supreme court of that State—and I may say it was subsequently sustained by the Supreme Court of the United States—so thoroughly had the law armed the independents of that locality that even that railroad got out from under the spell of the Standard Oil, and the independents could then secure sites for their little warehouses along the trackage of the railroad.

I can realize how careful men may hesitate to project themselves into an untried zone or pathway of legislative and administrative policy, but here it had been tried and proved effective. That law provided that if a concern sold at one locality for the purpose or with the effect of crushing a competitor or creating a monopoly—not world-wide, as this conference report has it, but a monopoly in a locality—it was prohibited and punishable by law. It was my honor to introduce a bill in the Senate on the 7th of April, 1913.

The House brought over a provision to prevent local underselling which read as follows:

SEC. 2. That any person engaged in commerce who shall either directly or indirectly discriminate in price between different purchasers of commodities in the same or different sections or communities, which commodities are sold for use, consumption, or resale within the United States, or any Territory thereof, or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, with the purpose or intent thereby to destroy or wrongfully injure the business of a competitor—

That was a very plain, simple declaration. If the effect was to crush the competitor, then the proof was complete without the question of intent, and the fact of a competitor being crushed out was a matter easy of proof, and the crushing out of the competition in a locality, it would be easy to prove, tended to monopoly in that locality. The bill came over with that provision, and it also contained a provision for imprisonment and fine. The Senate declined to put that provision in. I offered it as an amendment, but after the repeated defeats here to put amendments in the bill I did not ask for a call of yeas and nays upon the amendment. I voted for the bill reluctantly, but in the hope that the House conferees would stand by the House provision. Now, the conferees have put in this provision:

SEC. 2. That it shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly, to discriminate in price between different purchasers of commodities, which commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, where—

Not where the effect would be to destroy the business of a competitor and create a local monopoly, which would be easy of proof, but they have made a test here that it is absolutely impossible to prove—

where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce.

But the Senator from West Virginia says we have no right to deal with local monopoly. How can you ever deal with general monopoly until it has assumed proportions that would crush and paralyze the business of the country unless you can deal with it locally? It would be easy to prove that underselling had crushed the competitor, and the crushing of that competitor would be proof that it was tending toward monopoly in that locality; but take the Standard Oil Co., with its world-wide ramifications, will any man say that crushing out a competitor at Bismarck, N. Dak., would tend to create a monopoly in the line of industry and in the line of the Standard Oil business?

Mr. CHILTON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from West Virginia?

Mr. CLAPP. I do.

Mr. CHILTON. The Senator from Minnesota quotes me as having said that Congress has no power to deal with a local monopoly. The Senator is mistaken in that quotation. I did not say that. I said that a monopoly is a monopoly, and that the only kind of monopoly with which the Congress can deal is one which affects interstate commerce, and that inserting the phrase "in any section or community" adds nothing to the section; or, if it could have any force or effect whatever, it would be to restrict competition. I did not say that Congress did not have that power.

Mr. CLAPP. I may have inadvertently misquoted the language of the Senator from West Virginia, and if so, of course, desire to correct it, but the language the Senator quotes was uttered in response to my criticism that this conference report took out the local monopoly. I will leave it to every Member of the Senate if, in connection with that criticism and his answer, I was not warranted in the statement which I made.

Mr. CHILTON. Of course, the Senator can persist in misquoting me if he desires to do so; but I still say to him that he has misquoted me, and I still repeat what I said originally. Of course, the Senator's peculiar theory could not be upheld, except on the line of argument he is making now, and I do not object to it. I have said what I had to say on this subject, and I still repeat to him that I said only what I repeat now, that a monopoly is a monopoly, and that the Congress can deal with it only as it affects interstate commerce.

Mr. CLAPP. Then I submit that I am warranted in saying that the Senator takes the position that you can not deal with monopoly locally.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Missouri?

Mr. CLAPP. Yes.

Mr. REED. I call the attention of the Senator to section 7, to which the conferees themselves have added to the language of that section in conference the words—

or to restrain such commerce in any section or community.

And they have added that language twice in the same section.

Mr. CLAPP. Not only have they taken out the penalty in section 2, but they have actually traveled outside of the declaration of either or both Houses, and provided that it shall only

be reprehensible when it tends to establish monopoly in the line of commerce. Several times during this discussion the conferees have insisted that their task was a delicate one; I know that to be true, having often served upon conference committees; but here is a place where a matter is put in that was not within the action of either House of Congress. Neither House prescribed as the reprehensible feature the tendency to monopoly in the line of business. Not only have the conferees taken out the penal clause, but they have practically made it impossible to get any benefit from that provision, for you can not, in a little town where the great Standard Oil Co. reduces its price to crush the independent dealer, prove that the elimination of that little dealer tends to monopoly in the business of the Standard Oil Co.

I see the Senator from Kansas [Mr. BRISTOW] is still here. I want to say that I do not believe the President of the United States senses the fact that not only the penalty is taken out of this provision, but the very possibility of a conviction is also eliminated from it. Section 3 prohibited the refusal to sell coal, oil, and similar products. Of course that was not put in by the Senate, and the conferees might have been justified in the last analysis in yielding; but I can not understand how a provision put in by the other House and left out by the Senate could be eliminated without the acquiescence of the Senate conferees. Then there was the second point that occasioned this agitation for more trust legislation—first, local underselling; and, secondly, the refusal to sell to particular purchasers.

We now proceed to the tying-in contract. There was a vice that the court had said it could not reach, because as to patented articles they were not subject to the Sherman antitrust law. The House put in a provision penalizing the tying-in contract. The Senate amended that by applying it to articles patented or unpatented. All that could have been necessary, assuming the loyalty of the House conferees—and we must assume their loyalty—all that was necessary was for the Senate conferees to consent to striking out the words "or unpatented." We would then have had a complete enforceable provision against the tying-in contract as to patented articles; but, instead of that, the conferees put in this language:

Where the effect of such lease, sale, or contract for sale or such condition, agreement, or understanding may be to substantially lessen competition or tend to create a monopoly in any line of commerce.

I should like to see the lawyer bold enough to go into court upon a complaint that a tying-in contract at the town of Delphi, Ind., tended to create a monopoly in an industry that had its ramifications from one ocean to the other; and thus the section was emasculated by this, to say nothing of bringing in this new term "substantially." We have had a long experience with the Sherman antitrust law; we have had that law defined and worked out; and all we needed was to take, in the words of Woodrow Wilson, the specific acts which experience had uncovered and developed, and condemn them by legislation and the imposition of a penalty; yet we have here a conference report in which there is no longer the prohibition against the refusal to sell; we have a conference report in which the law against local underselling has been absolutely so emasculated as no longer to make it worth the paper upon which it is written.

We have another provision relating to the tying-in contracts, which, I submit to any man in this body or elsewhere, is rendered nugatory by the difficulty of trying to prove that one contract or lease connected with a patented article would tend to prove a monopoly in a business that had its ramifications throughout the length and breadth of this broad land; yet we are told that the President approves of the details and spirit of this conference report. For one, I say again in all candor and fairness, I can not believe that that is true.

We now come to the effect of the judgment. We have again the views of the President in an address delivered to Congress on the 20th of January, 1914. It requires a long and sustained effort to bring one of these great combinations to the bar of justice; it requires the expenditure of a vast amount of money; and it had seemed to us, and it seemed to the President of the United States, not only in his preconvention, preelection statements, when he had not faced the exigencies that surround that great office, but after he had been in that office for a year it seemed to him that one of the things that was unjust and unfair was that a man injured and wronged by a trust should have to travel over the same road again in his suit for damages that the Government had traversed in bringing the trust to the bar of justice. So he said this to Congress:

It is not fair that the private litigant should be obliged to set up and establish again the facts which the Government has proved. He can not afford, he has not the power, to make use of such processes of inquiry as the Government has command of. Thus shall individual justice be done while the processes of business are rectified and squared with the general conscience.

So a provision was placed in the bill by the Senate which read:

SEC. 4. That a final judgment or decree heretofore or hereafter rendered in any criminal prosecution or in any suit or proceeding in equity brought by or on behalf of the United States under the antitrust laws to the effect that a defendant has violated said laws shall be prima facie evidence against such defendant in any suit or proceeding brought by any other party against such defendant under said laws as to all matters respecting which said judgment or decree would be an estoppel as between the parties thereto.

There were certain of us who wanted to make that judgment conclusive, but the Senate seemed to get somewhat entangled in a maze upon the doctrine of estoppel. The doctrine of estoppel was not involved. If a trust is sued and a judgment is entered against it, of course that judgment is only binding between the parties to the suit; but that judgment is a solemn record and stands there for all time as a judgment of the facts covered by the judgment, and you can not get away from it.

If a judgment were taken against me 25 years ago on a promissory note, the record would be there yet, and, whether it would reflect credit or discredit on me, I can not escape its consequences. It was a question of evidence, and not a question of estoppel; but the Senate took the other view, and provided that such judgments should be only prima facie evidence. Now, what has been done in conference? The provision has been made to read as follows:

Provided, That this section shall not apply to consent judgments or decrees entered before any testimony has been taken: *Provided further*, That this section shall not apply to consent judgments or decrees rendered in criminal proceedings or suits in equity now pending in which the taking of testimony has been commenced but has not been concluded, provided such judgments or decrees are rendered before any further testimony is taken.

As has been stated by my distinguished colleague [Mr. NELSON], by the Senator from Missouri [Mr. REED], and by others, of all forms of judgment, that you have a right to apply against the man against whom the judgment was rendered, is the judgment that the man himself confesses. There is in a plea of guilty no opportunity for passion or prejudice; there is no opportunity for error on the part of the court; the trust comes in and solemnly admits its guilt. It can always plead that judgment as an estoppel in any suit against it as to the matters covered by the judgment, but that judgment can not be used by a litigant who seeks to recover damages at the hands of the trust.

Now we are told that that provision takes away no privilege which the citizen previously had. Imagine the citizen listening to these ringing words of the President——

Mr. OVERMAN. Mr. President, my friend from Minnesota is always so fair, candid, and honest in everything he says—he has that reputation—that I think, on reflection, he will change his statement. I did say what he says, so far as the amendment is concerned, that no man was deprived of any right that he now has, but I also said that an additional remedy was given to him, in that we provided that judgments in cases hereafter, where testimony has been taken, can be used as prima facie evidence in all cases brought. Therefore we have given to the citizen, in addition to the remedy he now has, an additional remedy, so far as the future is concerned, and we have not taken away by the statute any right which he now has. The Senator is correct in that; but I think, in justice to me, he will admit the correctness of my statement as to the additional right afforded, so far as the future is concerned.

Mr. CLAPP. I myself think that it is pressing a man, perhaps, who ought not to be pressed, and I think, on reflection, that the Senator did not mean to justify 18 months of legislative travail with the declaration that we brought forth a bill that took away no rights from the American citizen. I was going to draw a picture of that and a picture of the citizen as he listens, first, to the address of the President and then to this assurance, but I myself feel that probably it was an inadvertence on the part of the Senator.

Mr. OVERMAN. The statement was made by way of interruption, that it did not deprive the citizen of any right he now has.

Mr. CLAPP. Does the Senator still justify this change on the ground that after 18 months deliberation we have not taken any right away from the citizen?

Mr. OVERMAN. We have taken no right away, of course.

Mr. CLAPP. Is that the criterion of legislation?

Mr. OVERMAN. I am satisfied the Senator does not understand me at all. The Senator was arguing upon this section of the bill as to the use of the word "hereafter," where it is provided that hereafter a judgment could be used as prima facie evidence, and I said that we had not deprived any citizen of any right he now has.

Mr. CLAPP. No; I was arguing on the proposition that while you leave as to subsequent litigation a prima facie effect upon a judgment that is obtained in the course of litigation, you take away that prima facie effect when the criminal comes into court and solemnly admits his guilt. It was in response to that criticism made by my colleague on the first day of this debate, that the Senator made the reply "We have taken nothing away from the citizen he did not have before."

The vice in that proposition is that while we still make a judgment in litigation instituted hereafter prima facie evidence in a suit brought by a private citizen, we erect a "city of refuge" for the criminal who comes to the court and confesses his guilt. The old Mosaic law did not provide a "city of refuge" for that kind of a criminal. It built its "city of refuge" for the man whose ax slipped from its helve and whose neighbor thereby was slain; the man who sinned by accident could avail himself of this privilege; but here you have erected a "city of refuge," to which the trust magnate can flee by going into court and admitting a judgment pro confesso or pleading guilty in a criminal case and receiving a little fine, and then the great fact of its being a trust, which otherwise would have cost hundreds of thousands of dollars perhaps to establish, but which in its own sense of guilt it has confessed, is withdrawn as an aid to the litigant who has been robbed, ruined, and wrecked by the processes of the trust. Yet you call that "remedial legislation," in the face of the declaration of the President, which I will read again:

It is not fair that the private litigant should be obliged to set up and establish again the facts which the Government has proved.

Again, if it is intended to lead an innocent man to confess a crime, then it violates the very spirit of American law and American justice. You have got to take one horn or the other of this dilemma. If it is held out as an invitation to innocent men to brand themselves with guilt to avoid prosecution, then I say it does violence to the very spirit of our institutions. If it rests upon the theory that the self-confessed criminal can escape the effect of his crime by pleading guilty, then it violates another cardinal principle; and either horn is a violation of the spirit of American government and of American jurisprudence.

With the interruptions that have come I have taken more of the time of the Senate than I had intended. There is, however, one other point which I am going to develop. I want to say again that I do not charge that there is a want of sincerity on the part of the conferees who signed the report, but I believe, in the light of the defense which has been made of this report, that they do not yet comprehend its force and scope. I turn now to section 7 of the conference report, which provides—

That no corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of another corporation engaged also in commerce where the effect of such acquisition may be to substantially lessen competition between the corporation whose stock is so acquired and the corporation making the acquisition, or to restrain such commerce in any section or community—

Here we find the language so often taken out of the House provisions by the conferees restored in conference in this particular section. Superficially it would seem that perhaps this provision was put there for the purpose of public service, but when you come to analyze that section you find in it the same fatal vice that is apparent in other provisions. I proceed—

or tend to create a monopoly of any line of commerce.

Of course when it comes to the question of restraint of commerce, an unfair practice, while it lasts, is no restraint of trade; even an unfair practice in the crushing of a competitor may not be a restraint of trade; and so the restraint of trade is limited to the locality where there could be no effective restraint of trade, but the monopoly that would come in that same locality from the crushing of the competitor is delocalized and made general. I read further:

No corporation shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of two or more corporations engaged in commerce where the effect of such acquisition, or the use of such stock by the voting or granting of proxies or otherwise, may be to substantially lessen competition between such corporations, or any or them, whose stock or other share capital is so acquired, or to restrain such commerce in any section or community.

The act prohibited does not restrain commerce in the particular section or community, but it may make a monopoly in that community; but this provision takes out the locality of the monopoly, and it must be world-wide.

Mr. NELSON. Mr. President——

The PRESIDING OFFICER (Mr. O'GORMAN in the chair). Does the Senator from Minnesota yield to his colleague?

Mr. CLAPP. Certainly.

Mr. NELSON. I want to call the attention of my colleague to the frequency with which the words "substantially lessen competition" have been used in this bill.

Mr. CLAPP. Yes.

Mr. NELSON. Is the Senator of the opinion that the insertion of those qualifying words weakens the case?

Mr. CLAPP. I would not only say that they weaken it, but practically emasculate it, and threw us into a zone of uncertainty and doubt of interpretation that will produce varying results from one ocean to the other. The Senator was right when he made the attack upon the word "substantially" the other day. It has no place in this legislation.

It has been found that certain acts do violate the spirit of the antitrust legislation, and the efficient way of dealing with those acts would be found in defining them, prohibiting them, and providing penalties for them. When we reach in this section the provision in regard to the creation of a monopoly, which is or may be a very different thing from restraint of trade—for trade may go on even in larger volume than before—then the words "trade in any section or community" are stricken out, and the words "line of commerce" substituted. While the transaction in one locality would not restrain trade in that locality—trade might even swell at that particular point—how would you ever prove that that transaction tended to create a monopoly in the case of an enterprise, an organization, a trust, whose ramifications and industries perhaps encircled the globe? No; unconsciously—I am constrained to believe—there has been created in this report, from start to finish, a "city of refuge."

I turn now to the concluding paragraphs of this bill. The Senator from Nebraska [Mr. NORRIS] had inserted in the bill in the Senate a provision that when a trust was found guilty it should be dealt with just like any other institution, a decree issued for the sale of its effects and the appointment of a receiver.

If this country could once witness one complete triumph of the Government over one single trust we would have less need for trust legislation. The victory of the Government over the Tobacco Trust and over the Standard Oil Trust was complete so far as securing the judgment was concerned. It is due, and it is a pleasure to me on this occasion to pay a tribute to a townsman of mine who was instrumental, in the Standard Oil case, in bringing about that result. Keen and alert, devoting his time and his energy to the task for a long period of time, that great combination was finally brought to the bar of justice. Then what happened? It was put upon a personally conducted excursion which finally resulted in the increased value of the stock of the subsidiary companies that composed that great trust.

The court was not to blame for that. It was the mistake of courts entering the domain of business. There was the fatal error. If we are justified in seeking to prevent trusts, then, appalling as the financial result might have been in the case of the Tobacco Trust—I think it was in that case that the Chief Justice stated the reasons why a decree of sale should not be entered—far-reaching as the effect of that decree might have been, one such decree, one such effect, would have done more to deter the creation and maintenance of trusts in this country than all the legislation we can enact.

Now, after 18 months of legislation we have a Trade Commission which violates a principle which was one of the cardinal features of the campaign of 1912. We have this Clayton bill, so called, the antitrust bill, with a report of the conferees that absolutely strips it of its strength, of its vigor, and of its value. There has been a mistake made here on the part of some in assuming that this involves the conferees. The conferees went out and brought in their report, and now it is for the Senate to say whether or not we will accept the report. Its rejection is no reflection upon the conferees. Its rejection is simply the declaration of the attitude of the Senate itself. I, for one, hope that the Senate will be able to reject this report; that whatever this mysterious force is that to-day is closing down upon this Government, it may here meet a Waterloo; that whatever that force may be in its personal equation, it will find that it is unsafe to put forth its tentacles to smother the aspirations, the hopes, and the purposes of the American people.

In the words of the President we stand at the "parting of the ways." We shall either go forward in that great work begun years ago, and justified by the experience of our people, and justified in the very cardinal tenet of free government itself—the necessity of regulation to hold back and repress those who would commit wrong—or we shall go back, and let this Government lapse into the hands of these great forces.

I, for one, do not believe the American people will stand for the latter. I realize now that they are in a measure somewhat

disposed to follow not the language of these reports, but the language of these great speeches and great essays that were delivered by the President of the United States, and under the spell of those speeches and lectures they fondly dream that those policies are being carried out. But what would the man say, I repeat, the citizen of this country, who listened to Woodrow Wilson when before the assembled Houses of Congress he solemnly declared that the American citizen was entitled to the fruits of the litigation that the Government had carried on against the trusts, to be calmly told now that while he is not given those fruits, no liberties, no rights, of his have been taken from him?

No; I do not believe, with the Senator from Idaho, that the American people have abated their interest in this struggle for industrial and commercial liberty. It has cost too much. It cost the American people the life of that great Senator from Iowa, Mr. Dolliver, who truly fell a martyr to the cause of industrial liberty. It has cost the health of that other great Senator from Iowa, Mr. CUMMINS; and it has cost, I fear, too permanently, the health and strength of one who has not been able in this struggle upon this conference report to lend his voice, his heart, and his purpose to the cause of the people, Mr. LA FOLLETTE. He suffers to-day from the sacrifice he has made for industrial liberty and commercial freedom. All over this land the people realize this cost and these sacrifices; and while they may be for the time confused by this bewildering maze of legislation, while they may be for the time being enthralled by the glowing sentences that were uttered upon the platforms before election, and to Congress before legislation took shape, I believe that when they come to realize that this sinister force has exerted its influence and has played its part in this legislation, there will be an awakening—a revolt by the side of which the awakening and revolt of two years ago was but the prelude.

I thank the Senate for its kind indulgence. I did not intend to speak so long, although the interruptions have somewhat prolonged my remarks.

Mr. CULBERSON. Mr. President, I send to the desk a unanimous-consent agreement which I propose in regard to the report of the conferees.

The PRESIDING OFFICER (Mr. O'GORMAN in the chair). The proposed unanimous-consent agreement will be stated.

The SECRETARY. The Senator from Texas asks unanimous consent that at not later than 4 o'clock p. m. on to-morrow, Saturday, October 3, 1914, The Senate will proceed, without further debate, to vote upon the disposition of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments to the bill H. R. 15657, "An act to supplement existing laws against unlawful restraints and monopolies," and so forth.

Mr. NELSON. Mr. President, I would suggest to the Senator from Texas——

Mr. CULBERSON. I was about to suggest that I think the proposition is within the spirit of the rule recently adopted by the Senate, and that a roll call is necessary.

Mr. CLAPP. Mr. President, I think a roll call will not be necessary. I shall not object if at the close of to-day's session we have not reached a vote; but I do not feel that at this time, with some two hours and a half before us, we ought to preclude ourselves from voting this afternoon.

Mr. VARDAMAN. Mr. President, a point of order. The proposed unanimous-consent agreement can not be concluded, under the rules, without a roll call.

The PRESIDING OFFICER. The Secretary will call the roll.

Mr. NELSON. Mr. President, I want to suggest to the Senator from Texas to make it the same hour next Monday.

Mr. CULBERSON. I will ask the Secretary to change it to Monday, October 5.

The SECRETARY. It is proposed that at not later than 4 o'clock p. m. on Monday——

Mr. CULBERSON. How would it suit the Senator to fix it at 2 o'clock Monday, instead of 4 o'clock?

Mr. NELSON. I think we had better have it at 4 o'clock. That will give us ample time.

Mr. CULBERSON. Very well.

Mr. VARDAMAN. Mr. President, I make the point of order that this unanimous-consent agreement can not be made without a roll call.

Mr. CULBERSON. I have suggested that, in my judgment, it is within the spirit of the rule.

The PRESIDING OFFICER. The Chair desires to state that unanimous consent can not be granted without a call of the roll, but that if there be an affirmative objection, as was suggested a moment ago by the Senator from Minnesota, that disposes of the matter without a call of the roll.

Mr. CLAPP. Mr. President, I gather from the suggestions of the Senators that we would not reach a vote this afternoon, anyhow, and I therefore withdraw any objection.

Mr. NELSON. Mr. President, I think we had better have a roll call on this proposal.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the name of Mr. ASHURST.

Mr. REED. Mr. President, I have no objection to the roll call, of course, but I wish to offer a suggestion to the Senator from Texas.

I do not want to delay the passage of this bill one moment beyond the time when the Senate is ready to vote. If I were sure the Senate would be in session to-morrow, and we would have a quorum here, so that the consideration of this bill would go on, I should say that the time fixed in the suggestion of the Senator—Monday—was long enough. What I am fearful of is that we will meet here to-morrow morning, having this unanimous-consent agreement, Senators understanding that there will be no vote until Monday——

The PRESIDING OFFICER. The Chair desires to state to the Senator that under the language of the proposed unanimous-consent agreement a vote may be taken at any time, even to-day, because it provides that a vote shall be taken not later than at 4 o'clock on either Saturday or Monday, as the case may be.

Mr. REED. I understand that that is the language, but my experience with these unanimous-consent agreements is that as soon as a unanimous-consent agreement is made fixing an hour, deliberation at once ceases until very shortly before that hour. Now, to-morrow being Saturday, with the very small number of Senators now in Washington, and with the extreme probability that to-morrow morning we may develop the lack of a quorum, I doubt the wisdom of making this agreement. I do not want to be put in the position of objecting. It seems to me that if the Senator would ask for this consent some time to-morrow we would grant it.

Mr. SMITH of Michigan. Mr President, is the request for unanimous consent now before the Senate?

The PRESIDING OFFICER. Yes.

Mr. SMITH of Michigan. Is it subject to objection?

The PRESIDING OFFICER. Yes.

Mr. SMITH of Michigan. I object.

Mr. OVERMAN. Mr. President, I should like to know what the request was.

The PRESIDING OFFICER. The request for unanimous consent is that the Senate proceed to vote on the pending measure not later than 4 o'clock either to-morrow or on Monday, and an objection has been made by the Senator from Michigan.

Mr. OVERMAN. Does the Senator object to Monday?

Mr. SMITH of Michigan. Yes; I object to any attempt to facilitate the passage of this bill. I feel that it is not a good bill, that it is not desirable legislation, that it is uncalled for, and amounts to a practical abandonment of the Sherman antitrust law. This I greatly regret, and will not give my consent to such a reckless purpose. I am still hoping that there may be some interposition of Providence to prevent the consummation of this Democratic surrender of a great fundamental principle of government. I object.

Mr. MARTINE of New Jersey. Mr. President, I desire to give expression to a few thoughts that have come to me with reference to this bill. I present no thoughts of law, for I have none to express; but what matters it, Mr. President, for a million men and more in this land have never heard of Blackstone, and they care naught for his doctrines or teachings, and yet they are splendid citizens and stout defenders of this Republic. In fact, there are multitudes who have contempt for man-made and man-written law.

I feel that the passage of this bill will tend to increase their prejudices, for a law to be respected must be just and must be impartial. This measure, as I read it, is not impartial to the citizens of our land. Our citizens as a mass believe in God's law of eternal justice, and for this they will contend.

This bill as it comes from the conference committee does not give this to our countrymen. Mr. President, I have been in almost constant attendance in my seat during the sessions of the Senate. I have participated in the discussion on and voted for or against the various amendments that have been proposed to this measure—the Federal antitrust bill. I did not vote for or against these amendments as a partisan. No thought of Democrat or Republican ever entered my mind. I voted as a Senator of the United States, free from selfish purpose or animus. I voted for this measure because I believed it would

bring relief from a condition which was bearing heavily on and destroying independent business throughout the length and breadth of our country. I voted for it because, as a citizen of New Jersey, I had seen the evil of the trust system. For years I had been appealed to by my fellow citizens asking if something could not be done to bring relief.

Mr. President, I voted for this bill because I had pledged my fellow citizens that I would vote to stay and punish the arch-conspirators and violators of law. I pledged my fellow countrymen that I stood on this subject with the declarations of Woodrow Wilson, insisting on personal guilt, that these violators of the law should serve time behind the bars. Now, imagine my great surprise and dissatisfaction when I find the penalties are practically withdrawn.

I have been told by Senators for whom I have the greatest respect, both for their legal ability and their political principles, that it was my political duty to stand by this report. This, Mr. President, I repel and deny. I deem it my duty to stand by that which I deem right, and this thought has prompted every vote I have cast in this body. I had felt that this report should be sent back to conference, that it might be shaped and molded to the interests of justice and in harmony with our party's promises.

So jealous and earnest was I in regard to the wisdom of passing the so-called Clayton bill, and so conscientiously did I vote for its provisions inflicting penalties on wrongdoers, that I now view with alarm the omission of these penalties from the conference report. I do not seek the death of the measure, but I seek to make it stronger. I fear that to adopt the conference report will so weaken the measure as to destroy it.

Mr. President, I am admonished by friends that there is much in this bill of value to labor, and hence it is my duty to stand by it. As I read the measure, there is no more there than rightly belongs there, and not a word more than labor richly and honestly deserves. Nor do I believe there is a Member of this body nor of the House who would vote to detract a word therefrom that would tend to place in jeopardy the rights of labor. I have no fears upon this score from recommitment.

Mr. President, other kindly disposed friends have urged upon me that it would be well at this time to ease up on the penalty clauses. Let me recite to the Senate a little experience that came under my observation in my own State:

Two young men had gathered together a few thousand dollars. They chose to embark in the tobacco and cigar business. After a short experience, a store of the United Cigar Stores Co., an offshoot of the Tobacco Trust, located near by and proceeded to cut prices to a ruinous degree. As time wore on the little capital of the boys fast faded out. Finally, for some infraction, either real or fancied, of the revenue laws, the firm was closed out, the little stock confiscated, and the young merchants were out of business because they had violated the laws of the great United States. A reprimand would never do, they were told. "An eye for an eye and a tooth for a tooth" was the inexorable decree of the law; and to-day these young men are in business no more.

In the face of this tale you ask me to vote for a measure that will administer a gentle "Go thou, and sin no more" to the great violators of our law. No, Mr. President, I can not, I will not. Further, let me state that all this happened within a few miles of the gorgeous home and glorious gardens of some 3,000 acres, which fairly rival the splendors and beauty of Babylon of old, the home of Duke, the president of the Tobacco Trust. Ah, no!—a thousand noes! I would not dare face my fellow citizens. I have too often inveighed against this evil to shut my eyes now, stop my ears, and still my tongue against the cruel and the horrid wrongs that have been perpetrated against my countrymen.

I feel that I violate no confidence in this presence when I state to the Senate that in a conversation only yesterday with the author of this original bill, Judge Clayton, he did not hesitate to express his sincere regret and disappointment that the penalties embodied in the bill had been eliminated. I appeal, let the Senate of the United States insist that these penalties that have been eliminated in conference shall be restored as they came from the brain and the hands of its illustrious and patriotic author.

Mr. REED. Mr. President, before the Senator takes his seat, I am not certain that I understood one statement he made. Do I understand the Senator to say that Judge Clayton, the author of this bill, or the chairman of the committee that reported it, had made some request or statement about it?

Mr. MARTINE of New Jersey. He made no request. It was simply in conversation. I will say that I have great admiration for the patriotism and the splendid ability of Judge Clayton. I met the judge yesterday in company with his wife, and naturally the topic turned on what we were doing in the Senate. I said: "We are thrashing over the Clayton bill. Is that a familiar sound to you?" "Oh, yes," said he. I said: "It has been changed somewhat, since it came out of conference, from the bill as it was first presented. The penalty clauses have been decidedly and sadly eliminated." To which he responded: "Yes; I view with deep regret and disappointment the fact that that is the case."

Mr. WALSH. Mr. President, for the purpose of setting the Senator from New Jersey right about a matter as to which he seems to be in error, as I am sure he desires to be correct about it, I desire to say to him that the penalties were all taken out of the bill on the floor of the Senate and not by the committee.

Mr. MARTINE of New Jersey. Well, they are out to-day; and, by the eternal gods, I will not vote for any measure that will not put them back again. That is the way I feel about it. [Manifestations of applause in the galleries.]

The PRESIDING OFFICER rapped for order.

Mr. McCUMBER. Mr. President, I move that the further consideration of this conference report be postponed until the first Monday in December, 1914, and I wish to give my reasons for this request for postponement.

For five days now our most able Senators, the best lawyers in the Senate, those who can talk most rapidly and most concisely, have been presenting the evil elements in this bill. If it has taken those Senators five days to enumerate the vicious points in the bill, it is quite evident that it will take some time to explain each one of the propositions that have been presented, and it will require some time for us to absorb the information concerning it. Now, while this is going on the Democratic members of another committee are considering the matter of levying a special tax to collect another hundred million dollars from the American public.

Mr. President, you will see the evil of considering any matter by a mere partisan portion of a conference or any other committee. The conference report now before the Senate evidences the trouble that naturally follows when our Democratic friends refuse to consider any suggestions from the Republican side or from the Republican members of the same conference.

I fear the consideration of this measure will take up considerable of the time between now and the date of a proposed adjournment. While we are discussing this conference report the Democratic members of the Committee on Finance, behind closed doors, are concocting new schemes of taxation. As we the Republican members of that committee are not invited to meet with them, I purpose to take occasion now to present some thoughts and facts for their consideration, presenting the Republican view, with the hope that at least they will be read, if not considered, by the Democratic members of that committee.

Mr. OVERMAN. Will the Senator allow me to interrupt him?

Mr. McCUMBER. Certainly.

Mr. OVERMAN. In regard to the Senator's motion, I should like to ask him whether he proposes to press it this evening or whether he will allow it to be pending.

Mr. McCUMBER. I purpose to allow it to be pending beyond this evening.

Mr. President, the Government must not be allowed to disclose an empty or bankrupt Treasury. Its bills must be paid as they become due. An acknowledgment of its inability to meet demands upon it would be a calamity. This condition, however, is close at hand in this country, and we are called upon to meet it. The question now is, How shall that condition be met? How shall that catastrophe be avoided? There are only two ways—increase the burden of taxation on a people who are already suffering from the stagnation of business due to your tariff law of 1913, or give your note, bearing a small rate of interest, for the necessary amount to meet the deficit, until you can reinstate the old policy which was raising a sufficient revenue to run the Government. A sensible man, dealing with his own private matters, would not hesitate a single moment as between this greater and this lesser evil. He would reason thus: If I borrow the $150,000,000, my interest charges, which are losses, will be $450,000 annually; but if I continue the present revenue policy I will continue to lose $150,000,000 annually. I will give the note and change the policy at the earliest possible moment. That, Mr. President, is the conclusion this Congress, representing the interest of all the people, ought to reach to-day. But there is little hope of changing a policy which has been inaugurated until the administration which espouses that policy has been changed for another, and that will require two years more. But we can far better afford to lose the little interest upon the bonds for a couple of years than to tax the people the equivalent of the whole principal each year.

INFLATION PRESCRIPTION.

Mr. President, Democratic policies have now been in operation just one year, and the old condition which has always marked the fiscal policy of the country under the control of that party has again resulted, first, in business stagnation all over the country; second, in expenses greater than income; and, third, in the usual attempt to meet the situation by inflating the currency by turning out a billion or so of extra paper dollars.

But, Mr. President, your inflation prescription not only will not be a remedy at all, but it will create an ill which in the end will require most drastic and painful treatment for its cure. The time will come when we shall either have to redeem this excessive issue of paper dollars or commit the unforgivable crime against the whole country of grossly cheapening the savings of all the people.

Mr. President, we have all the money in the United States necessary to conduct all of its business. We have more dollars available for circulation to-day than ever before in our history; but they are idle dollars. What we need is not more dollars, but a policy that will banish the feeling of dread and give confidence to the business of the country.

The conditions are similar to and we have the same old controversy we had in 1896, when the same Democratic tariff policies had laid their blight on all our industries.

Mr. Bryan, representing the Democratic idea, then said: What the country needs is more dollars.

Mr. McKinley, representing the Republican idea, said: What the country needs is more business.

Mr. Bryan said: Open up the mints of the country to the free coinage of the silver of the world and that will make business.

Mr. McKinley said: Open up the mills of the country to the free coinage of American labor and enterprise and that will make business.

Mr. Bryan said: We want more circulating medium to create business.

He did not explain how we would start that medium circulating.

Mr. McKinley said: We want more business to circulate the money we now have.

Mr. Bryan's philosophy was: Create bricks and people will build houses.

Mr. McKinley's philosophy was: Create the demand for homes and the bricks will be forthcoming.

These two schools of philosophy fairly reflect the Republican and Democratic ideas of the relation between money and business. Business to-day is very dull, very stagnant, and our Democratic friends expect to revive it by filling the country with paper money.

Of course, we all agree that our monetary system should have a proper degree of elasticity to meet great fluctuations in demands in different sections of the country. But elasticity and inflation are very different propositions. That difference, however, does not seem to have been recognized in the laws that have lately been passed by this Congress. All of our banking and currency measures passed at this session of Congress spell inflation. They provide for easy methods of expansion which will respond to every possible speculative demand, but no effective and potent provision to force a contraction back to the normal.

The Vreeland-Aldrich currency measure was an emergency measure pure and simple, designed to meet and avert a panic or a run upon the banks. The emergency currency which might be issued under its provisions was burdened with such an increasing tax as would compel its retirement the moment the crisis had passed. In your last measure you have so relieved the issue from this safety brake that the money will be issued by the banks, not to meet contemplated runs, but to be loaned at a profit and to support shaky speculative ventures until their stocks can be loaded off on the public.

Of course, Mr. President, you have provided for a continuing or permanent inflation by your amendments. Of course, each individual bank will in time be compelled to redeem its issue; but as one bank redeems another bank will be issuing without restraint or charge for a number of months; and in that way the country will be filled with this emergency currency. You are debasing the value of the people's money and you will not start a wheel moving by this expedient.

Mr. President, so long as a man can borrow on his note, spend the proceeds, and relieve his mind from the fact that there will come a pay day, he may forget his real condition. But opiates do not cure. Intoxicants, though they may make us oblivious for a time, do not change real conditions. Inflation, though it may postpone a collapse, was never known to avert one. On the contrary, it makes recovery from them far more difficult.

TARIFF ACT, NOT WAR, CAUSED DEFICIT.

Let us get at the root of this disease for which you are prescribing a combination of inflation and war tax. Let us ascertain its cause and then apply the remedy that will reach that cause.

You say the cause of our deficit is the European war. Undoubtedly that has increased it; but you well know that long before this war, while your imports were increasing, while they were supplanting the products of this country, thereby depressing and destroying our business and prosperity, your revenues from such imports were decreasing, making it inevitable that you would have to levy further taxes on a people correspondingly less able to pay that tax.

Mr. President, I can not compare year with year in order to obtain the full operation of your new tariff bill. This act was not signed until October 4, 1913, and did not even then go into effect on all of its items. I know, too, that we can not judge a law by the conditions which immediately precede or follow it, because cautious business either anticipates or pauses to learn its purport; but it is safe to say that business had adapted itself to the new condition and had become normal under that condition within six months from its enactment, or about April 1, 1914. Comparing the normal conditions of April, 1913, under a Republican tariff law with normal conditions of April, 1914, under a Democratic tariff law, we find:

During the month of April, 1913, our importations were	$146,194,461
During the month of April, 1914, our importations were	173,896,476
Excess of importations, April, 1914	27,702,015

That means that we bought just $27,702,015 more goods from abroad under the new tariff law than under the old during the corresponding months.

Mr. OVERMAN. The Senator is giving the date in April. Will he undertake to look at the figures for the 1st day of June?

Mr. McCUMBER. I have them all, and I will give them all. I will say to the Senator that it is my purpose to make my remarks as brief as possible, and when I have concluded I will then reply to any queries. I shall give the figures for all the months.

That means also that we sent just that much more money out of the country. That means also that our products were displaced by just that much of the foreign product; and that means again that our producers lost their profit on that amount of productions and that our laborers were deprived of from 50 to 70 per cent of that sum in wages.

Now, let us see how our exports and sales abroad came out during these two periods. Of course, if we sold as much more abroad as we bought from abroad the two items would equalize our condition, but just the reverse happened:

During the month of April, 1913, we exported	$199,813,438
During the month of April, 1914, we exported	162,550,870
Loss in exports, April, 1914	37,262,568

That means that we produced just that much less to sell abroad. We lost profits on that much of production and our laborers lost their proportionate share of wages.

So you see under the provisions of this bill we get it both coming and going, and when we balance our monthly purchase and sales account with April of the previous year we find:

Increase of purchases, $27,702,015; decrease of sales, $37,262,568; or a loss in trade as compared with the previous April of $64,964,583. Comparing in the same way the month of May, 1914, with May, 1913, we find our losses in trade were $63,360,605; comparing June, 1914, with June, 1913, we find our losses in trade were $32,616,445; or a total loss in those three months in our balance of trade account of $160,941,633.

At the same rate of losses for a year—and, remember, this was before our trade was affected by any war—our losses would amount to $640,000,000. That, Mr. President, is how the Democratic tariff act was operating on the American people and on American trade before the flame of war burst in fury over suffering Europe.

Not only this, Mr. President, but since April 1, 1914, every month has shown a balance of trade against us. We bought more abroad than we sold abroad. This trade balance against us by months is as follows:

April	$11,345,606
May	2,476,896
June	653,522
July	6,095,908
Total for the 4 months, all before the European war	20,571,923

At the same rate throughout the year without the intervention of this war our balance of trade would have been more than

$61,000,000 against us as compared with $652,875,915 in our favor during the year ending June 30, 1913. That is the difference between a Democratic and a Republican tariff bill.

USELESS EXTRAVAGANCE.

Mr. President, I appreciate the fact that with the present administration in control of both branches of Congress we can not hope for an immediate change of the policy which brought on the trouble. We can not remove our patient from the malarial atmosphere of Democracy, but we can discontinue some of the causes. We can stop our useless extravagances which necessitate the immediate demand of war taxes on a nation at peace. I am not finding fault that you paid no attention to your platform declaration of rigid economy. I knew as well as you did that this plank in your platform was for the purpose of catching the votes of those guillible enough to take stock in such declarations. I knew as well as you did that the needs of this country demand appropriations aggregating about a billion dollars annually, no matter what administration is in control. So I paid no attention to these mere preelection, demagogic promises; but with this platform which pledged the Democratic Party to reduce expenses we did have a right to believe that the governmental expenses would not be greatly increased.

This is the way you have kept your pledge; this is the way you have, with self-lauding virtue, checked what you declared Republican extravagances and established Democratic economy: Notwithstanding the fact that you have failed to make any appropriation for public buildings, those permanent improvements which save the country vast expenses in rents and for which we could well afford even to borrow money to construct and for which millions annually were appropriated by the Republican administrations; notwithstanding in many instances you have failed to appropriate where appropriations would be justified; notwithstanding the fact that after a long and determined battle your "pork-barrel" rivers and harbors bill was forced down $33,000,000; notwithstanding the fact that the nearly completed canal saved you about $15,000,000; notwithstanding the fact that the death roll of our old soldiers saved you another $11,000,000—notwithstanding all these diminished necessities, still your appropriations for the fiscal year, when summed up and put through as you expect, will exceed your so-called extravagant Republican appropriations for the preceding year by about $100,000,000.

And notwithstanding the fact that you reached the hand of direct taxation into the pockets of the American people and drew from them an extra $30,813,640 from incomes and $47,283,714 corporation taxes for the last fiscal year, still you admit that you must reach for another $100,000,000. This much for your boasted economy.

And what, Mr. President, is the nature of these expenditures for which we must now levy a war tax on the people? I shall not go into the endless array of expenditures, the many, very many new commissions, with one hand in the Treasury and the other attempting to caress business into an assurance that, notwithstanding its power, it really does not intend to kill, but gently lead it into the Nirvana of altruism. I shall not attempt to enumerate the vast increases in the employees of the Capitol to give places to political friends, nor the unceasing attempts to override the civil-service law that places might be found for partisan followers. I shall instance but one fair illustration of this reckless extravagance—the Alaskan railway appropriation. Forty millions are appropriated for the building of this railway. Its equipment ready for use will be at least another forty millions, or eighty millions in all. There have been a few railroads built in Alaska and some are still in operation. None of them have ever had business enough to pay running expenses, and yet the Government is to expend this vast sum, which would probably be double what the same road could be built for by private enterprise—build it where even the more cheaply constructed railroads have not secured business enough to pay expenses and keep them in operation. It is estimated that the contemplated line would serve four or five thousand white people, an equivalent of about $20,000 for each person to be benefited.

So, Mr. President, what we can do to-day, and what we ought to do, is to stop our extravagances. Appropriate liberally and fairly for the Government's real needs, but cut out these excesses. Open up Alaska's resources to individual enterprise under proper and reasonable governmental control, so that those railroads that are now rotting will have business to do. Then repeal your Alaskan railway scheme and save $40,000 immediately and many times that in the long run.

TAX UNNECESSARY.

What is the next thing you ought to do? Use the money you now have in the Treasury and not tax the people by every possible means while this money is lying idle. Of course, you have not the balance in the Treasury that was there when you took charge of the Government. No one expected you to do that. But use what you have and then issue just enough bonds to take care of the rest. But you say we have to deposit $75,000,000 in our banks scattered over the country to check any panicky feeling that may exist and to assure business that there is sufficient money in the country to tide it over during this period of stagnation. The answer to that is: Remove the condition which causes the uncertainty and stagnation and then you can use these deposits.

But again you say you need the money in the country to supply the demand of the several sections for currency. Well, just answer me this: Will not your new war tax, according to your own estimates, draw $105,000,000 from circulation in the country and put it into the Treasury? What, then, does the country gain by scattering $75,000,000 of Government funds among the bankers of the country with one hand while you draw $105,000,000 from the people out of the same country with the other hand?

But, Mr. President, even these remedies are but temporary expedients. The only permanent remedy is to remove the cause for both the business depression and the deficit. Repeal your tariff law and reinstate the one which gave you both prosperity and revenue.

It is worse than useless to deny the general condition of business stagnation. You may seek to ease yourself or relieve yourself from responsibility by calling it a psychological condition, but it is here. The war is not the cause. On the contrary, except for this war the depression would be much greater. While this war has depressed the price of some of our stable products, it has generally increased the price. By checking importations from abroad it has assisted our home manufacturers to some extent temporarily; but, Mr. President, no one knows how long this devastating war can last before one side or the other is exhausted; and the business of the country must be able to see a vista of opportunity beyond this war cloud before it can assume a healthful activity.

VAST LOSSES TO PEOPLE AND COUNTRY.

I now want to show, Mr. President, the vast losses to this country and its people due to your last tariff act as it affects a few only of our leading industries, and from that you can form some estimate as to the total losses.

Your Democratic tariff law went into effect October 4, 1913. It was therefore in force less than nine months on June 30, 1914, the end of the fiscal year. It did not go into effect on sugar until March 1, 1914. I have a table here which gives the duties under the two tariff laws; the amount and value of products imported under each during corresponding months—that is, from October 1, 1912, to June 30, 1913, under a Republican administration and tariff law, and from October 1, 1913, to June 30, 1914—together with the duties collected. I want to call attention right here to the fact that both of these periods antedate the war, and our commerce was not affected by it. The table shows the normal working of your tariff act. I ask leave to insert here the table, Mr. President.

The PRESIDING OFFICER (Mr. ASHURST in the chair). Is there objection? The Chair hears none, and permission to do so is granted.

(The table referred to is printed on the following page.)

Mr. McCUMBER. Mr. President, in addition to the articles mentioned in this table, there was collected a duty in 1913 on sugar of $53,354,427. Under your act of October 4, 1913, you reduced the tariff on sugar about 25 per cent, to take effect March 1, 1914, and after 1916 sugar is to be admitted free. The duty on sugar under the old law since March 1 would have been about $5,000,000 per month. The loss of revenue to the Government by the enactment of the Democratic tariff law is therefore about $1,250,000 per month from March 1, or a loss of over $6,000,000 for the last four months of the fiscal year ending June 30, 1914. For the next fiscal year the loss of revenue will be about $15,000,000, and after that from $55,000,000 to $60,000,000 per annum.

From this table it will be seen that while our imports increased on these articles alone during the last period in the sum of $99,556,029 our revenues decreased $26,580,649.

Now, what did this mean to the American people? It meant—

First. That products of other countries in excess of what had been previously imported and most of which could have been produced in this country and all of which, with the exception of precious stones, could, with proper protection, be produced in this country, of the value of over $99,000,000, displaced so much of the American product.

Second. That this displacement deprived our own people of the profits of that production.

Articles.	Importations for 9 months ending June 30, 1913, Republican tariff law of 1909.				Importations for 9 months ending June 30, 1914, Democratic tariff law of Oct. 3, 1913.				Comparison of the 1913 law with the 1909 law.	
	Rate of duty.	Amount imported.	Value.	Duty collected.	Rate of duty.	Amount imported.	Value.	Duty collected.	Revenue 1909 law would have produced.	Loss of revenue by 1913 law.
Corn ..... bushels	15 cents	284,733	$160,761	$42,709	Free	11,843,193	$7,598,702	None.	$1,776,478	$1,776,478
Oats ..... do	do	79,666	37,678	11,994	6 cents	22,276,137	7,882,733	$1,336,768	3,841,330	2,004,652
Barley ..... do	30 cents	4,399	2,051	1,319	15 cents	338,714	156,070	50,807	101,614	50,807
Wheat [1] ..... do	25 cents	472,385	368,856	118,096	10 cents	1,971,367	1,755,939	197,136	492,841	295,705
Potatoes ..... do	do	308,960	279,103	77,240	Free	3,572,493	1,746,391	107,347	893,123	785,776
Fresh meats [2] ..... pounds	1½ cents	4,329,897	351,242	64,948	do	193,618,694	16,790,412	None.	2,904,280	2,904,280
Cream ..... gallons	5 cents	784,096	681,967	39,204	do	1,110,452	964,222	None.	55,522	55,522
Butter ..... pounds	6 cents	980,622	258,367	58,837	2½ cents	7,647,408	1,647,408	110,852	443,408	333,556
Eggs ..... dozen	5 cents	1,099,534	166,590	54,976	Free	5,832,725	1,059,592	None.	291,636	291,636
Wool:										
Class 1 ..... pounds	11 cents	42,552,552	10,636,613	4,680,780	do	118,033,087	28,922,565	None.	12,983,639	12,983,639
Class 2 ..... do	12 cents	6,433,578	1,706,519	772,029	do	15,268,709	3,857,123	None.	1,832,145	1,832,145
Class 3 ..... do	4 cents	57,107,730	8,167,889	2,284,308	do	74,335,486	12,744,767	None.	2,881,419	2,881,419
Cattle	20 per cent	366,130	5,771,094	1,673,617	do	725,584	16,345,488	None.	4,740,191	4,740,191
Horses	32 per cent	7,852	1,386,086	443,547	10 per cent	29,911	1,803,930	18,039	577,257	559,218
Sheep	20 per cent	13,330	74,127	14,825	Free	220,809	391,648	None.	78,329	78,329
Fish [3]	18 per cent	.....	11,439,329	2,058,079	do	.....	14,356,519	584,172	2,584,172	2,000,000
Flax and hemp [4]	9½ per cent	.....	4,590,355	444,018	do	.....	4,044,655	None.	370,713	370,713
Fibers, manufacturing [4]	33 per cent	.....	59,162,845	19,523,738	16 per cent	.....	62,730,316	10,036,850	20,701,004	10,664,154
Cotton, manufacturing [4]	55 per cent	.....	48,331,882	26,582,524	43 per cent	.....	59,593,830	24,625,346	32,776,606	8,151,260
Iron, manufacturing [4]	31 per cent	.....	26,608,290	8,662,569	17 per cent	.....	23,940,331	4,069,856	7,421,502	3,085,949
Wool, manufacturing [4]	82 per cent	.....	11,507,407	9,436,073	45 per cent	.....	28,603,523	12,871,585	23,454,888	10,583,303
Leather [5]	11 per cent	.....	6,479,666	712,766	Free	.....	11,841,428	302,557	1,302,557	1,000,000
Leather manufacing [4]	43 per cent	.....	14,511,876	6,240,106	29 per cent	.....	12,661,350	3,671,791	5,444,383	1,772,589
Precious stones	10 per cent	(6)	37,080,403	3,708,010	20 per cent	(6)	16,671,791	3,334,315	3,708,010	373,695
Total	.....	.....	238,554,706	87,076,302	.....	.....	338,110,735	61,832,421	131,357,337	69,534,916

[1] Wheat under 1913 law is free except for countervailing duty of 10 cents per bushel from countries imposing a duty on American wheat. Canada is the only country affected, and hence only imports from that country are estimated.

[2] Fresh meats include fresh beef, veal, mutton, and pork only.

[3] Fish. The duty under 1909 law was specific duty on different kinds, and therefore the rate is based on the averaged ad valorem rate of year ending June 30, 1913. Under 1913 law a small duty is levied on certain smoked and packed-in-oil fish, and the amount of duty collected is estimated at about 5 per cent of total importations, as in previous year.

[4] Flax and hemp. Manufactures of cotton and other articles indicated by (4) had various specific and ad valorem duties of 1909 and are computed on the average ad valorem rate of duty for the year ending June 30, 1913. The rate of duty under law of 1913 is computed on the average ad valorem rate collected under 1913 law for six months ending Mar. 31, 1914, as computed by the Department of Commerce.

[5] Leather. Under the law of 1913 all leather except "glove leather" and "chamois" is free of duty, and the duty collected on those two items under the 1913 law is estimated on the basis of importation of those articles for the previous years.

[6] Precious stones. The 1913 law increased the duty on these articles 100 per cent, and it appears that importations decreased over 50 per cent. There has been no noticeable decrease in the supply of those articles. Therefore it is fair to presume that importations are either undervalued or smuggling has greatly increased, and the result has been a 10 per cent loss of revenue by increasing the duty 100 per cent.

Third. Assuming that two-thirds of the value of these products were represented by labor, it deprived our own laborers of that much wages.

Fourth. That it decreased the purchasing power of these producers and laborers just that much to buy the products of other American producers.

Fifth. That we sent just that many millions of dollars out of this country, only a small proportion of which will come back to purchase our commodities, while the greater proportion would have been available for such purchases if the money had been expended at home.

Sixth. That while those losses to the people were going on the Government lost $69,534,916 in income, the extra amount of revenue which would have been collected on the same importations under the old law.

Seventh. That while the Government was losing the income from foreign importations the people were being burdened with an extra tax on incomes amounting to $30,813,640 yearly, and an additional corporation tax of $47,233,714.

Eighth. That while our people are being burdened with all these losses occasioned by this un-American, this nonprotective policy, we are now seeking other ways, heretofore applied only in stress of war, to tax the public. After reducing the earnings of the people by your "tariff-for-revenue-only" policy, which has failed even to produce the revenue, you are now reaching into their pockets for their small change; and

Ninth. Not one single benefit has been derived by the people, not one penny of reduction in the cost of living to the ultimate consumer.

But you say that if you have increased direct taxes on the people by $78,097,354 at the end of the last fiscal year you have relieved them of this $26,580,649 which you lost in tariff taxes. Not so, Mr. President. If, as you claim, the tariff is paid by the ultimate consumer in the higher price he pays for the things he purchases, then by the removal of the duty and the loss to the Government of this more than $26,000,000 of tariff revenue the ultimate consumer should be able to purchase these things at a lower price. But you can not point out one single thing that he buys cheaper by reason of this tax having been remitted to the foreign importer. It is a total loss to the Government without a single corresponding benefit to the people, but with innumerable consequential evils, as I have shown.

Mr. President, a further perusal of this table will show that had the old tariff rates been applied to these importations during the nine months you would have secured a duty of $131,457,337 instead of $61,832,421, the amount actually collected. That would have made a difference of $69,534,916. That would have reduced your deficit $69,534,916.

I have not lost sight of the fact that with the old rates the importations would have been less on which they would operate; but, Mr. President, even with less importations we would have had greater income; and not only that, with an assured home market for our products all of our people would have been better able to meet any taxes the exigencies of a foreign war might in time impose upon us.

There could have been no possible question that with the old Republican tariff law in force there would have been plenty of cash in the Treasury to meet all expenses of government and two months of foreign war would not have caused a deficit of a hundred million dollars.

THE AMERICAN FARMER AND THE DEMOCRATIC PARTY.

So much, Mr. President, for the cause which compels us to levy a war tax and the remedy which will relieve us from it—the issuance of certificates of indebtedness or bonds during a period of stagnation. I now want you to look at another feature of the case. I want the American farmer and the Democratic Party to better know and understand each other.

Mr. President, it is bad enough to so legislate as to seriously affect the prosperity of the whole country; but it is far worse to single out some particular industry or some particular section of the country for such adverse legislation; and infinitely worse than either, to select a section or class whose earnings are already far below that of other sections or classes.

Mr. President, with the enormous disproportion between the increase of wealth and earnings in the city as compared with that of the country, with city labor earning many times higher wages than farm labor, and in the light of the well-known truth that it costs the farmer many more hours of labor to produce any given quantity of farm products than it costs the city laborer in hours to purchase them, one would naturally suppose that if the legislative arm of the Government should be extended to support the interest of any class of our people it should be stretched forth to lift agricultural industries to a plane of equality with other great industries of the country.

But what are the facts? In 1912 a great campaign was on. The Democratic Party wanted votes. It knew there were twice as many votes in the city as in the country. It knew that the high cost of living complained of in the city was due entirely

to the everlasting increase of values and extravagances in the city life and that farmers' prices for their raw products had nothing to do with it. But policy was more potent than right, and so that party said to the cities, said to the people whose earnings were manyfold higher than the farmers, said to those people who had ten times as many luxuries and amusements: "These farmers are receiving too much for their grain, their wool, their cattle, butter, and eggs. You people in the city are paying too much for your food products. We will make the farmer sell them cheaper. He shall have no protection. That will leave you more to satisfy your cravings for amusements and other extravagances." It did not say to the city denizen: "Just cut down your liquor and cigar and theater and other amusement bills and use that money to buy the farmer's product, who does not have any of these luxuries and amusements." It did not say to the city matron: "Just drop for a time that $100 gown and buy one for $20, and the difference will go a long way to pay the housewife 20 cents for a pound of butter."

Well, through a division in the Republican ranks the Democratic Party came into power, and I will give it credit for one thing. It kept its word in so far as it was able to deal a blow at the farming interest. Out of 22 leading agricultural products of the Northwest, 17 were placed upon the free list and the others reduced not less than 60 per cent.

PRACTICALLY ALL NORTHERN FARM PRODUCTS PLACED ON FREE LIST.

I have a table here showing the reduction on farm products. Every northwestern man, be he business man, professional man, or farmer, Democrat or Republican, ought to study this table, which shows how the Democratic Party, with all its fury, swooped down on the northwestern industries. Then it would be instructive to compare the reductions on other products with the reductions on agricultural products, and again to see how the southern agricultural products fared as compared with the northern agricultural products.

Here is the table, Mr. President, which I ask may be inserted.

The PRESIDING OFFICER. In the absence of objection, permission will be granted.

The matter referred to is as follows:

Northern products.

Articles.	Payne-Aldrich law, 1909.	Underwood law, 1913.	Per cent decrease.
Animals, for food	20 per cent	Free	100
Bacon and ham	4 cents per pound	do	100
Beef, pork, and mutton	1½ cents per pound	do	100
Broom corn	$3 per ton	do	100
Buckwheat	15 cents per bushel	do	100
Butter	6 cents per pound	2½ cents per pound	60
Corn	15 cents per bushel	Free	100
Cream	5 cents per gallon	do	100
Milk	2 cents per gallon	do	100
Eggs	5 cents per dozen	do	100
Flax straw	$5 per ton	do	100
Horses and mules	25 per cent	10 per cent	60
Oats	15 cents per bushel	6 cents per bushel	60
Potatoes	25 cents per bushel	Free	100
Poultry	3 cents per pound	1 cent per pound	60
Rye	10 cents per bushel	Free	100
Sheep under 1 year	75 cents each	do	100
Sheep over 1 year	$1.50 each	do	100
Swine	do	do	100
Wheat	25 cents per bushel	do	100
Wool	11 cents per pound	do	100

Mr. McCUMBER. All food animals, all kinds of meat, corn, cream, milk, eggs, rye, wool, and even flax straw, are placed on the free list; are compelled to compete against the products of the entire world. There is a slight duty on wheat and potatoes as between this country and Canada only, the only thing we succeeded in saving, and even that is not due to Democratic desires, but the failure of Canada to remove her countervailing duties on the same articles.

IMMENSE INCREASE OF IMPORTATION OF FARM PRODUCTS.

Now, what effect did this placing of all the northwestern products on the free list have upon our importations, and consequently upon the price which we otherwise would have received? Even our Democratic friends will admit that the price of a commodity depends upon the supply and demand in the field of consumption, and if we enormously increase the supply it must necessarily greatly decrease what we otherwise would receive.

Here is a table showing the enormous increase in the importation of a few articles during the corresponding period of the operation of the two laws—the Democratic tariff law from the date of its enactment, October, 1913, to June 30, 1914, the old law of the corresponding period from October, 1912, to June 30, 1913. I will ask to insert this table.

The PRESIDING OFFICER. In the absence of objection, permission is granted.

The matter referred to is as follows:

Articles.	9 months ending June 30, 1913, under Republican tariff.	9 months ending June 30, 1914, under Democratic tariff.	Extent of increase, number of times.
Fresh beef, veal, mutton, lamb, and pork ..... pounds..	4,329,897	183,618,694	45
Butter and substitutes ..... do....	980,622	7,390,147	8
Cream ..... gallons..	784,092	1,100,518	½
Eggs ..... dozen..	1,099,534	5,832,725	5
Wheat ..... bushels..	472,385	1,971,367	5
Corn ..... do....	284,733	11,843,193	50
Oats ..... do....	79,966	22,276,137	280
Barley ..... do....	4,399	338,714	85
Cattle ..... number..	366,022	725,584	2
Sheep ..... do....	13,300	220,809	16
Potatoes ..... bushels..	308,960	3,572,493	11

Excess in value of these importations under the Democratic tariff law, $48,186,728.

Mr. McCUMBER. Now, I want Senators to listen to this—you who claim that the farmer is not benefited by the tariff, and that it will make no difference about his prices and the importations. I especially call your attention to four items.

Fresh meats increased from about 4,000,000 pounds to about 183,000,000 pounds, or forty-five times.

Corn increased from about 285,000 to about 12,000,000 bushels, or fifty times.

Oats increased from about 80,000 to 22,000,000 bushels, or two hundred and eighty times.

Barley increased from 4,000 to 338,000 bushels, or eighty-five times.

The excess in values was more than $48,000,000.

Can any farmer, can any man, Democrat or Republican, who understands the simple law of supply and demand, doubt for a single moment that these excessive importations all along our northern border prevented the farmer from receiving what he otherwise would have received for his products? Can the northwestern farmer fail to understand that an importation of over 22,000,000 bushels of oats, of 183,000,000 pounds of fresh meats, and of nearly 6,000,000 dozens of eggs during only nine months must necessarily have had a disastrous effect upon the price he was entitled to receive for those products? When his products were displaced during that time with an excess of $48,000,000 worth of other products, and most of it along this northern boundary, can he fail to understand that it must have necessarily depressed his price?

Mr. WEST. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Georgia?

Mr. McCUMBER. Let me say to the Senator that the Senator from North Carolina [Mr. OVERMAN] asked me to yield, and I declined for reasons which I then gave; and if I should now do so, I fear I should lay myself open to the imputation of favoritism.

Mr. WEST. All right, then. I simply wanted to ask what was the occasion of this wonderful increase in importations, and whether it was not due to a diminution of the crops in this country, as the result of which we needed them. Is not that why they came in here?

Mr. McCUMBER. Mr. President, I am sorry to say that we did not need them very badly, because they forced down the price of barley to such an extent that it would not pay the expense of raising. The price of oats went down to about thirty-odd cents a bushel. Though the price has risen a little lately on account of conditions in Canada, it is still very low.

Mr. WEST. The point I wished to raise was whether it was a diminution of our crops or whether it was an increased use of these products that accounted for this wonderful increase in percentage of importations.

Mr. McCUMBER. No, Mr. President; it was the taking off of the tariff. Canada is an exporting country as to all of its grain. It has to export, if it does not have drought in the Northwest, some 250,000,000 bushels of wheat. It has to export its oats. It has to send them across the ocean. If it can get into our market, which is always better than the Canadian market in the Northwest, of course it will do so. When the tariff was taken off, of course the barrier was removed and these additional cereals entered our markets.

Of course the war in Europe prevented much of the great slump in prices that was in store for the American farmer, but that was not due to the kindly purpose of the Democratic Party. War sent food prices upward. I do not censure the Democratic tariff because the cost of sugar doubled, nor do I give it credit because war raised the price of food products. The farmer could not fail to see that all of his products were on the downward scale prior to August, 1914.

TREATMENT OF NORTHERN FARMERS GROSSLY UNJUST.

Had the farmer been receiving more on his investment, or had he been receiving more for his labor than other intelligent labor of the United States, he might have no serious cause of complaint because his industry was particularly singled out for attack; but as his earnings on both his investment and labor are far less than in any other field of investment or labor, this special attack on his interest seems to me little less than criminal.

This element of sectional favoritism and prejudice manifested itself all through this tariff act. Of course, we all know that the head of the Democratic Party is in the South and the tail in the North, and that the head naturally controls the movements of the other extremity; and so when we find the Democratic Party applying its "tariff for revenue only" policy, it somehow always happens that the southern farm products come out with this incidental protection, while the northern farm products are on the free list and compelled to compete with the whole world. Thus you will find that under this Democratic tariff bill your northern rye is on the free list, but southern rice is protected about 33⅓ per cent; your northern potatoes are on the free list, but Virginia peanuts are adequately protected; your northern wool is on the free list, but Texas Angora goat wool is guarded by a fair tariff; your cream, milk, meats, eggs, and vegetables are all on the free list, but Florida lemons, pineapples, and oranges receive fair protection.

Again, this Congress passed two bills to secure Government standardization and inspection of cotton and charged the Government with all the expense, and then voted just as strongly against the bill for Government standardization and inspection of grain, although the farmers of the North were willing to pay all the expenses of such inspection.

We are getting some of the results of your failure to pass that law. Heretofore the difference in the several grades of our wheat at the regular terminal markets, between No. 1 and No. 2 northern has been from 2 to 3 cents; between No. 2 and No. 3 from 2 to 3 cents; so the greatest spread that I have ever known has never been beyond 6 or 8 cents between No. 1 and No. 3 northern. To-day, however, it is 18 cents. While our contracts are based upon No. 1, which may be $1.07 to-day, say, in Minneapolis, when you come to No. 3—and that is 90 per cent of all the wheat raised now in our State—this year you find the price 18 cents below that, and after paying freight we do not get more than about seventy-odd cents a bushel for this grain.

There is not a paragraph in the last Democratic revenue law that does not give the Northern farmer a slap in the face, and to show his fidelity to his party the Northern Democrat gives him the final kick.

TAXES ARE LEVIED ON BURDENS AND NOT ON BENEFITS.

Mr. President, when a war tax or any internal revenue tax, which is always an unequal tax, is contemplated, our first thought ordinarily is to find the men or the business which can best afford to shoulder the added burden. But here our Democratic friends, assiduously looking for objects of taxation, close their eyes to one of the greatest opportunities to secure an enormous revenue without seriously affecting incomes of the parties responding to the demand.

If one of these Democratic statesmen would just ascend the Capitol Dome on any clear day and look northeasterly he would observe a monument, nearly as high as the dome, constructed by a gentleman who had more money than he could expend for useful purposes, and capped with the corona of a bromo seltzer bottle. If he could look far enough southward, he could see the mansions and parks of the Coco Cola proprietor. If he would avail himself of the privileges of a New York sightseeing car and listen to the announcements of the guide as he drove slowly along the Hudson Boulevard, he would be astounded at the number of palaces erected and maintained by patent-medicine proprietors.

Mr. President, the patent-medicine dope has made more multimillionaires in the United States than all other businesses combined, and it has given the people less in return. There is a greater profit on this investment than in any other line of enterprise. The duped and doped people pay more to and receive less from these proprietors than in any other investment. And yet, while you are proposing a tax of from 10 to 15 per cent on every farmer who uses and every owner of a little Ford who buys a gallon of gasoline, you purposely fail to see these people who have the greatest gold mines on the face of the earth. You can levy this tax on the gallons of dope as they are produced and according to the real profit earned on each gallon, in the same manner as you levy your tax on beers and ales. It will then fall on the maker and not on the drug-store proprietor. This tax of 10 to 15 per cent on gasoline is exorbitant and grossly oppressive. This release of the patent-medicine proprietors is outrageously unjust to those who do bear the burdens.

There is one item of taxation in your additional revenue scheme which bids fair to bring in an ever-increasing revenue so long as your policies are continued, and that is the taxation on indebtedness, on every note and mortgage and every renewal thereof. The longer you hold on the more mortgages there will be given and the more taxes collected. But I submit, Mr. President, that taxes ought not to be levied on burdens already hard to bear while so many benefits continue untaxed.

TEMPORARY BORROWING RATHER THAN TAX BURDENING.

Mr. President, when your previous tariff act failed to secure sufficient revenues for governmental needs President Cleveland was courageous enough to borrow $62,000,000 to meet the deficit. He did the right thing, and no one ever criticized his action. The only criticism was directed against the law that created the deficit. Mr. Cleveland had faith that in the end the old Wilson-Gorman Act would replenish the Treasury. You ought to have the same courage

Mr. President, the adage that "honesty is the best policy" is just as applicable to political parties as to individuals. A candid acknowledgment that your tariff act is a failure is far better than any kind of evasion. A charge for interest on whatever sum we may need to borrow to meet the deficit is far better than any unjust, unequal, and extortionate war tax. If, like President Cleveland, you have any faith in your tariff act that it will, if given time, meet the present deficit, then show your faith in that measure by issuing the necessary bonds or certificates of indebtedness to cover the temporary exigency and relieve the people from this contemplated war-tax burden.

The fact that you insist upon the tax is evidence of your lack of confidence in your own works; that you fear this colossal revenue structure so carefully planned by you in 1913, propped and buttressed as it is with new instrumentalities of taxation, is cracked, shaken, and dangerous to both the builders and the country. [Applause in the galleries.]

The PRESIDING OFFICER. Any manifestation of approval or disapproval by occupants of the galleries of the Senate is out of order, and the next offenders will be ejected from the galleries.

Mr. McCUMBER. Mr. President, I said a short time ago that one ought to compare the reduction that was made in this tariff on our northern products with those upon your southern farm products. So I will ask also to insert a table covering the reduction upon those things that are produced for the most part south of the old Mason and Dixon line.

The PRESIDING OFFICER. In the absence of objection, that will be done.

The table referred to is as follows:

Southern products.

Articles.	Payne-Aldrich law, 1909.	Underwood law, 1913.	Per cent decrease.
Almonds	4 cents per pound.	3 cents per pound.	25
Dates	1 cent per pound.	1 cent per pound.	None.
Figs	2½ cents per pound.	2 cents per pound.	20
Filbert nuts	3 cents per pound.	2 cents per pound.	33
Garlic	1 cent per pound.	1 cent per pound.	None.
Grapes in package	25 cents per cubic foot.	25 cents per cubic foot.	None.
Grapes, dried	2½ cents per pound.	2 cents per pound.	20
Lemons and oranges, crate 2½ to 5 cubic feet.	1½ cents per pound.	70 cents per package.	Indefinite.
Molasses, 40 degrees	20 per cent	15 per cent	25
Peanuts	½ cent per pound.	¾ cent per pound.	25
Pecans	1 cent per pound.	1 cent per pound.	None.
Peanut oil	Free	6 cents per gallon.	Increase.
Pepper	do	1 cent per pound.	Increase.
Pineapples in packages	8 cents per cubic foot.	6 cents per cubic foot.	25
Cut flowers	25 per cent	25 per cent	None.
Rice	2 cents per pound.	1 cent per pound.	50
Sugar cane	20 per cent	15 per cent	25
Sugar, raw	$1.68 per hundredweight.	$1.25 per hundredweight.	20
Tobacco:			
Wrappers, unstemmed	$1.85 per pound	$1.85 per pound	None.
Wrappers, stemmed	$2.50 per pound	$2.50 per pound	None.
Filler, unstemmed	60 cents per pound.	50 cents per pound.	None.
	35 cents per pound.	35 cents per pound.	None.

After 1916, according to the terms of the bill, sugar is to be free.

Mr. SMITH of Michigan. Mr. President, the distinguished Senator from North Dakota [Mr. MCCUMBER] has just delivered an admirable address, unfortunately to practically empty seats upon the other side of the Chamber, although some very distinguished Senators are in their seats, which is quite to their credit. The Senator started out with the suggestion that the Committee on Finance is now engaged in framing a deficiency tax law. I have an impression in my mind that the honored Senator from North Dakota is a member of the Committee on Finance. He has illustrated by his argument a familiarity with the intricate fiscal policies of the Government in a manner very creditable to him and distinctly creditable to the Senate and to the country. His long service in the Senate entitles him to high rank among his fellows and to a position of great responsibility in framing laws. Is it possible that the Committee on Finance are now engaged in framing a law which proposes to burden the American people to the extent of $100,000,000 and are not to avail themselves of the experience and the distinguished services of the Senator from North Dakota? I can not believe that that great committee are proceeding in a strictly partisan manner behind closed doors in a work of such national importance. Have not the Republican members of that committee been invited to participate in the work now going on? Is this tax to be levied upon Democrats alone?

Why, Mr. President, has not the distinguished and able Senator from North Dakota been invited to participate in a work of such importance as the work which is now being done by the Committee on Finance? Is it possible that in the stress and storm of our financial and industrial dilemma men of eminence and students of fiscal affairs, clothed with the responsibilities of their States, are not to be invited or even permitted to sit at the same table and discuss the questions of importance that necessarily arise with their fellow committeemen?

Mr. President, this is not creditable to the parliamentary processes of the Senate. Partisans have no right to proceed in framing laws of importance and great consequence to all the people of our country behind closed doors and possibly in the absence of a quorum.

Mr. O'GORMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from New York?

Mr. SMITH of Michigan. Certainly.

Mr. O'GORMAN. Was the Senator from Michigan a member of this body when the Payne-Aldrich bill was enacted, may I ask?

Mr. SMITH of Michigan. I was a member of this body at that time and participated in making that great protective law, for which I have never been called upon to offer an apology. It was intensely American from the first line to the last, and no deficiency ever arose under it.

Mr. O'GORMAN. Is the Senator not aware that that tariff law was first framed and formulated by the Republican members of the Finance Committee, and that the Democratic members of the Finance Committee were excluded from its deliberations?

Mr. SMITH of Michigan. Mr. President, my honored friend from New York has gone quite far afield from the present situation to find a precedent for such conduct. The truth is that the Payne-Aldrich tariff law was a piece of general legislation. It was not the creature of depression and did not arise out of any industrial contingency which made it necessary to impose extraordinary taxes on the people.

Mr. O'GORMAN. But did it not impose a burden upon the masses of the people?

Mr. SMITH of Michigan. No; it did not add a single feather's weight to the people's burden. It removed the burden, if any existed, in hundreds of cases.

Mr. O'GORMAN. I only want to call attention to the fact that there is nothing exceptional in the conduct of the Democratic members of the Finance Committee in having a preliminary conference as to the character of legislation that will be offered to the Senate for its consideration.

Mr. SMITH of Michigan. Mr. President, I am obliged to my honored friend from New York, whose judgment I greatly respect, but the Payne-Aldrich bill was the result of extended hearings. It was a revision of a previous law enacted by the same political party under the leadership of William McKinley and Thomas B. Reed and Nelson Dingley, and I voted for that law, and was a member of the party which was responsible for the then existing tariff law; and even then it was not enacted until the public was invited to come and view its inmost secrets; every hearing before that committee was public. I ask my honored friend from New York what citizen of our country has been invited to a hearing before the Committee on Finance now framing a bill to impose taxation to the extent of $100,000,000 upon the American people, and I pause for a reply. The deathlike silence of this Chamber gives eloquent emphasis to the statement which I made a moment ago that the Democratic Members of the Finance Committee are meeting behind closed doors, even shutting out the public from their deliberations——

Mr. O'GORMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from New York?

Mr. SMITH of Michigan. And I only rose to say that to exclude a valuable member of that committee like my honorable friend from North Dakota is to deprive the committee of the advice and counsel of an experienced legislator, who has proven his right to a place at the committee table.

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from New York?

Mr. SMITH of Michigan. Certainly.

Mr. O'GORMAN. I have just one question to address to my friend from Michigan. Can he inform the Senate whether the public was invited by the Republican Senate Committee on Finance to public hearings when it was considering the Spanish War tax 16 years ago?

Mr. SMITH of Michigan. Mr. President, the Senator from New York can not point to a time in the history of the Republican Party when it has been necessary to resort to an inquisitorial method of raising revenue, except when our own country was engaged in war, and even then the public was fully heard and approved the McKinley plan for raising money to meet the extraordinary expenses of the Spanish War. But, sir, this is exceptional; the Government proposes in time of national peace to lay its heavy hand upon certain business interests of the country and extract therefrom enough to make up the deficiency in revenue which the profligacy of the present administration has brought upon the country.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Utah?

Mr. SMITH of Michigan. Certainly. In fact, I yield the floor because I only rose to point to an error of judgment on the part of my Democratic associates in refusing to counsel with or take the advice of experienced men in framing a law which will be national in its character and far-reaching in its effect.

Mr. SMOOT. Mr. President, I simply wanted to call the attention of the Senate to the fact that the administration ought at least to give some reason why this war-revenue measure should be passed other than claim that it is on account of the lack of revenues from customs receipts.

I have been unable to find a good reason why this revenue bill should be brought before Congress at this time. I have not the time now to state why I think it is done, but I will do so before the passage of the revenue bill. However, at this particular time——

Mr. CULBERSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Texas?

Mr. SMOOT. In just one moment. At this particular time I call the attention of the Senator from Michigan to the fact that I hold in my hand a daily statement of the United States Treasury for September 25, 1914—remember, Senators, this covers nearly one-quarter of the coming fiscal year—and let me compare the revenues for this fiscal year with the fiscal year of 1913, from July 1 to September 25 of each year. The revenues for this fiscal year during that time are more than they were for the fiscal year 1913. The revenues the Government had received on the 25th day of September, 1914, in this fiscal year were $170,444,293.13. Up to the same day of the year 1913 the revenues collected by the Government were only $169,665,869.01.

Mr. SMITH of Michigan. That includes the income tax?

Mr. SMOOT. That, of course, includes all the revenue of the Government.

Now, Mr. President, it is proposed to jam through Congress a revenue measure to raise $100,000,000, and I do not believe the people of this country will approve it. The only reason, Mr. President, why it is to be passed is to cover up the extravagance of the appropriations that have been made for the fiscal year ending June 30, 1915.

Mr. CULBERSON. Mr. President, I have not the honor of being a member of the Committee on Finance of the Senate, but in view of the statement made by the Senator from Michigan I ought to take the liberty of saying that many weeks ago I read in the daily papers a statement to the effect that the Republican Members of the Senate had met in a caucus or conference and had determined to oppose any bill raising the revenue in any form. I should like to ask either the Senator from Michigan or the Senator from Utah if that statement is

correct; and if so, what use would there be in having the Republican Members present if they had already prejudged the case?

Mr. SMITH of Michigan. Mr. President, unfortunately the Republican Members of the Senate have little to do and no place to go except the cloakroom or conference chamber. We can not participate in any of the preliminary proceedings of the legislation, because the doors are locked against us. We are summoned by the Sergeant at Arms and our presence demanded at all hours of the night to make a quorum, but the moment we get here all we are expected to do is to answer "present" and sit down and be quiet and inoffensive and not delay the proceedings of this body.

The Senator from Texas asks whether we have met in caucus. I answer that we have not met in caucus. We have had informal meetings of our Republican membership. A half dozen or a dozen of us gathered for a brief interchange of views; one by one the Members went about their various departmental duties, and the conference resulted in nothing more than a mere friendly interchange of mutual felicitations. So far as mapping out any definite program of resistance to your plans to be followed on this side of the Chamber regarding any legislation, there was nothing of that kind done. The initiation and consummation of legislation in this body has been appropriated by our opponents upon the other side of the Chamber, regardless of our wishes or desires or suggestions, and that program is to be completed, I understand, regardless of consequences.

I said a moment ago that the initiation of these measures arose on the other side of the Chamber. I am in error. These measures originate outside the Chamber, well up the Avenue, and come down here, usually handmade and ready for ratification, merely.

Mr. McCUMBER. Will the Senator from Texas allow me to say to him that the Republicans do not have caucuses? They have conferences; and the only agreement that I ever knew anything about in the 15 years I have been here in their conferences was an agreement that they did not purpose to enact legislation by caucus. That they left for the other side of the Chamber to do. We do advise, but no Member is bound to anything, nor is there ever any attempt to bind any Member in any conference I have ever attended. Government by caucus is an innovation adopted only since the present administration came into power.

Mr. CULBERSON. My inquiry related not only to a caucus, but to a conference, the Senator will remember.

Mr. McCUMBER. I will simply say to the Senator that I have attended no conference, and I think I have attended them all, in which anyone has agreed to do anything or to refrain from doing anything.

Mr. CULBERSON. The press reported that the Republican Members had held something like a caucus or conference and had determined to oppose any additional taxation at this time, prejudging the question, and consequently, I presume, though I speak not by authority, the Democratic members of the Committee on Finance decided that as the question had been predetermined by the Republican Members there was no necessity for inviting them into the meeting of the committee.

Mr. McCUMBER. Probably it would have been as well to have given us the invitation and then see whether we desired to refuse it.

Mr. SMOOT. Mr. President, I fear the Senator from Texas has never been a member of the Finance Committee, because if he had been——

Mr. CULBERSON. I said that at the outset, Mr. President.

Mr. SMOOT. If he had been, he would have known that the invitation would not have been extended, even though the papers had not reported such a meeting.

Now, Mr. President, I want to say that all that was done at the conference to which the Senator has referred was the suggestion by some of the Republicans present as to what amendments, if any, should be offered to the proposed revenue bill. I myself will admit that I discussed the question as to the advisability of offering an amendment repealing the clause in the present tariff law placing sugar upon the free list. Nothing, however, was decided upon at the conference; no vote, even, was taken upon it, and the matter was left entirely to the individual judgment of every Member upon this side of the Chamber.

Mr. O'GORMAN. Mr. President, I will ask the Senator from Utah whether he knows of any Republican Member of the Senate who favors the passage of an emergency revenue bill at this session?

Mr. SMOOT. No; I do not; because I do not think there is a Republican Senator who thinks that there is any necessity for such a measure. I certainly do not think that there is any necessity for it; I think that it is uncalled for and unjustifiable; and I do not believe that a burden of a hundred million dollars ought to be laid upon the business interests of this country to-day, when they are struggling to maintain themselves and to preserve their business existence. Therefore, Mr. President, I say that it is unwise. I am only speaking for myself and so far as my own judgment goes. Of course I recognize the fact that the Democrats will be responsible for the passage of the proposed revenue bill; I recognize the fact that it will be charged up to them; but I do not think that there is a Democrat who should even suggest the idea that no Republican has a right to call attention to the conditions of the country and to state his reasons for believing that a measure of that kind should not be passed at this time.

That is about all that I care to say at this time, except, Mr. President, to say that I want the Senate to understand, while I am opposed to the passage of the proposed revenue bill, I shall in no manner try to filibuster against its passage. I will be content to say why I am opposed to it, and to give my reasons to the country for my position, and then let the good people of the country judge as to who is right in this matter.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the bill (S. 6440) to authorize the Chicago, Milwaukee, & St. Paul Railway Co. and the Chicago, St. Paul, Minneapolis & Omaha Railway Co. to construct a bridge across the Mississippi River at St. Paul, Minn.

PETITIONS AND MEMORIALS.

Mr. PERKINS presented a memorial of the California State Association of Motion Picture Owners, of San Francisco, Cal., remonstrating against the proposed tax on motion picture houses, which was referred to the Committee on Finance.

He also presented the memorial of W. C. Ralston, of San Francisco, Cal., remonstrating against the proposed tax on the par value of certificates of mining corporations, which was referred to the Committee on Finance.

He also presented a memorial of Paul Rieger & Co., of San Francisco, Cal., remonstrating against the proposed tax on perfumery and toilet articles, which was referred to the Committee on Finance.

He also presented a petition of the Chamber of Commerce of Grass Valley, Cal., praying for the enactment of legislation to suspend the mining laws relative to assessment work for 1914, which was referred to the Committee on Mines and Mining.

He also presented petitions of the Chamber of Commerce of Oakland; the Fraternal Brotherhood, Maple Leaf Lodge, No. 360, of Oakland, and of sundry citizens, all in the State of California, praying for the enactment of legislation granting pensions to civil-service employees, which were referred to the Committee on Civil Service and Retrenchment.

Mr. KERN presented a memorial of the Atkins Saw Works and 100 other leading business firms of Indianapolis, Ind., remonstrating against the adoption of the clause in the report of the conference committee on the Clayton trust bill respecting interlocking directors in banks and trust companies, which was referred to the Committee on the Judiciary.

Mr. FLETCHER presented memorials of the Habana State Bank, the Clearing House Association of Gainesville, the First National Bank of St. Augustine, and of the Clearing House Association of Jacksonville, all in the State of Florida, remonstrating against the proposed tax of $2 per thousand on capital and surplus of banks, which were referred to the Committee on Finance.

He also presented a telegram in the nature of a memorial from the Board of Trade of Palatka, Fla., remonstrating against the proposed tax on gasoline, which was referred to the Committee on Finance.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. OLIVER:

A bill (S. 6561) granting an increase of pension to Salome Nothhardt (with accompanying papers); and

A bill (S. 6562) granting an increase of pension to Jennie Jones (with accompanying papers); to the Committee on Pensions.

By Mr. JAMES:

A bill (S. 6563) granting an increase of pension to Sarah Spurlock (with accompanying papers); to the Committee on Pensions.

By Mr. SHAFROTH:

A bill (S. 6564) granting a pension to Grace L. Messler; to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 6505) for the temporary relief of cotton growers in the United States; to the Committee on Banking and Currency.

EMERGENCY REVENUE LEGISLATION.

Mr. GORE submitted an amendment intended to be proposed by him to the bill (H. R. 18891) to increase the internal revenue, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

Mr. OLIVER submitted an amendment intended to be proposed by him to the bill (H. R. 18891) to increase the internal revenue, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

ALASKA COAL LANDS.

Mr. MYERS. Mr. President, the Senator from Nevada [Mr. PITTMAN] having left the city for an indefinite period of time, I ask unanimous consent that he be relieved from further service as a conferee on the part of the Senate on House bill 14233, the Alaska coal-land bill, and that the Senator from Arizona [Mr. SMITH] be appointed in his place.

Mr. POINDEXTER. Mr. President, is that in regard to the Alaska coal-land bill?

Mr. MYERS. It is.

Mr. POINDEXTER. Who are the other conferees?

Mr. MYERS. On the part of the Senate, the Senator from Utah [Mr. SMOOT] and myself, and on the part of the House, Mr. FERRIS, Mr. GRAHAM of Illinois, and Mr. LENROOT.

Mr. POINDEXTER. My recollection is that the Senator from Arizona was quite hostile to the bill, although I believe he finally voted for it. I believe it is ordinarily the custom to appoint conferees who are friendly to the bill. I have no doubt, however, that the Senator from Arizona, if appointed a conferee, will, notwithstanding his personal views, undertake to carry out the wishes of the Senate, as indicated by the Senate amendments to the bill.

I asked the question only to ascertain whether or not the Senator from Montana had considered that feature of the matter. I do not intend to interpose an objection to the appointment.

Mr. WALSH. Mr. President, I should like to inquire of my colleague whether the Senator from Arizona is desirous of serving as one of the conferees?

Mr. MYERS. I do not know that he is. I will say why I made the request.

The Senator from Nevada sat for two days in the conference. It was my idea and his idea also, when he was appointed a conferee, that the conference would be finished in two days' time. He had made his arrangements to leave on the night of the second day, and we thought the conference would be finished by that time, but it proceeded much more slowly than was anticipated.

A great many differences arose and were discussed at great length, and a good part of the work was settled before the Senator from Nevada left. There are certain things yet to be settled, however; and the way the conferees stand now, there appears to be a great deal of difficulty in getting them together. I do not want to see a disagreement, and there appears to be very much difficulty. We are making slow progress. I suggested to the conferees at our meeting to-day that perhaps the appointment of a conferee to take the place of the Senator from Nevada, thus making a full membership, might facilitate matters and enable us to dispose of the questions in dispute; and they agreed that it was desirable that we should have a full membership on the conference.

I suggested the Senator from Arizona [Mr. SMITH] because he is the second ranking member of the committee. I do not know that he is desirous of serving. I asked him to-day whether he would serve if appointed, and he said he would. So far as I am concerned, I do not care to pass over any member of the Committee on Public Lands and place somebody else ahead of them. I have no preference or choice in the matter. I simply suggested the Senator from Arizona because he comes second on the committee.

Mr. POINDEXTER. Would the Senator from Montana object to the appointment of the Senator from Oregon [Mr. CHAMBERLAIN] as a conferee? He is in entire sympathy with the measure.

Mr. MYERS. Having spoken to the Senator from Arizona, and he being the second member on the committee, I consider that it would be a very great discourtesy to him to go to work and select another conferee without consulting him. Having spoken to him, and he having agreed to serve, I simply ask that he may be appointed; that is all.

Mr. POINDEXTER. Mr. President, it is very far from me to desire to have the Senate do anything that would be discourteous to the Senator from Arizona. I have only made these suggestions for the consideration of the Senator who is now making this request. Of course if the Senator from Arizona desires to serve as a conferee I have no objection. I have no objection anyhow. I have made the suggestions which I have made, and have no doubt that the Senator from Arizona, notwithstanding his personal objection to the policy which is adopted by the Senate in the passage of this bill—a leasing of coal lands rather than their patenting—would in good faith undertake to carry out the wishes of the Senate.

Mr. MYERS. I do not think the Senator from Arizona has the least bit of desire in the matter one way or the other—neither a desire to serve nor a desire not to serve. He simply said that he would serve if asked to do so. Most of the points of difference have been settled. There are only a few remaining. It is possible that at our next meeting, which will be on Monday morning next, we may finish with a partial set of conferees; but it seemed to be the general opinion that it would be much better to have a full membership on the conference, so I simply make the request and submit it to the Senate.

The VICE PRESIDENT. If there be no objection, it is so ordered, and the Senator from Arizona [Mr. SMITH] is appointed a conferee in place of the Senator from Nevada [Mr. PITTMAN].

THE COTTON INDUSTRY.

Mr. SHEPPARD. I present a letter bearing on the cotton situation, which I ask to have printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OCTOBER 2, 1914.

Hon. WILLIAM G. MCADOO,
Secretary of the Treasury, Washington, D. C.

MY DEAR MR. SECRETARY: The Secretary of the Treasury can announce that within one week he will deposit in the national banks throughout the South several hundred million dollars and very largely dispel the gloom overhanging the Southern States on account of the prostrated and paralyzed cotton market. You have this indisputable right under section 5153, Revised Statutes, which gives you plenary powers.

In March, 1913, a terrible storm flood swept over the Ohio Valley. In your annual report of 1913, in the very front page, with apparent exultant pride, you recite: "The banks of that city were afraid to reopen their doors because of the temporary impairment of confidence." You further add: "The citizens' relief committee asked that a representative of the department be sent right away to see about financing our banking institutions. * * * A national bank examiner was immediately dispatched to Dayton, and within 24 hours after his arrival the department designated every national bank in Dayton as a Government depositary, and announced that it would deposit in said national banks $2,000,000 of Government funds, to be secured by State, municipal, or other local bonds acceptable to the Secretary of the Treasury. The effect of this action was to restore confidence at once. The banks reopened their doors, and instead of the anticipated need of $2,000,000 the Treasury was called on for only $182,000. If you will use this example of depositing millions in a small locality like Dayton and spread out public funds in the same proportion over the entire South, you can promptly save our people from the impending disaster now upon them. A simple announcement of your intention would preserve your native land from bankruptcy. You have unquestioned authority to say to every national bank in the South: "Take cotton as security at 8 cents per pound, require the farmer's note running for six months, bearing 3 per cent interest. Do this as the fiscal agent of the Government under section 5153, Revised Statutes. The Government will at once place in your hands the public funds to finance those transactions." Thus, as you saved Dayton, Ohio, last year you can rescue 30,000,000 of people in the South.

You can deposit the money, make terms with every national bank in the South as trustee, persuade them as fiscal agents to gather in warehouse receipts on cotton and utilize those receipts as security for the loan of Government funds at a very low rate of interest, as you did when you scattered the crop funds throughout the States in 1913. You justly glory in that on page 2 of your report, and are proud that you stretched the precedents. You say: "The Secretary announced that as security for such deposits 'high-class commercial paper' would be accepted at 65 per cent of its face value," etc. You add: "This was an unprecedented step, because commercial paper had never before been accepted as security for Government deposits." And: "The moment it became known that the Government stood ready to assist, the tension was relieved, business resumed a normal aspect, and the fall movement of crops, trade, and commerce proceeded upon an easier and safer basis than for many years past."

As Secretary of the Treasury, shift the Government deposits, now about $74,000,000, to the South, sell two hundred millions of Panama Canal bonds to those getting up gold pools for Europe and on New York City loans, and utilize our cotton as security for the Government loans, as you did "commercial paper" last year, and in one short week you can rescue the South from ruin and a wild orgy of bankruptcies soon to ensue.

If you need a little more legal authority to do this, you can win the President in an instant to help you, and the message of both the President and yourself to Congress can strengthen and free your hands in an hour to do just as you please to find a way to save a billion-dollar cotton crop. Aye, if you wish it and will say the word, we can instantly add to those Government deposits and the proceeds from the Panama Canal bonds combined $200,000,000 more by the issuance of United States notes.

It is with you. Congress can provide the additional funds when you and the President say go forward, and we can authorize you in a few brief words to use our cotton this year as security instead of bonds and commercial paper, as you did last year, and the glorious deed is done. Will our Secretary of the Treasury rise to the occasion? You can.

Please let me have your attitude on these points at the earliest practicable moment, as it will determine my official conduct as a Representative in Congress.

With cordial regards, I am,

Sincerely, yours, R. L. HENRY.

EXECUTIVE SESSION.

Mr. O'GORMAN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

RECESS.

Mr. O'GORMAN. I move that the Senate take a recess until to-morrow at 12 o'clock meridian.

The motion was agreed to; and (at 5 o'clock and 30 minutes p. m., Friday, October 2, 1914) the Senate took a recess until to-morrow, Saturday, October 3, 1914, at 12 o'clock meridian.

NOMINATION.

Executive nomination received by the Senate October 2 (legislative day of September 28), 1914.

UNITED STATES CIRCUIT JUDGE.

Richard W. Walker, of Huntsville, Ala., to be United States circuit judge for the fifth circuit, vice David D. Shelby, deceased.

CONFIRMATIONS.

Executive nominations confirmed by the Senate October 2 (legislative day of September 28), 1914.

ASSOCIATE JUSTICE OF THE SUPREME COURT.

Walter I. McCoy to be associate justice of the Supreme Court of the District of Columbia.

POSTMASTERS.

KENTUCKY.

L. W. Springfield, Sebree.

TEXAS.

James M. Kennedy, Naples.

G. C. Tiller, Carthage.

HOUSE OF REPRESENTATIVES.

FRIDAY, *October 2, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Incline Thine ear, O God our Father, and hear our petition. Bear with our infirmities; forgive our sins; quicken our conscience; illumine our minds, and prepare us by the discipline of daily life to meet whatsoever transitions may come to us with Christian fortitude, with firm resolve to do the right as it is given us to see the right, leaving the results to Thee, who knoweth the beginning and the end. And Thine shall be the praise, through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

CORRECTION OF ERRORS IN PENSION BILLS.

Mr. SHERWOOD. Mr. Speaker, I ask unanimous consent to discharge the Committee on Invalid Pensions from the further consideration of House joint resolution 361 and take up the same for immediate consideration.

The SPEAKER. The gentleman from Ohio [Mr. SHERWOOD] asks unanimous consent to discharge the Committee on Invalid Pensions from the further consideration of House joint resolution 361, which the Clerk will report.

The Clerk read as follows:

Joint resolution (H. J. Res. 361) to correct certain errors in H. R. 12045, H. R. 12914, H. R. 13542, H. R. 14234, H. R. 14738, H. R. 15692, and H. R. 16294.

Whereas an error was made in the report of the Committee on Invalid Pensions upon H. R. 12045 (private act, No. 50), approved July 1, 1914, Mary Quinlan, widow of John T. Quinlan, late of Company B, One hundred and fifty-seventh Regiment Pennsylvania Volunteer Infantry, was changed to read "Mary Quinlan, widow of Thomas T. Quinlan"; and

Whereas an error was made in the report of the Committee on Invalid Pensions upon H. R. 12914 (private act, No. 86), approved July 21, 1914, Sarah C. Kennedy, former widow of Lewis H. Hurt, late of Company K, Seventeenth Regiment Illinois Volunteer Infantry, the name of the soldier was changed to read "Lewis C. Hunt"; and

Whereas an error was made in the report of the Committee on Invalid Pensions upon H. R. 13542 (private act, No. 88), approved July 21, 1914, the designation of the military service of one William H. Conklin, late of Company B, One hundred and twenty-first Regiment Ohio Volunteer Infantry, was changed to read "Company C, One hundred and twenty-first Regiment Ohio Volunteer Infantry"; and

Whereas an error was made in the report of the Committee on Invalid Pensions upon H. R. 14234 (private act, No. 90), approved July 21, 1914, the name of David S. Trent, late of Company B, Fifty-ninth Regiment Indiana Volunteer Infantry, was changed to read "Davis S. Trent"; and

Whereas an error was made in the report of the Committee on Invalid Pensions upon H. R. 14738 (private act, No. 92), approved July 21, 1914, Amy Day, widow of Lorenzo Day, the name of the soldier was changed to read "Leronza Day"; and

Whereas an error was made in the report of the Committee on Invalid Pensions upon H. R. 15692 (private act, No. 95), approved July 21, 1914, Jennie L. Maginn, widow of Loughlin F. Maginn, late of Company H, Sixteenth Regiment New York Volunteer Infantry, the soldier's name was changed to read "Loughlier F. Maginn"; and

Whereas an error was made in the report of the Committee on Invalid Pensions upon H. R. 16294 (private act, No. 100), approved July 30, 1914, Malinda Logsdon, widow of Mathew Logsdon, late of Company E, Eleventh Regiment Kansas Volunteer Cavalry, the name of the soldier was changed to read "Matthew Logsdon," and the designation of his service to read "Company E, Tenth Regiment Kansas Volunteer Cavalry"; that in the same report and private number, the designation of the military service of one William McCracken, late of Company B, Third Regiment New York Provisional Cavalry, was changed to read "Company H, Third Regiment New York Provisional Cavalry," and that in the same report and private number, Mary E. Greiner, former widow of Ira E. Gager, the soldier's name was changed to read "Ira E. Yager": Therefore be it,

Resolved, etc., That the said acts be corrected and amended as follows:

That the item in the act (Private, No. 50, 63d Cong., 2d sess.) granting an increase of pension to one Mary Quinlan be corrected and amended so as to read as follows:

"The name of Mary Quinlan, widow of John T. Quinlan, late of Company B, One hundred and fifty-seventh Regiment Pennsylvania Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving."

That the item in the act (Private, No. 86, 63d Cong., 2d sess.) granting a pension to one Sarah C. Kennedy be corrected and amended so as to read as follows:

"The name of Sarah C. Kennedy, former widow of Lewis H. Hurt, late of Company K, Seventeenth Regiment Illinois Volunteer Infantry, and pay her a pension at the rate of $12 per month."

That the item in the act (Private, No. 88, 63d Cong., 2d sess.) granting an increase of pension to one William H. Conklin be corrected and amended so as to read as follows:

"The name of William H. Conklin, late of Company B, One hundred and twenty-first Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $24 per month in lieu of that he is now receiving."

That the item in the act (Private, No. 90, 63d Cong., 2d sess.) granting an increase of pension to one Davis S. Trent be corrected and amended so as to read as follows:

"The name of David S. Trent, late of Company B, Fifty-ninth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving."

That the item in the act (Private, No. 92, 63d Cong., 2d sess.) granting an increase of pension to Amy Day be corrected and amended so as to read as follows:

"The name of Amy Day, widow of Lorenzo Day, late of Company F, One hundred and twenty-fifth Regiment United States Colored Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving."

That the item in the act (Private, No. 95, 63d Cong., 2d sess.) granting an increase of pension to Jennie L. Maginn be corrected and amended so as to read as follows:

"The name of Jennie L. Maginn, widow of Loughlin F. Maginn, late of Company H, Sixteenth Regiment New York Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving."

That the item in the act (Private, No. 100, 63d Cong., 2d sess.) granting an increase of pension to Malinda Logsdon be corrected and amended so as to read as follows:

"The name of Malinda Logsdon, widow of Mathew Logsdon, late of Company E, Eleventh Regiment Kansas Volunteer Cavalry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving."

That the item in the act (Private, No. 100, 63d Cong., 2d sess.) granting an increase of pension to William McCracken be corrected and amended so as to read as follows:

"The name of William McCracken, late of Company B, Third Regiment New York Provisional Cavalry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving."

That the item in the act (Private, No. 100, 63d Cong., 2d sess.) granting a pension to one Mary E. Greiner be corrected and amended so as to read as follows:

"The name of Mary E. Greiner, former widow of Ira E. Gager, late of Company H, One hundred and ninth Regiment New York Volunteer Infantry, and pay her a pension at the rate of $12 per month."

The SPEAKER. Is there objection?

There was no objection.

Mr. SHERWOOD. Mr. Speaker, I desire to make a few remarks concerning these corrections. I want to say that all these errors that have been corrected are absolutely immaterial except two, which were made at the Government Printing Office. I want to call your attention to the hypercritical character of these corrections. For instance, in the pension bill for Amy Day, the widow of Lorenzo Day, the name of the soldier was changed in the Printing Office to "Leronza" Day. Another criticism for which a bill has been sent back is the name of Mathew Logsdon, where Mathew was spelled with two "t's" instead of one. I think it is due to this House to know the character of these criticisms, and I think the question ought to be settled now whether a bureau of the Government on an immaterial error can nullify a law of Congress.

I want to say further that the Committee on Invalid Pensions has been short, during the time your speaker has been

chairman of that committee, of one session clerk, and that during the last Congress there were introduced 15,281 pension bills in this House, and that one examiner detailed by the Pension Office was compelled to examine all those bills, and because of that work, which was something stupendous, he lost his life. He undertook to attend the reunion at Gettysburg of the Blue and Gray, and he died there in consequence of overwork. Then we detailed another pension examiner, and we have had at this session of Congress 9,647 private pension bills introduced by Members of this House, all of which had to be examined—a most stupendous work; and not a single mistake has been made on the merits of a single bill. All of the criticisms have been immaterial and unnecessary. Of the number of bills introduced the House has passed up to this time 1,670 private pension bills.

That is all I care to say now, Mr. Speaker.

The SPEAKER. The question is on the engrossment and third reading of the House joint resolution.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Carr, one of its clerks, announced that the Senate had passed the following joint resolution, in which the concurrence of the House of Representatives was requested:

S. J. Res. 187. Joint resolution requesting the President of the United States to invite foreign Governments to participate in the International Congress on Education.

SENATE JOINT RESOLUTION REFERRED.

Under clause 2, Rule XXIV, Senate joint resolution of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. J. Res. 187. Joint resolution requesting the President of the United States to invite foreign Governments to participate in the International Congress on Education; to the Committee on Foreign Affairs.

LEAVE OF ABSENCE.

Mr. McANDREWS, by unanimous consent, was granted leave of absence, indefinitely, on account of sickness in his family.

ORDER OF BUSINESS.

Mr. MANN. Mr. Speaker, I ask unanimous consent that the gentleman from Washington [Mr. HUMPHREY] may proceed for 15 minutes.

The SPEAKER. The gentleman from Illinois [Mr. MANN] asks unanimous consent that the gentleman from Washington [Mr. HUMPHREY] be allowed to proceed for 15 minutes. Is there objection?

Mr. UNDERWOOD. Mr. Speaker, of course I do not want to object to the gentleman having an opportunity to talk, but I think it is very important, if we want to get an early adjournment—which I think now begins to look as if it were in sight [applause]—that we should get this bill now pending before the House out of the way before Monday, because I do not know but if this rule supersedes Monday, and we can not use it for an opportunity to suspend the rules on two bills, it might delay matters, and I think we could possibly push the matter through. On Tuesday or Wednesday, while we are waiting for business from the Senate, the gentleman may have full opportunity to talk.

Mr. MANN. Probably this bill will not be out of the way Monday, anyhow; and if that is the case, I think the Committee on Rules ought to report a rule Monday displacing this bill for Monday, and possibly doing the same thing when the conference report on the Clayton antitrust bill is ready to come before the House.

Mr. UNDERWOOD. If there is no objection, I think it would expedite business. But, pending that, I would ask unanimous consent that the rule in reference to this bill shall not displace the business in order next Monday, and that it shall not interfere with the consideration of the conference report on the trust bill when it comes back from the Senate.

Mr. FLOOD of Virginia. Mr. Speaker, reserving the right to object to the first part of that request, I will say that there are some of us here who can not consent to that at this time. We might be able to do so a little bit later, but I shall have to object at this time; and there are other gentlemen here who would object, too.

Mr. UNDERWOOD. Then, Mr. Speaker, I shall have to ask for the regular order.

The SPEAKER. The regular order is that the House resolve itself automatically into the Committee of the Whole House on the state of the Union——

Mr. MANN. Mr. Speaker, the regular order is, under the ruling of the Chair, to submit my request to the House.

The SPEAKER. That is true.

Mr. UNDERWOOD. That is so; but unless the gentleman is very urgent to-day, I hope he will withdraw his request for the present.

Mr. HUMPHREY of Washington. Mr. Speaker, I will withdraw it for the present and submit it later in the day.

Mr. UNDERWOOD. I have no objection to the gentleman's addressing the House, but I am very anxious to push this bill forward, and I think the House is of that mind.

The SPEAKER. The gentleman from Washington [Mr. HUMPHREY] withdraws the request of the gentleman from Illinois [Mr. MANN]. [Laughter.]

THE PHILIPPINE ISLANDS.

The SPEAKER. The House automatically resolves itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 18459, the Philippine bill, with the gentleman from Virginia [Mr. FLOOD] in the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands, with Mr. FLOOD of Virginia in the chair.

Mr. JONES. Mr. Chairman, I should like to inquire how much time remains for general debate?

The CHAIRMAN. The gentleman from Virginia has 39 minutes, the gentleman from Iowa 37 minutes, and then each has 15 minutes after the reading of the bill.

Mr. JONES. I request the gentleman from Iowa to use some of his time now.

Mr. TOWNER. I yield 10 minutes of my time to the gentleman from Ohio [Mr. FESS]. [Applause.]

The CHAIRMAN. The gentleman from Ohio [Mr. FESS] is recognized for 10 minutes.

Mr. FESS. Mr. Chairman, the bill as we are now discussing it does not in words specifically declare for the immediate independence of the Philippines, but it does state that independence is to be assured as soon as a stable government is established therein.

I have raised the question whether under that wording the Philippines could not have independence without any further action of Congress, by a simple recognition of it by the President. If independence is not to be granted——

Mr. FITZGERALD. Will the gentleman yield for a question?

Mr. FESS. Yes.

Mr. FITZGERALD. This declaration must be read in its entirety. It says:

Whereas it is, as it has always been, the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein; and—

Now, independence can not be declared by any official, unless there is specific authority given somewhere for that official to exercise.

Mr. FESS. I will say to the gentleman that what he quotes there is not a pronouncement of Congress, but simply a statement which is not a part of the law at all. It is in the preamble, and if the preamble is not to be a part of the law, then it ought not to be here, and if it is to be a part of the law, then the statement, I think, is quite serious.

Mr. FITZGERALD. Oh, no; the preamble, even if adopted, is not a legislative enactment. It is merely an expression of the purpose or explanation. If this declaration be adopted there would still be legislative authority required to be conferred upon some official to withdraw the sovereignty of the United States from the Philippine Islands. Where is that authority?

Mr. FESS. Whether a nation is independent or not is not so much a matter for this Congress, but is a matter for the President, who receives the recognized representative from that nation. Therefore it is not so much a legislative function as it is an executive function. That is the question I am raising here.

Mr. FITZGERALD. Mr. Chairman——

Mr. FESS. Mr. Chairman, I can not yield to the gentleman any further.

Mr. FITZGERALD. This is an interesting discussion. The gentleman knows that what he says might be true of a nation with which we have absolutely no connection, but we own the Philippine Islands, and the President could not make them independent by recognizing some one accredited to this Government from the Philippines.

Mr. FESS. Mr. Chairman, I must insist that I can not have all my time taken by these questions.

The CHAIRMAN. The gentleman declines to yield.

Mr. FITZGERALD. It would improve the gentleman's speech.

Mr. FESS. I am inclined to think it does improve the gentleman's speech, but I do not want to have all my time taken. If what the gentleman from New York says is true, that there is no such meaning of independence in this bill, then this bill is not in pursuance of the pledge that has been made at least four times by the party in power, which is responsible for this legislation. One place you go to interpret the bill as to the policy which it means to declare is to the preceding pronouncement of the party now in power pledged to fulfill its promises. Secondly, if I were in doubt, I would study the speeches made on the bill pro and con as we hear them on the floor of the House.

Now, as I have listened to every speech on the Democratic side of the House, I hear but one note—independence of the Philippines. All of them except the speech of the distinguished chairman of the committee [Mr. JONES] have been arguments in favor of the independence of the Philippines. My good friend the gentleman from New Jersey [Mr. BAKER] last night delivered a fine speech, and the burden of his song was that we were not giving liberty to these people, and that that was the one sole yearning of any people. He denounced our position as a great wrong. Not only was that stated by him, but it has been stated in substance by every man who has spoken on the Democratic side of the House except the chairman of the committee [Mr. JONES], and his remarks were specifically confined to the details of the bill and the history of it. The speeches on the Republican side have been in opposition to the declaration of independence for these people at this time. I think if we would take the word of the one spokesman of the Philippines upon the floor, the Resident Commissioner [Mr. QUEZON], we could not be mistaken as to what he thinks is the purpose of this legislation. I am going to differ from my good friend from Missouri [Mr. BORLAND] when he says that the Resident Commissioner could not have said anything different from what he said, and that he would have lost his high respect for him if he had said anything different. My friends, I think that is a mistake. Do you mean to say that if there were a representative from Canada on the floor of the British Parliament, duty would compel him to demand independence for Canada when it would be better for them to retain the Government they now have, or that a representative from the United States of Australia, had he a seat in the Parliament of Great Britain, must make his fight for Australian independence when probably they would not want it? I say it is the duty of the man who represents the Philippine Islands on this floor to speak what is his judgment, to speak it openly here, just the same as he would speak it with me in private conversation. I do not think that because a man is afraid to speak his own convictions that is a justification for his simply refusing to speak, or, on the other hand, to speak against what his judgment dictates as unwise.

Members are confusing independence and liberty.

It has been asserted that the goal of the Philippines is liberty through independence. You fail to discriminate between liberty and independence. I want to say to the membership of this House that you must not confuse those two terms. The people may have liberty, but not independence; they may have independence, but not liberty. Canada has liberty, but Canada has not independence. Australia has liberty, but Australia has not independence. New Zealand has liberty, but New Zealand has not independence. When I was interrupted the other day with a question about the literacy or illiteracy of the Philippine Islands, after having quoted from the information given to the House by the man who knew about the situation, Mr. MILLER, and the reply was made that those islands had a higher literacy than any country south of the United States; instantly there flashed into my mind the Australian people, where is found the highest per cent of literacy of any country in the world save, perhaps, New Zealand. The people of Australia and New Zealand have liberty, but not independence. New Zealand has a state of literacy that challenges the admiration of the world. She has one of the largest and best universities in the world and one of the largest circulating libraries of any country on the globe in comparison with the number of people to be served. In the United States of Australia, according to a late statement, out of 1,000 people who applied for marriage licenses only 10 were unable to sign their names to the certificate. I doubt whether you could find so high a rate of literacy anywhere else in the world. And yet the United States of Australia, without independence and with the largest measure of liberty, is to-day the birthplace of many reforms. New Zealand is without independence and with the largest measure of freedom. Canada is without independence and with the largest measure of freedom. On the other hand, Mexico has her independence, but what about her liberty? It would appear from recent events that she has the liberty of the jungle. Certain South and Central American countries have their independence, but what about their liberty, when judged by recent history? The Filipino has not his independence, but has a large share of liberty. You who clamor for his independence should make sure that you are not denying him liberty. This liberty has come because they did not have independence, but because of American protection and occupation. Seven hundred and twenty-five towns are already municipal governments, built upon modern American methods, in which the people have their liberty in the election of their officers and through their administration of all their municipal affairs. The Philippine Assembly is an elective body, chosen by the people. [Applause on the Republican side.] The senate or upper house is the council chosen by the American authority, but made up of a majority of Filipinos.

The object of the American occupation is not so much independence for the sake of those who rule, but rather the liberty of those who are ruled. This liberty came to the Filipinos step by step under the direction of the American Government—a chapter in constructive work not duplicated elsewhere in all the world. This people furnished a great laboratory for the American ideal in nation building. It started with the child—the mind of the child. The first step is the school.

When the American came he found less than 1,000 schools among 8,000,000 people, scattered over an island country with more coast line than has continental United States. He found a soil so rich and abundant that conservative statements say it could support as many people as now live in continental United States. In this wonderful field for agriculture he found the most primitive methods employed, which yielded not 1 per cent of its possibilities.

He found at least 40,000 square miles of timber, valuable timber, hardwood. This rich prize must be so guarded by wise conservation laws that it shall be employed for the people's welfare and progress, and not for sharp speculators and exploiters who infest those islands as all other places where opportunity opens its door for their activities.

The American finds promising developments of resourceful mines. But, most important of all, he found there a people, 7,000,000 or more, awaiting the application of modern methods of the western world. These people lived in cities, villages, and in countries. Some were civilized, some semicivilized, and some wholly uncivilized.

The census of 1903 shows that out of the total population over 10 years of age 20 per cent could read and write, while the males of voting age who could read and write was less than 33⅓ per cent. These figures refer to the Christian tribes. There were 1,677,525, or 24 per cent, of Christian population who were 21 or over. Of these 1,137,776, or 68 per cent, were illiterate.

Between 1900 and 1903 there were organized 2,075 schools, mostly primary education.

Besides these schools, which teach the rudiments of education, there are now a great many secondary schools of modern character.

Vocational education is in operation in many parts where school gardening is carried on quite extensively to persuade the inauguration of intensive farming, which opens a wonderful field for that people.

The schools of arts and trades mark another very important movement. Manual training is a wonderfully apt field for these people. There is at least one good institution of this sort in each of the election districts.

The marvelous transition worked by the inauguration of the American system of education approaches metamorphosis. It will require not many generations to completely transform that people in ideals as well as ideas. It will rapidly become a modern country if left undisturbed by the busybody, whose hopes and aspirations can not rise to the plane of a people comfortable and happy in the joy of the full fruition of its own powers realized through education.

This possible goal, within easy reach of the generality of this people, will not be facilitated by the constant holding out of a promise of something they do not want, and at this time could not use if they had it. Such a policy can have but one effect—a spirit of dissatisfaction, of unrest, stimulated by the agitator, whose chief concern is how to increase his own prestige, with little regard, if any, for his people.

Atheletic sports, first inaugurated by our soldiers, finally took hold of the schools of the vicinities. Now, instead of the medieval sports so common in Spanish countries, the modern sports make possible a community interest, by one team playing a visiting team in the presence of a happy crowd. The game

is played under rigid rules, where the one slogan is "Play the game, stand by the rules." There is no finer moral discipline in the Philippines, as well as in America, than a well-regulated game, where the law is "Don't foul, don't fumble, but hit the line hard."

One of the most important achievements on the islands is the advance in sanitation. By expert application and the establishment of hospitals, schools for nursing, and better health regulations, better care for the water supply, better disposal of waste, and so forth, by these various applications cholera has been driven out, as yellow fever was from Habana and Panama. Smallpox, that was quite common, has no further terror, since the people are becoming immune by vaccination. The bubonic plague has been driven out. The pneumonic plague and other dangerous maladies have been successfully combated by modern medicine.

The Filipino is said to be a natural nurse when trained. This field opens to both boy and girl. In a material way the occupation by the Americans has made various towns beautiful, clean, and healthy. The coasts have been charted and nearly 100 lighthouses erected. Wharfs have been built, harbors have been improved, and shipping facilities added.

The 120 miles of railroad, much of it in bad state of repair in 1898, has been increased to over 600 miles. The old roads, many of which were mere trails, have been displaced by a thousand miles or more of splendid roads, which will permit rapid travel throughout the country. In this way most of the country is being placed in easy communication. Under this régime the head-hunters must be soon a mere memory.

There still exists some peonage, which, according to Dean Worcester, is rapidly passing by rigid enforcement of laws against it.

These are some of the things which have taken place since 1898. These advances were made to secure Filipino liberty. Whatever might be said of independence, it is impossible to say what would have been the result had not this great Republic entered upon that unselfish work. There is nothing like it in the history of mankind. The administration has been passing over to the Filipino authority in matters of interest just as fast as safety for him will permit. This has been done before his very eyes. It has been without promise of this or that. This bill is but another handle to stir up the busybody, who in turn tries to dissatisfy the native with his protector. It is unwise, unnecessary, and ill-advised. The preamble should go out of the bill altogether.

Mr. TOWNER. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has 27 minutes.

Mr. TOWNER. Mr. Chairman, the record that has been made by the Republican Party in the administration of the Philippine Islands is one of the proudest chapters in its history. I say that as much for the reason that it has not been treated by the Republican Party as a partisan question as for any other reason. I am proud of the fact that the Republican Party, in the inception of the responsibility that was thrust upon it, took up that responsibility with a full sense that it ought not to be considered as a partisan question. In the last declaration made by the Republican Party it was declared that their treatment of this question had always been and should be nonpartisan.

I want to present to this House now a few sentences from the Republican platform of 1900. It declares:

> In accepting, by the treaty of Paris, the just responsibility of our victories in the Spanish War, the President and the Senate won the undoubted approval of the American people. No other course was possible than to destroy Spain's sovereignty throughout the West Indies and in the Philippine Islands. That course created our responsibility before the world and with the unorganized population whom our intervention had freed from Spain to provide for the maintenance of law and order and for the establishment of good government and for the performance of international obligations.

This was the declaration of the Republican Party at the very inception of our government of the Philippine Islands in the year 1900. It was a declaration, as I say, about which we all ought to be proud, and in the spirit of this tremendous responsibility that had come to us throughout all the administration of the Republican Party we have treated it in this broad, magnanimous manner.

There could have been no more splendid initial declaration of principles under which the Philippine Islands were to be governed than was issued by President McKinley in 1900, when he appointed the Philippine Commission, to which was given the powers of government at the commencement of civil government in the American occupation. It has been declared by one of England's greatest statesmen as one of the broadest and most statesmanlike utterances that has ever been made regarding such questions.

President McKinley then said:

> In all forms of government and administrative provisions which they are authorized to prescribe, the commission shall bear in mind that the government which they are establishing is not designed for our satisfaction or for the expression of our theoretical views, but for the happiness, peace, and prosperity of the people of the Philippine Islands, and the measures adopted should be made to conform to their customs, their habits, and even their prejudices to the fullest extent consistent with the accomplishment of the indispensable requisites and privileges of an effective government.

Throughout the government under Republican administrations there was no politics. More Democrats were appointed as governors of the Philippine Islands than Republicans. Everywhere Democrats were appointed in all parts of the administration of the islands indiscriminately. You might go anywhere in the islands and find that the official had been appointed by a Republican administration, although he was a Democrat. It was only sought to secure the best men for the places in the islands, no matter what their politics might be.

We have complained, and we think justly so, of the policy of the Democratic Party with regard to the Philippine Islands. From the commencement it has been governed by partisan considerations. This is strikingly shown by the action of the present Secretary of State. He came here to Washington when the treaty of Paris was pending for ratification before the Senate and when one or two votes would determine whether or not the necessary two-thirds could be secured. Mr. Bryan came here and labored with Senators to secure an indorsement of the treaty of Paris. If that treaty had not been secured—there was no objection particularly urged to it except the fact that we took over the Philippine Islands—if that treaty had not been ratified—and it lay within the power of Mr. Bryan to determine whether it should or not, because it could not have been ratified by the Republicans, who could not control the required two-thirds majority—there would have been no acquisition of the Philippine Islands. And strange and inconsistent as it may appear, soon after that, when Mr. Bryan was nominated for President of the United States, he was nominated on a platform which he dictated and which, in effect, declared for immediate independence of the Philippine Islands, and made his campaign principally on that issue. He declared then over and over again on the stump that they were ready for self-government, and declared over and over again that there was no danger, and that we ought to give them immediate independence. He declared over and over again that we had no right to retain control of the islands, and made the so-called issue of "anti-imperialism" the dominant issue of that campaign.

What the American people thought about it is determined by the result of that election. They declared against the scuttle policy. They declared that it was not possible to turn the islands adrift. They declared that the obligations which we had involuntarily assumed must be met by a manly and honest assumption of our duties.

The idea of neutralizing the islands first appeared as an authorized expression of the policy of the Democratic Party in 1904. Since then it has been a favorite method of disposing of the Philippines by the Democrats. It seems easy to declare that we may enter into an international agreement with other nations by which the neutralization of the Philippine Islands could be guaranteed, as the neutralization of Switzerland and Belgium was guaranteed, but now we hear little of the neutralization of the Philippine Islands. While it might be possible to secure a recognition by other nations of the neutrality of the Philippines, to induce them to join with the United States in guaranteeing their neutrality would be impracticable. It is stated as a fact that already this administration has sounded other nations as to whether or not such an agreement could have been secured, but other nations are not inclined to take upon themselves such responsibilities unless we can offer them special privileges or concessions in the Philippines, and this, of course, we can not do. We have that responsibility, and we must carry it through until we either rid ourselves of it by a voluntary abdication of our power in the Philippine Islands or until they shall be wrested from us by a superior power.

The Democratic platform utterances of 1908 and 1912 declared, in effect, that the United States shall first establish a stable government in the Philippine Islands and then shall guarantee to them their independence. There is in this provision and in this position no ridding of the United States of her responsibilities. If we are now responsible for conditions in the Philippine Islands, we will be responsible for them ever and always, if we guarantee to them their independence. Such a proposition, in my judgment, is utterly indefensible and untenable. Under those conditions the United States would have all the present responsibilities of its position and it would have none of the advantages that may be ours by reason of the islands being part of the territory of the United States.

The position of the Democratic Party has materially changed from the proposition of 1900 in which immediate independence was the issue until the present time when this present bill is up for consideration. A change in sentiment for some reason has occurred during that period. This bill does not declare for immediate independence. It declares only that it is and has been always, as the preamble reads, the purpose of the United States to grant the Filipino people independence whenever a stable government shall be established in the islands. A stable government is established in the islands to-day. There is now a stable government established, and there has been for years. They have secured that already. What further element of a stable government is required? Does it mean a stable government of an independent character? A stable government under which the Government shall demonstrate its capacity to run itself as an independent Commonwealth among the nations of the world? There is no opportunity for that. It would be very much better, more consistent with the ideas of the Democratic Party, if they should say to the Filipino people, as they said in 1900, "We will give you your independence immediately and guarantee that you shall not be interfered with." That would be very much more consistent than their present position. There is no opportunity to demonstrate whether or not government can be secured that is any more stable than the government they have now. The Filipino people think that they are now capable of maintaining not only a stable government but an independent stable government. They believe that they are now capable of maintaining and keeping their independence. No party in the United States agrees with them in that position.

We are under obligations to President Wilson for his influence upon the Democratic Party in many regards. Thanks to him, there has been a higher standard in all departments of this Government than has ever been put into practice in any previous Democratic administration. Thanks to him no such dangerous idea as immediate independence is pressed as a policy of his administration.

It is doubtless due to the influence of President Wilson that no such dangerous experiment should be tried as was advocated by the Democratic Party in their platforms; at least, he understands the situation if his followers do not.

In his lecture which was delivered at Columbia University in 1907, speaking particularly of the Philippine Islands and applying his language directly to them, he said:

> Self-government is not a mere form of institutions, to be had when desired, if only proper pains be taken. It follows upon the long discipline which gives a people self-possession, self mastery, the habit of order and peace and common counsel, and a reverence for law which will not fail when they themselves become the makers of law; the steadiness and self-control of political maturity; and these things can not be had without long discipline.

Again he says:

> Self-government is not a thing that can be "given" to any people, because it is a form of character and not a form of constitution. No people can be "given" the self-control of maturity. Only a long apprenticeship of obedience can secure them the precious possession, a thing no more to be bought than given. They can not be presented with the character of a community, but it may confidently be hoped that they will become a community under the wholesome and salutary influences of just laws and a sympathetic administration; that they will after a while understand and master themselves, if in the meantime they are understood and served in good conscience by those set over them in authority.

That is the mature judgment of a careful statesman upon this particular question. If that rule shall be applied, then the Philippine Islands will remain for many years under the control and direction of the United States. I know it is very apt to be the case that those of us who think that we ought to be relieved of these responsibilities shall take the easy course, in the belief that perhaps they could get along if they were to set up an independent government of their own; but if we are careful, and if we are just with ourselves, we certainly will not be deceived concerning the matter.

I want to call attention now to a statement of the conditions that existed in the Philippine Islands at the time of the American occupation. This statement was made by Dr. Heiser, who went there to take charge of the sanitation and medical supervision of the islands. He went there as a scientist and speaks as a scientist, and I am quoting this from an address delivered by Secretary Redfield, who says of him that he is personally acquainted with Dr. Heiser, that he has met him, and knows him to be a truthful man, and that he describes things as he found them in the islands. Dr. Heiser said:

> Forty thousand persons were dying annually from smallpox, while the number of deaths from beriberi in jails and other public institutions was frightful. With the exception of the water system in the city of Manila, there was not a reservoir, pipe line, or artesian well for the 7,200,000 people of the entire archipelago, and even the water for the city of Manila was known to be grossly polluted. The dead were buried in a most haphazard manner, it being a not infrequent experience to find as many as four or five interred in a grave. The bones of those who had died but a few months before were often ruthlessly cast out to bleach in the sun in order to make room for a more recent death. The city of Manila, which had a population of over 200,000, had no sewer system, and foul human discharges found their way directly into the esteros or canal, of which there are some 23 miles. The water in these was frequently stirred up by the lighters and other craft which are used so extensively in Manila for transportating cargo, with the result that nauseous gases were constantly being liberated.
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> There was no food law, and the vilest class of food products was shipped into the country without let or hindrance. Amebic and other forms of dysentery soon affected the troops and others who had come to the Philippines to aid in governmental work. Subsequent experience has shown that these same diseases were responsible literally for thousands of deaths annually among the Filipinos. There was no hospital in the entire islands which had modern surgical equipment, and persons died on every hand of disease which could have been easily relieved. It was not uncommon to find many persons horribly deformed by the scars which resulted from injuries or ulcers that could have been easily cured if skilled attention and facilities had been available at the time when they had their beginning. The prisons throughout the islands were indescribably filthy and neglected.
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> The maritime quarantine was conducted upon a basis of graft rather than upon merit, with the inevitable result that an outbreak of plague, cholera, or smallpox in the near-by foreign countries meant the early introduction of the disease into the Philippines. There was no proper inspection of animals before slaughter, and suitable slaughterhouses where this work could have been done were conspicuous by their absence. More than 5,000 lepers were at large throughout the Philippine Islands. A few hundred were taken care of as objects of charity, but there was no attempt to segregate lepers.
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> Malaria prevailed in hundreds of towns in the Philippines, without quinine being available to combat it. It was no infrequent experience to find imitation quinine pills being sold at fabulous prices in the stricken districts, and the poor populace had no one to whom to apply with the hope of receiving any relief from this most intolerable condition. Sections of Manila, having a population of 5,000 to 25,000, were built up with houses so closely crowded together that there was no room for streets or alleys, and egress from these sections had, in many instances, to be made by the residents crawling under one another's houses. Manila is located on a tidal flat, and formerly, at high tide, about half of the city was inundated. As this flat land consisted of soft, oozy mud, the conditions can be better imagined than described.
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> There was no governmental provision for the insane, and it was no uncommon sight to see these unfortunates tied to a stake, under a house or in a yard, with a dog chain, and it often happened that during fires, which are so frequent in towns built of nipa, these unfortunates were burned because no one thought to release them. Foods and perishable provisions were sold under most filthy conditions, the common practice being to sell them from the ground, so that the dust and dirt of everyone who came to see was soon intimately mixed with the food that was on sale. It was a frequent occurrence to find small rooms, often no larger than 8 by 10 by 8 feet in which from six to eight persons were sleeping. Tuberculosis was responsible each year for perhaps another 50,000 deaths throughout the archipelago. No effort whatsoever was made to teach the people how to deal with this scourge.

And he goes on and tells about the home life of the people and the results of their manners and customs, upon the life and conditions in the islands of the people themselves. He tells what their home life was——

Mr. GOULDEN. Will the gentleman permit an interruption?

Mr. TOWNER. Certainly.

Mr. GOULDEN. I would like to ask the gentleman what is the date of that report from which he is reading and the date of the visit which the doctor made?

Mr. TOWNER. The doctor went there at the commencement of the American rule.

Mr. GOULDEN. What is the date of the report from which the gentleman read?

Mr. TOWNER. I do not know, but this is made subsequent to the occupation, of course, and is the result of his own investigation and experience.

Mr. GOULDEN. I wanted that for information, as it sounded like something quite recent.

Mr. TOWNER. Fifty per cent of all infants died in infancy. Fifty per cent of all children who were born in the islands under the old régime died before they reached even the age of 10 years. It would be impossible to describe, and I can not take the time to describe, and it would not be pleasant to describe, the conditions that existed in the Philippine Islands at that time. Much has been said about the illiteracy that existed at that time. No one knows what was the illiteracy of the islands. We know, however, that it was very large. There was a census taken in 1902, some time after the American occupation and before it could be very much influenced by American rule, and there were some 6,000 men in the islands who could read and write, but it must be remembered that this did not mean that they could read and write in any one language. There are many languages and dialects spoken in the Philippines. In fact, 74 different dialects were spoken at that time in the islands. Few of those speaking one could understand any other. It was impossible even for those of the same general race to understand those of a different tribe in the same race. There are three different races of people in the Philippine Islands—the Negrito race, which had 21 branches or tribes; the Indonesian race, which had 16 branches or tribes; and the Malay, which had 47 branches or tribes; making 87 different branches and tribes in the islands. Intercourse between them was impossible. Such tribes and peoples of that character could

make little progress, unless it was done under such a system as the United States provided. It was unwillingly accepted a great part of the time, unwillingly accepted by a vast majority of the people then, unwillingly accepted by a large majority of the people to-day.

If the American occupation should cease to-morrow in the Philippine Islands, the system of education which we have planted there, as an American system, would cease. Why do I say that? Because already there has been a rising tide of objection among the Filipinos, in anticipation of their independence, against the American school system. We have sought to establish the importance and benefit that would come to them if they had a uniform language, and at their own request have made that language the English language. We have so far succeeded that to-day more people speak English than any other language. But already there is complaint of this program. The Vizcayans, who constitute 40 per cent of the population, think the language should be Vizcayan. The Tagalogs think their language should be the national language. If the Americans should withdraw to-day, the teaching of English in the schools would cease and the tribal tongues would again be substituted. With this would come the old tribal jealousies and animosities, and the great progress toward homogeneity and unity would be lost.

In an address delivered in this House by the present Philippine Commissioner, Hon. MANUEL L. QUEZON, he pays a very high tribute to the national hero of the Philippines, Dr. Jose Rizal. Of that fine character he says:

> The recognition of a national hero in any country is evidence of the national consciousness of the people thereof. The Filipinos have their national hero—Dr. Jose Rizal, who was shot to death by order of the Spanish Government on the 30th of December, 1896. The crime of Dr. Rizal was the crime of George Washington—he loved his people and sought their freedom. He paid for his patriotism with his life, and he died gladly. On the eve of his martyrdom he wrote one of the noblest poems that ever came from a patriot pen. In every town in the Philippine Archipelago the 30th of December is consecrated to Dr. Rizal; he is venerated by every Filipino, and his picture hangs prominently in every home, from the costliest to the humblest. Each and every man in every one of the so-called tribes of the Philippines regards Dr. Rizal as Americans regard George Washington.

In his greatest work, Noli Me Tangere, written but a short time before his death, in 1896, Dr. Rizal says:

> One may accompany the course of progress in three ways—ahead of her, side by side with her, and behind her. * * * We in the Philippines are traveling along at least three centuries behind the car of progress; we are barely commencing to change from the Middle Ages. * * * The strife is on between the past, which cleaves and clings with curses to the waning feudal castle, and the future, whose song of triumph may be faintly heard off in the distant but splendrous glories of a dawn that is coming, bringing the message of good news from other countries.

It would be unreasonable to ask or to expect that a people "barely commencing to emerge from the middle ages" a quarter of a century ago should be able to take and maintain an independent place among the nations of the world.

While that is true, if we take note of the marvelous progress made by the Philippine people during the American occupation we would not be justified in fixing any possible limitations on their capacity for progress. It is entirely within the truth to say that no other people under similar conditions have ever equaled their development in civilization in the same number of years.

I have already quoted from Dr. Heizer as to the conditions existing in the islands at the commencement of the American occupation. Let me now quote from another especially qualified witness as to what has been accomplished since that time. Mr. Daniel R. Williams went to the Philippines as secretary to the commission in 1900. In 1913 he again visited the islands, and in a work recently published he tells of what has been accomplished in the interval between his first and last visit. His summary is as follows:

> Courts with a simplified procedure have been established where justice is neither bought nor sold and where rich and poor fare alike.
>
> Brigandage and lawlessness have been suppressed and life and property are protected and respected as never before in the history of the archipelago.
>
> The wild tribes of the islands who took heads and slaughtered each other without let or hindrance in the old days have, under the wise supervision and guidance of Hon. Dean C. Worcester and his corps of heroic assistants, entered upon ways of peace, industry, and public order. It is a work the magnitude of which is only beginning to be appreciated, even in the Philippines.
>
> An educational system has been perfected which offers to every Filipino child a free public-school education. Nearly 700,000 children are now enrolled, and English, with its store of literary treasure, is rapidly becoming the common language of the people. High schools and normal institutes, housed in modern buildings, are within the reach of all, and a Philippine university, with full literary and professional courses, has recently been organized. Manual-training schools, which teach not only useful trades but also the dignity of labor, are being opened in constantly increasing numbers. Hundreds of Filipino students have been sent to the States at public expense, where they have received and are receiving the best technical training of our colleges.
>
> Health and quarantine services have been organized whose work in forestalling epidemics, in freeing the islands from plague, smallpox, and other endemic diseases, and in teaching and enforcing sanitation and sanitary living among all classes, would alone justify our occupation. Manila has to her credit a new and complete sewerage system, an extended water service, an up-to-date general hospital, and a bureau of Government laboratories whose investigations into the cause and cure of tropical diseases have given it front rank among the scientific institutions of the world. The lepers of the islands, formerly scattered throughout the community, have been segregated and are now well cared for on the island of Culion. A determined fight, with every chance of success, is being waged against tuberculosis and infant mortality, the dread scourges of these people. The importation and smoking of opium have been prohibited, and a vice which threatened to fasten itself upon the islands is being effectively eradicated. Modern markets, where cleanliness is the watchword, have replaced the unwholesome and death-dealing plazas where food and drink were formerly sold, while artesian wells, furnishing that indispensable requisite for health in the Tropics—pure water—are now to be found in almost every municipality.
>
> Transportation facilities have been revolutionized. The 120 miles of railroad existing in 1898 have been increased to over 700, with 600 miles in project and under construction. Nearly 2,000 miles of macadam roads have been built, opening up the interior of the country and making it possible for the people to market their products at a profit. The island waters have been sounded, charted, and studded with lighthouses, making navigation something more than a lottery. Great port works have been completed in Manila, Cebu, Iloilo, and other places, furnishing safe anchorage and docking facilities for ocean-going vessels. Interisland shipping has been fostered and encouraged, mail routes have been extended and cheapened, and the archipelago laced with cable and telegraph lines.
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> A comprehensive irrigation system, financed by the Government under an arrangement for eventual reimbursement, is being extended to various parts of the islands, with the certainty of enormously increasing the agricultural output.
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> A well-patronized postal savings bank is in operation, encouraging habits of industry and thrift among a people noted for their improvidence. A Government agricultural bank is also gradually relieving the lack of capital on the part of landowners.
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> Taxation has been equalized, and revenue is now collected according to the means of the individual rather than according to class, as in former times. Despite the wide scope of Government activities the per capita contribution is but two dollars and odd cents, being less than that of any civilized country in the world.
>
> A stable currency based on gold has replaced the mongrel and fluctuating medium which upon our coming made all business operations a gamble.
>
> The large friar estates, which were a center of disturbance and discontent, have been purchased by the Government, and are now being sold and leased to the occupants on easy terms.
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> A registration act has been adopted (Torrens) which enables every owner of real property to secure a guaranteed title to his holdings to place of the questionable ownership heretofore applicable to most privately claimed lands.
>
> Forest regulations have been adopted which protect this great source of island wealth from undue waste and destruction, and yet encourage capital in its exploitation.
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> A public-land act has been enacted which enables every Filipino to acquire a free homestead, and they are encouraged to do so.
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> Church and state have been divorced, and the people relieved of one of their greatest grievances under Spain. Freedom of worship, of speech, and of the press have been guaranteed—privileges which many Filipinos, in their sudden release from old restraints, are inclined to abuse.
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> Bilibid, the great island prison, has been transformed from a veritable death trap into an institution which would serve as a model for any country. Criminals are taught useful trades and as a reward for meritorious conduct are transferred to the self-governing and self-supporting penal colony of Iwahig, where every opportunity is given them to become useful citizens.
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> Philippine imports have increased from $16,285,044 in Spanish times to $61,667,901 in 1912, and exports from $20,457,279 to $54,784,738. Free trade applies upon all States' products coming to the Philippines, and upon all island products entering the States, except sugar and tobacco, upon which a complaisant Congress placed a limitation at the behest of the Sugar and Tobacco Trusts.
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> There has been a general increase in salaries and wages, and the people are better fed, better housed, and better clothed than ever before.
>
> Baseball and tennis are becoming the national games of the country, and the rising generation not only bids fair to abandon the cockpit as a means of recreation, but to represent a type of physical development heretofore unknown among the Malay people.

This bare statement of accomplishments constitutes a record which should be a source of pride to both the Filipino and to the American. I have little sympathy with attempts to belittle the part either has taken in that splendid accomplishment. Neither shall I attempt to apportion praise. If the Filipino people had not been capable of such development it would have been impossible. It is equally true that but for the labor of as splendid a company of disinterested and noble-minded men as ever served a people, such progress would have been impossible.

Our present duty is to give them, first, all the help the present emergency demands. The European war is a hard blow to the Philippines. They will need our help in order to weather the storm. We should increase the limit fixed on their power to incur indebtedness. At present that limit is $5,000,000, and it has been already reached. It is too small for a growing people, already numbering more than 8,000,000. If they can not sell their bonds, we should guarantee them, and this we can safely do, for their resources are enormous and capable of almost limitless development. If their tariff system needs revision, let us revise it, with regard to their interests rather than our own.

I would not drive capital from the islands by threats or prospect of an immediate or early independence. I would not adopt a policy that would discourage ambitious American youth from going there and joining with the Filipinos in developing the marvelous resources of the islands. I would give the people an ever increasing measure of liberty and home rule until the Philippine Archipelago becomes a great self-governing Commonwealth such as the Australian Commonwealth or the Dominion of Canada. I would make them ready for independence, whether they shall then demand it or not, and I sincerely hope that at such time it will be determined both by them and by us that their interests and ours would be better served by union. But if a severance of relations shall come, I would have our record of service so free from selfish purpose, so clearly in their interest, that the Filipinos will be our constant allies and steadfast friends forever.

Mr. JONES. Mr. Chairman, there was an understanding between the gentleman from Iowa and myself that I would close the debate on this side in one speech. Since that time the gentleman from Kentucky has come in, and I do not want to violate that understanding, and I will not, but if there is no objection, I will yield a few minutes to the gentleman from Kentucky.

Mr. TOWNER. It will be a pleasure for me to agree to that.

Mr. JONES. Mr. Chairman, I yield 12 minutes to the gentleman from Kentucky [Mr. SHERLEY].

Mr. SHERLEY. Mr. Chairman and gentlemen of the committee, it is with great hesitancy that I undertake to delay the committee by any remarks of mine at this time, and I should not have done so if it were not for the fact that heretofore I have spoken on this subject and my support of this bill might be taken by some, who had simply recognized the fact that I was then at difference with the gentleman from Virginia, as a change of position on my part. Certain fundamentals touching the Philippine Islands, it seems to me, can now be accepted by all men. The American people are dedicated to that conduct which shall represent the highest motives and the highest order of disinterestedness in connection with the Philippine Islands. Through no intent of ours did they come, so to speak, under our dominion. No one anticipated it in the beginning and no thoughtful man worthy of American citizenship has desired since the treaty of Paris was made to deal with these people other than with an eye single to their interests. I can not in any way accept the statement made by the distinguished leader of the minority either as reflecting the judgment of the minority party or as reflecting the judgment of the American people. No amount of theorizing as to possible commercial or actual conflict with the nations of the Orient in the far distant future will ever be sufficient to make the American people conclude that they should hold the Philippine Islands permanently as a part of America over the objection of the Filipino people. [Applause on the Democratic side.] The one question that has been uppermost in the minds of Americans is, When can we in justice to the Filipinos give them self-government? That is the real issue about which men are divided to-day, some men believing that they have always had the capacity to maintain their own government if left free from foreign interference, other men doubting whether the time would come in many generations when they would be capable of such government.

For my part, I do not believe a man is wise enough to prophesy as to what will happen to the Philippines in regard to their maintenance of a government of their own. But this must happen if we are to keep faith with ourselves and with those people: We must constantly afford them opportunity to demonstrate their capacity in government, and we can never afford them such opportunities without letting them actually try government. In other words, this Government must go forward, from time to time reposing additional power, and with it additional responsibilities, upon the people of the Philippines. That is exactly what is being proposed in the present bill. I opposed the previous bill reported in a former Congress by the Committee on Insular Affairs because of the fact that it undertook to say that at a given time a certain condition of affairs would have arrived, whether it had or not. And I was not willing to legislatively commit myself to the proposal that on a given date in the future the Philippine Islands would be in such a condition that the American people should surrender entire control over that country and over those peoples. If this bill undertook to do that to-day, I would voice my protest against it and would vote against it. But the bill does not. It goes a step beyond anything we have done heretofore, in giving them control over both branches of their national assembly, subject to veto powers in the Governor General and in the President of the United States. Who is here to say that the conduct of the Philippine people in the election of members to the lower house and the conduct of those members in the lower house has not been of such a character as to warrant us in now giving them the added right and the added responsibility of control of the upper body? That is really the question that is involved here. The preamble simply puts into words what is unquestionably the desire of the American people. Men may differ as to how you shall phrase it, men may like one form of language or another——

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. SHERLEY. In just a moment. I take it there is no considerable number of men in America but that will admit that the purpose of this Government is to give ultimate independence to those people.

Now, I yield for a question.

Mr. FESS. As a lawyer, would you put a preamble in a legislative enactment?

Mr. SHERLEY. Oh, I say to you that I am more concerned in giving voice to the determination of the American people that those people may know it is our determination than I am in the precedents of whether preambles should precede resolutions or bills. [Applause on the Democratic side.] There is something in this proposition more important than simply the question of whether you can find a precedent for a preamble in connection with a bill. And I, for my part, see no objection to that.

Mr. MILLER. Will the gentleman yield?

Mr. SHERLEY. I will.

Mr. MILLER. Has the gentleman any authority for the statement that this preamble does express the sentiment and views of the American people?

Mr. SHERLEY. I have no more authority than my own opinion, and it is the same authority that the gentleman would have in stating it did not express the opinion of the American people. On the other hand, I have no authority when I vote for a particular law for saying it is the expressed will of the country that that should be the law, but the responsibility is upon me and upon you as an individual lawmaker to interpret as best we can what we believe to be the determination and the desire of the people that we represent.

Mr. KINKEAD of New Jersey. It is also true that the American people commended the gentleman's party for inserting that particular thing in the platform?

Mr. MILLER. When? In 1900?

Mr. SHERLEY. I have no desire to be diverted from the really serious questions that are involved here into a dissertation as to whether one man or another is the best judge of the purposes of the American people. I assume, for the purpose of my speech, the belief that the American people do desire to see the Filipino people take their place among the nations of the earth, and, believing that, I legislate upon that assumption.

Mr. KELLEY of Michigan. I was interested in the statement of the gentleman that he would not be in favor of putting the time in the bill at which independence should be granted. I would like to ask the gentleman if the Filipino people would not expect this bill to be followed up by a bill almost immediately giving them independence, and if this Government does not give it to them would it not be subjected to criticism that we have not acted in good faith by those people? Would we not be open to the charge of bad faith?

Mr. SHERLEY. That may be the expectation of the Filipino people. I can not control their expectations and their desires. My responsibility stops when I have undertaken conscientiously to perform as best I may the obligation that rests upon the people of the United States toward those people, and then, having performed it, I can only hope that they will accept it in the spirit that it is given and that it will prove to be as beneficial as those who propose it hope it may be.

Mr. MILLER. Will the gentleman courteously yield for just one more question?

Mr. SHERLEY. I will.

Mr. MILLER. If this is a correct statement of the wishes and views of the American people, what on earth is the use of putting it into a bill?

Mr. SHERLEY. Oh, well, the gentleman will understand that it is frequently well to not only give expression privately but officially of the attitude of the Government. You are dealing with a people far away from us, with a memory of a very tyrannical government that was imposed up them. It is perfectly natural that there should be doubts and misgivings among them as to what is to be the real attitude of the American people. There are always those willing to stir men to a belief that the expressions of good will are really lip service and mean nothing. I grant you that simple expressions unaccompanied by deeds are of little avail in convincing any

people. But we are absolutely backing our statement as to intent by action that shows to them that what we have said is really what we mean. My own judgment is necessarily faulty, but I had some little experience in the Philippines, not sufficient to warrant me in having any conceited notion as to my superior ability to solve the problem that confronts them and us, but my own judgment, for what it may be worth, is that the real test of the capacity of the Filipinos to govern themselves will come when there have come to full maturity the children that are now being taught through the medium of public instruction the fundamentals of government and of real liberty. I do not think that time is yet at hand. I do not undertake to prophesy how soon it may be. We may have the delight of seeing it earlier than we anticipate, and we may have the regretful experience of seeing it postponed until long in the future.

But the only way we can actually find out the fact is by giving from time to time the chance to those people to so manage their affairs as to indicate whether or not they have learned the science of government. [Applause on the Democratic side.]

The CHAIRMAN. The time of the gentleman from Kentucky has expired. The gentleman from Virginia [Mr. JONES] is recognized for 27 minutes.

Mr. JONES. Mr. Chairman, in closing the general debate upon this most important measure, a measure vitally affecting the interests of 9,000,000 of human beings, I trust I may be pardoned if I say that the majority members of the Committee on Insular Affairs are to be congratulated upon the fact that no Republican who has opposed its passage has assailed or even so much as criticized a single one of its many governmental or administrative features. [Applause on the Democratic side.]

Mr. MANN. Mr. Chairman, will the gentleman yield there?

The CHAIRMAN. Does the gentleman from Virginia yield to the gentleman from Illinois?

Mr. JONES. Yes.

Mr. MANN. Considering the limited debate that was allowed on the bill, does the gentleman expect that in general debate we would take up the individual features of the bill?

Mr. JONES. "The gentleman" most certainly expected that those minority members of the Committee on Insular Affairs who subscribed to the minority report would have informed the House as to which, if any, of the governmental features of this bill they objected. This much, at least, it seems to him, they owed to their Republican colleagues, if not to the entire membership of the House. "The gentleman" further believes that the four hours of general debate allotted the minority afforded full opportunity for those speaking in opposition to the bill to have pointed out at least one of its features which in their opinion was objectionable or in any respect subject to just criticism. I repeat, therefore, that the Committee on Insular Affairs is to be congratulated upon having presented to the House a measure which, so far as this debate has developed, is free from Republican criticism. This is my reply to the gentleman.

Mr. MANN. Will the gentleman yield further?

Mr. JONES. If the gentleman does not take up too much of my time, I will.

Mr. MANN. Oh, well; considering the fact of the gentleman's discourtesy, I do not care to proceed.

Mr. MILLER. Will the gentleman yield?

Mr. JONES. I will yield for a mere question.

Mr. MILLER. It is not for a mere question, but for something in the way of a statement. I think the opportunity ought to be granted for it.

Mr. JONES. No; I will not yield for a statement.

Mr. MILLER. Well, if the gentleman wants to make an assertion like that and then give no Member on this side an opportunity to deny it, all right.

Mr. JONES. There is no man on that side who can deny it. Everybody who has followed this debate knows that no Member on that side has undertaken to criticize a single governmental feature of this bill. The gentleman himself is about the only man who has referred to one of them, and his reference was to the provision relating to an elective senate; and even he expressed his approval of that feature. So, Mr. Chairman, my statement that no one who has spoken in opposition to this bill has undertaken to criticize a single one of its administrative feature is literally true in every respect.

It is true, Mr. Chairman, that its opponents have characterized the bill as a partisan measure. The ground upon which this assertion is based is that the preamble is in accord with the declarations of the last Democratic national convention as to the future political status of the Philippine Islands. If that constitutes it a partisan measure, then I am proud of the fact that it is a partisan measure.

But, Mr. Chairman, I can not understand how gentlemen can seriously contend that because the language employed in the preamble to this bill conforms substantially to that to be found in the Baltimore platform the bill itself is to be denounced as a partisan measure, and for that reason alone to be opposed by Republicans. The Republican platform of 1908 declared it to be the purpose of the Republican Party to give to the Philippine Islands, with certain restrictions and limitations, free trade between those islands and the United States; and a Republican Congress subsequently carried this party promise into effect. Would it have been logical, yea, would it have been honest, for Democrats, believing this concession to be just and right, to have refused to support it upon the sole ground that it was the fulfillment of a Republican promise, and therefore a partisan measure?

I take it, Mr. Chairman, that every political party that deserves the respect and support of its adherents will undertake, when afforded the opportunity, to carry into effect the pledges and the promises made to secure that support; and I do not hesitate to declare that were the Democratic Party to refuse, now that it has the power to do so, to write into the preamble to this bill what it wrote into the Baltimore platform upon the subject of Philippine independence it would deserve the execrations of all honest men. If, therefore, the Republicans in this House refuse their support to a measure the legislative features of which are unobjectionable to them solely upon the ground that the preamble to that bill is in accord with the platform promises of the Democratic Party, they are free to do so.

Mr. BARTLETT. Mr. Chairman, may I ask the gentleman a question right there?

Mr. JONES. Certainly.

Mr. BARTLETT. In the following section it is provided that no person shall be held to answer for a criminal offense without process of law. Is that sufficient to guarantee to those people the right of trial by jury?

Mr. JONES. I do not think so. The bill of rights in this bill does not impose upon the Philippine Government the duty of providing for jury trials. The Philippine Legislature, however, is fully empowered to do so, if in its judgment it is wise to do so.

Mr. BARTLETT. It is not a constitutional requirement, so to speak?

Mr. JONES. It is not a constitutional requirement.

Mr. BARTLETT. May I ask the gentleman another question? I have only had opportunity to examine the bill to-day.

Mr. JONES. I will yield to the gentleman, but I would be glad if he would defer his question until we begin the consideration of the administrative features of the bill.

Mr. BARTLETT. All right.

Mr. JONES. Mr. Chairman, nobody could have been more astonished, and certainly no one was more pained, than I was when on yesterday my genial and good friend from California [Mr. KAHN] charged in the speech which he then delivered that Gen. Emilio Aguinaldo and his associates actually sold out the liberties of their people to the Spanish for personal gain. This was a most serious charge against the most distinguished of Filipino patriots.

Mr. Chairman, I am aware that this grossly unjust and baseless accusation has often been made in the past by the enemies of Gen. Aguinaldo, but it has been so frequently and so completely refuted that I am astonished that any Member of this House would repeat so unsupported a charge. The gentleman not only made this charge, but he also stated that it was historically true, and when I ventured to challenge his statement, and called upon him to name a single reputable historian who had ever sanctioned it, his reply was that he could name one—Dean C. Worcester. Mr. Chairman, I have since then carefully examined Mr. Worcester's book. I have read everything that it contains upon this subject, and I can not find a line in it which justifies the statement made by the gentleman from California. Mr. Worcester himself says nothing that in the least reflects upon the conduct of Gen. Aguinaldo in connection with the transaction alluded to by the gentleman from California. He quotes at considerable length from a report made by an Army officer named Taylor, but there is not a word in that report that shows, or tends to show, that Gen. Aguinaldo ever appropriated this money to his own use, or that a dollar of it was ever used exclusively for his needs. Let me read from the report itself as quoted in the Worcester book:

From January 4 to April 4 Aguinaldo withdrew from the banks ₱5,786.46 in part interest on the money he had deposited. This was used to pay the expenses of himself and his companions in Hongkong. These expenses were kept at a minimum; the money was drawn and spent by him. If one of the men with him needed a new pair of shoes, Aguinaldo paid for them; if another wanted a new coat, Aguinaldo bought it. Minute accounts were kept, which are on file among his papers,

and it is seen from them that his expenses were exceeding his income, which could only be ₱12,000 a year, while he was living at the rate of ₱22,000, with constant demands being made upon him by men who came from the Philippines. Life was not easy under these conditions.

Now let me read what is said upon this subject in other Philippine histories. I read from the work entitled "The Philippines—The War and the People," by Albert G. Robinson. This author says:

A special interest centers around the clause which relates to the money payment to be made by Spain to the participants in the insurrection. This has been made the basis of many representations, or misrepresentations, reflecting upon the honor and the sincerity of Señor Aguinaldo. He has been charged with seeking only his own ends, and with playing a shrewd game for the lining of his own pockets. He has been charged with "selling his country for Spanish gold"—

Mark that this is the identical charge made by the gentleman from California [Mr. KAHN] on yesterday—

The total amount payable was seventeen hundred thousand dollars Mexican silver—equivalent practically to one-half that sum in gold. But only $400,000 Mexican of this was ever paid; and it is upon the receipt and alleged disposition of this amount that there rest the charges of greed and dishonesty on the part of Emilio Aguinaldo. The evidence in the case tends to show that Aguinaldo's conduct was wholly honorable and conscientious.

I now read from the work of Richard Brinsley Sheridan, an English author. He says:

Gen. Aguinaldo has been condemned by the Spaniards, the Americans, and other foreigners at Manila for having accepted these terms. He has been considered by his critics as a traitor to his people and a man without honor, who could be bought. But this opinion has only been formed by those who are ignorant of the man and of his character.

The reasons which induced him to enter into this treaty and put an end to the war which he was then waging against the Spaniards in Luzon was the promise that the concessions which he required for his people would be granted. Of the $400,000 paid, two hundred thousand were deposited in the Hongkong & Shanghai Bank on the 3d of January, 1898, upon a fixed deposit for one year, and $200,000 was paid into the Chartered Bank of India, Australia & China, at Hongkong.

Señor Buencamino, one of Gen. Aguinaldo's chief supporters, told me that such trust had they in Aguinaldo's honor and integrity that they desired the money should be deposited in Aguinaldo's own name. He also said that much as Aguinaldo required the money in his self-imposed exile, he did not draw for his own use a single cent of the deposited money.

Now, Mr. Chairman, as I have already stated, my friend from California [Mr. KAHN] asserted that his statement was historically true. I have examined every history of the Philippines that I have been able to secure, and I can not find a word in any of them, including the Worcester book, that supports his charge. On the contrary, they all, with the exception of that book, which is silent upon the subject, characterize these reflections upon the character of Gen. Aguinaldo as absolutely without foundation in truth.

Mr. Chairman, the most striking incident in connection with this debate—perhaps I should say its most remarkable development—has been the extraordinary speech of the gentleman from Illinois, the Republican leader——

Mr. COOPER. Will the gentleman permit just a single word?

Mr. JONES. I will.

Mr. COOPER. I wish to say that these charges were made 12 years ago, and I investigated them as best I could at that time, and when I came to open the Philippine debate on the bill I refused to mention them in my speech at all. [Applause.]

Mr. JONES. I am very glad that the gentleman, who was at that time the very able chairman of the Committee on Insular Affairs, and who reported the bill which is now the organic law of the Philippines, has had the frankness to rise and make that statement. [Applause.]

Mr. Chairman, as I began to say, the most remarkable occurrence of this debate was the statement of the gentleman from Illinois [Mr. MANN], the Republican leader upon this floor. He seriously informed the House and the country that he had no doubt in his mind that as certain as that the sun would rise on the following morning a conflict would come between the Far East and the Far West across the Pacific Ocean. The history of the world, the gentleman declared, had taught us that the avoidance of this conflict was impossible. It is true he expressed the hope that it might only be a commercial conflict; but he added that "a fight for commercial supremacy in the end leads to a fight with arms, because," said he, "that is the final arbiter among nations." Therefore, for strategical and other reasons, the gentleman declared that he was opposed to giving the Philippine Islands independence now or at any time.

Mr. Chairman, I wish to say with all the emphasis I can command that even if I believed that the armed conflict which the distinguished leader of the Republican minority tells us is inevitable was not only unavoidable but even imminent, I could never give my consent to the permanent retention of the Philippines. On the contrary, if I believed, as the gentleman has declared that he does, that a struggle for commercial supremacy between the countries bordering on the Pacific Ocean will inevitably lead to an armed conflict between the Far East and the Far West, I would not lose a moment in seeking to so amend this bill as to give to the Philippine Islands complete and immediate independence. I would do this because I wholly dissent from the conclusions of the gentleman from Illinois and because I believe now, as I have always believed, that, so far from the Philippines being a means of strength to the United States, they are a source of positive weakness, and that their retention is a constant menace, an ever-present danger, to the peace and welfare of the American people. That they are a source of weakness rather than of strength to us is not only my belief, but it is the oft-expressed opinion of competent military authorities, and that so well-informed and ordinarily well-poised a gentleman as the distinguished leader of his party upon this floor could hold the opinions he has expressed is nothing less than astounding to me. I do not agree with the gentleman that an armed conflict between the Far East and the Far West is inevitable. But if such a conflict shall ever come the provoking cause will be that the far-away Philippines constitute our most, if not our only, vulnerable point, rather than any question of mere trade rivalry.

Mr. Chairman, it may at least be said of the preamble to this bill that if it never answers any other good purpose its discussion has forced the Republican leader of the minority, amid the plaudits of his followers, into an admission which makes it clear that the present policy of his party in respect to the Philippines is not what it was declared to be by McKinley, Roosevelt, and Taft. [Applause on the Democratic side.] I congratulate the gentleman upon his frankness. His was at least an honest, candid, and courageous avowal.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. JONES. But, Mr. Chairman, in what sort of a position does it place the leadership of the Republican Party? In what sort of a position does it place the ranking Republican on the Committee on Insular Affairs, who has had charge of the Republican end of this debate? Where, too, does it leave the gentleman from Minnesota [Mr. MILLER], also a prominent Republican member of that committee, who, when interrogated as to his position by the gentleman from Kentucky [Mr. SHERLEY], declined to say whether or not he favored granting the Filipinos their independence? It is pleasing to know that there is one prominent Republican who has the courage of his convictions and who is willing to tell the exact truth as to the position of his party upon this subject. Now I yield to the gentleman from Illinois.

Mr. MADDEN. Mr. Chairman, my colleague is not on the floor, and I do not understand that he made the statement which the gentleman from Virginia quotes him as making. I think the gentleman from Illinois expressed his individual opinion.

Mr. JONES. Oh, yes; but that is not very important, since the gentleman's individual opinions usually go with that side of the House. [Applause on the Democratic side.] I may add, too, that the opinions he expressed were warmly applauded by the Republican membership of the House. So that while what the gentleman said may have been but the expression of his individual opinions, it received the approval of his Republican associates, and the fact that he is the acknowledged leader of his party in this House will cause that statement to go forth throughout the land as the authoritative declaration of the Republican Party in respect to the Philippine Islands.

A MEMBER. It has gone out already.

Mr. JONES. Yes; it has gone all over the country. The Washington Post of this morning gave it a prominent place on its first page, a thing it has not done in respect to the proceedings of Congress, so far as I can recall, since the beginning of the European war. I am told, too, by gentlemen around me that the New York papers of to-day give to it a like prominence.

So, Mr. Chairman, I repeat, I am glad to know that there is one prominent Republican at least who has the honesty, the decency, and the frankness to tell the Filipino people the truth as to the position of his party upon this subject. [Applause on the Democratic side.]

In a speech which President McKinley delivered in the city of Chicago he gave utterance to words which I commend to the gentleman who represents that city with such conspicuous ability in this House. In that speech President McKinley said:

The War with Spain was undertaken not that the United States should increase its territory, but that oppression at our very doors should be stopped. This noble sentiment—

He proceeded to say—

must continue to animate us, and we must give to the world the full demonstration of the sincerity of our purpose.

Are the Republicans, may I ask, who, under the leadership of the gentleman from Illinois, are opposing this bill upon the

sole ground that it declares it to be the purpose of the people of the United States to give the Filipinos their independence so soon as they have demonstrated their capacity to govern themselves by the establishment of a stable government, giving to the world the full demonstration of the sincerity of the purpose expressed by William McKinley?

Mr. Chairman, I regret that I have not the time in which to reply to the many misleading and too often wholly irrelevant statements made during this debate by gentlemen who oppose this bill.

I have already said, in regard to the assertion of the gentleman from Ohio [Mr. FESS] that only 15 per cent of the Filipinos were literate, that, on the contrary, at least 75 per cent of them, according to the best obtainable authority, were literate. The gentleman will doubtless recall that he said he made his statement upon the authority of the gentleman from Minnesota [Mr. MILLER], but the speech of Mr. MILLER as it appears in the RECORD does not bear out that statement. This is what Mr. MILLER said, according to the RECORD, from which I read:

I said 85 per cent of the inhabitants of the Philippine Islands do not now have an adequate idea of what self-government is, its duties or responsibilities, or what independence really consists of.

It seems, therefore, that the gentleman from Ohio has not produced any evidence to corroborate his remarkable statement. The gentleman from Minnesota says he made no such statement.

Mr. KELLEY of Michigan. Will the gentleman yield?

Mr. JONES. Not now. There is one other statement made by the gentleman from Ohio [Mr. FESS] to which I wish to call the attention of the House, notwithstanding that the Resident Commissioner from the Philippine Islands has already commented upon it. The gentleman from Ohio said in reply to a question by the gentleman from Indiana [Mr. COX], as to what was the percentage of literacy in the American Colonies at the time of the American Revolution, that he could not give the exact figures, but that he could inform the gentleman that 29 of the 56 members who a few years later composed the Constitutional Convention were college-bred men, and that he knew of no fairer test of the literacy of that period than the fact stated by him afforded. Accepting his test as to the literacy of a people, I wish to inform him that every one of the 81 members of the Philippine Assembly is a college-bred man. [Applause on the Democratic side.]

During the course of this debate much credit has been claimed for the Republican Party for the public-school system established in the Philippines by the American Government. No one, I take it, will be disposed to deny that the public-school system inaugurated by Americans, but paid for by Filipinos, has proved a great blessing. The gentleman from Minnesota [Mr. MILLER] was greatly mistaken, however, when he said that public schools taught by Filipino teachers were lacking in efficiency when removed from the immediate supervision of American educators. This was his statement:

I also wanted to see what was the result to the school of removing American supervision. So I traveled and I saw. I found that wherever American supervision was immediate, was direct, was there on the ground, the work of the teacher and the children and the school was efficient. It was what you might call satisfactory. The spirit was good. The morale was good. Things were shipshape. The atmosphere was such as you would like to see in a school. But, without a single exception, when you removed that immediate supervision and allowed a school in charge of a Filipino teacher to be removed and separated and to exist by itself the decline was immediate and most disheartening.

Oh, I visited so many of the schools that if they had not been named "schools" I would never have known that they were schools, because the supervision was not there, eloquently testifying to the capacity of the Filipino teachers to respond to the ideas that they see and to the utmost importance of the supervision and direction on the part of the American supervising force. This does not mean the Filipino teacher never can be self-reliant; it simply means that, while advancing, he has not yet reached it.

Now, let me read to the House what is said upon this subject by the director of education of the Philippine Islands in a special report bearing date January 23, 1914. Bear in mind, too, that the author of this report, which unquestionably contains the most accurate and trustworthy information obtainable in regard to the public schools of the Philippines, is not an appointee of the present administration. This is what this report says:

It has been the policy of the bureau of education to lay an increasing amount of responsibility upon the Filipino teacher. As a result, where five years ago there were 70 Filipino and 390 American supervising teachers, there are to-day 124 Filipino supervising teachers and 185 American. Moreover, there are a number of Filipinos assigned to work which is at least equal in importance and responsibility to that of the supervising teachers—there are now 29 Filipino provincial industrial supervisors—and this number will be constantly increased. There are at present 120 intermediate schools with Filipino principals. Five years ago there were 208 Filipino and 366 American teachers engaged in intermediate instruction. At the present time there are 430 Filipinos and 148 Americans. Primary instruction, except in a very few classes where special work is being carried on, is entirely in the hands of Filipinos.

It would not be far from the truth to state that the school system as it existed seven years ago, with the exception of certain administrative offices, has been almost completely Filipinized.

Was ever a more responsive and conclusive reply made to any statement than is here made by the director of education to the derogatory and wholly gratuitous statement of the gentleman from Minnesota?

Mr. Chairman, the gentleman from Minnesota [Mr. MILLER] has questioned the accuracy of my statement that the Filipinos favor the passage of this bill, and to show that such is not the case he read certain newspaper articles.

I not only declared that the Filipinos, with practical unanimity, desire that this bill shall be passed, but I submit that the evidence upon which I made that assertion is conclusive and overwhelming, the statements of a few interested, prejudiced, and Filipino-hating American newspaper writers to the contrary notwithstanding. I am perfectly aware that because this bill falls short of fixing a definite date for independence it is disappointing to a great many Filipinos, but the number of those who for that reason would like to see it fail of passage is so inconsiderable that it is absurd to say they truly represent the sentiment of the Filipino people.

This bill has not only received the indorsement of the Nationalista Party, which is the majority party in the islands, but resolutions of approval have been adopted by 8 provincial boards, 4 assemblies of municipal presidents, and 247 municipal councils. Out of 71 mass meetings where it was the subject of consideration and discussion, it received the indorsement of 70; and yet certain American newspapers published in Manila, saturated with a hatred of the Filipinos and bitterly hostile to even the thought of granting them independence now or hereafter, grossly exaggerate the importance of the action of a single mass meeting and willfully and deliberately misrepresent and malign the Filipino people as a whole.

This resolution, adopted by the municipal council of Gubat, is substantially in the language of those adopted by 246 other municipal councils:

THE MUNICIPAL GOVERNMENT OF GUBAT SORSOGON, P. I.,
OFFICE OF THE SECRETARY.

EXCERPT FROM THE MINUTES OF THE REGULAR MEETING OF THE MUNICIPAL COUNCIL OF GUBAT, HELD ON JULY 31, 1914.

By the suggestion of the president, the following resolution was enacted:

Whereas this municipal council has understood that the new Jones bill has been presented to Congress of the United States;

Whereas the Hon. WILLIAM A. JONES, Representative from Virginia, and as a faithful friend of the Filipinos, has framed said bill so that the Filipinos will in the near future have the entire control of the Philippine Government;

Whereas the council believe that the provisions of said bill are the most beneficial that the Filipinos can obtain from the Government of the United States at present, and that this will be the first step to a definite independence of the country;

Whereas the presentation of said bill to Congress was made, due to the energetic efforts of our Representatives in Congress, Hon. MANUEL QUEZON and Hon. MANUEL EARNSHAW;

Whereas the Philippine Assembly, under the leadership of Hon. Sergio Osmeña, has always been the interpreter of the ideals of the Filipinos in this historical epoch of the country: Therefore be it

Resolved, That this municipal council, following the unanimous feeling of the people of these islands in general, by means of this present resolution unanimously adhere to said bill, ratifying once more the faith in the patriotic labor of our Resident Commissioners in Washington and the Philippine Assembly; and be it

Resolver further, That copies of this resolution be sent to the author of the bill, WILLIAM A. JONES, the honorable Resident Commissioners, Philippine Assembly, and the assemblyman of the first district of Sorsogon.

Approved.

I hereby certify to the correctness of the above-quoted resolution.

MIGUEL ESCARCHA,
Municipal Secretary.

Mr. Chairman, there are two municipal councils, it is true, that declined to indorse the bill, but they, together with the one mass meeting of which I have spoken, do not represent public sentiment in the Philippine Islands any more than one swallow makes a summer.

It has been said that no public hearings were had when this bill was under consideration in committee; that the Philippine Resident Commissioner [Mr. QUEZON] was not invited to appear before the committee, in order that he might give to it the benefit of his intimate knowledge of conditions in the Philippines.

It is quite true that the committee decided that no good could be accomplished by holding public hearings. This does not mean, however, that those who were charged with the responsibility of formulating this measure did not avail themselves of every means at their command to secure the best attainable information in respect to the various subjects dealt with in the bill. Naturally, then, Mr. QUEZON was among those most frequently conferred with, and I wish here and now to

publicly express the appreciation of the majority members of the committee for his many excellent suggestions and for the invaluable assistance which he in many ways rendered them. I consulted with him most freely as to each one of the more important provisions of the bill, and I wish to testify to my deep sense of obligation for all the intelligent and most helpful assistance which I personally received from him.

This bill does not express in its terms all that he may have desired and hoped for, but I am in a position to say that he accepts it as a definite and decided advance in the direction of a more autonomous government and of proximate and definite independence.

It gives to his people a legislature of their own choosing in both of its branches; it removes the odious restriction upon the right of suffrage, which denies to the Filipino who can not read and write a foreign language all participation in the civil affairs of his country; it enables the Filipinos to make their own laws and to raise and to expend the public revenues, and it provides for the early and thorough Filipinization of the civil service. But above and beyond all this it gives to them a definite promise that so soon as they shall have established a stable government they *shall be* granted their complete independence. It does not fix a definite date upon the arrival of which independence shall be granted, but it gives to this people a solemn promise and pledge that they shall have it, and it provides the easy means and marks the way whereby it may be secured.

No wonder, then, Mr. Chairman, that the brilliant representative of the Filipino people should have been moved to such impassioned eloquence when pleading with the membership of this House for the passage of this measure.

Mr. Chairman, the passage of this bill will mark the beginning of a new and a better era in the Philippine Islands. It will allay the discontent and remove the disaffection which has resulted from the failure of the United States hitherto to announce definitely and authoritatively their policy with reference to the future political status of the islands. It will inspire the Filipino people with lofty purpose and noble endeavor. It will incite in their hearts and minds the high purpose of demonstrating to the world their desire for national freedom and their capacity for self-government. And it will serve to cement into the strong bonds of enduring friendship that good will and kindly feeling which, thanks to the wise and sympathetic administration of Gov. Gen. Harrison, the Filipino people now entertain for the American Nation. [Applause.]

The CHAIRMAN. The time of the gentleman from Virginia has expired; all time has expired; and the Clerk will read.

The Clerk began reading the preamble.

Mr. MANN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MANN. The Clerk is beginning to read the preamble. Does the consideration of the preamble precede the bill or the consideration of the bill precede the preamble in committee?

Mr. JONES. I do not object.

Mr. MANN. I am not asking the gentleman from Virginia whether he objects or not; I am making a parliamentary inquiry of the Chair.

Mr. JONES. I beg the gentleman's pardon; I thought the gentleman addressed his remark to me.

Mr. GARRETT of Tennessee. Mr. Chairman, if the Chair will permit me——

The CHAIRMAN. The Chair would be glad to hear from the gentleman from Tennessee.

Mr. GARRETT of Tennessee. Mr. Chairman, of course a preamble to a bill is not a very usual thing, and yet it is by no means unprecedented. I can not now give the Chair the page, but I think in volume 4 of Hinds' Precedents the Chair will find that when the bill providing for the Jamestown Exhibition, a bill and not a resolution, came before the House the bill was first considered and then the preamble was passed upon at the end of the bill.

Mr. MANN. Will the gentleman yield?

Mr. GARRETT of Tennessee. Certainly.

Mr. MANN. I call the attention of the gentleman to Jefferson's Manual, page 160, paragraph 407, which I think settles the thing in the same way.

Mr. GARRETT of Tennessee. I think so.

Mr. MANN. I know that the parliamentary clerk was of the same opinion.

Mr. GARRETT of Tennessee. I desire to suggest this in addition to what I was saying: A few days ago we had a bill here which had a preamble, and that bill was considered in Committee of the Whole. I had the honor to be presiding at that time, and this question arose privately, the Chair being asked by the Clerk, and the Chair directed the Clerk to read the preamble at the beginning. No question was raised and no amendments to the preamble were offered.

The CHAIRMAN. Is the gentleman from Tennessee familiar with the provision in Jefferson's Manual referred to by the gentleman from Illinois?

Mr. GARRETT of Tennessee. I am fairly familiar with it. Here is the only difficulty about that: As I remember that statement, that deals with procedure in the House, and we are proceeding in the committee.

Mr. MANN. This deals with procedure in the committee. It reads in this way:

> To this natural order of beginning at the beginning there is a single exception found in parliamentary usage. When a bill is taken up in committee or on its second reading they postpone the preamble until the other parts of the bill are gone through.

That seems to be conclusive.

Mr. GARRETT of Tennessee. I thought that referred to the procedure in the House.

Mr. MANN. It refers to both procedure in committee and in the House.

The CHAIRMAN. It seems to the Chair that that is conclusive, and the Clerk will read the bill.

Mr. TOWNER. Mr. Chairman, before the reading is commenced I desire to make this suggestion: We desire to make a motion to strike out the preamble, and, of course, we desire to debate that motion. Either that debate will have to be had now or it will have to be had at the close of the reading of the bill, and, I presume, would have to be had in the Committee of the Whole. In the last bill considered I made a motion to strike out the preamble to the bill, but it could not be debated at that time, and if we wait until the bill has been finished in the Committee of the Whole there will be no opportunity for discussion of the preamble.

Mr. MANN. Mr. Chairman, if the gentleman will permit, I think he is mistaken in that. After the reading of the bill in the Committee of the Whole, then the preamble will be read and will be subject to amendment, just the same as the rest of the bill, to be reported to the House, and in the House, under the procedure, the disposition of the preamble comes after the engrossment of the bill and before the third reading of the bill, according to the precedents.

Mr. GARRETT of Tennessee. That is my understanding, Mr. Chairman.

Mr. MANN. The question would be, I take it, on agreeing to the preamble.

Mr. GARRETT of Tennessee. Yes; and after the bill has been concluded under the five-minute rule, then the preamble will be read and be subject to debate and amendment.

The CHAIRMAN. That is the understanding of the Chair. The Clerk will read.

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. GORDON having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Carr, one of its clerks, announced that Mr. PITTMAN had been relieved from further service as a conferee on the bill (H. R. 14233) to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes, and Mr. SMITH of Arizona had been appointed in his stead.

THE PHILIPPINE ISLANDS.

The committee resumed its session.

The Clerk read as follows:

> *Be it enacted, etc.*, That the provisions of this act and the name "The Philippines" as used in this act shall apply to and include the Philippine Islands ceded to the United States Government by the treaty of peace concluded between the United States and Spain on the 11th day of April, 1899, the boundaries of which are set forth in article 3 of said treaty, together with those islands embraced in the treaty between Spain and the United States concluded at Washington on the 7th day of November, 1900.

Mr. HUMPHREY of Washington. Mr. Chairman, I move to strike out the last word. I have just listened with a good deal of pleasure and profit to the speech of the distinguished gentleman from Virginia [Mr. JONES], and I was especially attracted to that portion of his speech in which he said that the Republican leader on this side of the House, the gentleman from Illinois [Mr. MANN], had fairly and honestly stated the position of the Republican minority, and he congratulated him upon his frankness. I wish that the distinguished gentleman from Virginia would now show the same frankness and state the position of his party upon this question. I wish that the distinguished gentleman would rise in his place and say that he is in favor of Filipino independence or that he is opposed to it, in order that we may know where his party stands. I have been listening here now for several days to the different speeches made upon that side of the House, and I have not yet heard anyone say what his position was.

Mr. SLAYDEN. Mr. Chairman, will the gentleman permit me to interrupt him a moment?

Mr. HUMPHREY of Washington. Yes.

Mr. SLAYDEN. If the gentleman had done me the honor to listen to me yesterday, he would have heard it, I think.

Mr. HUMPHREY of Washington. I did hear some of it; but I will ask the gentleman now whether he is in favor of independence for the Filipinos?

Mr. SLAYDEN. Absolutely.

Mr. HUMPHREY of Washington. When?

Mr. SLAYDEN. As quickly as it can be done. [Applause on the Democratic side.]

Mr. HUMPHREY of Washington. Oh, yes; "as quickly as it can be done."

Mr. SLAYDEN. I am ready now.

Mr. HUMPHREY of Washington. Is your party ready now?

Mr. SLAYDEN. I regret to say that not being in control of the party I can not answer that. Is the gentleman opposed to giving the Filipinos independence?

Mr. HUMPHREY of Washington. Absolutely.

Mr. SLAYDEN. Now and always?

Mr. HUMPHREY of Washington. Yes.

Mr. JONES. Does the gentleman ask me that question?

Mr. HUMPHREY of Washington. Yes.

Mr. JONES. Mr. Chairman, my reply is that from the day the Philippines came into the possession of the United States up to the present moment I have accepted the teachings of Thomas Jefferson, and followed the mandates of my party upon this subject, and therefore I will state that I believe that the Filipinos are entitled to their independence and that it ought to be given them. [Applause on the Democratic side.]

Mr. GOOD. When?

Mr. HUMPHREY of Washington. That is no answer. That is the same statement that we have heard over and over again, but I am looking for some man upon the Democratic side of the House who has the courage and frankness that the gentleman from Virginia attributes to the leader on this side of the House.

Mr. JONES rose.

Mr. HUMPHREY of Washington. Oh, I can not yield any more unless the gentleman yields me five minutes.

Mr. JONES. I have no time to yield, but I have no doubt that the House will consent to allow the gentleman to proceed for five minutes.

Mr. HUMPHREY of Washington. Then I will ask unanimous consent that my time may be extended for five minutes in order that the gentleman may ask me a question.

Mr. JONES. Oh, no; the gentleman was to ask me a question.

Mr. HUMPHREY of Washington. Oh, no. I did ask the gentleman the question, and he attempted to answer it, and traveled around the same circle that all the rest of them have traveled.

Mr. JONES. Oh, no. I will answer any question that the gentleman desires to submit.

Mr. HUMPHREY of Washington. Let the gentleman do it in his own time, and let him answer this question: Whether when he drew this preamble he was doing it for political effect or whether he meant what he said; and if he meant what he said, that the Filipinos should have independence, why did not he write it in the bill?

Mr. JONES. Mr. Chairman, I——

Mr. HUMPHREY of Washington. Oh, I say that the gentleman should answer it in his own time.

Mr. JONES. Mr. Chairman, I will state now that I regard that question as insulting.

Mr. HUMPHREY of Washington. If the gentleman is so easily insulted as that, perhaps I will insult him again before I sit down. If it is an insult to ask the chairman of this great committee where he stands upon the most vital question——

Mr. JONES. Oh, no.

Mr. HUMPHREY of Washington. Then I admit that I am guilty of using insulting language.

Mr. JONES. Your question conveyed an intimation that I regarded as insulting.

The CHAIRMAN. Does the gentleman from Washington yield?

Mr. HUMPHREY of Washington. No.

Mr. JONES. The gentleman professes——

Mr. HUMPHREY of Washington. Mr. Chairman, I decline to yield.

The CHAIRMAN. The gentleman declines to yield.

Mr. HUMPHREY of Washington. If I were to yield to the gentleman, he would simply travel around in that circle once more, just as the gentleman from Missouri [Mr. BORLAND] traveled around. Now, what you gentlemen seek to do is to impress the country with the idea that you are in favor of Filipino independence, but you have not got the courage to say so. You have not got the courage to put it in your bill; you have not got the courage to do anything but attempt to play politics. Now, I am not condemning you gentlemen if you are in favor of Filipino independence. Perhaps you are right; I am not prepared to say you are not; that is certainly a legitimate subject of debate; but we have them, and since we have them I do not want to turn them loose to become the prey of the other nations of the world. But what I am criticizing you gentlemen for, what I am condemning you for, is because you have not the courage of your convictions. You constantly talk about Filipino independence; you make beautiful speeches about liberty for all and self-government, but you do not have the courage to put it in your bill. That is what I am complaining about. Why do not you have the courage to say where you stand? Why does not the gentleman from Virginia do like the gentleman from Illinois? Let us fight out this question on the square.

The CHAIRMAN. The time of the gentleman has expired. The gentleman from Texas [Mr. BURGESS] offers an amendment as a new section, as section 2.

Mr. TOWNER. But, Mr. Chairman, section 2 has not been read.

Mr. MANN. I wish to offer an amendment to section 1.

Mr. BURGESS. Let the amendment be read.

Mr. MANN. But we have not passed section 1 yet. I understand this amendment comes after section 1.

Mr. BURGESS. Yes; it is a new section.

The CHAIRMAN. The Chair understands the gentleman from Illinois wishes to offer an amendment to section 1?

Mr. MANN. Yes; I move to strike out the last word.

The CHAIRMAN. That amendment has been offered.

Mr. MANN. Then I wish to oppose it. I would like to ask the gentleman from Virginia one question. Section 1 of the bill refers to the treaty of peace concluded between the United States and Spain on the 11th day of April, 1899, while section 2 of the bill refers to the provisions of the treaty of peace between the United States and Spain signed at Paris, December 10, 1898. Why the discrimination in name? It is the same treaty, is it not?

Mr. JONES. It is the same treaty. One section speaks of the date at which it was signed and the other the date at which the exchange of the ratifications was made. I will say to the gentleman from Illinois that these sections, except in one slight particular, are exact copies of the organic law, or rather that the first section is an exact copy of the organic law, and the second a copy of an act of Congress subsequently passed. In other words, the present law is reenacted.

Mr. MANN. Well, it may be that Congress described this same treaty in two different ways in two different acts, which is not desirable, and even less desirable to describe the same document by a different description as to the treaty in two sections, one following the other in the same act. I do not care which it is, but it seems to me if we refer to the treaty of Paris we ought to describe it by the same date, whichever it is to be. Any person reading this would suppose you have reference to two different treaties, if they were not acquainted with the history, because you give two entirely different descriptions to the same document.

Mr. JONES. Well, I will say to the gentleman that this is the same treaty, and that the 11th of April, 1899, is the date on which the ratifications of the treaty were exchanged at Washington. The treaty was signed in Paris on the 10th of December, 1898.

Mr. MANN. I am aware of that fact.

Mr. JONES. There can not possibly be any confusion, because it is one and the same treaty, and there are no other treaties with which it could be confused. These sections are copies of the language used in the organic act and the act of Congress passed subsequent thereto.

Mr. MANN. The gentleman quotes from two different acts of Congress without reflecting upon it at all. A parliamentary body referring to the same document in the same act ought to refer to it so people who are not acquainted with the history of the facts may understand it. I will guarantee there are not 20 Members of this House who read these two items who would know without stopping to think for a while whether it referred to the same document.

Mr. JONES. Well, Mr. Chairman, they do, and therefore I do not think any harm can result. It may be entirely true, as the gentleman says, that without explanation Members here might not know, but it is not possible that there can ever be any serious contention over the matter.

Mr. MANN. I made the inquiry with the idea that possibly the gentleman might change one or the other, so as to use the same description in both places.

Mr. JONES. I think it would be best to let it stand as the law is now.

Mr. MILLER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MILLER. I understood from the statement of the Chair a moment ago that the amendment offered by the gentleman from Texas was to the second paragraph.

The CHAIRMAN. It is a substitute to the section following section 1.

Mr. MILLER. I desire to make a motion with reference to paragraph 1 that is in the bill. Would that of necessity come before the motion to introduce a new section?

The CHAIRMAN. To section 1?

Mr. MILLER. Yes; to section 1.

The CHAIRMAN. That would have precedence.

Mr. MILLER. I have no desire to displace the gentleman from Texas unless I lose my right by so doing.

Mr. BURGESS. That is all right.

The CHAIRMAN. Does the gentleman desire to offer an amendment to section 1?

Mr. MILLER. I desire to move to strike out, after the word "treaty," in line 9, the remainder of the paragraph.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 2, line 9, after the word "treaty," strike out the remainder of the paragraph.

Mr. MILLER. Mr. Chairman, I am frank to express at the outset I do not expect the committee to adopt the amendment, and I doubt very much if I myself would vote for it standing by itself. However, there is a very particular and important reason why I have offered the amendment.

An amendment of some such character should be so framed and adopted in the bill as to exclude from many of the provisions of the bill, and particularly from the operation of the preamble, if that is to be adopted, a portion of the territory which we bought from Spain two years after we concluded the treaty with Spain ending the Spanish-American War. The attention of the committee was yesterday invited by the gentleman from North Dakota [Mr. YOUNG] to the situation in respect to certain of these islands that I desire again to call the attention of the committee to, and perhaps to emphasize. There is a wide difference between the extent of the territory which we bought and paid for by the treaty we made with Spain in 1900 and the territory which we acquired by reason of the treaty of Paris in 1898. The territory, however, which we acquired by the last treaty and which we bought is exceedingly small, wholly unimportant to the Filipino people, wholly unimportant to the Philippine Islands as an entity, if they are ever to be independent, but vitally important to certain considerations which I think are important to the American people. Now, the islands which we acquired by that last treaty with Spain was that little group of islands called Cagayan de Sulu, in the midst of the Jolo Sea—a little group of islands almost down to Borneo, in the southernmost corner of the archipelago. Now, there is no advantage to us or anybody to retain this group of small islands, and we should not do it, and that is the reason why my amendment should be adopted, but there is reason why Cagayan de Sulu should be retained by the American Government for the American people. As is evident by a glance at the map, it is a very small and unimportant group of islands. It is inhabited, not by what we ordinarily call Filipinos but by a handful of people who are all Moros, and those Moros asked that they be retained as a part of the United States. Now, if any of you desire to give to a people that sovereignty which they ask for, and which you say they have a right to demand, then their voice should be heard. But that is not the real and more important feature that I want to impress upon the committee.

As stated by the gentleman from North Dakota yesterday, on the greater of these islands—of Cagayan de Sulu—is one of the most remarkable formations to be found anywhere in the world. I made a special trip there at the suggestion of a prominent official who desired to know what the situation exactly was, because he had heard of it and knew something about it. As you reach from the south this particular island you will find the coral reefs are there as elsewhere, but when you land and get ashore you find to your amazement that just inside of a complete breakwater there is a circular body of water, a harbor that is at least 200 feet deep at every point and as deep in some places, probably, as a thousand feet right up to the shore, and all of salt water. A channel into this can be made with a very small expenditure of money, because it is only necessary to go through coral rock. But that of itself is not so remarkable. This lake is about 3 miles in circumference; but to my surprise I found that on the innermost part of it—that part toward the interior of the island, where the cliffs rise from 200 to 250 feet straight up perpendicularly—there was a break, almost a chasm, and on the other side was another lake, almost equal in area, and so deep that we were not able to find bottom anywhere. The circumference of this second lake, I should say, was about 4 miles, and the water is absolutely fresh; and this is the remarkable situation. The two lakes are separated by a perpendicular cliff 250 feet high and probably not exceeding 75 feet in width, excepting at the point where this natural chasm leads through. The inner lake is 15 feet higher than the outer or salt-water lake, requiring simply the construction of one small lock to enable boats of any size or magnitude to pass from the sea directly into a magnificent deep-water harbor of fresh water. The like of that is not to be found anywhere else in the Orient or anywhere in that half portion of the world's surface. The people of maritime experience will readily appreciate the great value in that situation to any commercial nation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MILLER. Mr. Chairman, I ask unanimous consent for three minutes more.

The CHAIRMAN. The gentleman asks unanimous consent for three minutes more. Is there objection?

There was no objection.

Mr. MILLER. By the construction of a lock that deep-water harbor is available to the boats of the world, if we wish to make it so; but it is certainly available to our own.

Mr. SLAYDEN. Why would they go there?

Mr. MILLER. To get the barnacles taken from the boats. It is a most ideal place, almost the only place in the Orient where a condition like that exists.

Mr. STAFFORD. Can the gentleman inform the committee as to the distance this natural harbor is from some of the leading ports of the Orient?

Mr. MILLER. Of course Manila is the leading Philippine port of the Orient, and the distance between the two is about 600 miles; and I will say also that it is almost on a direct line; it is quite on a direct line of all the steamboat lines now from Japan and upper China to Australia and New Zealand. The route passes right down through here, touching at Zamboanga, and then on down. When the Panama Canal is constructed everybody knows, at least I think all are agreed, that one of the great routes of travel of the world will probably bisect the Philippine Islands, and, passing through, go to regions farther to the west and come within a reasonable distance of this group of islands.

Mr. JONES. May I ask the gentleman a question?

Mr. MILLER. Certainly.

Mr. JONES. What island are these lakes on?

Mr. MILLER. Cagayan de Sulu.

Mr. JONES. They were embraced in the original lines laid down in the treaty of the 11th of April.

Mr. MILLER. I beg the gentleman's pardon, but it has not been so considered by the authority of our Government.

Mr. JONES. The lines are on the maps.

Mr. MILLER. I do not wish to enter into a controversy about that now, but they are specifically mentioned in the treaty we made with Spain in 1900. But there is another feature perhaps more important. Whether the Philippine Islands are to continue as a part of the United States or not, the United States expects to have trade relations with the Orient, and for that purpose we must have a naval base.

The Democratic majority on this side have specifically stated, and wisely, in their platform that whatever may be done respecting the removal of our sovereignty from the islands we shall reserve in the islands appropriate regions as a naval base, and among those certainly we should reserve the Cagayan de Sulu. There is a perfect harbor, in which we can place all the warships now under the American flag, where they can have a safe rendezvous, where they can enjoy the priceless privilege of having barnacles removed, and where they will be relatively free from attack. And I will say further that the periphery of the inner harbor, while not wide as distances go, is yet so high and so perfect that it is a reasonably safe protection from the outside.

Now, Mr. Chairman, it does seem to me that we ought to be advised as to this condition, and that we ought to govern ourselves accordingly.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. HENRY. Mr. Chairman, I make a point that there is no quorum present.

The CHAIRMAN. The gentleman from Texas [Mr. HENRY] makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and ten Members are present—a quorum. The gentleman from Minnesota [Mr. MILLER] will proceed.

Mr. GOULDEN. Mr. Chairman, will the gentleman yield to me for one question?

The CHAIRMAN. Does the gentleman from Minnesota yield to the gentleman from New York?

Mr. MILLER. Certainly.

Mr. GOULDEN. How near the lines of traffic between the United States and the Orient is that island of which the gentleman was speaking?

Mr. MILLER. The island I am speaking of is really very distant from the lines of traffic between the United States and the Orient. The main line of traffic which our boats and really all the boats sailing the Pacific now take is the great circle to the north, and then they come around, striking Japan, and then down south, striking Hongkong, several hundred miles to the southwest, and then on to Manila. There is another route to the south, striking the middle of the Philippine group at the straits just to the south of Luzon, and then passing on to Manila.

Mr. GOULDEN. What is the population of those islands?

Mr. MILLER. I journeyed around through the interior, but I do not suppose there are a hundred people in all the group.

Mr. MOORE. Mr. Chairman, will the gentleman yield?

Mr. MILLER. Yes.

Mr. MOORE. Will the gentleman indicate what the United States Government paid Spain for the islands it took over under the treaty of 1900?

Mr. MILLER. I have not refreshed my recollection lately, but I think it was $100,000. Twenty million dollars was paid for the Philippine Islands and $100,000 for the group.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. MOORE. Mr. Chairman, I want to speak to the amendment.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the gentleman may have five minutes.

Mr. MOORE. I ask the gentleman from Minnesota to hold his place and answer a question in my time, if he will.

The CHAIRMAN. The gentleman from Pennsylvania is recognized to oppose the amendment.

Mr. MOORE. No; I am for the amendment, Mr. Chairman.

Mr. BUCHANAN of Illinois. Mr. Chairman, I ask unanimous consent that the gentleman from Minnesota [Mr. MILLER] may have five minutes.

The CHAIRMAN. The Chair will put that question now, and recognize the gentleman from Pennsylvania [Mr. MOORE] afterwards. The gentleman from Illinois asks unanimous consent that the gentleman from Minnesota [Mr. MILLER] may proceed for five minutes. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Minnesota [Mr. MILLER] is recognized for five minutes more.

Mr. MOORE. As I understand the gentleman, the United States paid a consideration for those islands in the Sulu Sea, to which the gentleman has just made reference?

Mr. MILLER. It did.

Mr. MOORE. Under a treaty which had nothing to do with the original taking of the islands?

Mr. MILLER. None whatever.

Mr. MOORE. Therefore we own those islands in fee to-day?

Mr. MILLER. We do.

Mr. MOORE. By virtue of a title ceded to us by Spain for a consideration?

Mr. MILLER. We do.

Mr. MOORE. And it is proposed by this bill to give those islands back to the Filipinos; that is to say, if we take the preamble for the substance of the bill?

Mr. MILLER. Undoubtedly.

Mr. MOORE. Under that arrangement we would give away lands that have nothing whatever to do with Filipino independence?

Mr. MILLER. That is so.

Mr. MOORE. Property belonging to the United States and available, as the gentleman indicates, for a ship-repair station or for coaling-station purposes, in excellence as to fresh water beyond that of any other point in the whole archipelago?

Mr. MILLER. That is true.

Mr. MOORE. Is the gentleman going to use the remainder of his five minutes?

Mr. MILLER. No; I believe I have nothing further to say.

Mr. MOORE. The gentleman has traveled over the Philippines. Does he know of any point in those islands that would be more suitable for a ship-repair station or a docking station or a coaling station than those islands, owned absolutely in fee by the United States?

Mr. MILLER. In answer to that, Mr. Chairman, I will say that there are many other points in the islands that would be more accessible than this little group of islands, but none of them possesses the priceless qualification of having a fresh-water harbor.

Mr. MOORE. Will the gentleman hold his place for a moment longer while I make a statement?

Mr. MILLER. I will.

Mr. HUMPHREY of Washington rose.

Mr. MOORE. I wish to say that a fresh-water station is one of the most desirable things that the Navy can possess. There are very few fresh-water stations along any of the coasts of the United States. There is none serviceable for the Navy on the Pacific coast with the single exception of Mare Island, and that is somewhat in dispute. There is no fresh-water naval station along the whole Atlantic seaboard now available for naval vessels except at Philadelphia, up the Delaware River. Hence it is apparent that if we give away what this cry for independence does not require, lands or islands that we actually possess in fee in the Philippine Archipelago, where at some future time such a station might be sorely needed, we will simply be yielding something that perhaps the necessities of the United States dictate we should hold for ourselves.

Mr. MILLER. Yes.

Mr. HELM. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman yield to the gentleman from Kentucky?

Mr. MILLER. I will yield to the gentleman from Washington [Mr. HUMPHREY] first.

Mr. HUMPHREY of Washington. I wanted to ask the gentleman some questions about these islands. On the Pacific coast we are naturally interested in this subject of naval stations. What are the conditions about the entrance in rough weather? Are the conditions such that in time of storm naval vessels could enter this harbor?

Mr. MILLER. I will say that that is in the typhoon belt, and at certain seasons of the year typhoons are found in that region, although not with the severity that characterizes other portions. But you will observe that it is in the center of the Sulu Sea, and at most seasons of the year the storms are not bad and do not make a difficult situation at all. But at any time, even in stress of weather, during a typhoon, with a proper entrance into this outer harbor, I can see no reason why any boat should not make it.

Mr. HUMPHREY of Washington. That is the point I wanted to ask about.

Mr. MILLER. Now I yield to the gentleman from Kentucky [Mr. HELM].

Mr. HELM. If I understood the gentleman from Minnesota correctly, he says that the Government of the United States paid $100,000 for the islands he has indicated as being in the Sulu Sea.

Mr. MILLER. For these and the other group I have mentioned.

Mr. HELM. Is it not a fact that the $100,000 was paid for the islands north of Luzon and south of Formosa, in between Japan and the Philippine Islands?

Mr. MILLER. I concede that there is a matter of contention about names, but not possessed of merit.

Now, the Cagayan de Sulu Islands, possessing this peculiar formation which I have indicated, naturally are likely to attract a great deal of attention from the commercial nations of the world.

Mr. BUTLER. Mr. Chairman, I very greatly regret that I did not hear the first part of the gentleman's argument in favor of his amendment. Has the gentleman considered the military necessity concerning this point he talks of?

Mr. MILLER. That was the original cause of my visit to the islands, to ascertain some facts bearing on the military situation.

Mr. BUTLER. Has the gentleman in mind what it will cost to defend this position from the land side?

Mr. MILLER. There is no expense in defending it from the land side. The island is so small that from the center you can see the water all around it.

Mr. BUTLER. Have the military men ever suggested this as a desirable point?

Mr. MILLER. They have. The highest official in that department requested that I go there, which I did.

Mr. BUTLER. Has the Navy Department made any expression about it?

Mr. MILLER. I have not had an opportunity to confer with the Navy Department.

Mr. BUTLER. I know the gentleman has been in the Philippine Islands, where I have never been and never expect to be and never want to be, and because he has been there I am asking him for this information. I know that at one time we had concluded to stop at Olongapo, and then I know, after we had expended some of our money there, it was decided that that was not a desirable place.

Mr. SLAYDEN. Has any naval authority ever recommended the establishment of a coaling or naval station at any other point in the whole Philippine Archipelago except in the vicinity of Manila Bay?

Mr. MILLER. I think not. I do not think this point would make an ideal place for a coaling station, anyhow. What I desire to call to the attention of the committee is the peculiar characteristic of this one harbor and its availability for an important purpose, both for the Navy and for commerce.

Mr. GREEN of Iowa. Will the gentleman yield further at that point?

Mr. MILLER. Certainly.

Mr. GREEN of Iowa. The chief advantage, as I understand, of this remarkable formation is that it will afford us the advantages of a dry dock for the purpose of cleaning the bottoms of vessels, without going to the great expense of constructing such a dry dock.

Mr. MILLER. Yes. Now, in reference to what the gentleman from Virginia [Mr. JONES] stated, which was reiterated by the gentleman from Kentucky [Mr. HELM], about these islands not being included, they will find that by the last treaty we made with Spain the Sulu Islands are specifically named. Now, there are no Sulus up in the north. The Sulus are in the south. Whether the word "Cagayan" is to be confined to this group of which I am speaking or is also to be extended to the group up north there may be some controversy, but there can be none about Sulu. I will say that the word "Cagayan" is used both in respect to the northern region of Luzon and also with respect to these islands.

Now, it may be interesting to the membership of the committee to ascertain how it comes that there are these two twin lakes right side by side. Anybody who looks can see that they are the craters of two extinct volcanoes, side by side.

Mr. JONES. Mr. Chairman, the gentleman from Minnesota [Mr. MILLER] has told us a good many interesting things about the island of Cagayan, and it seems that he possesses a great deal of information in respect to it; but, unfortunately for him, the island to which he refers and the possibilities of which he has discussed came into the possession of the United States under the treaty of Paris, and is not one of those named in the subsequent treaty, which was negotiated in 1900. I think if the gentleman will do me the honor to come here and examine this map I can show him conclusively that he is absolutely mistaken, and that every statement he has made falls to the ground because his statements of fact are not correct.

Mr. MILLER. Will the gentleman permit an inquiry?

Mr. JONES. It has been said that it is better not to know so many things than to know so many that are not so.

Mr. MILLER. Will the gentleman permit an inquiry?

Mr. JONES. I will; but if the gentleman will come here, I think I can convince him of his error.

Mr. MILLER. I want to say now that the gentleman can not do it.

Mr. JONES. I think I can if the gentleman is honest, as I believe him to be.

Mr. MILLER. The gentleman's misinformation about the Philippine Islands could not convince a 10-year-old baby.

Mr. JONES. Very well, Mr. Chairman; let us see whether or not I convince him. I have in my hand a copy of the treaty as it appears in the speech of the gentleman from North Dakota [Mr. YOUNG] made on yesterday. It reads:

> Spain relinquishes to the United States all title and claim to title which she may have had at the time of the conclusion of the treaty of peace of Paris to any and all islands belonging to the Philippine Archipelago—

Mark the words—

> lying outside the lines described in article 3 of that treaty, and particularly to the islands of Cagayan, Sulu, and Sibutu and their dependencies, and agrees that all such islands shall be comprehended in the cession of the archipelago as fully as if they had been expressly included within those lines.

Now, Mr. Chairman, here is the line laid down in the Paris treaty. It comes down here and then runs across in this direction. Now, any of the islands of the Philippine Archipelago that are not within these lines are ceded to the United States under the treaty of 1900. The gentleman says the treaty especially mentions the island of Cagayan. The gentleman is mistaken about that. The treaty says the island of Cagayan Sulu, and if the gentleman will come here I will point out to him on the map the name Cagayan Sulu, as plain as it can be printed. It is situated just here. It is Cagayan Sulu that is mentioned in the treaty, and not Cagayan Island. Now, will the gentleman admit his mistake?

Mr. MILLER. No; because in the treaty there is a comma between the word Cagayan and the word Sulu. If the gentleman does not wear glasses that will enable him to see punctuation marks, I can not help it.

Mr. JONES. I notice that there is a comma there in the treaty as it appears in the speech of the gentleman, but on this map there is Cagayan Sulu and Cagayan. The island of Cagayan is near the center of the archipelago and could not possibly have been alluded to in this treaty. So the gentleman is absolutely mistaken, and if he will not admit it I can not help it, but I think every man in this House, including the membership on that side, will admit that the gentleman from Minnesota is mistaken.

Now, I wish to say that, even if I were mistaken in assuming that the gentleman would admit his error, I feel sure that he will do so later on and in his cooler moments. I do not blame him, or, rather, I should say that I can understand how the gentleman would not wish to admit that the statements upon which he founded his argument were incorrect—that he was arguing from false premises. This section simply defines the territory that is embraced in the term "the Philippine Islands." Gentlemen speak of our having what they call a fee simple title to the islands embraced in the treaty of 1900, and say that it is different from the title under which the others are held. That is absolutely untrue. We got the whole Philippine group by paying $20,000,000 for it. It was discovered afterwards that, according to the lines laid down in the treaty, a few small islands of very little importance, with very few people on them, were excluded. In order to acquire title to them all, since Spain did not wish to retain these few islands, President McKinley entered into an arrangement by which we were to get them all, whether embraced within the original lines or not, for the sum of $100,000. So we hold them all by exactly the same title. But if we did not, I can see no reason why the language objected to should be stricken out, since there is nothing in the bill which proposes to dispose of the Philippine Islands. When the time comes, if it ever does come, and I hope it will come soon, when the United States shall grant the Filipinos their independence, they will do so on their own terms and will doubtless reserve such coaling and naval stations and terminals for cables as they may wish to retain. I am confident that no one of them will ever be located on the insignificant little island of Cagayan Sulu.

Mr. NORTON. Will the gentleman yield?

Mr. JONES. Yes.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. JONES. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. The gentleman from Virginia asks that his time be extended five minutes. Is there objection?

There was no objection.

Mr. NORTON. I desire to ask the gentleman if this part of the treaty quoted by the gentleman from North Dakota [Mr. YOUNG] yesterday, appearing on page 17478 of the RECORD, is a correct transcript of that part of the treaty?

Mr. JONES. I do not believe that the punctuation is correct, but I have no copy of the treaty and can not answer the gentleman's question more definitely. But I can say that the War Department, which has jurisdiction over the Philippines, has always regarded the island of Cagayan Sulu as the one specially mentioned. It was specially mentioned because it was so near the line that it was deemed best to do so, I suppose.

Mr. NORTON. The transcript of the treaty on page 17478 reads "Cagayan," then a comma is inserted, and follows the words, "Sulu and Sibutu." Will the gentleman tell the House where the island of Sibutu is?

Mr. JONES. It is so small that I have not been able to locate it on the map. There are 3,000 or more of these islands, and some of them are so small that they have not been put on the map.

Mr. NORTON. Does the gentleman think the treaty of 1900 refers by name to two or three islands?

Mr. JONES. I think it refers to two. I feel absolutely certain as to this, and I think the gentleman himself must admit as much.

Mr. NORTON. Why should one conclude that was the intention if the treaty reads as quoted in the RECORD?

Mr. JONES. Because the island of Sulu, or Jolo, where the Sultan of Sulu resides, is a comparatively large and populous

island. It is a very important island. It has always been understood by everybody that that was embraced in the original treaty, and there is no other Sulu Island but that.

Mr. NORTON. Is there not an island known as Sulu Island and another island known as Cagayan Island?

Mr. JONES. There is Cagayan and Cagayan Sulu and Sulu. Sulu is a very large and populous island, where the Sultan of Sulu resides.

Mr. COOPER. Will the gentleman yield?

Mr. JONES. I will.

Mr. COOPER. Was the island of Cagayan included in the terms of the first treaty of Paris?

Mr. JONES. Of course it was. It is in the very center of the group.

Mr. COOPER. Then it is excluded from the second treaty?

Mr. JONES. Of course.

Mr. COOPER. Then it leaves the island of Cagayan Sulu as the one included in the second treaty?

Mr. JONES. Of course. Everybody understands it except the gentleman from Minnesota.

Mr. Chairman, I am informed by gentlemen who are examining the map that the map itself states that Cagayan Sulu is referred to in the second treaty.

Mr. McKELLAR. It is marked on the map as having been acquired by the subsequent treaty.

The CHAIRMAN. The debate on this amendment is exhausted.

Mr. MILLER. Mr. Chairman, I move to strike out the last word of the amendment.

Mr. GARRETT of Tennessee. Will the gentleman from Minnesota yield for me to make a request to close debate in 10 minutes?

Mr. MILLER. I will, but I may not occupy more than three minutes.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate close on this amendment in five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia? [After a pause.] The Chair hears none.

Mr. MILLER. Mr. Chairman, if I may have the attention of the committee, I think I can clear up the situation in a word. The gentleman from Virginia takes issue with me from the fact that I claimed that the group of islands to which I have referred are the ones we acquired by the last treaty with Spain, and he claims that they were acquired under the first treaty. There are a great many places and islands in the Philippine group that have the name Cagayan. There are many separate islands that have the name Sulu. There is a lot of confusion resulting from a repetition of these names. The treaty which we made the last time reads as follows:

> And particularly to the islands Cagayan Sulu and Sibutu and their dependencies.

Mr. Chairman, no matter how you construe the language, whether it be this group to which the gentleman from Virginia [Mr. JONES] referred as the Cagayan de Sulu group or the group to which I referred, Cagayan Sulu, they were both included within the wording of the treaty. Both names refer to the islands called Cagayan, inhabited by Moros, and their dependencies. The Cagayan Sulu group is the only one named Cagayan and containing Moros in that region. I will call the attention of the committee to the fact that in the best atlas, prepared by the able Father Algé, which is the foundation of most of the maps published since, aside from those which were prepared by the Coast and Geodetic Survey, the group I have described was called not Cagayan or Sulu, but Cagayan de Sulu or Jolo. It is the contention of the War Department that this group that I have described is in the same position as this group down here called Sibutu. They are inhabited by Sulus, and they were not included in that first treaty. It does not matter which you claim is the parent group, the language of the treaty is "Cagayan Sulu and Sibutu and their dependencies." Sibutu is in the most extreme part of the Philippines, almost down to the Equator. I went down there. It is not in the same situation as these others, except that it is included in the last treaty. The gentleman from Virginia [Mr. JONES], I am sure, does not wish to state that the island where the Sultan of Sulu lives is called the island of Sulu. It is the island of Jolo.

Mr. JONES. I asserted that it is sometimes called Sulu and sometimes Jolo.

Mr. MILLER. The gentleman has stated it right.

Mr. JONES. That is what I stated before.

Mr. MILLER. Then, he can not complain if I have given him an opportunity to restate it.

Mr. TOWNER. Mr. Chairman, will the gentleman yield?

Mr. MILLER. Yes.

Mr. TOWNER. I will ask the gentleman if it is not true that the Mohammedan Group of Islands, of which the island now known as Jolo is one, was not called the Sulu Group?

Mr. MILLER. There were several groups down there, and their names shifted more or less, but the general name usually applied to all those islands was Sulu Group, as the gentleman suggests.

Mr. TOWNER. Let me call the gentleman's attention to this fact, that the island as platted is called Cagayan Jolo, and then following, in parenthesis, is the word "Sulu," to indicate, as I understand it, that it belongs to the Sulu Group.

Mr. McKELLAR. Mr. Chairman, will the gentleman yield?

Mr. MILLER. Yes.

Mr. McKELLAR. In reading the remarks of the gentleman from North Dakota [Mr. YOUNG] as they appear in the RECORD of yesterday, I find that in that portion of the treaty which he quoted in the RECORD a comma appears between the words "Cagayan" and "Sulu."

Mr. MILLER. There is a comma in the copy put in the RECORD yesterday.

Mr. McKELLAR. That is evidently a mistake, because in the Senate document from which the gentleman has just read I find that "Cagayan Sulu" is all one name.

Mr. MILLER. That is true; and I do not know which is correct. It has no bearing on this, however. There is a comma in one and not in the other, but it does not matter. The point we have to admit is this, that these are two groups of islands inhabited by Moros which we purchased from Spain, and I do not care what names you call them by. We bought them in 1900, and the War Department——

The CHAIRMAN. The time of the gentleman from Minnesota has expired. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken, and the amendment was rejected.

Mr. BURGESS. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amend the bill by adding the following as a new section, to follow section 1:

"That it is the purpose of the United States to cease exercising sovereignty over the Philippine Islands as soon as may be with justice to them and honor to the United States, and that it is the preference of the United States to accomplish this purpose by establishing an independent government in said islands; that in pursuance of such purpose and preference the President is respectfully requested to consider the expediency of opening negotiations with the Governments of Great Britain, Germany, France, Russia, Spain, and such other Governments as he may think advisable, with a view of effecting a joint treaty with such Governments, by which it shall be provided that an independent government in the Philippine Islands, when established by the United States, shall be recognized and preserved; that pending the establishment of such independent Philippine government the Philippine Islands shall be neutral territory; that such Philippine government, when established, shall agree that it will maintain equality of trade relations toward all the signatory powers, and that in the event of war between any of the nations of the earth it shall be neutral; that such concessions as may be made by the United States in the establishment of such independent government shall be recognized by all the signatory powers"

Mr. STAFFORD. Mr. Chairman, I reserve the point of order on that.

Mr. TOWNER. Mr. Chairman, I will call the attention of the chairman of the committee to the fact that this is an important matter, and it occurs to me that there ought to be some agreement as to a time for debate.

Mr. JONES. Mr. Chairman, a point of order has been reserved. I desire to make the point of order that it is not germane. If the gentleman from Texas desires to discuss it, I will reserve the point of order.

Mr. BURGESS. No; I will ask the gentleman to proceed and make the point of order now.

Mr. JONES. How much time does the gentleman desire?

Mr. BURGESS. Five minutes.

Mr. JONES. I will reserve it.

Mr. BURGESS. But I do not care to make a speech if it is not in order. Let the gentleman make the point of order.

Mr. HUMPHREY of Washington. Mr. Chairman, in order to accommodate everybody, I will make the point of order.

Mr. MOORE. Mr. Chairman, I will ask the gentleman to reserve that point of order until I can ask the gentleman from Texas a question.

Mr. OGLESBY. Mr. Chairman, a parliamentary inquiry. What is the point of order?

The CHAIRMAN. The point of order is that the amendment offered by the gentleman from Texas is not germane to the bill.

Mr. OGLESBY. Germane to the bill or germane to the preamble?

The CHAIRMAN. Germane to the bill.

Mr. JONES. It is not offered to the preamble.

The CHAIRMAN. The Chair overrules the point of order.

Mr. BURGESS. Mr. Chairman, I want to discuss seriously this proposition with all the Members here. I do not offer this amendment for buncombe. I am serious about it. I drew and introduced into this House substantially that resolution in 1904, and I made a speech at great length—in fact, the longest speech I ever made in the House—upon the proposition on January 9, 1906. That was in advance of any platform favoring the neutralization of the islands, and the resolution was introduced some time before anyone else suggested the neutralization of the islands. So that I am in a position to claim credit for that; but, frankly, that is immaterial. I would not care for it, I would not be here now urging it, except I am fully of the opinion that it is the wisest thing for the Filipino people and the United States combined to vote this into the body of the bill.

Mr. MOORE. Mr. Chairman, will the gentleman yield?

Mr. BURGESS. Yes.

Mr. MOORE. I have just read the gentleman's amendment, although I carefully listened to it being read, and it seems to me the gentleman has struck the kernel of the whole situation. The gentleman proposes immediate action——

Mr. BURGESS. That is what I propose.

Mr. MOORE. The gentleman proposes that the President shall be authorized at once to proceed to confer with the great nations of the world as to the neutralization of those islands, looking to our ultimately yielding up our sovereignty over there. That is what the gentleman proposes.

Mr. BURGESS. It may interest you to give you a little reminiscence of a personal matter about this. I was first a candidate for Congress in 1900. I went down to Galveston and went into the office of Kleburg—whose brother was in Congress, and a very brilliant lawyer—and he said to me, "BURGESS, what about your Philippine platform in 1900—

"We favor an immediate declaration of the Nation's purpose to give the Filipinos, first, a stable form of government; second, independence; and, third, protection from outside interference, such as has been given for nearly a century to the Republics of Central and South America—

"What do you say to that plank?"

Mr. MADDEN. That would be an extension of the Monroe doctrine to the Philippines.

Mr. BURGESS. I said, "That involves a misconception of the Monroe doctrine, a misapplication of it to the Eastern Hemisphere, and I will not support that." He rose and shook hands with me and said, "I thought you had some sense; I am for you for Congress." He had supported a Republican two years before. That put me on my mettle, and it put me to studying this question; and I evolved after writing and rewriting—this resolution was drawn at least 50 times, and finally I introduced it into the House, and I stand on it now as the best and most practical solution of the Philippine question that is possible to mortal man. I believe that thoroughly or I would not be here urging it now. And I find myself in fine company in that belief.

Mr. BUTLER. Will the gentleman permit me?

Mr. BURGESS. Yes.

Mr. BUTLER. Has the belief of the gentleman from Texas in the sacredness of promises of neutrality changed in the last two months?

Mr. BURGESS. No, sir.

Mr. BUTLER. He is still persuaded that nations beginning to fight will preserve what has been termed a "paper contract"——

Mr. BURGESS. Just a moment there. Neutrality will be very much stronger now than ever before.

Mr. BUTLER. Provided disarmament comes; yes, sir.

Mr. BURGESS. It will be stronger than ever before, and there is more reason for the adoption of this resolution now than there ever was.

Mr. KELLEY of Michigan. Will the gentleman yield for a short question?

Mr. BURGESS. Yes.

Mr. KELLEY of Michigan. I take it that the gentleman does not think that the party promise would be made good unless his amendment is incorporated into this bill?

Mr. BURGESS. Well, I think that. I have a letter here which I want to read. This is from a great man and a great Democrat, and you all love him.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MOORE. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania? [After a pause.] The Chair hears none.

Mr. BURGESS. I desire to read this letter:

JANUARY 28, 1914.

MY DEAR BURGESS: I remember well your speech on the Philippine resolution in January, 1906, and was very favorably impressed then, and subsequent study has brought the fixed conviction that your resolution is the solution of the problem. It ought to be passed, as it not only accords with the last Democratic platform, but is based on the soundest and wisest principles.

Your friend, CHAMP CLARK.

[Applause.]

Now, if you will take the four platforms you will see the Democratic Party has stumbled——

Mr SLOAN. It usually does.

Mr. BURGESS. But I love it in that it stumbles toward the right. It makes mistakes, but it makes those mistakes toward the right. In the Democratic platform of 1904 it said:

We insist that we ought to do for the Filipinos what we have done already for the Cubans, and it is our duty to make that promise now and upon suitable guaranties of protection to citizens of our own and other countries resident there.

That was the point that stuck in my craw. What protection would the Filipino have in person or property if we adopted the scuttle policy, took away our fleet, and declared their independence and sailed away? They would be worse off than to go on——

Mr. GREEN of Iowa. Will the gentleman yield there?

Mr. BURGESS. Yes.

Mr. GREEN of Iowa. I did not fully understand the gentleman's amendment. Does it contemplate that the United States shall guarantee that the neutrality of the Philippines be preserved?

Mr. BURGESS. No, sir.

Mr. GREEN of Iowa. Does it simply mean, then, that the United States itself will agree to respect their neutrality?

Mr. BURGESS. In this joint treaty, all the nations agreeing.

Mr. GREEN of Iowa. What does that amount to?

Mr. BURGESS. And upon that we will give them independence whenever we think they are entitled to it.

Mr. GREEN of Iowa. Who is going to enforce that neutrality?

Mr. BURGESS. Who is going to enforce law anywhere?

Mr. GREEN of Iowa. But there is always a power, I will state to my friend.

Mr. BURGESS. We have had neutrality treaties for 100 years and very few have been violated. Switzerland to-day is subject to a treaty involving neutrality, and that neutrality has not been violated up to this hour, when the worst war in the history of the world is going on around her.

Mr. BUTLER. But the gentleman knows an army can not very well get into Switzerland and——

Mr. BURGESS. And it will be pretty hard to get around to the Philippines.

Mr. MADDEN. Mr. Chairman——

The CHAIRMAN. To whom does the gentleman yield?

Mr. BURGESS. I yield to the gentleman from Illinois [Mr. MADDEN].

Mr. MADDEN. Suppose a rebellion should begin in the Philippine Islands under the neutrality proposed by the gentleman from Texas, who would put down the rebellion?

Mr. BURGESS. All the powers who signed the neutrality treaty. That is the explanation.

Mr. STANLEY. Would any internecine strife in the Philippines affect their neuerality so far as trouble between foreign nations is concerned, or affect us in any way?

Mr. BURGESS. I do not think so.

Mr. HELM. Will the gentleman from Texas explain how it will be possible for anything except a sovereign or an independent government to enter into a compact of neutralization? Does not the whole proposition presuppose or presume that a territory to be neutralized must of itself be an independent government and a sovereign and a party to that compact or contract of neutralization? How can one sovereign, how can the United States, contract for the sovereignty of any other territory other than with the consent of the government of the territory to be neutralized, and how can it consent except that it be a sovereign body?

Mr. BURGESS. There is no proposition of that sort in my resolution.

Mr. HELM. Your proposition here is to neutralize the Philippine Islands, which is not a sovereign country——

Mr. McKELLAR. That can be taken care of in the treaty.

Mr. HELM. And it can not be done.

Mr. BURGESS. I disagree with the gentleman about that.

Mr. BRYAN. The gentleman, of course, is sincere in his amendment and believes in the independence that is brought

about in this way; then does not it follow that the gentleman is opposed to giving the Philippine Islands independence until all these nations will agree to give neutralization?

Mr. BURGESS. That does not follow.

Mr. BRYAN. The gentleman believes in independence without it?

Mr. BURGESS. Let me say that I am a Democrat. I believe in the American theory of self-government.

The CHAIRMAN. The time of the gentleman from Texas [Mr. BURGESS] has expired.

Mr. MOORE. Mr. Chairman, I ask unanimous consent that the time of the gentleman be extended 10 minutes.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent that the time of the gentleman from Texas be extended 10 minutes. Is there objection?

There was no objection.

Mr. HELM. Will the gentleman yield for just one further question?

Mr. BURGESS. In just a moment. Let me answer this gentleman first. I will say to the gentleman from Washington I am a Democrat, and therefore believe in local self-government. I believe that colonies are inimical to this country, and if we do not keep them out it will result in destroying this Republic. I feel very strongly on that line. I would take anything I could get, even an intimation, which I think is here, although it is simply a "whereas" and has not very much strength—it is not in the bill—and if my amendment is voted down, I am frank to say that I will vote for the bill. That is my answer to that question.

Now, I was reading these platforms. The Democratic platform of 1908 says:

> We favor an immediate declaration of the Nation's purpose to recognize the independence of the Philippine Islands as soon as a stable government can be established, such independence to be guaranteed by us as we guarantee the independence of Cuba until the neutralization of the islands can be secured by treaty with other powers. In recognizing the independence of the Philippines our Government should retain such land as may be necessary for coaling stations and naval bases.

That was in the Democratic platform of 1908, and was the first reference to neutralization by treaty. My resolution was introduced four years before. The Democratic platform of 1912 says:

> We favor an immediate declaration of the Nation's purpose to recognize the independence of the Philippine Islands as soon as a stable government can be established, such independence to be guaranteed by us until the neutralization of the islands can be secured by treaty with other powers.

Now, I think it was drawn hastily. It was over at the Baltimore convention. I think my resolution is substantially in accord with that resolution, with that plank in the platform. What does it propose? It proposes to the Philippines, "Here is your chance to get independence. We will try to negotiate a treaty, and if that is negotiated all your troubles will disappear as if by magic." You know and I know that the Filipino people will be more capable of maintaining a separate government when protected by a treaty of neutralization than it would otherwise, and that is the first step, in my judgment, that ought to be taken in any party action. We ought to provide for the neutralization by treaty of the islands. It is all well enough to talk about independence. It is all well enough to preach about the glories of the freeman, and so forth; but how are you going to give them independence? That is the question, and my resolution strikes at the heart of the matter. I submit it to every honest, thoughtful man. It is the best solution I can think of or that perhaps you can think of. If you have a better one, I am ready to accept it.

Mr. FALCONER. Will the gentleman yield?

Mr. BURGESS. Yes.

Mr. FALCONER. You just remarked that your resolution conformed to the intention of the plank of the Democratic platform. I would like to ask the gentleman if this bill also conforms to the platform?

Mr. BURGESS. As far as it goes, it does. But there is nothing in this bill as it is presented to you about neutralizing the islands.

Mr. GILLETT. May I ask the gentleman a question?

Mr. BURGESS. Yes.

Mr. GILLETT. I understand that your amendment suggests that we should give them independence when they are fitted for it. Does the gentleman think that will be in the immediate future?

Mr. BURGESS. I think so. In other words, that is my idea.

Mr. GILLETT. Will you fix the date at which you think they will be fitted for it?

Mr. BURGESS. That is simply my idea. If we can negotiate a treaty of neutrality, I think that will prove an immense impetus toward freedom for the Filipinos.

I think they will be ready to take on a government of their own and run it much quicker in that way than in any other way, and I think if they go on progressing as they have been doing for the past 14 years it will not be more than 10 or 15 years before they can be given absolute independence, predicated on a neutral treaty. That is my view of it.

Mr. McKENZIE. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Texas yield to the gentleman from Illinois?

Mr. BURGESS. Yes.

Mr. McKENZIE. Does not the gentleman think it would be a very great mistake to give the Filipino people their independence without having such treaties as the gentleman mentions in his resolution previously entered into?

Mr. BURGESS. I do.

Mr. McKENZIE. And does not the gentleman believe that he has his proposition reversed? Ought we not first to have the treaties and then independence, rather than independence and the treaties later?

Mr. BURGESS. If the gentleman will notice my resolution, he will see that it says that it is the purpose of the United States to cease exercising sovereignty in the Philippine Islands.

Mr. MOORE. But it does not indicate that that time has now arrived?

Mr. BURGESS. No; it does not; nor does any other platform.

Mr. MOORE. Suppose, then, as some of us fear, that the impression should go abroad in the Philippine Islands that we have granted them independence by the passage of this bill, and one island should bear upon another island, or a more powerful people should fall upon a weaker people. The gentleman would still have a saving clause in his resolution by exercising a protectorate over the archipelago?

Mr. BURGESS. Yes.

Mr. MOORE. In other words, the gentleman would prevent the islands from running amuck in the event of independence being granted to them at any time?

Mr. BURGESS. Yes.

Now, Mr. Chairman, referring to the speech I made in 1906, I want to recite a passage to show that my resolution is in accord with precedents. I read:

> On February 28, 1823, the House passed by an aye-and-no vote of 131 ayes to 9 noes the following resolution:
>
> "*Resolved*, That the President of the United States be requested to enter upon and prosecute from time to time such negotiations with the Federal maritime powers of Europe and America as he may deem expedient for the effectual abolition of the African slave trade and its ultimate denunciation as piracy under the laws of nations by the consent of the civilized world."
>
> This resolution was offered in the House by Mr. Mercer, of Virginia. An examination of the debate in the House not only shows no objection to the method by any Member of the House, but a general recognition of the duty of Congress to declare the will of the people for the guidance of the Executive is observed in all the discussions, Mr. Wright, of Maryland, voicing that idea in these words:
>
> "Sir, this Congress ought to take upon themselves the responsibility of this measure by their positive opinion and leave it no longer a subject of doubt what is the will of the American people."
>
> On December 23, 1823, Mr. Livingston, of Louisiana, offered the House a resolution that—
>
> "The President of the United States be requested to negotiate with the Government of Great Britain for the cession of so much land on the island of Abaco as may be necessary for the erection of lighthouses, etc."
>
> This was adopted without debate or objection. Henry Clay was Speaker; Daniel Webster and many great names in our history were Members. On May 16, 1826, on motion of Mr. Livingston, a resolution was agreed to that—
>
> "The President of the United States be requested to inform this House whether any arrangement had been made with the Government of Great Britain in consequence of the resolution of this House of the 23d of December, 1823."
>
> Verily, in those days the House asserted itself. In his message of December 3, 1833, President Jackson says:
>
> "I have the satisfaction to inform you that a negotiation which, by desire of the House of Representatives, was opened some years ago with the British Government for the erection of lighthouses on the Bahamas has been successful."

And then follows a whole lot more.

Now, that is all I have to say. I believe that this resolution, if put in the form of a law, will bind the American people; that is, the form in which I offer it as an amendment. It has two advantages over the preamble. In the first place, it is not a preamble, but in the body of the law it is substantive law.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. GARRETT of Tennessee. Mr. Chairman, does the gentleman desire more time?

Mr. MADDEN. Mr. Chairman, I ask unanimous consent that the gentelman from Texas have two minutes in which to finish his statement.

The CHAIRMAN (Mr. CLINE). The gentleman from Illinois [Mr. MADDEN] asks unanimous consent that the gentleman from Texas [Mr. BURGESS] may proceed for two minutes more. Is there objection?

There was no objection.

Mr. BURGESS. Second, it provides for neutralization in accord with the platform, in accord with the theory of turning the Philippines loose, free.

Now, I submit, this question must come up. Of course if a man takes the view that my friend from Illinois [Mr. MANN] does—and I know he takes it honestly—he will vote against anything that looks to Philippine independence. But, on the other hand, the man who believes that the Filipinos ought to be granted their independence ought to vote for the most sensible thing to give it to them. That is the difference; and if this resolution is in line with your thought and commends itself to your judgment, I hope you will adopt it. I will follow, if it is adopted, by a motion to strike out the preamble. [Applause.]

Mr. GARRETT of Tennessee. Mr. Chairman, I am well aware of the great thought which my friend from Texas [Mr. BURGESS] has given to this question. The amendment which he offers is an exact copy of a resolution introduced by him in 1904 originally and which has been reintroduced at each succeeding Congress and has been before the Committee on Insular Affairs ever since I have been a member of the committee. I am in a large measure in sympathy with part of the sentiment of the resolution; but I respectfully submit to the membership of the House that it has no place at this point or at any other point in this bill. This bill which we are now considering—not the preamble—is an affirmative declaration of positive law, providing for an enlargement of the power of the people of the Philippine Islands in the government there and has no reference, so far as the bill is concerned, to the foreign relations of this Government and other Governments as regards the Philippine Islands or any other territory in the world. This proposition of the gentleman from Texas [Mr. BURGESS] is to take a joint resolution simply requesting the President to do a thing which he already has the authority to do without the legislation and putting it into the vital part of an organic act dealing with the government of those people by themselves. This resolution undertakes to deal with foreign relations of the United States. The bill simply provides for the government of the Philippine people.

Mr. BRYAN. Will the gentleman yield?

Mr. GARRETT of Tennessee. I yield to the gentleman from Washington.

Mr. BRYAN. The gentleman states that the bill is merely an organic act providing for the government of the Philippines; but has the gentleman noticed the title to the bill, which reads:

A bill to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands.

Mr. GARRETT of Tennessee. Yes; that has reference to the preamble. I am speaking now of the bill itself.

Mr. BRYAN. Then, the title given here does not refer to the bill, but to the preamble, which is not a part of the bill?

Mr. GARRETT of Tennessee. The title refers both to the preamble and the bill.

Mr. BRYAN. But still the preamble is not a part of the bill. This amendment, fixing the political status of the Philippines, would come under the title of the act, would it not?

Mr. GARRETT of Tennessee. The Chair has already held that it is germane. I am not making any question about that. I am simply saying that it is out of line with the theory on which the bill is drawn, entirely. I am speaking now of the bill, not the preamble. The bill provides for the enlargement of the Government of the Philippine people by themselves. The resolution which the gentleman offers as an amendment provides for dealing with international relations by the United States.

Mr. BRYAN. Then does it not follow that if this amendment is not proper after this title, the preamble is out of place after the title?

Mr. GARRETT of Tennessee. I do not think so; and when the time comes I shall discuss the preamble. I do not care to enter into a discussion of it now. If this matter was standing here alone, if this were offered as a substitute for the bill, I do not mean to say I would favor it now in either respect, but there would at least be some logic in that. But to offer it as a vital part of the law which is being enacted is improper. It has no place in this bill. So far as practical action may come in the future, if this bill shall be enacted, when the time comes the President of the United States can, without any act of Congress, open negotiations looking to neutralization; or if that should not be done by the President, and the Congress should in the future deem it wise that that should be done, it could easily pass a resolution suggesting that course to the President; but certainly the gentleman would not desire to place in the legislative part of the bill a proposition dealing with international relations.

Mr. BRYAN. Mr. Chairman——

Mr. CLARK of Missouri. Mr. Chairman, before the gentleman from Washington [Mr. BRYAN] begins I would like to have leave to ask the gentleman from Tennessee a question.

Mr. GARRETT of Tennessee. If my time has not expired.

Mr. CLARK of Missouri. I ask unanimous consent that the gentleman's time be extended two minutes.

The CHAIRMAN. If there be no objection, the gentleman's time will be extended two minutes.

There was no objection.

Mr. CLARK of Missouri. Why is not this Burgess resolution just as pertinent to this bill as the preamble which is on it now?

Mr. GARRETT of Tennessee. Mr. Chairman, if it were in proper form offered as an amendment to the preamble, I would not undertake to say that it was not pertinent to that, although it contains a direction, while the preamble only conains a recitation; but it is offered as an independent section, section 1½, to the legislative part of the bill. You do not want to say by an enactment of law that it is the preference of the United States to do so and so.

Mr. BURGESS. Why not?

Mr. GARRETT of Tennessee. You do not pass a law to say that. That applies to resolutions, not to legislation.

Mr. CLARK of Missouri. If the gentleman will permit, of course I do not know the exact processes of the mind of the gentleman from Texas [Mr. BURGESS], although I am remarkably well acquainted with him; but I take it that the reason he offered his resolution as section 1½ to this bill is that under parliamentary practice we do not get to the preamble until we get through with the bill. My own judgment about it is that as a parliamentary proposition it would come in as a substitute for the preamble; but it would be like locking the barn door after the horse is gone; and the gentleman has given notice that he proposes to strike out the preamble if his amendment goes in. So that it is practically offered as a substitute for the preamble.

Mr. GARRETT of Tennessee. Of course I take it that the House would not desire—certainly this side of the House would not desire—to strike out the preamble to this bill, even if this were inserted. I have not taken that up, because I though it would be proper to take that up later. Let it be borne in mind that this amendment, however, contains a direction; the preamble to the bill is merely recitative.

Mr. CLARK of Missouri. As far as the preamble goes, it looks in the same direction that the resolution of the gentleman from Texas [Mr. BURGESS] looks.

Mr. GARRETT of Tennessee. Precisely; that is true; and the only thought that is in the resolution that is not in the preamble is this suggestion of neutralization; and in view of the fact that we are not now fixing any date, there will be abundant time later, under better conditions of world-wide interest, for the question of neutralization to be taken up and considered.

Mr. McKELLAR. Will the gentleman yield?

Mr. GARRETT of Tennessee. I do.

Mr. McKELLAR. If this Congress sees fit to pass a resolution on this subject, why is not this Congress just as competent to pass upon the question as any future Congress at some future time?

Mr. GARRETT of Tennessee. Well, Mr. Chairman, I certainly would not reflect upon the competency of this Congress——

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. MANN. Mr. Chairman, I ask unanimous consent that the time of the gentleman from Tennessee be extended five minutes.

The CHAIRMAN. The gentleman from Illinois asks that the time of the gentleman from Tennessee be extended five minutes. Is there objection?

There was no objection.

Mr. GARRETT of Tennessee. Mr. Chairman, in answer to my colleague, I will say that the committee has prepared this bill in the light of existing conditions. The question of neutralization belongs to the treaty-making power of the Government. It is within the authority of Congress, and it is no violation of the proprieties for the Congress to pass a resolution request-

ing or suggesting to the executive powers the idea of entering into negotiations looking toward neutralization. But upon the theory upon which this bill is drawn and because there is no fixed date, why the necessity of taking up the question of neutralization and enacting it into legislation under the world-wide conditions which now exist?

Mr. BURGESS. Will the gentleman yield?

Mr. GARRETT of Tennessee. With pleasure.

Mr. BURGESS. In both the Democratic national platforms there is a demand for neutralization, and without any time limit.

Mr. GARRETT of Tennessee. Yes, that is true; I am familiar with that fact. But I repeat again, because I hope the House will get clearly the thought I have in mind about this, that most assuredly the House will not desire to put into the legislative part of this bill, simply creating an organic law for the Philippine Islands, a proposition that deals with the international relations on the part of the Government of the United States.

Mr. MANN. Will the gentleman yield?

Mr. GARRETT of Tennessee. I will yield.

Mr. MANN. Does the gentleman think it is more important in dealing with the Filipinos to consider form than substance?

Mr. GARRETT of Tennessee. That is an abstract matter.

Mr. MANN. The gentleman says, as a matter of form, it ought not to go in; as a matter of substance, we might put in anything. I want to ask the gentleman which is the more important, to preserve the form or miss the substance?

Mr. GARRETT of Tennessee. The gentleman asks an abstract question. I have stated my position as clearly as I could state it. I think the gentleman from Illinois would agree with me in the proposition if he had not something else on his mind.

Mr. MANN. I have so often been taken to task myself for endeavoring to preserve form as well as substance, and the gentleman's arguments seem to be directed toward the form, that I wanted to know whether he thought the form should be maintained at the sacrifice of substance.

Mr. GARRETT of Tennessee. I have never taken the gentleman from Illinois to task for that.

Mr. STEENERSON. Will the gentleman yield?

Mr. GARRETT of Tennessee. I will.

Mr. STEENERSON. I would like to have the gentleman tell us where in the preamble there is any declaration of policy or intention of the United States as to the Philippines. The title says:

> To declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands.

The first and second clauses of the preamble relate to the past intentions of the United States, and the third clause simple says that it is desirable for the speedy accomplishment of that purpose to give the Philippines such control of local affairs as is not inconsistent with our sovereignty. There is no positive declaration in the preamble as to the intention of the United States as to the future of the Philippines. Why is it left to inference?

Mr. GARRETT of Tennessee. I am not discussing the preamble; I was discussing the amendment offered by the gentleman from Texas.

Mr. STEENERSON. I would like an answer from the gentleman.

Mr. GARRETT of Tennessee. I was not discussing the preamble. The gentleman possibly was not in the Hall at the time the preamble was passed over for consideration at the end of the bill.

Mr. HELM. Mr. Chairman, I simply want to present to the committee more fully the thought that I presented a while ago. The Philippine Islands are not sovereign. They are a dependency of the United States. They are not a nation among nations. For the like reason that an infant can not make a valid contract a people that do not constitute a sovereignty in themselves, that have no power to act for themselves in their own interest or in their own behalf, can not enter into a compact or a treaty.

The amendment presented by the gentleman from Texas predicates the sovereignty of the Philippines, and necessarily is the sequence of a treaty assented to by the Philippines. I ask the gentleman from Texas if the Philippine Islands could to-day make a treaty?

Mr. BURGESS. That is altogether beside the issue.

Mr. HELM. Will the gentleman answer that question yes or no?

Mr. BURGESS. I want to ask the gentleman from Kentucky a question.

Mr. HELM. Can the Philippine Islands enter into a valid treaty?

Mr. BURGESS. No. Now will the gentleman answer my question? Can not all other countries enter into an agreement to neutralize the Philippine Islands?

Mr. HELM. My position is that they can not; and I will explain why they can not. Such an amendment as is offered by the gentleman from Texas presents and carries with it the idea of the capacity of the Philippines to enter into a treaty. Now, where the committee is liable to be led into an error is this: Neutrality is an act voluntarily entered into on the part of those authorized to act for the territory that is proposed to be neutralized. The United States is a sovereignty; and the Congress of the United States is authorized and can act for it through its treaty-making power under its Constitution. It can enforce its contracts or treaties with other nations. The Constitution of the United States is not in force in the Philippines. It is the one place where the Constitution does not follow the flag. On the other hand, the Philippines have a law-making body of their own, but with limited power. Nations that possess the power—the might—to make another territory do its will, do it by force, and neutralization by force is unthinkable and impossible. But when you come to enter into such an arrangement as the amendment of the gentleman from Texas proposes, it presupposes a condition or state on the part of the Philippine Archipelago as a sovereignty to agree to it or else it is not neutralized. If they can not make or agree to a treaty of neutralization and consent to it, they can not ratify it; and how can they ratify it unless they are a sovereign nation? Therefore I say that the resolution of the gentleman from Texas at this time is not in order.

Mr. QUIN. Mr. Chairman, will the gentleman yield?

Mr. HELM. Yes.

Mr. QUIN. How can you make them sovereign so that they would have the power?

Mr. HELM. Whenever the United States, which holds and exercises sovereignty over the Philippine Islands, declares them free and independent as a sovereignty, then they are in position to enter into a treaty of neutralization. I challenge any Member on this floor to cite me to the country that has been neutralized which was not at the time of that act sovereign in itself.

Mr. FALCONER. How does a Territory come into the Union?

Mr. HELM. By act of Congress.

Mr. DAVENPORT. And the Congress creates it a sovereignty.

Mr. HELM. It is as simple as A, B, C. Let the gentleman rise on the floor and tell me what country, what territory, was ever neutralized that at the time of its neutralization was not in itself a sovereign entity?

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. HELM. Yes.

Mr. FESS. Does not this resolution undertake to do two things at once?

Mr. HELM. It is not a question of what it undertakes to do, but what the Filipinos have the right to do. How can you make a valid contract with a party who is not competent to make the contract?

Mr. FESS. I think the gentleman should wait until I ask the question before he attempts to answer it. This resolution looks to the sovereignty and neutralization of the islands at the same time, does it not?

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. MURRAY. Mr. Chairman, I move to strike out the last word. It occurs to me that this amendment offered by the gentleman from Texas [Mr. BURGESS] is a wise provision, if anything like this is to be the policy of the Government.

Mr. GORDON. Mr. Chairman, will the gentleman yield?

Mr. MURRAY. No; I have not the time. Divine providence has given to every nation and every people enough intelligence to govern itself, although often few of the members of a particular nation or people are capable of self-government. Only in this sense are the Philippines capable of self-government, and only in that sense would one of the Southern States, where there is a majority of negro population, if every male person were permitted to vote and have his vote honestly counted, be capable of self-government. [Applause.] The Philippine Islands will be capable of self-government with the restrictions placed on suffrage by this bill, which provides, first, those who hold office; second, those who are educated; and, third, those who have property. That is confined alone to the Filipino proper, and I think in this the committee was wise. Certainly in all ages and in every government history discloses the necessity of limitation upon suffrage, just as it has been done in the

South, and as this bill proposes for the Philippines; and as the population grows denser and social evils more threatening the greater that necessity. So the committee was wise in this particular. But let us see where we are drifting. I want to say that I heard with great pleasure and profit the speech made yesterday by the gentleman from Illinois [Mr. MANN], and if I had not been surprised heretofore at the gentleman's learning I would have thought that he got that speech from one that I put into the RECORD on "Mexico and Asiatic menace." [Laughter.] Certainly it is far wiser either to hold to the Philippines or to give them unrestricted independence. Believing that the Filipinos are not capable of self-government, in the sense that all of them can exercise the ballot, or any great number of them, I see no strength, military or otherwise, in holding the Philippines. Besides, blood is thicker than water, and in the economic struggle to come, with the military struggle that is surely to follow in the awakening of the Asiatic nations, we are not going to have them as our allies. Therefore we ought not to be committed to the policy of giving them independence and defending them without some provision like this amendment offered by the gentleman from Texas.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. MURRAY. I have not the time. If we "neutralize" that territory by a compact with other nations, it relieves us from such responsibility, and I repeat again, that we ought not to be compelled to exercise a Monroe doctrine over the Philippine Islands. Men may profess faith in the people of those islands to govern themselves. Why, gentlemen seem to forget that as between the Philippine Commissioner on this floor, who is an intelligent man, and the Negritos, the tree dwellers, the head-hunters, and those who live now in a nude condition there is no comparison. Why this Government was compelled to take steps to prevent the Christian Filipinos from robbing the non-Christian Filipinos; and when you find, as you do there, a population of the negro race far below the intellectual possibilities, to say nothing of the physical capabilities, of the negro of the South, you can never hope to make of them a self-sustaining, self-governing population; and I am surprised at any Democrat who would advocate such a policy, especially if he be from the South, where we have disqualified the negro with the grandfather clause. Then, the head-hunters and that class on the other islands will in the end prove to be the prey of the more intelligent ones. I repeat again, certainly the Philippine Islands are capable of self-government if only the intelligent class rules, as is provided for in this bill.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. MURRAY. Mr. Chairman, I ask unanimous consent to proceed for three minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MURRAY. We have a representative of that class on the floor of this House, but he could not claim to be a fair, low-average representative of the inhabitants of the Philippine Islands. He is even among the shrewdest of the wisest tribe, one of the philosophers, sir, of that island, and under this bill they will, as they ought, control the islands. But we certainly ought to take one or the other of two positions, either that we will keep the Philippines or that we will turn them loose by such method as will not compel us to defend them, because as sure as fate, the economic struggle between the white race on this continent and the Asiatic races will follow in the awakening of that great giant, China, of whom Napolean said years ago, "Let him sleep; do not wake him." But, Mr. Chairman, we have wakened him, and with the awakening he will demand economic advantages and put us to our mettle.

History discloses that the great wars of the world have been fought for the most part either over race supremacy or an economic struggle, which is the basis of the gigantic struggle now going on in Europe, and you have a combination of race and economic necessity of the Asiatics pitted against us; and when that time comes, unless we hold the Filipinos in absolute subjection, they will be against us, and if we turn them loose, with the Monroe doctrine over them, they will immediately begin treaty making with Japan and other nations to which they are closely allied that will involve us in a war which the shrewdness of Japanese statesmen would seek to bring upon us through the Filipinos.

Mr. GARRETT of Tennessee. Will the gentleman yield for a question?

Mr. MURRAY. Yes, sir.

Mr. GARRETT of Tennessee. Do I understand that the gentleman would make the question of withdrawing sovereignty over the Filipinos by the United States depend upon the ability of the United States to negotiate treaties of neutralization with all the great powers of the world?

Mr. MURRAY. No; but I would try that first. Personally, if the gentleman desires my view, I would try that plan, and if we get that plan we will certainly have the open-door policy in the Philippines. That would certainly make it neutral territory. Having failed, I would turn them loose, sell them, and endeavor to get rid of them forever, that we may never be called upon to engage in a war to protect their independence.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GARRETT of Tennessee. Mr. Chairman, I ask unanimous consent that the gentleman may have one minute more.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none.

Mr. GARRETT of Tennessee. I want to ask this additional question, if the gentleman will permit.

Mr. MURRAY. Very well.

Mr. GARRETT of Tennessee. The gentleman does not understand that there is anything whatever in this bill as reported from the committee which in any way commits this Government to the extension of the so-called Monroe doctrine over the Philippine Islands?

Mr. MURRAY. It does in the preamble, coupled with the policy declared in the preamble; with the power of local self-government in the second preamble it certainly does.

Mr. GARRETT of Tennessee. After independence is granted and all sovereignty withdrawn?

Mr. MURRAY. It certainly does. If you refer to the second preamble, it says it was not our intention to withdraw that sovereignty.

Mr. GARRETT of Tennessee. It says it has been the purpose of the United States to withdraw their sovereignty over the Philippine Islands and recognize their independence as soon as a stable government can be established therein.

Mr. MURRAY. Then would it not be wiser to get a "neutralization" of the territory through the other great nations than to turn it loose?

Mr. GARRETT of Tennessee. Oh, that may be; I am not able to——

Mr. MURRAY. Does the gentleman for a moment believe——

Mr. GARRETT of Tennessee. But the power exists already. The gentleman surely does not understand that the adoption of this amendment proposed by the gentleman from Texas virtually destroys the integrity of this bill.

Mr. MURRAY. Why, certainly it does not.

Mr. GORDON. That is the reason the Republicans are for it; that is plain enough.

Mr. MURRAY. Well, sometimes Republicans can be right and sometimes Democrats are wrong. [Applause on the Republican side.] I want to say there are Democrats for this the same as there are Republicans for this, and it certainly ought to be good Democratic doctrine, because it is in line with our party's declaration.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. JONES. Mr. Chairman, I would be just as much opposed as the gentleman from Oklahoma can possibly be to any bill granting to the Filipinos immediate independence, or independence at any time in the future, which would not free the United States from all responsibility on their account forever thereafter. The gentleman is entirely mistaken if he thinks that this bill contemplates the assumption by the United States of any responsibility for the Philippines after they are given independence. This bill proposes to give to the Filipinos their independence when a stable government has been established by them. When such a government has been established and they are given independence the United States is to withdraw from the islands for all time. Now, Mr. Chairman, I do not think gentlemen understand the situation. During the Sixty-second Congress a bill was reported from the Committee on Insular Affairs which provided that the Filipinos should be given their independence upon a certain definite date fixed in that bill. There accompanied that bill a resolution which was introduced by the gentleman from Tennessee [Mr. GARRETT], and which was also reported to this House, requesting the President to endeavor to secure for the Philippines a neutralization agreement.

Mr. GARRETT of Tennessee. Will the gentleman permit?

Mr. JONES. Yes.

Mr. GARRETT of Tennessee. That resolution was substantially the resolution of the gentleman.

Mr. JONES. Substantially the resolution of the gentleman, and I may say that it is the purpose of the Committee on

Insular Affairs to report that, or some similar resolution, to this House so soon as it seems feasible to do so. It will embody the idea contained in the Burgess resolution. As this bill fixes no date upon which the Filipinos shall be given their independence, the committee did not believe that it was expedient to report such a resolution at this time. In the first place, owing to the greatly disturbed conditions of Europe, it would not be possible to secure consideration for any neutralization agreement at this time.

Now, Mr. Chairman, I do not think that the Members of the House realize the true character of this resolution. If they do, I feel sure they will not vote for it. I do not believe that any gentleman on this side understanding it will vote for it, nor do I believe that any gentleman on that side will support it if he realizes what is in it. Do you realize, gentlemen, that this resolution provides that upon its adoption the Philippine Islands shall become neutral territory? That is, whether this neutralization proposition materializes or not, the Philippine Islands are to become neutral territory upon the adoption of the resolution which the gentleman from Texas proposes.

Mr. BURGESS. Just a moment; the gentleman is mistaken.

Mr. JONES. I think I am not mistaken.

Mr. BURGESS. Oh, yes.

Mr. JONES. I will read the exact language of the resolution.

Mr. BURGESS. Read it.

Mr. JONES. "That upon the establishment of such independent Philippine government"——

Mr. BURGESS. Go back and read——

Mr. JONES (continuing). "The Philippine Islands shall be neutral territory." The establishment of the independent government is to follow the neutralization for which the gentleman's resolution provides.

Mr. BURGESS. Just a moment. I know the gentleman does not want to misrepresent me.

Mr. JONES. I certainly do not.

Mr. BURGESS. And I know he is doing it. The resolution provides for the negotiation of a treaty by which certain things are to be done.

Mr. JONES. Yes.

Mr. BURGESS. And has reference back to that part. It does not mean to declare that it shall be neutral. The gentleman is entirely mistaken.

Mr. JONES. Let me read the resolution. It speaks for itself. It says:

That in pursuance of such purpose and preference the President is respectfully requested to consider the expediency of opening negotiations with the Governments of Great Britain, Germany—

And so forth. The President is "respectfully requested to consider the expediency" of it. He is not directed to do so at all, although if this amendment shall become a part of this bill it will be an enactment of law. He is merely requested to consider the expediency of opening such negotiations——

Mr. BURGESS. That is the language of all such resolutions.

Mr. JONES (continuing)—

With the view of effecting a joint treaty with such Governments, by which it shall be provided that an independent government in the Philippine Islands, when established by the United States—

That is, established at some future time—

shall be recognized and preserved.

But it adds——

Mr. BURGESS. There is no "but" there.

Mr. JONES (continuing). That this proposed independent government of the Philippine Islands shall be neutral territory.

There is no other construction to be placed upon it. Now, Mr. Chairman, the Committee on Insular Affairs has always realized that these two propositions should be embodied in two different measures. The President should not be directed in a bill to endeavor to secure the neutralization of the Philippines, but requested in a joint resolution to do so.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. JONES] has expired.

Mr. JONES. Mr. Chairman, may I have five minutes more?

The CHAIRMAN. The gentleman from Virginia asks unanimous consent for five minutes more. Is there objection?

There was no objection.

Mr. JONES. I think that nobody on that side of the House can favor this proposition. This belief is founded upon the fact that it is a more radical proposition, according to its author, than that embodied in the preamble to this bill. The gentleman from Texas has frankly told the House that if he can not get his more radical proposition he will support the less radical one embodied in the preamble to the bill. He thinks the Filipinos would secure their independence sooner under his resolution. I think nobody on this side of the House will want to emasculate this bill in the way proposed by the gentleman from Texas.

As my colleague, Mr. GARRETT, has said, the Committee on Insular Affairs has given a great deal of consideration to this measure. It has certainly given a great deal of consideration to the preamble. It has always favored the presentation to this House of a resolution requesting the President to negotiate a treaty of neutrality with reference to the Philippine Islands if it was possible to do so. But the committee has not reported that resolution to this House as yet, because it did not deem that there was any pressing necessity for it. The committee believes that that resolution can be presented, and it hopes there will be little or no opposition to its passage after this bill has been disposed of. The bill provides for no definite date for independence. Everybody must acknowledge that under the provisions of this bill independence can not take place until the Filipinos have demonstrated their capacity for self-government and until the Congress of the United States, recognizing that fact, passes another measure giving them their independence. When that time comes or when it approaches it is the intention of the Committee on Insular Affairs to report a resolution of neutrality embodying substantially what is in this resolution. I hope that no gentleman who believes in proceeding decently and in order in this legislation will vote for the resolution.

It is suggested by somebody on this side that the Republicans will vote for it simply in order to make the bill appear preposterous. He may be right; but I shall not believe it until gentlemen on that side, who have expressed so much opposition to the preamble to the bill, go on record as voting for a resolution which, according to its author, goes a bowshot further in the direction of early independence than does the preamble itself.

Mr. COOPER. Mr. Chairman, the pending measure has a preamble followed by an enacting clause, and this enacting clause is followed by the several sections of the bill which it is proposed to enact into law. Every law passed by the Congress of the United States contains an enacting clause in these words:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That—

and whatever follows that enacting clause is supposed to be the law. Of course, lawyers and laymen know that the ordinary definition of a law is that it is a rule of action. A law commands, or prohibits, or authorizes, or directs. But here it is proposed to put after the enacting clause these words:

The President is respectfully requested to consider the expediency of opening negotiations, etc.

So that if Congress should adopt the amendment proposed by the gentleman from Texas and then enact the bill into law it would read like this:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is respectfully requested to consider the expediency of opening negotiations—

Now, in my judgment, it would not look at all well for Congress to "enact"—that is, to make a law—"That the President is requested to consider the advisability" of doing something or other.

Regardless of what I might think of the wisdom or policy of ultimately passing a resolution containing the substance of the amendment submitted by the gentleman from Texas, I would not cast my vote in favor of inserting the language I have quoted after the enacting clause of a bill.

Mr. BRYAN. Mr. Chairman, this amendment and debate is important not only for the intrinsic merit—and there is some intrinsic merit in the resolution, or proposed amendment, I am sure all of us agree—but it is more important than all because of the fact that it tears from this bill its mask of pretense and false witness.

In the very title of the bill we have this unusual phrase, "A bill to declare," and so forth. The gentleman from Wisconsin [Mr. COOPER], in his learned way, preceding me, said that everything after the word "That," after the enacting clause, is a part of a bill; and accordingly we have bills "to provide" and bills "to enact," but it is unusual for us to have a bill "to declare." The title of the bill, in part, reads:

To declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands.

I say that statement is false witness and does not state the purpose of the bill. When that provision is put into the title there is deception practiced; there is an attempt to fool somebody.

There can not be any possible legitimate and honest excuse for putting those words into the title unless you do really want to declare the future political status of the people of the Philippine Islands. And if you do want to declare the status of the people of the Philippine Islands, according to the title itself,

you ought to take up this amendment and consider it on its merits, and, if it is not in the proper form, change the form, and declare the status according to your convictions.

The suggestion was made by the gentleman from Tennessee [Mr. GARRETT] that the proposed amendment would destroy the integrity of the bill. I do not think it would destroy the integrity of the bill; but I think the debate on this amendment does disclose and does enable us to put our finger on the portion of the bill which is pretense, which is not sincerely written, and which bears false witness.

Mr. STEENERSON. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Washington yield to the gentleman from Minnesota?

Mr. BRYAN. I regret I have not the time now. I have only a short time.

The CHAIRMAN. The gentleman declines to yield.

Mr. BRYAN. The gentleman from Tennessee [Mr. GARRETT] said that he might vote for this if it was made an amendment to the preamble. I see he dissents, but he said he would be willing, perhaps, to consider it. He did not commit himself. But he said if it were in order, or if it were proper anywhere, it would be in connection with the preamble. It is understood that the preamble is no part of the bill, and if you put this proviso or this amendment establishing the status of the Philippine Islands anywhere in the bill it must be only in that portion of the bill which is not a part of the bill.

Why go on with that pretense? Why not amend the title by striking out the totally false portion which I have quoted, so that it will read "A bill to provide a more autonomous form of government for the Philippine Islands"? That would be honest and make it accord with your declaration. You say it is an organic act. You say it is to enable them to govern themselves internally. You say it is not designed to establish the political status of the islands. You say that that is not the purpose of the bill. Then why include it falsely in the title? You can not fool yourselves. Do you suppose you can fool the American people? You may fool the Filipino for a while, but not for long. You pass this farce of a title and preamble to this bill to-day and they will want their "complete *independence*" to-morrow. Why indulge in this pretense? Why put this preamble into the statutes and into the history of our dealings with these people to stare us in the face for all time to come in handling those islands and to more or less interfere with our proceedings over there, and console yourselves with the sweet unction that not a word of it is binding or has any meaning, but that it is mere rubbish, surplusage, sop?

Mr. COOPER. Mr. Chairman, will the gentleman yield there for a question?

The CHAIRMAN. Does the gentleman from Washington yield to the gentleman from Wisconsin?

Mr. BRYAN. Yes.

Mr. COOPER. I want to know if the gentleman is in favor of the permanent retention of the islands?

Mr. BRYAN. I am in favor of the retention of the islands, surely until we can have at least such an assurance or agreement as to international neutralization as is suggested by the amendment; and I believe that that time is so far removed in the future that no human being can see it, no person can discern it, no person can forecast the time when we can make such an agreement as that. The burden we have upon our shoulders in connection with the Philippine Islands involves particularly the warlike nation near to the Philippine Islands, and particularly the future relations of Japan and the United States. Why were all those 16 battleships sent around the world? Were they sent around to Japan merely to say "How do you do"? Were they sent around there in pure frolic or sheer folly? No. They were sent around the world because there was a great emergency on, a great and dire necessity for us to do that particular thing; the genius of statesmanship was demanded, and the man on the job was equal to the occasion. Anyone who does not realize that a threat and a menace is gathering upon the horizon of the Pacific fails to see what is there; having eyes, he refuses to see, he declines to look at the facts of the case.

If Japan ever attacks us, they will strike the Philippines first. Who is silly enough to believe all the great powers will ever agree to help us defend the Philippines against Japan through somebody's dream of international neutrality? Why would any great power agree to send its warships to shoot Japan out of the water if that nation should violate the territorial integrity of the Philippine Islands? It is none of their quarrel or responsibility. Russia tried that once. England is Japan's ally. Germany has wanted the islands herself, and France would laugh at the proposition.

There has never yet been submitted a proposition like the one set forth in this preamble, which winds up with the proposition "complete independence." None of the party platforms have provided for complete independence. They provide for independence with a string to it.

The gentleman from Illinois [Mr. MANN] said that he stood against ever granting them independence. The American people may not be quite ready to swallow that in its entirety and to agree with him that we will never grant them independence, but the American people will approve the statement that we will never give the Philippine Islands "complete independence"; that we will never put ourselves in a position where we will either abandon our moral obligations or let loose the hold that we have there for commercial and other purposes in that great Pacific Ocean. I believe that instead of indulging in vain preambles like this, which are purely rubbish, fake, and pretense, we ought to do everything possible to establish a firm hold on the Philippines and to fortify them against attack with all the ingenuity known to man.

You Democrats who have met some of these problems in the South; you Democrats, who are just as patriotic, of course, as the rest of us, would not turn the Philippines loose for a minute and would not stand for an instant for the policy of bringing upon us the things that would be brought down upon us by the unqualified independence of the Philippine Islands. I think that instead of indulging in this preamble to a bill—just think how silly it is—you ought to let it be known that it is our intention to establish a firm hold out there and not abandon the means that are necessary for a truly stable government in the Philippines and in our island possessions in that greatest of all the oceans. The people of the Pacific coast have the right to expect it. They have the right to demand it.

When Robert Gray, before the National Constitution was adopted——

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. BRYAN. Let me have two minutes more, please.

The CHAIRMAN. The gentleman from Washington asks unanimous consent to proceed for two minutes more. Is there objection?

Mr. SLAYDEN. Mr. Chairman, will the gentleman yield to me for a question if he gets it?

Mr. BRYAN. Yes; I will yield gladly.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. SLAYDEN. I will ask the gentleman if he is in favor of unrestricted immigration from the Philippine Islands to the Pacific Coast States?

Mr. BRYAN. Of course I am not.

Mr. SLAYDEN. Then you would have people tied to us politically without their having the privilege of coming into this country?

Mr. BRYAN. Does the gentleman from Texas favor unrestricted immigration from Haiti?

Mr. SLAYDEN. I do not. I am asking the gentleman a question.

Mr. BRYAN. We do not favor unrestricted immigration from Porto Rico or from Cuba or from any of those places. But when Robert Gray cruised in the Pacific Ocean and established a title to the Oregon country he made it necessary that the United States—that the Government of the United States—take part in the development of the Pacific Ocean. He and his colaborers gave to us a Pacific Ocean destiny by giving us the Oregon country by right of discovery long before the Louisiana Purchase; and, as has already been shown, our islands and possessions are situated there in such a way that we have got to hold on, and hold on strongly. They extend in every direction; they are everywhere in the Pacific. There is no sense in talking about moving our boundary in a little bit and thinking that will give us safety. If we give away the Philippines, then Guam and Tutuila and Wake, then next we will be asked to give away the Hawaiian Islands, and then the Aleutian Islands and Alaska, and foreign nations will then own them all, and we will get into our shell and be safe. Any such policy as that is ridiculous. What will become of the statesmanship and the accomplishments of our fathers. I say we ought to put our battleships into the Pacific Ocean and hold our coasts and our boundaries and our island dependencies, and go forward with a firm hand for the commercial advancement of the country, and the necessary economic conditions ought to be considered.

Instead of passing useless preambles of this kind, which mean nothing in fact, but which will disturb our relations and encourage the Manila politicians to intrigue and revolution and make the nations of the world spurn us as unfit for our

duty, let us go forward, giving to these people the same kind of freedom we have been giving them, in greater and greater portions, and let them know that they are not fit for self-government till they learn to love the Stars and Stripes, and then they can have all the self-government that any true American wants. [Applause.]

Mr. QUEZON. Mr. Chairman, upon the declaration of war between the United States and Spain it was declared that that war was not waged for territorial aggrandizement or commercial advantage. The speech made by the gentleman from Washington [Mr. BRYAN] seems to suggest a different thought. But I do not wish to discuss this question now. I rise only for the purpose of making a statement in reference to a remark made a moment ago by the gentleman from Oklahoma [Mr. MURRAY] and another of similar character made yesterday by the gentleman from Illinois [Mr. MANN]. These gentlemen said that no proposal to grant independence to the Philippines with the protection of the United States should be considered. I wish to say that I do not know of anybody who is proposing it. This bill does not propose or contemplate it, the Filipino people are not asking for it, and, so far as I can gather from my acquaintance with the membership of this House, there is not one on either side of the aisle who believes in it. The Filipino people do not ask for independence with the protection of the United States, because that would not be independence. When we ask for independence, we mean that when you are ready to grant us independence we want you to grant us complete, absolute, unrestricted independence, without taking any responsibility upon yourselves, and therefore without power or control of any kind over us. When you give us independence we shall expect to take the full responsibility for our domestic as well as foreign affairs. [Applause.]

Mr. SHERLEY. Mr. Chairman, I shall not waste much time in a discussion as to whether this proposal should have been considered in connection with the preamble or with the body of the bill—though it is clear to my mind that it ought not to have been offered at this point in the bill—for I want to discuss its merits.

Let no man think that a treaty neutralizing the Philippines would be a medium for relieving the United States of America from responsibility touching those islands. [Applause.] If you want to get free of any responsibility for the Philippines, then you must turn them loose, without regard to whether other nations will respect their independence or not. Why, you have to look behind you no longer than a little over 30 days to realize that one of the great nations of the earth claimed as a justification for its participation in the European war its obligation to uphold a treaty of neutrality that it entered into and which it claimed another nation had wrongfully violated. Does anybody suppose that by undertaking to neutralize the Philippines by an agreement with all the nations of the earth we thereby remove ourselves from all responsibility? Suppose that was done, and after it was done one of the powers party to the agreement chose to disregard it, what position would America be in? It would be in the position either of ignoring its obligations under a solemn treaty or of undertaking a war to enforce the observance of that treaty. Gentlemen, let us not be swept off our feet touching the Philippines. No man here is wise enough to span the future with any legislative enactment that will meet the test of all time. We are going far enough when we carry out our obligations to give to those people opportunity to develop and to show themselves capable in time of taking a place among the nations of the world, without undertaking to say now that we will fix that status before it has arrived and that we will fix the relationship that shall exist between us and them and all other nations.

Mr. BURGESS. Will the gentleman yield?

Mr. SHERLEY. I will yield for a question.

Mr. BURGESS. What about the two Democratic platforms declaring for neutrality?

Mr. SHERLEY. I simply say to you that I am prepared to meet that situation when we get to the point of declaring the independence of the Philippine Islands, and we have not reached that point yet.

Mr. FESS. Will the gentleman yield there?

Mr. SHERLEY. Yes; for a question.

Mr. FESS. I agree entirely to what the gentleman from Kentucky has said. But does it not apply to the preamble to this bill?

Mr. SHERLEY. No; I think not, for a very distinct reason. There is an entire difference. We are declaring in the preamble that we propose to travel a certain road, which is the ultimate independence of the Philippine people. If we adopted this proposal we would be declaring that we are now asking that there be a neutralization under certain conditions as to trade and otherwise; and I for one am not prepared to say that I now favor that, or that I would favor it in the future. [Applause.] I am not willing to cross that bridge until I get to it in the process of time. The proposal does not pertain to the matter that is before us. For instance, you state in this proposal that the treaty that shall be entered into for Philippine neutrality shall provide for equality of treatment of all the world. It is quite possible, and it would be showing no more than a certain degree of gratitude if, when the time comes for the Philippines to take their place among the nations of the world, there should be a preferential relationship between the Philippine Islands and the United States of America. [Applause.] Are we prepared now to say that we propose to put that from us, no matter what the condition may be that confronts us at that day? What you are asked to do now is to anticipate the future. Why, if I favored the proposition of the gentleman, I would not and could not favor the bill that is before this House. In that case I would believe that the Philippines had reached a point in the world's history to warrant their taking a place as a nation, and I would propose that, and not simply propose to continue the relationship between that country and the United States of America. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANN. Mr. Chairman, to me it would not be important whether this amendment were to be inserted in the bill after the word "enacted" or agreed to in a joint resolution after the word "resolved," because in the eye of the law the two words mean the same thing.

If it is the purpose of the majority side of the House at this time to remember their party platform, which they usually forget when brought to a crisis, they will vote for the amendment proposed by the gentleman from Texas [Mr. BURGESS], because they have frequently declared in favor of the proposition, not only in their party platforms, but on the stump in campaigns before the people.

And as in my recollection there is no instance since the Democratic majority was in the last House, and is in this one, where they have voted in accordance with any declaration they have made in the party platform, I do not anticipate that they will vary from their consistency in that respect and vote now in favor of a proposition that is in accordance with the party platform. Hence I assume, as usual, they will vote contrary to the party platform, and vote down the proposition offered by the gentleman from Texas.

The whereas to this bill says:

> That it is the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands, and to recognize their independence as soon as a stable government can be established therein.

Why, there is a stable government established there now. The government there is as stable as it is in the United States, and if perchance the gentleman should say that that means a stable government with Philippine officials, that would not be possible under the terms of this bill, because the Governor General will still be nominated by the President and will be an American citizen. Here is a proposition to do something in the future, when something happens which now exists, if it is possible to exist at all. Either there is a stable government there now, for which we ought to make a declaration of independence of the Philippine Islands, or else there is no possibility of establishing such a government under the terms of the bill.

Mr. SHERLEY. Will the gentleman yield?

Mr. MANN. Yes.

Mr. SHERLEY. The vice of the gentleman's position is——

Mr. MANN. Oh, I did not yield to the gentleman from Kentucky to tell me what the vice of my position is.

Mr. SHERLEY. If the gentleman is so particular as to the form in which the proposition is stated, I do not care to put it.

Mr. MANN. The gentleman does not need to. I did not interrupt the gentleman.

Mr. SHERLEY. The gentleman will find that when he has interrupted me I have yielded to him without question and without undertaking to state the terms upon which I yielded.

Mr. MANN. Well, Mr. Chairman, I do not take it at all with good grace, coming from the gentleman from Kentucky, after he asked me to yield, to start in by saying that the vice of my position is so and so. The vice of the gentleman's position is that he does not agree with the majority side of the House to which he belongs. He has never agreed with them on the Philippine question, and now they do not agree with the party platform, and no one can tell what they mean. The gentleman from Virginia or no one else over there will undertake to say what they mean, except in glittering generalities, depending upon the distant future. [Applause on the Republican side.]

Mr. SHERLEY. Mr. Chairman, the criticism of the gentleman from Illinois touching the meaning of the language contained in the preamble is more apparent than real. The vice—and I use now in my own time the word that seems to have gotten so much on the nerves of the very sensitive leader of the minority—the vice of the gentleman's contention lies in the assumption that the present bill, if it shall be enacted into law, shall be the only enactment touching the Filipino people and the Philippine Islands. The purpose of this bill is to give to the Filipino people a larger control over their affairs, that we may determine their capacity for even a greater control until we reach the point where they can be given complete control. [Applause on the Democratic side.] And it is not inconsistent with such legislation to declare that the ultimate goal at which we aim is Philippine independence. [Applause on the Democratic side.] That is the common sense of the bill. That is the construction that all men seeking to deal with a great question fairly, instead of hunting for an excuse for a grammatical criticism of the bill, would see by even casually reading it.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in five minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this amendment close in five minutes. Is there objection?

There was no objection.

Mr. COOPER. Mr. Chairman, I would not to-day vote to give to the Philippines immediate, absolute independence. I do not know that 20 years from now I would be prepared to vote to grant them absolute independence. But, Mr. Chairman, the gentleman from Illinois and the gentleman from Oklahoma declare in effect that we are never to give freedom to the Filipino people, and that we are forever to retain the Philippine Islands. This has raised an issue never before injected into the politics of this country, an issue of transcendent importance for us thoroughly to understand. In this connection I invite attention to the words of an acknowledged master of constitutional law, Judge Thomas M. Cooley:

> The Territories. The Constitution was made for the States, not for the Territories. It confers power to govern Territories, but in exercising this the United States is a sovereign dealing with dependent territory according as in its wisdom shall seem politic, wise, and just, having regard to its own interests as well as to those of the people of the Territories. * * *
>
> In this dependence of the Territories upon the Central Government there is some outward resemblance to the condition of the American Colonies under the British Crown; but there are some differences which are important, and indeed vital. The first of these is that the territorial condition is understood under the Constitution to be merely temporary and preparatory, and the people of the Territories while it continues are assured of the right to create and establish State institutions for themselves so soon as the population shall be sufficient and the local conditions suitable, while the British colonial system contained no promise or assurance of any but a dependent government indefinitely.

Observe that last clause—

> the British colonial system contained no promise or assurance of any but a dependent government indefinitely.

Thus, according to this great jurist, our permanent retention of the Philippine Islands would mean our adoption of the British colonial system. And yet we are a republic, and one of the cardinal tenets of our political faith is that governments derive their just powers from the consent of the governed. [Applause.]

I would like to have some gentleman answer that statement of the illustrious Chief Justice of the Supreme Court of Michigan that the territorial condition is understood under the Constitution to be merely temporary and preparatory, and that while that condition continues the people of the Territories are assured of statehood when the population shall be sufficient and local conditions suitable.

Mr. Chairman, the Filipino people differ from us in many ways. They are possessed of domestic and personal virtues. They have intellect and conscience. They have made rapid progress in recent years. But they differ from us ethnologically. They are another race, and they are 10,000 miles away, and yet it is said that they must forever remain subject to us. Is that true? Will they ever be admitted to statehood? Are we to adopt the British colonial system?

Mr. Chairman, the treaty of Guadalupe Hidalgo, made in 1848, at the conclusion of the War with Mexico, contained the following provision:

> The Mexicans who, in the territories aforesaid, shall not preserve the character of citizens of the Mexican Republic, conformably with what is stipulated in the preceding article, shall be incorporated into the Union of the United States and be admitted, at the proper time (to be judged of by the Congress of the United States) to the enjoyment of all the rights of citizens of the United States according to the principles of the Constitution; and in the meantime shall be maintained and protected in the free enjoyment of their liberty and property, and secured in the free exercise of their religion without restriction.

That was a promise that some time in the future, in the discretion of Congress, they should be made citizens of the United States. Sixty years passed away before Congress thought that New Mexico and Arizona were fitted for statehood. I do not know when Congress will be prepared to say the Filipinos are fitted for independent government, but as an American, the descendant of a soldier of the Revolution, who died of exposure and was buried beneath the snows of Canada, I shall not declare that the Republic established by that revolution is forever to hold in subjugation millions of Filipinos and Malays 10,000 miles from our shores. [Applause.]

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. MANN and by Mr. BURGESS) there were—ayes 14, noes 58.

So the amendment was rejected.

The Clerk read as follows:

> SEC. 2. That all inhabitants of the Philippine Islands continuing to reside therein who were Spanish subjects on the 11th day of April, 1899, and then resided in said islands, and their children born subsequent thereto, shall be deemed and held to be citizens of the Philippine Islands, except such as shall have elected to preserve their allegiance to the Crown of Spain in accordance with the provisions of the treaty of peace between the United States and Spain, signed at Paris December 10, 1898, and except such others as have since become citizens of some other country: *Provided*, That the Philippine Legislature, herein provided for, is hereby authorized to provide by law for the acquisition of Philippine citizenship by those natives of the Philippine Islands who do not come within the foregoing provisions, the natives of the insular possessions of the United States, and such other persons residing in the Philippine Islands who are citizens of the United States, or who could become citizens of the United States under the laws of the United States if residing therein.

Mr. KAHN. Mr. Chairman, I move to strike out the last word. My friend the gentleman from Virginia [Mr. JONES], the distinguished chairman of the committee, this morning stated, referring to me:

> At the time that the gentleman made his statement, when he stated that it was historically true, I asked if he could name a single reputable historian who had ever made that charge against Gen. Aguinaldo, and his reply was that he could name one, and that was Dean C. Worcester. Mr. Chairman, I have since that time carefully examined Mr. Worcester's book. I have read every line that is in his book upon that subject, and I can not find a single line or word in that book which justifies the statement made by my friend from California.

On page 22 of volume 1 of Dean C. Worcester's The Philippines, Past and Present, there is a paragraph which refers to some of the controversies between Aguinaldo and some of his people. The gentleman quoted only a portion of that paragraph. If my friend had looked on page 20 of that volume he would have found the following:

> In August, 1896, an insurrection against Spain had broken out in the Philippines under the leadership of Emilio Aguinaldo, a resident of Cavite Viejo, who had been a school-teacher and was at that time gobernadorcillo of his town.
>
> It had been terminated by the so-called treaty of Biacnabato, signed in Manila on December 15, 1897.
>
> This document provided for the surrender of Don Emilio Aguinaldo, supreme chief of the insurgents in arms, and Don Marciano Llanera and Don Baldomero Aguinaldo, his subordinates, together with their soldiers and arms.
>
> "The excellent señor general in chief" of the Spanish forces was to "provide the necessary means of supporting the lives" of those who surrendered before a certain fixed date.
>
> In actual practice what was done was to agree to pay them $800,000 in three installments, the first of $400,000, the second and third of $200,000 each.
>
> Aguinaldo and certain other leaders were to take up their residence outside the islands. Their deportation was duly provided for, and Aguinaldo and 26 of his companions were taken to Hongkong on the Spanish steamer *Uranus*, arriving there on December 31, 1897.
>
> On January 2, 1898, $400,000 were deposited in the Hongkong Bank to the credit of Aguinaldo & Co.
>
> The insurgent leaders remaining at Biacnabato had a meeting under the presidency of Isabelo Artacho, an Ilocano, who was the ranking officer in the absence of Aguinaldo, and requested that the second installment of $200,000 be paid to them. The Spanish governor general, Primo de Rivera, acceded to their request, and they divided the money, although Aguinaldo denied their right to do so, claiming that it should have been sent to Hongkong.

On page 24 of the same work is this statement:

> Artacho, who had received ₱5,000 as his share of the second payment, arrived in Hongkong, and on April 5 demanded ₱200,000 of the insurgent funds, probably under the agreement that he should establish a company in Hongkong for the benefit of the former leaders and not merely of those who had accompanied Aguinaldo. But the leaders in Hongkong had denounced that agreement, and refused to pay.

That bears out the fact that they were quarreling among themselves about the money, just as I stated on the floor yesterday. Now, I will read further:

> He then entered suit before the supreme court of Hongkong, calling upon Aguinaldo for an accounting of the trust funds deposited in his hands for the benefit of Artacho and others, and asked for an injunction restraining Aguinaldo or any member of the junta from handling or disposing of any part of said funds. He filed as evidence copies of the Biacnabato agreement and of the agreement made by the leaders on December 19. This suit was brought not merely in the name of Artacho, but in that of all the exiles who were described as living in exile in Hongkong in accordance with an agreement made with the Spanish Government. Artacho probably had adherents among these

men, some at least of whom were utterly weary of waiting in Hongkong and of living upon what was doled out to them. Some at least saw no chance of any other fate than indefinite exile spent in dependence upon the inner group for even the means of existence.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KAHN. Mr. Chairman, I ask unanimous consent that I may proceed for three minutes in order to finish this paragraph.

The CHAIRMAN. Is there objection to the request of the gentleman from California? [After a pause.] The Chair hears none.

Mr. KAHN (reading)—

The suit was in equity and called for an accounting of the trust funds which the complainant recognized were legally in the hands of Aguinaldo. It could be carried on only with great difficulty without his presence and without his account books. Meetings were held, and Artacho was denounced as attempting to extort blackmail, but he refused to yield, and Aguinaldo, rather than explain the inner workings of the Hongkong junta before a British court, prepared for flight. A summons was issued for his appearance before the supreme court of Hongkong on April 13, 1898, but he was by that time beyond its jurisdiction.

He drew out the ₱50,000 from the Chartered Bank, which had become due, according to the terms of the deposit, and perhaps such other sums as could be drawn upon by check, engaged passage for Europe by way of Singapore for G. H. del Pilar, J. M. Leyba, and himself under assumed names, appointed V. Belarmino to succeed to his functions, and gave him checks signed in blank to draw the interest of the sums on deposit to provide for the support of the exiles. He gave as his reason for departure that he was going to remain under cover until Artacho could be bought off, but he intended to go far afield for this purpose, as he gave his destination as Europe and the United States.

That is what Worcester says in this book regarding the doings of the Filipino junta in Hongkong. It seems to me that when an insurgent chief, or a number of insurgent chiefs, sign a treaty to lay down their arms and go into exile for ₱800,000, while the governing power is supposed to be carrying out an agreement to effect certain reforms, it looks pretty much like a sell out. Worcester quotes Maj. J. R. M. Taylor, of the United States Army. Maj. Taylor was an officer in our Army who was fully conversant with the Spanish language.

During the time we were putting down the insurrection in the Philippines we came into possession of many of the state papers of the Filipino revolutionary government, and Maj. Taylor made the translations for this Government. This latter part of the excerpt from the book by Dean Worcester, to which I have referred, is from Taylor's translation of documents on file in the War Department, and is generally designated "Philippine Insurgent Documents." [Applause.]

Mr. QUEZON. Mr Chairman, I wish to say a few words in behalf of Gen. Aguinaldo. I was at one time an officer in the Philippine Army. I was little more than a boy then. I left college in response to the call of my country to fight under her flag. I fought for two years during the Philippine revolution. It was a horrible war, as all wars are. The Philippine Army was scarcely armed, clothed, and fed, and it was facing one of the best-equipped, best-drilled, most gallant armies of the world. I took part in many a battle. For several months I was on the staff of Gen. Aguinaldo, then President of the Philippine Republic and commanding general of its army. Of course I had occasion to know Gen. Aguinaldo well and intimately, and from personal observation I say that he is a man of high character and patriotism.

The revolution against Spain was the outcome of a long peaceful campaign carried on, not precisely for independence, but to secure from the Spanish Crown a more liberal government in the Philippine Islands. The revolution started in 1896, and in 1897 the Spanish governor general at Manila sought to secure peace by entering into an agreement with the Filipino leaders of the rebellion. It was agreed that the demands for governmental reforms should be granted, and that ₱800,000 in Mexican money, which was then the currency of the Philippine Islands, should be given to the revolutionists, as indemnity for the damages done to them and their families on account of that war, and as a payment for the guns that they surrendered, and—as it was agreed they should leave the Philippine Islands—also as a means of providing for their support and maintenance abroad. In view of the fact that the Spanish Government had agreed to grant all the liberal reforms asked for by the Filipinos before the revolution started, no one can question the right, nay, the duty, of the Filipino revolutionists to end a contest which was causing so much loss of life and property to our country, and which evidently, at that time, could not accomplish more than what Spain had promised to concede. Aguinaldo, therefore, and his followers agreed to leave their country and not to return to the land that they had wished to live and die in. But they were willing to make this sacrifice, and to go far from their beloved ones, so that their people might receive and enjoy in peace the liberal reforms that were promised them. If these Filipino exiles, who had fought for their country, and who were to be denied the right to live in it, had in fact used the money paid them by the Spanish Government for their own purposes, can anyone question their right to do so? Could they not properly have divided this money among themselves, that they might comfortably live thereon?

I have no doubt that if the Filipino people had been asked to vote on the question whether or not these men should receive that money, they would have decided that it be given to them. Yet Aguinaldo and his companions did not make such a use of the funds placed in their hands. They deposited the money paid to them—which never reached the total sum promised—in the bank and only used the interest. They lived in Hongkong in almost complete poverty. Why did they do this? Because they did not know whether Spain would or would not actually comply with the agreement. They were accustomed to see promises broken by that Government, and therefore they kept the fund intact for patriotic purposes. They decided that if Spain, after they had left the Philippines, should fail to grant to the people of the Philippine Islands the liberal reforms that were promised, they would, as was their right, use the money to buy guns, and would by force compel the Spanish Government, that had betrayed them, to comply with the agreement.

Mr. HUMPHREY of Washington. Will the gentleman yield?

Mr. QUEZON. With pleasure.

Mr. HUMPHREY of Washington. I just wish to ask a question for information. Why was it considered that it was necessary for Aguinaldo and his associates to leave the Philippine Islands?

Mr. QUEZON. Because the Spanish Government feared that if they remained in the Philippines they would continue to foment revolution. As Spain failed to keep faith, this money was actually used to buy guns.

The CHAIRMAN. The time of the gentleman from the Philippine Islands has expired.

Mr. CRISP. Mr. Chairman, I ask unanimous consent that the gentleman be allowed five minutes more.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that the gentleman from the Philippines have five minutes more. Is there objection?

Mr. MANN. Reserving the right to object, I would like to ask the gentleman from Virginia how late he expects to run this evening?

Mr. JONES. Not much after 5 o'clock, I think.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. QUEZON. I was saying, Mr. Chairman, that this money, when Spain did not comply with her part of the bargain, when she refused to introduce in the Philippines those reforms that were asked, was used by Aguinaldo to buy guns, and with those guns we helped the United States in prosecuting her War with Spain. Our aim in that war is well known, and I shall not discuss it. But I want to say that we had retaken every town garrisoned by the Spanish, with the exception of Manila, which we were besieging, so that when the United States sent her troops there all she needed was a few thousand men, and with those few thousand men she compelled the surrender of the garrison of Manila.

I want to say another word about Gen. Aguinaldo. As I said before, I know him personally. I had served under him when I was little more than a boy. Gentlemen, Aguinaldo at one time wielded great power in the Philippines. During the revolution, of course, he was the principal military chief, with the powers of a dictator, just as the President of the United States would be a dictator here in case of war. He had all power, both civil and military, in his hands during the war. He had in his pocket the key to the treasury of the then independent Philippine Government, including both that raised by taxation and that received from contributions. He had the confidence of the people. Nobody asked him what he was doing with the money. The time came when he was captured by Gen. Funston. He had then been exercising his authority for more than two years, but when the war was over Aguinaldo was as poor as he was when the war started. [Applause on the Democratic side.]

Mr. Chairman, I want the gentlemen on this floor to bear in mind this fact: I do not wish to make invidious comparisons with others, but I want to ask you how many revolutionary chiefs in other parts of the world who had the opportunity would have done what Aguinaldo did? How many would have been willing to go back to their homes as poor as ever after having had in their possession so much money that they could have appropriated without question? Aguinaldo is poor to-day. He is a simple farmer. Aguinaldo has not even accepted any

position from the American Government, although it was ready to give him a good position. He has not even gone into politics. He has not tried to gain political preferment, even through the popular vote.

Why? He wanted to show the world that he fought for his country, not because of desire of personal profit or power, but out of patriotism, and that when he could not fight any longer he could go to his home and lead a peaceful and modest life, the life of a good citizen, working upon his farm, as he is doing now. Thus Aguinaldo has demonstrated that the Filipinos who had known how to fight know likewise how to work in time of peace. I need say no more. [Applause on the Democratic side.]

Mr. LEVY. Mr. Chairman, I ask for the reading of my amendment.

Mr. JONES. Mr. Chairman, I do not imagine that any Member who heard the statement of my friend from California [Mr. KAHN] thinks it necessary for me to make any reply thereto. I had read every word read by him very carefully before he read it, and I listened very carefully to his reading, and I submit that there is not one single word in what he has read that justifies the statement that he made on the floor of this House on yesterday.

I will read the statement made by him as that statement appears in the RECORD. He said:

> My friend from Missouri is not familiar with Philippine history. Nearly six months before our entrance upon the scene the leaders of the revolution against Spain had sold out their people.

I asked the gentleman this question:

> Mr. Chairman, the gentleman from California has made some exceedingly derogatory remarks about the leaders and patriots of the Philippine Islands. He has said that they sold out the liberties of their people to the Spanish Government, and that his charges were historical facts. I want to ask the gentleman if he can vouch a single respectable authority for that statement. Does he know of any history ever written of the Philippines that contains any such statement?

His reply was:

> The treaty of Biacnabato speaks for itself. And not only that, but Dr. Dean C. Worcester states the same thing in his work entitled "The Philippines, Past and Present."

Now, I submit that what the gentleman has just read from Mr. Worcester's book does not justify his statement that Aguinaldo and his associates sold out the Filipino people. This morning I read from the works of a number of historians to the effect that the charge repeated by the gentleman on yesterday was a baseless one, and that Aguinaldo's conduct in this transaction was entirely honorable and conscientious. What I charged the gentleman with saying was that Aguinaldo had sold out his people, and he said he could substantiate it from the Worcester book.

Mr. Worcester himself does not say a word on the subject. He simply quotes from the report of any Army officer setting forth in much detail all the facts connected with the treaty of Biacnabato. Nowhere in that report, or elsewhere in the book in which it is contained, is there to be found a charge that Aguinaldo and his associates sold out the people of the Philippines. That is the unsupported and oft-repeated statement of the gentleman from California.

Mr. KAHN. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield to the gentleman for a question.

Mr. KAHN. Does not the gentleman know that the treaty of Biacnabato provided for the exile of Aguinaldo and some of his followers, and that he was to receive ₱800,000 on condition of his going away? Can the gentleman imagine George Washington or John Adams or any of the American patriots during our Revolution selling out for ₱800,000, or any other amount, and agreeing to go away?

Mr. BRYAN. And taking the money with them.

Mr. JONES. Mr. Chairman, the gentleman who represents the Philippine Islands here [Mr. QUEZON] has fully explained that occurrence. He has stated that the Spanish authorities agreed that they would grant the reforms for which Aguinaldo and his associates were fighting if they would agree to leave the islands; and, in order to avert further bloodshed, they agreed to expatriate themselves. After they had done so they discovered that the Spaniards had refused to keep their plighted word, and then they used the money that had been given them, not for their personal purposes but to buy arms with which to compel them to live up to the terms of the treaty of Biacnabato. What was there dishonorable in this?

Mr. KAHN. That is not as I understand it from my reading of the account of the transaction as set forth in Dr. Worcester's work.

Mr. LEVY. Mr. Chairman, I ask the Clerk to report my amendment.

Mr. BRYAN. Will the gentleman from Virginia yield for a question?

The CHAIRMAN. The gentleman from New York [Mr. LEVY] is recognized.

Mr. LEVY. I ask the Clerk to report my amendment.

The Clerk read as follows:

Between lines 9 and 10, page 3, insert the following as portion of section 2:

"That the Government of the Philippines shall reimburse the Government of the United States for all moneys expended by said Government of the United States in the purchase, protection, and government of the Philippine Islands, and said reimbursement shall be made in payments of gold out of any surplus in the Philippine treasury, or by 3 per cent Philippine Government bonds."

Mr. MILLER. Mr. Chairman, is that offered as an amendment to section 3?

Mr. MANN. No; it is an amendment to section 2.

The CHAIRMAN. Does the gentleman offer his amendment as an amendment to section 2, or as a separate section?

Mr. LEVY. To be added to section 2.

Mr. GARRETT of Tennessee. Mr. Chairman, I reserve a point of order on that amendment.

The CHAIRMAN. The gentleman from Tennessee reserves a point of order.

Mr. LEVY. Mr. Chairman, I am in favor of this bill. I believe it ought to pass, but I do not believe that we should be a benevolent institution. We have expended on the Philippine Islands, in purchase and otherwise, over $200,000,000, and while it will be a long time before they can repay it, I think the Philippine Government ought to recognize their indebtedness to the United States, as a result of which they have their freedom, and they ought in some way to recognize the vast sum of money expended by the Government of the United States. We have been in this business before. For instance, from 1903 to 1909, in our intervention in Cuba, we expended $8,500,000, and we have never received a cent of it back. My idea is that the United States should stop this grand benevolent business of scattering money all over the world.

Mr. MOORE. Will the gentleman yield?

Mr. LEVY. I yield to the gentleman from Pennsylvania.

Mr. MOORE. Does not the gentleman think the Burgess amendment, which we debated at some length, would have covered that exigency?

Mr. LEVY. No; I do not think it would have covered it. This bill will give them more than opportunity to qualify themselves for independence.

Mr. MOORE. Is it the opinion of the gentleman that this bill would take the United States out of the Philippines and leave everything there that we have spent upon the Philippines?

Mr. LEVY. I believe they ought to recognize the indebtedness of their government to us by giving us a bond as an evidence that they owe us the money. I believe the time will come when they will be very rich, when they will be able to repay us what we expended on them.

Mr. MOORE. The gentleman did not get the point of my question. I wanted to know whether it was the theory of the gentleman from New York that if we passed this bill and leave the Philippines we will leave behind us everything that we have spent upon them?

Mr. LEVY. No; I want the Filipino people to recognize what the United States has done for them.

Mr. MOORE. How much have we spent in the Philippine Islands?

Mr. LEVY. Two hundred and fifty millions and over.

Mr. MOORE. And we would stand to lose it all if we pass this bill in its present form?

Mr. LEVY. Yes. I will give you a little history in relation to the Filipinos with which, perhaps, few of you are acquainted. I remember once calling on the late distinguished and lamented President of the United States, Mr. McKinley, and I said, "Why did you take over the Philippines?" He said, Well, he was very much opposed to acquiring them; that he did not want to take over the Philippines, but we were in such a position that we could not help ourselves. He further said that this country was under great obligations to Great Britain for the assistance their navy had rendered the United States; that this Government had ascertained that the German Government had made a treaty, or was about to make a treaty, with Spain that in case we did not take over the Philippines they would purchase the archipelago. This would have caused war between Germany and Great Britain, and so we had to take them over to avoid a great conflict. That was the explanation of the distinguished President of the United States, Mr. McKinley. I do not think it does us any good to hold on to the Philippine Islands.

Mr. GARRETT of Tennessee. Mr. Chairman, I make the point of order that the amendment offered by the gentleman from New York is not germane.

Mr. LEVY. I think it is germane, Mr. Chairman, and I am willing to discuss the point of order.

The CHAIRMAN. The Chair does not think that the amendment is germane to the section, and the Chair sustains the point of order.

Mr. JONES. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. FLOOD of Virginia, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 18459, relating to the Philippine Islands, and had come to no resolution thereon.

LEAVE OF ABSENCE.

The SPEAKER laid before the House the following requests for leave of absence:

Mr. MONTAGUE for five days, beginning September 28, on account of illness.

Mr. FERGUSSON for four days on account of illness.

The SPEAKER. Is there objection to these requests?

Mr. MANN. Reserving the right to object, Mr. Speaker, I want to observe that these gentlemen seem to have a remarkable degree of prophecy in knowing just how long they are going to be ill—one for five days and another for four days. I do not object, however.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS IN THE RECORD.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of land legislation.

The SPEAKER. The gentleman from Wyoming asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

COTTON.

Mr. HEFLIN. Mr. Speaker, I ask unanimous consent that when the House meets on Monday next, after the approval of the Journal I may have consent to address the House for 40 minutes on the subject of cotton.

The SPEAKER. The gentleman from Alabama asks unanimous consent that when the House meets on Monday, immediately after the approval of the Journal and the disposal of such matters as have to be attended to he may address the House for 40 minutes. Is there objection?

Mr. MANN. Reserving the right to object, I see that the gentleman from Alabama is here He did not want to let me have 15 minutes this morning.

Mr. UNDERWOOD. I will state that, as far as I am concerned, I would like to have the gentleman from Washington [Mr. HUMPHREY] have an opportunity to address the House, and also my colleague from Alabama. As I stated this morning, I would like to have the Philippine bill disposed of before anything intervenes, unless it can be suspension of the rules on Monday.

Mr. MANN. I do not see any chance of disposing of the Philippine bill for a week. However, I shall not object to the request of the gentleman from Alabama if he will make it so that I can have 40 minutes also.

Mr. DONOVAN. Mr. Speaker, I object to all these requests for unanimous consent.

Mr. HEFLIN. I will ask the gentleman to withhold that for a minute.

Mr. DONOVAN. Mr. Speaker, it is time that this Congress adjourned [applause], and I am going to object to each and all requests for unanimous consent.

Mr. HEFLIN. I want to say to the gentleman that the South is in great distress. The cotton industry is in a desperate condition. The price of cotton is less than the cost of production. I want to discuss the situation, and surely the gentleman from Connecticut will not deny me that privilege.

Mr. DONOVAN. Mr. Speaker, reserving the right to reply——

SEVERAL MEMBERS. Regular order!

The SPEAKER. The regular order is demanded.

Mr. DONOVAN. Then, Mr. Speaker, I object.

Mr. HEFLIN. I want to serve notice on the gentleman that we will not adjourn, if I can prevent it, until we are heard on the cotton question and some relief is had for the 30,000,000 of people who are now greatly suffering on account of conditions created by the war in Europe.

Mr. EDWARDS. Mr. Speaker——

Mr. MANN. Mr. Speaker, the regular order has been demanded.

The SPEAKER. The Chair has already put the question.

Mr. MANN. But the regular order is to go back into the Committee of the Whole for the consideration of the Philippine bill, unless the gentleman moves to adjourn.

The SPEAKER. The committee rose regularly and the gentleman from Georgia was addressing the Chair.

Mr. EDWARDS. Mr. Speaker, I ask unanimous consent to insert in the RECORD a telegram upon the cotton question.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I would like to ask the gentlemen on that side of the House how many thousand telegrams have been received upon that subject and whether it is the intention to insert them all in the RECORD?

Mr. EDWARDS. It is impossible to tell the gentleman the number, but I have received only one myself, which I desire to insert in the RECORD.

Mr. MANN. I have received a great many myself, and I object.

Mr. HENRY. Mr. Speaker, I ask unanimous consent that I may be allowed to print in the RECORD a letter that I this day addressed to the Secretary of the Treasury in regard to the cotton situation.

The SPEAKER. The gentleman from Texas asks unanimous consent to print in the RECORD a letter which he addressed to the Secretary of the Treasury on the subject of cotton.

Mr. HENRY. And currency.

The SPEAKER. Is there objection?

Mr. MANN. Until we can have some debate upon the matter, I object.

ENROLLED BILL SIGNED.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 6440. An act to authorize the Chicago, Milwaukee & St. Paul Railway Co. and the Chicago, St. Paul, Minneapolis & Omaha Railway Co. to construct a bridge across the Mississippi River at St. Paul, Minn.

ADJOURNMENT.

Mr. JONES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 13 minutes p. m.) the House adjourned until to-morrow, Saturday, October 3, 1914, at 12 o'clock noon.

EXECUTIVE COMMUNICATION.

Under clause 2 of Rule XXIV, a letter from the Assistant Secretary of the Court of Claims, transmitting findings of fact and conclusions in the case of Asa G. Gallup et al., heirs of Ada O. Gallup, deceased, *v.* The United States (H. Doc. No. 1170), was taken from the Speaker's table, referred to the Committee on War Claims, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. WEBB, from the Committee on the Judiciary, under authority of House resolution 234, authorizing the Committee on the Judiciary to inquire into and concerning the official conduct of Emory Speer, United States district judge for the southern district of Georgia, submitted a report thereon (No. 1176), which said report was referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. STEPHENS of California: A bill (H. R. 19075) to authorize and direct the payment of pensions monthly; to the Committee on Invalid Pensions.

By Mr. BEALL of Texas: A bill (H. R. 19076) to amend an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911; to the Committee on the Judiciary.

By Mr. STEPHENS of Texas: A bill (H. R. 19077) to authorize exploration for and disposition of coal, phosphate, oil, gas, potassium or sodium, and metalliferous ores in unallotted Indian lands, and for other purposes; to the Committee on Indian Affairs.

By Mr. BULKLEY: A bill (H. R. 19078) granting the consent of Congress to the Cleveland Yacht Club Co. to construct a bridge across the west arm of Rocky River, Ohio; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER: A bill (H. R. 19079) granting an increase of pension to William A. Graham; to the Committee on Invalid Pensions.

By Mr. ANTHONY: A bill (H. R. 19080) for the relief of John Hoffman; to the Committee on Claims.

By Mr. ASHBROOK: A bill (H. R. 19081) granting an increase of pension to William Rech; to the Committee on Invalid Pensions.

By Mr. CRAMTON: A bill (H. R. 19082) granting an increase of pension to Henry H. Smith; to the Committee on Invalid Pensions.

By Mr. CRISP: A bill (H. R. 19083) granting a pension to William H. Peary; to the Committee on Pensions.

By Mr. DOOLITTLE: A bill (H. R. 19084) granting an increase of pension to Mary J. White; to the Committee on Invalid Pensions.

By Mr. HELVERING: A bill (H. R. 19085) to remove the charge of absence without leave from the military record of John E. Hubbard; to the Committee on Military Affairs.

By Mr. KEY of Ohio: A bill (H. R. 19086) granting a pension to Adolph Dirmyer; to the Committee on Pensions.

Also, a bill (H. R. 19087) granting an increase of pension to George W. Smith; to the Committee on Invalid Pensions.

By Mr. LENROOT: A bill (H. R. 19088) granting a pension to Edward H. Brown; to the Committee on Pensions.

By Mr. RUCKER: A bill (H. R. 19089) granting an increase of pension to James T. Darnell; to the Committee on Invalid Pensions.

By Mr. SMALL: A bill (H. R. 19090) to reimburse the officers and enlisted men of the Revenue-Cutter Service and Public Health Service for losses sustained in the wreck of the revenue cutter *Tahoma;* to the Committee on Claims.

By Mr. SMITH of Minnesota: A bill (H. R. 19091) granting a pension to Malissa E. Bovee; to the Committee on Invalid Pensions.

By Mr. WHITE: A bill (H. R. 19092) granting a pension to Frank Stires; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19093) granting an increase of pension to Henry Engle; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Memorial of various merchants, bankers, and farmers of Jefferson County, Okla., favoring a tax of $5 per bale on each bale of cotton raised in excess of 25 bales in 1915; to the Committee on Ways and Means.

Also (by request), petition of Harry S. McCartney, of Chicago, Ill., proposing that the United States Congress send a memorial to all nations engaged in war, relative to a cessation of hostilities; to the Committee on Foreign Affairs.

Also (by request), memorial of the American Truth Society of New York, deploring the crippling of American commerce by the European war and petitioning for relief; to the Committee on Interstate and Foreign Commerce.

Also (by request), memorial of the Kansas City (Mo.) Branch Railway Mail Service, relative to admitting railway postal clerks to Army and Navy Hospital on same basis as enlisted men; to the Committee on Interstate and Foreign Commerce.

By Mr. CRAMTON: Petition of various members of the Woman's Home Missionary Society of the Methodist Episcopal Church of Mayville, Mich., protesting against House bill 16904, for railroad tracks opposite Sibley Hospital in Washington, D. C.; to the Committee on the District of Columbia.

By Mr. FAISON: Petition of sundry citizens of Salemburg, N. C., favoring Henry cotton bill; to the Committee on Banking and Currency.

By Mr. GILMORE: Petition of sundry citizens of Randolph, Mass., and the Thacher Brotherhood of Milton, Mass., favoring national prohibition; to the Committee on Rules.

Also, petition of the Taunton (Mass.) Chamber of Commerce, favoring a revision of the patent laws; to the Committee on Patents.

By Mr. GRAHAM of Illinois: Petition of 56 citizens of Springfield, Ill., against tax on cigars; to the Committee on Ways and Means.

Also, petition of 228 citizens of Iowa, Illinois, and Wisconsin, favoring national prohibition; to the Committee on Rules.

By Mr. HOWELL: Petition of the Thatcher Bros. Banking Co. and other banks of Logan, Utah, against tax on banks; to the Committee on Ways and Means.

Also, petition of the Utah State Federation of Labor, favoring House bill 10735, to create a bureau of safety in the Department of Labor; to the Committee on Labor.

By Mr. LONERGAN: Petition of the Court of Common Council of Hartford, Conn., favoring the passage of the Hamill bill; to the Committee on Reform in the Civil Service.

By Mr. McCLELLAN: Petition of Clyde H. Proper, of Schoharie, N. Y., and W. B. Van Alstyne, of Kinderbrook, N. Y., against legislation to prevent the purchasing of stamped envelopes with address thereon from post offices; to the Committee on the Post Office and Post Roads.

Also, protest of George Peck, of Martindale, N. Y., manager of Gayety Theater, Washington, D. C., against special tax on theaters; to the Committee on Ways and Means.

Also, protest of Jordan Philip, cashier First National Bank of Hudson, N. Y., against taxation of capital stock and surplus of banks; to the Committee on Ways and Means.

By Mr. RAKER: Memorial of Lodge No. 360, Fraternal Brotherhood of Maple Leaf, and the Chamber of Commerce of Oakland, Cal., favoring the Hamill bill (H. R. 15139) relative to retirement of aged civil-service employees; to the Committee on Reform in the Civil Service.

Also, resolutions of the San Francisco Labor Council, of San Francisco, Cal., protesting against the landing in the United States of alien Chinese seamen; to the Committee on the Merchant Marine and Fisheries.

By Mr. REILLY of Wisconsin: Petition signed by numerous citizens of Chilton, Wis., of different nationalities, protesting against the attempt by certain papers to create prejudice in the minds of the American people against Germany and Germany's cause in the pending European contest; to the Committee on Foreign Affairs.

By Mr. SLOAN: Petition of numerous merchants and citizens of Wilber, Clatonia, Plymouth, Exeter, Valparaiso, Touhy, Memphis, Ashland, Cortland, Pickrell, Ithaca, Weston, Diller, Jansen, Harbine, Bee, Hebron, Bruno, Geneva, Ohiowa, Swanton, Fairmont, Daykin, Tobias, Friend, Milford, Pleasant Dale, Dorchester, Seward, all of the fourth congressional district of Nebraska, favoring support of House bill 5308, to tax mail-order houses; to the Committee on Ways and Means.

By Mr. WINSLOW: Petition of the Christian Endeavor Union of Worcester County, Mass., favoring national prohibition; to the Committee on Rules.

SENATE.

SATURDAY, *October 3, 1914.*

(Legislative day of Monday, September 28, 1914.)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

EMERGENCY REVENUE LEGISLATION.

The VICE PRESIDENT. The Chair lays before the Senate certain communications, which will be noted in the RECORD and referred to the Committee on Finance. They have to do with the pending revenue measure.

The communications were referred to the Committee on Finance, as follows:

[Telegram.]

INDIANAPOLIS, IND., *October 2, 1914.*

Hon. THOMAS R. MARSHALL,
Washington, D. C.:

Proposed selling tax of $1 per horsepower on automobile manufacturers is the greatest menace to the industry in its history, owing to the contracts existing with dealers. Tax can not be passed on to consumers, and will fall as an unjustifiable burden principally upon the States of Michigan and Indiana. Automobile manufacturing is one of the few industries that has kept the spark of industrialism alive in the United States during the long depression the country has been passing through. The automobile manufacturing industry as a whole is in no condition to stand this discriminatory tax. Please get in touch with your colleagues, calling their attention to the gravity of the situation before irreparable injury is done.

NORDYKE & MARMON CO.

[Telegram.]

INDIANAPOLIS, IND., *October 2, 1914.*

Hon. THOMAS R. MARSHALL,
Washington, D. C.:

As representative of a State now depending upon the automobile industry for a great part of her commercial success, the proposed tax on automobile manufacturers should appeal to you as a most damaging and ruinous act. The burden of the tax would fall on Indiana and Michigan, and we are depending upon you as our representative to prevent any such discriminating legislation. We are confident you will do all in your power to prevent the enactment of this law, which would mean ruination to the most flourishing industry of our State.

STUTZ MOTOR CAR CO.

[Telegram.]

OIL CITY, PA., *October 1, 1914.*

Vice President THOMAS MARSHALL,
President of the Senate, Washington, D. C.:

The Woman's Christian Temperance Union of Pennsylvania, in annual convention assembled, respectfully protests against the passage of the bill to increase the revenue on intoxicating liquors and tobacco, or in any way meeting the present financial stress by measures which result in the destruction of our national life.

ELLA M. GEORGE,
President.
ADDIE B. PARSELS,
Vice President.
SYLVIA B. NORRISH,
Corresponding Secretary.
MARGARET F. IRVIN,
Recording Secretary.
LEAH COBB MARION,
Treasurer.

Mr. SMITH of Michigan. Mr. President, I adverted last evening to the indisposition upon the part of the Finance Committee not to take the public into its confidence regarding the work of formulating the deficiency revenue bill, so called, and I criticized somewhat this method of procedure.

Mr. FLETCHER. May I interrupt the Senator for just a moment?

Mr. SMITH of Michigan. I am going to take no time. I will finish in just a few moments.

For the committee to proceed behind closed doors to place a burden upon the industries of the country without giving the people affected an opportunity to be heard strikes me as a most exceptional method of procedure and one inviting the sharpest condemnation. As I stated last night, even my Republican associates are forbidden to enter the committee room of the Committee on Finance while this work of devastation is going on.

Mr. President, I want to protest in very vigorous language to this method of procedure. This is the only place where a Senator can protest. We are not welcome at the committee room of the Committee on Finance; we are forbidden to attend the meeting of the Democratic members of the committee, who are now proceeding behind closed doors. It is regrettable that only through the public prints are the people to be affected apprised of the nature of this proposed Democratic tax.

I received a telegram this morning from Pontiac, Mich., dated yesterday, reading as follows:

PONTIAC, MICH., *October 2, 1914.*

Senator WILLIAM ALDEN SMITH,
Washington, D. C.:

Senate committee's recommendation taxing owners and manufacturers of automobiles is the most serious blow that could be dealt this industry. We appeal to you to use all honorable means to save Michigan's greatest industry. Also request hearing of manufacturers before Senate committee.

C. W. NASH,
President Buick Motor Co.

I also have a telegram similarly addressed dated Detroit, October 2, as follows:

DETROIT, MICH., *October 2, 1914.*

Hon. WILLIAM ALDEN SMITH,
United States Senate, Washington, D. C.:

We respectfully protest against the proposed action taxing owners 25 cents and manufacturers $1 per horsepower of automobiles to use. This seems to be vicious class legislation. No other industry has been singled out for such drastic and confiscatory action. The automobile must be recognized as a public necessity and convenience instead of a mere luxury. The hundreds of thousands of users of automobiles in the United States are entitled to the same fair and just treatment that should be applied to all other owners of property. We urge you to use every effort to prevent the enaction of this legislation.

HUPP MOTOR CAR CO.

I have a similar telegram, which I ask may be printed in the RECORD, without reading, similarly addressed from the Chalmers Motor Co., of Detroit.

The telegram referred to is as follows:

DETROIT, MICH., *October 2, 1914.*

Hon. WILLIAM ALDEN SMITH,
United States Senate, Washington, D. C.:

We are vitally interested in the proposed bill of $1 per horsepower tax against automobile manufacturers. We have already been forced to make a reduction in the price of our cars, due to conditions existing abroad, and a tax of $40 per car would reduce the profit to a point where the successful operation of our company would be seriously impaired. We will appreciate your earnest efforts to prevent the passage of this bill.

CHALMERS MOTOR CO.

Mr. SMITH of Michigan. I have also a telegram from the following automobile manufacturers, who join in sending the following message:

DETROIT, MICH., *October 2, 1914.*

Hon. WILLIAM ALDEN SMITH,
Senate, Washington, D. C.:

The following automobile manufacturers indorse and join with us in sending this message:

Abbott Motor Car Co.; Anderson Electric Car Co.; Briggs Detroiter Co.; Cadillac Motor Car Co.; Chalmers Motor Car Co.; Commerce Motor Car Co.; Cricket Cycle Car Co.; Day Automobile Co.; Dodge Bros.; Federal Motor Truck Co.; Ford Motor Co.; Grinnell Electric Car Co.; Hudson Motor Car Co.; Hupp Motor Car Co.; Krit Motor Car Co.; Packard Motor Car Co.; R. C. H. Corporation; Regal Motor Car Co.; Saxon Motor Co.; Signal Motor Truck Co.; Wagenhauls Motor Co.; Wahl Motor Co., Detroit; Public Motor Truck Co., Alma; Buick Motor Co., Flint; Cartercar Co., Pontiac; Durant Dort Carriage Co., Flint; General Motors Truck Co., Pontiac; Havers Motor Car Co., Port Huron; Jackson Auto Co., Jackson; National Motor Truck Co., Bay City; Oakland Motor Car Co., Pontiac; Olds Motor Works, Lansing; Reo Motor Car Co., Lansing.

The proposed special tax upon manufacturers of $1 per horsepower on each automobile manufactured and a 25 cents per horsepower tax upon each automobile owner is intensely disturbing to the entire automobile industry. It immediately threatens the existence of numerous companies and the consequent elimination of income to many thousands of employees. Such an overwhelming blow to the automobile industry at this critical time would positively introduce wide disaster, as many manufacturers are now having serious trouble in marketing their product. The fluctuating nature of this industry and the deterrent effect upon sales if this tax were imposed would prevent a realization of the amount anticipated and required by the Government. There are approximately 1,548,350 automobiles owned in the United States, whose owners already pay property and State taxes. The majority of these cars are owned by persons in moderate circumstances, and the use of these cars largely for business purposes makes them practically a necessity. The imposition of a third tax on motor cars and automobile owners is a positive burden amounting to discrimination, and is more than any single constructive and beneficial business should be expected to bear. It is confiscation. The gravity of this proposed step and its far-reaching influences, which, in our opinion, can not have been adequately and thoroughly reviewed, make a hearing in conference on this subject of vital importance, and we respectfully request an early opportunity to lay before you important facts in connection with your proposed plan.

THE STUDEBAKER CORPORATION OF AMERICA.

I also have telegrams from the Cadillac Motor Co., which I ask to have printed, similarly addressed, protesting against this legislation, from the Federal Motor Truck Co., the Maxwell Motor Co., and the Krit Motor Car Co., all of Michigan.

The telegrams referred to are as follows:

DETROIT, MICH., *October 3, 1914.*

Hon. WILLIAM ALDEN SMITH,
United States Senate, Washington, D. C.:

Congress surely does not appreciate what would be the effect upon the entire automobile industry if proposed impost were forced. Michigan, in particular, would suffer a staggering blow. The automobile has become a commercial necessity for the whole country, and its manufacture should be encouraged and not crushed. Michigan now depends largely upon the automobile industry for employment, and thousands of Michigan workmen would be injured by such an unjust tax. We earnestly ask you to protect the interest of your home State by vigorously opposing any such legislation.

CADILLAC MOTOR CAR CO.

DETROIT, MICH, *October 2, 1914.*

Senator WILLIAM ALDEN SMITH,
United States Senate, Washington, D. C.:

New proposed tax of $1 per horsepower for motor-truck manufacturers means suicide. Truck manufacturers in America to date have not made a dollar. Trucks are not a luxury; are sold on cost of installation and operation. Any additional tax will have bad effect on truck industry.

FEDERAL MOTOR TRUCK CO.

DETROIT, MICH., *October 3, 1914.*

Hon. WILLIAM ALDEN SMITH,
United States Senate, Washington, D. C.:

We vigorously protest proposed tax of $1 per horsepower on manufacturers of automobiles. We should like an opportunity to be heard before the committee.

MAXWELL MOTOR CO. (INC).

DETROIT, MICH, *October 2, 1914.*

Senator W. A. SMITH,
Washington, D. C.:

We vigorously protest against proposed tax on automobile manufacturers as very drastic and practically confiscatory. Far as we are concerned, this would add $22.50 to our cost per car, and present margin of profits so close we could not continue business unless we raise list price. Earnestly urge you oppose this ruinous legislation.

KRIT MOTOR CAR CO.

Mr. SMITH of Michigan. Mr. President, last night I said that this method of perfecting legislation, which will put an additional burden upon the industry of the country, was to be deplored, and that a broader policy should actuate the Government than the one seemingly adopted in caucus and proceeded with in secret.

These Michigan companies employ thousands of men at good wages. If some one must bear the results of your folly, why not distribute the burden equitably? Why should the automobile industry be selected for this further experimental test of Democracy? Why should that industry be called upon to pay $16,000,000 as a tribute to Underwoodism? In my judgment there is no occasion whatever for resorting to this method of taxation. If the money now subject to Treasury order was actually in the Treasury and not in the hands of administration favorites, the necessity for this legislation would not exist.

Plainly the Underwood-Simmons Tariff Act has failed to produce the revenue expected by the authors of that measure, just as we predicted, and the income tax is a sad disappointment to those who expected better results from that inquisitorial method of raising revenue. I think in the western part of Mich-

igan not over 1,400 people were caught in the dragnet of the income tax, and less than 100 pay more than half of it. It has turned out to be a species of class legislation not in harmony with the spirit of our institutions.

I protest against this secret star-chamber attempt to put upon the industries of the country an additional and unnecessary burden. The Committee on Finance should open its doors, put up its window shades, and let the sunlight penetrate the fiscal gloom. Your great party leader who sits at the other end of Pennsylvania Avenue as the head of State before he was elected President expressed his opinion about committees that work behind closed doors, where the public are not admitted, and where access to their plans and purposes is denied. In the sharpest possible way he condemned this practice, as you upon the other side of the Chamber had been wont to do before you accidentally came into full possession of the Government.

To single out a few industries seemingly prosperous and fix a new levy upon them in order to make up a deficit, due to your recklessness and profligacy, will not impress the country favorably.

When your party entered upon the government of this country a year and a half ago it found the Treasury full to overflowing. Factories were humming with the rattle of busy looms, forges glowed with furnace fires, and the ports of our commerce stirred with the pulses of enlarged trade, and improvement in city, town, and hamlet added to the beauty and utility of the land. You struck it down by the same false doctrines that have brought about disaster and ruin and nonemployment whenever they have been the subject of practical application. You found the Treasury full to overflowing and the credit of the country at its highest point.

Yesterday some of my colleagues upon this side of the Chamber pointed to the courage of Mr. Cleveland who, when the Wilson-Gorman Act failed to bring the necessary revenue to meet the expenses of the Government and inspire confidence or stimulate industry, had the courage to issue bonds of the Government to augment the income. You have bonds of the Government lying in your vaults in the Treasury, all prepared and ready for the market. You have seriously considered the question of marketing these bonds to replenish the revenue which you have so recklessly and generously expended.

But, Mr. President, the reason why those bonds are not used in this emergency is because the credit of the Government has been impaired, and it is seriously doubted whether those bonds would sell at such a price as would be creditable to the administration now in power.

Therefore you single out here and there a few of the remaining evidences of prosperity for special attack. You have gone through the whole field of industrial enterprise with a fine-tooth comb in search of a victim. You have swept the horizon with your field glass from the valley of despair, and finally have been obliged to use the microscope to find a prosperous industry that you may lay your hands on in this emergency, and Michigan has been selected for the sacrifice. Why not North Carolina as well? You have singled out one of the great industries in my State in preference to the equally great industries in your States, and by the rankest kind of discrimination you now propose to make what few prosperous concerns remain in the country pay for this Democratic deficit.

When your party came into power there was to the credit of the American laboring men enough money in the savings banks of this country to pay more than half of the combined national debts of the 50 leading countries of the earth. This vast sum to the credit of labor enlivened new industries, where new labor was employed at good wages. Now the hundreds of thousands of idle men and diminishing deposits of labor in the banks of the country warn you that there is danger ahead; that your plan has failed. Instead of having the courage to back up and take a new start, reimposing the duty upon sugar, which Mr. Wilson, a free trader of West Virginia, the author of the Wilson-Gorman bill, characterized as the most appropriate product in our country for customs duties—instead of backing up and giving confidence to that industry, so seriously menaced by your legislation in the interests of foreigners and aliens who live beyond our borders, you go madly on; instead of backing up and putting a duty upon iron ore, you prefer to let the products of Cuba—sugar and iron ore—come in unrestrained, while manufacturers and farmers of other lands prey at will upon our commerce.

Mr. President and Senators, this is wrong; it is unjust; it is unfair; but before you perpetrate this wrong upon the country you should at least raise the curtains of your committee room, open the doors, and allow those who are to be penalized for their enterprise to come in and be heard in their own behalf.

The telegrams which I have read into the RECORD disclose the apprehensions of enterprising people all over m-- State regarding this proposed legislation. I share their apprehension; I voice their indignation; I sympathize with their solicitude. This proposed legislation is un-..merican; it is intensely partisan; it is sectional in its character; it is unworthy of our American traditions; and I beg the members of the Committee on Finance, I ask my honored friend from North Dakota [Mr. MCCUMBER], who is a minority member of the committee, and the Senator from Utah [Mr. SMOOT], who is also a minority member of the committee, to plead with their associates on that committee to give the industries so vitally affected by this legislation an opportunity to be heard.

I desire, Mr. President, to read into the RECORD another telegram, from another concern, addressed to me, and dated Detroit, October 2. It is as follows:

DETROIT, MICH., *October 2, 1914.*

Senator WILLIAM ALDEN SMITH,
Care United States Senate Chamber, Washington, D. C.:

In behalf of the Detroit life underwriters who represent their clients, the Michigan policyholders of old-line life insurance companies, may I request that you urge Chairman SIMMONS, of the Finance Committee, to eliminate proposed stamp tax on life insurance. The people who are providing for their own through life insurance in old-line companies already bear a heavy share of the tax for governmental purposes and any additional tax of this nature must also be borne by them. A documentary tax on new life insurance is a blow at the seed before the plant has begun to grow. It places a burden upon the spirit of protection and saving that becomes operative coincident with its inception. We understand that the proposed tax excludes fraternal companies and mutual fire companies. If this is true, it gives it the color of class legislation. No European Government has imposed any tax on life insurance; then why should this Government, which is not at war, do so?

M. H. ZACHARIAS, *President.*

Our entire fiscal embarrassment is due to miscalculation and poor judgment. The practical lines which have hitherto been pursued have yielded abundantly the revenue required to conduct the affairs of the Government, but these experimental makeshifts, intended to conceal the real truth, are temporary in their character, and as misleading as they are unwise and unjust, and deserve the condemnation of the country.

Mr. TOWNSEND. Mr. President, I have received many telegrams along the line suggested by my colleague [Mr. SMITH of Michigan], asking that the industries represented shall be heard. They have asked me on many occasions to present their case to the Committee on Finance. It has been my humiliating duty to report that the hearings on this bill were being secretly conducted by the Democratic members of the Finance Committee only; that it had not been possible for me thus far to obtain a hearing from them on a matter which, according to their statements, is a matter of life and death to them financially I have felt, and I still feel, that this is such an important matter that it ought to have all the light possible cast upon it, and that the bill presented to the Senate and by it submitted to the committee is immature, and that it has been improperly considered will appear to any Senator who will read that measure carefully.

Let me call your attention to one instance. The bill provides that a tax of $1 shall be assessed against all passenger tickets between ports in the United States and foreign countries; that is, all tickets costing not to exceed $30 shall pay $1 tax and tickets costing more than $30 shall pay a larger tax. Between the United States and Canada there are boundary waters. There are thriving cities on both sides of those waters and passenger boats ply between them. Take, for instance, the city of Port Huron, across the river from Sarnia. Boats go back and forth between these cities every 20 minutes, I believe—or every little while, at any rate—and the fare is 5 cents. Between Detroit and Windsor the fare is 5 cents for the round trip. I do not exactly recall the rate of fare between Lewiston and Toronto and between other points, but the proposition in the bill is to tax the buyer of a ticket costing 5 cents $1. That is such a monstrous proposition it seems as though it would have attracted the attention even of a Democratic House caucus; that they would have discovered what that meant. I have called attention to this case simply as an example of one of the many, many things in this bill which require the fullest, freest, and most intelligent attention.

Mr. CLARK of Wyoming. Mr. President, will the Senator yield for a question?

Mr. TOWNSEND. I yield.

Mr. CLARK of Wyoming. I ask the Senator if it is a fact that the bill passed the House with that provision in it?

Mr. TOWNSEND. It did pass the House with that provision in it, and it is now before the Senate in that condition.

Mr. President, I think the people of the United States are willing at all times to pay whatever tax is necessary for the support of the Government, but they do want to know that it is necessary and equitable, and they do object to unjust taxes,

and especially those that are levied without any proper consideration as to the purpose for which the money is to be used and as to the source from which it is to be obtained. Michigan is hard, and to my mind unjustly, hit in the pending bill. She is willing now, as she has been willing at all times, to pay her just portion of the proper and necessary expenses of government, but, sir, she will not submit to rank injustice, and when this secret-made measure makes its appearance in the Senate I shall defend my State against any injustice which may be imposed upon her. At this time I ask, Mr. President, without much hope, however, that they will ever reach the ears or the eyes of the Committee on Finance, that these telegrams may be printed in the RECORD, so far as they may be different from those submitted by my colleague, as I do not care to have any duplications printed in the RECORD.

The VICE PRESIDENT. Is there any objection? The Chair hears none, and it is so ordered.

The telegrams are as follows:

DETROIT, MICH., *October 2, 1914.*

Senator CHARLES E. TOWNSEND,
Washington, D. C.:

Proposed additional tax on manufacturers is unfair and inequitable in the extreme. We now pay in taxes $35 on every vehicle we ship. Proposed tax would increase taxation to $75 each, an impossible, burdensome taxation. Please oppose vigorously.

HENRY B. JOY,
President Packard Motor Car Co.

—

NEW YORK, *October 2, 1914.*

Hon. CHARLES E. TOWNSEND,
Senate Office Building, Washington, D. C.:

Auto manufacturers throughout the country protest against tax on autos. Automobiles pay now three taxes. More taxes will destroy industry. National Automobile Chamber of Commerce wants opportunity for hearing. Representative will be at your office in the morning.

CHARLES THADDEUS TERRY,
General Counsel National Auto Chamber of Commerce.

—

JACKSON, MICH., *October 2, 1914.*

Hon. C. E. TOWNSEND,
United States Senate, Washington, D. C.:

We enter most earnest protest against the proposed tax on automobile owners and manufacturers. It is most unjust and would result in crippling the automobile industry incalculably, for many will be forced out of business, as their machines, having prices established for present season, will not yield a gross profit equivalent to the proposed tax. The measure amounts to confiscation and should be defeated.

JACKSON AUTO CO.

—

JACKSON, MICH., *October 2, 1914.*

Hon. CHARLES E. TOWNSEND,
Senate, Washington, D. C.:

We earnestly protest against emergency revenue tax of 25 cents on owners and $1 to manufacturers per horsepower on automobiles produced; many automobiles are sold at no greater profit than $30 each; average profit 30-horsepower cars selling at less than $800, not over $60 to $70. Dealers and consumers will demand that manufacturers stand tax, and as prices are now made for 1915 season, the result will be endless confusion and negotiations, especially as to manufacturers' tax; if subcommittee's recommendation becomes law, will practically put us out of business. We are now employing in Jackson over 600 men and would have to close up. Please do what you can to prevent this iniquitous class legislation; personally have thought gasoline tax of 2 cents, as talked, was the best method. If motor industry is to be singled out for special taxation, hundreds of thousands of stationary motors would then bear their proportion.

BRESCOE MOTOR CO. (INC.),
BENJAMIN BRESCOE.

—

JACKSON, MICH., *October 3, 1914.*

Hon. C. E. TOWNSEND,
United States Senate, Washington, D. C.:

If the proposed deficiency tax bill becomes a law you will ruin every automobile manufacturer in America. Taxing us $1 per horsepower takes away over one-third our profits, as we already have outstanding contracts for 90 per cent of our 1915 production and have no possible redress to cover a portion of this unjust burden. This bill is surely a confiscatory attempt to single out the automobile manufacturer to bear the burden of all. All American manufactured goods should be taxed equal and the individual burden made bearable. We request your earnest cooperation to quash this bill at once.

IMPERIAL AUTOMOBILE CO.,
T. A. CAMPBELL, *General Manager.*

Mr. VARDAMAN. Mr. President, I wish unanimous consent to introduce, out of order, a resolution asking for some information from the Secretary of the Treasury, if it can be done without displacing the unfinished business. It will take but a few moments. I dare say, to act upon the resolution, as I apprehend there will be no discussion of it, except some remarks consuming about three minutes, which I desire to make.

The VICE PRESIDENT. Is there any objection?

Mr. CULBERSON. Mr. President, I should like to ask if that would have the effect of displacing the unfinished business?

The VICE PRESIDENT. Oh, no; it would not have the effect of displacing the unfinished business unless it continued until the close of the legislative day.

Mr. SMOOT. Did I understand the Senator to say that it was a resolution he wanted to offer?

Mr. VARDAMAN. A resolution asking for some information from the Secretary of the Treasury.

Mr. SMOOT. Has the Senator sent the resolution to the desk?

Mr. CULBERSON. Will it lead to debate, I will ask the Senator from Mississippi?

Mr. VARDAMAN. I think not, except simply a few observations which I myself desire to submit.

Mr. SMOOT. I ask that the resolution be read before unanimous consent is given.

The VICE PRESIDENT. The Secretary will read the resolution.

The Secretary read the resolution (S. Res. 460), as follows:

Resolved, That the Secretary of the Treasury be requested and directed to transmit to the Senate, as soon as practicable, a statement showing the amount of money that would be saved to the Government by withholding for one year from the salaries of officers and employees of the Government, as follows: On salaries of $7,500 and over, 10 per cent; on salaries of $5,000 and up to $7,500, 8 per cent; on salaries of $3,000 and up to $5,000, 6 per cent; on salaries of $2,500 and up to $3,000, 5 per cent; on salaries of $1,500 and up to $2,500, 3 per cent; and on salaries of $900 and up to $1,500, 2 per cent.

The VICE PRESIDENT. Is there any objection to the present consideration of the resolution?

Mr. SMITH of Michigan. Mr. President, I merely want to say a word about this matter. The purpose of my friend from Mississippi is evidently to distribute the burdens of government generally throughout the country. In that respect his resolution aims at a different situation than the one I have just described, where the people in one city of my State will be penalized nearly $14,000,000 by this proposed deficiency raid upon the industries of the country. I have no objection to the present consideration of the resolution.

Mr. VARDAMAN. I do not think anything in the resolution will penalize the constituents of my good friend the Senator from Michigan. I want to say, Mr. President, in support of the resolution, that I am asking for this information for the purpose of ascertaining just how much would be saved to the Government if the per cent of the salaries mentioned in the resolution should be retained in the Treasury for 12 months. The high cost of living, the depression in business, and the general demoralization of trade throughout the entire country should cause the Congress to hesitate before taking action and to consider carefully what the effect upon the already overburdened taxpayers will be if this additional tax shall be levied.

The Congress has already appropriated more money than it should have appropriated. Little regard has been shown for the Democratic platform promises on the subject of economy. The only possible justification for the large appropriations that have been made to date is that at the time the appropriations were made the country was enjoying an era of unparalleled prosperity. No one anticipated the exigency which has arisen since that time. The war in Europe came as unexpectedly, with all of its horrors and soul-chilling sorrows, as a devastating cyclone from the calm atmosphere of a fleckless sky. But it is not too late for the mistake to be corrected. I think that the appropriations made ought to be cut down just as much as possible, with due regard, of course, for the public service. We all know that a reduction of 10 or 15 per cent in a great many of these enterprises and projects will not materially retard or interfere with the working out and the ultimate completion of the projects.

Of course, each Senator and Representative would like to have his pet project carried to completion. The element of self-interest is always potential in such matters. Many of us felt that way when the rivers and harbors bill was before the Congress; but the emergent condition, the extraordinary situation in which we found ourselves, led us to do the prudent and provident thing of reducing the appropriation something like $35,000,000.

Now, it has been estimated that the deficit in the Treasury will approximate $105,000,000. The reduction in the appropriation for rivers and harbors is nearly one-third of that amount. How easy and simple it would be, how prudent and wise it would be, how greatly it would lighten the burden which now bears so heavily upon the stooped and tired backs of the toilers of this country if we could reduce these appropriations, or, rather, suspend the payment of, say, 10 or 15 per cent of them, and withhold from the officers and employees of the Government a percentage of their salaries for one year in an amount sufficient to save the Treasury from the depletion which this extraordinary war measure is intended to supply.

It has been urged that the officers and employees of the Government do not receive any more salary than they are entitled to and that this reduction would work a hardship upon them. Mr. President, it is not my purpose or desire to reduce their salaries. I do not intend to take from them any more than that

which is paid by other people whose toil supports the Government. The laborer in the field, the mechanic in the shop, the artisan, the factory hand, and all the great army of workers in private enterprises are suffering losses on account of the depression in business. The farmers of the South—those patient, untiring tillers of the soil whose labor feeds and clothes the world, maintains its commerce in time of peace, and fights its battles in time of war; that part of the great army of wealth producers who compose 90 per cent of the constituency that I have the honor to represent in this Chamber—have suffered a temporary loss on account of the war in Europe which amounts to more than 50 per cent of the value of their product. The sacrifice is universal and nation-wide, and each should bear his part uncomplainingly. I believe it is the patriotic duty of every officeholder, from the President down to the man whose salary is as much as $900 a year, to make some concession, suffer some sacrifice, for the good of the Republic.

The plan which I propose, Mr. President, is in the nature of a loan to the Government for 12 months by these servants of the Government. I believe the war in Europe will have ceased its devastations and its cruel ravages will be over within that time, and the normal condition restored. There is one thing certain—we can not afford to put any more tax upon the people.

It may be urged by some that the Constitution prohibits a reduction in the salary of the President and of the judiciary of the country. My answer to that is that this is not a reduction. They will be paid their full salaries, but they will be paid at a time when the Government can make the payment without imposing an additional hardship upon those who are least able at this time to bear it.

I think the man who is so devoid of love of country and patriotism as to object to making this contribution to the Nation's welfare in its hour of stress is not fit to hold a public place, and the good of the service would be promoted by the elimination of such a person from the public service. I believe that the officers and employees of the Government will cheerfully make the sacrifice. I do not believe patriotism is dead. I believe they share the spirit embodied in the immortal lines of England's inspired bard:

No easy hopes or lies
Shall bring us to our goal,
But iron sacrifice
Of body, will, and soul.

There's but one task for all;
For each, one life to give.
Who stands if freedom fall?
Who dies if England live?

Mr. President, I hope the resolution may be adopted. The information sought may open the way to a just and satisfactory solution of the problem which confronts us. I can not consent to further taxation. It is not necessary, and I should feel that I had betrayed the people who commissioned me to represent them in this body if I should with my vote add to the burden of taxation which already presses, oh, so heavily, upon the wealth producers of this country.

In this exigent situation the Democracy has an opportunity to show its devotion to the public interests and its solicitude for the welfare of the individual citizen. To me the proper course is clear. Our duty may lead us to undo some of the things we have done; but we should not hesitate to undo what we have done if in the undoing we best serve the American people. Let us—

Stand to our work and be wise—
Certain of sword and pen;
We are neither children nor gods,
But men in a world of men.

The Senate, by unanimous consent, proceeded to consider the resolution.

Mr. OVERMAN. What is the resolution, Mr. President?

The VICE PRESIDENT. The resolution will be stated.

The Secretary again stated the resolution.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. MARTINE of New Jersey. Mr. President, I am prompted to offer a telegram I have received. I am prompted to do it because of the telegrams presented by the Senator from Michigan regarding the proposed tax on automobiles. My telegram does not refer to automobiles, but it refers to the proposed taxing of gasoline. It reads as follows:

HOBOKEN DEPOT, N. J., *October 2, 1914.*

Hon. J. H. MARTINE,
United States Senate, Washington, D. C.:

Gasoline should not be taxed for manufacturing and technical use. Price too high already. We use it in quantities for dry cleaning.

A. D. EYRE & CO.

My friend from Michigan is standing up for the automobile, and the friend who telegraphs me is standing up for gasoline, so we will have the machine stagnated, butting in at both ends, if this is adopted.

I am opposed to a tax on gasoline, for the use of gasoline is not confined to automobiles, of which my wealthy friend from Michigan is the fortunate possessor. I have none. Gasoline enters into manufacturing. It enters into the operations of almost every farm. A little gasoline engine, costing from $40 to $60, is pulled up alongside of a stack of wheat and does the threshing; it does the pumping, the churning, the wood sawing, and a million other things. So I think gasoline should stand a little better chance before the Senate than automobiles.

While I am not here to tinker with the present tax on automobiles, yet I think an automobile could stand it very well.

I think my friend from Michigan wants to be fair, however. He is a very delightful and companionable and genial gentleman. I love his pugnaciousness. I know he must feel better now, since he has gotten this campaign speech off his mind and out of his system. He will feel better over Sunday on account of it. He could not let the opportunity go by. We are to have an election in a few weeks, and he had to get in his campaign speech about the tariff, claiming that we had instituted a tariff which failed to produce the results anticipated. Of course it did. We did not have war in Europe then. He was not fair enough to tell the Senate that the imports were stifled and shut off through the unfortunate situation that exists abroad. Oh, no; he told you nothing about that, but simply the fact that our tariff had failed to produce revenue. He went on to tell you that when we came into power here the factories were busy, they were humming all over; and yet we had the uncanny and horrible strike in Lawrence, Mass., under your administration and under your infernal system of tariff taxation. We had strikes all around. The Senator does not say anything about that.

We are not the authors of this necessity, however. We did not make this war, and God knows we all wish it might be stayed and stopped. We are not the authors of it in any sense whatever; but it is apparent, and every fair-minded Senator on the other side will admit, that there is a need of revenue for no reason of our own making. We must not put it on automobiles, oh, no, for some multimillionaire who rides in a lavish one might have to pay a dollar or two a year. How is that going to affect you people in Michigan? Not a bit. You are an ingenious, thrifty set of manufacturers and business men up there. Every dollar we put on automobiles you will charge up to the consumer, the man who buys the automobile. Of course the Senator from Michigan, having two, would have to pay a little more than some poor devil who did not have any.

It is also said that we must not put it on whisky. Now, I am in favor of putting it on luxuries—putting it on whisky, on wine, on beer, on tobacco. But we find rebellion at each of these points. The whisky men write me, on lavish letterheads: "Now, don't think of imposing any more tax on whisky. God knows we have burdens enough."

Two or three brewers come from my State and say: "Oh, don't think of putting it on beer, for beer is the poor man's drink." I think it poor at that, but that is their proposition.

Then we come to the wine producers. The wine producers of Ohio say: "Oh, unholy the thought of taxing wine, for our Savior, you know, dealt out wine, and let it be as free as water." My New Jersey friends tell me it will be ruinous to put it on wine. My New York friends, up at Penn Yan and around there, tell me that it will not do to put it on wine there, because they produce those wines.

I come to my southern, warm, genial-hearted, liberal friends who raise tobacco, and they say: "Do not put it on tobacco." "Why?" "Why, it is the poor man's luxury. He smokes tobacco." Then another man from the South says: "Do not put it on tobacco, because we export tobacco, and we are already hard hit on the cotton question. In God's name, do not put it on cotton and do not put it on tobacco."

In all reason, Mr. President, let us be rational and fair over this proposition. If there is any one group of luxuries that it should be put upon, I say it is wine, whisky, beer, and tobacco. I think no fair-minded man could rebel against that, and I believe we can secure quite enough revenue from that source to satisfy the needs of our Government. If, however, it should become necessary to exact even more, I should not hesitate to impose a stamp tax on checks, bonds, mortgages, deeds, and the like. I believe this would be acquiesced in by the mass of our fellow citizens without any dissatisfaction or any rebellion.

As to the automobile proposition, I say that a machine used for commercial purposes—a dray or a vehicle of that kind—might well be exempt; but a luxurious, splendid equipment in

the way of a carriage, such as an automobile is, might fairly and decently and justly have a fair levy of tax.

But I think my friend from Michigan is unjust in his attacks. This horrid financial condition and chaos exists the world over, not here alone. We have weathered the storm, and stand par excellence before the world. The world over, almost to every nation, is in chaos, driven to straits unparalleled and unknown before; and, naturally, as each year advances and as our civilization has gone on nations come closer in touch, and it is not unnatural or unreasonable that we should feel the effects of their strife. But, thank Heaven, we shall weather the storm. The hundred millions of people that make up America, prompted by the holy thought of right and justice, guided and directed to-day by the hand of the President of the United States, Woodrow Wilson, who has but one purpose, and that is justice and fairness to all mankind, will bring us out of this cloud and lift us to a brighter and holier sunshine in the near future that will bless Republican, Democrat, Jew, and Gentile alike.

Mr. SMITH of Michigan. Mr. President, of course I am interested in what the Senator from New Jersey has said about what should be done to remedy the deplorable condition of the American Treasury; but is it true that the commercial and industrial stringency is due to the war in Europe? Let us see about that.

I hold in my hand a letter written by a very prominent North Carolinian under date of July 22, 1914. This was before the war in Europe or any rumors of war in Europe, and this is the way he describes the business situation in his own State:

> As a matter of fact, the cotton-mill business has never been in as bad shape in the last 20 years as it is now.

This was on July 22. He said that his chief "chain of mills had been shut down and would be forced to close later unless there was a change for the better; that unless the Democratic leaders ceased their unjustified attacks on business and gave it a rest the administration in Washington would receive a terrible rebuke from the people."

Further on he says:

> The truth of the matter is that the South did not begin to feel the business depression until the last four or five months, but since then business has been falling off good and strong in all lines. The cotton-mill industry has been struggling along, trying to keep its wheels turning, hoping against hope that there would be a turn in the tide for the better, with the result that every available warehouse is filled with manufactured product; but there is no demand for the goods, and it looks like the month of August will find an enforced closing down of our mills.
>
> I am not sufficiently wise to say where the trouble lies, nor am I fool enough to believe that it just happens that hard times fall under the Democratic administration; so I am forced to the conclusion that the policies of the Wilson administration are largely responsible for the present business depression.

Mr. OVERMAN. Mr. President, will the Senator tell me who that gentleman is?

Mr. SMITH of Michigan. I will tell the Senator whose mills were referred to. I do not know that I am at liberty to give the name of the author of this letter, although I am sure the Senator would know him. The mills to which he refers are the mills of Mr. J. A. Long, of Roxboro. Does the Senator know him?

Mr. OVERMAN. I do. He did not write that letter.

Mr. SMITH of Michigan. Is he an upright man?

Mr. OVERMAN. Yes; but he never wrote that letter. I will wager that J. A. Long never wrote that letter.

Mr. SMITH of Michigan. I will ask the Senator from North Carolina if Mr. Long ever wrote him a letter of similar import?

Mr. OVERMAN. He never did, and I will declare again that I do not think he wrote that letter.

Mr. SMITH of Michigan. I did not say he did.

Mr. OVERMAN. No; of course the Senator did not say he did.

Mr. SMITH of Michigan. But I said it was his mills that were closed.

Mr. OVERMAN. Mr. Long has never said so. I should like to know the gentleman who wrote the letter.

Mr. SMITH of Michigan. Unfortunately, the letter is marked "Personal." I do not know that I am at liberty to give the name of the writer.

Mr. OVERMAN. I would not ask the Senator to give the name under those circumstances.

Mr. SMITH of Michigan. Then, again, it refers very slightingly to some remarks of one of my honored colleagues on the other side of the Chamber, and I do not want that statement to go into the RECORD.

I will say, however, to my distinguished friend from North Carolina who now addresses me that I did not refer to him.

Mr. OVERMAN. I am very glad to hear that, and I will not insist on the name, of course, but I was satisfied that Hon. J. A. Long, one of the leading men in my State and one of the leading cotton-mill men, never wrote that letter. In fact, I know he did not write it, because if he had written it, it would not have been true, and he is an honest man. I want to say to the Senator——

Mr. SMITH of Michigan. Let me ask my friend from North Carolina if he has ever received a letter of similar import from Gen. Julian S. Carr?

Mr. OVERMAN. No, sir; I have not.

Mr. SMITH of Michigan. Do you know Gen. Julian S. Carr to be an honorable, upright man?

Mr. OVERMAN. I know Gen. Carr, and he is an upright and an honorable man.

Mr. SMITH of Michigan. Now, Mr. President——

Mr. OVERMAN. I want to say this——

Mr. SMITH of Michigan. I have reason to believe that the statements made in this letter are true. I was authorized to make use of this information. I have not seen fit to do so except in reply to the very general statement of the Senator from New Jersey [Mr. MARTINE].

Mr. OVERMAN. I want to say to the Senator, if he will permit me further——

Mr. SMITH of Michigan. Certainly.

Mr. OVERMAN. I was down home about that time of the year. I live in a cotton-mill section. The town in which I reside the Senator knows. He has been to my town. He made a very great speech there and impressed our people greatly. They were highly pleased with him and were glad to entertain him and glad to see him there. The Senator knows that I live in that section of the State, and I want to say that when I was there in July I never saw our people as prosperous and as happy as they were at that time. I inquired particularly all around how they were getting on. Everybody said things were prosperous and the people satisfied, and there had not been a better time in the whole history of the State. There was a little cotton mill that was situated in my county that for years had not made any money. I held $500 of the stock. The 1st day of July it paid 6 per cent dividend. That was in my county. I do not know what this gentleman is talking about. He may be a credible and honorable man, and I have no doubt he is, but it may have been that in some of the counties there may have been some bad management in a certain mill.

The Senator talks about J. A. Long's mill. I do not say that mill was not closed down. I do not say he is not telling the truth. It may have been closed at that particular time in order that the hands might take a rest. In July and August frequently the cotton mills shut down for two or three weeks in order to give their employees a rest. They take a picnic and go off on a holiday.

Mr. SMITH of Michigan. I know it is the custom with the mill owners in North Carolina and elsewhere, whenever the times are hard and Democrats are in power, to give their employees a rest, usually at the expense of the workman.

Mr. OVERMAN. No, Mr. President; the time when the Republicans were in power and when the times were very hard was in 1907, when the cotton mills could not sell anything, and even in the most prosperous times, when they paid big dividends, it has been the custom to shut down during the month of July or August. The cotton mills do it in hard times and in the most prosperous times. It is the custom for the cotton mills to shut down two or three weeks to give their employees a little picnic. They demand it and they ought to have it. They go out and visit their friends in the country where they came from, and they give picnics in the country, and sometimes take a band of music with them and have a good time. It may be that a mill will shut down in July for a week or two, but that is not any criterion to go by.

Mr. SMITH of Michigan. This letter does not indicate that it is any picnic that the employees of the cotton mills of North Carolina are enjoying. It indicates that they have not in 20 years been as hard up as they were the four months preceding the war in Europe.

Mr. OVERMAN. I think in 1907 there were no dividends paid by the cotton mills. That is my recollection about it. I know the cotton mills down there have been paying regular dividends during the last year or two years.

Mr. SMITH of Michigan. They were hit pretty hard in the four or five months preceding the European war, but there was nothing to lay it to but Democratic ascendency, and they kept quiet.

Mr. OVERMAN. That is not my information.

Mr. SMITH of Michigan. They were hit pretty hard, and if there is any desire to ascertain the exact situation I have an impression in my mind that somewhere in the North Carolina delegation the Senator from North Carolina can find a letter

detailing this distress from Gen. Julius S. Carr and Mr. J. A. Long, who, in addition to being a prominent mill owner and banker, has been a State senator in that State.

Mr. OVERMAN. Yes; he is one of the most prominent men we have, and one of the best men in the State.

Mr. SMITH of Michigan. He has, I think, protested to certain members of the North Carolina delegation that the assertion that there was any prosperity in the cotton-mill business of North Carolina was an error, and he has carried his protest to Secretary Daniels, also a North Carolinian, the present Secretary of the Navy, and he has written President Wilson and, I think, other prominent officials to the same effect.

Mr. OVERMAN. J. A. Long is a great friend of mine. He has supported me always for the Senate. I think he probably would have written to me if he had written to anybody. He is one of the best friends I have in the State. I have no better friend there.

Mr. SMITH of Michigan. I ask my friend from North Carolina, who is a very frank, manly man, for whom I have the highest respect, if he will look through his correspondence and see if he can not find a letter from Gen. Carr, supplemented by a letter from Mr. Long, dated about the 20th of July, or thereabouts, in which is set forth specifically and in detail the unfortunate business depression in the cotton business of North Carolina.

Mr. OVERMAN. I would remember it if I had such a letter as that.

Mr. SMITH of Michigan. Will the Senator look for it?

Mr. OVERMAN. I will be glad to look for it, but there is no use for me to look.

Mr. SMITH of Michigan. If the Senator finds it, he will do me the courtesy of bringing it here?

Mr. OVERMAN. I will hand it to the Senator. I have files of letters from cotton-mill owners, and if the letter is there the Senator shall have it.

Mr. SMITH of Michigan. I should deplore any difference of opinion between the Senator from North Carolina and myself regarding this matter.

Mr. OVERMAN. There can be no difference between us on a question of fact, but the Senator looks at it from one viewpoint and I from another. I speak from personal knowledge.

Mr. SMITH of Michigan. To say that any industry in North Carolina has prospered under the Underwood-Simmons tariff law and that prosperity prevails throughout the South and did prevail prior to the war in Europe is to make a very bold and, in my judgment, a very questionable assertion.

Mr. OVERMAN. I can only speak as to the mills in my immediate section. Of course, if he wrote such a letter he believed what he wrote to be true, if the Senator has such a letter.

Mr. SMITH of Michigan. The distinguished gentlemen are not responsible for my statement. I have no letters from them, but I was informed that certain distinguished representatives from North Carolina did receive some letters of this character.

Mr. OVERMAN. I can not answer for anybody but myself, of course.

Mr. SMITH of Michigan. I hope the Senator will be able to find the letter and that the Senate may know its contents.

Mr. SMOOT. I will say to the Senator from Michigan that this question arose at the time the senior Senator from North Carolina [Mr. SIMMONS] made the statement that every mill in North Carolina was running full and that they were never more prosperous in the world than they were at that time. That happened in a discussion in the Senate.

Mr. OVERMAN. I was not present then.

Mr. SMOOT. At the time I called the attention of the senior Senator from North Carolina to the fact that certain letters had been put in the RECORD in the House showing that that was not the case. After that, I want to say to the junior Senator from North Carolina, I received a number of letters from cotton manufacturers of the South along the line just mentioned by the Senator from Michigan.

Mr. OVERMAN. Did the Senator receive any from my State?

Mr. SMOOT. They were all from North Carolina, because they were in answer to what had been said in that discussion.

Mr. OVERMAN. How many letters did the Senator get from North Carolina?

Mr. SMOOT. Some four or five.

Mr. OVERMAN. Will the Senator show them to me?

Mr. SMOOT. I will be glad to show them to the Senator.

Mr. SMITH of Michigan. Mr. President, I am not going to prolong the discussion. I feel that when the Senator from North Carolina has looked through his mail carefully he will be able to find some correspondence which will bear out the statement which I have made, that the business conditions in North Carolina were deplorable before the European war began, and that that condition was due entirely to the enactment of a free-trade customs bill, for which his party is responsible.

Mr. OVERMAN. I know the Senator is very candid, and when he makes the statement he must have some information to the effect that I have such a letter. Why does the Senator state that I have such a letter in my files?

Mr. SMITH of Michigan. Because I have been so advised.

Mr. OVERMAN. If I have received such a letter, I will look it up, and I will put it in the RECORD.

Mr. SMITH of Michigan. I am informed the Senator was fully advised regarding these deplorable conditions.

Mr. OVERMAN. No; the Senator was not.

Mr. SMITH of Michigan. The Senator gets so much mail this letter may have escaped his attention.

Mr. OVERMAN. I have no recollection of it; but if I have it, the Senator shall have it.

Mr. SMITH of Michigan. I am obliged to the Senator.

FORTIFICATION OF SWEET WINES.

Mr. POMERENE. Mr. President, I send to the desk the following resolution, and ask unanimous consent for its present consideration.

The VICE PRESIDENT. The Secretary will read the resolution.

The Secretary read the resolution (S. Res. 461), as follows:

Resolved, That the Secretary of the Treasury be directed to send to the Senate a statement containing the names and addresses of the manufacturers of sweet wine who use wine spirits or grape brandy in the fortification of sweet wines, together with the number of gallons of wine spirits or grape brandy used by each of said manufacturers in said process of fortification for the fiscal year ending June 30, 1914.

Also a statement showing the amount of revenue received by the Government during said period from said wine spirits or grape brandy, and the amount of revenue the Government would have received provided the wine spirits or grape brandy so used had been charged for at the rate of $1.10 per gallon, which is the tax other users thereof are required to pay therefor.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. CULBERSON. I will not object if it does not displace the unfinished business.

The VICE PRESIDENT. The Chair has already ruled that if the unfinished business shall be taken up before the conclusion of this legislative day it still remains the unfinished business. If anything shall be taken up and the Senate shall adjourn during the consideration of that pending question, that would become the unfinished business.

Mr. CULBERSON. I desire to give notice that I shall object to any other resolution or anything that shall take the Senate away from the consideration of the unfinished business after this is disposed of.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. TOWNSEND. Mr. President, I can not quite understand the solicitude of the Senator from Texas over the displacement of the unfinished business. There is no disposition in the Senate to displace that business, and it can be put back upon motion at any time; the Senate would indorse it.

I have no objection to the resolution offered by the junior Senator from Ohio. I think it is entirely proper. I myself presented a resolution yesterday, which the senior Senator from Texas objected to, as he informed me, because of the absence of the chairman of the Committee on Post Offices and Post Roads. I spoke to the chairman of that committee, who does not happen to be present now, and he said he has no objection to it. That resolution can lead to no debate. It is simply a request for information which I regard of considerable importance, and I should like very much to have that resolution adopted, in order that the information can be prepared and submitted to the Senate for purposes entirely proper; it is information which the Senate is entitled to receive.

I should like to have the Senator from Texas withdraw the statement he made that he will object to anything further along this line, and that my resolution may also be considered.

Mr. CULBERSON. There are two or three Senators present in the Chamber ready to speak on the unfinished business. We have been in session since 12 o'clock, for an hour and a quarter, listening to matters foreign to the unfinished business, and I must insist on the regular order after the pending resolution is adopted.

The VICE PRESIDENT. Is there objection to the request for the consideration of the resolution offered by the Senator from Ohio? The Chair hears none. The question is on agreeing to the resolution.

The resolution was agreed to.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the joint resolution (H. J. Res. 361) to correct certain errors in H. R. 12045, H. R. 12914, H. R. 13542, H. R. 14234, H. R. 14738, H. R. 15692, and H. R. 16294, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED.

The message also announced that the Speaker of the House had signed the enrolled bill (S. 6440) to authorize the Chicago, Milwaukee & St. Paul Railway Co. and the Chicago, St. Paul, Minneapolis & Omaha Railway Co. to construct a bridge across the Mississippi River at St. Paul, Minn., and it was thereupon signed by the Vice President.

HOUSE JOINT RESOLUTION REFERRED.

H. J. Res. 361. Joint resolution to correct certain errors in H. R. 12045, H. R. 12914, H. R. 13542, H. R. 14234, H. R. 14738, H. R. 15692, and H. R. 16294 was read twice by its title and referred to the Committee on Pensions.

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses upon the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. JONES. Mr. President, after the election two years ago I announced publicly that I proposed to do everything that I possibly could to make this administration a success. I believed in the integrity of purpose and the lofty patriotism of the President and of the purposes of the Democratic Party to legislate for the best interest of the country as they saw it, and I announced that every measure which appealed to my judgment as a good measure would have my support. I have tried to follow that course during the last 18 months. I have supported quite a number of measures proposed by the administration. Those that did not appeal to me I opposed. I expect to continue that course.

I hoped to be able to support the present bill known as the Clayton bill. I voted for the measure when it passed the Senate. I do not consider it in any sense a party measure. It, to my mind, has no element of partisanship in it, or at least it should have none. I voted for the measure when it came up in the Senate for reasons that have been given already by several of the speakers. I was not satisfied with it. I voted for it with very great reluctance. Many good things—that is, to my mind—were left out of it. Some good things were put in it. Some things that I was in favor of were not put in it, but I voted for the measure, hoping that when it went to conference the good provisions that we put out would be put back, and the good things that we put in would be left in it—the bad omitted—and that we would get a good measure.

What I had hoped, to my mind has not been done. The good things that we cut out have not been restored. Many of the good things that we put in have been left out, and some bad things that we cut out have been restored. So I find that it is impossible for me to vote for the conference report.

This measure also, in my judgment, violates the Democratic platform and gives the lie to their campaign of denunciation. That is not a reason for my voting against it, however. This feature of it was pointed out very clearly on yesterday by the Senator from Nebraska [Mr. NORRIS]. He called attention to the declarations of the Democratic platform denouncing the Republican administration for not enforcing the criminal features of the Sherman law, and yet in this conference report the criminal provisions have been eliminated entirely, so that it will not be a question of the enforcement of the criminal provisions of the law, but it is a question of eliminating those provisions.

Mr. OVERMAN. Will the Senator yield to me?

The PRESIDING OFFICER (Mr. ASHURST in the chair). Does the Senator from Washington yield to the Senator from North Carolina?

Mr. JONES. Yes; although——

Mr. OVERMAN. I know the Senator does not mean to be unfair in his statement; but it is not true, and I want to set him right. The Senator was talking about the Sherman law and said all the penalties had been extracted from it.

Mr. JONES. Oh, no; not the penalties extracted from that law, but I said that the penalties were extracted from the Clayton bill. I say that we cut out a great many good things that I hoped would come back in conference.

Mr. OVERMAN. I simply wanted to correct the Senator, because I understood the Senator to say that the conference report had stricken out the penalties of the Sherman antitrust law.

Mr. JONES. No; I am very glad, if the Senator understood me that way, that he interrupted me, because I did not intend that at all.

In my judgment the conference report, if enacted into law, will multiply litigation, render uncertain the Sherman law, and furnish a harbor of refuge to those interests seeking to hamper and destroy honest competition and honest business.

I do not know as to the invisible government, to which the junior Senator from Minnesota so eloquently and impressively refers; but I do know that somewhere, somehow, something controls and directs legislation as never before for the benefit and protection of those elements in our national life against which the country and political parties have been crying out.

I agree fully with the Senator in his eloquent and earnest plea against one-man power and for independence in legislative action. I am not sure but that I agree with him that the President does not know the effect of this legislation as proposed in this conference report. I do believe, however, that the President can be justly criticized for assuming to know what is in it and putting the seal of his approval upon it before it is considered and discussed in the legislative branch. Never in the history of the country have such legislative methods been pursued as during this Congress. Legislative measures of the greatest importance have been prepared in secret and in a partisan way and then submitted to the Executive. They are then bottled and sealed with the Executive approval and passed through another body, which I must not mention here, under "gag" rule and without opportunity for amendment and presented to us in the original package. This legislation has taken that very course. It had the approval of the President when it passed another body. It was amended here. Some good things were taken out; some good things were put in. The bill went to conference. Many good things were taken out; others were left out; and some bad things were inserted. It was then submitted to the President, bottled up and sealed with his approval, and presented here for action. The trouble with these methods is that approval is given to proposed legislation before discussion instead of after discussion. If the discussion of this conference report could have been had before the Executive approval, I have so much confidence in the President as to believe that he would not approve it. For not taking this course he is justly subject to severe criticism. It is well enough for the President, as the leader of his party, to point out the objectionable features of pending legislation that may come to his attention, but as President of the United States he should not approve proposed legislation in its details before consideration, discussion, and action by the legislative branch of the Government.

The Executive fiat, "This is good legislation," will not satisfy the people, especially when such legislation is condemned by men whose honesty and integrity can not be questioned and who have given the best years of their lives to the study of the questions involved. Good intentions and honest purposes will not excuse the perpetration of such a fraud upon the people and honest business as this legislation will be. Its specific defects have been so fully and clearly pointed out that I am not going to take the time of the Senate further, but shall proceed to consider briefly some other matters to which I desire to refer.

Mr. President, this administration is nearly half over. Congress has been in continuous session for more than 16 months. When we adjourn, if we ever do, the President, in classical diction and elegant phrase, will felicitate the people upon the things done by his party and assure them of the great benefits that have come and will come to them through the laws passed. The mind treatment will be given. The laws passed will be declared good, and this will be held sufficient, no matter what the effects may really be. The jobless man, the marketless farmer, and the bankrupt business man will be told in all seriousness that they are only in a "psychological" state and to be of good cheer; all is well.

When the people voted for a change they expected something better than they were then enjoying. What has been the result? What has been done? What promises have been fulfilled? Who has received any real benefit? What ills have been cured? Has suffering been relieved? Have those who really needed help been helped? To whom has come relief from the high cost of living? Has more employment come to labor? Have better wages been paid? Is the farmer's home more comfortable? Has he a better market, and does he receive better prices for his products? Are we better governed? Has economy been practiced? Have useless offices been lopped off? Has merit been better rewarded? Have crimes been more swiftly and surely punished? Has justice been meted out more certainly and equitably? Are conditions better than they were? Are they, in fact, as good as they were before the change? The

answers to almost if not all of these questions come from each one's actual experience or are within the knowledge of all, and from them will come the people's verdict.

The administration says, "We have done well." Self-commendation is easy, but it is not convincing or conclusive. Let us look at the record. What has been done and its results, actual or probable, will determine whether all is well or not. The last administration was charged with violating its platform promises, although no President insisted more strenuously upon the fulfillment of platform promises than Mr. Wilson's predecessor, and the last Democratic platform closed in these words:

Our pledges are made to be kept when in office as well as relied upon during the campaign.

On August 15, 1912, during the campaign, the President said:

Our platform is not molasses to catch flies. It means business; it means what it says. It is the utterance of earnest and honest men who intend to do business along those lines and who are not waiting to see whether they can catch votes with those promises before they determine whether they are going to act upon them or not * * * and they who talk one way and vote another are going to be retired to a very quiet and private retreat.

These were brave words. They have the right ring. They were no doubt uttered honestly and sincerely. The people relied upon them and had a right to do so, but if they have been mere words, if the deeds done do not square with them, then the people will be fully justified in retiring the Democratic Party "to a very quiet and private retreat."

You promised to revise the tariff, and you have done it; but you promised that in revising it you would not hurt or injure any legitimate industry, and that you would increase prosperity, destroy the trusts, and reduce the cost of living. Not one of these benefits has come from your revision, and, to be fair, I shall have in mind and apply my statements to the period before the commencement of the war in Europe and the abnormal conditions which that has brought about. Your tariff policy had been in effect long enough when that broke out to show what it would do and teach the people what they might expect from it. It helped no one except the importer and the foreigner who was selling more freely in our markets. You added nothing to the worker's wage, nor did you decrease the cost of his necessities. Many were deprived of work, and their ability to purchase the necessaries of life was diminished. You brought no better prices to the farmer for his products, but in many instances they were actually reduced. His markets were diminished by curtailment abroad and by foreign competition at home. Merchants saw their sales decrease and their profits vanish. Railroads lost their business, were threatened with receiverships, and sought permission from the Interstate Commerce Commission to increase their freight charges in order to avert industrial disaster. According to the Bureau of Railway Economics, the operating income of 35 eastern railways for the fiscal year ended June 30, 1914—long before any war was thought of—was $74,002,581 less than for 1913. What was the matter? Lack of business. Imports of foreign goods and farm products steadily increased and exports steadily decreased.

During the first seven months of the year 1914 our imports under the Underwood tariff law were $122,445,540 more than for the corresponding period in 1913 under the Payne tariff law. Much of these imports could have been produced here by our labor and from our resources, and by reason of their importation American labor and American products were displaced. During the same seven months in 1914 we exported $126,347,697 less of our goods than for the same period in 1913. In other words, our home market was invaded by foreign goods, and at the same time we lost much of our foreign market. There was a total loss under the Democratic tariff in our foreign trade—before the war, mark you—of $248,793,237, compared with a similar period under a Republican tariff, notwithstanding its alleged imperfections. No wonder industry was halting; no wonder business was depressed; no wonder labor was idle prior to the outbreak of the war. It follows as the night follows the day that you can not purchase the products of foreign labor and foreign farms without injury to your own labor and your own farmers. And it takes no great degree of intelligence to know that if our sales abroad decrease it must bring injury to our laborers and producers. Government revenues decreased over $32,000,000 in our customs receipts before the war interfered with normal conditions. The customs receipts for the last nine months of the Payne tariff law were $238,730,196.45, and for the first nine months of the Underwood law $206,533,913.18, or a decrease of $32,196,283.27. With revenues decreasing and appropriations increasing with peace throughout the world, no wonder we must begin to tax the people directly to run the Government. These are the results of your tariff revision. It is no prophecy, but a fair statement of the facts known to all. These conditions are not what you promised; they are not what the people expected and not what they desired, and, in my judgment, they will change the law under and by which they were brought about at the very first opportunity.

Your platform expressed regret that court decisions had deprived the Sherman law of most of its efficiency, but you have done nothing in your much-heralded antitrust measures to amend or strengthen it. You have now concluded that the law is strong and efficient, and you have tried only to supplement it, and have done that very weakly and imperfectly. You have been careful to declare that nothing in the laws passed shall be construed to affect or impair the Sherman law. And yet, Mr. President, the conference report that we have now before us will, in my judgment, if adopted, weaken the Sherman law and make its application and meaning hereafter uncertain, only to be determined at the end of years of litigation.

Your platform declared for an amendment to the Constitution limiting the President to one term and pledged your candidate to this principle. A resolution for such an amendment passed a Republican Senate last Congress, but neither you nor your President has done a single thing toward fulfilling that promise.

Your platform denounced the appropriations made by the Republicans as lavish, and demanded a return to simplicity and economy. You have not only failed to keep that pledge, but you have not tried to keep it, and the appropriations made by this Congress will exceed by many millions those of any other Congress in the history of the Republic, while many urgent Government needs have been neglected and the estimates of the departments urged as absolutely necessary have been arbitrarily rejected while needless and unnecessary appropriations have been made.

As just one example, Mr. President, I want to state here that the Department of Commerce urged the very great necessity of a $30,000 appropriation for a drag in the waters of Alaska in order to protect life and property from the dangers that exist in some of those channels of trade. That was denied, and yet we appropriated without a murmur over $400,000 to secure additional land for the public-building site in the city of Richmond.

The fiscal year ending June 30, 1912, was the last year appropriated for by a Congress and administration wholly Republican, and, exclusive of the river and harbor bill, the appropriations amounted to $995,799,462.72, while for the fiscal year ending June 30, 1915, notwithstanding your denunciation of the Republicans and your promises of economy, you have already appropriated, exclusive of the river and harbor bill, $1,089,408,777.26, and more to follow.

With pension appropriations decreased by $11,500,000 by reason of the decrease in the number of the Nation's defenders, with appropriations for the Panama Canal much less by reason of the completion of that great work, still the appropriations by this Democratic administration exceed that last made when the Republicans were in full control by over $100,000,000, and a river and harbor bill and other appropriations are still to follow. With a decrease of over $32,000,000 in customs revenues during the nine months following the passage of the Underwood tariff law, and a probable increase of $150,000,000 in the annual appropriations, it is no wonder that $100,000,000 additional taxes must be collected from the people. This or an issue of bonds was inevitable without any war in Europe, and demonstrates the incapacity of the Democratic Party to administer this Government in the interest of the people.

Your platform demanded a reduction in useless offices with salaries that drain the substance of the people. You not only find no useless offices, but you have created a multitude of new ones. Salaries have been increased, and the legislation you have passed will require an army of officials, spies, sleuths, inspectors, and Government agents, who must be supported at the people's expense. No Congress in the history of the Republic has created so many new offices as this one.

Your platform promised a wise, systematic, and comprehensive system for the improvement of the waterways of the country, but in whatever you have done you have followed the old system in a much worse form than ever before, and the bill you have presented is more vicious than any of its predecessors.

As a confession of your incapacity you propose to place $20,000,000 in the hands of the Secretary of War to distribute as he sees fit under the stress of the great political pressure that will be brought to bear upon him, and such a measure has been passed.

Your platform promised to foster the growth of the merchant marine, but your administration refuses to enforce the little step taken by Congress in the tariff law for this purpose, and you have deprived our merchant marine of any advantages that

should have come to it from the building of the Panama Canal. Your emergency legislation is a mere makeshift and liable to involve us in trouble with warring nations.

Your platform approved and pledged you to the civil-service system, to the end that merit and ability shall be the standard for appointment. You have attacked that system at every opportunity. Deputy marshals, income-tax collectors, commercial attachés, and other Government officials have been by law expressly exempted from the operation of the civil service, and a determined effort has been made to exempt all post-office employees, in order that this great service might be made the prey of politics and the spoils system.

Your platform pledged the people of Alaska and the District of Columbia that their offices should be filled by bona fide residents. This promise has been repeatedly and flagrantly violated.

Admitting the misuse of delegated power a wrong, you have surrendered to the secret caucus, adopted and practiced alleged Cannonism in its worst form, stifled individual opinion, forsaken independent representative action, and followed grudgingly, but nevertheless fully and submissively, the Executive will and mandate rather than the people you were selected to represent, and enforced it by "gag" rules, adopted more frequently than by all the preceding Congresses.

Your platform declared that every American citizen residing or having property in a foreign country must be given the full protection of the United States Government, and that his constitutional rights should go with him and protect him throughout the world, but you have seen American citizens wantonly murdered and their property destroyed, and the only relief suggested to those surviving was to leave their homes and their property and come back to the country that apparently could afford no protection to its citizens beyond its borders.

Your platform promised that coastwise ships should go through the Panama Canal free from tolls, but you expressly repudiated that promise, and at the instance of the transcontinental railroad lines and to secure the good will of nations having no cause of complaint against us, you repealed the law which a preceding Congress had enacted, and proclaimed to the world our national perfidy and dishonor.

This, Mr. President, is a part of your record when in office on the platform that was not "molasses to catch flies."

For 20 years the Democratic Party has been the special friend of the farmer. It has sought his favor and support, bewailed his hard lot, assured him of the beneficence of its policies, and denounced the Republican Party as his enemy and oppressor. In the last campaign it appealed to the farmer most effectively from the stump and by positive and specific platform promises. The object of special solicitude then, the farmer has been its special victim of attack and neglect. This is no idle statement. It is an indisputable fact. It was sought to reduce the cost of living. How? Avowedly by reducing the price of the farmer's products. The Simmons-Underwood tariff law ruthlessly neglected and sacrificed his interests. While a moderate reduction was made on manufactured products in the hope of preserving industry, the whole tariff was taken off many of the products of the farm regardless of effects. He was told to "root, hog, or die." When he had just reached the point where he could see a fair return for his toil and effort and risk competition was encouraged from Belgium, Canada, Argentina, Australia, Germany, China, and other countries, and under the normal workings of that tariff law up to the first of last August and before the war the prices for his hay, butter, potatoes, wheat, corn, oats, barley, hogs, cattle, sheep, horses, beets, eggs, poultry, and other products had been held down or greatly reduced by competition from other countries, and he read in the figures of imports of farm products longer hours of toil for himself, diminished markets for his products, and fewer comforts for himself and family. The Democrats always told him that the tariff gave him no protection. When he sees corn from Argentina, potatoes from Bermuda, barley, oats, and wheat from Canada, eggs from China, dairy products from New Zealand, Australia, and Belgium, and other farm products from these and other countries coming in now when they never did before and in such quantities as never before, he knows that the tariff did and does protect him directly as well as indirectly.

In this connection I saw in an editorial in the Washington Post this morning the following statement of imports of farm products:

> Compared with 1913, when the Payne-Aldrich law was in effect, the increases in imports for the 11 months of the fiscal year 1914 were as follows: Cattle, $11,968,347; corn, $9,774,179; oats, $7,984,053; meat and dairy products, $30,453,388; vegetables, $4,791,525; wool, $30,136,171; and wheat $1,473,040.
>
> Those figures support in detail the general statements I have just made.

In the campaign the free use of the Panama Canal by our coastwise shipping was held out as a great boon to the farmer. He was told it would bring him cheaper transportation, and of course that would be a substantial benefit. President Wilson, in one of his speeches, referring to this matter, said:

> We do not want the railroads to compete with themselves, because we understand that kind of competition. We want water carriage to compete with land carriage, so as to be perfectly sure that you—farmers—are going to get better rates around the canal than you would across the continent. * * * and what I am most desirous to see is the farmers of the country coming forward as partners in the great national undertaking. * * * Everything that is done in the interest of cheap transportation is done directly for the farmer as well as for other men.

Mr. Wilson was right in his campaign. A free and unfettered waterway would be of great benefit to the farmers whose products must be hauled by land as well as by water. It would mean lower freight rates by rail as well as by ship. Stump speeches and platform promises were forgotten and the repeal of the toll-exemption provision was ordered. Congress obeyed, and the canal instead of being an unfettered competitor of the railroads was burdened in their interest. Transcontinental railroads have been protected at the expense of the farmer and other producers of the country, and the Panama Canal instead of being a regulator of freight rates has been made an instrument by which the railroads of the country will increase the burden of taxation not only upon the farmer but upon all the people.

The farmer's produce is carried to market largely by the railroads. An increase in the freight rates increases his burden. The railroads of a large section of the country a short time ago sought permission of the Interstate Commerce Commission to raise their rates. Pressure from every source was brought to bear to bring this about. An early decision was urged so that if the increase was granted it would be imposed upon the large crop of the present year. What was the attitude of the President? Was he for the farmers and producers of the country or was he for permitting the railroads to increase the taxes upon the people? The press of the country, under date of June 1, carried an account of the general weekly meeting of the correspondents with the President, at which he talks freely with them, and in it this statement was made:

> President Wilson indicated to-day that he would not be dissatisfied if the Interstate Commerce Commission allowed the railroads the 5 per cent freight rate increase they are seeking. * * * Mr. Wilson left no doubt in the minds of those who talked to him that he was in favor of the increase.

And, Mr. President, this occurred long before the war was ever thought of.

This was not the treatment the farmers had a right to expect from a Democratic administration. Instead of an increase in railroad rates, if any change were to be made, they had a right to expect a decrease. In its platform the Democratic Party said:

> We favor legislation which will assure such reductions in transportation rates as conditions will permit.

Of course this did not promise reductions, but this was the impression it was intended to convey, and the times and conditions then under Republican policies would warrant a decrease rather than an increase, and it was only after a Democratic administration was assured that conditions began to change so as to threaten the railroads with the necessity for an increase. All lines of business had become depressed, and it was hardly fair that the railroads should be permitted to shift their burden entirely upon the farmers and the rest of the people. Efforts have not ceased to secure this raise. War has come across the water. The distress that had come to the railroads prior to June 30 may be aggravated as is the distress in other lines of business. They are taking advantage of the situation. A few days ago several railroad officials called on the President. They impressed him with their need. He wrote a letter expressing his sympathy and now, armed with this, they have applied to the Interstate Commerce Commission for a rehearing. And this administration, pledged to the people's interest, seems to be willing that when all industries are depressed the railroads may insure their prosperity by taxing the people by increasing freight rates. Surely farmers and business men did not expect this when they voted the Democratic ticket two years ago. Nor can this situation be blamed to the war. It was on us before, and is the result of Democratic legislation.

Special hope was held out to the farmers in the last campaign by the Democratic Party in a matter of great consequence to the farmers. One of his great needs is long-time loans at a low rate of interest. Systems of rural credit have been adopted in other countries that have resulted in great good, and our

farmers were getting interested in that subject. Recognizing this the Democratic Party said in its platform:

Of equal importance with the question of currency reform is the question of rural credits or agricultural finance.

And the President, in his message of December 2, 1913, said, in addressing Congress:

I present to you in addition the urgent necessity that special provision be made also for facilitating the credits needed by the farmers of the country. * * * What they need and should obtain is legislation which will make their own abundant and substantial credit resources available as a foundation for joint, concerted local action in their own behalf in getting the capital they must use. It is to this we should now address ourselves. * * * We must add the means by which the farmer may make his credit constantly and easily available, and command when he will the capital by which to support and expand his business. We lag behind many other great countries of the modern world in attempting to do this. Systems of rural credit have been studied and developed on the other side of the water while we left our farmers to shift for themselves in the ordinary money market. You have but to look about you in any rural district to see the result, the handicap and embarrassment which have been put upon those who produce our food.

Legislation of this kind would be of real substantial benefit to the farmers, collectively and individually. The currency act was passed. What has been done on this question "of equal importance with the question of currency reform"? Under a Republican President a commission was appointed to go to Europe and study the systems and conditions there. It made its investigation and submitted its report. All the data necessary for the solution of the question were available. If the Republicans had continued in control, the question would have been taken up and legislation worked out. Nothing has been done. Why was this question not settled in the currency act? That would have been the time to take it up. When we were caring for the bankers it would have been well to help the farmers. Nothing was done except to permit the banker to loan money to the farmer on his real estate at a high rate of interest. Nothing more was done because the President opposed it. He did not want a rural-credit provision put in the currency act, and assured Members of the House, through Representative UNDERWOOD, that if it were not put in this bill he would do all in his power to have it passed this session, pursuant to the platform promise. After the passage of the currency act the Democratic members of the House and Senate committees got together, held hearings, considered the report of the commission, and agreed upon a bill which it was hoped would establish a rural-credit system under which the resources of the farmers might be made available for improvement and development. Did the President favor its passage? Did he urge early action? Did he use in behalf of the farmer the great power which he has so freely used in behalf of finance and big business? Not at all. He killed the bill. The bill prepared and introduced on behalf of the subcommittee did not suit him, and the Democratic caucus, which has been the pliant instrument to insure the execution of the Executive will, rejected this as a part of the legislative program.

In the Washington Post of May 13 appeared an article headed:

House under whip—Caucus heeds the President and writes program—Antitrust bill dominant—Prohibition and woman suffrage barred for this session—Representative RAGSDALE charges Chief Executive with bad faith in refusing to accept rural-credits legislation on schedule—Meeting is one of stormiest ever seen in Capitol—UNDERWOOD promises to bring in gag rules—Democrats of the House in caucus last night, at the bidding of the President, adopted a program for the rest of the session which practically obligates them to devote their time exclusively to antitrust legislation and the annual appropriation bills.

In this article was the following:

RAGSDALE ASSAILS PRESIDENT.

While many individual Democrats sought to be heard last night, the most obstreperous of all was Representative RAGSDALE, a member of the Banking and Currency Committee, who had his heart set on rural-credits legislation at this session. He made an impassioned speech, in which he said the President had refused to accept the rural-credits bill because the subcommittee of the Banking and Currency Committee would not draft it according to the President's dictation. The President, he said, demanded the withdrawal of all governmental aid from rural-credit banks and the subcommittee insisted upon the Government sponsoring the banks.

"The President would not include the bill in the program because the subcommittee did not do his bidding," said Mr. RAGSDALE. "We were promised when the currency bill passed that rural-credits legislation would be put through at this session. The farmer has lost out, as I expected."

The press at this time was full of similar reports, and there is no question that the foregoing is a correct statement of the situation. The bill was shelved. No further attempts were made to pass it. The legislation was dropped and another plank in the platform that was not "molasses to catch flies" was disregarded after it had served its purpose. If the President had said the word, it would have been taken up, considered, amended, put in proper shape, and passed. Every effort is made to aid "big business," to remove its fears, dispel its dangers, and tide it over feared and threatened troubles by emergency measures passed under whip and spur, but no relief, no assistance is given to the farmer. He must be satisfied with the "psychological" treatment.

The farmer is interested in good roads. Their importance is more and more realized. They would be of substantial benefit to every consumer and every producer. Money spent by which larger loads can be hauled to or from market at greater speed means money in the pockets of the men who do more than any others in the production of the wealth of the country and in supplying its necessities. It means more schoolhouses, better churches, more comfortable homes, and more contented and patriotic citizens. The Democrats recognized the sentiment for good roads, and in their platform promised national aid in the improvement and maintenance of the post roads of the country. An 18 months' session of Congress is about to close, and no relief is in sight. No message has come urging this important matter. It is no part of the program. A bill did pass the House, a sort of makeshift, and went to the Senate committee. That committee reported only a short time ago and presents an entirely new proposition, one permitting the States to borrow money and expend it for good roads. Whatever the merits of this proposition, it is plain that nothing is to be done. No attempt is being made to pass it this session, and it will be easy to kill it next session. What reason is given for not enacting some legislation of this kind? Some of the friends of the President who are interested in this legislation have been told that there is no money. That is the plea offered to many meritorious measures, while others neither urgent nor necessary are passed.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Colorado?

Mr. JONES. I do not like to refuse to yield, but I should really prefer to conclude these remarks.

Mr. THOMAS. I merely wish to say this: The Senator has just given us the comforting assurance that after an 18 months' session the Senate is about to adjourn. I am delighted to hear that statement, and I could not forbear interrupting to ask the basis of it.

Mr. JONES. The Senator evidently was not here when I began, because I said "when we adjourn, if we ever do"; I have no assurance about it.

The people want economy, but they do not count that economy which by withholding a few thousands imposes a burden of hundreds of thousands. Again, the farmer sees a platform promise made in his interest neglected and disregarded. A Republican Congress will take the reports of the commission of the Sixty-second Congress and work out this problem for the benefit of all.

What has this administration done for the farmers? Nothing; but it has done much to them, as they all know. A mere "sop" was thrown to them in the Clayton Act when it was declared that the existence of agricultural organizations for mutual help and not for profit and lawfully acting to carry out its legitimate objects should not be held or construed to be contrary to the Sherman law. The farmers never asked any such declaration. They did not need it, and they will not be fooled by it. It was the law before the act was passed, and no court ever has held or would hold otherwise.

There is a strong feeling among our people that our immigration laws should be made much more stringent. While we sympathize with the poor and needy of every land, we must look to our own preservation and the preservation of our own institutions and ideals, and, as a matter of self-defense, we must protect ourselves from those of other nations whose mode of living, aspirations, ideas of government, ideals, and beliefs are inimical to those which have made us great. While recognizing that ignorance is not necessarily a badge of dishonesty, viciousness, or undesirability, our people are satisfied that on the whole the higher the average of education and intelligence of our people the better for their happiness, stability, and progress. Our farmers and our laborers especially have strongly urged the passage of more stringent immigration laws. In the Sixty-second Congress a bill was passed meeting the sentiment of the country, but it was vetoed by the President, and became quite an issue in the campaign of 1912. It was thought the views of Mr. Wilson were certain and well known. In his History of the American People, volume 5, page 212, he says:

The census of 1890 showed the population of the country increased to 62,622,250, an addition of 12,456,467 within the decade. Immigrants poured steadily in as before, but with an alteration of stock which students of affairs marked with uneasiness. Throughout the century men of the sturdy stocks of the north of Europe had made up the main strain of foreign blood which was every year added to the vital working force of the country, or else men of the Latin-Gallic stocks of France and northern Italy; but now there came multitudes of men of the lowest class from the south of Italy and men of the meaner sort

out of Hungary and Poland—men out of the ranks where there was neither skill nor energy nor any initiative of quick intelligence—and they came in numbers which increased from year to year, as if the countries of the south of Europe were disburdening themselves of the more sordid and hapless elements of their population, the men whose standards of life and of work were such as American workmen had never dreamed of hitherto. The people of the Pacific coast had clamored these many years against the admission of immigrants out of China, and in May, 1892, got at last what they wanted—a Federal statute which practically excluded from the United States all Chinese who had not already acquired the right of residence; and yet the Chinese were more to be desired, as workmen, if not as citizens, than most of the coarse crew that came crowding in every year at the eastern ports.

On September 5, 1912, after his nomination for the Presidency, he is reported in the papers to have said, in an address before the Association of Foreign Language Newspapers in New York City, September 4:

I am speaking to you as also Americans with myself, and just as much American as myself, and if we all take the American point of view, namely, that we want American life kept to its standards, and that only the standards of American life shall be standards of restriction then we are all upon a common ground, not of those who criticize immigration, but those who declare themselves Americans. * * * Of course, if the immigrants are allowed to come in uninstructed hosts and to stop at the ports where they enter and there to compete in an oversupplied labor market, there is going to be unhappiness; there is going to be deterioration; there is going to be everything that will be detrimental to the immigrant.

From these statements the people had a right to believe that the President was in sympathy with the sentiment of the country and with the bill which had passed Congress and which the Immigration Commission and practically every disinterested and thoughtful student of the question believed would accomplish the very result which he says should be accomplished by restriction and without injury to any specially deserving people. What is his attitude now? A bill passed the House and came to the Senate and was referred to a committee which, after much delay, reported it favorably. Rumors were heard and statements made from time to time that the President was opposed to the bill and that it would not become a law. The Washington Post on February 17 contained an article headed:

WILSON TO VETO IT—HE DOOMS THE LITERACY TEST IN AN IMMIGRATION LAW, BUT CONGRESS GOES AHEAD.

The article says:

President Wilson will veto the Burnett immigration bill if it comes to him for signature with the so-called literacy test contained in it. * * * Prospects are that the bill will pass the Senate as reported from the committee, but the measure never will become law, according to close friends of the President.

The Boston Transcript has an article in its issue of February 17, relating to the immigration bill, in which it is said:

Prospects are that the bill will pass the Senate as reported from the committee, but the measure never will become law, according to close friends of the President.

Other newspaper statements of the same date could be quoted to the same effect, and it has been suggested in several articles that the Democrats in Congress have been urging other legislation to prevent a vote on the immigration bill.

The New York Tribune of June 8 had a dispatch under a Washington date line of June 7, as follows:

The haste with which the Democratic members of the Interstate Commerce Committee launched the administration antitrust legislation in the Senate by reporting the bill for a trade commission has led to the suspicion that the President and some, if not most, of his followers are trying to evade the dilemma presented by the immigration bill.

And in another body, in the consideration of a provision in the appropriation bill for the Immigration Service, it was said that it is "of vast importance to prevent the Immigration Service from being cramped, even if we are forced to allow the cold hand of death to be laid by order of the President on the immigration bill."

No efforts have been made to pass it. The President's will is law and it will not be passed. No such legislation can be hoped for through the Democratic Party. The farmers and laborers who expected this legislation through that party have trusted in a "broken reed."

Mr. President, with reference to this particular matter, I have some data of considerable interest. The labor organizations, farmers' organizations, various patriotic societies, and so forth, are very anxious about this measure. They do not understand why it has been pending here in the Senate with a favorable report and nothing done. They do not know what the attitude of the President is. They have seen the newspaper reports to which I have referred, and they do not know whether to believe them or not. They have been endeavoring to learn from an authoritative source the attitude of the President with reference to this very important measure.

I have here a copy of a letter, under date of June 22, 1914, sent to the President by Mr. H. M. Walker, chairman of the Brotherhood of Locomotive Firemen and Engineers' Joint Protective Board, New York, New Haven & Hartford Railroad, calling attention to these reports in the papers, and asking the President, if possible, for a statement with reference to his attitude regarding this measure. I ask that I may print it in the RECORD without reading.

The PRESIDING OFFICER. In the absence of objection, that order will be made.

The letter is as follows:

DORCHESTER, MASS., *June 22, 1914.*

President WILSON,
The White House, Washington, D. C.

Mr. PRESIDENT: The "press" reports being more or less conflicting about your attitude toward the immigration bill gives us some apprehension over the outcome of the bill if the Senate passes it unamended with the illiteracy test in the same form as the bill passed the House on the 4th of February. Our organization, in convention held June, 1914, in Washington, D. C., officially indorsed this bill, and its representatives have appeared personally before the House Committee on Immigration and urged the passage of the bill with the illiteracy test in it.

Organized labor generally has advocated the need of placing some restrictions upon immigration. Competition between the employed and unemployed grows fiercer year by year, and we believe that the time has arrived when our Government must close its doors against the influx of illiterate immigrants until such time, at least, as our Nation's educational institutions may be able to educate the illiterates now within its dominion. One of labor's "corner stones" is education, and its attitude on this question must be inflexible if our social stability is to be preserved.

You are quoted as saying that you favored "reasonable restriction," and in behalf of the members of this organization and labor in general, I respectfully urge you to construe the illiteracy test as being the most reasonable restriction to be put upon immigration and to use every honorable effort to make the bill a law.

Very respectfully, yours,

H. M. WALKER,
Chairman B. of L. F. & E. Joint Protective Board,
N. Y., N. H. & H. Railroad.

Mr. JONES. I have here also a copy of another letter sent to the President, which was called forth by an advertisement, of which the following is a copy:

Licensed and bonded. EDWARD HORVATH LABOR AGENCY,
New York, October 4, 1913.

S. E. & H. L. SHEPERD CO., *Rockport, Me.*

GENTLEMEN: Foreign laborers are now available in this city for less wages than you can secure men for in your State.

Are you in need of any? If so, we can offer for immediate shipment any number of them of any desired nationality. Trusting to hear from you, we are,

Very truly, yours. M. ENGEL, *Manager.*

As I say, this advertisement led to communications being sent to the President with reference to this important measure, and I ask that I may insert them in the RECORD without reading.

The PRESIDING OFFICER. That will be done in the absence of objection.

The letter is as follows:

President WOODROW WILSON,
The White House, Washington, D. C.

Mr. PRESIDENT: It is reported that you are holding up the 60-page immigration bill containing legislation recommended by the Congressional Immigration Commission, after four years' searching investigation and so ably argued for by President Gompers, Secretary Morrison, John Mitchell, and others.

The 40-volume report of the Immigration Commission completely corroborated organized labor's contention that the present enormous influx of illiterates lowered wages, lengthened hours, increased insanitation, multiplied mine explosions and industrial accidents, and seriously interfered with the uplift work trade-unionism is doing.

Last year 1,427,227 aliens entered this country. Only 18,000 of these were "farmers." Such a number, when they could not speak our language, and a large part could not read any, was bound to injure the working people already here, whether native or foreign. It is no wonder labor agencies advertise workers "of any nationality" at "less wages" and for longer hours than any workers here will work for. Mr. President, the working people and their families need this legislation. It is needed for the protection of the aliens inveigled to come as well as us. You said during the campaign that the "standards of American life should be the standards of restriction" and that we must look at the question "from the standpoint of Americans." On behalf of a large number of workers and an organization with a considerable membership, I earnestly urge that you help put this needed illiteracy test law, that the American Federation of Labor has indorsed so often and our officials have so unanswerably argued for, upon the statute books this session, for we were led to believe by your friendliness and that of your party and your own words that you were in favor of such legislation.

Very truly, ——— ———.

P. S.—Inclosed please find resolution adopted by our organization.

Mr. JONES. The only acknowledgment received by these parties of these various letters and telegrams which they sent to the President was an acknowledgment from the Secretary to the President, merely stating that if the bill comes before the President for official action it will have his very careful consideration. I ask to print in full that letter.

The PRESIDING OFFICER. Without objection, it will be so ordered.

The letter is as follows:

WHITE HOUSE,
Washington, May 13, 1914.

Mr. G. G. SHUMWAY,
Falls City, Nebr.

MY DEAR SIR: Permit me to acknowledge the receipt of your telegram of May 12, and to assure you that if the bill to which you refer comes before the President for official action it will have very careful consideration.

Very truly, yours, J. P. TUMULTY,
Secretary to the President.

Mr. JONES. It seems that these letters were finally referred to the Department of Labor, and upon a printed form the Acting Commissioner General acknowledged receipt of one under date of April 22, 1914:

DEPARTMENT OF LABOR,
BUREAU OF IMMIGRATION,
Washington, April 22, 1914.

Mr. THEODORE B. WARDWELL,
Secretary-Treasurer Worcester Div. 64, B. of L. E.,
11½ Hammond Street, Worcester, Mass.

SIR: The receipt of your letter dated April 16, 1914, addressed to the President, in relation to the Burnett immigration bill, is hereby acknowledged.

Respectfully,
F. H. LARNED,
Acting Commissioner General.

Under date of May 1, 1914, on a carbon written letter, apparently a carbon copy, made when other letters were written, I presume in the interest of economy—the saving of something to the Government—carbon copies were used in answering these communications, acknowledgment of one of these letters to the President was made by the Department of Labor. The letter is signed by the Acting Commissioner General of Immigration. I ask that it may be inserted in the RECORD.

The PRESIDING OFFICER (Mr. MYERS in the chair). Without objection, it is so ordered.

The letter referred to is as follows:

UNITED STATES DEPARTMENT OF LABOR,
BUREAU OF IMMIGRATION,
Washington, May 1, 1914.

Mr. E. L. BEAN,
1156 Jefferson Street, Paducah, Ky.

DEAR SIR: The bureau is in receipt of your letter dated April 14, addressed to the President, in relation to the Burnett immigration bill, and has placed the same in file, with other papers relating to the same subject.

Very truly, yours,
F. H. LARNED,
Acting Commissioner General.

Mr. JONES. In this connection I also desire to call the attention of the Senate to an interview in the Cincinnati Times-Star of September 19, written by Gus J. Karger, staff correspondent, and purporting to give a statement made by the junior Senator from South Carolina [Mr. SMITH], who is the chairman of the Committee on Immigration. I will not read all of this article; it is not all a quotation from the Senator from South Carolina.

The correspondent goes on to say the general impression seems to be that because of the breaking out of hostilities in Europe this will solve the immigration question, and we will not need any legislation; but he says:

SMITH WILL PUSH BILL.

But with the return of Senator SMITH a different view has been presented. During his absence Congressman JOHN L. BURNETT, of Alabama, chairman of the House Committee on Immigration, tried in vain to interest the Senate in the pending bill. The House passed it more than six months ago, the Senate committee has approved it, but the Senate itself, taken up with other measures, some of them of an alleged emergency character, declined to take the measure from the calendar. The pending Burnett-Smith immigration bill is pretty much the same as the one that passed Congress when William H. Taft was President. Mr. Taft vetoed it because of the literacy test it provided. There has been a good deal of speculation as to whether President Wilson wouldn't take the same attitude, his private utterances and many of his writings before he became President of the United States, lending themselves to speculation of that character. In the Congress the opposition to the measure has been of decidedly uncompromising character and all over the country sentiment with regard to it has been sharply divided. Leaders of Congress were quick, therefore, to interpret the European situation as obviating the necessity of action at this session of Congress. The bill was "loaded," politically, and they would cheerfully avail themselves of any pretext for postponing its further consideration.

But Senator SMITH declares that they must meet the issue, and that they must meet it before adjournment of this session of Congress. He disagrees entirely with the interpretation of the immigration situation which has been adopted by these students of conditions that are to result from the war in Europe "As soon as peace has been restored," he argues, "Europe will dump untold thousands of her people on the United States. Nor will the best elements of European society be attracted here. Much of the riffraff will seek admission to this country. We must be on the qui vive now, as we never were before. There will not be much immigration to this country while the war is in progress, but once it is terminated the rush will be bigger than ever, and we must be prepared to exercise restrictive measures.' And Congressman BURNETT fully agrees with him.

WILL HOLD UP OTHER LEGISLATION.

"Therefore," said Senator SMITH, "you may serve notice on the country that I shall push for consideration of the immigration bill *at this session of Congress. I will not be denied. I shall insist that the Senate act on it, and if I am opposed, I shall, if necessary, hold up everything else until this most momentous question is taken up for consideration.*"

Mr. OVERMAN. What is the date of that interview?

Mr. JONES. September 19—over half a month ago. Then the correspondent makes a quotation from Commissioner of Immigration Caminetti, which I ask may be inserted in the RECORD without reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Although general opinion seems to have leaned toward the theory that the war, for a good many years, will curtail European immigration, Mr. Anthony Caminetti, Commissioner of Immigration, is of other opinion, supporting the views of Senator SMITH and Congressman BURNETT, heretofore referred to. "When peace is declared," he said, "the flow of immigrants to this country from Europe will be very much quickened. After the war business depression will continue, and it will drive many of the poorer classes to seek refuge here. Many of the thousands of foreigners who left the United States to take part in the war will return. The normal flow of immigrants prior to the war was about 90,000 a month. After the war this figure will not only be exceeded, in my opinion, but the immigration that may be expected will break all known and established records. In immigration we have had our six banner years since 1900. Since 1820, when we first began to compile immigration records, the number of immigrants admitted in the course of one year has exceeded 1,000,000 six times. The year 1907 was the greatest immigration year in our history, 1,285,349 aliens being admitted. Last year the number was above 1,218,000. During the other four years in question immigration fluctuated between 1,000,000 and 1,198,000. Perhaps, even with a quickened flow of immigration, the record will not be exceeded, but we must prepare to meet all eventualities. It is just possible that the resumption of agriculture and commerce in Europe following the establishment of peace will keep a great number at home who otherwise would come to the United States."

Mr. JONES. Mr. President, the record will show that absolutely nothing has been done and no efforts have been made to take up this bill. If the junior Senator from South Carolina is correctly quoted, he will need to get busy very soon, because, I understand, the rumor is that the program is expected to be completed with the Clayton bill and the tax-revenue bill, so that there will be nothing to hold us here after those are disposed of, and nothing for him to hold up; and it looks like there will be no opportunity for the passage of this legislation at the present session.

I wish to say, Mr. President, that I am very reliably informed that those interested in this legislation have letters from 73 of the Senators of the present Congress assuring those interested of their favor and of their support for this legislation. There is only one inference that can be drawn from this fact and from the fact that nothing has been done, and that is that there is a power beyond and outside of this body which prevents the consideration and passage of such legislation and that the statements in the paper as to opposition to the bill are correct.

Mr. OVERMAN. Will the Senator yield to me there?

Mr. JONES. Certainly.

Mr. OVERMAN. Does the Senator think we ought to stay and pass that bill?

Mr. JONES. I think we ought to have passed it a long time ago.

Mr. OVERMAN. But after we get through with the Clayton bill and the tax bill does the Senator think we ought to stay here and pass that bill?

Mr. JONES. I think it would be better.

Mr. OVERMAN. The Senator thinks it would be better to stay here?

Mr. JONES. Yes; what is the use of going away now?

Mr. OVERMAN. A great many Senators want to go away, as the Senator knows.

Mr. JONES. I should like to have gone away some time ago, but if you do not adjourn until the 15th or 20th, it will take me a week to get home, and I could not get around much in that time.

Mr. OVERMAN. The Senator, I understand, is perfectly willing to stay here to pass that bill?

Mr. JONES. I am; but I do not expect to have very many of the 73 Senators with me, and I think I can very safely express that desire. I do not think the proposed immigration law will keep us here. We may stay here, but it will not be that bill which will keep us.

Then, Mr. President, we have passed during this session, as I figure it, something over 70 laws of a general character, and not a single law has been placed upon the statute books for the benefit of labor. That is significant in view of the Democratic professions on behalf of labor. There are some provisions in the conference report now pending that were accepted by the Senate without any division, and they are thrown to labor as a sort of sop, but labor understands this legislation. It understands that what is done in the Clayton antitrust bill is nothing more nor less than a declaration of the law as now construed and declared by the courts, and that if it does anything it may throw these questions again into the courts and allow them to remain there in an uncertain state possibly for years. So there is nothing in that.

Labor would like to have a seaman's bill passed. Not only the laboring people but the people of the country generally are asking for such a measure in the interest of those who tread the seas. It passed the Senate, it came back to the Senate with a substitute, and the substitute, I understand, has gone to the

committee, and is "sleeping the sleep," and no action, apparently, is contemplated on this important measure.

Then, labor has been asking for an amendment to the boiler-inspection law. The Republican administration passed laws of this kind, but some amendments have been considered necessary. They have been pending, and yet no action has been taken upon them.

Then they are very anxious for a law to prohibit convict-made goods from passing from one State to another or from being imported into the country. Yet no legislation of that kind is enacted.

Then they want a workmen's compensation act. Mr. President, I have to apologize to the people of my State with reference to that proposition. In the campaign of 1912 I told the people that the compensation measure was not a party measure; that Republicans and Democrats both were in favor of it, and that, in my judgment, before the close of the short session of the Congress the compensation bill that was pending would be passed and enacted into law. That was not done, and the failure to do it was due to the Democratic opposition on the floor of the Senate in the closing hours of that session, when a filibuster was threatened against that measure, and it had to be abandoned after a conference committee had adjusted the difference between the two Houses and reported.

What has been done with reference to a compensation law for labor during this session of Congress? Absolutely nothing. There has not even been a committee report in favor of the proposition.

Mr. OVERMAN. The Senator knows that the laboring people of the country in their convention changed their minds in regard to that bill. After resolving for it a year or more ago when it was before the Senate they have since that time passed a resolution protesting against the passage of that bill. Does not the Senator know that fact?

Mr. JONES. They may have done it as to that particular bill; I do not know; but they have not protested against legislation of that character. Must we drop the whole general system because there is opposition to a particular bill? We should take up the bill and, if possible, meet their objections. They want the legislation. They are urging such legislation, and, in my judgment, the great majority of the labor organizations of the country would prefer even that bill to no legislation at all. We are derelict in our duty if we do not try to frame legislation that will meet the situation. It is of the greatest importance. It is just and humane legislation and would be of great benefit to labor and their families.

Mr. OVERMAN. I wish to say to the Senator that the bill is pending before the Judiciary Committee, and the Senator knows the condition of business on our calendar, and the labor people are not agitating it as much as they did before.

Mr. JONES. I know the bill is pending. The bills have been introduced, and we have not even a committee report upon this very important measure. I consider this measure and some of the measures referred to as far more important than the legislation that we have enacted or that we are attempting to enact.

Mr. President, none of the legislation in which labor is really interested has yet become a law, and none that will give it rights it does not now possess or that will bring it any additional benefits will be passed at this session.

Mr. President, aside from the act extending the time for payments under the reclamation law, this Congress has passed no legislation that will be of any direct, real benefit to any needy individual. Its whole time has been given to legislation primarily in the interest and for the benefit of the strong, the powerful, and the wealthy, leaving whatever benefit there may be to the people to come indirectly. The evils of the tariff law have fallen heaviest upon the poor and the weak. While for some reason that I can not understand labor or its leaders have favored the Democratic tariff policy, they have now had an object lesson which, it seems to me, should outweigh all theories or preconceived notions. During the first seven months of this year labor saw the products of foreign toil placed in our markets by the millions of dollars' worth, and he has been without work. He has seen our industries depressed and his wages or hours of employment reduced. This is the inevitable result of buying abroad. When we buy goods made abroad that can be made at home we employ foreign labor and our own labor is idle. This means poverty, suffering, distress, and "skimping" in the home. If he wants this to continue and get worse, he will vote to continue a policy that furnishes employment for the foreigner and brings idleness to himself. If he wants it to cease, he will vote for the policy that furnishes him employment and good wages.

Our currency law is primarily for the capitalist, the moneyed man, and the banker. No poor man can get a loan any easier or at a less rate of interest than before. I fear the system gives the money power a greater control over the finances of the country than ever before. When directors of the International Harvester Trust and members of Wall Street railroad-wrecking firms are placed on the Federal Reserve Board there is little hope that this great system will be operated to the advantage of the farmer, the laborer, or the man of small means.

The Panama tolls exemption was in the interest of every shipper and consumer in the land; its repeal will benefit only the transcontinental railroads and place a burden and a tax upon all our people.

The Trade Commission act deals only with those engaged in interstate commerce. The poor man does not do this. Only the rich and comparatively powerful carry on this business. This legislation is to protect strong interests from each other. It is all right, as far as it goes, but the ordinary citizen, the individual farmer, laborer, and merchant will pay the taxes necessary to defray the cost of the expensive machinery provided and will never be able to discover any benefits from it. And so it is with the other legislation. No ordinary citizen in the ordinary business pursuits and daily walks of life can say "this or that helps me." After all is said and done, but little of the legislation that we have passed will bring a single joy to a sorrowing home, make life easier to a single overburdened toiler. It brings no ray of hope to the propertyless or jobless man. If we would spend some of our time in making it possible for the farmless man to use his honesty, industry, and frugality in getting some land and making him a home; if we would put forth some effort to make it possible for the man who works for a daily or monthly wage to secure a house and a home for himself and family, then we would help where help is needed, add to the sum of human happiness, and perform one of the highest and most beneficent functions of human government.

Contrast the character of this legislation with that of the last Republican administration. The Interstate Commerce Commission was given authority to determine and fix reasonable rates over common carriers This directly benefits the masses of the people, individual producers and consumers alike. A postal savings-bank system was provided. This is of special benefit to the men and women of small savings. It furnishes them a safe place for their savings at a small rate of interest and insures them their hard-earned money whenever they want it. The individual is helped and benefited. A Parcel Post System was put in operation and can be used by the humblest citizen. It will eventually be made one of the most effective agencies to bring closer together the producer and the consumer, and reduce the cost of living without reducing the price to the producer, but making it less to the consumer. A resolution for a constitutional amendment was passed and the amendment adopted, under which the people elect their Senators directly, thus giving to each individual voter more direct participation in the selection of the representatives of his State in the greatest deliberative body on earth. Another resolution was passed submitting an amendment, which was also adopted, under which it has been possible for a valid income tax to be levied against the wealth of the country. A Department of Labor was created, to look after and promote the needs and interests of labor individually and collectively. A Bureau of Mines was established, for the special purpose principally of promoting the welfare and safety of the individual miners. A Children's Bureau was formed, with the special object of conserving and making more pleasant child life The "white-slave law" was passed, for the protection of the home and the sanctity of womanhood. A workmen's compensation bill passed both Houses, but was defeated by Democratic opposition through a filibuster at the close of the Congress. This was a bill for the benefit of the individual and in the interest of his family, and, strange to say, no steps have been taken by the majority to pass such a measure this session. I must apologize to the people of my State. I said this bill would be passed, but it was not. These are but a few of the important measures passed. They are measures with heart and humanity in them; they are measures that make life better and happier for the individual; and such legislation the Republican Party can be depended upon to enact.

Mr. President, for years the Democracy has denounced the Republican doctrine of protection as robbery of the many for the benefit of the few. They have sought to destroy it, and in the Underwood tariff law they have gone a long way toward doing so. They have contended that if our people can not compete by their wit, industry, and efficiency in any line of production with the cheap labor of other countries they should cease their efforts in such industry and confine their labors to those

industries in which they can compete. The conditions brought about by the war in Europe conclusively demonstrates the wisdom of the Republican policy and the folly of the Democratic theory.

Day after day special legislation is asked to meet the direful conditions in the cotton section. The fact that it is a one-crop section is given as the reason for its great distress and dire need. This is true. What they need to insure them against such great emergencies is diversity of crops and industry. If through protection the industries of the North and East and West had not been diversified, if during the last 50 years we had been following the Democratic theory of free trade and had confined our efforts to certain lines of industry, the conditions in the entire country to-day would have been simply appalling. By protection, however, our industries have been diversified and developed until we are practically self-supporting, and if protection had not been taken away we would have but little distress, little unemployment, and little fluctuation in prices. Protection to American industry and American labor is a great national necessity and not a purely private benefit.

We abandoned the policy of protection as to our merchant marine; we went for the cheapest transportation and allowed it to go into the hands and under the control of others. We have hundreds of millions of products for foreign markets and no way to get them there, and as a consequence our industries are threatened with stagnation and destruction, and our people will suffer almost incalculable loss. A merchant marine under our own flag is a national necessity. If we had built it up, even this war would have disturbed us but little. Our products would have been carried to market and revenues would have been kept up by imports. No frantically suggested and illy prepared legislation inviting foreign-built and foreign-manned ships to sail under our flag would have been necessary.

It was stated a few moments ago that our present condition is the result of the war in Europe Mr. President, whatever results come to us from the war in Europe in a business way come largely because of our neglect formerly to provide the means of transportation by which we would be independent of foreign countries in taking our products to market and bringing other products here. It lies further back than the war, Mr. President, and rests upon the very principle of protection to American industries and the diversification of our various lines of industry and employment.

The situation as to sugar demonstrates the necessity of the policy of protection and the fact that it is more for the public good than private advantage. The tariff on sugar has been the subject of special attack. It has been denounced as the robbery of the poor man for the benefit of the rich sugar barons. Provision has been made to take off the entire tax. What is the situation? The poor man, who consumes as much if not more sugar than the rich man, bears the burden of a tremendously increased price of sugar. He is paying much more for it or he is doing without. Why? Because we are dependent upon a foreign supply to satisfy our needs and because, under the legislation passed, the industry at home is being destroyed. We can not get from abroad, and our own people are going out of the business. We can produce, we ought to produce, and with proper encouragement we will produce all the sugar we need for our own use, and it will be supplied at low and reasonable rates. When the poor man does without sugar or pays for it 7 and 10 cents a pound, and remembers how he used to get it under protection at 4 and 5 cents per pound, he will ask for protected sugar and desire its production at home encouraged, not only that he may have cheaper sugar but also that American industry may be developed and stability brought to American enterprise.

Senators from the cotton States are almost frantic at the conditions that confront them. Not only do they want emergency legislation by Congress, but they are urging all sorts of unheard-of action by their people. Production must be curtailed, cotton must be bought and held from trade. The President, Senators, and Representatives are besought to buy a bale of cotton and hold it to keep it out of consumption. Men everywhere are beseeched to buy one bale of cotton and leave it in storage in order to help out. The people are being urged to diversify their crops in order to insure permanent stability, and everywhere is heard the slogan, "Buy home-made goods." These are but expressions of the essence of the principle of protection. If we will apply that principle now in our legislation, so that the people will know what to depend upon, countless new industries will be developed here while this war goes on that will continne after it closes, bringing happiness, wealth, employment, and prosperity to our people. Will we neglect this great opportunity because of a party fetich? We may do it in Congress, but the people of this country will not endure long any such unwise, unstatesmanlike, unpatriotic, and indefensible action. There are many important questions confronting our people, but this is the great, urgent, pressing question now. Settle it right, renew confidence, restore prosperity, bring employment, reinstate business stability, and then we can turn our attention to those social problems that need the undivided and patriotic attention of our lawmakers.

In his dealings with foreign nations I am with the President, right or wrong. As long as there may be danger of complications that might lead us into war, no word of criticism from me shall embarrass him in his dealings with foreign nations or foreign questions. Nor shall I seek party advantage from any mistakes that may have been made. His representatives seek party advantage from what he has done. They seek to turn patriotism into partisanship. In these things, however, he speaks for the Nation and not for any party or party policy, and behind him should be the Nation until his acts can be passed upon by our people without disturbing foreign relations.

In domestic matters I will support him when I think he is right and oppose him when I think he is wrong.

The party slogan now seems to be "Stand by the President." Our Democratic friends seem to be driven from everything else, feeling that their policies and legislation have been a failure, and knowing that throughout the country there is high respect for the President and for his intelligence and patriotism, they think they can win on that slogan. They are appealing to the people to stand by the President, when, as a matter of fact, the President is not involved in this contest, but Democratic candidates and Democratic policies.

Mr. President, I want to stand by the President, not, however, as an automaton, not as the bouncing figure of a Punch and Judy show, manipulated, moved, put into activity by some concealed, hidden hand. I want to stand by the President whenever I think and believe, with reference to domestic policies, that he is right but I will not stand by him upon domestic policies when I believe he is wrong. The people will stand by him when he is right. They do not want their representatives, no matter what party they belong to, to stand by the President in domestic policies, right or wrong. Representatives are sent here to represent the people and certain policies, not the President. If they are to represent him regardless of the people or whether he is right or wrong, why not send him a certificate to vote them as he sees fit, and save all their salaries, instead of a mere bagatelle, as proposed by some?

That he and his party are fundamentally wrong upon the great question of protection to American labor and American industry, and that they are incapable of dealing with the great questions of domestic concern in the interest of the people, I most firmly believe has been absolutely demonstrated during the last 18 months.

I have here a matter of interest, to Republicans at any rate, probably even to our Democratic friends. It is a copy of the platform prepared at the last Republican convention by those delegates who were favorable to the nomination of former President Roosevelt. This platform was prepared for adoption in case of his nomination by that convention. It is sent to me by former Gov. Hadley, of Missouri, and I want to print a letter from Gov. Hadley, together with this platform, in the RECORD. I desire to call it to the attention of those who are interested, and who see fit to compare this platform with the platform that was actually issued by the convention. You will see the remarkable similarity between the two platforms and the remarkable degree with which they coincide with each other, especially upon the important questions before the American people. There is substantially no difference in those platforms on the great vital important questions before the American people. It is a platform upon which all Republicans could stand. I do not think there is a proposition in it that I myself do not indorse heartily.

Mr. President, I want to say that opposite the planks relating to inheritance tax, and also with reference to the repeal of the Commerce Court and with reference to the Panama Canal, there were interrogation points. They were in this platform when it was handed to Gov. Hadley, and indicate that there might have been some doubt as to whether or not they should finally be adopted. The plank in relation to the Panama Canal was practically enacted into law by the last administration.

I ask that this letter and this platform may be printed in the RECORD.

The PRESIDING OFFICER (Mr. WEST in the chair). Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

LAW OFFICES HADLEY, COOPER & NEEL,
Denver, Colo., September 24, 1914.

Senator WESLEY L. JONES,
Washington, D. C.

MY DEAR SENATOR JONES: I have finally secured my copy of the platform that was prepared by a committee of the Roosevelt supporters in

the 1912 convention and inclose it to you herewith. I think I explained to you in my former letter that there was a committee on the platform selected from among the leading supporters of Col. Roosevelt in the 1912 convention, and this platform embodied the views of the members of that committee on the questions then before the American people. I was not a member of the committee that prepared the platform, being, as you may recall, otherwise reasonably well occupied, but as I was a member of the resolution committee from Missouri, this platform was given to me by some members of the committee that prepared it.

If you carry out your plan of placing this in the CONGRESSIONAL RECORD, I think it might be well that you should also point out the lack of substantial difference upon questions of importance between this platform and the platform finally adopted.

There are some interlineal corrections or changes in the body of this platform that had been made before it was given to me. The numbers in the left margin are mine, but the question marks opposite the inheritance tax and railroad plank and Panama Canal were made before it came into my hands.

As this is the only copy of this platform that I know of I am taking the precaution of sending this letter to you by registered mail, and wish you would return it to me after you have made such use of it as you desire.

With best personal regards, I am

Yours, very truly, HERBERT S. HADLEY.

PREAMBLE.

Three score years ago in a national crisis, the Republican Party was born of the Nation's awakened sense of justice. In this time of grave national problems we dedicate ourselves anew to the fulfillment of the duty laid upon us by our fathers to maintain that government of the people, by the people, and for the people, for which they died.

We hold, with Abraham Lincoln, that the people are the masters of their Constitution to fulfill its purposes and to safeguard it from those who, by perversion of its intent, would convert it into an instrument to foster injustice. In accordance with the needs of each generation, the people must use its vital and sovereign powers to secure that social and industrial justice for which this Government was established and without which no Republic can endure.

A COVENANT WITH THE PEOPLE.

Political parties should exist only to secure and to maintain responsible and free government. They must not be used to facilitate control over the people by special interests. This platform is our covenant with the people, and we hereby pledge the public officers elected under it, including the President, the Vice President, and Members of Congress, to the fulfillment of the promises made herein.

POPULAR GOVERNMENT.

It is not only the right of the people to rule; it is their duty so to do. Unless that right and that duty are recognized, free government can not exist. Ours is a government of the people, by the people, and by them alone. We recognize no right to govern the people, contrary to their will, through any system of representation. The people must keep in their own possession the power to make their representatives actually represent them, and to do for themselves those things which their representatives may fail to do for them. In order to control their National Government, the people need and demand direct presidential preference primaries and the election of United States Senators by popular vote; and we pledge our party to meet those needs. In the several States this purpose must be met in varying fashion, according to the actual needs of each community; but the principle itself, the doctrine that the people must possess efficient means to make their deliberate will supreme over their Government and their public servants is applicable to every part of this Union.

EQUAL SUFFRAGE.

The welfare of the people of this country is as important to the women as to the men. We advocate equal suffrage for both.

SOCIAL AND INDUSTRIAL JUSTICE.

We demand that the Nation and the several States shall recognize as a vital function of government the task of securing for all a greater measure of social and industrial justice, so that more equal opportunity and greater welfare shall prevail among the citizens of the United States. We are not blind to the menace of social conditions such as those which Germany has legislated to prevent and which England is legislating to cure—underpayment, irregular employment, unhealthful working conditions, dearth of labor in some places and oversupply in others, and excessive and heartbreaking hours of work not only for women but for men, in certain industries. Both the farmers and the wageworkers have been neglected alike by State and Nation.

Therefore we demand the immediate enactment of laws for compensation for industrial injuries and deaths; to prohibit the labor of children; to protect seamen; to insure safe and healthful working conditions in mills, mines, and factories; and to make the sale or transportation of prison-made goods which are sent into interstate commerce subject to the prison labor laws of the State to which they are sent. We demand the enactment of such laws as will make the United States Government a model employer; we demand the concentration and strengthening of the existing agencies of the Federal Government dealing with the public health, that they may more efficiently perform their duties in the prevention of disease and accident; and we urge Federal cooperation with the several States in the collection and dissemination of all information adapted to promote the general social welfare.

PURE FOOD.

We believe in, and therefore demand, a vigorous enforcement of the pure-food laws, to the end that the men, women, and children of this country may be neither robbed nor poisoned by the adulteration or substitution of foods, drinks, and medicines.

BUSINESS.

We believe that in true popular government justice and prosperity go hand in hand. It is our purpose to secure that large measure of general prosperity which is the fruit of legitimate and honest business fostered by equal justice and by sound progressive laws. There can be no proper division of prosperity unless there is prosperity to divide.

The test of true prosperity is the benefit conferred thereby on the plain citizens; the test of corporate efficiency is the ability better to serve the public. The corporation is an essential part of modern business. The concentration of business in some degree is both inevitable and necessary for business efficiency and continued prosperity; but the existing concentration of vast wealth, unguarded and uncontrolled by the Nation, has placed in the hands of a few men enormous secret, irresponsible power over their competitors, the general business world, and the public—a power not to be tolerated in a free Government, and certain of abuse. This power has been abused in fraudulent acquisition and monopoly of natural resources, in stock watering, in unfair competition and unfair privileges, and in sinister influence upon the public agencies in the State and Nation. No single State can control these great interstate corporations. The Nation alone can and must control them. Therefore we demand Federal supervision and control of all large corporations engaged in interstate commerce. To that end we urge the creation of a strong Federal administrative commission which shall exercise effective permanent supervision over such corporations, in many respects similar to that now exercised over the national banks and interstate carriers. The basis of the work of such a commission must be full publicity as to all corporate transactions of public interest. It must have power to prevent overcapitalization and to impose regulations that will make clear the rules of corporate conduct. By continuous watchfulness it must guard and keep open to all our citizens the field of American commerce and industry. The effort to control corporations by legislation alone has failed. It must be supplemented by effective regulation such as we now propose.

TARIFF.

We believe in a protective tariff. The Republican tariff policy has been of the greatest benefit to the country, developing our resources and the strength of our national life, by the diversity of industry which it has encouraged and by the protection of our workmen against unequal competition with cheap labor abroad. The protective tariff is so woven in the fabric of our national life that to substitute for it a tariff for revenue only would destroy whole industries and throw millions of our people out of employment. But modern conditions call for a downward revision of those tariff schedules wherein duties have been or may be shown to be indefensible or excessive. We pledge the party to such a tariff revision, schedule by schedule, with as much speed as may be found compatible with results fair to the consumer, the laborer, and the producer and manufacturer. We demand that such a revision shall be based upon the findings of a permanent, expert, nonpartisan tariff commission, whose duty it shall be to furnish to the President and to Congress the best information obtainable as to the relative costs of production at home and abroad, without delay, and whose recommendation would form the foundation for public confidence in the justice and wisdom of the legislation proposed.

While we hold that a protective tariff is for the mutual protection of capital and labor, we also hold that the interests of the consumer must be equally considered. In order to encourage industry there must be reasonable profit and the benefit of the tariff should rightly show itself in reasonable dividends, but a full share of the benefits must also appear in the pay envelope of the wage earner, the prosperity of the farmer, and the general standard of living. It should be the business of some Government body to see to this.

COMMERCIAL DEVELOPMENT.

The time has come when American merchants may rightly expect a far larger share of the world's trade than in the past. We believe that the Federal Government, by organized and scientific effort, should cooperate with the manufacturers and producers of the country in extending our foreign commerce. To this end we demand adequate appropriations by Congress, and the appointment of diplomatic and consular officers solely with a view to their special fitness and worth, and not in consideration of political expediency.

INCOME TAX.

We demand that a national income tax shall be established, so graduated as to place the heavier burden of taxation upon those who, by reason of their larger incomes, are under the greatest obligation to the public. We believe that an income-tax law may be devised which, under the decisions of the Supreme Court, will be found in conformity with the Constitution, but in order to avoid all doubt we favor the adoption of the constitutional amendment providing for an income tax which is now before the people.

INHERITANCE TAX.

We believe in a graduated inheritance tax as a national means of equalizing the obligations of holders of property to the Government which protects them in their possession of that property, and we hereby pledge our party to enact such a Federal law as will tax large inheritances which evade or escape State taxation, returning to the States an equitable percentage of all amounts collected by the Federal Government.

CURRENCY.

Our currency and banking systems are wholly inadequate to our needs; money is unduly concentrated in the great centers; the volume of currency can not easily be regulated, nor can money readily be distributed to meet the requirements of trade and the movement of products. Credit, although readily obtained for great enterprises controlled by interrelated banking and business interests, is too often used for purposes of speculation and stock gambling; but it is difficult and often impossible for the smaller or independent producers and manufacturers to obtain for legitimate enterprises the credit to which they are entitled. Rates of discount and interest are too irregular and differ too widely in various portions of the country. Bank reserves, as now held, instead of being elements of strength and safety in times of panic, are sources of weakness.

We pledge our party to the enactment of such legislation as will remedy these conditions. This legislation must be based upon direct, effective Federal regulation. It must preserve independent banks from the domination of any group or groups of great financial interests. It must provide for a system of issuing and retiring currency based upon legitimate commercial transactions, and must meet the requirements of agriculture, industry, and commerce in every section of the country. Finally, and most important of all, it must assure to the people of the United States, through their Government, the control of the financial system of the country.

RAILROADS.

In order that the power of the Interstate Commerce Commission to protect the people may not be impaired or destroyed, we demand the abolition of the Commerce Court.

We believe, and therefore demand, that the jurisdiction of the Interstate Commerce Commission shall be extended to include the power to regulate the capitalization of railroads and so prevent the issue of watered railroad stocks, encourage honest capitalization, increase the safety and stability of railroad securities as investments for the people, and strengthen the financial condition of the roads.

PANAMA CANAL.

The Panama Canal, built and paid for by the American people, must be used primarily for their benefit. If rightly administered, it will have the power to break the transportation monopoly now held and

misused by the transcontinental railroads. We demand that the canal shall be so operated that it will establish and maintain sea competition with these railroads, and that ships directly or indirectly owned or controlled by railroad corporations shall not be permitted to use the canal on terms as favorable as those enjoyed by independent American ships.

WATERWAYS.

The rivers of the United States are the natural arteries of this continent. We demand that they shall be opened to traffic as indispensable parts of a great system of transportation, in which the Panama Canal will be the central link, thus enabling the whole interior of the United States to share with the Atlantic and Pacific seaboards in the benefits derived from the canal. To this end our rivers, and especially the Mississippi and its tributaries, must be developed without delay, under a comprehensive general plan covering each river system from its source to its mouth, designed to secure its highest usefulness for navigation, irrigation, domestic supply, water power, and the prevention of floods. This general plan should be made and carried out in close and friendly cooperation between the Nation, the States, and the cities affected. Under such a plan the recurrent floods of the Mississippi and other streams, which represent a vast and needless loss to the Nation, would be stopped, and water power enough to revolutionize the industrial standing of whole States would be developed, while land sufficient to support millions of people would be reclaimed from the swamps. The equipment and experience acquired in constructing the Panama Canal soon will be available for the Lakes to the Gulf deep waterway and other portions of this great work, and should be utilized by the Nation in cooperation with the various States at the lowest net cost to the people.

CONSERVATION.

The doctrine of conservation holds that this country, with its natural resources, belongs to the people who inhabit it. The natural resources of the Nation are its collective wealth. They must be developed and used to supply the people's needs, but they must neither be wasted nor monopolized. We believe in the use, not the misuse and waste, of our natural resources.

The country has passed the stage when it can afford to permit its resources to be destroyed or wastefully exploited under the hope of undue immediate returns. Such exploitation is gambling rather than legitimate industry, and injures both those who undertake it and those who permit it. The soil, the forests, the streams, the minerals, the water powers—all must be wisely used and intelligently conserved. We believe that many of these resources, like coal and water power, should be kept in the public hands, while at the same time their development should be encouraged. After a fixed period of years these resources should return to the people, to whom they belong, and who should increasingly share in the profits derived from their use. The work of settling our unoccupied agricultural lands, opening our mines, conserving our forests in the East, as well as in the West, and irrigating our arid lands should be supplemented by protection and improvement of the public grazing lands, and by assistance in the drainage of swamp and overflow lands and the purification of interstate streams.

COUNTRY LIFE.

The development and prosperity of country life are as important to the people who live in cities as they are to the farmers. We pledge ourselves to the establishment of a country-life commission. Its influence will directly promote the welfare of the farmers and bring the benefits of better farming, better business, better living, and more effective cooperation within their reach. The increase of prosperity on the farm will favorably affect the cost of living and help the Nation and the States to act together in promoting the interests of all who dwell in the country and all who depend upon its products for clothing, shelter, and food. Good roads and agricultural schools should be fostered in every proper way. The educational and social interests of the farmers are not less important than their economic prosperity.

PARCEL POST.

We demand the immediate creation of a parcel post that will give to the people of this country a postal express service, and thereby destroy the oppressive monopoly now maintained by the great express companies. Such a parcel post should be established on a zone system, which will favor the prompt distribution of the merchandise the people use without giving to the great commercial centers an unfair advantage over the smaller communities.

PENSIONS.

We pledge ourselves to a wise and just policy of pensioning American soldiers and sailors and their widows and children.

ALASKA.

We recognize the enormous value of Alaska to the people of the United States. We demand the prompt development of its resources under the supervision of the United States by every legitimate means. We demand also that private extortion or monopoly in transportation shall be prevented by the acquisition, construction, or improvement by the Government of such railroads, harbors, and other facilities for transportation as the welfare of the people may demand. The coal of Alaska must not be stolen or wasted. It must be opened at once to mining under leases requiring immediate development, in order that the benefits of cheap fuel may accrue to the Government of the United States and to the people of Alaska and the Pacific coast.

THE NAVY.

We pledge ourselves to maintain our Navy at its present position of high effectiveness compared with the navies of other powers.

We stand for peace with all nations; we will do justice to all; we will suffer injustice from none.

PHILIPPINE ISLANDS.

We pledge the Republican Party to complete the work of preparing the inhabitants of the Philippine Islands for self-government under the American flag.

PUBLIC SERVANTS IN POLITICS.

The public conscience demands new methods in politics. As one step to this end we pledge our party to enact legislation which will forbid Federal appointees from holding office in national political organizations or taking part as officers or delegates in political conventions for the nomination of elective national officials.

GOVERNMENT BUSINESS ORGANIZATION.

The Government of the United States is a great business organization. We pledge our party to a readjustment of the national business methods and a proper coordination of the Federal bureaus, which will increase the economy and efficiency of the Government service, prevent duplication, improve the conditions of Government work, and secure better results to the taxpayer for every dollar expended.

CIVIL SERVICE.

We favor a reorganization and extension of the civil service, with adequate compensation, commensurate with the class of work performed, for all employees, continuous service during good behavior and efficiency, the application to all classes of civil-service employees of the benefits of the compensation act, and the enactment of an equitable retirement law.

Mr. STERLING. Mr. President, I share in the sentiments expressed by the Senator from Washington [Mr. JONES] at the beginning of his remarks——

Mr. SMOOT. Will the Senator yield to me?

Mr. STERLING. I yield.

Mr. SMOOT. I think, as the Senator is beginning a speech, we ought to have a quorum present. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Jones	Page	Smoot
Chamberlain	Lane	Perkins	Sterling
Chilton	Lee, Md.	Poindexter	Swanson
Clark, Wyo.	Martin, Va.	Reed	Thomas
Culberson	Martine, N. J.	Robinson	Thompson
Fletcher	Myers	Shafroth	Thornton
Gore	Norris	Sheppard	Walsh
Gronna	O'Gorman	Simmons	Warren
Hollis	Overman	Smith, Md.	West
Hughes	Owen	Smith, Mich.	White

The PRESIDING OFFICER (when Mr. WEST's name was called). The present occupant of the chair desires to state that he is paired with the Senator from Kansas [Mr. BRISTOW].

Mr. THORNTON. I wish to announce at this time the necessary absence of my colleague [Mr. RANSDELL]. I ask that this announcement stand for the day.

Mr. REED. I desire to announce that the Senator from Mississippi [Mr. VARDAMAN] is detained from the Chamber on account of illness.

The PRESIDING OFFICER. Forty Senators have answered to their names. There is not a quorum present.

Mr. CULBERSON. Have the names of the absentees been called, Mr. President?

The PRESIDING OFFICER. They have not; but they will be, if the Senator from Texas so desires.

Mr. CULBERSON. The order of business is to call the names of absentees.

The PRESIDING OFFICER. The Secretary will call the names of absent Senators.

The Secretary called the names of the absent Senators, and Mr. BRYAN, Mr. POMERENE, and Mr. SHIVELY answered to their names when called.

Mr. BRYAN. I wish to announce that the senior Senator from Georgia [Mr. SMITH] is detained from the Senate on account of illness. He is paired with the senior Senator from Massachusetts [Mr. LODGE].

Mr. LEA of Tennessee entered the Chamber and answered to his name.

The PRESIDING OFFICER. Forty-four Senators have answered to their names. There is not a quorum present.

Mr. CULBERSON. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

Mr. MCCUMBER, Mr. STONE, Mr. WILLIAMS, Mr. SMITH of South Carolina, and Mr. SMITH of Arizona entered the Chamber and answered to their names.

The PRESIDING OFFICER. Forty-nine Senators have answered to their names. There is a quorum present.

Mr. STERLING. Mr. President, as I was about to say when interrupted by the call for a quorum, I appreciate the position taken by the distinguished Senator from Washington [Mr. JONES] in regard to his purpose to support or vote for any measure that appeals to him as just, wholesome, and needed, without regard to the origin of that measure. I have been quite independent myself, I think, in that regard, and have said that, whatever might be the source of any particular measure, no desire for party gain or party advantage would induce me to oppose it if I believed it to be one in the public interest and for the public welfare.

I appreciate what the Senator from Washington said, too, in regard to the President. I myself have entertained the highest admiration for him personally, and have had great personal confidence in his high purposes and his ideals. I will, however, have occasion for further reference to that. While I was absent when the final vote was taken upon the antitrust bill,

I should probably have voted for the measure had I been here, although it would have been with some reluctance and with some misgiving. As to the conference report, however, on the bill as it is now presented, and is before the Senate in the report of the conferees, I must say that I can not, for reasons I shall give, support it.

Mr. President, when the Trade Commission bill was before the Senate there were a number of Senators, myself among them, who were strongly opposed to section 5 of that bill.

The opposition, as will be remembered, was largely directed to that part of the section which left the term "unfair competition" undefined, and which gave to the Trade Commission the power in general terms to prevent unfair competition.

The opposition was based on the ground, among others, that this was an attempted delegation of legislative power, and for that reason was unconstitutional and would not be upheld by the courts. Another and hardly less formidable ground of objection was the business uncertainty which would arise out of a power conferred on a commission of five to determine under all the varying conditions and opinions relating to modern business activities and methods what would constitute unfair competition in interstate business or commerce.

These objections, however, did not prevail. Various amendments offered by Senators in sympathy with the general purpose of the bill, and with the object of making it more definite and certain, were rejected.

It seemed to make no difference that there was no precedent for such legislation, either State or Federal, nor that there was no authority for it in any decision of trial or appellate court.

Indeed, it seemed to make no difference that reason and authority were the other way. Senators, speaking as with authority, assured us that there was no possible question that the proposed legislation would stand all tests, and that in order to facilitate the "good time coming," when every questionable business practice should be condemned and prevented, the Trade Commission should be given an absolutely free hand. Upon its collective conscience and will, and not upon the conscience and will of the Congress or of the people speaking through Congress, should rest the determination whether any given business method was unfair or not. I remember that afterwards some Senators even winced at the employment of the term "methods" in the conference amendment, as though method implied a system, a plan, and might suggest that the merely apparent, inadvertent, or purposeless conduct—there being no method in the madness—would escape investigation.

And so, without definition, example, or standard of any kind fixed by Congress as to what should constitute unfair competition, the bill passed and is now the law of the land.

Those who opposed the bill on the grounds stated thought their position had in a sense been vindicated by some provisions which it seemed necessary to incorporate in the antitrust bill, the conference report on which we are now considering.

It named and defined some concrete cases of unfair competition.

The House sent us the bill with section 2 therein prohibiting underselling with the purpose or intent thereby to destroy or wrongfully injure the business of a competitor, with reasonably severe penalties attached. Although the entire section was stricken out in the Senate, it finds a feeble revival in section 2 of the conference report—a very feeble revival.

That section makes discrimination in price between different purchasers unlawful where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce.

As the section came from the House it made the unlawful act of discrimination a misdemeanor punishable by fine and imprisonment.

But observe the extreme care exercised by the conference committee in framing its substitute for section 2 of the House bill.

Out of abundance of caution, it did not stop with saying that it shall be unlawful for any person engaged in commerce to discriminate, and so forth, but it felt impelled to add as words of qualification, "in the course of such commerce," so that the paragraph reads:

> That it shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly, to discriminate in price between different purchasers of commodities, which commodities are sold for use, consumption, or resale within the United States or any Territory thereof, or the District of Columbia, or any insular possession or other place under the jurisdiction of the United States—

And so forth.

But this was but the beginning of caution on the part of the conferees. In order that the discrimination may be unlawful its effect must be under the terms of the next paragraph, inserted by the conferees, to "substantially lessen competition or tend to create a monopoly in any line of commerce."

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Montana?

Mr. STERLING. I yield.

Mr. WALSH. I desire to inquire of the Senator from South Dakota if I am to understand that he criticizes the insertion of the words "in the course of such commerce"?

Mr. STERLING. I do criticize that insertion, Mr. President, for the reason that I think those words are wholly unnecessary. I think it follows, as a matter of course, that it must be in the course of such commerce. I do not criticize them merely because they provide that it must be in the course of such commerce, but because it seems to me there was here unnecessary caution exercised in inserting those words. No such language or the equivalent thereof appeared in the original bill, and I could not think as I studied over that phraseology of any like provision in any other statute.

Mr. WALSH. Mr. President, I want to inquire of the Senator, then, whether he thinks that the statute would be effective without those words?

Mr. STERLING. Why, Mr. President, commerce having been defined in the act and the whole purpose of the act being to affect that commerce, I think surely without that language the statute would have been valid and would have applied to competition in interstate commerce, and could not have applied to anything else.

Mr. WALSH. As I understand the Senator, then, the only complaint he makes is that it is unnecessary?

Mr. STERLING. Unnecessary largely, but——

Mr. WALSH. Let me ask the Senator further, then——

Mr. STERLING. Mr. President, if the Senator will pardon me, I hardly wish to limit my objection to the statement that I deem the words simply unnecessary. I think the objection might go further than that. In a proceeding against a party charged with a violation of the law those words would suggest or invite the defense that the business was not in the course of such commerce, and because of that I think the words objectionable.

Mr. WALSH. That is what I wanted to ask the Senator. Now, we will take the case of a corporation engaged in commerce within the meaning of the act—that is, interstate commerce. It is engaged in that business. Its headquarters, we will say, are in the city of Boston.

Mr. STERLING. Yes.

Mr. WALSH. The United Shoe Manufacturing Co., for instance. It, however, in Boston, makes a contract of this character with some one in Lynn, Mass. Does the Senator believe that the punishment of that kind of an act falls within Federal jurisdiction?

Mr. STERLING. I do not know. I will not say that the punishment of that kind of an act comes within that jurisdiction.

Mr. WALSH. I would not say so, either; but when I was asked about the advisability of putting in those words, I suggested myself that they be put in, so that no question could arise about the meaning.

Mr. STERLING. I still am of the opinion that the words were entirely unnecessary, and that they suggest difficulties in the enforcement of the law that perhaps otherwise would not arise.

Some of the consequences likely to flow from the use of the word "substantially" in this section were ably and clearly pointed out by the senior Senator from Minnesota [Mr. NELSON] the other day; and, in fact, since his address, other Senators have very ably discussed that proposition. I may refer to others in a moment; but in this same short new paragraph, inserted by the committee, we are given to understand that the competition must be "substantial" in any line of commerce. It might be doubted whether local price cutting merely, though of a commodity in interstate commerce, would have the effect of substantially lessening competition or tend to create a monopoly in a line of commerce.

Passing the paragraph or proviso which permits discrimination in price because of differences in grade, quantity, or quality, or differences in cost of selling or transportation, I come to this significant provision injected by the committee, namely, the provision which permits "discrimination in price in the same or different communities made in good faith to meet competition." It is easy to conceive of the multitude of sins that may be covered by that broad and generous cloak.

So I think there can be little question that the additions have greatly weakened the bill. You have watered the stock—or the milk; and in any event, you have invited or suggested four

several defenses to any proceeding against a wrongdoer under the bill, should it unfortunately become a law.

First. That the discrimination was not done in the course of such commerce.

Second. That granting there has been discrimination, it has not substantially lessened competition. I wonder at the possibilities open to the defense in a proceeding before the Trade Commission under that word "substantially."

Third. That while there was discrimination, it was made in entire good faith, for the purpose of meeting competition. I wonder again, as I think of the possibilities for the defense involved in that paragraph. Think of it! It can always be urged against the charge of unlawful discrimination that it was done for the purpose of meeting competition. "We found our competitor charging a certain price for his goods. We cut the price of ours, below cost even, to meet his competition. What have you got to say about it under this law?"

Mr. President, the Standard Oil and the Lumber Trust interests could not have been better protected had their own attorneys drafted this section of the law.

Fourth. The defense will be made that local price cutting, which affects a single community, or perhaps a large but sparsely settled area, has no substantial or appreciable effect on the "line," the whole line, of commerce in which the accused in engaged; and, notwithstanding some individual dealers may be ruined and single communities most seriously affected, this will be a most potent defense under the language of the bill.

Now, granting that they might all be defenses in a proceeding before the commission or in a case before a court, it is not the business of a statute like this, by exception and proviso, to suggest and invite them.

The Sherman law does not do it. It goes directly to the point. It does not even make "intent" a condition.

> Every contract, combination in the form of trust or otherwise, or conspiracy in restraint of trade—

And so forth—

> is hereby declared to be illegal.

And—

> Every person who shall make any such contract or engage in any such combination or conspiracy shall be deemed guilty of a misdemeanor.

And—

> Every person who shall monopolize, or attempt to monopolize, or combine or conspire with any other person or persons to monopolize, any part of the trade or commerce among the several States shall be deemed guilty of a misdemeanor.

And so, as in the language of section 2 as it came from the House—

> Any person engaged in commerce who shall, either directly or indirectly, discriminate in price between different purchasers of commodities in the same or different States, sections, and communities * * * with the purpose or intent thereby to destroy or wrongfully injure the business of a competitor * * *—

Should be deemed guilty of a misdemeanor.

Another and very practical consideration, Mr. President, is the one that will appeal to the pleader, the one who states the case for the Government on paper in a proceeding before the Trade Commission or before the court. Since you have been so careful and cautious as to embody the conditions under which a party charged will not be liable in the statute creating the offense, you will have to allege and prove as a part of the case that the conditions do not exist, instead of putting the burden on the defendant to show that they do exist, and therefore that he has not violated the law.

So, all in all, I think the term "emasculated" may be rightly applied to the substantive part of section 2, that part which purports to state with such circumspection the elements of the unlawful act of local price cutting.

I am not charging the conferees with a design to render the bill toothless and harmless. Indeed, when I consider their task, which was to deal with hotch-potch and reconcile the two systems involved in the two bills—the Trade Commission bill and the antitrust bill, with the Sherman antitrust law all the time looming up before them, which, like Banquo's ghost, would not down—I am not much surprised at seeing some "shreds and patches" as a result of their efforts, and was not surprised when the distinguished Senator from West Virginia [Mr. CHILTON], one of the conferees, on coming to the defense of the conference report devoted so large a part of his very able address to extolling the virtues of the new Federal reserve bank act, so many of which virtues are of Republican origin or the result of Republican effort.

But, Mr. President, suppose at last that some person engaged in commerce has been caught red-handed in the act of, in the course of such commerce, discriminating in price between different purchasers of commodities, the effect of such discrimination being to substantially lessen competition and tending to create a monopoly in some line of commerce, the discrimination not being on account of grade, quality, or quantity, and not being made in the same or different communities in good faith to meet competition, and not made in the exercise of the right to select his own customers; what is to be done with him? He has not been able to avail himself of any of the exceptions and provisos named in the act. He has been running amuck. He has left some ruin in his path. A lot of small dealers, content to serve the public for a reasonable profit on the commodities they sell to the public—the lumber, the oil, the machinery, or other staple necessity of life—have been driven out of business. The public has suffered; but the party discriminating has been enriched by the process. What is to be done with him? Nothing; absolutely nothing, if he is ready, on the order of the Trade Commission, to "cease and desist" from his nefarious practices and methods.

Mr. NORRIS. Mr. President——

The PRESIDING OFICER. Does the Senator from South Dakota yield to the Senator from Nebraska?

Mr. STERLING. I do.

Mr. NORRIS. In connection with the particular point that the Senator has so well illustrated in the case described I wish to suggest that, in addition to the fact that the only thing done to the offender is to tell him that he must stop, he is permitted to keep all the ill-gotten gains that he has made up to that time.

Mr. STERLING. Certainly. I thank the Senator for calling attention to that very patent fact, too.

The vice of local price cutting is well recognized. It is the most obvious method of unfair competition. It has played havoc with the legitimate small dealer in many communities and States. Within the last half dozen years it has been made the subject of prohibitive statutes in nearly 20 States, and in nearly every case with penalties against the individual officer or director who by act or vote participates in it.

Any gain to a particular community through the lower price does not palliate the evil. The gain in the first place is but temporary; in the second place there is a loss to the consumers of some other community. When the competitor is driven from the field prices are normal again, or, more likely, higher than normal.

It is not a question under this practice of the survival of the fittest under ordinary conditions, when, perhaps, we would have no right to complain if the economically inefficient dealer, producer, or manufacturer were put out of business by his more businesslike competitor. Efficiency of the highest kind may be compelled, and has again and again been compelled, to succumb because it lacked the surplus capital, the sinews of war, to carry on the desperate fight made to drive it from the field. I grow indignant when I think of the enormities of the old Standard Oil and of the lumber trade association in my own State; but I reflect with some pride upon the fact that the penal provisions of the statute of 1907 against unfair discrimination in selling have been sustained by the Supreme Court of the United States in the case of State *v.* Lumber Co. (226 U. S.).

Mr. President, I was deeply impressed with the speech of the Senator from Idaho the other day when he spoke of the tendency to advocate supervision and control of business methods and activities by commission as a substitute for, or more accurately as a relief from, the rigors of the Sherman antitrust law, since it now, at last, has been discovered how effective and how all-embracing the Sherman law really is.

But, Mr. President, is it a tendency? The condition, it seems to me, is here, and the proof of it is in the conference report.

This bill selects out the grossest and most palpable of unfair methods of competition; those which have wrought most damage; those the evidence of which would be the strongest link in a chain to prove a conspiracy in restraint of trade or the creation of a monopoly, or which are of the very essence of the restraint or the monopoly, and makes these ruinous and despicable methods the subject of a mild declaration that they shall be deemed unlawful, and, without punishment, relegates the wrongdoers to the Trade Commission, which, as a result of investigation, may tell them to cease and desist. Thus while prohibiting an act the prohibition is left without legal sanction, without the provision which enforces obedience by proper penalties.

The achievement of the majority of the Senate conferees in this respect reminds me of the story of the Harvard divinity student. He went out to a neighboring town to preach one Sunday, and upon his return a professor of the divinity school, who was much interested in him, asked him how he got along. He said, "Oh, very well—very well indeed. I had fine success." Said the professor, "What was your text?" "Well, my text was this: 'How shall we escape if we neglect so great a salva-

tion?'" "A very good text," said the professor, "and I am now interested in knowing how you treated that interesting subject." "Well," said the student, "I divided my sermon into two parts. I first told my congregation what a great salvation this is, and then I told them how they might escape if they neglected it." [Laughter.]

But, Mr. President, how the times change. The President will sign this bill, and in its present form, if it reaches him. According to the newspapers he has predicted the adoption of this conference report, and, by implication at least, manifested his approval of it. I am interested in knowing how our distinguished President has hitherto and recently felt in regard to the principle here involved.

He delivered the annual address at the meeting of the American Bar Association, held at Chattanooga, August 30 and 31 and September 1, 1910. His theme was "The lawyer and the community." It was a noble address and was a trumpet call to the members of the legal profession to have proper regard for their civic duties and privileges. The relation of the corporation to the community and the responsibility of the individual officer or director received much attention in this notable address. Let me read a few excerpts from the address. He says:

Corporations do not do wrong. Individuals do wrong, the individuals who direct and use them for selfish and illegitimate purposes, to the injury of society and the serious curtailment of private rights. Guilt, as has been very truly said, is always personal. You can not punish corporations. Fines fall upon the wrong persons, more heavily upon the innocent than upon the guilty, as much upon those who knew nothing whatever of the transactions for which the fine is imposed as upon those who originated and carried them through—upon the stockholders and the customers rather than upon the men who direct the policy of the business.

Further:

Society can not afford to have individuals wield the power of thousands without personal responsibility. It can not afford to let its strongest men be the only men who are inaccessible to the law. Modern democratic society, in particular, can not afford to constitute its economic undertakings upon the monarchical or aristocratic principle, and adopt the fiction that the kings and great men thus set up can do no wrong which will make them personally amenable to the law which restrains smaller men; that their kingdom, not themselves, must suffer for their blindness, their follies, and their transgressions of right.

Further:

We can have corporations, can retain them in unimpaired efficiency, without depriving law of its ancient searching efficacy, its inexorable mandate that men, not societies, must suffer for wrongs done.

Now, note this. I have been fond of quoting it:

The major premise of all law is moral responsibility, the moral responsibility of individuals for their acts and conspiracies; and no other foundation can any man lay upon which a stable fabric of equitable justice can be reared. * * *

Again:

The managers of corporations themselves always know the men who originated the acts charged against them as done in contravention of the law; is there no means by which their names may be disclosed to the officers of justice? Every act, every policy in the conduct of the affairs of a corporation, originates with some particular officer, committee, or board. The officer, the committee, or the board which orders an act or originates a policy contrary to the law of the land, or intended to neutralize or contravene it is an insurgent against society; the man or men who originate any such act or policy should be punished, and they alone.

We will note, as we proceed, how applicable every sentence and every line of what I have read and am to read is to at least three sections of the bill we are now considering.

Reading again:

You will say that in many instances it is not fair to pick out for punishment the particular officer who ordered a thing done, because he really had no freedom in the matter; that he is himself under orders, exercises no individual liberty of choice, is a dummy manipulated from without.

Note the reply to the defense that he himself suggests might be made:

I reply that society should permit no man to carry out orders which are against law and public policy, and that if you will but put one or two conspicuous dummies in the penitentiary there will be no more dummies for hire. You can stop the traffic in dummies, and then, when the idea has taken root in the corporate mind that dummies will be confiscated, pardon the one or two innocent men who may happen to have got into jail. There will not be many, and the custom of the trade will change.

Mr. President, I was in thorough sympathy with the doctrines laid down by the distinguished author of that speech. I made frequent comment on them. I saw the address and read it soon after it had been delivered, referred to it in talks to law students, and later, with proper acknowledgment of the authorship, quoted here and there a passage in a Republican campaign. But, Mr. President, times change, and apparently the inspiring and lofty sentiments of the President in regard to the moral responsibility of the individual for his acts and his conspiracies have passed into "innocuous desuetude." The wrongdoer is to be given the "immunity bath," and for his acts and conspiracies, his invasions of the sacred rights of other men, his spoliations, his conscience is the only forum before which he can be brought. I wonder that some attempt was not made to abolish that court also.

Mr. President, the principle of the moral responsibility of the individual advocated by the President in his address at Chattanooga is eternal; it meets with the universal approval of all right-thinking and justice-loving men. Now, is it not a miserable travesty that here at the very first opportunity to make a most wholesome and most needed application of the principle, we should find the principle repudiated? My personal feelings count for little, but from what I have said it may be truly inferred that there is some sense of disappointment.

But, Mr. President, I shall not attempt to discuss the other prohibitive sections of the bill, which omit to provide penalties for acts or methods in violation thereof. That has already been done most thoroughly and ably, first by the distinguished Senator from Missouri [Mr. REED], who has so courageously led in the fight against this report, and by several Senators on this side of the Chamber. But what I have said in regard to the omission of penal provisions for section 2 will apply with equal force to section 3, the section which makes unlawful the lease or sale contract conditional on the agreement that the lessee or purchaser shall not use or deal in the goods, wares, merchandise, or supplies of a competitor of the lessor or seller. Further, that excess of caution which on the face of the act makes a violation depend on a "substantial" lessening of competition in any line of commerce is subject to the same objections as like words in section 2. It is a wonder that the conferees did not permit the making of such leases or sale contracts when done in good faith to meet competition, as they have done in section 2 in cases of price cutting.

I may venture to speak of one other matter. It is a matter in which the Senator from Nebraska [Mr. NORRIS], who sits here, has been much interested and which he discussed at some length the other day. It is a matter of jurisdiction and procedure.

Section 11 of the Senate bill related to jurisdiction conferred upon Federal courts in cases of suits brought by stockholders. It is not a question of jurisdiction, Mr. President, of the subject matter, for the court, I think, has that, but a question rather of the jurisdiction of the person of the defendant in an action by an aggrieved stockholder, not to enforce the Sherman law in the interest of the public, but to protect his own equitable rights or secure equitable relief.

There may be some confusion in regard to the form of the amendment which was under consideration by the Senate and by the House conferees. The amendment as it related to the right of the stockholder was stricken out by the conferees. I learn that the conferees were influenced more or less by the idea that if that provision remained as originally introduced, it would be conferring upon an individual stockholder the right to enforce the Sherman antitrust law.

I have before me a suggested addition to the section. I hope there may be an opportunity yet to consider it in conference. For the sake of the record and that it may be perhaps something of a guide hereafter, I read this proposed addition:

Suits by stockholders against officers or directors of a corporation for equitable protection by injunction or otherwise, or for redress of wrongs to their corporate interests, may be brought in any district where the corporation has its principal office or in which any necessary or proper party defendant resides.

Now—

Any judge of the court in which such action is filed shall, if it appear by the petition or other pleading of the petitioner or plaintiff that necessary or proper parties defendant reside in another district or in other districts, make and enter an order for service of process, and the order and service shall conform as nearly as practicable to the provisions of, and practice pursuant to, section 57 of the Judicial Code.

Section 57 of the Judicial Code is that section which refers to suits brought to enforce liens upon real or personal property within any judicial district or to remove encumbrances from such property, the defendant or defendants being residents of another district. Section 57 prescribes the method by which service of process may be had upon any nonresident defendant and he be brought into court. Hence the reference in the proposed addition to section 57:

Such suits shall be maintainable by any stockholder without regard to the amount of stock held or the date when the stock was issued or transferred to him, provided that no right of action shall accrue to any party who acquires stock in a corporation or has it transferred to him for the sole purpose of instituting and carrying on litigation. In case of the successful prosecution of such suit and recovery of funds the court may allow the petitioner or plaintiff reasonable counsel fees out of such funds in addition to costs.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Will the Senator from South Dakota yield to the Senator from Nebraska?

Mr. STERLING. Certainly.

Mr. NORRIS. If the Senator will permit me, I should like to suggest to him in connection with that very section the reasons given by the conferees for striking it out. First, they say that the language does not confer jurisdiction upon the court, and therefore it would be of no effect. Second, they say they left it out because they did not want to give individual stockholders the right to enforce the Sherman law. I should like to suggest to the Senator the inconsistency of those two objections. One is a complete contradiction to the other; they can not both be true.

Mr. STERLING. Mr. President, a word in conclusion as to this bill in its general aspects—its double aspect, if you please—and what is it? A studied and labored effort to at least appear to grant new privileges and guaranties to labor organizations, on the one hand; to make them immune as such from prosecutions under the Sherman law, when, indeed, that has been the settled law for years, as evidenced by scores of Federal decisions. Many Members voted for the original bill on the theory that the provisions of section 7 are now the law. If such is the law you have promised bread and given a stone. On the other hand, if you have given the labor organizations *special privileges* or advantages you have violated the one fundamental principle upon which our institutions rest—equality before the law—and the thing done at the dictation of party expediency or party exigency will come back to plague you.

But there is the double aspect, the pretended or real special privileges and immunities granted labor on the one hand, and the very vital and important immunities and relief from personal responsibility granted the managers of big business on the other hand. It "plays both ends against the middle," and the public will take or suffer the consequences.

Mr. President, I desire to read briefly from an article by Mr. Whitelaw Reid, our late distinguished ambassador at the Court of St. James. The article is entitled "The strength of the Republic." He finds that our success has been founded upon the two great principles, individual initiative and respect for or obedience to authority. After eloquently describing what has been done under the impulse of those two great ideas in the settlement of the Middle West, the West, and the Pacific slope, telling how under those two ideas have we not only reached this high stage of material development, but that they, the pioneers in the new regions to which they went, established government and enacted laws, he goes on to say:

> To such a continental conquest of nature and of men have those two traits of the fathers brought us—their respect for authority and their widest freedom of individual initiative. These, with the original vigor of the stock, have made Americans what they are, and by consequence have made this blessed country of ours the joy and pride and hope of our lives. To harm either is criminal—

That is, to harm either the idea of individual initiative or the idea of obedience to authority.

> To harm either is criminal—whether to break down respect for authority by unlawful combinations, tricky evasions, and open defiance of order, or to cramp the widest freedom of the individual in any lawful enterprise or labor anywhere. Whoever or whatever now dares to interfere with the permanent union of these two traits and their continued development in the American life, is an enemy to the Republic—whether known as political boss, or as trust, or as trades-union.

But—

He says—

> let me not be misunderstood. * * * Nobody can question the economies and public benefits in business from great consolidations of capital. Nobody can deny the right of labor to combine for higher wages and shorter hours and healthful conditions of work. I mean no arraignment of organization itself, either in politics or finance or labor—only of that tyrannical organization, that unrepublican organization, that abandonment of the underlying essentials of Democratic success, and that reversion to the principles of an absolute monarchy or a military despotism, which refuses to recognize that it has reached the limits of its own right when it invades the rights of others, and so saps the very springs that have lifted us to this floodtide of national prosperity. Indeed, instead of opposing, I appeal for organization, but only for organization of the kind which a distinguished ex-President of the United States once commended—the organization which seeks cooperation instead of the one that suppresses individual judgment and demands exclusive control; the organization which aims at the helpful union of men of like minds and interests, or the needful strength to meet competition, not at monopoly; which minds its own business, and is willing that whoever is not with it should have equal liberty in this land of liberty to do the same.

Mr. President, I can not help but say that that about expresses my creed. In this most important legislation, in the recommendations and amendments contained in this conference report, first, in regard to the immunities which the bill in effect extends to individual officers and directors of corporations, and, secondly, in the extreme to which the bill seeks to go with reference to labor legislation we have gone counter to the fine principles so ably advocated both by the President and by Mr. Reid.

I hope there is time, Mr. President, to do some retracing of our steps, and out of some conflict of views in regard to the vital features of this bill there may yet be evolved a sane, wholesome, progressive law, one that offers no special protection or advantage to any set of men, a law which, without regard to class, will have the approval of the country and the general public, for whose benefit the law is made.

PETITIONS AND MEMORIALS.

Mr. OLIVER presented memorials of sundry citizens of Pennsylvania, remonstrating against the proposed tax on life insurance policies, which were referred to the Committee on Finance.

He also presented memorials of sundry citizens of Pennsylvania, remonstrating against the proposed tax of 2 cents per gallon on gasoline, which were referred to the Committee on Finance.

He also presented a petition of the Board of Trade of East Pittsburgh, Pa., praying for the enactment of legislation to pension superannuated civil-service employees, which was referred to the Committee on Civil Service and Retrenchment.

He also presented a memorial of the Federated Trades Council, of Reading, Pa., remonstrating against the proposed tax on motion-picture houses, which was referred to the Committee on Finance.

He also presented a memorial of the First National Bank of Carmichaels, Pa., remonstrating against the proposed tax on the capital and surplus of banks, which was referred to the Committee on Finance.

Mr. ROOT presented memorials of sundry merchandise brokers of New York City, remonstrating against the enactment of legislation to increase the internal revenue, which were referred to the Committee on Finance.

BILLS INTRODUCED.

Bills were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. SHIVELY:

A bill (S. 6566) granting an increase of pension to George Fulford (with accompanying papers); and

A bill (S. 6567) granting an increase of pension to Charles C. Meckel; to the Committee on Pensions.

RECESS.

Mr. CULBERSON. I move that the Senate take a recess until 11 o'clock a. m. on Monday.

The motion was agreed to; and (at 3 o'clock and 45 minutes p. m., Saturday, October 3, 1914) the Senate took a recess until Monday, October 5, 1914, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

SATURDAY, *October 3, 1914.*

The House meet at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Thou God of wisdom, power, justice, mercy, love, with whom all things are possible, our hearts go out to Thee in a fervent appeal that somehow, someway through *Thy holy* influence the appalling and devastating war, involving millions, may be brought to a speedy close. So move, we beseech Thee, upon the hearts of those who are responsible for the conflict that they may be ready and willing to listen to the overtures going out through our President from millions of hearts here in America that peace and concord may reign throughout the earth. And O God, our Father, hear us when we pray for the thousands who suffer from wounds, the bereaved mothers, the widows, the fatherless children, the homeless, the starving. "Be Thou exalted, O Jehovah, in Thy strength; so will we sing and praise Thy holy power." In the name of the world's Great Exemplar, the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

QUESTION OF PRIVILEGE.

Mr. JOHNSON of Kentucky. Mr. Speaker, I rise to a question of privilege.

The SPEAKER. The gentleman from Kentucky will state his question of privilege.

Mr. JOHNSON of Kentucky. Mr. Speaker, before I state it, in order that the Chair may better understand it, will the Chair indulge me for one or two minutes leading up to the question of privilege in order that the Chair may better understand it?

The SPEAKER. The gentleman will state the question in his own way.

Mr. HENRY. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Texas rise?

Mr. HENRY. To make the point of order that there is no quorum present.

Mr. JOHNSON of Kentucky. I wish the gentleman would withhold that.

Mr. HENRY. I will withhold it for the present.

Mr. JOHNSON of Kentucky. Mr. Speaker——

The SPEAKER. The gentleman from Kentucky will state the question in his own way, and then the Chair will pass upon it as to whether he has a question of privilege or not.

Mr. JOHNSON of Kentucky. Mr. Speaker, during this entire Congress I believe I have been here as continuously as most any other gentleman in this House. Without searching the RECORD for the purpose of ascertaining, I now am able to recall only a very few times when I have been absent. The first was when the Speaker appointed me upon a congressional committee to go to the Gettysburg battle field a little more than a year ago. Last May Senator Bradley from Kentucky died. I and the rest of the Kentucky delegation were placed upon the congressional committee to accompany his remains to his native State for burial. I was absent a few days then. Several times since then I have been absent from this House because of actual illness, and in bed, in the city of Washington, not elsewhere. I am not now able to recall another absence until the 27th day of last August, when I left here and went to Kentucky for the purpose of being present at the laying of a cornerstone of a public building in my home town. With this exception, as my memory serves me, and I think it serves me correctly, I have not failed to be upon the floor of this House any other day. Notwithstanding this fact the Sergeant at Arms has seen fit to withhold my salary for the entire month ending September 1 or 4. I do not know which is the end of the fiscal month. We usually get our checks on the 4th of the month. He has withheld my salary for the 27 days in that month when I was here, not being satisfied to comply with the law by not paying me for the three days that I was not here. I am now informed by him, notwithstanding the fact I have been here every day during the past month, he intends to again withhold my salary for the full 30 days, notwithstanding I was here upon the floor of this House upon each and every one of those days. The Journal of this House discloses that during the month of August, and also during the month of September, the Speaker of the House did me the honor to call me to the chair to preside. If the Sergeant at Arms had been upon the floor as much as I have been, he would have seen me in the chair presiding.

The Sergeant at Arms upon several occasions has sat upon the floor of the House and talked with me, and I called his attention to the fact I was then present, which he recognized, but he still fails and refuses to pay me even for those days. His feeble plea for withholding my salary from me is because I have not consented to be the judge, witness, and jury to try my own case. He has sent to me a blank paper, which I understand he sent to all the other Members of the House, asking me to say whether or not section 40 of the Revised Statutes of the United States excused me for any day that I may have been absent. I am conscientious in the belief that I should not sit upon my own case either as judge or juryman to determine whether or not my absence of three days was excused by the law. Either he or the Speaker of this House should determine that question. If the Speaker should determine it, he should determine it, I think, upon his own authority. If the Sergeant at Arms is not willing to take his own opinion whether or not I was legally absent, then he should seek legal advice. He has a statement from me that I was absent three days in August, and because I will not consent to be, as I said, judge, jury, and witness in my own case, he insists upon withholding my salary not only for that entire month but for the two months. Now, the Sergeant at Arms——

Mr. ASWELL. Will the gentleman yield for a question?

Mr. JOHNSON of Kentucky. Yes.

Mr. ASWELL. Is it not a fact that the House instructed the Sergeant at Arms to do that?

Mr. JOHNSON of Kentucky. No, sir; the House did not instruct the Sergeant at Arms to withhold my pay for a single day when I was here, and the Sergeant at Arms has no authority to deduct from my salary for a single day when I am here.

Mr. ASWELL. Did not the House instruct the Sergeant at Arms to require this statement?

Mr. JOHNSON of Kentucky. No, sir; it did not. The House instructed the Sergeant at Arms to perform his duty in this respect when there was not a quorum of the House in town; but I am glad to say I was not one of the absentees. I remained here every one of the hot summer days. That resolution was not by any means intended for me, for I had been here during all the weeks when there was trouble to get a quorum. The House found it necessary to instruct the Sergeant at Arms to perform the duty which the Sergeant at Arms was not performing, and that is the extent of the resolution.

Mr. ASWELL. You do not hold the Sergeant at Arms responsible for this resolution, do you?

Mr. JOHNSON of Kentucky. Certainly I do not. I hold the Sergeant at Arms responsible for not performing his duty.

I do not question at all the credibility of the Sergeant at Arms. He sits on the floor and talks with me about this matter; he knows and admits that I am present; and then, in the face of it, insists upon deducting from my salary not only the days on which I was absent, but also the days when I am on this floor and he is talking to me.

Now, I wish to inquire, Mr. Speaker, on my privilege as a Member, whether or not the Speaker will certify either from my statement, from his own knowledge, or from the Journal of this House as to my attendance here, so that I may be paid the salary that is wrongly being withheld from me?

The SPEAKER. The Chair, if the House will permit without any objection, will explain the modus operandi of Members getting their pay. The Sergeant at Arms distributes these slips, or reecipts, or whatever they are, around among the Members so that they can sign them, sometimes for several months. The officer of the Treasury Department who has charge of such things requests a new Speaker when he is elected—inasmuch as he has to sign these things—to certify the signature that he wants recognized in the Treasury Department as his own. It is a matter of clerical labor entirely. When I was first elected Speaker I certified the signature of my chief clerk, Mr. Bassford, who writes very much like me, anyway. So when these receipts are signed by the Members they go back to the Sergeant at Arms, and on the 3d of each month, usually, and sometimes as late as the morning of the 4th, the Sergeant at Arms sends those slips, with his memorandum as to how much is due, up to the Speaker's office and Mr. Bassford, my chief clerk, signs them. That is all I know about it.

Mr. JOHNSON of Kentucky. May I ask the Speaker if he advisedly used the word "receipt" in reference to the slip of paper which the Sergeant at Arms sends to Members?

The SPEAKER. Of course it is a receipt. That is what it is, and I have signed them myself for my own salary, and I do so now.

Mr. JOHNSON of Kentucky. The Speaker is not now referring to the "slip" which the Sergeant at Arms recently sent out?

The SPEAKER. No.

Mr. JOHNSON of Kentucky. I was wondering whether the Speaker referred to that as a "receipt."

The SPEAKER. Oh, no; that was the method of the Sergeant at Arms in the Fifty-third Congress and in this one of finding out whether Members had been present every day or not.

Mr. JOHNSON of Kentucky. Now, Mr. Speaker, I am not willing to act as judge, jury, and witness upon my own case, and I ask the Speaker to advise me how I am to get the salary for, say, to-day, when the Speaker knows I am here and when the Sergeant at Arms knows I am here?

The SPEAKER. The Chair does not think that it is a question he is authorized to answer. It is a legal proposition that, if it is ever tried in court, will involve the very question the gentleman is talking about.

Mr. JOHNSON of Kentucky. Is the Speaker going to submit to reducing this to a legal proposition, when the Sergeant at Arms, if he chooses to do it, can starve out Members of this House until a quorum can be broken while Members are at law about their salaries?

The SPEAKER. It is the business of the Sergeant at Arms. The Speaker has no more authority over the Sergeant at Arms than the gentleman from Kentucky has—not a bit in the world. Each one of these officers elected here is expected to attend to his own business. Of course, once in a while I have assumed the authority I have, in a friendly kind of way, of making suggestions to the various officers of the House, and communicate to them any complaints Members have made about what their helpers are doing; but beyond that the Speaker has no control over it.

Mr. JOHNSON of Kentucky. Mr. Speaker, is a Member of this House compelled by a situation which the Sergeant at Arms may choose to bring about to finally abandon his services here because, perchance, he has not the money with which to pay his expenses in Washington and come to the Chamber when the House is in session?

The SPEAKER. I think not. I think the whole business resolves itself into this: The statutes require the Sergeant at Arms to do certain things——

Mr. JOHNSON of Kentucky. Will the Chair permit an interruption right there?

The SPEAKER. The Sergeant at Arms must find out at his own risk what his duties are.

Mr. JOHNSON of Kentucky. Mr. Speaker, does he incur any risk in paying a Member of this House when he knows that Member is present?

The SPEAKER. That is a legal proposition which the Chair is not authorized to pass upon.

Mr. ANSBERRY. Will the gentleman from Kentucky permit an interruption?

Mr. JOHNSON of Kentucky. Yes.

Mr. ANSBERRY. Does not the gentleman think if he himself objects to complying with the request of the Sergeant at Arms that the Sergeant at Arms may be compelled to adopt more stringent and objectionable methods of ascertaining the fact as to the attendance of Members here?

Mr. JOHNSON of Kentucky. No. I am testifying here. I am not willing to consider myself judge and jury in my own case, and the Journal testifies as to my presence here.

Mr. ANSBERRY. The gentleman from Kentucky has made a case here that the Sergeant at Arms ought to be willing to take, instead of the "pink slip," so called, which the Speaker has told us was brought about by the precedent established in the Fifty-third Congress——

Mr. JOHNSON of Kentucky. An unwise precedent.

Mr. ANSBERRY. The law charges the Sergeant at Arms with the duty of enforcing this statute, which would still be in effect if the resolution were abrogated, and it seems to me that this official adopted the least oppressive way of ascertaining the facts.

Mr. JOHNSON of Kentucky. Will the gentleman let me interrupt him?

The statute charges the Sergeant at Arms to deduct from the salary of Members when the Members are absent. I challenge the gentleman, the Sergeant at Arms, or anybody else to show authority for docking anybody when he is present, as he has done with me in this instance.

Mr. ANSBERRY. As I said before, I agree that in the case the gentleman from Kentucky makes, the Sergeant at Arms requirement might seem harsh, but my friend is too good a lawyer not to know that all laws, because of their general character, are apt to seem oppressive in particular cases. In obeying the direct mandate of the House the Sergeant at Arms adopted a precedent which has long been abandoned, and in doing this he simply did as we all do when compelled to do a duty enforced on us by law, and when we are not familiar with the procedure we make inquiry as to how other officials charged with the same duty proceeded. It seems to me that this precedent was a good one, and, good or bad, it is one method of getting at the facts and he should be commended and not reprimanded under the circumstances.

Mr. GARNER. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Texas rise?

Mr. GARNER. I rise to a point of order.

The SPEAKER. What is it?

Mr. GARNER. What is before the House?

The SPEAKER. The gentleman from Kentucky [Mr. JOHNSON] has a question of privilege.

Mr. JOHNSON of Kentucky. I have a right, Mr. Speaker, not only for myself but for the rest of the membership of this House, to ask whether the Sergeant at Arms has the right to deduct from a man's salary when he is present?

The SPEAKER. The speaker is not authorized to answer that question.

Mr. JOHNSON of Kentucky. Mr. Speaker, a parliamentary question.

The SPEAKER. The gentleman will state it.

Mr. JOHNSON of Kentucky. Is there a committee of this House which has jurisdiction for the purpose of auditing the accounts of the Sergeant at Arms in the past to see whom he has unlawfully paid?

The SPEAKER. The Chair never heard of any such committee. There may be one.

Mr. JOHNSON of Kentucky. Would a resolution to create such a committee be a privileged one?

The SPEAKER. The resolution would go to the Committee on Rules. Any resolution changing the rules of the House goes to the Committee on Rules.

Mr. JOHNSON of Kentucky. Then, Mr. Speaker, do I understand there is no rule upon this subject?

The SPEAKER. The Chair does not know. The Chair never had that matter suggested to him and has never investigated it. He does not know; but he is rather inclined to think that——

Mr. JOHNSON of Kentucky. But somebody ought to have the authority to ascertain whether the Sergeant at Arms has paid Members whom he has had no right to pay, when he refuses to pay Members whom he should pay.

Mr. HENRY. Mr. Speaker, if the gentleman will yield, I would like to submit a parliamentary inquiry.

The SPEAKER. The gentleman will submit it, if the gentleman from Kentucky will yield.

Mr. JOHNSON of Kentucky. Yes.

Mr. HENRY. When the recess is taken that was arranged for a few days ago, would it be in order now for me to ask that this docking resolution, which was passed some time ago, be abrogated?

Mr. JOHNSON of Kentucky. That would not abrogate the law.

The SPEAKER. It would be like any other resolution; it would have to go to the Committee on Rules.

Mr. MANN rose.

Mr. HENRY. I ask now that the docking resolution——

The SPEAKER. The gentleman from Kentucky did not yield the floor to the gentleman from Texas for that purpose.

Mr. MANN. I was going to suggest, Mr. Speaker, to the gentleman that, so far as the accounts of the Sergeant at Arms are concerned, they all have to be audited by the Treasury Department. It is not left to the sweet will of the Sergeant at Arms. The accounts of the Sergeant at Arms are like any other public accounts of the Government.

Mr. JOHNSON of Kentucky. Will the gentleman from Illinois permit me to ask him a question?

Mr. MANN. Yes.

Mr. JOHNSON of Kentucky. The gentleman from Illinois recently said here that one of his colleagues had not been in the House since the very beginning of the session. I take it for granted that the gentleman from Illinois, like myself, knows there is a statute which says a Member shall not be paid unless he is here, or unless he makes the legal excuse. If that legal excuse has not been made, is there nobody whose business it is to ascertain whether anybody has been unlawfully paid or not?

Mr. MANN. It is the duty of the Auditor of the Treasury Department to disallow accounts that are held if they are not paid in accordance with the provisions of law. I take it that the auditor performs his duty.

Mr. JOHNSON of Kentucky. Is not the gentleman morally certain that he knows of instances where that law has been violated?

Mr. MANN. The docking law, the gentleman means?

Mr. JOHNSON of Kentucky. Yes; the act of 1856.

Mr. MANN. I know of instances in my own case where it has not been observed. I will not say it has been violated. [Laughter.]

Mr. JOHNSON of Kentucky. But does the gentleman know of any case where a Member of this House has heretofore been docked when every official of the House knew he was present?

Mr. MANN. Well, as there has been no docking since I have been a Member of the House, until recently, I assume that I could not give any instance where pay has been withheld for that reason. I think the Sergeant at Arms is as much entitled to require a certificate as would be a man who is traveling, where his traveling expenses are paid by the Government in accordance with the law, but who can not get the expenses until he certifies that he has incurred them. [Applause.]

Mr. JOHNSON of Kentucky. I would like to ask the gentleman if the act of 1856 relative to docking does not require and impose the duty upon the Sergeant at Arms to ascertain who is present and who is not, and that he is paid for rendering that service?

Mr. MANN. I did not rise for that purpose; but if the gentleman wants my opinion, I will say that if the Sergeant at Arms pays the Members their salaries illegally he does it at his peril. If he pays them illegally, he and his bondsmen are liable on their bond.

Mr. JOHNSON of Kentucky. That is admitted; but will the gentleman permit an interruption right there?

Mr. MANN. Yes.

Mr. GARNER. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Kentucky. When the Journal shows that a Member is present, is not the Sergeant at Arms bound by that Journal?

Mr. MANN. Oh, the Sergeant at Arms must himself determine, being an elected official of this body, how he will ascertain the presence or absence of a Member.

Mr. GARNER. Mr. Speaker, now will the gentleman yield?

Mr. MANN. Now, the Sergeant at Arms, being required by resolution of the House to pay attention to a law which had

not been observed theretofore for a long time, has adopted a method suitable, in his opinion, to meet the case, to obtain the information which he is required to obtain at his peril; and, adopting that method, he has left it to the Members of the House themselves to certify—the most gentlemanly method he could have adopted, in my opinion. [Applause.]

Mr. JOHNSON of Kentucky. Is it the policy, I would like to ask the gentleman, of the courts and of all public tribunals, in instances where money is to be taken from the Treasury, to leave it to the claimant?

Mr. MANN. I think it is the policy in almost every case to leave it to the claimant in the first instance. The claimant makes his claim, certifies its correctness, and then in the end the auditor or the comptroller passes upon the justness of the payment of the claim.

Mr. GARRETT of Tennessee. Mr. Speaker, will the gentleman from Kentucky yield?

The SPEAKER. Does the gentleman from Kentucky yield to the gentleman from Tennessee?

Mr. JOHNSON of Kentucky. Yes.

Mr. GARRETT of Tennessee. Does not the gentleman from Kentucky think that those of us who make a law, or are responsible for the continuance of a law, should hesitate to stand upon a technicality, but should be willing to do our part in the enforcement of the law which was made by Congress or for the continuance of which we are responsible?

Mr. JOHNSON of Kentucky. Why, certainly. I am complaining because an officer of this body has exceeded his authority and has withheld my salary and persists in doing so when he knows that I am here. That is all I am complaining of. He should not pay those who are absent.

Mr. GARNER. Mr. Speaker, will the gentleman yield?

Mr. GARRETT of Tennessee. Will the gentleman from Kentucky yield further to me, please?

Mr. DONOVAN. Mr. Speaker, I make a point of order.

The SPEAKER. What is the gentleman's point of order?

Mr. DONOVAN. The personal explanation has expired long ago. This is only a repetition——

The SPEAKER. The gentleman is mistaken about that.

Mr. DONOVAN. Is there no limit to this?

The SPEAKER. Yes; there is a limit of one hour.

Mr. JOHNSON of Kentucky. Mr. Speaker, may I be permitted to have not only the RECORD but the Journal show that I am present to-day, in order that the Sergeant at Arms may not withhold my salary for to-day?

The SPEAKER. The Chair thinks the only way to do that is to have a roll call.

Mr. JOHNSON of Kentucky. Mr. Speaker, right there——

Mr. GARRETT of Tennessee. Mr. Speaker, the RECORD will indicate the gentleman's presence, because it will show what he has said.

The SPEAKER. The RECORD itself will show that the gentleman rose to a question of personal privilege.

Mr. JOHNSON of Kentucky. Then, Mr. Speaker, I would like to know why the Sergeant at Arms persists in asking me to sign a certificate when you have just suggested that a roll call will show whether I am present, and the roll calls every day are before the Sergeant at Arms and he knows that I answer to my name.

Mr. GARNER. Will the gentleman from Kentucky yield?

Mr. JOHNSON of Kentucky. Yes.

Mr. GARNER. The gentleman from Kentucky knows that the law says the Sergeant at Arms shall not pay a Member——

Mr. JOHNSON of Kentucky. No; it does not say that. It says he shall deduct——

Mr. GARNER. That he shall deduct the Member's salary for such days as he is absent.

Mr. JOHNSON of Kentucky. Yes.

Mr. GARNER. Now, the Sergeant at Arms has adopted the best method that he knows——

Mr. JOHNSON of Kentucky. I disagree with the gentleman. I come in here on this floor day after day and I see the gentleman from Texas here. Why can not the Sergeant at Arms see me here? The gentleman from Texas sees me here. Why can not the Sergeant at Arms see me here?

Mr. GARNER. But the Sergeant at Arms, as a disbursing officer, has adopted, as the gentleman from Illinois [Mr. MANN] says, the most reasonable method that he can adopt in order to ascertain whether I am here or you are here. It does seem to me that it is a reasonable request to ask a Member to sign a certificate as to the number of days he has been here. [Applause.]

Mr. BURKE of South Dakota. Mr. Speaker——

The SPEAKER. Does the gentleman from Kentucky yield to the gentleman from South Dakota?

Mr. JOHNSON of Kentucky. I do.

Mr. BURKE of South Dakota. Is the gentleman from Kentucky aware of the fact that the Sergeant at Arms of the House is, under the law, a disbursing officer?

Mr. JOHNSON of Kentucky. Yes.

Mr. BURKE of South Dakota. Now, is not the gentleman aware of this fact: That no officer of the Government can direct a disbursing officer to pay out money?

Mr. JOHNSON of Kentucky. Does the gentleman contend that there is not a law directing the disbursing officer to pay to the Members of this House their salaries monthly?

Mr. BURKE of South Dakota. I will say to the gentleman that if the Sergeant at Arms of the House does not pay him his salary there is only one way in which the gentleman can get his salary, if he thinks he is being unjustly deprived of it, and that is by resorting to the courts, and that the House itself has not the power to direct the Sergeant at Arms to pay out money unlawfully, so that he would be released on his bond if he did so.

Mr. JOHNSON of Kentucky. Does the gentleman think the Sergeant at Arms would act unlawfully in paying me for my attendance here?

Mr. BURKE of South Dakota. In answer to the gentleman's inquiry I will say that I do not think it would be unlawful for the Sergeant at Arms to pay the gentleman if he had been absent for several days, because I do not recognize that the statute of 1856 is still in existence.

Mr. JOHNSON of Kentucky. I disagree with the gentleman about that. I think it is.

Mr. BURKE of South Dakota. I want to say to the gentleman that it has been decided that a disbursing officer under bond is himself the man who determines how he shall pay out money, and—I am speaking now from knowledge—that the President, in a well-known case that I happen to know about, made the statement that he could not compel a disbursing officer to pay out money that he did not wish to pay out, and that the only thing he could do would be to remove the disbursing officer.

Mr. JOHNSON of Kentucky. Mr. Speaker, it has been my understanding, and it is suggested to me by the gentleman from Georgia [Mr. BARTLETT], that the law requires these salaries to be paid upon certificates from the Speaker of the House to the Sergeant at Arms directing their payment. Entertaining that belief, I rose for the purpose of having the Speaker certify to my presence, of which he officially knows, and in which he is sustained by the Journal of this House; and I ask the Speaker to take it under advisement and do what he can to make it impossible for the Sergeant at Arms, at his pleasure, to hold up whomsoever he sees fit in this House. I must insist that he pay me. I have not missed a day this month, but he will not pay me.

Mr. COOPER. Will the gentleman permit an interruption?

Mr. JOHNSON of Kentucky. I yield to the gentleman.

Mr. COOPER. I want to ask the gentleman from Kentucky a question. I feel heartfelt sympathy for him. I went home during a temporary lull in the business here to keep an engagement to speak at a picnic, and on coming back my salary was curtailed. I make no complaint at all. It is all right, under the law.

Mr. JOHNSON of Kentucky. I say it is all right.

Mr. COOPER. I would like to ask the gentleman from Kentucky if he knows whether the gentleman from Alabama [Mr. UNDERWOOD], who before the month of August was gone some considerable time, engaged in securing his nomination for the Senate, and the gentleman from Texas [Mr. HENRY], who was absent for several weeks seeking reelection to this House, had their salaries docked before August, the month in which that resolution was introduced?

Mr. UNDERWOOD. Oh, no.

Mr. JOHNSON of Kentucky. I have no knowledge upon the subject.

Mr. UNDERWOOD. I am sure the gentleman does not wish to make a misstatement on the floor of the House, and the statement he has just made with reference to myself is a misstatement.

Mr. HENRY. Mr. Speaker——

Mr. COOPER. Was not the gentleman from Alabama absent before the month of August?

Mr. UNDERWOOD. I was away for two weeks in June at the order of a physician, because I was sick, and I was not at home at that time. I was at Hot Springs, Va., and was away from Washington under the advice of two physicians.

Mr. HENRY. Mr. Speaker, will the gentleman yield?

Mr. COOPER. It was printed in the newspapers and commonly reported in the House; but if I have been misinformed,

as the membership of the House has, I apologize to the gentleman.

Mr. UNDERWOOD. That is correct.

Mr. COOPER. It was currently reported here that the gentleman was engaged on the stump.

Mr. UNDERWOOD. The gentleman is mistaken. I was not at home at all. I was away under the advice of a physician.

Mr. HENRY. Mr. Speaker, will the gentleman yield?

The SPEAKER. The gentleman from Kentucky has the floor.

Mr. JOHNSON of Kentucky. I want to conclude my remarks.

Mr. HENRY. I want to reply to the gentleman from Wisconsin.

Mr. JOHNSON of Kentucky. And in that connection, in the line just suggested by the gentleman from Wisconsin [Mr. COOPER], I desire to say that I feel fully warranted in making the statement that gentlemen who were absent during 27 days of the month ending September 4 were paid by the Sergeant at Arms, and that I was present during that time, and he has refused to pay me for the same time when I was present.

Mr. BORLAND. Mr. Speaker, will the gentleman yield?

Mr. HENRY. Will the gentleman yield to me to reply to the gentleman from Wisconsin?

Mr. JOHNSON of Kentucky. I will yield to the gentleman from Texas.

The SPEAKER. The gentleman from Kentucky can not yield time.

Mr. HAY. Mr. Speaker, I make the point of order that the gentleman from Kentucky has not stated a question of personal privilege.

Mr. JOHNSON of Kentucky. Whether I have or not, I have said all I care to.

The SPEAKER. The Chair thinks the gentleman has stated a question of privilege, although the Chair thinks that by reason of the questions asked him he has wandered far afield.

Mr. MANN. Mr. Speaker, before the Chair rules, I should like to make this suggestion: That there is a wide difference between a question of personal privilege and a privileged question. It is a privileged question, but under the rule that can only be presented by presenting a resolution. Now, if every Member of the House is entitled to an hour's time on a question of personal privilege because he has been away for 29 days in a month and comes back for 1 day, I am afraid he will make a rule whereby filibustering might last for a long time. I do not think it is a question of personal privilege but a privileged question, which can be raised by a resolution.

The SPEAKER. When the gentleman states the distinction between a question of personal privilege and a privileged question, he states the matter correctly, and that a privileged question can only be raised by a resolution.

Mr. HENRY. Mr. Speaker, the gentleman from Kentucky yielded to me to reply to the gentleman from Wisconsin.

The SPEAKER. The Chair's recollection is that the gentleman from Virginia [Mr. HAY] made the point of order that this was not a privileged question.

Mr. HAY. I made the point of order, Mr. Speaker, that this is not a question of personal privilege.

The SPEAKER. That is right. It is a privileged question, in which the whole House is interested.

Mr. HENRY. Mr. Speaker, the gentleman from Alabama was given an opportunity to state whether he was absent or not.

The SPEAKER. But no one then had made the point of order.

Mr. HENRY. I rise, Mr. Speaker, to a question of privilege. I state that the gentleman from Wisconsin said that I had been absent from the House several weeks seeking reelection to the House of Representatives. It is true I was absent seeking reelection, but it did not occur to me that I was injuring the welfare of my country when I was seeking a reelection to the House of Representatives. [Laughter and applause.] That was before this resolution was adopted. The gentleman asked if I had been docked on my salary. I will state that I have not been docked and will not be; I have been drawing my salary every day, and intend to draw it.

Mr. MANN. Will the gentleman from Texas yield?

Mr. HENRY. I will.

Mr. MANN. Is the gentleman from Texas prepared to say how many of the 215 roll calls between December 1 and August 31 he answered to?

Mr. HENRY. Does the gentleman from Illinois know?

Mr. MANN. Yes.

Mr. HENRY. How many?

Mr. MANN. The gentleman answered to 102 and was absent 113.

Mr. HENRY. Between what dates?

Mr. MANN. Between December 1 and August 31.

Mr. HENRY. I was absent seeking reelection to the House of Representatives several weeks, and if I should have opposition again in my district I would go home. On other occasions I was paired.

Mr. MANN. That was a little more than half the time. Has the gentleman got his pay for all that time?

Mr. DONOVAN rose.

The SPEAKER. For what purpose does the gentleman from Connecticut rise?

Mr. DONOVAN. To ask for the regular order.

ORDER OF BUSINESS.

Mr. TAYLOR of Colorado. Mr. Speaker, I rise to submit a unanimous request.

The SPEAKER. The gentleman will submit it.

Mr. HENRY. Mr. Speaker, reserving the right to object, I want to say that if I can have five minutes right after that——

Mr. WINGO. A point of order, Mr. Speaker.

Mr. DONOVAN. Regular order, Mr. Speaker.

The SPEAKER. The regular order is for the House to resolve itself into Committee of the Whole House on the state of the Union under the rule.

Mr. HENRY. Mr. Speaker, I withdraw my request.

The SPEAKER. The gentleman from Connecticut [Mr. DONOVAN] has demanded the regular order.

Mr. TAYLOR of Colorado. I will ask the gentleman from Connecticut to withhold that.

Mr. DONOVAN. Not for a second. [Laughter.]

Mr. HENRY. Mr. Speaker, I make the point of order that no quorum is present.

The SPEAKER. The gentleman from Texas makes the point that no quorum is present; the Chair will count. [After counting.] One hundred and seventy-five Members present—not a quorum.

Mr. UNDERWOOD. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Doorkeeper was directed to close the doors and the Sergeant at Arms to notify the absentees.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Fields	Konop	Patten, N. Y.
Anthony	Finley	Korbly	Peters
Austin	Francis	Kreider	Platt
Baker	French	Langley	Powers
Barchfeld	Gallivan	Lee, Pa.	Ragsdale
Bell, Cal.	Gardner	L'Engle	Rayburn
Britten	George	Lever	Riordan
Brown, N. Y.	Gillett	Lewis, Pa.	Rothermel
Brown, W. Va.	Gilmore	Lindbergh	Russell
Browning	Godwin, N. C.	Lindquist	Sabath
Bruckner	Goeke	Lloyd	Saunders
Burke, Pa.	Goldfogle	Loft	Scully
Burke, Wis.	Graham, Pa.	Logue	Shreve
Butler	Greene, Mass.	McAndrews	Siemp
Calder	Gregg	McClellan	Stanley
Callaway	Griest	McCoy	Stedman
Candler, Miss.	Griffin	McGuire, Okla.	Stevens, N. H.
Carew	Gudger	MacDonald	Stringer
Cary	Guernsey	Mahan	Sumners
Church	Harris	Maher	Taylor, N. Y.
Clancy	Hart	Martin	Thomson, Ill.
Clark, Fla.	Helvering	Merritt	Townsend
Connolly, Iowa	Hinds	Metz	Treadway
Conry	Hinebaugh	Moore	Tuttle
Copley	Hobson	Morgan, La.	Vare
Cramton	Howard	Morin	Wallin
Dale	Hoxworth	Mott	Walsh
Difenderfer	Hughes, W. Va.	Murdock	Watkins
Donohoe	Hulings	Neeley, Kans.	Whaley
Dooling	Humphreys, Miss.	Neely, W. Va.	Whitacre
Doremus	Johnson, S. C.	Nolan, J. I.	White
Driscoll	Keister	Oglesby	Willis
Drukker	Kelly, Pa.	O'Hair	Wilson, N. Y.
Elder	Kennedy, R. I.	O'Leary	Winslow
Falson	Kent	O'Shaunessy	Woodruff
Farr	Kettner	Paige, Mass.	Woods
Fergusson	Kindel	Palmer	
Ferris	Knowland, J. R.	Parker	

The SPEAKER. On this call 279 Members have answered to their names—a quorum.

Mr. UNDERWOOD. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

COTTON AND CURRENCY.

Mr. HENRY rose.

The SPEAKER. For what purpose does the gentleman from Texas rise?

Mr. HENRY. Mr. Speaker, I desire to submit a request for unanimous consent. I ask unanimous consent that I be allowed to print in the RECORD a bill which was introduced in the Senate yesterday by the Senator from Texas [Mr. SHEPPARD],

dealing with the cotton and currency situation. It is a very short bill, and contains just four or five sections.

The SPEAKER. The gentleman from Texas asks unanimous consent to print in the RECORD a bill introduced yesterday in the United States Senate by Senator SHEPPARD, of Texas, on the cotton and currency situation. Is there objection?

There was no objection.

HOMESTEAD ENTRY BY FEMALE AMERICAN CITIZENS.

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent for the present consideration of the conference report on the bill (H. R. 11745) to provide for certificate of title to homestead entry by a female American citizen who has intermarried with an alien.

Mr. MANN. The report has been presented and printed?

Mr. TAYLOR of Colorado. Yes.

The SPEAKER. The gentleman from Colorado asks unanimous consent for the present consideration of the conference report. Is there objection?

There was no objection.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report, as follows:

CONFERENCE REPORT (NO. 1172).

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 11745) to provide for certificate of title to homestead entry by a female American citizen who has intermarried with an alien having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same.

SCOTT FERRIS,
EDWARD T. TAYLOR,
BURTON L. FRENCH,
Managers on the part of the House.

H. L. MYERS,
REED SMOOT,
Managers on the part of the Senate.

The statement is as follows:

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 11745) to provide for certificate of title to homestead entry by a female American citizen who has intermarried with an alien, submit the following written statement in explanation of the action agreed upon and recommended in the accompanying conference report: The purpose of the Senate amendment is to not permit the operation of the act to extend to cases where the alien husband of the citizen entrywoman belongs to a race not entitled to become naturalized as a citizen of the United States, which the bill as it passed the House would have allowed, but to allow patent to be granted only where the alien husband belongs to a race whose people are eligible to become citizens of the United States. The House managers find themselves in accord with this purpose and therefore recede from its disagreement to the Senate amendment.

SCOTT FERRIS,
EDWARD T. TAYLOR,
BURTON L. FRENCH,
Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken, and the conference report was agreed to.

THE PHILIPPINE ISLANDS.

The SPEAKER. Under the special rule the House will automatically resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands, and the gentleman from Virginia [Mr. FLOOD] will take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 18459, the Philippine bill, with Mr. FLOOD of Virginia in the chair.

Mr. LEVY. Mr. Chairman, I offer the following amendment as a new section, which I send to the desk and ask to have read.

The Clerk read as follows:

Between sections 9 and 10, page 3, insert the following as a new section, to be known as section 2½:

"That the government of the Philippines shall reimburse the Government of the United States for all moneys expended by said Government of the United States in the purchase, protection, and government of the Philippine Islands, and said reimbursement shall be made in payments of gold out of any surplus in the Philippine treasury, or by 3 per cent Philippine Government bonds."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

Mr. MILLER. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. MILLER. I rise to oppose the amendment.

Mr. LEVY. It is not an amendment; it is a new section.

Mr. MILLER. It is an amendment in the way of a new section.

Mr. LEVY. No; it is a new section.

The CHAIRMAN. The Chair did not understand the gentleman from Minnesota.

Mr. MILLER. Mr. Chairman, I rose to oppose the amendment. If the gentleman does not wish to discuss it, I am willing for him to have a vote. I did not intend to discuss the amendment. I wanted to discuss another matter.

Mr. LEVY. Mr. Chairman, I think it is important that this section should be in, for the reason that it declares that the Philippine Islands owe the Government of the United States a large sum of money; and while it may seem right that we should declare that we are not insisting upon demanding it at the present time, but the time will come when the Filipinos may be very rich, when they can afford to pay us. For that reason I think it ought to be declared that they owe us this money, and that some arrangement ought to be made whereby recognition should be taken of this obligation.

Mr. JONES. Mr. Chairman, I only wish to say a word or two in opposition to this amendment. In the first place, I do not think that if any such proposition as this is ever to be adopted it ought to be embodied in this bill. This bill does not grant the Filipinos independence. It merely provides for a more liberalized form of government than they have at the present time. It is true that the preamble sets forth that it is the purpose of the people of the United States to grant them their independence at some future time. When the time comes for the introduction of an independence bill, that will be the time to consider the terms and conditions upon which independence shall be granted, and——

Mr. BATHRICK. Will the gentleman yield?

Mr. JONES. Not just yet. And, Mr. Chairman, if at that time it shall be the disposition of the Congress to give the Filipinos their independence upon the condition that they reimburse the United States for all the money that the United States has expended in connection with the Philippine Islands, then, of course, that can be done. For one I do not believe that the time will ever come when the people of this country will charge up to the people of the Philippines and demand of them as a condition precedent to granting them their independence the hundreds of millions of dollars that the United States has expended in subjugating and holding them. [Applause on the Democratic side.]

Mr. LEVY. Will my colleague yield?

Mr. JONES. In a moment. But the point I am making now, Mr. Chairman, is that the amendment has no place in a bill which does not grant complete independence to the Filipino people. I do not think it ought to find a place in any bill, but certainly not in this bill, which does not propose to give them their independence. Of course, Mr. Chairman, if this proposition were adopted, it would be to require the Filipino people at a time when they owe allegiance to the United States to pay us a sum of money so great that no one thus far has been able to compute it.

Mr. LEVY. Will my colleague yield?

Mr. JONES. I yield to the gentleman.

The CHAIRMAN. Did the Chair understand that the gentleman from Virginia made the point of order?

Mr. JONES. No; I did not make the point of order.

Mr. LEVY. That would be so if you had not this section in the bill:

Provided, however, That the entire indebtedness of the Philippine government created by the authority conferred herein shall not exceed at any one time the sum of $10,000,000.

Mr. JONES. Oh, Mr. Chairman, the bill provides that so long as the islands are the possessions of the United States they shall

not create an indebtedness to an amount exceeding $10.000.000; but when we give them their independence, I will say to my friend from New York, there will be no such string as that attached to the measure. This bill does not say that when we give them their complete independence they shall not create an indebtedness in excess of $10,000,000. The provision quoted by the gentleman simply applies to the government of the Philippines which we provide for them in this bill. I shall not now undertake to discuss the merits of a proposition which I do not believe will be seriously considered. When the time comes, if it ever does, and I am fortunate enough to be a Member of Congress, I will say to the gentleman from New York that I will oppose to the uttermost of my ability any such proposition as that which is contained in his proposed amendment to this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

SEC. 3. That no law shall be enacted in said islands which shall deprive any person of life, liberty, or property without due process of law, or deny to any person therein the equal protection of the laws.

Mr. MILLER. Mr. Chairman, I move to strike out the last word.

Mr. MANN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MANN. Section 3 is a long section. It covers a great many different paragraphs somewhat in the nature of a copy of certain things, I suppose either from the Constitution of the United States or from various State constitutions. Is it to be treated as one section or one paragraph only for amendment, or are the paragraphs to be read separately for amendment? The subjects matter in the different paragraphs of the section are entirely disassociated one from the other.

The CHAIRMAN. The general rule, as the Chair understands, is that the whole section should be read before it is open to amendment, except with appropriation bills; but the gentleman from Illinois suggests that the subject matter of the various paragraphs, so to speak, is different, and therefore the Chair will permit amendments after each one.

Mr. MANN. I think that is proper in a case like this.

Mr. MILLER. Mr. Chairman, I have asked for recognition in order that I might indulge in a little further discussion relative to the geography of the Philippine Islands, a controversy which arose yesterday morning.

I find, Mr. Chairman, that there is an authoritative document issued by the Government, wherein it is specifically recognized and stated, as I stated yesterday, that the islands which I described and located were not included in the terms of the treaty of Paris in 1898, but were included specifically in the subsequent treaty of 1900. Senator LODGE, in the year 1901, within a very few months after the ratification of the treaty of 1900, had a sketch prepared relative to the groups of islands embraced in that last treaty, one group that of Cagayan de Sulu and the other group that of Sibutu, that was published as a Senate document—No. 103, Fifty-sixth Congress, second session. In this are collected accounts which various travelers from various countries of the world have given and the descriptions they have written of these islands. I apprehend the purpose was that the American people might be informed relative to the character and condition of these groups of islands, which they have now acquired by purchase and which they own in fee. One of the first travelers to visit the group called Cagayan de Sulu and leave an account of his visit was Admiral Keppel, who visited Cagayan de Sulu in 1847. Of this he says:

On the 17th we came to, in 10 fathoms, about a mile off the south side of Cagayan, and immediately commenced our examination of the curious circular lake before mentioned, of which we had reserved the examination for this opportunity. The entrance is by a gap about 50 yards wide. This, however, is crossed by a bank of coral, which extends along the whole south coast, and at low water is nearly dry, so as to exclude any boat larger than a canoe. Just outside the middle of the bar was a small island of rock and sandstone, with a sufficient shelter of bushes to make an excellent shaded spot for our picnic. On passing the bar we found ourselves inside a magnificent circular lake of deep blue water.

And further on in his report he says:

This grand discovery being communicated to the other rambling parties, curiosity became here concentrated. Men and axes were procured from the ship, the trees were cut down, and a road made up the gap, and so over to the fresh-water lake. A raft was then constructed and, together with a small boat belonging to the tender, was very shortly launched upon the upper water.

It was not until we were afloat on the inner lake that we were enabled to form a correct idea of the beauty of its encircling barriers and of the luxuriant vegetation which graced them. We had then also the best view of the extraordinary gap through we had passed into it.

And again:

From the inside the little island at the entrance had all the appearance of having once filled the gap, and looked as if it had been forced into the sea by some internal pressure. The break which I mentioned on the northeast side did not come lower than within 70 or 80 feet of the water's edge, and was partially concealed by the thick foliage of the jungle and forest trees. In sounding we found the depth of the water to vary from 50 to 60 fathoms, and it appeared to be as deep at the sides as in the center. Nothing could be more beautifully luxuriant than the growth of the jungle trees of every description, their trunks and branches covered with an endless variety of beautiful creepers in brilliant blossom hanging in festoons to the very water's edge. Over our heads, disturbed by such unusual visitors, numbers of pigeons flew to and fro, while many varieties of the parrot screamed their remonstrances at our intrusion.

Capt. Sir Edward Belcher also visited this remarkable island, and in his report mentions "having discovered in the south side of Cagayan Sulu a circular inlet of very deep water, cut off from the sea by a shallow bar."

The English traveler, St. John, has also written respecting this remarkable island. He says:

We steered for Cagayan Sulu, which is a gem in the ocean. It has three peaks, wooded, but varied by grassy glades, groves of coconuts and fruit trees, partly concealing and partly revealing scattered houses and villages. It is, indeed, a picturesque island from every view. * * * It is finely situated in the Sulu Seas and it is both healthy and fertile. * * * The most singular spot in this island is near the old crater-looking harbor, mentioned by Sir Edward Belcher, which we entered over a reef. It is almost circular and is surrounded by lofty rocks clothed with trees, bushes, and hanging creepers, presenting a magnificent wall of evergreen. Rowing to the west side of the bay and climbing to the top of a lofty bank, we had a splendid view of a remarkable, almost circular lake. The place where we stood was a gap between the lofty cliffs that rose on either hand and appeared to have been formed by the inner waters bursting their boundary and overthrowing the upper defenses of this natural dam.

Guillemard, the great naturalist, writes as follows of this island:

Beautiful as are almost all tropical islands, I do not think I have ever seen one more captivating than Cagayan Sulu. Mr. St. John calls it a "true gem of the ocean"; and as the boat glided over the coral gardens, bright with vividly colored fish, and landed me, gun and collecting box in hand, on the snowy sand, I felt as if I could cast off civilization and European clothes alike and cultivate my mealie patch and grove of coconuts with the natives for the remainder of my natural life.

Further on he says:

Our first expedition to the crater lakes, one of the most interesting natural phenomena we met with in the eastern seas, was unsuccessful, owing to bad weather; but the next day being fine we started early in the steam launch to visit them again. They are situated on the south side of the island, about 4 miles distant from the southwest point, off which we had anchored; and running alongshore inside the coral reef it was not long before we found ourselves at the entrance. It was barely a couple of hundred yards across, and as we glided slowly in the pale milky blue of the water on the reef suddenly gave place to the deepest sapphire.

* * * * * * *

The second lake, though of somewhat smaller size, is more perfectly circular than the western one, and though its southern wall is only a few yards distant from the beach, the sea has as yet left it unbroken. The level of the water, which is perfectly fresh, must be fully 40 feet above the sea, and but for the lessened height of the surrounding walls the second lake is almost an exact reproduction of the first.

Mr. JONES. May I ask the gentleman a question?

Mr. MILLER. Certainly.

Mr. JONES. Of what island is he speaking?

Mr. MILLER. Cagayan Sulu.

Mr. JONES. I mean the author of that article. To what island is he referring?

Mr. MILLER. Cagayan Sulu. I will say to the gentleman, however, it is headed "Cagayan Sulu," but frequently, to shorten it, they say "Cagayan."

Mr. JONES. I am asking the gentleman a question as to whether or not the author of that article is speaking of Cagayan or Cagayan Sulu?

Mr. MILLER. He is speaking of Cagayan Sulu.

Mr. JONES. Does he say so there?

Mr. MILLER. Absolutely and specifically.

Mr. JONES. Did the gentleman visit Cagayan Sulu while he was there?

Mr. MILLER. Do you mean myself?

Mr. JONES. Yes.

Mr. MILLER. Certainly.

Mr. JONES. Did you visit Cagayan and Cagayan Sulu both?

Mr. MILLER. I will say to the gentleman that there is no island that is properly described by "Cagayan." Now, the gentleman has asked the question, and if he will wait a moment I will tell him. There is a Cagayan Sulu group; there is another group to the north, not Cagayan, although the name on the map is Cagayan, but Cagayanes.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. MILLER. Mr. Chairman, I ask unanimous consent for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MILLER. But the name of that group is Cagayanes, as every man knows and as every reliable map shows. Of

course the difference between "Cagayanes" and "Cagayan" is not very great.

Mr. JONES. I will put my question in another form, because I want a specific answer. Did the gentleman visit the island that is marked on the map as "Cagayan," which is near Negros, and did he visit the island that is marked on the map "Cagayan Sulu," that is down near the Sulu Archipelago?

Mr. MILLER. I visited the island of Cagayan Sulu, about which I have been talking since yesterday morning.

Mr. JONES. Will not the gentleman answer my question?

Mr. MILLER. I am answering it. I passed Cagayanes and did not stop.

Mr. JONES. Where is that located?

Mr. MILLER. In the northern part of the Jolo Sea, not far from Negros, as the gentleman says.

Mr. JONES. You did not stop at that point?

Mr. MILLER. I did not.

Mr. JONES. Is it outside of the lines?

Mr. MILLER. I am perfectly frank to say that I never figured out where those lines go. The islands at which I have stopped, and which I have been talking about and calling by name ever since I have commenced to speak, are Cagayan Sulu, and they are located in the Jolo Sea, down in the southwestern part of the archipelago, near Borneo.

Mr. JONES. When he was interrogated as to it, and some gentleman asked him how far it was, did not the gentleman put his hand on Cagayan and say it was about 400 miles from Manila? Does he not know the other islands are about 800 miles from Manila?

Mr. MILLER. Now, just a moment. As the gentleman has interjected a remark that calls for explanation, I want time to give it. I want to call attention to the language I used at the outset, when speaking on this subject, which is found on page 17544 of the RECORD. There I said:

> Now, the islands which we acquired by that last treaty with Spain was that little group of islands called Cagayan de Sulu, in the midst of the Jolo Sea—a little group of islands almost down to Borneo, in the southernmost corner of the archipelago.

I pointed them out. Now, the gentleman invited me to go to the map yesterday, where he proposed to demonstrate to me that I was entirely mistaken; that the islands I was describing, Cagayan de Sulu, were not the islands contained in the last treaty. I refused to go down, and I apologize to the gentleman now for not having gone down, because had I gone down I would have seen unquestionably his mistake. I would have seen that he was referring to a group of islands farther to the north. But the group of islands which I was discussing, and which I located, was a group of islands north of Borneo.

Mr. JONES. Will the gentleman say that while that colloquy was going on he ever pointed out the island of Cagayan Sulu?

Mr. MILLER. I will admit, if it will please the gentleman, that possibly in the confusion, inadvertently, in pointing my finger on the map I at one time put it 2 or 3 inches higher than the islands of Cagayan de Sulu; but the island I originally pointed out—and that is what I was speaking about—were the islands of Cagayan de Sulu.

Mr. JONES. Did not the gentleman put his finger right on Cagayan and keep it there, and in answer to a specific question say that this island is about 400 miles from Manila?

Mr. MILLER. Of course I did not do anything of the kind. I can not be responsible for what the gentleman may have thought I did, but I correctly located the islands and described them, and the gentleman immediately said they were not included within the terms of the treaty of 1900. Does the gentleman recede from that position and admit now that they were included?

Mr. JONES. I do not recede from any position I took yesterday, because what I stated then was what was absolutely and literally correct. The RECORD shows it, and the map shows it, and everything connected with the subject shows it, and I think the gentleman is the only single, solitary man in this House who has any opinion to the contrary.

Mr. MILLER. Now, let me ask the gentleman what does the map show? What does the document show that the gentleman describes?

Mr. JONES. If the gentleman will allow me, the map shows that this is the line [indicating] laid down in the treaty of Paris. It runs across in this direction [indicating], and then it comes down here [indicating], and then it goes across there [indicating]; and here is Cagayan Sulu, which is outside of that line. Cagayan Sulu is ceded to us under the treaty of 1900, because as this line was run these islands were thrown outside the archipelago, whereas they are a part of the archipelago.

Now, when it was discovered that that island there [indicating] and this little island here [indicating], Sibutu, just outside of the line there——

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. JONES. Mr. Chairman, I ask that the gentleman be permitted to have five minutes more, so that I can explain in his time.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. JONES. That island was just outside the line, and this one [indicating] was considerably out; and by a subsequent agreement, entered into in 1900, the United States bought that island and this island and all other islands around here [indicating]. There were some up here at the north which were outside of this line, but the Cagayan Island, of which the gentleman spoke yesterday, was embraced in the treaty of Paris. This is Cagayan Sulu.

Mr. MILLER. Mr. Chairman, I will not yield further to the gentleman.

Mr. JONES. Cagayan is hundreds of miles within the territory.

Mr. HAMILTON of Michigan. I think this great question of where the gentleman from Minnesota had his finger should be settled. [Laughter.]

Mr. MILLER. "The gentleman from Minnesota" has the floor.

Mr. MADDEN. Mr. Chairman, will the gentleman allow me to ask him a question?

Mr. MILLER. Yes; I yield for a question.

Mr. MADDEN. I want to find out, if I can, what this controversy regarding this island has to do with the principles involved in this bill.

Mr. JONES. Nothing whatever.

Mr. MILLER. The gentleman is entitled to his opinion and I am entitled to mine.

Now, I behold that the gentleman from Virginia [Mr. JONES] admits that the islands which I described yesterday as clearly as I could and located with accurate description were islands outside the line bounding the possessions acquired under the treaty of 1898, and the islands that were included in the subsequent treaty of 1900. Therefore the fresh-water lake that I was describing, the natural advantages and value there found, are the property of the United States.

Now, if the gentleman says that anybody here inadvertently pointed to the word "Cagayan" in a little group of islands farther to the north, maybe it was done. Maybe I did it myself. But when I was discussing the bill I specifically located and pointed out on the map where this island of Cagayan de Sulu is. But the important fact is that the islands which I described yesterday, with those two matchless harbors, were not in any sense of the term on a footing with the other islands in the archipelago. They are the property of the United States, purchased by the United States by a treaty made in 1900; and the inhabitants, so far as there are any inhabitants on the island, desire that they shall remain under the flag of the United States.

Mr. JONES. Now, will the gentleman let me ask him a specific question, just to get at the truth of this matter?

Mr. MILLER. Certainly.

Mr. JONES. I looked up the RECORD and found out what the gentleman said. The RECORD shows that the gentleman stated that the island he was asked about was about 600 miles from Manila. What I want to ask of the gentleman is this: Did he not state to the House that it was 400 miles from Manila? And did he not, under the liberal rules under which we are proceeding, which allow gentlemen to correct their remarks and extend them, change it in the RECORD from "400" to "600"?

Mr. MILLER. Mr. Chairman, I am very glad that the gentleman asked the question. I think the gentleman from Texas [Mr. SLAYDEN] asked the question how far it was, or the gentleman from New York [Mr. GOULDEN]. I said I could not say exactly, but I thought it was 400 miles. When I went over the RECORD, I will say, I did correct that to "600," but that is about the only correction I made. I will add this, however: I asked for the manuscript of the colloquy that I had with the gentleman from Virginia [Mr. JONES] after he had corrected it. It was handed to me, and there was scarcely a word of the original record left. The entire record was in the handwriting of the gentleman from Virginia. I did not correct it, because there was nothing to correct. I do not say that the gentleman changed it materially. There was a great deal of confusion in the Hall at the time, and——

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. MILLER. Mr. Chairman, I ask for two minutes more.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. JONES. The gentleman admits that I did not make any change as to any statement of fact, does he not? I only changed phraseology.

Mr. MILLER. I will make that admission, and I will say that no change was made by me as to any matter of fact, except that I changed the figures "400" to "600," because I thought 600 was more nearly correct; but I did not change a word in respect to the location of the islands or in respect to the description which was given.

Mr. GOULDEN. Will the gentleman yield?

Mr. MILLER. I yield to the gentleman from New York.

Mr. GOULDEN. When did the distinguished gentleman from Minnesota visit those islands?

Mr. MILLER. I visited those particular islands in October of last year. I will say to the gentleman, further, that in making that particular trip I went down entirely through the Sulu Archipelago to visit the Sulu Islands, inhabited by Moros, and to go down, if possible, to Sibutu, the furthermost point; and having arrived at that point, then in order to make Cagayan we skirted along Borneo for a whole day and part of a night, with Borneo plainly in sight; and of course my recollection is vivid and distinct that then we turned north and went about eight hours and landed at Cagayan de Sulu. Therefore it seems to me that, putting aside all the confusion that perhaps did naturally arise, those two wonderful harbors of measureless value to any commercial nation are the absolute property of the United States and should not be bargained away.

Mr. YOUNG of North Dakota. Will the gentleman yield?

Mr. MILLER. I yield to the gentleman from North Dakota.

Mr. YOUNG of North Dakota. Is it not a fact that four well-known explorers who visited that island prior to the gentleman from Minnesota described the island as Cagayan Sulu, and also specifically called attention to the fresh-water lakes lying beside the outer deep harbor?

Mr. MILLER. That is entirely true, as shown by the remarks of the gentleman from North Dakota [Mr. YOUNG] on the preceding day.

Mr. JONES. Mr. Chairman, I am surprised that my friend from Minnesota [Mr. MILLER] should die as hard as he does. Although this may not be a very important matter, I wish the House to understand it. The treaty of Paris specifically defined the territory that was ceded to the United States. These lines on the map, marked "Paris treaty line," this straight line running south, then running southwest so as to take in Palawan, then running south again, then east and then south, are the lines described in the Paris treaty. It was discovered sometime afterwards that there were several small, unimportant islands belonging to the Philippine Archipelago, that had been excluded by these lines, so that in 1900 President McKinley negotiated a treaty by which the Spanish Government ceded to the United States these outlying, excluded islands in consideration of $100,000. Now, because some of the islands were very near the line, the treaty undertook to mention them specifically. There were two of them. One of them was Cagayan Sulu, which you see is outside the line, and the other was Sibutu, away down here in the extreme south. When the gentleman was discussing this subject the other day, standing by this map, he never once directed attention to Cagayan Sulu. He spoke of Cagayan Sulu as if it were two islands. He maintained that there were three islands instead of two, and he referred to the CONGRESSIONAL RECORD containing a speech of the gentleman from North Dakota [Mr. YOUNG], in which there was a comma between the word Cagayan and the word Sulu, to prove that there were three islands—Cagayan, Sulu, and Sibutu, the last being this little island down here.

Mr. MILLER. Will the gentleman yield?

Mr. JONES. Now, to-day the gentleman admits that there are only two islands, Cagayan Sulu and Sibutu. Yet he comes here and undertakes——

Mr. MILLER. Will the gentleman yield? I did the gentleman the courtesy to yield, and he made the most of my speech.

Mr. JONES. I will yield in a moment. The gentleman now claims that he spoke of Cagayan Sulu.

Mr. MILLER. I am sure the gentleman does not want to make a direct misstatement.

Mr. JONES. I do not.

Mr. MILLER. I distinctly stated that there were two groups of islands, Cagayan Sulu and Sibutu, with their dependencies, as the treaty says, and no man can now say what the dependencies were. The gentleman from Kentucky thought the Cagayan referred to was in the northern part of Luzon, where there is a Province called Cagayan, and a great river, the greatest in the island of Luzon, the Rio Grande de Cagayan; and I told him that while the names were the same and that it might lead to an argument, yet it was not so. Now, the gentleman from Virginia [Mr. JONES] took issue with that. The treaty distinctly mentions these names and their dependencies. I do not know what the dependencies are, and the gentleman does not know, but I do know that the map correctly shows Cagayan Sulu exactly as I discussed it and located it yesterday.

Mr. JONES. The gentleman from Minnesota had 15 minutes, and he can not take up all my time.

Mr. HAMILTON of Michigan. Mr. Chairman, will the Government lose any rights by reason of the failure of the gentleman from Minnesota to indicate those islands on the map with his finger the other day?

Mr. JONES. It will lose nothing at all; but I call the attention of the gentleman from Michigan to this fact, that the gentleman from Minnesota offered an amendment excluding from the operation of this bill an island that he spoke of as Cagayan, and he put his finger on it, and he said it was south of Manila Bay, and about 400 miles distant.

Mr. MILLER. Now, Mr. Chairman——

Mr. MURRAY. I offer an amendment.

Mr. JONES. Has my time expired, Mr. Chairman?

The CHAIRMAN. The gentleman's time has expired. The gentleman from Oklahoma offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, on page 3, by inserting, at the end of line 13, the following: "Private property shall not be taken for public use without just compensation."

Mr. MURRAY. Mr. Chairman, I think the chairman of the committee will not object to that. I do not wish to discuss it.

Mr. JONES. If that provision is not incorporated in one of the other paragraphs, I think the committee will have no objection to it.

Mr. CLINE. Is not that included in section 3—

That no law shall be enacted in said islands which shall deprive any person of life, liberty, or property without due process of law, or deny to any person therein the equal protection of the laws.

Mr. JONES. That refers particularly to criminal proceedings.

Mr. MURRAY. That section does not cover it; but in section 26 there is a provision which does cover it, and I will withdraw the amendment.

Mr. JONES. I thought it must be in the bill somewhere.

Mr. KAHN. Mr. Chairman, I move to strike out the last two words. Mr. Chairman, I do not feel disposed to take up the time of the committee, but on yesterday the gentleman from Virginia [Mr. JONES] and I had a controversy about a statement that I made regarding the leaders of the Philippine insurrection in 1907. The distinguished chairman of the committee said, in effect, that, in his judgment, I had misinterpreted the language of Dr. Worcester. Whereupon I read from Dr. Worcester's work, which, in my opinion, at any rate, justified me in my conclusions. I have investigated the subject a little further. I remember distinctly that when I was in the Philippine Islands, only a few years subsequent to the happening of these events, it was a matter of general talk that there had been a selling out. But I find I am fully sustained in my statement by an author properly vouched for.

The chairman of the committee on October 1 referred to the accuracy of the statements in the work of James A. Leroy as having been vouched for by the former President of the United States, Hon. William H. Taft, and therefore he considered it reliable. So that the gentleman from Virginia [Mr. JONES] has qualified as a character witness for the author, whose work I shall presently quote. Mr. Leroy, in the first volume of his work, "The Americans in the Philippines," devotes quite a chapter to the Filipino insurrection. In a chapter entitled "The revolt against Spain," he narrates with considerable detail transactions that occurred between Primo de Rivera, the Spanish governor general of the islands, and the insurgent chiefs operating through Pedro A. Paterno, who was a very prominent citizen of Manila at that time, and who, I believe, still is a prominent citizen of that city.

As the negotiations proceeded, it was finally proposed that the insurgents would lay down their arms and some of the prominent leaders would agree to quit the country upon the payment of a sum of money. These negotiations went on back and forth for some little time. In the meantime there was a change in the Spanish cabinet, on October 4, 1907. Rivera was not in sympathy with the newly appointed Liberal cabinet and sent in his resignation on October 5. Evidently it was not accepted

promptly, for about two days later he sent an urgent message to the Spanish cabinet at Madrid urging that his proposition for the settlement of the Philippine insurrection on a money basis be agreed to. I shall now read the three propositions he urged on the Spanish Government. Leroy sums them up in the following language, on page 130 of his work:

"He presented the advantages of the plan as being: The saving of money; the saving of lives (the annual loss through deaths and sickness being 40 per cent, or 10,000 men; and that it *would destroy the prestige of the chiefs who sold out and emigrated.*" [Applause on the Republican side.] In order to thoroughly emphasize the baseness of the transaction the author has put the words "would destroy the prestige of the chiefs who sold out and emigrated" in italics.

That is on page 130, volume 1, of James A. Leroy's "The Americans in the Philippines," second edition. Here is Primo de Rivera, the man who negotiated with these leaders of the insurrection, who knows exactly all the details of the agreements between them and himself, who cables to his home Government urging the acceptance of his proposition, and stating as one reason for that acceptance that it "would destroy the prestige of the chiefs who sold out and emigrated."

Mr. Chairman, I do not desire to take up the time of the committee any further except to say that the work of Leroy gives the "Memoria" of Primo de Rivera, pages 125–127, as authority for the author's statement.

Mr. MURRAY. Mr. Chairman, I thought I was right when I withdrew my amendment, but the gentleman has called my attention to the fact that the provision in section 26 only relates to franchises and the eminent-domain provision. I think the amendment which I offered ought to go in right here, and I again offer that amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, page 3, at the end of line 13, by inserting the following:
"Private property shall not be taken for public use without just compensation."

Mr. NORTON. Mr. Chairman, the very apparent reason why this bill has been forced up for consideration by the House at this time and under a special rule and out of the regular order of the procedure of the House is that other and more important legislation, which the majority seemingly does not wish considered and acted upon, may be smoothly and diplomatically sidetracked. No great pressing or urgent necessity for now occupying the time of the House with this bill has been disclosed in the debate. No one has explained and no one knows any reason why preference should be given to the consideration of legislation affecting the Philippine Islands over other important legislation affecting the most vital welfare of the people of these United States that has been pending before committees of the House for many months. And do gentlemen on that side deem it more important, and are they willing to go before the country with the candid statement that they deem it more important to the interest and welfare of the people of this Government that this measure be considered at this time rather than that the best endeavors of the Members of Congress be directed to a solution and betterment of rural credit conditions in this country?

This country of ours is peculiarly dependent upon its agricultural development and prosperity. While we may marvel at the development of our towns and cities, the number of our shops and factories, a fatal error is made when is overlooked and neglected the importance of that industry on which all our commercial and manufacturing enterprises are so dependent. From the hillsides and from the valleys, from the quiet fields of our farm lands, come the products which give very existence to the noisy clang of the city and business hum of our commerce and our trade

All permanent and stable national prosperity and development is unquestionably founded upon the agricultural success of the Nation. If our farms and ranches are allowed to become neglected and deserted, it will not be long until the streets of our cities are grass grown and the whir of our factories and workshops is stilled. No one thing more than another tends to prevent the ownership of farm homes and the occupation of more of our agricultural lands than the high rate of interest our American farmers are obliged to pay for the credits they of necessity must have to carry on their farming operations, both on account of our system of business and on account of the time it requires to mature their farm products. To-day the American farmer pays a much greater interest rate for his farm loans than is paid by the farmer in any other of the principal nations of the world. The rate in the United States paid by farmers on their loans is estimated to be about 8½ per cent per annum, while in the principal European nations the rate is less than one-half of the rate here.

The question of rural credits has been widely studied and generally discussed throughout the country during the past few years. The platform adopted at the Baltimore convention in 1912 announced that the Democratic Party considered the question of rural credits of equal importance with the question of currency reform. The Republican platform adopted at Chicago in 1912 says on this subject:

It is of the greatest importance to the social and economical welfare of this country that its farmers have facilities for borrowing easily and cheaply the money they need to increase the productivity of their lands. It is as important that financial machinery be provided to supply the demand of farm credits as it is that the banking and currency systems be reformed in the interest of general business. Therefore we recommend and urge an authoritative investigation of agricultural credit societies and corporations in other countries and the passage of State and Federal laws for the establishment and capable supervision of organizations having for their purpose the loaning of funds to farmers.

President Wilson, in his message delivered in person to the House and Senate on December 2, 1913, devoted a considerable portion of the message to a well-worded statement pertaining to the importance of agriculture and the business and activities of the farmers of this country. Following his reference to the use of money from the general fund of the Treasury of the United States to assist in the movement of crops the President said:

But we must not allow ourselves to depend upon extraordinary expediency. We must add the means by which the farmer may make his credit constantly and easily available and may command when he will the capital by which to support and expand his business. We lag behind the many other great countries of the modern world in attempting to do this. Systems of rural credits have been studied and developed on the other side of the water while we left our farmers to shift for themselves in the ordinary money market. You have but to look about you in any rural district to see the results—the handicap and embarrassment which have been put upon those who produce our food.

Mr. Chairman, in view of what has already been said and done, and in view of the agricultural and rural credit conditions in our Nation to-day, in all fairness and in honesty and justice to the men and women and to the boys and girls on the farms of this Nation, who produce the food we consume, this Congress should before this have considered and acted upon some of the bills that have been introduced in the House and in the Senate and which propose a solution and an improvement of rural credit conditions in this country.

At the expense of the Government and under authority of the act passed by the Sixty-second Congress a thorough study and investigation of the rural credit systems of Europe has already been made. The United States commission, cooperating with the American commission in the study of the rural credit systems and problems, has made voluminous and valuable reports of their investigations and their conclusions. For many months all the facts and all the information necessary for the Congress to proceed with the enactment of rural credit legislation has been before it. Still nothing definite has been done, and, what is even worse, the position now taken by the majority party in the Congress indicates it will not permit any rural credit legislation to be brought up for consideration during this session of Congress.

When the Federal reserve act was being considered the Democratic caucus, which in this Congress and this administration is, excluding the President, "the all-wise and the all-powerful," held that rural credit legislation should not be made a part of the banking and currency bill. It was then generally given out that rural credit legislation would be taken up shortly after the passage of the Federal reserve act, which was approved by the President on December 23, 1913. Last spring hearings were held by the subcommittee of the Committees on Banking and Currency of the Senate and of the House charged with the investigation of rural credits. When these hearings were concluded early in the summer it was then given out that after the passage of the principal appropriation bills rural credit legislation would then be taken up in the House. The principal appropriation bills have long since been passed; summer has come and summer has gone; the seed sown by the farmer when hearings were being held before the subcommittee has come forth from the ground, has bloomed and has blossomed, its fruit has been harvested, but still the promises of rural credit legislation bear no fruition.

Gag rule after gag rule has been brought into the House and has been jammed through by that side, so that legislation might be speedily enacted for the relief of the banker, the shipowner, the railroad magnate, and even for the pleasure-seeking American tourist spending hours of idleness abroad. Some powerful influence seems to be responsible for the continued neglect in this Congress of the interest of the American farmer. It is well known that the President has thus far held the majority party

in the Congress in the hollow of his hand; his will has been their will; a word from the President at any time during the last year to the leaders of the majority party in the Congress would have resulted in having brought up for immediate consideration of the House and Senate some of the pending rural credit bills. It is fair to ask, and the farmers of the country are asking, Why has this word not been given?

The farmers of the country are slowly waking up to a full knowledge of the real kind of treatment their interests have been given by this Congress, and when they have waked up and are thoroughly aroused I predict that those responsible for broken promises made in regard to rural credit legislation will be required to answer.

Our farmers have been patient and long suffering in bearing the burdens of high interest charges, but the time is near at hand when they will be heard from in protest in this country in no uncertain terms and in a manner and in a way that will brook no refusal or delay of prompt action for their relief by the President, the Congress, or the money lenders of the country.

Two million five hundred thousand dollars have been appropriated within the past few weeks to aid pleasure seekers in Europe. The Vreeland-Aldrich Currency Act is being used as a means to assist the bankers, commercial business interests, and stock gamblers of the country. Millions of dollars of currency, the payment of which is guaranteed by the United States, is being given out to the banks at interest rates of 2 and 3 per cent per annum. This statement which I hold in my hand shows the amount of emergency currency loaned by the Government to the banks of the country and to the banks in each State up to the close of business on September 26, 1914:

Amount of emergency currency issued at close of business Saturday, September 26, 1914.

Massachusetts	$26,493,910
New York City	130,730,810
New York State	7,781,660
New Jersey	820,000
Pennsylvania	20,754,750
Maryland	7,208,360
District of Columbia	577,000
Virginia	4,998,500
North Carolina	2,573,480
South Carolina	1,757,250
Georgia	5,022,530
Alabama	3,906,200
Mississippi	355,000
Louisiana	3,144,100
Texas	13,326,850
Arkansas	225,000
Kentucky	2,642,300
Tennessee	3,424,500
Missouri	10,919,000
Ohio	13,715,000
Indiana	100,000
Illinois	25,713,390
Michigan	1,811,000
Wisconsin	3,230,000
Iowa	995,500
Minnesota	10,654,870
Kansas	610,800
Nebraska	1,636,000
Oregon	1,632,000
Colorado	945,000
California	6,748,000
New Mexico	228,000
Oklahoma	642,750
Total	315,923,520

For months reports have been circulated from Washington and widely published in the papers of the country that the Secretary of the Treasury had furnished from $30,000,000 to $50,000,000 to the small banks of the country for crop-moving purposes. Desiring to know the actual facts concerning this, several days ago I requested the Treasury Department to send me a statement of the amount of money belonging to the general fund of the Treasury deposited in the banks of each State for crop-moving purposes. After meeting with many delays and evasive answers for several days, I was finally told by one of the Assistant Secretaries in the Treasury Department that Mr. McAdoo, Secretary of the Treasury, had given orders that this information was confidential and should not be given out to the public or to Members of Congress. I then introduced, as a privileged resolution, House resolution 632, providing that the Secretary of the Treasury be directed to furnish such statement for the information of Members of the House. The day following the introduction of my resolution the information I had requested was sent me by the Treasury Department and given to the papers for publication. It disclosed that not thirty nor fifty millions of dollars had been deposited for crop-moving purposes, but that up to September 28, 1914, $13,029,746 had so been deposited.

Following is the statement sent me by the Secretary of the Treasury, showing that the following amounts have been deposited in national banks in the States mentioned up to September 28 for crop-moving purposes:

Alabama	$300,000
Arkansas	175,000
Florida	81,250
Georgia	368,750
Kentucky	1,375,000
Louisiana	700,000
Maryland	1,450,000
Mississippi	150,000
North Carolina	456,250
South Carolina	525,000
Tennessee	675,000
Texas	793,750
Virginia	798,750
Colorado	499,996
Illinois	1,200,000
Indiana	150,000
Iowa	250,000
Kansas	25,000
Missouri	1,550,000
Nebraska	325,000
Oklahoma	93,500
Washington	87,500
New York	1,000,000
Total	13,029,746

During the last few months the Government has loaned to the banks of the country almost $400,000,000 at a rate of interest of 2 per cent and 3 per cent. Are the farmers and the small business men of the country sharing in the benefits of this special assistance by the Government? No reports that I have received or have observed would so indicate. The following from a financial review of the country, contained in the New York World of September 6, presents the position of the banking interests of the country in this crisis of hard times:

WHERE THE PROFITS COME IN.

The present strained conditions in the domestic as well as the international financial situation are providing opportunities for banking profits such as have not been offered before in a generation. The Federal as well as the municipal government has been placing these money-making chances in the way of these institutions with remarkable liberality. The banks have been given a free hand to take out emergency currency in unlimited amounts at 3 per cent interest, while the lowest rate now quoted for mercantile paper is 7 per cent for the best names, and the minimum for time loans now prevailing in New York is 8 per cent. For collateral stock-exchange call loans the rate, however, is only 6 per cent. In this connection there was much comment yesterday on President Wilson's statement in his war-tax message that the administration hesitated to withdraw the $75,000,000 from the banks at this time and was forced to the alternative of taxing the consumers of the country $100,000,000 a year. In the meantime the enormous speculation in wheat, flour, and commodities is being financed by the banks that are the object of so much solicitude on the part of the Government.

THE FARMER'S SIDE.

Within the past 30 days I have received a great many letters from almost every section of the United States showing the difficulty to secure farm loans at any rate and showing how the money that is being gathered up by the banks of the country is being used for the purpose of speculation in the products of the farmers rather than being used to improve and better American farm conditions. I am going to read just a few of the letters which I have received and which are typical of many others received on this subject. The following is a letter from H. S. Mobley, head of the department of farmers' institutes of the State Agricultural School at Russellville, Ark.:

RUSSELLVILLE, ARK., *September 6, 1914.*

Hon. P. D. NORTON, M. C.,
Washington, D. C.

DEAR MR. NORTON: I have your favor asking regarding condition of farm loans, both land and personal, in this section on account of or as affected by the European war.

Simply there is now no such thing as a farm loan of any character throughout the South. This is an unqualified fact. I tried yesterday to put up gilt-edged security for a small loan and there is but one response, 'We are not making any loans." BUT THIS IS TRUE ONLY AS REGARDS THE FARMER. Commercial business is crippled in this regard, but is getting accommodations all the same. Do not construe this statement as being local because I say "I tried yesterday." We know that this is the condition in the South everywhere. There is no loan of any kind to the farmer on any kind of security now, cotton or anything else.

The interest rate in normal times is about 10 per cent on well-secured loans; that is, the men who have good bank credit pay this, but the poor man at the bottom of the ladder pays any interest they can make him pay, from 10 per cent up, up, up, and still up.

I will be in Washington at the National Hotel next Thursday and would like very much to see and talk with you personally about this.

I thank you for the inquiry and for the opportunity of giving you briefly the farmers' condition in this regard.

Sincerely,

H. S. MOBLEY.

Under date of September 7, Mr. Herbert Quick, the well-known educator and author and the present editor of Farm and Fireside, writes me from Berkeley Springs, W. Va., as follows, concerning rural credits:

In this part of the country there is no loan market at all, and banks are absolutely unable to accommodate farmers in the matter of real estate loans. The legal rate is 6 per cent here, but there is absolutely no money to be had.

I have stated my views on the matter of rural credits in my testimony before the joint hearings held by the committees of Senator HOLLIS and Representative BULKLEY. I have now made up my mind that the best thing for Congress to do would be to pass a strict Landschaft bill, and I would like to see Mr. David Lubin's ideas embodied in the act. Such a law passed by Congress could not be operative in very many States, but there would be some satisfaction in knowing that when a State placed itself in position to conform to the act it would have the best rural credit system possible. In the meantime, if the States preferred some other and more strictly "American system," there is nothing to prevent them from putting their own ideas into practice, as has already been done in Wisconsin and New York.

Abel Ady, president of the Klamath Water Users' Association, writes me from Midland, Oreg.:

MIDLAND, OREG., *September 3, 1914.*

Hon. P. D. NORTON, M. C.,
Washington, D. C.

DEAR SIR: During the past 10 years this locality has been undergoing unusual agricultural development as a reclamation project under the reclamation act.

As is universally true during the rapid development of any new country, the farmers and real home makers have been at the mercy of speculators and local money sharks.

Homes can not be developed from a native wilderness within a short period of years except by the use of large sums of money for the improvement of each home. To meet the expense of clearing, fencing, cultivating, and providing buildings and stock requires an expenditure during the first few years in amounts possessed by very few men who are willing to undergo the privations incident to a new country.

Such home makers are generally without outside credit and are limited to such credit as local money lenders are willing to extend. The class of money lenders attracted to such fields are generally the descendants of Shylock, demanding rates of interest that exhaust the entire proceeds of the farms over and above a bare subsistence and find it necessary to foreclose by the time the lands are cleared and improved. Through their banking associations these Shylocks easily defeat all attempts of farmers to secure outside loans, kindly brand the farmers as failures, and generally offer long prayers after each foreclosure proceeding. During the past 10 years the prevailing rates of interest in this locality have ranged from 10 per cent upward, sufficient sums being available at these rates to enable the farmer to continue work until the lands are improved.

During the past winter the fear of passage of rural credit legislation encouraged the advancement of increased loans at the former rates of interest. The failure of the Committee on Banking and Currency to report a rural credit bill in harmony with the recommendations of the President was followed by a general withdrawal of local farm loans past due and refusal to extend further loans to the extent of former years.

The European war announcements have been followed by absolute refusals of farm and chattel loans by local banks, and our farmers have been compelled to do their harvesting by exchange of work with one another and by exchange of various commodities in payment for work.

* * * * * * *

According to the doctrine of our great Teacher, the most despicable person is not the thief or the harlot, but the hypocrite.

We believe that our Representatives in Congress are desirous of providing a rural-credit banking law for the benefit of the farmer, and we believe that the American bankers have already received their share of beneficial banking legislation.

The European war conditions have resulted in a general rise in the prices of meats, while the prices of cattle and hogs offered on the market by farmers have in most instances fallen. The prices at which grain is being delivered from the middlemen to the world's market are being steadily advanced, while the middlemen are buying from our farmers at the prices prevailing before the announcement of the European wars.

While we still have faith in our country, past experience forces us to slightly mistrust some citizens.

Believing that an appropriate rural-credit banking law will yet be enacted in this country, we remain,

Very respectfully,

ABEL ADY,
President Klamath Water Users' Association.

Mr. M. F. Patton, secretary of the Mitchell Trust Co., of Mitchell, S. Dak., writes me:

At the present time the greatest trouble is finding an outlet for real estate loans. The large investors all seem to be out of the market at the present time, and the only sale we have for loans is small investors and personal clients.

Mr. George W. Fischer, secretary of the Northwestern Land and Home Builders' Union, of Redfield, S. Dak., writes me:

REDFIELD, S. DAK., *September 2, 1914.*

Hon. P. D. NORTON, M. C.,
Washington, D. C.

DEAR SIR: Am in receipt of your favor of recent date, and beg to say as follows:

"Sit tight, do not lower rents, but increase the price of foodstuffs and rates of interest" seems to be the slogan of the landlords, merchants, and bankers as a general proposition in this my own State.

Now, as to the present farm-loan business, just wish to say that the farming community in this part of my State are paying from 7 per cent to 10 per cent for money, and in many cases really do not know that, considering commissions and other perquisites, they are paying much more than they ought to.

As to the effect, if any, the European war has on the financial situation as regards real estate and chattel loans is best told in the following words: We do not know what is going to happen next, is the scare that is being thrown into the people in this neck of the woods. We must charge more for money and get better security.

There is a big demand for money, especially by our farming contingent, but here is what they get for an introduction: "We are not making loans at present. On the contrary, we are calling in our loans." This is nice in the face of the fact that this same element advertises to the world at large that there is now on deposit in the banks of this State more than $90,000,000, an average of $150 to every one of a 600,000 population.

But you never see any figures or statistics showing the mortgage, bond, and other indebtedness for this State per capita.

Now, Mr. NORTON, in addition, want to express my individual opinion of our new currency law in relation to agricutural States such as the writer lives in. The farming element will never get any benefit out of your new currency law for the simple reason that 90 per cent of our loaning fraternity are owners and speculators in lands, to a greater or lesser extent, and looking this matter square in the face from a human standpoint the actual tiller of the soil will not get a look-in, as the aforesaid fraternity will plant their mortgages first and at the same time absorb the moneys for which they pay from 2½ per cent to 4 per cent for deposits. It is a good law, but not for the producer.

Federal rural legislation is what is urgently needed, with long time amortization of the principal and a fair rate of interest.

Thanking you again for your courtesy, I am,

Yours, truly,

GEORGE W. FISCHER,
Secretary of the Northwestern Land and Home Builders' Union.

I have in my office a large number of letters from almost every State in the United States, similar to those I have read, giving expression to the deplorable and the intolerable conditions of rural credits in this country and the urgent need for Federal legislative relief. The longer this debate proceeds the more clearly it is emphasized that there is no immediate need for this proposed legislation for people of the Philippine Islands, and that the present time, with a world war raging, is a most inopportune time for its consideration. This time of the House should be given to the enactment of rural credit legislation to relieve some of the heavy burdens that are being borne by those who till our soil and produce our crops.

While the debate and the controversies over the geography of the Philippine Archipelago that we have just listened to between the gentleman from Virginia [Mr. JONES] and the gentleman from Minnesota [Mr. MILLER] have been interesting, it strengthens the position that I take—that this bill should not now be before the House. By every right and reason this Congress should now be giving its time and its best thoughts to the interests of our own people at home. We have already spent too much time in this Congress enacting legislation for the benefit of foreign industries, foreign people, and for that class of people in our own country who spend a large part of their time in traveling abroad.

Mr. MONDELL. Mr. Chairman, it seems to me that the amendment offered by the gentleman from Oklahoma is a very proper one. I did not, however, rise for the purpose of discussing that. One of the most able newspapers in the United States is the Washington Post. The Washington Post is generally pretty sound on the larger national questions, and its expressions of opinion are widely read and influential throughout the country. I desire to have read in my time an editorial from the Washington Post of this morning relative to this legislation.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

A MISCHIEVOUS DISCUSSION.

The discussion of Philippine independence at this time is inopportune and mischievous. No well-balanced and well-informed American with any regard for the Filipinos would turn them out upon their own resources at this time. The most intelligent Filipinos themselves admit that their people are not up to the task of self-government. Only a small portion of the inhabitants of Luzon are on a par with the people of certain feeble and revolutionary republics; the others range from the peon type down to naked headhunters.

As for a larger measure of participation in their own government, this is being forced upon the Filipinos faster than they can digest it. There is nothing stingy in the doses of self-government administered by the United States. Participation in the government has more than kept pace with popular education, which has been very rapid. The education of the people, especially the young, is the greatest boon that the United States has conferred upon the people. It far exceeds in benefit the extension of political privileges. The natives can not well misuse the education they have acquired, but they are prompt to misapply and misuse their political privileges. Without any foundation for the erection of a self-governing system, without any experience in government, the people of the Philippine Islands, if turned loose, would present one of the most pathetic failures in history, ending inevitably in their absorption by some government that could and would administer their affairs with intelligence.

Is the United States willing that some other government should take over the Philippines? That is what "independence" would mean. Would the Filipinos be better off as vassals of Japan than they are as wards of the United States? Is the history of the United States in the Philippines to be ended by writing the single word "failure"? Americans do not yet acknowledge the superiority of the Japanese civilization or system of government over the American system, and the time may not arrive when it will be necessary to make such an acknowledgment. Certainly it is not the duty of patriotic Americans to take any steps which would imply the inability of the United States to complete the task it has undertaken in the Philippines.

Mr. HELM. Mr. Chairman, I would like to ask the gentleman from Wyoming if the editorial which he had read into the RECORD from the Washington Post does not come from the same Washington Post that recently was very assiduously urging and insisting on American intervention in Mexico?

Mr. MONDELL. Mr. Chairman, I have never read anything of that sort in the Washington Post. There may have been something of the sort in it, possibly.

Mr. KELLEY of Michigan. By the way, Mr. Chairman, what is the status of Mexico this morning, anyway?

Mr. JONES. Mr. Chairman, I do not believe there is any necessity for incorporating in the first paragraph of section 3 the language embodied in the amendment offered by the gentleman from Oklahoma [Mr. MURRAY]. The amendment provides that no property shall be taken without just compensation. The first paragraph of section 3 provides that no law shall be enacted in said islands which shall deprive any person of life, liberty, or property without due process of law. It is my opinion, Mr. Chairman, that the provision that property shall not be taken without due process of law covers the proposition of the gentleman, and that it is unnecessary to add that it shall not be taken without just compensation. But, Mr. Chairman, I have no great objection to the adoption of the amendment.

Mr. MANN. Mr. Chairman, will the gentleman yield for a question?

Mr. JONES. Certainly.

Mr. MANN. Does the gentleman recall that the Constitution of the United States contains this language:

nor be deprived of life, liberty, or property without due process of law, nor shall private property be taken for public use without just compensation?

Mr. JONES. I had not done so. I do not object to the addition of that language.

Mr. MURRAY. But they could change the law. This is absolutely essential, because they could change the law by which the public could take the property.

Mr. JONES. I understand. I suggest that the gentleman put his amendment in the language of the Federal Constitution.

Mr. MANN. I think the gentleman's amendment is in the language of the Federal Constitution, as I heard it read.

Mr. MURRAY. I thought so.

Mr. BRYAN. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. BRYAN. Does not the gentleman think it is out of place to talk here about the Federal Constitution, inasmuch as we have no provision in this bill for a jury trial? We are not framing this bill after the American jurisprudence. We allow even a justice of the peace to hang a man if he wants to under the terms of this bill.

Mr. JONES. Mr. Chairman, the gentleman can offer an amendment providing for a jury system if he sees fit.

Mr. MONDELL. Mr. Chairman, I had read in my time a moment ago an editorial from the Washington Post, an influential and ably edited newspaper of this city. The New York Sun is a paper which for many years has been held throughout the country to be one of the most ably edited papers not only in the United States but in the world, and I desire to have read in my time an editorial from the Sun of to-day on this same question.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

A STATESMANLIKE POLICY.

It was Mr. MANN, the minority leader in the House, who, when the resolution to admit the Red Cross ship to American registry was under discussion, said that it was "extremely important that everyone in official life, as well as those in private life, ought to resolve firmly that he will not be carried away with any hysterical emotion or any partisan feeling for or against either side in this conflict abroad." There may be a disposition to think that, as Japan has entered the conflict, Mr. MANN offended against the spirit of his own injunction when he predicted a war between the United States and Asiatic countries in the debate on the Philippine bill.

We do not take that view of Mr. MANN's speculation. It was a very long-range speculation and entirely academic. He hoped that the conflict would be only commercial, but he had his doubts, and they ran far into the future, the "sleeping monster" China being coupled with Japan as a possible adversary. No diplomat would take such theorizing seriously. The State Department will not be asked to explain. As to Mr. MANN's opinions about the political future of the Filipinos, he reflected Republican policy as declared in national platforms. The last time anything definite was said on the subject was in 1908, as follows:

"Education and practical experience there"—in the Philippines—"are advancing the capacity of the people for government, and the policies of McKinley and Roosevelt are leading the inhabitants step by step to an ever-increasing measure of home rule."

There has never been an intimation in any Republican platform from 1900 to 1912, inclusive, that the United States would grant the Filipinos the independence the Democrats profess to be willing to give them. Mr. MANN goes further than ex-President Taft, who has said—and no American is better informed on the subject—that "a policy of separation at this time is a suicidal policy for the benefit of none but the politicians of the islands." Mr. Taft was pronouncing judgment upon the Jones bill. Mr. MANN would retain the Philippines for the welfare of their people and also for commercial and strategical reasons, maintaining that the United States should not handicap itself in the inevitable struggle for paramount influence in the Pacific by parting with the islands. He would give the Filipinos self-government under the American flag and "make them friends of the United States."

It is a statesmanlike policy. If it be objected that the second part of Mr. MANN's program is not feasible, the spectacle of native Indian princes and their subjects taking the field to preserve the British Empire may be pointed out to his critics. The world has never seen a better colonial government than the United States has established in the Philippines, and where the greatest good of the greatest number is secured by an enlightened policy, the consequence will eventually be the loyalty of the people governed.

Mr. SLAYDEN. Mr. Chairman, while I very much doubt that the purpose of the gentleman from Michigan [Mr. KELLEY] was to promote the enactment of this bill, while I very greatly doubt whether he has any interest in its welfare, I do think that the observations he made a moment ago were somewhat pertinent. A reading of these editorials and the range of discussion at the present time do not bear directly on the bill, but do have a tendency to retard its enactment. Now, I believe that the legislation proposed is wise. I think it will be a good thing for the Filipinos, and I know it will be a good thing for the American people if we can bring about. I will say to the gentleman from Washington [Mr. HUMPHREY] if he happens to be present, a complete and absolute separation of the two peoples, and I hope that this tardy consideration of the bill will give way to a recognition of a serious effort on the part of Members on both sides of the House to advance it and get wise legislation through it. I very rarely have objected to the reading of editorials——

Mr. COOPER. Will the gentleman yield?

Mr. SLAYDEN. I will.

Mr. COOPER. I hope the gentleman from Texas will not object just now, because I have a brief editorial which appeared in a paper of great prominence 12 years ago, which I now have before me and I think it ought to be read this morning.

Mr. SLAYDEN. Mr. Chairman, the gentleman anticipated me, in a way, and to some degree misunderstood what I was about to say. It has rarely happened in the course of my service in this House that I have undertaken to interfere with the putting of any reasonable amount of editorials or essays of any sort into the RECORD, but aside from the fact it encumbers a document which should be a record of the proceedings here, the purpose of it is manifestly to delay the consideration of the bill. Of course I will not object to the putting into the RECORD of the article referred to by the gentleman from Wisconsin, but I am going to object if more are offered.

Mr. MADDEN. Will the gentleman yield?

Mr. GOULDEN. Will the gentleman yield?

Mr. SLAYDEN. I yield to the gentleman from New York.

Mr. GOULDEN. Does not the gentleman think, however, that all this exploiting of three most excellent papers in this country is something from which the House can learn wisdom?

Mr. SLAYDEN. I do not.

Mr. HENRY. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Texas makes the point of order there is no quorum present. The Chair will count.

Mr. HENRY. Mr. Chairman, for the present I withdraw the point.

The CHAIRMAN. The gentleman withdraws the point of order.

Mr. GARRETT of Tennessee. Mr. Chairman, I have not so far participated in the discussion initiated by the remarks of the gentleman from California [Mr. KAHN] with respect to the alleged purchase of the Filipino leaders. I had felt that probably all had been said on that matter that ought to be said; but since it has been again opened this morning by the gentleman from California, in justice to those leaders, it seems to me not inappropriate to read from the CONGRESSIONAL RECORD of April 17, 1900, an excerpt from a speech made by one of the greatest intellects in the Republican Party. He said in that speech:

The people of the Philippine Islands have never submitted themselves willingly to Spain. There has been no time for two centuries when they would not have been free from the yoke if they could. Their history has been a history of cruelty and oppression on one side, of resistance and the aspiration for freedom on the other.

In 1896 a rebellion broke out, headed by Aguinaldo. His people were unarmed and poor. The difficulty of communication in a country without roads made combination impossible against a power that commanded the sea and the seaports. Still, the revolt was formidable enough to compel Spain to make promises of reform and redress of grievances. Aguinaldo, seeing that a continued strife would cost much suffering, many lives, and in all likelihood defeat in the end, accepted Spain's promise of amendment and agreed that the principal leaders of the rebellion, their wives, widows, and children, should go into exile and that Spain should make some provision for their support.

Spain was faithless to her promise of reform and paid over only part of the money. This transaction has been much criticized here, but, in my judgment, it leaves no stain on the honesty or patriotism of the insurgent chief. There is no evidence that he profited himself by the transaction or expended a penny of the money for his own use. The transaction was, as circumstances then were, for the interest of his people.

Many advocates of imperialism who have investigated the matter have declared their confidence in Aguinaldo's integrity. Mr. Schurman, president of the commission, told his students at Cornell when he got home that Aguinaldo was an honest and a patriotic man. Our consuls bear this same testimony.

Mr. Williams, United States consul general at Manila, under date of March 28, 1898, says:

"Rebellion never more threatening to Spain. Rebels getting money, arms, and friends, and they outnumber the Spaniards a hundred to one."

March 21, 1898, he writes of the desertion of an entire regiment of the Spanish forces to the insurgents, and adds:

"Now 5,000 armed rebels, who for days have been in camp near Manila and have been reenforced from the mountains, plan to attack the city to-night."

On April 28, 1898, Mr. Pratt wrote a letter to Mr. Day, in which he speaks of "learning from Gen. Aguinaldo the state and object sought to be obtained, which, though absent from the Philippines, he was directing."

Mr. Pratt further says, in a letter to Secretary Day:

"Gen. Aguinaldo impressed me as a man of intellectual ability, courage, and worthy of the confidence that had been placed in him."

He says further:

"No close observer of what has transpired in the Philippines during the past four years could have failed to recognize that Gen. Aguinaldo enjoyed, above all others, the confidence of the Philippine insurgents and the respect alike of the Spanish and foreigners in the islands, all of whom vouched for his justice and high sense of honor."

Mr. Williams wrote Mr. Moore on July 18, 1898:

"Gen. Aguinaldo, Agoncillo, and Sandico are all men who would be leaders in their separate departments in any country."

I have studied as well as I could the character and career of Aguinaldo. I do not compare him with Washington. To Americans there is one character too lofty, one name too sacred, for parallel or comparison. But I believe he is to take a high rank hereafter among the men who have lived and died for liberty. He deserves to be remembered with that small band who have given life, and everything dearer than life, to their country in a losing cause.

"To his loved land he gave, without a stain,
Courage and faith, vain faith, and courage vain."

He shall live with Kossuth, with Oom Paul, with Joubert, with Emmet, with Egmont and Horn, with Nathan Hale, with Warren, with all the great martyrs of history whose blood hath been the seed of the church of liberty.

"He, subtle, strong, and stubborn, gave his life
To a lost cause, and knew the gift was vain.
Later shall rise a people sane and great,
Forged in strong fires, by equal war made one,
Telling old battles over without hate,
Noble, his name shall pass from sire to son."

[Applause on the Democratic side.]

This which I have just read, Mr. Chairman, is a quotation from a speech made on the 17th of April, 1900, in the Senate of the United States by the late lamented Senator George F. Hoar. [Applause on the Democratic side.]

Mr. MADDEN, Mr. COOPER, and Mr. QUEZON rose.

The CHAIRMAN. The Chair recognizes the gentleman from the Philippines [Mr. QUEZON].

Mr. QUEZON. Mr. Chairman, may I be permitted to refer to the article from the New York Sun that has been cited here, and particularly to comment on the portion which relates to Filipino politicians, who, and who alone, are supposedly to be benefited by Philippine independence?

I suppose that as the word "politician" is used by the newspapers in this country to mean those who are in public office through popular vote, especially when the office they occupy is a membership in some assembly, local or national. I am one of those politicians who are, presumably, to be benefited by Philippine independence. This, I suppose, affords evidence regarding my motive in working so hard for the independence of my people.

Perhaps Filipino politicians are sometimes selfish. I do not know of any politician or group of politicians who have not been sometimes accused of being selfish. But this I can assert, that whether we are selfish or not, neither the editor of the New York Sun nor anyone else in this land can truthfully say that he feels or can feel more interest in the Filipinos than they, in spite of their selfishness, do in themselves. [Applause on the Democratic side.]

The Filipino people are our people. They are flesh of our flesh and bone of our bone. How is it possible for any American, even though he be editor of the New York Sun, to say that he or his compatriots can show more interest in the general welfare of our country than we ourselves? [Applause on the Democratic side.]

Mr. COOPER. Mr. Chairman, as I listen to this discussion the thought keeps occurring to me of the astonishing change in the attitude of the House and of the American people generally toward this problem of the Philippines.

Twelve years ago the House debated and passed the bill which became the organic act establishing civil government in the Philippines. At that time, as gentlemen remember, the Philippines constituted the "paramount issue" in this country. Public attention was riveted upon them. One of the great contests was over the question whether the Filipinos should have a legislature and be permitted to elect the lower house. This suggestion for an elective lower house met powerful opposition and was very strongly, bitterly, denounced. But the bill finally became a law, providing, among other things, for a Philippine Legislature and making the lower house—the assembly—elective.

The history of the Philippine Assembly from the day it first met down to this hour proves that all the denunciation, all the prophecies of disaster were utterly groundless. The assembly has been an admirable success. Its services have been of very great value. No person of candor and sound judgment would abolish it now. And, Mr. Chairman, because it has been such a success, I think it may be well to tell what is the truth of history and say that the credit—the honor such as it may be—for the establishment of the Philippine Assembly, belongs only to the House of Representatives. The Senate bill contained no provision for an elective assembly. In so far as I have been able to learn, no Senator ever, on the floor of the Senate, advocated such a proposition. Only the House bill contained a provision for a Philippine Assembly purely elective. When the Senate bill came to the House the Committee on Insular Affairs struck out all after the enacting clause and inserted the entire House bill, containing, among many other provisions, one for an elective assembly. An elective assembly in the Philippines, it was predicted, would surely result in abject failure.

And yet there is now, I think, no gentleman on this floor but that is willing to vote not only for the retention of the elective lower house, but also for the establishment of an upper house of Senators, to be elected by the people of the Philippines.

Surely this is a remarkable change in the attitude of the House and indicates a remarkable change in public opinion.

Mr. Chairman, in view of the number of newspaper articles that gentlemen are having read during the debate to-day I desire to read an excerpt from an editorial which appeared in a newspaper of much prominence and influence only a few days before the opening of the great debate in the House on the Philippine bill 12 years ago:

After long research and exhaustive debate, the Senate has decided that the plan of government best adapted to the end in view should not include a legislature. * * *

* * * * * * * *

It may be questioned if ever the time will come when the islands will find one common legislature a practicable arrangement for lawmaking. * * *

Mr. Chairman, I believe that the writer of that editorial would now admit that the Senate was mistaken, and also that he himself was mistaken in his views as to the possibilities of lawmaking by a legislature in the Philippines. [Applause.]

Mr. MADDEN. Mr. Chairman, I have always been in favor of giving the Filipinos the largest possible measure of local self-government. I am in favor of that now, and I believe that this question ought to be approached with seriousness and that every line in the bill should be considered, weighed, and measured, so that when we reach a conclusion we are likely to reach a conclusion that we can stand by.

I am not in favor, however, of declaring in this bill for the independence of the Filipinos. I believe the time has not yet come for that, and no one knows when it will, if ever. But when it comes whoever may be on the stage of action, charged with the responsibility of national legislation, can meet it.

I think that no man ever approached an important question with the seriousness my colleague [Mr. MANN] did when he made what I consider to be one of the most celebrated speeches ever delivered on this floor [applause on the Republican side] in conection with the pending bill. And there has been no answer made by any man here to any suggestion offered by him. Nothing but sneers have been offered in reply to his serious suggestions. It seems to me that this question is of such world-wide importance that we can afford to consider it from the standpoint of its effect on the world's civilization. We have as a Nation a duty to perform. We have a responsibility which can not be set aside lightly. We can not afford to make a declaration of independence in connection with a law for local self-government for the Filipinos when we know that on its face that declaration lies. That is what it does. It is a strong term to use, but it is a truthful statement of a fact. This preamble to the bill is only a subterfuge, and everybody who is responsible for it realizes and understands that. If you are in earnest, why not make the declaration in the body of the bill? In that case not one of you would dare to vote for it; not a man.

You had an opportunity yesterday to vote for something that would free the Philippine Islands—something offered by one of your own Members which would give them a protectorate; something that meant what it said; something that would produce results for the Filipinos.

In the consideration of the bill before us we should deal with the local problems that affect the Filipinos only, and we should be confined to granting them the largest possible measure of local self-government, and await events and see whether events will justify later on independence. No man who lives to-day can say that independence would be beneficial to the Filipinos, and many men of serious thought and great intellect and patri-

otic motives believe that the granting of independence to the Filipinos would be a step backward in the development of the world's civilization. America did not acquire the Philippine Islands for the purpose of acquiring property. We acquired these islands in the course of a war with Spain, a war for humanity; and I hope that any consideration that we may give to this question now will be so given that every man's opinion will be respected and not sneered at. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. STANLEY. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Just a moment, please. If my time is up, Mr. Chairman, I ask unanimous consent that I may have five minutes more. I have not obtruded myself before in the discussion of this bill.

The CHAIRMAN. The gentleman from Illinois [Mr. MADDEN] asks unanimous consent to proceed for five minutes more. Is there objection?

Mr. DONOVAN. Reserving the right to object, Mr. Chairman. I would like to ask some one when this debate is to end? Here we have met for two days, and we are still on the first paragraph of the third section. We should have gone forward several days ago.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all pending amendments thereto close in 10 minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this paragraph and amendments pending thereto be closed in 10 minutes. Is there objection?

Mr. TOWNER. I would like to have five minutes.

Mr. JONES. There will be another paragraph read in a few moments. Would that do just as well?

Mr. TOWNER. I only desire to speak in this connection. I have not taken up any time heretofore. That is all.

Mr. JONES. Then, Mr. Chairman, I make it 15 minutes.

The CHAIRMAN. The gentleman from Virginia [Mr. JONES] asks unanimous consent that all debate on this paragraph and amendments pending thereto close in 15 minutes. Is there objection?

Mr. DONOVAN. Mr. Chairman, reserving the right to object, this bill will not be finished this season if the Chair is going to allow the general debate to continue as it has continued for the past two days. Now, I submit that there ought to be a limit.

Mr. MADDEN. I want to say, Mr. Chairman, that I am not making a general-debate talk. I am talking to the amendment that is pending.

Mr. DONOVAN. I do not blame the gentleman from Illinois, but I do blame the committee for allowing this debate to go on in the style of general debate when the general debate closed two days ago. The bill will not be finished this season at this rate.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

The CHAIRMAN. The gentleman from Illinois [Mr. MADDEN] is recognized for five minutes more.

Mr. MADDEN. Mr. Chairman, I would like to have read in my time an editorial published on page 8 of the Washington Times of yesterday.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

THE PHILIPPINES.

JAMES R MANN, leader of the Republicans in the House, is entitled to more recognition than he has yet received as the real leader of the Republicans in Congress. It would be rather trying, indeed, to find a man whose views come so near to representing the real intellectual leadership of the party in the Nation——

Mr. DONOVAN. Mr. Chairman, I make the point that there is no quorum present. If you want to listen to that you have got to have a quorum of Members here.

The CHAIRMAN. The gentleman from Connecticut [Mr. DONOVAN] makes the point of no quorum. The Chair will count. [After counting.] Fifty Members are present—not a quorum.

Mr. DONOVAN. Mr. Chairman, I withdraw my point.

A MEMBER. Too late!

The CHAIRMAN. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Alexander	Anthony	Bartholdt	Borland
Allen	Austin	Beall, Tex.	Britten
Anderson	Baker	Bell, Cal.	Brodbeck
Ansberry	Barchfeld	Blackmon	Broussard
Brown, N. Y.	Gallivan	Lazaro	Post
Brown, W. Va.	Gardner	Lee, Pa.	Powers
Browning	George	L'Engle	Rayburn
Bruckner	Gilmore	Lesher	Riordan
Brumbaugh	Gittins	Lewis, Md.	Roberts, Mass.
Burke, Pa.	Godwin, N. C.	Lewis, Pa.	Rothermel
Burke, Wis.	Goeke	Lindbergh	Rouse
Butler	Goldfogle	Lindquist	Sabath
Calder	Goodwin, Ark.	Loft	Scully
Callaway	Goulden	Logue	Shreve
Candler, Miss.	Graham, Pa.	McAndrews	Slemp
Cantrill	Greene, Mass.	McClellan	Small
Carew	Gregg	McCoy	Smith, Md.
Cary	Griest	McGillicuddy	Smith, Minn.
Church	Griffin	McGuire, Okla.	Smith, N. Y.
Clancy	Guernsey	MacDonald	Sparkman
Connolly, Iowa	Hamill	Mahan	Stedman
Conry	Hamilton, N. Y.	Maher	Stephens, Tex.
Copley	Harris	Martin	Stevens, N. H.
Cox	Hart	Merritt	Stout
Dale	Hayes	Metz	Stringer
Decker	Hinds	Mitchell	Sumners
Dershem	Hinebaugh	Moore	Talbott, Md.
Difenderfer	Hobson	Morin	Taylor, Ala.
Donohoe	Howard	Morrison	Taylor, N. Y.
Dooling	Hoxworth	Mott	Thomson, Ill.
Doughton	Hughes, W. Va.	Mulkey	Townsend
Driscoll	Hulings	Murdock	Treadway
Drukker	Humphreys, Miss.	Neeley, Kans.	Tuttle
Dupré	Johnson, S. C.	Neely, W. Va.	Vare
Eagan	Kahn	Nelson	Walker
Edmonds	Keister	Nolan, J. I.	Wallin
Elder	Kelly, Pa.	O'Brien	Walsh
Estopinal	Kennedy, R. I.	Oglesby	Watkins
Evans	Kent	O'Leary	Webb
Faison	Kindel	O'Shaunessy	Whaley
Falconer	Kinkead, N. J.	Page, N. C.	Whitacre
Farr	Kitchin	Paige, Mass.	White
Fergusson	Knowland, J. R.	Palmer	Willis
Ferris	Konop	Parker	Wilson, Fla.
Fields	Korbly	Patten, N. Y.	Wilson, N. Y.
Francis	Kreider	Patton, Pa.	Winslow
Frear	Lafferty	Peters	Woodruff
French	Langham	Platt	

The committee acccordingly rose; and the Speaker having resumed the chair, Mr. FLOOD of Virginia, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands, finding itself without a quorum, he caused the roll to be called, whereupon 238 Members, a quorum, answered to their names; and he presented the names of the absentees to be printed in the Journal and RECORD.

The SPEAKER. A quorum is present. The committee will resume its session.

Accordingly the committee resumed its session, with Mr. FLOOD of Virginia in the chair.

The CHAIRMAN. The Clerk will proceed to read the article which he had begun to read when the point of no quorum was made.

The Clerk read as follows:

THE PHILIPPINES.

JAMES R. MANN, leader of the Republicans in the House, is entitled to more recognition than he has yet received as the real leader of the Republicans in Congress. It would be rather trying, indeed, to find a man whose views come so near to representing the real intellectual leadership of the party in the Nation. The Senate contains no man who deserves such rank. MANN occupies the rather remarkable position of possessing the confidence of both the conservative and the radical members of his own party as those elements are represented in Congress.

Therefore the Mann speech on the Philippines is to be taken very seriously. In effect, Mr. MANN would keep the Philippines, not turn them loose: he would serve them, not cut them adrift. He would undertake sincerely and earnestly to improve, educate, and win their real friendship and affection. In that way he believes they would be an asset, not a liability, to us in the event of a great future contest in the Pacific, which he regards as altogether possible.

It is not safe to hurry to conclusions in such a matter as this in such a time as the present. The minority of the Insular Affairs Committee in the House made a most sound and convincing report, in which they protested against the discussion of such a measure as the Jones bill at this time, on the ground that it would inevitably call forth expressions about international relations in the Pacific that might be most embarrassing.

But there is more reason even than this for giving attention to the Mann view. Anti-imperialism has cultivated the view that far-distant dependencies are a weakness, not a strength, to the Nation. Surely that will have somewhat to be revised in view of the figure the British Empire is cutting in the world to-day. From Canada, from Australia, from South Africa, from Ceylon, from India, Britain is bringing soldiers to fight for the Empire on the soil of France. India, long regarded by Britain's critics as a conquered territory held under the iron heel of military despotism, turns up a loyal supporter of the Empire. Its native princes and rulers have offered their services, their treasure, their troops, and these have been accepted. Berlin pictured in its mind's eye a revolution in India that would keep Britain preoccupied to the extent of exclusion from the war. Instead India is sending its brown men to fight loyally and well for the Empire of which they seem proud to be citizens.

Even South Africa, so recently conquered that its leaders are largely the very men who fought against England, is taking its place in the line-up of the Empire.

France is drawing levies of magnificent troops from its African provinces; there is every evidence, just as there was in 1870, that the African domain is a strength and support, not a weakness, to the mother country in time of real stress.

Let the Mann view be considered with care and without prejudice or partisanship. Is it not probable that when this war is ended a new conception of imperial relationships, a new understanding of the ties between mother countries and their dependencies, will prevail throughout the world? This is a war for the right of small nations and minor peoples to exist. It is a war for democratization of the world; for popularization of governments in every quarter of the globe; for establishment of a public law in whose eye every people will be guaranteed the rights of existence and liberty and happiness. That public law will not be established and maintained without federation and understanding and cooperation among many peoples and States. Britain's Empire appears to have been builded on the ideal of giving real liberty, substantial independence, and vast material benefits to a great group of communities held together in ties of common sympathy, institutions, sentiment, and interest. Is it to be conceded that the United States shall fail in the effort to win the affection and loyalty of the Filipino people, where Britain has succeeded in winning the Hindus and the Boers?

At least let us wait the outcome of swift moving events of to-day before starting on a program that may appear a few years hence to have been sadly mistaken.

Suppose Britain had surrendered India two generations ago, on the ground that to retain India might involve a war with Russia? Would India or Britain or the world be the better to-day for that act? It will at least be gravely doubted.

We will see a wide unfolding, a tremendous revelation of world tendencies and directions within a very few years, for this war will compel that much. One thing is very certain. The period of colonizing by buccaneers, of colonial government by and for exploiters, is ended. The colonial countries understand that pretty well. There are manifest advantages, especially for the minor countries, in such federal relations as those that hold the British Empire together, or those that bind to us the recently acquired possessions of the United States. Let us not make haste adopting a program that might be gravely regretted in the near future.

Mr. STANLEY. Mr. Chairman, I heartily concur in the statement of the gentleman from Illinois [Mr. MADDEN], who has just addressed the House, that the carefully considered and ably delivered utterance of the leader of the minority [Mr. MANN] should be taken seriously by this side of the House and by the country. I do not concur in his opinion that the leader of the minority has not been taken seriously by this side of the House. The utterance is too far-reaching in its scope, too momentous in its possible results, to be taken merely as the expression of the opinion of a single individual, or to be answered with a sneer. I do not so regard the address of the leader of the minority. It is the inevitable conclusion to which his party must come. It is the corollary of all their doctrines and utterances. It is surprising and commendable in its candor, if not in its wisdom. But this side of the House will never indorse a line of that appalling utterance. We are not prepared to concede that a war of destruction must inevitably follow rivalry in trade. It may be true that at this hour we see millions of men embroiled in a contest that had its incipiency in trade rivalries. But the spectacle of dominions torn and seamed by trenches red with blood and filled with the bodies of hundreds of thousands of mangled men is in itself a sufficient condemnation for all future time of the crime—the foreordained, cold-blooded policy, of deliberately transforming the marts of trade into shambles of slaughter. [Applause on the Democratic side.] It is natural, it is logical, that the gentleman should read editorial after editorial commending Britain's colonial policy, saying, in effect, that it is the policy of the Republican Party to emulate the ugliest and cruelest attribute of a monarchy from which we ourselves wrenched our liberties by the sacrifices of life and treasure.

Sir, the doctrine to which the gentleman now gives unqualified approval is but a paraphrase of the declarations of the Tories, who, a century and a half ago, sent their red battalions here to compel our reluctant love and obedience to a Government that thought our allegiance profitable and our location strategic. Mr. Chairman, I deny that we are prepared to emulate the colonial policy of Great Britain. I deny that we are prepared now to devote our youth to slaughter in foreign lands. The gentleman may read of the Hindu, the South African, and the Egyptian soldier now in the trenches of Belgium and France, may dilate upon the virtues of semisavage mercenaries who make the slaughter of their kind their bloody profession, but the people will not forget the Transvaal, will not forget the Sepoy rebellion, will not forget the day of the East India Co. and of Warren Hastings, will not forget Sedan, will not forget that the price Great Britain pays for the enforced maintenance of her flag around the world is the blood of her best and bravest sons. [Applause on the Democratic side.] Ah, the gentleman from Illinois [Mr. MANN] says that this ugly, cruel catastrophe, this world-wide war that shall cover all the Pacific, will come as certainly as the rising of the sun.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STANLEY. Mr. Chairman, I ask unanimous consent for two minutes more.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent for two minutes more. Is there objection?

Mr. MANN. Reserving the right to object, I thought the time was limited.

Mr. STANLEY. I only ask two minutes more.

The CHAIRMAN. The time was limited to 15 minutes.

Mr. GARRETT. I ask unanimous consent that the gentleman from Kentucky [Mr. STANLEY] may have two minutes more, and that the remainder of the time may be used on the other side of the House.

The CHAIRMAN. There will be three minutes remaining.

Mr. STANLEY. I ask unanimous consent that the time of the debate be extended five minutes more.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent that debate on this paragraph and amendments be extended five minutes more.

Mr. MANN. Five minutes more from now?

The CHAIRMAN. After the gentleman from Kentucky has used two minutes there will be eight minutes more. Is there objection?

Mr. MANN. I do not object. It is to our interest to have the gentleman from Kentucky continue.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. STANLEY. The gentleman from Illinois imagines that the sky he sees incarnadined with the blood of American citizens is lighted by the rays of a rising sun. It is not the dawn; it is the dying of a day, thank God, forever past. If the gentleman will study the wise policies of that great and patient man who now directs the destinies of Democracy, he will see the dawn of a better day, a time when universal justice and the dissemination of peace instead of war, of liberty and not of tyranny, shall be the noble aim of a great Republic. He will see an attempt to make men love us because we are just as well as strong, not an effort to manacle them to our hearts or to pinion them with a bayonet to a hated standard. He will see that it is wiser and safer to maintain the trade of America and to preserve the life of her citizens by a policy of universal justice, universal kindliness, the dissemination of liberty, not vassalage. This is the dawn, not of trade wars but of tranquillity in trade, the dawn of peaceful, friendly competition between all men and all nations. The time is at hand when—

With man to man united,
And every wrong thing righted,
The whole world shall be lighted
As Eden was of old.

[Applause on the Democratic side.]

The CHAIRMAN. The Chair understands the gentleman from Iowa [Mr. TOWNER] is entitled to eight minutes.

Mr. TOWNER. Whatever the Chair decides is satisfactory to me.

Mr. JONES. That is entirely in the discretion of the Chair, to recognize the gentleman for eight minutes.

The CHAIRMAN. The Chair understood that to be the suggestion of the gentleman from Tennessee [Mr. GARRETT].

Mr. JONES. Fifteen minutes were granted for the Chair to recognize anybody he chose.

Mr. TOWNER. The declaration of the minority in its report was—

> There is a common ground upon which we all can stand. Though we may differ as to whether ultimate independence is best for the islands, we are all agreed that it is not best for them now.

Is there anyone on the other side of the aisle who will take exception to that statement? Is there anyone here who proposes now to grant independence to the Filipinos? Certainly not in view of this bill, which we hear, presumably with authority, has the approval of the President of the United States, who, we are told, has the Democratic Party within the grasp of his strong hand, as the gentleman from Kentucky [Mr. STANLEY] said a moment ago. The minority went further with the declaration and said:

> However we may differ as to whether the people of the Philippines are capable of entire self-government, we can all agree that they should have the largest measure of self-government of which they are capable. Upon that common ground we should have considered the bill to give to the Filipino people such changes in their fundamental law as should be made in their interest.

The course of the debate on this bill has but emphasized the truth of that statement. We should have considered the bill upon its merits, without the reiteration in the form of a preamble of the Baltimore platform, without this injection of politics all the way through, without the declaration again and again that you stand for this and we stand for that. There is as much difference of opinion on that side of the House as to what should be done regarding the Philippines as there is on this side of the House. There is no one qualified to speak for you, and there is no one qualified to speak for us.

Gentlemen differ with regard to the matter; each has his individual opinion. But there is this common ground upon which we can stand. We all agree that we should give them the largest measure of self-government of which they are capable now and at all times. A larger measure of self-government should be given to them now by this bill than they possessed under the old law. I presume in the future we ought and will give them still larger measures of self-government.

Mr. Chairman, I can see, without, I think, indulging an unreasonable expectation, that the time will come when the Filipinos will be a great self-governing Commonwealth—may I say, like Canada or Australia. To-day, if Canada should ask for its independence she could have it. Why does it not do so? Simply because it feels that its association with another country is a benefit to it, and it does not desire a separation, although it has practical autonomy in its own government.

To-day Australia occupies the same position. It is a great self-governing Commonwealth, with a constitution, which it formulated very much after our own Constitution, of a federal government with national powers and preserving every Province as we preserve the States.

Mr. TALCOTT of New York. Will the gentleman yield?

Mr. TOWNER. I can not yield now. Their Commonwealth constitution was formulated by the people of Australia and sanctioned by the people of Great Britain. They had only to make the declaration of their independence, and Great Britain would not have protested against it. She would, of course, object to the action, but it is the statement of all that on the day this great self-governing Commonwealth desires to cut off and separate from the mother country they shall do so. But they do not desire to do it, because they find it to their benefit not to. Are gentlemen prepared to say that the time will come in the future when the Philippines, a great self-governing Commonwealth, shall determine that it will be better for them to cast off their connection with the United States than to remain as they are? Yet, if they shall so declare, when that day comes I will not protest against it, and there will be little, if any, opposition, in my judgment, because there are not many who would force the continuance of an undesired connection with a people capable of self-government, qualified for independence, and able to maintain it. But that time has not arrived. Let us leave the problems of the future to the future and not be speculating on what we propose to do.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. MURRAY].

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

That in all criminal prosecutions the accused shall enjoy the right to be heard by himself and counsel, to demand the nature and cause of the accusation against him, to have a speedy and public trial, to meet the witnesses face to face, and to have compulsory process to compel the attendance of witnesses in his behalf.

Mr. MURRAY. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 3, after line 19, add a new paragraph, as follows:
"The right of trial by jury shall be and remain inviolate, and a jury for the trial of civil and criminal cases in courts of record shall consist of 12 men, but in courts not of record a jury may consist of 6 men."

Mr. MURRAY. Mr. Chairman, I can not understand why gentlemen of the committee should oppose this amendment. Some 10 or 12 years ago I remember of reading a discussion that went on in Congress over the question of whether the Constitution followed the flag when there was a military occupation of the Philippine Islands. The very question was raised before any kind of local self-government was granted. I do not think it lies in the mouths of Democrats to reverse that position. Doubtless many Members of the House have never experienced that which I have—where the people had no government except a court government.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. MURRAY. If I can have more time.

Mr. GARRETT of Tennessee. I want to call the attention of the gentleman to the fact that this bill does not cut off the trial by jury. It is within the power of the Filipino government herein organized, if it thinks it wise, to have a trial by jury and institute it.

Mr. MURRAY. Yes; it is within the power of the Philippine Government to do all things not prohibited by the organic act, but if it is necessary to provide in this bill for provisions of this character—that life, liberty, and property shall not be taken without due process of law; that no person shall be charged with a criminal offense nor be tried without being confronted by the witnesses against him; that he shall not twice be put in jeopardy; that he shall be bailable; that there shall be no law impairing the obligation of contracts; that no person shall be imprisoned for debt—that the writ of habeas corpus shall never be suspended; that no ex post facto law shall ever be passed—if it be necessary to provide for those safeguards by putting them into the organic law, certainly the most fundamental one of trial by jury should be placed there with them.

Mr. BARTLETT. Mr. Chairman, may I ask the gentleman a question? I will state that I am with him on his proposition.

Mr. MURRAY. I will yield in a moment. I lived in the Indian country with three-quarters of a million people, when we had no Representative in the legislative or executive branches of the Government. The only representation the people had was in the courts, through their jury, and for the first time I realized the philosophy of Jefferson, who said that as between the right to be represented in the courts or in the legislative branch, the people would better far have some one else make the law and have their representation in the courts. It would have been intolerable to have lived in that Indian country but for that fact. Men may answer that jurors make mistakes, and I can repeat that oft-repeated expression that no man can tell what the jury will do or whom a woman will marry, but I have never yet seen the time when I would abolish either marriage or the jury system.

The most fundamental right that any people can have is a trial by their peers. It may be argued by the committee that it would be unwise to place this language in the bill because everyone in the Philippines is unfitted for jury service, but the legislative body of the Philippines can limit the qualifications of a juror under this bill to those who have the ballot, or to any other class. It has been stated to me that the real objection to this is that those cases now pending in the courts of the Philippine Islands, if tried before they learn that this is the law, after the adoption of it would result in a mistrial, but that is no argument against the right of a people to trial by jury.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. MURRAY. Mr. Chairman, I ask unanimous consent to proceed for one minute more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MURRAY. That may be obviated by putting a provision in this very section, if the gentlemen are afraid of that, providing that this shall not apply to any case now pending in the courts of the Philippine Islands. But certainly, in view of the necessity for reciting some 12 or 13 sections that ordinarily go into a bill of rights in ordinary constitutional governments, I think that we ought to also place in the bill the most fundamental one; and the fact that any person in the Philippine Islands is unwilling to guarantee this right should be regarded with suspicion as to the motives behind the proposition.

Mr. HELM. Mr. Chairman, will the gentleman yield?

Mr. MURRAY. Yes.

Mr. HELM. The gentleman is aware of the fact that there are, in round numbers, about a million Moros who are non-Christian?

Mr. MURRAY. There are more non-Christians than Christians, as I understand it.

Mr. HELM. And this bill provides that their representative in the legislative branch of the Government shall be appointed. They are now governed by a bureau. How would the gentleman select a jury in Mindanao—who would compose a jury of the people who neither vote nor have representation in the legislature?

Mr. MURRAY. I would leave the Philippine Legislature to determine the qualifications for jurors according to the conditions that exist in those islands, and I would certainly guarantee to every Filipino, whether Christian or non-Christian, this right of trial by jury.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

Mr. JONES rose.

Mr. MANN. Mr. Chairman, could we not reach some agreement as to the length of debate upon this matter?

Mr. JONES. What would the gentleman suggest—20 minutes?

Mr. MADDEN. Oh, let us make it 4 o'clock and then quit.

Mr. GARRETT of Tennessee. I think 20 minutes is too much.

Mr. JONES. Mr. Chairman, I ask unanimous consent that at the conclusion of 20 minutes all debate on the paragraph and all amendments thereto shall be concluded.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that debate on this paragraph and all amendments thereto close in 20 minutes. Is there objection?

Mr. MILLER. Mr. Chairman, reserving the right to object, how many gentlemen on that side desire to speak?

Mr. BARTLETT. I desire to speak.

Mr. MILLER. There are at least three on this side who desire to speak, and I think there are four. Could we not proceed for a few minutes, first, without making any arrangement?

Mr. MANN. I suggest that the gentleman from Virginia make it 25 minutes.

Mr. JONES. Very well.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this paragraph and all amendments thereto conclude in 25 minutes. Is there objection?

There was no objection.

Mr. JONES. Mr. Chairman, there are many good reasons why we should not impose a jury system upon the Filipinos. Many of them are quite obvious. One is that just suggested by my colleague, Mr. HELM. There are some six or seven hundred thousand non-Christianized and noncivilized people in the Philippine Islands; as, for instance, the Moros in the southern and the Negritos and Igorrotes in the northern part of the archipelago. It would be most irrational to undertake to force jury trials in those communities. The gentleman from Oklahoma has anticipated another objection which I have to his amendment, one which he must regard as serious. There is no jury system in the Philippines now, and therefore there is no legal machinery in existence through the means of which jury trials can now be had. This being true, much confusion, if not positive harm, may follow the fastening by Congress of such a system upon the Filipinos. Between the time of the passage of this bill, if it is passed, and the passage of the legislation necessary to carry into effect the constitutional requirement of jury trials many criminal cases will have been disposed of. In such cases, where convictions have been had, it will, of course, be objected that the convicted persons have been deprived of the jury trials guaranteed them by the Congress of the United States, and the objections will be well founded. Such convictions would unquestionably be illegal.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. JONES. So, Mr. Chairman, it seems to me that this ought not to be incorporated in the bill. I yield to the gentleman.

Mr. CARTER. I want to ask the gentleman from Virginia if they have, under the present system there, a trial by jury?

Mr. JONES. Under the present system they have no trial by jury, and I will say, further, that there is a most excellent judicial system in the islands. I think that justice is fairly administered in the Philippines at this time. I may add that under the existing organic law the Philippine Legislature is empowered to adopt a jury system. It seems, therefore, that there is no demand on the part of the Filipinos for jury trials. There has been none on the part of the Filipino bar, and the committee wisely, I think, determined to leave this subject in the hands of the Philippine Legislature, where it now resides.

Mr. CARTER. Do I understand the gentleman to say they have not a jury trial even in criminal cases?

Mr. JONES. That is my statement.

Mr. FESS. Will the gentleman yield?

Mr. JONES. Yes.

Mr. FESS. If the bill of rights is adopted as we have written it, there is no objection to their having a jury trial; it does not forbid it.

Mr. JONES. Certainly not; and I have tried to make that plain. It does not forbid it, as the gentleman from Ohio says. The legislature provided for here is elective in both of its branches, and it can have a jury system if it desires to do so, since there is nothing in the bill of rights to prohibit it. Now, Mr. Chairman, I wish to add that when the first draft of this bill was prepared it contained a provision for jury trials. I submitted it to a number of gentlemen who are wiser than myself, and in whose judgment I have great confidence, and after listening to the objections urged to it by them I concluded that the wise thing was to leave it out. So when I introduced the bill in the House I omitted the jury-trial provision which I had at first incorporated in the bill. I do not believe it would be wise to put it in the bill of rights now, and I hope the House will agree with me.

Mr. BARTLETT. Mr. Chairman, I hope I may be able for a minute or two to voice my approval of the principle involved in the amendment offered by the gentleman from Oklahoma [Mr. MURRAY]. We are undertaking to consider a constitution for the people in the Philippine Islands and to declare that when they have made themselves capable of self-government we will give them their independence. We are an English-speaking people. We derived our system of jurisprudence from that of the mother country, and no principle ever crossed the waters with our forefathers that was dearer and deeper embedded in the fundamental law of this land or dearer to the fathers who fought the Revolution and who formulated and created our Constitution than the principle of the right of trial by jury. [Applause.] And we will not do our duty to these people, whom we propose to educate and make good citizens and give them a free government, if possible, if we withhold this right from them; yea, if we do not require those to whom we shall delegate the power to enact their laws to embed into their laws this best, greatest, and most precious principle of the English-speaking race. Mr. Chairman, the only part of this great Constitution of ours which has in it that right, written by the men who created it, has always been printed not only in italics but in capital letters, so that those who read it may know and understand that of all the provisions of the Constitution that one which provides for the right of trial by jury was regarded by them and has been the greatest right of American citizens. If you will examine the sixth amendment of the Constitution you will find of all the sections and amendments written that that alone is italicized, emphasized, and written in capital letters, so that posterity may have emphasized to it that that of all was the greatest right of the American citizen. It is as follows:

IN ALL CRIMINAL PROSECUTIONS THE ACCUSED SHALL ENJOY THE RIGHT TO A SPEEDY AND PUBLIC TRIAL BY AN IMPARTIAL JURY OF THE STATE AND DISTRICT WHEREIN THE CRIME SHALL HAVE BEEN COMMITTED, WHICH DISTRICT SHALL HAVE BEEN PREVIOUSLY ASCERTAINED BY LAW, AND TO BE INFORMED OF THE NATURE OR CAUSE OF THE ACCUSATION; TO BE CONFRONTED WITH THE WITNESSES AGAINST HIM; TO HAVE COMPULSORY PROCESS FOR OBTAINING WITNESSES IN HIS FAVOR; AND TO HAVE THE ASSISTANCE OF COUNSEL FOR HIS DEFENSE.

Now, I had an amendment which I wished to propose to this bill—in line 17, after the words "public trial," to insert the words "in criminal cases or by an impartial jury to be selected from the district wherein the offense was committed," in the language of the Constitution. We say these people shall have a constitution such as we write for them in this bill containing many of the provisions in our own Constitution and of the State constitutions. We even say that a bill shall not be passed which does not contain in its title the purpose of the bill or subjects matter in it different from the title. We undertake to guard these people from the errors or crimes of the legislatures that they may elect, and yet we withhold from them this greatest blessing that our people ever enjoyed and which we have maintained here by the blood and virtue of our people.

Mr. JONES. May I ask the gentleman a question?

Mr. BARTLETT. Certainly.

Mr. JONES. The gentleman uses the word "withhold." The gentleman means we do not impose it. We do not withhold it.

Mr. BARTLETT. I meant it in that sense; I did not mean that you prevented it. You do not enjoin it upon the legislative body. Mr. Chairman, one word. When the Philippine administration bill was first considered by the House, to govern these islands, it was upon my motion and my amendment which embodied in it that they should have an appeal to the Supreme Court of the United States on all questions involving the construction of the Constitution of the United States. That provision put in that bill enabled two American citizens who were convicted in one of the Philippine courts of first instance by Filipino judges to secure their freedom from 40 years' imprisonment imposed upon them by Filipino judges in a trial for a criminal offense which the Supreme Court of the United States decided they had no jurisdiction over.

I have not had experience myself, but I have a constituent who has suffered by a trial in a Filipino court for crime and tried by judges; and the man was convicted in that court and sentenced to 40 years' imprisonment for a crime over which that court had no jurisdiction, as decided upon appeal to the Supreme Court of the United States. That right was secured him by the amendment which I offered and had placed in that bill. I am not willing that the rights shall be left to the Filipino Legislature to say whether these people shall be tried for crime except as we try people here; that is, the right of trial by jury selected from the vicinity where the crime was committed. I do not care so much about the right of trial by jury in civil cases, but I am unwilling to send to those people across the Pacific a constitution made by the American Congress which refuses to say that wherever you try a man under the American Constitution or American law he shall have the right to have it decided by a jury whether or not he has violated the laws of his country. I will not vote for a proposition that does not give him that great privilege, a right so dear to every American and to every English-speaking man. [Applause.]

Mr. MILLER. Mr. Chairman, I think this amendment ought to be determined not by a consideration of theoretical principles of liberty peculiar to the Anglo-Saxon race, but by considering actual conditions in the Philippine Islands, where the

bill is to be operative. There are a thousand reasons, Mr. Chairman, why this particular amendment should not be incorporated in the bill. In the first place, it is not necessary, because, as has already been stated by the chairman of the Insular Affairs Committee and by the gentleman from Kentucky [Mr. HELM], if the Filipino people desire trial by jury they can, immediately after the enactment of this bill into law, provide for that institution by legislative enactment. The truth is, Mr. Chairman, that the Filipino people do not now want trial by jury, and if you require it you impose upon them an institution which they have sense enough to know they are not now qualified successfully to handle. I have no doubt in my mind at all——

Mr. BARTLETT. Will the gentleman allow me? I intended to offer this amendment at the time I had the floor.

Mr. MILLER. I will yield for that purpose, if it is not taken out of my time.

The CHAIRMAN. The gentleman will send his amendment up.

Mr. BARTLETT. To consider it as pending.

Mr. MILLER. I have no doubt, Mr. Chairman, in the least that if this amendment were submitted to all the Filipino judges in the Philippine Islands practically a unanimous vote would be against putting it in the bill.

Mr. GORDON. Mr. Chairman——

The CHAIRMAN. Will the gentleman from Minnesota yield to the gentleman from Ohio?

Mr. GORDON. The judges would not have it here if they had their way, would they?

Mr. MILLER. I do not agree with the gentleman at all. If you would submit the question to the judges of America, 100 per cent would say to retain the trial by jury. [Applause.]

Now, Mr. Chairman, I would not feel disposed on any occasion, much less on this, to enter into a discussion of the reasons why this would work havoc in the administration of justice in the Islands. I will say this, however—and I am sure it is the opinion of the Filipino judges themselves—that if it be required now that criminal cases be decided by a jury, there will be an almost complete absence of conviction; that the criminal laws of the country can be violated with impunity; that if it be required that civil action be submitted to a jury, justice will rarely prevail. And that is not an indictment at all against the intelligence or general honesty of the Filipino people. It is because the people have never been trained as yet in this great and important institution.

Now, Mr. Chairman, there is one thing further, and if you will pardon me going to the map once more I will invite your attention to it, and it is to my mind paramount to anything that has already been suggested. There are 1,200,000 non-Christian, uncivilized people in the islands. The Christian people do not want this institution, because they know they can not successfully carry it out now.

But, even if they could, what on earth would become of the administration of justice in one-half of the entire area of the islands, because one-half of the area is now entirely in the possession of the non-Christian, wild tribes? The whole northern third of Luzon contains 400,000 wild people, and it would be absolutely impossible to secure a jury capable of trying a case in any sense, big or little, from out the entire 400,000 of people. Likewise in the entire region to the south, where the Moros live, it would be impossible to secure a trial by jury.

Mr. HELM. Will the gentleman yield?

The CHAIRMAN. Will the gentleman from Minnesota yield to the gentleman from Kentucky?

Mr. MILLER. I will.

Mr. HELM. Will the gentleman, who has been to the Philippine Islands, inform the House of his knowledge as to capacity and honesty of the judges who preside?

Mr. MILLER. The judges there now?

Mr. HELM. Yes.

Mr. MILLER. I will say, after making as full an investigation as I could in going through the islands, I was tremendously pleased, both with the Filipino judges and the American judges, and I think the administration of justice in the islands to-day is splendid. Of course, there are some exceptions; but, generally speaking, the judiciary is a first-class working institution. The reports that I gather from Filipino judges and Filipino business men, as well as from Americans, is that the Filipino judges, after they had once grasped the idea of our institutions and the administration of justice, have made wonderful progress. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. GARRETT of Tennessee. Mr. Chairman, I am perfectly well aware of the affection which those of Anglo-Saxon descent entertain for the jury system. I am of that descent and I share in that affection. I realize, therefore, the embarrassment that it may occasion Members to oppose the placing into what is proposed as an organic law of a section which shall enforce jury trial. But, nevertheless, we must deal with this upon a practical and intelligent basis. The development of the jury system, as we understand it, has been purely a development of and by the Anglo-Saxon or Teutonic people. In the Philippine Islands, throughout all the long years of their existence, there has been no jury system under the Spanish régime, under the present régime, under no régime, nor has there been any request by the Filipino people, so far as we have been advised, at any time for the institution of such a system.

Mr. BARTLETT. May I interrupt the gentleman just a moment to ask him a question?

Mr. GARRETT of Tennessee. Certainly.

Mr. BARTLETT. The gentleman has seen fit to put in the bill, very properly, that no law shall be enacted in said islands which will deprive any person of life, liberty, or property without due process of law or deny anyone equal protection of the law. Now, can the gentleman state whether or not, under our conception of law in this country and the institutions under which we live, any trial can be had with due process of law in a criminal case where a man is not tried by a jury?

Mr. GARRETT of Tennessee. I think so; but to answer that fully, or to undertake to answer it fully, would carry us into the old discussion of whether our Constitution applies to colonial possessions.

Mr. BARTLETT. You and I think it ought to.

Mr. GARRETT of Tennessee. The gentleman and I will not have any disagreement about that, and yet we take the law, as we must take it, from the courts. But I want to call the attention of the gentleman from Georgia and other gentleman of the House to this proposition: We are not, in this bill, denying to that people the right of trial by jury. One of the things, Mr. Chairman, that has made me desirous, and that now makes me desirous, of severing connection with that people is that that race is not our race; its spirit is not our spirit; its blood is not our blood.

And I do not wish to undertake to force on that government or on those people against their will an institution which is purely a development of our own race and to which they are wholly unaccustomed. But if they desire it, I would leave them free to have it. In the making up of this bill no matter was more seriously considered by the committee than this question of jury trial. We, all springing from the Anglo-Saxon race, entertain the same sentiments with regard to the jury system; but in the light of the conditions existing in the Philippine Islands we in committee, I think I may say with practical unanimity, came to the conclusion that it was not wise to ingraft upon the judicial system of that people an institution which is purely a development of our race, and to which that race has never been accustomed.

Mr. MADDEN. Will the gentleman yield to me for a question, Mr. Chairman?

Mr. GARRETT of Tennessee. Certainly; I yield to the gentleman.

Mr. MADDEN. Did the committee conclude that a man would be less likely to get a fair trial before a jury of his peers than before a fair judge?

Mr. GARRETT of Tennessee. Oh, no; I would not say that the committee reached that conclusion at all. That is not the theory upon which the committee acted. It acted upon the theory that that people have never been accustomed to the jury system, that from experience they know nothing about trial by jury.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. GARRETT of Tennessee. Mr. Chairman, if any gentleman on that side desires to speak, I shall not ask for any more time.

Mr. FESS. I have yielded to the gentleman from the Philippine Islands [Mr. QUEZON].

Mr. MURRAY. Mr. Chairman, I ask that I may offer a substitute for that amendment.

Mr. BARTLETT. Mr. Chairman, may we have read the amendment that I sent up?

Mr. MURRAY. Let them both be read.

Mr. MILLER. Let it be read and considered as pending.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Page 3, line 17, after the word "trial," insert the words "by an impartial jury selected from the district wherein the offense was committed."

Mr. JONES. Mr. Chairman, I ask unanimous consent that the gentleman from Tennessee [Mr. GARRETT] be permitted to proceed for two minutes longer.

Mr. MILLER. Let the Clerk read the other amendment. The Clerk has just read the amendment of the gentleman from Georgia [Mr. BARTLETT].

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Substitute offered by Mr. MURRAY: Page 3, line 19, add the following as a new paragraph:

"The right of trial by jury shall be and remain inviolate in the trial of criminal cases, and in the courts of record the jury shall consist of 12 men, but in courts not of record a jury may consist of 6 men."

The CHAIRMAN. What was the request of the gentleman from Virginia?

Mr. JONES. That the gentleman from Tennessee [Mr. GARRETT] may be permitted to proceed for two minutes. Of course, it will come out of the 25 minutes.

Mr. GARRETT of Tennessee. I thank the gentleman for his courtesy, but I will ask him to withdraw his request.

Mr. MANN. If the gentleman requires more time, I will yield to him.

Mr. GARRETT of Tennessee. I thank the gentleman from Illinois.

Mr. JONES. I withdraw that request, Mr. Chairman.

Mr. MILLER. Mr. Chairman, I ask unanimous consent that the time agreed upon for debate upon this paragraph be extended for an additional 10 minutes in order that 5 minutes may be assigned to the Commissioner of the Philippine Islands [Mr. QUEZON] and the other 5 minutes be divided equally between the gentleman from Tennessee [Mr. GARRETT] and myself.

The CHAIRMAN. The gentleman from Minnesota [Mr. MILLER] asks unanimous consent that the debate on this paragraph——

Mr. GARRETT of Tennessee. Mr. Chairman, how much time is remaining?

The CHAIRMAN. Five minutes.

Mr. GARRETT of Tennessee. Mr. Chairman, so far as I am concerned, thanking the gentleman from Minnesota for his courtesy, I do not ask for any further time.

Mr. MILLER. Then I will modify my request, Mr. Chairman, and ask that the time be extended five minutes, the extra five minutes to be given to the Commissioner of the Philippine Islands.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent that the debate on this paragraph be extended five minutes, to be given to the gentleman from the Philippine Islands.

Mr. MANN. Reserving the right to object, Mr. Chairman, may I ask the gentleman from Virginia how long we shall stay here this evening?

Mr. JONES. I hope we shall not stay longer than 5 o'clock.

The CHAIRMAN. The Chair will recognize the gentleman from Iowa [Mr. TOWNER].

Mr. TOWNER. Mr. Chairman, I desire to make only one or two observations. I am, of course, in entire sympathy with the idea advanced by the gentleman from Oklahoma [Mr. MURRAY] and so earnestly advocated by the gentleman from Georgia [Mr. BARTLETT].

That, however, has not anything to do, as it seems to me, with the question before us to-day. There is no declaration here against a jury trial. We are only now leaving to the Filipino people, to the legislature there, the determination of when and to what extent they will apply the jury system to their own people. That is the wise thing to do. If in some parts of their territory it may be applied safely, doubtless they will apply it. We know that in some parts of the territory it would be absolutely unsafe to apply it.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. TOWNER. Yes.

Mr. MADDEN. Does the gentleman think we would have jury trials all over the United States now if the Constitution did not provide for it?

Mr. TOWNER. Unquestionably; I think we would.

Mr. MADDEN. I doubt it.

Mr. TOWNER. I am quite sure we would.

Now, in the northern part of Luzon, over an area covering almost one-half of that great island, it would be a laughable thing to talk about giving them trial by jury. In almost the entire island of Mindanao it would be utterly impossible at this time. But whenever it is practicable, whenever the people of the Philippines determine for themselves that a jury trial shall be given to their people, the legislature will have that power. To vote down this amendment is not a determination by this body against a jury trial. It is doing what we ought to do—allowing them to decide when, and under what conditions, and to what territory, and to what people the right of trial by jury ought to be given.

Now, if I can, Mr. Chairman, I will yield the remainder of my time to the gentleman from Minnesota [Mr. MILLER].

The CHAIRMAN. The gentleman from the Philippine Islands is recognized.

Mr. QUEZON. Mr. Chairman, I am not prepared to admit that the Filipino people do not want the jury system established in the islands, as the gentleman from Minnesota [Mr. MILLER] puts it. Unless my memory fails me, there have been introduced in the Philippine Assembly, from time to time, resolutions instructing the Resident Commissioners to petition the Congress of the United States for a grant of authority to the Philippine Legislature to provide by law for the establishment of the jury system of trial. Therefore, if the assembly fairly represents the Filipino people, as we should assume, since it is an elective body, the Filipinos are in favor of the trial by jury. Personally, I also believe in this principle. It is to be noted, however, that the Philippine Assembly has never requested the Congress of the United States to include among the constitutional rights of all the inhabitants of the Philippine Islands the right to be tried by jury. The reason for this is obvious. There are some regions in the Philippines where it is absolutely impossible to establish the trial by jury, unless it is desired to let crime go unpunished. So, in order to properly serve the interests of justice, the Philippine Assembly deemed it necessary that the authority to grant this right be conferred upon the Philippine Legislature, which is acquainted with the conditions in the islands, instead of being directly exercised by the Congress itself. The situation is this: Some of the non-Christian inhabitants of the Philippines are still in a very primitive condition, while others, like the Moros, though not altogether uncivilized, entertain ideas of right and wrong not exactly in harmony with those upon which our criminal and civil codes are based. There are altogether about half a million of these people, among whom the jury system would be a complete and absolute failure. The former, of course, do not have the same conception of justice that we have. The latter—that is to say, the Moros—have an idea of criminal action not always in conformity with the provisions of the criminal law. A Moro, for instance, at times does not believe that to kill a Christian, be he American or Filipino, is a crime. He may even hold it to be a virtue. Can anyone, then, expect that if a Moro were to kill a Christian, no matter what might be the race of the latter, he would be found guilty by his fellow Moros?

Mr. GORDON. Mr. Chairman, will the gentleman yield?

Mr. QUEZON. Yes.

Mr. GORDON. Have they civil government down in the sland of Mindanao?

Mr. QUEZON. Yes; to a certain extent. The governor is a civilian, but he is not elected, and his powers are rather unusual for a civil governor; in other words, the government in Mindanao is not similar to the government established in the other Provinces.

Mr. GORDON. Exactly. We do not have jury trials in this country unless we have a government established.

Mr. QUEZON. But there is a civil government established in Mindanao, or the Moro Province, as it is called. It is not a military government, and surely it is not under martial law. There is a court there exactly identical, both as regards the jurisdiction of the judge, the laws he administers, and the procedure under which trials are conducted, with the courts in the city of Manila. Such being the case, if this proposed amendment is adopted the jury trial will be applied inviolate in the Moro Province just as much as in the city of Manila.

Mr. GORDON. Oh, no; you are mistaken about that.

Mr. QUEZON. Then I do not understand the language of the amendment.

Mr. MILLER. The gentleman from the Philippines is quite correct.

Mr. GORDON. The gentleman from the Philippines is entirely mistaken about that.

Mr. QUEZON. Why am I mistaken?

Mr. GORDON. Because the institution of the jury trial under our Constitution only extends as far as the Government extends. Do we have it among the American Indians? Surely not.

Mr. MILLER. I beg to assure the gentleman from Ohio that the United States Constitution and the United States Government extend over every foot of the territory in the Philippine Islands.

Mr. BARTLETT. Does the gentleman say that the Constitution extends there?

Mr. MILLER. Certainly.

Mr. BARTLETT. I am glad to hear it.

Mr. GORDON. You gentlemen claimed that it did not extend there at all. I think the gentleman from Minnesota is mistaken in his statement.

Mr. QUEZON. Mr. Chairman, the controversy between the gentleman from Minnesota and the gentleman from Ohio, as to whether or not the jury system shall be established in Mindanao if this amendment is adopted, shows that we shall have to face in the Philippines a great many new and serious questions, both legal and constitutional in nature, if this amendment is put into the bill, since these two learned lawyers, who are called upon to vote on the amendment, take entirely opposite views. My impression, however, is to the effect that the gentleman from Ohio is mistaken. At all events, I am positive that if this amendment is adopted there will be created almost a chaotic condition in the administration of justice in the islands. I repeat it: In those places wholly inhabited by uncivilized peoples no jurors could be had.

Mr. MADDEN. Will the gentleman yield?

Mr. QUEZON. Yes.

Mr. MADDEN. If this enabling act is passed, requiring trial by jury, the legislature will still have the power to fix the qualifications of jurors?

Mr. QUEZON. Yes.

Mr. MADDEN. Why can they not fix varying qualifications, according to varying conditions?

Mr. QUEZON. They certainly can; but in these places I am referring to it will be impossible to find enough persons with any qualification to act as jurors.

Mr. BARTLETT. May I ask the gentleman what sort of courts they have there in the part of the Philippine Islands to which he refers?

Mr. QUEZON. The same kind of court as in other parts of the archipelago.

Mr. BARTLETT. You have some sort of a judicial system down there, then?

Mr. QUEZON. We have a complete judicial system in every part of the archipelago, but the judge acts both as a judge of fact and as a judge of law.

But leaving aside the question of whether or not there are to be found competent jurors among the uncivilized or semi-civilized Filipinos, do the gentlemen of the committee realize that this bill goes into effect immediately upon its passage, and therefore, from that instant, every man accused of a crime in the Philippines has the constitutional right of being tried by jury?

Suppose this bill should be passed. All those who at the time are accused of some crime will at once have the constitutional right to be tried by jury and the further constitutional right to a speedy trial. There being no law in the Philippines providing for the qualifications and selection of jurors, a law to this effect shall have to be enacted by the legislature. If the legislature is not in session, as very likely it will not be when this bill becomes law, or even if it is in session, some time must elapse before the necessary legislation can be provided for and put in operation. In this case the courts will either have to try the defendants without jury or postpone the trial for a long period. In either case a constitutional right of the accused would have to be violated, and the court will have no other alternative than to let the crime go unpunished.

As I said in the beginning of my remarks, I am in favor in principle of the jury trial, and so is the Philippine Assembly, but in order to avoid giving a serious shock to the administration of justice the proper course is to let the Philippine Legislature enact such law as is needed to establish the jury system, bearing in mind the conditions of the country as they are. Everybody here agrees that the bill permits the legislature to enact such law, so I think it is wiser not to adopt this amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. QUEZON. I have no doubt that the Philippine Legislature will enact the proper law on this subject.

Mr. MILLER. Mr. Chairman, I find that I inadvertently said that the United States Constitution extended to the Philippine Islands. Of course I meant no such thing as that. I meant that the American Government extends all over the Philippine Islands, and civil government extends practically throughout the Philippine Islands.

Mr. BARTLETT. I think the gentleman was right in his original statement.

Mr. MILLER. But when my time expired I had started out to say that there is a large area in the Philippine Islands where jury trials would be absolutely impossible. I called attention to the 400,000 people in northern Luzon. I mentioned the half million or more people in the great island of Mindanao, which comprises more than a quarter of the entire territory of the archipelago; also the entire Sulu group. I should have to add to that also the entire island of Palawan, and north of that the group that you see on the map. I should have to add to it nearly all of the large island of Mindoro, excepting only a few spots on the circumference next the sea. In addition to that there are many areas right in the so-called civilized countries that are entirely inhabited by wild people. For instance, there are the Ilongots in the Provinces of Isabela and Nueva Ecija, 120 or 125 miles northwest of Manila. Then there is the large body of Negritos, who are scattered in areas that you may call reservations for them, all over the islands. Some are in Zambales, almost directly across the bay from Manila. Then I should have to include many other wild tribes scattered through the islands, even in considerable areas in Samar and Panay. When you add all these together you have more than one-half of the entire archipelago whose people would not be able to carry on jury trials at all. So I sincerely trust that it will not be the wisdom of the committee to adopt this amendment.

Mr. QUEZON. Will the gentleman yield?

The CHAIRMAN. The time of the gentleman has expired. All time has expired. The question is on the amendment of the gentleman from Oklahoma.

Mr. MURRAY. I withdraw the first amendment and offer a second one.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

Mr. MANN. Mr. Chairman, nobody knows what that amendment is.

Mr. BARTLETT. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. BARTLETT. I have an amendment pending to the seventeenth line. Would not that be in order before the amendment of the gentleman from Oklahoma, which comes lower down?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. BARTLETT], which the Clerk will report.

The Clerk read as follows:

Page 3, line 17, after the word "trial," insert the words "by an impartial jury to be selected from the district wherein the offense was committed."

Mr. HENRY. Mr. Chairman, I make the point that no quorum is present.

The CHAIRMAN. The gentleman from Texas makes the point of order that no quorum is present.

Mr. JONES. Mr. Chairman, it is going to take so much time to call the roll that I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. FLOOD of Virginia, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 18459, the Philippine bill, and had come to no resolution thereon.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted, as follows:

To Mr. NORTON, indefinitely, on account of sickness in his family.

To Mr. LANGLEY, indefinitely, on account of sickness in his family.

To Mr. BRITTEN, indefinitely, on account of illness.

To Mr. STEPHENS of California, indefinitely, on account of sickness in his family.

RESIGNATION OF A MEMBER.

The SPEAKER laid before the House the following communication:

The Clerk read as follows:

WASHINGTON, D. C., *October 3, 1914.*

Hon. CHAMP CLARK,
Speaker of the House of Representatives.

SIR: I beg leave to inform you that I have this day transmitted to the governor of New Jersey my resignation as a Representative in the Congress of the United States for the ninth district of New Jersey.

Respectfully, yours,

WALTER I. MCCOY.

Mr. MANN. Mr. Speaker, I suppose the resignation will be placed on file and also go in the RECORD. I would like permission to say that I again congratulate the President upon the appointment he has made out of the body of this House. Mr. McCOY as a Member of this House not only made friends among the entire membership of the House, but by his ability showed, in my opinion, that he was one of the best lawyers in the country. [Applause.]

COTTON.

Mr. HEFLIN. Mr. Speaker, I ask unanimous consent that I may address the House for 40 minutes on Tuesday morning immediately after the reading of the Journal. I did want to ask unanimous consent to address the House on Monday, but I un-

derstand that is unanimous-consent day, and I do not want to interfere with that. I want to address the House for 40 minutes on the distressed condition of the cotton industry of the South.

The SPEAKER. The gentleman from Alabama asks unanimous consent that on Tuesday next, immediately after the reading of the Journal and the disposition of business on the Speaker's table necessary to be disposed of, he shall be permitted to address the House for 40 minutes on the cotton situation. Is there objection?

Mr. JONES. Mr. Speaker, reserving the right to object, I wish to say that I understand there are other gentlemen who will follow my friend from Alabama with similar requests. I do not object to granting him the 40 minutes, but I do not wish this permission given the gentleman from Alabama without my giving notice that I shall feel constrained to object to any similar request coming from any other gentleman. I understand the gentleman from Texas [Mr. HENRY] will prefer a similar request.

Mr. HENRY. Mr. Speaker, I want to say that if my friend from Alabama [Mr. HEFLIN] can get 40 minutes to discuss the cotton situation, and he can do it fairly and intelligently, then I shall not make any request.

Mr. GARNER. I want to say, Mr. Speaker, that if the gentleman from Alabama gets unanimous consent to address the House for 40 minutes, I shall ask a similar permission for my colleague from Texas, Mr. HARDY.

Mr. JONES. Mr. Speaker, I wish to make this statement: I shall not object, with the understanding that I shall object to any similar consent being given to anyone else. I want to give notice to all that I shall do so.

Mr. HEFLIN. Mr. Speaker, I want to say to the gentleman from Texas [Mr. GARNER] that his colleague, Mr. BURGESS, has addressed the House on this subject, and Mr. SLAYDEN, another colleague of his from Texas, has spoken here on the same subject, and I trust that the gentleman will not deny me the opportunity that I and other Members have granted to two Texans already. The gentleman from Virginia is anxious to get along with his bill, and he has just stated that he would not object to the request that I be permitted to speak on the cotton situation next Tuesday; and I appeal to the gentleman from Texas [Mr. GARNER] not to couple his request with mine. If he does, he will be the direct means of keeping those of us who are trying to secure relief to the cotton growers from discussing conditions in the South and appealing to Congress at this time for aid.

The SPEAKER. Is there objection?

Mr. GARNER. Mr. Speaker, reserving the right to object, I ask in that connection unanimous consent that my colleague, Judge HARDY, may have 30 minutes in which to address the House on the same subject.

Mr. BARTLETT. At the same time?

Mr. GARNER. At the same time, following the gentleman from Alabama; and I want to state that there is not a man in Congress who represents a greater cotton district in the United States than Judge HARDY. His people are intensely interested in this subject, and he desires to address the House in the interest of the farmer. I do not suppose anyone will object to his addressing the House for 30 minutes.

The SPEAKER. The gentleman from Alabama asks unanimous consent that on next Tuesday, after the reading of the Journal and the disposition of business on the Speaker's table, he be permitted to address the House for 40 minutes on the subject of the cotton situation, and the gentleman from Texas [Mr. GARNER] couples with that the request for unanimous consent on behalf of his colleague, Judge HARDY, that he may follow the gentleman from Alabama and address the House for 30 minutes on the same subject. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I would suggest to the gentleman from Alabama——

Mr. DONOVAN. Mr. Speaker, I am going to ask for the regular order. I demand the regular order.

The SPEAKER. The regular order is, Is there objection to the request of the gentleman from Alabama, coupled with the request of the gentleman from Texas?

Mr. MANN. Mr. Speaker, owing to the gross discourtesy of the gentleman from Connecticut, I object.

Mr. HENRY. Mr. Speaker, I make the point of order that there is no quorum present.

ENROLLED BILL SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 11745. An act to provide for certificate of title to homestead entry by a female American citizen who has intermarried with an alien.

ADJOURNMENT.

Mr. JONES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 35 minutes p. m.) the House adjourned until Monday, October 5, 1914, at 12 o'clock noon.

EXECUTIVE COMMUNICATION.

Under clause 2 of Rule XXIV, a letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination and survey of Corte Madera Channel, Cal. (H. Doc. No. 1171), was taken from the Speaker's table, referred to the Committee on Rivers and Harbors, and ordered to be printed, with illustrations.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. STEPHENS of Mississippi, from the Committee on Claims, to which was referred the bill (H. R. 17343) for the relief of Charles L. Pritchard, reported the same without amendment, accompanied by a report (No. 1177), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. BAKER: A bill (H. R. 19094) authorizing the Secretary of the Treasury to acquire additional ground for post-office building and purposes at Atlantic City, Atlantic County, N. J.; to the Committee on Public Buildings and Grounds.

By Mr. MITCHELL: A bill (H. R. 19095) to permit the free entry under bond of various exhibits representing the agricultural and industrial progress of Cuba, to be exhibited at the Boston Domestic Science and Pure Food Exposition; to the Committee on Ways and Means.

By Mr. LEVY: A bill (H. R. 19096) to amend section 4885 of the Revised Statutes; to the Committee on Patents.

By Mr. SELDOMRIDGE: A bill (H. R. 19097) granting a further extension of time to entrymen in which to make final proof under the desert-land laws; to the Committee on the Public Lands.

By Mr. EDMONDS: Joint resolution (H. J. Res. 363) authorizing the improvement of the Delaware River; to the Committee on Rivers and Harbors.

By Mr. PADGETT: Joint resolution (H. J. Res. 364) to authorize the President to grant leave of absence to two commissioned officers of the line of the Navy for the purpose of accepting an appointment under the Government of Brazil as instructors in naval strategy and tactics in the naval war college of Brazil; to the Committee on Naval Affairs.

By Mr. KINKEAD of New Jersey: Resolution (H. Res. 634) directing the Secretary of the Treasury to advise the House of Representatives what is necessary to be contained in letters to the collector of the port of New York in order to secure a reply thereto; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 19098) granting a pension to Anna R. Wright; to the Committee on Pensions.

By Mr. BROWN of West Virginia: A bill (H. R. 19099) granting an increase of pension to John W. Britton; to the Committee on Invalid Pensions.

By Mr. CAMPBELL: A bill (H. R. 19100) granting an increase of pension to Cyrus D. Christy; to the Committee on Invalid Pensions.

By Mr. DOOLITTLE: A bill (H. R. 19101) granting a pension to Columbia Nichols; to the Committee on Invalid Pensions.

By Mr. GOEKE: A bill (H. R. 19102) granting an increase of pension to Allen Jemison; to the Committee on Invalid Pensions.

By Mr. KIESS of Pennsylvania: A bill (H. R. 19103) granting a pension to George Lee; to the Committee on Pensions.

Also, a bill (H. R. 19104) granting an increase of pension to L. Wesley Doyle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19105) granting an increase of pension to Isaac F. Wheeland; to the Committee on Invalid Pensions.

By Mr. LEE of Pennsylvania: A bill (H. R. 19106) granting a pension to Jonathan Witman; to the Committee on Invalid Pensions.

By Mr. TAGGART: A bill (H. R. 19107) granting a pension to Mary Lake; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19108) granting a pension to Rebecca R. Jones; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19109) granting a pension to George M. Younger; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19110) granting an increase of pension to Burditt A. Clifton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19111) granting an increase of pension to James R. Johnson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19112) for the relief of Abram Rennick; to the Committee on War Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. AIKEN: Petition of P. P. Sullivan and others, of Westminster, S. C., favoring passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. BAILEY: Petition of Joseph Weckerle, of Pittsburgh, Pa., protesting against revenue tax on cigars; to the Committee on Ways and Means.

Also, petition of M. Nathan & Bro., of Johnstown, Pa., and the Home Electric Light & Steam Heating Co., of Tyrone, Pa., protesting against legislation preventing the purchasing of stamped envelopes from the Government; to the Committee on the Post Office and Post Roads.

By Mr. FITZHENRY: Papers to accompany a bill for relief of Joseph M. Howe; to the Committee on Pensions.

By Mr. LANGHAM: Petition of sundry citizens of Skagway, Alaska, favoring House bill 15435, for prohibition in Alaska; to the Committee on the Territories.

By Mr. LONERGAN: Petition of Herman Olsen and 24 other citizens of Skagway, Alaska, favoring prohibition of the sale of intoxicating liquors in the Territory of Alaska; to the Committee on the Territories.

Also, protest of the Locomobile Co., of Bridgeport, Conn., on tax of 25 cents per horsepower for owner and $1 for manufacturer of automobiles; to the Committee on Ways and Means.

By Mr. J. I. NOLAN: Communication from Local No. 68, International Association of Machinists, of San Francisco, Cal., favoring passage of House bill 17800, to abolish "Taylor system" of shop management; to the Committee on the Judiciary.

By Mr. O'HAIR: Petition of sundry citizens of Waldron, Ill., favoring national prohibition; to the Committee on Rules.

Also, petition of various business men of Sidell, Georgetown, Indianola, Paris, Catlin, Fairmount, Fithian, Metcalf, Hume, and Westville, all in the State of Illinois, favoring House bill 5308, to tax mail-order houses; to the Committee on Ways and Means.

By Mr. O'SHAUNESSY: Petition of William M. Harris, jr., of Providence, R. I., protesting against an increase in the price of stamped envelopes; to the Committee on the Post Office and Post Roads.

By Mr. RAKER: Memorial of Roslynn Parlor, No. 131, Native Daughters of the Golden West, and Local Alameda County (Cal.) Socialist Party, favoring the Hamill bill (H. R. 5139); to the Committee on Reform in the Civil Service.

By Mr. SELDOMRIDGE: Petition of Silverton Commercial Club, favoring certain amendment to the mining law; to the Committee on the Public Lands.

By Mr. STEPHENS of California: Memorial of the Chamber of Commerce of Oakland, Cal., and Brooklyn Parlor, No. 155, Native Daughters of the Golden West, favoring the passage of the Hamill bill (H. R. 5139); to the Committee on Reform in the Civil Service.

By Mr. TAVENNER: Petition of G. H. Campbell, of Joy, Ill., favoring changes in certain sections of the revenue bill (H. R. 13891); to the Committee on Ways and Means.

By Mr. TEMPLE (by request): Petition of the New Brighton Branch of the Socialist Party, favoring policies intended to bring an end to the war in Europe; to the Committee on Foreign Affairs.

By Mr. TEN EYCK (by request): Petitions of 70 citizens of the twenty-eighth congressional district of New York, favoring the Hobson-Sheppard bill; to the Committee on Rules.

By Mr. TREADWAY: Petition of Holyoke (Mass.) Clearing House Association, protesting against proposed tax on bank capital and surplus; to the Committee on Ways and Means.

SENATE.

MONDAY, *October 5, 1914.*

(Legislative day of Monday, September 28, 1914.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

EMERGENCY REVENUE LEGISLATION.

The VICE PRESIDENT. The Chair lays before the Senate sundry communications with reference to the proposed revenue bill, which will be properly noted in the RECORD and referred to the Committee on Finance.

The communications were referred to the Committee on Finance, as follows:

Memorials of the Indianapolis Auto Trade Association, the Gibson Automobile Co., the National Motor Vehicle Co., the Waverly Co., and Nordyke & Marmon Co., all of Indianapolis, Ind., remonstrating against the proposed tax on passenger automobiles, and a memorial of the Washington (D. C.) Clearing House Association, remonstrating against the proposed tax on capital used in the business of banking.

CALLING OF THE ROLL.

The VICE PRESIDENT. The question is on the conference report on House bill 15657.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Johnson	Reed	Swanson
Bryan	Jones	Root	Thomas
Burton	Lane	Saulsbury	Thornton
Chamberlain	Lee, Md.	Shafroth	Townsend
Chilton	McCumber	Sheppard	Walsh
Culberson	Martine, N. J.	Shively	West
Fletcher	Myers	Smith, Mich.	White
Gore	Nelson	Smith, S. C.	Williams
Gronna	O'Gorman	Smoot	
Hollis	Page	Sterling	
James	Perkins	Stone	

Mr. PAGE. I desire to announce the necessary absence of my colleague [Mr. DILLINGHAM] and to state that he is paired with the senior Senator from Maryland [Mr. SMITH].

Mr. THORNTON. I desire to announce the necessary absence of my colleague [Mr. RANSDELL]. I ask that this announcement may stand for the day.

Mr. MARTINE of New Jersey. I was requested to state that the junior Senator from Arkansas [Mr. ROBINSON] is detained at home through illness. This announcement will stand for the day.

Mr. SMOOT. I wish to announce that the senior Senator from New Hampshire [Mr. GALLINGER], the junior Senator from Utah [Mr. SUTHERLAND], and the junior Senator from West Virginia [Mr. GOFF] are necessarily absent. The senior Senator from New Hampshire [Mr. GALLINGER] is paired with the junior Senator from New York [Mr. O'GORMAN], my colleague [Mr. SUTHERLAND] is paired with the senior Senator from Arkansas [Mr. CLARKE], and the junior Senator from West Virginia [Mr. GOFF] is paired with the senior Senator from South Carolina [Mr. TILLMAN].

Mr. WALSH. I wish to announce that the junior Senator from Nevada [Mr. PITTMAN] is absent from the city on imperative duties which could not well be avoided. He will be here in the morning.

The VICE PRESIDENT. Forty-one Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of absent Senators, and Mr. OVERMAN, Mr. POMERENE, Mr. SIMMONS, Mr. THOMPSON, and Mr. VARDAMAN answered to their names when called.

Mr. CLAPP, Mr. KERN, and Mr. OLIVER entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. There is a quorum present.

JOHN BROWNLOW ZIEGLER.

Mr. LANE. I should like to ask unanimous consent to introduce a joint resolution and to have it referred immediately to the proper committee. It will detain the Senate but a moment.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The joint resolution (S. J. Res. 192) granting American citizenship to John Brownlow Ziegler was read twice by its title.

The VICE PRESIDENT. Where does the Senator from Oregon wish to have the joint resolution referred?

Mr. LANE. I presume it should go to the Committee on the Judiciary, but I will defer to the judgment of the Vice President.

The VICE PRESIDENT. Why not the Committee on Foreign Relations?

Mr. LANE. He is an American-born citizen who has lost his citizenship temporarily. I believe it should go to the Committee on the Judiciary.

Mr. O'GORMAN. I think it should go to the Committee on Immigration.

The VICE PRESIDENT. It is not the case of an immigrant.

Mr. O'GORMAN. But the Committee on Immigration is charged with the duty of looking into questions of naturalization.

Mr. SMOOT. I will state that in the past the reference of such measures has always been to the Committee on Foreign Relations.

Mr. LANE. Very well; let it be referred to that committee.

The VICE PRESIDENT. However, this is not the case of a foreign-born citizen. It is that of an American-born citizen. The Chair refers the joint resolution to the Committee on Privileges and Elections.

EMERGENCY REVENUE LEGISLATION.

Mr. CHILTON. I ask unanimous consent to have printed in the RECORD some telegrams in the nature of protests against certain features of the tax bill, and I ask that they be referred to the Committee on Finance.

There being no objection, the telegrams were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

CLARKSBURG, W. VA., *October 1, 1914.*

Hon. WM. E. CHILTON,
Washington, D. C.:

We desire to protest against the proposed tax of $2 per thousand on capital and surplus and undivided profits of banks. We do not think the banks should be asked to contribute more than their just share of this burden. We are willing to pay our proportionate share of it, but do not think the banking institutions of the country should be singled out and this heavy tax imposed, as they are now taxed heavier than most any other corporation. I hope you will use your influence against this part of the proposed measure.

V. L. HIGHLAND,
President Empire National Bank of Clarksburg.

—

RONCEVERTE, W. VA., *October 1, 1914.*

Hon. W. E. CHILTON,
United States Senate, Washington, D. C.:

The proposed tax on capital, surplus, and undivided profits of banks to the exclusion of tax on other ordinary corporations is very unjust. Will you not use your best efforts to the end that this may be equalized?

RONCEVERTE NATIONAL BANK.
FIRST NATIONAL BANK.

—

WILLIAMSON, W. VA., *October 1, 1914.*

Hon. WILLIAM E. CHILTON,
Washington, D. C.:

Our directors appeal to you to oppose the war tax bill. We think the act should be uniform and not be directed against any particular class.

NATIONAL BANK OF COMMERCE.

Mr. SMITH of Michigan. I send to the desk a telegram bearing on the deficiency tax bill. It is very brief and I should like to have it read.

There being no objection, the telegram was read and referred to the Committee on Finance, as follows:

GRAND RAPIDS, MICH., *October 3, 1914.*

Senator WILLIAM ALDEN SMITH,
Washington, D. C.:

The so-called war-tax bill, House bill 18891, should be amended so that the tax of 1 cent per message, for telephone messages at least, may be charged to the telephone user. This can be accomplished by inserting in the paragraph entitled "Telegraph and telephone messages," page 25, after the words "corporation shall" the words "collect and," so that it will read, "corporation shall collect and pay a tax of 1 cent." This tax, if paid by our company, would amount to $4,600 per annum, and on account of the fact that most of our long-distance messages are, in fact, over short distances, and average only a little more than 15 cents each, for this company to assume the payment would be unjust and unduly burdensome.

CHAS. F. YOUNG,
ROBERT D. GRAHAM,
CHAS. E. TARTE,
W. J. STUART,
CYRUS E. PERKINS,
JOHN B. MARTIN,
VAN A. WALLIN,
PERCIVAL B. GARVEY,
E. B. FISHER,
W. J. CLARK,
Directors Citizens' Telephone Co.

Mr. JONES. I desire to present a telegram, to be referred to the Committee on Finance. It is from I. A. Nadeau, of Seattle, Wash., protesting against the proposed tax on life insurance. I think a similar telegram has been put in the RECORD, so I simply call attention to the statement in this telegram to the effect that no foreign countries tax life insurance in any form, not even those engaged in war. I move that the telegram be referred to the Committee on Finance.

The motion was agreed to.

Mr. POMERENE. I have a number of telegrams relating to the pending revenue measure. Some of them relate to the provisions relative to life insurance; others to the bank tax; others to the tax on automobiles and gasoline; and one to the time of the making of the returns of telephone companies. I suggest that, for the information of the Senate, they be incorporated in the RECORD and referred to the Committee on Finance.

There being no objection, the telegrams were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

COLUMBUS, OHIO, *September 28, 1914.*

Hon. ATLEE POMERENE,
United States Senate, Washington, D. C.:

We understand the proposed war-tax bill will provide for the payment of 80 cents per thousand dollars of insurance hereafter issued. This company has heretofore protested against the imposition of taxes on life insurance, because we believe this to be a tax on the policyholders and consequently a tax upon funds which are unselfishly provided by policyholders for the benefit of their families. We now renew this protest, and in addition say that the proposed tax will be such a burden upon the younger life insurance companies as that some of them will probably not survive. This company can stand it if we have to, but it means a burden upon us that we ought not to bear, and so far as our policyholders are concerned it means a burden upon the only payments which men ever make with an unselfish purpose. We think the Government ought to tax automobiles, gasoline, liquors, tobacco, or anything else that may be called a luxury, but we feel that the Government should not impose a tax upon a business that is less selfish than any other business we know of. If the newspapers correctly report the situation the tax is not to be imposed upon some objects because of the number affected. The millions of policyholders in life insurance companies and fraternal societies should not be forgotten. We wish our protest from the standpoint of the policyholders and the company to be recorded most emphatically against the imposition of the proposed tax. We certainly have no funds with which to lobby against such a tax, and we hope that the Democratic administration and majority in Congress will be broad enough and big enough to appreciate the situation.

MIDLAND MUTUAL LIFE INSURANCE CO.,
W. O. THOMPSON, *President.*

—

CANTON, OHIO, *September 28, 1914.*

Hon. ATLEE POMERENE,
Washington, D. C.:

We desire to enter our protest with you against the Underwood bill in so far as it concerns the taxing of banks, as we believe this to be class legislation, and feel that we are already paying more than our share of the taxes. We solicit your support in our opposition to this bill.

W. G. SAXTON, *Cashier.*

—

CANTON, OHIO, *September 28, 1914.*

Hon. ATLEE POMERENE,
Senator, Washington, D. C.:

The tax proposed on bank capital and surplus we consider unjust—class legislation. Could it not be placed on all corporations at much smaller rate?

ISAAC HARTER & SONS.

—

MARION, OHIO, *October 4, 1914.*

Hon. ATLEE POMERENE,
United States Senate, Washington, D. C.:

We have now four taxes—county, wills, corporation, bank inspection, totaling $6,600. Why add fifth burden—$800? Why should legitimate banking be thus punished, and other corporations, having grown from infants to giants in a few years, be exempted? Our 60 stockholders protest.

MARION COUNTY BANK CO.,
W. H. SCHAFFNER, *President.*

—

CANTON, OHIO, *September 29, 1914.*

Hon. ATLEE POMERENE,
United States Senate, Washington, D. C.:

Please use your best efforts in reducing proposed tax on bank capital, surplus, and profits, and distribute the same on capital, surplus, and profits of all corporations not already affected by proposed tax.

Sincerely,

HOMER ROSE,
Cashier Commercial & Savings Bank.

—

CINCINNATI, OHIO, *September 28, 1914.*

Hon. ATLEE POMERENE,
United States Senate, Washington, D. C.:

The Cincinnati Clearing House Association, by resolution at a meeting duly held, wishes to lodge a protest against the singling out of bank corporations and levying thereon a tax of $2 per thousand against total capital, surplus, and undivided profits of such institutions. The records will show, and it is well known, that the banking institutions are paying in each State their full and unquestioned proportion of the tax assessed in their respective localities. If it is necessary to provide additional revenues for the Government, and to accomplish that purpose one of the means necessary to provide same is in the nature of a tax upon capitalization against all incorporated companies, the Cincinnati Clearing House Association would be favorable to their just and equitable share, but it feels that no special burden ought to be laid on the banks, and that, as far as possible, banking ought to be free of any special burdens, so as to encourage capital to go into it for the purpose of developing and aiding in carrying on the industries of the country.

THE CINCINNATI CLEARING HOUSE ASSOCIATION.

COLUMBUS, OHIO, *September 28, 1914.*

Senator POMERENE,
Washington, D. C.:

Whereas there has passed the National House of Representatives a measure known as the Underwood bill, which contemplates a tax upon banking capital and surplus, designed as an emergency tax to raise additional revenue: Now, be it therefore

Resolved, That this measure, which contemplates a tax of $2 per thousand on banking capital and surplus and undivided profits, is at once unfair and discriminatory. It is well known that banking institutions already bear their just share of local, State, and national taxation. If the proposed measure is intended to cover a Treasury deficit, the banks are willing further to bear their proportionate share with corporations, but do earnestly protest against being singled out as the only ones to be taxed on their own capital shares. We believe that excessive burdens on banks should be discouraged, in order to attract capital investment and thereby help to expand and conserve business generally.

And resolved further, That a copy of these resolutions be forwarded to the President of the United States, the two Senators from Ohio and the Representative from this district, and the Ways and Means Committee of the House of Representatives.

COLUMBUS CLEARING HOUSE ASSOCIATION,
G. N. HINMAN, *Secretary.*

—

CANTON, OHIO, *September 28, 1914.*

Hon. ATLEE POMERENE,
United States Senate, Washington, D. C.:

The war-tax bill passed by the House and now before the Senate provides for a tax of $2 per thousand on entire capital, surplus, and undivided profits of banks, which, in our judgment, is excessive and unjust. We urge you to use every effort to have the bill so amended as to include every corporation that is not already taxed under the bill and reduce the rate, so that the same amount of revenue will result as is expected to be raised from the banks alone under the present form of the bill. We believe your well-known sense of fairness will enable you to see the justice of this proposal, and that you will, after full consideration, give it your hearty support. From your great knowledge and study of the subject you well know that banks pay more than a fair proportion of the burdens of taxation, and they can not conceal or evade same if they desire, for their sworn reports are open to officials and the public.

CITY NATIONAL BANK.

—

COLUMBUS, OHIO, *September 30, 1914.*

Hon. ATLEE POMERENE,
United States Senate, Washington, D. C.:

Whereas there is now being considered in the Senate a measure known as the Clayton antitrust bill to supplement existing laws, unlawful restraints, and monopolies, and for other purposes, section 9 of which contains the provisions which prohibit interlocking directorates of banks; and

Whereas we believe the idea of interlocking directorates, when properly carried out, to be conducive to safe, sound, and conservative banking, that many institutions would with great injustice be deprived of the benefits now enjoyed under the skillful guidance of directors and officers holding similar positions with otner banks: Now, therefore, be it

Resolved, That the Columbus Clearing House Association most vigorously protest against the enactment of such a measure, because we believe that no good policy of law is subserved by the proposed provisions; that the spirit and intent of the law is not violated unless the director abuses his position by preventing competition between such institution or exercises an undue control in the granting or refusing of credit, in which event we would recommend that the Federal Reserve Board have the power to compel the discontinuance of such practices or to require the resignation of such officer or director from the board.

COLUMBUS CLEARING HOUSE ASSOCIATION,
R. R. RICKLY, *President,*
C. M. HINMAN, *Secretary.*

—

LODI, OHIO, *October 4, 1914.*

Hon. ATLEE POMERENE,
Washington, D. C.:

Our club unanimously opposed to the proposed war tax on automobiles, believing it would be a detriment to the automobile industry. We urge you to use your influence against the measure.

A. W. NOAH,
President Lodi Automobile Club.

—

TOLEDO, OHIO, *October 4, 1914.*

Senator ATLEE POMERENE,
Washington, D. C.:

Re war-revenue bill, why further impose on the automobile and industry? Over hundred thousand of us in Ohio now paying double taxation on autos. Must we be made the goat again?

C. G. THOMPSON,
Secretary Toledo Automobile Club.

—

CLEVELAND, OHIO, *October 4.*

Hon. ATLEE POMERENE,
United States Senate, Washington, D. C.:

The Ohio State Automobile Association strenuously protests against the imposition of a tax on horsepower of motor vehicles. The singling out of one particular class of vehicles using the public highways as an object of greatly increased taxation is unjust, unfair, and drastic in the extreme. On behalf of 120,000 automobile owners in Ohio we urge you to work and vote against this measure.

THE OHIO STATE AUTOMOBILE ASSOCIATION,
CHAS. C. JANES, *President,*
FRED H. CALEY, *Secretary.*

—

COLUMBUS, OHIO, *September 28, 1914.*

Senator ATLEE POMERENE,
Washington, D. C.:

The Ohio State Telephone Co. foresees difficulty in practical application of that feature of war-tax bill which relates to making sworn statement within first 15 days of month stating number of messages transmitted over its lines during the preceding month, because the wide distribution of this company's business is such that the management does not learn final results of the month's business until much longer than 15 days after the month closes. Our final results never are available until more than 30 days after the close of the month, and in order to secure practical operation of the measure that time should be increased.

THE OHIO STATE TELEPHONE CO.,
S. G. MCMEEN, *President.*

PROPOSED ANTITRUST LEGISLATION.

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses upon the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. WALSH. Mr. President, on Friday last the Senator from Kansas [Mr. BRISTOW], speaking in the course of an interruption of the Senator from Minnesota [Mr. CLAPP], declared in stentorian tones that the present administration had fallen more servilely under the domination of Wall Street than any that has guided the destinies of the Nation for 25 years. In more diplomatic language the address of the Senator from Minnesota was calculated to convey or disseminate the same view. Yet neither the crass outbreak of the Senator from Kansas nor the more euphemistic utterances of the Senator from Minnesota will go so far to leave that impression on the public mind as the speech of the Senator from Missouri [Mr. REED] delivered from this floor. No less burden of responsibility rests upon him that he had no purpose deliberately to inculcate that notion.

Whatever effect may be produced upon minds controlled by declamation, I am not apprehensive that any considerable body of the reflecting public will be influenced in their estimate of the present head of the Nation or of the record of the party now responsible for the conduct of its affairs by any general objurgation.

Mr. REED. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Missouri?

Mr. WALSH. I do.

Mr. REED. The Senator from Montana has directly charged me with imputing improper motives to the President. I challenge him to put his finger upon a word of my speech, which is now in print, and which was printed the next morning after it was delivered, to justify that charge.

Mr. WALSH. Mr. President, I am going to try to review the speech of the Senator from Missouri.

Mr. REED. This is a good time to review that statement. On the contrary, I continually appealed to my Democratic colleagues to abide by the public declarations and messages of the President. Instead of making the charge which the Senator is now ascribing to me, I asserted that the conference report was not in accordance with our platform or with the President's message to Congress, and I have appealed to Congress to abide by the platform and to sustain the message.

As for what was said on the other side of the Chamber, I am no more responsible than is the Senator from Montana.

Mr. WALSH. Mr. President, I am delighted to know that the Senator from Missouri himself puts quite a different construction upon his speech from that which I am positive the country will give to it. I am very glad to have had this interruption, so that the Senator himself might have the opportunity to disclaim any deliberate purpose to convey the impression which I insist his address was well calculated to disseminate.

Mr. REED. Mr. President, it is not necessary for the Senator from Missouri to explain. The Senator from Missouri utterly repudiates the statement of the Senator from Montana as unwarranted, as unjust, and challenges him now and here to put his finger upon a word which the Senator from Missouri has said warranting the unjust charge the Senator from Montana has just made.

Mr. WALSH. The Senator from Montana will endeavor to canvass, with justice to the Senator from Missouri, his remarks.

Mr. President, the faith which the American people have abundantly exhibited in the rectitude and patriotic purposes of the President is not to be disturbed by ill-tempered and acrid criticism that has no better foundation than is afforded by his public acts down to the present time. I proceed to consider how much there is in such countenance as he may have given to the bill under consideration as molded by the conferees, to shatter that confidence or convince the party of which he is the honored head of faithlessness to the cause of the people.

I have no disposition to engage in this debate in any attempt either to answer or to parry the invective indulged in by the distinguished Senator from Missouri in his attack upon the conference report now before the Senate. Nor is there any occa-

sion, in my judgment, to attempt any defense against the gratuitous charge, for such his speech was, that those of his associates who are in any measure responsible for the bill before us in its present form have either basely surrendered their convictions and become the willing instruments of predatory wealth or are so afflicted with intellectual weakness as not to be able to discern that they are being used to accomplish the purposes of criminal trusts and monopolies.

The great burden of the complaint of the Senator is that certain penal provisions have been stricken from the bill. Other complaints he has, but the elimination of the penal clauses is the action about which his denunciation has risen into eloquence. He has persisted in discussing the report of the conference committee as though there were no law now for the suppression and punishment of trusts and monopolies. He assumes the existence of giant combinations in flagrant violation of the Sherman law, the far-reaching scope of which is now commonly recognized, the efficiency of which is being daily vindicated, existing without any effort at suppression and without any law to suppress them, and imagines them engaged in the practices denounced by the act. He assumes that the Democratic Party was called upon to enter upon a new field of legislation and to enact an entire code of laws to deal with the evils of trusts and monopolies as though the ground had never before been worked. He resolutely shuts his eyes to the provision of the existing law and inveighs against the very evils with which, by reason of the more recent activities of the Department of Justice, and the more liberal views announced by the Federal courts, it is quite effectively dealing and which, by resort to its penal provisions, must be obliterated.

He demands more drastic provisions in relation to the character of the decree to be entered in dissolution proceedings, though in no one of the cases in which the public expectation was not realized, as he insists, has recourse been had either to the criminal provisions or the forfeiture clause of the existing law.

I deny that the Democratic platform demanded any new legislation of which criminal penalties should be a feature. The platform demanded the vigorous enforcement of the criminal law—the existing criminal law—against trusts and trust officials, not the enactment of new legislation imposing further penalties. I ask that the platform declaration be printed without reading.

The VICE PRESIDENT. In the absence of objection, permission is granted.

The matter referred to is as follows:

ANTITRUST LAW.

A private monopoly is indefensible and intolerable. We therefore favor the vigorous enforcement of the criminal as well as the civil law against trusts and trust officials, and demand the enactment of such additional legislation as may be necessary to make it impossible for a private monopoly to exist in the United States.

We favor the declaration by law of the conditions upon which corporations shall be permitted to engage in interstate trade, including, among others, the prevention of holding companies, of interlocking directors, of stock watering, of discrimination in price, and the control by any one corporation of so large a proportion of any industry as to make it a menace to competitive conditions.

We condemn the action of the Republican administration in compromising with the Standard Oil Co. and the Tobacco Trust, and its failure to invoke the criminal provisions of the antitrust law against the officers of those corporations after the court had declared that from the undisputed facts in the record they had violated the criminal provisions of the law.

We regret that the Sherman antitrust law has received a judicial construction depriving it of much of its efficacy, and we favor the enactment of legislation which will restore to the statute the strength of which it has been deprived by such interpretation.

Mr. WALSH. I will detain the Senate to read the following:

A private monopoly is indefensible and intolerable. We therefore favor the vigorous enforcement of the criminal as well as the civil law against trusts and trust officials.

The pending investigation by the Federal grand jury at New York into the organization and operations of the New Haven Railroad is being conducted in fulfillment of this promise.

In any just consideration or as a basis for any fair criticism of the pending bill and its counterpart, the Trade Commission bill, it is essential to have in mind the field covered by the existing law. It was abundantly demonstrated by the Senator from Idaho, who joins with the Senator from Missouri in opposing the conference report, that the Sherman law reaches to every form of combination in restraint of trade, by whatever subterfuge it may be disguised, as said by the Supreme Court in the Tobacco Co. case, and to every monopoly or attempt to establish a monopoly of interstate commerce. Any person entering into any such combination or conspiracy of like character, or making any contract the effect of which is to restrain commerce between the several States, or who sets up or attempts to set up a monopoly of even a part of that commerce, subjects himself to criminal prosecution under the Sherman Act.

The Senator from Idaho opposes the bill because, as he contends, the present law covers the entire field. The Senator from Missouri opposes it because the law we have, as is to be gathered from his speech, affords no relief.

Mr. REED. Mr. President, if the Senator will pardon me for the interruption, he can not make that statement in justice to himself.

Mr. WALSH. I have pondered quite deliberately on it.

Mr. REED. I am sorry the Senator will say that he has "pondered quite deliberately" upon any statement that I have opposed this bill upon the ground that the present Sherman law affords no relief at all, because over and over again in my speech I urged the potentiality of the present Sherman Act, and clearly stated that this legislation was intended to be supplemental. What I complained of was that in undertaking to supplement the Sherman Act we have not done so in an effective manner. I am sorry, very sorry, that the Senator says he has deliberately pondered the statement to which I have just called attention, which I am challenging now as in the very teeth of what I said, all of which is printed and open to the Senator's inspection.

Mr. WALSH. I undertake to say, Mr. President, that the ordinary reader of the speech of the Senator from Missouri will be led to the conclusion that there is now practically no law under which proceedings of any force or efficacy whatever can be conducted under which the great trusts can be prosecuted.

Mr. REED. The Senator is not "the ordinary reader of the speech"; and if the speech is so unfortunately couched as to mislead the ordinary reader, a Senator of the United States has no right to rise on the floor of the Senate and make a statement which he can not bear out. I give notice now that I shall reply to the speech, and I give notice to the Senator to be here when I reply.

Mr. WALSH. Of course I shall be glad to be present.

The Senator from Missouri, with all the great power he commands as a debater, with painful iteration, presents the case of some criminal trust torturing a feeble rival by local price cutting and destructive tying contracts until the last flickering breath has left the emaciated body of what promised to be a business rival. If he does not declare it to be so, he leaves it to be inferred, that when this bill is passed the monsters of the industrial world may freely indulge that pastime without dread of any punishment beyond the mild corrective, as he views it, that may be administered by the Federal Trade Commission. He resents the suggestion that there is no need to provide by the pending bill for the case of that or any other practice of such a criminal trust because the very existence of such a trust is forbidden by the law as it stands and any person who controls its activities, either directly or indirectly, is punishable thereunder. That law, in the language of Judge Buffington in United States against Reading Co., "is directed not only at the illegal acts an illegal combination does, but also at the existence and continuance of such illegal combinations." If any such persecution of a trade competitor as the Senator so eloquently portrays should be entered upon, the outraged citizen could demand of the United States attorney and the Attorney General that the officers of the trust offending be indicted, not only for the practices of which he complains, as an attempt to monopolize commerce, but for maintaining and continuing in the conspiracy in restraint of trade in consequence of which the unlawful organization came into existence. It is imaginable, indeed, that recreant officers of the law might decline to invoke the criminal provisions of the existing law in his behalf. These practices have gone on in the past in defiance of the law, while its sworn guardians have supinely observed the process of the eradication of competition in not a few of the great industries of the country.

The law is, and since the enactment of the Sherman Act always has been, ample not only to suppress these piracies perpetrated by the great trusts to fasten monopoly upon the people, but to punish those responsible for the existence of such trusts, whether they pursue the practices so generally condemned or cautiously observe a more benign policy in the hope that the unlawful character of their organization may not be challenged by appropriate civil and criminal proceedings. The trouble has been not that the law was inadequate in the case of the giant industrial and transportation corporations but that it was not enforced. Not one of them has been proceeded against in the last 15 years that has not been found to exist in violation of the law, notwithstanding the interpretation given to it by the Supreme Court in the Standard Oil and Tobacco Co. cases.

Despite the severe and often intemperate criticism of the opinions in the cases referred to, it is noteworthy that no amendment was offered to the pending bill from either side of the Senate, nor, so far as I have learned, from either side of the House, to give to the statute a significance essentially different from that attributed to it by the Supreme Court in them. Though the Senator from Missouri found it, for some reason, advisable to repeat in his inimitable, forceful style the strictures once freely indulged in toward those opinions, not even he became sponsor for an amendment which would give expression to the view he proclaimed touching their unrighteous character.

Relief is to be sought in the vigilant prosecution of those guilty of the infraction of the law as it stands, not in the imposition of identically the same penalties for the commission of acts now denounced and punishable criminally under the law. If it is feared that the Attorney General and his subordinates will not proceed against such under the existing law, what reason is there to hope they will be more responsive to duty if the penalty now imposed shall be reenacted?

In the course of the remarkably able address delivered by the Senator from Idaho on Wednesday, September 30, he said:

> I desire now to take up some of the decisions which discuss the Sherman law, its wide reach, and its most comprehensive scope, with reference to all times and conceivable forms of monopolies and restraints of trade. As I do so, I wish to submit to the Senate this proposition and have it answered, if anyone can conceive of an answer; that is, What form of monopoly, what possible combination in restraint of interstate commerce, can you conceive of that may not be reached and destroyed under the principles which are now established by the Supreme Court in its decisions under the Sherman antitrust law? Is there any form of monopoly or monopolistic practice or restraint of trade which directly affects interstate commerce that will not be found to come within the clear announcement of the principles of the Supreme Court in the rendition of these different decisions? They have covered the entire field and dealt with all kinds of practices and have not only denounced the specified practices but announced general principles which are a guide as to future practices. It seems to me that we are fairly safe in saying that every conceivable form of conduct heretofore arising has been specifically referred to, and where not specifically referred to, general principles have been announced which bring them within the law, whatever they may be.

Having reviewed the decisions of the Federal courts, and particularly the court of last resort, to sustain the view thus expressed, he declared that—

> The question of lowering prices for the purpose of putting a competitor out of business while keeping prices up in another part of the country, the question of sending spies to spy upon an independent industry or to foment strikes within an independent industry, the question of purchasing competitors and dismantling projects and putting them out of business, are all so flagrant, so open, and such unquestioned acts in violation of the statute that no man guilty of them would have any question at the time of their doing or achievement that he was within the inhibition of the law.

From this conclusion no careful student of the trend of the decisions can withhold his concurrence. I shall be glad to allow the Senator to signify whether he does not agree with me.

Mr. REED. Mr. President, since the Senator directs that statement to me immediately, I desire to ask the Senator, if all that is true, if all trust practices are within the present law, completely condemned by it and completely met by it, why this legislation at all? Why take from the courts—which now, according to this theory, have the right to punish by fine and imprisonment—any part of their jurisdiction by turning it over to a commission?

Of course the Senator will say we have not taken it away, and that is true. It still remains. But why, to aid a commission, do that which the Senator now affirms the courts can do, and deprive the commission of the power to do anything except prevent by decree?

Mr. WALSH. Mr. President, of course the Senator has not answered my question.

Mr. REED. I tried to answer it.

Mr. WALSH. He answered my question by asking me one. I have endeavored to put in formal shape the views that I entertain touching the question that the Senator has now addressed to me, and I am just about to answer it.

Mr. REED. Since the Senator says I have not answered his question, if he will pardon me the interruption I will try to answer it.

It is my opinion, and has been my opinion, that the Sherman law, properly construed, reached all forms of restraint of trade and reached all forms of monopoly; but I have been impressed with the idea that in order to prove the restraint of trade and the existence of monopoly a wide field of evidence must necessarily be traveled over, and that the purpose of this legislation was to single out certain particular practices usually employed by the trust or by the concern engaged in restraining trade, and make the doing of those acts sufficient to bring the condemnation of the law. If that be not the purpose of this legislation, then it would seem that no purpose can be assigned to the legislation.

Mr. WALSH. Any fair review of the legislation that is now under consideration must regard it, as the title to the bill before the Senate declares it to be, as supplementary to "existing laws against unlawful restraints and monopolies"—not as intended to reach cases within or to practices or parties now amenable to the law but to those practices and transactions not now denounced by it, but which if persevered in and extended will or may result in monopoly or in consolidation which, by eliminating competition pro tanto, makes monopoly probable if not inevitable.

The primary purposes of the provisions so viciously assailed is to arrest monopoly in the making, in its initial stages, to condemn practices the tendency of which is to foster eventual monopoly, even though no such purpose may have been entertained in any particular transaction.

It was hoped that by the vigorous enforcement of the civil as well as the criminal provisions of the law, as demanded in the Democratic platform, the existing unlawful combinations in restraint of commerce might be destroyed, and that by the operation of the new legislation new ones could not come into being. Thus it was intended "to make it impossible for a private monopoly to exist within the United States."

In this attempt to reach conditions not covered by the law as it stands, the force and efficacy of which was to be in no wise weakened, two methods were suggested. One was to single out the practices which might be described as monopolistic in their tendencies, to define them with such accuracy as was possible and to forbid them under penalties; the other was to subject each individual case to the scrutiny of a commission and to enjoin it through the action of such a body if, under the peculiar circumstances, it should appear inimical to the public welfare. The latter addressed itself to the Congress as the more advisable, if not the more efficacious course. The Trade Commission bill received the assent of both Houses of Congress and of the President. It denounced all forms of unfair competition as unlawful, and authorized the suppression of such by order of the commission, including local price-cutting and tying contracts forbidden by sections 2 and 3 of the pending bill as it came from the House under penalties prescribed therein. The bill came to the Senate framed on the theory that the new legislation should be enforced by penalties. Meanwhile the Senate added to the House Trade Commission bill section 5, above referred to, which embodied the principle of the suppression of the practices to which sections 2 and 3 of the pending bill, popularly known as the Clayton bill, refer, through the commission. The House sanctioned the adoption of that method by giving its approval to the Trade Commission bill, which passed that body by a vote of 277 to 54, but one Democrat voting against it. In this branch it was supported on final passage by a vote of 53 to 16, only two Democrats voting against the measure. Among these, strangely enough, the Senator from Missouri was not numbered, though his voice was raised at all seasonable times during the debate against the central idea of the bill as it passed—that all unfair practices in trade should be suppressed through the commission created by the act. In fairness to the Senator it perhaps should be said that he indulged some hope that section 5 might be eliminated in conference, but the members of his party in the House gave their all but unanimous consent to the system it inaugurated; but one, as stated, being impressed with the view now so insistently urged by the Senator that he was surrendering to the trusts or weakly allowing them to wheedle him into acquiescence in their plans to obtain immunity from prosecution for their misdeeds.

Mr. REED. Mr. President, the Senator knows perfectly well that I stated on the floor of the Senate, in my various remarks, that there were many good features in the bill; that I was in favor of many of the features of it.

Mr. WALSH. The Senator refers to the Trade Commission bill?

Mr. REED. Yes. He also knows that when I was put to the proposition of voting against the entire bill, and thus striking down the good features with this doubtful feature, I took my choice. I think he also knows that there were many Democrats in this Chamber who were controlled by similar motives.

Mr. WALSH. I do not know that the last sentence uttered by the Senator is correct. I have given him credit, so far as his own motives are concerned, for everything he has now suggested. He hoped, I have no doubt, that section 5 would be eliminated in the conference. On the contrary, the House, by an overwhelming vote, gave its concurrence to the principle expressed in section 5.

It is idle to advance that they contemplated that having provided for the suppression of all unfair methods of competition through the Trade Commission, they yet hoped that some unfair methods would be penalized. The two systems of dealing with

unfair practices do not run together. The adoption of the one signifies to a logical mind the rejection of the other.

It is not my purpose now to review the considerations which prompted both Houses of Congress by an overwhelming vote to give their adherence to the method of suppression through a commission rather than by the imposition of criminal penalties. The arguments in favor of the rival systems will be found elaborated in the debates. Briefly, it was contended that if penalties were to be imposed the acts condemned and the conditions stamping them as criminal must be carefully and precisely defined in the statute, and that the ingenuity of the legislator in framing the statute might not equal that of the adroit rogue in devising other methods of unfair competition through which to crush a rival. It was thought the better plan to denounce all forms of unfair competition and authorize the commission to deal with each particular case as it arose. Moreover, it was found no easy task to frame a statute which would reach the case of a plundering monopolist which would not only not hamper many legitimate transactions, but not be oppressive to a struggling industry contending for trade against a competitor enjoying a practical monopoly or one long established and supported by unlimited capital. To illustrate: No one would hesitate to subject to the pains and penalties of the criminal law institutions like the Standard Oil Co., which cut prices within the legitimate territory of a weak rival until it is forced into bankruptcy. But the weak rival might want to enter the territory theretofore exclusively served by the Standard Oil, and might be willing to shade the price below what it asks in other localities in order to get the business. Would anyone care to jail the ambitious producer of refined oil for his attempt to introduce some competition into a community where none existed before?

The independent makers of sewing thread contend against a powerful rival that puts out the Clark's and Coats's brands. Would it be wise to deny to one of them the right to offer a special inducement in price to a dealer in a community exclusively supplied by the trust in order to induce him to take the less-known article, which may be just as good, and recommend it to his customers as such?

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Idaho?

Mr. WALSH. I do.

Mr. BORAH. I understood the Senator to say he would deem it unwise to punish those who were seeking to introduce competition where there was no competition before.

Mr. WALSH. I should.

Mr. BORAH. For instance, those who might be fighting the Standard Oil Co.?

Mr. WALSH. I maintain that the whole purpose of the legislation is to encourage competition.

Mr. BORAH. As I understood the Senator, the strength of the argument which he is making consists in the fact that small business men might desire, through unfair methods, to introduce competition where there was not competition before, and that therefore it would be unwise to punish them for doing that.

Mr. WALSH. The methods would not be unfair under the circumstances the Senator talks about. They are only unfair when they contemplate the destruction or crippling of a rival or are otherwise contrary to the public interest.

Mr. BORAH. Then, if it would not be unfair, the trade commission would not have jurisdiction of it at all.

Mr. WALSH. It would have jurisdiction to inquire whether under the circumstances it is unfair.

Mr. BORAH. Exactly; and if it has a small man on one side and a large man on the other, that would settle the question.

Mr. WALSH. That would not settle the thing at all. All the facts and circumstances would be taken into consideration for the purpose of arriving at a just conclusion as to whether the continuation of the practices would be destructive of competition or whether they would be encouraging to competition.

The purpose of the legislation of which the pending bill forms a part is to preserve competition where it exists, to restore it where it is destroyed, and to permit it to spring up in new fields. It is in the last degree questionable whether more harm than good would not result from a penal statute denouncing local price cutting. The friends of the pending measure believe that the Standard Oil magnates and the officers of the Thread Trust may be and ought to be prosecuted criminally under the Sherman Act should they resort to local price cutting to destroy or cripple a weak rival. The latter would be immune, as he ought to be immune, from criminal responsibility for attempting what it is the end of the law to encourage—competition in trade.

Mr. REED. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Missouri?

Mr. WALSH. I do.

Mr. REED. I should like to get the Senator's idea a little clearer, if, indeed, anything can render any more clear the very lucid statement the Senator is making.

Does the Senator contend that if a large concern cuts prices locally and does it for the purpose of destroying a competitor its proprietor should be sent to jail, but that if a smaller concern does identically the same thing——

Mr. WALSH. For the purpose of destroying a competitor.

Mr. REED. For exactly the same reason and purpose does the Senator think that this proprietor should not be treated in the same way? Does the Senator think it is possible in this country to have one law for a man with a large amount of money and another law for the man with a small amount of money? If the Senator does so believe, I wish he would indicate to the Senate for its enlightenment and the enlightenment of the country just how much money a man must have to be within the purview of the criminal statutes and just how little he must have to be exempt.

Mr. WALSH. Of course I am not going to attempt to answer that kind of a question. It is not intended or calculated to elucidate any very clear idea about this legislation. You can not determine the question as to whether a certain practice is fair or unfair by the amount of money the man has who does it. If the great Standard Oil with a capital, as my recollection is now, of something like $700,000,000 should get into a certain community in which the Montana-Wyoming Oil Co. markets its product and should immediately proceed to cut prices below those prevailing there and in adjacent territory, the presumption would very likely address itself to most minds that it was done for the purpose of destroying that rival. On the other hand, if the little Montana-Wyoming Oil Co. should offer the people of Billings, for instance, oil at a less price than they sell at Sheridan, you would have to have some other proof that it started out to put the Standard Oil out of business.

Mr. REED. If the Senator will pardon me, we will concede that if the Standard Oil Co. went into the State of Montana for the purpose of driving out the Montana company and cut prices locally in Montana, and did succeed in driving out the Montana Oil Co., it would be a wrong to the Montana Oil Co. and would be something that ought to be prohibited.

Now, suppose that the Montana Oil Co., desiring to put out of business a local dealer in Billings, Mont., inspired by the same diabolic motive and pursuing the identical plan of the Standard Oil Co., were to proceed in Billings to cut the life out of the small dealer there, would not this Montana Oil Co. be subject to the same laws and the same penalties as the Standard Oil Co.?

Mr. WALSH. Unquestionably.

Mr. REED. Again, suppose that the local oil dealer in the city of Billings, being somewhat larger and more powerful than some rival he had in that city, for the purpose of driving that rival out of business cut prices locally for the same evil reason, would he not be subject to the same law?

Mr. WALSH. Undoubtedly he would.

Mr. REED. Then it seems to me, Mr. President, when we are passing this law we must make it universal in its application, and if the prison doors are to swing open to receive one man who has cut prices locally in order to destroy a rival, and if those doors will be opened by the key of the Sherman law, if I may use so poor a metaphor, then it ought to apply clear down the line.

I am, I think, a somewhat persistant advocate of the fact that trusts and monopolies ought to be wiped out, but I believe that larceny by a rich man is no worse than larceny by a poor man, and that larceny by both ought to be punished in the same way. I think they should be tried in the same tribunal, as the Senator from Michigan [Mr. SMITH] suggests to me, and subject to the same penalties.

Mr. WALSH. I will interrupt the Senator to say that they are subject to the same laws and punishable under exactly the same conditions and by exactly the same tribunals.

Mr. REED. If they are, and if the Sherman law absolutely covers them all and reaches this practice from its inception to its conclusion, has not the Senator demonstrated that there was no necessity for this practice ever to be brought before the Trade Commission? Has he not demonstrated this bill out of court?

Mr. WALSH. I have already, Mr. President, replied to the question now addressed to me by the Senator from Missouri, but I digress for the purpose of saying that as this bill came from the House it carried penalties, the theory being that it was to be enforced by penalties, and not through a commission.

It provided that local price cutting should not be criminal unless it was done with intent thereby to destroy or wrongfully injure the business of a competitor. If there is another small company engaged in the oil business in Billings, and the Montana-Wyoming Co. cuts prices for the purpose of destroying that rival it encounters the criminal penalties of the Sherman law just exactly the same as the Standard Oil Co. does.

Mr. President, in determining whether prices were cut for the purpose of destroying a rival or not, the Senator is an able criminal prosecutor, in a case of that character, when he is making a charge of that kind, he would not fail to demonstrate, by proof, if it could be secured, that the defendant was a powerful, wealthy organization and its rival was a puny and impecunious one. It is a most important consideration, Mr. President, in considering whether the criminal intent existed or not, whether the power exists to do the act—that is, if it appears that the little struggling competitor in all human experience has not the power to destroy or cripple the Standard Oil Co.—the reasonable probability is that the Trade Commission or a jury would say that it did not have any such purpose at all, and it would be acquitted.

Mr. REED. Of course, if they have not the power to injure anybody, nobody will be injured and nobody will complain. That answers itself. There must always be the power to injure before anybody is injured, and somebody must be injured before he complains. But the point is, shall we have two tribunals and two methods of procedure, one for the big man and one for the little man? I did not so understand the purpose of Congress when it enacted the Trade Commission bill. I supposed that bill was to apply to all classes of the people, big and little.

Mr. WALSH. I think that idea is generally entertained; at least the friends of the measure hold that notion about it.

And so with tying contracts. One can readily imagine, indeed, the business world can testify to the most outrageous abuses, monopolistic in character, of some of the criminal trusts through contracts of this character. They are usually employed in connection with the sale or lease of or license to use patented articles. Standard articles and those sold under well-established brands may serve as a basis for such contracts, but if abuses have sprung up in connection with the same they have not become so flagrant as to attract public notice. The party controlling the patent refuses to sell or lease or to license the use of the machine embodying it except upon condition that the purchaser, lessee, or licensee supplies himself with his needs in other lines from the owner of the patent or some one named by him. Thus is built up a monopoly not only in the patented article, but in all others, by such contracts tied to it. It is an indefensible practice. The Government gives the patentee or his assignee a monopoly of the right to manufacture, use, and sell the patented article. He has a monopoly of it and ought not to be allowed to use it to establish a monopoly of an article to which his patent does not extend.

But the bill as it came from the House penalized all tying contracts, the effect of which is to lessen competition, whether they related to patented or to unpatented articles. It prohibited, under a penalty, the making of a contract by which one obligated himself to buy of the seller, if he bought of anyone, another article as a condition of the purchase he was making, provided it had such effect. I offer my horse for sale at $200, but agree with the buyer to abate $25 from the price if he will agree to buy my carriage at $250, if he buys a carriage at all. If it should appear to a jury that competition in the sale of carriages was thereby lessened, I would be held a criminal. The Senator from Missouri himself illustrated the possibilities of a general denunciation of tying contracts. He instances as follows—and I quote from the RECORD of September 28, page 15830:

> I make a contract with A, by which, if I sell him one horse he agrees to buy five other horses from me, if he needs them.

This kind of a contract he would inhibit under a penalty. Anyone who differs with him concerning the wisdom of such a policy is a traitor to Democratic principles, a hypocrite in his profession of hostility to trusts and monopolies, and the deserving victim of the coming wrath of an outraged constituency.

He may be right in his view concerning the wisdom of the policy advocated by him that penal laws offer the only remedy for the evils with which the legislation under consideration attempts to deal. He may even be right that such contracts as the one supposed by him ought to be condemned in order that the great offenders in trust organization and direction may be reached. The majority of his colleagues do not think so. They are of the opinion that the great offenders can be punished under the Sherman law, and that in the cases to which that law, comprehensive as it is, far-reaching as the decisions under it show it to be, do not extend, in which it is charged that practices are being pursued calculated to build up a monopoly, but which are not of so flagrant a character or are not indulged in by parties so circumstanced as to fall under the condemnation of the Sherman law, the question of guilt may safely be left to the determination of the Trade Commission.

It is true that "unfair competition" in all its forms, that local price cutting and tying contracts as notorious varieties of "unfair competition" specifically denounced by this bill, may be and are practiced by the giant industrial organizations that have sprung from competing units, as well as by individuals and associations, big and little, financially and industrially, who are not amenable to the Sherman Act. It is true that with reference to the former the remedy before the Trade Commission will be cumulative, and that the officers charged with the execution of the law may choose to prosecute before the Trade Commission for such unfair practices, and omit to resort to the remedies, civil and criminal, warranted by the Sherman law.

It is conceivable that an Attorney General will tolerate the continued existence of a criminal trust, so long as it indulges in no vicious practices in trade, imposes no tying contracts on its customers, and refrains from local price cutting to ruin competitors. But why assume that he will be so indifferent or tolerant? In his department he is under a continuing obligation to carry out the policy of the President, who is responsible for his action or his inaction. A Cabinet officer can not hold his post for a day against the wishes of the President. Any dereliction on his part is, accordingly, justly attributed to his superior if dismissal does not follow on its becoming known.

The idea of making the Federal Trade Commission a haven for the trusts contemplates, accordingly, the concurrence or connivance of the President of the United States, sworn to see that the laws—all the laws—are faithfully executed, and who discharges the duties of his high office under the constant watchfulness of a jealous public, not to speak of captious critics ready to turn to political advantage any lapse from the highest standard of official rectitude. There is no more reason to apprehend that when there are three remedies open—two under the Sherman law and one under the Trade Commission law—the latter will be pursued to the exclusion of both that are available under the old law, than there is why, when the civil remedy is followed under the Sherman law, the criminal clause will be allowed to fall into innocuous desuetude. The two remedies are now being pursued concurrently in the New Haven case. The civil action is still pending to dissolve the unlawful combination, and the grand jury is now at work, under the direction of the Department of Justice, investigating the transactions on which the civil suit is founded, with a view to bringing the parties responsible for them to trial under the penal provisions of the Sherman law. Are we to believe that if the existing law had been in effect and the company had been brought in some manner before the commission, under its provisions for investigation, there would have been no prosecution under the Sherman Act? Indeed, what happened was quite analogous to what will occur regularly when proceedings are instituted under the Trade Commission act against any flagrant violator of the original antitrust law. The Senate ordered an investigation of the New Haven before the Interstate Commerce Commission. The revelations were so noisome that public opinion would have forced resort to the criminal law even by an administration not unfriendly to those responsible for the conditions exposed. Why may we not indulge the hope that similar results will flow from an investigation upon a charge before the Trade Commission of unfair competition, or before that body or the Interstate Commerce Commission under the provisions of this bill? The testimony taken would promptly reach the public ear, and a laggard Attorney General would be spurred to vigorous action in every case in which either the character of the offender or the practices shown to have been pursued merited condign punishment. The commission would enjoin any future violations of the law aimed to uproot unfair methods of competition; the Department of Justice would follow the offender through the criminal courts for past transgressions. The hope that such will be the operation of the present legislation may be vain; but is one to be maligned because he cherishes it, or to be convicted of weakness of intellect because he harbors the expectation or holds to the belief that it will?

If he does, there is but one course to pursue. It is utterly illogical to repose in the Trade Commission by one act the power to investigate charges of unfair methods of competition and to restrain all such, and to single out 2 among 20 varieties of unfair competition, attempt to define them, and affix criminal penalties by another act. The general language "unfair competition" was used in the Trade Commission bill be-

cause of the inherent difficulty of defining the several varieties. The plan of dealing with the subject by a Trade Commission having been adopted, there was no longer any reason for retaining in the pending bill the provisions, by which an attempt was made to define two varieties. The Senate pursued a perfectly logical course in striking them out altogether. But it was advanced with much reason that the Trade Commission could not declare the tying contract unlawful or assert that the use of it in connection with the sale or lease of or license to use a patented article constituted unfair competition, because the Supreme Court of the United States had approved of such a contract in the case of Henry against Dick, Two hundred and twenty-fourth United States, page 1, as being strictly within the rights of the patentee under the law as it stood. To meet such a contention, the tying contract, founded upon a patent, was declared unlawful by an amendment which has taken my name, and which specifically declared that any condition of the sale or lease or license to use a patented machine or article restricting the purchaser, lessee, or licensee in his right to buy other wares, wherever he might choose, should be void. To that amendment a penal clause was attached by an amendment offered by the Senator from Missouri. I voted against it. It was entirely unnecessary. The condition being void, it bound no one. The party signing a contract containing it was at perfect liberty to provide himself elsewhere as though he had never signed it. If, notwithstanding the invalidity of the condition in the contract, it could be made an engine of oppression—a result scarcely conceivable—the Trade Commission could give relief, as in the case of tying contracts dealing with unpatented articles; and in flagrant cases, such as the United Shoe Machinery Co., the Sherman Act might be effectually invoked. The addition of the penalty made the amendment incongruous and out of harmony with the legislation of which it formed a part.

The House conferees, acting in strict accord with the sentiment of that body, as evidenced by its adoption of the Trade Commission bill, expressive of the view that "unfair competition" as such should be dealt with by the commission and not through the machinery of the criminal law insisted on a provision that contained no penal clause and specifically reposed the enforcement of the section in the Trade Commission. The provision of the House bill denouncing all tying contracts the effect of which may be substantially to lessen competition or tend to create a monopoly was adopted. The conferees were, so far as the Representatives of the House are concerned, entirely justified in insisting on the elimination of the penal provision; they marred the symmetry of the legislation by attempting to define either the particular kind of tying contract or the particular kind of price cutting that is unlawful; that is to say, the kind that constitutes "unfair competition." I should very much have preferred to leave it to the Trade Commission to determine whether any particular contract or practice said to be unfair falls under the condemnation of the act. However, I had no hope that the conferees would adjust the differences between the two Houses exactly as I would like. The force of the amendment of which I am the reputed author is not, in my judgment, weakened in the least degree by the substitute, or rather the latter is to my mind, quite as efficacious. In one respect it is strengthened, for the substituted section extends by specific reference to the case of a discount or rebate given or a price fixed on one article upon condition that others are not procured except from the vendor, lessor, licensor, or his nominee. The conferees did, indeed, add the clause "where the effect of such lease, sale, or contract for sale, or such condition, agreement, or understanding may be to substantially lessen competition or tend to create a monopoly in any line of commerce."

Mr. CHILTON. Mr. President——

The PRESIDING OFFICER (Mr. SWANSON in the chair). Does the Senator from Montana yield to the Senator from West Virginia?

Mr. WALSH. I do.

Mr. CHILTON. I should like to put into the RECORD at this time, and to call the attention of the Senator from Montana to the fact, that what is known as the Walsh amendment was taken largely from what is known as the Gore bill, which was introduced in the Senate. The main part of that was taken bodily, practically word for word, from chapter 29 of seventh Edward VII, the English act regulating tying contracts, but the exceptions were not inserted. The exceptions in that original act show why the conferees made the decision which they did.

Mr. REED. May I interrupt to ask what was the penalty in the Edward VII act?

Mr. CHILTON. I do not recall; but I have the act here, and I will hand it to the Senator.

Mr. REED. There was a penalty attached, was there not?

Mr. CHILTON. I do not recall whether or not there was; but I will let the Senator know as to that later.

Mr. REED. In what year was the Edward the Seventh act passed? Can the Senator state that approximately?

Mr. CHILTON. It was during the reign of the late King Edward of England.

Mr. REED. I know; but in what year?

Mr. CHILTON. It was in the seventh year of his reign. It is a very recent act. There is no doubt in the world that the drafter of the Gore bill took the language from that act, and did not put in the exceptions which that act contains. We framed this measure in a general way, so as to make the act conform practically to the intention of the law.

Mr. WALSH. I dare say the English act is enforced through a penalty clause. Of course that is important only provided England has another act substantially the same as our Sherman Antitrust Act, and has not a commission equivalent to our trade commission, by which to enforce it. If she has both of those, and then there is a penal clause in the act, it would be pertinent in this connection. But it is only in cases in which competition is likely to be suppressed or a monopoly eventually result that we are in any wise concerned. It is for just such conditions that this legislation is intended. It is conceivable that this clause may be used as a shield by some daring buccaneer in the industrial world; but the chances of its being successfully employed are too remote to cause anyone on that account to vote to reject this report. The distinguished Senator from Minnesota, who spoke in his usual forceful style, in opposition to its adoption, pointed out the omission of the clause in the amendment offered by me, to the effect that the inhibited condition should be void. The language pointed out added no strength to the amendment. It being declared to be unlawful to insert such a condition in a contract, it becomes invalid without any specific declaration to that effect. It is well understood that the Senator from Minnesota opposes the entire bill because of the provisions in it relating to labor, and his criticism of the conference report is to be weighed in the light of that fact.

Because of my interest in the amendment which became section 2 of the Senate bill, denouncing tying contracts applicable to patented articles, representatives of many factories victimized by the practice at which is was aimed have conferred with me repeatedly concerning it. Not one has expressed to me any disappointment at or dissent from or opposition to the substitute of the conferees. If it were open to serious criticism, it is inconceivable to me that I should not have heard from them.

In view of the clamor that has been raised about the work of the conferees, it is but just that I should say that the penalty clause added to the so-called Walsh amendment on the motion of the Senator from Missouri was the only penal provision that went out in conference.

The distinguished junior Senator from Massachusetts, in his able address of Thursday, referred approvingly to an editorial appearing in the new St. Louis Star of the 29th ultimo, making mention in a commendatory way of the address of the Senator from Missouri, who is to be congratulated upon the appreciation of his effort expressed by the Senator from Massachusetts, the greater portion of whose speech consisted of a eulogy of the United Shoe Machinery Co. and a defense of its tying contracts. I ask that the article be printed as an appendix to my remarks.

The PRESIDING OFFICER. If there be no objection, it will be so ordered. The Chair hears none.

The article will be found in the appendix to Mr. WALSH'S remarks.

Mr. WALSH. I read from the editorial the following:

> During the framing of the bill and its passage through both Houses the usual influences were at work to make the bill formidable only in its aspect, but impotent in its actual power.
>
> Every effort possible was made to make the bill a "glittering generality," which would practically permit the trusts to continue undisturbed.
>
> As the bill passed the House it was powerless to destroy trust monopoly.
>
> But when it reached the Senate it was attacked for its fatal defects by Senator REED and others, and who made such a fight that it was amended so that penalties for its violation were made specific and mandatory, and interlocking directorates and holding companies were specifically forbidden.

Of course it is well known that as the bill came from the House it imposed all the penalties which the Senator from Missouri insists should be in the bill, and, of course, it contained provisions denouncing intercorporate holdings and interlocking directorates, with penalties also.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Missouri?

Mr. WALSH. Certainly.

Mr. REED. As I am not responsible for the editorial——

Mr. WALSH. Oh, no; but the Senator will remember that I charged a moment ago, much to his discomfiture, that he was giving this impression to the country, and I am endeavoring to show him that that is the case.

Mr. REED. Oh, Mr. President, the Senator has not added a particle to my discomfiture, except in the one respect that I had thought him to be too fair a man to misrepresent my position. The solitary discomfiture I feel is because I am compelled to revise my opinion. It is not because of anything the Senator has said in the way of argument or logic that has added anything to my discomfiture.

Now, so far as this statement in the paper is concerned, it is, of course, like many other statements, in some respects inaccurate. The House bill did contain criminal penalties. I did not originate any criminal penalty, but the Senator will have to say, I think, that in the committee I contended for a retention of the penalties, and upon the floor of the Senate I contended for their retention.

Mr. WALSH. Exactly; and in my poor way I am endeavoring to correct the misunderstanding concerning this bill that has gone out to the country, very largely, I fear by reason of the speech of the Senator from Missouri. I continue:

> That the defenders of the trusts were able to do more with the House than with the Senate was a reversal of form. In the past the Senate has been the very home of the defenders of monopoly and special interests.
>
> It was there the Democratic Party's pledge to the people was expected to be broken, not in the House, but the House broke it, unrebuked by the administration, if not approved by it, and but for the determined fight made by Senator REED and associates the Senate would have approved the betrayal.
>
> But this fight seems to have been in vain.
>
> In conference the Senate amendments, which gave the bill vitality and "teeth" with which it could attack and destroy monopoly, were either amended to make them harmless or dropped.

It will be remembered that the Senate took out every one of the penalties; they were taken out right here on the floor of the Senate in accordance with the recommendations of the Judiciary Committee; and then eventually there was restored, upon motion of the Senator from Missouri, only the penalty to the so-called Walsh amendment.

Mr. REED. But the Senator ought to add that the Senate *put in the* provision extending the statute of limitations, which was taken out in conference; that the Senate put in the provision that a corporation doing business contrary to the laws of the State of its existence or the State where it was doing business, should not be permitted to engage in interstate commerce; and the Senate put in the provision that when a corporation was convicted of being a trust it should be really dissolved; and those provisions did disappear in conference.

Mr. WALSH. We all understand, Mr. President, that the Senator has made complaint about a good many things in the conference report, but his fight has been because the penalties are not here.

I continue:

> In this emasculated form it is back in the Senate for approval, and Senator REED is again attacking it with the same vigor as he did when he forced adoption of his amendments.
>
> Should he fail, which is predicted, and the Senate approve the conference report, the bill in its impotent form will go to the President for his signature.

The Senator from Missouri can not be held responsible either for the appearance of this article nor for the gross misrepresentation of the facts made in it, and yet it is not strange that his unrestricted denunciation of the Senate conferees, of whom I was not one, should have left upon some susceptible minds the views it so unwarrantedly expresses.

The fact is that as the bill came from the House it prescribed penalties in connection with every prohibitory provision. It was framed on the theory of enforcement by penalties, not through the commissions. As the bill came from the House it was ideal in that respect in the opinion of the Senator from Missouri, and the RECORD will disclose that, never having had any confidence in the Trade Commission or in the idea of suppressing unfair trade practices through its instrumentality, his great fight made during the consideration of the bill was to restore the penalty clauses, all of which were stricken out, not by the conferees, but by the Judiciary Committee before the bill came before the Senate for debate at all; that is to say, the Judiciary Committee reported the bill with amendments providing for the elimination of the penalty clauses. It so reported because meanwhile the Senate had passed the Trade Commission bill, signifying thereby its adherence to the policy of preventing unfair practices in trade by a commission instead of through the criminal courts. The committee simply yielded to the voice of the Senate, whose servant it was. The Senator from Missouri made a most persistent fight to defeat the recommendation of the committee, but he did not prevail, and the penalty clauses of the bill as it came from the House that were excised all went out in the Senate. It afterwards added, as stated, on the motion of the Senator from Missouri, a penal clause to the so-called Walsh amendment, which alone was dropped in the conference, the substituted section being practically the provision of the House bill on the subject, without the penalty clause, but with an amendment to the appropriate section providing for enforcement through the Trade Commission. Of course, despite the statement in the editorial, the bill came to us from the House with specific provisions in relation to interlocking directors and holding companies.

The Senator from Missouri owes it to himself, to his associates, and to the paper which writes in just admiration of his talents to make a frank statement from the floor in accordance with the facts. Unfortunately, it will not be so easy to obliterate many other no less grossly erroneous ideas likely to be harbored in consequence of the address of the Senator. Much of his criticism may be justly weighed in connection with his unrestrained condemnation of the conferees for restoring the word "substantially" to the bill. It was in both clauses of section 8 as the bill came from the House—the one dealing with intercorporate holdings and the one dealing with holding companies—and though that section was considered long and earnestly by the Judiciary Committee, of which the distinguished Senator from Missouri is a member, and some changes of an important character were made in it, the word "substantially" was not touched. The House bill and the bill as reported by the Senate committee alike forbade intercorporate stockholdings and holding companies "where the effect of such acquisition is to eliminate or substantially lessen competition." The crying evil in the word "substantially" was not sufficiently audible when the bill was in the Judiciary Committee to address itself to him. I violate no confidence when I say he was not moved to action there. Moreover, though the Senator was untiring in his efforts to perfect the bill when it was before the Senate—and I credit him with the most patriotic purpose, however he may have cast suspicion on those who differ with him—it never occurred to him that there was danger lurking in "substantially." The word went out on the motion of the Senator from Tennessee [Mr. SHIELDS], and without argument; and it went out without argument because there is not enough in the word to provoke argument.

Mr. REED. Does the Senator mean to say that in the committee I did not object to the word "substantially"? Does he mean to say that in the committee I did not insist particularly, with reference to that word, that it should not be used in the section dealing with interlocking directorates and the ownership by one corporation of the stock of another? Does he mean to say that I did not insist there and here that the practice of one corporation owning the stock of another should be entirely stopped?

Mr. WALSH. Oh, no; I do not mean to say anything of that kind. The Senator was with me upon the proposition of condemning holding companies. I said, as did the Senator, that there is no occasion in the industrial world for a holding company. We were beaten on it. What I do say is that the Senator did not, either on the floor or in the Judiciary Committee, move to strike out "substantially." That motion came from the Senator from Tennessee [Mr. SHIELDS].

Mr. REED. I want to say to the Senator that his recollection——

Mr. WALSH. Of course, in speaking about the Judiciary Committee I speak solely from recollection, but it is quite definite with respect to that matter.

Mr. REED. The Senator's recollection is erroneous. Whether there was a motion made or not, I have a distinct recollection of opposing the interjection of the word "substantially" as a qualifying phrase into this legislation.

Mr. OVERMAN. Mr. President, let me see if I can refresh the Senator's recollection.

Mr. REED. Just a minute. Now, there were many things discussed there as to which no formal motions were made, because it was found to be useless to make them; but that I have opposed the word "substantially" being in this bill from the first can hardly be disputed by men who are familiar with the facts. I do not think it is very important in this discussion, however.

Mr. OVERMAN. If the Senator will recollect, his fight was not to strike out the word "substantially," but to strike out the word "eliminate," which was done.

Mr. REED. I remember making a fight to strike out the word "eliminate."

Mr. WALSH. The word "eliminate" went out.

Mr. REED. I also know that I have been opposed to the word "substantially" being in there, and the Senator will

remember that I was opposed generally to these qualifying clauses. I wanted to prohibit the act itself. Will not the Senator do me the justice of saying that that was my position?

Mr. OVERMAN. I do not doubt that that was the Senator's position; but, as far as the word "substantially" was concerned. I do not think the Senator made any point about that. I think it was the word "eliminate," which was stricken out.

Mr. REED. Oh, yes; that was one of the words. As I say, it was not very important in this discussion.

Mr. WALSH. It went out without argument, because there is not enough in the word to provoke argument. If it were out, the language would receive the same construction, because no court would find that competition was lessened unless it was "substantially" lessened. The Sherman Act denounces all combinations in restraint of commerce, but no combination falls under the ban of the statute unless commerce is restrained to a "substantial" extent. De minimis non curat lex. How much reason there is to dread disastrous results from such a construction is exhibited by the decision in the Union Pacific-Southern Pacific case, in which the traffic affected by the combination amounted only to eighty-eight one-hundredths of 1 per cent of the total tonnage of the Southern Pacific. Yet the court held that the restraint of trade was substantial enough to bring the combination under the condemnation of the law.

The bill is not in all respects as I should like to see it. It is a matter of regret to me that the House conferees did not insist on the provision of the bill as it was framed in that body, making judgments against unlawful combinations fixing their character as such, conclusive evidence of the facts adjudicated, in actions for damages brought by private parties against the outlawed organization under the Sherman Act. The Senator from Missouri was against me in my efforts to defeat the amendment proposed by the committee, making the judgment prima facie evidence only. In justice to him and to the committee it should be said that they inclined to the view that Congress is without power to give such a judgment a conclusive character in what may be called the subsidiary action. I have heard no argument, not even from the Senator from Missouri, that has shaken me in my view that such a statute is not beyond the power of Congress. I endeavored to keep in the bill the House provision, but the Senate determined otherwise, and in the debate expressed the view, which I still entertain, that the provision is of very little practical importance as it was adopted by the Senate, merely changing the burden of proof from the plaintiff to the defendant.

A very gross misapprehension has found lodgment in some minds in connection with this section. Why should not one who sues the Standard Oil Co. have the benefit of the testimony taken by the Government in that suit, is asked. There is no reason why he should not, but nothing in the bill in any of its forms gives the right to use the testimony taken in the Government action. Under the bill as it left the Senate one suing a corporation adjudged to exist in violation of the Sherman Act, or to be guilty of practices denounced by it, may introduce the judgment pronounced against it; not the testimony, but the judgment. The defendant is then at liberty to introduce its evidence. It may call the same witnesses or it may call witnesses other than those used in the Government suit. The plaintiff may then introduce his proof, if, indeed, he is not required, at the risk of being shut out altogether, to supplement his prima facie case in the first instance by such evidence as he can command. But he must call the witnesses; he can not introduce the evidence taken in the Government case. Then the whole matter is submitted upon the new as well as the old evidence to the court or jury, the side on which is the preponderance prevailing. The value of the rule established by the bill is so inconsequential from the standpoint of a trial lawyer who has actually handled cases of a like character as to be negligible. I see no reason why judgments rendered heretofore as well as those rendered hereafter should not be included within the provision. I voted for the amendment to so extend its operation offered by the Senator from Colorado [Mr. THOMAS], but the right granted is so shadowy in character, whether it is granted in connection with all judgments or only those hereafter rendered, that I shall not vote to reject the report to have the change made. Were it not for the character of the attack made by the Senator from Missouri I might be disposed to vote, in effect, to recommit that this and other important changes might be made on further reflection. But inasmuch as the rejection of the report may be interpreted as an indorsement of the wholesale charges made by him, I shall not indulge my disposition in that regard.

Mr. REED. Mr. President, I take it that the Senator, then, is going to vote for a bad bill because I made a bad speech?

Mr. WALSH. No.

Mr. REED. That is the logic of his remarks.

Mr. WALSH. I am going to vote for a bill which might have been made better were it not for the speech of the Senator.

Mr. REED. Mr. President, my speech has not tied the hands of Congress. It has not stopped the highways of virtue. Those who bear the white banners of perfection can still march along unobstructed. Their sensibilities may have been wounded, but they ought not to do evil because I have offended against what they deem correct.

Mr. WALSH. Much is made of the provision taking consent judgments out from the operation of the section. Applying the rule to the case of judgments heretofore rendered, there is a measure of justice in the contention that the stipulation for judgment was signed in view of the law as it was and the consequences which it attached to the act at the time it was entered into and that it should not be given a significance by later legislation that it did not bear when the contract—for so it may be referred to—upon which the judgment was founded was made. But my acquiescence rests upon an entirely different basis.

As illustrative of the spirit in which this measure, and particularly the report of the conferees, has been canvassed by the Senator from Missouri, I quote from his speech the following:

> Why, I say, should a tobacco dealer in any State of the Union who believes he has been robbed and despoiled by the practices of the Tobacco Trust and who desires to bring a suit for treble damages be compelled to travel up and down the earth to produce the same witnesses and bring forward the identical evidence that has already been gathered by the Government, preserved in bills of exception, approved by the final decision of the Supreme Court of the United States, and solemnly crystallized into a degree by that great court? Why this tenderness for the Tobacco Trust? Why deal so gently and so kindly with these concerns that have ridden roughshod over the law; that have defied the courts for an entire lifetime?

Section 4 as it was reported by the Judiciary Committee was the work of a subcommittee of which the Senator from Missouri was a member. It underwent no change in the Senate except that its provisions were made applicable to past judgments as well as those rendered in the future. The Senator knows—he is too good a lawyer not to know—that neither under the section as he drew it nor as it passed the Senate will it be possible to introduce, in the private action, the evidence taken in the Government suits. It is the judgment only that is admissible, not the evidence upon which it was founded. The law should provide that the evidence may be admitted; but the Senator is himself responsible, not the conferees, for the bill in that respect is as he himself drafted it.

Mr. REED. May I inquire at what time the Senator offered a motion, either in the Senate or in the committee, to include the evidence?

Mr. WALSH. I offered none.

Mr. REED. And at what time did he call the attention of either the Senate or the committee to the construction he now places upon the bill—that the evidence can not be used when preserved in bills of exception?

Mr. WALSH. I offered none. The matter never was debated, never was considered. It never occurred to the Senator from Missouri. It never occurred to me. It never occurred to the eminent lawyer who is the chairman of the committee. Why, now, should the conferees be denounced for doing something or omitting to do something of which we are all guilty, if anybody is guilty?

Mr. REED. The conferees have not been denounced, but their work has been criticized because they cut the country off from the benefit of the decisions that heretofore have been rendered in some 86 cases, and practically cut them off from the benefit of any decisions which may be rendered in any of the 46 pending cases. That has been the burden of my criticism so far as the claim that the evidence can be used is concerned.

Mr. WALSH. I have read from the RECORD the language of the Senator, who complains that they have so framed the bill that the evidence can not be used.

Mr. REED. The Senator has read a small excerpt from what I said. I undertake to say now that I can demonstrate, and will undertake to demonstrate, that in all substantial respects the benefit of this evidence could have been obtained if this bill had not been emasculated by limiting it to judgments hereafter rendered.

Mr. WALSH. As the bill passed the Senate, one damaged by the acts charged against a combination against which a consent judgment was entered would be at liberty to introduce it in his cause. What then? Then the defendant would be at liberty to introduce all the evidence which it would have introduced had the Government's case been tried. The plaintiff must then offer testimony to controvert the defendant's case. Now, what good to him is the presumption arising from the consent judgment. Simply that it balances the scale in his favor should it so chance that it hangs even. I shall not try to send the

report back under the circumstances attending this debate, because of a change of so little practical importance.

For years powerful agencies have been at work to intercept legislation, in character like the important provisions of this bill, touching the rights of labor. The Senator from Missouri rendered the country a signal service in exposing through the instrumentality of the lobby committee the pestiferous character of the means employed and the despicable character of the agents through which the enemies of the legislation acted. I am willing to accept some imperfections in this bill in view of the relief it brings to those who for 20 years have suffered from "hope deferred that maketh the heart sick."

There is, as stated, no need to burden and hamper legitimate business by added penalties in this bill in order to reach either the class of offenders or the practices so unsparingly and so justly denounced by the Senator from Missouri. If he were the Attorney General of the United States, he could feed fat his appetite for criminal prosecutions by proceeding against the notorious offenders against the Sherman law guilty of the practices against which he inveighs. He could glut his vengeance and the just anger of a long-suffering people against the oppressors of industry operating through local price cutting and villainous tying contracts by indicting them, in the language of the Sherman Act, for an "attempt to monopolize" even a "part of the trade or commerce among the several States."

He could see as many victims of outraged law through the barred doors of the prison whether the acts were made penal by one statute or by two.

But, Mr. President, he might see less with two. When two of twenty or more practices, more or less pursued, all in contravention of the existing law, all punishable by its terms, are singled out and declared to be criminal, it is at least debatable whether all other practices similar in character are not impliedly declared not to be criminal. And the argument would gain strength if the new statute imposed identically the same penalties as did the old law, as the House bill did.

Espionage is a method of unfair competition, a reprehensible trade practice, condemned by an enlightened public sentiment, no less than local price-cutting or tying contracts. Does the Senator from Missouri not feel that if one were indicted under the Sherman Act for breaking or endeavoring to break a rival by introducing spies into his counting house and robbing him of his business secrets or getting possession of information concerning the methods that brought him success, does not the Senator feel that the success of the prosecution would be imperiled by a law which specifically made local price-cutting and tying contracts criminal and said nothing about espionage?

Mr. REED. Mr. President, if that is true, if that argument is sound, then by naming the four practices that are named in this bill and denouncing them, we have absolutely limited the meaning of the term "unfair competition," and the jurisdiction of the Trade Commission to the four practices thus denounced. Moreover, if the argument be a legitimate one, as it deals with the question of trusts and trust practices, it might be argued just as well that to that extent it had altered and changed the Sherman Act; and I think there is some danger that that has been done.

Mr. WALSH. I am very much afraid that the argument will be made that because we denounce two specific kinds of unfair practices and that those are the only kind condemned we tolerate all others. I do not think it can be effectively made, but I say it was dangerous to attempt to define these particular varieties of unfair competition in this statute. It should have been left as the Senate put it in the first place, absolutely outside of this statute, to be controlled and governed by the general denunciation in the Trade Commission act of all unfair practices in trade.

Mr. REED. Then there are three additional reasons that the Senator ought to announce why the report of the conference ought to be rejected. But I suppose because I made a very bad and a very wicked speech he will, of course, swallow the wickedness of the bill without even a regret.

Mr. WALSH. Would it not be a powerful argument to say that though all forms of "unfair competition" were once criminal under the Sherman law Congress expressed the view that the two forms mentioned should be thereafter of that character, and that none others not specifically denounced by some statute should? Expressio unius est exclusio alterius. Where, then, would stand the other protean forms of unfair competition? What could be done in the way of a criminal prosecution with bogus independent companies? With fighting ships and brands? With oppression through banking connections? With exclusive sales and purchase contracts? I am glad to comfort my friend the Senator from New Jersey with the assurance that all those who oppress their competitors through these nefarious practices now make themselves amenable to the criminal law. The bill before us expressly provides that they can claim no exoneration by reason of any order of the Trade Commission. The law is weakened—not strengthened—by singling out specific practices and making them criminal.

This bill could have been returned to the committee for further correction, I should gladly myself have voted to return it in the hope that, after discussion and debate touching features that could not or did not engage the attention of the Senate when the measure was before it and open to amendment, some of its provisions not altogether to my liking might be changed. Several of them have been adverted to in the course of these remarks. But the issue has been made up by the character of the attack of the Senator from Missouri. Whatever may be the private reasons controlling the action of any Senator, the rejection of the report will be interpreted by the country as an indorsement of his attitude and a recognition that the sinister powers against which he has so impassionately inveighed were not without influence in shaping the legislation. I am not willing to give countenance by my vote to any such idea, and trust the report may have the well-nigh unanimous support of this side of the Chamber at least.

APPENDIX.

SHALL THE DEMOCRATIC PARTY KEEP FAITH?

If the Democratic Party in Congress passes the Clayton bill in the form in which it has been reported from conference it will violate its specific promise and betray the trust reposed in it by the people when the present administration and congressional majority were elected.

The Democratic Party specifically promised to pass legislation which would destroy the power of the trusts to monopolize or control business.

On this issue as much as on that of the tariff it made its campaign.

The Clayton antitrust bill is the proposed fulfillment of this promise.

It will not do the work if it passes as now before the Senate from the conference committee.

During the framing of the bill and its passage through both Houses the usual influences were at work to make the bill formidable only in its aspect, but impotent in its actual power.

Every effort possible was made to make the bill a "glittering generality" which would practically permit the trusts to continue undisturbed.

As the bill passed the House it was powerless to destroy trust monopoly.

But when it reached the Senate it was attacked for its fatal defects by Senator REED and others, and who made such a fight that it was amended so that penalties for its violation were made specific and mandatory, and interlocking directorates and holding companies were specifically forbidden.

That the defenders of the trusts were able to do more with the House than with the Senate was a reversal of form. In the past the Senate has been the very home of the defenders of monopoly and special interests.

It was there the Democratic Party's pledge to the people was expected to be broken, not in the House; but the House broke it, unrebuked by the administration, if not approved by it, and but for the determined fight made by Senator REED and associates the Senate would have approved the betrayal.

But this fight seems to have been in vain.

In conference the Senate amendments which gave the bill vitality and "teeth," with which it could attack and destroy monopoly, were either amended to make them harmless or dropped.

In this emasculated form it is back in the Senate for approval, and Senator REED is again attacking it with the same vigor as he did when he forced adoption of his amendments.

Should he fail, which is predicted, and the Senate approve the conference report, the bill in its impotent form will go to the President for his signature.

It will then depend upon President Wilson to say whether or not the promises made by the Democratic Party shall be kept.

If the President signs this bill in such a form, what are the people going to do to the Democratic Party when they realize how it has broken its promise to the hope, while pretending to keep it to the ear, and has permitted the trusts to shape the bill to prevent it from doing what the people expect it to do?

There is no such haste in this matter as will excuse any failure to make the bill rock ribbed and water-tight against trust violation of its provisions, or justify the omission of any provision necessary to put an end to monopoly practices.

There is plenty of time to make a proper bill.

If the bill in its present form is passed, President Wilson should veto it and tell Congress plainly to pass a proper one at the next session.

No excuse of haste or imperative need of immediate action can justify such a betrayal of the hopes of the people and the promises of the Democratic Party.

If this bill becomes a law in its present form, more than one Missouri Democratic seat will be vacated in November. Senator REED in making his fight on this bill is really fighting for the honor and the supremacy of the Democratic Party.

Mr. REED obtained the floor.

Mr. BANKHEAD. Mr. President, will the Senator from Missouri yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Alabama?

Mr. REED. I yield.

COTTON SITUATION IN THE SOUTH.

Mr. BANKHEAD. Mr. President, I desire to give notice that on Wednesday, immediately after the noon hour, I will address the Senate on the subject of the cotton situation in the South. I desire to present some views that, if adopted, will, in my opinion, clear up the situation and bring the relief sought.

In order that Senators may not be disappointed I will say now that there is nothing new or novel in the plan I desire to submit. It is as old as panics and threatened disasters in financial affairs. It is simple, conservative, and financially sound. I hope the Senators will do me the honor to listen. I believe that I will be able to interest them.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Latta, executive clerk, announced that the President had approved and signed the following acts:

On October 3, 1914:

S. 1930. An act granting to the Atchison, Topeka & Santa Fe Railway Co. a right of way through the Fort Wingate Military Reservation, N. Mex., and for other purposes; and

S. 3550. An act ratifying the establishment of the boundary line between the States of Connecticut and Massachusetts.

On October 5, 1914:

S. 657. An act to authorize the reservation of public lands for country parks and community centers within reclamation projects, and for other purposes.

PROPOSED ANTITRUST LEGISLATION.

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses upon the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. REED. Mr. President, in my entire life I have not been more greatly surprised than by the speech which the Senator from Montana [Mr. WALSH] has this moment concluded. The speech was in the nature of a personal attack. He did not attempt to reply to my argument; neither did he seek to show that I had erroneously stated the facts.

He did, however, undertake, both by direction and by innuendo, to convince the Senate that the speech I made a few days ago in support of a motion to recommit this bill was inspired by some evil purpose.

The Senator is one of the last men whom I should have expected to ascribe such motives to me. He appears to be suffering an attack of irritation occasioned by my opposition to certain features of the bill with which he has been intimately connected. I discussed these various propositions upon their merits. My argument was entirely impersonal. I attacked the principles, not their authors.

Those who live by the sword should not be so sensitive at a little bloodletting. The Senator himself handles his rapier with great skill, many graceful flourishes, and dramatic poses. All of which catch the eye, please the fancy, and are calculated to convince the observer that the performance is a mere exhibition. Nevertheless, he is a somewhat merciless antagonist. I know of no man who can more thoroughly get on one side of a case and stay there than the Senator from Montana. Upon such an occasion his ordinarily clear vision is completely obscured in a cloud of prejudice. He translates an attack upon a law into a personal assault. He allows his animosities to control his conduct. There could be no better illustration of this fact than is afforded by the statement of the Senator to which I am about to refer.

Mr. President, long ago the doctrine "Let us do evil that good may come" was condemned. To-day the Senator from Montana accentuates the ancient heresy by exclaiming, "Let us do evil because a poor speech has been made." He is irritated by the overwhelming demonstration that this bill is violative of Democratic principles. He is forced to admit the justice of the criticisms. He concedes that the bill is bad in many particulars. He states that he intended to vote to recommit it; but, now that I have made a speech he does not admire, he intends to vote for the bill. He does not claim that anything I said convinced him his opinions were wrong. He is simply irritated. The people therefore should be made to suffer. His logic is that because I made what he considers a bad speech he proposes to cast what he knows is a bad vote.

Mr. President, if this were a personal controversy between him and me, he might be excused for the unwisdom of biting off his own nose to spite his face. He perhaps might justify himself for permitting an envenomed spirit to control a calm judgment. He might be pardoned for doing something injurious to himself in order to punish me individually.

But, sir, this is not a personal controversy between the Senator from Montana and the Senator from Missouri. The question under discussion concerns neither of us personally. The legislation we are about to enact affects 90,000,000 people. It bears directly upon their welfare. If I were the most arrant knave unhung, no act or speech of mine could justify a betrayal of the high commission placed in the hands of Senators by the people who sent them here to legislate for this great country. I am unembarrassed by the criticism of any Senator who admits his course is controlled by such a motive.

The Senator states that I have given the country a wrong impression of this bill. The country is not dependent upon me for a construction. In every community of the United States there are numerous people who keep track of legislation. These myriad minds, by their own processes of independent reasoning, arrive at conclusions regardless of any man's speech.

I propose, however, just for the sake of correct history, to follow the Senator briefly through his manuscript deliverance.

The Senator, in effect, states that by opposing this bill I attacked the President of the United States. That assertion, of course, implies that the President is the responsible author of this legislation, that I knew the fact, and was actuated by a desire to embarrass the President.

Sir, things have come to a strange pass when a Senator cannot express his opinion with reference to pending legislation without subjecting himself to a charge of attacking the President. Even if the President had written the bill with his own hand and sent it to Congress, it would, nevertheless, not follow that a Senator who in the discharge of his sworn duty opposed the bill could be justly charged with attacking the President. To claim that opposition to a bill is for such a reason improper is to declare that Congress should abdicate its high duties and that the Senate of the United States and the House of Representatives should become nothing more than boards of registrars authorized to record decrees of a monarch. The establishment of such a doctrine would destroy the American Republic. It would shake the temple of liberty to its foundation. Whoever asserts the President seeks to thus usurp the powers of Congress brings against him an indictment that I utterly repudiate. Such a one gravely attacks the President.

But, sir, who has the authority to assert this is the President's bill or to say that the President demands the passage of this bill without amendment? Where is his mouthpiece and spokesman who will now and here assume to speak for the President?

If I know anything about the law of the land, the President should communicate his wishes either in person upon the floor of Congress or by written messages duly transmitted to Congress. I do not pretend to speak for the President. I know of no man authorized so to do, although frequently some assume that right.

Mr. President, I not only affirm that no man has the right to assume or assert that this is the President's bill, but I assert that the bill is utterly inconsistent with the messages and public declarations of the President. In the weak and apparently offensive argument I delivered against the conference report, I quoted somewhat from the President's utterances. I propose now to further show that the bill as reported by the conferees flouts the recommendations of the President. If I shall so demonstrate, I ought to go acquit of the charge just made that I have assailed the administration.

When did we adopt the doctrine that insistence upon the redemption of party pledges constitutes party perfidy? The only permanent injury the Democratic Party may receive is at the hands of a traitor, who betrays it. The soldier who calls upon all to defend the citadel, who helps to keep the guns manned and shotted, is a patriot. The only enemy to fear is the traitor who, loudly vowing his fidelity to the cause of Democracy, seeks to betray us into the hands of our ancient foe.

There are here a few men who appear to imagine they constitute the Democratic Party. Whoever opposes them is, in their views, an enemy of Democracy. Let me remind these modest individuals that the Democratic Party is composed of some 7,000,000 sovereign voters of the United States. This vast army of the people is devoted to the cause of human liberty. It is held together by a common belief in certain great principles of government. These principles the Democracy of the Nation has hitherto enunciated in party platforms adopted by conventions composed of delegates authorized to act for the entire body of the Democracy. This vast multitude constitutes the Democracy; not the half dozen men who in this body pose as the Democratic Party and arrogate to themselves the right to overrule party platforms and to denounce all those who do not submit to their dictation. As winter's snows vanish before the springtime sun, so will these self-anointed leaders in due course of nature disappear; and when they go, the Democracy will suffer no greater convulsion than does the ocean when a drop of water is withdrawn from its illimitable hoard. The principles of the Democratic Party will live as long as men love the name liberty. When I stand upon Democratic platforms and demand that this bill be made to accord with the

articles of our public creed. I, sir, am not attacking the Democratic Party; I am defending it.

In all that I may do, I will not be controlled by any consideration save the desire to serve my country. I can not follow the example of the Senator from Montana, who proposes to vote for a bad bill because he did not like my speech. Truly, this is a noble philosophy. If it is to be followed, then hereafter we shall not cast our votes according to the merits of matters, but as the pique, disappointment, or irritation of the moment shall dictate.

My contention is that the bill ought to be sent back to conference with instructions to reinsert the criminal penalties, and to strike out the conference amendments which have destroyed the force of this so-called antitrust legislation.

I assert that in demanding that those who control great business institutions shall be held to a personal responsibility, and that oppressive and dishonest practices shall be punished by fine and imprisonment, I am standing squarely upon the Democratic platform. I further assert that I am in strict accordance with the public declarations of the President, including his special message to Congress on January 20, 1914. I propose to discuss these two propositions in their order.

There is not a word in the Democratic literature of recent years which does not clearly demand the application of criminal penalties.

Mr. BORAH. Mr. President, before the Senator starts in on that I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. VARDAMAN in the chair). The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Borah	Johnson	Overman	Smith, S. C.
Bryan	Jones	Owen	Smoot
Burton	Kern	Page	Sterling
Camden	Lane	Penrose	Swanson
Chamberlain	Lea, Tenn.	Perkins	Thomas
Chilton	Lee, Md.	Poindexter	Thompson
Clapp	McLean	Reed	Thornton
Culberson	Martine, N. J.	Root	Vardaman
Fletcher	Myers	Saulsbury	Walsh
Gore	Nelson	Shafroth	Warren
Gronna	Norris	Sheppard	West
Hollis	O'Gorman	Shively	White
James	Oliver	Smith, Ariz.	Williams

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Fifty-two Senators have responded to their names. A quorum is present. The Senator from Missouri.

Mr. REED. Mr. President, to present with some order this proposition I solicit attention to a clause of the Baltimore platform, which I maintain, notwithstanding the construction of my very good friend from Montana [Mr. WALSH], does demand that the existing antitrust laws shall be strengthened by supplemental legislation, and does demand the application of criminal penalties to those who violate such supplemental legislation. The platform reads:

> A private monopoly is indefensible and intolerable. We therefore favor the vigorous enforcement of the *criminal* as well as the civil law against trusts and trust officials, and *demand the enactment of such additional legislation as may be necessary to make it impossible for a private monopoly to exist in the United States.*

There is a distinct demand for additional trust legislation; there is a distinct demand for the enforcement of its *criminal* as well as of its civil provisions. Only a lawyer accustomed through long years to find flaws in indictments or to construe a section of a law so that a criminal whom it was intended to catch can escape would, I think, claim that the spirit of that declaration is not a pledge to amend the existing trust laws and to apply criminal penalties to such amendments. In the same section of the platform is this:

> We favor the declaration by law of the conditions upon which corporations shall be permitted to engage in interstate trade, including, among others, *the prevention of holding companies, of interlocking directors, of stock watering, of discrimination in price*, and the control by any one corporation of so large a proportion of any industry as to make it a menace to competitive conditions.
>
> We condemn the action of the Republican administration in compromising with the Standard Oil Co. and the Tobacco Trust and its failure to—

To do what?—

> *to invoke the criminal provisions of the antitrust law against the officers of those corporations after the court had declared that from the undisputed facts in the record they had violated the criminal provisions of the law.*

Then follows this criticism of the Supreme Court:

> We regret that the Sherman antitrust law has received a judicial construction depriving it of much of its efficacy, and we favor the enactment of legislation which will *restore to the statute the strength of which it has been deprived by such interpretation.*

Mr. President, we were dealing with the subject of the anti trust law, demanding amendments to it. We specified some four or five practices that were to be expressly inhibited and demanded criminal penalties. Any attempt to evade that construction requires a species of special pleading inconsistent with candor.

But, Mr. President, that platform early received a construction by a very eminent man. I refer to the Senator from Kentucky [Mr. JAMES], who presided over the Baltimore convention. Senator JAMES was made the envoy extraordinary and minister plenipotentiary to notify Mr. Wilson of his nomination.

In his speech of notification Senator JAMES, in part, said:

> We all recognize the mighty task in front of you. Sixteen years of Republican rule have riveted the chains of monopoly, special privilege, and greed upon every field of industrial and commercial endeavor, upon every market place, upon every avenue of trade. Trust and monopoly walk with arrogant and brutal tread, fixing with equal insolence and oppression the market of the buyer and the seller. *The Republican Party has taught the trusts that it only barks and never bites.* Their prosecutions against these outlaws are but a signal to play a rising market, to drive higher the value of the stocks they own, to increase the prices of articles they sell, and to grant greater dividends to those who are interested in them. The people call for a President—and they believe they have found him in you—who will not alone proceed *in chancery* against these men who defy the laws, who oppress the people, who drive men, women, and children to desperation by reason of hunger, who deny them the necessaries of life by their monopolistic prices, *but one who will demand that the stripes of the felon shall be placed upon them and who will give a vigorous and genuine democratic people's-rule enforcement to the criminal laws against malefactors of great wealth.*

There is nothing said there about specifying acts as illegal and adding no penalty; nothing there about providing an easier and gentler method of dealing with law violators. As the great Senator from Kentucky towered above that audience, he thundered the demand for criminal penalties for those who oppress and plunder the people.

A little farther on Mr. JAMES said:

> What the people want, what they demand, is a President who will enforce the law to the utmost letter and *prosecute all trusts;* not *one who is friendly with some and unfriendly with others, but a* President friendly to the people and friendly to the law, and unfriendly to no legitimate business, one *who will draw the sword of justice and law against all monopolies.*

That is not a mewling utterance.

Mr. BORAH. It would be appropriate, in view of that deliverance, to put in here the fulfillment with reference to punishment.

Mr. REED. Very well. There will be a more appropriate occasion hereafter, but I yield now to my friend.

Mr. BORAH. Section 2 of the conference report provides:

> SEC. 2. That it shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly, to discriminate in price between different purchasers of commodities, which commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce.

And then the enforcement of it is turned over to the Trade Commission, which has no power at all to impose punishment.

Mr. REED. Mr. President, after that great speech was delivered, not for the benefit of the President but as a proclamation to all the land, the President responded. You will find that portion of his remarks to which I now refer on page 349 of the same Democratic Handbook. As I read it, ask yourselves whether this legislation was intended to deal with trusts, monopolies, and restraints of trade or whether with the little fellow at the crossroads, as my friend from Montana would have us believe. Let us determine the purpose of this legislation out of the mouth of the President—may I not be permitted to quote him without being charged with attacking the Democratic Party?

> *The general terms of the present Federal antitrust law, forbidding "combinations in restraint of trade," have apparently proved ineffectual.*

Thus said the President immediately after the convention, and thus I think he says now. I read on:

> *Trusts have grown up under its ban very luxuriantly, and have pursued the methods by which so many of them have established virtual monopolies without serious let or hindrance. It has roared against them like any sucking dove.* I am not assessing the responsibility; I am merely stating the fact. But the means and methods by which trusts have established monopolies have now become known. It will be necessary to supplement the present law with—

What? A trade commission? Ah, no—

> It will be necessary to supplement the present law with such laws, both civil and *criminal*, as will effectually *punish* and prevent—

What? The monopoly itself, the trust itself, the restraint of trade itself, now within the purview of the present law? Ah, no—

> It will be necessary to supplement the present law with such laws, both civil and *criminal*, as will effectually *punish* and prevent those methods, adding such other laws as may be necessary to provide suitable and adequate judicial processes, whether civil or *criminal*, to disclose them and follow them to final verdict and judgment. They must be specifically and directly met by law as they develop.

With that statement before him, will the Senator from Montana or any other have the temerity to say that this legislation was intended to reach only the practices of small concerns, that we did not promise to deal with the practices of trusts, that we did not propose to add to the trust statutes, that we are not pledged to proceed by fine and imprisonment? The man who so asserts is deaf to argument, blind to evidence, and either unwilling to be convinced or incapable of conviction.

A flood of light is thrown upon the statement of the President in accepting the nomination, which I have just read, by the utterance of Mr. Wilson before the American Bar Association at Chattanooga, Tenn., August 30 to September 1, 1910. No fair man can read this address and thereafter maintain that Mr. Wilson was not thoroughly committed to the doctrine of personal guilt and to the policy of the suppression of oppressive trade practices by the application of criminal penalties. In part, he said:

Corporations do not do wrong. Individuals do wrong, the individuals who direct and use them for selfish and illegitimate purposes, to the injury of society and the serious curtailment of private rights. Guilt, as has been very truly said, is always personal. You can not punish corporations. Fines fall upon the wrong persons, more heavily upon the innocent than upon the guilty as much upon those who knew nothing whatever of the transactions for which the fine is imposed as upon those who originated and carried them through—upon the stockholders and the customers rather than upon the men who direct the policy of the business.

* * * * * * *

Society can not afford to have individuals wield the power of thousands without personal responsibility. It can not afford to let its strongest men be the only men who are inaccessible to the law. Modern democratic society, in particular, can not afford to constitute its economic undertakings upon the monarchical or aristocratic principle, and adopt the fiction that the kings and great men thus set up can do no wrong which will make them personally amenable to the law which restrains smaller men; that their kingdom, not themselves, must suffer for their blindness, their follies, and their transgressions of right.

* * * * * * *

We can have corporations, can retain them in unimpaired efficiency, without depriving law of its ancient searching efficacy, its inexorable mandate that men, not societies, must suffer for wrongs done.

* * * * * * *

The major premise of all law is moral responsibility, the moral responsibility of individuals for their acts and conspiracies; and no other foundation can any man lay upon which a stable fabric of equitable justice can be reared.

* * * * * * *

The managers of corporations themselves always know the men who originated the acts charged against them as done in contravention of the law; is there no means by which their names may be disclosed to the officers of justice? *Every act, every policy in the conduct of the affairs of a corporation, originates with some particular officer, committee, or board. The officer, the committee, or the board which orders an act or originates a policy contrary to the law of the land or intended to neutralize or contravene it, is an insurgent against society; the man or men who originate any such act or policy should be punished, and them alone.*

* * * * * * *

You will say that in many instances it is not fair to pick out for punishment the particular officer who ordered a thing done, because he really had no freedom in the matter; that he is himself under orders, exercises no individual liberty of choice, is a dummy manipulated from without.

* * * * * * *

I reply that society should permit no man to carry out orders which are against law and public policy, *and that if you will but put one or two conspicuous dummies in the penitentiary there will be no more dummies for hire.* You can stop the traffic in dummies, and then, when the idea has taken root in the corporate mind that dummies will be confiscated, pardon the one or two innocent men who may happen to have got into jail. There will not be many, and the custom of the trade will change.

On January 20 the President delivered a special message to Congress, in which he specifically dealt with the question of supplemental trust legislation. In that message he said:

We are all agreed that "private monopoly is indefensible and intolerable and our program is founded upon that conviction. It will be comprehensive, but not a radial and unacceptable program, and these are its items, the changes which opinion deliberately sanctions and for which business waits.

He then specifies the prohibition of interlocking directorates, the overcapitalization of railways, and adds:

The business of the country awaits, has long awaited and suffered because it could not obtain *further and more explicit legislative definition of the policy and meaning of the existing antitrust law.* * * * *Surely we are sufficiently familiar with the actual processes and methods of monopoly and of the many hurtful restraints of trade to make definition possible, at any rate, up to the limits of what experience has disclosed. These practices, being now abundantly disclosed, can be explicitly and item by item forbidden by statute in such terms as will practically eliminate uncertainty, the law itself and the penalty being made equally plain.*

He then speaks of a commission, but the plain intendment of the message is that the commission is to gather information and to act merely as a corrective agency. He then adds:

I hope that we shall all agree in giving private individuals who claim to have been injured by these processes the right to found their suits for redress upon the facts and judgment proved and entered in suits by the Government where the Government has upon its own initiative sued the companies complained of and won its suit, and that the statute of limitations shall be suffered to run against such litigants only from the date of the conclusion of the Government's action. It is not fair that the private litigant should be obliged to set up and again establish the facts which the Government has proven. He can not afford, he has not the power to make use of, such processes of inquiry as the Government has command of.

I call especial attention to the language "and the penalty being made equally plain." Was he talking about penal statutes when he used the term "penalty"? Was he talking, as my friend from Montana would have you believe, simply of little practices by little men when he went on to say, as I have read, that the practices of trusts and monopolies are now well known and should be specifically defined? Let those who seek to find an opening through that language of the President resort as much as they may to sophistry, they will convince no practical mind that the President was not talking about trusts and monopolies and their practices and demanding criminal penalties. They will not convince the public mind that the President was not demanding that the trust laws should be amended, strengthened, and made specific.

The Senator from Montana would have you believe that we were trying to do nothing but reach the little fellow and stop him from cutting prices in some neighborhood, thus injuring some other little fellow. The Government of the United States has no time to hunt for minnows in an ocean teeming with sharks; we engage in no such trifling, inconsequential, and ridiculous performance as that. Let the Senator consider his maxim, "De minimis non curat lex," in this behalf. It was not in the mind of the House of Representatives, nor in the minds of those who framed our platform.

What has the committee itself to say with reference to this message? The committee of the House, by the way, wrote so admirable a report that the Judiciary Committee of the Senate simply added a few prefatory words and adopted as its own the House report. Thus, said the committee of the House with reference to the President's message:

Your committee, after the delivery of a message by the President of the United States, on January 20 last to the Congress, making certain recommendations—

Relating to what? Relating to certain unfair practices? No—

Relating to the matter *of trusts and monopolies*, immediately prepared and published tentative bills which *were designed to give legislative expression to the views contained in the President's message.* * * * The salient principle of the tentative bills as finally agreed upon with additional provisions have been embodied in the one comprehensive bill now reported.

After some comment the committee adds:

The able and patriotic message of the President has been ever before us and the program which he proposed is contained in the provisions of the bill, and if enacted into law will in truth be "additional articles in our constitution of peace—the peace which is honor and freedom and prosperity."

What were the trust provisions in that bill which the House committee charges directly to the President, to his message, and to his influence?

They were four. The provision prohibiting local price cutting, providing that the guilty party should wear the stripes of a felon; the condemnation of tying contracts, followed by the provision that whoever violated this section should be guilty of a misdemeanor and punished by a fine of not less than $5,000 or by imprisonment for not more than one year in the penitentiary, or both, at the discretion of the court; the provision against corporations gaining control of other corporations through stock ownership. Included in which was the inhibition of holding companies, with a penal clause identical with the one which I just recited and the other provisions which I will not now stop to discuss, because it is no longer in the bill. Every one of these sections carried a criminal penalty.

If that bill was drawn in consonance with the message of the President, with the desire of his heart, with the policy in his mind, and had these criminal penalties in it, every section being penal, will some one tell me if I am wrong in my construction of the President's message, namely, that it was intended to provide criminal penalties? Has the President changed his mind since his last message to Congress? Who has warrant for so asserting? I do not believe he has changed his mind. I believe if he had he would send a message here to Congress frankly avowing his altered opinion.

But was the committee dealing with the small concerns and the trifling things, as the Senator from Montana would have us believe? Not at all. Hear the report of the committee of the House. Note whether it deals with the little or with the great thing, whether it deals with legislation to supplement and strengthen our great trust acts or was merely intended to be a pettyfogging performance, touching certain trifles.

Mr. OVERMAN. Mr. President——

The PRESIDING OFFICER (Mr. VARDAMAN in the chair). Does the Senator from Missouri yield to the Senator from North Carolina?

Mr. REED. I do.

Mr. OVERMAN. The Senator will recognize the fact that when that report was prepared and when the bill was prepared the Trade Commission bill had not passed the Senate and section 5 had not been incorporated in the bill.

Mr. REED. I understand that perfectly; but section 5, when it was passed did not pretend and does not now pretend to affix any criminal penalties. Neither does it define or prohibit specifically the acts of monopoly. If we are pledged by our platform and by the messages of the President to specifically define the acts of monopoly and to penalize them, we can not escape that duty by pleading that the Senate has adopted a law dealing in some measure and to some degree with trade practices, which also fails to penalize the wrongful practices. We can not justify one failure by pleading another. Two wrongs never yet have made a right.

The argument of the Senator attempts to justify the repudiation of our platform and the message of the President upon the ground that we have enacted a law which does not provide criminal penalties. The fact is, as everyone knows, that the Trade Commission could not deal with criminal penalties because it is not a court. When, therefore, we created that body and did not provide criminal penalties in the law of its creation we by no means committed ourselves to a repudiation of the doctrine of personal guilt and responsibility. I assert that the Trade Commission bill and the trust acts can run along their separate and several roads. If this be not true, then by the enactment of the Trade Commission bill we have destroyed all of our antitrust legislation. If the Sherman Act can be enforced through the courts and the commission can at the same time exist and exercise the jurisdiction conferred upon it, then we can by this act strengthen the Sherman Act and enforce this act through the courts and impose criminal penalties, just as we can enforce the Sherman Act with its criminal penalties.

I repeat, to claim otherwise is to assert that the Trade Commission bill has destroyed our power either to enforce the Sherman Act or to amend it. No man dare here assert such a doctrine.

Mr. OVERMAN. I can not tell exactly what occurred, of course, in conference; but if the Trade Commission bill had been a law at the time that report was made I have reason to believe that it would not have been incorporated into the bill, because an entirely different policy was adopted by the Senate from that adopted by the House of Representatives.

Mr. REED. Mr. President, I have heard that argument in various forms. It embraces this idea—that when we passed the Trade Commission bill we did not intend to pass any other legislation. If it had been asserted here that the Trade Commission bill was to be the end of trust legislation at this session of Congress, it would never have passed, and the Senator knows it. On the contrary, it was during the debate on the Trade Commission bill frequently asserted that the Trade Commission bill was to be the mere handmaid of the trust statutes; that it was not to affect or destroy them; that it was not to hold back other trust legislation. It was iteratively said in reply to those who claimed that the Trade Commission bill was not sufficiently specific or drastic: "Be patient; wait. The Clayton bill is coming on, and the Clayton bill does have penalties. Wait for it and your complaint will be met." Now, when it does come on, you turn to us and say: "Having adopted the Trade Commission bill we now propose to murder the Clayton bill."

Mr. OVERMAN. In confirmation of what I said, I will remind the Senator that in the great speech made here by the Senator from Idaho [Mr. BORAH] he says:

> In fact, Mr. President, it may be said in justification of the report of the conference committee that it is in harmony, and the committee has undoubtedly sought to bring the bill into harmony, with the general trend of legislation.

Mr. REED. Oh, well, that does not answer my argument, because the Senator from Idaho takes an entirely different view of this legislation than I, and his deductions can not bind me.

Let us stop here for a moment. I was about to read this report, but I will digress. If the Trade Commission bill was intended to be the end of trust legislation, why did we not stop with it? The friends of that bill have asserted that the phrase "unfair competition" covers every practice injurious to business which is conceivable by the brain of man. If that be true, and if we are to proceed through the Trade Commission, then we should never torch that language. We should not pass the trust provisions of this bill. We should admit we have already completely covered that field by providing a commission empowered to suppress all evil practices.

But the Senate did not take that view. The Senate committee undertook to say so. The Senate disagreed with the Senate committee as to one section—that relating to tying contracts—and restored it. Then the conferees put back in the bill the sections of the Clayton bill, thus admitting that the Trade Commission bill did not cover those practices; for if it did cover them, it was utterly foolish again to inveigh against them. Having thus admitted the necessity of specifying these particular practices, they then proceeded to remove the criminal penalties.

You can not hold with the hare and run with the hounds. Driven into a corner you say, "In the first place, we did not need any law at all. We had already covered the subject by legislation." Then, when asked why you legislated, you say, "Well, it won't do any harm to legislate if you do not say anything when you legislate." That is exactly your position. You can not sustain this action on any logical ground. If it be true that these practices were covered by the Trade Commission bill, then that is the end of it. We ought to stop right there. If you say, on the other hand, that they were not covered by the Trade Commission bill, then, when we enact law here, let us have a law that does something, and not a law apologized for on the ground that is it unnecessary.

Mr. VARDAMAN. I want to ask the Senator from Missouri if it is not a fact generally understood that the President gave his approval to the bill as it passed the House, and if it was not a matter of general information also that as it came to the Senate it had the presidential indorsement?

Mr. REED. Of course I have heard numerous statements of that kind. But if that be true, how do you justify the elimination of the criminal provisions which were in the bill when it came to the Senate?

Mr. VARDAMAN. As a matter of fact, I want to interject right here that I do not think it would have ever passed the House if it had not had the approval of the President. I make that suggestion, Mr. President, in justification of the position the Senator has taken on this bill and that others take who agree with him, that the President may have changed his mind; and it is not fair, it is not legitimate argument, it does not manifest the proper spirit, for anybody to say that because a Democratic Senator happens to agree with the House and disagrees with the conference committee he is in antagonism to the President and against the head of the party. I am one of those who believe that even though a Democratic Senator happens to differ from the President on a question of policy or economics he is in no way guilty of treason to the Republic.

Mr. REED. I am obliged to the Senator.

I desire to come back now to the proposition that the House committee, in writing the substantive provisions of the Clayton bill, recognized that they were dealing with the practices of trusts and monopolies, not of the little fellow, as my friend from Montana has sought to claim.

I continue the reading of the report:

> Section 2 of the bill is intended to prevent unfair discriminations. It is expressly designed with the view of correcting and forbidding a common and widespread unfair trade practice whereby certain great corporations and also certain smaller concerns which seek to secure a monopoly in trade and commerce by aping the methods of the great corporations, have heretofore endeavored to destroy competition and render unprofitable the business of competitors by selling their goods, wares, and merchandise at a less price in the particular communities where their rivals are engaged in business than at other places throughout the country.

Then follows a description of the section, which in turn is followed by this language:

> The violation of any of the provisions of this section is made a misdemeanor, and is made punishable by fine or imprisonment, or both.

A little farther on the committee states:

> The necessity for legislation to prevent unfair discriminations in prices with a view of destroying competition needs little argument to sustain the wisdom of it. *In the past it has been a most common practice of great and powerful combinations* engaged in commerce—notably the Standard Oil Co. and the American Tobacco Co. and others of less notoriety, but of great influence—to lower prices of their commodities, oftentimes below the cost of production in certain communities and sections where they had competition, with the intent to destroy and make unprofitable the business of their competitors, and with the ultimate purpose in view of thereby acquiring a monopoly in the particular locality or section in which the discriminating price is made. Every concern that engages in this evil practice must of necessity recoup its losses in the particular communities or sections where their commodities are sold below cost or without a fair profit by raising the price of this same class of commodities above their fair market value in other sections or communities. Such a system or practice is so manifestly unfair and unjust, not only to competitors who are directly injured thereby but to the general public, that your committee is strongly of the opinion that the present antitrust laws ought to be supplemented by making this particular form of discrimination a specific offense under the law when practiced by those engaged in commerce.

What were you supplementing? The trust laws. For what purpose were you supplementing them? To reach certain evil practices. Who had indulged in these evil practices? The great trusts and the great monopolies. Why did you need any law? Because the present law had not effectively reached these practices. How did you propose to prevent them? By the application of the criminal penalty.

I can lay the one paragraph read down opposite the able apology for this bill delivered with a considerable manifestation of spleen by the Senator from Montana, and it utterly destroys the whole effect of his argument, which was that we ought to have a mild law with no penalties, because we are not dealing with great trusts and corporations, but simply seek to regulate the small man, the corner grocery man, or somebody like that. Such is not the fact. If the country is getting a bad opinion of this bill, it is because the bill is not drawn in accordance with the message of the President, with the pledges of our party, with the declaration of our platform, and with the protestations of the committee that drafted the bill. Were you dealing with little petty larceny concerns? Let me read further:

The necessity for such legislation is shown by the fact that 19 States have enacted laws forbidding this particular form of discrimination within their borders. These State statutes have practically all been enacted in the last few years, and most of them in the years 1911, 1912, and 1913. It is important that these State statutes be supplemented by additional legislation by Congress, for it is now possible for one of these *great corporations*—

Not the corner grocery, not the shoemaker, not the little fellow my friend from Montana fears, but *great corporations*—

doing business in not only the 48 States but throughout the world to lower the prices of its commodities in a particular State—

Not at one corner in a town, not at the forks of the road in the country, not at one place, but—

to lower the prices of its commodities in a particular State and sell within that State at a uniform price in compliance with State laws, and thereby destroy the business of all independent concerns and competitors operating within the State.

Does that mean little concerns, or does it mean an institution that does business over this round earth, that collects its toll under every sun in every clime, and out of the gigantic revenues thus gathered recoups itself for the loss it incurs when it puts down the price of a product in an entire State, thus complying with the laws of the State which prevent a price discrimination, yet crushing out and driving to bankruptcy business concerns in that line of trade in the entire State? Does the Senator from Montana still insist that we are dealing with the almost innocent practices of little concerns? Let me read further:

The loss incurred by such *gigantic effort* in destroying competition can be more than regained by general increase in the prices of their commodities in other sections. In fact, complaint has been made to your committee that efforts have been made by *certain great corporations engaged in commerce in some of the States which have enacted statutes forbidding such discrimination to circumvent the State laws by the methods above described. In seeking to enact section 2 into law we are not dealing with an imaginary evil or against ancient practices long since abandoned, but are attempting to deal with a real, existing, widespread, unfair, and unjust trade practice that ought at once to be prohibited in so far as it is within the power of Congress to deal with the subject. This we think is accomplished by section 2 of this bill.*

What says the committee? Powerful combinations now follow this practice; powerful combinations now put down the price of an article in an entire State in order to escape the State statutes which prohibit discrimination; powerful combinations are now destroying rivals in entire States; powerful combinations now are able to collect their tolls around the world, while they starve to death by unfair methods the business of competitors of a vast Commonwealth.

Such is the situation. It is not the trifling affair my friend from Montana sees. The trouble with the Senator is he has reversed the telescope. He thus sees world-wide combinations, giants of the commercial field, transformed into pigmies. Let him turn the instrument around, or, if he chooses, let him look through his own clear eyes, and he will once more behold the vision which inspired him when he thundered from the platform of his State against monopoly and pledged his powerful influence to its extermination. I also entertain the hope that he will conclude that the criminal penalties ought to be put back into this bill, even if he regards my speech as harsh and offensive.

Let me say to the Senator that my lifelong misfortune has been a total inability to employ that polite language of diplomacy to which the ears of the sensitive are attuned. In speaking of a spade, I have never been able to refer to it as "an instrument of agriculture, employed in the cultivation of flowers," nor can I describe a serpent as "a beautiful, glossy creature that glides in graceful sinuosities through the verdant grass." That sort of language is quite outside my talent. I was never able to call the one anything but a spade nor the other anything but a snake. Neither can I discuss a bill denuded of criminal penalties that substitutes the sympathetic administrations of a commission for the verdicts of juries and sentences of courts in the parlor vernacular to which the Senator from Montana is doubtless accustomed.

Mr. President, I have read from the committee's report; I have read from the President's message; I have read from the speech of notification delivered by the eloquent Senator from Kentucky [Mr. JAMES]; I have read the President's reply; I have read the report of the committee, all of which sustain my demand that the criminal penalties should be restored.

I might rest my case here; but it does me good at the present moment to transport myself back to those days when from the housetops the prophets of Democracy thundered against the evils of monopoly. Only a few of them can I refer to, but their words come to me like sweet music. I love them as a man adores the scenes of his childhood. I esteem them because they are a part of my faith, a part of the old Democratic creed. I turn to them because they have been our slogan. I have marched to battle with them ringing in my ears. I have seen my party go down to defeat for 5 and 10 and 20 years—aye, since my boyhood—believing that if we contended long enough, if when disaster came we did not despair, but upon the stricken field set up again the old standard, if we really remained steadfast champions of principle, if we were willing to suffer unto the end, some day, in God's kindly providence, the bright sun would shed its glory upon our victorious banners. I fondly dreamed and hoped when that day came I would have the pleasure of writing Democratic laws every sentence of which would be a sword piercing even to the dividing asunder of the soul and body and joints and marrow of the great monopolies that have so long oppressed the common people of this land. So I love to go back and read. Here is an old Democratic handbook. It contains a speech delivered on March 17, 1908, by Mr. FLOYD of Arkansas, who is one of the House conferees on this bill. Mr. FLOYD began by quoting at length from the Democratic platform of 1908, as follows:

TRUSTS AND UNLAWFUL COMBINES.

We recognize that the gigantic trusts and combinations designed to enable capital to secure more than its just share of the joint products of capital and labor, and which have been fostered and promoted under Republican rule, are a menace to beneficial competition and an obstacle to permanent business prosperity.

A private monopoly is indefensible and intolerable.

Individual equality of opportunity and free competition are essential to a healthy and permanent commercial prosperity, and any trust, combination, or monopoly tending to destroy these by controlling production, restricting competition, or fixing prices should be prohibited and punished by law. We especially denounce rebates and discrimination by transportation companies as the most potent agency in promoting and strengthening these unlawful conspiracies against trade.

Said this great Congressman, this conferee:

Now, let us turn to the consideration of practical remedies. In order that we may provide appropriate remedies for any evil, we should first analyze the same and ascertain the nature, character, and extent of such evil. Brushing aside the glow of inflammatory declamation and pyrotechnical denunciation and considering the question in the light of logic and cold facts, this analysis becomes exceedingly plain and simple. The conditions complained of in the President's message and the evils resulting therefrom may all be classed under one general head of "conporate abuses." These corporate abuses may be divided into three general classes, namely: Abuses resulting from law violations, abuses arising from absence of or lack of proper laws of restraint, and evils resulting from bad laws.

I call especial attention to the fact that at that early day this great Democrat, one of the most incisive reasoners of our party, had determined in his own mind that there were trust abuses arising from lack of proper laws. He continues:

First, I desire to call your attention to abuses resulting from violations of existing laws by the directors, agents, and officers of corporations who control their management.

The remedy for this class of evils is to punish offenders for violations of the law. If the penalties now prescribed are not severe enough to restrain the wrongdoers, amend the law and fix heavier penalties. I have no objection to imposing a fine upon the corporation also. This, however, should not be used as a reason or excuse for allowing the guilty agents to go free. Nor have I one particle of sympathy with that sentiment that excuses the subordinate for the violation of law committed in obedience to the commands of his chief or some other high officer of the corporation. I think that every man, however humble his position, ought to be made to understand and know that the mandates of the law of the land are higher than the mandates of any corporation chief, however great his wealth or however powerful his influence.

That is one of the clearest and most logical answers that has ever been made to the claim that when we seek to punish trusts we may inflict a penalty upon some subordinate.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER (Mr. OVERMAN in the chair). Does the Senator from Missouri yield to the Senator from Idaho?

Mr. REED. I do.

Mr. BORAH. I ask the Senator from whom he is reading.

Mr. REED. I am reading from Judge FLOYD, one of the conferees. I continue to read:

I therefore insist that every officer and agent of a corporation, be his position high or low, who willfully violates any of the provisions of existing law, should be made to suffer the penalties prescribed for such offense. A few conspicuous examples of rich men in the penitentiary or in the common prisons would do more to break up this species of evil than a hundred $29,000,000 fines imposed upon the corporations themselves.

"Applause," says the RECORD. It was well that applause should come. It was the response that the hearts of the hearers gave to brave words.

If it was true then that the enforcement of criminal penalties would do more than the levying of a dozen $29.000.000 fines, why should not these evils, which you have denounced as being the practices of great corporations and which you have declared are employed to despoil entire States, be punished to-day in the same way? When did we conclude to lay down the "whip of scorpions" and to begin feeding these institutions with the "milk of babes"?

Mr. President, we had the same Sherman law then we have now, as has been suggested by the Senator from Mississippi [Mr. VARDAMAN].

Mr. President, I observe that there are at present five Republican and five Democratic Senators in the Chamber. Only one of the conferees has remained to listen. I am not even permitted to talk to the "deaf ears of the adder." The exodus to the cloak room I do not regard as an expression of personal dislike. I take it gentlemen who intend to support the conference report do not enjoy my line of argument. However I shall continue to read some more Democratic doctrine even though I indulge in a solitary soliloquy. Said Mr. FLOYD:

Second, I desire to call your attention——

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Idaho?

Mr. REED. I do.

Mr. BORAH. Perhaps if the Senator from Missouri began to read from the Republican textbook his associates would come in.

Mr. REED. I do not know what would bring the Republicans in, because it is not the record that any Republican ever waited and listened to me clear through. Of course there are a class of Republicans, a few of them, earnest believers in the doctrine of putting trusts out of business in order that human beings may enter business who can remain, and among that number I class the Senator from Idaho [Mr. BORAH]. He has a somewhat distinguished record as an advocate of trust elimination, and I might include, I think, all the other Senators on the other side of the Chamber who are now here. I do not observe that the "standpat" portion of the organization is at all in evidence.

Mr. VARDAMAN. Mr. President——

The PRESIDING OFFICER (Mr. SWANSON in the chair). Does the Senator from Missouri yield to the Senator from Mississippi?

Mr. REED. I do.

Mr. VARDAMAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll and the following Senators answered to their names:

Borah	Kern	Owen	Smith, Md.
Bryan	Lane	Page	Smith, S. C.
Burton	Lea, Tenn.	Penrose	Swanson
Camden	Lee, Md.	Perkins	Thornton
Chamberlain	Martin, Va.	Reed	Vardaman
Chilton	Martine, N. J.	Root	Walsh
Clapp	Myers	Saulsbury	Warren
Culberson	Nelson	Shafroth	White
Fletcher	O'Gorman	Sheppard	
Gronna	Overman	Smith, Ariz.	

The PRESIDING OFFICER. Thirty-eight Senators have answered to their names. There is not a quorum present. The Secretary will call the names of absent Senators.

The Secretary called the names of the absent Senators, and Mr. JOHNSON, Mr. MCCUMBER, and Mr. POINDEXTER answered to their names when called.

Mr. MARTINE of New Jersey. I am requested to state that the Senator from Arkansas [Mr. ROBINSON] is detained from the Senate on account of illness.

Mr. SIMMONS, Mr. STERLING, Mr. WILLIAMS, Mr. JONES, Mr. GORE, Mr. SHIVELY, Mr. MCLEAN, and Mr. HUGHES entered the Chamber and answered to their names.

The PRESIDING OFFICER. Forty-nine Senators have answered to their names. A quorum is present. The Senator from Missouri.

Mr. REED. Mr. President, I must give expression to the regret I feel that the somnolence of the cloakroom was so rudely interrupted by the roll call, and that Senators were unnecessarily inconvenienced by being obliged to make the round trip from the cloakroom to the Senate Chamber and back again. I trust they are again enjoying the sweets of complete repose.

I am about to read further from the remarks of Mr. FLOYD. You will notice that he has discussed the enforcement of existing statutes by criminal penalties, strongly advocating the application of the merciless lash of the law to the backs of the offenders. He proceeds:

Second. I desire to call your attention to corporate abuses arising from the absence of laws on the statute books to properly prohibit and restrain directors, officers, and agents of corporations from doing things which are unfair, unjust, and morally wrong, to the detriment of the public in the organization of and in the conduct and management of their corporate affairs.

The remedy for all such abuses is to enact new laws to prohibit and restrain the wrongdoing, to fix adequate penalties for their violation, and to rigidly enforce such laws against all offenders.

After discussing the tariff a while and the fact that the trusts operated under the tariff law and despoiled the public by monopolistic practices, he adds this:

Such is our exact condition to-day. The American people are ground down, as it were, between two millstones, and the wealth of the Nation is rapidly, rapidly aggregating into the hands of a few. Who can gainsay it? The high tariff keeps out the foreigner; he no longer competes. The trust unites all concerns engaged in any one particular line of industry under one head or management, thus and thereby eliminating domestic or home competition, and in consequence thereof the American laborer, the American farmer, and all the great consuming classes of whatever vocation or calling are compelled to pay for every article of food or raiment of necessity or comfort the arbitrary and extortionate price fixed by the trust.

Mr. President, it is refreshing once more to hear the names of the farmer and the laborer. I wonder if we were to assemble the people of the United States, the farmers and the laborers, and to take a referendum vote upon the one question, Shall the criminal penalties be restored to the Clayton bill or shall they not be restored? what the answer would be. Do any of you Senators doubt what it would be? Not one man out of a hundred would fail to vote for the criminal penalties.

I still entertain the old-fashioned notion that I am here in a representative capacity and that in part I represent the people of my State. I may do so poorly and inefficiently, but I do the best I can. I know that if we had a referendum vote on this proposition to-day there would not be enough votes cast in the State of Missouri against the restoration of the criminal penalties to make it worth while to count them. The people in my section of the country do not change in a moment, in the twinkling of an eye. They have been taught for a quarter of a century the evils of trusts and combinations; they have experienced the evil results. The Democratic Party has been promising them, if it ever obtained control, that it would enact criminal penalties and enforce them, and that it would also enforce those now upon the statute books. So far as I am concerned, the only power on earth that can instruct me to turn my back on that long record of pledges is the people of my own State; let others vote as they see fit.

But I continue to read, as follows:

The Cotton Thread Trust, or that concern which has gained control of all the spool cotton thread manufactured in the United States, last summer sent an agent to Bentonville, Ark., a town in my district of about 3,000 inhabitants, with many thriving merchants who have always competed with each other for business and for trade, to notify all these local merchants to raise the price of spool cotton thread to 6 cents per spool. Some of the merchants had been selling it at 5 cents per spool. One of the most prominent firms in town refused to comply with the demand, claiming the right to sell their goods at any price they saw proper to charge. The trust agent returned to the East, and in a few days this firm received a letter from the headquarters of the trust stating that unless they raised the price of spool cotton thread to 6 cents per spool no more spool cotton thread would be shipped to their firm. Feeling indignant at such treatment, this local firm replied that they had never purchased any goods from the firm making this unreasonable demand upon them; that they purchased all their spool cotton thread from a wholesale house doing business in their own town, and that they would continue to sell cotton thread at 5 cents per spool.

In a few days the wholesale house referred to received a communication from the agent of the trust forbidding them to sell any more spool cotton thread to this recalcitrant firm, and warning them that if they did so no more spool cotton thread would be shipped to the said wholesale house. Yet this is free America under the reign of the trusts.

Proceeding, the learned and eloquent gentleman had this to say:

I tell you that the principal source of these evils is in the system and in the condition of our laws rather than the result of wrongful acts of individual men.

Rockefeller, Rogers, and Harriman will pass like all mortals must pass in this transitory world, but when these imperious Cæsars are dead and turned to clay others will rise up in their stead and do the same things that their fathers have done *until we change and modify existing laws, until we make new laws to prohibit and restrain corporations from further acts of oppression*, and until we make laws to

suppress evils that are inherent in and the inevitable outgrowth of our present trust-controlled industrial and commercial systems.

* * * * * * *

The corporation is a creature of the law. A trust is a great corporation or a combination of corporations, and, hence, likewise a creature of the law. Neither the corporation nor the trusts have any inalienable rights. What the law creates the law can destroy, or can regulate, control, or restrain within limits. This should be done by the State if the corporation is acting within the exclusive jurisdiction or control of the State, and by the National Government if acting within the scope of Federal authority. If the lawmaking power in the State or in the National Government neglects or refuses to do its duty, the ultimate remedy rests with the people.

Always the talk is about more laws, new statutes, new remedies against the trusts. Rightfully and wisely and bravely this great Congressman said:

If the lawmaking power in the State or in the National Government neglects or refuses to do its duty, the ultimate remedy rests with the people. In that event it is for the people to rise in revolt against their own leaders and hurl from power any party that favors or fosters legislative policies which operate to give special privileges to the rich against the poor. Yea, more!

It is for the people to rise up in their sovereign might and strike down any man, regardless of party, who stands for legislation in favor of the classes as against the masses.

Here are practices which, according to the report of the Judiciary Committee of the House, indorsed by the report of the Judiciary Committee of the Senate, are now and for years have been in vogue. They are the devices by which a great concern enters a sovereign State, reduces the price upon an article in that entire State, doing it for the purpose of destroying local competition. It tramples upon the large as well as the small concern. It puts out of business alike the great corporation and the private individual. It rides all to the death. And then, having destroyed all its competitors, it levies spoil in every home of the land. For such a corporation and for such piracy, what remedy do you by this bill provide? The culprit is to be invited before a commission, and, after a long hearing and inevitable and great delay, he may finally be told, "Really, now, you must stop; but you can keep all the loot you have accumulated." The eloquent Congressman declared:

It is for the people to rise up in their sovereign right and strike down any man, regardless of party, who stands for legislation in favor of the classes as against the masses.

What think you the people will say of this legislation? Is not this kind of legislation favorable to the classes? Let us look at it by comparison. I read the other day in a newspaper of this city that a man in the State of Delaware had been tried, convicted, and imprisoned for two months for stealing a pint of milk; but here is a law that proposes merely to reprimand those who plunder entire States. The pint of milk case was brought under a law that applied to the masses, to the little fellow, to the common man, to the individual; under it the theft of a pint of milk could be punished by a long term behind prison bars; but for the great monopolies that despoil entire States you provide no penalty save this gentle decree of a board, "Go thou and sin no more." What would have been the thunderous note of this great Congressman if the Republican Party had enacted a similar law? What would be the answer of the people? I continue to read:

I have already submitted to you the Democratic position upon the trust question—

Which you will remember was a penitentiary sentence, which the distinguished gentleman said was more effective than 10 $29,000,000 fines—

I have already submitted to you the Democratic position upon the trust question. I insist it is the only correct position, and must ultimately triumph.

It did triumph in the election of 1912, two years ago. I continue to quote:

Fellow Democrats, let us rally to the fight with renewed energy. The Republican Party has utterly failed to deal successfully with the trust evil. This special message of the President is tantamount to a confession of that failure. The relief of the people from present bad conditions can only be secured through Democratic success. The war is on for industrial supremacy in this country, and the Republican Party is closely allied with the trusts. The issue is sharply drawn between plutocracy on the one hand, and Democracy, or the people, on the other. The insolence and oppressions of the greatly rich and the disasters resulting from a widespread money panic make conditions ripe for a change in the national administration.

But let no one imagine that such a contest can be easily won. Those who would combat these forces of error with their millions of hoarded and ill-gotten gold, with their tens of millions of allies and hired emissaries, should have the zeal of martyrs and the courage of true patriots.

I summon you, ye gallant spirits of 1910, now to battle with these gigantic concerns; and, as we approach them upon the field, I charge you, as did the eloquent Congressman, that the spirit of the martyr and the zealot should be with you at this hour, and that you should strike, strike, strike until the last enemy of industrial liberty has been driven from the fields. The conferees turn a deaf ear to my appeal, the cloakroom reverberates with the snorings which seem to say: "Deal with the monopolist gently, kindly, mildly, tenderly; for him no prison stripes, no horrid jail in which the reluctant light serves only to expose the gloom, nor shall there be the smell of prison damp upon his costly raiment; the law and all its terrors for the poor, the weak, the common man, the individual who makes the mistake of stealing but little; for him the felon's gyves. But for the plunderer of States the sweet injunction, 'Go and sin no more.'"

Where now is the spirit of martyrs? Look and you will find it in the starless night of the mine, where men moil and toil that they may bring forth a pittance for the sustenance of wife and child. Behold it exemplified in the spirit of the man who, swinging upon a crane high above the earth, perils life and limb each moment of the day that he may keep his children in the public school. The spirit of the martyr! Look, again you may behold it exemplified on farm and field, where men in sun and storm toil on through the long days that they may gain a livelihood for those they love. But in this Chamber I do not find much of a disposition to die that other men may be free, or to suffer that these wrongs may be wiped out. I can not even find a disposition to grant such respite as the law may give. I see no stalwart soldiers here, with poised lance and burnished shield, ready for the wild charge of death; rather those who propose negotiation and kindly ministrations which do not even offend the lordly and the great.

I read on:

This is no new fight. It is the old, old struggle of the ages. It is the struggle of the greatly rich seeking to gain and maintain privileges by law, or tolerated under the law, opposed and resisted by the masses constituting the great body of the people. The issue plainly stated is whether the combines and trusts shall control the Government or whether the Government shall control the combines and trusts.

In such a contest and on such an issue the Democratic Party can and of right ought to win. It has ever been the enemy of plutocracy and special privileges. It has ever been the friend of the poor and oppressed. It has ever been the champion of equal rights and equal opportunities.

The prospects for Democratic success were never brighter. President Roosevelt has split the Republican Party on the trust question, as President Cleveland during his second administration split the Democratic Party on the money question.

How did Roosevelt split the Republican Party on the trust question? He split the Republican Party when he went over to the leadership of George W. Perkins, of the Harvester Trust. He split the Republican Party when he directed the Attorney General not to prosecute that trust. He split the Republican Party when he took gold from the great trusts for political uses. He split the Republican Party when, at the dictation of Perkins and Gary and men of that ilk, he sent a message here to Congress proposing that we handle the trusts through commissions. Thus Roosevelt split the Republican Party. His message declaring that there were "good trusts" and advocating regulation by commissions instead of prison sentences imposed by courts became the epitaph of the Republican Party. That message struck harshly upon the ears of the people. For a time the people inclined to forget or to overlook the monstrous proposition; but when they came to couple that message with certain extraneous facts their opinion began to form. The opinion of the best element of the Republican Party also began to form. Then arose that opposition which culminated in a revolt that is still represented in this Chamber by a few gallant men who refused "to bow the knee to Baal."

I continue to read:

All that we have to do in order to win is to unite all our forces and stand firmly and unalterably by the time-honored principles of Democracy, and millions of patriotic Americans, to whom these principles are ever dear, will rally to our support in this great civic conflict and will crown our efforts with a glorious victory.

I paraphrase those words: All the Democratic Party has to do to remain in power during the lifetime of every man in this body is to go boldly forward, to turn neither to the right nor to the left, to redeem its platform pledges to their letter, to show the world that at last there is a party that can look a thousand million dollars in the face unflinchingly and treat it as it would treat the pennies of the poor.

Mr. President, I have taken thus long to read this great speech. It was a great speech. Every word of it thrilled my heart as I read it four years ago, when I was gathering material for a campaign. It was to me a bugle blast summoning to battle. Very recently, Mr. President, this able Representative and associate conferees of the House were still standing firmly for criminal penalties. They came here with a bill full of criminal penalties. The Senate struck out many of the sections of the bill. The House conferees insisted upon putting the substantive provisions back in the bill, but the criminal penalties are not there. Who is responsible? I do not know.

When this bill was under discussion in the House Mr. FLOYD said (I read from page 10409 of the RECORD for June, 1914):

The purpose we had was to make it clear that, when a corporation had been guilty, those officers, agents, and directors of the corporation that either authorized, ordered, or did the thing prohibited should be

guilty. Under the existing law, and without that provision of the statute, the person who did the things would undoubtedly be guilty; but in the enforcement of the criminal provisions of the Sherman law, experience has demonstrated that both juries and courts are slow to convict men who have simply done acts authorized or ordered by some officers of the concern higher up, and the words "authorized" and "ordered" were introduced to reach the real offenders, the men who caused the things to be done; and if the language is susceptible of any ambiguity and is not clear, we desire to make it clear. I will state to the gentleman that we intended to give agents and officers a trial, and we do not mean that the guilt of the corporation shall attach to them without trial; but in order to obtain a conviction, it will be necessary for the Government to charge them specifically with authorizing, ordering, or doing of the thing prohibited, and, on proof, convict them.

Why, here was an advocacy, and a very proper advocacy, of the punishment of the officers of a corporation. Here was the explanation offered on the floor of the House with reference to this very bill, that it did not stop at the punishment of the corporation, but proposed to reach every officer of the corporation who had authorized an illegal act to be done. Singularly enough, that section remains in the bill, but the word "penal" is inserted; so that only the officers who have authorized *penal* acts can be held. Now, note that all the penal sections have been taken out of the bill so far as they apply to trusts and monopolies. Hence the section as to the officers of trusts is a dead letter; it means nothing.

Now, Mr. President, a quotation from the author of this bill, Mr. Clayton, who has since been elevated to a high position on the bench, who was retained as a Member of the House, it was understood, for some weeks while his appointment was pending in order that he might perfect this very bill. His views on this particular bill and upon the subject generally are of importance. He was the gentleman selected to notify Mr. Bryan in 1908 of his nomination. I shall quote only briefly. After reading the platform, which I have already put in the RECORD, Mr. Clayton said:

We know that our party, platform, and candidate stand for the best interests of all the people. We know that success is deserved. We believe that our party and candidate, animated by the wisest and most patriotic purposes, will achieve victory in November. On no political issue is the platform a straddle or evasion, and its every declaration squares with the principles of old-fashioned Democracy. It is essentially a Democratic instrument, preserving and applying the faith of the fathers to existing conditions. * * *

It is equally gratifying that there is nothing in the platform calling for apology. There is nothing that you would avoid or run away from. There is nothing omitted that you need supply by giving your individual views. In these respects you have a tremendous advantage of your Republican opponent.

Mr. Bryan replied to that address at the time, from which reply I desire to read a few words. After quoting at length from Mr. Taft's speech, in which Mr. Taft had described the deplorable conditions existing, Mr. Bryan said:

Mr. Taft says that these evils have crept in during the last 10 years. He declares that, during this time, some "prominent and influential members of the community, spurred by financial success and in their hurry for greater wealth, became unmindful of the common rules of business honesty and fidelity, and of the limitations imposed by law upon their actions"; and that "the revelations of the breaches of trusts, the disclosures as to rebates and discriminations by railroads, the accumulating evidence of the violations of the antitrust laws, by a number of corporations, and the overissue of stocks and bonds of interstate railroads for the unlawful enriching of directors and for the purpose of concentrating the control of the railroads under one management"—all these, he charges, "quickened the conscience of the people and brought on a moral awakening."

Then Mr. Bryan notes the fact that during all of this time the Republicans controlled every department of the Government, and adds:

Why were these "known abuses" permitted to develop? Why have they not been corrected? If existing laws are sufficient, why have they not been enforced? All of the executive machinery of the Federal Government is in the hands of the Republican Party. Are new laws necessary? Why have they not been enacted?

And so forth. Then he makes this statement:

So long as the Republican Party remains in power it is powerless to regenerate itself. It can not attack wrongdoing in high places without disgracing many of its prominent members, and it, therefore, uses opiates instead of the surgeon's knife.

"It, therefore, uses opiates instead of the surgeon's knife." What is this bill, with the criminal sections gone, with all punishment taken out of it, so far as trusts are concerned? Is it a method of using opiates? Surely it is not the surgeon's knife.

I read on:

Its malefactors construe each Republican victory as an indorsement of their conduct and threaten the party with defeat if they are interfered with. Not until that party passes through a period of fasting in the wilderness will the Republican leaders learn to study public questions from the standpoint of the masses. Just as with individuals "the cares of this world and the deceitfulness of riches choke the truth," so in politics, when party leaders serve far away from home and are not in constant contact with the voters, continued party success blinds their eyes to the needs of the people and makes them deaf to the cry of distress.

Mr. President, rightly construed, that platform, that speech of notification, and that reply outlined the policy of the Democratic Party at that day to be one of extermination of trusts and monopolies.

I want to read now briefly from the language of others of the conferees when they took this bill before the lower House of Congress and asked for and obtained the overwhelming vote in favor of the bill with the criminal sections in it which the Senator from Montana failed to mention.

Mr. WEBB gave a very lucid and distinct analysis of the bill. I can not reconcile it, however, with the new doctrine promulgated by the Senator from Montana, who says that we are not engaged in antitrust legislation at all; that we are simply trying to reach some little practices that do not hurt much. Mr. WEBB said this:

The Democratic Party in their convention in 1912, among other things, declared in favor of supplemental legislation to the now existing antitrust laws, such as prevention of holding companies, interlocking directorates, discrimination in price, and so forth. The Judiciary Committee, in obedience to that plank in the platform, for the last four or five months have sat patiently and diligently in an effort to present to this House some bill which would carry out the reasonable demand found in that platform. It is proper to say, gentlemen, that the committee has dealt with this question faithfully, conscientiously, and studiously. For nealy four months the entire membership of that committee, or as many as could attend, sat and listened to witnesses from all parts of the United States on proposed or tentative bills. The subcommittee spent much time and great patience in trying to present a bill which would remedy the evils that are almost universally complained of and at the same time unfetter and unshackle legitimate business in the United States.

And the remedies in every instance were fine and imprisonment.

Mr. WEBB continued:

The President has never at any time suggested or demanded that no amendment should be added to this bill. He has never at any time suggested that this bill should be put through as it is presented here to-day.

He has acted as any other great Executive should act who is anxious about the good of his country, about the unshackling and protection of honest business, and about the restraint and punishment of unscrupulous business.

Find in this bill a word providing for the punishment of unscrupulous trust business. You can not. It was all taken out.

Mr. WEBB continued:

The President has not said that no amendment shall be offered or adopted to this bill. He has simply said that the general provisions of this bill meet his approval.

If the President said that the general provisions of this bill, then drawn and laid before the House of Representatives, met his approval, and if the bill at that time contained criminal penalties for every one of these trust practices, will some one tell me what right the Senator from Montana—who now honors me by his absence—had to charge that I was attacking the Democratic Party, when, by the word of one of the leading conferees, Mr. WEBB, uttered as late as the 23d day of May, 1914, the bill at that time, surcharged as it was with penal provisions, had the approval of the President? What right has any Senator to stand upon this floor and make charges such as were made here this morning, namely, that I was attacking the Democratic administration, when I am only insisting on putting back in the bill the provisions that the House conferee, Mr. WEBB, said had been approved by the President? If the President now occupies a different ground, I do not know it; and I challenge the right of any man to stand here and say that he represents the President and is authorized to declare that he has changed his position since the 23d day of May, 1914.

Mr. WEBB described the bill. His address was one of analysis of the terms of the bill rather than comment. It was a very lucid statement—as, indeed, is every statement that comes from the lips of Mr. WEBB, a very competent lawyer and a very excellent gentleman. In discussing section 2 he states:

The violation of this provision subjects a person to a fine of not exceeding $5,000 or to imprisonment not exceeding one year, or both.

And, mark you, that provision had the approval of the President on the 23d day of May, 1914, according to the statement of Mr. WEBB.

Mr. OLIVER. Mr. President, I rise to a point of order. I wish to inquire whether it is in order for a Senator to quote the language of a Member of the other House?

Mr. REED. Mr. President, I am astounded that the Senator or anybody else thinks I am out of order in reading from the CONGRESSIONAL RECORD upon the floor of Congress.

Mr. OLIVER. That was my impression, although——

The VICE PRESIDENT. There is nothing in the rules upon the subject. Jefferson's Manual has held that it is improper to criticize the language of a Member of the other House.

Mr. REED. But, Mr. President, I am not criticizing. I am commending. I am eulogizing. I am stamping my approval upon what these gentlemen have said. I am appealing to the Senate out of their eloquent lips. I am asserting, as better reasons than I can advance, the reasons they have given. I am as highly complimentary as it possible for me to be. I could add greater praise only if the Lord should touch my faltering

tongue with the flame of genius. As matters stand, I am doing the best I can to pronounce a suitable encomium. I read on:

The necessity for legislation of this character is apparent—

That is, the necessity for a prohibition with a criminal penalty, for that is what the House had done.

The orator continued:

Discriminating in price is a bludgeon which *the trusts have often used to put competitors "out of business." For the last 20 years this practice has been one of the handmaids of monopoly, the advance guard of an army of arbitrary methods, which has injured and destroyed the business of thousands of smaller concerns.*

The violation of this section subjects the person violating it to a fine of not exceeding $5,000 or a punishment not exceeding one year's imprisonment.

And that criminal provision had the O. K. of the President, according to the statement of this distinguished Congressman, whose word no one will challenge. The practice was 20 years old. It was a bludgeon used by trusts to put down a little or a weak concern. The Senator from Montana, who is not here, would probably even yet deny that this bill was designed to deal with trusts and monopolies. He doubtless would asseverate that we are engaged in the petit larceny business of hunting field mice while lions and tigers roam at large.

Mr. WEBB continues:

You will find that the evil in selecting customers is not in the mere selection of customers, but in the selection of a customer on condition that that customer will not sell a competitive article. We destroy the right to do that and make a person guilty of crime if a trust undertakes to sell an article to a merchant on condition that that merchant shall sell no competitive article.

Again the criminal penalty. Again the prison walls loom before the eyes of the gentleman who engages in the practice of tying contracts. Again before his vision is presented the striped suit and the long line practicing the lock step. According to the statement of the distinguished Congressman on May 23, 1914, the President demanded, or at least approved, that method of handling trusts.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Nebraska?

Mr. REED. I do.

Mr. NORRIS. Assuming that the President was properly quoted—and I do assume that, because I know Mr. WEBB would not have said that if it were not true—does the Senator think the President, holding the same view still, as I understand the Senator does assume, and we have a right to assume, because he has not notified Congress of anything to the contrary, would approve this bill if we passed it in its present form?

Mr. REED. Mr. President, the question is not exactly a fair one to put to me under the circumstances. I think my friend the Senator from Nebraska intends fairly. He is one of the fairest and best men I have ever met. But the President of the United States must settle that question when it comes to him. What I am inveighing against is the broad innuendo if not the charge of the Senator from Montana, that because I dare criticize this bill in its present emasculated, expurgated, enervated, disemboweled condition, I thereby attack the policies of the President.

I have established the President's position to be in favor of the doctrine of personal responsibility and criminal penalties by his speech before the American Bar Association, delivered in 1910. I have established the President's position by his speech of acceptance in the summer of 1912. I have established his position by his message to Congress on the 20th of January, 1914. I have established his position on the 23d day of May, 1914, by the quotation I have made from the remarks of the distinguished conferee, Mr. WEBB, and now I turn again and challenge anyone to rise on this floor and say, representing the President, that he has changed since May 23.

Mr. WEBB very distinctly points out the object and purpose of this legislation. I pause to remark that it is diametrically opposed to the contention of the distinguished Senator from Montana, who says that because he does not like my speech he is going to vote for the bill, although he knows it ought to be recommitted—a reason which, by the way, classes him in the matter of fairness and logic with that illustrious gentleman immortalized by Shakespeare, who being asked why he pursued his grudge against Antonio replied:

Some men there are love not a gaping pig;
Some, that are mad if they behold a cat.
As there is no firm reason to be rend'red
Why he can not abide a gaping pig;
Why he, a harmless necessary cat;
So can I give no reason, nor I will not,
More than a lodg'd hate and a certain loathing
I bear Antonio.

In like manner does the Senator follow his dislikes.

Coming back to the text: Mr. BARTLETT, of the House, said to Mr. WEBB:

In what way does this section which you are now discussing change the law as it now is, as construed by the Supreme Court in the Tobacco case? Is it not a fact that one of the practices condemned by the Supreme Court in that case was the very thing that you now propose to prohibit?

Mr. WEBB replied:

The difference between this section and the Tobacco case is this: Under this section there may be a hundred different offenses which are condemned, whereas under the Tobacco case it took all of those offenses combined to make them guilty of a restraint of interstate trade under the Sherman law. We condemn the individual acts which lead to a restraint of interstate trade, whereas at present you must show a sufficient number of such acts of restraint to make such a restraint as the Supreme Court will declare illegal under the trust laws.

There is the well-stated reason for this legislation. I have already adverted to it on another occasion. To-day, when it charges a restraint of trade, the Government is obliged to prove facts which warrant the deduction not that a practice in some one community may have had a tendency to restrain the trade of some individual, but that the restraint is of such a nature as to put restrictions upon commerce generally. Under the section as passed by the House it was not at all necessary to prove a general restraint. It was sufficient to prove that an institution had suddenly dropped the price in the field occupied by a competitor; that it had kept the price up elsewhere; that there was no natural reason for the local reduction; thereupon a case would have been made out. Such a showing could ordinarily be made by a litigant without going beyond the borders of his own country for the facts, except, perhaps, to examine the books of the company in order to show the prices charged in other localities. The House was trying to reach the particular practice, to make it easy to secure a conviction upon proof that the particular practice had been followed. The House bill sought to relieve the litigant of the difficulty of proving a general restraint of trade or the existence of a general monopoly.

I illustrated the distinction the other day and I return to that illustration. A man is engaged in running an independent oil company and is selling oil in the eastern half of the State of Missouri. The Standard Oil Co. comes into that field and cuts the price of oil 2 or 3 cents below the cost of production. It does not cut the price elsewhere. The case comes on for trial. If this statute is upon the books, what follows? The independent dealer simply shows the price at which oil was selling. He shows the sudden and radical cut by the Standard Oil Co. He shows that it did not cut the price in the adjacent territory or State. He has made his prima facie case. If we had the law as it passed in the House, somebody would go to jail. Now, what happens to the Standard Oil? If the injured party proceeds under this bill, he must go before a commission. In all human probability six or eight months elapse before a decree. Then what? Then an appeal to the court of appeals, and another delay of months or perhaps years. Then what? Then an appeal to the Supreme Court of the United States, with another delay of months or years; at the end of all of which a decree is entered that the Standard Oil shall no longer continue to locally cut prices. But in the meantime, in the intervening years, the poor independent dealer has been bankrupted. The Standard Oil Co. has rid itself of a competitor, established a complete monopoly, and, so far as this bill is concerned, can not be punished even to the extent of the costs.

Mr. SMITH of Michigan. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Michigan?

Mr. REED. I do.

Mr. SMITH of Michigan. Directly in point with the statement of the Senator from Missouri, the American Sugar Refining Co. did go into the Middle West, where a company had been organized to produce beet sugar in competition with the refining company, and they did reduce the price of sugar below the general market price in that community, the effect of their action being to discourage the investment in the domestic factory and practically put them out of business. I think there are innumerable instances where large corporations have menaced development in various lines of industry by just that course.

I can not understand why there should not be a sharp and responsive remedy for a situation like that. It is harmful, discouraging, and tends to prevent the development of our domestic industries.

Mr. REED. Suppose we take the facts as given by the Senator and vary them slightly. Suppose a sugar company of moderate capital has already been organized in that community, and the American Sugar Refining Co. enters its trade territory,

wherever it has a customer, and undersells it. In the meantime the local sugar company complains to the commission. The practice goes one. The concern that is being attacked probably can not stand that kind of competition for six months without bankruptcy. At the end of three or four years the independent concern gains its contention in the commission and finally in the court. Then what happens?

Mr. NORRIS. Mr. President——

Mr. REED. In just one moment. In the meantime the concern has been killed; it is buried, and almost forgotten, and not a single penalty can be visited upon the trust that murdered it. There is not in this conference bill even a provision for the assessment of the costs against the American Sugar Refining Co. that we are now using in this illustration. Immediately, after having succeeded in crushing that rival, without any penalty following, the Sugar Trust can go into any other trade territory, repeat the operation, and continue to kill its antagonists until the end of time and escape without the payment of any penalty. And you call that antitrust legislation! I yield to the Senator from Nebraska.

Mr. NORRIS. I was going to say to the Senator that in the instance given by the Senator from Michigan [Mr. SMITH] I think the facts were as the Senator from Missouri modified them. They did this at a time when their rivals in that particular community, some beet-sugar companies, had borrowed a whole lot of money and were required to pay it at the time when they were accustomed to sell their sugar. They ran the sugar in all through the Middle West there and sold it below cost, so that their rivals were unable to sell their sugar, or, if they did, they had to sell it at a great loss. In either case it meant bankruptcy, and the result was—I think that is the case—the American Sugar Refining Co. began to buy up the beet-sugar companies. They bought some at that time. If I am not mistaken, they had them right up against a condition the effect of which was that they were unable to sell their product to meet their obligations.

Mr. SMITH of Michigan. The effect of the action was to discourage investors and diminish interest in the concern.

Mr. OVERMAN. Those acts, Mr. President——

Mr. SMITH of Michigan. If the Senator will pardon me, it costs about $600,000 to start a beet-sugar factory.

Mr. OVERMAN. I will ask the Senator from Missouri if he does not think that is in violation of the Sherman antitrust law?

Mr. REED. Mr. President, I have entered that particular rat hole and performed the office of a ferret in driving the animal out into the open until my skin is almost worn off.

Mr. OVERMAN. The Senator does not answer the question whether that is in violation of the Sherman antitrust law.

Mr. REED. I will answer that, in my opinion, it is in violation of the antitrust act, provided you can make a sufficient showing so that a court will hold that the act is a restraint of trade.

Now, if the Sherman Act covers just such a case as this we are discussing, it is absolutely idiotic to pass another law covering the same thing unless the new law, in addition to prohibiting the act already covered by the Sherman law makes conviction easier, which is just what this bill was intended to accomplish.

I have discussed at length, time and again, the proposition that the object of this legislation was to provide a new, short, and sharp remedy which the person injured could effectively employ without being compelled to prove that the defendant was a trust or that a practice complained of operated as a general restraint of trade. It was intended to limit the scope of the inquiry so that mere proof of some act or practice denounced by the bill would be sufficient to make out a case, whereupon the penalty of the law would follow.

That is the object of this legislation; that is what we have been sitting here all these weeks for; and now every time the bill as reported is shown to be innocuous, to be without virtue, to be without life, these Senators go back and say, "Well, you can get it under the present law anyway." That is begging the question; that is equivalent to saying that no legislation is necessary. If no legislation is necessary, then why are we considering this bill? If the Sherman law is all-pervading, if it touches at every point the oppressions of the trusts, if it is simple in its administration and easy of enforcement, then we need nothing else. It is upon the presumption, as the President has said in his message and as the committee said in its report and as the members of the committee have said in their speeches, that the Sherman law fails in some respects, that we formulated this legislation. Having formulated it, so far as the House was concerned, so that it filled the full measure of these demands, the conferees proceeded to emasculate it, to make it worthless; and every time one demonstrates its worthlessness the reply is, "Well, we did not need it anyway." If "we did not need it anyway," why are we creating it?

Mr. SMITH of Michigan. Mr. President, I think the Senator from Missouri will be quite willing to admit that whatever virtue the Sherman antitrust law has, it is universal in its application and has no pets or favorites, if it is properly enforced.

Mr. REED. That is the way every law ought to be drawn.

Mr. OVERMAN. May I ask the Senator from Michigan a question?

Mr. SMITH of Michigan. Certainly.

Mr. OVERMAN. Are you in favor of criminal penalties for tying contracts?

Mr. SMITH of Michigan. I am in favor of penalizing the violator of the law.

Mr. OVERMAN. I did not ask the Senator that. I asked him if he was in favor of penal criminal statutes being added to the tying-contract proposition?

Mr. SMITH of Michigan. As I said a moment ago, I am in favor of penalizing every violator of the law, and I would have no hand in the preparation of immunity baths either for the infant industry or for the giant octopus.

Mr. OVERMAN. And yet the Senator has not answered my question.

Mr. SMITH of Michigan. I think I have come very close to answering it. Perhaps the Senator from North Carolina is a little dense this afternoon.

Mr. OVERMAN. I am asking the Senator if he is in favor of a criminal penalty being added to a tying-contract proposition?

Mr. SMITH of Michigan. I know what the Senator is driving at. The Senator does not wish to have me apply my rule of law to the infant in its cradle; he wants an official doctor for the infant; he does not desire that we shall penalize the infant; but he has attempted by his legislation to prescribe the clothes that that infant shall wear at every stage of its existence, although he does not know whether it will tower like the giant or be cut off like a pigmy.

Mr. OVERMAN. Still the Senator has not answered my question.

Mr. SMITH of Michigan. No; I do not suppose anybody can answer the Senator's question. The Senator favors the immunity bath, the preliminary inquiry into the intention of the offender when it begins business. He would call him into a dark room, surround him by a few distinguished gentlemen, and ask him just what his intentions are.

Mr. OVERMAN. Would the Senator from Michigan send him to the penitentiary if he made tying contracts?

Mr. SMITH of Michigan. If he, by his contract, undertakes to restrain trade and foster monopoly, he violates the Sherman antitrust law and should be punished.

Mr. OVERMAN. Well, we have got plenty of remedies against the restraint of trade. Here is a clause of the Sherman antitrust law that would put such an offender in the penitentiary.

Mr. SMITH of Michigan. I know there is a clause in the Sherman antitrust law which, if enforced, affords all the remedy that is necessary to meet this situation; but the difference between my attitude and the attitude of the Senator from North Carolina is that he wants to bring these little offenders up in a warm room and see just how large they are to grow and just how humane their disposition and just how altruistic their purpose.

I would not cramp industry or development in that way; I would not cramp it at all. If the industry grows to its fullest fruition and respects the law under which it is permitted to grow, well and good; it will have no trouble with the Government. Corporations are useful and are quite necessary in our present-day form of conducting business and meeting the competition that is upon all sides; but they should not be permitted to make the laws nor to break the laws at any stage of their existence. This quiet little antidote for future activities which is prescribed by the Senator from North Carolina and his brethren may have a wholesome educational effect upon them; I do not know whether it will or not; but the Senator from Missouri [Mr. REED] propounded the very crux of that situation to the Senator from Montana [Mr. WALSH] this morning when he asked him to define, first, how offensive the institution should be before it would come under the scrutinizing eye of the court, and when it would graduate from the patronizing attentions of this commission.

Mr. REED. Mr. President, I ask the Senator from North Carolina if he believes that the Sherman antitrust law covers the practices denounced in this bill?

Mr. OVERMAN. It covers all of them that are in restraint of trade. I can not see why any of them which are in restraint of trade——

Mr. REED. The Senator says "all of them that are in restraint of trade." Does the Senator think that it covers all of them?

Mr. OVERMAN. There may be some acts for which men ought not to be put in the penitentiary, where they are innocent men.

Mr. REED. It is not a question of who ought to be in the penitentiary; but does the law cover——

Mr. OVERMAN. I think all cases where there is any restraint of trade whatever are covered by the Sherman antitrust law, which makes such an act a penitentiary offense, and a high authority, one of the great lawyers of the Senate, says we need no such legislation as this; that the Sherman antitrust law covers it all.

Mr. REED. Does the Senator from North Carolina so think?

Mr. OVERMAN. I rather think it does.

Mr. REED. Then, if the Senator so thinks, for what are we enacting this legislation?

Mr. OVERMAN. And I think the Senator from Missouri agrees with me.

Mr. REED. Then why were we held here through the dog days and on to the autumn frosts enacting a law that is already covered by the statutes?

Mr. OVERMAN. Does not the Senator from Missouri agree that every act which is in restraint of trade is covered by the Sherman antitrust law, and that a man violating that law can be put in the penitentiary? I ask the Senator that question.

Mr. REED. I have already answered it.

Mr. OVERMAN. Well, answer it now.

Mr. REED. I will answer, if the Senator will be patient. It is my opinion that whenever you can prove a restraint of trade it is covered by that act; but it is also my opinion that the difficulty of proving a general restraint of trade is so great that this legislation is necessary. I agree with the statement made by Mr. WEBB upon the floor of the House of Representatives that this legislation was undertaken for the purpose of providing a means by which we can bring the culprit to the bar of justice and secure a conviction by merely showing a particular act. We have, however, utterly destroyed the effectiveness of the bill, because where a case has been proven under it no penalty is visited upon the guilty party.

Mr. OVERMAN. I want to ask the Senator another question. He has tried to give us an instance where offenders ought to be sent to the penitentiary. I will ask the Senator if he has given us a single instance that would not have been, upon the very statement of the case, a restraint of trade? Neither the Senator from Missouri nor the Senator from Michigan has cited a single case where a restraint of trade was not involved.

Mr. REED. Mr. President, if that is true, if the position of the Senator from North Carolina is correct, that the Sherman law covers everything and that every act that is covered by this bill can be punished as a crime under the Sherman Act, we are enacting a farce here and not a law. The Senator argues too much.

Mr. OVERMAN. The Senator has not answered my question.

Mr. REED. This bill either has virtue in it or it does not have virtue. If it has virtue, it must consist of one of two things—it must either cover acts which are not covered by the Sherman law or it must provide a more speedy and convenient remedy.

Mr. OVERMAN. I challenge the Senator from Missouri to give me a case of discrimination in trade that is not also a restraint of trade and that does not come under the provisions of the Sherman antitrust law. He has not done so, and he knows he has not done so.

Mr. REED. I frankly say I have not done so; but when the Senator has argued that, he has argued himself out of court; there is no reason for his existence; he might as well never have been on the earth, so far as this particular legislation is concerned; and all that we are doing here is a hopeless farce.

I might concede that there is no restraint of trade that is not covered by the Sherman Act; I might concede that the acts denounced in this bill are all in restraint of trade—indeed, that was largely my argument—but I do not thereby concede that this may not be made a highly remedial statute, because it might afford the means to the litigant of proving a particular act and of obtaining a decree based upon that proof, instead of compelling him, as he is now compelled, to prove a general restraint of trade.

Now, let me illustrate to the Senator. Suppose we take the case of the sugar company, put by the Senator from Michigan [Mr. SMITH]. The Senator starts the work of building an independent plant. The sugar company comes in and cuts prices, and the Senator is put out of business; he realizes that he can not compete with them, and he quits business. If the Senator proves those facts and no more, to-day, under the Sherman Act, he would not have made a case, in my opinion, that could go to a jury or to a court. It would be demurrable; he would have to go further than that in his proof. Accordingly the Government in all of these cases where it is sought to show a restraint of trade has set forth the method of organization, the amount of capital; it has shown the tremendous power of the offending corporation; and it has been able to prove a general conspiracy to destroy a competitor and that such extraneous circumstances have made his destruction inevitable. It has to prove all of those things under the present condition of the law; but if this bill were enacted in proper form, you could make a complete case when you prove that the price was cut locally; that it was not cut elsewhere; that it was put at a figure so low that no profit could result but, indeed, loss must follow. Having proven those facts, the burden undoubtedly would immediately shift to the defendant; explanation would be necessary, and unless he could give it he could be convicted. The difference is one of procedure, largely. This bill did provide a means by which you could reach this class of offenders by a short cut.

What I complain of is that having gotten your "varmint" under this bill you can not do anything with him but turn him loose. You can say to the fox that has been robbing your henroost: "You are guilty; you must not come back to this henroost any more; but we will not penalize you; we will not singe a hair on your body; we will not turn you over to the dogs; we will not cage you; we will not do anything with you, but you must not come back to this particular hencoop. If you do, then we are going to do something terrible to you; we may send you to jail for disobeying our august order. But over there in the next field, at the next farmhouse, is another chicken roost; you can venture there in perfect safety until some one catches you and files a complaint, when we will have jurisdiction, and may again order you to 'move on.'" Of course if the Trade Commission should follow the fox around until he had plundered all the chicken houses in the world, he might then have to embark in other business. All this is fine for the fox, but what of the chickens?

Mr. OVERMAN. The Senator has given the most narrow construction to the Sherman antitrust law that has ever been given by any court.

Mr. REED. I have been contending for a wide construction of that law, and my utterances are here in the RECORD. I am sorry that the Senator can not see that this is a method of procedure that we are now endeavoring to enact, and that it affords an easy way to bring offenders to the bar of justice, but it is utterly inadequate when it comes to the matter of penalties. Let me illustrate. Here is a man arrested for larceny. Of course you must prove that he stole the goods. That can be done by direct or circumstantial evidence. Such proof was frequently hard to make. Finally it came to be the law that proof that the accused had in his possession goods recently stolen was sufficient; thereupon it became easy to secure convictions. But of what avail would be the presumption of guilt if the convicted thief could keep what he had stolen and the court could go no further than to issue an injunction forbidding him to sin any more at that particular place?

There are certain practices which, as the Senator has said, are all condemned by the Sherman law. There is no reason in the world, then, for enacting any additional legislation unless it be to provide a simpler means by which offenders can be convicted. We have provided that simpler means, because it is only necessary to show certain facts, whereas before a broad field of facts had to be covered. Now, however, having provided the easy means to prove the facts, we deny the penalty; we take the sword from the hand of justice; we rob the law of any potentiality.

I will make the Senator the prophecy now that it will not be a year's time until he will be here upon the floor of the Senate ready to vote to put criminal penalties back into this statute. Indeed, the argument is being surreptitiously circulated now: "We are all tired and want to go home. Let us pass the bill as it is. At the next session of Congress we will plant a few teeth in its harmless gums." My experience has been that it is not wise to pass laws and trust future Congresses to remedy the defects.

Mr. MARTINE of New Jersey. Mr. President, will the Senator yield to me for just a moment?

The PRESIDING OFFICER (Mr. SMOOT in the chair). Does the Senator from Missouri yield to the Senator from New Jersey?

Mr. REED. I do.

Mr. MARTINE of New Jersey. I received this morning, by special delivery, a letter with a little clipping fastened to it that is so entirely apropos to the suggestions and thoughts of the Senator from Missouri that I desire to read it. It happens to come from St. Louis. It is as follows:

ST. LOUIS, *October 3, 1914.*

Senator MARTINE, *Washington, D. C.*

DEAR SENATOR. Your remarks, as stated in the attached clipping, are correct—

Referring to some remarks I made in this Chamber on last Friday—

The only way to make trust officials behave and respect the laws is to send them to the penitentiary for violation of same. Fining a trust is a joke. Every time a trust is fined, prices advance and the public laughs.

The original antitrust bill was a dandy until its teeth were extracted.

Yours, for a law which will produce results,

BELL OIL CO.,
F. C. BRETSNYDER,
President.

This is an independent oil company; and it seems so fitting and so apropos to this discussion that I felt it would be a crime to allow it to go by without being noticed.

Mr. REED. Mr. President, the most astounding statement I have heard on the floor of the Senate in a long while was made by the Senator from Montana when he asserted that this law was intended to reach the small man who is engaging in these evil practices; that it is not to have anything to do with the big man or big concern engaging in exactly the same practices.

There are two answers to that. The first one has already been made in the showing I have advanced—that the purpose of this law, as detailed by every man, big and little, from the President down, was to reach the great trusts and monopolies. The second answer is that Congress has not yet reached that low estate where it proposes to make exactly the same act, done with the same motive and having the same effect, a crime when it is done by one man or one institution and not a crime when it is done by another.

The Senator asked me if I would be willing to see a small man who engaged in these practices sent to jail or the penitentiary. I answer that question unhesitatingly. I believe that the man who commits petit larceny should be tried in the same court and under the same rule of law as the man who commits grand larceny; but I believe the penalty which follows ought, by the discretion of the court, to be meted out in accordance with the enormity of the offense. Just as we send to jail for one day or one week the man who steals a dollar, whereas we send or pretend to send the man who steals a hundred thousand dollars to the penitentiary for a term of years, just as the punishment is of like character in both cases but differs in degree, so would I make the punishment to be meted out to the great trust and to the small man pursuing exactly the same methods with the design and purpose similar in character but different in degree. Under the criminal clauses of the Sherman Act, as well as under the criminal clauses which were once attached to this bill, that latitude is allowed which it is necessary for the judge to exercise. It is not necessary to fine a man $5,000 and send him to the penitentiary for a year, but any fine from $1 up may be levied, and any sentence from one day up may be imposed, or, indeed, no jail sentence at all need be inflicted. That latitude is permitted under the Sherman law, and was given by provisions of this bill as it came to us from the House.

It is an astounding thing for a Senator of the United States to stand here and practically assert that the same character of act, done with the same evil motive and purpose, should in one case be tried in a court and punished by imprisonment and fine and in another case be tried before a commission with no penalty. That kind of justice has not yet been ingrafted upon our jurisprudence.

Besides, what difference does it make to the man who is crushed whether the man who crushed him is a big man or a little man? It makes little difference to one about to be executed whether a 22-caliber bullet is fired through his heart or a 14-inch shell through his body. In either event he must die. It makes very little difference to the small dealer in business whether the particular individual who crushes him by unjust and discriminating practices is worth a thousand dollars or a hundred million dollars; the individual crushed suffers the same in one case as in the other.

The Senator from Montana spoke of the powers of the Trade Commission to investigate. I have heard no word upon the floor of the Senate against reposing in the Trade Commission the powers to investigate. The Senator from Montana, however, almost in effect said that it was the investigation by the Senate which forced the prosecution of the New Haven officials. If that be true, it is a sad commentary upon our Department of Justice. I bring no such indictment; but the logical deduction from the Senator's argument was that it was desirable to have a Trade Commission in order to compel the Department of Justice to do its duty. I maintain no such view, but I have all along been willing that a Trade Commission should be created with full authority to investigate trade conditions and to ascertain whether there be violations of the law.

The Senator made some reference to my position upon the labor question, and there was a covert innuendo—whether intentional or not I do not pretend to say—that those who now seek to have this bill recommitted have it in their hearts to defeat those sections of the bill which are favorable to labor. I do not need to repudiate any such purpose. The Senator from Montana knows that in the committee I contended for days to retain in all their strength the so-called labor provisions of this bill. He knows that I have been in favor of that kind of legislation for many years. He also knows that many men who now favor this bill in its present form were utterly opposed to the labor provisions being put in the bill.

But, sir, it is not yet necessary to defeat this entire bill with its labor provisions or to accept it with its inefficient trust provisions. The bill is still in our hands. We have the right to send it back to conference and to demand that our conferees shall endeavor to perfect it. That is the position I take on the bill.

I say frankly, if it is not referred back, if we must accept this bill as it is now or defeat its labor provisions, I and every Senator will be put to the necessity of answering the question whether he will defeat the good labor provisions because there are bad antitrust provisions in the bill. The gentlemen who have brought in these antitrust provisions are hoping, as usual, that labor, on its sturdy back, shall bear the burden; that the labor provisions of the bill will carry through these provisions that are without merit, that will be a disappointment to the country, and that are in the teeth of our platform declarations.

Mr. President, I should not have made these remarks at all except for the somewhat personal, and I thought very unfair, statements of the Senator from Montana.

The Senator from Massachusetts [Mr. WEEKS] made a speech here upon the question of tying contracts, and the relation of the Shoe Machinery Trust thereto. A citizen of my State who is engaged in the shoe manufacturing business has prepared a statement and sent it to me asking that it be laid before the Senate, and without stopping to read it, I ask that there may be printed in the RECORD the statement which I now send to the desk. I will say in conclusion that if anyone has been misled or is wavering on account of the argument of the Senator from Massachusetts, it is my opinion that if he will read this reply, of which I am not the author, the mind of such a Senator will be disabused and the Senator's argument will be found answered.

The PRESIDING OFFICER. Without objection, the statement will be so printed.

The matter referred to is as follows:

Senator WEEKS in his speech in the Senate in defense of the United Shoe Machinery Co. discusses, as do the officials of that company and its publicity agents, all matters pertaining to shoe machinery except the real issue.

This issue is simplicity itself. It, however, has taken a very complex form, owing to the numerous articles appearing in the public press and the advertisements of the United Shoe Machinery Co., which have treated almost every subject in shoe machinery except the principal one, which is the restricted leases of the United Shoe Machinery Co., which prohibit competition.

He praises the policy of this company and exploits the small shoe manufacturer much as the common people are made an issue in politics, but he does not say one word about the small shoe-machinery manufacturer.

He treats alone of the subjects that the United Co. have had in the public press from one end of the country to the other for the last few years.

Senator WEEKS says:

"It is true that the United Shoe Machinery Co. is now being proceeded against by the Government, which has asked for a dissolution of the company. That in itself should be sufficient reason, I think, why legislation should not be passed which is going to affect the operations of that company.

"Under the circumstances I think Congress might well refrain from legislating in a way which is intended to affect directly that great industry until our courts have determined what course should be taken."

This argument is in entire accord with the past and present policy of the United Shoe Machinery Co.

In this instance delay means a harvest to the company of millions of dollars as between the present and the time the Government suit is decided by the Supreme Court of the United States.

Will the Senator inform us how any laws against trusts can be enacted if such laws are not to affect trusts now being "proceeded against"?

The Senator apparently forgets the protests of the people of his own State against these very restrictions of the United Shoe Machinery Co.'s leases.

PUBLIC OPINION RE LEASES.

The restrictive leases with tying clauses were put out by the United Shoe Machinery Co. in 1901. At that time and for years thereafter there was a continual demand among the shoe manufacturers the country over for the removal of these restrictive leases.

The following excerpts from the trade papers and press express the views of the trade and people regarding these leases, showing the opinions in 1901, 1907, and 1911:

Leases of the United Shoe Machinery Co. in 1901:

"The fact is the great strides made by American inventors and manufacturers of shoe machinery were made under competitive conditions. It has been so and will be so again. As sure as day succeeds the night the establishment of a virile opposition to the present machinery monopoly will bring to life new ideas and appliances in this field as the showers and sunshine bring forth the flowers of the fields." (Shoe and Leather Gazette, Feb. 23, 1901.)

"All 'handcuff clauses' ought to come out of those leases before they are signed." (Shoe and Leather Reporter, Jan. 3, 1901.)

Leases of the United Shoe Machinery Co. in 1907:

"No person, firm, corporation, or association shall insert in or make it a condition or provision of any sale or lease of any tool, implement, appliance, or machinery that the purchaser or lessee thereof shall not buy, lease, or use machinery, tools, implements, or appliances or material or merchandise of any person, firm, corporation, or association, other than such vendor or lessor." (Extract, "shoe-machinery bill," enacted by Massachusetts Legislature, 1907.)

Leases of the United Shoe Machinery Co. in 1911:

"It was voted that this association places itself on record as in favor of a continuance of the present lease system as used by the United Shoe Machinery Co., provided such portions of the lease as operate to exclude the use of competitive machines be abolished and the penalty or charges for returning used machinery be modified or wiped out." (Brockton Shoe Manufacturers' Association, recently adopted resolution.)

The shoe-machinery issue first, last, and always—

The removal of lease restrictions which "operate to exclude the use of competitive machines."

MASSACHUSETTS LEGISLATURE, 1907.

In 1907 the Massachusetts Legislature passed a law for the purpose of invalidating the restrictive clauses of the United Co.'s leases. It was a general law and did not mention the United Co., but the circumstances then existing, as well as the wording of the act, make it clear that the controlling purpose was to rid the industry of these very tying and exclusive use clauses.

Representatives of the shoe manufacturers and of the United Co. appeared before the legislative committee and respectively advocated and opposed the bill.

The legislature sought and obtained the opinion of the supreme court of the Commonwealth as to the constitutionality of the proposed act, and asked to be advised particularly as to whether or not the act could be made to apply to machinery protected by patents. The court advised that the legislature had the power to pass such act, and could make it apply to patented as well as unpatented machinery.

LAW AS PASSED.

"To regulate the lease and sale of machinery, tools, implements, and appliances." (Acts and Resolves of Massachusetts, 1907, p. 419, ch. 469.)

The act provides:

"SECTION 1. No person, firm, corporation, or association shall insert in or make it a condition or provision of any sale or lease of any tool, implement, appliance, or machinery that the purchaser or lessee thereof shall not buy, lease, or use machinery, tools, implements, or appliances of material or merchandise of any person, firm, corporation, or association other than such vendor, or lessor; but this provision shall not impair the right, if any, of the vendor or lessor of any tool, implement, appliance, or machinery protected by a lawful patent right vested in such vendor or lessor to require by virtue of such patent right the vendee or lessee to purchase or lease from such vendor ar lessor such component and constituent parts of said tool, implement, appliance, or machinery as the vendee or lessee may thereafter require during the continuance of such patent right: *Provided*, That nothing in this act shall be construed to prohibit the appointment of agents or sole agents to sell or lease machinery, tools, implements, or appliances.

"SEC. 2. Any person, firm, corporation, or association, or the agent of any such person, firm, corporation, or association that violates the provisions of this act shall be punished for each offense by a fine not exceeding $5,000.

"All leases, sales, or agreements therefor hereafter made in violation of any of the provisions of this act shall be void as to any and all of the terms or conditions thereof in violation of said provisions."

UNITED'S CONTEMPT FOR LAW.

Almost immediately after this act was passed the United Shoe Machinery Co., with characteristic adroitness, forthwith circumvented the new law. It attached to all Massachusetts leases a rider providing, in substance:

First. That all stipulations "which are in violation" of the act, "if there are any such," should be stricken out and not regarded as parts of the lease; and

Second. That the United Co. should have the right to cancel the leases upon 30 days' notice.

Notwithstanding the statute denounced the restriction under severe penalties, the leases with these restrictions have remained in Massachusetts just as if *no law had ever been passed*.

The restrictions were outlawed in Massachusetts, yet it was perfectly plain to every shoe manufacturer that an attempt to enjoy the freedom contemplated in the statute by installing competitive machines might result in having his factory stripped of all the United machines at the end of 30 days.

United's monopoly so perfect that it did make the consequences of enforcing the law so dreaded and ruinous to the shoe manufacturers that they unhesitatingly acquiesced in its violation. They did not dare to provoke the vengeance of the United Co.

No attempt ever made to enforce the statute.

No instance in which a single corporation has overthrown a penal statute by threatening the victims of its wrongdoing with still greater injury if they invoke the law. A perfect example of the United's contempt of the law and the subjection of the shoe manufacturers to its purposes.

UNITED'S ORIGINAL ORGANIZATION—COMPETITIVE MACHINES.

Again, the Senator says: "I may well say at this point, Mr. President, that when the United Shoe Machinery Co. was formed it was a combination of three fundamental machines—the Goodyear Shoe Machinery Co., the McKay Shoe Machinery Co., and the McKay Lasting Machine Co.—all different in their purposes, one supplementary to the other, *but not in any degree competitive*."

But he fails to mention the Eppler Welt Machine Co., which was a distinct and considerable competitor of the Goodyear Co., and put out machines at a lower royalty.

EXCERPTS FROM THE BRIEF FOR THE UNITED STATES IN THE SUIT AGAINST UNITED SHOE MACHINERY CO.

"(1) There was active and substantial competition between Consolidated & McKay Lasting Machine Co. and Goodyear Shoe Machinery Co. in interstate trade and commerce in lasting machines, which competition was wholly destroyed by such combination, and a complete monopoly of interstate and foreign trade and commerce in such machines created thereby" (p. 10).

"(2) There was active and substantial competition between the Goodyear Shoe Machinery Co. and the Eppler Welt Machine Co. in interstate trade and commerce in welt sewing machines and out-sole stitching machines and machines auxiliary thereto, which competition was wholly destroyed by the organization of the United Shoe Machinery Co., and the conveyance thereto of the properties of said companies, and practically a complete monopoly of the interstate and foreign trade and commerce in such machines was created thereby" (p. 26).

There was before the formation of the United Shoe Machinery Co. competition in essential machines as well as other kinds of machines, and competitive machines of the same kind were used in the same factory side by side, and this continued from the formation of the United Co. in 1899 until the tying clauses which prohibited competition in essential machines were put into the United's leases in 1901.

The leases prohibited competition.

Now, in 1914 the United Co. controls the essential machines for welt work in this country to the extent of 99½ per cent; that is, 99½ per cent of all welt shoes made in this country are made on the United's machines (machine made).

On other grades of shoes (machine made) about 95 per cent of all the shoes of these grades are made on United's machines.

Of all the shoes made in this country (machine made), from 95 to 98 per cent are made on United's machines.

UNITED MACHINES.

Senator WEEKS says:

"The United Shoe Machinery Co. does not furnish the machinery which is used in making the uppers of shoes. Much of that machinery is made by the Singer Sewing Machine Co., which puts out many machines a day where the United Shoe Machinery Co. puts out one for use in the shoe-manufacturing business."

The United Co. has frequently put forth similar statements, viz, that they do not make the machines for making the uppers of boots and shoes; that such concerns as Singer, Wheeler & Wilson, Wilcox & Gibbs make these machines; and there being a greater number of upper-making machines in the shoe factories than the other machines such as the United makes, they seek to impress the public with competition in shoe machinery.

The above machines were technically *never* known as shoe machines, though they are used in shoe factories.

The machines of the United Co. are those used in attaching the bottoms to the uppers, and machines used in finishing the bottoms of boots and shoes.

The first machines (attaching) are known as *essential* machines, the latter (finishing) are known as *minor* machines.

ESSENTIAL MACHINES (ALWAYS LEASED, NEVER SOLD).

Lasting system.

1. Puller over (pulling upper over the last; royalty).
2. Consolidated laster (lasting sides, sometimes entire shoe; royalty).
3. Bed laster (lasting heel and toe).

Metallic system.

4. Sole tacker (tacking uppers to insole; wire; sales).
5. Loose nailer (fastening upper to insole at heel; nails; sales).
6. Slugger (inserting wire in bottom of heel; wire; sales).
7. Standard screw (attaching outersole to insole work shoe; wire; sales).

Pegging system.

8. Pegger (attaching outersole to insole; work shoes; royalty).

Heeling system.

9. Heel compressor (compressing heels; royalty).
10. Heel attacher (attaching heels; royalty).

Goodyear system.

11. Welter (sewing welt to insole; royalty).
12. Stitcher (sewing outersole to welt; royalty).

Eyeleting system.

13. Eyeleting machine (inserting eyelets to uppers; eyelets; sales).

The above machines are used in connection with auxiliary machines, which auxiliary machines are tied to the principal machines.

MINOR MACHINES.

Various minor machines, such as buffers, sole rounders, edge setters, sole cutters, and the like, are either sold outright or rented.

When rented, the price or rental is so low that no single concern can afford to make and market these machines in competition with the United Co. unless it can also make and market the principal or essential machine and from the profit derived from these essential machines make up its losses on the minor machines.

The Senator admits there is one shoe manufacturer in the United States—Richard H. Long—making men's welt shoes without the use of any of the United machines.

This is true; and he also might have said that there are three other very small concerns making welt shoes without the use of said machines.

Foreign machines are an element in all of the above-mentioned concerns.

Again, Senator WEEKS said:

"The reason why manufacturers use the machinery of the United Shoe Machinery Co. is because it is the best machinery. It is a test of efficiency, pure and simple; it is not a question of a lease or of a tying clause or of a sale or of anything of that kind."

Again we think the Senator is wrong as to his facts.

The United Shoe Machinery Co. have so completely preempted the market that no one can equip a shoe factory in the United States of

any size adapted to make welt shoes with American-made machines other than those of the United Shoe Machinery Co.

How futile is the argument of the Senator that it is "the best machinery" or "efficiency" that compels the shoe manufacturer to use the machines of the United Shoe Machinery Co.!

It is the restrictions in the leases of the United Shoe Machinery Co., and those restrictions alone, that have stopped competition.

In Europe, where the field is open and where the shoe manufacturer has the privilege of determining what machinery is best adapted for his needs, there are many factories making shoes without the use of machines of the United Co., and also instances where there are competitive machines and United machines side by side in the same factory.

Nowhere in the United States to-day is any shoe manufacturer using a welter or stitcher of an outside manufacturer on welt work alongside a welter or stitcher of the United Co. This never has been permitted. When it comes to the other essential machines of the United Co. the shoe manufacturer is given the privilege of using them alongside competitive machines, but only upon making an initial payment or lease premium that from a business standpoint renders the use of competing machines prohibitive. This is, in effect, to penalize the use of competing machines and shut them out as completely as if their use was absolutely forbidden.

The policy of putting out machines without initial payment and giving efficient service without charge was old long before that concern was organized. In the early nineties Gordon McKay was forced by competition to cease requiring initial payments, and he did give free service. After the United Co. had bought up all of the competing concerns, it was able to—and did, in fact—reinaugurate the initial payments or lease premiums as a penalty for using competing machines. All of the advantages of competition among shoe-machinery concerns to shoe manufacturers were wiped out by this penalty. The United Co. characterized this practice as its wholesale and retail prices; but after all is said, whether a shoe manufacturer pays the higher or lower price depends on whether or not he used competitive machines.

The Senator extolled the inventive progress of the United Co. and mentions as an example the pulling-over machine "which has cost $1,000,000."

As a matter of fact, this invention was conceived before the United Co. was formed, and the application for its fundamental patent was made either just before or immediately after the formation of the United Shoe Machinery Co.

What the United Co. did was to perfect and refine this machine exactly as it has done with other machines that it took over.

Progress in shoe machinery since the formation of the United Shoe Machinery Co. is not comparable with the progress made in shoe machinery during the 10 years preceding its formation.

THE UNITED SHOE MACHINERY CO. NEVER "BLAZED A TRAIL."

It is a law of economics that progress and efficiency are greatest where there is competition, not where there is monopoly. This applies to the United Shoe Machinery Co

Senator WEEKS says, in substance, that the United Shoe Machinery Co. (composed of some 50 or more concerns) prevents a trust of shoe manufacturers. (There are about 1,200 shoe manufacturers in the United States.)

The nearest approach to a trust of shoe manufacturers in this country is the aggregation of shoe manufacturers owned by and allied with the United Shoe Machinery Co.

The Senator makes prominent the fact that the United Shoe Machinery Co. leases its machines without cost to the shoe manufacturer.

This is true. It is also true that when the United Co. leases machines without any initial payment they put into the lease a return premium, so that when a shoe manufacturer returns the machines he must pay the United Co. a large sum of money as a return charge.

This return premium constitutes a distinct liability of the shoe manufacturer and is so considered by bankers extending credit to shoe manufacturers.

The initial payment is transferred from the beginning of a lease period to the end of a lease period.

Senator WEEKS exploits the small shoe manufacturer and says, in substance, that were it not for the protective system of the United Co. the small shoe manufacturer might have to go out of business.

As the "small manufacturers" existed in larger numbers and thrived, and many became large manufacturers long before the shoe machinery combination of 1899 was effected, there is no *logical* reason to suppose or believe that if again afforded the benefits of competition in shoe machinery they would not flourish and be as successful as in ante-combination days

It has been claimed that the essential machinery of the "small manufacturer" costs him "nothing"—a claim which is antagonistic to the truism that "no one gets something for nothing." Technically, perhaps—or through a play upon words—this claim may be generally regarded as within the facts. The "small manufacturer" obtains such machinery from the United Co. without *initial* payment. At this time, however, he executes a contract under which he assumes obligations of paying return premiums and cost of repairing the machines when they are returned to their owner—the combination—upon the termination of the lease period, or previously, if he discontinues business before that time. Thus he assumes a substantial liability when executing the contract under which he obtains his machinery for "nothing."

During the contract period the "small manufacturer" *pays for everything he gets.* He pays a substantial royalty on every pair of shoes manufactured by him for the use of the combination's machinery and for all parts and repairs to such machinery, all of such payments being obligations under the contract, concerning which the "small manufacturer" has no voice. The "small manufacturer" is aware of these facts, and is under no illusion of receiving benefits for which he does not pay in full.

Senator WEEKS says:

"Now, if it were necessary to buy such machines at a cost of $3,000 or $3,500, in addition to the great number of other machines which are necessary in making a shoe, it would be impossible for the smaller shoe manufacturers to purchase sufficient equipment to conduct their business."

In Europe, where there is competition in all kinds of shoe machinery, machines can be purchased on the installment plan, which monthly installments are made equal, in many cases, to the monthly royalty of the United Co. on the same type of machine purchased.

When these installments are paid, the title of the machine passes to the purchaser and becomes an asset of his business, whereas the lease of a United machine constitutes a liability of said manufacturer.

In the end the foreign manufacturer has paid for his machine by installments equal to the sum of the royalties he would have paid on the United machine for the same period, and thereafter owns his machine and has to pay no royalty.

Were it not for the lease restriction of the United Co., the same condition would exist in the United States.

If the United Co. continues its monopoly and they adopt the policy of selling their essential machines, the manufacturers might have to pay $3,000 apiece.

If there was competition, as there is abroad, they would probably sell on the same basis as their competitors, which abroad is from $500 to $1,000, according to the machine

Abroad you can buy outright welters, stitchers, heelers, lasters, sluggers, loose nailers, pullers over from $500 to $1,000 apiece, according to the machine.

Mr. Fish, in his closing argument in the Government suit, says: "The machines have been patented machines, always patented, and likely to be patented for an indefinite time in the future, because this art is not in the slightest degree exhausted or saturated or finished."

Thus by interlocking patents their monopoly will be perpetual.

Interlocking patents make possible interlocking leases.

Interlocking leases perpetuate the monopoly.

Interlocking leases deprive the public of the right to use and to make machines of expired patents.

"The grant of a patent of the United States is a contract between the American public and the patentee where, in consideration of a full disclosure of the invention, through specifications and drawings filed at the Patent Office, the patentee is granted a monopoly in the invention for 17 years, at the end of which time the invention is to be open to the public to make, use, and vend."

Perhaps Senator WEEKS can explain why the citizens of the United States should be deprived of the right to use shoe machinery of expired patents.

Senator WEEKS says:

"I want to emphasize that by saying that when an improvement on a machine is made by the United Co., it takes out the old machine and puts in the new one without any cost to the manufacturer."

The United Co. have always, when the patents of a machine were about to expire, taken out the old machine and replaced it with a new machine which had new patents.

The United Co. always scrap the old machines.

The effect of this was, first, to get the old machine out of the reach of the manufacturer, and, second, to prolong the life of their monopoly by interlocking patents and interlocking leases.

ROYALTIES.

Senator WEEKS says:

"The highest possible machinery cost in making shoes is less than 6 cents a pair. The average is 2⅞ cents a pair. There are some grades of shoes where the cost is less than 1 cent a pair. On all the McKay shoes, not Goodyear shoes, manufactured in this country the machinery cost averages 1¼ cents a pair. It is the only element entering into the manufacture of shoes which has not increased in cost since the organization of the United Shoe Machinery Co. in 1899."

Just prior to the formation of the United Co. there were many essential machines in this country that were sold outright without any royalty, and some put out at a less royalty than is now being charged.

Competition before 1899 was lessening the price or cost to the shoe manufacturer of essential machines.

After the formation of the United Shoe Machinery Co. they put out no essential machines except on a royalty and bought or traded for practically all that had been sold outright, and also eliminated by trading out all the essential machines that prior to their formation had been put out at a less royalty than they are now charging.

Without the restrictive leases it is fair to assume that the conditions in this country would be exactly as they are in Europe, and the manufacturers would then have the privilege of selecting machines best adapted for his business.

The royalty, including the indirect royalty on materials used, in many instances is greater than the manufacturing profit of the shoe manufacturer.

Senator WEEKS says:

"The International Shoe Co. comes nearer than any other concern in the word to being a shoe trust, and it is constantly reaching out for more. The only thing that stands in its way is the United Shoe Machinery Co., and that, in my judgment, accounts for its *animus against* that company.

"It is not necessary for me to discuss any other phase of this attack on the United Shoe Machinery Co., as applied to large companies, than simply to give the details which I have given of the organization of the International Shoe Co. It in itself, as far as it can be, is a combination intended to dominate the shoe-manufacturing business in the section of the South and Southwest which is tributary to its factories, and, as far as it has been able to do it, it has done so, so that to-day it is the largest shoe-manufacturing concern in the world. All of the attacks—and the records bear me out in this statement—that are made on the United Shoe Machinery Co. are made by concerns similar to the International Shoe Co., big people doing a large business, who want to get their machines at wholesale prices and under such conditions that the small manufacturer can not buy them. That is the animus behind this whole attack."

The United Shoe Machinery Co. controls about 97 per cent of the shoe-machinery business of this country.

The International Shoe Co. controls about 7 per cent of the shoe business of this country.

The United Shoe Machinery Co. have practically no competition.

The International Shoe Co. has at least a thousand competitors.

Why this comparison?

There is no animus among the shoe manufacturers against the United Co. as Senator WEEKS would have us believe.

Shoe manufacturers want the privilege now as they had prior to 1899 of determining what machines are best adapted for their own use, in their own factories, and in their business, exactly as the European manufacturer has.

Shoe manufacturers are not such fools as to use inferior machines and spoil their goods and ruin their business.

The Senator does not give the shoe manufacturers of the United States the credit of having ordinary common sense.

It is only from the standpoint of the United Shoe Machinery Co. that paternalism is urged.

If the United Shoe Machinery Co. can continue to hold the shoe manufacturers of the United States in leash, they can continue to collect their pound of flesh, and in no other way.

As the Senator has not informed the Senate as to the real cause of the time contract, a statement of the president of the United Shoe Machinery Co., and comments thereon, will be enlightening.

THE CRUX OF THE SHOE-MACHINERY SITUATION—MR. WINSLOW'S ADMISSION.

[Reprinted from the issue of July 29, 1911.]

CHAPTER VIII.

AT THE STATE HOUSE.

To the Editor of the Weekly Bulletin:

If the account of the shoe machinery hearing of yesterday, as reported by the daily papers, is correct, it seems that the whole matter sums itself down to this: That Mr. Winslow has finally admitted—

"Mr. Winslow said that his company doesn't offer to furnish a lasting machine to be used in conjunction with another man's machines. If it did, its machines would sit idle in the shops while the machines which do not pay a royalty were used."

Which evidently means that his company will not place its lasting machine in a factory to be used side by side with a competitive lasting machine, for the reason that, if it did, its lasting machine would "sit idle" and the competitive lasting machine would do the work.

If this is correct, does it not apply to all of Mr. Winslow's company's essential machines, and might he not as well have said, "We will not place our welter and stitcher in a factory with a competitive welter and stitcher, for the reason that the competitive welter and stitcher will do the work and our machines will 'sit idle'"; or that "We will not place our metallic system in a factory with a competitive metallic system, for the reason that our metallic system will 'sit idle' and the competitive metallic system will do the work"; or that "We will not place our heeling machine in a factory with a competitive heeling machine, for the reason that the competitive heeling machine will do the work and our machine will 'sit idle'"?

Apparently Mr. Winslow has been finally forced squarely and flatly against the issue involved, and, brushing aside technicalities and claims to general beneficence, admits that if he allows competition his machines will "sit idle" and that competitive machines will do the work. In the last analysis, does it not mean that if Mr. Winslow's essential machines—and I take it for granted that his lasting machine is included in his essential machines—are used competitively they will stop; if they stop, they pay no royalty; if they pay no royalty, the major portion of the earnings of his company cease?

In other words, has not Mr. Winslow, in substance, admitted that his company can not stand competition and does not propose to?

—

In all shoe-machinery discussions there has been nothing that so clearly states the whole situation as the letter of the W. H. McElwain Co. and the statement of the Shoe Manufacturers' Alliance, as follows:

THE POSITION OF SHOE MANUFACTURERS.

[W. H. McElwain Co., makers of shoes. General offices, 348 Congress Street, Boston.]

JANUARY 8, 1912.

E. S. GILE, Esq.,
Editor The Weekly Bulletin, Boston, Mass.

DEAR SIR: You have asked us as to whether we agree with the position of the Brockton Shoe Manufacturers' Association with respect to the policy of the United Shoe Machinery Co. We absolutely agree with this position, namely:

"That this association places itself on record as in favor of a continuance of the present lease system as used by the United Shoe Machinery Co., provided such provisions of the lease as operate to exclude the use of competitive machines be abolished and the penalty or charges for returning used machines be modified or wiped out."

Freedom for fair competition in shoe machinery, we are convinced, is desirable from the standpoint of the manufacturer, who wishes the right to elect what machinery he shall use; from the standpoint of those who may wish to engage in the manufacture of shoe machinery; and from the standpoint of the consumer, who is the ultimate beneficiary of any improvement in the conditions of production.

We believe that shoe manufacturers should be able to use in their business such machinery, of any machinery manufacturer, as may from time to time seem best fitted for their needs. Such a possibility, in our opinion, does not now exist and can not be brought about unless—

1. The "tying clauses" are expunged from the leases of the company; and

2. A system is adopted whereby the shoe manufacturer, using only machines of this company, is given no preferential treatment in respect to prices, rentals, royalties, or service over the manufacturer employing to some extent machinery of other machinery makers.

We believe that the United Shoe Machinery Co. is in many respects rendering efficient service to shoe manufacturers. Our relations with its officers, employees, and agents have been friendly and pleasant. We have sufficient confidence in the strength of this company to believe that it will stand in the forefront of shoe-machinery makers even with the removal of the restrictions which have been mentioned. Its position, however, would then be based upon the firm foundations of efficient service to the community and would be regulated by the possibility of a fair and healthy competition.

Yours, truly,

W. H. MCELWAIN CO.,
J. F. MCELWAIN, *President.*

Extract from supplemental brief for the United States:

AN EXTRACT FROM THE SUPPLEMENTAL BRIEF FOR THE UNITED STATES IN THE CASE OF THE UNITED STATES V. THE UNITED SHOE MACHINERY CO.

"Shoe Manufacturers' Alliance and the evidence furnished by it.

"This is an organization consisting of some half a dozen large manufacturers who have been active in their opposition to the United Shoe Machinery Co. It consists of Charles H. Jones, of the Commonwealth Shoe & Leather Co.; Jackson Johnson; Henry Peters; Frank C. Rand, formerly of Roberts, Johnson & Rand, now of the International Shoe Machinery Co.; Milton Florsheim; and Emanuel Selz." (Jones, record, pp. 792–793.)

The above statement is inaccurate and misleading in that the testimony of Jones did not state that the Shoe Manufacturers' Alliance consisted only of the shoe manufacturers named. What he did testify to was that these manufacturers had been members of the Shoe Manufacturers' Alliance. In this connection the following circular, printed in the Weekly Bulletin, of Boston, Mass., a trade publication, issue of January 20, 1912 (p. 7), is quoted herewith:

"INVITATION TO JOIN ALLIANCE.

"We invite you to become a member of the Shoe Manufacturers' Alliance.

"The alliance was organized to restore competitive conditions in shoe machinery. Its membership now comprises the manufacturers of about 40 per cent of all the shoes produced in the United States. The general aim of the alliance is to secure for manufacturers some voice in the direction of the shoe machinery department of their own business. The purpose of the organization is set forth more specifically in the resolutions unanimously adopted at the meeting of the alliance held at Cincinnati on June 29, 1911, as follows:

"'The purpose of this organization (the Shoe Manufacturers' Alliance) is to secure to shoe manufacturers the right to use in their business such machines as may seem to them from time to time best fitted for their needs, and to remove conditions which now discourage the invention and development of shoe machinery.

"'We believe that to accomplish this purpose it is necessary to secure a change in the methods now pursued by the United Shoe Machinery Corporation, which to-day in effect monopolizes the shoe machinery business in this country through its system of leases (with tying clauses) under which shoe manufacturers are now compelled to operate.

"'We believe it to be essential that shoe machinery, whether it be leased or sold, be put out on such terms as will leave the manufacturer free to take from the United or from any other company one or more of the same or of different machines at a fixed unit price.

"'We believe the adoption of such a method will alone remove the restraint upon the invention and development of shoe machinery from which the trade now suffers and will secure a reduction in the unnecessary cost of manufacturing shoes, due to the present demand of the United Co., and which imposes undue burdens upon the manufacturer and consumer.'

"At present practically all of the essential machinery used in bottoming shoes in this country is owned by a single corporation, which is dominated practically by one man. This is a condition permitting the exercise of complete and arbitrary control of our business. It is contrary to the very spirit of liberty and as such humiliating to us as shoe manufacturers. It also necessarily tends to retard and to restrict improvements in shoe machinery.

"That it does so restrict development will be clear to those who compare the progress of shoe machinery during the last 12 years with the advances made from year to year prior to that date. Shoe manufacturing in America is to-day efficient, and much of that efficiency is due to the extraordinary advances in shoe machinery made prior to the organization of the Shoe Machinery Trust. Nearly every one of the 30 years prior to 1900 witnessed some marked advance in shoe machinery. That was a period of open competition in the production of shoe machinery. Those who controlled the successful inventions reaped rich rewards. The activities of inventors and mechanics were stimulated, and the results were revolutionary in character. Wages increased, but the unit labor cost of producing shoes was being continually and substantially lowered.

"Since 1900 the development in essential shoe machinery has not been marked by any important invention materially reducing the cost or improving the quality of work. Such new inventions as have been made are confined to details of minor consequence, as compared with the advances made prior to the formation of the Shoe Machinery Trust. This check upon the development of essential shoe machinery is believed to be a necessary result of the formation of the combination. It has removed the stimulus of competition.

"The alliance makes no attack upon the leasing system as such. Its protest is against methods which suppress competition. That protest is voiced also by the resolution recently adopted by the Brockton Shoe Manufacturers' Association, as follows:

"'That this association places itself on record as in favor of the continuance of the present lease system as used by the United Shoe Machinery Co., provided such portions of the lease as operate to exclude the use of competitive machines be abolished and the penalty or charges for returning used machinery be modified or wiped out.'

"The Federal Government has undertaken to suppress the illegal operations of the Shoe Machinery Trust, but relief can not be had through Government prosecution alone. It is essential that those directly and vitally interested in the restoration of competition should cooperate to that end, and it is hoped that you will do your part.

"Awaiting your reply,

"Yours, very truly,

"A. D. BROWN. "E. E. P. REED.
"C. H. KRIPPENDORF. "IRWIN M. KROHN.
"P. E. SELBY. "C. H. JONES.
"J. B. HOWARTH. "H. W. SNECK."

Inasmuch as the statement that this organization consisted of the few members noted only has not been based upon the record, it is submitted it is not going too far afield to correct this statement by inserting herein a partial list of the members of the Shoe Manufacturers' Alliance at about the time the original petition in the case was filed—December, 1911:

American Specialty Shoe Co., Milwaukee, Wis.
Beals & Torrey Shoe Co., Milwaukee, Wis.
The Bering Shoe Co., Cincinnati, Ohio.
Bradley & Metcalf Co., Milwaukee, Wis.
Brennan & White, Brooklyn, N. Y.
The Brown Shoe Co., St. Louis, Mo.
Burrow, Jones & Dyer Shoe Co., St. Louis, Mo.
The Cahill Shoe Co., Cincinnati, Ohio.
Carruthers-Jones Shoe Co., St. Louis, Mo.
The Colombia Shoe Mfg. Co., Cincinnati, Ohio.
The Commonwealth Shoe & Leather Co., Boston, Mass.
Geo. F. Dittman Boot & Shoe Co., St. Louis, Mo.
Dugan & Hudson Co., Rochester, N. Y.
The Val Dutenhofer Sons Co., Cincinnati, Ohio.
Florsheim Shoe Co., Chicago, Ill.
Foote, Schulze & Co., St. Paul, Minn.
Friedman-Shelby Shoe Co., St. Louis, Mo.
C. Gotzian & Co., St. Paul, Minn.
Harsh & Edmonds Shoe Co., Milwaukee, Wis.
Helmers-Bettman & Co., Cincinnati, Ohio.
The Hogan Shoe Co., Cincinnati, Ohio.
The Julian & Kokenage Co., Cincinnati, Ohio.
Kalt-Zimmers Mfg. Co., Milwaukee, Wis.
John Kelly (Inc.), Rochester, N. Y.
The Krippendorf-Dittmann Co., Cincinnati, Ohio.

Krohn-Fechheimer Co., Cincinnati, Ohio.
Luedke-Schaefer-Buttles Co., Milwaukee, Wis.
The Manss Shoe Mfg. Co., Cincinnati, Ohio.
F. Meyer Boot & Shoe Co., Milwaukee, Wis.
The Miller Shoe Mfg. Co., Cincinnati, Ohio.
The Model Baby Shoe Co., St. Louis, Mo.
O'Donnell Shoe Co., St. Paul, Minn.
Peters Shoe Co., St. Louis, Mo.
Piehler Shoe Co., Rochester, N. Y.
The Pingree Co., Detroit, Mich.
The Ramsfelder-Erlick Co., Cincinnati, Ohio.
E. P. Reed & Co., Rochester, N. Y.
Regal Shoe Co., Boston, Mass.
Rich Shoe Co., Milwaukee, Wis.
Roberts, Johnson & Rand Shoe Co., St. Louis, Mo.
The Sachs Shoe Mfg. Co., Cincinnati, Ohio.
The Schieffele Shoe Mfg. Co., Cincinnati, Ohio.
V. Schoenecker Boot & Shoe Co., Milwaukee, Wis.
The Selby Shoe Co., Portsmouth, Ohio.
Selz, Schwab & Co., Chicago, Ill.
Stern-Auer & Co., Cincinnati, Ohio.
Tappan Shoe Mfg. Co., Coldwater, Mich.
Fred S. Todd Co., Rochester, N. Y.
Utz & Dunn, Rochester, N. Y.
Venor Shoe Co., Rochester, N. Y.
W. H. Weinbrenner Co., Milwaukee, Wis.
Wertheimer-Swarts Shoe Co., St. Louis, Mo.
Weyenberg Shoe Mfg. Co., Milwaukee, Wis.
The Wise, Shaw & Feder Co., Cincinnati, Ohio.
The Wolf Bros. Co., Cincinnati, Ohio.
Wrensch-Herman Shoe Co., Milwaukee, Wis.
Chas. K. Fox (Inc.), Haverhill, Mass.
Curtis & Jones Shoe Co., Reading, Pa.
H. E. Guptill, Haverhill, Mass.
H. B. Reed Co., Manchester, N. H.
Quaker Shoe Co., Weare, N. H.
Geo. A. Learned Co., Newburyport, Mass.

The PRESIDING OFFICER. The question is on the motion of the Senator from North Dakota [Mr. MCCUMBER].

Mr. GRONNA. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Fletcher	Nelson	Smith, Ariz.
Bankhead	Gore	Norris	Smith, Md.
Bristow	Gronna	O'Gorman	Smoot
Bryan	Hollis	Oliver	Swanson
Burton	Jones	Owen	Thomas
Camden	Lane	Page	Thornton
Chamberlain	McCumber	Penrose	West
Chilton	Martin, Va.	Perkins	White
Culberson	Martine, N. J.	Reed	Williams
du Pont	Myers	Sheppard	

Mr. THOMAS. I was requested to announce that the senior Senator from Georgia [Mr. SMITH] is absent on account of illness.

The PRESIDING OFFICER. Thirty-nine Senators have answered to their names. There is not a quorum present. The Secretary will call the names of the absentees.

The Secretary called the names of absent Senators, and Mr. POINDEXTER, Mr. SHAFROTH, Mr. SHIVELY, and Mr. STONE answered to their names when called.

Mr. SIMMONS, Mr. WARREN, Mr. MCLEAN, Mr. JOHNSON, Mr. SMITH of South Carolina, Mr. STERLING, and Mr. BORAH entered the Chamber and answered to their names.

The PRESIDING OFFICER. Fifty Senators have answered to the roll call. There is a quorum present. The question before the Senate is the motion submitted by the Senator from North Dakota [Mr. MCCUMBER] that the further consideration of the conference report be postponed until the first Monday in December, 1914.

Mr. LANE. Mr. President, before the motion is put I wish to say a few words, but I will not detain the Senate long.

I had hoped that when this measure came into the Senate we would have a bill which would provide a remedy for the existing condition, and would be something positive. I did not desire to secure the passage of a bill for the mere purpose of punishing some one, but I was and am in favor of the passage of a measure which would put a stop to unfair business methods. I suppose it to be necessary to provide a penalty in order to enforce a law that will be of any practical benefit to the people of this country.

If it is true, as is conceded here, that the Sherman antitrust law supplies every remedy which this bill is supposed to afford there is no use whatever in passing the measure. If, on the other hand, it affords a loophole and an indirect method by which those who are guilty of practicing these unfair methods upon the people can escape from being brought to justice under the Sherman law, then it is more than an innocuous measure, it is a dangerous one. It is in that event an evil measure and one which ought to be defeated in fairness to the people of this country.

The Democratic Party has gone before the people in the past and pledged itself that it would undertake to enact legislation in Congress which would relieve the people of this country from certain onerous and unfair business methods and conditions which impoverish the people, and which bring misery upon millions and millions of innocent people who are not in any wise to blame for the unfortunate condition in which they find themselves. This bill merely states that these methods are wrong, and they are declared to be unlawful, and that is all, and there is nothing in the way of any penalty by which they may be stopped.

I was reading in the Washington Times of Saturday an item which I think will interest the Members of the Senate. Here is a bill for which the Democratic Party, of which I am a member, stands sponsor, which pretends to eliminate discrimination in prices and to protect honest business men against unfair competitors, but fails to do so.

Last Saturday my attention was attracted to an item which I will read to you. It is dated Wilmington, Del., October 3:

TWO MONTHS' TERM FOR 2-CENT THEFT OF MILK.

WILMINGTON, DEL., *October 3.*

Two months' imprisonment for stealing 2 cents' worth of milk was the sentence imposed upon John Peters, 21, in the Newcastle county court here. He was indicted for the theft of a half pint of milk, worth 2 cents, and a bottle, worth 4 cents.

For the theft of 6 cents' worth of property—2 cents' worth of milk and a bottle worth 4 cents—this man went to jail for two months.

Now, that is what we can accomplish when we legislate to punish the small criminal, the least harmful one, the man who does the least damage to the community through his criminal instincts and methods and practices. But when we reach out for the large business man, who uses his wealth and his power to grind down and impoverish others—and practically does deprive them dishonestly of their world's goods—we provide no punishment. We provide no penalty which would absolutely forbid or make him afraid to continue his dishonest methods; but the little fellow, like this man over in Delaware, who steals 2 cents' worth of milk—who, perhaps, was hungry, and could not have stolen 2 cents' worth of milk for profit—he gets two months in jail. As to the larger, the enormous combinations, who are literally rotting this country, rotting its Government, rotting its citizenship, setting an example to young folks, showing that the best method for them to pursue if they are to prosper and wax fat in their line is not by honest industry and fair dealing, but by unfair advantage and grasping methods, we have no remedy; we provide no penalty for such men as that or for such combinations.

I would say—and I will close in saying it—that I went out on the platform to the people who sent me here and represented to them that if the opportunity were given to me I would do all in my power to put a stop to such methods of carrying on the business affairs of this country, without malice, without prejudice, without endeavoring to unjustly take one penny away from any corporation or business man, however rich he may be, if he had honestly obtained it, without any attempt to seek revenge upon him, but in the hope that it would be for the benefit of the country and in the realization that if we do not put a stop to it the country as a nation will go down to ruin.

The little fellow who went to jail for stealing 2 cents' worth of milk is one of the class of criminals all over this country who get punished. I have seen a man go to the penitentiary for five years for stealing a $5 pair of pantaloons, five years of hard labor—the first year pitching pig iron—for stealing $5 worth of property. Pig iron is rough; it is hard to handle. It had been molded in sand, and the skin came off the palms of his hands. They were raw, and the blood was trickling down between his fingers. He protested to the foreman and asked to be allowed some other easier work until such time as his hands got well. It was against the rules for him to talk, and the foreman took him to the superintendent. He told the warden, "I am glad to be brought before you; you are a man of education and of intelligence or you would not be warden of this institution. I am glad to be able to present my case to you."

I knew the superintendent. He was neither a man of intelligence nor honesty.

Mr. MYERS. May I ask a question? In what State prison was this—the State prison of Oregon?

Mr. LANE. It was; that is the condition which existed in the past. A decided relief was brought about when my friend Senator CHAMBERLAIN became governor. The condition before that time was different.

What happens to small malefactors? The little fellow goes to jail for 2 cents' worth of milk, and the other man goes to the penitentiary for five years for stealing a $5 pair of pantaloons; and the people who know about it know that this Senate, this body, will not place a penalty upon men of larger fortunes who are unjustly acquiring millions upon millions of dollars equally

as unfairly, and they become discontented. They lose their respect for Congress and for the law. Later along they are to be seen carrying red flags down the streets; they become anarchists; and we by our methods of lawmaking are breeding them here. This kind of legislation is one of the causes for the discontent.

I hope that the Democratic Party, the party of the people, that announces its allegiance to the principle of Thomas Jefferson of "equal rights to all and special privileges to none," equal law to all, equal punishment to all, will be big enough now, when the time is ripe and the occasion is here, to rise up and meet the situation, and, as I said, without prejudice and without any attempt to do any injustice to any man, be he rich or poor, place a sufficient penalty upon these practices to put a stop to them.

I feel almost sure that, after having made this appeal to you, you will vote to recommit the conference report to the committee in order that it may be done.

Mr. CULBERSON. Mr. President, I move to lay the motion of the Senator from North Dakota [Mr. MCCUMBER] on the table.

The VICE PRESIDENT. The question is on the motion of the Senator from Texas to lay the motion of the Senator from North Dakota on the table.

Mr. REED. Mr. President, I trust the Senator from Texas will withdraw that motion. We are about to reach a vote. There is no occasion for doing anything except to proceed in the ordinary way.

SEVERAL SENATORS. Question!

The VICE PRESIDENT. The question is on the motion of the Senator from Texas [Mr. CULBERSON]. [Putting the question.] The ayes seem to have it. The ayes have it, and the motion to lay on the table is agreed to.

Mr. REED. Mr President, I move that the bill be recommitted and that the conferees be instructed to insist upon the insertion into the bill of the criminal penalties substantially as they were contained in the House bill at the time that bill was passed by the House; and, further, to insist that the word "heretofore," which was stricken out of the section relating to the use of decrees in evidence in other cases, shall be reinserted in the bill.

Mr. CULBERSON. I raise the point of order that the motion of the Senator from Missouri is out of order in the form presented.

Mr. MARTINE of new Jersey. Mr. President, before the vote shall be taken, if we are about to vote, and as I understand the proposition——

The VICE PRESIDENT. The Chair must rule on the point of order. The Chair, upon investigation of the entire course of procedure in the Senate of the United States, has discovered that the Senate has done about everything with reference to conference reports. It has rereferred them with instructions; it has rereferred them without instructions; it has laid them on the table; it has indefinitely postponed the consideration of such reports. Precedents could be found, the Chair thinks, for ruling upon either side of the question. The Chair, however, believes that the Senate of the United States voted for a full and free conference upon the question of this bill. To send it back to the committee with instructions would not be a full and free conference. The Chair thinks that to send it back to the committee with such instructions would be simply to serve notice upon the House of Representatives and upon the conferees that the bill must be in certain particulars as the Senate of the United States has determined it should be or that there should be no bill.

The Chair desires to thank the Senate of the United States, because, while he knew this matter was under discussion, he is proud to say that no Senator has suggested what the ruling of the Chair should be. After much consideration of the question and full knowledge upon the part of the Chair that the Senate will do as it pleases about the matter, the Chair desires to state that he does not believe that when the Senate has voted for a full and free conference it can return the bill to the conferees with instructions as to what they shall do touching an agreement between the two Houses. The Chair believes that he is justified in making this ruling, for the reasons, first, that such an instruction as that would be service of notice upon the House of Representatives that it must consent to the things which the Senate desires to put into the bill; and, secondly, that there having been now a week of full discussion on the conference report, and the objections to it being thoroughly understood by the conferees upon the part of the Senate, a speedier agreement between the two bodies is to be reached—and that is always the thing to be looked after in parliamentary procedure—by concurring in the conference report, if the Senate desires to concur in it, and, if not, by rejecting the conference report, whereupon the matter will go back to a full and free conference and the conferees will know the objections the Senate of the United States has to the conference report.

The Chair is therefore, in the light of the later decisions of the Senate, and manifestly in conformity with the principles that ought to govern a full and free conference, compelled to sustain the point of order.

Mr. REED. Mr. President, of course I understand the conclusion reached by the Chair, but there is one part of the Vice President's remarks that I am not sure I understand; that is, the Senate having voted for a full and free conference, to return the bill to conference with instructions to the Senate conferees would be in the face or teeth of the previous instructions. If that is any controlling consideration in the mind of the Chair, I desire to change the form of the motion.

The VICE PRESIDENT. The Chair will say to the Senator from Missouri that changing the form would not change the opinion of the Chair. An appeal is a matter of right, and it will be cheerfully granted for the consideration and determination of the Senate; but the Chair can not see how there can be a full and free conference between the conferees of the House and the conferees of the Senate if instructions go to the conferees of the Senate as to what they shall do. That does not seem to the Chair to be a full and free conference.

Mr. REED. That is the point the Chair dwelt upon, and I was asking the question whether it would make any difference if the motion were changed to refer the bill back to the conferees without instructions.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Idaho?

Mr. REED. I do.

Mr. BORAH. In the orderly course of procedure the vote would come on the mere question of the adoption of the report of the conference committee. If that report were rejected, it would go back to the conference committee, with the benefit which they would have from the discussion which has taken place; which, in my opinion, would accomplish what the Senator from Missouri desires to accomplish.

Mr. SMOOT. Mr. President, will the Senator from Missouri yield to me for a moment?

Mr. REED. I yield.

Mr. SMOOT. I agree with what the Senator from Idaho [Mr. BORAH] has stated; but I believe, Mr. President, that, under the rules, the motion to recommit is in order. Not only that, but I believe that under the rules of the Senate the motion to recommit is a privileged question, and I should dislike to see any ruling made to the effect that the motion to recommit was not in order. I wish to say——

Mr. WILLIAMS. Mr. President——

Mr. SMOOT. Just a word further. I wish to say that the result of a vote on the adoption of the report would be just as the Senator from Idaho has indicated; but I believe that any Senator, under the rules of the Senate, has the right to move to recommit; that that is a privileged question and for a purpose; and I believe that the Senator from Missouri is well within his rights when he makes that motion, but not if he makes the motion with instructions.

Mr. WILLIAMS. Mr. President, I should like to ask the Senator from Utah if he thinks that a motion pending to bring the two Houses together has not preference over any motion pending to keep them apart and as to whether the privileged motion to adopt a conference report has not preference over a motion to recommit?

Mr. SMOOT. The question of the adoption of a conference report, Mr. President, is not a privileged question. The question of presenting a conference report is privileged, and the question of recommitting a bill of any kind is a privileged question under Rule XXII.

Mr. WILLIAMS. I take the position that any motion pending to bring the two Houses together has preference over a motion which keeps them apart; and I think the Senator, upon examining Jefferson's Manual, will find that to be the general declaration; and, upon examining the House and Senate rules, he will find that to be the special declaration.

Mr. SMOOT. The object of the motion to recommit the bill to the conferees would be for the purpose of bringing the two Houses together. If a majority of the Senate desire the bill to be reconsidered by the conferees, then they will vote "yea"; but if there is a majority that is not in favor of it, they will vote "nay." The question itself, however, is a privileged question, and the Senator from Missouri, I believe, has a right to make that motion, but he had no right, in my opinion, to make the motion to recommit with instructions.

Mr. CULBERSON. I understood, Mr. President, that the Chair had ruled the motion out of order.

The VICE PRESIDENT. The Chair has sustained the point of order as to the first motion. The Chair now understands that the Senator from Missouri moves to recommit the conference report to the committee of conference.

Mr. CULBERSON. I myself did not understand that the Senator from Missouri had made any such motion. He may have made it.

Mr. REED. I indicated pretty clearly what I desired to do.

The VICE PRESIDENT. It was not exactly in form, but the discussion started before the Senator from Missouri had concluded.

Mr. REED. Mr. President, I make the motion to recommit the conference report, and I want to say this: What I desire, and what I think the Senate ought to be willing to give on this bill, is a square vote upon the question whether the Senate wants to strike out the criminal penalties of the bill. Against that a point of order has been injected. The Chair has ruled, under the precedents, that, in his opinion, that motion can not be made if the point of order is made. I have no desire to delay this matter a moment. I should like to have had a vote on that question; but as I can not get it without an appeal from the decision of the Chair, which would probably involve a long discussion and probably an affirmance of the Chair's decision, and as I do not want to engage in the slightest cavil about it, I make the motion now that the conference report be recommitted.

Mr. MARTINE of New Jersey. Mr. President, is that motion now before the Senate?

The VICE PRESIDENT. The motion is before the Senate.

Mr. MARTINE of New Jersey. Then I desire, Mr. President, to make a brief statement. I have received to-day a number of telegrams from trades-unions and workingmen. One goes on to say:

MY DEAR MARTINE: You have ever been a true friend of labor. We therefore appeal to you to sustain the Clayton antitrust bill.

Another reads:

In behalf of the trainmen and other railroad employees of New Jersey I urge you to stand by the Clayton trust bill.

True enough, as this telegram says, I have ever been the friend of labor. I have been brought up with the laboring man from my early youth; I left school at 12 years of age, and since then I have been a worker. My sympathies have naturally been with the laboring man, and they are touched and aroused on the labor question. Wherever their case needed a sponsor or a defender I have been their defender, not for the purpose of elevation or the hope of reward, but because of the fact that the principles of honest labor were so deeply instilled within me that I could not rid myself of them if I would.

I stood in favor of the Clayton antitrust bill when it was first presented from the House, because, as I said on Friday last, I believed it was a step in the direction of aiding men in business and in the general walks of life who were under the ban of and were being crushed by the mighty influence of combinations of money; and God knows there is no State in this Union that has seen more of such evils than we have had in New Jersey. So, in all sincerity and earnestness, I stood for the Clayton antitrust bill as it originally came from the House; but as I have seen it since it left the hands of the conferees, emasculated and changed, I have felt, as I have expressed myself before and as I express myself now, that it is not in the interest of labor. Even though there are some few lines in the bill favoring labor and laboring organizations, yet there is an evil lurking beneath it all which more than counterbalances all the blessings that might come to labor from it.

Mr. President, since I can not vote to recommit this bill, I shall then have to vote to reject the conference report. I can not believe that there is a man in the Senate or in the other House who would dare, in the face of the enlightened sentiment which to-day pervades this land, to stand up against legitimate labor organizations or oppose the declaration that labor is not a commodity. It would be his death knell politically; but, better and higher and loftier than that, I trust that no man would be imbued with the sentiment of considering labor as a commodity—lofty, honest labor, earning its bread, according to the edict of our God, by the sweat of its brow.

I say to these men: "My friends, men with whom I have conferred, men with whom I have advised as to the wisest and best way to recognize legitimate and honest labor, there are none of you in any State of this Union or outside of it that will charge, whatever my vote may be, that my heart is arrayed against labor in this struggle and strife for daily bread and butter. I oppose this measure because I believe that some influence—I can not say what influence, but some influence, it seems to me uncanny, dangerous to the Republic—has changed the text and character of the bill until it does not stand for the smaller man or the middle man, but tends to advance to further supremacy the giant monopolies that you and I, in both platforms, have pledged ourselves to destroy, and for whose destruction these many years we have struggled."

Since the ruling of the Chair is as it is, I shall have to vote most regretfully against this measure, trusting, believing—yes, knowing—that the eternal principles of right and justice will again triumph in the formulation of another bill, and that it will not have to run the gantlet that this unfortunate measure seems to have had to run.

Mr. LANE. Mr. President, I should like to ask the Senator a question, if he will permit me.

Mr. MARTINE of New Jersey. Yes; go ahead.

Mr. LANE. Does not the Senator from New Jersey think that the small bit of relief which is given in section 20 to the laboring man will cost him tenfold, indirectly, through the other provisions of the bill?

Mr. MARTINE of New Jersey. Why, unquestionably, sir.

Mr. LANE. And that it is in no wise to his benefit?

Mr. MARTINE of New Jersey. None whatever. It is the cheapest sort of sop that can be offered to a laboring man. You have always, whenever you did get in power, saddled many of these men on the back of labor. You are the laborer's friend now, but in ninety-nine cases out of one hundred in which you have had the opportunity to declare and to declaim yourselves you have treated it as a jest and as an absurdity.

Mr. CULBERSON. Mr. President, I move, as a substitute for the motion of the Senator from Missouri, that the Senate agree to the conference report.

Mr. SMOOT. Mr. President, the motion of the Senator from Missouri being a privileged question, I do not believe the motion made by the Senator from Texas is in order.

Mr. CULBERSON. The motion of the Senator from Missouri is not a privileged matter. A motion to agree to a conference report takes precedence of all other motions on the subject.

Mr. REED. Mr. President, I call the attention of the Chair to Rule XXII:

PRECEDENCE OF MOTIONS.

When a question is pending, no motion shall be received but—
To adjourn.
To adjourn to a day certain, or that when the Senate adjourn it shall be to a day certain.
To take a recess.
To proceed to the consideration of executive business.
To lay on the table.
To postpone indefinitely.
To postpone to a day certain.
To commit.
To amend.
Which several motions shall have precedence as they stand arranged; and the motions relating to adjournment, to take a recess, to proceed to the consideration of executive business, to lay on the table, shall be decided without debate.

This looks to me very much like a privileged motion. I call the attention of the Chair now to Gilfry's Precedents, page 889, paragraph 4, which was handed to me by the Senator from Mississippi [Mr. VARDAMAN], and which reads:

It is in order in the Senate to recommit a conference report to the committee of conference, but not with instructions.

I am very sorry the sponsors for this bill are not willing to give the Senate the opportunity to vote squarely on whether it wants criminal clauses in the bill. It would be interesting to have that question before the Senate. It ought not to be denied. In any event, I insist that it is in order to recommit a report, and that the recommittal of a report—and I call the Chair's attention to this—may be absolutely in the interest of the passage of the bill. Legislation is the object for which we meet. Recommitting a report may be a necessary step to the enactment of any bill into a law, because it might be in such shape that it would be liable to rejection. A motion to recommit, therefore, may be as much a friendly motion or a more friendly motion than one to force a bill in an imperfect form to an immediate vote.

The VICE PRESIDENT. The pending question was, of course, and has been for days, on agreeing to the conference report. The Senator from Missouri now moves to recommit the bill to the conferees. The Chair, in the course of a week, has examined most of the decisions of the Senate of the United States upon the question. There have been some rulings against the recommittal of a conference report, but the great majority of the rulings are to the effect that if the Senate chooses so to do it can recommit a conference report. The Chair holds the motion to recommit without instructions to be in order.

Mr. CULBERSON. Mr. President, I call the attention of the Chair to the fact that, representing the conferees, I have never yet made a motion to agree to the conference report. It has

only been submitted and considered. For the first time, just a moment ago, I made the motion, as a substitute for the motion of the Senator from Missouri, that the Senate agree to the conference report. I have the RECORD here, showing that no formal motion has heretofore been made for the Senate to agree to the conference report.

Mr. REED. Mr. President, the question has been stated to the Senate not less than twenty times in the course of this debate, "The question is upon agreeing to the conference report." whereupon somebody would take the floor and proceed to speak.

Mr. OVERMAN. The motion was to proceed with the consideration of the conference report. That was what was asked for—to proceed with its consideration.

Mr. CULBERSON. I present the RECORD to the Chair for its consideration.

Mr. SMOOT. Mr. President, I want to say to the Senator from North Carolina——

The VICE PRESIDENT. There is no doubt about this matter. The Chair reads from the RECORD of September 25:

Mr. CULBERSON. Mr. President, I move that the Senate proceed to the consideration of the conference report on the disagreeing votes of the two Houses upon the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. SMOOT. Mr. President, a motion to consider a conference report when presented to the Senate, according to the rules, must be put without debate; and if that is the position the Senator from Texas takes, all the debate that has been going on has been out of order. The only motion that can be debated upon a conference report is a motion to agree to the conference report.

Mr. CULBERSON. The question which has been before the Senate was what it should do with this report. No formal motion was made to agree to it until a moment ago, and then as a substitute for a motion to recommit.

Mr. SMOOT. I want to read Rule XXVII, Mr. President.

REPORTS OF CONFERENCE COMMITTEES.

The presentation of reports of committees of conference shall always be in order, except when the Journal is being read or a question of order or a motion to adjourn is pending or while the Senate is dividing; and when received the question of proceeding to the consideration of the report, if raised, shall be immediately put and shall be determined without debate.

That is Rule XXVII.

Mr. OVERMAN. Nobody made the point of order on that. It is too late to make it now. We have been going on by unanimous consent to consider the report all the time, and that has been the question—Shall we proceed to the consideration of the report? That is what we have been debating.

Mr. SMOOT. Mr. President, I understand, and I think it has been so stated by the Chair several times, that the question is, Shall the Senate agree to the conference report? That was the only motion that could be debated as it has been debated for the last week.

Mr. WILLIAMS. If the Senator will pardon me, the first question is, Shall the Senate proceed to the consideration of the report?—regardless of the motion before the Senate.

Mr. SMOOT. And that is without debate.

Mr. WILLIAMS. And then the various motions named are in order according to their priority.

Mr. BORAH. Mr. President, a motion to proceed to the consideration of the conference report was put, and the Senate did proceed to its consideration. That was carried and has been disposed of. It is a thing of the past. That motion prevailed days ago, and we have been proceeding with it ever since. Time and time again it has been said during its consideration, when the debate would cease, that "the question is upon agreeing to the report of the conference committee." The proposition that we proceed to the consideration of the report was disposed of at the time we did proceed to its consideration.

Mr. OVERMAN. There has been no motion made since.

The VICE PRESIDENT. The Chair has been proceeding here for a week upon the theory that the pending question before the Senate was upon agreeing to the report of the conferees. The Chair has stated it some dozen times as being the pending question. Nobody has ever disputed it until just now.

Mr. WARREN. Mr. President, there is no question but that when a conference report is first presented to the Senate if a motion is then made for the acceptance of the agreement it is decided without debate. If it is objected to, it goes over, as this did, and may become unfinished business, or it may remain to be called up at some later time, the question still remaining to be decided whether it shall be agreed to or not and coming up in due course by a motion to agree. That motion having been decided adversely, the next step usually is for the ranking member of the conference committee who has the measure in charge to move for a further conference and that the Senate insist upon its amendments, and so forth. Now, an open motion to recommit, if made, would, of course, take it back to the conferees, the same end being reached in either case.

Mr. CHILTON. Mr. President, I do not know whether it will contribute to the information of the Senate or not, but I do not think the actual situation has yet been stated.

Some time last week the Senator from North Dakota [Mr. MCCUMBER] moved that this matter be postponed until the first day of the next session. Since that motion was made we have understood that that was the pending question. A few moments ago that question was settled in the negative by a vote of the Senate. Now the question is, What is the parliamentary situation?

I simply wanted that fact to be stated before the Chair ruled on the question.

The VICE PRESIDENT. The Chair has stated for a week, every time on resuming the chair, that the pending question was on agreeing to the conference report, and nobody has disputed it.

Mr. OVERMAN. Suppose the Chair has stated it. Does that make it so?

The VICE PRESIDENT. The Chair does not like to be put in that position.

Mr. OVERMAN. If the RECORD does not show that any motion at all was made, the fact that the Chair so stated can not make it so.

The VICE PRESIDENT. Mr. Cleaves on Parliamentary Law lays it down that, without the motion ever being made, that is the only question that is pending, unless there be a motion to recommit.

Mr. OVERMAN. Not when a motion was made to proceed with the consideration of the conference report.

The VICE PRESIDENT. That was settled a week ago.

Mr. OVERMAN. That was the motion then pending.

The VICE PRESIDENT. The Chair rules that the motion to recommit is in order.

Mr. REED. I call for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). I have a general pair with the senior Senator from New Mexico [Mr. FALL]. Under the terms of it I have a right to vote upon this question. I vote "nay."

Mr. GORE (when his name was called). I announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON] and withhold my vote.

Mr. HOLLIS (when his name was called). I am paired with the junior Senator from Maine [Mr. BURLEIGH]. I transfer that pair to the junior Senator from Nevada [Mr. PITTMAN] and vote "nay."

Mr. CLAPP (when Mr. KENYON'S name was called). I desire to announce the unavoidable absence of the junior Senator from Iowa [Mr. KENYON]. I am authorized to state that if he were present he would vote "yea" on the motion to recommit this bill.

Mr. LEA of Tennessee (when his name was called). I transfer my pair with the senior Senator from South Dakota [Mr. CRAWFORD] to the senior Senator from Nevada [Mr. NEWLANDS] and vote "nay."

Mr. O'GORMAN (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. GALLINGER] which I transfer to the junior Senator from Arkansas [Mr. ROBINSON] and vote "nay."

Mr. OWEN (when his name was called). I transfer my pair with the junior Senator from New Mexico [Mr. CATRON] to the senior Senator from Illinois [Mr. LEWIS] and vote "nay."

Mr. SMITH of Maryland (when Mr. SAULSBURY'S name was called). I was requested to state that the junior Senator from Delaware [Mr. SAULSBURY] is absent on account of sickness. He is paired with the Senator from Rhode Island [Mr. COLT].

Mr. STERLING (when Mr. SHERMAN'S name was called). I was requested to announce the unavoidable absence of the Senator from Illinois [Mr. SHERMAN] and to state that if he were present he would vote "yea" on this motion.

Mr. BRYAN (when the name of Mr. SMITH of Georgia was called). The senior Senator from Georgia [Mr. SMITH] is detained from the Senate on account of illness. He is paired with the senior Senator from Massachusetts [Mr. LODGE].

Mr. SMITH of Maryland (when his name was called). I transfer my pair with the Senator from Vermont [Mr. DILLINGHAM] to the Senator from Louisiana [Mr. RANSDELL] and vote "nay."

Mr. STONE (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. CLARK]. In his absence and not being able to secure a transfer of the pair I shall have to withhold my vote.

Mr. SMITH of Michigan (when Mr. TOWNSEND's name was called). My colleague [Mr. TOWNSEND] is necessarily absent from the Chamber. He has a general pair with the junior Senator from Arkansas [Mr. ROBINSON]. If my colleague were present, he would vote "yea."

Mr. VARDAMAN (when his name was called). I have a general pair with the junior Senator from Idaho [Mr. BRADY]. I understand that if he were present he would vote as I should on this question. So I shall vote. I vote "yea."

Mr. WALSH (when his name was called). I have a general pair with the Senator from Rhode Island [Mr. LIPPITT]. I transfer that pair to the Senator from Tennessee [Mr. SHIELDS] and vote. I vote "nay."

The roll call was concluded.

Mr. PAGE. I desire to announce the necessary absence of my colleague [Mr. DILLINGHAM] and to state that he has a general pair with the senior Senator from Maryland [Mr. SMITH].

Mr. SMITH of Michigan. I stated that my colleague [Mr. TOWNSEND] is paired with the junior Senator from Arkansas [Mr. ROBINSON]. I have no recent authority for making that statement, and I therefore desire to change it and to announce the unavoidable absence of my colleague and to state that if he were present he would vote "yea."

Mr. LANE. I understand that the junior Senator from Arkansas [Mr. ROBINSON] is detained at home by illness.

Mr. SMOOT. I wish to announce the following pairs:

The junior Senator from Rhode Island [Mr. COLT] with the junior Senator from Delaware [Mr. SAULSBURY];

The senior Senator from New Mexico [Mr. FALL] with the senior Senator from West Virginia [Mr. CHILTON];

The junior Senator from West Virginia [Mr. GOFF] with the senior Senator from South Carolina [Mr. TILLMAN]; and

My colleague [Mr. SUTHERLAND] with the senior Senator from Arkansas [Mr. CLARKE].

The result was announced—yeas 25, nays 35, as follows:

YEAS—25.

Borah	Lane	Page	Thomas
Bristow	McCumber	Penrose	Vardaman
Burton	McLean	Perkins	Warren
Clapp	Martine, N. J.	Reed	Williams
du Pont	Nelson	Smith, Mich.	
Gronna	Norris	Smoot	
Jones	Oliver	Sterling	

NAYS—35.

Ashurst	Hughes	Owen	Smith, Md.
Bankhead	Johnson	Poindexter	Smith, S. C.
Bryan	Kern	Pomerene	Swanson
Camden	Lea, Tenn.	Root	Thompson
Chamberlain	Lee, Md.	Shafroth	Thornton
Chilton	Martin, Va.	Sheppard	Walsh
Culberson	Myers	Shively	West
Fletcher	O'Gorman	Simmons	White
Hollis	Overman	Smith, Ariz.	

NOT VOTING—36.

Brady	Dillingham	Lewis	Shields
Brandegee	Fall	Lippitt	Smith, Ga.
Burleigh	Gallinger	Lodge	Stephenson
Catron	Goff	Newlands	Stone
Clark, Wyo.	Gore	Pittman	Sutherland
Clarke, Ark.	Hitchcock	Ransdell	Tillman
Colt	James	Robinson	Townsend
Crawford	Kenyon	Saulsbury	Weeks
Cummins	La Follette	Sherman	Works

So Mr. REED's motion to recommit the report was rejected.

The VICE PRESIDENT. The question recurs on agreeing to the conference report.

Mr. CULBERSON. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). Making the same announcement as on the former vote, I vote "yea."

Mr. GORE (when his name was called). I again announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON] and withhold my vote, unless it is necessary to make a quorum.

Mr. HOLLIS (when his name was called). I announce my pair and its transfer as before and vote "yea."

Mr. CLAPP (when Mr. KENYON's name was called). I desire to make the same announcement as before regarding the necessary absence of the junior Senator from Iowa [Mr. KENYON] and to state that if he were present he would vote "nay."

Mr. LEA of Tennessee (when his name was called). I repeat the announcement of my pair and its transfer and vote "yea."

Mr. O'GORMAN (when his name was called). I repeat the announcement regarding my pair and its transfer and vote "yea."

Mr. OWEN (when his name was called). I transfer my pair with the Senator from New Mexico [Mr. CATRON] to the Senator from Illinois [Mr. LEWIS] and vote "yea."

Mr. STERLING (when Mr. SHERMAN's name was called). I again announce the necessary absence of the Senator from Illinois [Mr. SHERMAN] and state that if he were present he would vote "nay."

Mr. BRYAN (when the name of Mr. SMITH of Georgia was called). I repeat the announcement as to the absence of the senior Senator from Georgia [Mr. SMITH] made on the last roll call, and announce further that if he were present he would vote "yea."

Mr. SMITH of Maryland (when his name was called). I transfer my pair as upon the last vote and vote "yea."

Mr. STONE (when his name was called). I make the same announcement that I made on the last vote as to my pair and withhold my vote. If I were at liberty to vote I should vote "yea."

Mr. VARDAMAN (when his name was called). I have a pair with the junior Senator from Idaho [Mr. BRADY] and withhold my vote.

Mr. WALSH (when his name was called). I renew the statement made on the preceding roll call, making the same transfer of my pair, and vote "yea."

The roll call was concluded.

Mr. JAMES. I desire to inquire if the junior Senator from Massachusetts [Mr. WEEKS] has voted?

The VICE PRESIDENT. He has not.

Mr. JAMES. I have a pair with that Senator and in his absence withhold my vote, being unable to secure a transfer. If permitted to vote I should vote "yea."

The result was announced—yeas 35, nays 24, as follows:

YEAS—35.

Ashurst	Hughes	Owen	Smith, S. C.
Bankhead	Johnson	Poindexter	Swanson
Bryan	Kern	Pomerene	Thompson
Camden	Lea, Tenn.	Shafroth	Thornton
Chamberlain	Lee, Md.	Sheppard	Walsh
Chilton	Martin, Va.	Shively	West
Culberson	Myers	Simmons	White
Fletcher	O'Gorman	Smith, Ariz.	Williams
Hollis	Overman	Smith, Md.	

NAYS—24.

Borah	Jones	Norris	Root
Bristow	Lane	Oliver	Smith, Mich.
Burton	McCumber	Page	Smoot
Clapp	McLean	Penrose	Sterling
du Pont	Martine, N. J.	Perkins	Townsend
Gronna	Nelson	Reed	Warren

NOT VOTING—37.

Brady	Fall	Lodge,	Stone
Brandegee	Gallinger	Newlands	Sutherland
Burleigh	Goff	Pittman	Thomas
Catron	Gore	Ransdell,	Tillman
Clark, Wyo.	Hitchcock	Robinson	Vardaman
Clarke, Ark.	James	Saulsbury	Weeks
Colt,	Kenyon	Sherman	Works
Crawford,	La Follette	Shields	
Cummins,	Lewis	Smith, Ga.	
Dillingham,	Lippitt,	Stephenson	

So the conference report was agreed to.

Mr. REED. Mr. President, in view of the fact that by the interjection of a point of order the Senate was deprived of the opportunity to express its opinion as to whether it desires criminal penalties in the antitrust legislation or not, I simply wish to say that I propose immediately to introduce a bill to add criminal penalties to these sections as soon as the bill becomes a law.

Mr. VARDAMAN. Mr. President, I wish to say that I was very desirous that this conference report should be recommitted, so that it might be amended in accordance with Democratic promise and fulfill the hopes and absolve the party's obligation to the American people. The junior Senator from Missouri [Mr. REED] has won the everlasting gratitude of the American people by his able effort to protect their interests and by the enactment of a law to punish the trust makers of the land. I desire to pay him the tribute of my admiration and gratitude for his superb effort in the cause of the people. But the Senate refuses to recommit the conference report. I prefer the measure as reported from the committee to nothing; so if I had been permitted to vote I should have voted for the adoption of the report as it came from the committee. It is the next best thing, which I make it a rule to accept if I can not get the best.

VOTES ON FEDERAL RESERVE ACT.

Mr. OWEN. Mr. President, I have in my hand a statement prepared in the office of the Secretary of the Senate relative to the yea-and-nay votes of the Senate during the consideration of the Federal reserve act, approved December 23, 1913. I ask that the statement may be printed as a public document.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. SMOOT. What was the request?

Mr. WILLIAMS. Does it contemplate a payment out of the contingent fund of the Senate?

Mr. OWEN. I should think so. I do not know just what the custom has been. The Secretary of the Senate has had this record prepared.

Mr. WILLIAMS. There is an absolute rule of the Senate which forbids anything from being paid out of the contingent fund of the Senate until after it has been adopted by the Committee to Audit and Control the Contingent Expenses of the Senate. If that be the case, I move the reference to that committee.

Mr. OWEN. I have no objection to the reference suggested.

Mr. WILLIAMS. That is all right. I ask that it be referred to the committee.

The VICE PRESIDENT. It will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

ADJOURNMENT TO WEDNESDAY.

Mr. KERN. I move that when the Senate adjourns to-day it be to meet on Wednesday at 12 o'clock meridian.

The motion was agreed to.

WASHINGTON STATE MEMORIAL STONE.

Mr. POINDEXTER. On the 1st day of October, 1914, it being the twenty-fifth anniversary of the ratification of the constitution of the State of Washington, a stone presented by the State of Washington was placed in the Washington Monument in this city, and certain proceedings were had upon that occasion. I ask unanimous consent that those proceedings may be printed in the RECORD.

The VICE PRESIDENT. Is there objection?

Mr. FLETCHER. I should like to know just the extent of the proceedings referred to.

Mr. POINDEXTER. The extent of them is not great. It consists of very brief five-minute addresses that were made by the members of the delegation from the State of Washington upon the occasion of the dedication of the memorial stone placed in the Washington Monument by the State of Washington.

Mr. FLETCHER. Where were the exercises held?

Mr. POINDEXTER. The exercises were held in the Washington Monument.

Mr. FLETCHER. Of course, in view of the Senator's statement, I make no objection to it. I did not understand the request previously.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

PROCEEDINGS HELD IN THE WASHINGTON MONUMENT, WASHINGTON, D. C., OCTOBER 1, 1914, UPON THE DEDICATION OF A MEMORIAL STONE PLACED IN THAT MONUMENT BY THE STATE OF WASHINGTON.

Rev. Forrest J. Prettyman, Chaplain of the United States Senate, offered the following invocation:

Almighty God, who dost from Thy throne behold all the dwellers upon earth, grant us, we beseech Thee, a due sense of Thy marvelous dealing with us as a Nation. From the beginning of our national life to this good hour Thou hast guided us in the way of continual progress and happiness, and hast bestowed upon us the riches of Thy grace and care. Thy Name has made us great. By Thy favor we have grown to our present state of prosperity. There are no other Gods beside Thee. Thou art the author of every good and perfect gift.

We thank Thee for all the God-fearing men who have been called into the public service and have left their influence upon the State. We remember to-day with thankful hearts the name that we have not been willing to let die from our national life. One who revered Thy name, and by Thy grace achieved the early victories of our national life. His fame ever increases among us. The impress of his spirit is still upon us. To-day the citizens of a great State bring their tribute to his blessed memory, and build into this national monument their token of appreciation of one who feared God alone, and gave his life to his country.

Look with Thy favor, we pray Thee, upon the men and women and children of the great State of Washington, who by their representatives perform this sacred act at this time. May their freedom be preserved, may their fair fields yield their increase, may they hold with loving zeal the faith of the fathers, and may they hold in sacred trust the name of the first President of our Nation. We pray also for all nations. Let the spirit of the Christ come upon those that are to-day engaged in awful conflict. Teach men the unspeakable folly and crime of war. Pity those who are led into the battle of nations through their love of country and the high calls of duty. O God, let peace come again in all the earth and good will animate all people.

We make our prayer in the name of the Prince of Peace. Amen.

LETTER FROM GOV. LISTER.

Senator MILES POINDEXTER, the presiding officer, read the following letter from Gov. Ernest Lister, of the State of Washington:

OCTOBER 1, 1914.

Hon. MILES POINDEXTER,
United States Senate, Washington, D. C.:

MY DEAR SENATOR POINDEXTER: I deeply regret that distance and the press of work here render it impossible for me to be with you and the other members of the Washington delegation to-day on occasion of the unveiling of the Washington State stone in the Washington Monument.

The date selected for the ceremonies is, indeed, a happy one. It enables the State of Washington to assume not only a proprietary but a fine sentimental interest in one of the world's noblest structures—the memorial with which it shares the name of the Father of His Country—on the day which marks its twenty-fifth year under the principle of government which George Washington fought for and led.

That the State of Washington has not heretofore been represented in the monument is explained by the fact that in a vast new Western State, such as is ours, men have been rather too busily engaged in the task of practical building to give much thought or attention to the sentimental things. The placing of the stone that is to-day unveiled is, first of all, an act of sentiment. The stone itself means no more than does any other stone, but the spirit that inspired the building of the great shaft of which it now forms a part, the spirit that has already led most of the States of the Union to place slabs of their native rock within the monument, has real significance.

The stone unveiled to-day, with the stones to which it now becomes companion, represents the sterling manhood and womanhood that has made the State of Washington great, and will make it still greater, and that has placed the United States in the position of leadership among nations.

I am pleased indeed, and I am sure every citizen of the great State of Washington will be gratified in knowing that our State to-day takes its proper representation in connection with an institution which typifies Americanism, as does the Washington Monument.

While I deeply regret that I can not personally be present at the unveiling ceremonies, I am honored in knowing that I am to be personally represented by a man who spent several years of his life in the State of Washington, and to whom the State proudly points as a foster son. I refer to the Hon. Franklin K. Lane, Secretary of the Interior, who has very kindly consented to spare a few moments from the great tasks that are absorbing his attention at this time and represent and speak for me. I am under a debt of gratitude to Mr. Lane for his kindness in complying with my request in this connection. He knows the West; he knows the State of Washington. What he shall say to you will be what I would say to you had I his ability.

With assurances of my high personal esteem, I have the honor to be,
Sincerely, yours,

ERNEST LISTER, *Governor.*

ADDRESS BY SECRETARY LANE.

Hon. Franklin K. Lane, Secretary of the Interior, delivered the presentation address. In presenting the stone he said:

Mr. Chairman, ladies, and gentlemen, as has been said by the chairman, I am, in a sense, a Washingtonian, almost a pioneer in that State. Something over 20 years ago I lived in Tacoma, and while there I found a young man working in a foundry, helped nominate him for membership in the municipal council and elect him, and that young man is now Gov. Lister, of the State of Washington. And because, perhaps of that sentimental connection between us he has asked me to present this stone on behalf of the State.

Men will follow me, I see by the program, far more capable of presenting to you the glories of that State than I am; more familiar with the majesty of its scenery, the almost untouched resources of the State, and the great possibilities which that farthermost State has. Suffice it for me to say that if Gen. Washington could look down over the parapets and survey the State that has been named after him, or even if his devoted and admiring wife were to survey that State, she would say that the State was in all ways worthy of its name.

In this monument I take it that we have not merely erected a personal tribute to the man who made this great Nation possible. It is in itself a thing of extreme and rare beauty. I was surprised some months ago to read in a book by Mr. Arnold Bennett—one of those English gentlemen who spends two weeks in the United States and feels himself fitted to pass upon the spirit and resources, the peculiarities, and the possibilities of the United States—I was surprised to find that he spoke of the Washington Monument as a thing that was ugly, even to the point of hideousness. It is ununderstandable to me that a man who is in any sense artistic could make any criticism of this wonderful structure. And I have sometimes thought when reading the automobile opinions of these men from foreign countries that it might be well, perhaps, if we entered into a game of reprisal and chose some of our literary men of rare descriptive power, such a man perhaps as Mr. Robert Herrick, to take a walk through the Strand and around Trafalgar Square and see what they could find that might be subject to the artistic criticism of the cultured American.

This monument, I think we can say without any spirit of national boasting, is the most impressive and, all things considered, the most beautiful structure ever erected by a Nation as a tribute to one of its own people. [Applause.]

It is more than that, it is a national pledge. It is the upraised arm of the Nation, swearing an allegiance as lasting as stone itself to those principles, those ideals, those emotions, all those mysterious things which go to make up what we call democracy. [Applause.] And in the name of Washington, chief among our patriots, the State of Washington dedicates this stone. [Applause.]

MISS JONES UNVEILS THE STONE.

The Washington State stone was unveiled, amid applause, by Miss Hazel Jones, daughter of Hon. WESLEY L. JONES, senior Senator from the State of Washington, the orchestra playing the national anthem. Miss Jones is a native of Washington, having been born at North Yakima.

The stone is of native sandstone, hewn from the Hercules quarry at Tenino. On it are carved the words "State of Washington," and below is the great seal of the State of Washington.

Very brief five-minute addresses were made by the members of the delegation from the State of Washington.

ACCEPTANCE BY COL. HARTS.

Col. William W. Harts, United States Army, in charge of public buildings and grounds and Washington Monument, accepted the Washington State stone with the following remarks.

Ladies and gentlemen, it is with peculiar pleasure that I find myself in the position where I can represent the Government on such an enjoyable occasion.

The American people have always taken great pride in the patriotism and achievements of Gen. Washington, whom they regard universally as the Father of his Country and its most illustrious defender. So high has this regard been that the Nation, in grateful memory, has erected this monument, to stand for all time, not only to commemorate his public service, but to serve as a reminder to others who may see it, that it may stimulate their emulation to follow his principles.

This Monument has been erected by a grateful Nation in which all States have participated, but in order to feel greater interest in this memorial it has been the practice for separate States to have inserted in its walls their own special stones, inscribed with their names and seals. This practice is founded on sentiment, but a sentiment which is beautiful and praiseworthy. I take much pleasure, as a Government officer, in welcoming to this Monument the stone of the great State of Washington.

ADDRESS BY SENATOR JONES.

Hon. WESLEY L. JONES, senior Senator from the State of Washington, delivered the following address:

Mr. Chairman and citizens of the State of Washington, to do or die was the spirit of the fathers. "Give me liberty or give me death" moved their hearts, nerved their arms, and brought this Nation of ours into being. Its hopes and ideals were wrested from the womb of time amid shot and shell and blood. The perils and dangers, the battles and struggles, the sorrows and privations braved, suffered, and endured by those who gave the world a new birth of freedom are a priceless heritage for the children of men who to-day enjoy the blessings of that free government which they set up. American citizenship is a priceless boon of the ages. It was the dream of the ancients, the ideal of the Middle Ages, and is the acme of the present. Its rights, duties, and privileges are made precious by those who have nobly lived and bravely died. Everyone who dons this priceless toga should know and fully realize—

"What anvils rang, what hammers beat,
In what a forge and what a heat
Were wrought the anchors of our hope."

True to the principles that moved the fathers, we come on behalf of a million and a quarter of as brave, loyal, intelligent, high minded, and patriotic people as live beneath the flag to pay our tribute of love and admiration to him whose honored name is borne by our great Commonwealth. We will place in this lofty shaft a product from our mines as a token of our love and respect not only to the life and character of the greatest figure of his time, but also to the spirit and motives which moved him and those who like him dared the wrath of a mighty people that liberty and freedom might have an eternal abiding place from which to move the world until all people shall enjoy the blessings of freedom which every human heart desires. As we place here this stone we pledge ourselves to do our part in our great national fabric to uphold and maintain those principles and perform our task in the work of the ages.

This shapely, towering shaft typifies the lofty character of him whom we delight to honor, and the stability and surpassing grandeur of this Nation dedicated to liberty and good Government. It symbolizes the unity of distinct States and the strength of national sovereignty. As we take our place in this common tribute to the man who "was first in war, first in peace, and first in the hearts of his countrymen," and who is growing greater and greater in the world's developing life as the years go by, we pledge our people to do their duty in maintaining the strength of this Republic and the principles which it represents, and to aid in the solution of those problems of a higher and grander civilization, so that the comfort, happiness, and joy of all the people may be more full. Our State and our people are in the forefront of progress, enlightenment, and good government. With resources of every kind and character beyond measure, expanding commerce, commodious harbors, exhaustless fisheries, illimitable forests, splendid mines, rich and varied agriculture, diversified manufactures, stupendous water powers, we are striving to build a State and develop a people who shall be and will be worthy of the great name we bear, Washington.

ADDRESS BY CONGRESSMAN HUMPHREY.

Congressman WILLIAM E. HUMPHREY, senior Member of the House of Representatives from the State of Washington, delivered the following address:

It is most fitting that the State that bears the name of one of the greatest of earth should contribute her tablet to be placed in the monument dedicated to his illustrious memory. It is most fitting that this ceremony should be performed upon the day that the State of Washington adopted its constitution. The State and the constitution are worthy of Washington and of the mighty Nation that he founded.

Our constitution, adopted by the patriotic pioneers, is in harmony with the genius of our institutions, giving liberty under law, and unmarred by the dangerous theories of socialistic dreamers.

Our State in the vastness and the variety of its natural resources stands first in this great Nation. The wealth of field and forest, of plain and valley, of mountain and sea are all found in matchless measure in Washington. In the products of our forests, and in the output of our fisheries, the Evergreen State stands first. In climate and scenery we have the most inviting and varied, the most magnificent and beautiful in all the circle of the globe.

We are, indeed, a State of infinite variety. We have sunshine and shadow. We have the wonderful Puget Sound country in the west, with the mightiest forests of all the world, ever green from the life-giving rains of the great Pacific; and we have the arid regions of the east, that under irrigation have been made to bloom and blossom as no other part of this earth. We have the majestic, rugged mountains of the west, the great rolling plains of the east. We have the most wonderful wheat fields that bloom and blossom in the east, and in the west we have the most valuable fisheries of all the waters of the seas. In the west we know not the breath of winter nor the torrid heat of summer; roses bloom every month in the year, and our hills and valleys are as green in January as in June, and in our majestic mountains mighty rivers rushing to the sea contain sufficient energy to turn all the wheels of industry. In the east the frost of winter, the sunshine of summer, the matchless soil combine to produce a harvest perfect and matchless.

The measureless wealth of land and sea, mountain and plain, of forest and field, of climate and scenery, is all found in the State of Washington. Ours is, indeed, a State of infinite resources, of marvelous wealth, and matchless opportunity.

Another century and Washington will be first in wealth, first in population, first in opportunity, first in all that goes to make up a contented and happy people of all the States of this mighty Nation.

As we stand here now and think of the days of the Revolution, as we think of the times then and now, as we think of the progress of the world since our Nation was born, what a rebuke it is to the chronic pessimist, that forever looks upon things with a jaundiced eye and croaks that the world grows worse. If the Father of his Country could stand here to-day, he would be little more surprised at the railroad and at the telegraph, at the telephone and the automobile, at the wireless telegraph and the flying machine, at the marvelous triumphs of mechanical genius, than he would at the growth of individual liberty, general enlightenment, and universal progress of the human race.

There is more comfort and luxury and less poverty and crime in this world to-day than ever before. There is more humanity and charity to-day than ever before. There is more liberty and justice than ever before. There is nearer equality than ever before The individual has a larger share in the affairs of government than ever before. There is more honesty in public and private life to-day than ever before. There is more honor among men and more virtue among women to-day than ever before.

Washington the State, Washington the man! The greatest State of the Union, the greatest man of the Nation! How fitting that our State should have been the one selected to perpetuate his memory and keep his deeds ever before the minds of men. How fitting that the State that bears his name should be one over which no other flag has ever floated but the Stars and Stripes. How fitting that no other flag should ever shadow the State that bears his immortal name but the one that he unfurled in defiance in the blue air of heaven, to float forever over a free people.

ADDRESS BY GEN. WILSON.

Brig. Gen. John M. Wilson, United States Army, retired, the oldest cadet from the State of Washington, was introduced by the presiding officer. Gen. Wilson was appointed a cadet to West Point in 1854 by Columbia Lancaster, the first Delegate in Congress from the Territory of Washington. Gen. Wilson's address follows:

Mr. Chairman, ladies and gentlemen, among the many honors conferred upon me during my long, busy, and eventful life of nearly 77 years, none has touched me more deeply than that of being invited to appear to-day before this galaxy of beautiful and charming women and of noble, brave, accomplished statesmen, professional and business men, representing particularly the grand, superb northwestern State of our glorious Union, named after the Father of his Country, which to-day unveils the beautiful stone placed in this glorious monument erected in memory of the immortal Washington.

I present myself in a trinity of positions—first, as one born in the Capital City of the Nation, now a member of the Washington National Monument Society, whose first president was that great Chief Justice of the United States, Hon. John Marshall, who was elected in October, 1833, just 81 years ago, a society which has had among its members eminent statesmen, soldiers, and other distinguished citizens.

This society, organized in 1833, was incorporated by act of Congress on February 22, 1859, which act provided that thereafter the President of the United States should be ex officio its President, and to-day the Hon. Woodrow Wilson, President of the United States, occupies the position, and our secretary is that able, esteemed and accomplished gentleman Mr. Frederick L. Harvey, who is ever vigilant, watchful, and interested in everything connected with this superb structure.

Second, I appear as a former resident of the State of Washington, one who was a page in the United States Senate from 1849 to 1853, in the days of Webster, Clay, Calhoun, Cass, Douglas, Benton, Jefferson Davis, Sumner, Seward, Hale, and other great statesmen of the Thirty-first and Thirty-second Congresses, and who at the age of 16 emigrated to the golden West, crossed the Isthmus of Panama on a mule, reaching San Francisco after a journey of a month, and thence pushed forward to Washington Territory and located in Olympia on Puget Sound, then a small town of 150 white people and about 300 Indians, the present great city of Seattle at that time consisting of a few log cabins, while the site now occupied by the beautiful city of Tacoma was a superb forest.

A boy, a stranger, far from his original home, I was welcomed and kindly treated by the people of the town, and was soon hard at work and recognized as a resident of the Territory of which at that time that magnificent soldier and ideal gentleman, Gen. Isaac I. Stevens, was governor. He was more than friendly and cordial, greeting me most kindly, and when in 1854 the Hon. Columbia Lancaster, then a Delegate in Congress from the Territory, wrote to him that the War Department had called upon him to nominate a youth for appointment to the West Point Military Academy and requested the governor to recommend some one, the governor and others nominated me, and I was the first West Point cadet and the first graduate of the Military Academy from the now superb State of Washington. I mention these personal facts simply to show why I am, and always will be as long as life lasts, interested in and devoted to the welfare and prosperity of this grand and magnificent extreme northwestern State of our glorious Republic.

Third, I appear as one who saw the corner stone of this monument laid on July 4, 1848, and heard that grand and eloquent oration of the Hon. Robert C. Winthrop, of Massachusetts, in which he paid that exquisite tribute to the memory of Washington when he said:

> Lay the corner stone of a monument which shall adequately bespeak the gratitude of the whole American people to the illustrious Father of his Country. Build it to the skies, you can not outreach the loftiness of his principles. Found it upon the massive and eternal rock, you can not make it more enduring than his fame. Construct it of peerless Parian marble, you can not make it purer than his life. Exhaust upon it the rules and principles of ancient and modern art, you can not make it more proportionate than his character.

It has been well said that the whole world, occidental and oriental, has shown its appreciation of the fame of George Washington, and memorial stones were sent from all portions of the globe to be built in this obelisk.

To-day, the twenty-fifth anniversary of the entrance into the Union of the magnificent State of Washington, it presents to the Nation its memorial stone for this stately and beautiful monument, and now, I believe, only five States of our glorious Union are without mark within this structure of their admiration and love for the hero and statesman in whose memory it has been erected; he who was honorable in every sense, firm and true in peace and war, and for whom we all join in proclaiming that generations will come and pass away ere the beautiful and beloved memory of George Washington shall be forgotten.

The State of Washington is glorious in every sense of the word; its citizens are patriotic, broad-minded, intellectual, true people of the highest type of character; its climate is delightful; its fields of grain are enormous not only in size but in the quantity and quality of their produce; its orchards are grand and prolific in delicious fruits; its beautiful Puget Sound is a harbor that can float at anchor the fleets of the world; its cities are rapidly growing in size, wealth, and importance, while the beauty of its scenery compares favorably with that of Switzerland or any other of the countries of the Eastern or Western Continents.

If I may be excused for thus speaking of my admiration of this northwestern mosaic block of our Union, I will mention one instance alone descriptive of its scenery.

In 1877 I was locating the exact site of a lighthouse to be erected on Point Wilson on the west side of Admiralty Inlet, where Puget Sound empties its waters into the Straits of Fuca; the afternoon was glorious, the sun in its gorgeous brilliancy was nearing the horizon; as I faced to the south the waters of the sound sparkled like a myriad of diamonds; off to the southeast Mount Rainier raised its snow-capped peak several thousand feet above the level of the sea, a wide band of beautiful clouds encircling it halfway between its base and summit; on the west side of the sound the top of the Olympian Range was covered with snow, rendered beautiful by an exquisite pink tinge, the like of which I have never seen elsewhere, while off to the south, on the other side of the grand Columbia River, Mount Hood, Mount St. Helens, and the Three Sisters raised their snow-capped peaks nearly to the clouds, all sparkling in the sunshine as if of brilliant crystal.

As I turned my face to the north Mount Baker appeared in all its grandeur to the northeast, while the hills of Vancouver Island were spread out in all their beauty and the magnificent Straits of Fuca flowed gently and smoothly toward the Pacific Ocean. Although this occurred 37 years ago, it is so photographed on my memory that I can close my eyes at any time and again look upon this scene of grandeur, the most beautiful of its kind, I believe, in this or any other country.

The construction of this great monument to our first President was continued by subscription under the direction of the Washington National Monument Society with more or less trouble from certain sources, when, in 1854, after the monument had reached a height of 153 feet above the foundation and the society had expended about $230,000 upon the structure, work was suspended.

The great War between the States of 1861–1865 withdrew public interest to some extent from this grand and glorious monument and work was not really resumed until Congress in the name of the people of the United States, by the act approved August 2, 1876, assumed charge of the structure and made the necessary appropriations from time to time for the work.

That able, accomplished, and distinguished officer, Gen. Thomas L. Casey, of the Corps of Engineers of the United States Army, a man of the highest type of ability and integrity, was placed in charge, and with the aid of his two able, accomplished, and admirable assistants, Capt. George W. Davis, now Maj. Gen. George W. Davis, a most distinguished officer of the United States Army, and Mr. Bernard R. Green, an able and highly accomplished civil engineer, the great structure was completed in 1884 and dedicated in the most solemn and impressive manner on February 21, 1885.

It was my good fortune to have been present at the dedication ceremonies and, after the promotion of Gen. Casey to the position of Chief of Engineers of the United States Army, to have been assigned to the duty of contructing the mound around the monument, filling up the ponds near it, laying out the roads and grounds, erecting the office building, and placing within the inner walls of the structure sections of the beautiful stones which, although of material not sufficiently strong and durable for the great work, could well appear in the inner walls in sections of 6 inches in thickness, coming as they had done, with the love, devotion, and admiration of the people of the nation.

This monument is the highest obelisk in the world; it is 555 feet 5 inches in height from floor of shaft to apex, weighs 81,120 tons, and cost $1,300,000.

Gen. Wilson then read a telegram of greetings from Mr. Scott C. Bone, editor of the Post-Intelligencer, Seattle, Wash.

ADDRESS BY CONGRESSMAN LA FOLLETTE.

Congressman WILLIAM L. LA FOLLETTE delivered the following address:

Mr. Chairman, members of the Washington delegation in Congress, citizens of the State of Washington, and friends, it is indeed fitting that in this great obelisk of stone erected in honor of the Father of his Country there should be placed an inscribed tablet of enduring sandstone quarried in and transplanted from that far western State on the Pacific slope named for him to whose undying fame this shaft was dedicated—the State of Washington.

This huge shaft, pointing upward into the heavens to a height of 555 feet, is known all over the world as one of its greatest monuments, as he whom it commemorates is known as one of its greatest men. We of the State of Washington are proud of this monument to the memory of Washington in the city of Washington, the capital of the greatest and politically the freest nation on the face of the earth. We are glad that it has been erected here on the eastern slope of the Appalachian Range of mountains, whose shore is washed by the great Atlantic Ocean, near to the State that gave him birth, the Old Dominion State, Virginia; in sight of the noble Potomac River, even to where that river laves the banks of his beloved Mount Vernon. Yes; we are glad that the people of our country have builded this monument.

But, O my countrymen, we of the Pacific coast have what will prove to be a more enduring monument than this one, of which we are all so proud—the young but great State of Washington, already, in proportion to population, the first in education, the first in forest, and one of the first in field, with its mammoth rivers, its mountain ranges, and dazzling snow-clad peaks, monuments of grandeur and purity—St. Helens, Mount Adams, and that great mountain, called by the Indians "Tacoma," geographically known as Mount Rainier; Mount Baker, and the magnificent Olympics, the wonderful Puget Sound.

O Washington, my Washington; its streams, its lakes and dells, its plains and woodland swells; Washington, my Washington! Its soil, marvelous in productiveness; its fruits of vine and tree; its thriving villages and towns; its great cities that only the other day were villages; its million and a half of happy, hustling people, composed of strong adults, confident youth, and happy children—O what a monument is that one we are erecting there to the Father of his Country! Washington, my Washington! We are proud of this monument and glad to have a part in it; but way out yonder we are erecting to him a greater one.

ADDRESS BY CONGRESSMAN BRYAN.

Congressman JAMES W. BRYAN delivered the following address:

Mr. Chairman, Senators, colleagues, fellow citizens of the State of Washington, ladies, and gentlemen, after a long and lonesome voyage, at the first sight of land the heart of the wearied mariner leaps with joy and his lips exclaim with thanksgiving, "Home, sweet home," although there may yet remain days and days of tiresome labor with wind and wave ere his bark puts in to that haven of rest and benediction called home. And so this morning, after this long and tiresome session of Congress here at the Nation's Capital, 3,000 miles from home, my heart beats with rapture and my soul exults in praise as I participate in these exercises, which turn our minds to the achievements of our own fellow citizens within the confines of our own Commonwealth and cause us to mingle with such a large company of men and women who are inhabitants of our own proud State.

We have caused to be engraved upon the polished surface of this splendid specimen of the product of a Washington quarry the name and seal of our beloved State, Washington, and to-day we firmly place it here among similar tokens from the other States which compose the glorious Republic in which we live.

And well may it rest here, proud and dignified, a worthy peer of its colleagues in statehood, for while the colonies were perplexing their minds with the problem of ratifying the Constitution and becoming States in the infant Republic, just ready for its swaddling clothes, Robert Gray and John Kendrick, under authority and inspiration of the flag intrusted to them by John Hancock, governor of Massachusetts, were cruising about the coast of Washington from Puget Sound to the Columbia River, and thereby asserting title by discovery and insuring to the Republic yet to be a world destiny and a supremacy in the greatest of all the oceans, the Pacific, the extent and the responsibility of which we have as yet not even dreamed.

The settlement and development of this territory was the very substance of the "high aim" that has made of Columbia a great predominant American Republic, a world power, rather than an inconsequential unit in the family of nations. The history of the Northwest and the development of our State is replete with glory, but this tablet will occupy its place in this great monument with pride, because the State of Washington has within its border such unlimited resources of forest, of mine, and domain yet owned and held by the public, always to be retained in fee by all the people, but to be used, necessarily, for the immediate benefit of all the people of our State, share and share alike.

Still we must be measured not by glory of history or wealth of public store, but rather by achievements for the betterment of humanity in the use of these opportunities and resources. Here again our State, as the roll is called and the name "Washington" is heard, can hold its head erect and answer that these resources are being developed with due regard for the human element, because in our law books are found the most progressive of laws, enactments which insure fair and honest elections, equality for all in the rights and privileges of government, limitation of hours and regulation of wages for those who toil, powerful corporations subjected to control, municipalities encouraged to own and operate their public utilities, water power held out of monopoly, and rates for its use held within reach of all.

There is not to be found a citizen of the State of Washington who is not proud of his State or who hesitates to proclaim its history, its resources, its high standards of equality and fairness, and its wonderful future.

This tablet is its own testimonial. "Washington," the name thereon inscribed, like the State it designates, stands for all that is best in American history, American life, and American destiny.

ADDRESS BY CONGRESSMAN FALCONER.

Congressman J. A. FALCONER delivered the following address:

Mr. Chairman, ladies, and gentlemen, the spirit of this occasion enlivens our patriotism. These decorations of evergreen and flowers carry to us the scent of our mountains and forests; the familiar seal engraven on this stone takes us back to the great State which we all love so well.

This monument, the finished product of labor and enterprise, is a fact, because of the patriotic integrity of men; its purpose is to serve as a memorial to a soldier-statesman. In a way it stands as the character-temple of this Republic. Its foundation, substantial and strong, represents the bulwark of American liberty; its great height, in the freshness of this autumn morning, suggests life, and the desire for the high standard to which we, a favored Nation, would attain. Builded here in the Capital City directly west of the great white dome yonder and as directly east of another monument (Lincoln) now building there on the banks of the Potomac, this stately shaft carries testimonials from the several States, expressing a principle of united effort and a common purpose.

We are assembled here to-day, the twenty-fifth anniversary of the adoption of our State constitution, to present this token from the citizens of the State of Washington, Washington, the northwest corner State of the Union, 3,000 miles away, where the great Pacific lavishes her waters at the feet of the snow-crest Olympic Mountains.

We are a favored State in name; we are a favored State in citizenship; we are a favored State in our 69,180 square miles of territory, greater than all New England; we are a favored State in natural resources; we are a favored State in firs and fishes; we are a favored State in splendid harbors; and, sir, we are a favored State in a large and rich variety of building and ornamental stones. The sandstone of Tenino, here represented; the Wilkeson, Cumberland, Sucia Island, and Chuckanut, of excellent quality; the granite of Okanogan, Kittitas, Whitman, Chelan, and the mountains of granite of superior quality and easy accessability at Index, Snohomish, all furnish substantial constructive material.

For building and ornamental marble of surpassing beauty we could have presented to you here had we chosen any one of a variety of colors, purple, green, white, pink, black, mottled, gray, cream, or blue from our numerous quarries.

Since a day early in the sixteenth century, when Juan De Fuca called his Spanish sailors onto the deck of his ship to look out upon the ever green shores of the straits which now bear his name, our climate, tempered by the warm currents of the Orient, has been the boast of America. Since James Cook, in 1778, named and sailed from Cape Flattery on return trip to England with the first shipment of our forest product in the

nature of long fir spars, the quality of our timber has been the wonder of the world. Since George Vancouver, on errand from King George III, explored and named Puget Sound, that inland sea has been an ever-increasing joy and delight. From these placid waters are seen mighty sentinels of the Cascades standing guard.

To the north, Mount Baker, with 10,827 feet altitude, marks the north point of the Cascade Range. To the south is the majestic Rainier, standing like a great crystal monument in eternal snow, its altitude, 14,526 feet, carried above the clouds. It is known as Mount Tacoma and as Mount Rainier, but it is loved as "The mountain that was God." To the east is Glacier Peak, and in the depths of beautiful Lake Chelan its lights and shadows fall. Again to the south, midway between the Sound and the Columbia River, is Mount St. Helens, altitude 10,000 feet, and Mount Adams, altitude 12,470 feet. The ice and snows of these great mountains are perpetual, and in glaciers and cataracts creep and tumble on down to the sea, and in their fall there is wrapped up power sufficient to move the industries of the world.

At this time and on this occasion I would not dwell on the natural and commercial advantages peculiar to Washington State. Briefly, I would, in passing, refer to advanced conditions bespeaking enterprising men and intelligent women. In Washington State our school system ranks first in the Union. Our advanced legislation embracing the welfare of men, women, and children has been enacted by the united wisdom of men and women in legislative assembly.

The science of our lumbermen leads the world.

Our paper mills, our iron foundries, our shipbuilding add to our industry and enrich our commerce.

Our coal, iron, and copper mines engage labor.

In horticulture, the rich lands of the Yakima vie with the productive lands of the Wenatchee and Chelan; the valleys of the Okanogan and the Pend D'Oreille class with those of the Columbia, and all surpass in a product of general excellence.

In agriculture, the grain lands in eastern Washington have an average acreage value nearly double that of any other grain-producing State in the Union. The La Connor Flats and adjacent territory are the richest producing oat lands in the world. Sheep and cattle thrive on the buttes and highlands of the Blue Mountains and away across the Columbia Plateau to the foothills of the Cascades; and dairying and general farming are important lines of activity in all Washington.

CITIES.

Our cities stand as monuments of progress. In the heart of the great inland empire, Spokane is the seat of commercial activity, rich in wealth, and specially favored by the falls of the Spokane River, which furnish light and power. To the south, Colfax, Pomeroy, and Dayton, in rich agricultural belts, and Walla Walla, occupying the site of the old fort and called the Garden City of the State. In central Washington, Yakima, Ellensburg, and Wenatchee, the cities of fat bank accounts. On the west coast, Vancouver, of early historical interest; Raymond, Aberdeen, and Hoquiam, thriving lumber cities; Olympia, the beautiful capital city; Tacoma, the electric city of the Pacific coast, with its manufacturing and foreign shipping; Seattle, the city that washes mountains into the sea, with its beautiful parks and lakes, and its 16 to 42 story buildings; Everett, the largest shingle and lumber output city in the world; Mount Vernon, the metropolis of the Skagit; and Bellingham, with her excellent harbor, her canneries, shipbuilding, and educational institutions—these cities all are the pride of our people.

HISTORY.

We are proud of our history, the pages of which recite the virtues of Lewis and Clark and their Indian-maiden guide; of Dr. Marcus Whitman and his faithful followers, missionaries to the Indians, who helped to save all that great territory to the United States; of all the line of Territorial governors, from Isaac I. Stevens to Miles C. Moore; and the governors of the State, from Elisha P. Ferry to Ernest Lister. The records of these men, pioneering and building, is a rich heritage to the citizens of our State.

Mr. Chairman, the word Washington is synonymous with patriotism. From Washington State to the Washington Monument in Washington City, we bring this stone. If it truly represents our people, it is a worthy gem in this great temple.

THAT'S WHERE THE WEST BEGINS.

Out where the hand clasps a little stronger,
Out where a smile dwells a little longer—
  That's where the West begins;
Out where the sun is a little brighter,
Where snows that fall are a trifle whiter,
Where the bonds of home are a wee bit tighter—
  That's where the West begins.

Out where the skies are a trifle bluer,
Out where friendship's a little truer—
  That's where the West begins;
Out where a fresher breeze is blowing,
Where there's laughter in every streamlet flowing,
Where there's more of reaping and less of sowing—
  That's where the West begins.

Out where the world is in the making,
Where fewer hearts with despair are aching—
  That's where the West begins;
Where there's more of singing and less of sighing,
Where there's more of giving and less of buying,
And a man makes friends without half trying—
  That's where the West begins.

—CHAPMAN.

ADDRESS BY CONGRESSMAN JOHNSON.

Congressman ALBERT JOHNSON delivered the following address:

Senator POINDEXTER, Senator JONES, Mr. Secretary Lane, ladies, and gentlemen, others have spoken of the beauties, the grandeur, and the natural wealth of the State of Washington. It seems fitting at the setting of this fine Tenino stone from our State in the Washington Monument, on the twenty-fifth anniversary of the adoption of our State constitution, that I, a resident of Grays Harbor, should pay a slight tribute to Capt. Robert Gray, who, on May 7, 1792—122 years ago, or 300 years after Christopher Columbus—discovered the harbor where I live, which is named for him, and the discovery of which gave the United States title to the State of Washington.

Five days later Capt. Gray sailed into Entrada de Heceta, so named by the Spaniard, Heceta, in 1775, or Deception Bay of 1788, so named by Lieut. John Mears, a retired lieutenant of the British Navy. It remained for Capt. Gray to discover that Deception Bay was not a bay, but a river, which he named the Columbia. From his discoveries of Grays Harbor and the Columbia actual American history in the Northwest begins. Gray was not only the first to unfurl the Stars and Stripes there, but the first to carry one flag around the world.

Written history of what is now our State, of course, runs further back than 1792, and again my county of Chehalis furnishes the incident. Few persons know that six white men were murdered by Indians at Point Grenville, a few miles north of Moclips, a summer resort in Chehalis County, 139 years ago, or, to be exact, July 14, 1775—a little more than one year before the signing of the Declaration of Independence.

In fact, this battle of white men against Indians occurred on almost the exact date of the Battle of Bunker Hill, but a month or two after the minutemen of Boston, aroused by Paul Revere, had defeated the British at Lexington and Concord and had fired the "shot that was heard 'round the world." It was not heard out there in that far-off, unexplored country, now the State of Washington, for several years, in spite of the fact that every American out there was known as a Boston man. Capt. Robert Gray came from Boston, and a ship named the *Boston* followed him in 1803 to our country. Its captain offended Chief Maquinna, of the Nootkans, who burned the ship, killed all of the crew except Jewitt, an armorer, and Thompson, a sailmaker, whom they enslaved. The subsequent search for these men from Boston, which lasted three years and was successful, led to the designation of white Americans as "Boston men," which has lasted to this day in some localities. As opposed to the Boston men, or Americans, the Britishers, who arrived soon after Gray with Sir George Vancouver, were known as King George men. Their arrival led to a treaty which eliminated the rights of Spain to the northwest country and left Great Britain and the United States to struggle for 50 years in a bloodless battle, with Russia interfering occasionally, for possession of the country north of the forty-second parallel—Oregon, Washington, Idaho, and parts of Montana and Wyoming.

Robert Gray's discoveries, the careful records he kept, and our subsequent exploration and settlement, gave the United States title to all that great country.

But to revert to the murder of Bodega y Quadra's six Spanish sailors, at Point Grenville: Quadra's schooner, the *Sonora*, was attached to Heceta's expedition. The *Sonora* anchored at Grenville, then unnamed, and, according to Spanish records, erected a cross at the point July 14, 1775. The ceremony was witnessed by the Indians, who were very demonstrative in their assurance of friendship. Quadra sent six men to the mainland in a small boat. As soon as the 6 Spaniards had left this boat, 300 Indians, who were hiding in the woods, attacked them. Two sailors sprang into the sea and were drowned, two others were killed, and the small boat was broken up for the nails it contained. Next the savages rushed out to the schooner in their canoes, as if to prevent its departure. With a swivel gun the Spaniards killed six Indians—and there was a shot which was not heard round the world, but which caused a great deal of trouble between white men and red men for many, many years.

I have given you the Spanish account of this affair, as translated by Bancroft and repeated by most of our Western historians. But I have a different version, received directly from the lips of the oldest of the Quiniault Indians, whose great reservation lies just north of Point Grenville, which by the way the Spaniards had named Point of Sorrows. Our oldest Indians claim that the story handed down to them was that nine sailors came ashore and visited a camp on the river where the Indians were smoking fish—the now far-famed Quiniault salmon, the king of the finny tribe. The sailors were invited to eat. After eating, they filled their arms with smoked salmon and ran, violating the tribal laws, which were that all were welcome to eat at any camp, but that nothing should be taken away, unless a "potlatch" had been proclaimed. The Indians pursued the sailors to the ocean's edge, and killed seven, two escaping into the water.

I think the Indians' tradition is the more likely story, for since white civilization began out there, the Quiniaults have been peaceful. They took no part in the Indian wars, and for their good conduct Gov. Isaac I. Stevens, in a treaty approved by U. S. Grant, gave them their lands and their fishing and hunting rights forever. And strangely enough, my friends, the first persons arrested for violation of the recently enacted migratory bird act were some of the Quiniault Indians.

Running far back of these events it is a matter of record that Philippine treasure ships in 1700–1750, after the Jesuit settlements in California, used to cross the Pacific by the northern route, and on numerous occasions they were forced by the trade winds to put in at harbors on what is now the coast of Washington and Oregon

So, my friends, we can trace the history of our beloved State back a great many years; we can read of Russian, Spanish, and British maritime explorers, freebooters, and pirates, running up and down our northwest coast three and four centuries ago vainly searching for, and even reporting the finding of that mystery of mysteries—the Strait of Arian—the northwest passage. But for true American history, American occupation, American pluck, determination, and perseverance, which laid the foundation for the great State of Washington, we must start with the day—May 7, 1792—that Capt. Robert Gray discovered and claimed for the United States Grays Harbor, Chehalis County, in the State of Washington. In my opinion our State, now having placed a stone in this great monument to George Washington, can not do less than place a magnificent marble likeness of the intrepid Boston captain, Robert Gray, the commander of the ships *Columbia* and *Washington*, in Statuary Hall in the National Capitol.

ADDRESS BY MR. HARVEY.

Mr. Frederick L. Harvey, secretary of the Washington National Monument Society, delivered the following address:

Mr. Chairman, ladies, and gentlemen, speaking in behalf of the Washington National Monument Society, and as a member of that body, the gift to the memory of Washington which has just been unveiled is regarded by the society with feelings of profound pleasure and satisfaction.

This occasion marks, I believe, the twenty-fifth anniversary of the adoption of the State's constitution by the people of Washington; and in this connection is suggested the thought that the convention which brought forth the Constitution of these United States, which has made it a great Nation, was presided over in its deliberations by George Washington.

With the placing of this stone in the monument by the State of Washington there now remain but five States of the Union to be so represented—namely, Texas, Oklahoma, Arizona, New Mexico, and Idaho. The legislature of the last-named State, however, has appropriated for a memorial stone, which is now in course of preparation, and will probably be the next to be placed within these walls. It is hoped and expected that the other States named will take suitable action at the approaching sessions of their respective legislatures, looking to their representation here. When the memorials from these five States mentioned are finally in place in the shaft the Union will be complete, exemplifying our national motto, "E pluribus unum—many in one."

While the Monument is the loftiest structure ever erected to the memory and virtues of any man, and was built to perpetuate the name and fame of Washington, I think that name and fame equally perpetuated in the fact that a great Commonwealth of this country has chosen that illustrious name to stand for the sovereignty, the citizenship, and virtues of its people. With respect to the stone which has just been unveiled, I should hope that it would remain, as now, the topmost of the memorials in place and that remain to be placed in this Monument.

After what has been so eloquently said by other speakers, Mr. Chairman, it may be of interest in these proceedings, and to the citizens of the State of Washington, to know some of the salient facts as to the origin of the Monument and the reasons for the selection of the site on which it stands. I can not pretend on this occasion to go deeply into the history of this Monument, nor that of the Washington National Monument Society, through the efforts of which society the work of erecting the Monument was begun and carried on for many years. From conception to dedication that history covered more than a century of time.

The origin of the society is to be found in the failure of the National Congress through a long series of years to redeem a solemn pledge made by the Continental Congress in 1783. On the 7th day of August of that year it was resolved by the Congress, "unanimously, ten States being present, that an equestrian statue of Gen. Washington be erected at the place where the residence of Congress shall be established." Later, a committee appointed to consider the resolution made a favorable report, accompanied by certain recommendations, but the resolution was not carried into effect.

December 23, 1799, on motion of John Marshall, in the House of Representatives, it was resolved by Congress, among other things—

> That a marble monument be erected by the United States in the Capitol at the city of Washington, and that the family of Gen. Washington be requested to permit his body to be deposited under it; and that the monument be so designed as to commemorate the great events of his military and political life.

A copy of the resolution was sent to his widow by the President of the United States.

In her reply, acceding to the request, she said:

> Taught by the great example which I have so long had before me never to oppose my private wishes to the public will, I need not, I can not, say what a sacrifice of individual feeling I make to a sense of public duty.

The select committee which was appointed to carry into effect the resolution reported favorably on the 8th of May, 1800, through its chairman, Mr. Henry Lee, and further proposed that the resolution of the Continental Congress of 1783 be carried into immediate execution, and for the present $100,000 was proposed to carry out the resolutions. Upon considering the report, Congress amended the resolution to provide for a "mausoleum of American granite and marble, in pyramidal form, 100 feet square at the base and of proportionate height, to be erected in the city of Washington"—this in place of the memorial suggested by the Continental Congress. Later, the House of Representatives passed a bill appropriating $200,000 for the mausoleum, but the Senate did not concur in the act.

Not until 1816 was the subject of a monument to Washington again before Congress. In February of that year the General Assembly of Virginia instructed the governor of that State to correspond with Judge Bushrod Washington, then proprietor of Mount Vernon, to secure his consent to the removal of Washington's remains to Richmond, to be there marked by a suitable monument to his memory. Upon learning of this action by the General Assembly of Virginia, Hon. Benjamin Huger, a Member from South Carolina in the House of Representatives, who had been in the Congress of 1799, moved that a select committee be appointed to carry out the resolution of the Continental Congress. In this the Senate concurred. The committee proposed was appointed and later introduced a bill and submitted a report recommending that a tomb should be prepared in the foundations of the Capitol for the remains of Washington. But Judge Bushrod Washington refused his assent to the removal of the remains, and the bill was "indefinitely postponed" in the House. No report was made to the Senate. A vault, however, appears to have been prepared for the remains beneath the center of the Dome and Rotunda of the Capitol and beneath its Crypt.

In 1819 a resolution passed the Senate July 19 to erect an equestrian statue to Gen. Washington. The resolution came before the Committee of the Whole in the House of Representatives, was read twice, and then was "indefinitely postponed."

In January, 1824, Mr. James Buchanan, later President of the United States, introduced a resolution in the House of Representatives to carry into effect the resolution of 1783, but his resolution was "laid on the table." In his annual message to Congress in 1825 President Adams invited the attention of Congress to the unfulfilled pledge of the Continental Congress, but nothing came of it.

In 1832, the centennial of Washington's birth approaching, reports were made by committees of Congress in each House with a view to the removal of the remains of Washington to be

deposited in the Capitol. In the Senate the report was submitted by Henry Clay, and in the House of Representatives by Mr. Philemon Thomas. Mr. John A. Washington, of Mount Vernon, declined his assent to the plan, and there the matter ended.

The resolutions and proceedings of Congress which have been referred to remaining unexecuted as late as 1833, certain citizens of the city of Washington whose names were a passport to public confidence took steps to organize a voluntary association to erect "a great national monument to the memory of Washington at the seat of the Federal Government."

The organization of the society was effected on the 26th day of September, 1833. John Marshall, the great Chief Justice, was the society's first president, and on his death he was succeeded by ex-President James Madison, who, in turn, was succeeded by Andrew Jackson. The board of managers was composed of many distinguished men. Of the number may be mentioned John P. Van Ness, formerly a Representative in Congress from Pennsylvania; Samuel Harrison Smith; George Waterson, the first Librarian of Congress; Gen. Thomas S. Jessup; Col. James Kearney; Col. Archibald Henderson; Thomas Munroe, the first postmaster of Washington; Peter Force; and Thomas Carberry. A plan of the Monument drawn by Robert Mills, a distinguished architect, was adopted, the chief feature of which was an obelisk to be 600 feet in height. Funds were secured by voluntary contributions from the people everywhere.

One of the first acts of the society was to arrange for memorial stones from the several States and foreign countries to be placed in the shaft, and an address was issued to the country. Later other addresses and appeals by the society for funds were indorsed with the signatures of Andrew Jackson, Henry Clay, Daniel Webster, Winfield Scott, James K. Polk, George M. Dallas, Gen. Zachary Taylor, Franklin Pierce, Millard Fillmore, and others eminent in political life, commending the purpose of the society to the favorable consideration of their countrymen.

Sufficient money having accumulated, the corner stone of the Monument was laid with impressive ceremonies on the 4th of July, 1848, under a bright sky, in the presence of the President and Vice President of the United States, Senators and Representatives in Congress, heads of executive departments and other officers of the Government, the judiciary, representatives of foreign Governments, the corporate authorities of the city of Washington, cities of Georgetown and Alexandria, Va., military commands, associations of many descriptions, delegations from States and Territories and from several Indian tribes, and a great multitude of citizens. After the consecration prayer an oration, lofty and eloquent, was delivered by the Hon. Robert C. Winthrop, then Speaker of the House of Representatives.

The grand master of the Masonic fraternity of the District of Columbia then delivered an address and performed the Masonic ceremonies of laying the corner stone. The gavel used was that employed by George Washington in the laying of the corner stone of the National Capitol. Among the distinguished guests occupying the platform were Mrs. Alexander Hamilton, then 91 years of age, Mrs. Dolly Paine Madison, George Washton Parke Custis, and others of eminence.

The site for the Monument, selected under authority of a resolution of Congress, was reservation No. 3, containing upward of 30 acres, and which reservation was later deeded to the society. This site was marked on the first plan of the city of Washington made by Maj. L'Enfant, a chief of staff of Washington, as the site for the Monument proposed by the Continental Congress in 1783. This map Washington, as President, approved, and it became the first official map of the city of Washington. The Monument stands but a short distance away from the meridian line, run at the instance of President Jefferson, October 15, 1804. This line, under the President's direction, was carried through the center of the White House, and where it intersected a line due east and west through the center of the Capitol a small pyramid was built. The point is now marked by a stone but a short way to the west of the Monument. The center of the District of Columbia, when it was 10 miles square, was 1,305 feet north and 1,579 feet west of the site selected, but this exact center was not a commanding spot on which to erect the obelisk.

In 1855 work on the Monument was suspended through an ousting of the officers and managers of the society by members of the American or "Know-Nothing" Party through an illegal election, and the matter of the election went to the courts. Disregarding that election and the seizure of its books and archives, the society continued its existence and its appeals to the country as a voluntary organization. In 1859 Congress incorporated the society, providing that the President of the United States for the time being should be ex officio president and the governors of the several States ex officio vice presidents. Under this provision of the charter, Gov. Lister, of the State of Washington, is one of the present vice presidents of the Washington National Monument Society.

The American Party disintegrating and there being no public confidence in the organization it had created as a board of managers for the Monument, the "Know-Nothing" board dissolved and turned over to the society the books and archives it had illegally held. During the period of the "Know-Nothing" management there were placed on the Monument two courses of stone, which were removed as unfit by Gen. Thomas Lincoln Casey, the engineer, when work was resumed on the shaft.

During the Civil War the work of building the Monument was halted for lack of contributions, and this suspension lasted, and for the same reason, for some years afterwards, although the society continued urgent appeals to the country for aid.

On the 5th of July, 1876, in the centennial year of our country's independence, the Hon. John Sherman, of Ohio, introduced in the Senate of the United States a joint resolution providing for the completion of the Monument. The resolution was adopted, and later Congress passed a bill to carry into effect the resolution, which became law August 2, 1876, through the signature of President Grant. The bill carried an appropriation of $200,000, which was supplemented in subsequent years by other appropriations until the Monument was finished. The bill provided a joint commission to superintend the construction and continued the Washington National Monument Society in an advisory and cooperative capacity with the commission. In consideration of the action by Congress the society redeeded to the Government the 30 acres of land granted to it in 1848.

You have heard from Gen. Wilson as to the distinguished engineer and his assistants who constructed the Monument and of its cost.

The first great work of the engineer in charge consisted in strengthening the old foundation by placing beneath it a concrete slab 124 feet square and 13 feet thick, removing some of the old rockwork and substituting concrete underpinning. The operation was a delicate one, the weight of the then uncompleted shaft being 40,000 tons.

The first stone on the shaft in the resumption of building was laid on the 7th of August, 1880.

The Monument approaching completion, Congress in May, 1884, created a commission to make arrangements for the dedication of the Monument, consisting of five Senators, eight Representatives, and three members of the Washington National Monument Society. Pursuant to the orders of the commission, the Monument was dedicated on the 21st of February, 1885. There were appropriate exercises at the base of the Monument.

Addresses were made by the Hon. John Sherman, Senator from Ohio; Hon. W. W. Corcoran, first vice president of the society, and Brig. Gen. Thomas Lincoln Casey, Corps of Engineers. There were Masonic ceremonies by the Grand Lodge of the District of Columbia, after which the Monument was dedicated by the President of the United States, Chester A. Arthur, in a brief and eloquent address.

Ceremonies were also held in the Hall of the House of Representatives, where Congress met in joint session. An oration by Robert C. Winthrop, of Massachusetts, was read by Representative John D. Long of that State, and an oration followed by Representative John W. Daniel, of Virginia.

In its 81 years of existence the society, with its limited membership of 18, has had many notable names on its roll—John Marshall, James Madison, Commodore John Rogers, Commodore M. F. Maury, Gen. Thomas S. Jessup, Col. George Bomford, Joseph Gales, W. W. Seaton, Gen. Alexander McComb, Walter Jones, W. W. Corcoran, Ulysses S. Grant, George W. Riggs, Gen. William T. Sherman, Asaph Hall, Samuel W. Langley, Joseph Henry, George Bancroft, John Sherman, Hugh McCulloch, Admiral George Dewey, and Associate Justice William Strong and Henry B. Browne of the Supreme Court of the United States.

Mr. Chairman, as to the form of this majestic Monument, it was not by chance. It reaches back far into the past—indeed, to the Pharaohs. Credit for its proportions is due to the Hon. George P. Marsh, formerly minister of the United States to Italy. In a letter to Hon. George F. Edmunds, then a Senator from Vermont, Minister Marsh told of having measured the Egyptian obelisks at Alexandria, Egypt, the one at the Vatican, that on the banks of the Thames, and that in Central Park, New York City, from which he discovered that the ancient Egyptians carved their obelisks in height 10 times the base, with the pyramidion or top equal to the base.

This information sent to the joint commission for completing the Monument resulted in conforming to the rule so discovered; hence the beauty, dignity, simplicity, and perfect proportions of the Monument.

In conclusion, Mr. Chairman, it appears a singular coincidence that the act of August 2, 1876, for the completion of the Monument as a memorial to him who, foremost as soldier and President in laying the foundations of this Republic, should have become law by the signature of that soldier and President who was foremost in maintaining by arms the foundations so laid.

ADDRESS BY SENATOR POINDEXTER.

Senator MILES POINDEXTER delivered the following address:

Twenty-five years ago to-day the people of the Territory of Washington by popular vote ratified the constitution of the State. In its first sentence it declares "All political power is inherent in the people and governments derive their just powers from the consent of the governed." Under that benign principle we have enjoyed a quarter of a century of liberty. Free to govern ourselves in local affairs, we have been protected from outside interference by our National Union. No happier fate was ever bestowed upon the sons of men. With an ancestry which had founded a nation and acquired the best part of a continent as the scene of their development, we received as our inheritance an area of 69,000 square miles—fertile plains, mighty rivers, vast forests, mountains, valleys, and the shining shores of the western sea. Safe harbors gave access to the commerce of the world. To this imperial domain has been given the name of Washington, and when other memorials crumble into dust it will be preserved there. But greater by far than the riches of material possessions is the common heritage of American character. We have written into our constitution the great bill of personal rights, which makes every American citizen a peer of the realm. The knowledge that he has no superior in the privileges of government and law has produced a type of citizenship representing the highest development of the race. We received also from our fathers religion and a system of education, and have preserved them both.

Unsurpassed public schools offer free instruction to all and a great State university puts learning within our reach. Churches of the living God testify to freedom of soul.

With these opportunities and advantages, our population is now near a million and a half—a prosperous and happy people, grateful to God and to our country for the blessings we enjoy. The 25 years of statehood have been years of labor, but the difficulties and problems of our work and growth have been met manfully and intelligently.

As representatives of such a people and of the State of Washington we bring here now this stone hewn from the living bosom of the State, dedicate it with our love and gratitude, and place it in this mighty monument erected to him by all the States. As it is bound in this shaft with the memorial stones of other States, uniting us in the memory of Washington, may it be a witness forever of the brotherhood and constitutional union of our people.

There is not in the whole world a nobler work of man than this Monument in which the State of Washington now has a part. Its simple lines of beauty, its enduring strength, its proportions of grace, and its mighty bulk fitly represent the character and fame of Washington. We are rich in material things and comparatively poor in things of the spirit. It is a stupendous realization that the spirit of that mighty man is here. His labors in large part earned our present peace; his exertions gave us our happiness to-day. The white bulk of this work of his people's loving hands looms large over the river of his days and the city of his dreams and calls his spirit here. Over the trees and temples, over the lawns and flowers, its pure shape shows forth continually throughout the years our living memory and love of George Washington—Washington, the dutiful son, the industrious youth, the eager soldier; Washington, the kindly neighbor, the orderly man of business; Washington, the patriot and the hero; Washington, in the summit of fame gladly surrendering the power and circumstance of office that by these peaceful waters his great soul might commune in peace with the soul of nature and of God. His spirit is here, and by the ceremony and testimonial of this plain carved stone the State which he made possible and which will bear his name to the distant shores of time enters into communion with him.

RESOLUTION BY CONGRESSMAN FALCONER.

The following resolution, offered by Congressman J. A. FALCONER, was unanimously adopted:

Resolved, That we hereby express our appreciation to the Hon. Franklin K. Lane, Secretary of the Interior, for the splendid address he has given here to-day and for the time he has devoted to help make this celebration the success it has been; that we express our thanks to Hon. Ernest Lister, governor of the State of Washington, for the generous cooperation he has given, and express our sincere regrets that he could not be present in person; that we highly appreciate the services so liberally given by the Engineer Band, and heartily thank all those who by their presence here to-day have helped to make this an auspicious occasion; and

Resolved further, That we hereby request that these proceedings be printed in the CONGRESSIONAL RECORD.

The ceremony was closed with benediction offered by the Rev. Forrest J. Prettyman, Chaplain of the United States Senate.

Music for the occasion was furnished by a stringed orchestra of the Engineer Band, United States Army.

PETITIONS AND MEMORIALS.

Mr. PERKINS presented petitions of Galanthe Temple, Pythian Sisters, of Oakland; of Piedmont Parlor, Native Daughters of the Golden West, of Piedmont; and of Brooklyn Parlor 145, Native Daughters of the Golden West, of Los Angeles, all in the State of California, praying for the enactment of legislation granting pensions to civil-service employees, which were referred to the Committee on Civil Service and Retrenchment.

He also presented a memorial of the Bank of Italy, of San Francisco, Cal., remonstrating against the proposed tax on capital and surplus of banks, which was referred to the Committee on Finance.

He also presented memorials of H. Hathaway, manager of the Mutual Life Insurance Co. of New York at San Francisco; of F. A. Stearns and Klitgaard & Nymeyer, of San Francisco; and of Julius Sonnteg, vice president of West Coast Life Insurance Co., of San Francisco, all in the State of California, remonstrating against the proposed tax on insurance companies, which were referred to the Committee on Finance.

Mr. POINDEXTER presented petitions of sundry citizens of Washington, D. C.; of New York City and Brooklyn, N. Y.; of Pittsburgh, Pa.; of Chicago, Ill.; and of Minnesota and Ohio, praying for the enactment of legislation to grant recognition to Dr. Cook as the discoverer of the North Pole, which were referred to the Committee on the Library.

He also presented a petition of the Millville Socialist Local, of Colville, Wash., favoring neutrality by the United States during the present European war and also for the prohibition of the shipment of foodstuffs from the United States, which was referred to the Committee on Foreign Relations.

Mr. KERN presented memorials of sundry merchandise brokers of Indianapolis and Terre Haute, in the State of Indiana, remonstrating against the proposed war tax, which were referred to the Committee on Finance.

He also presented a petition signed by a large number of citizens of the United States, praying for the passage of the so-called Army veterinary bill, which was referred to the Committee on Military Affairs.

He also presented sundry memorials and telegrams in the nature of memorials from citizens and corporations of Indiana, remonstrating against certain provisions in the war-revenue tax, which were referred to the Committee on Finance.

Mr. SMITH of Michigan presented memorials of the Stock Exchange of Detroit, Mich., remonstrating against the proposed tax on stock and bond brokers, which were referred to the Committee on Finance.

He also presented memorials from sundry banks in the State of Michigan, remonstrating against the proposed tax on capital, surplus, and undivided profits of banks, which were referred to the Committee on Finance.

REPORTS OF COMMITTEES.

Mr. THOMPSON, from the Committee on Public Lands, to which was referred the bill (S. 6392) for the relief of registers and receivers of the United States land offices in the State of Kansas, reported it with amendments and submitted a report (No. 801) thereon.

Mr. CHAMBERLAIN, from the Committee on Military Affairs, to which was referred the bill (H. R. 5474) for the relief of Patrick McGee, alias Patrick Gallagher, reported it without amendment and submitted a report (No. 802) thereon.

He also, from the same committee, to which was referred the joint resolution (S. J. Res. 188) ceding to the State of California temporary jurisdiction over certain lands in the Presidio of San Francisco and Fort Mason (Cal.) Military Reservations, reported it without amendment and submitted a report (No. 803) thereon.

Mr. SWANSON, from the Committee on Naval Affairs, to which was referred the bill (S. 6497) for the relief of Lloyd C. Stark, reported it without amendment and submitted a report (No. 804) thereon.

Mr. THOMAS, from the Committee on Military Affairs, to which was referred the bill (S. 2287) to correct the military record of Charles S. Wells, reported it with amendments and submitted a report (No. 805) thereon.

BILL AND JOINT RESOLUTIONS INTRODUCED.

A bill and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. POMERENE:

A bill (S. 6568) to amend section 20 of an act to regulate commerce, approved February 4, 1887, as amended; to the Committee on Interstate Commerce.

Mr. THORNTON. Although we have no routine morning business, and I am opposed to the introduction of resolutions and bills outside of the time for morning business, I ask unanimous consent to be allowed to introduce a joint resolution, because the Secretary of the Navy has made a request that the matter be called to the attention of the Senate and acted upon as expeditiously as possible. I ask that it be referred to the appropriate committee, which will be the Committee on Naval Affairs.

The joint resolution (S. J. Res. 193) to authorize the President to grant leave of absence to two commissioned officers of the line of the Navy, for the purpose of accepting an appointment under the Government of Brazil as instructors in naval strategy and tactics in the naval war college of Brazil, was read twice by its title and referred to the Committee on Naval Affairs.

By Mr. O'GORMAN:

A joint resolution (S. J. Res. 194) authorizing the Secretary of War to use any allotment made under the provisions of an act approved October 2, 1914, entitled "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," for the improvement of East River and Hell Gate, N. Y.; to the Committee on Commerce.

EXECUTIVE SESSION.

Mr. KERN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 6 o'clock and 23 minutes p. m.) the Senate adjourned until Wednesday, October 7, 1914, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate October 5 (legislative day of September 28), 1914.

COLLECTOR OF INTERNAL REVENUE.

Burt Williams, of Ashland, Wis., to be collector of internal revenue for the second district of Wisconsin, in place of Herbert H. Manson, deceased.

PROMOTIONS AND APPOINTMENTS IN THE NAVY.

Lieut. Commander Rufus Z. Johnston to be a commander in the Navy from the 1st day of July, 1914.

The following-named assistant surgeons in the Medical Reserve Corps to be assistant surgeons in the Navy from the 2d day of October, 1914:

Charles E. Treibly,
William W. Hargrave,
Charles S. Stephenson, and
Roscoe M. Waterhouse.

Summerfield M. Taylor, a citizen of Texas, to be an assistant surgeon in the Medical Reserve Corps of the Navy from the 28th day of September, 1914.

Paymaster Walter B. Izard to be a pay inspector in the Navy from the 19th day of July, 1914.

CONFIRMATIONS.

Executive nominations confirmed by the Senate October 5 (legislative day of September 28), 1914.

UNITED STATES CIRCUIT JUDGE.

Richard W. Walker to be United States circuit judge for the fifth circuit.

PROMOTIONS IN THE ARMY.

CAVALRY ARM.

Lieut. Col. Frederick S. Foltz to be colonel.
Lieut. Col. Harry C. Benson to be colonel.
Maj. Robert A. Brown to be lieutenant colonel.
Capt. Elmer Lindsley to be major.
First Lieut. John Alden Degen to be captain.
Second Lieut. Robert C. Rodgers to be first lieutenant.
First Lieut. Albert E. Phillips to be captain.
Second Lieut. Richard E. Cummins to be first lieutenant.
Second Lieut. Alexander L. James, jr., to be first lieutenant.

INFANTRY ARM.

Lieut. Col. Henry C. Hodges, jr., to be colonel.
Lieut. Col. John F. Morrison to be colonel.
Lieut. Col. William H. Allaire to be colonel.
Maj. James H. McRae to be lieutenant colonel.
Maj. Walter H. Gordon to be lieutenant colonel.
Maj. Armand I. Lasseigne to be lieutenant colonel.
Capt. Hansford L. Trelkeld to be major.
Capt. Peter W. Davison to be major.
First Lieut. John Randolph to be captain.
First Lieut. Harry Graham to be captain.
Second Lieut. Edward S. Hayes to be first lieutenant.
Second Lieut. Simon B. Buckner, jr., to be first lieutenant.
Second Lieut. Charles H. Bonesteel to be first lieutenant.
Second Lieut. Thomas J. Johnson to be first lieutenant.
Second Lieut. Robert H. Fletcher, jr., to be first lieutenant.

To be chaplains with the rank of captain from September 12, 1914, after seven years' service.

Chaplain John F. Chenoweth.
Chaplain Horace A. Chouinard.

APPOINTMENTS IN THE ARMY.

Rev. Haywood Lewis Winter to be chaplain.

MEDICAL RESERVE CORPS.

To be first lieutenant with rank from September 15, 1914.

Charles Edgar Athey.
George Busby Campbell.
Carey Pratt McCord.
Charles Joseph McDevitt.
Samuel Archer Munford.
David Daniel Scannell.
Francis Eppes Shine.
John William Turner.
Merlon Ardeen Webber.

PROMOTIONS AND APPOINTMENTS IN THE NAVY.

Lieut. John J. Hannigan to be a lieutenant commander.
Lieut. (Junior Grade) William H. Lee to be a lieutenant.
Don F. Cameron to be an assistant surgeon.
Sydney Walker, jr., to be an assistant surgeon.
First Lieut. Arthur Stokes to be a captain.

HOUSE OF REPRESENTATIVES.

MONDAY, *October 5, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We bless Thee, our Father in heaven, for the disclosures Thou has made of Thyself in the beauty, grandeur, and sublimity of the material universe, in the overruling of Thy providence in the affairs of men, in the manifestation of Thy love revealed in the heart of the Christ, in the indwelling of the spirit which brings us in touch with Thee. Make us, we beseech Thee, more susceptible to these manifestations, that our lives may be brought day by day to a larger, nobler manhood. In Christ Jesus our Lord. Amen.

The SPEAKER. The Clerk will read the Journal.

Mr. HENRY. Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER. The gentleman from Texas [Mr. HENRY] makes the point of order that there is no quorum present, and evidently there is not.

Mr. ADAMSON. Mr. Speaker, I move a call of the House.

The SPEAKER. The gentleman from Georgia moves a call of the House.

The question was taken, and the motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Burke, Pa.	Drukker	George
Anthony	Burke, Wis.	Eagan	Gilmore
Austin	Callaway.	Eagle	Glass
Baker	Candler, Miss.	Elder	Goeke
Bartholdt	Carew	Estopinal	Goldfogle
Bell, Cal.	Cary	Fairchild	Graham, Ill.
Britten	Chandler, N. Y.	Faison	Graham, Pa.
Brockson	Church	Farr	Gregg
Brodbeck	Connolly, Iowa	Ferris	Griest
Brown, N. Y.	Conry	Fowler	Griffin
Brown, W. Va.	Curry	Francis	Gudger
Browning	Dale	French	Guernsey
Bruckner	Dershem	Gallivan	Hamill
Burgess	Dooling	Gardner	Harris

Hart	L'Engle	O'Brien	Stedman
Hinds	Lenroot	Oglesby	Stephens, Cal.
Hinebaugh	Lesher	O'Hair	Stevens, N. H.
Hobson	Lewis, Md.	O'Leary	Stringer
Hoxworth	Lewis, Pa.	Paige, Mass.	Sumners
Hulings	Lindquist	Palmer	Taggart
Humphreys, Miss.	Linthicum	Parker	Temple
Johnson, S. C.	Loft	Patten, N. Y.	Thomson, Ill.
Johnson, Wash.	McAndrews	Powers	Townsend
Keister	Mahan	Rainey	Treadway
Kelly, Pa.	Maher	Reed	Vare
Kennedy, R. I.	Martin	Reilly, Wis.	Wallin
Kent	Merritt	Riordan	Walsh
Key, Ohio	Metz	Rothermel	Watkins
Kiess, Pa.	Mitchell	Sabath	Whaley
Kindel	Montague	Scully	White
Kinkead, N. J.	Morin	Seldomridge	Willis
Knowland, J. R.	Moss, W. Va.	Shreve	Wilson, N. Y.
Konop	Mott	Slemp	Winslow
Korbly	Murdock	Small	Woodruff
Kreider	Neely, Kans.	Smith, Md.	
Lafferty	Nolan, J. I.	Smith, Minn.	
Langley	Norton	Smith, N. Y.	

The SPEAKER. On this call 283 Members have answered to their names—a quorum.

Mr. UNDERWOOD. Mr. Speaker, I move to suspend further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors and the Clerk will read the Journal.

The Journal of the proceedings of Saturday was read and approved.

EXTENSION OF REMARKS.

Mr. HOWARD. Mr. Speaker, I desire to submit a request for unanimous consent. I ask unanimous consent to extend my remarks in the RECORD by printing a short editorial from this morning's Washington Post upon the cotton situation in the South.

The SPEAKER. The gentleman asks unanimous consent to print an editorial from the Washington Post on the subject of cotton in the South. Is there objection? [After a pause.] The Chair hears none.

ORDER OF BUSINESS.

Mr. ADAMSON. Mr. Speaker, I move to suspend the rules and pass Senate bill 2876, with the amendments recommended by the committee.

Mr. HENRY. Mr. Speaker——

The SPEAKER. One moment. The gentleman from Georgia moves to suspend the rules and pass the bill which the Clerk will report.

Mr. HENRY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HENRY. Mr. Speaker, is not the regular order to-day for the House to resolve itself into the Committee of the Whole House on the state of the Union to take up the Philippine bill?

The SPEAKER. The Chair thinks, after a great deal of investigation and study and consultation with various gentlemen whom he could get hold of conveniently, that the motion to suspend the rules suspends every rule, taking this one along with it.

Mr. HENRY. Well, Mr. Speaker, will it not take a formal motion to suspend all rules in order to get at the Unanimous Consent Calendar to-day?

The SPEAKER. We are not trying to get to the Unanimous Consent Calendar.

Mr. HENRY. If you abandon the special order, is it not necessary to call the Unanimous Consent Calendar first, before you give recognition for suspension?

The SPEAKER. That has all been thrashed out, to use a common expression, several times during the summer, and the conclusion of the Chair is——

Mr. SAUNDERS. Mr. Speaker, may I make a suggestion on this rule?

The SPEAKER. Yes; the Chair will be glad to hear from anybody.

Mr. SAUNDERS. It is perfectly true that a motion to suspend the rules suspends all the rules in the event that it prevails. But we are not concerned with the effect of this motion. We are all agreed on that point. Two suspensions can not operate simultaneously, nor can a suspension be suspended. But that is not the point in issue. The question is whether the Speaker can entertain a motion to suspend the rules at this particular time. Under the rules of the House the right on the part of the Speaker to entertain a motion of this character is limited to two days in the month and the last six days of a session.

The SPEAKER. That is true.

Mr. SAUNDERS. Rule XXVII operates directly upon the Speaker and forbids him to entertain a motion to suspend save on the days indicated by the rule itself. This rule is as follows:

No rule shall be suspended except by a vote of two-thirds of the Members voting, a quorum being present; nor shall the Speaker entertain a motion to suspend the rules except on the first and third Mondays of the month, preference being given on the first Monday to individuals and on the third Monday to committees, and during the last six days of a session.

From the most casual reading of this rule, it is apparent that the Speaker may not entertain in order, save on the days named, the motion to suspend the rules. In this respect the House rules differ from those prevailing in the States, certainly in my State, where there is no restriction upon the members to make this particular motion, nor upon the presiding officer to entertain it.

Once recognition is extended, the Member recognized is free to make this motion, and it must be entertained by the Speaker and submitted to the House. The presiding officer has no option in this respect. But no such universal right either to make or to entertain the motion to suspend the rules obtains in this body. Our Manual carefully restricts this right, and unless the Member makes his motion on the days prescribed and set apart by the terms of the rule it may not be entertained by the Speaker. The inhibition of Rule XXVII, operating directly upon the presiding officer, is positive and emphatic. The difficulty which confronts the gentleman from Georgia and forbids the entertainment of his motion to suspend the rules for the purpose indicated arises from the rule adopted over a week ago, and which for the purposes of convenience I shall refer to as "the Philippine rule." This rule operates to destroy Monday; that is to say, it eliminates the consideration of the business for which Monday is consecrated and set apart by the rules. Nay, it goes further and forbids the consideration of business which as a general proposition is in order at any time in the House. The Speaker has made two rulings as to the effect of this rule, both of which are sound, and both of which are in harmony with the contention that the motion of the gentleman from Georgia may not be entertained at this time. On Monday of last week (RECORD, p. 15832), in response to a query by the gentleman from Kentucky as to the effect of the Philippine rule on District day, the Speaker replied as follows:

The Chair has examined that rule very carefully and thinks it cuts out District day.

On the same day Mr. FERRIS, of Oklahoma, propounded the following query:

Mr. Speaker, does the adoption of the rule under which we are operating take away the privilege of considering conference reports?

The SPEAKER. It seems to the Chair that it sweeps the platter clean.

In other words, the Speaker gave the rule—and very properly so—the same effect as if it had contained the words "and shall be the continuing order until concluded." For the purposes of interpretation he read these words into the rule. The modus operandi of the rule by which this rule excludes from contemplation the business usually appropriate to Monday under the rules of the House is very simple. As soon as the rule was adopted the House was automatically resolved into the Committee of the Whole. Being no longer in the House, but in Committee of the Whole, the motions appropriate to the House could not be made. They were no longer in order. This status established by the adoption of the rule has continued from day to day, the rule automatically excluding motions that would otherwise be appropriate and in order. On Tuesday the rivers and harbors bill was taken up by unanimous consent and concluded. Wednesday was consumed by calendar business. On Thursday, as soon as a quorum was secured and the regular order was demanded, the Speaker announced that under the rule the House would resolve itself into Committee of the Whole for the consideration of the Philippine bill. Accordingly the House resolved itself into the Committee of the Whole, with Mr. FLOOD of Virginia in the chair.

I submit that the same situation is presented to-day and that at this very moment the House is automatically resolved into the Committee of the Whole, and that nothing remains for the Speaker to do save to announce this fact and proclaim this status. If the rule "cuts out" District Monday, why not suspension Monday or the Unanimous Consent Calendar? There is no reservation in the rule to save suspension Monday, nor any reason why District Monday should be eliminated and suspension Monday preserved by a rule which is equally patent to exclude both and carries no intimation of an intent to discriminate between them. If this rule is a continuing order—and that is its plain meaning and the effect of the rulings cited—then we are now in Committee of the Whole, and the motion of the gentleman from Georgia is plainly not

in order. This contention merely gives effect to the rule. Inasmuch as the rule as construed divested District Monday of its accustomed character, so that it was no longer District Monday quoad the Philippine bill, and no opportunity was afforded to make any motion relating to District affairs, it follows of necessity that the same rule operates to sequestrate this Monday for the consideration of the same bill. In other words, the rule deprives this Monday of the character with which it is impressed by Rule XXVII, and by automatically shunting the House into Committee of the Whole it leaves no opportunity either for a Member of the House to make or the Speaker to entertain a motion appropriate to the House. There is no twilight zone even, in which the motion of the gentleman from Georgia would be in order and proper to be entertained by the Speaker.

Now, it may be suggested that if this rule operates for the time being to exclude the motions and the business appropriate to District Monday and suspension Monday, it would therefore vacate Calendar Wednesday. But this does not follow, though Calendar Wednesday may be vacated by appropriate procedure.

The SPEAKER. You would have to have a two-thirds majority, though.

Mr. SAUNDERS. That is true, and there is no question as to Calendar Wednesday. I am seeking to point out that the Philippine rule, operating as it does to prevent the Speaker from entertaining on Monday either a motion relating to District business or to order the call of the Unanimous Consent Calendar, it must, by parity of reasoning, apply on suspension Monday to the motion to suspend the rules. We are not concerned to discuss the effect of that motion, if it is admitted and carried, and the decisions cited are therefore irrelevant. We are concerned to inquire whether at this time we are not in Committee of the Whole, waiting on the Speaker to announce that fact. If we are in Committee of the Whole, plainly the motion of the gentleman from Georgia is not in order. If it is suggested that we are not in Committee of the Whole, then what is our status and what has become of the automatic operation of the rule? If we are not in Committee of the Whole and the rule is not in automatic operation so that the motion of the gentleman is in order to-day, I submit that the Calendar for Unanimous Consent should be called. Are we in Committee of the Whole to the exclusion of the Calendar for Unanimous Consent, but in the House quoad motions to suspend the rules? This would, indeed, be an anomalous situation.

The same body of rules which provides that the Speaker shall not entertain a motion to suspend the rules save on the first and third Mondays and during the last six days of a session, thereby by necessary implication giving him the right to entertain these motions on those days only, provides that on days when it shall be in order to move to suspend the rules the Speaker shall, immediately after the approval of the Journal, direct the Clerk to call the bills which have been for three days upon the Calendar for Unanimous Consent. The Journal has been approved. If motions to suspend are in order to-day, and if a gentleman is recognized to move a suspension, then that is a ruling that such motions are in order, then it plainly follows that the calling of the Calendar for Unanimous Consent should precede any recognitions to move a suspension of the rules.

Mr. HENRY. Mr. Speaker, I want to be heard. I did not yield to the gentleman from Virginia. I want to be heard for just a little while, Mr. Speaker.

Mr. SAUNDERS. I make the point of order, Mr. Speaker, that on account of this Philippine rule it is not in order for the Speaker to entertain a motion to suspend the rules.

Mr. HENRY. Mr. Speaker, I want to address myself to that, if the Speaker will hear me. First I want to understand the ruling of the Chair. I could not hear it distinctly. Do I understand that when a day for calling the Unanimous Consent Calendar arrives under the regular rule the Speaker is authorized to skip every bill on the Unanimous Consent Calendar and go to the suspension of the rules?

The SPEAKER. If the gentleman from Texas desires to be heard on that——

Mr. HENRY. Yes. I just want to understand the ruling of the Chair on that.

The SPEAKER. If the Chair rules first, what good would that do?

Mr. HENRY. I have another proposition after that.

The SPEAKER. The Chair will state the whole matter——

Mr. HENRY. If the Chair will wait, I would rather be heard first. [Laughter.]

The SPEAKER. All right.

Mr. HENRY. Now, Mr. Speaker—not that I think the Chair will not rule with me on this question—but I assume that we are now undertaking to operate under the Unanimous Consent Calendar rule, as we have proceeded thus far. That rule reads this way:

After a bill which has been favorably reported shall be upon either the House or the Union Calendar any Member may file with the Clerk a notice that he desires such a bill placed upon a special calendar to be known as the Calendar for Unanimous Consent.

Here is the part I wish to direct the Speaker's attention to:

On days when it shall be in order to move to suspend the rules the Speaker shall, immediately after the approval of the Journal, direct the Clerk to call the bills which have been for three days upon the Calendar for Unanimous Consent.

I am addressing myself to the Speaker, because I have a point of order pending.

The SPEAKER. All right. The gentleman will proceed.

Mr. HENRY. I read further:

Should objection be made to the consideration of any bill so called, it shall immediately be stricken from such calendar; but such bill may be restored to the calendar at the instance of the Member, and if again objected to, it shall be immediately stricken from such calendar and shall not thereafter be placed thereon.

Now, Mr. Speaker, I have assumed that we are operating on House resolution 326, which provides that this House shall resolve itself into the Committee of the Whole House on the state of the Union upon the adoption of that resolution, which has been adopted, and I maintain that it excludes everything else from the consideration of this House except proceedings under the Calendar Wednesday rule; that it has superseded entirely the Unanimous Consent Calendar.

Now, Mr. Speaker, if this special rule adopted in House resolution 606, to which I have referred, is to be abrogated, it can not be done by construction or by implication. As the gentleman from Virginia [Mr. SAUNDERS] says, it must be done by a motion to suspend the operation of that rule. In other words, the Chair can not by mere construction suspend the operation of that rule, but the House must do it by a vote. I have the precedent in point, Mr. Speaker.

A motion to suspend the rules is not in order during consideration of a bill under a special order.

We are now acting under a special order, and it will take a direct and positive motion to suspend this rule.

The SPEAKER. If the gentleman will read the text of that decision, he will find that it does not carry out the syllabus which he has just read.

Mr. HENRY. I will read the text, of course, Mr. Speaker. Shall I read it to the Chair?

The SPEAKER. Yes.

Mr. HENRY. I read from Hinds' Precedents, section 6838:

On January 20, 1847, on motion of Mr. Charles J. Ingersoll, of Pennsylvania, the House bill (No. 622) making further provision for the expenses attending the intercourse between the United States and foreign nations (called the "three million bill" and relating to the Mexican War) was made a special order for the 1st of next February, then to take precedence of all other business until disposed of.

By postponement the consideration of the bill was once deferred, and was before the House on February 12, 1847, as unfinished business in Committee of the Whole House on the state of the Union.

On that day Mr. Ingersoll, of Pennsylvania, moved to suspend the rules so as to move that it should not be in order for any Member to move that the Committee of the Whole on the state of the Union rise that evening until 8 o'clock.

The Speaker said the motion was not in order, because the House was already acting under a suspension of the rules on a special order, and two suspensions could not take place at the same time.

The SPEAKER. Surely the gentleman does not contend that we are operating under a suspension of the rules?

Mr. HENRY. I maintain that we are operating under House resolution 606, and that that resolution must be suspended by a vote of this House. And I submit to the Chair in all candor and honesty of purpose, can the Chair by construction set aside further operation under that rule, when it was adopted by a majority vote of this House?

The SPEAKER. But the question the Chair puts to the gentleman is this: This decision that the gentleman has read stands all right until the end of it is reached, where the Speaker gave the reason for his ruling, and that was that they were already operating under a suspension of the rules in the thing that they were doing.

Mr. HENRY. Yes; but, Mr. Speaker——

The SPEAKER. Now, the gentleman from Texas will not claim that this rule for the consideration of the Philippine bill suspends the rules of the House, because it would take a two-thirds vote to do that, and it only took a majority to adopt this rule.

Mr. HENRY. Mr. Speaker, I maintain that this House, by a majority vote, can repeal the rule which provides for the suspension of the rules.

Mr. TOWNER. Will the gentleman yield?

Mr. HENRY. In just a moment. Whenever a resolution is submitted from the Committee on Rules to amend or supersede

any rule of this House a majority of the House can amend any rule, can change the code of rules, can rewrite them entirely.

The SPEAKER. The Chair is ready to rule.

Mr. HENRY. I yield to the gentleman from Iowa.

Mr. TOWNER. Is it the gentleman's belief that it would require a special motion in order to relieve the House itself of a special rule?

Mr. HENRY. It is.

Mr. TOWNER. I ask the gentleman's idea about it, because I would like to know what he thinks. Is not a motion made to suspend the rules or to suspend all rules an inclusive motion? Does not that include special rules as well as other rules?

Mr. HENRY. My contention is that the Speaker has no right to recognize any Member to make that sort of a motion until a special resolution is brought in here suspending this other resolution that we have already adopted.

Mr. MANN. Mr. Speaker, will the gentleman yield for a question?

Mr. HENRY. I will.

Mr. MANN. Does the gentleman think it would be in order to move to suspend the rules and set aside a special order?

Mr. HENRY. No; I do not. I do not think the Speaker has any right to recognize anyone to move to set this special order aside until a special rule is brought in to abrogate it.

Mr. MANN. Under the order of business for suspension of the rules you could make any motion you wanted to, or to suspend or revoke any other rule that is in the rules.

Mr. HENRY. Not until you get away from this.

Mr. MANN. I say ordinarily it would be in order to amend the rules in any particular by a motion to suspend the rules.

Mr. HENRY. Ordinarily, yes.

Mr. MANN. Then, as I understand the claim of the gentleman, this special rule is something above and beyond and greater than all the other rules of the House?

Mr. HENRY. Precisely; because we have from time to time superseded the special rules that we brought in here.

Mr. MANN. But is it not a fact, however, that this special rule and all other special rules are in the nature of an amendment to the general rules, acting temporarily?

Mr. HENRY. Yes; but——

Mr. MANN. We proceed under the other general rules of the House. No other general rule of the House is abrogated, except what constitutes the regular order of business.

Mr. HENRY. Until this rule has been exhausted the Speaker has no right, unless a special resolution is brought in here, to recognize any Member to move to suspend the rules.

The SPEAKER. The Chair is ready to rule.

Mr. FITZGERALD. Mr. Speaker, section 5752 of Hinds' Precedents says that a motion to suspend the rules and pass a bill was held to suspend a provision of the rules of the House that provided that on Friday the House should take a recess at 5 o'clock, because the motion was to suspend that rule as well as the special rule.

The SPEAKER. What is the number of that?

Mr. FITZGERALD. Section 5752, in volume 5 of Hinds' Precedents. Carrying out the Speaker's statement to the gentleman from Texas [Mr. HENRY], the Congressional Globe for the second session of the Twenty-ninth Congress, in which the ruling quoted by the gentleman from Texas was made, shows that the Speaker in that case ruled that—

> The motion was not in order because the House was already acting under a suspension of the rules on a special order, and two suspensions could not take place at one time.

That is, the motion having been made to suspend the rules, and the House operating under that motion, another motion to suspend the rules could not be made. The motion that had been adopted by a two-thirds vote, it was held, could not be suspended by another motion to suspend the rules.

Mr. SAUNDERS. Mr. Speaker, may I call attention to the fact that the authority cited by the gentleman from New York [Mr. FITZGERALD] relates to the operation and effect of the motion to suspend, once carried, and does not at all touch the proposition that the motion itself can not be entertained at this time by the Speaker. We need not concern ourselves with the effect of a motion to suspend, but should direct our inquiry to ascertain whether there is any authority in the Speaker to entertain the motion; that is to say, to determine whether under the necessary and automatic operation of the Philippine rule the Speaker's authority for the time being is not limited to the mere formal declaration that "the House is in Committee of the Whole House on the state of the Union for the further consideration of House bill 18459, with the gentleman from Virginia [Mr. FLOOD] in the chair." No one disputes the precedent cited by the gentleman from New York in its application to the appropriate state of facts.

The SPEAKER. The Chair is ready to rule. The more the Chair studies this subject of a motion to suspend the rules the more certain he is that the men that made the rule gave the Speaker authority to recognize Members on the first and third Mondays and the six last days of the session to move to suspend the rules in order that the Speaker by entertaining the motion might help the House out of a hole when it gets into one.

I do not know whether the gentleman from Texas [Mr. HENRY] was here or not, but three or four times this last summer the Chair, recognizing the exigencies of the situation, has begun about 4 o'clock, or half past 4, on the first and third Mondays to recognize Members to suspend the rules; and that has been his practice now for something like six weeks or two months.

The Chair is just as anxious to maintain the integrity of the Unanimous Consent Calendar as is any gentleman on the floor. The decisions on this point as to suspending the rules during the pendency of a special order are not in harmony. The one read by the gentleman from Texas [Mr. HENRY] does not apply, because it was rendered under a different set of circumstances. There is one in point on the other side, which I will read directly.

Members will recollect that toward the end of the last Congress the question was raised as to whether the Chair was obliged to wait until we got through with the Unanimous Consent Calendar during the last six days of the session before he could entertain motions to suspend the rules, and at first, offhand, the Chair thought he was; but there were so many gentlemen of experience and familiarity with the rules in the House who thought the other way that the Chair submitted the question to the House itself, and the House voted by practically a unanimous vote that in his discretion the Speaker could recognize gentlemen to suspend the rules notwithstanding the Unanimous Consent Calendar.

The Chair thinks that the solemn decision of the House on a parliamentary point is the highest authority. The gentleman from Texas did not quote the right section in regard to suspension of the rules, but quoted one about the Unanimous Consent Calendar. The rule as to suspensions runs in this wise:

> No rule shall be suspended except by a vote of two-thirds of the Members voting, a quorum being present; nor shall the Speaker entertain a motion to suspend the rules except on the first and third Mondays of each month—

And so forth.

There are three things on which the Chair is prohibited by the rules from entertaining a motion to suspend the rules. One of them is to admit any person that is not named in the rules to the privileges of the floor; another, to letting the Hall to anybody for any purpose except the business and the subsidiary business of the House itself; another is, under certain circumstances not to let anybody vote.

The House decided this matter for itself, and the Chair, operating under that decision for the last two months, has uniformly recognized some one along about 4 o'clock or half past 4 o'clock.

In the decision read by the gentleman from Texas—

> The Speaker said the motion was not in order because the House was already acting under suspension of the rules on a special order, and two suspensions could not take place at the same time.

Immediately following that decision is another one which decided that while the House was acting under a special order a motion to suspend the rules to enable a Member to exceed the hour rule of debate was admitted.

So, on the whole, the Chair thinks that he has the unquestioned right of recognizing gentlemen to suspend the rules on the first and third Mondays and on the last six days of the session. Of course this power lodged in the Speaker ought to be exercised with discretion and in order to expedite important business.

Mr. HENRY. Will the Chair hear me a moment?

The SPEAKER. Yes.

Mr. HENRY. I simply want to suggest, in order that the Chair may understand my position, that the reason I read the unanimous-consent rule was that I wanted to get the Chair's judgment as to whether or not instead of waiting until 4 o'clock to recognize Members for a motion to suspend the rules he could recognize them immediately after the reading of the Journal.

The SPEAKER. The Chair entered on the 4 o'clock plan for the reason that he did not want to break up the Unanimous Consent Calendar, and did not want everybody to rush in with motions to suspend the rules every first and third Monday.

But there are some bills that are so important that they ought to be got out of the way somehow, and there are others that can as well wait. In case of very important bills the Speaker would be justified in interrupting the Unanimous Consent Calendar to entertain motions to suspend the rules. The Clerk will report the bill.

INCREASING LIMIT OF COST FOR LIGHTHOUSE TENDER.

The Clerk read as follows:

S. 2876. An act to amend an act entitled "An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes," approved March 4, 1913.

Be it enacted, etc., That the authorization in the act approved March 4, 1913, entitled "An act to authorize aids to navigation and other works in the Lighthouse Service, and for other purposes," which authorized the Secretary of Commerce and Labor to construct a lighthouse tender for general service at a cost not exceeding $250,000, be, and the same is hereby, amended so as to increase the limit of cost provided in said authorization from $250,000 to $325,000; and the Secretary of Commerce is hereby authorized to have constructed a lighthouse tender for general service as provided in said item in said bill to cost not exceeding $325,000.

SEC. 2. That all acts and parts of acts in conflict herewith are hereby repealed.

The SPEAKER. Is a second demanded?

Mr. MANN. I demand a second.

The SPEAKER. The gentleman from Illinois demands a second.

Mr. ADAMSON. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. HENRY. I object.

The SPEAKER appointed as tellers the gentleman from Georgia [Mr. ADAMSON] and the gentleman from Illinois [Mr. MANN].

The House divided; and the tellers reported that there were 79 ayes and 2 noes.

So a second was ordered.

Mr. HENRY. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and forty-seven Members present—not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll. The question is on seconding the motion to suspend the rules and pass the bill.

The question was taken; and there were—yeas 199, nays 71, answered "present" 7, not voting 151, as follows:

YEAS—199.

Abercrombie	Danforth	Howell	Ragsdale
Adair	Decker	Hughes, Ga.	Raker
Adamson	Deitrick	Hull	Rauch
Aiken	Dent	Humphrey, Wash.	Rayburn
Alexander	Dies	Igoe	Reed
Allen	Difenderfer	Jacoway	Reilly, Conn.
Ansberry	Dixon	Johnson, Ky.	Reilly, Wis.
Ashbrook	Donohoe	Johnson, S. C.	Rouse
Aswell	Donovan	Jones	Rubey
Bailey	Doolittle	Kahn	Sherley
Baltz	Doughton	Kennedy, Conn.	Sims
Barchfeld	Driscoll	Kettner	Small
Barkley	Dupré	Key, Ohio	Smith, N. Y.
Barnhart	Edwards	Kinkaid, Nebr.	Smith, Saml. W.
Bartholdt	Esch	Kirkpatrick	Smith, Tex.
Bathrick	Falconer	Kitchin	Sparkman
Beakes	Fergusson	La Follette	Steenerson
Beall, Tex.	Fields	Langham	Stephens, Nebr.
Bell, Ga.	Finley	Lazaro	Stephens, Tex.
Blackmon	Fitzgerald	Lee, Ga.	Stevens, Minn.
Booher	FitzHenry	Lee, Pa.	Stone
Borchers	Flood, Va.	Lever	Stout
Borland	Floyd, Ark.	Lieb	Taggart
Bowdle	Gallagher	Lindbergh	Talbott, Md.
Broussard	Gard	Logue	Talcott, N. Y.
Brumbaugh	Garner	Lonergan	Tavenner
Bryan	Garrett, Tex.	McClellan	Taylor, Ark.
Buchanan, Ill.	Gerry	McGillicuddy	Taylor, Colo.
Buchanan, Tex.	Gill	McKellar	Ten Eyck
Bulkley	Gittins	McLaughlin	Thacher
Burnett	Good	Madden	Thomas
Butler	Goodwin, Ark.	Maguire, Nebr.	Thompson, Okla.
Byrnes, S. C.	Gordon	Mapes	Towner
Byrns, Tenn.	Gorman	Miller	Townsend
Calder	Hamilton, Mich.	Morrison	Tribble
Cantor	Hammond	Moss, Ind.	Tuttle
Cantrill	Hardwick	Mulkey	Underhill
Caraway	Hardy	Murray	Underwood
Carr	Harrison	Neely, W. Va.	Volmer
Carter	Hawley	Oldfield	Walker
Casey	Hay	O'Shaunessy	Watson
Clancy	Hayden	Padgett	Weaver
Claypool	Heflin	Page, N. C.	Webb
Cline	Helm	Park	Whaley
Coady	Helvering	Peterson	Whitacre
Collier	Hensley	Phelan	White
Connelly, Kans.	Hinds	Post	Williams
Crisp	Holland	Pou	Wilson, Fla.
Crosser	Houston	Prouty	Young, Tex.
Cullop	Howard	Quin	

NAYS—71.

Ainey	Green, Iowa	Mondell	Shackleford
Avis	Greene, Mass.	Moore	Sherwood
Barton	Greene, Vt.	Morgan, La.	Sinnott
Browne, Wis.	Hamilton, N. Y.	Morgan, Okla.	Sisson
Burke, S. Dak.	Hamlin	Nelson	Sloan
Campbell	Haugen	Patton, Pa.	Smith, Idaho
Cooper	Hayes	Payne	Smith, J. M. C.
Cox	Helgesen	Peters	Stafford
Curry	Henry	Platt	Stephens, Miss.
Davis	Hill	Plumley	Sutherland
Dickinson	Johnson, Utah	Porter	Switzer
Dillon	Johnson, Wash.	Roberts, Mass.	Vaughan
Dunn	Kennedy, Iowa	Roberts, Nev.	Volstead
Edmonds	Lloyd	Rogers	Wingo
Fess	Lobeck	Rucker	Witherspoon
Foster	McGuire, Okla.	Rupley	Woods
Garrett, Tenn.	McKenzie	Russell	Young, N. Dak.
Gillett	Mann	Scott	

ANSWERED "PRESENT"—7.

Bartlett	Hughes, W. Va.	Manahan	Saunders
Gray	Keating	Moon	

NOT VOTING—151.

Anderson	Fairchild	Kiess, Pa.	Paige, Mass.
Anthony	Faison	Kindel	Palmer
Austin	Farr	Kinkead, N. J.	Parker
Baker	Ferris	Knowland, J. R.	Patten, N. Y.
Bell, Cal.	Fordney	Konop	Powers
Britten	Fowler	Korbly	Rainey
Brockson	Francis	Kreider	Riordan
Brodbeck	Frear	Lafferty	Rothermel
Brown, N. Y.	French	Langley	Sabath
Brown, W. Va.	Gallivan	L'Engle	Scully
Browning	Gardner	Lenroot	Seldomridge
Bruckner	George	Lesher	Sells
Burgess	Gilmore	Levy	Shreve
Burke, Pa.	Glass	Lewis, Md.	Slayden
Burke, Wis.	Godwin, N. C.	Lewis, Pa.	Slemp
Callaway	Goeke	Lindquist	Smith, Md.
Candler, Miss.	Goldfogle	Linthicum	Smith, Minn.
Carew	Goulden	Loft	Stanley
Carlin	Graham, Ill.	McAndrews	Stedman
Cary	Graham, Pa.	MacDonald	Stephens, Cal.
Chandler, N. Y.	Gregg	Mahan	Stevens, N. H.
Church	Griest	Maher	Stringer
Clark, Fla.	Griffin	Martin	Sumners
Connolly, Iowa	Gudger	Merritt	Taylor, Ala.
Conry	Guernsey	Metz	Taylor, N. Y.
Copley	Hamill	Mitchell	Temple
Cramton	Harris	Montague	Thomson, Ill.
Dale	Hart	Morin	Treadway
Davenport	Hinebaugh	Moss, W. Va.	Vare
Dershem	Hobson	Mott	Wallin
Dooling	Hoxworth	Murdock	Walsh
Doremus	Hulings	Neeley, Kans.	Walters
Drukker	Humphreys, Miss.	Nolan, J. I.	Watkins
Eagan	Keister	Norton	Willis
Eagle	Kelley, Mich.	O'Brien	Wilson, N. Y.
Elder	Kelly, Pa.	Oglesby	Winslow
Estopinal	Kennedy, R. I.	O'Hair	Woodruff
Evans	Kent	O'Leary	

So a second was ordered.

The Clerk announced the following pairs:

For the session:

Mr. GLASS with Mr. SLEMP.

Mr. SCULLY with Mr. BROWNING.

Mr. METZ with Mr. WALLIN.

Mr. TAYLOR of Alabama with Mr. HUGHES of West Virginia.

Until further notice:

Mr. PALMER with Mr. MARTIN.

Mr. CONNOLLY of Iowa with Mr. POWERS.

Mr. DERSHEM with Mr. KIESS of Pennsylvania.

Mr. MANAHAN with Mr. GREGG.

Mr. FRANCIS with Mr. BELL of California.

Mr. KONOP with Mr. LEWIS of Pennsylvania.

Mr. MCANDREWS with Mr. WILLIS.

Mr. BAKER with Mr. ANDERSON.

Mr. BROWN of West Virginia with Mr. ANTHONY.

Mr. BRUCKNER with Mr. AUSTIN.

Mr. BURGESS with Mr. BRITTEN.

Mr. BURKE of Wisconsin with Mr. BURKE of Pennsylvania.

Mr. CALLAWAY with Mr. CARY.

Mr. CANDLER of Mississippi with Mr. CHANDLER of New York.

Mr. CARLIN with Mr. COPLEY.

Mr. CHURCH with Mr. CRAMTON.

Mr. CLARK of Florida with Mr. DRUKKER.

Mr. CONRY with Mr. FAIRCHILD.

Mr. DOREMUS with Mr. FORDNEY.

Mr. SMITH of Maryland with Mr. MOTT.

Mr. FERRIS with Mr. FREAR.

Mr. GILMORE with Mr. FRENCH.

Mr. GODWIN of North Carolina with Mr. GRAHAM of Pennsylvania.

Mr. GOLDFOGLE with Mr. GRIEST.

Mr. GOULDEN with Mr. GUERNSEY.

Mr. GRAHAM of Illinois with Mr. HULINGS.

Mr. HART with Mr. KEISTER.

Mr. HUMPHREYS of Mississippi with Mr. KELLEY of Michigan.

Mr. LESHER with Mr. KENNEDY of Rhode Island.

Mr. LEVY with Mr. J. R. KNOWLAND.
Mr. MONTAGUE with Mr. KREIDER.
Mr. NEELEY of Kansas with Mr. LANGLEY.
Mr. PATTEN of New York with Mr. LINDQUIST.
Mr. RAINEY with Mr. MACDONALD.
Mr. SABATH with Mr. MORIN.
Mr. SLAYDEN with Mr. Moss of West Virginia.
Mr. STEDMAN with Mr. J. I. NOLAN.
Mr. STEVENS of New Hampshire with Mr. NORTON.
Mr. SUMNERS with Mr. PAIGE of Massachusetts.
Mr. WALSH with Mr. PARKER.
Mr. WATKINS with Mr. SELLS.
Mr. WILSON of New York with Mr. SHREVE.
Mr. BROCKSON with Mr. SMITH of Minnesota.
Mr. BRODBECK with Mr. STEPHENS of California.
Mr. BROWN of New York with Mr. MERRITT.
Mr. CAREW with Mr. TEMPLE.
Mr. DALE with Mr. TREADWAY.
Mr. DOOLING with Mr. VARE.
Mr. EAGAN with Mr. WINSLOW.
Mr. EVANS with Mr. WOODRUFF.

Mr. HUGHES of West Virginia. Mr. Speaker, I am paired with the gentleman from Alabama [Mr. TAYLOR]. I voted "yea," and I desire to change that vote and vote "present."

The name of Mr. HUGHES of West Virginia was called, and he answered "Present."

The result of the vote was announced as above recorded.

A quorum being present, the doors were opened.

The SPEAKER. The gentleman from Georgia is entitled to 20 minutes and the gentleman from Illinois is entitled to 20 minutes.

Mr. MURRAY. Mr. Speaker, will the gentleman from Georgia yield a moment until I submit a request for unanimous consent?

Mr. ADAMSON. Yes.

Mr. MURRAY. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the Clerk's desk.

Mr. UNDERWOOD. Mr. Speaker, I do not desire to interfere with the gentleman from Oklahoma, but I think it is doubtful whether, with the rule pending, a matter of that kind can be considered at this time.

Mr. MURRAY. It could not, except by unanimous consent.

Mr. UNDERWOOD. I will ask the gentleman to withhold it for the present.

Mr. MURRAY. Very well.

The SPEAKER. The gentleman from Georgia is entitled to 20 minutes.

Mr. ADAMSON. Mr. Speaker, I ask that the Clerk read, in my time, the report of the committee upon the bill.

The SPEAKER. The Clerk will read.

The Clerk read as follows:

The Committee on Interstate and Foreign Commerce, to whom was referred the bill (S. 2876) to amend an act entitled "An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes," approved March 4, 1913, having considered the same, report thereon with amendments, and as so amended recommend that it pass.

Amend the bill as follows:

Page 1, line 4, after the word "thirteen," insert the words "entitled 'An act.'"

Page 1, line 5, strike out the second word in the line, the word "for."

Page 1, line 6, after the word "purposes," insert quotation marks.

Page 1, line 6, strike out the word "authorizes" and insert in lieu thereof the word "authorized."

Page 1, line 6, after the words "Secretary of Commerce," insert the words "and Labor."

Amend the title so as to read: "To amend an act entitled 'An act to authorize aids to navigation and other works in the Lighthouse Service, and for other purposes,' approved March 4, 1913."

The following is the report of the Senate Committee on Commerce on this bill:

"The Committee on Commerce, to whom was referred the bill (S. 2876) to amend an act entitled 'An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes,' approved March 4, 1913, having considered the same, report it with an amendment, and as amended recommend its passage.

"The bill thus amended has the approval of the Department of Commerce, as will appear by the annexed letter, the amendment referred to therein having been incorporated in the bill as reported.

"At the end of line 6, page 1, strike out the word 'and,' and at the beginning of line 7, on the same page, strike out the word 'Labor.'"

DEPARTMENT OF COMMERCE,
Washington, January 21, 1914.

MY DEAR SENATOR: Receipt is acknowledged of letter, dated January 15, 1914, from the Committee on Commerce, inclosing, with request for suggestions thereon by this department, a copy of Senate bill 2876, Sixty-third Congress, first session, "To amend an act entitled 'An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes,' approved March 4, 1913."

The act of March 4, 1913 (37 Stat. L., 1017), authorized the construction of a lighthouse tender for general service at a cost not exceeding $250,000, but no appropriation for this purpose has yet been made. The object of this bill is to increase the limit of cost of such tender to $325,000. The proposed tender is intended to take the place of the lighthouse tender *Armeria*, which, on May 20, 1912, struck a rock off Cape Hinchinbrook, Alaska, and was totally lost. It is also proposed to use this vessel in connection with the Alaska sealing industry in the Pribilof Islands in Bering Sea, etc.

The need for this tender is fully set forth in the estimate submitted therefor in the Book of Estimates, 1915, page 465. This is placed as the first item under group No. 1 of public works in the Lighthouse Service in the estimates of appropriations for the fiscal year 1915, and is considered the most urgent project which the Lighthouse Service has before it. Since the loss of the tender *Armeria* there has been no tender to adequately take its place, and the tender now doing service in Alaskan waters had to be taken from another district where its service could not well be spared.

It is suggested that the following changes be made in the bill: Line 6, page 1, strike out the word "and"; line 7, page 1, strike out the word "Labor." It is recommended that the bill be passed subject to the amendments suggested herein.

Very truly, yours,

E. F. SWEET, *Acting Secretary.*

THE CHAIRMAN OF THE COMMITTEE ON COMMERCE,
United States Senate, Washington, D. C.

Mr. ADAMSON. Mr. Speaker, almost two years ago—that is, at the close of the last Congress—we incorporated in an omnibus bill for aids to navigation an item of $250,000 for the construction of a lightship for general service in Alaskan waters. The Department of Commerce discovered that the needs of commerce in that part of the world, the absence of ships, and the dangerous character of the waters and the business to be transacted required a heavier and stronger ship than could be constructed with $250,000. The department, therefore, immediately recommended to Congress an increase in the authorization, and bills were introduced for that purpose and have been on the calendar ever since.

Mr. BARTLETT. Mr. Speaker, will the gentleman yield?

Mr. ADAMSON. Yes.

Mr. BARTLETT. As I understand, the original estimate was $250,000, and the House passed a bill for that amount?

Mr. ADAMSON. Yes. That was put in the bill. I do not remember whether that was the estimate or not. I do not remember the estimate.

Mr. BARTLETT. Yes; and this is to increase the amount, so that they can construct a larger ship than was at first contemplated.

Mr. ADAMSON. They want to get a larger ship because they find that the one contemplated would not be large enough to answer the purpose, and they think, further——

Mr. BARTLETT. And also to answer the taste of the department.

Mr. ADAMSON. Well, I do not know anything about the taste of the department. I concede to the Secretary of Commerce, charged under his oath and bond, who has studied it more than I have, and perhaps knows more about it than I do, his opinion and I think he is right about it. He further says if this authorization is increased that it can do other work than that contemplated by the ship originally planned and authorized and would prevent the necessity for the construction of an additional ship, in which case at the same price the two would cost $500,000, and by increasing the limit to $325,000—that is not as much as $500,000 would be—this ship would serve all the purposes and all necessities of the Government. I understand that in these waters there are dangerous rocks, one of them I have heard described as being 4 or 5 miles off Cape St. Elias, on which they have been trying for a long time to put a buoy, and the department plans the putting of a buoy so heavy that not a ship in those waters can carry it. They say the ship contemplated would not carry it, and unless this is constructed soon it will delay indefinitely the placing of that buoy, and the only chance now of getting it there would be to send a ship from somewhere else up to those waters.

The Secretary has repeatedly urged the enlargement of this authorization. He has sent letters to Congress, he has sent letters to me, and he has sent letters to other Members of Congress and to the Committee on Appropriations. Gentlemen may differ with him about the matter of taste, as suggested by my colleague from Georgia, and gentlemen may differ with him as to the propriety of having one large ship instead of two small ones, or the absolute necessity of this one; but the department charged with the responsibility of this thinks that this is what ought to be done, and I defer to their opinion in the matter myself, and really am inclined to agree with him fully. I realize that at this time conditions in the House are very unfavorable to the bringing up of any bill which proposes an increase of expenditure, and I fully sympathize with the demand for economy—in fact, I yield to no man in my insistence and devotion to strict and honest sensible economy. I have no sympathy for the pseudopretense of economy. I do not run from my shadow because some people who think political economy means to economize only when they think it would be good politics. This bill was not brought in during the critical period inaugurated by the war in Europe, nor at any time just

preceding an election; it has been pending in the House and Senate for more than a year.

Economy, the mention of which frightens some of my super-economic and superconscientious colleagues, does not mean to stop the wheels of government, nor deprive the departments of the necessaries to their existence and operation. Correct economy means not to make unnecessary provision for new and outside purposes nor squander any money on doubtful and irrelevant propositions. Hundreds of things have been provided for at large expense during this Congress, and since this bill has been pending, not one one-hundredth part as essential to the welfare of the Government as this bill. If we are going to keep up the Life-Saving Service, we ought not to be frightened out of our boots by the hysteria of pseudoeconomists into refusing to make moderate expenditure to secure the safety of navigation and the efficiency of the Lighthouse Service. There is practically no Government vessel on the Alaskan coast; and since the destruction of the *Armeria* we have been trying to secure an adequate vessel for those waters.

The revenue cutters have rendered some assistance, but two or three weeks ago the revenue cutter in those waters was destroyed, so now there is no ship there. The department can go ahead and build the little vessel for $250,000, but it will not answer the purpose of the Government in those waters, and we will still have to have a larger ship or continue to hire a ship at great cost. To supply this vessel is an absolute necessity. Gentlemen will talk to you about reckless expenditures and levying war taxes—I beg to remind them in advance that the purpose of levying taxes is primarily to provide for operating the departments of the Government. If we spend millions of dollars, as we are doing, for other purposes not absolutely necessary and refuse to furnish an adequate ship to protect life and property on the Alaskan coast, we act very foolishly. You might just as well say a man because he is in debt will not buy a decent suit of clothes or satisfy his hunger with sound food, and then go off and buy an automobile, as to say you will make the expenditures that this Congress has made, and then be frightened by the pseudoeconomists into refusing the $75,000 increase asked for in this bill in order to save probably thousands of lives and millions of property in the northern waters adjacent to Alaska. The hysteria of my colleagues has no terror for me. I know what honest economy is, and I know what profligate expenditure is, and if we are not going to provide that the wheels of the Government may run by making such necessary authorizations as this there is no sense in collecting taxes at all. I am opposed to taxation and wish we could abolish it entirely, but it is a necessary evil we can not get along without; and as we have to tax the people, the way to spend it is to commence with necessary things like this ship, and let luxuries and wild extravagance alone, or at least postpone them until there is a surplus. This is an urgent administration measure, introduced in the House by me at the request of the administration, because it is necessary to a successful administration, and those who run to cover in the hope of fooling their constituents by the ill-timed cry of economy may just as well understand they are voting against the administration, for they are. This is one of the bills that the administration desired a rule for, but I had no fears but that we could pass it under the suspension of the rules, and availed myself of the first opportunity. You can not fool the people by that sort of cheap politics, for the people know that many of the same Members who cry economy, and follow the Republican leader in this case instead of the administration, have voted for many far less meritorious propositions than this, and propositions involving a thousand times as much money.

Gentlemen, let us be candid and sensible and do the right thing—our constituents have more sense than some of you seem to think they have.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER. The gentleman from Illinois [Mr. MANN] is recognized for 20 minutes.

Mr. MANN. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. PAYNE].

Mr. PAYNE. Mr. Speaker, I am opposed to this bill. I am opposed to increasing the reckless expenditures of this administration. [Applause on the Republican side.] In the Treasury report of September 30 we have for the first time a record of the expenditures for the first three months of the present fiscal year—July, August, and September. From that report it appears that for those three months in the present year the expenditures were $199,353,546.74. For the previous year they were $188,479,149.88, an increase for the three months of $10,874,000. That is for the first three months of this fiscal year. At that rate the increase for the year would be $43,500,000. Added to the $700,000,000 of last year it would be $743,500,000. At that rate we would have made a large deficit if we had no war whatever, but depended upon the ordinary revenues under the Underwood bill. Now, I am opposed to any increase of expenditure unless absolutely necessary. I want to stop it right where it is. I would like to have the heads of departments take notice that it is time to cut down and economize and not increase these expenditures. I know there is a proposition to raise $110,000,000 by burdensome taxation——

A MEMBER. One hundred and five million.

Mr. PAYNE. No; it is $110,000,000, according to the Senate committee—by burdensome taxation on the people of this country, direct additional taxation, and I am opposed to raising any such enormous sum. It is claimed that it is necessary because of the lack of revenues on account of the war. Well, we have here the revenues from customs for the two months since the war commenced, and the revenues for those two months, August and September, in round numbers, are $36,650,000. The Underwood bill was in full operation only eight months prior to the 1st day of August and prior to the war in Europe, and the average monthly revenue from customs was $21,800,000, which at that rate, were there no war, would be for the two months $43,600,000; but for August and September, since the beginning of the war, the customs receipts were $36,657,000, a loss of only $6,942,000 for the two months that the war has been in operation, or at a rate of three and a half million dollars per month, or $41,650,000 per annum. That is all the loss of revenue from customs for the two months on account of the war. But taking the whole year into consideration—I know there have been given out statements from the Treasury Department, and when it gets into the newspapers they say that the loss of revenue for the month of September is some $11,000,000; but they are subtracting the actual receipts in September of this year from the actual receipts in September of a year ago, when the customs receipts were coming in under the previous Republican customs law. So they get at that $11,000,000 in that way; but the actual shortage on what was produced on the average, taking the eight months under the Underwood law in full operation up to the 1st day of August, was only, as I say, three and a half million per month instead of $11,000,000.

The SPEAKER. The time of the gentleman has expired.

Mr. PAYNE. I hope that the House will stop in its mad career of extravagance and look into these figures and see if they had not better economize. [Applause on the Republican side.]

Mr. MANN. Mr. Speaker, I yield three minutes to the gentleman from Washington [Mr. HUMPHREY].

The SPEAKER. The gentleman from Washington [Mr. HUMPHREY] is recognized for three minutes.

Mr. HUMPHREY of Washington. Mr. Speaker, supplementing the statement made by the distinguished gentleman from New York [Mr. PAYNE] as to the condition existing on this anniversary of the approval of the Underwood tariff bill, I wish to call attention to a letter that I have just received from a gentleman in Chicago. In making a speech on June 23 last I used the expression "that every hour that Woodrow Wilson had been in the White House the business of this Nation has decreased more than a million dollars." I received from Mr. Charles G. Blake, of Chicago, a letter on September 15, in which he used this expression:

> During our recent primary campaign in a speech I used the statement on the face of the pamphlet of your speech of June 23, quoting, among other things, that part stating that "every hour * * * business of this Nation has decreased more than $1,000,000."
>
> I was "called" very hard on this statement the next day by a man who is a statist of financial and business conditions, Mr. Franklyn Hobbs.

It appears that Mr. Hobbs said that the bank clearances of the country showed that I was mistaken. It seems that Mr. Hobbs took the clearances for a number of years as the basis of his calculation and not those since the new tariff law.

I wrote back to Mr. Blake and told him that he had better have Mr. Hobbs make his comparisons immediately before and after the passage of the Underwood bill. He sent me a letter from Mr. Hobbs, from which I read the following—the letter is dated Chicago, September 22, 1914:

> I will therefore compare the clearings for the six months immediately following the passage of the tariff bill with the clearings for the same months of the preceding year, which would show the activity for the same period of the year. The only proper method is to compare the clearings of October, 1913, with the clearings of October, 1912, etc.
>
> Clearings for the fourth quarter of 1912 were $47,874,000,000.
>
> Clearings for the fourth quarter of 1913 were $44,239,000,000.
>
> Clearings for the first quarter of 1913 were $43,915,000,000.
>
> Clearings for the first quarter of 1914 were $43,395,000,000.
>
> Clearings for six months, beginning October, 1912, were $91,788,000,000.
>
> Clearings for six months, beginning October, 1913, were $87,634,000,000.

We see from these figures that clearings for the six months fell off $4,154,000,000, or $692,000,000 a month, or slightly under $27,000,000 a day.

So that when I made the statement that the business of the Nation had decreased every hour that Woodrow Wilson had been in the White House, according to the figures given by this expert, who had criticized me, I understated the facts, if it is made to apply only since the present tariff law. It is well, upon this 5th day of October, when the Underwood tariff law has been upon our statute books 12 months and a day, to recall the fact that every hour that law has been upon our statute books the business of the country has decreased more than a million dollars, and that every day that it has been on the statute books our foreign trade has decreased more than a million dollars; and that was the law that was to bring us unexampled prosperity and under which we were to go forth and capture the markets of the world and conquer the other nations of the earth by taking their trade away from them. [Applause on the Republican side.]

The SPEAKER. The time of the gentleman from Washington has expired.

Mr. ADAMSON. Mr. Speaker, I would like to ask the gentleman a question.

Mr. HUMPHREY of Washington. I will be glad to answer the gentleman, but my time has expired.

Mr. ADAMSON. I have enjoyed as much as anybody the remarks of the gentleman on the record of the Democratic Party, but just before the gentleman sits down I want to ask him whether the condition he speaks of admits the passage of this bill or not? The bill is to authorize the purchase of a lightship for the Alaskan coast.

Mr. HUMPHREY of Washington. I am in favor of the bill, and I think that out of the gigantic total of $1,109,000,000 that this Democratic House, pledged to economy, has already appropriated at this session they ought at least to appropriate $325,000 to build this vessel, and they should have appropriated a sufficient sum to have made a survey to locate the hidden rocks along the Alaskan coast. The other day the *Tahoma*, a Government life-saving ship, worth more than this bill would appropriate, was lost on that coast. I do not believe in economy when human life is involved. It would be economy to the Government, if only their own vessels were considered, to make more safe Alaskan waters.

Mr. ADAMSON. Mr. Speaker, I yield five minutes to the gentleman from Wisconsin [Mr. ESCH].

The SPEAKER. The gentleman from Wisconsin [Mr. ESCH] is recognized for five minutes.

Mr. ESCH. Mr. Speaker, I am just as much in favor of economy as is the distinguished gentleman from New York [Mr. PAYNE], who has just addressed the House, but I am one who believes in making a large first cost if thereby there will result an ultimate economy.

My contention is that by granting this increase of $75,000 for this lighthouse tender there will be ultimate economy. Since the *Armeria* was shipwrecked in 1912 the Government has had to charter a vessel to do the work that that ship formerly did. This vessel has now been chartered for three years. It is the steamer *Homer*. I beg leave to call your attention to the cost to the Government of this substitute vessel, which is doing some of the work which a lighthouse tender ought to do. In 1910 the *Homer* was chartered at a daily rate to the Government of $142.50, and she was engaged in that year 104½ days, at a cost of $14,877.55. In the year 1911 the same vessel was chartered at the rate of $142.50 per day.

Mr. MADDEN. Mr. Speaker, will the gentleman yield for a question right there?

Mr. ESCH. Yes.

Mr. MADDEN. How much does it cost to operate a Government-owned vessel per day?

Mr. ESCH. The statistics do not furnish that in detail. In 1911 the *Homer* was chartered for 117 days at a cost of $16,567.75. In 1912 she cost $150 a day and ran for 133 days, at a cost to the Government of $20,025.

This new vessel which we contemplate building by this increased appropriation will not only do the work of a lighthouse tender, but also do work in furnishing the seal fisheries on the Pribilof Islands with their supplies, and will take from those islands the seal catch each year. To do that work requires a sea-going vessel. An ordinary small vessel in those dangerous waters will not meet the necessity, and on this account the committee, as well as the Department of Commerce, agrees that there should be this additional expenditure of $75,000.

Mr. BARTLETT. Mr. Speaker, may I interrupt the gentleman right there to ask him a question?

The SPEAKER. Does the gentleman from Wisconsin yield to the gentleman from Georgia?

Mr. ESCH. Yes.

Mr. BARTLETT. I understood that the Department of Commerce never undertook to have this vessel built for $250,000, but just sat down and stated that $325,000 was required before they could begin.

Mr. ESCH. The department did not begin building that vessel, because——

Mr. BARTLETT. I understand the reason was that the officials of the department appeared before the Committee on Appropriations and said they did not want to begin with $250,000, but would wait for the $325,000.

Mr. ESCH. Would the gentleman accept the word of the Department of Commerce in a case of this kind?

Mr. BARTLETT. Yes; ordinarily I would; but these are times when the Department of Commerce, as well as any other department, ought to retrench instead of enlarging expenses. [Applause on the Republican side.]

Mr. ESCH. This will retrench expenses ultimately, and that is why I am urging it. This is to be a vessel of 2,000 tons. The *Armeria*, the vessel which this one is intended to supplant, was one of only 1,800 tons. The wireless plant, it is estimated, will cost $5,000. The machine-shop outfit will cost $5,000. It is necessary to have such an equipment on a vessel that has to make many repairs and is so far from its base. The derrick will cost $9,000. A very heavy derrick will be required in order to plant the large acetylene buoys which must be placed along the dangerous Alaskan coast. And then the windlass, operated by machinery, will cost $6,000 more, making a total of $325,000 called for by this bill.

Under all the circumstances and conditions the committee believe that this would be a wise expenditure. [Applause.]

Mr. ADAMSON. Mr. Speaker, will the gentleman from Illinois [Mr. MANN] use some of his time?

Mr. MANN. I yield two minutes to the gentleman from Georgia [Mr. BARTLETT].

Mr. BARTLETT. Mr. Speaker, I regret very much not to be able to support any bill that my colleague [Mr. ADAMSON] may report from his committee, and I withhold my support from this bill reluctantly. But this is an effort to increase by one-third the amount originally estimated for by the Department of Commerce for this vessel and authorized by Congress. Now, a vessel may be needed, but the mail of every Congressman, I apprehend, is filled with protests, and the telegraph wires are constantly bringing protests against increased taxation upon the citizens of the country. [Applause on the Republican side.] I for one believe that instead of laying the heavy hand of taxation upon our people there should be an effort made to reduce—yea, more, to withhold—the expenditure of government money for those projects that are not absolutely necessary. [Applause.] Let us in this time of stress realize and emphasize that part of the Democratic platform formulated at Baltimore which pledged the people that we would return to the ancient economy of the Democratic Party and not needlessly expend the money of the people. Certainly we ought not needlessly to expend the money of the people when we have within a few days passed through this House a bill, which will soon be a law upon the statute books, imposing upon the country taxes that must necessarily be onerous and unusual.

The Department of Commerce asks for this tender, and it originally asked for $250,000. But the department never undertook to prepare any plans or to build a ship for $250,000. For some reason they wanted one to cost $325,000. Doubtless that would answer better, doubtless it would suit the taste of the officers of the Government and the department better; but let us set the example here to-day that we will not increase the expenditures of the Government except in cases of absolute necessity.

Mr. HENRY. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Texas makes the point of order that there is no quorum present. Evidently there is no quorum present.

Mr. ADAMSON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk proceeded to call the roll, when the following Members failed to answer to their names:

Allen	Brown, W. Va.	Carew	Copley
Anderson	Browning	Carlin	Dale
Anthony	Bruckner	Cary	Deitrick
Austin	Burgess	Chandler, N. Y.	Dershem
Bartholdt	Burke, Pa.	Church	Dickinson
Bell, Cal.	Burke, Wis.	Claypool	Dooling
Britten	Callaway	Connelly, Kans.	Elder
Brockson	Candler, Miss.	Connolly, Iowa	Estopinal
Brown, N. Y.	Cantor	Conry	Evans

Fairchild	Humphreys, Miss.	Merritt	Shackleford
Faison	Johnson, S. C.	Metz	Shreve
Farr	Johnson, Utah	Miller	Sims
Ferris	Jones	Mondell	Sisson
Finley	Keister	Montague	Slemp
Floyd, Ark.	Kelly, Pa.	Morin	Smith, Md
Fordney	Kennedy, R. I.	Moss, W. Va.	Smith, Minn.
Francis	Kent	Mott	Stanley
Frear	Kiess, Pa.	Murdock	Stedman
French	Kindel	Neeley, Kans.	Stephens, Cal.
Gallivan	Kinkead, N. J.	Neely, W. Va.	Stevens, N. H.
Gardner	Kitchin	Nolan, J. I.	Stringer
George	Knowland, J. R.	Norton	Sumners
Gill	Konop	O'Brien	Switzer
Godwin, N. C.	Korbly	Oglesby	Taylor, Ala.
Goeke	Kreider	O'Hair	Temple
Goldfogle	Lafferty	O'Leary	Thomson, Ill.
Gouldeu	Langley	Paige, Mass.	Treadway
Graham, Ill.	L'Engle	Palmer	Vare
Graham, Pa.	Lenroot	Parker	Wallin
Gregg	Lesher	Peterson	Walsh
Griest	Lewis, Md.	Plumley	Walters
Griffin	Lewis, Pa.	Porter	Watkins
Gudger	Lindquist	Post	Watson
Guernsey	Linthicum	Powers	Whaley
Hamilton, N. Y.	Loft	Prouty	Whitacre
Harris	McAndrews	Ragsdale	Willis
Hayes	McGuire, Okla.	Rainey	Wilson, N. Y.
Hinebaugh	MacDonald	Riordan	Winslow
Hobson	Mahan	Rucker	Woodruff
Hoxworth	Maher	Sabath	
Hulings	Martin	Scully	

The SPEAKER. On this roll call 266 Members—a quorum—have answered to their names.

Mr. ADAMSON. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will unlock the doors.

Mr. ADAMSON. Mr. Speaker, how does the time stand on the motion to suspend the rules?

The SPEAKER. The gentleman from Georgia has 5 minutes and the gentleman from Illinois [Mr. MANN] has 10 minutes.

Mr. ADAMSON. I yield one minute to the gentleman from Washington [Mr. FALCONER].

Mr. FALCONER. Mr. Speaker, the gentleman from Georgia [Mr. BARTLETT] a few minutes ago gave us a line of talk on economy. It seems to me that his idea of economy as applied to this bill is not economy at all. It is the economy of the man who hides his talent in a napkin and buries it in the ground. In the last four years we have spent $84,000 in chartering ships to be used for the purposes for which this lighthouse tender could be used. We spend about $150 a day, anywhere from 100 to 225 days in the year, as has been stated by the gentleman from Wisconsin [Mr. ESCH]. It would be an economy to add $75,000 to the appropriation already ordered and build a ship for $325,000. In 30 years ships and cargoes to the amount of $7,000,000 have been destroyed and many lives lost on the Alaskan coast. In 1913 three ships, valued at $500,000, were destroyed in the waters of Alaska. This lighthouse tender ship would not save all the lives or the ships, but it would have a tendency at least to make navigation more secure and would render aid to the ships that were in danger.

The Department of Commerce has been criticized in debate here to-day because it did not go ahead on the $250,000 appropriation; but the fact is that the department had its attention called to the extra hazardous waters in which this ship would operate by the wreck of such ships as the *State of California*, the *Yukon*, and the *Caracao;* and in the light of these disasters it was wisely decided that a ship of extra heavy and substantial construction should be built; hence the increase in appropriation was asked.

There is no question, Mr. Speaker, but that the Department of Commerce is in a position to know what is wanted in Alaskan waters. The revenue cutter *Tahoma*, recently wrecked, emphasizes the wisdom of safety in construction. The distances between landings and from base of supplies makes it necessary that this ship should be large and strong. Supplies and fuel for long trips away to the Pribilof Islands and to the northwestern Alaskan coast, looking into the conditions of the natives, wards of this Government, in all kinds of weather calls for this expenditure. A good ship well constructed and equipped in this case is economy. An ordinary or inferior ship in this service is extravagance and does not commend itself to the man who knows.

I have called attention to the toll of wrecks in order to emphasize the necessity of a modern-built ship that would be of better service value than the chartered ships now in use. Especially did the Department of Commerce emphasize the necessity for this added appropriation in its list of estimates for 1915, page 465, by making this appropriation item No. 1. Secretary Redfield has written the chairman of the committee, also Speaker CLARK and others, urging necessity for favorable action. The Senate after thorough consideration passed the bill, and this House should do so.

Mr. MANN. Mr. Speaker, the gentleman from Washington [Mr. FALCONER], who just preceded me, evidently is not entirely familiar with the duties of a lighthouse tender. A lighthouse tender has nothing whatever to do with saving shipwrecked mariners or taking care of shipwrecked vessels. A lighthouse tender merely carries supplies and things of that sort to the lighthouses.

Mr. FALCONER. Will the gentleman yield?

Mr. MANN. I will for a question, if the gentleman will make it short.

Mr. FALCONER. The gentleman knows that a Government ship in the waters where a ship is in distress would go to the aid of the ship in distress?

Mr. MANN. Oh, well, any ship, whether it is a lighthouse tender or a merchant vessel or a war vessel, would probably go to the aid of a distressed vessel, but that is not what lighthouse tenders are constructed for and that is not their duty.

What are the facts. A few years ago we were building lighthouse tenders at a maximum cost of $150,000. But the lighthouse people wanted larger tenders, more commodious quarters for the officers, and we increased the cost to $175,000 and $200,000, and a year ago—that is, in 1913—we increased the cost in providing for a lighthouse tender for Alaskan waters to $250,000.

Instead of asking for an appropriation for that amount the Commissioner of Lighthouses, and naturally his superior officer, the Secretary of Commerce, asked to increase the cost from $250,000 to $325,000. That will be the highest amount that we ever have appropriated for any small vessel. We do not appropriate so much as that, ordinarily, even for the revenue cutters, although we did appropriate $350,000 for a revenue cutter to wreck vessels at sea. But to increase the cost in itself is an extravagance. There is no need of appropriating $325,000 to build a lighthouse tender.

A year ago, in the wintertime, when they were asking for this vessel they only asked for $250,000. Congress gave all they asked for, but some genius somewhere connected with the service concluded that they ought to have a more expensive vessel. If we could stop at the expense of the vessel, we might do that, but every dollar we add to the cost of the vessel we add another dollar to the cost of the maintenance of the vessel. The larger the vessel the more of a crew it takes and the more supplies for the maintenance of the crew and the more coal and oil is necessary to operate the vessel.

Two gentlemen this afternoon have called attention to the fact that without this lighthouse tender we have been renting vessels, and the report on the House bill reported at this session of Congress to the same effect, which is not carried in the report of the Senate bill, states that in 1910 we chartered a vessel and paid nearly $15,000 for it. In 1911 we paid over $16,000. In 1912 we paid $20,000, and the inference was that if we built this vessel we would save a large amount of money, because we would not have to charter these outside vessels.

The fact is that the maintenance of the lighthouse tender itself will amount to considerably more than the entire cost we have paid for the charter of these vessels; that is in addition to the original cost of the vessels.

One of the excuses given for the proposed increase of the cost of this vessel is that they want it for other service besides the use of a lighthouse tender. We have the Pribilof Islands, the fur-seal islands, and we furnish some supplies there to the native Indians. We carry some coal and other supplies there, and it is said that if we have a very large lighthouse tender we can use that tender to carry these supplies to the Pribilof Islands.

I can not agree to that proposition. A lighthouse tender, if it performs its duty, will be quite fairly busy visiting the lighthouses and other aids to navigation. It will not have the time or the opportunity to run out to the Pribilof Islands, away yonder and far distant from lighthouses.

The suggestion was made at one time that this lighthouse tender might be used to carry coal down a river that runs up into Alaska. It is utterly impossible to use it for that purpose, and if it could be used at all in times of high water the cost to the Government would be several times what it would be to get coal down otherwise.

Now, gentlemen of the House, we passed a bill to increase the taxes the other day. I believe the country is always willing to pay all the taxes which it thinks can properly be expended. I do not believe that our country is niggardly about the payment of taxes where they think the money is needed and is economically expended. I do not believe that you can make the country believe that it is necessary, particularly at this time, to build a lighthouse tender at all on the Alaskan coast [applause],

much less to build one which will cost more than any other lighthouse tender ever built. It is a time for us to be economical, and if when every one of these bills that comes up to appropriate $10,000, or $100,000, or $1,000,000, or $10,000,000, we say, "Oh, well; this does not add very much," in the end we add large sums of money. This is a motion to suspend the rules and pass this bill. If the motion is defeated, the bill remains on the calendar. No work could be done or is likely to be done if this bill passes now. It does not carry an appropriation. There will be no appropriation made until next winter. Of course, they might go ahead and prepare the plans and let the contract. It is time enough next winter to pass this bill in the light of conditions as they will exist at that time, without pledging Congress in advance that it is going to build great lighthouse tenders with fine quarters for the officers and the visitors who go on them. It would be very convenient to have a lighthouse tender costing $325,000 in which to sail up to the Pribilof Islands or for some of us, perchance, to get permission to ride in up to the coast of Alaska. It would be very convenient, but just at this time I think that we can afford to be economical and lay aside propositions of this kind, which we are not required to meet at this time, and thus save the money to the country. [Applause.]

Mr. ADAMSON. Mr. Speaker, I yield the remaining four minutes to the gentleman from Iowa [Mr. TOWNER].

Mr. TOWNER. Mr. Speaker, I presume that I should have taken the view that is taken by the leader on this side of the House, if I had not known the facts regarding this case; but, knowing the facts, I could not conscientiously vote against this bill. [Applause.] I am in entire sympathy with the economy and retrenchment program that seems to be now asserted on both sides of this House, but I want to say to the gentlemen on the Democratic side of the House that you can not acquire a reputation for economy by your action on this bill. Your record has been made, and you can not retrieve it, if it is a bad one, by retrenchment upon this bill when it is not warranted; and I want to say to those on the Republican side of the House that your charges against the other side of passing bills that are not warranted, that are grossly extravagant, will not be strengthened if you oppose this meritorious measure.

Mr. Speaker, the facts regarding this proposition, in my judgment, show that the additional appropriation is an absolute necessity. Why was this enlargement made? Gentlemen seem to carry the idea that it was merely to please the department. The facts are that they are required to have a certain kind and class of vessels for this particular service on the Pacific coast. They can not secure it for the estimate of $250.000, and it was absolutely necessary to increase it to $325,000. This service is a serious service.

Mr. BARTLETT. Mr. Speaker, will the gentleman yield?

Mr. TOWNER. I can not yield. It is to serve on the most boisterous and dangerous waters on the American coast. It is to serve not only in tending but in building lighthouses to protect and guard that coast. It is in this particular case to furnish supplies and to assist in protecting the herd of seals on the Pribilof Islands, which is the property of the Government. and there is no other vessel in the service of the Government that can give that service on the Pacific coast unless this ship shall be built. Defer it until next winter and it is too late. We must now prepare for that necessary and dangerous service; and so I say, Mr. Speaker, it is a question of economy to vote for this bill, and not to vote against it. It is only to carry out our obligations to protect our shipping against the dangers that lie in those dangerous Alaskan waters, but in building these lighthouses and in tending them we are protecting the ships that carry our people to and from Alaska and furnish the supplies to them and for the Government service. From every possible standpoint this appropriation, in my judgment, is justified, and I hope gentlemen on this side of the House will vote for this bill, because it is absolutely needed, and I think we have enough patriotism to supply whatever is needed for the service of our country. [Applause.]

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken.

Mr. HENRY. Mr. Speaker, I demand a division.

Mr. ADAMSON. Mr. Speaker, I demand a division.

The House proceeded to divide.

Mr. BRYAN. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and fifty-four Members present; not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The question is on suspending the rules and passing the bill.

The question was taken, and there were—yeas 96, nays 158, answered "present" 2, not voting 172, as follows:

YEAS—96.

Abercrombie	Esch	La Follette	Rayburn
Adair	Falconer	Langham	Reed
Adamson	Fergusson	Lee, Pa.	Roberts, Nev.
Alexander	Gard	Lever	Rogers
Baker	Gilmore	Levy	Seldomridge
Booher	Gittins	Lieb	Sims
Brodbeck	Godwin, N. C.	Logue	Sinnott
Bryan	Goodwin, Ark.	Lonergan	Smith, N. Y.
Buchanan, Ill.	Gray	McClellan	Smith, Saml. W.
Bulkley	Hamill	McKellar	Sparkman
Cantrill	Hamilton, Mich.	McLaughlin	Stephens, Nebr.
Carr	Hammond	Mapes	Stephens, Tex.
Casey	Harrison	Mitchell	Stevens, Minn.
Coady	Hawley	Mondell	Taggart
Cullop	Hayden	Moore	Talcott, N. Y.
Curry	Hayes	Mulkey	Taylor, Colo.
Decker	Hinds	Neely, W. Va.	Thacher
Deitrick	Howell	Nelson	Towner
Dixon	Hughes, Ga.	O'Shaunessy	Townsend
Donovan	Humphrey, Wash.	Padgett	Underhill
Doolittle	Igoe	Park	Underwood
Driscoll	Johnson, Wash.	Phelan	Weaver
Dupré	Kahn	Raker	Whaley
Eagle	Kettner	Rauch	White

NAYS—158.

Aiken	Dies	Hill	Reilly, Wis.
Ainey	Difenderfer	Holland	Roberts, Mass.
Ashbrook	Dillon	Houston	Rouse
Aswell	Donohoe	Howard	Rubey
Avis	Doughton	Hull	Rupley
Bailey	Drukker	Jacoway	Russell
Baltz	Dunn	Johnson, Ky.	Saunders
Bartlett	Eagan	Keating	Scott
Barton	Edmonds	Kennedy, Conn.	Shackleford
Bathrick	Edwards	Kennedy, Iowa	Sherley
Beaks	Ferris	Kinkaid, Nebr.	Sherwood
Beall, Tex.	Fess	Kirkpatrick	Slayden
Bell, Ga.	Fields	Kitchin	Sloan
Blackmon	FitzHenry	Lazaro	Smith, J. M. C.
Borchers	Flood, Va.	Lee, Ga.	Smith, Tex.
Borland	Fordney	Lenroot	Stafford
Bowdle	Foster	Lindbergh	Steenerson
Broussard	Fowler	Lloyd	Stephens, Miss.
Brumbaugh	Garner	Lobeck	Stone
Buchanan, Tex.	Garrett, Tenn.	McGillicuddy	Sutherland
Burke, S. Dak.	Garrett, Tex.	Madden	Switzer
Burnett	Gillett	Maguire, Nebr.	Talbott, Md.
Butler	Glass	Mann	Tavenner
Byrnes, S. C.	Good	Moon	Taylor, Ark.
Byrns, Tenn.	Gordon	Morgan, La.	Taylor, N. Y.
Calder	Green, Iowa	Morgan, Okla.	Thomas
Campbell	Greene, Mass.	Morrison	Thompson, Okla.
Caraway	Greene, Vt.	Moss, Ind.	Tribble
Carter	Hamlin	Murray	Tuttle
Cline	Hardwick	Oldfield	Vaughan
Collier	Hardy	Page, N. C.	Volstead
Connelly, Kans.	Hart	Payne	Walker
Cooper	Haugen	Peters	Watson
Cox	Hay	Peterson	Williams
Cramton	Heflin	Platt	Wingo
Crisp	Helgesen	Porter	Witherspoon
Danforth	Helm	Post	Young, N. Dak.
Davis	Helvering	Prouty	Young, Tex.
Dent	Henry	Quin	
Dickinson	Hensley	Reilly, Conn.	

ANSWERED "PRESENT"—2.

Carlin	Manahan

NOT VOTING—172.

Allen	Dershem	Hoxworth	Merritt
Anderson	Dooling	Hughes, W. Va.	Metz
Ansberry	Doremus	Hulings	Miller
Anthony	Elder	Humphreys, Miss.	Montague
Austin	Estopinal	Johnson, S. C.	Morin
Barchfeld	Evans	Johnson, Utah	Moss, W. Va.
Barkley	Fairchild	Jones	Mott
Barnhart	Faison	Keister	Murdock
Bartholdt	Farr	Kelley, Mich.	Neeley, Kans.
Bell, Cal.	Finley	Kelly, Pa.	Nolan, J. I.
Britten	Fitzgerald	Kennedy, R. I.	Norton
Brockson	Floyd, Ark.	Kent	O'Brien
Brown, N. Y.	Francis	Key, Ohio	Oglesby
Brown, W. Va.	Frear	Kiess, Pa.	O'Hair
Browne, Wis.	French	Kindel	O'Leary
Browning	Gallagher	Kinkead, N. J.	Paige, Mass.
Bruckner	Gallivan	Knowland, J. R.	Palmer
Burgess	Gardner	Konop	Parker
Burke, Pa.	George	Korbly	Patten, N. Y.
Burke, Wis.	Gerry	Kreider	Patton, Pa.
Callaway	Gill	Lafferty	Plumley
Candler, Miss.	Goeke	Langley	Pou
Cantor	Goldfogle	L'Engle	Powers
Carew	Gorman	Lesher	Ragsdale
Cary	Goulden	Lewis, Md.	Rainey
Chandler, N. Y.	Graham, Ill.	Lewis, Pa.	Riordan
Church	Graham, Pa.	Lindquist	Rothermel
Clancy	Gregg	Linthicum	Rucker
Clark, Fla.	Griest	Loft	Sabath
Claypool	Griffin	McAndrews	Scully
Connolly, Iowa	Gudger	McGuire, Okla.	Sells
Conry	Guernsey	McKenzie	Shreve
Copley	Hamilton, N. Y.	MacDonald	Sisson
Crosser	Harris	Mahan	Slemp
Dale	Hinebaugh	Maher	Small
Davenport	Hobson	Martin	Smith, Idaho

Smith, Md.	Stringer	Vare	Whitacre
Smith, Minn.	Sumners	Vollmer	Willis
Stanley	Taylor, Ala.	Wallin	Wilson, Fla.
Stedman	Temple	Walsh	Wilson, N. Y.
Stephens, Cal.	Ten Eyck	Walters	Winslow
Stevens, N. H.	Thomson, Ill.	Watkins	Woodruff
Stout	Treadway	Webb	Woods

So, two-thirds not having voted in favor thereof, the motion to suspend the rules was rejected.

The Clerk announced the following additional pairs:

Until further notice:

Mr. ALLEN with Mr. BARTHOLDT.

Mr. BARKLEY with Mr. SMITH of Minnesota.

Mr. BARNHART with Mr. BROWNE of Wisconsin.

Mr. CLAYPOOL with Mr. WINSLOW.

Mr. CHURCH with Mr. FARR.

Mr. CLARK of Florida with Mr. FREAR.

Mr. ESTOPINAL with Mr. FRENCH.

Mr. FINLEY with Mr. JOHNSON of Utah.

Mr. FITZGERALD with Mr. J. R. KNOWLAND.

Mr. GORMAN with Mr. LEWIS of Pennsylvania.

Mr. JOHNSON of South Carolina with Mr. MCGUIRE of Oklahoma.

Mr. KEY of Ohio with Mr. MCKENZIE.

Mr. POU with Mr. MILLER.

Mr. RAGSDALE with Mr. MOSS of West Virginia.

Mr. RUCKER with Mr. PATTON of Pennsylvania.

Mr. SMALL with Mr. PLUMLEY.

Mr. WEBB with Mr. SMITH of Idaho.

Mr. TEN EYCK with Mr. STEPHENS of California.

Mr. HOBSON with Mr. WOODS.

For the session:

Mr. CLANCY with Mr. HAMILTON of New York.

The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present, the Doorkeeper will open the doors.

Mr. ADAMSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Georgia asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. LEVER. Mr. Speaker——

Mr. HENRY. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Texas rise?

Mr. HENRY. Mr. Speaker, I wish to move to discharge the Committee on Banking and Currency from the further consideration of the bill H. R. 18916, to suspend the rules and pass the bill.

The SPEAKER. The gentleman from Texas was not recognized for that purpose. We have not reached that order of business. In addition to that, the Chair agreed to recognize certain gentlemen to call up certain bills. The gentleman from South Carolina [Mr. LEVER] is recognized.

COTTON WAREHOUSES.

Mr. LEVER. Mr. Speaker, I move to suspend the rules and pass the bill S. 6266, with amendments, which I send to the Clerk's desk.

The SPEAKER. The Clerk will read the bill as amended. The Clerk read as follows:

S. 6266 An act to authorize the Secretary of Agriculture to license cotton warehouses, and for other purposes.

Be it enacted, etc., That this act shall be known by the short title of "United States warehouse act."

SEC. 2. That the term "warehouse" as used in this act shall be deemed to mean every building, structure, or other protected inclosure in which any agricultural product is or may be stored or held. The term "agricultural product" wherever used in this act shall be held to include cotton, grain, and other agricultural products designated by the Secretary of Agriculture to be staple and nonperishable.

SEC. 3. That the Secretary of Agriculture is authorized to investigate the storage, warehousing, classifying, grading, weighing, and certification of agricultural products; upon application to him, to inspect warehouses or cause them to be inspected; at any time, with or without application to him, to inspect or cause to be inspected all warehouses licensed under this act; to determine whether warehouses for which licenses are applied for or have been issued under this act are suitable for the proper storage or holding of agricultural products; to classify warehouses in accordance with their location, surroundings, capacity, condition, and other qualities, and as to the kinds of licenses issued or that may be issued to them pursuant to this act; and to prescribe the duties of the owners and operators of warehouses licensed under this act with respect to the care of and responsibility for agricultural products stored or held therein.

SEC. 4. That the Secretary of Agriculture is authorized, upon application to him by the owner or operator of a warehouse, to issue a license for the conduct of the same, subject to this act and such rules and regulations as may be made hereunder. Each license shall specify the date upon which it is to terminate, and, upon showing satisfactory to the Secretary of Agriculture, may, from time to time, be renewed or extended by a written instrument, which shall specify the date of its termination.

The owner or operator of every warehouse licensed under this act shall execute and file with the Secretary of Agriculture a good and sufficient bond to the United States, and such warehouses shall be designated as bonded. Said bond shall be in such form and amount, shall have such surety or sureties, and shall contain such terms and conditions as the Secretary of Agriculture may require to carry out the purposes of this act. No warehouse shall be designated as bonded under this act, and no name or description conveying the impression that it is so bonded, shall be used until a bond such as provided for in this section has been filed with and approved by the Secretary of Agriculture.

Any person injured by the misconduct or negligence of the principal named in the bond shall be entitled in an action upon the bond, brought in his own right and name in any court having jurisdiction of the same, to recover all losses he may have sustained.

SEC. 5. That the Secretary of Agriculture shall charge, assess, and cause to be collected a reasonable fee for every examination or inspection of a warehouse under this act when such examination or inspection is made upon application of the owner or operator of such warehouse, and a fee not exceeding $2 per annum for each license or renewal thereof issued to the owner or operator of a warehouse under this act. All such fees shall be deposited and covered into the Treasury as miscellaneous receipts.

SEC. 6. That the Secretary of Agriculture may, upon presentation of satisfactory proof of competency, issue to any person a license to classify or grade agricultural products or specified kinds of agricultural products and to certificate the class or grade thereof, or to weigh said agricultural products and certificate the weight thereof; or to classify, grade, and weigh agricultural products or specified kinds of agricultural products and to certificate the class, grade, and weight thereof, under such rules and regulations as may be made pursuant to this act. Any such license issued under this act may be suspended or revoked whenever the Secretary of Agriculture is satisfied that the holder thereof has failed to classify, grade, or weigh agricultural products correctly or has violated any provision of this act or of the rules and regulations made thereunder, or that the license has been used for any improper purpose whatsoever: *Provided*, That no such licensed person shall inspect or grade grain or shall certify, or otherwise indicate in writing, the grade of any grain which has been inspected or graded by him unless and until he has been duly authorized or employed by State, county, city, town, board of trade, chamber of commerce, corporation, society, or association to inspect and grade grain: *Provided further*, That in States which have State grain inspection established by law the Secretary of Agriculture may, in his discretion, issue licenses to persons duly authorized and employed to inspect grain under the laws of such State at the time this act goes into effect.

SEC. 7. That the owner or operator of every licensed warehouse shall receive for storage, without any discrimination between persons, any agricultural products tendered to him in a suitable condition for warehousing in the usual manner in the ordinary and usual course of business: *Provided*, That grain or flaxseed so received shall be graded and inspected by an inspector duly licensed under this act and shall be stored with grain or flaxseed of a similar grade; and in no case, in a warehouse licensed under this act, shall grain or flaxseed of different grades be mixed together while in store. No owner or operator of a warehouse duly licensed under this act shall sell or otherwise dispose of, or deliver out of store, any such agricultural product without the express authority of its owner and the return of the storage receipt. For all agricultural products stored or held by a warehouse licensed under this act original receipts, serially numbered, shall be issued by the owner or operator thereof, signed by himself or by his duly authorized agent. No such receipt shall be issued except for agricultural products actually stored or held in the warehouse at the time of the issuance thereof. No duplicate of an original receipt shall be issued unless the same be plainly and conspicuously marked "duplicate" upon the face thereof. While an original receipt or any duplicate thereof issued under this act is outstanding and uncanceled by the owner or operator of the warehouse issuing the same no other or further receipt shall be issued for the agricultural product, except that in the case of lost or destroyed receipts new receipts may be issued upon the giving of satisfactory security in compliance with the rules and regulations made pursuant to this act. Any receipt issued in lieu of an original shall be upon the same terms and subject to such conditions as are prescribed by this act for such original receipt. Each original receipt shall contain such terms and conditions, not inconsistent with the laws of the respective States in which issued, as the Secretary of Agriculture may require for carrying out the purposes of this act, including a true statement of the date and place of its issuance, its serial number, and the location of the warehouse in which the agricultural product is stored or held, and shall state that the agricultural product is deliverable upon the return of the receipt properly indorsed and upon payment of proper legal charges, if any be due to the owner or operator of the warehouse. Upon return of the receipt to the owner or operator of the warehouse issuing the same and upon the payment or tender of all advances and legal charges, agricultural products of the same class or grade and quantity named therein shall be delivered to the holder of such receipt within 24 hours after facilities for receiving the same have been provided: *Provided*, That in the case of cotton or other agricultural products customarily put up in bales or packages, each original receipt shall include a description of such bales or packages by marks, numbers, or other means of identification, and the weight thereof; the owner of such original receipt shall be entitled upon presentation thereof, and the payment of accrued charges, to receive the identical bale or package described therein within 24 hours after facilities for receiving the same have been provided.

SEC. 8. That the owner or operator of any warehouse licensed under this act shall keep complete and correct records of all agricultural products stored or held therein and withdrawn therefrom, of all original warehouse receipts, and duplicates of the same, issued by the owner or operator of the warehouse, and of the receipts returned to and canceled by the owner or operator thereof, shall make reports to the Secretary of Agriculture, in such form and at such times as he may require, and shall be conducted and operated in all other respects in compliance with this act and the rules and regulations made hereunder.

SEC. 9. That any warehouse receipt or certificate of the class or grade of any agricultural product issued under this act shall specify the class or grade of the agricultural product covered thereby in accordance with the official standard of the United States applicable thereto, as the same may be fixed and promulgated under authority of law: *Provided*, That until such official standards for any agricultural product shall have been fixed and promulgated under authority of law, such warehouse receipts or certificates of the class or grade of agricultural products may be issued in accordance with any other recognized standard, or in accordance with such rules and regulations as may be prescribed by the Secretary of Agriculture. Such receipts or certificates shall

show the description or the standard in accordance with which the agricultural product has been classified or graded.

SEC. 10. That the Secretary of Agriculture is hereby authorized to cause examinations to be made of any agricultural product stored or held in any warehouse licensed under this act. Whenever, after opportunity for hearing is given to the owner or operator of such warehouse, it is determined that such owner or operator of such warehouse is not performing fully the duties imposed on him by this act and the rules and regulations made hereunder, the Secretary may publish his findings.

SEC. 11. That the Secretary of Agriculture may suspend or revoke any license issued to any owner or operator of such warehouse under this act for any violation of or failure to comply with any provision of this act or of the rules and regulations made hereunder, and any such license may be suspended or revoked, after opportunity for hearing has been afforded to the licensee concerned, upon the ground that unreasonable or exorbitant charges have been made for services rendered.

SEC. 12. That the Secretary of Agriculture from time to time may publish the results of any investigations made under section 3 of this act; and he shall publish the names and locations of warehouses licensed and bonded and the names and addresses of persons licensed under this act and lists of all licenses terminated under this act and the causes therefor.

SEC. 13. That the Secretary of Agriculture is authorized, through officials, employees, or agents of the Department of Agriculture designated by him, to examine all books, records, papers, and accounts of warehouses licensed under this act and of the owners or operators of such warehouses relating thereto.

SEC. 14. That the Secretary of Agriculture shall from time to time make such rules and regulations as he may deem necessary for the efficient execution of the provisions of this act.

SEC. 15. That every person who shall forge, alter, counterfeit, simulate, or falsely represent, or shall without proper authority use, any license issued by the Secretary of Agriculture to any owner or operator of a warehouse, or to any grader, classer, or weigher, under this act, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not more than $500 or imprisoned not more than six months, or both, in the discretion of the court.

SEC. 16. That the words "owner" or "operator" wherever used in this act shall be construed to import the plural or singular, as the case demands, and shall include individuals, associations, partnerships, and corporations.

SEC. 17. That there is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of $100,000, available until expended, for the expenses of carrying into effect the provisions of this act, including the payment of such rent and the employment of such persons and means as the Secretary of Agriculture may deem necessary in the city of Washington and elsewhere, and he is authorized, in his discretion, to call upon qualified persons not regularly in the service of the United States for temporary assistance in carrying out the purposes of this act, and, out of the moneys appropriated by this act, to pay the salaries and expenses thereof.

Amend the title so as to read: "An act to authorize the Secretary of Agriculture to license warehouses, and for other purposes."

The SPEAKER. Is a second demanded?

Mr. MADDEN. Mr. Speaker, I demand a second.

The SPEAKER. The gentleman from Illinois [Mr. MADDEN] demands a second.

Mr. LEVER. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

The SPEAKER. The gentleman from South Carolina [Mr. LEVER] asks unanimous consent that a second may be considered as ordered. Is there objection?

Mr. HENRY. Mr. Speaker, I object.

The SPEAKER. The gentleman from Texas objects. The Chair appoints the gentleman from South Carolina [Mr. LEVER] and the gentleman from Illinois [Mr. MADDEN] as tellers. Those in favor of seconding the motion to suspend the rules will pass between the tellers and be counted.

The House divided; and the tellers reported that there were—ayes 78, nays 0.

Mr. HENRY. Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and fifty-three gentlemen are present—not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 224, nays 42, answered "present" 2, not voting 160, as follows:

YEAS—224.

Abercrombie	Borchers	Cline	Donohoe
Adair	Borland	Coady	Donovan
Adamson	Brockson	Collier	Doolittle
Aiken	Brodbeck	Connelly, Kans.	Doughton
Alexander	Browne, Wis.	Cooper	Driscoll
Allen	Bryan	Cox	Dupré
Ashbrook	Buchanan, Ill.	Crisp	Eagan
Aswell	Buchanan, Tex.	Crosser	Eagle
Bailey	Bulkley	Cullop	Edwards
Baker	Burke, S. Dak.	Curry	Esch
Baltz	Burnett	Davenport	Falconer
Barkley	Byrnes, S. C.	Davis	Fergusson
Barnhart	Byrns, Tenn.	Decker	Ferris
Bartlett	Campbell	Deitrick	Fields
Barton	Candler, Miss.	Dent	Finley
Bathrick	Cantor	Dershem	FitzHenry
Beakes	Caraway	Dickinson	Flood, Va.
Beall, Tex.	Carr	Dies	Floyd, Ark.
Bell, Ga.	Carter	Difenderfer	Foster
Blackmon	Casey	Dillon	Fowler
Booher	Clark, Fla.	Dixon	Gallagher
Gard	Johnson, Ky.	Morgan, Okla.	Smith, J. M. C.
Garner	Johnson, S. C.	Morrison	Smith, N. Y.
Garrett, Tex.	Johnson, Utah	Moss, Ind.	Smith, Tex.
Gerry	Johnson, Wash.	Mulkey	Sparkman
Gilmore	Kahn	Murray	Steenerson
Gittins	Keating	Nelson	Stephens, Miss.
Godwin, N. C.	Kennedy, Conn.	Oldfield	Stephens, Nebr.
Goodwin, Ark.	Kettner	Padgett	Stone
Gordon	Kinkaid, Nebr.	Page, N. C.	Taggart
Gray	Kirkpatrick	Park	Talcott, N. Y.
Hamill	Kitchin	Peterson	Tavenner
Hamlin	Lafferty	Phelan	Taylor, Ala.
Hammond	La Follette	Porter	Taylor, Ark.
Hardwick	Lazaro	Post	Taylor, Colo.
Hardy	Lee, Ga	Pou	Taylor, N. Y.
Harrison	Lee, Pa.	Prouty	Ten Eyck
Hart	Lever	Quin	Thacher
Haugen	Levy	Raker	Thomas
Hawley	Lieb	Rauch	Thompson, Okla.
Hay	Lindbergh	Reed	Tribble
Hayden	Lloyd	Reilly, Conn.	Tuttle
Hayes	Lobeck	Reilly, Wis.	Underhill
Heflin	Logue	Roberts, Nev.	Underwood
Helgesen	Lonergan	Rouse	Vaughan
Helm	McClellan	Rubey	Volstead
Hensley	McGillicuddy	Rupley	Walker
Hill	McGuire, Okla.	Russell	Watson
Holland	McKellar	Saunders	Weaver
Houston	Maguire, Nebr.	Seldomridge	Webb
Howard	Manahan	Shackleford	Whaley
Hughes, Ga.	Mann	Sherley	White
Hull	Mapes	Sims	Williams
Humphrey, Wash.	Mitchell	Sisson	Wingo
Igoe	Moon	Sloan	Young, N. Dak.
Jacoway	Morgan, La.	Smith, Idaho	Young, Tex.

NAYS—42.

Ainey	Green, Iowa	McLaughlin	Sherwood
Avis	Greene, Mass.	Madden	Slayden
Butler	Greene, Vt.	Miller	Smith, Saml. W.
Cramton	Hamilton, Mich.	Mondell	Stafford
Danforth	Hamilton, N. Y.	Moore	Stevens, Minn.
Drukker	Henry	Patton, Pa.	Sutherland
Edmonds	Hinds	Payne	Switzer
Fess	Hughes, W. Va.	Platt	Towner
Fitzgerald	Kennedy, Iowa	Rayburn	Witherspoon
Fordney	Lenroot	Rogers	
Good	McKenzie	Scott	

ANSWERED "PRESENT"—2.

Garrett, Tenn.	Howell

NOT VOTING—160.

Anderson	Farr	Korbly	Rainey
Ansberry	Francis	Kreider	Riordan
Anthony	Frear	Langham	Roberts, Mass.
Austin	French	Langley	Rothermel
Barchfeld	Gallivan	L'Engle	Rucker
Bartholdt	Gardner	Lesher	Sabath
Bell, Cal.	George	Lewis, Md.	Scully
Bowdle	Gill	Lewis, Pa.	Sells
Britten	Gillett	Lindquist	Shreve
Broussard	Glass	Linthicum	Sinnott
Brown, N. Y.	Goeke	Loft	Slemp
Brown, W. Va.	Goldfogle	McAndrews	Small
Browning	Gorman	MacDonald	Smith, Md.
Bruckner	Goulden	Mahan	Smith, Minn.
Brumbaugh	Graham, Ill.	Maher	Stanley
Burgess	Graham, Pa.	Martin	Stedman
Burke, Pa.	Gregg	Merritt	Stephens, Cal.
Burke, Wis.	Griest	Metz	Stephens, Tex.
Calder	Griffin	Montague	Stevens, N. H.
Callaway	Gudger	Morin	Stout
Cantrill	Guernsey	Moss, W. Va.	Stringer
Carew	Harris	Mott	Sumners
Carlin	Helvering	Murdock	Talbott, Md.
Cary	Hinebaugh	Neeley, Kans.	Temple
Chandler, N. Y.	Hobson	Neely, W. Va.	Thomson, Ill.
Church	Hoxworth	Nolan, J. I.	Townsend
Clancy	Hulings	Norton	Treadway
Claypool	Humphreys, Miss.	O'Brien	Vare
Connolly, Iowa.	Jones	Oglesby	Vollmer
Conry	Keister	O'Hair	Wallin
Copley	Kelley, Mich.	O'Leary	Walsh
Dale	Kelly, Pa.	O'Shaunessy	Walters
Dooling	Kennedy, R. I.	Paige, Mass.	Watkins
Doremus	Kent	Palmer	Whitacre
Dunn	Key, Ohio	Parker	Willis
Elder	Kiess, Pa.	Patten, N. Y.	Wilson, Fla.
Estopinal	Kindel	Peters	Wilson, N. Y.
Evans	Kinkead, N. J.	Plumley	Winslow
Fairchild	Knowland, J. R.	Powers	Woodruff
Faison	Konop	Ragsdale	Woods

So a second was ordered.

The Clerk announced the following additional pairs:

Until further notice:

Mr. BOWDLE with Mr. ANDERSON.

Mr. CANTRILL with Mr. BARCHFELD.

Mr. CLANCY with Mr. CALDER.

Mr. DOREMUS with Mr. DRUKKER.

Mr. KINKEAD of New Jersey with Mr. KIESS of Pennsylvania.

Mr. LINTHICUM with Mr. J. R. KNOWLAND.

Mr. NEELY of West Virginia with Mr. ROBERTS of Massachusetts.

Mr. RIORDAN with Mr. SINNOTT.

Mr. RUCKER with Mr. THOMSON of Illinois.

Mr. TALBOTT of Maryland with Mr. STEPHENS of California.

The result of the vote was announced as above recorded.

The SPEAKER. The motion is seconded, a quorum is present, and the Doorkeeper will open the doors. The gentleman from South Carolina [Mr. LEVER] has 20 minutes and the gentleman from Illinois [Mr. MADDEN] 20.

Mr. LEVER. Mr. Speaker, I yield to the gentleman from Indiana [Mr. Moss].

The SPEAKER. The gentleman from Indiana [Mr. Moss] is recognized.

Mr. MOSS of Indiana. Mr. Speaker, the hour has struck for the enactment of certain legislation in the interest of the American farmer. We are sick and tired of this endless stream of talk, professing friendship for the farmer in the face of continued failure to enact any of the bills which farmers themselves desire. There has been nation-wide discussion of rural credits but no legislation. We are nearing the close of this long session of Congress with this most-important subject held in abeyance.

The American farmer pays a higher rate of interest and borrows under harder terms than does the European farmer. We are under like disadvantage if the comparison be with the American business man. This discrimination against the farmer in our commercial world grows out of the fact that our bankers and business men are one and the same class of men. Mr. Henry B. Joy, president of the Packard Motor Car Co., in a letter to the publisher of System, in discussing the relation between business and banking said:

> As a matter of fact, the bankers of the United States are the business men of the United States, and the banks of the United States are the bulwarks of the business of the United States. Their interests are the same and mutual. Both are run by the same people.

This situation is admitted to be unfair to farmers, yet this Congress is preparing to adjourn without any action to relieve this intolerable situation.

The Moss bill for uniform grading of grain is another great measure which has been unanimously reported by the Agricultural Committee, and which is awaiting action from this body. This bill has been indorsed by the leading farm organizations, by the National Grain Dealers' Association, by the National Millers' Association, by the Department of Agriculture, and by the agricultural press of the Nation. It would establish uniform standards of quality for grain, and provides the necessary machinery to insure the fair and equitable application of these standards under the supervision of the National Government to all grain moving in interstate or foreign commerce. The provisions of the bill guarantee to the seller of grain that he will receive the full market value of his product, while they insure the buyer that he will be given exactly the grade of grain that his contract calls for. Neither of these guaranties can obtain under the present market conditions. It would stabilize prices and reduce harmful speculation in food products to the lowest limits.

So important is this question of standardization of grain grades that a great campaign of education is now under way in Indiana under the auspices of the State Grain Dealers' Association. Dr. Duvel, of the Department of Agriculture, and Prof. Christie, of our State Agricultural Extension Department, are addressing public meetings in all parts of the State on this subject. To show the importance which Indiana farmers and grain dealers attach to this subject I will insert as a part of my remarks one of the announcements of these meetings. Yet it seems impossible to secure action on the part of Congress on this most important legislation. The Moss bill for uniform grain grades seems to be sleeping alongside the Moss-Fletcher bill for rural credits.

The third great bill to aid in better organization and improvement of agriculture is the uniform warehouse bill, now before the House for passsage. I wish to acknowledge the debt we owe to Speaker CLARK for his recognition of Mr. LEVER to move the passage of this bill at this time. It places the responsibility squarely before the membership of this House. The Agricultural Committee has reported it by a practically unanimous vote; the Speaker gives you an opportunity to pass it, and if it fails those who vote in the negative must assume the full responsibility for its failure.

This bill is a combination of the Smith-Lever bill for warehousing cotton and the Moss bill for warehousing grain. It comes to the House from the Senate, where it passed by practically a unanimous vote. If the bill was constitutional when it passed the Senate it can not be unconstitutional now that it is pending before the House.

The bill, as rewritten by the Agricultural Committee of the House, applies to cotton, grain, and all other staple and nonperishable farm crops, and the owner of any of these products may apply for its benefits. The owner of any warehouse may apply for a license to operate under its provisions. Any competent citizen may apply for a license to grade such products under recognized standards; but such licensed person must secure employment from some State authority before he can issue certificates of weight or quality of agricultural products under the provisions of the bill. It does not in any instance commit the Federal Government to Federal inspection of agricultural products or in any manner nullify any State law on this subject.

The bill in every provision is permissive; in no sense is it compulsory. It does not commit the Government to the ownership or the operation of warehouses in any degree; neither does it commit the Government to the making of advances in money upon agricultural products.

The bill makes provisions whereby owners of agricultural products can purchase storage in bonded warehouses, licensed and supervised by the United States Government; to have these products graded and weighed by licensed graders, according to uniform standards of quality to be fixed by the United States Government; and the owners of such products will receive a warehouse receipt, uniform in its terms with every other warehouse receipt for agricultural products of like quality stored in any govermentally licensed warehouse in the United States. Such a receipt will present collateral security of the highest integrity, and the holder can borrow money at any bank as readily and at as low rate of interest as if he were pledging a Government bond. In every operation, from the storing of the product to its final sale and delivery to the consumer, the provisions of this bill place the farmer on a plane of absolute equality with the merchant or broker.

Every owner of agricultural products who does not desire to negotiate an immediate sale of such products can store them under ideal conditions of safety. His receipt declares their actual grade; and by consulting any reliable market quotations the owner can know what is their actual value. Any day he can secure money at the lowest interest rate by pledging his receipt at the counter of any bank.

The bank can rediscount this receipt at the regional bank. This bill thus connects the farm with the Federal Treasury through the medium of chartered banks and gives to the farmers of the United States the full advantages of our new banking and currency law. If the farmer has money borrowed on warehouse receipts, he can liquidate his obligations at maturity by the sale of his commodities in the open markets. He thus secures every advantage which the ownership of these prime necessities can give and is enabled to sell them to the best advantage when he desires to divest himself of that ownership. The bill is therefore a long step in the direction of better business methods on the farm and to make possible better living among farmers.

It is a well-known fact that in the United States we harvest a year's supply of any standard farm crop within a few weeks. The result under present conditions is to force these products on the market in advance of their actual consumption. They are thus compelled to be offered for sale to speculators to be stored for later consumption. Prices are thus forced down at harvest, when the farmer sells, to be sharply advanced after harvest, when these products are sold to the actual consumers. The result is that speculators ordinarily realize a higher net profit from farm crops than the men who actually perform the hard labor of producing them. We have thus a wide margin between the price paid to the producer and the price charged to the consumer.

This warehouse bill will remedy these adverse conditions. It will stabilize average prices, increasing them to the producer, without advancing them to the consumer. In my investigation of the system of selling farm crops in Europe, where the speculator has been starved out and products go from the farm direct to the consumer, the profit which the speculator makes in this country is in fact divided between the producer and the consumer. It is thus literally true in Europe that improved methods of storing and selling farm crops has resulted in higher prices to the producer and lower prices for the same product to the consumer. The next great advance in agricultural business methods in the United States will be along lines of cooperation. This bill presents the most splendid opportunities for cooperative action among farmers. It will enable farmers to realize in money a fair margin of the actual cash value of their products at the moment of harvest and still hold the ownership of their products until the consumer is ready to take the product directly from the hands of the producer. The result will be to eliminate the speculator, to minimize the dealings in futures, and to divide the large margin, now taken by this horde of middlemen, and to divide it between the two classes who are

compelled to assume ownership of these products in order to carry on the business of the Nation—the producer and the consumer. And all of this operation shall be under the supervision of the National Government. [Applause.]

I shall close my remarks by inserting an open letter to Members of Congress, written by Herbert Myrick, publisher of the Orange Judd Farmer and several other farm papers, urging the passage of this bill:

"AN OPEN LETTER DEMANDING INSTANT ACTION IN BEHALF OF THE FARMERS OF AMERICA—CONGRESS IS URGED NOT TO ADJOURN UNTIL IT HAS ENACTED THE BILL FOR FEDERAL LICENSES OF WAREHOUSES AND FOR UNIFORM WAREHOUSE CERTIFICATES.

"To each Member of the Senate and of the House of Representatives in United States Congress assembled at Washington.

"SIR: Is it possible that you mean to let Congress adjourn without enacting Senate bill No. 6236, Union Calendar 326, which passed the Senate in August, was reported to the House with amendments September 3, and on October 5 failed to secure the necessary two-thirds vote to insure its passage?

"This bill as amended authorizes the Secretary of Agriculture to issue a Federal license to any warehouse for agricultural products that his investigation shows to be worthy of such license. Thereupon said warehouse may issue a certificate representative of the quantity and quality of any nonperishable farm product stored therein. The bill provides that the warehouse certificate issued by these licensed storage places shall be reasonably uniform in phraseology and in their other characteristics throughout the United States.

"The Government is not asked to buy, or build, or establish, or operate any warehouse. Such storage places may be owned by individuals, corporations, or public authority, as at present. Produce stored therein shall be in accordance with existing law, or, where not legally provided for, grades may be established by the Secretary of Agriculture, with due regard to customs of the trade.

"The inspectors to investigate such warehouses may or shall be those already employed under the supervision of local or State authority, or by chambers of commerce, or other responsible supervisory organizations.

"In brief, this bill aims to standardize the business of warehousing nonperishable produce. It does not in any way interfere with or limit existing trade customs or storage supervision. It simply cooperates with them, but where there is no adequate supervision of warehouses this bill supplies the need.

"The national warehouse certificate for farm products issued by a warehouse which has a Federal license, therefore, will be accepted at home and abroad for just what it represents. If it certifies that it represents so many bales or pounds of cotton of such a grade, everyone who deals in the certificate, or accepts it in trade or barter, whether in the United States or abroad, will know that he can get the precise quantity of cotton that it calls for, or that in case of fire he can get its value in cash from the insurance. The same will be true of a uniform warehouse receipt for any quantity or quality of tobacco, grain of any kind, beans, hops, wool, or other comparatively nonperishable product.

"This uniform receipt will have uniform recognition as the standard of reliability. It will be free from all the weaknesses or abuses of even the best forms of warehouse receipts heretofore issued.

"The bill does not commit the Government to any financial responsibility, direct or indirect, either for the certificates issued or for the produce they represent or for the warehouses in which the stuff is stored. The measure simply provides for uniform inspection, standards, and forms of certificate. It is equally fair to every section, to every crop. It is of universal applicability. It does not constitute special privilege in any form or for any one crop.

"It is imperative that this measure be enacted instantly. Then the system of Federal inspection, standards, and certificates can be applied forthwith to existing warehouses through the Federal licensing system that the bill provides. This will be of enormous advantage to cotton growers in the present crisis, also to growers of tobacco, hops, rice, wool, wheat, corn, oats, and other relatively nonperishable produce.

"There is everything in favor of the measure, mighty little against it. This bill should pass the House by unanimous vote; then its amendments should be adopted unanimously by the Senate, so that it may become a law this month.

"If you fail to enact this measure before the present session of Congress adjourns, the farmers of the United States will bluntly ask, 'Why?' They bitterly resent the failure of Congress to enact the national system of farm finance, which all parties two years ago pledged themselves to do in the rural-credits plank of their platforms.

"To meet existing utterly unprecedented conditions, this Federal system of licensing warehouses can serve a most useful purpose to farmers and others in any neighborhood who have sufficient enterprise to avail themselves of its advantages. It confers no special benefits. It simply enables farmers generally to help themselves better to finance their own business, just as grain dealers and manufacturers already do. It is a necessary step toward enabling farmers to derive the fullest possible benefits from the Federal reserve system.

"Very respectfully,

"HERBERT MYRICK,
"*President Orange Judd Co.,*
"*Publishers as per heading above.*"

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"CORN IS KING,

"But when marketed must be graded according to the new United States standards. The whole subject to be explained at free open meetings to be held at times and places scheduled below, to which all interested parties are invited, especially grain dealers, millers, and farmers.

"Dr. J. W. T. Duvel, of the Bureau of Grain Standardization, Department of Agriculture, Washington, D. C., will present the new standards and explain the necessity for and advantage of grading accordingly.

"Prof. George I. Christie, of the agricultural extension department of Purdue University, will discuss the necessity for and importance of better corn and better condition of corn for marketing under the United States grades and other kindred subjects of special interest to producers and handlers of grain.

"Local grain dealers, millers, and county agents will have charge of the meetings and supply information concerning them. Call on them and otherwise assist in making these meetings a success.

"SCHEDULE OF MEETINGS, FIRST WEEK.

"Monday, October 19, 1914: Noblesville, at courthouse, 10.30 a. m.; Sheridan, at Library Building, 1.30 p. m.; Kirklin, at 3.30 p. m.; Frankfort, at courthouse, 7.30 p. m.

"Tuesday, October 20, 1914: Camden, at 10 a. m.; Logansport, at courthouse, 2.30 p. m.; Monticello, at City Hall, 7 p. m.

"Wednesday, October 21, 1914: Remington, at Opera House, 1 p. m.; Goodland, at Goodland Grain Co., 3.30 p. m.; Fowler, at 7.30 p. m.

"Thursday, October 22, 1914: Oxford, at 10 a. m.; Attica, at city hall, 2 p. m..; Lafayette, at Vocational School (Sixth and Columbia Streets), 7.30 p. m.

"Friday, October 23, 1914: New Richmond, at 10 a. m.; Darlington, at 2.30 p. m.; Lebanon, at city hall, 7 p. m.

"Saturday, October 24, 1914: Indianapolis, at board of trade, 2 p. m.

"SCHEDULE OF MEETINGS, SECOND WEEK.

"Monday, October 26, 1914: Franklin, at Commercial Club, 10 a. m.; Edinburg, at 1.15 p. m.; Shelbyville, at council chamber, 3.30 p. m.; Greensburg, at council chamber, 7.30 p. m.

"Tuesday, October 27, 1914: Rushville, at Assembly Hall, 12.30 p. m.; Cambridge City, at 3.30 p. m.; Newcastle, at courthouse, 7.30 p. m.

"Wednesday, October 28, 1914: Anderson, at library building, 10 a. m.; Muncie, at courthouse, 2 p. m.; Winchester, at courthouse, 7.30 p. m.

"Thursday, October 29, 1914: Berne, at 10 a. m.; Decatur, at 2 p. m.; Fort Wayne, at courthouse, 7.30 p. m.

"Friday, October 30, 1914: Bluffton, at courthouse, 10.30 a. m.; Marion, at Civics Hall, 2 p. m.; Wabash, at Memorial Hall, 7.30 p. m.

"Saturday, October 31, 1914: Peru, at 10 a. m.; Kokomo, at courthouse, 1.30 p. m.; Tipton, at council chamber, 4 p. m.

"All producers, handlers, and consumers of corn are invited to attend one or more meetings, and the local press is respectfully requested to give the subject general publicity and otherwise assist in giving these gentlemen such attendance at the meetings as they and the importance of the subjects deserve.

"Respectfully,

"INDIANA GRAIN DEALERS' ASSOCIATION."

The SPEAKER pro tempore (Mr. IGOE). The time of the gentleman from Indiana has expired.

Mr. MOSS of Indiana. Mr. Speaker, I ask permission to revise and extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the gentleman's request?

There was no objection.

Mr. MADDEN. Mr. Speaker, I yield to the gentleman from Michigan [Mr. MCLAUGHLIN].

The SPEAKER. The gentleman from Michigan [Mr. MCLAUGHLIN] is recognized.

Mr. McLAUGHLIN. Mr. Speaker, this bill has some good features. It applies to cotton and other agricultural products which may be designated by the Secretary of Agriculture as stable and nonperishable. But in its true inwardness the bill is simply a forerunner of and a companion piece to bills which have been introduced and which are being pressed before the House for the issuing of immense sums of currency for the purchase of cotton or to be loaned on cotton in an effort to relieve depressed business conditions in the South.

The unfortunate condition existing in the cotton-growing States on account of the war in Europe is a strong argument in favor of the Republican policy of protective tariff; it emphasizes the folly of failing properly to encourage and protect cotton-goods manufacturers of the United States by adequate tariff duties against imports from foreign countries; it emphasizes the folly of the policy pursued and persisted in by the South of growing cotton to the exclusion of almost every other agricultural crop.

The war in Europe has demoralized the business of the South and thrown its people into a panic, all because there is practically no European market for the cotton they produce. That the South is facing a crisis is evidenced by the presence in Washington of cotton growers, warehousemen, factors, spinners, bankers—men from every part of the South, interested in every branch of the cotton industry and in every line of business depending upon or connected with cotton. They have been and still are holding meetings, appearing before committees of the House and Senate, interviewing the President of the United States and the Secretary of the Treasury, demanding legislation or appealing for relief—anything that promises to avert or postpone the calamity which threatens them.

All kinds of measures, plans, and schemes, too numerous to mention, have been presented or suggested, some of them possibly feasible as emergency measures, some of them positively dangerous and absolutely impossible.

What are some of these measures? The Committee on Agriculture has reported to the House a bill (H. R. 18492) for Federal inspection, grading, and certification of cotton; also a bill (S. 6266) for licensing of warehouses in which cotton may be stored and held until normal prices and market conditions again prevail.

The warehouse bill, soon to be urged for passage, provides for the storing of "cotton, grain, and other argricultural products, which shall be determined by the Secretary of Agriculture to be nonperishable," but it is in the interest of cotton alone, and, with the bill for grading and inspecting of cotton, will, if enacted into law, foist upon the country a plan by which cotton in warehouses and receipts therefor will be made the basis and security for loans from the Federal Treasury, or for the issue of money by or under the direction of the Federal Reserve Board, or by banks operating under the new banking and currency law. The Secretary of the Treasury is reported to have promised that warehouse receipts will be accepted as security for the issue of currency under that law at the rate or on the basis of at least 8 cents per pound, the estimated cost of producing cotton.

The cotton grading and inspection bill calls for an appropriation of $250,000 and the warehouse bill calls for an appropriation of $100,000.

One of the pending bills is H. R. 18916, which would direct the Secretary of the Treasury to deposit $500,000,000 in National and State banks in the cotton-growing States, "to be apportioned among those States in accordance with the number of bales of cotton produced therein in 1913," and would make it "the duty of said banks" to make loans on cotton "at the rate of 10 cents per pound," and require the cotton to be stored and held until "cotton sells in the open market at Savannah, Ga., at 12 cents per pound."

Another bill is H. R. 18944, introduced by Mr. HOWARD, of Georgia, which provides for an issue of $500,000,000 currency, to be issued under the new act, to be placed in the banks of the South to be used by postmasters and rural mail carriers for the purchase of cotton at not less than 10 cents per pound.

Another bill is H. R. 18655, which would provide for an issue of $300,000,000 in notes, to be issued under the new banking and currency law, for the deposit of said notes in Federal reserve banks for the purpose of making loans on "bills of sale of cotton in bales of the crop of 1913," and that "it shall be the duty of said Federal reserve banks to advance on said cotton in such Federal reserve notes at the rate of 12 cents per pound," the cotton to be held until the board "shall deem it advisable" to sell it.

Another, H. R. 18605, is "a bill for the temporary relief of cotton growers and producers of agricultural products," and provides that the secretary and treasurer of the Federal Reserve Board shall ascertain the value of all exports in 1913 of cotton, grain, tobacco, and food products, and the value of such exports produced in each of the 12 regional-bank districts in 1913; that the Secretary of the Treasury shall deposit with the 12 regional banks and branches thereof, in proportion to the value of the exports of said districts, a sum of money equal to 50 per cent of the capital stock of all the national banks in the country June 30, 1914; that the money so deposited shall be loaned to owners of cotton, owners of land on which cotton was grown, or to holders of bills of sale of cotton, at the rate of 12 cents per pound; and that said cotton "shall be held until sold, at the pleasure of the Federal Reserve Board, when and after spot middling cotton sells in the open market at Savannah, Ga., at 15 cents per pound, or at the request of the person," and so forth, to whom the loan was made. The capital stock of all the national banks in the United States June 30, 1914, was $1,058,192,335, so the amount of money to be deposited for the relief of cotton growers and for support of the cotton business is the immense sum of $529,096,167.50.

It will be noticed that, although the bill is for the "relief of cotton growers and producers of agricultural products," it provides for loans on cotton only, so it is safe to say the bill is altogether in the interest of cotton. That these bills are in the interest of cotton, and, if enacted into law, will put the Federal Government or its banks into the cotton business on a vast and ruinous basis, is evident when it is known that the average cost of producing cotton in the States of the South is from 6 to 8 cents per pound, while one of these bills makes it compulsory for banks to make loans on cotton on a basis of 10 cents per pound, and that cotton taken as security shall be held until "it sells in the open market at 12 cents per pound"; and another bill would compel loans at the rate of 12 cents per pound and the holding of the cotton by the banks until it will sell for 15 cents per pound.

Many wild and dangerous measures are presented to Congress, some of them in good faith, but most of them in the course of the political game as it is sometimes played by cunning, desperate men. The best that can be said of these particular bills (H. R. 18916, H. R. 18655, H. R. 18605, and H. R. 18944) is that none of them will be seriously considered by the committees to which they have been referred and will never reach the House. The country may rest secure in the knowledge that they are presented as such bills usually are—solely for "home consumption"—by Members who play politics in a manner which reflects seriously upon themselves and upon the intelligence and credulity of the people they assume to represent.

Another pending bill is H. R. 18666, by which it is proposed to permit or require the Federal Government alone or in cooperation with private corporations to "purchase, construct, equip, maintain, and operate merchant vessels in the foreign trade of the United States," and for these purposes $40,000,000 is to be used—$30,000,000 to be raised by sale of bonds of the United States and $10,000,000 in the form of an appropriation from the Federal Treasury.

But some measures have been passed by Congress and have been approved by the President. A law has been enacted to permit the purchase of foreign-built and foreign-owned vessels by Americans and to have such vessels, while retaining their foreign officers and foreign crews, admitted to American registry and to sail under the American flag.

A law has been enacted (S. 6357, Public Acts, No. 193) to establish a "Bureau of War Risk Insurance in the Treasury Department." Five million one hundred thousand dollars have been appropriated to enable the Government to carry on the business of "insuring vessels and their freight and passage moneys and cargoes * * * against loss or damage by the risks of war."

These laws have been passed in the face of the official protest of almost every country now engaged in war. England and France, whose navies control the seas, have notified our Government that if vessels owned by citizens of a country with which they are engaged in war are sold or transferred to citizens of the United States they will be seized or be subject to seizure and with their cargoes will be subject to their laws and the rules and practice of their prize courts.

There is no general need, and certainly no justification, for passage of these laws. The only excuse for them is the persistent demand that ships must be provided for transporting cotton to foreign markets. While the war in Europe is going on the purchase of foreign ships and their transfer to American registry is contrary to international usage, may reasonably be regarded as trickery and subterfuge, and may possibly involve us in war; but it is demanded that the American people shall place themselves in that equivocal attitude and even incur the danger of war because southern cotton must be taken care of regardless of consequences.

The total appropriations made by the laws and bills which I have referred to, or the total amount of money which may be devoted to carrying out the schemes involved in these measures, is the stupendous sum of $1,874,546,167.50.

Another scheme is that Congress be asked to enact laws to limit, curtail, and otherwise regulate production of cotton next year and in years to come, so that the supply of raw cotton shall be limited to the amount which can be used by the mills of this country and meet demands of foreign manufacturers under normal conditions, and so that the price and value of cotton shall be high enough to yield reasonable profit to the cotton grower and to all who handle or deal in it, and so that the cotton industry, fostered, supported, and controlled by and at the risk of the Federal Treasury, shall be placed and maintained upon a profitable basis for the protection and advantage of all who shall in any manner be connected with it.

Another "remedy" for the prevention of a panic in the cotton States is suggested. It is proposed that Congress shall repeal the law of March 3, 1865, by which a tax of 10 per cent is imposed upon issues of money by State banks. This repeal will permit these banks, presumably in the South, if they wish to do so, to return to "wildcat" banking as it was carried on before the Civil War. Wildcat banking was, as everyone now knows, one of the worst plagues that ever infested this country, but the cotton situation is so desperate that the friends of the cotton industry, absolutely unmindful of the general interest, are evidently willing to have that plague again visited upon the people of the United States.

The above are not all the measures, plans, and schemes which have been offered as necessary to stem the tide of threatened bankruptcy in the cotton-growing section of the country, but they were enough to show a deplorable condition of business and the reason for the panicky feeling prevailing in that section.

A few days ago the President of the United States delivered a message to Congress and demanded the passage of a law to provide additional revenue. He said the revenue of the Government is so greatly reduced and so seriously threatened that at least $100,000,000 must be promptly raised; that this vast sum of money must be supplied without delay in order to protect the Federal Treasury, maintain the credit of the Government, and protect and sustain the business interests of the country, which are seriously threatened. The House promptly complied with the President's demand and passed a bill which will furnish $105,000,000 by collection of special taxes upon banks and brokers; by additional taxes on beer and wines and tobacco; by stamp taxes on deeds, mortgages, and other transfers of real estate; by taxes upon circuses, theaters, and moving-picture shows; and by collection of a lot of other special taxes upon the people and their business.

It is admitted by the President and his party in Congress that the taxes to be collected directly from the people of the country will be burdensome, but that they must be collected, regardless of the hardship thereby imposed upon the people, because laws now on the books fail to produce sufficient revenue and because an "emergency" exists. In view of this extra-tax levy and in view of the so-called emergency, which ought to require the administration and the Congress to observe the strictest possible care in making appropriations and rigid economy in expenditure of public funds, what justification is there for spending $40,000,000 for ships and $5,100,000 for insurance? What possible excuse can there be for the use of more than a billion and three hundred million dollars of the money of the country or for the diversion from other business of the country of more than a billion and three hundred millions of dollars of money for the protection and advantage of cotton?

The cause of this disturbance of business and the reason or excuse for the flood of legislation and of measures pending and threatened is the dependence of the South upon Europe for a market for its raw cotton. Our legislation, favorable most of the time, has been so insecure and we have so conducted our cotton business that the foreign market for cotton has been developed at the expense of our own market; foreign manufacturers of cotton goods have been encouraged, while our own have been embarrassed.

Nearly two-thirds of the cotton grown in the United States is each year sent abroad to be manufactured into cotton goods of various kinds; large quantities of this cotton in the form of cotton goods manufactured in foreign mills by foreign labor are returned to this country and sold in our markets to the exclusion of or in competition with similar goods made or which ought to be made in our own mills; large quantities are also shipped from the countries in which they are manufactured to other countries, and the trade in these goods contributes largely to the business and profits of foreign capital and gives employment to foreign labor.

The 1914 production of cotton in the Southern States will be about 14,000,000 bales of 500 pounds each, and it is estimated that at least 2,000,000 bales of the crop of 1913 have been carried over and are now in warehouses located, nearly all of them, in the South. The cotton mills of this country, operating at normal capacity, will use not more than 6,000,000 bales, and the remainder, or approximately 10,000,000 bales, will be "available for export." While the war continues this surplus of 10,000,000 bales, or a very large part of it, must inevitably remain in this country, to demoralize the cotton market and ruin or seriously imperil the entire business of the South.

The South has persistently refused to develop the American market for cotton. It is the greatest market in the world. American people consume on an average 92 per cent of all the products of American farms and factories, but as a result of the policy of the South and the way in which the cotton business has been carried on only 36 per cent of the cotton grown in this country is used by the mills of this country; 64 per cent of our cotton is shipped to foreign countries, to give employment to foreign capital and foreign labor.

Under this condition our cotton growers are dependent upon the foreign market, and any disturbance of foreign business conditions, by war or otherwise, causes panic and bankruptcy of our cotton trade, provokes violent and dangerous legislation, and threatens the welfare of the entire country. This unfortunate and dangerous condition of dependence can be improved and ultimately overcome only by developing the American market by encouraging American mills and protecting them in paying American wages.

The need of protection to manufacturers in the United States very clearly appears when it is known that wages paid in the cotton mills in foreign countries are from one-fourth to one-half as much as are paid in the mills of this country. In the cotton mills of Massachusetts the average daily wages are $1.42; in some of the cotton mills of Pennsylvania as high as $1.70 per day is paid. In the mills of the Southern States the average wage is less than $1 per day, the average in the mills of North Carolina and South Carolina being 88 cents per day. In the cotton mills in England the daily wages are from 32 to 36 cents per day for female labor and from 82 to 90 cents per day for men. In Germany and France wages are about the same as in England; in Japan, from which we import quantities of cotton goods, the wages are from 10 to 30 cents per day.

In 1908, by direction of Mr. Roosevelt, then President, some of the American consuls in Belgium investigated conditions of labor and wages paid in the cotton mills of that country. The report was printed as a Senate document, and it shows that wages paid in the mills of Belgium run from 20 to 30 cents per day. One consul reported that he had interviewed more than 12,000 employees in Belgian mills and found only 15 men whose wages were as high as 38 cents per day, and that the average daily wage was 18 cents.

As we note the difference between wages paid in the cotton mills of the United States and in foreign mills, from which we receive large quantities of cotton goods, it is certainly not necessary to make an argument for the purpose of showing that tariff duties on the product of foreign mills imported into this country are necessary; nor is argument necessary to show why when tariff duties are reduced, as they were by the Underwood law, importations of foreign goods increase and why American mills are closed or seriously embarrassed.

A few days ago the gentleman from Pennsylvania [Mr. MOORE] made a speech in the House in which he very ably showed, as I am trying to show, the embarrassing and dangerous condition of business in this country, particularly in the cotton States, and urged the protective tariff and development of the cotton-manufacturing industry as the only means by which the country can be relieved of its dependence upon foreign manufacturers. He was interrupted by the gentleman from Tennessee [Mr. GARRETT], who asked if 40 years of Republican tariff duties had not failed to develop cotton manufacture or relieve cotton growers from dependence upon foreign markets. The time of the gentleman from Pennsylvania was so limited that he was unable fully to answer the question. I wish to submit some facts and figures which show wonderful growth of cotton manufacture under Republican tariffs, and that, although the growth of the industry was seriously interrupted by Democratic administrations and constantly embarrassed and retarded by Democratic threats of free trade or tariff for revenue only, it was so rapid and so satisfactory as fully to justify the claim that our cotton manufacturers and cotton growers would ultimately reach a condition of substantial independence.

Growth of the cotton-manufacturing industry in the United States, 1860–1913.

	1860	1870	1880	1890	1900	1910	1913
Number of spindles in mills of South	324,000	328,000	561,000	1,570,000	4,368,000	10,494,000	12,227,000
Number of spindles in mills of North	4,912,000	6,804,000	10,892,000	12,814,000	15,104,000	17,773,000	19,293,000
Bales used in mills of South	94,000	69,000	180,000	639,000	1,523,000	2,202,000	2,961,000
Bales used in mills of North	751,000	728,000	1,382,000	1,979,000	2,350,000	2,537,000	2,825,000
Wages paid in mills of South and North	$11,699,630	$35,928,150	$40,687,612	$54,339,775	$57,933,817	$87,962,669	$104,016,000

As the table shows, in 1860, under conditions which then existed and under a policy of free trade or tariff for revenue, to which the Democratic Party still adheres, the business of manufacturing cotton goods in the South was so insignificant as hardly to deserve notice. In that year the mills of the South used only a little more than 2 per cent of the cotton grown in the cotton States; less than $250,000 were paid in wages in their mills, while mills of the North, buying cotton from the South and struggling under the burden of unfriendly Democratic legislation, used 16 per cent of the cotton production and paid more than $11,000,000 in wages. The number of spindles—which is the measure of capacity—in southern mills increased from 324,000 in 1860 to 12,227,000 in 1913; and in northern mills, during the same time, from 4,912,000 to 19,293,000. Wages paid in southern mills increased from less than $250,000 in 1860 to approximately $30,000,000 in 1913; and in northern mills during the same period wages increased from about $11,000,000 to approximately $74,000,000; and, whereas in 1860 the quantity of cotton used in mills of the South was only one-eighth of the quantity used in the mills of the North, the number and capacity of southern mills have so increased that in 1913 the quantity of cotton used by them was actually greater than the quantity used in the mills in Northern States, the South using 2,961,000 bales, while the North used only 2,825,000 bales.

This is remarkable development, but we are justified in saying that it was not as rapid or as great as it would have been if there had been no change or interruption of the tariff policy by reason of occasional Democratic success; not as rapid or as great as it certainly would have been if the industry had not been constantly embarrassed and handicapped by threats of reduction or removal of protective duties.

I wish to call attention to the result of increases and of decreases of tariff duties in just one branch of the cotton-manufacturing industry. We all remember that the Republican tariff law of 1909—the Payne law—increased import duties on certain grades of hosiery. Previous to 1909 importations of these goods had been very large, and a small increase of duties, about 20 cents per dozen pairs, or 1⅔ cents per pair, was made. The increase was bitterly opposed; the hue and cry against it, by which the country was for a time greatly deceived being the result of a systematic campaign of misrepresentation by importers, particularly by large department stores which owned or were financially interested in cotton mills in Japan and Germany, from which immense quantities of hosiery made by miserably cheap labor were shipped to the United States.

The following table shows large importations of hosiery and cotton cloths for several years previous to the passage of the Payne law; it shows reduced importations during the years (1910, 1911, 1912, and 1913) that law was in force, and largely increased importations in 1914 as the result of reduction of duties by the Underwood law:

Importations of hosiery and cotton cloths into the United States during the years 1907–1914.

Imports.	1907	1908	1909	1910	1911	1912	1913	1914
Knit goods	$8,671,818	$9,032,554	$6,917,828	$6,462,375	$4,176,515	$3,247,894	$3,089,411	$5,671,863
Cotton cloths	13,008,067	12,424,860	10,190,137	10,040,667	8,801,004	7,760,729	7,757,928	11,845,801
Total	21,679,915	21,457,414	17,107,965	16,503,042	12,977,519	11,008,623	10,847,339	17,517,664

The higher duties of the Payne law shut out large quantities of goods which were the product of cheap labor of foreign countries. American cotton mills, paying American wages to their employees, were able reasonably to supply the home market; and it was very noticeable that the increase of price of hosiery predicted by importers and department stores as the result of increase of duties never was imposed upon the American consumer. American mills were opened, American labor was employed, America used the products of its own labor, and the price of the product to the consumer was not increased. The Underwood law repealed the increase of duties, and the result was that in one year, or from October 3, 1913, to July 1, 1914, importation of foreign goods increased more than 60 per cent.

I shall not make a lengthy argument to show the effect of the tariff on the cotton industry. I am giving a few facts and figures by which it can readily be seen that, with adequate duties for the protection of our manufacturers against competition of foreign mills in which wages paid are only a small fraction of the wages paid in this country, our mills can be successfully operated; that while reasonable tariff duties were maintained the number and capacity of our mills increased, the number of employees and the wages paid for labor increased, and the proportion of the cotton crop used at home increased; that with protective duties in force we were becoming more and more independent of foreign countries, as far as cotton and the output of cotton mills is concerned.

It will very likely always be necessary for this country to import some cotton goods, and it will always be profitable for our cotton producers to supply a part of their crop to foreign mills; but it seems the height of folly for us deliberately to fail to make reasonable use of our own products and refuse to protect and develop to the limit of our ability an industry which we are able to carry on with profit and advantage; to persist in our dependence upon foreign countries for a market for a product upon which the welfare of one section of our country, having one-third of the population of the entire country, absolutely depends.

Development of the cotton-manufacturing industry is vital to the South. The South produces cotton in abundance; it has this raw material at its doors; it has abundance of labor; its capitalists have shown ability and willingness to take advantage of these favorable conditions. It ought to embrace or permit a policy in respect to its own particular industry—a policy forced upon them, it is true, but the only policy under which they have ever enjoyed real prosperity, the only policy which gives assurance of substantial and permanent development.

The Democratic Party, its policy dictated by the South, opposes the Republican policy of protection. It is inconceivable that its people should be satisfied with and willing to return to the condition which existed prior to the enactment of the first Republican tariff law, that they should permit a vital industrial question to be determined by prejudice rather than by reason and experience. Is it possible that devotion to the Confederate constitution, which forbade import duties for the purpose of protection, leads the South to demand in this enlightened age a policy which makes development of manufacturing impossible and condemns their people to the growing of cotton for the use and advantage of foreign manufacturers? Will they not rather embrace a policy which promises large measure of prosperity and ultimate industrial independence? If the South wishes to continue in its course, will the rest of the country permit it to dictate the policy to be pursued? Will the rest of the country permit the continuance of a condition which results in loss and failure of business and employment, and which exposes the entire country to the danger of freak legislation whenever foreign business conditions are seriously disturbed?

The SPEAKER. The time of the gentleman has expired.

Mr. McLAUGHLIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Michigan asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. WINGO. Mr. Speaker, reserving the right to object, on Saturday we were notified that those of us who believed in relief for the cotton farmers would not be permitted to be heard. Until that embargo is raised I shall object to any extension of remarks of those who are opposed to such relief.

The SPEAKER. The gentleman from Arkansas objects.

Mr. LEVER. I yield one minute to the gentleman from Missouri [Mr. RUSSELL].

Mr. RUSSELL. Mr. Speaker, I only wish in a few words to express my interest in and my approval of this bill, believing that it will promote to some extent the present purpose to aid the cotton growers of the country, to protect their interests in the present extraordinary crisis in the prices of cotton, produced by the European war, that has practically paralyzed their foreign markets.

Missouri is not usually considered as one of the cotton States, and the fact is that no cotton is produced in that State except in the district that I represent; but that district produces more cotton than either of the States of Virginia or Florida, and gives to the State the eleventh place in quantity and fourth in quality. My district in the year 1911 produced and sold 90,000 bales, with a total value, including lint and seed, of $5,390,000.

We are advised by the Agricultural Department that a bumper crop of cotton will be produced in the United States this year, amounting, it is estimated, to over 15,000,000 bales, and of this enormous production probably not more than 8,000,000 bales can be consumed in this country and Canada, and with but a small demand from European countries, on account of the war now raging there, it is generally estimated by experts upon the subject that we will have a surplus of from two to four million bales that must be carried in some way, otherwise the market would be so demoralized as to force the price far below the cost of production, to the great detriment of the country at large and to the very great loss of the thousands of farmers whose toil produced it.

This situation, forced upon us by the dreadful war which now afflicts the great powers of Europe, is one of the biggest problems that our country has ever faced, and is one of great concern to the entire country, and one of the gravest importance to the farmers of the country, who must depend upon the proceeds from the sale of their crops to discharge their financial obligations and to provide for another year the necessaries of life for themselves and families.

The purpose of this bill is to give to warehouses and warehouse receipts a recognized commercial standing, and thereby to aid the holders of cotton in their efforts to obtain financial assistance, so that they can hold their crops till adequate markets are reestablished. The provisions of the bill, I am glad to say, also include grain and other staple products of the farm, but the prices of grain have not yet been injuriously affected, hence at this time the cotton producers alone are in need of assistance and protection.

Let us pass this bill promptly as an evidence of our willingness and our desire to give relief to the farmers of the country.

Mr. Speaker, I ask permission to extend my remarks.

The SPEAKER. The gentleman from Missouri asks permission to extend his remarks in the RECORD. Is there objection?

Mr. MANN. Reserving the right to object, is the gentleman from Arkansas [Mr. WINGO] here?

Mr. WINGO. Mr. Speaker, I am always here.

The SPEAKER. Is there objection?

Mr. MANN. I object, if gentlemen on that side object to extensions on this side.

Mr. WINGO. I do not object to that, but you have had plenty of speeches ridiculing proposed relief for the cotton farmer. The objection I made was because you objected to anybody speaking in favor of legislation for the relief of the cotton farmer.

Mr. MANN. The gentleman asked unanimous consent to extend his remarks. That will not be granted on one side if it is not granted on the other.

The SPEAKER. Is there objection?

Mr. MANN. I object.

The SPEAKER. The gentleman from Illinois objects.

Mr. LEVER. I yield to the gentleman from Iowa [Mr. HAUGEN].

Mr. HAUGEN. Mr. Speaker, I believe this bill can be explained in a few words. It simply provides that the Secretary of Agriculture may issue licenses to owners and operators of warehouses fit for the storage of cotton or grain; that he may accept bonds from the owners of the warehouses, so that anybody owning cotton or grain may have a place where he may store his cotton and grain with some security back of it to guarantee that if his part of the contract is fulfilled the cotton or grain will be returned to him; or, if the owner of cotton or grain desires to store it, to hold it for a higher market, he may store it and pay the charges and deposit his receipts with the bank as collateral security and borrow money on them. I need not say that under the present system the warehouse receipts which are circulating through the country now are not considered desirable collateral security, and that a high rate of interest is being paid on that class of security. Up to a few years ago money was loaned on warehouse receipts at a very low rate of interest, but on account of the frauds practiced, the failures and numerous receipts issued which were never redeemed, with no security back of them, warehouse receipts are not considered the most desirable collateral security. The bill provides for a guaranty back of the receipts which will enable the owner of cotton or grain to borrow money on the receipts at a low rate of interest.

Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Iowa asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. HAUGEN. Mr. Speaker, now that the steam roller has again been put in motion and a gag rule resorted to in order to pass this bill, a bill to tax the American people an additional $105,000,000, thus cutting off all Members from offering amendments and limiting debate to 7 hours, which on an average would give each Member of the House about 58 seconds to discuss this all-important bill, though I am grateful to my generous Democratic friends for the 58 seconds, yet rather than to undertake to present my views on the floor in the 58 seconds, I avail myself of the privilege granted Members to print. In so doing it is not my purpose to criticize, but to point out a few of the many promises Democrats made before election and incidentally to point out their inconsistency and blunders. First, the gag rule, which they so vigorously denounced before election. Their stock in trade then was "Down with autocratic rule; down with perversion and degradation of representative government." They proclaimed against it on the stump; they promised in their platform to do away with it; they declared that all party platforms would be faithfully lived up to, in this language:

> Our platform is one of principles which we believe to be essential to our national welfare. Our pledges are made to be kept when in office as well as relied upon during the campaign, and we invite the cooperation of all citizens, regardless of party, who believe in maintaining unimpaired the institutions and traditions of our country.

Why the pledge?

In my opinion that is exactly what might be expected from any party. Even the pirates of old had a sense of honor that led them to sacrifice their lives rather than their word. Every obligation, great or small, to friend or foe, had to be redeemed unconditionally. Certainly in this enlightened, civilized, and Christianized age we have a right to expect that pledges made are made to be kept.

In the Democratic platform adopted July 13, 1912, I find this language:

> We call the attention of the patriotic citizens of our country to its record of efficiency, economy, and constructive legislation.
>
> It has, among other achievements, revised the rules of the House of Representatives so as to give to the representatives of the American people freedom of speech and of action in advocating, proposing, and perfecting remedial legislation.
>
> We direct attention to the fact that the Democratic Party's demand for a return to the rule of the people expressed in the national platform four years ago has now become the accepted doctrine of a large majority of the electors. We again remind the country that only by a larger exercise of the reserved power of the people can they protect themselves from the misuse of delegated power and the usurpation of governmental instrumentality by special interests. For this reason the national convention insisted on the overthrow of Cannonism and the inauguration of a system by which United States Senators could be elected by a direct vote. The Democratic Party offers itself to the country as an agency through which the complete overthrow and extirpation of corruption, fraud, and machine rule in American politics can be effected.

It is sufficient to say that the rule adopted by the Democratic side in order to pass this bill, a revenue bill proposing to tax the American people $105,000,000—under it no amendments are permitted and only seven hours given for debate. In the language of your platform, $105,000,000 is to be wrung from the people by oppressive taxation, and that at the rate of $15,000,000 an hour. In connection with this it seems proper to call attention to what Democrats had to say about a similar rule adopted in order to pass the toll bill. After the adoption of that rule Speaker CLARK, on March 31, page 6057, CONGRESSIONAL RECORD, referring to the fight on the autocratic rule adopted in the House, had this to say:

> I often think of the 172 Democrats and thirty-odd insurgent Republicans who achieved our great victory on March 19, 1910, which started a political revolution. I love those men too well to quarrel with them now. [Applause.] You and I, Mr. Speaker, happened to be the Democratic leaders in that historic parliamentary contest, and among House Democrats you and I have been the chief beneficiaries. You owe the leadership of the House and I owe the Speakership to the fact, fortunate to us, that we were the Democratic leaders on that memorable occasion, but I have asserted a thousand times, and I do now reassert, that every man of the 172 Democrats and thirty-odd

Republicans who fought with us on that bloody field is entitled to his full share of honor. In the immortal words of Admiral Winfield Scott Schley, "There was glory enough for all." With such men I will not quarrel. Indeed, the dignity of the high position which I hold by the partiality of the House forbids that I quarrel with any Member. I refuse to degrade the Speakership by so doing.

I assume that every Member will vote honestly the way his intellect and his conscience dictate; but why should I be denied the same privilege? No man here should be a "rubber-stamp" Congressman. [Applause.] I refuse absolutely to be either a "rubber-stamp" Representative or a "rubber-stamp" Speaker. [Applause.] If I did, you would have no respect for me. I stand for the dignity, the privileges, immunities, prerogatives, and the good name of the House of Representatives. I do not want to see this House degraded by passing, right or wrong, without any tenable reason, a bill which reverses our solemnly recorded action of two years ago, and which the Democrats indorsed at Baltimore.

There has been much felicitation among the supporters of this bill about their tremendous victory on the adoption of the rule. When it is remembered that the majority was only 28 on the rule and that a change of 15 votes would have defeated it in a House with 144 Democratic majority the grounds for their self-congratulation are hard to discover.

When Pyrrhus, King of Epirus, was walking over a battle field whereon he had won a hard-fought victory and observed the number of dead and wounded among his own soldiers, he mournfully exclaimed:

"Another such victory and we are undone."

I am willing to follow where he leads so long as he is in the White House and so long as he does not ask us to repudiate a plain platform declaration, and there I draw the line. [Laughter.]

Under our system a national convention is the grand inquest of a political party, the highest authority for the declaration of party principles, higher than President or congressional caucuses; ind ed, higher than President and congressional caucuses combined. There is no question about that.

The fathers also devolved upon Congress certain duties which we are sworn to discharge faithfully and well, duties which we can not shirk or fail to discharge without self-stultification and the condemnation of the people and of our own consciences.

The President discharges his duties. The question is, Have we the wisdom, the courage, and the patriotism to discharge ours? If not, we should make way for men imbued with the spirit of '76, to the end that we may transmit our priceless heritage of liberty to our children and our children's children unimpaired. [Applause.]

The declaration in favor of free tolls for our coastwise trade was writ large in the Baltimore platform. It is in these words:

"We favor the exemption from toll of American ships engaged in coastwise trade passing through the canal."

Was there ever a plainer sentence written since writing was invented? [Applause.]

We went to the people on that platform containing the free-tolls plank; headed by President Wilson himself, we all indorsed it; standing on it, we appealed to the voters of the land for their support; and they, responding to our Macedonian cry for help, enabled us to sweep the land from sea to sea by amazing majorities in the Electoral College. And now it is proposed that we reward their faith in us and their support of us by repudiating one of the planks of that platform on which we achieved that astounding victory, a plank so clear that there could be no misunderstanding about it, no possible misconstruction of it. I refuse absolutely to be a party to any such performance. [Applause.] Tell it not in Gath, proclaim it not in the streets of Askalon, that the Democratic Party will not keep faith with a confiding public.

Democrats found fault with special rules brought in in Republican Congresses; they have been in control for three and one-half years, and in that time they have brought in 52 special rules. Before election they denounced caucus domination; after election the caucus has dictated practically every important vote. In caucus they have been told how to vote; they were told to play the game and vote as told or get out of the party.

I refer you to the CONGRESSIONAL RECORD of September 12, 1913, page 4803. HARDWICK, of Georgia, who was trying to explain his action in the House, said:

Whenever I enter a Democratic caucus I always support the nominee, no matter how much I dislike him or how great a rascal I think he is. Square dealing requires that.

[Laughter.]

Read the RECORD of September, 1913, page 4860. Mr. CALLAWAY, of Texas, is explaining as to the passage of the currency bill. He is recorded as having said:

It was whipped through the committee by the administration, brought into the caucus and made a party measure by the administration, and whipped through the caucus by the same power. It is not the product of the committee; it is not the product of the caucus. The administration handed it to us, and because it did the committee took it and the caucus took it. That settled it for the House. You cut off all Democrats from offering amendments and bound them to vote down any offered. I think the bill ought to have come into this House on its merits, and if it has not got merit enough to survive the criticism of Democrats and the assault of the Republicans, who are a hundred in the minority, and divided at that, it must be woefully lacking in merit.

This, I believe, explains the situation.

A word as to free tolls. Their platform reads:

We favor the exemption from toll of American ships engaged in coastwise trade passing through the canal.

President Wilson, in his message to Congress March 5, 1914, had this to say:

I have come to ask you for the repeal of that provision of the Panama Canal act of August 24, 1912, which exempts vessels engaged in the coastwise trade of the United States from payment of tolls, and to urge upon you the justice, the wisdom, and the large policy of such a repeal with the utmost earnestness of which I am capable.

Mr. UNDERWOOD, on March 27, page 5617, CONGRESSIONAL RECORD, speaking against the adoption of the rule said:

In my judgment you are making a serious mistake to adopt this cloture rule, and I would not be worthy to hold your commission as the leader on this side of the House if, believing that you are making a serious mistake, I did not have the courage to stand here and tell you so in spite of everything.

Mr. MURRAY of Oklahoma, on the same day, states:

Mr. MURRAY of Oklahoma. Mr. Speaker, like the gentleman from Alabama [Mr. Clayton], I take this position because I am a Democrat. [Applause.] Evidently between us there is a difference in the definition of "Democracy." He doubtless takes the Democracy of this Nation to be the President. I do not. I deny the right either of the President or of this Congress to determine what is Democracy. Democracy is made in a representative convention duly assembled by the people. [Applause.]

We are here asked to violate our pledges twice in the same transaction—first, by a "gag" rule that will not permit the bill to be amended or an amendment to be offered, a thing that every Democratic nominee down to road overseer denounced in the campaign of 1912.

I am opposed to this "gag" rule, moreover, because if we are to stab our own party to death and a national policy of free "sees" of 100 years, we ought to have more time in which to commit the murder. [Applause.]

I take it that the Democratic platform and the statement of Speaker CLARK, President Wilson, Democratic Leader UNDERWOOD, and the gentleman from Oklahoma [Mr. MURRAY] will be accepted as authority and that there can be no question as to the purpose of the rule adopted or as to their repudiating the three planks referred to. I voted against free tolls when the bill granting free tolls was passed, and voted for its repeal. While I was much pleased to see our Democratic friends acknowledge that they were in the wrong, I regret the necessity of repudiating their platform. I repeat what I said March 28, 1914, when the Panama Canal tolls bill was up for consideration:

In my opinion, the only ones benefited by the free tolls would be the special interests. If so, if the combine is the only one to be benefited, and even if the coast commerce would be benefited to some extent, now that the canal has been built by all the people, it seems just and fair that the special interests directly benefited should pay at least a part of the expense in maintaining it. It hardly seems fair that the people who have so generously contributed toward its construction, as, for instance, the people of Iowa, who will receive practically no benefit commercially from it, should now be called upon to pay a proportionate share of all the expenses of maintaining it in all time to come, without any remuneration whatever by the combine directly and most benefited by it.

In their platform I find this language:

We condemn the present methods of depositing Government funds in a few favored banks, largely situated in or controlled by Wall Street, in return for political favors, and we pledge our party to provide by law for their deposit by competitive bidding in the banking institutions of the country, National and State, without discrimination as to locality, upon approved securities and subject to call by the Government.

In the President's message to Congress September 4, 1914, I find this language:

The Treasury itself could get along for a considerable period, no doubt, without immediate resort to new sources of taxation But at what cost to the business of the community? Approximately $75,000,000, a large part of the present Treasury balance, is now on deposit with national banks distributed throughout the country. It is deposited, of course, on call. I need not point out to you what the probable consequences of inconvenience and distress and confusion would be if the diminishing income of the Treasury should make it necessary rapidly to withdraw these deposits. And yet without additional revenue that plainly might become necessary, and the time when it became necessary could not be controlled or determined by the convenience of the business of the country.

* * * * * * *

In order to meet every demand upon the Treasury without delay or peradventure, and in order to keep the Treasury strong, unquestionably strong, and strong throughout the present anxieties, I respectfully urge that an additional revenue of $100,000,000 be raised through internal taxes devised in your wisdom to meet the emergency. The only suggestion I take the liberty of making is that such sources of revenue be chosen as will begin to yield at once and yield with a certain and constant flow.

If it is necessary and proper to supply banks with money to tide over, why not purchase another printing press and turn out $75,000,000 in addition to the $300,000,000 already issued under the Vreeland Act? Banks pay 2 per cent on Government deposits referred to in the message. Under the Vreeland bill they pay from 3 to 6 per cent. Is it necessary to wring an additional $105,000,000 from the people already overtaxed through the process of oppressive taxation in order to accommodate a few favored banks with 2 per cent money instead of 3 to 6 per cent money? Is it good policy to take from the people's pocket $105,000,000 in order to leave $75,000,000 undisturbed in banks drawing only 2 per cent? Would it not be better to do as is being done, issue currency and loan it at from 3 to 6 per cent profit, and thereby save you from the humiliation of repudiating another plank in your platform? But why do either? Why not adopt business methods in all branches of our Government? If so, instead of wandering around to find something to tax, Uncle Sam would have money to loan. Chairman UNDERWOOD devoted much time in defense

of the Underwood bill in showing what a splendid revenue measure it had proven to be; that it had produced revenue beyond expectations. In looking over the statement issued by the United States Treasury for September 23, 1914, page 3, under the head of "Receipts and disbursements," I find the total receipts for this month to September 23, fiscal year 1915, reported to be $42,319,728.53 and for same period for fiscal year 1914, $44,050,174.72, a falling off of revenue for the 23 days of only $1,730,446.19. I find that the total receipts for the fiscal year 1915, up to September 23, are reported to be $166,616,800.38, and for the same period, fiscal year 1914, $165,881,896. According to the statement, instead of a falling off of revenue we have an increase in revenue for the present fiscal year, up to September 23, 1915, over a like period in 1914, of $734,904.38.

Upon investigation I find that the Republican administration turned over to the Democratic administration on March 4, 1913, a net balance in the general fund of more than $149,000,000. Now, the question is, if receipts have increased and if a net balance of $149,335,771.78 was turned over to the Democratic administration, what has become of the money? And why are you now asking for $105,000,000 more? Before the war in Europe, some thousand miles away, in trying to explain why this industrial, commercial, and financial stagnation, we were told it was psychological. Now it is the war in Europe; but no appropriations have been authorized since the beginning of that war; every dollar appropriated for the current fiscal year was made before the outbreak of the war, and if there has been an increase in revenue for the fiscal year instead of a decrease, there must be some other reason for it. I regret to say that the reason appears to be that of extravagance. I regret it especially because in their platform I find this language:

REPUBLICAN EXTRAVAGANCE.

We denounce the profligate waste of the money wrung from the people by oppressive taxation through the lavish appropriations of recent Republican Congresses, which have kept taxes high and reduced the purchasing power of the people's toil. We demand a return to the simplicity and economy which befits a democratic government.

Has this promise been fulfilled? According to the table prepared by the clerk of the Committee on Appropriations, instead of a decrease in appropriations, as promised, the appropriations have been increased. In making the comparison I will be liberal with my Democratic friends, for I feel that they are to be pitied rather than censured.

I will give them the benefit of the large reduction in appropriations for the building of the Panama Canal, which, because of its completion, is only $21,000,000 this year, while in the past, during its construction, it has reached as high as $48,000,000, and inasmuch as the river and harbor bill passed by the House this session, carrying $53,683,004, has not yet passed the Senate, I will omit it, and the appropriations $49,380,541.50 for 1911, $30,883,419 for 1912, and $41,073,094 for 1914, made for rivers and harbors, and thereby giving them the benefit of the $14,492,138 excess over amount appropriated by a Republican Congress for the years 1911 and 1912; that is, if the amount agreed to by the House is appropriated for rivers and harbors this year. According to the table, appropriations made by a Republican Congress were, for 1911, $978,521,087.68; for 1912, $995,799,462.72; total for the two years, $1,974,320,550.60. Appropriations made by the present Democratic Congress is reported to be, for the fiscal year 1914, $1,057,605,694.40; for 1915, $1,089,408,777.26; total for the two years, $2,147,014,471.66, which is $172,693,921.26 in excess of appropriations for 1911 and 1912, which they denounced as waste of money wrung from the people by oppressive taxation. But they tell us now that because of war in Europe we must tax the American people an additional $105,000,000. They would have the country believe that because of the war, appropriations for war purposes have been increased, and therefore pass the bill. That statement, like many others, of course, is not a fact. The table shows that appropriations made for Army, Navy, and fortifications for the fiscal year 1915 to be $11,228,690.07 in excess of appropriations for the fiscal year 1914; but appropriations for pensions is less by $11,150,000, besides two battleships, the *Idaho* and *Mississippi*, were sold and $4,635,000 out of the proceeds of the sale were turned into the Federal Treasury, and adding that amount to the decrease of appropriations for pensions, instead of having an increase of appropriations because of war, we have a decrease of $4,556,309.93.

I take it that no further evidence is required to prove that the $105,000,000 asked for is because of extravagance and not because of the war in Europe. The war in Europe had nothing more to do with the $172,693,921.26 increase in appropriations than had King Dodo. Why this unjustifiable and indefensible extravagance? How was it brought about? The distinguished gentlemen from Mississippi [Mr. SISSON] and New York [Mr. FITZGERALD] and others have from time to time shed light on the subject. In the CONGRESSIONAL RECORD of February 24, 1913, page 3836, Mr. SISSON, of Mississippi, is recorded as saying:

But I want to say to my Democratic colleagues that if they do not want to put a check upon these appropriations to the income of the Treasury to-day Woodrow Wilson during his second, if not the first, year of his administration will be confronted with a bond issue. * * *

We denounce you because you have expended $90,000,000 more than you expended in the preceding year. The question arises, Why on earth have the Democrats the right to denounce Republicans for extravagance in the future? For the life of me I can not see.

He went on appealing to his colleagues to carry out the pledges to the people, and said:

And be able to go home and look the honest electorate squarely in the face and say that we have kept the faith.

On April 3, 1914, page 6210, again the distinguished gentleman, Mr. SISSON, in lecturing his Democratic colleagues and advocating economy, is reported saying:

Principle has gone to the four winds of the earth and we are writing ourselves down in the history of the country as being the most outrageously and most criminally extravagant Congress that ever sat on the American continent * * *. I said that in a speech before in the last session, and when I made that speech, Members of the Democratic House came to me and asked me not to put it into the RECORD because it would be used by the Republicans in their campaign book. Let them use it. * * * You may use the statement now, gentlemen, because when Democrats get to be so violently extravagant that it makes its own record look bad as compared to the very marked record of the Republicans, I must apologize to you Republicans for having ever used the words "criminally extravagant" in criticizing the appropriations that you made, for if that expression "criminally extravagant" was proper to apply to you, my God, the English language has never found an adjective strong enough to apply to Democratic extravagance.

If you will turn to the CONGRESSIONAL RECORD of April 10, 1914, you will find Mr. FITZGERALD, chairman of the Committee on Appropriations, expressing himself in this language.

It may seem somewhat strange, but I hope it is not out of place to remind Members on this side of the House that the Democratic platform pledged us in favor of economy and to the abandonment of useless office. * * * In a few months I shall be called upon in the discharge of my duty to review the record that the Democratic House shall have made in its authorization of the expenditure of the public money. Whenever I think of the horrible mess I shall be called upon to present to the country on behalf of the Democratic Party, I am tempted to quit my place.

In admonishing his Democratic colleagues he said:

They seem to take it to be a huge joke not to obey the platform * * *. We have not had their support * * *. They have voted against recommendations that they should not have voted against. They have unnecessarily piled up the public expenditures until the Democratic Party is becoming the laughingstock of the country. Those who propose to continue to do so should at least have the courage openly to assert upon the floor of this House that they believe the profession of the Democratic Party has not been in good faith; that they can not be carried out, and that we are not entitled to power because of their profession.

I might read from remarks of others, but I believe this to be good authority and sufficient.

In order that we may more fully appreciate the enormity of the large and unprecedented waste of money it may be well to make a few comparisons. According to the Statistical Abstract I find that the $172,693,921.25 appropriated in excess of Republican appropriations is forty-six times the total expenditures for the public schools in Alabama, the home of the distinguished author of the Underwood bill. It is five times the total expenditures for public schools in the South Atlantic States, and twice that in the South Atlantic and South Central States. Thus good southern Democrats have been rewarded for their loyalty to the Democratic Party. The $172,693,921.26 in excess of Republican appropriations is more than eleven times the total expenditure for public schools in Iowa for 1912. According to a statement furnished me by the auditor of my State, the tax levy in Iowa for State purposes during the year 1913 was 3.4 mills, producing in taxes $2,510,910.84; in 1914, 2.9 mills, producing in taxes $2,724,693.30; total for two years, $5,235,604.14.

The average levy for counties during the years—	
1913 was 50.88 mills, producing	$33,689,650 25
1914 was 49.5 mills, producing	40,811,801 83
Total for 2 years	74,501,452 08
In indirect State taxes during the years—	
1913 there was collected	$2,916,943 84
1914 there was collected	3,479,663 16
Total for 2 years	6,396,607 00

According to his statement, the $172,693,921.26 appropriated by a Democratic Congress in excess of appropriations for 1911 and 1912, which was characterized in the Democratic platform as a waste of money wrung from the people by oppressive taxation, that amount is thirty-three times as great as tax levy in Iowa for State purpose during the year 1913–14 and twice as great as the taxes levied and produced in the State of Iowa for State and county purposes for the same years. The total taxes levied each year in Iowa for State purpose equals a little more

than $1 per capita in Iowa. The $172,693,921.26 excess is almost equal to $2 per capita in the United States. The total appropriations for either 1914 or 1915 by a Democratic Congress is more than $10 per capita in the United States. The $172,693,921.26 excess appropriation is nearly six times the $30,000,000 spent a year for foreign missions by the Protestant Church of the world in support of 25,000 missionaries in the field. It is nearly twice as large as the $88,301,023 production of gold in the United States; four times the $40,864,871 commercial value of production of silver in the United States for 1913. The average annual increase of appropriation for the years 1914–15 over 1911–12 in amount is as great as the total production of gold and twice the amount of the commercial value of silver produced in the United States for 1913.

If Democratic Congresses continue to increase appropriations at the rate they have been going, the increases in four years of Democratic administration will in the aggregate exceed the value of the 624,764,650 pounds of butter produced in creameries and the 994,650,610 pounds of butter produced on the farms in the United States for 1910. In other words, 5,864,493 farmers will feed and milk their cows and churn their cream for a whole year to produce an amount equal to the $172,693,921.26 excess appropriations made by the Democratic Party over what they in their platform condemned as waste. At the rate you are increasing appropriations, in five presidential terms of Democratic extravagance and mismanagement appropriations will be increased in amount equal to the value of all church property in the United States.

Truly it can be said that Democratic Congresses are skilled in the art of wringing money from the people by oppressive taxation. No one has ever doubted the ability of Democratic Congresses to tax. They have always succeeded in doing that; they always found and always will find something to tax. True, as stated by the distinguished gentleman from Alabama, the Underwood bill has produced revenue, but to raise revenue is one thing and to spend it wisely and economically is another. The distinguished gentleman from Massachusetts [Mr. GILLETT] pointed out the procrastination in passing appropriation bills under Democratic management. He pointed out that in 1913 none of the great appropriation bills were passed until the second month of the fiscal year; that for the fiscal year 1914, after 13 months' actual sitting, they permitted two of the great supply bills to die; that in this Congress, with 8 months' extra session before the regular session, still four of the great appropriation bills were delayed in their enactment until weeks after the fiscal year had commenced; that during the first year of Cleveland's last administration, with his party in full control, none of the 12 great appropriation bills were passed until some days after the fiscal year had begun, and some of them not for many weeks; also that under Republican control public business is always promptly dispatched; that with Democrats in full control Congress is obliged to sit the full year around in order to do its work; that 20 years ago, with a majority of 80 in the House, they could not keep a quorum here without docking Members, and now, with a Democratic majority of 141, they are again obliged to resort to the same humiliating device in order to keep the Members here; that from the 5th of last June until their salaries were threatened there had not at any time been a quorum of Democrats present at any roll call, despite their enormous majority of 141. As further evidence as to their incompetency I quote from the CONGRESSIONAL RECORD of May 14, 1914, page 8608:

Mr. UNDERWOOD. Mr. Chairman, I do not desire to discuss the merits of this bill, but I do desire to discuss the condition of public business in this House. This House has been in almost continuous session for three years. In my judgment the membership of this House are entitled to great credit for earnest work and a desire to do their duty and for the work that they have performed in the interest of the American people. But I equally believe that this House is entitled to adjourn at a reasonable date this coming summer. [Applause.] The membership of this House are entitled to go home to present their views to their constituents in the coming elections. More than that, this country is looking for peace, not only peace on the American border, but industrial peace. [Applause.]

The people of the United States are not clamoring as much for legislation to-day as they are for an opportunity to do business. [Applause.] But there are some matters of importance before this House that ought to be transacted before the House adjourns, that the Congress ought to have an opportunity to vote upon before the adjournment is reached. If the membership of this House will do its duty, will maintain a quorum of the committee and a quorum of the House during the sessions of the House, and other Members will be reasonable, so far as their own personal ambitions are concerned and their own personal desires are concerned, and suppress them, we will be able to vote on the great public matters that are before us and reach an adjournment, in my opinion, early in July. [Applause.]

But we certainly can not accomplish it if the House intends to pursue the tactics that have been pursued in the last two days. In the first place, it is the duty of Members to maintain a quorum here. In the second place, it is the patriotic duty of every Member of this House not to throw any unreasonable obstructions in the way of the House doing business.

As we all know, recently Mr. UNDERWOOD was compelled to bring in a resolution identical with one passed during Cleveland's administration, docking absent Members, in order to insure their attendance and to make up a quorum. This, I believe is sufficient to prove Democratic incompetency; that they are slow to act, there seems to be no question about that; yet, while they are slow to act, they are sure to make up lost time when it comes to taxing the people.

Senator TILLMAN at the very beginning of this administration said:

The Biblical quotation I used a few days ago will become historical: "The wild asses of the desert, athirst and hungry, have broken into the green corn." That applies all along the line from top to bottom. The Democrats have been out in the cold so long * * * that they are simply wild.

Evidently the present embarrassment and unfortunate condition is not psychological, nor is it because of Democratic incompetency to raise revenue, but because of their competency for spending it, and, in the language of their platform, "to wring money from the people by oppressive taxation." Just what is going to come of it all I do not know. I am not a pessimist. I said at the beginning I would not criticize, hence I dismiss the subject of Democratic extravagance and lavish appropriations by simply saying that when I stop to consider the unwise, indefensible increase in appropriations of $172,693,921.26; and, in addition to that, in the first seven months of the calendar year, before the war began, we suffered a loss of $248,234,773 in our balance of trade, which, of course, has drawn heavily on our supply of gold, as balances are settled in gold or its equivalent; that, with no evidence of retrenchment or improvements over present methods in administering the governmental affairs, I confess that the outlook is not as bright as I would like to see it. And in addition to the excessive appropriations and loss in balance of trade, the railroads are contending that because of the depressed condition they should be permitted to increase transportation rates. They point out that on May 31, 1913, they had 50,908 idle cars, and on May 31, 1914, seven months after the enactment of the Underwood bill, the number of idle cars had increased to 241,802, an increase of 190,894; that from 175,000 to 200,000 railway employees were laid off and out of work. They told the President that the operating income of 35 eastern roads for the year was $74,002,581 less than for 1913, and therefore they should be allowed to increase transportation rates 5 per cent. What a contrast, under Republican rule, for the year 1913: The net operating revenue of railroads operating 221,748.58 miles of road increased $85,478,325.97 over 1912, and under Democratic rule, in 1913, the operating revenue of 35 roads fell $74,002,581. Judging from the patient hearing granted representatives of the railroads by the President and his sympathetic letter addressed to railroad representatives who were granted a hearing, the further fact that immediately after the President's letter was given out the Interstate Commerce Commission ordered a rehearing of the rate case, and that so recently after the railroads had been denied an increase, after a most exhaustive investigation by the Commission. I take it that the 5 per cent increase will be allowed, at least, if the President may have his way.

The operating revenue of railroads is in the aggregate about $3,000,000,000; and 5 per cent of that amount would be $150,000,000, so, then, not taking into account the falling of prices caused by free trade, the depression of business in general, the loss to hundreds of thousands of people out of employment and those working short hours, the loss of gold, the decrease in bank clearings, which decreased $779,666,215 during the first nine months of the operation of the Underwood bill, the destruction of industries such as the sugar-beet industry, the commercial failures, and hundreds of other unfortunate things incidental to depressed business conditions; the three items alone—the increase in rates, $150,000,000; loss in trade for seven months, $248,234,773; increase in appropriations for two years, $172,693,921.26—aggregate $570,928,694.36. If we multiplied $150,000,000, annual increase of railroad rates, by 4, we have $600,000,000; if loss of balance of trade continues at the rate of $35,462,111, same as was the average loss for seven months prior to the beginning of the war, in four years the American people would suffer a loss in balance of trade of $1,702,181,328; if increase of appropriations and expenditures continue at the same rate as it has in the past two years, the excess of appropriations for four years over what Democrats denounced as waste in 1912 will amount to $345,387,842.52. The three items alone will amount to $2,647,569,170.52, which represents only three of the many Democratic blunders. The cost to the American people will be more than nine times the annual salaries paid superintendents and teachers in public schools, or five times the total expenditures of public schools in the

United States. It is three times the value of dairy cows and one and one-half of all the cattle in the United States. It is four times the value of mules, asses, and burros, the chief industry of Missouri. What a consolation it must be to the American people to know that if they will dispose of and sacrifice all their mules, asses, and burros and close their public schools, they will break even at the end of four years of Democratic rule.

But you say that the Underwood bill is not the cause of our unfortunate condition. According to the Monthly Summary of Commerce and Finance, July, 1914, imports for seven months, including July, 1913, were $1,018,648,675; for seven months, same period, 1914, were $1,140,593,373. According to it we have an increase in importation for seven months prior to the war in 1914 under the Underwood bill over 1913 of $121,944,698; our exports for the same period are reported to be, for 1913, $1,327,273,137; for 1914, $1,200,982,162; increase in exports for the seven months, $126,290,075, making the net loss of trade in seven months $248,234,773. In fairness I have given figures up to the beginning of the war to a time when war was not even dreamt of.

It would, of course, be unfair to compare exports, imports, and prices during the war, which has created such an unusual demand for products, especially farm products, and caused prices to go up.

What are the results of the Underwood bill and how did it pass? Congress organized with a majority in the House and Senate, in the House with 139 Democrats from the 18 Southern States; 31 from New York, the home of Tammany; 11 from New Jersey, the home and shelter of trusts; and 105 from the great Northwest. The Southern States out of their modesty took the chairmanship of 38 out of the 57 committees. The States north of Missouri and west of the Mississippi got the chairmanship of the Committee on Expenditures on Public Buildings, a committee that has not met for the consideration of bills for a quarter of a century. The South and Tammany took every important committee save two, on pensions and one one on elections, which went to Ohio. Here is what the gentleman from Colorado [Mr. KINDEL], a Democrat, had to say about committee assignments (see CONGRESSIONAL RECORD, August 11, page 13332):

Here is the cause of it all:

[Mr. KINDEL here exhibits a parcel-post map, on which the residence of the 21 members of the committee are indicated by marks.]

Every one of the 14 Democratic members of the Interstate and Foreign Commerce Committee resides within the circle of 650 miles, which is east of the ninety-seventh meridian. Every Democratic member of the committee is a lawyer by profession, and that is why I told them in Democratic caucus there was not a man among them that knew the difference between a bill of lading and a bill of fare. The three members of the committee that are shown west of the ninety-seventh meridian are Republicans.

Denver is located over here—one hundred and fifth meridian [indicating]. We had a representative on this committee in the last Congress, and before I came here. Every one of my colleagues, with the Senators, came to my bedside and promised me they would get me on that committee; but I did not get on, and that is why I am ready to tell on the floor of the House instead of in committee what I know about transportation rates. This shows the apparent discrimination. I regret that permission to insert the following maps in reduced size has been denied me.

There [indicating] is the Post Office and Post Roads Committee, within a circle of 600 miles. The fourteenth one is down in Texas—a Democrat—and the sixteenth is the Republican gentleman from Minnesota [Mr. STEENERSON]. No wonder we are paying these outrageous transportation rates. Talk about getting a square deal——

* * * * * * *

Mr. KINDEL. That is what they infer, but there is no proof of it. I am showing you by proof that there is not.

The Ways and Means Committee is within that circle of 650 miles. Denver is located out here. There is one Democrat, No. 10, Mr. GARNER, from Texas, and No. 21 is the Progressive gentleman, Mr. VICTOR MURDOCK, our esteemed friend, from Kansas. He is out here on line of ninety-seventh meridian [indicating]. Outside of those two we have not a soul from the trans-Mississippi West on that committee.

Here is the Appropriations Committee. Here is Denver [pointing]. The only committeeman on this important committee west of ninety-seventh meridian is the Republican gentleman from Wyoming [Mr. MONDELL]. We of the West are not considered when it comes to making up committees. We might as well be off the map. Here is the Agricultural Committee. We are the recognized bread basket of the universe in this the trans-Mississippi West [pointing]. We have been fighting for relief from discriminative rates for years. That is why I consented to get into politics, and why I led the Democratic victory in Colorado.

They called a caucus, and as a result of the splendid teamwork the 181 Members from New York, New Jersey, and the South overpowered the 105 Democrats from the Northwest. It was reported that some of the northern Democrats kicked and found fault, but they were subdued and put to sleep, and came out with mouth sealed, hands and feet tied, and have never peeped since. Because of their good behavior they have been permitted to sit at the pie counter and draw fat jobs for their lieutenants, while their constituents have reluctantly and inconveniently paid the bill. While they and their lieutenants have been looking after primaries and campaigns, their constituents have been selling what they had to sell in competition with the products of the cheapest land and labor on earth.

As a result of that caucus, products of the Northwest, such as cattle, corn, beef, mutton, pork, veal, milk, cream, eggs, and bacon went on the free list; duty on butter was reduced from 6 to 2½ cents a pound. On rice grown down South, they put a duty of 1 cent a pound on cleaned and five-eighths of a cent on uncleaned. On cotton goods, made from cotton grown down South, the duty was fixed at 30 per cent. Sacks to sack the wheat, corn, and oats up North were highly protected, but cotton ties went free. Trust-made articles, such as iron and steel, were well taken care of. Yet we have been told that there is no sectionalism in that—simply teamwork.

Democratic Congresses spent several thousands of dollars in investigating the Sugar Trust. Here is what representatives of the Sugar Trust told the Hardwick special committee:

FRANK C. LOWRY, SALES AGENT, FEDERAL SUGAR REFINING CO., "SECRETARY AND TREASURER," THE "COMMITTEE OF WHOLESALE GROCERS."

Mr. FORDNEY. Mr Lowry, I notice by a paper here that you are secretary, and the paper says secretary and treasurer, of the grocerymen's committee.

Mr. LOWRY. That is correct.

* * * * * * *

Mr. FORDNEY. How much money has been spent in distributing literature by that committee?

Mr. LOWRY. Somewhere in the neighborhood of $12,000.

Mr. FORDNEY. Who paid that money?

Mr. LOWRY. * * * the only one that subscribed was the Federal Sugar Refining Co.

Mr. FORDNEY. So that the Federal Sugar Refining Co. have paid in this $12,000 for the distribution of the literature?

Mr. LOWRY. Yes.

Mr. FORDNEY. And no other concern has paid in any sums of money?

Mr. LOWRY. No other concern; no. (Pt. 19, pp. 1607-1608 of hearings.)

* * * * * * *

Mr. FORDNEY. The Federal Sugar Refining Co. has paid, then, for the distribution of all this literature?

Mr. LOWRY. Yes; so far they have. (Pt. 19, p. 1609 of hearings, July 13, 1911.)

* * * * * * *

Mr. LOWRY. No.

Mr. FORDNEY. Does Mr. Spreckels donate all the expenses, pay all the expenses of sending out this literature? That is what you told us before.

Mr. LOWRY. He has been the only subscriber so far. (Pt. 41, p. 3379 of hearings, Dec. 9, 1911.)

* * * * * * *

CLAUS A. SPRECKELS, PRESIDENT FEDERAL SUGAR REFINING CO.

Mr. HINDS. Mr. Spreckels, you have been carrying on a campaign to reduce the tariff as beneficial to the cane-sugar refiners?

Mr. SPRECKELS. I have.

Mr. HINDS. Of course that will be damaging to the beet-sugar refiners?

Mr. SPRECKELS. To some extent it will. (Pt. 27, p. 2275 of hearings.)

* * * * * * *

Mr. HINDS. Now, Mr. Spreckels, it was testified in Washington that the movement for lowering the tariff on sugar, the movement which is going on now and in which you were interested, that your company had expended $12,000 for literature, etc.

Mr. SPRECKELS. Possibly. I do not know what the amount is. I dare say we have. (Pt. 27, p. 2276 of hearings.)

Communications sent out by Mr. Lowry. Here is one, Bulletin No. 34:

(Committee of wholesale grocers formed to assist in obtaining cheaper sugar for consumers through reduction of duties on raw and refined sugars, 138 Front Street, New York, N. Y.)

Reasons why the present "infamous" sugar tariff should be materially reduced, if not removed, at this time.

	Refined sugar.	Raw sugar 96° test.	Assessed difference per degree.
	Cents.	*Cents.*	*Cents.*
Present rate.....per pound..	1.90	1.685	0.035
Rates we propose.....do....	.624	.60	.006

Under reciprocity treaty importations from Cuba pay 50 per cent less in both cases.

CLAUS A. SPRECKELS, PRESIDENT FEDERAL SUGAR REFINING CO.

Mr. HINDS. In other words, perhaps, you would take it [the tariff] all off, would you not, and have free trade?

Mr. SPRECKELS. I would have free trade. (Pt. 27, p. 2277 of hearings.)

Mr. HINDS. You would have free trade in sugar?

Mr. SPRECKELS. Absolutely. (Pt. 27, p. 2278 of hearings.)

CHARLES R. HEIKE, SECRETARY AMERICAN SUGAR REFINING CO. FROM 1887 TO 1910.

Mr. FORDNEY. Now, if the duty were removed absolutely on sugar could we produce either cane or beets in this country?

Mr. HEIKE. I doubt it very much.

Mr. FORDNEY. Then that would destroy the industry absolutely in this country?

Mr. HEIKE. Yes.

Mr. FORDNEY. And you would approve of that?

Mr. HEIKE. Yes. (Pt. 4, p. 292 of hearings.)

WILLIAM G. GILMORE, PARTNER ARBUCKLE BROS., SUGAR REFINERS

Mr. MADISON. In other words, you think the thing to do is to take off the duty, and that it would be to your advantage to take it off as a refiner of cane sugar?

Mr. GILMORE. Yes, sir.

JAMES H. POST, PRESIDENT NATIONAL SUGAR REFINING CO.

* * * As far as I personally am concerned, I would like to see free sugar. As we look at the country at large, however, I think it would be a very unfair proposition. (Pt. 6, p. 527 of hearings.)

WILLIAM A. J. JAMISON, PARTNER, ARBUCKLE BROS.

Mr. RAKER. Michigan sugar, you say, competes with yours in New York?

Mr. JAMISON. Yes; the Michigan sugar has been down to New York State and all through there. It has interfered with us very largely in sales in Ohio and Pennsylvania.

Mr. RAKER. And West Virginia?

Mr. JAMISON. Yes.

EDWIN F. ATKINS, VICE PRESIDENT AND ACTING PRESIDENT AMERICAN SUGAR REFINING CO.

Mr. HINDS. So that a reduction of the tariff passing beyond a moderate amount would tend to the prosperity of the refiners and to the detriment of the beet-sugar people?

Mr. ATKINS. I think they say truly, that it is for the refiners' interest to have a low rate of duty rather than a high rate of duty, and reduce the basis of value upon which they can sell. The lower the price of the refined sugar the greater is the consumption. I think their position is well taken. (Pt. 2, p. 174 of hearings.)

* * * * * * *

The CHAIRMAN. Is it really on account of the competition, Mr. Atkins? * * *

Mr. ATKINS. I think so. * * * There is very much larger capacity than is required, and the beet sugars are taking away the trade of the refiners year by year. (Pt. 1, p. 48 of hearings.)

* * * * * * *

Before election they solemnly promised not to injure or destroy a single worthy and legitimate industry. It is generally understood that every Democratic candidate for Congress in Iowa promised before election not to vote to destroy the beet-sugar industry. What happened? After that the Sugar Trust frankly told the Hardwick special committee that it wanted free sugar, that it had spent money in order to destroy the beet-sugar industry, its only competitor, to enable it to put up prices on sugar as had been its practice in the past when the beet-sugar was not on the market. Upon that showing and having sworn allegiance to the doctrine "United we stand, without Tammany and the trust we fall," Democrats in a single stroke killed the cane and beet sugar industry in the United States dead as a doornail, not exactly all at one time but by degrees, like the Irishman who cut the dog's tail piece by piece so as not to hurt the dog so much. So with the Democratic Party, they started with a reduction and ended up with free sugar on and after May 1, 1916. Every factory in my State and 12 others have closed. Others are allowed to linger on to May 1, 1916, when the Underwood bill is expected to consign the cane and beet sugar industry to its last resting place. The Sugar Trust did exactly what it said it would do. It put the price up, and the consumers are footing the bill.

Under the "new freedom" free trade, liberal expenditures, and rich in blunders, in the first nine months under the operation of the Underwood-Simmons bill, compared with the corresponding nine months of the previous year, the importation of cattle increased from $5,771,094 to $16,345,448; corn, from $160,761 to $7,598,702; oats, from $37,678 to $7,882,735; meat products, not including sausage, from $1,103,949 to $19,622,635; butter, from $258,367 to $1,646,408; eggs, from $143,784 to $1,059,593.

Did it affect prices? Take, for instance, corn; we have the evidence of a number of grain men, exporters and importers, who appeared before the Committee on Agriculture when that committee had under consideration the grain-inspection bill. All, regardless of political affiliation, agreed that the importation of Argentine corn had affected the price of domestic corn. Here is what Mr. George W. Eddy, Chamber of Commerce, Boston, had to say (see page 131 of the hearings):

Mr. HELGESEN asked this question:

Do you think that if we import corn that the imported corn in small quantities tends to establish the price?

Mr. EDDY. It does; and I think corn would have sold from 10 cents to 15 cents per bushel higher this year if it had not been for our importations.

Mr. HAWLEY. Does the corn go into the interior country?

Mr. EDDY. It moves into the interior.

Mr. RUBEY. What is the amount of corn imported from Argentina?

Mr. EDDY. Last year they exported about 200,000,000 bushels.

Mr. PADDOCK (from Toledo). They raised about 400,000,000 bushels. (Page 236.)

Mr. PADDOCK. We are feeling very seriously at this time the importation of Argentine corn as a competitor of native corn, which is already largely distributed through New England, New York, and central Pennsylvania

Mr. HAWLEY. Have you lost any market by reason of it?

Mr. PADDOCK. Yes, sir. We have not sold a car of corn in Boston in three weeks, where we usually sell 10 to 20 cars a day. We have not sold a car of corn in Buffalo in six weeks, where we usually sell 10 to 20 cars a day.

Mr. HAUGEN. What is the reason for that?

Mr. PADDOCK. The reason for that is that the Argentine corn comes in so low.

Mr. HAUGEN. Does your company think the price of our corn has been affected by the importation of corn from Argentina?

Mr. PADDOCK. Undoubtedly.

Mr. HAUGEN. To what extent?

Mr. PADDOCK. We had a 2,000,000,000-bushel crop last year, and if it had not been for the importation of Argentine corn I think the farmers would have realized 10 cents per bushel above the present price of corn.

Mr. SLOAN. Then the producers of corn this year did not get the benefit in price on what they sold that they would have gotten if the Argentine corn had not been shipped in in competition?

Mr. PADDOCK. I think not, sir.

Here we have the testimony of men with experience and who knew what they were talking about. With a drought in Kansas, Missouri, and Nebraska, the Iowa farmer did not suffer as much as they did farther east. Because of the drought he sold his corn in those States, close to his door, and, in most instances, sold above net Chicago prices, while if we had had a normal crop in the United States he would have had to do as he has been doing in the past—pay freight and sell in Southern and Eastern States. In that case he would have had to sell his corn in Southern States, pay more freight, and meet the price of Argentine corn, selling there at 66 cents per bushel. If on the coast or in the Eastern States, he would have had to meet the price of Argentine corn, selling there at 60 cents, which was about 12 cents less than the Chicago price, which, of course, would have brought the price down considerably from what he has been getting.

Judging from discussions reported at dairy meetings held throughout the country, prices of butter prior to the war were not satisfactory to the dairy people. I take it that the importation of seven and one-half million pounds of butter, at an average price of 22 cents per pound, had something to do with bringing the price down. But they complained of the high cost of living, and because the farmers in the Northwest were riding in automobiles they decided that they might be sacrificed in the interest of the consumer. So they put his product on the free list; but instead of the cost of living going down, it has continually gone up, and so far I know of no consumer who is very enthusiastic over the result or is now clamoring for Democratic free trade to lower the cost of living.

When it was fully demonstrated that the high cost of living was not being lowered by their free trade, they embarked upon a policy to eliminate the retail merchant, to put him out of business. They appropriated money to employ people to act as agents and to distribute farm products and merchandise. Two hundred thousand dollars were appropriated for a Bureau of Markets, and besides thousands of dollars to be expended in various ways.

They hoisted the flag upon which was written in large letters "From the farmer, the factory, and mill direct to the kitchen by parcel post." They sent out literature, employed and turned loose a large number of men and women to educate the consumer how to order direct from the farmer, factory, and mill by mail, or through representatives of the Government. The weight limit on parcel post was increased to 50 pounds, and the services of the large army employed in the Post Office Department was placed at their disposal. Still the packers, the produce combine, and transportation companies kept on putting prices up; they worked night and day, still prices went up. What next? More attorneys were employed and 30 Washington merchants were indicted; farmers were indicted and prosecuted for selling decomposed eggs; but eggs old as Methuselah continued to come in from China and foreign countries, free and without limit; Dr. Melvin was sent to South America to teach the packers and people there how to pack and ship their meats here; Argentine meat came in, notwithstanding all their efforts and the money expended; prices paid to the farmer fell, but the price to the consumer continued to go up. Why? The answer is simple. They had overlooked the fact that the trusts, combines, and transportation largely fix the price, not only to the farmer, but to the consumer as well. Right now, in the midst of the European war, foodstuffs are sold cheaper in England than here. Take, for instance, only a few days ago, bacon selling in Liverpool at 28 cents and in New York at 31 cents. Before the war farmers were getting 18 cents for eggs, 26 cents for creamery butter; the consumers in Washington paid 35 cents for eggs and 40 cents for renovated butter and 45 to 50 cents for creamery butter, and as high as 50 cents per pound for beef. It is clear, then, that while tariff may in some cases affect prices, the trusts and combinations generally control. In my opinion, if the cost of living is to be reduced the Government should, instead of prosecuting the farmers and merchants, it should prosecute trusts and combinations in restraint of trade and lower transportation rates, and not grant increase of rates, as has been done. It is true that the Justice Department has in years past prosecuted a number of trusts, combinations, and monopolies, but, while I do not wish to criticize, it is a well-known fact that trusts

have been prosecuted, convicted, and fined, but compromises have been made and fines abated.

In this connection, though suggestions offered may fall on deaf ears, I venture to suggest instead of impairing the Rural Free Delivery Service by letting the service to the lowest bidder, thus bidding for the slowest and poorest service obtainable, as is proposed by the Postmaster General, dispense with duplication, red tape, and antiquated bookkeeping; instead of increasing pay to railroads for carrying mail matter and parcel post, as is proposed to do in the bill recently passed by the House, cut the pay in two, the railroads would still receive more than two times the rate paid railroads by express companies for a similar service, after investigating Col. Mulhall's charges; instead of reporting lack of jurisdiction, report expulsion and prosecution; instead of sending and paying doctors $2,500 for examining Rockefeller, send the Sergeant at Arms; instead of giving immunity baths and doing what told to do by the Sugar Trust, do what seems to be in the best interest of the producer and consumer.

Instead of appointing officers and directors of trusts to office, as was attempted to do in nominating the second largest contributor to the Democratic campaign fund to a position to the Federal Reserve Board, instead of putting directors of the trust at the head of our banking institution and campaigns, instead of accepting money from lawbreakers to defray campaign expenses, they should be made to answer for their sins and to pay fines into the Federal Treasury, and, possibly, after paying fines and penalties, the consumer might look forward to some relief.

Instead of increasing the number of Government employees, as has been done, as, for instance, in the Treasury Department the number has been increased to the extent of 358 in the Treasury and 678 in the field, incurring an expense of $1,750,000; instead of appointing men to send into the field to look after nominations and elections of Democrats, put them to work for Uncle Sam; instead of levying taxes at the rate of $15,000,000 an hour, introduce sound and sane business methods in the administration of Uncle Sam's affairs. If they will do that and couple with it a little economy here and there, then they will obviate the necessity of passing the proposed bill, and the burden of not only the $105,000,000 carried in the bill but many hundred million dollars more can be saved. Before election they condemned Republican extravagance. In my opinion their position was well taken; there always was and always will be duplication, overlapping, and waste expenditures under our form of government, although Uncle Sam's business, aggregating more than a billion dollars a year, is the largest business in the world.

As a general thing, neither Congress nor the executive branch of our Government is made up of men with business training or experience, or with full comprehension of the cost and value of a dollar. If so, let us get away from the idea that Uncle Sam's business can be run economically and as successfully as the average business institution is run. Senator Aldrich said one time that one hundred million, and possibly three hundred million, dollars would be saved annually by applying business methods. Before election Democrats joined him in his condemnation of unwise expenditures; after election they forgot their promise and in two years added more than $172,000,000 to what they declared to be waste of money wrung from the people by oppressive taxation. Certainly no one reading the warnings sounded by Leader UNDERWOOD, Chairman FITZGERALD, Mr. GILLETT, or Senator TILLMAN will point with pride to the competency or the achievements of the Democratic Congress.

The Democratic platform declared rural credit of equal importance with currency legislation. They purchased a pair of scissors and a pot of paste; it is alleged that they hired a Wall Street editor to cut a few sections out of the Aldrich bill, which they so severely criticized before election; they included the Vreeland bill and passed it as their own. It contained many wise provisions, but the promised rural credit was not included. To the contrary, practically every Democrat voted against incorporating it in the currency bill. No rural-credit bill has ever been reported from the committee, and none is expected to be reported. When the gold began to disappear because of the falling off of our balance of trade, when the panic was on and the banks were about to suspend payment, instead of resorting to their own bill they reduced the rate of interest to banks in the Vreeland bill and turned on the printing press and issued currency under its provisions. Here is what the platform had to say:

RURAL CREDITS.

Of equal importance with the question of currency reform is the question of rural credits or agricultural finance. Therefore we recommend that an investigation of agricultural credit societies in foreign countries be made, so that it may be ascertained whether a system of rural credits may be devised suitable to conditions in the United States; and we also favor legislation permitting national banks to loan a reasonable proportion of their funds on real estate security.

We recognize the value of vocational education, and urge Federal appropriations for such training and extension teaching in agriculture in cooperation with the several States.

And here is what Democrats say after election (see CONGRESSIONAL RECORD, May 14, p. 8608):

Mr. UNDERWOOD. I think the gentleman from Oklahoma is right about the rural-credit bill. The gentleman is not half as much in favor of a rural-credit bill as I am, because I have strenuously insisted and endeavored to have a rural-credit bill presented to this House; but I say that the policy the gentleman is pursuing in his efforts to get a rural-credit bill is not a credit to him or an aid to the cause he supports. [Applause.] I say this without any intention of personal criticism of the gentleman, but I desire to point out to him where he is not aiding his cause.

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Mr. THOMPSON of Oklahoma. I want to say that the gentleman's position in the caucus does not square exactly with his talk on the floor.

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Mr. UNDERWOOD. But I do not intend it for facetiousness. I mean it as a statement of fact. I had overlooked the fact that the gentleman himself had made the point of no quorum.

Mr. WINGO. The gentleman may as well understand that a few Democrats and a few Republicans do not constitute the Committee on Banking and Currency, which has not met since last September, and I have not received any notice or any word of any of the conferences, and yet I am a member of that committee.

* * * * * * *

Mr. THOMPSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. UNDERWOOD. Certainly; but I will ask the gentleman not to take up too much of my time.

Mr. THOMPSON of Oklahoma. I shall not take up much of the gentleman's time. Does not the gentleman think that it is quite important that the rural credit bill should be reported here, in view of the fact that the Democratic caucus last August instructed the Banking and Currency Committee to bring in this rural credit bill at this session?

Mr. UNDERWOOD. So much so that I framed that resolution of instructions myself.

Mr. THOMPSON of Oklahoma. After voting against incorporating it in the banking and currency act?

Mr. UNDERWOOD. Yes.

Mr. THOMPSON of Oklahoma. When a few of us were insisting that it should go there in that act?

In this session the Democratic Senate adopted an amendment to the deficiency bill appropriating $175,000 to pay officers' longevity pay. It provided for payment for those held to be unloyal by reason of having joined the Confederate Army and raised the bar of statute limitation, but did not provide for payment or raising bar of statute limitation to those loyal and in the Union Army. The Democratic leader, Mr. UNDERWOOD, on July 23, 1914, moved to recede and to concur in the amendment. The Republican leader, Mr. MANN, called attention to the discrimination in the following language (see CONGRESSIONAL RECORD, July 23, p. 12560):

You can not pay the Confederate soldiers who have these claims and refuse to pay the Union soldiers who have these claims, and while this proposition in this pending amendment, it is true, only pays the Confederate soldiers who had the claims, it is nonsense to say that we can do that and then refuse to pay the Union soldiers who had the claims. No one would claim that. No portion of the claims has yet been paid to anyone.

Mr. FITZGERALD, chairman of the Appropriations Committee, had this to say (see CONGRESSIONAL RECORD, July 23, p. 12563):

Mr. Speaker, this amendment provides for the payment of longevity claims of officers of the United States Army who left the United States Army and entered the Confederate service. No officer of the United States Army has received any allowance for longevity claims of this character during the period covered by this amendment. The only longevity claims of this character that have been paid are those for the six years prior to the decision of the United States Supreme Court. The adoption of this amendment means that men who were in the United States Army and who resigned from it to enter the Confederate Army are to be allowed these longevity claims, while no provision is made for men who were in the United States Army and remained in the Army and fought on the Union side.

This is the most ingenious amendment ever devised and presented to the House.

Mr. UNDERWOOD. It is stated in the report. I read it.

Mr. FITZGERALD. I do not care about the reports, because I do not read them very often. I do not have the chance. But nobody ever suspected that Congress was proposing to open the door to claims of men who left the Regular Army to go into the Confederate service, and at the same time denying the opportunity for claims for the same service for the same period to be presented by men in the Regular Army who remained loyal to the Union.

* * * * * * *

I would go as far as anyone to wipe out whatever lingering or smoldering animosities there may be arising out of that terrible conflict which divided this country from 1861 to 1865—and what I say is not for the purpose of arousing any feeling—but I would not have Congress do an act which, in effect, puts a premium upon the action of the men who left the service of their country to take arms in the Confederate service, and that is what is done in this amendment.

* * * * * * *

The awful conflict, which resulted finally in the preservation of the Union, has long passed. It is the duty of everyone to cooperate as much as possible to obliterate the causes of ill feeling that so long remained and to do everything possible to restore the common brotherhood of this country. But to say that Congress intended, in order to meet the condition that existed and to bring about a better feeling, to enact a law which gave the men who went into the Confederate service an advantage and preference and an opportunity to present I

claim to which Congress has persistently refused to the men who remained in the Army and were loyal to the Union is going far beyond what anyone can justify.

This Democratic Congress voted to cut their mileage and delayed making appropriations until after the primaries, and then passed a bill restoring the old mileage. Among other things, the Democrats condemned campaign contributions. According to reports on file, the Democrats reported having received $1,158,446.33 and paid out $1,134,848. Republicans received $904,827.67 and paid out $900,363.58. Progressives received $676,672.73 and paid out $665,500. In other words, they condemned campaign expenditures and spent a quarter of a million dollars more than any other party.

Mr. LEVER. I wish the gentleman from Arkansas [Mr. WINGO] and the gentleman from Illinois [Mr. MANN] would withdraw their objections, and let the other gentlemen extend their remarks. There are a number of gentlemen who would like to extend their remarks.

Mr. WINGO. On Saturday the gentleman from Virginia [Mr. JONES] gave notice, when some one objected to the gentleman from Alabama [Mr. HEFLIN] speaking on the cotton situation in the South, that he was going to object to all similar requests. Now, there have been speeches made ridiculing the southern cotton farmer, and until some one is permitted to speak in his behalf I feel that in justice to them I should object to Members extending remarks ridiculing proposed relief for the cotton farmers. As far as I am concerned, if you want to take the bridle off, and let both sides have an equal chance, I have no objection.

Mr. FLOOD of Virginia. I think the gentleman from Virginia [Mr. JONES] only said that he was going to object to giving time to anyone to discuss it on the floor. He had no objection to the extension of remarks, but he objected to debate on the floor on that subject while the Philippine bill was pending.

Mr. LEVER. I hope that the two gentlemen who have objected will allow the other gentlemen to extend their remarks.

Mr. WINGO. For that purpose I am willing to withdraw my objection. I have no desire to be unfair.

Mr. HAUGEN. I ask unanimous consent that all who speak on the bill be permitted to extend their remarks in the RECORD. I believe that is nothing more than fair.

The SPEAKER. The gentleman from Iowa asks unanimous consent that all gentlemen who speak on this bill have the right to extend their remarks in the RECORD. Is there objection?

Mr. MANN. I object.

Mr. HAMILTON of Michigan. I ask unanimous consent that the gentleman from Michigan [Mr. MCLAUGHLIN] be permitted to extend his remarks.

The SPEAKER. The gentleman from Michigan [Mr. HAMILTON] asks unanimous consent that his colleague [Mr. MCLAUGHLIN] be permitted to extend his remarks.

Mr. WINGO. I could not permit that under the circumstances.

Mr. HAMILTON of Michigan. I withdraw the request, Mr. Speaker.

Mr. MANN. I call for the regular order.

Mr. BORLAND. I ask unanimous consent that the gentleman from Michigan [Mr. MCLAUGHLIN] and the gentleman from Missouri [Mr. RUSSELL] have unanimous consent to extend their remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. MANN. I object.

Mr. MADDEN. Mr. Speaker, I yield eight minutes to the gentleman from Wisconsin [Mr. LENROOT].

Mr. LENROOT. Mr. Speaker, a remark was once made that became famous, and it was, "What is the Constitution between friends?" As we read this bill to-day it may be paraphrased by saying, "What is the Constitution where cotton is concerned?" Mr. Speaker, I would not have believed it possible that a bill of this character could ever be proposed by any Democrat, especially from the Southern States. This bill is an invasion of State rights and an expansion of the Federal power far beyond the dreams of any disciple of Alexander Hamilton. I want to say this afternoon to any Democrat that votes for this bill in its present form his mouth should be forever closed against invoking the doctrine of State rights on the floor.

Mr. Speaker, this bill ought never to pass under a motion to suspend the rules. It is possible by amendment that it could be made into a workable bill, but there is only one provision in the bill to-day that will stand, and that is the provision taking $100,000 out of the Federal Treasury and spending it.

What does this bill do? It purports to authorize a license to a warehouseman, and then for the issuance of warehouse receipts and inspection. In the first place, a license issued by the Federal Government is not worth the paper upon which that license is written unless the thing that it authorizes to do is either something that the licensee can not do unless he had that permission or something that the Federal Government had the right to prohibit if he attempted to do it. There is not a lawyer that will admit or contend that in this case the Government has the right to go into every State in the Union and inspect cotton and grain and agricultural products, nor will they claim that we have a right to prohibit the doing of it. But gentlemen say this bill is permissive only; that it is not mandatory upon anyone. That is not true, in the first place, for under section 7 of the bill, when a warehouseman has once been licensed, the bill requires that all grain coming into that warehouse shall be submitted to Federal inspection.

Now, a man owns grain. That grain is grown in a State, goes to a warehouse in the State, to be consumed in the State, and yet this bill requires that grain to be submitted to Federal inspection. Will some one tell me where we get the power to do it?

Another section provides for the giving of a bond, and gives a right of action on the bond. Well, unless this bill authorizes something to be done which we have the right to prohibit doing a bond that is given by the licensee and the right of action of other persons is absolutely valueless. What would you think of the proposition of a pawnbroker from the city of New York coming to this Congress and asking us to license him to conduct a pawnbroking business in the city of New York and offering to give bond to protect his customers?

Mr. BEALL of Texas. Will the gentleman yield?

Mr. LENROOT. Yes.

Mr. BEALL of Texas. In a litigation upon a bond like that, or against any warehouseman holding a Federal license, where would such suit be brought, in the State or in the Federal courts?

Mr. LENROOT. It would not make a particle of difference if there was no authority for the issuance of the bond if the statute was invalid on which it was based.

Mr. BEALL of Texas. Would not the suit have to be brought in the Federal court? And would not that give jurisdiction of the bond?

Mr. LENROOT. Oh, the gentleman does not get the point that I make. I do not care where the jurisdiction would be. I am willing to admit that it would be brought in the Federal court, but where would the jurisdiction rest upon which to give the bond, and where does it rest upon which the obligor is made liable?

It would have been easy to provide in this bill that this inspection should apply to warehouses only in case of interstate commerce. But you did not do that. You have provided by the terms of this bill that cotton or grain grown in a State sent to a warehouse in the State, consumed in that State, shall be subject to Federal law. Can you imagine any greater invasion of State rights than that?

Again, it is said that the warehouseman exercises his option to apply for this license, and that it being permissive the fact that he comes in and applies for a license he thereby consents to this jurisdiction. Even if that were so, if the bill stopped with the warehouseman there might be something said in its favor; but it does not; it goes on and provides for the issuance of warehouse receipts. There are two parties interested—the warehouseman and the man who owns the property. The man who owns the property has not submitted to the license. He has had nothing to say or do about it, and yet you undertake by this Federal law to say what kind of a warehouse receipt shall be given to that man.

Mr. BORLAND. Mr. Speaker, will the gentleman yield?

Mr. LENROOT. Certainly.

Mr. BORLAND. Then, the man who owns the goods is under no obligation to put them into a bonded warehouse. Has he not complete liberty on that subject?

Mr. LENROOT. Let us see. Here is a warehouse in a city or a village, made under the laws of the State a public warehouse. Under this bill that man can not put his goods in that public warehouse if the warehouseman takes out a Federal license, made so under the laws of his State, unless the goods are inspected under the Federal authority. Does the gentleman say that does not deprive the citizen of a State of the right to which he is entitled?

Mr. BORLAND. Certainly it does not.

Mr. LENROOT. Because you say that he does not have to put his grain into that warehouse, when he has a right to put it there under the laws of the State.

Mr. BORLAND. He has the right only by contract with the man who owns the warehouse.

Mr. LENROOT. Oh, no; I beg the gentleman's pardon. Under the laws of every State that warehouseman is running a public warehouse, and any man has right to put grain into that warehouse under the laws of the State.

Mr. SHERLEY. Mr. Speaker, will the gentleman yield?

Mr. LENROOT. Yes.

Mr. SHERLEY. If I understand the gentleman's contention, it is this: That a warehouseman operating under the State law is compelled to deal with all on equal terms?

Mr. LENROOT. Exactly.

Mr. SHERLEY. And the fact that he undertakes to get a Federal license can not relieve him from that obligation, and there is therefore a conflict of law.

Mr. LENROOT. Absolutely; and the bill in terms says that nothing shall be inspected in that warehouse except by Federal inspection.

Mr. HENRY. Mr. Speaker, will the gentleman yield?

Mr. LENROOT. Certainly.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. HENRY. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Texas makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and sixty-one Members present—not a quorum.

Mr. UNDERWOOD. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Frear	Konop	Powers
Ansberry	French	Korbly	Ragsdale
Anthony	Gallivan	Kreider	Rainey
Austin	Gardner	Lafferty	Riordan
Bartholdt	George	Langham	Rothermel
Bathrick	Gill	Langley	Rouse
Bell, Cal.	Gittins	L'Engle	Rucker
Britten	Goeke	Lesher	Sabath
Broussard	Goldfogle	Lewis, Md.	Scully
Brown, N. Y.	Gorman	Lewis, Pa.	Sells
Brown, W. Va.	Goulden	Lindquist	Shreve
Browne, Wis.	Graham, Ill.	Linthicum	Slemp
Browning	Graham, Pa.	Loft	Small
Bruckner	Gregg	McAndrews	Smith, Md.
Brumbaugh	Griest	MacDonald	Smith, Minn.
Burgess	Griffin	Mahan	Sparkman
Burke, Pa.	Gudger	Maher	Stanley
Burke, Wis.	Guernsey	Martin	Stedman
Calder	Hamill	Merritt	Stephens, Cal.
Callaway	Hamilton, N. Y.	Metz	Stevens, N. H.
Carr	Harris	Montague	Stringer
Cary	Helvering	Morin	Sumners
Chandler, N. Y.	Hinebaugh	Moss, W. Va.	Talbott, Md.
Church	Hobson	Mott	Temple
Claypool	Howard	Murdock	Thomson, Ill.
Connelly, Kans.	Hoxworth	Neeley, Kans.	Treadway
Connolly, Iowa	Hulings	Neely, W. Va.	Vare
Conry	Humphreys, Miss.	Norton	Wallin
Copley	Jones	O'Brien	Walsh
Dale	Kahn	Oglesby	Walters
Dooling	Keister	O'Hair	Watkins
Doremus	Kelley, Mich.	O'Leary	Whitacre
Dunn	Kelly, Pa.	O'Shaunessy	Willis
Elder	Kennedy, R. I.	Paige, Mass.	Wilson, Fla.
Estopinal	Kent	Palmer	Wilson, N. Y.
Evans	Key, Ohio	Parker	Winslow
Fairchild	Kiess, Pa.	Patten, N. Y.	Woodruff
Faison	Kindel	Peters	Woods
Farr	Kinkead, N. J.	Peterson	Young, N. Dak.
Francis	Knowland, J. R.	Plumley	

The SPEAKER. On this roll call 269 Members—a quorum—responded to their names.

Mr. UNDERWOOD. Mr. Speaker, I move to dispense with further proceedings under the call.

The SPEAKER. The gentleman from Alabama moves to dispense with further proceedings under the call.

The question was taken, and the motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors. The gentleman from South Carolina has 11 minutes and the gentleman from Illinois 7.

Mr. LEVER. Mr. Speaker, I yield three minutes to the gentleman from Alabama [Mr. HEFLIN]. [Applause.]

Mr. HEFLIN. Mr. Speaker, I will be able to say but very little in that length of time. I sincerely trust that there will be no serious opposition to this bill. I am a member of the committee which reported this bill. It passed the Senate almost unanimously. It is emergency legislation. If the South were not in the distressed condition that she is, and if the legislatures of the States were in session, we might go to the States and get this legislation; but, Mr. Speaker, there is only one State in which the legislature is now convened, I believe, in the entire South. This is a bill that will greatly aid the producer of cotton at this time. If he is permitted to store his cotton in a warehouse and it takes out a license, it becomes a bonded national warehouse. If he takes that receipt to a bank and executes his note and pins his warehouse certificate thereto, it will enable him to get credit, to obtain money, and this will be of great benefit to him at this time. Now, as to the place where suit would be brought on the bond. It would have to be, I believe, the amount of $3,000 before it could be brought in the Federal court, and therefore it would be in the State court.

Mr. Speaker, when a national bank takes out its license it becomes a national bank. When a warehouse takes out its license it will become a national warehouse. The State warehouse is not affected by this bill. The gentleman from Wisconsin [Mr. LENROOT] is entirely mistaken in his position on that. The State warehouse can operate independently under this bill. No warehouse is required to come under the operations of this bill. When it desires to do so, it will come under the operations of this bill.

Mr. McLAUGHLIN. Will the gentleman yield?

Mr. HEFLIN. I can not; I have not the time.

The SPEAKER. The gentleman declines to yield.

Mr. HEFLIN. Mr. Speaker, I trust that no gentleman on this side will vote against this bill because he thinks it will be interfering with State rights. I want to say to you gentlemen that the South is in the greatest distress that she has been in since the War between the States. This House does not seem to realize, or some Members in it, the distressed condition of that section. A billion dollars of property is now being sold below the cost of production, and I trust that gentlemen on this side will throw aside their objection on the ground of State rights and that we may pass this emergency measure. By doing that you will greatly aid the cotton producer. By standing in the way of this bill you are going to vote against a measure that will help us. [Applause.] Now, Mr. Speaker, if this bill passes there will be no objection to it in the Senate. This law will be put into immediate operation——

The SPEAKER. The time of the gentleman has expired.

Mr. HEFLIN. And when that is done then the producer can take his warehouse receipt and obtain money at the bank. [Applause.]

Mr. MADDEN. Mr. Speaker, I yield to the gentleman from Texas [Mr. HENRY].

Mr. HENRY. Mr. Speaker, as far as I have been able to examine this bill this afternoon the title should be changed, and it should read: "A bill to repeal or destroy warehouse laws of the various States." As now drawn it seems to me to be saturated, reeking, unduly intoxicated with rank federalism. Mr. Speaker, it appropriates $100 000. It is not open to amendment. Here it is, a bill of 17 sections offered to the farmers and the producers of this country as a real remedy, when if you analyze it, as far as its good effect is concerned, it is as weak as if it were a mushroom springing up over night. Mr. Speaker, what the producers want is a real rural-credit system that ought to be passed here at the very earliest possible moment. [Applause.] And if such a measure were passed we would not be tendering such temporary makeshifts as this to the American farmer. Mr. Speaker, I do not say that this bill might not be revamped so as possibly to accomplish some real good. It might be, but I am not willing to have it put through to-day under whip and spur in 40 minutes without any right to amend. Let us, if this sort of a bill is to be acted upon, have it so that it can be perfected. It has been said here to-day that amendments will be inserted in conference. Why not insert those amendments on the floor of this House?

Texas has recently passed a warehouse law, and I am not willing to pass hurriedly this bill that seems to be a shell and makeshift. It may have enough vitality in it to injure, partially supersede, or jeopardize the Texas law. I am not willing to thus imperil State laws and State functions.

Mr. Speaker, the people of the South are prostrated in this present crisis. The war in Europe has brought on a terrible paralysis of the cotton industry, and I am not willing to pass a measure like this and tender it to the southern people and say it is of any present and real benefit to them. What we need is the rural-credit system of which I spoke and the strong arm of this Federal Government to be extended to the 30,000,000 people in the South who produce 15,000,000 bales of cotton, the great export crop, and thus relieve them from their paralysis.

Mr. Speaker, the cotton question is not local. It is not one pertaining alone to the South or any section of this country. It is a national question. Aye, it is more than a national question; it is an international question. Cotton is the only product that brings gold back to us when all other products and manufactures fail.

Therefore I am ready to face the real situation. Let us vote as we should and lay aside all temporary makeshifts.

THE COTTON AND CURRENCY SITUATION IN THE SOUTH.

Mr. Speaker, in order that my position in regard to the real needs of the cotton growers in this emergency and crisis brought on by the war in Europe may be understood, permit me to urge the following points and suggestions. They will demonstrate that such proposals as this loose House bill will not salve our present distressing difficulties in the South. The remedy must be quicker, more heroic, and must swiftly come with healing in its wings.

Mr. Speaker, at the outset on this phase of the case I wish to present a telegram from the governor of Texas touching the cotton situation in that State. In my judgment the same condition obtains in all the cotton States of the South:

AUSTIN, TEX., *September 18, 1914.*

Hon. R. L. HENRY, M. C.,
Washington, D. C.:

Cotton conference passed resolution, with only four dissenting votes, in harmony with resolution adopted at El Paso and with your efforts to secure currency to be loaned either direct or through banks at 3 per cent on guaranteed cotton warehouse receipts. I want to add my hearty indorsement of your efforts. Situation is one beyond control of individuals. National banks absolutely not aiding cotton farmers with emergency currency. Unless National and State Governments can aid present situation, with enormous cotton crop coming on market in October, bankruptcy will overtake thousands of people in cotton-growing States. United States Treasury often has placed hundreds of millions of dollars of Government money in banks for their protection. Why can not this be done to save the cotton farmer and the merchant in this emergency?

O. B. COLQUITT,
Governor of Texas.

Gentleman, that telegram does not overstate the case, but gives accurate information in regard to the situation in Texas and the entire South. The conditions are simply deplorable and distressing there, and if something is not done by this Government within the next 60 days bankruptcy will ensue and many men will be destroyed in a business way. I have an abundance of information from various parts of the great State of Texas verifying just what Gov. Colquitt has said. There are 248 counties in that State, and they will produce something like 4,500,000 bales of cotton this year. The testimony is piled high every morning when my mail is received, confirming every single statement made by Gov. Colquitt. What we imperatively need in Texas and the South in this crisis, brought on by the war in Europe, is an emergency currency that will go directly to the farmers. We need this emergency currency under some kind of temporary arrangement, so that the men who have produced the cotton crop may get the cash as promptly as possible.

Gentlemen, the Federal reserve act has been passed and is now law. From my investigation in regard to the inauguration of that system I am going to take it for granted that it will not be in execution within 60 days. I do not believe that the Federal reserve act will be in complete operation until the 1st of January, or later than such date. I have no sort of criticism to make of that act, and will do everything in my power as a Representative in Congress to strengthen it and see that it accomplishes everything its authors intended it should accomplish. Therefore, for the present, I am going to assume that the Federal reserve act can not be made available to rescue the people of the Southern States from the ruin confronting them. And turning from that act to the Aldrich-Vreeland emergency law, I do not hesitate to say that such law will not serve the purpose. The emergency currency now being taken out by the national banks is not reaching the farmers. You may authorize the issuance of millions of dollars under the present conditions and it will not get directly to the farmers. Mr. Speaker, if you are to do anything, you must promptly pass a temporary act in order to relieve the situation. The Federal reserve act being in abeyance for the present, not being fully organized, and the Aldrich-Vreeland Act proving to be utterly futile in this crisis, the Secretary of the Treasury and the Federal Reserve Board are powerless to come to our aid. Is there any way that this great Government can save our people from impending ruin? The southern people are not coming as petitioners and beggars in this matter. They are presenting to you a question that is national, international, and world-wide in its aspect. For when you strike down the cotton industry in the South, you destroy a national and international product. You not only injure the South, but every State in this Union and the balance of civilized mankind. The farmers of the South did not bring this condition upon themselves. The terrible war conditions in Europe have brought it about. We all hope that those conditions will pass within the next few months and that our markets for cotton will be reopened and that the situation will be normal. And when the war is terminated and the market is reopened, then cotton can be purchased.

Last year nearly 9,000,000 bales of cotton were shipped to Europe; nearly 4,000,000 went to England, about 2,500,000, in round numbers, went to Germany; a little over 1,000,000 went to France; and a great many bales went to the other countries now drawn into the war. Our domestic consumption was something around 3,000,000 bales. But now there is an utter paralysis and there is no market for cotton. We appeal to you to view this as a national and international question. Is there any way to meet the emergency? This Government has met such emergencies before and can do it again. In 1907, when a great panic was about to sweep over us, the Government took its public deposits and in four days placed in the hands of J. Pierpont Morgan & Co. $39,000,000. Mr. Morgan was not a director or an officer in a single bank or trust company. He took those funds and deposited them with his favorite bankers in order that they might be loaned to stock speculators. And, I may say, without appearing to be harsh or without indulging in unjust criticism, *to be loaned to stock gamblers in order to relieve the situation in Wall Street.* These public funds, the Government's money, were deposited in those banks through the agency of Mr. Morgan, without interest, and were loaned to distressed stock speculators. The way out of the difficulty in the South is for the Government to do the same thing in regard to the cotton market.

Mr. Speaker, I have introduced a bill, after conference with representatives of the farmers' organizations and other bodies, that will relieve the situation. When this bill was introduced, on the 31st day of August, it was thought that the Federal reserve act would be in full operation by the 15th day of September, and this bill was drawn so as not to interfere with the provisions of that act, but to strengthen it. With permission of the committee I want to refer to section 16 of that act in regard to note issues:

Federal reserve notes, to be issued at the discretion of the Federal Reserve Board, *for the purpose of making advances to Federal reserve banks* through the Federal reserve agents, as hereinafter set forth, and for no other purpose, are hereby authorized. The said notes shall be obligations of the United States, and shall be receivable by all national and member banks and Federal reserve banks, and for all taxes, customs, and other public dues. They shall be redeemed in gold on demand at the Treasury Department of the United States in the city of Washington, D. C., or in gold or lawful money at any Federal reserve bank. Such application—

Omitting one sentence—

shall be accompanied with a tender to the local Federal reserve agent of collateral in amount equal to the sum of the Federal reserve notes thus applied for and issued pursuant to such application.

Mr. Speaker, under section 16, in connection with other provisions of the bill, hereafter the paper money of the Government to be issued shall be "*Federal reserve notes*," and those Federal reserve notes can not be issued upon the initial movement of the Federal Reserve Board. That board is powerless to order the issuance of a single dollar in Federal reserve notes until a member bank, through a Federal reserve bank, presents its commercial paper to the Federal Reserve Board. And then Federal reserve notes, United States money, can be issued as an "*advance*" to the owners of those notes. So, in passing the Federal reserve law *we have built a great market house for the commercial paper and assets of the business world.* And the Government's money, United States notes or Federal reserve notes, can only be issued on that paper to care for financial situations. This is our permanent system. When national-bank notes are finally retired that is the only kind of Government paper money that will be issued. But we can not avail ourselves of that law now, because it is not in working order, and I am sure will not be in time to relieve our people in the South. Then, what is the remedy? Forgetting for the moment that we have in our statutes a Federal reserve act, and dismissing for the moment the Aldrich-Vreeland emergency law—because it has proved to be a snare and delusion in getting these issues of new currency to the farmers who need money—disregarding those two acts and coming squarely to the question, "What is there that Congress can do to remedy the situation in the cotton States"? I have redrafted my bill, disregarding for the present that such law has been passed. I can better state what is in my bill by reading two or three sections and then outlining to you the balance of it. Section 1 provides:

That the Secretary of the Treasury shall deposit in national banking associations and State banks situated in the following States, to wit, Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, and Virginia, $500,000,000, to be advanced to the producer of cotton or owner of lands upon which the same was produced, at a rate of interest not exceeding 3 per cent per annum. The deposits herein authorized shall be advanced upon the terms prescribed in this act. The deposits herein authorized shall be apportioned among the several States above mentioned in accordance with the number of bales of cotton produced therein during the year 1913, as ascertained by the Department of Agriculture.

Here we provide for the deposit of public funds in the national and State banks as a trust fund, to be loaned directly to the

farmers who are faced with ruin during the war crisis. It is purely a great war emergency, and not a permanent system. The Government has deposited its funds heretofore; it can increase them and can deposit them again if it will. It is not proposed to loan this public money directly without resorting to the fiscal agency of the Federal Government and State governments. This Government can make and establish by law as many depositaries as it deems proper, and if there should not be a bank in any cotton county of the South, the Government can decree that its postmasters shall be custodians of these funds and make the post offices depositaries. So the first proposition is to deposit this money. Then the next question is, "Where will we get the $500,000,000?"

Section 2 provides:

That the Secretary of the Treasury shall immediately cause to be prepared United States notes to the extent of $500,000,000, to be used for the purpose of making the deposits in compliance with this act. And said notes shall have all the legal qualities of the United States notes now outstanding, and shall be of such denominations as the Secretary of the Treasury may prescribe: *Provided*, That all United States notes deposited under this act and not used as prescribed herein shall be returned to the Secretary of the Treasury and shall be canceled.

So we resort to the issuance of United States notes by the Federal Government, the only sovereignty and agency that has the power and upon whom rests the duty to supply the people with an adequate amount of currency in such crises as these. It does not provide for irredeemable paper money; it provides for redeemable currency, and endows these notes with all the legal qualities possessed by the United States notes issued during the war; that is to say, they shall be legal tender; they shall be redeemable in gold, in view of the fact that we are now upon a gold basis; they will be as good as any other paper money of the Government now in circulation. In my judgment, it would not jeopardize the credit of this great Government one particle to use its power and issue $500,000,000 in emergency United States notes. I do not believe it would hurt the credit of this Government if we issued a billion dollars in United States notes and made them redeemable in gold.

Mr. Speaker, what ought to be done is to stop the issuance of emergency currency under that temporary system—the Aldrich-Vreeland Act, put a brake upon their operations, and say, "You shall not issue any more of it, because it is not going directly to the people in distress." We should say, "We will travel another road." After refusing to allow the banks to go further and secure additional emergency currency under the Aldrich-Vreeland Act, we will resume the function that this Government undeniably has and issue United States money and deposit it as a trust fund in this terrible crisis, so that it may go directly to the men who have produced the cotton crop of the world, for this product clothes the people in all civilized countries. Is there anything undemocratic, anything un-American in that? We have done it before. And for my part I think it was a matter of financial wisdom when the greenbacks were issued during the early sixties to carry on the war and sustain the Government. And I think every word written in the Legal Tender decisions was absolutely correct and in strict accord with the Constitution of the United States. There is the proposition and there is the source of power for getting the money. Then, what is the next step? Loan this money, *advance* it—using the word that is used in section 16 of the Federal reserve act—to the men whose necessities you are undertaking to relieve, and here is the way we will do it:

Whenever any producer of cotton or owner of lands upon which the same was produced shall present to the National Banking Association or State bank within which State the said bank may be situated a bill of sale in writing to cotton in bales grown in 1914 in such form as may be prescribed by the Secretary of the Treasury, said bill of sale to be signed and sworn to by the producer or person upon whose land the same was produced, giving the number, mark, weight, classification, and location of said cotton, it shall be the duty of said banks to advance a part of said deposits on said cotton *at the rate of 10 cents per pound for middling cotton*, and other grades at the prices, off and on, according to the established differences in prices based on middling cotton at 10 cents per pound.

Mr. Speaker, *we propose to issue the Government's money and to advance it to our farmers of the South, just as we advance the Federal reserve notes to the commercial interests of every State in the Union on their commercial paper and assets when they are seeking a market and wish to find relief in securing currency from the Government.* We do not ask one whit more than is done in the Federal reserve act and has been done before. We have placed the price at 10 cents per pound. Why do we say 10 cents per pound? Because during the last five years cotton has brought on an average more than 12 cents a pound. It is worth the 10 cents a pound, and costs that much to raise it. In my own State we had to replant two or three times. So we have put it at 10 cents per pound, which would mean $50 per bale. But if you think that figure too high, if you are willing to advance money to relieve the situation and will make it absolutely possible for any farmer to walk up to the bank and secure $35 a bale as a loan from the Government, we might leave out 10 cents a pound. It would relieve the situation and perhaps might not be necessary to pay 10 cents a pound. We ought to loan or advance cotton growers the 10 cents a pound on cotton.

That is the next proposition. But if you leave it with the banks, where this emergency currency is now going, it will never reach the men who need it. Many banks in Texas and other States of the South are getting this currency and speculating with it. They are hoarding it and are shipping it back to New York and money centers, and the men who need it most are not receiving it. And this is no gratuitous statement on my part. I want to here ratify and confirm these things by cold evidence from my section, now blighted by this terrible paralysis in the cotton market. I read you part of a letter from Judge W. H. McClelland, county judge of Upshur County:

Upshur County will produce this year about 30,000 bales of cotton. Up to this date I understand that four bales have been marketed in this county at 8 cents per pound. Farmers are unable to get money for their cotton and are forced to keep it on their farms as long as their creditors will permit.

Then they met in a great mass convention in that county and passed resolutions. This convention was composed of men who do not want to injure this Government, but who are patriotic and are seeking a way to solve the difficulties confronting them. And here is one of their resolutions:

We desire to present to the convention—

That is, to the great convention held at Austin subsequently—

that in this (Upshur) county we have two national banks and nine State banks. Only one of the State banks under the amended Aldrich-Vreeland Act will be entitled to emergency currency, because of the amount of capitalization of State banks. None of the banks in this county will be able to furnish to the individual farmer emergency currency on warehouse receipts for cotton stored in warehouses. The individual farmer and producer will be unable to hold his crop, because he is forced to pay his merchant; and unless some relief is given promptly 30,000 bales of Upshur County's crop must be sacrificed.

And I want to add, further, the information from my congressional district that tenants—and, by the way, three-fourths of the cotton crop of Texas is produced by tenants—have abandoned their own crops, have walked out of their fields, and have gone to their neighbor's cotton fields to pick cotton *in order that they might secure cash to buy meat and bread and clothing for their wives and children, for the winter will shortly come.* That is the condition as I get it from practically every county in my congressional district, and I am quite sure that you will find it to be the situation in other parts of Texas and the South.

Then, here is a letter from a gentleman whom I happen to know. This is from Mr. W. B. Yeary, of Farmersville, in Collin County, one of the greatest counties in Texas. He says:

My home is in Farmersville, in Collin County. I have a farm of 1,000 acres and 75 shares in the Farmers and Merchants' National Bank of that place. I have been a close student of conditions all my life, am 54 years old, and this is the most serious condition that I have ever seen, but offers the best opportunity for correcting the evils we have in marketing farm products I have ever seen, if it is handled right.

To show you the strained condition, I can not borrow a dollar on bank stock, cotton, real estate, or anything else. I may have to suspend publishing the paper because of this condition.

He publishes a cotton journal in Dallas.

Here is another letter from out in the western part of the State from W. R. Timmons, chairman of the finance committee of the Roby Warehouse Association. Speaking of loans on cotton, he says this must be done—

For the reason that the national banks, notwithstanding the fact that they can secure emergency currency under the Aldrich-Vreeland law, are not assisting the farmers to get the money on their cotton.

The situation is desperate, and you can only imagine the conditions existing when the farmers are not able even to get the money to pay for the picking of the cotton.

The thing that the farmers need is money on their warehouse receipts, not credit. They need cash, and they must have it now.

Here is a letter from a gentleman in my district. I happen to know him, and do not think it would be inappropriate or out of place for me to say that in normal times this gentleman is worth a great many dollars. He is a merchant and cotton buyer and farmer. He is from Moody, a little town in the heart of as fine a cotton country, I believe, as there is in the State of Texas. He says:

The banks in this section are not lending one cent on cotton, and under present plans will not lend any.

That is from Mr. Charles Howard, a reputable gentleman and one who purchases many bales of cotton every year.

Then here is a letter from Benarnold, a town in a rich cotton country in Milam County; it is from Hon. Ike Looney, an ex-

member of the legislature and a farmer on a large scale. He says:

The banks are not letting any money out for less than 10 per cent, with the usual discount. *In fact, the banks are doing all in their power to force the farmer to part with his cotton.* They get the money for 2 per cent and we are forced to pay more than 10.

Here is a letter from Wills Point, Tex., several hundred miles away from Milam County. This letter is from northern Texas. And I am picking these out of my mail this morning in a haphazard way, in order to lay them before you gentlemen. This gentleman is Mr. J. J. Gibbard. He says:

It has been made very clear to the people of Texas that they can not depend on the banks or efforts of the Federal Government through the banks to relieve such business depression as now exists. Permanent help must come from aid by the Federal Government direct to the farmers, and no effort through the banks will prove effective, for the simple reason that in time of panic the banks are the first to lose their nerve and contract rather than expand, thus increasing the condition.

And here is a statement that comes from the city of Fort Worth. I happen to know this gentleman, John M. Scott, Esq., one of the prominent lawyers of that city. He sends an advertisement wherein one of the banks offers to loan on 1,000 bales of cotton, with certain restrictions, at 6 per cent interest. And then he goes on to explain what that means, and I think just a few lines of the letter should go into the RECORD. He says:

It loans to the grower at 6 per cent for advertising purposes on 1,000 bales, and at 10 per cent on all over 1,000 bales. Country banks are paying the local banks here 6 and 8 per cent for this money and loaning it to the grower for anything his necessities may require him to pay for it. Under the ruling of the Secretary of the Treasury this bank can take this 1,000 which it has secured by loaning $30,000 on and borrow from the Government $37,500 at 3 per cent, thereby reimbursing itself for its $30,000, and getting a surplus of $7,500, and making a profit of 100 per cent on the transaction in its 6 per cent interest, which it is getting from the farmer.

It occurs to me that there is an open field for you to come to the rescue of the cotton grower of this State in attempting at least to have the Government limit the profits which these banks may make to 1 per cent for handling this money between the Government and the grower.

There are hundreds of letters of that sort, and to my mind they establish the proposition beyond any controversy that this money is not getting to the farmers, the men who need it, and those who produce this crop; and that it will not reach that class of our citizens as long as the banks have the option of handling this trust fund, the people's money, as they see proper, and not in accordance with legal restrictions laid down by Congress, by and through which they shall distribute this Government money amongst the cotton farmers.

I am only discussing general principles here. If this bill is not properly drawn you gentlemen can help us to draw one that will recognize the absolute right of the producer of cotton to go to some agency set up by the Federal Government and put up his security, his cotton, and borrow money; have it advanced to him as a direct loan, if you choose, at a low rate of interest. Do not imagine that we are thinking of any kind of a permanent arrangement, and remember that our contention now is that you can not utilize the banks under the laws as they stand and get this money directly to the producers of cotton.

Gentlemen, there is other evidence in regard to these facts, if you want it.

Then section 4 of the bill provides:

That thereupon title to said cotton shall pass to and be vested in the national banking association or State bank making the advances; the said bank receiving such deposits shall pay the same over to the producer or person on whose land the same was produced, and shall thenceforward hold said cotton as custodian, with the right and power to appoint as many deputy custodians with actual possession as said custodians may deem proper and necessary; and among said deputy custodians may be included the producers of said cotton or owners of the land on which the same was produced; said custodians to take in all cases from the deputy custodian a forthcoming bond and an acknowledgement in writing of the fact that said deputy custodian holds the same as custodian of public property, with the common-law liabilities of warehousemen. The bank acting as custodian shall keep all cotton so held insured against loss by fire, loss, if any, payable to the said national banking association or State bank, and shall keep a correct and itemized account of insurance and storage actually paid; and upon the sale of said cotton, as hereinafter provided, shall have said expenditures refunded, together with interest on the same at the rate of 6 per cent per annum. Payments of insurance and storage are to stand until paid in the nature of an obligation of the United States. When said cotton is sold as hereinafter provided, said bank shall, in addition to the refunding just provided for, be paid for its labor and services as custodian 50 cents per bale, and as custodian shall be responsible only for gross negligence or breach of trust. All cotton upon which advances have been made as hereinbefore provided with such deposits shall be and remain the property of said bank until sold, at the pleasure of the Secretary of the Treasury, when and after middling spot cotton sells in the open market at Savannah, Ga., at 12 cents per pound, or upon request of the person or persons from whom title passed to the national banking association or State bank.

So there is your method for loaning on cotton and protecting it and holding it in the grasp of the Government until this crisis is over. We think that cotton will go above 12 cents per pound when this war is over. We know that the Government will not lose a single penny if it utilizes its public funds and its power to advance this money to the cotton growers, just as it will hereafter advance it to the commercial interests upon their assets to relieve their business necessities.

The section 5 reads:

That whenever the said bank, under the conditions named in the foregoing section, shall sell said cotton, interest shall be calculated on the original sums advanced by the bank at the rate of 3 per cent per annum, and principal and interest shall be remitted to the Secretary of the Treasury. The custodian shall prepare under oath and furnish the Secretary an account showing the amounts actually paid for insurance and storage, and interest thereon as hereinbefore provided, and also showing its compensation as herein allowed. These items the custodian shall retain to pay itself, and the balance of the proceeds arising from the sale of said cotton shall be paid over to the producer, or person on whose land the same was produced and from whom title passed to the said bank, or to the legal representative of such person receiving such loan.

SEC. 6. That this act shall take effect and be in force upon its passage.

SEC. 7. That this act shall expire by limitation on the 30th day of June, 1916.

Gentlemen, the principle of the bill is correct. There may be details that can be improved, but you can, if you will, put it in operation, and there will be no criticism from any part of this country, *except from those who have been used to handling the money and monopolizing the money market. It is not their money; it is the Government's money; it is the people's money that we propose to use and that the money monopolists propose to use hereafter when they ask for currency.*

I take it that it is settled that hereafter no State bank—and this is only my individual view, because there are other gentlemen who do not entertain this view—will be authorized to issue its notes to circulate as money, and I assume that the 10 per cent tax laid on State-bank circulation is permanent and will remain there under our system of government. So in our system of finance we have taken away from the sovereign States of this Union the power to create banks and corporations that can issue circulating notes. That is the first step.

In the second place, we have taken away from the national banks that were set up under the system established during the Civil War and subsequent to it the power to issue their notes. We have said that no State and no corporation created under any State law shall hereafter issue notes, and we have said in the Federal reserve act that no national banking association, when certain terms of that law have been complied with, shall issue its notes to circulate as money. We have resumed the function intended that this Government should exercise when the Constitution was written in 1789. That is to say that the Federal Government is the sovereignty and the power that should coin money and regulate the value thereof, and should issue, as the Legal Tender cases decided, the paper money to circulate as currency. We have now arrived at that point where the Government is the only agency that issues money. As far as I am concerned, I am not prepared to say that it is not a wise policy. But I shall not go into a discussion of State-bank issues. I am only recounting the things that have been done and the status to which we have come in regard to our monetary affairs.

So, that being the case, that no other power can issue money, then it becomes the duty of this Government to provide not only a permanent currency system but to provide an adequate amount of currency to serve the needs of the people in just such a crisis as this. I know where this proposition leads, and have deliberately counted all its consequences. But I have convinced myself, and think from an unselfish point of view, that this Government is as much in duty bound to look out for the distressed population of one-third of this country, occupying one-third of our area, and producing the great gold product sent abroad—that Congress is as much in duty bound to regard their interests in these crises as was done in 1907, when the Secretary of the Treasury deposited funds and took care of stock speculators, and as it has provided to do in the Federal reserve act. Am I violating any Democratic doctrine? Am I doing violence to any tradition of our Government or principle of the framers of the Constitution? We have done these things before. And I will allude to one or two of them, and then will have finished my remarks.

Why, Mr. Speaker and gentlemen, you well remember that when we passed the irrigation act, in order to protect the people of 15 Western States, we provided that we would take the proceeds of the sale of public lands in certain States and construct great irrigation plants there with that money for the benefit of the people of the West, and that we would allow them to make their notes in payment for the use of the water; and we put up the people's money in order that they might purchase farms and develop them by and through the help of the Government of the United States.

And only recently we passed a bill extending and practically remitting all interest on, I think, something like $80,000,000, because those people were distressed and could not pay it. And I doubt if the time ever comes when that money, principal and interest, will be refunded to the people and returned to the Treasury of the United States.

What is the difference in principle between this and that? We came to the rescue of the people who lived in a barren part of this country. We extended the strong arm of governmental aid in a financial way, and we made it possible for them to purchase, cultivate, and develop their farms.

To-day we are asking you to help us preserve in the South what we have produced on our farms, and there is no difference in principle; one is developing farms, the other conserving crops.

Why, gentlemen, in 1890 we passed the act in regard to purchasing silver, 4,500,000 ounces of it every month, and authorized the coinage of 2,000,000 ounces during any month and no more. And how did we pay for it? And why was the act passed? With your leave I will read just a few lines of that act so that we may clearly make the point:

That the Secretary of the Treasury is hereby directed to purchase from time to time silver bullion to the aggregate amount of 4,500,000 ounces, or so much thereof as may be offered, in each month, at the market price thereof, not exceeding $1 for 371.25 grains of pure silver, and to issue in payment for such purchases of silver bullion Treasury notes of the United States, to be prepared by the Secretary of the Treasury in such form and of such denominations, not less than $1 nor more than $1,000, as he may determine.

SEC. 2. That the Treasury notes issued in accordance with the provisions of this act shall be redeemable on demand in coin at the Treasury of the United States or at the office of any Assistant Treasurer of the United States, and when so redeemed may be reissued and may be paid out again; but no greater or less amount of such notes shall be outstanding at any time than the cost of the silver bullion and the standard silver dollars coined therefrom then held in the Treasury purchased by such notes.

I will omit one or two sentences, and then read:

That upon demand of any holder of Treasury notes herein provided for, the Secretary of the Treasury shall, under such regulations as he may prescribe, redeem such notes in gold or silver at his discretion, it being the established policy of the United States to maintain the two metals on a parity with each other on the present legal ratio, or such ratio as may be provided.

That act was passed, and if you will examine the debates you will find the reason. It was enacted because times were hard. A terrible panic was sweeping over the mining States of the West, and Congress decided that it would go to the relief of the people of that section of the United States and purchase silver bullion, a mere commodity like cotton, and would keep the mines open and prevent men from being thrown into idleness; and would keep business going in the western part of this country by issuing the Government's money to pay them for this silver bullion, which is a mere commodity.

We are on the gold standard now, and so far as silver is concerned, for monetary purposes, it might as well be paper and would serve the same purpose, except perhaps that it may be a little more convenient in some instances to use silver.

But not only did we do that. Recently over in the Senate a bill passed without division, as I understand it, by which the Government would purchase 50 per cent of the output of the silver mines in the West and pay for it with Government money, with the people's funds, simply to keep those mines open and prevent our western brethren working there from being thrown into idleness; so that hereafter there might be an increase in the output of gold, which is a by-product in the mining of silver, and so that water might not run into the mines and thus place them out of commission. And there is the same principle invoked in the Senate of the United States.

Gentlemen, I think that makes the point in regard to this situation. This Government has the power to issue these notes. Read the legal-tender decisions, the latest one in One hundred and tenth United States Reports, and no living man can answer the argument found there *that this Government has unlimited power to issue currency;* and that being conceded, that we have the power to issue it, then we may advance our currency to cotton growers, just as we are going to advance it hereafter, through the Federal reserve system, to the owners of commercial paper and assets.

That is the proposition. I know that gentlemen will say that this is populism and amounts almost to anarchy in our financial system. Already I have been met with that answer. But I maintain that this Government was set up for the benefit and protection of the people. Sirs, in a crisis like this I have crossed the Rubicon, I have burned my bridges, and am ready to *fight for the principle that this Government shall issue its currency and preserve the progress and prosperity of the southern people.* [Applause.] I am ready to defend this principle everywhere.

We are not coming to beg Congress. This is the Government of all the people in this Union. We are coming to the only power that can give relief. We are saying to you, gentlemen, as we expect to say to the Federal Reserve Board, the Secretary of the Treasury, and the President of the United States, that the arm of your Federal reserve system is too short to save us now, and that the arm of the Aldrich-Vreeland Act has been seized by certain national bankers and those who would despoil the people in this hour of their need in the South, and they are withholding the relief that the Secretary of the Treasury and the President wish to go directly to the men who produce the wealth of the country. And I lay it down as an incontrovertible principle that if the Government, through the Aldrich-Vreeland Act, can deposit currency to be loaned to whomsoever the banks may choose to loan it, by the same principle it can deposit its currency in these banks as a trust fund and require that it be loaned to cotton growers.

And, restating the proposition, if the Federal Government, under the Federal reserve act, can deposit its money in the reserve banks as an advancement to be loaned on the mere paper merchandise of men placed there in return for it, and, furthermore, has power to deposit its authorized notes in national banks to be loaned under the Aldrich-Vreeland Act to any person of their choice, then by the same principle we are now warranted in demanding that this same Government send its currency, springing from its sovereign monetary function, to the stricken South, to be deposited in banks with the just restriction that it be advanced only to distressed cotton growers at a low rate of interest and upon reasonable terms.

Permit me, in conclusion, to invoke the Baltimore platform as ample warrant for our demand. It reads on this subject as follows:

We condemn the present methods of depositing Government funds in a few favored banks, largely situated in or controlled by Wall Street, in return for political favors, and we pledge our party to provide by law for their deposit by competitive bidding in the banking institutions of the country, national and State, without discrimination as to locality, upon approved securities and subject to call by the Government.

If we follow our pledge, then we "will render temporary relief in localities where such relief is needed" by issuing these emergency notes.

Mr. LEVER. Mr. Speaker, I yield two minutes to the gentleman from Mississippi [Mr. CANDLER].

The SPEAKER. The gentleman from Mississippi [Mr. CANDLER] is recognized for two minutes.

Mr. CANDLER of Mississippi. Mr. Speaker, there is nothing in this bill that will interfere in the least with any warehouses in any State or with any law governing warehouses in any State. As was stated a moment ago by the distinguished gentleman from Alabama [Mr. HEFLIN], there is no requirement in this bill, and there could not be any requirement in this bill, of course, that would be enforceable, that would demand or require that they should come under its provisions. It simply provides for the establishment of warehouses to be licensed by the United States Government.

The farmers throughout this country have been asking for many, many years for the establishment of warehouses in which they might place their products that were nonperishable and that would furnish a basis of credit upon which they could secure money from the United States Government. This meets the requests, this meets the requirements, this meets the demands, of the farmers throughout the United States of America. Their request was recognized in the currency bill, and this bill will give them an opportunity to realize it in a substantial way, because the Secretary of the Treasury says he will advance money on warehouse receipts. They are not citizens of this country that you can lightly consider, for the reason that they stand behind not only the balance of trade in this country but its prosperity, its welfare, and its good; and they are not only patriotic citizens in time of peace but they are patriotic and brave citizens in time of war.

This is an emergency, as was stated a moment ago, and it is an emergency that must be met at this time. My friend from Texas [Mr. HENRY] may call it a "makeshift," still it is better to secure something in order to give the people some character of legislation and some measure of relief than to secure nothing and to give them no relief whatever. I had the honor to be on the subcommittee and helped to write this bill, and hope it will pass. [Applause on the Democratic side.] It is not a sectional bill. It has to do with crops worth millions upon millions of dollars. These crops involve the prosperity of the whole country and enter into the very centers of trade and effects vitally the interest of all our people. The city and the country are all alike involved. The prosperity of one contributes to the prosperity of all. Will you, my fellow Members,

lend a helping hand and by your votes pass this bill and thus help us in the South in this hour of distress, and by helping us help your own people? I sincerely hope you will. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. MADDEN. Mr. Speaker, I yield to the gentleman from North Dakota [Mr. HELGESEN].

The SPEAKER. The gentleman from North Dakota [Mr. HELGESEN] is recognized.

Mr. HELGESEN. Mr. Speaker, I am in sympathy with what this bill seeks to accomplish, and I am in sympathy with it, too, in spite of the fact that I represent a constituency that has no direct interest whatever in the price of raw cotton. I am in sympathy with it because I do not consider it a temporary measure. If it becomes a law, it will be a permanent law that will benefit all farmers so long as it remains on the statute books.

In our country we depend wholly upon the raising of grain. It is therefore called a "one-crop" country. Business is done on credit, and after harvest the farmers are compelled to throw their entire crop, almost, on the market immediately for the purpose of getting money enough to pay the running expenses of their farm operations. The throwing of this enormous amount of grain on the market in a hurry has the effect of depressing the price.

The SPEAKER. The time of the gentleman from North Dakota has expired.

Mr. MADDEN. Mr. Speaker, I yield one minute to the gentleman from Pennsylvania [Mr. MOORE].

The SPEAKER. The gentleman from Pennsylvania [Mr. MOORE] is recognized for one minute.

Mr. MOORE. Mr. Speaker, this bill may be unconstitutional. It probably is; but whether it is or not, it is certainly special legislation. It pertains solely to cotton. It started in the Senate in the interest of cotton. Canned salmon was tacked on over there, but canned salmon has been taken out and grain has been added to cotton, to catch up on agricultural products.

I call the attention of the "farmers' friends" who have already spoken on this bill to the fact that the farmer who raises potatoes, or tomatoes, or apples, or cranberries, or other perishable crops, will have no advantage under this bill. Even grain is not wholly nonperishable. Wheat is not nonperishable. It will have no advantage under this bill. It is a buffer here for cotton.

Mr. LEVER. It is in the bill, I will say to the gentleman.

Mr. MOORE. It gets hot in the cars and it gets hot in ships. If the farmers who raise wheat or corn think they are going to get anything out of this bill, they should think twice. I want to help cotton, but I do not want to overlook other farm products that are equally entitled to our consideration. It is impossible to intelligently discuss this bill in one minute. However, it should be said that, while the bill looks like an agricultural bill, it intends to take care of cotton as the one great nonperishable farm product. The idea is to pave the way to finance cotton. Farmers who are not engaged in this special interest may not, and probably will not, have the warehouse-receipt opportunity of raising money that is here accorded to the planter. The representative on this floor of the ordinary farmer who raises other agricultural products than cotton ought to know that he is voting for a special interest if he votes for this bill.

Mr. MADDEN. I yield two minutes to the gentleman from New York [Mr. FITZGERALD].

Mr. FITZGERALD. Mr. Speaker, I am opposed to this bill. It proposes to extend the activities of the Federal Government into fields in which the States have ample powers, and if they properly perform the functions devolving upon them there will be no necessity for the Federal Government to interfere.

Section 3 of the House bill authorizes the Secretary of Agriculture "to investigate the storage, warehousing, classifying, grading, weighing, and certification of agricultural products." There is no limitation upon the authority conferred upon the Secretary of Agriculture in such investigations. It is like all similar legislation, couched in the most comprehensive language, accompanied by an initial appropriation of $100,000, eventually to mean that the Federal Government will have a horde of agents in every State in the Union inspecting warehouses, investigating warehouses, and performing functions that properly belong to States and municipalities. This is one of the evils of our present age, the constant tendency to transfer to the Federal Government from States and individuals burdens which properly belong to them.

I know that at present in many sections of the country an unfortunate condition exists, but that makes it all the more imperative that legislation designed to extend relief shall be guarded with the utmost care, that mere temporary expediencies shall not be adopted, to become a permanent policy, contrary to our traditions and to the unbroken policy of our Government. No more dangerous example can be set than to encourage the people of any community or of any section to believe that when disaster or trouble comes upon them a sure remedy can be found in Federal legislation. There are other fundamental objections to this bill based upon its underlying principles, which I can not discuss in the brief time at my disposal. The objections to the bill are such that I can not give it my support.

The SPEAKER. The gentleman from South Carolina [Mr. LEVER] has six minutes left.

Mr. LEVER. Mr. Speaker, I desire to congratulate the distinguished gentleman from Texas [Mr. HENRY] upon the company he is keeping this evening. The gentleman has posed for two months around this building as the only simon-pure, genuine friend of the farmer. We have brought in from the Committee on Agriculture a bill which, to the minds of practical men, will afford a measure of relief to the distressed people of the South and at the same time add to our system of marketing a permanent feature which it does not now have. The gentleman from Texas [Mr. HENRY] ought to remember that the Federal reserve act is about to go into operation, and that act, for the first time in the history of this country, recognizes agricultural products as being on a parity with commercial paper. This bill is a preparation for the utilization of that great currency measure. [Applause.] Where does the opposition to this bill come from? From my distinguished friend from New York [Mr. FITZGERALD], the chairman of the Committee on Appropriations; and I want to say to him that except for the hundreds of millions of dollars that my distressed people are pouring into the coffers of your merchants and your bankers of New York your city would be growing up in grass and bulrushes. [Applause.]

The contention is made that this bill is an interference with State rights. The bill in its very language asserts that nothing in it shall be construed to interfere with existing State laws.

My distinguished and verbose friend from Pennsylvania [Mr. MOORE] says that it is a cotton bill, that it has nothing but cotton in it. The gentleman has not read the bill, and I will bet him 20 cents to a dime that he has not. [Applause.] The very definition of the bill provides that it shall include cotton, grain, and such other stable and nonperishable agricultural products as shall be designated by the Secretary of Agriculture.

Mr. MOORE. Will the gentleman yield?

Mr. LEVER. I can not yield. The gentleman from Texas [Mr. HENRY] says that it is an interference with State rights and that it reeks of federalism. Great heavens, let the gentleman from Texas go over to his friend from Michigan [Mr. MCLAUGHLIN] and read with him the bills that the gentleman himself has introduced! [Applause.] But whenever we come with a piece of constructive legislation in the interest of the agricultural producing masses of this country we find men on this side and men on that side willing to oppose it on the ground of federalism or economy or something else. Why, we are appropriating more now for the harbor of New York than we are appropriating for the agricultural interests of the United States.

Mr. FITZGERALD. I beg the gentleman's pardon; we are not.

Mr. LEVER. How much are you appropriating?

Mr. FITZGERALD. Nothing, I regret to say. [Laughter.]

Mr. LEVER. Then the gentleman has been sleeping on his job.

Mr. FITZGERALD. No; I have not.

Mr. POU. New York Harbor has had $17,000,000.

Mr. LEVER. Exactly. Now, my friend from Wisconsin [Mr. LENROOT], who is usually very level-headed, complains because this bill is not predicated on the interstate-commerce clause of the Constitution. The Agricultural Committee deliberately refused to do that for the reason that we did not want to concentrate all of the cotton, all of the grain, all of the agricultural products of this country in great central warehouses. We are trying to get the benefit of this bill right back to the farmer and not to the greedy corporations which bleed the farmer.

Now, I want to say to my southern friends that while this bill is not a sectional bill—it does not pertain to the South any more than it does to any other agricultural section of the country—at the same time, in this condition of distress, the worst that we have had since the Civil War, a few men may stand on little technicalities, small objections, and defeat the bill; but the responsibility will be upon you and not upon the patriotic, hard-working members of the Agriculture Committee [applause], who have tried, in season and out of season, to bring to this House bills for the general welfare of agriculture, and which would do the business. [Applause.]

The SPEAKER. The time of the gentleman from South Carolina has expired. All time has expired, and the question is on suspending the rules and passing the bill.

Mr. HEFLIN and Mr. LEVER demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 164, nays 109, answered "present" 5, not voting 150, as follows:

YEAS—164.

Abercrombie	Davenport	Helm	Raker
Adair	Davis	Helvering	Rauch
Adamson	Decker	Hensley	Reed
Aiken	Dent	Holland	Reilly, Wis.
Alexander	Dershem	Howell	Rubey
Allen	Dickinson	Hughes, Ga.	Rupley
Aswell	Dies	Jacoway	Russell
Baltz	Difenderfer	Johnson, Ky.	Saunders
Barkley	Dillon	Johnson, S. C.	Seldomridge
Barnhart	Dixon	Keating	Sims
Barton	Doolittle	Kettner	Sinnott
Bathrick	Doughton	Kinkaid, Nebr.	Sloan
Beakes	Dupré	Kirkpatrick	Small
Bell, Ga.	Eagle	Kitchin	Smith, Tex.
Blackmon	Edwards	La Follette	Steenerson
Borchers	Evans	Lazaro	Stephens, Miss.
Brodbeck	Falconer	Lee, Ga.	Stephens, Nebr.
Browne, Wis.	Fergusson	Lee, Pa.	Stephens, Tex.
Bruckner	Ferris	Lever	Stone
Brumbaugh	Fields	Lieb	Stout
Bryan	Finley	Lindbergh	Taggart
Buchanan, Ill.	Fitzhenry	Lloyd	Tavenner
Burke, S. Dak.	Flood, Va.	Lobeck	Taylor, Ala.
Burnett	Floyd, Ark.	McKellar	Taylor, Ark.
Byrnes, S. C.	Foster	Maguire, Nebr.	Taylor, Colo.
Byrns, Tenn.	Garner	Mitchell	Taylor, N. Y.
Candler, Miss.	Garrett, Tex.	Morgan, La.	Thacher
Cantrill	Gilmore	Morgan, Okla.	Thomas
Caraway	Glass	Morrison	Thompson, Okla.
Carter	Godwin, N. C.	Moss, Ind.	Tribble
Clancy	Goodwin, Ark.	Mulkey	Underwood
Clark, Fla.	Gray	Nelson	Vaughan
Claypool	Hamlin	Oldfield	Vollmer
Coady	Hammond	Padgett	Walker
Collier	Harrison	Page, N. C.	Watson
Connelly, Kans.	Hart	Park	Weaver
Cooper	Haugen	Peterson	Webb
Cox	Hawley	Porter	Whaley
Crisp	Hayden	Pou	Wingo
Cullop	Heflin	Prouty	Young, N. Dak.
Curry	Helgesen	Quin	Young, Tex.

NAYS—109.

Ainey	Edmonds	Humphrey, Wash.	Post
Ashbrook	Esch	Igoe	Rayburn
Avis	Fess	Johnson, Utah	Reilly, Conn.
Bailey	Fitzgerald	Kahn	Roberts, Mass.
Baker	Fordney	Kelley, Mich.	Roberts, Nev.
Bartlett	Gallagher	Kennedy, Conn.	Rogers
Beall, Tex.	Gard	Kennedy, Iowa	Scott
Booher	Garrett, Tenn.	Lenroot	Sherley
Borland	Gerry	Levy	Sherwood
Bowdle	Gillett	Logue	Sisson
Brockson	Gittins	Lonergan	Slayden
Buchanan, Tex.	Good	McClellan	Smith, J. M. C.
Bulkley	Gordon	McGillicuddy	Smith, N. Y.
Butler	Green, Iowa	McLaughlin	Smith, Saml. W.
Calder	Greene, Mass.	Madden	Stafford
Campbell	Greene, Vt.	Mann	Stevens, Minn.
Cantor	Griest	Mapes	Sutherland
Carew	Griffin	Miller	Towner
Cline	Hamilton, Mich.	Mondell	Townsend
Cramton	Hamilton, N. Y.	Moon	Tuttle
Crosser	Hardwick	Moore	Underhill
Danforth	Hardy	Murray	Volstead
Deitrick	Hay	Patton, Pa.	White
Donohoe	Hayes	Payne	Williams
Donovan	Henry	Peters	Witherspoon
Driscoll	Hinds	Phelan	
Drukker	Hughes, W. Va.	Platt	
Eagan	Hull	Plumley	

ANSWERED "PRESENT"—5.

Hill	Johnson, Wash.	Manahan	Shackleford
Houston			

NOT VOTING—150.

Anderson	Dooling	Harris	Lewis, Pa.
Ansberry	Doremus	Hinebaugh	Lindquist
Anthony	Dunn	Hobson	Linthicum
Austin	Elder	Howard	Lo't
Barchfeld	Estopinal	Hoxworth	McAndrews
Bartholdt	Fairchild	Hulings	McGuire, Okla.
Bell, Cal.	Faison	Humphreys, Miss.	McKenzie
Britten	Farr	Jones	MacDonald
Broussard	Fowler	Keister	Mahan
Brown, N. Y.	Francis	Kelly, Pa.	Maher
Brown, W. Va.	Frear	Kennedy, R. I.	Martin
Browning	French	Kent	Merritt
Burgess	Gallivan	Key, Ohio	Metz
Burke, Pa.	Gardner	Kiess, Pa.	Montague
Burke, Wis.	George	Kindel	Morin
Callaway	Gill	Kinkead, N. J.	Moss, W. Va.
Carlin	Goeke	Knowland, J. R.	Mott
Carr	Goldfogle	Konop	Murdock
Cary	Gorman	Korbly	Neeley, Kans.
Casey	Goulden	Kreider	Neely, W. Va.
Chandler, N. Y.	Graham, Ill.	Lafferty	Nolan, J. I.
Church	Graham, Pa.	Langham	Norton
Connolly, Iowa	Gregg	Langley	O'Brien
Conry	Gudger	L'Engle	Oglesby
Copley	Guernsey	Lesher	O'Hair
Dale	Hamill	Lewis, Md.	O'Leary
O'Shaunessy	Sabath	Stevens, N. H.	Walsh
Paige, Mass.	Scully	Stringer	Walters
Palmer	Sells	Sumners	Watkins
Parker	Shreve	Switzer	Whitacre
Patten, N. Y.	Slemp	Talbott, Md.	Willis
Powers	Smith, Idaho	Talcott, N. Y.	Wilson, Fla.
Ragsdale	Smith, Md.	Temple	Wilson, N. Y.
Rainey	Smith, Minn.	Ten Eyck	Winslow
Riordan	Sparkman	Thomson, Ill.	Woodruff
Rothermel	Stanley	Treadway	Woods
Rouse	Stedman	Vare	
Rucker	Stephens, Cal.	Wallin	

So, two-thirds not having voted in favor thereof, the motion to suspend the rules and pass the bill was rejected.

The Clerk announced the following additional pairs:

Until further notice:

Mr. DOREMUS with Mr. ANDERSON.

Mr. NEELY of West Virginia with Mr. BARCHFELD.

Mr. RIORDAN with Mr. BARTHOLDT.

Mr. RUCKER with Mr. SMITH of Minnesota.

Mr. CARLIN with Mr. WINSLOW.

Mr. ANSBERRY with Mr. FREAR.

Mr. ELDER with Mr. MCGUIRE of Oklahoma.

Mr. HOWARD with Mr. SMITH of Idaho.

Mr. FOWLER with Mr. WOODRUFF.

Mr. GOEKE with Mr. TEMPLE.

Mr. ROUSE with Mr. DUNN.

Mr. SPARKMAN with Mr. LANGHAM.

Mr. STEDMAN with Mr. MCKENZIE.

Mr. WILSON of Florida with Mr. J. I. NOLAN.

Mr. HAMILL with Mr. SWITZER.

On this vote:

Mr. HUMPHREYS of Mississippi (for motion) with Mr. JOHNSON of Washington (against).

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. LINTHICUM, indefinitely, on account of illness.

To Mr. WALTERS, indefinitely, on account of illness.

To Mr. CARY, for 10 days, on account of illness.

To Mr. LENROOT, indefinitely, on account of illness in his family.

RURAL CREDITS.

Mr. MOSS of Indiana. Mr. Speaker, I ask unanimous consent that immediately after the reading and approval of the Journal on Thursday next I be given the right to address the House for 30 minutes on the question of rural credits.

The SPEAKER. The gentleman from Indiana asks unanimous consent that on Thursday next, after the reading of the Journal and the disposition of business on the Speaker's table, he be allowed to address the House for 30 minutes on the subject of rural credits. Is there objection?

Mr. DONOVAN. Mr. Speaker, I object.

EXTENSION OF REMARKS IN THE RECORD.

Mr. BORLAND. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the subject of the war-revenue tax.

The SPEAKER. Is there objection?

Mr. MCLAUGHLIN. Mr. Speaker, I make the same request upon the same subject.

The SPEAKER. The gentleman from Michigan makes the same request. Is there objection?

Mr. FLOOD of Virginia. Mr. Speaker, I make the same request.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, do gentlemen really wish to extend their remarks on the war-revenue bill, when they have had leave for 10 days, 7 days after the bill was passed?

Mr. BORLAND. Mr. Speaker, I will say to the gentleman that I realize that the time has expired and I had the leave, but I really intend to print some views on the war-revenue tax and on no other subject.

Mr. SPEAKER. Is there objection?

Mr. LEVER. Mr. Speaker, reserving the right to object, the gentleman from Indiana [Mr. Moss] has submitted a request for a little time on a very important proposition. Objection is made to that, and I wish that the gentleman from Connecticut [Mr. DONOVAN] would withdraw his objection. The gentleman from Indiana is a close student of the question.

Mr. DONOVAN. Mr. Speaker, I am going to object to all requests for time for speeches, regardless of who makes them. It is pretty nearly time for this Congress to stop talking and adjourn. [Applause.]

The SPEAKER. Is there objection to the requests of the gentleman from Missouri [Mr. BORLAND], the gentleman from

Michigan [Mr. McLAUGHLIN], and the gentleman from Virginia [Mr. FLOOD] to extend their remarks?

Mr. MANN. Upon the subject of the war-revenue tax?

The SPEAKER. Yes. Is there objection?

Mr. LEVER. Mr. Speaker, reserving the right to object, I desire to submit with that request a request that all gentlemen who spoke on the warehouse bill this afternoon may have the right to extend their remarks upon that subject.

The SPEAKER. Coupled with that request, the gentleman from South Carolina——

Mr. MANN. Mr. Speaker, I think they ought to be put separately.

The SPEAKER. The Chair will first submit the requests of the three gentlemen to extend their remarks on the war-revenue bill. Is there objection? [After a pause.] The Chair hears none. The gentleman from South Carolina asks unanimous consent that all gentlemen who spoke on the warehouse bill shall have the right to extend their remarks in the RECORD. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, here is a bill that comes up under a rule with 20 minutes' debate on a side, and I suppose many gentlemen who spoke, who desire to extend, will want to extend speeches in the RECORD that if delivered would take two or three hours to deliver, but I shall not object.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. HEFLIN. Mr. Speaker, there are a good many Members here, and some, at least, would like to have an opportunity to discuss the cotton situation in the South. The gentleman from Indiana [Mr. Moss] wants to make a speech in reference to rural credits. I wish we could have a night session or two at which we could discuss these propositions and do nothing but discuss them, and I ask unanimous consent that when the House adjourns to-morrow afternoon that it reconvene at 8——

Mr. FITZGERALD. That is when the committee rises.

Mr. HEFLIN. Yes; when the committee rises, that the House shall take a recess until 8, and there may be a night session until not later than 11 o'clock for the purpose of discussing the cotton situation, and that the gentleman from Indiana [Mr. Moss] may have 30 minutes of that time, and I am to have 45 minutes of it. [Laughter.]

The SPEAKER. The gentleman from Alabama [Mr. HEFLIN] asks unanimous consent that to-morrow afternoon at 5 o'clock the House shall stand in recess until 8 o'clock, and there shall be a night session extending until not later than 11 o'clock for the sole purpose of discussing the cotton question, and that the gentleman from Indiana [Mr. Moss] is to have 30 minutes of that time and the gentleman from Alabama [Mr. HEFLIN] is to have 45 minutes. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object——

Mr. RAKER. Mr. Speaker, reserving the right to object, I want to ask whether any other subject is to be discussed. I want 30 minutes.

The SPEAKER. Not under the request.

Mr. RAKER. Then, Mr. Speaker, reserving the right to object, I want to call the attention of the gentleman to the fact that I want 30 minutes at some time to address this House.

Mr. HEFLIN. I am in favor of having other night sessions. We will have plenty of time. There will be no trouble about that, I am sure.

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, when the rule in reference to the Philippine bill came before the House the other day I called the attention of the House to what would be the effect of that rule—that it would crowd out everything else. In spite of that, the Democratic side of the House forced that rule through. Since then that side has extended no courtesy to this side of the House in reference to debate, and I object.

The SPEAKER. The gentleman from Illinois objects.

Mr. BEAKES. Mr. Speaker, I ask permission to extend my remarks in the RECORD.

The SPEAKER. On what subject?

Mr. BEAKES. On the subject of the work of the Sixty-third Congress.

The SPEAKER. The gentleman from Michigan [Mr. BEAKES] asks unanimous consent to extend his remarks in the RECORD on the work of the Sixty-third Congress. Is there objection?

Mr. MANN. Mr. Speaker, I object.

ADJOURNMENT.

Mr. LEVER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 57 minutes p. m.) the House adjourned to meet to-morrow, Tuesday, October 6, 1914, at 12 o'clock noon.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. ADAMSON: A bill (H. R. 19113) to enable owners of cotton produced by them or on their land to borrow money by depositing as security warehouse receipts issued for the period of the loan; to the Committee on Banking and Currency.

By Mr. TAYLOR of Colorado: A bill (H. R. 19114) to amend section 2324 of the Revised Statutes of the United States, relating to mining claims; to the Committee on Mines and Mining.

By Mr. CASEY: A bill (H. R. 19115) to appropriate $50,000 to erect a suitable monument on the Wyoming battle grounds on the Susquehanna River, in the State of Pennsylvania; to the Committee on the Library.

By Mr. TAYLOR of Colorado: A bill (H. R. 19116) to grant certain lands to the city of Grand Junction, Colo., for the protection of its water supply; to the Committee on the Public Lands.

By Mr. FOWLER: A bill (H. R. 19117) granting to the soldiers of the Civil War and the War with Mexico a pension of $30 per month, and for other purposes; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Washington: A bill (H. R. 19118) providing that the annual assessment work on placer and lode mining claims in Alaska for the year 1914 may be performed not later than January 1, 1916, without lapse or forfeiture of such mining claims; to the Committee on Mines and Mining.

By Mr. LEVY: Joint resolution (H. J. Res. 365) requesting the President to take such steps as he may deem necessary to have the Republic of Cuba reimburse the United States for expenditures from the United States Treasury, made necessary on account of the army of pacification in Cuba; to the Committee on Foreign Affairs.

By Mr. FITZGERALD: Joint resolution (H. J. Res. 366) authorizing the Secretary of War to use any allotment made under the provisions of an act approved October 2, 1914, entitled "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," for the improvement of East River and Hell Gate, N. Y.; to the Committee on Rivers and Harbors.

By Mr. CAMPBELL: Resolution (H. Res. 635) calling upon the Secretary of the Treasury for certain information concerning the deposit of Government funds in the National Park Bank, of New York; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLACKMON: A bill (H. R. 19119) for the relief of William S. Yongue; to the Committee on Naval Affairs.

By Mr. CARY: A bill (H. R. 19120) granting an increase of pension to Vernon D. Bennett; to the Committee on Pensions.

By Mr. COADY: A bill (H. R. 19121) granting a pension to Ida L. Carter; to the Committee on Pensions.

Also, a bill (H. R. 19122) granting a pension to Michael Williams, alias William H. Cabondy; to the Committee on Invalid Pensions.

By Mr. DOOLITTLE: A bill (H. R. 19123) granting an increase of pension to Angelette Van Buskirk; to the Committee on Invalid Pensions.

By Mr. FITZHENRY: A bill (H. R. 19124) granting a pension to Joseph M. Howe; to the Committee on Pensions.

Also, a bill (H. R. 19125) granting an increase of pension to William Kinsey; to the Committee on Invalid Pensions.

By Mr. GREEN of Iowa: A bill (H. R. 19126) granting a pension to Julia E. Barber; to the Committee on Invalid Pensions.

By Mr. HULL: A bill (H. R. 19127) for the relief of the heirs of Joseph G. Berry; to the Committee on War Claims.

By Mr. LANGHAM: A bill (H. R. 19128) granting an increase of pension to Mary J. Campbell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19129) granting an increase of pension to Harvey Haugh; to the Committee on Invalid Pensions.

By Mr. SHREVE: A bill (H. R. 19130) granting a pension to Stella M. Glas; to the Committee on Pensions.

Also, a bill (H. R. 19131) granting a pension to Bridget E. Reid; to the Committee on Pensions.

Also, a bill (H. R. 19132) granting an increase of pension to Marilla Shakelton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19133) granting an increase of pension to Thomas Williams; to the Committee on Invalid Pensions.

By Mr. SMITH of New York: A bill (H. R. 19134) granting a pension to John McGovern; to the Committee on Invalid Pensions.

By Mr. SAMUEL W. SMITH: A bill (H. R. 19135) granting an increase of pension to Michael Cribbins; to the Committee on Invalid Pensions.

By Mr. TAVENNER: A bill (H. R. 19136) granting a pension to Frank Mitchell; to the Committee on Pensions.

Also, a bill (H. R. 19137) granting a pension to Harvey C. Van Meter; to the Committee on Pensions.

Also, a bill (H. R. 19138) granting an increase of pension to John B. Kelley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19139) granting an increase of pension to Samuel Tygret; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. CARR: Petition of E. F. Hemminger, of Meyersdale, Pa., and the Harris-Smith Coal & Coke Co., of Uniontown, Pa., protesting against bill to prohibit Post Office Department from furnishing return envelopes; to the Committee on the Post Office and Post Roads.

Also, petition of the Somerset County (Pa.) Medical Society, protesting against House bill 6282, the Harrison national narcotic bill; to the Committee on Ways and Means.

By Mr. CARY: Petition of M. G. Rankin & Co., of Milwaukee, Wis., and Cudahy Bros. Co., of Cudahy, Wis., protesting against legislation to prohibit selling stamped envelopes with the address to business people; to the Committee on the Post Office and Post Roads.

By Mr. CURRY: Petition of 12 citizens of the third California congressional district, favoring national prohibition; to the Committee on Rules.

By Mr. MILLER: Petitions of sundry citizens of the eighth Minnesota district, favoring national prohibition; to the Committee on Rules.

Also, petition of sundry citizens of the eighth Minnesota district, against national prohibition; to the Committee on Rules.

By Mr. POU: Petition of various merchants of the State of North Carolina, favoring the passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. REED: Petition of Hurd & Kinney, attorneys and counselors at law, of Claremont; J. F. Libby, attorney at law, Gorman; and Arthur T. Cass, cashier of the Citizens' National Bank, Tilton, all in the State of New Hampshire, protesting against the passage of the bill to discontinue the furnishing of special-request envelopes; to the Committee on the Post Office and Post Roads.

HOUSE OF REPRESENTATIVES.

TUESDAY, *October 6, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We thank Thee, our Father in heaven, that out of the terrible conflict now raging in all Europe a broader patriotism is being awakened in the hearts of our people, born of love for mankind, made manifest in the gathering together of the peoples of all churches, in response to our President's proclamation, in a universal prayer for peace; for the spirit of sympathy aroused for the suffering and sorrowing, demonstrated in the relief going out from our National Red Cross Association, and from many other sources, which will not only be felt and appreciated by the wounded but by all who are made to suffer by the cruel and relentless hand of war, and we pray that the horrors of war may teach the larger lesson of brotherly love and a clearer vision come to the world, which will forever make war impossible, peace sweeter, and the spirit of the Christ more universal in the hearts of men, and everlasting praise be Thine, our God and our Father. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

The message also announced that the President had approved and signed bills of the following titles:

On October 3, 1914:

S. 1930. An act granting to the Atchison, Topeka & Santa Fe Railway Co. a right of way through the Fort Wingate Military Reservation, N. Mex., and for other purposes; and

S. 3550. An act ratifying the establishment of the boundary line between the States of Connecticut and Massachusetts.

On October 5, 1914:

S. 657. An act to authorize the reservation of public lands for country parks and community centers within reclamation projects, and for other purposes.

On September 29, 1914:

S. 4274. An act to authorize and require an extension of the street railway lines of the Washington Railway & Electric Co., and for other purposes.

ANTITRUST LEGISLATION.

Mr. WEBB. Mr. Speaker, I ask unanimous consent that the conference report just presented from the Senate on the bill H. R. 15657, to supplement existing laws against unlawful restraints and monopolies, and for other purposes, be taken up to-morrow for consideration.

The SPEAKER. The gentleman from North Carolina [Mr. WEBB] asks unanimous consent that to-morrow, after the reading of the Journal and the disposition of matter on the Speaker's table, the conference report on the trust bill be taken up. Is there objection?

Mr. MANN. Reserving the right to object, would it not first require unanimous consent to dispense with the proceedings under the rule to-morrow?

Mr. WEBB. My idea of it was that by granting of unanimous consent to take up the trust bill to-morrow it would be tantamount to doing away with Calendar Wednesday.

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object——

Mr. BARNHART. Reserving the right to object, I would like to inquire of the gentleman if it will take all day?

Mr. WEBB. I think I can answer the gentleman in a few moments, after I have had a little parley with my friends on the other side.

Mr. MANN. We would undoubtedly insist on its taking all day.

Mr. BARNHART. Mr. Speaker, I object.

Mr. WEBB. Then, Mr. Speaker, I ask unanimous consent that we take up the conference report on Thursday.

Mr. BARNHART. I did not know that the gentleman's request had to do with the trust bill. I withdraw my objection.

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, how much time for debate would the gentleman be willing to grant?

Mr. WEBB. Any liberal amount. We would have no objection to discussing it for half a day, if we can agree on what half a day would be in hours. I think that would be proper.

Mr. STAFFORD. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. STAFFORD. Is it possible, by unanimous consent, on a day other than Calendar Wednesday, to set aside the proceedings in order on that day?

The SPEAKER. The Chair did not understand the gentleman's question.

Mr. STAFFORD. Is it possible, by unanimous consent, on a day other than Calendar Wednesday, to set aside the proceedings in order on Calendar Wednesday?

The SPEAKER. Why, yes; the Chair would think so. The Calendar Wednesday rule provides simply for a two-thirds vote, and surely unanimous consent is better than a two-thirds vote.

Mr. STAFFORD. There is also that further rule of the House that the Committee on Rules is not permitted to bring in any rule that will set aside proceedings on Calendar Wednesday without a vote of two-thirds of the membership.

The SPEAKER. That is all true, but anything can be done by unanimous consent. And the Chair will undoubtedly hold that where there is unanimous consent given it outranks even a two-thirds vote.

Mr. STAFFORD. Unanimous consent being presented on Calendar Wednesday——

The SPEAKER. There is one thing about it; if the gentleman does not like this proposition, he can object.

Mr. STAFFORD. That is not the question. It is a question of Calendar Wednesday.

Mr. MANN. Would the gentleman from North Carolina [Mr. WEBB] be willing whenever this is taken up to allow us two hours and a half debate on a side, and make it so that if it comes up to-morrow and is not disposed of, as it might not be—I can not tell how much time might be taken up on other matters—it could go over then?

Mr. WEBB. Does not the gentleman think that four hours, two hours on a side, would be sufficient? It has been suggested by some of the minority members of the committee that that might be enough. I have no objection to five hours, if the gentleman thinks that much time is required.

Mr. MANN. As a matter of fact, I think two hours and a half would very much cramp this side of the House in discussing the conference report.

Mr. WEBB. I hope my friend understands that I have no disposition to curtail fair, open, and free discussion.

Mr. MANN. I understand. I think everybody would like to see it disposed of.

Mr. BARNHART. A parliamentary inquiry, Mr. Speaker?

The SPEAKER. The gentleman will state it.

Mr. BARNHART. If the Printing Committee is deprived of its right of way on Calendar Wednesday by unanimous consent, might that not necessarily imply a relinquishment of its right of way for the following Wednesday?

The SPEAKER. No. Is there objection to taking up this conference report to-morrow after the reading of the Journal?

Mr. WEBB. Mr. Speaker, may I couple with that request the further request that in view of the time of five hours we meet at 11 o'clock?

The SPEAKER. Of course the gentleman can couple that with his request.

Mr. WEBB. That will enable us to clean up the bill before evening to-morrow.

The SPEAKER. How much time have the gentlemen agreed on?

Mr. MANN. I suggest to the gentleman that he make his request so that if the conference report is not disposed of to-morrow it will be in order on the following day.

Mr. WEBB. I do make it that way, Mr. Speaker.

Mr. MANN. So that when we take it up we shall finish it before we go into something else.

Mr. UNDERWOOD. I understand the gentleman's request is that immediately after the reading of the Journal to-morrow it shall be in order to take up the conference report on the trust bill, which has just come over from the Senate, and that there shall be five hours' debate, at the end of which time the previous question shall be considered as ordered and a vote shall be had; and that carries it over to any day when it would follow.

Mr. WEBB. That is my purpose, Mr. Speaker, so that it can be a continuous discussion until it is concluded.

The SPEAKER. The gentleman from North Carolina [Mr. WEBB] asks unanimous consent that the House shall meet to-morrow at 11 o'clock, and that the conference report on the trust bill shall be taken up immediately after the reading of the Journal and the disposition of necessary matters on the Speaker's table, and that the debate shall continue not to exceed five hours, one half, I suppose, to be controlled by the gentleman from North Carolina [Mr. WEBB] and the other half by the gentleman——

Mr. MANN. By the gentleman from Minnesota [Mr. VOLSTEAD]——

Mr. WEBB. Yes; the gentleman from Minnesota.

The SPEAKER. And the other half by the gentleman from Minnesota; and at the end of the debate the previous question shall be considered as ordered and a vote immediately had. Is there objection?

Mr. MANN. Reserving the right to object, Mr. Speaker, I would like to propound a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MANN. In case a point of order should be made against the conference report, this would not set aside the right to make a point of order?

The SPEAKER. Oh, no; all points of order are reserved. It will just give the right of consideration. Is there objection? [After a pause.] The Chair hears none, and it is so ordered. The House will meet to-morrow at 11 o'clock. Under the special rule the House automatically resolves itself into the Committee of the Whole House on the state of the Union for the further consideration of House bill 18459, with the gentleman from Virginia [Mr. FLOOD] in the chair.

THE PHILIPPINE ISLANDS.

Thereupon the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands, with Mr. FLOOD of Virginia in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 18459, the Philippine bill, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands.

The CHAIRMAN. The question is upon agreeing to the amendment offered by the gentleman from Georgia [Mr. BARTLETT].

Mr. MURRAY rose.

The CHAIRMAN. For what purpose does the gentleman from Oklahoma rise?

Mr. MURRAY. I wanted to withdraw my amendment before action is taken on the other amendment.

Mr. MADDEN. What amendment does the gentleman wish to withdraw?

Mr. MURRAY. The amendment that I offered with reference to jury trials.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to withdraw his amendment.

Mr. MADDEN. I object, Mr. Chairman.

Mr. MANN. Mr. Chairman, I ask that the pending amendment be reported.

The CHAIRMAN. The pending amendment is the amendment offered by the gentleman from Georgia [Mr. BARTLETT].

Mr. MANN. I ask that it be reported, so that the committee may be advised.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendment by Mr. BARTLETT:
Page 3, line 17, after the word "trial," insert the words "by an impartial jury to be selected from the district wherein the offense was committed."

Amendment by Mr. MURRAY:
Page 3, after line 19, add a new paragraph, as follows:
"The right of trial by jury shall be and remain inviolate, and a jury for the trial of civil and criminal cases in courts of record shall consist of 12 men, but in courts not of record a jury may consist of 6 men."

The CHAIRMAN. The gentleman from Oklahoma [Mr. MURRAY] asks unanimous consent to withdraw his amendment.

Mr. MADDEN. Reserving the right to object, Mr. Chairman, I want to know if there is going to be any such amendment as this pending or voted on, whether it is the purpose of withdrawing the question of jury trials altogether?

Mr. MURRAY. I did not hear what the gentleman said.

Mr. MADDEN. I want to know if the gentleman receded from the position with reference to jury trials, and whether that is the purpose he had in mind in withdrawing the amendment?

The CHAIRMAN. The gentleman from Oklahoma [Mr. MURRAY] asks unanimous consent to withdraw his amendment, and the gentleman from Illinois [Mr. MADDEN] objects.

Mr. MURRAY. I ask that, in view of the fact that the proceedings here the other day disclosed the fact that not only many portions of the Philippine Islands could not summon a jury qualified, but they were not capable of self-government; and therefore I recognize the principle that you must make a government to suit the people.

Mr. MADDEN. Does the gentleman say, in the face of the fact that everybody who advocates the passage of this bill admits the inability of the people of the Philippine Islands to serve on a jury, that they are still qualified for self-government? [Laughter on the Republican side.]

Mr. MURRAY. Only the uncivilized tribes. I am sure that a portion of the Philippine Islands would be capable of having jury trials, but the argument the other day from both sides of the House tends to show that on a great portion of the islands they could not summon a jury that would be qualified. I have not changed my position upon the question of the jury trial, I will say to the gentleman.

Mr. MADDEN. Does anybody know what percentage of the population of the people of the Philippine Islands are considered not qualified for jury service?

Mr. MURRAY. I would not undertake to say. There is a dispute about that question.

Mr. MADDEN. I object, Mr. Chairman, for the time being.

Mr. MURRAY. I understand that some say one-tenth and others more.

The CHAIRMAN. The gentleman from Illinois [Mr. MADDEN] objects to the request of the gentleman from Oklahoma [Mr. MURRAY]. The question is on agreeing to the amendment offered by the gentleman from Georgia [Mr. BARTLETT].

Mr. BARTLETT. Mr. Chairman, may I make a request right there?

The CHAIRMAN. Yes.

Mr. BARTLETT. I ask unanimous consent to strike from my amendment the words "in the district wherein the offense was committed," so as to let the amendment read "by an impartial jury."

The CHAIRMAN. The Clerk will report the amendment to the amendment.

The Clerk read as follows:

Modify the amendment by striking out the words "to be selected from the district wherein the offense was committed."

Mr. MILLER. Reserving the right to object, Mr. Chairman, is it the gentleman's idea that there shall be a professional jury that shall travel with the court?

Mr. BARTLETT. No. That leaves the Philippine Legislature free to determine the manner of selecting the jury. I do not know whether I have the right to discuss the question, but it simply imposes on the Philippine Legislature the right to grant a trial by an impartial jury. I realize the force of the gentleman's argument, and that it would be almost impossible to secure a jury in certain parts of these islands. But this is only a provision imposing upon the Philippine Legislature the duty of granting to that people the right of trial by jury and leaving to them the manner of saying how the jury shall be selected.

Mr. MILLER. The gentleman understands that the Philippine Legislature has the power and authority without this amendment to grant trial by jury?

Mr. BARTLETT. They have the power and the authority, but it is not their duty unless we impose it.

Mr. MILLER. Well, I am not in sympathy with the amendment, but I will not object.

Mr. TOWNER. Mr. Chairman, reserving the right to object——

Mr. SHERLEY. Mr. Chairman, I call for the regular order.

The CHAIRMAN. The gentleman from Kentucky calls for the regular order. The regular order is, Is there objection?

Mr. SHERLEY. Calling for the regular order is equivalent to an objection, and I object.

The CHAIRMAN. The gentleman from Kentucky objects, and the question is on the amendment of the gentleman from Georgia.

The question was taken; and on a division (demanded by Mr. BARTLETT and Mr. MADDEN) there were 21 ayes and 74 noes.

So the amendment was lost.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Oklahoma [Mr. MURRAY].

The question was taken; and on a division (demanded by Mr. MADDEN) there were 20 ayes and 45 noes.

So the amendment was lost.

Mr. GORDON. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by inserting a speech by the late Hon. Jeremiah S. Black on jury trial.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to extend his remarks in the RECORD by publishing an address of the late Hon. Jeremiah S. Black on jury trial. Is there objection?

Mr. MOORE. Reserving the right to object, did not the gentleman from Ohio have this address inserted in the RECORD some time ago?

Mr. GORDON. No; that was another address.

The CHAIRMAN. Is there objection?

There was no objection.

The Clerk, proceeding with the reading of the bill, read as follows:

That no law impairing the obligation of contracts shall be enacted.

Mr. MURRAY. Mr. Chairman, I offer an amendment to the paragraph just read.

The Clerk read as follows:

Page 4, line 2, strike out the period and insert a colon, and add the following proviso:

"*Provided*, Any provision of a contract, expressed or implied, made by any person by which any of the benefits of this act or the general law is sought to be waived shall be null and void; and any provision of any contract or agreement, expressed or implied, stipulating for notice or demand other than such as may be provided by law as a condition precedent to establish any claim, demand, or liability shall be null and void."

Mr. MURRAY. Mr. Chairman, the purpose of this amendment ought to be clear to every one—that it is to protect those classes who are not able to protect themselves. For instance, it used to be a policy in some of the States of the West that when any man engaged to work for a railroad or some other corporation he was compelled to sign a contract that in the event that he was injured he would not claim any damages against the railroad or corporation. Then in some States if the law provides for notice to secure a lien or to foreclose a montgage, that the debtor may waive those rights. This is intended to make all such contracts contrary to public policy and to provide that he can not waive by contract any right under this act or under the general law. In other words, he can not waive by contract his right to his day in court, and he can not waive any other right that any citizen ought to have under the general law by a contract. He might waive it under this provision at the time, but he could not make a contract in advance to waive it.

Mr. HELM. Will the gentleman yield?

Mr. MURRAY. Yes.

Mr. HELM. Has the Supreme Court of the United States ever held any such waiver valid?

Mr. MURRAY. I do not know that it has; I do not know that the Supreme Court of the United States has ever been called upon to pass on the proposition. Certainly if you are going to give rights of self-government to the Filipinos, you ought to take care of those who can not protect themselves.

Mr. HELM. This is a Federal law, and the State law, of course, would not be applicable unless some of the waivers or defects in the law have been held by the Federal court or by the Supreme Court of the United States to be valid.

Mr. MURRAY. We know that in the old Indian country when the Federal laws were in force they had a right to waive it, and we enacted this in our State constitution to prohibit that kind of conduct, and it has been the salvation of our laboring men.

Mr. HELM. Were those rights held to be valid by the Federal court or the State court?

Mr. MURRAY. They were held to be valid in the Federal court prior to statehood. I would not undertake to say that a man could not waive any right, but he can not waive it in a contract at a time when he would not know what he ought to do. This provides that a waiver in a contract shall be contrary to public policy and therefore null and void. Certainly a man would have the right to make the waiver subsequently, but no man on general principles ought to have the right to waive in advance his rights under the general law or under the fundamental law of the land. We are making here something in the nature of a constitution for the Philippine Islands. They are granted the largest legislative power and the largest power of government possible. Doing so, we ought to protect first the man who can not protect his rights, and yet through this entire act we have looked after the rights of the Filipinos as we ought. I repeat again, that the first consideration here in favor of these men should be for those who can not protect their rights, and I trust that the amendment may be agreed to.

The CHAIRMAN. The question is on the amendment of the gentleman from Oklahoma [Mr. MURRAY].

Mr. GARRETT of Tennessee. Mr. Chairman, I confess that I am not entirely clear in my own mind as to the meaning of the proposed amendment, although I have listened to the gentleman, and have read the amendment with some care. But at any rate it seems to me that it is a legislative matter that is proposed and that it ought to be left to the legislative body rather than attempt to embody it into the organic law.

Mr. MURRAY. Will the gentleman yield?

Mr. GARRETT of Tennessee. Certainly.

Mr. MURRAY. The very clause to which I have attached this is legislation.

Mr. GARRETT of Tennessee. The clause to which the gentleman seeks to attach it is that no person shall be imprisoned for debt.

Mr. MANN. That is not the paragraph to which it is offered.

Mr. GARRETT of Tennessee. I beg the pardon of the gentleman. The last clause read was that no person shall be imprisoned for debt.

Mr. MURRAY. I offered it to the one above.

The CHAIRMAN. The Chair understands that the gentleman offered the amendment to come in after line 2.

Mr. GARRETT of Tennessee. So far as that is concerned, that is immaterial. I think, however, for clearness in engrossing, it ought to be clearly understood that the amendment is offered to the paragraph above.

Mr. MURRAY. It was read that way. I want to ask the gentleman if this clause itself could not be made a legislative power?

Mr. GARRETT of Tennessee. Yes; it could be.

Mr. MURRAY. Is there any distinction between a legislative right and the power of a constitutional convention?

Mr. GARRETT of Tennessee. That carries us into a broad field of argument. As I understand the gentleman's proposition, it seems to me that this covers it, that no law impairing the obligation of contracts shall be enacted, because a statute is a part of a contract made under that statute.

Mr. MANN. Will the gentleman from Tennessee yield?

Mr. GARRETT of Tennessee. Certainly.

Mr. MANN. The gentleman from Oklahoma says this is a legislative provision; but is it? This provision is that no law shall be enacted, and so forth. This is a constitutional provision and not a legislative provision, while the gentleman's amendment is really a legislative provision. This is an inhibition upon the legislature to do a thing.

Mr. GARRETT of Tennessee. If the gentleman from Oklahoma stated that it was a legislative provision, I did not understand him correctly. I understood him to inquire of me if the legislature could not enact this provision, even if it were not included in the constitution, and I responded, of course, that the legislature could; but if the gentleman from Oklahoma meant to say that this is a legislative provision as distinguished from a constitutional provision, then certainly I would not agree with the gentleman, because it is a constitutional provision.

Mr. MANN. Surely the legislature could not enact this provision, because the legislature could not bind a succeeding legislature by stating that no succeeding legislature should pass a law. This is a constitutional provision and not a legislative provision. We have the power to say that the legislature shall not pass a law, but the legislature has no power to say that a succeeding legislature shall not pass a law.

Mr. MURRAY. The fact that you have stated that the obligations of contracts shall not be nullified makes it necessary to provide an exception in this case. If you leave out this section you have in the bill, it will be unnecessary to put in the provision I have offered; but I have offered it as the exception, where it would be contrary to public policy, and the fact that you have included that statement makes this necessary as a constitutional provision.

Mr. GARRETT of Tennessee. So far as I understand the amendment offered by the gentleman from Oklahoma, it is, in the first place, a purely legislative provision. In so far as it may be termed a constitutional provision it is really covered by the language that is already included in this amendment. I do not believe that in the adoption of an organic law for these people we ought to encumber it with long legislative provisions.

Mr. MURRAY. I will not agree that the gentleman can differentiate thus between constitutional and legislative provisions. I think I know something of constitutional provisions, and the statement that there is any distinction will not go before this House.

The CHAIRMAN. Does the gentleman from Tennessee yield to the gentleman from Oklahoma?

Mr. GARRETT of Tennessee. Well, I submit—I yield to the gentleman; certainly.

Mr. MURRAY. I want to say——

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. MURRAY. I ask unanimous consent that the gentleman have five minutes more.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent that the gentleman from Tennessee may have five minutes. Is there objection?

There was no objection.

Mr. MURRAY. A constitutional convention is a body of the highest legislative power, and whatever it does is in the nature of legislation, and many of the provisions placed in State constitutions could be enacted by the legislature without being placed in the constitution, just as in this case; but the fact that you provide that no contract shall be violated makes it necessary to give the exception, and that is why I offer it.

Mr. GARRETT of Tennessee. Mr. Chairman, so far as I know it has not been found necessary for a hundred years for the States to include such a provision as that, although this other provision which is here included has been carried from the beginning of many of their constitutions. I repeat again, Mr. Chairman, I do not think it is desirable in an organic law to render it complex with details. I think, sir, that one of the elements of strength in the Constitution of the United States is its brevity, its simplicity of statement, and the absence of details. This bill of rights which we are carrying in this enactment is substantially the bill of rights that is carried in the present organic law of the Philippine Islands. It is the act to which the people are accustomed. I do not believe it wise to encumber it with long details that are not absolutely fundamental in character and therefore constitutional in their elements, but are legislative in character.

Mr. FERRIS. Mr. Chairman, I feel I should long hesitate to differ with the able committee who have given this matter so much patriotic consideration, when it is true I have given it so little consideration, but at the same time I could not help but observe what the gentleman from Tennessee [Mr. GARRETT] said when he admonished this Congress not to put in the bill of rights certain salient features that the people of the Philippine Islands may later be entitled to, and I shall not from now or in the future subscribe to the theory the gentleman lays down—that we can not in the bill of rights, or in the constitution, so called, or in the first powers conferred upon that people, lay down some appropriate safeguards that ought to be laid down. It matters not to me that the provision be so-called legislation; what is a constitution anyway but legislation.

It has been my pleasure to live in a Territory where the Federal Government did all of the legislating, excepting what a more or less loosely organized legislature did.

During the early period of a Territory the legislation is usually not strong enough to combat the influences that present themselves, and it needs good strong safeguards handed to it by a body strong enough, first, to pass it, and, second, to enforce it. I have not read with care or studied with precision the amendment offered by the gentleman from Oklahoma [Mr. MURRAY], but I hope the committee will not sweep aside too hastily the amendments offered by the gentleman from Oklahoma, and I do not say too much in his behalf when I say that he presided over the constitutional convention in our State, which at the time was more or less criticized, but I call the attention of this House to the fact—and they may smile at it or frown at it, as they please—that every constitutional convention which has been held in this Republic since that constitution was made, has fashioned its constitution after it, almost to the letter, and I might also call the attention of this House to the further fact that this Congress every time a question has brought itself before it squarely on its merits, and every national convention not alone in my party, but in the other parties, when these questions have been brought squarely to their attention and well understood, have adopted them almost in toto.

Mr. Chairman, I can remember when it was almost a matter sufficient to cause an arrest to say that one believed in the initiative and referendum. I can remember when any of the advanced laws or legislation enacted in the public interests would be scoffed at and brushed aside, and still in our platforms we find it, still in our Congress we find recognition of it, still in our own enactments we find it, and we find recognition of it everywhere in all parties in American politics.

I shall not try to say that the committee should accept this amendment, because they know better about it than I do; but I urge on them not to sweep aside too hastily any amendments that are offered for the benefit of the Filipino people during the formative period of the Philippine Islands. When they begin to take on power and corresponding responsibility and start with their legislation they will have all sorts of influences to contend with; they will have all sorts of obstacles thrown in their way; and they will have all sorts of impediments that a weak territorial legislature thousands of miles away from us can not contend with, and if by this enactment we can say that the weak and dependent people who have to labor for and serve in the employ of those railroad corporations and other corporations that will spring up and become strong and powerful, sufficiently so to head off legislation, may be benefited by such an amendment as this, then we ought to adopt it.

I shall vote for the amendment, full well realizing that I take some chances, because a Member takes a good deal in his hands when he comes in and attempts to override a committee that has studied a subject carefully. I have every confidence in the committee. I have even affection for most of them. I am usually willing to follow them. They are entitled to great credit for their work in this and other matters.

Mr. JONES. Mr. Chairman, I do not care to enter into any discussion as to the provisions of the Oklahoma constitution. I may say that I am in complete accord with what both of the gentlemen representing that great State have said as to the merits of this particular amendment. I do not, however, think it ought to be incorporated in the Philippine bill of rights. The gentleman who last addressed the committee [Mr. FERRIS] said, or I understood him to say, that in the first organic law of the Philippines this proposition should find a place. I wish to say to the gentleman that 12 years ago Congress passed an organic law for the Philippine Islands, under which the inhabitants of those islands have been living ever since they have had a civil government. I wish to say further that the language employed in this bill is exactly—not substantially—like it, as my friend from Tennessee [Mr. GARRETT] said. The same language is also to be found in the Constitution of the United States.

Mr. MURRAY. Mr. Chairman, will the gentleman yield?

Mr. JONES. I will.

Mr. MURRAY. The gentleman from Tennessee [Mr. GARRETT] made the statement a while ago that because this was not found

in the ordinary constitutions, therefore it was legislative. The very next paragraph, prohibiting a person from being imprisoned for debt, is not in the Constitution of the United States and is in no other constitution except that of the Republic and State of Texas; and I think it is wise here; and if this protects a right, why should it not be announced as a constitutional provision?

Mr. JONES. Mr. Chairman, I can not speak as to what the gentleman says of the constitution of Texas. I am, however, perfectly willing to admit that what he says is true. I think, however, that this is a legislative provision, and that for that reason it should be left out of the Philippine bill of rights. Certainly the legislature of the Philippine Islands can under this bill adopt such a provision as this if it desires to do so, and I fully agree with my colleague on the committee, the gentleman from Tennessee [Mr. GARRETT], that we ought not to go, in the preparation of a bill of rights for the Philippine Islands, into too much detail. I am not questioning the wisdom of this or any other provision in the constitution of the State of Oklahoma. This provision is not in the constitutions of a great many of the other States of the Union. It is not in that of my own State, which probably was adopted subsequent to that of Oklahoma. Therefore I hope that the committee will not insist upon incorporating in this bill of rights matters that the Committee on Insular Affairs thought ought to be left to the legislature created in this bill.

Mr. MILLER. Mr. Chairman, I move to strike out the last word. The provision in the bill is as follows:

That no law impairing the obligation of contracts shall be enacted.

It seems to me, Mr. Chairman, that very clearly that is not in the nature of a regulation of private business between private individuals, but an inhibition upon the legislative power, and for that reason it is constitutional and fundamental and not legislative. Here is a protection against legislative enactment for the people, but not a protection as between individuals. The provision which the gentleman would have incorporated reads in part as follows:

Provided, That any provision of a contract, expressed or implied, made by any person by which any of the benefits of this act or of the general law is sought to be waived shall be null and void.

That is, if a private individual anywhere in the Philippine Islands shall make a contract with another private individual or with a corporation by which it is sought to waive any of the provisions of this act or the general law, that then the contract shall be null and void. Now let us see what is to be waived. This act is the act we have before us. We know what that means. It also says "or of the general law." What is the general law? Is it possible we would write into the Constitution a provision making null and void any provision in a private contract which waives some right granted by general law? Surely that would work harm in a thousand ways. Certainly, but to state the proposition is sufficient. Mr. Chairman, there is another feature that seems to me more important perhaps than any that I have stated. Continuing, the paragraph reads:

And any provision of such contract or agreement, expressed or implied, stipulating for notice or demand other than such as may be provided by law as a condition precedent to establish any claim, demand, or liability shall be null and void.

Let us see what that means. Without any attempt to trace it in all its relations, take one illustration. An insurance contract is a contract made by a private individual, usually with a corporation. It may be made with a partnership, an insurance company. Those contracts always contain, and properly contain, a certain provision in reference to notice. If it is an accident policy, notice of the accident; if it is a health policy, notice of the loss of health; if it is a life policy, notice of the death of the insured. Will anybody say those provisions are not proper? Will anyone say every one of these provisions should not be in a contract of that kind, not simply for the protection of the individual which has the insurance but for the corporation that is the insurer?

So, Mr. Chairman, if we are going to enact this as the fundamental law we would have to say that the Philippine Legislature must enact a law specifying in every individual case the kind of notice that shall be introduced in case of a life policy, the kind of notice necessary in accident insurance, if it be an accident policy, and this has nothing whatever to do with the relationship between employee and employer. It is easy to see how this could reach out in other ways and really work a great deal of confusion and, I think, a great deal of injury. While, Mr. Chairman, I am one of those, like the gentleman from Oklahoma [Mr. FERRIS], who believes that any suggestion coming from the gentleman from Oklahoma [Mr. MURRAY] respecting a constitution and the protection of the rights of the people under it is entitled to serious consideration, yet it does not seem to me that this amendment is framed so as to fit into this bill, and that before we do this, unless it is so framed, its results would be exceedingly harmful and certainly full of great danger.

The CHAIRMAN. The time of the gentleman has expired. The question is upon the amendment offered by the gentleman from Oklahoma.

The question was taken, and the Chairman announced the noes appeared to have it.

Upon a division (demanded by Mr. MURRAY) there were—ayes 12, noes 30.

So the amendment was rejected.

Mr. FESS. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 4, at the end of line 3, strike out the period and insert a comma, and add the following: "or held in satisfaction of the same in involuntary servitude by his creditor."

Mr. FESS. Mr. Chairman, this amendment is offered with the intent of curing the practice of peonage in the islands that from reports that I can gather is pretty general.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. FESS. I will yield.

Mr. GARRETT of Tennessee. Does not the gentleman think the language in lines 22, 23, and 24 cover that?

Mr. FESS. No; I do not think so. It is a question whether that would cover it in satisfaction of a debt; at least it has not covered it so far in practice.

Mr. MURRAY. Will the gentleman yield?

Mr. FESS. I will yield.

Mr. MURRAY. If the gentleman will permit just a statement I wish to make. In the adoption of this provision we adopt into the law all the decisions of the courts where they now exist and they have held just what the gentleman is trying to put into it, so that in view of that I think they would hold it in the Philippines.

Mr. FESS. Well, Mr. Chairman, whatever might be held by Members on the floor here, there is not any doubt but what there is a condition of peonage pretty generally in the islands, and there ought to be something done by this body to prevent it. I realize——

Mr. SHERLEY. Will the gentleman yield?

Mr. FESS. I yield.

Mr. SHERLEY. Is not that condition that exists there in spite of and not by authority of the law?

Mr. FESS. Probably——

Mr. SHERLEY. Is not that actually so?

Mr. FESS. Probably there is truth in the statement. I do not mean that this is all of it, but what I am after is to cure, if possible, a condition that seems not to be cured by the amount of legislation now on the statute books. I realize very distinctly the difference between constitutional sanction and legislative enactment.

Mr. QUEZON. Will the gentleman yield?

Mr. FESS. I should like to be permitted to make a statement before yielding.

The CHAIRMAN. The gentleman declines to yield.

Mr. FESS. It has been clearly stated here that this body has the right to grant constitutional sanction for legislation in the Philippines, and the Philippine Assembly, *acting upon that* sanction, can enact it into law. This is, in my judgment, one of the serious conditions of this sort of legislation. We are not sharply distinguishing between the two bodies. The one is granting the constitutional sanction to do a thing, which is this body, and the other is enacting that into law, which is not this body, but is the body over in the Philippines. There is a conflict here. We give authority to do a thing; recommendations are made that it should be done, but those recommendations are not acted upon. Now, in view of the fact that there is a system of peonage widespread in the islands, I take it that we ought to do something to prevent it. I want to read from a report.

Mr. JONES. Will the gentleman yield right there? The gentleman says "in view of the fact that there is a widespread system of peonage in the islands." I admit there has been some discussion on that subject, a good deal of controversy about it, but the gentleman is aware of the fact, is he not, that the Philippine Legislature last winter passed a law on this subject which absolutely prevents the existence of peonage in the islands?

Mr. FESS. Mr. Chairman, the fact that the legislature has enacted it does not prevent the succeeding legislature repealing it at some future time, and therefore the law does not satisfy me. Judge Ostrand, judge of the court of land registration, has made this statement, among others:

In 1907 a woman from the town of Balincaguin, in Pangasinan, came to my office and stated that she, about six years before, had

"mortgaged"—the terms "salda" in Ilcano and "sanla" in Pangasinan are usually translated "mortgage," but also imply pledge, as the creditor generally takes possession of the mortgaged property—her 12-year-old son for some ₱20 to Don Cirilio Braganza, the member of the Second Philippine Legislature for the district in which I was then living—

I hope the Members will note that this mortgagee was a member of the Philippine Legislature.

The CHAIRMAN (Mr. McKELLAR). The time of the gentleman from Ohio has expired.

Mr. FESS. Mr. Chairman, I ask unanimous consent to continue for five minutes more.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to continue for five minutes more. Is there objection?

There was no objection.

Mr. JONES. May I ask the gentleman from what he is reading?

Mr. FESS. I am reading from the report of Judge Ostrand.

Mr. JONES. What is the book?

Mr. FESS. It is Dean Worcester's book of two volumes.

It says further:

That her son had been working for Braganza ever since; and that, according to her reckoning, the debt had already been paid, but that Braganza had unjustly charged the loss of a carabao to her son's account, thus adding ₱120, if I remember correctly, to the debt.

* * * * * * *

While practicing law in the Province of Pangasinan during the years 1905 to 1909 hardly a week passed but what cases of involuntary servitude, as defined in the within communication, came under my observation.

And then I read from a report of the secret-service department of Manila, as follows:

ROSALES, *March 26, 1912.*

CHIEF OF THE SECRET SERVICE DEPARTMENT, *Manila.*

DEAR SIR: On behalf of Garegorio Almario, a young girl residing at my house, I write to ask you if you can not have this matter attended to.

Six years ago a man named Tomas Almario, living at present in Rosales, borrowed some money (₱20 only). This man was unable to repay this money, so he sold this girl, named Inocencia Almario, to a Mr. Galban. I think he is the president of Bautista. Her sister has been to Bautista to take this girl away, but she has been rebuked by these people in my presence. They state she owes ₱60, the extra ₱40 being interest on the ₱20 borrowed six years ago.

On page 720 of the second volume of Dean Worcester's work it says:

I have not made the slightest effort to get the peonage records of Philippine assemblymen, but have taken cases as they came; yet three of the limited number here discussed concern members or ex-members of the assembly. Is it any wonder that that body refuses to consider a law prohibiting and penalizing peonage?

Now, Mr. Chairman, this unfortunate situation, whatever may be its source—and it certainly can not be disputed in the islands—ought to have a remedy somewhere. I think there is not anything so lifeless, so hopeless, as a system of peonage, where a person is held in satisfaction of a debt and held in servitude, and allowing the debt to be increased every year instead of lessened. There is case after case that I am going to put in the RECORD where individuals, going into the service of some other person to whom they owe a debt, will remain there, and the debt instead of lessening increases with the years, until it is absolutely hopeless, where hour after hour, and day after day, and year after year they toil hopelessly without any thought of ever having their freedom, and do not really know why they are so held.

I would like to have this particular amendment adopted, which simply says that no person shall be held for debt, and which adds that no person shall be held in involuntary servitude in satisfaction of a debt by his creditor. It seems to me that that is a province for us to act upon, because the legislative assembly may make a law that will repeal the present law, and if this is the official authority for legislation we ought to take a position upon that for the sake of the individual Filipino.

Mr. GARRETT of Tennessee. Will the gentleman yield before he takes his seat?

Mr. FESS. I will.

Mr. GARRETT of Tennessee. I again invite the attention of the gentleman to the language at the bottom of page 4.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GARRETT of Tennessee. Mr. Chairman, I ask unanimous consent that the time of the gentleman from Ohio be extended for one minute.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. GARRETT of Tennessee. It is the desire of the committee, of course, as it will be of the House, to completely prevent any of those things which the gentleman has described. It ought to have been done long ago, and I do not understand why it was not. Now, I call the gentleman's attention to the language at the bottom of page 4 of the bill, as follows:

That neither slavery nor involuntary servitude, except as a punishment for crime whereof the parties shall have been duly convicted, shall exist in said islands.

That is the exact language of the thirteenth amendment to the Constitution of the United States, and the Supreme Court of the United States decided within the last three or four years that that was clearly against the existence of peonage.

Mr. FESS. In reply to my friend from Tennessee, I call his attention to the fact that there was a case that was passed in the Philippine court of first instance and then was appealed to the Supreme Court of the Philippines, where it was decided that the law fixed no penalty whatever, and therefore slavery was not forbidden in the Philippines by this provision.

For that reason, it seems to me, we ought to do something, and I want to say that I very fully appreciate the discrimination which the gentleman from Tennessee [Mr. GARRETT] made a while ago, that a constitutional provision is one thing and a legislative enactment is another, and I therefore hesitate to ask any legislation that would be placed in that light or to encumber the organic law with legislative affairs. But this amendment simply adds to the prohibition of imprisonment for debt that other prohibition of peonage. I am not here discussing slavery in the Philippines, but that form of servitude which places a debtor within the control of his creditor. This system is certainly in vogue in the islands and should be prevented, so far as we can do so. Here is the place to take the first step.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. QUEZON. Mr. Chairman, whether the gentleman from Tennessee [Mr. GARRETT] is or is not right in his contention, that the object of the amendment introduced by the gentleman from Ohio [Mr. FESS] is accomplished by the provision of the last paragraph on page 4, I am prepared to say that I should not, so far as the object aimed at is concerned, have the slightest objection to having the amendment of the gentleman from Ohio put into the bill.

I regret, however, that the gentleman thought it necessary in the discussion of his amendment to revive the question of the supposed slavery and peonage in the Philippines.

I am particularly regretful that the gentleman from Ohio should have renewed the discussion of this subject, because the matter he refers to has been thoroughly investigated by the most unimpeachable authorities and has been fully disposed of. This discussion is, therefore, out of date, and certainly it throws no light upon this bill.

So far as I know, this issue was raised for the first time in the United States early in 1913, when a resolution of inquiry regarding the question of slavery was introduced in the Senate. This resolution grew out of an article in the National Humane Review, largely made up of a letter written by Mr. Worcester, in which Mr. Worcester made the charge in question. In due time this resolution was answered by the Secretary of War in a letter reading in part as follows:

WAR DEPARTMENT,
Washington, May 6, 1913.

The PRESIDENT OF THE SENATE.

SIR: I beg leave to acknowledge the receipt of the following resolution of the Senate:

"Resolved, That the Secretary of War be, and he is hereby, directed to send to the Senate any and all facts bearing directly or indirectly upon the truth of the charge publicly made that human slavery exists at this time in the Philippine Islands and that human beings are bought and sold in such islands as chattels."

In response thereto I beg leave to state as follows:

There is not in this department, to the knowledge of the Secretary thereof or of the head of the bureau having charge of insular affairs, a record of any facts bearing directly or indirectly upon the truth of the charge, publicly made, that human slavery exists at this time in the Philippine Islands and that human beings are bought and sold in such islands as chattels.

The only information concerning this matter of which there is any record in this department or the branch of it having to do with insular affairs is the following:

In a hearing before the Committee on Insular Affairs of the House of Representatives, on Wednesday, February 10, 1904, Mr. Taft, then Secretary of War, said:

"I have no doubt that slavery continues in part of the Moro Province, and that there is some slavery in some of the Christian Filipino Provinces that lie near to the mountain tribes. This latter we are trying hard to eliminate. I had a report from a constabulary officer from the Province of Isabela, saying that it was not the general custom, but that it was not uncommon for hill-tribe parents to bring their children into a Filipino village and to sell a child to a wealthy man in the village who would use him as a servant. That is contrary to law, and we have directed prosecution in every case brought to our attention."

The foregoing is taken from the printed report of the hearings before the House Committee on Insular Affairs.

* * * * * * *

It would seem from such investigation as time has permitted to be made of the law existing in the Philippine Islands, that there are provisions in the criminal code, both with respect to that part of said islands inhabited by Moros or other non-Christian tribes and fully

organized Christian Provinces, covering unlawful detention, whether called slavery or not, as a result of which a person unlawfully detaining another or coercing him to work against his will may be imprisoned and fined.

Very respectfully, LINDLEY M. GARRISON,
Secretary of War.

One would think, Mr. Chairman, that this should have been a sufficient reply to the injurious suggestion originating with the former secretary of the interior of the Philippines, but, as it happened, further conclusive evidence on the subject was also furnished to the American public in a statement issued by former Justice James F. Tracey, of the insular supreme court. Justice Tracey said, in a letter published in the New York Times:

The April number of the National Humane Review, the organ of the American Humane Association, published an article headed "Human Slavery Still Exists Under the United States Flag," made up chiefly of a letter from Hon. Dean C. Worcester, secretary of the Interior of the Philippine Islands, to Dr. William O. Stillman, president of the Humane Association. To this article currency is given by the publication of a summary of it in your issue of this morning in a dispatch from Washington printed under the caption "Slaves Even in Manila." The deduction drawn from the supposed condition of slavery in the islands is that the Philippine Assembly by refusing to pass a bill punishing slavery throughout the islands as a crime has demonstrated its incapacity as a legislature to deal with this modern humane problem.

Mr. Worcester's charge is largely based on the decision of the Supreme Court of the Philippine Islands, the syllabus of which is quoted by him at length, as follows:

"There is at present no law punishing slave holding as a crime.

"The constitutional provision of the Philippine bill 'that neither slavery nor involuntary servitude shall exist in these islands,' while operating to nullify any agreement in contravention of it, requires supplementary legislation to give it effect criminally.

"We are dealing not with a civil remedy but with a criminal charge in relation to which the Bill of Rights defines no crime and provides no punishment. Its effects can not be carried into the realm of criminal law without an act of the legislature."

It happens that to me, as one of the justices of the Supreme Court of the Philippine Islands at the time, was assigned the writing of the opinion of the court in the case, which is reported at page 64 of the eighth volume of the Philippine Reports, now before me. Without desiring a controversy with Mr. Worcester or Gen. McIntyre, also mentioned in your Washington dispatch, I feel it incumbent on me to promptly call attention to the substance of this decision. The record before the court shows not that slavery existed in any form throughout the Philippine Islands, but only a custom of child servitude or apprenticeship in certain mountain regions. The opinion says:

"It is proved in the case that it is an Igorot custom to dispose of children to pay the debts of their fathers, the transaction in the native language being termed a sale, and the defendant appears to have engaged in the business of buying in Nueva Vizcaya children to sell in the lowlands of Isabela. * * *

"The name applied to it by the custom of the Igorots is not enough to establish that in truth and in effect it was a sale or anything more than a contract for services. * * *

"The employment or custody of a minor with the consent or sufferance of the parents or guardian, although against the child's own will, can not be considered involuntary servitude."

It is likened to an 'indenturing of children, in accordance with custom, unprotected by statutory safeguards. After calling attention both to the American constitutional declarations against servitude and the humane provisions of the Spanish codes prohibiting the abuse of minors, as well as the declaration of the Spanish law of the thirteenth century that "slavery is a thing that all men naturally abhor," the court suggests that any remedy is for the consideration of the legislature rather than action by the criminal courts.

The further inference is to be drawn from Mr. Worcester's letter that antislavery laws were thereafter passed applicable to the mountain Provinces and the Moro Province, and the offense which he finds is that the legislature refuses to apply a similar law to the civilized parts of the islands. The reason for the refusal is plain. The assembly does not consider that slavery exists in the civilized parts of the islands. It is stated in the letter that "there are Negrito slaves held to-day in the city of Manila." If this is so, their liberation can be enforced any day through a writ of habeas corpus. I am too well aware of Mr. Worcester's skill as a seasoned controversialist to believe that he has ventured upon a specific assertion without holding some proof of it in reserve. I can only say that having been some years a resident of Manila in official position, such a condition of things is unknown to me, as it was unknown to my colleagues, some of whom have resided in the Philippine Islands all their lives. The condition must be exceptional and abnormal, as it is illegal, existing in the islands, as phrased by Gen. McIntyre, "Just as crime exists everywhere."

It may also be observed that for years before the organization of the Philippine Assembly the legislation of the Philippine Islands was in the hands of a commission dominated by Americans, having in its power the passage of an antislavery law on any day at any hour. The reproach, if it be genuine, lies with far greater force against the American commission than the Philippine Assembly, in view of the existence of this species of servitude in the mountain Provinces, which were immediately under the jurisdiction of the secretary of the interior.

It has passed into an adage that "you can not indict a whole people." All history proves that by innuendo you may calumniate a whole people. I may be permitted to say that while not one of those who think Philippine independence a timely or tenable thing to-day, I deplore the creation of a public opinion in this country based on misconception of a subject that truly needs all the light that can be shed on it by men holding official places.

JAMES F. TRACEY.

ALBANY, *May 3, 1913.*

Mr. Chairman, the foregoing testimony of the Secretary of War and of an ex-member of the Philippine Supreme Court ought to have been satisfactory and final in closing this unfortunate controversy. But Mr. Worcester would not stop at that point, and, at a great expense to the Filipino people, he had printed a voluminous report entitled "Slavery and Peonage in the Philippine Islands." Though this was supposed to be for the Governor General of the Philippine Islands, extra copies were made and sent broadcast throughout the United States. Later he included much of this document in his book entitled "The Philippines, Past and Present."

Mr. Worcester, in a vain effort to justify his early declarations that slavery exists in the Philippines, used all the agencies of the Philippine Government to find out individual instances of deprivation of personal liberty that had taken place in any part of the islands, the Moro Province included, and cited them in the publications I have referred to before as technical cases of slavery. Any sensible person will attentively and without prejudice read both the report and the book of Mr. Worcester will at once be convinced that the efforts of the ex-secretary of the interior have failed, because if they show anything whatever it is that there is no such thing as slavery in that part of the Philippines inhabited by Christian Filipinos—certainly not in the sense that it existed in the United States prior to the Civil War. The so-called "typical cases of slavery" cited by Mr. Worcester are in fact, in some instances, criminal actions, for which there are very heavy punishments provided in the penal code, and which are given in that code such names as "illegal detention," "kidnaping," and so forth. Indeed, many of these so-called typical cases have been actually tried in the courts of the Philippine Islands and the defendants therein have been convicted and imprisoned. In other instances these "typical slavery cases," such as all those that Mr. Worcester calls "purchase and sale of human beings," are either ordinary contracts for personal services, wherein the employer advances the wages of the employee to the employee's parents or tutors when he is a minor, or they are cases of adoption, wherein the adoptive parents make a present to the destitute mother of the adopted child. When Gov. Gen. Harrison visited last year the town of Bacolor, one of the young men who delivered an address of welcome to the governor in correct English was the "victim" in one of Mr. Worcester's slavery cases. He was "purchased" when still a baby, and his "purchaser," who was a wealthy Filipino of the town of Bacolor, educated him, and upon her death made him her heir. There is therefore no reason for the anteries of Mr. Worcester, and much less for the expenditure of the money of the Filipino people in printing and distributing broadcast his report, except Mr. Worcester's desire to unjustly depict the Filipino people—for whom he has always entertained an ill-concealed, strong dislike, if not contempt or hatred—as a people devoid of all humanitarian sentiment and moral sense and badly in need of an iron hand to keep them in good behavior.

The following paragraph, which appears on page 82 of Mr. Worcester's special report, and is repeated in more or less the same words on page 729, volume 2, of his book, gives a fair idea as to the impression that the ex-secretary of the interior for the Philippine Islands meant to create in the United States:

Without hesitation I assert that the existence of slavery and peonage in the Philippines is the greatest single problem which there confronts the Government of the United States in its effort to build up a respectable and responsible electorate and to establish representative government.

Shall human flesh be openly bought and sold under the American flag?

If this pathetic and shocking statement presented any semblance of actual conditions in the islands, what a serious charge would the American Government have to answer before the inexorable bar of history! How would the United States satisfy the enlightened opinion and humanitarian sentiment of the world horrified by the discovery that after 15 years of continuous and supreme American control of the archipelago "human flesh is still openly bought and sold" and that this "greatest single problem" of the islands is still unsolved? And what an indictment—if the above-quoted statement of Mr. Worcester was true—what an indictment such a statement would be against every Governor General of the Philippines, beginning with Mr. Taft and coming down to Gov. Forbes, as well as against every member of the Philippine Commission who sat in that body up to the year 1913, more particularly against Mr. Worcester himself, the only commissioner who has held a commissionership continuously from the inauguration of that body until September, 1913.

Fortunately for the United States and for Mr. Worcester himself, they need not suffer the condemnation of mankind on this score, because there never existed in the islands any such problem as alleged. To be sure, in the Moro Province—a territory which has always been under the exclusive control of American officials—slavery was at one time a common practice, and upon the arrival of the first American troops a treaty ratified by the Sultan of Jolo and the American commanding officer provided that this institution should not be interfered with by the American Government. But this shameful treaty was at once repudiated by the Washington authorities, so that even in

the Moro Province within a few years following American occupation no "human flesh" was any longer "bought and sold under the American flag."

But whatever the merits of Mr. Worcester's admonition at the time it was uttered, this "greatest single problem" confronting the United States in the Philippines at the end of 15 years of supreme American rule was promptly and early met by the Philippine Legislature after the Filipinos came into control of both of its branches. On November 28, 1913, an antislavery act was adopted. This originated with the Philippine Assembly, and it passed both houses at a time when Filipinos alone, and without any American member excepting the Governor General, sat in the legislature.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from the Philippine Islands yield to the gentleman from Minnesota?

Mr. QUEZON. Yes; with pleasure.

Mr. MILLER. On the occasion of the visit I made to the legislature, which the gentleman so very well described the other day, the assembly passed the act prohibiting slavery, and the gentleman's statement is correct. Is it not also true that prior thereto the American commission had on three separate and distinct occasions passed such an act prohibiting slavery, and that each of those acts was killed by the assembly?

Mr. Chairman, I am very sorry that my distinguished friend has asked me that question, because he compels me to go further than I intended to into this subject, thus forcing me to mention facts that may not be pleasant. The question of the gentleman reopens the whole controversy about slavery, now happily closed.

It would seem to be suggested by his leading question that the Philippine Commission had done everything in its power to enact an antislavery legislation and that it was the assembly's fault that such a measure failed to become law. Indeed, Mr. Worcester has openly made this charge against the Philippine Assembly.

A little of the history of the Philippine Government since American occupation would at once reveal where the fault lay, were it true that slavery exists in the Philippine Islands in so general and an alarming a form—as the quoted statement of Mr. Worcester would indicate—that it required the immediate adoption of measures for its eradication, which had been until lately neglected.

Upon the assumption of sovereignty by the United States over the Philippine Islands all the powers of government were vested, up to October, 1907, first, in the military commander of the army of occupation, and, subsequently, in an American Governor General and in a Philippine Commission, presided over by that governor and composed chiefly of Americans, appointed by the President of the United States. This Philippine Commission, from 1900 up to October, 1907, was exclusively vested with the power to legislate for the Philippines, and it could have passed during that time any act that it chose regardless of the attitude and desire of the Filipino people.

Had the Philippine Commission intended to pass such an act as was suggested by the gentleman from Minnesota, it could easily have done so prior to the establishment of the Philippine Assembly—an event which did not occur until October, 1907. Why this negligence? Both in the report and book of Mr. Worcester he says that shortly after the establishment of the American commission as the legislative authority for the Philippine Islands, the members of the commission, Mr. Worcester himself not excepted, heard of cases of the type that Mr. Worcester calls slavery. Why did the commission do nothing to prevent or punish such crimes during all the seven years of its unrestricted and supreme exclusive legislative control? The answer to this question given by Mr. Worcester is one of the most remarkable acrobatic mental efforts I have ever seen.

Mr. FESS. Mr. Chairman, would the gentleman yield?

Mr. QUEZON. Mr. Chairman, I am very sorry——

The CHAIRMAN. Does the gentleman yield?

Mr. QUEZON. Mr. Chairman, I am very sorry, but I must decline to yield. Since the gentleman refused to yield to me when he had the floor, although I only wanted to ask him a fair question, certainly he can not expect me to do for him what he would not do for me. [Laughter.]

An attempt to draft such an act, according to Mr. Worcester, took place in October, 1903. The suggestion that the act be drafted and submitted to the commission for action was made by Mr. Taft, then president of the Philippine Commission; but the act never saw the light at the time. "Why such an act was not drafted and passed, I do not know," says Mr. Worcester, on page 22 of his report and on page 602, volume 2, of his book.

So, this first attempt at antislavery legislation took place in 1903. "My personal attention," Mr. Worcester tells us, "was forcibly drawn to the existence of slavery outside of the Moro territory when I first inspected Nueva Vizcaya in 1905." But Mr. Worcester did not then induce the commission to enact at once antislavery legislation, because, as he explains it, he "then entertained the belief, still held by some Americans, that both slavery and the sale and purchase of human beings could be adequately punished under certain provisions of the Spanish penal code, which were then and still are in effect."

In order, however, to have an authoritative opinion on the subject, Mr. Worcester says that the attorney general was asked to render his opinion on the subject. This was done, and in accord therewith a test case was brought before the courts. Note, Mr. Chairman, that we are told, on the one hand, that in 1903 Mr. Taft had recommended that an antislavery act be framed, a step which for some unknown reason was not taken; and on the other, that in 1905, after the personal attention of Mr. Worcester "was forcibly drawn to the existence of slavery outside of the Moro territory," he—Mr. Worcester—did not immediately renew the effort initiated by Mr. Taft to enact such antislavery legislation because the opinion was still held by himself that the Spanish penal code offered adequate punishment for would-be or actual slaveholders.

But let me continue. A test case, according to Mr. Worcester, was brought before the courts and a final decision rendered thereon by the highest tribunal of the Philippine Islands acquitted the defendant. Mr. Worcester construed this decision as meaning that the supreme court had decided that the Spanish penal code did not punish slavery. Many a lawyer in the Philippines, and especially the Philippine Assembly, did not agree with this construction placed by Mr. Worcester upon that court's decision. I, for one, believe that the ground whereon the court dismissed the case was that there was no evidence presented in support of the complaint. But this is immaterial to the point that I am now trying to make. The material fact is that Mr. Worcester himself in his report and book says that, in view of this decision, "the necessity of legislation seemed obvious."

Let us see how Mr. Worcester, after his "personal attention was forcibly drawn to the existence of slavery," and after he felt that "the necessity of legislation seemed obvious," acted in performance of his plain duty. At that time the commission was still the sole legislative authority of the Philippine Islands and Mr. Worcester a very influential—indeed, the ranking—member of that commission. Did Mr. Worcester then frame and introduce the legislation regarding which he says he did not know why it was not enacted in 1903? Did he frame and introduce the legislation which after the test case was disposed of he says was, in his opinion, an obvious necessity?

He did not. What is his reason now? Let him speak for himself. He says:

> The Philippine Assembly was about to meet for the first time. The work of drafting a proper bill was duly provided for, and I am sure that no member of the commission for a moment entertained the belief that there would be any difficulty in securing the concurrence of the assembly in the passage of a reasonable act prohibiting and penalizing slavery, involuntary servitude, peonage, and the sale and purchase of human beings.

When it is remembered that from October 1 to October 12, 1907, four days immediately preceding the inauguration of the Philippine Assembly, the commission, in its desire to cover all subjects of legislation before there was a popular house to reckon with, enacted 70 laws, one may reasonably question the value of Mr. Worcester's explanation. But I shall take it at face value. Let us now see whether, after the inauguration of the assembly, Mr. Worcester tried to secure the enactment of the badly needed legislation. He himself says that not until 1909 did he draft the desired bill. Why this delay? Why, on such an important measure as this—the measure that was to give the final blow to "the greatest single problem confronting the United States in the Philippine Islands"—why, I repeat, on such important legislation as this should two years have been allowed to pass without any action on the part of the commission?

Mr. Worcester again gives us his reason, but it is no more fortunate or convincing than his earlier ones. He says:

> The gentleman charged with drafting the bill encountered difficulty in so framing it that it would accomplish the desired end without unduly interfering with the rights of parents to dispose of their children. Long delay occurred.

Mr. Chairman, on the strength of this statement, if I did not know Mr. Worcester's ability "as a seasoned controversialist"—in the words of Justice Tracey—I should think him lacking in common sense, but being familiar with his controversial ability I must believe that he takes for granted that, outside of himself, there is no man in this world who can recognize a joke when he sees it. He must have been in an extremely good humor, an unusual thing with him, when he wrote that paragraph.

How can any man say, and keep from laughing at himself or at his readers, that to frame a single act to punish slavery, involuntary servitude, and peonage, with many similar measures in other parts of the world to copy from or to follow as "precedent," is so difficult a task that long delay is inevitable? And this delay lasted two years! If it be true that the Philippine Commission could not frame so simple and plain a law in less than two years, with the office of the Attorney General and other law offices at their command, then that commission stands convicted of utter incompetency. Yet the Filipino people were for many years under the exclusive legislative authority of such a commission! Of course, the commission was able to frame this bill had it desired to do so. Mr. Worcester himself is a well-informed man. He could have written such a bill in a day; at any rate, in much less time than he employed in writing his report. Doubtless Mr. Worcester, in telling us the difficulty of framing this bill, was amusing himself at his own expense or that of his colleagues of the commission and of the general public as well. But I am not so much surprised, Mr. Chairman, at Mr. Worcester's unexpected jocosity as I am amazed to see that there could be found people who, after such nonsense, would pay any attention to anything that Mr. Worcester might say about slavery or peonage in the Philippine Islands! It is sad to see that Mr. Worcester let his opportunity slip by to become the Lincoln of the Philippines!

The CHAIRMAN. The time of the gentleman from the Philippine Islands has expired.

Mr. QUEZON. Mr. Chairman, I ask unanimous consent to continue for five minutes.

The CHAIRMAN. The gentleman from the Philippines asks unanimous consent to be allowed to proceed for five minutes. Is there objection?

There was no objection.

Mr. CLINE. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from the Philippines yield to the gentleman from Indiana?

Mr. CLINE. The gentleman says that during the last session of the Philippine Legislature they passed a law punishing slavery and peonage?

Mr. QUEZON. Yes, sir; this law originated with the Philippine Assembly and was passed also by the commission when only one American member was in the islands.

Mr. CLINE. It is charged, though, by the gentleman from Minnesota [Mr. MILLER] that on three different occasions the Filipinos had an opportunity to concur with the commission in those acts.

Mr. QUEZON. Yes.

Mr. CLINE. How do you explain their failure to do it?

Mr. QUEZON. I am coming to that now, but I thought I should first inform the committee as to the whole process that this antislavery legislation went through, according to Mr. Worcester's own account, so that gentlemen may form a proper conception of the true import of the so-called slavery question in the Philippine Islands and the reasons that the assembly had for not concurring with the commission in the passage of the antislavery legislation, as suggested by the question of the gentleman from Minnesota [Mr. MILLER]. From what I said, Mr. Chairman, or, rather, from what Mr. Worcester himself says, the salient, clearly established fact is that from the creation of the Philippine Commission down to 1907 the commission was the sole legislative body of the Philippine Islands, and that down to 1909 no antislavery legislation was passed by that body. Now, such being the case—and there is not the slightest dispute about it—we are face to face with this dilemma: That either there was no slavery in the Philippines so real or so general as to demand immediate attention and to require special legislation on the part of the Philippine Commission, or if there was slavery, so openly and extensively practiced as to constitute "the greatest single problem confronting the United States in the Philippines," there never was a body of more incompetent or more criminally negligent officials than the members of the Philippine Commission, who, down to 1909, failed utterly and in disregard of their most imperative duty to enact the necessary legislation. Since this last theory would seriously indict several men of recognized capacity and devotion to duty, such as ex-President Taft, ex-Secretary of War Wright, ex-Gov. Gen. Smith, ex-Gov. Gen. Forbes, and others, the only possible theory is that Mr. Worcester's agitation about slavery in the Philippines is a tempest in a teapot. And this is really the truth and the whole truth in a nutshell. That is why the assembly refused to concur with the Philippine Commission in passing the antislavery legislation, which unexpectedly became at the eleventh hour the mania of the ex-secretary of the interior.

The members of the Philippine Assembly did not believe then that in the territory inhabited by their respective constituencies slavery in its legitimate meaning existed.

The CHAIRMAN. The time of the gentleman has expired.

Mr. QUEZON. I ask for two minutes more, Mr. Chairman.

The CHAIRMAN. The gentleman from the Philippines asks unanimous consent for two minutes more. Is there objection?

There was no objection.

Mr. QUEZON. Mr. Chairman, I can anticipate the further question that the gentleman from Indiana [Mr. CLINE] is formulating in his own mind. He wishes to know if the members of the assembly who have enacted this antislavery legislation came at last to the conclusion that slavery is practiced among their constituents and that the penal code did not contain provisions punishing that crime. I can answer that question, for I am fully informed that nothing of the sort had happened. I for one can give a very good reason why the antislavery act had to be passed in 1913 while no such act was needed prior to January, 1912, regardless of whether there was slavery or not in the Philippine Islands and of whether prior to 1912 the provisions of the penal code imposed heavy penalties for all kinds of violations of personal liberty. The fact is that on January 20, 1912, a law was enacted in the Philippine Islands legalizing compulsory service and providing severe penalties for employees who should leave the service of their employers before they had paid their debts. This law was introduced in the Philippine Commission on November 11, 1911, passed that body on November 14, 1911, and became law on January 20, 1912, as I stated. This infamous law, the only one which has ever in the Philippines given legal sanction to the forcible retention of one man by another for the purpose of compelling the former to render to the latter a service, was passed by the commission at a time when Mr. Worcester was the ranking member of that body and was insisting upon having the Philippine Assembly concur with the Philippine Commission in passing antislavery legislation. This infamous law was enacted while Mr. Worcester was attracting the public attention of this country with his alarming denunciations that slavery and peonage were being practiced in the Philippine Islands. No better proof could be given either of the lack of sincerity of Mr. Worcester in his alleged effort to eradicate the supposed slavery and peonage in the Philippine Islands, or of the nonexistence of these evils that he was denouncing, than the fact that the commission passed the peonage bill. For if Mr. Worcester was really attacking this evil, why should he consent to pass an act that would legalize that practice? The fact that the commission had to pass such a bill indicates, at least, that if slavery and peonage were common practices in the Philippine Islands the time had arrived when the working class knew that its members had the right to work for whomsoever they chose and to leave the service of their employers at will. And these unfortunate creatures were to be deprived of that inviolable right by an act which Mr. Worcester himself took part in passing!

To the everlasting benefit and glory of the Filipino people, to the confusion and shame of those who accuse them of tolerating, if not heartily supporting, the use of their fellow men as animals, the present Philippine Legislature, by enacting last year its antislavery legislation, blotted out forever the only page on our statute books which bore upon it a barbarous, inhuman, criminal act. [Applause.]

I shall print this law in the RECORD, and side by side with it I shall print the antislavery legislation enacted by the present Philippine Legislature:

ANTISLAVERY LAW PASSED BY FILIPINIZED LEGISLATURE NOVEMBER 28, 1913.

An act confirming existing legislation prohibiting slavery, involuntary servitude, and peonage in the Philippine Islands, subject to modifications as provided in sections 268, 269, 270, and 271 of the act of the Congress of the United States approved March 4, 1909, entitled "An act to codify, revise, and amend the penal laws of the United States," and adopting measures for preventing violations of said laws.

By authority of the United States, be it enacted by the Philippine Legislature, that—

SECTION 1. Nothing provided in the existing legislation shall be understood or construed as directly or indirectly permitting slavery, involuntary servitude, and peonage in the Philippine Islands. Subject to the modifications provided in the next following section, the provisions of law prohibiting and punishing slavery, involuntary servitude, and peonage are hereby continued in force and effect.

PEONAGE LAW PASSED BY COMMISSION NOVEMBER 14, 1911.

An act relating to contracts of personal service and advances thereunder, and providing punishment for certain offenses connected therewith.

By authority of the United States, be it enacted by the Philippine Legislature, that—

SECTION 1. Any person who, with intent to injure or defraud his employer, enters into a contract for the performance of any act or personal service, and thereby obtains money or other personal property from such employer as a gratuity or advance on wages to be earned under such contract of employment, and without just cause, and without refunding such money or paying for such property, refuses or fails to perform such act of service, shall on conviction thereof be punished by a fine of not more than ₱200 or imprisonment for not more than six months, or with both penalties.

ishing slavery, involuntary servitude, and peonage contained in any laws, orders, ordinances, decrees, instructions, or regulations promulgated during Spanish government and applicable to the Philippine Islands are hereby confirmed and ratified.

SEC. 2. The provisions of sections 268, 269, 270, and 271 of the act of the Congress of the United States approved on March 4, 1909, entitled "An act to codify, revise, and amend the penal laws of the United States," are hereby adopted, with the necessary modifications, as if they had been enacted by the Philippine Legislature, to be in force within the territory subject to the jurisdiction of said legislature, so that said sections, as modified, shall read as follows:

(a) Whoever kidnap or carries away any other person, with the intent that such other person be sold into involuntary servitude or held as a slave; or who entices, persuades, or induces any other person to go on board any vessel or to any other place with the intent that he may be made or held as a slave, or sent out of the country to be so made or held; or who in any way knowingly aids in causing any other person to be held, sold, or carried away to be held or sold as a slave, shall be fined not more than ₱10,000 or imprisoned not more than five years, or both.

(b) Whoever holds, arrests, returns, or causes to be held, arrested, or returned, or in any manner aids in the arrest or return of any person to a condition of peonage shall be fined not more than ₱10,000 or imprisoned not more than five years, or both.

(c) Whoever obstructs, or attempts to obstruct, or in any way interferes with or prevents the enforcement of the section last preceding shall be liable to the penalties therein prescribed.

(d) Whoever shall knowingly and willfully bring into the Philippine Islands or any place subject to the jurisdiction thereof any person inveigled or forcibly kidnaped in any other country, with intent to hold such person so inveigled or kidnaped in confinement or to any involuntary servitude; or whoever shall knowingly and willfully sell, or cause to be sold, into any condition of involuntary servitude, any other person for any term whatever; or whoever shall knowingly and willfully hold to involuntary servitude any person so brought or sold, shall be fined not more than ₱10,000 and imprisoned not more than five years.

SEC. 3. It shall be the duty of the provincial governor of every province organized under act No. 83 of the Philippine Commission to obtain information and take all measures that in his judgment may be proper to forestall and thereafter to prevent any violations of this act, and in case such violations have been committed, to order immediate prosecution. It shall also be the duty of the provincial governor to order, where necessary, the institution of habeas corpus proceedings, and he may apply to the provincial fiscal, and in his default to the proper court, for the designation of a lawyer to protect the rights of the person or persons for whose benefit the habeas corpus proceedings shall have been brought, and no fees shall be charged for such services, and the costs shall in every case be de oficio.

SEC. 4. The courts of first instance shall have original jurisdiction over all cases for violations of this act.

Enacted, November 28, 1913.

SEC. 2. Any person who, with intent to injure or defraud his landlord, enters into a contract in writing for the rent of land under an agreement to cultivate such land, thereby obtains money or other personal property from such landlord, and without just cause, and without refunding such money or paying for such personal property, refuses or fails to cultivate such land or to comply with his contract relative thereto, shall on conviction be punished by a fine of not more than ₱200 or imprisonment for not more than six months, or with both penalties.

SEC. 3. Any person who, with intent to injure or defraud, shall contract with another to receive from him personal service of any kind and to compensate him therefor, and thereafter with like intent receive the benefit of such service in whole or in part and fails or refuses to pay the compensation agreed upon shall upon conviction thereof be punished by a fine of not more than ₱200 or imprisonment for not more than six months, or with both penalties.

Enacted, January 20, 1912.

Mr. Chairman, Mr. Worcester has paid me his respects both in his report and in his book. He has openly questioned my sincerity or veracity when I first took issue with him as to the question of slavery in the Philippine Islands. I paid no attention to such attacks, for I do not care to lose my time in a useless discussion with him. I should have not brought these questions forward upon this floor had there not been insinuations as to the alleged unwillingness of the Filipino people to prevent the mistreatment and exploitation of their weaker fellow citizen by those who are stronger and unscrupulous. What I am ready to tolerate or overlook regarding myself I shall never let go unchallenged regarding my people.

Now, Mr. Chairman, in conclusion, it would be preposterous to say that there are not, or there may not be, cases when some Filipino has taken advantage of another Filipino. That would happen there as it happens everywhere, as long as there are bad and good men, strong and weak men, wise and ignorant men. But it is true that at no time was there lacking in the Philippine Islands, in the territory inhabited by Christian Filipinos, a law that would punish such actions; neither is it true that the law was not properly applied when any such case was brought before the court, save perhaps in instances when the judge was not equal to his duties—a misfortune that may happen anywhere and which did happen from time to time during the period of Spanish rule.

Mr. MANN. Will the gentleman yield?

Mr. QUEZON. Yes.

Mr. MANN. In view of the gentleman's statement, what objection is there to putting this provision into the law?

Mr. QUEZON. As I said at the beginning of my remarks, I have no objection to its substance or object, and I would be glad to have it put into the law, but I regret that the distinguished college professor from Ohio [Mr. FESS] should think it necessary to bring into this discussion one of the charges more deeply resented by the Filipinos than any other, because they think that the subject was brought before the American people not for the purpose of curing that evil but for the purpose of denouncing them as being in favor of enslaving their own people, and that it was necessary to send to the Philippine Islands high-salaried men like Mr. Worcester to defend the people of that country against the selfishness of their countrymen. [Applause.]

Mr. Chairman, I shall insert in the RECORD in connection with my remarks a review of Mr. Worcester's book, entitled "The Philippines—Past and Present," printed in the Wisconsin State Journal, May 30, 1914.

The review referred to is as follows:

No more important work regarding the Philippines has yet been printed in English. No more interesting work regarding them is likely to be written. To properly review it, either for content or argument, would demand much more space than is at our disposition. The title of the work is misleading. It might better bear one somewhat like this: "The achievements of Dean C. Worcester, as judged by himself, with slaps at Judge Blount." The Good Book tells us that when the Maker of all had finished His six days' toil, He inspected it and declared it good. There have been many human imitators of this divine example; rarely have we known one so satisfied as Prof. Worcester. He declares his Philippine achievement to be very good. The book is one of the "before taking" and "after taking" advertisement sort. It shows us the Philippines before they had Worcester and after they had him; one must be blind not to see the improvement. Mr. Worcester's fundamental proposition is that the Philippines are only possible with us in charge. We have built a splendid structure there, and if we leave it it will crumble. The Filipinos are not fit for independence and will not be for a long time. So we must stay, even if we wished to leave. The earlier chapters of the book are historical, after a fashion. They are intended to relieve conscience. They discuss whether independence was promised and whether we destroyed a republic. It is claimed that we did neither. Insurgent rule is shown to have been a failure, shockingly brutal and cruel, supported by "murder as a governmental agency." The insurrection is said to have been premeditated and the war is stated to have been conducted treacherously. This is a faint picture of the conditions as Worcester depicts them. If one takes his statement just as it stands, it is alarmingly conclusive. Having proved all these things to his own satisfaction, Mr. Worcester proceeds to show what benefits we have conferred and details them one by one. It makes interesting reading, and taken at face value causes one a glow of satisfaction. One may, however, read between the lines. And one sometimes doubts whether Mr. Worcester really takes himself seriously. Almost every topic he takes up raises questions. For example, take health service. We fully appreciate the good done, but there are some curious things in it. We have been too short a time in the islands to know much of cholera and its course there. There was a dreadful outbreak of the disease in 1902–1904. I quote two paragraphs relative to it: In 1902, "before it was finally checked in Manila, there were 5,581 cases, with 4,336 deaths; while in the Provinces, in many of which it necessarily long ran its course practically unhindered, there were 160,671 cases, with 105,075 deaths." In 1904 "the conditions for combating cholera were now more favorable than in 1902," and we have the following results: In Manila "a total of 283 cases and 243 deaths."

"In the Provinces the results of the campaign against cholera were far less satisfactory than in Manila, as was to be anticipated, owing to the lack of adequate personnel, but the cases, which numbered 34,238, and deaths, which numbered 22,938, were far fewer than during the previous epidemic." Examine these satisfactory results a little. In 1902 in Manila 76.7 per cent of the cases died under care; in the Provinces 66.2 per cent of the cases died with inadequate care. In 1904 in Manila 85.8 per cent of the cases died under care, with improved and more favorable conditions; in the Provinces 66.9 per cent of the cases died under inadequate care. Will the death rate in the Philippines, apparently pretty steady at 66 per cent in neglect and bad conditions, finally rise in Manila to 100 per cent when the medical treatment is perfected along modern lines? Mr. Worcester aims, however, to give the impression that danger from cholera is past; that the disease has been stamped out. Thus he states that deaths from cholera have diminished. "In 1908 they numbered 18,811; in 1909, 7,306; in 1910, 6,940; in 1911, 203; in 1912 there were none, and thus far in 1913 there have been none." Curious contrariety of things! In a foot-

note we read: "Just before I left Manila, in October, 1913, cholera reappeared there."

WORCESTER'S REASONING.

There is no question that Mr. Worcester has been doing his duty all these years in the Philippines with Spartan inflexibility and firmness. He long ago recognized that no thanks were to be expected from the Filipinos. His "wild people" are responsive, but the Filipinos are ungrateful. Mr. Worcester's best friends will hardly claim that he is a man of tact. In his effort to prove the Filipino Assembly incapable of good legislation, Mr. Worcester quotes Speaker Osmeña as follows: "The bill itself was sent to the assembly for action; but on account of the unfriendliness of the members for the secretary of the interior and the lack of sympathy between the assembly and him, it was not given the consideration that it would have received if Mr. Worcester had at the same time sent us the facts which he has sent on to the United States." To Mr. Worcester this remark of Señor Osmeña merely emphasizes the incompetence of the Filipino politician. He excuses his not supporting his bill by the sending of facts by the plea that they all knew the facts. The truly interesting point, however, here is that Mr. Worcester hung onto his job, even when he was so much hated personally that legislation was adversely affected. This was true for years. His usefulness in the commission ended when he was completely disliked by that body, which officially represents seven-eighths of the Philippine population. The tenacity with which he clung to his office after his usefulness was gone became a joke. If it were not so pathetic it would be very, very funny.

On the first occasion when I saw Prof. Worcester he was talking in defense of the Benguet road; he is still defending it; he will have to defend it to his dying day; and after he is gone apologies will still be in order. There are some things, however, into which he does not go. Thus he makes but two incidental references to his libel suit against El Renacimiento. It was the best newspaper in the Philippines. It was ably edited. Mr. Worcester's suit against it was a famous incident, which should not have been neglected in this book. Your reviewer felt at the time that the United States Government would have done wisely to buy off Mr. Worcester at any price. To have paid him $50,000 or $100,000 or $200,000 damages to compensate him for his injured feelings would have been good policy and real economy. There had been things before that irritated the Filipinos, but with the closing up of El Renacimiento Mr. Worcester's usefulness in the islands came completely to an end.

A WASHING OF DIRTY LINEN.

But the book is full of interesting matter. Some of it is commendable, some is open to criticism; there is much fact, much fancy; there is much unassailable statement of fact, much casuistry. On the whole it is an apology, a party document, a washing of dirty linen. Whom he loves, he adulates; whom he hates, he lashes. Many excellent men who have done great work in the Philippines he ignores. Toward the end of his book he lays an excellent basis for exploitation; he appeals to our cupidity; he shows the wealth and strategic importance of the Philippines Having demonstrated to his own satisfaction that they can not and will not develop and utilize, we must. It is a simple and easy argument. We must use the Filipino to develop the Philippines for us. He will work under direction, not alone. "We soon discovered that by picking fairly strong men and feeding them plenty of meat we could make them able and willing to do it"—i. e., work. Keep at it! There are millions there for us, if only we can make them do the heavy work. Worcester's book will make a capital promoter's handbook for an exploitation company.

Of course, we can never fit the Filipino for independence and self-government He must fit himself. We shall never make him into a white man like ourselves—not in a thousand years. Why should we try to do so? He is best to be what nature made him capable of becoming. When we withdraw—but, alas, we are unlikely to withdraw—he will not maintain what we have developed. He ought not to do so; he should not try. Our model government there is a misfit. Filipinos can develop a fitter one. Judged by our standards, it will no doubt be inferior. But they ought to have a chance, and very soon. Many competent judges believe they are less fit for self-government to-day than when we took them over. Some believe that every year we stay they become less fit. We should leave—the sooner the better.

Mr. FESS rose and was recognized.

Mr. JONES. I ask unanimous consent that debate upon this paragraph and all amendments thereto be closed in 10 minutes.

The CHAIRMAN. The gentleman from Virginia [Mr. JONES] asks unanimous consent that the debate upon this paragraph and all amendments thereto close in 10 minutes. Is there objection?

Mr. MILLER. Reserving the right to object, may I inquire if it is the intention to use that 10 minutes on the other side?

Mr. JONES. That matter is in the hands of the Chair. I suppose he will divide it equally between the two sides.

Mr. MILLER. That side has already had 15 minutes and this side 5.

Mr. JONES. Oh, no; the time of the gentleman from Ohio was certainly extended 5 minutes, making at least 10 minutes. Does the gentleman want to discuss this?

Mr. MILLER. I do not know, but I think 10 minutes will be a little short. Suppose the gentleman makes it 15.

Mr. JONES. Very well, let us make it 15 minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that at the end of 15 minutes debate on this paragraph and all amendments thereto be closed. Is there objection?

There was no objection.

Mr. FESS. Mr. Chairman, this question was up before, and it went over this country like a forest fire; and when the present Commissioner from the Philippines put himself on record as to whether there was any slavery or involuntary servitude in those islands he did it in a letter that he wrote to the editor of the Boston Herald June 24, 1912. That letter is in print and is before me. In that letter he said:

Do we have slavery and compulsory service in the Philippines or not? If we do not, the bill to abolish it is unnecessary. If we do, it is also unnecessary, because the act passed by Congress creating the present Philippine Government, which serves as our Constitution, already prohibits slavery and compulsory service, and therefore no act of the Philippine Legislature is needed to declare it illegal.

Mark those words—

And therefore no act of the Philippine Legislature is needed to declare it illegal.

Now he comes upon the floor and makes the statement that the present legislature has pronounced it illegal in order to make the constitutional provision here effective. When he claimed that it was not necessary two years ago, he proceeded to say:

If there is slavery and compulsory service in the Philippines, the Governor General, as the chief executive, and the members of the Philippine Commission, who, with the Governor General, compose the executive department of the islands, are all of them guilty in not enforcing and executing the constitution of the archipelago.

And he repeats that upon this floor to-day, when the facts which I will print show that there was slavery in the sections over which the commission had no control and Secretary Worcester had no control, but which were under the Philippine Assembly. When he says that the Philippine Assembly did not act, he says it did not act because it was unnecessary for it to act. That is a confusion of terms, and that calls attention to the proposition that I submitted to my friend from Tennessee [Mr. GARRETT] a while ago, namely, that the constitutional provision is a dead letter unless the power to enact it into law will act; and if it does act it may repeal the very thing that it has made into law. Then, in another place, the Commissioner from the Philippines [Mr. QUEZON] says:

The passage by the Philippine Commission of the antislavery bill placed the Philippine Assembly in a very awkward position (as it was perhaps intended to do); to concur in the passage of the bill was to admit that there is such a thing as slavery and compulsory service in the Philippines, which is not a fact.

He says:

To reject the bill would be construed as indicating that the members of the assembly were advocates of slavery. The moral courage of our assemblymen was shown when they took the former course—that of truth. The members of the commission denounce the attitude of their colegislators as proof of lack of sympathy for the masses of the people.

Now, Mr. Chairman, he said in this letter that there was no such thing as slavery there. I do not think he denies it now on this floor, from what he just said; but he regrets that a member of this committee raised one of the serious questions pertaining to the Philippine Islands, a subject of our legislation. This information which I will print comes from sources that ought to invoke respect, and I leave it to say whether it is just Dean Worcester or whether it comes from officials throughout the islands, including Filipinos as well as Americans. [Applause.]

I here wish to insert a report made by Dean C. Worcester, secretary of the interior, submitted June 30, 1913.

APPENDIX.

NO. 8. AN ACT DEFINING THE CRIMES OF SLAVE HOLDING AND SLAVE HUNTING, AND PRESCRIBING THE PUNISHMENT THEREFOR.

[As amended and approved by the Philippine Commission November 2, 1903.]

By authority of the Philippine Commission, be it enacted by the Legislative Council of the Moro Province, That every person who buys, holds, sells, or otherwise disposes of any person as a slave, or who directly or indirectly causes any person to be held in involuntary servitude, except as provided by law, is guilty of slave holding, and upon conviction shall be imprisoned not more than 20 years and be fined not more than ₱10,000 Philippine currency.

SEC. 2. Every person who buys, captures, abducts, or receives any person with intent to sell or otherwise dispose of such person as a slave, or to cause such person to enter into involuntary servitude, or who knowingly aids or abets the recapture or detention of any person escaped from slavery for the purpose of returning such person to a condition of slavery or involuntary servitude, or who knowingly owns or is employed upon or has any interest in any vessel used or employed in the transportation of any person for the purpose of causing such person to enter into slavery or involuntary servitude in the Moro Province or elsewhere is guilty of slave hunting, and upon conviction shall be imprisoned for not more than 20 years and be fined not more than ₱10,000 Philippine currency.

SEC. 3. Any vessel employed with the knowledge and consent of the owner in the transportation of any person from or into the Moro Province, or within the limits of the same, for the purpose of disposing of such person as a slave or of causing such person to enter into involuntary servitude in the Moro Province or elsewhere, and any property, shelter, subsistence, arms, animals, or equipments employed with the knowledge and consent of the owner in the trafficking in, hunting, capturing, or recapturing slaves, shall be subject to confiscation, and upon due proof before the proper court and after due sentence shall be sold at public auction. The proceeds of such sale constitute a part of the funds of the Moro Province

SEC. 4. Nothing in this act shall be construed as countenancing or recognizing the legality of slavery or involuntary servitude as heretofore existing in the Moro Province, or as exempting or excusing any person who may have heretofore committed any of the acts defined and punished in this act as slave holding or slave hunting from prosecution and punishment under the laws of the Philippine Islands.

SEC. 5. Subject to annulment or amendment by the Philippine Commission, this act shall take effect on its passage.

Enacted September 24, 1903.

TYPICAL CASES OF VIOLATION OF THE MORO PROVINCE ANTISLAVERY LAW FROM THE COURT RECORDS OF SAID PROVINCE.

On April 19, 1904, the Moro Alan was convicted of having violated the antislavery law by sequestering a Moro girl named Cabala in order to make a slave of her and was sentenced to 12 years' imprisonment. (Criminal case No. 31, district of Zamboanga.) A fine of ₱500 was imposed on this man, while the Moros Milajan and Tangigi were sentenced to 10 years' imprisonment and a fine of ₱100 each.

On September 7, 1904, a Bagobo named Obo was convicted of having violated the antislavery law by purchasing, possessing, and disposing of one Dumancal as a slave. (Criminal case No. 40, district of Davao.)

On November 7, 1904, a Moro man named Batu was convicted of having violated the antislavery law by capturing and carrying away a Moro woman named Lalia with the intention of selling her as a slave, which he later actually did. (Criminal case No. 28, district of Sulu.)

On March 25, 1905, a Moro man named Javing was convicted of having violated the antislavery law by holding as a slave a Moro man named Tutu, his wife, called Patima, and his four children, called Napala, Daulan, Adajali, and Malija. (Criminal case No. 78, district of Zamboanga.)

On March 8, 1905, a Moro man named Valentin was convicted of having violated the antislavery law by holding a girl called Dugunayan as a slave. (Criminal case No. 49, district of Davao.)

On November 22, 1905, a Moro man named Hadjee Asmail was convicted of having violated the antislavery law by taking three Moros and capturing a Moro woman named Incung, who was held, to be sold as a slave. (Criminal case No. 26, district of Sulu.)

On August 9, 1906, a Moro named Ampan was convicted of violating the antislavery law by capturing a Moro man named Tagusú and holding him as a slave. (Criminal case No. 107, district of Lanao.)

On August 8 1906, two Moros named Magumpara and Magaling were convicted of having violated the antislavery law by capturing as slaves Gamba and Tabilaran. (Criminal case No. 106, district of Lanao.)

On August 7, 1906, a Moro man named Campung was convicted of having violated the antislavery law by selling as a slave a Moro woman named Bacudi. (Criminal case No 104, district of Lanao.)

On August 7, 1906, a Moro named Pasagui was convicted of violating the antislavery act by buying a Moro woman named Abacudi as a slave. (Criminal case No. 105, district of Lanao.)

On August 7, 1906, a Moro chief named Sanco was convicted of violating the antislavery act by buying two Moro men named Sampiri and Siryat as slaves. (Criminal case No. 102, district of Lanao.)

On February 12, 1907, a Moro named Bambang was convicted of violating the antislavery act by capturing two Moros named Garuda and Tabilaman in order to sell them as slaves. (Criminal case No. 120, district of Lanao.)

On August 7, 1907, a Moro named Murodan was convicted of violating the antislavery act by buying a woman named Talama as a slave. (Criminal case No. 71, district of Cotabato.)

On August 7, 1907, three Moros named Guimgbangan, Morega, and Gwam were convicted of violating the antislavery act by selling a Moro woman known as Talama, referred to in the previous case, as a slave. (Criminal case No. 72, district of Cotabato.)

On April 17, 1908, a Moro named Atucan was convicted of violating the antislavery act by selling a woman named Duducan as a slave. (Criminal case No. 8, district of Lanao.)

On August 16, 1907, two Moros named Umpara and Bansil were convicted of violating the antislavery act by selling a Moro named Liba as a slave. (Criminal case No. 133, district of Lanao.)

On August 16, 1907, two Moros named Amay and Saumayang were convicted of violating the antislavery act by selling a Moro named Bansil as a slave. (Criminal case No. 134, district of Lanao.)

On August 19, 1907, a Moro named Macalangut was convicted of violating the antislavery act by buying two Moros named Sandat and Alanga, for whom he paid ₱5. (Criminal case No. 138, district of Lanao.)

In numerous other cases conviction was not secured because of the inability to secure witnesses who would testify to facts which were well known, or because of the sudden and complete disappearance of witnesses with knowledge of the facts who were willing to testify.

REPORT OF SENIOR INSPECTOR SORENSON, PHILIPPINE CONSTABULARY, ON SLAVERY IN THE PROVINCE OF ISABELA.

CONSTABULARY OF ISABELA,
OFFICE OF THE SENIOR INSPECTOR,
Ilagan, Isabela, May 2, 1903.

FIRST DISTRICT CHIEF,
PHILIPPINE CONSTABULARY,
Manila.

SIR: In compliance with telegram of April 28, 1903, from the chief of first district Philippine Constabulary, I have the honor to respectfully submit the following report:

Buying and having slaves has evidently been very common in this valley during Spanish occupation. I am satisfied that, to a large extent, the poorer population in the towns and barrios are the descendants of former slaves bought from Igorrotes or Calingas by the richer Spanish or Ibanag landowners.

The two Christian tribes in this valley are the Ilocanos and the Cagayanes or Ibanags. The former are immigrants from Ilocos Sur and Norte, and they have practically only been here for a generation; they come here as laborers for the tobacco companies and eventually stay and settle here. The latter tribe are the original inhabitants of the valley, but are somewhat indolent, and do not care to work for others.

These two tribes are confined to a very narrow strip of land—in fact, only about 20 miles wide—taking in only river bottom land of the Cagayan River and its tributaries, and their only crop is tobacco, which can not profitably be raised by them on the higher land not inundated during the rainy season. They are also afraid of living in isolated places, as families that have done so are killed by the uncivilized tribes whenever opportunity offers.

The non-Christian tribes living in this valley and surrounding foothills and mountains are the Calingas or Gaddanes, Igorrotes, Negritos, Ilongotes, and Catalanganes. Of these the Igorrotes and Calingas are confirmed head-hunters, and consequently always at odds with their neighbors, even if they belong to the same tribe. The Igorrotes, I think, are the larger tribe—at least, they are more plentiful in this Province—and in appearance and manner very much like the ordinary Filipino, and though they consider a G string to be ample covering for anybody, they otherwise are as far advanced as the barrio Filipino; they have bamboo houses, cooking utensils, same as used by the Filipinos, raise rice and garden truck, have horses and carabao, make baskets and earthenware pots, and, in fact, have all the comforts enjoyed by their Christian brothers.

They live in so-called rancherias, very much resembling a barrio, but generally situated in out-of-the-way places. As they covet the possession of heads, for religious or other reasons, and as these heads are never obtained from their own rancho, they naturally do not live on the best of terms with the outer world.

In making raids on other rancherias for head-hunting purposes some prisoners are generally taken, with the idea, I think, of killing them afterwards, or selling them, as the Igorrotes do not keep slaves. In disposing of their slaves they generally do as follows:

A small number of Igorrotes, generally about four or five, will appear in a town with one, two, or three prisoners, as the case may be, and make known to the people that they wish to dispose of them. They will generally be accompanied by an interpreter, who is often a hunter, who is on good terms with the Igorrotes; he will take them around to the most likely houses in town, and no doubt gets a fee for his trouble.

After some dickering and showing the fine points of their wares, a bargain is struck, cash is handed over, and the Igorrotes depart.

The slave is then put to work in the house, and shortly afterwards baptized, is treated well, learning to speak the prevailing dialect, and no doubt thoroughly appreciates the change.

He is, of course, assigned to the meanest and hardest work, as carrying water and the like, but nevertheless well treated for fear that he should run away, and his only compensation is food and what little clothing he needs. His master will generally see that he gets married in due time, and whenever he thinks he can safely do so, he sends him out to his ranch to work there.

If the slave should wake up to the fact that his services ought to be paid for, and would look for other work, he will find that nobody would employ him, as everybody in town knows that he belongs to his master, and a person doing so would incur the enmity of every slave owner. Consequently, the only method of liberating himself is to run away to some distant place, from where his master would not be likely to get "noticias," or where the practice of owning slaves is not prevailing.

My investigation of this matter has been conducted very quietly, as it would look suspicious in the eyes of the native if I should inquire too deep into the prices paid or personally interview the buyers; I have therefore had a young native to furnish me the following list of persons who have bought slaves during the last year.

The slave owner will make himself believe that he is doing a very commendable thing in rescuing an infidel and having him brought up to become a good Christian; true, also, if carried on for some time the non-Christian will become assimilated and a Christian.

I stated in my telegram that the governor, Señor Dichoso, had recently bought three slaves; this I have not been able to verify; on the list given me he is supposed to have bought only one of a lot of three recently sold here; of the remaining two, one went to his father-in-law, Andres Claraval. The third of this lot I have not been able to trace, as I did not like to show too much zeal in the matter as yet.

Igorrotes sold in Ilagan within last year: To the presidente, Pascual Paguirigan, one boy 12 years old for $130. This boy is doing housework.

To Gabriel Maramag, sheriff of the Province, one girl 12 years old for, he believes, $150. This girl is also doing housework.

To Pedro Gangan, consejal, a woman 25 years old and a man 26 years old for $145. They both do housework.

To Desiderio Camarao, a merchant doing business in this valley with house in Aparri, boy and girl about 10 years old for $250. These children are working in house in Aparri.

To Luis Futad, owner of a billiard hall here, a boy 8 years old for $115. This boy is doing housework.

To Blas Padagas, an Ilocano consejal, a boy about 10 years old for $150. This boy does housework.

Blas Padagas also bought another boy at about 10 years of age and sold him afterwards to Irineo Comaseng, manager of cooperative store in Ilagan, for $180. This boy has been sent to Manila, where he now works for Irineo's sister, living somewhere in Santa Cruz, Manila.

To Juan Paggao, a former consejal, and whose son is now consejal, a man 27 years old for $110. This slave died about two weeks after being purchased.

To Señor Dichoso, governor of Isabela, a boy 14 years old. Have not been able to ascertain the price paid.

To Andres Claraval, father-in-law of Señor Dichoso, a woman 26 years old. Also not able to ascertain price in this case.

Jose Patanag, a boy 10 years old for $170. This boy is working on owner's ranch in barrio Lulutan.

While in Aparri, en route for this station, I saw three young Negritos, two boys and one girl; the boys were about 14 years old and the girl slightly younger. Inquiring, I was told that they belonged to a Chino merchant, who had bought them recently. The boys were working in rear of the Chino's house, facing the river, and engaged in filling in and raising the level of the land with soil obtained in or near the river. The girl was working in the cuisine.

As seen from above list, only the very best or richest class of inhabitants keep slaves; naturally the poorer could not afford to buy them; nevertheless, it is apparently a good investment, as the salaries for field hands are about 4 or 5 pesetas a day, or a certain part of the crop.

The people here, especially the officials, are very bitter against the Calingas, who, they declare, ought to be killed wherever met; this is especially so whenever it is discovered that they have killed Christian Filipinos. It is certainly a very bad state of affairs, considering the impossibility of fastening the guilt of these murders on individual Calingas. They roam over such a large territory that it is impossible to know by which band a certain murder has been committed, and there never are any eyewitnesses to these affairs, as they are always perpetrated on hunters, travelers, or families living on isolated ranchos.

The Calinga, though, is not entirely to blame, as he is treated unjustly, and practically has no standing in their courts; besides, these so-called hunters, in doing so, invade the country of the Calingas and whenever opportunity offers will steal their carabao and horses or kill them, claiming that they thought they were wild carabao and horses. The main trouble is that in revenging himself he does not always get the guilty parties. In order to be more conversant with the Calinga question, and to be able to be on speaking terms with them whenever desirable and to gain their confidence, it is necessary that we be supplied with about 20 more good horses. I believe that this Province needs horses more than any on account of this same question. In other Provinces, usually food can be obtained most everywhere, while

here it is an impossibility to obtain anything outside of the towns or barrios.

A peculiar fact connected with the selling of slaves is that an Igorrote never sells Calingas as slaves, or vice versa, which no doubt shows that they do not show each other mercy, but that if prisoners are taken they are invariably killed.

A Tagalo by the name of Cosme Ferrer, living in this town, and a hunter at odd times, has acted as go-between in the selling of slaves at various times, and I am assured that if any Filipino should want to invest in a slave this man could arrange to have a lot brought in here for selection.

Very respectfully,

A. O. SORENSON,
Captain and Senior Inspector, Isabela Province.

DECISION OF THE COURT OF FIRST INSTANCE IN THE TOMÁS CABANAG CASE.

In the court of first instance in and for the Province of Nueva Vizcaya, mountain judicial district.

Los Estados Unidos contra Tomás Cabanag. Criminal case No. 32, for detention illegal.

OPINION AND JUDGMENT.

The above-entitled cause, submitted on January 10, 1906, and by the court taken under advisement, presents another and still different phase of the traffic in human beings from any and all others that have been tried and disposed of by the court at this term, viz, the occupation of an agent or factor from the intelligent and educated natives who buy in Nueva Vizcaya to sell at a profit or advance in Isabela. The accused has been ably defended and the evidence is in conflict upon some material points, and it is only by the most careful consideration and observation of the nature, interest, and manner of the witnesses while testifying that the real and true facts as established by such evidence is made clear and apparent.

Without entering into a discussion or explanation of the nature, interest, and manner of witnesses, this court now finds the following facts established by the evidence beyond all reasonable doubt:

Tomás Cabanag, the accused, was and is an intelligent and well-known citizen and resident of Cauayan, in the Province of Isabela, and also has a house in Solano, in the Province of Nueva Vizcaya, where his relatives (sister) live and where he is accustomed to stop on his visits to said pueblo.

On or about the 30th of April, 1905, the accused, being in Solano aforesaid, made and entered into a contract with the Igorrote woman, Antonia Malanta, a so-called Christian Igorrote, from the rancheria of Quiangan, in said Province of Nueva Vizcaya, for the purchase of the Igorrote child, Jimaya, age about 13 years, and a native of the rancheria of Anao, in said Province, agreeing to pay the said Antonia Malanta the sum of ₱100 and with the purpose and object of taking said child, Jimaya, to the Province of Isabela and there selling her into slavery.

This contract for the transfer of the possession of said child was made without any inquiry whatever as to the parentage or guardianship of said child or the right of the said Igorrote Antonia Malanta to have such child in her possession or under her control, for while the said Antonia at first declared that Jimaya was her daughter the subsequent conversation clearly demonstrated that such was not the fact and that such was well known and understood by the said accused.

This contract for the transfer was consummated the following morning, and the money was paid by the accused to Antonia and the child was delivered to the accused and his sister at their house in said pueblo of Solano.

The child, Jimaya, had been forcibly taken from the possession of her grandmother, Oltagon, in the rancheria of Anao by one Buyag, an Igorrote of said rancheria, and against the will and protest of both the child and her grandmother, who, in the absence of the parents of said child, was then exercising a lawful and proper guardianship of the said child, and when so taken and abducted was delivered to Eusebio, brother of Antonia, and by said Buyag and Eusebio delivered to said Antonia for sale. Buyag, a prisoner in jail here for said offense, was produced as a witness by the accused and testified that the child's father was dead and that the child was taken from the possession of Dudduli, the child's mother, from whom he, in company with another Igorrote, bought the child in payment of the debts of the deceased father. This claim is not established by the evidence and is inconsistent with the other evidence, which establishes the fact that the child, Jimaya, was an orphan and when abducted and seized by Buyag was and had been for a considerable time in the house and under the control of the maternal grandmother, Oltagon, and against whom as well as the child force and threats were used at the time of the abduction and seizure as hereinbefore found and set forth.

This feature of the seizure and abduction, the parentage of the child, and the alleged sale as advanced by the accused on his trial in this court, it is clearly shown, were matters of subsequent information, and that he made no inquiries from the woman, Antonia, to ascertain whether the parents were living or the circumstances or conditions under which the child came into her possession or was held by her for sale. The child was held in his possession in Solano, and in a day or two thereafter, upon a false and untrue statement to the child that he was going to take her back to her rancheria, he did as a matter of fact take the child weeping and crying and with such degree of force as was sufficient to intimidate said child and against her will carried her on horseback, accompanied by his sister, to his residence in Cauayan, in the Province of Isabela, and with the object and purpose of selling the child there into human slavery, which object and purpose was effected within two or three days to one Mariano Lopez, where the child was used and employed in the manufacture of cigars, being beaten and intimidated by the wife of the said Mariano Lopez, and from whence she was rescued and returned to Nueva Vizcaya by the constabulary of said Province.

However much may be said in extenuation of the alleged custom among the ignorant Igorrotes of seizing and abducting children for sale as even of the voluntary sale by Igorrotes of their children, there is nothing in all this to palliate or extenuate the conduct of the accused in this case.

The Congress of the United States has declared that human slavery shall not exist in these islands, and while no law, so far as I can discover, has yet been passed either defining slavery in these islands or affixing a punishment for those who engage in this inhuman practice as dealers, buyers, sellers, or derivers, the facts established in this case show conclusively that the child, Jimaya, was by the defendant forcibly and by fraud, deceit, and threats unlawfully deprived of her liberty, and that his object and purpose was an unlawful and illegal one, to wit, the sale of the child for money into human slavery. This constitutes the crime of detención ilegal defined and penalized by article 481 of the Penal Code, and this court finds the defendant guilty as charged in the information.

There are neither extenuating nor aggravating circumstances found in the case.

The court therefore sentences the accused, Tomás Cabanag, to eight years and one day of prisión mayor and to pay the costs of this instance with the accessories of the law.

Done in open court at Bayombong, in the Province of Nueva Vizcaya, P. I., this 16th day of January, 1906.

CHARLES H. BURRITT,
Judge, Mountain Judicial District.

Decision of the Supreme Court of the Philippine Islands in the Tomás Cabanag case.

[No. 3241. Mar. 16, 1907.]

The United States, plaintiff and appellee, *v.* Tomás Cabanag, defendant and appellant.

1. Illegal detention: The crime of illegal detention implies actual confinement or restraint of the person.

2. Coercion: Violence through force or intimidation is a necessary element of the crime of coacción.

3. Minors: The mere custody and disposal by a stranger of a minor over 7 years of age, with or without the consent of the parent or guardian, is not in itself a crime.

4. Slavery: The practice of certain tribes of the Igorrotes, so far as proved in this case, termed by them the buying and selling of children, does not necessarily constitute slavery or involuntary servitude. There is at present no law punishing slaveholding as a crime.

5. Id.; Involuntary servitude; Constitutional provisions: The constitutional provision of the Philippine bill that "neither slavery nor involuntary servitude * * * shall exist in these islands," while operating to nullify any agreement in contravention of it, requires supletory legislation to give it effect criminally.

Appeal from a judgment of the court of first instance of Nueva Vizcaya.

The facts are stated in the opinion of the court.

J. F. Boomer for appellant.

Attorney General Araneta for appellee.

TRACEY, J.: The accused, an Igorrote, was convicted in the court of first instance of Nueva Vizcaya of the crime of unlawful detention, under article 481 of the Penal Code, which punishes "any private person who shall lock up or detain another or in any way deprive him of his liberty."

An Igorrote orphan girl called Gamaya, 13 years of age, was taken from the possession of her grandmother, Ultagon, in the rancheria of Anao, in the Province of Nueva Vizcaya, by one Buyag, also an Igorrote; whether this was done with or against the will of the grandmother is not altogether clear in the evidence. We accept the version least favorable to the accused—that of the child—who testified that in the daytime Buyag came to the house and took her away, although the grandmother objected, saying, "Do not take off that little girl," but not speaking when she went away. The man brought her to his house, about a half mile distant, where she was not confined, but, on the contrary, was allowed to go back alone to her grandmother, with whom she would spend a little while, returning the same day. She testified that, on last leaving, the grandmother was angry and did not wish her to go, but did not prevent her. According to her recollection she remained with Buyag, in the vicinity of her grandmother's residence, some two or three months.

Buyag testified that more than two years before, in order to help the family after the father's death and for the purpose of keeping the child at home, he had bought her for 3 pigs, 25 hens, 2 measures of rice, and a cloak, worth 2 pigs, from her mother, with whom she remained until the third year, when (her mother presumably having died) she was brought away by one Eusebio, at the instance of himself and another Igorrote named Yog Yog, who had furnished part of the purchase price. Together they instructed Eusebio to sell her for a carabao and ₱50. Eusebio, together with his sister, Antonia, brought her to Quiangan, in the Province of Nueva Vizcaya, and sold her to the accused, Tomás Cabanag, for ₱100.

In respect to this last sale, the stories of Tomás, Antonia, and the girl substantially agree. Cabanag had previously been instructed to buy a girl by one Mariano Lopez, of Cauayan, to whom, after a few days, Gamaya was delivered in return for the price, which appears to have been ₱200. In his hands she remained for about two months, until she was taken away by an officer of constabulary. Afterwards this prosecution was instituted. Although Gamaya made objection to leaving the house of Cabanag, she appears to have gone without actual constraint, and at no time in any of these places was she physically restrained of her liberty; she was not under lock or key or guard, went into the street to play, returned at will, and was not punished or ill used in any way, but was employed about the household tasks; in short, she appears to have been treated by Mariano Lopez as a household servant and to have been well cared for while in the custody of the accused.

It is proved in the case that it is an Igorrote custom to dispose of children to pay the debts of their fathers, the transaction in the native language being termed a sale, and the defendant appears to have engaged in the business of buying in Nueva Vizcaya children to sell in the lowlands of Isabela.

In his sentence the judge below said:

"However much may be said in extenuation of the alleged custom among the ignorant Igorrotes of seizing and abducting children for sale and even in selling their own children voluntarily, there is nothing in all this to palliate or extenuate the conduct of the accused in this case.

"The Congress of the United States has declared that human slavery shall not exist in these islands, and while no law, so far as I can discover, has yet been passed either defining slavery in these islands or fixing a punishment for those who engage in this inhuman practice as dealers, buyers, sellers, or derivers, the facts established in this case show conclusively that the child Gamaya was by the defendant forcibly and by fraud, deceit, and threats unlawfully deprived of her liberty, and that his object and purpose was an unlawful and illegal one, to wit, the sale of the child for money into human slavery. This constitutes the crime of detención ilegal, defined and penalized by article 481 of the Penal Code, and this court finds the defendant guilty as charged in the information.

"There are neither extenuating nor aggravating circumstances found in the case.

"The court therefore sentences the accused, Tomás Cabanag, to eight years and one day of prisión mayor and to pay the costs of this instance with the accessories of the law."

This sentence can not be sustained. There can be no unlawful detention under article 481 of the Penal Code without confinement or restraint of person, such as did not exist in the present case. (U. S. *v.* Herrera, Mar. 28, 1904, 3 Phil. Rep., 515.)

Under the complaint for this crime it is possible to convict for coacción upon proof of the requisites of that offense (U. S. *v.* Quevengco, 2 Phil. Rep., 412), but among those requisites is that of violence through force or intimidation, even under the liberal rule of our jurisprudence (U. S. *v.* Quevengco, supra; U. S. *v.* Vega, 2 Phil. Rep., 167; U. S. *v.* Ventosa, 6 Phil. Rep., 385, 4 Off. Gaz., 573); consequently the charge of coacción against the accused can not be sustained upon the evidence.

The Penal Code, chapters 2 and 3, title 12, articles 484 to 490, provides punishment for those who carry off children under 7 years of age or those who devote children under 16 years of age to certain hazardous occupations; but none of these articles can apply to the case before us, except article 486, which punishes him who induces a child over 7 years of age to abandon the house of its parent or guardian. Under this article it is possible that, on full proof of the facts, Buyag might be held, but not the accused. It was not the design of the law to prevent parents or grandparents from devoting their children to customary work, nor from receiving compensation for such work in wages or otherwise. Such agreements binding out minors are sanctioned in most countries, usually, however, subject to stipulations for their welfare expressly prescribed by statute. In the absence of proof of what the agreement of the parties or the custom of the people called for in respect of the use, treatment, and care of the child, the term of her service, and her final disposition, and particularly in respect of the maintenance of her relations with her grandmother and the prospect of an ultimate return to her, it is not possible to hold that the arrangement was a criminal or even an illicit one. The name applied to it by the custom of the Igorrotes is not enough to establish that in truth and in effect it was a sale or anything more than a contract for services. While there is much in this practice to condemn, we do not feel it to be our province to strain the law in order to bring this local custom of this mountain people to an end. This condition may present matter for the consideration of the legislature, but not for action by the criminal courts. Not even the abhorrent species of traffic apparently carried on by the accused justifies a sentence not authorized by law.

The judge below quotes the bill of rights of the Philippines contained in the act of Congress of July 1, 1902, declaring that "neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist in said islands." This constitutional provision is self-acting whenever the nature of a case permits, and any law or contract providing for the servitude of a person against his will is forbidden and is void. For two obvious reasons, however, it fails to reach the facts before us:

First. The employment or custody of a minor with the consent or sufferance of the parents or guardian, although against the child's own will, can not be considered involuntary servitude.

Second. We are dealing not with a civil remedy but with a criminal charge, in relation to which the bill of rights defines no crime and provides no punishment. Its effects can not be carried into the realm of criminal law without an act of the legislature.

It is not unnatural that existing penal laws furnish no punishment for involuntary servitude as a specific crime. In the kingdoms of the Spanish Peninsula, even in remote times, slavery appears to have taken but a surface root and to have been speedily cast out, the institution not having been known therein for centuries. It is only in relation to Spain's possessions in the American Indies that we find regulations in respect to slavery. In general, they do not apply in their terms to the Philippine Islands, where the ownership of man by his fellow man, wherever it existed, steadily disappeared as Christianity advanced. Among the savage tribes in remote parts such customs as flourished were not the subject of legislation, but were left to be dealt with by religious and civilizing influences. Such of the Spanish laws as touched the subject were ever humane and radical. In defining slavery, law 1, title 21, of the fourth Partida calls it "a thing against the law of nature"; and rule 2, title 34, of the seventh Partida says: "It is a thing which all men naturally abhor." These were the sentiments of the thirteenth century.

To sum up this case, there is no proof of slavery or even of involuntary servitude, inasmuch as it has not been clearly shown that the child has been disposed of against the will of her grandmother or has been taken altogether out of her control. If the facts in this respect be interpreted otherwise, there is no law applicable here, either of the United States or of the archipelago, punishing slavery as a crime. The child was not physically confined or restrained so as to sustain a conviction for illegal detention, nor are the acts of the accused brought within any of the provisions of the law for the punishment of offenses against minors; consequently the conviction in this case must be reversed, in accordance with the recommendation of the attorney general, with costs de oficio, and the prisoner is acquitted.

After the expiration of 10 days let judgment be entered in accordance herewith, and 10 days thereafter let the case be remanded to the court from whence it came for proper action. So ordered.

Arellano, C. J., Torres, Mapa, Carson, and Willard, J. J., concur.

Defendant acquitted.

ADDITIONAL CASES OF SLAVERY IN ZAMBALES.

[Reported by the Philippine Constabulary.]

Mr. Manuel Millares, San Marcelino, Zambales. One Negrito girl, 10 years of age, named Valeriana. Bought by Mr. Millares from a Negrito father named Eslao, of Mabayto, sitio near San Marcelino, for 30 manojos (bundles) of palay (unhusked rice) per annum. Eslao owes Mr. Millares ₱10, debt contracted two years ago. This debt is not canceled by the payment in palay. The girl has been in the possession of Mr. Millares for three months.

Miss Aureau Magsaysay, San Marcelino, Zambales. Two Negrito girls, of 10 and 12 years, named Donata and Mariana, respectively. Bought by Miss Magsaysay in 1908 from their uncle, named Mariano Bacsamana, of Maguining, sitio of San Marcelino, for rice and clothes for the uncle; amount could not be learned, but the Negrito has received them three times since delivering the children. No money appears to have entered into the transaction.

Carmen Magsaysay, San Antonio, Zambales. One Negrito girl named Rosalina, about 10 years of age. Receives clothes and food in return for services as servant. No parents. Aunt and uncle, named Niquiroc and Sucuban, live in sitio of Marasa, near Botolan, and receive clothes and food when visiting at the house of Carmen Magsaysay.

Mrs. Magdalena de Guzman, Castillejos, Zambales. One Negrito boy of 8 years, named Antonio de Guzman. Bought by Mrs. de Guzman from uncle of boy, Pampalacuan, of Santa Fe, Marcelino, for ₱5 and 5 yards of cloth in 1908. Uncle owed ₱5 to Mrs. de Guzman since 1902 and settled the account by receiving the cloth. When the uncle visits Mrs. de Guzman, he receives food. Boy has no parents.

Mrs. Carlosa Perez, Paliuag, Zambales. One Negrito boy, named Hugo, aged 16. Bought from the boy's aunt, named Petra, by Mr. Patricio Lesaca, now of Botolan, Zambales, for ₱100, about eight years ago; Mr. Lesaca first paid to the aunt ₱35 and subsequently, at different intervals, cloth amounting to ₱65. About two years have elapsed since the last cloth was given to the aunt. Mrs. Perez states that she believes Mr. Lesaca will give the Negrito woman more cloth, if she requests it. The boy has no parents.

ADDITIONAL CASES OF SLAVERY IN THE PROVINCE OF TARLAC.

[Reported by a Filipino Constabulary officer. Note the constantly reiterated claim that these Negritos were given to their owners, baptized, and adopted, or treated as members of the family.]

Tomas Sival, a boy of 5 years. He was presented by his parents in 1912 to Agatan Sival, of Bamban, Tarlac, who had him baptized. He is cared for as an adopted son of Señor Sival, and receives no wage.

Maria, a girl of 8 years. She was presented by her mother, Roberta, and her stepfather, Dumpil, Negritos of the sitio of Mapical, to Leon Sival, of Bamban, Tarlac, in 1907. She is treated as a member of the family and receives no wage.

Maria, a woman of 52 years. Her parents died when she was but a little girl and she was taken care of by a Christian family. In 1896 she entered the service of Catalino Cristobal, of Bamban, Tarlac, to work for her food and clothes. She receives no salary.

Magdalena David, a girl of about 7 years. She was given by her parents to Petronila David, of Bamban, Tarlac, who adopted her as a daughter. She receives no wage.

Lucia de la Cruz, a girl of 15 years. In 1900 her grandfather gave her to Angela de la Cruz, of Bamban, Tarlac, to be adopted. She is furnished food and clothes but no wage. She is godchild of Angela de la Cruz.

Angela Sival, a girl of 13 years. She was presented in 1911 by her parents, names unknown, to Agatan Sival. She is fed and clothed, but receives no wage.

Tuning, a woman of 50 years. She has lived since 1898 with Paulino Vergara, of Bamban, Tarlac, to whom she was sold for ₱25 by one Angelo Megia. She is given her food and clothes and some money occasionally, but receives no regular wage.

Jose, boy, age 7 years. His parents died and his sister, Maria Sival, brought him to the house of Leon Sival at Bamban, Tarlac. He is taken care of by Leon Sival. He is too young to work for wage.

Amado David, a boy of 6 years. He was presented in 1911 by one Ancelma Austria to Geronimo David, both of O'Donnell, Capas, Tarlac, who had him baptized and adopted him. Does not receive regular wage, but he is fed and clothed. No parents or relatives.

Tali, a girl of 15 years of age. She was presented in 1908 by her mother to Pascual Yamson, of O'Donnell, Capas, Tarlac, to be adopted. She receives no regular wage, but food and clothes only.

Pedro David, a man of 28 years. He was presented in 1890 by his father, Francisco, to Catalino Miranda, of O'Donnell, Capas, Tarlac, to be adopted and was baptized. He is fed and clothed as a member of the family, but receives no wage. He has no parents or relatives.

Geraldo David, a man of 25 years. He was presented in 1890 by his father, Francisco, to Catalino Miranda, of O'Donnell, Capas, Tarlac, to be adopted and was baptized. He is fed and clothed as a member of the family, but receives no wage. He has no parents or relatives.

Margarita, a woman of 20 years. Her parents died when she was a little girl and she was brought up by Filipino families. She entered in the service of Saturino Lomboy, of Bamban, Tarlac, in 1905, as servant. She is fed and given her clothes, but receives no regular wage.

Alberto San Miguel, a boy of 6 years. He is godson of Alberto San Miguel, of Bamban, Tarlac, to whom he was presented by his father, Ruglo, and mother, Clara, in 1911 to be baptized and brought up. He is treated as a member of the family and receives no wage.

Diqui, a boy of 16 years. He was presented in 1901 by his uncle Mariano Salazar to one Flaviano, of Bamban, Tarlac, as servant, and receives his food and clothes, but no regular wage.

Enriqueta Miles, a girl of 6 years. She was given by her mother, Maxima, to Mr. Clarence Miles, of Capas, Tarlac, who had her baptized, giving her his name. She is an adopted daughter and receives no wage.

Catalino Pascual, a Negrita girl of 10 years. She was presented in 1908 by her mother to Isabel de Pascual, of O'Donnell, Capas, Tarlac, to be cared for, and was baptized. Receives food and clothing, but no wages.

Urullo, a boy of 12 years. He was given in 1910 by his mother, Magdalena, to Vicente Frias, teacher of Negrito school at Bueno, to study under him. He receives regular wage of 1 oyon of palay per year.

Alejandro Miranda, a man of 34 years. He was bought in 1882 from unknown Negritos of Pinatubu Mountains by Catalino Miranda for ₱30 and was baptized. He receives no regular wage, but gets food and clothing.

Balundoy, a boy of 16 years of age. He was given in 1910 by his father to Juan Supan, of O'Donnell, Capas, Tarlac, as a servant, and receives regular wages of ₱9 per year.

Margarita, a Negrita girl of 15 years. She was presented in March of 1908 by her mother, Romana, to Protacio Santos, of Camiling, Tarlac. She receives ₱1 per month.

Taran, a man of 30 years. He was presented in 1885 by his cousin, Emiterio Galang, to Pedro Nuega, of Moriones, Tarlac, to be adopted. He is a servant and when able to farm was made a tenant. His wage as a servant was 10 capungos of palay per year, and when made a tenant his regular wage is 2 oyones, about ₱24 worth, of palay per year.

Milio, a boy of 8 years. He was presented in 1911 by his mother to Gregorio Tabun, of Moriones, Tarlac, to be adopted and used as a servant. He receives no regular wage, but is fed and clothed.

Petronila, a woman of 35 years. She was found in 1881 loitering near Sula, Tarlac, by Francisco de los Santos, whom she followed and who gave her to Timoteo Suba, of Moriones, Tarlac, with whom she has lived ever since. She works as a servant and is given her food and clothing, but no regular wage.

ADDITIONAL CASES OF SLAVERY IN MANILA (SOME OF THESE NEGRITOS HAVE NOW OBVIOUSLY CEASED TO BE SLAVES.—D. C. W.).

[Reported by the chief of police.]

Luis Zarate, age 6 years, mestizo Negrito. It appears that his father is a Filipino and his mother a Negrita. According to the statement of his present employer, this Negrito was presented to her personally while the boy was yet 2 years old. The name of his present employer

is Margarita Guidote, 814 Interior, Calle San Miguel. It is suspected that this Negrito was bought, because of the fact that his employer did not wish to tell the name of the person who gave this boy to her. He receives no wages.

Constancio Sandico, alias Babilito Sandico, age 17 years, genuine Negrito, born in Patling, Tarlac. He has never known his parents. He was in the possession of one Eulalio de Guzman since childhood, and at the age of 3 years was turned over to one Francisco Sandico, 527 Calle Velasquez, with whom he is still living as cochero. He receives no wages.

Manuel Guido, 22 years of age; genuine Negrito, born in Botolan, Zambales. He has never known his parents. Since childhood he was in the possession of one D. Benito Guido, of Botolan, Zambales, who then brought him to Manila at the age of 5 years. This Negrito was presented to the brother of his master, Justo Guido, with whom he is still living as one of the family. Residence, 915 Calle Singalong. He is now a tobacco worker in the Germinal Factory, receives wages, and has ceased to be a slave.

Dorotea Sibog, a Negrita woman 22 years of age; born in Floridablanca, Pampanga. She has never known her parents. At the age of 6 years she was brought to Manila by an insurgent officer and presented to one Benedicto Niedao, 175 Calle Lipa, Sampaloc, with whom she is still living as a servant without pay.

Angela Vega, a Negrita mestiza, 26 years of age, her father being a Negrito and her mother a Visayan. She was born in Albay, where her mother still lives. Her mother told her that a "captain de guardia civil" took her from her mother. She was presented to a Spaniard named Ventura Vega, in Albay. When her master came to Manila he took her with him. She stayed with him until five months prior to the date when she was interviewed, at which time she left him to look for another job with wages.

Casimira Puno, a Negrita woman, 22 years of age. She was born in Palma, Pampanga. She has never known her parents. From the age of 3 to 15 she lived with Eugenio Puno, and then ran away because of ill treatment. She came to Manila alone to seek employment. She worked for one Quicay for four months, then for Luis Zamora for a year. She now lives with Ciriaca Basa as a servant without pay at 305 Calle Peñalosa.

Carman Toledo, a Negrita woman 30 years of age; born in Floridablanca, Pampanga. She came to Manila at the age of 6 years in company with her former "employer," Eulalia Toledo. She now lives with one Elvisa Wolfert as a servant at 302 Calle Lorenzo Chanco, Tondo, Manila. She receives no wages. Mrs. Wolfert took her from a charitable institution.

Vicente Gutierrez, a Negrito man 30 years of age. He has never known who or where his parents or relatives are. At the age of 7 or 8 years he came to Manila in company with a Spaniard. He is at present living with one Mr. Hanna, as a coachman, at 1353 Calle Anloague. He receives no wages, but gets board, lodging, and clothing.

Eusebia Marcelo, a Negrita mestiza girl 14 years of age. She was born in Romblon, Tablas Island, her father being a Negrito and her mother a Visayan. With the consent of her parents she was taken to Manila when 10 years of age by her "employer," Marcelo Lopez, with whom she still lives as a servant at 239 Calle Cabildo, Intramuros, Manila. She receives board, lodging, and clothing but no wages.

ADDITIONAL CASES OF THE ENSLAVING OF IFUGAOS.

[Reported by Lieut. Gov. Jeff D. Gallman.]

About (Ifugaos can give only approximate dates) 1899 a woman 20 years of age, from Mampolla, named Manay, who had been turned over to Bacngango in settlement of a debt, was sold to people of Jocbong, Ifugao, for ₱80.

About 1899 a woman called Gayang, of Jigyon, 20 years of age, was purchased by one Bandao of the same rancheria and was sold in Nueva Vizcaya to an unknown Christian for 3 carabaos.

About 1898 a woman of Bambang called Cuyappi, some 18 years of age, was sold to Don Jacinto Logan, of Solano, Nueva Vizcaya, for ₱100. She continued as Don Jacinto's slave until her death.

About 1899 a 15-year-old girl called Dinaon, of Lingay, Ifugao, was sold to Dalmacio Fernandez, of Pangasinan, who then lived at Solano, Nueva Vizcaya, for ₱100.

About 1900 a 16-year-old girl named Imbajáy, of Cayapa, Lingay, Ifugao, was sold by Mangognope, of Jalong, Lingay, to Maynayno, of Mayoyao, for ₱8. The latter turned her over to Mangjit, of Bunjian, who took her to Isabela and sold her for ₱80. The girl later escaped from her Christian master and now lives in Damag, Ifugao.

In 1899 a girl called Tayaban, 15 years of age, of Dangtalan, Ifugao, was carried by one Pumijic to Dinangan, Mayoyao, Ifugao, for sale. A man named Baynan took her to Isabela and sold her for ₱100.

About 1899 Camjit, of Ajin, Ifugao, sold a woman of some 28 years of age to Tayaban, of Curog, Ifugao, for ₱30. The latter resold her to an unknown Christian of Nueva Vizcaya for two carabaos.

About 1900 Don Sebastian Panganiban, of Solano, Nueva Vizcaya, bought from Balog, of Piuong, Ifugao, a 16-year-old girl named Indungdung for ₱100.

About 1902 Licco, of Curog, took a 15 or 16 year old girl named Oltagon to Isabela and there sold her to an unknown Christian for ₱80. He had paid ₱40 for her. His companion on the trip to Isabela was Liangna, of Bonuitan, Ifugao.

About 1899 a woman named Intanap was sold by Dunnuan, of Cabulo, Magcoc, Ifugao, to Buyao for ₱8. The latter took her to Pingad, Lepanto, and there sold her for ₱80.

About 1903 a 10-year-old girl named Uyame was sold by Gamboc, of Panike, Japao, Ifugao, to a man in Mayoyao for ₱80.

About 1900 a boy named Muntamoc, of Boco, Japao, Ifugao, was in the power of Gulji of Japao, as a slave. He was about 14 years of age. Guiljt sold him to Aliguyon of Bangauan, Ajin District, for ₱60. The latter sold him to Lupal, of Pindungan, Kiangan, for a carabao, and the latter took him to Isabela and there sold him for ₱80.

About 1903, one Pagal-la, a boy of about 17 years of age, of Daligan, Lingay, Ifugao, was sold in Isabela by Malingan for two carabaos. A man named Bayao was the companion of Malingan on the trip to sell this boy.

About 1899 a 25-year-old woman named Bugan, of Cababuyan, was captured by Buyugan and was kept at his house as a slave until the relatives of the woman paid ₱80 for her release.

About 1900 one Pumijic, of the rancheria of Jicot, was captured by Bin-nuj-ji, of Daligan, Lingay, Ifugao, who brought the boy, who was about 10 years of age, to Pindungan, Kiangan, and turned him over to one Gui-na-lut, who took him to Isabela and sold him to Christians for ₱80.

About 1900 a woman called Indungdung, of Namulditan, Ifugao, some 22 years of age, was purchased for ₱60 by Bayung-Abung, of the same rancheria, and turned over to Bulajac, who intended to sell her but was unable to find a purchaser.

About 1900 Inuyao, a boy of Nabalilian, Namulditan, Ifugao, the son of Indongdeng, was purchased by Bayungabung and Ngayajan for ₱40. He was taken to Banaao, Ifugao, and there sold to Silipan Ifugaos for ₱80.

About 1899 a 25-year-old man named Imbangao, of Bangtinon, Curog, was bought by Guim-Mal, of Mampolla, Ifugao, for ₱50, and was resold later in Mayoyao, Ifugao, for ₱80.

About 1900 a 10-year-old boy, Ajuday, of Cababuyan, Ifugao, was purchased by Balinon for ₱30 and resold to Umuniad, of Cutug, Bayombong, Nueva Vizcaya, for ₱100. The latter then sold the boy to Christians of Isabela.

About 1899 a boy of Anao, Ifugao, some 10 years of age, was purchased by Catongyan, of the same place, for ₱30 and later sold to a Christian of Solano, Nueva Vizcaya, for ₱60.

About 1899 an 8-year-old girl named Intanap, daughter of Kiladan, of Nungulunan, was purchased by Cabecilla Dacljon, of Japao, Ifugao, for four hogs, a little palay, some chickens, and some bubud (a fermented drink made from rice.—D. C. W.). This man kept the child in his possession for some months, then sold her to one De los Santos, of Solano, Nueva Vizcaya, for ₱120. She was taken to Solano by Bunol, of Paniki, Japao, Ifugao. Bunol negotiated the sale and received ₱10 for his trouble.

About 1898 a 7-year-old girl called Bugan, of Tabag, Japao, Ifugao, daughter of Bayangog, of the same place, was bought by Daclijon and Bunadon, of Duyung, Japao, for four hogs, some chickens, and a few unimportant articles. Bunol, of Paniki, Japao, Ifugao, took the contract to sell the child to Christians of Nueva Vizcaya. With a companion named Wilan, he took the child to Bagabag and sold her to Don Domingo Busa for ₱120. The two agents received ₱10 each for their trouble, and ₱100 was turned over to Daclijon and Bunadon, who divided the money equally.

About 1899 an 8-year-old boy named Batangog, son of Cobagob, of Lubuung, Banaue, was bought by Nabokiag, of Paniki, Japao District, for four hogs and a number of chickens. Two agents named Bunol and Ananayu brought the child to Kiangan and sold him to Paticual, of Pindungan, for ₱100, receiving ₱10 each for their trouble.

Abount 1898 a small boy named Pidlo, of Dayandi, Japao District, was sold by his own father to Yagyag, a wealthy man of Japao District. When the boy had reached the age of about 9 years he was sent to Loo, Benguet, where he was sold for four carabaos. Yagyag paid the father of the boy four hogs, some palay, and a few chickens.

About 1899 a boy named Baguiuan, of Dayandi, Japao, was sold by his father, Yuya, to Duyapat, of Japao, for four hogs, some chickens, palay, and a few jars of bubud. The boy was taken to Loo, Benguet, by Angayan and Pugnuon, of Japao District, and sold there for four carabaos.

About 1899 a 9-year-old boy named Kimmuliap, son of Nangili, of Dayandi, Japao, was sold by his father to Acol of the same rancheria for four hogs, some chickens, palay, and bubud. The boy was later taken to Cervantes by Jabbiling, of Japao, and there sold to a Filipino of Kabayan, or Baguio, for 2 Igorot blankets, 2 bubud jars, and a small amount of cloth.

A boy called Capnigping, about 9 years old, of Dayandi, Japao District, was sold by his father to Atolba for some palay, bubud, etc. Later Atolba sold the boy to one Pio, of Baguinge, Kiangan, for a Remington rifle and 10 cartridges. Pio resold the child to a Christian of Nueva Vizcaya.

About 1898, one Nganjena, a boy about 12 years old, son of Ingulon, of Japao District, was stolen by Mundiguin, of Bucyauan, Japao District, and sold to Joggang, of Pindungan, Kiangan, for ₱60. He was later sold to Filipinos in Isabela for ₱100.

About 1898 an 11-year-old boy named Bumangjat, son of Napadauan, of Tabeg, Japao, was sold by his father to Bunnol, of Paniki, Japao, for four hogs, some chickens, etc. Bunnol later sold the boy in Mayoyao for four carabaos.

About 1900 Dango, a boy of some 14 years, son of Jodayan, of Obnag, was purchased by Taguiling, of Cababuyan, for ₱60, and sold to Antonio and Guinalut, of Piuong, for the same sum. The boy was later again sold to a Filipino of Isabela Province.

During 1899 a boy called Batangol, of Cambulo, Ifugao, was taken to Isabela by Binot, of Mayoyao, and Ganachan, of Dammag, and there sold to a Christian Filipino for ₱100.

During 1899 a small girl called Dulimay, of Cambulo, was sold by Binot, of Mayoyao, to a Christian of Aj-jinda, Isabela, for ₱100.

About 1899 a 12 or 13 year old girl of Cababuyan named Intugay was sold by Balogan and Ngongoy, of Cababuyan, to Layangan, of Mayoyao, for ₱80. The latter intended to take the child to Isabela and sell her to Filipinos, but was prevented by the death of the child.

ADDITIONAL CASES OF SLAVERY IN IFUGAO.

[Reported by Lieut. W. E. Dosser, Philippine Constabulary.]

PHILIPPINE CONSTABULARY,
CONSTABULARY OF MOUNTAIN PROVINCE, FIFTH COMPANY,
Mayoyao, Mountain Province, April 6, 1910.

The ADJUTANT,
District of Northern Luzon, San Fernando, Union.

SIR: In reply to communication No. 4027–I, dated March 15, 1910, I have the honor to submit the following report of slave dealing known to me:

All the information obtainable regarding this subject was taken down at the time complaint was made. Cabecilla Eyabon, of Mayoyao, who has had more to do with these dealings than anyone else known to the undersigned, was called up, but nothing more than was already known could be obtained, with the exception of the name of one man in Echague, who is known to be, or has been, a slave dealer.

When these sales were made no questions were asked regarding the name of the buyer, as it was quite immaterial to the Ifugao what the man's name was so long as he received the money.

The only reason these slave-dealing complaints come in is due to the fact that the man who makes the deal usually fails to come up to the contract made with the owner of the person sold.

No settlements on slave dealings have ever been forced at this station; the only action taken has been to get all the information possible regarding the deal, but only in one instance has the undersigned been able to get the name of the buyer, and this has always been one of the principal questions.

None of these deals have ever been made for any specified period of time, but for all time.

The following are the cases known to the undersigned:

About the year 1904 Duagna, cabecilla, of Tuleed, Mountain Province, brought to Mayoyao a man named Im-ma-tan, whom he wanted to sell

in Echague. The man was turned over to Cabecilla Eyabon. He was taken to Echague and sold for ₱65, ₱5 of which went to Eyabon as payment for making the deal; the balance, ₱60, went to Duagna.

About the year 1895 Wang-ag, of Malop-pop, Banaue District, Mountain Province, brought to Mayoyao a woman named Bal-o-wag. Eyabon purchased the woman for ₱70. She was taken to Echague to sell, but on account of her age Eyabon was able to procure only ₱70 for her. The woman is now dead.

About the year 1906 Eyabon received from a man (name unknown) of Ca-na-cin, Banaue District, a small boy named Binniajan, for whom he paid ₱70. The boy was taken to Echague and sold for ₱100. The boy is now dead.

About the year 1897, A-ta-ban, of Tuleed, Mountain Province, brought to Mayoyao a man named Cha-log, whom Eyabon purchased for ₱60. This man was taken to Echague and sold to Antonio Mangadan for the sum of ₱70.

About the year 1897 A-ta-ban, of Tuleed, Mountain Province, brought of In-hu-mang, of Ca-na-cin, Banaue District, a small boy, for whom he was to pay ₱70. Thirty pesos was paid down, but Bango died before the balance was paid. The boy was taken to Echague to sell, but died before the sale was made. In-hu-mang also died shortly after this.

About the year 1906 Duagna, cabecilla, of Tuleed, Mountain Province, proposed marriage to a girl who had emigrated from Cambullo, Mountain Province, to Tuleed, with a relative. The girl was willing, but as soon as Duagna got her in his possession, instead of marrying her, he took her to Echague and sold her to the christianos.

No recent sales have been transacted, at least not to the knowledge of the undersigned. In case there has been a recent deal, it is only a question of a short time until it will be known.

Very respectfully,

W. E. DOSSER,
Commanding Company.

Mr. GARRETT of Tennessee rose.

The CHAIRMAN (Mr. MCKELLAR). The Chair would like to inquire what the provision is as to the remaining 10 minutes.

Mr. JONES. There is no agreement; it is in the hands of the Chair.

Mr. GARRETT of Tennessee. Mr. Chairman, I want to try and get through in two minutes. I wish to say that the statements touching the matter of slavery existing in the Philippine Islands did not originate in 1913. I came first to the Fifty-ninth Congress. I had only been here a few weeks when what is known as the Philippine tariff bill came before the House. The "Taft party" had but recently returned from the Philippine Islands. The gentleman from Connecticut, Mr. Hill, in his place in the House, making a speech on the Philippine tariff bill, stated explicitly and plainly that there was slavery existing in a small territory of the Philippine Islands and that it had been found impossible to prevent it. There was then some taking to task of the party to which the gentleman from Ohio belongs because it had failed to stop it; but that is not what I rose to speak about.

I want to call attention to the legal question involved. Lines 22, 23, and 24 of this bill, page 4, read as follows:

That neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist in said islands.

That is the exact language of the thirteenth amendment of the Constitution of the United States. That has been passed upon by the Supreme Court of the United States, and the Supreme Court held this:

Peonage is a status or condition of compulsory service based upon the indebtedness of the peon to the master. The service is enforced unless the debt be paid, and however created it is involuntary servitude within the prohibition of the thirteenth amendment to the Federal Constitution.

While the ordinary relations of individuals to individuals are subject to the control of the States and not to that of the General Government, the thirteenth amendment grants to Congress power to enforce the prohibition against involuntary servitude, including peonage, and to punish persons holding another in peonage; and sections 1990 and 5526, Revised Statutes, are valid legislation under such power and operate directly on every person violating their provisions whether in State or Territory and whether there be or not any municipal ordinance or State law sanctioning such holding.

In this opinion of Clyatt against the United States, reported in volume 197, decided at the October term, 1904, there is a quotation from Justice Bradley's opinion in the civil-rights case in the One hundred and ninth United States, page 320, as follows:

This amendment, as well as the fourteenth, is undoubtedly self-executing, without any ancillary legislation, so far as its terms are applicable to any existing state of circumstances. By its own unaided force and effect it abolished slavery and established universal freedom.

Mr. FESS. Will the gentleman yield?

Mr. GARRETT of Tennessee. Yes.

Mr. FESS. We have no legislative enactment as to the fourteenth amendment. Is not the fourteenth amendment a dead letter with us without any legislative enactment?

Mr. GARRETT of Tennessee. I was not discussing the fourteenth amendment; I was discussing the thirteenth amendment.

Mr. FESS. But the gentleman's quotation mentioned the fourteenth amendment.

Mr. GARRETT of Tennessee. I simply was quoting from Justice Bradley's opinion.

Mr. MILLER rose.

Mr. JONES. Mr. Chairman, how much time is there remaining?

The CHAIRMAN. Five minutes.

Mr. JONES. Mr. Chairman, I would like to close the discussion on this amendment myself. I will ask unanimous consent that the general time be extended five minutes, and that the gentleman from Minnesota may have five and I have five.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that the time be extended five minutes. Is there objection?

There was no objection.

Mr. CANTOR. Mr. Chairman, can we have the amendment reported?

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

The Clerk read as follows:

Page 4, at the end of line 3, strike out the period and insert a comma and add the following: "or held in satisfaction of the same any involuntary servitude by his creditor."

Mr. MILLER. Mr. Chairman, without any disposition or intent to enter into a thorough discussion of slavery and peonage in the Philippine Islands, there are one or two things I would like to state to the committee. The first is that I appreciate the sensitiveness on the part of the Filipino people in facing the charge that slavery and peonage exist in the islands. However, I do not quite appreciate the extreme sensitiveness which they do unquestionably feel. There is peonage in the Philippine Islands, of course; there is slavery, as such purely, in some cases in the Philippine Islands. That is no charge against the general Filipino people. There is peonage in the United States to-day in a great many States, if we can believe the reports of the commission and if we can believe the evidence submitted in courts. That is no charge against the people of the United States.

Mr. QUEZON. Will the gentleman yield?

Mr. MILLER. Yes.

Mr. QUEZON. Is not the gentleman's theory that it has been charged against the Filipino people at large, because the assembly did not pass this law, that they were therefore in favor of slavery?

Mr. MILLER. I do not know whether the members were for or against it; I have no way of knowing. The gentleman is advised and has made his statement. That may have been the accusation on the part of some, but certainly I never made it myself.

Mr. FESS. Will the gentleman yield?

Mr. MILLER. Yes.

Mr. FESS. Is it not a fact that the statement was made by the commissioners that they did not pass the law because that would say that they recognized it?

Mr. QUEZON. I do not want to be misquoted, Mr. Chairman. Will the gentleman permit me?

Mr. MILLER. If the gentleman will make it brief, for my time is short.

Mr. QUEZON. They did not pass the law because they were told that there was already enough law in the Philippine Islands to punish slavery.

Mr. MILLER. Unquestionably the people of the South, and wherever the institution occurs in the United States, who are engaged in peonage are for it and against any law to prohibit it; but that is no accusation against the people generally.

Mr. BARTLETT. Will the gentleman yield?

Mr. MILLER. Yes.

Mr. BARTLETT. The gentleman does a great injustice to the South when he makes that statement.

Mr. MILLER. If the gentleman will hear me through, I think he will find no fault. If there are any individuals engaged in the business, they are for it; but that is no indictment against the people of the United States, for they are against it.

The institution of slavery as such does exist in the islands, and I am not able to agree with my friend Mr. QUEZON in that respect, although it must be said that where slavery as such exists it is extraordinarily rare in the Christian countries, in the well-settled regions. The whole Moro Nation is builded and founded upon the system of slavery. It is an integral part of their social and industrial life, against which we have been battling, and with some considerable success, from the time that we first started in. That battle is going on, and the institution will be eliminated. Slavery to-day exists in some of the semi-Christian regions contiguous to wild territory. For instance, until recently there has been a public and open and notorious traffic in the buying of Ifugao boys, taking them down into Nueva Vizcaya and absolutely selling them. The Filipino people do not indorse that, but the people who there are en-

gaged in the business do, and, of course, they have been endeavoring to prevent legislation to prohibit it. What is true there is true in many other localities, but please do not misunderstand me when I say that speaking of slavery as such it is restricted to these spots. Peonage does exist to quite a considerable extent throughout the islands, and it is to the entire credit of the Filipino Assembly and to the Filipino people that now they have enacted legislation to abolish it; but it must be borne in mind, Mr. Chairman, that while there has been a law prohibiting this, there has been no penalty; and the judges in the islands tell me—Filipino judges as well as American—that the law against slavery and peonage has been a dead letter practically in most cases because of a lack of penalty. That deficiency has since been corrected.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. JONES. Mr. Chairman, I am very sorry that this question of slavery and peonage in the Philippine Islands has been injected into this discussion. I can recall many years ago when gentlemen on this floor assailed President McKinley because he had approved what was called the Bates treaty, which recognized all the existing institutions of the Moros, including those of polygamy and slavery. I have heard President McKinley denounced here and elsewhere for having given his assent and approval to that treaty. From that time to the present the question of slavery in the Philippines has been more or less agitated, but the gentleman who has been quoted by the gentleman from Ohio [Mr. FESS], Mr. Worcester, has done more to inflame the public mind on this subject than all others put together, and I regret that the gentleman from Ohio should have quoted from the writings of one who has for years been engaged in active controversy over this subject with the War Department, the Philippine Assembly, the Filipino people, and all the rest of mankind who did not accept his contention that slavery was practiced in the civilized and Christianized portions of the Philippines, and that there were no adequate laws to prevent it. Mr. Worcester devotes much space to this subject in a book which he has recently published, a book which he wishes to be seriously accepted as a true history of the Philippine Islands and their people. In it he goes so far as to seriously reflect upon everybody who does not agree with him. It is impossible to read what the author of this book says upon the subject of slavery in the Philippines and escape the conviction that he is a biased and most prejudiced witness, and not the impartial historian he professes to be. It is from this book that the gentleman from Ohio has read, and he tells us that he shall insert more of the same stuff in the RECORD. The position which I take in regard to this proposed amendment is precisely that taken by my colleague [Mr. GARRETT of Tennessee]. I hold that slavery and peonage is now prohibited in the organic law of the islands, which is copied in this bill, and which reads as follows:

That neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist in said islands.

This language covers the proposition embodied in the gentleman's amendment.

The Supreme Court of the United States has decided, too, that the thirteenth amendment is self-executing.

The gentleman did not read the decision of the Supreme Court of the Philippine Islands referred to by him. Judge Tracey, of New York, at that time a member of the Supreme Court of the Philippine Islands, wrote the opinion in that case. It was his opinion that the laws of the Philippines were entirely adequate to punish peonage and slavery. Nevertheless, as has been said, the Philippine Legislature at its last session passed additional and also more stringent legislation upon this subject. I have not the time to go into the history of the subject, but it is true, as the gentleman from the Philippine Islands [Mr. QUEZON] has said, that the Philippine Commission for seven long years was the sole legislative body in the Philippines and that Mr. Worcester was a member of it. It is also true that he held the portfolio of secretary of the interior, which department had jurisdiction and control over all the wild or uncivilized tribes. During all that period it would seem that he either did not discover that slavery existed in the islands or that, if he did, he took no steps, either as a legislator or as an executive officer, to suppress it. It was only after the legislature was created that Mr. Worcester proposed to enact laws to suppress slavery. The assembly declined to concur in the Worcester legislation, because its members were not willing to admit that the then existing laws were not wholly adequate. They had been held to be adequate, as I have stated, by the Supreme Court of the Philippines. It is true, as I have also stated, that the last legislature passed additional law upon this subject, but, as gentlemen on that side of the aisle know, the threat was made at the other end of this Capitol Building that unless some such legislation were enacted the members of the Philippine Commission appointed by President Wilson would fail of confirmation. A Senator of the United States was authority for that statement, and so the legislature at its last session, although it did not concede that additional legislation was necessary in order for the courts to stamp out peonage and slavery, passed a measure upon the subject. And I may add that the members of the Philippine Assembly have always been as much opposed to human slavery as Mr. Worcester ever professed to be.

The CHAIRMAN. The time of the gentleman from Virginia has expired. The question is on the amendment offered by the gentleman from Ohio [Mr. FESS].

The question was taken; and on a division (demanded by Mr. FESS) there were—yeas 19, noes 40.

So the amendment was rejected.

The Clerk read as follows:

That no law granting a title of nobility shall be enacted, and no person holding any office of profit or trust in said islands shall, without the consent of the Congress of the United States, accept any present, emolument, office, or title of any kind whatever from any king, queen, prince, or foreign State.

Mr. MANN. Mr. Chairman, I move to strike out the last word. Is this provision about accepting presents from foreign countries in the language of our Constitution?

Mr. GARRETT of Tennessee. Mr. Chairman, it is in the language of the present organic law of the Philippine Islands.

Mr. MANN. Very well.

The Clerk read as follows:

That excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishment inflicted.

Mr. MURRAY. Mr. Chairman, I ask unanimous consent to return to a paragraph to offer an amendment. I overlooked the reading of it.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to return to a paragraph which has been passed for the purpose of offering an amendment. Is there objection?

Mr. MANN. Mr. Chairman, reserving the right to object, what is the amendment?

Mr. MURRAY. Mr. Chairman, I will ask the Clerk to report it.

The Clerk read as follows:

Page 4, line 11, strike out the period after the word "enacted" and insert a semicolon and add the following: "nor shall the law of primogeniture ever be in force in the Philippines."

Mr. MANN. Mr. Chairman, if we return to that, how much debate will there be upon it?

Mr. JONES. So far as I am concerned, I have no objection to the amendment. I do not know that any other gentleman has.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to return to a paragraph which has been passed for the purpose of offering an amendment. Is there objection?

There was no objection.

Mr. MURRAY. Mr. Chairman, I now offer the amendment which has been reported.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Oklahoma.

The amendment was agreed to.

The Clerk read as follows:

That no person shall be imprisoned for debt.

Mr. FESS. Mr. Chairman, I move to strike out the last word. I suppose one should not express surprise that the amendment which I offered awhile ago was not adopted, because evidently the committee does not want any modification of the bill. I express the regret, however, that at least that modification was not made. My good friend, the chairman of the committee, for whom I have a very high regard, has questioned the importance of the report made by Dean Worcester. I do not refer to the two-volume edition that he has written, but I refer to the official report he made on this particular question in the islands. I have gone over that report to ascertain who were cited as witnesses, and I am going to read those now. Those reports came from Army officers, constabulary officers, the chief of police of Manila, together with other officers, such as his deputies; also judges, Catholic priests, the mother superior of a convent, the insular auditor, and many of his deputies, provisional governors, both Filipino and American; provisional treasurers, the director of education in the islands, school-teachers, at least one ethnologist, newspaper men, business men, and women of standing, and so forth. Now, it seems to me if I were in the islands trying to get at these facts I could not go to any sources that would be more unprejudiced for information than these, and I think that the majority of the committee is too sensitive in reference to taking the facts from Dean Worcester. Evidently

he knows too much to be pleasant to those who are resisting these modifications that I think ought to be made.

Now, Mr. Chairman, again I want to say that the conflict that we will see on this legislation grows out of the fact that here is a body that gives a constitutional sanction for legislation and there is a body that acts if it wants to or refuses to act if it wants to, and that is inevitable by this legislation; and if we do not affix some enacting clause in what we do, it will be a dead letter unless the people over there see fit to do it. I called attention a moment ago to the fourteenth amendment; that because we refused to pass any law enacting the provisions of the amendment it is, as everybody knows, a perfectly dead letter and means nothing at all, and what is seen here in that relation will be seen in the Philippines, I fear. I think this bill is tending in the right direction. First, we had a military government over there with all the power in the military authorities. Then we created a civil commission and made it first all American and then partly American and finally Filipino, and now the commission has become entirely under the islands in the majority—I mean not entirely in personality, but in control by a Filipino commission. If this bill shall be carried, the commission will become an elective upper house. I am not sure but what it is just what ought to have been done. First, a military step, then a civil commission composed partly of Americans and partly of Filipinos, then a commission under the control of the Filipinos, then this commission ceasing to exist and becoming an elective senate. I think that is right, but here is what I call attention to: Are you not traveling more rapidly than conditions would warrant in the face of the situation that certainly is apparent? We tie our hands absolutely in getting what we think ought to be done over there. That is the only point I have brought out, and I do not want to interfere whatever with the legislation that is going on outside of the preamble. I am opposed to that; I am much opposed to it; but the other provisions of the bill, it seems to me, are very much justified if we do not go too fast, and I hope the chairman of the committee will not impugn my motives or impute to me motives of dissension when I call the attention of the House to these facts that I think the country ought to know about. I think the chairman feels——

Mr. JONES. If the gentleman will permit, I simply want to assure the gentleman that I certainly had no intention of impugning the gentleman's motives, and I disclaim any such idea.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FESS. Mr. Chairman, I withdraw the pro forma amendment.

Mr. COOPER. Mr. Chairman, I move to strike out the last word. Before taking my seat I shall offer an amendment, by way of substitute, for the paragraph before us. This paragraph—lines 22, 23, and 24, page 4—is an exact copy of the thirteenth amendment to the Constitution of the United States, and presumably, therefore, I suppose is considered beyond criticism. And yet, with all respect for the distinguished men who drew the thirteenth amendment, I have always thought that it is very unfortunately worded and punctuated. That amendment to the Constitution was adopted to prohibit slavery in the United States. But the fact is that, as worded and punctuated, the thirteenth amendment does not prohibit slavery in the United States, but expressly authorizes it as a punishment for crime. That is a good deal to say, but it is plainly the truth. I invite attention to the language and punctuation of the thirteenth amendment as found in the House Manual:

Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States or any place subject to their jurisdiction.

Observe that the commas are after the words "servitude" and "convicted." As thus worded and punctuated, that amendment simply declares that neither slavery nor involuntary servitude shall exist except as a punishment for crime.

The paragraph—lines 22, 23, and 24, page 4—under consideration reads as follows:

That neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist in said islands.

Again observe the comma after "servitude" and after "convicted." The paragraph merely provides that neither slavery nor involuntary servitude shall exist in the islands, except as a punishment for crime, and that, of course, means that either slavery or involuntary servitude may exist there as a punishment for crime.

To carry out the clear intent of Congress the paragraph should be worded in this way:

That slavery shall not exist in said islands; nor shall involuntary servitude exist therein except as a punishment for crime whereof the party shall have been duly convicted.

Mr. Chairman, I withdraw the pro forma amendment, and offer as a substitute the amendment which I send to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Strike out all of lines 22, 23, and 24, on page 4, and insert in lieu thereof the following:

"That slavery shall not exist in said islands; nor shall involuntary servitude exist therein except as a punishment for crime whereof the party shall have been duly convicted."

Mr. TOWNER. Mr. Chairman, I desire to support the amendment. I ask the chairman and Members on that side if it would not be better and safer to accept the amendment than to retain the language of the bill?

As has been well said by the gentleman from Wisconsin [Mr. COOPER], the language taken from the United States Constitution is unfortunate to use in this particular case because of existing conditions in the islands. Under this provision as it now stands, there can be actual slavery inflicted as a punishment for crime. This we do not desire and should carefully guard against. We know that even in the United States we have had difficulty in managing the matter. In the islands thousands of the natives, as yet savage and uncivilized, live in close juxtaposition to those intelligent and fully civilized. It will be wise if we shall carefully guard against any temptation to make subject the weaker by the stronger race. It will be a great temptation. Why should we subject them to that temptation? Let us make clear what we desire to do, and that is to absolutely prohibit slavery under any circumstances and against any sort of involuntary servitude unless it shall be as a punishment for crime.

Mr. JONES. I would like to ask the gentleman a question.

The CHAIRMAN. Does the gentleman yield?

Mr. TOWNER. I yield.

Mr. JONES. The Constitution of the United States evidently makes no distinction between slavery and involuntary servitude. This proposed amendment does make a distinction. Now, I imagine this language has been construed by the courts many, many times. I would like to ask the gentleman who offered the amendment and the gentleman who is advocating it what he understands the difference to be between slavery and involuntary servitude?

Mr. TOWNER. There is a distinction, and I will say to the gentleman it has been expressly and distinctly drawn by the Supreme Court of the United States as well as by other courts. Slavery is, of course, involuntary servitude. But involuntary servitude is not always slavery. Restraint and compulsory labor as a punishment for crime is involuntary servitude. But such a condition is not slavery. In slavery the person held is the absolute property or chattel of another. Slavery is complete subjection. Involuntary servitude is usually limited. So there is a clear distinction, and that distinction ought to be drawn.

Mr. CLINE. May I ask the gentleman a question?

Mr. TOWNER. Certainly.

Mr. CLINE. Does not the distinction rise out of this difference, if I may use that term, that slavery assumes a title or ownership in the subject by the party owning the slave, while in involuntary servitude it is simply a pledge of the party held in servitude for the extinguishment of an obligation for a certain length of time?

Mr. TOWNER. I think the gentleman is hardly justified in that conception, if it is limited to the distinction stated. Such distinction undoubtedly exists, but it is not the only distinction, and it does not measure the extent of the distinction. Slavery is not at all dependent upon the question of the acquisition of title or the manner of acquiring control over the person. The fact of slavery depends upon the condition existing at the time of the inquiry, and is not dependent upon the manner of subjection, and there is a distinction between the condition that constitutes slavery and that which constitutes involuntary servitude.

Mr. JONES. Mr. Chairman, I do not know that I have any special objection to the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. COOPER].

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

That no law shall be made respecting an establishment of religion or prohibiting the free exercise thereof, and that the free exercise and enjoyment of religious profession and worship, without discrimination or preference, shall forever be allowed.

Mr. MURRAY. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from Oklahoma offers an amendment which the Clerk will report.

The Clerk read as follows:

That H. R. 18459 be amended as follows:
On page 5, line 9, strike out the period, insert a semicolon, and add the following: "and no religious test shall be required for the exercise of civil or political rights. No public money or property shall ever be appropriated, applied, donated, or used, directly or indirectly, for the use, benefit, or support of any sect, church, denomination, or system of religion, or for the use, benefit, or support of any priest, preacher, minister, or other religious teacher or dignitary or sectarian institution as such. Polygamous or plural marriages are forever prohibited."

Mr. MURRAY. Mr. Chairman, I would like to say what I am about to say on this subject without interruption, and I would like to ask unanimous consent for 15 minutes.

The CHAIRMAN. Is there objection?

Mr. MANN. Reserving the right to object, we are making such slow progress on this part of the bill, which ordinarily ought not to take up a great deal of time, I would like to know if we can not reach some agreement as to how long the debate on this amendment shall last?

Mr. JONES. Mr. Chairman, I ask unanimous consent that debate on this paragraph and all amendments thereto close in 20 minutes.

Mr. TOWNER. I will say to the gentleman that so far as I know we will take no time on this side. Make it shorter if you desire.

Mr. JONES. Then I will say 15 minutes, Mr. Chairman, and let the gentleman from Oklahoma [Mr. MURRAY] have the 15 minutes, so far as I am concerned.

Mr. MANN. You had better make it 5 minutes more. There may be somebody who may wish to talk that length of time.

The CHAIRMAN. The gentleman from Virginia [Mr. JONES] asks unanimous consent that debate on this paragraph shall be concluded in 20 minutes, of which the gentleman from Oklahoma may have 15 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. MURRAY. Mr. Chairman, I desire to express clearly and frankly my purpose in offering this amendment, because what I shall say I feel ought to be said. Before doing so, however, I may be pardoned for saying that no man has less religious prejudices or creed militancy than I have. I could not have any and maintain peace with my relations. I remember that John Murray was the founder of Universalism in America; the Rev. William H. H. Murray, "Adarondac Murray," for whom I was named, was a Presbyterian minister; that my father was a Reformed Methodist evangelist; that my mother belonged to the old school Christian Church, called Campbellites, as did her mother and father; my brother a Baptist, and my wife a Methodist.

While I have a profound regard for Christianity, and I believe in a Divine Providence which guides and guards the destiny of nations and the careers of men, I have never been bound by any creed. I remember also that, being left without parents from the age of 12 years, I was reared by an Alabama farmer by the name of Loper who belonged to what was known as the Primitive, or "Hard Shell," Baptist Church. Their conception of religion, true and undefiled, consisted in this: Tell the truth, pay your debts, take your liquor straight, and vote the Democratic ticket." [Laughter.]

I must confess, Mr. Chairman, I have imbibed much of all the four points of that quadrupled doxy, a doctrine calculated to produce creed stasis, but which has nevertheless created stalwart manhood wherever it has been practiced.

This amendment, varying just a bit from the old original statute written by Thomas Jefferson, and found in the constitution of Virginia of 1830, and which has trickled down since in all the Virginia constitutions, should find lodgment wherever a government of liberty is to be found.

Years ago, when but a boy, in the study of the origin of different constitutional provisions, I came across the following, in section 1 of article 5 of the constitution of the Texas Republic. It reads as follows:

Ministers of the gospel, being by their profession delegated to God and the care of souls, ought not to be diverted from the great duties of their function. Therefore no ministers of the gospel or priests of any denomination whatever shall be eligible to the office of executive of the Republic, nor to a seat in either branch of the Congress of the same.

A short while afterwards I came across a discussion of that clause by Judge R. E. B. Baylor, whose name has been transmitted to posterity in the name of Baylor University, at Waco, Tex. Judge Baylor had been a Baptist minister, and was on the supreme bench of the Texas Republic from 1841 until the admission of Texas into the Union as a State, in 1845. He was a member of the constitutional convention of 1845. In a book, perhaps now out of print, entitled "Bench and Bar of Texas," by James D. Lynch, Judge Baylor is quoted as saying in that convention:

I think the clause a wholesome and wise one. I do not think that any office coming directly from the people ought ever to be filled by the clergy of any denomination. I would as soon see a woman mingling with the populace at large, mounting the rostrum and making stump speeches, as it is generally called, as to see a clergyman engaged in business of this kind. Sir, the good and pious do not wish this thing; none but the ambitious desire it, and they, before all others, ought to be excluded. There are sectarian jealousies and heartburnings enough among the various religious denominations of every country, and by opening this new field to human ambition you will only make the breach between the different sects of Christians wider than it is now. I think, therefore, that the section ought to be retained. A great deal might be said upon the subject. It seems to me, further, that it is calculated to keep clear and well defined the distinction between church and state, so essentially necessary to human liberty and happiness. Sir, priests and kings, the former of every denomination, not the Catholic alone, have conspired in all countries and nations to enslave mankind. It has been a received maxim in Europe that the king should govern the priest and the priest the people. What have our fathers thought upon the subject? In many of the State constitutions the clause has been inserted. It has been thought wise and proper by their framers. A similar feature is found in our present Constitution. In conclusion, I have neither the strength nor the ability to do justice to the subject; I therefore simply say that I hope the clause will be retained by the good sense of this house.

When I read that speech it struck me with considerable force, and it has stayed with me ever since. I do not subscribe to the extreme view taken by Judge Baylor, which doubtless grew out of the restriction placed upon religious liberty prior to the Texas revolution.

History discloses the fact that in the colonization of Texas in 1821 by Stephen F. Austin down to the revolution of 1836 charges by the Mexican priesthood for performing the marital rites were so exorbitant that the colonists adopted a form of marriage by bond to support his future wife for three or five years or for life. We are assured by Z. N. Morrill's work, entitled "Flowers and Fruits of Texas," that this was common, as does Herbert Bancroft, and even Gen. Sam Houston's first marriage form was by a bond to support his wife for three years. Doubtless it was this condition that led Judge Baylor to this extreme view.

I would hold more to the doctrine that no minister or layman, whether Jew or Gentile, Catholic or Protestant, or none of these, should be excluded from public office because of such faith or church standing. [Applause.] Nor, on the other hand, should they be elected because they are such members. Freedom of speech, freedom of the press, freedom of religion—all these are essential to every government of liberty, whatever may be its form.

Yet in the grant of the freedom of speech there is danger of an abuse of that right, but the abuse must be accepted in order to get the larger and the superior right. So also in the grant of the freedom of the press. The press may abuse and slander the most patriotic and honorable public servant, and no doubt every Member here has felt the sting of that abuse. And yet the larger liberty is so essential that we accept the evil consequences flowing therefrom.

Religious liberty may, as it has been sometimes argued, encourage heresy, but we must accept the heresy in order to get that larger liberty. Without that liberty there can be no intelligent solution of the great problem of the beyond. Whatever your view may be or mine, we certainly have the right in all government unrestrained to exercise that view.

Pardon my saying that I hold to that philosophy of creed that would comprehend "living the life," and that no function, individual or organization, can step in and take the place of personal responsibility and personal guilt—a complete free moral agency.

I believe with Sir William Hamilton, the great Scotch mental philosopher, that unless you recognize "free moral agency" and the responsibility of personal guilt you have no basis from which to reason that there is an All Wise Creator at all. However, others believe differently. There are those that believe that an appointed official of the church, and still others that the organization of church itself, may be the intermediator between the guilty individual sinner and the All Wise God whom he is commended to serve; and each of those views are entitled to the same consideration of the State as I am to mine, and liberty each to follow his own course is the only safe and sane way by which the institutions of men may leave every individual with good conscience to commune with God in his own way.

Scarcely no church or creed now extant but what has undergone persecution—persecution by one another. So we can not determine in a legal way which is right and which should become the church of the State. Our pilgrim fathers fled from persecution of the Old World to the bleak shores of New Eng-

land to escape religious persecution, yet they were here but a short space of time before they began a persecution equally cruel; and the burning of witches at Salem is one of the dark and unpardonable episodes in all our career. Roger Williams, fleeing from another sect, who themselves had been persecuted, went into Rhode Island to found a new Commonwealth; and we are familiar with the early history of Maryland, when the tide in numerical numbers changed and shifted between different creeds, both of whom had been persecuted in Europe. So the separation of church and state is just as essential as the freedom of worship, in order that no partiality shall be shown and that each may flourish or fade in popular opinion before the court of an enlightened popular judgment. This makes all free and guarantees the continuance of each and all.

The liberty of every man to exercise his own views, without partiality shown to either by the State, tends to eradicate the weeds of fanaticism and of prejudice and raises the human race to a higher standard. I had rather believe, Mr. Chairman, in the larger view of the exercise of the right of every individual to worship God according to the dictates of his own conscience. [Applause.]

If there be those who contend that a Catholic or Protestant, a Jew or Gentile, or a follower of Confucius or Zoroaster, should not have political as well as civil rights, I do not agree with them. If there be those who claim that because of membership in either of these creeds such membership best entitles them to political rights, I do not agree with them. In other words, Mr. Chairman, we must hold to the doctrine of freedom in forms of worship, freedom of worship, and freedom from worship, together with the corollary that every individual shall have the right to contribute his mite to any creed of his choosing; and on the other hand that he shall be relieved from compulsory contribution, either by tithes or taxes, to any creed whatsoever. This, Mr. Chairman, is my view of a nobler liberty that must be adhered to rigidly in every well-regulated government; and this is the first step in all political, civil, and religious liberty. [Applause.]

Mr. QUEZON. Mr. Chairman, I rise to inform the House, in connection with the amendment offered by the gentleman from Oklahoma [Mr. MURRAY], that the Filipino people believe absolutely and heartily in religious freedom. Immediately after our successful revolution against Spain the Filipino people proceeded at once to frame a constitution for the Republic of the Philippines. The islands had been for 300 years under the rule of Spain, and during that time had had only one church—the Roman Catholic—which was also the State church of Spain. The framers of the constitution of the Philippine Republic were all Catholics; and yet one of the provisions of that constitution was the freedom of worship, the freedom of religion. May I call the attention of the House to this remarkable event which shows that the Filipinos are by temperament a liberty-loving people? The history of the world shows that in no country which has had only one church, and which church was an integral part of its political institutions, has the establishment of religious freedom been effected without bloodshed. Page after page of human history is written with the blood of martyrs of one religion or another. This country of yours was founded by those who would sooner give up their homes than their religion. Cromwell thought himself the instrument of Providence to destroy the church of those who, like him, claimed that Christ was their Savior.

Every country of Europe, many of Latin America and of Asia, are guilty of the crime of religious persecution, but we have seen nothing of the kind in the Philippine Islands. As I said before, during the short life of the Philippine Republic there was religious freedom; and when the United States came and established her Government in the Philippines she brought with her one of the most precious rights of American citizenship—the liberty of the individual to worship God in his own way. And the Filipino people were not only ready to accept this institution, but were glad to have it.

In the annals of American occupation, from that day to this, we record no public disorders on account of religion. To-day the majority of the Filipinos are still Roman Catholics. Few belong to the Aglipayan or native church; few others have become Protestants. Yet they live side by side, they work hand in hand, and they vote according to their political ideas, without regard to their religious convictions. Freedom of religion has been established in the Philippine Islands first upon the initiative of the Filipinos themselves, later upon the decision of the United States; and it is established there, thank God, forever. We realize that it is to the interest of Catholics as much as of Protestants to have religious freedom. I do not therefore object to that part of the amendment of the gentleman from Oklahoma [Mr. MURRAY] which insures the separation between the church and the state. But I deemed it necessary to state that the Philippine Legislature hardly needs this constitutional inhibition. The Protestant Church can rest assured that the people of the Philippines, Catholic though the majority of them be, will receive as fair a treatment from the Philippine Government as the Catholic Church or any other.

As to polygamy, this has not existed among the Christian Filipinos for the last 300 years. [Applause.]

The CHAIRMAN. The time of the gentleman has expired. All time has expired. The question is on the amendment of the gentleman from Oklahoma [Mr. MURRAY].

The amendment was agreed to.

The Clerk read as follows:

That the rule of taxation in said islands shall be uniform.

Mr. MANN. Mr. Chairman, I move to strike out the last word. I suppose it was customary for many years, and may be yet, to put into constitutional provisions the declaration that the rule of taxation should be uniform. Probably that is in the existing law with reference to the Philippines. There is a good deal of controversy about whether it ought to be any longer always followed.

Mr. GARRETT of Tennessee. Mr. Chairman, I do not think it is the uniform custom to put into the constitutions of the States the provision that taxation shall be uniform.

Mr. MANN. I will not say that it is the custom. It is in many States, but in some States in recent years I think the tendency has been to get away from the idea of entire uniformity of taxation.

Mr. GARRETT of Tennessee. There is no change from the present organic law.

Mr. MANN. No; I apprehend that it is in the present organic law, which was adopted a good many years ago. As far as I am concerned, I do not profess to be an authority on the subject of taxation, but I have frequently seen cases where it seemed to me that it would be desirable not to enforce uniformity of taxation.

Mr. STAFFORD. I wish merely to inquire of the committee whether they have considered in this connection the expediency of the Philippine Legislature levying a graduated income tax? As the gentleman from Illinois [Mr. MANN] has said, the States are now departing more and more from the old idea that taxation shall be uniform. In Wisconsin, for instance, only four years ago we passed a constitutional amendment that authorized different gradations of taxation, so far as incomes are concerned. The National Government has adopted a similar principle of taxation, under which the taxes are not uniform. I rise to inquire whether that fact has been considered by the committee, so far as the Philippine situation is concerned?

Mr. GARRETT of Tennessee. The gentleman knows that the present Federal income-tax law applies to the Philippine Islands.

Mr. STAFFORD. My impression was that it was specially excepted.

Mr. GARRETT of Tennessee. No; it is included, but the revenues that are collected go into the Philippine treasury.

Mr. STAFFORD. When that bill was under consideration in the House I remember it was mooted whether it should apply to the Philippines; but, as the gentleman states, the revenues are diverted for the use of the Philippine Islands. But why should we not leave it to the Philippine Legislature to determine whether they should supplement that law by income-tax legislation which would not be uniform? All the States recognize that there should not be uniformity of taxation, so far as incomes are concerned. This phraseology might restrict a graduated income tax, a graduated inheritance tax, and might forbid the legislature from adopting different rates on different classes of property.

Mr. GARRETT of Tennessee. I do not understand that this would prevent the levying of a graduated income tax.

Mr. COOPER. As I understand it, the income tax is uniform, without discrimination as to persons.

Mr. GARRETT of Tennessee. Certainly; but not as to amounts.

Mr. COOPER. There is a uniform rate of taxation on incomes of more than a certain amount. The rate of taxation is uniform as between individuals.

Mr. GARRETT of Tennessee. Undoubtedly.

Mr. COOPER. It strikes me that one of the things which certainly ought to remain in this bill of rights is the provision that the rule of taxation in the islands shall be uniform. At least it should remain until the people of the islands have learned through experience what it means to tax themselves.

Mr. GARRETT of Tennessee. As I have just said to the gentleman from Wisconsin, there is nothing in this provision,

if I understand it correctly, that will prevent the levying by the Philippine Legislature of a graduated income tax. The gentleman will find that in section 11 there is a provision that no export duty shall be levied or collected on exports from the Philippines. They are prohibited from imposing export taxes, and our idea is that they can impose an income tax under this law.

Mr. MADDEN. Mr. Chairman, the language of the paragraph in the bill—"the rate of taxation in said islands shall be uniform"—only applies to the income tax, but I take it for granted that there will be other taxes. There will be the taxes required to maintain and conduct the municipalities, taxes on real estate, and taxes on personal property. The conditions surrounding one community would be totally different from that surrounding every other community, and it will not be possible to have uniform taxation for local purposes.

For example, a strictly rural territory would have a rate of taxation levied against land in the rural community which would be very low, because the needs of the community are not very great. Then the taxes to be levied on property of a village where there are no great interests involved would be still lighter than the taxes on property levied in a great city.

Mr. JONES. That is unquestionably the case, and is the case in the islands now. And yet they have the provision in the organic law.

Mr. MADDEN. I think what I am saying is pertinent to the question. In the city of Manila, with all of its great activities, its paved and lighted streets, its system of water supply, and the police system and fire protection to be provided for, the rate of taxation would be very much higher than the rate of taxation in other communities. Will anybody tell me that the rate of taxation can be uniform, except in so far as it applies to the income tax?

Nobody will deny the fact that in every State there are varying rates of taxation, depending on the needs of the community against which the taxes are to be levied.

Take a great city like Chicago. The people there are compelled to pay taxes very much in excess of the people living on the farms 20 miles out of the city. The people of one county have conditions which require them to levy more taxes than the people of another county. Under such conditions uniformity of taxation would be out of the question.

Mr. BAILEY. Will the gentleman yield?

Mr. MADDEN. Yes.

Mr. BAILEY. This does not say that the rate of taxation will be the same; it says the rule of taxation. There is a very material difference there.

Mr. MADDEN. The application of the rule would apply alike to all communities, but it also ought to go to the rate as well as the rule.

Mr. BAILEY. I hardly think so. Your own constitution has precisely the same provision.

Mr. MADDEN. If it only applies to the rule, that is a different matter.

Mr. JONES. Mr. Chairman, I would like to ask what the proposition is before the committee?

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] made a motion to strike out the last word.

Mr. MANN. I ask unanimous consent to withdraw that amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none.

Mr. FESS. Mr. Chairman, I move to strike out the last two words just long enough to make the suggestion that the question of uniform taxation was discussed in the Ohio constitutional convention in 1912, at which time a great many of the State constitutions were read. As I recall, New York has not a uniform system, and I do not think Illinois has any.

Mr. MANN. Yes; it has, and is frequently complained of.

Mr. FESS. The discussion turned about that point whether there should be one rate on intangible property and a different rate on real property, or whether there should be one rate on bonds and a different rate on franchises, and the discussion finally led to the adoption of a uniform rule. So in Ohio all property of every class is assessed on uniform rule, which I understand is the provision in this bill. I mention this to indicate that there is not a uniformity throughout the States, some of them having one method and some of them another.

Mr. McKENZIE. Will the gentleman yield?

Mr. FESS. Yes.

Mr. McKENZIE. The gentleman does not understand that by these words, "the rule of taxation shall be uniform," it signifies that in a city of 500,000 people the rate of taxation should be the same as in a country township?

Mr. FESS. I mean that the law passed in Ohio regulating taxation can not make one rate on one kind of property and another rate on a different kind of property.

Mr. YOUNG of North Dakota. Mr. Chairman, when the constitution of North Dakota was adopted, a quarter of a century ago, it contained a provision reading much the same as this, which requires that all taxes shall be uniform. We found afterwards in the operation of a tax law passed by the legislature providing that property should be assessed according to its value on April 1 that all of the elevators in the State cleaned out the wheat in their elevators immediately before April 1, so that after a long period under that law we found that we got absolutely no taxes out of grain in public elevators. So it was finally decided that we would amend the constitution and permit a specific tax on grain. Afterwards the legislature put a tax on grain sufficiently small so that they could not afford to ship it out before that date. In other words, the elevator people stood for the small tax, but when it was imposed according to its value, as was provided under the constitution as originally passed, they paid absolutely nothing. I think our experience in that regard would indicate that the proposal in this bill is a little bit too rigid.

Mr. MADDEN. Somebody would pay taxes on it, because if it was not in Dakota it was some other place. If you could not find it to tax in Dakota, some other place would find it and tax it.

Mr. MILLER. It might get to Illinois, where they required an assessment to be made on the 1st of March, and thus escape taxation there.

Mr. YOUNG of North Dakota. Mr. Chairman, the gentleman who has just spoken [Mr. MILLER] comes from Duluth and therefore lives in the town where a lot of this wheat was shipped, and I imagine it got down there after the assessor made his rounds. I do not know. I doubt very much whether that wheat was assessed at Duluth. It probably went in the boats and on down to Buffalo. I doubt whether any of that wheat shipped out of North Dakota in the month of March, no matter what its destination, was ever taxed anywhere in the United States.

Mr. McKENZIE. Is it not the fact that the men who own these elevators ship that grain and that the money taken in payment is taxable?

Mr. YOUNG of North Dakota. Yes; but their head offices are usually in Minneapolis, or some other State, and the purchase money can not therefore be reached for taxation in our State.

Mr. McKENZIE. In other words, they were tax dodgers?

Mr. YOUNG of North Dakota. Yes; precisely. Why enact a provision of this kind in this bill, which will so restrict the powers of the legislature in the Philippines that it will be helpless to cope with the tax dodgers? They constitute a class that ought not to be encouraged.

But, Mr. Chairman, there is a sense in which tax dodging is perhaps excusable. There are millions of poor people in this country who would like to dodge or avoid the payment of the proposed special, stamp, and other additional taxes, which they consider unjustifiable when our Nation is at peace with all the world. Their only hope to avoid it is through us. One way to do so is by practicing economy in the matter of appropriations. The people expect it of us. I have yet to find a single newspaper in our State which does not insist that Congress shall practice the strictest economy. The leading Democratic newspaper of North Dakota, the Stutsman County Democrat, says:

> The country is in no mood to countenance congressional extravagance. Those Democrats who oppose reformed appropriations make a grave mistake from the standpoint of either principle or policy. Economy in public expenditures is a cardinal Democratic doctrine and of especial application at this particular time.

The CHAIRMAN. The time of the gentleman has expired.

The Clerk read as follows:

> SEC. 6. That the laws and ordinances now in force in the Philippines shall continue in force and effect, except as altered, amended, or modified herein, until altered, amended, or repealed by the legislative authority herein provided or by act of Congress of the United States.

Mr. TOWNER. Mr. Chairman, I move to amend section 6 by striking out, in the twelfth line, the words "and ordinances."

The CHAIRMAN. The gentleman from Iowa offers an amendment which the Clerk will report.

The Clerk read as follows:

> Page 6, line 12, strike out the words "and ordinances."

Mr. TOWNER. Mr. Chairman, the reason I make that motion is this: The word "ordinance" usually applies to a municipal regulation. It rarely has reference to a legislative act.

If gentlemen will look farther down in the same section, they will find the language—

until altered, amended, or repealed by the legislative authority herein provided or by act of Congress of the United States.

Of course it is not desired that any of the municipal ordinances now existing in the Philippine Islands shall remain in existence until they have been repealed by legislative action. All that is necessary and all that ought to remain in the section is that the laws now in force in the Philippines shall continue in force and effect until repealed, altered, or amended by legislative authority.

Mr. MANN. Mr. Chairman, will the gentleman yield?

Mr. TOWNER. Certainly.

Mr. MANN. Did not the commission over there enact what we may call laws by the term "ordain" instead of "enact"?

Mr. TOWNER. That may be true, but that would be an additional reason why this amendment should be agreed to.

Mr. MANN. It has usually been considered that where an administrative body is given authority to ordain that certain things should be the law, that that is called an ordinance. I suppose that is what this has reference to. Of course I do not know. While the term "ordinance" as we use it has a municipal significance, still the fact that we so use it is not a sign that that is the only use throughout the world.

Mr. TOWNER. In any event, if that should be true, then there should be a distinction clearly drawn here. I do not know whether laws passed by the commission are called ordinances or not.

Mr. JONES. Mr. Chairman, I will say to the gentleman that they are not called ordinances; they are legislative enactments. But I would like to ask him if there are not some ordinances that were decreed by the military government?

Mr. QUEZON. Mr. Chairman, will the gentleman from Iowa permit me to answer that question?

Mr. TOWNER. Yes.

Mr. QUEZON. They are called "general orders." The only "ordinance" we have in the Philippine Islands is a municipal ordinance; that is the technical name of it.

Mr. TOWNER. Then undoubtedly the words "and ordinances" ought to be stricken out.

Mr. JONES. I have no objection to that amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Iowa.

The amendment was agreed to.

The Clerk read as follows:

SEC. 7. That the legislative authority herein provided shall have power, when not inconsistent with this act, by due enactment to amend, alter, modify, or repeal any law or ordinance, civil or criminal, continued in force by this act as it may from time to time see fit.

Mr. MANN. Mr. Chairman, I suggest to the gentleman in charge of the bill, or the gentleman from Iowa, that having stricken out the words "and ordinances" in the section above it should also be stricken out in this section.

Mr. TOWNER. Mr. Chairman, I was going to make the motion when the Clerk finished the reading of the section, but I will make it now. I move to strike out the words "or ordinance."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 6, line 20, strike out the words "or ordinance."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

SEC. 8. That all legislative powers heretofore granted to the Philippine Legislature and to the Philippine Commission and hereby conferred on the Philippine Government shall be granted to the Philippine Legislature authorized by this act.

Mr. TOWNER. Mr. Chairman, I move to strike out all the language of that section following the word "that," in line 1, down to and including the words "shall be," in line 4, and to substitute in lieu thereof the language "general legislative power is hereby," so that the section will read:

That general legislative power is hereby granted to the Philippine Legislature authorized by this act.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 7, line 1, after the word "that," strike out the following language: "all legislative powers heretofore granted to the Philippine Legislature and to the Philippine Commission and hereby conferred on the Philippine Government shall be," and insert in lieu thereof the words "general legislative power is hereby."

Mr. TOWNER. Mr. Chairman, the reason I suggest that amendment is this: Under the terms of this section as it was originally written, only the legislative powers are granted that belong to the Philippine Legislature and to the Philippine Commission. The facts regarding that are well known historically. We had in the first place acts of a military governor and subsequently of a civil commission appointed by the President. Subsequent to that acts were passed by the Philippine Legislature, if it might be called such, which consisted of an assembly elected by the people and of a commission appointed by the President. From time to time various legislative powers were conferred upon these bodies. Just what is and what is not embraced in the powers that were granted to them I presume it would be practically impossible for us now to determine. It is clear that great confusion and uncertainty are likely to result when before the validity of an act of the legislature we are creating can be determined it must be ascertained whether the prior assembly or commission, or both, had such power. The language which I am asking to have introduced as a substitute is that which is usually given and approved in the formation of constitutions for States and Territories, when they desire to confer legislative power. In other words, it is now well established under American law what general legislative power is, and this legislature ought to have all general legislative power such as is exercised by States and by Territories.

Mr. COOPER. Will the gentleman yield?

Mr. TOWNER. I will.

Mr. COOPER. I would like to ask the gentleman this question: If that grants all legislative power to their legislature?

Mr. TOWNER. This language does not say "all." It says "general legislative power," and general legislative power granted to a State will be such as would be strictly within their jurisdiction.

Mr. COOPER. Would that be extending territorial government?

Mr. TOWNER. Certainly it would; it would be giving this legislature general legislative power.

Mr. COOPER. Then do I understand that if we grant general legislative power to the Philippine Legislature it will mean the establishment there of a territorial government—that the Philippines will be made a Territory—a part of the United States?

Mr. TOWNER. I do not care to discuss that question.

Mr. COOPER. If they become a Territory of the United States and the Constitution is thus extended over them, the United States never can withdraw from them except compelled by force, as the result of a war. The Supreme Court has so decided.

Mr. TOWNER. But, Mr. Chairman, that matter is not involved in this question at all.

Mr. COOPER. If they are to be made a Territory of the United States, it is directly involved.

Mr. TOWNER. I am not declaring, and this amendment does not declare, anything about its being a Territory.

Mr. COOPER. But you propose to give the legislature general legislative power——

Mr. TOWNER. General legislative power; certainly I do.

Mr. HELM. Will the gentleman yield?

Mr. TOWNER. Yes.

Mr. HELM. Further on in the bill there are some provisions retaining certain powers in the Congress of the United States, especially in reference to tariff duties and other provisions affecting the interest of the United States. Now, that is general legislation, and if you confer all legislation on the legislature then you either nullify or you must change those provisions that have been inserted in this bill for the purpose of retaining certain powers in the Congress of the United States.

Mr. TOWNER. Oh, I will say to my friend that is not the case. It is not "all" general legislative power, but it is only general legislative power such as might properly be exercised by a legislature of this kind. I want the Philippine Legislature to have general legislative power and not a restricted, undetermined, questionable power, and it has not anything to do with the relation of the Philippines to this country nor the question as to whether we can or can not exercise governmental power in the islands.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HELM. Mr. Chairman, I am opposed to the amendment offered by the gentleman from Iowa on the lines I have indicated. The trade relations that are to continue between this Government and the Philippine Government that are provided for in this bill are important; and if we confer all power or general legislative power on the Philippine Legislature, that is inclusive, and it would have the sole and exclusive right to legislate on all subjects. The levying of tariff duties is certainly general legislation. Nobody will say a tariff bill passed by the Congress of the United States is not general legislation as affecting the United States. A tariff bill passed affecting the Philippine Islands is certainly general legislation and is related to the Philippine Islands, and it seems to me it would be an

unwise and impolitic thing to pass the amendment offered by the gentleman from Iowa.

Mr. MANN and Mr. MILLER rose.

The CHAIRMAN. Debate on this amendment is exhausted.

Mr. MANN. Mr. Chairman, I move to amend by perfecting the text by striking out the word "Philippine." Mr. Chairman, I am in favor of the amendment offered by the gentleman from Iowa. It is not subject to the objection made by the gentleman from Kentucky, because this act will all be construed together, and if the language was "all legislative power is conferred upon the Philippine Legislature," and then in the next section say they should not have power to do a particular thing, the two would be construed together. I am in favor giving the Philippine Legislature broader power than we would give to a Territory of the United States. What are we doing to-day? On one side we are trying to ascertain whether the Philippine people are competent for independence. Never in this world can you ascertain that by treating them like children. The only way that can be ascertained is to put responsibility upon them and see whether they measure up to the responsibility. Now, as far as I am concerned, while I am not in favor of giving the Philippine Islands independence, separating them from the United States, I am in favor of giving them control over their local affairs—exclusive control. Of course we could change the law at any time. I am not in favor of letting the Philippine Government enter into foreign relations. I think the United States should stand for them in directing their foreign affairs, but I believe they ought to have the right to govern themselves locally, and you can not give them that right by putting a lot of restrictions in and saying they are not competent to do this, we are afraid they will do wrong about that, we will not trust them about some other things. We have got to trust them sooner or later. We have got to turn them loose as an independent people or else we have got to make them friends of ours if they remain under the jurisdiction of the Government of the United States, and the only way you can do so is to treat them like men. [Applause.] We do not own all the wisdom of the world ourselves. We sometimes doubt about our own capacity for self-government. I do not know whether they will have self-government without trials and tribulations, though I do not assume that they will. We do not. We constantly have trouble amongst ourselves in the best and most enlightened parts of the United States. Let the Philippine Government take their chance and see whether they can protect themselves in their own government, and when that is determined it will be time enough for us to determine, first, whether they want to be separated from the United States, which I do not think they will then want, and, second, whether if they want it the United States feels at liberty to let them go.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. MANN. Certainly.

Mr. GARRETT of Tennessee. I want to suggest to the gentleman that a careful reading of this section will indicate that it is not its purpose to define what legislative power shall be conferred so much as it is its purpose to state where that legislative power shall rest.

Mr. MANN. I will say to the gentleman that I was not making my remarks so much on this section as on other provisions of the bill. The objection I have to the way the section reads is that you have got to determine on what we have granted to the Philippine Legislature and what we have granted to the Philippine Commission; whereas if we say they shall have legislative power then they will have general legislative power except as we otherwise restricted in this organic act.

Mr. HELM. Will the gentleman yield for a question?

The CHAIRMAN (Mr. GARRETT of Texas). The time of the gentleman from Illinois [Mr. MANN] has expired.

Mr. HELM. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HELM. Is there anything in this section that limits the power that has heretofore been exercised by the legislature? Does it not extend it or enlarge on its power by permitting it to exercise all the powers that are conferred on it by this bill and that were conferred on it by the organic act under which they now are governed, together with powers exercised by the Philippine Commission?

Mr. MANN. It seems to me that where we specifically say that the legislature shall have such powers and go no further, those are all the powers they have.

Mr. HELM. If I understand the gentleman correctly, he wants to give them the fullest measure of power in the matter of legislation?

Mr. MANN. I do.

Mr. HELM. We are undertaking in this section of the bill to give them all the powers that they have had heretofore without restriction, thereby enlarging upon their powers rather than restricting them.

Mr. MANN. The restrictions of the power are in other parts of the bill.

Mr. HELM. There is no restriction in this section.

Mr. MANN. This section gives no greater power to the Philippine Legislature than the Philippine Commission and the present Philippine Legislature have, and if we take steps on that we ought to take steps here to give them broader powers.

Mr. HELM. As I understand, it gives the legislature all the power that is given in this bill, and it gives them all the power that the Philippine Commission has heretofore had, and all the power that the previous legislative bodies in the Philippine Islands have had. So it looks to me like the gentleman is arguing against his own premise.

Mr. MILLER. Mr. Chairman, I move to amend the amendment by inserting after the word "power" the words "except as herein restricted."

The CHAIRMAN. The gentleman from Minnesota offers an amendment to the amendment, which the Clerk will report.

The Clerk read as follows:

Amend the amendment by inserting after the word "power" the words "except as herein restricted," so that the section as amended will read:

"SEC. 8. That general legislative power, except as herein restricted, is hereby granted to the Philippine Legislature authorized by this act."

Mr. MILLER. Mr. Chairman, I am very heartily in favor of the amendment offered by the gentleman from Iowa [Mr. TOWNER], and I sincerely hope it will be the wisdom of this committee to accept it, together with the modification which I have proposed. The modification is to meet the objection raised by the gentleman from Kentucky [Mr. HELM] and some of the objections that have come from other Members.

Now, Mr. Chairman, the language of the paragraph as it now stands, to my mind, is clearly improper. Just for a moment see what it does. All legislative powers are granted that heretofore have been granted, to what? To the Philippine Legislature—that is, the assembly—and to the Philippine Commission, and are hereby granted to the Philippine Government. That is, this paragraph grants to the legislature of the islands which we are now creating only such power as heretofore has been granted to the assembly and to the commission, and that are also herein conferred upon the legislature, which is a complete restriction. As the gentleman from Illinois [Mr. MANN] has here clearly and emphatically stated, if we are to give these people anything like an opportunity to demonstrate their capacity for government, we certainly must give them free rein, as far as possible, in matters of legislation.

Now, if we turn over the page, we find this language in section 12:

That all local legislative powers in the Philippines, except as herein otherwise provided, shall be vested in a legislature.

There is very clearly a conflict between the two. The last does not go even as far as the first. It says "all local legislative." I say now, Mr. Chairman, when that paragraph is reached I propose to strike out the word "local." I think the Philippine Legislature should not be tied to Congress constantly by an apron string. I think the people of the islands should have an opportunity to legislate. Let them draw upon their experience, their knowledge of the affairs of their own people, and act accordingly. We should let them have free and full opportunity to do so. But we have not done so in this paragraph. We have hedged them in, we have curbed them in, we have restricted their legislative activity to within very narrow limits.

Mr. QUEZON. Mr. Chairman, I believe that the majority of the Insular Affairs Committee sympathize with the ideas expressed by the gentleman from Iowa [Mr. TOWNER] and the gentleman from Minnesota [Mr. MILLER], although I am not authorized to speak for the majority. Therefore I hope that the amendment will be adopted. The language suggested by the gentleman from Iowa would serve to make it clear that the purpose of this act is to grant the Philippine Legislature all the powers that usually are possessed by national legislative bodies, except those that are specifically prohibited by other sections of this act and those which affect foreign relations. The amendment would serve to avoid constitutional questions that may arise if the section is left as it stands, as to whether or not the Philippine Legislature has any right to enact certain legislation.

The CHAIRMAN. The time of the gentleman from the Philippine Islands has expired.

Mr. JONES. Mr. Chairman, the reason why section 8 was written as it is is that the Philippine Commission, as all those

who are familiar with the Philippine Government understand, exercises, or certain of its members do, executive powers as well as legislative powers, and had exclusive legislative powers in certain portions of the islands, and joint powers with the assembly in other parts of the islands. The majority thought it wise, in order to make it absolutely clear that the Philippine Commission was to exercise no legislative powers hereafter, and especially to make clear what power the legislature was to be clothed with, to confer upon it specifically the legislative power conferred upon the commission, as well as that conferred upon the legislature. The organic law provided that "all the legislative power heretofore conferred upon the Philippine Commission in the said islands not inhabited," and so forth, should be conferred upon the legislature created by the organic act. To discover what that power was we must examine President McKinley's letter of April 7 to the then Secretary of War.

I wish to say, however, that if the gentleman from Iowa [Mr. TOWNER] will accept the amendment proposed by the gentleman from Minnesota [Mr. MILLER], with a slight change in the phraseology, I do not think I will have any objection to his amendment. The amendment to the amendment reads "except as herein restricted." I would change that language so as to make it read "except as herein otherwise provided." I do not think the gentleman will object to this.

Mr. MILLER. That is entirely satisfactory.

Mr. JONES. With that change in the amendment I am perfectly willing to accept the amendment.

Mr. McKENZIE. Mr. Chairman, will the gentleman yield for a question?

Mr. JONES. Yes.

Mr. McKENZIE. I merely wanted to ask the chairman of the committee if he thinks by adding the word "exclusive" before the word "general" it would clear up the situation?

Mr. JONES. No; I do not.

Mr. MILLER. Mr. Chairman, I ask leave to modify my amendment, so that it shall read "except as otherwise herein provided."

The CHAIRMAN. The gentleman from Minnesota [Mr. MILLER] asks unanimous consent to modify his amendment by an amendment which the Clerk will report.

The Clerk read as follows:

Amend the amendment by striking out the word "restricted" and having the amendment read "except as otherwise herein provided."

Mr. MILLER. That should be "except as herein otherwise provided." Transpose "herein" and "otherwise."

The CHAIRMAN. The question is on the adoption of the amendment offered by the gentleman from Minnesota [Mr. MILLER] to the amendment offered by the gentleman from Iowa [Mr. TOWNER].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the adoption of the amendment as amended.

The amendment as amended was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 9. That all the property and rights which may have been acquired in the Philippine Islands by the United States under the treaty of peace with Spain, signed December 10, 1898, except such land or other property as shall be designated by the President of the United States for military and other reservations of the Government of the United States, and all lands which may have been subsequently acquired by the Government of the Philippine Islands by purchase under the provisions of sections 63 and 64 of the act of Congress approved July 1, 1902, except such as may have heretofore been sold and disposed of in accordance with the provisions of said act of Congress, are hereby placed under the control of the government of said islands to be administered for the benefit of the inhabitants thereof, and the Philippine Legislature shall have power to legislate with respect to all such matters as it may deem advisable; but acts of the Philippine Legislature with reference to land, timber, and mining, hereafter enacted, shall not have the force of law until approved by the President of the United States: *Provided*, That where lands in the Philippine Islands have been or may be reserved for any public purpose of the United States, and, being no longer required for the purpose for which reserved, have been or may be, by order of the President, placed under the control of the government of said islands to be administered for the benefit of the inhabitants thereof, the order of the President shall be regarded as effectual to give the government of said islands full control and power to administer such lands for the benefit of the inhabitants of said islands.

Mr. MOORE. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, on page 7, by inserting after the word "President," in line 25, the words "and the Congress."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. MOORE. Mr. Chairman, the purpose of the amendment is to bring to the attention of Congress, as well as to that of the President of the United States, such questions as may arise from the disposition of the land by the Philippine Legislature. Lines 19 and 20 of section 9 indicate that the Philippine Legislature would have entire control of the islands and would administer them for the benefit of the inhabitants thereof. It is just possible that a President who is partial to Filipino independence, or one who is entirely opposed to it, would have to do with the questions arising from grants of land, especially in the matter of timber and mining, and that it would be well for Congress to have some notice before questions of this kind are finally determined. It has occurred to me that it is possible that if the Filipino Legislature should, in its judgment, find it wise for "the benefit of the inhabitants of the islands" to dispose of one of the islands—for example, one of the islands not inhabited at all—it might so dispose of it "for the benefit of the inhabitants of the islands" as to involve us in complications with foreign powers. It is just possible that the legislature might decide that it could sell an island.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Pennsylvania yield to the gentleman from Tennessee?

Mr. MOORE. Yes.

Mr. GARRETT of Tennessee. I call the gentleman's attention to the fact that in a subsequent section of the measure the right of Congress to annul any act of the Philippine Legislature is expressly reserved, and to adopt the amendment of the gentleman would render still more cumbersome and still more difficult any legislation in regard to the public lands and the friar lands in the islands. This is one particular matter in which an exception, if the gentleman will pardon me, was made by requiring affirmative action on the part of the President.

Mr. MOORE. I suggest to the gentleman that this paragraph provides—and it is very comprehensive—that "all the property and rights which the United States has in the Philippine Islands" are placed under the control of the government of the islands, which means, if the figures quoted here are correct, $200,000,000 or $300,000,000 worth of property.

Mr. GARRETT of Tennessee. There are about 60,000,000 acres of public land, according to my present recollection, and then the friar lands.

Mr. MOORE. All this and all property and all rights therein——

Mr. JONES. The gentleman understands that under the organic law that is already given to the Philippines. They already own it. This is simply confirming that. The organic law already gives it to them.

Mr. MOORE. The gentleman does not yet get my point. This property is to be under the control of the Philippine Legislature. In the wisdom of the legislature, according to the judgment of the legislature, it might seem well to dispose of an island or piece of ground in a way that might not conform to the interests of the United States, or that might involve us in complications with foreign powers. Would it not be well for the Congress to be advised?

Mr. GARRETT of Tennessee. If the gentleman will permit, in the first place, I think that any President, whether he was for independence or against independence, could be relied upon to protect our foreign affairs; and in view of the fact that the Congress retains the right, in a subsequent section, to annul any law that may be passed there, this would render it much more cumbersome.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GARRETT of Tennessee. I ask unanimous consent that the time of the gentleman from Pennsylvania [Mr. MOORE] be extended three minutes.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that the time of the gentleman from Pennsylvania be extended three minutes. Is there objection?

There was no objection.

Mr. MOORE. When the gentleman states that Congress retains the power to annul, to what section does he refer?

Mr. GARRETT of Tennessee. I do not remember the number of the section now, but it is in a subsequent section.

Mr. MOORE. I have not found it.

Mr. JONES. It is in the law, as clear as can be.

Mr. MOORE. Is it in the organic law?

Mr. GARRETT of Tennessee. It is in the present organic law, and also in this bill.

Mr. MOORE. The gentleman understands that I was dealing with section 9, which specifically provides that it shall be up to the President, and that is all there is to it.

Mr. GARRETT of Tennessee. If an act affecting the public lands was passed by the Philippine Legislature, and that act was approved by the Governor General, it would not become a law until affirmative action approving it had been taken by the

President of the United States. In the opinion of the committee that is a safeguard that is proper. Now, the gentleman's amendment proposes to go a step further, and to require that it shall not only be approved by the President of the United States but that it must be affirmatively acted upon by the Congress of the United States; and the gentleman, knowing the difficulties that we have here in legislating concerning our insular affairs at all, will readily understand that it would be extremely difficult ever to get any legislation passed with relation to the public lands in the Philippines.

Mr. MOORE. I realize that to bring it to Congress would add somewhat to the difficulties of disposing of land.

Mr. GARRETT of Tennessee. Every act of the Philippine Legislature must be transmitted to the Congress. It is then referred to the Committee on Insular Affairs of course, and the Congress retains to itself the right to annul any act of the Philippine Legislature.

Mr. MOORE. I think the gentleman will agree that there are certain islands in the archipelago that are practically uninhabited.

Mr. GARRETT of Tennessee. I suppose there are some small islands.

Mr. MOORE. And they might be of use to a foreign nation, or to a miner or speculator, or to some one who desired to cut timber, and those islands might be ceded by the Philippine Legislature, if it deemed it wise to do so.

Mr. GARRETT of Tennessee. The gentleman will find the section that he asked me about a moment ago on page 15. It reads:

All laws enacted by the Philippine Legislature shall be reported to the Congress of the United States, which hereby reserves the power and authority to annul the same.

I will say to the gentleman that I think we have gone as far as we ought to go when we have provided for affirmative action on the part of the President.

Mr. MILLER. May I ask the gentleman from Tennessee a question? Under this bill the Philippine Legislature has full power to legislate respecting the public lands and timber and mines, provided the legislation is approved by the President. That is still subject to be repealed by the Congress of the United States. Now, suppose the Philippine Legislature, with the approval of the President, should grant to an English corporation all the timber rights in the island of Mindanao—I am mentioning this as an extreme suppositious case; suppose that corporation should proceed to go ahead and develop; suppose that three years later the Congress of the United States should repeal the act; how would that affect the title of the English concern?

Mr. GARRETT of Tennessee. After the President had confirmed it?

Mr. MILLER. Yes.

Mr. GARRETT of Tennessee. I do not think the title would be good. I think the repeal by the Congress of the United States would affect the title. The law is a part of the contract.

Mr. MILLER. Of course, that is an extreme case. I will say that I have had serious doubts as to the legal effect of title in individuals who acquired timber concessions or public-domain concessions. Congress still retains the power to annul, and Congress might annul some general act under which a great number of individuals had acquired title to the land and perhaps had passed it on to innocent purchasers.

Mr. HELM. Do I understand the gentleman is asking what would be the status of the property that had been removed during the time that the act remained in force or the time when it was considered valid?

Mr. MILLER. That is the nature of the inquiry; yes.

Mr. HELM. Of course, if the timber had been taken away and the people who had the concession had gone, they would be all right.

Mr. MOORE. Will the gentleman yield for a question?

The CHAIRMAN. The time of the gentleman has again expired.

Mr. MOORE. I will not ask for any more time.

Mr. JONES. Mr. Chairman, I wish to say a word as to this.

Mr. MOORE. Will the gentleman allow me to ask him a question before he gets through?

Mr. JONES. Yes. Mr. Chairman, the provision as it now stands and which the gentleman from Pennsylvania desires to amend goes very far and just as far as I am willing to go. It goes further than I had wished to go in the beginning. I very reluctantly gave my consent to the provision requiring the approval in advance of the President to all legislation in respect to the sale of public lands, timber, and mining rights. I thought that inasmuch as the bill expressly reserved to Congress the right to annul all laws passed by the legislature, that was sufficient to safeguard the disposition of these valuable public lands. I finally concluded, however, that no harm at least could be done by requiring the approval of the President. I am unwilling to go further than this. To require the approval of Congress would mean that little, if any, of these lands would ever be disposed of. There are some 60,000,000 acres of these public lands, and to require Congress to affirmatively approve every sale of them, no matter how small and insignificant the sale, before the purchaser could obtain his title would put an end to all sales. The same is equally true of the undisposed of friar lands. These lands were purchased with money borrowed by the Philippine Government and they should be disposed of as rapidly as may be legally done.

It is proposed to sell these lands in small tracts to actual settlers. If the amendment of the gentleman is adopted, the government will not be able to dispose of even 20 acres of land to one desiring it for a homestead without first getting the approval of Congress. Gentlemen who are familiar with legislation here know that that would be an absolute inhibition upon the sale of these lands. The gentleman must know that hundreds, yes, thousands, of bills will, if his amendment is adopted, be introduced in Congress asking for approval of sales of land made by the Philippine Government, not one of which in all probability would secure consideration. The gentleman's amendment is therefore, with all respect to him, absolutely impracticable.

Mr. MOORE. I wish to say in the gentleman's time that the very fact that the provision was put in section 9 was notice that the committee had some reason for putting it in. The gentleman has said that he had some hesitancy about letting it go in, but why should we reserve to the President of the United States the scrutiny over mining and timber lands if there had not been some reason for it?

Mr. JONES. For the very reason which the gentleman has stated, namely, that there are millions of acres of timber and other valuable lands in the Philippines which the legislature might inadvisedly or without sufficient consideration dispose of. For this reason it was deemed wise, in the interest of the Filipinos themselves, to require the approval of the President before any of them can be disposed of. But that is as far as I am willing to go. I hesitated about going that far, but realizing the great importance of the matter I consented to do so.

Mr. MOORE. In view of the liberalizing of section 8, why should we have any restriction in section 9 at all?

Mr. JONES. For the very reason the gentleman himself has suggested. He has suggested that the vast interests out there might be unwisely disposed of, and has suggested that even affirmative congressional action should be required before they be disposed of.

Mr. MOORE. May I ask the gentleman why, if the committee wanted to liberalize the powers of the Philippine Legislature as in section 8, it should restrict them in section 9. If it had any conception in regard to these lands or timber transactions that it was justified in putting this in the bill, then we would be justified in still further restricting it by having notice given to Congress. If the gentleman says that the introduction of this restriction was an inadvertence as far as the committee is concerned, and put in with reluctance, why, that is another thing.

Mr. JONES. I did not say it was an inadvertence. I said, on the contrary, that it was put in after careful consideration. I said that in the beginning I thought it was well to give the legislature complete control over the public lands, but others in whose judgment I had confidence did not agree with me, and so after giving the subject further consideration I concluded, as I have said over and over again, that it would be best to require the approval of the President before disposing of these lands. That is quite a different thing to requiring the approval of Congress as the gentleman would do.

Mr. MONDELL. Mr. Chairman, I think the provisions of section 9 that are contained on page 7 are in the main wise, and I do not think the amendment offered by the gentleman from Pennsylvania [Mr. MOORE] should be adopted. It is perhaps well for a time, out of an abundance of caution, to provide that these laws relating to the land in the Philippine Islands shall not have force and effect until they have been approved by the President, but it would certainly be very unwise to provide that the Congress must affirmatively pass on all of these matters. The result would be that Congress, anxious to dispose of its other business, would be likely to neglect the matters of this distant Territory of ours and that the laws would be hung up for an indefinite length of time.

Furthermore, I doubt if the Members of Congress are sufficiently well acquainted with the conditions in the Philippine Islands to pass intelligently upon the many questions that might arise in regard to these lands. I have had some experience

with regard to land laws, and I am frank to say that I should not know what was wise and what was unwise in regard to many land questions that might arise over there. I am glad we are going to give the Filipino people the opportunity to legislate fully and completely in regard to their landed resources. I hope they will be wise in so doing. I trust that the President will carefully scan the legislation that is passed, and I feel hopeful that with this safeguard the legislation will be wise.

Mr. MOORE. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. MOORE. The gentleman knows that we have just passed section 8 and modified it so that it gives the legislature rather comprehensive powers.

Mr. MONDELL. I realize that, but the fact still remains that Congress has the right and power to repeal any act of the Philippine Legislature.

Mr. MOORE. And in the very next section we restrict their powers.

Mr. MONDELL. I think the gentleman from Virginia has fairly well answered that. It is probable that the land laws will be wise, with the view of having the benefits of the public lands widely enjoyed by all the people of the Philippine Islands, but for fear that they do make a mistake, out of abundant caution this additional provision is inserted that the President affirmatively pass upon all land legislation.

Mr. MOORE. Does the gentleman see any difference between the right of the Philippine Legislature to pass a law relating to public buildings, which would not have to be submitted to the Congress of the United States or the President, and passing a law relating to lands, which must be so submitted?

Mr. MONDELL. I think I do see quite a bit of difference, and yet I am not one of those who are so fearful, as many people are, that the Philippine Legislature will do an unwise thing touching this landed property; I think it is perhaps well to have this general supervision. I hope that it will never be exercised in a negative way, except in a case so clear that there can be no doubt but that the legislature has made a mistake. In a majority of cases I have no doubt that their legislation will be wise, and I think men on the ground know more about what ought to be done than the Congress does. The President will have some advisers familiar with these matters who can advise him as to the legislation that may be enacted.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. MONDELL. Mr. Chairman, I ask unanimous consent to proceed for five minutes more for the purpose of asking the gentleman from Virginia, the chairman of the committee, a question with reference to the proviso of this section.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MONDELL. Mr. Chairman, the proviso in section 9, on page 8, is as follows:

Provided, That where lands in the Philippine Islands have been or may be reserved for any public purpose of the United States, and, being no longer required for the purpose for which reserved, have been or may be, by order of the President, placed under the control of the government of said islands to be administered for the benefit of the inhabitants thereof, the order of the President shall be regarded as effectual to give the government of said islands full control and power to administer such lands for the benefit of the inhabitants of said islands.

Do I understand that to refer to some general orders of withdrawal for general public purposes, or only to orders of withdrawal relating to what might be called governmental purposes for forts, military establishments, and lighthouses, for instance.

Mr. JONES. Mr. Chairman, I will say to the gentleman that the organic law provides that in turning over this public domain to the Philippine Government the President shall reserve such portions of it as, in his judgment, the Government of the United States may need for military or other reservation purposes.

Mr. MONDELL. That is, for governmental purposes?

Mr. JONES. Governmental purposes.

Mr. MONDELL. Forts and lighthouses and matters of that kind?

Mr. JONES. For all military and other reservations needed by the United States. The President of the United States, in the exercise of the power granted him, reserved considerable land here and there in the islands. It turned out later that he had reserved more than the Government needed. In the beginning it was not known just how much would be needed, but out of due precaution it seems the President reserved more than there was any need for. Because this was true, one or more bills have been introduced in this House giving to the President the authority to dispose of these unoccupied lands. This was done at the request of both Secretary of War Dickinson and Secretary Stimson, but no action was ever taken by Congress. The present Secretary of War advised that the subject be taken care of in this bill.

Mr. MONDELL. It seems an entirely proper provision, but this thought occurs to me: Assuming that somewhere on the islands we may hereafter need lands for military or lighthouse purposes or for other governmental purposes, which we have not heretofore reserved, is there any provision in the bill under which a reservation of the lands could be hereafter made? I understand that the Philippine Legislature might by enactment reserve those lands for the uses of the United States, but it is, of course, possible that a condition might occur under which that would not be done. Is there any saving provision in the bill?

Mr. JONES. Mr. Chairman, there is no saving provision of this kind in the bill, and there was no saving provision of the kind in the organic law. If the President of the United States had not reserved a sufficient quantity in the first instance, there was no power given by which he could afterwards do so.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman from Virginia yield to me?

Mr. JONES. Certainly.

Mr. GARRETT of Tennessee. If I understood the inquiry of the gentleman from Wyoming I think the gentleman from Virginia has not replied to it. I understood the gentleman to ask if there was anything out of the public domain now owned——

Mr. MONDELL. Certain lands have been reserved for governmental public purposes.

Mr. GARRETT of Tennessee. Mr. Chairman, I call the attention of the gentleman from Wyoming to the language beginning in line 9, on page 7—

Except such land or other property as shall be designated by the President of the United States for military and other reservations of the Government of the United States and all lands which may have been subsequently acquired by the government of the Philippine Islands by purchase under the provisions of sections 63 and 64, etc.

Mr. MONDELL. That saves those that the President may designate at the time this bill takes effect, or thereafter under its provisions, but it would not meet this situation: Assuming that hereafter at some time we might need a location for a lighthouse or a location for military or naval purposes in addition to those already reserved, is there any provision in the bill whereby we could be absolutely certain of securing those lands except as we might secure them through the action of the Philippine Legislature? Conditions might arise under which that might not be easy to obtain.

Mr. JONES. The gentleman's question now is a little broader than it was when he first presented it to me.

Mr. MONDELL. That was what I intended to inquire about.

The CHAIRMAN. The time of the gentleman from Wyoming has again expired.

Mr. JONES. Mr. Chairman, I ask unanimous consent that his time be extended for five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. JONES. The President of the United States, when this law goes into effect, will of course have the right to reserve any lands that he thinks necessary for military or other purposes.

Mr. MONDELL. That is, in addition to those that have not heretofore——

Mr. JONES. That have already been reserved. But there happens to be certain parts of the lands that have already been reserved that are not at all necessary for any governmental purpose.

Mr. MONDELL. I understand that; and they are to be returned.

Mr. JONES. These pieces of land are in many instances small and scattered, and so located as be of no value to the United States. In some instances, it is very desirable that they be sold to natives who own the adjoining land. The authority to dispose of this land is given to the President. It must be given to somebody. The War Department has desired for years that it be given to the President.

Mr. MONDELL. I hope the gentleman does not misunderstand me. I think the provisions of the proviso are proper and wise, so far as they go; but my query was, assuming that in the future we might desire lands for these public purposes—if it were at home, if it were anywhere in the United States, and these lands were public lands, the President would reserve them—but do we retain any power over the Philippine lands under this bill under which the President could do the same thing there——

Mr. JONES. No——

Mr. MONDELL (continuing). Or would we be compelled to go to the Philippine Legislature to get these lands for public purposes?

Mr. JONES. When the President shall have reserved all land necessary for military and other reservations of the United States the remainder will go to the Filipino people. If thereafter the United States desires to secure more of these lands, the authority must come from the Philippine Legislature.

Mr. MONDELL. If the gentleman will allow me, this is my thought: It seems to me it would be very much better to have a provision in the bill reserving the right on behalf of the President of the United States, just as we do on our public lands here, to reserve public lands in the Philippines for public purposes. I think that such a provision would be wise from two distinct standpoints. First, if there ever came a time when we would need public lands for governmental purposes, there would be no question but what we could obtain them; and, second, if there were such a provision, then the President would feel entirely free to restore land not now needed and not likely to be needed in the future, with the knowledge that if they remain public lands he could secure them later. Without any provision under which later he may secure these lands, there is a temptation to hold large acreages in reservation.

Mr. JONES. I understand the gentleman's position exactly, but it was not thought necessary when the organic law was passed—a law prepared, as I understand, by Mr. Secretary ROOT and Mr. Taft—that any provision of the sort indicated by the gentleman was necessary. The provision in this bill follows the language of the organic law.

Mr. MONDELL. My query grows somewhat out of the experience we have had at home. If lands are reserved for public purposes and their restoration might result in their passing into such control that they could not hereafter be secured again, the temptation is to retain them in even larger areas than necessary.

Mr. JONES. I understand.

Mr. MONDELL. With the idea that some time they may be used, and so out of an abundance of caution areas will be retained that really ought to be restored to general use.

Mr. JONES. I can only say to the gentleman that I believe the policy set forth in the organic law was a wise policy. I do not believe we will ever need for the United States any more land than has already been reserved. I am not, therefore, so much concerned about getting more land for the United States as I am over getting rid of some we now have but do not need.

Mr. MANN. Mr. Chairman, I regret that I can not agree to the amendment offered by the gentleman from Pennsylvania, which I think perhaps was a very natural one to offer—that if these lands are to be approved by the President they ought to be approved by Congress. The approval by Congress is practically impossible as a legislative proposition, but the President appoints the Governor General of the Philippine Islands. He has a veto power upon bills passed by the Philippine Legislature. I believe it is true the legislature can pass bills over his veto by a two-thirds vote. Now, we are not dealing with lands which belong to the United States in the sense that lands in the United States belong to us. The lands in the Philippine Islands, in our opinion, belong to the Filipinos, to any Philippine Government which is created, however it be created. I do not see any reason why the Philippine Legislature should not have the power by a two-thirds vote to pass any bill it chooses to upon the subject of lands or mines or timber. If we are going to give to the Philippine people a government at all, why not give them a government without too many apron strings tied to it. We never can ascertain what they will do about these things until they have the power and the responsibility; but my judgment is that always wherever a legislative body has an extra veto upon its power it takes that much less care of the work that it does. We feel confident in the House here frequently that mistakes which we make will be corrected by the Senate, or that mistakes which both the House and the Senate make will be corrected by the President. Now, it is proposed to add an additional veto in reference to the Philippine people. Let them have the power over their land, their timber, their mines. They are not ours. That is a matter purely of local government. The people to whom these things belong ought to have the legislative power. We do not give such power to the legislature of our Territories because we do not treat the land in a Territory as belonging to the Territory, but as belonging to the United States, and we do not treat these lands as belonging to the United States, although the United States may have to do with them. I shall offer an amendment to strike out the provision which requires the approval of the President. The President appoints the Governor General. Let the Governor General exercise his veto power, and it is not possible by this bill to take away the power of Congress over the Philippine Islands by future legislation so long as they are under our flag.

Mr. HELM. Mr. Chairman, I move to strike out the last word. For my part I think that these provisions in this bill in regard to the land, timber, and mineral resources are very wholesome indeed. It has been more than 130 years since our Government was established, and we are not all wise yet. It is within the memory of almost every man present that in the last few years conditions in Alaska have not been unlike the conditions in the Philippine Islands. With all the wisdom at the command of Congress, we came well-nigh losing some of the most valuable and extensive resources in Alaska that this Government possesses. I regret extremely that in my own beloved State, that has one of the largest coal deposits of most any State in the Union, that all of that coal land at one time was owned by the State, and for a mere trifle of $1.25 an acre passed from the control and ownership of the State, without any reservation whatever and without any mineral royalty reserved to the State. Why, if an infinitesimal royalty had been reserved, there would not be a cent of State tax in the State of Kentucky to-day. A small royalty per ton would have given us a magnificent public school system, vocational schools, maintained our State university, enabled the State to construct and maintain a splendid system of roads. And it is lamentable that somebody did not look far enough into the future to safeguard and provide for these advantages.

Now, the information that I have gleaned in regard to the Philippine Islands is to the effect that they have immense quantities of most valuable timber, minerals, and rich lands that have not yet been touched. Nobody knows the extent of them. And we hope this young government that is now starting out and getting upon its feet will prove a success; but in the light that has guided our pathway in the several States we can hardly hope that they will succeed beyond the measure of success that has attended the development of most of the States in this Union. And I believe that for the time being it is a very wholesome and a very wise course to retain this provision in the bill.

Mr. MILLER. Will the gentleman yield for a question?

Mr. HELM. With pleasure.

Mr. MILLER. If the provision requiring the approval of the President before it becomes a law were not in the bill, the President would still have the right to veto it after it was passed by the legislature?

Mr. HELM. Certainly.

Mr. MILLER. Does the gentleman think the situation created by this exception is very much better than the regular rule for the preservation of the resources?

Mr. HELM. But the gentleman has been here long enough to know that something has got to happen; somebody has got to turn something up; somebody has got to focus the attention of Congress or the President, or of those in authority, on a particular act that is being done—an unwise concession, grant, or privilege. Somebody has got to be on the ground and on guard. We all know how frequently these things happen.

Now, it is a little beside the question, but the only misgiving I have in connection with this proposition is that we are imposing great responsibilities on a people who are in their legislative swaddling clothes. We who have had some little experience around this Capitol know how hard it is, in the first place, to detect an insidious lobby, and, in the second place, we know how hard it is to expose it and to expel it after it has been exposed. Now, just how successful this Philippine Legislature is going to be along this line of resistance I do not know. The lobbyists and grafters are going to be as busy as bird dogs, because they are going to say, "This is an easy thing." "These Filipino people are not wise and they are not onto the job." The best thing to do is to leave this section of the bill just as it has been drawn.

Mr. MOORE. The gentleman speaks of lobbies. There is just a suggestion of that in paragraph 9. It did not come from me in offering this amendment, but it is suggested by this reservation about timber and mining land. I now ask the gentleman if, in putting this in the bill, the committee thought the Philippine Legislature ought to be protected against itself?

Mr. HELM. I expect the Congress of the United States ought to have been protected against the Guggenheims in Alaska. There are times when we need as much protection as the Philippine Legislature will.

Mr. MOORE. The gentleman would seem to answer yes to the question?

Mr. HELM. We are not absolutely invulnerable and above a little criticism and comment along certain lines ourselves.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. MOORE. I ask unanimous consent that the gentleman have five minutes more.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent that the gentleman from Kentucky may have five minutes more. Is there objection?

There was no objection.

Mr. HELM. I have said all I care to say, but if the gentleman wants to ask a question——

Mr. JONES. Mr. Chairman, I am going to ask, in view of the fact that the gentleman from Illinois has indicated his purpose to offer another amendment to this section, that all debate on the pending amendment close in five minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate be closed in five minutes on this amendment. Is there objection?

There was no objection.

Mr. MOORE. Does the gentleman from Ketnucky take the same view that I have heard others express on this floor, that the land in the Philippine Islands is the property of the Filipinos and subject to disposal by their legislature?

Mr. HELM. One of the purposes of this bill is to cede to the Philippine Government the public lands mentioned in the bill.

Mr. MOORE. It does not say so in terms in this section.

Mr. HELM. The word "cede" is not used, but I think a word of like import is used.

Mr. MOORE. It places any rights in the property which the United States may have acquired in these islands under the "control of the government of said islands, to be administered for the benefit of the inhabitants thereof." Does the gentleman interpret that as meaning that the United States in passing this law waives all right and title to these lands?

Mr. HELM. Speaking for myself, I have no doubt it was an attempted cession on the part of this Government of the land to the Philippine Government—the public lands. It is already owned by the Philippine people.

Mr. MOORE. That is to say, though we have made settlement with Spain and paid actual cash for whatever lands and rights we possess in the islands, by this bill we waive all right and title to the lands?

Mr. HELM. It is going to be very hard for this Government ever to right the wrong that, in my opinion, it committed when it waged war on the Filipinos.

Mr. JONES. Mr. Chairman, will the gentleman from Kentucky [Mr. HELM] permit me to say to the gentleman from Pennsylvania [Mr. MOORE] that this is just a repetition of the present law? The organic law, the law passed 12 years ago, framed by Secretary Root and Gov. Taft, did exactly what this bill does—it turned all these lands over to the Filipino people. This bill does not give them a foot of land that does not now belong to them.

Mr. MOORE. If the gentleman will permit me, so long as he has ventured this statement, I will say to him that I have heard one or two gentlemen take varying views of this question. One says we own this land in fee. Others say this property belongs to the Filipinos.

Mr. JONES. Who says we own it in fee?

Mr. MOORE. I think the gentleman from Minnesota said so.

Mr. JONES. I did not understand him to say that the people of the United States owned it.

Mr. MOORE. I understood some gentleman to say that. I recall that the gentleman from Minnesota [Mr. MILLER] said there was a right in fee to the United States in this land.

Mr. JONES. At this time?

Mr. MOORE. Yes.

Mr. JONES. I did not hear the gentleman from Minnesota say that.

Mr. MOORE. I have heard it stated on the other side in the discussion. I would like the gentleman himself to state whether it is his understanding, like that of the gentleman from Kentucky [Mr. HELM], that in passing this bill we waive whatever claim the United States has to title in these lands?

Mr. JONES. That is absolutely my understanding. We have already done it, and this simply reaffirms what we have already done, except as to such land as the President is given the authority to reserve for military and other purposes.

Mr. MILLER. I would like to ask a question of the gentleman from Kentucky [Mr. HELM].

Mr. HELM. Very well.

Mr. MILLER. This bill continues in force and effect the present laws enacted by the Philippine Legislature and the commission. The gentleman is aware of the fact that at present there are laws providing for the acquisition of homesteads on the public domain in the Philippine Islands and the acquisition of timber concessions on the public domain?

Mr. HELM. I should think that this bill enacted, following such law as the gentleman refers to, would be self-operating and would repeal them. I believe that the enactment of this bill, being inconsistent with the law the gentleman speaks of, would supersede the present laws.

Mr. MILLER. I do not assume that it will be inconsistent. There are laws providing for the acquisition of the public domain by homesteaders and timbermen. This does not enact a law. This bill says that if the Philippine Legislature should enact a law or repeal an old law it has first to have the sanction of the President.

Mr. HELM. I was referring particularly to that feature of the bill relating to timber and mining and lands.

The CHAIRMAN. The time of the gentleman from Kentucky has again expired. All time has expired on this amendment.

Mr. BUTLER. Mr. Chairman, I move to strike out the last word of the amendment.

Mr. JONES. All time has expired.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Pennsylvania [Mr. MOORE].

The question was taken, and the amendment was rejected.

Mr. MANN. Mr. Chairman, I move to amend by striking out all after the word "advisable," in line 22, page 7, down to and including the word "States," in line 1 of page 8.

Mr. Chairman, this provision is that the acts of the Philippine Legislature, in reference to lands, timber and mining, hereafter enacted shall not go into effect until they are approved by the President. Approved by the President when? It might be a year of 20 years after those acts were passed.

Now, the act fully safeguards in other respects the passage of any bill by the Philippine Legislature, because it gives to the Governor General the right of veto, and then if the Filipino Legislature in both houses passes the bill by a two-thirds vote over the Governor General's veto, it gives to the President an absolute veto. The Philippine Legislature can pass no bill on any subject which the President can not absolutely stop. He can direct the Governor General, who is his appointee, to veto the bill in the first instance. Then if the bill is passed over the Governor General's veto by the legislature, the President has the absolute veto, because it can not go into effect until it meets his approval—until he has approved it.

Now, that is safeguard enough. But here is a provision to the effect that no act of the Philippine Legislature relating to certain subjects shall go into effect until the President shall have approved it. There is no requirement as to the time when the President shall have approved it. No one can tell anything about it. If they pass any act relating to mines or forestry or timber or lands, the bill has to be transmitted. Although it has met with the approval of the Governor General, the President's appointee, the bill will have to be transmitted to the United States and approved by the President. He may have no objection to it. If he has any objection, he can easily stop it under the other provisions of the bill.

I think it is an unnecessary reflection upon the Philippine Legislature for us to assume at the outset that they do not know enough about their own lands and their own timber and their own minerals to legislate properly without first receiving the approval of the President of the United States, although he still has the power of veto.

Now, I am not in favor of giving an "Indian gift" to the Philippine Islands in the way of government. I am in favor of testing them, and either showing that they do not know how to manage a government—and I think they do—in which case all thought of self-government for the time being will have to be changed, or showing that they are equal to independence. What I want to do is to make them friends of ours. What would happen if Canada could not dispose of her lands or if Australia could not dispose of her lands? Where would the patriotic sentiments of those countries be if every time they enacted a land law or mining law or a timber law they had to send it over to be approved by the King of England? And yet we are talking about giving greater liberty to these islands in the end than Canada or Australia enjoys. No one would think for a moment that the Canadians would be loyal, as they are, or that the Australians would be loyal, as they are, to England, if they did not have the power themselves and the responsibility of disposing of those things which they own.

Mr. GARRETT of Tennessee. Mr. Chairman, the conditions touching Canada and Australia in their relations to England are

quite different from the conditions with respect to the relations between the Philippine Islands and the United States. England is an imperial Government—a monarchy. Canada and Australia were colonized by English-speaking people—people of the blood, spirit, and race of England. As I said the other day, the people of the Philippine Islands are not of our blood, not of our spirit, and not of our race.

I shall not vote for the amendment proposed by the gentleman from Illinois [Mr. MANN], notwithstanding my earnest desire at the earliest possible moment to give to those people absolute control over their governmental affairs; and not only that, but absolute independence and the withdrawal of all sovereignty on the part of the United States.

Favoring, as I do, liberal self-government in the Philippines, the reason I shall not vote for the amendment proposed by the gentleman from Illinois is that it has been the thought of the committee that in view of the fact that we are retaining sovereignty for the present there might be danger of certain land laws being passed by the Philippine Legislature, not in bad faith on its part, which might affect our foreign relations. It might easily be possible for the Legislature of the Philippine Islands in the best of faith to pass legislation which seemed to it wise, and yet which might, if it should be permitted to become law, involve our own country in international difficulties. That is the main idea upon which this proposition has been placed in the bill, requiring the affirmative action of the President before these laws shall become effective.

It has been suggested by the gentleman from Illinois [Mr. MANN] that the Governor General of the Philippines is the President's appointee. That is true. The gentleman from Illinois said the President could instruct the Governor General to veto a measure. Well, perhaps the President of the United States might know nothing of the measure. He is not advised as to every bill that is introduced in the Philippine Legislature. He is not advised, until after it has been approved, as to any act that passes the assembly and is approved by the Governor General. Then, again, it is not exactly correct to say that the Governor General in the service is always the appointee of the particular President serving. If I remember correctly, the Governor General appointed by President Taft held until August or September of last year. At all events he held office many months after the beginning of the present administration before President Wilson made the appointment of Gov. Harrison. There might be differences in ideas as to policy. The Governor General would not be compelled to veto the bill simply because the President thought it ought to be vetoed, even if it were possible and practicable for the President to make such a suggestion.

Mr. MANN. The President could remove the Governor General over night.

Mr. GARRETT of Tennessee. Oh, that may be, but this is dealing with property rights which have been ceded gratuitously by the Federal Government——

The CHAIRMAN. The time of the gentleman has expired.

Mr. JONES. I ask unanimous consent that the time of the gentleman from Tennessee be extended five minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that the time of the gentleman from Tennessee be extended five minutes. Is there objection?

There was no objection.

Mr. GARRETT of Tennessee. I thank the gentleman. As I say, we are dealing with property rights, which have been ceded gratuitously by the Government of the United States for the benefit of the people of the Philippine Islands. It has been thought wise to move conservatively. I do not agree with the gentleman from Illinois that this provision in the bill so binds and controls the Filipino people as that there will be difficulty on their part in legislating for themselves, and that it will not give to them full and fair opportunity to legislate upon the matter of their public lands. It certainly does give them that opportunity. All that it does is to maintain a conservative policy, and makes assurance doubly sure that errors will not be made.

Mr. BRYAN. Mr. Chairman, so far as my judgment goes, I am very much opposed to the proposed amendment. We in this country have had a good deal of experience with the matter of land laws. There is quite a good deal of difference of opinion expressed here on the floor from time to time as to who is responsible for the mistakes or wrongdoings, or whatever it may be called, in connection with our land laws in the West, but we all agree that the policy has been wrong. Sometimes we blame one person, and then, again, we blame somebody else. Sometimes we use the word "fraud" in referring to the procedure, and sometimes we say "mistake." But as to its being erroneous and improper, we all agree. Now, in the Philippine Islands the government is just about to begin its operations, and these lands are to be disposed of. I think for the present it is not too much to ask that these enactments as they pass the Philippine Legislature be sent here for the approval of the President. The President can then refer a bill to the proper Secretary, and the long experience of the United States Government in handling these matters will be brought to bear, and it can result only in benefit to the islands and in good to all concerned. Great fundamental statutes are to be passed establishing courses of procedure to be followed in the future, and every effort ought to be made to start right.

Mr. HELM. Is it not a fact that even at the present time our own efforts at conservation are rather crude and immature?

Mr. BRYAN. In some respects, perhaps so; but I would rather not mention the subject of conservation. Perhaps we would get a rise out of a number of people if we should do that. But then come our foreign relations, as suggested by the gentleman from Tennessee [Mr. GARRETT], and I believe they are delicate enough to demand great care. Evidently the gentleman from Pennsylvania [Mr. MOORE] was speaking earnestly when he said that large grants might be made, that islands might be ceded, or something of that kind. It is not sufficient to say that the President can order it canceled or vetoed, because bills are oftentimes passed in the very last hours of a legislative session. No warning is given. It would be necessary to cable all the details across the Pacific or else send the bill by mail, which takes 30 days. It would take a long time for the President to know what was in the bill, and it would be too late for him to cable to the Governor General to veto it. So I think the bill ought to come over here after it has been acted upon, and the President ought to sign it before it becomes a law. Later on we may repeal these provisions and give them a wider latitude in government, but for the present I believe in defeating the proposed amendment.

Mr. MANN. Does the gentleman think our own land laws ought to make us extremely proud that we know so much more about the subject than any other people do?

Mr. BRYAN. The way we managed them until Theodore Roosevelt took hold of it and changed the policy was a disgrace to this Nation. As soon as Theodore Roosevelt took the handling of the laws they were handled well.

Mr. MANN. The gentleman speaks from conversations he has had and what he has read. I was here in the Roosevelt administration and prior to that, and without reflection on either one of the administrations, I will say that I never could see any great difference in the handling of the land laws before or after. I never felt extremely proud about the way we do it, but if there is any one thing that we can set ourselves up as superior to the Filipinos in it is that.

Mr. BRYAN. Does not the gentleman from Illinois recall the time when the gentleman from Wyoming was at the head of the Committee on the Public Lands and he could do anything, and the other day, while we were considering the conservation bills, he could do nothing? [Laughter.]

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this amendment close in 10 minutes. Is there objection?

There was no objection.

Mr. BUTLER. Mr. Chairman, I move to strike out the last word of the amendment proposed by the gentleman from Illinois, although I intend to vote for it. I would like to ask the chairman of the committee, Mr. JONES, for whom I entertain a very high regard, when he expects these people to walk alone? The gentleman and I were here when the appropriation of $20,000,000 was made. I do not know whether my friend voted for it or not; I know that the gentleman from Georgia, Judge BARTLETT, did not. I want to ask my friend when does he expect that the American Congress will be able to take its hand from the hand of these children and permit them to step alone?

Mr. JONES. In answer to the gentleman's question, I will say that they will be able to walk alone when we give them the opportunity to do so. I do not think they will ever be able to walk alone as long as we do not permit them to make the effort.

Mr. BUTLER. I do not see how the gentleman could answer me in any other way. Then why pass this bill; why not give them a chance? If you always lead the child along the street, he will always be dependent; he will never walk alone unless you take your hand away. Let them act for themselves. I am not going to speak directly to this section. Let us make no mistake; let the Filipino people understand that it is not the intention of the American people at this time to give them independence. I am ready to vote immediately for it when satisfied that these people are capable of self-government. I almost

regret—no; I will not vote for this measure, as the gentleman from Tennessee seems to anticipate me. The query in my mind is this, What is the best thing to do for them? I wish the hour for separation was at hand. I understood the gentleman from Kentucky [Mr. HELM] to say that it was wrong to make war on the Filipino people; that it was wrong for the American Government to have an armed dispute with the Filipinos. Did I understand the gentleman correctly?

Mr. HELM. Will the gentleman give me time to answer the question?

Mr. BUTLER. Yes; because I think the gentleman will do better with the five minutes than I.

Mr. HELM. The thing that has always staggered me in this matter was that the Filipinos helped the Americans to drive out the Spaniards, and as soon as we got the Spaniards driven out we then turned round and undertook to drive the Filipinos out. We must have promised or held out some inducement to the Filipino to get his assistance in getting rid of the Spaniards, and why should we, after getting rid of the Spaniards, turn round and make war on him? That is the thing I have never fully understood.

Mr. BUTLER. Let me refer the gentleman to the statement frequently made by Admiral Dewey, who was in command of the forces at Manila. If he will talk with the Admiral I think he will understand, as well as the rest of us, the occasion for the use of force.

Mr. McKELLAR. Will the gentleman yield?

Mr. BUTLER. Yes.

Mr. McKELLAR. The gentleman, as I understood, said he was willing to vote for immediate independence as soon as he could be satisfied that they were entitled to it. When can the gentleman be satisfied that they are entitled to it?

Mr. BUTLER. Not while I live in this world. [Laughter and applause.] I am perfectly candid in this answer. I am not going to play any sort of trick on the Filipino or anybody else. I do not expect to see the day that I would be willing to vote to absolutely turn the Filipino loose to be swallowed up by some vulture nation. I believe in taking care of them. I conceive it to be our duty.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. BUTLER. What, Mr. Chairman, who kept my time? [Laughter.]

Mr. MONDELL. Mr. Chairman, the gentleman from Washington [Mr. BRYAN], in discussing this matter a moment ago, went far afield, and referred to my action on land legislation. I have had a good deal to do with land legislation since I came to Congress 18 years ago, and if there is any one thing I am thankful about it is that in all the scandal that there has been about land laws and land legislation no part of it has had anything to do with any law that I have proposed or promoted in this House. [Applause.] I call on the gentleman from Washington [Mr. BRYAN] to point to a law, great or small, important or unimportant, that I had any part in passing, or that I proposed to this House, that became a law, that has ever been essentially modified, or with regard to the operations of which there has been any considerable or general criticism by anybody anywhere.

Mr. BRYAN. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. BRYAN. I have understood that the gentleman's bill for leasing land in Alaska was denounced; that is, was very seriously criticized by the conservationists generally as entirely out of place, and was defeated.

Mr. MONDELL. Oh, yes, they did; and then the so-called conservationists proceeded to pass an Alaskan bill here the other day. I will leave it to any man on earth who knows about land legislation, who can have the two measures placed before him without knowing where either of them came from, and if he will not say that the bill that I proposed three years ago was better as a piece of legislation in the interest of development and of the public than that which we passed recently I will resign and go home. I am willing to do that. It protected the interests of the American people infinitely better than the bill that we passed the other day. It did not pass, because it was brought up under suspension of the rules, with 45 minutes debate and no opportunity to amend, and just at that particular time the Ballinger-Pinchot controversy was on, and you could not have passed the Lord's prayer through the House if it could in any way be connected with that controversy. It did not pass, because there were gentlemen who said that we ought to get 50 cents a ton royalty on the coal in Alaska, and we passed a bill the other day under which all Alaskan coal may be leased for 2 cents a ton. I ask everyone interested in the matter to read the provisions of the two bills.

Mr. Chairman, in addition to not having been connected with land legislation that has been seriously criticized, I have had the good fortune to have had a good deal to do with much land legislation that has been useful and helpful and that is to-day a credit to the Congress of the United States, as, for instance, the reclamation law which I reported to this House, the enlarged homestead law, which was criticized until we passed it, the three-year homestead law, and other legislation that was criticized by certain people until it passed and became a law. It is true some of it was criticized in advance of its enactment, as all land legislation is. I had the honor of introducing the bill which put an end to the wicked and fraudulent lieu-land law transactions.

But, Mr. Chairman, I did not rise to discuss those matters. The gentleman made a reference that necessitated my bringing them in. I should not have offered the amendment that the gentleman from Illinois [Mr. MANN] has offered, but I shall support it. I was willing to accept the provision he seeks to strike out as being one of those things which we sometimes provide out of excess of caution. Of course there is this danger about it: Men who have had to do with land legislation understand that the nearer you are to the land, the nearer to the land and its conditions is the legislating body that acts upon it, the wiser in the main and in the long run will be the legislation that is passed. There is, of course, danger that legislation that is wise and proper may be held up owing to the influence of unwise or overcautious presidential advisors.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. MONDELL. Mr. Chairman, I ask unanimous consent to have five minutes more.

The CHAIRMAN. All time has expired on this amendment. The question is on the amendment offered by the gentleman from Illinois.

The question was taken, and the amendment was rejected.

Mr. MILLER. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 8, after the word "States," in line 1, insert the following:
"*Provided*, That the President shall approve or disapprove such an act within six months from and after its enactment and submission for his approval, and if not disapproved within such time it shall become a law, the same as if it had been approved."

Mr. MILLER. Mr. Chairman, I sincerely trust that it will be the wisdom of the committee to accept this amendment. Very plainly, unless it or something like it is accepted, a serious situation will result.

Mr. JONES. Mr. Chairman, I will say to the gentleman that I would just as soon have three months as six months.

Mr. MILLER. I thought of three months at first, but the distance from the Philippines here might make it advisable that the President should have as long a period of time as six months.

Mr. McKELLAR. When does the time begin to run, from the enactment or from a submission to the President?

Mr. MILLER. From the submission to the President.

Mr. JONES. I suggest three months——

Mr. MILLER. I am willing to accept that as an amendment.

Mr. JONES. For the reason that he could cable if he disapproved it. We do not want to hold this up forever.

Mr. MILLER. Mr. Chairman, I ask unanimous consent to modify my amendment by striking out the word "six" and inserting the word "three."

Mr. JONES. Then do you have at the end, "*Provided further*"?

Mr. MILLER. That will come next.

Mr. GARRETT of Tennessee. Mr. Chairman, I want to suggest to the gentleman from Minnesota, if he will pardon the suggestion, that I believe that his amendment needs redrafting. I believe it tautological, although I am not certain, but I know it needs "*Provided further*," and I venture to suggest to the gentleman from Minnesota that he let this section be passed with his amendment pending, and if he will redraft it I think that he can improve the language.

Mr. MILLER. I am perfectly willing to do so.

Mr. JONES. With the right to return to it, I heartily concur in that suggestion.

Mr. MILLER. Mr. Chairman, I ask unanimous consent to pass this amendment without prejudice.

The CHAIRMAN (Mr. LEVY). The gentlemar from Minnesota asks unanimous consent to pass this amendment without prejudice. Is there objection? [After a pause.] The Chair hears none.

Mr. MILLER. Mr. Chairman, I offer the following amendment. After the word "as," in line 10, page 7, strike out the remainder of the line and all that which follows down to and

including the word "States," in line 12, and insert in lieu thereof the following: "has been acquired for military or naval purposes of the United States," so that it will read "except such land or property as has been acquired for military or naval purposes of the United States."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 7, line 10, after the word "as," strike out the words "shall be designated by the President of the United States for military and other reservations of the Government of the United States," and insert in lieu thereof the words "has been acquired for military or naval purposes of the United States."

Mr. MILLER. Mr. Chairman, just a few words in reference to the amendment. I am inclined to believe the amendment might be made a better one if in the place of "acquired" there were substituted the words, "set apart for," and that later on there should be included in this language a provision in reference to lands that may have been set aside and now used or to be used for civil purposes of the United States. Now, I wish it distinctly understood that it is not the intent of this amendment to encroach in any respect upon any of the public domain or timberlands belonging to the Filipino people and intrusted to their legislature, but there are certain reservations in the Philippine Islands that have been used for military purposes, certain naval stations on which large sums of money have been expended by the United States, and I do not think these ought to be turned over to the Philippine Legislature, but ought to be retained by the United States Government. I do not think it ought to be in the province of the President himself by an Executive order to turn them over to the Philippine Government. It seems to me that property of this kind belonging to the United States ought not to be separated from the United States except by the one power that is authorized to alienate the property of the United States, and that is the Congress.

Mr. MANN. Will the gentleman yield for a question?

Mr. MILLER. I will.

Mr. MANN. Under the language of the bill—may I ask, Is this a copy from the existing law?

Mr. QUEZON. Yes.

Mr. MANN. Under the language of the bill as it stands it excepts only such land or other property as shall be designated by the President of the United States for military or other reservations. Grammatically, of course, that refers to the future and not to the past, though I take it the intention was to cover existing reservations. That, of course, ought to be corrected.

Mr. JONES. The idea of the gentleman is that it should be "has been" instead of "shall"?

Mr. MANN. "Has been or shall be." Under this provision would the President have the power at any time, if this law is passed, to set aside any portion of the public domain over there which has not been disposed of for military or other reservations? I take it he would have.

Mr. JONES. I think he would have.

Mr. MILLER. Mr. Chairman, unquestionably the President under this paragraph, unless it is changed, would have the power to alienate from the United States every foot of land and every item of property that we have in the Philippine Islands. That would include every reservation, every naval station, even Corregidor Island, which we have made a great fortress.

Mr. MANN. I think the gentleman is talking about another provision in this bill and not this one. There is another provision in the law which authorizes the President to turn over to the Philippine Government land now used as reservation, but it is not this provision.

Mr. MILLER. I understand that, but I had in mind coupling that provision with the one in this paragraph.

Mr. GARRETT of Tennessee. I would like to ask the gentleman from Minnesota just what the purpose of it is?

The CHAIRMAN. The time of the gentleman has expired.

Mr. GARRETT of Tennessee. Mr. Chairman, I ask for recognition.

The CHAIRMAN. The gentleman is recognized.

Mr. GARRETT of Tennessee. I do not understand the purpose of the amendment.

Mr. MILLER. The purpose of the amendment is that the property which has been designated heretofore and is now used for military and naval purposes shall not be turned over to the Philippine Government under the control of the Philippine Legislature without an act of Congress.

Mr. GARRETT of Tennessee. That is in another section.

Mr. MANN. That is in the last proviso to this section, and not in this part of it.

Mr. GARRETT of Tennessee. That is, the amendment is not offered at the right place.

Mr. MILLER. Yes; I think it ought to be offered at both places. The proviso at the end enlarges on the language in the earlier part of the bill.

Mr. GARRETT of Tennessee. The language which the gentleman seeks to strike out is that language which authorizes the President now, which is the existing law, to designate public lands for military purposes. If the gentleman strikes that out, how would we get the lands that are necessary for military purposes, if it might be deemed necessary at some time?

Mr. MILLER. As I understand it, all the land we will ever want for military purposes we now have and hold as such, and the amendment which I propose is to prevent that being disposed of and alienated and handed over to the Philippine Legislature except by an act of Congress. The language of the paragraph as it stands is:

That all the property of the United States in the Philippine Islands is hereby turned over to the Philippine Islands and the legislature thereof excepting such as shall be designated by the President of the United States for military and other reservations.

Now, I propose that the President shall not have the power to say which of the military reservations that we have now we shall retain and which we shall hand over to the Philippine Islands. If some of the lands are not needed by us—and I know there are some—some that we do not need—they should be turned over by a congressional act rather than by an Executive order.

Mr. GARRETT of Tennessee. I could understand perfectly the gentleman's amendment if it went to the proviso part of the bill.

Mr. MILLER. I intend to offer it also to the proviso.

Mr. JONES. Mr. Chairman, I would like to have the attention of the gentleman from Illinois [Mr. MANN]. Before the gentleman offers his amendment I am going to ask unanimous consent to amend line 10 by striking out the words "shall be" and inserting in place thereof the words "has been or."

Mr. MANN. Why not make it "has been or shall be"?

Mr. JONES. That would cover it. After the word "as" insert the words "has been or." If that amendment is made, then the gentleman will not want to amend this provision?

Mr. MILLER. I will not. It will answer all the purposes I had in mind.

Mr. JONES. Then, Mr. Chairman, I move that on line 10, page 7, after the word "as," the words "has been or" be added.

The CHAIRMAN. The gentleman from Virginia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 7, line 10, after the word "as," insert the words "has been or."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Virginia.

The amendment was agreed to.

Mr. MADDEN. Mr. Chairman, I make the point of no quorum.

Mr. MILLER. Will the gentleman withhold that for a second?

Mr. GARRETT of Tennessee. Will the gentleman withhold that point until 5 o'clock?

Mr. MADDEN. Yes.

Mr. MILLER. Mr. Chairman, I ask unanimous consent to withdraw the amendment I offered a few moments ago.

The CHAIRMAN. The gentleman from Minnesota [Mr. MILLER] asks unanimous consent to withdraw his amendment. Is there objection?

There was no objection.

Mr. MILLER. Mr. Chairman, I move to amend by striking out the words "by order of the President," in line 5, page 8, and in lieu thereof substituting "by act of Congress."

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Minnesota.

The Clerk read as follows:

Page 8, line 5, strike out the words "by order of the President" and insert in lieu thereof "by act of Congress."

Mr. MILLER. Mr. Chairman, I sincerely trust that the majority members of the committee will agree to this amendment. We have had a great deal of controversy back and forth respecting it, and my present recollection is that we were not very far apart, and very likely, upon reflection, the majority of the members will agree with me to make that change.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. MILLER. Certainly.

Mr. GARRETT of Tennessee. The only lands that are contemplated to be reserved here are lands for military purposes?

Mr. MILLER. Practically all.

Mr. GARRETT of Tennessee. Does not the gentleman from Minnesota think that the Commander in Chief of the Army is better capacitated to select lands for military purposes than is

all this body of 435 men, very few of whom ever saw the Philippine Islands, and who, after all, would have nothing except the advice of Army or Navy officers to act upon?

Mr. MILLER. Of course the gentleman very well knows that the Commander in Chief of the American Army would not make the selection. The recommendation would be made in this way: The recommendation would come from the people in the islands, people representing the Government of the United States, and upon their recommendation the President would act.

Mr. GARRETT of Tennessee. The gentleman knows a recommendation would be made by Army or Navy military advisers?

Mr. MILLER. Yes; Army or Navy military advisers; and it is upon that information that Congress would act.

But, Mr. Chairman, it has never been a principle of law or a principle of our practice that the President of the United States should by Executive order be able to alienate property belonging to the United States.

Mr. SLAYDEN. Would he alienate it?

Mr. MILLER. We are giving him authority to do that, and I think it is contrary to good judgment. As I said a moment ago, if this remains in the bill, the present President would not do it. I have vastly too much confidence in him to expect that he would do that. But we do not know who is going to be President of the United States in the future. Some President might be there who, if so disposed, could by a stroke of his pen alienate every military reservation, every fortification, every military improvement, every naval improvement we have in the Philippine Islands. I do not think it is safe to put too much power in the hands of one man.

Mr. McKELLAR. Suppose the President ever did that, does the gentleman suppose it would be altogether bad?

Mr. MILLER. I suppose it would be the most fatal step that has ever been taken in half a century of American history. [Applause on the Republican side.]

Now, Mr. Chairman, as I stated before, the President of the United States could, by a stroke of his pen, give away Corregidor, Caballo, El Frailey, Carabao, and all the fortifications there. He could give away the Dewey Dock at Olongapo. He could give away the naval station there. We never would consent to the idea that he had that power respecting any similar places in the United States, and why should we turn that power over to him relative to our property in the Philippine Islands? I do not think all the wisdom in the world is centered in any one man. I think the wisdom of Congress, on the whole, in the long run, as gathered by Members of Congress throughout the United States, is better than the wisdom of any one man; and I think we could more safely repose the future history and course of the military establishment, such as we have in the Philippine Islands, in Congress rather than surrender it to the President.

Mr. GOULDEN. Will the gentleman yield?

Mr. MILLER. I yield to the gentleman from New York.

Mr. GOULDEN. Does the gentleman think the President would take so important a step as that without consultation with his Cabinet and, perhaps, with leaders in Congress?

Mr. MILLER. I do not think a wise man would.

Mr. GOULDEN. Have we had an unwise man in the presidential chair?

Mr. MILLER. We have had men in the President's office who might do just that sort of thing.

Mr. GOULDEN. I can not agree with the gentleman on that.

Mr. JONES. Mr. Chairman, as I stated in reply to the question of the gentleman from Wyoming [Mr. MONDELL] in regard to this proviso, it was inserted in the bill at the request of the War Department. I also stated then, and I wish to repeat now, that for a number of years the War Department has been seeking to secure this legislation. The Insular Affairs Committee has been requested by the War Department more than once to report out a bill authorizing the President to do just what is proposed shall be done in the proviso to this section of the bill.

The purpose of this legislation is simply to give the President of the United States the right to dispose of some small, undesirable pieces of land of little value and for which the United States Government has no use and is not occupying. Neither the President nor anyone else now has authority to dispose of this, as I have said, useless land, so far as the United States is concerned. The gentleman from Minnesota [Mr. MILLER] proposes, instead of giving this authority to the President, who, he says, should not be clothed with so much power, since he could, if he were so minded, dispose of all of our fortifications, naval stations, and other military reservations in the islands, but that it should be lodged in the hands of Congress. The trouble about that is that some of these pieces of land are not worth 5 pesos, and it would be necessary to get an act through Congress to dispose of them if Mr. MILLER's amendment were adopted. We know little or nothing as to the location of these pieces of land, absolutely nothing as to their metes and bounds. It would be well-nigh impossible for Congress to enact the legislation necessary to dispose of this land, and I can not understand how there can be opposition to a proposition such as is embodied in this proviso, one that both the last Republican and the present Democratic administration have asked Congress to pass. I am sure that no one can seriously entertain for one moment the idea that any President of the United States would ever so misuse and abuse the authority here given to dispose of the island of Corregidor, along with its fortifications, which have cost the United States millions of dollars. Such an idea as that is too preposterous for serious consideration. I am perfectly willing to trust the President of the United States and the Secretary of War to dispose of the land contemplated in this section. It would be done through the Secretary of War. We gave to the President the power to reserve the land. Why should we not give to him the power to dispose of such parts of it as are not and never will be needed by the United States?

Mr. MILLER. Will the gentleman yield for a question?

Mr. JONES. I will.

Mr. MILLER. The gentleman well knows that if we should leave it to the heads of departments, they would like us to pass a general law that would enable them to do all the detailed work of their departments. But does not the gentleman think the purpose he has in mind, which is a very commendable one, namely, to restore these little odds and ends of land to the Filipino people, which we do not need and which, of course, we ought to restore, could be just as well accomplished by having the President send a message to Congress with a list of those lands, containing a little description of them and a statement as to what they are? We can pass it by unanimous consent.

Mr. JONES. The gentleman knows, as was stated by his and my colleague on the Committee on Insular Affairs, the gentleman from Iowa [Mr. TOWNER], the other day, that we have now on the calendar a bill with a unanimous report from our committee, a thousand times more important than the subject of his amendment, to which there is absolutely no objection, but for which it is impossible to get consideration. I refer to the Porto Rican bill. The gentleman knows as a practical legislator that it is almost impossible to secure congressional action upon minor matters, such as the one under discussion. If we wait for Congress to pass special legislation disposing of these small parcels of land they will never be disposed of.

The CHAIRMAN. The question is on the amendment proposed by the gentleman from Minnesota.

The amendment was rejected.

Mr. JONES. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. FLOOD of Virginia, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands, and had come to no resolution thereon.

ALASKAN COAL BILL.

Mr. FERRIS. Mr. Speaker, I present a conference report on the bill H. R. 14233, the Alaskan coal bill, for printing in the RECORD under the rule.

The SPEAKER. The Clerk will report the title of the bill.

The Clerk read as follows:

A bill (H. R. 14233) to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes.

The conference report and statement are as follows:

CONFERENCE REPORT (NO. 1178).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14233) to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment as follows:

In lieu of the matter proposed by the Senate insert the following:

"That the Secretary of the Interior be, and hereby is, authorized and directed to survey the lands of the United States in the Territory of Alaska known to be valuable for their deposits of coal, preference to be given first in favor of surveying lands within those areas commonly known as the Bering River, Matanuska, and Nenana coal fields, and thereafter to such areas or coal fields as lie tributary to established settlements or existing or proposed rail or water transportation lines: *Provided*, That such surveys shall be executed in accordance with existing laws and rules and regulations governing the survey of public lands. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $100,000 for the purpose of making the surveys herein provided for, to continue available until expended: *Provided*, That any surveys heretofore made under the authority or by the approval of the Department of the Interior may be adopted and used for the purposes of this act.

"SEC. 2. That the President of the United States shall designate and reserve from use, location, sale, lease, or disposition not exceeding 5,120 acres of coal-bearing land in the Bering River field and not exceeding 7,680 acres of coal-bearing land in the Matanuska field, and not to exceed one-half of the other coal lands in Alaska: *Provided*, That the coal deposits in such reserved areas may be mined under the direction of the President when, in his opinion, the mining of such coal in such reserved areas, under the direction of the President, becomes necessary, by reason of an insufficient supply of coal at a reasonable price for the requirements of Government works, construction and operation of Government railroads, for the Navy, for national protection, or for relief from monopoly or oppressive conditions.

"SEC. 3. That the unreserved coal lands and coal deposits shall be divided by the Secretary of the Interior into leasing blocks or tracts of 40 acres each, or multiples thereof, and in such form as in the opinion of the Secretary will permit the most economical mining of the coal in such blocks, but in no case exceeding 2,560 acres in any one leasing block or tract; and thereafter the Secretary shall offer such blocks or tracts and the coal, lignite, and associated minerals therein for leasing, and may award leases thereof through advertisement, competitive bidding, or such other methods as he may by general regulations adopt, to any person above the age of 21 years who is a citizen of the United States, or to any association of such persons, or to any corporation organized under the laws of the United States or of any State or Territory thereof: *Provided*, That a majority of the stock of such corporation shall at all times be owned and held by citizens of the United States: *And provided further*, That no railroad or common carrier shall be permitted to take or acquire through lease or permit under this act any coal or coal lands in excess of such area or quantity as may be required and used solely for its own use, and such limitation of use shall be expressed in all leases or permits issued to railroads or common carriers hereunder: *And provided further*, That any person, association, or corporation qualified to become a lessee under this act and owning any pending claim under the public-land laws to any coal lands in Alaska may, within one year from the passage of this act, enter into an arrangement with the Secretary of the Interior by which such claim shall be fully relinquished to the United States; and if in the judgment of the Secretary of the Interior the circumstances connected with such claim justify so doing, the moneys paid by the claimant or claimants to the United States on account of such claim shall, by direction of the Secretary of the Interior, be returned and paid over to such person, association, or corporation as a consideration for such relinquishment.

"All claims of existing rights to any of such lands in which final proof has been submitted and which are now pending before the Commissioner of the General Land Office or the Secretary of the Interior for decision shall be adjudicated within one year from the passage of this act.

"SEC. 4. That a person, association, or corporation holding a lease of coal lands under this act may, with the approval of the Secretary of the Interior and through the same procedure and upon the same terms and conditions as in the case of an original lease under this act, secure a further or new lease covering additional lands contiguous to those embraced in the original lease, but in no event shall the total area embraced in such original and new leases exceed in the aggregate 2,560 acres.

"That upon satisfactory showing by any lessee to the Secretary of the Interior that all of the workable deposits of coal within a tract covered by his or its lease will be exhausted, worked out, or removed within three years thereafter, the Secretary of the Interior may, within his discretion, lease to such lessee an additional tract of land or coal deposits, which, including the coal area remaining in the original lease, shall not exceed 2,560 acres, through the same procedure and under the same competitive conditions as in case of an original lease.

"SEC. 5. That, subject to the approval of the Secretary of the Interior, and under such rules and regulations as he may prescribe, lessees holding under leases small blocks or areas may consolidate their said leases or holdings so as to include in a single holding not to exceed 2,560 acres of contiguous lands.

"SEC. 6. That each lease shall be for such leasing block or tract of land as may be offered or applied for, not exceeding in area 2,560 acres of land, to be described by the subdivisions of the survey, and no person, association, or corporation, except as hereinafter provided, shall be permitted to take or hold any interest as a stockholder or otherwise in more than one such lease under this act, and any interest held in violation of this proviso shall be forfeited to the United States by appropriate proceedings instituted by the Attorney General for that purpose in any court of competent jurisdiction, except that any such ownership and interest hereby forbidden which may be acquired by descent, will, judgment, or decree may be held for one year, and not longer, after its acquisition.

"SEC. 7. That any person who shall purchase, acquire, or hold any interest in two or more such leases, except as herein provided, or who shall knowingly purchase, acquire, or hold any stock in a corporation having an interest in two or more such leases, or who shall knowingly sell or transfer to one disqualified to purchase, or except as in this act specifically provided, disqualified to acquire, any such interest, shall be deemed guilty of a felony, and upon conviction shall be punished by imprisonment for not more than three years and by a fine not exceeding $1,000: *Provided*, That any such ownership and interest hereby forbidden which may be acquired by descent, will, judgment, or decree may be held two years after its acquisition and not longer, and in case of minority or other disability such time as the court may decree.

"SEC. 8. That any director, trustee, officer, or agent of any corporation holding any interest in such a lease who shall, on behalf of such corporation, act in the purchase of any interest in another lease, or who shall knowingly act on behalf of such corporation in the sale or transfer of any such interest in any lease held by such corporation to any corporation or individual holding any interest in any such a lease, except as herein provided, shall be guilty of a felony and shall be subject to imprisonment for a term of not exceeding three years and a fine of not exceeding $1,000.

"SEC. 8a. If any of the lands or deposits leased under the provisions of this act shall be subleased, trusteed, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever, so that they form part of or are in any wise controlled by any combination in the form of an unlawful trust, with consent of lessee, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal, entered into by the lessee, or of any holding of such lands by any individual, partnership, association, corporation, or control, in excess of two thousand five hundred and sixty acres in the Territory of Alaska, the lease thereof shall be forfeited by appropriate court proceedings.

"SEC. 9. That for the privilege of mining and extracting and disposing of the coal in the lands covered by his lease the lessee shall pay to the United States such royalties as may be specified in the lease, which shall not be less than 2 cents per ton, due and payable at the end of each month succeeding that of the shipment of the coal from the mine, and an annual rental, payable at the beginning of each year, on the lands covered by such lease, at the rate of 25 cents per acre for the first year thereafter, 50 cents per acre for the second, third, fourth, and fifth years, and $1 per acre for each and every year thereafter during the continuance of the lease, except that such rental for any year shall be credited against the royalties as they accrue for that year. Leases may be for periods of not more than 50 years each, subject to renewal, on such terms and conditions as may be authorized by law at the time of such renewal.

"SEC. 10. That in order to provide for the supply of strictly local and domestic needs for fuel the Secretary of the Interior may, under such rules and regulations as he may prescribe in advance, issue to any applicant qualified under section 3 of this act a limited license or permit granting the right to prospect for, mine, and dispose of coal belonging to the United States on specified tracts, not to exceed 10 acres to any one person or association of persons, in any one coal field for a period of not exceeding 10 years, on such conditions not inconsistent with this act as in his opinion will safeguard the public interest, without payment of royalty for the coal mined or for the land occupied: *Provided*, That the acquisition or holding of a lease under the preceding sections of this act shall be no bar to

the acquisition, holding, or operating under the limited license in this section permitted. And the holding of such a license shall be no bar to the acquisition or holding of such a lease or interest therein.

"SEC. 11. That any lease, entry, location, occupation, or use permitted under this act shall reserve to the Government of the United States the right to grant or use such easements in, over, through, or upon the land leased, entered, located, occupied, or used as may be necessary or appropriate to the working of the same or other coal lands by or under authority of the Government, and for other purposes: *Provided*, That said Secretary, in his discretion, in making any lease under this act, may reserve to the United States the right to lease, sell, or otherwise dispose of the surface of the lands embraced within such lease under existing law or laws hereafter enacted in so far as said surface is not necessary for use by the lessee in extracting and removing the deposits of coal therein. If such reservation is made, it shall be so determined before the offering of such lease.

"That the said Secretary during the life of the lease is authorized to issue such permits for easements herein provided to be reserved, and to permit the use of such other public lands in the Territory of Alaska as may be necessary for the construction and maintenance of coal washeries or other works incident to the mining or treatment of coal, which lands may be occupied and used jointly or severally by lessees or permittees, as may be determined by said Secretary.

"SEC. 12. That no lease issued under authority of this act shall be assigned or sublet except with the consent of the Secretary of the Interior. Each lease shall contain provisions for the purpose of insuring the exercise of reasonable diligence, skill, and care in the operation of said property, and for the safety and welfare of the miners and for the prevention of undue waste, including a restriction of the workday to not exceeding eight hours in any one day for underground workers except in cases of emergency; provisions securing the workers complete freedom of purchase, requiring the payment of wages at least twice a month in lawful money of the United States, and providing proper rules and regulations to secure fair and just weighing or measurement of the coal mined by each miner, and such other provisions as are needed for the protection of the interests of the United States, for the prevention of monopoly, and for the safeguarding of the public welfare.

"SEC. 13. That the possession of any lessee of the land or coal deposits leased under this act for all purposes involving adverse claims to the leased property shall be deemed the possession of the United States, and for such purposes the lessee shall occupy the same relation to the property leased as if operated directly by the United States.

"SEC. 14. That any such lease may be forfeited and canceled by appropriate proceeding in a court of competent jurisdiction whenever the lessee fails to comply with any provision of the lease or of general regulations promulgated under this act: *Provided*, That the possession of any lessee of any lands covered by his lease and the operation of the mines and other works thereon or the title of the product thereof shall not be interfered with by the Secretary of the Interior except after an appropriate proceeding in the district court of Alaska instituted for the purpose of securing a forfeiture or termination of such lease, and such forfeiture or termination shall take effect only from the date of entry of final judgment declaring such forfeiture or termination: *Provided further*, That such court proceedings must be instituted within 90 days after notice to the lessee of the facts constituting such cause of action, or the same shall be forever barred.

"SEC. 15. That on and after the approval of this act no lands in Alaska containing deposits of coal withdrawn from entry or sale shall be disposed of or acquired in any manner except as provided in this act: *Provided*, That the passage of this act shall not affect any proceeding now pending in the Department of the Interior, and any such proceeding may be carried to a final determination in said department notwithstanding the passage hereof: *Provided further*, That no lease shall be made, under the provisions hereof, of any land, a claim for which is pending in the Department of the Interior at the date of the passage of this act, until and unless such claim is finally disposed of by the department adversely to the claimant.

"SEC. 16. That all statements, representations, or reports required, unless otherwise specified, by the Secretary of the Interior under this act shall be upon oath and in such form and upon such blanks as the Secretary of the Interior may require.

"SEC. 17. That the Secretary of the Interior is authorized to prescribe the necessary and proper rules and regulations and to do any and all things necessary to carry out and accomplish the purposes of this act.

"SEC. 18. That all acts and parts of acts in conflict herewith are hereby repealed."

And the Senate agree to the same.

SCOTT FERRIS,
JAMES M. GRAHAM,
IRVINE L. LENROOT,
Managers on the part of the House.

H. L. MYERS,
M. A. SMITH,
Managers on the part of the Senate.

STATEMENT.

The House bill H. R. 14233 as it passed the House on September 5, 1914, and went to the Senate was not considered for amendments in the Senate Public Lands Committee, but the committee instead reported to the Senate an entirely new bill, which was substituted for the House bill and which, with various amendments, was adopted in the Senate, passing that body on September 24, 1914.

Your conferees, from precedent, used the Senate substitute bill as a basis for work in conference and have brought the original House and Senate bills into harmony by certain modifications to the Senate substitute, within the limits of conferences, the provisions of which embody the essential features of the bills. These two bills, for the purpose of comparison with the bill as it emerged from conference and which is printed at length in the conference report, are herein set forth:

[H. R. 14233, Sixty-third Congress, second session.]

IN THE SENATE OF THE UNITED STATES.

September 5 (calendar day, September 9), 1914.

An act to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes.

"*Be it enacted, etc.*, That the Secretary of the Interior be, and he hereby is, authorized and directed to survey the lands of the United States in the Territory of Alaska known to be valuable for their deposits of coal, and to lease such lands or the deposits of coal contained therein, as hereafter provided, preference to be given first in favor of surveying lands within those areas commonly known as the Bering River, Matanuska, and Nenana coal fields, and thereafter to such areas or coal fields as lie tributary to established settlements or existing or proposed rail or water transportation lines: *Provided*, That such surveys shall be executed in accordance with existing laws and rules and regulations governing the survey of the public lands: *Provided further*, That the Secretary of the Interior may, as herein provided, with a view to facilitating development and without awaiting said surveys, make such awards of leases in the coal fields in Alaska as he may deem advisable and under such regulations as he may prescribe; the locations of such leases shall be distinctly marked upon the ground under his direction, so that their boundaries can be readily traced.

"SEC. 2. That the President of the United States shall designate and reserve from use, location, sale, lease, or other disposition not exceeding 5,120 acres of coal-bearing land in the Bering River field and not exceeding 7,680 acres of coal-bearing land in the Matanuska field, and in addition the President may, in his discretion, designate and reserve from use, location, sale, lease, or other disposition not exceeding 5,120 acres of coal-bearing lands in each of the other coal fields in the Territory of Alaska: *Provided*, That the deposits in said reserved areas may be mined under the direction of the President when, in his opinion, the coal is required for Government works or in the construction and operation of Government railroads, or is required by the Navy, or is necessary for national protection or for relief from oppressive conditions brought about through a monopoly of coal.

"SEC. 3. That the unreserved coal lands and coal deposits shall be divided by the Secretary of the Interior into leasing blocks or tracts of 40 acres each, or multiples thereof, and in such form as, in the opinion of the Secretary of the Interior, will permit the most economical mining of the coal in such blocks, but in no case exceeding 2,560 acres in any one leasing block or tract; and thereafter the Secretary of the Interior shall, in his discretion, from time to time, upon the request of any qualified applicant or on his own motion, offer such lands or deposits of coal for leasing, and award leases thereof through advertisement, by competitive bidding, or, in case of lignite or low-grade coals, such other methods as he may by general regulations adopt, to any person above the age of 21 years who is a citizen of the United States, or to any association of such persons, or to any corporation or municipality organized under the laws of the United States or of any State or Territory thereof: *Provided*, That no railroad or other common carrier shall be permitted to take or acquire through lease or permit under this act any coal or coal lands in excess of such area or quantity as may be re-

quired and used solely for its own use, and such limitation of use shall be expressed in all leases or permits issued to railroads or common carriers hereunder. That such a railroad or common carrier may be permitted to take, under the foregoing provisions, not to exceed one lease upon and for each 200 miles of its line in actual operation. The term 'railroad' or 'common carrier' as used in this act shall include any company or corporation owning or operating a railroad, whether under a contract, agreement, or lease, and any company or corporation subsidiary or auxiliary thereto, whether directly or indirectly connected with such railroad or common carrier: *Provided further*, That each applicant for lease under this act shall execute a good and sufficient bond, to be approved by the Secretary of the Interior, in such reasonable sum as may be fixed by him, to insure good faith in the fulfillment of the terms and conditions of the bid, the lease, and of this act: *And provided further*, That the Secretary of the Interior shall not, during any calendar year, lease to exceed 10 per cent of the total area of unreserved coal lands in Alaska.

"The possession of any lessee of the land or coal deposits leased under this act, for all purposes involving adverse claims to the leased property, shall be deemed the possession of the United States, and for such purposes the lessee shall occupy the same relation to the property leased as if operated directly by the United States.

"SEC. 4. That a person, association, or corporation holding a lease of lands or coal deposits under this act may, with the approval of the Secretary of the Interior, upon a finding by him that it will be for the advantage of the lessee and the United States, secure a modification of his or its original lease by including additional lands or coal deposits contiguous to those embraced in such lease, but in no event shall the total area embraced in such modified lease exceed in the aggregate two thousand five hundred and sixty acres.

"That upon satisfactory showing by any lessee to the Secretary of the Interior that all of the workable deposits of coal within a tract covered by his or its lease will be exhausted, worked out, or removed within three years thereafter, the Secretary of the Interior may, within his discretion, lease to such lessee an additional tract of land or coal deposits, which, including the coal area remaining in the original lease, shall not exceed two thousand five hundred and sixty acres, through the same procedure and under the same competitive conditions as in case of an original lease.

"SEC. 5. That no person, association, or corporation, except as herein provided, shall be permitted to take or hold any interest as a stockholder or otherwise in more than one lease under this act; and any interest held in violation of this section shall be forfeited to the United States by appropriate proceedings instituted by the Attorney General for that purpose in any court of competent jurisdiction: *Provided*, That any such ownership or interest hereby forbidden which may be acquired by descent, will, judgment, or decree may be held for two years after its acquisition and not longer.

"SEC. 6. That no person, association, or corporation holding a lease under the provisions of this act shall hold any interest, direct or indirect, in any agency, corporate or otherwise, engaged in the resale of coal purchased from such lessee, or enter into any agreement, arrangement, or other device to enhance the price or to limit the output of coal, and any violation of the provisions of this section shall be ground for the forfeiture of the lease or interest held.

"That any person who shall purchase, acquire, or hold any interest in two or more such leases, except as herein provided, or who shall knowingly purchase, acquire, or hold any stock in a corporation having an interest in two or more such leases, or who shall knowingly sell or transfer to one disqualified to purchase, or, except as in this act specifically provided, disqualified to acquire, any such interest, shall be deemed guilty of a felony, and upon conviction shall be punished by imprisonment for not more than three years and by a fine not exceeding $1,000: *Provided*, That any such ownership and interest hereby forbidden which may be acquired by descent, will, judgment, or decree may be held two years after its acquisition and not longer, and in case of minority or other disability such time as the court may decree.

"That any director, trustee, officer, or agent of any corporation holding any interest in such a lease who, on behalf of such corporation, shall knowingly participate in the purchase of any interest in another lease, or in the sale or transfer of any such interest in any lease held by such corporation to any corporation or individual holding any interest in any other lease under this act, except as herein provided, shall be guilty of a felony, and shall be subject to imprisonment for a term of not exceeding three years and a fine of not exceeding $1,000.

"SEC. 7. That for the privilege of mining and extracting and disposing of the coal in the lands covered by his lease the lessee shall pay to the United States such royalties as may be specified in the lease, which shall be not less than 2 cents per ton of 2,000 pounds, due and payable at the end of each month succeeding that of the extraction of the coal from the mine, and an annual rental, payable at the date of such lease and annually thereafter, on the lands or coal deposits covered by such lease, at such rate as may be fixed by the Secretary of the Interior prior to offering the lease, which shall be not less than 25 cents per acre for the first year, not less than 50 cents per acre for the second, third, fourth, and fifth years, respectively, and not less than $1 per acre for each and every year thereafter during the continuance of the lease, except that such rental for any year shall be credited against the royalties as they accrue for that year. Leases shall be for indeterminate periods upon condition of continued operation of the mine or mines, except when operations shall be interrupted by strikes, the elements, or casualties not attributable to the lessee, and upon the further condition that at the end of each 20-year period succeeding the date of the lease such readjustment of terms and conditions may be made as the Secretary of the Interior may determine unless otherwise provided by law at the time of the expiration of such periods.

"SEC. 8. That in order to provide for the supply of strictly local and domestic needs for fuel, the Secretary of the Interior may, under such rules and regulations as he may prescribe in advance, issue to any applicant qualified to obtain a lease under section 3 of this act a limited license or permit granting the right to prospect for, mine, and dispose of coal belonging to the United States on specified tracts, not to exceed 10 acres in any one coal field, for a period of not exceeding 10 years on such conditions, not inconsistent with this act, as in his opinion will safeguard the public interest, without payment of royalty for the coal mined or for the land occupied: *Provided*, That not more than one such limited license or permit shall be issued to any single applicant hereunder: *Provided further*, That the acquisition or holding of a lease under the preceding sections of this act shall be no bar to the acquisition of such tract or operation of such mine under said limited license.

"SEC. 9. That any lease, permit, occupation, or use permitted under this act shall reserve to the Secretary of the Interior the right to permit, for joint or several use, such easements, including roads, rights of way, sites for coal washeries, coke ovens, tunnels in, over, through, or upon the lands leased, occupied, or used, as may be necessary or appropriate to the working of the same or other coal lands and treatment and shipment of the products thereof by or under authority of the Government, its lessees or permittees, and for other public purposes: *Provided*, That said Secretary, in his discretion, in making any lease under this act, may reserve to the United States the right to lease, sell, or otherwise dispose of the surface of the lands embraced within such lease, under existing law or laws hereafter enacted, in so far as said surface is not necessary for use by the lessee in extracting and removing the deposits of coal therein: *Provided further*, That if such reservation is made it shall be so determined before the offering of such lease.

"That the said Secretary during the life of the lease is authorized to issue such permits for easements herein provided to be reserved, and to permit the use of such other public lands in the Territory of Alaska, as may be necessary for the construction and maintenance of coal washeries or other works incident to the mining or treatment of coal, which lands may be occupied and used jointly or severally by lessees or permittes, as may be determined by said Secretary.

"SEC. 10. That no lease issued under authority of this act shall be assigned or sublet except with the consent of the Secretary of the Interior. Each lease shall contain provisions for insuring the exercise of reasonable diligence, skill, and care in the operation of said property; a provision that such rules for the safety and welfare of the miners and for the prevention of waste as may be prescribed from time to time by the said Secretary shall be observed, including a restriction of not exceeding eight hours' actual labor in any one day for underground workers except in cases of emergency, provisions securing the workmen complete freedom of purchase, requiring the payment of wages at least twice each month in lawful money of the United States, and providing proper rules and regulations to insure the fair and just weighing or measurement of the coal mined by each miner, and such other provisions as he may deem necessary for the protection of the interests of the United States, for the prevention of monopoly, and for the safeguarding of the public welfare.

"SEC. 11. That any such lease may be forfeited and canceled by an appropriate proceeding in a court of competent jurisdiction whenever the lessee fails to comply with any provision of

this act, of the lease, or of general regulations promulgated under this act and in force at the date of the lease; and the lease may provide for resort to appropriate methods for the settlement of disputes or for remedies for breach of specified conditions thereof.

"SEC. 12. That all statements, representations, or reports required by the Secretary of the Interior under this act shall be upon oath unless otherwise specified, and in such form and upon such blanks as the Secretary of the Interior may require, and any person making any false statement, representation, or report under oath shall be subject to punishment as for perjury.

"SEC. 13. That the Secretary of the Interior is authorized to prescribe necessary and proper rules and regulations and to do any and all things necessary to carry out and accomplish the purposes of this act.

"SEC. 14. All moneys received under the provisions of this act shall be covered into the Treasury as miscellaneous receipts, in accordance with section 3 of the Alaska railway act, approved March 12, 1914.

"SEC. 15. That on and after the approval of this act no lands in Alaska containing deposits of coal shall be disposed of or acquired in any manner except as provided in this act: *Provided*, That the passage of this act shall not affect any proceeding now pending in the Department of the Interior, and any such proceeding may be carried to a final determination in said department notwithstanding the passage hereof.

"SEC. 16. The Secretary of the Interior shall annually make report to Congress of all leases awarded under the provisions of this act in reasonable detail and also of all leases then outstanding and the amounts collected for the prior fiscal year on account of each lease.

"Passed the House of Representatives September 5, 1914.

"Attest:

"SOUTH TRIMBLE, *Clerk*."

[H. R. 14233, Sixty-third Congress, second session.]

IN THE HOUSE OF REPRESENTATIVES.

September 28, 1914.

An act to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes.

"*Be it enacted, etc.*, That the Secretary of the Interior be, and hereby is, authorized and directed to survey the lands of the United States in the Territory of Alaska known to be valuable for their deposits of coal, preference to be given first in favor of surveying lands within those areas commonly known as the Bering River, Matanuska, and Nenana coal fields, and thereafter to such areas or coal fields as lie tributary to established settlements or existing or proposed rail or water transportation lines: *Provided*, That such surveys shall be executed in accordance with existing laws and rules and regulations governing the survey of public lands. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $100,000 for the purpose of making the surveys herein provided for, to continue available until expended: *Provided*, That any surveys heretofore made under the authority or by the approval of the Department of the Interior may be adopted and used for the purposes of this act.

"SEC. 2. That after the execution of the surveys provided for in this act the President of the United States shall designate and reserve from use, location, sale, lease, or disposition not exceeding 5,120 acres of coal-bearing land in the Bering River field and not exceeding 7,680 acres of coal-bearing land in the Matanuska field, and not to exceed one-half of the other coal lands in Alaska: *Provided*, That the coal deposits in such reserved areas may be mined under the direction of the President when, in his opinion, the mining of such coal in such reserved areas, under the direction of the President, becomes necessary, by reason of an insufficient supply of coal at a reasonable price for the requirements of Government works, construction and operation of Government railroads, for the Navy, for national protection, and for relief from monopoly or oppressive conditions.

"SEC. 3. That the unreserved coal lands and coal deposits shall be divided by the Secretary of the Interior into leasing blocks or tracts of 40 acres each, or multiples thereof, and in such form as in the opinion of the Secretary will permit the most economical mining of the coal in such blocks, but in no case exceeding 2,560 acres in any one leasing block or tract; and thereafter, subject to any prior valid existing rights, which said rights may be perfected under the laws in force at the time the same were initiated, and under the rules, regulations, and practices of the Land Department relative to the acquisition of such rights, as interpreted and applied by the department at the time of the initiation of such rights, the Secretary shall offer such blocks or tracts and the coal, lignite, and associated minerals therein for leasing, and shall award leases thereof through advertisement, competitive bidding, or such other methods as he may by general regulations adopt, to any person above the age of 21 years who is a citizen of the United States, or to any association of such persons, or to any corporation organized under the laws of the United States or of any State or Territory thereof: *Provided*, That a majority of the stock of such corporation shall at all times be owned and held by citizens of the United States: *Provided*, That no more than one of said blocks shall be included in any lease: *And provided further*, That no railroad or common carrier shall be permitted to take or acquire through lease or permit under this act any coal or coal lands in excess of such area or quantity as may be required and used solely for its own use, and such limitation of use shall be expressed in all leases or permits issued to railroads or common carriers hereunder: *And provided further*, That any person, association, or corporation qualified to become a lessee under this act and owning any pending claim under the public-land laws to any coal lands in Alaska may, within one year from the passage of this act, enter into an arrangement with the Secretary of the Interior by which such claim shall be fully relinquished to the United States; and if in the judgment of the Secretary of the Interior the circumstances connected with such claim justify so doing, the moneys paid by the claimant or claimants to the United States on account of such claim may, by direction of the Secretary of the Interior, be returned and paid over to such person, association, or corporation as a consideration for such relinquishment, or in lieu of such repayment the Secretary of the Interior may execute and deliver to said person, association, or corporation, in preference to any other lessee, a lease under this act of the land so claimed or any part thereof within the limitations of area and location fixed by this section, and the said moneys may be credited upon the royalties to become due under such lease: *Provided*, That if the land so claimed be within a reservation made in pursuance of section 2 of this act other coal lands in Alaska of substantially equal value may be substituted in said lease for the lands so relinquished.

"All claims of such existing rights to any of such lands in which final proof has been submitted and which are now pending before the Commissioner of the General Land Office or the Secretary of the Interior for decision shall be adjudicated within one year from the passage of this act.

"SEC. 4. That a person, association, or corporation holding a lease of coal lands under this act may, with the approval of the Secretary of the Interior and through the same procedure and upon the same terms and conditions as in the case of an original lease under this act, secure a further or new lease covering additional lands contiguous to those embraced in the original lease, but in no event shall the total area embraced in such original and new leases exceed in the aggregate 2,560 acres.

"SEC. 5. That, subject to the approval of the Secretary of the Interior, lessees holding under leases small blocks or areas may consolidate their said leases or holdings so as to include in a single holding not to exceed 2,560 acres of contiguous lands.

"SEC. 6. That each lease shall be for such block or tract of land as may be applied for, not exceeding in area 2,560 acres of land, to be described by the subdivisions of the survey, and no person, association, or corporation, except as hereinafter provided, shall be permitted to take or hold any interest as a stockholder or otherwise in more than one such lease under this act, and any interest held in violation of this proviso shall be forfeited to the United States by appropriate proceedings instituted by the Attorney General for that purpose in any court of competent jurisdiction, except that any such ownership and interest hereby forbidden which may be acquired by descent, will, judgment, or decree may be held for one year, and not longer, after its acquisition.

"SEC. 7. That any person who shall purchase, acquire, or hold any interest in two or more such leases, and any person who shall knowingly sell or transfer to one disqualified to purchase, or, except as in this act specifically provided, acquire any such interest, shall be deemed guilty of a felony, and upon conviction shall be punished by imprisonment for not more than three years and by a fine not exceeding $1,000. For all the purposes of this act stock in a corporation owning or holding such a lease shall be deemed an interest in the same.

"SEC. 8. That any director, trustee, officer, or agent of any corporation holding any interest in such a lease who shall, on behalf of such corporation, act in the purchase of any interest in another lease, or who shall knowingly act on behalf of such corporation in the sale or transfer of any such interest in any lease held by such corporation to any corporation or individual holding any interest in any such a lease, except as herein pro-

vided, shall be guilty of a felony and shall be subject to imprisonment for a term of not exceeding three years and a fine of not exceeding $1,000.

"SEC. 8a. If any of the lands or deposits leased under the provisions of this act shall be subleased, trusteed, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever, so that they form part of or are in anywise controlled by any combination in the form of an unlawful trust, with consent of lessee, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal, entered into by the lessee, or of any holding of such lands by any individual, partnership, association, corporation, or control, in excess of 2,560 acres in the Territory of Alaska, the lease thereof shall be forfeited by appropriate court proceedings.

"SEC. 9. That for the privilege of mining and extracting and disposing of the coal in the lands covered by his lease the lessee shall pay to the United States such royalties as may be specified in the lease, which shall not be less than 2 cents nor more than 5 cents per ton, due and payable at the end of each month succeeding that of the shipment of the coal from the mine, and an annual rental, payable at the beginning of each year, on the lands covered by such lease, at the rate of 25 cents per acre for the first year thereafter; 50 cents per acre for the second, third, fourth, and fifth years; and $1 per acre for each and every year thereafter during the continuance of the lease, except that such rental for any year shall be credited against the royalties as they accrue for that year. Leases may be for periods of not more than 50 years each, subject to renewal, on such terms and conditions as may be authorized by law at the time of such renewal. All net profits from operation of Government mines, and all royalties and rentals under leases as herein provided, shall be deposited in the Treasury of the United States in a separate and distinct fund to be applied to the reimbursement of the Government of the United States on account of any expenditures made in the construction of railroads in Alaska, and the excess shall be deposited in the fund known as The Alaska Fund, established by the act of Congress of January 27, 1905, to be expended as provided in said last-mentioned act.

"SEC. 10. That in order to provide for the supply of strictly local and domestic needs for fuel the Secretary of the Interior may, under such rules and regulations as he may prescribe in advance, issue to any applicant qualified under section 3 of this act a limited license or permit granting the right to prospect for, mine, and dispose of coal belonging to the United States on specified tracts not to exceed 10 acres to any one person or association of persons in any one coal field for a period of not exceeding 10 years, on such conditions not inconsistent with this act as in his opinion will safeguard the public interest, without payment of royalty for the coal mined or for the land occupied: *Provided*, That the acquisition or holding of a lease under the preceding sections of this act shall be no bar to the acquisition, holding, or operating under the limited license in this section permitted. And the holding of such a license shall be no bar to the acquisition or holding of such a lease or interest therein.

"SEC. 11. That any lease, entry, location, occupation, or use permitted under this act shall reserve to the Government of the United States the right to grant or use such easements in, over, through, or upon the land leased, entered, located, occupied, or used as may be necessary or appropriate to the working of the same or other coal lands by or under authority of the Government and for other purposes: *Provided*, That said Secretary, in his discretion, in making any lease under this act, may reserve to the United States the right to lease, sell, or otherwise dispose of the surface of the lands embraced within such lease under existing law or laws hereafter enacted in so far as said surface is not necessary for use by the lessee in extracting and removing the deposits of coal therein. If such reservation is made, it shall be so determined before the offering of such lease.

"That the said Secretary during the life of the lease is authorized to issue such permits for easements herein provided to be reserved and to permit the use of such other public lands in the Territory of Alaska as may be necessary for the construction and maintenance of coal washeries or other works incident to the mining or treatment of coal, which lands may be occupied and used jointly or severally by lessees or permittees, as may be determined by said Secretary.

"SEC. 12. That no lease issued under authority of this act shall be assigned except with the consent of the Secretary of the Interior. Each lease shall contain provisions for the purpose of insuring the exercise of reasonable diligence, skill, and care in the operation of said property, and for the safety and welfare of the miners and for the prevention of undue waste, including a restriction of the workday to not exceeding eight hours in any one day for underground workers except in cases of emergency; provisions securing the workers complete freedom of purchase, requiring the payment of wages at least twice a month in lawful money of the United States, and providing proper rules and regulations to secure fair and just weighing or measurement of the coal mined by each miner, and such other provisions as are needed for the protection of the interests of the United States.

"SEC. 13. That the possession of any lessee of the land or coal deposits leased under this act for all purposes involving adverse claims to the leased property shall be deemed the possession of the United States, and for such purposes the lessee shall occupy the same relation to the property leased as if operated directly by the United States.

"SEC. 14. That any such lease may be forfeited and canceled by appropriate proceeding in a court of competent jurisdiction whenever the lessee fails to comply with any provision of the lease or of general regulations promulgated under this act; and the lease may provide for the enforcement of other appropriate remedies for breach of specified conditions thereof.

"SEC. 15. That the jurisdiction of the district court of Alaska shall extend to and over any forfeiture or cancellation proceedings instituted under the provisions of section 9 of this act and to any and all controversies which may arise between the United States and any lessee or other person, association, or corporation growing out of any disputed controversies or proceedings arising under this act or under leases issued hereunder. All causes against the United States brought under the provisions of this act shall be tried in the same manner and under the same rules as controversies between citizens.

"SEC. 16. That all statements, representations, or reports required, unless otherwise specified, by the Secretary of the Interior under this act shall be upon oath and in such form and upon such blanks as the Secretary of the Interior may require, and any person making false oath, representation, or report shall be subject to punishment as for perjury.

"SEC. 17. That the Secretary of the Interior is authorized to prescribe the necessary and proper rules and regulations and to do any and all things necessary to carry out and accomplish the purposes of this act.

"SEC. 18. That all acts and parts of acts in conflict herewith, also section 16 of an act passed and approved August 13, 1914, entitled 'An act extending the period of payment for reclamation projects, and other purposes,' which section reads as follows: 'Sec. 16. That from and after July 1, 1915, expenditures shall not be made for carrying out the purposes of the reclamation law except out of appropriations made annually by Congress therefor, and the Secretary of the Interior shall, for the fiscal year 1916, and annually thereafter, in the regular Book of Estimates, submit to Congress estimates of the amount of money necessary to be expended for carrying out any or all of the purposes authorized by the reclamation law, including the extension and completion of existing projects and units thereof and the construction of new projects. The annual appropriations made hereunder by Congress for such purposes shall be paid out of the reclamation fund provided for by the reclamation law,' are hereby repealed.

"Passed the House of Representatives September 5, 1914.

"Attest:

"SOUTH TRIMBLE, *Clerk*.

"Passed the Senate with an amendment September 24 (calendar day, September 26), 1914.

"Attest:

"JAMES M. BAKER, *Secretary*."

The Senate substitute bill was used as the basis from which the agreed bill emerged. The references hereafter made by page, section, and line will refer to the Senate substitute bill as it passed the Senate.

The amended bill as agreed to in conference provides for the appropriation of $100,000 for the purpose of making the surveys necessary to intelligently proceed with the leasing. It was ascertained by your conferees that the current appropriation for surveys in the West was made prior to the passage of this bill and did not have in contemplation the necessary work and surveys that would be called for in this bill; hence the appropriation was retained. It was also brought to the attention of the conferees that the current appropriation for the surveying of public lands contained a limitation that it was to be used first on lands occupied by actual settlers. It is patent that the survey of coal lands in Alaska could not be brought within this limitation; hence the appropriation of $100,000.

The Senate substitute bill contained a provision on page 13, lines 8 and 9 of section 2, that the President could not make the reservation of Government coal areas until after the lands

had been surveyed. This was thought to be inadvisable, due to the fact that the appropriate reserves for Government use should be made before any other steps were taken and that the surveys could later be made to conform to them.

It was also within the knowledge of your conferees that certain preliminary surveys had heretofore been made by the deputy United States mineral surveyors, which would make it feasible and advisable to make these surveys first. It was also within the knowledge of your conferees that a great deal of time will be required to finally complete the surveys, due to the topography of the country and climatic conditions there, which render surveying possible only during certain portions of the year.

In section 3, page 14, line 6, beginning with the word "subject," and ending with the word "rights" in line 11, it was thought advisable to eliminate that language, the thought of your conferees being that that would render the future Alaskan coal lessees subject to suits and collateral attacks by the claimants even after their rights had been adjudicated. It was the further thought of your conferees that such a provision would serve as a stumblingblock and a hindrance to the terms, tenor, and purposes of the legislation.

In section 3, page 14, line 13, the word "shall" was changed to "may," so that instead of making it mandatory on the Secretary to award leases to those who should not have them, it was left to his discretion, in order that the public interest might be subserved and no ill-advised leases made.

In section 3, page 14, lines 22 and 23, the proviso beginning with the word "*Provided*" in line 22 and ending with the word "lease" in line 23 was stricken out as being in conflict with section 5 of the Senate substituted bill.

Later, in section 3, page 15, line 17, beginning with the word "or," the balance of that section was stricken out. The language stricken out, in the estimation of your conferees, had for its purpose, first, the granting to the Alaskan coal claimants a preference right to lease the lands they had sought to acquire title to, and, second, authorized them to make lieu selections for lands they failed to secure through their efforts to acquire patents. It was steadfastly the opinion of your conferees that this being a coal-leasing bill, it should not seek to adjudicate the rights of the Alaskan coal claimants that are now pending in the department.

The language found on page 16, lines 3 to 7, inclusive, requires by legislative direction that the Commissioner of the General Land Office shall adjudicate the claims that are now pending before the department within one year from and after the passage of this act. This was thought to be advisable for the reason that many of these claims have been pending for eight years or more, and it was the belief of your conferees that a final termination of them should be made and that one year would be ample time within which to accomplish it.

Page 16, section 5, line 18, after the word "Interior," your conferees inserted the language "under such rules and regulations as he may prescribe." This was thought necessary to make the section workable.

Page 17, section 7 of the Senate substitute was stricken out and the second paragraph of section 6 of the House bill was inserted in its stead.

On page 18, section 9, line 23, your conferees struck out the following words: "nor more than 5 cents." This, in effect, struck out the maximum price per ton royalty that the Secretary of the Interior could secure for the mining and removal of the coal under the Alaskan leases. This was thought to be advisable for many reasons, the chief one of which was that Congress had recently appropriated $35,000,000 to construct railroads in Alaska and that section 3 of that act provided that the proceeds from the sale of all public lands, minerals, timber, etc., in Alaska should go into the Treasury to reimburse the Federal Government for that expenditure. It was therefore thought advisable and eminently proper to strike out the maximum, so that the Secretary of the Interior would have an opportunity, acting for the Government, to secure a royalty on the coal so leased commensurate with justice and in an effort to reimburse the Federal Government for the Alaskan railway appropriations recently made.

Page 19, line 10, beginning with the word "all," strike out the remainder of that paragraph. This was deemed advisable by your conferees, so that there might be no change in section 3 of the Alaskan railway act, which provides that all the proceeds from Alaska shall go into the Treasury to reimburse the Government for the Alaskan railway expenditure.

Page 21, section 12, at the end of line 25, the section was amplified to make it in keeping with the bill as it passed the House.

Page 22, section 15, lines 14 to 24, inclusive, was stricken out of the bill, and in lieu thereof section 15 of the House bill, with amendments, was incorporated in its stead. The thought of your conferees on this substitution was that the paragraph as passed by the Senate made it possible for the Alaskan coal claimants to take their matters out of the Interior Department, where they have always reposed, and have a new trial ab initio in the district courts of Alaska. It was again thought advisable to strike out this section, because it clearly authorized the claimants to sue the Federal Government, which was thought inadvisable from every viewpoint and without precedent. The result of this substitution is that the Alaskan coal claimants are neither aided nor retarded in their efforts to acquire patent for the land covered by their claims. It was the thought of your conferees that the land should not be leased from under them until they could have a final hearing, but that this legislation ought not to make any provision which would either help or harm them, but, on the contrary, they should be left in statue quo to pursue their remedies in the same department that had jurisdiction over the matter at the time the claims were initiated. Your conferees think this is the only proper rule to lay down for these cases, and if they have any claims against the Federal Government they should be worked out through the Interior Department rather than through Congress.

Page 23, section 18, was stricken from the bill. It sought to repeal a section of the law relating to irrigation, and it was the thought of your conferees that it had no proper place in this legislation and was therefore eliminated.

It is the thought of your conferees, first, that the bill as it emerged from conference retains the substantial features of the House bill; second, that it is workable and that the Secretary of the Interior can proceed to lease the lands that have heretofore been tied up for eight long years; third, that the competitive plan adopted will enable the Secretary to derive revenues that may be applied upon the Alaskan railway appropriation; fourth, that the bill does not forfeit or sacrifice any rights of the Federal Government to the Alaskan coal claimants; fifth, that it does not do the Alaskan coal claimants wrong or injustice; sixth, that the Alaskan coal claimants are left in statue quo; seventh, that ample reserves are authorized to be made by the Secretary of the Interior for a fuel supply for the Army and Navy; eighth, that the appropriation carried by the bill is necessary and justified in the face of the emergency that exists in Alaska; and, ninth, that the legislation has left full discretion within the Secretary of the Interior to protect the public interest and at the same time make the opening of Alaska possible and the legislation workable.

SCOTT FERRIS,
JAMES M. GRAHAM,
IRVINE L. LENROOT,
Managers on the part of the House.

FOLDING SPEECHES.

Mr. LLOYD. Mr. Speaker, I offer the following privileged resolution from the Committee on Accounts.

The Clerk read as follows:

House resolution 633 (H. Rept. 1180).

Resolved, That the Doorkeeper is authorized to employ additional labor for folding speeches, at the rate of not exceeding $1 per thousand, and the sum of $1,000 is authorized to be expended from the contingent fund for that purpose.

With the following amendment recommended by the committee:

In line 3 strike out the figures "$1,000" and insert "$1,500."

Mr. LLOYD. Mr. Speaker, we have at the present time to be folded about 1,700,000 speeches for Members of the House. We have on hand about $700 to do that work. It is probable that there will be 500,000 more speeches ordered before the end of the session. If this resolution passes, it will simply provide for folding the speeches now ordered and those that will be ordered.

Mr. BUTLER. Will the gentleman yield?

Mr. LLOYD. Yes.

Mr. BUTLER. I am not an economist, but why do not the Members pay for folding their own speeches?

Mr. LLOYD. It has never been the practice.

Mr. BUTLER. It seems that we are going to spend a lot of money sending out speeches of Members.

Mr. FITZGERALD. Not nearly as much as was expended for sending out bad speeches by the Republican Members.

Mr. BUTLER. You never spent any for sending out any of mine.

Mr. FITZGERALD. The gentleman never sent out any bad speeches.

Mr. MANN. None of the Republicans ever sent out any bad speeches.

The SPEAKER. The question is on the amendment to the resolution.

The amendment was agreed to.

The resolution as amended was agreed to.

CLERICAL SERVICES FOR COMMITTEE ON ENROLLED BILLS.

Mr. LLOYD. Mr. Speaker, I present the following privileged resolution from the Committee on Accounts.

The Clerk read as follows:

House resolution 608 (H. Rept. 1179).

Resolved, That the Clerk of the House is hereby authorized to pay, out of the contingent fund of the House, to E. L. Smith, $60; Edward C. Hauer, $42; Helen Parker, $24; and Lizzie Bassett, $6, for clerical services rendered to the Committee on Enrolled Bills during the second session of the Sixty-third Congress.

Mr. MANN. When were these services rendered?

Mr. LLOYD. At different times during the session.

Mr. MANN. By what authority?

Mr. LLOYD. No specific authority.

Mr. MANN. The law forbids the employment of anybody without authority. They have violated the law, and instead of paying them why not prosecute them?

Mr. LLOYD. Oh, they have in good faith performed the services.

Mr. MANN. The Committee on Enrolled Bills is not authorized to employ this service, and, as a matter of fact, it does not perform the service.

Mr. LLOYD. The chairman of the committee, rather than come to the House and ask for assistance, has simply ordered these small sums to be paid from time to time when extra services are needed.

Mr. FITZGERALD. If the gentleman will permit me, this is an unauthorized employment. I shall not oppose the resolution, but if anybody else attempts to employ services around the House without authority of the House in advance, no such resolution as this will go through. If every chairman of a committee assumed the right to employ what he decided was necessary for his committee and afterwards came in with a resolution to pay it, it would break the House.

Mr. MANN. When was this resolution introduced?

Mr. LLOYD. It was introduced on the 27th of August last.

Mr. MANN. I thought I had seen the resolution some time ago. The Committee on Enrolled Bills at that time was not pressed. They employed some one, without any authority of law and in violation of the express law, and then they come in here and want the House to pay it. I want to say that the work in comparing engrossed or enrolled bills is not done by the Committee on Enrolled Bills. That is done by the engrossing clerks of the House, and notwithstanding the Committee on Enrolled Bills, there have been many errors after it has left the hands of the engrossing clerks.

Mr. LLOYD. Mr. Speaker, the chairman of the Committee on Enrolled Bills says that this work has been performed by these people.

Mr. MANN. I have a high regard for the chairman of the Committee on Enrolled Bills, Mr. ASHBROOK. I do not know whether he was here at that particular time or whether it was when he was detained from the House. I do not suppose he knows. Some clerk of the committee manages it.

Mr. LLOYD. I think that is unfair to the gentleman from Ohio [Mr. ASHBROOK].

Mr. MANN. I would not say a thing that is unfair, because the gentleman from Ohio is very attentive to the work of his committee.

Mr. LLOYD. I am very glad the gentleman has made that statement, because I have found that to be true.

Mr. GARNER. Mr. Chairman, would it not be advisable at this time, since this criticism has come up, for the chairman of the Committee on Accounts to advise the chairman of the Committee on Enrolled Bills that services of this character hereafter will not be paid?

Mr. LLOYD. The chairman will most assuredly do that.

Mr. FITZGERALD. Mr. Speaker, so that there will be no misunderstanding, I will give notice now that no such resolution as this will pass in the future.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. LLOYD) there were—ayes 25, noes 19.

So the resolution was agreed to.

ALASKAN COAL LANDS.

Mr. FERRIS. Mr. Speaker, I ask unanimous consent to address the House for two minutes on a matter that I think the House ought to know about.

Mr. MANN. If the House wants to hear about it I think there ought to be a larger attendance.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to address the House for two minutes. Is there objection?

There was no objection.

Mr. FERRIS. Mr. Speaker, I never have in my service either here or in my State made any reply to any newspaper article, and the article that I shall reply to now is not in any sense in criticism of myself; but I think, in fairness to one of the conferees on the Alaska coal-leasing bill, I should make a short statement. There appears in this evening's edition of the Washington Times a statement purporting to come from the gentleman from Wisconsin [Mr. LENROOT]. I do not know whether it did or not. Perhaps it did; but, if so, it undoubtedly was made before the conference report on the Alaskan coal bill was agreed to. As the House knows, the gentleman from Wisconsin [Mr. LENROOT] was one of the conferees, and in the conference we had the differences that usually arise in conference committees; but those differences were finally adjusted, and we agreed to the conference report, and that conference report is thoroughly satisfactory to the gentleman from Wisconsin [Mr. LENROOT], to myself, and to the gentleman from Illinois [Mr. GRAHAM]. I think in justice to the House and in justice to Mr. LENROOT I should say that I am sure the interview must have been granted some three or four days ago, when the conferees were not as well agreed as they are now. He agreed to every item in it before he left here, as did the gentleman from Illinois [Mr. GRAHAM]. If he had not left the city, I would not have taken this one minute to make this explanation.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. FERRIS. Yes.

Mr. STAFFORD. I may supplement the statement of the gentleman in view of the absence of my colleague who has been called home by the serious illness of his daughter. Yesterday afternoon just prior to his departure I inquired of him whether the conference report was to his satisfaction and he said it was completely so, that it had his entire approval.

Mr. FERRIS. I thank the gentleman. My statement is made neither for the purpose of criticizing the newspaper or Mr. LENROOT. I have no doubt that the interview was given two or three days ago when we were having quite a squabble over the bill. The matter is all right now. The bill is in good shape. I am sure Mr. LENROOT would indorse every word I have said. No doubt the paper was ignorant of the agreement, so they may well be said to be without criticism.

I thank the House for the courtesy of the few moments occupied.

COTTON.

Mr. VAUGHAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein an editorial appearing in the Washington Post of to-day on the cotton situation.

The SPEAKER. The gentleman from Texas asks unanimous consent to extend his remarks in the RECORD by printing an editorial from the Washington Post on the cotton situation. Is there objection?

Mr. MANN. Mr. Speaker, I object.

ADJOURNMENT.

Mr. JONES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 14 minutes p. m.), in accordance with the order heretofore made, the House adjourned until to-morrow, Wednesday, October 7, 1914, at 11 o'clock a. m.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. CARY: A bill (H. R. 19140) to authorize and direct the payment of pensions monthly; to the Committee on Invalid Pensions.

By Mr. GLASS: Resolution (H. Res. 636) for the consideration of S. 6505, entitled "An act to amend sections 11 and 16 of an act to provide for the establishment of Federal reserve banks, etc."; to the Committee on Rules.

By Mr. STEENERSON: Resolution (H. Res. 637) directing the Postmaster General to inform the House of Representatives whether he has given any order or direction giving preference in the purchase of supplies for the Post Office Department to any domestic commodity over an imported commodity at a higher price; to the Committee on the Post Office and Post Roads.

Also, resolution (H. Res. 638) requesting the President of the United States to furnish the House of Representatives with copies of all orders or directions to the heads of executive departments of the Government giving or permitting a preference in the purchase of supplies for the Government to any domestic commodity over an imported commodity at a higher price; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 19141) to remove the charge of desertion from the military record of Joseph Hamilton; to the Committee on Military Affairs.

By Mr. BAILEY: A bill (H. R. 19142) for the relief of the widow of Morton Moody; to the Committee on Military Affairs.

By Mr. BARNHART: A bill (H. R. 19143) granting an increase of pension to Nathaniel Perry; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19144) granting an increase of pension to Artemus Haines; to the Committee on Invalid Pensions.

By Mr. KENNEDY of Iowa: A bill (H. R. 19145) granting an increase of pension to Londoree F. Owens; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19146) granting an increase of pension to Clement Zumbriger; to the Committee on Invalid Pensions.

By Mr. KREIDER: A bill (H. R. 19147) granting an increase of pension to William Householder; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19148) granting an increase of pension to William K. Runkel; to the Committee on Invalid Pensions.

By Mr. LAFFERTY: A bill (H. R. 19149) granting an increase of pension to George Parks; to the Committee on Invalid Pensions.

By Mr. LEWIS of Pennsylvania: A bill (H. R. 19150) granting an increase of pension to Wilson Labold; to the Committee on Invalid Pensions.

By Mr. McCLELLAN: A bill (H. R. 19151) granting a pension to Benjamin Grant; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19152) granting a pension to Charles Trowbridge; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19153) granting a pension to William Caniff; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19154) granting a pension to Harrison Rouse; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19155) granting a pension to Rowland Trumpbour; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19156) granting a pension to Edward Carpenter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19157) granting a pension to Joseph L. Hadden; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19158) granting a pension to James B. Rouse; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19159) granting a pension to Isaac Van Leuven; to the Committee on Invalid Pensions.

By Mr. O'SHAUNESSY: A bill (H. R. 19160) granting a pension to Charles S. Devlin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19161) granting an increase of pension to Eliza Hutchinson; to the Committee on Invalid Pensions.

By Mr. PHELAN: A bill (H. R. 19162) granting an increase of pension to Gustave Pinksohn; to the Committeee on Pensions.

By Mr. RAUCH: A bill (H. R. 19163) granting a pension to Elmira Dord Galloway; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19164) granting an increase of pension to Christian Hendricks; to the Committee on Invalid Pensions.

By Mr. SWITZER: A bill (H. R. 19165) granting a pension to Aaron Quickle; to the Committee on Pensions.

By Mr. TEN EYCK: A bill (H. R. 19166) granting a pension to Bridget Mooney; to the Committee on Invalid Pensions.

By Mr. WALSH: A bill (H. R. 19167) for the relief of Adolph W. Fries; to the Committee on Military Affairs.

By Mr. WHITE: A bill (H. R. 19168) granting a pension to Anna Hoover; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19169) granting a pension to Wilsie Lippincott; to the Committee on Pensions.

Also, a bill (H. R. 19170) granting a pension to Albert J. Owen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19171) granting an increase of pension to William W. Sparks; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BAILEY: Petition of the Western Pennsylvania Independent Telephone Co., protesting against provision of House bill 18891 relative to telephone companies; to the Committee on Ways and Means.

By Mr. BURNETT: Petition of various farmers and business men of Alabama, for legislation to relieve the cotton situation; to the Committee on Banking and Currency.

By Mr. CARY: Petition of L. A. Olwell, of Milwaukee, Wis., against movement to prohibit the Government from selling stamped envelopes with the user's return address; to the Committee on the Post Office and Post Roads.

Also, petition of H. B. Dewey, of Milwaukee, Wis., protesting against increase in passenger or freight rates; to the Committee on Interstate and Foreign Commerce.

Also, petition of the Milwaukee Automobile Dealers' Association and Gesder, Paesckke & Frey, of Milwaukee, Wis., protesting against special tax against automobile manufacturers; to the Committee on Ways and Means.

Also, petition of the International Association of Machinists, of Milwaukee, Wis., favoring passage of House bill 17800, prohibiting use of stop watch for Government employees; to the Committee on the Judiciary.

By Mr. DRUKKER: Petition of the Socialist Party, Passaic, N. J., favoring observance of strict neutrality by United States Government during European war; to the Committee on Foreign Affairs.

By Mr. GERRY: Petition of Alexander C. Thompson, William E. Louttit, N. Berston Co., and William M. Harris, jr., protesting against raising price of return envelopes; to the Committee on the Post Office and Post Roads.

Also, petition of Providence Council of United Commercial Travelers of America, favoring 1-cent letter postage; to the Committee on the Post Office and Post Roads.

By Mr. GRIFFIN: Petition of Sidney B. Whitlock, and Peek Bros. & Winch, of New York, protesting against bill to prohibit purchase of return envelopes from the Government; to the Committee on the Post Office and Post Roads.

Also, memorial of the New York Produce Exchange, protesting against the United States operating merchant ships; to the Committee on the Merchant Marine and Fisheries.

Also, petition of the First National Bank of Brooklyn and Kings County, N. Y., protesting against section of Clayton bill regarding interlocking directorates; to the Committee on the Judiciary.

Also, petition of the Pelton Water Wheel Co., favoring hearing on Adamson bill to regulate the use of Government lands, etc.; to the Committee on the Public Lands.

Also, petition of the Railway Business Association, relative to House bill 17042, referring to mail pay; to the Committee on the Post Office and Post Roads.

Also, petition of the National Association of Vicksburg Veterans, favoring appropriation by Congress for reunion of veterans at Vicksburg, Miss.; to the Committee on Appropriations.

By Mr. HOWELL: Memorial of the Utah Federation of Labor, protesting against national prohibition; to the Committee on Rules.

Also, memorial of the Utah Federation of Labor, favoring proposed amendment to Senate bill 825 and House bill 6539, relative to increasing wages of compositors, etc.; to the Committee on Printing.

By Mr. LEVY: Petition of M. L. Stuart and S. Berkonitz, favoring passage of Senate bill 3590, relative to paymaster clerks in the Navy; to the Committee on Naval Affairs.

Also, petition of the International Typographical Union, favoring passage of House bill 15902, to amend law relating to public printing; to the Committee on Printing.

Also, petition of the New York Produce Exchange, protesting against the United States operating merchant ships; to the Committee on the Merchant Marine and Fisheries.

Also, petition of the Drake Mann Realty Co. and L. Henry & Co., of New York, protesting against bill prohibiting sale of return envelopes; to the Committee on the Post Office and Post Roads.

Also, petition of the United Master Butchers of America, relative to Congress subsidizing land for farming, etc.; to the Committee on the Public Lands.

By Mr. LIEB: Petition of the Tennyson National Bank, J. W. Hendrickson, cashier, and the Lynnville National Bank, Herbert L. Bass, cashier, both in Indiana, against taxing banks $2

per thousand upon capital, surplus, and undivided profits; to the Committee on Ways and Means.

Also, petition of the Standard Brick Manufacturing Co., John Andres, secretary, protesting against legislation to prevent purchasing stamped envelopes with members of firms and their addresses printed thereon; to the Committee on the Post Office and Post Roads.

Also, petition of Charles Leich & Co., of Evansville, Ind., and the *National* Wholesale Druggists' Association, in session at Indianapolis, Ind., favoring the Harrison antinarcotic bill; to the Committee on Ways and Means.

Also, petition of Local No. 51, Iron Molders' Union, Charles C. Ray, secretary, of Evansville, Ind., favoring a bill prohibiting the use of the stop watch in making time study of the movements of any Government employee; to the Committee on Labor.

By Mr. McCLELLAN: Petition of A. D. Rose, of Kingston, N. Y., against legislation prohibiting purchase at post office of stamped address envelopes; to the Committee on the Post Office and Post Roads.

By Mr. MAPES: Protest of the Grand Rapids Overland Co., of Grand Rapids; the Studebaker Corporation of America, of Detroit; and 33 other automobile manufacturing companies of the State of Michigan, against the proposed special tax upon automobiles; to the Committee on Ways and Means.

Also, protest of the Citizens' Telephone Co. of Grand Rapids, Mich., against the imposition of a special tax of 1 cent on telephone messages; to the Committee on Ways and Means.

By Mr. O'SHAUNESSY: Petition of the National Liberal Immigration League, relative to House bill 18220, as to citizens of other countries living in the United States taking part in European war; to the Committee on Immigration and Naturalization.

Also, petition of the N. Barstow Co., of Providence, R. I., protesting against the bill to prohibit sale of return envelopes; to the Committee on the Post Office and Post Roads.

By Mr. RAKER: Petition of 18 citizens of Calaveras County, Cal., favoring national prohibition; to the Committee on Rules.

Also, memorial of the United States Licensed Shipmasters, Marine Engineers, and Mates of Ocean Steamers of the Port of San Francisco, protesting against suspension of the navigation laws of the United States; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Piedmont Parlor, Native Daughters of the Golden West, favoring the passage of the Hamill bill, relative to retirement of civil-service employees; to the Committee on Reform in the Civil Service.

By Mr. REILLY of Connecticut: Petition of the English & Messick Co. and C. Codles & Co., of New Haven, Conn., and the Locomobile Co., of Bridgeport, Conn., protesting against tax on automobile manufacturers; to the Committee on Ways and Means.

By Mr. SLOAN: Petition of William Peters, of Thayer, Nebr., against national prohibition; to the Committee on Rules.

SENATE.

WEDNESDAY, *October 7, 1914.*

The Chaplain. Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, Thy care for all Thy creatures is manifest unto us in all the works of Thy hands. The voice of nature about us proclaims God's grace and love for all that He has made. We are sure in the light of all we have learned that not a sparrow falls without Thy notice. Thou hast kept us in the hollow of Thy hand. Thou hast shielded us from every enemy. Thou hast guided us in the paths of peace and of prosperity and of happiness. Thou art opening Thy hands and supplying our every need. We make humble acknowledgment for Thy goodness to us. We pray that this day we may give expression to our sense of gratitude by lives consecrated to Thy service. Bless every Member of the Senate and all who are in authority, that Thy will may be done with us as a nation, and that Thou mayest use us even now as an evangel of peace among the nations of the earth. For Christ's sake. Amen.

The Secretary proceeded to read the Journal of the proceedings of the legislative day of Monday, September 28, 1914, when, on request of Mr. OVERMAN and by unanimous consent, the further reading was dispensed with and the Journal was approved.

COTTON INDUSTRY OF NORTH CAROLINA.

Mr. OVERMAN. Mr. President, in a colloquy on the floor of the Senate a few days ago the senior Senator from Michigan [Mr. SMITH] read a letter containing an expression to the effect that the cotton industry of North Carolina was prostrated. I demanded the name of the writer. The Senator said it was a personal letter and declined to give me the name, but he asked me if I knew Gen. Julian S. Carr. I replied that I did. He said that I had a similar letter from Gen. Carr, and probably I could find it in my files. The Senator also asked me if I knew Hon. J. A. Long, one of the prominent citizens of my State, and said if I would examine my files I would find a letter from him. I replied that I had no recollection of having received a letter from anyone on that subject. He asked me if I would look at my files and see if I had not received a letter from Julian S. Carr and also from J. A. Long, the substance of which was that the cotton industry of North Carolina was prostrated in July.

I am sorry that the Senator from Michigan is not now here, but I wish to say that I have examined the files of my office and I have found no such letter. Then I telegraphed to each of these prominent citizens of North Carolina. I telegraphed to Gen. Carr as follows:

OCTOBER 5, 1914.

To Gen. J. S. CARR,
Durham, N. C.:

It has been charged upon the floor of the Senate that you wrote me a letter charging that the revision of the tariff prostrated the cotton industry in North Carolina. Did you ever write me such a letter?

I also sent a similar telegram to Hon. J. A. Long. The reply of Gen. Julian S. Carr is as follows:

DURHAM, N. C., *October 5, 1914.*

Hon. LEE S. OVERMAN,
United States Senate, Washington, D. C.:

No, my dear Senator; I did not.

JULIAN S. CARR.

I also have received another telegram from Gen. Carr, as follows:

DURHAM, N. C., *October 5, 1914.*

Senator LEE S. OVERMAN,
Washington, D. C.:

I am the one cotton manufacturer in the South that gave out an interview indorsing the administration and the Democratic Party for keeping the party pledge to reduce the tariff downward and highly praised the administration for living up to the party's platform pledges to reduce the tariff, and the interview was largely copied by the press and commended.

JULIAN S. CARR.

I received the following telegram in reply from Hon. J. A. Long:

ROXBORO, N. C.

Senator LEE S. OVERMAN,
Washington, D. C.:

Replying to your inquiry whether or not I wrote you in regard to depression in cotton-mill business caused by revision of tariff, I wish to say I did not.

J. A. LONG.

Now, I wish to read an editorial from the Greensboro Daily News, one of the leading papers of North Carolina. It is an independent paper. I will read only one extract, but will ask that the whole editorial may go in:

The truth is the cotton mills of the South are in the finest shape that they have known in several years, the impression of Senator SMITH [of Michigan] to the contrary notwithstanding. Many of them have come to the conclusion that cotton has about reached the bottom and are beginning to purchase, and their number is increasing daily. The statement as to the Parker mills is true, but even their action is but a forecast of the revival of industry that can not be postponed many days longer.

The editorial referred to is as follows:

[From the Greensboro Daily News, Monday, October 5, 1914.]

FORTUNATELY, IT IS TRUE.

A friend of the Daily News, inclosing a clipping concerning the Parker chain of cotton mills in South Carolina preparing to run day and night to fill orders on hand, remarks, "It sounds good, if it is true." The comment is eloquent of how deeply the war scare has penetrated the minds of the business men of the South. The news is true, what there is of it; but as a matter of fact it tells only half the story. The cotton-mill men are not in business for their health. It is to their interest to buy cotton at the lowest possible price. We do not think that there has been any organized effort to bear the market by the cotton spinners, but it can be asserted with perfect safety that the spinners were not the most enthusiastic of those who have been trying to lift the market back to normal. They would be more or less than human had they taken the lead.

The truth is the cotton mills of the South are in the finest shape that they have known in several years, the impression of Senator SMITH to the contrary notwithstanding. Many of them have come to the conclusion that cotton has about reached the botton and are beginning to purchase, and their number is increasing daily. The statement as to the Parker mills is true, but even their action is but a forecast of the revival of industry that can not be postponed many days longer.

Mr. OVERMAN. I have a letter from the leading cotton section of North Carolina, written by Mr. Sherrill, who is the editor of the Concord Daily Tribune, inclosing me a copy of an editorial from that paper, which I will also ask to have printed

in the RECORD without reading. I will read Mr. Sherrill's letter:

CONCORD, N. C., *October 5, 1914.*

Hon. LEE S. OVERMAN,
Washington, D. C.

MY DEAR SENATOR: I inclose editorial clipping from my paper to-day. The mills in this city are all running on full time. The Cannon Mills have all paid 10 per cent dividends, without interruption, with the exception of the Gibson mill, which pays 6 per cent. It is understood that the Gibson mill is in much better shape now than it has ever been. It is a common report that it has laid by a good surplus.

The Young-Hartsell mill is making money for the first time in 10 years since it was organized. There is not a mill in this city that is not in excellent condition.

I thought possibly this information would be of some value to you at this juncture.

Yours, very truly, J. B. SHERRILL.

The editorial referred to is as follows:

[From the Concord (N. C.) Daily Tribune, October 5, 1914.]

Senator WILLIAM ALDEN SMITH, of Michigan, prompted, it is said, by some Durham Republicans, in attacking the Wilson administration in a speech Saturday in the Senate, brandished a letter from "a friend in North Carolina," in which it was said that the cotton mills in the State had been "hit pretty hard" by the Simmons-Underwood tariff. Senator OVERMAN promptly demanded the name of Senator SMITH'S informant, but the latter would not give it. Senator OVERMAN denied vigorously that the cotton-mill industry in the State had undergone a slump. He stated that he lived in a mill section of the State, and that on a recent visit home he found them in fine shape. He said that he had $500 worth of stock in one mill, and that a 6 per cent dividend was paid this year. The cotton mills in Concord are running on full time, some of them at night. At least one of them is enjoying the most prosperous season it has ever had since its organization. Senator SMITH will have to make another tack.

HOUR OF ADJOURNMENT.

Mr. KERN. I move that the Senate adjourn at the hour of 1 o'clock p. m. to-day until 11 o'clock to-morrow.

The motion was agreed to.

PETITIONS AND MEMORIALS.

Mr. THORNTON. I present the memorial of J. M. Brown, of Keatchie, La., protesting against the letting out of rural routes by contract, which I ask may be printed in the RECORD.

There being no objection, the memorial was ordered to be printed in the RECORD, as follows:

KEATCHIE, LA., *October 1, 1914.*

Hon. J. R. THORNTON,
United States Senate, Washington, D. C.

DEAR SIR: I see through the newspapers that Mr. Burleson intends to let the rural routes out by contract, as the star routes are. I want to enter my protest against this; being a patron of a rural route I am in a position to know the amount of labor, expense, and hardships that attaches to delivering the mails on a rural route.

I think it is unjust and unfair to let these routes out by contract at starvation wages. I think the rural carriers are the poorest-paid men in the Government service for the amount of labor exacted.

I hope you will use your influence with the Postmaster General to prevent this. I hope I will not be trespassing on your patience in asking you to have this letter inserted in the CONGRESSIONAL RECORD as my earnest protest against contract rural carriers.

With best wishes,
Very truly, yours, J. M. BROWN.

Mr. THOMPSON. I present a memorial remonstrating against the proposed increase in the cost of mileage books to 2¼ cents a mile, which I ask may be printed in the RECORD without reading.

There being no objection, the memorial was ordered to be printed in the RECORD, as follows:

RICE-STIX DRY GOODS CO.,
Wichita, Kans., October 3, 1914.

Hon. W. H. THOMPSON,
Washington, D. C.

DEAR SIR: I wish to file a protest with the Interstate Commerce Commission through you, our representative in Washington, against the unjustified attempt of the railroads to increase the cost of mileage books to 2¼ cents a mile. If this increase is permitted, the burden will fall almost entirely on the shoulders of the commercial traveler, because it is only the commercial traveler who uses the mileage books. The price has been 2 cents a mile on mileage books for 35 years, and if there is a necessity of raising rates why not put it on the local tickets of people who only travel once a year instead of adding the burden to the men who are creating the business for the mills, factories, and railroads all over the country?

What the country needs is more business and not added handicap on the men who are trying to produce more business. We are not asking anything that is not fair and just, but believe we are entitled to consideration in this matter, and the influence of 500,000 traveling men will undoubtedly be felt in this matter.

Thanking you in advance for your assistance in the stopping of this action, I am,

Yours, very truly, W. L. SMART,
Wichita, Kans., 1115 North Waco Avenue.

Mr. GRONNA. I received this morning three telegrams with reference to the bill now before the Senate Finance Committee regarding a revenue tax, two being from my State and a third one from the Board of Trade of Peoria, Ill. They are all brief, and I ask that they may be printed in the RECORD and referred to the Committee on Finance.

There being no objection, the telegrams were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

BISMARCK, N. DAK., *October 6, 1914.*

Senator GRONNA,
Washington, D. C.:

As dealers and users of automobiles we wish to protest against the special war tax on automobiles. Such a measure means an enormous loss to the entire industry, and we beg of you to use every possible effort in opposing the measure.

LAHR MOTOR SALES CO.

FARGO, N. DAK., *October 6, 1914.*

Senator A. J. GRONNA,
Washington, D. C.:

We wish to enter protest against proposed bill for taxing automobile manufacturers and owners now before Congress.

NORTH DAKOTA AUTOMOBILE DEALERS' ORGANIZATION.

PEORIA, ILL., *October 6, 1914.*

Hon. A. J. GRONNA,
Senate, Washington, D. C.:

The members of the Peoria Board of Trade, through its directors, in a special meeting to-day, wish to protest against the clause in the revenue bill which imposes a tax on products sold on boards of trade. The Peoria Board of Trade does an exclusive cash business, and this tax will be upon patrons who ship grain from Illinois, Iowa, Missouri, North Dakota, and South Dakota to this market. This is class legislation and discriminatory in its provision.

PEORIA BOARD OF TRADE,
N. R. MOORE, *President.*
JOHN R. LOFGREN, *Secretary.*

Mr. JONES. I have a telegram from William Peterson, president of the Tacoma Life Underwriters' Association, of Tacoma, Wash., protesting against the proposed life insurance tax.

I have also a telegram from the Motor Car Dealers' Association of Seattle; one from the Hawkins Motor Car Co., of Spokane; one from the Yakima Auto Dealers' Association, of Yakima; the Yakima Auto & Supply Co., the Washington Auto Co., the Scorn Motor Co., and the Bell-Wyman Implement Co., of North Yakima, all remonstrating against the proposed war tax on manufacturers of gasoline and motor vehicle outfits. I ask that they be referred to the Committee on Finance, or probably it would be better to refer them to the Democratic caucus.

There being no objection, the telegrams were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

TACOMA, WASH., *October 3, 1914.*

Hon. WESLEY L. JONES,
United States Senate, Washington, D. C.:

As a body of insurance men associated for the purpose of safeguarding the interests of the insuring public we desire to protest against proposed tax on life insurance, which is already heavily taxed. This tax would fall principally on the thrifty laboring class, whose life insurance is their families' protection.

WM. PETERSON,
President Tacoma Life Underwriters' Association.

SEATTLE, WASH., *October 6, 1914.*

Senator WESLEY L. JONES,
Washington, D. C.:

The members of this association register earnest protest against proposed horsepower tax on motor vehicles. We believe such a tax is one on a necessary commodity, as motor vehicles are to-day as necessary as the telephone. Its effect will be to curtail sales and decrease business in this territory. It will be especially hurtful on account of the fact that ranchers, lumbermen, and farmers are the largest users of motor vehicles. As representing this city and territory, would ask you to oppose this feature and use your influence to eliminate the proposed tax.

THE MOTOR CAR DEALERS' ASSOCIATION OF SEATTLE.

SPOKANE, WASH., *October 6, 1914.*

Senator W. L. JONES,
Washington, D. C.:

We consider proposed Government tax on horsepower on all motor vehicles decidedly unfair, and ask that you oppose vigorously. Virtually class legislation, therefore unconstitutional. If they must hang it on the motor-car industry, would suggest 1 cent gallon on gasoline.

HAWKINS MOTOR CAR CO.

NORTH YAKIMA, WASH., *October 6, 1914.*

Senator W. L. JONES,
Washington, D. C.:

We hereby protest against the prohibitive special war tax of $1 paid by manufacturers and 25 cents paid by owners. We consider the same un-American, confiscatory, and class legislation of the worst kind. We ask you to vote and use your influence against the measure.

YAKIMA AUTO DEALERS' ASSOCIATION.
YAKIMA AUTO & SUPPLY CO.
WASHINGTON AUTO CO.
SCORN MOTOR CO.
BELL-WYMAN IMPLEMENT CO.

Mr. PENROSE. I desire to state in this connection that I have received many thousands of telegrams against nearly every feature of the pending revenue bill.

Mr. SMITH of Michigan. Mr. President, I desire the Senate to know that I have received a formal protest from 7,000 work-

men employed in the Studebaker Motor Car Co., of Detroit, and a unanimous protest from the workmen in the Cadillac Motor Co., of Detroit, against the plan which seems to have been devised—and I hope is to be abandoned—to place a special horsepower tax on the construction and production of automobiles in order to meet a needless deficiency in the revenues of the Government. I ask to have it printed in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

DETROIT, MICH., *October 6, 1914.*

Hon. WILLIAM ALDEN SMITH,
Washington, D. C.

SIR: We, the undersigned, on behalf of the 7,000 employees of the Studebaker Corporation, desire to enter our protest against the proposed special tax on automobiles. We believe that such a tax will work great harm on the entire automobile industry, and that we are likely to feel the burden of this special tax, as cars have been sold at contract prices, and the tax will have effect of canceling and delaying sales. The added tax may result in loss of employment. We believe the special tax to be a discrimination, and that this business should not be expected to bear such a heavy burden.

Employees: Bert Vanes, Aug. Suess, Ernest Ternnis, R. C. Sackell, Jas. McWilliams, Rex Johnson, E. J. Chase, W. C. Rodd, W. J. Nederlander, Frank Sacie, R. A. Tipping, W. Labruw, F. A. Monroe, Geo. Rider, M. M. *Elhut*, B. B. Holt, A. D. Avery, John Hay, L. D. Trarahbury, Ben Shutt, H S. Perkins, J. N. Tincknel, C. Taylor, C. Bronson, G. Ovitz, T. C. Ilse, J. Filkewice, Peter Hidziak, Grovtoski, M. E. Maloney, F. Konowsui, R. Fuske, F. M. Wood, A. K. Yeraston, Wm. Allstine, Frank A. Mance, Art Karisher, R. L. Blake, L. H. James, Ira Teemers, B. V. Bassett, A. B. Edgel, C. W. Scan, A. M. Harris, W. Grist, Walter B. Brady, F. J. Brenner, M. J. Bishop, F. C. Smith, R. C. Liddle, D. T. Gray, B. W. Forbes, W. J. Hannon, Jacks Richardson, C. Hayer, C. J. Arthur, C. Wilcox, Walter Roman, J. J. Schlickenona, H. Palmer, John Tesla, Victor J. Aglowski, Harry Hartman, Anth Berels, J. Hogle, V. O. Heis, H. J. Pike, Z. Milvin, Wm. Riley, Chas. Beards, Don P. Moloney, Vin M. Wise, R. E. Weiss, E. F. Warren, F. L. Lovett, M. C. Herzig, L. A. Stevens, Louis Bothke, J. W. Roche, W. G Owen G. Misiner, E. J. Ford, G. R. Richardson, O. Cartson, A. L. Freer, O. O. Jones, J. Klein, Harold Lappan, J. Weber, H. K. Rone, Jos. Sylvan, M. Zligiur, P. Schuber, D. Macklaren, N. E. Roberts, G. W. Barker, John Roldgs, C. Fitzgerald, B. Miecbesowki, Luke Olean, Henry Yapki, D. G. Relvet, H. Kissner, Dan Linberg, Ed M. Donnell, Clarence Corlwe, Fred M. Zecder, A. W. Eberan, Geo. W. Criv, P. G. Haegnebart, G. T. Jones, C. R. Nicodemus, P. Hess, J. C. Hogan, D. H. Chapman, E. J. Stuart, M. R. Denison, D. O. Heist, J. E. Hawley, J. W. Martin, J. Sinlim, Harry Panphell, Jack Morris, S. Rosenberg, G. Knohleski, Jos. Berinsah, P. Smith, C. T. Upper, J Steki, Tom Evola, Al Muzynski, T. Zulkowski, O. Dubroski, R. S Lehman, J. Reiser, E. J. Durst, F. Nusbann, Suittch, Max Retter, S. Nikischer, Ceastman, H. Voigt, J. Gastic, Jow Frank, Jos. Okwklutx, H. Wenner, J. Weiler, Jack Arnold, Ira Harrington, C. D. Robinson, T. Rohkowe, N. Dare, John E. Cawley, Otto W. Ropuguet, C. Dow, R. Robison, Ottis Buhlinger, Dan S. Price, R. F. Kossage, M. C. Bogard, John Dixker, E. Loomey, Joe Foel, Frank Renaker, G. W. Berz, O. Ronowski, B. Ginter, I. Prazer, Anton Toocks, A. Kowatk, C. Dilks, H. Green, F. D. Dressel, H. Dejit, B. Gilmore, Emile Thearenk, J. E. Thek Thos. Finick, A. F. Wallace, A. J. Leaynor, E. Harris, Otto Fish, Raymond Buett, Geo. Jones, Tom Petere, E. E. Blastowski, Leo Glinski, G. Horork, O. Ciliy, J. Rizfer, Gust Hawsey J. Marcinla, J. M. Becket, R. Framuel, A. Joelgenson, F. Somerfielm, J. Klinics, Davis Evans, F. O'Hare, Andrew Veleon, G. M. Henon, J. M. Michael, O. Plant, C. Abrdker, L. Bloom, G. Lakin, Earl Osson, Fritz Tetner, F. M. Hull, Jos. Gopin, Ed Coll, H. Dusselhouse, Smith, Stempsyiaski, Jack Miller, O. Doty, W. Staffnick, E. Flowers, A. Byers, John Zojoy, J. B. Turesky, H. Brown, D. Grgunski, John J. Diebboll, Wm. Leiy, Jas. A. Duncan, L. Brown, Jno. Bergmon, F. P. Whiting, F. H. Guyott, Tony H. Scheffer, G. C. Meisoner.

Mr. SMITH of Michigan. I present a letter addressed to my colleague and myself from the president of the First National Bank of Kalamazoo, the president of Kalamazoo National Bank, the president of the Home Savings Bank of Kalamazoo, and the president of the Kalamazoo City Savings Bank, protesting against the proposed tax of $2 per thousand upon the capital, surplus, and undivided profits of all banks. I ask that the letter be printed in the RECORD and referred to the Committee on Finance.

There being no objection, the letter was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

KALAMAZOO CITY SAVINGS BANK,
Kalamazoo, Mich., October 4, 1914.

Hon. WILLIAM ALDEN SMITH and
Hon. CHARLES E. TOWNSEND,
United States Senate, Washington, D. C.

GENTLEMEN: We, the representatives of the banks of the city of Kalamazoo, protest against the enactment into law of the proposed tax of $2 per thousand upon the capital, surplus, and undivided profits of all banks, as contemplated in the so-called war-revenue bill.

We protest not because we are unwilling to bear our share of the burden of Government maintenance but because this tax is not laid alike upon the capital, surplus, and profits of all corporations.

We respectfully ask you to oppose this injustice with all the strength at your command.

Yours, respectfully,

FIRST NATIONAL BANK,
C. S. CAMPBELL, *President.*
KALAMAZOO NATIONAL BANK,
E. J. PHELPS, *President.*
HOME SAVINGS BANK.
V. T. BARKER, *President.*
KALAMAZOO CITY SAVINGS BANK,
HERBERT JOHNSON, *President.*

Mr. WARREN. I have received a great number of telegrams concerning the proposed tax on the horsepower of motor cars. I will simply ask that the briefest one of the lot, which consists of but two lines, may be printed in the RECORD. I will state that I have here several hundred telegrams to the same purport.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

RAWLINS, WYO., *October 6, 1914.*

Hon. F. E. WARREN,
United States Senate, Washington, D. C.:

Urge you protest against proposed tax on horsepower on motor cars. Will seriously affect our business and sale of cars.

SUNDIN GARAGE.
BIBLE GARAGE.
CLIFFORD SUNDIN.
HOMER FRANCE.
RAWLINS NATIONAL BANK.
FIRST NATIONAL BANK.

Mr. OLIVER presented memorials of sundry citizens of Pennsylvania, remonstrating against the proposed tax on life-insurance policies, which were referred to the Committee on Finance.

He also presented a memorial of the High Grade Oil Refining Co., of Bruin, Pa., remonstrating against the proposed tax on gasoline and other motor lubricants, which was referred to the Committee on Finance.

He also presented memorials of sundry citizens of Pennsylvania, remonstrating against the proposed tax on automobiles, which were referred to the Committee on Finance.

Mr. ROOT presented memorials from sundry merchandise brokers of the State of New York, remonstrating against the passage of the proposed war-revenue bill, which were referred to the Committee on Finance.

Mr. PERKINS presented memorials of the California Bankers' Association, of San Francisco; the Security Bank, of Oakland; and the First National Bank of Holtville, all in the State of California, remonstrating against the proposed tax on capital, surplus, and undivided profits of banks, which were referred to the Committee on Finance.

He also presented memorials of the San Francisco Life Insurance Co., of San Francisco, and the Pacific Mutual Life Insurance Co., of Oakland, all in the State of California, remonstrating against the proposed stamp tax on insurance companies, which were referred to the Committee on Finance.

He also presented a memorial of the Automobile Dealers' Association of Fresno, Cal., remonstrating against the proposed tax on automobiles, which was referred to the Committee on Finance.

He also presented a petition of Liberty Lodge, No. 11, Knights of Pythias, of Oakland, Cal., praying for the enactment of legislation to grant pensions to civil-service employees, which was referred to the Committee on Civil Service and Retrenchment.

He also presented the memorial of R. K. Madsen, of Parlier, Cal., remonstrating against the proposed war tax on dry wine used for vinegar, which was referred to the Committee on Finance.

He also presented the memorial of J. Allec, of San Francisco, Cal., remonstrating against the proposed tax on gasoline, which was referred to the Committee on Finance.

He also presented a memorial of eight banks of California, remonstrating against the proposed tax on capital and surplus of banks, which was referred to the Committee on Finance.

Mr. MARTINE of New Jersey. I present and ask to have read a resolution adopted by the West End Citizens' Association, of Washington, D. C., with reference to a bill which has been introduced by me to fix the salary of the auditor of the Supreme Court of the District of Columbia. It is a short resolution. I will say, and I ask that it be read and referred to the Committee on the District of Columbia.

There being no objection, the resolution was read and referred to the Committee on the District of Columbia, as follows:

WEST END CITIZENS' ASSOCIATION,
Washington, D. C., October 3, 1914.

Hon. JAMES E. MARTINE,
United States Senate, Washington, D. C.

DEAR SIR: The following resolution was unanimously adopted at the September meeting of our association, held last Monday evening, and ordered referred to you for the consideration of the Congress:

"*Resolved*, That the West End Citizens' Association approved House bill No. 17097, to fix the salary of the auditor of the Supreme Court of the District of Columbia, and petitions the United States Senate its early enactment into law. We recommend that that official receive a fixed salary not exceeding $5,000 per annum, and that all necessary expenses of maintaining the office be paid out of the fees received from litigants and others, and that the surplus, if any, be deposited in the United States Treasury to the credit of the District of Columbia, the latter being required to pay all expenses incidental thereto."

Respectfully,

GEORGE W. EVANS, *President.*

Attest:

LUTHER W. LINKINS, *Secretary.*

EMPLOYEES OF RAILWAY MAIL SERVICE.

Mr. BORAH. Mr. President, on September 23 I presented some petitions, letters, and newspaper clippings with reference to a certain bill, being Senate bill 5826, to prevent the use of the stop watch or other time-measuring devices on Government works, and so forth, and they were referred to the Committee on Education and Labor. Since presenting those petitions I have received a number of letters and telegrams asking that certain names be taken from the petitions, and so forth. I ask unanimous consent to withdraw those petitions from the Senate files.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

REPORTS OF COMMITTEES.

Mr. CHAMBERLAIN, from the Committee on Military Affairs, to which was referred the bill (H. R. 9270) for the relief of John M. Gray, reported it without amendment and submitted a report (No. 807) thereon.

Mr. MYERS, from the Committee on Public Lands, to which was referred the bill (S. 6484) to provide for the nonmineral entry of lands withdrawn, classified, or reported as containing coal, phosphate, nitrate, potash, oil, gas, or asphaltic minerals in Alaska, reported it with an amendment and submitted a report (No. 806) thereon.

NAVAL WAR COLLEGE OF BRAZIL.

Mr. THORNTON. In behalf of the Committee on Naval Affairs I present a favorable report on the joint resolution (S. J. Res. 193) to authorize the President to grant leave of absence to two commissioned officers of the line of the Navy for the purpose of accepting an appointment under the Government of Brazil as instructors in naval strategy and tactics in the Naval War College of Brazil, which I ask to have read, and I will ask unanimous consent for its present consideration.

The VICE PRESIDENT. Without objection, the joint resolution will be read.

The Secretary read the joint resolution, as follows:

Whereas the Republic of Brazil has recently established the Naval War College of Brazil at Rio de Janeiro, Brazil, and is desirous that two commissioned officers of the line of the Navy of the United States experienced in naval war college work be permitted to serve therein as instructors in naval strategy and tactics; and

Whereas the United States of America wishes to show its friendly feeling for the Republic of Brazil by complying with its desire: Now, therefore, be it

Resolved, etc., That the President be, and he is hereby, authorized, in his discretion, to grant leave of absence to not more than two commissioned officers of the line of the Navy of the United States to assist the Republic of Brazil as instructors in naval strategy and tactics in the Naval War College of Brazil, in pursuance of an arrangement to be made between such officers so detailed and the Government of Brazil; and that such officers while absent on such leave be, and they are hereby, authorized to accept from the Government of Brazil the said employment with compensation from the said Government: *Provided, however*, That the permission so given shall be held to terminate at such date as the President may determine. To insure the continuance of this work during such time as may be desirable, the President may have the power of substitution in case of the termination of the detail of an officer for any cause; and that the officers, while so absent in the service of the Republic of Brazil, shall receive no pay or allowances from the United States Government.

Mr. THORNTON. I ask that the letter of the Secretary of the Navy, which is attached to the joint resolution, may be read. It gives the reasons why the department desires the passage of the joint resolution.

The VICE PRESIDENT. Without objection the Secretary will read as requested.

The Secretary read as follows:

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
Washington, October 2, 1914.

MY DEAR MR. CHAIRMAN: The department has been informed that by virtue of the act of January 3, 1914, the Government of Brazil has established the Naval War College of Brazil at Rio de Janeiro, Brazil. An executive decree of February 25, 1914, promulgated the regulations governing this naval school, as follows:

"Chapter 2, article 5, section 3: Services of the general staff. Preparation of the navy for war. Conferences by an officer of a foreign navy with whom a contract shall be made or by an officer of the Brazilian Navy.

"Chapter 2, article 5, section 14: Strategy, tactics, and the naval war game. Course under the direction of a foreign professor with whom a contract shall be made or an officer of the Brazilian Navy."

The minister of marine of the Government of Brazil has suggested that contracts be made with two officers of the American Navy to act as instructors in naval strategy and tactics in the Naval War College of Brazil. This flattering proposal meets with the approval of this department. It is believed that such a detail will tend to develop the friendly relations between the Government of the United States and that of Brazil, and that the experience which will be gained by the naval officers so employed will redound to the advantage of both the American and Brazilian Navies.

The desired detail can not, in the absence of appropriate legislation, be made, in view of the explicit prohibition contained in the Constitution, Article I, section 9, clause 8, which reads as follows:

"No title of nobility shall be granted by the United States; and no person holding any office of profit or trust under them shall, without the consent of the Congress, accept of any present, emolument, office, or title of any kind whatever from any king, prince, or foreign State."

The department, therefore, has drafted and submits herewith, with its strong recommendation for your immediate and favorable consideration, a joint resolution conferring upon the President the discretionary power to grant leave of absence to not more than two naval officers for the purpose of assisting the Republic of Brazil in the work of the Naval War College of Brazil. It will be noted that the officers so absent on leave are authorized to accept employment from the Government of Brazil, with such compensation as may be agreed upon, and that while they are so absent in the service of that country they shall receive no pay or allowances from the United States Government. In order to assure the continuance of this work during such time as may be desirable, it is proposed to confer upon the President the power of substitution in case it becomes necessary for any reason to terminate the detail of an officer so employed.

As the department understands that the work of the Naval War College of Brazil is to be taken up in the immediate future, I have the honor to request that you expedite, as far as practicable, the consideration of the inclosed proposed joint resolution.

Faithfully, yours,

JOSEPHUS DANIELS,
Secretary of the Navy.

The CHAIRMAN COMMITTEE ON NAVAL AFFAIRS,
United States Senate, Washington, D. C.

Mr. THORNTON. If there be no objection to the present consideration of the joint resolution, I should like to have it considered at this time.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PENROSE:

A bill (S. 6569) granting an honorable discharge to Lawrence Lynch;

A bill (S. 6570) to appoint J. D. Nevin a second lieutenant on the active list of the United States Marine Corps; and

A bill (S. 6571) authorizing the appointment of Luther L. Martin as chief carpenter on the retired list of the United States Navy to rank with, but after, lieutenant (junior grade); to the Committee on Naval Affairs.

A bill (S. 6572) granting an honorable discharge to George W. Biggs;

A bill (S. 6573) granting an honorable discharge to George P. Sterling; and

A bill (S. 6574) granting an honorable discharge to John W. Gester; to the Committee on Military Affairs.

A bill (S. 6575) for the relief of the heirs of Joseph Medina, deceased; to the Committee on Claims.

A bill (S. 6576) granting an increase of pension to Robert F. Law (with accompanying papers);

A bill (S. 6577) granting an increase of pension to Robert J. Bingaman (with accompanying papers);

A bill (S. 6578) granting an increase of pension to Henry Reed;

A bill (S. 6579) granting a pension to Charles M. Ward;

A bill (S. 6580) granting a pension to Margaret McCarty;

A bill (S. 6581) granting an increase of pension to George Price;

A bill (S. 6582) granting an increase of pension to S. A. Wehr;

A bill (S. 6583) granting an increase of pension to S. B. McBride;

A bill (S. 6584) granting a pension to Emma A. Davis;

A bill (S. 6585) granting an increase of pension to Thomas Collins;

A bill (S. 6586) granting a pension to Henry A. Clemmens;

A bill (S. 6587) granting an increase of pension to Arthur R. Weare;

A bill (S. 6588) granting a pension to Emma W. Paye;

A bill (S. 6589) granting a pension to Lena Demozzi;
A bill (S. 6590) granting an increase of pension to James C. Welsh;
A bill (S. 6591) granting a pension to Charlotte S. Manley;
A bill (S. 6592) granting an increase of pension to Henry Lichtley;
A bill (S. 6593) granting a pension to John M. Kuntz;
A bill (S. 6594) granting an increase of pension to William D. Johnson;
A bill (S. 6595) granting an increase of pension to Harvey Haugh;
A bill (S. 6596) granting an increase of pension to Cassius P. Harvey;
A bill (S. 6597) granting an increase of pension to Patrick Devlin;
A bill (S. 6598) granting a pension to William F. Woolsey; and
A bill (S. 6599) granting a pension to J. H. Dempsey; to the Committee on Pensions.

By Mr. BORAH:
A bill (S. 6600) granting an increase of pension to Jefferson Wood (with accompanying papers); to the Committee on Pensions.

By Mr. STERLING (for Mr. CRAWFORD):
A bill (S. 6601) granting an increase of pension to Eli C. Walton (with accompaying papers); and
A bill (S. 6602) granting a pension to Oscar Gray (with accompanying papers); to the Committee on Pensions.

TRADE WITH FOREIGN NATIONS.

Mr. FLETCHER submitted an amendment intended to be proposed by him to the bill (H. R. 18666) to authorize the United States, acting through a shipping board, to subscribe to the capital stock of a corporation to be organized under the laws of the United States or of a State thereof or of the District of Columbia to purchase, construct, equip, maintain, and operate merchant vessels in the foreign trade of the United States, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

ADDRESS BY HON. N. J. BACHELDER (S. DOC. NO. 587).

Mr. McCUMBER. I have here an address by Hon. N. J. Bachelder, former master of the National Grange and former governor of New Hampshire, delivered at the agricultural fair at Rye, N. H., October 1, 1914. It is replete with strong and important suggestions relative to the whole agricultural question. I should like to have it printed as a public document. It would be fair to say, however, before offering it as a public document that he would be dull indeed who would not observe from the general contents that it favors the Republican policies in reference to agricultural products.

The VICE PRESIDENT. Is there objection? The Chair hears none.

LITTLE KANAWHA RIVER RAILROAD, WEST VIRGINIA.

Mr. CHILTON. I submit a resolution and ask for its immediate consideration. It simply calls upon the Interstate Commerce Commission for some information concerning the management and ownership of the Little Kanawha River Railroad, a railroad running up the Little Kanawha River in West Virginia. I hope there will be no objection to the immediate consideration of the resolution.

Mr. TOWNSEND. I believe there is on the desk a resolution which comes over from a preceding day. I should like to have that resolution disposed of. Then I shall have no objection to the consideration of the resolution submitted by the Senator from West Virginia. The resolution to which I refer has been objected to once or twice, and I should like to have it considered at this time.

Mr. CHILTON. I did not object to the Senator's resolution.

Mr. TOWNSEND. I know the Senator did not.

Mr. CHILTON. Why not consider this resolution now?

Mr. TOWNSEND. I prefer to have the other resolution first considered.

Mr. CHILTON. Then the Senator from Michigan objects to the consideration of this resolution?

Mr. TOWNSEND. I do object at this time.

Mr. CHILTON. Then, Mr. President, I submit the resolution and ask that it be referred to the proper committee.

Mr. TOWNSEND. I shall not object to the resolution being considered when it comes up in its regular order.

Mr. CHILTON. But does the Senator object at this time?

Mr. TOWNSEND. At this time; yes. When we get to the regular order I shall not object.

Mr. CHILTON. I do not understand the Senator.

Mr. TOWNSEND. I shall not object to the resolution when it comes up in regular order after the morning business has been disposed of. I shall then have no objection to the consideration of the resolution.

Mr. CHILTON. I submit the resolution, and ask that it take the usual course.

The VICE PRESIDENT. The Secretary will read the resolution submitted by the Senator from West Virginia.

The resolution (S. Res. 462) was read, as follows:

Resolved, That the Interstate Commerce Commission be, and it is hereby, requested to investigate and report to the Senate as soon as possible the following:

First. What persons, firms, or corporations own the stock of the railroad running up the Little Kanawha River, in the State of West Virginia, from Parkersburg to Elizabeth, and whether or not the control of such stock is in the hands of any combination of railroads or of any trust or syndicate controlled by railroads engaged in interstate commerce.

Second. Whether or not any combination of interstate railroads, or any combination under control of interstate railroads, control the said Little Kanawha Railroad; and if so, how; and whether or not said railroad is being held for any purpose other than as a legitimate branch of commerce.

Third. All of the facts concerning the ownership, control, and management of said railroad, and whether or not it is now being held by interstate railroads for legitimate transportation purpose or is being held to tie up and prevent the development of the Little Kanawha Valley.

Mr. TOWNSEND. I withdraw my objection to the consideration of the resolution.

The VICE PRESIDENT. Is there objection to the consideration of the resolution?

The resolution was considered by unanimous consent and agreed to.

NATIONAL HOME FOR DISABLED VOLUNTEER SOLDIERS.

Mr. CHAMBERLAIN. I ask unanimous consent for the immediate consideration of the joint resolution (H. J. Res. 241) for the appointment of four members of the Board of Managers of the National Home for Disabled Volunteer Soldiers. I asked unanimous consent for its present consideration the other day, and the Senator from Ohio [Mr. BURTON] objected. I do not know whether or not he still objects.

Mr. BURTON. I am not disposed to object to the consideration of the joint resolution to-day. I think, however, my colleague [Mr. POMERENE] desires to be present when it is disposed of.

Mr. CHAMBERLAIN. I understand the Senator's colleague is satisfied. I will say to the Senator that if it should appear that there is any objection, I shall subsequently be too glad to have the action of the Senate reconsidered.

Mr. BURTON. My colleague on one occasion did object to the consideration of the joint resolution.

Mr. CHAMBERLAIN. He does not now object.

Mr. BURTON. Do I understand an amendment is to be proposed inserting the name of George H. Wood as one of the Board of Managers of the Home?

Mr. CHAMBERLAIN. Yes; that amendment will be proposed, I will say to the Senator from Ohio.

Mr. BURTON. I should like to address the Senate very briefly when the joint resolution comes up, but I shall occupy no long time in doing so.

Mr. TOWNSEND. Mr. President, I am going to ask for the regular order.

Mr. CHAMBERLAIN. Let me say to the Senator from Michigan that this joint resolution simply provides for the naming of the members of the Board of Managers of the National Home for Disabled Volunteer Soldiers.

Mr. TOWNSEND. I understand that, and there is no Senator in this body that I should more like to accommodate than the Senator from Oregon; but the resolution for which I desire consideration will take only a minute unless there is to be discussion of it, and if there is to be discussion it ought to be disposed of in some way. If I can have my request for the regular order granted, we can in some way dispose of the resolution in which I am interested.

The VICE PRESIDENT. The regular order has been called for. Are there further concurrent or other resolutions?

COAL LANDS IN ALASKA.

Mr. MYERS. I submit a conference report on the disagreeing votes of the two Houses upon the bill (H. R. 14233) to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes. (S. Doc. No. 586.)

Mr. SMOOT. I ask that the report be printed and lie over until to-morrow.

The VICE PRESIDENT. Without objection, it will lie over and be printed.

The report is as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14233) to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment as follows:

In lieu of the matter proposed by the Senate insert the following:

"That the Secretary of the Interior be, and hereby is, authorized and directed to survey the lands of the United States in the Territory of Alaska known to be valuable for their deposits of coal, preference to be given first in favor of surveying lands within those areas commonly known as the Bering River, Matanuska, and Nenana coal fields, and thereafter to such areas or coal fields as lie tributary to established settlements or existing or proposed rail or water transportation lines: *Provided*, That such surveys shall be executed in accordance with existing laws and rules and regulations governing the survey of public lands. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $100,000 for the purpose of making the surveys herein provided for, to continue available until expended: *Provided*, That any surveys heretofore made under the authority or by the approval of the Department of the Interior may be adopted and used for the purposes of this act.

"SEC. 2. That the President of the United States shall designate and reserve from use, location, sale, lease, or disposition not exceeding 5,120 acres of coal-bearing land in the Bering River field and not exceeding 7,680 acres of coal-bearing land in the Matanuska field, and not to exceed one-half of the other coal lands in Alaska: *Provided*, That the coal deposits in such reserved areas may be mined under the direction of the President when, in his opinion, the mining of such coal in such reserved areas, under the direction of the President, becomes necessary, by reason of an insufficient supply of coal at a reasonable price for the requirements of Government works, construction and operation of Government railroads, for the Navy, for national protection, or for relief from monopoly or oppressive conditions.

"SEC. 3. That the unreserved coal lands and coal deposits shall be divided by the Secretary of the Interior into leasing blocks or tracts of 40 acres each, or multiples thereof, and in such form as in the opinion of the Secretary will permit the most economical mining of the coal in such blocks, but in no case exceeding 2,560 acres in any one leasing block or tract; and thereafter, the Secretary shall offer such blocks or tracts and the coal, lignite, and associated minerals therein for leasing, and may award leases thereof through advertisement, competitive bidding, or such other methods as he may by general regulations adopt, to any person above the age of 21 years who is a citizen of the United States, or to any association of such persons, or to any corporation organized under the laws of the United States or of any State or Territory thereof: *Provided*, That a majority of the stock of such corporation shall at all times be owned and held by citizens of the United States: *And provided further*, That no railroad or common carrier shall be permitted to take or acquire through lease or permit under this act any coal or coal lands in excess of such area or quantity as may be required and used solely for its own use, and such limitation of use shall be expressed in all leases or permits issued to railroads or common carriers hereunder: *And provided further*, That any person, association, or corporation qualified to become a lessee under this act and owning any pending claim under the public-land laws to any coal lands in Alaska may, within one year from the passage of this act, enter into an arrangement with the Secretary of the Interior by which such claim shall be fully relinquished to the United States; and if, in the judgment of the Secretary of the Interior, the circumstances connected with such claim justify so doing, the moneys paid by the claimant or claimants to the United States on account of such claim shall, by direction of the Secretary of the Interior, be returned and paid over to such person, association, or corporation as a consideration for such relinquishment.

"All claims of existing rights to any of such lands in which final proof has been submitted and which are now pending before the Commissioner of the General Land Office or the Secretary of the Interior for decision shall be adjudicated within one year from the passage of this act.

"SEC. 4. That a person, association, or corporation holding a lease of coal lands under this act may, with the approval of the Secretary of the Interior and through the same procedure and upon the same terms and conditions as in the case of an original lease under this act, secure a further or new lease covering additional lands contiguous to those embraced in the original lease, but in no event shall the total area embraced in such original and new leases exceed in the aggregate 2,560 acres.

"That upon satisfactory showing by any lessee to the Secretary of the Interior that all of the workable deposits of coal within a tract covered by his or its lease will be exhausted, worked out, or removed within three years thereafter, the Secretary of the Interior may, within his decretion, lease to such lessee an additional tract of land or coal deposits, which, including the coal area remaining in the original lease, shall not exceed 2,560 acres, through the same procedure and under the same competitive conditions as in case of an original lease.

"SEC. 5. That, subject to the approval of the Secretary of the Interior, and under such rules and regulations as he may prescribe, lessees holding under leases small blocks or areas may consolidate their said leases or holdings so as to include in a single holding not to exceed 2,560 acres of contiguous lands.

"SEC. 6. That each lease shall be for such leasing block or tract of land as may be offered or applied for, not exceeding in area 2,560 acres of land, to be described by the subdivisions of the survey, and no person, association, or corporation, except as hereinafter provided, shall be permitted to take or hold any interest as a stockholder or otherwise in more than one such lease under this act, and any interest held in violation of this proviso shall be forfeited to the United States by appropriate proceedings instituted by the Attorney General for that purpose in any court of competent jurisdiction, except tnat any such ownership and interest hereby forbidden which may be acquired by descent, will, judgment, or decree may be held for one year, and not longer, after its acquisition.

"SEC. 7. That any person who shall purchase, acquire, or hold any interest in two or more such leases, except as herein provided, or who shall knowingly purchase, acquire, or hold any stock in a corporation having an interest in two or more such leases, or who shall knowingly sell or transfer to one disqualified to purchase, or except as in this act specifically provided, disqualified to acquire, any such interest, shall be deemed guilty of a felony, and upon conviction shall be punished by imprisonment for not more than three years and by a fine not exceeding $1,000: *Provided*, That any such ownership and interest hereby forbidden which may be acquired by descent, will, judgment, or decree may be held two years after its acquisition and not longer, and in case of minority or other disability such time as the court may decree.

"SEC. 8. That any director, trustee, officer, or agent of any corporation holding any interest in such a lease who shall, on behalf of such corporation, act in the purchase of any interest in another lease, or who shall knowingly act on behalf of such corporation in the sale or transfer of any such interest in any lease held by such corporation to any corporation or individual holding any interest in any such a lease, except as herein provided, shall be guilty of a felony and shall be subject to imprisonment for a term of not exceeding three years and a fine of not exceeding $1,000.

"SEC. 8a. If any of the lands or deposits leased under the provisions of this act shall be subleased, trusteed, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever, so that they form part of or are in anywise controlled by any combination in the form of an unlawful trust, with consent of lessee, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal, entered into by the lessee, or of any holding of such lands by any individual, partnership, association, corporation, or control, in excess of 2,560 acres in the Territory of Alaska, the lease thereof shall be forfeited by appropriate court proceedings.

"SEC. 9. That for the privilege of mining and extracting and disposing of the coal in the lands covered by his lease the lessee shall pay to the United States such royalties as may be specified in the lease, which shall not be less than 2 cents per ton, due and payable at the end of each month succeeding that of the shipment of the coal from the mine, and an annual rental, payable at the beginning of each year, on the lands covered by such lease, at the rate of 25 cents per acre for the first year thereafter, 50 cents per acre for the second, third, fourth, and fifth years, and $1 per acre for each and every year thereafter during the continuance of the lease, except that such rental for any year shall be credited against the royalties as they accrue for that year. Leases may be for periods of not more than 50 years each, subject to renewal, on such terms and conditions as may be authorized by law at the time of such renewal.

"SEC. 10. That in order to provide for the supply of strictly local and domestic needs for fuel the Secretary of the Interior

may, under such rules and regulations as he may prescribe in advance, issue to any applicant qualified under section 3 of this act a limited license or permit granting the right to prospect for, mine, and dispose of coal belonging to the United States on specified tracts not to exceed 10 acres to any one person or association of persons in any one coal field for a period of not exceeding 10 years, on such conditions not inconsistent with this act as in his opinion will safeguard the public interest, without payment of royalty for the coal mined or for the land occupied: *Provided*, That the acquisition or holding of a lease under the preceding sections of this act shall be no bar to the acquisition, holding, or operating under the limited license in this section permitted. And the holding of such a license shall be no bar to the acquisition or holding of such a lease or interest therein.

"SEC. 11. That any lease, entry, location, occupation, or use permitted under this act shall reserve to the Government of the United States the right to grant or use such easements in, over, through, or upon the land leased, entered, located, occupied, or used as may be necessary or appropriate to the working of the same or other coal lands by or under authority of the Government and for other purposes: *Provided*, That said Secretary, in his discretion, in making any lease under this act, may reserve to the United States the right to lease, sell, or otherwise dispose of the surface of the lands embraced within such lease under existing law or laws hereafter enacted in so far as said surface is not necessary for use by the lessee in extracting and removing the deposits of coal therein. If such reservation is made, it shall be so determined before the offering of such lease.

"That the said Secretary during the life of the lease is authorized to issue such permits for easements herein provided to be reserved, and to permit the use of such other public lands in the Territory of Alaska as may be necessary for the construction and maintenance of coal washeries or other works incident to the mining or treatment of coal, which lands may be occupied and used jointly or severally by lessees or permittees, as may be determined by said Secretary.

"SEC. 12. That no lease issued under authority of this act shall be assigned or sublet except with the consent of the Secretary of the Interior. Each lease shall contain provisions for the purpose of insuring the exercise of reasonable diligence, skill, and care in the operation of said property, and for the safety and welfare of the miners and for the prevention of undue waste, including a restriction of the workday to not exceeding eight hours in any one day for underground workers, except in cases of emergency; provisions securing the workers complete freedom of purchase, requiring the payment of wages at least twice a month in lawful money of the United States, and providing proper rules and regulations to secure fair and just weighing or measurement of the coal mined by each miner, and such other provisions as are needed for the protection of the interests of the United States, for the prevention of monopoly, and for the safeguarding of the public welfare.

"SEC. 13. That the possession of any lessee of the land or coal deposits leased under this act for all purposes involving adverse claims to the leased property shall be deemed the possession of the United States, and for such purposes the lessee shall occupy the same relation to the property leased as if operated directly by the United States.

"SEC. 14. That any such lease may be forfeited and canceled by appropriate proceeding in a court of competent jurisdiction whenever the lessee fails to comply with any provision of the lease or of general regulations promulgated under this act: *Provided*, That the possession of any lessee of any lands covered by his lease and the operation of the mines and other works thereon or the title of the product thereof, shall not be interfered with by the Secretary of the Interior except after an appropriate proceeding in the district court of Alaska instituted for the purpose of securing a forfeiture or termination of such lease, and such forfeiture or termination shall take effect only from the date of entry of final judgment declaring such forfeiture or termination: *Provided further*, That such court proceedings must be instituted within 90 days after notice to the lessee of the facts constituting such cause of action, or the same shall be forever barred.

"SEC. 15. That on and after the approval of this act no lands in Alaska containing deposits of coal withdrawn from entry or sale shall be disposed of or acquired in any manner except as provided in this act: *Provided*, That the passage of this act shall not affect any proceeding now pending in the Department of the Interior, and any such proceeding may be carried to a final determination in said department notwithstanding the passage hereof: *Provided further*, That no lease shall be made, under the provisions hereof, of any land, a claim for which is pending in the Department of the Interior at the date of the passage of this act, until and unless such claim is finally disposed of by the department adversely to the claimant.

"SEC. 16. That all statements, representations, or reports required, unless otherwise specified, by the Secretary of the Interior under this act shall be upon oath and in such form and upon such blanks as the Secretary of the Interior may require.

"SEC. 17. That the Secretary of the Interior is authorized to prescribe the necessary and proper rules and regulations and to do any and all things necessary to carry out and accomplish the purposes of this act.

"SEC. 18. That all acts and parts of acts in conflict herewith are hereby repealed."

And the Senate agree to the same.

H. L. MYERS,
M. A. SMITH,
Managers on the part of the Senate.
SCOTT FERRIS,
JAMES M. GRAHAM,
IRVINE L. LENROOT,
Managers on the part of the House.

AUTO TRUCKS FOR THE POSTAL SERVICE.

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a preceding day, which will be read.

The Secretary read the resolution (S. Res. 459) submitted by Mr. TOWNSEND September 28 (calendar day October 2, 1914), as follows:

Resolved, That the Postmaster General be, and hereby is, directed to send to the Senate at the earliest possible date, all information in his possession or in the possession of the Post Office Department in any manner bearing upon the action of the department in inviting the manufacturers of auto trucks, some time prior to the 8th day of September, 1914, to submit bids for supplying such trucks for the use of said department.

Such information to include the department's invitation to bidders; copies or originals of the respective bids received; the action of the department in forming a committee to pass upon the bids; how, by whom appointed, and under what instructions the committee acted, as well as the names of the individuals composing said committee; the full report of the committee and the reasons for its award of contract or contracts to other than the lowest responsible bidder, if such awards were made, and all correspondence or facts that will tend to give the fullest possible information regarding this transaction.

The VICE PRESIDENT. The question is on agreeing to the resolution.

Mr. BRYAN. Mr. President, I should like to inquire of the Senator from Michigan what is the purpose of this resolution? Has the Senator reason to believe that anything wrong has been done in the letting of contracts by the department?

Mr. TOWNSEND. Mr. President, the Senator from Michigan has reason to believe that things were done in reference to the letting of this contract which, with such information as the public now possesses, are very difficult to understand.

The fact of the matter is, as I understand and as I learned from the purchasing agent, that some time ago bids were invited for the furnishing of a certain number of automobile trucks for the Post Office Department. Specifications were sent out with the clear understanding that the lowest responsible bidder would receive the award. The bids were opened on the 8th day of September, as I recall. There were forty-odd bidders. Agents came here from all over the United States to be present at the opening of the bids. They were submitted to a committee of five, one from each of the divisions of the Post Office Department and one from the purchasing agent's office. Report has it that this committee submitted their findings to the Postmaster General, and that he did not follow its recommendations; that the findings were sent back to the committee; that another report was made; that half of that was rejected; and that the contract was let to the White Co., of New York or Cleveland. The bid of the White Co. for one class of cars was eighteenth above that of the lowest bidder, and in another class it was twenty-eighth, as I recall it, above that of the lowest bidder. I am speaking largely from statements that have come to me from the bidders and from what I have gleaned from the purchasing agent, who knew nothing personally about the awards, as the matter was not left in his hands.

I did not care to discuss this matter or to cast any reflections at all until full information was obtained. All I wanted was the facts, in order to be able to answer the people who have a right to know what course the department followed in letting this contract. That the award was irregular I have no doubt. I hope the record will show nothing worse.

Mr. BRYAN. Has the Senator made any inquiry of the department?

Mr. TOWNSEND. I wrote a letter to the department asking about this matter, and it admitted that the contract had been let to the White Co. It stated that there were a number of

White machines in the service now, and that the department thought it best to purchase other machines of the same company. They did not answer my question as to why they had put the manufacturers of automobile trucks all over the country to thousands of dollars of expense—and it amounted to that—to come down here to be present at the opening of bids when it was predetermined that the contract would be awarded not to the lowest bidder but to the White Co., which was far from the lowest bidder. There was no explanation of the apparent fact that several thousand dollars more had been paid for the White trucks than would have been necessary to purchase trucks of exactly similar specifications from other responsible companies.

Mr. BRYAN. How many trucks were purchased?

Mr. TOWNSEND. I believe six were finally purchased.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution was agreed to.

NATIONAL HOME FOR DISABLED VOLUNTEER SOLDIERS.

Mr. CHAMBERLAIN. I ask unanimous consent for the consideration of the joint resolution (H. J. Res. 241) for the appointment of four members of the Board of Managers of the National Home for Disabled Volunteer Soldiers.

Mr. BORAH. Mr. President, I desire to call attention to a matter before the morning hour shall close; but if the Senator from Oregon has a resolution which he desires to dispose of, I will give way for a moment.

Mr. CHAMBERLAIN. I will say to the Senator that the urgency for the consideration of the joint resolution grows out of the fact that the Board of Managers of the National Home for Disabled Volunteer Soldiers is incomplete now, and can not transact business.

Mr. BORAH. Will there be any discussion of the joint resolution?

Mr. BURTON. I wish to be heard briefly upon it.

Mr. CHAMBERLAIN. How long will the Senator take?

Mr. BURTON. Not over 5 minutes.

Mr. BORAH. I will yield in order that the Senator from Oregon may secure consideration of the joint resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate, as in Committee on the Whole, proceeded to consider the joint resolution (H. J. Res. 241) for the appointment of four members of the Board of Managers of the National Home for Disabled Volunteer Soldiers, which had been reported from the Committee on Military Affairs with an amendment.

Mr. CHAMBERLAIN. There are two or three amendments I desire to propose to the joint resolution.

The VICE PRESIDENT. The amendment proposed by the committee will be stated.

The SECRETARY. On page 1, line 3, after the name "Illinois," it is proposed to strike out "George H. Wood, of Ohio," and to insert "John C. Nelson, of Indiana."

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. CHAMBERLAIN. I desire to state that that was the committee amendment. I am authorized to move to further amend the committee amendment, but I presume the motion will be in order after the committee amendment has been adopted.

The VICE PRESIDENT. Oh, no.

Mr. SMITH of Michigan. If the Senator will pardon me, in this plan is it contemplated by the Senator from Oregon that efficient, honorable, and painstaking representatives who are now on this board shall be succeeded by Democrats?

Mr. CHAMBERLAIN. If the Senator will listen to the amendments to be proposed, he will find that the name of Mr. George H. Wood will be restored to the joint resolution; and in addition to that——

Mr. SMITH of Michigan. Is he one of the present managers?

Mr. CHAMBERLAIN. No; he is not.

Mr. BURTON. He is not one of the members of the present board.

Mr. CHAMBERLAIN. The purpose of the amendment is to increase the membership to five by inserting the name of Mr. Wood.

Mr. SMITH of Michigan. Will the Senator name the other gentleman whose name is to be inserted?

Mr. CHAMBERLAIN. The other gentleman named in the proposed amendment of the committee is John C. Nelson.

Mr. SMITH of Michigan. Does the Senator know the new man? Is he a Democrat?

Mr. CHAMBERLAIN. I will say to the Senator that I really do not know the politics of any of these men. The joint resolution came from the House containing the names of James S. Catherwood, George H. Wood, Frederick J. Close, and Thomas S. Bridgham. Those were the names in the joint resolution as it came over to us from the House, and those names were selected by the House.

Mr. SMITH of Michigan. What I say about this matter is not intended to reveal any hostility to Democrats as such, but, Mr. President, I should dislike very much to see this board made partisan. I do not think that would be to our credit and I would not consent to such a plan.

Mr. CHAMBERLAIN. I am frank to say to the Senator that I do not know the politics of any of these gentlemen. They were named in the House; the joint resolution came to the Senate, and the Senate committee amended it by striking out the name of George H. Wood and inserting the name of John C. Nelson. I will say to the Senator it is now proposed to reinsert the name of George H. Wood and to add the name of John C. Nelson, so that there will be five appointees instead of four as provided for in the joint resolution as passed by the House.

Mr. SMITH of Michigan. Have these names been chosen by the Committee on Military Affairs?

Mr. CHAMBERLAIN. They were chosen by the House.

Mr. SMITH of Michigan. The House Committee on Military Affairs?

Mr. CHAMBERLAIN. Yes, sir.

Mr. SMITH of Michigan. And concurred in by the Senate Committee on Military Affairs?

Mr. CHAMBERLAIN. The resolution when it came from the House was referred to the Committee on Military Affairs.

Mr. SMITH of Michigan. I do not wish to intrude into the affairs of the Military Committee; I have no doubt its members are actuated by very worthy motives; but I think that we are getting a pretty strong representation of partisans on most of the boards which have recently been authorized.

Mr. CHAMBERLAIN. Does the Senator know the politics of any of these gentlemen? I do not.

Mr. SMITH of Michigan. No; but we have just created the Federal Reserve Board, supposed to be nonpartisan, whose functions rise far above the political horizon and relate to the welfare of the whole country, and I have been looking very diligently to find the Republican representation on that board. Partisanship is unbecoming in such a sphere, and I regret to see the President fill these places with Democrats alone.

Mr. KERN. Mr. President, I should like to suggest that I have been looking rather carefully to ascertain whether or not Democrats have had much representation on them.

Mr. SMITH of Michigan. They were appointed by the President from among his most active supporters.

Mr. O'GORMAN. Mr. President, may I say a word?

Mr. SMITH of Michigan. So far as I am able to do so, I yield to the Senator from New York.

Mr. CHAMBERLAIN. I yield to the Senator from New York.

Mr. O'GORMAN. The gentleman appointed from the State of New York on the Federal Reserve Board testified that his political activities, whatever they had been, had always been for the Republican Party. I refer to Mr. Warburg.

Mr. SMITH of Michigan. I think he also said that he never had been active.

Mr. SMOOT. And had never voted.

Mr. SMITH of Michigan. As my recollection goes, he said he had never even take the trouble to vote, although he is able and honorable.

Mr. O'GORMAN. My impression is that he had aided the Republican Party in other ways.

Mr. SMITH of Michigan. Was he rewarded in this manner for his silence and failure to comply with the usual duties of citizenship, or was it because he was the only man who could be found to answer to that description, or because of the contributions of his firm to the Wilson campaign fund?

Mr. O'GORMAN. No; he was selected, I believe, because of his peculiar qualifications for the work in question; and in making the selection the President was not influenced by partisan considerations.

Mr. CHAMBERLAIN. Mr. President, I hope the Senator from Michigan will not interject that question in here, because this is really an urgent matter.

Mr. SMITH of Michigan. I would not inject any partisanship into this matter if I could, and I have no disposition to do so to-day when everything seems to be running along so harmoniously on the other side of the Chamber. I do not know that I shall object to the passage of the joint resolution, but I would object very seriously to its passage if an attempt is made to make this board which has the control and direction of the National Home for Disabled Volunteer Soldiers partisan.

Mr. CHAMBERLAIN. Let me say to the Senator that the only question that has held up this joint resolution for so long is a sort of dispute between the Senators from Indiana and the Senators from Ohio. We thought we had overcome the difficulty by an amendment which would meet their objection. I will say that I have not heard the politics of any of these gentlemen discussed at any time.

Mr. SMOOT. Does the Senator mean they got the men whom they desired appointed named in the joint resolution?

Mr. CHAMBERLAIN. It is unfair for the Senator to suggest that. The fact is the Senators from Ohio thought that Mr. Wood ought to be on the board, and there arose a dispute about it. There is no reason why both men should not be on the board, as they are both good men.

Mr. BURTON. Mr. President, if the Senator from Oregon will permit me, so far as I am concerned there has been no controversy in regard to the men. I do not look with favor on the proposed change in the personnel of the board, and I wish to be heard briefly on it at the proper time.

Mr. KERN. Mr. President, if the Senator will allow me——

Mr. CHAMBERLAIN. I yield to the Senator from Indiana.

Mr. KERN. The controversy grew up somewhat in this way: Col. Nelson, of Indiana, was named originally by the House committee. He was a distinguished Union soldier, who served throughout the war with the rank of captain, one of the leading citizens of Logansport, a man who has taken no interest in politics for years. The last I heard of him was in 1896, when he was a gold Democrat. I understand, however, that he generally affiliates with the Democratic Party, but he is a man whom no one regards as a politician. He is a high-grade, honorable gentleman, and a representative Union soldier. The proposition then was to substitute the name of a Spanish War veteran, Col. Wood, of Ohio, a very estimable man, in place of Col. Nelson, and that was finally done by the House. I insisted that this gallant old Union veteran, one of the best citizens of Indiana, should not be sidetracked for a soldier of a later war, against whom nothing in the world could be said, and so finally it was agreed that the service would not be impaired in any way by appointing both men on the board.

Mr. WARREN. Mr. President, may I ask a question of my colleague on the committee? I was out for a moment when the joint resolution was called up. How many appointees are proposed by the joint resolution?

Mr. CHAMBERLAIN. As it is proposed to be amended it names five.

Mr. WARREN. What will be the total number?

Mr. CHAMBERLAIN. There will be seven on the full board.

Mr. WARREN. The Senator probably remembers—I want to refresh my memory about it—the legislation had a year or two ago, which proposed to do away with this board, and, which, if I remember rightly, provided that as each member's time expired the office should cease, and at the end it should be turned over to the War Department for management under the Secretary of War. Am I correct about that?

Mr. CHAMBERLAIN. The report calls attention to that resolution.

Mr. WARREN. If the Senator will bear with me—I did not happen to be present when this resolution was considered in the committee—what are the terms of these appointees?

Mr. CHAMBERLAIN. I really forget the terms of office. I did know at the time the joint resolution was considered by the committee, but I do not now recall the number.

Mr. WARREN. Do these appointments agree with the movement that was made in the legislation suggested a year or two ago?

Mr. CHAMBERLAIN. I hardly think so, because that resolution provided that when the board was finally reduced to five there should not be any members in excess of that number; but the effect of this resolution, if passed, would be to repeal that, by implication, at least, and to appoint these men.

Mr. BORAH. Since our good friends on the other side have limited us to an hour to transact the business this morning, if it is their purpose to consume that hour I hope they will be so generous as to extend the time for 10 or 15 minutes.

Mr. CHAMBERLAIN. I do not think there will be any objection to that from this side.

Mr. WARREN. I wish to make one more inquiry. The old system provided for one member for each of the great national homes. After great discussion, especially in conference between the House and the Senate over this movement, it was determined, or, at least, that was the idea of the legislation, that unless there was a continuance of a member for each home—and so far as the old soldiers of the Civil War were concerned, they were getting to be very few—the number ought to be cut down, and finally have it lodged with the Secretary of War. Does the Senator think, if we are going to enlarge the number and amend that law, that we ought to stop short of the original number, the 10?

Mr. CHAMBERLAIN. I think we could do that. It is just a question of policy.

Mr. WEST. Is any salary carried by this appointment?

Mr. CHAMBERLAIN. The members are only paid their expenses, I think, except the president of the board, who is really the acting head of it.

Mr. WARREN. That is correct.

The VICE PRESIDENT. The question is on the first amendment proposed by the committee.

Mr. CHAMBERLAIN. I ask that the first amendment be not agreed to.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 1, line 3, after the word "Illinois," it is proposed to strike out "George H. Wood, of Ohio," and insert "John C. Nelson, of Indiana."

The amendment was rejected.

Mr. CHAMBERLAIN. On page 1, line 4, after the words "of Ohio," I move to insert "John C. Nelson, of Indiana."

The amendment was agreed to.

Mr. CHAMBERLAIN. There is another amendment on page 2 of the bill.

The SECRETARY. On page 2, line 1, after the word "*Provided*," it is proposed to strike out "Four" and insert "Five"; and after the word "members," to strike out "of said board," so as to read:

Provided, Five members shall constitute a quorum for the transaction of business at any regular or special meeting thereof.

The amendment was agreed to.

Mr. CHAMBERLAIN. I should like to have inserted, after the word "accepted," on page 2, line 1, the words "and John M. Holley, deceased."

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. After the word "accepted," in line 1, page 2, it is proposed to insert the words "and John M. Holley, deceased."

The amendment was agreed to.

The VICE PRESIDENT. The joint resolution is in Committee of the Whole and still open to amendment.

Mr. BURTON. Mr. President, I do not at all question the good faith of the Committee on Military Affairs of the Senate, and there is no doubt that the members selected for the Board of Managers of the Soldiers' Homes are men of excellent character and ability; but this proposed action, coming to us in the form of a resolution from the House, is certainly open to the charge of partisanship.

In the selection of the Board of Managers of the Soldiers' Home in the past no political considerations have been allowed to have weight. It is true that the majority of the members have been Republicans. There was at least one member, however, from my own State—Gen. Anderson—who held office not only for the allotted six years but until his death, who was prominent in Democratic politics. But what appears here? Three Republicans, well known as such—Oscar M. Gottschall, of Ohio; William Warner, of Missouri, for six years a Member of this body; and Franklin Murphy, of New Jersey, formerly governor, all of them Republicans—together with another member, who is deceased, whose politics I do not know, are to be superseded by four Democrats, one of them an appointee of the Democratic governor of Ohio.

I recognize that it is in the power of the Democratic majority to pass this resolution. They have the responsibility for appointments and the general conduct of affairs, and while at times I have objected to this resolution, I am not disposed to continue my objection. I do wish, at least, to state, however, that the course of this board of managers will be very carefully scrutinized in future. It would be in their power, now that there is a Democratic majority, to reorganize the official force in the respective soldiers' homes. I think in the soldiers' home in my own State, at Dayton, there are as many as 500 employees. I have received a promise from one of the prospective members who is to be appointed here that he will entirely ignore political considerations; that he will not listen to the dictates of any Democratic boss or leader in the making of appointments. Certainly in the years in which I have been associated with politics in Ohio I do not recall ever having made a recommendation for an appointment in that soldiers' home, and I trust the same standard may be observed now that the board of managers is under the control of Democrats.

I do not so much object to their politics, but I have some degree of apprehension that this selection of four Democrats means a reorganization of the respective soldiers' homes, in their management, along political lines. I wish to state here

that the course of the management, in the performance of the duties intrusted to them, certainly will be very carefully watched.

Mr. CHAMBERLAIN. Mr. President, I think the Secretary and I did not understand each other. After the word "*Provided*," I proposed the following amendment:

Said board, after the passage of this resolution, shall be composed of seven members, and.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. It is proposed to insert, on page 2, line 1, after the word "*Provided*," the following words:

Said board, after the passage of this resolution, shall be composed of seven members, and.

The amendment was agreed to.

The joint resolution was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed, and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

The title was amended so as to read: "A joint resolution for the appointment of five members of the Board of Managers of the National Home for Disabled Volunteer Soldiers."

COTTON SITUATION IN THE SOUTH.

Mr. BANKHEAD. Mr. President, I gave notice that I would address the Senate to-day, immediately after the morning business, on the cotton situation in the South. Inasmuch as the Senate has decided to adjourn at 1 o'clock, I desire to give notice that on to-morrow, immediately after the conclusion of the morning business, I shall address the Senate.

HOUR OF ADJOURNMENT.

Mr. BORAH. I ask the Senator from Indiana if he will not move for a reconsideration of his motion, so that we may have until half past 1 o'clock to-day.

Mr. KERN. I move that the vote be reconsidered by which the Senate agreed to adjourn at 1 o'clock to-day.

The motion to reconsider was agreed to.

Mr. KERN. I will say that the motion is made with the understanding that as soon as the Senator from Idaho concludes his remarks the Senate will adjourn. That is the understanding.

WILHELMINA ROHE.

Mr. O'GORMAN. I ask unanimous consent for the present consideration of House bill 11166. It gives a pensionable status to Mrs. Wilhelmina Rohe, the widow of a soldier who lost his life in Japan 13 years ago. He was a private. He disappeared, and some few days afterwards a body was found near by. There was some question as to whether it was that of the missing soldier. The department has no objection to the passage of the bill. It has been passed by the House, and has the recommendation of the Committee on Military Affairs.

The VICE PRESIDENT. The bill will be read.

The bill was read, as follows:

Be it enacted, etc., That in the administration of the pension laws John Rohe shall be hereafter held and considered to have been drowned in Nagasaki Harbor, Japan, on the 20th day of March, 1901, in line of duty and while in the service of the United States as a private in Company M, Twenty-sixth Regiment United States Volunteer Infantry.

Mr. BRYAN. Mr. President, has the Senator read the report of the department containing a letter from The Adjutant General?

Mr. O'GORMAN. I have it before me.

Mr. BRYAN. Does the Senator find any place there where it is made evident that the body found was the body of this soldier?

Mr. O'GORMAN. I read from next to the last paragraph of a letter sent by Gen. Andrews, The Adjutant General:

A consideration of the facts recited indicates that there is merit in the case, and that the matter may be so presented to Congress as to warrant the favorable action desired.

Then, in the last sentence of the last paragraph, it is stated, in substance, that a bill proposing legislation to the effect that the principal "shall hereafter be held and considered" to have been discharged or killed or drowned, as the case may be, has not been found to be objectionable.

Mr. BRYAN. I think I shall have to object to the consideration of the bill at this time.

Mr. O'GORMAN. I am very sorry the Senator takes that attitude, particularly after the Military Affairs Committee has unanimously approved the bill.

Mr. BRYAN. Mr. President, it has been some time since I read the report of the committee, but there is no evidence at all there to show whether this man deserted or was drowned or was killed or what became of him. He may be living yet, a deserter from the Army of the United States, and we are solemnly to declare here that he shall be considered to have been drowned.

Mr. WARREN. Will the Senator withhold his objection for a moment?

Mr. BRYAN. We do not know whether he was drowned or not. There is no evidence here to show that he has been drowned. There is no evidence but that he is living to-day.

Mr. O'GORMAN. The fact is that he was reported missing on March 20, 1901, from the camp occupied by the Twenty-sixth United States Infantry at Japan. He has not been seen since. On April 3 following, about two weeks later, a man's body was found clad in a United States soldier's uniform in the bay near Nagasaki, close to the point where he disappeared. While the body was not actually identified as being that of Rohe, its state of decomposition making it impossible definitely to recognize the body, the indications were that the body was that of the missing soldier.

Mr. WARREN. Will the Senator from New York yield to me for a moment?

Mr. O'GORMAN. I yield.

Mr. WARREN. I desire to say, in regard to this case, that the evidence was carefully examined by the subcommittee having it in charge, and every circumstance seemed to indicate the death of the soldier by drowning.

In the first place, it was discovered that the soldier whose body was found had on a nearly new uniform, and the records show that Rohe had drawn a new uniform but a short time before that.

In the next place, it was shown that he was on the vessel with other troops prior to this time; that no other soldier of that command was missing; and while the withdrawal of those troops of course left it so that direct evidence from his comrades could not be had, the later advices from his comrades after they arrived on this side, the short time that elapsed between the time he was known to be in the service and the time of his disappearance, the fact of his new uniform, and the fact that no other soldier was missing at the time, give every presumption that the man was drowned, as set forth in the report.

Mr. SHAFROTH. Mr. President, I will ask the Senator from New York if it is not a fact that under the common law, in case of absence for seven years without being heard from, the person is presumed to be dead?

Mr. O'GORMAN. That presumption is indulged in and respected by nearly every court in this country.

Mr. BRYAN. Suppose he is dead; where is the evidence that he was drowned? Where is the evidence that he died in the line of duty? If he died in the line of duty we do not need to pass any legislation. The department will pay his widow a pension. This bill comes here because the department can not see its way clear to arrive at the conclusion that he was drowned. That is the trouble.

You have two difficulties here. In the first place, there is a question whether the body found was the body of this soldier. Upon that question it is said that the soldier had on practically new clothes and that the clothes found upon this body were new clothes; but, going further to identify him, it is said that Rohe had sound teeth, while there were 10 teeth missing from the body of the man that was found. Then, again, a Japanese officer reported that the death of the individual whose body was found was accidental and occurred about March 22, 1901.

The origin of death was not certain; probably it was by suicide. So you have not identification sufficient to show that the man is dead at all; and then, again, there is no proof whatever that he died in the line of duty. If he was a suicide, as a matter of course his widow is not entitled to a pension. That is the reason why I object to the consideration of the bill. I do not think the case is made. If he did die by drowning and the department can justly come to that conclusion, there is no necessity for this bill.

Mr. WARREN. No; the department can not come to that conclusion. It states that this can only be effected by legislation.

Mr. BRYAN. What is the reason? The department says:

The department has not undertaken to decide that the body found was not the body of Rohe, but it has taken the ground that in the absence of definite and conclusive evidence of the identity of the remains as those of Rohe, and of his death while in the line of his duty as a soldier, it is not justified by any process of elimination or otherwise in reaching the conclusion that the charge of desertion recorded against him is erroneous, or that he died while in the military service of the United States.

Mr. O'GORMAN. Mr. President, I desire to repeat the statement made by The Adjutant General, who examined into this case:

From evidence presented to this department it appears that there is considerable reason for believing that the body found was that of Rohe,

The soldier was missing for 10 or 15 days before the discovery of the body.

This matter has received the attention of the Committee on Military Affairs of the House; it has received the approval of that committee and of the House itself; it has been investigated by the Committee on Military Affairs of this body and has had its approval, and it is difficult to discover anything to justify opposition to the passage of such a meritorious bill under the circumstances as disclosed by this record.

Mr. BRYAN. Of course, the bill never had any business to go to the Committee on Military Affairs of the House or the Committee on Military Affairs of the Senate. It is purely a bill providing for a pension. It may be supposed that the Committee on Pensions, liberal as they are, could not see their way clear to do this, and it was taken to another committee. But it does not make any difference what committee reports it, there is no evidence here upon which we can base a vote in its favor. I do not think the bill ought to pass.

Mr. O'GORMAN. Do I understand that the Senator from Florida has withdrawn his objection to the consideration of the bill? If the Senator has not withdrawn objection to unanimous consent, I move that the Senate proceed to the consideration of the bill.

The VICE PRESIDENT. The question is on the motion of the Senator from New York.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 11166) for the relief of Wilhelmina Rohe.

The VICE PRESIDENT. The bill has been read. If there be no amendment, as in Committee of the Whole, the bill will be reported to the Senate.

Mr. SMOOT. Mr. President, just one word. I have not had time to look at the report and I have only heard partially what has been said this morning, but if it is a bill placing the widow of a soldier on the pension roll it ought to have been sent to the Committee on Pensions. It has no right to be considered by any other committee.

Mr. WARREN. Will the Senator from Utah allow me?

Mr. SMOOT. Certainly.

Mr. WARREN. This bill is to correct the military record, and such bills always go to the Committee on Military Affairs. When it comes to the matter of a pension the department will pass upon the question whether there ought to be a pension granted or not. If the bill passes, the Pension Bureau will look after that, and if it should again come before Congress as a bill pensioning the widow it would naturally go to the Committee on Pensions. This bill has no possible relation to the Committee on Pensions, in the first instance, because it is a matter of correcting the military record.

Mr. SMOOT. As I said, I have not had time even to read the bill, and I inferred from what I heard of the discussion that it is purely a pension matter. If so, it should have gone, of course, to the Committee on Pensions. I will admit that what the Senator from Wyoming says is true, that if it is to correct the military record of a soldier it should go to the Committee on Military Affairs. Therefore, what I was going to say, if that be the case, will be unnecessary at this time.

Mr. BRYAN. Mr. President, in justification of what I have said I want to say that the letter of The Adjutant General states that there were two members of the regiment who left the ship, and it was supposed that they had deserted. Rohe never rejoined it. The Adjutant General does not say whether the other man ever did or not. Instead of saying "shall be hereafter held and considered to have been drowned" I think it would be more justifiable to say "to have died in the line of duty." There is no evidence at all that he was drowned. But the effect will be the same, and I will not make a motion to amend the bill. The widow will get a pension whether he was drowned or not, and whether he is dead or not.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

EMPLOYEES OF RAILWAY MAIL SERVICE.

Mr. BORAH. Mr. President, a few days ago I called the attention of the Senate to what purported to be a statement upon the part of Alexander H. Stephens, General Superintendent of the Railway Mail Service, in a speech which he delivered at Indianapolis, Ind. I expressed some doubt at the time as to whether or not Mr. Stephens had been correctly reported. The statement seemed exceptional and almost incredible. But since that time I have received a copy of the Railway Post Office, a monthly published by the Railway Mail Association, at Cleveland, Ohio, and under date of September 19, 1914, there appears to be a complete report of his speech. I no longer have any doubt as to the fact that he used this language, and I shall act upon that conviction until the language is disavowed or disproved.

This incident arises from the signing of petitions on the part of employees of the Railway Mail Service concerning a certain bill which is now pending before the Senate, or rather which has been introduced and is now before the committee. In view of the language of Mr. Stephens and his conduct, I wish to read the body of this petition. I think the Senate will see that it is expressed in moderate terms and could be offensive to no one. I will say, however, that I did not draw this petition, neither did I know it was being circulated, but it is a petition which, as I take it, is clothed in proper language. It could not offend the most sensitive. It could only disturb those who have no answer but power to punish those who differ from them.

To the Members of the United States Senate in Congress assembled:

We, the undersigned, members of the Railway Mail Service, desire to call your attention and ask your support of a bill introduced by Senator WILLIAM E. BORAH (Senate bill 5826) to do away with "speeding up," or, as he has put it, "stop-watch methods," in the Government service.

We have been furnishing data on "speed tests" for some time, and while we do not object seriously to the extra work involved in getting this data for the records of the Post Office Department, we do object to having it used to our own disadvantage. That it is going to be so used is evident from the fact that we are charged with demerit marks if we do not show a certain speed.

In our service the amount of work to be done on any trip is influenced by so many and such varying conditions that no fixed standard amount of work can avoid working hardships on the clerks and to the detriment of the service.

Senator BORAH'S bill, if passed, will make it impossible for the department to establish such a standard.

We assure you that the passing of this law will lessen the feeling of uneasiness and discontent in our branch of the Government service.

That is the petition in its entirety. In discussing this matter Mr. Stephens is reported in this speech as having said:

And let me tell you that anybody that signs that petition with that statement is up before the general superintendent of this service for removal for lying. Tell your fellow clerks that. I do not think any of you gentlemen in Indianapolis have signed that petition, but whoever signs it is going to come up before the general superintendent for removal.

Again he says—and I invite the particular attention of those who may be in close communication with the Postmaster General to this statement:

I have the power and the authority and the inclination and the decision to remove that man from the service.

I do not assume, of course, that the Postmaster General has authorized Mr. Stephens to make any such statement, but I am wondering where Mr. Stephens got authority to say that he has "the power and the authority and the inclination and the decision" to remove the man from the service for the mere fact of signing a respectfully written petition concerning a measure in which the particular individual signing the petition might be himself interested. It would be in violation of the civil-service law, in defiance of both the letter and spirit, and he would not assume to have any such authority, it would seem, unless he had been authorized by those above him who would protect him. Mr. Stephens's language can have no other construction than that the Postmaster General will connive at and aid in violating the civil-service law and in punishing employees for the exercise of a most fundamental right of citizenship.

I do not know that that is true; but either Mr. Stephens should explain his language and disavow this statement or the inference must follow that the Postmaster General has authorized him to make such a statement.

Mr. President, since this address was delivered I have received a great many letters from different parties who signed the petition, and while I am not going to insert the names signed to these letters and subject these men to the surveillance and to the impudent interference of this tyrannizing satellite of bureaucracy, I am going to read enough of them to show the effect his statement has had. This letter says:

I am taking the liberty of writing you in regard to the bill relating to doing away with the speed test in the Railway Mail Service. My name appears on what I now believe may be one of those petitions, and I take this means of respectfully asking you to strike my name off the petition. I am inclosing you a stock envelope by which I hope to be favored with a propitious reply.

Another writer from another State says:

Recently petitions to Congress urging the enactment into law of your bill, Senate bill No. 5826, which would do away with "speed tests" that are being applied to the Government service, were circulated among railway postal clerks.

I signed one of these petitions, because I felt sure that the speed test would not be a practical demonstration of a clerk's ability, as it was proposed and is administered. Subsequent events have only strengthened my convictions. The speed test is a theory that works well on paper but not in actual practice.

However, our general superintendent, A. H. Stephens, in a recent speech to railway postal clerks, which is published in our official organ, the Railway Post Office, for the month of September, says he has "the power and the authority and the inclination and the decision" to remove from the service every clerk who signed the petition. Although

I deny the general superintendent's charge that the petition is a lie and while I deny that he has any just cause for my removal, still I believe that he has the whip hand and could remove me on one charge or another, fancied, if not real.

Therefore you will please remove my name from the said petition.

While my sympathies are with your bill and I hope it becomes law, yet I can ill afford to lose my position.

For that reason and that reason alone I desire you to at least withhold my name.

Wishing you success, I am,

Very respectfully—

And so forth.

Another letter from a different part of the country reads as follows:

DEAR SIR: I would most respectfully request that my name be erased from a recent petition forwarded you in support of your bill to abolish what is known as the speed test in the Railway Mail Service.

Not that I am not in full sympathy with and indorse your bill, but recent public statements of the General Superintendent of the Railway Mail Service places in jeopardy the position of every clerk who attaches his name to the petition sent you. While I feel fully satisfied that the Superintendent of the Railway Mail Service will not directly remove a man for exercising a right guaranteed him by the Constitution of the United States and vouchsafed by a recent act of Congress, yet when once in possession of the names of the clerks who signed the petition in question, methods could be devised to secure their removal without the necessity of having to give the signing of this petition as a reason therefor. Against such a contingency, what chance has a clerk to feel sure of his position?

I have given the best part of my life—and my record will show that I have given it faithfully and conscientiously—to the Railway Mail Service, and with a wife and family dependent upon me for support I can not afford to take the chance of being summarily removed.

For these reasons alone I wish to withdraw my name.

Mr. President, could anything be more intolerable or indefensible than just that condition of affairs? We have upon the statute books of the United States an express provision of law providing that these employees and similar employees may have the right to petition Congress. It would hardly be supposed that it would ever be necessary to place that rule in the crystallized form of a statute in view of the fundamental and essential principles of our Government and the charter under which we live. But, nevertheless, we did as an additional guaranty and an additional safeguard enact into the law of August 24, 1912, that they should have this right, the inference and the logic being that they should not be interfered with or disturbed by reason of the exercise of the right. Yet by the signing of a most respectfully couched petition concerning a matter in which they are gravely interested, and about which their judgment ought to be always considered, they are informed by the Superintendent of the Railway Mail Service that he is authorized, not only authorized but determined, to remove them.

But we not only have, Mr. President, this statute and the law of the land, but I am also going to read an expression of view from one of the noted works of modern fiction—the Democratic platform. It says, as adopted at Baltimore:

We also recognize the right of direct petition to Congress by employees for the redress of grievances.

Mr. President, there are numerous letters here which I might insert in the RECORD, but I have read enough to show the situation. I introduce these in the RECORD for the purpose of inviting to its reading the attention of the Postmaster General, and I further put them in the RECORD for the purpose of inviting the attention of the President of the United States. If this remains unchallenged, and this language of Mr. Stephens is not disavowed, if it is permitted to stand as it now is, we must accept the proposition that this administration is willing, in the face of the plainest and most uncontroverted principles of free government and in the face of their platform pledges, to see men thus harassed and punished and denied their simplest rights. I shall wait with interest, for this is not a trivial matter and will not be permitted to rest unless disavowed.

It is difficult to realize that we have traveled thus far already, Mr. President, on this blighting, vicious, undermining, sapping system of bureaucracy. Citizens of a great Republic, interested in a matter of proposed legislation, are deprived of their right to express themselves concerning it, even in a most orderly and respectable way, and are deprived of that right by a mere petty, impudent, time-serving, slavish, coarse-grained, cowardly attaché of bureaucracy. These men, as one can not doubt from their letters, feel sincerely in regard to this matter, and the fact that they may be right or may be wrong as to their views can not, on the question of their right to express themselves, have any relevancy whatever. But notwithstanding their interests and their views, they feel that they can not risk annoyance and punishment, can not risk being pushed out of a position and their families subjected to want and suffering, and therefore yield to the situation—give up their right to have a say or a voice in the matter of deepest concern to them as citizens. They are in effect disfranchised; they are robbed of their first right as citizens, as supporters and taxpayers of the Government, as law-abiding, home-loving citizens, and robbed of this right by an arbitrary, bullying, vicious, and unconscionable overemployee of the Government.

The first impulse and the first instinct of a gentleman is to be considerate, thoughtful, and tolerant of the interests and views of those who chance to be below him in the struggle of life. No man unmindful of the rights of his fellow man or intolerant as to the plainest privileges of citizenship has sufficient moral fiber left in his being to represent this Republic in any capacity whatever.

A man loyal to our institutions, sensitive in the slightest degree to the admonitions which come to those who would see them preserved, will respect the rights of the humblest and most dependent as quickly as the rights of the strong and the powerful. One who would brutalize the feelings of those who can not except at great cost protect their interests is to be distrusted, for he possesses neither the sense of justice nor the conception of manhood indispensable to a trusted employee of the Government. These men, sir, are under him; they are at his mercy. The civil-service law would be futile to protect them. For entertaining such narrow, vicious, and vindictive feelings there is no falsehood he would not father, no slander he would not propagate to bring them within the rules of the civil service and within the pale of his splenetic and revengeful purpose.

Now, Mr. President, these employees need take no further risk. Their situation is fully understood; whatever merit this bill has will be fully presented and made known. If it has sufficient merit to commend itself to the Congress, it will become a law. If there is any one argument, however, which stands out more strongly in its favor than any other, it is that these men are to be speeded up and tested under the supervision and gaze of a man who seems to think that they are slaves and subjects, the despised dumb cogs in a vast machine, to be worked to the limit, and when worn and broken to be kicked into a junk pile as refuse and waste.

Mr. CHAMBERLAIN. I move that the Senate adjourn until to-morrow at 12 o'clock noon.

The VICE PRESIDENT. Twelve o'clock or 11 o'clock?

Mr. CHAMBERLAIN. Some Senator has suggested 12 o'clock, and I move that the Senate adjourn until that hour.

The motion was agreed to; and (at 1 o'clock and 25 minutes p. m.) the Senate adjourned until to-morrow, Thursday, October 8, 1914, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *October 7, 1914.*

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Lord our God and our Father, humbly and reverently we bow before Thee that our souls may receive that uplift of the spirit which comes through personal contact with Thee; that the demands of our higher and better nature may be subserved, and Thy will be done in us, through Jesus Christ our Lord. Amen.

The SPEAKER. The Clerk will read the Journal.

Mr. HENRY. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Texas [Mr. HENRY] makes the point of order that there is no quorum present, and evidently there is not.

Mr. UNDERWOOD. Mr. Speaker, I move a call of the House.

The SPEAKER. The gentleman from Alabama moves a call of the House.

The motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Abercrombie	Burgess	Davenport	George
Adair	Burke, Pa.	Dies	Gerry
Aiken	Burke, Wis.	Dooling	Glass
Ainey	Byrnes, S. C.	Doughton	Goeke
Anderson	Calder	Driscoll	Goldfogle
Anthony	Callaway	Edmonds	Gordon
Austin	Campbell	Elder	Graham, Ill.
Barchfeld	Cantrill	Evans	Graham, Pa.
Bartholdt	Carr	Faison	Gregg
Bell, Cal.	Cary	Fess	Griest
Britten	Church	Finley	Griffin
Brockson	Coady	Fitzgerald	Guernsey
Brodbeck	Connelly, Kans.	Fowler	Hamill
Broussard	Connolly, Iowa	Francis	Harris
Brown, N. Y.	Conry	French	Helvering
Brown, W. Va.	Copley	Gallivan	Hinds
Browning	Curry	Gardner	Hinebaugh

Hobson	Lieb	Parker	Stringer
Hoxworth	Lindquist	Patten, N. Y.	Sumners
Hulings	Linthicum	Powers	Sutherland
Humphrey, Wash.	Loft	Ragsdale	Talcott, N. Y.
Humphreys, Miss.	McAndrews	Rainey	Taylor, N. Y.
Johnson, S. C.	McGuire, Okla.	Reed	Temple
Jones	MacDonald	Riordan	Ten Eyck
Keister	Mahan	Sabath	Townsend
Kelly, Pa.	Maher	Saunders	Treadway
Kennedy, R. I.	Martin	Scully	Tribble
Kent	Merritt	Sherley	Tuttle
Kettner	Metz	Shreve	Wallin
Kindel	Moss, W. Va.	Sisson	Walters
Kinkaid, Nebr.	Mott	Slemp	Watkins
Kitchin	Murdock	Small	Whaley
Knowland, J. R.	Neeley, Kans.	Smith, Idaho	Whitacre
Konop	Nolan, J. I.	Smith, Md.	White
Korbly	Norton	Smith, Minn.	Willis
Kreider	O'Brien	Smith, N. Y.	Wilson, N. Y.
L'Engle	Oglesby	Sparkman	Winslow
Lenroot	O'Hair	Stanley	Woodruff
Lever	O'Shaunessy	Stedman	Woods
Lewis, Md.	Paige, Mass.	Stephens, Cal.	
Lewis, Pa.	Palmer	Stevens, N. H.	

The SPEAKER. On this call 266 Members, a quorum, have answered to their names.

Mr. UNDERWOOD. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors, and the Clerk will read the Journal.

The Journal of the proceedings of yesterday was read and approved.

LEAVE OF ABSENCE.

Mr. BURKE of Wisconsin, by unanimous consent, was granted leave of absence, for 15 days, owing to sickness in his family.

ANTITRUST LEGISLATION.

The SPEAKER. The Clerk will report the conference report on the antitrust bill.

The conference report was read, as follows:

CONFERENCE REPORT (NO. 1168).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 25, 35, 38, 42, 45, 46, 47, 53, 56, 59, 63, 80, 93, and 94.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 8, 9, 10, 11, 12, 13, 14, 15, 17, 19, 20, 21, 23, 24, 27, 28, 29, 30, 31, 32, 33, 34, 36, 37, 40, 44, 48, 65, 66, 67, 68, 69, 70, 75, 79, 81, 82, 83, 85, 87, and 88; and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following:

"SEC. 2. That it shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly, to discriminate in price between different purchasers of commodities, which commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce: *Provided*, That nothing herein contained shall prevent discrimination in price between purchasers of commodities on account of differences in the grade, quality, or quantity of the commodity sold, or that makes only due allowance for difference in the cost of selling or transportation, or discrimination in price in the same or different communities made in good faith to meet competition: *And provided further*, That nothing herein contained shall prevent persons engaged in selling goods, wares, or merchandise in commerce from selecting their own customers in bona fide transactions and not in restraint of trade."

And the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 3. That it shall be unlawful for any person engaged in commerce, in the course of such commerce, to lease or make a sale or contract for sale of goods, wares, merchandise, machinery, supplies, or other commodities, whether patented or unpatented, for use, consumption, or resale within the United States or any Territory thereof, or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, or fix a price charged therefor, or discount from, or rebate upon, such price, on the condition, agreement, or understanding that the lessee or purchaser thereof shall not use or deal in the goods, wares, merchandise, machinery, supplies, or other commodities of a competitor or competitors of the lessor or seller, where the effect of such lease, sale, or contract for sale or such condition, agreement, or understanding may be to substantially lessen competition or tend to create a monopoly in any line of commerce."

And the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the figure "3" inserted by said amendment insert the figure "4"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 5. That a final judgment or decree hereafter rendered in any criminal prosecution or in any suit or proceeding in equity brought by or on behalf of the United States under the antitrust laws to the effect that a defendant has violated said laws shall be prima facie evidence against such defendant in any suit or proceeding brought by any other party against such defendant under said laws as to all matters respecting which said judgment or decree would be an estoppel as between the parties thereto: *Provided*, This section shall not apply to consent judgments or decrees entered before any testimony has been taken: *Provided further*, This section shall not apply to consent judgments or decrees rendered in criminal proceedings or suits in equity, now pending, in which the taking of testimony has been commenced but has not been concluded, provided such judgments or decrees are rendered before any further testimony is taken.

"Whenever any suit or proceeding in equity or criminal prosecution is instituted by the United States to prevent, restrain, or punish violations of any of the antitrust laws, the running of the statute of limitations in respect of each and every private right of action arising under said laws and based in whole or in part on any matter complained of in said suit or proceeding shall be suspended during the pendency thereof."

And the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the figure "5" inserted by said amendment insert the figure "6"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the figure "6" inserted by said amendment insert the figure "7"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the words stricken out by said amendment insert the word "substantially"; after the word "acquisition" and the comma thereafter, in line 16, page 7, insert "or to restrain such commerce in any section or community"; and after the word "or," in line 16, page 7, insert the word "tend"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the words stricken out by said amendment insert the word "substantially"; after the word "acquired" and the comma thereafter, in line 24, page 7, insert "or to restrain such commerce in any section or community"; and after the word "or," in line 1, page 8, insert the word "tend"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the words stricken out by said amendment insert the word "substantially"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment as follows: After

the word "thereof" at the end of said amendment add the words "or the civil remedies therein provided"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment strike out only the matter contained in lines 16 to 24, inclusive, page 9, and lines 1 to 17, inclusive, page 10; at the beginning of line 18, page 10, insert "SEC. 8"; after the word "association," in line 21, page 10, strike out the comma, and after the word "company," in the same line, insert a comma; after the words "United States," in line 22, page 10, insert a comma; strike out the figures "$2,500,000," in line 24, page 10, and in line 3, page 11, and insert in lieu thereof in each instance the figures "$5,000,000"; in line 16, page 11, after the word "association," strike out the comma, and in the same line, after the word "company," insert a comma; in line 17, page 11, after the words "United States," insert a comma; strike out the word "one," in line 18, page 11, and insert in lieu thereof the word "two"; and after the word "association," in line 23, page 11, strike out the comma; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment as follows: In line 16, page 12, after the word "than," insert the following: "banks, banking associations, trust companies and"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows: Change "SEC. 8" to "SEC. 9"; and after the words "accruing from" in said amendment insert the following: ", or used in,"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 11. That authority to enforce compliance with sections 2, 3, 7 and 8 of this act by the persons respectively subject thereto is hereby vested: In the Interstate Commerce Commission where applicable to common carriers, in the Federal Reserve Board where applicable to banks, banking associations, and trust companies, and in the Federal trade commission where applicable to all other character of commerce, to be exercised as follows:

"Whenever the commission or board vested with jurisdiction thereof shall have reason to believe that any person is violating or has violated any of the provisions of sections 2, 3, 7 and 8 of this act, it shall issue and serve upon such person a complaint stating its charges in that respect, and containing a notice of a hearing upon a day and at a place therein fixed at least 30 days after the service of said complaint. The person so complained of shall have the right to appear at the place and time so fixed and show cause why an order should not be entered by the commission or board requiring such person to cease and desist from the violation of the law so charged in said complaint. Any person may make application, and upon good cause shown may be allowed by the commission or board, to intervene and appear in said proceeding by counsel or in person. The testimony in any such proceeding shall be reduced to writing and filed in the office of the commission or board. If upon such hearing the commission or board, as the case may be, shall be of the opinion that any of the provisions of said sections have been or are being violated, it shall make a report in writing in which it shall state its findings as to the facts, and shall issue and cause to be served on such person an order requiring such person to cease and desist from such violations, and divest itself of the stock held or rid itself of the directors chosen contrary to the provisions of sections 7 and 8 of this act, if any there be, in the manner and within the time fixed by said order. Until a transcript of the record in such hearing shall have been filed in a circuit court of appeals of the United States, as hereinafter provided, the commission or board may at any time, upon such notice and in such manner as it shall deem proper, modify or set aside, in whole or in part, any report or any order made or issued by it under this section.

"If such person fails or neglects to obey such order of the commission or board while the same is in effect, the commission or board may apply to the circuit court of appeals of the United States, within any circuit where the violation complained of was or is being committed or where such person resides or carries on business, for the enforcement of its order, and shall certify and file with its application a transcript of the entire record in the proceeding, including all the testimony taken and the report and order of the commission or board. Upon such filing of the application and transcript the court shall cause notice thereof to be served upon such person and thereupon shall have jurisdiction of the proceeding and of the question determined therein, and shall have power to make and enter upon the pleadings, testimony, and proceedings set forth in such transcript a decree affirming, modifying, or setting aside the order of the commission or board. The findings of the commission or board as to the facts, if supported by testimony, shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the commission or board, the court may order such additional evidence to be taken before the commission or board and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The commission or board may modify its findings as to the facts, or make new findings, by reason of the additional evidence so taken, and it shall file such modified or new findings, which, if supported by testimony, shall be conclusive, and its recommendation, if any, for the modification or setting aside of its original order, with the return of such additional evidence. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari as provided in section 240 of the Judicial Code.

"Any party required by such order of the commission or board to cease and desist from a violation charged may obtain a review of such order in said circuit court of appeals by filing in the court a written petition praying that the order of the commission or board be set aside. A copy of such petition shall be forthwith served upon the commission or board, and thereupon the commission or board forthwith shall certify and file in the court a transcript of the record as hereinbefore provided. Upon the filing of the transcript the court shall have the same jurisdiction to affirm, set aside, or modify the order of the commission or board as in the case of an application by the commission or board for the enforcement of its order, and the findings of the commission or board as to the facts, if supported by testimony, shall in like manner be conclusive.

"The jurisdiction of the circuit court of appeals of the United States to enforce, set aside, or modify orders of the commission or board shall be exclusive.

"Such proceedings in the circuit court of appeals shall be given precedence over other cases pending therein, and shall be in every way expedited. No order of the commission or board or the judgment of the court to enforce the same shall in any wise relieve or absolve any person from any liability under the antitrust acts.

"Complaints, orders, and other processes of the commission or board under this section may be served by anyone duly authorized by the commission or board, either (a) by delivering a copy thereof to the person to be served, or to a member of the partnership to be served, or to the president, secretary, or other executive officer or a director of the corporation to be served; or (b) by leaving a copy thereof at the principal office or place of business of such person; or (c) by registering and mailing a copy thereof addressed to such person at his principal office or place of business. The verified return by the person so serving said complaint, order, or other process setting forth the manner of said service shall be proof of the same, and the return post-office receipt for said complaint, order, or other process registered and mailed as aforesaid shall be proof of the service of the same."

And transpose the same to follow amendment 51.

And the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 10. That after two years from the approval of this act no common carrier engaged in commerce shall have any dealings in securities, supplies, or other articles of commerce, or shall make or have any contracts for construction or maintenance of any kind, to the amount of more than $50,000, in the aggregate, in any one year, with another corporation, firm, partnership, or association when the said common carrier shall have upon its board of directors or as its president, manager, or as its purchasing or selling officer, or agent in the particular transaction, any person who is at the same time a director, manager, or purchasing or selling officer of, or who has any substantial in-

terest in, such other corporation, firm, partnership, or association, unless and except such purchases shall be made from, or such dealings shall be with, the bidder whose bid is the most favorable to such common carrier, to be ascertained by competitive bidding under regulations to be prescribed by rule or otherwise by the Interstate Commerce Commission. No bid shall be received unless the name and address of the bidder or the names and addresses of the officers, directors, and general managers thereof, if the bidder be a corporation, or of the members, if it be a partnership or firm, be given with the bid.

"Any person who shall, directly or indirectly, do or attempt to do anything to prevent anyone from bidding or shall do any act to prevent free and fair competition among the bidders or those desiring to bid shall be punished as prescribed in this section in the case of an officer or director.

"Every such common carrier having any such transactions or making any such purchases shall within 30 days after making the same file with the Interstate Commerce Commission a full and detailed statement of the transaction showing the manner of the competitive bidding, who were the bidders, and the names and addresses of the directors and officers of the corporations and the members of the firm or partnership bidding; and whenever the said commission shall, after investigation or hearing, have reason to believe that the law has been violated in and about the said purchases or transactions it shall transmit all papers and documents and its own views or findings regarding the transaction to the Attorney General.

"If any common carrier shall violate this section it shall be fined not exceeding $25,000; and every such director, agent, manager, or officer thereof who shall have knowingly voted for or directed the act constituting such violation or who shall have aided or abetted in such violation shall be deemed guilty of a misdemeanor and shall be fined not exceeding $5,000, or confined in jail not exceeding one year, or both, in the discretion of the court."

And transpose the same to follow line 23, page 13.

And the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment as follows: In lieu of the figure "11" inserted by said amendment insert the figure "12"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "transacts business; and all process in such cases may be served in the district of which it is an inhabitant, or wherever it may be found"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment as follows: In lieu of the figure "12" inserted by said amendment insert the figure "13"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment as follows: In lieu of the figure "13" inserted by said amendment insert the figure "14"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment as follows: Reinsert the matter stricken out by said amendment and insert the word "penal" after the words "any of the" and before the word "provisions," in line 15, page 14, and omit the matter inserted by said amendment; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment as follows: In lieu of the figure "14" inserted by said amendment insert the figure "15"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment as follows: In lieu of the figure "15" inserted by said amendment insert the figure "16"; and the Senate agree to the same.

Amendment numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment as follows: In lieu of "six, and seven," in said amendment, insert "three, seven, and eight"; and the Senate agree to the same.

Amendment numbered 64: That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment as follows: In lieu of the figure "16" inserted by said amendment insert the figure "17"; and the Senate agree to the same.

Amendment numbered 71: That the House recede from its disagreement to the amendment of the Senate numbered 71, and agree to the same with an amendment as follows: In lieu of the figure "17" inserted by said amendment insert the figure "18"; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows: Reinsert the matter stricken out by said amendment, inserting the word "sixteen" in lieu of the word "fourteen," in line 5, page 18; and the Senate agree to the same.

Amendment numbered 73: That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment as follows: In lieu of the figure "18" inserted by said amendment insert the figure "19"; and the Senate agree to the same.

Amendment numbered 74: That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment as follows: Strike out the comma after the word "employees," in line 18, page 18; and the Senate agree to the same.

Amendment numbered 76: That the House recede from its disagreement to the amendment of the Senate numbered 76, and agree to the same with an amendment as follows: In lieu of the figure "19" inserted by said amendment insert the figure "20"; and the Senate agree to the same.

Amendment numbered 77: That the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with an amendment as follows: Reinsert the words stricken out by said amendment, and in lieu of the matter inserted by said amendment insert the following: ", whether singly or in concert," and strike out the comma after the word "advising," in line 12, page 19; and the Senate agree to the same.

Amendment numbered 78: That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment as follows: Add a comma after the word "information," at the end of said amendment; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment as follows: In lieu of the figure "20" inserted by said amendment insert the figure "21"; and the Senate agree to the same.

Amendment numbered 86: That the House recede from its disagreement to the amendment of the Senate numbered 86, and agree to the same with an amendment as follows: In lieu of the figure "21" inserted by said amendment insert the figure "22"; and the Senate agree to the same.

Amendment numbered 89: That the House recede from its disagreement to the amendment of the Senate numbered 89, and agree to the same with an amendment as follows: In lieu of the figure "22" inserted by said amendment insert the figure "23"; and the Senate agree to the same.

Amendment numbered 90: That the House recede from its disagreement to the amendment of the Senate numbered 90, and agree to the same with an amendment as follows: In lieu of the figure "23" inserted by said amendment insert the figure "24"; and the Senate agree to the same.

Amendment numbered 91: That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with an amendment as follows: In lieu of the word "twenty" inserted by said amendment insert the word "twenty-one"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment as follows: In lieu of the figure "24" inserted by said amendment insert the figure "25"; and the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment as follows: Change "Sec. 27" to "Sec. 26"; and the Senate agree to the same.

E. Y. WEBB,
C. C. CARLIN,
J. C. FLOYD,
Managers on the part of the House.

C. A. CULBERSON,
LEE S. OVERMAN,
W. E. CHILTON,
Managers on the part of the Senate.

The statement is as follows:

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes, submit the following detailed statement in explanation of the effect of the action agreed upon by the conference committee and submitted in the accompanying conference report as to each of the amendments of the Senate, namely:

Amendment No. 1: This amendment provides that nothing in this act shall apply to the Philippine Islands.

Amendment No. 2: This amendment is a substitute agreed upon in conference as section 2, to take the place of section 2 in the bill as passed by the House. It eliminates the penalty of the original House bill, but declares the acts therein forbidden to be unlawful. It is as follows:

SEC. 2. That it shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly, to discriminate in price between different purchasers of commodities, which commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce: *Provided*, That nothing herein contained shall prevent discrimination in price between purchasers of commodities on account of differences in the grade, quality, or quantity of the commodity sold, or that makes only due allowance for difference in the cost of selling or transportation, or discrimination in price in the same or different commodities made in good faith to meet competition: *And provided further*, That nothing herein contained shall prevent persons engaged in selling goods, wares, or merchandise in commerce from selecting their own customers in bona fide transactions and not in restraint of trade.

Amendment No. 3: This amendment strikes out the original House section 3, providing against the arbitrary refusal to sell certain commodities and the penalty therefor.

Amendment No. 4: This amendment strikes out section 4 of the original House bill, providing against lease or sale, upon condition, of goods, wares, etc., with condition, agreement, or understanding that the lessee or purchaser shall not use or deal in the goods, etc., of a competitor and the penalty prescribed therein. It also strikes out section 2 as proposed by the Senate, dealing with the same subject, and the following is agreed to in conference as a substitute therefor:

SEC. 3. That it shall be unlawful for any person engaged in commerce, in the course of such commerce, to lease or make a sale or contract for sale of goods, wares, merchandise, machinery, supplies, or other commodities, whether patented or unpatented, for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, or fix a price charged therefor, or discount from, or rebate upon, such price, on the condition, agreement, or understanding that the lessee or purchaser thereof shall not use or deal in the goods, wares, merchandise, machinery, supplies, or other commodities of a competitor or competitors of the lessor or seller, where the effect of such lease, sale, or contract for sale, or such condition, agreement, or understanding may be to substantially lessen competition or tend to create a monopoly in any line of commerce.

Amendment No. 5: This amendment changes the number of this section from section 5 to section 4 to conform to other changes.

Amendment No. 6: This amendment strikes out section 6 of the original House bill, granting the benefit of the issues found in favor of the Government to individual suitors in actions or proceedings brought under or involving the provisions of any of the antitrust laws; also strikes out the amendment proposed by the Senate as section 4 of the Senate bill, relating to the same subject, and inserts in lieu thereof the following:

SEC. 5. That a final judgment or decree hereafter rendered in any criminal prosecution or in any suit or proceeding in equity brought by or on behalf of the United States under the antitrust laws, to the effect that a defendant has violated said laws, shall be prima facie evidence against such defendant in any suit or proceeding brought by any other party against such defendant under said laws, as to all matters respecting which said judgment or decree would be an estoppel as between the parties thereto: *Provided*, This section shall not apply to consent judgments or decrees entered before any testimony has been taken: *Provided further*, This section shall not apply to consent judgments or decrees rendered in criminal proceedings or suits in equity now pending in which the taking of testimony has been commenced but has not been concluded, provided such judgments or decrees are rendered before any further testimony is taken.

Whenever any suit or proceeding in equity or criminal prosecution is instituted by the United States to prevent, restrain, or punish violations of any of the antitrust laws, the running of the statute of limitations in respect of each and every private right of action arising under said laws and based in whole or in part on any matter complained of in said suit or proceeding shall be suspended during the pendency thereof.

Amendment No. 7: This amendment changes the number of this section from section 7 to section 6 to make it conform to other changes.

Amendment No. 8: This amendment transposes the word "nothing" in the original House bill, section 7, and adopts the Senate amendment therefor by adding that "the labor of a human being is not a commodity or article of commerce."

Amendment No. 9: Strikes out the word "fraternal" in section 7 of House bill.

Amendment No. 10: Strikes out the word "consumers" in House bill, section 7.

Amendment No. 11: Strikes out of section 7 of House bill the words "orders or associations."

Amendment No. 12: Strikes out of section 7 of the House bill the words "orders, or associations."

Amendment No. 13: This amendment adopts the Senate amendment by adding in section 7 of the House bill the word "lawfully," making this part of the sentence read: "from lawfully carrying out the legitimate objects thereof."

Amendment No. 14: This amendment strikes out the words "orders, or associations," agreeably to the Senate amendment to section 7 of the House bill.

Amendment No. 15: The House here recedes and agrees to the Senate amendment to strike out all of the second paragraph of section 7 of the House bill, which part exempts from the antitrust laws associations in traffic and operating officers of common carriers in making agreements, etc., subject to the jurisdiction of the Interstate Commerce Commission.

Amendment No. 16: This amendment changes the number of this section from section 8 to section 7 to make it conform to other changes.

Amendment No. 17: This amendment strikes out the word "is" in the House bill and inserts in lieu thereof the words "may be."

Amendment No. 18: This amendment strikes out the words "eliminate or," and inserts after the word "acquisition" the words "or to restrain such commerce in any section or community," and after the word "or" the further word "tend."

Amendment No. 19: This amendment strikes out the word "trade" and inserts in lieu thereof the word "commerce."

Amendment No. 20: This amendment strikes out the words "in any section or community."

Amendments Nos. 17, 18, 19, and 20 make this portion of section 8 of House bill read as follows:

where the effect of such acquisition may be to substantially lessen competition between the corporation whose stock is so acquired and the corporation making the acquisition, or to restrain such commerce in any section or community, or tend to create a monopoly of any line of commerce.

Amendment No. 21: This amendment strikes out the word "is" and inserts in lieu thereof the words "may be."

Amendment No. 22: This amendment strikes out the words "eliminate or," and inserts after the word "acquired" the words "or to restrain such commerce in any section or community," and after the word "or" the word "tend."

Amendment No. 23: This amendment strikes out the word "trade" and inserts in lieu thereof the word "commerce."

Amendment No. 24: This amendment strikes out the words "in any section or community." These last words stricken out were inserted earlier in this section.

Amendments Nos. 21, 22, 23, and 24 make the part of this paragraph of section 8 of the House bill read as follows:

may be to substantially lessen competition between such corporations, or any of them, whose stock or other share capital is so acquired, or to restrain such commerce in any section or community, or tend to create a monopoly of any line of commerce.

Amendment No. 25: This amendment restores the word "substantial," as originally contained in House bill.

Amendment No. 26: This amendment strikes out the words "eliminate or."

Amendment No. 27: This amendment strikes out the following:

Nothing contained in this section shall be held to affect or impair any right heretofore legally acquired: *Provided*, That nothing in this paragraph shall make stock-holding relations between corporations legal when such relations constitute violations of the antitrust laws.

Amendment No. 28: This amendment strikes out the words "railroad corporation" and inserts in lieu thereof the words "common carriers subject to the laws to regulate commerce."

Amendment No. 29: This amendment strikes out the word "branch" and inserts in lieu thereof the word "branches."

Amendment No. 30: This amendment strikes out the word "line" and inserts in lieu thereof the word "lines."

Amendment No. 31: This amendment strikes out the word "railroads."

Amendment No. 32: This amendment strikes out the word "line" and inserts in lieu thereof the word "lines."

Amendment No. 33: This amendment strikes out the words "railroad corporation" and inserts in lieu thereof the words "such common carrier."

Amendment No. 34: This amendment strikes out the word "railroad."

Amendment No. 35: This amendment restores the word "substantial."

Amendment No. 36: This amendment strikes out the words "any railroad company and inserts in lieu thereof the words "such common carrier."

Amendment No. 37: This amendment strikes out the words "railroad company" and inserts in lieu thereof the words "such common carrier."

Amendment No. 38: This amendment restores the word "substantial," which had been stricken out by the Senate.

Amendment No. 39: This amendment adds a new paragraph to section 8 of the House bill, as follows:

Nothing contained in this section shall be held to affect or impair any right heretofore legally acquired: *Provided*, That nothing in this section shall be held or construed to authorize or make lawful anything heretofore prohibited or made illegal by the antitrust laws, nor to exempt any person from the penal provisions thereof or the civil remedies therein provided.

Amendment No. 40: This amendment strikes out the following paragraph of section 8 of the House bill:

A violation of any of the provisions of this section shall be deemed a misdemeanor and shall be punishable by a fine not exceeding $5,000 or by imprisonment not exceeding one year, or by both, in the discretion of the court.

Amendment No. 41: The Senate amendment to the House bill struck out all of section 9, and in the conference all of this section was restored with the exception of the first paragraph thereof, which prohibited interlocking directorates between supply companies, etc., and common carriers. The restored part of this section was numbered section 8 and was further amended as follows: By inserting in lieu of "$2,500,000," wherever it appears therein, the figures "$5,000,000." The effect of this amendment is to permit interlocking directors and other officers or employees of banks, banking associations, and trust companies where the aggregate deposits, capital, surplus, and undivided profits do not amount to more than $5,000,000.

And further amended said section by striking out the word "one" and inserting in lieu thereof the word "two," making said section read in part as follows:

No bank, banking association, or trust company, organized or operating under the laws of the United States, in any city or incorporated town or village of more than 200,000 inhabitants, as shown, etc.

Amendment No. 42: This amendment strikes out the words "Sec. 7" and makes section 7 of the House bill a part of section 8, as agreed to.

Amendment No. 43: This amendment strikes out the word "either" and inserts in lieu thereof the words "any one," and adds the words "banks, banking associations, trust companies, and" after the word "than" and before the words "common carriers."

Amendment No. 44: This amendment strikes out the word "an" and inserts in lieu thereof the word "the."

Amendments Nos. 45, 46, and 47: These amendments restore the words "bank or other," in relation to corporations, which had been stricken out by the Senate.

Amendment No. 48: This amendment strikes out all of the following paragraph, originally contained in the House bill:

That any person who shall violate any of the provisions of this section shall be guilty of a misdemeanor and shall be punished by a fine of not exceeding $100 a day for each day of the continuance of such violation, or by imprisonment for such period as the court may designate, not exceeding one year, or by both, in the discretion of the court.

Amendment No. 49: This amendment inserts a new section, numbered 9, as follows:

SEC. 9. Every president, director, officer, or manager of any firm, association, or corporation engaged in commerce as a common carrier, who embezzles, steals, abstracts, or willfully misapplies, or willfully permits to be misapplied, any of the moneys, funds, credits, securities, property, or assets of such firm, association, or corporation, arising or accruing from, or used in, such commerce, in whole or in part, or willfully or knowingly converts the same to his own use or to the use of another, shall be deemed guilty of a felony, and upon conviction shall be fined not less than $500 or confined in the penitentiary not less than 1 year nor more than 10 years, or both, in the discretion of the court.

Prosecutions hereunder may be in the district court of the United States for the district wherein the offense may have been committed.

That nothing in this section shall be held to take away or impair the jurisdiction of the courts of the several States under the laws thereof; and a judgment of conviction or acquittal on the merits under the laws of any State shall be a bar to any prosecution hereunder for the same act or acts.

Amendment No. 50: This amendment was a new section inserted by the Senate as section 9, which was redrafted in conference and renumbered section 11 to conform to other changes, and vests jurisdiction in the Interstate Commerce Commission, the Federal Reserve Board, and the Federal Trade Commission to enforce the provisions of sections 2, 3, 7, and 8 of this act. This section also contains other provisions for the enforcement of this law.

Amendment No. 51: This amendment was a new section inserted by the Senate as section 11, which was redrafted in conference and relates to a common carrier dealing with a company engaged in selling securities or supplies where they have common directors, and renumbered as section 10.

Amendment No. 52: This amendment renumbers section 10 to be section 12.

Amendment No. 53: This amendment strikes out the following words which had been inserted by the Senate: "or against officers of a corporation by stockholders thereof."

Amendment No. 54: This amendment strikes out the words "has an agent" and inserts in lieu thereof the following: "transacts business; and all process in such cases may be served in the district of which it is an inhabitant, or wherever it may be found."

Amendment No. 55: This amendment changes the number of this section from section 11 to section 13.

Amendment No. 56: This amendment restores the proviso which had been stricken out by the Senate providing against the issuance of writs of subpœna for witnesses living out of the district in which the court is held and more than 100 miles from the place of holding court without the permission of the trial court.

Amendment No. 57: This amendment changes the number of this section from section 12 to section 14.

Amendment No. 58: The first part of section 12 of the House bill, down to and including the word "violation," was stricken out by the Senate, but in conference was restored with the addition of the word "penal" before the word "provisions" in the second line of the section.

This relates to the penal liability of individual directors, officers, or agents of corporations violating antitrust laws.

Amendment No. 59: This amendment strikes out the words "guilty of," which were inserted by the Senate.

Amendment No. 60: This amendment changes the number of this section from section 13 to section 15.

Amendment No. 61: This amendment changes the number of this section from section 14 to section 16.

Amendment No. 62: This amendment adds, after the word "laws," the following: "including sections 2, 3, 7, and 8 of this act."

Amendment No. 63: The Senate struck out the proviso contained in section 14 of the House bill. This was receded from in conference by the Senate.

Amendment No. 64: This amendment changes the number of this section from section 15 to section 17.

Amendment No. 65: This amendment strikes out the following words: "property or a property right of."

Amendment No. 66: This amendment strikes out the word "could" and inserts in lieu thereof the word "can."

Amendment No. 67: This amendment strikes out the word "or" and inserts in lieu thereof the words "and a."

Amendment No. 68: This amendment adds, after the word "fix," the following: "unless within the time so fixed the order is extended for a like period for good cause shown, and the reasons for such extension shall be entered of record."

Amendments Nos. 69 and 70: These amendments strike out the word "his" and insert in lieu thereof the word "the."

Amendment No. 71: This amendment changes the number of this section from section 16 to section 18.

Amendment No. 72: The following language, which was stricken out in the Senate, was restored in conference, with the word "sixteen" inserted in place of the word "fourteen": "except as otherwise provided in section 16 of this act."

Amendment No. 73: This amendment changes the number of this section from section 17 to section 19.

Amendment No. 74: This amendment adds the word "officers," making it read "their officers, agents, servants, employees, and attorneys."

Amendment No. 75: This amendment adds the words "or participating," making it read "or those in active concert or participating with them."

Amendment No. 76: This amendment changes the number of this section from section 18 to section 20.

Amendment No. 77: This amendment restores the words "person or persons" which had been stricken out by the Senate, and adds the words "whether singly or in concert."

Amendment No. 78: This amendment strikes out the following:

or from attending at or near a house or place where any person resides or works, or carries on business or happens to be, for the purpose of peacefully obtaining or communicating information—

And inserts in lieu thereof the following:

or from attending at any place where any such person or persons may lawfully be, for the purpose of peacefully obtaining or communicating information.

Amendment No. 79: This amendment strikes out the word "of" and inserts in lieu thereof the word "from," making it read "or from peacefully persuading," etc.

Amendment No. 80: This amendment restores the original House language which was stricken out in the Senate, as follows: "ceasing to patronize or to employ."

Amendment No. 81: This amendment adds, after the word "peaceful," the words "and lawful."

Amendment No. 82: This amendment strikes out, after the word "assembling," the words "at any place."

Amendment No. 83: This amendment strikes out the word "unlawful" and inserts in lieu thereof the words "to be violations of any law of the United States."

Amendment No. 84: This amendment changes the number of this section from section 19 to section 21.

Amendment No. 85: This amendment strikes out the words "at common law" and inserts in lieu thereof the following: "under the laws of any State in which the act was committed."

Amendment No. 86: This amendment changes the number of this section from section 20 to section 22.

Amendment No. 87: This amendment strikes out the word "person," making the sentence read "where the accused is a body corporate," etc.

Amendment No. 88: This amendment adds the following proviso to section 20 of the House bill:

Provided, That in any case the court or a judge thereof may, for good cause shown, by affidavit or proof taken in open court or before such judge and filed with the papers in the case, dispense with the rule to show cause, and may issue an attachment for the arrest of the person charged with contempt; in which event such person, when arrested, shall be brought before such court or a judge thereof without unnecessary delay and shall be admitted to bail in a reasonable penalty for his appearance to answer to the charge or for trial for the contempt; and thereafter the proceedings shall be the same as provided herein in case the rule had issued in the first instance.

Amendment No. 89: This amendment changes the number of this section from section 21 to section 23.

Amendment No. 90: This amendment changes the number of this section from section 22 to section 24.

Amendment No. 91: This amendment strikes out the word "nineteen" and inserts in lieu thereof the word "twenty-one," in order to make it conform to the renumbered section.

Amendment No. 92: This amendment changes the number of this section from section 23 to section 25.

Amendment No. 93: The Senate added an amendment designated as section 25, directing the court in certain cases to decree the dissolution of the monopoly in restraint of trade and to appoint receivers and cause its assets to be sold. The Senate receded from this amendment in conference.

Amendment No. 94: The Senate added an amendment designated as section 26, as follows:

It shall be unlawful for any corporation engaged in commerce to do any business in any State contrary to the laws of the State under which said corporation was created or contrary to the laws of the State in which it may be doing business. The District of Columbia shall be deemed a State within the meaning of this section.

The Senate receded from this amendment in conference.

Amendment No. 95: This amendment adds the following additional section to the bill:

SEC. 26. If any clause, sentence, paragraph, or part of this act shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

E. Y. WEBB,
C. C. CARLIN,
J. C. FLOYD,
Managers on the part of the House.

Mr. MANN. Mr. Speaker, I make the point of order against the conference report in that the conferees exceeded their jurisdiction by changing the text of the bill which was agreed to by both Houses and which was not in disagreement and not before the conference committee. The conferees state on page 4 of the conference report:

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment as follows: In line 16, page 12, after the word "than," insert the following: "banks, banking associations, trust companies and"; and the Senate agree to the same.

Amendment numbered 43 is an amendment to section 7 of the bill as it passed the House. It is found on page 14 of the House print of the bill with the Senate amendments, which, of course, is not the print referred to in the conference report. Section 7 of the bill is a section in reference to interlocking directorates and provides:

That from and after two years from the date of the approval of this act no person at the same time shall be a director in two or more corporations, either of which has capital, surplus, and undivided profits aggregating more than $1,000,000, engaged in whole or in part in commerce, other than common carriers subject to the act to regulate commerce, approved February 4, 1887, if such corporations are, or shall have been theretofore, by virtue of their business and location of operation, competitors, so that an elimination of competition by agreement between them would constitute a violation of any of the provisions of any of the antitrust laws.

The Senate amendment numbered 43 was a mere grammatical correction. The language referred to two or more corporations, and the House said "either of which had capital." The Senate struck out "either" and inserted "any one," making proper grammar. That was the only matter in dispute in that part of this bill between the two Houses.

The House had passed section 7, prohibiting interlocking directorates of all corporations having a capital of over a million dollars, except those subject to the act to regulate commerce, if it affected competition or if they were competitors, and the Senate agreed to identically the same language, except the mere grammatical correction. What the conferees have done is to eliminate from this section all banking corporations. The language which the conferees have now inserted would make the section read:

Any one of which has capital, surplus, and undivided profits aggregating more than $1,000,000, engaged in whole or in part in commerce, other than banks, banking associations, trust companies, and common carriers subject to the act to regulate commerce.

We have heard a great deal in reference to interlocking directorates of banks to stifle competition. Here was a proposition presented to the Congress where the House, by the language which it agreed to, forbade interlocking directorates of banks where competition was affected, and the Senate agreed to identically the same language, and yet the conferees by their report undertake to eliminate from this prohibition of interlocking directorates not only the railroads subject to the act to regulate commerce but also of banks, banking institutions, and trust companies.

On page 243 of the manual, paragraph 539, this language occurs:

The managers of a conference must confine themselves to the differences committed to them and may not include subjects not within the disagreements, even though germane to a question in issue.

And, again:

Managers may not change the text to which both Houses have agreed.

The SPEAKER. The Chair would like to ask the gentleman a question in order to get this matter straight.

Mr. MANN. Certainly.

The SPEAKER. The report says in line 16——

Mr. MANN. That is, line 16 of the print of the Senate amendment; but it comes in where I have indicated in the House print of the bill with the Senate amendment. It comes in on line 21, page 14, after the word "than." That is the way the conference report was originally prepared and the way it was originally submitted to the Senate, but as the references were not to the engrossed copy, the conferees properly made the change.

The SPEAKER. The gentleman may proceed. The Chair thought that was it.

Mr. MANN. In 1904 the House passed a legislative appropriation bill containing this language:

No part of any money appropriated by this act shall be available for paying expenses of horses and carriages, or drivers therefor, for the personal use of any officer provided for herein other than the President of the United States, the heads of executive departments, and the Secretary to the President.

I am reading from volume 5 of Hinds' Precedents, paragraph 6417.

The SPEAKER. The Chair wishes the gentleman would repeat that reference.

Mr. MANN. Volume 5 of Hinds' Precedents, paragraph 6417.

The language in that bill as passed by the House related only to money appropriated by that act, and forbidding the use of money appropriated by that act, being made available for paying the expenses of horses or carriages or drivers therefor for the personal use of any officer except those excepted. The Senate amended the provision by making it read:

By this or any other act.

And further provided in the same paragraph—

For the personal use of any officer provided for by this or any other act.

And the question at issue between the two bodies was whether the forbidding of the use of the money appropriated should be confined to the money appropriated by that act or any other act. And it only related to the personal use. The conferees made a report in which they inserted in the text of the bill, after the word "personal," the words "or official," so that the prohibition would extend to the use of money by all officers of the Government except those excepted, for the personal or official use of any officer of the Government.

I remember the occasion quite well. There was a very bitter fight both in the Senate and in the House, and a great deal of feeling on the subject of carriages being owned by the Government and used by the officials. And the act was passed by the House to only contain, except subject to a point of order, the limitation of money appropriated by that act.

The Senate made it "any other act," and that was the point. But it only applied to personal use, and the conferees inserted "official" in the text, so that it would read for the "personal or official" use of any officer. The point of order was made on the conference report by myself, as I see here. Mr. Cannon was the Speaker. He had been chairman of the Committee on Appropriations for a great many years, and had an exaggerated idea of reports made by the Committee on Appropriations. I made an argument before Mr. Speaker Cannon, who had said before the argument was made, "There is no use of discussing that. I will overrule the point of order." But I asked to be heard and was heard.

After hearing, the Chair took it under advisement and had the conference report laid over a day, and he secured the valuable asistance of one of the ablest parliamentarians who has ever lived, in my judgment, Mr. HINDS, and the Speaker came into the House next day and sustained the point of order, and made quite an elaborate ruling on the subject, going over the precedents, and deciding that the conferees, having before them certain amendments which were in disagreement, could not go outside of those amendments and start in to rewrite the text which had been agreed to by both bodies.

Among other things the Chair said:

This provision in the conference report inserts legislation that never was before the House or before the Senate, and it was quite competent for the conferees, if they could do this, to have stricken out the whole paragraph and inserted anything that was germane.

In other words, if the conferees were empowered to change the text at all, they were empowered to rewrite the bill. That is a function not conferred upon conferees.

Mr. SHERLEY. Will the gentleman tell me the page from which he is reading and the volume?

Mr. MANN. I am reading from page 674, volume 5, of Hinds' Precedents, paragraph 6417.

Now, in paragraph 6420, page 729, in 1907, Mr. James W. Wadsworth, father of the next Senator from New York State [applause on the Republican side], presented a conference report on the agricultural appropriation bill, whereupon the distinguished gentleman from New York [Mr. FITZGERALD] made a point of order. This was the point of order:

I wish to make the point of order against the conference report on the ground that the conferees have inserted on page 40 language in an item which was not in dispute between the two Houses. On page 40, line 24, the conferees have changed the text in the language agreed to by both Houses by inserting after the word "forest" the words "in the District of Columbia or elsewhere."

There was a matter where the text had been agreed to by both Houses and the conferees had inserted language in the text to carry out what they may be presumed to have thought was the intent of the two Houses, but intent not expressed in the bill. The Speaker held, sustaining the point of order made by Mr. FITZGERALD:

The gentleman from New York [Mr. FITZGERALD] makes the point of order that the conferees have exceeded their authority by changing the text to which both Houses have agreed by inserting after the word "forest" the words "in the District of Columbia or elsewhere." And the report states that such is the case. * * * The Chair sustains the point of order.

In the conference report on the railroad bill in 1906—the Hepburn law—there was included in the conference report certain language changing the text of the bill. No point of order was made in the House upon that. It was stated by the conferees that they had done this, and it was subject to a point if anybody desired to make the point of order. In the Senate the same statement was made. Senator TILLMAN was one of the managers of the Senate presenting the report. I refer to Hinds' Precedents, paragraph 6431. He said:

If Senators will kindly follow me, each Senator can learn what we have done and what we had no rightful power to do. On top of page 12 of the last print, June 2, the words "transportation or facilities" were inserted after the word "traffic" at the end of the preceding line. It is not necessary to state the reason why those words were put in, but it seemed to us that it was necessary to clarify the matter with respect to contracts, agreements, or arrangements which are to be filed with the commission. If the point of order is made against those words in the Senate, or whether or not it is, I think the conferees will take them out. I for one will vote to take them out. We had no right to put them in—

And so forth.

That led to a protracted debate in the Senate, and it was the unanimous opinion, so far as I have gone over it, that the conferees had exceeded their power. But the point of order was dropped. The conferees had stated to both Houses that they had inserted language which would make the conference report subject to a point of order if anybody desired to make it.

The SPEAKER. What became of that point of order in the Senate?

Mr. MANN. It was dropped. No point of order was made.

The SPEAKER. What was it dropped for?

Mr. MANN. The point of order was not pressed. Nobody was objecting to the change that was made, and the conferees had been very frank about it. I remember I was one of the conferees in that case. We were very frank to the House, and stated to the House that it was subject to a point of order.

In 1880, where a question arose as to what the House might do, Speaker Randall held——

The SPEAKER. Where is the gentleman reading from?

Mr. MANN. From paragraph 6436, page 747. I read:

On June 9, 1880, Mr. Speaker Randall held that the House might not consider a proposed concurrent resolution authorizing conferees on the legislative appropriation bill to take into consideration a subject included in the text to which both Houses had agreed. The Speaker said that under the parliamentary law neither House might change the text to which both Houses had agreed, and, in his opinion, conferees might not be endowed with power greater than either of the Houses possessed.

I shall not detain the Speaker with more of the numerous decisions which have been made upon the subject, except to remind the Speaker of the oleomargarine bill, where the House passed a bill and the Senate added a number of amendments to it. Those amendments of the Senate were considered in the House, and it was proposed, upon the consideration of those amendments, to change the text of the bill as it passed the House, where it had not been amended by the Senate. The point of order was sustained that it was not in the power of the House, after it had passed a bill and sent it to the Senate and the Senate had amended it and it had come back to the House, then to change the text which both Houses had agreed to.

Take this case: Supposing this bill, instead of going to conference, had come before the House for the consideration by the House of the Senate amendments. When we reach section 7 we could dispose of amendment numbered 42, which affected the numbering of the section, and the next question would be upon agreeing or disagreeing to the amendment numbered 43, which inserted the words "any one" in place of the word "either," and the next amendment which would be up for consideration would be amendment numbered 44, which proposes to insert the word "the" in place of the word "an." But it would not have been in order to have offered then an amendment to the text of the bill which had been agreed to by the House and agreed to by the Senate. When the House passes the bill and a motion to reconsider is disposed of and the bill has gone from the House it is not within the power of the House then to change the text of the bill; not as a matter of right, but of course it may be done by unanimous consent. So that the conferees in this case have gone beyond their jurisdiction, having proposed amendments to the text in a very vital feature of the bill which was not in dispute between the two Houses. They exceeded their jurisdiction and can not make such a conference report.

I know of nothing more vital which was before the House than the power and the right to prevent interlocking directorates of banks. Here was one of the issues that has been more discussed than any other by the great committee of the House which sat for weeks and months—the so-called Untermeyer committee, or the Pujo committee. That was one of the basic things that the committee made findings on, and when this bill was prepared it provided a prohibition against interlocking directorates of banks. The House passed it in that shape. The Senate passed it in that shape. But the House conferees, without authority and over and beyond any jurisdiction granted to them, have provided that banks shall no longer be controlled by this prohibition of interlocking directorates where banks are in competition.

So I say that the conference report should be rejected as subject to a point of order.

Mr. HENRY. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and ninety-one Members are present—not a quorum.

Mr. WEBB. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Adamson	Fess	Knowland, J. R.	Rainey
Anderson	Fitzgerald	Konop	Reed
Ansberry	Fowler	Korbly	Riordan
Anthony	Francis	Kreider	Sabath
Austin	French	Langley	Scully
Barchfeld	Gallivan	L'Engle	Shreve
Bell, Cal.	Gardner	Lenroot	Slemp
Britten	George	Lewis, Md.	Smith, Minn.
Brodbeck	Gerry	Lewis, Pa.	Smith, N. Y.
Broussard	Gillett	Lindquist	Stanley
Brown, N. Y.	Gittins	Loft	Stedman
Brown, W. Va.	Goldfogle	McAndrews	Stephens, Cal.
Browning	Graham, Ill.	MacDonald	Stevens, N. H.
Burke, Pa.	Graham, Pa.	Mahan	Stringer
Burke, Wis.	Green, Iowa	Maher	Sumners
Calder	Gregg	Martin	Sutherland
Callaway	Griffin	Merritt	Taylor, Colo.
Carr	Guernsey	Metz	Taylor, N. Y.
Cary	Hamill	Moss, W. Va.	Temple
Church	Harris	Mott	Ten Eyck
Clancy	Harrison	Murdock	Treadway
Clark, Fla.	Hinebaugh	Neeley, Kans.	Tribble
Claypool	Hobson	Neely, W. Va.	Tuttle
Coady	Hoxworth	Nolan, J. I.	Wallin
Connolly, Iowa	Hughes, W. Va.	Norton	Walters
Conry	Hulings	O'Hair	Watkins
Copley	Humphreys, Miss.	Paige, Mass.	Willis
Curry	Johnson, S. C.	Palmer	Wilson, Fla.
Dooling	Jones	Parker	Wilson, N. Y.
Edmonds	Keister	Patten, N. Y.	Winslow
Elder	Kelly, Pa.	Plumley	Woodruff
Estopinal	Kennedy, R. I.	Powers	Woods
Faison	Kent	Prouty	
Falconer	Kindel	Ragsdale	

The SPEAKER. On this call 294 Members, a quorum, have answered to their names.

Mr. WEBB. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will unlock the doors. The Chair, with the consent of the House, wishes to admonish the Members that the experiences of this week show that Members ought to stay here in their places. [Applause.] These eternal roll calls simply delay the time when we are going to get away from here. [Applause.]

Had the gentleman from Illinois concluded?

Mr. MANN. I had concluded my argument.

Mr. WEBB. Mr. Speaker, I do not profess to be an expert parliamentarian, but I think I have ordinary common sense, which may be applied to this situation. I feel that the point of order which my friend from Illinois [Mr. MANN] has made against this conference report is purely and entirely technical, just as much so as if he had made the point that we had put a comma at a certain place in a section whereas we ought to have left out the comma, and when we put it in simply for the purpose of making clear the meaning of that particular section. In order that the Speaker may understand the whole situation, section 9 of the House bill provided against three supposed evils. One was to prevent interlocking directorates between common carriers and supply houses. Another was interlocking directorates of banks, and the third was interlocking directorates of industrial corporations. As to banks the House passed a provision forbidding interlocking directorates of banks that had more than $2,500,000 deposits, capital stock, surplus, and undivided profits. The Senate struck out entirely the paragraph in our section 9 with reference to railroads interlocking in their directorates with supply houses. The Senate struck out entirely our paragraph of section 9 with reference to banks. Then it made a new section entirely, called section 7 as it passed the Senate, and inserted the language which we had in paragraph 3 of section 9, forbidding the interlocking directorates of industrials, making the limit $1,000,000.

Now, Mr. Speaker, my friend from Illinois will admit without question that the third paragraph of section 9 as the bill passed the House was never intended to apply to banks, because we had an express paragraph in section 9 which took care of interlocking directorates in banks.

Now, when the Senate struck out paragraphs 1 and 2, with reference to supply houses, common carriers, and banks, and retained for the most part the reference to interlocking directorates of industrial institutions, but later on struck out all reference to banks, and when we came to rewrite this entire section we restored a paragraph as a substitute with reference to interlocking directorates of supply houses and railroads. We restored in almost identical language the reference to banks, only increasing the limit from $2,500,000, as it passed the House, to $5,000,000, but in the very next paragraph we provide with reference to industrials that $1,000,000 shall be the limitation, and that it shall not apply to "banks, banking houses," or common carriers. Now, the point I made is that this is not material, substantial legislation. The conference did put in "banks and banking associations," in order to make perfectly clear what in my opinion is already clear; because in the preceding paragraph we had passed a section with reference to interlocking directorates of banks, and there we made the limitation $5,000,000. Now, it would be idiotic to say that we included also banks and banking associations in the paragraph referring to industrial corporations; and in order to make the paragraph perfectly plain, we inserted "other than banks and banks associations" and common carriers, which had no effect upon the meaning of that section. I contend, Mr. Speaker, that common sense ought to govern the action of this House and the ruling of the Speaker, and I know it will; and if you will read the section preceding the one that my friend excepts to, in which we take care of banks and make the limitation $5,000,000, the Speaker can never conclude, even though the words which my friend excepts to are stricken out, that the interlocking directorates provision with reference to industrials was also intended to cover banks, because we have already taken care of banks in a former section or a former paragraph, and we simply put into this section which my friend objects to that which is necessarily implied and expressed in the bill itself. I imagine this House and the Speaker will not while away the time over technicalities which are not new legislation, which are not substantial legislation, and which in no way change the effect or meaning of either one of these sections.

Mr. Speaker, that is all I care to say on the subject.

Mr. SHERLEY. Mr. Speaker, there is not much, if anything, that need be added to the statement of the gentleman from North Carolina [Mr. WEBB]. It needs only a detailed examination of what the House undertook to do in section 9, and what the Senate undertook to do in striking out section 9 and enacting section 7 (Senate print), to come to the conclusion that the conferees had jurisdiction of the matter which they have put into the conference report and which is complained of by the gentleman from Illinois [Mr. MANN].

Section 9 starts out by dealing with directors of railroad companies.

The SPEAKER. That is the original bill.

Mr. SHERLEY. The House bill. The first paragraph of section 9 deals with interlocking directorates of railroad companies and supply companies dealing with such railroads. The second paragraph deals with banks, trust companies, and banking associations, and then the latter part of section 9 deals with industrial corporations. Now, the provision as to interlocking directorates of banks was confined to banks having a capital and surplus of $2,500,000. The provision in regard to industrial corporations was confined to corporations having $1,000,000 of capital and surplus. When the Senate came to consider this it concluded to eliminate from the provisions of the act all reference to banking corporations, and it accordingly struck out that part of section 9 which had related to banking corporations. It carried in as a part of section 7 of the Senate bill a provision as to industrial corporations. Now, the last part of section 9 related not only to banking corporations, but to banking, industrial, and common-carrier corporations. In other words, the last part of the section contained general provisions relating to all three of the classes.

The Senate concluded to eliminate one of these classes, which was that of the banks, and carried the language relating to industrials into section 7. In order to emphasize that that was its purpose, when it came to deal with the general provisions of section 9 of the House bill, which it carried into section 7 of the Senate bill, it found it necessary to make another amendment. And so you find the words "bank or other" stricken out where they occur, so that the part of section 7 which was taken from the latter part of section 9 of the House bill reads:

> When any person elected or chosen as a director or officer or selected as an employee of any corporation subject to the provisions of this act,

They had eliminated banks as being subject to the provisions of this act, and therefore it was necessary to strike out, which they did, the words "bank or other." Now, what confronted the conferees? The House had provided that the provisions touching interlocking directorates should apply to three classes—common carriers, banks, and industrial corporations. The Senate had seen fit to eliminate the banks. That left in issue the material point of whether banking corporations should be brought within the provisions of the law prohibiting interlocking directorates. The House insisted on its provision, and was successful in its insistence, with one or two minor changes. The House had limited the provision as to banks by making it apply to banks with a capital stock of two and a half million dollars.

The conferees agreed that it should apply to banks with a capital and surplus of $5,000,000. In other words, the House conceded something by making the group smaller and requiring the banks to have a larger capital and surplus, and the Senate conceded something by including banks in it at all. That was a perfectly proper subject for consideration and determination, but evidently in reading the language of the act as it had been originally passed by the House and as it had been incorporated in part by the Senate in section 7, the question was raised as to whether it was not possible that section 7 might be held to apply to banks.

Now, it is perfectly clear to my mind that no court would have so held, because having expressly dealt with banks with a capital stock of two and a half million dollars, when you come to deal with industrial corporations of $1,000,000 any court would hold that the inclusion by name of banks and trust companies in one instance excluded them from the general provisions in the other, and, in addition, banks and trust companies are not such corporations as "are or shall have been theretofore, by virtue of their business and location of operation, competitors" with industrial corporations. The conferees having redrafted the matter, having gotten away from the language of section 9 of the House and section 7 of the Senate in many particulars, concluded that it would leave no matter of argument touching the language of section 7, and therefore the conferees inserted in the exclusion proviso what would have been held as excluded in the bill agreed to in conference even if not put there, to wit, "banks, banking associations, and trust companies," thus making it plain by the very expression itself that they, along with common carriers, were not within the group outlined as industrial corporations.

The rule touching conference reports is perfectly clear, and we are not at issue with the gentleman from Illinois as to that. Manifestly, matter not in issue between the two Houses can not be dealt with in conference, for the very proper rule that it should not be within the power of a few men representing the two Houses to express an opinion upon a matter which has not been considered previously by either House.

But here is a case where the House had considered the question of banks and what banks should be included in the provision touching interlocking directorates. The Senate had considered the matter to the extent of disagreeing entirely with the House and striking out the House provision. There was a direct issue. To say that it was not within the province of the conference to make it clear that only certain banks should be within the provision touching certain interlocking directorates, and that the provision touching industrial corporations was confined to such industrial corporations and should not by any stretch of construction be held to include banks, is to say what seems to be contrary, as the gentleman from North Carolina says, to the plain common sense of the situation.

Mr. MANN. Mr. Speaker, I do not think the gentleman from North Carolina [Mr. WEBB], or the gentleman from Kentucky [Mr. SHERLEY] quite appreciate what the House did in the bill which it passed, and yet they should know more about it than I do. There were several provisions in section 9 as it passed the House. I have referred to section 7, according to the conference report, which was one of those provisions, one of the last provisions in section 7.

The SPEAKER. The gentleman now is speaking of the original bill.

Mr. MANN. The original bill. It is printed as section 7 in the House print, and that is the one I commented on. That provision applies to all corporations except common carriers subject to the act to regulate interstate commerce and forbidding any person to be a director in two corporations either one of which has a capital of over a million dollars. That applies to a director in a bank and a director in a manufacturing institution. That prohibits a director of a bank with a capital of a million dollars in New York City being also a director in the Sugar Trust company or in any other company. That provision would have prevented Mr. Gary, an officer of the United States Steel Corporation, from being a director in a bank. He has recognized that far enough, supposing it would become a law, according to newspaper reports, by resigning from these other directorates. That provision was not limited as to any corporation with a capital of over a million dollars except as to common carriers, and the common-carrier provision is otherwise provided for by law. It extended to banks, to industrial corporations, to all kinds of corporations. The gentleman from Kentucky [Mr. SHERLEY] and the gentleman from North Carolina [Mr. WEBB] both said it applied only to industrial corporations. I do not know where they get a warrant for that. It is not in the bill. The language of the bill is:

That from and after two years from the date of the approval of this act no person at the same time shall be a director in any two or more corporations either of which has capital, surplus, and undivided profits aggregating more than $1,000,000.

With the further provision that it only applies where the corporations are in some sense competitive, in whole or in part. That covers the whole case, but applies only in case of competition. If the two corporations are in no sense competitive, in whole or in part, or engaged in commerce in whole or in part, that does not apply.

Let us see what the banking provision in the same section was. The banking provision was a prohibition that no two banks either one of which had a capital of two and a half million dollars should have the same director, if they were in a city of over 100,000 people. It made no difference whether they were competitive or not; it was not a matter of competition. That provision prohibited a bank in Chicago or in New York City from having as a director a man who was a director of a little outlying bank in the same city. Competition had nothing to do with it. The language of the bill made a specific provision, and it applied only to directors of banks. It only prohibited the director of one bank from being a director of another bank in a city of 100,000 inhabitants. There was no place in the bill except section 7 where there was a prohibition against a director of an industrial corporation being also the director of a bank. It certainly will not be contended by anyone on the floor of this House that after the Money Trust investigation, which cost such a large sum of money and which excited so much attention, an antitrust bill was passed through this House without any prohibition against a bank director also controlling an industrial corporation to which his bank was loaning money or that an industrial corporation with deposits in a bank could have as a director in that bank one of its own directors, who should control the supply of money which was being deposited. The whole theory of the antitrust legislation was to separate the control of money in the banks from the control of industrial corporations, so that all industrial corporations applying to banks should apply on even terms without being controlled by interlocking directorates. That provision was carried in the language of the bill passed by the House and agreed to by the Senate. And now the language which the gentleman says covers the subject only applied to directors as between two banks; it only applied to directors as between two banks when one of them had a capital of two and a half million dollars, and it only applied to banks in cities of over 100,000 inhabitants.

The matter that was in dispute between the two Houses was a Senate amendment which struck out that provision applying to banks in cities of 100,000 inhabitants where one of them had a capital of two and a half million dollars. The matter that was not in dispute between the two Houses was a prohibition, universal throughout the United States, that no bank or other corporation with a capital of a million dollars should have a director in any other corporation, whether it was a bank or an industrial corporation, with which it was in competition.

The gentleman practically admits that the conferees have no right to make the change in the text of the bill. They have the Senate amendment striking out the language of the House in reference to banks in cities of 100,000 inhabitants. That is before the conferees, and they can change it in any germane way. If they choose to insert in that a provision, and it should be germane, which wipes out another section of the bill, that would be within their province; but they have no right to change the text of the bill, and in this case the change of the text is not technical. It goes to the whole merits of this legislation. If there be anything needed in the legislation, it is to control the conditions between the people who supply the money and the people who use the money, so that all may be upon even terms; and if ever the teeth were drawn out of any provision of law, this unwarranted insertion in the text of the bill draws the teeth not only out of this bill but out of all propositions to control the supply of money.

Mr. DIFENDERFER. Mr. Speaker, will the gentleman yield for a question?

Mr. MANN. Yes.

Mr. DIFENDERFER. I would like to ask for information what the effect would be in a case of this kind—where a railroad in the State of Pennsylvania is a stockholder, or the directors of the railroad are stockholders, in a trust company, the same directors being directors in a banking institution. What would be the effect under such a provision such as we are now considering? Take another case, where a large banking institution has directors who are also directors of a large hat-manufacturing institution. What would be the effect in that case?

Mr. MANN. Mr. Speaker, if the language as perfected by the House and the Senate goes into the law without the change made by the conferees, there would be a provision against men acting as directors of a bank and a hat company if there were

any sort of competition. Of course this bill does not apply to railroad companies engaged in commerce.

The SPEAKER. The Chair will ask the gentleman from Illinois one question. Either in the House bill or the Senate amendment is the question of banks, banking associations, and trust companies mentioned?

Mr. MANN. Oh, certainly they are mentioned.

The SPEAKER. Were they cut out because of anything that was done?

Mr. MANN. I did not hear the Chair.

The SPEAKER. Were banks, banking associations, and trust companies cut out entirely from consideration because of anything that was done?

Mr. MANN. No; they were not cut out from consideration. The Senate adopted an amendment. The House bill carried a provision specifically referring to banks, banking associations, and trust companies in cities of over 100,000 inhabitants, and said that in that case no person should act as director of them if one of them had a capital of two and a half million dollars. The Senate struck that out. That amendment, of course, was in conference, and I think the language is subject to any germane amendment by the conferees.

The SPEAKER The Chair is ready to rule. In passing on this point of order, of course, the Chair has nothing to do whatever with the wisdom or advisability of this legislation in whole or in part. The only question is, Did the conferees exceed their authority by this language which they put in it as amendment by the conferees to Senate amendment numbered 43? The words added by the conferees are these: "banks, banking associations, trust companies, and." It is well established, and everybody who has paid any attention to it knows it, that the conferees can not go out and drag in new subjects of legislation. Now, if any gentleman is curious to read the decisions on the subject, if he will read two decisions that the present occupant of the chair himself rendered, in which the Chair collated substantially all decisions on the subject, he will have the whole thing within a small compass. These decisions which the Chair rendered are printed in the back of the rule book. The case at bar is this: Originally the House passed a bill with this paragraph in it. This is one of the paragraphs of section 9:

> That from and after two years from the date of approval of this act no person shall at the same time be a director or other officer or employee of more than one bank, banking association, or trust company organized or operating under the laws of the United States either of which has deposits, capital, surplus, and undivided profits aggregating more than $2,500,000.

The Senate struck it all out. The House never agreed to the Senate amendment striking out the House language. Therefore, in the judgment of the Chair, without elaborating this opinion and simply referring to the others, that subject was lawfully before the conferees. If any gentleman does not like the conference report, he has his remedy—to vote against it. The Chair thinks the conferees did not exceed their authority, and the point of order is overruled.

The gentleman from North Carolina [Mr. WEBB] has two and a half hours and the gentleman from Minesota [Mr. VOLSTEAD] has two and a half hours.

Mr. WEBB. Mr. Speaker, there has been a great deal of misinformation and misrepresentation about the meaning and effect of the antitrust bill, both as it passed the House and as it passed the Senate and as it came from conference. Some of this misinformation is pitiful ignorance; other of it is downright, deliberate misrepresentation. I noticed in a morning paper in Washington a few mornings ago a long write-up of the trust bill, and in it was this language:

> When the bill came from the Senate it was bristling with teeth.

Another out in Missouri stated that when the bill left the House it was harmless and innocuous and that it had been made strong in the Senate. Now, for just a little while, I want to tell the House in plain, straightforward, undisguised language what has taken place in both the House, Senate, and conference. I also desire to say I have no objection to being interrupted by any gentleman on the floor who wants to ask a question about any section or any amendment. Of course, I shall have to be brief, because we have only two and a half hours, and I am going to make my explanation as rapidly as it is possible for me to be understood clearly. Some one has stated that the House agreed to a great many of the Senate amendments and the Senate receded from very few, and that we receded from a great many more than they did. Now, there were 95 amendments made by the Senate. I think Members ought to realize what it meant to adjust 95 amendments between this House and the other; but, fortunately, most of these amendments—at least a majority of them—were immaterial, and a large number of them were simply a renumbering of sections, and there were a great many verbal amendments, such as changing "and" for "the," and so forth. I shall only mention the material amendments, unless some gentlemen desire to ask me about others. I hope Members of the House appreciate the difficulty under which the conferees began their deliberations. We had a large number of amendments in reference to an important measure. We wanted to do the right thing and the best thing for the people and for this country.

Now, the first amendment we readily agreed to was to except from the operation of this bill the Philippine Islands. We did that because the Sherman antitrust law does not apply to the Philippines. They have a law of their own over there. I suppose there is no objection on the part of the House or any Member of it to that first amendment. Immediately thereafter, Mr. Speaker, we struck trouble. When the bill passed the House it contained sections 2, 3, and 4—section 2 forbidding discrimination in price; section 3 forbidding arbitrary refusal to sell mine products, and so forth; section 4 forbidding tying contracts. That is the way it passed the House. Each one of these sections as it passed the House had a criminal penalty attached to it. When the bill went to the Senate it was referred to the Judiciary Committee, and the Senate Judiciary Committee struck out the criminal penalties in sections 2 and 4 of our bill, and struck out entirely section 3. When the bill was carried to the Senate floor the Senate not only approved striking out the criminal penalties in sections 2 and 4—that is, with reference to discrimination in price and tying contracts—but they also struck out the sections themselves and left these subjects to the trade commission. The House should consider this particular bill that we have under consideration now in connection with the Trade Commission bill and the Sherman antitrust law, because we are trying to wedge in this bill and give it a place somewhere between those two measures. As you know, the Trade Commission bill was passed after this bill passed the House and before the trust bill passed the Senate.

Now, when we assembled in conference we found our tying-clause section, section 4, and we found our discriminating-in-price section, section 2, absolutely eliminated from our bill, and this was done not by the conferees, but by the Senate itself on a roll-call vote. Sections 2 and 4 were stricken out in that way.

Now, there were those who insisted that we ought to have criminal penalties attached to these two sections, 2 and 4. Others, however, took the position that the sections ought to go out entirely, because we had in the meantime passed the Trade Commission bill with section 5 in it which denounced as unlawful unfair methods of competition, and that the Trade Commission could and would take up all the acts denounced in sections 2 and 4, and prevent their further commission. So, between those two ideas the battle raged for nearly three weeks. We finally agreed to the Senate amendments striking out the criminal penalties, but to retain sections 2 and 4 as they went from the House, with an amendment which denounced as unlawful the tying contract and the discrimination in price. But as originally drawn they were criminal sections, and section 2 made it a crime to discriminate in price for the purpose of destroying or injuring a competitor. We thought that was probably too restricted. We agreed, instead of retaining the language "with purpose or intent thereby to destroy or wrongfully injure the business of a competitor," and so forth, to insert this language: "Where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce." We felt that that would tend to give the section more elasticity and breadth. That is the reason we accepted this amendment, and forbade discriminating in price when the effect of such discrimination might be to substantially lessen competition or tend to create a monopoly.

We did the same thing with reference to section 4, which forbade the tying contract. I may say, Mr. Speaker, that on the Senate floor Senator WALSH, after section 4 had been stricken out, with reference to tying contracts, offered an amendment which the Senate passed as a substitute for our section 4, prohibiting tying contracts in connection with patented articles, requiring the person with whom the contract is made to use exclusively other unpatented articles. It was evident that that amendment was aimed at the United Shoe Machinery Co. Senator REED offered an amendment making the violation of Senator WALSH'S section a criminal offense. Now, when we came to conference, the Senate having stricken out the criminal penalties of sections 2 and 4, and interlocking directorates of banks, and so forth, we finally agreed to strike out the criminal penalty to Senator WALSH'S amendment, which he agreed ought to be done, and reinstated our section 4, with the additional words "whether patented or unpatented," so that section 4, as we al-

ways understood why it passed the House, now covers patented as well as unpatented articles.

Mr. STAFFORD. Does the gentleman consider that section 3 as agreed upon by the conferees is as strong in its limitations and prohibitions as the Walsh amendment as embodied in section 2 of the Senate bill?

Mr. WEBB. Yes, sir; in civil remedies.

Mr. STAFFORD. That it will prevent, for instance, the United Shoe Machinery Co. from entering into such binding contracts as now exist with the users of their machinery, that they will be forbidden to use machinery of other competitors, and keep companies, for instance the Dick Co., from forbidding the use of their mimeograph machines with stationery and supplies not furnished by that company.

Mr. WEBB. I will say to my friend that, in my opinion, immediately after the President signs this bill with section 3 in it every such contract made by the United Shoe Machinery Co. will become unlawful, because they may not only lessen substantial competition, but they do it. They not only tend to create monopoly, but they do it.

Mr. STAFFORD. And it is also the gentleman's opinion that it will correct the conditions referred to by Chief Justice White in the Dick case?

Mr. WEBB. I think so. It was intended to do it, and I believe it will.

Mr. STAFFORD. Of course there is no question but that the language of the Walsh amendment would do it. The language of that amendment is clear and positive and would cover such cases. The language of the amendment agreed to by the conferees I do not believe is as clear and forceful as the Walsh amendment.

Mr. WEBB. We can be certain of nothing until the Supreme Court passes upon it, but I will say that Senator WALSH, who introduced the amendment, is satisfied that the section as the conference presents it will cover the case it is intended to cover, and I hope it will. I am in favor of repealing the opinion in the case of Dick against Henry. Those are the sections around which such a war has been waged in the last few weeks in the other branch of the Congress.

Now, let us see if these sections are "toothless." It is contended that we have extracted the teeth because we have left out the criminal penalties. But I will tell you, my friends——

Mr. HARDY. Will the gentleman yield for just one question?

Mr. WEBB. Yes, sir.

Mr. HARDY. If I caught your expressions correctly—and I will ask if I have—one essential change, as I understand it, is that you let the unlawfulness of these contracts hinge not on the purpose of them but on the effect of them?

Mr. WEBB. Yes, sir; and tendency.

Mr. HARDY. Effect and tendency?

Mr. WEBB. Yes.

Mr. HARDY. Does not that make the law stronger than if it depended upon the purpose being shown?

Mr. WEBB. Yes. I believe it will be easier to prove a violation in a civil suit.

Mr. HARDY. That is what I thought.

Mr. WEBB. Now, gentlemen, as to the "teeth" that they say have been extracted from this bill. I tell you that there are more "teeth" in these two sections than anyone may imagine, and I am going to show you the "teeth." All through this bill we have provided civil remedies to stop the practices denounced in sections 2 and 3 of the conference report, and I for one was very, very insistent on keeping these two sections in the bill in order that these extraordinary remedies given to the individual might apply.

Now, here is the first "tooth" I will refer you to, and that is in section 4:

That any person who shall be injured in his business or property by reason of anything forbidden in the antitrust laws may sue therefor in any district court of the United States in the district in which the defendant resides or is found or has an agent, without respect to the amount in controversy, and shall recover threefold the damages by him sustained, and the cost of suit, including a reasonable attorney's fee.

Now, let a business man somewhere in the United States, or 40 or 50 of them, be damaged by the things that are denounced as unlawful in this section, and let them all bring suit. That is bigger, as my friend from Kentucky [Mr. JOHNSON] says, than a "harrow tooth," and will have a more deterrent effect on the men who practice those things than a mere criminal penalty, and we all know that the disinclination of juries in some quarters to convict men under these criminal sections has resulted in their acquittal. For instance, take the case of the Beef Trust. The average man thought the Beef Trust was a criminal, but the jury in Chicago would not convict them. Now, the next thing is to give the individual who is harmed by these practices—not necessarily restraints of trade or monopolies, but things that lead up to restraints of trade and monopolies—the right to bring suit for any amount he pleases.

But it goes still further—

Mr. BARTLETT. That is the identical provision that the House adopted?

Mr. WEBB. Yes; that is the identical provision that the House adopted, and we kept it in the bill.

Mr. STAFFORD. Mr. Speaker, will the gentleman permit an interruption?

Mr. WEBB. Yes.

Mr. STAFFORD. Take the case of the shoe manufacturers of the country, where they suffer by reason of the monopoly of the United Shoe Machinery Co. Suppose a shoe manufacturer should go into court and bring suit against the United Shoe Machinery Co. Where would their damages be? They would not be able to prove any damages, because it was based on supposition.

Mr. WEBB. If a man has been damaged and it is not speculative, he can prove it in court.

Mr. STAFFORD. It is speculative entirely, and this will not give him any relief, because you are not punishing the concerns criminally for the offense.

Mr. WEBB. If the gentleman will go with me one step further, I will show him how he can stop it as an individual, and not depend upon the Government of the United States to do so. That is something new. Section 6 of the House bill, which is section 5 of the conference report, provides, among other things, that—

Whenever any suit or proceeding in equity or criminal prosecution is instituted by the United States to prevent, restrain, or punish violations of any of the antitrust laws the running of the statute of limitations in respect of each and every private right of action arising under said laws and based in whole or in part on any matter complained of in said suit or proceeding shall be suspended during the pendency thereof.

Now, I call the attention of my friend from Wisconsin [Mr. STAFFORD] and the attention of the House to section 11, which is another "tooth," as reported by the conferees. It reads as follows:

That authority to enforce compliance with sections 2, 3, 7, and 8 of this act by the persons respectively subject thereto is hereby vested in the Interstate Commerce Commission where applicable to common carriers, in the Federal Reserve Board where applicable to banks, banking associations, and trust companies, and in the Federal Trade Commission where applicable to all other character of commerce, to be exercised as follows.

Now, the value of these two sections is this: That they not only give the individual the right to sue for treble damages where he pleases, and we not only suspend the statute of limitations against an individual if a Government suit is brought against a trust, but we also require the Federal Trade Commission to stop these practices and take those guilty of such practices into court.

But that is not all. Some argue that after the Trade Commission takes jurisdiction that excludes individuals from pursuing these other remedies. The bill further provides:

No order of the commission or board or the judgment of the court to enforce the same shall in any wise relieve or absolve any person from any liability under the antitrust acts.

So you have three or four distinct remedies, all of which may be invoked at the same time.

Now, section 12 provides—

That any suit, action, or proceeding under the antitrust laws against a corporation may be brought not only in the judicial district whereof it is an inhabitant, but also in any district wherein it may be found or transacts business; and all process in such cases may be served in the district of which it is an inhabitant or wherever it may be found.

I will say to my friend from Wisconsin that we are liberalizing the procedure in the courts in order to give the individual who is damaged the right to get his damages anywhere—anywhere you can catch the offender, as is suggested by a friend sitting near by. And that is not all. Section 15 provides—

That the several district courts of the United States are hereby invested with jurisdiction to prevent and restrain violations of this act, and it shall be the duty of the several district attorneys of the United States, in their respective districts, under the direction of the Attorney General, to institute proceedings in equity to prevent and restrain such violations. Such proceedings may be by way of petition setting forth the case and praying that such violation shall be enjoined or otherwise prohibited.

Mr. BATHRICK. Mr. Speaker, will the gentleman yield?

Mr. WEBB. Yes, sir.

Mr. BATHRICK. How does the gentleman construe those words "under the direction of the Attorney General"? Does that mean that a district attorney can not act unless he receives direction from the Attorney General?

Mr. WEBB. Yes. That is the universal rule. The Attorney General, being the head of the Department of Justice of the United States, should be consulted before the bringing of one of these suits.

Mr. BARTLETT. That is the same language as in the Sherman law.

Mr. WEBB. Yes. That is the language in the Sherman law. It extends to the acts denounced in this particular bill, also. But if any district attorney in the United States feels that these sections are being violated, all he has to do is to ask the Attorney General for permission to institute suit, and begin proceedings immediately.

Mr. BATHRICK. If we have some Attorneys General such as we have had in the past, the directions will not be given.

Mr. WEBB. Yes; of course. But we must leave something to the Executive. We can not do everything by legislation. We must leave something to the Department of Justice and the courts. But that is not the only remedy, I will say to my friend. I have narrated three or four. If the Attorney General should be negligent, the individual himself has a wide-open door to go into court and sue. And he can not only do that, but listen to the language of section 16:

SEC. 16. That any person, firm, corporation, or association shall be entitled to sue for and have injunctive relief, in any court of the United States having jurisdiction over the parties, against threatened loss or damage by a violation of the antitrust laws, including sections 2, 3—

These two sections which we are discussing now—

7 and 8 of this act, when and under the same conditions and principles as injunctive relief against threatened conduct that will cause loss or damage is granted by courts of equity, under the rules governing such proceedings, and upon the execution of proper bond against damages for an injunction improvidently granted and a showing that the danger of irreparable loss or damage is immediate, a preliminary injunction may issue.

There are five different distinct civil remedies that are given to individuals, to the Department of Justice, and to the Trade Commission for the purpose of preventing and restraining the acts denounced in sections 2 and 4, which are sections 2 and 3 of the bill under consideration as it came from the conference.

Mr. BATHRICK. Will the gentleman yield?

Mr. WEBB. Yes.

Mr. BATHRICK. Perhaps this elaboration of the gentleman's statement will be correct with respect to the power to pray for an injunction: It means that whereas an injunction can not be issued against a labor organization unless proof is conclusive that irreparable direct damage is imminent, the individual engaged in commerce who is threatened by a trust or combination can also sue for an injunction on the same terms that injunctions are issued or asked for against labor organizations.

Mr. WEBB. There are two different provisions, but the last statement of the gentleman is correct—that anybody who is threatened by any loss or damage by reason of any act denounced in this bill or in the Sherman antitrust law can go into court as an individual and restrain those acts. Heretofore that has been left to the Government of the United States. Heretofore the individual had no power to seek injunctive relief. He was relegated to a mere suit for damages, but now he can go into courts of equity and restrain those acts which seem imminent in threatening him with loss or damage.

Mr. LEVY. Will the gentleman yield?

Mr. WEBB. Yes.

Mr. LEVY. Does the bill provide any means by which the business interests of the country can be protected? Suppose a lot of blackmailers bring suit for damages against business men all over the United States. Is there any protection provided for the business interests of the country?

Mr. WEBB. Yes; there is protection for the business man. Somebody may go down and undertake to squat on your magnificent estate in Virginia, but you can put him off. You can not prevent him from squatting, but you can bring a suit and put him off.

Mr. LEVY. But is there nothing to prevent business men from being blackmailed? This bill is all in favor of the complainant.

Mr. WEBB. Before the gentleman gets to his hotel to-night somebody may have him arrested on a charge of murder; but that does not make the gentleman guilty. I do not know any way to stop a man from making accusations or bringing a suit, but people soon get tired of bringing blackmailing suits when they are mulcted in costs, and there are not very many such suits brought.

Mr. HARDY. Will the gentleman yield, right along that line?

Mr. WEBB. Yes.

Mr. HARDY. I know in my own State we have criminal laws against the keepers of disorderly houses and against the renting of premises for such purposes. Those criminal laws were very difficult to enforce; but when we passed also a law authorizing courts to issue injunctions against the renting of houses for such purposes and for the bringing of the parties before the courts in injunction proceedings it grew to be a much more serious matter, and it was much more easily enforced than the criminal law had been. So is there not a possibility that the power of injunction provided in your law may be far more effective than any criminal statute?

Mr. WEBB. I am glad my friend has injected that statement into the RECORD, because in the conference I was insistent on retaining these criminal penalties; but I hope I can be fair, and I believe we have put into this law sections giving private parties injunctive relief which will probably be a far greater deterrent than the right lodged in the Department of Justice alone to bring an indictment.

Mr. HARDY. I wish to supplement that by saying that that injunctive process in the matter I referred to in my State has been manifold more effective than the old criminal statute.

Mr. WEBB. I hope it will be just as effective under this law when it is passed.

Mr. TALCOTT of New York. Will the gentleman yield?

Mr. WEBB. I yield to the gentleman.

Mr. TALCOTT of New York. Is it not true that the Sherman Act provides criminal penalties?

Mr. WEBB. It does.

Mr. TALCOTT of New York. And in a great many of the cases referred to in this act, does it not?

Mr. WEBB. I do not know that I understand my friend.

Mr. TALCOTT of New York. I mean in regard to a great many of the acts referred to in this law.

Mr. WEBB. If the acts complained of restrain trade, or attempt to monopolize, then the persons guilty of them subject themselves to criminal penalties under the Sherman law. This bill which we are now considering preserves that right and makes guilt personal, and that is the only way in which we have undertaken to amend the Sherman antitrust law at all—that is, in making guilt personal.

Mr. RUCKER. It provides imprisonment as well as fine.

Mr. WEBB. Yes.

Mr. RUCKER. And that is the best part of the whole thing. One term in jail will do more good than a hundred civil suits.

Mr. ALEXANDER. This bill undertakes to prohibit those acts which lead to monopoly which the Sherman antitrust law does not reach. This bill makes those specific acts unlawful, and they may be restrained by civil remedies.

Mr. WEBB. Exactly.

Mr. ALEXANDER. But if they culminate in violation of the Sherman antitrust law, then they may be prosecuted civilly and criminally.

Mr. WEBB. Exactly. That is a fair statement of it, and that is what led a great many Members of the House and Senate to the conclusion that those acts that did not violate the Sherman law should not be denounced as criminal acts in the first instance in a new law. If a number of small links in the chain finally result in violation of the Sherman law, then the person who constructs the chain becomes subject to the pains and penalties of the Sherman law. A person who only builds one link in the chain is denounced here. There are people, and honest people, who thought that we ought not to put a man in jail for making one link, but that we should forbid him from forging other links. The Sherman law takes care of restraints of trade and monopoly. This bill is intended to prevent those individual acts which, if multiplied and persisted in, may lead to a violation of the Sherman law.

Mr. GOULDEN. Will the gentleman yield?

Mr. WEBB. Yes.

Mr. GOULDEN. In the elimination of criminal prosecutions as proposed by the conference, does the gentleman think it will have the same moral effect on the man who is an offender under this law and that you propose to reach by this change?

Mr. WEBB. If I had to choose between the civil remedies provided in this bill and the criminal provisions, I would let the criminal penalties go and keep the civil remedies. Personally, I would like to have seen both kept in the bill.

Mr. GOULDEN. Is it not much simpler and more effective to prosecute for criminal offenses of this character?

Mr. WEBB. No; if a criminal offense, you have to bring one suit through the Department of Justice. Under the civil remedies any man throughout the United States, hundreds and thousands, can bring suit in the various jurisdictions, and thus the offender will begin to open his eyes because you are threatening to take money out of his pocket.

Mr. GOULDEN. And the gentleman does not think it would be more difficult to prosecute under the civil law as now proposed than under the criminal law as originally passed by the House?

Mr. WEBB. No; a preponderance of evidence suffices in a civil action. Guilt beyond a reasonable doubt must be shown in criminal actions.

Mr. BATHRICK. Will the gentleman yield?

Mr. WEBB. Yes.

Mr. BATHRICK. Does not the gentleman think that the process against a trust or combination by injunction is a weakness because of the necessity of the plaintiff giving a bond? If the plaintiff applies to the court for an injunction, the size of the bond will be determined by the court on a temporary injunction, and the defendant or the person accused can come into court and perhaps show that the damages will be very large, and the bond should be large enough to cover all possible damages in case the injunction should be decided against the plaintiff. Thus he could run the defendant out of court by the size of the bond. There is the weakness of the injunction remedy, as it seems to me. I would like to get the gentleman's opinion on it.

Mr. WEBB. The size of the bond is within the discretion of the court. The gentleman would not give everybody the right to go into court and ask for an injunction without some bond covering the possible damage.

Mr. BATHRICK. The gentleman from North Carolina is familiar enough with the practice to know that plaintiffs are often deterred from applying for injunctions because of the necessity of putting up a bond. That is the weakness of the process.

Mr. WEBB. My friend knows that a bond in individual cases could not under the court's ruling be very large, because it would apply only to the individual's damage, and would not be like an injunction stopping the whole business of the defendant in all sections and States. It would be only in reference to a particular locality, and the damages could not be very great.

Mr. BATHRICK. Oh, yes; but the defendants would come in and try to show that the damages were going to be very large and that they required a very large bond.

Mr. WEBB. Then that is a weakness of our whole judicial system. A sensible judge can adjust that trouble. But a man that alleges a thing must prove it.

Mr. BATHRICK. As compared with a threatened term in jail or a fine under a criminal prosecution, the injunctive process is very weak, in my opinion.

Mr. WEBB. Well, that is the gentleman's opinion, and there are other men who agree with him.

Mr. BARTLETT. If the gentleman from North Carolina will pardon me, I call attention to the fact that the bond is only conditioned on the ground that the injunction was improvidently granted.

Mr. WEBB. Exactly.

Mr. RUSSELL. Will the gentleman yield?

Mr. WEBB. Certainly.

Mr. RUSSELL. I understand the proceeding by injunction for relief of the parties damaged is not the only remedy.

Mr. WEBB. Oh, no; it is only one of five different remedies.

Mr. RUSSELL. They have the right to sue for damages or for treble damages without any injunction proceeding at all.

Mr. WEBB. Certainly; the remedies are cumulative. The remedies pile up, and all of the remedies are open to the individual and to the Government in a suit.

Mr. HARDY. Will the gentleman yield?

Mr. WEBB. I will.

Mr. HARDY. Under the bill does the Government have the authority to bring suit for injunction as well as private parties?

Mr. WEBB. Yes. Section 15 gives the district attorneys under the direction of the Attorney General the right to apply for an injunction.

Mr. HARDY. And when that is done there is no bond required.

Mr. WEBB. Not at all.

Mr. HARDY. In our State the statute authorized the district attorneys to bring injunction suits against the houses that I have spoken of, and the result is that the process brought by the district attorneys has closed up the places.

Mr. WEBB. Yes; this bill is as strong in civil remedies as a bill can be made, in my opinion.

Now let us pass to section 6, which refers to the "conclusiveness" or "prima facie" effect of judgments in Government suits against the trusts. As the House passed the section we made such judgment "conclusive." The Senate struck out the word "conclusive" and inserted "prima facie." Personally, I think the Senate did the best thing by making it "prima facie." I doubt whether the courts would have held that the "conclusive" provision was constitutional. On the other hand, I believe that the "prima facie" effect of the judgment is as powerful before a jury as if you had said that it was "conclusive." A great many lawyers, and some of the best ones in the Government service, think that a provision making the judgment conclusive would have rendered the bill unconstitutional, but with the "prima facie" provision it is constitutional and will be as effective as if we had left it "conclusive."

It is further provided in that section that the "prima facie" effect shall not apply to consent judgments that are taken before any evidence is introduced. There has been some criticism of this provision. For the life of me, I can not see the justice of the criticism. If the Government brings a suit against a trust or monopoly and it surrenders, we eliminate the effect of the "prima facie" judgment. If it fights and loses, then the "prima facie" effect is given final judgment in the suit.

Mr. SELDOMRIDGE. What section is that?

Mr. WEBB. Section 5 of the bill now before the House; old section 6 in the House bill.

Mr. BATHRICK. That means, in one analysis at least, that if a trust, having pursued unfair methods of competition, having crushed out its small competitors, and at last having gotten into the meshes of the law, desires to walk up, with the loot in its pocket, and say it pleads guilty, it avoids all use of the testimony taken in the Government action against it on the part of a private plaintiff who desires to recover damages.

Mr. WEBB. No; a consent judgment has the same effect that it would have had if the trust had fought out the case, but such judgment does not have a "prima facie" effect when used in evidence.

Mr. BATHRICK. If he consents to judgment.

Mr. WEBB. That is right. I want to say to the gentleman that we went over that with the Attorney General of the United States and a great many men who are just as much interested in the execution of the trust laws as is the gentleman. One attorney and a stenographer settled the celebrated New Haven case, whereas if we had given this prima facie effect to that judgment the Government would have been fighting now, and possibly for years, and it would have cost the Government millions of dollars to bring them to their knees, for they would not have "consented" to such a judgment. The Government does not bring these suits for the purpose of giving a private individual the right to sue or to help a private individual. The Government brings these suits for and on behalf of the whole people and in an effort to stop further monopoly and restraint of trade, for the benefit of all.

Mr. Speaker, in our old section 7, section 6 of the conference report, known as the labor section, the Senate inserted these words:

> The labor of a human being is not a commodity or article of commerce.

Of course that is a mere legislative declaration or postulate. I do not think it does any harm. I do not know that it does any good. Your conferees agreed to let it remain. The Senate struck out in that section the words "consumers," "orders," "or associations," and made the section apply, therefore, to labor, agricultural, or horticultural organizations, and struck out fraternal and consumers' organizations, and your conferees agreed to that.

In section 8 of the House bill, section 7 of the new bill, the holding-company section, we had a provision in this language: "Where the effect of such acquisition is to eliminate or substantially lessen competition."

Mr. STAFFORD. Mr. Speaker, before the gentleman goes to that section, will he yield for a question?

Mr. WEBB. Certainly.

Mr. STAFFORD. Did not the conferees accept a very important amendment of the Senate the absence of which was the cause of a noted discussion in the papers between former Attorney General Wickersham and Mr. Untermyer—that as to this labor section as it passed the House, though the organization had been forbidden to do anything but carry out its legitimate objects, nevertheless, as the Attorney General claimed, they were permitted to indulge in unlawful practices, and the Senate incorporated the word "lawfully," so as to read, "lawfully carrying out the legitimate objects thereof," so as to overcome the objections pointed out by former Attorney General Wickersham?

Mr. WEBB. I do not know what moved the Senate to put that word in. We had no objection to it, and hence accepted the amendment.

Mr. STAFFORD. The gentleman did not refer to it, and I regard it as a rather potent amendment.

Mr. WEBB. No; I did not refer to it, but the omission was not intentional. I do not think it affects the section one way or the other. I think it is put in simply to ease some people's conscience, and that is all. I do not think it gives any more or any less effect to this section as we passed it. We agreed to it. Of course, as I suggested, they could only carry out "legitimate" objects of the organization in a "lawful" manner, but we had no objection to putting in the word "lawfully."

Mr. SWITZER. Mr. Speaker, will the gentleman yield?

Mr. WEBB. Yes.

Mr. SWITZER. Will the gentleman please state in more detail what the effect of this section would be?

Mr. WEBB. I can not now take the time to do that. I discussed that when the bill passed the House. The meaning of the section has not been affected at all, except that we have eliminated "consumers" and "fraternal" organizations from it.

Mr. Speaker, in reference to section 7 of the conference bill, being section 8 of the House bill, the holding-company provision, we had in that section the words "where the effect of such acquisition is to eliminate or substantially lessen competition." The Senate struck out the word "eliminate" and inserted the words "may be," so that it would read "where the effect of such acquisition may be to substantially lessen competition," and your conferees agreed to it, and also agreed to insert the words "or to restrain such commerce in any section or community," and to strike out the words "trade in any section or community," so that it will read as follows:

SEC. 7. That no corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of another corporation engaged also in commerce where the effect of such acquisition may be to substantially lessen competition between the corporation whose stock is so acquired and the corporation making the acquisition, or to restrain such commerce in any section or community, or tend to create a monopoly of any line of commerce.

That is the effect of the amendment to this section. There is nothing material with reference to the remainder of that section.

We now come to the old House section 9, being section 8 of the bill as reported by the conferees. As I stated a while ago, the Senate struck out the language with reference to interlocking directorates of banks and added language with reference to the interlocking directorates of railroads and supply houses, leaving in interlocking directorates of industrial institutions. The Senate agreed to put back our provision as to banks with an amendment to this effect: That instead of having a two-and-a-half-million-dollar limitation, we increase the limitation to $5,000,000, and instead of having the limitation apply to cities of 100,000 population or over, we make it apply to cities of 200,000 population or over. There are only 28 cities in the United States that have more than 200,000 population, and only 270 banks that have more than $5,000,000 in capital, surplus, deposits, and undivided profits. The judgment of every Member of the House, I think, agrees upon the idea that there should not be this widespread interlocking directorates in these big banks, and we have undertaken to make the best provision possible under the difficult circumstances.

There are Members and Senators who object to this provision. They want no interlocking directorates of banks prohibited whatever; but we thought that a man who was a director of a bank with $5,000,000 capital, deposits, and surplus was sufficiently engaged in looking after its funds, and his hands were fairly well filled. Now, in reference to railroad interlocking directorates and supply houses, the Senate offered a substitute for it and we agreed to it. It is not as rigid as our section, but we believe it is as effective, if not more effective. We simply prohibited interlocking directorates. The Senate provision went some distance in that direction and the conferees worked out a final substitute for it which prohibits transactions between a supply house and a railroad which has a common director if the amount of the transactions exceed $50,000 in any one year. If it exceeds that, then the railroad must buy by competitive bidding and buy for the best interest of the common carrier, and each bidder's name must be given, and then the names of all bids and addresses of the persons making bids shall be transferred to the Interstate Commerce Commission. They shall enforce that provision under such rules and regulations as they may make. We believe that we have a section which will bring more material advantage than possibly this original section would.

Mr. LEVY. Will the gentleman yield?

Mr. WEBB. Yes; for a question.

Mr. LEVY. Has the gentleman taken into consideration that the Interstate Commerce Commission has so much business before it now that they can not attend to it?

Mr. WEBB. Yes; we have taken that into consideration.

Mr. LEVY. It will take a year for them to render a decision. Why not refer it to some other commission?

Mr. WEBB. We will give them liberal opportunity in——

Mr. LEVY. There are five commissioners who are perfectly incompetent, and they have brought the greatest railroad system of this country into great financial stress. Does the gentleman want still to give them more power?

Mr. JOHNSON of Kentucky. Which five? Will the gentleman name them?

Mr. LEVY. Mr. Daniels and the gentleman from Kentucky have voted fairly, but the other five——

Mr. WEBB. Mr. Speaker, I refuse to yield further on this subject.

Mr. BARTLETT. Is it not a fact that the railroad managers have about brought the stockholders to bankruptcy?

Mr. LEVY. It is fortunate the railroads are not all bankrupt.

Mr. BATHRICK. Will the gentleman yield?

Mr. WEBB. Yes.

Mr. BATHRICK. I simply ask for information——

Mr. WEBB. I will be glad to give to my friend anything I have in the way of information.

Mr. BATHRICK. Do I understand the gentleman had embodied in some part of the bill—my attention was distracted at the moment from his statement—that he has embodied in some part of the bill a provision including the first paragraph of section 9 substantially?

Mr. WEBB. Yes, sir; and I think it is an effective section, too.

Mr. HENRY. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore (Mr. BEALL of Texas). But the gentleman from North Carolina has the floor.

Mr. HENRY. Mr. Speaker, I make the point there is no quorum present.

The SPEAKER pro tempore. Does the gentleman from North Carolina yield to the gentleman from Texas?

Mr. WEBB. I would rather not; I am about to conclude.

Mr. HENRY. Mr. Speaker, have I not the right to make the point of no quorum without the gentleman yielding for the purpose? Have I not the right to ask for a quorum?

The SPEAKER pro tempore. The gentleman from North Carolina has the floor.

Mr. HENRY. Have I not the right to have a quorum present in order to transact business?

The SPEAKER pro tempore. The Chair does not think the gentleman from Texas can take the gentleman from North Carolina off the floor.

Mr. HENRY. Mr. Speaker, I would like to be heard on the point of order.

The SPEAKER pro tempore. The gentleman from North Carolina has the floor and has not yielded.

Mr. WEBB. Mr. Speaker, I was about to take up section 17——

Mr. HENRY. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. The gentleman from North Carolina has the floor and has not yielded.

Mr. HENRY. Mr. Speaker——

The SPEAKER pro tempore. The gentleman from North Carolina has the floor.

Mr. HENRY. Mr. Speaker, I appeal from the decision of the Chair.

The SPEAKER pro tempore. The gentleman from North Carolina has the floor, and no gentleman can be recognized until he yields. [Applause.]

Mr. HENRY. Does the Chair make that as a formal ruling?

Mr. COOPER. Regular order!

The SPEAKER pro tempore. The Chair rules that the gentleman from North Carolina has the floor.

Mr. HENRY. Does the Chair rule that the point of no quorum can not be made now?

Mr. BARTLETT. The Chair does not recognize the gentleman.

The SPEAKER pro tempore. The Chair has not recognized the gentleman from Texas to make the point of no quorum or for any other purpose. [Applause.]

Mr. HENRY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman from North Carolina has the floor.

Mr. HENRY. When will the Chair recognize me to make the point of no quorum.

The SPEAKER pro tempore. When the gentleman from Texas is entitled to recognition. [Laughter.]

Mr. WEBB. I hope, Mr. Speaker, this will not be taken out of my time.

Mr. BARTLETT. Mr. Speaker, I call the gentleman from Texas to order.

Mr. HENRY. Mr. Speaker, I wish to submit a parliamentary inquiry.

The SPEAKER pro tempore. Does the gentleman from North Carolina yield for that purpose?

Mr. WEBB. Mr. Speaker, I am very anxious to get through with this.

Mr. HENRY. Mr. Speaker, have I not the right to submit a parliamentary inquiry at this stage of the proceedings?

The SPEAKER pro tempore. As the present occupant of the chair understands, the gentleman from North Carolina [Mr. WEBB] has not yielded.

Mr. HENRY. When will it be in order?

The SPEAKER pro tempore. The gentleman from North Carolina [Mr. WEBB] will proceed.

Mr. HENRY. Mr. Speaker, when will it be in order to submit a parliamentary inquiry?

Mr. WEBB. Mr. Speaker, I am still proceeding.

The SPEAKER pro tempore. The gentleman from North Carolina [Mr. WEBB] has the floor.

Mr. HENRY. Will not the gentleman yield for me to submit a parliamentary inquiry?

Mr. WEBB. I would rather not do it at this time, I will say to my friend.

Mr. HENRY. When will the gentleman yield?

Mr. WEBB. In a few minutes.

Mr. HENRY. In how many minutes?

Mr. WEBB. In five minutes. I want to continue as to section 17 if I may have order.

Mr. HENRY. Mr. Speaker, will I be recognized, when the gentleman yields, to make the point of no quorum?

The SPEAKER pro tempore. If the gentleman from North Carolina yields.

Mr. HENRY. When he yields the floor may I be recognized to make the point of no quorum?

The SPEAKER pro tempore. That can be reached when the gentleman from North Carolina concludes.

Mr. HENRY. I presume it will not be reached——

The SPEAKER pro tempore. The gentleman from Texas [Mr. HENRY] will please take his seat.

Mr. HENRY. I presume, under the circumstances, I will have to be outraged by the ruling of the Chair, as the Chair does not recognize the Constitution or the rules of this House——

The SPEAKER pro tempore. The gentleman will take his seat.

Mr. HENRY (continuing). Or the laws of parliamentary procedure.

Mr. COOPER. Regular order, Mr. Speaker.

Mr. WEBB. Now, Mr. Speaker——

Mr. HENRY. For the present I will yield, because the Speaker is simply abusing the privileges of the Chair.

Mr. MANN. Mr. Speaker, I rise to a point of order.

The SPEAKER pro tempore. The gentleman will state it.

Mr. MANN. I do not understand that the gentleman from North Carolina [Mr. WEBB] has to yield the floor in order that the point of no quorum may be made. Does the Chair rule that a man can not make a point of order——

Mr. HENRY. He has already ruled that.

The SPEAKER pro tempore. Is the point of order that the gentleman from North Carolina is not proceeding in order?

Mr. HENRY. The gentleman from Texas was proceeding in order.

The SPEAKER pro tempore. The gentleman from Texas will please permit the Chair to make a statement to the gentleman from Illinois, that he understands that the gentleman from North Carolina has the floor, and that he is entitled to retain the floor until he yields upon the request of some gentleman. Of course, as the Chair understands it—but he may be incorrect—if a point of order is made that the gentleman from North Carolina is violating any rules of the House, it will be a point of order that the Chair will be compelled to entertain.

Mr. MANN. I rise to a point of order. The question is whether I may be permitted to state it or not, or whether the Chair holds that a man rising to a point of order can not state it.

Mr. WEBB. I do not want to be taken off my feet.

The SPEAKER pro tempore. The Chair has no way of knowing what the point of order of the gentleman from Illinois [Mr. MANN] is until it is stated.

Mr. MANN. I make the point of order that any gentleman has the right to make the point of no quorum in accordance with the constitutional provision, and that the right of a quorum in the House does not depend on the special privilege of some Member on the floor as to whether he will yield or not.

The SPEAKER pro tempore. The gentleman from Illinois may be right about that. If he can find any authority to that effect, the Chair will be glad to hear it.

Mr. HENRY. The Chair would not permit me to offer authority. The Chair would not permit me to read the Constitution.

The SPEAKER pro tempore. The Chair is familiar with the Constitution. If there is any ruling that a Member having the floor can be taken off the floor by another Member for the purpose of making a point of no quorum——

Mr. HENRY. With all due respect——

The SPEAKER pro tempore. Will the gentleman from Texas permit the Chair to finish the statement? If the gentleman can submit any ruling that he is entitled to make the point of no quorum when the gentleman from North Carolina has the floor without the gentleman from North Carolina yielding the Chair will yield ready obedience to it.

Mr. HENRY. Just as soon as I can get the Manual and the Constitution I will read it.

The SPEAKER pro tempore. In the meanwhile the gentleman from North Carolina [Mr. WEBB] will proceed.

Mr. HENRY. With all due respect to the Chair, I want to make the point of no quorum at this juncture. I have a right to make that point, and if the Chair will let me read the Constitution——

Mr. WEBB. Mr. Speaker, I regret very much that the point of no quorum has been interjected in my speech here.

Mr. HENRY. I will submit authority to the Chair, but I hope the Speaker, Mr. CLARK, will be in the chair when I submit it.

The SPEAKER pro tempore. The Chair hopes so, too. The gentleman from North Carolina [Mr. WEBB] will proceed.

Mr. WEBB. Mr. Speaker, in section 17 of the bill we had the words "property or property rights"——

The SPEAKER resumed the chair.

The SPEAKER. The House will be in order.

Mr. HENRY. Mr. Speaker, I make the point that there is no quorum present.

Mr. WEBB. Mr. Speaker, I am still talking. [Laughter.]

The SPEAKER. The Chair will count. [After counting.] One hundred and thirty-seven Members are present—not a quorum.

Mr. UNDERWOOD. Mr. Speaker, I move a call of the House.

Mr. WEBB. Mr. Speaker, I move a call of the House.

The SPEAKER. The gentleman from Alabama and the gentleman from North Carolina both move a call of the House.

A call of the House was ordered.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Fess	Knowland, J. R.	Reed
Anthony	Finley	Konop	Reilly, Conn.
Austin	Fowler	Korbly	Riordan
Bartholdt	Francis	Lafferty	Sabath
Bell, Cal.	French	Langley	Scully
Britten	Gard	L'Engle	Shreve
Brodbeck	George	Lenroot	Sims
Brown, N. Y.	Gerry	Lever	Slemp
Brown, W. Va.	Gittins	Lewis, Pa.	Smith, Md.
Browning	Goldfogle	Lindquist	Smith, Minn.
Burgess	Graham, Ill.	Loft	Smith, N. Y.
Burke, Pa.	Graham, Pa.	McAndrews	Stedman
Burke, Wis.	Gregg	MacDonald	Stephens, Cal.
Byrnes, S. C.	Guernsey	Mahan	Stevens, N. H.
Calder	Hamill	Maher	Stout
Callaway	Hardwick	Martin	Stringer
Carr	Harris	Merritt	Sumners
Cary	Harrison	Moss, Ind.	Taylor, N. Y.
Church	Hayes	Moss, W. Va.	Temple
Clancy	Hinebaugh	Mott	Ten Eyck
Claypool	Hobson	Murdock	Treadway
Coady	Hoxworth	Neeley, Kans.	Underhill
Connolly, Iowa	Hughes, W. Va.	Nolan, J. I.	Wallin
Conry	Hulings	Norton	Walters
Copley	Humphreys, Miss.	O'Hair	Watkins
Dies	Johnson, Utah	Paige, Mass.	Willis
Doremus	Jones	Palmer	Wilson, Fla.
Eagle	Keister	Parker	Wilson, N. Y.
Edmonds	Kelly, Pa.	Patten, N. Y.	Winslow
Elder	Kennedy, R. I.	Patton, Pa.	Woodruff
Estopinal	Kent	Peters	Woods
Evans	Key, Ohio	Powers	
Faison	Kindel	Rainey	

The SPEAKER. On this call 298 Members—a quorum—have answered to their names

Mr. WEBB. Mr Speaker, I move to dispense with further proceedings under the call.

The SPEAKER The gentleman from North Carolina [Mr. WEBB] moves to dispense with further proceedings under the call. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors.

Mr. WEBB rose.

The SPEAKER. The gentleman from North Carolina [Mr. WEBB] is recognized.

Mr. WEBB. Mr. Speaker, before the point of no quorum was made I was about to briefly discuss section 17 of the bill as agreed to by the conference, which is section 15 of the bill as

passed by the House. There is very little material amendment to this section. The Senate struck out the language "property or a property right of the applicant" which we had in the bill, and we have left it that way, so that the damage must result to the applicant, and so forth; and at the expiration of the time, which we set at 10 days, the time may be increased if good cause is shown, and the reasons for such extension shall be entered of record.

In section 19 of the conference bill, or section 17 of the House bill, we added the word "officers," as well as "agents, servants, employees, and attorneys, or those in active concert," and so forth, and after those words we put in the words "or participating."

Section 20 is practically as it passed the House as section 18. This is the much-discussed labor section, where certain acts are described and declared to be not unlawful under the laws of the United States. This is the celebrated section about which my friend from Pennsylvania [Mr. MOORE] made his vehement speech after the bill had passed almost unanimously in the House, and I presume out of deference to his position some of the Senate and the House conferees agreed to strike out this language in section 18 of the House bill, or section 20 of the conference bill:

Or from attending at or near a house or place where any person resides or works, or carries on business or happens to be, for the purpose of peacefully obtaining or communicating information.

Now, the House conferees agreed that those words should go out and the more euphonious ones, though just as effective and meaning the same thing, should be inserted, to wit:

Or from attending at any place where any such person or persons may lawfully be for the purpose of peacefully obtaining or communicating information.

We knew when the bill passed the House that we did not authorize anybody to be at a place where he might not lawfully be. We authorized nobody to violate the laws of the States; and so, in order to make it a little more euphonious and maybe a little less harsh-sounding, we agreed to these words, which do not change the meaning or the effect of the section in any degree.

Mr. GREEN of Iowa. Mr. Speaker, will the gentleman yield to me for a question?

The SPEAKER. Does the gentleman from North Carolina yield to the gentleman from Iowa?

Mr. WEBB. Just for a question.

Mr. GREEN of Iowa. That is all. As I understand, the words "such person" refers back to the word "individual" at the beginning of the section?

Mr. WEBB. We struck out "individual," which the Senate inserted, and restored the word "person," which includes persons, individuals, corporations, and everybody else that can act.

Mr. GREEN of Iowa. It refers to the party that has gone to the particular place?

Mr. WEBB. Oh, yes.

Mr. AVIS. Mr. Speaker, will the gentleman yield for a question?

The SPEAKER. Does the gentleman from North Carolina yield to the gentleman from West Virginia?

Mr. WEBB. Yes; for a question.

Mr. AVIS. I would like to ask the gentleman if in his opinion the two sections relating to labor are different from what the law is at the present time? Do they give any more right to labor than has been given by court decisions?

Mr. WEBB. I think they do. They make the law uniform where heretofore certain courts have held one thing and certain other courts have held another thing with reference to these labor questions. This is a codification of labor's rights, to apply to the whole United States.

Mr. AVIS. Does the gentleman think it gives them any more rights than they already had?

Mr. WEBB. I have not the time to go into the details of this section, and I can not now discuss what I already discussed fully months ago when the bill was before the House. I am now informing the House as to the amendments agreed to in the conference.

Mr. AVIS. I was asking the gentleman's opinion of the matter.

Mr. WEBB. I think the two sections constitute labor's bill of rights that they have been clamoring for for 25 years; and we have written into the statute law what is considered to be the best opinions of the courts as to labor and labor's rights.

Now, Mr Speaker, at the end of this paragraph we used the words "nor shall any of the acts specified in this paragraph be considered or held unlawful" when the bill passed the House. The Senate struck out the word "unlawful" and inserted the words "to be violations of any law of the United States," and the conferees agreed to it.

Now, in section 21, with reference to contempts, in the House bill we provided—

That any person who shall willfully disobey any lawful writ, process, order, rule, decree, or command of any district court of the United States or any court of the District of Columbia by doing any act or thing therein or thereby forbidden to be done by him if the act or thing so done by him be of such character as to constitute also a criminal offense under any statute of the United States or at common law.

The Senate struck out the words "at common law" and inserted "under the laws of any State in which the act was committed," and the House agreed to it. Those amendments are more or less immaterial.

Now, Mr. Speaker, that covers the ground as well as I am able to do it in the limited time. I realize that there is a wide difference of opinion as to trust legislation in the House, especially on the Republican side. Some of our Republican friends think the bill is too drastic. That idea cropped out in the Senate. Senator BORAH, an able Republican, declared that this legislation was useless, that the Sherman antitrust law was sufficient, and it was unnecessary to pass this bill.

Senator WEEKS declared that it was drastic because it was unfair to the United Shoe Machinery Co.

Mr. MANN. Mr. Speaker, I make a point of order.

The SPEAKER. The gentleman will state it.

Mr. MANN. I do not think the gentleman can refer in the House to what has taken place in the Senate.

Mr. WEBB. I am not criticizing Senators. I am simply stating what I gather from the CONGRESSIONAL RECORD——

Mr. MANN. Yes, I know; but that is against the rule.

The SPEAKER. It is against the rule to refer to what is done in the Senate.

Mr. WEBB. Mr. Speaker, I understand that; but under certain limitations it ought to be allowed. I heard a Senator the other day in the Senate read page after page of what House Members had said, both on the floor of the House and elsewhere; but I do not care to refer to it if it is objectionable to my friend.

The SPEAKER. It is against the rule, although it is frequently done when nobody raises the point of order.

Mr. WEBB. I was only illustrating the fact that there is a vast difference of opinion among Republicans, both Senators and Representatives, as to this legislation. It cropped out when the bill was presented to the House. Some of them said the bill was too drastic, and they were inclined to criticize the committee for reporting out a bill of that kind. Others of my Republican colleagues declared that the bill was not drastic enough and that it had no "teeth." So it appears that we are certain to be criticized, no matter what we do. It reminds me of a fellow who had been in the habit of getting drunk. He had been to town and was going home pretty well intoxicated. It was a cold night. He was pretty full and was staggering from side to side of the road. He had spent his substance in riotous living and was beginning to feel pretty poor, and as he stumbled along he soliloquized in this wise: "I wonder if my wife Nancy is sitting up burning the candle. If she is burning that candle when I get home, I will whip her, sure. I am too poor a man to have candles burned at night when I am not there."

Then he staggered along for a mile or two, and it grew very cold. He had forgotten his poverty, and was thinking about a good warm fire and a light in the window, and a good warm place to sleep, and he soliloquized like this: "I wonder if my wife Nancy has gone to bed, blown out the candle, and put out the fire, and has no warm welcome for me. If she has blown out that candle, I will whip her sure." So in any event, Mr. Speaker, Nancy was due to get a licking, and in any event the Democrats who presented this bill must be criticized by some Republicans, though 54 of them voted for it when it passed the House——

Mr. MANN. They will get a licking, too. [Laughter and applause on the Republican side.]

Mr. WEBB. The Democrats of our committee are sure to be criticized, from one quarter or the other, by a part of our divided friends on the other side of the Chamber who can not get together themselves. Part of them are asking that criminal penalties be imposed; the other part would vote against this bill if criminal penalties were imposed; so we have a hard job to satisfy them all. We hope we will satisfy those fair-minded ones who will give us credit for having done the best we could with this troublesome question. [Applause.] I am obliged to the House for their attention.

The SPEAKER. The gentleman from Minnesota [Mr. VOLSTEAD] is recognized for two hours and a half.

Mr. VOLSTEAD. Mr. Speaker, the gentleman from North Carolina [Mr. WEBB] has given us his views of this bill and has attempted to defend it and show its virtues. Allow me to point out some of its vices. This bill proposes a radical change from the policy that has been approved, both by Democrats and Republicans, in the past. There are no platform declarations in favor of any such policy as this. Heretofore whenever commerce has been restrained, whenever monopoly has been attempted, we have denounced it as a criminal offense. We have never undertaken to palter with it in any fashion. We have always said that a man who was willing to rob the many was no less guilty than the man who robbed a single individual.

In the bill presented here you are providing one rule for the individual who steals from you, and an entirely different rule for the one who steals from the community at large. The rich offender that robs the public of millions and in conscienceless fashion squeezes the last penny out of his helpless victim must not be sent to jail—he is too good for that; but if some poor fellow robs a henroost and gets caught, we betide him—jails are made for such as he. This bill contains a great many sections, but there are but four sections that deal directly with trusts by defining offenses that lessen competition or tend to create monopolies. They are sections 2, 3, 7, and 8. These sections were enacted as a part of the House bill. They then contained criminal penalties in line with a policy that has always been pursued in dealing with like offenses. Now they come back to us without such penalties, but with a provision for their enforcement that seems to me utterly ineffective for any practical purpose.

There are only two sections in the bill—both inserted in the Senate—that contain criminal penalties. But let me remind you that those only protect corporations. They do not deal with the acts that directly oppress the public; that put persons out of business; that send people to the poorhouse. They deal with offenses against corporations, and are designed to protect corporations against the dishonesty of their officers. It is a singular fact that only those two sections have criminal penalties. It would thus appear that those who are sponsors for this bill are more anxious to protect the stockholders of a corporation—perchance a trust—against the dishonesty of its officers than they are to protect the people injured by the trusts. If you illegally ruin a competitor or rob the public, you are only to be admonished to quit; but if you do the same thing to a corporation you go to jail. When this bill becomes a law it will give notice to the courts and to the prosecuting officers that hereafter a new policy is to be pursued, not one of punishment, but one of moral suasion.

I want to call your attention to the nature of these four sections, to show you to what extent they cover and are offered as a substitute for the Sherman law.

Section 2 defines an offense that is well known—that of driving out a competitor by selling below cost in the community where the competitor is doing business while recouping the loss in other localities. This has several times been condemned by our Supreme Court as a violation of the Sherman law. It restrains trade by destroying competition. During late years it has been used more than any other means for suppressing competition and maintaining monopoly. This offense was regarded of so great importance that the last Democratic platform declared that as one of the things that ought to be specifically condemned. No doubt those who wrote that platform expected that when written into law it would have stringent criminal penalties, but instead of that it has been put into this bill without any kind of a penalty. In the last few years some 20 States have found it necessary to pass stringent laws with drastic penalties against the practice.

The third section as written in the conference report declares illegal what is known as tying contracts. These contracts have become widely known as another of the chief means by which combinations in restraint of trade are being built up. Some of the most unconscionable trusts are making use of this form of combination to maintain monopoly.

Mr. STAFFORD. Will the gentleman yield?

Mr. VOLSTEAD. I will.

Mr. STAFFORD. I wish to inquire whether, in the opinion of the gentleman, section 3 as agreed to by the conferees is as stringent in its effect as Senate section 2?

Mr. VOLSTEAD. I consider it much less effective.

Mr. MOORE. Will the gentleman yield?

Mr. VOLSTEAD. For a question.

Mr. MOORE. Does the gentleman observe any improvement here over the Sherman antitrust law in this sentence agreed upon in conference in section 3, "where the effect of such lease, sale, or contract for sale, or such condition, agreement, or understanding may be to substantially lessen competition or tend to create a monopoly in any line of commerce"?

Mr. VOLSTEAD. It is unquestionably much weaker than the Sherman law. I shall try to point out the reason why.

Mr. MOORE. It certainly has not made it any stronger.

Mr. VOLSTEAD. It certainly has not. It reenacts the Sherman law with limitations that will make these sections less effective than that law.

Section 7 prohibits one corporation from purchasing the capital stock of another corporation, but it is so limited and restricted that it is much less effective than the Sherman law. Those familiar with the litigation that has been going on in reference to trusts know that this is the modern method of creating trusts. One corporation will purchase the stock of another corporation and thus consolidate the corporations. There can be no competition between corporations owned by the same parties; people do not compete with themselves.

Section 8 relates to the interlocking of directors. That section if it had a criminal penalty might have had some effect. It may in some respects go beyond the Sherman law, but the evil that it is aimed at is reached by that law; but it is harmless with or without penalties for its enforcement. It does not reach the real evil, because it does not forbid the community of interest that interlocking directors represent. It will only tend to create dummy directors and conceal the real parties guilty of wrongdoing.

Under these four sections nearly every trust in this country can be proceeded against, and it seems to me that in the future this will be the method of procedure. This bill declares this to be the new policy of the Democratic Party. I hope that no Republican will vote for any such policy. [Applause on the Republican side.] If we abandon criminal penalties as a means for the enforcement of the Sherman law, no one will care for that law. Think of what greed has dared to do in the past with prison doors staring the offenders in the face, while the Government has been spending millions to enforce those penalties!

Now let me call your attention to the methods that are to be pursued in the enforcement of these four important propositions. Here is what it provides:

> The authority to enforce sections 2, 3, 7, and 8 of this act by the persons respectively subject thereto is hereby vested in the Interstate Commerce Commission where applicable to common carriers, in the Federal Reserve Board where applicable to banks, banking associations, and trust companies, and in the Federal Trade Commission where applicable to all other commerce.

Mr. HENRY. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Texas makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and twenty-two Members present—not a quorum.

Mr. WEBB. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Allen	Connelly, Kans.	Harris	McLaughlin
Anderson	Connolly, Iowa	Harrison	MacDonald
Ansberry	Conry	Hayden	Mahan
Anthony	Copley	Hensley	Maher
Austin	Davenport	Hinebaugh	Martin
Baker	Doremus	Hobson	Merritt
Bartholdt	Eagle	Hoxworth	Metz
Bathrick	Edmonds	Hughes, W. Va.	Mondell
Beall, Tex.	Elder	Hulings	Morgan, La.
Bell, Cal.	Estopinal	Humphreys, Miss.	Morin
Bowdle	Evans	Johnson, S. C.	Moss, W. Va.
Britten	Faison	Johnson, Utah	Mott
Brodbeck	Falconer	Jones	Murdock
Broussard	Ferris	Keister	Neeley, Kans.
Brown, N. Y.	Fess	Kelly, Pa.	Neely, W. Va.
Brown, W. Va.	Finley	Kennedy, R. I.	Nolan, J. I.
Browning	Fordney	Kent	Norton
Brumbaugh	Fowler	Key, Ohio	O'Hair
Burgess	Francis	Kindel	Paige, Mass.
Burke, Pa.	Frear	Knowland, J. R.	Palmer
Burke, Wis.	French	Konop	Parker
Butler	Gardner	Korbly	Patten, N. Y.
Calder	George	Langley	Porter
Callaway	Gerry	L'Engle	Post
Candler, Miss.	Gillett	Lenroot	Powers
Carlin	Gittins	Lewis, Pa.	Ragsdale
Carr	Goldfogle	Lindbergh	Rainey
Cary	Graham, Ill.	Lindquist	Reed
Chandler, N. Y.	Graham, Pa.	Linthicum	Reilly, Conn.
Church	Gregg	Loft	Riordan
Clancy	Guernsey	McAndrews	Roberts, Mass.
Clark, Fla.	Hamill	McGuire, Okla.	Sabath
Coady	Hardwick	McKenzie	Scully

Sells	Stedman	Temple	Willis
Shreve	Stephens, Cal.	Ten Eyck	Wilson, Fla.
Sims	Stevens, N. H.	Towner	Wilson, N. Y.
Slemp	Stout	Treadway	Winslow
Small	Stringer	Tuttle	Woodruff
Smith, Md.	Sumners	Wallin	Woods
Smith, Minn.	Taggart	Watkins	
Smith, N. Y.	Taylor, Ala.	Weaver	
Sparkman	Taylor, N. Y.	Whitacre	

The SPEAKER. Two hundred and sixty-three Members have answered to their names—a quorum.

Mr. WEBB. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

Mr. VOLSTEAD. Mr. Speaker, in case a complaint is made of any violation of any of these sections an application is to be made to the commissions or board having jurisdiction for an investigation. No doubt, as has been customary under the Sherman law, an investigation will be started ex parte to begin with. Testimony will be taken and inspectors sent out to learn whether there is any reason to believe that an offense has been committed. If it is found that a successful prosecution can be had under any one of these sections, a complaint may be served upon the offender. That complaint has the effect of giving jurisdiction. It is equivalent to the bringing of a lawsuit. There is nothing in this bill that hastens or expedites the trial of any matter before one of these commissions. A trial must be had just the same as in a court. Attorneys will appear, evidence will be introduced on both sides, and when the thing is finally ended, if an offense is found to exist, the commission or the board, whichever may happen to try the matter, will make a report to that effect and serve a notice on the offending party to quit.

After the report has been made and the notice has been served, what happens? How is it enforced? No penalty is imposed, no fine is collected, not even the cost of the proceedings, and no one is sent to jail. There is no loss to the party who has been violating this law. He is not to part with any of his ill-gotten gains. If he is not satisfied to quit, he may bring a suit in a circuit court for the purpose of setting aside the report, or he may treat it with contempt. In case he does not comply, the commission or board may bring suit in some circuit court for the enforcement of the notice. There the party is treated just the same as if he had appealed from a judgment of a district court to the circuit court of appeals. In the circuit court the findings of fact by a commission or board will be conclusive if there is any evidence to support them. In this it does not differ from findings of fact made by a district court when considered on appeal. After it has been retried in the circuit court of appeals it may then go to the Supreme Court on certiorari. At the end of this wearisome proceeding, which must take years, as the experience of the past demonstrates, what is the result? There is still no penalty, no fine, no imprisonment. All that is done is to issue a writ of injunction forbidding the practice. Think of that as an effective remedy against important trust violations!

The party is not to lose anything except the costs perhaps at the end of the litigation in the circuit court or in the Supreme Court. He does not even lose the costs before the commission or board, as there is no provision that any costs can be taxed. What have you gained? You have taken four of the most important provisions of the Sherman law out of that law and placed them in four separate and distinct sections. You have turned these offenses over to a commission or board for trial, there they are to be tried the same as they are tried now in the district courts. At the end you get not an injunction, but a notice to quit. If you sue to enforce this notice you get an injunction limited by this section to the enforcement of this notice. It can not reach the other offenses usually connected with these illegal practices so as to afford complete relief as under the Sherman law.

Mr. MOORE. Mr. Speaker——

The SPEAKER. Will the gentleman yield?

Mr. VOLSTEAD. I do.

Mr. MOORE. As a matter of fact, has it not been made more difficult to prosecute the trusts under this system than it was heretofore?

Mr. VOLSTEAD. I think it makes it exceedingly difficult. Not only will it take years before the courts can determine just what rights parties have under this dual system, but it also greatly weakens present law.

It has been claimed that the various matters defined and declared illegal in this bill are outside and beyond the Sherman law. That contention rests upon the claim that the Sherman law does not forbid anything that simply tends to restrain commerce or competition, or that tends to monopoly; that it only condemns restraint of trade and monopoly. Such a contention is clearly without merit.

Mr. MADDEN. Mr. Speaker, I suggest the lack of a quorum. I think this is one of the most interesting speeches the House has had made for a long time, and there ought to be more here to listen to it.

The SPEAKER. The gentleman from Illinois makes the point of order there is no quorum present. The Chair will count. [After counting.] One hundred and fifty-one gentlemen are present—not a quorum.

Mr. WEBB. Mr. Speaker, I move a call of the House.

The SPEAKER. The gentleman from North Carolina moves a call of the House.

The motion was agreed to.

The roll was called, and the following Members failed to answer to their names:

Aiken	Faison	Korbly	Rouse
Ainey	Fess	Langham	Rucker
Anderson	Fowler	Langley	Sabath
Ansberry	Francis	L'Engle	Scully
Anthony	Frear	Lenroot	Seldomridge
Austin	French	Lewis, Md.	Sells
Baker	Gardner	Lewis, Pa.	Shreve
Bartholdt	George	Lindquist	Sinnott
Bathrick	Gerry	Linthicum	Slemp
Bell, Cal.	Gittins	Loft	Smith, Md.
Britten	Goldfogle	McAndrews	Smith, Minn.
Brodbeck	Graham, Ill.	McGuire, Okla.	Smith, N. Y.
Brown, N. Y.	Graham, Pa.	MacDonald	Smith, Tex.
Brown, W. Va.	Gregg	Mahan	Sparkman
Browne, Wis.	Guernsey	Maher	Stedman
Browning	Hamill	Manahan	Steenerson
Brumbaugh	Harris	Martin	Stephens, Cal.
Burgess	Harrison	Merritt	Stevens, N. H.
Burke, Pa.	Haugen	Mondell	Stout
Burke, Wis.	Helvering	Morrison	Stringer
Butler	Hinds	Moss, W. Va.	Sumners
Calder	Hinebaugh	Mott	Talbott, Md.
Callaway	Hobson	Mulkey	Taylor, Ala.
Carlin	Howard	Murdock	Taylor, N. Y.
Carr	Hoxworth	Neeley, Kans.	Temple
Cary	Hughes, W. Va.	Nolan, J. I.	Ten Eyck
Chandler, N. Y.	Hulings	Norton	Treadway
Church	Hull	O'Hair	Tuttle
Clancy	Humphrey, Wash.	Paige, Mass.	Underhill
Clark, Fla.	Humphreys, Miss.	Palmer	Walker
Claypool	Johnson, S. C.	Parker	Wallin
Connolly, Iowa	Jones	Patten, N. Y.	Walters
Conry	Keister	Plumley	Watkins
Copley	Kelly, Pa.	Porter	Whaley
Danforth	Kennedy, R. I.	Post	Whitacre
Doremus	Kent	Powers	Willis
Eagle	Kettner	Ragsdale	Wilson, Fla.
Elder	Key, Ohio	Rainey	Wilson, N. Y.
Estopinal	Kindel	Reed	Winslow
Evans	Knowland, J. R.	Riordan	Woodruff
Fairchild	Konop	Roberts, Mass.	Woods

The SPEAKER. On this vote 264 Members have responded to their names—a quorum.

Mr. WEBB. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors. The gentleman from Minnesota [Mr. VOLSTEAD] is recognized.

Mr. VOLSTEAD. Mr. Speaker, none of the acts described in sections 2, 3, or 7 are declared illegal unless their effect may be to substantially lessen competition or tend to create a monopoly in any line of commerce. All acts of that kind are now forbidden by the Sherman law, and these sections simply repeat in somewhat different language what that act now forbids. The courts have repeatedly translated the Sherman law into the language used in this bill, save for some limitations that will greatly weaken that law, and to which I desire to direct your attention.

The Supreme Court in the Northern Securities Co. case, reported in the One hundred and ninety-third United States Reports, page 331, used this language:

> That to vitiate a combination such as the act of Congress condemns it need not be shown that the combination in fact results or will result in total suppression of trade or in a complete monopoly, but it is only essential to show that by its necessary operation it tends to restrain interstate or international trade or commerce or tends to create a monopoly in such trade or commerce and to deprive the public of the advantages that flow from free competition.

Take that language—it declares that anything that tends to restrain trade or to create a monopoly or to deprive the public of free competition is illegal under the Sherman law—the very language in this bill. Plainly, anything that tends to lessen competition tends to deprive the public of free competition. But let me read another passage from this same case. It says:

> The means employed in respect to the combinations forbidden by the antitrust act and which Congress deemed germane to the end to be accomplished was to prescribe as a rule for interstate and international commerce (not for domestic commerce) that it shall not be vexed by combinations or monopolies which restrain commerce by destroying or restricting competition. Congress has prescribed such a rule, but because in all prior cases in this court the antitrust act has been con-

strued as forbidding any combination which by its necessary operation destroys or restricts free competition among those engaged in interstate commerce; in other words, that to destroy or to restrict free competition in interstate commerce was to restrain such commerce.

It will be noticed that the power to restrict competition, which is simply the power to lessen competition, is declared to be a restraint of trade. This construction of the antitrust act was absolutely necessary to the decision in that case. There was no restraint of trade unless the power to lessen competition *constituted* such restraint. There was no proof that any competition had been lessened, and it was claimed that less than 4 per cent of the traffic of the two roads that had been combined could be affected by the combination. Still the combination was held illegal. Substantially the same doctrine was laid down in the Union Pacific case, decided in 1912. There less than 4 per cent; in fact, less than 1 per cent, of the commerce was involved in the combination declared illegal. This doctrine is also found in the Knight case, reported in One hundred and fifty-sixth United States; in the Addystone Pipe Co. case, reported in One hundred and seventy-fifth United States; and in Waters-Pierce Co. against Texas, reported in Two hundred and twelfth United States.

The *English Encyclopedia of Law and Procedure*, volume 27, page 889, says that both under the common law and under this statute contracts that are designed to suppress or restrict competition are in restraint of trade.

I am aware that there are cases that hold certain restraints of trade or of competition not illegal, but this bill will not change those cases. Those decisions rest upon old common-law doctrines that our Supreme Court preserved by saying that Congress only intended to prohibit direct restraints and not indirect or incidental restraints. The object of the Sherman law is to preserve free competition. As every restraint of trade lessens competition, such restraints are forbidden. To lessen competition, restrains trade and defeats the only object of the law. While this may be conceded, it has been claimed that the Sherman law only covers combinations and that the sections in this bill do not deal with combinations, and hence the acts which they declare illegal are not covered by that law. This contention finds no support in either the language of the Sherman law or in court decisions. The first section of the Sherman law forbids all contracts or combinations in restraint of trade. Rice *v.* Standard Oil Co. (134 Fed., 464) and cases cited therein point out that it is not necessary to prove any combination if a contract in restraint of trade is shown. Chief Justice White in the Standard Oil Co. case said, in construing the act, that all restraints of trade and all acts that tend to monopoly are covered under the second section of the act, whether covered by any of the specific language of the act or not:

In Gompers *v.* Bucks Stove & Range Co. (221 U. S., 418), after citing Loewe *v.* Lawler, this court said (p. 438): "But the principle announced by the court was general. It (the Sherman Act) covered any illegal means by which interstate commerce is restrained, whether by unlawful combinations of capital or unlawful combinations of labor; and we think also whether the restraint be occasioned by unlawful contracts, trusts, pooling arrangements, blacklists, boycotts, coercion, threats, intimidation, and whether these be made effective, in whole or in part, by acts, words, or printed matter."

That these sections modify the Sherman Act is apparent. It is true that you may have an act denounced as an offense under two different statutes, but the Sherman law does not only define a crime, it also defines a man's rights in regard to property. Our courts can not be expected to assume that Congress intended that a person's right to property shall be held valid under one law in one court and void under other law in another court. They will harmonize the two laws by holding that this modifies the Sherman law, as it will be the last legislative expression on the subject.

In view of the fact that this bill covers offenses under the Sherman Act, it is important to consider whether it repeals any of the criminal penalties that now apply to acts defined in this bill. It is a familiar rule that if you reenact a statute and modify it or lessen or increase its penalties the old statute is repealed; that is, it is repealed by implication.

There is in this bill no provision that the Sherman law is not to be repealed as to any of the acts condemned in sections 2, 3, and 8. There is a provision in the last paragraph of section 7 which may preserve to some extent the Sherman law as to acts described in that section, but, like much of this bill, it is so doubtful in its language that it is hard to tell whether it preserves the law as against future offenses or only preserves it as to past offenses. But there is no such provision as to sections 2, 3, and 7. If they are inconsistent with that law, there can be no doubt they modify it. I think they are clearly in conflict.

For instance, sections 2, 3, and 7 provide that before an act shall be illegal competition must be substantially lessened. Nowhere has our Supreme Court said that competition must be substantially lessened to make restraint of trade illegal. They have repeatedly held that any direct restraint is illegal. But here you have added a limitation upon the power of the courts by requiring a substantially lessening of competition before an act can be declared illegal, instead of simply a lessening of or restriction of competition. Instead of free competition being the rule established by Congress, as said by the Supreme Court, this permits competition to be lessened.

This is a very vicious kind of legislation, because it leaves to the court an almost limitless discretion. Under the evidence in almost any case it may be held that there is no substantial lessening of competition. One court may find no substantial lessening of competition, while another, just as honest, might say there is. Take, for instance, the case to which I called your attention—the case of the Union Pacific Railroad. In that case the circuit court of appeals held that the competition was so small that it was negligible, while the Supreme Court held that that was not true, holding that they could not measure the quantity of the competition that was destroyed; that the law was that any contract or combination that restrained trade is a violation of the law, and as such is condemned. The court in the Northern Security Co. case cited with approval from an Ohio you have written into the bill a provision to the effect that comcase the following:

It is no answer to say that competition in the salt trade was not in fact destroyed or that the price of the commodity was not unreasonably advanced. Courts will not stop to inquire as to the degree of injury inflicted on the public; it is enough to know that the inevitable tendency of such contracts is injurious to the public.

This bill invites the court to make such an inquiry and substitutes the judgment of the court for the judgment of Congress.

Let me call your attention to the fact that the Democratic platform criticized the Supreme Court for having read into the Sherman law the word "unreasonable," so as to make it read "unreasonable restraint of trade." Now, in this bill you have done nothing to eliminate that word, although when we started to frame it a great many bills were introduced to effect that purpose. You have left the word unreasonable in the law, and you have added to the difficulty, added to the mischief, by requiring not only that the restraint must be unreasonable but that it shall be a substantial restraint of trade.

But you have done another thing that seems to me still worse—a thing that must necessarily modify the Sherman Act. You require that an act to be illegal must not only substantially lessen competition, but it must substantially lessen competition "in a line of commerce." Here is the language:

Where the effect may be to substantially lessen competition or tend to create monopoly in any line of commerce.

Under the decision of our Supreme Court a lessening of competition in any section, in any community, in any part of commerce, is a violation of the provisions of the Sherman law. But petition must be substantially lessened in a line of commerce before an act is illegal. How are men going to protect themselves under this law? For instance, take one of the large concerns like the Standard Oil Co. or the United States Steel Co., operating throughout the length and breadth of this country. How can the small man, operating, say, in one town, secure protection against the illegal methods of such a company? If he is ruined, his elimination will not substantially lessen competition in a line of trade. It would be utterly impossible to prove in a civil action brought to recover damages for a violation of this law a substantial lessening of competition in any line of commerce. Even if the whole commerce carried on by the United States Steel Co. should be affected to some extent, it may not in the judgment of a court establish that the whole line of commerce is substantially affected. This makes it necessary that it shall affect the commerce throughout the country——

Mr. GOOD. In that line.

Mr. VOLSTEAD. Yes; in that line.

Now, this limitation has been written into sections 2, 3, and 7. It was never in the Sherman law. There never was any excuse for writing it in this bill. It can have but one purpose, and that is to change existing law. When the Supreme Court comes to construe the Sherman law it will certainly say that so far as sections 2, 3, and 8 cover offenses now covered by the Sherman law that law has been modified and the criminal penalties are repealed.

There is another significant fact that indicates clearly an intention to modify the Sherman law in addition to the fact that it reenacts in modified form essential features of it, and that is this: Section 7 has a paragraph that attempts to preserve in force the Sherman law as to matters covered by that section. If it had been the intention to preserve the Sherman law as against conflict with sections 2, 3, and 8, why was that

provision in section 7 confined entirely to section 7 and not made to apply also to sections 2, 3, and 8? Will not the court necessarily have to say that if Congress had intended that sections 2, 3, and 8 should not modify the Sherman law, it would have made a provision to that effect the same as is made in section 7?

My attention has been called to a provision in section 11 relating to the effect of the orders and judgments made in the enforcement of these sections. It is claimed that as these are not to be a bar to any liability under the Sherman law that law is to remain in force. To contend that this saves the Sherman law begs the question. The Sherman law will still be in force when this statute is passed. The question is, How much of it will be in force? The acts that are declared illegal by these sections may be a part of a combination or conspiracy not covered by these particular sections, hence it is important that the right to prosecute regardless of any judgment that may be entered under these sections should still be preserved. But that provision does not attempt to preserve the act itself. It simply preserves the right to prosecute as to any offense that may still remain under that law.

I want to call your attention in this connection to section 14. That section is said to make guilt personal. That section is a fraud. It was introduced simply for the purpose of deceiving those who do not know what the law is.

The Criminal Code has this provision:

Whoever directly commits any act constituting an offense defined in any law of the United States, or aids, abets, counsels, commands, induces, or procures its commission, is a principal.

That broad and comprehensive language is to be supplanted by section 14, and here is the language:

That whenever a corporation shall violate any of the penal provisions of the antitrust laws such violation shall be deemed to be also that of the individual directors, officers, or agents of such corporation who shall have authorized, ordered, or done any of the acts constituting in whole or in part such violation.

Under the language of this new section only those who authorize, order, or do any of the acts forbidden are guilty, while under the present law not only are those guilty, but in addition all who abet, counsel, induce, or procure the commission of the act, whether they authorize or command it or not. The penalty in this new section is just exactly the same as in the present Sherman law. There is no increase in the penalty. The effect of this section is to relieve persons now liable to the penalties of the Sherman law. It may be that those who have been instrumental in pushing this section may have occasion some day to regret that they tried to fool the public. To relieve from criminal penalties and fool the public are all the purposes this section has.

Not only have men been convicted and sent to prison under the present act, but a large number have been fined. All who have been fined could have been sent to prison. In every case when this question has been before our courts it has been held that the individual as well as the corporation was liable. Not a single instance has been cited where anyone escaped because guilt is not personal under the law. The Attorney General called to our attention the fact that there is no necessity for such a section and submitted to the Judiciary Committee copies of indictments under which men had been indicted.

Allow me briefly to call your attention to section 7. When this bill was before this House I called attention to a number of objections to it. Some of those objections have been obviated by amendments, but it is still open to the objection that I made then that it expressly permits holding companies. This section attempts to deal in a comprehensive fashion with the effect on commerce created by the purchase by one corporation of the capital stock of another corporation. It is said that the second paragraph deals with holding companies. Its language is broad enough for that purpose, but the first part of the third paragraph excepts from its operation the class of corporations we know as holding companies, and all holding companies can easily amend their charters so as to come clearly within this exception. That paragraph provides that corporations that "purchase such stock solely for investment and not using the same by voting or otherwise to bring about or in attempting to bring about the substantial lessening of competition" are not forbidden. That was just the kind of a trust created by the Northern Security Co. It had never used the stock by voting or otherwise to lessen or to attempt to lessen competition. The Supreme Court, however, held that there could be no competition between two companies the ownership of which was consolidated in a third company, and very properly dissolved the combination; still that is just the kind of a corporation permitted under this exception. In a letter from the Attorney General read to the conferees he called attention to this very paragraph and to the fact that it describes a holding company, and suggested that it ought to be amended, but no amendment was made to the provision.

In conclusion I want to call your attention to some of the provisions in reference to labor. Outside of one or two provisions I do not believe that the bill changes the law now applicable to labor.

The first sentence in section 6 deserves some notice. It reads as follows:

That the labor of a human being is not a commodity or article of commerce.

The Attorney General, in the letter I referred to, called attention to the danger that lurked in such a statement. As it reads it is hard to tell what it means. Of course, no one has ever contended that labor is a tangible material thing like the groceries or clothes that we purchase in commerce, but that labor is an article or part of commerce everybody on this floor has recognized by passing labor legislation. Some of those in favor of the proposed legislation claim that this wipes out the Sherman law as applied to labor. If that is true, it will not only wipe out the Sherman law but every other law in the interest of labor that rests upon the power of Congress over commerce. It will wipe out the employers' liability act and a number of other acts passed to protect labor in interstate commerce. Its language is not limited to the Sherman law. It is general. The declaration, if it means anything, means that labor shall not be construed to be an instrumentality in interstate commerce. If it was intended to exempt labor from the Sherman law, it ought to have been written in plain language and not in an oracular sentence, such as this. If this provision is to be construed as now contended for it will be one of the grievances of labor, not a boon. Labor can not afford to be outlawed. It is entitled to and will ask the protection of law like other citizens.

I believe that labor will find itself sorely disappointed with the so-called Bill of Rights written into this measure. Section 20 forbids the issue of injunctions in certain cases. Labor organizations have asked for such legislation. But what does it do? It grants relief to pretty much everybody, but denies it to those for whose benefit this section is said to be drawn. You read it and you will find that there is no provision against issuing an injunction in favor of an employer and against one seeking employment. It is the one seeking employment that has been asking legislation. It is the person that strikes that is enjoined in the cases complained of. When a person has struck he is seeking employment and is not an employee; he may be enjoined in the old-fashioned way and on the same old grounds. The one who has been asking for protection against injunctions is denied relief and is mocked by a section that grants that relief to others not asking for it. Some have claimed that a striker is an employee; but this section settles that, because in the second paragraph it is provided that the employer may discharge him at any time. As soon as an employee strikes he discharges himself, and if he does not, the employer can discharge him under this very section. When he is discharged he is a person seeking employment and not an employee, and as such he can be enjoined under this bill, the same as he can now.

Mr. MADDEN. Will the gentleman yield?

Mr. VOLSTEAD. Yes.

Mr. MADDEN. The relationship of employer and employee does not exist when the man who was formerly the employee is on a strike?

Mr. VOLSTEAD. Certainly not.

Mr. MADDEN. And so, of course, the provisions of this bill regulating the issue of injunctions by an employer against an employee does not restrict an employer in enjoining a man on a strike?

Mr. VOLSTEAD. This section only protects people that have no grievance.

Mr. MOORE. Is it not true that when the bill was in the House the proponents of the measure insisted that a striker was an employee and had that status?

Mr. VOLSTEAD. I do not remember; but it is perfectly plain that the employer may discharge the striker before he secures his injunction, because in this paragraph it is provided that no such restraining order or injunction shall prohibit any person or persons, whether singly or in concert, from terminating any relation of employment, and the things that can not be enjoined are by the last sentence of the section declared to be legal.

Mr. MOORE. In what position does that place the striker?

Mr. VOLSTEAD. He has no protection under the first paragraph of this section.

Mr. MOORE. And he is the man whom they were supposed to protect when the bill was before the House?

Mr. VOLSTEAD. Yes.

Mr. MOORE. To get any benefit from this provision the man would have to be in actual employment?

Mr. VOLSTEAD. Yes; and he would not be likely to want an injunction against his employer.

Mr. MOORE. He would have to keep his job while he sued his employer. That is rather an interesting process for him to go through.

Mr. VOLSTEAD. There is another feature of this section that may be worth noticing. It certainly authorizes both the primary and secondary boycott, but it also authorizes the blacklist on the part of employers. I presume one was intended to offset the other. I am not prepared to say which will be the most effective weapon of warfare. Those who stand sponsors for this bill claim that it neither authorizes the one nor the other. They claim that the bill does not change existing law in regard to labor except that it prevents courts from declaring labor organizations illegal and gives a jury trial when an injunction has been violated. There is absolutely no question as to the legality of labor organizations. Such organizations have been repeatedly held by the highest court of our land to be legal. The bill adds nothing in that respect, nor is it certain that it grants a jury trial in contempt cases. Courts now have the power to submit questions of fact in such cases to a jury. Under the language of this bill why is it not optional with the court whether it will submit any such question to a jury? The language of the provision relied upon is that—

such trial may be by the court, or, on demand of the accused, by a jury, in which latter event the court may impanel a jury from the jurors then in attendance, or the court or the judge thereof in chambers may cause a sufficient number of jurors to be selected and summoned, as provided by law, to attend at the time and place, at which time a jury shall be selected and impaneled as upon a trial for a misdemeanor.

It will be noticed that this provision says that the trial may be by the court or it may be by a jury if demanded by the accused, and that the court may impanel a jury; the only mandatory provision appears to relate to the manner in which a jury is to be selected. To have the effect of giving a jury trial the provision must repeal existing law, and it must do so in clear language. Can it be said that this provision takes from our courts the right to try contempt cases without a jury? Why does not this section say that, on demand of the accused, the trial shall be, and not that it may be, by a jury? Clearly this can not be an oversight. It must have been intentional, so that courts may do as they consider proper under the circumstances.

I believe in protecting labor and its organizations. I believe that their rights should be carefully guarded. No one is worthy of a place upon this floor who does not sympathize with their struggle for better wages, for better conditions, a happier and better lot. They do not ask to be placed beyond the reach of the law, and resent the empty promises and pretenses of those who seek to deceive them. This bill grants to labor no bill of rights not heretofore recognized outside of the matters I have called attention to. This bill only puts into statutory form present law. I am perfectly willing that the rights of labor should be written into the statute, but when you write it do it in plain English, so that we know what it means, and so there can be no question about it. [Applause.] It will take a good deal of litigation to determine whether it changes existing law or not.

I want to say to my Democratic friends, you started out with a great deal of bragging about what you were going to do to the trusts. You introduced a multitude of bills that certainly had teeth in them. As the days and the weeks and the months have passed, one by one those bills have disappeared, one by one those brave promises have been forgotten, one by one you have pulled the teeth out of this bill, until the thing you present to us now is a toothless measure that can never do anybody any harm.

If you were to ask the trusts what sort of legislation they wanted you to pass on trusts, do you not feel confident they would tell you this is the right kind of a measure? Under this they will never spend any sleepless nights for fear of a prison. Would they not ask you for a bill that would complicate the present situation with all sorts of legal conundrums, that would complicate it by not attempting to define the thousand and one questions that must of necessity come up under the two varying systems that you provide? This bill will mean a mint of money to the lawyers and years and years of delay. Now that the Sherman law has become plain by the decisions of our Supreme Court, now when there is some chance to make that law effective, you step in and write upon the statute books a law that is a surrender of your past position, a surrender of every effort that has been made in years past.

The idea of sending these men that are guilty of robbing the public to a commission there to dicker and compromise in secret for the privilege of continuing their unlawful practices is ridiculous as a remedy. Make your laws effective. If you had written in section 14 a penalty of not less than one nor more than five years in prison and had wiped out your fine, you would have made the trust magnates find out what the law is. There is no difficulty to-day in knowing what the Sherman law means. Anybody that cares a rap can tell to almost a dead certainty whether he is inside or outside of the law. If you will make the offenders toe the mark by the stringent criminal penalties that you promised during the last campaign you will make them deal fairly with the public. If you had written that kind of a bill, you would not be here explaining and apologizing for this measure.

I will tell you what your troubles are. You are scared. The industrial condition is such that you dare not pass a trust bill. This is not the time to write such a law. When you met in December you thought that you could write one, but as the months have gone by and as you have seen the idle freight cars accumulate, seen the business and income of railroads diminish until they have had to beg for increased rates to save them from bankruptcy, seen the factories cease operation, seen thousands of idle men tramping the streets from one end of this land to the other, seen industries paralyzed, and a money panic that has forced into circulation more than $300,000,000 in emergency currency, you have realized that you could not pass a trust law; but not willing to confess a failure, you are trying to fool the public with this bill. [Applause on the Republican side.]

ADJOURNMENT.

Mr. WEBB. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 50 minutes p. m.) the House adjourned until to-morrow, Thursday, October 8, 1914, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. SLAYDEN, from the Committee on the Library, to which was referred the bill (H. R 8960) incorporating the American Academy of Arts and Letters, reported the same with amendment, accompanied by a report (No. 1181), which said bill and report were referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. HARDWICK: A bill (H. R. 19172) to repeal the tax of 10 per cent on the notes issued for circulation by State banks; to the Committee on Banking and Currency.

By Mr. VAUGHAN: A bill (H. R. 19173) for the creation of cotton loan associations and the development of reliable cotton securities; to the Committee on Banking and Currency.

By Mr. HOWARD: A bill (H. R. 19174) to provide for the issuance of emergency currency, etc.; to the Committee on Banking and Currency.

By Mr. CARTER: A bill (H. R. 19185) for the relief of the cotton situation in certain Southern States; to the Committee on Banking and Currency.

By Mr. EDWARDS: A bill (H. R. 19186) for the temporary relief of cotton growers in the United States; to the Committee on Banking and Currency.

By Mr. MANN: Resolution (H. Res. 639) directing the Secretary of State to send to the House of Representatives a list of decorations, medals, and other presents tendered to officers of the United States now held in the State Department; to the Committee on Foreign Affairs.

By Mr. LEE of Georgia: Resolution (H. Res. 640) authorizing the continuance of nine employees in the post office of the House during period between adjournment and 1st of December; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANSBERRY: A bill (H. R. 19175) granting a pension to Edward H. Hooven; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19176) granting a pension to Theodore Ludwig; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19177) granting a pension to Martha A. Shaffer; to the Committee on Invalid Pensions.

By Mr. CRAMTON: A bill (H. R. 19178) granting an increase of pension to William Clock; to the Committee on Invalid Pensions.

By Mr. DONOVAN: A bill (H. R. 19179) granting an increase of pension to Harry Payne; to the Committee on Invalid Pensions.

By Mr. GARRETT of Tennessee: A bill (H. R. 19180) granting an increase of pension to William S. Love; to the Committee on Invalid Pensions.

By Mr. GLASS: A bill (H. R. 19181) for the relief of the heirs of Edward A. Scott; to the Committee on War Claims.

By Mr. LAFFERTY: A bill (H. R. 19182) granting an increase of pension to John P. Hicks; to the Committee on Invalid Pensions.

By Mr. LEE of Pennsylvania: A bill (H. R. 19183) granting an increase of pension to John Schultz; to the Committee on Invalid Pensions.

By Mr. MORRISON: A bill (H. R. 19184) granting an increase of pension to William Lietzke; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. CRAMTON: Protest of the business men of Port Huron, Mich., against the Government printing envelopes by the awarding of a contract; to the Committee on the Post Office and Post Roads.

By Mr. ESCH: Petition of the National Council, Daughters of Liberty, of Philadelphia, Pa., favoring passage of House bill 6060, relative to literacy test for immigrants; to the Committee on Immigration and Naturalization.

By Mr. BAILEY: Petition of A. Kent Miller, of Somerset, Pa., and the Gross Department Store, of Cresson, Pa., protesting against proposed tax on automobile factories; to the Committee on Ways and Means.

Also, petition of C. L. Pearson and others, relative to investigation of cucumber diseases; to the Committee on Agriculture.

By Mr. FINLEY: Petition of Ira B. Dunlap, W. J. Roddey, and I. L. Johnson, of Rockhill ,S. C., against tax on life insurance; to the Committee on Ways and Means.

By Mr. GLASS: Petition of sundry business men of the sixth congressional district of Virginia, favoring passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. HENSLEY: Petition of the Federation of Railway Employees of De Soto, Mo., favoring peace; to the Committee on Foreign Affairs.

By Mr. JOHNSON of Washington: Petition of sundry citizens of Raymond, Puyallup, Olympia, Chehalis, Vancouver, Port Townsend, Wilkeson, Ridgefield, Woodland, Kent, Buckley, Centralia, Kelso, Sumner, and Tenino, all in the State of Washington, favoring House bill 5308, to tax mail-order houses; to the Committee on Ways and Means.

By Mr. KONOP: Petition of the Eagle Manufacturing Co., of Appleton; the Appleton Iron & Metal Co., of Appleton; and Greene, Fairchild, North, Parker & McGillan, of Green Bay, all in the State of Wisconsin, protesting against legislation to prohibit the Government from selling stamped envelopes with the address to business people; to the Committee on the Post Office and Post Roads.

By Mr. MORIN: Petition of the Pittsburgh (Pa.) Plate Glass Co., against tax on automobiles; to the Committee on Ways and Means.

By Mr. REILLY of Wisconsin: Petition of sundry citizens of Chilton, Wis., protesting against attempts by certain American newspapers to prejudice the American people against Germany in European war; to the Committee on Foreign Affairs.

SENATE.

THURSDAY, *October 8, 1914.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we seek Thy face and favor that we may have the courage of life's great obligation and duty. We not only look into the face of man unafraid and seek to conquer the accidental circumstances of life, but as kings and priests unto God Thou hast given to us to have dominion over the work of Thy hands. Thou hast given to us Thy Holy Word to guide us in the discharge of these our duties. Grant us this day the inspiration that cometh from above, that with convictions founded upon Thy revealed truth and with the boundless faith of those who believe in God we may address ourselves to the tasks of the day. Bless us in Christ's name. Amen.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. JAMES and by unanimous consent, the further reading was dispensed with and the Journal was approved.

THE TIDAL BASIN (S. DOC. NO. 593).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of War, transmitting, in response to a resolution of August 25, 1914, a report regarding the practicability and desirability and cost of converting the tidal basin in the Potomac Park into a public bathing beach, which was referred to the Committee on the District of Columbia and ordered to be printed.

THE ROCKEFELLER AND CARNEGIE FOUNDATIONS (S. DOC. NO. 592).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of War, stating, in response to a resolution of August 5, that the organizations known as the General Education Board of the Rockefeller Foundation and the Carnegie Foundation are not related to the work of the department, etc., which was referred to the Committee on Appropriations and ordered to be printed.

UNITED STATES EXPRESS CO. (S. DOC. NO. 594).

The VICE PRESIDENT laid before the Senate a communication from the Public Utilities Commission of the District of Columbia, stating, pursuant to law, that the balance sheet of the United States Express Co., not previously submitted to the Speaker of the House of Representatives under date of February 3, 1914, or September 1, 1914, has been submitted on this date, together with a letter of explanation, which was referred to the Committee on the District of Columbia and ordered to be printed.

FORTIFICATION OF SWEET WINE (S. DOC. NO. 591).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmitting, in response to a resolution of September 28 (calendar day, October 3), 1914, a statement containing the names and addresses of the manufacturers of sweet wine who use wine spirits or grape brandy in the fortification of sweet wines, etc., which, with the accompanying papers, was referred to the Committee on Finance and ordered to be printed.

THE PRESIDENT.

Mr. THOMAS. Mr. President, the Washington Post this morning contains an editorial highly commendatory of the President, and as it is decidedly in contrast with its unfriendly position concerning the Executive and his administration I ask unanimous consent for leave to insert the editorial, without reading, in the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The editorial referred to is as follows:

[From the Washington Post, Thursday, October 8, 1914.]

THE PRESIDENT.

The American people are proud of the manner in which the President has sustained the dignity and prestige of the United States during the troublous times succeeding the outbreak of the European war.

This mighty, free, democratic Nation, peopled by men who possess full individual and political rights, with absolute freedom of opinion and with intelligence to form a correct opinion, is the only nation of the first rank in the world that is not involved in war. It is on friendly terms with all nations, and wishes to retain their friendship.

The President has interpreted to foreign nations the true spirit of the United States. He has made plain to them the desire of this Nation to maintain a policy of strict neutrality and impartial friendship, while guarding its own rights. He has shown that this Nation intends to adhere scrupulously to its ancient rule of refraining from participating in the politics of Europe. He has striven to make clear the fact that the United States will continue its independent course; that it seeks no advantage at the expense of the nations now at war, and that it stands ready and anxious to use its friendly offices in behalf of peace among them all.

The real greatness of the Nation has been reflected by the words and the attitude of the President. His own achievements in behalf of the maintenance of peace between the United States and Mexico add weight to his utterances. The good faith of the United States as an advocate of world peace is not and can not fairly be impugned. It is also apparent to the world that this Nation is absolutely free from intrigue or double-dealing in its relations with other countries. It has no allies; it has no secret ententes; it is not playing one nation against another. It stands apart, upheld by its own independence, its free manhood, and its boundless strength. Its will is expressed by intelligent opinion, not by shot and shell. It has no ambitions which clash with the peaceful ambitions of any other nation. It profits most when other nations are peaceful and prosperous.

Americans are justly proud of the majestic figure of the United States, looming up above the world's battle clouds, serene in its own might, with good will in its heart toward every nation. They are grateful to the President for the great and simple dignity with which he has maintained the time-honored rule of Jefferson—"Peace, commerce, and honest friendship with all nations, entangling alliances with none."

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11745) to provide for certificate of title to homestead entry by a female American citizen who has intermarried with an alien.

ENROLLED BILL SIGNED.

The message also announced that the Speaker of the House had signed the enrolled bill (H. R. 11745) to provide for certificate of title to homestead entry by a female American citizen who has intermarried with an alien, and it was thereupon signed by the Vice President.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented petitions of sundry citizens of Pittsburgh and New Brighton, in the State of Pennsylvania; of Muskegon, Mich.; Montrose, Colo.; Bovina Center, N. Y.; and Hanna City, Ill., praying for the adoption of an amendment to the Constitution to prohibit polygamy, which were referred to the Committee on the Judiciary.

Mr. TOWNSEND. I have received many telegrams from Michigan in reference to the so-called revenue-tax bill, one from a citizen of Michigan living at Flushing, as follows:

FLUSHING, MICH., *October 7, 1914.*

Hon. CHARLES E. TOWNSEND,
Washington, D. C.:

Farmers of Michigan ask for $500,000,000 to loan at 3 per cent. Security: Hogs, hay, and potatoes—better security than cotton. Please present this to proper committee and amend Sheppard bill accordingly.

IRA T. SAYRE.

I have several telegrams here, I repeat, in reference to the revenue bill, one of which I desire to read. It is dated Holland, Mich., October 7, 1914.

HOLLAND, MICH., *October 7, 1914.*

Senator CHARLES E. TOWNSEND,
Washington, D. C.:

The proposed stamp tax on proprietary medicinal preparations is again class legislation, hitting Michigan specially hard, and creates conditions for concerns in the pharmaceutical trade that are confiscatory and absolutely prohibitive to successful continuance. The drug trade is already burdened with far more than its share in war cost. The advance in drugs and chemicals has already made it extremely difficult for manufacturers to maintain their preparations without advance, and the addition of this proposed tax is more than the industry can bear. Please use your influence to avoid the throttling of pharmaceutical manufacturing, which is so important a part of Michigan's successful industries.

DEPREE CHEMICAL CO.,
By CON DEPREE, *General Manager.*

To the same effect I have telegrams signed by the Pyramid Drug Co., of Marshall; Grant W. Stevens, president of the Retail Druggists' Association of Detroit; E. J. Heywood and F. H. Pepper, of Detroit; J. H. Webster, president of the Detroit Retail Druggists' Association; the Michigan Drug Co., of Detroit; and the Herpicide Co., of Detroit, which I ask to have referred to the Committee on Finance.

The VICE PRESIDENT. They will be so referred.

Mr. CHAMBERLAIN. I desire to submit a number of telegrams just received by me protesting against the proposed tax on proprietary medicines. I do not care to have them read into the RECORD, because they are of the same general tenor as those submitted by the Senator from Michigan [Mr. TOWNSEND], but I do ask to have the names of the protestants inserted in the RECORD.

There being no objection, the telegrams were referred to the Committee on Finance, and the names attached thereto were ordered to be printed in the RECORD, as follows:

Telegrams from B. E. Haney, of Portland; the Retail Druggists' Association of Portland; George Moulton, 639 Washington Street, Portland; the Plummer Drug Co., of Portland; the Brook Drug Co., of Portland; and Yelman & Bader, 800 Front Street, Portland, all in the State of Oregon.

Mr. FLETCHER. I have a telegram from the president of The Florida Metropolis to the same effect, which I should like to have printed in the RECORD.

There being no objection, the telegram was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

JACKSONVILLE, FLA., *October 7.*

Hon. D. U. FLETCHER,
United States Senate, Washington, D. C.:

According to representations made to us by proprietary medicine manufacturers, we are convinced that war tax would impose unnecessarily severe hardship on them. We trust you will see your way clear to oppose a tax on people's medicines which will reach into the homes and tend to advertise and prolong hard times.

G. A. MCCLELLAN,
President The Florida Metropolis.

Mr. BURTON. I have three telegrams pertaining to the pend the revenue bill, which I ask to have read at the desk.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read.

The Secretary read as follows:

CINCINNATI, OHIO, *October 7, 1914.*

Hon. THEODORE E. BURTON,
Washington, D. C.:

We emphatically protest against war tax on proprietary medicines, the people's medicines, in time of peace. Worst piece of politics the Democratic Party ever pulled off. If there must be a war tax, place it where it will not go into the homes of the people. Every stamp seen by the people will delay prosperity.

THE PAPE, THOMPSON & PAPE CO.

CINCINNATI, OHIO, *October 7, 1914.*

Hon. THEODORE E. BURTON,
United States Senate, Washington, D. C.:

In behalf of 60,000 workers in the brewing industry, we enter emphatic protest against the unfair advance in the beer tax to $1.75 per barrel. Beer is the workingman's beverage, and we protest that the workers shall carry the entire burden. This tax will entail only burdens on the working class and on an industry which has been taxed to the limit, without protection from the Government. We are now facing extermination of the brewing industry in Ohio, Colorado, Washington, Oregon, and California, with State and National officials secretly working in favor of destroying what the Government considers its milch cow in time of need.

JOSEPH PROEBSTLE,
International Secretary,
International Union United Brewery Workmen.

CINCINNATI, OHIO, *October 7, 1914.*

Hon. THEODORE E. BURTON,
United States Senate, Washington, D. C.:

If Democratic Party ever expects normal times, do not allow war stamps to be seen by the people. We protest strongly against proprietary medicine war tax, which stamps would be seen in every household in the United States. Is this underhanded work of doctors' trust? Every stamp acts as a red flag and advertises hard times and the soup house.

THE WALTER LUTHER DODGE CO.

Mr. GRONNA. I have here a telegram from Hon. J. T. Hardy, a distinguished citizen of my State, protesting against a tax on automobiles. It consists of only a couple of lines, and I ask to have it printed in the RECORD and referred to the Committee on Finance.

There being no objection, the telegram was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

FARGO, N. DAK., *October 7, 1914.*

Senator A. J. GRONNA,
Washington, D. C.:

The Fargo Automobile Club, 180 members, protest against proposed horsepower tax unless similar tax is levied on all wheeled vehicles. Letter follows.

J. P. HARDY, *President.*

Mr. SHEPPARD. I have received a telegram from E. A. Pat Paffrath, of Fort Worth, Tex., which I ask may be printed in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

FORT WORTH, TEX., *October 4, 1914.*

Senator MORRIS SHEPPARD,
Washington, D. C.:

Am glad our people have observed peace Sunday as per request of our President, the greatest constructive living Christian statesman, but we should not forget to relieve the distress of our suffering cotton growers. If our Government could spend $400,000,000 to build the Panama Canal, why can't our Government lend $400,000,000 of its credit on cotton to our cotton farmers and relieve the commerce of our own people, and do it now and inspire our people with new hope?

E. A. PAT PAFFRATH.

Mr. PERKINS presented memorials of F. S. Albertson and Charles S. Wiley, of Long Beach, Cal.; the Bank of Corning and Maywood Garage, Corning, Cal.; F. O. Renstrom Co. and Pacific Kissel Car Branch, San Francisco, Cal., remonstrating against the proposed tax on automobiles, which were referred to the Committee on Finance.

He also presented a memorial of the First National Bank of Hayward, Cal., remonstrating against the proposed tax on banks, which was referred to the Committee on Finance.

He also presented memorials of the Fidelity Mutual Life Insurance Co. and California State Life Insurance Co., California, remonstrating against proposed tax on insurance companies, which were referred to the Committee on Finance.

He also presented a memorial of Langley & Michaels Co., San Francisco, Cal., remonstrating against proposed tax on proprietary medicines, which was referred to the Committee on Finance.

He also presented memorials of sundry automobile dealers of San Jose and San Francisco, in the State of California, remonstrating against the proposed tax on automobiles, which were referred to the Committee on Finance.

He also presented memorials of Kirk, Geary & Co., of Sacramento, Cal., remonstrating against proposed tax on drugs; Farmers & Merchants' Bank and First National Bank of Mountain View, Cal., against proposed tax on banks; and Chamber of Commerce of Sacramento, Cal., against the proposed tax on wines, which were referred to the Committee on Finance.

Mr. KERN presented memorials of the Hoover Liniment Co., of Carlisle, Ind., and of R. M. Zeds, of Indianapolis, Ind., remonstrating against the proposed tax on proprietary medicines, which were referred to the Committee on Finance.

Mr. WEEKS presented a petition of the Board of Trade of Dorchester, Mass., praying for the enactment of legislation

granting pensions to civil-service employees, which was referred to the Committee on Civil Service and Retrenchment.

Mr. DU PONT presented a memorial of the Wilmington Association of Retail Druggists of Delaware, remonstrating against the proposed tax on proprietary medicines and cosmetics, which was referred to the Committee on Finance.

He also presented a memorial of the Delaware Automobile Association, of Wilmington, Del., remonstrating against the proposed tax on gasoline and motor cars, which was referred to the Committee on Finance.

Mr. SHIVELY presented petitions of the Northwest Indiana Conference of the Methodist Episcopal Church, in session at La Fayette, Ind., and of the Hoosier Winona Club, of Laporte, Ind., praying for national prohibition, which were referred to the Committee on the Judiciary.

THE SPLENDID CONDITION AND BUSINESS PROSPECTS OF THE UNITED STATES.

Mr. MYERS. Mr. President, during the last few days, in view of the pending revenue measure, there has been much said in this body, on the other side of the Chamber, about the depressed financial condition of the country. There seems to be no appreciation of the fact that this revenue measure is not an additional revenue measure, but simply a measure for raising revenue from new sources. There seems to be no cognizance taken of the fact that the less revenue that is raised from one source the more revenue must be raised from another source, and that it amounts to no more, in the aggregate, to the people, who must bear it all in any event.

Last Saturday there were several addresses delivered on the Republican side of the Chamber which depicted in very gloomy terms the alleged depressed financial, industrial, and commercial condition of the country. The Senator from Washington [Mr. JONES], in making some strictures upon and criticism of the administration, quoted and read from the Washington Post. That is a paper which has been quoted very much in this Chamber in the last year in criticism of the Democratic administration.

In view of that fact, I send to the desk and ask to have read an editorial from the Washington Post of the 4th instant.

Mr. SMITH of Arizona. That has already been printed in the RECORD.

Mr. SMOOT. I think that editorial was inserted in the RECORD on the request of the Senator from Colorado [Mr. THOMAS].

Mr. FLETCHER. It is not the same.

Mr. MYERS. The Senator from Florida says it is not the same.

Mr. FLETCHER. The Senator from Colorado had an editorial printed which appeared in this morning's Post. The one offered by the Senator from Montana appeared on the 4th instant, I understand.

Mr. MYERS. It is a different article, but I will be satisfied if it be printed in the RECORD without reading.

Mr. SMOOT. That will be very much better, I think.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana?

Mr. JONES. I want to ask the Senator from Montana——

Mr. MYERS. I ask that the editorial be read, as some Senators around me desire it to be read. I will, however, yield to the Senator from Washington.

Mr. JONES. I understood the Senator from Montana referred to me as having placed some quotations from the Washington Post in my speech?

Mr. MYERS. I did.

Mr. JONES. The Senator said they were extensive. I do not remember inserting in my speech anything from the Post except about eight lines giving the imports of certain products; that is all.

Mr. MYERS. The Senator misunderstood me. I said the Senator had made reference to the Washington Post in the address he made on last Saturday, and further said that the Washington Post was a paper which had been very much quoted in the last year in criticism of the administration. I send to the desk and ask to have read the editorial referred to by me from the Washington Post of the 4th instant.

Mr. JONES. In that connection I wish to suggest to the Senator that I did not quote from the Post in criticism of the administration. I simply quoted from figures that it contained in regard to imports; that is all.

Mr. MYERS. I should like to have read the editorial I have sent to the desk.

The VICE PRESIDENT. Is there objection to the reading of the editorial?

Mr. OLIVER. I object to the reading of the editorial. I am perfectly willing that it shall be printed in the RECORD without reading.

The VICE PRESIDENT. The question is, Shall the editorial be read? [Putting the question.] The ayes seem to have it. The ayes have it, and the Secretary will read as requested.

The Secretary read as follows:

THE SPLENDID CONDITION AND BUSINESS PROSPECTS OF THE UNITED STATES.

The present and future condition of the United States affords ground for solid satisfaction and optimism among Americans who are best acquainted with its largest affairs.

The derangements caused by the war in Europe are temporary, and their effect is not so injurious as was feared at first. The aftermath will be permanent benefits to this country—an enormous expansion of business, which is even now in sight.

The public debt of the United States is very small in comparison with the immense wealth and resources of the country. The bonds of the United States are largely, if not almost wholly, held by Americans. This debt, interest and principal, can be paid without effort as it becomes due, and the money goes to our own people. In a broad sense it might be said that the United States is out of debt, with a huge surplus of wealth stored in its Treasury and among the people.

The private securities of American corporations held abroad are said to reach $4,000,000,000. If Americans were suddenly compelled to take over these securities, there would be good reason for anxiety, but no such condition exists. There is no way of dumping these securities upon the United States. We do not have to send gold to Europe in great quantities unless we wish to do so. The comparatively small amounts now going out are ample for obligations coming due. The banks are handling this business without difficulty, and no European nation has shown the slightest sign of uneasiness so far as its financial claims upon the United States are concerned.

Europe is in need of the food and necessities of life which are produced in such great abundance in this country. The slackening in the demand for cotton is but temporary. Cotton is a necessity under modern conditions. Europe will call for it in such quantities that the present supply and next year's crop will be absorbed, to say nothing of the increased demand for home manufacture. This staple represents wealth. It is a collateral security that will sustain the South, and the most far-sighted southerners are giving warning against radical curtailment of next year's crop. The world must have cotton, and it must buy it from the United States. Meanwhile it is held and owned by American citizens as an asset of enormous value.

While the war rages the stream of gold that was poured into Europe by travelers is checked at its source. It remains in the United States. It exceeds the entire amount of the war tax. This money will flow through the channels of American business and will practically offset all the damages inflicted by the war.

When the war ends Europe will tackle the job of rehabilitation. It will turn to the best market for food, clothing, building materials, bridges, railroad material, steel, coal, fuel oil, machinery, and all the supplies required in building up waste places and restoring communications and business. Every man in the United States engaged in production, every farm and factory will feel the impulse of prosperity created by this foreign demand.

The European nations, while just now engaged in burning up their property and their energies in the fires of war, are not exterminating themselves. What is lost must be restored. What is torn down must be rebuilt. The moment peace is declared this recuperative process will begin. It will be as widespread and as powerful for reconstruction as war is for destruction. The marvelous rapidity with which slopes on the very lips of Vesuvius are reclothed with vines and orchards, the magic which raised San Francisco from ashes, will be manifested throughout Europe when the millions now engaged in war turn their energies to restoration. Then they will draw upon the greatest storehouse of materials that exists in the world—the United States.

The demoralization of production in Europe and the needs of war are creating a big business for the United States; but this commerce is as nothing compared with the demand that will arise when Europe takes stock of its devastation and begins the task of rehabilitation.

Mr. JONES. Mr. President, if that editorial shows anything, it shows conclusively that no special tax bill is necessary. The argument that it presents is all against the necessity for the proposed special taxes.

I have here a telegram from the Washington State Automobile Association expressing pleasure at the elimination of the special tax in regard to automobiles and gasoline. The telegram expresses this hope:

We sincerely hope a uniform policy of taxation against all users of highways and streets shall be allowed, if any are to be taxed, graduating the same on the mileage basis. This position is concurred in by the Automobile Club of Seattle and the Western Motor Car Magazine.

I have also a telegram opposing the tax on real-estate and loan brokers, which says:

This business is extraordinarily depressed nearly everywhere, immense competition here and probably elsewhere, and tax would break up hundreds of small brokers everywhere. Can not business affording reasonable income be substituted? Small broker, moderate sized city, should pay little compared with big broker in large city.

This is from Spokane and is signed by Mauser & Mauser, Dent Bros., C. A. Lindsay, O. E. Guernsey, Boyd & Sorsenson, and Colin Campbell.

I have also a telegram from the Northwest Motor Co., of Seattle, Wash., protesting against the proposed tax on automobiles. I ask that these several telegrams be referred to the Committee on Finance.

The VICE PRESIDENT. They will be so referred.

PROPOSED TAX ON FIRE INSURANCE POLICIES.

Mr. STERLING. I hold in my hand a letter from the commissioner of insurance of South Dakota relating to the proposed tax on fire insurance policies which I ask to have read.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The Secretary read as follows:

CHICAGO, *September 30, 1914.*

Hon. THOMAS STERLING,
Senate Chamber, Washington, D. C.

MY DEAR SIR: I desire to call your attention to a bill now pending in the Congress which passed the House on Friday of last week and known as Union Calendar 337, House bill 18891, introduced by Mr. UNDERWOOD, reported by the Ways and Means Committee, and entitled "A bill to increase the internal revenue, and for other purposes."

Upon page 281 of the printed bill, beginning at line 9, will be found a provision relating to "insurance—marine, inland, fire"—and, in substance, this provision requires the payment of a stamp tax upon each fire insurance policy amounting to one-half of 1 per cent of the premium.

This is copied from the old Spanish War tax, and the facts about the operation of that tax, as applied to fire insurance, are as follows:

No credits were allowed by the department in the administration of the Spanish War tax for any return premiums or amounts paid for reinsurance.

In 1913 the gross premiums of stock fire insurance companies in the United States were in round figures $474,000,000, and the net premiums were $324,000,000. In other words, there was returned to the policyholders by reason of the cancellation of policy contracts and amounts paid for reinsurance the sum of $150,000,000.

Every policy issued in the United States contains a provision that it may be canceled under certain conditions, either at the request of the insured or of the company, and it is also true that when the agents send in lines that they have solicited that are in excess of the net lines the companies will write the companies immediately relieve themselves of liability by reinsuring a portion of the line in some other company.

A transaction of this kind involves but one risk and one premium, and yet under the ruling of the department construing the Spanish War tax the company initially writing the business paid the tax, and also the reinsuring company, and when policies were canceled there was no means of securing any rebate for the tax upon the unearned and returned premium.

I do not understand that the companies are desiring to oppose this tax in a general way, but are asking that the bill as it passed the House be amended so that reinsurance will be exempt from taxation and the companies can obtain a rebate upon premiums returned upon canceled policies.

It seems very evident that under the ruling of the department in administering the Spanish War tax the companies were taxed twice upon these items of return premiums and reinsurance, and this could not have been the intention of the legislature.

I am inclined to believe that all departments of insurance will view this matter as I do. From my examination I am satisfied that the companies should have the amendment to the law, and I hope you will use such efforts as you can to secure it.

Yours, very truly,

O. K. STABLEIN,
Commissioner of Insurance, South Dakota.

PROPOSED TAX ON BROKERS.

Mr. POINDEXTER. I present a memorial signed by a number of brokers in the city of Spokane, Wash., protesting against a tax on real-estate and loan brokers. While the memorial is signed by a large number of brokers and citizens of Spokane, I will not ask that their names be printed, but I ask that the petition itself be printed in the RECORD.

There being no objection, the memorial, omitting the signatures, was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

SPOKANE, WASH., *October 3, 1914.*

Hon. MILES POINDEXTER.

DEAR SIR: In addition to the telegram already sent, we understand by the realty board of this city, we, the undersigned real-estate agents of this city, request you in every manner possible to protest against the imposition of a $50 war tax on brokers, so far as it affects the business of a real-estate and loan broker, for the following reasons:

First. The real-estate and loan broker of a city with 100,000 people, such as Spokane, should not be asked to pay as much as a broker of the city of the size, say, of New York City, Chicago, Cincinnati, etc.

Second. The business of real estate is to-day in no condition to stand a tax of $50, as people do not buy real estate here for cash to-day for speculation, and very little for homes, owing to present financial conditions, and we believe the same conditions to prevail in most, if not all, parts of the United States. The same conditions affect the loan broker.

Third. In our opinion, from what we understand, this tax, owing to said present conditions, would drive over one-half of the real-estate and loan agents out of business; therefore the Government would not derive the expected revenue from this source, and it would do better to tax an occupation more able to stand it. As in our opinion we reflect the views of most of the agents of this city, we urge you to oppose this part of the war-revenue bill.

JOHN MITCHELL.

Mr. CLAPP. From the Committee on Naval Affairs I report back favorably without amendment the bill (H. R. 12161) to remove the charge of desertion against John Mitchell, and I submit a report (No. 811) thereon. This is a bill which has already passed the House, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to the consideration of the bill, which was read, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized to remove the charge of desertion against John Mitchell, who served on the U. S. S. *Great Western*, *Oriole*, and *Huntress*, and to issue to the said John Mitchell, or in case of his death to his heirs or other legal representatives, a certificate of discharge: *Provided*, That no pay or bounty for any period of time during which the said John Mitchell was absent from his command without leave of absence shall accrue or be payable by virtue of the passage of this act.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

PENSIONS AND INCREASE OF PENSIONS.

Mr. SHIVELY. From the Committee on Pensions I report back favorably with an amendment the joint resolution (H. J. Res. 361) to correct certain errors in H. R. 12045, H. R. 12914, H. R. 13542, H. R. 14234, H. R. 14738, H. R. 15692, and H. R. 16294. It will take only a minute to pass the joint resolution, and I ask unanimous consent for its present consideration. (S. Rept. 809.)

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which had been reported from the Committee on Pensions with an amendment, to add at the end of the joint resolution the following:

That the item in the act (Private, No. 86, 63d Cong., 2d sess.) granting an increase of pension to Harriet E. Perkins be corrected and amended so as to read as follows:

"The name of Harriet E. Perkins, widow of Edwin C. Perkins, late of Company C, Twenty-second Regiment Massachusetts Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving."

The amendment was agreed to.

The joint resolution was reported to the Senate as amended, and the amendment was concurred in.

The amendment was ordered to be engrossed and the joint resolution to be read the third time.

The joint resolution was read the third time and passed.

The title was amended so as to read: "A joint resolution to correct certain errors in H. R. 12045, H. R. 12914, H. R. 13542, H. R. 14234, H. R. 14738, H. R. 15692, and H. R. 16294, and for other purposes."

JOHN BROWNLOW ZIEGLER.

Mr. KERN. From the Committee on Privileges and Elections I report back favorably without amendment the joint resolution (S. J. Res. 192) granting American citizenship to John Brownlow Ziegler. On behalf of the Senator from Oregon [Mr. LANE] I ask unanimous consent for the immediate consideration of the joint resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which was read, as follows:

Resolved, etc., That John Brownlow Ziegler, residing in the city of Portland, county of Multnomah, State of Oregon, be, and he is hereby, unconditionally admitted to the character and privileges of a naturalized citizen of the United States.

Mr. SMOOT. For the RECORD I should like to have the Senator from Indiana state the facts in this case and why it is necessary to pass the joint resolution at this time.

Mr. KERN. The Senator from Oregon [Mr. LANE], I think, is familiar with the circumstances and is better able to explain the matter than am I.

Mr. LANE. Mr. President, if the Senator will allow me, I will state that I am personally acquainted with the gentleman who is seeking to be readmitted to American citizenship. The facts in relation to the case are, I am informed, that a few years ago, when lands in Alberta, Canada, were being opened up on very advantageous terms to American citizens—Senators will remember that they were described as, and proved to be, great wheat-growing lands—Mr. Ziegler went up there for the purpose of taking advantage of that opportunity. He did not remain, but came back, I think, the same summer or fall, and made application for readmission to American citizenship, having applied during the time he was in Canada for citizenship in that country.

He has been nominated by the Progressives, the Prohibitionists, and the Democrats for the State legislature. He is a man who takes a great and intelligent interest in public affairs and is the author of an amendment to the city charter of Portland protecting the public right to the water front. The joint resolu-

tion is designed to afford him an opportunity to become again a citizen of the United States in time to be voted for at the election to represent the Democrats, the Progressives, and the Prohibitionists in the Oregon State Legislature.

Mr. SMOOT. Mr. President, I wish to ask the Senator if Mr. Ziegler entered lands in Canada?

Mr. LANE. I think not. I am informed that he did not like the country and came home. He was misled, I am told, as to the value of the land and the opportunities there.

Mr. SMOOT. I know there were tens of thousands of Americans who went up there and who purchased land, but never took out their papers in that country.

Mr. LANE. Many people did that; they remained there until they raised a good crop and made some money, and then came home; they remained there only for one or two seasons.

Mr. CHAMBERLAIN. Mr. President, may I suggest to my colleague that there are precedents for just such a joint resolution as this, where emergencies have existed making it desirable that a person be admitted to American citizenship?

Mr. SMOOT. All I wanted was the information, so that it would appear in the RECORD.

Mr. GRONNA. Mr. President, I do not know that I shall object to this joint resolution, but, if I am not mistaken, measures of this nature have always been referred to the Committee on Immigration. It is true, as the Senator from Oregon has just said, that we have heretofore considered measures of this nature; we have had two of them, I think, at this session; but in both those cases the bills were referred to the Committee on Immigration, and I should like to know why this measure was referred to a different committee?

Mr. LANE. Mr. President, when I introduced the joint resolution, I will say for the information of the Senator, that I asked that it be referred to the Committee on the Judiciary, it being my assumption that it properly belonged to that committee; but a difference of opinion arose in the Senate as to the committee to which the bill should be referred. I did not care where it went, so long as it received consideration at the hands of a good, fair committee. The President of the Senate designated the Committee on Privileges and Elections to take charge of the joint resolution, as it seemed to relate to matters within the jurisdiction of that committee. There was no prejudice at all. As Senators will remember, at that time the Committee on the Judiciary was very busy in connection with another matter; but I think I asked that the bill be referred to that committee.

The man is not an immigrant; he was born in the State of Tennessee, and has lived all his life in this country, with the exception, perhaps, of six months, in which he was in the Province of Alberta, Canada. He is a native-born American.

Mr. GRONNA. He has never been a citizen of any other country?

Mr. LANE. He applied for citizenship in the Province of Alberta, but renounced it and came back home and made application to be readmitted to American citizenship.

Mr. GRONNA. I assume he took up land in Canada and that, in order to do so, he would have to sign the same papers and make the same agreement that every homesteader makes who desires to take up land in Canada; that he is subject to military duty in that country, and that he has to become a citizen of that country before he can make final proof of his homestead.

Mr. LANE. I think not. I think, if he did make application for land, that he relinquished his claim, for he came back the same season that he went to Alberta. He went there early in 1905, came back in the fall of 1905, and has resided in the city of Portland ever since.

I know when I was mayor of the city of Portland he was one of the most active citizens we had in the interest and behalf of the proper, careful, and economical expenditure of the public money. He was a good citizen. At times he was almost too critical; he watched affairs closely, and has been of material advantage to the city of Portland. I have said that he is the author of an amendment to the city charter providing a common-user clause for the streets and the lines of railway over streets and public property to the harbor. If he had been a citizen of Oregon 40 years ago, he would have saved that town $40,000,000 in the way of public property.

Mr. VARDAMAN. That is the sort of men we need in this country.

Mr. GRONNA. I desire to say to my friend from Oregon that I know of hundreds of men who have gone to Canada, men who were born in the United States, and who have always been citizens of the United States, who are now citizens of Canada or subjects of Great Britain. I find no fault with the Senator's resolution. I am not going to object to its consideration, but I should like to know why measures of this kind, which are of the highest importance, are sometimes referred to the Committee on Immigration, sometimes to the Committee on the Judiciary, and in this case the Committee on Privileges and Elections makes the report.

Mr. LANE. I will say to the Senator that really I do not know.

The VICE PRESIDENT. The Chair will answer the question and give the information. When this question was before the Senate a statement was made as to the condition of this man. There were suggestions that the joint resolution be referred to the Committee on Immigration, to the Committee on the Judiciary, and to the Committee on Privileges and Elections. After hearing a large number of Senators the Chair said that as this man was a native-born citizen and not a foreign-born citizen, if there was no objection the joint resolution would go to the Committee on Privileges and Elections. That is the way it was referred to that committee.

Mr. LANE. I will say also, for the information of the Senator, that a large number of good farmers and good citizens have left the Northwest, from the Senator's State and also from the State in which I reside, and have gone into Canada, for the reason that the lands were virgin soil and have raised large crops of wheat. Many of them have stayed there. If we can get any of the good ones to come back, I think it would be a good idea to do so.

The VICE PRESIDENT. The joint resolution is in the Senate and open to amendment.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

ELWIN CARLTON TAYLOR.

Mr. THORNTON. From the Committee on Naval Affairs I submit a favorable report on the bill (S. 6199) to reinstate Elwin Carlton Taylor as a passed assistant surgeon in the United States Navy. I call the attention of the Senator from New Jersey [Mr. HUGHES] to the bill.

Mr. HUGHES. I ask unanimous consent for the present consideration of the bill.

Mr. SMOOT. Mr. President, I ask the Senator from New Jersey to explain, in a few words, why this bill should be passed.

Mr. HUGHES. I can only refer the Senator to the letter of the Secretary of the Navy that there is great need for the services of this class of officers, and the record of this particular individual while in the service was of such a character that the Secretary states in his communication that while, as a general rule, he is opposed to legislation of this character, he regards the present case as sufficiently meritorious to justify him in asking Congress to take favorable action on the bill.

I was about to ask to have the letter read from the desk. It contains all the information I have on the subject. A similar bill has been unanimously passed by the House.

Mr. SMOOT. I ask that the letter from the Secretary of the Navy may be read.

The VICE PRESIDENT. The Secretary will read as requested.

The Secretary read the letter, as follows:

DEPARTMENT OF THE NAVY,
Washington, August 18, 1914.

The CHAIRMAN COMMITTEE ON NAVAL AFFAIRS,
United States Senate.

MY DEAR MR. CHAIRMAN: In further reference to the memorandum of your committee of recent date, inclosing a copy of the bill (S. 6199) to reinstate Elwin Carlton Taylor as a passed assistant surgeon in the United States Navy, and requesting the views of the department thereon, I have the honor to inform you as follows:

Elwin Carlton Taylor was born May 7, 1875, and is now approximately 38 years and 10 months of age. He was appointed an assistant surgeon in the Navy October 12, 1903; was promoted to passed assistant surgeon October 12, 1906; and resigned March 12, 1908. He entered the Navy again June 27, 1912, as an acting assistant surgeon and is serving in that capacity at the present time. His total naval service amounts to about six years, and his record as an officer in the regular service and as an acting assistant surgeon is excellent.

Under date of March 4, 1914, the department, in commenting on the bill H. R. 7194, for the relief of this officer, recommended certain amendments to that bill. The proposed measure now under consideration (S. 6199) has embodied in it the recommendations contained in the department's letter of March 4, 1914.

While the department's general policy continues adverse to the enactment of special legislation and to legislation seeking to make an officer an extra number except in specially meritorious cases, nevertheless, in view of Dr. Taylor's creditable services in the Navy and to the need of medical officers with his experience, I recommend that favorable action be taken on the bill S. 6199.

Faithfully, yours, JOSEPHUS DANIELS,
Secretary of the Navy.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the President of the United States, in his discretion, be, and he hereby is, authorized to appoint Acting Asst. Surg. Elwin Carlton Taylor, United States Navy, to the grade of passed assistant surgeon, United States Navy, as an additional number, to rank next after the fifty-ninth officer in lineal standing on the list of passed assistant surgeons, and that no back pay or allowances shall accrue as a result of the passage of this act: *Provided*, That the said Elwin Carlton Taylor shall be required to satisfactorily pass the usual examinations required by law to determine his physical, mental, moral, and professional fitness to perform the duties of the grade to which he is to be appointed.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

PUBLIC BUILDING AT GASTONIA, N. C.

Mr. SWANSON. From the Committee on Public Buildings and Grounds I report back favorably without amendment the bill (H. R. 17764) to provide for sale of portion of post-office site in Gastonia, N. C., and I submit a report (No. 810) thereon I call the attention of the junior Senator from North Carolina [Mr. OVERMAN] to the bill.

Mr. OVERMAN. I ask unanimous consent for the present consideration of the bill.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to sell at public sale for a consideration of not less than $2,500 the following piece or parcel of land lying and being in the city of Gastonia, N. C., recently acquired by the Government of the United States for a public building, and more particularly described as follows: Beginning at the northeast corner of the site and running south 40 minutes east 58 feet to an iron pipe marking a corner of the site; thence west 6 degrees 33 minutes south 35 feet to an iron pipe; thence north no degrees 25 minutes west about 58 feet to the northern boundary of the site; thence east 6 degrees north about 35 feet to the place of beginning. And the Secretary of the Treasury is hereby authorized and directed to execute a quitclaim deed to the purchaser of the foregoing piece of land, which shall transfer title from the United States to such purchaser.

SEC. 2. That the proceeds arising from the sale of the property described be covered into the Treasury of the United States as a miscellaneous receipt.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

VANCE PARK, CHARLOTTE, N. C.

Mr. SWANSON. From the Committee on Public Buildings and Grounds I report back favorably without amendment the bill (H. R. 15575) donating the old iron fence around Vance Park, Charlotte, N. C., to the Mecklenburg Declaration of Independence Chapter, to be placed around Craighead Cemetery, near Sugar Creek Church, in Mecklenburg County, and I submit a report (No. 812) thereon.

Mr. OVERMAN. I ask unanimous consent for the present consideration of the bill. It is a brief bill and local in its character.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the old iron fence around Vance Park, in the city of Charlotte, N. C., now being removed in the construction of a United States post-office and courthouse building, is hereby donated to the Mecklenburg Declaration of Independence Chapter, Daughters of the American Revolution, Charlotte, N. C., for the purpose of being placed around the historic revolutionary Craighead Cemetery, near Sugar Creek Church, in Mecklenburg County: *Provided*, That without expense to the United States the grounds shall be left in good condition upon the removal of the fence, including any proper and incidental repairs.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

JOSEPH P. LEITER.

Mr. FLETCHER. From the Committee on Military Affairs I report back adversely the bill (H. R. 10719) for the relief of Joseph P. Leiter, and I submit a report (No. 808) thereon. I suppose the proper order would be to request that the bill be indefinitely postponed. I believe, however, the Senator from Ohio [Mr. BURTON] is somewhat interested in the bill, and I desire to call his attention to it. As I have just stated, it is a bill for the relief of Joseph P. Leiter. If the Senator from Ohio prefers, the bill may go to the calendar.

Mr. BURTON. I should prefer to have the bill go to the calendar.

The VICE PRESIDENT. The bill will be placed on the calendar.

AGRICULTURAL COOPERATION AND RURAL CREDIT IN EUROPE.

Mr. FLETCHER. From the Committee on Printing I report back favorably with an amendment Senate resolution 404, submitted by the Senator from Massachusetts [Mr. WEEKS] June 26, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There was no objection.

The amendment of the Committee on Printing was, in line 1, before the word "thousand," to strike out "twenty" and insert "ten."

The amendment was agreed to.

The resolution as amended was agreed to, as follows:

Resolved, That 10,000 additional copies of part 1 of Senate Document No. 261, "Agricultural Cooperation and Rural Credit in Europe," be printed for the use of the Senate document room.

DANISH AGRICULTURE (S. DOC. NO. 589).

Mr. FLETCHER. On June 26 I presented to the Senate a manuscript entitled "Danish Agriculture," being an address delivered by Hon. Rudolf Schou, counselor of state, of Copenhagen, Denmark, and it was referred to the Committee on Printing for action. I am directed by the Committee on Printing to report a resolution, for which I ask present consideration.

The resolution (S. Res. 464) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the manuscript submitted by Mr. FLETCHER on June 26, 1914, entitled "Danish Agriculture," an address delivered by Hon. Rudolf Schou, counselor of state, Copenhagen, Denmark, be printed as a Senate document.

DEVELOPMENT OF THE WEST (S. DOC. NO. 588).

Mr. FLETCHER. On September 12 the Senator from Arizona [Mr. ASHURST] presented two articles on western topics, and they were referred to the Committee on Printing for action. I am directed by the Committee on Printing to report the following resolution and ask for its present consideration.

The resolution (S. Res. 463) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the manuscript submitted by Mr. ASHURST on September 12, 1914, entitled "Development of the West," being a series of articles on western topics by Hon. FRANCIS G. NEWLANDS, United States Senator from Nevada, be printed as a Senate document.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CHAMBERLAIN:

A bill (S. 6603) to amend section 1 of an act entitled "An act to increase the pension of widows, minor children, etc., of deceased soldiers and sailors of the late Civil War, the War with Mexico, the various Indian wars, etc.," approved April 19, 1908; to the Committee on Pensions.

By Mr. SMITH of Arizona:

A bill (S. 6604) authorizing the Secretary of the Interior to issue patent to the city of Phoenix, Ariz., for certain lands, and for other purposes (with accompanying paper); to the Committee on Public Lands.

A bill (S. 6605) granting an increase of pension to George W. Read; to the Committee on Pensions.

By Mr. POMERENE:

A bill (S. 6606) granting an increase of pension to Sarah B. Hamer (with accompanying papers);

A bill (S. 6607) granting an increase of pension to Eliza J. Riggs (with accompanying papers);

A bill (S. 6608) granting an increase of pension to Louisa C. Pangburn (with accompanying papers); to the Committee on Pensions.

By Mr. WEEKS:

A bill (S. 6609) granting a pension to Louisa B. Shiere; to the Committee on Pensions.

By Mr. NORRIS:

A bill (S. 6610) granting an increase of pension to John W. Gaddis; to the Committee on Pensions.

By Mr. SHIVELY:

A bill (S. 6611) to remove the charge of desertion from the military record of John Vankirk; to the Committee on Military Affairs.

A bill (S. 6612) granting an increase of pension to Rudolph W. Donmoyer (with accompanying papers);

A bill (S. 6613) granting a pension to Pearl Noel (with accompanying papers);

A bill (S. 6614) granting an increase of pension to Philip Crowl (with accompanying papers); and

A bill (S. 6615) granting an increase of pension to Nathaniel Trueblood (with accompanying papers); to the Committee on Pensions.

By Mr. THOMAS:

A joint resolution (S. J. Res. 195) to postpone the requirement of $100 worth of labor upon each mining claim for the year 1914 until the year 1915; to the Committee on Mines and Mining.

THE CHESAPEAKE & DELAWARE CANAL.

Mr. SAULSBURY. I submit a resolution for which I ask immediate consideration. It is self-explanatory, and simply requests information.

Mr. SMOOT. Let the resolution be read.

Mr. BRYAN. I ask that the resolution may be read.

The VICE PRESIDENT. The Secretary will read the resolution.

The resolution (S. Res. 465) was read, as follows:

Resolved, That the Secretary of War is hereby directed to furnish for the use of the Senate such information as he can secure as to the price at which the existing Chesapeake & Delaware Canal and all the property, rights of property, franchises, and appurtenances used or required in connection therewith or appertaining thereto can be purchased; and

Resolved further, That the Secretary of War is directed to secure, prepare, and report to the Senate summaries of reports of Government commissions, officers, and engineers heretofore made, and such facts, information, and opinions of the boards or officers of the Army and Navy as he may deem proper or pertinent as to the advantage or disadvantages, commercial, naval, and military, of the acquisition of said canal by the United States.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. BURTON. Mr. President, I am not going to object to the resolution, but I think it comes very near to a violation of the statute, which is to the effect that after one report has been made upon any river and harbor project no other or further report shall be made without the action of Congress, by concurrent resolution or otherwise. I query whether the Secretary of War, under that statutory provision, is justified in giving the information asked for in this resolution. That, however, is a question for him to decide.

Mr. SAULSBURY. I may say that there have been so many reports made heretofore on this matter that it is very desirable, I think, that there shall be summaries furnished of those reports and of the various opinions which have been rendered. That is the only object of the resolution. Doubtless the resolution can not be complied with because of the large amount of official information now on file; and to prevent any misconception or misrepresentation regarding this matter, so that we may have the facts before us, I have introduced this resolution, that they may be condensed and furnished the Senate, so that they may be available when desired. I thought the Senator would not object to the resolution, and I offered it with the concurrence of the acting chairman of the Committee on Commerce. There has been so much said on this subject that I wanted the latest and most complete summary of all the official information to be had.

Mr. BURTON. The resolution, however, goes a little further than that. It asks the Secretary of War to report the price at which the canal can be purchased.

Mr. SAULSBURY. That is true. There is no doubt of that.

Mr. BURTON. There are two distinct subjects in the resolution. So far as it is a request for a mere summary of existing documents, I do not think any objection would lie under the law; but the War Department necessarily should be very careful not to violate the statute to the effect that further reports shall not be made without the authorization of Congress; otherwise, favoritism will prevail. In past years numerous efforts were made to obtain reports, the furnishing of which would have been an evasion of the law, and I think finally the War Department adopted the rule that no such report would be made without the concurrent action of both Houses of Congress.

The resolution was considered, by unanimous consent, and agreed to.

THE INITIATIVE AND REFERENDUM.

Mr. OWEN. Mr. President, I ask permission to insert in the RECORD a memorandum relating to the initiative and referendum, explaining what it is, where it is in use, and how it works.

The VICE PRESIDENT. Is there any objection?

Mr. SMOOT. I will ask the Senator if this memorandum is any different from that which we have had printed before as public documents?

Mr. OWEN. Yes. It is simply a short explanation of what the initiative and referendum is.

Mr. SMOOT. I was counting the other day the number of articles upon the same subject we have had printed as public documents, and I found that we already have had 33 of them printed. Of course I am not going to object to this, but really I want to say that I should like to see the day arrive when our CONGRESSIONAL RECORD will be a record of what is done in Congress, and will not be filled with editorials from every paper in the United States, not filled with the correspondence of all the Senators and Members of Congress, and not filled with extraneous stuff to the amount of about 70 per cent of the whole RECORD. I want to live to see that day.

The VICE PRESIDENT. There being no objection, the request of the Senator from Oklahoma is granted.

The matter referred to is as follows:

THE INITIATIVE AND REFERENDUM—WHAT IT IS—WHERE IT IS IN USE—HOW IT WORKS.

What is direct legislation?

Direct legislation is the right of the people to enact or reject laws by their votes at the polls, just as they now vote upon candidates or constitutional amendments. It is exercised through the initiative and referendum.

What is the "initiative"?

The initiative is a method by which the people can propose a law or constitutional amendment by petition. The petition is filed with the secretary of state four months prior to a general election, and submitted by him to the voters at the ensuing election. If a majority of the voters voting on the question vote "yes," the law is enacted and goes into operation. If a majority vote "no," it is rejected. Example: The people of Maine for years demanded a direct primary law. The legislature refused to pass it. An initiative petition, signed by 12,000 voters, was filed. The law was submitted at the general election of 1911 and adopted by a vote of 65,810 to 21,774. It has since been in operation.

What is the "referendum"?

The referendum is a method by which the people may reject at the polls acts of the legislature which do not suit them. A petition against a law must be filed within 90 days after the legislature adjourns. The law is then suspended and a vote is taken upon it at the next general election. If a majority vote "no," the law is vetoed; if "yes," the legislature is sustained. Example: The Legislature of South Dakota passed a State militia bill. It was opposed because it put an added heavy expense on the taxpayers and because the people were against militarism. A referendum petition was filed, the bill was suspended from operation, and rejected at the general election of 1910 by a vote of 57,440 "no" to 17,854 "yes." And so the law was "vetoed" by the people.

Are the initiative and referendum "new" and "revolutionary" doctrines?

No. From the beginning of our Government, the American people have retained the right to vote on certain questions, such as State constitutions, bond issues, city charters, location of State and county seats of government, boundary lines, local option, etc. Also they have voted on amendments to State constitutions, city charters, and occasional laws, but only when the legislature would permit them. The initiative and referendum give the people the power to vote on any measure they desire and when they want to, without the permission of the legislature.

How large petitions are required?

Eight per cent of the voters of a State are usually required on initiative petitions and 5 per cent upon referendum petitions. A better system is to require a flat number of signatures. The splendid amendment pending in Mississippi requires 7,500 qualified voters upon initiative petitions and 6,000 for the referendum. Maine requires 12,000 for the initiative and 10,000 for the referendum. One man in convention or legislature can make a motion and 10,000 citizens combined should not be denied this right.

Why do we need the initiative and referendum?

"The methods of our legislatures make the operations of political machines easy, for very little of our legislation is formed and effected by open debate upon the floor. Almost all of it is framed in lawyers' offices, discussed in committee rooms, and passed without debate. Bills that the machine and its backers do not desire are smothered in committee; measures which they do desire are brought out and hurried through their passage. It happens again and again that great groups of such bills are rushed through in the hurried hours that mark the close of the legislative sessions, when every one's vigilance is weakened by fatigue and when it is possible to do secret things.

"When we stand in the presence of these things and see how complete and sinister their operation has been, we cry out with no little truth that we no longer have representative government. * * *

"If we felt that we had genuine representative government in our State legislatures no one would propose the initiative and referendum in America. They are being proposed now as a means of bringing our representatives back to the consciousness that what they are bound in duty and in mere policy to do is to represent the sovereign people whom they profess to serve, and not the private interests which creep into their counsels by way of machine orders and committee conferences. * * *

"It must be remembered by every candid man who discusses these matters that we are contrasting the operation of the initiative and referendum not with the representative government which we have in theory, but with the actual state of affairs."—(President Woodrow Wilson, in an address at Kansas City, May 5, 1911.)

Who favor and who oppose direct legislation?

The men of every political party who believe in the American doctrine of government by the people are favorable. It has been adopted in the platforms of all political parties at various times and places. Organizations of the producing classes, such as farm and labor organizations, reform organizations, etc., are especially strong for it. It is strenuously—but often secretly—opposed by all reactionary politicians, all the big trusts and corporations, nearly all the corporation lawyers, and every corrupt political boss in the United States. This is the line-up.

Where are they in operation?

In many States and in a large number of cities throughout the Nation. The following is a table of the 17 States in which initiative

and referendum amendments to the State constitutions have been submitted by the legislatures and adopted by the people:

[From Bulletin No. 1, issued by the bureau of information of the National Popular Government League. Compiled by Judson King, executive secretary, Washington, D. C.]

Date of adoption.	State.	Popular vote on amendment.		Character of amendment.
		For.	Against.	
1898	South Dakota	23,816	16,483	Defective.
1900	Utah [1]	19,219	7,786	Worthless.
1902	Oregon	62,024	5,688	Excellent.
1905	Nevada	4,393	792	Defective.
1912	do. [2]	9,956	1,027	Good.
1906	Montana	36,374	6,616	Defective.
1907	Oklahoma	180,383	73,059	Do.
1908	Maine	51,991	23,712	Do.
1908	Missouri	177,615	147,290	Good.
1910	Arkansas	91,363	39,680	Do.
1910	Colorado	89,141	28,698	Do.
1911	Arizona	12,534	3,920	Excellent.
1911	California	138,181	44,850	Do.
1912	Nebraska	189,200	15,315	Defective.
1912	Washington	110,110	43,905	Do.
1912	Idaho [1]	43,658	13,490	Worthless.
1912	Ohio	312,592	231,312	Fair.
1913	Michigan	219,388	152,038	Good.

[1] Amendment not self-executing; legislature has refused to pass an enabling act hence people have never been able to use it.
[2] Referendum only; initiative added.

Is the movement growing?

Yes; and rapidly. Initiative and referendum amendments will be voted upon at the general election November 3, 1914, in the States of Mississippi, Wisconsin, Minnesota, North Dakota, Texas, and Maryland. It is a live political issue in nearly every other State.

BRYAN FOR THE MISSISSIPPI AMENDMENT.

Hon. William Jennings Bryan, Secretary of State, has written a letter indorsing the Mississippi amendment and urging its adoption. It shows his attitude upon the initiative and referendum. He says, in part:

"I am gratified to learn that the Legislature of Mississippi at its last session submitted a constitutional amendment providing for the initiative and referendum. *I have examined the amendment and believe it to be one of the best submitted.* As you know, I have for a number of years been an active advocate of the initiative and referendum. We put it in our State platform in Nebraska 18 years ago, and since that time I have spoken for it in many States.

A DEMOCRATIC PRINCIPLE.

"The principles underlying the initiative and referendum are so democratic that these reforms are sure to commend themselves to the Democratic Party. It is commending itself, too, to a large majority of the Republican Party, who at heart have faith in the capacity of the people for self-government. There are only two objections that can be honestly made to the initiative and referendum. One is the aristocratic objection, which is based upon the lack of confidence in the masses, and the other the plutocratic, which is based upon the idea that the masses can not be trusted to deal justly with property interests.

THE PEOPLE CAN BE TRUSTED.

"Both of these objections are groundless. The masses have proven, wherever given an opportunity, their ability to deal with questions of government. The aristocratic idea of representative government is that the people themselves are not intelligent enough to decide public questions, but should select a few superior men to think for them and act for them. *This reasoning is, of course, fallacious as well as undemocratic. The people can act more intelligently upon a proposed reform of government than they can upon an individual, because they can understand a proposed reform better than they can a person; and then, too, a proposed reform does not change after the election, while the individual may.*

THE PLUTOCRATS ARE WRONG.

"The plutocratic argument against the initiative and referendum is equally unsound. The people are conservative; they can be trusted not to violate the rights of property. Experience will show that violations of property rights are more often traceable to the avarice of those who are able to obtain a monopoly than to the masses, who can have no selfish interest in the doing of injustice.

THE DANGER FROM NEGLECT.

"I have no doubt that a majority of those who vote upon the proposed amendment will vote for it; the only danger in Mississippi is the danger that the friends of the initiative and referendum had to encounter in Arkansas, namely, the failure to vote. Your constitution requires that the amendment shall receive not merely a majority of the votes cast upon that subject but a majority of all votes cast at that election, and experience shows that a great many people fail to vote on amendments unless an active campaign is waged to bring the amendment clearly to the attention of the people. I hope, therefore, that those in favor of the initiative and referendum will see to it that every voter is reminded of the fact that the amendment is to be acted upon, so that it will not be lost by failure of some of the voters to express themselves on this particular subject.

"I regard the initiative and referendum as the greatest modern improvement in the strengthening of representative government."

SENATOR LA FOLLETTE URGES ADOPTION OF THE INITIATIVE AND REFERENDUM IN WISCONSIN.

United States Senator LA FOLLETTE, of Wisconsin, is a distinguished champion of popular government. In urging the adoption of the pending amendment in his own State he says:

"For years the American people have been engaged in a terrific struggle with the allied forces of organized wealth and political corruption. Battles have been won and lost. The unequal contest goes on. The lesson is obvious. The people must have in reserve new weapons for every emergency if they are to regain and preserve control of their Government.

"The forces of special privilege are deeply intrenched. Their resources are inexhaustible. Their efforts never relax. Their political methods are insidious. It is impossible for the people to maintain perfect organization in mass. They are often taken unawares and are liable to lose at one stroke the achievements of years of effort. In such a crisis nothing but the united power of the people expressed directly through the ballot can overcome the enemy.

"Through the initiative, referendum, and recall the people in any emergency can absolutely control. The initiative and referendum make it possible for them to demand a direct vote and repeal bad laws which have been enacted, or to enact by direct vote good measures which their representatives refuse to consider. The recall enables the people to dismiss from public service those representatives who dishonor their commissions by betraying the public interest. These measures will prove so effective a check against unworthy representatives that it will rarely be found necessary to invoke them.

"If there is a State in this Nation in which the people are capable of deciding questions for themselves, it is Wisconsin. We should adopt the initiative, referendum, and recall by an overwhelming vote on November 3."

How has direct legislation worked in the States where it has been tried?

It has worked well. Although reactionary politicians in these States would be delighted to have the initiative and referendum abolished, they do not dare to start a movement for their repeal. They know it would spell their political death, because the people believe in the initiative and referendum and value it highly, especially after they have used it a few years. The experience of all these States can be summed up in a recent statement by Mr. William Spence, master of the farmers State Grange of Oregon, in which he said:

"The common people of Oregon would not give up the referendum. It has done too much good. No one fights against it here but the corporations and grafting politicians it has put out of a job."

The corporation newspapers and lawyers are trying to convince the people of other States that the initiative and referendum have failed where tried. What hurts them is that the people are using their power for their own benefit and not for the benefit of the interests. The Government is passing from the hands of the bosses into the hands of the people. The bosses do not like it and that is the whole story in a nutshell.

Was not this Nation founded upon the principle of "representative government," and is not the initiative and referendum in conflict with that principle?

Former Senator Joseph W. Bailey, of Texas, made this contention the chief basis of an attack upon initiative and referendum at the time he retired from the United States Senate, and it is being widely used by reactionaries throughout the Nation. Senator Bailey's argument was completely annihilated by Senator ROBERT L. OWEN, of Oklahoma, in reply to Bailey. Here is a quotation:

"This Republic was not founded on any so-called 'representative principle.' The representative is merely a convenience, a servant, an agency, subject of right to the direct control of the people.

"This Republic was founded on the principle that the people were sovereign and had a right, if they pleased, to manage their business directly, a God-given right, vested in them, inalienable and indefeasible, and directly to alter, amend, or abolish any law. Every State constitution declares and exemplifies this fundamental principle. Every State constitution, except one, was established by the direct lawmaking power of the people.

"The option to use the initiative and referendum is not in conflict with the present convenient system of legislating through representatives, but is in harmony with that system and makes it more representative, not less representative."

[NOTE.—Senator OWEN'S complete speech, entitled "People's Rule v. Boss Rule," can be had upon application to the National Popular Government League, Washington, D. C.]

ANSWERS TO OBJECTIONS.

The following are the most familiar objections made to the establishment of the initiative and referendum and answers by eminent public men.

I. THE PEOPLE ARE NOT INTELLIGENT ENOUGH TO VOTE UPON LAWS.

"The alleged ignorance of the people has been urged in all ages against progress in government. It was the chief argument made against the establishment of the American Republic. Some ultra-conservative people may honestly believe the people are incompetent, but the objection is usually made by those who fear the intelligence, not the ignorance, of the people.

"The judgment of a whole State, expressed at the ballot box, after full discussion and opportunity for information, which the State should furnish, is about the safest guide in the affairs of government I know of.

"Our whole system of government assumes the capacity of the people to judge the worth of legislative acts. We elect men upon the measures they advocate or oppose. We reelect them or not, as we think the measures they have enacted good or bad. Is it not absurd, then, to hold that the people have brains enough to vote upon the men but not intelligence enough to vote upon the measures themselves, printed in black and white? I confess it is a mystery to me how some men can conceive the people to be 'intelligent citizens' just before election and 'an irresponsible mob' immediately after election." (Hon. GEORGE W. NORRIS, United States Senator from Nebraska.)

II. WHAT IS THE USE OF THE LEGISLATURE IF THE PEOPLE ARE TO ENACT LAWS?

"The initiative and referendum do not abolish the legislature or the need for one. They are called into action only in emergencies, when the legislature fails to accomplish the will of the people, and usually upon important questions. Since the initiative and referendum were established in Oregon over 98 per cent of the laws have been enacted by the legislature. In other States the percentage is higher than this." (Hon. ROBERT CROSSER, Congressman at large from Ohio and author of the Ohio provision for the initiative and referendum.)

III. THERE WOULD BE TOO MANY ELECTIONS, AND THE COST WOULD BANKRUPT THE STATE.

"Men making this objection are either misinformed or willfully misstating the truth. All initiative and referendum provisions require that questions submitted to the people through popular petition should be voted upon at the regular general elections. Special elections can only be held on questions of immediate moment and magnitude, and then only when especially ordered by the State legislature or by the governor, as may be provided by law. In 11 years the initiative and referendum has cost the people of Oregon but a few cents apiece." (Hon. MOSES E. CLAPP, United States Senator from Minnesota.)

IV. THERE WOULD BE TOO MANY QUESTIONS ON THE BALLOT, AND THE PEOPLE WOULD BECOME CONFUSED.

"In the last three elections, due largely to the failure of the legislature to carry out the will of the people, a relatively large number of questions have been submitted in Oregon through the initiative and referendum. Political experts have been astonished at the ease and intelligence with which the voters dispose of these questions. The citizens of Oregon are not worried, but there seems to be great alarm among eastern newspaper editors lest the minds of our people be overstrained. I fear that the fact that we are voting on vital issues, which certain people would not like to see raised, is what troubles some. The people of Oregon consider that they are as capable of deciding on 30 measures with 4 months' preparation and more as the legislature is on 824 measures in 40 days." (William S. U'Ren, father of the "Oregon system.")

"Up to 1912, 11 States have secured working State-wide initiative and referendum amendments—6 good ones, the others limited or defective. From 1898, to and including 1912 election, there were voted upon in those States a total of 176 initiative and referendum measures, placed on the ballot by petition, as shown by the following table:

[From Bulletin No. 4, issued by the bureau of information of the National Popular Government League. Compiled by Judson King, executive secretary. Washington, D. C.]

Adopted.	State.	Number of measures voted on in election of—						Total.
		1904	1906	1908	1910	1911	1912	
1898	South Dakota[1]	.....	.....	4	6	.....	4	14
1902	Oregon	2	11	15	27	.....	31	86
1905	Nevada[2]	.....	.....	1	.....	.....	.....	1
1906	Montana	.....	.....	.....	.....	.....	5	5
1907	Oklahoma	.....	.....	1	7	.....	4	12
1908	Missouri	.....	.....	.....	2	.....	3	5
1908	Maine	.....	.....	.....	3	1	1	5
1910	Arkansas	.....	.....	.....	.....	.....	7	7
1910	Colorado	.....	.....	.....	.....	.....	26	26
1911	Arizona	.....	.....	.....	.....	.....	9	9
1911	California	.....	.....	.....	.....	.....	6	6
		2	11	21	45	1	96	176

[1] None from 1898 to 1908.
[2] Had referendum only. Amendments and laws submitted by legislature not included.

V. THE SYSTEM IS TOO EXPENSIVE.

"The most expensive government in the world is that managed by a privileged few. The less democratic the more costly—witness Russia or the frightful squandering of the public funds in States controlled by political machines. The referendum is the greatest foe to extravagance in public affairs known—witness the results in Oregon, South Dakota, Montana, and other States. Since measures are ordinarily submitted at general elections the added cost is but slight. If the State adopts the expensive and inefficient system of publishing pending measures in newspapers, this cost will be quite heavy, but if they adopt the Oregon, Arizona, and California plan of sending a pamphlet to the voters the expenses will be but a few thousand dollars for the entire State and the education of the voters by this means is worth a thousand times more than it costs." (Hon. Carl Schurz Vrooman, Assistant Secretary of Agriculture.)

VI. HOW WILL THE PEOPLE BE INFORMED SO AS TO VOTE INTELLIGENTLY ON PENDING QUESTIONS? BY PUBLICITY PAMPHLETS ISSUED BY THE STATE TO EACH CITIZEN.

"The problem of educating voters upon questions submitted under the initiative and referendum has been solved in California by having the secretary of state send to the voters through the mails a little pamphlet containing copies of the proposed laws, a reprint of the ballot title, and also with explanatory arguments for and against each measure. In Oregon the system also includes the right of citizens or organization to present arguments, they paying the exact cost of the space taken. These pamphlets are read and studied by an unexpectedly large proportion of our citizens and who are thereby enabled to vote intelligently. I consider the pamphlet system of great importance, as it is far better and cheaper than newspaper advertising." (Dr. John Randolph Haynes, Los Angeles, father of direct legislation in California.)

VII. IF WE HAVE DIRECT LEGISLATION, THE COLORED PEOPLE AND FOREIGNERS WILL CONTROL THE GOVERNMENT.

"During our campaign for the initiative and referendum in Arkansas in 1910 every conceivable argument calculated to frighten the voters into rejecting these people's rule measures was brought against us by the reactionary few.

"We were told that 'legalized anarchy' would follow its adoption; that there would a 'French Revolution'; that we would 'lapse into barbarism'; and as a crowning absurdity we were warned that with the initiative and referendum 'the State would be controlled by negroes.' My answer to this tirade was, and is now, that this is a white man's country and white men will continue to govern it, and that what the predatory corporations, their lawyers, and politicians feared was the white people's intelligence and not the negro's ignorance. Also that it was foolish to talk about anarchy unless a majority of the people were anarchists, since nothing could be done to which a majority of the voters did not agree and that it was an insult to call the voters anarchists." (Hon. George W. Donaghey, former governor of Arkansas.)

The way to handle that portion of the "foreign vote" which can be purchased, or any other class of purchasable voters, is the enactment of a stringent corrupt-practices act which will put in jail the men who try to bribe them. As a matter of fact, election returns show that the ignorant and careless voters of any class do not vote upon initiative and referendum questions. It requires too much intelligence.

THE DANGER FROM "JOKERS."

To work successfully, initiative and referendum provisions must be drawn with exceeding care. The people of Oregon have accomplished great results, because they have the best system produced to 1912. California and Arizona are also good. The chief "jokers" and so-called "safeguards and restrictions" which destroy the efficiency of the "initiative and referendum" are as follows:

First. To require a large number of signatures to petitions or put hampering restrictions upon the people in securing them.

Second. To insert a clause which permits the legislature to deny the people the right of a referendum on anything the legislature declares to call an "emergency."

Third. To deny the right of referendum upon all appropriations.

Fourth. To deny the right of the people to initiate an amendment to the State constitution.

Fifth. To require a majority of the votes cast for candidates "*in the election*" as necessary to enact measures instead of a majority of the vote cast "*on the question.*"

Sixth. To require pending measures to be advertised only in newspapers. This is frightfully expensive and inadequate. The pamphlet system is the only cheap and effective plan.

WHERE TO GET INFORMATION.

The National Popular Government League, a nonpartisan organization, maintains a bureau of information upon every phase of the initiative, referendum, recall, and other measures designed to place more political power in the hands of the people.

Address Judson King, executive secretary, 1017 the Munsey Building, Washington, D. C.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Latta, executive clerk, announced that the President had, on October 8, approved and signed the following acts:

S. 5798. An act authorizing the health officer of the District of Columbia to issue a permit for the removal of the remains of the late Earl A. Bancroft from Glenwood Cemetery, District of Columbia, to Mantorville, Minn.; and

S. 6440. An act to authorize the Chicago, Milwaukee & St. Paul Railway Co. and the Chicago, St. Paul, Minneapolis & Omaha Railway Co. to construct a bridge across the Mississippi River at St. Paul, Minn.

CLAIM OF NORWAY (H. DOC. NO. 1172).

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read:

To the Senate and House of Representatives:

I transmit herewith a report from the Secretary of State in relation to a claim presented by the Government of Norway against this Government on account of the action of the authorities of Hudson County, N. J., in holding for their appearance as witnesses in a criminal case in that county, in violation of treaty provisions between the United States and Norway, as the Norwegian Government alleges, three members of the crew of a Norwegian ship called the *Ingrid*, and I recommend that, as an act of grace, and without reference to the question of the liability of the United States, an appropriation be made to effect a settlement of this claim in accordance with the recommendation of the Secretary of State.

WOODROW WILSON.

THE WHITE HOUSE, *October 7, 1914.*

Mr. SMITH of Michigan. Mr. President, I understand that the message will be referred to the Committee on Foreign Relations.

The VICE PRESIDENT. It was the impression of the Chair that it should go there before going to the Committee on Appropriations in order to obtain the opinion of the Committee on Foreign Relations, and it will be so referred.

THE COTTON SITUATION IN THE SOUTH.

The VICE PRESIDENT. The morning business is closed.

Mr. BANKHEAD. Mr. President, I gave notice that to-day, immediately after the conclusion of the morning business, I would address the Senate on the subject of the cotton situation in the South. On October 3 I published a letter in the papers of Alabama, which has had very wide circulation. Preliminary to the remarks that I intend to submit I desire to read that letter to the Senate. It is as follows:

"UNITED STATES SENATE,
"*Washington, D. C., October 3, 1914.*

"*To the people of Alabama:*

"As one of the representatives from the South interested in the production of cotton, I feel a deep sense of responsibility in the emergency confronting the cotton-growing section of our country as a result of the sudden European war.

"I have given to the subject my earnest thought and anxious solicitude. I had hoped the recent conference of governors with Members of Congress from the cotton-growing States would work out some feasible plan for handling the situation. It developed that nothing could be agreed upon. The governors insisted upon Federal aid, while the Members of Congress contended that it was impossible to secure legislation by Congress either for the purchase of cotton or for lending money directly to the farmer with the cotton as security. The truth is that if every Senator and Congressman from the cotton-growing States should drop every other subject and give his entire attention to a bill providing that the Government should buy a portion of the

cotton crop at a fixed price or loan money directly to the farmer, secured by the cotton, at a certain price, it would be impossible to secure the passage of such a bill.

"The cotton-growing States have 20 Senators out of 96 and 98 Congressmen out of 435. The people of the other States are interested in the low price of cotton, just as our people are interested in cheaper flour and woolen goods. The producers of many other articles are likewise in distress as a result of the war and are looking about for relief.

"When it is proposed that the Government should buy or lend on cotton the suggestion is promptly made to include copper, tobacco, naval stores, and various things produced by other sections of the country. With the character and volume of opposition to any legislation looking to the special relief of the cotton grower it would be impossible to secure a vote before time to plant the next crop, even if a bill could be framed at all that would command sufficient votes to pass it.

"I feel it to be my duty to the people of Alabama to notify them that their representatives in Washington can secure no legislation looking to the purchase of cotton or lending of money to the farmer on his cotton as security. Certainly no legislation can be secured in time to relieve the present distressing condition.

"I think it would be wicked for me to hold out any false hope to our people. It is the duty of a representative, according to my conception, to deal frankly and candidly with the people. If he realizes he can not secure the relief they desire, he should so advise them, so that they will not build their hopes and make their plans upon a foundation of sand.

"Every Senator and Congressman in Washington who knows anything about the situation and is candid enough to admit it realizes that no law can be passed at this time for the Government to buy cotton or to loan money direct to the farmer.

"I have given careful and serious consideration to all the plans that have been proposed for temporary or permanent relief. I realize that the real trouble is just beginning, and that our people do not yet entirely appreciate the serious situation ahead of them. All who are well informed believe that the war will not soon end. The time for the payment of debts is arriving. The farmer owes the retail merchant. The retail merchant is indebted to the wholesale merchant and the bank. The wholesale merchant owes the bank. The farmer has nothing with which to pay except his cotton, for which there is no market. I doubt if the crop could be sold under present conditions for 6 cents a pound. I am told that eastern spinners are talking of being able to buy their supply at 3 cents a pound.

"This crop was raised at a cost of about 10 cents, and a sale at a less price will result in loss. After the present crop had been grown this great crisis arose without the fault of the farmer, and if he can not get above cost for his cotton he can not pay what he owes the merchant. If he can not pay the merchant, the merchant can not pay the wholesaler or the bank. What is the result? Judgments, executions, sales, sacrifice of property, bankruptcy, and debts unpaid.

"Is there any way to avoid this great calamity? I think there is. I beg to suggest a plan which, in my judgment, will bring relief. I have submitted it to some of the best financiers of the country, who tell me it is feasible, sound, and practicable, and will make an oasis of Alabama in the cotton desert.

"In brief, and without too many details, it is as follows:

"Let the governor call a special session of the legislature at once for consideration of the cotton situation alone. The danger of ruin is so great that no member would dare trifle with the welfare of the people by trying to inject partisan politics into its deliberations. Have the legislature submit to the people in a special session called as quickly as possible an amendment to the constitution authorizing the State to issue bonds in the sum of $40,000,000. The bonds should be issued in denominations of $10, $20, $50, $100, and $1,000. It is estimated that the crop in Alabama for this year will amount to 1,600,000 bales, if it is all gathered. The State should buy one-half of the crop of each Alabama producer at 10 cents a pound. One-half of this crop would be 800,000 bales, which at 10 cents per pound would require an issue of $40,000,000 worth of bonds.

"It is impossible at this time to sell bonds in the open market, so that it will be necessary to pay for the cotton bought by the State with these bonds. The legislature should also provide that they be accepted for all taxes, both State and county.

"If I am asked how the State of Alabama would pay its obligations to the citizens, the answer is that the patriotic people of Alabama would accept these notes of the State for all demands. School-teachers, the old soldiers, officeholders, and any class would be glad to accept them, because they can pay and discharge their obligations with them. Of course all the taxes in Alabama would not be paid with these notes or bonds. Abundant currency would be available to pay the interest on the State bonds or other obligations required to be paid in currency."

And I allude to the bonded indebtedness of Alabama heretofore issued.

"It should also provide a warehouse system or authorize the counties to establish warehouses under such rules and regulations as the legislature may in its wisdom prescribe.

"Under the proposed plan a farmer would take his cotton to the warehouse and secure a warrant. He would then take his warehouse warrant to the probate judge, or some other agent designated by the State, and get bonds for his cotton at 10 cents per pound."

Or, rather, he would get the State's notes for the cotton.

"The question will be asked. What will the farmer do with the bonds? His merchant will accept them in payments of debts or for the sale of merchandise. The banks will accept the bonds in payment of notes and mortgages. Is there a merchant or banker who would not prefer to have a State bond with the State's credit behind it and secured by cotton deposited in bonded warehouses than a debt against a man who had no means of paying it? It may be asked, How will the merchant pay his debts with these bonds? The answer is, The bank will accept them in payment of notes and mortgages. The national banks can send them to Washington and get 90 per cent in currency on them, and when the State is ready to redeem them will get the other 10 per cent.

"The small bonds or State cotton warrants in denominations of $10, $20, and $50 should not bear any interest. They will readily pass from hand to hand so that one $10 warrant may pay hundreds of dollars of debts, and one $50 warrant may pay thousands of dollars of debts under this process of liquidation. They would find their way into the hands of the bank, who would surrender them to the State for retirement and receive in lieu thereof Alabama State cotton bonds bearing 4 per cent interest. Under the provisions of the Aldrich-Vreeland Act or the regional bank act banks could send them to the Treasury at Washington and obtain 90 per cent in currency, which would enter into circulation in the same community in which the cotton warrant had been circulated.

"The State cotton bonds should be payable on or before three years from issue, with interest payable annually. This interest should be provided for by the levy of a tax of $1 or more per bale, according to the discretion of the legislature, on that portion of the present crop sold to the State, and the levy of a tax of 50 cents a bale, if that amount appeared to be necessary, on the next year's crop, and 25 cents an acre on all land planted in cotton next year. This should be continued until the cotton purchased by the State is disposed of.

"It is estimated that 4,000,000 acres were planted in cotton this year in Alabama. If the present situation, aided by the tax, should reduce the acreage and crop next year by one-third, the State would have, with which to pay interest and carrying charges, when the first year's interest falls due, the following funds:

Interest on $40,000,000 of bonds, at 4 per cent	$1,600,000
Tax on cotton bought by the State	800,000
Tax on 1915 crop	500,000
Tax on 1915 acreage	666,666
Total	1,966,666
Interest to be paid	1,600,000
Balance in favor of State	366,666

"The interest on this bond issue, if all of them should bear interest, would be $1,600,000; but as denominations of $10, $20, and $50, designated as State cotton warrants, do not bear interest, the amount estimated for interest will be largely in excess of the sum required. These State cotton warrants of small denominations, when they have performed their function and found their way into the banks and the banker has accumulated $1,000 or more of them, would be sent to the treasury at Montgomery in exchange for Alabama State cotton bonds bearing interest at 4 per cent. This being true, it will be observed that the amount estimated for interest and carrying charges will also be largely in excess of requirements."

There is where the interest charge begins. When these small notes that have been circulated, having performed the functions of a circulating medium, have discharged their duty and have found their way into the banks, then they will in turn be sent to the State treasury at Montgomery and exchanged for State cotton interest-bearing notes.

"The legislature could direct that this balance in favor of the State should be used to defray operating expenses and other

necessary charges connected with the inauguration and management of the plan. Therefore the State would not be required to contribute a dollar to the expense, but the cost would be borne by those who profit and are benefited by it.

"This money should be kept separate and used for no other purpose than paying the interest on the bonds. Should a surplus be left after the transaction is closed, it should be turned over to the agricultural department of the State for promoting diversification of crops or returned to the farmer who paid it.

"In view of the fact that no cotton will be bought by the State, after the 800,000 bales have been purchased out of the present crop, it will be necessary, in order to make up for the loss of $800,000 collected the first year to increase the amount of tax on cotton and acreage for 1916 with which to pay the interest on the bonds.

"State bonds, secured by actual cotton and provided with an interest and carrying fund of that kind, would be as good security as can be found in the world.

"The bonds would pass at their face value and be accepted as money in payment of all obligations.

"Before they are due the price of cotton, by reason of settling conditions and acreage reduction, will certainly reach a point where the State can dispose of the cotton held by it at cost, and possibly at large profit, and retire the bonds without loss to the State.

"I do not believe that it would be necessary for the State to buy half the crop. The consumption of cotton goods must go on even if the war continues. Just as soon as the people of other Southern States see how relief has been secured by the people of Alabama they will demand similar action. Nothing can stop it.

"I am reliably informed that the surplus above the present needs of operating mills is not over 3,000,000 bales. So long as that surplus is on the market buyers will name their own prices. Notice that 800,000 bales will be taken off the market in Alabama and that other cotton States are likely to adopt a similar plan, and also reduce acreage, will be a great warning to the spinners that they had better get busy. If other States follow our example, there will be a rush for cotton, and the remainder of the crop will be sold at a profit to the grower.

"We are confronted with a situation fraught with disastrous consequences to the people of the South unless some heroic measure is resorted to. This is no time for quibbling or abstract discussion of paternalism and other such doctrines of government. While we are not actually at war, we have all the business consequences of war. The farmer can not handle the situation. There are too many of them and they are too far separated to bring about any effective organization to meet the situation on such short notice.

"It is the duty of the State government, for the support of which taxes have been paid with such regularity, to step into the breach and work out a plan and lend its credit until this perilous period has passed. Under the plan it can do so without impairing its credit and without the loss ultimately of a dollar.

"Why hesitate about adopting it? If the newspapers will advocate it, and every farmer and business man who wants relief according to the plan suggested will make his wishes known by writing a letter or post card to the governor at once, I have no doubt but that Gov. O'Neal, who is deeply concerned over the situation, will promptly call the legislature together to submit a constitutional amendment to the vote of the people and pass necessary laws for carrying out the details of the plan. No time should be wasted. If prompt action is taken, the State can be ready before January 1 to begin the purchase of cotton.

"The tax on cotton and acreage will be a very small item to each farmer compared with that of selling his cotton at 6 or 7 cents, and possibly 5 cents, as now appears to be the intention of the spinners.

"This plan is offered with a positive conviction that it will afford relief to the people of Alabama. Let us lead the way for our sister States. We hope they will follow our example. I believe many of them will, but if they do not, we will be the one Southern State whose farmers will not have been ruined by the war in Europe.

"I urge the calling of citizens' mass meetings and of farmers' union locals in all parts of the State without delay to make known the wishes of the people on this subject, at which time resolutions should be adopted and forwarded to Gov. O'Neal.

"I request that some citizen in every town and community call a meeting at once. It is necessary that some one take the lead. If no one else will, do it yourself. It is time for action.

"Faithfully, yours,

"J. H. BANKHEAD."

Mr. President, the letter which I have just read, I will say, as a premise to some remarks which I now intend to make, has had a very large circulation in Alabama, and already a number of counties, cities, and towns have held meetings and adopted resolutions urging the governor of the State to take some action.

Mr. President, I realize that the Senate is not the place where great interest is found in statistics. However, at this period of national and international business distress I venture to submit to the attention of the Senate a very brief statistical statement about cotton.

Cotton was not grown as a staple previous to the year 1770, and during that year the shipment of American cotton to Liverpool is recorded as follows: Ten bales from Charleston, 3 bales from New York, 4 bags from Virginia, and 3 barrels from North Carolina, but a search of the records shows that exports of cotton from 1791 to 1914, inclusive, amounted to over 304,000,000 bales, but I have been unable to find any estimate of the total value of this amount of cotton exported. However, exports from 1850 to 1914, inclusive, were more than 276,000,000 bales, with a value of nearly $15,000,000,000.

The production of cotton in the South for the year 1913 amounted to nearly 14,000,000 bales, with a value, including the seed, of over a billion dollars. The production for the year 1913 in my own State of Alabama was nearly one and a half million bales, with a value, including the seed, of over $100,000,000.

The value of exported cotton during the year 1912 exceeded a half billion dollars, and constituted more than one-fourth of the total value of all articles of domestic merchandise exported during that year, and exceeded in value the exports of iron and steel manufacture, meat and dairy products, and breadstuffs combined. Again, in 1913, approximately 9,000,000 bales of cotton were exported, with a value in excess of $500,000,000, and only a little less than one-fourth of the total value of all articles of domestic merchandise exported that year.

As an illustration of the effect of the European war on the international trade of this country, as measured by our cotton exports, it is a remarkable fact that during the month of August, 1914, for the first time since the Civil War, our cotton exports dropped to 21,210 bales, and, what is still more remarkable, we imported 27,087 bales during that period. Due to the war in Europe, exports of cotton during the month of August were practically suspended; and due to the war in Mexico, imports of cotton from that country increased. During September of this year the amount of cotton exported was a little in excess of 100,000 bales, while during the month of September, 1913, they amounted to a little less than 1,000,000 bales.

These figures, I trust, will indicate the importance of cotton in the economic affairs not only of this Nation but of the world, and they will, I trust, convey to the Senate an idea of the appalling business conditions that now exist in the Southern States.

Had it not been for the great decline in the sale of our cotton crop abroad, the necessity for a $100,000,000 gold pool to protect our foreign debts would have never arisen. The cotton crop has always held the balance of trade in our favor. During the month of September, when the necessity for this pool arose, cotton exports were only about 100,000 bales, as against 1,000,000 bales during the same period last year.

To save the farmers of the South and the business interests of the entire country from the disaster confronting them by the suspension of the world's cotton market is a most serious and perplexing question, to which statesmen and financiers are giving their earnest attention and solicitude.

Different plans have been discussed, but no comprehensive one has been offered or accepted, broad and safe enough to meet the situation.

Of all the plans that have come to my attention none is more pathetic than that of the Alabama farmer who sought relief, as expressed in a letter to his bank, which, omitting names, is as follows:

———— ————, ALA., *September 1½, 1914.*

———— ———— BANK, ————, *Ala.*

GENTS: I have heerd that ferrein countries in Europe are issueing merrytoriums, so that the peope can put off paying there detts a while. Now, I have 18 bales of cotton and owe detts amounting to about $600. I can't sell my cotton for enuff to pay out and leave anything to pay taxes and live on next year. If they are selling merrytoriums in N. Y., I wisht you would see what it will cost to buy me one for the amount of my detts good for 6 mos.

Yours, truly,

———— ————.

I read this letter because it is a pathetic example of the distress of the southern farmer at this time.

Mr. President, it will be observed there is nothing new or novel in the plan suggested. It is no more than what has been done by the great banking institutions of the country when a

panic, business stagnation, or a great disturbance in the money market is threatened. They promptly close the doors of their vaults, cease to pay their obligations in currency, and issue clearing-house certificates, which are nothing more than a mere promise to pay after the financial clouds have lifted. In this way the banks have oftentimes saved themselves and the business interests of the country from disaster and bankruptcy. No one can point to a single instance where the holder of a clearing-house certificate has ever lost a dollar. The security behind a certificate of this character can be no better or safer than the bond of the State secured by cotton in its possession, properly stored and insured.

In my own State, in 1887, when an overproduction of pig iron depressed prices to a point below the cost of manufacture, the Alabama pig-iron producers, together with other producers in this country, realized that the sale of iron at $6 per ton at the Alabama furnaces would soon lead to bankruptcy, and they formed what was known as the American Pig Iron Warrant Association, and established at or near their furnaces pig-iron warrant yards. In these yards I have seen what appeared to be acres of pig iron, upon which warrants were issued by the association at a fixed price per ton. These warrants were used in paying the obligations of the producers, were pledged with the banks, and, in fact, were finally listed on the New York Stock Exchange, and were the subject of daily quotations, the same as any other stock-exchange security. By this simple practical and efficient method the iron manufacturers of my State saved themselves from business bankruptcy and were able to continue operations, giving employment to labor and contributing generally to the business welfare of the community in which they were located instead of bringing disaster upon the locality by being forced to shut down. To-day the same condition exists in Alabama, except the commodity is cotton instead of pig iron; and the application of the same method and common-sense business principles which saved the pig-iron manufacturers in 1887, if adopted by the people of that State, will solve the present situation and protect the Alabama farmer from ruin and disaster.

Again in 1893, when Birmingham was younger and not so strong as she is to-day, her banks, which were not as great and strong as they are now, found themselves unable to pay their depositors and confronted with the necessity of closing their doors, without hesitation, declared they would issue clearing-house certificates, with which the daily business transactions of the community would be conducted and settled. The result was that this clearing-house script circulated as money, and the merchants finally offered a premium of 5 per cent for it in the payment of their merchandise sales. The plan saved the banks of Birmingham from failure and its merchants and the people from business disaster, just as the pig-iron warrants saved the iron men of Alabama and their creditors from business ruin and bankruptcy.

With such successful precedents of business salvation, should the people of Alabama or, indeed, the people of any other Southern State hesitate to proceed with the plan I have proposed, which is sounder, safer, and stronger, and thereby save themselves, or will they falter and hesitate and ultimately be forced to sell their cotton at 5, 6, or 7 cents per pound, and leave their debts unpaid and their business system bankrupted?

Briefly permit me to describe the operation of the plan proposed. In doing so it will perhaps be necessary to reiterate some things said in the letter, which I have just read. When the Legislature of Alabama has duly authorized and put into effect the plan suggested, the farmer will carry his cotton to the warehouse, conducted and administered by State authorities, and receive a cotton-warehouse warrant, and pay a dollar a bale bond interest tax. This warrant he will present to some duly authorized agent of the State, for which he will receive State notes or bonds in denominations of $10, $20, and $50. These bonds of small denominations should not bear any interest, for the simple reason that bearing no interest they will seek retirement through the substitution of interest-bearing Alabama State cotton bonds. The farmer will pay the merchant with these warrants of small denomination, the merchant will pay the wholesaler or the jobber, and the wholesaler will pay the bank. The banker, when he has accumulated say $5,000 of these small State notes or bonds, will send them to the proper State authority and receive in lieu thereof Alabama State cotton bonds in denominations of $1,000 or multiples thereof, bearing 4 per cent interest, which he would forward through the proper channels to the Treasury in Washington and receive $4,500, or 90 per cent of the total amount in United States currency, issued under the provision of the Aldrich-Vreeland Act, or through the Federal Reserve Board. Congress has therefore provided all the necessary currency aid that is required, under the plan proposed, to transfer Alabama cotton into the same currency that the Treasury is issuing to the national banks of the country at the present time.

Some Senator may ask if there is a precedent for such action. I frankly answer there is none. Neither can any Senator cite me to conditions similar to that now existing as it relates to the cotton crop of the South. When an emergency arises we are justified in establishing precedents, and such an emergency now confronts us.

I would resent any suggestion that the bonds issued under this plan would not be a safe investment, because the interest is to be paid with the bale tax and the acre tax assessed upon and collected from the farmers of Alabama, and their cotton purchased by the State and stored in its own warehouses will be amply sufficient to pay the principal. To say that this cotton will not have a value sufficient to pay the principal is to say that millions of dollars of notes coming from the national banks of the South and pledged with the Secretary of the Treasury, upon which currency under the Aldrich-Vreeland law is being issued, is not sufficient security. It is equivalent to saying that the world must discontinue the purchase of cotton. It is as great and important a factor in the world's commerce as foodstuffs. To say that the bonds proposed are not a safe and sound investment is to declare that millions of dollars of notes held by New York and other banks in this country, upon which the present crop was financed, planted, and grown, are insecure and a dangerous investment. On the cotton crop of the South its banking credit and nearly all other credit is based. No other single commodity on earth commands greater confidence and credit and is such a debt payer as cotton. The South clothes the world and partly feeds it. England itself will recover more quickly from the ravages and devastation of their present war than she would from a permanent failure in the supply of cotton she annually obtains from the Southern States. From the ruin and desolation of our own Civil War the South has recovered its present wealth and prosperity because cotton has made her rich.

Mr. President, because of the suffering and distress now threatening the farmers of the South my sympathies may be stronger than some of those in my hearing. I am a farmer myself; was raised on my father's cotton farm in Lamar County, Ala. I have planted cotton, cultivated it, and gathered and marketed it, and I confess to the Senate that my sympathies, my feelings, and my solicitude for the farmers in Alabama have not been so aroused since the time I returned to my home at the close of the Civil War and witnessed the devastation and ruin that had been visited upon the people of my State. I feel that the present emergency and the threatened disaster confronting the people of Alabama demands that I should leave nothing undone that I am able to do in assisting them in this hour of disaster.

The buy-a-bale movement at 10 cents per pound was well conceived and founded upon a laudable sentiment. Many thousand bales of cotton will find a market through its operation; but it is only a drop in the great ocean of distressed cotton. Many patriotic men and women have resolved to wear only fabrics made of cotton; but this attempted relief only tends to emphasize the real situation.

It will not do to say that only the cotton producers are interested in an attempt to solve the problem confronting them. It may be sectional in its application, but it is universal in its result. The whole of the United States is intensely interested and immediately connected with the conditions confronting the cotton growers of the South. The cotton crop is the largest and most important factor in the commercial life of the Nation. It is by the sale of cotton in foreign markets that trade balances have been largely in our favor.

The situation is a desperate one, though I do not despair. I believe that the common sense of the people of Alabama and of the cotton-growing States will teach them they must rely upon their own efforts, aided by the States.

Mr. President, I can not feel it in my heart to say that the war in Europe will prove a blessing to the United States. I do say, however, that in my opinion it will result in great benefit financially and commercially. I believe at the end of the war the United States will be the financial center of the world and that our agricultural and manufactured products will be in demand to supply the pressing needs of every civilized Government on the globe. It must be true, since imports from foreign countries under existing conditions will be greatly reduced, and it must follow also that our exports will be largely increased. If we do not exchange commodities with them, they must pay their balance to us in gold; and as a result the United States will become the richest and most prosperous country in the world. It is what we sell that makes us rich. What we consume at

home adds nothing to our national wealth, does not increase the bank account, or pay off the mortgage. It simply contributes to our comfort and happiness.

The Government of the United States has made ample provision by which abundant currency may be obtained in the handling of our products, and a danger, Mr. President, may lurk in this abundant and easy currency. It may induce undue inflation and speculation, which in the end, when settlement day arrives, will prove to be an evil rather than a benefit. However, we must trust all this to the future good sense and judgment of our people. It is folly to talk about scarcity of money to meet every demand of business. This morning's statement of circulation shows the amount to be $3,402,422,570, or $37 per capita, an increase of $20,000,000 over September 1 of this year. To that amount may be easily added $1,000,000,000, or $10 per capita, under the provision of the regional-bank act and the Aldrich-Vreeland bill. Will anyone say that this vast sum is not entirely sufficient to meet every demand that will be made upon it, when we realize that the circulation may be increased approximately to $5,000,000,000, approaching a per capita circulation of $50? We understand that the amount of currency has very little connection with the present distressed conditions prevailing in certain sections of the country. The surplus of any product fixes the price of the whole. If there is a surplus of cotton, in other words, if more cotton is produced than the trade will take at a reasonable price, the surplus must first be disposed of before normal conditions can be restored. The size of the crop is not responsible for the existing conditions in the South. If the world's condition were normal, the price of cotton would be normal. The large consumers of raw cotton have practically ceased to buy. They are working up the stock on hand, and the manufactured product is being rapidly exhausted. This must result in the entire consumption of the raw and manufactured product, so that in a short time Europe will be entirely bare of cotton and cotton goods.

The war in Europe, in which nine distinct Governments are engaged, with 10,000,000 men on the firing line, nearly all of whom have been taken from productive pursuits, can not continue, but if it should be long drawn out these immense armies must be fed and clothed. Their fields will be barren from a lack of seeding and cultivation. Their men and boys have gone to the front. Their women and children can not feed and clothe this vast horde of nonproducers, whose demands are more in war than in peace, because of the unavoidable waste. If this terrific struggle, the most destructive of life and property the world has ever known, continues for six months, their supply of food and clothing will have been exhausted. Where is the only storehouse? There is but one answer—the United States. Foodstuffs will be in great demand, and at higher prices than ever before in our history. Every part of the country having for sale food, horses, and mules, and other things necessary in war, will reap the richest harvest they have ever enjoyed. What I have said of other agricultural products is true as to cotton. If the cotton States will impound or retire one-third or one-half of the present crop under the plan I have suggested, the problem will be solved, and their present distress relieved.

I call the attention of the Senator from Texas especially to this statement:

I am not unmindful of the fact that one or more of the cotton-growing States can not amend their constitutions within time to secure the benefit of the plan proposed. In that case there is no reason why the legislature should not, in a special session, authorize the counties to proceed under the same method proposed for the States. It might be true that county bonds would not circulate as freely as those of the State, but they would be based upon the same character of security, and would pay debts and cancel mortgages and crop liens in the county of issue and in adjoining counties with the same effect as the bonds of the State.

Mr. President, there is already a rift in the clouds Conditions generally are improving. Our exports of all products except cotton are rapidly increasing. The exports from New York for the week ending September 26 were $4,000,000 in excess of the exports for the same period last year. Exports for the seven days ending August 22 were only $8,000,000. Therefore we see that during the period from August 22 to September 26 exports from New York almost trebled. War-stricken Europe must be clothed and fed. Men and women may go hungry; they can not go unclad. Cotton is the chief product from which the clothing of the world is made, and the South is the chief producer. The time is near when the cotton crop must move. If it is not to be manufactured in Europe, it must be manufactured by our own mills. I confidently believe that every spindle and loom in the United States will be running double time within six months and that there will be a demand for a very large portion of the cotton crop. We can consume 10,000,000 bales if there is a demand for the product of our mills.

All that is necessary to restore normal conditions is the exercise of courage and the adoption of some such plan as I have outlined. I regard the man who urges the South to plant no cotton at all next year as its worst enemy. A crop equal to two-thirds of the present one would make an average for the two years of 12,500,000 bales, which would be 3,000,000 bales below the world's normal consumption. Can you realize what would happen when spinners are face to face with the proposition that they need 3,000,000 bales more than is in existence to meet their demands? If the cotton growers of the South will limit the acreage to an amount that may be reasonably expected to yield 10,000,000 bales next year, thereby making an average of 12,500,000 bales for the two years, there will be such a scramble for cotton that a runaway price will be the result. The consumption of cotton for 1917 will be more than ever in the history of the world. Shortage in manufacture during the war period must be overcome after peace is restored, so that we need have no fears for a long continuation of present distressing conditions. If the State of Alabama should adopt the plan suggested, we would only ask that the Government engrave our bonds at the cost to the State. We would ask this because, with its facilities at the Bureau of Engraving and Printing, it can do the work more expeditiously than any private printing concern. This small favor is all we would ask of the Government, realizing it has done all it can do when it has provided such ample and easy means for obtaining currency with which to transact the business contemplated by the plan proposed.

As soon as the process of impounding begins the scramble for cotton will also begin. Spinners at home and abroad will realize they have been hoisted on their own petard; they will realize they have been caught in a trap from which there is no escape except to buy cotton at or above 10 cents. The way is easy, the reward is rich. Why not do it, and restore confidence, and bring not only to the South but to the whole country—for we are one and inseparable—continued happiness and prosperity?

Mr. President, the Post yesterday morning carried the following headlines: "Favors cotton loan—Reserve Board may approve western plan this week." In St. Louis it is proposed to raise a fund of $150,000,000 with which to relieve the conditions in the cotton market. The plan is not set out in detail, but I presume the organization of this pool will undertake to relieve the situation by distribution of this amount of money to the banks throughout the cotton-growing States. I do not know whether they intend to loan this money directly to the farmer or not. If so, at what interest, and what price will be fixed on cotton? Or do they intend to buy outright the amount of cotton required to consume the pool? Either plan, Mr. President, will be a failure. We do not need more money with which to handle or finance the crop. We have a half billion dollars more currency now than last year, and a more valuable crop was easier financed. It is not money we need, it is a market. We have the cotton, nobody will buy it, and until a market is restored there can be no relief. Unless a considerable portion of the crop is bought or retired for the present, the whole crop will be sacrificed and the producer bankrupted.

There is a most magnificent wheat crop in the West. If every market that consumes bread should be suddenly closed, how would it affect the value of wheat? Where would the market be found? Who would want wheat if there was nobody to consume it? It would result in financial paralysis in the wheat-growing States. The cotton States are in a similar condition. The channel through which the cotton passes to the consumer is closed. No one will buy the raw material, consequently the market has collapsed. We may talk until our voices fail us about financing the cotton crop, but there are only two ways to relieve the situation; that is, for the Government of the United States to step in with its unlimited resources and do it or the State to take the initiative and do it. The Government of the United States will not do it, therefore the States must do it.

Mr. President, the miner does not attempt to circulate his gold dust and with it pay his obligations. He can not coin it, the law forbids. A way has been provided by which he may deposit his gold with the authorized agent of the Government and receive in return Government notes to the par value of the gold deposited. The cotton grower has the gold—"cotton." He can not circulate it in payment of his obligations, but he can deposit it with the authorized agent of the State of Alabama and receive the State's note equal to its par value, and these notes will circulate and pay his obligations. The greenback is based upon the tangible and intangible property of the United States—the credit of the Government—and this only is pledged

for its redemption. These State notes are to be based on cotton, the equal of gold, pledged for the redemption of the notes.

Mr. President, this is not the character of the inflation that is dangerous; it can only be temporary. The plan provides for a speedy retirement when it has performed the function intended. These notes will speedily find their way into the banks when the conditions now obtaining shall have passed away. The ordinary circulating medium of the country will come out and supply their place. These small notes will not bear interest. The banks naturally will return them to the State treasury and receive for them a State cotton bond bearing 4 per cent interest. By this process this emergency currency—the State's note—will be retired perhaps within 12 months. Gold is the standard money of the world. Cotton is one of the standard staples. The world might find a substitute for gold; no one would venture to suggest a substitute for cotton.

Mr. President, the cotton producer is stranded in the middle of a financial ocean. There is no land in sight. They are starving and dying from thirst, and not a drop of water to be had. They have hoped and prayed that they might be rescued. They have hoped so long that hope deferred has made them heart sick. They have almost despaired. The man on watch thinks he sees a sail. He looks again; his heart beats faster; it is a sail. He tells his despairing comrades that a ship is in sight. The hull of the ship can be seen. The watchman waves the flag of distress. The captain on the bridge sees the tiny signal and speeds in that direction. The ship draws nearer and nearer. Soon she reaches the wreck, a lifeboat is lowered, and the wrecked cotton producer is taken on board, and the good ship hoists her sails of cotton and lands her passengers at a friendly port. The news of the rescue is carried to the dear ones on the farm, and they offer a fervent prayer for a long life and happiness for the captain and the crew who rescued the cotton producers from their perilous situation.

Now, Mr. President, I have said all I care to say on this subject. I want to repeat that there is nothing novel about it. It is just such a remedy as has been applied in all times of stress for years and years past. It is simply a proposition that the farmer of Alabama or other cotton State may deposit his cotton, which has a market the world over when conditions are normal, and receive notes with which he may discharge his present obligations and pay his debts and save himself from bankruptcy.

Now, what objection can there be to that? If the State of Alabama and the other Southern States want to employ means like this for their own benefit and for the salvation of their own people, who can object to it?

Mr. President, I believe that if the governors of the Southern States should issue a proclamation to-morrow convening their legislatures and send them a vigorous message, describing the conditions and recommend that legislation of this character be passed, cotton would immediately advance to 10 cents a pound. As soon as the consumers of cotton are made to understand that the surplus of cotton is to be taken out of the market and that they must depend alone upon that which is left for disposition, there will be a scramble for it. There is no question in my mind about that.

I do not know that I can say now how many of the States would be able to take advantage of this situation immediately. I do not believe that there will be any necessity, really, 15 days from now if the State governments would all act promptly and vigorously in this matter; and if they would say to the consumers of cotton, "If you want cotton at 10 cents a pound, you must get it now," it would have the desired effect.

Mr. GRONNA. Mr. President, I wish to ask the Senator from Alabama a question.

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Does the Senator from Alabama yield to the Senator from North Dakota?

Mr. BANKHEAD. I do.

Mr. GRONNA. I have been much interested in the able speech made by the distinguished Senator from Alabama, and it is possible that the suggestions he has made are practical, but I want to ask the Senator this question: Is it not possible that the Federal Government could be of some help to the cotton growers, provided we enacted a proper rural-credit law?

Mr. BANKHEAD. Mr. President, I think the Federal Government, with its great resources, might be of great benefit to the growers of cotton, but the question is, Can the Government do it before it is too late?

Mr. GRONNA. I wish to call the Senator's attention to the fact that in the Democratic platform adopted at Baltimore the Democratic Party promised to enact rural-credit legislation, and they called attention to the fact that it was of equal importance with banking reform.

If the Senator from Alabama will permit me further, I believe the mere fact of the Federal Government enacting a law permitting the farmers to organize would be of immense value to the farmers. I recognize the fact that the cotton growers of the South, the same as the wheat growers of the West, are unorganized, and if there are any people on earth who need aid it is those people. I do not mean contributions, but I mean that they should be permitted to organize under certain specific laws, the same as men engaged in other industries are permitted to organize.

For that reason, I wanted to call the Senator's attention to the fact that we have pending before us now in the Senate and in the House rural-credit bills, but I understand such legislation is to be postponed, and not to be enacted at this session of Congress.

Mr. BANKHEAD. Mr. President, I have no doubt in the world but that the bill referred to by the Senator from North Dakota will remain in the committee when this crisis is passed.

I wish to repeat what I said before. It is not currency we need. We have all the currency at our command that is necessary for all purposes. It is not credit we need. We have all the credit that we can use. Mr. President, it is a market that we want. We have the cotton to sell, but who will buy it? There is our trouble. What we seek to do, sir, is to retire a sufficient amount of that crop, supposed to be the surplus over the present demand, until conditions are normal, until a price is fixed and the consumption of cotton the world over becomes normal. That is all we seek, and that is all we need. We do not need any more money. We have all the world can use.

I notice this morning that a pool is to be established of $150,000,000 to relieve the situation in the South. That is a speculative proposition. It will not have any effect whatever on the conditions. They will loan money out, $30 a bale, at 6 or 8 cents a pound, and that cotton still is on the market for sale. It will not take it out of the surplus and impound it for a year.

Mr. GRONNA. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield further to the Senator from North Dakota?

Mr. BANKHEAD. I do.

Mr. GRONNA. I agree with the Senator from Alabama that we do not need any more currency, but the rural-credit legislation proposed does not seek to issue more currency. I call the Senator's attention to the fact that in Europe, where they have a rural-credit system—and it has been in vogue in some of those countries for nearly 150 years—these agricultural bonds sell at a premium above Government bonds. I do not happen to have the statistics here, but I make that statement.

Mr. BANKHEAD. That may be true. These bonds may sell at a premium, and doubtless they will sell in this country at a premium, but that does not relieve the situation. That does not take a single bale of cotton out of the market, and that is what we want to do; that is all.

Mr. GRONNA. That is true; but I believe that we can help the southern cotton grower by the enactment of a proper rural-credit system.

Mr. BANKHEAD. I believe that is true, Mr. President, next year or the year after or some future time, but it can not meet the present condition. We want something done now. The cotton farmer has been stricken with a desperate case of acute indigestion. He wants present relief. It is too much cotton. There is plenty of money everywhere, but there is no market for the cotton. That is our trouble. Let us take the surplus off the market and you will see what will happen.

Mr. SHEPPARD obtained the floor.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. The Chair has recognized the junior Senator from Texas.

Mr. SHEPPARD. I yield to the Senator from Florida.

Mr. FLETCHER. I wish to make one suggestion with reference to the subject of rural credits. I think the Senator from North Dakota is pretty sound on that proposition. If we had succeeded in establishing a system of rural credits, this condition would have been very materially different, in my judgment. The trouble now is that we are unable to secure that sort of a system, or the establishment of that system, in time to relieve this emergency. It is not, in my judgment, going to be lasting, but it is acute at present, undoubtedly.

Mr. GRONNA. The Senator just stated, if I did not misunderstand him, that we are unable to secure a rural-credit system. I should like to know why we are unable to secure it.

Mr. FLETCHER. I say we are unable to secure it immediately—while cotton is now moving. You can not establish that system within a few days or a few weeks. It will take some little time in order to have the various suggestions which

are embraced in various bills that are now before the Banking and Currency Committees of the two Houses thrashed out and enacted into law, and after they are enacted it will take some time to get the system into operation. It will not take a great while, but some time. I believe that is going to be done, and I believe it would have been much better if it had been done long before now. If it had been done, I am quite sure there would not have been this trouble and interruption and distress brought on by the sudden world-wide war.

Mr. GRONNA. If the Senator will permit me, why does it require more time to pass legislation that the farmers are interested in than to pass relief measures where the financial interests are interested? In this connection I wish to read from the platform of the Senator's own party.

Mr. BANKHEAD. That is familiar to everybody.

Mr. GRONNA (reading):

RURAL CREDITS.

Of equal importance with the question of currency reform is the question of rural credits or agricultural finance.

The Senator from Florida knows, because he has been very active in that work, that that investigation has been made. The Senator was chairman and is now chairman of that commission. I had the honor of introducing resolution No. 75 in this body more than two years ago, which provided for a small appropriation for an investigation in European countries of the system of rural credits. It was defeated many times on this floor, but finally it was passed. It was defeated by the Agricultural Committee of the House, and it was not until this plank in the Democratic platform was adopted at Baltimore that I was able to secure favorable action on that resolution. It was finally put into the Agricultural appropriation bill and it became a law.

Now, I want to know why it takes more time to enact remedial legislation which is so necessary for the welfare of the farmers than it does to enact laws beneficial to business institutions? The cotton grower of the South grows cotton, which has become a necessity, and we can no more get along without cotton than we can get along without bread. I want to know why when we have been in session for a year and a half it has been impossible for us to pass some legislation that will be of substantial benefit to the cotton growers of the South and to the farmers all over this country.

Mr. FLETCHER. Mr. President, in reference to the provision in the Democratic platform, I will say I am quite familiar with it and I had some little part even in preparing it and submitting it to the committee. I also know there is a provision quite as strong, if my recollection is right, in the platforms of the Republican Party and the Progressive Party. So that all political parties stand committed to the establishment of a proper rural-credit system in this country. There is no question about that.

The Senator from North Dakota has been diligent in proposing steps in this direction, and his resolution took somewhat the course of an amendment to the Agricultural appropriation bill, creating a commission on rural credits to cooperate with the American commission assembled under the auspices of the Southern Commercial Congress, of which I happened to be president; and of course I am familiar with their activities. The Senator will recall, undoubtedly, that an actual study of the various systems in European countries was made by the commission, and that work is covered in Senate Document No. 214, said to be the most authentic and complete and reliable collection of data and information on that great question in print anywhere in the world.

I will also call the Senator's attention to Senate Document No. 380, which embraces the report of the United States commission to this body. The commission is still in existence and will have some further report to make.

Not only that, but the bill has been submitted, as I said, to the Committee on Banking and Currency of both the House and Senate, and they have appointed subcommittees on rural credits, which gave hearings and made a study of the various bills which had been introduced and of the whole question, and recently they have reported a bill, which has been referred to the Committee on Banking and Currency. As soon as those committees can take up the matter, undoubtedly they will make a report.

But I will say to the Senator that while I am just as impatient as he can possibly be in this matter, and I realize the great importance of it to our agricultural interests, and therefore to the whole country, I also recognize that it is a question about which there is some difference of opinion as to the exact details, some lines of view leading in the direction of direct Government aid, while, on the other hand, there is a contention that such a thing is not to be thought of. Therefore it will take a little time to adjust these differences so that we may present a measure, as I believe eventually will be done, which will meet the indorsement of the best thought and research on this question.

Mr. GRONNA. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield further?

Mr. FLETCHER. I am taking up the time of the Senator from Texas [Mr. SHEPPARD].

Mr. SHEPPARD. I yield to the Senator from North Dakota.

Mr. GRONNA. I do not wish to be understood as criticizing the Senator from Florida nor the Senator from Alabama. I know that both Senators would be among the very first to help the people in the agricultural States, and that they would do what they could in order to give them relief. But I should like to know why, with the forces that put bills through this body and the other body, we can not get the same forces behind these rural-credit bills, which are of such great importance to the welfare of the agricultural districts. What I should like to know is why it is impossible to get these bills up for consideration and give them the study and discussion that they deserve. I certainly do not wish to criticize the Senator from Florida, because he has been diligent, I know, and has done everything that it is possible for a human being to do in order to have bills of this kind or some law of this kind go into effect.

Mr. FLETCHER. If the Senator will refer to the President's address of last December, he will see that his stand in this matter is pronounced and clear and distinct.

Mr. SHEPPARD. Mr. President, I have listened with much interest to the discussion of the cotton situation by the Senator from Alabama [Mr. BANKHEAD]. He has outlined a plan of State action in the present crisis. I deem it proper to say that a short time ago the southern Representatives and Senators in Congress, alarmed and aroused by the perilous condition of the cotton crop, invited the governors of the Southern States to meet them here for a conference. The governors of six States attended in person, namely, Cruce, of Oklahoma; Hall, of Louisiana; O'Neal, of Alabama; Slaton, of Georgia; Stuart, of Virginia; Trammell, of Florida; and the governors of five other Southern States had representatives, Gov. Hooper, of Tennessee, being represented by Commissioner of Agriculture Maj. Thomas F. Peck; Gov. Colquitt, of Texas, by Congresman R. L. HENRY; Gov. Hays, of Arkansas, by Senator JOE T. ROBINSON; Gov. Craig, of North Carolina, by Commissioner of Agriculture Maj. William A. Graham; and Gov. Blease, of South Carolina, by Mr. W. A. Stuckey. The conference took place on September 28 and 29. It was marked by an earnest, able, and patriotic discussion of the cotton situation from every standpoint. It developed that it was the almost unanimous opinion of the governors and representatives of governors that the problem could not be met by the States; that the intervention of the Federal Government was essential; and such, sir, is practically the universal opinion of the cotton farmers of the South. Most of the Southern States can not issue bonds without constitutional amendment, and constitutional processes are too slow for the disaster now impending. None of the States may coin money. That is an exclusive Federal prerogative.

It can not be said that the Southern States have been neglectful or indifferent in this matter. The governors, the legislators, and the people of those States have canvassed the situation with a vigilance born of desperation. Despite their traditional desire to exercise State functions and preserve State powers to the greatest extent possible under the Constitution, they have been driven by the iron logic of iron facts to the conclusion that the Federal Government is the only agency sufficiently powerful to save one-third of this Republic from the darkest calamity that has befallen it since the Civil War. It is idle to talk of State action with the cries of the 10,000,000 American men and women and children in the cotton fields of the South already resounding in our ears. Congress is in session and the machinery of the Federal Government may be immediately and easily set in motion. Before the legislatures of the cotton States can be assembled and proper action in the slightest degree secured the substance of the southern people, their chief source of subsistence, will have been swept away.

And so it comes to pass that the section which 50 years ago was swallowed up in the red gulf of war is again facing economic ruin. The South is to-day as much the victim of war conditions as if all the armies now swarming through the doors of death in Europe had laid waste every cotton field from the Atlantic to the Rio Grande. It is as if the flames from that hell of steel and fire in the other hemisphere had poured over the Atlantic and across the South, blasting the values on which the masses of our people depend to keep their bodies and their souls together.

The crisis that overwhelms the American cotton farmer to-day has elements that portend disaster for the American Nation. Of the 15,000,000 bales produced in the South this year 10,000,000 would now be going abroad but for the European war. The sale abroad of this 10,000,000 bales would have brought this country $600,000,000 in gold; would have preserved and strengthened its favorable balance of trade; would have continued to secure for it the commanding position it has heretofore occupied in world commerce; would have sustained its foreign exchanges and enabled it readily to have discharged its obligations abroad. The European war has practically annihilated the foreign market for cotton and crushed the domestic market. In August, 1913, cotton exports amounted to 357,000 bales; in August, 1914, to 21,210 bales; in September, 1913, they amounted to 930,000 bales; in September, 1914, to 120,000 bales. At this rate the total exports of the present crop will not equal one-half million bales. The loss of the country's principal export market, its principal source of gold payments from abroad, makes this cotton crisis a national one. What the final outcome will be for the Nation no human mind can predict. The retention in this country of 10,000,000 bales of cotton, which ordinarily would have gone abroad, has destroyed the local market for the remaining 5,000,000 bales, and the specter of ruin walks by the side of the southern cotton farmer and the southern business man. But for this struggle in Europe the product of the southern cotton farmers would be worth to-day more than a billion dollars. To-day it is practically valueless, so far as the bulk of the crop is concerned. The little cotton that is being sold does not bring enough to pay the debts the farmer incurred for its production. He faces winter and the holy Christmastide without the means to procure the necessities of existence. It is safe to say that most of the 10,000,000 people directly connected with the production of cotton are threatened with actual want; that another 10,000,000 who are dependent on this product for business occupation are threatened with bankruptcy.

The enormous purchases made by the South in other sections of the country can not be renewed, and obligations for former ones can not be discharged. The merchant and the banker, both in the South and in the North, the East, the West, must be ultimately more or less involved. The solution of the problem lies in some step by the National Government which will aid the South to gather and to hold the present cotton crop until conditions are readjusted. Whether the European war is to be long or short, the time will come when this surplus cotton will be demanded and utilized, and its terrible weight lifted from the portion intended for home consumption. The United States will thus save its balance of trade, and the domestic manufacture and consumption of cotton will revive. Unless something is done, probably half of the crop will be left in the fields, and even then such a surplus over domestic needs will remain as to make a living domestic price impossible.

Let me quote here from an editorial from the Washington Post of this morning containing a most forceful description of the present emergency and an appealing suggestion for national action:

A NATIONAL DANGER THAT CALLS FOR NATIONAL ACTION.

Exports of cotton this season to date amount to 181,721 bales. Last year in the same period 1,323,854 bales were exported.

This is the story of cotton in a nutshell. It shows the terrible danger that confronts the South. If this danger be not averted, it will bring about a collapse that will affect every person in the United States.

The South can not suffer without the East, North, and West suffering also. The country is one body, with four members. Just as the body suffers when an arm is cut off, so the Union suffers if the South is injured, or the West ruined, or the North devastated.

As it is the duty of the whole man to protect his members, so it is the duty of the Nation to protect all its parts. It can not thrive in one part while another part is stricken.

The United States is rich enough to protect itself against threatened ruin of the South. It has the vitality with which to meet and withstand this economic shock.

When the Middle West was submerged with the floods of the Mississippi and the Ohio, the Nation rose and grappled with the danger and ruin that threatened it. California, Florida, Maine, and Washington were as whole-hearted in their help as were Ohio, Indiana, or Kentucky. There was no talk of sectional selfishness. All Americans recognized that the floods were a common peril, calling for common action.

When San Francisco was destroyed by earthquake and fire the Nation quickly did all that was necessary to repair the damage. The same instinctive recognition of a common duty was manifested when Portland burned, when Charleston suffered, when Chicago was destroyed, when Omaha was shaken by a tornado, and when New Orleans was threatened with plague.

The danger that confronts the South is as real as fire or flood or tornado or plague. It is not an intangible or imaginary danger. If not met and mastered, it means bankruptcy, poverty, hunger, starvation. No fire or flood or tornado could more effectually destroy the South than the war in Europe can destroy it, if the Nation does not come to the rescue.

This is the time for thought and action on a national scale—big thought, big action. It is a time for large exercise of patriotism that knows no section nor faction; a patriotism that thinks and acts with the majesty and magnitude of a continent.

Let Americans join, recognize clearly the danger that confronts them, plan adequately to meet the emergency, and act unanimously in putting the plan into effect.

No power on earth—not even the world in war—can cripple the United States if its own people act together.

Mr. President, let the Government lend its credit for a short time to cotton farmers on the security of their cotton properly warehoused, and, if the Government should deem it necessary, on the security of their personal responsibility, and the situation will be saved.

The great chairman of the Banking and Currency Committee of the Senate, Hon. ROBERT L. OWEN, one of the most accomplished and progressive statesmen of his time, who adds a chivalrous heart to a mighty brain, tells me that this might be done without violating a single economic principle. We had a hearing on this subject before the Banking and Currency Committee of the Senate on Tuesday of this week, and I take this occasion to thank the members of that committee for the sympathetic attention and consideration they accorded those who came to seek relief for the stricken South.

Let me say here that cotton is an absolutely safe security. Because of its adaptation to human needs it will sell in regions of the earth where United States bonds will be rejected. Properly baled and sheltered it is practically nonperishable.

Let me call attention to the fact that from 1863 to 1868, inclusive, the Federal Government collected direct taxes on cotton to the amount of $68,072,388.99. This enormous sum was taken at a time when the South was least able to pay it; when her resources had been exhausted by a terrible war; when her fields, and homes, and cities had been rendered desolate by invasion.

The constitutionality of this tax was so questionable that the Supreme Court of the United States on February 20, 1871, divided equally on the subject, four justices holding that they were violative of the organic law. (See Farrington *v.* Saunders, Record of Briefs, U. S. Supreme Court, 216.)

The proper utilization of this sum in the present crisis would go far toward relieving the situation. Also there are $4,000,000 in the Treasury to-day representing the proceeds of cotton taken from southern plantations by the Federal Government after the war without the consent of the owners and without remuneration.

When the speculative market was prostrated in 1907 and owners of speculative securities could negotiate neither sales nor loans, the United States Treasury put its resources at the command of the metropolitan bankers. It sent enormous funds to New York City with instructions to lend them on these securities at a given rate and price, and the market was saved. The Government is lending millions to the farmers on irrigation projects in the West for the construction of homes, and all of us cheerfully joined in a recent enactment by which the time of payment was extended.

Mr. President, there is no agony surpassing that of him who sees the earnings of a year of patient toil and sacrifice disappear, who sees his wife and children so poorly clad that health and comfort are alike imperiled, who knows that he can not put shoes upon their feet or bread into their mouths. And yet, sir, such is the vision that haunts millions of our fellow countrymen on the other side of the Potomac. Senators of the North, the East, the West, these men are the sons and grandsons of the hosts who rallied behind—

The deadly calm of Stonewall's face,
The lion front of Lee—

who met your sires and grandsires in the test of battle and went down to an honorable, an unstained, a superb defeat. Nay, thousands of these men who face financial crucifixion are of that race your fathers gave their blood to liberate. Oh, sirs, the warring multitudes of 50 years ago are now at peace. Together they are camped behind the battlements of the New Jerusalem, brothers now forevermore. By the river of eternal life their bivouacs gleam, and soon the last survivor of each side here will join their comrades on that blissful shore. Their banners and their swords are lying near the throne of fadeless love to rise in hate no more. And what would give them greater joy to-day than to see this Government reach out its arms to the stricken South and bid it rise, to hear this Nation say to that unhappy people: "Your sorrows are my sorrows, your woes my woes. Every resource at my command is yours until there shall be secured to you the chance to live, the right to utilize your own in the manner in which you are entitled to employ it, the right to feel that you are a part of this Republic, equally beloved among its children, sharing equally its sympathy, its substance, its support."

Mr. President, I introduced the bill S. 6565, which provides for an issuance of currency to be loaned on cotton. I believed it to be entitled to a trial in the Senate, and at the hearing I obtained from the Banking and Currency Committee it was made the subject of a thorough argument. At the close of that hearing the chairman of the Banking and Currency Committee, Senator OWEN, made the following statement:

I have read the bill (S. 6565) for the temporary relief of the cotton growers of the United States, and it proposes that the Secretary of the Treasury shall deposit in the National banks and State banks of the cotton States $500,000,000, legal tender, and loaned to the banks at 3 per cent, and by the banks advanced to the cotton owner at 10 cents a hundred until cotton rises in price to 12 cents.

The witnesses before the committee have made it very clear what the distress in the South is. It is a national problem, however, because the cotton crop shipped abroad just about balances the demand upon the United States of our European indebtedness and gives us the so-called balance of trade heretofore in our favor. The truth is that except for the shipment of this cotton crop we would be obliged to pay a like amount to Europe, to whom we are indebted for certain interest charges and freight charges which do not appear in our balance of trade.

The paralysis of the cotton farmer who can not sell his cotton is immediately reflected upon the retail merchant, who can not collect from the farmer the amount due to him, and reflects upon the wholesale merchant, who can not collect from the retail merchant, and upon the manufacturer of supplies of all kinds, who can not collect from the wholesalers and jobbers, and upon the banks, who can not force the retail merchants to settlement, nor the wholesaler to settlement, nor the manufacturer to settlement. It results in a general dislocation of our system. It is not a question, however, of currency. There is an abundance of currency in the country to move the cotton. Currency is merely a form of human credit cut up in small pieces convenient for exchange from one hand to another in settling small debts. The real need is for somebody to furnish an acceptable form of credit to hold the surplus cotton of the United States until it can be adequately marketed.

Senate bill 6565 is, however, seriously objectionable, in that it proposes an issue of $500,000,000 of currency, immediately redeemable in gold, when the present gold supply of the Treasury is already pledged to the redemption of $346,000,000 of greenbacks and the maintenance of over $400,000,000 of silver at a parity, and the free gold in the Treasury will be needed, in all human probability, for the Federal reserve banks, immediately on the point of being organized, as well as to protect the Treasury against current demands.

The problem is one of credits. The United States could lend its credit for the purpose of carrying this surplus cotton. In doing so it ought to be paid the fair return for the loan of credit.

It ought to be safeguarded both by the credit of the cotton and the credit of the individuals who seek the accommodation.

The credit ought to be loaned in a form that would enable it to be absorbed by private persons throughout the world.

It ought to be in a form which would give the United States time in which to be reimbursed from the sale of the cotton, and therefore should be two-year notes, with the right to redeem in one.

In lending its credit the United States can not deal with private individuals conveniently, but the United States can organize artificial persons, consisting of groups of individuals, with whom the United States could deal with comparative ease. It has therefore occurred to me that Congress might authorize county cotton associations, membership to be measured in terms of pounds of cotton, on a basis of 7 cents a pound, which is a figure about the cost of actually producing cotton on moderately poor land in an average season. It is much higher than the cost on very rich lands in a good season, because it costs only 2 cents a pound, approximately, to pick cotton and should not cost over $5 an acre to prepare the ground, to plow, plant, cultivate; and, allowing a reasonable rental on land, 7 cents a pound would produce on an acre producing a third of a bale about $12, not counting the cotton seed, which in the case referred to would amount to about 350 pounds of cotton seed, worth approximately $1.75 in an average poor year; so that the total output would be about $14 on a poor acre yielding one-third of a bale and three times as much on land yielding a bale; and some land would produce a bale and a third, giving four times as much to the bale.

But since 7 cents is a fair estimate of the cost of production, the United States would not jeopardize its credit by lending its credit to this extent, especially if fortified by the credit of the individual members of a county cotton association having a double liability to the Government for the amount of the accommodation extended. In other words, the Government in accommodating private persons, even for a national purpose, ought to be abundantly secured by those who ask the accommodation of credit, and they have no right to complain if the United States asks them to put their private credit behind the loan made to them to safeguard the United States against the remotest possibility of loss. It therefore has occurred to me that the county cotton association could be established, with a president and treasurer and board of directors of five persons; that each man who contributes a bale of cotton to the association shall be given his interest measured in dollars and cents on a 7-cent scale per pound, according to quality, to be determined by the officers of the association; that the Government could afford to extend a credit to this association, each member of which would be liable to the Government or to the association in the amount of his stock interest, and the association would be responsible to the Government for the faithful repayment of the loan of its credit.

Suppose, then, the Secretary of the Treasury be directed to lend Government notes bearing 4 per cent, due in two years from November 1, 1914, with the right of redeeming at any time after one year; that these notes bear 4 per cent interest, and that the Government authorize the association to use these notes in paying for cotton stored with the association to be insured by the association, leaving the 2 per cent charged by the association to pay the United States for the use of its credit. Let the individual farmer be given a primary credit at cost of his bale, with an equity to be paid to him when the cotton can be marketed at a figure acceptable to the directors of the association, less his proportionate part of the expense, measuring as part of the expense an interest charge against him of 6 per cent for the loan of these credit notes. These credit notes, passing into the farmers' hands, should be made legal tender; the merchant should receive them at par, the wholesaler, the jobber, the manufacturer, the banker. The Federal reserve bank system and the national bank system and the savings banks of the country could absorb this issue with facility. It would produce no shock whatever to the Government credit; it would relieve all classes of business and it would violate no precedents, because the Government has not hesitated to lend money to private institutions, banking institutions, for crop-moving purposes, to relieve the distress from overflow in the Mississippi Valley, and recently at Dayton, Ohio, and even has loaned public funds to private citizens to enable them to move more conveniently from the theater of war in Europe recently. We have precedents in abundance, and there never was as gigantic demand for national necessity for protection of this cotton crop from destruction, because it is worth a thousand millions in fiber and in seed, and the surplus cotton which can not be used or sold being in direct competition with that which is required for our national use will crush this price from 12 cents to 6 cents and to private producers of the country of about $450,000,000 at direct cost to them, and the injury done to this class of people will immediately reflect itself in the bankruptcy of the local machine, and the distress of the wholesaler, jobber, manufacturer. This injury to the purchasing classes ought not to be permitted in a country of intelligence and patriotism.

The issuance of currency as a relief measure has the fatal defect of the requirement of being payable on demand in gold and being an unproductive form of credit. It is a credit on time we need, not a demand credit.

Mr. POMERENE. Mr. President, will the Senator from Texas yield to me for a question?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Ohio?

Mr. SHEPPARD. Very cheerfully.

Mr. POMERENE. The Senator from Texas has referred to what the Government did during the flood in Dayton——

Mr. SHEPPARD. I was reading the statement of the chairman of the Banking and Currency Committee.

Mr. POMERENE. Of course, we all appreciate what was done at that time, and I for one am ready to open the vaults and the doors of the Treasury on any occasion when a similar disaster may occur and wherever it may occur. Whatever moneys were loaned to banks in Dayton, of course, were properly secured by collateral which to the Secretary of the Treasury seeme all-sufficient.

But I want to offer this suggestion: Some weeks ago the Senate passed a warehouse-receipt bill, the purpose of which was to aid the South. I understand that bill has not yet come up for action in the House; but that was a measure which was prepared, as I understand the fact to be, by Senators from the cotton States. I voted for that bill because I had understood that, if it should pass and warehouse receipts were issued, the Secretary of the Treasury had stated that he would accept those warehouse receipts as collateral for the issuance of notes under the Aldrich-Vreeland Act. That bill as yet has not become a law, and therefore it can not be availed of.

The Senator has referred to the convention of the governors of the Southern States, and has suggested that some of the States could not issue bonds to relieve the situation without a constitutional amendment; but query: If the plan which was proposed for the organization of warehouses and the issuance of warehouse receipts would be a practicable plan if it were taken up by the National Government, why would it not be feasible for the legislatures of the several States, if the authority does not now exist, to provide by law for the organization of warehouses and for the issuance of warehouse receipts upon cotton, so that those receipts might be available for the purpose of issuing notes under the Aldrich-Vreeland plan after the manner intended by the Senate bill? Why could not that be done?

Mr. SHEPPARD. Mr. President, when the governors of the States and other representatives from the cotton section were here they said that they had looked into the situation carefully from every possible viewpoint and that it was their deliberate conclusion that the crisis could not be met by State action. I think the plan suggested by the Senator from Ohio has some very valuable features about it, but it does not solve the problem.

Mr. VARDAMAN. Mr. President, will the Senator from Texas yield to me for a moment?

Mr. SHEPPARD. Certainly.

Mr. VARDAMAN. In answer to the inquiry of the Senator from Ohio, I will say that some of the States—the State of Mississippi, for instance—can not participate in the benefits afforded under the Vreeland-Aldrich law. Under that act no banks except national banks can secure currency, and there are only 32 national banks in the State of Mississippi, while there are 326 State banks. I am confident that if the bill which passed the Senate, permitting State banks to share with national banks in the privileges of the Vreeland-Aldrich law and providing a warehouse system, had passed the House, it would very greatly have ameliorated the conditions there; but we have not enough national banks properly to care for the situation in the circumstances.

Mr. POMERENE. Mr. President, I realize the position the Senator took when that matter was up for discussion; but the Senator, I think, understands that there were some serious objections to the proposal. It is not necessary to go into the merits of those objections now. The Senator from Mississippi

represents a State which, perhaps, is unfortunately situated in that there are not more national banks within its borders; but there is no reason in the world why the State banks can not take out charters under the Federal reserve act.

Mr. VARDAMAN. The Senator will not accept what I have said as a criticism of his suggestion, I hope, because it was not so intended.

Mr. POMERENE. Oh, no.

Mr. VARDAMAN. I was simply informing the Senator from Ohio of the unfortunate condition existing in the South which made the plan discussed by him not altogether of sufficient scope to meet the emergent situation. There is no question in the world that if we could get money under the plan prescribed by the Vreeland-Aldrich law, and all the State banks were permitted to share in it, it would go, I repeat, a long way toward ameliorating the condition there; but as matters are at present we can not avail ourselves of that act.

Really, if I may be pardoned for saying so in the time of the Senator from Texas, the only power beneath the stars that I know of now that can give the necessary relief to save the South from bankruptcy is the Federal Government. I am not of those who believe that it is feasible or practicable or possible to pass a bill fixing an arbitrary price for cotton; but if the Federal Government, through its Treasury, would place money in the South through its designated agents—the money to be loaned to the cotton growers on cotton at the market price of cotton—it would be of immeasurable advantage. I do not mean that it should be loaned at an arbitrary price of 12, 10, 8, or 7 cents a pound, but upon the market price of cotton. If it were loaned to them in that way for such time as would enable them to pass over this crisis, to bridge this financial chasm, I think the South would be immensely benefited and the entire Nation would be saved an enormous amount of money.

Mr. POMERENE. Mr. President, it must occur to Senators that any plan which is adopted must be consistent with the principles of sound finance. The Nation can not do business on principles different from those followed by individuals and the States.

Mr. VARDAMAN. I do not ask that.

Mr. POMERENE. The Senator refers to the pledging, if I may call it such, of cotton at its market price as security; but the difficulty is that the Senator is not able to tell us what the market price of cotton is. It appeared before the committee the other day that, under normal conditions, the price of cotton ought to be about 15 cents—I believe that was about the figure named—and that it cost probably 12 cents to produce it. Now, it appears here to-day, from what the Senator from Texas has said, that 7 or 8 cents is about the market price.

Mr. VARDAMAN. If the Senator will yield to me for just one moment, if the Government were to issue money upon bonds or any other security or evidence of debt, would it not be issued upon the market price? You have the same way of ascertaining the market price of cotton that you have of ascertaining the market price of silver or bonds or any other commodity.

Mr. POMERENE. The Senator must understand that the price of silver is not so variable, that the price of gold is not so variable, and that the price of national bonds is not so variable as is the price of cotton.

Mr. VARDAMAN. They are all more so than cotton, I submit to the Senator.

Mr. POMERENE. I beg to differ from the Senator in that statement. This matter appeals to me very much, and when a feasible plan can be suggested I am willing to join hands with the Southern States to put it in operation. But I think that it must occur to Senators when they see that in the course of a month or six weeks the price of cotton has fallen from probably 15 cents to 7 cents that it may be——

Mr. VARDAMAN. Has not the Senator observed that in time of panic bonds depreciate in a greater amount than that?

Mr. POMERENE. Oh, as to industrial bonds, bonds of rather uncertain value, perhaps that is true; but, as I remember the Aldrich-Vreeland Act, there can be additional security provided as it may be needed and called for. But the thought that I wanted to leave with the Senate was that if it is a feasible plan for the National Government to provide a system of warehouse receipts for cotton which can be used by the Secretary of the Treasury as collateral security for the issue of notes under the Aldrich-Vreeland Act—and I understand, through the public prints at least, that the Secretary of the Treasury has signified his willingness to do that——

Mr. SHEPPARD. Not to the owner of the cotton.

Mr. POMERENE. I understand that, and, of course, that is true; but to the banks; that some system could be provided by each of the States, so that one could get a State warehouse receipt which would be just as available as a national warehouse receipt.

There is another consideration in that connection to which I should like to call attention. It seems to me that if the bankers of this country, and particularly in some of the Southern States, would take hold of the situation, as some of them do and as all of them ought to do, the condition might be very materially relieved.

Mr. WEST. Mr. President——

The PRESIDING OFFICER (Mr. O'GORMAN in the chair). Does the Senator from Texas yield to the Senator from Georgia?

Mr. SHEPPARD. I do.

Mr. WEST. The trouble about the States taking hold of the situation is the 10 per cent tax on State-bank issues. If we could only be relieved of the 10 per cent tax for six months, I think there could be a solution of the problem.

Mr. POMERENE. Mr. President, it does seem to me, if the Senator will give just a little thought to the proposition, he will agree with me that we are not willing in this country any longer to have, and we must not have, 48 kinds of State-bank notes issued by 48 different States. I for one will never consent to it.

Mr. VARDAMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Mississippi?

Mr. SHEPPARD. Certainly.

Mr. VARDAMAN. Before the Senator from Ohio takes his seat, I want to suggest to him that many of the Southern States, on account of the unfortunate experience we had down there after the war, have inserted provisions in their constitutions which prevent them from issuing bonds or becoming surety for matters of this kind. I hope the Senator will not imagine that this appeal is made as a sectional appeal.

Mr. POMERENE. I do not so regard it.

Mr. VARDAMAN. We are making it as Americans; we are not making it as mendicants; we are simply a part of the harmonious whole of this great Republic; and we feel that governments are made for men rather than men for governments, and that the all-sufficient spirit of altruistic selfishness may move the Senate when it comes to act upon a matter of this character, not that the South may prosper alone, but that the whole Government may be benefited when the South prospers.

Mr. POMERENE. Mr. President, I have no doubt of the American spirit of the Senator, and I hope that he accords to me the same broad American spirit when I express myself as I do. I am willing to help the Southland, the Westland, the Northland, and the Eastland when we can; and I want, if we can, to find a solution of this problem and to do something that will relieve the South and be consistent with good business principles of finance and which will not jeopardize the national credit.

Mr. SHEPPARD. Mr. President, I appreciate most deeply the spirit in which the Senator from Ohio has spoken. I believe it is the spirit which will prompt every Member of the Senate in approaching this problem, no matter to what party he belongs and no matter from what section he may come. With an appeal to Senators, regardless of party, to give this subject their best thought and their most earnest consideration, I shall soon conclude.

It will be seen that the chairman of the Banking and Currency Committee does not consider the bill S. 6565 a practicable measure. From conversation with other members of the committee I infer that they take the same view. Nevertheless, it must be admitted that the bill has served a useful purpose in bringing the southern situation before Congress and in developing the plan suggested by Senator OWEN. I believe that Congress now understands the danger confronting the South and the Nation. I shall gladly continue my efforts to develop some relief.

I now ask permission to insert as an appendix to my remarks my address before the Committee on Banking and Currency at the recent hearings.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPENDIX.

[Hearings on S. 6565, Tuesday, October 8, 1914, Committee on Banking and Currency, United States Senate, Washington, D. C.]

STATEMENT OF HON. MORRIS SHEPPARD, UNITED STATES SENATOR FROM THE STATE OF TEXAS.

Senator SHEPPARD. Mr. Chairman, I want to say that there will be several speakers, and I think it would be well for you to limit the time in advance, to such time as the committee can give us, and then stick to that. The amount of time that you will allow us will rest with the committee.

The CHAIRMAN. I think that is a very proper suggestion. I will limit the time, to start with, to 10 minutes.

Who is your first speaker?

Senator SHEPPARD. I think I shall open the discussion.

I want to say that the substantial features of this bill were indorsed by a national meeting of the Farmers' Union of the United States at its annual meeting held at Fort Worth in September, where 2,000 delegates were in attendance, representing all the cotton sections of the South. This bill represents their appeal for aid. It is a measure that they think is indispensable in the greatest emergency that has befallen them since the Civil War.

When the European war began, a little more than 60 days ago, the prospect in the South was for a 15,000,000-bale cotton crop, which would have brought an average price of 12 cents a pound, or a total of $900,000,000. I will state that this estimate has been confirmed by a statement that was given out by the Agricultural Department yesterday, a statement that the crop of this year would amount to 15,000,000 bales.

Senator HOLLIS. At what price per pound?

Senator SHEPPARD. The price would have been an average of 12 cents at least. I will ask some of the gentlemen present here who are more familiar with that than myself if that is not a modest estimate?

SEVERAL VOICES. Yes.

Senator SHAFROTH. That is solely in the United States; that is not the world's crop?

Senator SHEPPARD. The world over, because the price of cotton is always a world price.

Senator REED. Let me make a suggestion, Mr. Chairman—and I want to say that I am not making it with reference to this particular interruption that has been made, because I am as guilty of interrupting statements as anybody else can be—that when a man gets up to say something the committee, I think, ought to listen to him without interruption, especially when the time is limited as it is, and I am going to suggest that the speakers be not interrupted.

The CHAIRMAN. I think that is a good suggestion, and the Chair will ask the members to refrain from interrupting the speakers.

Senator SHEPPARD. Roughly speaking, two-thirds of this crop would have been sold abroad, bringing to this country $600,000,000 in gold. The seed, which is sold separately, would have brought, at prices then prevailing, an additional $140,000,000, making over $1,000,000,000 the proceeds of cotton—the annual proceeds. It should be added that the gold obtained for cotton sold abroad, our largest and most valuable export product, is our principal reliance for the payment of debts owed by this country to other countries and is the mainstay of our foreign exchanges.

It may be said that the effect of the European war has been the almost complete annihilation of the foreign market for raw cotton, the almost entire cessation of the trade in cotton at the hour of harvest, a decline in price of practically 50 per cent, and a paralysis of business, threatening general ruin throughout the South, which will affect, ultimately, every section of the country.

To give the committee an idea of how completely this foreign trade in cotton has been annihilated, let me say that the exports in August, 1913, amounted to 357,000 bales, and in August, 1914, to 21,210 bales. In September, 1913, the exports of cotton amounted to 930,000 bales; in September of this year they amounted to 120,000 bales.

The committee now has an idea of the complete destruction that has been visited on the principal source of gold supply that comes to this country from abroad.

The CHAIRMAN. You mean it is the shipment of cotton abroad upon which America bases its balance of trade with Europe?

Senator SHEPPARD. Yes, sir.

The CHAIRMAN. Therefore it has a national bearing as well as a southern bearing?

Senator SHEPPARD. I thank the Chairman very much for that statement, because that was the point I had in mind. We thus see the national aspect of the question, and we see that the Government has every reason in the world to step in and prevent the disaster now pending.

But little cotton is being sold for either foreign or domestic consumption at the low prices now obtaining, and it is impossible to predict the extent of the financial disaster which may result. Cotton is the principal crop of the South, the basis of her prosperity; and her extensive purchases from other sections of the country are dependent almost entirely upon her ability to market her cotton crop. The strain on foreign exchanges, resulting in great part from the failure of the foreign market for our principal export article, cotton, has already necessitated the formation of a gold pool of $100,000,000 by American banks. If the farmer is compelled to leave a large portion of the present crop to rot in the fields, the price being too low to justify the expense of gathering—if some means can not be found by which he may be encouraged to store the surplus until the European demand revives, it is difficult to measure the sacrifices the Nation may have to make to meet its obligations abroad, to prevent an increasing flow of gold from our shores at the very time when it is needed here most. Adding to this the curtailment of the enormous purchases the South usually makes from other sections of the country, and of her ability to meet financial obligations in northern and eastern sections, it will not be denied that the crisis now confronting the South has aspects so distinctly national as to justify any aid the Government may legally render on the ground of a national emergency, if on no other.

The sudden decline in the price of her principal product has dazed and disheartened the people of the South. Cotton is preeminently the poor man's crop. The average farmer makes only a few bales, and these cost him from 9 cents to 10 cents a pound to produce. I think that is a modest statement as to the cost of production. With no market for our product, or a very limited one at a price distinctly below the cost of production, the South finds herself unable to meet her obligations, and the farmer finds himself unable to meet his obligations to the merchants and bankers who have provided him with the means of production. Thus he finds himself without means to buy the bare necessities of life for his family, not to speak of ordinary comforts, not to speak of the education of his children. In other words, the farmer is not going to get enough out of the crop to pay the debt that he has already contracted in order to produce the crop. So he faces a winter of starvation and distress, and you can imagine his state of mind. The shoeless feet and famished lips of his dear ones are part of the picture the immediate future presents to him.

And, gentlemen, we want to impress the situation on you, if we can. I do not feel that I am exaggerating it in the slightest, and I believe I will be sustained by men who have come here direct from the heart of the desolated and stricken South. These men, these cotton farmers, are descendants of the Confederate hosts that battled for four years for a cause in which they believed and for which they freely gave their blood. Here and there is an aged Confederate soldier who is still toiling on the land for which he fought. These men have borne, without complaint, the burdens of Federal taxation and have cheerfully contributed their share of the billions of dollars that have poured into other sections of the country in the shape of pensions. I know the patriotism and character of Americans in other sections too well to feel that the stricken South will have at their hands any other than the most sympathetic and considerate treatment.

Now, what do we of the South ask in this terrible hour? If the decline in cotton had come about from natural causes, or causes over which we could have had any control or which we could have foreseen, we would have had no case before the Federal Government except in so far as the Government itself might consider the problem a national one. What we ask is governmental aid in some form that will prevent the needless sacrifice of the present crop. If the crop can be held until it is known what the foreign demand will approximately be and until domestic consumption is revived, it is probable that three-fourths, or even four-fifths, of the crop may be marketed at such prices as will avert total ruin. The southern farmer turns instinctively to the National Government as the only power sufficiently strong to handle the situation. He saw Government funds deposited in New York in 1907 to save the market for speculative securities. He has seen panics averted by the mere declaration of the Secretary of the Treasury that hundreds of millions of dollars were in readiness to meet any unusual situation. He has heard of millions being deposited in banks to help him move his crops, and he wants to see the color of that money now.

If a great flood had swept the South from the Potomac to the Rio Grande, destroying property to the extent of hundreds of millions of dollars, the Nation would immediately act; there is no question about that. If a foreign enemy had begun a bombardment of southern ports and blocked all exportation every resource of the Government would be utilized in our behalf. Yet the South is as completely in the grasp of a war condition to-day, as far as her principal commodity is concerned—and many other commodities outside of foodstuffs, for that matter, because they are suffering also—as if a foreign enemy had blockaded every port and as if its guns were frowning at the entrance of every harbor. That is the situation exactly.

It is submitted that additional Treasury notes might be issued to be loaned to cotton farmers on cotton properly warehoused as security and at a price so low as to insure absolute safety and yet large enough to enable the present crop to be held until conditions are stable. The one hundred and twenty or one hundred and thirty millions of free gold now in the Treasury would furnish a redemption basis for a note issue that would go far toward solving the problem. We do not ask for charity; we ask merely for a chance to save an article which will sell, in normal times, where a United States bond would be rejected. We want a chance to use that article as security for an advance from the National Government. We present this bill here that has just been read as our conception of the situation. We ask the committee to consider that bill and see if we can not evolve some remedy that will meet the situation. I believe that we will have the sympathetic consideration of the committee. The bill is intended to point out the crisis and to pave the way for definite action. We want this great committee—a committee that has won a world-wide reputation already in reforming the Nation's banking and currency system—to give us the benefit of its best thought on this urgent subject.

Let me repeat here the language of Nehemiah on an occasion of overwhelming disaster many centuries ago:

"Then said I unto them, ye see the distress we are in, how Jerusalem lieth waste and the gates thereof are burned with fire: Come, and let us build up the wall of Jerusalem that we be no more a reproach."

Mr. WILLIAMS. Before the Senator takes his seat, will he state the remedy he proposes?

Mr. SHEPPARD. I have just read it, and I hardly feel that I can trespass further upon the time of the Senate.

Mr. WILLIAMS. Generally, it is a proposal that the Government advance money upon cotton at the price of 6 cents per pound, is it?

Mr. SHEPPARD. At 7 cents per pound.

Mr. TOWNSEND obtained the floor.

Mr. WILLIAMS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Mississippi?

Mr. TOWNSEND. What does the Senator wish—to ask a question?

Mr. WILLIAMS. I wish to address the Senate for a few minutes on the cotton question.

Mr. TOWNSEND. I have obtained the floor for the purpose of proceeding to address the Senate for a few moments myself.

Mr. WILLIAMS. If the Senator has the floor, I do not want to deprive him of it.

EMERGENCY REVENUE LEGISLATION.

Mr. TOWNSEND. Mr. President, the pending bill proposing to impose an extraordinary tax of $105,000,000 upon some of the people of the United States at this time is a striking climax to 19 months of Democratic administration. Upon its passage we are told that Congress may adjourn, and its record will be submitted to the country in November, in order that the voters may pass upon it. It is the composite product of Democratic achievement, and to understand its meaning and its alleged necessity it becomes important to review the events which constitute its history. It is necessary to understand the conditions of the country in November, 1912, and political history since, in order that the situation in October, 1914, may be rightly understood and the philosophy of cause and effect properly applied.

At the time of the national election in 1912 the Republican Party, with the exception of a Democratic House in 1911, had been in full charge of the Government for over 15 years. Industry was never so prosperous, labor never so universally employed at so high a wage, our currency was never so stable, our national finances never so sound; progress along civic, indus-

trial, and moral lines was never so sure and marked as they were prior to the election of 1912. Upon the commercial ruins wrought by Democratic policies from 1893 to 1897 an enormous industry had been erected. Our fiscal policy not only encouraged domestic production and placed the cost of the highest and best living at the lowest price, when measured by ability to purchase, known in history, but it kept the National Treasury full, notwithstanding that out of it from current revenues were paid nearly $300,000,000 for the construction of the Panama Canal. No bond issues in a time of peace, no burdensome extraordinary tax levies were then required to meet the expenses of government. The public debt was being rapidly extinguished, internal improvements were being constructed, the markets of the world, notwithstanding our lack of a merchant marine, were being captured by our manufacturers, the while our domestic commerce, the most stupendous in all the world, was held for American producers.

The Sherman antitrust law was for the first time since its enactment enforced against trusts and monopolies. Since the decisions in the Standard Oil and Tobacco cases not one new trust has been organized. The law had been declared sufficient to meet and destroy every possible effort to monopolize or improperly restrain trade.

The interstate-commerce act was made a living thing in the control of common carriers. Rebates were discontinued, the free pass was abolished, special privileges to favored shippers and localities were destroyed.

Laws for the protection of railroad employees and of the traveling public were enacted and enforced.

A Federal workman's compensation act was written into the statutes.

An employers' liability bill passed a Republican Senate and was smothered to death in a Democratic House.

An Industrial Relations Commission, having for its object the just solution of the problem of capital and labor, was legally enacted.

A Bureau of Mines and Mining and another of Labor were created.

The Panama Canal had been begun and was practically completed, and that canal, constructed by American money and American genius on American soil was declared to be the property of its builder and owner.

A pure-food law, protecting the people against impure, adulterated, and poisonous drugs and foods, was enacted.

The white-slave act was written into the statutes.

Meat inspection was provided by law.

A parcel-post system was established.

Postal savings banks were created.

Rural delivery of mail was extended to practically all of the people.

An emergency currency law, which has been a life preserver to the Democratic crew, shipwrecked in their unseaworthy currency boat, was passed.

Children, the material from which are made men and women who are at once the instruments as well as the objects of Government, were recognized as being of as much importance as cattle and hogs, and a Children's Bureau was created.

Two constitutional amendments, one for the direct election of United States Senators and another for the levying of an income tax, were submitted to the people.

A protective tariff was maintained under which Democratic farm mortgages were discharged, thousands of factories were erected, railroad construction was greatly extended, and every man who wanted to work found employment at the American wage.

These and many other laws promotive of the industrial, financial, civic, and moral welfare of the people were enacted under Republican administrations, and most of them during the six years immediately preceding March 4, 1913.

Gradually the people were coming more and more into the control of their Government. Men of ultrareactionary tendencies were at every biennial election being supplanted in public place by those of more progressive principles.

This in general was the condition of our country in 1912. In that year a political unrest appeared in the Republican Party. Indeed it appeared two years before, in 1909 and 1910. It had its nominal beginning in the passage of the Payne-Aldrich tariff bill. Ostensibly the struggle originated over schedules. The tariff bill was in the hands of men who, knowing that the people were favorable to protection, assumed to prepare it without due consideration of the rights of their colleagues, and if a true history of those events could be written it would disclose a set of arbitrary imperious leaders on one side and a set of equally arbitrary ambitious would-be leaders on the other. A Democratic House of Representatives was secured in 1910, not because of the people's faith in the Democratic Party, but because of speeches made by Republicans and circulated by Democrats.

"Cannonism" and "Aldrichism," which were synonyms for bossism, were the political cries of 1910 and 1912 campaigns, which were campaigns of prejudice and misrepresentation. The Democrats were beneficiaries of the contest between Republicans.

Through the overmastering influence of President Roosevelt, William H. Taft was nominated for President in 1908. The convention of that year was organized and controlled exactly as was the later one in 1912. The South was represented in the former convention, as it was in the latter, far in excess of the proportion to which it was entitled when measured by the Republican votes cast in that section. A strong Republican element, of which President Roosevelt was not a part, sought to change the convention rules in 1908 so as to eliminate a portion of the southern representation, but without avail. The effort was made again in 1912, and some of its leaders were of the faction which four years before had opposed it. And again the effort failed. The Republican platform of principles adopted in 1912 was such that either candidate for the Presidency in good conscience could have run upon it, but both could not do so at the same time. The minority in 1908 acquiesced in the action of the majority, but in 1912 Col. Roosevelt, while still proclaiming that he was a Republican, insisted that he was the choice of the party, and bolted the convention. He assembled an army of followers and made war upon the party which had given him his every political opportunity from police commissioner of New York to President of the United States. That he had a cause of complaint at the organization and conduct of the 1912 convention I have no doubt. That it was any different in principle from that by which he profited in 1908 I most respectfully deny. Both were partly bad, because in a measure they denied to the people fair and unbiased representation. The real trouble, however, originated in the conflict between the ambitions of men. In both conventions it was largely a contest between bosses and would-be bosses, with the balance of abstract right at both conventions with the "would be's." Those inequitable rules have now been changed, and the next Republican convention will be absolutely in the hands of the legally elected delegates. Democratic conventions have for years been dominated by personal and sectional interests in the same way, and the Baltimore convention did not register the will at that time of a majority of the Democrats in the United States whose representatives were there assembled. They were defrauded by political trickery; but that convention pledged itself to reform its methods thereafter. Inasmuch, however, as practically every other plank of that platform has been violated, this one may be repudiated also. The next Republican convention will be absolutely in the hands of delegates chosen directly by the people, who will be seated without regard to the national committee.

The Republican Party in 1912 was divided, as it was in 1872, into two factions, but the Democrats were wiser latterly than they were in the former campaign. They did not adopt one of the Republican candidates, but stood pat while Republicans forced victory upon them. Neither faction of the Republican Party desired Democratic success. It knew from bitter experience what that meant. And yet, through Republican dissension, the Democratic Party, constituting a minority of the people, was placed in power.

Since March 4, 1913, Democracy has been in full charge of all branches of the Government. There has been no division of either responsibility or power with any other party. There has been no division of responsibility or power in the Democratic Party. Indeed, it is impossible for a man to divide with himself, and Mr. Wilson has been President and Congress. Some Democratic Senators have at times declared their independence, but when the President has heard of their acts of insubordination he has sent for them, and, with a few rare exceptions, he got them. The fires of rebellion have been quenched and the erstwhile independent has become as submissive as the slave broken by the master's rod.

The Democratic Party came into power on a platform of principles declared by it in terms to be kept. It was not bait to catch votes, but it was a declaration of pledges to be observed, of principles to be followed.

Among the important, underscored provisions of that platform were these:

A tariff, except for revenue to meet the economical needs of government, is unconstitutional. The protective tariff is the principal cause of the unequal distribution of wealth and of the high cost of living.

The Republican Party is denounced for the "profligate waste of the money wrung from the people by oppressive taxation through the lavish appropriations of recent Republican Congresses."

It demands "a return to democratic simplicity and economy." And "a reduction in the number of useless offices, the salaries of which drain the substance of the people."

It condemns "the present method of depositing Government funds in a few favored banks in return for political favors" and pledges the Democratic Party to "provide by law for their deposit by competitive bidding in the banking institutions of the country, State and national, without discrimination as to locality."

It says, "We favor the exemption from toll of American ships engaged in coastwise trade passing through the canal." I shall not dwell upon the violation of this declaration. It will blot the page of our history which records it.

The platform indorsed the civil service in this language:

The law pertaining to the civil service should be honestly and rigidly enforced, to the end that merit and ability shall be the standard of appointment and promotion, rather than service rendered to a political party.

It insists upon the overthrow of "Cannonism," and offers itself to the country as an agency "through which the complete overthrow and extirpation of corruption, fraud, and machine rule in American politics can be effected."

It concludes all as follows:

Our platform is one of principles which we believe to be essential to our national welfare. Our pledges are made to be kept when in office as well as relied upon during the campaign, and we invite the cooperation of all citizens, regardless of party, who believe in maintaining unimpaired the institutions and traditions of our country.

By reason of the civil war among Republicans the Democratic Party rode into power on that platform I repeat that it came in when the moral, civic, political, and industrial conditions of the country were the most favorable and hopeful ever known in any land. It was a minority party, and yet it was legally vested with all the powers of government. Almost immediately the President assumed not only party leadership, as it was his right and duty to do, but he became the unquestioned, undisputed master of the majority in Congress. The majority in House and Senate surrendered their constitutional right to originate and enact legislation and became the obedient servants not of the people, but of the President. The secret caucus, condemned by author and candidate Wilson, has been the forum where laws have been made.

The public has not known, the minority has not known what arguments were made, what discussions occurred, what considerations were potential in the framing of those laws. Many times after the caucus bills had reached the Senate and were there subjected to criticism by the minority, and suggested amendments looking to the elimination of glaring errors had been made by Republicans, those amendments would not be adopted until the Democratic caucus had first considered them. "Cannonism," which was but the product of the House rules under which Republican and Democratic majorities had controlled the House of Representatives for years, was eliminated by a Republican House when it made it possible to consider bills without the consent of the Speaker and took from him the right to appoint the standing committees. The "kitchen-cabinet" system of Speakers Crisp, Reed, and Cannon, composed, however, of Members of the House, has been abolished, in a measure, and its place is now taken by the President, who conveys his orders to the leader of the House majority and to some trusty in the Senate. The Rules Committee under Republican administrations sometimes brought in rules for forcing bills through with limited debate, but those rules were seldom forced by caucus demand. In the open House their necessity and wisdom was determined. During the eight years that I was a Member of the House there were fewer by one-half of these so-called "gag" rules than have been passed in the three years that the Democrats have controlled the lower branch of Congress. Under Speaker Cannon the rules were adopted to carry out the will of the House majority. Under Speaker CLARK they have been adopted to carry out the will of the Executive. Instead of abolishing machine rule, as promised in its platform, the Democratic Party installed a political machine which has supplanted individual initiative and congressional independence.

Mr. President, the Congress of the United States, under the Constitution and in the welfare and perpetuity of the Republic, is second neither in power nor dignity to any branch of the Government. It is constituted of representatives of the people from whom they directly come and who pass upon their work every two or six years. Sir, from the Congress the people in the past have selected many of their wisest and most patriotic and able Presidents. The fathers thought that a body of men coming from every section and district of the country could be best trusted to legislate—that is, make the laws for that country—but they vested in the President the right to veto any of those laws which to him seemed unwise; yet even in cases of veto two-thirds of both Houses of the Congress could nevertheless enact them into laws. Under predetermined Executive legislation what a farce is made of this right to override a presidential veto. The President will not veto his own action.

The people have demanded that the action of their representatives should be open and public. Good business, good government, and good morals require that legislation for the people shall not be framed in the dark nor evolved in the secret caucus. Upon its every step from conception to consummation should shine the white light of unscreened publicity.

To some it may seem a trivial thing that the Executive encroaches upon the Congress, but the main difference between an absolute monarchy and a republic is that in the former the king is supreme, while in a republic the president is but one of the equal coordinate branches of the government; and yet, sir, to-day in Great Britain, which is a limited monarchy, the Parliament, in matters of legislation, is more independent and influential than is the Congress of the United States. Indeed, that high hereditary body, the House of Lords, yields to the people's Parliament. There the lawmaking branch—the initiating branch—is of the greatest importance, while here, through the encroachment of Executive power and by its servile submission to such encroachment, the Congress is becoming of secondary consideration.

The press, the showman, the Chautauqua lecturer, aye, many times the Congressmen themselves, have come to hold up to public scorn the legislative branch of our Government, without which the Republic could not endure. The questions asked are not what will Congress do about the tariff, about canal tolls, about the currency or the trusts, or any other great matter, but, rather, what does the President want? What measures will he insist upon becoming laws? What is his legislative program? When will he permit Congress to adjourn? It is believed to-day that whatever legislation the President wants he can obtain from Congress through secret Democratic caucus coercion. It has no legislative program of its own. He does have one of his own.

If the Congress continues to belittle its own dignity and power, the time will come when the taunts and slurs of the press and of other publicity agents may induce the people to abolish what will then have become the fiction of a legislative body and will vest all power in the President. Then the Republic dies and a monarchy is born.

But it may be asked, What has this to do with the proposition to levy additional tax burdens upon the people at a time when we are at peace with all the world, and our granaries are bursting with the products of the greatest harvest in our history? I shall endeavor to make the relation close before I am through. I shall show that much of the legislation of this Congress conceived in darkness, born in the secret party caucus, and reared into statutes by subservient tyros in legislation, has been illy considered, unwise, and extravagant, and that the pending bill is the humiliating result.

It was known and expected that the Democratic Party would revise the tariff. If it stands for anything, it is for free trade, except in so far as duties are necessary for obtaining revenues to meet the expenses of government. In April, 1913, the President assembled Congress in extraordinary session, and it has not adjourned since, nor doth it yet surely appear when it will be permitted to adjourn. Ostensibly it was called to revise the tariff, in accordance with the plank in the Democratic platform which I have heretofore mentioned. It was to be revised so as not to disturb but to benefit business and to reduce the cost of living. It was to aid American capital and labor by opening our markets to foreign competition and give our manufacturers enlarged opportunities abroad. This was the first and principal article in the constitution of the "New Freedom."

Under the secret-caucus method I have mentioned the administration prepared and enacted the existing tariff law. I do not believe any Democrat believes now that this law has accomplished any one of the benefits claimed for it by its advocates. From the day of its passage until this hour it has bred doubt instead of confidence; it has caused idleness instead of industry; it has dismantled factories, not built or enlarged them; it has taken from the Treasury of the United States $75,000,000 and placed it in foreign banks to the credit of importers; it has not reduced the price of living, but has increased the cost of obtaining it by lessening the ability of the consumer to buy.

Long before war became imminent in Europe this law had demonstrated the fallacy of the democratic argument, namely, if we buy more goods of foreign nations, those nations will buy

more of us. Our purchases from foreign nations have increased $102,000,000, while our sales abroad have decreased in the same time $108,000,000. We have bought more; we have sold less.

Mr. NELSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Minnesota?

Mr. TOWNSEND. I yield.

Mr. NELSON. If the Senator will allow me, when he studies the figures he will find that in the 10 months ending the 1st of August last, under the Democratic tariff law, we have lost $152,000,000 in our export trade, and there has been a gain of $82,000,000 in our imports in those 10 months since the tariff was enacted, up to the 1st of August, prior to the war.

Mr. TOWNSEND. I have tried to be ultraconservative when I have quoted figures. I have quoted from the reports of the Secretary of Commerce, and they cover, as I recall, nine months prior to the 1st of August. I am not clear as to the length of time, but in that report, where I obtained my information, I found that during those months we purchased abroad $102,000,000 more than we did in the same months the year before, and we sold $108,000,000 less.

Mr. NELSON. The figures I gave to the Senator cover the period from the time when the Democratic tariff law took effect. It took effect the 4th of October, 1913, the day after its passage, and from October to the 1st of August, for a period of 10 months, those are the figures, as I gave a moment ago.

Mr. TOWNSEND. I am obliged to the Senator for his suggestion.

Much that we have purchased from the foreigner we could and should have produced at home. We know that we have been the loser in our foreign commerce to the extent at least of $150,000,000 since the Underwood tariff became a law.

I am speaking now conservatively and am deducting from the total amount of trade against us the value of such goods as possibly we might not have been able to manufacture in this country.

This administration has donated to Canadian lumbermen $2,000,000, which is about the amount they contributed to the expenses of our Government last year, and if the Payne rate of $1 a thousand had been paid on the lumber foreigners shipped in during the first eight months of the Underwood bill, they would have paid more than twice $2,000,000, and no consumer has paid one cent less for his lumber under free trade.

It has already given to the Sugar Refining Trust over $10,000,000, and in two years, when all of the sugar tariff is removed, the gift will be increased many times that amount, and yet instead of the price of sugar to consumers going down it has risen, and to obtain the money for this gift and others like it this proposed tax is to be levied.

It has been not only generous but magnanimous to the foreign woolgrower and woolen manufacturer. To them at least $20,000,000 of money to be raised by this bill has been presented without a cent of benefit to American wearers of woolen clothes.

The importers of beef and cattle have been relieved from paying $5,000,000 toward the support of our Government, and that amount has been placed upon our own already overburdened taxpayers, and the consumer pays more for his meat.

The aggregate munificence of this administration to the importer based on the Payne rate applied to importations for this year would amount to the sum carried in the present bill, and if the old rate had reduced the importations one-half, we would still have obtained more than $50,000,000 from duties in excess of what we have received and will receive this year.

But these are not the only national losses American industry and enterprise have sustained since October 3, 1913. Domestic consumption has been reduced. Our people have not eaten as much, have not bought as many nor as good clothes. Inquire of your home boot and shoe dealer, and he will tell you that he is selling fewer and cheaper shoes, that he is now employing a cobbler where before he had an extra clerk, and that some of his customers who never wore a half-soled or a patched shoe before now are wearing both. The savings deposits of the banks have decreased, because instead of weekly savings weekly withdrawals are made, and were it not for the fact of 15 fat years under Republican policies, during which millions of savings were stored up to draw from now, the country's condition would be worse than it is at present. And here let me recall to Senators a statement which was made by the senior Senator from Alabama, when he was pleading with his party to exercise economy at the time the river and harbor bill was up. It grated so harshly on Democratic Senators' ears that they will not easily forget it, but neither will they mention it. I shall not be embarrassed by repeating it. He called his colleagues' attention to the fact that a revenue bill raising $100,000,000 would soon be in the Senate, and that it would probably be but a beginning of what would have to be raised hereafter. His suggestion may prove prophetic. The fiscal policy of this administration will have to be changed or else special taxation will be progressive. This proposed levy may carry the country through to the end of the fiscal year, but unless economy unknown to Democracy is practiced another extraordinary tax burden will be imposed next year.

I am not, however, hopeless of my country's industrial and financial future. It has survived Democratic administrations before, and it will survive this one. It will be poorer, but wiser. The European war, which is now the sheet anchor of Democratic hopes, the excuse which Democracy offers for the natural consequences of its own misdoings, will ere long prove a real financial good to some American industries. It is a heaven-crying pity that such an opportunity for profit should come to any country. Better our Nation in poverty than Europe in such a war; and yet it seems inevitable that some of our people will profit by this awful calamity for a season. The European war is now made the unpatriotic excuse of Democracy for Democratic blunders and southern depression, but ere long I believe it will become a real temporary benefactor to that party and section.

Cotton is the material of hard times. It is the chief example of an American product, raw and manufactured, which needs but little, if any, protection. The late tariff commission showed to my satisfaction that many American cotton products were sold here cheaper than they could be made abroad, and all that many cotton factories now need is for Congress to go home and quit meddling and speculating with business. If this Congress had never assembled, the present emergency would never have occurred. Let your cotton planters possess their souls in patience for a few months and the incarnated waves of war will discharge upon our shores a benefit to them. There is a tomorrow for cotton which would not have dawned under this administration had it not been for the European war. That day will not break for the copper and iron and wool and manufactured products of the East and North and West until this Government shall have adopted a new fiscal policy.

In the meanwhile do not ask us to levy a tax upon our people to save your cotton planters for a season, while ours, in many cases suffering as yours are suffering, are left helpless and hopeless indefinitely.

Referring again to the platform statements of the party in power, you will recall that the Republican Party was denounced "for the profligate waste of the money wrung from the people by oppressive taxation," referring, of course, to the tariff, "through the lavish appropriations of recent Republican Congresses." Now, the clear implication to be derived from that statement was that the Democratic Party if placed in power would not indulge in extravagance. Indeed, it demanded "a return to Democratic simplicity and economy." It also demanded "a reduction in the number of useless offices the salaries of which drain the substance of the people." What have been and are the evidences of Democratic reform in the expenditure of money and in the reduction of useless offices?

Up to date the appropriations of this Congress for the year ending June 30, 1915, have been $1,089,408,777, while for last year the total appropriation was $1,057,605,694, and for the last year of a Republican House and Senate the amount appropriated was $978,521,087. But this year's appropriations have not all been made, and besides it must be borne in mind that the expenditures for pensions this year are $11,500,000 less than they were one year ago. It must not be forgotten either that this year's appropriation for the Panama Canal is about $14,000,000 less than for the same purpose last year.

Mr. President, even with the false and unwise fiscal policy which has wrought and which will continue to work havoc with our commercial, financial, and industrial interests there would have been received this year money enough by the Government to meet expenses no greater than those incurred under the last Republican Congress. With proper economy we could have paid our debts. We, of course, can not remain solvent and with paternal generosity pay the legitimate expenses of the Southern States; we can not, under the guise of combating the boll weevil, conduct for the cotton section the extensive and costly processes of general agriculture; we can not carry their cotton in warehouses until the blight of Democracy has been lifted from the cotton mills and factories; we can not build railroads into the icebound regions of Alaska; we can not buy ships to embark upon a sea already crowded with empty vessels; in purchasing Government supplies, we can not play favorites for political or other mercenary reasons and pay from 50 to 100 per cent more for them than they could be obtained for from responsible bidders; we can not create million-dollar commissions to enter upon doubtful and illy defined duties pertaining to private enterprise; we can not display our profligacy

and lack of patriotism by making a $25,000,000 present to Colombia; we can not create hundreds of new and useless offices "to waste the people's substance"; we can not do these things and keep the balance on the right side of the ledger.

The President in his last message to Congress calls attention to the fact that our revenues for August fell off $10,000,000 from those received in August a year ago. That is true, but they fell off only $2,500,000 from those of July, 1914. He was more politician than statesman when he said that, else he would have also stated that in July of this year the revenues from imports were $5,000,000 less than they were in July, 1913, and in February of this year the customs receipts were about $10,000,000 less than they were in February, 1913. He evidently used August because he could charge the falling off in that month to the European war. During all of the other months since the Underwood tariff was passed, save alone the month of May, the receipts from customs have been less than those of the corresponding months the year before, and no European war was on. As my distinguished colleague in the House, Mr. FORDNEY, has well said, the present war in Europe is not the cause of but it is the excuse for this unjust tax.

If I am unable to convince you of the extravagance of this Congress, let me call a Democratic witness, the chairman of the great Committee on Appropriations in the House of Representatives, Mr. FITZGERALD. At the end of every Congress the chairman of this committee is expected to summarize and justify the expenditures for which appropriations are made. On April 10, 1914, Mr. FITZGERALD, anticipating the task of justification that would later come to him, said this:

> Mr. Chairman, it may seem somewhat strange, but I hope it is not out of place, to remind Members on this side of the House that the Democratic platform pledged us in favor of economy and to the abolishment of useless offices; but it did not declare, Mr. Chairman, that the party favored economy at the expense of the Republicans and the abolition of useless offices in territory represented in this House by Republicans while favoring a different doctrine wherever a Democratic Representative would be affected. In a few months I shall be called upon in the discharge of my official duties to review the record that this Democratic House shall have made in its authorization of the expenditure of the public money. Whenever I think of the horrible mess I shall be called upon to present to the country on behalf of the Democratic Party I am tempted to quit my place. I am looking now at Democrats who seem to take amusement in soliciting votes on the floor of this House to overturn the Committee on Appropriations in its efforts to carry out the pledges of the Democratic platform. They seem to take it to be a huge joke not to obey their platform and to make ridiculous the efforts of the members of our party who do try to live up to the promises they made to the people. My colleagues upon this floor seem either to be so indifferent to a very perilous situation for our party or else, which I do not wish to believe, have so far forsaken Democratic practices and Democratic principles as not to deserve to continue in control of this Government.
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> We charged the Republicans for 12 years of my service in the House under Republican administration with being grossly extravagant and reckless in the expenditure of the public money. I believe that charge to be true. I believed that my party, when placed in power, would demonstrate that the charges we had made in good faith were true. We are entitled to the help and to the support of the Members on this side of the House in honest efforts to carry out the pledges of the Democratic Party, and in our attempts to show that what we charged in order to get into power was true. We have not had that support. Our Democratic colleagues have not given that support to us thus far during this session of Congress. They have voted against recommendations they should not have voted against. They have unnecessarily piled up the public expenditures until the Democratic Party is becoming the laughingstock of the country.
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> I appeal to them now before it is too late; I appeal to them now before we have gone beyond recall to stop the conduct of which they have been guilty. Do not continue to vote for these improper and improvident appropriations. Those who propose to continue to do so should at least have the courage openly to assert upon the floor of this House that they believe the professions of the Democratic Party have not been made in good faith, that they can not be carried out, and that we are not entitled to power because of those professions.

But Mr. FITZGERALD is not the only Democrat who has seen and dared to announce the truth about Democratic extravagance. Another Member of the House of Representatives, coming from the great State of Mississippi, Mr. SISSON, said this on the floor of the House last April:

> This is the most outrageously and criminally extravagant Congress that ever sat on the American Continent. I want to apologize to the Republicans for having called them extravagant when they were in control of the House. They were modest in comparison with the appropriations that we are now making.

In view of all this and more, will anyone dare to claim that the Democratic Party has kept faith with the people by its work in this Congress? Why, it has set a new high mark for the flood tide of extravagance.

Being by its platform committed to the abolition of useless offices, it was, ergo, against the creation of new offices; rather, I should, say, it was against that during the campaign in 1912; but the demands of the spoilsmen were so strong, the office seekers were so numerous, and the offices so comparatively few as to convert political platforms into fuel for the pyre on which Democratic principles were sacrificed. Recall, my Democratic friends, if your consciences will permit, the useless offices which you have created during this Congress; and if you can endure it, recall, also, the fact that in creating them you have also destroyed another plank of the Baltimore convention, viz, the one whereby you were pledged to an observance of the civil-service laws of your country.

Those laws have been shamelessly violated.

Tried and efficient employees have been severed from the service and their places filled under the spoils system. This has resulted in great extravagance, for the Government has been made to pay political debts.

After the Underwood tariff bill was enacted into law prosperity did not leap and bound throughout the length and breadth of the country. In spite of the President's threats to "hang as high as Haman" the wicked business men who failed; regardless of the expressed determination of the Secretary of Commerce to investigate and prosecute manufacturers who closed their shops or reduced the number of their employees; notwithstanding the promise of the Secretary of the Treasury to send the public treasure into parts of the country where business, not money, was short, the wheels of industry slowed down, sales were lessened, collections were bad, empty cars accumulated, locomotives became "dead," idle labor commenced to draw its savings from the banks, and even the President recognized the situation, and, while he called the trouble psychological, he applied a material remedy and thus was born another article in the "New Freedom." He discovered that money made business, whereas theretofore it was believed that business made money. Industry could never be free, bouyant, and yet substantial until our iniquitous currency laws were remedied.

The President had no definite concrete knowledge of just what ought to be done about the currency, but he was sure that action of some kind must be taken to supplement his tariff law. Some of the men around him, however, knew what they wanted, and that was more money. Its kind and quality and the method of obtaining it were not so important as the amount. In 1896, when prices were ruinously low, they wanted more money to increase prices and open factories; in 1913 and 1914, when prices were exceedingly high, they wanted more money to reduce prices and open factories. In some mysterious and as yet undisclosed place a currency bill was prepared and then presented to the Democratic House caucus. It contained all the facilities for issuing a fiat inflated currency which were buried under the voters' ballots in 1896. It allowed bankers to deposit their own notes in their own vaults as the reserves upon which their defenseless depositors and the holders of their bank-note currency must depend for security. Its one clear aim was to increase the currency with too little regard for its quality or for the safety of depositors. It provided for sectional regional banks to be controlled by a partisan political Reserve Board.

Under the whip and gag of the party caucus the bill passed the House and came to the Senate, where it was referred to the Committee on Banking and Currency. On that committee were two Democrats, who, contrary to the desire of their Democratic colleagues, insisted on reading the bill before voting it out. These two Senators, together with the Republican members of the committee, and much to the disgust of the administration, found several hundred places in the measure which needed changing, and the changes were made. But those few changes did not make the bill good. Almost any change made it better. Every thoughtful man knew that the proper change was to strike out all after the enacting clause and insert a provision for one central government controlled bank, with branches wherever needed. But politics made it impossible to do the right thing, and the present law is the result. That it is sectional is shown by the fact that 2 of the 12 regional banks are located in one Democratic State. That it is possible to be controlled by partisan politics is demonstrated by the fact that the Federal Reserve Board is composed entirely of Democrats. That it is unable to meet the financial emergencies of the country is eloquently proclaimed by the fact that it is not taken advantage of by the administration in its present hour of distress, but reliance is had upon the condemned Aldrich-Vreeland emergency law. And even now a leading Democrat of the House is insisting that Congress proceed to amend this new currency law so that it can be made workable before adjournment.

The reserve board, being composed of experienced men, undoubtedly recognize the defects of the new law, and are striving to make it as harmless as possible before they put it in operation. It is an extravagant experiment, the expense of which must be met with this proposed unjust tax.

In connection with banks and currency, it is amusing, if not instructive, to refer again to the Baltimore platform and to the

record of the administration on this subject. You will recall that it condemns—

the present methods of depositing Government funds in a few favored banks in return for political favors—

And pledges the Democratic Party—

to provide by law for their deposit by competitive bidding in banking institutions of the country, State and national, without discrimination as to locality.

Have the former methods of depositing Government moneys in banks been changed? Has the party by law and practice provided for deposits by competitive bidding to the banking institutions of the country? Have State and national banks been treated with impartiality?

The Government moneys were as widely distributed under the former administration as they are under this one. I have no knowledge of any competition for deposits. I know of no State banks which have been favored. I do know, however, that the President gave as one of the reasons for passing the pending bill that he did not wish to withdraw the $75,000,000 of Government funds now with favored banks. He preferred to tax the people for additional funds rather than to withdraw from these banks money already paid by and belonging to the people. I am informed on good authority that 79 per cent of the $75,000,000 of Government money now in private banks is in the Southern States.

I do know from reliable reports that while at the beginning of this administration it was apparently unfriendly to banks and big business, it now is depending upon their counsel, aid, and support—that is, upon the counsel and support of some of them.

We do not now know all the story of the relations between the United States Treasury and the Riggs Bank, of this city, and the Kuhn-Loeb Bank, of Wall Street, New York. We do know, however, that all Government deposits have been withdrawn from the former and that additional deposits have been placed with the latter, from whose directorate a member of the Federal Reserve Board was selected. Are the administration's skirts quite clear from the suspicion of favoritism to a Wall Street bank? We shall know about this later.

The financial experts of the country know that the Glass-Owen bill, so called, will be an expensive luxury, and that it will not assist in opening or maintaining a single industry or in giving an additional day's work to labor. It may be all right when there is no unusual strain, but the Aldrich-Vreeland law will be used in cases of emergency.

Mr. SHAFROTH. Does not the Senator——

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Does the Senator from Michigan yield to the Senator from Colorado?

Mr. TOWNSEND. I yield to the Senator.

Mr. SHAFROTH. Does not the Senator recognize that the operation of the Federal reserve act has not taken place because the directors of the Federal reserve banks have not been appointed as yet? Consequently the fund which is supposed to exist in the Federal reserve banks can not become available until the system is completed, which will be, probably, after a number of months have passed.

Mr. TOWNSEND. I said it was not in operation. It could have been in operation. The board could have been appointed months ago.

Mr. SHAFROTH. But the Senator must remember that there were delays. There was a delay in the Senate of months in respect to the confirmation of two of the members.

Mr. NELSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Minnesota?

Mr. TOWNSEND. I yield to the Senator from Minnesota.

Mr. NELSON. Those 12 Federal reserve districts were established as early as the 2d of April last, and yet the banks have not been put in operation.

Mr. TOWNSEND. There is not any question about it. It is the same old apology for delay that we had in the tariff law. They are not ready for it yet, and not ready for it because it is unequal to the emergency which exists. The Aldrich-Vreeland law must meet the situation, and that is clearly in evidence. The new currency law could have been put in operation if there had been a desire to do so.

After the currency bill became a law business did not pick up, as the proponents of the measure claimed it would, and the third article of the "New Freedom" was proposed, a commission which will cost the Government hundreds of thousands of dollars, to say nothing of the cost it will impose upon industry, was created by law. This commission is vested with the legislative, judicial, and executive functions of declaring what is unfair competition, of interpreting their own declarations, and then of enforcing the law they thus make. It was intended by the President to encourage and give confidence to business, and to that end a horde of political spies are to prey upon business men. Like the rain and the dew, they will fall upon the just and the unjust. They may say to this one, "Go on," and he may continue, and to this one, "Stop," and he must desist. Its ipse dixit will have the full force and effect of law.

Mr. President, if we had not been engaged in party discussions when the Trade Commission bill came up, I do not believe there is a Senator in this body who would agree that to grant such a power either to an individual or to a commission is wise under a republican form of government.

There were two parts to this third article; indeed, originally, there were three, but the third and only worthy one of the number apparently has died "a bornin'." The second part is known as the Clayton bill. As the conferees have shaped it, it is a sop to labor and the people and largely innocuous to trusts and combinations. Indeed, I believe it is welcomed by the trusts. The change of spirit toward banks and big business by the administration is reflected in the conference report on this Clayton bill. The modesty of the trusts would scarcely have allowed them to write a more favorable measure if they had been permitted to do so. The false hope of labor leaders that they have received substantial class benefits will end in disappointment. Legitimate business will receive no benefit, and illegal trusts and combinations will have the satisfaction of knowing that the antitrust law has been so complicated with new uncertainties that years will again be required for the courts to resolve the doubts.

The third article has just been written, and the Congress has the satisfaction of knowing that the orders of the President up to date have been obeyed. The constitution of the "New Freedom" has been adopted, even though no one knows what it means or what its results will be. All do know, however, that it will be expensive and that one of its results is this proposed tax burden upon the people.

Mr. President, this inexcusable tax levy does not represent all nor the greater part of the financial burdens which have been placed by this administration upon the people.

The loss in business throughout the country during the last year has shown its disastrous effects upon the railroads. On July 12, 1914, the New York Times printed a table showing the number of idle cars during the first six months of 1913 and for the same period in 1914. This table shows that on July 1, 1913, or three months before the Underwood tariff became a law, there were 155,841 fewer idle railroad cars than there were on July 1, 1914, eight months after it became operative and one month before war in Europe was mentioned. The "empties" on July 1, 1914, would form a solid train reaching one-seventh of the distance around the world.

Now, a railroad makes its money hauling freight and passengers. If all of its equipment is constantly employed its earnings are greater than when part is idle, and the greater the number of unemployed cars the less the earning power, the less the ability of the company to pay wages and to keep abreast of needed improvements and technical development. It is claimed, and I think truly, that unless the railroads are prosperous no one is prosperous, but the reverse of that is equally true, viz, unless the people are prosperous the railroads can not and should not be prosperous. Since the present administration took charge of the Government the railroads have run up the flag of distress. They have pointed to their idle cars, their "dead" engines, and their debit balances, and have asked the President to intercede with the Interstate Commerce Commission to the end that their freight rates may be increased, and they have been successful in their efforts. Rates have been increased 2 per cent, with a fair prospect that another 3 per cent raise will be granted. Who is to pay this additional charge? The people, the consumers, the same folks who are to foot this $105,000,000 tax. Is anything to be done to increase the people's business, to restore the losses which they have sustained? Not a thing, except it be to cotton planters. I have not computed the amount of this extra tax on freight, but it will mount up into many millions. And this is not all. The Interstate Commerce Commission has said that conditions warrant the increase by common carriers of passenger rates, and in the East the increase has been made. More millions of taxes upon the public, and all because, I assert, of the extravagance and unwise legislation of this administration. How much better it would be to facilitate business than to increase freight and passenger rates. How much better to employ American capital and American labor in developing American resources than to levy a tax to support railroad equipment in idleness. Have we reached the point where by taxation we must make railroad business

profitable regardless of the profits of those who support that business?

Surely, Mr. President, the senior Senator from Mississippi was right when he declared on this floor that the poor old Democratic Party was incapable of running this Government. Its humiliating work during the last 18 months has furnished an incontrovertible demonstration of the truth of the Senator's admission. It is difficult, if not impossible, to discuss intelligently the pending bill in detail. The secret work of the Democratic caucus has just been presented to the Senate. I have had no opportunity to read it as yet. I am informed, however, that it is somewhat different from the House bill. When it is read for amendments, I shall, if I think it is advisable, discuss the items proposed for taxation. At this time I shall be content with these general observations upon the unwisdom, injustice, and want of necessity of placing any additional tax burden upon the people of the United States.

I conclude as I began, that this measure represents the result of 19 months of Democratic administration. It will stand as a monument to the incapacity of the party in power. In the Cleveland administration bonds were issued to meet the current expenses of the Government in a time of peace. After one year and a half of the Wilson administration a special tax levy of $105.000,000 is to be made, and this is but a part of the total extra tax represented by increased freight rates and other burdens that are to be imposed upon the people to meet the extravagant and unwise expenditures of this administration at a time when we are at peace with all the world. This is a record of which no party can be proud. It marks reaction instead of progress, and neither the European war nor any other extraneous matter should obscure the record. Partisan efforts will be made to justify that record with the people by placing false issues to the fore.

In the coming campaign the fact that war was actually declared upon Mexico when our Atlantic Fleet was ordered to Vera Cruz to avenge an alleged insult to our flag and when the militia in many States was ordered to be ready for war will not be mentioned by the defenders of this administration. They will claim that the President kept us out of war with Mexico. It is not true, as unbiased history shows. The Democratic campaign book will not quote from the eloquent speeches of Democratic Senators made on this floor the night that Vera Cruz was fired on and 19 brave American boys were killed and scores of Mexico's guiltless sons were shot down, for those speeches lauded the deed as a justifiable act of war. It will not state that it is no credit to this administration that more of our troops are not now in the Republic of Mexico, for war was practically declared by the President, and it would be raging to-day if three South American Republics had not used their good offices to avert it, or if Huerta had been strong enough to resist. It will not state that our ally, Villa, is still conducting a war in Mexico with arms obtained in the United States, and with its consent.

The fact that we are not involved in the European war will be the basis of Democratic arguments for political favor in the pending election contest, and the other equally evident facts, that there is no war party or sentiment in this country anywhere to-day and that any responsible official who willfully or recklessly involved us in that conflict would receive the righteous and just condemnation of the people, will not be mentioned. I do not know whether the coming campaign will be determined upon these false war issues or upon the real record, but some day, when the war clouds shall have lifted from the Old World, which, God grant, may be soon, the people of the United States will take an account of stock, and credit will be given where it is due and condemnation will be visited upon those who have checked American progress and prosperity. Time will make clear the cause and effect of existing conditions.

Mr. ASHURST obtained the floor.

Mr. SIMMONS and Mr. SMOOT addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Arizona yield; and if so, to whom?

Mr. ASHURST. I yield to the Senator from North Carolina.

Mr. SIMMONS. Mr. President, I ask unanimous consent, on behalf of the Committee on Finance, to report back favorably, with amendments, the bill (H. R. 18891) to increase the internal revenue, and for other purposes, and I submit a report (No. 813) thereon.

The PRESIDING OFFICER. The bill will be placed on the calendar.

Mr. SIMMONS. I ask unanimous consent to submit an amendment, which I had intended to do in the committee, relating to the tax on the manufacture of cigarettes, but which by inadvertence was omitted. I ask unanimous consent to submit it at this time, in order to avoid a reprint of the bill. I ask that the amendment be printed, and I shall offer it at the proper time.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. SIMMONS. I ask unanimous consent that the Senate proceed to the consideration of the bill.

Mr. SMOOT. Mr. President——

Mr. ASHURST. I yield to the Senator from Utah.

Mr. SMOOT. I take it for granted that the Senator from North Carolina [Mr. SIMMONS] makes the request for immediate consideration of the bill with a view to having it made the unfinished business?

Mr. SIMMONS. That is my only purpose.

Mr. SMOOT. And not for the consideration of the measure to-day?

Mr. SIMMONS. No; if my request be granted, I shall immediately ask that the Senate lay the bill aside temporarily.

Mr. SMOOT. One other question. I wish to ask the Senator from North Carolina if he has made the majority report on the bill to-day?

Mr. SIMMONS. I have made the report for the committee.

Mr. SMOOT. I should like to ask the Senator if he will not have printed as a Senate document the estimated revenues to be derived from the bill as reported to the Senate? I suppose the committee have the figures in their charge. I think it would be a very great convenience to the Senate if those figures were printed in pamphlet form.

Mr. SIMMONS. I will state to the Senator from Utah that I have no objection to having printed the matter to which he refers. What I have just now is rather in a rough form, it having been hurriedly prepared, but I have an expert working on the matter in order that we may correct the figures where his estimates are not satisfactory. As soon as he has finished them—and I think he can finish them by to-morrow—I shall ask that the figures be printed.

Mr. SMOOT. The reason I asked the Senator from North Carolina the question was that if he had such information prepared I would not ask to have printed similar information which has been prepared for me.

Mr. SIMMONS. I will say to the Senator from Utah that I have the information prepared; that it was handed to me last evening.

Mr. SMOOT. And the Senator will ask to have it printed to-morrow?

Mr. SIMMONS. Yes; as soon as it is ready I shall ask to have it printed.

The PRESIDING OFFICER. The Chair understands that the proposition of the Senator from North Carolina [Mr. SIMMONS] is agreed to.

Mr. MYERS. Mr. President, I have had no opportunity to object. I understood that unanimous consent was asked, and I have not had an opportunity to object.

The PRESIDING OFFICER. The Chair understood that the Senator acquiesced.

Mr. MYERS. I desire to be heard.

The PRESIDING OFFICER. The Chair heard no objection at the time the request was made.

Mr. MYERS. I desire to ask whether the Senator from North Carolina made a request, or was it a motion, that the Senate proceed to the consideration of the revenue bill?

The PRESIDING OFFICER. It was a request for unanimous consent.

Mr. SIMMONS. I asked unanimous consent that the Senate proceed to the consideration of the bill. I wish to say, however, to the Senator from Montana that it is not my purpose, if the request is granted and the bill for which I ask consideration is made the unfinished business, to have it proceeded with this afternoon. I shall immediately ask to have it laid aside.

Mr. MYERS. Mr. President——

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Carolina?

Mr. MYERS. I feel that I ought to object to the request. I feel that the conference report on the Alaskan coal-leasing bill ought to be made the unfinished business of the Senate. That conference report was made yesterday, and consequently comes in ahead of the revenue bill.

Mr. JONES. Mr. President, I wish to ask the Senator from North Carolina if we can not have an understanding with him that he will not ask the consideration of the unfinished business until we conclude the consideration of the Alaskan conference report? I think that that report ought to be disposed of very soon.

Mr. SIMMONS. I have no purpose in the world to interfere with the consideration of the report on the Alaskan coal bill,

and I made the statement to the Senator from Montana a moment ago that, if my request shall be granted, I shall ask unanimous consent to have the revenue bill temporarily laid aside so that we may go on with the conference report on the Alaskan coal-leasing bill.

Mr. MYERS. Mr. President, I had intended to move this afternoon that the conference report on the Alaskan coal-leasing bill be made the unfinished business, with the intention of then asking that it be laid aside temporarily until to-morrow. As I understand, the Senator from Idaho [Mr. BORAH] and others wish until that time to look into the matter, and so I had not intended to press the conference report this afternoon. I had, however, felt that it ought to be made the unfinished business. In view of the request of those Senators, I do not feel like pressing the consideration of the report this afternoon, but I will say that I should like to have it taken up and considered to-morrow immediately after the conclusion of the morning business.

Mr. SMOOT. Mr. President, I will say to the Senator from Montana, and also to the Senator from North Carolina, that I do not think there is any real necessity for any alarm over either of these measures. There will be no disposition whatever to defeat the consideration of them. So far as I am concerned, I am quite sure that the Senator from Montana will secure the consent of the Senate to take up and consider the conference report at some time to-morrow, and I am sure that it will not take very long to dispose of it. I am also just as positive that when that bill is out of the way the Senate will readily consent to consider the revenue measure and proceed with it in due order.

Mr. SIMMONS. Mr. President, I said, and I repeat, that I do not desire to interfere with the conference report on the Alaskan coal-leasing bill, but I do desire that the revenue measure shall be made the unfinished business.

The PRESIDING OFFICER. Does the Senator make that motion?

Mr. MYERS. It is not necessary for the Senator from North Carolina to make the motion, so far as I am concerned. I merely wish to utter a sentence. I do not intend to ask for the consideration of the conference report on the Alaskan coal-leasing bill this afternoon because, as I have said, the Senator from Idaho [Mr. BORAH], who is greatly interested in the measure, has asked that it go over until to-morrow, in order that he may look into it. He is not present, and I do not want to take any advantage of his absence. For that reason I will not ask that the conference report be taken up this afternoon, but I shall call it up and ask that it be proceeded with to-morrow after the close of the morning business. In view of the general statement of the Senator from North Carolina that he will then give way to it, I make no objection to his request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Carolina to proceed to the consideration of House bill 18891? The Chair hears none.

Mr. NORRIS. Mr. President——

Mr. ASHURST. I think I have the floor.

The PRESIDING OFFICER. The Senator from Arizona has the floor.

Mr. NORRIS. I desire to submit a request for unanimous consent.

Mr. ASHURST. I yield to the Senator from Nebraska.

Mr. BRYAN. I rise to a parliamentary inquiry. Is it not necessary for the Chair to lay the revenue bill before the Senate? That has not been done.

The PRESIDING OFFICER. The point of the Senator from Florida is well taken. The Chair lays before the Senate House bill 18891.

Mr. WEEKS. On behalf of the Senator from Illinois [Mr. SHERMAN] I ask unanimous consent to submit an amendment to the pending bill. I ask that the amendment be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

The Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. SIMMONS. I ask unanimous consent that the unfinished business be temporarily laid aside.

The PRESIDING OFFICER. Without objection, that order will be made.

COAL LANDS IN ALASKA (S. DOC. NO. 590).

Mr. NORRIS. Mr. President——

Mr. ASHURST. I yield to the Senator from Nebraska.

Mr. NORRIS. I ask unanimous consent that the Alaskan coal bill may be printed in bill form in parallel columns, showing the bill as it passed the House, the bill as it passed the Senate, and as it has been reported by the conferees.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska? The Chair hears none, and it is so ordered.

SOME ACCOMPLISHMENTS OF DEMOCRATIC ADMINISTRATION.

Mr. ASHURST. Mr. President, I have no disposition whatever to proceed now with my remarks if any Senator wishes to discuss the bill reported by the Committee on Finance a moment ago or if any Senator wishes to discuss the conference report on the Alaskan coal-leasing bill—I pause for a moment to ascertain—because I think the consideration of those measures is far more important than my speech. I do feel at this time, however, that it is incumbent upon some Senator on this side to make some reply to the jeremiad which has just been chanted by my distinguished friend the Senator from Michigan [Mr. TOWNSEND].

I take the Standard Dictionary of the English language, which I find on a near-by desk, and turn to the word "bias." I find that it indicates something—

> Running diagonally across the texture; cut slantingly, as a strip or band; said of cloth; in colloquial language used sometimes adverbially, as cut bias.

I also find this definition:

> Bias: A line, cut, or seam obliquely across the breadth of a fabric, * * * 2. A mental bent, inclination, or tendency; a prejudice or predilection, as in giving testimony; as a bias in his favor.

I can say, without injustice to my learned friend from Michigan [Mr. TOWNSEND], he is modest and that upon his unembarrassed brow nature has written "gentleman," but that he is a biased witness in favor of the Republican Party, and in view of the evident bias which he has made manifest in his speech just delivered, I deem it opportune at this hour to submit a few observations.

The Sixty-third Congress performed more laborious tasks than any other Congress that has ever convened. It was called upon to deal with more important domestic questions than any other Congress in the history of our country. In addition thereto, our Nation faced a grave crisis, as the European war is a calamity greater than has ever befallen humanity or civilization so far as history records, and our mind recoils from trying to picture the sacrifices of life which those responsible for this war have brought about.

President Wilson bravely faced this crisis of his administration and his feet trod the paths with marvelous circumspection at a time when a single misstep might have plunged our country into the maelstrom of war. It is interesting to reflect that many persons who complained loudly over President Wilson's policy of "watchful waiting" which prevented our being drawn into a bloody conflict in Mexico, now, much to their credit, approve his "watchful waiting." When a war breaks out some people say, "Well, it will not last long," but the truth is it lasts for all eternity for many men.

The President and the Congress have, above all things, remembered that it is our national duty to observe a strict neutrality among the belligerents, with all of whom we are at peace. We have observed an honest and rigid neutrality. Some persons have been inclined to criticize, deride, and ridicule our American diplomacy and to call it "the shirt-sleeve variety," because it is open, direct, and refuses to engage in intrigue.

Mr. GORE. And has not a dollar mark before it.

Mr. ASHURST. As the distinguished Senator from Oklahoma [Mr. GORE], who is a master maker of epigrams, says, it "has not a dollar mark before it"; but the bloody fields, the ruined towns, crowded hospitals, desolate homes, war taxes, the thousands of valuable lives lost, and the weeping and wailing of the widows and orphans in Europe speak eloquently in behalf of American diplomacy, rather than in favor of the secret, royal diplomacy of Europe. The truth is there are some diplomats who believe that diplomacy consists solely of negotiations in which there is an evasion in every phrase and a hidden snare in every proposition.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER (Mr. WEST in the chair). Does the Senator from Arizona yield to the Senator from Colorado?

Mr. ASHURST. I yield to the Senator from Colorado.

Mr. THOMAS. The statement of the Senator from Arizona reminds me very forcefully of a statement which I saw the other day. It was an extract from one of the London papers commendatory of the so-called American shirt-sleeve diplomacy. It declared that from now henceforth open, candid American diplomacy should be the only policy of all the nations; that the great conflagration now raging all over Europe, resulting in the destruction of so much property and so many lives, was largely the direct consequence of secret diplomacy, the making of

private agreements in conflict with open and apparently complete negotiations.

I think that no higher tribute can be paid to American diplomacy than the fact that in this great crisis in Europe the nation which is one of the foremost in intelligence recognizes and acknowledges that that which it once ridiculed and reviled is to-day the only sort of diplomacy that commands its confidence and support.

Mr. ASHURST. Mr. President, it is needless to say that I thank the able Senator from Colorado for this valuable contribution to my speech.

What a pity that Bryan's brand of diplomacy could not have been used in some of the chancelleries of Europe. Millions of people in Europe who are now arrayed against each other in battle have no knowledge as to why the war began or why it is being carried on. The United States is to-day practically the only first-rate power where the flame of civilization burns brightly and steadily.

When the famous dark day occurred in New England on May 19, 1780, it was the common belief that the end of the world had come. The Connecticut Legislature was in session and the house adjourned because of darkness and fear. Col. Abraham Davenport was asked whether the senate ought to adjourn also. He replied:

> I am against an adjournment. The day of judgment is either approaching or it is not. If it is not, there is no cause for an adjournment. If it is, I choose to be found doing my duty. I wish therefore that candles may be brought.

Another fine illustration of the right attitude was found in the recent action of the United States Senate. Early in last August millions of soldiers in Europe were fighting or preparing to fight, and the United States Senate was negotiating peace treaties. To the shortsighted man the debate of the Senate on the Bryan peace treaties seemed utterly absurd. The shortsighted man said, "Why talk of peace when millions of men are fighting?" Midnight darkness for the peace of the world and the Senate ratifying peace treaties seemed ridiculous. To the man of vision and foresight, however, it showed that the Senate did not believe that the end of the peace movement was at hand, and in any case believed it was its duty to go on with the work it was doing. Therefore the peace treaties were ratified with Italy and with 17 of the smaller nations of the earth.

In September similar treaties between this country and Great Britain, France, Spain, and China were formally signed. Germany, Russia, Japan, Turkey, and Greece have indicated their approval of the principle involved in these instruments and are expected soon to become parties to them. Thus within a period which will forever be memorable for its bloodshed the President and Secretary Bryan brought practically the whole world into an agreement that there shall be no hasty war so far as this country is concerned. By these treaties it is provided that all international disputes shall be referred to a permanent commission for investigation, and that in no case shall hostilities begin before the expiration of a year.

Somebody, I believe it was the New York World, has called these covenants "breathing-spell treaties," and that is precisely what they are. If there had been a "breathing spell" in Europe how differently history would have been written.

Mr. President, there exists every reason why we all may adopt a cheerful view of the future and find relief, as did the lover in Tennyson's grand poem, "Locksley Hall," who, when the fair one proved faithless, after a tumult of conflicting emotions—indignation, grief, and despair—found relief in glowing visions of the future enterprise and progress of the world:

> For I dipt into the future, far as human eye could see,
> Saw the vision of the world and all the wonder that would be;
> Saw the heavens fill with commerce, argosies of magic sails,
> Pilots of the purple twilight, dropping down with costly bales;
> * * * * * * * *
> Till the war drum throbbed no longer, and the battle flags were furled,
> In the parliament of man, the federation of the world.
> There the common sense of most shall hold a fretful realm in awe,
> And the kindly earth shall slumber, lapt in universal law.

A complete list of the achievements of the present Congress under the leadership of President Wilson is so long that it would be tedious to try to recount them, and I must content myself by referring hurriedly to the following:

By public appearance at the Capitol the President has emphasized the ending of government by secret conferences and private arrangement.

Modified self-government conferred on the Filipinos.

Divorcement of the Government from alliances with New York financial interests in international affairs.

Parcel Post System developed and extended, and express rates reduced in consequence.

Extension of pure-food and meat-inspection acts, with resulting benefits to consumers.

Armor Plate Trust forced to reduce its bids, at a saving to the Government of more than $2,000,000. Is that extravagance?

Post Office Department made self-sustaining. That is some more extravagance, I presume.

Extension of the special delivery system to the parcel post.

Home life of the farmer made a subject of special study by the Department of Agriculture.

Farm-extension measure, carrying to the farmers the benefits of the scientific study of experts.

Emphasis given by the President to the presidential preference primary plan.

Better protection for passengers and property at sea has been looked into, taken cognizance of, and will be enacted into law.

Enactment of the Alaskan railway bill, opening up Alaska, as promised.

Academic, vocational, and technical instruction for enlisted men in the Navy provided by Secretary of the Navy.

Dissolution of the Southern Pacific merger and surrender of stock held by Pennsylvania Railroad in its competitor, the Baltimore & Ohio, accomplished along lines agreeable to the administration.

Prosecutions begun against several large trusts which have not agreed to a settlement along peaceful lines.

A firm foreign policy—one of "watchful waiting"—which prevented war with Mexico, avoided the untold loss of lives, the demoralization of business, and a staggering debt, which always follows war.

A revision of the rules of business, without the usual and heretofore inevitable panic. As a result of the efforts of this administration the laws have been made the same for everybody, big and little, not by wholesale denunciation, but by peaceful and judicious means.

We have refuted and fully answered the oft-repeated taunts that the Democratic Party has not the capacity for solving questions requiring constructive statesmanship, and we call as witnesses the currency, the tariff, the income tax, the trust bills, and other wise legislation, measures that not only received the votes of Democrats, but the votes of Republicans and Progressives as well in both the Senate and the House.

Witness a tariff that compels the trusts to sell as cheaply to you as to the people of foreign lands, framed without concessions to special interests.

A currency law under which when you deposit your money in the bank you get it when you need it—one that prevents panics.

An income tax that places upon the rich some proportion of the $1,000,000,000 a year which is now the cost of maintaining the Federal Government.

Witness the Federal Trade Commission bill. One of the great issues in the last presidential campaign was whether the solution of the trust problem was to be found in the regulation of monopoly or in the regulation of competition. The Democratic Party declared itself for the abolition of monopoly and the regulation of competition. Regulation of competition means the prevention of competition that destroys for the purpose of gaining monopoly, and so is harmful to the public—the prevention, in short, for unfair competition. The Sherman Act is adequate for the abolition of monopoly; it is, however, but imperfectly adequate for the regulation of competition. The Sixty-third Congress enacted a law creating a trade commission which will properly regulate competition, and thus supplement the Sherman law and supply its deficiency.

Witness an arbitration act, providing for conciliation and arbitration in controversies between capital and labor, which has already been successfully employed.

An enlargement of the scope of the parcel post, which has reduced the cost of transportation and become a lasting and convenient instrument of benefit to the consumer and producer.

Under the recent antitrust bill, the conference report which was agreed to just the other day, the trusts are required to obey court decrees; abandon unfair, cut-throat competition; cease discriminating between purchasers of their goods; disgorge control of competitors acquired under "holding-company" system; surrender the enormous power wielded through interlocking directorates

The following are the teeth of the Clayton-Culberson antitrust law:

Labor, agricultural, and horticultural organizations not conducted for profit are exempted from provisions of the Clayton bill relating to monopoly.

Officers of corporations violating the trust laws can be fined and imprisoned.

Holding companies are prohibited where their effect is to lessen competition or create monopoly.

Interlocking directorates in competing corporations, any one of which has a capital of more than $1,000,000, are made illegal two years after the passage of the bill.

Interlocking of railroad directors are forbidden with corporations dealing in securities, railroad supplies, or contracts in excess of $50,000 a year, except where the transactions are shown to be by public competitive bidding or with the consent of the Interstate Commerce Commission.

In the Clayton-Culberson antitrust law just passed there is a laborers' bill of rights, for this law rejects the brutal doctrines that labor is a commodity such as coal, copper, wheat, and lumber. This bill declares "that the labor of a human being is not a commodity or an article of commerce."

Under this law judges are prohibited—

First. From issuing injunctions against persons on account of their ceasing to perform any work or labor.

Second. From issuing injunctions to prevent laborers from recommending, advising, or persuading others by peaceful means to cease work.

Third. From issuing injunctions enjoining laboring men from attending near a house or place where any person resides or works or carries on business or happens to be for the purpose of peacefully obtaining or communicating information or peacefully persuading any person to work or to abstain from work.

Fourth. From issuing injunctions enjoining laboring men from ceasing to patronize any party to a labor dispute.

Fifth. From issuing injunctions enjoining laboring men from recommending, advising, or persuading others by peaceful means so to do.

Sixth. From issuing injunctions enjoining laboring men from paying or giving to or withholding from any person engaged in any labor dispute any strike benefits or other moneys or other things of value.

Seventh. From issuing injunctions enjoining laboring men from peacefully assemblying at any proper place in a lawful manner and for lawful purposes.

Eighth. From issuing injunctions enjoining laboring men from doing any act or thing which might lawfully be done in the absence of such labor dispute by any party thereto.

Under this law laborers are allowed to do peaceful picketing and jury trials shall be had in cases where persons are charged with indirect contempt of court. These wise and just provisions have been placed into the law in order that labor may have an effective way in which to enforce its just demands.

It is very gratifying to state that upon the following additional important measures of interest to the working people of the United States the Sixty-third Congress, or the third session of the Sixty-second Congress, took complete and final action. It is additionally satisfying to say that this record is the best any Congress ever made in behalf of the organized labor forces of the country.

A national Department of Labor was created, the Secretary of same to be a member of the President's Cabinet. The first Secretary to occupy this honorable and responsible position was formerly the national secretary of the United Mine Workers of America and for six years a Member of the House of Representatives; during the last term of two years he was chairman of the House of Representatives Committee on Labor.

All contractors and subcontractors doing work for the National Government, as well as on naval contracts and fortification contracts, must hereafter observe the eight-hour day.

Eight hours per day will be the maximum hereafter for all post-office clerks, letter carriers, and employees in the railway post offices.

Workmen employed on levees and water fronts and dredge operators have had the eight-hour-day law extended to such employments.

The Bureau of Mines act was amended and strengthened, thereby tending to conserve the health and safety of coal and metalliferous mine workers.

The national law granting compensation for injuries to Government employees was extended to employees in the Bureau of Mines and to lighthouse employees.

The manufacture of white phosphorus matches has been prohibited.

A physical valuation law for steam railroads and express companies was passed.

Increased appropriations were obtained to develop rescue work in the Bureau of Mines.

The three-watch or eight-hour system in the merchant marine, applicable to masters, mates, and pilots, was established.

Wages were increased for all employees in the Naval Gun Factory and for the pressmen in the Government Printing Office.

Public construction in Government navy yards of naval vessels, transports, and colliers has been extended, in opposition to such construction in private shipyards.

A law was enacted by which a Children's Bureau was established which will be effective in conserving the best interests of the children by practicable and scientific methods.

Former Presidents Roosevelt and Taft were directly rebuked by Congress because of their arbitrary Executive order depriving Government employees of the right of petition, the right of organization, and the right of hearing in the case of a discharged employee of the Government. The full rights of citizenship have been restored thereby to all employees of the National Government.

One of the best reforms, however, that has been accomplished is that the more or less famous "twilight zone" in our laws has been removed; that is to say, there is now no middle ground where "special interests" and predatory "big business" can take refuge from the laws of both State and Nation and plunder the people.

Another of the most valuable reforms is that the present administration has applied publicity to everything. The radium of publicity will cure corroding cancers in the body politic.

I have referred to the Democratic campaign book. I will now refer to it again in propounding some questions which I wish the distinguished Senator from Michigan would answer. Before you have a right to criticize the Democratic Party we want first to know what you are going to do if you are returned to power, and we want to ask you these questions:

What is your program if you are returned to power?

What Democratic laws would you repeal?

Would you repeal the income tax?

Would you take a backward step on the parcel post?

Would you again put your O. K. on Schedule K of the Payne-Aldrich tariff?

Would you restore the panic-breeding currency laws that made possible the great industrial and financial disaster of 1907?

Would you repeal the agriculture extension bill?

Would you restore the tax of $120,000,000 a year on the sugar consumed by the people?

Would you again work the wireless between the "special interests" and the seat of government that was worked during previous administrations?

Would you establish the old partnership between rotten politics and rotten business?

Are you for the express companies or the parcel post?

Are you for a tax on sugar or a tax on wealth? The Republican Party levied a tax on sugar; the Democratic Party levied it upon the incomes of the rich.

You Republicans wish to keep your political past a profound secret. We Democrats seek by all means to publish ours to the whole world.

To the voters of the United States the Democratic Party says "Read our record."

To the voters the Republican Party says "Let us forget."

The Democratic record is one of faithful service. The recent Republican record is an inventory of past mistakes.

You say that we have stretched the Federal Constitution, but our reply is that the "reactionaries" stretched it to cover every dollar in the Nation and that we have utilized it to cover and protect every person in the Nation.

We simply ask the voters to read the record and then choose which of the parties he would have for a servant.

In bringing about these reforms, the Democratic Party, naturally enough, has not met with the approbation of all persons. I pause right here to say that in bringing about these reforms the votes of Republicans and Progressives in both Houses of Congress have been cast for the measures. As somebody well said not long ago, it is up to the other side either to quit voting for our measures or to quit abusing them. It is idle and vain, Mr. President, to expect unanimous approval, as that is not even within the domain of imagination. It is very difficult, if not impossible, for a considerable number of persons, howsoever sincere, to agree on any one large subject as to all its details. Many worthy citizens conscientiously differ from us and fail to see any real reforms accomplished by the present administration.

Moreover, any person can point out defects and abuses, but it requires true statesmanship to point out remedies. While in the minority, as it was for 16 years, the most important function of the Democratic Party was—as it is always the function of the minority—to criticize. The position of a Member of Congress in the minority under our American system differs from the duties of a Member in the majority. The minority must criticize and object, the majority must construct and create; in other words, it must steer the ship.

Any person can destroy, while but few can create. A boy with a hammer in five minutes may destroy a statue which cost years of labor to create, and yet that boy may not be able to build up a snow man. Venus de Milos and Venus de Medici can not be purchased with money, yet a boy with a hammer could in two minutes reduce them to fragments of marble worth not above $2.

A person with a brush and a pot of tar could mutilate, splash, and ruin the grandest painting ever placed upon a canvas, and yet such person might not be able to draw a caricature.

A hostile force could within a few hours wreck and destroy Westminster Abbey in London, the Prado Museum in Madrid, the Dresden Galleries, the Louvre, the Congressional Library and National Museum at Washington, all containing monuments and treasures that are the masterpieces of ages, held for posterity, and yet the all-destroying vandals might not be able to build a barracks for their own quartering.

In most all departments of life's work it is useless to point out an abuse or evil unless at the same time we are prepared to propose a remedy.

He would be a very strange lawyer who could not summon sufficient legal capacity to point out defects in the antitrust laws, yet he would be a rare and profound lawyer who could suggest a remedy that would dispense exact justice to every person in our Nation.

He would be a dullard of a banker who could not point out some defects in the currency law, but the banker who can suggest a remedy that would render exact justice to all persons would achieve honor and imperishable renown.

We are all very slow to learn that at best the fruits of good government to us seem dim, abstract, far off, hazy, and nebulous. The fruits of good government and fair laws are justice, equity, civil, political, and religious liberty, peace, and equality of opportunity.

There are in the world tangible values—values that you can see, measure, weigh, analyze, mortgage, or sell; for instance, lumber, iron, paint, leather, copper, wool, horses, and cattle are tangible values. In other words, these things within certain limitations are susceptible of physical valuation. In the fever and hurry of the practical workaday world we are liable to forget that there are many things just as useful to mankind whose values are intangible and are not susceptible of physical valuation. Courts, assessors, and appraisers are unable to make any computations as to the amount of money value to be placed upon something which has an intangible value. Therefore at times some of the choicest and most precious fruits of just and beneficent laws have no tangible value; that is, no value that is measurable by money.

Justice, sentiments, character, credibility, peace, patience, prudence, moderation, magnanimity, courage, and ideals are all intangible values. You can not mortgage or sell these things, but their enjoyment may be curtailed or warped by unwholesome and unfair laws; just so, their enjoyment may be promoted by wise laws. Quite naturally enough there are, of course, in every nation, every government, and every political party those who see nothing but the tangible values and who are therefore seeking fruits of organization, special favors, pork-barrel legislation, and spoils. Moreover, many earnest people believe that the United States Treasury is a sort of national grab bag, and that it is a Senator's duty to grab all he can out of the bag for his own State; and those people who look upon the Treasury as a grab bag always seem to forget that the Treasury is replenished only by taxes levied upon the people. Many worthy people pay no attention to some of the intangible values and are utterly unable to appreciate them or are oblivious to them. Many, if not most, camp followers and reactionaries are prone to view these intangible values as mere floating phantoms or "the stuff that dreams are made on"; are prone to view peace, patience, prudence, moderation, equity, equality of opportunity, ideals, and sentiments as tolerable, indeed, but as a trifle too unreal, vague, unsubstantial, and illusory, for they can not be sold, delivered, hypothecated, nor made the subject of movements on the stock exchange. So whenever a government, a political party, a man, or a woman commences a movement for a larger liberty and a truer happiness for all the people such movement will sometimes be ridiculed and derided as of no particular value, because those who criticize or object are unable to comprehend anything except tangible values.

Intangible values make a nation great even more truly than does material wealth.

Let me ask, What is a nation? Is a man made or measured by his office, his contracts, his gold, his lands, or by the character that is his and the courage of his soul? Is a nation land and water, law books, and a treasury? Do government buildings, courts and congresses, armies and navies make a nation? These things, my friends, are but the garments, the decorations, the weapons of nationality. These trappings do not touch the essence of nationhood, which, like the essence of manhood and womanhood, is a purely spiritual thing. A nation is the composite soul of a people struggling to make itself immortal in the common good of all.

Soul and not goods is the test of the nationhood of a people. But what is the true measure of greatness? Is it a matter of acres? Was Greece small in the days of Pericles? Were the 13 American Colonies small in the days of Washington, Jefferson, Ben Franklin, and Patrick Henry? Can you weigh a nation in terms of transportation or by tonnage tables? Were the Egyptians building the Pyramids as strong as the Israelites carrying the Mosaic law across the desert? Does a nation's power consist of battleships and soldiery? Was the sword of Cæsar more powerful than the words of St. Paul? Is the accumulation of capital a security beyond the hour? Will John D. Rockefeller be remembered in history as long as John the Baptist? Was the rich pharisee as truly justified as the poor publican?

Sir William Jones, whose unremitting literary labors and whose vast knowledge of laws and language made posterity his debtor, still further increased civilization's debt to himself when he wrote that splendid poem, entitled "What Constitutes a State."

What constitutes a State?
Not high-raised battlement or laboured mound,
Thick wall or moated gate;
Not cities proud with spires and turrets crowned;
Not bays and broad-armed ports,
Where, laughing at the storm, rich navies ride;
Not starred and spangled courts.
* * * * *
No; men, high-minded men,
* * * * *
Men who their duties know,
But know their rights, and knowing, dare maintain,
Prevent the long-aimed blow,
And crush the tyrant while they rend the chain;
These constitute a State.

Hence it is that the beneficent effects of some of the wisest reforms accomplished by the present administration will not make themselves manifest immediately, but in the long years to come as time ticks on the people will gratefully remember this President and this Congress, for they have worked untiringly for the best interest of the American people, they have worked without a vacation, and with a sincerity and morality entirely new to our political life, and have valiantly striven toward national tranquillity, constitutional freedom, and all the noble sentiments and generous ambitions that adorn and elevate human nature.

IMPROVEMENT OF EAST RIVER AND HELL GATE, N. Y.

Mr. O'GORMAN. On behalf of the senior Senator from North Carolina [Mr. SIMMONS], who has been temporarily called out of the Chamber on official business, I desire to make a favorable report from the Committee on Commerce on Senate joint resolution 194, and I submit a report (No. 814) thereon. I ask unanimous consent for the immediate consideration of the joint resolution.

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Is there objection?

Mr. SMOOT. Let it be stated, Mr. President.

The PRESIDING OFFICER. The Secretary will state the title of the joint resolution.

The SECRETARY. A joint resolution (S. J. Res. 194) authorizing the Secretary of War to use any allotment made under the provisions of an act approved October 2, 1914, entitled "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," for the improvement of East River and Hell Gate, N. Y.

Mr. SMOOT. Mr. President, I certainly want some information about this joint resolution before giving my consent to its immediate consideration.

Mr. O'GORMAN. I desire simply to make this statement: In the East River close to New York Bay there is a very dangerous reef known as Coenties Reef. It is a menace to navigation. In the recent rivers and harbors bill an ample appropriation was made for it. It went out, however, with so many others. There is an emergent need of some attention being given to the matter at this time, and the Commerce Committee of the Senate has favorably considered this joint resolution, which simply authorizes the War Department to avail itself of certain allotments made in a previous act. The joint resolution has the approval and, I think, the recommendation of the War Department.

Mr. SMOOT. I will ask the Senator if the report is unanimous?

Mr. O'GORMAN. Owing to its emergent character the committee has been polled. I think every Republican member of the committee has signed and every Democratic member who was available has signed, including the acting chairman, the Senator from North Carolina [Mr. SIMMONS]. The Senator

from Ohio [Mr. BURTON], who is thoroughly familiar with the improvement, took up the matter, and it was he who secured the polling of the committee.

Mr. SMOOT. In view of the statement made by the Senator from New York, I shall not object to the present consideration of the joint resolution.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which was read, as follows:

Resolved, etc., That the Secretary of War is authorized and empowered to use any allotment made under the provisions of an act approved October 2, 1914, entitled "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," for the improvement of East River and Hell Gate, N. Y., together with any funds heretofore appropriated for the said improvement and now available, for the removal of Coenties Reef to a depth of 35 feet below mean low water.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

LEON GREENBAUM.

Mr. O'GORMAN. I trespass upon the indulgence of the Senate for another moment to ask their consent for the passage of the bill (H. R. 10168) for the relief of Leon Greenbaum, reported from the Committee on Claims.

The beneficiary, while an employee of the Brooklyn Navy Yard and in the course of his duties, sustained an injury which involved the loss of a leg. The Committee on Claims has made an award of $2,500, and I ask that it be taken up for consideration.

The PRESIDING OFFICER. The bill will be read.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The bill was reported from the Committee on Claims with an amendment, on page 1, line 4, to strike out "$1,750" and insert "$2,500," so as to make the bill read:

Be it enacted, etc., That there be paid, out of any money in the Treasury not otherwise appropriated, the sum of $2,500 to Leon Greenbaum, of New York City, N. Y., to compensate him in full for all claims he may have against the United States arising out of injuries received by him while in the Government employ in the Brooklyn Navy Yard, Brooklyn, N. Y., in April, 1911.

The amendment was agreed to.

The bill was reported to the Senate as amended and the amendment was concurred in.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ARTHUR J. FLOYD.

Mr. NORRIS. I ask unanimous consent for the consideration of the bill (S. 5497) authorizing the issuance of patent to Arthur J. Floyd for section 31, township 22 north, range 22 west of the sixth principal meridian, in the State of Nebraska.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to issue patent to Arthur J. Floyd for section 31, in township 22 north, range 22 west of the sixth principal meridian, in the State of Nebraska.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

ROCKY MOUNTAIN NATIONAL PARK.

Mr. THOMAS. I ask unanimous consent to take up the bill (S. 6309) to establish the Rocky Mountain National Park in the State of Colorado, and for other purposes.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The bill was reported from the Committee on Public Lands with amendments.

The first amendment was, in section 1, page 1, after the words "to wit," in line 5, to strike out down to and including the words "State of Colorado," page 9, line 10, and to insert:

Beginning at the southeast corner of section 34, township 3 north, range 73 west of the sixth principal meridian, Colorado, thence north along the section lines to the northeast corner of section 3, said township; thence west to the northwest corner of said section; thence north along the section lines to the northeast corner of section 16, township 4 north, range 73 west; thence west to the northwest corner of said section; thence north to the northeast corner of section 8, said township; thence west along the section lines to the northwest corner of section 7, said township; thence north to the northeast corner of township 4 north, range 74 west; thence west along the first correction line north, to the southeast corner of section 36, township 5 north, range 74 west; thence north along the range line to the northeast corner of the southeast quarter of the southeast quarter of section 13, said township; thence west to the northwest corner of the southeast quarter of the southeast quarter of section 14, said township; thence north to the northwest corner of the northeast quarter of the southeast quarter of section 11, said township; thence east to the northeast corner of the northeast quarter of the southeast quarter of section 12, said township; thence south along the range line to the southeast corner of said section; thence east along the section lines to the southeast corner of the southwest quarter of section 10, township 5 north, range 73 west; thence north to the northeast corner of the southwest quarter of said section; thence east to the southeast corner of the northeast quarter of said section; thence north to the northeast corner of said section; thence east to the southeast corner of the southwest quarter of the southwest quarter of section 2, said township; thence north to the northeast corner of the southwest quarter of the southwest quarter of said section; thence east to the southeast corner of the northeast quarter of the southwest quarter, said section; thence north to the northeast corner of the northeast quarter of the southwest quarter of said section; thence east to the southeast corner of the northeast quarter of section 1, said township; thence north along the range line to the northeast corner of section 36, township 7 north, range 73 west; thence west along the section lines to the intersection with the west bank of the Big South Cache la Poudre River in township 7 north, range 75 west; thence southeasterly along the west bank of said river to the mouth of a tributary of said river, probable in section 1, township 6 north, range 75 west; said tributary heading at La Poudre Pass in section 20, township 6 north, range 75 west; thence southwesterly along the west bank of said tributary to its head; thence across the Continental Divide to the headwaters of the North Fork of the Grand River, which also heads at La Poudre Pass; thence down the west bank of the North Fork of the Grand River to its intersection with the section line between sections 29 and 30, township 6 north, range 75 west; thence south along the section lines to the southeast corner of section 18, township 5 north, range 75 west; thence west along the section line to its intersection with the west bank of the North Fork of the Grand River; thence down the west bank of the North Fork of the Grand River to its intersection with the section line between sections 25 and 36, township 4 north, range 76 west; thence east to the northeast corner of section 1, said township; thence north along the range line to the southeast corner of said township; thence east along the township line to the northeast corner of the northwest quarter of section 4, township 3 north, range 75 west; thence south to the southwest corner of the northeast quarter of section 9, said township; thence west along the quarter section line to its intersection with a creek in section 7, said township, this creek being an outlet of Grand Lake, and flowing into the North Fork of the Grand River; thence southerly along the said creek to its junction with the North Fork of the Grand River; thence southerly along the west bank of the North Fork of the Grand River to its intersection with the township line between townships 2 and 3 north; thence east along the township line to the southeast corner of section 34, township 3 north, range 73 west of the sixth principal meridian, Colorado, the place of beginning: *Provided*, That the United States Reclamation Service may enter upon and utilize for flowage or other purposes any area within said park which may be necessary for the development and maintenance of a Government reclamation project.

So as to read:

That the tract of land in the State of Colorado particularly described by and included within metes and bounds as follows, to wit: Beginning at the southeast corner of section 34, township 3 north, range 73 west of the sixth principal meridian, Colorado, etc.

The amendment was agreed to.

The next amendment was, in section 3, page 13, line 13, after the word "such," to strike out the words "private claims or," so as to make the section read:

SEC. 3. That no lands located within the park boundaries now held in private, municipal, or State ownership shall be affected by or subject to the provisions of this act; but the State or any person, individual, or entity holding such title may surrender the same to the United States, the same thereby becoming a part of the park; and, upon the approval of the Secretary of the Interior, be granted, in lieu thereof, without regard to quantity or acreage, but on a basis of equal value, lands from the public domain of the United States situated elsewhere and not contained in any national forest or other reservation; or, with the added approval of the Secretary of Agriculture, may receive in exchange lands included within a national forest; or, upon proper conditions, dead, decadent, or mature timber from the national forests; or, when in the judgment of the Secretary of the Interior advantageous to the park, may receive the right to remove dead or decadent timber from the park area.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

THOMAS HAYCOCK.

Mr. SMOOT. I ask unanimous consent for the present consideration of the bill (H. R. 2696) for the relief of Thomas Haycock.

The PRESIDING OFFICER. The bill will be read.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration. It proposes to pay to Thomas Haycock the sum of $500, to reimburse him for the sum paid by him to the Government in excess of the amount of the surety bond signed by him in behalf of the late postmaster at Tropic, Utah.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

CHARLES S. WELLS.

Mr. SHAFROTH. I ask unanimous consent for the present consideration of the bill (S. 2287) to correct the military record of Charles S. Wells.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported from the Committee on Military Affairs with an amendment on page 1, line 10, after the words "eighteen hundred and sixty-one," to insert the following proviso:

Provided, That no back pay, bounty, pension, or other emolument shall accrue by reason of the passage of this act.

So as to make the bill read:

Be it enacted, etc., That in the administration of the pension laws and the laws conferring rights and privileges upon honorably discharged soldiers of the Volunteer Army, Charles S. Wells shall be held and considered to have been honorably discharged from the military service of the United States as a member of Company F, Twelfth Regiment New York Volunteer Infantry, on the 26th day of December, 1861: *Provided*, That no back pay, bounty, pension, or other emolument shall accrue by reason of the passage of this act.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Charles S. Wells."

Mr. KERN. I move that the Senate take a recess until 11 o'clock to-morrow.

Mr. SMITH of Georgia. I have a little bill which I should like to have passed.

Mr. SMITH of Arizona. And I have one also.

Mr. KERN. I will withhold the motion for the present.

GEORGIA RAILROAD & BANKING CO.

Mr. SMITH of Georgia. I ask unanimous consent to call up the bill (S. 926) for the relief of the Georgia Railroad & Banking Co.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $4,888.68 to the Georgia Railroad & Banking Co., formerly called the Georgia Railroad Co., for the balance due it for the transportation of the United States mails under contract prior to May 31, 1861, on routes Nos. 6136, 6143, and 6144, Georgia, said balance having been found due by the Auditor for the Post Office Department and reported to Congress by the Secretary of the Treasury in Document No. 297, first session Fifty-ninth Congress.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

RECLAMATION SERVICE.

Mr. SMITH of Arizona. I ask unanimous consent for the present consideration of the joint resolution (S. J. Res. 172) excepting the Reclamation Service from the operation of section 5 of the act of Congress approved July 16, 1914.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which was read, as follows:

Resolved, etc., That the provisions of section 5 of an act of Congress approved July 16, 1914, making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1915, and for other purposes, shall not apply to the purchase, maintenance, repair, or operation of any motor-propelled or horse-drawn passenger-carrying vehicles used or required by the Reclamation Service in connection with the construction, operation, or maintenance of any reclamation projects or works authorized or constructed under the act of Congress approved June 17, 1902, or acts supplemental thereto or amendatory thereof.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

ASSAY OFFICE IN NEW YORK CITY.

Mr. SWANSON. There is a measure that I desire to have passed, which is very important. Congress made an appropriation of $607,000 to remodel the assay office and other offices of the United States Government in Wall Street, New York.

The PRESIDING OFFICER. What is the calendar number?

Mr. SWANSON. It is not on the calendar. I report back favorably without amendment from the Committee on Public Buildings and Grounds the bill (H. R. 13296) for the enlargement of the Wall Street front of the assay office. It was thought that the building could be remodeled, but the Secretary of the Treasury and the Supervising Architect, after examining into the matter, reached the conclusion that for the same amount of money it would be cheaper to demolish the building and erect a new one rather than remodel the old one.

A bill was introduced in the House and in the Senate authorizing the change from remodeling to a reconstruction. The bill passed the Senate and it is over in the House. The House passed an identical bill and it came to the Senate, and it is the House bill which I report favorably from the committee.

Mr. VARDAMAN. I should like to ask the Senator from Virginia when is the money to be spent?

Mr. SWANSON. The money has already been appropriated. Under the acts of March 4, 1911, and August 22, 1912, an expenditure of $607,408 was authorized for remodeling the assay office in New York.

Mr. VARDAMAN. How much has been spent?

Mr. SWANSON. Not any of it.

Mr. VARDAMAN. Why not postpone the expenditure until the times get a little better?

Mr. SWANSON. The money has already been appropriated, and it will never be used for any other purpose.

Mr. VARDAMAN. I think we ought to cut down our expenditures in such matters until after the European war.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

Mr. VARDAMAN. Yes; I object.

Mr. SWANSON. I will say to the junior Senator from Mississippi that the Secretary of the Treasury about a month ago wrote a letter to me urging the necessity of getting the bill through. He said that the quarters are crowded and that it is impossible to conduct the Government business properly there. If the Senator will permit me, I will state that the same amount of money will be spent to remodel the old building. The money has been appropriated to remodel it, and the only question is whether Congress shall authorize the construction of a new building instead of remodeling the old one. If Congress does not give authority, they will go on and remodel the old one.

Mr. VARDAMAN. With the suggestion of the department that there ought to be a new building erected they would hardly go ahead and remodel the old one.

Mr. SWANSON. They are directed by Congress to do so, and they will be disposed to do it unless authority is given to change the plan.

Mr. VARDAMAN. Mr. President, I am opposed to appropriating any more money or levying any more taxes.

The PRESIDING OFFICER. The Senator from Mississippi objects to the consideration of the bill, and it goes to the calendar.

BENJAMIN A. SANDERS.

Mr. SMOOT. I ask unanimous consent for the consideration of the bill (H. R. 12198) for the relief of Benjamin A. Sanders.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Benjamin A. Sanders, the sum of $1,000, in full compensation for injuries received by him on December 26, 1912, while in the performance of his duties as an employee of the United States Government, being principal of the Uintah Indian boarding school, Whiterocks, Utah, by a flying piece of a broken emery wheel used as a part of the equipment of said school.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

RECESS.

Mr. KERN. I move that the Senate take a recess until 11 o'clock to-morrow forenoon.

The motion was agreed to; and (at 5 o'clock and 15 minutes p. m. Thursday, October 8, 1914) the Senate took a recess until to-morrow, Friday, October 9, 1914, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

THURSDAY, *October 8, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Thou who art mighty to deliver, strong to uphold, deliver us, we beseech Thee, from evil and uphold us when we are right, that we may look back upon the proceedings of this day with an approving conscience, and Thine be the praise in Jesus Christ, our Lord. Amen.

THE JOURNAL.

The Journal of the proceedings of yesterday was read.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move that the Journal be approved.

The question was taken, and the motion was agreed to.

Mr. FERGUSSON. Mr. Speaker, on page 16271 of the RECORD of October 7 I am recorded as not voting. That is an error, and I ask that it be corrected.

The SPEAKER. Without objection, the correction will be made in the RECORD and Journal.

Mr. MANN. Mr. Speaker, the Journal has just been approved by a vote of the House.

The SPEAKER. It can be done by unanimous consent.

Mr. MANN. Can it be without reconsidering the vote by which it was approved?

The SPEAKER. You can do anything by unanimous consent.

Mr. JOHNSON of Kentucky. Mr. Speaker, in order that the *gentleman* may have an opportunity to have this correction made, I move to reconsider the vote by which the Journal was approved.

The SPEAKER. The gentleman from Kentucky moves to reconsider the vote by which the Journal was approved.

The question was taken, and the motion was agreed to.

The SPEAKER. The gentleman from New Mexico asks unanimous consent to have the Journal corrected in the respect mentioned, which will be done without objection.

There was no objection.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move that the Journal as amended be approved.

Mr. LAZARO. Mr. Speaker, I desire to correct the RECORD. On page 16280 of yesterday's RECORD I am recorded as being absent. I was present all day, and voted on every roll call.

The SPEAKER. Without objection, the correction will be made.

Mr. RAKER. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. RAKER. After the approval of the Journal I desire to make a request for unanimous consent.

The SPEAKER. The gentleman from Kentucky [Mr. JOHNSON] moves that the Journal be approved.

The question was taken, and the Journal was approved.

EXTENSION OF REMARKS.

Mr. RAKER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an editorial which was printed in the Washington Post of this morning on the President of the United States.

The SPEAKER. The gentleman from California asks unanimous consent to extend his remarks in the RECORD by printing an editorial from the Washington Post about the President. Is there objection?

Mr. MANN. I object.

The SPEAKER. The gentleman from Illinois objects.

Mr. JOHNSON of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a short statement with reference to the distribution of some money, $66,000, to various tribes of the Lower Chinook Indians, after a lapse of 63 years, a portion of which, $1,500, must be returned to the United States because all members of one of the tribes, the Nuc-quee-clah-we-mucks, are dead.

The SPEAKER. Is there objection to the request of the gentleman from Washington? [After a pause.] The Chair hears none.

ORDER OF BUSINESS.

Mr. RAKER. Mr. Speaker, I ask unanimous consent that I may proceed for five minutes.

The SPEAKER. The gentleman from California [Mr. RAKER] asks unanimous consent to proceed for five minutes. Is there objection?

Mr. MANN. Reserving the right to object, the gentleman knows a large number of the Members of the House desire to address the House on various subjects. There is no opportunity to do that, and I am not willing that one gentleman shall have that privilege to the exclusion of others, and I object.

The SPEAKER. The gentleman from Illinois objects, and that is the end of it.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed, with amendments, joint resolution of the following title, in which the concurrence of the House of Representatives was requested:

H. J. Res. 241. Joint resolution for the appointment of four members of the Board of Managers of the National Home for Disabled Volunteer Soldiers.

The message also announced that the Senate had passed, without amendment, bill of the following title:

H. R. 11166. An act for the relief of Wilhelmina Rohe.

The message also announced that the Senate had passed joint resolution of the following title, in which the concurrence of the House of Representatives was requested:

S. J. Res. 193. Joint resolution to authorize the President to grant leave of absence to two commissioned officers of the line of the Navy for the purpose of accepting an appointment under the Government of Brazil as instructors in naval strategy and tactics in the Naval War College of Brazil.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. BROUSSARD, for two days, on account of illness.

To Mr. FERGUSSON, for this week, on account of illness.

EXTENSION OF REMARKS.

Mr. THOMPSON of Oklahoma. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Oklahoma rise?

Mr. THOMPSON of Oklahoma. Mr. Speaker, I desire unanimous consent to extend my remarks in the RECORD on the cotton situation in the South.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to extend his remarks in the RECORD on the cotton situation in the South. Is there objection?

Mr. MANN. Mr. Speaker, I object.

The SPEAKER. The gentleman from Illinois objects.

Mr. BURNETT. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting in the RECORD a speech delivered by Secretary of State Bryan last Sunday at the peace prayer meeting in New York.

The SPEAKER. The gentleman from Alabama [Mr. BURNETT] asks unanimous consent to extend his remarks by printing in the RECORD a speech by the Secretary of State last Sunday on the subject of peace. Is there objection? [After a pause.] The Chair hears none.

ANTITRUST LEGISLATION.

Mr. WEBB. Mr. Speaker, I yield 40 minutes to the gentleman from Arkansas [Mr. FLOYD].

The SPEAKER. The gentleman from Arkansas [Mr. FLOYD] is recognized for 40 minutes.

Mr. THOMPSON of Oklahoma. Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER. The gentleman from Oklahoma [Mr. THOMPSON] makes the point of order that there is no quorum present, and evidently there is not.

Mr. UNDERWOOD. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Fowler	Langham	Ragsdale
Ansberry	Francis	Langley	Rainey
Anthony	French	L'Engle	Reed
Ashbrook	Gardner	Lenroot	Riordan
Austin	George	Lever	Roberts, Mass.
Baker	Gerry	Lewis, Md.	Rothermel
Bell, Cal.	Gillett	Lewis, Pa.	Sabath
Britten	Gittins	Lindquist	Sells
Brodbeck	Goldfogle	Linthicum	Shreve
Broussard	Graham, Ill.	Loft	Slemp
Brown, N. Y.	Graham, Pa.	McAndrews	Smith, Saml. W.
Browning	Gregg	McClellan	Smith, Minn.
Brumbaugh	Guernsey	McGuire, Okla.	Smith, N. Y.
Burgess	Hamill	MacDonald	Stanley
Burke, Pa.	Hamilton, N. Y.	Mahan	Stephens, Cal.
Burke, Wis.	Hardy	Maher	Stevens, N. H.
Butler	Harris	Martin	Stout
Byrnes, S. C.	Harrison	Merritt	Stringer
Calder	Hart	Metz	Sumners
Callaway	Heflin	Morin	Taylor, Ala.
Cantrill	Helvering	Moss, W. Va.	Temple
Chandler, N. Y.	Hinebaugh	Mott	Townsend
Church	Hobson	Murdock	Treadway
Connelly, Kans.	Hoxworth	Neeley, Kans.	Tuttle
Connolly, Iowa	Hughes, W. Va.	Norton	Walker
Conry	Hulings	O'Hair	Wallin
Copley	Humphreys, Miss.	O'Shaunessy	Walters
Cramton	Kelly, Pa.	Paige, Mass.	Watkins
Doughton	Kennedy, R. I.	Palmer	Whaley
Elder	Kent	Parker	Willis
Faison	Kindel	Patten, N. Y.	Wilson, N. Y.
Fergusson	Knowland, J. R.	Platt	Winslow
Fess	Konop	Powers	Woodruff
Fitzgerald	Korbly	Prouty	Woods

The SPEAKER. On this vote 292 Members have answered to their names—a quorum.

Mr. UNDERWOOD. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors.

Mr. UNDERWOOD. Mr. Speaker, I understand that there are two hours and a half of debate yet on this bill. If we can maintain a quorum in the House for two hours and a half and get a vote, we can adjourn about 5 o'clock. If we have to call the roll every half hour during the debate, we will have to stay

here until 7. We will have to pass the bill to-day, and I hope we can hold a quorum in the House until the vote is taken.

The SPEAKER. Members very properly should remain in the House to-day. A filibuster can do no good then.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

A message, in writing, from the President of the United States was communicated to the House of Representatives by Mr. Latta, one of his secretaries, who also informed the House of Representatives that the President had approved and signed bills and joint resolutions of the following titles:

On September 25, 1914:

H. R. 13219. An act to provide, in the interest of public health, comfort, morals, and safety, for the discontinuance of the use as dwellings of buildings situated in the alleys of the District of Columbia.

On September 26, 1914:

H. R. 15613. An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes.

On October 2, 1914:

H. R. 13811. An act making appropriations for the construction, repair, and preservation of certain public work on rivers and harbors, and for other purposes.

On October 5, 1914:

H. J. Res. 335. Joint resolution to amend an act entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war," approved July 21, 1914;

H. J. Res. 339. Joint resolution to correct an error in H. R. 12914; and

H. J. Res. 342. Joint resolution to correct an error in H. R. 12914.

On October 7, 1914:

H. R. 18732. An act to amend section 98 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911;

S. 5798. An act authorizing the health officer of the District of Columbia to issue a permit for the removal of the remains of the late Earl A. Bancroft from Glenwood Cemetery, D. C., to Mantorville, Minn.; and

S. 6440. An act to authorize the Chicago, Milwaukee & St. Paul Railway Co. and the Chicago, St. Paul, Minneapolis & Omaha Railway Co. to construct a bridge across the Mississippi River at St. Paul, Minn.

ANTITRUST LEGISLATION.

The SPEAKER. The gentleman from Arkansas [Mr. FLOYD] is recognized for 40 minutes.

Mr. FLOYD of Arkansas. Mr. Speaker, as one of the conferees on the part of the House, I desire to explain this conference report, the changes made therein, and the reasons leading up to those changes, and incidentally to answer some of the criticisms that have been spread broadcast over the country with regard to the action of the conferees and in regard to the report. I desire to read one of those criticisms, which was published in the Washington Post the morning after the conference report was approved by the Senate—a news item in that paper—and I read it because it is but a reflection of criticisms that have been sent broadcast all over the country. It is as follows:

REWRITE ITS DEFINITIONS.

As the bill passed the Senate it fairly bristled with penalties. The conference report, with rare exceptions, changed provisions for fines and jail sentences to declarations that the acts described "shall be unlawful." Besides taking the "teeth" from the measure in this direct manner, the conferees rewrote most of the definitions of illegal acts, broadening them and adding exceptions to such extent that the former precise and definitive sections have become diffuse and susceptible of interpretation only by a court.

Now, in view of that criticism of the action of the conferees, in justice to the conferees I think it but fair to state the facts as to the condition of the bill as it came from the Senate and reached the conferees. In conference only one criminal penalty was eliminated, and that was in section 2, which was inserted by the Senate. The section went out in conference and the penalty with it. That section related to patented articles only. It corresponded and was substituted for section 4 in the House bill after that section had been stricken out by the Senate. We insisted upon the restoration of section 4 of the House bill, which applied not only to patented but unpatented articles, and that section finally was restored as section 3 in the conference report, but without a penalty. The bill as it passed the House contained six sections that provided criminal penalties, namely, sections 2, 3, 4, 8, 9, and 12, the last section being commonly referred to as the personal-guilt clause of our bill. Sections 2, 3, and 4 of the House bill were stricken out entirely in the Senate, and by reference to section 9 of the House bill it will be seen that the paragraph relating to interlocking directorates of banks was stricken out by the Senate. In that condition the bill went to conference. The work of the conferees was therefore not a work of elimination, but a work of restoration. As conferees on the part of the House we insisted upon the restoration of those provisions which were contained in the bill when it passed the House, and finally, after more than two weeks in conference, it was agreed that sections 2, 4, and 9 of our bill should each be restored and the acts therein condemned should be declared unlawful, omitting the criminal penalties. Section 12 of the House bill, the personal-guilt provision of the bill, has not been disturbed. The penal provisions in new sections added by the Senate have not been disturbed, except in the one instance mentioned.

The bill as it comes to you to-day for consideration contains the substantive provisions of every section of the bill as it passed the House, with the exception of section 3, which was stricken out entirely; and it contains every substantive provision that was added by the Senate, with the exception of sections 25 and 26, which were stricken out in conference, and section 2, already referred to, which was also stricken out. So the bill as reported by the conferees embodies the comprehensive work of both the House and the Senate almost in its entirety. Yet certain gentlemen and certain interests in this country that for a year have been loudly protesting against the provisions in the bill as too drastic when certain criminal penalties have been stricken from it now seek to defeat the legislation by the clamor that the teeth have all been taken out of the bill.

Now, let us see whether they have or not. The bill is before you. Is it a small thing to say that an act or contract is unlawful, that an act or contract relating to business transactions is unlawful? Is that a small thing to say? The great body of laws which govern business affairs in this country are civil and not criminal laws. The rights of individuals in their most sacred relations in society and their property rights are protected and maintained by civil statutes. Is there no virtue in civil remedies in this Republic? Keep in mind that we have not disturbed the text of the Sherman law. We have not disturbed the penal provisions in the existing antitrust laws, including the Sherman law. We have, on the contrary, supplemented the penal provisions of the Sherman law and of other existing antitrust laws. Section 12 of the House bill, now section 14 of this bill, makes guilt personal—and it was retained by the Senate, retained by the conferees, and is in the bill reported by the conferees in the exact wording in which it passed the House.

Mr. BATHRICK. Will the gentleman yield?

Mr. FLOYD of Arkansas. I decline to yield just at this time. I will be glad to yield later.

Mr. BATHRICK. Just a short question.

Mr. FLOYD of Arkansas. Ask it.

Mr. BATHRICK. Section 14 is the personal-guilt section?

Mr. FLOYD of Arkansas. I will state to the gentleman I expect to discuss that section when I reach that point of my argument.

Mr. BATHRICK. Does that provide a penalty for section 2, the tying-contract section?

Mr. FLOYD of Arkansas. Not within itself; but I will explain that later.

So we did not disturb the Sherman law in its efficacy as a criminal statute; we did not disturb the penalties prescribed in the Sherman law. There are certain other criminal penalties in this bill that were not disturbed by the conferees.

And since the gentleman has asked me that question, I desire to take up now briefly that part of the report covering sections 2, 3, and 7. The first relates to discriminatory contracts, the second relates to tying or exclusive contracts, and the third to holding companies. It will be observed that these sections deal with contractual relations in commercial dealings. After the penalties were stricken out, the provisions of sections 2 and 3 were modified, because as criminal sections they were drafted with all the particularity of criminal statutes, the intent and purpose being included. But that is not the rule applicable to contracts. So when we decided that the acts forbidden, instead of being made penal and criminal, should be simply condemned as unlawful, a modification was made in harmony with principles governing the construction and interpretation of contracts.

We have been criticized for injecting or inserting certain words into sections 2 and 3 in conference. Where did those mysterious words "substantially lessen competition or tend to create a monopoly" originate? They were incorporated in section 8, the holding-company provision of the bill, as it passed this House. They passed muster in the Senate of the United States and were retained in the holding-company provision as it passed the Senate and were retained in conference. In modify-

ing and changing sections 2 and 3, so as to make the acts prohibited therein unlawful, without making them penal, it became necessary to change the wording of each, in other respects. We took the language that had been already approved by both the House and the Senate in another section, the one relating to holding companies, and applied it to sections 2 and 3, the latter corresponding to our section 4, so that the three sections, namely, sections 2, 3, and 7 of the conference report, are in harmony now, all dealing with the question of contracts, the same principle being applied to each one of them.

The gentleman from Minnesota [Mr. VOLSTEAD] criticizes this language and criticizes these provisions, claiming that we are in some way interfering with the operations of the Sherman antitrust law; at least he fears we are. Not at all. That language did not originate with our committee. That language originated from a discussion in the opinion of the Supreme Court of the United States in the case of the Addyston Pipe & Steel Co. against United States. The court, in discussing this very question of contracts, uses this language. I quote:

> But it has never been, and in our opinion ought not to be, held that the word included the right of an individual to enter into private contracts upon all subjects, no matter what their nature and wholly irrespective, among other things, of the fact that they would, if performed, result in the regulation of interstate commerce and in the violation of an act of Congress upon that subject. The provision in the Constitution does not, as we believe, exclude Congress from legislating with regard to contracts of the above nature while in the exercise of its constitutional right to regulate commerce among the States. On the contrary, we think the provision regarding the liberty of the citizen is, to some extent, limited by the commerce clause of the Constitution, and that the power of Congress to regulate interstate commerce comprises the right to enact a law prohibiting the citizen from entering into these private contracts which directly and substantially, and not merely indirectly, remotely, incidentally, and collaterally, regulate to a greater or less degree commerce among the States.

Here is the origin of the application of that word "substantially" in the several sections referred to. And yet some criticisms have been published in the press to the effect that some sinister influence was brought to bear upon the conferees after the bill was sent to conference in order to induce the conferees to write those words into those sections after the penalties originally provided had been stricken out. Why the necessity of restoring these sections without penalties? In justice to the Senate of the United States let it be said that after section 5 of the Trade Commission bill had passed that body and had been approved by the House, condemning as unlawful all unfair methods of competition, the theory of the Senators was that these unfair methods would be included and cared for under the provisions of the Trade Commission bill. But that was not the view of your managers on the part of the House. Your conferees believed that in dealing with these contractual relations, the Supreme Court having held that Congress has the power to declare null and void any contract that substantially interfered with interstate commerce, but that the courts have no such power in the absence of an act of Congress condemning them, such contracts would be upheld in the future, not only by the commission but by the courts, until the legislative power of this Government declared them to be unlawful. We insisted that those three provisions be placed back in the bill, and finally they were placed back in the bill without the penalties. In answer to the gentleman from Ohio [Mr. BATHRICK] I will say for the things condemned in these sections, namely, the making of discriminatory contracts, the making of tying or exclusive contracts, and the making of contracts for unlawful acquisition of stock under section 7 no criminal penalty attaches, because those are not penal provisions of the antitrust laws; but they are still provisions of the antitrust laws, and every civil remedy that is applicable to any antitrust law may be invoked for their enforcement.

Now, I desire to consider each of those provisions in detail. Is there no power, no injury, no force in declaring a contract unlawful? Let us see what condition the trusts will find themselves in if this provision is enacted into law. A combination makes a contract in violation of any of these provisions. The effect of the contract is to substantially lessen competition or tends to create a monopoly. What is it worth? The maker of that contract can not enforce it in any court of law or equity. Is not that a strong and efficient remedy when the injured party is seeking his rights against the offending corporation? Is it not a stronger reason why one should refuse to enter into such a contract than a mere criminal penalty? In my State we have a statute against gambling. As an officer of the State I have prosecuted many persons for acts of gambling. But we have another statute that declares that all gambling contracts are unlawful, and the man can not be found in Arkansas who is fool enough to make a gambling contract. Why? Because he gains no right under it. The contract is worthless. He can assert no rights under it, and he can protect no rights under it.

Is declaring that a contract made under it is unlawful and taking away from the holder any right to enforce it either in law or equity taking the "teeth" out of the provision?

Mr. OGLESBY. Mr. Speaker, will the gentleman permit a question?

Mr. FLOYD of Arkansas. For a brief question, yes. My time is limited.

Mr. OGLESBY. Section 2, as it passed the Senate, prohibited tying clauses?

Mr. FLOYD of Arkansas. Yes, sir.

Mr. OGLESBY. The amendment substituted in conference says that such clauses shall be "unlawful where the effect of such lease, contract, or sale, or such condition, agreement, or understanding may be to substantially lessen competition or tend to create a monopoly in any line of commerce." That requires proof that all those conditions exist before there is any case.

Mr. FLOYD of Arkansas. Certainly; it requires proof by a preponderance of the evidence; but under the penal provision which was in the bill as originally drawn you would be required to prove each allegation with much more particularity and would be required to establish guilt beyond a reasonable doubt, and when you succeeded in convicting the guilty party the conviction would afford no relief to the injured party.

Mr. OGLESBY. But is not the clause put in by the Senate, which has been stricken out, much stronger and more direct in its operation, even without the penalty?

Mr. FLOYD of Arkansas. We did not so view it, for the reason that it was unfair. It was restricted to patented commodities. As we passed the bill through the House we intended to put the person dealing in patented commodities on the same plane and to treat him in the same way as the person dealing in unpatented commodities. The provision referred to is a copy of part of the English patent law, and it ought to be dealt with by the Committee on Patents, and not in a trust bill. Our duty was to restore, if we could, the provision of the House bill, and we succeeded in restoring it minus the penalty.

Now, that is the first point. The provision makes the contract void. Is that no advantage to the competitor, to the independent operator, to the man who has been oppressed and is being oppressed by these corporations? Why, since this conference report was submitted to the conferees a gentleman appeared in the Judiciary Committee room to protest against this provision, and he laid down a bundle of contracts, all containing this tying clause, this exclusive clause, and he protested against the restoration of the provision. He was asked if he enforced that exclusive or tying clause, and he said yes; that he had maintained in court 42 suits against customers for violating that condition in his contracts. If you pass this bill, he will never maintain another such suit, because such contracts will be void.

The gentleman from Minnesota [Mr. VOLSTEAD] holds that there is no necessity for this legislation, because he contends that all these acts, practices, and contracts herein forbidden are under the purview of the Sherman law now. But I read from One hundred and twenty-fifth Federal Reporter the syllabus of the decision rendered in Whitwell against Continental Tobacco Co. et al., being the utterance of Mr. Justice Sanborn, of the circuit court of appeals:

> *Held*, The restriction of their own trade by the defendants to those purchasers who declined to deal in the goods of their competitors was not violative of the antitrust act.

Yet the gentleman from Minnesota [Mr. VOLSTEAD] contends that there is no necessity for this legislation because it is already contained in the Sherman law. It has never been held to be in the Sherman law. That kind of a contract is not condemned by the Sherman law unless it amounts to a restraint of trade. It is covered by the Sherman law if it amounts to a restraint of trade; but we seek to go further than that. These acts are made unlawful wherever the effect may be to substantially lessen competition or may tend to create a monopoly in any line of commerce.

If they in fact restrain trade, if they do in fact create monopoly, the contract is under the condemnation of the Sherman law now; but if it simply tends to a restraint of trade, if it merely may restrain trade but has not yet accomplished that result, it is not under the condemnation of the Sherman law at present, and we seek by this provision to make it so, and the same is equally true as to the other provisions referred to.

The penalties went out of these three sections; but, as a conferee of the House, permit me to say that when the bill reached

conference the sections themselves were out, with the exception of section 8 of House bill, now section 7 of this bill.

Section 9 of the bill as it passed the House related to interlocking directorates of three classes—railroads, banks, and other industrial corporations. In the Senate our provision relating to interlocking directorates of railroads was stricken out and a substitute added therefor, which is section 10 in the present bill and which we have accepted. Our provision in regard to interlocking directorates of industrial corporations was retained in the bill by the Senate without the penalty. Our provision relating to the interlocking directorates of banks was stricken out, and every line in the bill relating to banks was eliminated by the Senate committee and by the Senate. The House having expended more than $50,000 in the Pujo investigation, looking into this very question, we felt it our duty to stand for the restoration of that provision, believing such prohibition vital to the interests of the American people; and finally, after long controversy, the Senate conferees yielded, and the provision went back into the bill, making it unlawful for interlocking directorates to exist in banks whose deposits, capital, surplus, and undivided profits aggregate more than $5,000,000 and in cities whose population exceeds 200,000, and omitting the criminal penalties. Those are the facts in regard to this bill.

Mr. GOOD. Will the gentleman yield for a question there?

Mr. FLOYD of Arkansas. Certainly.

Mr. GOOD. When that clause of the currency bill was before the House, as I recall the facts, we were told that no provision would be placed in the bill with regard to interlocking directorates, because that would be taken care of, as far as the banks were concerned, in another bill. It seems to me that was the understanding on behalf of all the Members of the House.

Mr. FLOYD of Arkansas. In answer to the gentleman, not to take too much time on that question, I will say that was my understanding, and I think that was the understanding of the Members of the House. In a resolution adopted in our caucus the whole subject of interlocking directorates was referred to the Judiciary Committee, and we prepared those provisions in reference to interlocking directorates. We did not apply them to all banks, but to banks of a certain class, and the exceptions as to classes were made after a full hearing.

Now, first we condemn the act of the man who acts in this dual capacity as unlawful. Do you suppose any banker or high financier would serve as a director upon two boards when his service as such would be unlawful and would render him personally responsible for every act that he committed? Not at all.

Now let us consider the further remedy. There is nothing in these sections in favor of the corporation whose contracts are declared void, nothing in favor of any corporation violating the provisions of sections 2, 3, and 7 of this act, when you declare that every contract made involving the things herein prohibited is unlawful. When you do that you strip them of the greatest power that men ever enjoyed in a free country—the right and the privilege of going into the courts of their country and having the strong arm of the law enforce their contracts and their obligations. Is there no penalty in a statute that takes away such right? Which is the most severe, to forfeit a man's contract or to fine him when you can convict him? I did not object to these criminal penalties. They went out over my protest. But I have no sympathy with the idea that because the criminal penalties are omitted there is no virtue in the statute.

Under section 4 of the bill reported by the conferees any person injured in his business or property by anything declared to be unlawful in any antitrust law or by this act is entitled to go into any district court without regard to the amount in controversy and recover threefold damages. Is there any leniency in that? That is a reenactment of section 7 of the Sherman antitrust law. He is entitled to go into court and recover threefold damages. The contract by which he has been damaged is unlawful and the defendant can not protect himself under it. That is certainly an efficient remedy to the injured party.

That is not all. Under section 5 of the bill any private litigant injured by the unlawful acts of any corporation where the Government of the United States has proceeded against such corporation and obtained a judgment, either in a court of law or equity, is allowed the use of that judgment or decree to show the unlawful acts of the combination to the full extent that it would be an estoppel between the Government and the original offender. That is a new remedy never given to litigants before. The only difference between this and the House provision is that in this the judgment is made prima facie evidence while the House provision made it conclusive. The House provision applied only to suits hereafter brought, and the Senate provision makes it applicable to judgments, both criminal and civil, and gives it application to suits now pending in the courts in certain cases. The House conferees accepted the provision. That is a new remedy and a most efficient remedy. The Government of the United States, acting in behalf of all of its citizens, prosecutes a trust, convicts it either in a criminal court or a civil court, and the private litigant, injured by the unlawful acts of such trust, has nothing to do in order to recover the threefold damages except to prove the amount of damages and that the injury was done by this trust or corporation. It shifts the burden of proof and gives the litigant a great advantage.

But that is not all. In section 16, on page 20, is a provision that gives the litigant injured in his business an entirely new remedy, one that he never enjoyed before. Heretofore there has been only one power that might enjoin an unlawful trust or monopoly in restraint of trade, and that was the Government of the United States, under the direction of the Attorney General.

This provision in section 16 gives any individual, company, or corporation, damaged in its property or business by the unlawful operation or actions of any corporation or combination the right to go into court and enjoin the doing of these unlawful acts, instead of having to wait until the act is done and the business destroyed and then sue for damages. That clause in the provision of this bill makes it specifically applicable to sections 2, 3, 4, 7, and 8 of the bill; so that if a man is injured by a discriminatory contract, by a tying contract, by the unlawful acquisition of stock of competing corporations, or by reason of some one acting unlawfully as a director in two banks or other corporations, he can go into any court and enjoin and restrain the party from committing such unlawful acts or sue for his damages, without regard to the amount in controversy, and recover threefold damages. Teeth all taken out of the bill! We have taken, by these provisions, the business public into our confidence as allies of the Government in enforcing the antitrust laws, and given to the business men of the country who are being imposed upon by unlawful combinations remedies by which they can recover their own damages [applause] without waiting upon the slow and tortuous course of prosecution on the part of the Government.

But that is not all. There are several other remedies provided in this bill. Under section 11 the violation of sections 2, 3, 7, and 8 may be enforced, respectively, by the Trade Commission, by the Interstate Commerce Commission, or by the Federal Reserve Board. The manner in which the enforcement may be made by any party complaining or by the commission or board taking the initiative is fully detailed in the bill. The party injured can make his complaint to the proper tribunal, and the proper administrative board or commission provided for by Congress can investigate and make an order for the party to desist, and if he refuses to obey the order, the party complaining can go into court and have the Federal court issue an order for him to desist, and for the violation of that order the offender may be punished for contempt.

This remedy is not exclusive; it is cumulative. It is supplementary to other remedies granted, and it does not exclude the remedies that exist under the Sherman law, because under the provisions of the bill that is carefully guarded. It is an additional remedy; it is not an exclusive remedy, and it takes no remedy away from any person.

Mr. COOPER. Will the gentleman permit an interruption? He has reached one of the most important points in this discussion, and I would like to ask him a question.

Mr. FLOYD of Arkansas. I will yield to the gentleman from Wisconsin.

Mr. COOPER. The title of this act is "An act to supplement existing laws against unlawful restraint and monopolies, and for other purposes." If I understand the gentleman, it is his contention, in supporting this conference report, that the criminal clauses of the Sherman law are still in force and that this act simply supplements them?

Mr. FLOYD of Arkansas. Certainly; that is correct.

Mr. COOPER. And that those criminal clauses are not repealed?

Mr. FLOYD of Arkansas. They are not repealed in any sense, and I thank the gentleman for asking the question.

In section 11, as agreed to by the conferees, on page 18 of the comparative print, the following language is found:

> No order of the commission or board or the judgment of the court to enforce the same shall in any wise relieve or absolve any person from any liability under the antitrust acts.

And the "antitrust acts" include the Sherman antitrust law, and include the other acts specified in the first section of this bill, and include everything in this act. Who can contend in the face of that declaration, as the distinguished gentleman from

Minnesota [Mr. VOLSTEAD] did last night, that these provisions amend or affect adversely in some way the Sherman law? This saving clause completely settles that controversy as to any and all of the antitrust acts. These sections 2, 3, 7, and 8 are parts of this act, and this act and every section in it are declared to be parts of the antitrust acts.

The SPEAKER pro tempore (Mr. BORLAND). The time of the gentleman from Arkansas has expired.

Mr. WEBB. Mr. Speaker, I yield the gentleman 10 minutes more.

Mr. THOMPSON of Oklahoma. Mr. Speaker, I make the point of order that there is no quorum present.

Mr. FLOYD of Arkansas. Mr. Speaker, I hope the gentleman from Oklahoma will withdraw his point of order for the present. I have only 10 minutes remaining.

Mr. THOMPSON of Oklahoma. Very well; I withdraw the point of order for the present.

The SPEAKER pro tempore. The gentleman from Arkansas is recognized for 10 minutes more.

Mr. FLOYD of Arkansas. Mr. Speaker, that is not all. It is contended, in effect, by the critics of this bill that as it finally comes from the conferees all of the criminal penalties were eliminated. That is not true. The Senate added a very important provision to cover a defect in the law developed in a celebrated investigation recently had of one of the great railroad corporations, where the officers and directors had misapplied certain funds. The Senate incorporated a provision making it unlawful for interstate railroad officers or agents to misapply or embezzle funds of the corporation, and a heavy penalty was imposed—not less than $500 and confinement in the penitentiary for not less than 1 year and not more than 10 years. That is in the bill.

It was not disturbed by your conferees. The House conferees accepted the provision without amendment.

Section 14 is a new section substituted by the Senate in lieu of our section relating to interlocking directorates of railroad companies. It contains certain provisions which your conferees believe in some respects were more effective than the House provision, and so we accepted the Senate provision, which deals with the prohibitions against railroads that have interlocking directorates, and a penal clause was attached thereto, undisturbed by the conferees, and is now in the bill. Let us see what that is. For the corporation itself a fine not exceeding $25,000 is imposed, and a fine of $5,000 and imprisonment for not exceeding one year, or both, is imposed against the individual officer or agent of the corporation that violates that provision of the law. Yet they say the teeth were all taken out of the bill by the conferees. But that it not all. The original personal-guilt clause of the House bill was embodied in section 12. It was adopted and was restored in committee, and it is now found in section 14 of the bill. It is in the exact words in which the provision passed this House. It will be remembered there was considerable controversy and debate over it, and I believe the final draft of the amendment adopted was made by the distinguished gentleman from Wisconsin [Mr. LENROOT]. The House adopted it, after a debate of several hours, with apparent satisfaction. The Senate amended it. The conferees insisted upon its restoration to the form in which it passed the House, and the Senate conferees yielded, and the personal-guilt clause of the original bill is in this bill and applies to all of the penal sections of the antitrust laws.

The gentleman from Minnesota [Mr. VOLSTEAD] says that it may repeal the Sherman law. It is the exact penalty provided for in the Sherman law, but it goes further than the courts have ever gone in convicting officers, directors, or agents for violation of the Sherman law. It provides that whenever a corporation shall be guilty of violating the penal provisions of the antitrust laws, the offense shall be deemed also the offense of the individual directors, officers, or agents of the corporation who have directed, ordered, or done, in whole or in part, any of the things that constitute a part of that violation. Is not that broader than the original law? In other words, under the Sherman law as it is now written you can convict an officer for violation of its provisions, but his acts must constitute the whole offense, or he must be a conspirator, and come within the rules of law governing conspiracies, but under this provision if he does any of the acts which constitute in whole or in part that violation, then he may be convicted as an individual.

Mr. RUCKER. Mr. Speaker, will the gentleman yield?

Mr. FLOYD of Arkansas. Yes; for a brief question.

Mr. RUCKER. The fine of $25,000 may be assessed against the corporation defendant, and then the personal fine may be assessed against and also the imprisonment imposed upon the individual acting for the corporation?

Mr. FLOYD of Arkansas. Yes.

Mr. RUCKER. By a separate prosecution?

Mr. FLOYD of Arkansas. Yes.

Mr. RUCKER. Does the statute make conviction of the corporation prima facie evidence of guilt of the officer?

Mr. FLOYD of Arkansas. I do not think it would in a criminal proceeding, and I do not think it should. I would not be in favor of having it do so. I think that any man charged with a crime, especially if the guilt of another is imputed to him, ought to have the right to go into court and have a trial of his own.

That is not all. There is great opposition to this legislation, but the remaining sections of this bill that I desire to mention and that I have not yet mentioned are the labor sections of the bill. I desire to communicate to the House of Representatives what I conceive to be the true situation in regard to the bill. The enemies of this bill, those who are fighting it, are not fighting it on account of what has been left out of the bill, but they are fighting it on account of what has been left in the bill, notably the labor sections of the bill. [Applause.] It is charged that the Democrats of the House, the conferees, and all connected with this legislation, are violating the pledges of the Democratic platform. The men who make that charge forget that labor and great labor organizations of this country have been knocking at the doors of Congress for 25 years, appealing for just legislation in behalf of labor. Here we have it satisfactory to labor, but the enemies and the opponents of the proposed legislation rarely say anything about that.

My distinguished friend from Minnesota [Mr. VOLSTEAD] criticized an amendment inserted by the Senate to the effect that the labor of a human being should not be considered a commodity or article of commerce. The Senate put that provision in, and the friends of labor in the House had no disposition to take it out, and it is there. But is labor a commodity or an article of commerce? Is the labor of a human being a commodity or an article of commerce? Has it been a commodity or an article of commerce since more than 50 years ago, when the greatest struggle that ever took place in this country shook the foundations of our country by a cruel four years' war? The shackles were then struck from 4,000,000 slaves in the South. And when since then has labor ever been a commodity or an article of commerce, except as the great corporations, North, South, East, and West, have sought by court proceedings and injunctions to put upon the laboring class of this country a species of constructive slavery almost as galling as was the chattel slavery of the South? [Applause.]

In view of this analysis of the provisions of this bill, the contention that the bill has been emasculated or that the teeth have been taken out of it is wholly unwarranted and utterly untenable. Here are the teeth that remain in the bill, and a full set of them:

First. Contracts discriminating in price between customers, where the effect of such discrimination may be to substantially lessen competition or tends to create a monopoly, are declared unlawful and are therefore null and void.

Second. Tying or exclusive contracts, where the effect of such contracts or any conditions therein may be to substantially lessen competition or tends to create a monopoly, are declared to be unlawful and are therefore null and void.

Third. Contracts for the acquisition of stocks of competing corporations engaged in commerce, where the effect of the acquisition of such stocks or the voting thereof may be to substantially lessen competition or to restrain trade or tends to create a monopoly, are declared unlawful and are therefore null and void.

Fourth. Section 4 provides that any person injured in his business or property by the unlawful acts of any combination or corporation may sue in any United States court without regard to the amount in controversy, and recover threefold damages for any loss or damage sustained.

Fifth. Section 5 provides that the final judgment or decree rendered in any criminal prosecution or suit in equity may be offered in evidence by any private litigant in suit against a corporation, and that the same shall be prima facia evidence against such defendant as to all matters respecting which such judgment or decree would be an estoppel as between the original parties thereto.

Sixth. The same section provides that whenever any suit or proceeding in equity or criminal prosecution is instituted by the United States to prevent or punish a violation of any of the antitrust laws, the running of the statute of limitations in respect of each and every private right of action under said laws shall be suspended during the pendency thereof.

Seventh. Section 16 provides that any person, firm, corporation, or association shall be entitled to sue for and have injunctive relief in any court of the United States having juris-

diction over the parties against threatened loss or damage by violation of the antitrust laws, including sections 2, 3, 7, and 8 of this act. This is a new remedy given to private litigants in this bill which they are not entitled to under the Sherman Act or other existing antitrust laws.

Eighth. Under section 11 of the bill any person injured in his business or property by any unlawful act forbidden in sections 2 and 3 of this act may complain to the Trade Commission for an order requiring the person violating any of the provisions of the preceding sections to desist therefrom; and upon refusal to so desist the order of the Trade Commission may be enforced in any district court of the United States having jurisdiction over the parties.

Ninth. Under the same section any person injured in his business or property by any unlawful act forbidden in section 7 of this act may complain to the Interstate Commerce Commission for an order requiring the person violating any of the provisions of that section to desist therefrom; and upon refusal to so desist the order of the Interstate Commerce Commission may be enforced in any district court of the United States having jurisdiction over the parties.

Tenth. Under this section any person injured in his business or property by any unlawful act forbidden in section 8 of this act may complain to the Federal Reserve Board for an order requiring the person violating any of the provisions of that section to desist therefrom; and upon refusal to so desist the order of the board may be enforced in any district court of the United States having jurisdiction over the parties.

Eleventh. Under section 15 of the act any person injured in his business or property by the violation of any of the provisions of this act may apply to the Attorney General of the United States, and the Attorney General or any district attorney, under the authority of the Attorney General, may institute proceedings in equity to prevent and restrain such violations.

Twelfth. Section 10 of this act forbids common carriers which have common directorates from having dealings, except as therein specified, in securities, supplies, or other articles of commerce, nor shall they make or have any contracts for construction or maintenance of any kind except by competitive bidding. Any common carrier violating the provisions of this section is subject to a fine not exceeding $25,000.

Thirteenth. The same section provides that any director, agent, manager, or officer of such corporation who shall violate any of the provisions of said section shall be subject to a fine not exceeding $5,000, or confined in jail for one year, or both, in the discretion of the court.

Fourteenth. Section 14 of this bill is intended to make guilt personal, and provides that whenever a corporation shall violate any of the penal provisions of the antitrust laws such violation shall be deemed to be also that of the individual directors, officers, or agents of such corporation who shall have authorized, ordered, or done any of the acts constituting in whole or in part such violation, and such violation shall be deemed a misdemeanor, and upon conviction therefor of any such director, officer, or agent he shall be punished by a fine of not exceeding $5,000, or imprisonment for not exceeding one year, or by both, in the discretion of the court.

Fifteenth. Section 9 makes it a felony for a president, director, officer, or manager of any firm, corporation, or association engaged in commerce as a common carrier, to embezzle, steal, abstract, or willfully misapply or willfully permit to be misapplied, any of the money, funds, credits, securities, property, or assets of such firm, association, or corporation, arising or accruing from, or used in such commerce, in whole or in part, or who willfully and knowingly converts the same to his own use or the use of another. The penalty for the violation of this section is a fine of not less than $500 and confinement in the penitentiary for not less than 1 year nor more than 10 years, or by both, in the discretion of the court.

Sixteenth. Section 12 provides that any suit, action, or proceeding under the antitrust laws against a corporation may be brought not only in the judicial district whereof it is an inhabitant, but also in any judicial district wherein it may be found and transacts business; and that all process in such cases may be served in the district of which it is an inhabitant, or wherever it may be found.

The provisions of the bill relating to labor greatly restrict the power heretofore exercised by big corporations and combinations over laboring men and labor organizations, often resulting in oppression to the membership of such organizations by the improper use of injunctions, and here are some of the teeth in the labor sections of the bill:

Seventeenth. The bill prohibits a corporation from obtaining and the court from issuing injunctions to prohibit any person from terminating any relation of employment.

Eighteenth. Or from ceasing to perform work or labor.

Nineteenth. Or from recommending, advising, or persuading others by peaceful means so to do.

Twentieth. Or from attending any place where any such person or persons may lawfully be for the purpose of peacefully obtaining or communicating information or from peacefully persuading any person to work or to abstain from work.

Twenty-first. Or from ceasing to patronize or to employ anybody who is a party to such dispute, or from recommending, advising, or persuading others by peaceful means so to do.

Twenty-second. Or from paying or giving to or withholding from any person engaged in such dispute any strike benefits or other moneys or things of value.

Twenty-third. Or from peacefully assembling in a lawful manner and for lawful purposes.

Twenty-fourth. Or from doing any act or thing which might lawfully be done in the absence of such dispute by any party thereto.

Twenty-fifth. Nor shall any acts specified in this paragraph be considered or held to be violations of any laws of the United States.

Twenty-sixth. Section 22 provides in cases of contempt in Federal courts that if the offense with which the accused is charged constitutes a criminal offense under the laws of the United States or under the laws of any State in which the act was committed the party accused shall be entitled to a trial by jury.

I must now conclude. I thank you.

Mr. THOMPSON of Oklahoma. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman rise?

Mr. THOMPSON of Oklahoma. To make the point of order that there is no quorum present.

The SPEAKER pro tempore. The gentleman from Oklahoma makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and twenty-two gentlemen are present—not a quorum.

Mr. WEBB. Mr. Speaker, may I ask for tellers on that count?

The SPEAKER pro tempore. The Chair will ask for a rising vote on tellers. Tellers are demanded by the gentleman from North Carolina.

Mr. BUCHANAN of Illinois. Mr. Speaker, I would like to ask what tellers are called on?

The SPEAKER pro tempore (after counting). Evidently a sufficient number. The question is whether the count of the Chair shall be verified by tellers. The gentleman from Oklahoma [Mr. THOMPSON] and the gentleman from North Carolina [Mr. WEBB] will take their places as tellers.

The question was taken, and the tellers reported 154 Members present.

The SPEAKER pro tempore. One hundred and fifty-four Members are present—not a quorum.

Mr. WEBB. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Ferris	Knowland, J. R.	Powers
Ansberry	Fess	Konop	Rainey
Anthony	Fowler	Korbly	Reed
Austin	Francis	Langham	Reilly, Conn.
Baker	French	Langley	Riordan
Bartlett	Gardner	L'Engle	Roberts, Mass.
Bell, Cal.	George	Lenroot	Rothermel
Bowdle	Gerry	Levy	Sabath
Britten	Gittins	Lewis, Pa.	Sells
Brodbeck	Godwin, N. C.	Lindbergh	Shreve
Broussard	Goeke	Lindquist	Slemp
Brown, N. Y.	Goldfogle	Linthicum	Smith, Md.
Browning	Graham, Ill.	Loft	Smith, Saml. W.
Burke, Pa.	Graham, Pa.	McAndrews	Smith, Minn.
Burke, Wis.	Gregg	McClellan	Smith, N. Y.
Butler	Gudger	McGuire, Okla.	Sparkman
Calder	Guernsey	McKenzie	Stephens, Cal.
Callaway	Hamill	MacDonald	Stevens, N. H.
Cantrill	Harris	Maher	Stringer
Carlin	Harrison	Martin	Sumners
Carr	Hayden	Merritt	Taylor, Ala.
Carter	Heflin	Metz	Temple
Church	Hinebaugh	Miller	Townsend
Clark, Fla.	Hobson	Mondell	Treadway
Claypool	Howell	Morgan, La.	Wallin
Connolly, Iowa	Hoxworth	Moss, W. Va.	Walters
Conry	Hughes, Ga.	Mott	Watkins
Copley	Hughes, W. Va.	Murdock	Whitacre
Decker	Hulings	Neeley, Kans.	Willis
Dies	Humphreys, Miss.	Nolan, J. I.	Wilson, Fla.
Doughton	Jones	Norton	Wilson, N. Y.
Elder	Kelly, Pa.	O'Hair	Winslow
Estopinal	Kennedy, R. I.	O'Shaunessy	Woodruff
Evans	Kent	Paige, Mass.	Woods
Faison	Key, Ohio	Palmer	
Fergusson	Kindel	Parker	

The SPEAKER. On this roll call 287 Members—a quorum—answered to their names.

Mr. WEBB. Mr. Speaker, I move that further proceedings under this call be dispensed with.

The question was taken, and the motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors.

NORWEGIAN SHIP "INGRID" (H. DOC. NO. 1172).

The SPEAKER laid before the House the following message from the President of the United States:

To the Senate and House of Representatives:

I transmit herewith a report from the Secretary of State in relation to a claim presented by the Government of Norway against this Government on account of the action of the authorities of Hudson County, N. J., in holding for their appearance as witnesses in a criminal case in that county, in violation of treaty provisions between the United States and Norway, as the Norwegian Government alleges, three members of the crew of a Norwegian ship called the *Ingrid*, and I recommend that as an act of grace, and without reference to the question of the liability of the United States, an appropriation be made to effect a settlement of this claim in accordance with the recommendation of the Secretary of State.

WOODROW WILSON.

THE WHITE HOUSE, *October 7, 1914.*

The SPEAKER. The message and accompanying documents are ordered printed and referred to the Committee on Foreign Affairs.

ANTITRUST LEGISLATION.

Mr. VOLSTEAD. Mr. Speaker, I yield 30 minutes to the gentleman from Wisconsin [Mr. NELSON].

The SPEAKER. The gentleman from Wisconsin [Mr. NELSON] is recognized for 30 minutes.

Mr. NELSON. Mr. Speaker, the genial gentleman from North Carolina [Mr. WEBB], the distinguished chairman of our committee, tried to have some fun at our expense as he closed his speech—an excellent one, by the way, from his point of view. To illustrate our opposition to this bill, he told his Nancy candle story. As he was speaking it occurred to me there was another story that better illustrated the position of this side of the House. I was thinking of the college yarn with which he is familiar—the trick the boys tried to play upon the professor of entomology. They gathered together various specimens of bugs and bees, took the legs of one and the wings of another, likewise the eyes and various other parts of different species, and put these together so as to form an artificial but somewhat artistic specimen. Then they took it to the professor, who, by the way, was nearsighted, and asked him to tell them what bug that was. He put it under the microscope, examined it with great care, and then he said, "Boys, that is a humbug." [Applause on the Republican side.] Just so on this side of the House; we have examined this bill from many points of view. Some oppose it as an unjustifiable interference with business freedom, fearing its bad effect upon little business, medium business, and large business against which there is no just cause for complaint; and then there are those among us who oppose it because, looking to the final solution of the trust problem, we find that as an antitrust measure this bill is a makeshift, a sham, and a fake, and we agreed on the main proposition—that this bill is a humbug. [Applause on the Republican side.]

Mr. WEBB. Will the gentleman permit an interruption?

Mr. NELSON. I will.

Mr. WEBB. The gentleman understands, I suppose, that the chief difference between the bill as presented by the conferees and the bill as it passed the House is on striking out the four criminal penalties, sections 2 and 4 and the interlocking-directorate sections. The bill as it passed the House—my recollection is that a majority on the Republican side voted for it. Now I understand my friend is complaining that we have stricken out the criminal penalties in four sections, and because we have done that we have made it a humbug, notwithstanding the fact that we have filled the bill with civil remedies and thrown the doors of the courts wide open to the individual complainant who may be injured by any act denounced in sections 2 and 3 of this bill.

Mr. NELSON. Mr. Speaker, there are many things to say to that, but I do not wish to be diverted from my main line of talk. However, I will say that many Members of this House did not understand the bill. They had not time to look into it. It was a legal question; they assumed it was antitrust, and because of some features of the bill they voted for it. So did Senators. But did you notice on the roll call in the Senate that every Republican voted against it and six of your Democratic Senators registered their protest by voting against a caucus measure of this kind? The conference not only left out the penalties, but vitiated the legislation, in my judgment, in every detail.

Mr. WEBB. I think only three Democratic Senators voted against it.

Mr. NELSON. Six Senators voted against it on the motion to recommit, and four voted against it on roll call. I shall ask the courtesy of not being interrupted unless there is some personal question.

Mr. WEBB. I will not interrupt my friend again.

Mr. NELSON. I would be very glad to have my friend interrupt me if I had the time.

Now, seriously speaking, from my point of view, with reference to this Clayton bill as it emerges from conference in final form, expressing as it does the attitude of the party in power and the position of the President of the United States, for whom I have had a great deal of admiration and in the progressivism of whom I have also had a great deal of confidence, this measure is to me, and I believe will be to the country at large, a distinct and profound disappointment.

My point of view and my feeling in the matter may be understood if I may be pardoned a bit of autobiography. Twenty years ago, filled with the zeal, the enthusiasm, and the love of country common to American youth, I became the editor and part owner of a small newspaper published in my home city. About that time the late J. Pierpont Morgan had begun his extraordinary and successful efforts to form huge combinations throughout the country. I clipped news items from the great Chicago dailies, noting that he had formed now this trust and now that trust, and, using those items as texts, I proceeded as vigorously as I could to denounce Morgan's activities and to earnestly warn the people of this menacing trust evil. Somehow Morgan paid no attention to my youthful fulminations, nor did the people particularly sit up and take notice; but subsequently I was one of a half dozen young men in my home city that came together in the law office of a former Member of Congress, there formulated a platform, and pledged ourselves to begin a fight in State and Nation until every plank in that platform had been redeemed. If you wish to read the story of that struggle in detail, you will find it in Senator ROBERT M. LA FOLLETTE'S Autobiography. Suffice it to say that I fought with the others in Wisconsin for 10 or 12 years. Nine years I have served in this House, and I ask the confirmation of Republicans and Democrats who have served with me of this statement, that I have pursued the straight course. I have been a fairly good bloodhound on the trail of the monopoly "octopus." [Applause.] I became the secretary of so-called Republican Insurgents. Insurgency led me into many difficulties; it endangered my political life, it brought about dissensions in my own party. We had to cut through the underbrush, the arbitrary rules of the House, and we had to level what we thought was the autocracy of the Speaker in order to get at what this bill purports to be—legislation against special interest and monopoly.

Now, after 20 years—and I have studied this question all along—I happen to find myself on a committee of the House, the Judiciary, charged with the duty and invested with the power finally to fix up the antitrust law so that private monopoly shall be destroyed in this country. I tell you it was with anticipations of great pleasure that I looked forward to real work on this great committee. I conferred with my other colleagues in the early part of the session, and they were imbued with the same thought. They said, "We are going to take the Sherman law and put teeth in it; we are going to adjust and strengthen its machinery; we are going to make direct and personal its penalties; we are going to do something effective to put an end to private monopoly in this country." The Democrats had had not only a patriotic but also a political reason for doing something effective on the trust question. Their platform specifically pledged them to destroy monopoly in this country. It said:

> A private monopoly is indefensible and intolerable. We therefore favor the vigorous enforcement of the criminal as well as the civil law against trusts and trust officials, and demand the enactment of such additional legislation as may be necessary to make it impossible for a private monopoly to exist in the United States.

But what happened, my friends? Why, about the Christmas holidays I was astonished and shocked to read in the newspapers interviews that proceeded from the White House, from Vice President Marshall, from Chairman Clayton of our committee, and from other leaders, all to the same effect, "Do not be alarmed, big business; we are not going to do anything radical."

What followed? When we first met in the Judiciary Committee room the chairman, Mr. Clayton, announced that "in this committee room partisanship has never been permitted to

enter, and would not." But after those interviews the attitude of the chairman and certain gentlemen on the committee surprised me. We have three subcommittees in the Committee on the Judiciary. Bills are referred to those automatically; but, mind you, on this great question, in which we are all so much interested, they went outside of the regular subcommittee and selected a partisan subcommittee, consisting of the chairman, the gentleman from Virginia [Mr. CARLIN], and the gentleman from Arkansas [Mr. LLOYD]—a legislative monopoly, a political trust. And I could feel at once—and we have all felt it here—that partisan barrier that shuts us out when it comes to legislation of this kind. And they usually make all-important legislation partisan legislation. Now, then, what had happened? No doubt the candidate, Prof. Wilson, academically intended to live up to the platform at Baltimore; no doubt Democratic leaders intended to destroy monopoly. It was a surgical operation that they had promised to perform upon Uncle Sam—cut out the roots of the trust evil, eradicate private monopoly entirely; but Democratic Party leaders blundered as usual. The first thing they did when they got in here was to administer to Uncle Sam a dose of tariff for revenue only, which upset his nervous system. It made him sick. It always has done so. He quit business. What else did they do? They passed a banking and currency act, which radically rearranged and changed his whole circulating system. In time Uncle Sam may get himself adjusted to the change, but immediately it put him flat on his back.

I tell you if there was not a panic in the country there was among the Democratic leaders in the House. They had their little conference somewhere, perhaps in the White House, where they agreed upon a program, namely, that inasmuch as Uncle Sam was too sick now to permit the performance of a surgical operation upon him they arranged to prepare some poultices and some mustard plasters for mild external treatment, and this is the poultice-and-mustard-plaster bill. [Applause on the Republican side.]

At that time, being much interested in the question, I was writing a series of articles on the trust problem. I have been some 25 years in active public life, and I knew what was going on; and just as soon as I noticed this I wrote the following article, which was published in many newspapers. I read it as it appeared in La Follette's Magazine of January 17, 1914:

THE REAL TEST IS COMING.

[By Representative JOHN M. NELSON.]

The question uppermost in my mind just now is, What will be the program of President Wilson for the solution of the trust problem? Everything depends upon his courage, patriotism, and determination. Congress is at his command. His party, feeding at his hands, will do his bidding. In the words of the sporting world, "It is up to the President."

At the opening of the session he told us that the subject of importance would be the trust question. His promised special message on this subject is expected after the holiday recess.

In the meantime the Judiciary Committee met and decided to begin hearings at once; but then the ranking Democrats were called into a conference with the President. Since that party consultation we have merely marked time. Only two persons have been heard—one for only 20 minutes. Evidently there has been a change of program or in tactics.

The explanation may be found in three words—fear of panic. In the lobbies we hear it; in the newspapers we read it. Assurances have been given out by Vice President Marshall and others that business interests need not be alarmed. Congress is in a panic, if the country is not. There is much talk of going slow. It is proposed to pass a few bills, such as making the penalties of the Sherman law personal and abolishing interlocking directorates, so as to make a showing of reform but not seriously disturb Wall Street. These gentlemen are not so much looking to the ultimate welfare of the American people as they are interested in maintaining the present political equilibrium.

I have faith that the President will not change his program for the sake of political expediency. Though he may deem it necessary to change tactics, I have every hope that he will not compromise with the enemy.

The 800 or more trusts that now dominate the industries of the country have great power, which they will not hesitate to use to embarrass the President and Congress. By merely letting out a few hundred thousand workmen the trusts can bring about critical conditions. It is true that in this situation the easiest road is that of compromise—to pass some halfway measures, and then try to make the people believe that the country has been relieved from the thralldom of the trusts; but let us hope that this will not be the policy of the President. May Woodrow Wilson face his duty with the spirit of Abraham Lincoln!

The situation is now critical. The President is face to face with his Goliath. The real test of the administration is coming upon the trust issue. For self-preservation and to maintain the monopoly privilege of exacting tribute the trusts will put up a fight that will try men's souls. Everything depends, therefore, upon what the President will say after the holiday recess upon the big problem of our day and generation—the monopolized money power of America.

Now I want to call your attention to what the Literary Digest said about that time. I could cite multiplied instances of the same character of statements. The Literary Digest is an independent and nonpartisan paper. This is from its issue of January 31, 1914:

PRESIDENT WILSON'S TRUST PROGRAM.

The surprise of President Wilson's trust message was its cordial reception by the organs and spokesmen of "big business." Here was the stage set for the beginning of a great conflict, and the whole Nation breathless with expectation. In the trust issue the administration was about to meet its most searching test, the President was face to face with his Goliath, and the public very generally shared the belief of Representative JOHN M. NELSON that "the 800 or more trusts that now dominate the industries of the country * * * will put up a fight that will try men's souls." Yet when the message is delivered we find bankers, railroad presidents, captains of industry, and even the New York Sun joining in the chorus of approval that greets its program for the further correction and prevention of corporation abuses—a program, it has been pointed out, which goes even farther than the antitrust promises of the Democratic platform. And while big business praised stock values sprang to higher levels.

What is the meaning of this strange development? the editors are asking. Has the President surrendered to the trusts or have the trusts surrendered to the President?

We had a perfunctory public hearing. This political trust, composed of excellent lawyers, but intense partisans, prepared five or six so-called tentative bills. They were submitted to us. We had, as I say, a perfunctory hearing; small retail and wholesale men came here to complain against certain provisions. It was unfair and unjustifiable interference, they said, with business practices against which there was no cause of complaint; and one by one these provisions were dropped out until there was not much left; and then, on account of the agitation of labor, they saw an opportunity to pass this program, to put a sop into it, and they pretended to give labor something by inserting a fake exemption of labor from the operation of antitrust laws and providing for some uniformity of court procedure in contempt cases. But this was done only at the last moment, and because some of us kept at them all the time and threatened to make it a party issue if labor was not taken care of. I resent the imputation that we are opposed to this bill because we are opposed to labor. We are friendly to labor, but we are opposed to being baited to swallow a thing of this kind as an antitrust measure. It is highly significant, let me add, that during all of our protracted hearings, and afterwards, I saw not the least sign of opposition to the passage of this alleged antitrust program by any trust or monopoly in the country. Not one octopus so much as grunted at it. Why should they? They had the assurance from the Democratic leaders higher up.

Now, I want to discuss this bill. I do not approve of its purpose. It is entitled "A Federal antitrust bill." It is presented as a Federal antitrust bill. It will be used in the campaign as if its framers had settled the trust question. It is a misnomer. They have not gone after the trusts. The sponsors of this bill do not claim they have gone after the trusts. They have not scratched the back of a trust, and they have not twisted a single trust's tail. [Applause on the Republican side.]

Mr. GORDON. Will the gentleman yield?

The SPEAKER pro tempore (Mr. MCGILLICUDDY). Does the gentleman from Wisconsin yield to the gentleman from Ohio?

Mr. NELSON. I regret I can not yield now.

The SPEAKER pro tempore. The gentleman declines to yield.

Mr. NELSON. They have not gone after the trusts. They have done what a leading Democrat said in another body—I wish I could name him, but under the rules I am forbidden to mention him by name—"have gone after minnows when the sea is full of sharks." They have dodged the trust question, and have assumed to go after little business practices outside of the sweep of the prohibitions of the Sherman antitrust law. This Democrat, too, said that the title of the bill ought to be changed so as to conform to its real purpose. Instead of its being entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," he suggested "An act to apologize to existing restraints and monopolies." The title adds the words "and for other purposes." Now, what is its chief purpose? Not the destruction of trusts, but to bring about "the atmosphere," to use the President's frank and felicitous language, "of mutual accommodation and understanding" between his party and certain powerful special interests. The chief captain of industry, the son, heir, and successor of my ancient friend, the late John Pierpont Morgan, has been recently invited to the White House, and other captains of industry have been invited there. To confer about what? About this legislation? The proposed increase of freight rates of 5 per cent? The sidetracking of the railroad securities bill, or generally how to protect the dear people from the exactions of monopolies in Wall Street? [Applause.]

Mr. Speaker, you have been a wronged man by your party. It was said of you when you were candidate for President—and I remember it well—that you were too genial; not firm enough; you might compromise on measures of this kind; and you might have certain affiliations with captains of industry and Wall Street; we would need some one with a jaw indicating uncompromising courage. Oh, they did not know you as we

know you. I remember distinctly when the gentleman from Massachusetts [Mr. GARDNER] and myself were constituted a committee to go from the insurgents to see you—the minority leader of the House—to find out how you felt about a change in the rules. It was suggested that you might not want to give up prospective power. We told you frankly what we came for and what we feared. You said, "Gentlemen, I will sacrifice anything of the prospective power of the Speaker to give freedom to the House of Representatives." [Applause.] And CHAMP CLARK has said on this trust question. "If I had my way, I would fill the penitentiaries and jails of the United States so full of trust magnates that their arms and legs would stick out of the windows," and he would have kept his pledge. [Applause.] At least he would not in a short time have inspired and approved this sort of a bill as a solution of the trust problem. He would not have been conferring with J. Pierpont Morgan and these other captains of industry in the White House in two years on pending legislation.

Mr. Speaker, this bill is a confession. It is a public confession, in my judgment, first, that the purposes of the Democratic Party, solemnly declared in their platform pledges, are always subject to the exigencies of political expediency. It is proof that Democratic statesmanship does not rise to the needs of our day and generation. And, lastly, it is a public confession of lack of courage; I do not wish to say of party cowardice, but I shall quote language which I shall adopt, the expressive language spoken by a great Democrat in debate on this conference report in another body:

Oh, this is a great antitrust Congress! Compared with the Congress that put upon the statute books the Sherman Act, we appear as would a lot of wet nurses in comparison with soldiers on the field of battle, arms in hand. If we had the original Sherman Act before this Congress the "trust busters" of the present day and generation would shy like the country horse of 15 years ago did at the sight of an automobile.

[Applause on the Republican side.]

Again, speaking of the great Sherman law, he said:

Well, old John Sherman and the Republicans of that day did pass that law. Their "little fingers were bigger than our loins." Theirs was the spirit of the eagle, ours that of the barnyard fowl.

[Applause on the Republican side.]

Mr. Speaker, as a conferee on the part of the minority, I can not agree to the conference report, and for the sole reason that I am heartily in favor of real antitrust legislation that shall make it impossible for private monopoly to exist in this country.

Having analyzed the many glaring defects of the Clayton bill as an antitrust measure, first in the minority views I filed from the Committee on the Judiciary and a speech I made upon the floor of this House, I do not now intend to discuss the conference report in detail, knowing that its adoption has been decreed by the powers that be as a part of a caucus program.

But, however futile it may be, when I think of the magnitude of the monopoly evil—800 trusts now before our very eyes exacting tribute from the American people in the form of high prices; when I think of the leaven of this evil in our industrial and political life, with who knows what disastrous effects; when I think of the solemn duty of the party in power, under its unequivocal platform pledges; when I think of its unequaled opportunity, its control of the Presidency and of Congress, to do something great and patriotic that will stand out as a monument to its membership in this Congress; and then when I think of this miserable makeshift, pretense, and sham, this so-called antitrust bill, my gorge rises and I can not resist the impulse to express my earnest, my indignant, even though it be a hopeless, protest.

Mr. Speaker, this is an impartial and well-balanced bill. Why, in this great issue of the people against the trusts the Democratic Party and its President have declared neutrality. They are impartial; they are on the fence. The bill is well balanced between the moral necessity, under a solemn party pledge, to do something to destroy monopoly in this country and the assumed political exigency that now exists of doing nothing or next to nothing. In every provision of the bill we find this balance structure. The people seem to get something in the first part of the section, and it is taken away from them in the latter part of the same section.

It was said of Agassiz, the great scientist, that he could take a single scale of a fish and at once tell you the name of the fish, because the whole was seen in its parts; others finding a tooth in some mountain cave can tell at once the name of the mammal in whose jaw the tooth had once been embedded. Now, I do not wish to trespass upon the time of others, and I have just time to take one tooth and analyze it to show you what it contains for the people and what for the trusts. There are only two of the original teeth remaining in this bill. One of them denounces discriminations in price. I will read it to you. It is fierce:

It shall be unlawful for any person engaged in commerce either directly or indirectly to discriminate in price between different purchasers of commodities.

That looks savage, does it not? But now listen. If it has any virtue at all so far as monoplies are concerned, it is in the Sherman law, and the logic that caused them to pull out these other teeth would also exclude this. It is already within the sweep of the Sherman law. The Senate saw that, and so cut it out as worthless. But if it is not in the Sherman law it is in section 5 of the Trade Commission bill. It is an unfair method of competition.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. VOLSTEAD. I yield to the gentleman from Wisconsin 15 minutes more.

The SPEAKER pro tempore. The gentleman from Wisconsin is recognized for 15 minutes.

Mr. NELSON. It is an unfair method of competition. You can not get away from those propositions, and therefore it is under the jurisdiction of the Trade Commission. Therefore I say the people are not getting anything in this section not already in existing law.

Now let us see what the trusts are getting. They get all the rest. Anyone who has drafted legislation knows that an evil should be clearly defined and there should not be any exceptions. The Sherman law is an illustration of that, as is also the fifth section of the Trade Commission law. The prohibition of the law should sweep the field. When we make a lot of exceptions we acknowledge that we have not clearly defined the evil. Now listen to these 10 exceptions to that provision. You will find that the Democrats legalize here a practice which they have condemned on the part of Republicans every time a tariff bill has been discussed. The gentleman from New York [Mr. PAYNE] knows how they have denounced the practice of selling products abroad cheaper than at home, and how wrong it was to discriminate against Americans; but here they legalize that practice. Every trust can sell its products cheaper abroad, and it is legalized in this bill. Oh, it was not in the beginning. They had no such exception at first, but pressure was brought, and they modified this provision, so that discrimination is only forbidden in this country, but trusts can sell abroad cheaper than they do to American citizens.

Now comes a provision that has been discussed in both Houses, a provision of far-reaching consequence. Price discrimination is forbidden—

Where "the effect may be to substantially lessen competition."

Now, try in your own mind to figure out the meaning of those words.

The word "substantially" is dangerous. We thought the word "unreasonable" was dangerous, but Chief Justice White, in the Tobacco case, went over that and showed that it was not intended to relieve trusts from the prohibition of the Sherman law, but simply to make the law workable, and we have no cause of complaint any more. But now they are injecting into all these provisions the word "substantially," and that is mighty dangerous, because these laws will be construed together. Now, the next phrase is:

Or tend to create a monopoly in any line of commerce.

Not in any locality, not in any State; but unless they can show that there is a tendency to monopoly throughout the whole Nation or throughout the world, nothing can be done. See the difficulty of proving your case under this provision. Try to distinguish between that and the language of the Sherman law. My distinguished friend from Arkansas [Mr. FLOYD], in reading the case to which he referred, cited language that the Supreme Court had used in defining the Sherman law, and this language is tantamount to a restraint of trade. If it is not, I should like to have some able lawyer distinguish it. It is beyond my ability.

Again, as if these loopholes were not sufficient, they can discriminate as to "grade, quality, or quantity" of the commodity sold. What is possible under these loopholes? Again, they may allow for difference in "the cost of selling or transportation" or discriminate in price in the same or different communities "in good faith to meet competition." I have received a pamphlet—and perhaps you have all seen copies of that pamphlet—signed by the Independent Petroleum Marketers' Association, W. C. Platt, secretary, and the National Petroleum Association, C. D. Chamberlain, secretary and general counsel. These complainants are the independents who have to contend with the Standard Oil Co. Now, take these innocent-looking loopholes. I shall print the whole of this pamphlet, and I now ask per-

mission, Mr. Speaker, to extend my remarks by including this and other things.

The SPEAKER pro tempore. The gentleman from Wisconsin asks unanimous consent to extend his remarks. Is there objection?

There was no objection.

STANDARD OIL AND THE CONFERENCE REPORT ON THE CLAYTON BILL.

CLEVELAND, OHIO, *October 5, 1914.*

To the Congress:

If you want to legalize probably 75 per cent of the acts for which the Standard Oil Co. has been found guilty in many courts, then by all means vote for the conference report on H. R. 15657, better known as the Clayton antitrust bill.

If you want trusts and others to continue price discriminations without let or hindrance; if you want the Standard Oil Co. in the future to be invited by law to kill all its competitors by the simple expedient of cutting prices in their respective territories, then register a loud "aye" when your name is called on this conference report.

If you don't believe the foregoing, read the bill as reported by the conference committee, and read it with sane, honest, intelligent thought.

Here's what you will find:

Instead of forbidding that price cutting which is for the purpose of destroying a competitor, the conference committee permits a court to guess as it may see fit as to what will "substantially" lessen competition and "tend to create a monopoly." Why change from the wording that has been commended by many courts? Why open the door for a multiplicity of lawsuits, with every court permitted to differ from every other court?

Again:

Why introduce an element that varies with every company's business, to wit, the "selling" cost along with "transportation," as another aid to price discrimination? The oil men have been trying to tell you for nearly 10 months now that the Standard Oil Co. is whipping the devil around the stump on that word "transportation." The Standard says it includes cartage cost, but they make the cartage cost vary according to whether there is or is not competition; points of extreme competition find the cartage "cost" exceedingly low, despite high hills and winter snows. We, the independent oil interests of the country, want you to change that to "common-carrier transportation"; then we will have the variations in prices nailed fast. And yet, not satisfied with letting the Standard make its "cartage cost" farce, the conference committee adopted the Senate Judiciary Committee's proviso of "selling" cost. Do you appreciate that $5 a month more or less to station managers, so it might be alleged, would permit the Standard to vary its prices? Not a whole lot, but some, to which can be added a thousand and one little things which, if any Congressman ever had any business experience, he would quickly understand.

But come to the grand prize, to wit:

There being also allowed—in the event the Standard did not happen to get by on its cartage cost and selling charges—"discrimination * * * made in good faith to meet competition."

Why doesn't that say "competitor's prices," instead of just "competition"? Some good lawyer might reply that it would make the section redundant. So it would, because in meeting a competitor's prices, they being lower, the Standard, for instance, would be holding its business and not be laying itself liable to a charge of destroying that competitor's business. But here, under the kindly revised section, the Standard is selling 25,000 gallons of burning oil a day in a small town against a little independent's 500 gallons. The independent grows to a thousand gallons. Isn't he competition? Under this new section can't the Standard cut the bottom out of the market and keep it out until that independent has had to quit business? And can't the Standard commit this commercial murder and not only go unscathed by the the law, but have they not really been invited to do it by the Congress, as it were?

What does your "good faith" amount to in this clause? Hasn't the Standard in the above case done exactly what Congress would permit it to do, and there can be no question but what the Standard wants the business in all "good faith," and bad, too, for that matter?

But this applies to boots and shoes and sugar and corsets, coal and diamonds—so it does; but aren't the fundamentals of trade the same? Under the antidiscrimination law, which is on the statute books of a score of States and which has been passed upon by a number of supreme courts, can't a man conduct his business as he sees fit, as his needs may require, providing he doesn't reduce his prices in such a manner as will destroy the business of his competitor, providing, further, that he gives the benefit of any such cuts to all places where he is doing business. Any reason why the Cigar Trust stores should sell you two-for-a-quarter cigars in Washington at a cent each, charge your brother in Philadelphia 20 cents each, and your wife on your birthday in New York 30 cents each, all on the same day, providing some one else wasn't cutting the market at Washington to drive the Cigar Trust out of business?

Isn't all that any average fair business has fought for a chance to do business, free from molestation by highwaymen, on our commercial highways?

But how is any business not of the highwayman type going to get by, no matter how large its armed guard, if Congress enacts this section of the Clayton bill as revised by the conference committee?

Wouldn't Congress be lining the road with these highwaymen?

For nearly the past 10 years public opinion has been enforcing fair competition—measurably so—on the Standard Oil Co. and other trusts, and in that time the independent oil interests have grown from doing only 15 per cent of the business to nearly 40 per cent. There is now competition of some sort in a vast majority of the municipalities and districts of the country, and it is competition of the hardest kind, with the Standard Oil interests crowding the price down slowly but surely. However, it is quite noticeable that in the States having this antidiscrimination law the Standard is not—save in a few exceptions where it has tried on its "cartage-cost" plan—discriminating in prices, but in States that haven't this law it has, even to hemming in a small town with high prices while enforcing low prices there. The Standard may have reduced the cost to itself of petroleum and its products, but the Standard never reduced the cost of it to the public until it had to by this independent competition.

Gentlemen, this independent competition is now at your mercy. What you do with this particular section of this particular bill will go a long way toward continuing competition in the oil business or defeating it.

There is only one conclusion that can be drawn from the way the bill is written, and that is that the Standard Oil interests and trusts and organizations of similar character are the sole and only beneficiaries. It's a cinch the people are not.

A vote for the bill as now drawn is a vote against the small competitor.

For your "watchfully waiting" constituents,

THE INDEPENDENT PETROLEUM MARKETERS' ASSOCIATION,
W. C. PLATT, *Secretary.*
THE NATIONAL PETROLEUM ASSOCIATION,
C. D. CHAMBERLAIN, *Secretary and General Counsel.*

Mr. NELSON. So, Mr. Speaker and gentlemen, I invite your attention to this complaint, and it is a bitter complaint, showing what this bill is doing to the independents. Speaking of the last-named exceptions, these people ask:

Why introduce an element that varies with every company's business, to wit, the selling cost along with transportation as another aid to price discrimination? The oil men have been trying to tell you for nearly 10 months now that the Standard Oil Co. is whipping the devil around the stump on that word "transportation." The Standard says it includes cartage cost, but they make the cartage cost vary according to whether there is or is not competition; points of extreme competition find that the cartage cost is exceedingly low despite high hills and winter snows. We—the independent oil interests of the country—want you to change that to "common-carrier transportation." Then we will have the variation in prices nailed fast.

And, then, it says:

But come to the grand prize, to wit:

There being also allowed—in the event the Standard did not happen to get by on its cartage cost and selling charges—"discrimination * * * made in good faith to meet competition."

Again, it says:

Why does not that say "competitor's prices" instead of just "competition"? Some good lawyer might reply that it would make the section redundant. So it would, because in meeting a competitor's prices—they being lower—the Standard, for instance, would be holding its business and not be laying itself liable to a charge of destroying that competitor's business. But here under the kindly revised section the Standard is selling 25,000 gallons of burning oil a day in a small town against a little independent 500 gallons. The independent grows to a thousand gallons. Is not he competition? Under this section can not the Standard cut the bottom out of the market and keep it out until that independent has had to quit business?

Now, there are other exceptions. Trusts may "select their own customers," whatever that means, and it seems to me to be pregnant with possibilities. Finally, the penalty is cut out; they can do all these things, and the Trade Commission can only say, "You must not do it any more." Then there is the long delay in an appeal to the courts; and they go through the courts. And then what? There may be an injunction issued, but they have got away with the loot with impunity. I submit to any candid man the question, Where is the protection to the people of the United States? Where are the teeth in this section of the bill?

The prohibition upon price discrimination is now in the Sherman law, so far as restraint of trade goes or tendency to monopoly, and if there is an unfair method of competition beyond the pale of the Sherman law, it is certainly included in the unfair method of competition of section 5 of the Trade Commission bill, so that this section is not only unnecessary but it hamstrings both court and commission, for these loopholes are suggested and legalized.

I have now shown you the nature of its front tooth. It is hollow. The nerves have been carefully extracted. It is a show tooth, and no more.

The other provisions dealing with holding companies and interlocking directors are similar in substance and structure. "The effect" of violation must be "to substantially lessen competition or tend to monopoly," and the penalties are taken out, so that they may be violated with perfect impunity.

Look at the next provision, dealing with tying contracts. As the House passed the bill there was something to this section. The Senate struck it out and substituted the Walsh amendment. That was effective, but unfair to patented commodities; both had drastic penalties.

But the conference struck out the penalty and restored the House provision, with this language added: "Where the effect may be to substantially lessen competition or tend to create a monopoly in any line of commerce." As pointed out in the preceding provision, this makes the whole thing practically worthless, for it either is identical with restraint of trade under the Sherman law or so nearly the same that only the Supreme Court or the Lord can tell the difference.

Mr. Speaker, I have tried to indicate the nature of this bill by showing you some of its sample teeth. The Senate, I repeat, struck out three teeth of the House bill as perfectly worthless. Two of them were restored, but without the penalties.

I now desire to call your attention to section 25 of the Senate bill. This was rejected by the conferees. I call attention to this section because it so clearly proves my contention that the Democratic Party deliberately dodged the main trust issue. I read:

That whenever a corporation shall acquire or consolidate the ownership or control of the plants, franchises, or property of other corpora-

tions, copartnerships, or individuals so that it shall be adjudged to be a monopoly or combination in restraint of trade, the court rendering such judgment shall decree its dissolution and shall to that end appoint receivers to wind up its affairs, and shall cause all of its assets to be sold in such manner and to such persons as will, in the opinion of the court, restore competition as fully and completely as it was before said combination began to be formed. The court shall reserve in its decree jurisdiction over said assets so sold for a sufficient time to satisfy the court that full and free competition is restored and assured.

Now, the trouble with this provision, as the conferees saw it, was that it was too radical; that is, too effective. It was not a tooth; it was a horn—the horn of a wild boar or a rhinoceros. It would do deadly execution when directed against any trust. It might better be compared to a German 16-inch howitzer. It was a real trust buster. So the conferees dropped it out of the bill. What was the argument? Why, "It limited the power of the courts, and it might work injury to the stockholders of the dissolved trust." Think of it! The tender care for the innocent trust stockholder! What of the 90,000,000 of American people? Limit the power of the courts! Why not limit the power of the courts so as to prevent what was done in the Tobacco case or in the Standard Oil case? The court of appeals pursued a circuitous course, sometimes described as "whipping the devil around the stump," instead of carrying out directly the purpose of the Sherman law, dissolving these monopolies, so adjudged by the Supreme Court, and thus restoring in the oil and tobacco business free and full competition.

When it was evident that this Senate provision must go out an amendment was urged upon the conference, so that the section would read:

That whenever a corporation engaged in commerce shall acquire or consolidate the ownership or control of the plants, franchises, or property of other corporations, or of copartnerships or individuals, so that it shall in a suit brought by the United States be adjudged a monopoly or combination in restraint of commerce, the court rendering such decree, if practicable and necessary to the ends of justice, also decree the dissolution of such monopoly or combination, with the view of restoring competition as fully and freely as it existed before such monopoly or combination began to be formed. In the event that such full and free competition as provided herein is not restored within one year from the entry of the decree the court shall, if necessary to the ends of justice, appoint receivers to wind up the affairs of the monopoly or combination and cause all its assets to be sold in such manner and to such persons as will restore full and free competition, reserving jurisdiction over the assets so sold for such time as may be necessary to enable the court to enforce full and free competition as decreed.

The purpose of this proposed amendment was to settle the mooted question of the equity power of the court to partition and sell the assets of an adjudged monopoly. It also made certain the power of the court to give the trust a year's time to adjust its affairs to the requirements of the antitrust laws after it had been found guilty, and reserve the jurisdiction of the court over the assets of the corporation until it had satisfied itself that full and free competition had been restored as decreed.

The necessity for such a provision was urged upon the Judiciary Committee of the House most urgently by the well-known lawyer, Louis D. Brandeis, of Boston. On page 652, volume 1, of the hearings, Mr. Brandeis is recorded as follows:

Mr CARLIN. Mr. Brandeis, which of these supposed powers does the court not already possess?

Mr. BRANDEIS. In my opinion, the court possesses and has possessed all those powers, but the very learned circuit judges of New York who passed on the Tobacco case, in which I happened to be counsel for some of the defendants, were of opinion, apparently, that they did not possess those powers, and the very eminent counsel for the tobacco companies asserted most strongly that the court does not possess some or all of those powers.

As a matter of fact there was much discussion of the actual and almost the revolutionary character of the remedies which it was proposed that this court should exercise in carrying out the decree of the Supreme Court.

Unfortunately we did not have an appeal, as we should have had, from the decision of the circuit court judges. Because we did not have it, and because of the action there, and the fact that the judges were very eminent and were located in what is, perhaps, officially the most important circuit of the United States, it seemed important to make it desirable to set forth clearly the existence of these powers. If the court has the power, then no harm is done. If any judge shall be in doubt now as to whether he has the power or not, that doubt will be removed, and it is one of the great purposes which the President and all of us have been desirous of accomplishing in the removal of uncertainties in the law, and it has seemed to me it would be of great educational value, at least, to set forth these provisions distinctly in the law.

Then again, on page 679, Mr. Brandeis gives his reason:

Mr. BRANDEIS. I mean by machinery perfecting the remedies, and where it is necessary to protect the remedies by statute instead of by rule of court I would amend it by statute, and, if the situation is one of doubt, I would, in the exercise of the power which Congress has, instruct the courts as to what their powers may be, because you must remember that you gentlemen here are studying hard this question of the trust law. You are giving time and attention to this question. The courts have it, and it is one of many questions which come before the courts. You will be specialists in the law so far as it deals with trusts and monopolies and the Sherman law. They are not experts or specialists on this subject, and you ought to do what you can to make the machinery, such as it may be, an example to the country of how efficient legal machinery may be when the mind of man is directed to it.

Again, on page 689, I asked Mr. Brandeis this question:

How would you suggest a law controlling the matter of ownership of stock in competitive companies that would have prevented just what happened with the Standard Oil and Tobacco cases?

Mr. BRANDEIS. I have endeavored, in one of these provisions relating to machinery, to reach that situation by pointing out to the court that that was the kind of thing to do. What we contended for in that case, and what Mr. McReynolds when he was special assistant contended for, and what I contended for in that case, was that the court in dividing up the Tobacco Co. should refuse to allow anybody who held stock in one of those three segments to hold stock in either of the others.

Mr. NELSON. Do you think the court now has that power to prevent it?

To which Mr. Brandeis replied that he thought the court now had the power to prevent that. I then asked him what the court of appeals and the Attorney General held with reference to it. Mr. Brandeis replied:

The Attorney General expressed grave doubt about that power.

He went on to say:

It was contended in that case most strongly, by Mr. Choate and all the counsel for the Tobacco Co., that the Supreme Court held a different view, and quoted passages from the Harriman case and other cases in passing on the Standard Oil case, indicating that was the view of the Supreme Court. It seemed to me the contention was absolutely unfounded, but it satisfied the circuit judges, so they denied us the relief.

No amendment to perfect the provision was favorably considered by the conferees. Why this tender care, this gentle solicitude for the trusts? And this is a so-called Federal antitrust bill.

Mr. Speaker, in conclusion, I wish to call attention to the probable effect of this measure. I fear it will be bad, if not disastrous. It surely introduces uncertainty, confusion, and vexatious delay in the interpretation and the administration of the antitrust laws. It interferes with business, needlessly causing anxiety, uncertainty, and distress. No one can estimate the far-reaching effect of this interference. But the worst feature of it all is that the monopoly evil itself goes on untouched, so that this menace to our industrial and political life will be permitted to work out we know not what disastrous consequences.

The sum total, therefore, of Democratic legislation on the trust question is that another way has been provided, a roundabout way, for unwilling Attorneys General to whip the trust devil around the stump, "a primrose pathway of dalliance" for monopoly.

But this legislation may also prove disastrous for the party responsible for it, the party pledged unequivocably to enact legislation that shall make private monopoly impossible. What has it done? An analysis of this bill discloses that its trust legislation has been a process of bringing about "an atmosphere of mutual accommodation and understanding" between itself and big business.

Speaking now as a one-time secretary of the Insurgents of the House, I call your attention, you Democrats, to the fact that you are in power to-day by reason of your being the temporary beneficiaries of the Insurgent-Progressive movement inaugurated here a few years ago. I speak for myself, but I believe I voice the sentiment of all the Insurgents in Congress and in the country, when I say that after having seen what we have seen, and knowing what we know of Democratic performance of solemn pledges, we shall fight long and patiently within the conferences and conventions of our own party, the party of Lincoln [applause], that struck down slavery and set the black man free, the party of John Sherman, that put upon the statute books an antitrust law that Democratic statesmanship dare not even touch lest they mar its strength and symmetry, believing, as we do, that in the near future dissensions shall cease and the statesmanship of a united and harmonious grand old party will again be commissioned by the American people to guide the ship of state back to the quiet and happy haven of free, full, and fair competition in every field of trade and commerce.

There is no hope in Democracy. What we bolted was caucus rule and partisanship. But Democrats are the partisans of partisans and the slaves of the party caucus. We sought to overthrow a few leaders whom we thought were too loyal to special interests, but the Democratic Party as a whole has surrendered to special privilege. Why, Mr. Speaker, if there is any choice between courageous support of Wall Street and a craven surrender to Wall Street, I prefer the courageous leadership, because there is a chance to convert or change that leadership; but you can do nothing with a party that commits the unpardonable sin—the party that solemnly pledges itself to do the right thing and then deliberately and knowingly does the

wrong, a party that will sacrifice the salvation of the American people, its deliverance from the yoke of monopoly, upon the altar of partisanship for the sake of its one supreme god—party success. [Applause on the Republican side.]

The SPEAKER pro tempore. The gentleman yields back three minutes of his time.

Mr. WEBB. Mr. Speaker, I yield to the gentleman from Missouri [Mr. DICKINSON].

Mr. DICKINSON. Mr. Speaker, I ask unanimous consent to extend my remarks on this measure in the RECORD, the time being so limited that I can not get an opportunity to fully and properly discuss it.

The SPEAKER pro tempore. The gentleman from Missouri asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. MANN. I object.

Mr. WEBB. Mr. Speaker, there are a number of gentlemen on this side and a number on the other side who would like to extend remarks on this measure, and I ask unanimous consent that all gentlemen may have the privilege of extending remarks in the RECORD.

The SPEAKER pro tempore. The gentleman from North Carolina asks unanimous consent that all gentlemen who speak upon the bill may be allowed to extend remarks in the RECORD.

Mr. MANN. On the subject of the conference report?

Mr. WEBB. On the subject of the bill. I am not anxious to confine it to that if the gentleman does not want to confine it to that.

Mr. MANN. Mr. Speaker, I shall object to permission to extend remarks generally in the House until the cotton people have had a chance to debate in the House; but as to those who wish to extend remarks on this conference report, I have no objection.

Mr. WEBB. The gentleman from Missouri [Mr. DICKINSON] made that request.

Mr. MANN. I objected to the gentleman's request because I do not want to have the time of the House taken up with several gentlemen rising to make requests to extend their remarks in the RECORD, having had half a minute yielded to them.

Mr. WEBB. Mr. Speaker, I ask unanimous consent that all Members who want to extend their remarks upon this bill may do so.

Mr. BORLAND. For five legislative days.

Mr. WEBB. Yes.

The SPEAKER pro tempore. The gentleman from North Carolina asks unanimous consent that all gentlemen be permitted to extend their remarks in the RECORD on this bill.

Mr. MANN. For five legislative days.

The SPEAKER pro tempore. For five legislative days. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

Mr. VOLSTEAD. Mr. Speaker, I yield 13 minutes to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Speaker, the indefensible character of this conference report on the Clayton bill has been so aptly, picturesquely, and vigorously described by distinguished Democrats, Progressives, and Republicans in another legislative body that it is difficult to do it justice in a descriptive way without being charged with plagiarism. Descriptive adjectives of criticism and condemnation have been exhausted by those who, having supported the measure in its earlier legislative stages, have found themselves in duty bound to vote against the report brought in by the Democratic members of the committee of conference. I mention this because it being contrary to the rules to quote these criticisms uttered in the Senate by men who are friendly to the avowed purposes of the legislation, I trust I may be excused if some of my characterizations of the nature of the report are somewhat similar to those which have been made elsewhere.

I voted for the Clayton bill as it passed the House, not because I approved all it contained, not because I believed it contained all the provisions it should, but because I did approve some of its provisions and hoped that its faults would be remedied and its shortcomings supplied. In this conference report hope is conclusively dashed and disappointed. I trusted that the measure would be so improved and perfected as to fully justify my former vote and warrant my further support of the measure. I now find I can not approve what has been done without being false to the opinions I hold as to the necessity for definite and effective legislation to prevent unfair and unjust practices which lead to and perpetuate monopoly.

The theory of this legislation was, as I understood it, to supplement and strengthen the Sherman antitrust law; to definitely prohibit and adequately penalize certain clearly defined acts and practices, evil and oppressive in their nature and harmful to the public interests. These objects were, to a certain extent at least, accomplished in the House bill. The legitimate objects of the legislation were, in some respects, further secured by the action of the Senate. We are now confronted with a conference report which emasculates the House provisions, nullifies some of the Senate amendments, and presents a measure which ought to be, and probably is, perfectly satisfactory to every trade shark and conspirator and every trust magnate in the land. [Applause on the Republican side.]

The conferees, without authority in my opinion, have stricken from the bill the penal clauses of its more important sections under which evildoers could have been heavily fined and sent to jail for persisting in the evil and unfair practices which the bill condemns. This most extraordinary and unusual action on the part of the conferees in robbing the bill of its penalties has been referred to elsewhere as "pulling its teeth." It is more than that; not only have the conferees pulled its teeth, they have trimmed its claws, and for its stern tones of warning and prohibition they have substituted a plaintive pleading which has elsewhere been likened to "the mewing of an anemic tabby cat." [Applause and laughter.]

The flimsy excuse for this unpardonable surrender is that these vicious and harmful practices are to be dealt with by the Federal Trade Commission. We can scarcely believe our astonished ears as we hear gentlemen high in Democratic legislative councils say that these sections were not intended to apply to trusts and monopolies, that "it was the common belief that the practices of actual trusts and monopolies are already amply taken care of by the law." May I inquire why this is called an antitrust bill, if we already have, in the opinion of the Democrats in responsible positions, adequate legislation affecting trusts and monopolies?

If the severe punishments which the House bill provided for the acts and practices it prohibited are to be eliminated because the Federal Trade Commission is expected to exercise jurisdiction over them, why confuse the issues by general prohibition of unfair practices in the Trade Commission bill and provisions in this bill denouncing certain specific acts and practices with no provision for their punishment? The inevitable result will be delay, confusion, litigation, and at the end of it all nothing more menacing to real wrongdoers than a polite notice to desist from their evil practices. This is the legislative "ring around the rosy" which we have presented to us as the final product of all the Democratic volleying and thundering against the trusts. [Laughter on the Republican side.]

Section 3 of the House bill, intended to prevent unfair practices, harmful to consumers, on the part of those engaged in the production and sale of coal, oil, or hydroelectric energy, has disappeared from the bill as completely as though it had never been a part of it. Amendments offered to recent water-power and leasing legislation in the House for the protection of users and consumers were voted down by the majority on the theory, and with the statement, that this legislation would provide the needed protection. Yet, lo and behold, these necessary protective provisions are lifted bodily from the bill with no other explanation than that these questions are so involved and complicated that there was not sufficient time to fully consider and wisely legislate with regard to them.

For a year and more the trade and business interests of the country have been in a constant state of alarm and terror as the Cossacks of Democratic radicalism have charged and countercharged with blare of trumpets and waving of banners, with declarations of implacable hostility to trusts and monopoly, and of fixed determination to put an end to all acts and practices in business which their medieval fancy disapproved. Their indiscriminate condemnation and Falstaffian fury inspired terror everywhere, but more particularly among those of energy and enterprise against whom no charge could be laid except that they had been successful. Honest and legitimate enterprise halted as the country awaited the expected blow, uncertain whether real wrongdoers and malefactors or inoffensive citizens and innocent bystanders were to be the most severely punished.

So far as the real offenders against sound public policy and real oppressors of the people are concerned, it is all over. The Democratic conferees have sounded the retreat; the raiders have been called in. Their trumpetings no longer alarm the real enemies of commercial freedom, and we behold these erstwhile terrors of the countryside for what they really are—tin soldiers with toy guns and wooden swords. [Laughter and applause on the Republican side.] Behold before you the trophy of their sham battling against the trusts and the trade oppressors—a soiled and trailing flag of truce and a declaration of absolution and immunity.

But how about the innocent bystander—the legitimate business enterprise, the undertaking to which fair practice, faithful and efficient service has brought success? Do they participate in the fruits of compromise and surrender? Not at all. They find themselves, in the words of a newspaper of this city, in "a vast labyrinth of prohibition and restriction, through which every concern above the level of a corner grocery will have to feel its way. The inevitableness of contravention of some clause by almost any business man is evident, until the whole field of affairs is plotted and mapped by means of administrative rulings and court decisions." The conference report presents, therefore, one of those strange anomalies of legislation through whose loopholes the real culprit may pass unscathed, but whose meshes tangle every footstep of the honest and well meaning who have the energy and enterprise to tread the paths of commerce where its snares are laid.

This conference report, if adopted, will not accomplish in advance the abatement of unfair and oppressive practices in trade and enterprise. It is, on the contrary, a backward movement; a confession of incompetency, if nothing worse; a confusion of the issues by the belated confession of its apologists and defenders. It is now not even claimed to be an effective instrument against trusts and monopolies established and intrenched or hereafter formed. Heralded as a battery of heavy trust-busting artillery, it now develops that its instrumentalities, far from having any effectiveness for those purposes, is an aggregation of smooth-bore hot-air guns, its projectiles the dimensions of a shriveled pea and the consistency of a blue-mass pill. As an irritant and an obstruction to the enterprising and law abiding it has, however, all of the efficiency of a barbed wire entanglement reenforced by hidden mines and concealed pitfalls.

Some gentlemen imagine that some will be cajoled or coerced into voting for this apology to the trusts—this fraud and sham, as it has been characterized in another body—because of some provisions I have supported which are desired by some labor organizations. One of the best friends of labor in public life has characterized those provisions as the "cheapest sop that has ever been offered to a laboring man." Another has described them as "taffy." I do not altogether agree with that characterization, but everyone knows that these provisions are not what the representatives of labor sought or asked for; that they have been clipped, trimmed, diluted, and toned down until they are in the main but declarations of present law and practice. Laboring men have infinitely more interest in preventing unfair trade practices and the curbing of monopoly than they have in any mere declaration of an existing fact. They are the last people in the world to ask or expect that any provision of legislation of questionable advantage to them be made the excuse for complete surrender to the trade sharks which infest the waters of commerce, destroying competition, and the monopolies which enhance the cost of living for all. [Applause on the Republican side.]

Mr. WEBB. Mr. Speaker, I yield 10 minutes to the gentleman from Oklahoma [Mr. MORGAN].

Mr. MORGAN of Oklahoma. Mr. Speaker, we are about to take a final vote on H. R. 15657, entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes." The bill is called the "Clayton antitrust bill." The bill is an administration measure and is supposed to represent the best thought of the Democratic administration now in control of the National Government. When this bill was introduced it was referred to the Judiciary Committee, of which committee I have the honor to be a member. The bill was before the committee for months. Extensive hearings were had. Many persons appeared before the committee and discussed the bill. The bill was reported to the House, and after being under consideration a number of days was passed by the House. The bill went to the Senate. It was there amended. A conference committee was appointed to harmonize the differences between the two Houses. The Senate has already adopted the conference report, and if the House does likewise the bill will become a law if approved by the President. You have listened to two of my Republican colleagues of the Judiciary Committee severely criticize this bill as written in the conference report. They express themselves as being unwilling to vote for the bill.

Mr. Speaker, I regret that I can not entirely agree with my Republican colleagues of the Committee on the Judiciary. I believe it is my duty to vote for this bill, and I intend to do so. It is not my purpose to enter into any general defense of the bill, but rather to present a few of the reasons why I believe I ought to support it. I agree with my Republican colleagues that the bill may justly be severely criticized not only for some things that it does contain but for many things that it does not contain. I do not believe the bill is what we should have had, but with all of its imperfections, defects, and faults I shall vote for it for the good, whatever that may be, there is in it.

In the first place, beginning with 1908, in my first campaign, and in every subsequent campaign since, I have said before my constituents that I was in favor of additional legislation for the regulation and control of the large industrial concerns engaged in interstate business. While all the provisions in this bill do not meet my approval and while, in my judgment, the measure is not at all what it should be, and while I feel the administration in power has not given the country what it should have had, still I do not feel that I would be justified in refusing to vote for the measure.

Secondly, the Republican Party has repeatedly declared for additional antitrust legislation. Our party is clearly committed to such legislation. Over and over again we have declared that laws should be enacted to provide stricter supervision, additional regulation, and greater control over the large business concerns engaged in interstate commerce. However imperfect the bill may be, it is a step in the right direction. And I feel that in giving the bill my support and my vote I am clearly in line with the platform declarations of the Republican Party.

Third. There are some things in the bill especially in harmony with my individual ideas. It is known that I introduced in the House the first bill to create a national commission as an instrument to further regulate our large business concerns, as an arm of the Government to protect the public from monopolistic concerns, and as a means to reenforce and maintain competition. When this bill passed the House there was no provision giving the Federal Trade Commission any power. However, since that time the bill to create a trade commission has become a law. But as the bill comes to us to-day the Federal Trade Commission has been given the power to enforce a number of the most important provisions of this bill. In my judgment, in this respect the bill has been improved. In the hands of the Federal Trade Commission these provisions will be enforced. It is not a question of having laws on the statute book; it is a question of enforcement. Here is where the Sherman law has failed. It has not been enforced. The courts have not had the governmental machinery with which to enforce it. The Sherman law is sweeping and drastic. Under it to monopolize, or attempt to monopolize, is a crime subject to a fine of $5,000; under it every contract in restraint of trade is a crime and subject to punishment; under it the courts may enjoin every contract and agreement in restraint of trade. But with all this power lodged in the courts, with all the penalties attached for a violation of the law, concentration in business went on. All the big corporations of to-day have been formed under the Sherman law. The courts have failed as an enforcing agency in statutes designed to regulate and control the business and industrial concerns of this country. We have tried the courts and they have failed. The Trade Commission, assisted and aided by the courts, will, in my judgment, make a more effective enforcing agency. I therefore especially approve the portion of this bill which gives the Trade Commission authority to enforce certain important provisions.

I have in every way possible aided in the work of preparing this antitrust legislation. As a member of the Judiciary Committee, I have tried to do my part.

On the 9th of December, 1913, I think it was, the Judiciary Committee began holding hearings on antitrust bills, and the hearings continued for months. The proceedings were published and comprise 2,000 printed pages. I have here the two volumes in which these hearings are printed. I had the honor to address my own committee. If you will examine these two volumes of the hearings before the Committee on the Judiciary on antitrust legislation, you will see that I delivered the first address on that legislation, occupying two days. [Applause.] And then if you will turn over to the last volume you will find on the last page my minority report in opposition to this bill.

Mr. NELSON. Will the gentleman yield?

Mr. MORGAN of Oklahoma. Just for a short question.

Mr. NELSON. In the speech which the gentleman made, was he not in favor of giving power to the Trade Commission to fix prices?

Mr. MORGAN of Oklahoma. Well, under my bill the commission had power to control the practice, and, if necessary, the prices of corporations having power to arbitrarily control prices. In that respect I am probably some years in advance of the most of you. In due time the Trade Commission will have the power in certain cases to control the prices of these corporations and large concerns that have become virtual monopolies. I planned my bill not only for now but for the future, and the rest of you will come along with me in due time.

Mr. LEVY. Will my friend yield?

Mr. MORGAN of Oklahoma. Yes; for a question.

Mr. LEVY. Did the gentleman state that he is the only one who introduced a Trade Commission bill?

Mr. MORGAN of Oklahoma. No, sir.

Mr. LEVY. I introduced one August 22, 1913.

Mr. MORGAN of Oklahoma. Yes; but my bill was introduced in January, 1912. You and others have followed my lead. When I went before the committee I know that every Democratic Member on that committee smiled at the idea of creating a Federal trade commission. You had no idea at that time that a commission would be created. The President came down here one day about a month afterwards with a message declaring in favor of a commission, and from that time on it was smooth sailing for the commission idea. I give the President credit for that, because it was not a Democratic idea. It was not a Democratic policy. It had not been in the Democratic platform, but it was in the Republican and Progressive platforms.

Mr. MADDEN. Will the gentleman yield?

Mr. MORGAN of Oklahoma. Briefly.

Mr. MADDEN. Does the gentleman charge the President with copying ideas?

Mr. MORGAN of Oklahoma. I do not. But I hope that whoever may be President now or in the future will be a man who will be willing to some extent to recognize what public sentiment generally approves. [Applause.]

Mr. CARLIN. I understood the gentleman's position to be that the Republican Party seems to be abandoning its ideas. Is that it?

Mr. MORGAN of Oklahoma. Well, not exactly. But I must go on. Another thing, to some extent the changes which have been made in this bill have been exactly according to the line I suggested. I offered an amendment to section 2, in substance the same language you have in section 2 now. Now, I believe this bill, after all, represents progress. Shall I refuse to vote for this bill, shall I refuse to go with my Democratic friends one step forward simply because they refuse to go a mile? I believe not. It has been said time and again here that the teeth have been taken out of this bill. Well, my friends, the teeth in a dead animal do not amount to very much. [Laughter.] To be effective the teeth must be in an animal which is alive and has power. We have created a great national commission which, I believe, will be an effective weapon in the enforcement of all our antitrust laws. Through this commission life and vitality and force will be put into our antitrust laws. [Applause.]

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. VOLSTEAD. Mr. Speaker, I yield 10 minutes to the gentleman from Minnesota [Mr. STEVENS]. [Applause.]

Mr. STEVENS of Minnesota. Mr. Speaker, I am opposed to the adoption of this report, because I think it will seriously interfere with the course of trust regulation in this country. I do not care to approach this subject from a partisan standpoint. I seek to discuss it as an American legislator and as one sincerely interested in the successful working out of one of our most complicated and troublesome national problems. We all realize from the discussions throughout the country for some years back that there are two different schools of thought concerning the regulation of trusts. One, and the older one, considers the subject from the standpoint of prohibiting the evils by making evil practices unlawful, to be enforced by the imposition of severe penalties and punishment. Such was the doctrine laid down in the Sherman antitrust law and by most of the States. The more recent method of regulation is that by an administrative body endowed with very large authority, with a high personnel, with large influence and dignity, and the power to regulate, to prescribe, to admonish, to prohibit, and to punish wherever necessary, under fixed rules and standards in advance laid down by Congress. This is the method of regulating the transportation interests through the National and State commissions, and in a way regulating the banking and currency systems through the Federal Reserve Board. These two different methods are somewhat contradictory. One can not go along with the other very far without a conflict of authority and a troublesome mixture of the proper administration of the law.

This bill attempts to straddle these two systems. It attempts to cover both theories, with the result that it impairs and injures both methods and systems of legislation. The method which is covered by the prohibition and penalties as laid down in the Sherman law has already been discussed very ably and exhaustively by my colleague from Minnesota [Mr. VOLSTEAD], and he has demonstrated that this measure will seriously cripple the existing laws prohibiting trusts and combinations. I shall discuss for a few moments the situation of the regulation of commerce and industry in the interstate and foreign commerce of this country as it may be regulated by the Trade Commission and as such regulation and powers may be affected by this bill. It seems to me that this legislation concerning the Trade Commission will be very seriously injured by the adoption of this report and by the provisions of this measure if adopted into law.

TRADE COMMISSION.

The essence of the Trade Commission legislation is section 5, making unfair methods of competition illegal and granting to the commission ample authority to enforce that provision. We all know that Congress made no attempt to define what unfair methods of competition were, are, or should be. Congress designedly left to the courts power to define what should be an unfair method of competition according to the generally accepted rules laid down in many hundreds of cases. We believed this would be the most sure way of protecting the people and the business interests of the country. We knew in the framing of that legislation that there were two different schools of construction as to what constituted unfair competition—one the rather narrow construction made by the United States Supreme Court and followed by many Federal and State courts, and the broader construction held by many of the State courts, by nearly all of the text writers, and especially by the writers on political economy. I will read you what the United States Supreme Court states concerning unfair competition; I quote from One hundred and ninety-eighth United States Supreme Court Reports, page 140:

> The essence of the wrong in unfair competition consists in the sale of the goods of one manufacturer or vendor for those of another, and if defendant so conducts its business as not to palm off its goods as those of complainant the action fails.

In an earlier case, reported in One hundred and seventy-ninth United States Supreme Court Reports, at page 674, it was held:

> The essence of the wrong consists in the sale of the goods of one manufacturer or vendor for those of another.

There are several other cases along that same line. The point is this, that the United States Supreme Court, following the old rule, holds that unfair competition consists in misrepresentation and substitution of goods under the old and familiar doctrine of fraud. The broader definition is illustrated by the text-writers as set forth by Nims on Unfair Business Competition, as follows:

> There is an increasing number of decisions by equity courts in which relief has been given against infringement of some personal right. Many of these cases are applications of old principles governing the issuing of the writ of injunction to new needs—new injuries which modern conditions have produced. Many of them are closely analogous to the application of the writ to unfair-competition cases.

That doctrine, I think, is followed by a majority of the State courts, and I know that those who framed the Trade Commission bill expected, should it be adopted, that every grievous wrong against competition and fair dealing and honest business conduct would be prohibited under the term of prohibiting unfair methods of competition. If such a construction be made, then the commission and courts would have the amplest authority to protect honest business and punish the erring.

EFFECT OF THIS BILL.

I hold the very last number of the Political Science Quarterly, published, I think, by Columbia University, the June and September numbers, containing a very able, elaborate thesis on the subject of unfair competition, in which a list of 11 different classes of unfair competition is set forth, as follows:

1. Local price cutting.
2. Operation of bogus "independent" concerns.
3. Maintenance of "fighting ships" and "fighting brands."
4. Lease, sale, purchase, or use of certain articles as a condition of the lease, sale, purchase, or use of other required articles.
5. Exclusive sales and purchase arrangements.
6. Rebates and preferential contracts.
7. Acquisition of exclusive or dominant control of machinery or goods used in the manufacturing process.
8. Manipulation.
9. Blacklists, boycotts, white lists, etc.
10. Espionage and use of detectives.
11. Coercion, threats, and intimidation.

I think that this classification is not complete. There should be added several other classes, such as the fraud of misrepresentation and substitution, and possibly some evil action under interlocking directorates and holding companies, prohibited by sections 7 and 8 of this bill. So I think it is safe to say that so far as classification has gone there are probably 15 or more different classes of acts or transactions which might constitute unfair competition or methods of competition. The United States Supreme Court has defined only two, namely, substitution and misrepresentation in fraud. Your bill only defines four or five, and consequently there are about half of the classes of

unfair competition or unfair methods of competition which are not defined either by the decisions of the Supreme Court or by your legislation.

Consider in the light of this situation this and past legislation seeking to define and banish unfair methods of competition. There is on the statute books that prohibition of unfair methods of competition by a general term without specific definition. *Following* that statute, several weeks later Congress passes another act specifying four or five different classes of acts or transactions which are admittedly defined by many courts and competent authorities to be unfair methods of competition. You realize what is the old and ordinary rule of construction in such a case that the expression of some is the exclusion of those not named. In other words, by prescribing these definitions of unfair competition in this bill you are liable to compel the Supreme Court to hold that these are the only acts or transactions which Congress has defined as unfair competition, while there are three times as many other classes of unfair acts which are not included within these definitions over which the Trade Commission would or ought to have any jurisdiction. But if the Supreme Court should conclude that, in addition to your definitions, there are two or more other classes which it has described and defined as unfair competition in the cases presented to you and which are not included in your bill, yet there would be one-half probably of the different classes of unfair competition which would not be included within the scope of your legislation or the existing decisions of the Supreme Court. The history of this very legislation furnishes a strong argument why this last method of definition might be adopted by the Supreme Court if the ordinary logic of construction be followed.

You may recall that when your bill left the House it contained a prohibition of tying contracts. I think it was section 4 of your bill as it passed the House, but you will correct me if I misdescribe. At first this section was stricken out by the Senate. Then there was called to the attention of the Senate the decision in the Dick case, so called, in which the Supreme Court sustained as legal the tying contracts affixed to sales under a patent. In such case where the Supreme Court had held such contract and such a practice legal, necessarily the Trade Commission would have no authority to declare such a contract and act illegal as an act of unfair competition or an unfair method of competition. Of course it would not. That was realized. To meet such a situation there was adopted an amendment, which I think is section 3 of your bill as it left the Senate, which made such acts and contracts illegal. Following the logic and analogy of that legislative performance, when there shall be presented to the United States Supreme Court questions as to what shall constitute unfair competition or unfair methods of competition, is it not competent to argue that Congress did not define unfair competition or methods of competition in its first statute? It did so define such words in its second statute a few week later; in addition to the prior expression of the Supreme Court—that when it found that a particular transaction like that of tying contracts had been declared legal by the Supreme Court, in order to overcome that situation and render such subject to the jurisdiction of the commission, Congress found it necessary to specifically legislate on that subject.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. VOLSTEAD. Mr. Speaker, I yield to the gentleman five minutes more.

Mr. STEVENS of Minnesota. Now, Mr. Speaker, following the logical deduction from this situation, the Supreme Court has laid down in these cases which I referred to what it believes to be unfair competition, acts of substitution, and misrepresentation in fraud as to goods of the complainant. Congress, believing that that is not broad enough and did not cover or include enough classes or subjects, has legislated as to four or five other classes to bring them under the jurisdiction of the commission, just as it did concerning the tying contracts. It can be safely assumed that Congress recognized the decision of the court as to what constituted unfair competition exactly as it did as to the validity of a tying contract. Under the decision of the Supreme Court, unfair method of competition would only cover substitution and misrepresentation of goods. That is the old doctrine, well sustained by the decisions. Congress assumed such doctrine in the first statute as a basis for the entire jurisdiction of the Trade Commission. It so intended that such should be the scope of its powers. But subsequently, a few weeks later, in another act, Congress concluded that it was not good public policy to rely exclusively on the decision of the courts in the Dick case and in the other cases as to what constitutes unfair competition. So it meets all of these decisions by specific legislative action in the Dick case, declaring to be illegal that which the court had sustained as legal, and as to the other cases declaring other acts and transactions to be unfair competition in addition to what the court has previously defined. Congress decided that sections 2, 3, 7, and 8, I think, should define other classes of unfair competition, just exactly as it met the court's action as to the tying contract.

Under those circumstances and with this legislative history such would be a logical and proper deduction from the action of Congress and from the action of the Supreme Court. It could be followed without doing violence to any legal rule or argument. If that method of construction be adopted, then more than half of the different classes of unfair-methods competition would not be under the jurisdiction of the Trade Commission at all and would be omitted from its powers, and that is what I am afraid you possibly have done. There is this chance, that you have taken from the jurisdiction of the Trade Commission one-half of the practices which ought to be under its jurisdiction, and if this report be adopted and this bill become a law these unfair practices can hereafter only be placed under its jurisdiction by an affirmative act of Congress. It could not well be implied to be within the scope of the authority of the commission. That situation should have been corrected in your report. It was not so done. I fear that that omission will be extremely injurious to the work of the Trade Commission and to the work of regulating the trusts. I have outlined a real situation, which will be early met and plague the authorities, and will require expensive litigation for several years before it can be finally determined even favorably by the broad authority of the commission as to how far it has actually the power we hoped for it.

Now, another part of your conference report that I fear will be injurious as to the regulation of evil practices of business concerns. You recall that the jurisdiction of the Trade Commission to act in cases of unfair competition was limited to that class where its action against an unfair method of competition was in the interest of the public. That was the standard for the definition and a limit to its jurisdiction and action. That was the sole basis upon which the Trade Commission was authorized to act in any case where an unfair method of competition was brought before it.

You have changed that basis in your section and greatly narrowed and weakened it by practically providing that the "unfair method of competition described in this section shall be under the jurisdiction of the commission where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce." In other words, these other practices of unfair competition, whatever they may be, can be prohibited if they injure public interest. You narrow and greatly restrict that basis. You make it apply only where the act substantially lessens competition, irrespective as to whether it may or may not be for the public interest. I can conceive where it might be for the public interest to substantially lessen competition in commerce. In some cases it might be necessary for the public interest that it be done. You deprive the commission of the power to consider it.

Mr. WEBB. Mr. Speaker, will the gentleman permit me to ask him a question?

Mr. STEVENS of Minnesota. Certainly.

Mr. WEBB. I have tried to follow the gentleman on the legal definition. It seems to me, from what the gentleman has read from the Supreme Court Reports as to what unfair competition is, that the things denounced in sections 3 and 4 do not come within that class.

Mr. STEVENS of Minnesota. Oh, it is conceded by the writers and in the debates that they do. It is conceded all through the debates. If the gentleman will read the Senate debates he will see that that is so; and it is also conceded outside of Congress, in the courts of the States, and by the text-writers and economists.

Mr. WEBB. I was referring to the excerpts from the opinions of the Supreme Court.

Mr. STEVENS of Minnesota. Oh, the gentleman will realize that the basis of the decisions in nearly every case in the United States courts and in the State courts is the doctrine of fraud, and especially fraud as to substitution and discrimination of that nature, and this is only one of the classes of unfair competition. This method of discrimination in prices is a transaction that has been regarded by many courts as one of the most culpable acts of unfair competition. The United States Supreme Court has not so held it, so far as I know. That is the very point I make—that the United States Supreme Court has not so held—so that under its decision and definition that

this particular section 2 would not be unfair competition, and because it has not so held Congress found it necessary to define it and make it an unfair method of competition in order that the Trade Commission should have any jurisdiction over it. And if Congress defines such a transaction in this case in order to overcome a decision of the court, it must also define in all other cases where it is desired that other classes of transactions should be within the scope of the commission; and if that doctrine prevails, then one-half of the methods of unfair competition will not be covered by your legislation and will not be covered by the Trade Commission act, now on the statute books. And whenever it is found that evil practices do amount to unfair methods of competition, if this construction is adopted it will be necessary to enact suitable statutes defining them. We realize how difficult and almost impossible this will be. Because of such a possibility of misfortune for the trust legislation in which we are all so much interested, the committee should have met the situation by apt terms covering the scope of what was designed in the Trade Commission act and prevented this possibility of long and expensive litigation.

The SPEAKER pro tempore. The time of the gentleman from Minnesota has expired.

Mr. STEVENS of Minnesota. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and there I will try to make clearer what I have sought in these few moments to explain. [Applause.]

The SPEAKER pro tempore. Is there objection to the gentleman's request?

There was no objection.

Mr. WEBB. Mr. Speaker, I yield 10 minutes to the gentleman from West Virginia [Mr. NEELY].

The SPEAKER pro tempore. The gentleman from West Virginia is recognized for 10 minutes.

Mr. NEELY of West Virginia. Mr. Speaker, before I begin I will ask unanimous consent that I may be permitted to revise and extend my remarks in the RECORD within five legislative days.

The SPEAKER. The gentleman from West Virginia [Mr. NEELY] asks unanimous consent to revise and extend his remarks in the RECORD within five legislative days. On this bill?

Mr. NEELY of West Virginia. No, sir.

Mr. LEVY. The gentleman has that privilege now.

The SPEAKER pro tempore. Not on this bill. Is there objection?

Mr. STAFFORD. Do I understand that it is on this bill, Mr. Speaker?

The SPEAKER pro tempore. It is not on this bill. Is there objection?

There was no objection.

Mr. NEELY of West Virginia. Mr. Speaker, patriotic Americans will ever remember November 5, 1912, as a grand and glorious day. It is the date on which the independent voters of the land, as a protest against two decades of unredeemed pledges, broken promises, and repudiated principles, retired the Republican Party from power, scourged its recreant officials from the seats of the mighty, and delivered complete control of the Federal Government into Democratic hands.

For the notorious apostasy of its officials the Republican Party was banished. For its traditional fidelity to principle the Democratic Party was restored. On election day two years ago the voters not only remembered what the Republicans had failed to do but they were also mindful of what Democracy had done. At the ballot box the people remembered the remarkable record made by the Democratic House of the Sixty-second Congress. They remembered that that House passed a bill providing for the publication of campaign expenses, both before and after the election; that it proposed an amendment to the Constitution providing for the popular election of United States Senators; that it provided for the admission of New Mexico and Arizona to statehood; that it passed a bill to prevent the abuse of the writ of injunction; that it passed a bill establishing an eight-hour day for workmen on all national public works; that it passed a contempt bill, which in certain cases provides for a trial by jury; that it passed a bill providing for the better protection of human life at sea; that it passed a bill prohibiting the deadly work of manufacturing white phosphorus matches; that it passed a bill to protect American trade and shipping from foreign monopolies; that it passed a bill creating the Department of Labor and making its head a member of the President's Cabinet; that it passed the Alaskan civil government bill, creating a legislature for the people of Alaska, and conferring authority upon them to make laws for themselves; that it made an honest effort to effect a multitude of other needed reforms.

By way of expressing their approval of our past achievements and their confidence in our future performances, the people put every department of the Federal Government under Democratic control two years ago.

The Baltimore platform, upon which Democracy was returned to power, pledged the party to a trinity of capital reforms, consisting of an immediate downward revision of the tariff, the passage of a currency law, and the enactment of such antitrust legislation as would make it impossible for a private monopoly to exist. Certainly this was a program sufficiently ambitious to test the courage and excite the best endeavors of the ablest and bravest of men.

During the rapid flight of the first 18 months of the Wilson administration we have placed upon the statute books a real revenue tariff law, an incomparable currency law, and within another day we shall have added the second of our effective antitrust laws. With an additional record of extraordinary accomplishments to the credit of the administration, the Members on this side of the House can return to their constituents and declare that in deed and in truth they have unqualifiedly kept the faith.

On its restoration to power the Democratic Party found the consuming masses staggering under an intolerable burden of taxation imposed upon them by that infamous measure commonly known as the Payne-Aldrich tariff law, but which in scriptural language might well be designated as the abomination of desolation spoken of by Daniel the Prophet. Under this law every average family in the United States paid a tariff tax of $115 per year. The ingenuity of the measure so nearly approached the injustice of its operation that only $16 out of every $115 collected from the people ever reached the Treasury, while the remaining $99 invariably went into the coffers of the avaricious trusts.

The first work of the administration was to expunge this burdensome law from the statute book and write in its place an honest, equitable revenue law that would be just to all and afford special privileges to none. And most eagerly and enthusiastically did we set about our task. After months of earnest, arduous labor, on October 3, 1913, the Underwood tariff bill finally became a law. By virtue of its beneficent provisions a sweeping reduction in the tariff was made, averaging almost 30 per cent, while many of the necessaries of food and clothing that are largely consumed by the poor and articles coming into competition with trust-controlled products were put upon the free list. We have now had more than 12 months of the Underwood tariff law, and its operations have met with the hearty approval of a vast majority of the people. Until checked by the results of war in Europe, the constant tendency of this law was toward a lowering of the high cost of living. A notable proof of this assertion is found in the fact that sugar was cheaper in May of this year than it had been for 20 years before; while John Wanamaker, greatest of merchants and a lifelong Republican, advertises a reduction in the price of a score of household articles as a direct result of Democratic tariff legislation. It is almost universally believed that with the European war ended and normal conditions again prevailing the Underwood tariff law will in a short time effect a substantial reduction in the excessive cost of the necessaries of life. To-day there is not a Republican candidate for Congress in the whole United States who would dare to go before the voters of his district and assert that if elected he would vote to repeal the Democratic tariff law. Such an assertion would be murder for the candidate's ambition and suicide for the candidate himself. What provision of the Underwood law would the Republicans dare wipe out? What provision of the Payne-Aldrich law would they dare restore? Would they repeal that part of the Underwood law which provides an annual reduction of 25 per cent in the tariff on sugar until it is finally free? Would they restore the tax on sugar that annually cost the consumers $120,000,000 and that compelled every average American family to pay a tribute of more than $7 per year to the Sugar Trust? Would the stand-pat party restore the tariff of 93 per cent on cotton manufactures, provided by the Payne-Aldrich law for the sole benefit of the heartless mill owners like those of Lawrence, Mass., who paid a wage so low that it kept their laborers, including women and children, on the very verge of starvation every day in the year? The Democratic tariff law puts all meats, fish, dairy products, flour, and potatoes on the free list. If returned to power, would the Republicans again put a duty on these prime necessities of the dinner table? Would they again lay a tariff on coal, to be paid by the shivering poor? Regardless of the answers Republican politicians may make to these questions, the people themselves will answer them—one and all—in favor of the Democratic Party on election day; by their votes they will express their approbation of

the Democratic tariff law, that says to the tariff baron, "Thou shalt not steal."

The party having fully redeemed its promise of an immediate downward revision of the tariff, without pausing for a moment to admire the results of its handiwork, promptly proceeded to the enactment of a currency law—a colossal task, considering the mighty influences that were arrayed in opposition to this reform.

The old Republican currency system which the country had endured for more than half a century was a make-shift, war-time measure. It was as inadequate as a fiscal law as the Payne-Aldrich Act was intolerable as a revenue law. Under the old system a dozen men either owned outright or, through a system of interlocking directorates, controlled practically the entire money supply of the United States. The banks were largely engaged in directing the Government business, while the Government ineffectually tried to regulate the banking business. Indeed, the Money Trust had become more powerful than the Federal Government itself. Even in a time of *profound peace* and unprecedented prosperity a handful of men could create a business depresssion overnight and spread an artificial panic from Maine to California between the rising and the setting of the sun. New York City was the seat of financial government, and from Wall Street, as from a throne, the monarchs of money wielded their despotic power without remorse and ruled the land without mercy.

Responding to a general demand for a scientific currency law, the Democratic administration has given to the country the Owen-Glass Act, the best currency law that has ever been enacted by a legislative body. This law affords the people a large measure of local self-government in their financial affairs. It annihilates the Money Trust; it stabilizes commercial conditions and encourages industrial enterprises throughout the United States; it makes it forever impossible for the manipulators of high finance to corner the Nation's supply of money; it provides for the concentration of the reserves of 25,000 banks into the strongest banking association ever formed; it provides for the establishment of foreign branch banks to take care of our foreign commerce; it provides for the issuance of elastic currency on the security of commercial paper of early maturity; it provides a Federal Reserve Board empowered to fix interest rates; it inaugurates a system under which we begin banking business with $53,000,000 of capital and with Uncle Sam as general overseer. This law makes it forever impossible for us to have an artificial money panic; it ushers in an era of new freedom rich in promise of permanent prosperity to every legitimate business and to every honest enterprise beneath the flag.

ANTITRUST LEGISLATION.

While perfecting and passing the tariff and currency laws, Democracy developed such a genius for patriotic service and became so sincerely solicitous of promoting the welfare of the people that it found it impossible either to slumber or sleep until it had carried out its program of antitrust legislation. Accordingly, early this year, the appropriate committees of the House prepared two separate antitrust bills, one of which the administration has already had enacted into law and the second of which it will have placed upon the statute book before the close of another day. These measures, taken together, protect certain rights and provide ample and adequate remedies for certain trust ills which could not be reached under any of the provisions of the old law.

The first of these antitrust measures provides for the appointment of a Federal Trade Commission of five members, not more than three of whom shall be members of the same political party. This commission is empowered to investigate the organization, the business, financial condition, conduct, and management of any corporation engaged in interstate commerce for the purpose of discovering violators of the antitrust laws and bringing them to justice. This commission is expressly authorized and fully empowered to prevent persons, partnerships, and corporations engaged in interstate commerce from practicing such unfair competition as is frequently resorted to by big business for the purpose of destroying its weaker rivals, to the end that the public may later be plundered at will.

The second of the administration's antitrust statutes prohibits what are technically known as tying contracts, which restrict the independence of purchasers; it makes holding companies outlaws in all cases where their effect is to lessen legitimate competition or create monopoly at the expense of the public; it makes it illegal, two years after the passage of the law, for competing corporations engaged in interstate commerce to have interlocking directorates in all cases in which any one of the participating corporations has a capital of more than $1,000,000; it provides for criminal prosecution and imprisonment of violators of the antitrust law; it provides additional protection for those who are prosecuted in injunction cases and contempt proceedings. By enacting the tariff law, the currency law, and the antitrust laws this administration earned the everlasting gratitude and continued support of an emancipated people and won for itself imperishable fame.

Each of these measures should be proof against the condemnation of the opposition, for the reason that a number of members of the minority parties, putting principle above politics and patriotism above party, voted in favor of this Democratic legislation.

Three Republicans, three Progressives, and one Independent in the House, and one Republican and one Progressive in the Senate voted for the Underwood tariff law.

Thirty-five Republicans and 14 Progressives in the House and 3 Republicans and 1 Progressive in the Senate voted for the Democratic currency law.

All the members of the opposition parties joined the Democrats in passing the first of our antitrust laws by acclamation.

Forty-one Republicans and 15 Progressives in the House and 6 Republicans and 1 Progressive in the Senate voted for the Clayton bill—the second of our antitrust measures, the conference report on which we shall adopt within an hour.

Democracy, with its high ideals and righteous devotion to duty, was not content with its superior record, based solely on the great constructive measures just mentioned, and for which so many Republicans and Progressives voted, but to satisfy itself and promote the welfare of the people, with patient toil and unflagging energy, it effected many other reforms sweeping in nature and salutary in results.

INCOME TAX.

In connection with the Underwood Tariff Act this administration passed and put into effect an income-tax law. Under the operation of this statute the wealthy and well to do pay into the Treasury every year a hundred million dollars in taxes on their enormous incomes, which formerly went scot free. Under Republican rule this gigantic sum was raised by means of a tariff on food and clothing, which were largely consumed by the plain people. Under Democratic law this hundred-million-dollar burden has been shifted from the poor man's bending back to the broad shoulders of those whose net incomes are in excess of $3,000 per year. What law could be more popular than this? What measure could be more just? What statute could more effectually lighten the load of those who struggle for their daily bread? If the people approve of this reform, let them go to the polls on November 3 and, by voting the Democratic ticket, say that this income-tax law shall never be repealed.

PENSIONS.

For years and years the Republican Party loudly professed its friendship for the old soldiers and for more than a quarter of a century profusely promised to enact laws that would provide reasonable compensation for the veterans of the Civil War; but immediately after each recurring election this boasted friendship lost its ardor, the promise was repudiated, and the veteran forgotten. Notwithstanding the fact that the Republican Party has had control of the Federal Government for more than 40 of the 50 years that have elapsed since the War between the States, it remained for the Democratic House in 1912 to pass the Sherwood bill, the most liberal pension law that was ever enacted, and under which thousands of veterans have obtained just and generous increases in their pensions. The Democratic House of the Sixty-second Congress passed the Sulloway dollar-a-day bill, but the Republican Senate proved unwilling to give the soldier the relief he deserved and killed the bill.

As a further indication of the Democratic Party's sincere concern for the welfare of those who defend their country's honor in time of war, attention is called to the Key bill, which has already been passed by the Democratic House, and which is now pending in the Senate. This bill provides pensions for the widows and orphans of veterans of the Spanish-American War.

PARCEL POST.

To the Democratic Party should be given practically all the credit for the enactment of the parcel-post law. The vital section of the bill providing this reform was prepared with infinite labor by the distinguished Democratic gentleman from Maryland [Mr. LEWIS]. It was the Democratic House of 1912 that passed this bill and gave it such strong support and created so much sentiment in its favor that the Republican Senate found it expedient to join the progressive Democratic Party in giving the people this legislative boon. It was the present administration, Democratic in all its branches, that developed the parcel post into such an active and effective competitor of the great express companies of the country that they have been compelled to make sweeping reductions in their former exorbitant rates and to do business on a competitive basis. Thus the

express monopoly joins the ever-increasing and rapidly moving procession of economic evils that is disappearing from the face of the earth.

On August 15, 1913, the Post Office Department increased the weight limit of parcel-post packages from 11 to 20 pounds and reduced the then prevailing rates; on January 1, 1914, the weight limit was increased from 20 to 50 pounds and another substantial reduction in the rates was made. By virtue of the parcel-post law one can ship a pound package 150 miles for 5 cents, and 10 pounds the same distance for 14 cents. It was largely on account of the revenue-producing power of this law that the efficient Democratic Postmaster General was enabled so to operate the Post Office Department that it earned and paid into the Federal Treasury last fiscal year a surplus of $3,800,000. It is now estimated that this year's surplus will exceed $15,000,000. Let the critics who charge us with inability to conduct the Government successfully remember that every year since 1883, with the exception of last year, the Post Office Department showed a deficit, and that it was a Democratic administration that transformed the deficit into a surplus and firmly established this department of the Federal Government on a paying basis.

ELECTION OF UNITED STATES SENATORS BY DIRECT VOTE.

Democracy points with profound pride and supreme satisfaction to the adoption of an amendment to the Constitution providing for the election of United States Senators by direct vote of the people. As early as the year 1900 the Democratic Party in national convention assembled declared in favor of this reform, and in each succeeding national convention it in substance reaffirmed the declaration, while the Republican Party in national convention as late as the year 1908 rejected a declaration in favor of this amendment by a vote of almost 7 to 1. Through the efforts of the Democratic Party it is at last a part of the fundamental law of the land that no one can be a United States Senator until after the voters of his State have by ballot declared in his favor.

With the election of its members in the hands of the people the United States Senate ceases to be a sepulcher for the burial of reform legislation; in the future that body will be responsive to the popular will; it will represent our business as well as big business; it will work as industriously for mankind as it formerly worked for monopolies.

LOBBY INVESTIGATION.

Since a time that antedates the memory of this generation the people have suspected that powerful interests were maintaining paid agents at Washington to obtain class legislation and prevent the enactment of reformatory laws. While the Underwood tariff bill was pending in Congress the President publicly announced that an insidious lobby was infesting the Capital and endeavoring by foul means to shape the course of tariff legislation. Following this announcement special committees appointed by the Senate and House for the purpose made a sweeping investigation which proved conclusively that the alleged lobby actually existed; that it had existed from time immemorial; that its activities were nefarious and its purposes pernicious. It was further proved that this lobby not only exerted a powerful and evil influence against the enactment of progressive measures but that the protected interests that maintained this lobby were actively engaged in politics for the purpose of defeating candidates who were unfriendly to class legislation. By virtue of its thorough investigation the Democratic administration consigned the lobbyist to perpetual banishment. The place that knew him once knows him no more, and Congress now frames laws in the interest of all the people, free from the blighting influences of the iniquitous third house. Thus the usurping, intangible, and invisible influences over our Federal Government have perished and the visible processes of legislation have been fully restored.

PEACE TREATIES.

Our Secretary of State, the greatest living apostle of peace, has been diligently negotiating treaties with all the important countries of the world, embodying the administration's plans and principles of diplomatic postponement as an integral feature of international law. The sole object of these treaties is to divest international difficulties of their inflammable and warlike characteristics. So far 26 of these treaties have been ratified and put into operation; 10 other countries, including the leading powers of the Old World, have announced their acceptance of the principles of these treaties and their willingness to conclude and ratify these pacific agreements with this Government as soon as certain matters of detail have been agreed upon. A difficulty between this and any other nation with which we have effected one of these treaties is assured of a full year's calm and dispassionate consideration before either of the nations to the controversy can declare war against the other. There is practically no great war of the past that would not have been prevented by a year's deliberation. By affording abundant time for the inflamed passions of the people to subside and for reason to resume its sway, these treaties will hasten the dawn of an era of "peace on earth, good will toward men."

DOLLAR DIPLOMACY.

Under the old Republican régime, when the Money Trust made a loan to a foreign power or its subjects it was tacitly understood that in the event of the debtor's default this Government would enforce payment of the loan by warlike means and at public expense. By way of abolishing a peculiar species of indefensible special privilege this administration has abandoned the Republican policy of having the Government act as high sheriff for the benefit and protection of our international lenders of money. Democracy believes that while it is discharging its first duty of protecting the taxpayers of the Nation the Money Trust is amply able to protect itself. The Democratic Party is friendly to every legitimate business, whether great or small; but it can not befriend or favor any particular business at the expense of all the people. The Democratic Party becomes hostile to big business when, and only when, by unfair practices and unlawful means it attempts to destroy its competitors in order to establish a monopoly upon their ruins.

ECONOMY IN NAVAL CONSTRUCTION.

The Democratic Secretary of the Navy, as a new departure, forced the armor-plate manufacturers to submit competitive bids for the contract to furnish the armor plate, iron, and steel used in the construction of what is known as battleship *No. 39* at a saving to the Government of more than $2,000,000. This is the administration's latest application of the proverbial wisdom, "A dollar saved is a dollar gained."

FARMERS AND LABORERS.

Realizing that the farmers and laborers of a country are the producers of its wealth and the mainstays of its prosperity, and further realizing that they have heretofore failed to receive the governmental assistance and legislative protection they have always deserved, the present administration has recently made full reparation for 16 years of Republican neglect of these two great classes of citizens by giving them prompt and adequate relief.

For the benefit of labor we have passed a law establishing an eight-hour day for all female employees in the District of Columbia.

For the benefit of labor and to remedy a defect in preexisting law we have passed the dredge workers' bill, which establishes an eight-hour day for those doing dredging work in the improvement of our rivers and harbors.

For the benefit of labor we have inserted in the fortifications bill a provision which establishes an eight-hour day for civilians engaged in the manufacture of powder and ordnance to be used by the Government.

For the benefit of labor we provided in the Post Office appropriation bill for an eight-hour day for post-office clerks and letter carriers.

For the benefit of labor we provided in the naval appropriation bill that all coal purchased for the use of our Navy shall have been mined by those working an eight-hour day.

For the benefit of labor we have enacted the Children's Bureau law to promote and safeguard the interest of little children.

For the benefit of labor, as well as for the employer of labor, we have enacted the Industrial Commission law, which provides for an investigation of the entire subject of industrial relations, to the end that the best methods of dealing with and settling industrial disputes may be ascertained and adopted.

For the benefit of labor, as well as for the employer of labor and the public at large, we have enacted a law amending the Erdman Act, which provides for mediation, conciliation, and arbitration in controversies between employer and employees. This amended law afforded the means by which the President succeeded in preventing the threatened eastern railway strike in 1913, which involved 54 railroads and more than 80,000 of their laborers, by effecting an adjustment acceptable to the railroads and satisfactory to their employees. By virtue of this same law the President this year prevented an industrial strike involving the western railroads and their employees. The great benefits resulting from this new method of adjusting and settling controversies between capital and labor are second only to the advantages arising from the settlement of international disputes by arbitration instead of by war.

Into the second of the administration's antitrust laws we have written a new bill of rights for labor and agricultural organizations not conducted for profit, the effect of which is to declare to the world that the members of labor organizations and farm-

ers' associations are not chattels or commodities or even unlawful conspirators, as some Federal courts, under the authority of Republican Federal laws, have declared them to be; but, on the contrary, that they are, under Democratic legislation, free American citizens, entitled to every right and privilege and immunity that was ever conceived by the mind of man for his own protection and preservation.

For the benefit of the farmer we inserted a provision in the new Federal reserve act authorizing national banks to lend money on the security of farm land and to rediscount farmers' notes that are based on staple agricultural products. Under the provisions of this act the sum of $500,000,000 is made available for the promotion and development of agriculture.

For the benefit of the farmer various bills have been introduced in the House, providing for the establishment of a nation-wide rural-credit system to be controlled by the Federal Government. It is now practically assured that the most desirable of these bills will be selected and enacted into law by the Sixty-third Congress before final adjournment next March.

For the benefit of the farmer we have provided $500,000 for the eradication of hog cholera, a disease for which the Government has discovered a preventive as well as a cure. This disease in 1913 caused the death of more than 6,000,000 hogs, valued at $65,000,000, and these hogs, if saved, would have added 35 pounds per family to the Nation's meat supply.

For the benefit of the farmer we have created the Office of Markets in the Department of Agriculture, which, in the future, by providing the means of distributing farm products directly to the consumer, will save the farmer much that formerly went into the middleman's pocket.

For the benefit of the farmer the House has passed the Shackleford good roads bill, which makes an initial appropriation of $25,000,000 to be expended in cooperation with the various State governments in building and maintaining good roads. It is confidently predicted that this bill will be passed by the Senate and become a law before the adjournmert of the next session of Congress.

For the benefit of the farmer the Democratic Secretary of the Treasury a year ago deposited $50,000,000 of the Government's money in the banks of the South and West to be used in moving the Nation's grain and food supply to eastern markets. The same action was taken again this year, and it will be taken again in the future as often as circumstances may render it necessary, provided the Democratic Party continues to control the Government. Under Republican rule when money was needed for the movement of crops in the agricultural sections of the country the Government met the demand by placing Treasury funds in the hands of the New York bankers, who in turn lent them to the farmers of the South and West at ruinous rates of interest. Under Republican manipulation the Government received no interest on this money, while the New York banker collected a heavy tribute from the farmer for the use of the funds that belonged to the people. The new Democratic way is to lend the money directly to the bankers of those sections which are in need of aid at a low rate of interest, which is paid into the Federal Treasury for the benefit of all, thus eliminating the speculative features of the transaction which formerly inured to the benefit of the New York money broker and left the farmer at his mercy.

For the benefit of the farmer we have passed the Lever agricultural extension law, which will literally bring the agricultural college, the experiment station, and the Federal Department of Agriculture to the door of every farmer in the land. This law makes it possible for farmers' wives and daughters to learn the fundamentals of domestic science and home economics under their own roof. It provides the means for making rural life so comfortable and attractive that the next great shifting of our population will be from the overcrowded cities "back to the farm." If the farmers and laborers are prospering under the laws we have enacted for their protection; if they are thriving under the measures we have adopted for their relief; if they are enjoying the fruits of their toil by reason of the administration's maintenance of the nation's peace, they are solicited to show their appreciation on election day by voting to continue the Democratic Party in power.

THE PANIC BOGY.

Ever since the passage of the Underwood tariff bill big business, stand-pat newspapers, and Republicans politicians have made a desperate concerted effort to plunge the country into a panic for the purpose of discrediting the Democratic Party. The gentlemen on the other side of the House have preached the gospel of political pessimism with the industry of beavers and the zeal of fanatics. They have told us much that was false about the low prices of the farmers' products and much that was fallacious about the ruinous effects of foreign competition. When a factory has closed, even for repairs, Republicans have rejoiced; when business has prospered they have mourned; when a new industry has been established they have wept.

The Member from Washington [Mr. HUMPHREY] in particular has for several months past been in a state of chronic oratorical eruption; he has torn innumerable passions to infinite tatters; he has afflicted the House with what Samuel Johnson called "that querulous eloquence that sees every city laid with a siege like that of Jerusalem; that makes famine attend on every flight of locusts and suspends pestilence on the wings of every blast that issues from the south." He has become so anxious to discredit the Democratic administration and so eager to bring about the election of a Republican Congress that in order to accomplish his purposes he would assassinate the prosperity of his country.

With his wheat selling for $1.25 a bushel we are informed that the farmer is embarrassed; with an insatiable demand at unprecedented prices for everything he has for sale we are told that he is distressed; with Providence lavishly blessing him with bountiful crops and abundant harvests, with prosperity smiling upon him everywhere, we are told by these political croakers and calamity howlers that the farmer is on the brink of disaster and the verge of desolation. Fortunately specific facts are at hand with which to dispel Republican fiction.

With wool on the free list, the farmers have received from 4 to 8 cents more per pound for their wool this year than they received a year ago under the highest Republican tariff law that was ever enacted.

A comparison of the prices of a few of the leading farm products as of the first week in March, 1913 and 1914, from a compilation made by the United States Department of Labor and the Chicago Inter Ocean, shows the following in favor of this year's prices over those of a year ago:

Corn advanced 14½ cents per bushel.
Oats advanced 5½ cents per bushel.
Potatoes advanced 22½ cents per bushel.
Hogs advanced 20 cents and cattle 75 cents on the 100 pounds.

Under such eminently satisfactory conditions as those now existing the farmer will not run the risk of making a change of Government officials, but on the contrary they will wisely provide for a continuation of their prosperity by voting the Democratic ticket on election day.

We have been warned that those who live by toil are idle, and that a large proportion of the laborers of the land are begging their bread. A little while ago we were threatened with a second invasion of the unemployed, under command of Gen. Coxey. It was predicted that on the general's second march to Washington he would bring with him a hundred thousand idle men. The event proved to be a mournful commentary upon the prediction, and a deserved rebuke to the Republican prophets of evil, for when that vast army reached the east steps of the Capitol we were amazed to find that its total strength consisted of Gen. Coxey, his wife, his son, and seven men and a jackass.

If the extent to which laborers are unemployed may be measured by the Coxey demonstration, we are justified in assuming that the workmen of the country are enjoying prosperity in unlimited proportions.

We would remind our Republican friends that they have had the same exclusive monopoly on panics and depressions that they have had on capitalistic combinations. There have been three disastrous panics since the Republican Party was born. The first was the panic of 1873, which came almost in the middle of a period of 25 years, during which the Republicans were in absolute control of every department of the Federal Government. There had been no Democratic administration for 13 years before that panic, and there was none for 11 years after it, so that panic was the legitimate child of the Republican Party.

The next in order was the panic of 1893, which came a few months after the inauguration of a Democratic President, but while the McKinley high-tariff law was still in effect, before a single Republican law had been repealed and before a single Democratic law had been enacted, and it came, on the admission of eminent Republican authority, from natural causes that were world-wide and in operation long before the election of a Democratic President. So panic No. 2 is not chargeable to the Democratic Party.

The next panic, and the most crushing one that has ever been recorded in the history of any country, was that of 1907 and 1908, when every department of the Government had been in the hands of the Republicans for full 10 years, and 5 years

before a Democratic administration began. So panic No. 3 was a Republican panic exclusively, for which the party of high protection and special privilege must bear the total blame.

Recently our Republican friends have prayed for a panic; they have wished for famine; they have longed for depression; they have even hoped for war.

But with the new currency law in operation there will be no panic. There is no famine, there is no depression, and while Woodrow Wilson is in the White House and William Bryan is in the Cabinet we shall have no war.

Mr. MADDEN. Then why a war tax? [Laughter on the Republican side.]

Mr. NEELY of West Virginia. If the gentleman will get me additional time, I shall be glad to enlighten that side of the House as to the war tax. Until checked by the irresistible effect of the European struggle, this country was rapidly moving toward an era of prosperity unparalleled in our national history.

Our business has been deeply depressed and the cost of living has been greatly increased as a result of the terrible conflict that is raging beyond the sea; but we shall soon adjust ourselves to the new conditions abroad; we shall direct our energies into new channels, win for ourselves new laurels, and enter upon a period of prosperity more resplendent than any of the golden ages of the past.

MEXICO—WAR AND PEACE.

The adoption of a simple policy of peace by the President and his great Secretary of State stands out conspicuously as the crowning achievement of this administration. It is an achievement more salutary than any statute, more beneficial than any law.

On assuming control of the Federal Government the Democratic administration inherited from its Republican predecessor the responsibility of terminating a reign of terror and bringing order out of chaos in our sister Republic south of the Rio Grande. Mexico was a veritable inferno of insurrection. Warfare was raging all over that distracted country with the fierceness and fury of barbarism. It was a war of extermination, in which brother was arrayed against brother, son against father, and father against son.

The Mexicans became so regardless of the rights of our citizens and so insolent in their conduct toward this Nation that a great clamor was raised by unthinking people for this Government to declare war against the wretched, bleeding people of Mexico. Indeed, in April of this year popular feeling ran so high that it became apparent that a declaration of war by the Congress against Mexico would meet with almost unanimous approval. In the hour of excitement even women and children were voicing the popular sentiment and repeating the battle cry of 1847, "On to Mexico!" Temporarily the Nation lost its reason, and our excited imaginations painted pictures of "camps and sieges and battles" and the triumphs and glories of military pageantry in all the vivid and alluring colors of the rainbow's hues. We seemed to hear the boisterous drumbeat and the martial notes of the wild, weird music of war. The inspiring strains of the silver-tongued bugle called us forth to the field of muster; we saw the red and the white and the blue of the Stars and Stripes enshrined in a halo of glory. The flag seemed to plead with us to carry it again to the heights of Chapultepec, where Gen. Scott's victorious army had hoisted it six and a half decades before. We felt some superhuman agency within urging us to go forth to slay our fellow men upon the field of battle.

If we had had an impulsive man or an ambitious military genius for President at that critical time, we would now be at war with Mexico and would have an invading army upon Mexican soil and a fleet of bombarding battleships in every Mexican port. At this moment thousands of our bravest and best would be sleeping in unmarked graves and worms would be feeding on their remains; thousands of others would be languishing in hospitals with their bodies mangled and bleeding, their limbs torn away by merciless shot and shell. Every home from which a loved and loving husband, father, brother, or son had gone, never to return, would have been filled with sorrow and gloom. Thousands of homes would be desolate; thousands of homes would have their "vacant chair."

At the end of such a war the Treasury would have been empty, the national debt would have been multiplied manyfold, the land would have been filled with widows and orphans who would have watered the soil with their tears, cripples on crutches would have been hobbling everywhere, business would have been prostrated, industry destroyed, and the jeweled hand upon the golden dial of progress would have been turned back a hundred years. Thrice and four times happy should we be that in this crisis the United States had Woodrow Wilson for its President—a friend to right, a foe to wrong, a lover of peace, a hater of war. Calmly, confidently, and courageously he held his head above the waves, until at last, by patience and persistence, through "watchful waiting," that is admittedly better than world-wide war, the usurping dictator, Victoriani Huerta, has been forced to flee from Mexico; his barbarous rule has ended, his blood-stained power has vanished, his reign of terror is over; the day is breaking and the sun of promise is once more rising with healing in his wings to guide the class-ridden and oppressed Mexican people toward prosperity, plenty, and peace.

A little while ago Republican politicians were clamoring for a vigorous Mexican policy and criticizing the Democratic administration for its moderation. But recent developments abroad have not only demonstrated the wisdom of the President's Mexican policy, but they have also proved that the international equilibrium was so delicately balanced that the assassination of an archduke and his consort was sufficient to drive half the world insane and put 10,000,000 soldiers at each other's throats. Meditate for a moment on the indescribable horrors of the war in Europe; think of the millions that are being crushed under the iron heel of militarism; think of civilization's remorseless return to medieval barbarism; reflect on all these things and then point out the man who does not devoutly thank his God for an administration that saved this country from the horrors and the woes of war.

If some ruthless political vandal could wipe out the Democratic tariff law, expunge the Democratic anti-trust laws, and disentitle us to all credit for the relief we have afforded the country through wise legislation, and yet leave to the people the Democratic administration's priceless policy of peace, for that heritage alone they would manifest their gratitude and provide for their future safety by electing a Democratic Congress to do their bidding for two more years.

WAR MEASURE.

The expenses of operating the Government are paid by revenue largely derived from duties on imported goods. The greater part of our imports come from those European countries which are now engaged in a disastrous war. As a result of this war our importations have declined to such an extent that during the next year we shall fail to collect more than a hundred million dollars in import duties that would certainly have been paid into the Treasury had normal conditions prevailed abroad. In these circumstances the administration was compelled to provide means for raising by internal taxation a sum equal to that we are about to lose by reason of the falling off of our custom receipts. We were confronted by an unfortunate situation, for which we were in nowise responsible, but which left us no choice as to our action.

The House promptly performed its patriotic duty by passing a "war measure," which will soon be acted upon by the Senate and become a law, and under the operation of which we shall raise about a hundred million dollars of additional revenue and fully protect the Treasury against the deficit in customs receipts. This measure is similar to the Spanish-American War measure, prepared and passed by the Republicans 15 years ago.

In their vain and desperate search for a campaign issue the Republican leaders are charging that the shortage in revenue is a result of the Underwood tariff law, and that there would have been no deficit if the Payne-Aldrich law had continued in force.

Indisputable facts are available to disarm Republican criticism and disprove Republican charges. From the time the Underwood tariff law went into effect until the end of the fiscal year 1914 it produced an aggregate of customs and income-tax receipts averaging $26,900,000 per month, as compared with an average of $26,600,000 per month that was raised under the Payne-Aldrich tariff law during the last year of its operation, or an average increase in favor of the Democratic law of $300,000 per month. In the face of these facts no one will honestly contend that the $100,000,000 we are seeking to raise by the so-called "war tax" is the result of any imperfections in the operation of the Underwood tariff law. It should be remembered that the Underwood tariff law made a reduction in the Republican tariff averaging almost $6 per capita. This new war measure simply has the effect of relevying one-sixth of the per capita tax the Democratic Party formerly abolished; thus the average consumer of the country will pay $5 less tariff per year with the new war measure in effect than he paid under the Republican Payne-Aldrich law. All reasonable men will commend the Democratic Party for the action it has taken to preserve the Nation's credit and protect the United States Treasury against a loss occasioned by the European war.

Instead of bemoaning the fact that a hundred million dollars additional revenue has to be raised because of the ravages of a war 3,000 miles away, our pessimistic Republican friends

should be returning thanks to Almighty God for the wisdom and statesmanship of Woodrow Wilson and the Democratic Party, which have saved this Nation from a war at home and spared us the expenditure of untold millions of dollars and the loss of innumerable lives.

PARTY RECORD.

We submit to all fair and impartial people the record of this administration's achievements and make bold to assert that it has no model, no parallel, and no approach in the entire history of civilization. The Democratic Party has in 18 months restored the Government to the people's hands. The value of this service can not be estimated by any known process of mathematical calculation, and can not be expressed in human terms.

By virtue of Democratic legislation the people are now in charge of the currency system; through Democratic Representatives the people have made for their own use and protection a tariff law; through Democratic Representatives and for their own benefit they have made innumerable other laws.

The Democratic Party found the legislative power in servitude to the trusts; it has emancipated the servant and made the master amenable to law; it found the Government in captivity to the special interests; it has set the captive free, and it is now for the voters to say whether the Government shall continue to enjoy its freedom or be again enslaved. In a little while the people will exercise the high privilege and discharge the patriotic duty of choosing from one of the two old parties their Representatives for the next two years. The choice is of vast importance, for its result will determine whether this Government shall be by and in the interest of a few or by and for the benefit of all. There is the old stand-pat Republican Party, so antiquated that millions of progressive men have deserted it and no new recruit can be induced to join it. The masses of the Republican Party are patriotic, honest, and sincere, but through the self-aggrandizement, the inefficiency, the ambition, and the greed of its leaders it has lost its power to do good.

Through its partnership with the tariff barons and the trusts it has become antagonistic to the best interests of the common people who once supported it and made it invincible. Now its only advocate is a subsidized press; its votaries are the special interests and its flatterers the trusts for whose sole benefit it has run counter to public opinion, repudiated every holy tradition, and sacrificed every fundamental of popular government. It is the party of Aldrich and Cannon and Penrose and Barnes. Top-heavy with bosses, infested by factions, and torn with strife, the Republican Party trembles on the brink of the grave.

Speaking of graves and kindred subjects, a few days ago the distinguished gentleman from Illinois [Mr. MANN]—and he is "distinguished," and in brains a head and shoulders above any other man in his party, but unfortunately he is a reactionary—referred to the proceedings in this House as the funeral services of the Democratic Party. I remind my friend that the Democratic Party is the oldest undertaker on this continent. [Laughter.] It began to bury political parties a hundred years ago, and it is still doing business at the same old stand. [Applause on the Democratic side.] In the words of George R. Wendling, a great man, the Democratic Party buried the Whig Party, the Democratic Party buried the Free Soil Party, the Democratic Party buried the Greenback Party, and on the 3d day of November the old Republican Party will die, unrepenting, unforgiven, and unredeemed; and on account of the peculiar condition of the corpse we will perform the funeral ceremony without delay. This will be a funeral without music, without mourners, without flowers, and with no resurrection of the body. [Laughter on the Republican side.] We will carve on the rude slab that marks your resting place these words, "The wicked run well for a season, but they shall be cut off, and that without remedy."

On the other hand, the voters are invited to let their weary eyes repose on the old Democratic Party—the oldest party in existence; the party "that never sold the truth to serve the hour"; the party that has remained true to its traditions and its ideals, whether in the morning of victory or in the midnight of disaster and defeat. Since the day of its birth it has guarded the rights of the common people as the shepherd guards his sheep. The Democratic Party is the party of patriotism and principle, the party of Jefferson and Jackson, the party of Underwood and Clark, the party of Wilson and Bryan. [Applause on the Democratic side.]

The Republican Party has stood for a protective tariff tax to be paid by the consuming many for the benefit of the favored few; Democracy says take the protection off and let the consumer purchase an article for what it is worth and without paying tribute to any trust. The Republican Party has permitted the monopolies to run the Government and the predatory interests to rule the land. Democracy demands that the people shall run their own Government and rule themselves. [Applause on the Democratic side.] Democracy demands that the people from whom this Government derives its every just power, that the people who pay the Government's taxes and bear its burdens in time of peace, that the people who meet the bayonet charge and shed their blood for their country in time of war—Democracy demands that these shall rule; that they shall enjoy their rights perpetually, and that their liberties shall never end. Between now and election day let the voters of the land rekindle every patriotic fire, and with their faces radiant in the light of the holy flame, with their minds filled with sacred memories and their hearts filled with sublime emotions, let them march in solid phalanx to the ballot box and say by their votes that this administration's principles and policies shall not perish from the earth. Let them say that for the next two years Woodrow Wilson shall be supported by a Democratic Congress that will hold up his hands and make possible the completion of all his reforms.

In this awful time of world-wide trouble, when thrones are tottering, when kingdoms are trembling, and when monarchies are being swept away, let the people say by their votes that they will stand by the President valiantly and faithfully while he makes this Republic the light of the world and brings this Government more nearly into harmony with all the precepts of the Prince of Peace. [Applause on the Democratic side.]

The SPEAKER pro tempore. The time of the gentleman from West Virginia has expired.

Mr. WEBB. Mr. Speaker, I yield to the gentleman from Missouri [Mr. IGOE].

The SPEAKER pro tempore. The gentleman from Missouri [Mr. IGOE] is recognized.

Mr. IGOE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon this bill and other legislation.

The SPEAKER pro tempore. The gentleman from Missouri [Mr. IGOE] asks unanimous consent to extend his remarks in the RECORD upon this bill and other legislation. Is there objection?

Mr. MANN. Reserving the right to object, I shall not object to this one request, but I give notice that I shall object to more requests to insert remarks in the RECORD and political speeches until that right is given in some way to everybody, or until gentlemen have the opportunity for really talking on the floor. I really want to hear the cotton debate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. WEBB. I yield one-half minute to the gentleman from Missouri [Mr. BOOHER].

Mr. BOOHER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. The gentleman from Missouri asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. MANN. Because of the notice I just gave, I object.

Mr. BOOHER. I am very sorry the gentleman objects.

Mr. BORLAND. I understand that unanimous consent has been given to gentlemen to extend their remarks on this bill.

The SPEAKER pro tempore. The gentleman so understands it.

Mr. BOOHER. My remarks are not intended to be on this bill, or I should have so stated.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

Mr. MANN. For the reason stated I object.

The SPEAKER pro tempore. The gentleman from Illinois objects.

Mr. WEBB. Mr. Speaker, I yield to the gentleman from Illinois [Mr. BUCHANAN].

Mr. BUCHANAN of Illinois. Mr. Speaker, when this bill shall have become a law the wage earners of our country will have reason to rejoice. [Applause on the Democratic side.] It will be equivalent to a renewal of the Declaration of Independence in part, especially so far as it affects the freedom of speech, the freedom of the press, and freedom of assembly.

Some gentlemen who are opposing this bill seem to fear that this does not give the laborers of the country what they desire and what they have asked for so many years. I believe those who know the president of the American Federation of Labor and its executive council believe that they have some intelligence, and I believe that Samuel Gompers, the president of the American Federation of Labor, is one of the most intellectually brilliant men of my acquaintance, a man who is loyal to principle and whose fidelity to the cause of labor can not be questioned.

The president of the American Federation of Labor, in an editorial in the Federationist, after quoting in large type that part of the amendment that was put on to section 7 in the Senate—

The labor of a human being is not a commodity or an article of commerce—

claims that this was a most momentous victory when on September 2 the Senate passed the Clayton antitrust bill. He adds, further, that the opening statement of this section of the bill gives it strength and virility; and after summing up the amendments to what was old section 18, and which I believe is now section 20, he speaks approvingly of them. I believe he has not only the intelligence but the experience which entitles him to pass judgment upon these provisions, because as a result of the usurpation of judicial power in the issuance of injunctions and in the trial of alleged contempts he has faced imprisonment. And not only does he speak from his own experience, but he and his associates have had the benefit of the ablest counsel whom they could secure, and those able attorneys have also had experience in defending them against injunction and contempt proceedings. Therefore it seems to me that they are in a position to know whether or not this gives American workingmen the protection they have sought for so many years.

In 1906, Mr. Speaker, the labor unions of the country presented what was known at that time as "the bill of grievances," addressed to the President of the United States, the President of the Senate, and the Speaker of the House, as follows:

WASHINGTON, D. C., *March 21, 1906.*

Hon. THEODORE ROOSEVELT,
President of the United States;
Hon. WM. P. FRYE,
President pro tempore, United States Senate;
Hon. JOSEPH G. CANNON,
Speaker House of Representatives, United States.

GENTLEMEN: The undersigned executive council of the American Federation of Labor, and those accompanying us in the presentation of this document, submit to you the subject matters of the grievances which the workmen of our country feel by reason of the indifferent position which the Congress of the United States has manifested toward the just, reasonable, and necessary measures which have been before it these past several years, and which particularly affect the interests of the working people, as well as by reason of the administrative acts of the executive branches of this Government and the legislation of the Congress relating to these interests. For convenience the matters of which we complain are briefly stated, and are as follows:

The law commonly known as the "eight-hour law" has been found ineffective and insufficient to accomplish the purpose of its designers and framers. Labor has, since 1894, urged the passage of a law so as to remedy the defects, and for its extension to all work done for or on behalf of the Government. Our efforts have been in vain.

Without hearing of any kind granted to those who are the advocates of the eight-hour law and principle, Congress passed and the President signed an appropriation bill containing a rider nullifying the eight-hour law and principle in its application to the greatest public work ever undertaken by our Government, the construction of the Panama Canal.

The eight-hour law in terms provides that those intrusted with the supervision of Government work shall neither require nor permit any violations thereof. The law has been grievously and frequently violated. The violations have been reported to the heads of several departments, who have refused to take the necessary steps for its enforcement.

While recognizing the necessity for the employment of inmates of our penal institutions so that they may be self-supporting, labor has urged in vain the enactment of a law that shall safeguard it from the competition of the labor of convicts.

In the interest of all of our people and in consonance with their almost general demand, we have urged Congress for some tangible relief from the constantly growing evil of induced and undesirable immigration, but without result.

Recognizing the danger of Chinese immigration, and responsive to the demands of the people, Congress years ago enacted an effective Chinese-exclusion law, yet despite the experience of the people of our own country, as well as those of other countries, the present law is flagrantly violated, and now, by act of Congress, it is seriously proposed to invalidate that law and reverse the policy.

The partial relief secured by the laws of 1895 and 1898, providing that seamen shall not be compelled to endure involuntary servitude, has been seriously threatened at each succeeding Congress. The petitions to secure for the seamen equal right with all others have been denied and a disposition shown to extend to other workmen the system of compulsory labor.

Under the guise of a bill to subsidize the shipping industry a provision is incorporated, and has already passed the Senate, providing for a form of conscription which would make compulsory naval service a condition precedent to employment on privately owned vessels.

Having in mind the terrible and unnecessary loss of life attending the burning of the *Slocum* in the harbor of New York, the wreck of the *Rio de Janeiro* at the entrance to the Bay of San Francisco, and other disasters on the waters too numerous to mention, in nearly every case the great loss of life was due to the undermanning and the unskilled manning of such vessels, we presented to Congress measures that would, if enacted, so far as human law could do, make impossible the awful loss of life. We have sought this remedy more in the interests of the traveling public than in that of the seamen, but in vain.

Having in mind the constantly increasing evil growing out of the parsimony of corporations, of towing several undermanned and unequipped vessels called "barges" on the high seas, where, in case of storm or stress, they are cut loose, to drift or sink and their crews to perish, we have urged the passage of a law that shall forbid the towing of more than one such vessel unless they shall have an equipment and a crew sufficient to manage them when cut loose and sent adrift, but in vain.

The antitrust and interstate-commerce laws enacted to protect the people against monopoly in the products of labor and against discrimination in the transportation thereof, have been perverted, so far as the laborers are concerned, so as to invade and violate their personal liberty, as guaranteed by the Constitution. Our repeated efforts to obtain redress from Congress have been in vain.

The beneficent writ of injunction intended to protect property rights has, as used in labor disputes, been perverted so as to attack and destroy personal freedom, and in a manner to hold that the employer has some property rights in the labor of the workmen. Instead of obtaining the relief which labor has sought it is seriously threatened with statutory authority for existing judicial usurpation.

The Committee on Labor of the House of Representatives was instituted at the demand of labor to voice its sentiments, to advocate its rights, and to protect its interests. In the past two Congresses this committee has been so organized as to make ineffectual any attempt labor has made for redress. This being the fact, in the last Congress labor requested the Speaker to appoint on the Committee on Labor Members who, from their experience, knowledge, and sympathy, would render in this Congress such service as the committee was originally designed to perform. Not only was labor's request ignored, but the hostile make-up of the committee was accentuated.

Recently the President issued an order forbidding any and all Government employees, upon the pain of instant dismissal from the Government service, to petition Congress for any redress of grievances or for any improvement in their condition. Thus the constitutional right of citizens to petition must be surrendered by the Government employee in order that he may obtain or retain his employment.

We present these grievances to your attention because we have long, patiently, and in vain waited for redress. There is not any matter of which we have complained but for which we have, in an honorable and lawful manner, submitted remedies. The remedies for these grievances proposed by labor are in line with fundamental law, and with the progress and development made necessary by changed industrial conditions.

Labor brings these its grievances to your attention because you are the Representatives responsible for legislation and for failure of legislation. The toilers come to you as your fellow citizens, who, by reason of their position in life, have not only, with all other citizens, an equal interest in our country, but the further interest of being the burden bearers, the wage earners of America. As labor's representatives we ask you to redress these grievances, for it is in your power so to do.

Labor now appeals to you, and we trust that it may not be in vain. But if perchance you may not heed us, we shall appeal to the conscience and the support of our fellow citizens.

Very respectfully,

SAMUEL GOMPERS,	DANIEL J. KEEFE,
JAMES DUNCAN,	WM. D. HUBER,
JAMES O'CONNELL,	JOSEPH F. VALENTINE,
MAX MORRIS,	JOHN B. LENNON,
DENNIS A. HAYES,	FRANK MORRISON.

Executive Council American Federation of Labor.

List of representatives of labor associated with the executive council of the American Federation of Labor in the presentation of labor's grievances, March 21, 1906.

John C. Schmidt, Bakers and Confectioners' International Union of America.
Rudolph Shirra, Bakers and Confectioners' International Union of America.
Thomas H. Lockwood, Pocketknife Blade Grinders and Finishers' National Union.
Thomas R. Keenan, Brotherhood of Boiler Makers and Iron Shipbuilders of America.
Peter L. Mitchell, Brotherhood of Boiler Makers and Iron Shipbuilders of America.
James F. Speirs, Brotherhood of Boiler Makers and Iron Shipbuilders of America.
John J. Frey, Iron Molders' Union of North America.
Ed F. Weber, International Association of Glass House Employees.
Hugh Falvey, American Brotherhood of Cement Workers.
F. C. Gengenback, American Brotherhood of Cement Workers.
P. H. Malloy, American Brotherhood of Cement Workers.
J. J. Crowley, the Granite Cutters' International Association of America.
John Lyons, the Granite Cutters' International Association of America.
Frank McArdle, International Brotherhood of Foundry Employees.
Cornelius P. Shea, International Brotherhood of Teamsters.
Thomas C. Fox, International Brotherhood of Teamsters.
James F. Fitzgerald, Pulp, Sulphite, and Paper Mill Workers.
James F. Fitzgerald, Pulp, Sulphite, and Paper Mill Workers.
Timothy Healy, International Brotherhood of Stationary Firemen.
N. A James, International Brotherhood of Stationary Firemen.
H. E. Burns, International Brotherhood of Stationary Firemen.
F. M. Nuse, International Brotherhood of Stationary Firemen.
Christian Schlag, International Brotherhood of Stationary Firemen.
William McPherson, International Carriage and Wagon Workers.
William M. Merrick, Plumbers, Gas Fitters, Steam Fitters, and Steam Fitters' Helpers of the United States and Canada.
Joseph H. Gallagher, Plumbers, Gas Fitters, Steam Fitters, and Steam Fitters' Helpers of the United States and Canada.
John R. Alpine, Plumbers, Gas Fitters, Steam Fitters, and Steam Fitters' Helpers of the United States and Canada.
P. H. Cummins, International Brotherhood of Blacksmiths.
J. W. Kline, International Brotherhood of Blacksmiths.
Charles T. Smith, International Steel and Copper Plate Printers' Union of North America.
E. L. Jordan, International Steel and Copper Plate Printers' Union of North America.
T. L. Mahan, International Steel and Copper Plate Printers' Union of North America.
William Dodge, Paving Cutters' Union of the United States and Canada.
James J. Dunn, Glass Bottle Blowers' Association of the United States and Canada.
William Launer, Glass Bottle Blowers' Association of the United States and Canada.
Frank Feeny, International Union of Elevator Constructors.
Charles Hank, International Brick, Tile, and Terra Cotta Workers' Alliance.
Henry Nolda, Upholsterers' International Union of North America.

Charles E. Lawyer, International Tin Plate Workers' Protective Association of America.
George Powell, International Tin Plate Workers' Protective Association of America.
W. J. McSorley, International Union of Wood, Wire, and Metal Lathers.
R. V. Brandt, International Union of Wood, Wire, and Metal Lathers.
W. S. Crown, American Federation of Musicians.
C. P. Huestis, American Federation of Musicians.
Charles Derlin, American Federation of Musicians.
Thomas F. Ryan, Amalgamated Sheet Metal Workers' International Alliance.
Daniel L. Desmond, Amalgamated Sheet Metal Workers' International Alliance.
Joseph A. Daly, Amalgamated Sheet Metal Workers' International Alliance.
W. F. Gilmore, Amalgamated Society of Carpenters and Joiners.
George G. Griffin, United Brotherhood of Carpenters and Joiners.
William M. Lewis, Brotherhood of Painters, Decorators, and Paper Hangers of America.
Frank X. Noschang, Journeymen Barbers' International Union.
Thomas O. Hughes, International Union of Slate Workers.
G. M. Huddleston, International Slate and Tile Workers' Union of America.
Ben Russell, International Slate and Tile Workers' Union of America.
Thomas F. Tracy, Cigar Makers' International Union of America.
J. A. Roberts, Cigar Makers' International Union of America.
Martin Helmuth, Amalgamated Meat Cutters and Butcher Workmen of North America.
W. E. Thompson, International Ceramic, Mosaic, and Encaustic Tile Layers and Helpers' Union.
C. O. Pratt, Amalgamated Association of Street and Electric Railway Employees of America.
T. C. Parsons, International Typographical Union.
John P. Murphy, Boot and Shoe Workers' Union.
John J. Binder, International Union of United Brewery Workers.
John Mangan, Steam Fitters' International Union.
James M. Cumming, Steam Fitters' International Union.
Charles N. Isler, Steam Fitters' International Union.
Henry Fischer, Tobacco Workers' International Union.
William Feenie, United Powder and High Explosive Workers of America.
James G. McCrindle, United Powder and High Explosive Workers of America.
Andrew Furuseth, International Seamen's Union of America.
J. L. Feeney, International Brotherhood of Bookbinders.
Rodney L. Thixton, International Stereotypers and Electrotypers' Union of North America.
Michael J. Shea, International Stereotypers and Electrotypers' Union of North America.
James F. Splann, International Stereotypers and Electrotypers' Union of North America.
F. M. Ryan, International Association of Bridge and Structural Iron Workers.
P. J. McArdle, Amalgamated Association of Iron, Steel, and Tin Workers.
Martin Higgins, International Printing Pressmen's Union.
John Golden, United Textile Workers of America.
J. T. Carey, International Brotherhood of Paper Makers, etc.
Thomas Meller, International Brotherhood of Paper Makers, etc.
H. B. Perham, The Order of Railroad Telegraphers.
J. F. McCarthy, Central Labor Union, Washington, D. C.
Charles W. Winslow, Central Labor Union, Washington, D. C.
Shelby Smith, Allied Printing Trades Council, Philadelphia, Pa.
John Fitzpatrick, Chicago Federation of Labor.

Labor's appeals in 1906 to our national administrative and legislative officers were then received with indifference and without redress, and they did not receive favorable consideration until the Democratic Party got control. It has been said that labor now has the legal and constitutional right to do the things the judges are forbidden to enjoin them from doing in this bill, which is true. It has been by the usurpation of power by the judges, perverting the laws, that this legislation has been made necessary. Judges have enjoined the organizations of workers of the country from exercising their legal and constitutional rights through their organizations.

When the Sherman antitrust law of 1890 was under consideration it was admitted that the provisions thereof did not apply to labor unions; but in order to make the bill clear beyond dispute, although he did not think it necessary, Senator Sherman offered and supported the following amendment, which had been proposed by Senator George, of Mississippi:

> This act shall not be construed to apply to any arrangements, agreements, or combinations between laborers made with a view of lessening the number of hours of labor or the increasing of wages, nor to any arrangements, agreements, or combinations among persons engaged in horticulture or agriculture made with a view of enhancing the price of agricultural or horticultural products.

This amendment passed the Senate unanimously, but was subsequently dropped from the bill because in the opinion of those Senators who had charge of the measure it was unnecessary, because under no possible construction would the court include such organizations under the provisions of the act.

The Sherman law was only two years and a few months old when a suit was filed in the Circuit Court of the United States for the Eastern District of Louisiana, the object of which was to obtain an injunction preventing the defendants, the Workingmen's Amalgamated Council of New Orleans, from further prosecuting a general strike or cessation of labor which had been ordered and carried on by the council. In support of its prayer for the injunction, the bill of complaint stated the strike was operating to restrain interstate commerce.

Two of the defenses offered related to the antitrust law: First, that that law was not applicable to combinations of laborers. Second, that the object of the strike had been to compel employers to employ no laborers except those belonging to the union, which object, if accomplished, would not result in any restraint of interstate commerce.

Both of these defenses were overruled, the presiding judge in overruling the first-named giving utterance to the following significant words:

> I think the congressional debates show that the statute had its origin in the evils of massed capital, but when the Congress came to formulate the prohibition, which is the yardstick for measuring the complainants' rights for the injunction, it expressed it in these words: "Every contract or combination in the form of trust, or otherwise, in restraint of trade or commerce among the several States or with foreign nations is hereby declared to be illegal." The subject had so broadened in the minds of the legislators that the source of the evil was not regarded as material, and the evil in its entirely was dealt with. They made the interdiction include combinations of labor as well as capital; in fact, all combinations in restraint of commerce, without reference to the character of the persons who engaged in them. It is true that this statute had not been much expounded by the judges, but, as it seems to me its meaning, as far as it relates to the sort of combinations to which it is to apply, is manifest, and that it includes combinations which are composed of laborers acting in the interests of labor.

Thus in one of the first cases tried under the antitrust law and in the very first involving the rights of labor to combine, and in spite of the opinions and assurances of the very able Senators that by "no possible construction would the courts include such organizations under the provisions of the act," was the following statement and prediction of Senator Stewart justified:

> The original bill has been very much improved, and one of the great objections has been removed from it by the amendment offered by Senator Sherman (for Senator George), which relieves the class of persons who would have been first prosecuted under the original bill without the amendment.

This statement was made during the consideration of the antitrust law and after the proviso of Senator George, offered by Senator Sherman, referred to above, had been passed by a unanimous vote.

In his annual report, December, 1893, Attorney General Richard Olney, who can hardly be accused of undue prejudice in favor of union labor, severely criticizes this decision in the case of the workingmen's council, although he does not mention it by name, saying that that decision illustrated the perversion of a law from the real purpose of its authors.

The purpose of the so-called exemption features of the Clayton bill is to remedy the antitrust laws by supplying the omission which, when the original was passed, was seen by many to be fraught with danger. Far from being "class legislation," the purpose of this feature of the bill is to prevent class legislation or the application by the courts of this legislation to a class. It is designed to give the combinations of workingmen the same rights that are now accorded to combinations of capital—the right to combine for their mutual interest and to act under that combination, so long as such acts are not accompanied by violence or fraud.

The fact of the matter is that under the perversion rather than the interpretation of the Sherman antitrust law by the Federal courts, that which is held to be law is founded upon neither justice nor common sense. The Federal courts have fallen into that error which places voluntary organizations of working people, organized not for profit but for humanitarian purposes, in the same category with the greedy trusts, corporations, and monopolies which control the products of labor and which speculate in the necessaries of the masses of the people. It is equal to placing human beings and human endeavor in the same scale with a ton of coal, a barrel of flour, or a bolt of cloth.

There was never any intention on the part of the Congress of the United States to include voluntary organizations of workers and labor unions in the Sherman antitrust law, and all that has transpired since the enactment of that law clearly demonstrates the necessity for the enactment of the principles of the Bartlett-Bacon bill, which we have embodied in this measure, as a remedy for the wrongful position in which organized labor has been placed by judicial interpretation and judicial legislation.

Those who value the liberty and the freedom of the wage workers of the country will indorse and support those who have served to make this legislation possible. The right to organize must not be jeopardized. It is necessary for the freedom of the wage workers of our country, whose freedom must be preserved, or a democratic republican Government can not exist. I feel justified in asking the indorsement and support of the workingmen and their friends in my efforts to secure the passage of the important legislation directly affecting labor since being a Member of Congress.

I desire to insert here an editorial by Samuel Gompers, president of the American Federation of Labor, to be found in the

March, 1914, number of the American Federationist, and also one in the current number of the same publication:

ANTITRUST LAW ENMESHES LABOR.

[By Samuel Gompers.]

If there was any doubt that the Sherman antitrust law, as interpreted by the courts, threatens the very existence of organized labor, that has been effectually vanquished by the recent action of the Federal grand jury in making an investigation into the affairs of the Allied Printing Trades Council of New York City. Those who have been opposed to the efforts of the American Federation of Labor to secure legislation which would remove labor organizations from the perverted application of the trust law have lost no opportunity to create the impression that the purpose of labor's legislation is to secure legal sanction for acts of violence and destruction. They have ever tried to divert attention from the real significance of the facts as expressed in the opinion of the United States Circuit Court in the case of the Workingmen's Amalgamated Council of New Orleans, which made this plain statement of the menace to organized labor:

"I think the congressional debates show that the statute had its origin in the evils of massed capital; but when the Congress came to formulating the prohibition which is the yardstick for measuring the complainant's right to the injunctiou it expressed it in these words: 'Every contract or combination in the form of a trust or otherwise in restraint of trade or commerce among the several States or with foreign nations is hereby declared to be illegal.' The subject had so broadened in the minds of the legislators that the source of the evil was not regarded as material, and the evil in its entirety is dealt with. They made the interdiction include combinations of labor as well as of capital; in fact, all combinations in restraint of commerce, without reference to the character of the persons who enter into them. It is true this statute has not been much expounded by judges; but, as it seems to me, its meaning, as far as relates to the sort of combinations to which it is to apply, is manifest, and that it includes combinations which are composed of laborers acting in the interests of laborers."

This was the initial endeavor to pervert the application of a law intended to benefit the working people by curbing combinations to increase profits, to manipulate and to speculate in the products of toil.

An opinion emphasizing that prosecution under the Sherman antitrust law was directed against combination, or what labor terms organization, was rendered by the Federal Supreme Court in the Hatters' case. In summing up the reasons for bringing the United Hatters under the terms of the Sherman law the court said:

"That the conspiracy or combination was so far progressed that out of 82 manufacturers of this country engaged in the production of fur hats 70 had accepted the terms and acceded to the demands that the shops should be conducted in accordance, as far as conditions of employment were concerned, with the will of the American Federation of Labor; that the local men demanded of plaintiffs that they should unionize their shop under peril of being boycotted by this combination, which demand defendants declined to comply with; that thereupon the American Federation of Labor, acting through its official organ and through its organizers, declared a boycott."

Now comes this investigation of the organization of the Printing Trades Council of New York and vicinity. It seems that these trades by causing union conditions to prevail generally in the printing shops of the city and by announcing through the union label what work was done under conditions that safeguard the lives, the health, and the welfare of the workers, have incurred the attention of the antiunion publishing house of Doubleday, Page & Co., and that this company complained to the agents of justice. The degree of success which the printing trade organizations attained was their offense in the eyes of complainants and which were laid before the district attorney and by him before the grand jury.

This effort to apply the provisions of the Sherman antitrust law to combinations of workers aims at the very existence of effective organizations. What shall it profit the workers to have an organization that is not effective? And what shall be the fate of the workers without an organization? Can anyone with a mind and a heart, who knows the greed and the brutality of the industrial world, be so inhuman as to desire to strip the workers of their one protection? Would any humane person wish to force each printer or each bookbinder to make his own working agreement with the agents of the great wealthy publishing houses? Does any vainly imagine that the workers could secure any of their claims to justice if they did not have some way of making those claims effective? Few employers look upon industry as an economic laboratory for evolving principles of economic justice. Unorganized workers toil under conditions that destroy health, exhaust the working power, and make inroads upon the reserve forces. Organization of the working people is necessary not only for their progress and conservation, but for the welfare of the whole Nation.

Not only have combinations or organizations on the part of the workers been considered crime, but certain methods of attaining the normal, laudable purposes of the organization have been proscribed. At some time or other the Federal courts have assumed the right to declare illegal and criminal all the normal, necessary, beneficial, and protective activities of the officials and members of labor organizations. Free workingmen have been told that although each one has a legal right to stop work for any reason or for no reason, that when a number of them agree for their common protection to do that which they have a lawful and natural right to do their action becomes a conspiracy.

In order to hold the activities of the organized workers illegal it has been necessary to evolve a peculiar legal theory—although certain acts are deemed legal when performed by one person, by some legal legerdemain they become illegal when done by more than one.

Although labor organizations have been declared by courts "not only lawful, but highly beneficial," legal proceedings have been instituted against its members and agents for distributing strike funds, that workers in revolt against intolerable conditions might have bread for themselves, their wives, and their children; workers have been forbidden to tell or to publish the reasons why they were willing to make a struggle for better conditions.

Let no one think that strikes are undertaken without seriousness and full consciousness of the hardships and the suffering to the striker and those dear to him. Yet it happened in Philadelphia that when sweated workers in the garment trades, after drudging long, weary hours for a pitiful pittance that was insufficient to provide the common decencies of life, asserted their rights as self-respecting free women and struck in order to secure any consideration of their needs and claims to justice there were women who tried to help them because they were heartsick at the misery and exploitation of these needlewomen, and their sense of justice revolted at the wrongs. What was the reward of these unselfish women, concerned about the welfare of their less fortunate sisters? They were proceeded against under the Sherman antitrust law for conspiracy in restraint of trade.

Are the people of these United States willing that human bodies, human minds, and human hearts shall longer be counted as of less value than trade and profits?

Of the creating of trade and profits there is no end; but who among men can heal minds that have been embittered and poisoned by injustice, health that has been wrecked by cruel drudgery, bodies that were not permitted to develop during the growing period?

Wrongs done to human bodies and souls can never be righted. The workers ask legislation that shall enable them to prevent the occurrence of these wrongs. Shall their rights be deemed of less value than property rights?

The men who are said to be interested in the proceedings begun against the printers of New York City have in interviews given to the press called attention to the printing trades label and the circulating of information regarding the attitude of employers toward organized labor. The union label is the proof that work was done under conditions which protect the health and the life of the workers, by workers who have been trained for their work, who have working hours that conserve vitality, and who receive wages that enable them to live like human beings with ideals and aspirations.

The organized workers must choose between two courses. They must either insist upon their standards, which protect the lives and promote the well-being of the workers, use every means to combat poorer standards that prevail under the unfair companies, or they must see better wages, better working conditions replaced by lower wages and poorer conditions. They must force poorer conditions to give way to the better or the poorer will force the better to give place to them.

Organized labor believes that these conditions should prevail. They wish to do all in their power to establish them. Have they not a right to information that shall enable them to spend their wages for articles that have been made under the best conditions obtainable? Each workingman has not the time or the opportunity to get this information for himself. By cooperative effort a natural, easy way has been established to protect the welfare of the workers. It has been effective.

Now, because certain interests hostile to organized labor wish to withhold from the workers the leisure, the working conditions, the wages that are justly due them, shall the trade union label be proscribed as an illegal agency in restraint of trade? Are there those willing to assume the responsibility to deny the right to use of the trade union label? Such an action would restrain trade in goods made under union conditions in order to facilitate trade in goods made under conditions that breed diseases which endanger not only the worker, but all those who use the products they make, and that waste the vitality, the producing power of the people, which is the Nation's greatest wealth.

Denying the right to use the trade-union label is a way of restricting the rights of the workers to full control over their purchasing power. Surely the right to spend his wages in such a way as promotes his best interests is an inherent right of every man, yea, even of every burden bearer of the country.

However the workers may wish to bestow their patronage, it is theirs to bestow. It belongs to no other man.

Patronage is a favor that must be sought and earned. No dealer can command it. No dealer can call it his property—'tis his, 'tis another's, according to the fancy of those who buy. It is a right which each buyer exercises according to his own conceptions and needs. The dealer who receives it is fortunate, but he can not count himself illegally injured when it is withdrawn. Patronage is a personal right, not a property right.

Men of all ages have claimed and exercised the right to boycott for a principle. Our colonial forefathers boycotted English tea and English stamps. The Consumers' League boycotts the products of sweatshops. The United States Post Office boycotts certain publications. The Anti-Saloon League boycotts certain products. Shall those who contribute a necessary work to American industry be denied the right to bestow their patronage in a way that furthers their interests? Why the discrimination?

This question of social and economic justice resolves itself into a clear-cut issue. Shall the rights of the working people, the great masses of the people of the United States, be withdrawn in order to bestow special privileges upon certain employers to assure them profits, however unjustly to their employees their business affairs may be conducted?

That line of action is not the wish of the American people as they declared their desires in the last election. The candidates representing the principles enunciated in the two political platforms which declared in favor of the legislation which the workers demand received 10,412,977 votes, as opposed to the 3,484,974 votes cast for the other big party that refused to indorse labor's demands. Can anyone truthfully declare that the people are not in sympathy with that which the workers demand as necessary for their welfare? The spirit of the age is sympathetic, humane. The people desire the welfare of human beings and seek information how best to promote their purpose.

That which is most urgent, most imperative, is the legislation which the organized-labor movement is seeking—legislation which will safeguard to all the workers those fundamental rights without which they are helpless to maintain their freedom and to protect themselves.

Organized labor makes these demands not only for themselves but for all the workers, aye, for all the people. It is better able to interpret the needs of the workers than is organized capital. The farming interests of the country indorse labor's position. These two elements represent a large and substantial proportion of the Nation. They ask that they be accorded justice by the laws and the courts of the land. They ask that human beings shall no longer be classified in the same category with the things which they produce. They ask that printers, carpenters, hat makers shall not be treated as things, but as men and women with all of the desires, ambitions, feelings of other human beings. This is what they are pressing home upon the consciences of the lawmakers.

This is the principle which is embodied in the Bartlett-Bacon bill, now pending in Congress. The workers of all parts of the country are demanding that the principle of this bill be enacted into law. That demand is founded upon the realization that this legislation is necessary to protect their right to make trade agreements. That demand is a plea for justice. Let those who make the laws for the people give heed to the demand for human rights. The invasion of one right means danger to all rights. Safeguarding this right means that all other rights shall be safer. Organized labor will be satisfied with nothing but full recognition of the principle for which it has been contending. It now appeals to the hearts, minds, and sense of justice of the lawmakers.

LABOR NOT A COMMODITY.

[By Samuel Gompers.]

This great principle is about to be established as a law of our land: "The labor of a human being is not a commodity or an article of commerce." The fight which the workers of America have waged for that principle with unfailing persistence and determination resulted in a momentous victory when, on September 2, the Senate passed the Clayton antitrust bill.

The Senate Judiciary Committee reported the bill with some amendments. None of these materially modified the labor sections of the bill except the amendment striking out the clause of section 18 which provided for the right to picket. When the labor sections were under discussion Senator CUMMINS offered a substitute for section 7 of the bill, which contained a definite declaration of the meaning of labor power, and provided for the right of existence and operation of labor organizations, limitation and regulation of the issuance of injunctions, the right to picket and to withhold or bestow patronage, the right of peaceful assemblage. But the substitute omitted one important feature contained in the Clayton bill as reported by the Senate Judiciary Committee and was thereupon defeated. But the declaration of a fundamental principle contained in Senator CUMMINS's substitute was then proposed by the Judiciary Committee on the floor of the Senate in this language:

"The labor of a human being is not a commodity or an article of commerce."

Section 7 as passed by the Senate is as follows:

"That the labor of a human being is not a commodity or article of commerce. Nothing contained in the antitrust laws shall be construed to forbid the existence and operation of labor, agricultural, or horticultural organizations, instituted for the purposes of mutual help, and not having capital stock or conducted for profit, or to forbid or restrain individual members of such organizations from lawfully carrying out the legitimate objects thereof, nor shall such organizations, orders, or associations, or the members thereof, be held or construed to be illegal combinations or conspiracies in restraint of trade under the antitrust laws."

The opening statement of this section of the bill gives it strength and virility. This declaration removes all possibility of interpreting trust legislation to apply to organizations of the workers and their legitimate associated activities. This declaration recognizes the essential difference between the labor power of the worker and that which he produces. Governmental regulations, trust laws, may rightfully apply to the products of labor, but they do not rightfully apply to the labor power of a free man. The debates in Congress upon this principle prove most conclusively the broad humanity and desire for human welfare that characterize the minds of the statesmen who enacted this legislation. This principle which for years could find little favor among those in authority is now an accepted principle of industrial freedom. The amendment to section 7 was accepted by the Senate without a dissenting voice.

As a substitute for the picketing clause of section 18 which the Judiciary Committee has stricken out the Senate adopted the following: "Or from attending at any place where such person or persons may lawfully be for the purpose of peacefully obtaining or communicating information." This was also accepted without a dissenting voice. This section of the bill was further strengthened by amending the last clause to read "nor shall any of the acts specified in this paragraph be considered or held to be violations of any law of the United States."

The bill was sent to conference. It is understood that the labor sections of the bill have been agreed to by the conferees, and that an early report is expected upon the bill.

The workers of America have won a great victory for themselves and for all humanity. The principle and the rights incorporated in labor provisions of the Clayton antitrust bill will be the foundation upon which the workers can establish greater liberty and greater opportunity for all those who do the beneficent work of the world.

Mr. Speaker, I would like very much to have the right to extend my remarks in the RECORD, to include other legislation, and to incorporate in my remarks this bill of grievances, because several Members have asked me what it was.

The SPEAKER pro tempore. Does the gentleman make that request?

Mr. BUCHANAN of Illinois. I should like to make brief statements in regard to other legislation that has passed Congress.

Mr. MOORE. Reserving the right to object, is that the bill of grievances which was submitted to President Roosevelt?

Mr. BUCHANAN of Illinois. Yes.

Mr. MOORE. Do you intend to incorporate with that the reply that President Roosevelt then made?

Mr. BUCHANAN of Illinois. No; I have not got that. I have no objection to inserting it, if the gentleman will furnish it.

Mr. DONOHOE. Do we not understand that all gentlemen who speak on this proposition have the right to extend their remarks?

The SPEAKER pro tempore. Yes.

Mr. BUCHANAN of Illinois. I so understand, but I want to put in other matter, in regard to other labor legislation that has passed Congress. I am usually brief, and I shall not take up much space in the RECORD.

Mr. MOORE. I have reserved the right to object, merely to ask the gentleman if he intended to incorporate with that bill of grievances the reply that President Roosevelt made to Mr. Gompers?

Mr. BUCHANAN of Illinois. I have not got it. I do not know what it was.

Mr. MOORE. It ought to be included——

Mr. BUCHANAN of Illinois. I will not object to inserting it if the gentleman will furnish it.

Mr. MOORE. I will not object to the gentleman's request, but I think the President's reply ought to be included, in order to tell the whole story.

The SPEAKER pro tempore. Is there objection?

Mr. MANN. Mr. Speaker, I dislike very much indeed to object to the request of my colleague. I wish he could print in the RECORD any statement he wanted to, but for the reason already given I shall object.

The SPEAKER pro tempore. The gentleman from Illinois objects.

Mr. BUCHANAN of Illinois. Mr. Speaker, then I ask to insert this bill of grievances to which I have referred.

Mr. MANN. I think the gentleman has that right under the discussion of this bill.

Mr. KEATING. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. KEATING. Suppose a Member of this House in extending his remarks on this bill were to undertake to point out that this was the concluding act of a Democratic legislative program, would the Speaker hold that the Member could not mention the other items of that Democratic legislative program without violating the permission granted to the House?

The SPEAKER pro tempore. The Chair thinks he could not.

Mr. KEATING. He would be compelled to confine himself absolutely to the discussion of this one measure, and could not refer to the others?

The SPEAKER pro tempore. Under the order that would be so, in the opinion of the Chair.

Mr. WEBB. I ask my friend from Minnesota [Mr. VOLSTEAD] to use the remainder of his time.

Mr. VOLSTEAD. I yield the remainder of my time to the gentleman from Illinois [Mr. MANN].

The SPEAKER pro tempore. The gentleman from Illinois is recognized for eight minutes.

Mr. MANN. Is the gentleman from North Carolina going to conclude in one speech?

Mr. WEBB. Yes.

Mr. MANN. Mr. Speaker, I do not believe that any country in the history of the world ever had such an opportunity as this country now has to develop its own domestic commerce and to increase its foreign commerce. We ought, in my judgment, to be encouraging the production in our own country of many articles for which we are now wholly dependent upon foreign lands. [Applause on the Republican side.] I think we ought to be making our own dyestuffs, our own chemicals, our own medicinal preparations, and that instead of importing silks we ought only to import silk and manufacture it here, and that instead of exporting cotton to be manufactured abroad and then imported to this country from abroad we ought only to export that cotton which is to remain permanently out of this land. [Applause on the Republican side.]

With England, France, Germany, and Russia involved in a great European war, with other countries participating in a lesser degree, so far as numbers are concerned, we have the opportunity now by wise legislation to encourage our own people to build manufacturing institutions, to erect factories and enter upon new enterprises, to make America independent practically of foreign aid in commerce, and to give us an inlet into every foreign commerce with our manufactured articles. But instead of rising to the occasion, instead of understanding the situation, instead of giving encouragement to those who are willing to invest their money in these enterprises, we are doing everything we can to threaten and demoralize trade, to hold the penitentiary over men who invest capital, and to make men fear.

The country to-day is in a condition of fear. We have more currency in circulation than ever before, and less credit. With more money in the land, it is harder to get. It comes through fear largely, through threats of legislation.

Men do not invest in enterprises merely for the love of investment. They hope to make a profit. Without the expectation of reward business is not undertaken. A new factory will never be constructed unless some one believes that there is a chance to make money by it. But we seem to be legislating upon the theory that notwithstanding all that we do to prevent business, business will go on as usual.

Germany extended her foreign trade and increased her home production in a greater degree during a few years than has ever any other country of the world. How did she do it? Not by threatening to put everybody in jail who invested money. She encouraged business. I think it would be a very good time for us, with the world conditions as they are now, to stop trying to hamper business and to legislate so that we may increase our business and add to the prosperity of our land and of our people. [Applause on the Republican side.]

Mr. WEBB. Mr. Speaker, I yield two minutes to the gentleman from Indiana [Mr. GRAY].

Mr. GRAY. Mr. Speaker, while it may be true that this bill does not include full and complete provision for adequate relief against trusts, I am convinced that it is an improvement over existing law, and will be more effective to destroy monopoly, so far as it is possible to remedy these evils by regulation. And while I will give my support to this bill as the best obtainable measure for relief at this time by regulation, I confess that I am not optimistic as to the success of this or any antitrust legislation to restore competition and equal opportunity to men in the world of industry and trade.

The greed for wealth and power is never satisfied, and I do not believe that the interests which have organized these combinations will ever submit to regulation or allow this or any other law to be enforced against them. They have become the rivals in power of the Government itself, and they will use the power they have thus acquired to resist all attempts at regulation and control.

We have to-day three general systems of industry of which we know—the competitive system of industry, under which prices are fixed and determined by competition or by the selling rate of the lowest producing factor—the monopolistic system of industry, under which prices are fixed by the arbitrary rule of controlling interests and at the highest point within the ability of the consuming public to pay, or monopoly for the benefit of the especial few; and socialism, or the cooperative system of industry, under which prices are determined by the actual cost of production, or monopoly for the benefit of all the people.

While I favor the competitive system of industry as stimulating individual effort, responsibility, and initiative, yet when all antitrust remedies shall have been exhausted and regulation fails to restore competition and equal opportunity in the industrial world, and when I must choose between private monopoly, for the benefit of the few, and the cooperative system, or monopoly for the benefit of all the people. I will choose cooperation and collective ownership. I will choose monopoly for all the people before I will submit to private monopoly for the exploitation of the masses for the benefit of the few. If trusts and monopolies must exist, let them be operated for the public good and not for selfish gain. If competition can not be restored, let the people own the trusts. [Applause.]

Mr. WEBB. Mr. Speaker, has the gentleman from Minnesota used all his time?

The SPEAKER. The gentleman from Minnesota has one minute remaining.

Mr. MANN. How much time has the gentleman from North Carolina?

The SPEAKER. The gentleman from North Carolina has 24 minutes.

Mr. WEBB. Mr. Speaker, I shall not occupy the 24 minutes, but I am glad my friend from Minnesota [Mr. VOLSTEAD] has not occupied quite all his time. It is an answer to the criticism of the gentleman from Wisconsin [Mr. NELSON] that this bill has been passed through the House and the Senate in an unfair and partisan manner. I appeal to the gentleman's fairness to say if he ever knew of any measure framed by a party to be passed through both Houses with less partisanship and unfair methods than this trust bill. We allowed 20 hours for debate. We threw the bill wide open for amendment, and the gentleman knows that we accepted amendments from his side of the House with the same frankness that we would have accepted them from this side. As far as I am concerned, the idea of partisanship never entered my mind during the entire consideration of the bill. When it came back to the House on the conference report, if we had desired to shut off debate from the other side we could have done it within an hour or less time. Instead we let you have more time than you actually wanted to use.

Mr. LEVY. Mr. Speaker, will my colleague allow me——

Mr. WEBB. No. I can not yield now.

Mr. LEVY. The gentleman will not give me any time.

Mr. WEBB. So, Mr. Speaker, I believe my Republican friends will agree that this bill has been passed through the House with as little partisanship for its magnitude as any bill has ever been passed through this body. My friend from Wisconsin [Mr. NELSON] complains that we allow in sections 2 and 4, as he says, the selling of articles abroad cheaper than at home. He did not mean to say that, I am sure. We permit the discrimination in price by American manufacturers in foreign countries, but we do not exempt them from the Sherman antitrust law. We have not changed the law at all with reference to foreign sales. I ask my friend if he would deny the American manufacturer the right to sell at different prices to foreign countries, and if he would make it a crime if he did do it? I believe in being fair and frank with ourselves and with the country.

Again, Mr. Speaker, he complains that we put exceptions in the section, and I ask him again if he would put a man in jail who discriminated in price because he sold one man in bulk or one man a better or poorer quality than he sold another? Would he put him in jail for that?

Mr. NELSON. Mr. Speaker, will the gentleman yield?

Mr. WEBB. Yes.

Mr. NELSON. Does the gentleman expect me to answer these inquiries?

Mr. WEBB. I would be very glad to have the gentleman answer them if he can do it categorically.

Mr. NELSON. The gentleman will remember that I stated that you pretended to prevent discrimination in price. Now, why was it necessary to suggest all these loopholes?

Mr. WEBB. Mr. Speaker, I will answer that immediately, by saying that we have not suggested a loophole, but only stated exceptions, which ought to be a defense in any suit for discrimination in price. I ask my friend if he would put a man in jail who discriminated in price under those circumstances; and does he not know that if we had left those exceptions out of this section and a man should be indicted or sued for violating it, he would be able to set up the exceptions as a complete defense in the trial? Of course he could. Yet my friend insists upon putting in criminal penalties leaving those exceptions out. I do not believe that he would vote for such a bill if it were offered him.

Mr. NELSON. Mr. Speaker, will the gentleman yield?

Mr. WEBB. Certainly.

Mr. NELSON. As this was originally drafted, were there not criminal penalties in it?

Mr. WEBB. I just said that there were; but I would not be willing, and neither would my friend, to put a man in jail for discriminating in price because he sold one man a better and another man a poorer quality.

Mr. NELSON. Mr. Speaker, I would like to ask the gentleman a question.

Mr. WEBB. The gentleman can do so, of course.

Mr. NELSON. So far as your prohibition is concerned, is it true that it is neither included in the Sherman law nor in the fifth section of the Trade Commission bill?

Mr. WEBB. It is not included in either, except so far as we refer it in enforcing this section to the Federal Trade Commission. Sections 2 and 3 stand alone, and are not amendments to the Sherman antitrust law, but supplemental to it. It would take a combination of such acts and a persistence in them to reach the point where they would violate the Sherman law. The object of this law is to prevent the creation of a trust by preventing the practices which make trusts; to prevent the little things which, if persisted in and combined, will ultimately result in a violation of the Sherman law—and that is why we call it supplementary to the trust law and not an amendment to it.

Mr. VOLSTEAD. Mr. Speaker, will the gentleman yield?

Mr. WEBB. Oh, I heard my friend read his Supreme Court decision yesterday.

Mr. VOLSTEAD. I would simply call the gentleman's attention to the Standard Oil Co. case, where they so clearly define this kind of an offense.

Mr. WEBB. Mr. Speaker, I have argued that with my friend before. He knows that there is no court in the land that would hold a man guilty of violating the Sherman antitrust law simply because he discriminated in one, two, or three instances in one county in the United States alone in price. He has to do it in such a way and to such an extent and with such persistence as to restrain trade or create monopoly. This law we are now considering will catch him if he does it in one instance against one individual.

Mr. NELSON. Mr. Speaker, will the gentleman yield?

Mr. WEBB. Just for a question.

Mr. NELSON. When you have proven the actual fact of discrimination, how much more will you have to prove in order to prove that he has substantially lessened competition and done that which tends to monopoly?

Mr. WEBB. You do not have to prove either one. You will only have to prove such a discrimination as may be to substantially lessen competition or may tend to create monopoly. A strong Federal trade commission will stop all the discrimination and unfair practices that my friend complains of. They will stop all of these unfair methods of competition if you have a bold, brave, determined set of trade commissioners, which I hope we will have.

Mr. Speaker, what does my friend suggest as a substitute for this bill? He has been here 8 or 10 years, and where is his

trust bill? He has been in Congress for 8 or 10 or 12 years and offers nothing, and the gentleman from Minnesota [Mr. VOLSTEAD], sitting beside him, in his speech on the floor of the House when this bill passed, said:

We have been trying to enforce the Sherman antitrust law for 20 years, and trusts have been growing and growing.

A despairing cry from a Republican whose party has been in power for 20 years, with the exception of the last 2 years. Where are your trust bills with teeth? Where are your efforts to curb the trusts? Where have you done your best to stop the violations of the antitrust law? And yet my friend from Wisconsin [Mr. NELSON] announces to-day that because the Democratic Party has not done in 2 years what his party failed to do in 20 years he expects to go back to the flesh pots of the Republican Party. He prefers to vote for nothing rather than vote for this measure which looks toward curbing the evil practices of which he complains. From his viewpoint it seems to me that he should prefer a half loaf to no bread at all.

Why, my two friends, splendid gentlemen that they are, and I have the highest esteem for both, as they know, complain that this bill is not drastic enough, and the gentleman from Wyoming [Mr. MONDELL] spoke for 20 or 30 minutes telling how he voted for it when it had criminal penalties, but says that since they have been taken out he has had a change of heart and is going to vote against it. Mr. MANN, the Republican leader, comes along with the concluding speech and says we are doing too much already to disturb business by threatening to put people in jail. You gentlemen ought to get together. [Applause on the Democratic side.] I will tell you, my friends, you are determined to assail us; it does not make any difference what we do. You expect to shoot us going and coming. I believe 54 of you voted for the trust bill when it passed the House. I do not know how many will vote for it or against it now, but do not put it on the ground of criminal penalties or the lack of them. There is some other motive that actuates you. As I said, you are determined to shoot us, no matter what we do or what bill we present. We have done our best and we have done far more than all of you Republicans have done in 20 years. We are trying to stop the violation of the Sherman antitrust law and prevent unfair trade methods that lead to its violation. What have you done during your 20 years in power?

Mr. MOORE. Will the gentleman yield?

Mr. WEBB. I can not. We know the ranking Republican members of the Judiciary Committee have done nothing in 20 years. Trusts have "grown and grown." We are trying to do something and you are standing in our way like a stumbling block instead of aiding us, trying to embarrass us in every way that you can, while you profess to desire drastic laws on the subject. You are determined to criticize what we do. As I say, you shoot us going and coming.

The conservatives on your side shoot us, the radicals shoot us, and so you shoot us from both ends of the line. It reminds me of a story I heard down in Virginia. An old farmer was very proud of his pack of dogs, and among them he had a greyhound. The greyhound, as you gentlemen know, runs by sight and not by scent. One frosty morning he took the dogs out to chase a rabbit. The scent was hot, and all the dogs took after the rabbit, but the greyhound struck straight for the rabbit, and in his rapid flight he came in contact with a perpendicular strand of barbed wire, which split the dog open from the end of his nose to the tip of his tail. The farmer ran to the greyhound and saw his condition, and in his great hurry he put the parts of the dog together, carried them home, and put them in the kennel. The next morning when he went out to bury his dog, to his great surprise he found the dog still living, but he was horrified when he discovered that he had put the tail part of the dog where the head ought to be and the head part where the tail ought to be; but notwithstanding such terrible deformity, the exosmose and endosmose had caused the two parts to adhere and grow together and make a live dog. About a month or two afterwards one of his farmer friends came around and said, "How is that dog that was split open getting along?" The farmer said, "Fine; he is the best dog I have got in the pack." "How is that?" The farmer said. "It is this way: He can run both ways and bark at each end." [Laughter and applause.] And so on this trust bill the Republican side has been barking both ways and running in different directions; and they have done so in the last 25 minutes. They are "split open," too. [Laughter on the Democratic side.]

Now, Mr. Speaker, what we have really done and tried to do by this bill is to make unlawful discriminations in prices. We have made unlawful tying contracts. We have prevented interlocking directorates between common carriers and supply houses for the purpose of protecting the railroad companies and stockholders from exorbitant prices charged by supply houses. We have prevented interlocking directorates of industrial corporations. We have prevented interlocking directorates of banks over a certain size. We have done for labor what the Sherman antitrust law and those who framed it intended should be done. We have provided for trial of certain contempts by juries, something for which laboring men have been clamoring for, lo, these 20 years; and when this bill passes the laboring men should have a jubilee, because during the long, weary years of Republican administration they were begging at your doors and praying to you for such legislation, but they got a stone, and some of you have been so set against that kind of legislation in behalf of labor that to-day, this afternoon, some of you are going to vote against this bill on the pretense that you do not like it because it is not strong enough, when down in your hearts you do not like it because it is the great magna charta of the laboring man. [Applause on the Democratic side.] In addition to this, Mr. Speaker, we have thrown the doors of the court wide open for the first time to every man who is injured. He can enter the court at his home and sue a man or corporation who injures him or enter suit in the man's or corporation's home in all the courts for any amount he may sue for. And I contend, Mr. Speaker, that this bill is a thousand times better than nothing, which our Republican friends have persisted in giving to the people during the last 20 years. You have done nothing for them as against the trusts, and now refuse to help us do anything.

Mr. JOHNSON of Washington. Will the gentleman yield for a question?

Mr. WEBB. Yes.

Mr. JOHNSON of Washington. I understood the gentleman to say a moment ago that this bill was labor's magna charta. I think I heard the gentleman from North Carolina say only yesterday, in debate with the gentleman from Pennsylvania [Mr. MOORE], that certain phrases had been stricken out largely because of the speech made by the gentleman from Pennsylvania [Mr. MOORE]. I have heard a great deal of discussion to the effect that the labor clause had now in reality been brought down to what the President really said, that it satisfied labor, but gave them nothing. I desire to ask if that is labor's magna charta?

Mr. WEBB. The Senate changed a few lines of language in reference to injunctions against labor. Where we say they shall not be enjoined from meeting at any place, the Senate made it "any place where lawful." I wanted to have some pleasant reference to the gentleman from Pennsylvania, who made a strong and vehement speech about labor congregating where they had no right. Everybody knows we did not authorize them to meet unlawfully in any public place, but only gave the right to assemble in a lawful way for a lawful purpose, and at a place where they may lawfully be.

The labor sections are just like they were when they passed the House and when you gentlemen voted for them. If you want to favor labor, vote for the bill.

Mr. JOHNSON of Washington. Several provisions have been stricken from the labor clause.

Mr. WEBB. We have stricken out "consumers and fraternal organizations," so as to make the section apply to labor, agricultural, and horticultural organizations—organizations composed of men who produce something.

Mr. Speaker, that is all I care to say, and I ask that the House now vote upon the report. [Applause.]

Mr. VOLSTEAD. Mr. Speaker, I desire to yield to the gentleman from Pennsylvania [Mr. KIESS].

Mr. KIESS of Pennsylvania. Mr. Speaker, the most ardent admirer or sanguine defender of the present national administration can not be blind to the knowledge or escape the charge that our country has not prospered under it. When on the 4th of March, 1913, the Democratic Party assumed full control of the Government, our land was in the full tide of prosperity and the Treasury in the receipt of an income more than adequate to meet every obligation. This was the proud condition existing when the Republican Party surrendered the stewardship it had administered for 16 years. The only cloud on the financial horizon was the doubt, born of past experience, of the ability of the Democratic Party to maintain unimpaired what it had so richly inherited from its predecessor in power.

Beginning under the administration of the wise and beloved McKinley and continuing under his Republican successors, our people had been blessed with a prosperity never matched. Industries so multiplied and throve, domestic and foreign trade so expanded, property so enhanced in value, as to make the measure of the growth and expansion beyond computation. The average material condition of the American was at the highest level ever known to any land or time. All who had the will or dili-

gence to do so could share in this unrivaled season and partake of the harvest of this widespread industrial prosperity.

During this bountiful period, however, there arose a cult preaching and spreading a doctrine of doubt and discontent, sometimes charging that our prosperity was a sham or urging that if it existed it was not to be credited to the party in power. The misdeeds of a few business enterprises were painted as the common practice of all business. All business success was put under suspicion. The courts were assailed and the very form of our Government denounced as the mere cunning device to thwart the popular will. A protective tariff which had contributed so much to our upbuilding and well-being was pictured as a system for the enrichment of certain privileged classes at the expense of the masses. The farmer was told that protection robbed him for the benefit of the manufacturer. The laborer was told that it added nothing to his pay envelope, that the gain was limited to the profits of the employer. Residents of town and city were told protection enhanced the cost of living. So class was played against class to arouse opposition to the protective system, all the while ignoring the obvious truth that when one great industry or interest prospers all others share in the fruits, and that depression in any inevitably works depression in all.

Out of this propaganda of denunciation and discontent, fallacious teaching, and unsound economic argument was born the Democratic victory of 1912. It seemed as if the people had grown tired of prosperity and were willing to risk a change at any price or were deluded into the belief that it had become so much the settled order of things that nothing could disturb or overthrow it. One thing is certain, and that is if the people were in fact sick of prosperity and desired a change from that happy estate, they applied the proper remedy in the election of a Democratic administration. Our history is the abundant proof that it is an unsurpassed instrumentality to such an end. No one questions the patriotic purposes possessing our Democratic friends, all freely acknowledge their good intentions, but it takes something more than good motives and good intentions to make the wheels go round and keep the country in the pathway of progress. It takes a type of constructive statesmanship in which the Democracy has been singularly deficient.

Much of the record of this present administration, however high its aim, is not one to which history will point with any glowing pride. Its successes in our domestic affairs have been few, its failures many, and some of them lamentable. It has done much that it ought not to have done and undone some things which should have been left as they were. The solemn pledges of the platform adopted at the Baltimore convention in 1912 have had no binding force on the action of the Democratic Party, as evidenced in the measures of this administration. No party ever so speedily or glaringly turned its back to its platform declarations. It promised retrenchment in expenditures, but has practiced woeful extravagance. It declared for free tolls for our coastwise trade passing through the Panama Canal, wholly built by American skill and genius, toil, and money, but in flagrant violation of that express covenant it repealed such free-toll provision. The trust-regulating measures now in course of passage satisfy no one. As they are finally shaping, they are more prone to confuse than to clarify, more apt to hobble business than to set it free, more likely to raise doubt than to afford a chart for the guidance of honest enterprise. They will operate to invite a meddlesome, mischievous espionage upon legitimate business and to license and legalize monopoly instead of destroying it. It is government by bureaucracy, dangerous and abhorrent to the very genius of our institutions. These and kindred measures fathered by this administration are the widest departure in all our history from the principles of Jefferson, the patron saint of the Democracy. Hamilton himself, the arch apostle of federalism, would have shrunk with fear from such concentration of power. There is something both pathetic and ludicrous in a party professing a reverence for the teachings of Jefferson and yet promoting a system of government upon which he would have looked with horror. No more striking example of the utter inability of the Democratic Party to frame legislation intelligently can be cited than the income-tax provision. People generally believe in the wisdom, propriety, and justice of such a tax, but the administrative and other features of the existing law are so obscure that the wisest are yet in doubt as to their meaning and the tax is chiefly vexatious to those people who have none to pay. In the wide miscalculation as to the amount which would be realized from this tax and the crude, clumsy, unfair methods of its collection, we behold a notable instance of the lack of grasp and constructive power in Democratic legislation.

The conspicuous failure of this administration is the tariff law which it placed on the statute books and on the back of industry. The country was solemnly assured in 1912 that the tariff bill which the Democratic Party would enact into law would be so framed as not to disturb industry. A year's trial has shown that the measure it did pass has been baneful and scattered havoc broadcast from ocean to ocean. Few industries, large or small, have escaped the mischief wrought by this measure. The farmer, the manufacturer, the tradesman, the laborer, the capitalist—all have felt its chilling hand. A diminishing freight tonnage, consequent upon declining industry, has brought once prosperous railroads to the very verge of insolvency. Their reduced purchasing power is, in turn, reflected back in manifold ways. We have had protective tariffs and tariffs for revenue only; this existing law may well be denominated a tariff for depression and deficit. Its blight is to be seen in silent mills, in uncounted thousands of idle workmen, in diminishing profit to business, and the passing of dividends in the case of many securities once deemed sound and largely held by the widow and orphan and those of small means. It has operated to increase imports and diminish exports. It has not increased wages, but has decreased the chance to earn any wages. It has not reduced the cost of living, but has reduced the means to gain any living whatever. The full dinner pail was once an object of derision or merriment to our Democratic friends; the empty dinner pail to-day is a just and deep cause of their fear for the outcome of this pending election.

The New Freedom, of which, by the way, we are hearing less and less, is chiefly manifest in a freedom for the average man to earn less than formerly, in freedom for business to get less profit, in freedom for freight cars to lie idle on railroad sidings, in freedom for the foreign manufacturer to sell us what should be made in our own factories, in freedom for the foreign farmer to send his products here to compete with our own sons of toil. We were told that one of the high purposes of this administration was to create conditions for the better distribution of wealth. The measures taken have done nothing to distribute wealth, but much to destroy wealth. The distributees of wealth under this dispensation are scarce; a multitude have suffered a decline in their worldy possessions. The loss in property values during the past two years is beyond estimate.

To cheer us in this shrinkage of property values, diminishing profits for the employer, and shrunken pay envelopes for the employed we have been assured in high quarters that our changed situation is purely and merely psychological. We have had eras of war and eras of peace, eras of prosperity and eras of depression; now we are having something entirely new in a psychological era. In place of real wages the workman must be content to be paid in part in a specie of make-believe; instead of profits which show on the ledger, the business man must be satisfied with those which only exist in his mind; instead of checks for dividends, our railroads and other concerns can declare such as are payable in psychology. Folks generally are old-fashioned enough, however, to continue to prefer the substantial. Eggs from China, wheat from Canada, meat and corn from Argentina, the wares and products of foreign factories are not psychological; they are the real article, with which our own producer is obliged to compete, at once a menace to him, and in no wise lessening the cost of these necessaries to the consumer. For example, free sugar is a monstrous humbug, so far as advantaging our own people; it is only effective in threatening our promising beet-sugar industry with destruction and in depriving the National Treasury of millions of revenues, whose need is now so pressing.

Not only has this tariff law been disastrous to our industries, but it fails to provide sufficient revenue to run the Government—at least to run it on the expensive plan it is now being run. That the European war is the chief source of this particular shortcoming in this unfortunate law is a mere pretext. It would have failed as a revenue-raising measure even though smiling peace reigned where rages this dreadful war. So this law is to be supplemented by a war tax. Such a tax in a land in a state of profound peace with all the world is a new thing in political and fiscal nomenclature. In Buchanan's time bonds were issued to meet a deficiency in the revenues. Under Cleveland they were issued to sustain the crumbling credit of the Government, imperiled by the threat of free silver. Now we have the same old ghost, which ever haunts our Government during a Democratic administration, stalking about in the garb of war tax. The real deficiency has ever been a deficiency in Democratic statesmanship.

Impressed by the dismal failure of the Democratic Party to rise level to the needs of the hour, and aroused by the industrial distress and depression following its rule, the people are resolutely facing toward a restoration of the Republican Party to power. The 3d of November will show in unmistakable terms that this party has come back, and that our Republic proposes,

as soon as may be done, to entrust it once more with the arduous duty of directing her destinies. The bitter trials through which our land is passing are convincing proof that it is safer to trust to experience than to indulge in experiment. The shining record of the Republican Party in the past inspires the just hope and firm confidence that it will be both able and faithful to meet the needs and issues of the to-morrow. Those who left the fold in 1912 are returning and, save a negligible remnant, will soon all be once more happily home again. The Republican Party is at once the bulwark for the preservation of the governmental institutions which have heretofore served us so well, and the advocate and exponent of those fiscal and financial policies which have so bountifully blessed us in the days gone by, and which will again redeem and restore our land to progress and prosperity.

The SPEAKER. The question is on agreeing to the conference report.

Mr. MANN and Mr. WEBB demanded the yeas and nays.

The SPEAKER. The gentleman from Illinois and the gentleman from North Carolina demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 245, nays 52, answered "present" 5, not voting 126, as follows:

YEAS—245.

Abercrombie	Difenderfer	Hughes, Ga.	Rouse
Adair	Dillon	Hull	Rubey
Adamson	Dixon	Igoe	Rucker
Aiken	Donohoe	Jacoway	Rupley
Alexander	Donovan	Johnson, Ky.	Russell
Allen	Dooling	Johnson, S. C.	Saunders
Ashbrook	Doolittle	Jones	Scully
Bailey	Doremus	Keating	Seldomridge
Baltz	Driscoll	Kennedy, Conn.	Shackleford
Barkley	Dupré	Kettner	Sherley
Barnhart	Eagan	Key, Ohio	Sherwood
Bathrick	Eagle	Kinkead, N. J.	Sims
Beakes	Edwards	Kirkpatrick	Sinnott
Beall, Tex.	Evans	Kitchin	Sisson
Bell, Ga.	Falconer	Korbly	Slayden
Blackmon	Farr	Kreider	Small
Booher	Ferris	Lafferty	Smith, J. M. C.
Borchers	Fields	Lazaro	Smith, Tex.
Borland	Finley	Lee, Ga.	Sparkman
Bowdle	Fitzgerald	Lee, Pa.	Stafford
Brockson	Fitzhenry	Lesher	Stanley
Brown, W. Va.	Flood, Va.	Lever	Stedman
Bruckner	Floyd, Ark.	Lieb	Stephens, Miss.
Bryan	Foster	Lloyd	Stephens, Nebr.
Buchanan, Ill.	Gallagher	Logue	Stephens, Tex.
Buchanan, Tex.	Gallivan	Lonergan	Stone
Bulkley	Gard	McGillicuddy	Stout
Burnett	Gardner	McKellar	Sutherland
Byrnes, S. C.	Garner	Maguire, Nebr.	Taggart
Byrns, Tenn.	Garrett, Tenn.	Mahan	Talbott, Md.
Campbell	Garrett, Tex.	Mapes	Talcott, N. Y.
Candler, Miss.	Gill	Mitchell	Tavenner
Cantor	Gilmore	Montague	Taylor, Ark.
Cantrill	Gittins	Moon	Taylor, N. Y.
Caraway	Glass	Morgan, Okla.	Ten Eyck
Carew	Godwin, N. C.	Morrison	Thacher
Carlin	Goeke	Moss, Ind.	Thomas
Carter	Good	Mulkey	Thompson, Okla.
Cary	Goodwin, Ark.	Murray	Thomson, Ill.
Casey	Gordon	Neely, W. Va.	Townsend
Chandler, N. Y.	Goulden	O'Brien	Tribble
Clancy	Gray	Oglesby	Tuttle
Clark, Fla.	Griest	Oldfield	Underhill
Claypool	Griffin	O'Leary	Underwood
Cline	Gudger	Padgett	Vare
Coady	Hamill	Page, N. C.	Vaughan
Collier	Hamlin	Park	Vollmer
Connelly, Kans.	Hammond	Patten, N. Y.	Walker
Cooper	Hardy	Peterson	Walsh
Cox	Hart	Phelan	Watson
Crisp	Hawley	Porter	Weaver
Crosser	Hay	Post	Webb
Cullop	Hayden	Pou	Whaley
Dale	Hayes	Prouty	Whitacre
Davenport	Helm	Quin	Williams
Davis	Helvering	Ragsdale	Wilson, Fla.
Decker	Henry	Rauch	Wingo
Deitrick	Hensley	Rayburn	Witherspoon
Dent	Hill	Reilly, Conn.	Young, Tex.
Dershem	Holland	Reilly, Wis.	
Dickinson	Houston	Roberts, Nev.	
Dies	Howard	Rogers	

NAYS—52.

Avis	Fairchild	Keister	Nelson
Barchfeld	Fordney	Kelley, Mich.	Patton, Pa.
Bartholdt	Frear	Kennedy, Iowa	Payne
Barton	Green, Iowa	Kiess, Pa.	Platt
Browne, Wis.	Greene, Mass.	Kinkaid, Nebr.	Plumley
Burke, S. Dak.	Greene, Vt.	La Follette	Scott
Cramton	Hamilton, Mich.	McLaughlin	Sloan
Curry	Helgesen	Madden	Smith, Idaho
Danforth	Hinds	Mann	Steenerson
Drukker	Humphrey, Wash.	Miller	Stevens, Minn.
Dunn	Johnson, Utah	Mondell	Switzer
Edmonds	Johnson, Wash.	Moore	Towner
Esch	Kahn	Mott	Volstead

ANSWERING "PRESENT"—5.

Bartlett	Levy	Manahan	Taylor, Ala.
Gorman			

NOT VOTING—126.

Ainey	Francis	Lenroot	Raker
Anderson	French	Lewis, Md.	Reed
Ansberry	George	Lewis, Pa.	Riordan
Anthony	Gerry	Lindbergh	Roberts, Mass.
Aswell	Gillett	Lindquist	Rothermel
Austin	Goldfogle	Linthicum	Sabath
Baker	Graham, Ill.	Lobeck	Sells
Bell, Cal.	Graham, Pa.	Loft	Shreve
Britten	Gregg	McAndrews	Slemp
Brodbeck	Guernsey	McClellan	Smith, Md.
Broussard	Hamilton, N. Y.	McGuire, Okla.	Smith, Minn.
Brown, N. Y.	Hardwick	McKenzie	Smith, N. Y.
Browning	Harris	MacDonald	Smith, Sami. W.
Brumbaugh	Harrison	Maher	Stephens, Cal.
Burgess	Haugen	Martin	Stevens, N. H.
Burke, Pa.	Heflin	Merritt	Stringer
Burke, Wis.	Hinebaugh	Metz	Sumners
Butler	Hobson	Morgan, La.	Taylor, Colo.
Calder	Howell	Morin	Temple
Callaway	Hoxworth	Moss, W. Va.	Treadway
Carr	Hughes, W. Va.	Murdock	Wallin
Church	Hulings	Neeley, Kans.	Walters
Connolly, Iowa	Humphreys, Miss.	Nolan, J. I.	Watkins
Conry	Kelly, Pa.	Norton	White
Copley	Kennedy, R. I.	O'Hair	Willis
Doughton	Kent	O'Shaunessy	Wilson, N. Y.
Elder	Kindel	Paige, Mass.	Winslow
Estopinal	Knowland, J. R.	Palmer	Woodruff
Faison	Konop	Parker	Woods
Fergusson	Langham	Peters	Young, N. Dak.
Fess	Langley	Powers	
Fowler	L'Engle	Rainey	

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. BARTLETT (for conference report) with Mr. BUTLER (against).

Mr. DOUGHTON (for conference report) with Mr. KENNEDY of Rhode Island (against).

Mr. SMITH of Minnesota (for conference report) with Mr. GERRY (against).

Mr. GORMAN (for conference report) with Mr. MCKENZIE (against).

Mr. HARRISON (for conference report) with Mr. GUERNSEY (against).

Mr. KONOP (for conference report) with Mr. ANTHONY (against).

Mr. LEWIS of Maryland (for conference report) with Mr. HAMILTON of New York (against).

Mr. J. I. NOLAN (for conference report) with Mr. METZ (against).

Mr. NEELEY of Kansas (for conference report) with Mr. WINSLOW (against).

Mr. WILSON of New York (for conference report) with Mr. LANGHAM (against).

Mr. WHITE (for conference report) with Mr. HOWELL (against).

Mr. AUSTIN (for conference report) with Mr. Moss of West Virginia (against).

Mr. BURGESS (for conference report) with Mr. ROBERTS of Massachusetts (against).

Mr. MCANDREWS (for conference report) with Mr. BROWNING (against).

Until further notice:

Mr. ESTOPINAL with Mr. YOUNG of North Dakota.

Mr. CONNOLLY of Iowa with Mr. WOODRUFF.

Mr. SABATH with Mr. NORTON.

Mr. BRUMBAUGH with Mr. WOODS.

Mr. BROUSSARD with Mr. WALLIN.

Mr. BRODBECK with Mr. TREADWAY.

Mr. BAKER with Mr. SAMUEL W. SMITH.

Mr. WATKINS with Mr. SLEMP.

Mr. TAYLOR of Colorado with Mr. SHREVE.

Mr. SUMNERS with Mr. SELLS.

Mr. STRINGER with Mr. PARKER.

Mr. STEVENS of New Hampshire with Mr. PAIGE of Massachusetts.

Mr. SMITH of Maryland with Mr. POWERS.

Mr. ROTHERMEL with Mr. PETERS.

Mr. REED with Mr. MORIN.

Mr. RAKER with Mr. LINDQUIST.

Mr. RAINEY with Mr. LEWIS of Pennsylvania.

Mr. O'HAIR with Mr. LANGLEY.

Mr. LOFT with Mr. J. R. KNOWLAND.

Mr. LINTHICUM with Mr. HULINGS.

Mr. HUMPHREYS of Mississippi with Mr. HAUGEN.

Mr. HEFLIN with Mr. GRAHAM of Pennsylvania.

Mr. GOLDFOGLE with Mr. GILLETT.

Mr. CONRY with Mr. FRENCH.

Mr. CHURCH with Mr. COPLEY.

Mr. CARR with Mr. CALDER.

Mr. BURKE of Wisconsin with Mr. BRITTEN.

Mr. CALLAWAY with Mr. BURKE of Pennsylvania.
Mr. ASWELL with Mr. AINEY.
Mr. ANSBERRY with Mr. FESS.
Mr. PALMER with Mr. MARTIN.
Mr. TAYLOR of Alabama with Mr. HUGHES of West Virginia.
Mr. MANAHAN with Mr. GREGG.
Mr. RIORDAN with Mr. WILLIS.
Mr. BROWN of New York with Mr. MERRITT.
Mr. O'SHAUNESSY with Mr. ANDERSON.

Mr. TAYLOR of Alabama. Mr. Speaker, I voted "aye," and I want to withdraw my vote and vote "present." I find I am paired with the gentleman from West Virginia, Mr. HUGHES.

The SPEAKER. The Clerk will call the gentleman's name.

The Clerk called the name of Mr. TAYLOR of Alabama, and he answered "Present."

Mr. LOBECK. Mr. Speaker, I would like to vote.

The SPEAKER. Was the gentleman in the Hall, listening?

Mr. LOBECK. No; I was not. I would have voted "aye."

The SPEAKER. The gentleman is not entitled to vote.

The result of the vote was announced as above recorded.

The SPEAKER. The conference report is agreed to. [Applause on the Democratic side.]

On motion of Mr. WEBB, a motion to reconsider the vote whereby the bill was passed was laid on the table.

INSTRUCTORS IN NAVAL WAR COLLEGE OF BRAZIL.

Mr. PADGETT. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Tennessee rise?

Mr. PADGETT. I rise to ask unanimous consent to take from the Speaker's table Senate joint resolution 193 and pass the same.

The SPEAKER. The gentleman from Tennessee [Mr. PADGETT] asks unanimous consent to take from the Speaker's table Senate joint resolution 193 and pass the same.

Mr. MANN. I suppose the request is for consideration?

The SPEAKER. Yes; the request is for consideration. The other is surplusage. The Clerk will report the resolution.

The Clerk read as follows:

Joint resolution 193.

To authorize the President to grant leave of absence to two commissioned officers of the line of the Navy for the purpose of accepting an appointment under the Government of Brazil as instructors in naval strategy and tactics in the Naval War College of Brazil.

Whereas the Republic of Brazil has recently established the Naval War College of Brazil at Rio de Janeiro, Brazil, and is desirous that two commissioned officers of the line of the Navy of the United States experienced in naval war college work be permitted to serve therein as instructors in naval strategy and tactics; and

Whereas the United States of America wishes to show its friendly feeling for the Republic of Brazil by complying with its desire: Now, therefore, be it

Resolved, etc., That the President be, and he is hereby, authorized, in his discretion, to grant leave of absence to not more than two commissioned officers of the line of the Navy of the United States to assist the Republic of Brazil as instructors in naval strategy and tactics in the Naval War College of Brazil, in pursuance of an arrangement to be made between such officers so detailed and the Government of Brazil; and that such officers while absent on such leave be, and they are hereby, authorized to accept from the Government of Brazil the said employment with compensation from the said Government: *Provided, however*, That the permission so given shall be held to terminate at such date as the President may determine. To insure the continuance of this work during such time as may be desirable, the President may have the power of substitution in case of the termination of the detail of an officer for any cause; and that the officers, while so absent in the service of the Republic of Brazil, shall receive no pay or allowances from the United States Government.

The SPEAKER. Is there objection to the present consideration of the resolution just read?

There was no objection.

The SPEAKER. The question is on the third reading of the Senate joint resolution.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. PADGETT, a motion to reconsider the last vote was laid on the table.

EXTENSION OF REMARKS.

Mr. RAKER. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the RECORD.

The SPEAKER. The gentleman from California [Mr. RAKER] asks unanimous consent to extend his remarks in the RECORD. On what subject?

Mr. RAKER. On our President.

Mr. MANN. Well, for the present I object.

The SPEAKER. The gentleman from Illinois [Mr. MANN] objects.

ENROLLED BILL SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 11166. An act for the relief of Wilhelmina Rohe.

ADJOURNMENT.

Mr. UNDERWOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 50 minutes p. m.) the House adjourned until to-morrow, Friday, October 9, 1914, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. FLOYD of Arkansas, from the Committee on the Judiciary, to which was referred the bill (H. R. 19076) to amend an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, reported the same without amendment, accompanied by a report (No. 1182), which said bill and report were referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. PAIGE of Massachusetts: A bill (H. R. 19187) to amend sections 4886 and 4887 of the Revised Statutes relating to patents; to the Committee on Patents.

By Mr. EDMONDS: A bill (H. R. 19188) to amend the laws relating to patents; to the Committee on Patents.

By Mr. DUPRÉ: A bill (H. R. 19189) authorizing and directing the Secretary of the Treasury to refund taxes erroneously assessed or collected under the acts of June 13, 1898, and August 5, 1909; to the Committee on Claims.

By Mr. VAUGHAN: A bill (H. R. 19190) to authorize and direct the Secretary of the Treasury to make deposits in banks for the purpose of loans upon the security of agricultural products, to prevent the crisis threatened by the condition of the cotton market; to the Committee on Banking and Currency.

By Mr. POU: A bill (H. R. 19191) providing for the issue of emergency bonds; to the Committee on Ways and Means.

By Mr. HOBSON: Resolution (H. Res. 641) for the consideration of H. J. Res. 168; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADAIR: A bill (H. R. 19192) granting an increase of pension to Elijah Ogle; to the Committee on Invalid Pensions.

By Mr. AVIS: A bill (H. R. 19193) granting a pension to Jacob P. Marling; to the Committee on Pensions.

By Mr. DONOVAN: A bill (H. R. 19194) granting an increase of pension to Albert A. Derrick; to the Committee on Pensions.

By Mr. HAMILTON of Michigan: A bill (H. R. 19195) granting a pension to Emma L. Pugh; to the Committee on Invalid Pensions.

By Mr. LLOYD: A bill (H. R. 19196) granting an increase of pension to Nathan Baughmon; to the Committee on Invalid Pensions.

By Mr. RAYBURN: A bill (H. R. 19197) granting an increase of pension to Charles W. Noyes; to the Committee on Invalid Pensions.

By Mr. STEVENS of Minnesota: A bill (H. R. 19198) granting a pension to Leslie R. Loveland; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ALLEN: Petition of sundry citizens of Hamilton County, Ohio, favoring passage of law to prohibit shipping of food supplies to war zone in Europe; to the Committee on Interstate and Foreign Commerce.

By Mr. BAILEY: Petition of H. A. Brumbaugh and others, of the State of Pennsylvania, protesting against tax on automobiles and auto factories; to the Committee on Ways and Means.

By Mr. CARY: Petitions of Dahlman & Inbusch Grocery Co. and Bradley & Metcalf Co., of Milwaukee, Wis., protesting

against bill prohibiting purchase of return envelopes from Government; to the Committee on the Post Office and Post Roads.

Also, petition of J. M. Riebs, jr., Milwaukee, Wis., protesting against tax on grain exchanges; to the Committee on Ways and Means.

Also, petition of Jacob C. Fille, Dr. Samuel C. Higgins, Gender, Paeschke & Frey Co., Milwaukee, Wis., protesting against revenue tax on automobiles and auto factories; to the Committee on Ways and Means.

By Mr. FALCONER: Memorial of King County Socialist Party, Kennydale Local, protesting against exportation of all foodstuffs to warring nations; to the Committee on Ways and Means.

Also, petition of Daniel L. Pratt, editor of the Pacific Motor Boat, protesting against revenue tax on gasoline; to the Committee on Ways and Means.

By Mr. GRAY: Petition of Roy C. McKennan, of Connersville, Ind., relating to House bill 6282; to the Committee on Ways and Means.

By Mr. HUMPHREY of Washington: Petition of business men of Washington State, favoring House bill 5308, to tax mail-order houses; to the Committee on Ways and Means.

By Mr. KAHN: Petition of wives and daughters of veterans of the Mexican War, for an appropriation from Congress for a building at the Panama-Pacific International Exposition for their organization; to the Committee on Appropriations.

Also, memorial of the California State Federation of Labor, urging that two of the torpedo boat destroyers provided for in the naval appropriation bill be built at the Mare Island Navy Yard; to the Committee on Naval Affairs.

By Mr. McCLELLAN: Telegram from Arthur S. Wardle, president New York State Pharmaceutical Association, protesting against tax on proprietary medicines and cosmetics; to the Committee on Ways and Means.

By Mr. O'SHAUNESSY: Petition of the Warren Association, protesting against tax on alcoholic liquors; to the Committee on Ways and Means.

By Mr. SELDOMRIDGE: Petition of 45 citizens of West View Schoolhouse, 50 citizens of Limon, and 125 citizens of Burlington, Colo., favoring national prohibition; to the Committee on Rules.

By Mr. SMITH of New York: Petitions of 841 citizens of the State of Ohio, in favor of an investigation to ascertain and record the priority of discovery of the North Pole; to the Committee on Naval Affairs.

By Mr. TRIBBLE: Petition of Byron Bowers and other citizens of Georgia, favoring the Henry bill for emergency currency; to the Committee on Banking and Currency.

By Mr. UNDERHILL: Petition of La France Garage Co., Elmira, N. Y., against tax on manufacturers and users of automobiles; to the Committee on Ways and Means.

Also, petition of retail druggists of Louisville, Ky., against tax on medicine; to the Committee on Ways and Means.

SENATE.

FRIDAY, *October 9, 1914.*

(Legislative day of Thursday, October 8, 1914.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

Mr. STONE. Mr. President, on yesterday the senior Senator from North Carolina [Mr. SIMMONS] phoned me that he was very unwell and did not think he would be able to attend the session to-day, and asked me, in his absence, as the next ranking member of the Finance Committee, to look after the revenue bill. I understand that bill has been made the unfinished business, and I ask now that the bill be laid before the Senate.

The VICE PRESIDENT. Is there objection?

Mr. SMOOT. I was informed yesterday by the Senator from North Carolina [Mr. SIMMONS] that he intended to speak to-day upon the bill. I do not know whether there is anyone prepared to go on to-day upon the bill. May I ask the Senator from Missouri if he knows of anyone on the other side who desires to speak to-day?

Mr. STONE. I do not know, Mr. President. I wish merely to have the bill laid before the Senate.

Mr. SIMMONS entered the Chamber.

Mr. STONE. The Senator from North Carolina is now here, and I leave the matter to his guidance.

Mr. MYERS. I will ask what is the request? I have just entered the Chamber.

The VICE PRESIDENT. The request is to lay the unfinished business before the Senate.

Mr. MYERS. I wish to say in this connection that I had expected to ask that the conference report on the Alaska coal bill be taken up at this time. The Senator from North Carolina kindly stated that at any time I wished to take it up he would lay the revenue bill aside and let me do so. I had expected to call it up the first thing this morning, but the Senator from Nebraska [Mr. NORRIS] yesterday made a request, which was granted, that the Alaska coal-land leasing bill be printed in parallel columns, showing the House bill, the Senate bill, and the conference agreement. As that is a considerable job, it has not yet come from the printer, and I will not call up the report until the print is here. I wish the Senator from Nebraska and any other Senator to have the benefit of that print, and I may later in the day ask leave to bring up the conference report.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Johnson	Page	Stone
Bristow	Jones	Perkins	Thomas
Burton	Kern	Poindexter	Thompson
Camden	Lane	Pomerene	Thornton
Chamberlain	Lea, Tenn.	Saulsbury	Townsend
Chilton	Martine, N. J.	Shafroth	Vardaman
Clapp	Myers	Sheppard	Walsh
Fletcher	Nelson	Shields	Warren
Gore	Norris	Simmons	West
Gronna	O'Gorman	Smith, Ga.	White
Hollis	Oliver	Smoot	
Hughes	Overman	Sterling	

Mr. TOWNSEND. The senior Senator from Michigan [Mr. SMITH] is absent on important business. He is paired on all votes with the junior Senator from Missouri [Mr. REED]. This announcement may stand for the day.

The VICE PRESIDENT. Forty-six Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of absent Senators, and Mr. REED answered to his name when called.

Mr. THORNTON. I desire to announce the necessary absence of my colleague [Mr. RANSDELL].

Mr. BORAH entered the Chamber and answered to his name.

Mr. SMOOT. I desire to announce the necessary absence of the senior Senator from New Hampshire [Mr. GALLINGER], my colleague [Mr. SUTHERLAND], and the junior Senator from West Virginia [Mr. GOFF]. The senior Senator from New Hampshire is paired with the junior Senator from New York [Mr O'GORMAN], my colleague is paired with the senior Senator from Arkansas [Mr. CLARKE], and the junior Senator from West Virginia is paired with the senior Senator from South Carolina [Mr. TILLMAN].

Mr. JAMES entered the Chamber and answered to his name.

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. There is a quorum present. The Senator from Missouri——

Mr. SIMMONS. Mr. President, in view of the statement of the Senator from Montana [Mr. MYERS] with reference to taking up the conference report on the Alaska coal bill, I will ask unanimous consent that the unfinished business be temporarily laid aside in order that that report may be considered.

Mr. BORAH. Before that request for unanimous consent is acted upon, I do not desire to interfere with the program, but I should like to ask the Senator from Montana——

The VICE PRESIDENT. The Chair must have some understanding about this matter. The Senator from Missouri asked unanimous consent that the unfinished business be laid before the Senate. The Senator from North Carolina now asks that it be temporarily laid aside.

Mr. STONE. I will withdraw the request that I made.

The VICE PRESIDENT. It is temporarily laid aside. It is not now before the Senate.

Mr. BRISTOW. I ask leave to present sundry petitions and to introduce several bills.

The VICE PRESIDENT. Is there objection? The Chair hears none.

PETITIONS AND MEMORIALS.

Mr. BRISTOW presented petitions of sundry citizens of Wamego, Louisville, and Lawrence, all in the State of Kansas, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented petitions of sundry citizens of Clay Center, Kans., praying for national recognition of Dr. Cook as the discoverer of the North Pole, which were referred to the Committee on the Library.

He also presented a petition of sundry citizens of Hazleton, Pa., praying for the removal of statues of members of the Con-

federacy from all Government property, which was referred to the Committee on the Library.

Mr. OLIVER presented memorials of sundry citizens of Pennsylvania, remonstrating against the proposed tax on telephone messages, which were ordered to lie on the table.

He also presented memorials of sundry citizens of Pennsylvania, remonstrating against the proposed tax on proprietary medicines, which were ordered to lie on the table.

He also presented memorials of sundry citizens of Pennsylvania, remonstrating against the proposed tax on automobiles, which were ordered to lie on the table.

Mr. NELSON presented memorials of the Retail Druggists Association, of Minneapolis, Minn., and of the Minnesota State Pharmaceutical Association, of Minneapolis, Minn., remonstrating against the proposed tax on medicines and chemicals, which were ordered to lie on the table.

He also presented memorials of the Real Estate Exchange of St. Paul, Minn., remonstrating against the proposed tax on real estate brokers and legal documents, which were ordered to lie on the table.

He also presented memorials of sundry citizens of Duluth, Minn., remonstrating against the proposed tax on merchandise and commercial brokers, which were ordered to lie on the table.

He also presented a memorial of Local Branch, Brotherhood of Painters, Decorators, and Paperhangers, of Minneapolis, Minn., remonstrating against the appropriation of $30,000,000 for the purchase of vessels for commercial purposes, which was referred to the Committee on Commerce.

He also presented a petition of the Rotary Club of Duluth Minn., praying for a change of the date of our national Thanksgiving Day to the last Monday in October, which was referred to the Committee on Education and Labor.

Mr. HUGHES presented a petition of sundry citizens of St. Louis, Mo., praying for the enactment of legislation to prohibit the importation of convict-made goods, which was ordered to lie on the table.

ALASKA COAL LANDS.

Mr. MYERS. I ask that the Senate proceed to the consideration of the conference report on House bill 14233.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the conference report on the disagreeing votes of the two Houses upon the bill (H. R. 14233) to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. BORAH. Mr. President, I desire to ask the Senator from Montana, who is in charge of this bill, with reference to the amendment which was put on in the Senate as section 18, and which had for its object and purpose the repealing of section 16 of what is known as the reclamation extension act. I ask the Senator from Montana, as I see that is dropped out, why it was done? What was the reason for leaving it out? This was a very important provision of the bill and should have been retained.

Mr. MYERS. Mr. President, I am as ardent a supporter of that amendment as the Senator from Idaho [Mr. BORAH] or anybody else could possibly be. I was exceedingly glad when the Senator from Idaho offered his amendment, and I supported it. In fact, when an amendment was put on to the reclamation extension act by the other House and brought in here by the conferees in a report. I opposed the adoption of that report with all of the energy and power of which I was capable. I was exceedingly glad that the Senator from Idaho offered an amendment to the coal-leasing bill to repeal that law. I will say, as one of the conferees, that we sat in conference five days, and up to the last I urged that that amendment be retained, as did all of the other Senate conferees, for that matter. We used every argument of which we were capable, but the House conferees simply would not agree to it. They said that unless we receded from that amendment there would be no agreement and the bill would fail of passage. We stood out against that sort of contention for five days, and finally, on the fifth day, two of the House conferees said they had to leave the city that night; that that was the last day they could be here; and that there had to be an agreement on that day or not at all. The Senate conferees simply receded because it was impossible to get the House conferees to agree to the amendment.

The Senate conferees looked upon it in this way: That, strictly speaking, this was not a bill on which an amendment of that kind would be expected to be found; that, in a literal sense, it was hardly germane to the subject of the bill, and that there might be many other opportunities when such an amendment could be brought in and insisted upon with better grace and with more force; that there might be other opportunities yet more advantageous for getting such an amendment on some other bill. Fearing our inability to reach an agreement with that amendment in the bill, we simply receded, hoping in the near future to get the amendment on some other bill where we shall have a better chance to get it through.

That is my understanding of the matter. The Senator from Utah [Mr. SMOOT] was one of the conferees. He may have something further to say about it. That is all I can say on the subject. I repeat, it was with very great regret and as a last resort that I consented to recede from the amendment, but we had to do so in order to get any bill at all.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER (Mr. SAULSBURY in the chair). Does the Senator from Idaho yield to the Senator from Utah?

Mr. BORAH. I do.

Mr. SMOOT. As one of the conferees on the part of the Senate, Mr. President, I wish to say that all of the members of the conference committee, both the House and Senate members, were in favor of section 18 of the bill, which was an amendment offered to the bill by the Senator from Idaho [Mr. BORAH]. My consent that it be disagreed to on the part of the conferees was not because two conferees of the other House were obliged to leave the city, but my consent was given upon the positive statement of Members of the House that it would be best not to force this question upon the House so soon after an adverse vote had been had upon it; that, in their opinion, it would be better to allow the matter to go over to the next session of Congress, when they thought they could organize the House and secure enough votes in that body either to place a similar amendment upon some bill or to pass it as a separate measure.

Mr. BORAH. Mr. President, I take it, then, that the conferees on the part of the other House were not personally unfriendly to this amendment, but thought that this was an inopportune time to get it through the House? They thought we could best accomplish our desire at a more propitious time.

Mr. SMOOT. Every one of them was friendly to the amendment, I will say to the Senator from Idaho. I will further say to the Senator that when this question was voted upon in the House there was another question involved with it, and that was the question of compelling interest to be paid upon deferred payments in reclamation projects. It seems that the whole effort of those interested in reclamation projects was directed toward defeating the proposition of charging interest upon the deferred payments, and that very little was done toward organizing to prevent the passage of the law which section 18 is designed to repeal. I heard, not only members of the conference committee on the part of the House, who were all friendly to the amendment, but other Members of the House from the Western States before the committee state positively that in their opinion it was best not to press the amendment at this time. That was the reason why I consented that the amendment should go out. Nothing short of that would have been sufficient to induce me to have agreed that it should be eliminated from the bill.

Mr. BORAH. Mr. President, Congress is getting to be a peculiar body. Those things which peculiarly belong to administrative bodies and to bureaus are being taken over by Congress, while those things which belong peculiarly to Congress are being delegated to bureaus. We seem to want to administer and to escape the responsibility of legislation. This is a matter which has always been in the hands of the Reclamation Service, and it has been managed with success. Not only that, but if anything is a pure administrative matter, it is just such matters as that. I do not know of any instance in which the Reclamation Department has ever been charged with malconduct or bad management in regard to it.

I am not going, of course, to hold up this bill by a discussion of it at this time, because it would be fruitless; but I only desire to insert in the RECORD that section 16 in this extension law embodies a wrong principle and a wrong policy. I sincerely hope, and I have reason to believe, that Congress will reconsider its action, repeal section 16, and place the power back in the Reclamation Bureau, where it ought to be.

Mr. MYERS. Mr. President, I wish to be recorded at this juncture as heartily concurring in all that the Senator from Idaho [Mr. BORAH] has said about this matter.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. SMOOT. Mr. President, before the vote is taken upon the conference report I desire to call to the attention of the Senate some of the provisions of the bill to which the Senate agreed and which have been eliminated in the conference report. I shall not take the time this morning to take up each section and call particular attention to the eliminations and changes

made in the Senate bill, but I shall call attention to some of the principal items.

In section 3 of the Senate bill, page 14, beginning on line 6, the Senate agreed to this language——

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Nebraska?

Mr. SMOOT. I do.

Mr. NORRIS. From what print is the Senator reading?

Mr. SMOOT. I am reading from the bill as passed by the Senate.

Mr. NORRIS. Could the Senator just as well refer to the comparative print, which I presume he has on his desk?

Mr. SMOOT. Mr. President, I have just had the comparative print handed to me; I have not got it marked, and perhaps it would take me a little more time to indicate the changes on that print.

Mr. NORRIS. The Senator referred to section 3.

Mr. SMOOT. Yes.

Mr. NORRIS. And he stated that it was on page 14. In the comparative print section 3 is on page 4.

Mr. SMOOT. That is true, Mr. President, but if the Senator will take the comparative print and follow the language of section 3 that I will read he will see just what has been eliminated.

Mr. NORRIS. The changes are shown in the comparative print at a glance, because the House bill, the Senate bill, and the bill as reported by the conference committee are printed in parallel columns.

Mr. SMOOT. Beginning with the words "and thereafter" the Senate inserted this provision, which has been eliminated in the conference report:

And thereafter suoject to any prior valid existing rights, which said rights may be perfected under the laws in force at the time the same were initiated, and under the rules, regulations, and practices of the Land Department relative to the acquisition of such rights, as interpreted and applied by the department at the time of the initiation of such rights.

That provision, Mr. President, was inserted on the floor of the Senate, and it has been disagreed to by the conferees.

Mr. BORAH. Mr. President, I want to ask the Senator from Utah a question.

Mr. SMOOT. I yield to the Senator.

Mr. BORAH. I am unable to put my finger upon the section, but I want to ask the Senator what has become of the provisions which were put in by the Senate to the effect that in case of violation of the law with reference to trusts, monopolies, combines, and so forth, the procedure should be in the courts rather than by a forfeiture of the lease by the Secretary? The Senator will remember that the matter was debated upon the floor of the Senate, and it was contended by some of us that, if it was not provided in the lease that there should be a forfeiture of the lease in case of a combine or monopolistic practice, largely the virtue of the leasing system would have been taken away. The Senate put on a provision that the enforcement of the laws with relation to monopoly, and so forth, should be in the courts the same as if the party owned the land.

Mr. SMOOT. That is section 8a, and it is the provision offered by the Senator from Washington [Mr. POINDEXTER]. That provision has been agreed to by the conferees.

Mr. BORAH. What section?

Mr. SMOOT. Section 8a.

Mr. POINDEXTER. That is true, as the Senator from Utah has said; but my understanding of the suggestion of the Senator from Idaho was that he referred to the provision which gave the district courts of Alaska jurisdiction. That provision was found in another section, and has been left out.

Mr. SMOOT. If that is what the Senator from Idaho referred to, that was section 15 in the bill as it passed the Senate. That section read as follows:

SEC. 15. That the jurisdiction of the district court of Alaska shall extend to and over any forfeiture or cancellation proceedings instituted under the provisions of section 9 of this act and to any and all controversies which may arise between the United States and any lessee or other person, association, or corporation growing out of any disputed controversies or proceedings arising under this act or under leases issued hereunder. All causes against the United States brought under the provisions of this act shall be tried in the same manner and under the same rules as controversies between citizens.

That provision, Mr. President, has been eliminated from the bill, but an amendment, as the Senator will see, has been made to section 14, referring to the same subject matter. The House conferees would not agree to the Senate provision. They positively stated that it would be absolutely impossible to get the House to consent to allow the Government of the United States to be sued. The Senate conferees took the position that, under the system of leasing, the Government of the United States became a party to the lease; that it was not only the owner of the land but a party to the contract, and therefore the party owning the lease should have a right to go into court, provided there was any disagreement or misunderstanding as to the question of the lease itself; but, as I have said, the House conferees positively refused to yield on that point, and it was stricken from the bill.

Mr. BORAH. I have section 8a here, and I was trying to secure information as to that also. Section 8a provides that—

SEC. 8a. If any of the lands or deposits leased under the provisions of this act shall be subleased, trusteed, possessed, or controlled by any devise permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever, so that they form part of or are in anywise controlled by any combination in the form of an unlawful trust, with consent of lessee, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal, entered into by the lessee, or of any holding of such lands by any individual, partnership, association, corporation, or control, in excess of 2,560 acres in the Territory of Alaska, the lease thereof shall be forfeited by appropriate court proceedings.

Would not "appropriate court proceedings" involve the whole question of proving a combine, a trust, or a monopoly on the part of the parties alleging such combine and asking for a forfeiture? Is that the language which the Senator from Washington had inserted as an amendment?

Mr. POINDEXTER. Mr. President, that concluding phrase was not in the amendment which I offered; it was inserted on the floor of the Senate.

Mr. SMOOT. The Senator from Washington is correct, the concluding part of the last sentence was adopted by the Senate itself, and the whole paragraph was agreed to by the conferees.

Mr. BORAH. As I said in the discussion of this bill, if the leasing system had anything to particularly commend itself to my judgment, it was the summary power of the Secretary of the Interior to protect the situation against combines and monopolies in the use of the commodity proposed to be mined.

Mr. President, if the parties must depend alone in enforcing or protecting their rights, or if the public is dependent alone upon the power of the courts to enforce their rights, I can not see any difference between the parties owning the mines and the parties leasing the mines, so far as monopoly is concerned. We could go in there, Alaska being a Territory, and enforce the laws against monopolies and trusts as against owners just as easily and just as successfully as we could against lessees.

One of the arguments which has been made in favor of the leasing system has been that under such a system it is within the power of the Secretary of the Interior, on being satisfied that a violation of the law with reference to monopolies or trusts has occurred, as the representative of the landlord, to forfeit the lease, the instrument having in it provisions with reference to forfeiture in case such conditions arise. Now, as I understand, this entire matter is taken out of the hands of the department and turned over to the courts. I have no objection to that proposition, Mr. President, except to say that it takes away, in my judgment, the real argument in favor of a leasing system in Alaska. We have been told time and time again in this country that the great virtue of a leasing system was by reason of the fact that we could protect against monopoly and combines better by the terms of a lease.

Mr. JONES. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Washington?

Mr. SMOOT. I do.

Mr. JONES. I simply wish to call the attention of the Senator from Idaho to this proviso to section 14, which further emphasizes the provision taking this matter out of the hands of the Secretary of the Interior:

Provided, That the possession of any lessee of any lands covered by his lease and the operation of the mines and other works thereon or the title of the products thereof shall not be interfered with by the Secretary of the Interior, except after an appropriate proceeding in the district court of Alaska instituted for the purpose of securing a forfeiture or termination of such lease, and such forfeiture or termination shall take effect only from the date of entry of final judgment declaring such forfeiture or termination.

Mr. BORAH. That is the proviso under section 14 of the conference report?

Mr. JONES. Section 14; yes.

Mr. BORAH. Is not that a new proposition?

Mr. SMOOT. It is. It was added to section 14 after the conferees agreed to strike out section 15.

Mr. BORAH. There is one consoling fact about these conference reports—that pretty soon the balance of the Senate can go home and the conferees can make the law.

Mr. SMOOT. I agree with the Senator in that respect. In fact, as one of the conferees, after I was told that any amendment that was proposed by the House conferees would be agreed to by a majority of the Senate conferees, because they wanted the bill passed at this session, I refused to remain any longer

as a conferee for the consideration of the bill. I want to emphasize the statement the Senator has just made in regard to legislation by conferees.

The VICE PRESIDENT. Has it not been the rule of the Senate that all the conferees could take into consideration was questions in dispute between the two Houses?

Mr. BORAH. That was an antique rule of the Senate.

The VICE PRESIDENT. It must have been revoked at some time.

Mr. BORAH. Now, Mr. President, if the Senator from Utah will yield to me for a moment, on the suggestion of the Senator from Washington I perceive the entire purport of this amendment, and as I understand it I am opposed to the conference report. Section 8a reads:

If any of the lands or deposits leased under the provisions of this act shall be subleased, trusteed, possessed, or controlled by any device, * * * the lease thereof shall be forfeited by appropriate court proceedings.

It was hardly necessary to put that into the law, for that could be done anyway. But now they say:

Provided, That the possession of any lessee of any lands covered by his lease and the operation of the mines and other works thereon or the title of the products thereof shall not be interfered with by the Secretary of the Interior except after an appropriate proceeding in the district court of Alaska instituted for the purpose of securing a forfeiture or termination of such lease, and such forfeiture or termination shall take effect only from the date of entry of final judgment declaring such forfeiture or termination: *Provided further*, That such court proceedings must be instituted within 90 days after notice to the lessee of the facts constituting such cause of action, or the same shall be forever barred.

The last proviso is more surprising than all the preceding ones:

That such court proceedings must be instituted within 90 days after notice to the lessee of the facts constituting such cause of action, or the same shall be forever barred.

In other words, we have limited to 90 days the right of action for the prevention of monopolies and trusts.

Mr. NORRIS. Mr. President, I should like to suggest to the Senator right there that this notice, I presume, will come from the Government. I presume the only party who can give the notice is the other party to the lease; and therefore the Government itself would have control of that limitation. If it did not give the notice, the limitation would not commence to run. The statute of limitations fixing it at 90 days runs from the notice given to the lessee.

Mr. BORAH. Exactly.

Mr. NORRIS. So, as a matter of fact, it is hardly fair, in my judgment, to say that it is a definite limitation of the action to 90 days, because it is within the control of the Government to give the notice or delay giving the notice, and hence the statute would not run until it was given.

Mr. BORAH. Of course the construction which the Senator places upon the proviso with reference to who shall give the notice, what the notice shall be, and when the statute begins to run, is likely correct; but at the same time I think the Senator will concede that it is rather ambiguous in that regard.

Mr. NORRIS. I concede that, and I would rather that proviso were not in the law. I do not think it is a good thing. At the same time it does not seem to me that it is so bad as one might infer to begin with, because it is not a statute of limitations.

Mr. SMOOT. I will say——

Mr. MYERS. If the Senator will permit me, it was undoubtedly the unanimous understanding of the conferees that notice was to be given by the Government. There is nobody else who could appropriately give it. The Government can therefore, if it desires, get the facts and work up its case and be ready to bring suit, and then give notice; and if it is not complied with in 90 days it can then bring the suit.

Mr. BORAH. What was the object of giving this notice?

Mr. MYERS. To let the parties who are notified have some knowledge of what the Government contemplates doing, so that they may act in accordance with the demands of the Government, or comply with its rules, or do whatever the notice might cause them to do.

Mr. BORAH. I supposed it was for the purpose of giving the lessee an opportunity to get out of the trust.

Mr. SMOOT. If the Senator will read section 14 as it passed the House, without the proviso as agreed to by the conference committee, he will notice that it applies to the forfeiture of leases; and this proviso was agreed to with the thought that the Government, when they were going to forfeit a lease, at least ought to give notice to the lessee within 90 days. The House conferees first proposed a provision of 30 days, but a question arose as to whether they could get notice into the interior of Alaska in that time.

Mr. BORAH. If this were a notice for forfeiture, and the forfeiture took place at the instance of the Secretary of the Interior, nothing would be fairer or more just than for the lessee to have a notice of 90 days and an opportunity to show the Secretary of the Interior why the lease should not be forfeited. It would be entirely unjust for a lessee to be deprived of his right without some notice; but this is not a notice of forfeiture. This is a notice to the lessee and a barring of the right of action within 90 days.

Mr. NORRIS. It is a notice of the intention of the Government, I presume, to begin an action to forfeit the lease. Does not the Senator put that construction on it?

Mr. BORAH. I suppose that would be right; but what would the Senator from Nebraska think if there were incorporated in the Sherman antitrust law a provision to the effect that the Government should give notice of 90 days to any combination, and that if the Government did not get ready to act within 90 days after the notice the action should be barred?

Mr. NORRIS. Of course I would not favor that. Personally, I do not favor this provision here. It does not seem to me that it is at all necessary. It might be a good idea, and I suppose that was the original intention, to give notice when they intend to forfeit a lease. That would be proper. This, in reality, is a notice that the Government intends to bring an action to forfeit the lease.

Mr. MYERS. Mr. President, if the Senator will pardon me, it must necessarily be so, else the Government could bring action without giving a day's notice. By giving notice the party involved may be able to satisfy the Government that the alleged facts complained of do not exist and that an action is not necessary.

Mr. NORRIS. This does not say, and I am not sure that it would be held, that the Government could not bring the action without giving notice.

Mr. POINDEXTER. Mr. President, in that connection, if the Senator will yield, it is perfectly obvious from the language of that proviso that the Government does not have to give any certain period of notice. It can give notice and bring the action on the same day.

Mr. MYERS. Why, yes; it can bring it the same day or the next day if it wants to.

Mr. BORAH. Yes; but it can not give the notice and bring the action after 91 days.

Mr. POINDEXTER. I agree with the Senator from Idaho that it is difficult to see the purpose of the provision. I should suppose the purpose of it was that when the Government had made a claim that the law was being violated by a lessee the matter should be put at rest within a certain period, so that he would know whether he could go on with his business or not and not have it protracted indefinitely.

Mr. MYERS. That is the true theory. That is the phase of the matter that was discussed in conference—that when complaint was made the lessee had a right to know whether the lease was going to be forfeited or whether any action was going to be taken to forfeit it; whether he should go ahead and make a further outlay of money and continue to prosecute his work, or whether he should refrain from doing so until the matter was determined by the courts.

Mr. BORAH. May I ask the Senator from Montana what is the object of giving this notice at all? The lessee must come into court later and justify himself, unless it contemplates that, the notice being given, he can go to the Secretary of the Interior or the Department of Justice and satisfy them that the action should not be begun.

Mr. MYERS. That may be done. I see nothing in the way of that. I see no objection to it. It is simply putting a man on notice that complaint has been made that he is violating the law, and if he can show the Government that an action would be useless it would avoid useless litigation. If he can not, the Government then, having notified him, must put the matter at rest by bringing the action within 90 days.

Mr. BORAH. One further question, if the Senator pleases. Am I correct in assuming that the power to forfeit a lease by reason of any combination or any monopolistic practice is taken entirely away from the Secretary of the Interior, and the subject can not be covered by the terms of the lease, but the forfeiture must be had alone in the courts, after trial and rendition of judgment?

Mr. MYERS. The Senator is correct. That is just exactly what that amendment says. It was the intention of the conferees that it should say and mean that.

Mr. BORAH. May I ask the Senator another question, since he is familiar with this matter and has given much attention

to it? What, then, is the virtue of the leasing system so far as controlling monopoly of coal in Alaska is concerned?

Mr. MYERS. I think there is very much virtue in it. Mr. President, whatever virtue there may be I do not think is destroyed by the provision that the Government must prove a violation of law before a forfeiture can be declared, and before a man must forfeit perhaps thousands or maybe hundreds of thousands of dollars that he has put into the working of the leased property. I can not see any objection to a court passing upon it. In fact, the conferees thought that it was giving one man, the Secretary of the Interior, entirely too much power to arbitrarily declare a lease forfeited, and that that power belonged to the courts, and ought to be there.

Mr. BORAH. We have just created a Trade Commission which has the absolute power to determine whether or not a monopolistic practice has been carried on or is being carried on.

Mr. MYERS. I see nothing to prevent the Trade Commission investigating a complaint of this kind, and reporting its finding to the Secretary of the Interior or to the Attorney General of the United States, or to any other officer of the Government, and causing a prosecution to be started.

Mr. BORAH. We do not refer the action of the Trade Commission to a court to determine the matter. All the court can do, under the Trade Commission act, is to enforce the order of the Trade Commission. Here is an instance in which the Secretary of the Interior is deprived of his power to forfeit a lease which he has made, taking it completely out of his hands and turning it over to the court, and he can not move a hand until the court adjudges the question upon the facts.

Mr. MYERS. I think that is right. I see no objection to it. I do not believe in giving the Secretary of the Interior the power to make a lease, and having a man invest hundreds of thousands of dollars upon the strength of it, and then declaring it forfeited. I think he ought to have the right to be heard in court.

Mr. STERLING. Mr. President, I should like to inquire of the Senator from Idaho if he thinks there is a necessary relation between the provisions of section 8a and the proviso of section 14; whether or not those two sections are not entirely separate.

Section 8a refers to the particular class of cases where there is an unlawful combination or trust, and provides for a forfeiture in cases of that kind. The language of the section is that "the lease thereof shall be forfeited by appropriate court proceedings." I am reading the last words of section 8a. It seems to me that in that class of cases the notice provided for in the proviso of section 14 is not required, and that the proviso of section 14 refers to all other cases for which a forfeiture may be adjudged, and includes any breach of conditions of the lease other than the grounds of forfeiture contemplated by section 8a.

Mr. BORAH. Under what rule of construction of the statute would the Senator make that distinction? It would all be construed together to make it work together, if possible, and to make effective all the different provisions of the statute.

Mr. STERLING. I think this principle of interpretation might apply: That that which relates to a particular thing, as section 8a does, will govern as to that thing, and that includes the provision relative to court proceedings. This provision will govern in the section 8a, which relates to the particular thing, namely, a combination or trust as cause for forfeiture of the lease; whereas section 14, though seeming to be general in terms, would be exclusive of the provisions of section 8a, and the notice would be required in all other cases, whereas in case of a combination or trust no 90 days' notice would be required at all, provision having been made in section 8a for that kind of a case.

Mr. BORAH. Of course, that construction could be put upon it; but I think the Senator will concede that the court might hold otherwise, because this proviso says:

> That the possession of any lessee of any lands covered by his lease and the operation of the mines and other works thereon or the title of the products thereof shall not be interfered with by the Secretary of the Interior except after an appropriate proceeding in the district court.

It seems to me that that would cover any lease that is made and for any kind of forfeiture that was asked.

Mr. STERLING. I see the reason in the construction of the Senator from Idaho, and yet section 8a in terms provides for a special case, and it provides further that a lease shall be forfeited by appropriate court proceedings, and court proceedings will be appropriate without the notice mentioned in section 14.

Mr. LANE. Mr. President, it seems to me that we are legislating for a long time here. The conferees have decided that unless these proceedings are begun 90 days after notice to the lessee that the Government shall be forever barred from any further insistence on the rights of the Government. Now, "forever" is an exceedingly long time.

Mr. MYERS. If the Senator will permit me, I take it this refers to the Government being barred in the cause of action that might have been set forth in the notice, not subsequent causes of action.

Mr. LANE. I know; but it seems to me that that is too long a time. I do not think any body of mortal legislators have a right to fix such a time. I think that sort of a power belongs alone to the Supreme Being. I think we should make the time a limited one of definite period.

Mr. MYERS. How long would the Senator have it barred? For five years?

Mr. LANE. A reasonable lifetime. Twenty-one years, I think, has been decided to be the average life of leases, or as long as the average of a human generation, but not forever. I do not like to see the Government barred forever from bringing a suit; and if it must be barred, I should like to have it barred for a reasonable length of time only, not for an unreasonable time. Why not put in a provision providing that it shall be the duty of the Secretary of the Interior to begin these proceedings within a reasonable time and not make any forfeiture of the Government's rights at all?

Mr. MYERS. This report is not subject to amendment now. It must be taken as a whole or rejected.

Mr. LANE. But it is new matter which the conferees have inserted. It was not a subject in controversy.

Mr. MYERS. I do not know what the Chair would rule, but we changed the wording and kept the substance of it.

Mr. LANE. That provision is, I think, new matter, and it has been put in the bill by the conferees without authorization from either the House or the Senate. It is restrictive, and I venture the guess that there will be a good many lessees escape under it. That is a country which it is hard to travel over, and 90 days is no long time in snow or storm in which to get through that country. One might fail to file proper papers. There do come up blizzards in that country. It restricts the Government and it circumscribes the right of the people, and I object to it. I do it without prejudice and without any intention to reflect upon anyone. It is new matter, and it ought to be subject to an objection. For that reason I should like to make a point of order against it.

Mr. SMOOT. Before the Senator from Oregon submits his point of order, I hardly understand the provision as the Senator has stated it. Let us take the working that we expect in Alaska between the lessee and the Government and then apply this provision to it. John Jones makes a lease to the Government of the United States for 2,560 acres of coal land in Alaska. The Secretary of the Interior in executing that lease has all the power under the bill to include regulations of every sort. He has bid so much per ton for a lease, and his bid being the highest the lease is made with him. He goes on and produces coal for two or three years, and at that time there is an examiner from the department sent to Alaska, who makes an examination of Jones's working of the mine. He finds that Mr. Jones is not mining it economically, that he is wasting a great deal of the coal on the land that he has leased, and he finds that it will be necessary to take action against him, for the work is not being carried out according to the provisions of the lease. The examiner returns to Washington and reports to the Secretary of the Interior the conditions as he found them. The Secretary of the Interior can make another examination, or as many examinations as he desires, of the same property before final decision is reached. He can collect what testimony he thinks proper proving that the lessee has not undertaken to conform to the lease. The Secretary must give 90 days' notice to the lessee before he can start those proceedings. I think that is just and right. I do not think that any power ought to be given the Secretary of the Interior that he should have the right to annul and set aside the lease without a notice to the party or that he should bring it into court immediately without giving some notice to the lessee.

This provision gives the lessee a notice of 90 days that his lease is going to be contested by the Secretary of the Interior. After the Secretary of the Interior has collected all the evidence, after his examiner has examined the mine and reported to him that the lessee is not complying with the provisions of the lease, then, and not until then, does he give the notice; and after the notice is given I think if the Secretary of the Interior does not take action in 90 days he should be barred from bringing action upon that particular violation of the lease.

Mr. LANE. I know, Mr. President, that there are many contingencies or accidents which might easily arise which would

prevent the Government from action, thus forever thereafter barring it. I think the provision ought to have been drawn with a little more care for the protection of the Government, and that it could have been drawn in a better way. I understand it is not now subject to change, but I think it is a dangerous provision. Without prejudice, I am going to raise a point of order against it as being the insertion of new matter here which is not authorized by either body. If we can, after a bill is in conference, put new items of legislation, either enlarging the powers which are given or circumscribing them, there is no end to what can be done.

I may be in error, but I protest against any such change as that. I make the point of order, Mr. President, if you will allow me, against this provision as being new matter, which has been placed in the conference report without authority from either this body or the other House, as far as I can ascertain.

The VICE PRESIDENT. The Chair will examine the precedents before ruling upon the point of order.

Mr. MYERS. With the permission of the Senator from Oregon, I will say in this connection that it has been my understanding that an amendment to a bill may always be further amended by the conferees. They have the right to amend an amendment. The conferees considered only the Senate bill, which was an amendment. It was a substitute in the Senate for the House bill as an amendment, and that amendment was taken as the subject matter of consideration by the conferees. If they could not agree exactly on that amendment from beginning to end, word for word, it is my understanding that they have a right to agree on amendments to the amendment, and that is what they did in this instance.

Mr. LANE. I should like to say in conclusion, if it is true that the conference committee can add new matter, a slice here and a slice there, inserting different items in the bill, and the only way to get rid of one that is obnoxious is to reject the entire report, they then have the power to legislate independently of either or both Houses. Yet the Senate has not the power, when the bill comes back here, to offer an amendment to the new legislation which the conferees have inserted in the bill. That is a most unfortunate condition for the United States Senate to be in.

Mr. MYERS. I merely wish to explain to the Senator from Oregon at this juncture one thing. The House passed one bill and the Senate passed in lieu of it another bill. If the conferees had no power to make any amendment to the Senate amendment, which was the substitute, then the only thing the conferees could have done would have been one of two things, either to report out verbatim the House bill or to report out verbatim the Senate bill, which was an amendment, having had no authority to change a word of either. That would have been impossible. If we had confined ourselves to that, there never would have been any report.

Mr. LANE. But this is new matter not inserted by either the House or the Senate, and I believe it is subject to a point of order.

Mr. MYERS. I do not see how either one can be changed unless we just take slices of one and mix them in with the other.

Mr. LANE. But we do compromise on a bill in conference; we give and take. That is the rule, I believe. But here we have new matter injected into the conference report.

Mr. WHITE. Will the Senator from Montana please point to the matter of which this is an amendment?

Mr. MYERS. The limitation provision?

Mr. WHITE. Yes.

Mr. MYERS. I do not believe there was any statute in either of the original bills.

Mr. WHITE. Then I make the point of order that here is a statute of limitations.

Mr. SMITH of Georgia. Will the Senator call my attention to the paragraph?

Mr. WHITE. It is on page 12, and is found in the conclusion of section 14, the column under the conference agreement.

Mr. President, this is the proposition I want to make: The statute of limitations in ordinary statutes never runs against the Government of the United States. That is a general rule in the construction of statutes of limitations.

Mr. MYERS. Will the Senator permit me now to answer his question further? I can do so in a more definite manner, I think.

Mr. WHITE. I am glad to yield for that purpose.

Mr. MYERS. Section 15 of the Senate bill provided for suits against the United States.

Mr. WHITE. On what page?

Mr. MYERS. It is on page 22 of the print of September 28.

Mr. WHITE. Is it in the comparative print?

Mr. MYERS. Yes; I can find it in the comparative print.

Mr. SMITH of Georgia. It is section 15 of the comparative print.

Mr. MYERS. It is in section 15, on page 13, of the comparative print. Section 15 of the Senate bill provides for actions in the district court of Alaska over controversies arising under leases, and at the end of the section it says:

> All causes against the United States brought under the provisions of this act shall be tried in the same manner and under the same rules as controversies between citizens.

There must be a statute of limitations to controversies between citizens of Alaska, and it will apply the same to the actions that were provided for in the Senate bill, whatever they may be.

Mr. WHITE. I would be glad if the Senator would point me to the provision where there is any limitation against citizens of Alaska.

Mr. MYERS. I can not do that just now. I will be glad to do it in a few minutes.

Mr. SMITH of Georgia. It is the general rule.

Mr. WHITE. Mr. President, I make the point of order that the committee of conference has placed a statute of limitation in the bill against the United States, requiring suit to be brought in 90 days after notice has been given the lessee of a breach of a condition in the lease. This is new matter and has not been considered by either House of Congress.

The committee, as I understand it, has not only injected entirely new matter into the bill reported by it where no justification is found for it in either the House bill or the Senate bill or the bill that either one of them passed, but, moreover, by subjecting the Government to this statute of limitation it reverses the rule adopted by the courts by making a statute of limitations applicable to the Government. The committee was without authority to insert this provision, and the Senate is confronted with the proposition that it can not amend the bill—can not strike it out because it is presented in the conference report, our only remedy being to defeat the conference report as a whole or sustain the point of order and thereby refuse to consider the report. The effect of that ruling of the Chair is that a conference committee can legislate for both Houses.

The VICE PRESIDENT. Upon further consideration and examination of the authorities the Chair believes that it is the rule of the Senate that conferees may not include in their report matters not committed to them by either House, and that a point of order can be made in the Senate that such new matter has been included in the conference report, but that it has been the custom to submit this question of order to the Senate. It was so ruled by Vice President Hobart in the Fifty-fifth Congress, and carries the weight of the opinion of Senator LODGE, of Massachusetts, as being the correct practice, submitting the question of the point of order as to whether it is or is not new matter not in dispute between the Houses that was brought into the report of the conference committee by the conferees.

The Chair presumes that the reason for those rulings was that the Senate might discuss the question of the alleged new matter; that if it was satisfied with the alleged new matter it might overrule the point of order, and if it were not satisfied with the new matter it might sustain the point of order. That appears to the Chair to be the reason why the former rulings have been to submit the point of order to the Senate.

The Senator from Oregon [Mr. LANE] and the Senator from Alabama [Mr. WHITE] have each raised a point of order as to the proviso in section 14 of the report of the conference committee, and the Chair submits the question of the point of order to the Senate of the United States for its determination as to whether it is or is not new matter with reference to questions that were not in controversy between the Senate and the House of Representatives.

Mr. SMOOT. Upon that I ask for the yeas and nays.

Mr. WHITE. I have the floor, I think.

Mr. MYERS. I wish to make a parliamentary inquiry, if I can get an opportunity.

The VICE PRESIDENT. The Senator from Alabama [Mr. WHITE] has the floor.

Mr. MYERS. Would the Senator yield for a parliamentary inquiry as to the effect of the ruling?

Mr. WHITE. Certainly.

Mr. MYERS. I ask the Chair, if the point be sustained, would it not have the effect of rejecting the entire conference report? It could not have the effect of simply eliminating that section or subject matter, could it?

The VICE PRESIDENT. The Chair thinks it would have the effect of rejecting the conference report; that the conference report would go back to the conferees with a statement upon the part of the Senate that the conferees had exceeded their authority and had introduced new matter into the report.

Mr. MYERS. That was my apprehension. Now, I want to say to the Senator from Alabama that in order to sustain his point of order I think it is up to him to show that in any controversy in the United States District Court of Alaska between citizens of Alaska there is no statute of limitations in civil actions. Section 15 of the bill as it passed the Senate provides that—

All causes against the United States brought under the provisions of this act shall be tried in the same manner and under the same rules as controversies between citizens.

There certainly must be a statute of limitations as to the Territory of Alaska in civil actions between citizens. If there be such, whether it be 1, 2, 3, 4, 5, or 10 years, it is simply changing the duration of the limitation and not putting in a limitation where there was none before. I confidently assert that there must be and there is a statute of limitations in civil actions in Alaska, the duration of which I can not exactly state.

Mr. WHITE. Mr. President, I think the laboring oar is on the Senator to show such a statute.

Mr. MYERS. The Senator from Alabama has raised the point.

Mr. WHITE. Yes; but the Senator from Montana affirms the proposition that there is a statute of limitations in Alaska.

Mr. MYERS. The Senator from Alabama has raised the point that there is none.

Mr. WHITE. No.

Mr. MYERS. He has necessarily raised it.

Mr. WHITE. The Senator from Montana has affirmed that there is one.

Mr. MYERS. Well, I will try to find it.

Mr. WHITE. Then, the laboring oar is in the Senator's hands to show that there is a statute of limitations; but, Mr. President, if that is shown, it does not and it could not make any difference. The section to which the Senator from Montana referred has no reference whatever to a statute of limitations; it is simply a provision as to the procedure in the courts. It reads:

All causes against the United States brought under the provisions of this act shall be tried in the same manner—

But that does not say anything about defenses that might be available to one party or another.

Mr. MYERS. The ruling upon the statute of limitations would have to be the same, Mr. President.

Mr. WHITE. But what statute of limitations?

Mr. MYERS. Any that may be pleaded.

Mr. WHITE. Well, which is it? Is the statute of limitations in a lease of this kind for 10 years, 20 years, or 30 years—what is it?

Mr. MYERS. The language reads:

In the same manner and under the same rules as controversies between citizens

I will try to get the statute of limitations of Alaska.

Mr. WHITE. If the Senator from Montana gets the statute it will not make any difference; it will not have any reference to the question we are discussing, not a particle; it has reference to the manner of conducting the trial in the court, and it has no reference to the defenses that might be available under certain conditions; it has no reference to the defense of infancy or coverture or the statute of limitations. Would the Senator apply these defenses to the United States? Would the Senator plead the defense of coverture to a suit against the United States because it is a defense that can be made by married women in the Territory of Alaska? Does the Senator insist that because there is in Alaska a statute of limitations the Government of the United States could be defeated in its action, or that the provision mentioned would authorize a plea of that kind to be interposed against the United States?

Mr. MYERS. It could be offered and overruled if anybody wanted to offer it.

Mr. WHITE. Yes; but I do not suppose the Senator could find a lawyer who would offer it.

Mr. MYERS. Neither do I think so.

Mr. SMITH of Georgia. Mr. President, I wish to ask the Senator a question, if he will yield to me for that purpose.

Mr. WHITE. Certainly.

Mr. SMITH of Georgia. Has the Senator presented his criticism not only upon this proviso because he insists that it is new matter coming from the conferees, but also upon the matter itself because it is objectionable?

Mr. WHITE. I am going to do that.

Mr. SMITH of Georgia. I desire to hear the Senator's objection.

Mr. WHITE. Yes; I will come to that criticism. There are two questions involved in it. One is as to the propriety of the legislation, and the other is as to the propriety of the act of the conferees in injecting this new matter.

We are confronted now, probably for the first time—certainly for the first time, so far as I know—with having the Government of the United States bound by a statute of limitations. There may be, possibly there are, isolated cases where the Government of the United States is affected the same as are individuals by a statute of limitation; but if so, they are very rare.

Mr. SMITH of Georgia. Mr. President, is it not true that we have a statute of limitations which bars the Government from proceeding to set aside mineral grants on the ground of fraud?

Mr. WHITE. If the Government is expressly mentioned in the statute, then it is so, but only then.

Mr. SMITH of Georgia. Has it not been the policy of the Government and of Congress in its legislation with reference to titles to mineral grants and land grants to provide some statutory limitation as to the length of time in which the Government must proceed upon the ground of fraud against the person who has a patent obtained from the Interior Department?

Mr. WHITE. I do not think so; I will not say that it is not so, but no such case as that occurs to me at this time.

Mr. WALSH. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Montana?

Mr. WHITE. I do.

Mr. WALSH. The law is clearly as stated by the Senator from Georgia. The statute of limitations is five years against the Government of the United States. The Government must bring an action of fraud within five years.

Mr. WHITE. I do not deny that such a statute exists. I do not know of such a statute.

Mr. SMITH of Georgia. Will the Senator from Alabama allow me to interrupt him?

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Georgia?

Mr. WHITE. One moment before I yield to the Senator. I will ask the Senator from Montana if the limitation to which he refers does not apply to the criminal features of the statute?

Mr. WALSH. No; the limitation of the statute is three years as to all crimes except capital crimes.

Mr. WHITE. Now I yield to the Senator from Georgia.

Mr. SMITH of Georgia. Mr. President, what I desired was to make clear the meaning of the question which I asked a few moments ago, as some Senators misunderstood me. My question had reference to procedure by the Government to set aside patents actually issued by the Interior Department based upon the claim of fraud, there being a statutory limitation, as I remember, against such procedure. I had reference to patents issued; and it seemed to me that perhaps the purpose was to treat these leases as grants from the Government and to put a statute of limitations upon them just as statutes of limitation were put upon patents granted.

Mr. WHITE. The reason would not be the same at all, because there the Government of the United States has issued its patent, and on the face of the papers the patentee is the owner of the title.

Mr. SMOOT. And has complied with all the rules.

Mr. WHITE. And has complied with all the rules, has probably made improvements, and is innocently acting upon the idea that the property is his; but the proposition here is that if a lessee who knowingly, willfully, and wantonly violates the provisions of his lease, instead of acting in accordance with it, he must first be notified of his own act, and then the Government is barred by this statute of limitations if suit is not brought in 90 days thereafter. The lessees are greatly favored, as compared with other lessees throughout the country, as under their leases they forfeit their rights by a simple violation of their provisions—they are not received in advance as the lessees under this bill will be if it is passed.

Mr. MYERS. Mr. President, wherein does that differ from the notice provided for in this bill?

Mr. WHITE. Under this bill the Secretary of the Interior has no right to declare a forfeiture of the lease. He is required to go into court, and at the end of the litigation—not at the beginning, but after a long-drawn-out litigation—it is for the court to determine whether or not provisions of the lease have been violated; and, in the meantime, there has been no declaration on the part of the Government of a forfeiture for violation of the terms of the lease. I doubt very much whether the court

under such circumstances could forfeit the lease. The court has no power to act in the premises except judicially.

The bill does not provide that the Secretary of the Interior may declare the lease forfeited, but it says that he may go into court, and at the end of litigation—probably long drawn out—the court will determine whether or not there has been a forfeiture, when no one has declared a forfeiture and when there is no provision in the bill by which such forfeiture could be declared.

Mr. MYERS. I will ask the Senator if he is acquainted with any practice whereby a landlord can merely declare a lease forfeited and oust the tenant without going into court?

Mr. WHITE. Not quite that; but he declares, Mr. President, a forfeiture of the lease, and then it becomes a judicial question to determine whether or not the lease has been forfeited in fact.

Mr. MYERS. I see nothing in the provisions of the bill to keep the Secretary of the Interior from declaring a forfeiture of the lease.

Mr. WHITE. The bill does not provide for such action on his part.

Mr. MYERS. He may declare that the tenant has forfeited his lease, and then leave the question to the court.

Mr. WHITE. There is no provision authorizing that.

Mr. MYERS. He can put such a declaration in his notice, if he wishes to do so, and leave it to the court to say whether or not the lease has been forfeited.

Mr. WHITE. Why, I ask, is the United States Government put at this great disadvantage over all other landlords in the country, when we all know and when we all realize that the Government acts at best at a great disadvantage in that it is only present by some agent, and that agent may be indifferent to the rights of the Government?

Mr. MYERS. Mr. President, I fail to see any disadvantage. The Government can send any number of inspectors into the Territory of Alaska that it wants to, and every inspector has the right of entrance; he can secure all the knowledge necessary; so that I fail to see any great hardship or disadvantage to the Government in simply requiring it to write out a notice.

Mr. WHITE. Mr. President, the Government can only act, as I have said, through an agent. There is no selfish interest to the agent to stimulate his diligence. It is the same old proposition that we read of in the Scriptures, where the hireling fled and left the flock when the sheep were attacked by the wolves; but the master was ready to give his life for his sheep. An indifferent agent, falling under the influence of the lessees, might not act at all or might not act for a long period of time; and, then, this provision is carefully worded, so that the forfeiture does not take effect until the final judgment has been entered. Why is that? Why is there not a provision authorizing the Secretary of the Interior to declare a forfeiture and let the forfeiture take effect at that time, and not wait two, three, four, or five years for a long-drawn-out lawsuit to end?

Mr. WALSH. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Montana?

Mr. WHITE. In one moment.

After two, three, four, or five years have elapsed, and before the final judgment has been rendered, the mine may be robbed of everything that is valuable in it; and a forfeiture of the lease by the court at that time would be without any beneficial effect.

Mr. WALSH. Mr. President, I assume that the Senator is discussing this matter for the purpose of enlightening the Senate in regard to it, and I am very anxious to follow the course of his argument, if I can. I should like to know what the practical operation of this provision would be. The Senator wants a clause in the bill, as I understand, providing that the Secretary of the Interior may declare a forfeiture at any time he sees fit. Suppose he does so; then what? Here is a man with a lease operating the property and the Secretary declares the lease forfeited. Then what? The man is in possession; he is operating the mine; and the Secretary has got to go into court to get him out. He can not get him out until there is a final judgment in the case. Now, in the meanwhile, what does he do?

Mr. WHITE. He robs the mine of its coal.

Mr. WALSH. No; I am assuming that the bill is framed as the Senator wants it.

Mr. WHITE. Oh, no.

Mr. WALSH. Oh, yes.

Mr. WHITE. If framed as I want it, he would be accountable to the Government for all the coal that he had taken out after the forfeiture.

Mr. WALSH. Mr. President, if the forfeiture should occur and the court should adjudicate that there was a forfeiture, the lessee is then accountable for all the coal.

Mr. WHITE. No; because this bill provides that the forfeiture does not take effect until the final judgment is rendered.

Mr. WALSH. Mr. President, that matter is easily taken care of. When the suit was begun the Government could go into court and ask for an injunction to enjoin the further operation of the mine. We who are accustomed to suits under the mining laws do not trouble about that at all.

Mr. WHITE. Mr. President, I did not yield the floor except for a question. I will be glad, of course, to answer, if I can, any question the Senator may ask. I am discussing this matter, which relates somewhat remotely to the question now before the Senate, to show the impropriety of overruling the point of order which I have made.

Mr. MYERS. May I inform the Senator what the statute of limitations in Alaska is?

Mr. WHITE. Certainly.

Mr. MYERS. The Senator having challenged me to show that there is a statute of limitations in Alaska——

Mr. WHITE. No; I said the burden was on the Senator; but I will be glad to have the information.

Mr. MYERS. Well, having put the burden on me, I will assume it, and will inform the Senator that the limitation of the statute in actions for the recovery of real property or for the recovery of the possession thereof in Alaska is 10 years. So that there is a statute of limitations there, as in every other country of which I have ever heard.

Mr. WHITE. Will the Senator, as a lawyer, say that that statute of limitations is applicable to the case presented in this discussion?

Mr. MYERS. If there had been no statute of limitations placed by Congress, they would either have to fall back on the statute to which I have referred or there would be none at all; and if that statute is not applicable, Congress then has made one that is applicable. The difference is only in the duration; the principle is the same.

Mr. WHITE. The Senator will not state, as a lawyer, that the statute to which he has referred has any application to the question under discussion; he can not afford to do so, for it does not have any such application; it has no kind of bearing upon the subject. The Senator says that if that statute is not applicable there is no statute; and if there was no statute, then Congress—or, rather, the conference committee—has provided the country with a statute.

Is it possible that the Senate of the United States will impose against the Government of the United States a statute of limitations that has received no consideration in the Senate, that has received no consideration in the House, and is presented for the first time in a conference report, when the Senate itself stands with its hands tied, without the right to offer an amendment? In other words, to secure the good that is in the statute we are made to swallow the bad, and the bad was put in the statute by the conference committee without consideration by either House of Congress.

I have been somewhat interested in the statements made from time to time that this report had to be accepted, or else the other House of Congress would not do anything. If that is the influence that one branch of Congress is to exercise over the other, when they are acting through committees in conference and not by the Houses themselves, then we had better pause and consider what we are doing.

I repeat that we are reversing the policy of the Government if this point of order is not sustained; we are making a statute of limitations against the Government when such is not the case even where statutes of limitation have been enacted, unless the Government is expressly named in the statute.

So much for that.

The next proposition is not so much the effect that this provision may have in this particular bill, but the effect the precedent may have upon the Senate in the future. Is the Senate willing in the future to surrender all of its rights as a legislative body to a committee—not the ordinary committee whose reports we may amend or modify, but a committee of conference—when it seems, at least in some cases—perhaps in this case—that the Members from the Senate did not approve the report, but accepted it because it was demanded by the Members of the House? If the Senate does that, has it not surrendered absolutely all of its powers as a legislative branch of the Government to a committee? Really it has done more than that. It has surrendered its powers and its prerogatives as a legislative body to the members of a committee appointed by the House, because it seems that the Senate conferees yielded

their judgment to members of the committee appointed by the House.

We are establishing a precedent, Mr. President—either one that the Senate can stand by in the future with safety, and with assurance that its rights as a legislative body will not be impaired, or a precedent by which it is tying its hands and placing itself helpless at the feet of a conference committee. I do not believe that this should be done.

In the first place, this legislation should not be enacted. It is wrong. We ought not to require the Government of the United States to bring suit within 90 days. Suppose, on account of some defect or some mishap, the suit of the United States be dismissed, not be tried; or suppose through inadvertence or oversight it be allowed to be dismissed, or if by connivance of some officer it is dismissed, then in either of these events the Government could never bring an action again, because the 90 days' statute of limitations would have barred the suit.

Why, this is the most extraordinary legislation that has been offered in this body during the very short time I have been a Member of the Senate. By overruling the point of order we restrict the Senate to one of two courses—we must accept the whole bill or reject it. I insist, Mr. President, that the point of order should be sustained.

Mr. GRONNA. Mr. President, I am not opposed to the provisions of this bill; but, clearly, the Senator from Alabama [Mr. WHITE] is right in his contention that the conference committee has exceeded its authority by placing new matter in the conference report.

I shall vote to sustain the point of order made by the Senator from Alabama, and also made by the Senator from Oregon [Mr. LANE], because I believe it is a dangerous practice to give to a conference committee the power to insert new things that have not been considered in either House.

Mr. MYERS obtained the floor.

Mr. SMITH of Georgia. Mr. President, before the Senator from Montana proceeds I should like to make a little criticism of the bill with a view of asking his opinion with reference to it.

Mr. MYERS. Certainly.

Mr. SMITH of Georgia. I am anxious to support the report of the conferees. My desire is to facilitate the speedy passage of this measure, but the language of this proviso embarrasses me. It says:

That the possession of any lessee of any lands covered by his lease and the operation of the mines and other works thereon or the title of the products thereof shall not be interfered with—

Now, that is broad; it is just as broad as it can be—

by the Secretary of the Interior except after an appropriate proceeding in the district court of Alaska instituted for the purpose of securing—

And so forth.

The Government's mode of procedure is through the Secretary of the Interior. He can only interfere with either the working of the mine or the title of the products by a proceeding in the district court of Alaska, instituted for what purpose?—

For the purpose of securing a forfeiture or termination of such lease, and such forfeiture or termination shall take effect only from the date of entry of final judgment declaring such forfeiture or termination.

Does not that language mean that no interference with the work of a lessee shall be had, and no interference with the title to the products of his work, until a final judgment on a bill filed against him? I hope not.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Idaho?

Mr. SMITH of Georgia. Yes.

Mr. BORAH. It seems to me the construction that the Senator from Georgia places upon this language must necessarily be the only construction which can be placed upon it. The Senator will notice that it says:

That the possession of any lessee of any lands covered by his lease—

Now, if it were left to the mere question of possession, that would be all right; but it says:

That the possession of any lessee of any lands covered by his lease and the operation of the mines——

Mr. SMITH of Georgia. I read those words.

Mr. BORAH. Exactly.

Mr. SMITH of Georgia (reading):

And other works thereon or the title of the products thereof.

Mr. BORAH. Exactly. Now, if it were limited to the question of possession and title of the products, it might be just to say that it should not be interfered with until a forfeiture has been had; but here all questions of operation and of the manner in which the work shall be conducted are apparently excluded, as the Senator says, until a final judgment is rendered.

Mr. SMITH of Georgia. It was to bring the attention of the Senator from Montana to this language, in order that he might give us the view of the conferees with reference to it, that I rose. If a lessee is proceeding in a way that the department is confident violates the provisions of his lease and disregards the rights of the Government, under circumstances where ordinarily a court of equity would grant a temporary restraining order against the further operation of the mine or a restraining order against the disposition of the proceeds of the mine, does not this language so limit the power of the court that the Government is forbidden from interfering with his possession?

Mr. MYERS. Mr. President, I wish to make a remark to the Senator at this juncture.

Mr. SMITH of Georgia. I will yield the floor in a minute.

Mr. MYERS. I just want to make a remark at this juncture.

Mr. SMITH of Georgia. Certainly.

Mr. MYERS. The language of the bill is:

That the possession of any lessee of any lands covered by his lease and the operation of the mines and other works thereon or the title of the products thereof shall not be interfered with—

By whom?—

by the Secretary of the Interior, except after an appropriate proceeding in the district court of Alaska.

That is, the Secretary of the Interior can not interfere, he can not cause the mine to be shut down, he can not hamper or interfere with the working of it, until after a judgment rendered upon an appropriate proceeding in the district court; but, as my colleague has pointed out, there is nothing to prevent the court, at the time of the institution of the action, from interfering by the issuance of an injunction. The Secretary of the Interior can not interfere, but the court can by injunction.

Mr. BORAH. Mr. President, I think that construction is a fair construction; but that was not the point I was making, nor the point which I understood the Senator from Georgia was urging.

Mr. SMITH of Georgia. No.

Mr. BORAH. It takes away from the Secretary of the Interior himself all control over the minutiæ of the operation of these mines, and so forth—the question of proper protection, timbering, and all these things—until he has secured a forfeiture of the lease.

Mr. MYERS. Why, Mr. President, there is nothing to prevent the Secretary of the Interior issuing orders or making rules and regulations about the conduct of the mine. If the lessee obeys, all right. If he does not obey, he can give him notice after a certain time, or he can give him notice at the time of issuing the order, and file an action the same day and get an order of injunction.

Mr. SMITH of Georgia. The language might even be construed to indicate that the court was not to interfere with the possession of the products.

Mr. MYERS. I do not see how. The Senator would have to read something into the bill which is not there in order to construe it in that way.

Mr. SMITH of Georgia. In what way could the Secretary of the Interior interfere except through court proceedings? Is there any statutory power given to him anywhere to cancel the lease or to dispossess the lessee? Has he any power except through the courts?

Mr. MYERS. None whatever; and it was the intention not to vest that arbitrary power in the hands of one man.

Mr. SMITH of Georgia. Then why put here a specific provision that he should not interfere if no statute gives him the right to interfere?

Mr. JONES. Mr. President, I simply want to make a suggestion to the Senator. I take it that a court would not of its own motion issue a temporary injunction. It would have to be done upon the application of the Secretary of the Interior. Now, would not that be an interference that would be prevented? It certainly is an interference on the part of the Secretary of the Interior.

Mr. SMITH of Georgia. I do not understand how the Secretary of the Interior could interfere, except through the courts, unless some statute that has been passed in connection with these leases gave him the authority to do so.

Mr. BORAH. Mr. President, the Senator from Georgia fails to observe the change of constitutional construction which has come upon the country of late. For some 75 or 100 years in this country it was assumed that the National Government could not do anything except that which it was authorized to do; but of late years the opposite rule has prevailed, and that is that it may do everything which it is not specifically prohibited from

doing. It is not exactly in accordance with the Constitution of the United States, but I would not trespass upon the time of the Senate by invoking that instrument as against a statute in these times.

Mr. SMITH of Georgia. Does the Secretary of the Interior now assume, after property has been patented, to interfere except through the courts? Would he presume, after a lease had been signed and a party put into possession, to interfere except through the courts?

I ask the Senator, because I do not claim to have kept up with the mode of procedure for the past few years. Has the department so changed its mode of management that it interferes with a third party who has been put in possesssion under a contract or under a grant of some kind from the Government, just at the volition of the Secretary of the Interior, without the hand of the court being exercised to control the property?

Mr. BORAH. No; I understand they have not gone that far yet; but the theory has not been fully developed.

Mr. SMITH of Georgia. It occurs to me that this might be held to mean that the only interference by the Secretary of the Interior must be through the courts, and that he is not to obtain any kind of restraining order, and that there is to be no interference of any kind until final judgment with one of these lessees. That was disturbing me also.

Mr. MYERS. Mr. President, this measure bristles with provisions that the Secretary of the Interior may make all needful rules and regulations for the conduct of the mines which are leased, and unless there were some such provision put in here it might be construed that he had power to enforce his own rules and regulations, to hold the lessee to some kind of accountability for not living up to the rules and regulations. But the line is clearly drawn by this measure. The law gives the Secretary of the Interior the right to make the rules and regulations, but gives the court the right to declare a forfeiture for not living up to those rules and regulations. The Secretary can make the rules and regulations. He may send inspectors and agents there to see that they are being complied with. He may get all the needful information that the occasion may require. It provides that his agents and inspectors may have the right of entrance at any time; that they may have the right to inspect and see what is going on, and that they shall report to the Secretary of the Interior; but there is to be no interference with the possession or the operation except through the judgment of the court. While the Secretary of the Interior may not interfere, in his official capacity he applies to the court, with nothing to prevent the court, upon the application, from issuing an injunction to stop the working of the mines until the question may be determined in due process of law.

Mr. BORAH. Mr. President, is it not true that under the reclamation law the Secretary of the Interior is given the power to forfeit the contract of the settler and the rights of the settler without any action on the part of the court, and did we not reject an amendment to that law during the last session in which it was attempted to provide that there should be no forfeiture until the court acted upon the matter?

Mr. MYERS. That is true, Mr. President. There were a number who thought that that amendment ought not to be rejected; but from the mere fact that it may be wise and prudent to clothe the Secretary of the Interior with that power in regard to a reclamation project, which is in comparatively close proximity to the location of the Secretary of the Interior, which is close at hand, and which probably involves 40 or 80 acres of land, I do not think it is necessarily true that the Secretary of the Interior ought to be vested with the same plenary power in regard to subjects matter thousands of miles away, in an inaccessible country, and where it involves hundreds of thousands of dollars, perhaps. A man may have half a million or a million dollars invested in mining in Alaska. I am told that it will take half a million dollars to successfully operate a mine on any considerable scale there for commercial purposes. To say that he should be deprived of all his investment and all his property rights and all his vested rights and all the capital invested there simply on the ipse dixit of one man, perhaps without a hearing, without a notice, and without trial, is to my mind monstrous, and in no way analogous to the little reclamation example which the Senator has cited.

Mr. HITCHCOCK. Mr. President——

Mr. MYERS. I yield to the Senator from Nebraska now, and then I will yield further to the Senator from Idaho.

Mr. HITCHCOCK. Is it not true that both the section as adopted by the House and the section as adopted by the Senate, the two being very nearly identical, placed in the hands of the court the power to say whether or not the lease should be forfeited?

Mr. MYERS. Yes.

Mr. HITCHCOCK. If it is to be placed in the hands of the court, what is the reason for inserting this clause here, which seems to provide a technicality by which the court itself might be estopped later on from canceling and declaring forfeited a lease that might be entirely unworthy of being carried out?

Mr. MYERS. To what technicality does the Senator refer?

Mr. HITCHCOCK. I will submit it to the Senator. Suppose the Attorney General or the officer of the Government who might be the district attorney for Alaska failed to bring suit within 90 days—and such things have happened, through the neglect of officials, sometimes through worse offenses—would the Government then lose an entirely good case and the lessee continue to hold his lease after he should have forfeited it?

Mr. MYERS. I will answer that in a minute. I had intended to get to that point, but I will take up first——

Mr. HITCHCOCK. Will not the Senator answer it right at this point?

Mr. MYERS. Right now?

Mr. HITCHCOCK. Right now.

Mr. MYERS. I wanted to see first what the Senator from Idaho had to say, but I will answer. It was the thought of the conferees to enact a bill which would be a workable bill, and which would result in the leasing of some coal lands in Alaska. If this legislation is to be barren of results, then no good is accomplished by its enactment. I apprehend men who have hundreds of thousands of dollars to invest in coal lands in Alaska will want to know, before they go into that far-away country under great disadvantages and engage in this hazardous occupation, what rights they are going to have, and whether or not they may be summarily put out of business by some agent or inspector or examiner who goes there.

Mr. HITCHCOCK. If the Senator will permit me an interruption, the bill as enacted by the Senate and the bill as enacted by the House did not permit anybody to put the lessee out in such a summary way. It provided that he could only be put out and his lease could only be canceled by an order of the court. Now, I ask the Senator, why is the Government restricted within 90 days? That is the question. Everybody agrees—the House and the Senate are in accord—in holding that the man could only be evicted and his lease canceled as the result of a court hearing and a court order. So what the Senator alleges about the summary proceeding has nothing to do with this case. The only question as I can see it is why should the Government be restricted to bringing a suit within 90 days. Why should a loophole be offered in the case of a lessee whose lease should be canceled? Why should he be given a loophole to hold possession forever because the Government agent might fail to bring the suit within 90 days?

Mr. MYERS. I was just going to answer that, and I will get to it immediately. I say the conferees thought that the power should be lodged in the court, and they thought if the lessee had subjected himself to forfeiture on account of not complying with the rules or regulations, or for any other cause, he was entitled to know what the Government was going to do about it; that he was entitled to know whether the Government was going to act on that complaint and accept the report of an inspector or examiner, and whether the Government was going to bring an action for a forfeiture of the lease. The lessee may be intending to extend his work, to tunnel in other directions——

Mr. HITCHCOCK. Let me interrupt the Senator there. If that is very important—and I do not think it is an important matter to the lessee—I think as long as he is in possession he can go on in his operation; but if it was sought to enable the lessee to find out, then why not insert a provision that the lessee might take the initiative and bring it into court and secure a decision?

Mr. MYERS. I do not think that would be fair.

Mr. HITCHCOCK. It seems to me the conferees have put into the bill a trap whereby the Government may lose its rights through a mere technicality, through the mere neglect for one day of the Attorney General or the district attorney.

Mr. MYERS. Not for 1 day; for 90 days.

Mr. HITCHCOCK. But if he goes 91 days the Government is estopped forever.

Mr. MYERS. The Government does not have to give a notice until it has the case prepared. It has its own time. If the Government decides the lease is to be forfeited, it has all the power in the world to send inspectors there, to get all the knowledge it needs, to get all the facts, to call witnesses, and to prepare its pleading and to have the action ready for trial. It may give notice one day and file the action the next day or the same day.

I do not think there is any ground for saying that it is a trap laid or that there is anything disadvantageous to the Government. If the Government has reason to believe that its rules and regulations are not being observed and that waste is taking place, and that the terms of the lease are not being complied with, it may take a day or a month or a year to astisfy itself of those facts if it wants to do it. It does not have to satisfy itself and give notice to-day or next month or next year. It can take its own time to do that, and it has all the time needed. It is not limited in any way. There is no limitation upon it. Having taken all the time it needs and having informed itself fully of the facts and even perhaps prepared its pleading, it can then give notice and it can file a suit immediately if it wants to do it. There is no manner or way on earth in which the Government can be trapped into losing any rights. Does not the Senator see that the Government can take as long as it wants to investigate and satisfy itself and to give this notice, and then it can bring suit the next day if it wants to do so?

Mr. HITCHCOCK. If the Government were a single individual, that would be one thing; but everybody knows there are many officials in the Government, and to put in a statute of limitation of 90 days, something almost unheard of in its brevity, seems to me to deliberately invite men to take advantage of a technicality against the Government officials.

Mr. MYERS. It is not a statute of limitations of 90 days. The limitation does not run from the time of the arising of the cause of action or from the knowledge of it or the discovery of it by the Government. It is only so many days after notice is given; that is all. It is really no statute of limitations at all. The Government can take 10 years if it wants to.

Mr. HITCHCOCK. I asked the Senator why it should be limited to 90 days. He says it is because the lessee might be inconvenienced in making his further operations. To that I reply that it would be easy then to insert a provision that he could go into court and bring it to a head, but not that the Government should be forever barred.

Mr. MYERS. I do not think the lessees are hunting lawsuits. They want to be free from that.

Mr. HITCHCOCK. I say, furthermore, the Senate went on record when it took this power out of the hands of the Secretary of the Interior. I voted to do it. I was willing to submit it to a court. I was willing to take it out of the hands of the Secretary of the Interior and place it in the hands of a court; but I am not willing to say that if the Secretary of the Interior or some agent of the Government or some district attorney takes 91 days instead of 90 days after the notice is given then the Government of the United States shall be forever barred, no matter how good its cause. I say if the Senator desires to give these lessees an opportunity to bring the thing to a head it would have been easy to provide that that should be done by allowing the lessee to go into court, not barring the Government if some agent of the Government fails to act.

Furthermore, Mr. President, I do not believe that any provision of this sort is necessary to invite investments. I believe that the bill is a liberal one to the lessee. I believe it holds out an attractive field for investment, and I think it would be an inexcusable blunder if in passing the bill we insert this clause, which evidently it was beyond the power of the conference committee to insert. There was no difference between the House and the Senate in this matter. The House and the Senate were in substantial accord. The conference committee has run in something absolutely new and has run it in for the benefit of men who might desire to take advantage of technicalities against the Government.

Mr. MYERS. Mr. President, the Senator from Nebraska [Mr. HITCHCOCK], as well as the Senator from Alabama [Mr. WHITE], are entirely mistaken in calling it a statute of limitations. It is not a statute of limitations at all. There is no limitation on the Government as to the time when a cause of action shall arise. It is just like this: In our State we have a provision in the statute which says that in the case of unlawful detaining of real estate the owner of the property—the landlord—must give the occupant three days' notice to give up the property, and then he may bring his action. You might say that he has only three days in which to bring the action. He does not give the notice unless he wants to give it. The Government does not have to give this notice unless it wants to give it. It does not have to give any notice at all; and if it does, it may give it when it pleases.

Mr. MARTINE of New Jersey. Will the Senator yield to me for just a moment?

Mr. MYERS. Certainly.

Mr. MARTINE of New Jersey. To the average layman's mind, with all this talk about a mystifying statute of limitations being put in, whether you call it a statute of limitations or otherwise, how can the Senator get around these plain words:

Provided further, That such court proceedings must be instituted within 90 days after notice to the lessee of the facts constituting such cause of action, or the same shall be forever barred.

The fact is, in the final analysis and in the solution of this bill, if this measure is passed, should the United States fail to complete its case within 90 days, the title to the land would forever pass from the people and go into the hands of these buccaneers. If it does not mean that, in God's name what does it mean?

Mr. MYERS. It takes language to answer a question as well as to ask it.

Mr. MARTINE of New Jersey. The Senator may answer it, but the average layman can not be mystified with this thing. As the Senator knows, I am opposed to this whole bill.

Mr. MYERS. I thought that was the ground of the Senator's objection.

Mr. MARTINE of New Jersey. It is a broad and a liberal ground. I do not believe in giving the coal lands away. I believe in the Government simply owning the land and letting it mine the coal for the people; but it shows to me that there is an uncanny thought. I say this respectfully and kindly to the Senator, for we are the best of friends, but I do say that to the plain, average man this is a sort of thimble-rigging process on the part of the grafters as against the rights and interests of the people.

Mr. MYERS. Mr. President, the Senator is entirely wrong in saying that the Government would lose title to that land.

Mr. HITCHCOCK. Mr. President——

Mr. MARTINE of New Jersey. What do these words mean, let me ask you——

Mr. WALSH. Mr. President——

The PRESIDING OFFICER (Mr. LEA of Tennessee). Does the Senator from Montana yield, and to whom?

Mr. MYERS. I yield to my colleague.

Mr. WALSH. I should like to satisfy the Senator from New Jersey, as well as the Senator from Nebraska, who I am sure are desirous of understanding this provision and the necessity for it. It is altogether erroneous to talk about its being a statute of limitations. It bears no relation to a statute of limitations. It has to do with an action in equity brought before a court in equity to decree a forfeiture of a lease. Equity abhors a forfeiture and will never enforce it unless there is a plain violation of a contract requiring forfeiture. If the party claiming the forfeiture does anything at all recognizing the continuing existence of the lease after he has knowledge that the right of forfeiture exists, he thereby waives his right to claim the forfeiture. For instance, if a forfeiture of a lease is claimed for failure to pay rent, and the rent has become due, and the landlord accepts payment of the accrued rent, he thereby waives his right to insist upon a forfeiture on account of the nonpayment of the rent. He has not six years within which to begin an action to have a court of equity decree a forfeiture on account of the breach. He has not a day after he gets notice of it, beyond a reasonable time within which to institute an action, and he must do nothing meanwhile to recognize the continuance of the leasehold. Let me call the Senator's attention——

Mr. HITCHCOCK. Will the Senator stop right there? The Senator will not claim that the Government is estopped the same as a private individual?

Mr. WALSH. Of course the Government is estopped.

Mr. HITCHCOCK. The Government of the United States is not bound as a private individual is bound.

Mr. WALSH. The Government of the United States is bound by exactly the same rules when it becomes a landlord.

Mr. HITCHCOCK. The Government of the United States can take money from an individual, and does it time and again in public-land cases, and it is not bound at all as a private individual.

Mr. WALSH. That is quite a different proposition.

Mr. HITCHCOCK. The same rules that apply to a private individual do not apply to the Government.

Mr. WALSH. That is quite a different proposition. I want to read from Tiffany's Landlord and Tenant.

Mr. MARTINE of New Jersey. In answer to the Senator who has just tried to explain to me——

Mr. WALSH. If the Senator will pardon me, I want to make it clear to the Senator that this is an extension of the right of the Government; it is not a limitation on the Government at all. If it were not for this statute, the Government would be barred to start this suit. Immediately upon its receiving notice of the breach it must at its peril begin suit. Under this statute it has three months after it gives the lessee notice of the breach within which to start action.

Mr. MARTINE of New Jersey. It does not say so here.

Mr. SMOOT. I want to say to the Senator that that was not the intention of the conferees nor is it the position taken by the conferees. The position taken by the conferees was that they did not think it proper that the Secretary of the Interior should have a year or two years or three years to give notice, but that the lessee was entitled to receive notice within 90 days.

Mr. WALSH. Mr. President——

Mr. HITCHCOCK. What right had the conferees to go into new matter, which had not been discussed or considered by either House?

Mr. SMOOT. I assume that the——

Mr. HITCHCOCK. Are the conferees to legislate in an independent way?

Mr. WALSH. If the Senator will let me finish——

Mr. MYERS. I yield to my colleague to finish his statement.

Mr. WALSH. I read from Tiffany's Landlord and Tenant, page 1306, volume 2:

> As before stated, the question whether the breach of a condition subsequent shall have the effect of terminating the tenant's estate is ordinarily a matter wholly in the option of the landlord; that is, the landlord may or may not enforce a forfeiture for such a breach. Sometimes, however, by his language or conduct after a breach of condition, he elects that the tenancy shall go on as before, and thereby precludes himself from thereafter enforcing a forfeiture; that is, as it is usually expressed, he thereby "waives" the forfeiture. Ordinarily, if the landlord, after knowledge on his part of a breach of condition by the tenant, does any act which recognizes the tenancy as still existent in spite of such breach, he thereby precludes himself from enforcing a forfeiture for such breach, and the fact that he did not intend, by such conduct, to waive his right of forfeiture is immaterial in this regard. A case might perhaps occur in which actual knowledge by the landlord of the breach of condition would not be necessary in order that his conduct might take effect as a waiver, the breach being such that he is chargeable with knowledge thereof, but ordinarily actual knowledge is necessary.

The idea might as well be dismissed that if it were not for this provision the Government of the United States would have 6 years or 10 years after a breach had occurred within which to commence suit to recover possession, because after the breach has occurred under the general law, if it did anything at all to recognize the continuing existence of the lease, its right to forfeiture would be gone.

For instance, Mr. President, if it took the royalty accruing under the lease after the breach, it would thereby recognize the continuance of the lease and would be precluded from enforcing the forfeiture. This law provides that an accounting for royalties must be made every month. We will say a breach occurs on the 1st day of May of a condition in regard to the method of mining or of a provision for the care of the men employed. The Government is informed about it on the 1st day of May or the 5th day of May or the 10th day of May. On the 1st day of June it takes the stipulated royalty; on the 1st day of July it takes the royalty. Now, under the general law it would be precluded from insisting upon a forfeiture of that lease by reason of such breach, but under this statute it has three months after notice to the lessee is given setting out the facts constituting the breach.

Mr. HITCHCOCK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Nebraska?

Mr. MYERS. I yield.

Mr. HITCHCOCK. The explanation given by the senior Senator from Montana is entirely different from and inconsistent with the explanation given by the junior Senator from Montana.

Mr. MYERS. I wish to say I have had no time to give any explanation yet.

Mr. HITCHCOCK. The senior Senator——

Mr. MYERS. When a Senator asks a question and lets me utter about six words and interrupts me with another question, that is not giving an answer to a question.

Mr. HITCHCOCK. I understood the Senator from Montana to have said 90 days were given because it was unjust that the Government should have an indefinite time, and to that I replied that that could have been cured by giving the lessee an opportunity to go into court if he was anxious to find out.

Mr. MYERS. That is the Senator's theory that the Government has not in toto declared a forfeiture.

Mr. HITCHCOCK. The senior Senator from Montana states this is done for the benefit of the Government; that otherwise the Government would not have one day; that it would be estopped if it had taken a royalty on a single ton of coal. I can not believe that doctrine. I can not believe that an official of the Government, by accepting money from a delinquent, would bind the Government, and I doubt whether the Senator can bring here any authority to support that contention. If there is such a contention, then the thing that the committee should have done was to have put in a provision to protect the Government, but not to protect the lessee, because there should be no forfeiture. It should not be possible for any official of the Government, by taking money for an extra ton of coal, to bind the Government and estop it from taking other action. It is a dangerous and outrageous doctrine that the sovereignty should be bound by the rules of estoppel which bind private individuals. If the committee desired to protect the Government and the public interest, it should have inserted a provision that the Government should not be estopped by the action of its representatives in continuing to accept money from a lease which was subject to forfeiture.

Mr. WALSH. That is exactly what it has done. The Government is accorded three months in which to begin.

Mr. HITCHCOCK. I may be excused from differing from the Senator. I do not think three months are adequate. I believe that that is inserting new matter in this law.

Mr. MYERS. I call the Senator's attention to a fact that he seems to entirely overlook. The Government does not have to give this notice until it gets ready and sees fit.

Mr. HITCHCOCK. I understand that one official may give the notice. It may be the duty of another official to bring the suit. But between the two the opportunity is given here for the Government to be estopped and prevented, and I do not think that is proper legislation.

Mr. MYERS. The whole matter of the litigation and everything else is in the hands of the district attorney.

Mr. HITCHCOCK. When the bill was before the Senate the simple question was whether the Secretary of the Interior or a United States court should decide whether or not a lease had been forfeited, and the Senate decided that rather than give so much power to the Secretary of the Interior it would place it in the hands of the court. Now, the committee goes further and proposes to limit the Government and provide that if it does not act within 90 days after notice is given it is estopped; it is cut off and deprived of its right to forfeit the lease. I think that is a dangerous technicality inserted there, which may cost the Government a great many leases through the neglect of the officers.

Mr. MYERS. It gives the Government all the time it wants to give notice. That is something that we can not get away from.

Now I wish to resume answering some questions asked me about the matter. The Senator from New Jersey spoke about the Government forever losing title to the land. Of course there can be nothing to that. The language is "the title of the products" of the mine.

Mr. MARTINE of New Jersey. Very well; but a 99-year lease is practically equivalent to giving the mine away.

Mr. MYERS. And the lessee can have no greater title to the products than the lease gives him. He could not have absolute title to the products. Of course that can not be interfered with except by the judgment of a court. I think that is entirely proper, and that is what the Senate bill really provides in substance, as the Senator from Nebraska has said.

While the Senator from Nebraska has said that my answer differs somewhat from that of my able colleague [Mr. WALSH], I was answering the question on the Senator's own theory and trying to show that no harm whatsoever could be done to the Government; that no disadvantage could be worked to the Government; and that the Government could not fall into a trap, as the Senator has said in very plain language. The reason why the Government can not fall into any trap and why there can be no trap is that this whole matter is in the hands of the Government and the district court for the district of Alaska. The district attorney does not have to give the notice until he gets ready, and he need never give it at all if he thinks the complaint is not worthy or deserving or not well grounded; but once the district attorney or any other agent of the Government working under the district attorney in the District of Alaska sees fit to give that notice, then there is an element of justice to the lessee to be considered. Certainly his rights should be considered somewhat in the matter. I do not, as the Senator from New Jersey has said, class the lessee as a buccaneer. This bill was not drawn on the theory that every man who takes one of these leases is a thief and a robber, but that a man who puts hundreds of thousands of dollars, a half million dollars, or perhaps a million dollars into a lease has some rights and is a factor that is entitled to some consideration in the matter.

The officials of the Government having had complaints made to them, perhaps through an inspector or through any other avenue that the Secretary of the Interior provides, that rules and regulations are being violated by a lessee, the district attorney, the law officer of the Government, may decide that such complaint is not well grounded and not petition for the for-

feiture of the lease. He does not have to give any notice at all; but after having thoroughly satisfied himself, after having gone to the full extent in this matter and prepared himself for the legal battle which he is going to bring on, he gives the required notice. The notice having been given, is not the lessee entitled to know whether or not he is going to be haled into court? Is he to go on forever with that sword hanging over his head which may drop at any moment? The further expenditure of hundreds of thousands of dollars may depend on whether or not he is going to be haled into court and his lease forfeited.

Mr. LANE. I should like to ask the Senator, if the lessee were doing right, what harm it would do to him to have a sword hanging over his head to drop if he did wrong?

Mr. MYERS. He wants to know from the court whether the court says he is doing right or wrong.

Mr. LANE. I should like to ask the Senator if the lessee does not himself know whether he is doing right or wrong?

Mr. MYERS. I often think I am doing right when other people think I am doing wrong. I think I am right about this bill, but the Senator from Oregon and the Senator from New Jersey think I am wrong.

Mr. LANE. I have noticed that.

Mr. MYERS. It is up to the Senate to decide it.

Mr. SMITH of Arizona. Mr. President, if the Senator will permit me to make a suggestion, I wish to say that I was one of the conferees on this bill. The purpose of the bill was, first, to try the scheme of leasing the coal lands in Alaska. We apprehended the difficulty of getting anybody to take coal leases at all. All the coal operators say that nobody will take such leases.

In regard to the particular matter under discussion, I will ask the Senator from Nebraska if he thinks it is fair, after the Government has had all the time it wants to work up its case, that it should thereafter have an indefinite time in which to bring the action, meanwhile keeping the lessee in suspense? Suppose, for instance, that my colleague [Mr. ASHURST] is a leaseholder and the Government claims that he has violated the rules and regulations. He claims that he has not done so. The United States Government, through its legal department, says to him, "You have been violating your lease, and we give you notice now that we are going to proceed to a forfeiture of it." In the meantime the Government has had ample opportunity to investigate and to work up its case, and then it has 90 days within which to bring the action. Is not that time enough for it to bring suit to determine whether or not the lease should be forfeited? If the Government does not bring suit within the 90 days, can you not conceive of the calamity that might happen to the leaseholder? The Government might keep the threat of a lawsuit hanging over him until the expiration of his term, and make it almost impracticable for him to operate the property because of a fear that a forfeiture would be worked. So that, in order to get him from under this sword of Damocles, if you please, it is provided that, after notice is served on him, the Government must bring the suit within 90 days.

Mr. HITCHCOCK. Mr. President, there are two answers to the question asked by the Senator from Arizona. One is that the object could have been attained by permitting the lessee to go into court and test the matter; the other answer is the answer given by the Senator from Montana—that this does not extend the Government's rights at all, or that this was necessary in order to give the Government a right of extension. Who is right? One conferee says that this is done for the purpose of enabling the Government to have 90 days' time, whereas it would otherwise have no time. The other conferee says that this limitation is necessary in order to make it impossible for the sword of Damocles to hang indefinitely over the head of the lessee.

Mr. SMITH of Arizona. They do not give notice until they are ready to forfeit.

Mr. HITCHCOCK. I understand that. We understand the terms, we understand the facts; but I say one of the conferees takes the position that this is a limitation, and that the limitation is for the purpose of protecting the man from the sword of Damocles.

Mr. MYERS. I have expressly denied that. It is not a statute of limitations.

Mr. HITCHCOCK. The other conferee takes the position that it is for the benefit of the Government and not for the benefit of the lessee.

Mr. SMITH of Arizona. I was not talking of the benefit to either. I was talking of absolute justice between the lessor and the lessee.

Mr. WALSH. I wish to inform the Senator from Nebraska that I am not one of the conferees.

Mr. HITCHCOCK. The Senator from Montana was practically in charge of the bill in the Senate. The bill was thrashed out and thoroughly discussed; it was discussed in the other House; and now the conferees, of their own motion, without any warrant from either the House or the Senate, have inserted a brand-new provision in the bill which I think endangers the whole thing. It opens the door to such similar frauds as were perpetrated in Alaska when we had a hard fight to save the coal lands, when we had to drive a Secretary of the Interior from office and arouse the public sentiment of this country to protect the coal lands from proceedings of that sort.

Mr. SMITH of Arizona. I for one protest against the conclusion which the Senator reaches. He may reach it as his own opinion, but nevertheless every possible effort has been made to avoid such conditions as those growing out of the Cunningham controversy. There can be no question of that kind raised in this case. None but a very suspicious mind could ever entertain the idea that because the Government is required to give notice that it is going to bring suit and must bring the suit within a specified time, therefore it is intended to bring about a situation under which there may be a repetition of the Cunningham controversy. I do not think that should be held here before the country as a scarecrow to defeat a good bill. The Cunningham claims are not involved in the bill, and it would be impossible for such a controversy to arise under the bill. If notice is given by the Government and a lease is forfeited, the Government will get the land back. I do not think that the suggestion should be made that because there is a requirement that the Government as the lessor of the land shall give notice to the lessee before it can bring a suit some unscrupulous persons will get hold of Alaska.

Mr. HITCHCOCK. Mr. President, I went all through that coal-land fight in the House of Representatives, and I know something about it. I know that the coal-land thieves came here to Washington and secured legislation; I know they came here to Washington and applied at the Department of the Interior and secured a decision; I know they controlled officials in Alaska; and I am not willing to have anything put into this bill which, by opening the door to technicalities, will also open it to those men or to any other men like them to get possession of Government property and hold it.

Mr. SMITH of Arizona. I agree with the Senator as to that, and will ask him to show how such a contingency could happen under this bill.

Mr. HITCHCOCK. I say that question was not left open in the Senate and was not left open in the other House, and the conferees went beyond their power when they undertook to put this provision in the bill.

Mr. MYERS. Mr. President, I beg to assuage the fears and the excitement of the Senator from Nebraska [Mr. HITCHCOCK] by assuring him that no coal-land thieves appeared before the conferees when this bill was under consideration.

Mr. HITCHCOCK. I did not say that. I hope the Senator will not put language into my mouth.

Mr. MYERS. I think that was a very fair inference from the Senator's statement that the coal-land thieves had again got in their work on this bill.

Mr. HITCHCOCK. I said that as a justification for avoiding any legislation which would open the door to performances of that sort I wanted to retain the provisions of the bill as it passed the Senate and as it passed the House of Representatives in this particular, and I object to a new provision going into a bill like this without any opportunity to discuss it.

The only matter we discussed here in reference to that question was whether the Secretary of the Interior or the court should declare a forfeiture; that is all there was to it, and in order to give every opportunity to investors we said, "We shall give to the court the power to declare a forfeiture." Now, here is a brand-new provision, which ties the hands of the Government by requiring it to begin action within 90 days after the notice is given; and I say the hands of the Government should not be tied. If the Senator desires to give the lessee an opportunity to get an early decision, let him be authorized to go into court, but do not insert a provision which will tie the hands of the Government and forever close the door for an attack upon the lease of that grant if the Government fails to act or its agent fails to act within 90 days.

Mr. MYERS. Mr. President, I shall in a few moments conclude my observations on the points which have been raised, and I prefer to do so without further interruption, unless it be for a question. If any Senator wishes to ask a question, I shall be glad to answer it. I have not yet, however, finished answering the questions put to me when the Senator from Nebraska first rose.

Mr. LEWIS. Mr. President, I desire, then, merely to ask the Senator a question.

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Illinois?

Mr. MYERS. With pleasure.

Mr. LEWIS. I have had some association with subjects touching Alaska particularly and that part of the country; and, of course, I am acquainted, as many of us are who have lived in the West, with the controversies which have arisen regarding it. May I ask the Senator from Montana, the chairman of the committee, if the object of this change to which he alludes, and to which reference has been made by the Senator from Arizona, is merely to put the lessees of the Government in connection with the Alaska lands in exact relation with the Government as are the ordinary lessee and lessor and landlord and tenant in the ordinary affairs of contract in the life of human beings anywhere else in the United States?

Mr. MYERS. Yes; considering the difference in the conditions between Alaska and the remainder of the country and the fact that the Government is a party to the contract.

Mr. LEWIS. The lease is to be one that is to be forfeitable; and if the ordinary notice of ejectment is not complied with, the Government may go to the court and eject the tenant on whatever ground it may have?

Mr. MYERS. That was the idea.

Mr. LEWIS. Is that the theory?

Mr. MYERS. Yes.

Mr. LEWIS. In other words, it is simply applying the law of landlord and tenant or the law of lessee and lessor to the coal lands in Alaska?

Mr. MYERS. Yes; so far as they may be made applicable to Alaska under the circumstances.

Mr. LANE. Mr. President, I should like to ask the Senator a question.

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Oregon?

Mr. MYERS. With pleasure.

Mr. LANE. If that was the intent, I should like to ask why it was not so stated in plain terms?

Mr. MYERS. We think we have said so; we did not have to say so in plain terms; we think the language of the bill says so.

Now, Mr. President, I resume where I left off. My colleague has taken the position that the Government would be entitled to no time at all after the discovery of the reason of the cause of action or the cause of forfeiture——

Mr. SMITH of Georgia. I hope the Senator will talk a little louder, so that we can all hear him.

Mr. MYERS. I did not think there was any difficulty about my voice carrying.

Mr. SMITH of Georgia. I could not hear the Senator.

Mr. MYERS. My colleague has stated the law, in his opinion, to be that in the absence of some such provision as this the Government would have no time at all in which to bring action after learning that the cause of forfeiture had arisen. By this provision the Government is given 90 days in which to bring its action, where otherwise it would not have any time at all. I yield to my colleague's opinion of the law as to that.

Mr. SMITH of Georgia. Does the junior Senator from Montana think that the Government would have no time unless this 90-day provision were put in?

Mr. MYERS. He does. Was not the Senator here when my colleague expressed his views?

Mr. SMITH of Georgia. Unfortunately, I was out of the Chamber for a few moments at that time.

Mr. WALSH. Mr. President, I stated my position to be that, without express provision in the law, if a forfeiture in the lease occurs, the Government might immediately institute an action to declare the forfeiture and have the lease terminated; but if it did not do that, if it afterwards took rent or royalty under the lease and treated it as a subsisting obligation, it would thereby waive the forfeiture and could not thereafter be heard to assert that the lease was canceled. That is the rule applicable between landlord and tenant in all cases. Now, the bill here provides that the Government shall give notice, and that they shall have 90 days after a notice is given in which to begin the action.

Mr. MYERS. Mr. President, I accept that conclusion of the law. I claim that, in justice to the lessee, the Government ought to bring its action within a reasonable time, and I think 90 days is sufficient. There is an element of justice to the lessee in this matter which should be considered; he should not be entirely without consideration. In viewing it from that standpoint, in looking at it in that light, from the rights of the lessee, as I was about to say a while ago when I reached that point, if the Government has cause to believe that the rules and regulations are being violated, and its inspector or examiner investigates the mines and reports to the officials that there is cause for forfeiture of the lease, the Government can take all the time it desires for further investigation; it can take a year or 5 years or 10 years to look into the matter if it so wishes; it is its own master of time and conduct; and, having taken all the time that it desires—and there is nothing to prevent it doing so—and having caused notice to be served on the lessee that there is cause for forfeiture of the lease, that the rules and regulations are being violated, then I say that the Government, having taken its own time to give that notice, and having given that notice, it ought within a reasonable time—and I think 90 days is a reasonable time—to bring action to have the matter settled in court. The lessee may very likely believe, and almost inevitably in all cases will believe, that he is not violating the rules and regulations—that there is no cause for forfeiture of the lease. He may often, and doubtless generally will, honestly be of that belief; there may be an honest difference of opinion between the Government and the lessee in that respect. Then the lessee should not have that notice, which is nothing more nor less than a threat of a suit, to be hanging over his operations forever or for the lifetime of his lease, which may be 50 years.

Mr. SMITH of Georgia. Mr. President, will the Senator allow me to ask him a question?

Mr. MYERS. With great pleasure.

Mr. SMITH of Georgia. Under this bill who is required to serve that notice on the lessee?

Mr. MYERS. The bill does not say. The Secretary of the Interior, however, has the making of all needful rules and regulations, and may, if he sees fit, make a rule or regulation designating a person to serve such notice. That is a minor detail not covered by the bill. The Secretary of the Interior may say who shall perform that function, and may select anybody he chooses.

Mr. SMITH of Georgia. The notice would have to come from the Secretary of the Interior himself, as the result of his own conclusion, unless he prescribes some one else by rule to perform that office.

Mr. MYERS. I suppose he could do it himself, or designate some one else to do it.

Mr. SMITH of Georgia. I say the power of direction upon the subject would be vested in the Secretary of the Interior under his authority to make rules and regulations.

Mr. MYERS. I think so; I do not see why it would not be so vested.

Mr. SMITH of Georgia. And the power would rest, then, in him unless by some rule or regulation he placed it on some one else?

Mr. MYERS. I should judge so. He is the man to make the rules and regulations, and he is the one to send out the inspectors and examiners to see whether the rules and regulations are being violated.

Mr. SMITH of Georgia. The authority to represent the Government is vested in him?

Mr. MYERS. I think that is the natural conclusion.

The point I wish to impress upon Senators is that notice having been given, which is virtually notice of a lawsuit, the threat of a lawsuit, it would not be fair to let that threat hang over the lessee for years and years. His lease may have 49 years yet to run, it may have 50 years yet to run, and it would not be fair or just or proper to let that threat hang over him, to let that uncertainty, that cloud upon his title, you might say, hang over him during all the remaining years of his lease. He might want to borrow money to carry on his operations, but he could not raise a dollar with that notice, with that threat of action by the United States Government hanging over him; and I believe the Government, after having taken all the time it desires to give the notice, ought to settle the dispute by bringing the action, and let the court decide the controversy.

The idea that the Senator from Nebraska advances, that the lessee ought to bring the action, I think, is unreasonable. Men who invest hundreds of thousands of dollars in mining operations are not hunting lawsuits; they are not bestirring themselves to bring action in the courts; they want to avoid that very thing; and, the Government being the complainant, the Government inspector or examiner being the moving body in the matter, the burden rests upon the Government to prove its allegations that the rules or regulations are being violated.

I do not see how the lessee could bring the action; I do not see how he would go about it and undertake to prove a negative or to prove something that as yet has not been established, to prove something that has not been shown, to prove that he is not violating rules and regulations. Until the complaint is filed, until the pleadings are in and an issue is raised, the lessee

would not know what allegations he had to meet. It would be supreme folly for him to go into court and be combating in the dark. He would not know what to combat; he would not know the specifications; he would not know the charges. It is absolutely unreasonable and untenable that the lessee should bring the action and try to prove a negative or to disprove something that has not been charged against him as yet in legal form in the shape of a complaint in an action. It would be impossible; he could not do it. The Government has to bring the action and establish its charges; and I think the Government ought to do so in order to relieve the lessee of the odium of a charge and notice hanging over him.

I think that if we are to have an Alaskan coal-leasing law we ought to have a workable law; we ought to have a law which would invite capital. If there are no leases entered into, this law will be barren of results, and that is not what we are legislating for. We want a law that will attract capital. It will take money, and lots of money, to develop the coal resources of Alaska and to mine the coal there. It is a very difficult undertaking, and in order to invite capital there and to be sure of letting some leases, I think that the lessees ought to be informed of what they have to confront, what the procedure is going to be, what the Government is going to do if a charge arises of violating the rules and regulations promulgated by the department.

The conferees put this provision in because they thought it would be fair to the Government and they thought it would be fair to the lessee. There is absolutely no statute of limitations about it; it is simply a detail of the law, so that the lessee will know what he will have to confront and the Government may know what to do in case differences arise.

The Senate bill provided that these differences should be adjusted in court; that the parties should go into court and have their differences adjudicated; and the mere fact that the conferees have added to that a minor detail that the Government shall give notice if it is going to bring suit, and then brings the action within 90 days, I hold is no substantial departure from the Senate bill. It is not an essential; it is clearly adding a minor detail of procedure; it is not putting in a statute of limitations where there was none before; it is merely making the statute and the intention of the lawmakers more explicit, and I do not believe that it is a departure from the substance and intent of the Senate bill. It is only making it a little plainer, a little better for both the parties, for the Government and for the lessee. It is letting them both know what they will have to confront and what they will have to do. It is for the benefit of both and harms nobody, so far as I can see; and I do not believe that the point of order that it adds a statute of limitations where there was none before is well taken.

While this provision was put in by the conferees, I am free to say it was suggested by the Senator from Nevada [Mr. PITTMAN], and owing to the fact that for several years he lived in and followed the pursuit of mining in Alaska, what he has to say about the subject has great weight with me, and had great weight with me in agreeing to put this provision in the conference report.

Mr. SMITH of Georgia. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Georgia?

Mr. MYERS. With pleasure.

Mr. SMITH of Georgia. I merely desire to ask the Senator a question. The Senator has called attention to section 15 and has shown that the last clause of that section did provide a statute of limitations, the application of certain rules of limitation by statute. Section 15, as passed by the Senate, used this language:

> All causes against the United States brought under the provisions of this act shall be tried in the same manner and under the same rules as controversies between citizens.

If that clause carries the ordinary rule of limitation, it would be limited to causes against the United States. It does not indicate that any statute of limitation should apply against the United States, does it?

Mr. MYERS. I do not think the point which I made was well taken. I do not think there is any question of a statute of limitations in it at all. I will concede there was none before the bill went to conference, and I claim there is none now. It is not a limitation at all, as my colleague, I think, has plainly shown, and as I have contended, after looking into the matter and thinking of it more thoroughly.

If we pass this bill in such shape that the lessees will find their occupation of coal lands full of uncertainty, not knowing with what they are going to be confronted, and with, at least, the condition confronting them to their knowledge that the Government may serve notice on them that they are violating the rules and regulations—and it is very reasonable to serve notice of violation, because there is no use of having regulations unless you are going to serve notice that they are being violated—if you leave it in this condition, that the Government may serve such a notice and have an indefinite length of time in which to follow it up with an action, I do not believe, and the conference committee did not believe, that you were going to get anybody to take leases in Alaska and invest money up there for the mining of coal. You have to make it definite, plain, clear, and concise in order to induce men to put hundreds of thousands of dollars up there and let them know what is going to confront them. If you should leave it open in that vague way, so that the Government may undertake to charge a man with violating the rules and regulations and yet never prosecute the matter to an adjudication in court, the conferees did not believe anybody would ever invest any money in coal mining in Alaska, and believed there never would be a single lease let.

That was the judgment of all of the conferees. It was especially the judgment of the Senator from Nevada [Mr. PITTMAN], who lived and followed mining as a vocation in Alaska for several years; and, as I say, what he says on the subject has great weight with me, because he knows the conditions better than I do, and, I think, better than most of us do.

Mr. MARTINE of New Jersey. Mr. President, will the Senator permit me to interrupt him?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from New Jersey?

Mr. MYERS. With pleasure.

Mr. MARTINE of New Jersey. I find, on page 5 of the comparative print of the bill, as passed by the Senate, this provision, in order to safeguard the people:

> *Provided*, That no more than one of said blocks shall be included in any lease.

As the bill comes from the conference committee that is stricken out.

Mr. MYERS. Oh, it is in the bill at several other places, and it was a mere repetition at that point.

Mr. MARTINE of New Jersey. It is stricken out here.

Mr. MYERS. Yes.

Mr. MARTINE of New Jersey. What, in the name of Heaven, was the object of striking it out?

Mr. MYERS. It is in once and that is enough, is it not?

Mr. MARTINE of New Jersey. The Senator says it is in the bill at several other places, but I have not found them.

Mr. MYERS. Yes; at several other places.

Mr. MARTINE of New Jersey. I will take the Senator's explanation as being sufficient.

Mr. MYERS. I am glad to satisfy the Senator on one point.

Mr. MARTINE of New Jersey. I am not satisfied on any of them.

Mr. MYERS. The Senator said my explanation was sufficient.

Mr. MARTINE of New Jersey. I will take the Senator's explanation. We will not cavil over that. A lawyer can split hairs in a way that a layman can not combat; but I observe that section 15, on page 13, is entirely stricken out. What does that mean? The latter part of it reads:

> All causes against the United States brought under the provisions of this act shall be tried in the same manner and under the same rules as controversies between citizens.

The conference committee struck that out.

Mr. MYERS. The place of that was taken by the very section we have been discussing here for several hours.

Mr. MARTINE of New Jersey. The other section we were discussing was on page 12, at the bottom of that column. This is on page 13 and is stricken out.

Mr. MYERS. It is immaterial what page it occurs on. One was stricken out, and the other was put in.

Mr. MARTINE of New Jersey. I think, every time, that which was put in was for the interest of the speculator and against the people.

Mr. MYERS. I am sorry the Senator has such a poor opinion of the conferees of the Senate and the House.

Mr. MARTINE of New Jersey. I have a very high opinion of them; but they are wonderfully human, and they are just as liable to make mistakes as men who are not versed in law and do not know the hair-splitting methods or the hair-splitting arguments of the average lawyer.

Mr. MYERS. Is the Senator from New Jersey liable to err?

Mr. MARTINE of New Jersey. Oh, I am very liable to err. I have erred a thousand times; but, by the eternal Heaven——

Mr. MYERS. Make it a thousand and one.

Mr. MARTINE of New Jersey. If I do err, I am going to err on the side of the people, and not on the side of a band of speculators like the men who first tried to secure these lands

through the Cunningham claims. My friend says this is not the same Cunningham claim or the same Cunningham men. It may not be absolutely Mr. Cunningham; but while "the voice is Jacob's voice, the hands are the hands of the other fellow," according to the Biblical phrase—I can not quote it exactly, for I am not sufficiently versed in such matters; but it is the uncanny methods of the speculator that drew public attention to this subject, and I say that in the face of the aroused public opinion on this question this is a most unfortunate and disastrous bill.

Mr. MYERS. I am sorry the Senator from New Jersey is no better versed in the Bible than he is in the law. I commend him to the study of both. Both will do him good.

Mr. MARTINE of New Jersey. That is all very well; but I have lived without much knowledge of either one of them, and have been a fair citizen at that.

Mr. MYERS. I admit that the Senator is a splendid citizen, but I believe he could be still better if he had a good knowledge of both.

Mr. MARTINE of New Jersey. I do not think the law would help me, in view of that which I see.

Mr. MYERS. Of course, if the Senator thinks he could not be made any better citizen than he is, I shall not quarrel with him about that.

Mr. MARTINE of New Jersey. Oh, you can not put any such notions into my head or any such words into my mouth.

Mr. MYERS. Now, Mr. President, I shall conclude in two or three minutes, and I ask not to be interrupted any more. I have held the floor too long; but I think the Chair will bear witness that I have been speaking only a very small percentage of the time I have been on the floor.

The matter simply comes down to this: Senators talk about hairsplitting contentions. I think the contention that this enacts any statute of limitations where there was none before, and is a substantial departure from the substance and intent of the bill, is as technical and hairsplitting as anything could be. I do not think there is any substance or merit to it. There was no limitation in it before, and there is no statute of limitations in it now. It is simply a minor detail of procedure and regulation which perfects the bill and makes it plainer. That is all there is to it.

According to my understanding, if conferees take up an amendment of one body or the other, and can not agree on either accepting or rejecting that amendment, they have a right to amend the amendment, as long as they do not depart from the spirit and intent of the amendment and the bill itself; otherwise there never could be any conference agreements at all. If you could not make any amendments to an amendment which do not violate the spirit and intent of the amendment or of the bill itself, there never would be any agreement.

In this case we had only two things before us—the House bill and the Senate bill. The House passed one bill; the Senate struck out all after the enacting clause, and passed another bill as an amendment. If we can not change either one of those measures in the slightest degree, provided we keep within the confines of the substance and intent of the bill—if we can not change any one of those provisions in the slightest degree, even to make it plainer and more specific, without violating the rules of the Senate and having the entire conference report thrown back—then there never would have been an agreement in this case, and there are a great many important measures on which there never would be any agreement.

It would have been impossible to have reported back either the House bill in its entirety or the Senate bill in its entirety. In order to have reported back the House bill in its entirety the Senate conferees would have had to recede and back down from their entire amendment, and concede everything to the House. You can imagine what a clamor of objections there would have been here if we had come in and had said, "Yes, Senators, we just backed down from everything. We just gave up to the House in everything." I can imagine what a clamor of indignation that would arouse here.

If we could not do that, could we expect the House conferees to back down from everything and accept the Senate bill in its entirety, without the crossing of a "t" or the dotting of an "i" or the change of a character or letter in it? It is not in human nature. It could not be expected when men of different views meet. We had to get together the best we could, even if we did change the verbiage a little in minor details.

The situation is simply this: If the Senate rejects this report, there can be no Alaskan coal-leasing bill at this session of Congress. Two of the House conferees have gone home, to return no more this session, and their whereabouts is unknown. One has gone to the far West on account of the ill health of a member of his family. Another is campaigning. Neither one of them will return to the House at this session. If this report is rejected, there will be no Alaskan coal-leasing bill at this session of Congress.

Of course it is within the province and prerogative of the Senate to do that, and if it does I shall not complain. I am an humble servant and instrument of the Senate in this matter. The conferees, however, sat for five days—long hours, too—and the Senate conferees held out stubbornly for nearly all of the substantial Senate phases of the bill. On the last day, the fifth day, two of the House conferees told us that they were going to leave the city that night; one was going to leave at 6 o'clock and the other during the night, and they said that unless we could get together on that day there would be no Alaskan coal-leasing bill at this session of Congress; it would go over to the December session. We got together on that day, and I believe I can truly say that the House gave in on as many contentions as the Senate did. The Senate conferees gave up no more than the House conferees gave up. It was a fair meeting of opposing forces. The Senate conferees stood out to the last afternoon, to the last hour, for a number of contentions; and at one time it looked as if there was not going to be any agreement at all. Finally, however, in the last hour, we got together and made this report.

If the report is rejected in its entirety on account of some point of order, there will be no bill at this session. The whole subject will have to go over until December. It will be thrown back into conference and all thrashed out again and attended by much uncertainty as to what will be done and what will result. The conferees have done the best they could here, and have submitted a bill that was about the only bill they could submit. It had to be that or no bill at all. The Senate conferees in the main—or, at least, a majority of them—felt satisfied with it. I have talked to some Senators who are interested in the bill and some who were opposed to many provisions of the Senate bill, and who express themselves now as well satisfied with the conference report. Feeling that it is better than the Senate bill was, they are better satisfied with it.

While this conference report may or may not meet with the approval of the Senate—and if it does not, as I say, I bow in humble submission to the power of my master, which is the Senate—while the Senate may send the whole thing back, and have no bill at all at this session, merely on account of a point of order about a minor detail, the bill has met with the approval of other high authority—an authority from which much was taken in the framing of this measure differently from what it was first contemplated to be.

I take the liberty of reading a letter sent to me by the Secretary of the Interior, dated October 7:

Hon. HENRY L. MYERS,
Chairman Committee on Public Lands,
United States Senate.

MY DEAR SENATOR: I desire to express my gratification at the action of the Senate and House conferees upon the Alaskan coal-leasing bill in reporting a measure which embodies the desirable features of the coal-land bills as passed by the Senate and House, respectively. The conference report bill seems to me an eminently satisfactory and workable measure, designed to secure the early development of Alaska's coal resources under restrictions safeguarding the public interest.

With respect to claims initiated under the former coal-land laws, a large number of which are pending before the department for adjudication, it neither takes away from nor adds to the rights of such claimants, leaving such cases to be considered and adjudicated in accordance with existing laws, which action, investigations having been completed, will be taken by this department within less time than the period fixed in section 3 of the conference report bill.

I earnestly hope that Congress will adopt the conference report and that the bill will become law at an early date.

Cordially, yours, FRANKLIN K. LANE.

Mr. President, as I say, I feel that I have held the floor too long, but I have done only a small share of the talking which has gone on while I had the floor.

Mr. SMITH of Georgia. Mr. President, before the Senator takes his seat I should be glad if he would give us a little information.

Mr. MYERS. I shall be glad to give any that I can.

Mr. SMITH of Georgia. There are two or three questions I should like to have answered.

Mr. MYERS. With great pleasure.

Mr. SMITH of Georgia. In the first place, will the Senator call our attention to the limitation as to quantity which is still contained in the conference report?

Mr. MYERS. The limitation is to 2,560 acres—just the same as it was before.

Mr. SMITH of Georgia. The Senator from New Jersey [Mr. MARTINE] pointed out that the provision on page 5 dealing with that subject had been stricken out.

Mr. MYERS. Oh, that occurs four or five times in the bill, and that was stricken out at that one point as being repetition, surplusage, duplication. It is in the bill in numerous places.

Mr. SMITH of Georgia. It is expressly declared elsewhere?

Mr. MYERS. Yes; it is expressly declared in a number of other places.

Mr. SMITH of Georgia. Now, will the Senator call our attention to the provision contained in the conference report as to compensation by the lessee? I was myself very much dissatisfied with the measure as it left the Senate in that respect.

Mr. MYERS. The maximum royalty was stricken out.

Mr. SMITH of Georgia. There is now no maximum?

Mr. MYERS. No maximum—just as it came from the House. It is to be not less than 2 cents per ton—but no maximum is fixed—and then a rental of so much per acre.

Mr. SMITH of Georgia. Which means not less than 2 cents per ton, and as much as the property commercially is worth?

Mr. MYERS. Yes; as much as the Secretary of the Interior may fix, and in addition the annual rental—

payable at the beginning of each year, on the lands covered by such lease, at the rate of 25 cents per acre for the first year; thereafter 50 cents per acre for the second, third, fourth, and fifth years; and $1 per acre for each and every year thereafter during the continuance of the lease.

So that the maximum royalty is stricken out. It remains as the House sent it over in that respect.

Mr. SMITH of Georgia. Two thousand five hundred and sixty acres is the maximum amount that may be embraced in any lease?

Mr. MYERS. Yes; 2,560 acres is the maximum permitted to any one corporation.

Mr. MARTINE of New Jersey. Mr. President, I should like to ask the Senator a question. When I referred to the provision on page 5, which reads—

Provided, That no more than one of said blocks shall be included in any lease—

the Senator said that that was omitted in several other places.

Mr. MYERS. No; not omitted. I said that it was found in several other places.

Mr. MARTINE of New Jersey. Where is the provision stating that a man or a company shall not hold more than one such block?

Mr. MYERS. I will find it for the Senator. It is in several places.

Mr. SMITH of Arizona. It is in the bill.

Mr. MARTINE of New Jersey. Well, that is like telling a man, when he complains of the loss of nails in his work, that "he will find the nails in the bill."

The PRESIDING OFFICER. The Chair will call the Senator's attention to the end of section 8, on page 9.

Mr. MYERS. Has the Senator section 8 before him?

Mr. MARTINE of New Jersey. Yes; I have section 8.

Mr. MYERS. Section 8a reads as follows:

If any of the lands or deposits leased under the provisions of this act shall be subleased, trusteed, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever, so that they form part of or are in any wise controlled by any combination in the form of an unlawful trust, with consent of lessee, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal, entered into by the lessee, or of any holding of such lands by any individual, partnership, association, corporation, or control, in excess of 2,560 acres in the Territory of Alaska, the lease thereof shall be forfeited by appropriate court proceedings.

It is in several places here. It is at other places. If the Senator will give me a minute, I will find other places here. Section 3, on page 4, says:

But in no case exceeding 2,560 acres in any one leasing block or tract.

Mr. WHITE. But how many leases?

Mr. MYERS. It says only one.

Mr. WHITE. Does it say that?

Mr. MYERS. I will find that, too, if the Senator will give me a minute. It says only one. If the Senator wants me to find it and read it to him, I will do so.

Mr. WHITE. Oh, no; I just wanted to find where there is no other lease permitted. I wanted to be satisfied about that.

Mr. MYERS. All right; I shall be glad to satisfy the Senator.

Mr. WHITE. I wanted to find where the man is limited to one lease.

Mr. MYERS. Very well; if the Senator will just give me one minute. I will find that. There have been so many prints of this bill that it takes a minute or two to find it. It has really become a little bit mixed up on account of the various prints and amendments.

Mr. SMITH of Georgia. I think the Senator will find it on page 7, section 5. There is a provision there that consolidations can be made of not to exceed 2,560 acres.

Mr. WALSH. Mr. President, section 6 covers the whole thing:

That each lease shall be for such block or tract of land as may be offered or applied for, not exceeding in area 2,560 acres of land, to be described by the subdivisions of the survey, and no person, association, or corporation, except as hereinafter provided, shall be permitted to take or hold any interest as a stockholder or otherwise in more than one such lease under this act.

Mr. MYERS. That is where it is. I yield the floor now, unless there are some further questions to be asked.

Mr. WHITE. I should like to ask the Senator a question.

Mr. MYERS. Very well.

Mr. WHITE. Where is there any limitation as to the number of leases a party may take?

Mr. MYERS. My colleague [Mr. WALSH] has just read that.

Mr. WHITE. No; he said——

Mr. WALSH. I have just read it—

And no person, association, or corporation, except as hereinafter provided, shall be permitted to take or hold any interest——

Mr. WHITE. Any interest?

Mr. WALSH (reading)—

as a stockholder or otherwise in more than one such lease under this act.

Mr. WHITE. That does not prevent two leases.

Mr. POINDEXTER. Mr. President, I desire to make a few remarks about the point of order.

I should regret very much, indeed—interested as the State of Washington is in some legislation which would provide for operating coal mines in Alaska—to see this bill fail because of the objection that anyone might entertain to the proviso which has been under discussion.

I agree myself that it is unnecessary to insert any provisions in the bill providing for court procedure in determining controversies arising under the bill or specifically creating any certain procedure. I think the difficulty which we have had has been rather from the opposite extreme. We have had too much court procedure, and there have been too many complications and too many technicalities, too many delays and appeals in determining the rights of the public as well as of private parties. To say the least, those things will take care of themselves. It is not necessary, in order to protect the rights of the lessee or of anyone, to add anything to the common law or to the statutes already existing in that regard. But, Mr. President, now that it has been incorporated in the conference report, I see nothing substantially injurious to the public or to any private interest in the proviso.

Mr. WHITE. Mr. President——

The PRESIDING OFFICER (Mr. HITCHCOCK in the chair). Does the Senator from Washington yield to the Senator from Alabama?

Mr. POINDEXTER. In a moment, if the Senator will pardon me.

I do not think the proviso is really subject to the point of order, as being a matter not in dispute between the two Houses of Congress. It is certainly not clear that it is outside of matter in dispute between the two Houses of Congress; and, in my judgment, it is clearly within such matter.

This was the difference between the two Houses on this particular question: As will be seen on page 12 of the comparative print of the bills of the two Houses, you will notice near the bottom of the page a small paragraph in the House bill and in the Senate bill in which the difference arises, and in the difference between those two paragraphs is contained the subject matter which is covered by this proviso.

The House bill provided that the lease to be made by the Secretary of the Interior "may provide for resort to appropriate methods for the settlement of disputes." Now, the Senate changed that, and provided that "the lease may provide" not for a resort to appropriate methods but "for the enforcement of other appropriate remedies for breach of specified conditions thereof." The language is "of other appropriate remedies," but there is evidently a misprint there, and it means "or other appropriate remedies."

Mr. WHITE. Mr. President——

Mr. POINDEXTER. Just a moment. There is quite a substantial difference between saying that the lease might contain terms providing for a resort to appropriate methods and a provision that the lease itself should provide for the enforcement of the conditions of the act.

Mr. WHITE. May I inquire of the Senator what section he is reading from?

Mr. POINDEXTER. I am reading from section 11 of the House bill, section 14 of the Senate bill. Now, what does the conference report do in regard to that? It left out both of those paragraphs and inserted in the place of them this proviso:

Provided, That the possession of any lessee of any lands covered by his lease and the operation of the mines and other works thereon, or

the title of the products thereof, shall not be interfered with by the Secretary of the Interior except after an appropriate proceeding in the district court of Alaska instituted for the purpose of securing a forfeiture or termination of such lease, and such forfeiture or termination shall take effect only from the date of entry of final judgment declaring such forfeiture or termination: *Provided further*, That such court proceedings must be instituted within 90 days after notice to the lessee of the facts constituting such cause of action, or the same shall be forever barred.

Instead of providing that the lease itself should contain terms providing for the enforcement of the conditions of the act, and instead of providing, as the House did, that the lease should contain terms providing for a resort to appropriate methods of settling and enforcing those conditions, the conference report provided that the differences in dispute should be submitted to a court, and that in that proceeding the action should be commenced within 90 days after notice of the violation of the conditions of the act or the terms of the lease. That is the same subject matter. It is no more distinct from it than the House provision was distinct and different from the Senate provision. It is a method of dealing with the enforcement of the conditions of the act. The Senate and the House differed as to how it should be done.

The conference report is a little more specific and says they shall resort to proceedings in a court. Now, what is the effect of this provision which says that the court proceedings shall be instituted within 90 days after notice to the lessee of the facts constituting such cause of action? I agree entirely with the Senator from Montana that it is not in any sense of the word a statute of limitations. It is no more a statute of limitations, Mr. President, than is the provision of the code of the State of Washington which provides the manner in which civil actions must be commenced in court. That statute provides that—

Civil actions in the several superior courts of this State shall be commenced by the service of a summons, as hereinafter provided, or by filing a complaint with the county clerk as clerk of the court: *Provided*, That unless service has been had on the defendant prior to the filing of the complaint, the plaintiff shall cause one or more of the defendants to be served personally, or commence service by publication within 90 days from the date of filing the complaint.

Nobody ever claimed that that statute was in any sense of the word a statute of limitations. It was a provision with reference to the manner of commencing and conducting causes of action, and that is what the proposition in dispute is. It is no more a statute of limitations than is the provision that a defendant must answer summons within 20 days or 30 days, or whatever the provision of the statute may be. It is no more than if the requirements were to answer a bill of interrogatories within a certain time, or that a party must take any other step in a civil proceeding within a certain time from the period when notice is served upon him.

That is what this is. Now, what is the effect of it substantially as to compromising in any way whatever the rights of the Government? It is true that this contains the proviso that if the action is not commenced within 90 days from the time the notice is served the cause of action to which the notice relates shall be forever barred. I apprehend that under the language of the statute of Washington, which I read a moment ago, if a plaintiff failed to serve his summons within 90 days from the time when the complaint was filed, the effect of it would be that that action would be dismissed. The cause of action would be preserved. He could start a new action. The defendant could not plead a judgment of dismissal based upon the failure to serve a summons within 90 days from the time when the complaint was filed as res adjudicata of the issues in the case upon which a complaint stating the cause of action was based. But I apprehend that under this proviso the effect would go much further, and that a dismissal of an action because it was not commenced within 90 days from the date that the notice was served would prevent the plaintiff from beginning another action upon the same cause—from setting up the same cause of action in another procedure.

I do not agree, as I said before, as to the necessity or wisdom of that proviso; but what does it amount to? What is the cause of action? The only cause of action of any importance would be that the mine was being conducted under such conditions or in such a manner as to constitute a monopoly or to violate some of the terms of the lease or some of the provisions of this act. If it was conducted under those conditions, the same conditions would remain the day after this cause of action was dismissed, and would constitute a new cause of action; and if they did not, then the complaint which the public had against the abuse would be removed, and it would at least be no substantial injury done to the public, because there was no cause of action on some past evil which had been removed.

If a man continued to be a part of a monopoly for one day or one week after the original action had been dismissed under this provision, a new cause of action would arise and would not be affected in any way whatever by this proviso.

Mr. LANE. I should like to ask the Senator if the term "forever after barred" means nothing?

Mr. POINDEXTER. It means that the cause of action which existed at the time the notice was filed would be forever after barred.

Mr. LANE. And a new notice would have to be given?

Mr. POINDEXTER. Oh, no; it would not affect it in any way whatever.

Mr. LANE. Then, I ask the Senator, what is the use of putting in the term that the Government is to be forever after barred?

Mr. POINDEXTER. The benefit of it has been explained many times by the members of the conference. The effect of it is perfectly obvious. Whether or not it is correct as to policy is another question. I myself do not think it is necessary or advisable. I would not vote for it if I had an opportunity to vote upon it separately from the conference report, but I do not think it is a matter of substantial importance to the Government. I do not think it is a matter of substantial importance to the lessee, for the very reason I have just stated—that although he might be protected from having hanging over him what has been very floridly called here the "sword of Damocles" in this cause of action, another cause of action for the same circumstances would be arising every day. So what would be the difference? He would not be immune from suit. Monopolies are not transient things that exist to-day and disappear to-morrow. If there is a monopoly of any extent which oppresses the people, it continues from week to week and from year to year, and so long as it continues it is a constantly recurring violation of the statute and would not be protected for one instant by the provisions of this conference report.

Mr. President, I want to be very brief, because I should like to see some action taken upon this bill. I am very apprehensive, as the Senator from Montana has said, that unless some action can be taken on it and if it goes over into the indefinite future we may never have an opportunity to pass it. My interest in the bill is not based so much upon the leasing provisions of it or the system of leasing provided for in the bill as in those provisions which would establish an entirely different and, in my opinion, a far more effective system. The principal reason which would cause me to hope that the chance of failure of this bill will not be taken by rejecting this conference report is in those provisions that the Government of the United States, instead of transporting $500,000 worth of coal around Cape Horn every year for its Army and its Navy, will give employment to its citizens and subserve the interest of that country by mining its own coal, as good as that which it gets in Pocahontas or in any other mines of Maryland and West Virginia which it is now using.

What does this bill provide upon that subject? Section 2 of the bill contains this proviso as it is reported by the conference:

SEC. 2. That the President of the United States shall designate and reserve from use, location, sale, lease, or disposition not exceeding 5,120 acres of coal-bearing land in the Bering River field and not exceeding 7,680 acres of coal-bearing land in the Matanuska field, and not to exceed one-half of the other coal lands in Alaska.

That last provision was placed in the bill, I take pride in saying, upon an amendment which I proposed in the Senate, and I think it a very important one—

Provided, That the coal deposits in such reserved areas may be mined under the direction of the President when, in his opinion, the mining of such coal in such reserved areas, under the direction of the President, becomes necessary, by reason of an insufficient supply of coal at a reasonable price for the requirements of Government works, construction and operation of Government railroads, for the Navy, for national protection, or for relief from monopoly or oppressive conditions.

There can not be more comprehensive language than that. If there is any objection to it, it is not because it is restricted. I think that its virtue consists in its comprehensiveness. It gives the President not only the power to mine coal in Alaska—where conditions are so different from those existing in the States—not only for the Government service, but for any other purpose which, in the opinion of the administrators of the Government, may relieve the people from the oppressions of monopoly, giving them the benefit of its vast stores of coal, which are so close to harbors and so easily accessible, more so by far than the coal deposits on the Atlantic coast.

That is one of the great provisions of this bill which I am interested in being enacted into law, and which far outweighs in its possible beneficial consequences any objections which a fertile mind might find to the proviso which we have been discussing here this morning, and which I think is not at all substantial.

That is not all, Mr. President. There are other provisions of the bill of great importance and not connected with the subject which we have been discussing. Section 8 of the bill, which is section 10 of the conference report, provides:

That in order to provide for the supply of strictly local and domestic needs for fuel the Secretary of the Interior may, under such rules and regulations as he may prescribe in advance, issue to any applicant qualified under section 3 of this act a limited license or permit granting the right to prospect for, mine, and dispose of coal belonging to the United States on specified tracts not to exceed 10 acres to any one person or association of persons in any one coal field for a period of not exceeding 10 years, on such conditions not inconsistent with this act as in his opinion will safeguard the public interest, without payment of royalty for the coal mined or for the land occupied: *Provided*, That the acquisition or holding of a lease under the preceding sections of this act shall be no bar to the acquisition, holding, or operating under the limited license in this section permitted. And the holding of such a license shall be no bar to the acquisition or holding of such a lease or interest therein.

Mr. President, the pioneers of Alaska have been ground between the upper and the nether millstone by the oppressions of private monopoly on the one hand and the fight which it has been necessary to make for the protection of the public on the other hand. In the great battle which has been waged and which it was necessary to wage to save this immense domain from being constricted and assimilated by private monopoly, these resources have been temporarily locked up, and the people living upon the ground, who ought to be encouraged in every reasonable way by a just Government, have been deprived of the use of this necessity of life—particularly a necessity there—though it lies at their very doors. This section of the bill, which provides for temporary leases for small areas of land not exceeding 10 acres for local or domestic use, is a benign provision which in itself justifies all the time and interest which have been given to the passage of this bill, and I would dislike to see that provision fail.

There are some other provisions. Section 12 of the bill provides a system of protection for labor and the establishment of proper and decent conditions in the mining of coal, which is bound to have a reflex action upon the conditions in coal mines in other places, and it authorizes those terms to be inserted in leases which are made by the Government under this act. That is a provision of far-reaching consequences, which far outweighs any objectionable features in the bill. As the conferees reported it, it provides as follows:

SEC. 12. That no lease issued under authority of this act shall be assigned, except with the consent of the Secretary of the Interior. Each lease shall contain provisions for the purpose of insuring the exercise of reasonable diligence, skill, and care in the operation of said property, and for the safety and welfare of the miners and for the prevention of undue waste, including a restriction of the workday to not exceeding eight hours in any one day for underground workers, except in cases of emergency; provisions securing the workers complete freedom of purchase, requiring the payment of wages at least twice a month in lawful money of the United States, and providing proper rules and regulations to secure fair and just weighing or measurement of the coal mined by each miner, and such other provisions as are needed for the protection of the interests of the United States, for the prevention of monopoly, and for the safeguarding of the public welfare.

The last clause which I have just read would put into the hands of the Government—and if the Government in turn is not in the hands of the people, then there is no salvation for us anywhere—a most unlimited authority in disposing of this land under these leases, except where there are specific provisions in the act to be complied with, to prevent monopoly, to supervise, to regulate, to insert in the deed of lease any conditions which the ingenuity of a wise Government can devise to relieve the people in that section of the country from the extortion of coal monopolies, which have oppressed the people in other sections in a notorious manner. I would dislike to see that provision fail. It goes a long way to vindicate the wisdom of this act.

It has been suggested, Mr. President, reverting again to the particular subject of discussion—the proviso inserted by the conference committee—that it would open in some way a loophole for the Cunningham claims to reassert themselves and to gain some benefit or privilege which they have not now. That can not possibly be the effect of this act, because it is provided in section 15:

That the passage of this act shall not affect any proceeding now pending in the Department of the Interior, and any such proceeding may be carried to a final determination in said department notwithstanding the passage hereof.

That is an absolute guaranty, in my judgment, and I think there ought to be such a guaranty. The Senate has a right to demand it—that nothing in this act shall compromise in any way whatsoever the rights of the Government in the controversies which have been pending for such a long time as to claims hitherto located. I think it is protected absolutely by that provision.

Now, it has been further argued with a good deal of force and suggested with a great deal of ingenuity that this proviso in dispute would deprive the Government of its ordinary legal and equitable remedies in the courts; that the Government could not interfere in any way whatever with the possession of the land under lease or the operation of the mines thereof until final judgment had been rendered. That at first reading is a more or less specious objection, but it is only specious, because upon a more thorough reading of the provision it is perfectly obvious that no such effect could possibly flow from it. What does it say?

That the possession of any lessee of any lands covered by his lease and the operation of the mines and other works thereon or the title of the products thereof shall not be interfered with by the Secretary of the Interior except—

Except what? Does it say except a final judgment has been obtained? Not at all. It says, on the contrary—

except after an appropriate proceeding in the district court of Alaska instituted for the purpose of securing a forfeiture or termination of such lease.

Except after procedure instituted for that purpose, not except after the final judgment, declaring the forfeiture, has been obtained. That construction can not possibly justly be given to the provision. It goes on to say:

And such forfeiture or termination shall take effect only from the date of entry of final judgment declaring such forfeiture or termination.

That is a very different thing from providing that the Government may not enjoy the benefits of all interlocutory proceedings before final judgment declaring a forfeiture or termination of the lease. If there were no such provision as this, how would the forfeiture or the final termination of the lease be declared until there was a final judgment in the court? That would have been the case under the provisions of the House bill and of the Senate bill before it went into conference, or of the conference report as it stands should this provision be eliminated from it.

The Senate bill, which I assume represented the deliberate judgment of the Senate in the matter, provided as follows:

SEC. 14. That any such lease may be forfeited and canceled by appropriate proceedings in a court of competent jurisdiction whenever the lessee fails to comply with any provision of the lease or of general regulations promulgated under this act.

That does not mean that it might be forfeited by beginning an action. Of course no one—no lawyer, no Senator—would contend that it meant any such thing. It could only mean that upon an appropriate procedure commenced and prosecuted to final and successful judgment could the lease be terminated. So the insertion of this proviso, as I said in the beginning, has no substantial effect upon the rights of the Government as they were defined in the bill as it passed the Senate, and leaves it substantially as it was before.

I think, largely, from any standpoint, either of the Government or the lessee, it is unnecessary and ineffective to insert that provision—with the exception of the limitation barring forever the action if it was not brought within 90 days after notice is filed—and for other reasons, which I have already stated, that is not important, because the cause of action would be of such a nature that it must necessarily constantly be recurring from day to day.

In section 8a I think the bill fairly safeguards the public and the Government against monopoly. Section 8a is substantially the amendment which I offered, but the provision which appears in it for court procedure was not contained in the original proposed amendment. The original amendment read as follows:

SEC. 8a. That no coal land shall be subleased nor in any way whatsoever used for speculative purposes, and if any of the lands or deposits leased under the provisions of this act shall be subleased, trusteed, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever, so that they form part of or in any way effect any combination or are in any wise controlled by any combination in the form of an unlawful trust, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal, or of any holding of such lands by any individual, partnership, association, corporation, or control, in excess of 2,560 acres in the Territory of Alaska, the lease thereof shall be canceled, and said individual, partnership, association, or corporation shall forfeit the right thereafter of obtaining lands under lease under the provisions of this act.

Now, the contention is made that this proviso in section 14 weakens the efficiency of the Government to prevent and restrain monopoly, because it superimposes in the administration of the act a long court procedure. Let us see what the condition would have been if it had not been inserted and this amendment had been adopted in its original form. We will assume that a lease had been made and the Secretary of the Interior had declared that it constituted a part of a monopoly, and that for that reason he issued an order canceling it. What is the situation?

There is the coal operator on the ground with his investment, his machinery, his buildings, in pedis possessio, occupying the property. The Secretary says, "You have formed an unlawful combination." The lessee says, "I have not formed an unlawful combination." The Secretary says, "Get off of the ground." The lessee says, "You have no right to order me to get off the ground, because I have violated no condition of the lease, and I will not get off of the ground." What is the Secretary going to do about it? He can not do anything except to go into court and avail himself of his equitable and legal remedies which this proviso simply specifies, and leaves them in substantially the same situation as if it were not adopted.

I hope the conference report will be adopted.

Mr. WHITE. Mr. President, I wish to ask a yea-and-nay vote on the question now before the Senate; and it does not seem to me as though there is a quorum here. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Borah	Johnson	Overman	Smith, Ga.
Bristow	Jones	Page	Smoot
Brown	Lane	Perkins	Sterling
Camden	Lea, Tenn.	Poindexter	Stone
Chamberlain	Lee, Md.	Pomerene	Thomas
Chilton	McCumber	Reed	Thompson
Clarke, Ark.	Martine, N. J.	Shafroth	Thornton
Fletcher	Myers	Sheppard	Walsh
Gore	Norris	Shields	Warren
Gronna	O'Gorman	Shively	West
Hitchcock	Oliver	Simmons	White

Mr. THORNTON. I again announce the necessary absence of my colleague [Mr. RANSDELL] and ask that this announcement stand for the day.

Mr. MARTINE of New Jersey. I have been requested to announce the absence of the junior Senator from Arkansas [Mr. ROBINSON] owing to illness. This announcement may stand for the day.

Mr. LANE. I wish to announce the absence of the Senator from New Hampshire [Mr. HOLLIS] on official business.

Mr. O'GORMAN. I desire to announce that the junior Senator from Mississippi [Mr. VARDAMAN] is out of the Chamber on official business.

The VICE PRESIDENT. Forty-four Senators have answered to the roll call. There is not a quorum present. The Secretary will call the names of absent Senators.

The Secretary called the names of absent Senators.

Mr. LEWIS and Mr. SWANSON entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-six Senators have answered to the roll call. There is not a quorum present.

Mr. SMITH of Georgia. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will execute the instructions of the Senate.

Mr. NELSON, Mr. COLT, and Mr. SAULSBURY entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-nine Senators have answered to their names. There is a quorum present.

Mr. LANE. Mr. President, I wish to say a few words on the question now under discussion. I think the statement made by the Senator from Montana [Mr. MYERS] of his opinion that the rights of the Government were amply protected and that the lessee would gain no advantage from this provision, is aside from the question. The question is as to whether a conference committee appointed by the Senate to confer with a committee representing the House—to discuss and arrive at a conclusion between them as to what part of a measure passed by the two bodies should be accepted and what rejected—have the right to insert entirely new matter. I think they have no authority further than to discuss those matters which have been passed upon by the two Houses which they represent, and that, if they go aside from that by way of elimination of important provisions in the bill or by the addition of new matter, they act outside of their function as conferees, and that they are assuming authority which is not vested in them. If we allow conference committees to do that, they become the authors of legislation, as in this case, and not the Senate or the House.

These questions should by right be the subject of discussion by the Senate and should be left to the decision arrived at by the Senate; and when the conference committee puts in new matter, as it has done here, entirely changing, in my opinion, the bill, it seems to me that its report should be rejected.

I do not mean to reflect in any way upon the integrity of the conferees or to impugn their motives, and yet I think they have inadvertently strayed from the path of their duty; that in looking into the subject they have arrived at a conclusion as to what they thought the bill should contain and which they thought was the right one. They have put their decision in the bill, and then coming in here with it, the Senator under its rules must either reject the entire report, with which in the main we may agree, except as to the one provision which, in effect, nullifies the provision which the Senate has endeavored to put in the measure, or accept it as an entirety. That is the point which is under discussion, and that point goes further than this bill. It is a matter of importance in all our legislation.

If we concede in this instance that a conference committee have such a right, as some contend they have, it may be that it will in the long run be better for the country that the remainder of the Senate go home and turn the legislation of the country over to some committee of five intelligent Members informed upon the affairs of the Nation. It would no doubt save a good deal of time and much discussion; and there is no doubt, too, that it might be better; but that is not the way that the Congress is constituted and that is not the understanding of the people as to the manner in which legislation is enacted. To this method of procedure I make objection. I want to make objection to the assumption——

Mr. CLAPP. Mr. President, will the Senator from Oregon permit an interruption?

Mr. LANE. I will.

Mr. CLAPP. I think there has been some misunderstanding about the action of the committee. It not infrequently occurs that a committee of conference find themselves confronted by a legislative exigency under which they report to the Senate matters that are not strictly within the authority of the conferees. Under those circumstances the Senator in charge of the bill should state to the Senate that the conferees have felt it necessary to make such a report, and call the attention of the Senate to it. Then it is for the Senate to say whether or not they will accept it. I think I myself have followed that course and I have known other Senators to do so, and as a rule, if they can make the Senate see the necessity for it, there is no particular objection to it; but it should be called to the attention of the Senate by the Senator in charge of the bill, and then there can be no criticism.

Mr. MYERS. Mr. President, if the Senator from Oregon will permit me, I thought I had done as the Senator from Minnesota suggests. I had the floor here for about two hours, less such time as was taken by interruptions, and during the course of my remarks I stated the reasons for the action of the conferees and went into the matter fully. I think the Senator from Minnesota was certainly not on the floor at that time.

Mr. LANE. That was to-day.

Mr. MYERS. Yes; to-day. I think also that the Senator from Oregon evidently was not on the floor.

Mr. LANE. That was, Mr. President, after the report to which it is claimed we are tied was made to the Senate. If there was any question in the Senator's mind before to-day, I see no reason why he should not have brought it in and then received the consent of the Senate for authority to take the action which has been taken by the conferees and make the change.

Now, the Senate finds itself in this peculiar position: It must either reject this entire report or adopt this provision, with which many Members are not satisfied. Many Senators do not have the confidence in it which the members of the conference committee have.

The Senator has said that there was an attempt on their part—he did not use those words, but he stated that the conference committee felt that they should invite capital to go into Alaska to open the coal mines. That is the Senator's personal opinion and the opinion of the conferees. If those coal mines are good mines, capital will go in and invest in them; but if they are not good mines, you could not coax capital to invest in them.

The Senator thought that 90 days' notice was enough. There are plenty of gulches in Alaska, 40 or 50 miles from other gulches, which at certain seasons of the year, when there are 30 feet of snow on the west slope of the mountains, you could not reach in 90 days. I lay in Alaska at one time for 2 months and 20 days waiting for the rivers to freeze and the snow to fall in order to get out with a dog team, and the party ahead of me were met by an overflow of the waters coming over the top of the ice and were tied up for nearly a month on the trail. It took me 17 days to walk out with a dog team. You can not go through that country in winter like you can here. There are no macadamized roads, no railroads, no steamboat traffic in the winter. The party on the trail before the one which I have mentioned were hung up for two months and were said to have

had to eat their dogs before they got through. Such conditions may arise again.

On the west coast of Alaska in the wintertime, in certain portions of the country where the snowfall is 30 feet deep, if you step 3 feet off the trail you will go down 30 feet through the snow to the ground, and it takes a long time to fight your way up to the trail again; you have to pound the snow down hard enough in order to make your way back.

Time and contracts should and do run differently there than they do "outside," as they call it, for the reason that there are certain seasons when one can not travel. I do not think the Government should be tied to so short a limit of time—the Government of the United States; Uncle Sam, poor, unfortunate old Uncle Sam, who always comes out at the little end of a well-greased horn. I think his rights should be preserved. No brief limit should be placed upon him in which to show that there was a fraud being practiced on the people of this country or in which to assert his rights.

The tenderness for the lessee appeals to me; but the people of this country have to stand sponsor and guard for this property, and fight for it, if you please, with their neighbors, in order to retain possession of it for the lessees. Uncle Sam has 90 days in which to make good. If he does not, he is barred forever—forever; day without end, time beyond the computation of man; not merely for a million or two years [laughter], but forever. Only the Supreme Being can make a law that runs forever; yet here is a conference committee that goes out and, as sleek as a button, makes a law against Uncle Sam, whose representatives its members are in part, which forfeits his rights and bars him forever. There is "nothing doing" for Uncle Sam for a long, long time. [Laughter.]

I do not like that kind of a law. I never saw a franchise without a time limit except those in Massachusetts, which can be abrogated at any time when in a court of law it can be shown that the contract has not been complied with. Whenever you find a franchise or a lease which runs without limit, without any restrictions, without any right in the hands of the people who gave it, who have to stand guard over it, by which they may reclaim it into their hands if its terms are not carried out in a manner for the benefit of the people, you had better look out for it. It is a bad one. You do not want to take any interest or stock in it; that is, not on the other side of the question. It is a good lease or franchise to own or to buy in on, and sometimes is quite profitable.

So I say the conference committee has innocently, guilelessly—they are no doubt a guileless set of gentlemen—passed a law here, or assumed the authority to pass a law. I say this with all due respect to the Senator from Montana. I do not want to hurt his feelings. I have no feeling in this matter. They have assumed to pass a law which circumscribes the rights of the people, and, in my opinion, is not for the benefit of the people of this country. Then, in addition, they have stepped on the toes and the dignity of the Senate by assuming the right to legislate for us and now try to tie us to their action, and to that I object.

In other instances the bill has been somewhat changed, and I am told—and I wish to say this in all fairness and in commendation of the committee—that some of those changes are improvements on the bill as it left the Senate. They have improved it and made it better. Here is one change, however, which, in my opinion, limits the rights of the Government unduly. You can rest easy in your minds if you come to the conclusion that Uncle Sam and the people of this country are never going to get the best of any of the lessees of these coal lands. They never have done so. Our history does not run back more than 140 or 150 years in that line; but every time Uncle Sam has fooled with leases he has got bitten, and bitten badly. If we had now in the hands of the people of this country, so that they could be sold for the benefit of the people, all the lands which have been lost through ill-advised legislation and leases, there would be enough money in the Treasury to pay all the running expenses for the next five years without any more taxation, and we would not have to enact the emergency tax bill which we are going to take up as soon as we are through with this conference report.

My attention was called, quite independently of this and before this matter came up for discussion, to the fact that there was a supervising inspector out now in some of the Western States inspecting some other inspectors who had passed off some very bad leases on the Government, which had cost, directly or indirectly, in one way or another, to the people whom they represented, some hundred million dollars. When the Government has to employ inspectors to inspect inspectors—and lots of things can happen to inspectors which a person who is not familiar with them would not suspect—I feel that it would be safer not to confine it to 90 days in which to take action looking to the cancellation of these leases.

Mr. SMITH of Georgia. Mr. President, I have the greatest respect for the conferees, but it does seem to me that this addition from them was not an adjustment of any difference between the two Houses, but an affirmative announcement of additional propositions where the two Houses were in agreement.

Mr. MYERS. Mr. President, may I call the Senator's attention just at this point to what the disagreement was over which we labored for five days before evolving this solution?

Mr. SMITH of Georgia. Yes.

Mr. MYERS. The only reason why I interrupt the Senator is that he says there appears to be no disagreement.

Mr. SMITH of Georgia. Yes.

Mr. MYERS. I wish to call his attention to what we considered a disagreement.

Mr. SMITH of Georgia. Certainly.

Mr. MYERS. This point was covered by section 11 of the House bill, found on page 12 of the comparative print. It is short, and I will read it.

Mr. SMITH of Georgia. There is no difference.

Mr. MYERS. No difference between what?

Mr. SMITH of Georgia. Between section 11 of the House bill and section 14 of the Senate bill.

Mr. MYERS. It is section 15 of the Senate bill that the difference existed in.

Mr. SMITH of Georgia. I intend to discuss section 11 and section 14 myself.

Mr. MYERS. Section 15.

Mr. SMITH of Georgia. I am going to discuss section 11 and section 14, which are the two provisions——

Mr. MYERS. Why will not the Senator discuss section 15? That is where the difference is.

Mr. SMITH of Georgia. One moment. In order that the Senator may understand me, I will say that I intend to discuss section 11 of the House bill and section 14 of the Senate bill, section 14 being the one to which this proviso has been added. Now, if the Senator will just call my attention to any section that justified this proviso other than section 11 and section 14, I shall be glad to discuss it also.

Mr. MYERS. Section 15 of the Senate bill is where the difference existed, not section 14. Senate section 14 is not the section that was in conflict with House section 11. It was Senate section 15 and House section 11 that were in conflict. The Senate conferees would not take House section 11 and the House conferees would not take Senate section 15, and the difference was compromised by putting this proviso at the bottom of section 14.

Mr. SMITH of Georgia. What provision in section 15 does the Senator consider justifies the proviso?

Mr. MYERS. I will tell the Senator in a second. Just let me finish that explanation first, if you please.

Mr. SMITH of Georgia. Yes; certainly.

Mr. MYERS. In order to solve the matter we took this proviso and added it onto section 14 of the Senate bill. We struck out entirely section 15 of the Senate bill—eliminated it—and put this proviso on section 14 of the bill as a substitute for both section 11 of the House bill and section 15 of the Senate bill. Now I will tell the Senator why I think sections 15 and 11 are in conflict. I hope the Senator will get out of his mind the idea that it was section 14 of the Senate bill which was in conflict, for it was not; it was section 15 of the Senate bill and section 11 of the House bill that went out. They both went out, and this was patched up to take the place of them.

Mr. SMITH of Georgia. Section 11 of the House bill is left in.

Mr. MYERS. I refer to section 11 of the House bill.

Mr. SMITH of Georgia. Section 11 of the House bill is found in section 14 of the conference report, practically.

Mr. MYERS. Then it was section 15 of the Senate bill that this was intended to supplant. This proviso, hooked onto section 14, took the place of Senate section 15, and now I will point out why I think Senate section 15 is in conflict with House section 11.

Senate section 15 says:

That the jurisdiction of the district court of Alaska shall extend to and over any forfeiture or cancellation proceedings instituted under the provisions of section 9 of this act and to any and all controversies which may arise between the United States and any lessee or other person, association, or corporation growing out of any disputed controversies or proceedings arising under this act or under leases issued hereunder. All causes against the United States brought under the provisions of this act shall be tried in the same manner and under the same rules as controversies between citizens.

That section provided for actions to be brought against the United States, which is a very unusual thing, and the House

conferees said they never would agree to it. They said that if you opened up the way for every dissatisfied claimant and every dissatisfied lessee and every man whose application for a lease was turned down to sue the United States, the United States district court for the district of Alaska would be simply flooded with suits against the United States. The House conferees used this illustration in argument. They said: "Efforts have often been made to authorize Indian claimants to sue the United States, to throw open the floodgates and let any Indian tribe or any individual Indian who thinks he has a claim against the United States go into the district court of the United States and sue the United States." They said: "That has always been resisted, justly and wisely so, because it would throw open the floodgates and bring about a torrent of litigation that would be unending, and would weigh down the courts so that there would be no time or opportunity for any other litigation." They urged that claim agents and lawyers, in that event, would go around amongst Indians and persuade them to be dissatisfied, and convince them that they had some claim against the United States, and that it would be very easy to take a bogus claim and convince an Indian that he had been defrauded and then bring suit on a contingent fee, just on the bare hope that they might catch on to something and get a little something to divide between the attorney and the Indian. They said it would be the same way in regard to these matters; that if you were going to open up the way for dissatisfied people in Alaska who think they have not been treated right about the letting of these leases to sue the United States it would be a very remarkable and unprecedented and unwise action.

Mr. SMITH of Georgia. Mr. President, will the Senator allow me to interrupt him there?

Mr. MYERS. Certainly.

Mr. SMITH of Georgia. Then you abandoned that entirely, because you have not put anything at all of that kind in this proviso.

Mr. MYERS. We abandoned that because it was in dispute. It was in disagreement. The House conferees would not agree to it. They said that if we insisted on that there would never be any agreement and there would never be any bill.

That section provides for litigation, however. To show you that our substitute is in accord with that in principle and in spirit, in substance and in intent, in every particular except the remarkable proposition of allowing people to sue the United States, I will show you that this section 15 provides for having all litigation and all controversies and all causes of action adjusted in the district court of the United States for the District of Alaska.

The difference between section 15 of the Senate bill and section 11 of the House bill is that House section 11 says:

That any such lease may be forfeited and canceled by an appropriate proceeding in a court of competent jurisdiction whenever the lessee fails to comply with any provision of this act, of the lease, or of general regulations promulgated under this act and in force at the date of the lease; and the lease may provide for resort to appropriate methods for the settlement of disputes or for remedies for breach of specified conditions thereof.

That section goes further than litigating in the courts and says that the terms and conditions of the lease itself may provide for arbitration and for other methods of settlement than by adjudication in court. The Senate conferees would not agree to that in its entirety; but the solution of the matter was that section 15 of the Senate bill was stricken out, and this proviso was attached to section 14 of the Senate bill and made to read as section 14 now appears in the comparative print on page 12.

The only difference I can see is that one detail is added. The principle there is that you can litigate, you can adjudicate, in the Federal court, but you can not sue the United States. The Government must be the plaintiff, and it must give notice, if it has any fault to find, and must bring the suit within 90 days.

I think that is only a change of detail, of the method of procedure, and it does not change the substance of it or the principle at all.

Mr. SMITH of Georgia. Mr. President, the Senator has not relieved my mind at all on this subject, in spite of my cordial regard for him both personally and officially. The conferees have stricken from the Senate bill a provision that the House had agreed to.

Mr. MYERS. Where did the House agree to it?

Mr. SMITH of Georgia. I am going to show the Senator. I am going to get the Senator to wait a few moments, and let me show him. The provision that he has just stated the Senate conferees could not agree to is embodied in the bill that we passed.

Mr. MYERS. But it was not stricken out. It was the Senate section 15 that was stricken out.

Mr. SMITH of Georgia. Just one moment. The provision in section 11 to which the Senator said the conferees could not agree had already been agreed to by the Senate of the United States, and was a part of the bill which we passed; and the conferees have stricken out a provision which both bodies passed. Now, let us see.

Mr. MYERS. I should like to ask the Senator——

Mr. SMITH of Georgia. Mr. President, I can not yield now. Just let me finish, and then I will yield to the Senator. Let me show him what I mean.

Mr. MYERS. I should like to ask a question which I think is very pertinent at this point.

Mr. SMITH of Georgia. Very well; I will yield.

Mr. MYERS. I should like the Senator to point out where section 15 of the Senate bill is in the House bill.

Mr. SMITH of Georgia. I did not say section 15; I said section 14. I said that section 11 of the House bill and section 14 of the Senate bill are practically the same. Section 14 as passed by the Senate contains the language found in section 11, to which the Senator said the conferees could not agree. I repeat that the conferees have stricken out by their report a provision which both the Senate and the House had passed.

Mr. MYERS. I should like to ask a question at this juncture.

Mr. SMITH of Georgia. Certainly.

Mr. MYERS. Is the last part of House bill ection 11, which provides for arbitration, in Senate section 14?

Mr. SMITH of Georgia. Yes. I am going to read those two provisions, and show that they are practically the same. I contend that there is no difference in the actual meaning of section 11 as passed by the House and section 14 as passed by the Senate. It is a matter of phraseology, and not of practical result. Now, let us see.

Section 11 of the House bill provides:

That any such lease may be forfeited and canceled by an appropriate proceeding in a court of competent jurisdiction whenever the lessee fails to comply with any provision of this act, of the lease, or of general regulations promulgated under this act.

Section 14, as adopted by the Senate, provides:

That any such lease may be forfeited and canceled by appropriate—

It left out the word "an", that is the difference—

by appropriate proceeding in a court of competent jurisdiction whenever the lessee fails to comply with any provision of the lease or of general regulations promulgated under this act.

The language being entirely the same, except that the Senate left out the word "an." Then the House provision added:

And in force at the date of the lease.

The Senate provision, section 14, left that out. Now let us see what the balance of the two was:

And the lease may provide for resort to appropriate methods for the settlement of disputes or for remedies for breach of specified conditions thereof.

This is the provision of section 11 of the House bill which the Senator said our conferees could not agree to. Let us see what we did upon the same subject at the close of our section 14:

And the lease may provide for the enforcement of other appropriate remedies——

Mr. MYERS. Where is the Senator reading? I should like to keep up with him.

Mr. SMITH of Georgia. The close of section 14 of the Senate bill.

Mr. MYERS. Of the comparative print?

Mr. SMITH of Georgia. The comparative print.

Mr. MYERS. How far down? I do not see anything of that kind.

Mr. SMITH of Georgia. Page 12.

Mr. MYERS. I will ask the Senator to show it to me, please.

[Mr. SMITH of Georgia indicated the part referred to by him.]

Mr. MYERS. That was stricken out, though.

Mr. SMITH of Georgia. It was passed.

Mr. MYERS. No; that is the Senate bill. It was stricken out in conference.

Mr. SMITH of Georgia. That is what I said. The Senator says it was stricken out in conference. That is true. I am showing that the conferees struck out what we had agreed on. I am reading section 11 of House bill and section 14 of Senate bill, and I am showing you that they were the same thing, and that our conferees struck out what both Houses had agreed to and put in this provise in its stead.

I have just read the close of section 11. I will read it again. It is very short:

And the lease may provide for resort to appropriate methods for the settlement of disputes or for remedies for breach of specific conditions thereof.

That is an authority to put into the lease provisions covering the settlement of disputes or remedies of a breach beyond simply an appeal to the courts. Now, our section 14, which we adopted, carries a provision for appeal to the courts, and then adds:

And the lease may provide for the enforcement of other appropriate remedies for breach of specified conditions thereof.

Therefore the House provided that in addition to the right to appeal to the courts the lease could provide for additional remedies in the way of settling disputes, and the Senate, following the House, did practically the same thing. When we turn to the report of the conferees, we find that they have agreed to strike out what both bodies did.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Idaho?

Mr. SMITH of Georgia. I yield to the Senator.

Mr. BORAH. In order to test the question of whether or not there is any difference between these two clauses, could you not put anything in the lease under section 11 that you could put in the lease under section 14; or, vice versa, could you not put anything in the lease under section 14 that you could put in the lease under section 11?

Mr. SMITH of Georgia. Unquestionably. In a little different language, under this provision adopted by each House, there could be inserted into the lease provisions for the settlement of differences. Both Houses agreed to this, and our conferees have stricken out the action of both Houses. The Senator from Montana tells us that the Senate conferees could not agree to this proviso about the lease contained in the House bill when the Senate itself had agreed to it.

Now, my friend the Senator—and I say that not formally, but because it is true—refers to section 15, and calls my attention to what I think was a very objectionable provision that we put into section 15. I think his criticism upon it as reported from the conferees justifies its being stricken out. I condemn the latter part of section 15 which we passed, providing that—

All causes against the United States brought under the provisions of this act shall be tried in the same manner and under the same rules as controversies between citizens.

Inviting generally the institution of suits against the United States in Alaska growing out of these leases, just like suits between individuals, is an unwise provision. I think the leases, as contemplated by both Houses, ought to have contained provisions for some sort of a board to pass on these matters, representing the Government, subject to the approval of the Secretary of the Interior, and that a general invitation for anybody who wanted to do so to sue the United States for anything he wanted to sue it for was unwisely put into section 15 by the Senate. But the elimination of that provision in section 15 in no way gave a reason for the proviso that has been added to our section 14. It has no reference to suits against the United States. It has reference to actions by the United States against lessees. So, dropping the provision in section 15 by which anybody might have sued the United States gives no reason for our conferees adding a proviso to section 14 limiting the right of the United States, through the courts, to assert and enforce the rights of the Government.

The first part of section 15 provides for the jurisdiction of the district courts of Alaska over any forfeiture procedure, and so forth. I think they have that, anyhow. I do not see how there can be any question that they have it, and I really do not see why we put section 15 in there. I think section 14 clearly would have covered the desirable part of section 15, and the latter part of it might well have been abandoned. But in none of the provisions of section 15 do I see a reason for going back to section 14 and striking out the proviso in section 14 of the Senate bill, found also in section 11 of the House bill, that there could be inserted in the leases provisions looking to the adjustment of differences.

I find in this proviso absolutely new matter—a limitation of the right of the United States to proceed and a limitation of the time within which it must proceed. I may be wrong, but I can not concede the doctrine of estoppel as against the United States, even if somebody had heard that one of these lessee companies had violated the terms of its contract of lease and the United States Government continued to receive the rental thereafter. It is not a subject about which I have made any special investigation; but the impression it makes upon me is that no such doctrine of estoppel would apply to the Government as that which applies between individuals. I am reasonably familiar with the doctrine of estoppel as to individuals, but, as I recall the reason upon which the doctrine of estoppel is applied, I can not see how anyone could stand for the United States Government in an attitude to bind the Government by such a doctrine.

I think the criticism is just upon this report—first, that the conferees have added a proviso at the end of section 14 not a subject of conference; second, and still more important, our conferees have stricken out an important provision in the bill which was practically the same in the House bill and the Senate bill—the provision which allowed the contracts of lease to have inserted in them a plan for the adjustment of differences and the settlement of disputes.

In regard to the suggestion that mining companies may have had an influence on the committee, I want to say that I resent it as quickly as my friend from Montana would, because I am sure that no one believes that anybody in either the House or Senate is doing his work except with an earnest purpose of serving the public, and we are all liable to be wrong sometimes in that effort.

Mr. MYERS. Mr. President——

Mr. SMITH of Georgia. Just one word more and then I will be through. I do not know that I would have made this criticism or expressed myself upon the subject except I do feel that conference committees are assuming—not so much in this case, but in many cases—a little more authority than they ought to assume. I do not believe in legislation by conference committees. It is a dangerous way to legislate. It is a way by which we are liable to obtain ill-considered legislation.

In this connection I have one more thought which has been in my mind for some little time that perhaps I should not express. It is the habit on the part of both Houses when a bill is sent from the other House to write a new bill instead of amending the bill presented by the House first acting. I do not understand why whenever an important measure is passed by one of the Houses the committee which takes charge of it in the other feels called upon to write a new bill; that it starts with the title and then puts in an entire new bill. It becomes exceedingly difficult for conferees to adjust the differences of the two Houses when each House passes an entirely independent bill instead of taking the bill that the House first passed and amending it and perfecting it.

Mr. JONES. Mr. President——

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Washington?

Mr. SMITH of Georgia. I yield.

Mr. JONES. I agree with the Senator that that happens. Does not the Senator agree also that there is a habit here at any rate which probably leads conference committees to go further than they really ought to go in that we frequently adopt amendments and say, "Oh, well, the conferees will take care of the matter"?

Mr. SMITH of Georgia. I agree with the Senator from Washington about that. I do feel that we ought to adopt provisions when we have made up our mind that we are going to stand by them rather than to send ill-digested legislation to a conference committee. Perhaps the Senate as a body has been responsible for the suggestion to the conferees in numerous cases where we have passed a measure with parts ill digested, relying on the conferees to perfect the work that we ought to have done ourselves.

Mr. MYERS. Mr. President, it was said a while ago that this difference between the conferees and what led to the solution of the difference in this respect should have been explained to the Senate. I thought I had done so, but in view of the remarks of the Senator from Georgia I will endeavor to do it a little more specifically and particularly than heretofore, if possible. I shall try to be brief about it.

As long as the Senator wants an explanation, I will say the way it came about was just simply this: When we met in conference the House bill was laid aside altogether. As Senators know, when the bill came over here from the House the Senate amended it by striking out all after the enacting clause and, by way of an amendment, substituted an entirely new bill of the Senate's own construction.

By the way, I will digress long enough to say I am glad to know that our set of conferees are not the only conferees who have been sinning, in the opinion of some Members of the Senate, about their duties under the rules. I dislike to see our conferees made a goat of all former sinning conferences that have been in existence heretofore. I dislike to see the Senate let this practice go on for years and years placidly and then all of a sudden arouse to its rights and demand that our conference committee shall make amends for inattention to the rules in the past, when we have sinned no more than have others.

That was the situation which confronted us. The Senate had adopted an entirely different bill. We met in conference, and it was agreed at once, at the outset, that we should take the Senate bill, which was the last to pass either branch, and go to work on it and perfect it. The House conferees very graciously acceded to that without any contention.

To begin with, the House bill was laid aside right then and there. The House conferees disagreed right then and there, at the outset, and everything in it was laid aside, so that section 11 of the House bill was relegated with all the rest of the House bill.

When it came to considering the Senate bill section 15 of the Senate bill was considered to cover substantially the same ground or the same phase of the subject matter that section 11 of the House bill had covered. But the House conferees said they would not agree to section 15 of the Senate bill. They announced absolutely that there would never be any agreement as long as that stayed in, and they gave their reasons. I recounted the reasons here a little while ago in my last talk.

Then it was agreed to strike out section 15 of the Senate bill; the Senate conferees agreed to recede from it. Then the question arose what to put in in the place of it. Section 11 of the House bill had gone out entirely with all other provisions of the House bill. Section 15 of the Senate bill was receded from, and we did not want to bring in a maimed bill. We did not want to bring in a three-legged horse minus one of its chief supports and foundations.

It is said that we took the first paragraph of section 11 substantially as it is found in the first paragraph of section 14 of the Senate bill. That is true, but section 15 of the Senate bill went a great deal further and covered a great deal more ground than section 14 of the Senate bill, because section 14 of the Senate bill only provides that leases may be forfeited and canceled by appropriate proceedings in a court of competent jurisdiction. That is about the substance of it. It just says it may be done in court.

Mr. JONES. May I ask the Senator a question?

Mr. MYERS. I yield.

Mr. JONES. I ask the Senator if there was any substantial disagreement among the conferees over the provisions of sections 11 and 14.

Mr. MYERS. Yes; in this way: Section 14 in the Senate bill is substantially section 11 of the House bill.

Mr. JONES. That is the reason why I asked the Senator whether there was any substantial disagreement among the members of the conference over sections 11 and 14, which to my mind are substantially the same.

Mr. MYERS. No; not between them as far as they go; but section 15 takes up the same thread and goes a great deal further, just as I was saying when the Senator asked the question.

Mr. JONES. That is what I wanted to know—whether there was not a substantial agreement between sections 14 and 11.

Mr. MYERS. As far as they go. Section 14 of the Senate bill merely provides that it must be done by an appropriate proceeding in court. Section 15 of the Senate bill goes into detail as to how it shall be done in the court. It does not end by simply saying that it shall be done by an appropriate proceeding in court, and leave it up in the air in a vague way. Section 15 goes into details, and says that the lessee may sue the United States Government and that—

all causes against the United States brought under the provisions of this act shall be tried in the same manner and under the same rules as controversies between citizens.

Do you not see that it lays down the procedure? It does what section 14 does not attempt to do. Section 14 only authorizes these things to be settled in court. Section 15 goes into the procedure, and even authorizes individuals to sue the United States Government. It lays down the rules of procedure, and says that—

all causes against the United States brought under the provisions of this act shall be tried in the same manner and under the same rules as controversies between citizens.

That was a separate thing from section 14, which only in a general way authorizes an adjudication in the courts. So the House conferees would not agree to section 15 of the Senate bill, and it was stricken out.

Now, we had to get something to take the place of that. We had to lay down rules of procedure, or at least we wanted to do so. We had a desire to lay down the rules of procedure which are not covered in section 14. At the same time, in considering that we considered the second paragraph of section 14 of the Senate bill, which reads:

And the lease may provide for the enforcement of other appropriate remedies for breach of specified conditions thereof.

We considered that that was in absolute conflict with section 15 of the Senate bill, which said that the jurisdiction of the District Court of Alaska shall hear all these controversies. There apparently was a contradiction between the two.

Now, in putting together something that was in the bill in lieu of Senate section 15 and making some rules of procedure, which we had receded from, we struck out the part of section 14 which we considered inconsistent with section 15 and took the first part of section 14, which authorized court procedure, and took our proviso here, which authorizes rules of procedure in lieu of those stricken out, and put them together and agreed that they should take the place of section 15 of the Senate bill.

Now, that is the modus operandi, the operation, the working of the minds of the conferees as near as I can tell the Senate. I contend that in receding from one section which provided rules of practice and procedure and trial of causes and substituting a somewhat different rule of practice and procedure and trial of causes it did not affect the substantive law of the matter, that it was only a matter of procedure, and was not a substantial departure from what had been in the Senate bill before and what the Senate had acted upon; only we thought it was a better provision and more compatible with the proceedings to be instituted.

Mr. O'GORMAN. May I ask the Senator why the last proviso of section 14 of the conference report was inserted, barring the Government unless the suit is instituted in 90 days?

Mr. MYERS. We discussed that at great length this morning, but I will take pleasure in recounting my idea of it for the benefit of the Senator from New York. The conferees felt that it was only just to a lessee if any complaint was made of him about violating the rules and regulations. The Senator will see that the Secretary of the Interior has the right to send agents and inspectors to these mines and see if the rules and regulations are being violated. We felt it was nothing but right that if any charge was brought of a violation of the rules and regulations to give the lessee notice of it, and let him know that he was being complained of, so that he would know what the charge was. He might be able to adjust or remedy it, or comply with any demand made upon him; and if he refused to do so, then, in order to settle the rights of the Government and the lessee, the Government might institute its suit within 90 days to forfeit his lease.

Mr. O'GORMAN. Ninety days after what?

Mr. MYERS. After the notice.

Mr. O'GORMAN. Notice on whom?

Mr. MYERS. It does not say who is to give the notice. I suppose the Secretary of the Interior may make any rules or regulations to cover that. I desire to call attention to section 17 of the bill that is before the Senate:

That the Secretary of the Interior is authorized to prescribe the necessary and proper regulations and to do any and all things necessary to carry out and accomplish the purposes of this act.

Now, it is one of the purposes of the act to give a notice. The Secretary of the Interior may say who has to give it. It was our idea that after the notice was given it would be a cloud on the lessee's title, on the validity of his lease, and that the matter ought to be brought to an issue and to trial and it ought to be determined; that the lessee claiming that he had not violated any rules and regulations, the Government claiming that he had, the matter ought to be brought to an issue and adjudicated.

Mr. O'GORMAN. Considering the great distance from Alaska to the city of Washington, where the Interior Department is located, and the probable necessity of the Interior Department being consulted with respect to any of these attempted forfeitures, does the Senator think that 90 days is sufficient time within which the Government must act at its peril?

Mr. MYERS. I thought so and the conferees thought so, for this reason: It is 90 days after service of notice on the lessee. He is served with a notice, and then this action must be brought.

Mr. O'GORMAN. Served by whom?

Mr. MYERS. I just said the Secretary of the Interior must say who is to serve it.

Mr. O'GORMAN. But the section does not state it.

Mr. MYERS. When the Secretary of the Interior comes to make a rule covering that he can say the United States marshal of the District of Alaska may serve it or the district attorney may serve it. I say it is not any too short a time, for this reason: It is 90 days after issuance of the notice or order for the notice to be served; but after service of the notice on the lessee, then within 90 days the action must be brought in the district court of the United States for the District of Alaska, right there on the ground.

Mr. O'GORMAN. How far from the claim?

Mr. MYERS. I do not know; it may be a considerable distance; but the Government does not have to serve the notice until it has its pleadings ready and is ready to bring the suit.

It can put off the notice until the day before the suit is brought if it wants to do so, or it can do both in one day.

Mr. O'GORMAN. Under the language of this provision of section 14 any notice conveyed to the lessee may be treated by him as the notice within the contemplation of the section. The Government is not, under this provision, required to serve notice upon him. He may receive notice in any way, formally or informally.

Mr. MYERS. I have just quoted section 17. It says that the Secretary of the Interior may make all needed regulations. Now let me refer to the point the Senator made about notice:

Provided further, That such court proceedings must be instituted within 90 days after notice to the lessee of the facts constituting such cause of action, or the same shall be forever barred.

I think the Senator from New York will admit that that must be notice by the party who is going to bring the action. It can not be notice from a neighbor or a drummer or a traveling man; the notice must issue from the party who is going to bring the action, I take it.

Mr. O'GORMAN. Is it intended that in every case notice must be given to the lessee before the action is commenced?

Mr. MYERS. Yes, sir; in order to give a man notice that the charge had been brought against him and that unless he convinces the department that the charge was erroneous he is going to be sued.

Mr. SMITH of Georgia. Will the Senator yield to me?

Mr. MYERS. With the consent of the Senator from New York, I will yield to the Senator.

Mr. O'GORMAN. I have just one further observation to make.

Mr. SMITH of Georgia. Very well.

Mr. O'GORMAN. If the Senator will pardon me, is it not likely that in many instances after the lessee's attention has been called to some alleged violation of the terms of the lease there will be a period of negotiation and effort on the part of the lessee to meet the demands of the department, followed perhaps by promises on the part of the lessee; and yet, if any time out of those 90 days be given to negotiation, it may reach the limit of the 90 days in negotiation, and then be too late for the Government to invoke its right to institute an action for the cancellation or forfeiture of the lease?

Mr. MYERS. The Government could file the action, and then if the negotiation settled it after the action is filed, the action may be dismissed.

Mr. O'GORMAN. In that case, if negotiation must follow the suit rather than precede it, the Government is always put to the necessity of beginning a suit.

Mr. MYERS. Very seldom. I think negotiation might both precede and follow. It might arise that a lessee might be notified by due notice, authorized notice, that he did not have in his mine the right kind of safety cages; he might install them, and then no action would be necessary.

Mr. POINDEXTER. Mr. President——

Mr. MYERS. I yield to the Senator from Washington, if the Senator from New York consents, and then I will yield to the Senator from Georgia.

Mr. POINDEXTER. I wanted to answer one of the questions of the Senator from New York, or to make a comment upon it. It seems to me, if this provision had been to the effect that the complaint must be filed within 90 days after it is served on the defendant, it would have been to all intents and purposes the same as reported by the conference committee, though in different words.

Under the laws of Alaska an action is commenced by the filing of a complaint in court; and I take it that in practice, whatever is provided for in this provision would be worked out practically as a part of the process of bringihg suit. I think that is what it amounts to, with the exception of the clause which makes a failure to do that a bar to bringing action on the same cause again, which, in my judgment, is an unwise though not substantially injurious provision.

Mr. MYERS. Now I yield to the Senator from Georgia.

Mr. SMITH of Georgia. The Senator from New York proceeded with the same character of question that was in my mind. This provision is:

That such court proceedings must be instituted within 90 days after notice to the lessee of the facts constituting such cause of action or the same shall be forever barred.

Without any statement as to what kind of notice it shall be; without providing that it must be a notice from the Secretary of the Interior. Might it not be held, if any agent of the Government called the lessee's attention to some violation of the contract of lease, that the Government would waive any right to insist upon a cessation of the violation unless legal procedure began in 90 days?

Mr. MYERS. Oh, Mr. President, I would impress upon the Senator from Georgia and upon the Senate that section 17 of the bill reported by the conferees, which is now before the Senate, says:

The Secretary of the Interior is authorized to prescribe the necessary and proper rules and regulations and to do any and all things necessary to carry out and accomplish the purposes of this act.

If there is any ambiguity or uncertainty there, it is not fair to presume that the Secretary of the Interior would merely let it continue to exist. He will make a rule stating who is to serve this notice, and that it must be in writing.

Mr. SMITH of Georgia. How long does it take to go from the coast of Alaska to the interior parts in which mines are found?

Mr. MYERS. I do not know; but I take it that it is possible, and it would seem to me it would be very reasonable, that the Secretary of the Interior would designate one of the United States district attorneys for the District of Alaska—there are several districts there—to serve the notice.

Mr. O'GORMAN. Mr. President——

Mr. SMITH of Georgia. Just a moment.

Mr. O'GORMAN. I desire to make a suggestion in answer to the Senator from Georgia. The Senator from Oregon [Mr. LANE], who has had large personal experience in Alaska, has stated that in inclement weather it will frequently take from two to three months to pass from one gulch to another, a distance of 50 miles.

Mr. SMITH of Georgia. That being the case——

Mr. MYERS. Let me answer that. Then the delay would take place in the serving of the notice and not after the notice. If you get your notice served, then the suit will be instituted in 90 days.

Mr. SMITH of Georgia. Then, I will ask the Senator if we would not fail to obtain any benefit from the notice? Would we not cut the Government off from the opportunity to find out whether the lessee accepted the criticism as just and sought to comply with the requirements of the department? Would not the effect be, if a special agent reported to the Interior Department a violation by a lessee of the rules of the department, and a notice was sent on by the Secretary of the Interior that the lessee must desist, that you would have to sue at once, and you could not get any of the benefit of the result of a notice by sending a notice to the lessee to comply without litigation?

Mr. MYERS. That might occur in some instances; but the United States Government could not lose a thing on earth, because within 90 days after the service of the notice the Government could file its suit, and then could let it lie, without pushing the matter any further, until it learned whether or not the negotiations had resulted in anything.

Mr. SMITH of Georgia. Would it not be necessary for the Secretary of the Interior to direct that a suit be brought? Would you allow the district attorney out there to bring this suit against those people without the papers being first carefully passed on by the Interior Department?

Mr. MYERS. I would suppose that if the United States district attorney were on the ground, and had the means of obtaining the facts, consulting the witnesses, and if he were a competent attorney, he ought to be able to file a complaint that would be impervious to demurrer.

Mr. SMITH of Georgia. But does the Senator not think it would be objectionable for the client, who is the Secretary of the Interior, not to have the right to pass on these matters and determine them before a suit should be instituted?

Mr. MYERS. Does the Senator from Georgia mean the Secretary of the Interior should have a right to pass on that matter?

Mr. SMITH of Georgia. Yes.

Mr. MYERS. I do not think the Secretary of the Interior would bother himself with a multitude of suits and a mass of litigation thousands of miles away. I think he would leave that to the duly constituted representatives, the United States district attorneys for the various districts of Alaska.

Mr. O'GORMAN. May I ask the Senator from Montana another question?

Mr. MYERS. I yield with pleasure for that purpose.

Mr. O'GORMAN. I notice that the proviso to section 14, which is the subject of this contention, states that the possession of the lands covered by the lease "shall not be interfered with by the Secretary of the Interior except after an appropriate proceeding in the district court of Alaska." Does the Senator think under that language, if the right is not reserved elsewhere, that the Government, as the landlord, has the right to go upon those premises?

Mr. MYERS. It is stated in the bill that the Secretary of the Interior may send agents to examine the property.

Mr. O'GORMAN. That is specifically stated?

Mr. MYERS. Yes, sir.

Mr. O'GORMAN. If the Senator will pardon me, I merely want to add one word to what I have already stated.

I do not favor this provision of the bill, and, unless my view changes, I shall probably vote for the rejection of the report.

I do not think, however, that the point of order has any merit. This amendment seems to me, so far as the authority of the conferees is concerned, quite within their jurisdiction. There was a dispute with regard to the settlement of controversies in the United States court in Alaska. Even if the objection went only to the phraseology employed, there was in any event a subject of dispute between the conferees; and in the composition of their differences, in my judgment, the conferees had a perfect right to formulate this change. It was not an arbitrary action on their part, because it would finally have to receive the sanction of the Senate, where it now is. So, with respect to the point of order, if it is to be left to the Senate, I shall vote against it, although my views against the proposition itself are very strong, and I am inclined, as I have stated, to vote for a resubmission of the entire dispute to the conferees.

Mr. JONES. Mr. President——

Mr. MYERS. I yield to the Senator from Washington.

Mr. JONES. I think the question I am about to ask was put to the Senator a moment ago, but I do not remember what his answer was. I want to ask the Senator whether or not he thinks this notice must be given before suit can be commenced? I will state to the Senator that my impression is that under this proviso the United States can begin its suit at any time at which it desires to do so, if it has the grounds on which to do it; but if it sees fit to notify the lessee beforehand, then it must bring its suit within 90 days from the notice. I should like to know what is the view of the Senator from Montana about that.

Mr. MYERS. Mr. President, that may be a correct interpretation of the section. My impression is that the conferees had the idea that the notice ought to be first given.

Mr. JONES. Of course, that may have been the idea of the conferees, but their idea will be determined by the court from the language of this section. I want to get the Senator's judgment now, since we have had this discussion, as to what his view really is with reference to that matter—whether it does require notice or whether the suit can be begun without it.

Mr. POINDEXTER. I should like to suggest this view to my colleague: The provision says that a court proceeding shall be instituted within 90 days after notice. It can not be instituted within 90 days after notice unless notice has been given.

Mr. JONES. If the Senator from Montana will permit me for just a moment, I understand the Senator's contention is that notice must be given before proceedings can be instituted.

Mr. POINDEXTER. It seems to me that this is the necessary inference from the provision.

Mr. JONES. But the first part of the provision reads:

That the possession of any lessee of any lands covered by his lease and the operation of the mines and other works thereon or the title of the products thereof shall not be interfered with by the Secretary of the Interior except after an appropriate proceeding in the District Court of Alaska instituted for the purpose of securing a forfeiture or termination of such lease—

And so forth.

The law provides a way by which a suit can be instituted in the courts of Alaska. I take it the Secretary of the Interior would be governed by that law in these proceedings; so that it does seem to me that he can elect which course he will take—whether he will give the lessee the notice beforehand that he has complaint against him, or whether, if he has reason to believe that the lessee is violating the terms of the lease, he will begin his suit, just as the United States can begin suit against anybody who it thinks is violating the law, without giving him previous notice.

It seems to me, therefore, that it would be a reasonable construction of the language found here that the Secretary can follow two methods. He can either institute suit according to the law and the proceedings in the District Court of Alaska against anyone who he thinks is violating the law, or he can give him notice that he is violating the law, and then he must begin suit within 90 days after that time.

Mr. POINDEXTER. I think that possibly there might be some controversy about the way that provisicn should be construed, but I do not think it makes much difference which way it is construed. I do not think it is substantial. I will say, in passing, however, that I am scarcely able to agree with my colleague, for the reason that the provision says that the Secretary of the Interior shall not interfere with the possession of the lands by the lessee until after appropriate proceedings in court; and there can not be appropriate proceedings in court until after notice.

Mr. JONES. Mr. President, it does not say that there can not be appropriate proceedings in court until after notice. That is the very point that I ha e in mind. It does not require the giving of notice before the Secretary of the Interior can begin suit. He can give notice by the service of process in the regular way. If we had not said anything in the bill about notice, he would begin suit in the regular way in the courts. We do not say that he can not begin suit until after he has given notice. I agree with my colleague that it is not of very much importance, but I thought I would get the impression of the Senator from Montana as to his construction of the language used. That was all that I wanted to get at, because it does seem to me that it leaves the Secretary two courses to follow, and leaves the matter entirely to his discretion. I am inclined to think it is a wise thing to do, so far as that is concerned.

Mr. BORAH. Mr. President, just a word.

Mr. MYERS. I yield to the Senator from Idaho.

Mr. BORAH. Mr. President, there are some things in this particular provision that are discretionary and may be avoided, but there is to my mind one piece of dynamite in it, and that is the last seven words in the clause which I quote:

Provided further, That such court proceedings must be instituted within 90 days after notice to the lessee of the facts constituting such cause of action, or the same shall be forever barred.

If that notice is given, and, subsequently, through oversight of the department, or, perhaps, through misapprehension on the part of a clerk, the Government fails to institute suit within 90 days, that clause is forever prohibitive of any action thereafter being maintained upon that particular cause of action. I can conceive of a cause of action arising out of a combine between lessees that would be of vast importance, and the cause of action itself would be of great moment to the Government, but that is the only thing in that clause that may not be avoided. Once the notice is given and there is an oversight whereby the suit is not brought within the 90 days, then the balance of the clause is clear, concise, and positive as to the result.

Mr. MYERS. Mr. President, I will say what I have to say in a very few moments, and I ask not to be interrupted any further. I have been on the floor practically all day, but, owing to interruptions, I do not believe all the time I have actually consumed would amount to 20 minutes. Therefore I shall try to finish very briefly, and then let my associates dynamite the report all they want to.

As to the question asked by the Senator from Washington [Mr. JONES], I agree with the view taken by his colleague, the junior Senator from Washington [Mr. POINDEXTER], that the provision contemplates that notice must be given.

I was very glad to have the very clear and explicit views of the Senator from New York [Mr. O'GORMAN] to the effect that the point of order is not well taken. I have explained in great detail several times, I think, just how the changes came to be made in the conference report. I do not believe we have changed the substance and intent of the bill. The conference report, however, makes some little changes in the method of procedure, because one section providing a method of procedure had to be stricken out and we substituted parts of two sections providing other methods of procedure slightly different. I agree with the Senator from New York that such a slight departure is not a violation of the duties of the conferees, and I am glad to have heard him so express himself.

On the point of order which is before the Senate I desire to read one precedent found on page 268 of Gilfry's Precedents, decided in 1907. It is a la e precedent, and if it is a good one the Senate will vote down the point of order. In that instance the conditions were the reverse of what they are in this case. The Senate passed a bill, which went to the House. The House struck out all the Senate bill after the enacting clause and inserted a new bill of its own. Then the bill went to conference, and the conferees took the House bill as a basis for constructing their report. They made some slight changes in it and reported it to the two Houses. The same point was raised in the Senate as has been raised to-day. Here is what Gilfry's Precedents say on the question:

The Senate proceeded to consider the said report; and
On motion by Mr. Bacon,
Ordered, That the report be printed so as to indicate the proposed changes in existing law.

On February 14, when the report came up for consideration, Mr. TILLMAN directed attention to the following provision in the new text reported by the managers:

"*Provided further*, That whenever the President shall be satisfied that passports issued by any foreign Government to its citizens to go to any country other than the United States or to any insular possession of the United States or to the Canal Zone are being used for the purpose of enabling the holders to come to the continental territory of the United States to the detriment of labor conditions therein, the President may refuse to permit such citizens of the country issuing such

passports to enter the continental territory of the United States from such other country or from such insular possessions or from the Canal Zone."

Mr. TILLMAN then said: "I make the point of order, Mr. President, that this is entirely new and extraneous matter; that it was never considered by either House; that it does not appear in either bill as it was passed by the Senate or by the House; that the conferees have exceeded their authority, and that they are entirely outside of their jurisdiction in having brought into this Senate a matter which has no business here."

Mr. LODGE said: "In this case the Senate bill was stricken out by the House and a single amendment was made in the nature of a substitute—a long act covering every section of the existing immigration law. Therefore both bills in their entirety were open to the conferees and were subject to any modification which they might choose to make. Technically there can be no doubt that in a situation like that the powers of the conferees are very large, if not unlimited. In the second place, Mr. President, this amendment is not out of order in itself. It is a mere modification of a section which provides for certain exceptions in regard to admission to this country and for collection of a head tax. It is merely the application of the exceptions, such as are stated previously in the bill as to persons coming from Canada or from Mexico. It is a simple extension to meet another case in which entry to this country must necessarily be defined. Mr. President, I do not desire to consume the time of the Chair or of the Senate on that point. It was held, formally decided by the Senate, no longer ago than last session, that a point of order did not lie against a conference report. I contended for the House view and for the House position, which is that a point of order may be made against a conference report and the report, without a vote, be thrown out on the point of order. It was held by the Chair—correctly, as I now believe, in view of the precedents in the Senate—and sustained by the Senate, that, under the rules and practice of the Senate, a point of order did not lie against a conference report; that the only vote possible was on the acceptance of the report—it could be either accepted or rejected—and that there was nothing else open to the Senate."

After further debate the Vice President [Charles W. Fairbanks] held: "The Chair has heretofore had occasion to rule on a point of order raising precisely the same question in principle that is now raised by the point of order made by the Senator from South Carolina [Mr. TILLMAN]. The Chair, when the subject was first presented to his attention, examined with some considerable care the practice of the Senate in the premises. He came to the conclusion then that the practice of the Senate for some time past, at least, differed somewhat from the practice which obtained in the House. The Chair is of the opinion that the objections made to the report and challenged by the point of order are entirely proper for the Senate itself to consider when voting upon the question of agreeing to the report. On the 11th of last June the Chair ruled as follows: 'The Chair is of the opinion, as he has previously held, that under the usual practice of the Senate a point of order will not lie against a conference report. The matter in the report challenged by the point of order interposed by the Senator from Texas may be considered by the Senate itself when it comes to consider the question of agreeing to the report. The only question under the usual practice of the Senate, in the opinion of the Chair, is, Will the Senate agree to the conference report?' The Chair holds that the point of order is not well taken, and therefore overrules the point of order."

On February 15, 1907, the consideration of the report being continued, Mr. CULBERSON, of Texas, said: "Mr. President, I ask the Chair to submit to the Senate the point of order made by the Senator from South Carolina [Mr. TILLMAN] to the provision of section 1 of the bill, which I will read: '*Provided further*, That whenever the President shall be satisfied that passports issued by any foreign Government to its citizens to go to any country other than the United States or to any insular possession of the United States or to the Canal Zone are being used for the purpose of enabling the holders to come to the continental territory of the United States to the detriment of labor conditions therein the President may refuse to permit such citizens of the country issuing such passports to enter the continental territory of the United States from such other country, or from such insular possessions or from the Canal Zone.' The Senator from South Carolina has made the point of order that this provision is new matter, incorporated without authority, and in violation of the rules of the Senate, not having been considered or passed upon by either House of Congress, and that it is therefore subject to the point of order. I ask the Chair to submit that question to the Senate for its determination. I will read the rule of the Senate as announced by the Senator from Massachusetts [Mr. LODGE], although it has been read once or twice. It will, however, bear repetition: 'The Presiding Officer [Mr. LODGE in the chair] referred with approval to the foregoing decision of Vice President Hobart, and stated that when a point of order is made on a conference report on the ground that new matter has been inserted the Chair should submit the question to the Senate instead of deciding it himself, as has been the custom in the House.'"

The Vice President said: "The Chair has hitherto shown that a point of order will not lie against a conference report. If such point of order were to be sustained, it would have the effect of amending the report. This, under the well-settled practice of the Senate, can not be done. This is in entire harmony with the decision of Vice President Hobart, to which reference is made. As the Chair has hitherto shown, he is clearly of the opinion that the objectionable matter, if such there is, may be considered by the Senate when it comes to vote upon the question of agreeing to the report. The Chair is clearly of the opinion that the request of the Senator from Texas is not sanctioned by either the rules or practice of the Senate, and can not be entertained by the Chair."

On February 16 Mr. CULBERSON proposed the following resolution, to which Mr. LODGE made a point of order: "*Resolved*, That the conferees on the part of the Senate on the bill S. 4403 be instructed to present to the conferees an amendment providing for the exclusion of Japanese laborers and coolies from the United States and their Territories and insular possessions and the District of Columbia, to be effective January 1, 1908."

The Vice President held: "The Senator from Massachusetts [Mr. LODGE] made the point of order that nothing can take precedence of the question of concurrence in the conference report. The Chair sustains the point of order."

Mr. Carmack, of Tennessee, having appealed from the decision of the Chair, the appeal was laid on the table—yeas 45, nays 24.

The conference report was then agreed to.

Mr. President, that is a reasonably late decision. I understand the question has been submitted to the Senate whether or not the point of order is well taken. Under this decision the point of order is not well taken. I do not believe the point of order is well taken. I believe it should be voted down, and the question should arise on agreeing to or rejecting the report.

I will simply say in conclusion, as I said in a measure once before—there may be some Senators here now who were not here then—that this is the only conference report that could be gotten. I do not believe any rules have been seriously transgressed. If there had not been this conference report there would not have been any; and if this conference report is not adopted there will be no bill at all passed at this session, because two of the House conferees have gone away to return no more during this session, and the entire subject will go over until the December session.

Mr. O'GORMAN. Mr. President, does the Senator believe that if two of the House conferees are absent the Speaker can not appoint other conferees in their places to proceed with the conference?

Mr. MYERS. I presume, upon reflection, in answer to that question, that he can. It occurred to me, however, that he would naturally leave it to the same set of conferees; and the anticipated length of this session now being so short, in the general estimation of the Members, I doubt if anything further will be done. I do not believe anything further would be done.

I read into the RECORD a while ago, although I do not think all the Senators who are here now heard it, a letter from the Secretary of the Interior, Mr. Lane, praising this report in the very highest terms, giving it his unmeasured commendation and approval, saying that it suits his views entirely, and that he has no objection to it. While that may only be considered for what it is worth in this body, I believe Secretary Lane, after the long study he has given Alaskan questions, covering a period of time ever since his induction into office, and after the long hearings he has held and that have been conducted in connection with his department, is probably equally as well versed in Alaskan conditions and what should be contained in this bill as any Member of this body, and I think more so than most of us—I know more so than I am.

I therefore think that the point of order ought to be overruled, and that we should consider the report on its merits.

The VICE PRESIDENT. The Senator from Oregon [Mr. LANE] has raised the question of order that the proviso contained in section 14 is wholly new matter; that it was never, in word or in substance, considered in either House; that it does not appear in the bill either as it passed the House or as it passed the Senate, and that by including it in their report the conferees have exceeded their authority.

Mr. JONES. Mr. President, I understood that the matter had been submitted to the Senate, and I simply want to discuss it before the Senate comes to a vote; that is all.

The VICE PRESIDENT. The Senator from Washington is in order.

Mr. JONES. I did not want to interrupt the Chair.

The VICE PRESIDENT. The Chair thought the discussion had ended. That is the reason why the Chair was stating the question.

Mr. JONES. Mr. President, it is rather amusing to me, in view of some of the statements that have been made in the papers and also from higher sources with reference to the character of the bill that the Senate passed, to hear some of the criticisms that have been made to-day on this conference report.

It has been charged that the Senate bill contained several provisions of special benefit to certain interests that have been known to be in Alaska. The public has been warned against the provisions of that bill, and it has almost been charged that the Senate put those provisions in purposely and knowingly. It has also been stated in high places that the bill as reported by the conferees is exactly right, that it is all it should be, that the interests that have been referred to have nothing to gain from any of the terms of this bill, and that the public has been protected from these plunderers of the people's resources, of which they may have been deprived by the Senate bill.

As I say, in view of those statements, it is rather interesting to me to hear some of the statements that have been made on the floor of the Senate to-day with reference to the particular provisions now in controversy, which it is now charged will favor those very interests. I simply want to say practically what the Senator from Georgia [Mr. SMITH] said—that there is no question about the sincerity and the honesty of the conferees in bringing in this conference report and in adopting the provisions that are in it, and there is no question about the honesty and the sincerity of the Senate in adopting the provisions of its bill. We are all endeavoring to adopt a bill that will be in the interest of the public and will promote the gen-

eral welfare; and if any different results follow, they are not such as were intended, either by the Senate or by the conferees, and it is uncalled for to suggest otherwise.

I have no criticism to make of the conferees with reference to this report and the provisions that have been brought in. I know that they have been acting from the highest motives, and that they believe what they have brought in here will be for the public welfare and the best interests of the Government and the people of the country.

I believe, however, that the conference committee has exceeded its authority under our rules; but, as has been already said, that is not a new thing. Very frequently conference committees bring in matters beyond their real authority. I think the Senator from Georgia suggested, a while ago, the excuse they have for doing that. It has been the custom of the Senate on important measures to strike out all the House bill and insert an entirely new bill, or to adopt amendments in a sort of perfunctory way, with the idea that they will go to conference and be worked out there. So that I think the conference acted at least within the custom of the Senate, and that they are not subject to criticism. I do not understand that anybody has criticized the conferees, for that matter. The mere fact that we may think they have exceeded their authority is not a criticism of their action or of their intentions at all, and should not be taken as a reflection on them.

While I believe the conferees have put in new matter, while I think there was not any substantial difference between section 11 of the House bill and section 14 of the Senate bill, that there was nothing in controversy between the two Houses on those sections, that there was nothing in the bill that really warranted putting in this proviso, and especially nothing to warrant putting it in as a proviso to section 14, I do not feel justified in voting against the report on that account. It may be that if the conferees had stricken out section 15, as they did, and put in, in lieu of what they struck out, in the place of that section, what they have put in as a proviso to section 14, there would not have been so much question as to what they had done and as to their authority with reference to it. This proviso, if it is inserted in place of section 15, is out of place in section 14. It was not necessary to put something in in lieu of section 15 at all. It could go out and section 14 be retained as it passed both the House and Senate. The conferees had no right to omit something agreed to by both Houses even if they did insert something new.

I want to say, however, that this measure is of such very great importance to the people of our State, as my colleague [Mr. POINDEXTER] has said, and to the people of the Northwest that I do not feel that this provision should prevent me from voting for the adoption of the conference report, especially in view of the statement made by the Senator from Montana [Mr. MYERS] with reference to the situation that actually confronts us. I think it is a very unfortunate one, and yet I have no doubt that he states the fact when he says that if this conference report is rejected or sent back to the conferees it means no bill, at least at this session. He says that two of the House conferees are away, that it is not known where they are, and that a further conference can not be had. Legislation should not be forced through that way. It ought not to be a difficult matter, of course, to fill their places in the House, as we filled a vacancy in the conferees on the part of the Senate; but it might be that the House would not be willing to substitute new conferees. It looks to me as if we were simply in this position——

Mr. MYERS. Mr. President, I should like to make a suggestion there, if the Senator will permit me to do so.

Mr. JONES. Yes.

Mr. MYERS. If two new conferees were substituted, that would mean an entire rethrashing and readjudication of the whole matter, and we might arrive at entirely different conclusions.

Mr. JONES. I do not think that suggests any very great difficulty. The discussion, at least thus far, has shown very little criticism of the report of the conferees except as to this proviso in section 14; so that, even if new conferees were appointed and they went to consider the proposition, I think the conferees would very naturally take the work of the present conferees except as to this provision in section 14, and they would consider that and bring in their report.

I do not think there would be very much difficulty about that; but I am afraid, knowing things in the House as I do and knowing the situation there as I think I do, there would be difficulty in getting a new conference and in getting the matter taken up. Much as I dislike to be placed in that position, I feel that I shall have to vote for this conference report and against sending it back to conference. Legislation should be had, and we can not afford to prevent it, except for the gravest reasons, which I do not think exist.

I think there is much force in the suggestion of my colleague with reference to the power in this new proviso and with reference to what injury may come from it. I can imagine some rather serious injuries or damages that might result within 90 days, but I do not think these are very likely to happen. As he suggested a moment ago, if the notice should be given and no suit is brought within the 90 days, then the violations about which the notice has been given must cease or else new proceedings can be instituted. So they only go 90 days, at any rate; and if action is barred for things done for which the notice is given and these acts continue, a new cause of action arises, and the same result is not likely to occur twice in succession.

Mr. WEST. Is it 90 days from the date of the notice or the occurrence?

Mr. JONES. From the date of the notice.

Provided, That such court proceedings must be instituted within 90 days after notice.

Mr. MYERS. That is, the service of the notice?

Mr. HITCHCOCK. No; that is not the language.

Mr. JONES. It does not say that.

Mr. HITCHCOCK. There is nothing said about serving the notice at all.

Mr. MYERS. You can not get the notice until it is served. There is no other way of getting notice.

Mr. HITCHCOCK. The lessee would be quite likely to claim that he received notice when an inspector suggested some defect in the mine; and the 90 days might have expired before the Secretary of the Interior would know about it, and the Government would be estopped from bringing suit.

Mr. MYERS. The Secretary of the Interior may make all needful rules and regulations.

Mr. HITCHCOCK. There is nothing providing that the Secretary of the Interior must do it.

Mr. MYERS. It is in section 17.

Mr. HITCHCOCK. This is not a rule or a regulation. This is a notice that is provided for in ambiguous language, and it will be for the court to decide. It is throwing the matter into court. Suppose, for instance, that an inspector visits one of those mines and finds some vital defect there endangering life and he notifies the proprietor of the mine about it. Then he sends his report to the Secretary of the Interior, and before the Secretary of the Interior takes proceedings against him three or four months have elapsed. Meanwhile, before the Secretary knows anything about it this lessee of the mine can come into court and say: "It is too late; I am entitled to be sued within 90 days after I received notice of this." Then he testifies that he was served with the notice 90 days prior to that time. It is one of those ambiguities which just opens the door to litigation and gives the lessees every opportunity to escape.

Mr. MYERS. The Senator from Washington has the floor, and I will let him answer.

Mr. JONES. I was just going to refer to that very situation. I have not any doubt but under this provision here an inspector who went out there inspecting a mine and who found something wrong and said to the lessee, "This is wrong; you should cease doing this," and then, afterwards, suit was brought, the lessee would come in and say, "Notice was given to me 6 months ago; more than 90 days have elapsed, and you can not maintain this action." I am inclined to think his defense would be good. I think the bill is very loosely drawn. I think it ought to specify, and there would be no difficulty in specifying, that this notice must be in writing from somebody or made by somebody.

The Senator from Montana suggests that the Secretary of the Interior can make rules and regulations with reference to the service of notice and who shall do it. I suppose he can do that, and yet I would question the right and the power of the Secretary under this to impose a duty—in other words, to legislate to impose duties—upon United States marshals or Government officials, requiring them to do things they were not required to do by law. But it may be he can do that, and if he can do it I have not any doubt that he will do it. There is no excuse, however, for leaving such matters uncertain. It would have been easy to specify by whom and how the notice should be given. Provision could have been made in the lease as to how such notice should be given.

Nevertheless, that situation, as the Senator from Nebraska suggests, can arise, I think; but I do not see any very great harm to result from it. If it is found that notice of this kind had been given, and that by reason of the time it was brought to the attention of the Secretary of the Interior or the Attorney General's office suit had not been commenced within the time,

I think the Secretary would provide some remedy to prevent its recurrence. Of course, we might have some mine disaster by reason of the lessee failing to comply with some of the requirements and notice having been given to correct the conditions from which it resulted and the time expired without suit. That might happen; but it could happen even after the suit was brought to correct these things, so far as that is concerned.

I do not feel that I would be justified in voting against the adoption of this measure, it being of such great importance to Alaska and to the Northwest, because of possibilities that may happen, but which I am sure will be guarded against as fully as possible.

My colleague pointed out several of the very important provisions of this measure, with all of which I am heartily in accord, and most of which were in the bill as it passed through the Senate. I think one great defect is that we have not made provision under which the President can exercise the power that we have given to him in this bill. If the President finds that it would be desirable and necessary in order to accomplish the purpose set out here for the Government to go into the mining of coal in Alaska, we have made no provision for it, and he would have to come to Congress and await an appropriation before it could be done. We should have made that appropriation. I offered an amendment, but it was voted down, I suppose, in the interest of economy. In my judgment, the conditions are such in Alaska that it will be inevitable that the Government will have to go into the mining of coal in that Territory, just like it has had to go into the building of railroads. The conditions there are so different from anywhere else that I doubt very much if anything will be done under the leasing provisions of this bill.

As I said when the measure was up, I want to have it passed. It is the only thing we can pass, and nothing else can be done until it has been demonstrated to be a success or a failure. After we have passed it, if it is a failure, then we shall come back to Congress for other and additional legislation, and we will probably get it.

Mr. President, there are some other things in connection with this report I think probably I may as well say now as to wait until the point of order has been disposed of and do it afterwards. I think I will take a few minutes to do that.

In addition to the provisions my colleague has referred to as desirable in this bill there is another change that the conferees have made that I think improves the bill. When the measure was before the Senate I suggested that the limitation upon the power of the Secretary with reference to the royalty was rather an unwise provision. The Senate committee reported that the royalty should be within the limits of 2 cents and 5 cents per ton. The House had a provision for a minimum royalty of 2 cents a ton, allowing anything greater than that to be determined by competitive bids. It was my impression that that was the better provision. It was stated on the floor of the Senate by some of the Senators in charge of the bill that it was not the purpose of this measure to put money into the Treasury, that this royalty was only nominal and for the purpose of defraying the expenses of administering the law only.

I confess there are arguments in favor of that proposition and there are arguments against it. Some have contended that the provision that the Senate made was in the interest of monopolies and certain great interests that are often referred to when we are discussing Alaskan matters, and that the great benefit from this low royalty and this arbitrary fixing of the maximum amount of 5 cents a ton would result to their benefit. There are those who seem to think that the only way to benefit the people is to tax what they have to buy; that the only way to benefit the consumer is to add to the cost of what he consumes; that the only way to regulate prices is to increase the burdens of production.

I am inclined to think, as I suggested when the bill was under discussion, that the royalty on coal mined in Alaska will be paid very largely by those who mine the coal, and will not be taken into account in fixing the selling price; that will be fixed and determined by competition. If they bring the Alaskan coal, for instance, into the State of Washington they will have to compete with Washington coal, with coal from Australia, and with coal from British Columbia, and the price, no matter what the royalty is, will be what they can get in the market, and that will be determined by the price for local coal, and the royalty will have nothing to do with it. In Alaska, if there is no competition, of course they can put the royalty on, but if there is no competition they can charge whatever the traffic will bear, royalty or no royalty. So if we get a larger royalty we get more revenue to the Government without any special burden upon the consumer. If we held to the low royalty fixed by the Senate bill, they would sell the coal and get the benefit. If there were any way by which we could fix the price at which the consumer shall buy the coal, then, of course, the lower the royalty the better it would be, because then we could make the price lower.

But the Senate refused to put on a provision in this bill under which the price of coal could be regulated. On the other hand, if these leases are let to the highest bidder, then the strongest purse will very likely get the lease, and they will then very likely get the very desirable coal leases and the very desirable locations, and but few mines will be operated.

So in that way and from that standpoint the House provision might work to the advantage of the very interest that we are warned against. But, on the whole, I believe that the House provision, under all the circumstances, is the more desirable and the bill has been improved to that extent.

Mr. President, there was a provision put in the bill in the Senate that I regret very much has been taken out. The Senate bill in section 3 provided that the tracts shall be leased—

> Subject to any prior valid existing rights, which said rights may be perfected under the laws in force at the time the same were initiated, and under the rules, regulations, and practices of the Land Department relative to the acquisition of such rights, as interpreted and applied by the department at the time of the initiation of such rights.

It has been suggested that that provision would open up all the coal claims in Alaska that have been disposed of. No one can make any such contention as that upon the language of the law. There is absolutely no justification for any such conclusion as that. All that language does is simply to make the legislative declaration for the guidance of the Land Department, that whatever claims are now pending shall be adjudicated in accordance with the practice and rules of the department when the claims were initiated. No claim disposed of has any standing under that provision at all.

You may ask why such a provision is necessary; would not the department do that now? We would naturally assume so. Everybody will say that they ought to do it. I do not believe that there is anyone who will contend that where a man has initiated his rights to the public domain in accordance with the rules, regulations, and practice of the department existing when he initiates those rights and the law as then interpreted, and who has complied with those rules, regulations, and practice, should not have his claim adjudicated in accordance with the practice, rules, and regulations of the department.

So what was the necessity for that provision? The only necessity for it, Mr. President, was simply this, that from 1873 until 1906 the department had been following certain rules and regulations and practices and interpretation of law with reference to the initiation of mining claims and mining rights in Alaska; that during that time and while those rules and regulations and practices were in force many claims were initiated, and the claimants insist that they had complied with the law and the rules and regulations and practices of the department, but their claims have not been finally passed on. In 1907 the department inaugurated a different practice, a different rule, a different interpretation of law, and if followed in these cases it would reject all the claims that were not disposed of.

Now, it is within the power of the department to follow the rules, regulations, and practices at the time the claims were initiated. This provision is not, in fact, really necessary, but it is simply a legislative declaration of the idea of Congress as to the course that the department should take. It is very likely that public sentiment would have very much to do with the department, and no doubt it has had much to do with the department in its action with reference to these matters. Public sentiment has become very strong regarding certain conditions in Alaska. Whether just or unjust, it exists. I am satisfied, however, that there is no public sentiment and there are no people in this country who desire a rank injustice done to honest men, to men who have complied honestly and fully with the law in force at the time their rights were initiated. No one will begrudge these men, if these claims are shown to be honest and in good faith, the fruits of their toil, hardships, and pioneering.

So the real purpose I had in offering this amendment, as far as I was concerned, was to give the department the backing of a legislative declaration that, in our judgment, we thought they should adhere, as far as the decision in these cases was concerned, to the rules, regulations, and practice at the time these claims were initiated. Of course any claim found to be fraudulent they should reject, but they should not do an injustice; they should not deprive innocent men, men who have complied in good faith with the law, of the rights that they initiated, believing that the Government of the United States would recognize their claims when they had complied with the law.

I should like to see that provision in this conference report. It ought to be there. I know, however, that, so far as this provision is concerned, no different result would follow from an-

other conference. I have satisfied myself that the Senate conferees did the best they could, and therefore I do not feel justified in voting against the conference report, and for the additional reason, as I suggested a moment ago, that the department itself can follow the rule laid down in this bill. Although I have not talked with the conferees, I have no doubt but that the conferees took that situation in mind in eliminating this language. I ask the Senator from Montana [Mr. MYERS] if he cares to state on the floor of the Senate whether the fact that the department can carry out and follow the rules and practices and former interpretation at the initiation of these entries had any influence with the conferees in omitting this provision?

The PRESIDING OFFICER (Mr. ASHURST in the chair). The Senator from Washington addresses the Senator from Montana.

Mr. MYERS. What is it? My attention was diverted.

Mr. JONES. I made the statement that I have an idea the fact that the department can now decide these cases that are pending there in accordance with the rules, regulations, and practice at the time they were initiated had very much to do with the decision of the conferees to leave that language out of the bill; but I asked the Senator, if he cared to state it and felt free to state it, whether or not it is the fact?

Mr. MYERS. It did. The conferees simply proposed to leave it to the Department of the Interior, that it might view and construe the rule unhampered by any legislative declaration.

Mr. JONES. I thought that was true. Now, the decisions are uniform and overwhelming that not only in the courts but in the Interior Department and in the construction of the law given by the department that the department is not at liberty even to depart from the rules, regulations, and practice in force at the time the rights were initiated, and by such departure to defeat and destroy those rights, and if the department does it such action is subject to review in the courts.

While the impression among many of these claimants seems to be that they will not have the right to go into court and have their rights under the law determined, I am satisfied that they have such right. Of course I recognize that the department can so find the facts as to exclude these parties from the court, but I can not assume that the department will intentionally misjudge the facts or misrepresent the facts or decide the facts wrongfully. Assuming that the department will decide the facts in these cases as the evidence warrants, then, if the claimants find that upon such facts their rights are precluded by reason of a different interpretation of the law or a wrong interpretation of the law, there is no question but that they have the right to go into court and have such decision examined, and I am sure it would be reversed.

I want to put in the RECORD, so that the matter will be available, extracts from some of the decisions of the courts. I find in Eighty-ninth Federal Reporter, page 811, in the case of Germania Iron Co. against James and others, a decision that bears very directly upon this question, which also cites a great many cases in point. The syllabus reads:

PUBLIC LANDS—RULES OF PROCEDURE IN LAND DEPARTMENT.

The Land Department of the United States (including in that term the Secretary of the Interior, the Commissioner of the General Land Office, and their subordinate officers) constitutes a special tribunal vested with judicial power to hear and determine the claims of all parties to the public lands which it is authorized to dispose of, and it is essential to the impartial exercise of such power that rules and regulations should be adopted and steadily maintained establishing a uniform practice and method of procedure. The legislation of Congress gives ample power for the establishment of such rules, and when promulgated they become a law of property and can not be ignored by the department, to the subversion of rights acquired under them.

Then paragraph 3 of the syllabus is to the same effect. I ask leave to insert that in the RECORD, without reading, and also that the part that I have marked in the decision by pencil marks be so inserted.

The PRESIDING OFFICER. In the absence of objection, that order will be made.

The matter referred to is as follows:

Same.—Review of decision of Land Department by courts—Error in law.

Neither the Secretary of the Interior nor the Commissioner of the General Land Office has power to make a retroactive decision abrogating rules of the Land Department; and such a decision, giving preference to an application made in violation of the rules in force when it was made, over an entry made in accordance with such rules, is an error in law reviewable by the courts.

Sandborn, Circuit Judge (after stating the facts): "The Land Department of the United States (including in that term the Secretary of the Interior, the Commissioner of the General Land Office, and their subordinate officers) constitutes a special tribunal, vested with the judicial power to hear and determine the claims of all parties to the public lands which it is authorized to dispose of." (9 Stat., 395, ch. 108, par. 3; Rev. Stat., pp. 441, 453; U. S. *v.* Winona & St. P. R. Co., 15 C. C. A., 96, 103; 67 Fed., 948, 955; 32 U. S. App., 272, 283). It is a part of the daily business of that tribunal to hear evidence and argument and to decide who has, by purchase, by preemption, by the location of script or land warrants, or by any other recognized mode, established a right to any part of the public domain. It has determined thousands of such controversies, and the title to millions of acres of land rests upon its decisions. Every judicial tribunal upon which the duty of determining many and varied contested rights is imposed finds it necessary to establish and to steadily maintain a uniform practice and method of procedure for the commencement and conduct of contests before it.

The case therefore stands in this way, under the bill and the demurrer to it: When the decision of February 18, 1889, was filed in the Secretary's office at Washington, there was a rule and a settled practice of the Land Department that no application to enter or to appropriate land withdrawn from disposal by a prior entry which was adjudged void by such a decision could be accepted until after the decision had been officially made known to the local land officers, and they had noted a cancellation of the former entry on their books. The register and receiver followed the rule and practice, and accepted the first legal application which was made after the decision was received. Notwithstanding these facts, the Secretary of the Interior held on December 21, 1894, five years afterwards, that a prior application to enter the land, made on February 19, 1889, in violation of the rule and practice of the department, was superior in right to that of the first applicant after the receipt of the decision, caused the entry of Hartman to be canceled, and patented the land to another, when he would have caused it to be patented to him if he had not so held. This ruling was clearly an error in law, and it entitles the appellant to the relief it seeks. (Bogan *v.* Mortage Co., 11 C. C. A., 128, 130; 63 Fed., 192, 195; 27 U. S. App., 346, 350; and cases there cited.) The reasonable and established rules and practice of judicial tribunals become as much a part of the law of the land as the statutes under which they act. Witness the innumerable reversals of the trial courts for errors of law in deciding questions of practice which crowd the reports of the appellate courts. Moreover, the rule and practice here under consideration stand upon far higher ground than the ordinary rules for the mere conduct of proceedings in courts. They condition the inception, the foundation, the very existence, of all rights and title to this land. Rights initiated in accordance with them became vested interests in property, and attempts to establish rights in violation of them were as though they had not been. They had become an established rule of property, upon which men relied and had the right to rely. The maxim, "Stare decisis, et non quieta movere," applies nowhere more universally, or with more salutary effect, than to those rules and that practice under which property is acquired or secured. It is often far more important that these should be certain and changeless than that they should be right. Men engage in business occupations, buy, sell, and contract, in reliance upon them. Lawyers advise their clients and enforce and protect their rights with constant reference to them, and while all interests will readily adjust themselves to, and protect themselves under, erroneous rules, there is neither protection nor safety for any interest under shifting rules. (Shreve *v.* Cheesman, 16 C. C. A., 413, 419; 69 Fed., 785, 791; and 32 U. S. App., 676, 687; Seale *v.* Mitchell, 5 Cal., 401, 403; Bates *v.* Relyea, 23 Wend., 336, 341; Goodell *v.* Smith, 20 Johns., 693, 722.)

Nor was it within the supervisory power of the Secretary or of the commissioner to set aside or annul rights acquired under this rule and practice, or to deprive Hartman of his title to this land, by a retroactive decision, made five years after his right to it had vested, to the effect that the established rule or practice when he made his entry was either inconvenient or erroneous. They might undoubtedly have made and promulgated a new rule which would have governed cases arising after a new rule of practice had been made and had become known, but Hartman and the other applicants who crowded the offices of the register and receiver of the land office at Duluth at 9 o'clock in the forenoon of February 23, 1889, at the earliest moment when this land could be entered, according to the then established and known rule and practice of the department, had the right to the determination of their claims according to the practice as it then existed. Retroactive decisions of judicial tribunals are as vicious and ineffectual as retroactive laws. (Shreve *v.* Cheesman, 16 C. C. A., 413, 419; 69 Fed., 785, 792; and 32 U. S. App., 676, 689.) System, order, and the uniform application of the laws, the rules, and the practice to all litigants alike are as essential to the administration of justice in the Land Department as in the courts. Doubtless every applicant for this land but one relied upon the settled practice of the department, and presented his application for it at 9 o'clock in the forenoon on February 23, 1889; yet that one who violated the rule and practice, and made application to the officers out of office hours and before the land was open for entry under the practice of the department, has defeated all the others. He who came in by some other way has defeated every applicant who came "by the door." What a farce the attempt to secure rights in any judicial tribunal must become if its rules and practice are ignored or applied at the arbitrary will of the judge who presides over the court. Under such an administration of the Land Department the rights and titles which the law attempts to protect and secure would become naught but privileges dependent upon the gracious favor of its officers. The power to degrade them to this rank can not be found in the supervisory authority of the Secretary or of the commissioner. Their power of supervision is not unlimited or arbitrary. "It can not be exercised so as to deprive any person of land lawfully entered and paid for. By such entry and payment the purchaser secures a vested interest in the property and a right to a patent therefor, and can no more be deprived of it by order of the commissioner than he can be deprived by such order of any other lawfully acquired property. Any attempted deprivation in that way of such interest will be corrected whenever the matter is presented so that the judiciary can act upon it." (Cornelius *v.* Kessel, 128 U. S., 456, 461; 9 Sup. Ct., 122; Bogan *v.* Mortgage Co., supra.) The decree below must be reversed, and the case must be remanded to the court below for further proceedings not inconsistent with the views expressed in this opinion.

Mr. JONES. Then in One hundred and seventh Federal Reporter is another case, at page 597, James and others against Germania Iron Co.

Paragraph 4 of the syllabus reads as follows:

4. Equitable title not divested by subsequent rules or decisions of department.

That seems to apply squarely to the cases that I have in mind in Alaska. These people claim to have complied fully with the law; they claim to have complied fully with the rules and regulations and practice of the department existing at the time their

rights were initiated; they claim that their rights are likely to be divested only by an interpretation of the law different from that in force when they initiated their claims, so that their equitable rights have become fixed under this paragraph and decision:

4. Equitable title not divested by subsequent rules or decisions of department.

The equitable title to land acquired by a lawful entry can not be divested or affected by subsequent decisions of the Land Department or subsequent rules or modification of rules of practice therein.

Then, Mr. President, I ask leave to insert, without reading, the extracts from this decision that I have marked by pencil.

The PRESIDING OFFICER. There being no objection, that order will be made.

The matter referred to is as follows:

The Land Department of the United States is a quasi judicial tribunal, invested with authority to hear and determine claims to the public lands subject to its disposition, and its decisions of the issues presented at such hearings are impervious to collateral attack, and presumptively right. A patent to land of the disposition of which the department has jurisdiction is both the judgment of that tribunal and a conveyance of the legal title to the land. (9 Stat., 395, ch. 108, par. 3; Rev. St., 441, 453; U. S. v. Winona & St. P. R. Co., 67 Fed., 948, 955; 15 C. C. A., 96, 103; 32 U. S. App., 272, 283.) But the judgment and conveyance of the department do not conclude the rights of the claimants to the land. They rest on established principles of law and fixed rules of procedure, which condition their initiation and prosecution, the application of which to the facts of each case determines its right decision; and if the officers of the Land Department are induced to issue a patent to the wrong party by an erroneous view of the law, or by a gross or fraudulent mistake of the facts, the rightful claimant is not remediless. He may avoid this decision and charge the legal title derived from the patent which they issue with his equitable right to it on either of two grounds: (1) That upon the facts found, conceded, or established without dispute at the hearing before the department its officers fell into an error in the construction of the law applicable to the case which caused them to refuse to issue the patent to him and to give it to another. (Bogan v. Mortgage Co., 63 Fed., 192, 195; 11 C. C. A., 128, 130; 27 U. S. App., 346, 350; U. S. v. Winona & St. P. R. R. Co., 67 Fed., 948, 958; 15 C. C. A., 96, 106; 32 U. S. App., 272, 288; U. S. v. Northern Pacific R. Co., 95 Fed., 864, 870; 37 C. C. A., 290, 296; Cunningham v. Ashley, 14 How., 377; 14 L. Ed., 462; Barnard's Heirs v. Asheley's Heirs, 18 How., 43; 15 L. Ed., 285; Garland v. Wynn, 20 How., 6; 15 L. Ed., 801; Lytle v. Arkansas, 22 How., 193; 16 L. Ed., 306; Lindsey v. Hawes, 2 Black, 554, 562; 17 L. Ed., 265; Johnson v. Towsley, 13 Wall., 72, 85; 20 L. Ed., 485; Moore v. Robbins, 96 U. S., 530, 538; 24 L. Ed., 848; Bernier v. Bernier, 147 U. S., 242; 13 Sup. Ct., 244; 37 L. Ed., 152.)

Mr. JONES. I have also another case, in One hundred and ninetieth Federal Reporter, page 738, Howe and others against Parker and others. Paragraph 3 of the syllabus reads:

Public lands. (Par. 97) Land Department—Jurisdiction may be exercised in accordance with law and established rules, and not otherwise.

The Land Department has jurisdiction, upon legal notice, to divest entrymen of their equitable titles to lands within its power for fraud before the final order for the patent in accordance with the settled rules, practice, and decisions of the department.

But the equitable title to land acquired by a lawful entry can not be divested or affected by subsequent decisions of the Land Department or subsequent rules of practice therein contrary to a long line of decisions or an established rule or a settled practice at the time.

Neither the general nor the supervisory jurisdiction of the commissioner or the Secretary is so arbitrary or unlimited as to permit such a course of action.

Mr. President, I also ask leave to insert, without reading, some other paragraphs which I have marked in this decision.

The PRESIDING OFFICER. There being no objection, that order will be made.

The matter referred to is as follows:

Henry Howe died on June 17, 1893, and his right to his homestead was then granted to his eight heirs by section 2291 of the Revised Statutes. Burton's case against Howe had been tried and was pending before the Secretary, and on February 13, 1894, he decided it in favor of Howe, and on October 22, 1894, he denied Burton's motion for a review and a rehearing and closed the case. Howe and his daughter had lived upon and occupied the tract more than five years when this motion was denied. Conceding the general jurisdiction of the Land Department over the disposition of the tract in question thereafter until patent, and that the successor of Secretary SMITH had the same power to review and rehear Burton's case that his predecessor had, nevertheless the equitable title of these heirs to this land had then vested in them by reason of their father's adjudicated entry and the requisite occupation and improvement thereof for five years. The officers of the Land Department had jurisdiction to divest that equitable title for fraud by proceedings and decisions according to law after legal notice to all the heirs and an opportunity for them to be heard upon the charges made against them, and not otherwise. Neither the general jurisdiction nor the supervisory power of the commissioner or of the Secretary is arbitrary or unlimited. The effective exercise of each is conditioned by established rules of law. The settled rules and practice and the uniform decisions of the department constitute both rules of law and property, and equitable titles in entrymen can not be destroyed by the Land Department in violation of them. System, order, and the uniform application of the established rules and practice of the department to all litigants alike are as essential to the administration of justice in the Land Department as in the courts. What a farce the attempt to secure or protect rights in any judicial or quasi judicial tribunal must become if its rules and decisions are ignored or applied to each case as it arises at the arbitrary will of the officer who presides. Equitable titles of claimants to lands under the acts of Congress may not be annulled by the Land Department in violation of its settled practice, or of a rule of law and of property established by a long line of decisions of its officers, nor without legal notice to the parties in interest and an opportunity to be heard. (Germania Iron Co. v. James, 89 Fed., 811, 817, 818; 32 C. C. A., 348, 354, 355; James v. Germania Iron Co., 107 Fed., 597, 602; 46 C. C. A., 476, 481; Shreve v. Cheesman, 69 Fed., 785, 792; 16 C. C. A., 413, 419; Cornelius v. Kissel, 128 U. S., 456, 461; 9 Sup. St., 122; 32 L. Ed., 482; Love v. Flahive, 205 U. S., 195, 199; 27 Sup. Ct., 486; 51 L. Ed., 768.)

Mr. JONES. Mr. President, it was not the intention of the bill or of any provision in the bill to open up any claims that have been settled and adjudicated by the department. No one had any such thought, and any suggestion of that kind simply comes from a desire to muddle the situation and prejudice the question. No one in the Senate had any such idea; no one in the other House had any such idea; no one in the conference committee had any such idea; but as the conferees have provided—and I am glad of it—the cases that are now pending shall not be affected in any way by this legislation. I think that is better than the provision that the Senate adopted, under which I think it was provided that these lands, even though claimed by others, could be made subject to lease. I am glad they have eliminated that part of the bill, so that these people can have their rights adjudicated. I am glad the conferees have retained the provision which requires a decision of these claims within one year. There can be no excuse for not deciding these cases one way or another.

While I regret, Mr. President, that the provision to which I have referred was not put into the bill, I am glad that the situation is open, so that these people, in my judgment, will have a right to get into court. I believe the department, after we pass this legislation, will recognize the justice of their contention and the long line of judicial decisions and decide the cases in accordance with the rules, practice, and regulations of the department and its interpretation of the law at the time these rights were initiated.

Now, I see the Senator from Indiana [Mr. KERN] is on his feet, and I take it that he wishes to move for an adjournment or a recess.

Mr. KERN. I want to make a motion for an executive session.

Mr. JONES. I will yield to the Senator for that purpose. I do not think that I shall have anything more to say on this conference report; but I have rather hurried, because I saw the anxiety to get through, and I may take a little time to-morrow morning.

ESTIMATES OF REVENUE UNDER EMERGENCY REVENUE BILL.

Mr. OLIVER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Pennsylvania?

Mr. KERN. For what purpose?

Mr. OLIVER. In the first place, I wish to offer an amendment to the revenue bill for printing and reference, and I have a resolution I desire to offer, calling for some information from the Secretary of the Treasury. I shall not be here to-morrow, and consequently can not then offer it. It is important, I think, that this resolution should be passed. I should like at least to offer it. If the Senator wishes to object to it, I shall not press it. I ask leave to offer the resolution which I send to the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The resolution submitted by the Senator from Pennsylvania will be read.

The Secretary read the resolution (S. Res. 466), as follows:

Resolved, That the Secretary of the Treasury be directed to furnish the Senate at the earliest practicable date an estimate of the amount of revenue that will be raised by H. R. 18891, as amended by the Senate Committee on Finance and reported to the Senate on October 8, 1914, and that said report include an estimate in detail upon various items of the bill.

Mr. OLIVER. I will state, Mr. President, that my reason for offering the resolution is that the House committee report furnishes an estimate of the amount of revenue to be raised by the House bill, but the Senate committee report gives no estimate of the amount to be raised under the bill as amended by the Senate committee. I have no doubt that that is due to the way in which the chairman of the committee has been overworked. I do not see that there can be any objection to asking the Secretary of the Treasury to furnish this information for the use of the Senate.

The PRESIDING OFFICER. The Senator from Pennsylvania asks unanimous consent for the present consideration of the resolution.

The resolution was considered by unanimous consent and agreed to.

DIPLOMATIC AND CONSULAR SERVICE.

Mr. O'GORMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from New York?

Mr. KERN. For what purpose?

Mr. O'GORMAN. Some days since the Foreign Relations Committee reported favorably Senate bill 5614, suggested by the State Department, for the improvement of the foreign service. The department is anxious to have the bill acted upon by Congress as speedily as possible, for this reason: Heretofore secretaries of embassies were appointed to particular embassies, and wherever the State Department deemed it desirable to make a change it became necessary to secure the approval of the Senate. Under this bill the appointments in the first place are made to the office of secretary of embassy, the department having the right thereafter to transfer secretaries from one embassy to another as occasion may require. At the present time it is said there ought to be about six assistants sent to our embassy in Great Britain. The State Department will be embarrassed very much in its work until this bill is passed.

This bill contains another provision of interest. It prohibits, by section 7, any and every person in the Diplomatic Service or the Consular Service from engaging in any trade, occupation, or profession where he is rendering service. This bill has the unanimous approval of the Foreign Relations Committee, and I ask unanimous consent for its present consideration.

Mr. OVERMAN. Does the bill affect consular officers, or only those in the Diplomatic Service?

Mr. O'GORMAN. It affects the secretaries to embassies, as well as officers of the Consular Service. I will say to the Senator that secretaries of embassies and officers of the Consular Service are classified into several different grades. For instance, in the Consular Service there is one class with a salary of $8,000, the idea being that the initial appointment must have the approval of the Senate, and that once an appointment is made to that class the State Department, if necessary, can transfer the person appointed to another consular office of the same rank.

Mr. OVERMAN. By putting the Consular Service into the so-called civil service Congress has abdicated its functions in that particular; but I think all such nominations should be sent to the Senate.

Mr. O'GORMAN. When the initial appointment is made it must, of course, secure the approval of the Senate; but under this bill the approval of the Senate will not be required for transfers from post to post within the same class.

Mr. OVERMAN. A person appointed consul general, say, at Ottawa under the bill could be transferred to Liverpool?

Mr. O'GORMAN. He could be transferred to any post in the same grade.

Mr. OVERMAN. Without the consent of the Senate he could be transferred as consul general at Liverpool. I object to the present consideration of the bill.

The PRESIDING OFFICER. Objection being made, the bill goes over.

THE COTTON INDUSTRY.

Mr. HOLLIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from New Hampshire?

Mr. KERN. Yes.

Mr. HOLLIS. On October 2 there was printed in the CONGRESSIONAL RECORD, at page 16069, a letter from the Hon. ROBERT L. HENRY to Secretary McAdoo. I desire to place in the RECORD, without reading, an answer to that letter.

The PRESIDING OFFICER. The Senator from New Hampshire presents a certain letter, which he asks to be incorporated in the RECORD without reading.

Mr. SMOOT. I did not understand the request of the Senator. What is the letter to which he refers and by whom was it written?

Mr. HOLLIS. It is an answer to a letter printed in the RECORD a week ago, written by Representative HENRY to Secretary McAdoo relative to the cotton situation.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Hampshire? The Chair hears none, and the order is made.

The letter referred to is as follows:

TREASURY DEPARTMENT,
Washington, October 9, 1914.

MY DEAR MR. HENRY: I have your letter of the 2d instant.

You say that "the Secretary of the Treasury can announce that within one week he will deposit in the national banks throughout the South several hundred million dollars. * * * You have this indisputable right under section 5153, Revised Statutes, which gives you plenary powers."

You are entirely mistaken. The Secretary of the Treasury can not do this, because—

(1) The Government hasn't got "several hundred million dollars" in the Treasury; and

(2) If it had, the Secretary of the Treasury has no "indisputable right" to deposit them exclusively in the South. The Secretary of the Treasury is explicitly required by section 5153, Revised Statutes, to which you refer, when making deposits of Government funds to distribute such funds as far as practicable "equitably between the different States and sections."

If the Government had "several hundred million dollars" in the Treasury, the Congress would not be engaged now in passing a new tax bill to repair the loss in revenues occasioned by the European war.

Your further suggestion that "the Secretary of the Treasury shift the Government deposits, now about $74,000,000, to the South" is utterly impracticable, because—

(1) Section 5153, Revised Statutes, to which you refer, makes it unlawful; and

(2) The transaction of the Government's business, as well as the just needs of the other sections of the country, make it essential that Government deposits shall be kept in banks in all of the States of the Union. When the Federal reserve banks begin business these deposits may by law be transferred to them.

(3) Already $27,402,500 of the $74,000,000 to which you refer is on deposit in national banks in the Southern States.

You say, "Sell $200,000,000 Panama Canal bonds * * * and utilize our cotton as security for the Government loans," and you suggest the issuance, in addition, of $200,000,000 "of United States notes" to be loaned on cotton.

Your proposition is, in essence, to issue $400,000,000 of Government bonds, $200,000,000 of which are to be deferred obligations bearing 3 per cent interest and $200,000,000 are to be demand obligations, or greenbacks, and to deposit the proceeds in the cotton States exclusively, to be loaned on cotton exclusively, through some method too vaguely outlined in your letter to admit of judgment.

It is extremely doubtful if so large an amount of 3 per cent Government bonds could be sold at par in the present condition of the money market. The rate of interest would in all probability have to be increased. Moreover, the Secretary of the Treasury has no power under existing law to do this. You admit his want of power, because you suggest that if he needs "a little more legal authority" he can get it from Congress.

I can not believe that this is true. You have been a Member of Congress for 17 years; you are the head of its powerful Committee on Rules, which determines what legislation may be specially considered and advanced by the House of Representatives. If you think the necessary "legal authority" can be had, why do you not prevail upon Congress to give it?

Is it not because the Congress itself thinks the constitutionality of such legislation is open to the gravest doubt and the policy of it even more questionable? Is it wise to issue $400,000,000 of Government bonds and greenbacks merely to lend on cotton? Tobacco, naval stores, copper, silver, lumber, and other things have been hurt by the European war. All have applied to the Treasury for relief. If we disregard every suffering interest except cotton and make it the sole beneficiary of Government favor, what becomes of the Democratic principle, "Equal rights for all, special privileges to none"? If we enter upon the course you suggest, we must help every distressed industry impartially. To do that would necessitate the issue of many more than $400,000,000 in bonds and greenbacks and dangerously involve the credit of the Government. It would be a hopeless undertaking, in defiance of every sound principle of finance and economics, with certain disaster at the end.

What I have said is for the purpose of pointing out to you how impracticable are the remedies proposed in your letter. We are all most anxious to do any sound or practicable thing within our lawful powers to help the cotton producers and the people of the South. We feel the deepest sympathy for them, and I think I may say without exaggeration that, while there has been a vast amount of talk about the cotton situation, the National Government, through the Treasury Department, stands alone in having extended substantial and practical aid; all the rest has been talk.

On the 7th of August a conference of leading shipping men and bankers was called to meet at the Treasury Department on the 14th of August to devise means for shipping of grain and cotton to Europe and for restoring the market for foreign bills of exchange, so that our exports of these great commodities, then practically stopped by the European war, could be resumed. This conference was productive of excellent results

On the 24th of August a special conference of representative men in the different sections of the country interested in the production, manufacturing, and financing of cotton assembled in Washington upon invitation of the Secretary of the Treasury. At the conclusion of that conference the Secretary of the Treasury announced that he would accept from national banks through currency associations notes secured by warehouse receipts for cotton, tobacco, and naval stores at 75 per cent of their face value. This left the bankers free to lend such amount as they thought safe upon the security of cotton and made it possible for them to convert 75 per cent of the notes so received into national-bank currency. Since the 1st of August there has been issued to national banks in the Southern States, including Missouri and Maryland, $68,000,000 of additional national-bank currency. The national banks in these same States may, by complying with the law, receive $151,443,000 of additional national-bank currency.

The national banks of the State of Texas alone have received $15,164,000 of additional currency and may draw $40,000,000 more upon compliance with the law.

There is held by the national banks of the same Southern States $16,065,000 of regular Government deposits and, since August 1, 1914, $11,337,500 of crop-moving deposits, making a total of $27,402,500.

You will therefore see that the Treasury Department has issued to national banks in the Southern States since the outbreak of the European war—

Additional national-bank notes	$68,000,000
It has deposited with national banks in the Southern States during the same period crop-moving funds aggregating	11,337,000
It has on regular deposit with national banks in the Southern States	16,065,000
Total	95,402,000
And there is available to the national banks in the Southern States, upon their compliance with the law, additional national-bank currency amounting in the aggregate to	151,000,000
Making a total of	246,845,000

Aside from the foregoing, I may say that the Secretary of the Treasury has authorized the issuance, since the outbreak of the European war, to national banks throughout the country of additional national-bank circulation aggregating $348,795,210. A large part of this currency has found its way to the South. Recently the Comptroller of the Currency, at my request, called on the national banks of New York City for a statement of the amount of loans which they had made to banks in the Southern States from August 1, 1914, to date. These reports show that

the New York City national banks are lending to southern banks more than $40,000,000.

Moreover, existing law authorizes the Secretary of the Treasury, in his discretion, to issue more than $1,000,000,000 of additional currency to national banks throughout the country. The banks, therefore, have ample opportunity to get more than enough currency to meet every conceivable demand. If more currency is, as many seem to think, the remedy for the cotton situation. I do not believe it is. I am firmly convinced that neither additional nor unlimited issues of paper money will help the cotton planter. I am equally convinced that the inevitable inflation which such issues would cause would hurt him and hurt the country. What is really wanted is a restored market for cotton at a profitable price. This is the real fact—the real truth in the situation. It is impossible by legislation to create a market for cotton or to establish a price for it. The value of cotton has been injured this year by the European war. This injury can not be retrieved nor the market restored by legislation any more than the injury to corn which was caused by the drought last year in the great corn States of the West could have been repaired by legislation.

Up to the present time there has been a disposition everywhere to look exclusively to and rely wholly upon the National Government for assistance. There are many things which the cotton States and the people of the South can do for themselves which the National Government can not do for them. The powers and resources of the Southern States should be employed for the benefit of their people, and the National Government should not be expected to do things which are beyond its power.

The Secretary of the Treasury has exercised, and will continue to exercise, all the lawful powers he possesses, consistent with sound economics and safe financing, for the assistance of the cotton producers of the South and all other industries which have been injured by the European war or which are entitled to assistance for any cause.

I am glad to state that the Federal reserve banks throughout the country are now practically organized, and that all of them should be ready to begin business within a few weeks. The resources of these banks will be available in the very near future for the further relief of the financial situation and for the benefit of all kinds of business.

Believe me, with kind regards,

Sincerely, yours,

W. G. MCADOO.

Hon. ROBERT L. HENRY,
House of Representatives.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the joint resolution (S. J. Res. 193) to authorize the President to grant leave of absence to two commissioned officers of the line of the Navy for the purpose of accepting an appointment under the Government of Brazil as instructors in naval strategy and tactics in the Naval War College of Brazil.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

ENROLLED BILLS SIGNED.

The message further announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Vice President:

H. R. 11166. An act for the relief of Wilhelmina Rohe; and

H. R. 15657. An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

ORION MATHEWS.

Mr. MYERS, from the Committee on Military Affairs, to which was referred the bill (S. 3509) for the relief of Orion Mathews, reported it without amendment and submitted a report (No. 815) thereon.

MEDIATION WITH MEXICO.

Mr. O'GORMAN. I am directed by the Committee on Foreign Relations, to which was referred the joint resolution (S. J. Res. 191) to convey appreciation of Congress to their excellencies Señor Domicio da Gama, Señor Rómulo S. Naón, and Señor Eduardo Suárez for their generous and distinguished services as mediators in the controversy between the Government of the United States and the leaders of the warring parties in Mexico, to report it without amendment. Inasmuch as provision is made therein for the expenditure of $3,000, I presume it will be necessary to have the joint resolution referred to the Committee to Audit and Control the Contingent Expenses of the Senate; and I ask that it be so referred.

Mr. JONES. Mr. President, I wish to suggest to the Senator from New York that this being a joint resolution I take it that it will not be necessary to have it referred to the Committee to Audit and Control the Contingent Expenses of the Senate, but that it should be acted upon at once.

Mr. O'GORMAN. That is correct. If it were simply a Senate resolution, it would be necessary to have it referred to the Committee to Audit and Control the Contingent Expenses of the Senate. I withdraw the request that the joint resolution be so referred, and I ask unanimous consent for its immediate consideration.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Is there objection to the request of the Senator from New York?

Mr. BORAH. I do not propose to object, but I did not catch the title of the joint resolution. Will the Senator from New York state its object?

Mr. O'GORMAN. Mr. President, in a word, the joint resolution proposes to extend the thanks of Congress to the three mediators who recently participated in the conference looking to an adjustment of the Mexican situation. There is also a provision appropriating $3,000 to be expended for the purpose of procuring testimonials of their services.

Mr. BORAH. Does the joint resolution purport to state what the result has been?

Mr. O'GORMAN. No; it simply tenders appreciation for their services. I might say, in passing, that it will be generally regarded as a very gracious acknowledgment of the good offices of Brazil, Argentina, and Chile in endeavoring to remove the causes of misunderstanding.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution. It proposes to extend the thanks of Congress to their excellencies Señor Domicio da Gama, Señor Rómulo S. Naón, and Señor Eduardo Suárez for their generous services as mediators in the controversy between the Government of the United States of America and the leaders of the warring parties in the Republic of Mexico; authorizes and requests the President of the United States to cause to be made and presented to their excellencies Señor Domicio da Gama, Señor Rómulo S. Naón, and Señor Eduardo Suárez suitable gold medals, appropriately inscribed, which shall express the high estimation in which Congress holds the services of these distinguished statesmen, and the Republics which they represent, in the promotion of peace and order in the American Continent; and appropriates $3,000 for the purchase or manufacture of the medals.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BRISTOW:

A bill (S. 6616) for the relief of John Ogden (with accompanying papers);

A bill (S. 6617) granting an increase of pension to John H. Beatty (with accompanying papers);

A bill (S. 6618) granting a pension to Oscar O. Lee (with accompanying papers);

A bill (S. 6619) granting an increase of pension to Noah Poorman (with accompanying papers); and

A bill (S. 6620) granting an increase of pension to James E. Pennick (with accompanying papers); to the Committee on Pensions.

By Mr. CHAMBERLAIN:

A bill (S. 6621) granting a pension to Lawrence F. Hickey; and

A bill (S. 6622) granting a pension to Alice G. Hudson (with accompanying papers); to the Committee on Pensions.

EMERGENCY REVENUE LEGISLATION.

Mr. OLIVER submitted an amendment intended to be proposed by him to the bill (H. R. 18891) to increase the internal revenue, and for other purposes, which was ordered to lie on the table and be printed.

EXECUTIVE SESSION.

Mr. KERN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 15 minutes spent in executive session the doors were reopened.

ASSAY OFFICE, NEW YORK CITY.

Mr. SWANSON. I ask unanimous consent for the present consideration of the bill (H. R. 13296) for the enlargement, and so forth, of the Wall Street front of the assay office in the city of New York.

The PRESIDING OFFICER (Mr. ASHURST in the chair). Is there objection to the present consideration of the bill?

Mr. O'GORMAN. Mr. President, the junior Senator from Mississippi [Mr. VARDAMAN] is temporarily absent from the Chamber, I believe, on official business. I am authorized to say in his behalf, inasmuch as this bill does not provide for a new appropriation, and only provides for the use of an appropriation made some time ago—I think, two or three years ago—he has no objection to the consideration of the bill at this time.

The PRESIDING OFFICER. The Secretary will read the bill for the information of the Senate.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

RECESS.

Mr. KERN. I move that the Senate take a recess until 11 o'clock to-morrow forenoon.

The motion was agreed to; and (at 5 o'clock and 55 minutes p. m. Friday, October 9, 1914) the Senate took a recess until to-morrow, Saturday, October 10, 1914, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate October 9 (legislative day of October 8), 1914.

MEMBER OF THE BOARD OF CHARITIES.

Rev. John Van Schaick, jr., to be a member of the Board of Charities for the District of Columbia for the term of three years from July 1, 1914, in place of Mr. Walter C. Clephane, whose nomination for this position was confirmed by the Senate on July 28, 1914.

POSTMASTERS.

ALABAMA.

James W. Horn to be postmaster at Brantley, Ala. Office became presidential October 1, 1914.

CALIFORNIA.

W. B. Hagans to be postmaster at Ukiah, Cal., in place of Frank L. Caughey, resigned.

Benjamin F. Hudspeth to be postmaster at Chico, Cal., in place of Harry S. Moir, resigned.

T. H. Miller to be postmaster at Morgan Hill, Cal., in place of Charles S. Duer. Incumbent's commission expired April 15, 1914.

Robert W. Walker to be postmaster at Vallejo, Cal., in place of W. D. Pennycook, removed.

W. D. Wood to be postmaster at Paso Robles, Cal., in place of Thomas W. Henry. Incumbent's commission expired April 21, 1914.

GEORGIA.

William M. Howard to be postmaster at Barnesville, Ga., in place of Roy A. Lifsey. Incumbent's commission expires December 14, 1914.

HAWAII.

Caesar R. Jardin to be postmaster at Kohala, Hawaii, in place of J. M. Souza, resigned.

ILLINOIS.

Emil J. Hess to be postmaster at Mendota, Ill., in place of Jacob G. Reul. Incumbent's commission expired February 18, 1914.

MASSACHUSETTS.

Nicholas J. Lawler to be postmaster at Greenfield, Mass., in place of Frederick E. Pierce, resigned.

Susan F. Twiss to be postmaster at Three Rivers, Mass., in place of Susan F. Twiss. Incumbent's commission expired January 5, 1913.

MISSISSIPPI.

Willie Magee to be postmaster at Bude, Miss. Office became presidential October 1, 1914.

NEW MEXICO.

Bliss Freeman to be postmaster at Las Cruces, N. Mex., in place of Vincent B. May, resigned.

L. R. Hughes to be postmaster at Alamogordo, N. Mex., in place of John M. Hawkins, resigned.

NEW YORK.

James R. Comesky to be postmaster at Suffern, N. Y., in place of Harry C. Wanamaker. Incumbent's commission expired January 11, 1914.

William H. Hennessey to be postmaster at Skaneateles, N. Y., in place of Henry T. Tucker. Incumbent's commission expired June 10, 1914.

James W. Kelly to be postmaster at Long Island City, N. Y., in place of John Wagner. Incumbent's commission expired June 24, 1914.

Harry E. Savage to be postmaster at Dexter, N. Y., in place of Herbert V. Clark. Incumbent's commission expired January 20, 1914.

Willard H. Tappan to be postmaster at Baldwinsville, N. Y., in place of Matthew G. Frawley. Incumbent's commission expired February 21, 1914.

NORTH CAROLINA.

C. L. Linville to be postmaster at Kernersville, N. C., in place of Edward M. Linville, resigned.

OHIO.

Wesley H. Zaugg to be postmaster at Wooster, Ohio, in place of Willis B. Bryson. Incumbent's commission expired June 24, 1914.

TENNESSEE.

W. C. Abernathy to be postmaster at Tracy City, Tenn., in place of William E. Byers. Incumbent's commission expired March 3, 1913.

TEXAS.

A. H. Buie to be postmaster at Ennis, Tex., in place of A. H. Culver, resigned.

A. B. Reagan to be postmaster at Brady, Tex., in place of David Doole, jr., removed.

VIRGINIA.

George J. Russell to be postmaster at Marshall, Va. Office became presidential October 1, 1914.

CONFIRMATIONS.

Executive nominations confirmed by the Senate October 9 (legislative day of October 8), 1914.

UNITED STATES ATTORNEY.

Melvin A. Hildreth to be United States attorney, district of North Dakota.

POSTMASTERS.

GEORGIA.

James O. Varnedoe, Valdosta.

MICHIGAN.

A. E. Millett, Armada.

WITHDRAWAL.

Executive nomination withdrawn October 9 (legislative day of October 8), 1914.

F. J. Schmitz to be postmaster at Mendota, Ill.

HOUSE OF REPRESENTATIVES.

FRIDAY, *October 9, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We bless Thee, Infinite Spirit, our heavenly Father, that Thou dost speak to Thy children through the light of the sun, moon, and stars, in an universal language which has gone out through all the earth, through the still small voice which is ever insistent in its demands upon us for right thinking and right living; through the progress of the race from its beginning; through the prophets of old; through the eternal principles enunciated by the Master; through His incomparable life and sublime death upon Calvary. Help us, O we beseech Thee, to listen, hear, and obey, that our lives and conduct may be in accordance with Thy commands; and we will praise and magnify Thy holy name forever. Amen.

The Journal of the proceedings of yesterday was read.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move that the Journal be approved.

The motion was agreed to.

CORBETT TUNNEL.

Mr. POU. Mr. Speaker, I call up Senate joint resolution 74, appropriating money for the payment of certain claims on account of labor, supplies, materials, and cash furnished in the construction of the Corbett Tunnel.

The SPEAKER. The gentleman asks unanimous consent to call up the joint resolution, which the Clerk will report by title.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

Mr. BARTLETT. The gentleman from North Carolina wishes to send the bill to conference.

The SPEAKER. The Chair understands that. Is there objection to the request of the gentleman from North Carolina?

Mr. STAFFORD. Reserving the right to object, will the gentleman inform the House as to the nature of the Senate amendment which puts the matter in disagreement?

Mr. POU. The Senate amendment relates to the manner in which certain compensation is to be paid to one of the parties interested. I do not think there is going to be any trouble about it.

Mr. STAFFORD. When this bill was under consideration, as I recall, we had a distinct understanding that the bill as it passed the House should be insisted upon in conference.

Mr. POU. Speaking for myself, my purpose is to insist on the bill as it passed the House.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The SPEAKER. The gentleman from North Carolina asks that the House insist upon its amendments and agree to the conference asked for by the Senate. Is there objection?

There was no objection; and the Speaker announced as conferees on the part of the House Mr. POU, Mr. DIES, and Mr. MOTT.

DIVERSIFICATION OF CROPS IN THE SOUTH.

Mr. GARNER. Mr. Speaker, I ask unanimous consent to have printed in the RECORD a letter from the Secretary of Agriculture with reference to the diversification of crops in the South to take the place of cotton.

The SPEAKER. The gentleman from Texas asks unanimous consent to extend his remarks in the RECORD by printing a letter from the Secretary of Agriculture on the diversification of crops in the South in connection with the cotton crop. Is there objection?

There was no objection.

The letter referred to is as follows:

DEPARTMENT OF AGRICULTURE,
Washington, October 7, 1914.

HOUSTON COTTON EXCHANGE,
Houston, Tex.

GENTLEMEN: I have received your communication urging this department to inaugurate and to direct a propaganda for a fixed reduction in cotton acreage next season, involving an effort on the part of this department to secure pledges from individual farmers to the effect that each will reduce his acreage as indicated, and also action on the part of this department to publish these pledges, and, so far as it can, to secure their fulfillment.

All the officers of the Department of Agriculture immediately concerned have given most earnest and prolonged consideration to the problems presented to the southern farmer by the breaking out of the European war. We are definitely of the opinion that there is no other feasible way of bringing about wise action on the part of southern farmers except through the proposal and adoption of a constructive plan. In the face of past experience and knowledge of the human element involved, it does not seem likely that an effort to induce southern farmers simply to restrict acreage will solve the problem. In the past such an effort has been made. It has been found that where agreements have been made to reduce acreage they have not been observed, and that instead of a reduction of acreage resulting there has been an increase and the production of a larger crop. Many individuals, thinking that others would reduce acreage, have increased theirs, and the result has been that which I have indicated.

The constructive plan which appeals to this department as wise and practicable is simply this: To bring home to the farmers the fact that in the next year or in the next few years the prices of all foodstuffs are likely to be high, and that it is the part of wisdom for the farmers of the country to make every effort to take advantage of the situation and to increase their products of foodstuffs, so far as possible. Even if the southern farmers should not think it wise to produce grains, such as wheat and corn, for foreign export or for interstate shipment in competition with the Middle West, it would seem to us that they should recognize the wisdom of producing enough of these commodities for home consumption and for the intercommunity market. Many of the Southern States import many millions of dollars' worth of grain each year. With the increasing prices of these products it is economically unsound for the South to rely so largely on other sections for them. It seems clear to this department that southern farmers should, at least, produce grains for home consumption as a means of cutting down the family expenses, and that they might increase their production of chickens, guineas, turkeys, and hogs to the point, at least, of supplying their own needs and the needs of their neighbors. With adequate attention to marketing, they can also profitably produce these things for interstate shipment. I am told that the number of poultry on the average Ohio farm is approximately 125, while the number on the average South Carolina farm is about 14. The same comparison would doubtless obtain with reference to most of the Southern States. This situation should be remedied, and can be remedied. The whole Nation is confronted with a problem of securing enough meat for its own consumption. Too exclusive attention in the past has been given to the production of the large animals, such as beef cattle, and to the production of these on the big ranch, which is, in a measure, disappearing. We are confronted with a decreasing meat supply and a rapidly increasing population. It is obvious to everybody who thinks that a much larger part of the meat consumption of the Nation might well be the consumption of poultry of a considerable variety, and of hogs. As a matter of fact, a very large percentage to-day of the meat consumed is of this kind. The production of these smaller animals can be very considerably increased if each individual farmer will give his attention to their production, and they can be increased, and quickly increased, without very great expense. They can be consumed at home, relieving the farmer of the expense of securing his meat from remote States, paying transportation and middleman's cost, and with the use of known methods of marketing they can be shipped beyond the community. If the southern farmer will give his attention next year and the year after to these things, and economize in production by saving manure, thereby reducing his fertilizer bill, and by planting winter cover crops, especially winter legumes, he can secure the surest relief for himself and for his community in this emergency and can bring about a wiser direction of his activities as a permanent part of the agricultural economy in the South. In this direction, it seems to me, lies the wise use of a much larger percentage of the southern farmer's labor and capital, and of his land. The department urges that the southern farmer follow this direction as the surest means of increasing his returns and of bringing about a better foundation for prosperity in the South. If he had done this in recent years, he would now have means of subsistence and would not be compelled in so many instances to part with his cotton immediately.

I recognize that there have been impediments placed in the way of the southern farmer in his attempt to diversify his agriculture by failure of banks and merchants to extend him credit on other things than cotton. It seems to me that this has been shortsighted on the part of banks and merchants. After all, the character of the individual is the foundation of credit; and again it is almost a truism that it is more important to guarantee that credit extended shall be wisely used than that it shall be extended at all. The bankers and merchants should cooperate with the farmers in ascertaining what is the wisest use of credit and in directing the application of capital and labor into the most fruitful channels.

The hearty cooperation of individuals in the South, of landowners and tenants, of all southern organizations, bankers and merchants, is needed to bring about a better direction of southern agricultural enterprise. If they should see fit at this time to follow such a constructive program as has been indicated, it would result, as a matter of course, that less labor and capital would go into cotton planting and that the output of this particular crop in another year would be proportionately reduced, or that, in any event, the South could live at home and utilize what cotton it did produce as a cash asset. The Department of Agriculture is proposing this constructive plan to southern farmers, bankers, and merchants, and is suggesting it not only through its demonstrators, but through circulars. It has issued at least 300,000 of these circulars, and will continue its efforts in this direction. A pretty general acceptance of such a plan known to the public, as a matter of course, would afford the South a guaranty of subsistence in the near future and would react on the present prices of cotton.

Very truly, yours,

D. F. HOUSTON, *Secretary.*

CURRENCY AND COTTON.

Mr. HENRY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD for the purpose of printing a very brief bill of only five short sections dealing with the currency and cotton situation.

The SPEAKER. The gentleman from Texas asks unanimous consent to extend his remarks in the RECORD by printing a bill of five short sections on the subject of currency and cotton. Is there objection?

Mr. STAFFORD. Reserving the right to object——

Mr. PAYNE. Mr. Speaker, I object to that.

Mr. HENRY. Will the gentleman from New York withhold his objection for a moment?

Mr. PAYNE. I withhold it for a moment.

Mr. HENRY. Mr. Speaker, this bill was prepared by a committee appointed last Wednesday evening by a cotton conference of all the southern Representatives, and on yesterday we met and were in session all day and prepared this bill as the bill to be presented by the southern Representatives. The members of that committee are HENRY, POU, MURRAY, MCKELLAR, HEFLIN, FERRIS, SAUNDERS, HUGHES of Georgia, CARAWAY, ASWELL, RUSSELL, BARKLEY, FINLEY, and STEPHENS of Mississippi. We met again last night and practically all of the southern Members were there. There were more than 80 Members present, and with practical unanimity we indorsed this bill. I want it to be printed in the RECORD for the benefit of the Members on both sides.

Mr. PAYNE. Mr. Speaker, I think the bill will have to take the usual course. I object to printing it in the RECORD.

Mr. HENRY. The bills are pending before the Committee on Banking and Currency——

Mr. DONOVAN. Mr. Speaker, the regular order.

The SPEAKER. The gentleman from New York [Mr. PAYNE] objects.

Mr. HENRY. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Texas makes the point of order that there is no quorum present. Evidently there is not.

Mr. GARNER. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER. The Doorkeeper will lock the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Ainey	Burke, Pa.	Curry	Gard
Anderson	Burke, Wis.	Dershem	George
Ansberry	Butler	Doughton	Gerry
Austin	Byrnes, S. C.	Dunn	Gittins
Barchfeld	Calder	Elder	Goldfogle
Bartholdt	Callaway	Faison	Graham, Ill.
Bell, Cal.	Cantrill	Fergusson	Graham, Pa.
Britten	Carr	Fess	Gregg
Brown, N. Y.	Cary	Fitzgerald	Griest
Brown, W. Va.	Church	Fowler	Griffin
Browning	Connolly, Iowa	Francis	Guernsey
Brumbaugh	Conry	Frear	Hamill
Bryan	Copley	French	Hardwick

Harris	Lesher	Murdock	Smith, Minn.
Harrison	Levy	Neeley, Kans.	Smith, N. Y.
Hinebaugh	Lewis, Md.	Nolan, J. I.	Smith, Sami. W.
Hobson	Lewis, Pa.	Norton	Steenerson
Hoxworth	Lindquist	O'Hair	Stephens, Cal.
Hughes, W. Va.	Linthicum	O'Shaunessy	Stevens, N. H.
Hulings	Loft	Paige, Mass.	Stringer
Johnson, S. C.	McAndrews	Palmer	Sumners
Kelly, Pa.	McClellan	Patton, Pa.	Temple
Kennedy, R. I.	McKellar	Powers	Treadway
Kent	McKenzie	Ragsdale	Underhill
Kiess, Pa.	MacDonald	Rainey	Vare
Kinkead, N. J.	Maher	Reed	Wallin
Knowland, J. R.	Mann	Riordan	Walters
Konop	Martin	Sabath	Watkins
Korbly	Merritt	Scully	Whaley
Kreider	Metz	Sells	Willis
Langham	Montague	Shreve	Wilson, N. Y.
Langley	Morgan, La.	Slemp	Winslow
L'Engle	Morin	Small	Woodruff
Lenroot	Moss, W. Va.	Smith, Md.	

The SPEAKER. On this call 292 Members have answered to their names—a quorum is present.

Mr. JONES. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to, and the doors were opened.

Mr. RAKER. Mr. Speaker, I ask unanimous consent that I may proceed for one minute in regard to the RECORD of yesterday.

The SPEAKER. The gentleman from California asks unanimous consent to proceed for one minute in regard to yesterday's RECORD. Is there objection?

Mr. STAFFORD. Reserving the right to object, Mr. Speaker, I would like to ask the gentleman if it is a correction of the RECORD?

Mr. RAKER. Well, in substance; it is not exactly a correction, but a statement.

Mr. STAFFORD. The gentleman has a right to correct the RECORD.

The SPEAKER. It is not a case where he can correct the RECORD.

Mr. STAFFORD. But if it is for the purpose of laying the foundation for a speech I should object.

Mr. RAKER. Oh, no; it is not.

The SPEAKER. Is there objection? The Chair hears none.

Mr. RAKER. Mr. Speaker, on page 16344 of the RECORD, on the vote on the conference report, it appears that the gentleman from Colorado [Mr. TAYLOR], the gentleman from Utah [Mr. HOWELL], and I did not vote. The Committee on Mines and Mining designated the gentleman from Colorado, the gentleman from Utah, and myself to appear before the Secretary of the Interior to consider a very important bill in regard to the relief of miners in Alaska and in the West. The bells did not sound properly in the office and the clerk misunderstood them, and owing to that fact we did not get here in time to vote. Now, the gentleman from Colorado [Mr. TAYLOR] is for the conference report, I am for the conference report, and we wanted to vote for it. The gentleman from Utah [Mr. HOWELL] is against the conference report.

Mr. UNDERWOOD. Mr. Speaker, some months ago I had unanimous consent, which has not been used up to this time, to print a statement in the RECORD in reference to the legislation that has been passed by Congress during the present administration. I have let some months run by and do not care now to print that statement under the leave to print obtained some months ago. I ask unanimous consent that I may have leave to print a statement in the RECORD in reference to legislation that has been passed by Congress during this administration.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. PAYNE. Reserving the right to object, I want to ask the gentleman if it is a duplication of the consent that he had some months ago?

Mr. UNDERWOOD. It is; there was no limitation on it. I had general leave to print, but I do not care to use it after this lapse of time.

Mr. PAYNE. I do not want to take advantage of the gentleman's negligence.

Mr. UNDERWOOD. There was no negligence; I was not ready.

The SPEAKER. Is there objection to the request of the gentleman from Alabama? [After a pause.] The Chair hears none.

Mr. JOHNSON of Washington. Mr. Speaker, I desire to make a request similar to that just made by the gentleman from Alabama, having had leave to print some time ago on the other side of the question.

The SPEAKER. Is there objection to the request of the gentleman from Washington? [After a pause.] The Chair hears none.

COTTON.

Mr. MOORE. Mr. Speaker, I ask unanimous consent to print in the RECORD an editorial on the cotton situation.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD by printing an editorial on the cotton situation. Is there objection?

Mr. STAFFORD. I object.

Mr. HEFLIN. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Alabama rise?

Mr. HEFLIN. Last night, Mr. Speaker, the Members from the Southern States agreed on a cotton bill which they think will bring relief to the southern people in this time of great distress, and I ask unanimous consent that that bill may be printed in the RECORD.

Mr. PAYNE. I will object to that, Mr. Speaker, as I did a little while ago when the gentleman from Texas made the request.

Mr. HEFLIN. I trust that the gentleman will withhold his objection.

Mr. PAYNE. The gentleman's trust is misplaced; I objected to the same request, which was made by the gentleman from Texas who has been making a specialty of that thing.

Mr. HEFLIN. I did not expect anything else from the gentleman from New York, who objects to everything that is of benefit to the people of the South.

Mr. PAYNE. I will debate that subject with the gentleman when the time comes.

THE PHILIPPINE ISLANDS.

The SPEAKER. Under the rule the House will automatically resolve itself into the Committee of the Whole House on the state of the Union, with the gentleman from Virginia [Mr. FLOOD] in the chair.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. FLOOD of Virginia in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 18459, of which the Clerk will read the title.

The Clerk read as follows:

A bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands.

Mr. MILLER. Mr. Chairman, when this bill was last up for consideration by the committee I had offered an amendment to the pending paragraph, which was passed without prejudice in order that we might perfect the phraseology of the amendment. I now desire to withdraw that amendment, and in lieu thereof offer one which I have sent to the desk.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent to withdraw his amendment. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

After the word "*Provided*," in line 1, page 8, insert: "That upon the approval of such an act by the Governor General it shall be by him forthwith transmitted to the President of the United States, and he shall approve or disapprove of the same within 90 days from and after its enactment and submission for his approval, and if not disapproved within such time it shall become a law the same as if it had been specifically approved: *Provided further*"——

Mr. GARRETT of Tennessee. Mr. Chairman, one thought has occurred to me—is the expression "three months" still retained?

Mr. MILLER. No; I have changed that to 90 days. I recognize the inadvisability of using the term "three months." Mr. Chairman, I do not care to discuss the amendment further.

The CHAIRMAN. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. MILLER) there were 75 ayes and no noes.

So the amendment was agreed to.

Mr. MILLER. Mr. Chairman, I desire to call the attention of the committee seriously to the part of section 9 contained on page 8 of the bill, and in order that it may be clearly before the committee I want to read, in the hearing of those who have not the bill before them, the exact language. I really think this is a very vital and important matter, and therefore I hope it will receive the attention of the committee. The language to which I refer is as follows:

Provided, That where lands in the Philippine Islands have been or may be reserved for any public purpose of the United States, and, being no longer required for the purpose for which reserved, have been or may be, by order of the President, placed under the control of the government of said islands to be administered for the benefit of the inhabitants thereof, the order of the President shall be regarded as

effectual to give the government of said islands full control and power to administer such lands for the benefit of the inhabitants of said islands.

Mr. JONES. Mr. Chairman, one moment. Is the gentleman asking unanimous consent to consider his amendment? I think we have passed section 9.

Mr. MILLER. I move to strike out the whole proviso. We have not passed the section.

Mr. JONES. My understanding is that we had passed this section when we adjourned.

Mr. MILLER. Oh, no; the committee was occupied at the close of the last session in considering an amendment which I had offered to that proviso, and the committee voted against the amendment, and there was left pending the amendment which I have just now brought up, and this additional amendment to which I now refer certainly is in order, because the paragraph has not been passed.

Mr. JONES. I recall that the gentleman offered an amendment to this proviso.

Mr. MILLER. I did; and it was voted down. That was the last thing that occupied the attention of the committee when we last considered the bill.

Mr. Chairman, the situation which is presented by this paragraph, it seems to me, is this: There are lands in the Philippine Islands to which it is expected this provision will apply; otherwise it would not be in the bill. What are the lands? Lands that have been heretofore set apart or used, at least set apart, for public purposes. Most of the lands that have been set apart for public purposes have been set apart for military reservations, and there are some quite extensive military reservations in the islands. There are several in Mindanao and several in Luzon, and several in other islands which might be mentioned.

Mr. GOULDEN. Mr. Chairman, will the gentleman yield?

Mr. MILLER. Yes.

Mr. GOULDEN. Are there any other reservations known to the gentleman than those for military or naval purposes?

Mr. MILLER. I presume there have been some withdrawals for civil purposes; as to that I am not advised, but I should presume there have been some reservations for the construction of civil buildings or possibly parks.

Mr. GOULDEN. I am inclined to believe that there are no other reservations except military and naval. I see no reason why there should be.

Mr. MILLER. I am willing to base the argument upon that proposition, that the only reservations to which this will apply will be military or naval reservations. What does the language of this paragraph do? It does not convey any title. These military reservations belong to the United States Government. The title in fee is in the United States Government, just as the title in fee to Fort Myer is in the United States Government. There is nothing in this paragraph that conveys away or alienates that title which the United States has.

The language of the paragraph is that when the President shall consider any of these lands are no longer needed for public purposes, then he shall turn them over to be administered by the Philippine Government for the benefit of the inhabitants of the islands, and his order shall be sufficient and effectual to give the Government of the said islands what? Title? No; full control and power—to do what? To administer such lands for the benefit of the inhabitants of said islands. Let us take a concrete case. I know there are lots of military reservations now in the Philippine Islands that in at least a few years more will no longer be needed for military reservations. They should properly be opened up for homestead development. Upon that there can be no difference of opinion. In the island of Luzon there is a military reservation known as Camp Stotsenburg. I presume there will be need for that for some time, yet let us assume that there will not be, and that it is desired that it be opened up for homestead settlement; the President of the United States will make a finding that that military reservation, a very desirable area in the island of Luzon——

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. MILLER. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MILLER. Mr. Chairman, the President will make a finding that this is no longer needed, and he will turn it over to the Philippine Government. The entity to which it will go for control unquestionably will be the legislature of the islands with the cooperation of the Executive. There has been no transfer of title, please understand. What can the Government of the Philippine Islands want with it? They will not want it for a military reservation. They will naturally want to open it up for occupation by the people, that it may be settled on and developed nd made productive. They have homestead laws in the islands to-day. Suppose a settler goes on that land, acquires a homestead, and develops it, has he any title to it? No. The United States retains the title to it, but it has parted with the capacity to give the title to the Filipino homestead settler. The Philippine Government is a trustee, it seems to me, by this language, and only a trustee, in the administering of these public lands. Therefore, when the Philippine Legislature should attempt, or the Philippine Government should attempt, to alienate those islands, to convey title to individuals, to sell the timber on them and develop the water power on them, open up the mines in them, it could not do so, because it has not the legal title to convey.

Mr. QUEZON. Is it not true that the language used in this paragraph is the same as the language in the first paragraph of this section, whereby the whole public domain of the Philippine Islands is placed under the control of the Philippine Governmen for the benefit of the inhabitants thereof?

Mr. MILLER. The language is not the same.

Mr. JONES. The language is precisely the same, Mr. Chairman; not in the previous section, but in this very section; and I was going to call the attention of the gentleman to that.

Mr. MILLER. I now understand that to which the gentleman refers. It is true the language is the same, and the objection which I make to this is equally good to the other portions of the paragraph.

Mr. JONES. The gentleman knows, I think, that a considerable part of this section is an exact copy of the organic law. The organic law provides that the public lands, sixty-odd million acres, shall be placed under the control of the Philippine Government, to be administered for the benefit of the Filipino people. The language employed in this proviso is exactly the same as that employed in the organic law under which the Philippine Government has been disposing of parts of the public domain for 12 years. If, then, the language used in the proviso which is intended to put the lands embraced in it under the control of the Philippine Government is not sufficient to enable that Government to dispose of them, then that used in the organic law, which is precisely the same, does not authorize the disposal of the lands which are now being disposed of by the Philippine Government. If, therefore, there is need for amending the language of the proviso, there is still greater need of amending that used as to the great bulk of the lands.

Mr. MILLER. Of course the gentleman would at once recognize there is a very wide difference between the general lands in the Philippine Islands and lands which we hold for public purposes?

Mr. JONES. Oh, Mr. Chairman, this is a part of the land acquired from Spain, the remainder of which was placed under the control of the Philippine Government. Now, we propose to put these pieces under the control of the Philippine Government for the benefit of the Philippine people, to be disposed of precisely as the other lands are now disposed of.

Mr. TOWNER. Will the gentleman yield?

Mr. MILLER. I will yield to the gentleman.

Mr. TOWNER. If the gentleman will allow me to say to the chairman, I do not think there is any controversy that the chairman suggests, at least there is not in my mind, in regard to his position; I agree with him entirely; but now, in order that it may be really for the benefit of the Filipino people, we should convey the title to them. Do not give them only the power of control.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. TOWNER. Mr. Chairman, I ask for time.

Mr. JONES. The gentleman from Iowa asks to be recognized in his own right.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa on the assumption that the pro forma amendment is withdrawn.

Mr. MILLER. I moved to strike out the proviso.

The CHAIRMAN. The gentleman from Iowa.

Mr. TOWNER. Mr. Chairman, this is the situation as I understand it: I think the gentleman from Minnesota has called attention to a defect in the wording of the section. The United States can not divest itself of the title by saying that the use of these lands shall be granted to the Philippine Government. The Philippine Government can not acquire title to the land because title is not conveyed to them, only use is conveyed, only perhaps a trusteeship to their government to control the lands for the benefit of the Philippine Islands. My idea would be that this section ought to be rewritten so that whenever

these lands are transferred they shall be transferred to the Philippine Government absolutely, so that they can convey the title if they desire, so that it will be not only for the use of the Filipino people, but they will have actually the title to the land, to use it if they choose, to convey it if they so desire.

Mr. HELM. Mr. Chairman——

Mr. QUEZON. I would like to ask the gentleman a question.

Mr. TOWNER. I will yield first to the gentleman from Kentucky.

Mr. HELM. Has it not been the contention of the gentleman from Iowa, as well as the gentleman from Minnesota [Mr. MILLER], that the defect in this proviso was that your apprehension was that Congress was undertaking to transfer to the Filipino people some naval and military reservations—for instance, Corregidor—and your position has always been in opposition to what you are now asking should be done?

Mr. TOWNER. No; I think there is no inconsistency in the position, I will say to the gentleman from Kentucky. I think we ought not to put it within the power of the President to convey away land that really ought to belong to the United States; but I do think there are circumstances, as the chairman has well said, where lands have been acquired which are no longer useful to the United States, where they ought to be turned over to the Philippine Government, and in such cases I would favor not merely the transferring the control to the Philippine Government, but I would transfer the title, so that they would have it entirely within their control. As I conceive it, there is no inconsistency in being careful what we give away and at the same time when we do make a grant to make it valuable. In the first place, we ought to limit the power to grant so as to protect the Government of the United States; but in cases where it would be safe to grant the power, then it ought to be an absolute power and not a limited power. I now yield to the gentleman from the Philippines.

Mr. QUEZON. Mr. Chairman, it seems to me that the question which has been raised here is a very important one, and I would like to get some more information thereon. May I ask the gentleman if it is his opinion that there is a difference between the title of the United States with regard to the public domain in the Philippine Islands and the title of the United States with regard to those lands which have been selected for military purposes?

Mr. TOWNER. I will say to the gentleman I think not.

Mr. QUEZON. That there is no difference?

Mr. TOWNER. I will not say that there is no difference.

Mr. QUEZON. If there is no difference, then the language of the bill will have the same effect; but if there is a difference, then the language of the section ought to be different in one case from the other.

Mr. TOWNER. Well, I would say, in my judgment, there can not be any transference by the Philippine Government of the title under the language that is contained in the bill.

Mr. GARRETT of Tennessee. Will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Iowa [Mr. TOWNER] has expired.

Mr. GARRETT of Tennessee. Mr. Chairman, I ask for recognition in my own right. I do not know whether I clearly got the thought of the gentleman or not. Do I understand that it is his contention that a title to public lands granted under an act of the Philippine Assembly would not be good?

Mr. TOWNER. Oh, no, sir. The gentleman, who is a fine lawyer, can appreciate the point, I think, without any difficulty. Here is the language of the section. It says, "shall be, by order of the President, placed under the control of the government of said islands to be administered for the benefit of the inhabitants thereof." To be "placed under control" would not, as the gentleman knows, convey title or the right to grant title, and therefore in these cases where such lands as the committee has specified, where the tracts of land are no longer needed, the lands of the United States ought to be disposed of by the Philippine Government for their own use or for some other. The absolute right to convey title ought to be granted to the Philippine Government.

Mr. GARRETT of Tennessee. If the gentleman will permit, here is my construction of that language, namely, that they will be placed by the Executive order of the President of the United States—those lands that have been reserved—in precisely the same situation that the other public lands are in at this time.

Mr. TOWNER. I hardly think so, because——

Mr. GARRETT of Tennessee. And if that be true, then there can not be any question about the matter of title being good.

Mr. TOWNER. If the gentleman is correct about that, that proposition would probably be true.

Mr. GARRETT of Tennessee. I thought that was the intention of the matter.

Mr. TOWNER. I do not think the gentleman is hardly justified in doing that, if he will pardon me for saying so. Of course, this matter is really very important in some of its aspects.

Mr. GARRETT of Tennessee. It is.

Mr. TOWNER. And I suggest, if the gentleman has no objections, that right be given to bring this matter up again, or that action be withheld on it until some subsequent time, when we can have made further investigation. So far as I am concerned, I am not absolutely certain regarding the proposition, and I think perhaps other gentlemen are not certain regarding it. Perhaps we ought to pass it for the present.

Mr. GARRETT of Tennessee. If I can proceed for two or three minutes, I want to state my view of it, and then I shall have no objection, if it is regarded really important, to have the matter passed over.

By the treaty of Paris, the treaty of peace between the United States and Spain, the United States acquired title to about 60,000,000 acres of land known as Crown lands belonging to the Crown of Spain, I presume, in the Philippine Islands. At any rate, they were public lands, and the Government of the United States acquired title to them. Now, in the organic act of 1902 it was expressly provided that those lands should be placed in the control of the government of the Philippine Islands, created by that act of 1902, to be administered for the benefit of the people thereof, and elaborate legislation was had in the organic act of 1902 fixing in general the terms upon which mineral rights and timber rights could be granted, and to the Philippine Government then created, first the executive council, and later, beginning in 1905 or 1907, when the assembly became a part of the government, it gave general laws by which that subject could be disposed of.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. GARRETT of Tennessee. Mr. Chairman, I ask unanimous consent for five minutes more.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent for five minues more. Is there objection?

There was no objection.

Mr. GARRETT of Tennessee. It was subject to the limitations fixed in the organic act of 1902. Now, I take it that no gentleman will question the power of the Philippine Government at this time, subject to the limitations of the organic act of 1902, to grant good title to public lands in the Philippine Islands. The purpose of the proviso in this bill is simply to enable the President of the United States by Executive order to grant to the government of the Philippine Islands jurisdiction over such lands as have been reserved or may be reserved for military, naval, or other purposes, as was provided in the organic act of 1902, and put them on exactly the same plane as are the general public lands that have not been reserved.

Mr. MILLER. Will the gentleman yield there?

Mr. GARRETT of Tennessee. I will.

Mr. MILLER. Suppose Congress had not enacted any law authorizing the Philippine Government to transfer title to timber, homestead, and so on, then under the general language which the gentleman states, in the organic act of 1902, does the gentleman think the Philippine Legislature would have had the power to transfer title? In other words——

Mr. GARRETT of Tennessee. If Congress had not given the power?

Mr. MILLER. If Congress had not by supplemental legislation specifically provided a manner to authorize the Philippine Government, which is in the nature of a trustee, to convey title, does the gentleman think the Philippine Government could have done so?

Mr. GARRETT of Tennessee. I do not think so.

Mr. MILLER. That being true—and I agree with the gentleman—this is not enacted subject to prior laws affecting the public domain. This is not enacted supplemental or in addition to previous laws relating to the public domain. Here is simply a transfer of the control of lands from the Government of the United States to the Philippine Legislature. Now, if in addition to this you add "and the Philippine Government shall have full authority to administer such lands in accordance with the laws heretofore passed by Congress," or any other phraseology you want to use, so as to bring these lands expressly within the operation of the laws affecting the general public domain, there is no question about the result, and the gentleman is right; but without that I can not see how the Philippine Government can do anything on earth but administer these in a public way. For instance, that is the exact language we use when we transfer to a municipality or to a State an area of ground to be used

as a park or to be used for some other public purpose. It seems to me this is the exact language that we do use when we are conveying the control of a piece of ground to a municipality for public-park purposes or public purposes generally, and the municipality can use them for no other purpose.

Mr. GARRETT of Tennessee. Mr. Chairman, if the gentleman will permit, it is my thought that that comes under section 29 of this bill, which expressly provides—a somewhat unusual provision to put into a bill, by the way—

That all laws or parts of laws applicable to the Philippines not in conflict with any of the provisions of this act are hereby continued in force and effect.

That was put in, as the gentleman knows, being a member of the committee, as a matter of precaution, in order to insure the continuance of laws without any question of additional laws being made concerning them. It was and is my idea, under that provision, that certainly the general laws regarding public lands would be applicable to that which was originally reserved but which may hereafter be placed under the administration of the Philippine Government.

The CHAIRMAN (Mr. HAMMOND). The time of the gentleman has expired.

Mr. MILLER. Mr. Chairman, I ask unanimous consent that the gentleman from Tennessee have five additional minutes. I would like to ask him another question.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. MILLER. Now, I would like to ask the gentleman this question: Those laws to which section 29 refers are laws heretofore passed, relating to lands heretofore in the possession of the Government, as well as relating to other things. Here are some lands which we are transferring control of from the Government of the United States to the Philippine Government. Does the gentleman think that by the language we have here employed we are going to make these lands subject to the homestead laws and the timber laws that we have heretofore enacted applicable to the public domain? There is nothing here to say that the lands thus restored become a part of the public domain. There is nothing here to say that the laws previously enacted with reference to the public domain shall be applicable here. We are transferring control of lands in the Philippines to be administered by the government of the Philippine Islands for the benefit of the inhabitants.

Mr. GARRETT of Tennessee. This language is where lands in the Philippines have been or may be reserved. All those lands were public lands.

Mr. MILLER. To the extent that they were part of the Crown lands?

Mr. GARRETT of Tennessee. Yes. They belonged to the Crown lands. They were all public lands. Now, it having been found that some tracts were unnecessary for the purposes reserved, it is desired to retrocede them. That word "retrocede" is not an exactly accurate legal expression, but it conveys the idea I have in mind. It will simply put them back into the status quo, back where they would have been had they never been reserved.

Mr. MILLER. What is the objection to putting in language to the effect that the lands will be conveyed to the Philippine Government?

Mr. GARRETT of Tennessee. That is further than we have gone, as a matter of fact, in regard to public lands generally. Not at any time, either in the organic act of 1902 or in this bill, have we said that we conveyed title to the Philippine Government. Not at all.

Mr. HELM. Mr. Chairman, will the gentleman yield?

Mr. GARRETT of Tennessee. Certainly; I yield to the gentleman.

Mr. HELM. Do I understand from the gentleman from Tennessee that the fee to what you denominate the Crown lands is now in the so-called Philippine Government?

Mr. GARRETT of Tennessee. I do not think so.

Mr. HELM. The fee to the public lands is not in the Philippine Government?

Mr. GARRETT of Tennessee. No.

Mr. HELM. Where does it rest now?

Mr. GARRETT of Tennessee. The fee rests in the United States Government. But through its legislative arm it did, as it had the right to do, confer upon the Philippine Government the power to give title and administer the trust.

Mr. HELM. Well, as I understand that, if that is correct, then the Philippine Government must necessarily have a limited fee. But a fee is absolute unconditional ownership.

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

Mr. HELM. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Kentucky [Mr. HELM] moves to strike out the last word.

Mr. HELM. Mr. Chairman, my understanding, and what I thought was true, was that the fee to these public or so-called Crown lands now rested in the so-called Philippine Government, and unless the fee does rest there the title or ownership of the Philippine Government to these lands is not a complete ownership, and the United States still has some kind of interest remaining in these so-called Crown lands. I have thought that the fee to these so-called Crown lands was in the Philippine Government, and that the fee to these military and naval reservations, or lands that had been reserved for that purpose—the fee to these lands and those that are undertaken to be described or mentioned in this proviso—was in the United States. I can not comprehend how this Government would have expended large sums of money, as it has done, in improving and erecting fortifications of unusual dimensions and proportions upon land to which it had only a limited title.

Mr. GARRETT of Tennessee. The United States Government had absolute title to that land. I will say to the gentleman.

Mr. HELM. Well, absolute title is fee-simple title.

Mr. GARRETT of Tennessee. Undoubtedly.

Mr. HELM. The meaning of "title in fee" is absolute title.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. HELM. Yes.

Mr. GARRETT of Tennessee. I call the attention of the gentleman to section 12 of the organic act of 1902, which says:

That all the property and rights which may have been acquired in the Philippine Islands by the United States under the treaty of peace with Spain, signed December 10, 1898, except such lands or other property as shall be designated by the President of the United States for military or other reservations of the Government of the United States, are hereby placed under the control of the government of said islands to be administered for the benefit of the inhabitants thereof, except as provided in this act.

Mr. HELM. It is not a fee.

Mr. GARRETT of Tennessee. It is not a fee. I said in my answer to the gentleman a few moments ago that the fee to these lands did not rest in the Philippine Government, but it had been transferred by the Government of the United States to the Philippine Government; that there has been given to the Philippine Government by this Government the power under certain limitations to dispose of and make title to individuals to those lands.

Now I want to make my thought clear, if the gentleman will yield a moment further. We acquired absolute title, fee simple, to 60,000,000 acres of public Crown lands by the treaty of Paris.

Mr. SLAYDEN. By the treaty of Paris?

Mr. GARRETT of Tennessee. Yes; by the treaty of Paris. The fee passed absolutely to the Government of the United States.

Mr. HELM. Right there, Mr. Chairman, I believe I have the floor.

Mr. GARRETT of Tennessee. Yes; I yield.

Mr. HELM. I had thought that title of equal dignity had been passed by this Government to the so-called Philippine Government to these particular lands—to these 60,000,000 acres of land.

Mr. GARRETT of Tennessee. No. The gentleman will see from the language I have just read that it has not been done.

Mr. SAUNDERS. How can the Government pass fee that it does not have?

Mr. GARRETT of Tennessee. It is empowered by the act of Congress to pass the fee, subject to the limitations of the organic act.

Mr. SLAYDEN. It does not include the friar lands, though?

Mr. GARRETT of Tennessee. No.

Mr. HELM. Let me see if I understand the gentleman from Tennessee.

Mr. GARRETT of Tennessee. The Government of the United States acquired this title to this 60,000,000 acres of public land.

Mr. HELM. Sixty million acres?

Mr. GARRETT of Tennessee. Yes; 60,000,000 acres, by the terms of that treaty.

Mr. HELM. What became of that fee? That is what I want to know.

Mr. GARRETT of Tennessee. That fee still rests in the Government of the United States.

Mr. HELM. The gentleman does not undertake to say that this language conveys the fee?

Mr. GARRETT of Tennessee. No; I do not; but by the terms of the organic act of 1902, although the Government of the United States retained the fee, it did, as was felicitously suggested by the gentleman from Virginia [Mr. SAUNDERS], pass

to the government of the Philippine Islands, as it had the right and the power to do——

Mr. HELM. The fee?

Mr. GARRETT of Tennessee. Not the fee, but the authority to convey the fee to the individuals.

Mr. HELM. Where is that language?

Mr. GARRETT of Tennessee. In section 12 of the organic act of 1902, which I just read a moment ago, and sections following.

Mr. HELM. I disagree with the gentleman on that.

Mr. GARRETT of Tennessee. And in section 13 and others which follow.

Mr. HELM. You would have a stream rising higher than its source.

Mr. GARRETT of Tennessee. I do not think so.

Mr. CLINE. I will ask the gentleman whether it is his position that section 12 of the act of 1902, in conjunction with the language used in this proviso, that the order of the President shall be regarded as effectual to give the government of said islands full authority and power to administer such lands for the benefit of the inhabitants of said islands, is sufficient to give the absolute title in those lands to the Filipino people or the Philippine Legislature.

Mr. GARRETT of Tennessee. Oh, no; I do not think so. I like the expression of the gentleman from Virginia [Mr. SAUNDERS]. The power to pass title to the public lands in the Philippine Islands was conferred upon the Philippine Government.

The CHAIRMAN. The time of the gentleman has expired.

Mr. JONES. Mr. Chairman, I ask unanimous consent to address the committee on this subject for five minutes. I have been trying to get recognition to address the committee, and have not been able to get it.

Mr. MILLER. If the gentleman prefers, I have an amendment which I can offer, and then the gentleman can address himself to that.

The CHAIRMAN. The gentleman from Virginia [Mr. JONES] asks unanimous consent to address the committee for five minutes. Is there objection?

There was no objection.

Mr. JONES. Mr. Chairman, it would be much better to discuss a subject of this importance upon some genuine amendment rather than upon a mere pro forma amendment.

Mr. MILLER. If the gentleman will yield, I will offer an amendment.

Mr. JONES. The whole proceeding is irregular. But, Mr. Chairman——

Mr. TOWNER. Would not the gentleman rather address his remarks to the amendment of the gentleman from Minnesota [Mr. MILLER], which he is willing to offer?

Mr. JONES. Not now. Mr. Chairman, I think more importance has been attached to this subject than it deserves. The gentleman who first raised this question seems to have changed his position——

Mr. MILLER. Not at all.

Mr. JONES. Yes; I think the gentleman has. In the first place, he objected to the language of the proviso. He offered no objection to similar language in the section placing the entire public domain, some 68,000,000 acres of land, under the control of the Philippine Government, to be administered for the benefit of its people.

Mr. MILLER. Mr. Chairman, if the gentleman will allow me——

Mr. JONES. If the gentleman will not interrupt me for a minute, I would like to say what I started out to say upon this subject. To my mind it is not important to determine whether the Philippine Government has an actual fee-simple interest in these lands or merely that control over them expressly conferred in the organic law. That law was prepared by two gentlemen who are recognized, I think, as among the ablest lawyers in this country—ex-Secretary ROOT and ex-President Taft.

Under that law the Philippine Government has been disposing of these lands for the past 12 years. It has disposed of one tract of some 56,000 acres to a corporation engaged in the production of sugar. This large tract, however, was a part of the friar lands acquired by purchase from certain religious orders.

Mr. Chairman, if it be admitted that the United States still holds the fee simple title to the lands acquired from Spain, it must, I think, be at least conceded that the power to dispose of them has been conferred upon the Philippine Government. If I, as the owner of a tract of land in the Philippines, were to give to the gentleman from Minnesota [Mr. MILLER] a power of attorney to sell it, any conveyance of it which he might execute would be just as valid and binding upon me as if executed by myself.

Mr. MILLER. Absolutely, but this is not a power of attorney.

Mr. JONES. The authority given to the Philippine Government by the Congress of the United States to control and dispose of these lands is in effect the same as a power of attorney given by a private individual to dispose of lands held by him in fee simple. I can not therefore believe that it is necessary to add anything to the language of this bill. It is precisely the same as that in the organic law, and I do not think any question has ever before been raised as to the right of the Philippine Government to sell and dispose of the public lands as prescribed in the provisions of that law. I am willing, however, to agree to the suggestion of the gentleman from Iowa [Mr. TOWNER] that the section be passed by until we can have an opportunity to look more carefully into the subject.

Mr. MILLER. Will the gentleman yield?

Mr. JONES. I wish first to state briefly what the situation is. The United States Government acquired all the public lands in the Philippines, including those that come within the terms of this proviso, from Spain under the treaty of Paris. Under the act of Congress of July, 1902, these lands, with the exception of certain reserved parts, which included those affected by this proviso, were placed under the control of the Philippine Government, to be administered for the benefit of the Philippine people—in other words, to be disposed of for their use and benefit.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. GARRETT of Tennessee. I ask unanimous consent that the gentleman's time be extended five minutes more.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that the time of the gentleman from Virginia be extended five minutes. Is there objection?

There was no objection.

Mr. JONES. As I have said, all of these lands, with certain exceptions, were placed under the control of the Philippine Government, to be administered for the benefit of the inhabitants of the islands. It is now proposed also to place a part of those public lands not heretofore so placed under the control of the Philippine Government. If this shall be done, the Philippine Government will hold them in precisely the same manner that it holds the great bulk of the public lands, because the language employed in this proviso is the same as that employed in the organic law.

Some gentlemen seem to think that because the United States did not turn these small pieces of land over to the Philippine Government at the same time that it turned over the bulk of the public domain—although the same language is employed in both cases—it will be held by the Philippine Government in a manner different from that under which it holds that first acquired. This can not be true.

If the Philippine Government now possesses the right to dispose of the public lands placed under its control 12 years ago, of course, subject always to the restrictions and limitations prescribed in the act of 1912, it will possess the same right to dispose of the small pieces which it is now proposed to place under its control. There can, I think, be no question as to the correctness of this proposition.

Mr. MILLER. Will the gentleman yield?

Mr. JONES. Yes; I will yield for a question, but I do not want the gentleman to ask it and then discuss it, as he did in the time of the gentleman from Tennessee.

Mr. MILLER. Does not the gentleman think that it is necessary, in order that the lands contemplated by the proviso shall be in the same position as the big bulk heretofore conveyed, that the language specifically state that these lands in this proviso shall be subject to the provisions of acts of Congress heretofore passed?

Mr. JONES. I do not. I think that section 29, to which my colleague [Mr. GARRETT] called attention, makes it clear that these lands are to be held and disposed of subject to the provisions of the organic act. But there is also another section which makes this clear, to my mind; it is section 6. It reads as follows:

> That the laws now in force in the Philippines shall continue in force and effect, except as altered, amended, or modified herein, until altered, amended, or repealed by the legislative authority herein provided or by act of Congress of the United States.

These two sections continue in force and effect the provisions of the organic law in relation to the sale and disposition of the public lands under the control of the Philippine Government. I do not think there can be room for much doubt as to this.

There is still another provision of this bill which, in my judgment, has some bearing upon this point. It is the proviso in

section 12, which declares that until the legislature provided for in this bill is organized the existing legislature shall exercise all legislative authority conferred upon that legislature, and so forth.

Mr. MILLER. Will the gentleman yield for one more question?

Mr. JONES. Yes.

Mr. MILLER. Suppose I had two pieces of land; that I owned them myself. I convey one to the gentleman from Virginia [Mr. JONES] as trustee, to administer for the benefit of somebody else. After a while I say that in administering them he can convey title to certain individuals and certain classes of people. Subsequent to that I convey to him some other land in trust, but say nothing about the authority to convey. Does the gentleman think that he would have authority to convey the lands mentioned in the latter conveyance?

Mr. JONES. Oh, the gentleman states a case that is not at all parallel to the one we are considering. The case here is this: The United States 12 years ago placed sixty-odd millions of acres of land, which it acquired from Spain, under the control of the Philippine Government, to be disposed of by it under certain restrictions and limitations. They still possess a few acres of the land acquired from Spain, for which they have no use and which it is proposed also to place under the control of the Philippine Government. It is my opinion that if this is done, this land can only be disposed of in the manner in which similar lands now held by the Philippine Government are disposed of. I may be mistaken about this, of course, and therefore I am willing that section 9 be passed by, to be returned to after we have had full opportunity to examine fully into the subject. My wish is, of course, to remove all the doubt there may be about this matter.

Mr. MILLER. That request of the gentleman applies to the whole section?

Mr. JONES. Yes.

The CHAIRMAN. Without objection, the pro forma amendments by the gentleman from Minnesota and the gentleman from Kentucky are withdrawn. Has the gentleman from Virginia a request to make?

Mr. JONES. No.

Mr. MONDELL. Mr. Chairman, I desire to offer an amendment.

Mr. JONES. Mr. Chairman, this section has been passed by unanimous consent, and no amendment can be offered to it.

Mr. MONDELL. When was it passed by unanimous consent?

Mr. JONES. At this moment.

Mr. MONDELL. Not at all.

The CHAIRMAN. The gentleman from Wyoming has risen to offer an amendment. The Chair asked the gentleman from Virginia if he had a request to make, and the Chair understood him to say that he had not.

Mr. JONES. I thought, Mr. Chairman, that the Chair meant if I had any additional request. I had already made a request.

Mr. MONDELL. Mr. Chairman, I move to amend, on page 7, line 20, after the word "administered," by inserting the words "or disposed of," and on page 8, line 10, after the word "administer" insert the words "and dispose of."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 7, line 20, after the word "administered," insert the words "or disposed of."

On page 8, line 10, after the word "administer," insert the words "and disposed of."

Mr. JONES. Mr. Chairman, I want to say that while we do not think this language is necessary, the gentlemen on the other side do, and we are willing to accept it.

Mr. MILLER. I am not willing to accept as sufficient, Mr. Chairman, the language which the gentleman proposes. I think it would be sufficient if he would add after his language "under the provisions of sections 63 and 64 of the act approved July 1, 1902," and then there can be no question about it.

Mr. JONES. Oh, those sections apply to the friars' lands and not to the public lands.

Mr. MILLER. I may be mistaken in the sections.

Mr. MONDELL. Mr. Chairman, I could not accept the suggestion of the gentleman from Minnesota. I do not think he would offer it if he stopped to think about it. All we need to do to strengthen this language is to make it clear, to add to the authority we have given to the Philippine Legislature. This is not a grant of land to the Philippine Legislature. It is a grant of authority to administer. We say we grant them authority to administer. The gentleman from Virginia [Mr. JONES] says that a grant of authority to administer has been held to be a grant of authority to dispose of, and if that continues to be held to be the interpretation of that language, it would be all right, and there would be no necessity for this amendment; but I can readily understand how somewhere, some time, some one might say, and say with a good deal of force, that a grant of authority to administer is not a grant of authority to dispose of, and if what these people are to be given authority to do is to administer and dispose of, my two amendments make clear in simple words exactly what it is desired to give them authority to do. I agree with the gentleman from Virginia that the main part of the section and the proviso are entirely harmonious, and that if no amendment is needed to one, none is needed to the other; but while it is true, as the gentleman from Virginia says, that no one has questioned but that the right to administer is a right to dispose of, some one may question it, and it would be a very serious situation if it were questioned. What we mean is to grant authority to administer and dispose of, and it seems to me it is proper that we should say so clearly.

Mr. HELM. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. HELM. A lease of 99 years is a disposal of the land for that length of time, is it not? The criticism that I have to make of the gentleman's amendment is this, that the words "and disposed of" are not words of conveyance. What this Government wants to do is to convey.

Mr. MONDELL. Mr. Chairman, if the gentleman will permit, the gentleman is going into an entirely different question. The gentleman objects to the whole tenor and purpose of this section, and I do not.

Mr. HELM. Does not the gentleman want to pass title from the United States to the Philippine Government?

Mr. MONDELL. No; I am willing to leave it just as the committee left it, and it did not attempt to pass title. They have not passed title; they have granted authority. The title remains just where it was. The authority to administer these lands is granted here, and it is granted in proper language, providing you add the words "and dispose of" to the word "administer." I do not think there is any necessity for changing the language so as to make it a grant and cession. All that the Philippine Legislature needs now is authority to administer and dispose of this land under laws that they provide and which are approved. They can do that under the section as it stands, without any change, unless some one should raise the question—and it would be a serious one if raised—as to whether a grant of authority to administer is a grant of authority to sell.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. GARRETT of Tennessee. Mr. Chairman, I want to call the attention of the gentleman to section 15 of the organic act of 1902, which is continued in force:

SEC. 15. That the Government of the Philippine Islands is hereby authorized and empowered, on such terms as it may prescribe, by general legislation to provide for the granting or sale and conveyance to actual occupants and settlers and other citizens of said islands such parts and portions of the public domain other than timber and mineral lands of the United States in said islands as it may deem wise not exceeding 16 hectares to any one person and for the sale and conveyance of not more than 1,024 hectares to any corporation or association of persons.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. MONDELL. Mr. Chairman, I ask unanimous consent to be permitted to proceed for five minutes more.

The CHAIRMAN. Is there objection?

Mr. HUMPHREY of Washington. Mr. Chairman, reserving the right to object, I would like to inquire whether the distinguished gentleman from Texas [Mr. HENRY] has lost either his voice or his nerve? I want to suggest the absence of a quorum, but I shall withhold it until the gentleman from Wyoming has proceeded for five minutes.

Mr. CLINE. Oh, I think the gentleman from Texas has not lost either one, but he is simply down getting a little lunch.

The CHAIRMAN. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

Mr. MONDELL. Mr. Chairman, in answer to the suggestion contained in the statement of the gentleman from Tennessee [Mr. GARRETT], I would say that the section he read is clearly a grant of authority to dispose of, but here is a subsequent enactment which contains only a grant of authority to administer. It is a question what that means. That has been interpreted, the gentleman from Virginia assures us, and of course he knows as to the facts, as a grant of authority to dispose of; but that is a pretty broad interpretation and definition of the word "administer."

Mr. GARRETT of Tennessee. Mr. Chairman, if the gentleman will permit, I think if he had before him and would go over it carefully the organic act touching these matters, he

would say at once that really these amendments are not necessary. Section 9 of the bill before us is substantially a repetition of section 12 of the organic act of 1902. It carries the language "to be administered for the benefit of the inhabitants thereof." This section 9 in the proposed bill repeats that language.

Mr. MONDELL. But it does not repeat the other language.

Mr. GARRETT of Tennessee. It does not; but section 15 of the original act is continued, not in express words, but by express provisions of other sections of the bill we are considering. It was not deemed desirable to repeat that. The only reason that section 12 of the act was repeated at all was because the conditions rendered it desirable to provide for this retrocession. That is really the only necessity for repeating in this act section 12 of the act of 1902.

Mr. MONDELL. I think it is possible, by diving deeply enough into the various provisions of legislation, that the interpretation heretofore placed upon this language might be placed upon it in the future, but what the gentleman from Tennessee said throws a new light on the interpretation which the gentleman from Virginia has told us has heretofore been placed on this provision.

Mr. GARRETT of Tennessee. Mr. Chairman, I ought not to have used the word "retrocession." That is not at all an accurate expression, because the land never technically belonged to the Philippine Government.

Mr. MONDELL. Mr. Chairman, the organic act not only contains the language I seek to add to, but also contains other language definitely granting the right to dispose of. We are now in this act, I assume, including all of the powers we grant to the Philippine Legislature and the Philippine Government. It may be said that where we fail to grant authority it can be found by reference to an old law, and while that might be true, yet so long as we are granting authority upon this subject, our grant of authority should be clear and specific and all inclusive. And it can not be unless in saying that we grant authority to administer, intending to grant authority to dispose of, we do grant that authority in clear terms.

Mr. JONES. Mr. Chairman, I call for a vote on the amendment.

Mr. MILLER. Mr. Chairman, I move to pass the paragraph for the purpose of perfecting its text.

Mr. GARRETT of Tennessee. With the amendment pending?

Mr. MILLER. With the amendment pending.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent to pass this paragraph. Is there objection?

Mr. JONES. Mr. Chairman, I object.

Mr. CLINE. Mr. Chairman, I object; there is no better time than now to dispose of the paragraph.

Mr. RUCKER. Mr. Chairman, I offer an amendment to the amendment.

Mr. HUMPHREY of Washington. Mr. Chairman, inasmuch as the gentleman from Texas is incapacitated from performing his patriotic duty, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Washington makes the point of order that there is no quorum present. The Chair will count.

Mr. RUCKER. Mr. Chairman, in view of the fact that the gentleman from Texas is now on the floor, I trust the gentleman from Washington will withdraw his point of order.

Mr. HUMPHREY of Washington. Mr. Chairman, I withdraw the point of order if the gentleman from Texas will permit, and he can make the point of order for himself. [Laughter.]

Mr. RUCKER. Mr. Chairman, I move to amend the amendment of the gentleman from Wyoming by striking out the words "dispose of" and inserting the word "convey."

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Missouri.

The Clerk read as follows:

Amend the amendment of the gentleman from Wyoming by striking out the words "dispose of" and inserting the word "convey."

Mr. RUCKER. Mr. Chairman, I offer this amendment not because I think the committee will adopt it but in order to secure time to express in a plain way my views about this question. My notion is that if the Congress of the United States intended in its organic act or intends in this act to place the disposition of the public domain in the Philippine Islands in the Philippine Government, that we ought to say so directly, and not use language so involved and ambiguous that no two lawyers in this House can agree upon a correct and proper construction of it. There is no doubt that each of the distinguished gentlemen who have been discussing this question can frame language which every lawyer will understand is intended to pass title or would authorize the Philippine Government to pass title. Why should we sit here wasting time and quibbling about whether or not the power granted to the Philippine Government to "administer" the public domain for the benefit of the people of the Philippine Islands carries with it authority to pass title?

Mr. GARRETT of Tennessee. Will the gentleman yield for an inquiry?

Mr. RUCKER. Yes, sir.

Mr. GARRETT of Tennessee. Did the gentleman hear read a few moments ago section 15 of the organic act?

Mr. RUCKER. Yes.

Mr. GARRETT of Tennessee. There is not any doubt of the clearness and explicity of that.

Mr. RUCKER. Then why not use that language in this bill?

Mr. GARRETT of Tennessee. Because it is unnecessary to repeat it.

Mr. RUCKER. If it is unnecessary to use clear, explicit, and definite language, then it is unnecessary to legislate at all, it seems to me.

Mr. GARRETT of Tennessee. It is made a part of the bill by the section, and, if the gentleman will permit me——

Mr. RUCKER. I will.

Mr. GARRETT of Tennessee. The organic act of 1902 has page after page of detail about the measurement of mineral lands and timberlands, and the gentleman would not want to repeat in express terms all of this organic act when it is wholly unnecessary. All of those sections are continued by the general expression.

Mr. RUCKER. I would like to ask the gentleman, if he will permit me, why it is that the committee stands so firmly for the use of the word "administer"? Why not use some other word which would more clearly and aptly express the power to convey, if we intend to confer that power upon the Philippine Government?

Mr. GARRETT of Tennessee. It is the ordinary word as applied to this act, and because it is the exact word in the organic act under which we have been operating for 12 years, and it is a good word.

Mr. RUCKER. I do not think there is a lawyer in the universe who will construe the word "administer" as meaning to confer power to convey. It might under some circumstances, under the doctrine of estoppel or some other theory, be held sufficient to pass title, but my judgment is that in writing a law we ought to use words which clearly express the intention of Congress and not leave the congressional purpose and intention so obscure as to subject it to construction by everybody who may be called upon to deal with it, realizing and knowing that lawyers are apt to differ in construing it.

Mr. JONES. Will the gentleman yield for a question?

Mr. RUCKER. Yes.

Mr. JONES. Does not it occur to the gentleman that if we were to change this language that there might be some question raised in the minds of thousands, and perhaps tens of thousands, of people who have acquired title to lands?

Mr. RUCKER. I think so. That reminds me of another suggestion——

Mr. JONES. We do not want to suggest to anybody who has ever acquired land in all these years that there is any possible question as to title. I do not think there is, but the idea would go out that Congress suggests that here.

Mr. RUCKER. Mr. Chairman, the thought did occur to me that there is grave question as to the title of these homesteaders, if men have acquired a homestead right, and therefore it seems to me wise that this committee should insert in this bill a provision confirming and ratifying all grants of the Philippine Government in reference to the disposition of lands heretofore, because I doubt exceedingly whether the power to "administer" was a power to convey title to the individual, and for that reason I wanted to say what I have. I favor a direct way rather than an indirect way of saying and doing things.

Mr. TOWNER. Mr. Chairman, I desire to oppose the amendment offered by the gentleman from Missouri. I think the language used by the amendment offered by the gentleman from Wyoming is better, and for that reason I oppose the amendment to the amendment.

But I entirely agree with the gentleman from Missouri [Mr. RUCKER] in what he said about this matter. I have little doubt but that the chairman of the committee is correct in saying that this language is as efficacious in and of itself to convey title as the language that has been previously used. But the circumstances and conditions surrounding the two transactions are vastly different. Then conditions were very different from those that now exist, and there are many additional provisions of the law, such as were read by the gentleman from Tennessee [Mr. GARRETT], which interpreted the acts that have been passed under which title has been conveyed, but could not be used now

to interpret this act. This act must stand or fall on the provisions of it.

Now, when it says that it does not convey title—and every lawyer knows that that is not true—there will be no question that the title will not be conveyed, and if it is our intention to convey title, and we can do it by the simple addition of the words "and disposed of," why should we not do it? It occurs to me that is the simple, frank, and manly thing to do, and thereby confer what is of the greatest benefit to the Philippine Islands.

Mr. JONES. If the gentleman will permit me, I will say that whilst I do not believe the gentleman's amendment is at all necessary, I realize that it can do no harm, and therefore I shall not oppose it.

Mr. TOWNER. I think the gentleman is acting wisely.

Mr. JONES. I shall, however, oppose the amendment to this amendment offered by the gentleman from Missouri [Mr. RUCKER].

Mr. RUCKER. Mr. Chairman, in view of the hostile attitude of the chairman toward the amendment I offered, I ask unanimous consent to withdraw it.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none. The question is on the amendment offered by the gentleman from Wyoming [Mr. MONDELL].

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The question is now on the second amendment offered by the gentleman from Wyoming.

Mr. JONES. There was only one amendment.

Mr. GARRETT of Tennessee. The gentleman from Wyoming offered the same amendment in two places.

Mr. JONES. The one amendment applies to two places.

The CHAIRMAN. That is right. The Clerk will read.

The Clerk read as follows:

SEC. 10. That while the Philippine Government shall have the authority to enact a tariff law, the trade relations between the islands and the United States shall continue to be governed exclusively by laws of the Congress of the United States: *Provided*, That tariff acts or acts amendatory to the tariff of the Philippine Islands shall not become law until they shall receive the approval of the President of the United States, nor shall any act of the Philippine Legislature affecting the currency or coinage laws of the Philippines become a law until it has been approved by the President of the United States.

Mr. RUCKER. Mr. Chairman, I move to strike out the last word. I do this for the purpose of asking the chairman of the committee a question, if he will permit it. A moment ago in the discussion I heard some gentleman say that some corporation had recently acquired title to a tract of some 56,000 acres of land in the Philippines. I want to ask if that was an American corporation?

Mr. JONES. I did not mean to convey the idea that it was recently done, but a corporation——

Mr. RUCKER. It was done since the organic act was passed?

Mr. JONES. Yes.

Mr. RUCKER. I understood the organic act limited the area of land that any citizen or corporation could acquire.

Mr. JONES. It would take some little time for me to explain that transaction. I have always questioned its legality—always.

Mr. RUCKER. You do not question the title they got, of course?

Mr. JONES. I have always questioned the legality of it. I may say that those lands were a part of some 420,000 acres of friar lands purchased by the Philippine Government for the sum of $7,000,000. The Philippine Government held that this limitation of 1,024 hectares, about 2,500 acres, did not apply to the friar lands but did apply to the public lands. My contention was that it applied to all the lands—the friar lands as well as the public lands. What I wish to say is that the attorneys of this corporation never doubted that the title of the Philippine Government to these lands was good No one has contended that the Government of the Philippines could not give a good title to all the public lands, no matter how acquired, subject, of course, to the limitations imposed by Congress upon their disposition.

Mr. RUCKER. I understood the gentleman's contention about that, and I simply wanted to know if it was the practice over there to allow corporations to acquire large areas of land.

Mr. JONES. I will say to the gentleman that there has been no transaction of this kind since that time.

Mr. TOWNER. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from Iowa [Mr. TOWNER] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, on page 8, by inserting, after the word "while," in line 12, the following: "This act provides that."

Mr. TOWNER. Mr. Chairman, I will say to the gentleman that that is merely an amendment to perfect the language of the text. I do not care to say anything about it. It seems to me it is necessary.

Mr. JONES. I have no objection to the insertion of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The question was taken, and the amendment was agreed to.

Mr. TOWNER. Mr. Chairman, I desire to amend the section by striking out the proviso.

The CHAIRMAN. The gentleman from Iowa offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, section 10, by striking out the proviso beginning after the word "States," in line 16, and ending with the word "States," in line 22.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

Mr. TOWNER. Mr. Chairman, I desire unanimous consent to continue my remarks for 10 minutes.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent to be permitted to continue for 10 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. TOWNER. Mr. Chairman, I desire to present this matter to the committee, and I would like to have the attention of the committee, because I believe it is a very serious question which I raise in this amendment and which ought to be considered in an entirely nonpartisan way and for the ultimate benefit, as I believe, both of the people of the Philippine Islands and the people of the United States. It will be observed that the language of this section as it now reads is that "while this act provides that the Philippine Government shall have the authority to enact a tariff law, the trade relations between the islands and the United States shall continue to be governed exclusively by laws of the Congress of the United States." I have no fault to find with such provision. It is proper that the trade relations existing between the islands and the United States should remain subject to the control of the United States, at least for the present.

Then follows the provision, the first part of which is as follows:

Provided, That tariff acts or acts amendatory to the tariff of the Philippine Islands shall not become law until they receive the approval of the President of the United States.

If we strike out this proviso it will allow the Philippine Government to make its own tariff laws, subject, of course, to the fact that the United States Congress can pass a law at any time annulling or repealing any law that the Philippine Legislature may pass.

Let it be remembered that we have retained, by the provision which I first read, the control as between ourselves and the islands. My amendment presents the question. Will it be better for their interests and our own if we shall make the passage of a tariff law by the Philippine Legislature subject to the approval of the President of the United States rather than of the governor of the Philippine Islands? I argue that it will be better for us and for them if we allow them to make their own tariff laws, subject to our ultimate right of appeal, and I do that for these reasons: In the first place, the people of the United States can hardly understand the conditions in the Philippine Islands. They are located in the Tropics. The circumstances of their people and the conditions which surround them are so different from our own, their productions are so different from our own, the character of their citizenship is so different from our own—all these things make it almost impossible for our people to thoroughly understand the conditions that now exist in the Philippine Islands. To such an extent is this true that many argue from that fact that we ought not to attempt to govern them at all.

More than that, there is no one other question about which there is so much partisanship as about the tariff question. It is almost impossible for the people of the United States to consider the question of tariff aside from its influence on party, and the President of the United States is the leader of his party. The President represents his party. The President, in passing upon every tariff law passed by the Philippine Legislature, will not only think how it will affect the Philippine people, but what will be the effect upon his party in the United States. If it shall be a Democratic President, and there is a provision for a high tariff, the President will be loth to approve of such a bill, because it will be in contradiction to his party platform. If, on the other hand, there shall be a Republican President, and a provision shall be passed by the Philippine

Legislature making a low tariff, he might be influenced to take an unfavorable view. In short, no President can view any tariff law passed by the Philippine Legislature uninfluenced by his party's views and existing political conditions. For that reason it will be exceedingly unwise for us to inject into the government of the Philippines questions of United States politics. Let us keep them out of there, because they do not belong there.

Mr. MONTAGUE. Mr. Chairman, may I ask the gentleman a question?

Mr. TOWNER. Certainly.

Mr. MONTAGUE. Would or would it not be essential to the foreign relations of our Government that we should in a measure determine or supervise the tariff policy of the Philippine Islands until we finally relinquish them? In other words, is it not necessary for us to hold a string, so to speak, on a tariff policy of the Philippines, in order to preserve the integrity of our own foreign relations?

Mr. TOWNER. I was just going to come to the proposition suggested by the gentleman from Virginia. Let it be observed that we still have the power—the United States still have the power—by act of Congress to repeal any law which the Philippine Legislature may enact. We have that power whether we strike out this provision or not. We still have an absolute control of the situation, and if any law is passed by the Philippine Legislature which is not approved by us we can repeal it.

Now, I want to make this further observation: There has been very little difficulty of that kind with regard to the self-governing colonies of Great Britain. Canada makes its own tariff. Australia makes it own tariff. Other Commonwealths which are part of the British Empire make their own tariffs. It is true that there was a protest made when Canada made a preferential tariff in favor of Great Britain. Germany protested very vigorously, and imposed upon Canadian products their maximum rates under their maximum and minimum system of rates of duty. Canada, to meet that, put up her maximum rate on German products, and after negotiations between Canada and Germany it was finally adjusted by each one of them granting the other its minimum rates. But it never was suggested that Canada did not have the power to make its own rates. England made no effort to interfere, and the matter was fought out between Canada and Germany.

I want to make the Philippines a great self-governing Commonwealth, such as Canada is, such as Australia is. [Applause.]

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. JONES. Mr. Chairman, I ask that I be permitted to have the same amount of time that was given to the gentleman from Iowa—10 minutes—in which to reply to him.

The CHAIRMAN (Mr. FLOOD of Virginia). The gentleman from Virginia asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. JONES. Mr. Chairman, I very heartily indorse a great deal that has been said by the gentleman from Iowa [Mr. TOWNER]. He has spoken very truly as to the difficulty of governing a colony 10,000 miles away from the seat of the Government. Does not the gentleman think, however, that every word he has said as to the difficulty of our making laws for the government of the Philippine Islands tends to show that the sooner we grant them their complete independence and allow them to legislate for themselves the better it will be for them and for us? It seems to me that this is the logical conclusion to be drawn from his remarks—a conclusion from which the gentleman can not easily escape.

The gentleman moves to strike out of this section that part of it which requires the approval of the President to all legislation affecting the tariff, the coinage, and the currency. The same requirement as to the disposition of lands, timber, and mining rights is contained in a section of the bill which has been passed. When that section was reached the gentleman moved to strike it out, but the committee refused to do so. I opposed striking out the requirement as to lands and timber, and I am opposed to striking out that which relates to tariff legislation. There is much more reason for requiring the approval of the President to legislation relating to the tariff than there is for requiring it as to sales of the public lands. The gentleman from Pennsylvania [Mr. MOORE] has gone so far as to say, in respect to sales of land, that the prior consent of the Congress ought to be obtained. This shows how widely gentlemen differ upon this subject.

A strong reason for requiring in advance the approval of the President as to tariff legislation is that such legislation might involve the United States in complications with foreign countries. So, Mr. Chairman, it seems to me that this is a wise provision. I think the same is true as to legislation affecting the coinage and currency laws. The Congress of the United States has provided a currency system for the Philippine Islands. I believe it to be a most satisfactory one, and so long as we retain sovereignty over the islands I do not think the Philippine Legislature should be permitted to change that law without first having secured the approval of the President of the United States. I know this bill provides that all laws passed by the Philippine Islands may be annulled by Congress, but I can imagine circumstances under which it might be most desirable to have the President approve a tariff bill in advance of its passage by the Philippine Legislature. Surely, as I have said, if it be wise to require in advance the approval of the President to acts relating to the sales of land and timber, it would be the part of wisdom to require his prior approval of a tariff act which may affect all the commercial nations of the world.

Mr. MOORE. Will the gentleman yield?

Mr. JONES. I yield to the gentleman.

Mr. MOORE. If this proviso remains, the Congress of the United States will still exercise some supervision over any tariff act passed by the Philippine Legislature?

Mr. JONES. The Congress of the United States will have the absolute right to revoke it. In the first place, the Governor General has the right to veto it, and if the legislature should pass it over his veto by a two-thirds vote, then the President of the United States is given an absolute veto. But even if the President of the United States did not veto it, the Congress of the United States would have the power to annul it.

Mr. MOORE. Would that hold with respect to tariffs by the Philippine Legislature made with other countries than the United States?

Mr. JONES. It applies only to tariffs made with respect to other countries than the United States. In this bill we reserve the absolute right of the United States to regulate our trade relations with the Philippines. They have no authority to pass any law affecting their trade relations with the United States.

Mr. MOORE. That is to say, if the Philippine Legislature wanted to come to a tariff agreement with Germany, or with France, or with any other nation, it would still have to submit that act to the Congress of the United States?

Mr. JONES. No; it would submit it to the President for his approval; and if he gave his approval and the legislature enacted the law, the Congress of the United States could then annul it if it desired to do so; so that it is absolutely safeguarded. The gentleman from Iowa thinks there is too much safeguarding.

Mr. MOORE. There have been instances in recent administrations when agreements have been made with foreign nations to which Congress has not been a party. I think during the Roosevelt administration there were a number of agreements made, especially with Germany, about which there was a great deal of complaint. In my judgment, all matters of that kind should have come to the Congress of the United States. If we are still to exercise authority over the Philippines, I would not like to see the Philippine Legislature have the power to make a tariff agreement with any foreign country unless we had some knowledge of it in the Congress of the United States.

Mr. JONES. It seems to me that the tariff arrangements which the gentleman says were entered into by the Roosevelt administration might have been revoked by the Congress if it had had the mind or the nerve to do so.

The CHAIRMAN. The time of the gentleman has expired. The question is on the amendment offered by the gentleman from Iowa [Mr. TOWNER].

The amendment was rejected.

Mr. MILLER. Mr. Chairman, I move to amend by striking out, after the word "States," in line 19, page 8, the remainder of the paragraph.

The CHAIRMAN. The gentleman from Minnesota offers an amendment which the Clerk will report.

The Clerk read as follows:

Amend, page 8, by striking out, after the word "States" in line 19, the remainder of the paragraph.

Mr. MILLER. Mr. Chairman, it seems to me that we have really gone a very long distance in handicapping the Philippine Legislature in demonstrating its capacity to act as a legislative body. I am frank to say that there are some things in this bill that I think go too far. There are some things that I think are premature; but I do think if we are going to create a legislative body in the Philippine Islands we ought to give that body an opportunity to legislate on some of the important as well as unimportant things that must very nearly concern their welfare,

We have restricted their capacity to legislate, in the first instance, respecting public lands, timber, mines, tariffs, and trade relations. That pretty nearly covers the whole field of national legislation of prime importance. It is proposed by this third paragraph further to restrict their capacity to legislate, by removing from them authority to legislate respecting their currency and coinage systems. Now it is pretty nearly tweedledee and tweedledum in one sense to say that there is any additional safeguard in requiring their laws to be signed by the President of the United States before they shall become operative over giving him the right of veto subsequent to enactment. At best it seems to me that we have become hypercritical. We have become suspicious. We are lacking in good faith and generous treatment of the Filipinos by hedging them in and surrounding them by such a complete network as will restrict them very measurably in their activities. It seems to me it is going too far to say that the Philippine Legislature has not sense enough, has not the judgment, has not the patriotism, has not the experience to legislate respecting its currency and coinage. If it has not capacity to do that, Mr. Chairman, if it has not capacity to legislate concerning those subjects, what subjects has it the capacity to legislate about anyhow?

But the gentleman says that the Congress has enacted a law giving currency legislation to the islands. That is true. That law is continued in effect by this bill. In order for that law to be changed it will be necessary for the bill passing the Philippine Legislature to receive the sanction of the Governor General, and if his veto be overridden, then to receive the sanction of the President of the United States.

Would not it be more consonant with the desire to let the Filipino people demonstrate their capacity to legislate and govern themselves, to give them full, free, and unrestricted opportunity to legislate at least respecting some of the things of national primal importance? Therefore I think we ought to remove the restrictions from this kind of legislation. I can see a decent reason why we should require the sanction of the President before a tariff law should become operative, because a tariff law has to do with international relations.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken, and the amendment was rejected.

Mr. MILLER. Mr. Chairman, I have another amendment which I wish to offer, similar to the one I offered at the top of page 8, in the preceding paragraph. The gentleman from Tennessee [Mr. GARRETT] suggested that instead of having the amendments which require the President to exercise the veto within a certain length of time inserted in each paragraph, that we put it in one paragraph and make it operative over all. I think that is much the better way. If it is understood that we shall have an opportunity to make that amendment later, I will not offer this.

Mr. GARRETT of Tennessee. Mr. Chairman, the suggestion I made was merely my own individual suggestion. It did not come from the committee or from the chairman. I do not know whether the chairman would feel that the amendment proposed ought to prevail at this point or not. Personally I see no objection to it.

Mr. JONES. Mr. Chairman, the gentleman is speaking of an amendment fixing a time within which the President must approve or disapprove acts relating to the tariff, currency, and coinage acts.

Mr. MILLER. Yes.

Mr. JONES. I assented to the amendment which was adopted fixing such a time as to lands, and I gave my reasons for so doing; but I do not believe that the time in which the President is required to approve or disapprove a tariff, a currency, or a coinage act ought to be limited to so short a time as 90 days, and therefore I am not willing to accept this amendment.

Mr. MILLER. Then, Mr. Chairman, I will offer the amendment at this place.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

After the word "States," in line 22, page 8, strike out the period and insert a colon, together with the following: "*Provided further*, That the President shall approve or disapprove any act mentioned in the foregoing proviso within 90 days from and after its enactment and submission for his approval, and if not approved within such time it shall become a law, the same as if it had been specifically approved."

Mr. MILLER. Mr. Chairman, I really can not see how the gentleman from Virginia can possibly have objection to that amendment as applied to this paragraph if he accepted the amendment to the preceding paragraph, and he did. It seems to me that every argument in favor of the amendment to the preceding paragraph is just as applicable to this. It seems to me that we are going to get the legislation in the islands into a great degree of chaos unless such an amendment be adopted. I am very much in earnest about this. I have only one desire, and that is to perfect the bill so that it will result in the least possible confusion and for the greatest benefit to the people of those islands.

Now, let us see the proviso to which it applies. It says that unless the President shall express his veto within three months after the time the bill is submitted to him the act shall become a law nevertheless. Now, that must have been all passed upon by the Governor General of the islands. This is but an additional safeguard.

Mr. BOOHER. Will the gentleman yield?

Mr. MILLER. Yes.

Mr. BOOHER. Does the gentleman's amendment provide that it shall be approved within 90 days after it is submitted to the President?

Mr. MILLER. It does.

Mr. BOOHER. Ought not that provision to apply to all of the provisions in the bill?

Mr. MILLER. I hope so, because I am going to offer it at every place where the President has the right of veto.

Mr. BOOHER. I think it ought to be offered as an amendment to apply to the whole bill.

Mr. MILLER. I intended that it should; but the gentleman from Virginia did not want it to apply to all the provisions of the bill.

Mr. BOOHER. If the time were made a little longer, perhaps there would be an agreement to let it apply to the whole bill.

Mr. MILLER. I think the gentleman from Missouri will appreciate the fact that from the time the bill is passed by the Philippine Legislature it will take 30 days for it to reach the President of the United States, and he thereafter has 90 days. If the President within that period of time is not able to make up his mind whether he will approve or disapprove it, he never will make it up. It would not be safe to have such a law on the statute books operating with the President's veto likely to come, and I do not think it would be consistent with good government to require that the President should exercise his approval of a tariff act before it shall become a law, for he might perhaps hold it for four years.

Mr. BOOHER. That is where the trouble lies, if you do not limit the time. He might hold the bill up during his entire term of office.

Mr. MILLER. Yes; he might hold it up for four years, or even eight years.

Mr. BOOHER. Under the gentleman's amendment he would have four months.

Mr. MILLER. Yes; but, carrying out the suggestion of the gentleman from Missouri, suppose that the bill is submitted in a Republican administration and the Republican President is opposed to it, but does not make up his mind to veto it; he lets it stay there. Then the Democratic administration comes in.

A Democratic President makes up his mind that he would like it, and he could approve it. Possibly it was a good bill at the time it was passed, but perhaps eight years have intervened, during which conditions have all changed, and the tariff laws ought to be entirely rewritten. In that instance can anybody say that that is a proper condition in which to place the Philippine Islands? Certainly it is only in consonance with sound sense to say that the President should have a time restriction within which he must express his approval or disapproval.

Mr. CLINE. Does not this bill provide that Congress shall have the right to modify or repeal that regardless of what the President does?

Mr. MILLER. That is true; but suppose the President would wait six or eight years; it would never come before Congress.

Mr. CLINE. Congress does not have to wait on the President.

Mr. MILLER. It would not be a law and submitted to Congress until after the President has approved it in this case. What the gentleman says would apply to the situation in the previous paragraph, but not in this. The suggested legislation is absolutely suspended in the air, somewhere above the earth.

Mr. RUCKER. There is a limitation upon the President with reference to acts of Congress.

Mr. MILLER. Certainly; but we restrict him to 10 days, and I propose to give him three months in a Philippine case.

Mr. RUCKER. That is long enough for a Democratic President; and as that is the only kind we are ever going to have hereafter, I am with the gentleman.

Mr. JONES. Mr. Chairman, I do not wish to take up the time of the committee in discussing this proposition. It has been discussed over and over again. I simply wish to say that I think this case is not exactly parallel to that before the House

a day or two ago. The gentleman from Minnesota [Mr. MILLER] then proposed that the President be given six months within which to approve or disapprove. I myself suggested to the gentleman that I thought the time should be reduced to three months. I said then that there were other sections of this bill to be reached later in which there was the same requirement as to presidential approval before the legislation which was the subject of those sections could be enacted. I intimated that whilst I was willing to put a time limit upon the action of the President in regard to lands, timber, and mining rights, I might not be willing to do so as to some other legislation. Tariff measures require much time for their preparation. There is no more intricate and difficult legislation than that which relates to the tariff. If the President, therefore, is to be required to approve or disapprove a tariff measure, he should be given ample time in which to examine its many features and almost numberless items. If this is not done and the President should find that he could not master the many provisions of the measure in the time permitted him, there would be nothing left to him but to disapprove it. I therefore doubt the wisdom of putting a short time limit upon his action.

Mr. Chairman, I congratulate my friend from Minnesota [Mr. MILLER] upon having become so progressive and liberal in his views as to Philippine legislation. I may say to him, however, that the provisions of this bill are far more liberal than those they are intended to supersede and which represent the ideas of his party. The gentleman thinks that we are placing too many handicaps on the Filipinos. I wish to remind the gentleman that the Philippine Legislature to-day can not enact any law upon the subject of the tariff, can not enact any law upon the subject of the currency, and can not enact any law relating to coinage. This bill permits the legislature to do all of these things, but requires that the affirmative approval of the President of the United States shall first be had. It is a great advance over the present organic law, and yet the gentleman from Minnesota would have us believe that he thinks it does not go far enough in the direction of conferring self-government upon the Filipinos. I congratulate him upon this progress.

Mr. MILLER. Mr. Chairman, under Republican law they have progressed until now they are capable of doing things that they could not possibly have done 10 years ago.

Mr. JONES. I regret that during all of the time the gentleman has been here, during all the time that has elapsed since he returned from his visit to the Philippine Islands, he has not introduced a bill of his own carrying into effect the liberal and progressive views to which he is now giving utterance.

Mr. MILLER. Will the gentleman yield?

Mr. JONES. A bill that would give the Filipinos a more liberal form of government than is provided for in this measure.

Mr. MILLER. I had one outlined, but I was informed that the gentleman from Virginia was preparing one that provided for immediate independence, so what was the use of mine? After he had submitted his to some of the other members of his party, however, immediate independence died. [Laughter on the Republican side.]

Mr. JONES. Mr. Chairman, I wish to say to the gentleman that the remark which he has just injected into my speech is about as far from the truth as a good many of his other statements.

Mr. MILLER. Will the gentleman deny that the draft of the bill he prepared last winter did not contain a proviso for independence?

Mr. JONES. I have prepared no bill during this session of Congress which either provided for immediate independence for the Filipinos or that fixed a definite time at which they should have independence.

MESSAGE FROM THE SENATE.

The committee informally rose; and the Speaker having resumed the chair, a message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed without amendment bills of the following titles:

H. R. 12198. An act for the relief of Benjamin A. Sanders;

H. R. 2696. An act for the relief of Thomas Haycock;

H. R. 12161. An act to remove the charge of desertion against John Mitchell;

H. R. 15575. An act donating the old iron fence around Vance Park, Charlotte, N. C., to the Mecklenburg Declaration of Independence Chapter, to be placed around Craighead Cemetery, near Sugar Creek Church, in Mecklenburg County; and

H. R. 17764. An act to provide for sale of portion of postoffice site in Gastonia, N. C.

The message also announced that the Senate had passed with amendments joint resolution and bill of the following titles, in which the concurrence of the House of Representatives was requested:

H. J. Res. 361. Joint resolution to correct certain errors in H. R. 12045, H. R. 12914, H. R. 13542, H. R. 14234, H. R. 14738, H. R. 15692, and H. R. 16294; and

H. R. 10168. An act for the relief of Leon Greenbaum.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 926. An act for the relief of the Georgia Railroad & Banking Co.;

S. 2287. An act for the relief of Charles S. Wells;

S. 5497. An act authorizing the issuance of patent to Arthur J. Floyd for section 31, township 22 north, range 22 west of the sixth principal meridian, in the State of Nebraska;

S. 6199. An act to reinstate Edwin Carlton Taylor as a passed assistant surgeon in the United States Navy;

S. 6309. An act to establish the Rocky Mountain National Park, in the State of Colorado, and for other purposes;

S. J. Res. 172. Joint resolution excepting the Reclamation Service from the operations of section 5 of the act of Congress approved July 16, 1914;

S. J. Res. 192. Joint resolution granting American citizenship to John Brownlow Ziegler; and

S. J. Res. 194. Joint resolution authorizing the Secretary of War to use any allotment made under the provisions of an act approved October 2, 1914, entitled "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," for the improvement of East River and Hell Gate, N. Y.

THE PHILIPPINE ISLANDS.

The committee resumed its session.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

Mr. MILLER. Mr. Chairman, I understand the Commissioner from the Philippine Islands desires to be heard.

The CHAIRMAN. The time for debate is exhausted.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the Commissioner from the Philippine Islands be permitted to address the House for five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. QUEZON. Mr. Chairman, it is with a great deal of diffidence that I decide to place myself in opposition to the chairman of the Insular Committee, for whom I have not only respect but love. Whether it is necessary or not to put a time limit to the President's approval on legislation affecting our currency or coinage laws, there is a very good reason why this limit should be required in the case of our tariff acts. The gentleman from Iowa [Mr. TOWNER] well said, when he discussed his amendment to this section, that tariff bills are essentially partisan issues in the United States. While the arguments of the gentleman from Iowa appealed to me strongly as justifying the elimination of the whole proviso, I did not feel at liberty to support his contention, because I see the force of the proposition that tariff acts affect necessarily foreign relations, and as long as the Philippines are under the sovereignty of the United States we can not quite expect from you the granting of such powers as may, even with the remotest possibility, cause you annoyance in your international relations. But surely the amendment of the gentleman from Minnesota [Mr. MILLER] does not involve this danger. Our tariff laws can not become a law, under the terms of the amendment, unless approved by the President of the United States, except that he must act within three months or else the act shall become law. There is no one, I am sure, who would care to contend that if our tariff law had any item that may jeopardize the interests of the American people or provoke any conflict with a foreign power that the President would not at once disapprove it; so that on this score the adoption of the amendment will do no harm. On the other hand, when the act is not particularly objectionable, but it is not the pleasure or the convenience of the President to approve it, he may let the bill become a law without signing it, if this amendment is adopted.

Mr. HELM. Mr. Chairman, will the gentleman yield?

Mr. QUEZON. Yes.

Mr. HELM. Is there anything in this provision that would prevent the President of the United States upon receiving information that a tariff bill had been passed, either by cable or otherwise, from cabling back his approval?

Mr. QUEZON. Oh, no.

Mr. HELM. Could not that be done?

Mr. QUEZON. It can, but the point I want to make is this: I can conceive a case when a President of the United States may prefer not to approve a tariff bill of ours and yet let it

become a law. A Republican President, for instance, in all likelihood would not want to approve a free-trade tariff bill in the Philippine Islands and a Democratic President would prefer not to approve a protective tariff bill.

Mr. JONES. Mr. Chairman, the gentleman is aware of the fact that if there were a Republican President who did not desire to approve a measure passed by a Democratic Congress he would have the right to veto it, anyway.

Mr. QUEZON. Yes, sir; undoubtedly; but I am referring to the case when the President does not want to veto the bill, and yet because it is not in accord with his tariff ideas he would not wish to give it his approval. Let me explain to the committee what I mean. I take it that the President of the United States wishes to allow the Philippine Legislature to enact the best tariff law for the Philippines. Suppose that conditions in the islands demanded a protective tariff and the legislature enacted such kind of a tariff; let us suppose also that there is in the White House a Democratic President. He does not believe in protection, his party does not believe in it, and if he is consistent and he must approve affirmatively the bill, the reasonable assumption is that he never will approve it. If, on the other hand, he could allow the bill to become law without his approval and he was satisfied that there is no harm that may come to the United States from the operations of the bill, he might decide to leave the responsibility of adopting a protective policy to the legislature, without by his signature approving of that policy. The same thing may be said if the islands needed low tariff or free trade and the President were a Republican. Mr. Chairman, I deem it very important that this law should give the President of the United States an opportunity to let Filipinos enact such laws as they consider best, but which the President, because of his political principles, may not approve of. I hope therefore that the committee will adopt the amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Minnesota.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

SEC. 11. That no export duties shall be levied or collected on exports from the Philippine Islands, but taxes and assessments on property and license fees for franchises and privileges, and internal taxes, direct or indirect, may be imposed for the purposes of the Philippine Government and the provincial and municipal governments thereof, respectively, as may be provided and defined by acts of the Philippine Legislature, and, where necessary to anticipate taxes and revenues, bonds and other obligations may be issued by the Philippine Government or any provincial or municipal government therein, as may be provided by law and to protect the public credit: *Provided, however*, That the entire indebtedness of the Philippine Government created by the authority conferred herein shall not exceed at any one time the sum of $10,000,000, exclusive of those obligations known as friar-land bonds, nor that of any Province or municipality a sum in excess of 7 per cent of the aggregate tax valuation of its property at any one time.

Mr. TOWNER. Mr. Chairman, I move to amend by inserting in line 5, following the word "legislature," the words "hereinafter enacted."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, page 9, by inserting after the word "legislature," in line 5, the words "hereinafter enacted."

The question was taken, and the amendment was agreed to.

Mr. MADDEN. Mr. Chairman, I desire to offer an amendment. On page 9, line 14, strike out the word "seven" and insert the word "five."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, page 9, line 14, by striking out the word "seven" and inserting the word "five."

Mr. MADDEN. Mr. Chairman, the purpose of introducing this amendment is to prevent the excessive indebtedness of municipalities in the Philippine Islands. In the State of Illinois, one of the wealthiest States in the Union, none of the municipalities are permitted to have a bonded indebtedness in excess of 5 per cent of their assessed valuation of property, and I think that if in such a community as the State of Illinois it is thought wise to limit the bonded debt to 5 per cent of the taxable valuation of the property, such a provision in this bill would also be wise. Seven per cent is a great deal more bonded debt than any community should be allowed to incur. It is more than they can maintain, and ought not to be permitted in this bill.

Mr. JONES. Mr. Chairman, I hope the amendment offered by the gentleman from Illinois will not be adopted. The municipalities in the Philippine Islands are very much in need of money, and the amount which they will be able to borrow under this provision is small when compared to their needs. I think the gentleman probably may not be aware of the fact that personal property is not taxed at all in the Philippine Islands. Real estate, too, can not bear a high rate of taxation, and is not assessed very high.

Mr. MADDEN. Will the gentleman yield for a question?

Mr. JONES. I will.

Mr. MADDEN. Does not the gentleman believe that the poorer the community is the more conservative they ought to be in the creation of indebtedness?

Mr. JONES. That may be true, Mr. Chairman, but I am trying to point out to the gentleman that the Philippine municipalities will not be able to incur any very large indebtedness under the provision of this bill which he would amend.

Mr. MADDEN. I understand that.

Mr. JONES. If it were true that the value of personal property in the Philippines is more than equal to that of the real estate, the 7 per cent limit fixed in this bill would be equal to 14 per cent in this country; but, of course, that can not be.

Mr. MADDEN. Will the gentleman yield again?

Mr. JONES. I will.

Mr. MADDEN. There is nothing in this bill to prevent the Philippine Legislature from taxing personal property, is there?

Mr. JONES. No.

Mr. MADDEN. Is there any assurance on the part of the gentleman that they will not tax personal property?

Mr. JONES. No; I can only say to the gentleman——

Mr. MADDEN. But if they do tax personal property is there anybody on earth who can say that the personal property will be equal in value with real estate? Where personal property is taxed it only amounts to about 10 per cent of the real estate, because the personal property is taxed so high that the people who have it do not report it.

Mr. JONES. Well, while that is true, Mr. Chairman, the fact remains that in contracting this indebtedness it can not be based upon the value of personal property, and real estate is assessed so low that 7 per cent would enable the Philippine municipalities, outside of a few cities, to contract a very large indebtedness. I think the limitation fixed in the bill is low enough.

Mr. MADDEN. I just want to say, if the gentleman will permit me, that the smaller amount you permit to be raised by bonded indebtedness the better it will be for the communities. The way for every community to do, if they want to prosper, is to pay as they go, to levy their tax levy within their means. The tendency in every community is——

Mr. JONES. The gentleman is making a speech in my time, but I shall not object.

Mr. MADDEN (continuing). The tendency in every community is to issue bonds wherever they can do it and squander the money, and we ought not to give these people that opportunity.

Mr. JONES. But, Mr. Chairman——

The CHAIRMAN. The time of the gentleman has expired.

Mr. JONES. Mr. Chairman, I ask for two minutes more, since the gentleman has taken up most of my time.

Mr. MADDEN. I am perfectly willing the gentleman should have 10 minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent to proceed for two minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. JONES. Mr. Chairman, I subscribe very fully to the general remarks made by the gentleman from Illinois. I know what he says to be the tendency of many communities.

It is true, nevertheless, that the indebtedness which the municipalities could incur under this provision is very small, and that they absolutely need the money in order to build schoolhouses and to erect public buildings, and to make other necessary improvements.

Mr. PLATT. Will the gentleman yield to me just one moment?

Mr. JONES. I just wish to say to the gentleman that one of the things for which the party to which he belongs has always taken credit to itself is that it has spent a great deal of money in the Philippine Islands in building and improving roads and erecting schoolhouses. And I wish to say to him further that such improvements can not be carried on if it is to be done out of the current revenues raised by taxation alone.

Mr. MADDEN. Will the gentleman let me ask him one more question right there?

Mr. JONES. Yes.

Mr. MADDEN. This item in the bill does not refer to the National Government at all?

Mr. JONES. Not at all.

Mr. MADDEN. This refers to municipalities?

Mr. JONES. Yes.

Mr. MADDEN. And I apprehend that no money raised by taxation in any municipality will be used for building roads or making any other improvement outside the municipality?

Mr. JONES. That is true.

Mr. PLATT. I simply wanted to place over against the law of Illinois that of the State of New York, which allows 10 per cent of excess valuation and excludes from that bonds issued for water supply.

Mr. MADDEN. And they have more debts than the National Government.

Mr. PLATT. I live in a municipality that has more than 10 per cent most of the time, and it is growing like a weed.

Mr. MADDEN. I think 7 per cent is the amount that they have in the Territories.

Mr. TALCOTT of New York. I do not think the statement of the gentleman from Illinois [Mr. MADDEN] is correct.

Mr. MADDEN. The city of New York has as much debt as the National Government.

Mr. TALCOTT of New York. But you said the State of New York.

Mr. MADDEN. I am talking about the city of New York.

Mr. TALCOTT of New York. You did not say so.

Mr. YOUNG of North Dakota. Mr. Chairman, I move to strike out the last word for the purpose of making an inquiry of the chairman of the committee. Can he give us the total assessed valuation of the Philippine Islands?

Mr. JONES. I regret to say, Mr. Chairman, that I have not that information in my possession.

Mr. STAFFORD. Will the gentleman yield so that I may ask a question of the gentleman from Virginia? Can the gentleman inform the committee whether there is any municipality that has bonded itself under the existing régime?

Mr. JONES. I am not certain as to this.

Mr. QUEZON. What is that question?

Mr. JONES. Whether any municipality has, under the present law, bonded itself?

Mr. QUEZON. No; with the exception of the city of Manila.

Mr. STAFFORD. To what extent has it done so?

Mr. QUEZON. To the extent of $4,000,000.

Mr. STAFFORD. What percentage is that of the total assessed value of the property?

Mr. QUEZON. I could not answer that question positively, because there are several millions worth of property belonging to the insular government, the churches of all denominations, hospitals, colleges, and so forth, which is not taxed; but the taxable property is about ₱19,500,000.

Mr. STAFFORD. Under existing practice, as I understand it, no municipality or Province has the authority to bond itself for public improvements.

Mr. QUEZON. No, sir. And the city of Manila has bonded herself through a special act of Congress.

Mr. STAFFORD. Then all the improvements that have taken place outside of Manila have been the result of appropriations by the National Legislature?

Mr. QUEZON. These improvements have been paid out of the municipal funds raised from local taxation. There are, however, improvements defrayed from the insular appropriations.

Mr. STAFFORD. Can the gentleman inform the committee also—which would be very interesting—as to the rate of taxation where these improvements have been made? I assume they have been made for the benefit of sewers and roads and schoolhouses.

Mr. QUEZON. I did not quite understand the gentleman's question.

Mr. STAFFORD. What improvements have been made in these localities to which the gentleman refers?

Mr. QUEZON. Municipal roads, streets, schoolhouses, markets, municipal buildings, and so forth.

Mr. STAFFORD. Where those improvements have been made, what has been the rate of taxation? How much on the dollar of valuation is the rate of taxation?

Mr. QUEZON. Outside of Manila it has been not over one half of 1 per cent, and in the city of Manila 1½ per cent.

Mr. MOORE. I would like to ask the chairman of the committee, the gentleman from Virginia, if he can tell us something about the issue of railroad bonds by the Philippine Government. What is the amount of that issue?

Mr. JONES. I have the exact figures somewhere here. I can not carry them in my mind. I will give the gentleman the exact amount.

The CHAIRMAN. The time of the gentleman from North Dakota [Mr. YOUNG] has expired.

Mr. TALCOTT of New York. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman from New York [Mr. TALCOTT] is recognized.

Mr. TALCOTT of New York. I yield to the gentleman from Pennsylvania [Mr. MOORE].

Mr. JONES. I have not been able to put my hand on the paper for which I have been looking, but I think the amount of railroad bonds outstanding for which the Philippine Government guarantees 4 per cent interest is a little over $16,000,000. The interest guaranteed amounts to about $625,000 annually.

Mr. MOORE. Is that contingent responsibility the responsibility of the United States?

Mr. JONES. No; the Philippine Islands. The United States has no responsibility whatever.

Mr. MOORE. Are we responsible for the payment of interest?

Mr. JONES. No. It is the Philippine Government that is responsible for 4 per cent interest for a period not to exceed 30 years. The United States Government is in no way responsible for this interest.

Mr. MOORE. In the event of the failure of the Philippine Government to pay the interest, does the gentleman declare that the United States Government is not responsible?

Mr. JONES. I do declare that the United States Government has no legal responsibility, although some gentleman may think that there is some moral obligation resting upon the United States, since they authorized the guaranty by the Philippine Government. There is certainly no legal obligation.

Mr. MOORE. I am very much pleased to have the gentleman make that statement, for I fear some of the investors in those bonds have a different opinion.

Mr. JONES. I think not.

Mr. MOORE. May I ask the gentleman what relation that $16,000,000 bond issue has to the $10,000,000 that it is proposed to permit the Philippine Government to issue under this bill?

Mr. JONES. None whatever. This is to enable the Government to obtain money to be expended for Government purposes—for the construction of public works.

Mr. MOORE. It would not be for such enterprises as the construction of railroads?

Mr. JONES. The railroads have been built by private interests; some of them without any Government guaranty of interest.

The CHAIRMAN. The time of the gentleman from New York [Mr. TALCOTT] has expired.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the gentleman may have five minutes.

Mr. TALCOTT of New York. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from New York [Mr. TALCOTT] is recognized for five minutes.

Mr. TALCOTT of New York. I wanted to ask the chairman of the committee whether, in addition to the indebtedness of the Philippine Government and the indebtedness of the municipality of Manila, any separate Provinces were owing any indebtedness at the present time?

Mr. QUEZON. No.

Mr. JONES. I think the gentleman from the Philippines answered that question a while ago. He said that none of them do.

If I may be permitted, Mr. Chairman, I have found the paper I was looking for, and I find that the total amount of railroad bonds upon which the Philippine Government is responsible for interest was, on the 31st day of December last, $15,628,000, and that the interest obligation, the contingent obligation, was $625,120.

Mr. MOORE. That is entirely independent of the $10,000,000?

Mr. JONES. Entirely.

Mr. CLINE. Mr. Chairman, I would like to be recognized in opposition to the amendment offered by the gentleman from New York [Mr. TALCOTT] for the purpose of asking a question.

The CHAIRMAN. Did the gentleman from New York offer an amendment?

Mr. CLINE. Yes; he moved to strike out the last word. I move to strike out the last two words.

The CHAIRMAN. The gentleman from Indiana is recognized.

Mr. CLINE. I see in the last report, 1913, of the Commissioner of Education, Mr. Wright, that he stated that there had been 1,000 schools opened in the islands, and it was estimated that 100,000 additional pupils would be admitted to the schools last fall by virtue of the assignment of a large fund by the Governor General of the Philippines for educational purposes. What I wanted to inquire either of the Commissioner from the Philippine Islands or the chairman of the committee is whether the funds used to open up those schools were derived from the taxation of municipalities or whether those funds came from the general collection of taxes apportioned to the municipalities? I would like to ask the chairman of the committee.

Mr. JONES. I am not absolutely certain, Mr. Chairman, but I think the funds are derived from both sources, but mainly from the insular treasury. I think the insular funds are fre-

quently supplemented by municipal funds where the schools are located in municipalities.

Mr. CLINE. Does the commissioner of internal revenue or the treasurer, or whoever operates in the Philippine Islands corresponding to our Federal Treasurer, have any authority over taxes raised by municipalities, to distribute them?

Mr. JONES. I should say that he did not have.

Mr. CLINE. The reason I asked the question was that I understood the gentleman from the Philippines to say that the municipalities themselves were taxed for additional schoolhouses.

Mr. JONES. Yes; additional schoolhouses, and probably better schoolhouses than the insular government was able to provide throughout the archipelago. Some of the municipalities are larger and richer than others, and they desire better schoolhouses.

Mr. CLINE. I desired to inquire about the general plan of collecting taxes and erecting schoolhouses.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. CLINE. Yes.

Mr. MILLER. If the gentleman from Virginia [Mr. JONES] will permit me, I can perhaps make a statement in addition to his. The gentleman's statement is practically correct. The funds expended by the municipalities are from two sources—from local contributions in one form and another, and also from the insular treasury. The executive secretary is the intermediary between the local municipality or the school district and the insular treasurer, and if it is desired by a local community, for instance, to build a schoolhouse, as that is the first essential in the procedure for establishing the school——

Mr. CLINE. Has the local authority the power to levy assessments in the municipalities?

Mr. MILLER. Yes. That is, a small amount. The greater amount is made up from the insular treasury, but the cooperation of the two is required. Exactly the same principle prevails in the erection of municipal markets. Schools and markets are being established as rapidly as they can get the funds.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois [Mr. MADDEN].

The question was taken, and the amendment was rejected.

Mr. TOWNER. Mr. Chairman, I move to amend, in line 12, by striking out the figures "$10,000,000" and inserting "$15,000,000."

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Iowa [Mr. TOWNER].

The Clerk read as follows:

Amend, page 9, line 12, by striking out "$10,000,000" and inserting "$15,000,000."

Mr. TOWNER. Mr. Chairman, this provision has relation to the limitation upon the Philippine Government for creating indebtedness. The present limitation is $5,000,000. This bill increases the amount to $10,000,000. In my judgment, it is not yet as large as it should be. Such a limitation on a people of 8,000,000 or more population, in a country which is now, we may say, in the pioneer stage, is, in my judgment, too severe a limitation. In fact the limitation of $15,000,000, which I suggest, on the Philippine Government would be a very small limitation. I do not think that even if the maximum amount was incurred it would be a serious burden.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. TOWNER. Yes.

Mr. STAFFORD. Can the gentleman inform the committee as to the extent to which the $5,000,000 authorization has been availed of by the Philippine Government?

Mr. TOWNER. The limit has been reached, I will say to the gentleman, and was reached years ago.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. TOWNER. Yes.

Mr. MILLER. Is it not a fact that the Filipino people or legislature have asked for just the amount that the gentleman has indicated in his amendment?

Mr. TOWNER. Yes; that is true. And I will say further that I have introduced a separate bill extending the limit of the indebtedness to $15,000,000, and it has the entire approval of the Philippine Government, and the most conservative men in the islands believe it ought to be put at that figure, so far as I can ascertain.

Mr. SLAYDEN. Mr. Chairman, will the gentleman yield?

Mr. TOWNER. Certainly.

Mr. SLAYDEN. What is the necessity for giving that increase? Can they not get along well otherwise by the practice of economy?

Mr. TOWNER. The necessity is this, I will say to the gentleman: Their necessity is that of a nation not only in a pioneer stage such as we were in when we were building up our country, but in a pioneer stage such as we should have if now, in the midst of this Nation, a new State, where we would have to commence at the beginning to build a Commonwealth, were to be instituted. With the resources of an undeveloped community they demand the full measure of the requirements of a civilized state. In other words, the standards are the standards of to-day. The limitations are the limitations of 10 years ago, or, I might almost say, of 400 years ago, because only 14 years ago they were 400 years behind the standards of civilization that we now know in this country.

Mr. SLAYDEN. Another question, Mr. Chairman, if the gentleman will permit. Is it not a fact that the Philippine Government is already equipped with many, if not all, of the public buildings that it will need?

Mr. TOWNER. Oh, by no means. They are building them just as fast as they can.

Mr. SLAYDEN. I do not mean for the provincial governments, but for the central government.

Mr. TOWNER. No; not by any means, because of the fact that there is just as much necessity for expenditures outside of the city of Manila in that country as there is for expenditures outside of the city of Washington in the United States. In fact, they have only begun on the necessary things that the Government requires in order to carry on its affairs.

Mr. SLAYDEN. It might wreck some political fortunes, but it would be wise if we had some limitation on buildings to be erected outside of the city of Washington.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOPER. Mr. Chairman, we ought to be very careful indeed about increasing the possibility of adding too much to the present bonded indebtedness in the Philippine Islands. The gentleman from Iowa [Mr. TOWNER] said that there are 8,000,000 people over there. That is true; but that total includes women and children—not taxpayers—and the uncivilized tribes. There are not 8,000,000 taxpayers, persons who earn the money to pay the taxes.

Mr. YOUNG of North Dakota. Will the gentleman yield?

Mr. COOPER. Yes.

Mr. YOUNG of North Dakota. The section discussed a few minutes ago, as it originally read, gave them permission to issue bonds up to 7 per cent of the assessed valuation for the Province or municipality.

Mr. COOPER. That is what we are discussing now.

Mr. YOUNG of North Dakota. Does not that mean that 7 per cent of bonds may be issued by the municipality and then 7 per cent by the Province, which would be 14 per cent, and then the proposal of the bill is to put $10,000,000 on top of that?

Mr. COOPER. No; I think not. The proviso on page 9, line 10, is:

Provided, however, That the entire indebtedness of the Philippine Government created by the authority conferred herein shall not exceed at any one time the sum of $10,000,000, exclusive of those obligations known as friar-land bonds, nor that of any Province or municipality a sum in excess of 7 per cent of the aggregate tax valuation of its property at any one time.

Mr. YOUNG of North Dakota. I will renew my question. What is meant by the words "any Province or municipality"?

Mr. MADDEN. The Province would have the right to issue bonds, and the municipality would have the right to issue bonds, which would not be included in the $10,000,000.

Mr. YOUNG of North Dakota. In the different States of the Nation usually the municipalities have the power to issue bonds and the States have also power to do so.

Mr. MADDEN. The words "Province or municipality" are equivalent to "State or city," and each of them would have the right under this proviso to issue bonds to the extent of 7 per cent of the assessed valuation; and then, in addition to that, $10,000,000 of bonds could be issued by the nation.

Mr. COOPER. No; I do not so understand it.

Mr. MADDEN. That is what it means.

Mr. COOPER. I do not so understand.

Mr. TALCOTT of New York. In other words, each is separate?

Mr. MADDEN. Certainly; national, provincial, and municipal.

Mr. TALCOTT of New York. The city of Manila is not included in this $10,000,000 limitation.

Mr. COOPER. Twelve years ago by the organic act we limited the amount of the possible bonded indebtedness to $5,000,000. This bill proposes to increase that to $10,000,000. Inasmuch as the people of the islands have prospered under the limitation of $5,000,000, I think this raising of the limit to

$10,000,000 will prove ample for the present. In my judgment we ought not now to increase it to $15,000,000. I have heard nothing which requires or would justify the incurring by the islands of so great an addition to their existing bonded liability. For the present at least I believe this $10,000,000 ought to suffice. Now, when the people of the islands are the first to begin to tax themselves, it will do them no harm if they are compelled to practice reasonable economy.

Mr. MILLER. The gentleman has well stated that they have prospered, but is not the gentleman also aware of the fact that in the last two or three years they have been compelled practically to abandon or, rather, to discontinue a great many immediately desired public works because of this limitation?

Mr. COOPER. Will not this give them $5,000,000 more?

Mr. MILLER. Yes; and it will be a very great relief.

Mr. COOPER. Then, after they have expended this additional $5,000,000 they can, if they so desire, pass a resolution asking to have that limitation raised by Congress, and if, after a thorough hearing and discussion, the Congress shall decide that it ought to be raised to $15,000,000 it will so provide. But meanwhile let the Filipino people demonstrate that an increase of $5,000,000 is not ample to serve their needs.

Mr. MILLER. May I ask the gentleman one further question?

The CHAIRMAN. The time of the gentleman has expired.

Mr. MILLER. Mr. Chairman, I would like to be recognized. I do not care to occupy five minutes of time in discussing this. I really had it in mind to ask one further question of the gentleman from Wisconsin, and I think that would have expressed about all I care to say. I think it is a fact—and if it is not a fact, I hope I may be corrected immediately—that the Philippine Legislature passed a resolution asking that the limit of indebtedness be increased from $5,000,000 to $15,000,000. That was the expression of the legislative body representing the people. Now, I have not refreshed my recollection lately, and I want to be corrected if I am wrong, but it is my understanding that that resolution was approved by the then Governor General. It was also approved by the Secretary of War and the Bureau of Insular Affairs and was recommended to Congress by those respective authorities, showing that the increase to $15,000,000 which is now proposed has been carefully thought out and has been recommended by every person conversant with the facts in the islands. Now, I ran against this constantly in various places.

Mr. COOPER. Will the gentleman permit an interruption?

Mr. MILLER. Yes.

Mr. COOPER. Is it not a common thing for the Senate of the United States, for example, to raise something to about 500 per cent, knowing that when it goes into conference they will get what they want? Inasmuch as the people have asked for fifteen millions, does not the gentleman think that they would be satisfied with ten millions?

Mr. MILLER. They will like it better than the present situation. Let us address ourselves to whether they need the additional $10,000,000 more than they need the additional $5,000,000. They have been unable to construct proper harbors in the islands. That is an undisputed fact. They have now a very fine harbor in the city of Manila.

Mr. SLAYDEN. Will the gentleman yield?

Mr. MILLER. Yes.

Mr. SLAYDEN. Does not the bulk of commerce enter the harbor of Manila?

Mr. MILLER. That is entirely true, but I wish to make this statement, that while Manila is the metropolis and the very heart of the islands, yet there are three other cities hundreds of miles away that have gone ahead with leaps and bounds. One is Cebu, with 70,000 people, another is the city of Iloilo, and to these may be added Zamboanga.

Mr. SLAYDEN. Have not those harbors been improved?

Mr. MILLER. Cebu has had some improvement, but Iloilo requires extensive improvements before it is suitable. All the sugar that comes out of the sugar country comes out at Iloilo. While Manila is the center of Luzon, it happens that it is not the center of the region where the products come that they want to ship. If I can explain that a little more, I will try to. Down in the southeastern corner of Luzon, if there can be such a corner, Tabaco and Legaspi are the great ports for the two great commodities hemp and coconut. Coconut to-day is the greatest article of export from the islands, in the form of copra, and opportunities for the expansion of that kind of agriculture are simply immense.

The CHAIRMAN (Mr. VOLLMER). The time of the gentleman has expired.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended five minutes.

The CHAIRMAN. The gentleman from Wisconsin asks that the time of the gentleman from Minnesota be extended five minutes. Is there objection?

There was no objection.

Mr. JONES. Mr. Chairman, I am going to ask now that all debate on this section and amendments thereto be closed in 10 minutes.

Mr. STAFFORD. I hope the gentleman will not apply it to the section. This is a very important subject and export duties have not been considered.

Mr. JONES. I am talking about the section that provides for bond issue.

Mr. STAFFORD. I know; but the question of export duties is involved. I have no objection to confining it to the amendment.

Mr. JONES. Well, Mr. Chairman, I will say 15 minutes.

Mr. MILLER. I hope consent will not be asked respecting the whole paragraph, but that the gentleman will confine his request to the amendment now pending and make it 10 minutes.

Mr. JONES. Very well, Mr. Chairman, I ask that all debate on the pending amendment close in 10 minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on the pending amendment close in 10 minutes. Is there objection?

There was no objection.

Mr. MILLER. I made inquiry as to why these harbors had not been developed, and I found, of course, that they were not developed and improved because no funds were available. They had utilized all the funds they could secure for the improvement of Manila, which was the most important. Cebu Harbor has been receiving more attention than the others I have mentioned. I will say in passing that Cebu is the home of the speaker of the assembly, and therefore you can rest assured that that harbor has not been overlooked.

Mr. TOWNER. Will the gentleman yield?

Mr. MILLER. Yes.

Mr. TOWNER. Is it not true that the interisland commerce, the commerce between the islands, and probably centering in Manila, has been the most remarkable of all the developments and improvements in the islands?

Mr. MILLER. I think that is unquestionably true.

Mr. SLAYDEN. Is not that interisland commerce done on boats of comparatively light draft?

Mr. MILLER. No; I have a photograph that I would like to show the gentleman, one that I took one morning when I happened down to the dock at Manila. At one spot it shows five boats that the gentleman or anybody else would pronounce to be magnificent boats, and they were engaged exclusively in interisland business.

Mr. SLAYDEN. They could come into the harbors?

Mr. MILLER. No; they stopped outside, and lightering was necessary. That results, of course, in increased cost of the marketing, an increase that ought not to be continued longer than is necessary. I would like not only to discuss these four harbors that I have, but also Zamboanga. That is a great port down in the southern islands in the heart of the Moro country. If you look at the map of the great trade routes, you will find that the trade routes from Japan and east China going to Australia go through there and vessels stop there. There are also lines of boats now sailing from Zamboanga to Singapore, and from there to India; and if they had good harbor facilities there I can see no reason why an important port could not be created. Then most of the road building in the island has to be taken care of out of the insular fund, and, in addition to that, much of the cost of the municipal markets, one of the most vital and essential features of health in the islands. A good part of the money for constructing sanitary markets, so that instead of people eating all kinds of diseased food they are eating pure, healthy food, comes also from the insular funds.

Mr. TOWNER. Mr. Chairman, will the gentleman yield?

Mr. MILLER. Yes.

Mr. TOWNER. Will the gentleman also not tell about the artesian wells?

Mr. MILLER. And that is of the utmost importance. One of the great sources of infection in the islands we have always known came from the water, most of which was surface water or shallow well water. We found about four years ago that artesian wells could be dug in many of the Provinces, and during this period of time more than 800 artesian wells have been dug; and, to the surprise of everybody, the moment the artesian well was put into operation the death rate in the particular locality fell 50 per cent. It kept that uniform rate throughout the Provinces where they were installed. They have now more requests by far for new artesian wells than they have the funds with which to dig them.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GARRETT of Tennessee. Mr. Chairman, I very much hope that the amendment increasing this amount will not be adopted. So far as I know, there has not been—recently, at least—any representation that there was any demand for an increase of $10,000,000 in the bonded indebtedness of the Philippine Islands. I do not think that at any time there have been really earnest representations that that much was necessary. In the Sixty-first Congress, however, there was a suggestion offered to the Committee on Insular Affairs that it would be wise to increase the limit of bonded indebtedness, and the suggestion was that it be increased by $10,000,000. A bill was reported favorably from the committee. If I recall correctly, it was placed upon the Calendar for Unanimous Consent, and an effort was made to get it considered upon that calendar. It was objected to by the present Governor General of the Philippine Islands, Mr. Harrison, then a member of the House. In the subsequent Congress—the Sixty-second Congress—the bill was again presented, and I think a favorable report was made upon it at that time, carrying the authority to issue an increase of $10,000,000. That either did not come up for consideration in the House or was defeated.

Mr. JONES. It did not come up.

Mr. GARRETT of Tennessee. It did not come up for consideration, my friend from Virginia [Mr. JONES] informs me. Recently when we came to frame this bill and gave the matter careful consideration there was no demand or suggestion from any source, so far as I know, that it was necessary to increase the amount more than $5,000,000 at this time. The original act—the organic act of 1902, when the Congress began to plan for the government of the islands by the people of this country—wisely limited the bonded indebtedness to $5,000,000, notwithstanding all of the great work that had to be performed at that time by a people not used to our system or the system that we were about to institute there. They have operated under that very wisely and well, so far as I am informed. The suggestion now is that there should be an increase, and I think it is proper there should be an increase to the extent provided in this bill, $5,000,000; but it seems to me that to double the amount that we have suggested is not right at this time, and I very much hope the amendment will not prevail.

Mr. SLAYDEN. Mr. Chairman, I want to say that my observation of the mad rush of municipalities and States to create debt when they have a credit and the privilege of going into debt impels me to oppose any such amendment as has been suggested. I think it is a wise limitation. I do not believe it is necessary for us to develop all of the country at once. I think we had better crawl before we walk, and I think that is a good, sound doctrine to apply in the Philippine Islands.

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Iowa.

The question was taken, and the amendment was rejected.

Mr. YOUNG of North Dakota. Mr. Chairman, I desire to offer an amendment to the same section, line 12, on page 9, by striking out the sum of "$10,000,000" and inserting in lieu thereof "4 per cent of the aggregate tax value of the Philippine Islands at any one time."

The CHAIRMAN. The gentleman from North Dakota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, page 9, line 12, by striking out the words "sum of $10,000,000" and inserting in lieu thereof "4 per cent of the aggregate tax valuation of the Philippine Islands at any one time."

Mr. YOUNG of North Dakota. Mr. Chairman, the assessed valuation of the Philippine Islands, according to a statement handed to me by the commissioner from the islands, is $260,986,600. Four per cent on that sum would be $10,439,000, or about the amount mentioned in the bill at this time, $10,000,000, and I suggest this amendment for this reason, that I believe a constitutional limitation with respect to a matter of this kind should not be arbitrary. In other words, it may fit the islands to-day, but if we wait as long again to legislate for the Philippines as we have in the past, 10 or 12 years from now it might not be the case. The business of the islands and the value of the property in the islands are increasing rapidly, and a suit of clothes, so to speak, that will fit the islands to-day may not fit them five years from now. If this amendment is adopted, as the islands grow in wealth it will permit them to increase their bonded indebtedness.

Mr. GARRETT of Tennessee. Mr. Chairman, I do not think the amendment offered by the gentleman from North Dakota should prevail. It makes the amount fluctuating. Tax values are not fixed values. I do not know precisely what system of valuation there is in the Philippine Islands for the purposes of taxation, or of fixing the amount of taxation, but if it is anything similar to the valuation systems with which I am familiar in this country, then it is a very fluctuating proposition. On the basis of 4 per cent they might one year be entitled to $10,500,000 of bonds and the next year they might on the same basis be entitled to $12,000,000 in bonds, and then the next year it might drop to $11,000,000, and then what is the legal status of the extra million dollars of bonds? It seems to me that the wise thing to do is to leave this as fixed in the bill—a fixed amount. The gentleman admits that if it is fixed on the 4 per cent figures on the valuation now in effect it amounts to about the same sum as is now in the bill—$10,000,000—and in view of the danger of fluctuation in tax values it seems to me the wise thing to do is to have it fixed at the arbitrary amount.

Mr. YOUNG of North Dakota. Does not the gentleman believe, inasmuch as 12 years have elapsed since we legislated generally on the subject of the Philippines, that it is too much to ask the Philippine Islands, which are now growing rapidly in trade, commerce, and property, to come back here again for legislation upon this subject when we can now just as well as not make it fixed upon a percentage basis?

Mr. GARRETT of Tennessee. No; I will say to the gentleman I do not think so. I will say this frankly to the gentleman: There never was in this House a sympathy for the demand for the increase in this allowance of bonded indebtedness, because the House was never convinced that the necessity existed. If the House had been convinced of the necessity it would have been passed some years ago without difficulty. Now, a necessity may arise under some future condition that will render it essential for them to be able to have more than could be raised upon 4 per cent of the tax valuation. Whenever the exigency arises and it is so made to appear to the House, there will be no difficulty about getting proper legislation through. There has not been legislation allowing this increase heretofore, simply because the House did not believe it was really necessary.

Mr. PLATT. If the gentleman will permit, I suggest that the gentleman's argument, that in case the assessed valuation should fall below a certain figure it might invalidate part of the bonds, also applies to what you have got in the bill limiting municipal indebtedness, and if it is deemed good in one case it is good in the other.

Mr. JONES. If the gentleman will permit me, it would not be possible in this bill to fix the limit of indebtedness in the manner suggested. What would be a proper limit for one municipality would not be a proper one for many others. The bill provides the only practical method.

Mr. PLATT. I agree to that, but it certainly is not true that if the assessed valuation of the property of any municipality falls below a certain percentage it would invalidate any of the bonds already issued.

Mr. JONES. I do not think it would.

The CHAIRMAN. The time of the gentleman has expired.

Mr. YOUNG of North Dakota. Mr. Chairman, I ask that I may have two minutes.

The CHAIRMAN. The gentleman from North Dakota asks unanimous consent to proceed for two minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. YOUNG of North Dakota. I would like to ask the gentleman who was on his feet a few moments ago [Mr. GARRETT of Tennessee] whether as the section now reads it will permit a local municipality to issue bonds to the extent of 7 per cent and permit a Province to bond for 7 per cent, equal to 14 per cent, and will also permit $10,000,000 of bonds in excess of the friar-land bonds?

Mr. GARRETT of Tennessee. Yes; that is correct. What was it the gentleman wanted to ask?

Mr. YOUNG of North Dakota. I wanted to know whether that is the gentleman's interpretation of this bill.

Mr. GARRETT of Tennessee. Yes; that is what the bill says.

Mr. YOUNG of North Dakota. The gentleman from Wisconsin [Mr. COOPER] expressed the opinion a few moments ago that it is only 7 per cent for the Province and the municipality together.

Mr. GARRETT of Tennessee. No; it is both; that is my interpretation of it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Dakota.

The question was taken, and the amendment was rejected.

Mr. MILLER. Mr. Chairman, I move to strike out the last word. I really do not think the committee ought to pass a paragraph that prohibits in the future the imposition of export duties without just a word in reference to it. Now, I am not opposed to the prohibition. I do not believe there is anybody on the floor of the House who is opposed to it, but it really is

of such importance in its effect on other matters that we certainly ought to notice what effect it will have on the Philippine Islands.

Mr. JONES. I would like to ask the gentleman a question. The gentleman is aware of the fact this is the law now, is he not?

Mr. MILLER. Certainly. I am not opposed to it; but that law has only been passed this last year.

Mr. JONES. Congress has passed an act prohibiting it.

Mr. MILLER. I understand that. I do not think it was ever a principle in American policy, at least, to impose an export tax, but when we acquired the islands we found that they were in the habit of having an export tax; and not then being in the position to completely readjust and change the source from which revenues were acquired to run the government, we retained the export duty, just the same as we retained and still retain the cedula tax, which is a poll tax. I do not believe the Filipino people ever objected to paying the export tax. If they did, I never heard of it——

Mr. QUEZON. They did.

Mr. MILLER. All right; if the gentleman says they did, then they did.

Mr. PAYNE. If the gentleman will permit, I want to say that when we imposed the export tax we did it on what was believed the sentiment of the Filipino people as represented by our Government there. They wanted an export tax, and that is the reason we put it in. It was abhorrent to me.

Mr. MILLER. I think the gentleman from New York correctly states the situation. Now, the gentleman from the Philippines [Mr. QUEZON] states there was some objection. I think that was incidental rather than universal, and as a doctrine, which the gentleman from New York correctly stated, it is very abhorrent to any American mind. Now, let us see just what has happened to the islands consequent upon the elimination of the export duty by the tariff act which became a law about a year ago.

I find that for the period of time ending June 30 and beginning January 1 there was a loss in revenue to the government from the export tax of ₱854,000. There was a slight increase in the import duties, and deducting that slight increase from this very large decrease resulted in a net decrease in the revenues of the islands in the sum of ₱557,000. During the remaining six months that sum will be easily doubled. The amount heretofore derived from the export tax has been about ₱2,000,000 to ₱2,200,000. So there will be lost each year to the insular government about ₱2,000,000 by reason of the elimination of the export tax. That has to be made up in some way; it will have to be compensated for. You can not take away sources of revenue without substituting others. Now, it may be said that we have extended the provisions of the income tax to the islands, and that that will very likely make up the deficit; but gentlemen who are thus inclined to think will change their minds when they find that the amount during that period of time received from the income tax was a little better than ₱90,000, which, of course, is a very small part of the large decrease.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MILLER. Now, the gentleman from Virginia [Mr. JONES], in opening the general debate on the bill before us, extended some remarks on that occasion to the effect that business was booming in the Philippine Islands. I have always thought that the gentleman from Virginia had a great deal of courage. My admiration for him in that respect was greatly increased by that remark. I think his voice is the only one in all the world that has been raised to make that statement. As a matter of fact, from and after the time of the inauguration of the present administration in the Philippine Islands there has been a sharp and a rapid decline in general business. That business depression has extended to pretty nearly every line of industry in the islands. Consequent upon that there has been a falling off in internal-revenue taxes. Now, an internal-revenue tax in the islands means a whole lot more to the islands than an internal-revenue tax in the United States means to the United States, for the reason that internal-revenue taxes there embrace a great variety of items that they do not embrace in the United States.

Mr. CLINE. Will the gentleman yield for a question?

Mr. MILLER. Certainly.

Mr. CLINE. I understood you to say, in discussing another proposition a few minutes ago, that the hemp industry was one of the leading industries of the islands?

Mr. MILLER. I did.

Mr. CLINE. How has that industry been affected under present conditions?

Mr. MILLER. I can not advise the gentleman as to the hemp industry, but I will say this, that the sugar industry is the best this year it ever has been.

Mr. CLINE. Is it not a fact that the exports of hemp have been greater this last year than they have been at any other time in the history of the islands?

Mr. MILLER. I do not quite believe that to be true, but it may be true, and I would not be surprised if it were true; and I will tell the gentleman why. During the last few years very marked advance has been made in instructing the people as to the best methods of growing hemp, how to plant it, and where to plant it, and especially in stripping it in order to get the fiber. Likewise there has been a very enormous extension in the area devoted to coconut culture, and there ought to be a very large increase each year in the amount of business in the islands in that respect.

Now, let me here state that we went to the islands in 1899 and found them enjoying a total foreign commerce of $27,000,000, exports and imports. Within 10 years' time that has increased over 100 per cent, so that in 1909 we found the imports and exports had reached $58,000,000. During that year of 1909 industry in the islands received its greatest boom. Under the tariff laws enacted by this Congress in 1909 special benefit was given to sugar growing and to tobacco growing in the islands.

Mr. SLAYDEN. May I ask the gentleman a question?

Mr. MILLER. Certainly.

Mr. SLAYDEN. How much of that increase in 10 years was due to the supplies sent out for the Army and Navy of the United States?

Mr. MILLER. Oh, but a very small amount, as the gentleman can determine for himself by inspecting the exports and imports of the various commodities sent out and in. Now, if the gentleman will permit, I would like to proceed with the statement I was making.

A very marked boom was given to the business in the islands in 1909, so that in three years, in 1912, the business had increased another 100 per cent, practically, ascending from $58,000,000 to $105,000,000, and the exact relationship that increase bore to the United States is found in the further fact that the business between the islands and the United States in that same three-year period of time increased from about $14,000,000 to $42,000,000.

Mr. CLINE. Just a word.

Mr. MILLER. Certainly.

Mr. CLINE. At the same time, in 1912, we only took about 9 per cent of their export business and sent them about 15 per cent of their import business.

Mr. MILLER. Oh, but the gentleman is mistaken.

Mr. CLINE. I think I am not mistaken.

Mr. MILLER. The business of export and import from and to the United States in 1912 is 42 per cent. I assume the gentleman has not that in mind or he would not make that statement.

Now, Mr. Chairman, it is seen that each year the business of the islands has materially increased over the year preceding, and in the period from 1909 to 1913 was a time of tremendous expansion and growth, and it would be most remarkable if any line of industry during the past year showed no improvement over the preceding year, and unless it did show a very marked increase it would not be in harmony with the developments that have been going on there for a number of years. As a matter of fact, the total business has fallen off. The total collection of internal revenue for the six-month period which I have indicated has fallen off very materially. In fact, on the 1st of June the decline in internal-revenue taxes had reached a point where it became a question of national calamity. Exceptional activities were displayed during the month of June in the collection of these taxes, and they did mighty well. Now, I do not propose to enter into a partisan discussion of the situation at this time, at least, but I do think we should bear in mind that while we have decreased their revenues by the legislation which has been enacted, we must in some way give additional legislation that will compensate for that loss.

We can propose legislation now to improve business conditions in the islands immediately, and we should not overlook the fact that to-day the revenues of the islands are on a decline, and unless some change is made bankruptcy stares the islands in the face. And it is a decline that started about 16 months ago and which has continued with little interruption ever since.

Now, I know the gentleman from Virginia [Mr. JONES] will say that the business in the islands in the month of June was the best of any month in many, many years; and if the gen-

tleman so states he will state the truth, because it was—June of this year. If, however, an inspection of the situation is made, it will be found that the great increase during the month of June was in the export of sugar. There was a tremendous demand then for sugar throughout the world.

Beginning with 1909 sugar culture in the islands has continued to grow very rapidly. I believe I am stating the modest truth when I say that the Philippine Islands are capable of producing more sugar than can be produced in any other one area of the earth, and that the greatest future prosperity in the islands is dependent upon sugar culture. But sugar can not be cultivated in one season. It requires several years from the time you start to clean off the bosque and the cogon grass before you have the sugar cane ready to cut; and while great centrals have been built in several places in the islands during the past few years, some of them now are just getting into operation, and the increased acreage this year for about the first time came to be used. So as a consequence there has been, as a result of the past three years of development, an increase of the sugar business, and I hope the increase will continue. But we must not overlook the fact that the sugar in the islands was probably exhausted pretty generally, until the next crop is harvested, by the unusual exportation during the period I have indicated.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. JONES. Mr. Chairman, I do not care to enter upon any discussion as to business conditions in the Philippine Islands. That is a very interesting question and one that I should be glad to discuss if I believed it to be pertinent at this time. I wish, however, to address myself briefly—I was about to say to the proposition before the committee, but I do not think that the gentleman from Minnesota [Mr. MILLER] has offered any amendment. He is simply discussing the general proposition as to whether or not the export taxes should be abolished in the Philippine Islands, without having introduced any amendment relating to the subject.

I wish to say a word as to the history of export taxes in the Philippine Islands. The gentleman from New York [Mr. PAYNE], who was at one time chairman of the Committee on Ways and Means, may have been chairman—although I do not remember as to that—at the time the law of Congress was passed which imposed the export taxes; he was certainly a member of the committee.

Mr. PAYNE. The gentleman can figure it out. I was chairman for 12 years. That was in 1909.

Mr. JONES. Then the gentleman was chairman at that time. What I wish to say is this: Whatever may have been the representations made to his committee at that time, whatever may have been represented to his committee as to the necessity for this tax at the time it was imposed, I am quite sure that for some time past the demand for the repeal of the export tax upon hemp has been very general and very persistent.

Mr. PAYNE. The gentleman remembers that the Committee on Ways and Means had exclusive jurisdiction of that subject.

Mr. JONES. That is true. It is also true that the annual reports of the Philippine Commission for several years past have contained earnest recommendations for the abolition of this tax. I think the gentleman will bear me out in this statement. I wish to say, further, that this tax was always unpopular in the islands, and that many meetings have been held and many resolutions adopted there calling upon Congress to repeal it. In response to the request of the Philippine Commission and the appeals of the Filipino people, Congress finally abolished the tax, and there is therefore no such tax in existence at this time.

As the gentleman from Minnesota [Mr. MILLER] has very correctly stated, the only reason on earth why anybody objected to the repeal of this law was that it produced approximately a million dollars a year revenue, and some of those who were responsible for the administration of the laws in the Philippine Islands doubted the expediency of the repeal of a law which produced such a large amount of revenue. But, notwithstanding that fact, the Governors General for the last five or six years have all urged Congress to repeal this law, and at last Congress, as I have said, repealed it.

Under these circumstances I do not believe that any gentleman on the other side of the aisle will offer an amendment striking out this provision forbidding the imposition of an export tax.

Mr. MILLER. I certainly would not do it.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. JONES. The gentleman admits that he would not do it; and therefore, Mr. Chairman, as there is nothing before the committee, I ask that the Clerk proceed with the reading of the bill.

Mr. PAYNE. Mr. Chairman, I would like to be heard for a moment. I move to strike out the last word.

The CHAIRMAN. The gentleman from New York [Mr. PAYNE] moves to strike out the last word.

Mr. PAYNE. Mr. Chairman, I think the last amendment of the tariff laws of the Philippine Islands was in 1909.

Mr. JONES. I think so.

Mr. PAYNE. That bill was prepared in the Philippine Islands, was sanctioned largely by the officers of the government, and written by the collector of customs there; and that bill provided for an export tax on hemp, among other things, and it was insisted that that should still remain in the bill. It was in the first bill that I reported to the House and conducted through the House, as it was in the last bill. I only consented to it myself because they wanted it and because it seemed to be necessary, as the gentleman says, for revenue. But they wanted that tax; I would not have consented to it otherwise. I have no objection to its being abolished. I was in favor of its abolition, but the truth of history ought to be stated here instead of so much imagination.

Mr. JONES. I will say to the gentleman that the public sentiment has changed in the islands since that time.

The CHAIRMAN. The pro forma amendment is withdrawn, and the Clerk will read.

The Clerk read as follows:

SEC. 12. That all local legislative powers in the Philippines, except as herein otherwise provided, shall be vested in a legislature, which shall consist of two houses, one the senate and the other the house of representatives, and the two houses shall be designated "the Philippine Legislature": *Provided*, That until the Philippine Legislature as herein provided shall have been organized the existing Philippine Legislature shall have all legislative authority herein granted to the Government of the Philippine Islands, except such as may now be within the exclusive jurisdiction of the Philippine Commission, which is so continued until the organization of the legislature herein provided for the Philippines. When the Philippine Legislature shall have been organized, the exclusive legislative jurisdiction and authority exercised by the Philippine Commission shall thereafter be exercised by the Philippine Legislature.

Mr. TOWNER. Mr. Chairman, I move to amend, in line 17, page 9, by striking out the words "all local" and inserting the word "general."

The CHAIRMAN. The gentleman from Iowa offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 9, line 17, strike out the words "all local" and insert the word "general."

Mr. TOWNER. The chairman of the committee [Mr. JONES] will remember that that was talked of, and I think he has no objection to it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was agreed to.

The Clerk read as follows:

SEC. 13. That the members of the Senate of the Philippines, except as herein provided, shall be elected for terms of four years by the qualified electors of the Philippines. Each of the senatorial districts defined as hereinafter provided shall have the right to elect two senators. No person shall be an elective member of the Senate of the Philippines who is not a qualified elector and over 30 years of age, and who is not able to read and write either the Spanish or English language, and who has not been a resident of the Philippines for at least two consecutive years and an actual resident of the senatorial district from which chosen for a period of at least one year prior to his election, and who does not own in his individual right property, real or personal, situate in the Philippines.

Mr. TOWNER. Mr. Chairman, I move to insert in line 11, page 10, following the word "Philippines," the words "one-half every two years."

The CHAIRMAN. The gentleman from Iowa offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 10, line 11, after the word "Philippines," insert the words "one-half every two years."

Mr. TOWNER. Mr. Chairman, I will ask the Clerk if he will kindly read that with the amendment?

The Clerk read as follows:

That the members of the Senate of the Philippines, except as herein provided, shall be elected for terms of four years by the qualified electors of the Philippines, one-half every two years.

Mr. TOWNER. Mr. Chairman, I think the object of that amendment will be apparent to gentlemen on the floor. It is a great advantage, especially in the upper house of a legislative body, that it shall not change radically at the close of a term.

The term of senators in the Philippine Islands is four years. To have the members of the assembly and the members of the senate all go out at one time is an unwise provision of the law. Most of the States of the Union provide that the senators shall be elected at different periods, so that their terms shall not all expire at the same time. We have that provision also regarding the Senators of the United States. It is a proposition that

I do not think admits of very much debate that the business will be carried on very much better if there shall be at least one-half of the upper house who have served for two years previously and have had at least that much experience.

Mr. COOPER. Suppose they were going to elect an entirely new senate. If they elected one-half every two years, at the first election only one-half of the senators would be elected, and then they would have to wait two years before electing the other half.

Mr. TOWNER. Oh, no; that will have to be provided for by a subsequent amendment.

Mr. COOPER. I was going to say that you have got to make some provision so that you will have a whole senate when you get started. Otherwise under this provision you will have only half a senate elected at first.

Mr. TOWNER. Of course, the gentleman is correct about that, and provision will be made that one-half of the senators shall be elected for two years and one-half for four years at the first election.

Mr. BORLAND. Will the gentleman yield?

Mr. TOWNER. I yield.

Mr. BORLAND. I want to ask the gentleman from Iowa if he has taken into consideration the language on pages 12 and 13 giving the Philippine Assembly the power to prescribe rules and regulations governing these elections, and if he does not think it would be possible under that general language and the power there given for the assembly to provide the time and manner of the election of these senators?

Mr. TOWNER. I hardly think so. One reason has already been suggested by the gentleman from Wisconsin [Mr. COOPER]. Unless we provide in this bill that at the first election half the senators shall be elected for two years and the other half for four years, and that thereafter the term shall be for four years, it occurs to me that at the first election there would be only half the senators elected. I hardly think it would be within the power of the Philippine Legislature, for the reason that while they might provide the manner and times, yet this bill provides that the whole senate shall be elected for four years at the beginning of the period, and certainly the Philippine Legislature would not have the right or power to change it.

Mr. BORLAND. I heartily concur with the gentleman's view that the upper house ought to be more or less of a continuing body, and there ought to be a certain number of hold-over members to preserve the continuity of the organization of that body, and that is one of the features of an upper house; but it seems to me that can very well be provided by the Philippine Assembly itself if it takes that view of the matter.

Mr. TOWNER. I do not believe that power would be in the Philippine Assembly. I would say further to the gentleman, if he will give me his attention——

Mr. BORLAND. I am listening.

Mr. TOWNER. This is always a constitutional provision, as the gentleman well knows. It is provided for in the Constitution of the United States. It is provided for in the constitution of every State. This bill, if it becomes a law, will become the constitution, the fundamental law of the Philippines. It should contain such provisions. Of course, the manner and form of the election may be subject to the legislature, but this is not within the terms "manner and form"; it is more of a fundamental, more of a constitutional requirement, and I think the provision ought to be fixed in this bill.

Mr. BORLAND. On further consideration, I think the gentleman is right about it. I see that in section 17, on page 13, the term of office of elective senators and representatives shall be four years from the 16th day of October following the election. Under that, this being the provision of the organic law, I doubt whether the Philippine Assembly could make a shorter term for part of the senators.

Mr. JONES. If the gentleman will permit me, I do not think that language would prevent it.

The CHAIRMAN. The Chair will state that the time of the gentleman from Iowa has expired.

Mr. TOWNER. I will ask unanimous consent for five minutes more.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that his time be extended five minutes. Is there objection?

There was no objection.

Mr. JONES. The sixteenth section, as the gentleman from Missouri [Mr. BORLAND] has said, states that authority is given the legislature to redistrict the Philippine Islands and to modify, amend, or repeal any provision of this section. Then comes section 17, which provides—

That the terms of office of elective senators and representatives shall be four years from the 16th of October following their election.

Suppose the legislature were to provide that half of the senators should be elected, for instance, on the 16th of October, 1917, and half on the 16th of October, 1919, all of them to be elected for the term of four years; that would not violate the provision referred to, but would simply be such a modification as, I think, is permissible under the terms of the bill. This, however, is but an offhand opinion, and I may, of course, be mistaken as to my conclusions.

Mr. TOWNER. Mr. Chairman, I think it would be utterly impossible to do that under this language, because of the fact that the first senate elected would be elected necessarily under the terms of this act and not under the authority of any act of the Philippine Legislature. The Philippine Legislature is created by the very act which provides for its election. Under the terms of the bill as it is now all of the senators would have to be elected for four years. I do not think that it would be in the power of the legislature to make any change to take away from these senators any part of their term of office or extend it, because it is fixed in the fundamental law.

Mr. BOOHER. Will the gentleman yield?

Mr. TOWNER. Yes.

Mr. BOOHER. I want to call your attention to section 17, which reads as follows:

The terms of office of elective senators and representatives shall be four years from the 16th of October following their election.

That fixes the term at four years from the 16th of October following the election, so that each one is elected for four years. I do not think the gentleman's amendment is broad enough to accomplish what he desires.

Mr. TOWNER. This is only a preliminary amendment, and when we come to subsequent sections we will provide that one half is to be elected for two years and the other half for four years.

Mr. BOOHER. I think it ought to come in where the gentleman has suggested. Suppose you offer an amendment something like this, that senatorial districts shall be numbered from 1 to 12, both inclusive, and in the even-numbered districts the senators shall be elected for two years and in the odd numbers for four years and thereafter all shall be elected for four years, and then you will have it covered.

Mr. TOWNER. I would have no objection to that.

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

Mr. MILLER. Mr. Chairman, I ask unanimous consent that the time of the gentleman from Iowa be extended another five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. TOWNER. Mr. Chairman, I have no objection to that, and I suggest to the chairman of the committee that this section be passed in order that this amendment may be drawn so that it may embody the desire of the committee.

Mr. JONES. Mr. Chairman, I was going to say to the House that whatever might be the construction placed on the language to which attention has been called by the gentleman from Missouri the purpose of the committee was to provide for a four-year term and that all the provisions of the bill are written with that idea in view. Of course, if this amendment is adopted it will necessitate the adoption of a number of consequential amendments. I would not like, therefore, to have this amendment adopted at this time. Its adoption would require a rewriting of other sections, which should be carefully done. For that reason I am opposed to the adoption of this amendment at this time, although I have no special objection to letting the matter go over.

Mr. COOPER. Will the gentleman yield?

Mr. TOWNER. Yes.

Mr. COOPER. Mr. Chairman, I want to ask a question of the gentleman from Iowa and also of the gentleman from Virginia. There is no question about the advisability and absolute necessity of the amendment offered by the gentleman from Iowa, provided it be the intention of the committee and desire of the House that the Senate of the Philippines shall be a continuing body.

Mr. JONES. That was not the intention of the committee, and therefore the bill was not written with that view.

Mr. COOPER. The gentleman wants the senate to be elected for four years and all the members to go out at the same time?

Mr. JONES. That was the intention of the committee.

Mr. COOPER. I think that particular phase ought to be discussed before we pass on the amendment.

Mr. TOWNER. I want to ask the gentleman from Virginia if he has any objection to my withdrawing the amendment I

have offered at this time with the privilege of resubmitting it subsequently?

Mr. JONES. No.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent to withdraw his amendment with the understanding that it can be submitted at a later time. Is there objection?

Mr. MILLER. Reserving the right to object, Mr. Chairman, that does not carry with it the passing of the paragraph so as to cut off other amendments? I have one or two that I want to offer.

Mr. JONES. Oh, no.

Mr. BOOHER. Mr. Chairman, do I understand that the gentleman from Iowa has withdrawn his amendment?

The CHAIRMAN. For the time being. Is there objection? The Chair hears none.

Mr. CLINE. Mr. Chairman, I move to strike out the last word. I want to congratulate the House on the advancement of this legislation that the Filipino people have so much wanted. I want to say that I am in harmony with some gentlemen on the other side of the House on the proposition that this particular provision of the bill is not a partisan feature. Extending to the people of the Philippines the right to elect the Senate of the Philippine Government is one of the most marked features of progressive legislation that we have made in this country for a long time. We established a democratic form of government and lived under it ourselves for more than a hundred years before we elected our United States Senators by a popular vote. I remember very well in 1908, when the Republican national convention assembled in Chicago. My genial friend the gentleman from Wisconsin [Mr. COOPER] was a delegate in that convention. He had the courage, as a member of the committee on resolutions, in a minority report to bring a resolution into the Republican convention and submitted the proposition that the people elect the United States Senators to the greatest legislative body in the world. That Republican convention kicked Mr. COOPER and his resolution out of the back door of that convention by a vote of about 900 to 114.

So I say that we are living in progressive times, under a new freedom, and we are doing now what we ought to have done for ourselves long ago. We did in the act of 1905 for the Filipino something that we did not do for ourselves for more than 60 years after we had established this Republic. We had such confidence in the ability of the Filipino that we gave to representatives of the Philippine Assembly the right to represent 90,000 people in that legislature. A Member of this Congress did not represent that number of people in this body for more than 60 years.

I congratulate my Republican friends and the gentlemen on this floor for the advanced step they have taken in letting the Filipino people have the largest liberty that is possible under our form of government in transacting their own business.

Nothing has been said in this discussion that has more sound reason in it than that which was said by the distinguished gentleman from Illinois [Mr. MANN], that the greatest factor we can have in our relations with the Philippines is the friendly relationship that we establish now. It is not a question of whether we shall confer the right for a larger autonomy on the Philippines now. We must do that. Their ability is conceded. You can not harmonize these two propositions, namely, that you can teach the Filipino his right to civil and religious liberty with the proposition that you will then prevent him from exercising the functions that you have taught belong to him. It is not too much to assume that if we should refuse to permit the Filipino to occupy and use the largest possible liberty under autonomy that he is capable of the time will come very soon when he will ally himself with some other branch of the Malay race, and with them secure from us for themselves the sovereignty that we now exercise over them. I believe this legislation is productive of great good for us in the Philippines. I believe that this Congress has done more to bind the Filipino to us by those ties of friendship that will result in our supremacy, both with respect to civil liberty and commerce in the Philippines, than any other action we could take. I greet every opportunity presented to me to enlarge the rights and privileges of that struggling people in the Orient, who only seek to do as we do and to manage their own affairs within their own sovereignty. I congratulate the Congress on the step that it has taken in this direction. [Applause.]

Mr. MILLER. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 10, line 11, strike out the word "four" and insert in lieu thereof the word "six."

Mr. BORLAND. Mr. Chairman, will the gentleman from Minnesota yield?

Mr. MILLER. Yes.

Mr. BORLAND. I understood that there was an agreement here a few moments ago that this question of the term of senators would be passed over for the present.

Mr. MILLER. That was to perfect the amendment suggested by the gentleman from Iowa [Mr. TOWNER], providing that only a portion of them should be elected at a time. The amendment that I offer is entirely independent of that, and I offer it now that I may present the matter to the committee, and, if possible, get an expression of opinion from the committee, in order that it may be considered later on.

Mr. BORLAND. I call the gentleman's attention to the fact that it is not independent, because this bill is drafted upon the theory of quadrennial elections. There is no provision for biennial elections, and consequently if the term of representatives and senators is not exactly the same, we would have to make new provision for election.

Mr. MILLER. The gentleman did not understand what I was saying. The proposition that I have here advanced would have to be affirmatively voted on to give it any connection whatever to the amendment offered by the gentleman from Iowa.

Mr. BORLAND. Then the gentleman is merely presenting it?

Mr. MILLER. Yes. Mr. Chairman, I think there is one weakness in this bill, and I really believe that that is recognized by nearly every gentleman who has considered it. I am not going to be presumptious enough to say that this amendment which I suggest is going to correct the weakness, because I do not have that presumption, but I do offer the amendment that I may direct the attention of the committee to the defect of the bill, and I hope that it can be corrected. There is no reason on earth—gathered from the experience of humanity, gathered from the science of government, gathered from any theory of government—for having two bodies comprising one legislative entity if they are both to be composed of practically the same kind of people, elected in the same kind of way, and absolutely on an equal footing. When you have two legislative bodies elected for the same period of time by the same electorate, with the same qualifications, you simply have duplicated one institution. A thousand times better than that is a single legislative body. The House of Commons in England today stands as the best developed single legislative body the human race has yet produced. If we are going to have two legislative bodies with equal powers, composed practically of the same men, we are not stepping forward in constitutional institutions, but we are stepping away backward and forgetting the experience of humankind. This bill requires that the members of the senate shall serve for a period of four years, and it requires that the members of the house shall serve for a period of four years. What are the qualifications of a member of the senate? They are almost identical with those for membership in the house of representatives. There is no distinction between the two. They are both the same. If you are going to leave the bill in this way, cut out one body and save the expense. If you think a bicameral system of legislation is preferable, and I certainly do, then let one of those bodies have some characteristics distinct from the other. The framers of our Constitution reached the result by having our Senators in the United States serve for a period of six years and Members of the House serve for a period of two years. They also had the Members of the Senate elected by the State legislatures and the Members of the House elected by the people. As the gentleman from Indiana [Mr. CLINE] has so well stated, we have made an advance in this bill by providing for popular election of the senators.

But we have not given the senator we propose popularly to elect one iota of power not possessed by every member of the other branch of the legislative body. But gentlemen may say they have the right of confirmation in some respects in the bill. That is true, but the right of confirmation under the scheme of government established by this bill does not in any sense compare with the situation that we have in the United States, where the right of confirmation is mighty important, in that we have international relations and a great variety of officials, confirmation of which makes the Senate of great importance. Now, it seems to me that we should take a little something from the lessons of experience, even if we have our eyes shut to the convincing logic of reason, and we should give to the members of the senate some characteristics not possessed by members of the house. [Applause on the Republican side.] And I believe, really and seriously, we can best reach that by having the members of the senate elected for six years.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MILLER. Mr. Chairman, I ask for five minutes. Now, I appreciate that I have asked for a great deal of time, and I want to make this confession, that I never would have asked for anything like this time if we could have had such oppor-

tunity for amendment in the committee as we have here. I appreciate the courtesy of the chairman and the committee, and I think it is right to have this discussion——

Mr. JONES. I would like to ask the gentleman if he did not have opportunity in the committee to offer amendments and if he ever offered any such amendment?

Mr. MILLER. I do not wish to criticize either the chairman or the committee.

The CHAIRMAN. The Chair desires to put the request for consent first. The gentleman from Minnesota asks unanimous consent to proceed for five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. MILLER. Mr. Chairman, of course we had opportunity to offer amendments, but the atmosphere which prevailed, as the gentleman well knows, did not yield to anything like serious consideration in respect to those amendments.

Mr. CLINE. Will the gentleman yield for a question?

Mr. MILLER. Certainly.

Mr. CLINE. Will the election of members of the senate for six years result in constituting the senate a continuing body?

Mr. MILLER. I think that would be the effect, because it would be the steadying body, and I do think in the islands there should be a body more conservative than the other, more in the nature of a steadying body, and there is no other reason for the existence of an upper body unless it be in the nature of a steadying body.

Mr. GOULDEN. Will the gentleman yield?

Mr. MILLER. Certainly.

Mr. GOULDEN. Does not the gentleman think, feeling as he does upon this proposition, that it would be well to make the lower house a body elected for two years, coming fresh from the people?

Mr. MILLER. No; I very strongly approve of this provision electing members of the house for a period of four years, and I am frank to say here what I have said many times elsewhere—that I think one of the greatest mistakes our forefathers made was in having too frequent elections in the United States. [Applause.]

Mr. BORLAND. The gentleman would like to see the terms of Members of the House four years?

Mr. MILLER. I certainly would. I think if Members of the House of Representatives were elected for a period of four years instead of two it would result in a great saving to the American people and a decided improvement in the personnel of the House. [Applause.]

Mr. TOWNER. Will the gentleman yield?

Mr. MILLER. Certainly.

Mr. TOWNER. This suggestion has been in my mind since the discussion commenced: In the Philippine Islands they are very averse to frequent elections, as the gentleman well knows, and prefer to have them occur once in four years instead of every two years. Might it not be a good idea to provide in this bill for an election, say, every three years—have the senate elected for a term of six years and the lower body for three years?

Mr. MILLER. I think that would be a very excellent suggestion—to have members of the house elected for three years and members of the senate for six years. I think that would be a most excellent plan. Now, no two places are alike, and if we are going to frame legislation, we should frame it so it will be most workable among the people who are to put it in operation. Having in mind the peculiar condition existing in the Philippine Islands, I believe that it would be common sense, and nearly every man who will stop to consider the fact would so decide, that the upper or conservative body should not be changed completely, as this bill does, every four years, should not be changed completely at any one time, and if you let the term of office be six years instead of four years it will be a decided improvement.

Mr. BORLAND. Let me ask the gentleman, if he will permit.

Mr. MILLER. Certainly.

Mr. BORLAND. Will he accompany this six-year term with a recall?

Mr. MILLER. Well, if the local legislature wanted to provide a recall, they might do so. I would not put it in the constitution. I would not favor a recall in the Philippine Islands.

The CHAIRMAN. The time of the gentleman has expired. The question is on the amendment offered by the gentleman from Minnesota [Mr. MILLER].

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. MILLER. Mr. Chairman, I ask for a division.

The committee divided; and there were—ayes 12, noes 23.

So the amendment was rejected.

Mr. TOWNER. Mr. Chairman, I offer an amendment, in line 20, to strike out, after the word "election," the remainder of that line, all of line 21, and all of line 22.

The CHAIRMAN. The gentleman from Iowa offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 10, line 20, after the word "election," strike out the following language: "and who does not own in his individual right property, real or personal, situate in the Philippines."

Mr. TOWNER. This provision, Mr. Chairman, is absolutely of no value whatever. Any man with a coat to his back could qualify. It says, "who does not own in his individual right property, real or personal, situate in the Philippines." Any man in the Philippine Islands with a peso in his pocket could qualify. Such a provision is worse than useless; it is absolute folly.

Mr. Chairman, I am not in favor of placing any property qualifications in the Philippine Islands. If such qualification is justified there, it is justified here, and I am opposed to property qualifications either for suffrage or for office. We have given to the Philippine Legislature power by which they themselves can fix the qualifications, and there I would let it remain without further limitation. They are better qualified to pass upon the matter than we are, and I am in favor of trusting them. In any event, do not let us be so unwise as to retain such language as this in the section. If a property qualification is desired, which I am against, make it a real-property qualification; but if you are not in favor of a property qualification, then let us strike it out, as I think we ought to do.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. TOWNER].

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. TOWNER. Division, Mr. Chairman.

The committee divided; and there were—ayes 15, noes 22.

So the amendment was rejected.

Mr. MILLER. Mr. Chairman, I move to amend by inserting after the word "personal," in line 21, page 10, the words "in the sum of ₱1,000."

I really would like to have some gentleman on the other side of the aisle stand up and have the nerve to tell me why they write into this bill the words the gentleman from Iowa [Mr. TOWNER] has just called attention to.

Mr. STAFFORD. Mr. Chairman, may we have the amendment reported?

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 10, line 21, after the word "personal," insert the words "the sum of ₱1,000."

Mr. MILLER. Mr. Chairman, if it is the purpose of the committee, inasmuch as they have just voted down the amendment of the gentleman from Iowa [Mr. TOWNER], to put something like a property qualification upon the members of the senate, let us put one there. Now, the language of the bill is:

And who does not own in his individual right property, real or personal, situate in the Philippines.

"Property, real or personal." As the gentleman has stated, any man there who has a coat on his back can hold the office. Not all of them have coats. Some of them have breeches and no coat, because they live in a region where they do not need a coat. Some have not breeches, some have neither breeches nor coat nor shirt, but have a G string; and that is property. I can take you into the islands and show you hundreds and thousands of people that wear a G string and nothing else, and everyone of them thereby has sufficient qualification to bring them within the provisions of this bill. Now, that includes everybody in the islands. So, if it is the intention of the committee that no property qualification should be required, let us cut it out. I am in favor of cutting it out as was expressed by the gentleman from Iowa [Mr. TOWNER] in his amendment, but if it is the sense of the committee to leave it in let us make it mean something. And I offer the ₱1 000 amendment in order to get the expression of the committee and see if that is the amount of the property qualification which they think ought to be inserted.

Mr. JONES. Mr. Chairman, I do not think, in the first place, that the gentleman has carefully considered the wording of his amendment. I do not think if he had he would want it adopted in its present form, even if the House were inclined to do it. It would read:

Who does not own in his individual right property, real or personal, in the sum of ₱1,000.

Mr. MILLER. "Of the value of ₱1,000."

Mr. JONES. Mr. Chairman, the gentleman says he wishes somebody to explain why this requirement was put in the bill, and I desire to make this statement: It is a fact, which may not be known to all the Members of the House, that persons who own property in the Philippine Islands of less value than ₱500 are not taxed at all.

It was originally intended to have this language read something like this, "and who does not own in his individual right taxable property, real or personal." Had that language been used, no one owning property of less value than $250 could have been eligible to the senate. So that the committee, not desiring to fix the property qualification that high, and deeming it right that a senator should own some property, so provided.

The gentleman from Minnesota [Mr. MILLER] says that nearly everybody owns something——

Mr. MILLER. I said everybody owns something.

Mr. JONES. Everybody owns something. I do not understand that this means merely the shirt on a man's back. It means that he should have some property, personal or real.

Mr. COOPER. Suppose he owns a silver watch?

Mr. JONES. Well, if he owned a silver watch, it would be taxable, if any personal property were taxable, and therefore I think he would be entitled to be elected. [Laughter.]

I am opposed to the gentleman's amendment. I would much sooner have voted to strike out the language in the bill than for the gentleman's amendment fixing a property qualification of a thousand pesos, and I question the consistency of a gentleman who, having voted against any property qualification, would now fix one as high as ₱1,000. Such a property qualification as that would exclude from election to the senate many educated, cultured, and really able Filipinos.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. JONES. I will.

Mr. MILLER. If I get permission to withdraw my amendment, will the gentleman ask to reconsider the vote by which Mr. TOWNER's amendment was lost?

Mr. JONES. I will not. The gentleman has offered an amendment that he can not consistently vote for himself, and he can not make terms such as he proposes with me under the circumstances. If the gentleman was honestly in favor of the amendment offered by him, I might agree to his proposition.

Mr. COOPER. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Wisconsin moves to strike out the last word.

Mr. COOPER. Mr. Chairman, the American Congress ought not to establish a property qualification for the holding of office in the Philippines. [Applause.]

All of the Members of the House are familiar with the struggle that took place in the convention which drafted our Constitution over the question whether there should be a property qualification for membership in the Senate of the United States. Some members of the convention urgently insisted that the Senate be made an aristocratic body and that the Constitution require that every man aspiring to a senatorship must be possessed of a specified amount of property. But that qualification was voted out of the Federal Constitution, and the wisdom of the great convention in voting it out has been amply proven through all the country's subsequent history.

For centuries Europe has been cursed by degrading distinctions of caste based upon inherited titles, ranks, and honors. Here we have no such distinctions of caste, and God forbid that we should ever have class distinctions meaner and more contemptible based upon property. [Applause.] And yet this is exactly in principle what it is proposed to establish in the Philippines.

We can leave the election of their senators to the judgment of the Filipino people.

Mr. JONES. Mr. Chairman, will the gentleman yield?

Mr. COOPER. Yes.

Mr. JONES. I wanted to ask the gentleman if he was not aware of the fact that the amendment now pending provides for the qualification of a thousand pesos, and that there is no amendment before the committee as to a property qualification?

Mr. COOPER. I move by way of amendment to strike out the last word.

Twelve years ago, when this subject was new and the Philippine Islands were the "paramount issue" in American politics, when we knew very little about conditions over there, we did put in one property qualification. We were taking a first and vastly important step and taking it very carefully. We put it in the organic act because of our desire to have them conservative in the election of the new Philippine Assembly.

The Filipino people have been reasonably successful in electing good men to the assembly, and I believe that they will do equally well in electing men to the new Philippine Senate. In my judgment, it would convey an exceedingly bad impression in the islands for us to send there an enactment of the Congress of the United States requiring this property qualification, when the very foundation principle of our political system is the equality of all men, rich or poor, before the law.

Mr. JONES. Will the gentleman yield?

Mr. COOPER. I do.

Mr. JONES. I want to call the attention of the gentleman to a statement he made which I do not think is correct, and I want to give him the opportunity to correct it; that is the statement that the organic law provided for a property qualification. I do not really think it did.

Mr. COOPER. It was in the alternative. A man had to be able to read or write in the English or Spanish language, or he had to pay taxes of $15 in gold——

Mr. JONES. Was that in the organic law, or was that in the act of the Philippine Legislature?

Mr. COOPER. We adopted it in the organic act. It was practically the Spanish law.

Mr. JONES. I do not think it was in the organic act. That is what I want to call to the attention of the gentleman.

Mr. COOPER. During the debate 12 years ago I was interrupted by Mr. Hill, of Connecticut, who asked me to state the qualifications, and here is what I said:

> The existing law in regard to municipal electors applies. The elector must be 23 years of age. He must be able to speak, read, and write either the Spanish or the English language, or have held an office under the Spanish administration, or pay a tax amounting to $15 in gold, equivalent to ₱30, or own real property of the gold value of $250.

Mr. JONES. That applies to the elective franchise and not to the holding of office. That is the suffrage qualification.

Mr. COOPER. That is the suffrage; yes.

Mr. JONES. Not the qualification for office.

Mr. COOPER. That is what I meant. It is the only property qualification in the organic act. It is in the alternative and was inserted for the reason I have given. It related to the electors.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. BORLAND. Mr. Chairman, I rise to oppose the amendment of the gentleman from Minnesota [Mr. MILLER]. I do not think we ought to establish in this bill a property qualification for holding office. I do not think the gentleman is entirely in earnest——

Mr. MILLER. Did the gentleman vote in favor of the amendment of the gentleman from Iowa [Mr. TOWNER]?

Mr. BORLAND. I was just about to say that I am not sure but that those words ought to have gone out. If the original intention of the committee had been that only those shall be qualified for memebership in the Senate who own property not exempt from taxation, if those words had been put in there, they would have had a definite meaning; but those words, "not exempt from taxation," being left out, the phrase as it now stands has no meaning. I am not at all clear but that it ought to come out, because it simply introduces an element of confusion there by making those people think there is some property qualification when, in fact, there is none. I do not believe in a property qualification. We have tried it in all the great municipalities of this country. We have provided that a man must be a freeholder. Now, a man who is defined in any city charter as a freeholder must be an owner of property in the city; but it is easy enough to qualify a man for councilman by deeding to him under a tax title a lot down in a gully somewhere. I have never known it to fail that if a man could get the nomination for councilman he could get a tax-title deed to some duck pond somewhere inside of the city limits, and it amounted to nothing as a protection against the invasion of property rights by hasty legislation or the imposition of ill-advised taxes, which was the reason given for imposing the qualification of a freeholder.

Now, it seems to me that after mature consideration perhaps the committee may say that these words "who does not own in his individual right property, real or personal, situated in the Philippines," are without force and effect and unnecessary to the principle which is carried out in this bill, and is not a principle upon which our own municipalities and States are governed.

Mr. TOWNER. I will say to the gentleman from Missouri that I shall move to strike out the same words in the succeeding sections, and I hope after this illuminating discussion that it may carry, and then that we may reconsider the vote on the other amendment.

Mr. BORLAND. Mr. Chairman, I am going to suggest this to the gentleman from Iowa, who is a member of the committee, that it is getting toward the close of the day, and if the committee takes the matter up at a future date they may be able to come to some amendment that will be acceptable to the House.

Mr. STAFFORD. If the gentleman will yield to me, I would like to ask the chairman of the committee what time he proposes to rise?

Mr. JONES. I would like to dispose of this amendment. I do not know whether or not the gentleman from Minnesota is going to withdraw his amendment, but if he does not, I would like to have a vote on it.

Mr. BORLAND. I will ask the gentleman from Virginia if he will not consent to return to the amendment which was voted upon, offered by the gentleman from Iowa, to strike out the words requiring a property qualification for a senator.

Mr. JONES. That has been voted down.

Mr. BORLAND. I know; but I am asking to return to it and have another vote.

Mr. JONES. To reconsider that vote?

Mr. BORLAND. Yes.

Mr. TOWNER. That can be done by unanimous consent.

Mr. JONES. It can not be done in any other way.

Mr. STAFFORD. I hardly think the Members on the other side appreciated the amendment offered by the gentleman from Iowa.

Mr. BORLAND. Mr. Chairman, I ask unanimous consent that this section be passed without prejudice, so that an amendment may be offered without a point of order being made. I move to reconsider the vote whereby the amendment offered by the gentleman from Iowa [Mr. TOWNER] was voted down.

Mr. JONES. The amendment offered by the gentleman from Minnesota [Mr. MILLER] is pending, and it must be first voted upon.

Mr. MILLER. I ask unanimous consent, Mr. Chairman, to withdraw that amendment.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent to withdraw his amendment. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Missouri moves to reconsider the vote by which the committee voted down the amendment offered by the gentleman from Iowa [Mr. TOWNER].

Mr. MOORE. A parliamentary inquiry, Mr. Chairman. I would like to know how the gentleman from Missouri voted.

Mr. BORLAND. I voted in the affirmative, and I have a right to move to reconsider.

Mr. STAFFORD. A point of order, Mr. Chairman. I do not think a motion to reconsider under our rules is recognized in Committee of the Whole.

Mr. JONES. I wanted to make that point of order.

The CHAIRMAN. The point of order is sustained.

Mr. JONES. The gentleman can make his request to-morrow for unanimous consent to reconsider the vote, and he can do it as well then as to-day. We can pass over the paragraph, and it will not make any difference.

Mr. STAFFORD. Why not submit the request now?

Mr. BORLAND Mr. Chairman, I ask unanimous consent that the vote by which the amendment offered by the gentleman from Iowa [Mr. TOWNER] was defeated be reconsidered.

Mr. CANTOR. Mr. Chairman, can not we have that amendment reported again?

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

The Clerk read as follows:

Page 10, line 20, after the word "election," strike out the following language: "and who does not own in his individual right property, real or personal, situated in the Philippines."

The CHAIRMAN. The gentleman from Missouri asks unanimous consent that the vote by which the amendment offered by the gentleman from Iowa was defeated be reconsidered. Is there objection?

Mr. JONES. Reserving the right to object, Mr. Chairman, I suggested to my friend that he make this request to-morrow. I am sorry that he has insisted upon making it this evening, because it could be done as well to-morrow as now; but, inasmuch as the gentleman insists, I am not going to make any objection.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. TOWNER. Now, will the gentleman from Virginia move that the committee rise?

Mr. JONES. No; I am going to ask that the gentleman make his motion and take a vote on it, and then we will rise.

Mr. TOWNER. Very well; I will offer the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The question was taken, and the amendment was agreed to.

Mr. JONES. Now, Mr. Chairman, if the Clerk will read the next section, I will move that the committee rise.

Mr. TOWNER. I will say to the gentleman that I have the same amendment to the next section.

The Clerk read as follows:

SEC. 14. That the members of the house of representatives shall, except as herein provided, be elected quadrennially by the qualified electors of the Philippines. Each of the representative districts hereinafter provided for shall have the right to elect one representative. No person shall be an elective member of the house of representatives who is not a qualified elector and over 25 years of age, and who is not able to read and write either the Spanish or English language, and who does not own in his individual right property, real or personal, situate in the Philippines, and who has not been a bona fide resident of the district from which elected for at least one year prior to his election.

Mr. JONES. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. FLOOD of Virginia, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 18459, the Philippine bill, and had come to no resolution thereon.

EXTENSION OF REMARKS.

Mr. BOOHER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Missouri asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. MOORE. Mr. Speaker, reserving the right to object, is this upon the subject of cotton?

Mr. BOOHER. No.

Mr. MOORE. I understand it is on the subject of the Grand Army?

Mr. BOOHER. Yes.

The SPEAKER. Is there objection?

Mr. STAFFORD. I object.

Mr. BEAKES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the subject of the work of the Sixty-third Congress.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, in view of what the gentleman from Missouri stated, which I did not fully understand, I shall withdraw my objection to his request.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. BEAKES].

There was no objection.

Mr. BOOHER. Mr. Speaker, I renew my request to extend my remarks, as the gentleman from Wisconsin has withdrawn his objection.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. BOOHER] to extend his remarks in the RECORD?

Mr. PAYNE. Upon what subject?

Mr. BOOHER. On the subject of resolutions adopted at Gettysburg by an organization of Union and Confederate veterans and remarks thereon.

Mr. PAYNE. I have no objection to that.

The SPEAKER. Is there objection?

There was no objection.

Mr. CURRY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the ship-registry bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. CASEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the bill H. R. 19115, providing for the erection of a monument on the Wyoming battle ground, in Pennsylvania.

The SPEAKER. Is there objection?

There was no objection.

Mr. HENRY. Mr. Speaker, in view of all these unanimous-consent requests having been granted, I ask unanimous consent that I be allowed to print in the RECORD a short bill of five sections, very brief, in regard to the cotton situation.

The SPEAKER. The gentleman from Texas asks unanimous consent to print in the RECORD a bill of five short sections on the subject of cotton. Is there objection?

Mr. PAYNE. Mr. Speaker, I object.

ENROLLED BILLS SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 15657. An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes;

H. R. 17764. An act to provide for sale of portion of post-office site in Gastonia, N. C.;

H. R. 2696. An act for the relief of Thomas Haycock;

H. R. 12198. An act for the relief of Benjamin A. Sanders; and

H. R. 15575. An act donating the old iron fence around Vance Park, Charlotte, N. C., to the Mecklenburg Declaration of Independence Chapter, to be placed around Craighead Cemetery, near Sugar Creek Church, in Mecklenburg County.

The SPEAKER announced his signature to enrolled joint resolution of the following title:

S. J. Res. 193. Joint resolution to authorize the President to grant leave of absence to two commissioned officers of the line of the Navy for the purpose of accepting an appointment under the Government of Brazil as instructors in naval strategy and tactics in the Naval War College of Brazil.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED.

Under clause 2, Rule XXIV, Senate bills and joint resolutions of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 926. An act for the relief of the Georgia Railroad & Banking Co.; to the Committee on Claims.

S. 2287. An act for the relief of Charles S. Wells; to the Committee on Military Affairs.

S. 5497. An act authorizing the issuance of patent to Arthur J. Floyd for section 31, township 22 north, range 22 west of the sixth principal meridian, in the State of Nebraska; to the Committee on the Public Lands.

S. 6309. An act to establish the Rocky Mountain National Park in the State of Colorado, and for other purposes; to the Committee on the Public Lands.

S. J. Res. 172. Joint resolution excepting the Reclamation Service from the operations of section 5 of the act of Congress approved July 16, 1914; to the Committee on Appropriations.

S. J. Res. 194. Joint resolution authorizing the Secretary of War to use any allotment made under the provisions of an act approved October 2, 1914, entitled "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," for the improvement of East River and Hell Gate, N. Y.; to the Committee on Rivers and Harbors.

JOHN B. ZIEGLER.

Mr. LAFFERTY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate joint resolution 192, to restore to citizenship John B. Ziegler.

Mr. PAYNE. Mr. Speaker, I demand the regular order.

Mr. HENRY. Reserving the right to object, I will ask the gentleman to permit me to interrogate him by reading the bill to which I just referred.

Mr. PAYNE. Mr. Speaker, I demand the regular order.

ADJOURNMENT.

Mr. JONES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 12 minutes p. m.) the House adjourned until to-morrow, Saturday, October 10, 1914, at 12 o'clock noon.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. HOWARD: A bill (H. R. 19199) to provide for the issuance of emergency currency, etc.; to the Committee on Banking and Currency.

By Mr. MURRAY: A bill (H. R. 19200) for the temporary relief of the cotton and tobacco growers of the United States; to the Committee on Banking and Currency.

By Mr. BELL of Georgia: A bill (H. R. 19201) to suspend the collection of the 10 per cent tax on State banks; to the Committee on Ways and Means.

By Mr. SMITH of Idaho: A bill (H. R. 19202) for the relief of certain settlers on public lands in the State of Idaho; to the Committee on the Public Lands.

By Mr. HENRY (by request): A bill (H. R. 19203) for the temporary relief of cotton and tobacco growers of the United States; to the Committee on Banking and Currency.

By Mr. TAGGART: A bill (H. R. 19222) to levy and collect an additional income tax upon the annual incomes of persons, firms, and corporations employing child labor; to the Committee on Ways and Means.

By Mr. POU. Resolution (H. Res. 642) providing for the consideration of S. 6266; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BYRNS of Tennessee: A bill (H. R. 19204) for the relief of the estate of James Bowman, deceased; to the Committee on War Claims.

By Mr. CHANDLER of New York: A bill (H. R. 19205) granting an increase of pension to Grace W. Post; to the Committee on Invalid Pensions.

By Mr. CULLOP: A bill (H. R. 19206) granting an increase of pension to Fred Finney; to the Committee on Pensions.

By Mr. DONOVAN: A bill (H. R. 19207) granting an increase of pension to Elizabeth Meyer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19208) granting an increase of pension to Harry Payne; to the Committee on Invalid Pensions.

By Mr. ELDER: A bill (H. R. 19209) granting a pension to Julia Frazier; to the Committee on Invalid Pensions.

By Mr. HILL: A bill (H. R. 19210) granting an increase of pension to David H. Johnson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19211) granting an increase of pension to Aaron Arnold; to the Committee on Invalid Pensions.

By Mr. HUMPHREY of Washington: A bill (H. R. 19212) granting an increase of pension to James Wilson; to the Committee on Invalid Pensions.

By Mr. LEE of Pennsylvania: A bill (H. R. 19213) granting an increase of pension to Moses Ebly; to the Committee on Invalid Pensions.

By Mr. RUSSELL: A bill (H. R. 19214) granting an increase of pension to John E. King; to the Committee on Invalid Pensions.

By Mr. SWITZER: A bill (H. R. 19215) granting a pension to James T. Drummond; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19216) granting a pension to John Pierpoint; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19217) granting a pension to Clyde B. Williams; to the Committee on Pensions.

By Mr. TAGGART: A bill (H. R. 19218) granting a pension to Mary Brown; to the Committee on Pensions.

Also, a bill (H. R. 19219) granting a pension to Isabel Homan; to the Committee on Invalid Pensions.

By Mr. TAVENNER: A bill (H. R. 19220) granting an increase of pension to William Boston; to the Committee on Invalid Pensions.

By Mr. WHITE: A bill (H. R. 19221) granting an increase of pension to George L. Grieve; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. AINEY: Petition of the Barclay Chemical Co., of Laquin, Pa., and E. D. Penwarden, of Carley Brook, Pa., favoring tax on denatured alcohol; to the Committee on Ways and Means.

Also, petition of the William Wrigley, Jr., Co., of Chicago, Ill., protesting against war tax on chewing gum; to the Committee on Ways and Means.

By Mr. BAILEY: Petition of Charles Young, of Johnstown, Pa., protesting against war tax on proprietary medicines; to the Committee on Ways and Means.

Also, petitions of C. I. Baldwin, of Patton; F. H. Beers, of Fallen Timber; W. E. Matthews, A. P. Ellis, the Hartmann-Schneider Co., John W. Gocher, the Johnstown Automobile Co., Dr. P. G. Stormer, T. G. Hormick, Mrs. Wesley Green, all of Johnstown; McMillen & Killins, of Barnesboro; the Logan Coal Co., of Beaverdale; Lloydell Coal Mining Co., of Lloydell, all in the State of Pennsylvania, protesting against war tax on automobiles and auto factories; to the Committee on Ways and Means.

By Mr. BORCHERS: Petitions of various business men of Sullivan, Kenney, Waynesville, Lovington, Mansfield, and Mahomet, all in the State of Illinois, favoring passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

Also, petition of 80 citizens of Ludlow, Ill., favoring national prohibition; to the Committee on Rules.

By Mr. CARR: Petitions of S. S. Brownfield, Thomas W. Jones, W. H. Farnsworth, W. C. Howland, Ferd Sann, W. A. Merrill, Dr. Olin A. Barker, Charles E. Hays, George J. Krebs, L. L. Lambert, P. M. Price, J. E. Haner, Joseph E. Fidler, A. Kent Miller, C. E. Black, Oran G. Kantner, Fred Groff, Charles E. Myers, F. H. Beers, Richard Maize, George H. Adams, all of the State of Pennsylvania, protesting against tax on automobiles and auto factories; to the Committee on Ways and Means.

Also, petition of L. R. Collins, of Meyersdale, Pa., protesting against tax on proprietary medicine; to the Committee on Ways and Means.

By Mr. CARY: Petition of William T. McLean, P. P. Neugebauer, O. H. Foerster, and the Milwaukee Bag Co., all of Milwaukee, and Adam Conrad, of Hales Corners, all in the State of Wisconsin, protesting against tax on automobiles; to the Committee on Ways and Means.

Also, petition of G. A. Rolfson, of Milwaukee, Wis., protesting against national prohibition; to the Committee on Rules.

Also, petition of the William Wrigley, Jr., Co., of Chicago, Ill., protesting against tax on chewing gum; to the Committee on Ways and Means.

Also, petition of S. A. Eckstein, of Milwaukee, Wis., protesting against tax on proprietary medicines; to the Committee on Ways and Means.

By Mr. HILL: Papers to accompany bill for relief of Aaron Arnold; to the Committee on Invalid Pensions.

Also, papers to accompany bill for relief of David H. Johnson; to the Committee on Invalid Pensions.

By Mr. KAHN: Petition of the William Wrigley, Jr., Co., of Chicago, Ill., protesting against war tax on chewing gum; to the Committee on Ways and Means.

Also, petition of the California Pharmaceutical Association, protesting against proposed tax on proprietary medicines; to the Committee on Ways and Means.

By Mr. McCLELLAN: Petitions of H. A. Branion, A. J. Fellows & Co., and H. J. Seymour, of Chatham, and W. S. Doyle, of Ellenville, all in the State of New York, protesting against tax on proprietary medicine, etc.; to the Committee on Ways and Means.

By Mr. MERRITT: Petition of the Gray Bellows Motor Co., of Saranac Lake, N. Y., protesting against a Government tax on horsepower of all motor cars sold; to the Committee on Ways and Means.

Also, petition of Hon. Herbert P. Coats, of Saranac Lake, N. Y., protesting against the proposed Government tax on horsepower of all motor cars sold; to the Committee on Ways and Means.

By Mr. QUEZON: Petition of the second assistant executive secretary of the Division of Archives, Patents, Copyrights, and Trade-Marks, of Manila, relative to registration of copyrights in Philippine Islands; to the Committee on Insular Affairs.

By Mr. SMITH of Maryland: Petition of E. C. Rosh and 61 citizens of the United States, delegates to the national convention of the Fraternal Order of Eagles at Kansas City, Mo., favoring House joint resolution 282, to investigate claims of Dr. F. A. Cook to be discoverer of the North Pole; to the Committee on Naval Affairs.

By Mr. STAFFORD: Petition of the Milwaukee Automobile Dealers' Association, protesting against tax on automobiles; to the Committee on Ways and Means.

By Mr. SWITZER: Petition of Mrs. Cornelia Trenthart and 66 other ladies, of Portsmouth, Ohio, against constructing railway in front of Sibley Hospital in Washington, D. C.; to the Committee on the District of Columbia.

SENATE.

SATURDAY, *October 10, 1914.*

(Legislative day of Thursday, October 8, 1914.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

BILLS INTRODUCED.

Mr. SMOOT. I ask unanimous consent to introduce a bill out of order.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMOOT:

A bill (S. 6623) in relation to the location, entry, and patenting of lands within the former Uncompahgre Indian Reservation, in the State of Utah, containing gilsonite or other like substances, and for other purposes; to the Committee on Public Lands.

By Mr. POMERENE:

A bill (S. 6624) empowering and directing the Secretary of the Treasury to convey by quitclaim deed certain lands in the city of Akron, State of Ohio; to the Committee on Public Buildings and Grounds.

A bill (S. 6625) granting a pension to Caroline Dufner (with accompanying papers); to the Committee on Pensions.

By Mr. SHIVELY:

A bill (S. 6626) granting an increase of pension to William Braginton (with accompanying papers); to the Committee on Pensions.

By Mr. POMERENE:

A bill (S. 6627) to establish and disburse a public-school teachers' retirement fund in the District of Columbia; to the Committee on the District of Columbia.

AMERICAN VESSELS AND WATCH OFFICERS.

Mr. JONES. I have a Senate resolution that I think will cause no discussion. I ask unanimous consent to present it, and I ask for its immediate consideration.

The VICE PRESIDENT. The Secretary will read the resolution.

The Secretary read the resolution (S. Res. 467), as follows:

Resolved, That the Secretary of Commerce be requested to furnish to the Senate the following information:

1. How many Americans were shown by reports from the various customs districts to be available for watch officers, including masters, mates, and engineers, when the order suspending the requirements of the navigation laws relating thereto for a period of seven years was issued.

2. Copies of letters and communications on file with the department relating to the supply of Americans available for watch officers on ships admitted to American registry.

3. A list of the vessels admitted to American registry under the emergency act with a statement as to where and when built, by whom owned, what flag heretofore flying, and the number of American vessels and watch officers employed.

Mr. FLETCHER. I think the resolution ought to go to some committee. I do not know fully the scope of it.

Mr. JONES. I will state that it simply calls for information that is in the department.

Mr. FLETCHER. I understand; but it calls for a lot of correspondence and other information, and I think it ought to go to the Committee on Commerce or to some committee, and should not be agreed to in this way.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. FLETCHER. I object to its present consideration.

The VICE PRESIDENT. The resolution will have to go over.

MEMORIAL TO THE LATE SENATOR JOHN T. MORGAN.

Mr. FLETCHER. I introduce a joint resolution, which I ask may be referred to the Committee on Interoceanic Canals.

The joint resolution (S. J. Res. 196) to authorize the Secretary of War to grant permission to the Southern Commercial Congress to place a tablet at Gamboa, Canal Zone, as a memorial to the late Senator John T. Morgan, was read twice by its title and, with accompanying papers, referred to the Committee on Interoceanic Canals.

Mr. FLETCHER. In connection with the joint resolution I present a letter which I have received from Dr. Clarence J. Owens, managing director of the Southern Commercial Congress, which I ask may be printed in the RECORD and referred, with the joint resolution, to the Committee on Interoceanic Canals.

There being no objection, the letter was referred to the Committee on Interoceanic Canals and ordered to be printed in the RECORD, as follows:

THE SOUTHERN COMMERCIAL CONGRESS,
Washington, D. C., October 8, 1914.

Hon. DUNCAN U. FLETCHER,
Senate Office Building, Washington, D. C.

DEAR SENATOR FLETCHER: On yesterday I took up with Secretary Garrison the question of placing the memorial tablet to the late Senator John T. Morgan in the Canal Zone. You will recall that upon the adjournment of the Mobile congress I conducted a party to the Republic of Panama and the Canal Zone. Upon arrival in Panama City we were received by Col. Goethals, and he detailed Col. Hodges to join with me in the selection of a site, and I had in charge the dedicatory exercises that were participated in by Minister Price, Gov. Metcalf, and others in the presence of Col. Hodges.

Secretary Garrison takes the position now that the tablet can not be placed in the Canal Zone unless Congress orders it done. I am of the opinion that the Senate and House will gladly approve this matter, as it will be a tribute to a distinguished statesman who served in the legislative branch of the Federal Government for so many years.

I beg to suggest, therefore, that a joint resolution be prepared and submitted, in order that we may secure early action, making possible the placing of this memorial at Gamboa, as has been announced by our organization.

Sincerely,

CLARENCE J. OWENS,
Managing Director.

SENATOR GEORGE E. CHAMBERLAIN—LEAVE OF ABSENCE.

Mr. KERN. Mr. President, I ask that the senior Senator from Oregon [Mr. CHAMBERLAIN] be excused from further attendance during the session. The Senator from Oregon has been in constant attendance upon the Senate since April of last year. While other Senators have had brief vacations from time to time the senior Senator from Oregon has remained steadfastly at his post.

As caucus chairman of the majority, I urged him two weeks ago to return to his home State to look after his affairs there, but he declined, saying that he could not see his way clear to subordinate public interests to his own personal or political interests. But now that the labors of the session are practically over and the end is in sight, there is no reason why he should neglect his interests further. I know his fellow Senators on both

sides of the Chamber, in token of their personal regard and in appreciation of his faithful service, will be glad to agree to this request.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Oregon is excused from further attendance on the Senate during the present session.

ALASKA COAL LANDS.

The Senate resumed the consideration of the conference report on the disagreeing votes of the two Houses upon the bill (H. R. 14233) to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes.

The VICE PRESIDENT. The question is, Shall the point of order be sustained?

Mr. LANE. Mr. President, before the question is put I wish to say a few words. I will not detain the Senate long.

This provision, in my opinion, is far-reaching in its effect on the coal-mining industry of Alaska. Under it the Secretary of the Interior, who is the Government's agent, is forbidden from having anything to do either with the operation of the mines or the working of them or with the products therefrom until he arrives at the end of a lawsuit.

Under the terms of this report the lessee can operate his mine under the most onerous conditions, and unfair conditions relating to the employment of labor. He can bring about a condition which is identical with that which has existed in other coal-mining districts in this country, of which we have heard so much of evil in the recent past. He can have gunmen on his lands; he can do anything which he pleases with his employees. He can fail to ventilate the mine; he can operate it under conditions which are absolutely dangerous, for the reason that this clause, in my opinion, controls every other provision in the bill preceding it. It is the keystone which will control the operation of those mines under this law.

I would like to have the Senate know exactly what they are doing, or at least what I think they are doing, if they pass this provision. The lessee can hold his coal for the highest price; he can keep it out of the market; he can sell it to the warships of a power at war with this country if he wants to do so.

The Government agent is forbidden to have a word to say about it, and when you forbid him you forbid this Nation. There is *not only* a bar forever upon the Government taking proceedings against the lessee, if it does not act in 90 days after it gives notice, but there is also a bar upon the Government from doing anything else. Unless it was carefully designed for the purpose of compelling the Government and the people of this country to keep their hands off and to allow the private owner to run the mine in any manner he wants to run it, I do not see why it was put in. It has that effect.

If I were the lessee of a coal mine in Alaska and wanted to operate it at my own sweet will and make the most out of it, gut it and rob the labor and do anything else I wanted to, without interference or supervision, I would like to have this provision remain in the bill. If, on the other hand, I was representing the Government and wanted the mine operated properly and the products from it handled in a manner which would be beneficial to the community and to the people at large as well, and at the same time do justice to the owner thereof, it is the identical kind of a provision that I would keep out of the bill if I could. Here is the Government tied to leases of its own land under a law which forbids it from taking any action for the relief of conditions which may be against the interests of the people of this country. It compels the Government to give 90 days' notice, but if it does not go into court within 90 days and make good, the Government and the people are forever debarred from further action. On the other hand, the lessee of the mine has unlimited time granted him. The short end of the rope is given to the Government and the people of this country who own the land, and one of whose resources it is.

Under another section of the bill any man may take up as much as 5,000 acres under a lease. The Senator from Nevada [Mr. PITTMAN] informed us a few days ago, when the bill was before the Senate, that in one of those fields, I think it was the Matanuska, there are not over 15,000 acres of good coal land. Two lessees could go out under this act, under another provision, however, and secure all the land except what is reserved by the Government. You may depend upon it the Government will not get the best of the coal land. If anyone thinks the Government is going to get the best of the coal lands when it comes to locating it, I think he will find he is mistaken. That land is pretty well known now. It has been prospected and looked over with careful eyes by experts, and the best of it will be leased. They are allowed to take as much as 5,000 acres, and two or three men can cover, we will say, a field of 10,000 acres and control the coal situation in Alaska.

These leases will not be for the benefit of the people of Alaska if this provision is left in the bill. They must depend on the Secretary of the Interior as the agent of this Government, and he is not allowed to have anything to do with it or to say about it. You give him 90 days if he wants to file a notice in which to begin a court proceeding. I have seen a notice improperly written where a man rode day and night in order to "stake" it on a claim, and for the reason that he did not have it properly worded he lost his claim. It is very easy to make a mistake in a notice. Many good attorneys do not know how to write them properly. Anyone who has had experience in a mining country knows that. The Government is forever barred from rectifying any mistake which its agents may make, whereas the person who owns the lease has time without end in his favor to hold and operate it under conditions which the Secretary of the Interior and the Government of the United States are forbidden to question or even ascertain. He is forbidden to interfere in any way. If he goes around to look into the conditions, that is interference. If he takes the time of the employees to ride him up and down the shaft or enters a drift to examine the mine, he is in the way, and he is interfering with the operation of the mine, and they can oust him under this clause.

I hope the Senate will not adopt this report without knowing exactly what it is doing. In my opinion, this nullifies every good provision in the bill. I do not know how far these lands have been looked over now or how ready prospectors are to take them up. They are not asleep in Alaska. The people who go to Alaska are good, live, healthy men and women. They are not the kind of people who stay around a hot stove or care much whether they are comfortable or not. They put on snowshoes and go out in the storms of winter to stake mines. They go long distances and undergo terrific hardships for prospective profit.

This provision is not for the benefit of Alaska. I wish the Senate could understand this provision and know it from their experience, and could realize what can be done under it by a lessee who is a bit avaricious. Then you would know just how little influence over these coal lands Uncle Sam is to have. We have an example of what is done under the leasing system to a numerous class of people in this country. Under this law we will have labor wars in Alaska, and there will be the same old contention between the man who works and the employer, with all remedy denied. The lessee has given into his hands the right to forbid the Government even in the last extremity from interfering with his manner of handling the mines.

I do not know that my point of order will be sustained. I had hoped that the Senate might rule out this provision by a point of order. My opinion is that it has been put in here gratuitously. If we can not throw it out, we ought to send this report back to conference for the conferees to do so. We ought to reject it without prejudice and with all due respect to the conferees and have this change made.

Mr. BRISTOW. Mr. President, it seems to me that this is a very important matter. The question of Alaska coal lands has been discussed for a great many years. There has been a good deal of scandal in connection with it. From what Senators familiar with the situation there say it seems that by some ingenious language that has been woven into this bill in conference the selfish interests are to be given an opportunity that they have sought for years and which up to this time has been denied them. I think we ought to have at least a quorum of the Senate present when it is being discussed, and I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Borah	Johnson	Perkins	Sterling
Bristow	Jones	Pomerene	Swanson
Burton	Kern	Saulsbury	Thomas
Camden	Lane	Shafroth	Thornton
Chamberlain	McCumber	Sheppard	Townsend
Chilton	Martine, N. J.	Shields	Vardaman
Clark, Wyo.	Myers	Simmons	West
Fletcher	Norris	Smith, Ga.	White
Gronna	Overman	Smith, Md.	
Hollis	Page	Smoot	

Mr. THORNTON. I announce the necessary absence of my colleague [Mr. RANSDELL]. I ask that this announcement may stand for the day.

Mr. PAGE. I desire to announce the necessary absence of my colleague [Mr. DILLINGHAM] and to say that he is paired with the senior Senator from Maryland [Mr. SMITH]. I will allow this announcement to stand for the day.

Mr. MARTINE of New Jersey. I am requested to state that the junior Senator from Arkansas [Mr. ROBINSON] is detained from the Senate by illness. I ask that this announcement may stand for the day.

Mr. SWANSON. I desire to announce that my colleague [Mr. MARTIN of Virginia] is unavoidably detained from the Senate and is paired. I ask that this announcement stand for the day.

Mr. SMOOT. I am requested to announce that the Senator from New Hampshire [Mr. GALLINGER], the Senator from Utah [Mr. SUTHERLAND], and the Senator from West Virginia [Mr. GOFF] are necessarily absent, and are paired, respectively, with the Senator from New York [Mr. O'GORMAN], the Senator from Arkansas [Mr. CLARKE], and the Senator from South Carolina [Mr. TILLMAN].

Mr. SHEPPARD. I wish to announce that the Senator from Tennessee [Mr. LEA] is unavoidably absent on public business.

The VICE PRESIDENT. Thirty-eight Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of the absentees.

The Secretary called the names of the absent Senators, and Mr. POINDEXTER, Mr. THOMPSON, and Mr. WEEKS responded to their names when called.

Mr. JAMES entered the Chamber and answered to his name.

The VICE PRESIDENT. Forty-two Senators have answered to the roll call. There is not a quorum present.

Mr. BORAH. Mr. President, I move that the Senate adjourn.

The VICE PRESIDENT. The question is on the motion of the Senator from Idaho that the Senate adjourn.

The motion was rejected.

Mr. KERN. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The VICE PRESIDENT. The question is on the motion of the Senator from Indiana.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will carry out the instructions of the Senate.

Mr. COLT, Mr. WALSH, Mr. SMITH of Arizona, Mr. HITCHCOCK, Mr. CLARKE of Arkansas, Mr. LEE of Maryland, and Mr. LEWIS entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. There is a quorum present. The question is, Is the point of order well taken? The Chair submits the question to the Senate.

Mr. LANE and Mr. SMOOT called for the yeas and nays, and they were ordered.

The Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). I have a general pair with the senior Senator from New Mexico [Mr. FALL], but on questions of this kind I can vote. I vote "nay."

Mr. MYERS (when his name was called). I transfer my pair with the junior Senator from Connecticut [Mr. MCLEAN] to the senior Senator from Virginia [Mr. MARTIN] and will vote. I vote "nay."

Mr. SMITH of Maryland (when his name was called). I have a general pair with the senior Senator from Vermont [Mr. DILLINGHAM]. In his absence I withhold my vote.

Mr. TOWNSEND (when the name of Mr. SMITH of Michigan was called). The senior Senator from Michigan [Mr. SMITH] is absent on business. He is paired with the junior Senator from Missouri [Mr. REED]. This announcement may stand on all votes during the day.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROOT] and therefore withhold my vote. If at liberty to vote, I would vote "yea."

Mr. VARDAMAN (when his name was called). I have a general pair with the junior Senator from Idaho [Mr. BRADY]. Were I at liberay to vote, I would vote "yea."

Mr. WALSH (when his name was called). I transfer my pair with the senior Senator from Rhode Island [Mr. LIPPITT] to the junior Senator from Nevada [Mr. PITTMAN] and will vote. I vote "nay."

The roll call was concluded.

Mr. VARDAMAN. I am advised that if the junior Senator from Idaho [Mr. BRADY] were present he would vote as I would vote, so I vote "yea."

Mr. GORE. I announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON], which I transfer to the junior Senator from Louisiana [Mr. RANSDELL], and will vote. I vote "nay."

Mr. HOLLIS. I am paired with the junior Senator from Maine [Mr. BURLEIGH]. I transfer that pair to the senior Senator from Nevada [Mr. NEWLANDS] and will vote. I vote "nay."

Mr. THOMAS. I transfer my pair with the senior Senator from New York [Mr. ROOT] to the junior Senator from South Carolina [Mr. SMITH] and will vote. I vote "yea."

Mr. SMOOT. I desire to announce the following pairs:

The junior Senator from New Mexico [Mr. CATRON] with the senior Senator from Oklahoma [Mr. OWEN];

The senior Senator from South Dakota [Mr. CRAWFORD] with the senior Senator from Tennessee [Mr. LEA];

The senior Senator from Delaware [Mr. DU PONT] with the senior Senator from Texas [Mr. CULBERSON];

The senior Senator from New Hampshire [Mr. GALLINGER] with the junior Senator from New York [Mr. O'GORMAN];

The junior Senator from West Virginia [Mr. GOFF] with the senior Senator from South Carolina [Mr. TILLMAN];

The senior Senator from Pennsylvania [Mr. PENROSE] with the senior Senator from Mississippi [Mr. WILLIAMS];

The junior Senator from Wyoming [Mr. WARREN] with the senior Senator from Florida [Mr. FLETCHER]; and

The junior Senator from Utah [Mr. SUTHERLAND] with the senior Senator from Arkansas [Mr. CLARKE].

Mr. SHEPPARD. I desire to announce the unavoidable absence of the senior Senator from Tennessee [Mr. LEA] on official business.

Mr. SMITH of Georgia (after having voted in the affirmative). I have a general pair with the senior Senator from Massachusetts [Mr. LODGE], but after a conference with his colleague [Mr. WEEKS] I allow my vote to stand. I have a general agreement with the senior Senator from Massachusetts that at any time his colleague releases me from my pair I can vote.

The result was announced—yeas 26, nays 23, as follows:

YEAS—26.

Bankhead	Gronna	Perkins	Townsend
Borah	Hitchcock	Shafroth	Vardaman
Bristow	Johnson	Smith, Ga.	Weeks
Burton	Lane	Smoot	West
Clark, Wyo.	Lee, Md.	Sterling	White
Clarke, Ark.	Martine, N. J.	Thomas	
Colt	Page	Thornton	

NAYS—23.

Camden	James	Overman	Simmons
Chamberlain	Jones	Poindexter	Smith, Ariz.
Chilton	Kern	Pomerene	Stone
Fletcher	Lewis	Saulsbury	Swanson
Gore	Myers	Sheppard	Walsh
Hollis	Norris	Shields	

NOT VOTING—47.

Ashurst	Fall	Nelson	Shively
Brady	Gallinger	Newlands	Smith, Md.
Brandegee	Goff	O'Gorman	Smith, Mich.
Bryan	Hughes	Oliver	Smith, S. C.
Burleigh	Kenyon	Owen	Stephenson
Catron	La Follette	Penrose	Sutherland
Clapp	Lea, Tenn.	Pittman	Thompson
Crawford	Lippitt	Ransdell,	Tillman
Culberson	Lodge	Reed	Warren
Cummins	McCumber	Robinson	Williams
Dillingham	McLean	Root	Works
du Pont	Martin, Va.	Sherman	

The VICE PRESIDENT. So, in accordance with the ruling of the Chair heretofore made, the report of the committee of conference is rereferred to the committee of conference.

Mr. MYERS. Mr. President, during the three years and a half that I have served in the Senate this is the first and only time I have ever heard that point raised. There were columns of new matter put in the Clayton antitrust bill. If the point of order had been raised as to that bill, and the same ruling had, it would have been shot all to pieces, and there would not have been enough of it left to light a cigarette with.

Mr. OVERMAN. Mr. President, I voted with the Senator, but I think he is mistaken about that.

Mr. MYERS. Senators who sit here and vote to throw out of this Congress one of the most important administration measures that the administration has asked this Congress to pass sat here and voted to put through the Clayton antitrust bill with columns of new matter written into it by the conferees that had never been heard of in either branch of Congress.

Mr. OVERMAN. The Senator is mistaken about that. I think if he will examine the bill he will see that there is nothing new in the bill.

Mr. MYERS. I take the word of the Senator from Missouri [Mr. REED], who said that in section after section the teeth had been drawn out of that bill.

Mr. OVERMAN. What the Senator from Missouri was talking about was the penalties.

Mr. MYERS. Yes.

Mr. OVERMAN. They were in the House bill and not in the Senate bill. Therefore they were in conference. I voted with the Senator from Montana, but he is mistaken when he

says that there was new matter put in that bill that was not in either the House or the Senate bill.

Mr. MYERS. I am told that there were penalties voted by both the House and the Senate which were drawn out by the conferees, and that where a penalty was put in the conferees said it should be unlawful. The Senator from Missouri, I think, made that statement.

Mr. OVERMAN. Before the Senator from Montana makes that statement he had better read the bill himself.

Mr. MYERS. I have been informed by one of the conferees that there was new matter put into that bill by the conferees. Senators who have raised the cry of distress and the danger signal that the Republic is going on the shoals and is going to be wrecked by the work of the conferees on this Alaskan coal bill sat here and voted for the Clayton antitrust bill, when I am informed and am sure that there was new matter written into it. I do not see why Senators who have raised the cry of distress and hoisted the danger signal that the Republic is going to be pulled down and is going into anarchy and chaos and onto the shoals on account of the action of this conference committee were satisfied to sit here and vote for the Clayton antitrust measure with new matter in it. I dare say there has hardly been an important measure which has been the subject of long, drawn-out controversy between the House and Senate in many years—certainly not since I have been here—where the conferees did not change the verbiage of sections to some extent. This is the first time and the only time since I have been in the Senate that I have heard that rule invoked.

I spoke of this matter in our conference. I said: "Are we not writing new matter in here, in letter, at least, and is it not contrary to the rules of the Senate?" The other conferees replied: "Why, that is always done, more or less. No bill is ever reported out of conference in the exact verbiage in which every section passed the House or the Senate," and they went ahead. We reported something here that we thought was in substantial compliance with the rules, and in accordance with the substance of the bill as it passed either the House or the Senate.

This is the first time I have ever heard the question raised since I have been in the Senate. I am satisfied that it is done right along; and yet we have Senators here, Democratic Senators, voting to sustain this point of order, who have taken no cognizance of such things in other conference reports. By the votes of Democratic Senators one of the most important administration measures of this Congress has been wrecked and relegated; and I want to say now that there will be no Alaskan coal bill at this session of Congress.

Mr. MARTINE of New Jersey. I think that might be a blessing.

Mr. MYERS. I think some of the other Senators who voted with the Senator from New Jersey to sustain this point of order are of the same opinion, and doubtless voted on the point of order on that ground.

Mr. MARTINE of New Jersey. I voted as I did on the point of order because I felt that it was entirely new business, not business sent to the conference committee by the House and Senate; and further than that, I voted as I did because it was a prop helping along my proposition, which I trust some day will be adopted, of Government ownership. I am opposed to the whole policy of this bill. I oppose it earnestly and honestly. I appreciate the Senator's position, but I believe this is a most pernicious and dangerous measure.

Mr. SIMMONS. A point of order, Mr. President.

The VICE PRESIDENT. The Senator from North Carolina will state it.

Mr. SIMMONS. I ask what is before the Senate.

The VICE PRESIDENT. The last the Chair observed there were three Senators on the floor.

Mr. MYERS. I have the floor.

Mr. SIMMONS. I make a point of order, Mr. President. I call for the regular order.

Mr. MYERS. There is no such point of order. I have never heard of that being invoked before since I came here.

Mr. SIMMONS. I do not want to interfere with the Senator from Montana, and I will not; but if this matter is going to arouse a joint discussion here, I shall have to make the point of order.

The VICE PRESIDENT. There is absolutely nothing before the Senate.

Mr. SIMMONS. I do not wish to interfere with the Senator from Montana.

The VICE PRESIDENT. The Senator from Montana has a perfect right to proceed unless some Senator interrupts him and he yields.

Mr. SIMMONS. I shall not make the point of order until the Senator from Montana has concluded, and I will then renew it.

Mr. REED. Mr. President——

Mr. MYERS. I yield to the Senator from Missouri.

Mr. REED. Mr. President, I have no special interest in the present controversy, but as I entered the Chamber a question was raised as to a certain statement I was alleged to have made in reference to the Clayton antitrust bill. I therefore desire to say that the conferees on that bill did add new matter to the bill.

Mr. MYERS. Did not the Senator say the conferees had drawn the teeth out of the bill as it passed both the Senate and House?

Mr. REED. I say they did add new matter, and that is what I am now discussing.

Mr. MYERS. Go ahead. I yield to the Senator.

Mr. REED. They added to section 2 these words:

Where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce.

They also added these words in the same section:

In bona fide transactions and not in restraint of trade.

They also added these words:

Or discrimination in price in the same or different communities made in good faith to meet competition.

The first one of those amendments to which I called attention very radically changed the meaning of the section. I do not intend to stop to discuss the effect, because I did that in some speeches which were very much prolonged.

In section 3, which relates to tying contracts, they substituted the House section for the Senate substitute. They took out of the House section the criminal penalty which had been attached to the Senate substitute, which was originally in the House provision, and added this entirely new language:

Where the effect of such lease, sale, or contract for sale or such condition, agreement, or understanding may be to substantially lessen competition or tend to create a monopoly in any line of commerce.

Those words are of great import and very radically change the meaning of the section.

In section 7 of the bill they inserted in two places the words "or to restrain such commerce in any section or community." I do not think, however, that that amendment impaired the bill.

There are several other additions which were made in the conference. Especially I call attention to section 5, which relates to the introduction of the decrees of the court in trust cases rendered in favor of the Government. That section as it came from the House read:

That whenever in any suit or proceeding in equity hereafter brought by or on behalf of the United States under any of the antitrust laws there shall have been rendered a final judgment—

And so forth.

The decree shall be used in evidence. The Senate changed that section so that it provided that when the judgment shall have been heretofore or hereafter obtained it can be used in evidence. The conferees struck out the word "heretofore," thus leaving the section in substance and effect as it was originally in the House, but they added this entirely new matter relating to future judgments:

Provided, That this section shall not apply to consent judgments or decrees entered before any testimony has been taken: *Provided further*, That this section shall not apply to consent judgments or decrees rendered in criminal proceedings or suits in equity now pending in which the taking of testimony has been commenced but has not been concluded, provided such judgments or decrees are rendered before any further testimony is taken.

Mr. President, I could cite some more instances. I could have made a point of order against the report at the time it was here, but it was my opinion that the temper of the Senate just then was not to listen very much to discussion upon the bill. Possibly I had worn out the good nature of the Senate by my long persistence. But the statement that the conferees did not put new matter into the bill can not be sustained.

Mr. OVERMAN. Will the Senator from Montana yield to me?

Mr. MYERS. I yield to the Senator from North Carolina.

Mr. OVERMAN. I have no wish to enter into a debate with the Senator from Missouri on the Clayton bill. I want to say to the Senator, and this is what I rose to say, that I did think he and his committee did their part, and I so voted.

Mr. MYERS. I know how the Senator voted.

Mr. OVERMAN. I think it was different with the Clayton antitrust bill, because all those matters were in conference.

Mr. SMITH of Georgia. Mr. President——

Mr. MYERS. I yield to the Senator from Georgia.

Mr. SMITH of Georgia. I wish to say that I agree with the Senator from Montana that a great many bills have been brought in by conferees and passed which were just as objectionable as this.

Mr. MYERS. I said that yesterday.

Mr. SMITH of Georgia. The Senator is right about that; but if we have permitted it in other cases, that is no reason why we should fail to stop it when the objection is made.

If the Senator will pardon me, just one word more. I wish to make this suggestion: I hope he will not take it in any sense as a reflection upon him that I voted to sustain the point of order. I would not cast a vote in the Senate that in any way would reflect upon him. He knows how I feel toward him.

Mr. MYERS. Certainly.

Mr. SMITH of Georgia. Now, I wish to make this suggestion: If the conferees would take this bill again and restore to it one of those two little paragraphs at the close of section 12 of the House bill or 14 of the Senate bill and let section 15 go out and let this proviso go out, I believe the report would go through the Senate instantly.

Mr. MYERS. There will be no Alaskan coal-land bill reported back at this session of Congress.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Idaho?

Mr. MYERS. I yield to the Senator.

Mr. BORAH. The Senator has said several times that there would be no Alaskan coal bill unless this particular clause is left in. That accentuates the fact that this particular clause ought to be taken out. The Senator, in my judgment, ought to let this matter go back to conference, and he can have this provision eliminated and in two hours bring it back here. It is not necessary that this bill die unless there are those who think more of this obnoxious section than of the entire bill.

Mr. MYERS. Two of the House conferees have left Washington and will not return at this session.

Mr. SMITH of Georgia. The House can appoint two additional conferees.

Mr. MYERS. That would open up the entire subject. I doubt if we could agree at this session.

Mr. BORAH. If two of the House conferees have left Washington, then that is the reason why this bill can not pass, and not by reason of the fact that this clause has been taken out. But are there not other parties in the House? I apprehend others could be selected as conferees who might be able to serve in that capacity. I would suggest to the Senator from Montana that it would expedite the matter if he would undertake to get this out of the bill rather than to undertake to reconsider it here.

Mr. MYERS. As I stated, two of the House conferees left Washington on the last day the conferees sat. They said at 2 o'clock in the afternoon there must be an agreement that afternoon or there would be no report at this session; and we yielded some things, where we could do so conscientiously, in order to make a report.

I have not a particle of doubt on earth that if the Senator from Missouri [Mr. REED] had made the same point of order against the Clayton antitrust bill it would have been voted down by a large majority and probably by some Senators who voted to sustain this point of order. I think he was wise in not making the point of order. I have never heard that point of order made in the Senate since I have been here. I know that the practice is followed which was followed in this case almost universally, and in many cases to a far greater extent than it was followed in this case. If these conferees have trespassed a teaspoonful, other conferees have trespassed a bushel basketful. As violent as the fight was over the report on the Clayton antitrust bill, as violent and as earnest and as ceaseless, and I will say as valiantly as the Senator from Missouri fought that report, he never raised the point of order that there was new matter inserted in it. He knew that it was the universal custom that you can not rewrite, revise, and amend to suit all parties interested without to some extent vitally changing the verbiage. According to the rule laid down here, if you change "the" to "a," if you change an article that did not pass the House and the Senate, you have transgressed the rule.

Mr. SMITH of Arizona. Will the Senator let me interrupt him?

Mr. MYERS. I yield to the Senator.

Mr. SMITH of Arizona. I ask the Senator if, in his opinion, after the conferees have sat as long as they did in this case——

Mr. MYERS. Five days.

Mr. SMITH of Arizona. When the House conferees have gone on and taken up every item in the bill in disagreement, fighting it out, could two new conferees come to a conclusion any more quickly than they did? With less experienced Members on this particular bill being called into the conference over it, opening the whole case anew, what hope does the Senator think there would be of passing this conference report if we should finally conclude on that course?

Mr. MYERS. None whatever. The chance is that at the next conference you would get two House conferees who are utterly opposed to the leasing system.

Mr. NORRIS. Mr. President——

Mr. BORAH. May I ask the Senator from Arizona a question?

Mr. MYERS. The Senator from Nebraska [Mr. NORRIS] rose, and I will yield to him and then to the Senator from Idaho.

Mr. NORRIS. I should like to say to the Senator from Montana that it does not look to me now as though the probability of the passage of this bill is entirely foreclosed. I voted with the Senator——

Mr. MYERS. I know the Senator did.

Mr. NORRIS. I believed the point of order was not well taken. I did not agree with the majority in that vote. I thought that the conferees had not overstepped their rights.

Mr. MYERS. I do not believe the majority of the Senators thought that way. Senators came in here and voted without knowing what was being voted upon.

Mr. NORRIS. I did not like the proviso which it was claimed was put in wrongfully, and I would a great deal rather that it had been out. I think the bill would have been vastly improved if it had been taken out. I understand that proviso which has brought about this division here was put in in lieu of section 15. In other words, the House members of the conference committee were opposed to section 15. I am glad they were. I am glad it was taken out. But this proviso was put in to placate them or, rather, to placate the Senate conferees because section 15 went out. If the Senate conferees were willing to leave out the proviso that went in instead of section 15, which the House conferees objected to, it seems to me it would be an easy matter for the House conferees at once to agree to the report, and then it could be back here, just as it is now, with the objectionable proviso eliminated.

Mr. MYERS. Two of the House conferees have left the city.

Mr. NORRIS. One of them is still here, and that conferee will be able to tell the new conferees from the House just exactly the situation. If two conferees are absent, the House undoubtedly will appoint two Members in their places.

Mr. MYERS. The two new conferees from the House would not confine themselves to this one question. That would open up the entire bill.

Mr. NORRIS. They might not; but inasmuch as it was the only matter in dispute, and inasmuch as it was put in in lieu of section 15, which the House conferees objected to, and now the Senate is willing to take this course, it seems to me the Senate is in full concurrence with the House conferees and we can have the bill brought back here with an agreement. I hope the Senator will not take the view that we can not have legislation on the subject at this session. I believe that the provisions that were taken out in conference vastly improved the bill. Some of the provisions in the bill as it passed the Senate, it seemed to me, were objectionable and would have given rise perhaps to the famous Cunningham claims being resurrected and perhaps substantiated. That and similar provisions were eliminated and the bill made a good bill, in my judgment. It seems to me the only objection to it is the proviso that seems to have given rise to all this dispute. I believe the Senator goes too far when he says we can not have a bill. I think he ought to go on the theory that by the elimination of this proviso the conference report will pass the Senate in a few moments and that there will be no difficulty in getting two conferees of the House to agree to that proposition.

Mr. SMITH of Georgia. Let me make this suggestion: The clause at the close of section 12 of the House bill or section 14 of the Senate bill was stricken from each. Some of us insist the two clauses are practically the same, and therefore they can not be the subject of conference and both could not be stricken out.

Mr. NORRIS. I believe in that theory myself. The Senator is right; they could not properly have been thrown out; but so far as this proviso is concerned, it seems to me that it was within the power of the conferees to put it in, although that is decided now. The Senate has decided otherwise. There is only one thing now to do—to accept the decision of the Senate and go on and see if we can not pass the bill with that eliminated; and if we should pass it with this proviso eliminated, then the discussion that has taken place and the action of the Senate has not been in vain, because it will certainly improve the bill.

Mr. MYERS. I will say that, so far as I am concerned, there will not be a word changed, the article "a" or "and" will not be put into the conference report, if it did not pass one or the other branch of Congress. I yield to the Senator from Idaho.

Mr. BORAH. I only want to say I think it can not be contended for a moment that this proviso is in the interest of the public. It can not be contended that it is for the protection of the Government. If it is there for any purpose at all, it is to protect those whom the Government may think it has a charge against.

Mr. MYERS. My colleague [Mr. WALSH] claims as a legal phase in a very clear and explicit exposition of the matter that it does protect the Government and is in the interest of the Government, and I accept his legal construction of it.

Mr. BORAH. Then I take back the proposition that it can not be contended, and say, in my judgment, it can not be successfully contended that it protects the Government or that it protects the people. When we say here that the Government has a charge against a man and if the Government does not do a certain thing within 90 days, that man is forever relieved from that charge, it can hardly be successfully contended that it is in the interest of the public or the Government.

Mr. SMITH of Arizona. That is, to give notice.

Mr. BORAH. I understand the matter. We are in this position here. We are told because that kind of a section is not to go into the bill the bill must die. You had better consider the other proposition also. If it does go in, what will happen to the bill?

Mr. MYERS. Mr. President, I wish to say in this connection, I never desired to be fulsome in regard to any Senator nor do I want any impression in the mind of the Senate that I have any personal feeling against the Senator from Georgia [Mr. SMITH], or that anything I said can be taken as any stricture upon him. Every Senator has a right to his view. Some here know that I esteem the Senator from Georgia in the very highest sense and regard him as one of the kindest and most beneficial friends that I have had in this body, and I still so feel toward him.

I can understand how Senators who took the floor in the debate and contended that this was a violation of the rules of the Senate could and should vote that way, and I think there were other Senators who voted that way thoughtlessly, who had not given the matter the thought and the attention that it deserved. They came out of the cloakroom at the last minute and did not know what was being voted on when they came out and voted.

As I have said, so far as the warfare over the Clayton antitrust bill was concerned, no Senator made any such point of order. This is the first time I have ever known the point made. When a point of order of this kind is made—that new matter, which has never passed the House or the Senate has been inserted—Senators seem to lose sight of the fact that if both the House and the Senate adopt the report, then both branches of Congress will have passed the new matter. If you so modify it, that by adopting the report the new matter is passed in both branches——

Mr. OVERMAN. This new matter pertained to the subject matter that was in conference?

Mr. MYERS. Yes; it is only a little different in detail.

Mr. OVERMAN. If this rule is made to-day as to the Senate, there never can be any legislation.

Mr. MYERS. There never can be any legislation at all.

I want to say in conclusion that one of the chief measures of this administration has been defeated by this vote. It was a measure that was earnestly desired by President Wilson and by the Secretary of the Interior, Mr. Lane. Both of them gave it their absolute stamp of approval and commendation in the form in which it came before the Senate; both of them were very desirous that it be enacted into law at this session of Congress, and yet it has been defeated by Democratic votes.

It is a wonder to me that the Democrats in this body cling together as well as they do. It is a wonder to me there is as much cohesion among them as there is. There is more cohesion than I would expect.

Mr. MARTINE of New Jersey. Will the Senator yield to me for just a word?

Mr. MYERS. I will.

Mr. MARTINE of New Jersey. Now, when you say "Democrat" you refer to me.

Mr. MYERS. I am satisfied of that.

Mr. MARTINE of New Jersey. I claim to be as good a Democrat as there is now in this body or as ever sat here. This is not a political question; it is a great economic question.

Mr. MYERS. I never heard anyone doubt the Senator's Democracy, and I do not doubt it.

Mr. MARTINE of New Jersey. You talk about clinging together. We will cling together for principle's sake; but in God's name, because a measure may be pressed by a Democratic Senator, does that imply that a Senator must give up his whole life ideas and his individuality? This is an economic question; it is not a political question at all.

Mr. MYERS. I yielded for a question.

Mr. MARTINE of New Jersey. Well, I feel that you have touched me.

Mr. MYERS. Evidently I have touched the Senator.

Mr. MARTINE of New Jersey. Yes; you have. You must not question my Democracy. However much I may disagree with many other members of my party in this body, every vote I have cast has been based on my conscience and on that which I believe would advance and accrue best to the interests of my fellow citizens. I will use all honorable means to maintain and sustain my party; but, by the eternal heavens, I will not grovel and sacrifice my convictions and my honest judgment for any party, by whatever name you may call it. When you tell me that this is an administration measure, and that hence I must stand by it, I repel and repudiate any such doctrine.

Mr. MYERS. I have not said that.

Mr. MARTINE of New Jersey. I myself believe in Government ownership of coal mines.

Mr. MYERS. Mr. President, I refuse to yield any further.

Mr. MARTINE of New Jersey. I believe this is an object lesson to the American people, and I shall use every opportunity and every means to defeat such a proposition.

The VICE PRESIDENT. The Senator from Montana has the floor.

Mr. MYERS. I have not said anything to the contrary of what the Senator has said. I do not think there are now very many people who expect the Senator from New Jersey to vote for many of the administration measures that come before this body.

Mr. MARTINE of New Jersey. There is no reason to make that assertion either. I vote for every administration measure that on my conscience I believe is just and for the welfare of the country——

The VICE PRESIDENT. The Senator from New Jersey must maintain order.

Mr. MYERS. I have said nothing to the contrary of the Senator's statement.

Mr. MARTINE of New Jersey. I will not have that stuffed down my throat by anybody.

Mr. MYERS. I have not said anything to the contrary or tried to stuff anything down the Senator's throat.

Mr. MARTINE of New Jersey. The Senator's assertion was uncalled for and unwarranted.

Mr. MYERS. Then I retract it, although I still have my private opinion about it.

Mr. MARTINE of New Jersey. Well, that is your privilege.

Mr. MYERS. Mr. President, it seems to me sometimes that there is a disposition on the Democratic side of the Chamber to drive Senators who stand most steadfastly by administration measures away from the camp. As I say, taking into consideration the statement I have made, the Democrats of this body show more cohesiveness and stand together better than I would anticipate. I am surprised they stand together as well as they do.

Mr. JONES. Mr. President——

Mr. MYERS. I yield to the Senator from Washington.

Mr. JONES. I do not want to interrupt the Senator's line of thought, but I presumed the Senator was through with that phase of the discussion, and so I wanted to suggest this: I really regret that the Senator from Montana takes the position that by reason of the action of the Senate there will be no Alaskan coal legislation at this session. I believe if the Senator will reflect he will change his mind with reference to that matter. I voted with the Senator on this proposition.

Mr. MYERS. I know the Senator did.

Mr. JONES. And on yesterday I stated that I did not think that any criticism should be made of the action the conferees have taken, and that they have simply followed the course of conferees heretofore. I believe if this matter were now sent to the House from the Senate with the request for a further conference, if that action is necessary, or with some notification, at any rate, to the House that the Senate had rejected the conference report and asked for a further conference, that without any delay whatever new conferees would be appointed. As has been suggested here, I think the conferees will be able to get together without very much trouble. This is apparently the only point especially in controversy, and while the Senator from Montana fears that the conferees on the part of the House

might raise questions with reference to other provisions, I rather doubt that such will be the case.

The chairman of the House committee is still in the city, and I know that the views of the chairmen of committees have great weight with the other members of the committees and especially with the members of conference committees; but even if the other members could not be gotten back and new members are appointed upon the committee, I really do not believe that the Senator will have anything like the trouble that he anticipates in getting a report and bringing it into the Senate. I therefore appeal to the Senator—and I am just as anxious as he is about this legislation—to try that course. If he does so, I believe he will find that his bill will be enacted without very much trouble.

I wanted to make that suggestion because I am in hearty sympathy with the Senator; I am very earnestly in favor of this legislation and hope that we shall be able to get it through before the session is over. I feel satisfied that if that course is followed favorable action will be had. I think if the Senator will reflect a little he will also come to that conclusion.

Mr. MYERS. Mr. President, I will state at this juncture, before I say anything further—and I am not going to say much more—that, of course, I very highly esteem the Senator from New Jersey; I know that he always votes conscientiously, and that nobody can question his Democracy. I make that statement while the Senator is out of the Chamber, as his modesty perhaps might forbid his being on the floor of the Senate when it was made.

The fact remains that, to my mind, this bill has been rejected by the Senate on what appears to me to be the barest technicality and triviality by invoking a dead-letter rule which I have never before known to be invoked. I take it that that is the temper of the Senate toward the bill, and if the Senate wants to register its view of the bill in that way, it is certainly its privilege to do so.

In response to the Senator from Washington [Mr. JONES] and others who have suggested this or that method of procedure and what is best to be done now, I have nothing more to say. The conference report is in the hands of the Senate and it can do with it what it pleases.

The VICE PRESIDENT. The Chair has decided that automatically the report goes back to the committee of conference.

Mr. CLARKE of Arkansas. Mr. President, I voted to sustain the point of order made against the conference report upon perfectly clear and justifiable grounds. I have been dissatisfied with the rule that was established in more recent days in the Senate, that conferees are at liberty to introduce independent, substantive matters that were not in dispute between the two Houses, and that objection by the Senate to such unauthorized action could only be taken by defeating the entire report on a formal vote upon its final adoption. Such action by conferees is prohibited by the practice in the House of Representatives, and a departure from the rule is the subject of a point of order which means that the objection being interposed in the form of a point of order will defeat the entire conference report by the judgment and ruling of the Speaker on the objection of the Member who chose to invoke it.

I believe that the change in the rule introduced in the Senate by one or two rulings that were made under peculiar party stress established a bad precedent and gave to conferees authority that it was never intended they should exercise. I think conferees should properly, in the exercise of their traditional powers, confine themselves to the matters in dispute between the two Houses, and that they ought not to exercise an independent judgment as to whether or not other matters—independent, distinct, and substantive propositions—should be incorporated in a bill as reported by them. For that reason I voted to reestablish the rule as it was originally and immemorially recognized.

So far as the present conference report being obnoxious to the rule is concerned, I accepted the judgment of the Chair, because, unless the Chair had decided as a preliminary question that there had been incorporated by the conferees independent, distinct, and substantive provisions that were not in dispute between the two Houses, he could not reasonably have submitted the point of order to the Senate. I assume that that question of fact had been determined by the Chair, and correctly determined. In the debate which ensued while I was present in the Senate it seemed to be conceded by all that that was the fact.

Mr. MYERS. Will the Senator yield to me for one word there?

Mr. CLARKE of Arkansas. I will be glad to yield to the Senator.

Mr. MYERS. I do not think the Senator was present when the Chair made the ruling. As I understand, the Chair merely held that the point of order might be made, and he submitted it to the Senate to determine whether or not it was well taken and whether or not the provision in the report was obnoxious to the rule.

Mr. CLARKE of Arkansas. I assumed that probably the Chair did not intend to submit the question in that broad and unguarded way; but I have stated what was my understanding of it.

So far as this particular conference report is concerned, I can not say that I have any decided objection to its adoption. For the reason that I am not very familiar with its details, I have accepted largely the judgment of Senators who assert that they have scrutinized it and have made a thorough examination of it, and I therefore felt justified in saving the trouble of doing the same thing over again for myself.

I want to establish a correct and workable rule on this subject; but in attempting to establish it I do not want to establish another rule that may amount to a barbarism, as we should do if we permit the Chair on every occasion to say, simply because a disputed proposition pending between the two Houses had been somewhat amplified or changed in phraseology by the conferees, that thereupon the whole conference report must fail on his single ruling. There is an extreme at either end of it that may on occasion lead to very great abuses; and I confine my assent to the rule now established by the Senate by its present vote to instances where it is practically undisputed that new, substantive, and independent propositions have been added by the conferees. If there is fair room to doubt that this has been done, then I think the conferees should be given the benefit of all doubts and be held to have exercised their discretion properly, and that the application of the rule which we have just established could not be rightfully made. I confine my assent to the rule that has just been established, and I justify the vote that I have given upon the proposition that the rule should only be applied where it is virtually undisputed that new provisions have been added and provisions that have not been in dispute between the two Houses.

So far as this particular conference report is concerned, since I have now come to make a little closer examination of it for myself, I find that there is room for saying that it is fairly doubtful whether or not this report is vulnerable to the objection which has been raised and decided adversely to its further consideration in its present form.

Mr. GRONNA. Mr. President, in view of what has been said here with regard to this conference report, I want to make it clear that my vote was cast to sustain the point of order for two reasons.

In the first place, I believe the Chair was right in submitting it to the Senate. In my opinion he could have gone much further than that and could have sustained the point of order, and I believe the precedents will show that the decision would have been right; but I need not defend the position of the Chair.

In the second place, I believed the conference committee had exceeded their authority in striking out matters which had been agreed to both in the House and in the Senate and inserting new matters that had not been considered in either House.

I want to call attention to what transpired on the floor of the Senate two years ago, when the immigration bill was before this body. I did not raise the point of order against that conference report, but I then made a statement similar to that which I made on yesterday, only I made it more fully. The senior Senator from Massachusetts [Mr. LODGE] was then, I believe, chairman of that committee. I made the statement that I believed the conferees had exceeded their authority, because new matter was injected into that conference report. We discussed the matter for a day and a half, and while I did not make the point of order, it was conceded by the Senate that the conference report was subject to a point of order, and it was sent back to conference.

For that reason, Mr. President, I voted as I did.

Mr. MYERS. Mr. President, may I make a parliamentary inquiry? That is all I wish to do.

I am entirely satisfied with the way the Senator from North Dakota voted on the point of order. As far as personality is concerned, I am satisfied that Senators may vote as they please. I only felt that there had been a difference of treatment of this report from other reports against which the same complaint might just as well have been lodged; that there had not been the same kind of treatment accorded this report as some other reports.

I now ask, What is the parliamentary status of the conference report?

The VICE PRESIDENT. The Chair has ruled that it automatically goes back to the conferees.

Mr. MYERS. Back to the conferees?

The VICE PRESIDENT. Yes. The Chair understands that the only question in dispute is the question of the new matter.

EMERGENCY REVENUE LEGISLATION.

Mr. SIMMONS. Mr. President, I move that the Senate proceed to the consideration of House bill 18891.

The motion was agreed to; and the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. SIMMONS. I ask unanimous consent that the formal reading of the bill may be dispensed with.

The VICE PRESIDENT. Is there any objection? The Chair hears none.

Mr. SIMMONS. Mr. President, I shall confine myself to a very brief statement, mostly in connection with the changes made by the committee in the House bill. Later I shall expect to discuss the bill more elaborately.

The bill before the Senate is framed along the lines of the act of 1898, and that act followed the lines of similar taxation during the Civil War. The report of Mr. Dingley, who was chairman of the ways and means committee of the House in 1898, in presenting the bill of that year to the House, speaking with reference to the objects upon which it imposed taxes, said:

> They are all taxes upon objects which were assessed during or subsequent to the Civil War with one exception, and therefore open up no new or untried systems of taxation.

Some of the objects upon which a tax was imposed in the act of 1898 are left out of the pending bill, but every object, except wines and rectified spirits, upon which this bill imposes a tax, was taxed in the act of 1898.

Some of the rates prescribed in his bill are lower upon some objects than the rates prescribed in the act of 1898 upon the same objects; but no rate in this bill except that upon pawnbrokers, is higher than the rate on the same object in the act of 1898.

The amount of revenue raised under the act of 1898 and the amount it is estimated will be raised under the proposed bill are practically the same. The additional revenue realized from the internal-revenue taxes of the act of 1898 was $105,374,227. It is estimated that under the present bill the additional revenue will be $107,001,400.

In presenting the Spanish-American War revenue act to the House in 1898, Mr. Dingley said:

> The war-revenue bill which has been reported provides for internal-revenue taxes exclusively. * * * These taxes have been selected, first, because we have the machinery for the collection of them now, and they can be collected with but slight additions to the force and with but slight increase of expense. We have selected them, also, because they were a source of revenue successfully seized upon during the Civil War, and because they are taxes either upon articles of voluntary consumption or upon objects where the tax will be paid by those who are ordinarily able to pay them; and we have refrained from putting a tax in a direction where it would be purely upon consumption, so that the consumer may regulate his own tax, following what is the accepted rule in all countries, with a view of imposing the least burden and disturbing the business of the country as little as possible.

From these statements of fact it appears:

First. That with two exceptions everything in this bill upon which a tax is imposed was embraced in the act of 1898.

Second. That the rates imposed in this bill are not higher, but lower, than those in the act of 1898.

Third. That the objects of taxation in both the act of 1898 and in the pending bill are objects upon which similar taxes were imposed during and subsequent to the Civil War.

Fourth. That the objects of taxation embraced in the act of 1898 were selected by the Ways and Means Committee, of which Mr. Dingley, the author of the bill, was chairman, because they could be collected in the main with the regular force of the Internal Revenue Bureau, and with but slight increase in expenses, and because they were taxes either upon articles of voluntary consumption or upon objects where the tax would be paid by those who were ordinarily able to pay them.

Under these conditions there would seem to be no grounds for partisan controversy as to the objects selected for taxation in the pending bill.

Mr. President, I will now proceed to briefly consider the more important changes from the House bill which the bill recommended by your committee proposes.

The first change of importance—and I shall not trouble the Senate with reference to the smaller changes—relates to the tax upon beer or fermented liquors. The Spanish-American War act imposed a tax of $2 a barrel upon beer. The present law imposes a tax of $1 a barrel upon beer. The House bill imposed a tax of $1.50 a barrel upon beer; that is, it increased the tax 50 cents. The Senate bill has still further increased that tax, and raised it to $1.75 a barrel, allowing a discount of 5 per cent.

The section of the House bill relating to wines has been rewritten and changed as follows:

First. To include liqueurs or compounds known or designated as wines, liqueurs, or cordials.

Second. To apply the tax to imported wines or cordials as well as to domestic wines.

Third. To reduce the rate of tax upon dry wines from 12 to 8 cents per gallon.

Fourth. That the tax shall be paid by the dealer instead of by the manufacturer, as provided in the House bill.

I should say to the Senate that your committee have had great difficulty with reference to this matter of taxing wines, and they have earnestly sought to equalize the conditions and circumstances under which wine is produced in different sections of the country.

Your committee is not altogether satisfied with the substitute for this section it has recommended, and it is probable before a vote is taken on the bill it may present a substitute for the one incorporated in the bill.

Referring to the substitute now in the bill for this section, it is only necessary that I should say the differentiation in the tax imposed upon sweet wines and dry wines is based upon the fact that sweet wines may contain not exceeding 24 per cent of absolute alcohol, 12½ per cent being usually added in the form of spirits. The spirits used for this purpose in a large part of the country is grape brandy, which, under certain conditions, is not subject to the usual tax of $1.10—in fact, pays no tax except 3 cents a gallon. Dry wines can not contain more than 14 per cent of absolute alcohol, and this is generated by fermentation from the natural sirup of the grape. It was thought the 12 cents differential would reasonably cover the tax which the brandy spirits used in the fermentation of sweet wines should pay.

The House bill carried no tax upon rectified spirits. After considerable discussion and consideration, your committee decided these manipulated spirits constituted a proper subject on which to impose some of the burden of this taxation, and they recommend that they be taxed at 5 cents per gallon.

The House bill imposes a tax of 2 cents per gallon on gasoline. Your committee, after most thorough consideration, decided to recommend its elimination.

The House bill imposes a tax of $2 for each thousand dollars of capital and surplus upon bankers. Your committee thought a tax upon banks an entirely proper tax, but it thought $2 per $1,000 too high and reduced it to $1. We did not feel that banks should escape this tax altogether, because they receive and enjoy exceptional privileges from the Government, but we felt in the present condition, when they were in more or less distress, especially the State banks, we should not deal with them harshly.

The House bill imposed a tax of $50 on brokers. Your committee recommend this paragraph be stricken out of the bill. That was done largely upon the suggestion that because of the closing of the stock exchanges and the general cessation of trading in the character of things they deal in, it might be a hardship to impose a tax upon them.

The House bill imposes a flat rate of $100 upon all theaters, amusement and concert halls. This seemed to the Senate committee unjust, in that it would impose the same rate of taxation upon the small theater that is imposed upon the large theater.

The House bill exempted from the operation of this tax theaters, and so forth, in cities of less than 15,000 inhabitants. Your committee did not think there were any good reasons for this exemption. It considered that a small theater suited to the purposes of a town of 5,000 or 10,000 people might possibly be conducted with as much profit as a like theater in a city of 100,000 people. To meet these views your committee recommend, first, the striking out of this exemption, and, secondly, that the tax be graduated and based upon seating capacity, as follows:

Upon theaters, amusement and concert halls having a seating capacity of not more than 300, $25; having a seating capacity of 300 and not more than 600, $50; having a seating capacity of 600 and not more than 1,000, $75; having a seating capacity of more than 1,000, $100.

We have added to the bill a paragraph imposing a tax of $20 upon commission merchants. We did that because of a decision of the Supreme Court that commission merchants were not included under the general designation of commercial brokers in the law of 1898, and it was the desire of your committee that commission merchants should not escape taxation altogether.

The House has made only three classifications of manufacturers of tobacco and cigars. The Senate committee has added two other classifications. Under the first of these additional classifications the tax is raised to $48; under the second, it is

raised to $96. It has made the same classifications and the same raises with reference to manufacturers of cigars.

I should state, Mr. President, it was also the purpose of the committee to make a like additional classification of manufacturers of cigarettes, but it was omitted by mistake from the bill. I shall offer on behalf of the committee an amendment making these additional classifications.

Mr. HITCHCOCK. Mr. President——

The PRESIDING OFFICER (Mr. POMERENE in the chair). Does the Senator from North Carolina yield to the Senator from Nebraska?

Mr. SIMMONS. I do.

Mr. HITCHCOCK. Did the committee secure any statistical information in fixing these graduated taxes for the purpose of ascertaining the number of concerns that would probably fall within each group?

Mr. SIMMONS. I will say to the Senator that we accepted the three classifications that the House made, and then we had the actuary, as best he could, work out the two additional classifications carrying out the principle apparently applied in the House classifications. It is a mere extension of the principle applied by the House.

Mr. HITCHCOCK. I will say to the Senator I am very glad, indeed, to see incorporated in this bill the idea of a graduated tax; that is, a tax the rate of which is higher upon the large manufacturers than upon the smaller. It conforms to my conviction very closely that it should be the purpose of the Government in levying internal-revenue taxes to carry the idea of graduation much further than it has been carried in this bill.

Mr. SIMMONS. The Senator will recognize the fact that this is only a license tax, and the same principle is not applied here that should be applied to an income tax; that is, if we are to have harmony in the bill. The license taxes are very low, as the Senator will see, all through the bill.

Mr. HITCHCOCK. They are low, it is very true, and I am anxious to see, and I hope I can persuade the committee to accept, an addition to this graduated idea. I notice the highest tax is $96, levied on manufacturers whose sales exceed 750,000 cigars—a year I suppose that means.

Mr. SIMMONS. Yes.

Mr. HITCHCOCK. That is your amendment—$96 upon manufacturers whose manufactured product exceeds 750,000 cigars a year. I imagine there are a good many manufacturers who manufacture as many as 750,000 cigars. There are others, however, whose manufacture exceeds many times that much, and it seems to me there should be a still further graduation to reach those enormous manufacturers who flood the whole country with their product and whose dividends are far greater than these comparatively small manufacturers. Their product is so enormous, their processes have been so perfected, their trade is so great, and their advantages so large that their profits far exceed the profits of the ordinary manufacturer, and, in my opinion, there should be a still further graduation of their tax, raising it to a higher figure. I hope I may be able to persuade the members of the committee as to the propriety of increasing the tax on the larger manufacturers.

Mr. SIMMONS. I will be glad to confer with the Senator about it.

Mr. President, the committee recommends a slight change in the House bill in the paragraph relating to telegraph and telephone messages. The House required the telephone or telegraph company to pay the tax imposed. The Senate committee recommend that the sender be required to pay it, and they recommend that this tax be collected by the telegraph and telephone companies, and at the end of each month they make a sworn statement to the Commissioner of Internal Revenue, and the taxes be settled upon the basis of that statement.

The committee recommended the entire elimination of the section relating to acceptors of bills of exchange or orders for the payment of money drawn or purported to be drawn in foreign countries and payable in the United States.

I may say that the law of 1898 imposed a tax upon foreign bills of exchange, but the Supreme Court of the United States decided that was a tax upon exports and hence unconstitutional.

Mr. POINDEXTER. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Washington?

Mr. SIMMONS. I do.

Mr. POINDEXTER. I should like to ask the chairman of the committee if any order has been made for the printing of the bill as reported by the committee in parallel columns with the House bill?

Mr. SIMMONS. I am going to ask that this afternoon. We did have a print in parallel columns, but that was before the last amendments. There ought to be a new print, and I shall make that request this afternoon.

Mr. POINDEXTER. I hope the Senator will make that request, so that we can have the print on Monday next.

Mr. SIMMONS. I shall make that request.

Mr. SMOOT. Before the Senator leaves the question of the stamp tax in Schedule A——

Mr. POINDEXTER. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield, and to whom?

Mr. SIMMONS. I yield to the Senator from Utah. I will yield to the Senator from Washington later.

Mr. SMOOT. Before the Senator leaves the question of the stamp tax under Schedule A I desire to ask him his understanding of the certificates of indebtedness.

Mr. SIMMONS. What section does the Senator refer to?

Mr. SMOOT. The very first under section A, page 31, of the bill.

Mr. SIMMONS. Bonds, debentures, and so forth.

Mr. SMOOT. It provides for bonds, debentures, or certificates of indebtedness. I want to know of the Senator if certificates of indebtedness will include the deposit slips of a bank?

Mr. SIMMONS. I do not think the committee thought or intended that it should include certificates of bank deposits. I will state to the Senator that we expressly voted against imposing any tax upon certificates of deposit. It follows the language of the old law, as the Senator from Colorado [Mr. THOMAS] suggests to me. If there is any reason for the construction that the Senator from Utah seems to think might be placed upon that section, I would be glad if he would give his reasons to the Senate now, or we will discuss them hereafter, because I am sure the committee does not desire that those words shall have the import that he indicates they might possibly have.

Mr. SMOOT. I am fearful the words "certificates of indebtedness" would apply to deposit slips in a bank. I do not want to discuss it now, I will say to the Senator, but I want to say that I believe an amendment should be made there so as to absolutely exclude the deposit slips.

Mr. THOMAS. May I ask the Senator from Utah if he thinks a deposit slip, such as he has mentioned, would be a certificate of indebtedness?

Mr. SMOOT. They are many times all that the depositor has. Many times depositors come into a bank and ask that the deposit slip be signed by the cashier as the pledge of the deposit.

Mr. THOMAS. I can not speak with positiveness, but I do not think that construction was given to this section by the administrators of the law of 1898.

Mr. SMOOT. I want to say to the Senator the question did arise at that time, or after the act was passed. I do not believe it was ever carried to the court. It is so easy, it seems to me, to amend the bill so as to exclude them that there should be no chance taken. I am quite sure that there is not a Senator in this body who would vote to require a stamp to be placed on every deposit slip received by depositors in all the banks of this country.

Mr. SIMMONS. I entirely agree with the Senator in his last statement.

Mr. POINDEXTER. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Washington?

Mr. SIMMONS. Certainly.

Mr. POINDEXTER. For fear that it may be overlooked, it seems to me the order might as well be made now. I will ask unanimous consent——

Mr. SIMMONS. I hope the Senator will not do that in my speech. I will make it the minute I finish. I hope the Senator will not insist upon it now.

Mr. POINDEXTER. The only fear I have is that the Senator will overlook it.

Mr. SIMMONS. I will not forget it. I assure the Senator I will not.

Mr. POINDEXTER. I was going to suggest that there be placed in three columns the law of 1898, the House bill, and the bill as amended by the Senate.

Mr. SIMMONS. That is what I intend to ask. Mr. President, the House bill imposes a tax on life insurance and accident policies. The committee did not feel that there was anything in the present situation to justify any such tax. We felt that that was a tax imposed upon a man who was unselfishly denying himself during life in order that he might better provide for his dependents after his death, and we recommend that that section be stricken from the bill.

The committee recommend an amendment to the paragraph relating to marine and inland fire insurance. The purpose of that amendment is to provide, upon the cancellation of a policy or the refund in whole or in part of the premium, that the tax thereon shall be refunded pro rata to the insurer. We also add an amendment providing against the taxation of reinsurance, because we thought that would, in effect, be double taxation.

The committee also recommend that the tax imposed upon mortgages or pledges of land and personal property be stricken out. We did not feel in the present conditions, indeed in any conditions, it was quite fair to tax a man upon an indebtedness secured by a mortgage of his property.

With reference to the tax imposed by the House on palace or parlor cars, the Senate committee recommend a reduction of that tax from 2 cents to 1 cent. One cent was the rate carried in the act of 1898. It was shown to the committee that a 2-cent tax upon the tickets of the Pullman Palace Car Co., upon the basis of the 24,600,000 tickets sold last year, would yield the Government $492,000, and that this sum was about five times the amount that company paid during the last fiscal year under the income-tax law. Under these circumstances the committee thought the tax excessive.

Your committee recommend the addition to the bill of a schedule to be known as Schedule B. In general terms, this schedule imposes certain taxes upon proprietary medicines, upon cosmetics, upon perfumery, and upon chewing gum. Your committee saw no reason why these articles, which were taxed in the war-revenue act of 1898, should not now be taxed and bear a part of this burden.

Mr. President, I wish to present and ask that it be incorporated as an appendix of my remarks, an estimate of the revenue expected to be derived from taxes imposed in this bill. The table gives the amount of revenue collected during the year 1900 under the act of 1898, the amount estimated under the House bill, and under the bill as reported by the Finance Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMMONS. Now, Mr. President, a few general observations, and I shall conclude.

In normal conditions the income of the Government under the act of October 3, 1913, would have been amply sufficient to meet the needs of the Government for the present fiscal year, 1915, as it was for the last fiscal year, 1914. During the fiscal year 1914 the ordinary receipts of the Government were $734,673,166.71, while the ordinary expenses were only $700,254,489.71, leaving a surplus, after paying all expenses, of more than $34,000,000.

Unfortunately, the conditions which now confront us are not normal conditions. They are extraordinary conditions; indeed, they are not only extraordinary, but they are unparalleled conditions. The Spanish-American War entailed upon us an additional expense and for a short time disturbed trade conditions, but its effect upon our international trade was negligible, while its effect upon our domestic trade was to stimulate rather than depress it.

The condition of armed conflict which now exists between six or eight of the great nations of Europe—a conflict in which the fate of empires is involved; a conflict straining to the utmost all the energies and resources of the countries involved, calling, in the case of many of these nations, for enlistment in the naval and military service of practically every able-bodied man, involves unparalleled destruction of property, practical cessation of industry, and the general demoralization and dislocation of the trade business, not only of this great industrial continent, but of the entire world.

Nor are the countries of Europe the only ones affected in their productive and consumptive capacity and international trade relations. To a greater or less extent all the noncombatant countries of Europe are also seriously affected in these respects.

When we recall the fact that for the fiscal year ending June 30, 1914, our dutiable imports from the world amounted to $766,422,958, while our dutiable imports from Europe, chiefly from the countries engaged in war, for the same fiscal year amounted to $505,575,811; when we recall the fact that nearly all the great exporting countries of Europe are in a state of industrial paralysis, that the business and the finances of the combatant countries have been so broken up and dislocated that moratoriums have been ordered and specie payment suspended, and that this situation is not likely to improve, but to grow worse as the war progresses, we can not escape the conclusion that he must be an optimist indeed who thinks that there will not be a continued falling off in our customs revenues from the curtailment of imports from these countries, and that in view of the fact that we derive so large a part of our customs revenues from these importations the aggregate loss will not be so great as to seriously embarrass and weaken the financial situation of the Treasury, unless this loss is offset by income from some other source. But, Mr. President, argument is unnecessary. The naked facts with respect to our loss of revenues from imports since war was declared are all that is necessary to satisfy any mind not predetermined against conviction of the necessity for this legislation.

During the fiscal year ending June 30, 1914, there was a falling off in revenue from that of the fiscal year ending June 30, 1913, of $26,000,000. This represented a normal falling off in revenue as a result of reduction of tariff duties. The decrease in customs revenue for July, August, September, and the first five days of October, 1914, as compared with a similar period in 1913, was, in round numbers, as follows:

July	$4,800,000
August	11,500,000
September	9,600,000
October (five days)	2,800,000
Total	28,700,000

A total decrease for three months and five days of $28,700,000, or nearly $3,000,000 in excess of the total falling off under normal conditions during the full fiscal year of 1914. Leaving out July and including only August, September, and five days of October, the period of war conditions, the aggregate falling off amounted to about $24,000,000, or within $2,000,000 of the loss during the entire fiscal year 1914. The fact that our imports for September were greater than in August has been regarded by some as an indication of an early return to normal importations and that there is no real reason to apprehend a permanent loss of a serious character through decreased imports.

Mr. President, to those who entertain this opinion the wish is father to the thought. There is no ground for it. When the war began Europe had a large stock of goods on hand, and, naturally, when the lanes of ocean commerce were opened they hurried them to market, and for a little while after the embargo on ocean commerce was removed there was a spurt in imports from Europe to this country. The movement has not altogether subsided, though the imports for the five days in October indicate that it is rapidly subsiding. It will not be long before this accumulated surplus has been disposed of. And what then? Where will the commodities for export then come from? The great industrial nations are not now engaged in manufacturing commodities for export. In some of them the factories are already idle and in others partially so, but wherever the factories are in operation they are producing for home consumption; they are engaged in an effort to supply the necessities of their own people, and especially their armies. They will do well, straining every effort, to make enough to supply this great demand. For these reasons it is folly to suppose that under the conditions which exist in the combatant countries there can be any considerable exportation of goods while the war continues.

When the surplus stock of merchandise for export which they happened to have on hand when the war began has been sold their exports will cease. They may send their stocks and bonds and their gold here to buy food and munitions of war, but the products of their fields and their factories will be needed at home. For a little while Great Britain and France may continue to export something, but soon these exportations must, in the nature of things, cease. The stock of goods available for exportation in the other combatant countries must also soon be exhausted, and no additional supply beyond home and continental necessities can be made till peace is established; and even after peace is established the process of rehabilitation which will then set in will necessarily be slow. Considerable time, to say the least, will elapse before they can supply their own needs and become to any extent exporters.

When you consider the financial situation thus presented in connection with the collection of customs receipts under ordinary conditions and the further fact that our receipts from income taxes are not collected monthly and may be and generally are paid annually, the danger of a deficit even where the annual revenues are sufficient to meet annual expenses during certain months of the year is apparent. To illustrate, on October 31, 1913, there was an available balance of about $125,000,000 in the Treasury; on June 30, 1914, there was an available balance of about $146,000,000; but on April 30, 1914, there was an available balance of only $80,000,000, and on May 31, 1914, there was an available balance of only a little over $74,000,000. Aside from the danger involved in the withdrawal of $74,000,000 now on deposit in national banks, all of which will have to be paid in gold—even if this money were in the

Treasury instead of in the banks—the figures I have given show that because of the falling revenues which now confront us the position of the Treasury would be jeopardized by failure to provide revenue to offset the daily loss resulting from decreased imports.

Mr. President, the gravity of the situation through which the country has passed during the last two months can not be overstated. Seldom has there been a more critical period in our national history—one that at times has been fraught with more danger of far-reaching import.

That this situation has been so successfully met every thoughtful person knows has been largely due to the strength of the National Treasury—inspiring confidence and steadying the whole financial fabric by its demonstrated ability to render needed assistance to safeguard the credit of the Nation by supporting the weak and inspiring the faltering with hope and confidence.

Anything that will tend to weaken the Treasury and to undermine public confidence in its ability to help in case of emergency or stress would under the conditions which environ us be a serious, not to say criminal, blunder, and it would be equally unwise to pursue a course which would bring embarrassment and possible distress to the bankers of the country now taxed to the utmost to safeguard the interest of the respective localities in which they are situated.

After a thorough consideration of the facts with respect to our general fiscal situation and the financial condition of the Treasury and of the bankers, who are in a sense the fiscal agents of the people, the Secretary of the Treasury, with a grasp and foresight which has won for him a position second to that of no man who has occupied the great office he now fills since the Civil War, believes this legislation is necessary in the interest of the public and to safeguard the National Treasury.

Profoundly impressed with the necessity of this legislation, the President of the United States in the discharge of his constitutional duties has in person appealed to the two Houses of Congress to protect the Government and the Treasury against certain embarrassment by providing revenue to offset this loss. It is not proposed to increase the revenues of the Government, but merely to maintain them at a standard sufficient to defray legitimate expenses.

It is said that this will be an unpopular measure. Undoubtedly that is true. All direct taxes are unpopular. When the President recommended this legislation he knew it would be unpopular, and, from a party standpoint, possibly hurtful, especially right on the eve of a national election; but the President is a man who does not hesitate—and that is one of the reasons why he is so strong with the people—to do what he believes to be his duty, what he believes to be for the best interest of the people, what he believes to be necessary for the peace, happiness, and safety of the country, without regard to personal or political consequences.

Senators and Representatives who are supporting this measure know full well that the imposition of this tax will create friction and irritation, and that it may be used to the detriment of themselves and their party in the elections soon to take place; but, with the President, they believe the safety of the country requires immediate action, and they confidently rely upon the good sense and patriotism of the people to justify them in doing their duty in safeguarding interests higher than those of party and affecting the welfare of the whole people.

For myself, I have no fears about the result. I have an abiding confidence that those who seek to make party capital out of the distress and necessities of the present situation, out of a courageous discharge of a plain duty by the party in power, will be sorely disappointed, and that their efforts in this behalf instead of receiving the approval of the people will receive their emphatic condemnation.

Do you Republicans expect to defeat this bill? You know you do not. You know you can not defeat it. But do you really want to defeat it? I imagine you do not, because, while you would be willing for us to bear the responsibility of what may happen should it fail and the Treasury be left helpless, you do not yourselves wish to incur that responsibility. Your hope is by your attitude of opposition to make political capital for your party in the coming election. You will be disappointed. The people know that a Republican Senate or a Republican House in the next Congress would render the great man in the White House impotent in his efforts to relieve them from the wrongs and abuses which have grown up under your party and to bring to full fruition the great measures that have been enacted under his superb leadership, and they will see to it that the next Congress will have a majority in both Houses in sympathy with the principles, policies, and measures for which the Democratic Party, under his leadership, stands.

APPENDIX.

Comparison of additional revenue derived in 1909 with estimated additional revenue to be derived for a year under the provisions of H. R. 18891 as it passed the House and as it was reported to the Senate.

Tax upon—	Revenue collected, 1909.	Estimated revenues.	
		House bill.	Finance Committee bill.
Fermented liquors	$33,431,222	$33,000,000	$43,725,000
Rectified spirits			5,000,000
Wines		7,600,000	8,220,000
Gasoline		20,000,000	
SPECIAL TAXES.			
Bankers	3,513,850	7,500,000	3,750,000
Brokers, stock	309,607	600,000	
Pawnbrokers	37,861	100,000	250,000
Brokers, commercial	138,281	250,000	250,000
Brokers, customhouse	6,157	12,000	12,000
PROPRIETORS OF—			
Theaters, museums, concert halls	47,178	1,000,000	1,000,000
Circuses	11,744	15,000	15,000
Other public exhibitions	84,218	150,000	150,000
Bowling alleys	44,195	75,000	75,000
Billiard and pool rooms	322,539	600,000	600,000
Commission merchants			300,000
TOBACCO.			
Dealers in leaf	72,030	100,000	100,000
Dealers in tobacco, n. s. p. f	16,564	4,800,000	4,800,000
Manufacturers of tobacco	18,208	20,000	47,000
Manufacturers of cigars	222,301	550,000	760,000
Manufacturers of cigarettes		10,800	32,400
Tobacco and snuff	17,635,657		
Cigars	3,189,764		
Cigarettes	1,320,395		
SCHEDULE A.			
Bonds, debentures, etc	[1] 3,000,000	4,000,000	4,000,000
Certificates of stock, issues, transfers, etc	[1] 9,000,000	8,000,000	8,000,000
Sales of products at exchanges	[1] 1,000,000	1,500,000	1,500,000
Bank checks	[1] 7,000,000		
Drafts or bills of exchange	[1] 500,000		
Certificates of deposit	[1] 200,000		
Promissory notes	[1] 3,500,000	4,500,000	4,500,000
Money orders	[1] 602,000		
Bills of exchange, foreign	[1] [2] 100,000		
Bills of lading for export	[1] [2] 100,000		
Express receipts	[1] 800,000	1,000,000	1,000,000
Freight receipts	[1] 400,000	700,000	700,000
Telephone messages	[1] 315,000	500,000	500,000
Telegraph messages	[1] 800,000	1,000,000	1,000,000
Bonds, indemnifying	[1] 250,000	400,000	400,000
Certificates not otherwise specified	200,000	300,000	300,000
Charter party	[1] 100,000		
Brokers' contracts	[1] 100,000	150,000	150,000
Conveyances	[1] 3,000,000	4,500,000	4,500,000
Entry of goods at customhouses for consumption or warehousing for withdrawal	[1] 500,000	300,000	300,000
INSURANCE.			
Life	[1] 3,000,000	877,000	
Marine, inland, fire		2,500,000	2,500,000
Casualty, fidelity, and guaranty		1,000,000	1,000,000
Lease	[1] 200,000		
Manifests for customhouse entry	[1] 60,000		
Mortgages, etc	[1] 1,000,000	1,800,000	
Passage tickets	[1] 200,000	100,000	100,000
Power of attorney to sell	[1] 100,000	200,000	200,000
Protests	[1] 25,000	40,000	40,000
Miscellaneous	[1] 39,080		
Total, Schedule A	36,416,082	33,867,000	31,190,000
Sleeping-car berths and parlor-car seats	[1] 75,000	250,000	125,000
SCHEDULE B.			
Proprietary medicines, perfumed cosmetics, chewing gum	3,948,283		4,000,000 3,000,000
Sparkling and other wines, not elsewhere taxed	[1] 600,000		
Total, Schedule B	4,548,283		7,000,000
Petroleum and sugar refineries	1,079,405		
Legacies	2,884,492		
Mixed flour	7,439		
Additional tax on beer and tobacco	18,735		
Total internal-revenue tax	105,374,227	110,199,800	107,001,400
Tea customs duty	8,008,637		
Total additional revenue	113,382,864	110,199,800	107,001,400

[1] Estimated in 1901. [2] Declared unconstitutional, and authorized refunded.

NOTE.—Should the falling off in the consumption of beer continue at the same rate as for July and August of this year, the above estimate, which is based upon statistics for the fiscal year ending June 30, 1914, must be reduced $6,000,000.

Mr. JONES obtained the floor.

Mr. SIMMONS. Mr. President, will the Senator permit me to make a request?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from North Carolina?

Mr. JONES. Certainly.

Mr. SIMMONS. I desire to ask unanimous consent that the emergency revenue bill as passed by the House and as reported to the Senate, together with the war revenue act of 1898, be printed in parallel columns. I will also ask that there be printed as a public document, if the Senator from Utah now desires, as he seemed to on the day before yesterday, the estimates that I have made a part of my remarks. (S. Doc. No. 597.)

Mr. SMOOT. That was what I was going to ask. I should like to have the estimates as presented to the committee printed as a public document.

Mr. SIMMONS. I ask that there be printed in parallel columns the revenue derived under the act of 1898, the estimated revenue under the bill as passed by the House, and the estimated revenue under the amended Senate bill (S. Doc. No. 596). I suppose what the Senator desires is that those figures be printed as a public document?

Mr. SMOOT. Yes, Mr. President; that is the request I made a few days ago.

The PRESIDING OFFICER (Mr. ASHURST in the chair). Is there any objection to the request of the Senator from North Carolina? The Chair hears none, and the order is made.

HEARINGS BEFORE THE JUDICIARY COMMITTEE.

Mr. OVERMAN. Will the Senator from Washington yield to me for a moment?

Mr. JONES. Certainly.

Mr. REED. Will the Senator yield to me for a formal matter?

Mr. JONES. I have just yielded to the Senator from North Carolina. After he concludes I will yield to the Senator from Missouri.

Mr. OVERMAN. I yield to the Senator from Missouri.

Mr. SIMMONS. I ask the Senator from Washington if he will not yield to the Senator from Missouri, because when I began my remarks I promised him I would yield to him as soon as I had concluded.

Mr. JONES. Oh, certainly.

Mr. REED. It is a formal matter and I think it will not take a word of debate. I ask unanimous consent for the consideration of the resolution which I send to the desk, which simply gives authority to the Committee on the Judiciary or any subcommittee thereof to take evidence during the session of Congress or the vacation on bills that are pending before the committee. It simply confers the additional right to take the evidence during the vacation.

The PRESIDING OFFICER. The Senator from Missouri submits a resolution, which will be read.

The Secretary read the resolution (S. Res. 469), as follows:

Resolved, That the Committee on the Judiciary, or any subcommittee thereof, be authorized during the Sixty-third Congress to send for persons and papers, to administer oaths, to employ a stenographer, at a cost of not to exceed $1 per printed page, to report such hearings as may be had in connection with any subject that may be pending before said committee, and to have such hearings printed for the use of the committee; that the expenses of such hearings be paid out of the contingent fund of the Senate; and that the said committee and all subcommittees thereof may sit during the sessions of the Senate.

Resolved further, That the said committee, or any subcommittee thereof, is hereby authorized to conduct said hearings and investigations in the city of Washington or elsewhere as it may deem proper, and may continue such hearings and investigations during any recess of said Congress.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. SMOOT. Mr. President, under the law the resolution can not be considered at this time. The proper thing is to refer it to the Committee to Audit and Control the Contingent Expenses of the Senate, as it carries an appropriation.

Mr. REED. Mr. President, a similar resolution was passed long ago, except as to the clause authorizing the taking of evidence during the recess of the Senate. We have a bill on which some evidence has been taken, and there is probably a day's evidence to be taken in the city of St. Louis; and without the authority proposed to be granted by the resolution we could not issue the subpœnaes. It is a very small matter, and as I am going away on Monday evening I would like to have it considered.

Mr. SMOOT. I wish the Senator to know that I am not in any way opposed to the resolution. If it were not contrary to the law, I would not object to its immediate consideration; but it calls for an appropriation, and under the law all such resolutions must be referred to the Committee to Audit and Control the Contingent Expenses of the Senate. It is not merely a rule of the Senate but a law which requires the reference; otherwise I would gladly waive any objection to it.

Mr. REED. The resolution does not call for any appropriation.

Mr. SMOOT. It provides for the payment of a stenographer, and if the committee should go to St. Louis the expenses of witnesses and others would have to be paid.

Mr. REED. The Senator meant to say it calls for an expenditure of money?

Mr. SMOOT. Yes.

Mr. REED. But it does not appropriate any money.

Mr. SMOOT. Of course, the money will be paid out of the contingent fund of the Senate. I am perfectly willing that the Senator should submit the resolution and have it referred to the Committee to Audit and Control the Contingent Expenses of the Senate, and that that committee shall immediately report it back to the Senate. Then I shall not object for a moment to its consideration.

Mr. REED. I think the Senator is in error about the situation.

Mr. SMOOT. I will leave it to the Chair.

Mr. REED. A resolution has already been passed authorizing this to be done, but in the form in which the resolution was passed we probably can not take evidence after Congress shall have adjourned.

Mr. SMOOT. That is the reason why the resolution is offered?

Mr. REED. That is the reason why it is offered.

Mr. SMOOT. Therefore there is that additional authority——

Mr. REED. It is an extension.

Mr. SMOOT. Or an extension of the authority; and that, of course, would carry an expenditure out of the contingent fund of the Senate. I hope the Senator will adopt that course, and then there will be no question at all about it.

Mr. OVERMAN. Mr. President, I understand the resolution has been referred to the committee?

The PRESIDING OFFICER. The Chair has made no ruling. He is waiting for the Senator from Missouri.

Mr. OVERMAN. I understand the Senator from Missouri has no objection to the resolution being referred to the committee.

Mr. REED. No. I shall endeavor to get a report this afternoon.

The PRESIDING OFFICER. The resolution will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. REED subsequently said: From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably Senate resolution 469, authorizing the Committee on the Judiciary to hold hearings during the session of the Senate and also during the vacation. I ask that the resolution may be placed on the calendar.

The PRESIDING OFFICER. The resolution will be placed on the calendar.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House insists upon its amendments to the joint resolution (S. J. Res. 74) appropriating money for the payment of certain claims on account of labor, supplies, materials, and cash furnished in the construction of the Corbett Tunnel disagreed to by the Senate, agrees to the conference asked for by the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. POU, Mr. DIES, and Mr. MOTT managers at the conference on the part of the House.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills and joint resolution, and they were thereupon signed by the Vice President:

H. R. 2696. An act for the relief of Thomas Haycock;

H. R. 12198. An act for the relief of Benjamin A. Sanders;

H. R. 15575. An act donating the old iron fence around Vance Park, Charlotte, N. C., to the Mecklenburg Declaration of Independence Chapter, to be placed around Craighead Cemetery, near Sugar Creek Church, in Mecklenburg County;

H. R. 17764. An act to provide for sale of portion of post-office site in Gastonia, N. C.; and

S. J. Res. 193. Joint resolution to authorize the President to grant leave of absence to two commissioned officers of the line of the Navy for the purpose of accepting an appointment under the Government of Brazil as instructors in naval strategy and tactics in the Naval War College of Brazil.

PETITIONS AND MEMORIALS.

Mr. PERKINS presented memorials of the Retail Druggists' Association of Sacramento; the Retail Druggists' Association of San Francisco; the California Pharmaceutical Association; and of Fremont Older, editor of the Bulletin, of San Francisco; the Viavi Co. and Coffin, Redington Co., of San Francisco, the Western Wholesale Drug Co., of Los Angeles; and of the Langley & Michaels Co., of San Francisco, all in the State of California, remonstrating against the proposed tax on proprietary medicines, which were ordered to lie on the table.

He also presented memorials of the Ætna Life Insurance Co. and of L. B. Messler, of San Francisco, Cal., remonstrating against the proposed tax on insurance companies, which were ordered to lie on the table.

He also presented memorials of the Superior Garage, of Stockton, and of the Bekins Speer Motor Co., of Los Angeles, in the State of California, remonstrating against the proposed tax on automobiles, which were ordered to lie on the table.

He also presented a memorial of the Citizens' National Bank, of Los Angeles, Cal., remonstrating against the proposed tax on capital and surplus of banks, which was ordered to lie on the table.

Mr. PAGE (for Mr. DILLINGHAM) presented telegrams in the nature of memorials from Arthur L. Cheney, of Morrisville; H. A. Slade, of Montpelier; and J. W. O'Sullivan, of Burlington, all in the State of Vermont, remonstrating against the proposed tax on proprietary medicines, which were ordered to lie on the table.

Mr. SHIVELY presented resolutions adopted at a peace meeting held at Muncie, Ind., approving President Wilson's policy in cultivating friendly relations and concluding treaties of arbitration with other nations, which were referred to the Committee on Foreign Relations.

Mr. MARTINE of New Jersey. I present a resolution adopted by the Federation of Citizens' Associations of Washington, D. C., which I ask may be printed in the RECORD and referred to the Committee on the Judiciary.

There being no objection, the resolution was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *October 3, 1914.*

The following resolution was unanimously adopted at the meeting of the Federation of Citizens' Associations held Saturday, October 3, 1914:

"*Resolved*, That the Federation of Citizens' Associations approves House bill No. 17097, to fix the salary of the auditor of the Supreme Court of the District of Columbia, and petitions the United States Senate its early enactment into law. We recommend that that official receive a fixed salary not exceeding $5,000 per annum, and that all necessary expenses of maintaining the office be paid out of the fees received from litigants and others, and that the surplus, if any, be deposited in the United States Treasury to the credit of the District of Columbia, the latter being required to pay all expenses incidental thereto."

CHARLES S. SHREVE, Jr.,
Acting Secretary.

Mr. POINDEXTER presented memorials of Schwabacher Bros. & Co. (Inc.); Western Association of Retail Cigar Dealers; Olympia Building & Loan Association; Mr. A. M. Riley; North Yakima Clearing House Association; Seattle Chamber of Commerce; Seattle Clearing House Association; I. A. Nadeau; Spokane Realty Board; Washington State Automobile Association; Walter J. Nicholls; J. L. Myers; Hawkins Motor Car Co.; Yakima Auto Dealers' Association; Yakima Auto & Supply Co.; Washington Auto Co.; Scorn Motor Co.; Bell Wyman Implement Co.; Mr. W. H. Macfarlan; Mr. Harry A. Calohan; Western Washington Woman's Christian Temperance Union; and Prof. Charles Timblin, all in the State of Washington, remonstrating against certain provisions contained in the war revenue bill, which were ordered to lie on the table.

Mr. WARREN. I have a telegram from the president of the Board of Trade of Chicago, Ill., relative to the proposed tax on cotton and grain. I ask that the telegram may lie on the table and be printed in the RECORD.

There being no objection, the telegram was ordered to lie on the table and be printed in the RECORD, as follows:

CHICAGO, ILL., *October 8, 1914.*

Hon. FRANCIS E. WARREN,
United States Senate, Washington, D. C.:

We would respectfully call your attention to a fact which we think is not understood by our Senators and Representatives. This is that the effect of that part of the revenue bill on page 22, lines 18 to 23, will be to impose a tax on every bale of cotton and on every bushel of grain shipped from any country point to be sold in the principal markets of the country on any chamber of commerce, board of trade, or similar place. It is a direct tax on sales of both cotton and grain, whether for domestic consumption or export. We believe that all the State grain dealers' associations and producers who are aware of this section are in favor of its elimination. We do not believe the Congress desires to impose a tax on cotton and foodstuffs.

C. H. CANBY,
President Board of Trade of the City of Chicago.

Mr. KERN. I have received about a hundred telegrams from druggists and manufacturing chemists in various parts of Indiana, protesting against the proposed tax on proprietary medicines. I desire to read into the RECORD three of these messages, which are short. It will be observed that, while they are respectful in tone, they are very earnest in sentiment. The first is from Connersville, Ind., and reads as follows:

CONNERSVILLE, IND., *October 8, 1914.*

Hon. J. W. KERN,
United States Senate, Washington, D. C.:

We ask you to do what you can to have the stamp tax on medicines removed, as the war has already raised the cost of drugs to almost prohibitive prices and some are hardly obtainable. This additional tax would therefore be unjust to an industry already heavily burdened.

THE MAXINE CO.

Another is from Muncie, Ind., and reads as follows:

MUNCIE, IND., *October 9, 1914.*

Senator JOHN W. KERN,
Washington, D. C.:

We are instructed by the Delaware County Druggists' Association, consisting of 30 members, to enter a protest against the taxation of the retail druggist by a war tax. We were made goats in the last war. This is discrimination favoring dealers in other lines above our own. We feel that if a tax is made it should be on all lines of business, manufacturers included.

DELAWARE COUNTY DRUGGISTS' ASSOCIATION,
H. M. JACKSON, *President*,
A. C. HELM, *Secretary.*

Another is from Mount Vernon, Ind., and reads as follows:

MOUNT VERNON, IND., *October 9, 1914.*

Senator JOHN W. KERN,
Washington, D. C.

Please do your best to kill amendment taxing patent medicines. Such revenue is borne entirely by retailer. Can't be passed to consumer. Manufacturer passes to jobber, jobber to retailer, where it stops. Practically only line where such tax stops before reaching consumer. Think it very unjust. Willing to pay our share, but not the other fellow's. Will cost us together over a thousand dollars a year.

W. H. FOGAS,
CHAS. DAWSON,
D. & H. ROSENBAUM,
Druggists.

The other telegrams I send to the desk, and ask that they may be noted in the RECORD.

There being no objection, the telegrams were ordered to be noted in the RECORD, as follows:

Telegrams from sundry druggists of Indianapolis, Laporte, Bedford, Jonesboro, Whiting, Albany, Aurora, Brazil, Waynetown, Anderson, Muncie, Mount Vernon, Michigan City, Goshen, Greenfield, Columbus, Elkhart, Markle, and Odon, all in the State of Indiana, remonstrating against the proposed tax on proprietary medicines, which were ordered to lie on the table.

Mr. SMOOT. In that connection I desire to say that I have received probably hundreds of similar telegrams. I am not going to ask that any of them be printed in the RECORD, but will content myself by announcing that I have received telegrams from all parts of the United States of the same import as those the Senator from Indiana has presented.

Mr. CLAPP. I desire to make a similar statement. Under the rule we adopted some time ago in the Senate, it is not necessary to present petitions in the open Senate, they being noted in the RECORD without such formal presentation; but lest those who have sent messages to me might misunderstand the silence, I desire to say that I have received hundreds of telegrams, and that I am in hearty sympathy with the spirit and the purpose of them.

Mr. FLETCHER. I have a telegram from the secretary of the Florida Rexall Club, which I ask may be printed in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

OCALA, FLA., *October 9, 1914.*

Hon. D. U. FLETCHER,
Senate, Washington, D. C.:

Relative to Senate amendment to war revenue bill taxing drug business of the country, the brunt of this will fall on the retail druggists, as was the case during the Spanish-American War, the manufacturers raising the price of their products and the retail price remaining unchanged. Representing the Florida Rexall druggists, I respectfully ask that you use your influence against the amendment, as I feel we paid sufficient war tax in our own last war to keep us immune for some years to come.

J. J. GERRIG,
Secretary Florida Rexall Club.

REGISTER OF FOREIGN-BUILT VESSELS.

Mr. FLETCHER submitted a report (No. 816) to accompany the bill (S. 2335) to provide for the register and enrollment of vessels built in foreign countries when such vessels have been wrecked on the coasts of the United States or her possessions or near-by waters and salved by American citizens and repaired in American shipyards, heretofore reported by him.

SLAVS ON SOUTHERN FARMS (S. DOC. NO. 595).

Mr. FLETCHER, from the Committee on Printing, reported the following resolution (S. Res. 468), which was considered by unanimous consent and agreed to.

Resolved, That the manuscript entitled "Slavs on Southern Farms," by Mr. Le Roy Hodges, be printed as a Senate document.

COMMITTEE SERVICE.

Mr. KERN. I submit to the Senate the resignations of the Senator from Georgia [Mr. WEST] and of the Senator from Texas [Mr. SHEPPARD] from the Committees on Military Affairs and Immigration, respectively, and ask to have the communication read.

The PRESIDING OFFICER. The Secretary will read as requested.

The Secretary read as follows:

Hon. THOMAS F. MARSHALL,
Washington, D. C.:

We hereby tender our resignations as members of the Committees on Military Affairs and Immigration, respectively.

W. S. WEST.
MORRIS SHEPPARD.

On motion of Mr. KERN, it was

Ordered, That Senator MORRIS SHEPPARD, of Texas, be appointed a member of the Committee on Military Affairs to fill the vacancy caused by the resignation therefrom of Senator WEST, of Georgia.

That Senator W. S. WEST, of Georgia, be appointed a member of the Committee on Immigration to fill the vacancy caused by the resignation therefrom of Senator SHEPPARD, of Texas.

EMERGENCY REVENUE LEGISLATION.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. JONES. Mr. President, the bill now pending proposes to add to the direct taxes to be paid by our citizens. They can not escape it. No foreigner pays any of it or is burdened by it. This, however, is not the only tax that it is proposed to exact from the producers and consumers of the United States.

The railroads are asking permission to raise their rates for transportation. If granted, it will amount to an increase of taxes on the people. The President was quoted as in favor of this raise before the Interstate Commerce Commission denied the application of the railroads to make it, and he has since been prevailed upon to issue a statement expressing sympathy with the movement for such increase. This is expected to have its effect, not only upon the country but also upon the commission before which is now pending a petition for a rehearing. Surely the people of the country when they voted the Democratic Party into power did not expect that party not only to add greatly to the direct taxes on the people but also to favor giving the railroads the right to further increase the taxes of producers and consumers by raising transportation rates. On the contrary, the party in its platform—which, it is true, has become a mere fiction—intimated that further reductions would be required. Why are they now in favor of a raise in rates? The war in Europe is given as the reason for the decrease in business, which everyone now admits to exist. Every trouble that we suffer now is blamed upon this war, but the people surely can not be fooled by such a claim in the face of the facts at hand.

Railroad business is depressed. So is every other business. When did the depression begin? Before the war, not after it. Why? Simply because of the injurious effect of Democratic policies upon the industries of the country. The railroads had lost much of their business before the war began because of the depression that followed the enactment of the Underwood tariff law, which all those opposed to Democracy said would bring industrial disaster. The figures of railroad business and activity will clearly show what the real trouble is and are more eloquent and convincing than any words that anyone can utter, and furnish a basis for sure and correct deductions. From 1900 to 1912 our country and its industries were thriving under Republican policies. The railroads shared in that prosperity and developed in a wonderful degree.

In 1900, 258,784 miles of railroad were operated, and in 1912, 371,238, or an increase of 112,454 miles.

The stock upon which dividends were paid in 1900 amounted to $2,668,969,895, and the stock in 1912 upon which dividends were paid amounted to $5,581,289,249, or an increase of $2,912,319,354. In 1900 the total operating revenue was $1,487,044,814, while in 1912 it was $2,842,695,382, or an increase of $1,355,650,568. The net operating revenue in 1900 was $526,616,303, while in 1912 it was $870,279,606, or an increase of $343,663,303. These increases were quite steady year by year, very few years showing decreases from the preceding year.

While railroad dividends and net operating revenues were growing the employees increased in number and their wages also increased steadily. Labor had an abundance of work at ever-advancing pay.

In 1900 railroad employees numbered 1,017,653, and in 1912, 1,716,380, or an increase of 698,627; aggregate compensation in 1900, $577,264,811, while in 1912 it was $1,252,347,697, or an increase in wages of $675,082,886. The average daily wage of all the employees was $1.90 in 1900, and in 1912, $2.42. This increase was very steady, there being but one year in which the average was below that of the preceding year. Here are the averages of some particular employees:

Station agents, 1900, $1.75; in 1912, $2.20.
Enginemen, 1900, $3.75; in 1912, $5.
Firemen, 1900, $2.14; in 1912, $3.02.
Conductors, 1900, $3.17; in 1912, $4.29.
Machinists, 1900, $2.30; in 1912, $3.21.

While dividends, wages, and mileage increased, the equipment of the roads was not neglected. The number of locomotives in 1900 was 37,663, and in 1912, 62,262, or an increase of 24,599. Cars of all kinds in 1900 were 1,450,838, and in 1912, 2,382,674, or an increase of 931,836.

Freight business originating on the line in 1900 amounted to 516,432,217 tons, and in 1912 it was 998,282,525 tons, or an increase of 481,850,208 tons.

These figures show continued and growing prosperity for the railroads and their employees. With the advent of the new administration and the change in governmental policies all kinds of business were disturbed and curtailed. While Republican policies continued in force business remained very good, and the net operating revenues of about 90 per cent of the roads for the year ending June 30, 1913, were $938,560,638, but with the enactment of the Democratic tariff business depression came and the railroads were the first to show it. Freight diminished, passengers decreased, trains were laid off, men were thrown out of employment, and revenues failed. Authoritative figures for idle railroad men are not available; but from the various statements given out by reliable authorities, from 200,000 to 300,000 railroad men were out of employment July 1, 1914. Authoritative figures are at hand disclosing the decrease in business as shown by decreased net operating revenues, which for the year ending June 30, 1914, were $836,326,390, or $102,234,248 less than for the year 1913 on the same roads. The operating revenues of these roads for the month of June alone were $10,309,159 less than for June, 1913. The freight revenues for May, 1914, were over $24,000,000 less than for May, 1913. The foregoing figures are taken from bulletins of the Interstate Commerce Commission and data taken therefrom by the Bureau of Railway Economics.

This was the situation on July 1, 1914, and can not be attributed to the war, because the war was not even thought of at that time. The railroads may be entitled to raise their rates by reason of the situation they are in. What is responsible for that situation? There is but one thing responsible for it, and that is Democratic legislation and the consequent business depression incident thereto.

We are now confronted with the levy of over $100,000,000 direct taxes, which the foreigner has heretofore largely been paying. This levy is urged by the President in order to prevent the necessity of calling from the national banks the $75,000,000 which they now hold subject to call. Instead of calling from the banks as needed what they hold and are now loaning to the people, the President would let them retain this money and take from the pockets of the people in direct taxes another $100,000,000, which of itself will eventually get into the banks. In addition to this, and because of business depression caused by Democratic legislation, the railroads are to be permitted to levy additional taxes upon the people by way of increased freight rates in order to make their business remunerative, while other business must make out the best way it can. This is the way Democracy would reduce the high cost of living. This is its method of benefiting the people. Was this what the people voted for at the last election? Will they vote for it at the coming election? Time alone can determine, "but I hae my doots."

Thus, Mr. President, the fruits of Democratic policies are business depression, idle labor, curtailed markets, reduced revenues, extravagant appropriations, increased transportation rates, special, direct, and multiplied taxes, and a higher cost of living.

Mr. THOMAS. Mr. President, much will be said in the pending discussion concerning the effect of recent revenue legislation upon the national income. The decrease of imports, the consequent necessity for an emergency revenue law, and the very natural desire of every interest to escape an added burden have furnished the opposition an opportunity to criticize the fiscal policy of the Democratic Party and to charge the pending deficit

to the operations of the Underwood tariff law. We are reminded with all the aggressiveness of the juvenile spirit of "I told you so" that the repeal of the Payne-Aldrich law was a blunder, rising to the proportions of a national crime; that its schedules were synchronized with prosperity and scientifically adjusted to the demands of the Treasury; that if it were now in force the need for emergent revenue would not have arisen; and that the people are to be inflicted with a direct tax as a punishment for Democratic ascendancy. If this were true—indeed, if it possessed the semblance of truth—the indictment would be a grave one, and the dominant party should be justly held responsible for its errors, whatever the good faith of its purposes.

But, Mr. President, these assertions are without merit, and none know the fact better than those who make them. Indeed, it would be a reflection upon their intelligence to suggest that they are not painfully aware of the fact that our threatened deficiency is far less than it would be if the iniquities of the Payne-Aldrich Act still disfigured our statute books.

I agree that attending and succeeding the tariff act of 1913 industrial conditions have not been satisfactory. I agree that until the 1st of last August our imports were increasing, as we intended and expected, although the imports of manufactured goods from Europe remained practically stationary. I agree that some lines of business have suffered from this depression, and that large numbers of people have been out of employment. I am prepared to concede that these conditions were but partially caused by the iniquities of a high protective tariff. They were more largely the result of world-wide causes. They were as common to England, to France, to Germany, and Japan as to the United States. They were the aftermath of a long season of commercial and financial debauchery, involving the people of all nations and sparing none of them. They came in the wake of a speculative era, swollen with billions of negotiated securities, the greater part of which have uncertain values behind them, and which had absorbed the liquid capital of the nations. They were companioned by huge deficits in the European budgets, the cost of whose armaments on land and sea far exceeded their incomes, by increased and increasing burdens of taxation laid upon every conceivable source of production and consumption, by the contraction of credits at home and abroad, by the destruction of the Balkan wars, and by the awful disclosures of bankers' management of our great lines of transportation. They would have been with us if Taft or Roosevelt had been elected instead of Wilson. They are the product not of one but of all national conditions. It is hard for partisanship to recognize, much less to admit, these stubborn facts, since to do so would deprive it of all thunder for the pending campaign. It had Mexico last summer, with canal tolls and the Japanese invasion as interludes, but these are gone. It must therefore have hard times, with the administration to blame for them, or its occupation will be gone. Hence this beating of tom-toms about the ravished virtues of high protection, the dire menace of the Underwood bill, and the supreme injustice of a war tax when there is no war.

I appreciate the dilemma in which the Republican Party finds itself, because I fully understand it. That party faces an election that is now in sight, and faces it without an issue. It has heard from Maine and realizes the hold of this administration upon the people. It is patriotic, and therefore it must stand by the Government in this crisis of a world in arms. But it wants an issue; so it thanks God for hard times, and can bear harder ones with resignation. And harder times are in store for it, not for the public. On the 3d of next November it will have new cause to sympathize with Belgium and hasten to claim the privileges of a neutral.

Our good Republican friends on the other side of the Chamber have joined in a chorus of reproaches for nonperformance of certain party pledges. Some of these reproaches are just and will bear repetition, thus bringing about their observance, as I sincerely trust. We certainly will not be permitted to forget them. I trust also that the shock which this nonobservance has given to Republican Senators will so purify their hearts and consciences that they will change their ancient ways and devote themselves to the full observance of their own covenants should Providence in His infinite displeasure ever inflict another Republican triumph upon an unhappy nation.

But I fear this conversion will never materialize, for we are not only reproached but denounced and sometimes abused for such of our promises as we have kept. If I comprehend the Republican position, it condemns us for observing the promises we have kept and condemns us just as vigorously for not observing those we have disregarded. It would commend us had we done the opposite thing. Its grief over our sins is not because of our sinning, but because we have not sinned to suit it. It seems to have been inspired by that sentiment in Hudibras which would—

> Compound for sins they are inclined to
> By damning those they have no mind to.

Having kept the faith as to all things abhorred by our opponents, we shall long before this administration shall have ended keep it as to the things about which on the eve of an important election Republicans are so painfully anxious. Be of good cheer, gentlemen, we are here to remain for a time, and long ere our lease of power is ended we shall leave a record of fidelity to party covenants that will light the pathway of your children with its example while the Republic endures.

Mr. President, this country is in no wise responsible for the conditions which beset it. This Congress, however subject to criticism in other directions, in no wise contributed to them. We are, in common with other neutral and innocent peoples, the victims of modern militarism. The great powers of the world have for years been arming and preparing for and have therefore deliberately provoked the conflict. They have called their armaments "an insurance of peace." Their mutual suspicions and jealousies have been adroitly inspired and quickened by the wicked machinations of the war-equipment trust. That embodiment of greed, whose chief asset is national hostility and suspicion, has long fattened upon the industry of nations and realized billions upon manufacture and sales of military and naval equipment. In the midst of the awful carnage of this hour it is busy with our own people, pointing to Europe's desolation as a conclusive reason why we should patronize it by making huge expenditures of public money for guns and ships and shells, all of which it is eager to supply. The swaggering bullies of the Old World, armed and prepared for conflict, have collided. It was as inevitable as gravitation. God grant that from the prevailing destruction and slaughter militarism will forever disappear from the earth.

Mr. President, no one expected the cataclysm which involves the civilization of Europe in the closing days of last July. It came as the tolling of fire bells at night and created havoc with the interrelated mechanism of commerce and industry everywhere. But as we reflect upon the attitude of the great powers toward each other, their preparedness, their expansion, their racial and political complications, we perceive that the conflict was inevitable. We recall the glowing periods of Gov. Black, who, placing the name of Theodore Roosevelt before the Chicago convention of 1904, declared that—

> The fate of nations is still decided by their wars. You may talk of orderly tribunals and learned referees, you may sing in your schools the gentle praises of the quiet life, you may strike from your books the last note of every martial anthem, and yet out in the smoke and thunder will always be the tramp of horses and the silent, rigid, upturned face. Men may prophesy and women pray, but peace will come here to reside forever on this earth only when the dreams of childhood are the accepted charts to guide the destinies of men. Events are numberless and mighty, and no man can tell which wire runs round the world. The nation basking to-day in the quiet of contentment and repose may still be on the deadly circuit and to-morrow writhing in the toils of war.

The truth of these sentiments seems to be vindicated by the events of the last two months. We, whose separation from the Old World by the Atlantic should have exempted us from their influences, were instantly confronted with disarranged finances, interrupted commerce, the temporary disappearance of outside markets, and a Treasury deficit through decrease of tariff revenues. We have no alternative but to provide against the deficiency. Our people, ever loyal and ready for any sacrifice demanded for the general good, are seconding our efforts and will support our policy, however onerous the burden, so long as it may be necessary.

And whatever may be said to the contrary, Mr. President, the people know that but for the Underwood Act our deficit would be far larger than is now possible. It would be increased by the difference between its amount and the revenue from the income tax, less the old corporation excise tax of 1 per cent, all of which under the old law was realized from imports. I am familiar with the contention that by retaining the duty on sugar our import duties would not now be sensibly diminished, but that contention is fallacious. Cuba had one customer for her raw sugars when war was declared. She has many now. Europe, and England especially, must obtain her supplies from the cane-growing countries, and they are doing so. Much of the rise in sugar is unavoidable, for the supply has been almost cut in two. To imagine that under existing and normal conditions Cuban sugars would keep flowing, duty burdened, to the United States when they are eagerly sought for at better prices elsewhere, and free from duty, is to reject the experiences of mankind and to ignore the operation of the law of supply and demand. Let us be thankful, then, that the baleful genius of

protection was dismissed and discarded by America before the occurrence of a war, which demonstrates its artificial and uncertain benefits by carrying it to extremes from which its most loyal votary recoils.

For if protection be a good thing for a people, there can not be too much of it. If a protection wall 10 feet high is a benefit, a protection wall ten times as high must be a tenfold benefit. Therefore a wall so high as to be unscalable must be an unmixed benefit. The war in Europe for a short time after its outbreak was almost such a wall. Should England and Germany become, as they may, rival scourges of the sea, protection to American industries will become supreme. This will be the opportunity of the protectionist, not unlike but greater than those of the past. Verily his theories may then be tested. When foreign goods are excluded utterly and our exports are no more, we should, if they be sound, prosper upon a scale sometimes dreamed of but never hoped for.

Out of evil cometh good, and from blood and tears our commercial isolation may ensue. But the blessing which beckons may elude us.

Mr. President, we have keenly felt the afflictions of Europe's mighty struggle, and will probably do so for some time to come; yet it is as true as it ever was that misfortune to some spells good fortune to others. The manufacturers of sugar are among the favored ones of the hour. They were prosperous when the war came; they are soon to garner a harvest of wealth whose abundance can be encompassed only by man's imagination.

Fifteen years ago Mr. Henry T. Oxnard declared over his own signature that beet sugar at 3 cents paid a good profit and at 4 cents a large profit to the refiner. Since then improved methods of extraction and refinement have reduced the cost of production and prompted huge capitalizations far exceeding the sums invested in the beet-sugar industry and returning large dividends for their holders. It is conservative to declare that the crop of 1914 will command an extraordinary and unexpected profit of 3 cents a pound over and above the normal, a profit which should be shared at least with the producer and, in my judgment, with the consumer as well.

The World Almanac for 1914 gives the total consumption of sugar in the United States for 1912 as 3,504,182 tons, or 7,008,364,000 pounds, on which an extra profit of 3 cents would be $210,250,920. This fairly represents the burden placed by the European war upon consumers of sugar in the United States for the ensuing year. Of the amount of sugar consumed in 1912, 541,000 tons, or 1,082,000,000 pounds, was beet sugar produced in the United States. Assuming the output of 1914 to be equal to this amount, the refiners will realize an extraordinary profit of $32,460,000. In 1912 the State of Colorado produced 111,703 tons, or 223,406,000 pounds, of beet sugar. If the crop of 1914 equals this, the refiners will, at 3 cents per pound, harvest an unexpected and extraordinary profit of $6,702,180, or half as much money as they ever invested in their plants. Should not these enormous returns, the result of great international upheavals, and coming from the consumers of the land, be shared with the growers of beets? Should not some concession be made to those who must contribute these moneys because they can not help themselves?

Last winter the growers in my State were required to accept a reduced price for their 1914 beets because the refiners declared their inability in the face of a reduced tariff duty to pay more. They passed the anticipated loss on to the material man, who could pass it no further. In view of these conditions the Democratic Party of Colorado declared in its platform recently adopted that the refiner having compelled the grower to bear a great part of the anticipated loss on profits should now divide these extra profits with him. Within a week afterwards the Great Western Sugar Co. announced that it would pay for beets upon the scale of 1913, or an increase of 50 cents per ton. This announcement appeared in the Rocky Mountain News of October 1, from which I quote:

> The European war has brought benefits to the growers of sugar beets in Colorado. As a direct result of the war it was announced the Great Western Sugar Co. to-day sent letters to all growers serving it announcing a 50-cent increase per ton over the price contracted for last spring. The increase will be paid on all beets delivered when the company's campaign starts this fall under the spring contracts.
>
> The same price will prevail this fall as prevailed in 1913, which is based on a sliding scale dependent on the percentage of saccharine per ton and averaging about $5.50 a ton. According to William D. Lippitt, of the Great Western Co., the officials of the company believed at the time the 1914 contracts were issued that a reduction in the price of refined sugar was to be expected corresponding to the tariff reduction. The war, creating an extraordinary demand and keeping up prices, changed those conditions, he said, and resulted in the decision of the officials to pay at the same rate as called for under the 1913 contracts, even though the contracts for 1914, calling for a 50-cent decrease, had been signed and could be enforced.

Mr. President, upon its face this action of the sugar company would appear to be an act of voluntary generosity. When we consider that the added value to a ton of beets carrying 15 per cent of sugar at 2 cents a pound is $6, the amount of the gratuity to the beet grower from the refiner appears very small by comparison.

It is said that this added price will mean the distribution of about $750,000 among the farmers of northern Colorado. This is commendable, but it does not go far enough. If it was right that the farmers should be docked last January because of an anticipated decrease of profit to the refiner, it is right that they should enjoy a similar proportion of a large and unexpected profit.

Mere reimbursement of the docked amount is not sufficient. It must not be forgotten that the profit I am considering is but a part of the whole. The refiners have their normal profit besides. That they should keep. But this great windfall dropping into their laps from the war clouds of Europe should inure to the whole industry. The country has for years been told that the beet-sugar industry was a boon to the farmer; that it should be nurtured and hothoused for his sake; that it enriched his lands and his pocket; that his was the paramount interest; and that the refiner was but the medium of supply to the consumer. Let the grower reap a part of the golden fruit of 1914, since the people pay for it all.

And the people of the Rocky Mountain West, what of them? Why continue to add to their sugar tax the freight rate from the East? What reason now justifies, if it ever justified, a greater charge for sugar at the factory door than at the Missouri River 600 miles away? Why make the consumer pay a transportation charge which the commodity never bore? At this time when special taxes must burden all, the beneficiaries of the conditions which make them necessary can do no better service to the country and themselves than to distribute a portion of their sudden and unexpected accumulations among their less fortunate but equally deserving fellow citizens. Their clamor for continued governmental protection would be more likely to secure attention, if accompanied by such a manifestation of justice and equity.

Mr. President, as long ago as 1902 I sounded the warning that the weakness of the beet-sugar industry was not in tariffs, but in seed; that dependence upon Germany for seed was fraught with many dangers, a trade war, a prohibitory export duty, a short crop, or a general European war. The last has come, and the industry is menaced with real disaster. I am told that provision will be made by extraordinary exertion for 1915. But what of 1916 and succeeding years?

The beet is a biennial, and the sugar men have been too busy watering stocks and making dividends upon them, too greedy for beets as they come from the fields, to raise their own seed and free themselves from their dependence for it upon Germany. Would it not be well; is it not essential that we now give hostage to fortune by ceasing to whine about tariffs and turning our attention to beet-seed culture? A little common sense, chastened by a severe experience, will mean more to the future of this great industry than all the tariff schedules of all the tariff infamies of the past.

Mr. President, the pending emergency tax bill imposes an unusual though a needed burden upon our people. For the first time in our history this burden has been cast upon us by external forces beyond our control. We did not cause it, and therefore we can not avoid it. We have endeavored to distribute its exactions fairly with due regard for all interests and keeping in mind the precedents of the past. We believe the public need for the law to be transient, and we have therefore provided for its expiration on December 31, 1915. We know that every interest levied upon feels, as it always does, that the tolls placed upon it are too large or that they should have been placed elsewhere. But that is true of every tax ever devised by the wit of man. Our duty has not been a pleasant one, but a duty nevertheless, and therefore to be performed. Those who criticize and complain of our action should point to some method or object of taxation so just and fair as to command approval, some tax that would be popular, some revenue-raising process at once satisfactory and successful. But we are all conscious of the fact that until human nature changes and human intelligence reaches perfection laws which levy upon the substance of the people for defraying the expenses of government are framed with difficulty, obeyed with reluctance, and resisted with energy. Yet I indulge the belief that the people will soon recognize in this measure a law which fairly and justly meets a great national exigency, comparing favorably with those of 1862 and 1898, and responding well to the needs which gave it birth.

The Senator from Washington [Mr. JONES], in a short speech delivered this afternoon, undertook to establish the proposition that the need for this extraordinary revenue was due to the

course of Democratic legislation and of Democratic policy since the beginning of the present administration. He quoted a number of statistics concerning the railway and transportation business of the country as an index of the facts upon which his assertion was based; and if I understood him correctly, contended that these figures were a virtual demonstration of the soundness of his charge.

Mr. President, I am not now going into the causes of that depressed condition which, beginning some time in 1912 or before, has since continued with greater or less degree, not alone in the United States but throughout all the world, because I think it is now generally recognized by the people—certainly by all thinking men who are fair-minded—that the enormous waste of the Balkan War, the enormous investments in questionable securities, and particularly railway securities, the enormous armaments of the older countries of the world both on land and on sea, the vast deficits resulting from their fiscal policies and expenditures, particularly at the close of the year 1913, the additional burdensome taxation made necessary because of these deficiencies—all these things have combined to stretch credit to the breaking point, and as a consequence to affect commerce and the securities markets everywhere.

I have had my attention called during the past six months, chiefly before the beginning of the European war, to trade conditions in the several countries with which our principal foreign commerce is carried on, and I assert as a general conclusion that the world before the commencement of this war, outside of the United States, faced a condition where its fixed charges were fully one-half of the productive energies of its people; that before the producers of England, of France, of Germany, of Austria, of Italy, of Russia, and of Japan could call a single dollar of their earnings their own they were compelled to yield practically 50 per cent of those earnings to the State—not for the cancellation of debt, not to decrease the amount of their burdens, but to meet the fixed charges upon them plus the cost of maintaining and continuing their Governments.

Mr. President, ever since the days of the Pentateuch all of our great financial depressions have been due to the fact that the burdens of the world's debts reached a figure which the existing civilization could not support, and when that point is reached there must necessarily be a rebalancing of the books, a charging off of indebtedness, and a rearrangement of fiscal affairs. All nations have been confronted with these conditions, some perhaps to a greater extent than others, some being burdened by the weight of private credits as contradistinguished from those of a national character, others by combinations of both.

During the panic of 1893 Mr. Frederick C. Waite, who was then statistician of the Treasury Department, wrote a letter to one of my predecessors, the lamented Henry M. Teller, calling attention to this great fact in financial history, giving the vast increase of personal and of public debts in the United States and demonstrating the fact that the panic under which we were then suffering was the direct and logical outcome of this condition; that the credit of the country had been strained to the breaking point; that the existing civilization could no longer support the vast aggregate of obligations, both public and private; and that as a consequence disaster must come. Liquidation followed, and then the Nation again moved on.

The Senator complained, and I think very justly so, Mr. President, of the attitude of the railways of the East in seeking to reopen the question of an increase of 5 per cent in freight rates, upon which hearings will be had in the near future by the Interstate Commerce Commission.

Mr. President, the railroads I have no doubt are in a distressed condition, many of them, perhaps most of them. They are finding difficulty in meeting many of their fixed charges. The railroads, many of them, will be unable—and I speak now not of those which are identified with the 5 per cent controversy, but generally—will be compelled to readjust their finances, either through the agency of receiverships or by concurrence of their creditors, sooner or later, no matter what the action of the Interstate Commerce Commission may be, for it is the history of railway finance in America that debt succeeds unto debt and capitalization unto capitalization; that the vast sum of our railroad bonded indebtedness can not be paid, never will be paid, is not expected to be paid; that when bonded issues mature they are met by extended bonded issues in almost every instance in excess of the amounts outstanding.

Mr. President, no man and therefore no corporation can conduct business upon borrowed money forever, especially when the amount of the indebtedness is continually increasing and more than keeping pace with the extension of the business. But that has been the course of railway finance in the United States with two or three distinct and honorable exceptions ever since the day of railway consolidation began. Their incomes have increased out of all proportion to the incomes of the average business corporation; yet they are always behind, always borrowing money, always increasing their capitalization, always staving off the final day with which they must be confronted, because of a policy that essentially spells ultimate ruin.

The New York World of to-day or of yesterday contains an account of a proposal of the Baltimore & Ohio Co. to issue a general line of bonded securities, amounting to $600,000,000, for the purpose of taking in and retiring all of their outstanding bonded issues, thus following the example of the Great Northern in a similar amount and the New York Central in the sum of $500,000,000. I think it safe to say that the proposed new issue exceeds the combined sum of the earlier ones.

Mr. President, without any reflection upon the manner in which these huge sums have been used, without any criticism of that policy which always charges an increase of equipment to capital account but which never credits anything to that account by reason of discarded or worn-out equipment, without criticizing in any manner this policy, I assert, and I do not believe it can be contradicted, that the ultimate destiny of all the great railroad concerns in the country is a reorganization through a receivership or through a voluntary retirement or cancellation of the major portions of their huge indebtedness.

I read the other day, Mr. President, the statement of the locomotive firemen and engineers of the western railroads given to the public in support of their demand for an increased wage. This was a calm, considerate, and well-prepared document, and presented to the reader schedules showing increase of earnings and of business of each and every one of the roads involved for a considerable time prior to their demand, which is now pending before the Board of Mediation; and I venture to assert that no man, however prejudiced he may be either for or against this demand, can read that statement without reaching the conviction that these men are not only entitled to a greater proportion of the earnings of these roads than they are receiving, but that they can be paid without in any wise embarrassing their financial condition. This statement also shows the vastly increased amounts of stocks and of securities which these great systems have issued during the same period. This constantly progressive increase of indebtedness must inevitably spell disaster sooner or later, without regard to the wage rate of employees.

But coming back for a moment, Mr. President, to the statements of the Senator from Washington concerning railroad business, I have a few figures that I want to submit upon the same subject and taken from the same source.

I think the number of idle cars at a given time may be said to be a fair index of the activity or its absence of the railroad transportation business of the country. If that is a test, then the figures to which I call attention are quite as conclusive as those which were used by the Senator from Washington if not more so. The number of idle cars in this country on the 29th day of April, 1908, was 413,338. That was in a period of great prosperity, as a matter of course, because the Republican Party was in full control of the Government, with their redoubtable champion and leader, Mr. Roosevelt, in the White House. On the 6th day of January, 1909, the number of idle cars had decreased to 382,513, Mr. Roosevelt still being the occupant of the White House; on the 31st day of May, 1914, the number of idle cars had decreased to 241,802; and on the 1st day of July, 1914, one month before the outbreak of the great European conflict, the number of idle cars in the country had decreased to 219,542. We were progressing, Mr. President, rapidly toward a prosperous and satisfactory condition in this country, for the very good reason that the country had been blessed with an enormous crop of unusual proportions, and, after all, it is the prosperity of the farmer, the tiller of the soil, which spells prosperity for the Nation.

Another reason, Mr. President, is found in the fact that this Nation was in better condition in all respects than any of the others, having vastly greater resources and vastly greater opportunities. The European war came, and with it, of course, everything changed in an instant.

I agree, Mr. President, very fully with the Senator from Washington in his objection to the levying of an added tax whenever it can be avoided, and particularly to a tax through the 5 per cent increase of railway rates east of the city of Chicago and north of the Ohio River to the Atlantic seaboard. The business of a railroad company, like the business of any other company or the business of an individual, may become depressed, but should the people, through governmental agencies, for that reason be taxed by authorizing the depressed business to increase its rates to the public? If we do so for the railroads, should we not do so for every other pursuit, many of which are suffering in consequence of European conditions? Are the rail-

roads of the United States any greater objects of solicitude to the Government than are the cotton planters of the South or the copper miners of the West?

Few perhaps realize what this 5 per cent means. In the aggregate it means an added $50,000,000 to the annual transportation bill of the United States.

Mr. President, I have here a copy of the statement which was made to the President of the United States last month by the railways, at the time a request was made for a reconsideration of this demand. Among other things, it gives a list of the railroad securities in default up to September 1, aggregating $578,672,956—an enormous amount of securities, an enormous indebtedness; more than half as much as the interest-bearing indebtedness of the United States, and more than half as much as the bonded indebtedness of the city of New York—more than half a billion dollars. Of course, it follows that, inasmuch as these securities have already defaulted, those who are responsible for them are, to use a common expression, decidedly "up against it." If, however, the list of securities is examined, it is easily perceivable that the great proportion of them are issues of railways now under investigation or which ought to be under investigation; railways which have been exploited by the financial managements which have had complete control of them, and which are responsible for their unhappy condition.

But the remarkable part of this showing, Mr. President, is that of this total aggregate of more than $578,000,000, only $14,655,600 of the amount are defaulted securities of roads east of Pittsburgh and Buffalo, upon roads within that section where the commission denied the petition for an increase of 5 per cent, or, in fact, any increase at all. Therefore, of the roads, Mr. President, asking for relief through the agency of the Interstate Commerce Commission, and because of defaulted securities, there are but $14,655,600 that are in default at all. It may be, and doubtless is, true that, owing to present conditions, there will be greater defaults hereafter in that section of the country; but I am calling attention to the showing then made; and in order that the country may perceive the fact, I ask unanimous consent to insert this extract as a part of my remarks.

The VICE PRESIDENT. In the absence of objection, permission is granted.

The extract referred to is as follows:

SEEKS RELIEF FOR RAILROAD FINANCES—COMMITTEE ASKS PRESIDENT WILSON TO AID IN REMOVING ANTAGONISM—WANTS APPEAL TO PEOPLE—URGED THAT CHANGE OF SENTIMENT AND ATTITUDE WOULD RESULT IN BENEFIT TO ENTIRE COUNTRY.

Railroad presidents, representing the leading railroad systems of the United States, to-day requested President Wilson to call to the attention of the country "the pressing necessity for support of railroad credit" by governmental authorities and the public, and the further need of the railroads for additional revenue, which will not only enable them to meet their indebtedness in the present crisis imposed by the European war, but also to carry out their wage agreements, maintain their domestic credit, and provide for their normal development. These requests were laid before the President at a conference at the White House, at the conclusion of which the President announced that he had taken the request under consideration and would state his position later.

Chairman Trumbull, of the Chesapeake & Ohio and the Missouri, Kansas & Texas Railways, acted as spokesman. He laid before the President a written statement, setting out the position of the railway men of the country.

The others in the committee were Samuel Rea, president of the Pennsylvania; Daniel Willard, president of the Baltimore & Ohio; Fairfax Harrison, president of the Southern; E. P. Ripley, president of the Santa Fe; and Hale Holden, president of the Burlington.

WILL GIVE CAREFUL CONSIDERATION.

The president agreed to give careful consideration to the statement of the railroad men, but made no promises on their requests. He is understood to favor the view that the railroads need assistance.

The specific requests of the railroad men were:

"That the President will call the attention of the country to the pressing necessity for support of railroad credit by the cooperative and sympathetic effort of the public and of all governmental authorities, and that the railroads be relieved as far as possible of further immediate burdens involving additional expense.

"That the President will urge a practical recognition of the fact that an emergency is upon the railroads which requires, in the public interest, that they have an additional revenue and that the appropriate governmental agencies seek a way by which such additional revenues may be properly and promptly provided.

"The credit of the railroads," said the statement, "seriously impaired, as we believe, before the war started, is now confronted by an emergency of a magnitude without parallel in history."

The railroad men left the White House greatly encouraged by the frank and open nature of the conference with the President, which they described as satisfactory in every way so far as freedom of presentation of their argument was concerned. Frank Trumbull, chairman of the board of the Chesapeake & Ohio and the Missouri, Kansas & Texas Railroads, who headed the committee, declined to add to the official statement of his committee and referred all inquiries as to the attitude of the President to the White House.

WHAT REQUESTS COVER.

As interpreted in Washington the requests made of the President by the railroad presidents include not only an increase in net earnings of the roads by an increase in rates, probably both freight and passenger, but also a restraint on the part of Congress and State legislatures relative to further railroad regulation at this time. The inference conveyed in the official statement of railroad men is that the railroads of the country are now carrying a heavier burden than they can bear without assistance.

In this connection the decision of the Senate to postpone further action at this session on the Rayburn bill, which proposes to regulate and supervise the issues of railroad securities, may be fairly taken as an indication of the views of the administration on the railroad situation. This measure is one of the recognized administration bills for the regulation of big business. It was originally a part of the Democratic Party program at this session of Congress. Following an informal preliminary statement of the situation by railroad men to high officials of the administration 10 days ago the President interposed no objection when it was proposed in the Senate to drop this legislation at this session.

WAR CLOSES SECURITY MARKETS.

The war, according to prominent railroad men, has done three things: It has closed Europe as a market for investment securities for an indefinite time; it has brought about liquidation of American securities held abroad to the extent that may necessitate this country repurchasing from Europe a large part of the $5,000,000,000 worth estimated to be held abroad. This estimate is by Sir George Paish, editor of the Statist, now assisting the English chancellor of the exchequer.

In connection with this, the committee laid before the President the amount of the defaults by railroads in the payment of principal and interest on bonds and short-term notes up to the present time, the maturities still to be met this year, and those which will fall due in 1915.

SECURITIES ALREADY DEFAULTED.

These figures are startling. The following list, which is compiled by a man who has been prominent in railroad circles and has been in close touch with the financial situation for many years, is believed to be absolutely authentic.

The list of securities in default up to September 1 shows an aggregate of $578,672,956. In detail it is as follows:

St. L. & S. F. g. lien 5s, May 1, 1914	$69,524,000	
St. L. & S. F. ref. 4s, July 1, 1914	68,562,000	
St. L. & S. F. 6% notes, Sept. 1, 1913	2,600,000	
St. L. & S. F. 5% notes, June 1, 1913	2,250,000	
N. O., T. & M., 1st 5s, Sept. 1, 1913	28,592,300	
C. & E. I stock trust ctfs., July 1, 1913	23,876,900	
		$195,405,416
C., R. I. & P. R. R., col. 4s, May 1, 1914		71,353,500
Pere Marq. ref. 4s, Jan. 1, 1912	10,106,000	
Pere Marq. cons. 4s, Jan. 1, 1914	8,382,000	
Pere Marq. imp. & ref. 5s, Mar. 1, 1914	16,000,000	
Pere Marq. deb. 6s, Jan. 1, 1912	5,000,000	
Chi. & W. Mich. 1st 5s, June 1, 1914	5,758,000	
D., R. G. & W. 1st cons. 4s, Apr. 1, 1914	5,379,000	
Flint & P. M. 1st 4s & 6s, Apr. 1, 1914	5,000,000	
Flint & P. M. cons. 5s, May 1, 1914	2,850,000	
Port Huron 1st 5s, May 1, 1914	3,325,000	
Miscellaneous	3,491,000	
		65,291,000
Wab.-Pitts. Ter. 1st 4s, June 1, 1908	30,236,000	
Wab.-Pitts. Ter. 2d 4s, June 1, 1910	20,000,000	
		50,236,000
Wab. 1st ref. & ext. 4s, Jan. 1, 1912	41,921,240	
Wabash 5% notes, May 1, 1913	5,000,000	
		46,921,240
C. & E. I. ref. & imp. 4s, July 1, 1914	18,019,000	
C. & Ind. Coal Ry. 5s, July 1, 1914	4,626,000	
Ev. & Ind. 1st cons. 6s, July 1, 1914	1,853,000	
Evans. & Ind. 1st 6s, July 1, 1914	647,000	
		25,145,000
Atl., B. & Atl. 1st 5s, Jan. 1, 1909	14,443,000	
Georgia Ter. 1st 5s, Jan. 1, 1909	3,000,000	
Alabama Ter. 1st 5s, Jan. 1, 1909	2,445,000	
		19,888,000
M., O. & G. R. R. 1st 5s, Nov. 1, 1913	10,656,200	
M., O. & G. Ry. 1st 5s, Nov. 1, 1913	7,007,000	
M., O. & G. Ry. 2d 5s, Nov. 1, 1913	1,467,000	
M., O. & G. Ter. 5s, Nov. 1, 1913	550,000	
		19,679,200
Pitts. S. & No. ref. 4s, Aug. 1, 1905	14,491,600	
Pitts. S. & N. 1st 5s, Aug. 1, 1905	169,000	
		14,655,600
C., H. & D. 1st & ref. 4s, July 1, 1914	1,677,000	
I., D. W. 1st 5s, July 1, 1914	3,162,000	
C., I. & W. 1st & ref. 4s, July 1, 1914	4,722,000	
		9,561,000
N. O., N. & C. 1st & ref. 5s, July 1, 1913	11,819,000	
Col. Mid. 1st 4s, Jan. 1, 1913	9,532,000	
W. & L. E. 5% notes, Aug. 1, 1908	8,000,000	
Okla. Cent. 1st 5s, June 1, 1908	3,000,000	
		32,351,000
K. C. & M. 1st 5s, May 1, 1914	496,000	
K., O. & W. 1st 6s, July 1, 1914	300,000	
		796,000
T., S. L. & W. col. 4s, A and B	1,527,000	
Int. & Gt. Nor. 5% notes	11,000,000	
San Ant., U. & G. 1st 5s	2,863,000	
C., P. & St. L. gen and ref 5s	2,000,000	
		17,490,000
Grand total		578,672,956

AMOUNTS STILL DUE IN 1914.

The maturities still to be met in 1914, as of September 1, were as follows:

Security.	Rate.	Amount.
Sept. 1, St. L. & S. F. 2-yr. notes	6	$2,600,000
Sept. 6, L. S. & M. S. 1-yr. notes	(1)	420,000
Sept. 1, N. Y. C. 1-yr. notes	5	5,000,000
Nov. 1, H. Valley 1-yr. notes	5	4,000,000
Nov. 5, N. Y. Cent. 1-yr. notes	5	12,000,000
Oct. 1, Erie 3-year notes	5	4,550,000
Oct. 1, Pan-American R. R. notes	6	1,600,000
Dec. 1, Ver. Valley 1-year notes	6	2,300,000
Total		34,050,000

[1] Discounted out in pounds sterling.

SECURITIES DUE IN 1915.

Following is a complete list of railroad securities falling due in 1915 in the order of their maturity:

Security.	Rate.	Amount.
Jan. 1, R. & D. bonds	6	$4,722,000
Jan., St. L. & S. F. rec. ctfs	6	3,000,000
Jan., N. Y. C. 1-yr. notes	5	30,000,000
Feb. 1, C. & N. W. bonds	7	12,832,000
March 1, M. C. 1-year notes	4½	6,000,000
March 1, Chi. & St. L. 1sts	6	1,500,000
March 1, Fitchburg R. R	6	1,359,000
March 2, Boston & Maine notes	6	27,000,000
April 1, Erie 3-year notes	5	10,000,000
May 1, New Haven 1-year notes	5	20,000,000
May 1, H. R. & F. C. 1 yr. notes	5	10,000,000
May 1, N. Y. C. 3 yr. notes	4½	20,000,000
May 1, M., K. & T. 2 yr. notes	5	19,000,000
May 1, A., B. & A. notes	5	5,936,800
May 1, Mo. & N. A. rec. ctfs	5	1,406,000
May 1, C., R. I. & P. Ry	4	1,494,000
May 15, L. S. & M. S. 1 yr. notes	.....	[1] 20,000,000
June 1, B. & O. 1 yr. notes	4½	35,000,000
June 1, N. R. of M. 2 yr. notes	6	27,476,000
June 1, M. P. 1 year notes	6	24,912,000
June 1, Morris & Essex Cons	7	11,677,000
June 1, Cumb. Corp. notes	5	5,000,000
June 1, P. M. rec. ctfs	5	1,892,000
June 2, Conn. River notes	5	2,000,000
July 1, West. Md. notes	5-6	13,000,000
July 1, C. & E. I. rec. ctfs	6	6,000,000
July 1, Int. Met. 5 yr. notes	6	4,000,000
July 1, Hamp. R. R. Corp. notes	6	2,000,000
Aug. 1, Wabash rec. ctfs	6	16,000,000
Aug. 1, P., S. & N. rec. ctfs	5	1,700,000
Aug. 1, S. & N. W. notes	6	1,250,000
Sept. 1, C. & W. I. 3 yr. notes	5	10,000,000
Oct. 1, Penna. conv	3½	86,827,000
Nov. 1, V., S. & P. bonds	6	1,323,000
Nov. 1, N. O., N. E. bonds	6	1,320,000
Dec. 1, Idaho & W. No. notes	6	1,200,000
Miscellaneous	.....	10,774,000
Total	.....	466,424,800
Equip. trust maturities, 1915	.....	44,182,000
Total 1915 maturities	.....	510,606,800
Bonds and notes maturing yet in 1914	.....	34,050,000
Equip. trust maturities in 1914	.....	18,500,000
Total maturities from now to end of 1915	.....	563,156,800

[1] Discounted.

The amount due June 2, 1914, which were practically all extended to March 2, 1915, although a few took 40 per cent in Maine Railways Co.'s 5 per cent notes due April 1, 1919.

Mr. THOMAS. Now, Mr. President, I have no intention of detaining the Senate longer on this Saturday afternoon. I have spoken at greater length than I intended, my original purpose being merely to read a short speech into the RECORD. I have been impelled to add somewhat to it because of the insistence of the Senator from Washington that Democratic legislation and Democratic policy have been the fruitful parent of all the ills of the present day.

RECESS.

Mr. KERN. I understand there are no Senators who are ready to proceed with the debate on the pending bill this afternoon. Therefore I move that the Senate take a recess until Monday morning at 11 o'clock.

The motion was agreed to; and (at 3 o'clock and 12 minutes p. m., Saturday, October 10, 1914) the Senate took a recess until Monday, October 12, 1914, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

SATURDAY, *October 10, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Thou who has ever been our refuge and our strength through all the vicissitudes of the past, continue, we beseech Thee, to favor us, and may we ever remember that righteousness exalteth a nation, while sin is a reproach to any people; that with vigilance we may preserve our liberty with honesty, our integrity with truth, our dignity and honor with enthusiasm, and go forward to grander attainments under the spiritual leadership of Thy son Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move that the Journal be approved.

The question was taken, and the motion was agreed to.

DISPOSITION OF PAPERS IN THE EXECUTIVE DEPARTMENTS.

The SPEAKER laid before the House a report (H. Rept. 1183) by Mr. TALBOTT of Maryland, from the Joint Select Committee on Disposition of Useless Executive Papers, which was read and ordered filed.

BOARD OF MANAGERS, SOLDIERS' HOME.

Mr. HAY. Mr. Speaker, I move to take from the Speaker's table House joint resolution 241, appointing a board for the soldiers' home, with Senate amendments, and move to concur in the Senate amendments.

The SPEAKER. The gentleman from Virginia asks unanimous consent for the present consideration of House joint resolution 241 with Senate amendments. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object——

Mr. OGLESBY. Mr. Speaker, I just want to ask the gentleman from Virginia if these Senate amendments made any change in the names of the men selected for the Board of Managers?

Mr. HAY. No; it simply increases the board and added one name to those which were in the resolution when it passed the House. Does the gentleman from Illinois desire to ask any questions?

Mr. MANN. I would like to know what the Senate amendments are.

The SPEAKER. The Clerk will report the resolution and the amendments.

The Clerk read as follows:

H. J. Res. 241. Joint resolution for the appointment of four members for the Board of Managers for the National Home for Disabled Volunteer Soldiers.

The joint resolution and the Senate amendments were read.

Mr. MANN. Mr. Speaker, I understand one of the amendments increases the number of the members of the board. Is that correct?

Mr. HAY. Yes; that is correct. It increases them from five to seven.

Mr. MANN. Well, I make the point of order that that requires consideration in the Committee of the Whole House on the state of the Union, and without unanimous consent the bill must be referred to the Committee on Military Affairs.

The SPEAKER. Do these men draw any salary, or not?

Mr. HAY. They do not draw salary, but the Government pays them their expenses—traveling expenses, and so forth.

The SPEAKER. The Chair thinks, while it is a very close shave, it takes it to the Committee of the Whole House on the state of the Union.

Mr. GARRETT of Tennessee. Mr. Speaker, is the reservation of objection still made?

The SPEAKER. Yes.

Mr. HAY. I do not understand the gentleman from Illinois objected to the consideration of it.

Mr. MANN. I reserved the right to object. I do not wish to object as far as the regular order was concerned. I think it ought to go to the committee to determine whether the resolution we have enacted reducing the number shall now be changed and the number be again increased.

Mr. GARRETT of Tennessee. Mr. Speaker, this is a matter concerning which there was very considerable contest here in the House, as I recall, and if it were opened up again here in the Committee of the Whole House on the state of the Union there would still be that contest again, provided the same gentlemen were here who then fought the question of reducing the number. I hope the gentleman will not make the request now if it is to go into the Committee of the Whole House on the state of the Union.

Mr. HAY. Mr. Speaker, I ask unanimous consent that this joint resolution may be considered in the Committee of the Whole House on the state of the Union immediately after the consideration of the Philippine bill.

Mr. MANN. Mr. Speaker, we have an order set immediately after that, and I think the resolution ought to go to the committee and the committee should report on it first.

The SPEAKER. Is the gentleman objecting?

Mr. MANN. Well, I am asking to have it referred to the Committee on Military Affairs.

The SPEAKER. Is there objection to the first request of the gentleman for immediate consideration?

Mr. GARRETT of Tennessee. Mr. Speaker, I object.

The SPEAKER. Now, the gentleman asks that this resolution be considered in the Committee of the Whole House immediately after the disposition of the Philippine bill. Is there objection?

Mr. UNDERWOOD. Mr. Speaker, I ask the gentleman to include in his request that it shall not interfere with the revenue bill when it comes back.

Mr. HAY. I will do that.

The SPEAKER. With the understanding that it will not interfere with the war-revenue bill.

Mr. MANN. Mr. Speaker, we have already made one special order following the bill. The gentleman can just as well make the request after the disposition of the Philippine bill.

Mr. HAY. That is what I did.

Mr. MANN. The request can be made just as well after as now. I do not think it saves anything.

Mr. HAY. If the gentleman from Illinois will agree that it is not necessary for this resolution to go to the Committee on Military Affairs——

Mr. MANN. But I think it ought to go to the Committee on Military Affairs and let them report on it.

Mr. HAY. Well, Mr. Speaker, I make my request, and if the gentleman desires to object, of course he can do so.

The SPEAKER. The gentleman from Virginia asks unanimous consent that this joint resolution be considered in the Committee of the Whole House on the state of the Union immediately after the disposition of the Philippine bill, provided it is not to interfere with the consideration of the war-tax bill.

Mr. GOULDEN. Mr. Speaker, reserving the right to object, I would like to inquire of the gentleman from Virginia the exact change made in this joint resolution by the Senate. I did not catch it, owing to the noise and confusion in the House.

Mr. HAY. The board is increased by the Senate from five to seven, and one additional name was added to the names which were already in the resolution when it passed the House.

Mr. GOULDEN. I sincerely hope, Mr. Speaker, that the committee will not agree to the change in conference. The bill as it passed the House is satisfactory.

The SPEAKER. Is there objection?

Mr. MANN. I object.

THE PHILIPPINE ISLANDS.

The SPEAKER. Under the special rule, the House will resolve itself automatically into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 18459, and the gentleman from Virginia [Mr. FLOOD] will take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands, with Mr. FLOOD of Virginia in the chair.

The Clerk read as follows:

SEC. 15. That until otherwise provided by the Philippine Legislature herein provided for the qualifications of voters for senators and representatives in the Philippines and all officers elected by the people shall be as follows.

Mr. TOWNER. Mr. Chairman, I did not know the Clerk had commenced reading the next section. I ask, Mr. Chairman, in accordance with the agreement that, I think, was made yesterday, to return to section 13.

The CHAIRMAN. The understanding when the committee rose last night was that sections 13 and 14 would be subject to amendment. Does the gentleman from Iowa [Mr. TOWNER] ask unanimous consent to return to section 13 first?

Mr. TOWNER. Yes; for the purpose, Mr. Chairman, of offering this amendment.

The CHAIRMAN. That is in accordance with the understanding of the committee. The gentleman will send his amendment to the desk.

Mr. TOWNER. Mr. Chairman, I move to strike out the word "four," in line 11, page 10, and insert in lieu thereof the word "six."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, on page 10, line 11, by striking out the word "four" and inserting in lieu thereof the word "six."

Mr. JONES. Mr. Chairman, I am going to ask the gentleman to modify his amendment so as to make it read in this way:

Six and three, as hereinafter provided.

Mr. TOWNER. This has reference only to the Senate, I will say to the gentleman.

Mr. JONES. Of course; but it is proposed to provide hereafter that one-half the senators for the first term shall be elected for three years——

Mr. TOWNER. Very well; I have no objection.

Mr. JONES. This is to make the language of this section harmonize with that of one that follows, as it is proposed to amend that section.

The CHAIRMAN. The Clerk will report the amendment as modified.

The Clerk read as follows:

Insert the words "six and three."

Mr. JONES. "As hereinafter provided."

The CHAIRMAN. The question is on the amendment of the gentleman from Iowa [Mr. TOWNER].

Mr. JONES. "As hereinafter provided" should come after the word "years."

Mr. STAFFORD. I thought the amendment was going to be voted upon, and I wished to rise in opposition to the amendment if the gentleman from Iowa did not wish to take any time. If the gentleman will yield, I wish to say that I understand the purpose is to create a six-year term for members of the senate, and I am in perfect harmony with that suggestion. I do not agree with the proposed form of the amendment suggested by the chairman of the committee. I think we should modify it as suggested by the gentleman from Iowa—change the "four" to "six"—and then make a provision as suggested by the gentleman from Missouri yesterday—that one half at the first election be elected for three years and the other half for six years.

Mr. JONES. I agree with the gentleman from Iowa. The change which it is agreed shall be made in a subsequent section makes it very necessary that this amendment shall be modified as I have suggested.

Mr. STAFFORD. I do not think there is any need of putting three years in this place where you fix the regular term for six years. The three-year term can be provided for in the suggested amendment—those elected first, one-half to hold office for three years, and thereafter for six.

Mr. JONES. It makes it perfectly plain, and there can be no objection to it.

Mr. TOWNER. Mr. Chairman, I will take my time now, if the gentleman will allow me, because the matter can be entirely explained. To make this charge that is now agreed to by the members of the committee, changing the provision in the bill by which senators and representatives each have a term of four years, it has been finally agreed to upon conference that we shall modify that, giving the senators a term of six years and representatives a term of three years, and I will say in passing that that has also received the approval of the Philippine Commissioner, Mr. QUEZON. In order to do that it will necessitate changes in three sections. It will necessitate a change in section 13 of the provision of four years for senators to six years. It is suggested by the chairman that that should also read "six and three as hereinafter provided." I have no objection, because that will be fully explained in a subsequent section. Then it will be necessary to change section 14 from "quadrennially" to "triennially," because the term of representatives is changed from four years to three years. Then it will be necessary to change section 16, and I will ask the attention of the committee to the change that will be made necessary in this section. The provision that I shall ask to have stricken out and will offer a substitute for is in line 13, commencing with the sentence following the word "districts," as follows:

The first election hereafter shall be held on the first Tuesday of June, 1915, and there shall be chosen at such election senators and representatives to the Philippine Legislature.

That I will move to strike out and substitute in lieu thereof the following provision:

The first election under the provisions of this act——

The CHAIRMAN. The time of the gentleman has expired.

Mr. TOWNER. I shall have to ask unanimous consent for five minutes more, Mr. Chairman.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent for five minutes more. Is there objection?

There was no objection.

Mr. TOWNER. The provision which I shall ask to insert is as follows:

The first election under the provisions of this act shall be held on the 1st day of June, 1915, and there shall be chosen at such election one senator from each senate district for a term of three years and one for six years.

That provides for the first election following the adoption or putting into effect of this law. Then the provision goes on:

Thereafter one senator from each district shall be elected from each senate district for a term of six years.

Gentlemen will understand, of course, that it is provided that each senate district shall be entitled to two senators. The provision by which one senator is elected for three years will enable the senate to be continuing, one-half of it to be elected every three years. Then the provision is as follows:

That at said first election each representative district shall elect one representative for a term of three years and triennially thereafter.

I will say to the gentlemen of the committee that I think these are the only changes required to correspond with the de-

sire of the committee as expressed yesterday quite clearly, and the arrangement is satisfactory to the committee, both to the majority and the minority side.

Mr. MANN. Mr. Chairman, will the gentleman yield for a question?

Mr. TOWNER. Yes.

Mr. MANN. What will happen, then, in reference to the election of Resident Commissioners to represent the Philippine Islands in this House?

Mr. TOWNER. I will say to the gentleman that that may be hereafter provided for.

Mr. MANN. It is provided for in this bill that they shall be elected at the regular election, to hold for a term of four years. Of course, that would be impossible under the gentleman's provision to elect every four years where you have elections biennially, and then if you elect the Resident Commissioner at the regular election for these three years you elect a Commissioner to take his seat in the middle of a term of Congress.

Mr. JONES. Mr. Chairman, if the gentleman will permit me to make a remark there——

Mr. TOWNER. Yes.

Mr. JONES. I will say that I recognize the force of what the gentleman from Illinois has said, and when we reach that section I shall propose to change that to a three-year term instead of four years. The Representative from the Philippines does not object to the shortening of the term.

Mr. MANN. The gentleman will see, then, that the Resident Commissioner would come from the Philippines and be at the long session of Congress, and then there would be another one at the short session of Congress. That certainly would have some objectionable features.

Mr. JONES. I also perceive the force of that, and I will say to the gentleman that when we reach that section we will endeavor to agree upon some proposition that will be satisfactory to everybody, so as to avoid having too many elections and the cost incident thereto.

Mr. TOWNER. I will say to the gentleman that, of course, the bill will have to be amended to correspond with this change. This change is made necessary for the reason that under the terms of the bill the terms of the senators and representatives all expire at one time, and thereby the very desirable feature of a continuing senate is lost. All agree now that that should be provided for, and we have agreed to this change that is now suggested.

Mr. MANN. Mr. Chairman, will the gentleman yield?

Mr. TOWNER. Yes.

Mr. MANN. I have no desire to make any criticisms of the three or six year terms. But may I ask is that enforced anywhere under the jurisdiction of the United States now?

Mr. TOWNER. I think not, I will say to the gentleman. I know of no such provision anywhere in any State.

Mr. MANN. What is the objection to making it two years and four years?

Mr. TOWNER. The only objection that has arisen, I will say to the gentleman, is that urged by the Commissioner here, who, I understand, represents the sentiment of the Philippine Islands; and that is this——

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. TOWNER. Mr. Chairman, I shall have to ask for five minutes' more time.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. TOWNER. That is based on two reasons. The first is that it is a very costly thing to have an election in the Philippine Islands, and the next is that they consider that it is best for their interests that frequent elections shall not be had. In fact, the provision in the bill is, as the gentleman knows, that the members of the assembly shall be elected every four years, and it was in accordance with their desire that that provision was made. Now, this amendment proposes a reduction of the term to three years instead of four, and elections will probably be held one year oftener than they would under the original terms of the bill.

Mr. MANN. Have the members of the committee considered, then, the question of a four-year and eight-year term?

Mr. TOWNER. That has been considered, I will say to the gentleman.

Mr. MANN. It is manifestly impossible to elect a Commissioner every three years, unless you break into the middle of a term in the House. Otherwise if you elect every four years you will have to have this extra election, which you were trying to avoid, and which ought not to be had. A special election in the Philippine Islands would elect the Resident Commissioner.

Mr. TOWNER. I will say to the gentleman that that is a condition that we can not avoid; but I see no serious objection to electing the Commissioner every three years and every six years.

Mr. MANN. I can see a serious objection to electing the Resident Commissioner every three years. Here, for example, is the Philippine bill that we have pending before us. It will not pass the Senate at this session of Congress, as we know. The Resident Commissioner might be reelected; but supposing his term was out and they elected a new man to come here for the new session of Congress next winter. It would be highly objectionable to have a new man enter upon his service in the midst of this legislation.

Mr. JONES. What would the gentleman think of making the term of the Resident Commissioner six years?

Mr. MANN. I do not see much reason for making it four years. It is a matter of detail, and the gentleman will know more about that than I do, whether it ought to be six years; but it certainly ought not to be three years, when the term of Congress is two years. It ought not to break into the middle of a term.

Mr. JONES. I will say to the gentleman that when we reach that section we will try to reach some agreement that will be satisfactory.

Mr. GARRETT of Tennessee. Mr. Chairman, I wish to make this statement in justice to myself: I shall not oppose the amendment of the gentleman from Iowa [Mr. TOWNER] and the general line of amendments that are to follow, because I understand that an agreement to accept such amendments has been reached in conference with the gentleman from Virginia and other members of the committee and the Resident Commissioner. But so far as my own personal opinions are concerned, I wish to say that I do not share in the belief expressed by the gentleman from Minnesota [Mr. MILLER] on yesterday, and which he has so often expressed, that it is a dangerous thing or an undesirable thing to have the senate term coequal with the term of the members of the house of representatives. Public sentiment changes, and it is entirely possible, if there be a change in public sentiment, to bring about a change in the executive department of the Philippine Government and in the house of representatives in the Philippine Government, and yet leave in the senate a sufficient number of members to block that sentiment as expressed at a popular election. I say this, although I do not propose to oppose it after the action of the committee; but so far as my own personal views are concerned I am not convinced of the necessity of it.

Mr. MILLER. Mr. Chairman, I would like to ask a question of the gentleman from Virginia [Mr. JONES]. In view of what has been stated by the gentleman from Illinois [Mr. MANN] and other considerations which have accompanied the discussion, does the gentleman think there is any possibility of our agreeing on a four and an eight year term instead of three and six?

Mr. JONES. I do not.

Mr. MILLER. I admit that my amendment was to make the senatorial term six years.

Mr. JONES. When the subject was informally discussed on yesterday, the proposition of the gentleman from Iowa was simply to leave the senatorial term at four years and have one half of the senate elected at one time and the other half at another. I think the gentleman from Minnesota suggested six years for the senatorial term and three for the house of representatives.

Mr. MILLER. That is because I thought that that would be acceptable.

Mr. JONES. Personally I prefer four and two year terms, respectively, for senators and representatives, but out of deference to others I am willing to make the terms six and three years, respectively. That is as far as I would be willing to go.

Mr. BOOHER. Mr. Chairman, I do not think that the amendment offered by the gentleman from Iowa ought to be modified as suggested by the chairman of the committee. If you fix the term of a senator at six years and three years, you have two definite terms fixed, and then you have to elect senators for six and senators for three years. The term ought to be fixed at six years, as provided in the amendment.

Mr. JONES. If that were the amendment, then what the gentleman says would be true, but the gentleman has overlooked the fact that the language is "six and three years as hereinafter provided." In a subsequent section it is provided that only for the first term shall senators be elected for three years.

Mr. BOOHER. Then it is only for the first election that they are elected for six years and three years, and thereafter they are elected for six years?

Mr. JONES. Yes.

Mr. BOOHER. With that information, I have no objection to the amendment as modified.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The question was taken, and the amendment was agreed to.

Mr. TOWNER. Mr. Chairman, has section 14 been read?

The CHAIRMAN. It has.

Mr. TOWNER. I move to strike out, on page 10, line 25, the word "quadrennial" and insert in lieu thereof the word "triennial."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, page 10, line 25, by striking out the word "quadrennial" and inserting the word "triennial."

The CHAIRMAN. The question is on the amendment.

The question was considered, and the amendment was agreed to.

Mr. JONES. Mr. Chairman, I ask unanimous consent to return to section 10, in order that I may offer an amendment to the amendment which was adopted on yesterday. I will say before the request is submitted by the Chair that the amendment that I propose to offer has been submitted to the gentleman from Iowa [Mr. TOWNER] and has his approval, as well as the approval of the Resident Commissioner, Mr. QUEZON.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent to return to section 10 in order that he may offer an amendment to the amendment adopted yesterday. Is there objection? [After a pause.] The Chair hears none.

Mr. JONES. Mr. Chairman, I move to amend the amendment adopted on yesterday by changing the words "ninety days" to "six months," so that the limit of time permitted the President of the United States in which to express his approval or disapproval of tariff acts, coinage acts, and acts with reference to the currency may be 6 months and not 90 days. I do this, Mr. Chairman, because, while I was of the opinion that 90 days was ample time in which the President could express his approval or disapproval of acts relating to land, mining, and timber acts, it may not be sufficient time to enable him to examine carefully and pass judgment upon a tariff bill.

It is likely that any tariff bill passed by the Philippine Legislature would be just as lengthy as one passed by the Congress of the United States. It is likely to contain three or four thousand items. It is entirely possible that there might be in such an act provisions contravening stipulations in the trade agreements which the United States has with foreign countries. If that should be so, of course the United States, retaining sovereignty over the Philippine Islands, would be held responsible, so to speak, for the action of the Philippine Government.

Mr. Chairman, a general tariff measure, on account of its many items and provisions of one kind or another, could not well be cabled here; it would have to be sent through the mails. It would take 40 days to send it and 40 to return it, and it would require many days for the President and his advisers to give it the careful consideration it deserved. Unless the President could give a bill of such importance as a general tariff measure the thorough examination required, he would be forced to disapprove it, which might be most unfortunate. I have submitted the amendment to the gentleman from Iowa, and he agrees fully with me that the change should be made. I discussed the matter also with the Resident Commissioner [Mr. QUEZON], who favored the amendment of the gentleman from Minnesota on yesterday, and he, too, agrees that the change I propose should be made.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. JONES. Yes.

Mr. GARRETT of Tennessee. Does not the gentleman think it would be wise, in view of the expressed sentiment here touching the matter of fixing the time in which the President can veto, which has been expressed in two sections and will doubtless be expressed in the same way in subsequent sections—does not the gentleman think it would be wise to have it uniform and have it all put in one section instead of putting it in each section as we come to it?

Mr. JONES. That is a matter of form.

Mr. GARRETT of Tennessee. And it is a matter of good draftsmanship.

Mr. JONES. I do not know whether or not those who favored the 90-day limit as to lands would be willing now to accept a six-month limit, and therefore I would like to have this amendment adopted now. The gentleman can then ask to return to the other section. I understand the purpose of the gentleman, and if it be determined that the limit of time in which the President shall approve all acts shall be uniform, then a general provision to that effect can be prepared and adopted.

Mr. GARRETT of Tennessee. Put it all in one section.

Mr. JONES. Mr. Chairman, I would like to have this amendment considered first.

Mr. GOULDEN. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. GOULDEN. I should like to ask whether it is intended to have it begin from the date of the receipt by the President or from the time of its enactment by the Philippine Government?

Mr. JONES. The amendment states from its enactment and submission to the President.

Mr. MILLER. Ninety days after it reaches the President for his consideration.

Mr. GOULDEN. Ninety days from its reaching the President of the United States, as it now stands.

Mr. JONES. That is correct, and therefore we need not compute the time occupied in the transmission of measures from Manila to Washington.

Mr. MILLER. Mr. Chairman, I have no objection whatever to the amendment suggested by the gentleman from Virginia. In fact, my original amendment touching this matter was for six months, as the gentleman knows, and I changed it out of deference to his request; but does the gentleman not think that, in harmony with what the gentleman from Tennessee has stated, it would be advisable to have the same period of time in all of these cases in which it shall be necessary for the President of the United States to express his approval? I can conceive that a great deal of confusion might arise in the islands as to just how long the President had to consider a measure, just when it would go into effect without his approval, and in the interest of clearness and conciseness I believe I would request in conjunction with the gentleman that the preceding amendment be changed to 6 months from 90 days.

Mr. JONES. Mr. Chairman, I am willing to accept the gentleman's suggestion, although I think that my amendment ought to be acted upon first.

The CHAIRMAN. The Clerk will report the amendment of the gentleman from Virginia. As the Chair understands the amendment, the gentleman proposes to substitute 6 months in place of 90 days?

Mr. MANN. In section 10.

Mr. JONES. In section 10.

The CHAIRMAN. In the amendment adopted to section 10 on yesterday?

Mr. JONES. Yes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The amendment was agreed to.

Mr. JONES. Now, Mr. Chairman, at the suggestion of the gentleman from Minnesota [Mr. MILLER] I ask unanimous consent to return to section 9 so that I may be permitted to offer an amendment to the amendment which was adopted to that section.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent to return to section 9 to offer an amendment to the amendment already adopted to that section. Is there objection?

There was no objection.

Mr. JONES. Mr. Chairman, that amendment came in at the top of page 8, on the first line, and I move that the words "6 months" be substituted for the words "90 days," as they appear in that amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend the amendment by striking out "90 days" and inserting in lieu thereof "6 months."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GARRETT of Tennessee. Mr. Chairman, did I understand that section 14 has been read?

The CHAIRMAN. It has; but it has been read with the understanding that it is open to amendment.

Mr. GARRETT of Tennessee. Mr. Chairman, on yesterday afternoon, just before we adjourned, an amendment was adopted to section 13 which struck out the language at the end of the paragraph, beginning in line 20, after the word "election":

And who does not own in his individual right property, real or personal, situate in the Philippines.

That was as applied to the senate. I take it that in view that the great fear that the Government of the Philippines might pass into the hands of the plutocrats and the interests, although there was nothing whatever said as to the amount of property

which anyone should own, that it would be wise to protect against that same danger in section 14, in respect to the members of the house of representatives, and consequently I offered to amend by striking out, in line 6, on page 11, after the word "language," the words:

And who does not own in his individual right property, real or personal, situate in the Philippines.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Tennessee.

The Clerk read as follows:

Page 11, lines 6, 7, and 8, after the word "language," in line 6, strike out the words "and who does not own in his individual right property, real or personal, situate in the Philippines."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MILLER. Mr. Chairman, I move to amend line 8, page 11, by striking out the words "a bona fide" and inserting in lieu thereof the words "an actual." I notice in the qualifications requisite for senators, in paragraph 13, that the senator must be an "actual" resident. There might be some conflict as between the words "an actual" and "a bona fide."

Mr. JONES. Mr. Chairman, the statement of the gentleman as to the other section is entirely correct. I had supposed that the words were synonymous, but I am willing to accept the amendment and make it "an actual" instead of "a bona fide."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, page 11, line 8, by striking out the words "a bona fide" and inserting in lieu thereof "an actual."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Minnesota.

The amendment was agreed to.

Mr. MILLER. Mr. Chairman, I move to strike out the last word for the purpose of making an inquiry of the gentleman from Virginia. I call attention to the language in line 9 on page 11:

From which elected for at least one year prior to his election.

Does the chairman of the committee not think it would be better if that were to read "from which elected for at least one year next preceding his election"?

I can readily perceive that a man might be elected who has been a resident of that district for a year, but which residence might have been 15 or 20 years back, and still be prior. I do not want to be captious or anything like that, but it seems to me it might be in the interest of clearness to make that "immediately prior" or "next preceding."

Mr. JONES. I have no objection to inserting the word "immediately."

Mr. MILLER. I move to amend line 9, after the word "year," by inserting the word "immediately."

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, page 11, line 9, by inserting after the word "year" the word "immediately."

The amendment was agreed to.

Mr. GARRETT of Tennessee. Mr. Chairman, if that amendment is adopted, of course it ought to be uniform, and I ask unanimous consent to return to section 13, and in line 20, on page 10, to insert the word "immediately" after the word "year."

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to return to section 13 to insert an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, page 10, line 20, by inserting after the word "year" the word "immediately."

The CHAIRMAN. Is there objection?

There was no objection.

The amendment was agreed to.

Mr. STAFFORD. Mr. Chairman, a parliamentary inquiry. Am I to understand that the amendment suggested by the gentleman from Iowa [Mr. TOWNER] to change "quadrennial," in line 25, to "triennial" has been adopted?

The CHAIRMAN. That amendment has been adopted.

Mr. MOORE. Mr. Chairman, I move to strike out the last two words for the purpose of asking a question regarding the same matter. The gentleman from Tennessee has just suggested that there should be uniformity in the bill. In view of the adoption of the amendment as to "quadrennial" and "triennial," why should we not express it in years, "three years," as you do in section 13? This, of course, would involve going back again, but you say in section 13 as amended that the terms of senators shall be six years. Then, with respect to the members of the house of representatives, in section 14, you say "triennially." Why not make it "three years," so as to have it uniform?

Mr. JONES. The word "triennially" has been substituted for the word "quadrennially" because the term has been changed from a four-year to a three-year term. The amendment was offered by the gentleman from Iowa [Mr. TOWNER]. I think the gentleman will agree with me that there can be no question as to the meaning of the word.

Mr. MOORE. There is no question as to the meaning.

Mr. JONES. It can not possibly lead to any confusion.

Mr. MOORE. I was simply suggesting that there should be uniformity of expression in two sections, which will be read together.

Mr. JONES. That expression is found in many of the constitutions of the States, and I think there can be no trouble about it.

Mr. MOORE. Very well.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Every male citizen of the Philippines 21 years of age or over (except insane and feeble-minded persons and those convicted in a court of competent jurisdiction of an infamous offense since the 13th day of August, 1898), who shall have been a resident of the Philippines for one year and of the municipality in which he shall offer to vote for six months, and who is comprised within one of the following classes.

Mr. MANN. Mr. Chairman, a parliamentary inquiry. Is this paragraph now open to amendment?

The CHAIRMAN. It is.

Mr. MANN. Then I offer an amendment.

The CHAIRMAN. The gentleman from Illinois offers an amendment which the Clerk will report.

The Clerk read as follows:

Amend, on page 11, line 15, before the word "citizen," strike out the word "male," and in line 21, after the word "he," insert the words "or she."

Mr. MOORE. Mr. Chairman, a parliamentary inquiry. Is this the proper place to offer an amendment? The section has not yet been read in full.

The CHAIRMAN. The agreement was that on the reading of each paragraph it should be open to amendment.

Mr. MOORE. Very well.

Mr. MANN. Mr. Chairman, I do not know how much debate there will be upon this proposition. Perhaps it might be wise to reach an agreement in advance.

Mr. JONES. Mr. Chairman, I ask that the debate be limited to 10 minutes. I hope that will be satisfactory.

Mr. MILLER. Oh, I want some time on this.

Mr. JONES. I will ask the gentleman from Iowa [Mr. TOWNER] if he does not think that will be satisfactory?

Mr. STAFFORD. The gentleman from Iowa [Mr. TOWNER] is temporarily out of the Chamber. The gentleman from Minnesota [Mr. MILLER] can speak for him.

Mr. MILLER. This is a very important amendment, and while it seems to have been greeted with smiles by many, I do not think it should be treated in that way.

Mr. MANN. Does anybody else want to be heard?

Mr. MILLER. I think we ought to have at least 20 minutes on each side.

Mr. JONES. Ten minutes on each side.

Mr. MANN. No; 20 on this side.

Mr. JONES. I hope the gentleman will be satisfied with 20 minutes in all.

Mr. MANN. In my opinion there has been no amendment offered to this bill which is as important as this.

Mr. STAFFORD. And if the gentleman will remember, we have been trying to get the Democratic Party to take some stand on this question during the entire session.

Mr. JONES. I will say to the gentleman that I shall be very glad to take my stand on it.

Mr. MILLER. I ask the gentleman to let us have 20 minutes on a side for the discussion of this.

Mr. JONES. Suppose we compromise on 30 minutes, 15 on a side.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that debate on this amendment be limited to 30 minutes, 15 minutes to be controlled by him and 15 by the gentleman from Minnesota [Mr. MILLER]. Is there objection?

Mr. MILLER. Reserving the right to object, I sincerely trust that the chairman of the committee will give us a little more time.

Mr. JONES. I submit that request for 30 minutes in all. I think that is time enough.

Mr. MILLER. If that is all we can get, I will not offer any objection.

Mr. MANN. We know the gentleman has it within his power to make it less.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MANN. I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Illinois makes the point of order that there is no quorum present. The Chair will count. [After counting.] Seventy-five Members present—not a quorum.

Mr. GARRETT of Tennessee. Mr. Chairman, I move that the committee do now rise.

Mr. JONES. Mr. Chairman, on that motion I demand tellers.

Mr. HEFLIN. I suggest, if the gentleman from Illinois wants to put woman suffrage in the Philippine Islands into this bill, that he include in that proposition relief to the cotton producers of Egypt. [Laughter.]

Mr. MANN. If I can put the gentleman from Alabama into the Philippine Islands, I will confer a very great favor on the country.

Mr. HEFLIN. If we should banish the gentleman from Illinois to the Philippine Islands, we would confer a lasting benefit on the people of the United States.

Mr. GARRETT of Tennessee. How many Members are present?

The CHAIRMAN. Seventy-five.

Mr. GARRETT of Tennessee. I withdraw the motion that the committee rise.

The CHAIRMAN. There is no quorum present. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Ainey	Faison	L'Engle	Riordan
Allen	Farr	Lenroot	Rothermel
Anderson	Fergusson	Lever	Rouse
Ansberry	Fess	Levy	Rupley
Anthony	Fitzgerald	Lewis, Md.	Russell
Austin	Fowler	Lewis, Pa.	Sabath
Baker	Francis	Lindquist	Scully
Bartlett	French	Linthicum	Sells
Bathrick	Gallagher	Loft	Shreve
Bell, Cal.	Gallivan	Logue	Slemp
Britten	Gardner	McAndrews	Smith, Md.
Brockson	George	McClellan	Smith, Saml. W.
Broussard	Gerry	McKenzie	Smith, Minn.
Brown, N. Y.	Gittins	MacDonald	Smith, N. Y.
Browne, Wis.	Goldfogle	Madden	Sparkman
Browning	Gorman	Mahan	Stanley
Bruckner	Graham, Ill.	Maher	Stephens, Cal.
Burgess	Graham, Pa.	Mapes	Stephens, Tex.
Burke, Pa.	Gregg	Martin	Stevens, N. H.
Burke, Wis.	Griest	Merritt	Stout
Calder	Griffin	Metz	Stringer
Callaway	Guernsey	Morin	Sumners
Cantrill	Hamill	Moss, Ind.	Switzer
Carew	Hamilton, N. Y.	Moss, W. Va.	Taylor, N. Y.
Carlin	Harris	Murdock	Temple
Carr	Harrison	Neeley, Kans.	Thacher
Casey	Hart	Nolan, J. I.	Townsend
Chandler, N. Y.	Hinebaugh	Norton	Treadway
Church	Hobson	O'Brien	Underhill
Clancy	Hoxworth	Oglesby	Vare
Connolly, Iowa	Hughes, W. Va.	O'Hair	Vaughan
Conry	Hulings	O'Leary	Volstead
Copley	Keister	O'Shaunessy	Wallin
Cox	Kelley, Mich.	Paige, Mass.	Walsh
Dale	Kelly, Pa.	Palmer	Walters
Difenderfer	Kennedy, R. I.	Parker	Watkins
Donohoe	Kent	Patten, N. Y.	Whitacre
Dooling	Kiess, Pa.	Patton, Pa.	White
Doughton	Kinkead, N. J.	Payne	Willis
Drukker	Knowland, J. R.	Peterson	Wilson, N. Y.
Dunn	Konop	Platt	Winslow
Dupré	Korbly	Plumley	Woodruff
Edmonds	Kreider	Powers	
Elder	Langham	Rainey	
Estopinal	Langley	Reed	

The committee rose; and Mr. SAUNDERS having assumed the chair as Speaker pro tempore, Mr. FLOOD of Virginia, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the bill H. R. 18496, the Philippine bill, finding itself without a quorum, under the rule he caused the roll to be called, whereupon 251 Members answered to their names, and he reported the list of absentees to be entered in the Journal.

The SPEAKER pro tempore. The committee will resume its sitting.

Mr. RAKER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RAKER. Is this amendment open to debate?

The CHAIRMAN. The amendment is open to debate.

Mr. RAKER. I would like to be recognized for five minutes.

The CHAIRMAN. The Chair will recognize the gentleman from Illinois [Mr. MANN].

Mr. MANN. Mr. Chairman, the agreement was that time should be controlled, 15 minutes on a side.

Mr. RAKER. Another parliamentary inquiry. Is the time limited to 30 minutes?

The CHAIRMAN. Yes; to 30 minutes—15 minutes to be controlled by the gentleman from Virginia and 15 minutes by the gentleman from Minnesota.

Mr. RAKER. Mr. Chairman, I would like to have five minutes on this amendment if I can get it.

Mr. JONES. On which side?

Mr. MANN. I am in favor of the amendment.

Mr. MILLER. Mr. Chairman, if I have charge of the time, I yield five minutes to the gentleman from Illinois [Mr. MANN].

Mr. MANN. Mr. Chairman, when the Alaska organic-act bill was before the House in the last Congress creating a legislature in Alaska I offered an amendment to strike out of the provision in reference to voters the word "male." The amendment at that time was defeated in the Committee of the Whole by a tie vote, but subsequently an amendment offered by the gentleman from Wyoming [Mr. MONDELL] was agreed to. That amendment permitted the Legislature of Alaska to authorize women to vote. We are now passing an organic act for the Philippine Islands and fixing the qualification of electors. The bill reads, "every male citizen." I have moved to strike out the word "male." There are other qualifications in the bill. Everybody who lives in the Philippine Islands and is resident or a citizen is not permitted to vote under the terms of this bill, and I have moved to strike out the word "male" for the purpose of having a vote in the House of Representatives on the subject of woman suffrage, and I shall exercise every power that I know how to exercise to put every Member of the House who is willing to go on record on record on this subject, so that the people may know where we individually stand. I believe that the country has reached that point wherein, at least in a majority portion of the country, the people are disposed to grant political equality of the sexes, and we have not here any complication over the jurisdiction of the Federal Government in reference to the qualification of voters in States. There may be a question in the minds of many as to whether the Federal Government could invade the States by constitutional amendment for the purpose of fixing the qualification of voters of the States, but that question can not arise here, because here we are fixing the qualification of voters for the Philippine Islands, and those in this House who favor woman suffrage, either as an abstract or as a concrete proposition, ought to vote for this amendment. [Applause.] Those in this House who arrogate to themselves individual superiority, who believe that men, intellectually and otherwise, are better qualified than women to vote, ought to vote against the amendment. Since we have reached that stage in this country where it is the women who are best educated, where it is the girls who longest go to school and who know the most, in regard to learning at least, we have also reached the stage where men must divide with women the responsibility of government, and we will have to have the matter up from time to time until it is disposed of, because he who thinks that he can prevent the rising tide in favor of woman suffrage would do well to stand on the shores of the Pacific Ocean with a broom and try to sweep back the tide of the ocean. One is as easy to be done as the other. [Applause.]

I yield back any time I may have remaining.

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. SAUNDERS having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed the following order:

Ordered, That the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 14233) to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes, be recommitted to the conference committee.

The message also announced that the Senate had passed joint resolution of the following title, in which the concurrence of the House of Representatives was requested:

S. J. Res. 191. Joint resolution to convey appreciation of Congress to their excellencies Señor Domicio da Gama, Señor Rómulo S. Naón, and Señor Eduardo Suarez for their generous and distinguished services as mediators in the controversy between the Government of the United States and the leaders of the warring parties in Mexico.

The message also announced that the Senate had passed without amendment bill of the following title:

H. R. 13296. An act for the enlargement, etc., of the Wall Street front of the assay office in the city of New York.

THE PHILIPPINE ISLANDS.

The committee resumed its session.

Mr. HEFLIN. Mr. Chairman——

The CHAIRMAN. The gentleman from Virginia is in control of the time on that side.

Mr. JONES. Mr. Chairman, I promised to yield three minutes to the gentleman from the Philippines, the Resident Commissioner [Mr. QUEZON].

Mr. QUEZON. Mr. Chairman, it is evident from the statements made by the gentleman from Illinois [Mr. MANN] that the main purpose of his amendment is to test the sentiment and conviction of this House on the issue of woman suffrage. I submit, Mr. Chairman, that the Philippine bill does not offer the proper opportunity for such a test.

Mr. MANN. Will the gentleman yield?

Mr. QUEZON. With pleasure.

Mr. MANN. It is the only opportunity.

Mr. QUEZON. I beg to disagree with the gentleman; and if he will allow me to continue, I think I shall be able to prove that I am right.

Statesmen have the right to advocate such doctrines as they believe will be embodied in law to further the public good. But I deny that under free institutions legislative bodies have a right to enact such laws when the people whom they represent are not favorable to them. Wise legislation is not the expression of mere theories. It is the adaptation of those theories to the circumstances and conditions of a country, and among free people it should also be in accord with and not against the opinions of the people themselves. These propositions, Mr. Chairman, are nowadays recognized as self-evident truths. If we apply them to the amendment before the committee, we shall conclude that we should vote down the amendment even if in favor of woman suffrage for the United States.

Mr. Chairman, let me say right here that I am personally in favor of equality between men and women. I would not subscribe to the theory that the right to vote belongs exclusively to man because of his sex; and if I were to express a personal opinion, I am not sure but that I should perhaps prefer that our women vote. Speaking, however, as a representative of the Filipino people, women as well as men, I do not believe I should be complying with my duty in that capacity if I supported the amendment introduced by the gentleman from Illinois. Why? Because, while the women of my country are very intelligent, very patriotic, and very much interested in public affairs, the immense majority of them—in fact, practically all of them, so far as I know their will—do not want to vote.

For the information of the committee I will say that a few years ago a woman-suffrage movement was undertaken in Manila, but it ended in complete failure. Few meetings were had, I myself having addressed one of those meetings in my desire to help the movement, so that an expression of public opinion on the subject could be obtained; but it has not been possible to create any interest in this movement either on the part of the men or on the part of the women, still less to find any number of advocates for it. In the Provinces nobody ever attempted to discuss the question, and our women there would be decidedly against it. I hope, therefore, Mr. Chairman, that the committee, in its wisdom, will not care to enforce upon our womanhood this duty of voting. I say "duty," because, while the ballot is a right, once the right has been granted it thereby becomes one of the most important duties of citizenship. Our women being conscientious in the performance of their duties, they would no doubt, in spite of their ideas and their convenience, go to the polls if this amendment were to be adopted.

Mr. Chairman, while I am opposed to the amendment of the gentleman from Illinois, I welcome the opportunity he has thus offered me to say a word or two about Filipino women. An important subject, which has not been considered to the extent that it deserves in this discussion of Philippine matters, is the condition and qualification of our women and the part they play in our life. The Filipino woman occupies a position enjoyed by no other oriental woman. She is what women are in the most enlightened countries in the world. Even before American occupation there were public schools for women; there were many colleges where a high degree of education was given, so that, even at that time, education was not the exclusive patrimony of men. Since the establishment of public schools during the American régime the benefit of this institution of free education has been equally enjoyed by our girls and our boys. Instances are not rare when in our classes the intellectual star shines from among the girls. In the University of the Philippines some of the graduating classes have been headed by girls. The opportunities for college education for girls have been multiplied manifold, and indeed the opportunity they afford has not been lost. In the home the wife is the inspiration of the husband, the mother the molder of the character of the son, the daughter the hope, the consolation, the comfort of the parents. Even in business women are consulted by men. I venture to say, therefore, Mr. Chairman, that the character and intelligence of our women alone would justify our optimism as to the wonderful possibilities of our country. Now, let me give the committee a piece of information taken from volume 2, page 117, of the Philippine Census. It is as follows:

> The number of women who reported themselves as prostitutes was 476, nearly all of whom were in Manila. Of these 75 were white, nearly all the countries of Europe being represented, besides the United States. Two hundred and sixty, or more than half, were yellow, practically all of whom were Japanese, and only 141, or 1 in 25,000 of the female population of the islands were Filipinos. It is rather extraordinary that in this Malay Archipelago seven-tenths of all the prostitutes were from foreign lands, a fact which speaks volumes for the chastity of the Filipinos.

The CHAIRMAN (Mr. SAUNDERS). The time of the gentleman from the Philippines has expired.

Mr. QUEZON. Mr. Chairman, I ask unanimous consent for one minute more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. QUEZON. Mr. Chairman, one more word and I shall be through. Without imposing upon our women the burden of going to the voting places and leaving their work at home the Filipino people are already receiving the benefit of the advice of our women on matters of public interest, because while our women do not vote and do not want to vote they take an interest in public questions and exercise their wholesome influence upon the men.

Therefore, Mr. Chairman, I am sincerely in hope that the amendment will be voted upon, not from the standpoint of the people of the United States, but in conformity with the preference of the Filipino women. [Applause.]

Mr. JONES. Mr. Chairman, I yield five minutes to the gentleman from Alabama [Mr. HEFLIN].

Mr. HEFLIN. Mr. Chairman, I protest against this political play of the gentleman from Illinois [Mr. MANN]. The gentleman is trying at this late hour to come from under cover on the subject of woman suffrage. He is taking up the time of this House discussing suffrage for women in the Philippine Islands, and yet he persists in denying to the people of the South the opportunity of having the cotton situation discussed by Members of the House from that section. There is the gentleman from Wisconsin [Mr. STAFFORD]; he has objected to allowing a plea to be made here for the people of the stricken section. The gentleman was elected the last time, I am told, by the aid of Democratic votes. I trust that the Democrats of Wisconsin will commit no such blunder any more. And there is the gentleman from New York [Mr. PAYNE], an ex-leader on that side, persisting in preventing even a discussion of the question that affects vitally thirty-odd millions of people and a billion-dollar industry; and, Mr. Chairman, I protest against this kind of political play on the part of the much-disturbed gentleman from Illinois, who has been blacklisted by the suffragettes of his State. Here he is trying to institute woman suffrage in the far-away Philippine Islands in order to save his political scalp in the November election. I recall the opposition of the gentleman to a resolution permitting the women to parade here just before Inauguration Day, on the 3d of March, 1913, and in that speech he said that the people of his own political persuasion would not be here in great numbers. Well, Mr. Chairman, the suffragettes were here in full force. They were of some political persuasion. Of whose political persuasion were they, I ask the gentleman? And then, later, when the gentleman from Alabama [Mr. HOBSON] came in and said something about some of the ladies being mistreated in the parade, the gentleman from Wisconsin [Mr. COOPER] rose and made some remark about it, and the gentleman from Illinois [Mr. MANN] said if they—the women—had been at home, where they ought to have been, that would not have occurred.

Mr. MANN. I did not make that statement, and the gentleman's statement, as usual, is erroneous.

Mr. HEFLIN. Mr. Chairman, I state that the gentleman did make that statement and that somebody changed it in the RECORD. I can prove that he made the statement by a dozen Members in this House.

Mr. MANN. I did not make it; but what I did say is in the RECORD.

Mr. HEFLIN. Many of us here remember exactly what the gentleman said, Mr. Chairman. Now the gentleman comes and throws himself in the way of relief to a stricken people in my section and denies discussion of conditions there, and when he

is out of the Chamber he has the gentleman from New York [Mr. PAYNE] object, as he did on yesterday. Yesterday a Member on this side went over and requested him to let him extend his remarks in the RECORD, and Mr. PAYNE said, "Is there anything about cotton in your speech?" He said, "No"; and then he said, "You may print it. I will not permit anything to go in that is about cotton." That is the treatment that a great producing class of our people are receiving at the hands of these Republican Members that I have named. When other sections of the country are in distress the Members from the South respond cheerfully. I voted to appropriate money to relieve the distressed and suffering people of Salem, Mass., when fire destroyed that city, and I heard the cry of the suffering people in San Francisco when the earthquake came, leaving death and destruction in its wake, and I voted for relief for them. But the gentleman from Illinois [Mr. MANN] and the gentleman from Wisconsin [Mr. STAFFORD] object to even a discussion of the distressed condition of the people of the South.

Mr. Chairman, the conduct of these two men does not contribute to the harmonious relation and cordial good feeling between the sections that every patriot in our country knows is the very life and spirit of our great country's peace, happiness, and prosperity. The sooner such men are retired from positions in this House the better it will be for the whole country.

Our requests to be permitted to discuss conditions that injuriously affect 30,000,000 of American people are met with objection from the gentleman from Illinois and the gentleman from Wisconsin [Mr. STAFFORD], but the gentleman from Illinois can take up the time of the House playing politics, advocating woman suffrage for the Philippine Islands. God of our fathers, deliver us from such rot. [Applause on the Democratic side.]

Mr. MILLER. Mr. Chairman, I yield two minutes to the gentleman from Washington [Mr. BRYAN].

Mr. BRYAN. Mr. Chairman, the principal objection I have to this Philippine bill is that it starts out on its face as a fake. It provides at the very beginning, in the title, that it is designed to declare the political status of the Philippine Islands and to provide a more autonomous government, but in truth it does not declare the political status of the Philippine Islands, and it was argued repeatedly that an amendment to the body of the bill after the enacting clause, declaring the political status of the Philippine Islands was out of place, and when offered it was rejected. It was not considered favorably and it was declared to be a violation of the purposes of the committee to incorporate any provision whatever on that subject in the body of the bill.

Now, as to this suffrage proposition: I loath and despise a fake. The Speaker of this House, the Hon. CHAMP CLARK, declares he is for woman suffrage in the State of Missouri; the Secretary of State, William Jennings Bryan, says he is for woman suffrage in the State of Nebraska; the Secretary of the Navy, Mr. Daniels, proclaims that he is in favor of woman suffrage; and a number of the other Democratic leaders declare themselves for it. They say, however, that it is a State issue and not a national one, and in this particular instance you are going to declare here this afternoon either for it in truth, without any faking, without any nonsense, or you are going to declare against it.

Awhile ago I phoned down to the woman-suffrage headquarters and advised them to come here and bring their tablets and to note what goes on where there is no roll call, and we are going to find out whether the Democratic Party stands for suffrage or against it. If you stand against it, like the gentleman from Alabama [Mr. HEFLIN], on principle, and if you believe it is wrong in policy, then you ought to vote and talk that way. That is all right. But what I despise is faking on the proposition, and we have got you now to the point where there can be no faking. [Applause.]

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. JONES. Mr. Chairman, I am informed, and I believe it to be true, that the woman suffragist organizations of this country recently prepared a blacklist, upon which they placed the names of nine Senators and nine Members of the House of Representatives, and that one of the names so placed upon that list was that of the distinguished gentleman from Illinois [Mr. MANN]. It seems to me, therefore, that this is an effort on the part of the gentleman from Illinois to get his name off the woman-suffrage blacklist prior to the November election. [Applause and laughter on the Democratic side.]

The gentleman from Illinois [Mr. MANN] says that the gentleman from Alabama [Mr. HEFLIN] misquoted him as to what took place in a colloquy between the gentleman from Wisconsin [Mr. COOPER] and himself. However that may be, Mr. Chairman, I wish to say that on March 1 of last year, a few days prior to the inauguration, the gentleman from Alabama [Mr. HEFLIN], whom everybody recognizes as a leading opponent to woman suffrage, yielded five minutes of the time allotted to him to voice his opposition to the gentleman from Illinois [Mr. MANN], in order that he might speak on the same side of the question. [Laughter on the Democratic side.]

Mr. MANN. I am ashamed of that—that I ever spoke on the same side with him. [Laughter.]

Mr. HEFLIN. You are not as ashamed of it as I am. [Renewed laughter.]

Mr. MANN. The shame is mutual, then. [Laughter.]

Mr. JONES. The gentleman from Illinois on that occasion read, or had read, a letter from the president of the Capital Traction Co., of this city, protesting against permitting the women to parade on Pennsylvania Avenue; and after having read it, the gentleman proceeded to say—I read from the RECORD:

> If the House desires to hold up transportation for practically the afternoon, it is within the power of the House to do so. But I submit that it is not fair to the strangers who come here, practically invited for Inauguration Day, to subject them to this inconvenience and probably render impossible the reaching of their destination during the afternoon.

That was on the 1st day of March. On the 3d day of March, after permission had been granted for the parade and the ladies had paraded the Avenue, Mr. HOBSON addressed the House, protesting against certain bad treatment which he alleged they had received on that occasion. Among other things Mr. HOBSON said:

> I have been called over the telephone since then and told by a lady that her young daughter was on one of the floats, and a ruffian climbed on the float and insulted her daughter.
>
> Mr. MANN. Her daughter ought to have been at home.
>
> [Laughter and applause on the Democratic side.]

Mr. MANN. If that comforts the gentleman, that is all right.

Mr. JONES. Now, I do not perceive much distinction between that and what the gentleman from Alabama [Mr. HEFLIN] alleged.

Mr. MANN. It is a very great distinction.

Mr. JONES. I am willing to submit that to the House. It was charged by Mr. HOBSON that a lady, not walking on the street but riding on a float, was insulted by a ruffian, who climbed on the float and insulted her; and the gentleman from Illinois, instead of sympathizing with what Mr. HOBSON said, and with the young lady who was insulted, rose from his seat and declared that he thought she ought to have been at home, thereby intimating that the treatment she received was just what she deserved to have received. [Laughter on the Democratic side.]

Mr. Chairman, I reserve the rest of my time.

Mr. MILLER. Mr. Chairman, I yield one minute to the gentleman from Illinois [Mr. MANN].

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] is recognized for one minute.

Mr. MANN. Mr. Chairman, the answer which I usually receive on the other side of the House when I submit a proposition is personal abuse, which has nothing to do with the situation. I protested two years ago against giving Pennsylvania Avenue up for the parade for the reasons stated, that it would be impossible to manage the crowd and prevent insults to women. I said then what I still believe, that it was inadvisable to do it on Pennsylvania Avenue, and I do not think now any more than I did then that a young girl should have her place on a float, passing up Pennsylvania Avenue, in the midst of a crowd of Democrats assembled in Washington, who were sure to insult her. [Applause and laughter on the Republican side.]

[Here followed words subsequently ordered by the House to be stricken out.]

Mr. HAY. Mr. Chairman, I demand that those words be taken down.

Mr. HEFLIN. Mr. Chairman, I ask that the gentleman's words be taken down, and I repudiate his statement as that of a man unworthy of a seat on this floor.

Mr. MANN. Let them be taken down.

Mr. HEFLIN. The statement as made is without foundation and unjustified from any source.

Mr. MANN. Mr. Chairman, I ask for order. The gentleman from Alabama is obviously out of order.

The CHAIRMAN. The Official Reporter will send up the words to the Clerk's desk. The Clerk will read from the desk the words complained of.

The Clerk read as follows:

> I thought it was better for the young girl to be at home than in that parade, for fear the gentleman from Alabama should have seen her. He would have been sure to have insulted her.

Mr. STAFFORD. I question that that is a report of the gentleman's words.

Mr. MILLER. I submit that is not the entire statement of the gentleman from Illinois.

The CHAIRMAN. That question may be raised later. The gentleman from Alabama will please take the chair as Speaker pro tempore.

The committee rose, and Mr. UNDERWOOD took the chair as Speaker pro tempore.

Mr. SAUNDERS. Mr. Speaker, as Chairman of the Committee of the Whole I report that in the Committee of the Whole a request was made that words of the gentleman from Illinois [Mr. MANN], which were complained of, should be taken down. This was directed to be done, and in conformity with the rule I report now to the House the language complained of, which was uttered by the gentleman from Illinois [Mr. MANN], those words being:

> I thought it was better for the young girl to be at home than in that parade, for fear the gentleman from Alabama should have seen her. He would have been sure to have insulted her.

In conformity with the rules I make this report to the House.

The SPEAKER pro tempore. Is the report of the committee questioned by any Member?

Mr. MILLER. Mr. Speaker, that may have been a portion of the statement made by the gentleman from Illinois, but it certainly is not a complete report of the statement which he made, and standing by itself I do not think it is a proper foundation upon which to make a determination of the matter.

The SPEAKER pro tempore. Does the Chair understand the gentleman from Minnesota that he questions the report?

Mr. MILLER. I do.

The SPEAKER pro tempore. The Chair will put the question. The question before the House is, Are the words reported from the committee to the House the words spoken by the gentleman from Illinois?

Mr. TOWNER. Mr. Speaker, a parliamentary inquiry.

Mr. HAY. I make the point of order that this is not debatable.

Mr. TOWNER. Is it not proper to have all the words of the gentleman's statement before the House? It may be that the House will determine that those particular words were used, and yet in order to determine the correctness of the report all the words used in connection with them ought to be reported to the House.

Mr. DONOVAN. A point of order, Mr. Speaker.

The SPEAKER pro tempore. Will the gentleman permit the Chair to answer the parliamentary inquiry? The Chair is unable to go beyond the report of the Chairman of the Committee of the Whole. It is for the House to accept the report or not, as it desires.

Mr. MILLER. Mr. Speaker, another parliamentary inquiry. I notice the language used by the Chair in putting the matter before the House was, "Were these words used?" Now, I do not deny that those were some of the words used, but the gentleman said something before that, and standing by themselves they are an incomplete statement.

Mr. HAY. Mr. Speaker, the question is not debatable.

The SPEAKER pro tempore. It is not debatable. The Chair sustains the point of order. The gentleman may make a parliamentary inquiry if he desires. If not, the Chair will put the question.

Mr. MILLER. Is it not proper for the Chair to have all the language of the gentleman from Illinois read?

Mr. DONOVAN. Mr. Speaker, when a point of order has been sustained against the gentleman he should take his seat.

The SPEAKER pro tempore. The gentleman is submitting a parliamentary inquiry.

Mr. MILLER. Would it be proper for the Chair to put the question in this form: Were the words which have been reported a complete and correct statement of the remarks of the gentleman from Illinois?

The SPEAKER pro tempore. The Chair has presented the question to the House in the form which is usual in such cases, and has followed the precedent.

Mr. MILLER. Another parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state it.

Mr. MILLER. Before the committee rose I rose and asked recognition for the purpose of having a complete statement of the words uttered by the gentleman from Illinois—for the purpose of having the statement completed—but was denied that recognition by the Chairman.

The SPEAKER pro tempore. That is not a question for the Chair to determine.

Mr. MILLER. May I put a question: What redress can there possibly be for a situation of that kind?

The SPEAKER pro tempore. The gentleman is exercising his right now by demanding a vote on this question. If the House votes that these were not the words used, then the words can be corrected, but the question as put by the Chair must first be determined.

Mr. STAFFORD. Mr. Speaker, I make the point of order that there is no quorum present.

Mr. MANN. I hope the gentleman will not do that. I ask the gentleman to withdraw that.

The SPEAKER pro tempore. The gentleman from Wisconsin makes the point of order that there is no quorum present. The Chair will count.

Mr. STAFFORD. Mr. Chairman, I withdraw the point of no quorum.

The SPEAKER pro tempore. The gentleman withdraws the point of no quorum. The question then is, Are the words reported by the committee the words used by the gentleman from Illinois?

Mr. RAGSDALE. A parliamentary inquiry, Mr. Speaker. In voting on that proposition do I have to vote yea or nay that those were the identical words and that no other words were used?

The SPEAKER pro tempore. The question is, Are the words reported from the committee to the House the words spoken by the gentleman from Illinois?

Mr. CARTER. He does not have to vote that those were all the words, and that the gentleman did not use any other words except this identical language.

The SPEAKER pro tempore. Of course this is not understood to be the entire speech of the gentleman from Illinois. The question is whether he used the words that were taken down and reported to the House by the Chairman of the Committee of the Whole.

Mr. MOORE. Does the motion now before the House affect the accuracy of these words?

The SPEAKER pro tempore. To the extent of whether or not the words are the words used by the gentleman from Illinois.

Mr. MOORE. If we vote "aye," we affirm the accuracy of the reported words?

The SPEAKER pro tempore. Yes.

The question was taken; and on a division (demanded by Mr. MILLER) there were 52 ayes and 50 noes.

The SPEAKER pro tempore. What disposition does the House desire to make of the matter? A motion that the gentleman proceed in order is in order.

Mr. MANN. Mr. Speaker, I could not proceed in order in the House, and besides my time was exhausted.

Mr. HAY. Mr. Speaker, I move that the words of the gentleman from Illinois be stricken from the RECORD.

The SPEAKER pro tempore. The gentleman from Virginia moves that the words used by the gentleman from Illinois be stricken from the RECORD.

Mr. MANN. Mr. Speaker, I would like to be heard on that. While the words which the majority side of the House has declared were the words I uttered in debate were not the words that I used, I do not desire to criticize or quarrel with the reporters. I did use some words in animadversion of the gentleman from Alabama. I remember very distinctly the occasion in reference to the granting of permission for that parade. The gentleman from Alabama [Mr. HEFLIN] had the floor and made a speech in this House which, in my judgment, made everybody in the House blush with shame. Most of the speech was left out of the RECORD.

Mr. HEFLIN. Mr. Speaker, I protest against this cowardly man using such expressions about me.

Mr. STAFFORD. Mr. Speaker, I call the gentleman from Alabama to order.

Mr. MANN. Let it go on; I can take care of myself.

Mr. HEFLIN. I ask that the gentleman's words be taken down. I do not propose to sit here and permit this man, who knows nothing and cares nothing for the rules of decent procedure, to insult me.

The SPEAKER pro tempore. The gentleman from Illinois has the floor.

Mr. MANN. And is proceeding in order.

Mr. HEFLIN. I demand that his words be taken down.

The SPEAKER pro tempore. The gentleman has a right to have the words taken down if he will indicate what the words are.

Mr. MANN. I am waiting patiently, Mr. Speaker. Is my time running?

The SPEAKER pro tempore. The gentleman from Alabama will have to indicate what words he wishes taken down.

Mr. HEFLIN. I will withdraw the demand, Mr. Speaker, for the present.

Mr. MANN. What I stated was true and in order. We all who were here heard the speech of the gentleman from Alabama. It was an insult to womanhood.

Mr. HEFLIN. Mr. Speaker, the Member from Illinois is a liar.

The SPEAKER pro tempore. The gentleman from Alabama will be in order.

Mr. PAYNE. Mr. Speaker, I ask that the words of the gentleman from Alabama be taken down.

Mr. MANN. I hope that request will not be made, Mr. Speaker. The gentleman from Alabama does not disturb me.

Mr. HEFLIN. I ask the gentleman from Illinois not to indulge in talk of that kind any more to-day on this floor.

The SPEAKER pro tempore. Does the gentleman from New York insist upon his demand?

Mr. PAYNE. No, Mr. Speaker; it will all be in the RECORD, and I will withdraw it.

Mr. MANN. Mr. Speaker, I do not wonder that the gentleman from Alabama is tender of criticism. If I had made that speech which he made against womanhood I would never have wanted anybody else to have referred to it and I should want to forget it myself. It is a credit to the gentleman from Alabama now that he resents any reference to that speech. It is the best sign that I have seen exhibited by the gentleman from Alabama that he has a conscience and a memory to recollect some facts.

Mr. GARRETT of Tennessee. Mr. Speaker, I rise to a point of order.

The SPEAKER pro tempore. The gentleman will state it.

Mr. GARRETT of Tennessee. I make the point of order that the gentleman from Illinois is not discussing the matter before the House.

Mr. MANN. It seems to me that I am.

The SPEAKER pro tempore. The motion before the House is a motion to strike out the words used by the gentleman from Illinois and reported to the House. The question is as to the propriety of striking out those words. The Chair is of opinion that the gentleman from Illinois should confine himself within a reasonable scope.

Mr. MANN. I am endeavoring to do so. I do not intend to detain the House very long. I thought then and I still think that the speech that was made by the gentleman from Alabama was an insult to womanhood. If I could use unparliamentary language, which I shall not, I would tell what I thought with reference to the speech about the House itself. The words that I just spoke, though somewhat changed by the reporter, were fully justified by the recollection which I have and which other Members in this House have of that speech which was made by the gentleman from Alabama, the most disgusting portions of which were, fortunately, left out of the RECORD.

Mr. GARNER. Will the gentleman yield?

Mr. MANN. Yes.

Mr. GARNER. Will the gentleman state his recollection of the words that are proposed to be stricken out of the RECORD? The gentleman says that those are not the words spoken by him. I was not in the Chamber at the time, and if he would not mind, I for one would like to know just what the words were and which we are now moving to strike out of the RECORD.

Mr. MANN. Mr. Speaker, I stated, justifying a position which gentlemen were criticizing in reference to my action when the resolution was before the House concerning the woman suffrage parade, that I then thought there was danger of insults to the women from the crowds coming to town, and added, facetiously, by the Democratic crowds coming to town. Then I added that the gentleman from Alabama [Mr. HEFLIN], who just rose and presented himself, himself might be one of the crowd from whom the women would suffer.

Mr. HAY. Mr. Speaker, it is extremely painful to me to have had to ask that the words of the gentleman from Illinois [Mr. MANN] be taken down, but I am firmly persuaded that the dignity of this House should be preserved. The gentleman now says that he did not make the remark which was read from the Clerk's desk, and which the House determined he had made. I can only say that I am sure that the reporters of this House are accurate, that they are wholly impartial, and that in this instance—because I was paying very close attention to what the gentleman was saying—the words taken down by the reporter were the words which I heard, and which other gentlemen sitting around me heard, and I thought it was my duty as a Member of this House, when it was stated by another Member that the gentleman from Alabama [Mr. HEFLIN] would have insulted a woman, to ask that those words be taken down; and I think we are now acting as mildly as the occasion will permit in asking that the words be stricken from the RECORD.

Mr. GARNER. Mr. Speaker, I desire to submit a request for unanimous consent. I presume there is not a Member of this House who is not jealous of its dignity and its reputation throughout the country. There has been language used, even since these words were taken down, that ought not to be used in the House of Representatives, and I ask unanimous consent that the entire proceedings be stricken from the RECORD and that the order under consideration be vacated.

The SPEAKER pro tempore. The gentleman from Texas asks unanimous consent that the entire proceedings from the beginning of this controversy be stricken from the RECORD. Is there objection.

Mr. MANN. Mr. Speaker, I think the RECORD would better show the proceedings that took place. There will be a long fight over woman suffrage.

The SPEAKER pro tempore. The gentleman from Illinois objects. The question before the House is the motion of the gentleman from Virginia [Mr. HAY] to strike from the RECORD the language used by the gentleman from Illinois [Mr. MANN].

The question was taken; and on a division (demanded by Mr. STAFFORD) there were—ayes 72, noes 43.

Mr. STAFFORD. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. Evidently there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll. The question is on striking the words objected to from the RECORD.

The question was taken; and there were—yeas 153, nays 66, answered "present" 10, not voting 199, as follows:

YEAS—153.

Abercrombie	Dickinson	Hughes, Ga.	Rauch
Adamson	Dies	Hull	Rayburn
Aiken	Dixon	Humphreys, Miss.	Reilly, Wis.
Alexander	Donovan	Igoe	Rubey
Ashbrook	Doolittle	Jacoway	Rucker
Aswell	Doremus	Johnson, Ky.	Saunders
Bailey	Driscoll	Jones	Seldomridge
Baltz	Eagan	Keating	Sherwood
Barkley	Eagle	Kennedy, Conn.	Smith, Tex.
Barnhart	Edwards	Kettner	Stedman
Beakes	Evans	Kirkpatrick	Stephens, Miss.
Beall, Tex.	Fields	Lazaro	Stephens, Nebr.
Booher	Finley	Lee, Ga.	Stephens, Tex.
Bowdle	FitzHenry	Lee, Pa.	Stone
Brodbeck	Flood, Va.	Lesher	Taggart
Brown, W. Va.	Floyd, Ark.	Lieb	Talbott, Md.
Brumbaugh	Gard	Lloyd	Talcott, N. Y.
Buchanan, Tex.	Garner	Lobeck	Tavenner
Bulkley	Garrett, Tenn.	Lonergan	Taylor, Ark.
Burnett	Garrett, Tex.	McGillicuddy	Taylor, Colo.
Byrns, Tenn.	Gill	McKellar	Ten Eyck
Cantor	Gilmore	Maguire, Nebr.	Thomas
Cantrill	Glass	Mitchell	Thompson, Okla.
Caraway	Goeke	Montague	Tribble
Carlin	Goodwin, Ark.	Moon	Tuttle
Carter	Gordon	Morgan, La.	Underwood
Clark, Fla.	Gray	Morrison	Vaughan
Cline	Gudger	Moss, Ind.	Vollmer
Coady	Hamlin	Oldfield	Watson
Collier	Hammond	Padgett	Weaver
Connelly, Kans.	Hardwick	Page, N. C.	Webb
Crisp	Hardy	Park	Williams
Crosser	Hay	Peterson	Wilson, Fla.
Cullop	Helm	Phelan	Wingo
Davenport	Henry	Post	Witherspoon
Decker	Hensley	Pou	Young, Tex.
Deitrick	Holland	Quin	
Dent	Houston	Ragsdale	
Dershem	Howard	Raker	

NAYS—66.

Avis	Fordney	Kennedy, Iowa	Rogers
Barchfeld	Gillett	Kindel	Scott
Bartholdt	Good	La Follette	Sinnott
Barton	Green, Iowa	Lindbergh	Sloan
Browne, Wis.	Greene, Mass.	McGuire, Okla.	Smith, Idaho
Bryan	Greene, Vt.	McLaughlin	Smith, J. M. C.
Burke, S. Dak.	Hamilton, Mich.	Miller	Stafford
Campbell	Hamilton, N. Y.	Mondell	Steenerson
Cary	Haugen	Moore	Stevens, Minn.
Curry	Hawley	Morgan, Okla.	Sutherland
Danforth	Hayes	Mott	Thomson, Ill.
Davis	Helgesen	Nelson	Towner
Dillon	Hinds	Parker	Volstead
Dunn	Howell	Payne	Woods
Esch	Humphrey, Wash.	Plumley	Young, N. Dak.
Fairchild	Johnson, Wash.	Porter	
Falconer	Kahn	Roberts, Mass.	

ANSWERING "PRESENT"—10.

Bartlett	Butler	Heflin	Mann
Bell, Ga.	Cox	Manahan	Taylor, Ala.
Borchers	Goulden		

NOT VOTING—199.

Adair	Anthony	Blackmon	Brown, N. Y.
Ainey	Austin	Borland	Browning
Allen	Baker	Britten	Bruckner
Anderson	Bathrick	Brockson	Buchanan, Ill.
Ansberry	Bell, Cal.	Broussard	Burgess

Burke, Pa.	Godwin, N. C.	Lewis, Pa.	Rupley
Burke, Wis.	Goldfogle	Lindquist	Russell
Byrnes, S. C.	Gorman	Linthicum	Sabath
Calder	Graham, Ill.	Loft	Scully
Callaway	Graham, Pa.	Logue	Sells
Candler, Miss.	Gregg	McAndrews	Shackleford
Carew	Griest	McClellan	Sherley
Carr	Griffin	McKenzie	Shreve
Casey	Guernsey	MacDonald	Sims
Chandler, N. Y.	Hamill	Madden	Sisson
Church	Harris	Mahan	Slayden
Clancy	Harrison	Maher	Slemp
Claypool	Hart	Mapes	Small
Connolly, Iowa	Hayden	Martin	Smith, Md.
Conry	Helvering	Merritt	Smith, Minn.
Cooper	Hill	Metz	Smith, N. Y.
Copley	Hinebaugh	Morin	Smith, Saml. W.
Cramton	Hobson	Moss, W. Va.	Sparkman
Dale	Hoxworth	Mulkey	Stanley
Difenderfer	Hughes, W. Va.	Murdock	Stephens, Cal.
Donohoe	Hulings	Murray	Stevens, N. H.
Dooling	Johnson, S. C.	Neeley, Kans.	Stout
Doughton	Johnson, Utah	Neely, W. Va.	Stringer
Drukker	Keister	Nolan, J. I.	Sumners
Dupré	Kelley, Mich.	Norton	Switzer
Edmonds	Kelly, Pa.	O'Brien	Taylor, N. Y.
Elder	Kennedy, R. I.	Oglesby	Temple
Estopinal	Kent	O'Hair	Thacher
Faison	Key, Ohio	O'Leary	Townsend
Farr	Kiess, Pa.	O'Shaunessy	Treadway
Fergusson	Kinkaid, Nebr.	Paige, Mass.	Underhill
Ferris	Kinkead, N. J.	Palmer	Vare
Fess	Kitchin	Patten, N. Y.	Walker
Fitzgerald	Knowland, J. R.	Patton, Pa.	Wallin
Foster	Konop	Peters	Walsh
Fowler	Korbly	Platt	Walters
Francis	Kreider	Powers	Watkins
Frear	Lafferty	Prouty	Whaley
French	Langham	Rainey	Whitacre
Gallagher	Langley	Reed	White
Gallivan	L'Engle	Reilly, Conn.	Willis
Gardner	Lenroot	Riordan	Wilson, Fla.
George	Lever	Roberts, Nev.	Winslow
Gerry	Levy	Rothermel	Woodruff
Gittins	Lewis, Md.	Rouse	

So the motion to strike out the words objected to was adopted.

The Clerk announced the following pairs:

On this vote:

Mr. BARTLETT (for) with Mr. BUTLER (against striking out).

Until otherwise ordered:

Mr. MANAHAN with Mr. GREGG.

Ending to-day:

Mr. BELL of Georgia with Mr. HAYES.

Until further notice:

Mr. RAINEY with Mr. LEWIS of Pennsylvania.

Mr. STEVENS of New Hampshire with Mr. PAIGE of Massachusetts.

Mr. WATKINS with Mr. SLEMP.

Mr. BROWN of New York with Mr. MERRITT.

Mr. MCANDREWS with Mr. WILLIS.

Mr. ANSBERRY with Mr. FESS.

Mr. CALLAWAY with Mr. BURKE of Pennsylvania.

Mr. BURKE of Wisconsin with Mr. BRITTEN.

Mr. CHURCH with Mr. COPLEY.

Mr. CONRY with Mr. FRENCH.

Mr. LOFT with Mr. J. R. KNOWLAND.

Mr. ADAIR with Mr. ANDERSON.

Mr. ALLEN with Mr. ANTHONY.

Mr. BAKER with Mr. AUSTIN.

Mr. BATHRICK with Mr. BELL of California.

Mr. BLACKMON with Mr. CALDER.

Mr. BORLAND with Mr. COOPER.

Mr. BROCKSON with Mr. DRUKKER.

Mr. BROUSSARD with Mr. EDMONDS.

Mr. BRUCKNER with Mr. FARR.

Mr. BUCHANAN of Illinois with Mr. FREAR.

Mr. BURGESS with Mr. GRAHAM of Pennsylvania.

Mr. BYRNES of South Carolina with Mr. GRIEST.

Mr. CANDLER of Mississippi with Mr. GUERNSEY.

Mr. CASEY with Mr. HINEBAUGH.

Mr. CLANCY with Mr. HULINGS.

Mr. CLAYPOOL with Mr. JOHNSON of Utah.

Mr. DALE with Mr. KEISTER.

Mr. DIFENDERFER with Mr. KELLEY of Michigan.

Mr. DONOHOE with Mr. KENNEDY of Rhode Island.

Mr. DOUGHTON with Mr. KIESS of Pennsylvania.

Mr. DUPRÉ with Mr. KINKAID of Nebraska.

Mr. FAISON with Mr. KREIDER.

Mr. FERRIS with Mr. LANGHAM.

Mr. FITZGERALD with Mr. LANGLEY.

Mr. FOSTER with Mr. LINDQUIST.

Mr. FRANCIS with Mr. MADDEN.

Mr. GALLAGHER with Mr. MAPES.

Mr. GALLIVAN with Mr. MARTIN.

Mr. GODWIN of North Carolina with Mr. MORIN.

Mr. GOLDFOGLE with Mr. Moss of West Virginia.

Mr. GORMAN with Mr. MCKENZIE.

Mr. GRAHAM of Illinois with Mr. J. I. NOLAN.

Mr. HARRISON with Mr. NORTON.

Mr. JOHNSON of South Carolina with Mr. PATTON of Pennsylvania.

Mr. KITCHIN with Mr. PETERS.

Mr. LEVER with Mr. PLATT.

Mr. LEWIS of Maryland with Mr. POWERS.

Mr. LINTHICUM with Mr. PROUTY.

Mr. MULKEY with Mr. ROBERTS of Nevada.

Mr. NEELEY of Kansas with Mr. SELLS.

Mr. PALMER with Mr. SHREVE.

Mr. PATTEN of New York with Mr. SAMUEL W. SMITH.

Mr. ROUSE with Mr. SMITH of Minnesota.

Mr. SABATH with Mr. STEPHENS of California.

Mr. SHACKLEFORD with Mr. SWITZER.

Mr. SHERLEY with Mr. TEMPLE.

Mr. SLAYDEN with Mr. TREADWAY.

Mr. SMALL with Mr. WALTERS.

Mr. TOWNSEND with Mr. VARE.

Mr. SPARKMAN with Mr. WINSLOW.

Mr. SUMNERS with Mr. WOODRUFF.

For the session:

Mr. TAYLOR of Alabama with Mr. HUGHES of West Virginia.

Mr. SCULLY with Mr. BROWNING.

Mr. METZ with Mr. WALLIN.

Mr. MANAHAN. Mr. Speaker, I am paired. I voted "no," and I desire to change my vote to "present."

The name of Mr. MANAHAN was called, and he answered "Present."

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. A quorum is present, the Doorkeeper will open the doors, and the automatic call is dispensed with.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. RUSSELL, for three days, on account of sickness.

To Mr. MAPES (on request of Mr. MCLAUGHLIN), indefinitely, on account of a death in his family.

THE PHILIPPINE ISLANDS.

The SPEAKER pro tempore. Under a special order of the House the House automatically resolves itself into the Committee of the Whole House on the state of the Union for the further consideration of the Philippine bill.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 18459, with Mr. SAUNDERS in the chair.

Mr. MILLER. Mr. Chairman, may I ask how the time stands?

The CHAIRMAN. The Chair will inform the gentleman in a moment. The gentleman from Virginia has one minute left, and the gentleman from Minnesota has seven minutes left.

Mr. MILLER. Mr. Chairman, I yield four minutes to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Chairman, I understand that the women of the Philippine Islands are highly intelligent and very capable; that they have the truly womanly traits of grace and modesty and, in addition, a splendid capacity for questions of business and government.

Mr. JONES. Will the gentleman permit a question?

The CHAIRMAN. Does the gentleman yield?

Mr. MONDELL. I regret I have not the time. A friend who knows the Filipino people well and admires them tells me that the Philippine women, who would be given suffrage under this provision, "are the best men in the islands," and that their husbands largely depend on their judgment in matters of business, and would, I am sure, be glad to consult with them on matters of government. Aye, Mr. Chairman, the world does move. The gentleman from Illinois offered an amendment, which was rejected, to give to the women of far Alaska the suffrage. Fortunately it was secured through an amendment which I offered later. The world does move. The question of suffrage is no longer a joke with even the gentleman from Alabama [Mr. HEFLIN]. Time was when suffrage for woman was mentioned that gentleman shook the archæological joke tree and retailed jokes which a Texas friend of mine once referred to as jokes that were "stricken with paresis in the days of old Rameses." [Laughter and applause.] Those were the days when his references to woman suffrage was larded with salacious and suggestive jokes—jokes that had to be toned down before they were printed in the RECORD; but even as modified they show to the understanding minds what was intended, and

if what was intended was not an insult, then the gentleman should have chosen other language for his expression. Aye, it is a serious question not only for the gentleman from Alabama but for the gentleman's party. I am told that in the high councils of the party the official spellbinders holding exalted office, who are sent forth, who ought to be here attending to the affairs of Government, are duly warned not to refer to woman suffrage or other troublesome questions in their speeches. But it will not down. The men of this country have made up their minds that they will call to their aid in settling the vexed questions of Government the best and most virtuous half of mankind, and as we have made this determination for ourselves so we propose to give our friends in the Philippines the same advantages and opportunity. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. MILLER. Mr. Chairman, I believe I have three minutes remaining.

The CHAIRMAN. Yes; three minutes.

Mr. MILLER. Mr. Chairman, I am very glad this amendment was offered by the gentleman from Illinois. Had he not offered it, I myself would have done so, and I wish to assure the members of the committee that it is offered with the most serious intent. I listened with interest to the remarks of the gentleman from the Philippines [Mr. QUEZON], in which he paid a very splendid tribute to the womanhood of the islands. I indorse all that he said, and I desire to add something thereto. I believe it is well within the truth to say that the women of the Philippine Islands are fully as competent and capable of exercising political powers as the men of the islands. If it be proper to confer the right of franchise upon the male inhabitants of the islands, it is certainly as highly proper to confer it upon the women of the islands. The gentleman from the Philippines said we should not decide this question according to our political notions and theories applicable to the United States. I agree with him. In view of the conditions existing in the Philippine Islands, if we give to womanhood there the right to vote, in my judgment we will give political power to the best part in the islands. To-day, at this hour, the major part of the business in Filipino hands in the islands is conducted by the women of the islands. It is a historical fact, without any disparagement whatever to the men, that in the home, in the Provinces, in the municipalities, the strength and power of womanhood in business and in politics is strong. The argument that they do not care now to vote, to my mind, has no bearing whatever upon the question. You give them the right to vote, and they will exercise it mighty quickly. If they do not care to vote, no harm has been done.

I firmly believe that if you give to the women the right to vote, you will relieve yourselves of a great many difficulties that may result from conferring franchise upon the male inhabitants alone. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. JONES. Mr. Chairman, I yield the time remaining to me to the gentleman from Tennessee [Mr. GARRETT].

The CHAIRMAN. The gentleman from Tennessee [Mr. GARRETT] is recognized for one minute.

Mr. GARRETT of Tennessee. Mr. Chairman, whatever the merits or demerits of the question of woman suffrage may be, I do not care now to discuss. I have my opinions and convictions concerning the matter, and I have never hesitated to express those opinions or convictions in courteous language on this floor, or to the committees of ladies that have called at my office, or at any other place, or at any other time. But we are making now a great advance in the matter of government for the Philippine Islands. We are increasing the number of voters by enlarging the qualifications of men voters in the islands if this provision in this bill shall remain as fixed. We are making a decided and strong advance, and certainly out on the "rim of the world," in a nation in which even the male citizens have enjoyed a very limited degree of suffrage, is not the place, and this is not the time, to make the experiment with this movement. And I sincerely trust that this committee will not be swept from its feet upon this great proposition, fundamental in character, that we are attempting to work out here for the Filipino people, and bring into it this new experiment, tried only in a very few States of our own country.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RAKER. Mr. Chairman, I was not present when the time was fixed by unanimous consent. I would like to have unanimous consent to proceed for five minutes upon this question.

Mr. MILLER. Reserving the right to object, we made every possible effort to secure more time than that which was finally agreed upon.

Mr. RAKER. I want to say to the gentleman this——

Mr. MILLER. I can not agree to the gentleman's having time.

Mr. RAKER. I am in favor of this amendment.

The CHAIRMAN. The gentleman from Minnesota [Mr. MILLER] objects. The question is on the amendment offered by the gentleman from Illinois [Mr. MANN].

The question was taken, and the Chairman announced that the noes seemed to have it.

Mr. MANN. Mr. Chairman, I ask for a division.

Mr. MILLER. Division, Mr. Chairman.

The committee divided; and there were—ayes 58, noes 82.

Mr. MANN. I ask for tellers, Mr. Chairman.

Tellers were ordered, and Mr. MANN and Mr. JONES took their places as tellers.

The committee again divided; and the tellers reported—ayes 58, noes 84.

So the amendment was rejected.

Mr. TOWNER. Mr. Chairman, I move to amend the paragraph by striking out, on page 11, line 22 and all the remaining lines on that page.

The CHAIRMAN. The Clerk has not read the paragraph as yet.

Mr. TOWNER. Very well. I will withhold it, then, Mr. Chairman.

Mr. MILLER. Mr. Chairman, I desire to be recognized. I have moved to amend, page 11, line 21, after the word "months," by inserting the following words—and I trust that I will have the attention of the committee—"next preceding the day of voting," so that it will read:

One year, and of the municipality in which he shall offer to vote for six months next preceding the day of voting.

Mr. JONES. I have no objection to that.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, on page 11, by inserting, after the word "months," in line 21, the words "next preceding the day of voting."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

(a) Those who prior to the 13th day of August, 1898, held the office of captain municipal, gobernadorcillo, alcalde, tenientes, cabeza de barangay, or member of any ayuntamiento.

(b) Those who own real property to the value of ₱500, or who annually pay ₱30 or more of the established taxes.

(c) Those who are able to read and write either Spanish, English, or a native language.

Mr. TOWNER. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from Iowa offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 11, line 22, strike out all of the remaining language on page 11, and on page 12 strike out lines 1, 2, 3, and in line 4 the words "those who are," and in line 5 the words "or a native," and insert in said line, following the word "Spanish," the word "or."

Mr. TOWNER. Mr. Chairman, the amendment which I offer strikes out this class that is stated here as class (a); that is, those who prior to the 13th day of August held certain offices under the Philippine Government. I suggest to the committee, and especially to the Democratic members of the committee, that there can be no justification for making a qualification for suffrage dependent upon the fact that the man at one time held some sort of an office. However that may have been justified in preceding years in the Philippines, there can be no longer any justification for such provision as a qualification for suffrage.

On the next page, the class which is enumerated as class (b), those who own real property to the value of ₱500, or who annually pay ₱30 or more of the established taxes, may vote. That is a property qualification for suffrage. It seems to me we have passed that era in the history of American citizenship. If a property qualification was ever justified, that time has passed. The majority have very ill-advisedly determined that there shall be a restriction of suffrage to the men on the islands. Now, no matter what race or tribe he belongs to—Negrito, Moro, or Igorote—if he has property of the value of $250 he can vote. Although he may not be able to read or write a word of any language, if he pays $15 taxes he can vote. In my judgment there is no justification for this, and if this amendment is adopted it will be stricken out.

Now, as to the third class, Mr. Chairman, it would seem to me that the time has also arrived when we should not deliberately put into the language of the law classes of citizenship. It is the boast of American citizenship that there are no

classes, and yet in the terms of this bill here we have three classes enumerated, and distinctions are made between them, all of them establishing separate qualifications for the right of suffrage. The third class, class (c), is composed of those who are able to read and write either Spanish or English or a native language, according to the terms of the bill.

In my judgment, Mr. Chairman, the words "or a native language" ought to be eliminated. There can be no possible justification for that. If we give suffrage to those who are able to read and write either the English or the Spanish language, then we are extending suffrage as far as it ought to go. All the proceedings of the house of representatives and all of the proceedings probably of the senate that is to be created by the passage of this act, if it shall ever pass, will be conducted in the Spanish or English language. To-day the language that is being taught to children in the schools is the English language. There are more people who speak English in the islands to-day than any other language because of that fact.

If we take under consideration the further fact, Mr. Chairman, that there are 74 different dialects spoken in the Philippine Islands, so that the people of one community can not understand the language spoken in another, we can see that this very necessary qualification for suffrage ought in this instance to be insisted on. We go far enough when we say that anyone who can speak and read the English language or the Spanish language shall have the right of suffrage.

It would seem clear that one who is only able to read and write a native language ought not to be considered qualified for suffrage, because such a person can not understand what is transpiring on the islands or understand what political issues are involved in any election or be able to form an intelligent judgment as to any political question.

This provision is wrong in two respects. It makes an office qualification and it makes a property qualification and it does away with that particular requisite—the necessity of understanding what is transpiring in the islands regarding the politics and governmental affairs of the islands. For that reason I make the motion to strike out, so that we shall have only these qualifications left—that they shall be male citizens of the islands; that they shall be residents of the islands for one year and of the municipality for six months, and that they shall be able to read the English or the Spanish language. That is simple and that is sufficient, and I hope will be adopted.

Mr. JONES. Mr. Chairman, I desire to very earnestly oppose this amendment. It proposes to restrict the exercise of the right of suffrage in the Philippines to a much greater extent even than does existing law. Now, one who held either of certain enumerated positions under the Spanish régime, or who owns real property to the value of ₱500, or who annually pays ₱30 or more of the established taxes, can vote, even if he can not read either English of Spanish. If this amendment is adopted, although he may have held the highest positions under the Spanish Government or may be one of the wealthiest and most capable of the business men in the islands, he will not be permitted to vote unless he can read and write either the English or the Spanish language. The bare statement of the purpose and effect of this amendment is to condemn it in the estimation of every just and fair-minded man. Can it be possible that those who support this amendment realize its full scope and meaning? Can it be possible that it is the purpose and deliberate intention of the gentleman offering it to deny the right of suffrage to the professional and business men of the Philippines who can not read and write one of two foreign languages, who can not read and write either English or Spanish? Mr. Chairman, a very small percentage of the adult males in the Philippines read and write the Spanish language.

The knowledge of English, whilst more general, is confined largely to the younger Filipinos—to boys and girls and young men and women who have grown into manhood and womanhood within the last 8 or 10 years. The older generation of Filipinos, very few of whom can read and write English and a large proportion of whom can not read and write Spanish, will not be permitted, if this amendment is adopted, to participate in the elections provided for in this bill. So I repeat, this proposition is the very refinement of cruelty, and I can not conceive of its adoption.

I would like to ask the gentleman from Iowa [Mr. TOWNER] a question. I do not know whether or not there is any educational qualification for voting in his State, but I would like to ask him if there were one which denied the right of suffrage to those citizens who could not read or write one of two prescribed foreign languages; for instance, either Spanish or French; how many qualified voters would there be in Iowa?

The suffrage provisions of this bill greatly broaden the suffrage. They are vastly more liberal than those of the present law, whilst, as I have said, this amendment would abridge the suffrage to a far greater extent than does even the present law. The bill we are considering permits all those who can read and write either English, Spanish, or a native languag to vote. Permitting all Filipinos who can read and write a native language to vote will greatly extend the suffrage, as must be obvious to every one.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. JONES. I ask for five minutes more, Mr. Chairman.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. JONES. At the last general election in the Philippine Islands there were only about 240,000 persons who voted out of a total population of about 9,000,000. This may seem a fairly good proportion to those who are familiar with Mexican history. There are some 15,000,000 people in Mexico, and yet when Madero was elected President of that Republic he received less than 20,000 votes. One of the staple arguments used by those who contend that the Filipinos are incapable of governing themselves is that only 240,000 of them voted at the last general election. That argument has been used time and again upon the floor of this House. It is now proposed through this amendment, which still further abridges the right to vote, to reduce the number of those who actually vote to a minimum. Once that has been accomplished we shall be told that it is proof positive that the Filipino people are so universally ignorant that they can never be safely given their independence.

It seems to me, therefore, Mr. Chairman, that it is absolutely cruel to propose to deny the ballot to those Filipinos who, possessing large means accumulated as the result of great energy and business capacity and thoroughly educated in one of the principal native languages, yet are so unfortunate as not to be able to read and write either English or Spanish. Those educated Filipinos, and there doubtless are such, who can neither read English nor Spanish, but who are thoroughly conversant with some other foreign language, such, for instance, as French or German, could not vote were this most obnoxious amendment adopted.

Mr. SLAYDEN. Will the gentleman yield for a question?

Mr. JONES. Certainly.

Mr. SLAYDEN. Under which plan—that proposed in this bill or that suggested by the gentleman from Iowa [Mr. TOWNER]—would there probably be the greatest number of electors?

Mr. JONES. Under this bill the number of those who can now vote would be immensely increased whilst under the proposed amendment that number would be greatly decreased. Under the provisions of this bill those who are entirely illiterate can vote if they own real estate of the value of $250 or pay taxes to the amount of $15 annually.

Mr. Chairman, if we accept as correct the statements of those who have, during the course of this debate, asserted that only 15 per cent of the Filipinos are literate, the adoption of this amendment would mean that the number of those who could vote would be reduced to about 1 per cent of the total population.

Mr. MILLER. I hope the gentleman will not leave the subject in that exact form. After the matter was thrashed over I think it was clearly stated on this side that there was no intention to say that only 15 per cent of the entire people of the islands were literate.

Mr. JONES. I am glad the gentleman has made that statement. I am aware that he stated a few days ago that he had not made the statement attributed to him by one of his colleagues. That gentleman, it will be recalled, not only gave the gentleman from Minnesota [Mr. MILLER] as his authority for the statement made by him that only 15 per cent of the Filipinos were literate, but he declared that the gentleman from Minnesota had subsequently confirmed it.

Mr. TOWNER. The gentleman who made that statement misunderstood the gentleman from Minnesota.

Mr. MILLER. If the gentleman will permit, the gentleman [Mr. FESS] heard a remark I made at the time, which was that I did not believe more than 15 per cent of the people in the islands had an adequate conception of the responsibilities of voters, and the gentleman from Ohio did not quite understand what I said

Mr. JONES. The gentleman from Ohio used the word "literate," but I now understand the matter.

Mr. MILLER. Yes.

Mr. JONES. But up to this time the gentleman from Ohio has not publicly acknowledged his error. I concede that the

gentleman from Ohio misunderstood the gentleman from Minnesota.

Now, Mr. Chairman, in closing I wish to repeat what I have already said, that this amendment will restrict suffrage in the Philippines to a far greater extent than it is restricted now, whilst this bill will so liberalize and modify present law as to confer the ballot upon tens of thousands of educated Filipinos who to-day can not vote simply because they can not read and write in one of two foreign languages.

Mr. HELM. Mr. Chairman, the real liberalizing feature of this bill is that portion of subsection (c) that permits those who can read or write a native language to participate in the election of their elective officers. I venture the statement that an overwhelming majority of the inhabitants of the Philippine Islands do speak a well-defined native language. There are a number of dialects that could hardly be classified as a language, but there is a very large part of the country where all of the people do speak what may be properly defined as a native language.

I do not understand from these sections that they are restrictive of each other. It certainly is not the intention of the gentleman from Iowa to be understood as saying that the man who has the capacity to hold, and who has held, an office of trust and of honor, even though he can not speak or write English or Spanish, but who can read or write his native language should not be permitted to vote. Nor do I understand that the second subsection (b) is restrictive of subsection (c). I can see how a person who has taxable property of the amount set forth in that subsection, though he can not read or write the Spanish or English language, or even a native language, if he has the property qualification, that of itself takes him out of the other classes and permits him to exercise the right of suffrage.

Mr. STAFFORD. Will the gentleman yield?

Mr. HELM. Yes.

Mr. STAFFORD. Does the gentleman believe that a person should have the right to vote who can not read or write Spanish or English, even though he has the property qualification provided for in class B?

Mr. HELM. If I understand the gentleman's question, yes.

Mr. STAFFORD. I am following out the gentleman's argument that he believes the three classes are separate and distinct.

Mr. HELM. Does the gentleman consider it a disqualification?

Mr. STAFFORD. I do not think the fact that a man owns property is a qualification for suffrage.

Mr. HELM. Every man that can read or write English or Spanish or a native language, no matter whether he does not own a cent, should and, under the provisions of this bill, does have the right to vote.

Mr. STAFFORD. The gentleman goes further than that.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. STAFFORD. I ask unanimous consent that the gentleman have five minutes more.

Mr. HELM. I do not want five minutes; one minute will do.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent that the gentleman from Kentucky may have one minute more. Is there objection?

There was no objection.

Mr. HELM. Mr. Chairman, under subsection (c) of this bill, I undertake to say that any male 21 years of age in the Philippine Islands who can read or write English, Spanish, or the native language, if he is as poor as Lazarus, can exercise the right of suffrage, which he can not do under existing law.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. I am in favor of an educational qualification for suffrage of Filipinos. I am not in favor of the provisions as reported by the committee giving suffrage to certain persons who have held some office in times past, and also particularly not to those who happen to own either real property to the value of ₱500 or who annually pay ₱30 or more in taxes. I can not conceive how a person is entitled to suffrage unless he is able to read or write the Spanish language or the English language.

Mr. JONES. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. JONES. Is there any educational qualification in the gentleman's State?

Mr. STAFFORD. There is not.

Mr. JONES. Then a man there who owns $10,000 worth of property can vote?

Mr. STAFFORD. He can because he is educated. We have a private and a public school system, and all the electors are presumably qualified.

Mr. JONES. The gentleman is assuming that all citizens of his State are educated. Not having any educational qualification in your State, a citizen who owns $10,000 worth of property, if he is not a criminal or feeble-minded and is 21 years of age, can vote irrespective of whether or not he is literate.

Mr. STAFFORD. We have universal manhood suffrage in Wisconsin.

Mr. JONES. Then why should you refuse a man who may own $10,000 worth of property in the Philippine Islands the right to vote, although he can not read or write the Spanish or English language?

Mr. STAFFORD. The conditions in the Philippines are so entirely different from conditions in the Northern States that there is no comparison. I would not say that they are totally different from some other parts of our country. I will ask the gentleman if they have an educational qualification in the State of Virginia?

Mr. JONES. We had at one time.

Mr. STAFFORD. I can conceive how it is necessary to have educational qualifications in many of the Southern States, but I venture to say that there is no educational qualification for electors in the Northern States.

Mr. ROBERTS of Massachusetts. The gentleman is wrong about that. We have an educational qualification in Massachusetts.

Mr. GREENE of Massachusetts. And we have had since 1857.

Mr. ROBERTS of Massachusetts. An educational qualification, but no property qualification.

Mr. JONES. If the gentleman will permit me, I will say that the payment of poll taxes are required in Virginia as a prerequisite to voting.

Mr. STAFFORD. Is there any property qualification in the gentleman's State so that he can vote if he does not possess the educational qualification?

Mr. JONES. At the present time only poll taxes are required to be paid.

Mr. SLAYDEN. Mr. Chairman, assuming that the amendment of the gentleman from Iowa, which seems to require an educational qualification precedent to the right to vote, would restrict the suffrage, because many of the people do not understand the foreign languages, do not classes A and B broaden the franchise, increase the number of electors over what it would be under the gentleman's proposition?

Mr. STAFFORD. I am in favor of extending the franchise to all who can read and write the native languages.

Mr. SLAYDEN. I am not. Of course I am not speaking of the Philippines at the present time.

Mr. STAFFORD. Of course we are considering this question solely as to the Philippine status. We are not considering it from the standpoint of Texas or Wisconsin.

Mr. SLAYDEN. I thought the gentleman was stating a broad principle.

Mr. STAFFORD. No; I am speaking exclusively of the Filipino.

Mr. CLINE. Originally some New England States had a property qualification.

Mr. STAFFORD. Yes; Rhode Island, for instance.

Mr. CLINE. And have yet, although it is probably a dead letter.

Mr. STAFFORD. I hardly think the gentleman will claim that that is an American principle.

Mr. CLINE. I do not think it is.

Mr. STAFFORD. Even though he may find it in Rhode Island or in some of the Southern States.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. SLAYDEN. Mr. Chairman, I ask unanimous consent that the gentleman from the Philippines [Mr. QUEZON] may be permitted to address the committee for five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. QUEZON. Mr. Chairman, I am against the amendment of the gentleman from Iowa [Mr. TOWNER], because it restricts the right to vote in the Philippine Islands. In the first place, I wish to reiterate to the committee what the chairman of the Insular Affairs Committee has said, to wit, that paragraphs (a) and (b) are literally copied from the present organic act. If the amendment of the gentleman from Iowa be adopted, many who have to-day the right to vote and who have for many years exercised that right would be deprived of it. I do not believe, Mr. Chairman, in taking away from anyone a right he already enjoys. The number of Filipinos who held office under the Spanish Government is, moreover, decreasing; so that even if there were some merit in the contention of the gentleman from Iowa there would still be no real necessity for adopting that

part of his amendment bearing on this point. It is best to act generously toward those old men, who will soon be unable to take part in our public affairs.

Paragraph (b) is justified by the reasonable presumption that men who own property are interested in the government and possess ordinary intelligence. Otherwise they would not know how to procure property or how to conserve it once it was acquired.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. QUEZON. Yes.

Mr. MILLER. Does the gentleman not think that nearly all of those in class A, those who have held office under the Spanish Government, can qualify under class B; that is, that they are capable of writing either English or Spanish?

Mr. QUEZON. I think so.

Mr. MILLER. So that, as a matter of fact, if class A were cut out entirely, all of them would be able to vote under class B?

Mr. QUEZON. Perhaps that is true; but if it be true, what is the necessity for striking it out? To leave it would do no harm, according to that theory, and to strike it out may deprive some one of a right he now enjoys. Mr. Chairman, there are two propositions on the question of manhood suffrage that deserve attention. You either believe in allowing everybody to vote or you believe in confining this right to those who are qualified to vote. This bill does not propose to implant universal suffrage in the Philippine Islands. So the question to be decided is, Who are presumably to vote? I can not agree, Mr. Chairman, that the ability to read and write is the only test of the capacity to vote. Certainly it is by no means a guaranty that this right will be exercised patriotically. Many who misuse the privileges of citizenship are among the best-educated men. The assumption in giving to Filipinos who own taxable property or who pay a certain amount of taxes the right to vote is that such Filipinos as these, though they may not know how to read and write, are intelligent enough to discriminate between good and bad policies, and they must be interested in public affairs because of their property and its interests. As to paragraph (c), I do not see any reason why those who do not read and write the English or Spanish language, but who do read and write the native language, should not be allowed to vote. The principal native tongues in the Philippines have a rich literature, and a man may be very well informed through knowledge of these literatures. Many newspapers are printed in these languages.

Mr. Chairman, let me add that the inclusion among the electors of those who know how to read and write any native language is one of the reforms in the electoral law most urgently demanded by the Filipino people. Therefore, I hope the amendment will not be adopted. If adopted in its entirety, or even in part, suffrage will be more restricted than it has been, and the restriction will result in placing in the hands of a few people the government of the Philippine Islands.

Mr. BRYAN. Mr. Chairman, will the gentleman yield?

Mr. QUEZON. Yes.

Mr. BRYAN. Does the gentleman think that paying a tax on a horse or on personal property ought to be any more of a qualification for voting than paying taxes through the tariff, the man paying perhaps just as much taxes for himself and the members of his family as the man who owns property?

Mr. QUEZON. I do not; but the trouble is that you can not find out how much a man is paying under the tariff. [Applause and laughter on the Democratic side.]

Mr. BRYAN. Why not take some other means than this property qualification?

Mr. QUEZON. Because the property qualification is based on accurate knowledge of who is and who is not paying.

Mr. MANN. Mr. Chairman, will the gentleman yield?

Mr. QUEZON. Yes.

Mr. MANN. Why not universal manhood suffrage, since it could not be woman suffrage? Why not everyone?

Mr. QUEZON. Mr. Chairman, I should not care to express an opinion on that proposition, inasmuch as it is not before the House.

Mr. MANN. But it is before the House.

The CHAIRMAN. The gentleman from the Philippines declines to yield.

Mr. MANN. Oh, the gentleman yielded to me.

Mr. QUEZON. I yielded to the gentleman, Mr. Chairman. I said the question is not before the House, because the amendment which I am discussing does not propose universal suffrage.

Mr. MANN. But the question before the House to which the amendment is offered is one restricting suffrage, and it seems to me to be a legitimate question to ask why the gentleman is opposed to universal manhood suffrage.

Mr. QUEZON. Doubtless it is a fair question, but since there is no proposal for universal suffrage I prefer not to discuss it.

Mr. MANN. That is beating about the bush; the question is before the House.

Mr. QUEZON. I prefer not to discuss the question now.

Mr. SLAYDEN. Mr. Chairman, I am in favor of the provisions of this bill as it came from the committee, and I am particularly in favor of the restrictions that are thrown around the franchise. I believe that in the Philippine Islands, as in this country and in every other country, there are some people who are not qualified for an intelligent exercise of the franchise privilege. I do not believe that if one-tenth of what the opponents of this measure have said here about the people in the Philippine Islands is true that there ought to be any liberalizing of the measure as reported from the committee. Now, the amendment offered by the gentleman from Iowa is deceptive. It purports to be a liberalization of the conditions. In point of fact it will lessen the number of electors in the islands. It restricts the privilege of franchise in a large way, and the consequence of its adoption would be to have fewer voters in the islands than there would be under the measure as proposed from the committee. I have not had the privilege of visiting the Philippine Islands; it is a pleasure I hope some time to have; and I can not pose as an expert, but I have every reason to believe from what the Philippine Commissioner himself has said, what I have read, what I have heard from other Members of this House who have had the privilege of traveling in the Philippine Islands, that there as here there are a number of people who are not entirely qualified for the right to vote.

Mr. JONES. Will the gentleman yield for a question?

Mr. SLAYDEN. Yes.

Mr. JONES. How many States in the Union have what is called manhood suffrage?

Mr. SLAYDEN. Really, I do not know, but I think most of them have it.

Mr. MILLER. Every one north of Mason and Dixon's line.

Mr. JONES. No qualifications at all, property or educational?

Mr. SLAYDEN. I think the gentleman from Minnesota is mistaken about that.

Mr. TALCOTT of New York. What about Rhode Island?

Mr. SLAYDEN. Every man 21 years of age not convicted——

Mr. JONES. I would like, if the gentleman from Illinois [Mr. MANN] will permit me to do so in the time of the gentleman from Texas, to ask him a question. I would like to ask him whether or not there are any restrictions upon suffrage in Illinois?

Mr. MANN. Only in the matter of registration. There are no property or educational restrictions.

Mr. JONES. Can a man register without property or educational requirements?

Mr. MANN. Oh, yes; there are no property qualifications and no educational qualifications, as gentlemen can see by looking——

Mr. JONES. No poll-tax payment required?

Mr. MANN. No; and we have a very intelligent electorate.

Mr. JONES. An absolute manhood ballot?

Mr. MANN. Full manhood suffrage and a good deal of woman suffrage.

Mr. JONES. The gentleman knows that in some of the States they require those who desire to vote to register, and they have to exhibit some degree of education in order to register.

Mr. MANN. There is nothing of that sort in Illinois. You have to be registered a certain number of days.

Mr. GARRETT of Tennessee. You have to mark the ballot personally?

Mr. MANN. The law does not require it; but, on the other hand, if you do not know how to mark a ballot you can ask the judge of election to send one of the judges into the booth to mark the ballot for you.

Mr. JONES. In many of the States the voters must possess either educational or property qualifications.

Mr. CULLOP. I desire to ask the gentleman if they do not have a period of residence necessary as a qualification?

Mr. MANN. Oh, yes; 30 days in a precinct, 90 days in a county, and a year in the State.

Mr. CULLOP. Nearly all the States have something of that sort.

Mr. MANN. Yes.

Mr. CULLOP. We have that in our State.

Mr. JONES. Mr. Chairman, I hope the gentleman's time will be extended for five minutes. Most of it has been consumed by others.

Mr. SLAYDEN. I only ask for one minute more.

The CHAIRMAN. Is there objection to the request of the gentleman? [After a pause.] The Chair hears none.

Mr. SLAYDEN. Mr. Chairman, if I understood the gentleman from Illinois correctly, every man 21 years of age unconvicted of a crime, not a penal slave, and not insane, or anything of that kind, is entitled to vote in that State. Is that correct?

Mr. MANN. I did not hear the gentleman.

Mr. SLAYDEN. As I understood the gentleman, every man 21 years of age, not disqualified by crime or non compos mentis, is entitled to vote.

Mr. MANN. Every citizen. No man can vote with us if he has not been naturalized.

Mr. SLAYDEN. Does not the gentleman think that a good many people coming under that qualification ought not to be allowed to vote?

Mr. MANN. If the gentleman wants my opinion, I think that giving full manhood suffrage has a tendency to make the State educate the people and is a good thing. I think it works well in our State.

Mr. SLAYDEN. I am asking sincerely for the gentleman's opinion.

Mr. MANN. I think it works well in our State. I do not know how it would work elsewhere.

Mr. SLAYDEN. It would not in mine.

Mr. CLINE. Mr. Chairman——

The CHAIRMAN. The gentleman from Indiana is recognized.

Mr. CLINE. Mr. Chairman, I want to occupy but a few minutes. I am in favor of this provision exactly as it is written in the bill. I am in favor of it, gentlemen, because it is the American idea of qualification for suffrage. As you know, one of the reasons why we broke away and established our own Government in this country was because we did not have representation in legislation. We had taxation without representation. And another theory is—and it is the prevailing opinion with a great many citizens—that a man that has property ought to have a right to have that property represented by his franchise when it is taxed for public or private improvements. That is what we do in this bill, and we enlarge the privileges or enlarge the number who may be qualified to vote. Why, gentlemen, what have we been spending a vast amount of money in the Philippines for in the last 14 years if it was not to educate the people and give them an opportunity to know how to rightfully and intelligently exercise the right of suffrage?

Mr. HUMPHREY of Washington. Will the gentleman yield?

Mr. CLINE. Yes.

Mr. HUMPHREY of Washington. Do I understand the gentleman to say that he is in favor of property and educational qualification for voters?

Mr. CLINE. I say I believe it has been the American theory that property ought to be represented in some way when it is taxed for public improvements.

Mr. HUMPHREY of Washington. You do not have the American theory in Indiana.

Mr. CLINE. We have; and it is one of the stock arguments of the gentleman from Washington and his associates that the franchise ought to be extended to women because they are taxed without representation.

Mr. HUMPHREY of Washington. In what respect?

Mr. CLINE. There is not a man in Indiana but that has a right to vote. I call the attention of the gentleman from Washington to another proposition, and that is that the State of Illinois, the State of Indiana, or the State of Ohio can not be adduced as a proper ground for drawing a conclusion as to what ought to be done in the Philippines. It would be reproachful upon the States of Indiana, Illinois, or Ohio if after 150 years we had not been able to educate the people so that the educational qualification alone would not encompass everybody who had a right to vote in those States. I can speak for my own section of Indiana and say that there is scarcely a man there but who can register in his own name in his own handwriting and qualify to vote under an educational test of any character that might be submitted to him.

Now, I say that that is one of the reasons, gentlemen, why I am following your side of the proposition in this matter. You say that the people in the Philippines are not qualified, that they are illiterate, and that the right of franchise ought not to be extended to them. I say that the very purpose of expending the amount of money we have there has been for the reason that we want them to have that knowledge of public questions and affairs that will enable them to intelligently express themselves at the polls on public questions. I want to enlarge the classes who may safely vote, so I support the bill as it stands. If I wanted to restrict franchise in the Philippines, I would vote for the amendment.

Mr. HUMPHREY of Washington. Mr. Chairman, while I am in favor of educational qualifications of voters, it does seem to me it is rather an unusual position for the distinguished gentleman from Indiana to occupy. Unless I am very much mistaken, they have no qualification in Indiana except that a voter must be a male person 21 years old. Not only that, but in all the years I resided in Indiana—and I think it is true yet—they did not even have to be a citizen of this country in order to vote in that State.

Mr. CLINE. Oh, well, if the gentleman will permit, he is mistaken in that.

Mr. HUMPHREY of Washington. I am not mistaken as to how it was when I lived there.

Mr. CLINE. That was so long ago that you have not any recollection as to the real conditions that exist now.

Mr. HUMPHREY of Washington. And I think that is the condition now. I think they have a vote in your State after they take out their first papers and before they are American citizens. If the gentleman will look, he will find out I am right about it.

Now, Mr. Chairman, I ask, in my own time, to have read a short editorial from the Daily Iron Trade on the subject of this bill.

Mr. JONES. Is it on the subject of this amendment?

Mr. HUMPHREY of Washington. It is on the general subject of this bill, but not on the subject of this amendment. It will take only two or three minutes. I am sure that is the quickest way to get through with it. In fact, I am absolutely certain on that point.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

"WHENCE WILL COME THE MODERN JOHN A. DIX?

"Nearly everyone who will read this, read his Sunday paper yesterday

"Before he went to church.

"Probably he took general notice of that item concerning the supreme effort that is being made by the present national administration to pass a so-called 'Philippine bill'—

"A device that, devoid of temperamental terms, philanthropic phraseology, and gregarious generosity, is designed eventually to haul down the American flag now floating over the Philippine Islands—

"The greatest possible unkindness to the islands and the people who live there.

"Something that we would regret until eternity; and

"Something for which some of the people in high places would be remembered when otherwise they would be forgotten.

"Not so many years ago, either

"Another national administration actually sent a 'commissioner' to the Hawaiian Islands, who actually did pull down the American flag, which the Hawaiian people themselves desired to have float there.

"Mr. Blount is remembered in American history for that one act.

"But the American flag to-day floats over the Hawaiian Islands; and

"A Hawaiian Delegate sits in the American Congress.

"No more talk now of hauling down the American flag in Hawaii.

"Nor will be.

"And there was another item in that Sunday paper

"To the effect that

"English, French, and German ships, formerly carrying mails, passengers, and freight down the west coast of South America, had discontinued all their sailings

"Because of the danger of capture from English and German warships in that locality—

"And we have not a single American ship to take their place.

"And no one doubts that we are suffering

"A gigantic loss

"As a result.

"In spite of the Panama Canal, built exclusively for the use of foreign shipping interests

"As we have none of our own engaged in the over-sea trade to use it.

"And the pity of it is that

"Our National Government should be trying to keep in session a badly disorganized, disgruntled, and worn-out Congress

"To pass with such needless haste

"This 'pull-down-the-American-flag' legislation—

"While it promises—

"As had so many other previous Congresses

"Since long before the Philippine Islands came under our flag

"To pass

"Merchant marine legislation
"'Next session!'
"A stranger to our shores might well imagine that
"Our national legislators were obsessed by some peculiar form of malady that make them fear the day when the United States commercially should become—
"As some strong European countries have become—
"A power in foreign trade.
"Would this guess be inaccurate?
"'If anyone attempts to haul down the American flag, shoot him on the spot.'"

Mr. JONES. Mr. Chairman, debate on this section seems to have been exhausted, and I hope we may have a vote now.

Mr. MONDELL. I would like to have five minutes.

Mr. JONES. I ask, Mr. Chairman, that all debate on this amendment be concluded in five minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that debate on this amendment be concluded in five minutes. Is there objection?

There was no objection.

Mr. MONDELL. Mr. Chairman, I rise to support the amendment offered by the gentleman from Iowa. Clearly the provision at the bottom of page 11 should go out. The fact that a man has at one time held office should not qualify him to vote if he is not otherwise qualified. I want to discuss particularly the provision with regard to property qualification. It is a very questionable one, although I am willing to admit conditions are different in the Philippines than they are here at home. There may be some little argument for that sort of a thing in the Philippines, but very little, in my opinion. I agree entirely with the gentleman from Iowa in his amendment with regard to the ability to read and write. The State constitution of the State I have the honor to represent here contains a provision in the form of an educational qualification. No one is eligible to vote who is not, in the first place, 21 years of age, a citizen of the United States, and able to read and write. For some years that was interpreted to mean ability to read and write in any written language, and we had some people in our section who are quite well educated in European languages, but who, when they came to the State, were not able to read and write English. In a test case that came up some 10 or 12 years ago the supreme court interpreted the language in the constitution to mean ability to read and write English. I think there were but very few people who were disqualified by that interpretation. I have heard no criticism of the decision. We find that those who are educated in any written language—and if we are not going to change this provision in any other way we should insert at least the word "written"—that those who are educated in any civilized language soon acquire the ability to read and to write in the official language of the country in which they live. I think that would be the case in the Philippines, although I do not pretend to be as fully informed in regard to the matter as the gentleman from Virginia.

Mr. JONES. Does the gentleman know what is the official language in the Philippines?

Mr. MONDELL. Well, we in effect make English and Spanish the official languages of the Philippines.

Mr. JONES. No; we do not.

Mr. MONDELL. We do by this act.

Mr. JONES. No; we do not by this act.

Mr. MONDELL. Of course that is a question of definition.

Mr. JONES. I will say to the gentleman, for his information, that up until recently Spanish had been the official language. A law was passed making English the official language after a certain date, but it had not gone into effect up to a short time ago. Whether or not it has yet gone into operation, I do not know.

Mr. MONDELL. What I meant is not so much the official language as the language in which official business is transacted in the main.

Mr. SLAYDEN. Mr. Chairman, will the gentleman permit a question?

Mr. MONDELL. Yes.

Mr. SLAYDEN. It is a wild hypothesis, of course, but suppose Russia should make war on this country and conquer it and determine to administer our affairs according to Russian laws, in the Russian language, how many Members of this House do you suppose could acquire a knowledge of that language?

Mr. MONDELL. I do not think that is an analogous case at all. These people, the educated people, mostly read and write English or Spanish now.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. MONDELL. Mr. Chairman, I ask for two minutes more.

The CHAIRMAN. By agreement it was determined that the amendment should be voted upon in five minutes. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

Mr. BRYAN. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from Washington [Mr. BRYAN] offers an amendment, which the Clerk will report.

The Clerk read as follows:

On page 12, line 1, after the word "those," insert the words "of either sex, whether male or female."

Mr. BRYAN. Now, Mr. Chairman, if that amendment is adopted——

Mr. GARRETT of Tennessee. Mr. Chairman, I make the point of order on that.

Mr. BRYAN. This just refers to the property qualification. It is an entirely different amendment from what was submitted before.

Mr. GARRETT of Tennessee. I make the point of order, Mr. Chairman, that that has already been voted upon.

Mr. BRYAN. But, Mr. Chairman, I contend that——

The CHAIRMAN. The Chair holds that it has been.

Mr. BRYAN. Will the Chair hear me and allow me to explain the fact?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. BRYAN. Originally there was an amendment proposing the cutting out of the word "male" on the other page, affecting all these classifications. My amendment merely extends the property qualification before a woman shall have the right to vote. It would not establish universal suffrage for women. That is not at issue here. No ruling or point of order could make it the same amendment, even if the rulings were piled up mountain high. It is an entirely different amendment.

Mr. ROBERTS of Massachusetts. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Massachusetts [Mr. ROBERTS] moves to strike out the last word.

Mr. MONDELL. Mr. Chairman, do I understand that the Chair ruled on the point of order raised by the gentleman from Tennessee?

Mr. PAYNE. He did.

Mr. MONDELL. Will the Chair hear me on that?

The CHAIRMAN. The gentleman from Wyoming asks to be heard on the point of order.

Mr. ROBERTS of Massachusetts. I understood the gentleman from New York [Mr. PAYNE] to say that the Chair had ruled on the point of order

The CHAIRMAN. The Chair ruled, but the gentleman from Wyoming asked to be heard.

Mr. BRYAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BRYAN. Does that waive my right to appeal from the decision of the Chair?

The CHAIRMAN. No.

Mr. MONDELL. I am sure, Mr. Chairman, that neither the gentleman from Tennessee [Mr. GARRETT], who made the point of order, nor the Chair gave this matter sufficient consideration to come to a sound conclusion. I am sure that neither of the gentlemen desire to have a precedent established that would rise to plague us in the future.

While I realize that the amendment that the gentleman from Washington [Mr. BRYAN] proposes may not be adopted, still it is clearly in order, for this reason: That the former amendment was a general provision—a general provision under which any woman coming under classes A, B, or C could have voted; a general provision under which all of the women in the Philippine Islands otherwise qualified in those classes could vote.

Now, this is an entirely different proposition, to wit, that the women of the Philippine Islands that are possessed of property, who are holders of property, real estate, real property, may vote. I am sure that both the Chairman and the gentleman who made the point of order will admit that that is an entirely different question. That is all I care to say, Mr. Chairman.

Mr. TOWNER. Mr. Chairman, I desire to be heard on the point of order. Let me call the attention of the Chair to the fact that the general language of section 15 is found in the beginning of that section, and then we come down to the consideration of those who shall have the right to vote. There are three classes given the right to vote, and if any citizen of the Philippine Islands qualifies under either of those three classes he shall have the right to vote.

Now, the first, changing the word "male," in the beginning of section 15, would make it, of course, apply to all three of

those classes. This amendment, offered by the gentleman from Washington [Mr. BRYAN], applies only to this one class; that is, no female can vote; no woman can vote under the first classification; no woman can vote under the third classification, even if she can read or write a language. But this proposition is that a woman may be allowed to vote if she shall have a property qualification. It does seem to me, Mr. Chairman, that is not a repetition. As the Chair understands, it must be exactly the same question that was before determined. This is not the same proposition, and therefore I think that the point of order is not well taken.

Mr. GARRETT of Tennessee. Mr. Chairman, if the point of order be not well taken, if this amendment is disposed of, then the gentleman from Washington [Mr. BRYAN] could offer precisely the same amendment to subsection (c) and subsection (a), which would bring the whole proposition which was voted upon once again before the committee, which has already passed fully and completely upon the subject.

It is true that this is general; but when it was disposed of by the House it disposed of all of the propositions contained under the general terms.

Mr. MONDELL. Mr. Chairman, will the gentleman allow me to ask a question?

Mr. GARRETT of Tennessee. Certainly.

Mr. MONDELL. The gentleman realizes that while the House might not desire to extend the right proposed to cover all these classes, it might be disposed to extend that right to one class or to two classes. This is the qualified suffrage that is provided in some of the States, and I am sure that the gentleman does not want to be put in the position of establishing a precedent that will certainly plague us in the matter of amendments in the future.

Mr. GARRETT of Tennessee. Mr. Chairman, I will say that that amendment would have been in order if offered at the proper time. If the gentleman from Washington had offered his amendment to this particular section before the gentleman from Illinois had offered his, I will not undertake to say that it would not have been in order and that the amendment of the gentleman from Illinois would not also have been in order. But there has been a reversal of that proposition. It was not offered at the right time. The general question has been voted upon and settled by the House. The gentleman had his opportunity; or at least if it had been offered at the right time——

Mr. BRYAN. Will the gentleman yield?

Mr. GARRETT of Tennessee. Yes.

Mr. BRYAN. If the gentleman——

The CHAIRMAN. The Chair has ruled that the point is well taken. The Chair ruled that way because the amendment offered by the gentleman from Illinois [Mr. MANN] disposed of this whole question, and disposed of the question of female suffrage in the Philippine Islands; and to test it over and over again would be to go over the same ground that had already been gone over.

Mr. ROBERTS of Massachusetts. Mr. Chairman, I ask unanimous consent to insert in the RECORD excerpts from the remarks of certain members of the House and Senate.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to insert in the RECORD certain remarks of Members of the House and Senate.

Mr. KEATING. On what subject?

Mr. JONES. Will the gentleman state upon what subject?

Mr. ROBERTS of Massachusetts. With regard to the Baltimore platform. It has nothing to do with this bill.

Mr. JONES. I hope the gentleman will not press the question while we are considering this bill. Why can not the gentleman ask that just before adjournment this evening?

Mr. ROBERTS of Massachusetts. I will further ask that the remarks be printed separately, and not in connection with the debate on this bill.

Mr. GARRETT of Tennessee. Mr. Chairman, I hope the gentleman will not press that. He can not do it in Committee of the Whole.

Mr. ROBERTS of Massachusetts. I understand I can do it.

Mr. GARRETT of Tennessee. I have not been objecting to these political matters on either side going into the RECORD. I never have, according to my recollection, made an objection to anything of that kind; but objection has been made on both sides of the House, and I hope the gentleman will not make that request in connection with the debate on this bill.

Mr. CHAIRMAN. Is there objection?

Mr. GARRETT of Tennessee. I object for the present.

The CHAIRMAN. The gentleman from Tennessee objects.

Mr. MILLER. Mr. Chairman, I desire to offer an amendment. I move to amend, page 12, line 5, by striking out the comma after the word "Spanish" and inserting the word "or," and to strike out the comma after the word "English," and the remainder of the sentence, and insert in lieu thereof a period.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 12, line 5, after the word "Spanish," strike out the comma and insert the word "or"; after the word "English," strike out the comma and the remainder of the sentence and insert a period.

So that the paragraph will read:

(c) Those who are able to read and write either Spanish or English.

Mr. GARRETT of Tennessee. I make the point of order that that has been voted upon.

Mr. MILLER. I shall be glad to be heard on that point of order.

Mr. GARRETT of Tennessee. The Chair has ruled already.

Mr. MILLER. Certainly, the Chair has not made any such ruling.

Mr. GARRETT of Tennessee. Is not this a part of the amendment offered by the gentleman from Iowa?

Mr. MILLER. The gentleman from Iowa moved to strike out two or three paragraphs preceding.

Mr. GARRETT of Tennessee. But did it not include this?

Mr. MILLER. Very true; but while the committee might not feel inclined to strike out all that he asked to have stricken out, it still might be inclined to strike out a portion. If the Chair is inclined to rule against me, I should like to be heard on it for a moment.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. MILLER. Mr. Chairman, the point of order can not be sustained against the amendment unless the committee voted on the precise question. Now, the precise question is whether or not we intend to extend the franchise to the people of the Philippine Islands who can read and write a native language. Now, that is the question and that is all there is to it. The question which was previously voted upon by the committee, contained in the amendment offered by the gentleman from Iowa [Mr. TOWNER], was to take the franchise from several classes, first those who had held petty offices under the Spanish régime, enumerated in classification "a," on page 11. It also proposed to strike out the property qualification throughout the Philippine Islands. In addition, it proposed this elimination. Therefore, in the proposition submitted by the gentleman from Iowa, there were a number of different features. This is one. The committee might well feel disinclined to adopt the entire amendment striking out all of those qualifications, and yet be entirely willing to accept the amendment in respect to one; and it seems to me that it would be out of harmony with every principle of parliamentary procedure to sustain such a point of order as that.

Mr. STAFFORD. Mr. Chairman, will the Chair hear me a moment?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. STAFFORD. I wish to direct the attention of the Chair to paragraph 7 of Rule XVI, which provides as follows:

A motion to strike out and insert is indivisible, but a motion to strike out being lost shall neither preclude amendment nor motion to strike out and insert.

The amendment proposed by the gentleman from Iowa was a motion to strike out. It was lost. Now comes the amendment offered by the gentleman from Minnesota, which is to strike out and insert. I think that clause 7 of Rule XVI makes the present amendment in order.

Mr. GARRETT of Tennessee. Mr. Chairman, that is precisely the same question that was presented a moment ago in the amendment offered by the gentleman from Iowa.

The CHAIRMAN. The direct question was voted on and decided by the committee in the amendment offered by the gentleman from Iowa, and the Chair sustains the point of order.

Mr. MILLER. Mr. Chairman, if this is going to be the intent of the committee to prevent these amendments, you are going to be a long time finishing this bill.

Mr. BRYAN. Mr. Chairman, I make the point of order that no quorum is present.

The CHAIRMAN. The gentleman from Washington makes the point that no quorum is present. The Chair will count. [After counting.] Thirty-one Members present—not a quorum.

Mr. JONES. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. HAY having taken the chair as Speaker pro tempore, Mr. FLOOD of Virginia, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 18459, the Philippine Islands bill, and had come to no resolution thereon.

EXTENSION OF REMARKS IN THE RECORD.

Mr. ROBERTS of Massachusetts. Mr. Speaker, I ask unanimous consent to have printed in the RECORD excerpts from remarks by certain Senators and Representatives in Congress in regard to the Baltimore platform.

The SPEAKER pro tempore. The gentleman from Massachusetts asks unanimous consent to print in the RECORD certain remarks by Members and Senators on the Baltimore platform. Is there objection?

There was no objection.

Mr. RAKER. Mr. Speaker, I ask unanimous consent to extend remarks in the RECORD upon our President.

The SPEAKER pro tempore. The gentleman from California asks unanimous consent to extend remarks in the RECORD on "Our President." Is there objection?

Mr. MANN. Reserving the right to object, I will say that the editorial which the gentleman wants to print has been already printed in the RECORD. Does he want to print it again?

Mr. RAKER. Printed by some one who got unanimous consent?

Mr. MANN. It was printed in the RECORD in the Senate.

Mr. RAKER. Very well, then; once is enough. Having been printed already in the RECORD, Mr. Speaker, I withdraw my request.

Mr. FLOOD of Virginia. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of tobacco.

The SPEAKER pro tempore. The gentleman from Virginia asks unanimous consent to extend his remarks in the RECORD on the subject of tobacco. Is there objection?

There was no objection.

Mr. STEENERSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an article by the correspondent, James Gray, of the Minneapolis Journal, reviewing the Democratic campaign textbook.

The SPEAKER pro tempore. The gentleman from Minnesota asks unanimous consent to print in the RECORD an article in the Minneapolis Journal on the Democratic campaign textbook. Is there objection?

There was no objection.

SENATE JOINT RESOLUTION REFERRED.

Under clause 2, Rule XXIV, Senate joint resolution of the following title was taken from the Speaker's table and referred to its appropriate committee as indicated below:

Joint resolution (S. J. Res. 191) to convey appreciation of Congress to their excellencies Señor Domicio da Gama, Señor Rômulo S. Naón, and Señor Eduardo Suârez for their generous and distinguished services as mediators in the controversy between the Government of the United States and the leaders of the warring parties in Mexico; to the Committee on Foreign Affairs.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bills:

H. R. 11745. An act to provide for certificate of title to homestead entry made by a female American citizen who has intermarried with an alien;

H. R. 11166. An act for the relief of Wilhelmina Rohe;

H. R. 15657. An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes;

H. R. 2696. An act for the relief of Thomas Haycock;

H. R. 12198. An act for the relief of Benjamin A. Sanders;

H. R. 17764. An act to provide for sale of portion of postoffice site in Gastonia, N. C.; and

H. R. 15575. An act donating the old iron fence around Vance Park, Charlotte, N. C., to the Mecklenburg Declaration of Independence Chapter, to be placed around Craighead Cemetery, near Sugar Creek Church, in Mecklenburg County.

ADJOURNMENT.

Mr. JONES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly the House (at 4 o'clock and 31 minutes p. m.) adjourned until Monday, October 12, 1914, at 12 o'clock noon.

EXECUTIVE COMMUNICATION.

Under clause 2 of Rule XXIV, a letter from the Secretary of Commerce, transmitting draft of a bill to amend sections 4404 and 4405, Revised Statutes of the United States, to provide for 11 instead of 10 supervising inspectors in the Steamboat-Inspection Service, and striking out the provision in section 4405 that the supervising inspector on the Pacific coast shall not be under obligations to attend the meetings of the Board of Supervising Inspectors of Steam Vessels oftener than once in two years (H. Doc. No. 1173), was taken from the Speaker's table, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. STEDMAN, from the Committee on Foreign Affairs, to which was referred the bill (S. 3002) making appropriation for expenses incurred under the treaty of Washington, reported the same without amendment, accompanied by a report (No. 1184), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. RUPLEY: A bill (H. R. 19223) to increase the efficiency of the Organized Militia, and for other purposes; to the Committee on Military Affairs.

By Mr. SMALL: A bill (H. R. 19224) to suspend the operation of the tax on circulating notes of State banks for one year; to the Committee on Ways and Means.

By Mr. MORIN (by request): Joint resolution (H. J. Res. 367) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AINEY: A bill (H. R. 19225) granting an increase of pension to Milton Turner; to the Committee on Invalid Pensions.

By Mr. BARCHFELD: A bill (H. R. 19226) granting a pension to Clara Hatfield; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19227) granting an increase of pension to Isaiah W. Worrell; to the Committee on Invalid Pensions.

By Mr. BELL of Georgia: A bill (H. R. 19228) granting a pension to Benjamin B. Glass; to the Committee on Pensions.

By Mr. CARY: A bill (H. R. 19229) granting an increase of pension to Alford H. Fuller; to the Committee on Invalid Pensions.

By Mr. CULLOP: A bill (H. R. 19230) granting an increase of pension to John C. Hughes; to the Committee on Invalid Pensions.

By Mr. DONOVAN: A bill (H. R. 19231) granting an increase of pension to Albert A. Derrick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19232) granting an increase of pension to Harry Payne; to the Committee on Invalid Pensions.

By Mr. MAHAN: A bill (H. R. 19233) for the relief of Edward W. Whitaker; to the Committee on War Claims.

By Mr. PORTER: A bill (H. R. 19234) granting a pension to Harry Goldsborough; to the Committee on Pensions.

Also, a bill (H. R. 19235) granting a pension to J. George Mehringer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19236) granting a pension to Anna Mary Simpson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19237) granting an increase of pension to John Toner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19238) granting an increase of pension to Josephine R. Campbell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19239) granting an increase of pension to Catherine M. Gibson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19240) granting an increase of pension to Thomas H. Donehower; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19241) for the relief of Peter Gallagher; to the Committee on Military Affairs.

By Mr. RUPLEY: A bill (H. R. 19242) granting a pension to Rebecca Zimmerman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19243) granting a pension to Mary E. Diehl; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19244) granting an increase of pension to Reuben Zeigler; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. AINEY: Petitions of F. D. Morris & Co. and George C. Burns, of Montrose; the Carpenter & Pierce Co., of

Troy; and Kesker, Gillett & Porter, of Towanda, all in the State of Pennsylvania, against a tax on proprietary medicines; to the Committee on Ways and Means.

By Mr. BAILEY: Petitions of Thomas W. Jones, the City Real Estate Co., Olin G. A. Barker, W. J. Fenn, G. W. Kepple, W. K. McHenry, the F. L. Meyers Real Estate Exchange, and Charles E. Hays, all of Johnstown; Thomas Kirschner, of New Florence; H. B. Follmer, of Elton; Edgar L. Brenneman, of Roaring Springs; W. H. Farnsworth, of Jenners; M. B. Cowher, of Patton; B. E. Phillip, of Dunlo; M. L. Yingling, of Lilly; C. H. Perry, of Chester Springs, all in the State of Pennsylvania, protesting against tax on automobiles and auto factories; to the Committee on Ways and Means.

Also, petition of the William Wrigley, Jr., Co., of Chicago, Ill., protesting against war tax on chewing gum; to the Committee on Ways and Means.

By Mr. BARCHFELD: Papers to accompany bill granting pension to Mrs. Clara B. Hatfield; to the Committee on Pensions.

By Mr. BRITTEN: Memorial of the Women's Party of Cook County, Ill., praying for justice and equal opportunity to all citizens of the United States; to the Committee on the Judiciary.

By Mr. CARY: Petition of the Milwaukee (Wis.) Chamber of Commerce, protesting against tax on sale of grain, etc.; to the Committee on Ways and Means.

Also, petition of O. Frank, of Milwaukee, Wis., protesting against tax on proprietary medicines; to the Committee on Ways and Means.

By Mr. COOPER: Petition of Wisconsin Pharmaceutical Association, protesting against tax on proprietary medicines; to the Committee on Ways and Means.

Also, petition of the Chamber of Commerce of Milwaukee, Wis., protesting against taxing sales of grain; to the Committee on Ways and Means.

Also, petitions of the Citizens' Bank, of Delavan, Wis.; the Delavan Lake Boat & Engine Co.; and Nelson & Sweeney, of Argyle, Wis., protesting against war tax on automobiles; to the Committee on Ways and Means.

By Mr. CURRY: Petition of 105 people of Richmond, Cal., protesting against national prohibition; to the Committee on Rules.

By Mr. DALE: Petition of the William Wrigley, Jr., Co., of Chicago, Ill., protesting against war tax on chewing gum; to the Committee on Ways and Means.

Also, petition of the National Association of Life Underwriters, favoring creation of a national department of health; to the Committee on Agriculture.

Also, petition of the Labor Council of Greater New York, asking the United States Government to act most vigorously against the continuation of the war in Europe; to the Committee on Foreign Affairs.

By Mr. EAGAN: Petitions of William Peter Brewing Co., of town of Union; of Hudson County Consumers Brewing Co., of West Hoboken; of Daniel Bermes Boulevard Brewery, of Union Hill; of Trefz Brewery, of Newark; of Paterson Brewing & Malting Co., of Paterson; of Gottfried Krueger Brewing Co., of Newark; of Christian Feigenspan Brewery, of Newark; and the Peoples Brewing Co., of Trenton, all in the State of New Jersey, protesting against the increase from 50 to 75 cents per barrel on beer; to the Committee on Ways and Means.

By Mr. GRAHAM of Pennsylvania: Petition of the National Association of Life Underwriters, favoring creation of a national bureau of health; to the Committee on Agriculture.

By Mr. HENSLEY: Petition of sundry citizens of De Soto, Mo., against exportation of food products; to the Committee on Ways and Means.

By Mr. KONOP: Petition of A. A. Lueck, John McCarthy, J. F. Albers, R. J. Leutsker, Charles O. Gauthier, of Antigo, Wis.; Woerfel & Stiles, of Sturgeon Bay, Wis., and F. M. Charlesworth, of Kaukauna, Wis., protesting against war tax on proprietary medicines; to the Committee on Ways and Means.

By Mr. LOBECK: Memorial of the National Association of Life Underwriters, favoring creation of a national board of health; to the Committee on Agriculture.

Also, petition of Guy L. Smith, of Omaha, Nebr., protesting against tax on automobiles; to the Committee on Ways and Means.

Also, petitions of the State Pharmaceutical Association and legislative committee of the Omaha Retail Druggists, of Omaha, Nebr., protesting against tax on proprietary medicines; to the Committee on Ways and Means.

Also, petition of the manufacturers of Velvetina toilet preparations, of Omaha, Nebr., protesting against tax on cosmetics; to the Committee on Ways and Means.

By Mr. McCLELLAN: Petition of C. Christensen, of Milton-on-the-Hudson; R. A. Austin, of Cairo; Jafael Bros. and Jordan & Marsh Drug Co., of Liberty, all in the State of New York, protesting against proprietary tax on medicine; to the Committee on Ways and Means.

By Mr. MERRITT: Telegram of W. H. McKenna, of Chateaugay, N. Y., protesting against proposed stamp tax on drugs; to the Committee on Ways and Means.

Also, petition of F. M. Hopkins & Sons, druggists, of Keeseville, N. Y., opposing proposed tax on drugs; to the Committee on Ways and Means.

By Mr. J. I. NOLAN: Protest of the Orange Judd Co., New York City, against the passage of House bill 16238, to amend the copyright laws; to the Committee on Patents.

Also, protest of Doubleday, Page & Co., New York, N. Y., against the passage of House bill 16238, to amend the copyright laws; to the Committee on Patents.

By Mr. PETERS: Petition of sundry citizens of St. Albans, Me., favoring national prohibition; to the Committee on Rules.

SENATE.

MONDAY, *October 12, 1914.*

(*Legislative day of Thursday, October 8, 1914.*)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

Mr. BRISTOW. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bristow	Hollis	Oliver	Smith, S. C.
Bryan	James	Overman	Smoot
Burton	Johnson	Page	Sterling
Camden	Jones	Perkins	Thornton
Chilton	Kern	Pomerene	Tillman
Clark, Wyo.	Lane	Reed	Townsend
Clarke, Ark.	McCumber	Robinson	Vardaman
Culberson	McLean	Shafroth	West
Fletcher	Martine, N. J.	Sheppard	White
Gronna	Norris	Simmons	Williams

Mr. PAGE. I desire to announce the necessary absence of my colleague [Mr. DILLINGHAM]. He is paired with the senior Senator from Maryland [Mr. SMITH]. I will allow this announcement to stand for the day.

Mr. THORNTON. I desire to announce the necessary absence of my colleague [Mr. RANSDELL]. I ask that this announcement may stand for the day.

Mr. SMOOT. I wish to announce the necessary absence of the senior Senator from New Hampshire [Mr. GALLINGER], my colleague [Mr. SUTHERLAND], and the junior Senator from West Virginia [Mr. GOFF]. The senior Senator from New Hampshire is paired with the junior Senator from New York [Mr. O'GORMAN], my colleague is paired with the senior Senator from Arkansas [Mr. CLARKE], and the junior Senator from West Virginia is paired with the senior Senator from South Carolina [Mr. TILLMAN].

I desire also to announce the necessary absence of the junior Senator from Illinois [Mr. SHERMAN] and of the junior Senator from Maine [Mr. BURLEIGH]. The junior Senator from Maine is paired with the junior Senator from New Hampshire [Mr. HOLLIS].

The VICE PRESIDENT. Forty Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of absent Senators, and Mr. SHIVELY and Mr. SMITH of Georgia answered to their names when called.

Mr. SWANSON, Mr. THOMPSON, Mr. SMITH of Michigan, Mr. WEEKS, Mr. HITCHCOCK, Mr. STONE, and Mr. COLT entered the Chamber and answeerd to their names.

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. There is a quorum present.

AUTO TRUCKS FOR POSTAL SERVICE (S. DOC. NO. 598).

The VICE PRESIDENT laid before the Senate a communication from the Postmaster General, transmitting, in response to a resolution of the 7th instant, an abstract of bids and other documents called for, together with memoranda of the purchasing agent for the Post Office Department and of the postmaster at Washington relative to the purchase of six White trucks for the use of the Washington City post office, which, on motion of

Mr. TOWNSEND, was, with the accompanying papers, referred to the Committee on Post Offices and Post Roads and ordered to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Vice President:

H. R. 12161. An act to remove the charge of desertion against John Mitchell; and

H. R. 13296. An act for the enlargement, etc., of the Wall Street front of the assay office in the city of New York.

PETITIONS AND MEMORIALS.

Mr. GRONNA. I present two telegrams in the nature of memorials from the president and secretary of the Druggists' Association of District No. 7, and from the secretary of the North Dakota Pharmaceutical Association and field manager of 15 local organizations, in my State, remonstrating against the proposed tax on drugs and proprietary medicines. The telegrams are very important and brief, and I ask that they may be printed in the RECORD.

There being no objection, the telegrams were ordered to lie on the table and be printed in the RECORD, as follows:

FARGO, N. DAK., *October 11, 1914.*

Hon. A. J. GRONNA,
United States Senate, Washington, D. C.:

Kindly oppose the imposition of a war tax on proprietary medicines and cosmetics, because this is a discriminative tax on retail druggists alone.

DRUGGISTS OF DISTRICT NO. 7.
WM. P. PORTERFIELD, *President.*
OSCAR HALLENBERG, *Secretary.*

LISBON, N. DAK., *October 8, 1914.*

Hon. A. J. GRONNA, *Washington, D. C.:*

We hope you will see your way clear to oppose the imposition of a war tax on proprietary medicines and cosmetics, because this is a discrimination tax, and if it becomes a law will be borne and paid entirely by the retail druggists.

W. S. PARKER,
Secretary of the North Dakota Pharmaceutical Association and Field Manager of 15 Local Organizations.

Mr. GRONNA. I present a telegram from J. E. Sandlie, of Lidgerwood, N. Dak., remonstrating against the proposed tax on automobiles, which I ask may be printed in the RECORD.

There being no objection, the telegram was ordered to lie on the table and be printed in the RECORD, as follows:

LIDGERWOOD, N. DAK., *October 8, 1914.*

Hon. A. J. GRONNA, *Washington, D. C.:*

A special war tax on automobiles assessing 25 cents per horsepower against each automobile owner and assessing $1 per horsepower on each car manufactured—such a measure means an enormous loss to the entire automobile industry. We have 17,000 automobile owners in the State and over 1,000 automobile dealers and they are all protesting vigorously against such a measure.

Yours, truly, J. E. SANDLIE.

Mr. GRONNA presented telegrams in the nature of memorials from B. L. Bentson, of Fargo, N. Dak., on behalf of the druggists of North Dakota; of H. E. White, W. N. Smith, H. W. Kelly, Clemens Drug Co., and Wonnenberg & Avis, of Jamestown, N. Dak.; of Edwin L. Newcomb, secretary of the Northwest Branch of the American Pharmaceutical Association, of Minneapolis, Minn.; and F. S. Baker & Co., of Keokuk, Iowa, remonstrating against the proposed tax on proprietary medicines, which were ordered to lie on the table.

Mr. TOWNSEND. I present a large number of telegrams, in the nature of memorials, and also sundry letters, from citizens in my State, remonstrating against the proposed tax on drugs and proprietary medicines. I move that the letters and telegrams be received and lie on the table.

The motion was agreed to.

Mr. MARTINE of New Jersey. I present a large number of telegrams, in the nature of memorials, from constituents of mine, protesting against the imposition of the stamp tax on proprietary medicines. The telegrams are from citizens of Jersey City, Clinton, Somerville, East Orange, and Ocean Grove. I ask that they be received and properly noted.

The VICE PRESIDENT. The telegrams will be received and ordered to lie on the table.

Mr. OLIVER presented memorials of sundry citizens of Pennsylvania, remonstrating against the proposed tax on proprietary medicines, which were ordered to lie on the table.

He also presented memorials of sundry citizens of Pennsylvania, remonstrating against the proposed tax on telephone messages, which were ordered to lie on the table.

He also presented memorials of sundry citizens of Pennsylvania, remonstrating against the proposed tax on proprietary medicines, which were ordered to lie on the table.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BRISTOW:

A bill (S. 6628) granting an increase of pension to George F. Weitzel (with accompanying papers); and

A bill (S. 6629) granting an increase of pension to John G. Avery (with accompanying papers); to the Committee on Pensions.

By Mr. TOWNSEND:

A bill (S. 6630) granting an increase of pension to Smith C. Hotchkin (with accompanying papers); to the Committee on Pensions.

By Mr. JAMES:

A bill (S. 6632) granting a pension to Benjamin Matlock (with accompanying papers); to the Committee on Pensions.

Mr. SMITH of Michigan. For the senior Senator from Missouri [Mr. STONE] I introduce a bill which is regarded as very important, and I ask its reference to the Committee on Foreign Relations. The report which I made at the third session of the Sixty-second Congress, being Senate Report No. 1267, accompanies the bill, which is similar in form to the one reported at that time.

The bill (S. 6631) to regulate the practice of pharmacy and the sale of poison in the consular districts of the United States in China was read twice by its title and, with the accompanying papers, referred to the Committee on Foreign Relations.

PUBLIC BUILDING AT LA JUNTA, COLO.

Mr. SWANSON, from the Committee on Public Buildings and Grounds, to which was referred the bill (H. R. 12665) to increase the limit of cost of public building at La Junta, Colo., reported it without amendment and submitted a report (No. 817) thereon.

EMERGENCY REVENUE LEGISLATION.

Mr. HITCHCOCK submitted two amendments intended to be proposed by him to the bill (H. R. 18891) to increase the internal revenue, and for other purposes, which were ordered to lie on the table and be printed.

HEARING BEFORE COMMITTEE ON AGRICULTURE.

Mr. SHAFROTH submitted the following resolution (S. Res. 470), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee to Audit and Control the Contingent Expenses of the Senate be authorized to approve a voucher for reporting a hearing before a subcommittee of the Committee on Agriculture and Forestry held on April 17, 1914.

HEARINGS BEFORE THE JUDICIARY COMMITTEE.

Mr. REED. I ask unanimous consent to call up a resolution which I submitted on Saturday last and had referred to the Committee to Audit and Control the Contingent Expenses of the Senate, which was subsequently reported favorably by me from that committee.

It is the ordinary resolution authorizing the Judiciary Committee to take evidence. The original resolution as it now is upon the record is so drawn that the evidence can only be taken while Congress is in session. This resolution proposes to extend the authority to take some evidence during vacation; it proposes to confer that general right; but, as a matter of fact, it is only to be exercised in one case in reference to a bill which is before the Judiciary Committee. Probably the taking of the evidence which is proposed will not consume a day.

The VICE PRESIDENT. Is there objection to the request of the Senator from Missouri?

Mr. SIMMONS. Mr. President, I shall not object, provided there is no discussion; but after this matter is disposed of I shall insist upon the regular order.

Mr. REED. The Senator from North Carolina will understand that I spoke to him about this matter on Saturday.

Mr. SIMMONS. But I did not understand that it was going to give rise to any debate.

Mr. REED. I think it will not. I think the matter will go through by unanimous consent.

The VICE PRESIDENT. The resolution will be stated.

The Secretary read the resolution (S. Res. 469) reported by Mr. REED from the Committee to Audit and Control the Contingent Expenses of the Senate on October 8 (calendar day, October 10), 1914, as follows:

Resolved, That the Committee on the Judiciary, or any subcommittee thereof, be authorized, during the Sixty-third Congress, to send for persons and papers, to administer oaths, to employ a stenographer, at a cost not to exceed $1 per printed page, to report such hearings as may be had in connection with any subject that may be pending before said committee, and to have such hearings printed for the use of the committee; that the expenses of such hearings be paid out of the contingent fund of the Senate, and that the said committee and all subcommittees thereof may sit during the sessions of the Senate.

Resolved further, That the said committee or any subcommittee thereof is hereby authorized to conduct said hearings and investigations in the city of Washington or elsewhere as it may deem proper, and may continue such hearings and investigations during any recess of said Congress.

Mr. CLARK of Wyoming. May I ask the Senator from Missouri a question?

Mr. REED. Certainly.

Mr. CLARK of Wyoming. I ask if the resolution is directed with reference to hearings which have already been begun before a subcommittee?

Mr. REED. Yes.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution was considered by unanimous consent and agreed to.

AMERICAN VESSELS AND WATCH OFFICERS.

Mr. JONES. If the Senator from North Carolina will yield for a moment, I wish to state that on Saturday last I submitted a resolution calling for certain information from the Secretary of Commerce. The Senator from Florida [Mr. FLETCHER] objected to its consideration, and thinks that the resolution should be referred to a committee. I simply desire to ask that the resolution be taken from the table and referred to the Committee on Commerce.

Mr. SIMMONS. There will be no objection to that.

The VICE PRESIDENT. The resolution referred to by the Senator from Washington will be read.

The Secretary read the resolution (S. Res. 467), as follows:

Resolved, That the Secretary of Commerce be requested to furnish to the Senate the following information:

1. How many Americans were shown by reports from the various customs districts to be available for watch officers, including masters, mates, and engineers, when the order suspending the requirements of the navigation laws relating thereto for a period of seven years was issued.

2. Copies of letters and communications on file with the department relating to the supply of Americans available for watch officers on ships admitted to American registry.

3. A list of the vessels admitted to American registry under the emergency act, with a statement as to where and when built, by whom owned, what flag heretofore flying, and the number of American vessels and watch officers employed.

The VICE PRESIDENT. The resolution will be referred to the Committee on Commerce.

THE COTTON SITUATION IN THE SOUTH.

Mr. BANKHEAD. Mr. President, I received this morning a letter from a lady constituent of mine in Alabama bearing on the cotton situation in the South. I think it is the most interesting and instructive letter I have read on the subject, and I ask to have it printed in the RECORD.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The letter referred to is as follows:

TUSKEGEE, ALA., *October 8, 1914.*

DEAR SIR: I have read quite a great deal about the cotton situation and the plans for financing the crop and reducing the acreage for 1915. It seems that no plan has been devised that meets the requirements of all the parties concerned, and unless the acreage reduction is made on a basis fair to all growers, great and small, it will not only be very unsatisfactory but prove a failure, for doubtless many who talk reduction will perhaps reduce their apparent acreage, but have an interest in the acreage of other parties who will not reduce—so as to offset their apparent reduction and to not plant any cotton at all is a course too improbable to be worth discussing.

It seems to me a better plan would be to concentrate all efforts on a system of bonded warehouses in all the cotton-growing States for the purpose of holding enough cotton off the market to materially raise the price of what remains to be sold.

It is said that cotton a year old is better for spinning purposes than raw cotton, and that cotton does not deteriorate in three to five years. Then it seems to me it would be a wiser course to set aside what is estimated to be a surplus of this year's crop, take it completely off the market, and not sell it under any condition. Then, when the spinners and manufacturers find that to wait for low prices or an unloading of "distressed cotton" on the market is useless, they will begin to buy, and a fair price will be obtained.

This could be accomplished by forming "cotton-holding corporations" in each State, with bonded warehouses and sufficient capital to buy up and properly insure such cotton at at least 10 cents per pound, which price has been obtained by the "buy-a-bale-of-cotton" movement. The number of bales in this reserve supply should be a certain per cent of each State's production, so as to be fair to each State; and when selling begins at a fair price the reserve cotton could be released by certain per cent from each State so that one State would not profit more by the "holding movement" than a sister State. Also arrangements could be made for a planter to store his cotton with this "holding corporation" for a reasonable charge, without selling outright.

Don't you think a system like this would be worth more than futile attempts to decrease next year's cotton acreage 50 per cent or even 25 per cent? Because it won't be done systematically or satisfactorily.

As to leaving out cotton and raising foodstuffs in large proportion, Mr. Tait Butler in (September 26) Progressive Farmer covered that ground to my idea. There would be "no market," and the South has no facilities to handle such crops, no machinery to work such farms on a large scale, no storage houses, etc., and the cost of such things would be prohibitive of such experimenting in raising foodstuffs. Besides foodstuffs won't keep like cotton, and there would be too much competition to guarantee the South a market for foodstuffs in one year. Cotton is the South's money crop, and a small farmer could manage better with cotton at 7 cents a pound than on foodstuffs for which he had no sale.

Diversification of crops is all right and ought to be preached day in and day out, but to expect to revolutionize a whole section's crop system in one year is chimerical. The tenant farmer pays his rent in cotton; the price cuts no figure with him as far as the rent is concerned. He pays in a certain number of bales. What is over the rent is his concern. A great many tenants couldn't grow enough foodstuffs to pay rent equal to cotton, nor would a landlord rent land on those conditions. Nine out of ten would "take a chance on cotton."

Now, with the plan to form "holding corporations" in each State, all surplus cotton could be brought up and stored for next year's sale—unless some unprecedented demand arose at such price as to cause a sale a little later on. Then next fall sell the 1914 reserve, or 1-year-old cotton, and put back a like reserve out of 1915 crop for 1916 sales; thus you could handle the situation and be a crop ahead each year, so if the boll weevil becomes a disturbing factor it would be better to have next year's crop and store it than not to make any crop or a small crop and then be confronted with a demand for cotton, due to expanding trade relations and a cessation of the present war and a resumption of trade on the part of foreign countries. As Mr. W. P. G. Harding said he believed underproduction next year would be worse than overproduction, etc. True, it would be better to have the crop and store in the bonded warehouses with proper insurance, and be ready to meet any trade emergency, rather than—to quote Mr. Harding—make "the trade dependent upon the present crop for the greater portion of its two years' supply."

For this plan would not disturb farmers in their plans for next year, and the time wasted on preaching acreage reduction could be better spent gathering information as to the farmer's actual needs and to show farmers the best way to get started in a small way to diversify their crops, for nine out of ten are going to hang to cotton, for it pays the rent regardless of price, and has been and will be the money crop of the South.

To tax cotton production will not answer, for few would agree to the right of State or Government to tax one's individual right to raise what he pleased. Such a tax would about crush the small grower, for while cotton may be low in price, he would have to pay high for foodstuffs and manufactured articles, etc., besides the tax.

As to live-stock raising: Very few farmers could buy the cattle to stock a farm or could find them to buy in this section, and then it is three to five years before much can be expected from that investment, and the element of death by disease and uncertainty as to increase of herd would make many hesitate. Scattered efforts here and there would not count for much.

A holding corporation in each State, if properly managed, would eliminate all this talk and multiplicity of plans and could be made a permanent factor in handling the cotton crops of the future. When farmers know they have an organization back of them strong enough to sustain the price of cotton, and manufacturers know that cotton can be bought only at fair prices, the disposal of the cotton crop would not be "haphazard," as it is now, and the price low until it is out of the farmer's hands and into the "middleman's." This holding corporation, composed of farmers, manufacturers, bankers, financiers, etc., could deal directly with the farmer and directly with the manufacturers through their agents, not in the sense of the so-called middleman, but as an avenue of trade, be a means to an end.

Now, with other uses for cotton being thought out, such as bagging for baling cotton, sacks for produce, and the demand for cotton-made goods, etc., all of which will increase the demand for cotton—why reduce the 1915 crop, when cotton properly stored does not deteriorate in value in three years or more, and the boll weevil promises to be a factor in reducing the crop for the next year or two, and the demand may exceed the supply, should the war end soon; "it would be better to have a reserve supply with these facts before us rather than a reduced crop in 1915."

I should not think it would be difficult to form these "cotton-holding corporations" of responsible persons in each cotton State, with uniform rules and sufficient capital to insure success of the movement. These corporations would be more or less profitable according to the rules governing their formation.

Responsible persons could be found in each county to boost this movement and explain to farmers and landlords and others what the movement means to the cotton producer now and in the future. Then let the farmers register by counties the number of bales they want to sell, the number they can hold, etc., and in what way they can and will diversify their crops. Find out about the man who is the actual producer, then you will know better how to relieve the situation for him and for all others interested. Farmers will be willing to register if given the assurance from responsible sources that their interests will be protected.

And I should think industries begun now in the United States to make the articles formerly imported—which supply has been cut off by the war—should be protected from foreign imports, even should the war end soon, until they are in a position to compete with foreign-made goods. Such assurances of protection would build up new industries for America and make her, as she should be, independent of every foreign nation.

"Made in the United States of America" should be our slogan from now on. "Home production for home consumption."

Miss MARY L. LEE,
211 North Elm Street, Tuskegee, Ala.

EMERGENCY REVENUE LEGISLATION.

The Senate, as in Committee on the Whole, resumed the consideration of the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. SMOOT obtained the floor.

Mr. SIMMONS. Before the Senator from Utah begins his speech, I desire to give notice that after he has concluded I shall ask unanimous consent that a vote be taken upon the pending measure on Thursday of this week.

Mr. SMITH of Michigan. One moment. May I ask the Senator from North Carolina if he is prompted in that suggestion by the desire to obtain an early adjournment?

Mr. SIMMONS. That is my motive; yes.

Mr. OVERMAN. Do I understand that the Senator from North Carolina is going to ask unanimous consent for a vote at the conclusion of the speech of the Senator from Utah?

Mr. SIMMONS. I have not now asked for that unanimous consent; but, in order that Senators might be present, I simply gave notice that I should ask it at the conclusion of the speech of the Senator from Utah.

Mr. OVERMAN. I wish to say that if unanimous consent is asked I shall object. I am not going to agree to unanimous consent unless something is done to relieve the cotton situation in the South.

Mr. JAMES. The sooner we can get a vote on the pending bill the easier it may be to get relief for the cotton planters of the South. There is to be no condition in this unanimous-consent agreement, for which the Senator from North Carolina [Mr. SIMMONS] intends to ask, that we shall adjourn on Thursday. It is merely that we shall vote on the pending bill on Thursday.

Mr. SMOOT. I want to say to the Senator from Kentucky that, if the Senate is to be kept here for the next two months in the discussion of the question of relief for the cotton growers of the South, perhaps that will have some bearing upon how quickly we shall get through with the pending measure.

Mr. OVERMAN. I want to say to the Senator that there is an amendment being prepared to be presented to the pending bill which will, I think, help our people in their distressed condition. All we want is time to prepare that amendment to be submitted; and as soon as it is voted on, if it is voted down, we will make no further objection.

Mr. JAMES. I did not suppose the Senator from Utah would take the position that he would oppose the consideration and passage of just and proper legislation because he was opposed to some other legislation.

Mr. SMOOT. Mr. President, I do not know why the Senator should construe what little I said in that light.

Mr. JAMES. It is susceptible of no other construction.

Mr. OVERMAN. I think I understood the Senator from Utah. His impression was, I understand, that I referred to a separate bill; I did not.

Mr. SMOOT. That is what I understood the Senator to mean.

Mr. OVERMAN. What I mean is that there will be an amendment offered to the tax bill which we think will solve this question. All we want is a vote on it, and when the vote is taken we are willing to quit and adjourn.

Mr. SMOOT. Mr. President, I want to say this——

Mr. OVERMAN. Until that amendment is prepared and ready to be offered, I will not agree to fix a time to vote on the bill; and so far as Thursday is concerned, I will not now consent.

Mr. JAMES. I presume the Senator could have the amendment ready by Thursday.

Mr. OVERMAN. We will have it ready; yes. But I do not want to be bound so that we can not have a vote on that amendment.

Mr. TOWNSEND. The Senator will have an opportunity to secure a vote on the amendment to which he refers.

Mr. SMITH of Michigan. Let me ask the Senator from North Carolina if the amendment to which he refers is being prepared by the Finance Committee?

Mr. OVERMAN. No; it is being prepared by some Senators from the South.

Mr. SMITH of Michigan. And are we to be given to understand that until that amendment is considered the tax bill will not be passed?

Mr. OVERMAN. I mean that I am not now going to consent to a vote on Thursday, because if we did we would be bound by the unanimous consent and precluded from the discussion of the amendments; if we are ready and the amendments can be discussed, then we will vote on Thursday. In other words, I do not want to be bound in such a way so that we can not be heard on an amendment to this bill; that is all.

Mr. SMITH of Michigan. I do not understand, Mr. President, how the Senator would be precluded from offering an amendment to this bill even if unanimous consent is given to vote on Thursday.

Mr. SIMMONS. The Senator can offer an amendment to this bill at any time he desires.

Mr. OVERMAN. If I agreed to a vote on Thursday, the amendment might not be prepared and ready to be offered on that day, and then it would be cut off. I will probably not offer the amendment myself, but it will be offered.

Mr. VARDAMAN. I understand the question of unanimous consent is not now before the Senate.

Mr. SIMMONS. I simply gave notice that I would make the request.

Mr. VARDAMAN. I call for the regular order.

Mr. SIMMONS. I call for the regular order.

The VICE PRESIDENT. The Senator from Utah is entitled to the floor.

Mr. SMOOT. Mr. President, the claim that this bill to raise over a hundred million dollars in the way of direct taxes on the people is solely attributable to the war in Europe is not true. It is due greatly to the condition of affairs in this country, brought on by the mistaken legislation of the Democratic Party in Congress and the unjustifiable extravagance in appropriations. If the tariff law as it existed before the passage of the Underwood Democratic measure had been left alone and business carried on under a Republican administration and with a Republican Congress, there would have been no trouble whatever. The country was unusually prosperous when the Democrats, by a division in the Republican ranks, secured control of the Government. They promised all sorts of reforms and have kept Congress in almost continuous session, with a result of imposing enormous additional burdens in the way of direct taxation. In addition to the income tax, they now propose to levy considerably more than a hundred millions on the plea of the war in Europe. The United States is not at war with any country. With the war preventing exports from Germany and Austria, and limiting those from the United Kingdom, France, and Russia, the United States should be in a position to profit instead of adding this enormous burden of taxation. But it is not in that position simply because of the absolute failure of the Democratic tariff law and other legislation enacted since that party came in control of the Government. The plea that the war in Europe makes this legislation necessary is a shameful pretext.

I will admit that the outbreak of the European war at a time when the Democratic Party's fiscal policies had proved a failure and brought the administration to a point where, in order to meet the extravagant and ever-increasing appropriations, the usual Democratic bond sale had to be made or additional direct taxes imposed upon an already overburdened and overtaxed people, has given the party a new hope against a severe rebuke at the polls this fall. All hope of success had vanished before the declaration of war. War is to be the excuse in this campaign for every Democratic blunder, every extravagant appropriation, every piece of vicious legislation. It is to be the Democratic Mother Hubbard, to cover everything and touch nothing. The evil effects of the Democratic economic policies were acknowledged by millions and felt by all long before the war. While the Democratic Party finds itself the beneficiary of the unjustifiable and wicked war, I want every producer of goods in the United States to know that he, too, will be a temporary beneficiary, and I hope that the producers of commodities of every kind will prepare to take advantage of the opportunity, even though it comes to them through no action of the party in power, but through the misfortunes that have befallen the people of Europe. Never in the world's history has there been such a dreadful sacrifice of human life and wicked destruction of property. America will be called upon to furnish goods to the former customers of the belligerent powers. She will be expected to furnish food and supplies to the belligerents themselves, and, greater than either, we must produce the goods required by our own people. Horrible as the war is, it will temporarily neutralize the blight to our own manufacturing institutions caused by the Democratic tariff law. American producers should have prosperous times for months to come and until the war ceases and European industrial plants again become productive. But when that time arrives there will be made a renewed and vigorous effort on the part of the warring countries to capture the American market. We may think we have had sharp competition in the past, and we have; but it will be keener and sharper after the war, for the poor people made poorer and the rich and well-to-do reduced to poverty by the ravages of war will be compelled to work, and the question of the amount of wage will be a secondary consideration. No Senator has quoted more approvingly the editorials of W. R. Hearst, a prominent Democrat, than has the Senator from Arizona [Mr. ASHURST], and while he was addressing the Senate last Friday, picturing the wonderful accomplishments, as he thought, of the present administration, and offering most ingenious excuses for its failures, I thought several times like asking him to read the signed editorial by Mr. Hearst appearing in the Chicago American September 20. I concluded it would hardly be fair to him to do so; but the editorial gives such good advice to his party, and covers the war excuse for imposing another burden on the American people of over $100,000,000

so well, that I will present it to the Senate myself and beg that my Democratic friends will ponder over it well. I now quote it:

MOST PEACEFUL NATION IN THE WORLD IS ASKED BY FREE TRADERS TO PAY A WAR TAX OF A HUNDRED MILLION DOLLARS.

[William R. Hearst, in Chicago American, Sept. 20.]

The most peaceful nation in the world is to be asked to pay a war tax of a hundred million dollars. The United States is not at war, and is not in reality a sufferer from the European war.

The necessity for this tax is not created wholly by the war in Europe, or even mainly by the war.

The deficit in the income of the United States Government is due partly to the reduction in the amount of the imports into this country, but also largely to a reduction of the tax upon imports into this country.

The reduction in the amount of the imports the party in power at Washington is not responsible for, but the reduction in the amount of the tax on imports the party in power in Washington is responsible for.

The reduction in the amount of foreign imports is not a disadvantage. On the contrary, it is in many respects a distinct benefit to our country. The reduction in the amount of income from these imports is obviously a disadvantage and a distinct disadvantage at this time.

It would appear, therefore, that the party in power in Washington was not responsible for such benefits as there are in this present situation, but was and is responsible for the disadvantages of the situation.

Why can not the Democratic Party frankly confess that its free-trade theories are a mistake, have always proved to be a mistake, and are now proving to be a mistake?

Why can not the Democratic Party, which has many claims upon popular confidence, abandon the visionary and impractical policies which will, if persisted in, forever deny it popular confidence and support?

War or no war, the Democratic Party's tariff policies were proving failures.

Before war in Europe was declared or even contemplated, the balance of trade was showing immensely against this country. Our export balance had decreased over a quarter of a billion dollars in seven months.

Gold was being exported in quantity.

The income tax had proved insufficient to compensate for the reduction in the tariff revenues.

Foreign goods were coming into our country, perhaps not in sufficient quantities to raise an adequate governmental revenue under the reduced rate of taxation, but certainly in sufficient quantities to deprive our American laborers of employment.

American men out of employment were parading the streets.

American business men in bankruptcy were putting up their shutters.

American factories were closing and discharging their employees, and, instead of America shipping more goods abroad than before the reduction of the tariff, America was importing more and shipping less, with the balance of trade going more and more to our disadvantage.

Then comes the European war, and through no effort or merit of our own, European goods are withheld from our markets and our home markets are again open to our home manufacturers.

Another consequence of this European war is the opening of foreign markets to our products.

Markets which were formerly supplied with goods from England and France and Germany and Austria will not be supplied from those nations, and must be supplied with goods from the United States.

The advantage of markets is clear and conclusive. Markets are merely the demands for our products. Without the demands there can not be a sustained supply, and with enlarging demands there must ever be enlarging supply, increasing production, increasing employment, and increasing prosperity.

We could have kept our home markets with legitimate protection.

We could have gotten enlarged foreign markets with judicious reciprocity.

We did neither.

But what we failed to do for ourselves the war will do for us.

Yet to take full advantage of the opportunities which the European war offers to this neutral Nation those opportunities should be made as permanent as possible by intelligent legislation and diplomatic negotiation.

If home markets are desirable and advantageous, as they obviously are, let us retain them for American producers by a tariff admittedly for protection.

If foreign markets are advisable and advantageous, as they clearly and surely are, let us retain them and enlarge them for our American manufacturers by reciprocity treaties.

A tariff for revenue only has proven to be a tariff for insufficient revenue only.

A tariff for judicious protection would prove a tariff for sufficient revenue as well.

If a frank policy of judicious protection intelligently coupled with reciprocity were adopted by the Democratic Party, the business men of America could proceed confidently and competently to take advantage of their present unexampled opportunities.

They would know that those opportunities and advantages would not be temporary, but permanent.

They could build factories, not to operate for the period of a war lasting only a few months, but for periods of years, guaranteed by the fostering care of a wise and farseeing Government.

There would then be no need for continual levies of new taxes.

There would then be no occasion for parades of unemployed or business proceedings in bankruptcy.

There would then be no need of foreign wars or such regrettable calamaties to others for us to glean a prosperity which should be naturally our due.

With our home markets secured through legitimate protection and foreign markets obtained through intelligent reciprocity our production would be immense and our prosperity correspondingly great.

Then with a merchant marine to carry our products to all parts of the world and a mighty Navy to protect our ships and our shores America could be in the dominant position which the enterprise and intelligence of its people, if not of its Government, entitle it to hold.

Why can not the Democratic Party abandon its theories, which have proved false, its policies, which have proved fatal?

Why can it not cease forever taxing our producers, forever restricting, restraining, and retarding our production? Why can it not embark upon a new and enlightened policy of intelligently encouraging our production, of adequately transporting our production, and of constantly enlarging and retaining the markets for our production at home and abroad?

In this way lie progress and prosperity for the party, for the Government, and for the Nation.

When the Democratic Party took control of the Government there was a balance in the general fund of the Treasury of nearly $150,000,000. With the proper administration of the Government that balance would have increased, instead of falling off, as has been the case. The Democrats reduced that balance to $74,151,000 on May 31, last. It is considerably more than that now, and is quite ample to meet the legitimate needs of the Government until long after the next session of Congress begins, even at the present rate of extravagance. But the Government has $75,000,000 of this general fund on deposit in national banks at call. If there were any need of additional revenue, that money could be used to much greater advantage than to tax the already overburdened taxpayers. Business has been greatly depressed under the effect of the Democratic tariff law and other legislation, while taxes have been enormously increased. Why add to them at such a time? The answer is that the Underwood tariff law has been a disastrous failure and the Democratic Congress a most extravagant one. The administration foresees the need of additional revenues while that law remains on the statute books. They can not repeal it without admitting the terrible mistake they made in its passage. The law authorizes the President to borrow money on certificates of indebtedness, so far as may be needed, up to $100,000,000. It has never been the policy of the Government to raise by way of taxation all funds necessary in such a case as that now presented. It would be much better to use that $75,000,000 deposited in the banks as it might become necessary, as it would almost immediately return to circulation, than to impose additional taxes. It would be better to issue temporary certificates of indebtedness than to impose taxes with the present condition of the country and with the enormous increase in taxation already imposed upon the people. The administration fears naturally that money could not be borrowed at a creditable rate of interest, as was shown under the Cleveland administration. Hence they make a pretext of the war in Europe to impose this further great burden of taxation.

Business was much better in September than in August owing to the increase in exports as the result of the European war. The revenues had been decreasing under the Underwood tariff law for months before the war in Europe was thought of. In July there was a decrease in the revenue of $4,818,189, as compared with the corresponding month of last year under the protective tariff law. In February there was a decrease of nearly $10,000,000. There was no talk at that time about a war-revenue measure and no war was even foreshadowed. But in August the total loss of revenue was $11,503,689. Deducting from that the loss in July the utmost that could be attributed to the war in Europe was $6,700,000, though in fact not all of that loss was caused by the European disturbance. The difference between the loss in February and the loss in August was only about $1,500,000, and that is the pretense for bringing in this bill to impose an additional taxation of over $100,000,000. There is no reasonable excuse for this measure. The President insists that the Government deposits in banks must not be used. But even if this $75,000,000 were left in the banks, there is no need of taxation when money can be borrowed as provided for by law. Before the next session of Congress there will be no need of any more money than is now in the possession of the Treasury and what will be derived in the ordinary manner. The whole trouble is the extravagance of the party in power and the wretched effect of its

It is well known that appropriations already made by this Congress exceed those of the last Republican Congress by nearly $100,000,000. Appropriations for pensions decreased $11,150,000 from last year because of the death of old veterans, and the expenditures for the Panama Canal were very much less because of its practical completion. The sale of two war vessels put $12,500,000 in the Treasury, and over $3,000,000 more were credited from the Postal Service this year that really belonged in the receipts of last year. And yet, notwithstanding these "windfalls" and the imposition of the income tax, the condition of the country is such, according to the President, that it was deemed necessary to impose over $100,000,000 more in taxes. The Senator from Washington illustrated a type of these lavish appropriations when he called attention the other day to the request of the Department of Commerce for an appropriation of $30,000 to protect life and property in Alaskan waters where the channels need special care. That small appropriation was refused, but $400,000 was appropriated to secure additional land for the public-building site in Richmond, Va. In the latter case it is a matter of local pride, while in the former case it meant the possible saving of life and property through the improvement of channels by a small appro-

priation not one-thirteenth as great as that made for additional land in Richmond, which could be obtained at some future time as well as now.

The administration asks us to appropriate $25,000,000 to pay to Columbia as a gift without our receiving any return. Colombia sought to make us pay an unjust sum for the privilege of digging the Panama Canal, and her blackmailing attempt, as Mr. Roosevelt calls it, led to the revolution in Panama, which resulted in our building the canal under much more favorable circumstances. As the canal is open to all the world on the same condition as to the people of the United States, the Democratic Party having shamefully violated their platform—which approved of the law exempting our coastwise vessels from the payment of tolls—by repealing that act, the United States now has no special privilege in the canal, which has cost us in the neighborhood of $400,000,000. This administration has granted to Colombia, in a treaty which we are asked to ratify, the freedom of the canal for its vessels, while our own must pay tolls. This has been done, notwithstanding the pretext that such a grant was in violation of our treaty with Great Britain, under which plea the law was repealed that granted freedom of tolls to American coastwise vessels. How can we give to Colombia what we have no right under the administration plea to take for ourselves? But not only has the administration agreed to such freedom from tolls for Colombia, but it proposes to make a gift to that country of $25,000,000, which amount is to be raised by this iniquitous so-called war-revenue measure. Then the Chief Executive has recommended the spending of $30,000,000 to permit the Government to buy ships to carry on trade with South America, although ships now operating between the United States and ports of South American countries are unable a good part of the time to secure more than half a cargo. The river and harbor bill need not have been passed at this session of Congress, as there was no pressing demand for it. There was a balance of an appropriation for such improvements sufficient to carry on the work until the next session of Congress. Those are some of the kind of appropriations for which this additional tax burden of over $100,000,000 is asked.

The exports for 10 months under the new tariff, ending with July this year, which was before the war in Europe really began, were $158,526,289 less than for the corresponding months last year under the Republican tariff law. But the imports for the same time were $102,323,309 greater. The loss in that time to the people of the United States aggregated $260,849,598 on the foreign trade alone, to say nothing of the tremendous loss at home caused by the great army of idle workmen and by closed mills and factories, with universal business depression and with a balance of trade against us so that gold exports increased 140 per cent in six months. Commercial failures were $85,000,000 greater in six months under this new tariff than they were in the corresponding time last year under the Republican tariff law, an increase of 71 per cent. Banking failures increased 60 per cent, railroad earnings decreased 8 per cent in five months, and idle cars increased 212 per cent. That is the condition of things which calls for additional taxation, for which the war in Europe is made a pretext. This country has to pay to Europe about $500,000,000 annually in interest on bonds, dividends on stock, and so forth. We have been able to meet that situation by the large balance of trade in our favor, which amounted to $656,897,103 for the months of October, 1912, to and including August, 1913, under the protective tariff law. In the corresponding months under the Democratic tariff law there was a balance of trade in our favor of only $326,391,262, showing a loss of trade under the Democratic tariff to the extent of $330,505,841 in 11 months. That tremendous loss was the result of the Democratic tariff legislation. How are we to meet this demand on us from Europe with such an adverse change in the trade situation? The increase in taxation as provided for by the pending measure and the income tax are partial results of the shameful legislation that has brought about that unfortunate condition of affairs.

All Democrats were loud in their demand for publicity in the public business before control of the Government was secured by them. Now secret methods are the rule. Notwithstanding the denunciation of the Republican House because of its rules as to legislation, the record of this Congress has been more czarlike than anything before in the history of this country. Secret methods of levying taxation are illustrated in the preparation of the pending measure. It was prepared by the Democratic members of the committee of the House without allowing their Republican associates to know anything whatever about it. It was put through that branch of Congress under a gag rule that did not permit of a single amendment. Then it was brought here, and the Democratic members of the Committee on Finance took possession of it, gave secret hearings in some cases, and refused any information to their Republican associates as to what was being done. Could there be anything more different from what the Democrats demanded in the way of publicity than that followed in the preparation of this bill? Like the tariff bill, it is largely a sectional measure. The revenue derived from this bill, as in the case of the income tax, will come largely from the Northern States.

The tax of 20 cents on sweet wines would equal the price of such wines in California, and wines are not used exclusively for drinking purposes. Beer is taxed additionally, but distilled spirits, a large product of the State of Kentucky, is excluded from taxation. It is true that a paltry tax of 5 cents per gallon on rectified whisky was imposed by a Senate amendment. Whisky was protected to a very large extent by the Underwood tariff law, the excise tax in this country being very much less than the duty imposed on foreign whisky. And now whisky virtually escapes from this so-called revenue bill. Why this great favor to the Kentucky product? Probably our energetic free-trade representatives from the State of Kentucky can explain this tender solicitation and protection of their product against this so-called war tax in time of peace, though they are not likely to undertake the task. It might be interesting to inquire why a tax upon rectified spirits and none on distilled spirits was imposed by this Democratic measure. I was suspicious that the same old system of sectional taxation had been agreed to when the smiling countenance of the senior Senator from Kentucky emerged from the Democratic caucus and announced that the opponents of the bill should make no further complaint, as whisky would be taxed and carry a large part of the burden of this bill. In looking at the bill as reported my attention was called to the fact that the tax was upon rectified spirits and none on distilled spirits. I turned to the Government reports to see the quantity of each produced in the United States and where produced. I found there was produced in the United States for the fiscal year ending June 30, 1913, 185,353,383 gallons of distilled spirits and 108,678,542 gallons of rectified spirits. Strange as it may seem, Kentucky produced 43,308,931 gallons of distilled spirits, or 24 per cent of the production of the United States, and produced but 7,586,458 gallons of rectified spirits, or 7 per cent of the United States production. With a tax of 5 cents per gallon on distilled spirits Kentucky would be compelled to pay $2,165,446.55, while with the tax of 5 cents per gallon imposed by this bill on rectified spirits Kentucky will pay but $379,322.80 out of a total tax to be collected of $5,433,927.10, based on the production for the fiscal year 1913. New York, Pennsylvania, Illinois, and Ohio are the great producers of rectified spirits. Each of these States produce more than Kentucky. No wonder the senior Senator from Kentucky smiled. I might also add that Mississippi produced none for the year 1913.

I received a letter from the Monsanto Chemical Works, of St. Louis, referring to the subject of chloral, for which product they requested a rate of duty at the time the Underwood law was under consideration that would enable them to remain in business as a manufacturer of that product. But such a rate was refused, and as a result they were driven out of that business; and because of the war in Germany the United States now finds it imposible to import chloral, though it is one of the medical products bought for use in the Army. When the importers had driven the St. Louis house out of business, so far as this product was concerned, they put up the price so that the wholesale cost was not less than before competition was destroyed. That illustrates the result with a number of other chemicals, to which I called attention at the time the tariff bill was under consideration. Dyes and other products used by our manufacturers are now cut off because of the war, although the Democrats either abolished the duties or reduced them below the protective point in this country, thus making us wholly dependent upon European countries for these important and necesssary products. Coal tar and benzol derived from it are the raw materials for dyes, and we have plenty of that material in this country; but the German Government has in every way helped the manufacturers in that country to build up an enormous trade, even supplying them with coal at what might be called gift prices. Wages are four times as much in this country as in Germany, and the cost of capital is more, while the German patent laws favor the home producer, which is not the case in this country.

The tax on precious stones was doubled by the Underwood law on the pretense that it would increase the revenue. But in nine months the revenue from that source decreased $373,695, although the duty had been doubled. I told the Senate at the time the Underwood bill was under discussion that this very

thing would happen, and explained that precious stones can be easily smuggled, and doubling the duty encouraged such violation of the law.

A Washington dispatch to the New York Sun on June 15 predicted that the administration would have to authorize a bond issue or ask for tariff revision to raise the necessary revenue to meet the extravagant expenditures of the Government. That statement was based on facts, and has been repeatedly made in Congress. This revenue measure is an outcome of the situation as it existed then, long before the war in Europe began. We have not by any means yet felt the full effects of the shameful Underwood tariff law, nor will we until after the war is over and the warring countries get to producing goods for export. Over three months of the last fiscal year had the benefit of the Republican tariff law, and the duty on wool and woolen goods was maintained for some two months longer. The duty on sugar was not reduced until March, and that duty will not be removed altogether until 1916. The full sugar duty was in effect for eight months of the last fiscal year. When the loss of revenue from sugar takes full effect it can easily be seen what will be the result; in fact, there is even a probability now of another alleged emergency revenue measure at no distant date. The Senator from Alabama [Mr. BANKHEAD], an old and experienced Democratic Member of Congress, declared not long ago that "no man can tell how long it will be before there will be another emergency that will require an additional levy." The "emergency" in that case simply means the failure of the existing tariff law to produce sufficient funds in addition to those derived from other sources to meet the appropriations made by Congress, and this further "emergency" will require an additional sum to this $100,000,000 and more than provided for by the existing bill. The Government is the only one not cutting expenses at the present time. Congress has been piling up expenditures to an hitherto unknown amount. The securities of the insurance companies and savings banks shrunk in value to the extent of $500,000,000 in 18 months, and for that shrinkage Congress and the Democratic Party are responsible.

The effect of the Democratic tariff was not materially felt until April, 1914, as orders could not be placed by American importers and goods made and shipped by the foreign manufacturers much before that date.

I now call attention to the total loss to our commerce by the increased importations and decreased exportations for the months of April, May, June, and July, 1914, the four months preceding the war, as compared with the same months of the year 1913:

Loss for April, $63,890,849; loss for May, $63,562,901; loss for June, $32,812,561; loss for July, $27,467,352; or a total loss for the four months of $187,733,633.

What a wonderful difference it would have made to American workmen and to American business if this vast amount of merchandise had been made by the unemployed of our country.

Ninety per cent of the average wholesale cost of manufactured goods, according to the late Abram S. Hewitt, an eminent Democrat and manufacturer, is the labor expended in their production in one form or another. Hence when the goods are made in this country that money goes to workmen and others here. The raw material is valueless until labor makes it useful. For instance, if it is ore, it has to be dug from the ground and transported before it becomes of any use, so that practically 90 per cent of the cost of the article is paid to labor in one form or another. When we import goods we pay that money, or in fact the whole cost of the goods, to the foreign seller and to the transporting company, while when the goods are produced at home their whole cost is retained in this country. Hence the effect of the tariff law in increasing imports and decreasing exports means loss to the American people, distributed among all classes, though the workmen suffer the most. If the ratio of loss for the above four months were to continue for a year, it would mean a loss of $563,200,989. But the army of idle workmen, thrown out of employment because of the increased imports and decreased exports, means a vast loss to merchants, manufacturers, and the people in general. The condition of the country during this whole year is ample testimony to that unfortunate situation caused by the change in the tariff.

Extravagance in the appropriations is another unfortunate feature of the Democratic control of the Government. Last year there was an increase over the aggregate of the appropriations made by the Republicans, and this year there is a large increase over last year's appropriations. In this connection Mr. President, I ask permission to print in the RECORD a comparison of appropriations for the fiscal years 1913 and 1915, showing an increase for the year 1915, under Democratic control, of $90,006,066.35, and the end is not yet.

The PRESIDING OFFICER (Mr. BRYAN in the chair). Without objection permission to do so is granted.

The matter referred to is as follows:

Comparison of appropriations, fiscal years 1913 and 1915.

Title of bill.	Appropriations, 1913.	Appropriations, 1915.	Increase, 1915 over 1913.	Decrease, 1915 under 1913.
Agricultural	$16,651,496.00	$19,865,832.00	$3,214,336.00	
Army	90,958,712.98	101,019,212.50	10,060,499.52	
Assistance to people in Europe		1,000,000.00		
Diplomatic and Consular	3,638,047.41	4,309,856.66	671,809.25	
District of Columbia	10,670,733.00	12,172,539.49	1,501,806.49	
Fortifications	4,036,235.00	5,627,700.00	1,591,465.00	
Indian	8,920,970.66	9,771,902.76	850,932.10	
Legislative	34,216,463.38	37,630,229.70	3,413,766.32	
Military Academy	1,064,668.26	997,899.54		$66,768.72
Naval	123,225,007.76	144,868,716.61	21,643,708.85	
Pensions	165,146,145.84	169,150,000.00	4,003,854.16	
Post Office	271,420,599.00	313,364,667.00	41,935,068.00	
Rivers and harbors	31,059,370.50	20,000,000.00		
Sundry civil	112,039,184.40	110,070,227.39		1,968,957.01
War-risk insurance		5,100,000.00		
Deficiencies and miscellaneous	13,149,652.60	29,363,586.61	16,213,934.01	
Permanent annual appropriations	133,206,424.12	131,196,407.00		2,010,017.12
Total	1,019,412,710.91	1,115,508,777.26	105,101,179.70	4,045,742.85

Mr. WEST. Mr. President, I will ask the Senator from Utah does that statement include the $35,000,000 which was appropriated for the Alaskan Railroad?

Mr. SMOOT. I will say to the Senator that that is not included in the amount given. I can call the Senator's attention to some of the increases if he so desires; but if he will take the time to read the RECORD, he will see just what they are.

Mr. WEST. Mr. President, I will look over the statement in the RECORD.

Mr. SMOOT. Therefore I will not take the time of the Senate to read the figures at this time.

Mr. JONES. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Washington?

Mr. SMOOT. Yes.

Mr. JONES. I simply wish to suggest to the Senator from Utah that I suppose his statement covers the million dollars which we appropriated for the Alaskan Railroad?

Mr. SMOOT. The Senator refers to the original appropriation?

Mr. JONES. Yes.

Mr. SMOOT. But the Senator from Georgia asked me whether the statement included the $35,000,000 appropriated for the Alaskan Railroad.

Mr. JONES. I thought I would call attention to the fact that it did include the million dollars first appropriated for the Alaskan Railroad.

Mr. SMOOT. I thank the Senator from Washington for calling my attention to that.

The country ought to know that the increase in appropriations of nearly $100,000,000 would have been enormously increased if it had not been for the determined opposition of the Republican minority. This stupendous amount has been appropriated notwithstanding the Republicans of the Senate led by that splendid man, worthy citizen, and acknowledged statesman, Senator BURTON, of Ohio, forced a cut in the Democratic "pork barrel" river and harbor bill of over $33,000,000 direct appropriation and prevented the Government from being saddled with a future obligation of $40,000,000 more, and that the appropriation for the Panama Canal, which is nearly completed, was about $15,000,000 less than the appropriation for 1913. There is also a decrease in the appropriation for pensions for the fiscal year of 1914, on account of the large number of deaths of our old soldiers, of about $11,150,000.

In addition to the appropriations already made, there are obligations created by this Congress, either as passed or recommended as administration measures, if reports are true, and for which no appropriation has as yet been made, as follows:

Purchase of ships	$30,000,000
Alaskan Railroad	35,000,000
Good roads	25,000,000
Colombian treaty	25,000,000
Nicaraguan treaty	3,000,000
Total	118,000,000

Those figures will illustrate how the Democrats have carried out their promise of retrenchment and economy and how idle

were their charges of "profligate extravagance" against the Republicans. We must not forget that direct taxes to the amount of $71,386,156 were filched from the people during the last fiscal year, consisting of a corporation tax of $43,079,819 and an income tax of $28,306,337, and still the administration is demanding $100,000,000 additional for this fiscal year. The vast decline in railroad revenues and in the income of all great business organizations dealing with the public in general accumulate the proof of the great mistake that was made when the Underwood tariff law was passed.

Chairman FITZGERALD, of the House Committee on Appropriations, declared in that body that—

The Democrats have unnecessarily piled up public expenditure until the Democratic Party is becoming a laughing stock of the country.

Such increase in expenditure and in imports naturally brings about a refutation of many Democratic charges against the Republicans. One of their chief accusations in the campaign of 1912 related to the cost of living, which they promised to reduce materially by the change in the tariff. Everyone knows that the cost of living has increased instead of decreased. According to the New York Times, which is eminent Democratic authority, the cost of 25 food products used by the average family was much higher in July before the European war began than in January. The junior Senator from Louisiana [Mr. RANSDELL], who has long been a Member of Congress, declared in this body on September 14:

All kinds of food products are high, higher than usual. The cost of living in this country has constantly increased. The wages of our people have not increased. Most of our laboring men are obliged to support their families on exactly the same wages as formerly, though the prices of food are higher. They are going to suffer more or less.

They have been and are now suffering, not only because of the increased cost of food paid the dealer, but on account of decreased earnings or none at all. The chairman of the Ways and Means Committee of the House was very emphatic in his promise, when that bill was under consideration, that it would reduce the cost of living, but the Senator from Louisiana, an equally eminent Democrat, shows how false that promise was. It was like the promise of simplicity so often made and so freely discounted. As the junior Senator from Iowa stated in this body not long ago—

You can hardly go along the streets without being run over by a Government automobile in which is riding the wife of a Government officer, or somebody else, at Government expense, to make calls.

That illustrates the promised simplicity. The senior Senator from Oklahoma [Mr. GORE], who is one of the most radical free traders of this body, in a speech he delivered in Texas some years ago, criticized the Democratic Party in the following words:

The trouble with the Democratic Party is it is a party of statesmen without statesmanship, patriots without patriotism, heroes without heroism. Their policy begets farmers without farming, laborers without labor, freemen without freedom. * * * The Fifty-second Congress had a Democratic majority of a hundred and forty-eight; and if it redeemed a single pledge, absorbed a single promise, kept a single command, or discharged a single obligation made to the people of the United States, I will quit the stump and retire from the canvass. In the matter of economy that Congress exceeded the Republican $1,000,000,000 Congress by $40,000,000.

The latter part of the quotation in part will apply to the existing Congress, of which the eminent Senator from Oklahoma is a Member. But the excess appropriations made by this Congress over those made by the last Republican Congress are much greater than those mentioned by the Senator from Oklahoma in that speech. The eminent Secretary of State, three times a Democratic candidate for President, declared last year that—

The representative who secures office on a platform pledge and then betrays the people who elected him is a criminal worse than he who embezzles money.

It would be interesting to know what the Secretary would do in the way of punishment to his party, who are now in control of the Government, and who promised to reduce the cost of living, but have increased it, and who promised to extend our foreign trade, increase employment for our workmen, and do many other things which they have absolutely failed to do. They secured office on such a platform and have betrayed the people.

This session of Congress has not yet ended, and if the eminent chairman of the Committee on Rules of the House has his way—and we have just received notice from an eminent Democrat of the Senate to a similar effect—it will not end until provision has been made for the benefit of the cotton growers of the South, so that the Government will guarantee them against loss. He wants the Government to deposit $250,000,000 in National and State banks in the cotton States, to be advanced to the producers of cotton or the owners of land on which the same is produced at a rate of interest not to exceed 3 per cent per annum.

Mr. President, I am in sympathy with the conditions existing in the South, as I am with the conditions existing all over the United States. In my own State our copper industry is languishing. Not half of the usual number of men are employed in that industry in the West, and the operators are trying to divide up the time of employment between the men who have families depending upon them, hoping conditions will right themselves in the very near future. The cotton producers are entitled to sympathy, and so are the farmers of the North and all other producers. Why should we make a discrimination in favor of one section of the country over another? But "the South is in the saddle," according to Mr. C. S. Barrett, of Union City, Ga., president of the National Farmers' Union, who, at a joint conference held at Fort Worth, Tex., on August 31, said:

The United States must buy three or four million bales of cotton at not less than 10 cents a pound from the farmers of the South. Three or four hundred millions of dollars is all that will be required. The South is in the saddle at Washington, and can do whatever it wants to do. The boys at Washington will do whatever you tell them to do if you give them to understand that you mean business.

Some such idea seems to have prevailed in forming the new tariff. Almonds, dates, figs, filbert nuts, garlic, lemons, oranges, pecans, peanut oil, pepper, pineapples, peanuts, rice, and other southern products were carefully protected. But the farm products of the North were put on the free list or duties reduced below the protective point. Hence we have had imports of corn, potatoes, barley, oats, wheat, eggs, dairy products, and so forth, to a great extent, while prices have not been reduced in the least to consumers. We have had an increase in the imports of cattle in 11 months to the extent of $11,968,347; corn, $9,775,179; oats, $7,984,053; meat and dairy products, $30,453,388; vegetables, $4,791,525; wool, unmanufactured, $30,136,171; wool, manufactured, $22,596,828; and wheat, $1,473,040; and I might continue. Nearly all of those products are furnished in great plenty in the United States, but our farmers were deprived of the home markets to a very large extent for the benefit of the foreigners, and certain trusts in this country, without a particle of benefit to American consumers.

Mr. President, I have prepared a table showing the imports entered for consumption in the United States during the fiscal year ending June 30, 1914, of the following articles: Cattle, oats, wheat, fresh beef, lumber, sugar, and wool. This table shows the rate of duty under the Underwood-Simmons tariff bill, and also under the Payne-Aldrich bill. It shows the quantity imported; it shows the value; and it shows the duty collected. I have also prepared a column showing the loss to the United States on these imported articles under the rates of the Underwood-Simmons bill applied, instead of the rates of the Payne-Aldrich bill. I want to say that there has been a loss upon this basis to the Government of the United States on cattle of $4,524,566.25; on oats, $1,933,449.70; on wheat, $154,396.52; on fresh beef, $2,579,178.80; on lumber, $1,238,811.11; on sugar, $7,509,226.11; on unmanufactured wool, $26,027,862.91; on manufactures of wool, $12,562,788.24; or on these eight items alone a loss to the United States of $56,530,279.64; and no one dare say that the American consumer has received one cent of benefit.

I ask permission to have this table printed in the RECORD.

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). In the absence of objection, permission is granted.

(The table referred to is printed on following page.)

Mr. SMOOT. Mr. President, the American Sheep Breeder, a publication of Chicago, Ill., addressed certain letters to the principal clothing manufacturers of the United States, also to the wholesalers of clothing and to the retailers, asking them if woolen goods—clothing, if you please—had decreased or increased in price since the passage of the Underwood tariff law. I have a copy of those letters in the way of answer, and I want to say to the Senate and to the country that universally they say there has been no reduction. I might refer to the answer made by Hart, Schaffner & Marx, the largest clothing manufacturers in all the world, who state that there has been a slight increase.

Mr. President, with those facts staring us in the face, we must admit we have a fiscal policy now in force in this country that has lost to the American Treasury, upon wool and manufactures of wool alone, $38,500,000, and the American consumer has received no benefit.

Mr. SMITH of Michigan. And with no corresponding benefit to anyone.

Mr. SMOOT. Mr. President, 80 per cent of the articles in value put on the free list were agricultural articles. Eight months' increase of imports of manufactured products showed an increase of about 9 per cent, but agricultural products showed an increase of 149 per cent.

Imports entered for consumption in the United States during the year ending June 30, 1914.

Articles.	Quantity.	Rate of duty.	Value.	Duty.	Loss if Payne rates had been in force.
Cattle:					
For breeding and teams of immigrants.....number..	540	Free [1]	$76,521.00		
Other.....do....	134,991	Average ad valorem, 26.75 per cent [1]	2,125,952.58	$468,686.77	$4,524,566.25
Cattle.....do....	736,562	Free [2]	16,540,434.58		
Oats, grain.....bushels..	7,460.25	15 cents per bushel [1]	3,103.84	1,119.08	
	21,482,774.46	6 cents per bushel [2]	7,600,254.43	1,288,966.47	1,933,449.70
	7,505.23	25 cents per bushel [1]	5,843.50	1,876.27	
Wheat, grain.....do....	736	Free [3]	774.00		
	1,029,310.13	10 cents per bushel [3]	899,413.56	102,931.00	154,396.52
Beef, fresh.....pounds..	3,633,094	1½ cents per pound [4]	270,467.00	54,496.46	
Beef, fresh (for supplies of vessels).....do....	171,945,267	Free [3]	14,762,866.44		
	161,794	Free, sec. 21 [3]	11,631.00		2,579,178.80
		Free [1]	78,654.00		
Lumber.....		Average ad valorem, 8 per cent [1]	6,495,887.89	519,979.18	
		Free [3]	15,587,737.02		1,238,811.11
		Average ad valorem, 9.96 per cent [3]	418,604.70	41,696.22	
Sugar.....pounds..	2,728,801,607	Average ad valorem, 65.08 per cent [3]	55,606,364.99	36,190,829.93	
	2,563,121,246	Average ad valorem, 50.19 per cent [4]	50,441,375.45	25,318,021.03	[5] 7,509,226.11
Sugar (for manufacture in bonded warehouse and export).....	38,139	Free, sec. IV, and sec. 23.....	2,796.00		
Sugar (for use of the United States).....	125	Free.....	10.00		
Sugar (from Philippine Islands).....	113,457,155	.....do.....	2,555,601.00		
Wool, etc., and manufactures of:					
	33,400,682.50	Average ad valorem, 41.30 per cent [6]	5,935,535.00	2,451,882.87	
Unmanufactured.....pounds..	291,183,966.61	Free [7]	62,431,087.14		26,027,862.91
	2,837,041	Average ad valorem, 15 per cent [7]	915,681.00	137,352.15	
		Average ad valorem, 80.41 per cent [8]	7,394,218.70	5,945,670.81	
Manufactures of.....		Free [9]	1,112,520.00		12,562,788.24
		Average ad valorem, 33.75 per cent [10]	25,008,003.34	8,440,724.57	
Manufactures of (for construction and equipment of vessels).....		Free, sec. IV, ¶ 5.....	1,857.00		
Manufactures of (for use of foreign ministers).....		Free, art. 636, Cus. Reg.....	783.00		
Total loss.....					56,530,279.64

[1] From July 1 to Oct. 3, 1913.
[2] From Oct. 4, 1913, to June 30, 1914.
[3] From July 1, 1913, to Feb. 28, 1914.
[4] From Mar. 1 to June 30, 1914.
[5] Loss Mar. 1 to June 30.
[6] From July 1, 1913, to Nov. 30, 1913.
[7] From Dec. 1, 1913, to June 30, 1914.
[8] From July 1 to Dec. 31, 1913.
[9] From Dec. 1, 1913, to June 30, 1914.
[10] From Jan. 1 to June 30, 1914.

The Agricultural Department gave as one reason for the increase in value of meat animals on farms the increased cost of production. It is somewhat amusing for the Secretary of Agriculture to assert that it costs more under the Democratic tariff to produce things on a farm than it did under the Republican tariff, but we will take his word for it. The Bureau of Labor Statistics, in a bulletin issued a considerable time before the war in Europe began, gave prices of 15 common articles of food in 40 important industrial cities, showing that 13 articles had advanced in price and only 2 declined. That is the way the Democratic tariff law reduced the cost of living after they asserted the tariff was the cause of high prices. The Government lost in revenue in eight months of the new tariff $12,414,133 because of putting cattle, beef, veal, prepared meats, sheep, mutton and lamb, and corn and oats on the free list. The Beef Trust and the Corn Products Co. may have benefited by that legislation, but the consumer did not. We know that the Corn Products Co. profited, because its president has stated in a letter over his own signature that the corn imported from Argentina enabled them to buy it much cheaper than they would have had to pay for corn grown in this country. But no one can point to the reduction in the prices of the articles made out of that corn by this well-known trust.

The senior Senator from South Carolina [Mr. TILLMAN] showed himself a prophet at the very beginning of this administration when he said:

> The Biblical quotation I used a few days ago will become historical: "The wild asses of the desert, thirsty and hungry, have broken into the green corn." That applies all along the line, from top to bottom. The Democrats have been out in the cold so long * * * that they are simply wild.

Mr. President, the party has created many thousands of new places which it controls in nearly all cases, free from civil-service regulations, as well as the old places, and of course that costs money. Col. George Harvey, editor of the North American Review and a distinguished Democrat, who was called to the city recently in order that the President might confer with him, emphasizes the economy of this administration in these words:

> I would direct attention to the fact that only the other day the Secretary of State appeared before the Senate Committee on Appropriations and announced with pardonable pride that, while he had been conducting the affairs of his department with all the fire and dash of an angleworm, he had reduced the estimated expenditures of his department so as to make a net saving of $120 per annum. By a simple method of dropping a clerk, who had been drawing $900 a year, he was enabled to employ a footman, and added somewhat pathetically, "You gentlemen of course know that you can not get along with a driver alone when engaged in the matter of returning cards." The Senators granted the allowance. So, too, finally did the House, though there was objection to the appropriation for "a footman" and also to the appropriation for equipment for drivers, which it was insisted meant livery, and nothing else. Nevertheless, since nobody seemed to know what is considered a suitable costume for a footman, where footmen are unheard of, and the only cards known are euchre decks, the protest passed unheeded, and the appropriation was made with one condition, that "equipment" should not comprise "skin-tight pants," thus completely demolishing the theory of the peacham philosopher that "it is not the coat that makes the man, it's the pants."

Mr. President, much more of a similar nature might be quoted from Mr. Harvey, and the fact that he was invited recently to the White House would seem to imply that the President recognizes the force of what Mr. Harvey has had to say about the administration.

For the first 23 days in September the loss of revenue was only $1,730,446. From July 1 to September 23 there was an increase in revenue over last year, but disbursements were nearly $8,000,000 greater. The trouble with the administration is that they need economy in practice and not in words only. If reliance were made on the issue of bonds to meet any possible need in the way of revenue, the issue would only have to be large enough to meet the absolute necessity, but by this method of additional taxation the money is taken from the people whether or not needed. In other words, the administration has put money in the banks, and will keep it there so that the banks can loan it to the people to pay their taxes with.

This demand for taxation is on a psychological basis; in other words, it is on an imaginary basis; but the money is to be used for a definite purpose, and that is to make up the deficit caused by the disastrous legislation put through by the party in power.

If the Republican Party regains control of Congress, or of either branch of it, we will stop this useless extravagance and this dangerous legislation threatening business men with its disastrous effect. There will be no need of increased taxation with Republican control in either branch of Congress, and when the Republicans again come in control of the entire Government there will be a resumption of the prosperous times that prevailed when we were in control before and a decrease in taxation. There will be work for all. We will stop this increase in the importation of articles that can better be made in this country. The mills will start up, labor will be employed, confidence will be restored, and this unceasing assault on business, which has been carried on for months in Congress, will come to an end. Idle workmen will not ask for bread and in answer be given greater burdens to bear in the way of taxation.

There would be no trouble with business to-day excepting for the Democratic assaults on it in various directions. We could establish the industries, such as the manufacture of dyes and dyestuffs and various other things which we now rely on Europe for, if we only gave such protection as was given in Europe in the past.

You now propose by this bill to tax conveyances, contracts, leases, etc., most of which taxes will fall on the comparatively

poor. You tax the merchandise broker under this bill four times, as follows:

First. Tax of $20 for doing business.

Second. Ten-cent stamps on each and every contract, which is, in a great number of cases, for very small quantities, as the article dealt in is frequently purchased by the jobber every day on which the commission is very slight, amounting frequently to less than $1.

Third. A tax on telegrams.

Fourth. A tax on telephone messages. There are other provisions in this bill just as absurd as the latter, to which I shall call attention when we reach the bill for consideration by paragraphs. There will be more of this taxation if the Democratic Party remains in control of the Government. The income-tax receipts were only about one-half the sum that was estimated, and those receipts were on the business of 1913. When the tax comes to be assessed on the business of this year it will be a very different story, and that is one reason why the administration wants this $100,000,000 and more of taxation.

Mr. President, we have imported more from Canada and sold her much less under the existing law than was the case under the protective tariff. In imposing new rates to raise war revenue—and Canada is actually engaged in the war—she has imposed rates that will still further hurt many of our products. Turkey has repudiated her treaties and is increasing her tariff rates, which will affect our trade with that country to some extent. We all know how Japan has taken away our cotton trade in Manchuria and excluded many of our products from Japan by increased tariff rates. She is also becoming a great competitor with us, even in our home markets, in many lines of trade. China wants to increase her tariff rates. The tendency the world over is to increase tariff rates on products that can be made at home, instead of decreasing them. It is only the Democratic Party, with its Bourbon teachings and traditions, that kills home industries by opening the markets of the country to foreign products made with cheap labor and under conditions which the workmen of our country can not compete with.

There is no end to the wild policies which the Democratic Party has put forth since it came into power. It made a great outcry against the rules of the House when the Republicans were in control. But we never had such a dominion of gag rule as we have had under Democratic control. All important legislation has been brought out of secret caucus and put through the House under gag rule that would not even, as in the case of this so-called war emergency revenue measure, permit of a single amendment. The promotion of American interests by the Panama Canal, so far as our merchant marine is concerned, has been wantonly destroyed without a shadow of sound reason.

The importance of rural credits for the benefit of the agricultural interests of the country was another subject the Democrats advocated, and the President only last December spoke of such legislation as an "urgent necessity." The subject was considered and a bill reported, but no action taken. Good roads was another one of their platform promises, and after a continuous session of 18 months nothing has been done to carry out that promise. The workmen generally demanded improved immigration laws to keep out undesirable aliens; but the bill has been shelved in this body, although the workmen's organization asserts that 73 Senators have written favorable letters in regard to such legislation.

There has been no legislation in regard to the transportation of convict-made goods. Nothing has been done in the way of a compensation act for workmen, though such legislation was promised.

Contrast that record with the legislation of the Republicans. We gave the Interstate Commerce Commission authority to fix rates on railroads in the interest of the public. We passed the postal savings bank law, one providing for the parcel post. We initiated legislation that enabled the income tax to be imposed, though we intended such a law only for use under extraordinary circumstances and for a limited time only. We did not anticipate relieving foreigners of taxation, as the Democrats have done, and then imposing the burden of an income tax upon our own people. The Department of Labor was created under a Republican administration, and also the Bureau of Mines and the Children's Bureau, while the white-slave act, another Republican measure, has proved of great benefit. A workmen's compensation law was defeated by a Democratic filibuster, and they have prevented any such legislation since they came into control of the Government. That is the record, and I have mentioned only a few of the important measures that the Republican Party can well be proud of.

The Democrats promised a wise, systematic, and comprehensive system of river and harbor improvements. Beyond a vast increase in appropriations for that purpose and a more reckless method of making them the party has done nothing. Like so many other of its promises, they have been repudiated. They promised to increase the merchant marine. One step they took in that direction was to repeal the law that would allow our coastwise merchant vessels the free use of the Panama Canal. They have put our ships at a disadvantage with those of foreign nations, which have their tolls paid by their respective Governments or which receive large subsidies. The Democrats promised to uphold civil-service reform and strengthen the laws in that respect. They have taken the opposite course whenever they have had opportunity. They promised to decrease the number of officeholders, while they have increased it many thousands. Deputy marshals, income-tax collectors, commercial attachés, and many others are now entirely outside of the civil service regulations, and a great effort has been made to exempt all post-office employees and utterly demoralize that service by returning it to the spoils system. There is scarcely a department that has not made inroads in the way of demanding more money and more places. The Democrats promised to reduce the number of places in the Treasury Department, whereas they have increased them to the extent of 938, whose salaries will cost the Government over $1,750,000.

Five new offices, with salaries of $12,000 each, were created by the banking law, and at the same time the salary of the Comptroller of the Currency was increased from $5,000 to $12,000. Five commissioners at $10,000 each and a secretary at $5,000 were created by the Trade Commission act. A new board of appeals, consisting of three members, with a salary of $4,000 each, has been created in the office of the Secretary of the Interior. Our diplomatic representatives to Argentina, Chile, and Spain have had their salaries raised from $12,000 to $17,500 each per annum. The assistant to the Attorney General received an increase of salary from $7,000 to $9,000. The salaries of six Assistant Attorneys General in the Department of Justice are raised from $5,000 to $7,500. The private secretary to the Secretary of the Treasury received an increase of salary from $2,500 to $3,000, and you can depend upon it that the private secretaries of the other nine Cabinet officers will be increased.

The sum of $100,000 was appropriated for commercial attachés to be appointed by the Secretary of Commerce, and a clerk to each attaché is allowed. The mission to Paraguay and Uruguay is divided, and a new minister authorized with a salary of $10,000. Five special examiners, at $1,300 each, who are not under the civil service, but are political appointments, are provided for. Mr. President, I could continue along this same line for hours, but why continue; the aggregate amount of appropriations tell the story.

But the Government clerks, who have not had their pay increased in half a century, have in many cases been demoted or dismissed altogether to enable partisans to receive larger salaries without regard to their merits.

A law was passed in this Congress to permit foreign vessels to be registered as American ships, and the provision was made that, if necessary, the President might suspend the law requiring the watch officers to be American citizens. He did not wait for any necessity to act, but promptly suspended the law for seven years, although there are said to be hundreds of Americans qualified to act, who are now without employment. Such a suspension of the law requiring American officers for so long a period is without a shadow of excuse.

Mr. JONES. If the Senator will allow me, I will state in this connection that it was known to the department before the suspension was made that some five or six hundred American officers on the Pacific coast were available for this service.

Mr. SMOOT. I thank the Senator. It is simply a part of the policy of the Democratic Party to compel Americans to accept the low wages, or salaries, paid to Asiatic and European workmen and officers. If American workmen want that policy continued, they will vote to keep the Democratic Party in power.

It is a little singular that the Democrats should have brought in this bill enormously to increase taxation, when there is no war in which the United States is engaged, nor any likelihood of this country becoming involved in such an unfortunate situation. But when we did have a war, in 1898, and a necessary bill was brought in to increase the revenues, the Democratic Party fought it with all the power at its command. The chairman of the Ways and Means Committee of the House, who was chiefly instrumental in drawing up this bill for the consideration of that body, declared that he had copied after the Republican bill of 1898. But in that year he attacked the bill viciously, and declared that it did not allow the wealth of the Nation its share of the taxes, though he now admits that he copied that same act. He complained of the increased tax on

beer, and yet this bill adds 75 per cent. He complained that the Republican bill increased the taxes on tobacco, and yet that is one of the things they have done in this bill, and he said:

This tax will fall almost entirely on the hard-working and industrious artisans, merchants, mechanics, farmers, and professional men of the country, but not on idle wealth.

It would be interesting to know what excuse he could make now for copying that act, which he so denounced at that time. But that is the way of the Democratic Party. It has no regard for its platform, and no thought of its record on public questions in the past. It is a party of contradictions and of reckless blunders, costly to the country, and this measure is one of the worst of its many blunders committed at this session of Congress.

ALASKA COAL LANDS.

Mr. MYERS. Mr. President, the Senator from Arizona [Mr. SMITH], one of the conferees on the disagreeing votes of the two Houses upon the bill (H. R. 14233) to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes, has left the city to return no more during this session, I understand. I ask that he be relieved from further duty upon the conference committee in charge of that bill, and that the Senator from Kansas [Mr. THOMPSON] be appointed a conferee in his place.

The PRESIDING OFFICER (Mr. CAMDEN in the chair). Is there objection to the request of the Senator from Montana?

Mr. SMOOT. My attention was diverted and I did not hear the request of the Senator from Montana. Will he repeat it?

Mr. MYERS. The Senator from Arizona [Mr. SMITH], one of the conferees on the part of the Senate on the Alaska coal-land leasing bill, having left the city, as I understand, to return no more this session, I asked that he be relieved from further service. The next Senator in line for service on the conference committee would be the Senator from Colorado [Mr. THOMAS]. I spoke to him about it, and he told me that he is too busy with other matters to serve. The next is the Senator from Kansas [Mr. THOMPSON], and I ask that he be appointed in lieu of the Senator from Arizona [Mr. SMITH].

The PRESIDING OFFICER. Without objection, it is so ordered.

EMERGENCY REVENUE LEGISLATION.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. TOWNSEND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Johnson	Oliver	Thomas
Bankhead	Jones	Overman	Thornton
Camden	Kern	Page	Townsend
Chilton	Lane	Perkins	Warren
Clark, Wyo.	Lea, Tenn.	Poindexter	Weeks
Colt	Lee, Md.	Shafroth	West
Culberson	Lewis	Sheppard	White
Gronna	McCumber	Simmons	Williams
Hitchcock	McLean	Smith, Ga.	
Hollis	Myers	Smoot	
James	Norris	Swanson	

The PRESIDING OFFICER (Mr. WEST in the chair). Forty-one Senators have answered to their names. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of absent Senators, and Mr. FLETCHER, Mr. POMERENE, Mr. REED, Mr. SHIVELY, Mr. THOMPSON, and Mr. TILLMAN answered to their names when called.

Mr. BRISTOW, Mr. BURTON, and Mr. STONE entered the Chamber and answered to their names.

The PRESIDING OFFICER. Fifty Senators have answered to their names. A quorum is present.

Mr. SIMMONS. Mr. President. I gave notice this morning that at the conclusion of the speech of the Senator from Utah [Mr. SMOOT] I should make a request for unanimous consent to vote upon this bill on Thursday next. I now think it would be better to postpone making that request, with a view to seeing whether or not we can not come to some agreement. I think to make the request now would result merely in a waste of time, and I shall not, therefore, carry out the purpose I then expressed.

The PRESIDING OFFICER. The Secretary will read the bill for the purpose of amendment.

Mr. BURTON. Mr. President, I desire, first, to make some general remarks on this bill, and then to take up some specific items before the bill is read.

I am firmly of the opinion that what is needed at this time is not more taxes but more economy. If there was any one thing which inspired confidence among the people in the Democratic Party it was the promise that they would establish greater economy in our national affairs. It was proclaimed from the stump that the Republican administration had been prodigal in expenditures; and in repeated platforms of the Democratic Party they declared that if they were intrusted with power they would inaugurate an era of frugality. But what do we witness?

The first session of the present Congress, in which appropriations were made, witnessed a larger total than at any time in the history of our Government, unless perhaps during the last year of the Civil War, when vast armies were being maintained in the field and conditions were most exceptional. We have here the contrast between promise and performance. It is so easy for a political organization which seeks power to make promises, but so much more difficult to perform them when the people, relying on those promises, have intrusted power to them. Without any spirit of partisanship, I give due credit to that period of economy which prevailed after the election of the Democratic House of Representatives in 1874. In the prior Congresses there had been some tendency toward decreasing expenditures, but under the control and direction of Mr. Randall, in the first year for which that Congress made appropriations, there was a marked decrease in our national disbursements. The total expenditures, exclusive of those required for the Post Office Department, fell to $238,000,000 for the fiscal year 1877, $20,000,000 less than for the preceding year. That, Mr. President, was a record of which to be proud; but what has the present Congress to show in comparison with it? Not only are the appropriations the largest ever made, but they were so before we disposed of the river and harbor bill, that would have carried some $43,000,000 in cash, together with $10,000,000 in authorizations and a committal to nearly $40,000,000 more, if it had been adopted in the form in which it was recommended here in the Senate.

Mr. President, I do not think the people will be unmindful of the contrast between the promises made and the record written by this Democratic Congress.

The one fault I have to find with the specific items of this bill is that there is a maximum of annoyance in comparison with a minimum of revenue. By restoring the duty on sugar, $10,000,000 of revenue additional could have been obtained; and I question whether it would not have been best to impose the taxes upon objects which are already subject to taxation, especially in view of the fact that by the express terms of the bill its operation is to terminate on the 31st day of December, 1915. That is the form in which it is recommended to the Senate, although many will apprehend that when December 31, 1915, shall have arrived the same expanding appropriations which have marked this Congress will be so in evidence that these taxes must be made permanent.

This bill provides for the taxation of so great a variety of articles as to make it exceedingly vexatious. I will read here a few selected telegrams which I have received in regard to this proposed revenue bill:

COLUMBUS, OHIO, *October 7, 1914.*

Hon. THEODORE E. BURTON,
United States Senate, Washington, D. C.:

The receivers of Central Union Telephone Co., operating 117,000 telephone stations with a system of connecting toll lines in 72 counties of Ohio, protest against proposed tax of 1 cent on each telephone toll message on which the toll charge is 15 cents or over. This is a tax of 7 per cent on a 15-cent message, 5 per cent on a 20-cent message, 4 per cent on a 25-cent message, and so on. Such a tax would place a serious burden on 15 and 20 cent messages, and, if a tax is to be imposed, the minimum toll subject to tax should be not less than 25 cents and the period allowed for payment should not be less than 30 days.

E. A. REED,
General Manager for Receivers.

The bill as amended by the Senate committee gives the additional 30 days' time, so the complaint in the latter portion of the telegram is not now applicable. But, Mr. President, this tax of 7 per cent on the cheaper messages, which should certainly receive as careful consideration by the Senate as any, is a most burdensome imposition. It may be thought that it will fall on the telephone companies—this telephone company, by the way, is in the hands of a receiver, and does not seem to be making any very great profit—but it is sure to be reflected either in diminished service or in some other form, so that it will operate to the disadvantage of the public.

I insist that on the cheaper messages, at least, the tax is too burdensome. Why should this Government, which has so many sources for obtaining revenue, go into the business of levying a cent on every telephone message? It seems to me absurd.

The mere matter of bookkeeping imposes a burden on the managers of the telephone companies, and indirectly it is a burden on the revenue officers altogether out of keeping with the amount to be derived from the tax.

The next telegram which I desire to read is one which I conjecture has been received by other Members of the Senate, and is from the president of the Chicago Board of Trade:

CHICAGO, ILL., *October 8, 1914.*

Hon. THEODORE E. BURTON,
United States Senate, Washington, D. C.:

We would respectfully call your attention to a fact which we think is not understood by our Senators and Representatives. This is that the effect of that part of the revenue bill on page 22, lines 18 to 23, will be to impose a tax on every bale of cotton and on every bushel of grain shipped from any country point to be sold in the principal markets of the country, on any chamber of commerce, board of trade, or similar place. It is a direct tax on sales of both cotton and grain, whether for domestic consumption or export. We believe that all the State grain dealers' associations and producers who are aware of this section are in favor of its elimination. We do not believe the Congress desires to impose a tax on cotton and foodstuffs.

C. H. CANBY,
President of Board of Trade of the City of Chicago.

I have another telegram on this same subject from a commission firm in the city of Cincinnati, as follows:

CINCINNATI, OHIO, *October 9, 1914.*

Senator T. E. BURTON,
United States Senate, Washington, D. C.:

Would appreciate the elimination of that section of the revenue bill, page 22, lines 18 to 23, taxing every bushel of grain shipped to any of the leading terminal markets for sale on grain exchanges of this country, as do not believe the people of this country favor a tax on foodstuffs and cotton.

ROBERTS, HALL & CRISS.

Again, I have a telegram from the Ohio Shippers' Association, dated Columbus, Ohio, October 9:

COLUMBUS, OHIO, *October 9, 1914.*

Hon. THEODORE BURTON,
United States Senate, Washington, D. C.:

Supplementing our former mail and telegraphic communications to you we again protest on behalf of our membership against the provisions of H. R. 18891, imposing a stamp tax on bills of lading or other evidence of receipt and forwarding of shipments of all classes; also the proposed tax on sales of grain, either for present or future delivery, which would impose an additional, unjust, and unreasonable burden on the producer and consumer of the chief necessity of life.

OHIO GRAIN DEALERS' ASSOCIATION,
OHIO SHIPPERS' ASSOCIATION,
J. W. MCCORD, *Secretary.*

I have a letter from a firm in Toledo which goes more fully into detail. It is as follows:

TOLEDO, OHIO, *October 8, 1914.*

Hon. Senator T. E. BURTON,
Senate Chamber, Washington, D. C.

DEAR SIR: We notice the Senate bill for tax on all sales of grain on exchanges of 1 per cent. This tax means 60 cents on 5,000 bushels of wheat, 25 cents on 5,000 bushels of oats at present price, and 35 cents on 5,000 bushels of corn. Taxing a legitimate business out of all precedent—

This letter was written before the bill was in its final shape, and the writer labored under a misapprehension as to some of its provisions—

together with the tax on checks, etc., which sometimes amounts to $2 or $3 per day, makes a heavy penalty upon the trade that moves the great business of the country. Supposing, for instance, the grain exchanges had closed, the same as the stock exchanges, what would have happened? There wouldn't have been a grease spot left of any of the banks in the country. You would have had a panic that would have swept everything before it, together with the war conditions. They didn't ask the Government to carry their trades or to issue warehouse receipts, etc., but they pluckily stood and started to move the crop, equal in value to one billion in wheat, one billion or more in corn, and five or six hundred millions in oats. They have met their obligations, and are moving the stuff abroad despite the obstacles they have before them in trying to export, and are relieving the country by furnishing bills of exchange in place of gold. These are facts that can not be disputed and we are willing to pay our share of any reasonable tax, although we think the war tax is unnecessary at the present time, when we are at peace. In addition to this, we are obliged to pay a brokerage tax, which, seemingly, is an oppressive burden upon one single branch of business.

Trusting this tax can be obviated, and that you can see your way clear to work against same, we remain,

Yours, truly, W. H. MOREHOUSE & CO.

Before passing from the matter of the tax on sales of grain, I will say that the amount of revenue that could be realized from it is trivial in comparison with the inconvenience to which the dealers will be subjected and the burden which it imposes upon the farmers of the country, the producers of grain and of cotton. Indeed, I can hardly think of a place where a tax could be imposed which seems more vexatious and irrational than this. I can with perfect consistency criticize any provisions derived from the act of 1898, because I tried at that time to point out that the articles taxed were too varied and too numerous, and that it imposed an immediate burden on too large a number of people.

I have received numerous letters from druggists and others protesting against the tax on proprietary medicines, one of which I quote as follows:

CINCINNATI, OHIO, *October 8, 1914.*

Senator THEODORE E. BURTON,
The Senate, Washington, D. C.:

The Ohio State Pharmaceutical Association in special convention assembled at Columbus, Ohio, does most strenuously object to proposed taxing of proprietary medicines which in many instances are necessities. Similar tax was placed on proprietary medicines during the Spanish-American War, which resulted in the manufacturers increasing the cost of same to the retail druggists by 6 per cent. This proposed tax would again increase the cost on proprietary medicines and add to the burden already borne by the druggist through the increased cost of all drugs, caused by the war. On account of conditions under which these proprietors are listed there is no chance for the consumers to share this tax.

THEO. D. WETTERSTROME,
Secretary O. S. P. A., 2,000 Members.

Mr. BRISTOW. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Kansas?

Mr. BURTON. I do.

Mr. BRISTOW. I should like to inquire of the Senator if he knows why this bill has been styled the "war-revenue bill"?

Mr. BURTON. Certainly, the occasion for it arose not so much from the war as from the swollen appropriations of the Democratic Congress and the disappointing results of the Underwood tariff. I suppose the term is given it because it is contemporaneous with the war in Europe and perhaps is by way of imitation of the act of 1898.

Mr. BRISTOW. But in 1898 we were engaged in a war that was calling upon us for increased expenditures for war purposes.

Mr. BURTON. Certainly.

Mr. BRISTOW. And we then passed a war-tax bill. Now, however, we are at peace with all the world, and, in fact, we are profiting to a certain extent by the war in some lines.

Mr BURTON. In some lines of production.

Mr. BRISTOW. Because Europe is engaged in a war, why should we, in passing a revenue tax to make up a deficit in our Treasury caused by things entirely foreign to the war, style it a war tax?

Mr. BURTON. Mr. President, I certainly can see no justification for it, and no adequate reason for the imposition of any such tax. Before this war commenced, before the declaration of war, before the ultimatum to Servia, before the assassination of the Austrian crown prince, conditions of depression arose which have caused economy in almost every home. At such a time, instead of breaking records on appropriations, Congress should recognize the situation and adopt something of the same economy which the circumstances have forced the people to adopt in their homes.

I have here a letter in regard to chewing gum. This article seems to have been a sort of football in the way of taxation, judging from the duty imposed on the raw material in the first place. People have been prone to ridicule it as a form of luxury not altogether to be commended. At the same time a very strong showing is made by the manufacturers. I read this letter:

CHICAGO, *October 7, 1914.*

Hon. THEODORE E. BURTON,
United States Senate, Washington, D. C.

DEAR SIR: The proposed stamp tax of 4 cents per box on chewing gum we believe to be absolutely unfair, unjust, and class legislation. Why single out one confection from all the others, such as candy, chocolates, bonbons, etc., which are our competitors, especially when one of our principal raw materials, chicle, now pays over 66 per cent duty? Said duty was increased, as you know, 100 per cent in the Underwood tariff bill passed last fall. We will also have to pay our portion of the other taxes assessed.

We respectfully submit this protest.

Very truly, yours,

WM. WRIGLEY, JR., CO.,
A. G. COX, *Vice President.*

In view of the fact that they pay a 66 per cent duty on their raw material—I do not at this minute recall whether it is an ad valorem or a specific duty, but I take it this figure is correctly given—it is not fair to impose on them this discriminatory tax when similar articles are allowed to go free.

If there were time, I should discuss the tendency of all taxation to diffuse itself. It was taken as an axiom by Adam Smith and many of the older economists, including the President of the French Republic, M. Thiers, that all taxation, in its ultimate burden, rested upon consumption or upon expenditure. The later theories on that subject do not, however, sustain this theory as an absolute rule. It was maintained, for instance, that if a tax was placed upon houses, and the rental previously was a certain figure—say, $20 per apartment or house per month—and a tax of $2 per month was imposed upon it, the

owner immediately raised the rental to $22, and the one who incurred the expenditure for rent, the occupant of the house, must pay that tax. It was said that otherwise building enterprise would cease or improvements would be allowed to run down, so that the value of the property for renting purposes would be recouped from the tenant; that is, he would have a less valuable house for his $20, or he would pay an extra $2 for the house. With regard to the taxation of mortgages, this same general rule prevails, though it does not apply to all forms of taxation.

I do not desire to go into that question at this time, but I want to call attention to one thing, namely, the tendency of taxation in most forms to diffuse itself. In that, it seems to me, the old economists were right. This, however, is claimed to be merely a temporary tax, and it will be impossible to adjust it in one year so that it will fall fairly on anybody. At least, with this multitude of items here, such, for instances, as taxes on different kinds of insurance policies, there can be no fair, no equitable adjustment of the burdens of a temporary tax of this nature.

My objections, then, go to the necessity for this tax; to the neglect of the proper method to cure the situation, namely, by greater economy; to the varied classes of taxation provided in this bill, making it exceptionally vexatious; and to the onerous provisions which punctuate its pages. I also call attention to the fact that, in view of its temporary nature, a proper and equitable division of its burdens can not be accomplished. I do not argue that it would be better to make it permanent, but I call attention to this feature of the measure.

Mr. STERLING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from South Dakota?

Mr. BURTON. I do.

Mr. STERLING. I should like to ask the Senator a question. Granting that under a proper fiscal or revenue policy there would have been no need for this legislation, is the Senator clear in his mind that even under the Democratic policy there is a necessity for this so-called war-revenue tax?

Mr. BURTON. I am not sure of that. If there were, I should think it altogether better to impose it on a more limited number of articles. I do not believe in scattering it in this way. It is true that if this bill becomes a law the people will realize that burdens are imposed upon them, and some insist it is best to make taxes so varied that they will bear on the largest possible number, or at least on a very large number.

Mr. STERLING. The Senator, I think, recognizes on what the demand for this legislation is largely predicated, namely, that it would be injurious to business, and perhaps cause embarrassment to the national banks in which $75,000,000 of Government funds are deposited to call in those deposits. Suppose the $75,000,000 thus deposited in Government banks, according to the message of the President, and according to the report of the House committee, were available, would there be any necessity for this tax?

Mr. BURTON. No.

Mr. STERLING. I should like to ask the Senator a further question. Under the Federal reserve bank act and the facilities supposed to be afforded by the provisions of that act in the way of furnishing money for times of stress, for crop-moving periods, and so forth, might not the banks be in part supplied, and they thus be furnished the money that would take the place of the $75,000,000 that would be called in, or that is subject to call now by the Government, and which is in the hands of the banks?

Mr. BURTON. Mr. President, it was hoped that before this time the Federal reserve system would be in operation, so as to provide for all the needs of the different parts of the country a different currency. We have resuscitated the Aldrich-Vreeland Act, and a very large amount of currency has been issued upon it. I trust that the withdrawals will be made just as soon as possible.

Of course everyone recognizes what was the origin of this system of depositing in banks. The subtreasury system was established some 70 years ago, and very large amounts of money were lodged in the Federal Treasury or Government depositories, and at times the amount of currency there was so great as to interfere very materially with the ordinary course of business. In view of that the Treasury commenced the system of lending to banks. No one can blame the policy that brought that about; but I regard the fact that we are going to do away with it entirely as one of the greatest benefits received from the establishment of this new system.

Mr. CULBERSON. Mr. President——

The PRESIDING OFFICER (Mr. WHITE in the chair). Does the Senator from Ohio yield to the Senator from Texas?

Mr. BURTON. I do.

Mr. CULBERSON. If I understood the Senator from Ohio correctly, at the outset of his remarks he stated that the mistake here was in levying taxes instead of reducing the expenditures of the Government.

Mr. BURTON. I think so.

Mr. CULBERSON. Does the Senator believe that is practicable now, in view of the passage of the appropriation bills for the next fiscal year?

Mr. BURTON. In answer to that I will say that, for instance, there are appropriations for public buildings. Everyone knows that the Supervising Architect is some years behind in his work, perhaps three or four; and there are, no doubt, other departments of the Government where a certain amount of money could be held back. I would not believe in that as a general policy; but we hope that in a very few months, perhaps within a very few weeks, the $75,000,000 deposited in the banks by the Treasury may be called in and made available for the payment of expenses.

Mr. CULBERSON. I simply wanted the opinion of the Senator on the proposition whether we could reduce expenditures now, rather than raise taxes.

Mr. BURTON. Oh, we can not repeal the appropriation bills; no.

Mr. CULBERSON. The issue, then, was presented to the party in power to levy this tax or not. There was no revenue from which the expenditures could be paid, in view of the appropriation bills.

Mr. BURTON. You are intending this tax, however, not merely for the payment of appropriations already made but for the payments of appropriations hereafter to be made.

Mr. CULBERSON. It is to cover expenditures for the next fiscal year ending in July, 1915.

Mr. BURTON. Not all of it is for that period. Do I understand that the Senator expects that this whole amount will be expended between now and the 30th of June, 1915?

Mr. CULBERSON. Oh, not necessarily.

Mr. BURTON. There is still a chance for economy between now and the 4th of March that would in a great measure obviate the necessity of any tax of this kind, and for any so-called war-revenue bill.

Of course I join with others in my dislike of this method of bringing in a bill here, after consideration by a caucus or conference, or whatever the dominant party may prefer to call it, and when we are led to understand that the bill must be passed in this form, and that whatever protests are uttered against it will be futile.

Mr. STERLING. Mr. President, I should like to ask just one further question of the Senator from Ohio. I note that he read a telegram in regard to a tax on proprietary medicines, and so forth. I note by the report of the committee that the sum of $4,000,000 is expected to be raised from this tax. I think it is stated in one of the telegrams read by the Senator that this tax will fall upon the consumers or users of the medicines. I should like to ask the Senator what, in his opinion, is the class of people that will be most affected by this kind of a tax, as to their financial conditions or circumstances?

Mr. BURTON. They are by no means among those most fortunate in the possession of means. I am inclined to think that in the earlier enforcement of the law, if this tax becomes a settled part of it, the druggists will bear a very large part of this tax.

Mr. BORAH. Mr. President, I suppose we all are anxious to get through with this legislation, as it is supposed to denote the end of the school. I am therefore going to say what I have to say without very much preparation or previous consideration. I would have preferred to speak on so important a subject more in detail and after more thorough investigation, but I am not willing to prolong the agony of the inevitable, for the bill is to pass.

Mr. Gladstone, in one of his great budget speeches, made in 1861, used this language:

> But I think that when in an extended retrospect we take notice of the rate at which we have been advancing for a certain number of years we must see that there has been a tendency to break down all barriers and all limits which restrain the amount of public charge. For my own part, I am deeply convinced that all excess in the public expenditure beyond the legitimate wants of the country is not only a pecuniary waste—for that, although an important, is yet a comparatively trifling matter—but a great political, and, above all, a great moral evil. It is a characteristic, sir, of the mischiefs which arise from financial prodigality that they creep onward with a noiseless and a stealthy step; that they commonly remain unseen and unfelt until they have reached a magnitude absolutely overwhelming; and then at length we see them, such and so great as they now appear to exist in the case of one, at least, among the great European States—I mean the Empire of Austria—so fearful and menacing in their aspect and so large in their dimensions that they seem to threaten the very

foundations of national existence. Sir, I do trust that the day has come when a check is beginning among ourselves to be put to the movement in this direction. I think, as far as I have been able to trace the sentiments of the House and the indications of general opinion during the present session, that the tendency to which I have adverted is at least partially on the decline. I trust it will altogether subside and disappear.

The great English statesman did not live to see the realization of his hope as to a decline in public expenditures. On the other hand, he lived to see an accentuation of the extravagant spirit of his age, and if he were alive now he would find his country enmeshed in a system of expenditures which are so stupendous that it becomes a matter of necessity each and every recurring year for the chancellor of the exchequer to find some new thing upon which to levy a new tax. He searches the industrial world like a watchman on his beat, and if he finds any line of life not taxed to the limit he lays on another burden. Even before the present conflict in Europe the English people were weighed down with taxes to meet the expenses of an ever-growing budget. What the cost which will fall upon them now means in suffering and misery one shudders to contemplate.

Samuel J. Tilden is one of the few public men in America who earned the right to speak upon the subject of public economy. He sealed his professions by his acts. No one understands the rule or can unravel the judgment or decrees of the court of fame. If it were otherwise, it would be interesting to know why Samuel J. Tilden has never taken a more prominent place in popular favor. He had many of the qualities, the clear vision, the steady purpose, the unwavering courage, and the undoubted patriotism of that exceptional group of men who organized the Government. He was a statesman in the broad and most wholesome sense of the term. Upon an important occasion he used these words:

Another evil of such a system of excessive taxation is that it creates and nourishes a governmental class, with tendencies to lessen services and to enlarge compensation, to multiply retainers, to invent jobs and foster all forms of expenditures, tendencies unrestrained by the watchful eye and firm hand of personal interest which alone enable private business to be carried on successfully. In other countries such a class has found itself able, sometimes by its own influence and sometimes in alliance with the army, to rule the unorganized masses. In our country it has become a great power, acting on the election by all the methods of organization, of propagating opinion, of influence, and of corruption. The system, like every living thing, struggles to perpetuate its own existence.

Every useful and necessary governmental service at a proper cost is productive labor. Every excess beyond that, so far as it is saved by the official, merely transfers to him what belongs to the people. So far as such excess is consumed, it is a waste of capital as absolute as if wheat of equal value were destroyed by fire or gold were sunk in the ocean.

There is a great deal of wisdom in that paragraph which most statesmen deem it good politics to ignore. But Tilden lived close to his faith, and our people would be happier if we would apply with more sincerity and with greater determination his teachings.

Mr. President, the power to tax is the power to destroy. There is no power of the Government more unrestrained and none so illy and unsystematically, inequitably, and harassingly used. The private citizen is perfectly powerless to defend himself against the taxing power if his representatives betray him. The tax if levied must be paid, and the taxgatherer has neither discretion nor conscience. The tax is either enforced by that subtle method which collects it at the time the citizen pays for his food or his clothes or summarily. It leaves him no appeal from its injustice or its inequitableness. The citizen has no other source of protection than the intelligence, conscience, and wisdom of his representative. There is no function which is performed about which he should proceed with so much caution, deliberation, and consideration as that of levying a tax. And yet I venture to say that there is no business about which we proceed with such reckless disregard of the interests of those whom we represent.

No better or fitter illustration of the power through taxes to destroy or the bungling use of the power could be found than is now before us. At a time when we are boasting that we are at peace with all the world, including both our friends Carranza and Villa, and at a time when the people of our country are, many of them, out of employment, when business is depressed, salaries being reduced, and worry and anxiety are accompanying many a man to his home at night, we are stealing about here and there trying, like the fomenters of the French Revolution, to find something to tax. At a time when the business world and the citizen are curtailing all expenditures possible and looking wearily for relief our Government is reveling in a riot of extravagance. I am reminded of some lines from one of the historians recounting conditions just before the French Revolution:

Taxes ran into everything. The minister who could invent a new tax was lauded as a man of genius. * * * The imposition of the tax was entirely arbitrary. No man could tell when or what his tax would be next. There was no principle in the assessment, except to extort as much as possible. The taxgatherers would be sent into a district to collect one year one million francs and perhaps the next year it would be two millions.

We are not nearing a French Revolution, but we have already approached the time when those who can invent a new tax are looked upon as men of genius. We have approached a time when the imposition of the tax is entirely uncertain and arbitrary, when the citizen does not know anything about what his burden is to be from one month to another. We have reached the time when there is no principle in the assessment, except to extort money and pay for our extravagance. I look upon this whole scheme of this special tax as indefensible and intolerable and as the culmination of a series of months of unwarranted and indefensible extravagance in governmental expenditure, and if the people of this country had any means or method by which to reject it or protect themselves they would employ it at once.

Mr. President, ours is at best an expensive Government. We have our Federal Government and our State governments, with their separate officers and their body of taxes. This double government must necessarily be expensive, but it is worth all we should in sound economy have to pay for it. Then we have our county and city governments, with their separate officers and their body of taxes. But no citizen, nevertheless, would ever have cause to complain if we would practice economy in public affairs to the slightest extent. It is not too much to say that we are a profligate and wasteful Government. It seems to be considered very generally that an appropriation secured is an evidence of statesmanship, while too often it is an evidence of the most shiftless and irresponsible kind of politics. Extravagance is the most persistent enemy of government, and has destroyed the happiness and prosperity of more people than war or pestilence. And, moreover, extravagance is a thing which does not seem to abate with the growth of civilization. It is more vicious in modern times than it was in ancient times. We are in every sense extravagant to a degree that is discouraging. No better proof of that could be had than the present situation.

Mr. President, I claim the right to discuss the subject of extravagance to some extent without being charged with partisanship, although I have no objection to being considered a partisan, for the reason that more than once since I have been here I have undertaken to call attention to it. The first debate in which I took any part of any moment in the Senate Chamber was in regard to this very subject, at a time when the party of which I am a humble member was in power. But there can be no better evidence of the reckless extravagance of this Government than that which we have before us at this time. Not only do present conditions accentuate our tendency to spend without regard to those who pay, but it discloses a most remarkable exhibition of party duplicity.

I am going, in the first place, to call attention to the standard which was given us at the time when we were about to pass into the hands entirely of a new party, or rather a new administration under a party which had long been out of power. It was believed that if there could be a check in this extravagance it would occur immediately afterwards and at least for a time after the new broom was invoked. But how powerful and how strong this tendency is can be shown in no better way than by calling attention to the situation as it was at the time the party went into power, the standard which it set up for itself, and the record which it has made since. I shall take its own standard, its own record, and the facts furnished by its own people in order to present the view of it which I propose to present. The record is its own, unchallenged and unimpeachable.

When they announced their platform at Baltimore our friends used this language:

We denounce the profligate waste of the money wrung from the people by oppressive taxation through the lavish appropriations of recent Republican Congresses, which have kept taxes high and reduced the purchasing power of the people's toil. We demand a return to that simplicity and economy which befits a democratic government and a reduction in the number of useless offices, the salaries of which drain the substance of the people.

If our friends had no more than approached the amount of expenditures which had preceded their inauguration into power, if they had no more than equaled the amount which had been expended during the immediate previous Congresses, what would be their position with reference to this subject of extravagance? It would seem that they would still be clearly within the inhibition and within the anathema which they had assessed upon their predecessor. But what is the situation? It is not that it has been equaled, and thereby is subject to their own charge of extravagance, but it has far exceeded during the last 18 months that of the previous Congresses or the previous

months of the previous administration. That which they denounced as shameless waste approaches economy in the light of the record of these past 18 months. With this stern denunciation fresh upon the lips of Democracy we find all about the indisputable evidence of her insincerity and her want of candor.

I call attention, Mr. President, before presenting some figures, to some previous statements in regard to their view of extravagance and their purpose to inaugurate an era of economy such as "befits a democratic government." Mr. FITZGERALD, in his speech of 1910, says:

Controlling both Houses by substantial majorities, the responsibility for the appropriations belongs to the Republicans. Try as they may, they can not be other than wasteful, extravagant, inefficient. * * * There can be no hope for any reductions from the Republican Party. The best interests of the country and the people demand a Democratic House. In no other way can expenditures be brought back to their normal level and taxes levied and collected for the sole purpose of defraying the legitimate expenses of the Government economically administered.

We have, I think, as demonstrated by this condition of affairs, a right to say that this is perhaps the greatest Government in the history of the world, because it has the capacity apparently of running itself and running itself against the mistakes of those who have been selected to administer it. When Mr. FITZGERALD made this statement in the House of Representatives, he made a solemn appeal to the people of this country and, as one of the leaders of his party, a solemn pledge that in case the party was placed in power there would be retrenchment and an economical administration of the Government.

It is not, Mr. President, because of the politics alone which may be said to lie in the charge, but it is a broader and deeper question than that, and that is whether we have arrived at the time when, in spite of pledges and promises, we are utterly unable to check this tendency toward such unwarranted and riotous extravagance.

Is there no confidence to be placed in the men who are selected from time to time and from year to year, and will this extravagance ever cease until such a condition of affairs arrives as that it may be more costly in the manner chosen to get rid of this extravagance than the extravagance itself?

I read, also, from a statement of the premier made at the Minnesota fair in 1908. He said:

The Democratic platform makes Republican extravagance one of the issues of the present campaign. The Republican platform is silent on the subject, and naturally so; to have promised economy would have been a mockery and to have defended the appropriations made by the last Congress would have been impossible.

At that time, Mr. President, the appropriations amounted to five hundred million. Now they amount to almost a billion two hundred million.

Why is it that the Republican Party is so much more extravagant than the Democratic Party in the expenditure of the public money? There are two reasons: First, because the Republican leaders are more intimately associated with the tax eaters than the taxpayers.

I am wondering if that situation has been in any degree reversed. I am reminded of a cartoon which I saw about the time the Democratic Party went into power. It represented a coon leaving the Republican tree and making his way as fast as he could for the Democratic tree. That coon was supposed to be the special interests, or the tax eater. Whether he has solidly and securely locked himself in the branches of that umbrageous tree or not I do not know, but a person could almost convict the party upon the statement of the distinguished leader of the Democratic Party himself. Then he goes on to say:

They hear the hungry clamor of the men who spend money more than they do the protest of the masses who contribute revenue.

I have no quarrel with the distinguished and able leader of his party in the announcement of his principles; I do not even complain of his bitter arraignment, but I leave those who essay the task to reconcile the statement with the actual conditions as they now exist.

I now quote from the able Senator from Texas [Mr. CULBERSON], long a most able advocate of the tenets of his party on this floor:

Mr. President, this record of extravagance under the administration of President Roosevelt is astonishing. It should arrest public attention, whether it does or not, and it should provoke immediate and thorough reformation in our governmental expenditures, for it is a menace to the Treasury.

The Government of the United States is rapidly becoming paternalistic, the people office ridden, and the Nation itself threatened with the blight of militarism.

This is from a speech in the Senate on May 29, 1908. Col. Roosevelt's administration was one which accomplished great things and was calculated to be an extravagant one, but the figures there denounced as indefensible and menacing are millions below those figures which now mark a return "to that simplicity and economy which befit a democratic government."

Now, Mr. President, let us take the language of the same gentleman upon the situation in order that we may be fair upon this proposition and that there may be no misrepresentation and in order that it may not with truth be said that these are but partisan attacks. Mr. FITZGERALD said during this session of Congress:

In a few months I shall be called upon in the discharge of my official duties to review the record that this Democratic House shall have made in its authorization of the expenditures of the public money. Whenever I think of the horrible mess that I shall be called upon to present to the country on behalf of the Democratic Party I am tempted to quit my place.

Fortunately for the country the distinguished leader did not resign, as he is really one of the true friends of economy.

I quote further from the same leader:

I am looking now at Democrats who seem to take amusement in soliciting votes on the floor of the House to overturn the Committee on Appropriations in its effort to carry out the pledges of the Democratic platform. They seem to take it to be a huge joke not to obey their platform, and to make ridiculous the efforts of the members of our party who do try to live up to the promises they made to the people. * * *

We charged the Republicans for 12 years of my service in the House under Republican administration with being grossly extravagant and reckless in the expenditure of the public money. I believed that charge to be true. I believed that my party, when placed in power, would demonstrate that the charges we had made in good faith were true. We are entitled to the help and to the support of the Members on this side of the House in honest efforts to carry out the pledges of the Democratic Party and in our attempts to show that what we charged in order to get into power was true. We have not had that support. Our Democratic colleagues have not given that support to us thus far during this session of Congress. They have unnecessarily piled up the public expenditures until the Democratic Party is becoming the laughing-stock of the country.

Mr. President, in commenting upon this statement of Mr. FITZGERALD, a most distinguished leader of true democracy, who bears the same relation to the present administration, it is generally believed, that Christopher Columbus does to America, said:

Primarily, the blame for wastefulness, so gross and deliberate as to constitute flagrant violation of a positive pledge, must attach to the House of Representatives, which brazenly ignored the repeated admonitions of Chairman FITZGERALD.

* * * * * * *

Democratic Senators have been hardly less heedless, and we believe it to be a fact that the only reduction effected by an executive department was $120, reported to have been saved by the Secretary of State.

Everyone familiar with current literature will recognize that this is from the trenchant and fearless pen of Col. Harvey, editor of the North American Review. I think the charge here made must have been taken as not only true, but kindly and modestly expressed, for the print carries the information that immediately after its appearance Col. Harvey appeared at the White House to discuss "conditions in Europe"—a wise counselor—but many will regret if the consultation did not include some matters which happened before the war and which will be here after the war is closed.

But that was a mistake, Mr. President, about the $120 in the State Department. There was an original saving of $120, but finally, before the bill passed, it was changed, and that reduction was eliminated. So they are entitled to a straight record; there was no change in the program, no ground for such a charge of inconsistency.

Mr. President, these are earnest statements upon the part of those who are in a position to know and who are not prejudiced, I presume, against their party. I am going to support their statements in a few moments by a few facts and figures.

But I want to say this now, that the only thing in the world that the war had to do with this tax is the christening of it. This tax would have been necessary within a very few months at the rate that we were going had Europe been as peaceful as the District of Columbia. It would not have come so soon, but the rate at which we were spending, the recklessness with which we were creating offices and providing salaries, would have brought it on in due time.

Take their own figures, Mr. President. We are seeking here to raise $105,000,000 by taxation. If this $105,000,000 is about $205,000,000 more than the amount which the Republicans expended and if, according to the statement which you have made time and time again, the Republicans were extravagant, will it not be admitted without further argument that the logic of the situation is that this $105,000,000 is due to an extraordinary expenditure of Government funds? If we had reached the limit, as you said, where we were subject to condemnation, and you have exceeded it by $105,000,000, will anyone have the temerity to say to the people of this country that the excess of levy is due to the war in Europe? If you are spending nearly two hundred million more than the amount which those now in power declared to be grossly extravagant, how can you justify

this tax? If you had practiced the economy even of your predecessor in power, you would not now be raising this hundred million, and the fact that revenues decreased would not have hurt your Treasury—you would have had sufficient in the Treasury, notwithstanding the falling off of revenues.

But that is not all. The Senator from Alabama [Mr. BANKHEAD], in discussing the river and harbor bill, said that this was but the beginning and there is more to follow. He said:

I believe it is the duty of the Senate to have some regard for the condition of the Treasury. We are now preparing to go out into the highways and byways and levy additional taxes. We are now engaged in the selection of items upon which we can raise additional revenue to the extent of $100,000,000. No man who does me the honor to listen to me on this occasion can tell how long it will be before there will be another emergency that will require an additional levy.

And that is true. This does not include the $25,000,000 that we are to pay to Colombia. This does not include the $3,000,000 that we are to pay Nicaragua for another right of way for a canal, the purpose of it being, I presume, that, having built one canal and given it to England, we feel now under the necessity of building another canal and giving it to Germany.

This does not include, Mr. President, the contemplated $30,000,000 for ships. This does not include the forty-odd million dollars which, we are told upon the side, it has been scheduled shall be put through at the coming session to cover a rivers and harbors bill. This does not include the deficit which will be made up by an emergency bill after the close of this Congress. I venture to say that we will have another levy, regardless of what goes on in Europe, and I venture to say that when the books shall have been closed out, instead of being $105,000,000 in excess of the Government expenditures of the preceding Congress, this Congress will have incurred liabilities and expended in excess of $250,000,000 over that of the previous Congress.

Yet we say that it is due to the war. The war might have had something to do with the amount which we have collected, but it has had nothing to do with the amount which we have expended or which we should have expended.

The total appropriation up to date, as near as I can secure accurate figures, is not less than $1,117,468,777. This does not include, as I have said, the rivers and harbors bill nor the other expenditure to which I have made reference. No one places the amount at less than $1,089,408,777, which is not less than $60,000,000 at the present time in excess of the last Republican Congress.

But, Mr. President, this extravagance has just begun. We are inaugurating with marvelous speed and remarkable inconsiderateness a system of government which will devolve upon the people of this country a burden of taxation the like of which the people have never for a moment contemplated. We propose now, sir, to have an expert, a special agent, an investigator, to accompany every citizen and to oversee every business and every line of industrial activity. The present thus being presented to the people may be what they want, but I warn them now it will be costly beyond anything they have contemplated. Such a system fattens by what it feeds upon. It creates a governmental class always complaining of too much service and too little pay; it invents jobs and fosters all forms of waste and expenditures. We have to-day in the Federal service near 500,000 employees, and we have laid the basis for 50,000 more at this session.

Let us read a portion of the platform again:

We demand a return to that simplicity and economy which befits a democratic government and a reduction in the number of useless offices, the salaries of which drain the substance of the people.

I would be interested to know, Mr. President, what office has been abolished, what number of salaries have been disposed of, and wherein the principle of economy has been invoked in this system of creating offices and providing salaries which drain the substance of the people.

There have been more offices created and more salaries provided for in the last 18 months than during any three years in the history of this Government; and, in my opinion, we have just started. Let me call attention to some of the facts in regard to that, in the matter of detail.

When our Democratic friends came into power there were 3,183 persons employed in the Treasury Department. Instead of this number being reduced it has been increased by 358 in the city of Washington alone. When they came into power there were in the field force of the Treasury Department 1,407 persons, and under this economy program the number has been increased 678 persons more. In these two instances the economy of our friends will cost the Government $1,750,000.

The new currency law created five new offices, with salaries of $12,000 each, and increased the salary of the Comptroller of the Currency from $5,000, at which sum it had remained for 50 years, to $12,000. The new Trade Commission act creates five commissioners at $10,000 each and a secretary at $5,000, and that is only an intimation of what that will be.

The Interstate Commerce Commission deals with about 2,200 corporations. The cost of running the Interstate Commerce Commission last year was $1,833,269. We have in the United States about 305,000 corporations. Out of this 305,000 about 163,000 will come under the Trade Commission's jurisdiction, if it sees fit to exercise the jurisdiction.

So, Mr. President, if we should provide or make an allowance such as is based upon the expenditure of the Interstate Commerce Commission the operation of the Trade Commission alone would amount to $1,367,000,000 a year. But suppose it only amounts to one-half that, and if it ever amounts to anything at all in the way of effective service it will have to amount to at least one-half of that.

Those things, Mr. President, it may be the people desire and will approve of, but there should be no longer any complaint about extravagance in the way of the operation of the Government, because if the people of the United States want their entire business done at Washington they will have to pay for it. If they want these matters to be overseen and controlled and regulated 1,000 miles or 2,000 miles from their homes they will have to pay for it. But whether it shall prove satisfactory to the people or not, this much is true: The amount of the governmental expenditures heretofore in the operation of the Government at Washington will be comparatively small and modest compared with the amount of expenditure which will be made in all future years if we continue to enlarge upon these bureaus.

Already for this year the actual expense of our departments at this time is $3,000,000 a month in excess of the last year of the Republican administration. That is not by reason of the fact that there has been any defalcation or anything of that kind, but it is because of constantly enlarging and creating offices, providing salaries, and providing for those people who shall do those things that ought to be imposed upon the individual citizen himself to do under the observance of some law which had been passed for his guidance. That is only a beginning of what we may expect in a very short time if these bureaucratic practices continue.

Mr. WEEKS. Mr. President——

Mr. BORAH. Just a moment. As I said a moment ago, it may be that we have less to spend; but no one can disclose here, in my judgment, a single fact to show that any of the expenditures made thus far have been by reason of the European conflict.

The PRESIDING OFFICER (Mr. MCCUMBER in the chair). Does the Senator from Idaho yield to the Senator from Massachusetts?

Mr. BORAH. I yield.

Mr. WEEKS. Mr. President, the Senator from Idaho has just said that we are spending $3,000,000 a month more than in the corresponding period of last year in the departments of the Government. He is unusually modest in that statement, because I have before me a Treasury statement to the effect that the expenditures from the 1st of July to the 8th of October of this year were $228,602,000, while for the corresponding period last year they were $215,325,000, or more than $13,000,000 greater this year in three months and eight days than they were in the corresponding period last year.

Mr. BRISTOW. Were those expenditures for the departments alone?

Mr. WEEKS. These are the general disbursemnets of the Government.

Mr. BORAH. I was speaking of departmental expenses alone.

Mr. WEEKS. I did not so understand the Senator.

Mr. BRISTOW. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Kansas?

Mr. BORAH. I do.

Mr. BRISTOW. If the Senator will observe, the figures referred to by the Senator from Massachusetts [Mr. WEEKS] show an increase of over $4,000,000 per month in the expenditures for this year. Then I wish to inquire of the Senator if anyone who defends this new system of taxation, and urges that it is necessary on account of the European war, has undertaken to set forth what revenue has been lost because of that war? Of course no one will claim that there has been any increase in expenditure because of the war, except the money which the Secretary of State has taken from the Treasury to bring back some people who had been visiting in Europe and who were slightly inconvenienced because of the hostilities. I have not been able to see why those of the American people who are compelled to stay at home and labor for a living should be taxed in order to bring people back from Europe who go there on

pleasure. I suppose the Secretary of State can explain that. But has anyone shown that the Government has lost any revenue, and if so, how much, because of the European war?

Mr. BORAH. I have not seen any figures to that effect.

Mr. BRISTOW. Does not the Senator from Idaho think that before these are styled "war taxes" there ought to be some evidence of some kind before the Senate that the deficit in the Treasury has resulted from the European war?

Mr. BORAH. Well, Mr. President, I look at it in this way: Suppose there had been a decrease in the revenues. Assume, for the sake of argument, that there had been. That has nothing to do with the amount which we have expended. If we have expended $200,000,000 more than we should have expended under an economical administration of the Government, the fact that the revenue has been cut off so as to limit the continuation of this extravagance is one question, but it does not have anything to do with the other proposition, although, of course, I see the pertinency of the Senator's suggestion from another standpoint; but as to the question of how much we are expending, and as to whether or not this is due to extravagance, can be proven by showing how much we have expended, regardless of how much we would have expended if the revenue should have held out. I think that the decrease in the revenue was evidenced quite conclusively before the European war began.

The decrease in revenue began some six months ago, and there has been a decrease each month since then. I do not know whether the percentage of decrease has increased each month, but the decrease continued each month up to the beginning of the European war. It might be, possibly, that the war when it came accentuated to some extent that condition, but that does not reach the question that we have already expended this year more money than we should have expended if we had had millions of dollars coming into the Treasury.

But I proceed. A new board of appeals, consisting of three members, at $4.000 each, has been created in the office of the Secretary of the Interior.

For commercial attachés, to be appointed by and compensated at such salaries as the Secretary of Commerce may fix, and a clerk for each, at $1.500, and for traveling expenses, the sum of $100,000 was appropriated for a year.

The salary of the private secretary to the Secretary of the Treasury was increased from $2,500 to $3.000, which means that the salaries of the private secretaries of the other nine Cabinet officers must also be increased from $2,500 to $3.000.

The salary of a chief of division, created less than a year ago under the income-tax law, has been increased from $2,500 to $3,500.

Six Assistant Attorneys General in the Department of Justice have had their salaries increased from $5.000 to $7.500 each.

The salary of the assistant to the Attorney General was increased during the extra session on an urgent deficiency bill from $7.000 to $9.000.

The salaries of our diplomatic representatives in Argentina, Chile, and Spain were raised from $12.000 to $17,500 each per annum, and the salaries of the three secretaries of the legations to those countries were increased from $2,625 to $3.000 each.

The mission to Paraguay and Uruguay was divided and a new minister authorized, with a new salary of $10,000.

In the Pension Office 40 special examiners, at $1,300 each, heretofore employed to facilitate settlement of claims for pensions for old soldiers, and whose appointments were controlled by civil-service law, were abolished. In their places five special examiners, at $1.300 each, who are not under the civil service, but are political appointments, were provided for.

I have no doubt, Mr. President, that this bill will pass as it has been written, but it is only another milestone in the terrific rate which we are traveling along the highway of extravagance. But if it is to pass, let us be candid with the people and tell them why it is passing and why it is necessary to pass it—to meet our vast expenditures, to meet nothing less than brazen and unrestrained and unblushing extravagance. Let us be candid with those who put up the money.

Now, what are the conditions of the country from a business standpoint? What is the situation of the people upon whom we are imposing this tax? There is no occasion for exaggeration. A plain, simple statement of facts is quite sufficient. The securities of insurance companies and savings banks have shrunk in value during the last 18 months, and prior to August 1, $500.000.000. We are advised that on August 1 the railroads of this country had defaulted in their bonds and notes to the extent of $600.000.000. We are advised also that railroad revenues fell off during the last fiscal year to the extent of $44,700,000. We are advised that business failures during the month of August, 1914, were to the amount of $43,000,000, as against $20,000,000 in 1913 and $12,000,000 in 1912. We are told also by those who are in a position to know that there are laboring men out of employment to the number of two and one-half millions, and a million more working on half time. We know, furthermore, that the cost of living has not been reduced, that the balance of trade has been going against us, and that business uneasiness and distress are not at all uncommon throughout the land. But in the midst of all this, of want and enforced idleness in some places, of business depression in many places, in the midst of the citizen's worry, the Government holds on its way undisturbed, exceeding the speed limit along the highway of extravagance. Taxation seems to recognize no signs of distress. Incomes may disappear, business houses put up their blinds, profits fade, railroads default in their securities, wages decrease and disappear, but taxes increase with a steady and even imperious movement. It is a strange and unnatural situation when a Government takes no notice of the conditions of its people when it comes to lay on the burdens of government. It is a cruel and arbitrary thing for a Government to exercise a power simply because it can do so, and without regard to the interest of the people who sustain the Government. We are but the directors and those men and women out yonder in the factory, field, and mine are the stockholders. To them we are bound by every tie of conscience, by every obligation of trusteeship, and by every sense of honorable consideration. But their protests here are utterly unheeded. They send us thousands of telegrams advising us of the situation, but we go on creating more offices, providing for more salaries, and spending more money, every dollar of which must come from them. Taxation is the only jubilant spirit among us all.

> It seats itself upon the sepulcher,
> And of the triumphs of the ghastly foe
> Makes its own nourishment.

Mr. BRISTOW. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Kansas?

Mr. BORAH. I yield.

Mr. BRISTOW. Before the Senator closes, I desire to inquire what evidence have we that the $105.000.000 will be needed to pay the expenses of the Government? The difference between the expenditures and the receipts this year as compared with last year—the Senator from Massachusetts [Mr. WEEKS] can correct me if I am wrong, as he has the figures—is about $9.000,000.

Mr. WEEKS. Thirteen million dollars for three months and eight days.

Mr. BRISTOW. The deficit is $13,000,000 greater this year than for last year at this time.

Mr. TOWNSEND. For three months.

Mr. BRISTOW. If there is a deficit of $13.000.000 in three months and eight days, which is more than one-quarter of a year, at the same rate we would need four times $13.000.000, which would be approximately $50,000.000. Why should we collect $105.000.000, when the figures submitted by the Treasury Department and the evidence now before us show that we will only need $50.000.000?

Mr. BORAH. Mr. President, the Senator does not take into consideration the constant increase of extravagance. We want $50.000.000 to go on. We will create a new commission and some new offices when we get a little rest. There was not——

Mr. BRISTOW. The Senator is of the opinion, then, that they want to collect from the people $50.000.000 and have it lying in the Treasury for the purpose of paying it out for something which they have not now in mind?

Mr. BORAH. There is a treaty pending under which we are to pay to Colombia $25.000.000; we shall have to get that money somewhere; and there is another treaty pending, which is being urged very earnestly now, to pay Nicaragua $3,000,000. That makes $28.000.000.

Mr. BRISTOW. I was curious to know why we were collecting $100,000,000 when the record as presented by the Secretary of the Treasury shows that we do not need it. It has been intimated that the Federal Reserve Board, which is one of the new institutions which has been created and which is to cost the people a good many million dollars before it is through, want this money to put in favored banks throughout the country; that is, they want the Treasury full, and the way to get the Treasury full is to lay taxes upon the people and let this new board, which has the use of the money, dispose of it among the banks which are friendly to the administration. I wondered if that were so.

Mr. BORAH. How many members of the Trade Commission are there?

Mr. BRISTOW. I think there are five or seven.

Mr. PERKINS. Five.

Mr. BORAH. There will be expenses in connection with that board which will have to be taken care of. I understand that there is sufficient money now, according to the President's message, to meet these emergencies; but it is not deemed wise to take the money out of the banks.

Mr. BRISTOW. That would embarrass the banks. Of course it does not embarrass them any to take it out of the people's pockets; that is a good place to go to get the money, but do not take it from the banks; put more in the banks, so that the banks may loan it to the people from whom they are taking it at four times the rate of interest the Government is getting for it.

Mr. BORAH. The President's view of it was that if we took it out of the banks we would take it out of the channels of business, and therefore impair our present prosperity.

Mr. BRISTOW. But does not taking it from the people take it out of the channels of business?

Mr. BORAH. That depends on the kind of people from whom you take it. I suppose they are supposed to have located this tax where it will not hurt business.

Mr. OLIVER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Pennsylvania?

Mr. BORAH. I yield.

Mr. OLIVER. The Senator from Idaho alluded to "our present prosperity." I have been wondering what he meant by that.

Mr. BORAH. I do not pause to discuss the question now. The President says:

> The Treasury itself could get along for a considerable period, no doubt, without immediate resort to new sources of taxation. But at what cost to the business of the community? Approximately $75,000,000, a large part of the present Treasury balance, is now on deposit with national banks distributed throughout the country. It is deposited, of course, on call. I need not point out to you what the probable consequences of inconvenience and distress and confusion would be if the diminishing income of the Treasury should make it necessary rapidly to withdraw these deposits. And yet without additional revenue that plainly might become necessary, and the time when it became necessary could not be controlled or determined by the convenience of the business of the country.

Now, the Senator from Kansas will see the philosophy of the President. It is that this money is now in the hands of the banks. While it ought to be in the Treasury of the United States to pay public expenses, yet it has been deposited in the banks, and it is wiser to collect more taxes from the people than it is to pull this money back from the banks and put it into the Treasury.

Mr. BRISTOW. Mr. President, then, as I understand, the President thinks it is better to require the depositor to go to the banks and borrow the money to pay into the Treasury rather than to have the banks pay back to the Treasury the money which the Treasury has loaned them. The depositor is paying the banks from 6 to 8 per cent on the money of the Government, which is his money, which he gets from the bank, while the bank is paying the Treasury of the United States 2 per cent on it. So the financial theory of the President is that it is better to tax the depositor and get money from him to put in the banks, so that the banks may have money to loan him at 6 and 8 per cent, for which the banks are only paying the Government 2 per cent, than to require the banks to return to the Treasury the money the Government has loaned them. That is, as I understand, the theory of the President, and I wanted to inquire if the Senator has the same understanding or places the same interpretation upon his address?

Mr. BORAH. I understand that the President thinks it is unwise to withdraw Government money from the banks, because that would be to take it out of the channels of business; and that he is of the opinion that to tax the people and collect the money in that way is not to take it out of the channels of business. I may not interpret the message correctly, and I would not do the President an injustice. There may be another view.

Mr. TOWNSEND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Michigan?

Mr. BORAH. I yield.

Mr. TOWNSEND. As I recall, some time in the thirties a transaction occurred in the United States similar to that proposed here. There was public money taken from the Treasury and loaned to the States. That money has never yet been returned to the Treasury. Inasmuch as 79 per cent of the $75,000,000 deposited in the banks is now in one section of the country, there might be some possible reason for allowing the money that has already been loaned in that way to remain where it is. I have thought that that possibly might be another reason why it was not best at this time to withdraw the money that is now deposited in the favored banks of the United States.

Mr. BORAH. I agree with the proposition that in the present condition of business affairs it might be very disastrous to call for money anywhere in large amounts. I think that it would be likely to create a condition of affairs which would be serious.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Nebraska?

Mr. BORAH. I yield.

Mr. NORRIS. I presume that when the money is collected under the special tax which this bill levies it will be deposited by the Government in the banks, and if it is, will it not be necessary to levy another tax. Because if it is not right to take the money that we have in the banks out of the banks it will be wrong to take the money out of the banks when we put more money in the banks.

Mr. BORAH. I presume we ought to indulge in the assumption that this amount will be kept in the Treasury. The thing could happen which the Senator speaks of, though without any change in the program which has been heretofore followed.

Mr. President, the first and indispensable principle of any righteous system of taxation is economy. Any tax, however and wherever laid, whether upon the necessaries or luxuries, upon the virtues or vices of men, beyond that necessary for the economical administration of the Government is nothing less than the exploitation of the people through the arbitrary and brutal power of the Government. It is true the people can pay this tax, and would do so were it many times heavier. But that is not the question. Economy in public expenditures makes for good citizenship; it builds up the moral fiber of the people; it strengthens their faith in their Government and augments and arouses their patriotism. It teaches economy and frugality in private affairs. It breeds confidence, and lights up the whole field of private endeavor with optimism and hope. It makes for a happy, contented, sturdy, hopeful people.

Instead, therefore, of laying more taxes, or putting heavier burdens upon the business world and upon wages, why not commence with this economy to which we have all time and time again most faithfully pledged ourselves? Extravagance has gone far enough to justly excite the alarm of the most conservative and patriotic men. The cancer spot may not be large, but it is a cancer just the same. No hour can be too early to cut it out. And even, sir, if all the honor and the glory should finally be accredited to the present leader of the Democracy, which his fondest admirers believe will be his, this excision would in the long course of the years, if followed up, exceed in glory all the rest. If he should establish the precedent of real economy and bring the Government back to a sane basis in this respect, while men might differ and disagree as to all other acts, the people would pay to him undivided homage for this.

Not a dollar of this money need be raised if we will but return to the most ordinary rules of decent public expenditures. Not a dollar of it would ever have been called for but for this riotous and shameless extravagance going on from year to year and apparently now in the high tide of reckless unrestraint. Let us concede that the war had something to do with the amount of revenue which we otherwise would have collected, yet the war has had nothing to do with the amount which we should have expended. Business men cutting salaries, wage earners unemployed, railroads defaulting in their obligations and praying for higher freight rates, enterprise hesitant, and initiative absent from the business world—certainly we can afford as a Government to stop and sober up, at least forego any further debauch until the people shall have spirit enough to in some measure tolerate it if not enjoy it.

The PRESIDING OFFICER. The bill will be read for amendment.

Mr. SIMMONS. I ask unanimous consent that the committee amendments be first considered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SMOOT. Mr. President, may I ask the Senator from North Carolina if he is prepared now to offer the committee amendments?

Mr. SIMMONS. Yes; as they are reached. I do not exactly know what the Senator means. The committee amendments are already indicated in the print which is before us, and I will offer them just as they are now to the bill. I have no amendments to offer at present except those that are in the printed bill.

Mr. SMOOT. That is what I wanted to know.

The first amendment of the Committee on Finance was, on page 1, line 4, after the words "tax of," to strike out "$1.50" and insert "$1.75," so as to read:

> That there shall be levied, collected, and paid in lieu of the tax of $1 now imposed by law, a tax of $1.75 on all beer, lager beer, ale, porter, and other similar fermented liquor, brewed or manufactured

and sold, or stored in warehouse, or removed for consumption or sale, within the United States, by whatever name such liquors may be called, for every barrel containing not more than 31 gallons; and at a like rate for any other quantity or for the fractional parts of a barrel authorized and defined by law.

Mr. SMITH of Michigan. Mr. President, I should like to ask the Senator from North Carolina if he has estimated the probable income from this provision.

Mr. SIMMONS. I have an estimate made by the department. The Senator will find that Senate Document No. 596, Sixty-third Congress, printed just this morning, gives all of these estimates. Does that answer the Senator's question? I will state, if the Senator has not the document before him——

Mr. SMITH of Michigan. It has just been handed to me.

Mr. SIMMONS. I supposed the Senator had the document before him.

Mr. SMITH of Michigan. I should like to ask the Senator if there is anything discriminatory or sectional in this provision?

Mr. SIMMONS. I know of nothing discriminatory or sectional in it.

Mr. SMITH of Michigan. I will state to the Senator what I have in my mind. You propose to raise about half of the internal-revenue tax from this item, about $43,000,000.

Mr. SIMMONS. A little over $40,000,000.

Mr. SMOOT. Forty-three million dollars.

Mr. SMITH of Michigan. I desire to call the Senator's attention to the fact that only about 3.9 per cent of this amount will be collected in the South. I do not like to use the expression "south of Mason and Dixon's line," but just for the sake of geographical exactness I should like to remind him that only 3.9 per cent of this tax will be paid south of Mason and Dixon's line, including the States of Louisiana, Texas, Kansas, and Oklahoma. Out of the total of $66,000,000 to be collected from the tax on beer, the States south of the old line, which I hope exists only in memory, including the States of Louisiana, Texas, Arkansas, and Oklahoma, will pay but $2,700,000 of the beer tax. I am watching with a great deal of interest to see where my honored friend from North Carolina will lay this whole burden of new taxes—for it is a burden unusual and unnecessary. Are you to spread it equitably upon the entire country?

I do not pose as the champion of any special line of American production; but the very first item in this bill touches the South with a soft, glovelike touch that will not be noticed or even felt in the States for which the Senator from North Carolina seems to be so solicitous; 3.9 per cent of this burden will fall on the South, 94.1 per cent upon the Northern States. I hope, before you finish with this bill, there will be some provision spreading this burden equitably throughout the whole country. It is just a little less than shameful to think that the appropriations during the last year have gone southward and the tax northward; the privileges one way and the burdens another.

Mr. SIMMONS. Mr. President, I do not think a single member of the committee—certainly not a single one of the majority membership of the committee—in considering any tax imposed in this bill had in mind for a minute any question of sectionalism; nor do I believe that the bill is open to the objection that it imposes a larger burden upon other sections of the country than it does upon the South.

I do not know whether the Senator's figures with reference to the amount of beer produced in the South, as compared with other sections of the country, are correct or not. I have made no inquiry about that matter, because I will say to the Senator that it never entered my mind to make inquiry about how much beer was made in this section or that section of the country.

The tax upon beer, like the tax upon a great many other commodities, is not a tax upon the community in which the product is made, but it is a tax upon the people of the country who consume that commodity. I do not know how much beer is consumed in the Senator's State or made in the State, and I do not care. I do not know how much is consumed in the South as compared with the North or the East or the West. I suppose the American people in all sections of the country drink beer to a greater or less degree. It is a consumption tax. It is imposed finally upon the man who buys the beer in kegs and the man who drinks the beer.

But, Mr. President, I think a complete and full answer to the Senator's criticisms, if any answer were needed, is found in the fact that the war-tax bill of 1898, framed by a Republican Congress, drafted by Mr. Dingley, of Maine, passed first by a Republican House and then by a Republican Senate and signed by a Republican President, raised one-third of its revenues from a tax upon beer; and the rate fixed in that bill, instead of being $1.75 a barrel as is the rate fixed in this bill, was $2 a barrel.

Mr. SMITH of Michigan. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Michigan?

Mr. SIMMONS. Just one minute. I do not think anybody will accuse the Republican Party which passed that bill and the Republican President who signed it of any particular desire to favor the South more than any other section of the country; and if this bill, imposing a tax of $1.75, bears evidence upon its face, as the Senator contends, of a purpose on the part of its authors to protect the South and to discriminate in favor of the South against other sections of the country, then that Republican measure, passed by a Republican Congress and signed by a Republican President, was subject to a greater extent to the same charge of sectionalism in behalf of the South.

Mr. SMITH of Michigan. Mr. President, the Senator from North Carolina, in his inability to account for the present Treasury dilemma in which his party has been placed, goes back to 1898 and calls attention to what Mr. Dingley and President McKinley did. I was in Congress in 1898 and voted for that bill; but the author of the present deficiency bill, Mr. UNDERWOOD, and other Democrats, denounced that measure in vigorous terms in my hearing because of the excessive burden which he said it would impose upon the people of the country. We were then in war. War had been declared, against the wishes of President McKinley, at the instance of innumerable Democrats, both in this Chamber and in the other; and yet when a war tax was sought to be levied by an administration actually engaged in war we found no sympathy or cooperation or assistance from those who now rise and proclaim this a necessary measure because, forsooth, Europe is fighting.

I know how President McKinley tried to ward off a conflict at arms with Spain. Our friends upon the other side were fierce for war; but when it came to paying the necessary expenses of that war you voted against it. Now, when we are at peace with all the world, when the belligerent powers now engaged in war are felicitating our Government upon its neutrality—without a single cloud on the American horizon, unless it be the temporary dominance of the Democratic Party—we are asked to pass this so-called war-revenue bill.

How appealing the war-revenue bill must be to the country. The truth is, it is a deficiency bill. You have spent more money than you have taken in, and you have spent it recklessly. Now, when the administration is face to face with the necessity of issuing the bonds of the Government to get us out of the hole into which you have forced the country, Senators come in, under the guise of war, and proceed to levy additional taxes against your countrymen.

The analogy, Mr. President, is not good between the situation as it existed in 1898 and at present. Senators upon that side of the Chamber know it as well as I do. The analogy is not good. We voted Mr. McKinley $50,000,000 and placed it in his hands after the war had begun; and, as the President said then, no one could tell where it would lead, but wherever it led we must assume all the responsibility for it. Out of the great wisdom of Congress, Mr. Dingley and some of his associates proposed that we should pay the expenses of that war as it went along, and pile no burden upon future generations. There was a strong desire upon the part of Democratic Members of the House at that time to put that burden upon future generations and thus avoid a temporary tax burden.

Mr. SIMMONS. Does not the Senator know that at the same time they provided for the passage of the war-revenue bill they provided for the issuance of $500,000,000 worth of bonds and the issuance of $100,000,000 worth of Government certificates of indebtedness?

Mr. SMITH of Michigan. Oh, yes, Mr. President, I know that there was a provision in that bill that certificates might be issued, and that the same provision is in the bill before us. Your administration has already issued emergency money. You did not regard it as wise to pay the expenses of the War with Spain by special war taxes then. Both your leader in the House and my friend the Speaker of the House, Mr. CLARK—for he is a friend, and I value him as a public man very highly—both those distinguished representatives of the majority party today voted against the war-revenue bill in 1898. At that time, if my recollection serves me right, the revenues of our Government were coming in in excess of our expenditures. Although when we came into power we found the country demoralized, our factories closed, our farmers discouraged, and laboring men idle all over this country because of unwise tariff laws, for which your party was responsible, we gathered together under the wise leadership of McKinley and passed the Dingley tariff law, and it revived our industries instantly, gave new hope to the people. We could have paid the expenses of the Spanish War out of the current revenues of the Government under that

law—a thing you could not do to-day. You can not pay the ordinary expenses of the Government out of the ordinary revenues of the Government because of miscalculation. That is what has brought you to this extremity. That is why you are so solemn. That is why no Senator within his hearing could answer the speech of the Senator from Utah [Mr. SMOOT] this morning. That is why most of you left the Chamber. That is why not a word was said in reply to the severe and accurate and forceful indictment of the Senator from Utah.

The title of that Senate document, No. 596, is misleading on its face and untrue. This is not a war revenue bill at all. It is a deficiency revenue bill, due to the fact that you did not collect enough money from your income and revenue tax and your duties on imports to pay the ordinary expenses of the Government in time of peace.

Now, you may be able to convince the country that this is a war revenue bill; but if you had the frankness which you always had while we were in power you would acknowledge it as a deficiency bill, due to your mismanagement.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from North Carolina?

Mr. SMITH of Michigan. Certainly.

Mr. SIMMONS. I do not know whether I correctly understood the Senator a little while ago, but I think I understood him to say that we could have paid the expenses of the Spanish-American War out of the current revenues.

Mr. SMITH of Michigan. One moment—up to the time that the special tax was levied.

Mr. SIMMONS. Which was——

Mr. SMITH of Michigan. Which was in June.

Mr. SIMMONS. June 13, 1898.

Mr. SMITH of Michigan. Admiral Dewey went into Manila Bay on the 1st of May. We had already purchased all available munitions of war at that time, and paid for them.

Mr. SIMMONS. We had purchased the munitions of war on June 13 and paid for them?

Mr. SMITH of Michigan. Certainly; we had purchased the munitions of war and had them on hand; we could not go to war without munitions.

Mr. SIMMONS. I think the Senator is mistaken about that.

Mr. SMITH of Michigan. Oh, no; I am not mistaken. I know what the then Secretary of War said about it. He had been a distinguished soldier of the Civil War and knew what war was.

Mr. SIMMONS. I was just going to express some surprise at the statement of the Senator that we could have paid these expenses out of the current revenues, and at his statement that we had purchased and paid for the munitions of war out of the current revenues. The Senator says that this is a deficiency bill, and that there never was any necessity for any war-revenue taxes in 1898, because we had plenty of money in the Treasury. Now, I want to call the Senator's attention——

Mr. SMITH of Michigan. I did not use that expression at all. I did not say that we had plenty of money in the Treasury; we were just recovering from the Cleveland panic. I said that the expenses of the war could have been paid out of the current revenues.

Mr. SIMMONS. Yes. Now, I want to say to the Senator that the facts are these: At the close of the last fiscal year, after paying all of the ordinary expenses of the Government out of the ordinary receipts of the Government for that fiscal year, there was in the Treasury a surplus of $34,000,000. Thirty-three and odd millions of that was applied to the payment of Panama Canal expenses, and therefore it was not necessary to sell the Panama bonds, as the law had provided. In 1897, the year before the Spanish-American war broke out, when the Republican Party was in control of the Government, instead of a surplus in the Treasury in that year the records show that there was a deficit in the Treasury of the United States of $38,000,000.

Mr. SMITH of Michigan. Certainly, Mr. President—chargeable to the Wilson tariff law.

Mr. SIMMONS. Let us get a little further away from the Wilson tariff law.

Mr. SMITH of Michigan. It was on the statute books at that time.

Mr. SIMMONS. Everything bad that happened five years before that act was passed the Senator thinks was attributable to it, and everything bad that has happened since that act was passed the Senator thinks is attributable to it. In 1897 there was a deficit in the Treasury at the end of the fiscal year of $38,000,000. In 1898, the year in which the Spanish-American War was declared, on the 30th day of June of that year, when the war had been in progress but a short time, the deficit in the Treasury—for there was a deficit that year, as there was the previous year—amounted to $89,000,000.

Mr. SMITH of Michigan. Yes, Mr. President; and there never has been a deficit since until your party came into power.

Mr. SIMMONS. That was under the Dingley Act.

Mr. SMITH of Michigan. Yes; but our bill had not become operative.

Mr. SIMMONS. When did your bill go into operation?

Mr. SMITH of Michigan. We did not have the benefits of our tariff legislation, and when it got fully underway not a single year after the passage of the Dingley law and the Spanish-American War was there a time when we did not have a surplus in our Treasury over expenditures.

Mr. SIMMONS. So if the Senator will permit me—and then I will not trouble him any further—we would have about this situation: The year before the Spanish-American War broke out, under a Republican administration, we had a deficit of $38,000,000. The year in which it broke out we had a deficit of $89,000,000. Yet the Senator says that we could have carried on that war and could have paid its expenses without levying any additional taxes.

Mr. SMITH of Michigan. Yes; and I reassert it.

Mr. SIMMONS. As a matter of fact, we did levy that year additional taxes of $100,000,000. We did authorize in that year an issue of $500,000,000 of bonds. We did authorize in that year an issue of $100,000,000 of Government certificates of indebtedness. We authorized the issue of bonds and certificates and imposed taxes for the purposes of that war of $700,000,000. Yet the Senator from Michigan, with a deficit in the Treasury that year and the year before, seriously tells the Senate that we could have gone on without raising any additional taxation.

Mr. SMITH of Michigan. Let us see about the statement of the Senator from North Carolina. President McKinley was not sworn in until the 4th day of March, 1897. Congress was promptly convened in extraordinary session, and I think the Dingley law was passed July 31 following. I assert without any hesitation whatever that there was never a year of the Dingley law when we did not have a surplus of revenues over expenditures, and it was the wise, cool-headed, calculating judgment of Mr. Dingley that provision was made to pay the expenses of the Spanish War as it ran along. A great many of us thought that it might be appropriately spread upon future generations, but wiser councils prevailed, and that law was put upon the statute books for the sole purpose of meeting the expenses of the Spanish War. Congress promptly placed $50,000,000 in the hands of President McKinley to spend it as he desired. Now, we are at peace with all the world, and yet Senators upon the other side of the Chamber turn to our action as a precedent, when the conditions were entirely different.

Mr. SIMMONS. If the Senator will pardon me——

The PRESIDING OFFICER (Mr. LEWIS in the chair). Does the Senator from Michigan yield to the Senator from North Carolina?

Mr. SMITH of Michigan. Certainly.

Mr. SIMMONS. The Senator says there was no deficit under the Republican tariff. I should like to call his attention to the fact that in 1905 there was a deficit of $18,750,000, and in 1908 there was a deficit of $20,000,000. In 1909 there was a further deficit of $58,000,000. I will further say to the Senator, and I think I could produce the evidence to show it if I had the time, that but for certain circumstances connected with the Panama expenditures there would have been a deficit during several other years.

Mr. SMITH of Michigan. Mr. President, that is a mere conjecture and does not meet the situation at all. There is not a Senator on the other side of the Chamber who does not know that under the Dingley law we collected all the revenue needed to pay the ordinary expenses of the Government, and generally a large surplus.

Mr. SIMMONS. If the Senator will let me finish, I wish to call attention to another deficit under the Payne law, a positive deficit about which there is no conjecture, a deficit of $18,000,000 in 1910.

Mr. SMITH of Michigan. Was there any other time during that law when there was a deficit?

Mr. SIMMONS. That is a positive deficit that I know of.

Mr. SMITH of Michigan. No, Mr. President; just the moment the country adjusted itself to the new law the revenues bounded, as they have always done to the protective principle, and we gathered all the revenue we needed and paid hundreds of millions out of current revenues for the work of building the Panama Canal.

Mr. President, we had ample revenue the year before the election of the Democratic Party to power, did we not? We were not suffering from lack of revenue in 1911 and the spring

of 1912. We were not suffering from lack of revenue right up to the time the Republican Party was divided and defeated, and we are only suffering now because of recklessness in making appropriations, miscalculation, and erroneous judgment in spreading the taxes of the Government, and I reassert what I said a few moments ago in regard to the very first item in this bill, the South escapes much of that burden.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield further to the Senator from North Carolina?

Mr. SMITH of Michigan. Certainly.

Mr. SIMMONS. If the Senator will pardon me, the Senator says when the Democrats came in they had ample funds in the Treasury. In the year 1912, the year before the Democrats came in, the Government borrowed $33,000,000 of Panama bonds, and while using those bonds a balance of $35,000,000 was turned over to them, but without the use of those Panama bonds they would have had a surplus of a little over $2,000,000.

Mr. SMITH of Michigan. Tariff reduction was imminent in the summer of 1912, after the Chicago convention. And the present administration would have been obliged to pay for that expenditure at Panama if we had not done so. They have been relieved of a great deal of the expense we underwent in building the Panama Canal, and I think it does not lie in the mouths of Senators on the other side of the Chamber to charge that there has been any mismanagement on the part of any Republican administration in conducting the affairs of the Panama Canal or in its construction. The management of the Panama Canal is most creditable to the last administration. I do not think my friend from North Carolina can question it. We have left a very small burden for this administration to bear. Most of the expense has been met out of the ordinary revenues of the Government from day to day, with the result that you take over the political management of the Government's affairs with a very large percentage of the entire cost of constructing the Panama Canal off your hands.

Mr. SIMMONS. I do not mean to attack, of course, the management of the Panama Canal under the past administration or under the present administration. The only point I was making was that we paid the entire expenses of last year's operation in the construction of the Panama Canal out of the current revenues, and during the year before we came in the Government sold its bonds for that purpose.

Mr. SMITH of Michigan. Mr. President, I repeat what I said a little while ago, that we could have paid the expenses of the Spanish-American War out of the current revenues of the Government under the Dingley law. I did not say they had that money on hand upon the 1st day of May, 1898; but I repeat that under that law and the income derived therefrom, the internal revenue and the customs duties, we could have paid the expenses of the Spanish-American War without levying a war tax at all.

Mr. SIMMONS. If it be true, as the Senator has said——

The PRESIDING OFFICER. Does the Senator from Michigan yield further to the Senator from North Carolina?

Mr. SMITH of Michigan. Yes.

Mr. SIMMONS. If it be true that we could have paid the expenses of that war without any war taxes, without any increase in the issue of bonds, I ask the Senator why, then, did they impose this $100,000,000 of additional taxes upon the people? There was no contention then that there was any falling off in the imports as a result of the war conditions. If it be true, as the Senator says, that they could have paid those expenses out of the current revenue, why did his party impose this additional tax of $100,000,000? Why did his party issue $198,000,000 of the $500,000,000 of bonds authorizeed and cover that money into the Treasury, if it had no need for it?

Mr. SMITH of Michigan. The Senator from North Carolina asks exactly the same question that was asked in the House of Representatives when the war-tax bill was passed. There was scarcely a Democrat there who did not ask "Why the necessity for this imposition of extraordinary taxes?" and the only answer made to that question was made by Mr. Dingley, that this is an extraordinary situation, we are in war, and in order that we may spread this expense of this war, which is a just one, in the interests of humanity, in order that we may put them behind us and all the people may have the privilege of contributing toward that expense, the bill is to be passed. Senators who are on the other side of the Chamber to-day and who were at that time Members of the House of Representatives will bear me out in that statement.

But we were at war, in a vastly different situation than the one which confronts us to-day. The only war that you have on hand to-day is the warfare between your prophecies and predictions of last year when the Senator from North Carolina was making this tariff bill. We told you upon this side of the Chamber when you enacted the law that it would not bring the necessary revenue to run the Government. We voted against it and we begged you not to pass it. We told you not to forfeit the sugar duties and the duties on iron ore and lumber and wool, and many other items; but you went blindly on and did just as you have always done before—led the country direct to the pit from which you are now trying to extricate yourselves by the extraordinary imposition of $100,000,000 of special taxes.

Mr. BRISTOW. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Kansas?

Mr. SMITH of Michigan. Certainly.

Mr. BRISTOW. This is labeled a war-revenue bill, and yet there is not in the report of the committee nor has there been stated to the Senate a single fact in concrete form to indicate that the European war made necessary this additional taxation. It has not increased the public expenditures. It may have decreased the revenues, but the amount and the way in which such revenues may have been decreased has not been set forth. The amount of the revenue that can be charged to the falling off of the importations from Europe has not been concretely and definitely given us, so that we know whether it aggregates $107,000,000 or not.

Mr. SMITH of Michigan. Mr. President, I rose for the purpose of calling the attention of the chairman of the Finance Committee, the Senator from North Carolina, to the fact that on the first page of his bill he has so arranged the law, if it becomes operative, that the States south of Mason and Dixon's line, and including the States of Louisiana, Texas, Kansas, and Oklahoma, pay 3.9 per cent of the vast amount to be collected from that source, and if the effect of this legislation is sectional, you have devised it. I do not understand that you conferred with anybody on this side of the Chamber regarding the matter.

Mr. SIMMONS. Does the Senator say that I admitted this legislation is sectional?

Mr. SMITH of Michigon. No; I said if it was sectional, you are responsible for it, because you did not confer with anybody on this side of the Chamber about the bill.

Mr. SIMMONS. Does the Senator mean to say that this act imposing a tax of $1.75 per barrel on beer could be sectional and in favor of the South?

Mr. SMITH of Michigan. It works out that way.

Mr. SIMMONS. And does the Senator say the act of 1898, which imposed $2 on beer, was not sectional?

Mr. SMITH of Michigan. That will not let the honored Senator away from the point I make—that the Southern States I have referred to will pay but $2,700,000 of the revenue duty levied on beer under this provision, while the other States in the Union will pay over $40,000,000 of this amount.

The PRESIDING OFFICER. The question is now upon the amendment of the committee.

Mr. SIMMONS. Mr. President, I do not conceive that anybody except the Senator from Michigan [Mr. SMITH] believes for a minute that this beer tax is a sectional tax in the sense in which he makes the charge. I think the answer I make to him—that it is a tax upon consumption, and therefore applies to the beer drinker all over the country, whether in the South or somewhere else—is amply sufficient. But it can not be sectional in favor of the South unless the bill passed by his own party was also sectional.

Mr. TOWNSEND. Will the Senator yield for a question just there?

Mr. SIMMONS. In just a minute. So far as the amount of collections is concerned, I do not know where the Senator got his figures, but I am advised that the amount actually paid by the South under the tax on beer amounted to 13½ per cent.

Mr. TOWNSEND. May I ask the Senator just how the consumer is going to pay this tax on beer? In what way will he pay it? Will there be an additional price for a glass of beer or will it be reduced?

Mr. SIMMONS. I have not worked that out myself. It has been suggested that during the Spanish-American War they accomplished that purpose by making the glasses a little smaller. I do not know how they will do it, but I do know that it is going to be passed on to the consumer in some way or other.

Mr. President, there is one other thing I want to refer to in answer to the Senator from Michigan. The Senator says that this tax is necessary because of the breaking down of the Democratic tariff act. It is amazing to me, Mr. President, that any Senator can make a statement of that sort upon the floor of the Senate of the United States in face of the fact that during the

past year the receipts of the Government under the Democratic tariff exceeded the expenses of the Government in that year $34,000,000. Undoubtedly, therefore, the receipts from the tariff last year were sufficient. So far as the present year is concerned, if there had been no European war, if conditions in this country had remained normal, as they were during the last year, the tariff law would have been amply sufficient to have provided all the revenues that the Government would have needed.

I believe it was the Senator from Kansas [Mr. BRISTOW] who said a little while ago that we had not undertaken even so much as to show why it was necessary to impose this additional tax if the tariff was sufficient under ordinary circumstances to support the Government.

Mr. BRISTOW. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Kansas?

Mr. SIMMONS. I was proceeding to answer the question the Senator asked me a little while ago.

Mr. BRISTOW. I understand, and I am obliged to the Senator, but I should like to have him state particularly and specifically wherein this revenue has been lost. A general statement may be the opinion of the Senator from North Carolina, but what definite and particular articles of importation have failed to come in, which otherwise would have come in, and what revenue has actually been lost in the decline of those importations?

Mr. SIMMONS. I have before stated that, Mr. President; I stated that on last Friday. The Senator from Kansas says I stated it in general terms. The Senator is mistaken about that. I gave some facts which showed the loss of revenue. Now, let me say——

Mr. BRISTOW. Mr. President——

Mr. SIMMONS. If the Senator will permit me, I will answer his question.

Mr. BRISTOW. If the Senator will pardon me a moment, so that he may understand just exactly what I ask, I desire to say the Senator has stated that there had been a loss in revenue of so much per month, but the Senator has not pointed out what caused that loss of revenue.

Mr. SIMMONS. Mr. President, the Spanish-American War was a very small war; it disturbed to some extent the trade conditions of this country for a very short time. In a few weeks after that war had been begun, so far from the effect being disastrous to trade, so far from its affecting injuriously our imports as a source of customs revenue, it helped business and it helped importations. There was no necessity for a war tax in 1898 to make up any loss of revenue through the customhouse or any loss of revenue through the internal-revenue system of taxation. The necessity in that case for a tax was to provide money to pay the extraordinary expenses incident to the prosecution of the war. We had no money on hand. There was a deficit in the Treasury. War was going inevitably to greatly increase the expenses of the Government, and it was necessary to levy additional taxes for the purpose of getting that money.

When the European war broke out we were receiving, through our customhouses and through the operations of our internal-revenue and income-tax laws, ample revenue to support the Government. If nothing had transpired as a result of the war in Europe to reduce the receipts of the Government under the operation of its tariff laws there would be no necessity for this additional taxation, but, Mr. President, this is a war in which practically a whole continent is engaged, and the continent engaged in this war is the great industrial continent of this world. Ten millions of men upon that continent who have been producers of wealth, who have been producers of commodities, a part of which have come to this country and paid taxes and given us revenue, are now in the field engaged in battle. There are 5,000,000 more men upon that continent who were engaged in productive pursuits who have had to leave the fields, to leave the factories, and to leave the mines for service in connection with the war.

Mr. BRISTOW rose.

Mr. SIMMONS. I wish the Senator from Kansas would let me finish this statement, and then I will yield to him.

Mr. BRISTOW. Very well.

Mr. SIMMONS. When the European war broke out it became apparent to every man who knew what the effect of withdrawing these 10,000,000 of men from productive enterprise and these additional 5,000,000 of men from production—in the aggregate 15,000,000 of able-bodied men—everybody knew what the effect of that would be upon the productive capacity of that continent; everybody knew that would be reflected in our imports from that continent.

In June we had a falling off in revenue, but it was the normal falling off that we had had during the fiscal year 1913–14. There was a falling off in that year, but the falling off of customs revenues in that year had been anticipated and provided for. We knew when we levied lower taxes that it meant less income to the customhouses, and also less taxation upon the people, as the Senator from Mississippi [Mr. WILLIAMS] suggests. As the result of those reduced duties upon imports we did lose in the fiscal year 1913–14 the sum of $26,000,000; that is to say, our receipts from customs during that year were $26,000,000 less than they were in the previous year.

Mr. TOWNSEND. Do I understand the Senator from North Carolina to say that he knew when the tariff law was passed that by reducing the duties we were going to get less revenue? Was it not the contention of the Senator and of others that by reducing duties we were going to get more importations and more revenue?

Mr. SIMMONS. We expected more importations; but as the duties were less, we expected less revenue. If the Senator from Michigan will get the report made by the committee at that time, he will see that we estimated for a reduction in revenue through the customhouses. We expected to get less revenue.

Mr. TOWNSEND. If I remember the Senator's argument, it was that it was expected to get more revenue—not by taking the duties off, but by reducing them.

Mr. SIMMONS. I can not hear the statement of the Senator from Michigan.

Mr. TOWNSEND. I have stated that I am positive that certain Senators made the argument that by reducing the duties, not by taking them off, we were going to get more revenue; that there were certain things the importation of which was prohibited under the protective tariff, and that by reducing duties we were going to get more revenue by those articles coming into the United States.

Mr. SIMMONS. I do not know who the Senator from Michigan heard declare that. The Finance Committee, speaking through the majority members of that committee, did not make that declaration; no member of the Finance Committee nor any other Senator, so far as I know, declared any such thing. Of course, if the duties are reduced, there will be less money received from a given amount of importations.

Mr. SMITH of Michigan. And more goods imported?

Mr. SIMMONS. And we expected an increase of importations, but we did not expect the increase to be so large that it would equal the amount of the reduction from what we were receiving under the Payne-Aldrich law from customs revenues.

Mr. TOWNSEND. Then the argument——

Mr. SIMMONS. Let me finish. In our report we stated that on account of this reduction of tariff rates there would be a decrease in our customs revenues. We further declared that for the purpose of making up that decrease in customs revenues we had placed in that bill a provision taxing the incomes of the rich of this country, so that it would make up what we lost in our customs revenues.

As I have said, we did lose last year $26,000,000 of customs revenues. That was the result of a reduction of duty; that was normal; that was expected. We did not lose quite so much as we had expected. As the Senator will see, if he will get the estimates then made, we thought the loss because of the reduction in duties would be larger than it turned out to be. As a matter of fact, the importations were somewhat larger than we had estimated and the reduction in revenues was somewhat less than we had estimated. That was the normal loss. Now, during three months and eight days, for which I have the figures——

Mr. BRISTOW. Mr. President——

Mr. SIMMONS. I shall be obliged to the Senator if he will allow me to finish this statement.

Mr. BRISTOW. Very well.

Mr. SIMMONS. For three months and eight days of the present fiscal year—I say "eight days," for I have not the figures showing the receipts later than the eighth day of this month—which have already expired, there has been a loss of revenue to the Government from the falling off of importations—I do not mean altogether importations from Europe, because our trade with other countries has been affected by the European war, as well as our trade with Europe; not to so great an extent, it is true, but it has been affected; there has been a falling off not only in importations from Europe but in importations from other countries—during the three months and eight days the falling off in our customs revenue has amounted to $30,000,000 and something over, or $4,000,000 more than we lost in customs duties under normal conditions during the entire fiscal year 1914.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Utah?

Mr. SIMMONS. I will ask the Senator not to break in on this sentence, and I will conclude in a moment.

Leaving out the month of July, where there was no war, and taking the next two months and eight days of this year, August and September, when war conditions have prevailed, the falling off in customs receipts, resulting, of course, from the curtailment and reduction of imports, has amounted, in round numbers, to $25,000,000, or in two months and eight days within $1,000,000 as much as we lost under normal conditions during the entire fiscal year 1914.

I gave on Saturday last in the brief statement I then made to the Senate the falling off in revenue from customs for the first five days of the present month, October. My recollection now is that it amounted for those five days to $2,800,000. I will not be quite sure about that; but that is my recollection. This morning I have been able to secure the returns for the first eight days of October, three days more than I had on Saturday, and I find that the falling off in revenues and customs during these eight days, resulting, of course, from the curtailment or falling off in imports, for it could not result from any other cause, amounts to $5,050,000. So that during the last three days there has been a falling off in our revenues of $2,400,000.

Mr. President, is this going to continue? I think it is going to continue, and I think it is going to get worse. When the war in Europe began there was the accumulated stock of goods for exportation. Immediately after the declaration of war, of course, when the embargo was on, there was a sudden falling off; and then, with the channels of ocean travel and commerce open again, there was naturally a spurt in exportations. The surplus which had been accumulated in time of peace, when the industries of that great manufacturing continent were at full blast, was hurried to market; and there was for a little while an unexpected arrival of goods on our shores, not coming up to the importations of August of last year by any means—a falling off of $11,000,000 during that month—but the results were better than we have reason to expect they will be hereafter.

It is not going to be long before that accumulated stock of merchandise made for the purpose of exportation will have been sold, marketed, or consumed by the home demand. That that time has already begun to arrive to my mind is reflected by the fact that during the eight days of the present month there has been a very remarkable and a very sudden collapse of importations. I want to ask seriously, when this stock accumulated in times of peace has been marketed, where will the commodities for exportation from Europe be made? Where will they come from, Mr. President? The factories of France are practically closed; the factories of Germany are practically closed; the factories of Austria are practically closed; and the factories of England are partially closed. Will it not require all that the men and the women of those countries can produce in the field and all that the feeble who have stayed at home and escaped war duty can make in the factories and in the mines to supply the great demands of those countries and their armies, and where are the products to come from from which we are to receive revenues from imports?

In view of the fact that of our $766,000,000 of dutiable imports in 1914, $505,000,000 came from Europe, and the greater part of that $505,000,000 came from the great industrial countries that are now engaged in armed conflict, where are the products to come from in Europe from which we are to get our revenues upon imports? If you suddenly cut off $505,000,000 of our total dutiable imports of $766,000,000, how can we expect to get more than one-third of our former revenue from customs? We are not expecting that all of the $505,000,000 will be cut off; but it is expected, and reasonably expected, that the larger part of it will be cut off; and as it is cut off, of course, as a matter of necessity, we lose the revenue that we would normally derive from the tax imposed upon these imports.

Mr. GRONNA. Mr. President——

Mr. BRISTOW. I should like to ask the Senator a question. In February last, as I remember, there was a falling off of $10,000,000 in the revenues, as compared with the previous February. Does the Senator attribute that to the war in Europe?

Mr. SIMMONS. No; I do not, Mr. President; but I say to the Senator, as everybody knows, that he has done what the leader of another body here did—he has picked out an exceptional month. You may pick out almost any month in any year and you will find, comparing it with that month of the last year, that there was either an increase or a falling off. They are seldom ever the same. Sometimes for one reason and sometimes for another, the difference will be very considerable. But if the Senator will take the imports for the fiscal year 1914 he will find that the average falling off per month during that time was only about two and a half million dollars.

Mr. BRISTOW. That is, up to the 1st of October?

Mr. SIMMONS. Yes.

Mr. BRISTOW. Again——

Mr. SIMMONS. I want to say to the Senator right there, as an additional reason for this falling off in February—it did not occur to me at the moment, but my attention has been called to it—that wool went on the free list, as the Senator well knows, on the 1st day of March.

Mr. BRISTOW. No; I think it was the reduction in sugar. Wool went on the free list, as I remember it——

Mr. SIMMONS. Sugar; that is right.

Mr. GORE. It was the reduction in sugar.

Mr. BRISTOW. The reduction in sugar became effective on the 1st of March. Therefore there was a decline in the amount of sugar imported. The war had nothing to do with that, but the importers were waiting for the lower duty on sugar.

Now, let me inquire of the Senator if this great falling off in the revenues for the first eight days of October, 1914, as compared with the first eight days of October, 1913, is not largely due to the fact that there were in bond goods waiting for the new tariff bill to go into operation, when there was a reduction in duties, and that the increased importations in the first part of October, 1913, show this marked difference in the amount collected during the first eight days of October of this year and last year?

Mr. SIMMONS. I do not exactly catch the point of the Senator.

Mr. BRISTOW. The bill that is now law became effective, as I remember, on the 4th day of October last.

Mr. SIMMONS. Yes.

Mr. BRISTOW. And immediately there were very large importations of goods that were waiting to come in under the reduced rates, which showed a remarkable increase in the amount of duty collected for the first few days immediately after that bill became effective. Now, the Senator is taking this abnormal condition in 1913 and drawing a comparison with the importations this year, and as a result of that comparison he is concluding that the war in Europe is responsible for the difference, but he does not give a single fact that connects the war in Europe with this decline.

Mr. SIMMONS. I will ask the Senator if it needs any facts further than the fact of the decline, and further than the fact that there are no factories running to produce these things which heretofore have been imported into this country?

Mr. BRISTOW. There was a falling off in July of $4,500,000 in our customs duties. That was before the war began. There is an average decline, from the 1st day of January down to the beginning of the war, of something over $2,000,000 a month, as I remember. Now, why should the European war be suddenly responsible for this decline in revenues?

Mr. SIMMONS. I simply want to ask the Senator this question and then I will let the matter rest there:

We have heretofore been receiving, and did receive last year, two-thirds of all our dutiable imports from Europe. Does the Senator believe that in the condition that exists in the industrial countries of Europe to-day those countries are going to be, during this war, in a condition to send us the same amount of imports that they did in times of peace, when their factories were running and when their people were at work?

The Senator can answer that question, and that is all I desire to say to the Senator upon that subject.

Mr. BRISTOW. If the Senator will show specifically—and the figures ought to be available to him—that there is a decline in importation of dutiable products from the countries engaged in war aggregating a certain amount, and that the importations of such products have not been increased from the countries that are not at war, then he will have a basis upon which his allegations may stand; but until he presents——

Mr. SIMMONS. If the Senator will pardon me, I have just shown him that two-thirds of our imports come from Europe. I have just shown him that in eight days our revenues from imports have fallen off upward of $5,000,000.

Mr. BRISTOW. Yes; in eight days; and that eight days includes the first four days of the operation of this law with the reduced duties. If the Senator has looked up the matter, he knows that those four days were probably the busiest days that the Customs Bureau of the Treasury Department ever had, because of the enormous storing of goods in bond waiting for the reduced duties. To make such a comparison now, and make that a basis for increased taxation, is unfair to the American

people, unjust and misleading; and it can not be made the basis for increased taxes to collect from the people $100,000,000, which is not needed, according to the figures presented by the Senator himself.

Mr. WILLIAMS. Mr. President, it is rather unusual for gentlemen to pretend to be more ignorant than they are. That sort of thing has just happened; but it seldom happens.

Of course the Senator from Kansas [Mr. BRISTOW] knows, the Senator from Utah [Mr. SMOOT] knows, and the Senator from Michigan [Mr. SMITH] knows that when, before this war began, we reduced tariff taxes we reduced them in two ways: First, by putting several things upon the free list—wool, to go into effect at a certain time; sugar, at another time; lumber, and various other things—and that the reduction of receipts to the Treasury took place immediately upon their going upon the free list; and of course each one of these Senators knows that we Democrats were not such fools as not to know that ourselves beforehand, when we framed the bills. Nobody ever imagined or even conceived, much less contended, that putting an article upon the free list was going to raise revenue. We contended simply that it was better, in the interests of the people, that the Government should do without that much revenue in order that the people might pay that much less tax—keep that much more of their hard-earned sheckels in their pockets.

We reduced tariff taxation in another way, the second way referred to by me; that was by reducing the rates when we did not put articles upon the free list. In some cases where that was done the Treasury receipts were decreased, and in some cases where that was done the Treasury receipts were increased. Wherever the old rate was such that there was already a rather liberal importation, the decrease of the rate might lead, sometimes led, to a decrease of the Government revenue; but wherever the old rate had been so high as to be virtually prohibitive or even fairly in excess of a competitive point, then the decrease of the rate led, in the case of that particular article, to an increase of the customs receipts, thus accomplishing two beneficial results at the stroke of the pen—increasing the Government's revenues and decreasing the people's tax burdens. This is an ideal result of the "science of public wealth," which is a very good definition of political economy.

It is absurd for Senators to stand here arguing now as a fault against the Democratic Party that there was a reduction of customs receipts, when we announced to the whole world that that was exactly what we intended to have, and when we put upon the bill an income tax estimated to raise fifty millions per year for the purpose of making up for that very decrease. We would not have been foolish enough to have taxed men's incomes just for the pleasure of taxing their incomes, of course. All taxes are necessary evils. We taxed their incomes to make up the deficit in annual receipts which had been produced knowingly and deliberately and voluntarily by ourselves. We thought the wealthy could better afford to stand an income tax than all the people—the poor included—to stand a consumption tax.

When we came to consider the entire receipts—customs, internal revenue, income, all added together, of every description—we provided plenty of revenue. Senators must know it, and the report of the Ways and Means Committee and the statements of the Senator from North Carolina amply demonstrate it. But we were providing revenue only for normal times.

Now, Senators, come along to the abnormal condition. What is the abnormal condition? We pass out of the period of peace now, when we expected and experienced a reasonable and normal reduction in customs receipts, which we were making up for by other forms of taxation which, in our opinion, were more just and equitable and equal, and less discriminating, and come to an abnormal period of abnormal loss of customs receipts—a war time. We come now to the month of August, and I will take August and September and these first days of October as the three war months.

What was the reduction of revenue during the month of July, the month immediately preceding the war, as compared with July of the year previous? Why, Mr. President, it was $4,818,000, in round numbers. If that decrease were calculated for the whole 12 months, it would have made about the fifty millions we had provided to lose on customs duties.

What was the reduction during the month of August, which was the first month of war? It was $11,500,000, in round numbers—a little less than two and a half times as much as for July.

What was the reduction in customs revenue during the second war month—September? A little bit less than the previous month. Why? Because during August Great Britain opened the channels of oceanic trade and we began at least to receive importations from those countries which were neutral or which commanded the sea, and chiefly from Great Britain herself. So in September nine and a half million dollars, in round numbers, was the reduction. Note that this is still twice the reduction of customs receipts we expected and experienced during July, the last peace month.

Then, when October came and the pressure began to be felt in the old countries and neutral ships no longer had any freight at all originating from poor, down-stricken, betrodden, and destroyed Belgium; scarcely any from France, invaded; from Germany, cut off by the British fleet from the commerce of the world; from Austria-Hungary, cut off by the British fleet from the commerce of the world; from Russia, virtually cut off from our commerce by the German fleet in the Baltic and the closure of the Bosporus by Turkey—then we find that in the first eight days of that month the decreases of receipts were one million and a quarter dollars more than they were for the whole of the peace month of July, or $5,050,044 for the former as compared with $4,818,189 for the latter month.

But Senators needed no figures for this. Everybody knew this had to happen, or something very like this. The American people need no figures to demonstrate this natural, necessary consequence of a known great war factor. The American people are not fools, though sometimes, for a short while, they act like they were. Once, I remember, they were convinced that an American import or tariff tax law was passed 14 months after a world panic had caused the world panic; they were fools enough to let men whose interest it was to persuade them to believe this folly, to keep them persuaded of it for several years; and for a little while it did look, judging by that experience, as if they might be persuaded of any foolish proposition that it was to anybody's business or political interest to broach for popular consumption. They are now happily cured of that and some other like delusions. They are not such fools as to be persuaded by anybody, not even by the men who persuaded them of this other folly, that when all of Germany's varied products, all the things that "are made in Germany"—the German wines and the German beer, the German beet-root sugar, Nuremberg toys, German cloths and cutlery; everything that came to us from Germany—are cut off from us, except to the limited degree that we can yet find them stored up in neutral warehouses or bought by British and American consignees and not yet delivered, but deliverable soon after the war—when we are deprived of all that, that we could be deprived of it without a loss of revenue from taxes upon imports.

One of the very worst things about a tariff tax, one of the things which makes it the most unreliable of all taxes, one of the the things which makes it that which no Government ought ever to resort to as a fiscal reliance, is that just when you need money most the tariff taxes fail. If you are thrown into a great war stress and strain for your own life, if the peoples who surround you are thrown into stress and strain to save their lives, then, just when your Government needs money most, imports fall off, rates remaining the same, and receipts at the Treasury become less. It is a tax upon which you can not rely except in times of peace and prosperity and industrial progress.

Let the Senator turn to the great annual reports of imports from little Belgium. Let him see how that busy little hive of industry made things that came to us every day across the sea. Then let him reflect that Louvain has been destroyed; that Antwerp has just been burned up and captured; that Brussels is held in the clutch of an enemy; that Ostend is threatened; that the great manufacturing town of Liege, from which we received so many things, has been stricken from the map! When the Senator remembers France, the wines of Burgundy and the wines of Bordeaux, the silks and the velvets, the faience articles, the many beautiful things upon which France impressed her taste and sent to the world, and chiefly to rich America, and when he remembers the condition she is in today, with her workingmen in the field, her cities being balloon bombed, her fields and factories devastated and burned, her peasantry driven away, her factory hands in arms, it surely should require no figures to tell the Senators from Kansas or from Utah or from Michigan why some of our importations had ceased and why some of the customs revenues had been cut off.

Then, if the Senators had but remembered the wines and the beers of Bohemia, the sparkling red wines of Hungary, the chemicals and the dyestuffs of Austria-Hungary as well as of Germany, and then if he had thought of the glassware and table plate and articles de luxe, as they are called, that are made in Vienna and imported into this country, and had remembered that there was a British fleet between them and the American market, he would not have had much occasion to demand that we resort to figures in order to know why and how and in what customs receipts would be knocked down very largely.

What are Senators trying to do? Here not long ago the aged Senator from New Hampshire [Mr. GALLINGER] was sitting there in his place and something was said about this war, and I said, amongst other things, that I feared the time would come when men on that side of the Chamber might attempt to attribute some of these deficits in our trade and misfortunes caused by it to "the Democratic tariff bill." He shook his head in the negative, and I said I was glad to notice it. Now it is being done, not by him, however, who is your leader, but by others.

Of course this entire hundred million dollars is not required for the decreased collections of the months of August and September and these few days of October; but Lord Kitchener is of the opinion that the war will go on for three years. I know nothing about it, nor do the balance of us know anything about it. I think from the length of time that the Battle of the Aisne has lasted and the manner in which like bulldogs they fly at one another's throats and hold their grip and refuse to let loose, each man, whether Scotchman or Englishman or Welshman or Frenchman or Belgian, believing that the very life of their nation and their nationality and their civilization are at stake—little Belgium knowing that hers is, indeed has about been extinguished—we must agree that Lord Kitchener's estimate is not an unreasonable one. So, we have attempted to provide for what we think would be the deficit through an entire year, and it will not be astonishing if we shall after that have to provide more.

Mr. President, war is not like it used to be. In the old times when Napoleon went all over Europe with his army the army was what fought. Now, except in Great Britain and America, the whole people are levied en masse for the fight. In the old times Napoleon made France prosper during his wars by keeping all her industries at work, seeing that the workmen who had given France a reputation all over the world for articles of luxury and taste kept up the old French reputation, and these very French goods were smuggled to the English dutchesses and ladies of the court and to the American people at Baltimore and New York.

But to-day it is the people who go to war. It is not only the peasant in the field who goes, leaving his wife to take his place at the plow or the hoe. It is the workmen in the factories, and their wives and children must take their places or they must be left untaken and production paralyzed. It is the man who drives the Paris omnibus, and his wife is driving it now in his stead. So it is all over the world.

This is going to be worse, both for them and for us, than it is to-day, gentlemen. It is not without warning that the decrease in receipts for the first eight days in this month of October should be over half what it was for the whole month of September, and a million and more than what it was for the peace month of July. Notice how it is growing in geometrical proportion, a decrease amounting to over 50 per cent during the first eight days of October of that of the entire month of September. It is not a time for little quibbling about taxes.

Besides that, in a great, rich, prosperous country like this what do we, what have we, put these taxes on? We put them on your beer, for one thing. Who will pay it? It is doubtful if anybody will. The brewer will not. If he did, he is able to do it. He is the richest man in America, as a rule. If you go to Chicago, Buffalo, or New York, or anywhere, the first great villa that is pointed out to you is apt to be that of a brewer. If you ask whose it is, the answer is, 'Mr. So-and-so's." "What is his business?" "He is a brewer." But he will not pay it. Who will pay it—the retail liquor dealer? No; he will do what he did during the Spanish-American War. He will simply put a little more froth, a little less beer, into a glass. Then you can take your choice. You can either consume less beer, and consuming less of it will hardly hurt you, or you can take a few more glasses in order to get your allotment of alcohol; and if so, in that case you, the consumer, will, it is true, pay it; but you will probably stick to your allotted number of glasses, costing you the same money, and burdening your stomach and bladder with less beer and more froth.

Is the slight tax upon rectified whisky going to hurt anybody anywhere particularly, except these great rectifiers, who are able to bear it and whose business, moreover, is not altogether healthful for the human nerves and stomach?

There is not an item in this revenue bill that is going to be burdensome by taxing a necessity of life or coming oppressively to bear on a poor man. The Senator from Michigan [Mr. SMITH] was somewhat right when he said that Mr. Dingley had a very good head for levying taxes. When Mr. Dingley levied the war revenue of 1898 he levied perhaps one of the least oppressive war taxes ever levied. But I, at the other end of the Capitol, voted against it for one, because I thought there was a lot of Government money that was out deposited in the banks at that time without interest which ought to be drawn in. I am opposed to drawing that money in now, because we are in a totally different condition.

The Spanish-American War, in so far as it was a disturbance of the American people or of American industries, was hardly a zephyr in a May month as compared with a December storm off the coast of Newfoundland. Except a few of our brave boys who were killed and wounded and the few who died in camp, it hardly meant anything to American life at all. The cotton men in one State in the South have suffered already in two months and less than a half more than all Americans suffered, financially and industrially, from the whole Spanish-American War.

Do gentlemen expect the American people to believe that there would not be a deficiency of revenue from importations during this time which threatens and impoverishes everybody abroad who ever sold us goods? Do gentlemen expect the American people to believe that, no matter what were the normal decreases of revenue from customs under our bill as compared with the revenues from customs under theirs, that this bill is not necessary because of the still further increase of reductions because of the war?

Gentlemen stand up here and say to the country, "This is a lie; this is but a pretense; it is not war revenue at all. It is a normal deficiency in a normal time owing to a bad Democratic law." Suppose you could prove that—folly and false both as it is—would it not be clearly still—and, indeed, a fortiori—our duty to go ahead and provide this revenue? But you can not prove it, because it is not true. Take the entire revenue from all sources, and we had enough annual revenue under our bill in normal times to provide for our revenue necessities in normal times. There were some of our new sources of revenue this year barely gotten into working order which will next year yield three or more times as much as they did this year—income taxes and other things.

Mr. BRISTOW. Mr. President, the Senator from Mississippi [Mr. WILLIAMS] refers in touching words to the condition of Belgium, which, of course, appeals to all, and he cites that condition as an evidence that the importations to our country from Belgium have declined, which I am prepared, of course, to admit. The same is doubtless true as from Germany, and probably as from France; but what I have been endeavoring to get the authors of this bill to submit to the Senate is a statement showing the amount of the decline in importations from those countries engaged in the war, not any general, sentimental discussion of the conditions in Europe, horrible as they are. This is a revenue measure; this is a bill which proposes to levy a tax of more than $100,000,000 on the American people upon the alleged ground that the war in Europe has resulted in that much of a decline in our revenues.

Mr. WILLIAMS. That it will result in that much.

Mr. BRISTOW. Yes; that it will result in that much. What I have been endeavoring to get submitted to the Senate is a statement of the amount of revenues so affected from the countries involved—a comparison between this year and previous years, so as to demonstrate whether the basis upon which the allegation is made is sound.

Then I call attention, again, to another feature of the condition of the Treasury, and that is that while there has been a marked decline in the amount collected upon importations there has been an increase in the amount collected from internal revenue, which to my mind demonstrates that while we may be importing less of the beer from Germany, to which the Senator from Mississippi referred, or less of the wines from France, the American consumer of these French and German products is using the products of his own country, and that is increasing the amount of taxes collected from internal revenue.

I should like for the Senator from North Carolina or any other member of the majority party, which is responsible for this measure, to submit to the Senate concrete and definite facts, not to indulge in sentimental and eloquent dissertations upon the condition in Europe. This is a practical question in finance. Let us know what has been our loss because of the war, as near as it can be intelligently ascertained, and then if we need additional taxes I will join with the Senators on the other side to levy them.

I will say in passing that I believe that what taxes are levied should be levied upon beer and alcoholic spirits. I believe it is an equitable tax. I believe it can be imposed with as little burden as any other kind of a tax. It is my opinion, if we can get definite and specific information, which is available, it will be found that all the taxes needed for the revenues that have been lost can be easily met by the taxes on the beer and

whiskies referred to by the Senator from Mississippi, and these other burdensome taxes will not be necessary to impose.

Mr. SIMMONS rose.

Mr. WILLIAMS. I think if the Senator will——

The PRESIDING OFFICER. Does the Senator from Kansas yield, and to whom?

Mr. BRISTOW. I yield first to the Senator from Mississippi, and then to the Senator from North Carolina.

Mr. WILLIAMS. I think, in view of the interruption of our commerce, if this war tax is laid, the chances are we will have less money than we need rather than more.

Mr. BRISTOW. But I call the attention of the Senator to a fact he will at once recognize, that the amount of revenue collected last year during the first eight days of October was abnormally large, because it was on the 4th day of October that the tariff bill became effective, and the goods that had been stored in bond waiting for that law to become effective were then drawn out, and that resulted, as the Senator will remember, in a greater increased collection at that time.

To make a comparison of those days is not a fair comparison. It is better to make the comparison since the war began. The Senator will find, then, that there is not this abnormal increase, but that, as a matter of fact, since England has cleared the seas and all neutral commerce and commerce with England and France has been restored the decrease is not growing greater, but possibly less.

Mr. WILLIAMS. Very frankly I will say there is some reason in the argument made by the Senator from Kansas as regards the first four days of the month of October and not the whole eight. It may be true that that particular eight days is a little bit out of keeping with what it would have been but for what happened before; but even if you discount that and allow for it, it still shows an immense decrease of revenue as compared with the month immediately preceding.

Mr. BRISTOW. I admit it shows a decrease, but the legitimate amount of the decrease that can be attributed to the war is what I am contending for. My contention is that we are undertaking to raise more revenue than is needed, more revenue than the facts demonstrate is needed, and that we can cut out a lot of these special taxes that are not necessary and that ought to be cut out.

Mr. SIMMONS. Mr. President——

Mr. BRISTOW. I yield to the Senator from North Carolina.

Mr. SIMMONS. The Senator said a few moments ago that there had been an increase this year in internal-revenue taxes. I think in that statement the Senator is correct, so far as the tax upon whisky is concerned. There has been for the last month, probably for six weeks, a very considerable increase in the amount realized from the tax on whisky. The reason of that is very apparent. The whisky manufacturers anticipated that we would possibly impose a tax upon whisky and they at once began to draw whisky from the bonded warehouses. They have drawn during the last six weeks an abnormal amount of whisky from the warehouses. There has been an increase, as the Senator says, from that source; but there has been a very great decrease during the last two months in the internal-revenue taxes derived from beer. I do not know what the cause of that has been; but, as a matter of fact, there have been in the last two months a million and a half barrels less beer consumed than during the same period of time in the last fiscal year. So the loss from the beer tax and the gain from the whisky tax pretty much offset each other.

Mr. BRISTOW. But the Treasury Department's statement shows——

Mr. SIMMONS. A slight excess.

Mr. BRISTOW. I think something over $9,000,000, was it not?

Mr. SIMMONS. The Senator is entirely mistaken about that; but I am not able to give the figures.

Mr. BRISTOW. I have not examined the figures.

Mr. SIMMONS. There has been an increase in whisky and there has been something over a million and a half decrease in beer.

Mr. BRISTOW. The statement of the Treasury Department shows that it is not as much as I thought, but it is an increase of approximately $4,000,000 this year.

Mr. SIMMONS. Yes; and a loss of a million and a half in beer.

Mr. BRISTOW. I do not know what particular item the loss would be on.

Mr. SIMMONS. That was temporary; that was caused by the withdrawals in anticipation of a possible tax.

Mr. BRISTOW. That has been going on during the entire year. If the Senator will notice the Treasury statement month by month, he will see that there has been a greater increase in the internal revenue collected.

Mr. SIMMONS. There has been for some years some increase in the receipts from internal revenue. I remember that we admitted that there would be an increase, because there had been a gradual increase for quite a number of years back.

I will say to the Senator that I have here a statement prepared for me by the actuary of the Treasury, giving an estimate of United States revenues from customs duties on European merchandise entering the United States for the fiscal year ending June 30, 1915. He gives the revenues received last year from each of the countries of Europe and the estimated amount that will be received this year. He estimates that as against $177,800,000 last year the receipts this year will be only $71,870,000, making a total decrease of $105,930,000.

Mr. CLARK of Wyoming. I ask the Senator right there whether the actuary gives that by months?

Mr. SIMMONS. No; he merely gives it by the year.

Mr. CLARK of Wyoming. He does not give the figures, we will say, of the month of January of this year and of the month of January of last year?

Mr. SIMMONS. I can furnish the figures to the Senator.

Mr. CLARK of Wyoming. That, I understand, is the whole gist of the inquiry of the Senator from Kansas.

Mr. SIMMONS. I have already given the total loss actually sustained.

Mr. CLARK of Wyoming. But the inquiry of the Senator from Kansas is—I was very much interested in it, because I think it is very pertinent to the discussion of this bill—to find out what had been the decrease from each of the countries in Europe from which we get such large importations.

Mr. SIMMONS. I think I can get that. Those figures can be easily obtained from the Treasury.

As I have said, there have been decreases from probably other countries besides those of Europe, which are affected just as we are affected by the results of the war; but I think it will probably be an easy matter to segregate the figures from the European countries from the decrease from other countries, and I shall be very glad to do it.

Mr. BRISTOW. Of course it may take some time to get the information; but I want to call the Senator's attention to another condition. During the first month of the European war there was doubtless a decrease of exportations from England, because England's commerce was seriously interfered with; there was a general blockade; but after England's commerce had been restored to normal conditions, as it now is, that would not be the case. I was talking with a very large exporter today, who told me that they were suffering no inconvenience except in their exportations to Germany; that they could not get into Germany; but that their exportations to France and to England and their commerce with those countries was not now disturbed—that it was practically normal. So I think we should have a detailed statement, month by month, from each of the countries. In my opinion it would show that we are rapidly approaching normal commercial conditions with England, and possibly with France.

Mr. SIMMONS. Mr. President, there is not any question that England will become a great importer of products of other countries in order to supply her domestic demands, but that there will be no disturbance of English commerce and that there has not been up to this time is wholly unsustained by the facts and by reason.

Mr. SMOOT. Mr. President, in the report made by the Senator from North Carolina [Mr. SIMMONS] from the Committee on Finance, in which he adopts the report of the House of Representatives upon this bill, I notice that the members of the committee on the part of the House claim—and the Senator reporting the bill has adopted their figures—that the estimated falling off of customs revenues during the next 12 months because of the European war is as follows:

Estimated falling off in customs revenue during the next 12 months because of the European war.

Countries.	Dutiable imports, value 1914.	Estimated falling off in revenues during next 12 months.
Austria-Hungary	$15,232,645	$5,267,000
Belgium	21,324,417	5,398,000
France	95,445,062	35,566,000
Germany	119,383,978	38,683,000
Russia in Europe	2,420,602	242,000
Servia and Montenegro	9,627	2,000
United Kingdom	132,173,220	40,653,000
Total	385,989,551	125,811,000

Now I turn to another part of this report, Mr. President——

Mr. SIMMONS. The countries whose names the Senator from Utah has read are countries engaged in war, but the Senator ought to read the notes in the report in which it is stated:

NOTE.—This estimate is made on the assumption that all imports from the European countries at war will cease during the next 12 months. The import values shown represent the dutiable articles imported during the fiscal year ending June 30, 1914. The estimated falling off in revenue is computed by applying the rates of the act of 1913 to the imports for the fiscal year ending June 30, 1914.

Mr. SMOOT. Mr. President, that does not change the point to which I wanted to call the attention of the Senate. The estimated falling off of the customs revenues during the next 12 months of the European war from those countries is, according to that estimate, $125,811,000. On another page of the same report I find this statement:

The countries now at war comprise Austria-Hungary, Belgium, France, Germany, Japan, Russia, Servia and Montenegro, and the United Kingdom of Great Britain. If it were not for war conditions and the amount of imports had remained the same as those of last year, the customs taxes levied by the present tariff act from said countries would have yielded $133,079,000.

In other words, Mr. President, the proposition on which we are basing the advisability of the passage of this bill is that all of the revenue collected from all of the countries now engaged in war will cease and that we are not going to receive any revenue from those countries, with perhaps the exception of the difference between $125,811,000 and $133,079,000.

Mr. President, such a proposition is ridiculous; in fact, we have already received in the few months during which the war has been going on more than the estimate for the full 12 months. Is there any reason for seeking to impose a burden of $100,000,000 upon the backs of the American people upon such a proposition? I think, Mr. President, it should not be done or even considered.

Mr. SIMMONS. Mr. President, the Senator read the table, but failed to read the note which I have read, and then failed to read the next observation in the report, in which it is stated:

It must be borne in mind that the above estimates are based on the assumption that all imports from the countries at war will cease. It seems certain that the imports of some articles will continue and that the falling off in customs revenue will not be greater than $100,000,000.

Mr. SMOOT. Well, Mr. President, in that connection——

Mr. SIMMONS. Just a moment; let me finish. I have just stated that the statement from which the Senator has read refers only to the seven countries now engaged in war in Europe. The estimate which I hold in my hand, and to which I referred a little while ago, refers to all of the countries of Europe, and from it, as I said a little while ago, it will appear that our revenues from imports from those countries last year were $177,800,000. It is estimated that we will receive during this fiscal year from those countries about $71,000,000.

Mr. SMOOT. This report does not so show, and I——

Mr. SIMMONS. It refers to only a part of the countries from which we receive imports.

Mr. SMOOT. I want to say to the Senator, that if all of the receipts from all of the countries engaged in war are entirely eliminated and not a dollar comes from them, there is not a country outside of the war zone that will not import more goods into the United States than they have imported in the past. China will do so, Japan will do so, and every country that has free access to the ocean will do so; and I say it is not right to load this burden of taxation upon the American people, especially upon the pretext that is being made for doing it. Why not come out openly and say that from now on the revenues will not be sufficient to pay for the enormous appropriations which have been made for the present fiscal year? Why not admit that, and why not cease to try to deceive the American people? You may deceive them temporarily, and you may be successful in doing so for a year or two, but the deception will come home to plague you just as surely as the sun will rise to-morrow morning.

Mr. SHEPPARD obtained the floor.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from North Carolina?

Mr. SHEPPARD. I yield.

Mr. SIMMONS. Mr. President, when the Senator from Utah says that we are simply levying this tax for the purpose of meeting the enormous appropriations that we have made this year, I want to say to him what I have said before, that the appropriations which were made last year were met by the receipts of our tariff law, and there was, besides, a surplus of $34,000,000. The appropriations for this year, made up to this time—and I think we have about finished making appropriations—are only $11,000,000 more than those made last year; and hence there is no enormous appropriation to be met during the next fiscal year that we did not meet during the last fiscal year, when we had a surplus of $34,000,000, after we had paid the amounts appropriated.

The Senator says, and I am amazed at his statement, that, instead of importations to this country falling off as a result of the war, they will increase. He says they will increase from China and that they will increase from Japan. The Senator knows that Japan, as well as England, is at war; the Senator knows that the industries of China are affected by the war, because the war is rapidly becoming one of invasion into the territory of China; the Senator knows that we are not the only country in the world that has been affected by the war; he knows that, as a result of the war, Brazil has had her industries prostrated.

Mr. KERN. And Switzerland.

Mr. SIMMONS. Brazil, thousands of miles away from the zone of war, has been affected worse than we have been affected. Her factories, such as she has, have closed to a large extent; moratoriums have been declared; interest has gone up in that country to 17 per cent; there is stagnation in business; and yet the Senator tells us, with the world affected, with industries crippled, with business stagnated, with finances deranged, that we may expect greater importations from those countries than we have had heretofore. I tell the Senator that there is going to be a falling off in importations to this country from most of the countries from which we have been receiving imports.

Mr. SMOOT. I have not said that there would not be.

Mr. SIMMONS. I tell the Senator that when he states here that, as a result of war conditions in Europe, there is not going to be a serious falling off in the revenue, amounting almost to a total cessation of revenues in the case of some countries in Europe, he is making a statement which the facts do not warrant.

Mr. SMOOT. I have made no such statement.

Mr. SIMMONS. I want to know how the Senator believes that it is possible for Belgium, in the condition described so eloquently and so forcefully by the Senator from Mississippi, to make and send us the $42,000,000 of imports from which we have been receiving $5,000,000 or $6,000,000 annually through the customhouse?

Mr. SMOOT. Belgium is involved in the war.

Mr. SIMMONS. Belgium not involved in the war! Belgium, so far as her industries are concerned, Mr. President, is more affected by the war than any other country in Europe.

Mr. GORE. The Senator from Utah said Belgium was involved in the war.

Mr. SIMMONS. Then I misunderstood the Senator; I thought he said she was not involved in the war, and I was not particularly surprised when I understood the Senator to say that, because some of his other statements, I think, have been just about as far from the mark as that would have been.

Mr. SMOOT. The Senator from Utah is a little more careful in his remarks in the Senate than is the Senator from North Carolina.

Mr. SIMMONS. The Senator may think so, but I do not think that is the judgment of other people. That is doubtless his judgment about the matter, and I will let him have his way about it. But, Mr. President, does the Senator mean to contend that we have a right to expect anything of consequence in the way of imports from France, a country from which we received last year imports amounting to $141,000,000? Will the Senator tell the Senate who is going to produce the products which France sent us last year? Will the Senator tell us who is going to produce the products which Germany sent us last year? Will the Senator tell us who is going to produce the products which Austria and Russia sent us last year? Unless the factories of those countries are running, unless the production is in excess of the domestic demand, the Senator knows there will be no imports from those countries, and the Senator knows that under the conditions that they have there—exceptional, abnormal, unique in the history of the world, where nations are struggling for the fate of their empires, where every able-bodied man is called to arms, where nobody is left to run the factories except the women and the children—the Senator knows that under those conditions they will do well, and mighty well at that, if they succeed in making enough to supply their own demand, to say nothing about a surplus to send to the other countries of the world.

Mr. SMOOT. The Senator from North Carolina has built a straw man and then has proceeded to demolish him. The Senator from Utah was very particular in saying that the importations from countries not involved in war would increase; and every country that the Senator speaks of, with the exception

of Japan, is involved in war. There is no one who does not know that England is controlling the sea with her immense navy. There is no one who does not know that the shipping from England and France to the United States or to any other country is just as free as it was before war was declared. There is no one who does not know that the shipping of Japan is open. There is no one who does not know that she can ship to this country now, without molestation, anything that may be ordered from her by anyone in this country.

Mr. MARTINE of New Jersey. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from New Jersey?

Mr. SMOOT. In just a moment.

Mr. President, according to the report made by the committee the countries involved in this war shipped goods to this country from which there was a customs revenue of $133,079,000, and I challenge any Senator here to say that there will not be more than $8,000 revenue to this Government for 12 months from those countries. Any such statement will not be true, for it has already received more than that—many, many times more.

Mr. MARTINE of New Jersey. Will the Senator permit, just here——

Mr. SMOOT. If the Senator will restrain his impatience for just a minute, I am going to take my seat.

Mr. MARTINE of New Jersey. I do not want to drive the Senator to his seat.

Mr. SMOOT. I shall not be five minutes more.

Mr. MARTINE of New Jersey. All right.

Mr. SMOOT. I also want to say to the Senator that it is quarter to 6 now, and I have been speaking a good deal to-day, and I am a little tired.

Mr. MARTINE of New Jersey. I only wanted to say, just at this point——

Mr. SMOOT. I want to get through, and then the Senator can take whatever time he desires to take.

Mr. MARTINE of New Jersey. I have no desire to make any extended remarks on the matter. I simply wanted to correct a statement that the Senator made which I think was rather extravagant. He said that England was just as free to ship now as ever. I hold in my hand a statement published monthly by the National Banking Co., of Newark, N. J. They are considered great authority, and apropos of the particular remark of the Senator that England is just as free as ever to ship goods to this country, it says here:

> The trade of every country in the world shows decreases. The figures for England, which have just come to hand, show a decrease in imports during August of this year of 24.3 per cent as compared with August of last year; and the exports of England for the same month show a decrease of 45.1 per cent as compared with last year.

So that England can not be just as free as ever to ship, and we can not receive imports if England can not export; and how, in God's name, are we to derive revenue under those circumstances?

Mr. SMOOT. The report from which the Senator has read was for the month of August.

Mr. MARTINE of New Jersey. Yes.

Mr. SMOOT. That was when the war first began; that was before England got her navy into action; that was before she had destroyed the merchant ships of Germany and of Austria; that was before she had driven from all the oceans of the world ships that were owned and controlled by her foes. But to-day is the 12th day of October, and I am really surprised that the Senator from New Jersey should say that there is the least danger in shipping a cargo from any port in the United States to any port in England.

Mr. MARTINE of New Jersey. I think if I were a shipper I would consider it quite dangerous to export a cargo, even in the face of the statement of the Senator from Utah. Shipping across the Atlantic is very different from shipping across the quiet waters of Salt Lake.

Mr. SMOOT. The business men are not alarmed about shipping goods to England, and there is no necessity for alarm, because England has bottled up the navies of Germany and Austria. As far as those navies are concerned, they might just as well be off of the ocean; and the shipping outside of the nations involved in the war is going on as usual. I do not say they are exporting as much. Of course, England would not export as much. I do not say England has imported as much. It would be nonsense for anyone even to think of such a thing. What I have said I say because the facts bear me out.

I do not want to make a single statement here that could be questioned in the least, and I am so careful of the figures I quote here that I am not content with having them submitted to me by a man in the Treasury Department. I do not use them until after I have checked every one of them myself. It may be, perhaps, with the mass of figures that are quoted here, that even then there may sometimes be a statement that would need revising, but very, very seldom. If I can not defend the principles of my party with truth and with facts I shall never try to defend them.

I do not think it is necessary, at this late hour of the day, to say more upon this particular point.

Mr. WILLIAMS. Mr. President, one word before the Senator sits down, if he will pardon me. I hope it is clear that the estimate made here by the House committee is that this bill will bring in one hundred millions, or perhaps a little less; and that the remarks at the bottom of the table, to which the Senator called attention, show that they first gave all of the duties collected upon imports from those several countries, and gave them at $100,000,000, or whatever they were——

Mr. SMOOT. One hundred and twenty-five million dollars.

Mr. WILLIAMS. One hundred and twenty-five million and something, and then added below: "But it is not expected that all imports from these countries will cease," and then they put their estimate at one hundred million. So they provide for a continuance of $25,000,000 of duties, which would mean a continuance of about three times that amount in value of goods.

Mr. SMOOT. Why, certainly; and I want to say to the Senator from Mississippi that there have been more goods than that imported into the United States from those countries since the war began. So that the estimate was based upon 12 months; and I think the Senator from Mississippi will agree with me that the estimate there is not well taken, based upon the importations already made.

Mr. WILLIAMS. I agree with the Senator thus far—that the importations from these several countries, even after the war began, continued for a time, because many of the goods were in neutral storehouses. Many had been ordered and consigned and were en route and reached here; but I suppose they made the estimate upon the basis of the 12 months and upon the assumption that a little over one-quarter of the revenue would continue to be collected. At least that is what they say.

Mr. SIMMONS. Mr. President, I want to ask if we can not take a vote upon the first section of the bill to-night?

Mr. SMOOT. Mr. President, I do not think there will be any question about it in the morning, but I should not like to suggest the absence of a quorum and take up that time to-night. I ask the Senator to lay the bill aside, and we will take it up the first thing in the morning.

THE COTTON INDUSTRY.

Mr. SHEPPARD. I present a letter from Hon. R. L. HENRY, addressed to Hon. William G. McAdoo, Secretary of the Treasury, acknowledging the receipt of his letter of October 9, and replying thereto, relative to relief for cotton growers in the South. I ask that the letter may be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OCTOBER 12, 1914.

Hon. WILLIAM G. MCADOO,
Secretary of the Treasury, Washington, D. C.

MY DEAR MR. SECRETARY: I beg to acknowledge receipt of your letter of October 9.

1. In reply I still insist that you have the indisputable right under section 5153, Revised Statutes, to deposit public moneys in the national banks throughout the South in any manner you may deem "equitable" to the extent of the funds in your hands or that may be supplied you by congressional action. It would not, under the present law, be "inequitable" for you to deposit in the national banks of the cotton and tobacco States $50,000,000 of the $74,000,000 now due the Treasury.

You deposited $50,000,000 for crop-moving purposes in the agricultural States last year and with justifiable pride flaunted the fact in the faces of the New York bankers, coupled with the statement that if said New York bankers menaced the money market you would cause $500,000,000 additional under the Aldrich-Vreeland Act to be taken out by the banks in the Southern States to thwart the menaces of the bankers in money centers. You were right then, and you would be right again to pursue the same course even if you had to use the just and influential prestige of your high office to induce Congress to furnish you with all the public moneys you need for the present crisis, which far surpasses our difficulties last year.

I still maintain that if you will announce to the world in a ringing proclamation that as Secretary of the Treasury you propose to use the public moneys on hand and to be secured by prompt and adequate legislation, to the extent of any number of millions of dollars necessary for the purpose of saving our cotton crop from sacrifice, you will avert the calamity now overhanging the South from the paralyzed market. Such an announcement by you and the President of the Republic will set at naught the greed and defiance of the spinners, bankers, and speculators in cotton. It will instantly revive our prostrated market throughout the earth.

2. You assert your disinclination to sell Panama Canal bonds or to issue additional United States notes. You doubt that you can sell Panama Canal bonds. Permit me to remind you that I now have in my hands a special rule to bring up for consideration the Alexander bill, "to purchase, construct, equip, maintain, and operate merchant vessels in the foreign trade of the United States," etc. And you not only request the immediate appropriation of $10,000,000 from the Treasury, but in addition provide that you be allowed to call into requisition the acts authorizing Panama Canal bonds, and that you be empowered to "issue and sell or use for such purchase or construction" any of those bonds now available "to a total amount not to exceed

$30,000,000." It will convince you, as well as the simplest mind, to merely state that if you can find purchasers of those bonds for the purchase of the Government merchant ships you can easily sell the same bonds to save our cotton crop already produced, and thus avert the impending bankruptcy hanging over the 30,000,000 of people in the South. The President and yourself have asked Congress to pass this ship-purchase bill. Hence I maintain that if you will come to Congress and urge that you be given power to sell Panama Canal bonds at a higher rate of interest, if necessary, and to issue "United States notes" in sufficient amounts to be deposited as "public moneys" in the banks of the South to save our cotton crop, already grown in this temporary war crisis brought on by the appalling conditions in Europe, you will find a quick response on our part. Will you do this to save our southern people through this feasible and perfectly constitutional plan? My deliberate judgment is again reiterated that you should not hesitate a moment.

Third. You further say, "Since the 1st of August there has been issued to the national banks in the Southern States, including Missouri and Maryland, $68,000,000 of additional bank currency. The national banks in those States may, by complying with the law, receive $151,443,000 of additional national-bank currency." Then, after taking note of certain public deposits already in those States and additional national-bank circulation issued since the beginning of the European war, you add: "And there is available to the national banks in the Southern States, upon their compliance with the law, additional national-bank currency amounting in the aggregate to $151,000,000."

Again permit me to suggest that all this "additional currency" has not reached the distressed cotton producer. You will instantly recall that you have just finished a brave fight against the banks for "hoarding" their currency and unjustly monopolizing it and preventing it from going into the hands of the farmers. You have admitted, and must again admit, that a very small per cent of this additional money reached the farmers. Hence it failed in its purpose. The banks "hoarded" it, and by defying your ambition to get it into the possession of the farmers diverted it from the intended course and used it in their own business. So even you are brought by logic and fact to the conviction that the Aldrich-Vreeland Act in this emergency has proved to be nothing less than a huge farce and comes dangerously near being a fraud on the rights of the people and the Government.

Fourth. Again you say, "Moreover, existing law authorizes the Secretary of the Treasury, in his discretion, to issue more than $1,000,000,000 of currency to the national banks throughout the country. * * * I am firmly convinced that neither additional nor unlimited issues of paper money will help the cotton planter. I am equally convinced that the inevitable inflation which such issues would cause would hurt him and hurt the country."

Permit me to redirect your attention to the fact that you charged several weeks ago that banks were "hoarding" this currency. You have been powerless under the present law to get it to those in distress and into the real hands for whom you intended it throughout the South. You know that much of it was shipped back to the money centers to liquidate debts there. It is quite evident that under our present law the banks seem to have the power to expand and contract the currency at their will, to fix prices, depress and inflate values, *affect wages and all* property; and yet with all this "inflation" pointed out in your letter to me the money has not reached the people in localities where it is to-day needed. Something is wrong with the law or system in this crisis, or you would have been able with your known courage and ability to drive some of this vast amount of boasted new currency into the hands of the cotton and tobacco farmers.

Undoubtedly you need help from Congress, and you should come and aid those of us in that body ambitious to do this work right, in order to secure "public moneys," that will certainly go into the depositaries of the South, to become absolutely available to the farmers upon fixed conditions.

Yes; I think and deliberately reassert that you must issue Treasury notes or sell Panama Canal bonds or other bonds, or both, in order to get the money into the hands of the producers, through the instrumentality of the banks as fiscal agents, at a low rate of interest, upon terms and conditions fixed by law. If you do not do this, the banks will continue to defy and thwart your will; and you must agree they have been doing that for more than 60 days.

Fifth. Finally you present this point to me: "Is it wise to issue $400,000,000 of Government bonds and greenbacks merely to lend on cotton? Tobacco, naval stores, copper, silver, lumber, and other things have been hurt by the European war. All have applied to the Treasury for relief. If we disregard every suffering interest except cotton and make it the sole beneficiary of governmental favor, what becomes of the Democratic principle, 'Equal rights for all, special privileges for none'?"

You must allow me here to mention the "direct loan" of $1,400,000 you recently found and inspired for Tennessee. Perhaps I can afford to call it a "directed loan," and solve the very slender doubt in your favor, inasmuch as the papers indicated that you "directed" Senator LEA and Secretary Snead to the National Park Bank, of New York City, where they could find $1,400,000 available to take up the notes of the State of Tennessee after you had lodged in the hands of that bank the sum of $400,000 of the "public moneys," besides other deposits going before this, so that these gentlemen would not find themselves at the end of a false rainbow when they walked through the doors of that bank and into its vaults. In old fashioned parlance, those gentlemen, in their quest of funds for distressed Tennessee, through the good offices of almost magical financiering, "found the gold at the end of the rainbow." It was not a rainbow of hope, but one of reality. I see nothing wrong or dishonorable in this loan, so efficiently directed by you according to newspaper accounts now in my hand, coupled with your letter to Maj. E. B. Stahlman.

But, Mr. Secretary, you can never convince any reasonable intellect that there is the slightest difference between the principle of that "directed loan" to Tennessee and a direct—or directed—loan through the banks of the South, as fiscal agents of the Government, to the farmer on his cotton or tobacco, at a reasonable rate of interest, of public moneys, in accordance with conditions fixed by law. The Government has as much right to fix the conditions upon which it loans its public moneys as it has to authorize the banks to loan the same funds upon conditions to be fixed by the banks themselves. There is no chance for the Government to lose a penny on cotton and tobacco. They are produced, and will be in warehouses. The principle is the same, and since you have aided in exercising it for Tennessee to save her credit you can not dispute it with the farmers of the South when they beseech you to save their purchasing power and debt-paying power through the same means.

Hence my course is fixed, and I shall go forward and contend for legislation treating the farmers of the South as we have done with Tennessee, with the Dayton banks during the great flood in Ohio, and as was done in New York during 1907, when over $40,000,000 of public moneys were deposited with the banks to relieve the stock market and finance the needs of Wall Street speculators.

Our need is overshadowing and pressing. You should join us and help to get legislation to sell the Panama Canal bonds and issue United States notes. Restrain the banks, hold them in leash, and prevent their further inflation of the currency, which is not reaching the farmers this year.

With cordial regards, I am,

Sincerely, yours,

R. L. HENRY.

ALASKA COAL LANDS (S. DOC. NO. 599).

Mr. MYERS submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14233) to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment as follows:

In lieu of the matter proposed by the Senate insert the following:

"That the Secretary of the Interior be, and hereby is, authorized and directed to survey the lands of the United States in the Territory of Alaska known to be valuable for their deposits of coal, preference to be given first in favor of surveying lands within those areas commonly known as the Bering River, Matanuska, and Nenana coal fields, and thereafter to such areas or coal fields as lie tributary to establishments or existing or proposed rail or water transportation lines: *Provided*, That such surveys shall be executed in accordance with existing laws and rules and regulations governing the survey of public lands. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $100,000 for the purpose of making the surveys herein provided for, to continue available until expended: *Provided*, That any surveys heretofore made under the authority or by the approval of the Department of the Interior may be adopted and used for the purposes of this act.

"SEC. 2. That the President of the United States shall designate and reserve from use, location, sale, lease, or disposition not exceeding 5,120 acres of coal-bearing land in the Bering River field and not exceeding 7,680 acres of coal-bearing land in the Matanuska field, and not to exceed one-half of the other coal lands in Alaska: *Provided*, That the coal deposits in such reserved areas may be mined under the direction of the President when, in his opinion, the mining of such coal in such reserved areas, under the direction of the President, becomes necessary, by reason of an insufficient supply of coal at a reasonable price for the requirements of Government works, construction and operation of Government railroads, for the Navy, for national protection, or for relief from monopoly or oppressive conditions.

"SEC. 3. That the unreserved coal lands and coal deposits shall be divided by the Secretary of the Interior into leasing blocks or tracts of 40 acres each, or multiples thereof, and in such form as in the opinion of the Secretary will permit the most economical mining of the coal in such blocks, but in no case exceeding 2,560 acres in any one leasing block or tract; and thereafter the Secretary shall offer such blocks or tracts and the coal, lignite, and associated minerals therein for leasing, and may award leases thereof through advertisement, competitive bidding, or such other methods as he may by general regulations adopt, to any person above the age of 21 years who is a citizen of the United States, or to any association of such persons, or to any corporation or municipality organized under the laws of the United States or of any State or Territory thereof: *Provided*, That a majority of the stock of such corporation shall at all times be owned and held by citizens of the United States: *And provided further*, That no railroad or common carrier shall be permitted to take or acquire through lease or permit under this act any coal or coal lands in excess of such area or quantity as may be required and used solely for its own use, and such limitation of use shall be expressed in all leases or permits issued to railroads or common carriers hereunder: *And provided further*, That any person, association, or corporation qualified to become a lessee under this act and owning any pending claim under the public-land laws to any coal lands in Alaska may, within one year from the passage of this act, enter into an arrangement with the Secretary of the Interior by which such claim shall be fully relinquished to the United States; and if in the judgment of the Secretary of the Interior the circumstances connected with such claim justify so doing, the moneys paid by the claimant or claimants to the United

States on account of such claim shall, by direction of the Secretary of the Interior, be returned and paid over to such person, association, or corporation as a consideration for such relinquishment.

"All claims of existing rights to any of such lands in which final proof has been submitted and which are now pending before the Commissioner of the General Land Office or the Secretary of the Interior for decision shall be adjudicated within one year from the passage of this act.

"SEC. 4. That a person, association, or corporation holding a lease of coal lands under this act may, with the approval of the Secretary of the Interior, and through the same procedure and upon the same terms and conditions as in the case of an original lease under this act, secure a further or new lease covering additional lands contiguous to those embraced in the original lease, but in no event shall the total area embraced in such original and new leases exceed in the aggregate 2,560 acres.

"That upon satisfactory showing by any lessee to the Secretary of the Interior that all of the workable deposits of coal within a tract covered by his or its lease will be exhausted, worked out, or removed within three years thereafter, the Secretary of the Interior may, within his discretion, lease to such lessee an additional tract of land or coal deposits, which, including the coal area remaining in the original lease, shall not exceed 2,560 acres, through the same procedure and under the same competitive conditions as in case of an original lease.

"SEC. 5. That, subject to the approval of the Secretary of the Interior, lessees holding under leases small blocks or areas may consolidate their said leases or holdings so as to include in a single holding not to exceed 2,560 acres of contiguous lands.

"SEC. 6. That each lease shall be for such leasing block or tract of land as may be offered or applied for, not exceeding in area 2,560 acres of land, to be described by the subdivisions of the survey, and no person, association, or corporation, except as hereinafter provided, shall be permitted to take or hold any interest as a stockholder or otherwise in more than one such lease under this act, and any interest held in violation of this proviso shall be forfeited to the United States by appropriate proceedings instituted by the Attorney General for that purpose in any court of competent jurisdiction, except that any such ownership and interest hereby forbidden which may be acquired by descent, will, judgment, or decree may be held for two years, and not longer, after its acquisition.

"SEC. 7. That any person who shall purchase, acquire, or hold any interest in two or more such leases, except as herein provided, or who shall knowingly purchase, acquire, or hold any stock in a corporation having an interest in two or more such leases, or who shall knowingly sell or transfer to one disqualified to purchase, or except as in this act specifically provided, disqualified to acquire, any such interest, shall be deemed guilty of a felony, and upon conviction shall be punished by imprisonment for not more than three years and by a fine not exceeding $1,000: *Provided*, That any such ownership and interest hereby forbidden which may be acquired by descent, will, judgment, or decree may be held two years after its acquisition and not longer, and in case of minority or other disability such time as the court may decree.

"SEC. 8. That any director, trustee, officer, or agent of any corporation holding any interest in such a lease who shall, on behalf of such corporation, act in the purchase of any interest in another lease, or, who shall knowingly act on behalf of such corporation in the sale or transfer of any such interest in any lease held by such corporation to any corporation or individual holding any interest in any such a lease, except as herein provided, shall be guilty of a felony and shall be subject to imprisonment for a term of not exceeding three years and a fine of not exceeding $1,000.

"SEC. 8a. If any of the lands or deposits leased under the provisions of this act shall be subleased, trusteed, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever, so that they form part of or are in anywise controlled by any combination in the form of an unlawful trust, with consent of lessee, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal, entered into by the lessee, or of any holding of such lands by any individual, partnership, association, corporation, or control, in excess of 2,560 acres in the Territory of Alaska, the lease thereof shall be forfeited by appropriate court proceedings.

"SEC. 9. That for the privilege of mining and extracting and disposing of the coal in the lands covered by his lease the lessee shall pay to the United States such royalties as may be specified in the lease, which shall not be less than 2 cents per ton, due and payable at the end of each month succeeding that of the shipment of the coal from the mine, and an annual rental, payable at the beginning of each year, on the lands covered by such lease, at the rate of 25 cents per acre for the first year thereafter, 50 cents per acre for the second, third, fourth, and fifth years, and $1 per acre for each and every year thereafter during the continuance of the lease, except that such rental for any year shall be credited against the royalties as they accrue for that year. Leases may be for periods of not more than 50 years each, subject to renewal, on such terms and conditions as may be authorized by law at the time of such renewal. All net profits from operation of Government mines, and all royalties and rentals under leases as herein provided, shall be deposited in the Treasury of the United States in a separate and distinct fund to be applied to the reimbursement of the Government of the United States on account of any expenditures made in the construction of railroads in Alaska, and the excess shall be deposited in the fund known as the Alaska fund, established by the act of Congress of January 27, 1905, to be expended as provided in said last-mentioned act.

"SEC. 10. That in order to provide for the supply of strictly local and domestic needs for fuel the Secretary of the Interior may, under such rules and regulations as he may prescribe in advance, issue to any applicant qualified under section 3 of this act a limited license or permit granting the right to prospect for, mine, and dispose of coal belonging to the United States on specified tracts not to exceed 10 acres to any one person or association of persons in any one coal field for a period of not exceeding 10 years, on such conditions not inconsistent with this act as in his opinion will safeguard the public interest, without payment of royalty for the coal mined or for the land occupied: *Provided*, That the acquisition or holding of a lease under the preceding sections of this act shall be no bar to the acquisition, holding, or operating under the limited license in this section permitted. And the holding of such a license shall be no bar to the acquisition or holding of such a lease or interest therein.

"SEC. 11. That any lease, entry, location, occupation, or use permitted under this act shall reserve to the Government of the United States the right to grant or use such easements in, over, through, or upon the land leased, entered, located, occupied, or used as may be necessary or appropriate to the working of the same or other coal lands by or under authority of the Government and for other purposes: *Provided*, That said Secretary, in his discretion, in making any lease under this act, may reserve to the United States the right to lease, sell, or otherwise dispose of the surface of the lands embraced within such lease under existing law or laws hereafter enacted in so far as said surface is not necessary for use by the lessee in extracting and removing the deposits of coal therein If such reservation is made, it shall be so determined before the offering of such lease.

"That the said Secretary during the life of the lease is authorized to issue such permits for easements herein provided to be reserved, and to permit the use of such other public lands in the Territory of Alaska as may be necessary for the construction and maintenance of coal washeries or other works incident to the mining or treatment of coal, which lands may be occupied and used jointly or severally by lessees or permittees, as may be determined by said Secretary.

"SEC. 12. That no lease issued under authority of this act shall be assigned or sublet except with the consent of the Secretary of the Interior. Each lease shall contain provisions for the purpose of insuring the exercise of reasonable diligence, skill, and care in the operation of said property, and for the safety and welfare of the miners and for the prevention of undue waste, including a restriction of the workday to not exceeding eight hours in any one day for underground workers except in cases of emergency; provisions securing the workers complete freedom of purchase, requiring the payment of wages at least twice a month in lawful money of the United States, and providing proper rules and regulations to secure fair and just weighing or measurement of the coal mined by each miner, and such other provisions as are needed for the protection of the interests of the United States, for the prevention of monopoly, and for the safeguarding of the public welfare.

"SEC. 13. That the possession of any lessee of the land or coal deposits leased under this act for all purposes involving adverse claims to the leased property shall be deemed the possession of the United States, and for such purposes the lessee shall occupy the same relation to the property leased as if operated directly by the United States.

"SEC. 14. That any such lease may be forfeited and canceled by appropriate proceeding in a court of competent jurisdiction whenever the lessee fails to comply with any provision of the lease or of general regulations promulgated under this act; and the lease may provide for the enforcement of other appropriate remedies for breach of specified conditions thereof.

"SEC. 15. That on and after the approval of this act no lands in Alaska containing deposits of coal withdrawn from entry or sale shall be disposed of or acquired in any manner except as provided in this act: *Provided*, That the passage of this act shall not affect any proceeding now pending in the Department of the Interior, and any such proceeding may be carried to a final determination in said department notwithstanding the passage hereof: *Provided further*, That no lease shall be made, under the provisions hereof, of any land, a claim for which is pending in the Department of the Interior at the date of the passage of this act, until and unless such claim is finally disposed of by the department adversely to the claimant.

"SEC. 16. That all statements, representations, or reports required, unless otherwise specified, by the Secretary of the Interior under this act shall be upon oath and in such form and upon such blanks as the Secretary of the Interior may require, and any person making false oath, representation, or report shall be subject to punishment as for perjury.

"SEC. 17. That the Secretary of the Interior is authorized to prescribe the necessary and proper rules and regulations and to do any and all things necessary to carry out and accomplish the purposes of this act.

"SEC. 18. That all acts and parts of acts in conflict herewith are hereby repealed."

And the Senate agree to the same.

H. L. MYERS,
WM. H. THOMPSON,
Managers on the part of the Senate.

SCOTT FERRIS,
EDWARD T. TAYLOR,
WM. L. LA FOLLETTE,
Managers on the part of the House.

Mr. MYERS. I ask that the report go over until to-morrow, and that it be printed and lie on the table.

The PRESIDING OFFICER. The report will be printed and lie on the table.

EXECUTIVE SESSION.

Mr. STONE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

RECESS.

Mr. KERN. I move that the Senate take a recess until 11 o'clock to-morrow forenoon.

The motion was agreed to; and (at 6 o'clock p. m., Monday, October 12, 1914) the Senate took a recess until to-morrow, Tuesday, October 13, 1914, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate October 12 (legislative day of October 8), 1914.

MEMBER OF THE EXECUTIVE COUNCIL OF PORTO RICO.

Antonio R. Barceló, of Porto Rico, vice Martin Travieso. Nominated for appointment as member of the Executive Council of Porto Rico, provided for in section 18 of the act of Congress approved April 12, 1900, entitled "An act temporarily to provide revenues and a civil government for Porto Rico, and for other purposes."

CONSUL.

James C. Monaghan, of Bayonne, N. J., to be consul of the United States of America at Kingston, Jamaica, vice Thomas Willing Peters, resigned.

PROMOTIONS IN THE ARMY.

CORPS OF ENGINEERS.

First Lieut. Glen E. Edgerton, Corps of Engineers, to be captain from October 2, 1914, vice Capt. Charles K. Rockwell, resigned October 1, 1914.

Second Lieut. Leo J. Dillow, Corps of Engineers, to be first lieutenant from October 2, 1914, vice First Lieut. Glen E. Edgerton, promoted.

COAST ARTILLERY CORPS.

First Lieut. Jacob A. Mack, Coast Artillery Corps, to be captain from October 2, 1914, vice Capt. Harrison S. Kerrick, detached from his proper command.

Second Lieut. John P. McCaskey, jr., Coast Artillery Corps, to be first lieutenant from October 2, 1914, vice First Lieut. Jacob A. Mack, promoted.

Second Lieut. Edward S. Harrison, Coast Artillery Corps, to be first lieutenant from October 5, 1914, vice First Lieut. Virginius E. Clark, detailed in the aviation section of the Signal Corps.

PROMOTIONS IN THE NAVY.

Lieut. Commander Jonas H. Holden to be a commander in the Navy from the 1st day of July, 1914.

Lieut. Levin J. Wallace to be a lieutenant commander in the Navy from the 1st day of July, 1914.

Passed Asst. Surg. Wesley H. Rennie to be a surgeon in the Navy from the 12th day of January, 1913.

CONFIRMATIONS.

Executive nominations confirmed by the Senate October 12 (legislative day of October 8), 1914.

REGISTER OF THE LAND OFFICE.

Thomas Jones, of Vale, Oreg., to be register of the land office at Vale, Oreg., vice Bruce R. Kester, term expired.

PROMOTIONS AND APPOINTMENTS IN THE NAVY.

Lieut. Commander Rufus Z. Johnston to be a commander.

The following-named assistant surgeons in the Medical Reserve Corps to be assistant surgeons:

Charles E. Treibly.
William W. Hargrave.
Charles S. Stephenson.
Roscoe M. Waterhouse.

Summerfield M. Taylor to be an assistant surgeon in the Medical Reserve Corps.

Paymaster Walter B. Izard to be a pay inspector.

POSTMASTERS.

MASSACHUSETTS.

Michael O. Haggerty, North Adams.
Frank I. Pierson, Leominster.

HOUSE OF REPRESENTATIVES.

MONDAY, *October 12, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Almighty God, our heavenly Father, we thank Thee for this beautiful day, token of Thy presence and continued care. For all the longings, hopes, and aspirations which fill our minds and hearts. Help us with renewed faith and confidence to work ever toward the higher ideals as we know them in Christ Jesus, that we may awake at last in the consciousness of our likeness to Thee and in fullness of joy hear the words, "Well done, good and faithful servant, enter thou into the joy of thy Lord." And we will ascribe all praises to Thee, for Thine is the kingdom and the power and the glory forever. Amen.

The Journal of the proceedings of Saturday, October 10, 1914, was read.

CORRECTION OF A VOTE.

Mr. BRUMBAUGH. Mr. Speaker, I desire to correct the RECORD and the Journal. On page 6134 of the RECORD of April 1, 1914, I am recorded as not voting. I was present at that time and voted "yea."

The SPEAKER. Without objection, the correction will be made in the Journal and in the RECORD in accordance with the statement of the gentleman from Ohio.

There was no objection.

APPROVAL OF THE JOURNAL.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move that the Journal be approved.

The motion was agreed to.

COTTON.

Mr. HENRY. Mr. Speaker, I desire to submit a request for unanimous consent. I ask unanimous consent that I be allowed to print in the RECORD a copy of my letter in reply to the letter of the Secretary of the Treasury. A few days ago the Secretary of the Treasury caused to have printed in the RECORD, at the request of the Senator from New Hampshire, Mr. HOLLIS, a letter to me upon the cotton and currency question, and I should like to have my reply appear in the RECORD.

The SPEAKER. The gentleman from Texas asks unanimous consent to extend his remarks in the RECORD by printing in the RECORD his reply to the letter of the Secretary of the Treasury.

Mr. PAYNE. Mr. Speaker, reserving the right to obect, I want to say this: I have uniformly objected to this debate going on upon the cotton question. I had a request from the gen-

tleman sitting on the other side of the aisle on Saturday to print the letter of the Secretary of the Treasury, and I told him that I should object to that and to all such propositions, because I believed the debate should be had here on the floor of the House, open to Members of the House, and for that reason I must object to this request.

Mr. HENRY. Mr. Speaker, will the gentleman withhold his objection for a moment?

Mr. PAYNE. Very well.

Mr. HENRY. Mr. Speaker, I hope the gentleman will not object to this. I am sure he wants to uphold the dignity of the House. Inasmuch as the Senate has authorized the printing of the letter of the Secretary of the Treasury, it seems to me that a humble Member of the House ought to be permitted to print his reply, so that the membership may see his views. I am doing everything that I can to secure a vote and debate upon this question, and hope and believe that by to-morrow this matter can be presented to the House of Representatives for some sort of action. I am leaving nothing undone to bring it before the House, and if the gentleman will allow this reply to be inserted, I assure him that I will not abate my zeal in endeavoring to secure a vote. I only want my rights as a Member of the House protected. I do not think I ought to be deprived of that privilege.

The SPEAKER. Is there objection?

Mr. PAYNE. Mr. Speaker, I object.

Mr. TOWNER. Mr. Speaker, reserving the right to object——

The SPEAKER. The gentleman from New York [Mr. PAYNE] and the gentleman from Iowa [Mr. TOWNER] object.

Mr. TOWNER. Oh, I do not object. I only reserved the right to object for the purpose of stating that I hope that no objection will be made.

The SPEAKER. The gentleman from New York objects.

ALASKA COAL LANDS.

The SPEAKER laid before the House the following communication:

IN THE SENATE OF THE UNITED STATES,
October 8 (calendar day October 10), 1914.

Ordered, That the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 14233) to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes, be recommitted to the conference committee.

Attest:

JAMES M. BAKER, *Secretary.*

ORDER OF BUSINESS.

Mr. JOHNSON of Kentucky. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. JOHNSON of Kentucky. I wish to inquire whether or not the Chair holds that the Philippine bill takes precedence over District matters to-day?

The SPEAKER. It does.

Mr. JOHNSON of Kentucky. Very well.

THE PHILIPPINE ISLANDS.

The SPEAKER. Under the special rule the House will resolve itself automatically into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 18459, and in the absence of the gentleman from Virginia [Mr. FLOOD], the gentleman from Indiana [Mr. ADAIR] will take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands, with Mr. ADAIR in the chair.

The Clerk reported the bill by title.

Mr. MILLER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MILLER. It is rather embarrassing for me to make this inquiry, Mr. Chairman. At the conclusion of the sitting of the committee on Saturday I had offered a motion to strike out a portion of the paragraph now being considered. The gentleman from Tennessee [Mr. GARRETT] made a point of order against my amendment, claiming it was included in a previous motion to strike out made by the gentleman from Iowa [Mr. TOWNER]. Without any adequate discussion or consideration of the precedents, the Chair sustained the point of order. My parliamentary inquiry is now whether or not the Chair is willing to have that matter discussed in order that the precedents may be presented, with a view to deciding whether or not it would be advisable to overrule the point of order?

The CHAIRMAN. The present occupant of the chair was not in the Chamber at that time——

Mr. MILLER. My embarrassment arises from that fact, Mr. Chairman.

The CHAIRMAN. But as the Chair is informed, the point of order was sustained by the Chairman of the Committee of the Whole House on the state of the Union.

Mr. MILLER. Without any consideration of the precedents, Mr. Chairman; we did not have time then to present them.

The CHAIRMAN. The Chair understands the point of order was sustained.

Mr. GARRETT of Tennessee. Will the gentleman from Minnesota yield?

Mr. MILLER. Certainly.

Mr. GARRETT of Tennessee. I would like to ask the gentleman how many more amendments he has to this section?

Mr. MILLER. Mr. Chairman, I am frank to say that this is the only amendment which I had to the section, but since Saturday I have drafted a lot of them. I do not know that I shall offer any of them, but I have them.

Mr. GARRETT of Tennessee. I want to see if we can reach an agreement with the gentleman in some way. I want to say, Mr. Chairman, I thought the point of order was well taken.

Mr. MILLER. I shall be very pleased to discuss that.

Mr. GARRETT of Tennessee. I do not care to argue it if we can save time otherwise. If we can save time and get away from this proposition, I would be willing to let the gentleman ask unanimous consent, as far as I am concerned, if the chairman of the committee will agree, if this is the only amendment the gentleman has to offer, that he should discuss it for five minutes and then we should vote on it.

Mr. MILLER. I would not be willing to make that kind of an agreement, although I would say to the gentleman I have no disposition to delay the bill at all, but I am firmly convinced the ruling of the Chair on Saturday was erroneous, and I think I can show it in two minutes by the precedents of the House and by the unquestionable parliamentary holdings. Mr. Chairman, I do not care to ask unanimous consent with that feature attached to it.

The CHAIRMAN. The Chair will state to the gentleman from Minnesota that he understands the point of order was made and the point of order was sustained by the then Chairman of the committee, and so far as the present occupant of the chair is concerned that ends the matter.

Mr. STAFFORD. Will the gentleman from Minnesota yield?

Mr. MILLER. Certainly.

Mr. STAFFORD. How much time does the gentleman desire to discuss this amendment? I understand there will be no other amendment to this section offered on this side. Perhaps the gentleman from Tennessee will agree to further extension of time in order to expedite the consideration of the bill. I understand this is the only amendment the gentleman proposes to offer.

Mr. MILLER. No; I would not want that to be understood.

Mr. BRYAN. No; I would not care to agree to that.

Mr. MILLER. I am not quite certain of my parliamentary situation, but I should imagine, inasmuch as that is the last act of the committee, if the Chair were so disposed, the Chair could open the discussion for further consideration of the point of order and change the Chair's position if he thought proper so to do.

The CHAIRMAN. The Chair would not feel warranted in setting aside the action of the former Chairman.

Mr. MILLER. I assumed that is true, and that is the unfortunate situation.

Mr. GARRETT of Tennessee. If the gentleman will permit me to proceed for a moment—we are exceedingly anxious now to make progress upon this bill. I think everybody in the House understands why. There has been very liberal debate, under the five-minute rule; in fact there has been no attempt at any time, as I recall, to close debate, and it has not been closed at any time except by unanimous consent. I reiterate that I believed the point of order was well taken, and I felt like it was my duty to make the point of order, because I thought we ought to protect the bill, not because I had any objection to the proposition offered by the gentleman from Minnesota being voted upon by the House. Now, I should be willing myself to ask unanimous consent that the point of order be vacated and that it may be offered and voted upon if we can reach some reasonable agreement. I understand the gentleman from Washington [Mr. BRYAN] wishes to offer an amendment other than the amendment which has been offered. Does the gentleman object to stating what the character of his amendment is——

Mr. BRYAN. No.

Mr. GARRETT of Tennessee. So that we can proceed?

Mr. BRYAN. It is a phase of this suffrage proposition.

Mr. GARRETT of Tennessee. Of course I think the gentleman, if he has examined the precedents himself, will agree that that ruling was undoubtedly right.

Mr. BRYAN. I have nothing against that, and I am not going to raise any question on any ruling heretofore made.

Mr. GARRETT of Tennessee. I should be very glad if we can reach an agreement in order to save time.

Mr. MILLER. I will say to the gentleman, after considering the matter since Saturday, I concluded that I have enough material to occupy about 10 minutes in presenting it. Now, I have one other amendment, which I do not care to discuss, but I am willing to offer it with possibly a moment of consideration.

Mr. GARRETT of Tennessee. Will the gentleman state what that amendment is?

Mr. MILLER. Yes; it was suggested to me by persons very much interested in the islands, and it provides that American citizens in the islands shall have the right to vote and hold office, but I would not care to enter upon a discussion of that.

Mr. GARRETT of Tennessee. That amendment would undoubtedly be in order.

Mr. MILLER. I have another amendment that, I think, is in order.

Mr. GARRETT of Tennessee. Do I understand that the gentleman wishes to offer three amendments?

Mr. MILLER. No; two.

Mr. GARRETT of Tennessee. That is, the one offered the other day, excluded by the point of order, and this one?

Mr. MILLER. I am not particular about the one offered the other day. I have one that I think the committee will vote down, because it has been disposed to take that action.

Mr. GARRETT of Tennessee. Let us see if we can not reach an agreement. How much time will the gentleman from Washington desire in reference to this matter?

Mr. BRYAN. I shall only want five minutes. Five minutes is all I care for on my amendment, and I am willing to agree that I have that time.

Mr. GARRETT of Tennessee. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 21 minutes, 11 minutes to be controlled by the gentleman from Minnesota [Mr. MILLER], 5 minutes by the gentleman from Washington [Mr. BRYAN], and 5 minutes by the gentleman from Virginia [Mr. JONES].

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that all debate on this section and amendments thereto close in 21 minutes, 11 minutes to be controlled by the gentleman from Minnesota [Mr. MILLER], 5 minutes by the gentleman from Washington [Mr. BRYAN], and 5 minutes by the gentleman from Virginia [Mr. JONES]. Is there objection?

There was no objection.

Mr. MILLER. Mr. Chairman, I offer the following amendment:

After the word "write," in line 4, page 12, insert "any section of this act in."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 12, line 4, after the word "write," insert the words "any section of this act in," so that the paragraph as amended will read:

"(c) Those who are able to read and write any section of this act in either Spanish, English, or a native language."

Mr. MILLER. Mr. Chairman, I should really much prefer that the amendment should have been that which I offered the other day, namely, to strike out the words "or native language." I think the amendment was entirely in order, as sustained by the precedents of the House, but inasmuch as it was decided it was not in order, that ends it so far as that amendment is concerned. This amendment requires any person to possess the ability to read or write any section of this act either in English, Spanish, or native language. I am firmly of the opinion that the language employed in this act will open a Pandora's box in the Philippine Islands.

Now, I sincerely trust that no one will feel that I am in a critical attitude particularly, and certainly will not imagine that I am in any degree hostile to any of the ambitions or aspirations or desires of the Filipino people. I hope I shall never say anything or do anything that will be opposed to any of their legitimate aspirations. I am deeply in sympathy with most of them. But there are some facts associated with that which you are about to write into this act which you ought to know. I do not ask, Mr. Chairman, that you take my word for it. I am going to read to you, first and foremost, from a very distinguished Democrat, a gentleman who has had a great many years of experience in the islands, who has had many years' experience as a judge, and whose whole life and fortune are wrapped up in the future welfare of the islands. This is what he says:

The words "or a native language" should be stricken from paragraph (c) of this section. The insertion of these words was obviously for the purpose of enlarging the electorate, and it would give in the election statistics a false appearance of literacy of the population. If this provision remains in the law it will result in qualifying as electors thousands of ignorant natives who will be managed, controlled, and voted in blocks by the petty politicians in the rural districts, as are now those electors qualifying under provisions of existing law exactly the same as those contained in paragraph (a) of section 15. Ninety per cent of the turmoil resulting from contested elections in this country, of which there are an astounding number, is due to this provision of the election law now in force. The great majority of men who qualify on account of having held petty municipal offices under the Spanish Government are ignorant and illiterate peasants who are herded to the polls like cattle at the will of the village bosses. As for being able to read and write a native language, thousands of natives have received sufficient instructions in the village schools to enable them to read after a fashion such simple literature as is printed in the various native dialects, and laboriously to write a little of their native language. This knowledge, to say the most for it, is about equivalent to that of a 6-year-old child in the United States of English, and carries with it nothing of real qualification for the suffrage. Under this extension of the franchise, local native election boards would, when it suited their purposes, give to it a liberal interpretation, permitting to qualify as electors hordes of ignorant natives with no conception of the rights and duties of citizenship, with absolutely no will of their own in public matters, and subject to the control of the worst class of politicians. It would make worse a situation already bad enough. As a matter of fact, there is not in this country to-day any such thing as real representative government, and most elections are the merest farces. President Wilson speaks of his "passion for the submerged 85 per cent" of the Mexican people. About 95 per cent is the figure in the Philippine Islands. These masses have not the faintest conception of republican government, no will or opinion as to public questions, and no means of expressing them if they had; and not until, after many years, the education of the children of the people now going forward as rapidly as possible has produced its effect will such a thing as republican government be possible in this country. I suppose that the pretense of popular government and playing at elections initiated under and continued by the past administration must be kept up, but let us be as sensible as possible about it and not make the farce still more ridiculous.

My only reason for inserting that is that it is from the viewpoint of a Democrat; a man who knows the facts. It is not that there shall be urged hostility to the Filipino people. It is to call attention to a great number of voters who will be enfranchised by this, but who are not now ready to assume the responsibilities of that franchise. The Filipino people are making remarkable progress, but give them a chance. Do not deluge them with political troubles while they are making this advance.

Mr. JONES. Will the gentleman give us the name of the writer of that letter?

Mr. MILLER. I have not his permission to give it publicly, or I would be glad to do so. I would not care to place it in the RECORD without his sanction, and I have not his sanction.

Now, this is the opinion of a Republican:

The extension of the franchise to those who can read and write a native language would be disastrous. Probably 75 per cent of the present electorate is incapable of independent or intelligent voting, and the present scandalous practices in elections are due to the great proportion of ignorant and helpless voters. Obviously the class to be added would be of scant education and would increase the number of voters and lower the average capacity. With complaisant election officials almost every adult male could qualify, cacique rule would be more firmly established, and the party now in control of the machine would be fortified. It is very well to increase the number of voters if this can be done without lowering the standard; the schools are gradually adding educated voters, and it might be well to consider extending the franchise to women who can qualify by education or wealth. The character of the women of the Philippines and the position they now hold in society and in the family and even in business would make their enfranchisement reasonable and proper.

Now, the gentleman from Ohio some time ago made the statement, and he made it correctly, as I recall, so far as it went—I am referring to the gentleman from Ohio [Mr. GORDON]—as to the literacy in the islands found by the census of 1903, but the statement standing by itself does not tell the whole story. I find in that report the following language:

Those who were able to read but not write numbered 1,208,845, which was 24.3 per cent, or a little less than one-quarter of all the inhabitants 10 years of age and over. Those able to both read and write numbered 1,002,588, and constituted 20.2 per cent, or about one-fifth of those who were at least 10 years of age. In this part of the population was included a small element who had received superior education. They numbered only 76,627, or 1.6 per cent of the population over 10 years of age.

I find in the report of the executive secretary, recently made, a comment pertinent and important, and I desire to read it at this point. In speaking of the elections and the difficulty they are having by reason of ignorant voters, he says:

Although the educational qualification for voting is not high—consisting only of ability to speak and write either English or Spanish—the proportion of electors shown to possess this degree of education, including the city of Manila, where 86 per cent were literate, was nearly, but not quite, one-third of those registered. In the Provinces alone but 30 per cent were educated. This lack of education required a large number of ballots to be prepared by the inspectors, a proceeding which opens the door to fraud and which is known to be one of the

chief reasons for the large number of protested elections, which was 240. The proportion of literate electors to the population in the territory affected was 1.47 per cent.

Now, it comes, Mr. Chairman, only from my sincere desire that we give to the people of the Philippine Islands an election law that will help them and not hurt them that I offer this amendment. They are progressing rapidly. The time is going to come when the percentage of literacy will be high and widespread. They are moving toward it rapidly and showing an eagerness for education most commendable; showing a development that should give them great national pride. But do not for any reason on earth put into the hands of this class of people a ballot which they do not know how to use.

Mr. Chairman, how much time have I left?

The CHAIRMAN. The gentleman has two minutes left.

Mr. MILLER. I reserve the balance of my time.

Mr. JONES. Mr. Chairman, when I shall have occupied two minutes I hope the Chair will call my attention to the fact.

Mr. Chairman, I do not think it is necessary for me to repeat the arguments made by myself and others upon the subject of this amendment. It is not different in purpose and effect from the amendment just offered by the gentleman from Minnesota [Mr. MILLER]. If this amendment should be adopted, it certainly would not be in line with the liberal policy which the gentleman from Illinois [Mr. MANN], the leader on that side of the House, declared it to be his desire to follow in dealing with the Philippines. It would be exactly the reverse. It would restrict the right of suffrage to a far greater extent than this bill proposes to do.

I hope that no friend of the Filipinos, no one who wishes to give to them the fullest control over their affairs, consistent with American sovereignty, will vote for this amendment.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. JONES. I have only two minutes. I will say to the gentleman that if the Filipinos he would cut out of voting in the Philippines were to come to the United States and settle in his State and become naturalized citizens thereof—for I understand in his State they have manhood suffrage—they would be permitted to vote there. The gentleman would therefore permit Filipinos to vote in Minnesota without requiring of them any knowledge of English and would not permit them to vote in the Philippines unless they could read and write English. The very statement of this proposition demonstrates the absurdity of it. I hope the amendment will be voted down.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Minnesota [Mr. MILLER].

The question was taken, and the Chairman announced that the noes seemed to have it.

Mr. MILLER. A division, Mr. Chairman.

The CHAIRMAN. A division is called for.

The committee divided; and there were—ayes 15, noes 40.

So the amendment was rejected.

Mr. MILLER. Mr. Chairman, I would like to offer the following amendment.

The CHAIRMAN. The gentleman from Minnesota [Mr. MILLER] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend by adding a new section after line 5, page 12:

"That all citizens of the United States who can qualify under clauses A, B, and C of the preceding section, and who reside in the Philippine Islands, shall have the right to vote for all elective offices and the right to be chosen to fill any office in said islands."

Mr. MILLER. Mr. Chairman, may I ask the chairman if he is disposed to accept that?

Mr. JONES. I am not.

Mr. MILLER. Mr. Chairman, I hope the chairman of the committee appreciates the very difficult position the American citizen will be in in the islands unless some such provision as that is accepted. This provision was brought to my attention very forcibly by people whose interests in the islands are very great. I certainly think an American citizen living in the islands, paying property tax and qualified in every way, ought to have the right to vote without renouncing his citizenship in the United States.

Mr. JONES. Mr. Chairman, just one minute. I am opposed to any man voting in the Philippine Islands who is not a citizen of the Philippines. I object to an American retaining his citizenship and his right to vote in the United States and at the same time exercising the right to vote in the Philippine Islands. I am as much opposed to an American doing this as I would be opposed to an Englishman or a German or a member of any other nationality doing it. It would be outrageous to permit such a provision as this, in my judgment, Mr. Chairman.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. JONES. I want to occupy but one minute, Mr. Chairman.

Mr. MILLER. Will the gentleman yield for just a word?

Mr. JONES. I have but two minutes in which to discuss the other amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken, and the amendment was rejected.

Mr. BRYAN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Washington [Mr. BRYAN] offers an amendment, which the Clerk will report.

Mr. BRYAN. Mr. Chairman, I offer that amendment as a new paragraph in this section, to come in between lines 5 and 6.

The Clerk read as follows:

On page 12, after line 5, insert the following:

"Every female citizen qualified for suffrage under this section except as to sex shall be eligible to vote in school elections and on all candidates for school director or other offices whose sole official function is connected with education."

Mr. BRYAN. Mr. Chairman, I ask to be notified when I have used one minute, because I have another amendment to offer. I merely want to state, so that every Member will understand, that this simply allows women to vote in school elections. We had that provision in the State of Washington before we gave universal suffrage to women, and I understand other States have that provision. A large number of the teachers in the Philippine Islands are women. Women are eligible to do the teaching, women are eligible to train the children, and why should they not be allowed to vote on problems affecting purely and simply elections of school directors and other similar officers. On such matters this limited and qualified suffrage ought by all means to be granted, and I think that if Congress, having already gone on record against universal suffrage, also goes on record against this qualified suffrage, it will take a step that is so remote and so resembles the cliff dwellers that Congress ought to be ashamed of itself.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. BRYAN].

The question being taken, the Chairman announced that the noes appeared to have it.

Mr. BRYAN. Division, Mr. Chairman.

The committee divided; and there were—ayes 11, noes 27.

Accordingly the amendment was rejected.

Mr. BRYAN. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from Washington offers an amendment, which the Clerk will report.

The Clerk read as follows:

On page 12, after line 5, insert the following:

"Every female citizen qualified for suffrage under this section except as to sex shall be eligible to vote in all elections if she owns real property to the value of ₱500 or annually pays ₱30 or more of established taxes."

Mr. BRYAN. Mr. Chairman, I ask to be notified when I have used one minute.

Mr. GARRETT of Tennessee. I make a point of order against that amendment, Mr. Chairman.

The CHAIRMAN. The gentleman will state his point of order.

Mr. GARRETT of Tennessee. That is in effect precisely the same proposition which was offered on Saturday last and to which a point of order was sustained by the then occupant of the chair. There is no difference whatever in it.

Mr. BRYAN. Mr. Chairman, if the Chair wants to hear me on the point, I will say this amendment is different. This amendment takes up the matter of women voting who own property, just as the amendment preceding took up the question of women voting in school elections.

Now, for the Chair to rule that it is in order for us to take up amendments here as to various phases of citizenship, but because we have decided that universal suffrage shall be extended only to men that it is out of order for us to raise this question of qualified suffrage to women who own property, is, it seems to me, utterly illogical. The fact that some other occupant of the chair has made some other ruling in reference to some other amendment in some other place in the bill, does not make any difference. This Chairman certainly ought to be asked to make a ruling, simply because universal suffrage is extended only to males; that it is out of order to add a provision that when women own property they may vote; and while from the Democratic standpoint, while from the standpoint of the gentleman who has just spoken, it may be considered impolitic or a bad amendment, it certainly is in order for us to fix that qualification. Although the State of Louisiana, for instance, has a provision for male suffrage, it nevertheless has

a provision giving women who own property the right to vote on certain things.

The CHAIRMAN. The Chair will ask the gentleman from Tennessee [Mr. GARRETT] if he will send to the desk the amendment to which he refers, against which a point of order was sustained.

Mr. GARRETT of Tennessee. If the Chair has before him the RECORD of the proceedings of Saturday last, it is in the RECORD.

The CHAIRMAN. The Chair has the RECORD.

Mr. MILLER. Mr. Chairman, I should like to be heard on the point of order.

Mr. GARRETT of Tennessee. On page 16439, at the top of the second column, is the amendment offered by the gentleman from Washington [Mr. BRYAN]. If the Chair will hear me a moment, I think I can state briefly the contention about it. The gentleman from Illinois [Mr. MANN] offered an amendment providing for female suffrage in every instance coming within the provisions of this section where male suffrage is permitted. That opened up the entire question, and was voted down by the committee. That covered every phase of it.

Now, the gentleman from Washington [Mr. BRYAN] subsequently offered an amendment to one of these sections, which the Chair has before him, and that amendment appears at the top of page 16439. The point of order that I made against that amendment was that the exact proposition involved in his amendment has already been voted upon by the committee. If the gentleman from Washington [Mr. BRYAN] had offered his amendment that was offered on Saturday, or if he had offered the amendment which he now offers, prior to the amendment offered by the gentleman from Illinois [Mr. MANN], it would not have made the amendment of the gentleman from Illinois out of order, because it was broader than that offered by the gentleman from Washington; but the amendment offered by the gentleman from Illinois brought the whole question before the committee. It was voted upon and passed upon. If the gentleman from Washington [Mr. BRYAN] can offer the amendment which he has just offered, then he can again open up another paragraph and nullify the complete proposition that was decided by the committee by the rejection of the amendment proposed by the gentleman from Illinois [Mr. MANN]. In other words, it is simply a repetition of that which the committee has already passed upon; and upon the theory that we must at some time, somewhere, be rid of these matters and make progress, I think the point of order is well taken.

Mr. MILLER. Mr. Chairman, the amendment offered by the gentleman from Illinois [Mr. MANN], as stated by the gentleman from Tennessee [Mr. GARRETT], was to extend the right of franchise to women of all classes; all women who could come in under class A; all women who could come in under class B, the property qualification clause; and all women who could come in under class C, the literacy qualification clause. It was a general, comprehensive amendment. That offered by the gentleman from Washington [Mr. BRYAN] is very much less in extent. It contemplates extending the franchise to just one of the three classes.

I trust that I can get the point that I have in mind before the Chair. The amendment which the gentleman from Illinois offered extended the right of franchise to women of three classes. It was voted down. Now it is proposed to extend the right of franchise to one of the three classes. The query is, Does the previous action of the House in respect to all three classes prevent consideration of an amendment embracing one class? I would like to read to the Chair some comments of the patron saint of Democracy, Thomas Jefferson, in his Manual, on a situation precisely like this:

A motion is made to amend by striking out certain words and inserting others in their place, which is negatived. Then it is moved to strike out the same words and to insert others of a tenor entirely different from those first proposed. It is negatived. Then it is moved to strike out the same words and insert nothing, which is agreed to. All this is admissible, because to strike out and insert A is one proposition.

That is the proposition submitted by the gentleman from Illinois.

To strike out and insert B is a different proposition—

That is the proposition submitted by the gentleman from Washington—

and to strike out and insert nothing is still different. And the rejection of one proposition does not preclude the offering of a different one.

Now I find that precise question has been before the House or the committee and has been passed upon. Section 5769 of volume 5 of Hinds' Precedents reads as follows:

5769. A motion to strike out certain words being disagreed to, it is in order to strike out a portion of those words. On March 2, 1904, the District of Columbia appropriation bill was under consideration in Committee of the Whole House on the state of the Union when the following amendment was proposed and disagreed to:

"Strike out, in line 1, page 15, the words 'register of wills,' and in line 2 the words 'and the police court.'"

Thereupon Mr. SAMUEL W. SMITH of Michigan moved to strike out the words "and the police court" in line 2.

Mr. Maecenas E. Benton, of Missouri, suggested the point that the amendment had already been voted on.

The Chairman held:

"The Chair will remind the gentleman that the amendment offered by the gentleman from Iowa [Mr. Smith] was to strike out the words 'register of wills' in the first line and the words 'and the police court' in the second line. No one called for a division. The proposition offered by the gentleman from Michigan [Mr. SAMUEL W. SMITH] to strike out simply the words 'and the police court' is a different proposition. Perhaps it would have been better to have called for a division of the amendment offered by the gentleman from Iowa, but that was not done, and the Chair must hold that this is a different proposition—one which has not been acted upon. The question, then, is upon the amendment offered by the gentleman from Michigan.

Again, in section 5570 it says:

It is in order to perfect words proposed to be stricken out by striking out a portion of them.

It seems to me very clear, Mr Chairman, that the action of the committee in disagreeing to the amendment offered by the gentleman from Illinois was one proposition, and this offered by the gentleman from Washington [Mr. BRYAN] is clearly another.

Mr. MONDELL. Mr. Chairman, I would like to be heard on the point of order for a moment. The amendment offered by the gentleman from Washington [Mr. BRYAN] may or not be important. That depends on one's point of view. But the question as to what shall be the rule of the House of Representatives with regard to amendments is certainly very important from everyone's standpoint. It is true that on Saturday the Chair made a certain ruling. My own impression is that the Chair had made his ruling before he clearly understood what the proposition was, and while the gentleman who then occupied the chair is an exceedingly fair man it is sometimes a little difficult, even for a Chairman, to adjust himself to new light that may come to him.

Now, this is the proposition, and it strikes me as being so clear and important that it would be a very great misfortune if we should establish a rule here which is certain to plague us in the future.

What is the situation? This bill has three sets of qualifications for electors—first, those who have held office; second, those who own property of a certain amount; third, those who are able to read and write. Now, the gentleman from Illinois [Mr. MANN] favored allowing women of all these classes to vote. The committee voted down that proposition. The committee might have been in favor of allowing women who had formerly held office to vote; they might have been in favor of women owning property to vote; a majority of the committee might have been in favor of allowing women who are educated to vote. The committee might be in favor of one or two of these propositions and yet not be willing to allow all three classes of women to vote.

Now, if we are to hold that a blanket amendment, if offered, precludes all separate amendments on different propositions, this is what is likely to occur: Some one opposed to any amendment whatever may rise and offer a blanket amendment, realizing or believing or hoping or expecting that the blanket amendment will be voted down, and by so doing prevent the committee from exercising its judgment and expressing its opinion with regard to one or more clear and concrete propositions included in the amendment.

We certainly do not want to establish that sort of a situation in the House. The gentleman from Tennessee [Mr. GARRETT] does not desire it any more than the balance of us do. The object of the rule is to give the House an opportunity to express its opinion. The gentleman from Tennessee says if you allow this, then there is no end to the amendments that may be offered. Oh, yes; there is; and the end is well in sight. There are three different propositions. A general amendment could be offered covering them all, and then, from my view of the matter, it would be permissible to offer three other amendments covering each one of these classes; and that is the end of it; and that is not so long and wearisome a road that we need be disturbed about traveling it if we desire to give the committee an opportunity to express its opinion or its view.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. GARRETT of Tennessee. The gentleman from Minnesota [Mr. MILLER] has already offered two amendments, so far as that is concerned; but does not the gentleman conceive that in its ultimate effect it would bring the committee to vote twice upon precisely the same question?

Mr. MONDELL. Not at all; and I think the Chair will have no difficulty in understanding the propositions involved. It is proper to offer a general amendment, covering a variety of

conditions, and certainly the offering of such an amendment should not preclude the offering of amendments that cover only part of the subject matter covered by the general amendment. I have already called the attention of the Chair to the effect of such a holding. It would give some one opposed to any amendment an opportunity to offer a general blanket amendment, and thus defeat the will of the committee.

Mr. BRYAN. Mr. Chairman, will the gentleman yield for a suggestion?

Mr. MONDELL. Yes.

Mr. BRYAN. I want to call the gentleman's attention to the fact that it is impossible to word a special amendment affecting one of these particular subdivisions or classes so that you can insert it in this first paragraph, where the gentleman from Illinois [Mr. MANN] sought to amend. Here it says "every male citizen," and so forth, and you can not put a specific amendment in there ahead of the classes A, B, C and do it so that it will be intelligent. The specification for qualified suffrage must be put after the first paragraph, whether the specification refers to man suffrage or woman suffrage.

Mr. MONDELL. Mr. Chairman, the gentleman from Tennessee has suggested that had the gentleman from Washington [Mr. BRYAN] offered his amendment first, a specific amendment covering but one class, then the gentleman from Illinois [Mr. MANN] might have offered a general amendment following that. By what curious process of reasoning the gentleman arrives at that conclusion and then insists that you can not turn the thing the other way around, I can not understand. Of course the amendment referring to one particular class could have been offered by the gentleman from Illinois, and another amendment referring to another class might have been offered by him or some one else, and another amendment referring to another class might have been offered by some one else. Those three amendments would have covered the whole ground, and then a general amendment perhaps would not have been in order, although there may be some question about that.

Mr. JONES. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. JONES. I would like to ask the gentleman if, when the general amendment was offered to which he refers, it would not have been perfectly competent for either the gentleman from Washington or the gentleman from Minnesota to have asked that that be divided and that each proposition be voted upon separately; and if that was done, would not his object have been accomplished?

Mr. MONDELL. Mr. Chairman, I do not think a demand for a division could have been made, because as presented it was not divisible. Possibly it could have been amended in a way to cover only one or taking in two classes, in which event certainly another amendment could have been offered that would have taken in the other class or the other two classes or a general amendment. Mr. Chairman, it is very dangerous, and would establish a rule that we would all regret—a rule that would rise to plague us many times in the future—if it were held and became the rule of the House that a general amendment could be offered covering a variety of subjects, and then no specific amendment covering a portion of the subject, or one feature of the subject, could thereafter be offered. It would be very easy for a designing person to prevent amendments and prevent the committee from expressing its view and opinion by doing that very thing.

Mr. BRYAN. The amendment of the gentleman from Illinois was to strike out the word "male"; and if somebody wise in procedure will tell me how to divide that, I will learn something.

Mr. MONDELL. Mr. Chairman, clearly that amendment would not have been divisible on any theory of parliamentary law with which we are acquainted. Perhaps the gentleman from Virginia [Mr. JONES] could give us some explanation of how it could be done.

Mr. JONES. Mr. Chairman, the gentleman has referred to me. The gentleman himself spoke of a general amendment offered by the gentleman from Iowa [Mr. TOWNER], and I submit that that was subject to a division.

Mr. MONDELL. Mr. Chairman, we are talking now about the amendment offered by the gentleman from Illinois [Mr. MANN]. The present occupant of the chair has proven himself in other days worthy and qualified to pass judgment intelligently upon these subjects. I am sure that he is well qualified to pass upon this subject, and I am taking the time of the Chair because of the fact that this is an exceedingly important proposition. It is not a matter that may be decided one way or the other without seriously affecting the business of the House. It is a matter that is far-reaching; and a decision such as is suggested by the gentleman from Tennessee would place us in a position where the hands of the committee would be tied. The opportunity of the committee to express its opinion would be prevented. Rather than have that condition arise, we might better spend a few moments discussing and voting upon various amendments.

Mr. HELM. Mr. Chairman, if the Chair has the bill before him and will turn to page 11, line 15, he will see the language of the bill—

> Every male citizen of the Philippines 21 years of age—

And so forth.

The gentleman from Illinois [Mr. MANN] offered an amendment at that point to strike out the word "male," so that it would then have read:

> Every citizen of the Philippines—

And so forth.

Now, in the nature of the case, every citizen must be either male or female, and the whole is equal to and includes all of its parts, and therefore the committee in its wisdom, having voted down the amendment offered by the gentleman from Illinois [Mr. MANN], thereby in effect says that female suffrage in the Philippine Islands will not be permitted or authorized by this bill.

Mr. BRYAN. The committee did not say that.

Mr. HELM. Yes, it did. The effect of the Mann amendment was that every female over 21 years of age, who has resided in the Philippine Islands for one year and in the municipality for six months, and possessing the qualifications set forth in subsections a, b, and c should be permitted to vote.

Mr. BRYAN. That is right; that is what Mr. MANN proposed, and the committee said that everyone and every kind shall not be permitted——

Mr. HELM. I did not yield to the gentleman.

Mr. BRYAN. But it did not say that a certain kind should not be permitted to vote.

Mr. HELM. The Mann amendment said, in effect—I will repeat it—that every female in the Philippine Islands over 21 years of age possessing the qualifications mentioned in sections 15 and embraced in subsections a, b, and c should be permitted to vote.

Mr. BRYAN. That is right.

Mr. HELM. The committee voted that down. And, now, how can you come back and say that some woman of the Caucasian race or some woman who pays $15 taxes or some woman who has held an office or some woman who reads and writes the Spanish language shall be permitted to vote?

Mr. MONDELL. Will the gentleman yield?

Mr. HELM. In just a moment.

Mr. MONDELL. If the gentleman will put in there, under all sections; but the committee has not expressed——

Mr. HELM. The committee is on record as being opposed to female suffrage in the Philippine Islands——

Mr. MONDELL. As a whole.

Mr. HELM (continuing). No matter whether the woman pays $15 taxes, no matter whether she can read and write Spanish or read and write English or whether she can read or write a native language or whether she has been one of those Spanish officers, whose names I can not pronounce—every one has been excluded.

Mr. MONDELL. If the gentleman will allow me. What the committee has done is to vote down an amendment giving universal suffrage, but the committee has not expressed itself on the question of limiting suffrage at all.

Mr. HELM. It has excluded every one of them.

Mr. MONDELL. That is what I wanted to call the attention of the chairman to——

Mr. HELM. The committee says woman suffrage shall not prevail in the Philippine Islands. How can you now, in the name of common sense, say any particular kind of woman shall vote? Now, just one other word. The regular chairman of this committee has gone on record after this matter has been argued as fully and as thoroughly and as completely as it has been argued here, and if we are going to continue this merry-go-round, one day riding the pony and the next day the sleigh, around and around, we will never get anywhere, and in the interest of business and in the interest of orderly procedure I think it ought to be disposed of without any further waste of time.

The CHAIRMAN. The Chair is ready to rule. The amendment offered by the gentleman from Illinois [Mr. MANN] provided that all women included in all of the sections of the bill should have the right to vote in the Philippine Islands. The amendment offered by the gentleman from Washington [Mr. BRYAN] provides that certain women owning so much property or paying so much taxes shall be permitted to vote. The Mann

amendment covered all women in the Philippine Islands, those owning property as well as those not owning property, those who do not pay taxes as well as those who do pay taxes, and in view of the fact that the Mann amendment covered all women in the Philippine Islands, it is perfectly clear in the opinion of the Chair that this amendment offered by the gentleman from Washington is not in order, and the Chair therefore sustains the point of order.

Mr. BRYAN. Mr. Chairman, I offer the following amendment. There is only one minute's debate on that amendment.

Mr. JONES. Mr. Chairman, I would like to ask the Chair if all time under the agreement has not been exhausted?

The CHAIRMAN. The gentleman from Washington has two minutes and the gentleman from Virginia has two minutes.

Mr. BRYAN. I have only used one minute. I have not spoken except on the first amendment and since then except on the point of order. I have four minutes remaining.

The CHAIRMAN. Did not the gentleman offer two amendments?

Mr. BRYAN. I offered two amendments, but was not permitted to debate the second one at all. The point of order was raised on it before I spoke a second. If I had been permitted to speak on it, it would have been too late to make the point of order.

The CHAIRMAN. The Chair finds that he is mistaken. The gentleman is entitled to four minutes. The Clerk will report the amendment.

The Clerk read as follows:

Insert as a new paragraph in section 15, between lines 5 and 6 on page 12, the following:

"Every female citizen qualified for suffrage under this section, except as to sex, shall be eligible to vote on all propositions submitted to the people on the incurring of indebtedness or the issuance of bonds if she owns real property to the value of ₱500 or annually pays ₱30 or more of established taxes."

Mr. BRYAN. Mr. Chairman, I wish to be notified when I have used one minute. This amendment provides for the voting of women who own property only on questions of bonded indebtedness and on the incurring of indebtedness. You have provided that a man can ride in there on a horse, or a donkey, or anything else, and if he pays $15 tax on that particular property he can vote, but a woman, no matter how much property she owns, can not vote; and you say it is out of order to think about it. You would not permit an amendment, so absurd from your viewpoint, to be even considered. It is ruled out of order.

Now, this proposition is that at a special election on a matter of bonds, or the incurring of indebtedness which would tax the property of a woman for which the authority of the electorate is necessary, in such a case the woman owning the property possessing all the qualifications for suffrage except that she is a woman, may, notwithstanding that impediment, be allowed to vote. That certainly is a right that ought to be recognized. It was adopted in Louisiana over 10 years ago, I know. The women who own property and pay taxes vote on the question of the issuance of bonds down there, and in any civilized community you should not tax a woman and then refuse to let her vote as to whether or not her property shall be taxed, in a special election held for the very purpose of determining whether such unusual indebtedness shall be incurred and such bonds be issued.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Washington.

The question was taken, and the Chairman announced that the noes seemed to have it.

Mr. BRYAN. Division, Mr. Chairman.

The committee divided; and there were—ayes 9, noes 27.

So the amendment was rejected.

Mr. BRYAN. Now, I have one more amendment to offer.

The CHAIRMAN. The gentleman from Washington offers an amendment which the Clerk will report.

The Clerk read as follows:

Insert, as a new paragraph to section 15, after line 5, on page 12, the following:

"The Philippine Legislature is hereby authorized to extend the right of suffrage to female citizens at any time hereafter."

Mr. BRYAN. Now, Mr. Chairman, you say that this bill is designed to give the Filipino independence. You say that you are going to let the Filipino govern himself and you are going to open the door to removal of the jurisdiction of the United States. But you have a provision here that even though every member of the Philippine Legislature should want to pass a law letting women vote where they own property, letting women vote in school elections where women do most of the teaching, letting women vote on bond issues where they own property, and under various other conditions, or letting them have universal suffrage, even if every gentleman is like the distinguished gentleman from the Philippine Islands [Mr. QUEZON], and all members of the legislature like him favor the women in this matter, nevertheless the strong hand of the United States Government comes down and says, "No; you shall not permit the women to vote under any conditions in the islands, notwithstanding the fact that we boast about giving you independence, notwithstanding that we boast about giving you liberty. Have we not mothers? Do we not know that women voting will disturb the conditions over there? Have we not mothers and wives and sisters, and do we not know that women voting will promote immorality in the islands? Have we not observed the female characteristics, and do you suppose that we are going to allow you to permit women to disturb your political conditions and infuse immorality into your politics? No; we will not permit it! What do women know about education? What do women know about taxation, even if they do own the property? We want you to have self-government, but we will never permit you to bring such a calamity down on your heads as would come to all your institutions from permitting your wives and mothers and sisters to vote. Never!"

I hope this committee will come to their senses on this thing. Every one of these votes, including the one for universal suffrage, have been characterized by this feature, that the Democratic side of the aisle is the only side where that kind of votes can be had, and we have a demonstration in this Congress to the effect that there is only one party that stands practically unanimous against the mothers and the wives and the sisters, so far as political rights are concerned. [Applause.]

You have not only gone on record against votes for women in the Philippines on the same terms as men, but you have voted against permitting taxpaying women to vote merely at special elections where no subject is up for consideration except "Shall we vote bonds and extra taxes," for railroad help, for waterworks, for light plant, or other public works. A man may be drunk and a pauper, but he can vote, if he can read or ever held an office; but a woman may own her home and a substantial business, and may have been a college teacher the greater part of her life, and she can not vote even as to taxes. Ignorant men may vote on school elections and school bonds; but the very teachers themselves, who are women (and most of them are), can not vote even at a school election. Mothers and widows can not vote at school elections.

Then you go further, and say that you will not permit the Philippine Legislature to grant any kind of qualified suffrage to any woman at any time, even if every member of the legislature desires such legislation. You tie the legislature's hands by making it impossible for the insane, the criminals, and women to vote. What becomes of your State-rights talk. Here you deny it as a right of the Filipino to determine this matter, although you allow him to determine very nearly every phase of local government.

The Democratic Party is an enemy of woman suffrage in the State, in the Nation, in the islands, anywhere and everywhere. You will be the only party in the next presidential campaign whose platform does not contain a plank for equal suffrage. I am in hearty sympathy with the movement of the Congressional Union to hold the party responsible in the 10—soon to be 14—suffrage States for this. No individual is responsible; it is a great party that is blocking the way to equal suffrage, and I congratulate Miss Paul, of the Congressional Union, for locating the trouble. Suffrage workers in the suffrage States should apply the remedy.

Mr. JONES. Mr. Chairman, I do not care to discuss this question. Almost the whole of Saturday was occupied in discussing the suffrage matter, but I do wish to say to the gentleman who has just spoken that it does not lie in the mouth of any gentleman on that side who has assailed this bill to charge the Democrats—those who favor it—with inconsistency. I think the gentleman himself voted to restrict the suffrage in the Philippine Islands to those who could read or write English or Spanish. After having cast that vote, it does not lie in the gentleman's mouth to talk about the Democrats not being liberal toward the Philippines.

Mr. BRYAN. I was talking about the liberty of the women.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. BRYAN].

The question was taken, and the Chairman announced that the noes seemed to have it.

Mr. BRYAN. Mr. Chairman, I ask for a division in order to see where they stand up.

The committee divided; and there were—ayes 11, noes 27.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 16. That for the purposes of the first election hereafter to the Philippine Legislature, the Philippine Islands shall be divided by the

Philippine Commission into 12 senate and ninety representative districts. In establishing senate and representative districts the commission shall establish in the territory not now represented in the Philippine Assembly one senate and nine representative districts. The first election hereafter shall be held on the first Tuesday of June, 1915, and there shall be chosen at such election senators and representatives to the Philippine Legislature: *Provided*, That the Governor General of the Philippine Islands shall appoint, without the consent of the senate and without restriction as to residence, senators and representatives who will, in his opinion, best represent the senate district and those representative districts which may be included in the territory not now represented in the Philippine Assembly: *Provided further*, That thereafter elections shall be held only on such days and under such regulations as to ballots, voting, and qualifications of electors as may be prescribed by the Philippine Legislature, to which is hereby given authority to redistrict the Philippine Islands and modify, amend, or repeal any provision of this section.

Mr. TOWNER. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from Iowa [Mr. TOWNER] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. TOWNER: Page 12, line 13, after the word "districts," strike out all the remainder of the line, all of line 14, all of line 15, all of line 16 down to and including the word "Legislature," and insert in lieu thereof "The first election under the provisions of this act shall be held on the first Tuesday of June, 1915, and there shall be chosen at such election one senator from each senate district for a term of three years and one for six years. Thereafter one senator from each district shall be elected from each senate district for a term of six years. That at said first election each representative district shall elect one representative for a term of three years, and triennially thereafter."

Mr. JONES. Mr. Chairman, I want to move that the committee do now rise in order to get in a formal matter.

The CHAIRMAN. The gentleman from Virginia [Mr. JONES] moves that the committee do now rise. The question is on agreeing to that motion.

The motion was agreed to.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. ADAIR, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands, and had come to no resolution thereon.

LEASING OF COAL LANDS IN ALASKA.

Mr. FERRIS. Mr. Speaker, I ask unanimous consent that the further conference asked by the Senate on the Alaskan coal bill (H. R. 14233) to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes, be agreed to, and that two new conferees be appointed in lieu of the two that are absent.

The SPEAKER. The gentleman from Oklahoma [Mr. FERRIS] asks unanimous consent that the House agree to the conference asked by the Senate on House bill 14233, and that new conferees be appointed on account of the absence of two conferees.

Mr. STAFFORD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. STAFFORD. As I understand the precedents, I believe the bill is still in conference, and if it were not for the absence of two of the House conferees, the House conferees could proceed with this matter without any action on the part of the House. I wish to be advised by the Speaker if that is not the ruling of Speaker Cannon?

The SPEAKER. Which side has the papers?

Mr. FERRIS. The Senate.

The SPEAKER. The House can not do anything in regard to the conference until the Senate gets through with the papers. It may be that the first half of the gentleman's request is surplusage, but the last half is necessary because two of the conferees have gone away.

Mr. PAYNE. Mr. Speaker, I understood from the proceedings that the conference report was rejected in the Senate on a point of order.

The SPEAKER. It was rejected by the Senate, and the Senate asked for a new conference. The gentleman from Oklahoma [Mr. FERRIS] asks that we agree to the request of the Senate for a new conference, and the Chair will appoint the new conferees. Is there objection? [After a pause.] The Chair hears none. The Chair will appoint the gentleman from Oklahoma [Mr. FERRIS], the gentleman from Colorado [Mr. TAYLOR], and the gentleman from Washington [Mr. LA FOLLETTE]. Under the special rule the House resolves itself into Committee of the Whole House on the state of the Union for the further consideration of House bill 18459, with the gentleman from Indiana [Mr. CLINE] in the chair.

THE PHILIPPINE ISLANDS.

Thereupon the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands, with Mr. CLINE in the chair.

The CHAIRMAN. The House is again in Committee of the Whole House on the state of the Union for the further consideration of House bill 18459—the Philippine bill.

Mr. TOWNER. The amendment I offered, Mr. Chairman, is merely a perfection or continuation of the amendment which was discussed the other day with regard to the election of senators and representatives, making the term of senators six years, forming a continuous senate, electing one-half of them every three years, and fixing the term of members of the assembly at three years.

Mr. JONES. Mr. Chairman, the gentleman from Iowa [Mr. TOWNER] assures me that that is the amendment we agreed upon, and I have no objection.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TOWNER. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The gentleman from Iowa [Mr. TOWNER] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. TOWNER:

"Page 12, line 16, after the word 'Legislature,' strike out the remainder of line 16, all of line 17, all of line 18, all of line 19, all of line 20, all of line 21, all of line 22, and the words 'Philippine Assembly' in line 23, and insert, at the end of the section, as a new section, to be numbered '16a'"——

Mr. HELM. I will ask the gentleman where that amendment is inserted in the bill?

Mr. TOWNER. It is to strike out the provision for the representation of the inhabitants of non-Christian territory, I will say to the gentleman, and to insert the provision which I introduced in the committee for a commission.

The CHAIRMAN. The Clerk has not reported the real amendment yet that the gentleman from Iowa [Mr. TOWNER] intended to offer. The Clerk will report the amendment.

The Clerk read as follows:

SEC. 16a. That the provisions of this bill shall not be applied to the territory occupied by nor to the people known as the Moros or other non-Christian tribes. That such peoples and non-Christian tribes shall be allowed to maintain their tribal organization and government subject to the provisions of this section. That the government of the territory now occupied by the said Moros and other non-Christian tribes and of said peoples is hereby committed to a commission to be known as the Philippine Commission, to consist of three persons to be appointed by the President by and with the approval of the Senate of the United States and the Governor General or Acting Governor General of the Philippines. That said three members so appointed shall receive a salary of $5,000 each, and shall hold their offices for four years and until their successors are appointed and qualified. That said commission shall have such powers in general, except as modified by existing conditions, as were granted to the commission appointed by the President of the United States by the order of April 7, 1900. That said commission shall have power to transfer from time to time such territory and peoples to the government and jurisdiction of the Philippine Government, as provided for in the preceding sections of this act, by and with the consent of the Philippine Legislature. That any tribe or people of such Moros or other non-Christian tribes, sufficient in number and of such contiguous residence as to constitute an entity capable of municipal organization which shall desire to be admitted to the jurisdiction of the Philippine Government established in preceding sections of this act, and who shall present a petition, signed by a majority of the males over 21 years of age of such tribe or entity, to that effect to the Philippine Legislature, may be admitted upon the acceptance of the transfer or jurisdiction by the Philippine Legislature and the approval of the President of the United States. The right to amend, modify, or repeal this section is hereby reserved to Congress without in any way affecting the other provisions of this act.

Mr. JONES. Mr. Chairman, I am going to ask the gentleman if we can not agree to some little time for debate on the proposition?

Mr. TOWNER. Does the gentleman think 10 minutes would be sufficient?

Mr. JONES. I think that would be sufficient for me, but other gentleman on this side will want time. Does the gentleman from Minnesota [Mr. MILLER] want time on this question?

Mr. MILLER. Yes. This is one of the most important paragraphs, if not perhaps the most important paragraph, in the entire bill. This is one, and coupled with it there is one that deals with a kindred subject, namely, the government of the non-Christian tribes, and it ought to be discussed at some considerable length.

Mr. JONES. Then, Mr. Chairman, I will ask that the debate on this subject be limited to 20 minutes.

Mr. MILLER. On this particular amendment alone?
Mr. JONES. Yes. There will be another one.
Mr. TOWNER. I do not know anything about that.
Mr. MILLER. Make it 25 minutes.
Mr. JONES. We are getting along so awfully slowly——
Mr. STAFFORD. But this is very important.
Mr. JONES. I will say 25 minutes, if the gentleman suggests it.
Mr. STAFFORD. Twenty minutes of that time to be controlled on this side?
Mr. JONES. Oh, no; half on that side and half on this.
Mr. STAFFORD. We can not agree to that.
Mr. TOWNER. It will be impossible for me to speak upon this amendment and explain it in less than 10 minutes' time, as the gentleman himself knows.
Mr. JONES. I said 25 minutes at the suggestion of the gentleman from Wisconsin.
Mr. TOWNER. I am speaking for myself.
Mr. JONES. Then I will say 30 minutes. That certainly is abundant time for one amendment.
Mr. TOWNER. How is the time to be divided?
Mr. JONES. Half and half.
The CHAIRMAN. The gentleman from Virginia [Mr. JONES] asks unanimous consent that debate on the amendment now before the committee be limited to 30 minutes, 15 minutes to be controlled by himself and 15 minutes by the gentleman from Iowa [Mr. TOWNER]. Is there objection?
Mr. TOWNER. I shall object, Mr. Chairman. We shall want 20 minutes on this side.
Mr. JONES. Then I will not agree to any time now.
Mr. TOWNER. Very well; let the gentleman make a motion on the proposition.
Mr. JONES. We will take it up later.
Mr. TOWNER. Mr. Chairman, this amendment raises the most important and difficult question regarding the government of the Philippine Islands, that which relates to the government of the non-Christian tribes. I presume it is well known that in the Philippine Islands there are variously estimated at from seven hundred thousand to a million people who belong to non-Christian tribes. These consist of natives of the islands ranging from the very lowest degree of intelligence to those who are capable of understanding their own native languages, most of them maintaining their independent tribal forms of government, and all of them being non-Christian, pagans, or Mohammedans. The Negritos are of the very lowest order of manhood and womanhood in the islands, and are among the lowest orders known in the entire world. They are the so-called dwarfs, and, so far as we know, are practically incapable of civilization. The Igorotes are another tribe, very much higher in the scale, but still maintaining almost entirely a separate tribal organization, which has been slightly modified during the American occupancy. They are the old head-hunters and still retain a great many of their ancient characteristics. Then there is a very large group, the most important and the largest of the non-Christian tribes, the Moros or Moors. They are entirely distinct from the others. They profess and are very strongly devoted to the Mohammedan religion. They are a very warlike people, and have been able to keep up their independent organization against the rest of the islands, as well as against the Spaniards when they were in the occupancy of the islands. All of these different tribes have been governed down to the present time by what may be called a commission. Their government has always been separate and apart from the general government of the Philippine Islands. They have never been subjected to the same form and kind of government as have the rest of the islands.

It is now proposed by the terms of this bill to bring these people under the general government of the Philippine Islands; in other words, to the government of the Filipinos. More than half of the territory of the entire islands is occupied by the non-Christian tribes. It is proposed that they shall be represented in the Philippine Assembly, not by persons elected by themselves, because in most part that would be manifestly impossible, in fact, ridiculous; but they are to be represented by representatives who are to be appointed by the Governor General of the Philippine Islands, and in this way they are to be subjected to the general Philippine Government which we are instituting in this bill. In other words, the Legislature of the Philippine Islands will have the power to bring these people absolutely under its control. It is true that there is a bureau provided for afterwards in this bill, but that is administration only and does not change the fact that the power of legislating for all the non-Christian territory and all the non-Christian tribes is in the hands of the Philippine Legislature under the terms of this act.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TOWNER. I ask unanimous consent that I may have five minutes more.
Mr. JONES. Mr. Chairman, pending that, I ask unanimous consent that all debate on this amendment be limited to 30 minutes, 15 minutes to be used on that side and 15 minutes on this side. Gentlemen on that side have already had 5 minutes, and that will give them 20 minutes.
The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this amendment be limited to 30 minutes, 15 minutes to be controlled by the gentleman from Virginia and 15 minutes by the gentleman from Iowa [Mr. TOWNER]. Is there objection?
There was no objection.
Mr. TOWNER. Mr. Chairman, I have no doubt that the provision that the majority of the committee have put into this bill is as wise a provision as could have been made for the government of the non-Christian territory and tribes if they are to be subjected to the government of the Philippine Legislature. However, I am absolutely certain that it will be exceedingly unwise to attempt to do this. In the first place, it will bring into the politics of the Philippine Islands an element of discord that will, in my judgment, make issues that ought, if possible, to be avoided. It is a responsibility which we ought not to place upon the legislature at this time. It is injecting into the future politics of the islands questions which they ought not to be called to pass upon.

That is one side of the question. On the other side is the still more important question that between the Negritos, the Igorrotes, the Moros, and the Philippine people there is and has been for years. I might say for centuries, an intense hatred. That has been occasioned by the many acts of hostility that have occurred between them. It is ingrained in the very nature of all these non-Christian tribes. One of their most pronounced characteristics is that of hostility against the Filipinos. I can not take the time to give testimony regarding that, which might be given almost ad libitum. Time and time again these people, when they have been visited by Members and others, have said that they were willing to submit to the government of Americans, but they were unwilling under any circumstances to submit to the government of Filipinos. I believe that it would lead almost surely and certainly to revolt and revolution on the part of the Moros if Philippine oversight, supervision, and control and government were to be put in the hands of the legislature. If it be understood by them that they were afterwards subject to the control of the Filipinos, I do not believe that there would be any more peace in at least the southern half of the islands.

I have provided in this amendment which I offer, Mr. Chairman, for a commission to be appointed that shall have the control and government of this territory, so that in form, and for the present at least, the same form of government to which they are now subject shall be continued. The civil government which has been constituted now may be continued, so that from time to time, whenever it may be desired by the people themselves, of any part of this territory, they may be set aside from the non-Christian territory and become a part of the Christian territory. By these provisions they may themselves determine when they desire to come under the control of the Philippine Government. Eventually, as we all believe and hope, there will be unity in the government of the Philippines; but now it will not hasten—it will rather postpone—that day if we endeavor to force upon them the subjection, as they will view it, of their territory and their tribes to the Philippine Legislature. Mr. Chairman, how much time have I remaining?
The CHAIRMAN (Mr. CLINE). The gentleman has used five minutes.
Mr. JONES. Mr. Chairman, I yield to the gentleman from the Philippine Islands [Mr. QUEZON].
Mr. QUEZON. Mr. Chairman, I can not permit the statement just made on this floor, that there is hatred between the non-Christian Filipinos on the one hand and their Christian brethren on the other, to pass unchallenged. The statement is not new. It has several times heretofore been circulated from one end of this country to the other, and has been accepted by many people in the very best of faith. Such a statement should not be allowed to go further without the most energetic protest on the part of those who know the true state of affairs in their own country.

The Moros in times gone by have sometimes invaded certain of the small villages inhabited by Christian Filipinos. It is also true that until a few years ago there were a handful of savages in the Philippines, known as head-hunters, who occasionally decapitated some Christian Filipinos. But it is not true, indeed it is very wide of the mark, to say that such happenings as these prove that there is any particular hatred or antagonism

between the Christian and non-Christian inhabitants of the Philippines.

The lack of discrimination in forming opinions on Philippine issues shown by persons who habitually act otherwise on matters of personal moment to them is most astonishing. They seem to take at face value whatever they hear or read regardless of its soundness and without analyzing the motives that might have prompted the statement.

Mr. Chairman, the gentleman from Iowa is a very able lawyer, and if he would only apply to the information or statement he probably thinks he has in support of his contention regarding the supposed hatred between Christian and non-Christian Filipinos some of the common and rudimentary principles of evidence he would at once discover that such testimony is by no means plausible—indeed, is absolutely unreliable.

We are told, Mr. Chairman, that the Moros have attacked and killed Filipinos. We are told, moreover, that these Moros have again and again emphatically reiterated that they would forcibly resist any attempt at a government of their territory by the Christian Filipinos. We are further told that they love the Americans and are happy under their rule, and that they are begging to be permitted to continue to live under that rule. What are the facts? The fact is that while it is true that the Moros have attacked and killed some Filipinos, it was long ago that they did so. On the other hand, up to two years ago they have been in the habit of attacking and killing American soldiers. Why, Mr. Chairman, the number of the American troops killed by the Moros in their resistance to American control exceeded by far the number of Filipinos that they even attempted to kill in past years, not to say of those they actually did kill. That Filipino heads have become a part of the trophies of the head-hunters in times gone by is undoubtedly a fact; but, unfortunately, Spanish and American heads have also been taken to make up these trophies. What is the conclusion—the only logical conclusion—to be derived from these premises? That the Christian Filipinos were never singled out as the most desired victims of warlike Moros and head-hunting pagans, and that the Moro aversion to the Christian is a matter of religious fanaticism. It made no difference to these Mohammedans whether the victim was an American, a Spaniard, or a Filipino. All these bore the mark of the cross. With the savages their head-hunting occupation was a part of their superstition, and the color of the head mattered not.

Mr. Chairman, the problem of governing the Moros and other non-Christian inhabitants of the Philippines is by no means as serious a matter as the question of governing the Indians which the Americans had to face in the early days of this Republic, and if the Christian Filipinos were given an opportunity to take care of their backward brothers they would demonstrate that the task did not even deserve to be termed a problem. In my opinion there is as much ground for the suggestion that the non-Christian Filipinos be placed outside the control of the Philippine Legislature as there would be for the suggestion that the Indians of this country should be beyond the control of Congress. There is more community of interest and race between the Christian and non-Christian Filipinos on the one hand than between the American Indians and the white Americans on the other.

The amendment offered by the gentleman from Iowa will retard the final solution of this question. I am decidedly opposed to it, and I should be against the passage of this bill if that amendment were to be adopted.

I have already stated in my main speech on this bill that the plan of representation given to the inhabitants of the non-Christian tribes does not appeal to me; but that I have submitted to that proposal, because, after all, the number of the appointed members who are to represent the non-Christians is so small in comparison with the rest of the legislature that in practice the result will be that the whole of the Philippines will be under the control of the elected representatives of the Filipino people.

In support of the theory that there is a very deep antagonism between the Christian and the non-Christian inhabitants of the Philippines there have been printed, Mr. Chairman, not only in the newspapers, but also in Government publications, alleged speeches made by Moro chiefs on different occasions. I have also read—it was not my good fortune to be present at the time—the speech of the gentleman from Minnesota [Mr. MILLER], informing this House of similar addresses delivered to him during his recent visit in the islands by some important heads of tribes and by prominent dattos among the Moros. It has always been a matter that puzzled me to find all these speeches and addresses as good pieces of literature as the best of our orators upon the floor of this House could present, for it was too difficult for an ordinary intellect like mine to explain how uneducated people, some of them indeed thoroughly uncivilized, could match their oratorical qualities with highly educated men who made it their business to study and practice eloquence.

I wonder if the hand that penned these speeches was a gloved hand? I wonder if the translator of these speeches—for they were translated into English in order that they might be understood by the addressee—was really making a speech of his own? Be that as it may, we have on our side reason and eloquent facts that tell the situation more convincingly than any words, certainly than all these speeches and addresses. To these facts I wish to call the attention of the committee, so that it may learn something besides the old theory regarding the Philippine situation.

The Moro Province is to-day governed by a civil governor. No longer is the Moro constantly pursued by a man with a gun. A new law has been enacted since Gov. Harrison became Governor General of the Philippines for the administration of the affairs in the territory mainly inhabited by the Mohammedans. This change has taken place with the approval of the War Department, and the result demonstrates that the Moro lives peacefully under civil authorities and that the Moros can get along together with Christian Filipinos and can work hand in hand with them for their common welfare. The governor of the Moro Province, it must be said, is one of the ablest and most industrious American officials who ever landed on Philippine soil. If at all possible to govern the Moros through civil agencies, the man who has the qualifications to show its practicability is the man chosen by Gov. Gen. Harrison—Frank W. Carpenter.

Gov. Carpenter has been in full charge of the Department of Mindanao—that is the name given now to the old Moro Province, and it includes the territory in the island of Mindanao inhabited by pagans—for fully 10 months, and during that time there has been no disorder nor have the Moros ever risen in arms against their government. Gov. Carpenter was given definite instructions by the Governor General as to the policies he should pursue in governing the Moro country. He was told to make that country as much a real part of the Philippine Islands as any other Province of the archipelago. That meant that good and friendly relations between the Mohammedan and Christian Filipinos should be fostered and that the Moros should be as early as possible given the same opportunities for education, sanitation, and material development as the inhabitants of other Provinces of the archipelago.

Gov. Carpenter, with that quickness of mind that is his peculiar gift, grasped at once the task he was called upon to discharge, and, with the energy and determination with which he always enters on his undertakings, he saw to it that the instructions of Gov. Harrison were at once put into effect. And so we now have in the Moro Province more schools, more roads, better sanitation, and more cultivated land than there ever was before.

A spectacle doubtless astonishing to men who feel as does the gentleman from Iowa [Mr. TOWNER] is likewise offered—a provincial board administering subprovinces of the department of Mindanao and Jolo and composed of a Filipino as governor, a Mohammedan as third member, and an American as treasurer. How nearly true it is that the Moro hates to have anything to do with the Filipino, how much he dislikes any other government but a strong, purely American-controlled government, we can judge from the address which this Moslem third member delivered on the inauguration of the provincial government—of which he is a member by appointment of Mr. Carpenter. I shall call the attention of the committee to this paragraph of that speech:

> He who thinks that it is impossible for the Moslem and the Filipino to live together in peace and participate together in the government is foolish and lacks wisdom.

We therefore see, Mr. Chairman, a Filipino and a Moro working together in the government of their common province, and this gives us the best evidence that the Moro and the Filipino do like each other and that they can live together not only peacefully but harmoniously.

With regard to the other non-Christian inhabitants of the archipelago I shall have very little to say. Even he who is most pessimistic as to the possibility of placing this people under the Philippine Government admits that in this case the difficulties are less than in the case of the Moros. I say without hesitation that there is no difficulty whatever in having this people governed by Christian Filipinos. Had a different policy been pursued by the former secretary of the interior in the management of the affairs of this people, they would have advanced more than they have thus far, and there would have been to-day a fully established intercommunication between them and the Christian Filipinos. The new secretary of the in-

terior is, thank God, wise enough to see that the old policy was wrong and injurious, and his new policy is to promote the intermingling of these pagans with the Christian Filipinos. He has appointed a delegate whose paramount duty is to bring about this result. Less appropriation for so-called scientific researches and more for the education, sanitation, and means of communication of this people is the watchword of Secretary Winfred T. Denison. In connection with this remark I wish to insert in the RECORD a quotation from an address delivered by Secretary Denison before the Manila City Club, as follows:

To be concrete: Within the last few days the question has come to me whether I would authorize the expenditure of ₱500, more or less, for the photogr..phing of mollusks.

Now, it happens that I have just returned from the Mountain Province where I found a deep necessity and a great demand for school-teachers and no money to provide them. I had this choice: Should I spend ₱500 for photographing these mollusks, or should I spend it for a school-teacher? I could pay the whole share of the Insular Government in another teacher for the cost of these photographs. I am not unaware that the world outside of the Philippines may possibly prefer the photographs of the mollusks to teachers in the Mountain Province, but can there be any doubt in the mind of anyone that my duty is to spend that money for the interest of the Philippines, rather than to further what may be considered the interest of the scientific world at large?

This is a type of the questions which are constantly arising. It is an extreme one, and one that is unusually ridiculous, but nevertheless it serves to make the point.

Every requisition for expenditure involves a choice of the purpose proposed as against all other possible purposes, and it behooves an alien administrator to have a care lest he gives the hobbies of his own nation priority over the interest of the people whose money he is spending.

PEOPLE WITHOUT MEDICAL CARE.

A similar thing happened in the first month I was here. I had been to Palawan, and had found there 40,000 people without a doctor. This gave me a shock which I shall never forget, and which has not been minimized by my having subsequently found the same thing on a still larger scale in the Mountain Province. I had visited the Moros in the southern end of Palawan, and had found them eager for a school-teacher—even grown men petitioning for leave themselves to go to school. I had been to the Culion leper colony, and had received the petitions of those 6 sisters of St. Paul de Chatres who were doing all the nursing for 250 hospital patients and caring for the whole out-patient and dispensary service besides; and they had asked for 2 more nurses and ₱50 a month for extra delicacies for the more desperate among their cases.

With these things in my mind I returned to Manila; and there the very first thing that came to me was an application for leave to spend ₱14,000 for printing the results of ethnological research into the habits of the Bukidnons and other non-Christian tribes, and I said to myself: Is it for the interest of the Filipino people that these manuscripts should be printed at such a cost, rather than that school-teachers and doctors should be sent to Palawan and more help to those weary sisters of St. Paul de Chatres and the lepers in their care?

Is it for the interest of the Filipino people to make such researches and to print their results in order to inform the American people and the outside scientific world about the ways and habits of the Bukidnons, rather than to send school-teachers to teach the Bukidnons the ways of the outside world?

It was urged that these expenses for printing were a mere bagatelle compared with the cost of collecting the information, and that it was a pity to lose the results of these researches for a sum so small when compared with the vast total of cost already incurred in collecting the information.

But for ₱14,000 I could either cover the Mountain Province with school-teachers or cover Palawan with doctors or fill Culion with nurses, while the outside world, if it finds itself in peremptory need of this knowledge, may possibly be able to find the money somewhere except in the pockets of the Filipino people.

Then it was urged that the administrative officers of the Mountain Province, the governor, the lieutenant governors, and all the Americans who have to deal with those people up there, needed these researches to guide them in their work. That might possibly, to my mind, be a justification for the expense, so I set that question aside until I could visit the Province, and then I asked everyone of these officers the question, and I found that not one of them had ever made any practical use of any of these things. "Interesting," they said, "from the point of view of the advancement of the science of the world, but of no actual practical use to the Mountain Province."

The CHAIRMAN. The time of the gentleman from the Philippine Islands has expired.

Mr. QUEZON. May I have one minute more?

Mr. JONES. I yield one minute more to the gentleman.

Mr. QUEZON. The foregoing statement is very interesting, since it shows—at least by implication—what had been done before Secretary Denison's time, and was then heralded as the greatest thing certain men ever did.

Mr. Chairman, I sincerely hope that the gentleman from Iowa will not press his amendment. The gentleman from Iowa knows that the Philippine Commission has absolute control over the Moro and non-Christian tribes, and that since the appointment by the President of a majority of Filipinos on the commission that the actual fact is that the Moros and other non-Christian inhabitants of the islands are absolutely governed by Christian Filipinos. Were it true that there was a dislike on the part of these Christian Filipinos for the Moros, it would have been plainly shown in the conduct of the present Philippine Commission; yet the fact is that although the revenues of the Philippine Islands have fallen off, and in spite of the absolute necessity for retrenchment, this Filipinized commission has appropriated more money than ever for the pagans, and has given for the department of Mindanao and Sulu ₱225.000; for Agusan, ₱17.000; and for public works of general character to be carried out in these countries, ₱27.225. With these concrete facts I believe the gentleman must be convinced of the lack of foundation for what he heard or read about antagonism between the Christians and non-Christians. [Applause.]

Mr. TOWNER. Mr. Chairman, I yield five minutes to the gentleman from Minnesota [Mr. MILLER].

Mr. MILLER. Mr. Chairman, I appreciate, of course, that to discuss an important subject like this in five minutes is entirely out of the question. I want to refer to one or two items in the time left to me. The gentleman from the Philippine Islands, who has just spoken, believes all that he has said or he would not have said it. I have that faith in his intellectual honesty. If there was one thing, however, that I found that surprised me more than any other, it was the absolute and complete ignorance of the Christian Filipinos in respect to the non-Christians in the Philippine Islands. While I think the gentleman from the Philippine Islands has stated the situation as he believes it, yet if he had been with me and visited the wild tribes——

Mr. QUEZON. Oh, I have visited them a good many times.

Mr. MILLER. My dear sir, without entering into any controversy about that, as a matter of fact the non-Christian people, whether they ought to or whether they ought not, do look with very great hostility upon the Christian people. There is no question about that at all; it is as plain and straight as that A, B, and C are the first letters of the alphabet. I think that condition is being removed. It is going to be removed, of course; but it exists to-day.

The gentleman from the Philippine Islands said something about the splendid results from establishing the civil government among the Moros. What he said is true. For several years they have been preparing the way to establish a civil government in the Moro territory.

They reached a condition of pacification in the Moro part of the islands such that a civil government was instituted about a year ago, and the man who has been put in charge is one of the very best men to be found for the purpose; but everybody knows this, that it was never dared to put that civil government into existence until after the Governor General publicly, before an assemblage of Moro datos, gathered at Lake Lanao, guaranteed to them that the civil governor would be an American and not a Filipino. I hope we can be correctly understood. That condition exists. It is a vital condition. It is being eradicated. There is no reason why Christian and non-Christian Filipinos should be fighting each other or should hate each other. The present resulting situation comes from previous ages and times of warfare and strife. They have not yet become acquainted with each other. When they do become acquainted with each other and recognize that they are children of the same race there will be a change in their condition, but the change is not now. If anybody should really desire to know just how a great many of the wild people feel there is plenty of literature in which they have expressed themselves. I myself have a great pile of manuscript, testimony taken down verbatim by a Christian Filipino stenographer, showing the ideas and desires of the wild men of the north, of the south, and throughout the islands. There was not a dissenting voice anywhere, from one end of the islands to the other, among those wild people, and while I am in favor of a system of government here that will gradually let the Christian Filipino have complete control over all of the territory, yet, it seems to me, to do so now without considerable restriction would be to permit a grave situation to result. As soon as the Christian Filipinos become better acquainted with the non-Christians and the non-Christians become better acquainted with the Christians, so that they know and understand each other and their purposes are found not to be hostile to each other, then you can have a result making possible the principle of this bill. The amendment offered by the gentleman from Iowa may not meet exactly in every respect my own ideas——

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. JONES. Mr. Chairman, I agree entirely with what has been said by gentlemen on the other side as to the difficulty surrounding this particular subject, but I can not agree that the Moros are as much averse to being governed by the Filipinos as has been stated, or that the Filipinos, having no sympathy for them, would not treat them fairly. On the contrary, Mr. Chairman, I wish to give to the gentleman from Minnesota [Mr. MILLER] a concrete fact which I think will change, or at least ought to change, his opinion upon this subject. It is well known that the revenues of the islands have fallen off to such

an extent that retrenchment has become absolutely necessary, and yet the Philippine Commission, now under the control of the Filipinos, there being five Filipinos to four Americans, has increased the appropriations for Agusan, Neuva Vizcaya, and the mountain Provinces, and has granted a subsidy of $112,500 to be used in the Moro Province, now called the Province of Mindanao and Sulu. This was done upon the motion of a Filipino member of the commission. As long as the commission was dominated by Americans no such thing as this ever occurred.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. MILLER. Will the gentleman explain further by saying what he means by the statement that nothing like that was ever done by the American commission?

Mr. JONES. I mean to say that the American commission has never granted a sum like that—a subsidy, as it were—to the Moro Province. The increased appropriations of which I have spoken—oh, the gentleman shakes his head, but it is absolutely true—were made for the wild tribes at the very time that the appropriations for the civilized Provinces were being cut down.

Mr. MILLER. The gentleman must know that heretofore the whole Moro country has been military, and now there is a civil governor.

Mr. JONES. That has absolutely no bearing on the subject whatever. They have a civil governor now instead of a military governor.

Mr. MILLER. Certainly.

Mr. JONES. In other words, the Governor General of the Philippine Islands has selected as the governor of the Moro Province a civilian instead of a military man, as has been the case in the past. The Government itself has not been changed. The facts which I have stated constitute an absolute and irrefutable reply to the charges that have been so frequently made to the effect that the Filipinos, if given control of the Government, would neglect the interests of the wild tribes.

Mr. Chairman, further on in this bill, in the twenty-second section, it is provided:

> There shall be established by the Philippine Legislature a bureau, to be known as the Bureau of Non-Christian Tribes, which said bureau shall be embraced in one of the executive departments to be designated by the Governor General, and shall have general supervision over the public affairs of the inhabitants of the territory represented in the legislature by appointive senators and representatives.

Under this provision the administrative affairs of the non-Christian tribes will be cared for. There is no necessity for the appointment of a commission of three members at a salary of $5,000 each, to be paid by the Filipino people. I repeat, Mr. Chairman, that the provisions of this bill relating to the wild tribes gave the committee a great deal of concern. I, for one, consulted with a great many Americans familiar with affairs in the islands, and one of those was the former Vice Governor General, Mr. Gilbert. He thoroughly indorsed and approved these provisions of the bill, although he did not give his approval to one or two other provisions, particularly the preamble and the requirement of the confirmation by the senate of the appointees of the Governor General. I did not inform Gov. Gilbert as to all the provisions of the bill, and he might not have approved others; but he was outspoken in his approval of the one relating to the appointment of senators and representatives for the Provinces not now represented in the assembly. Gov. Gilbert has returned to the islands, I may add, to make his permanent home there. I have talked with no one familiar with governmental affairs in the Philippines who did not approve this provision save only one member of the supreme court, for whose judgment, I may say, I have great respect. Justice Trent alone of all those consulted by me was of the opinion that the provision contained in the bill was not the wisest solution of this difficult problem.

Mr. Chairman, no one can doubt but that the Governor General will appoint high-minded, experienced, and able men to represent the wild tribes, that he will select the very best men that can be found. Such men will see to it that the interests of the wild men are not neglected. It is proposed to rid the Philippines of the Philippine Commission, which, under American control, became so odious to their people.

Mr. Chairman, I reserve the rest of my time.

Mr. TOWNER. Mr. Chairman, the last statement which the gentleman from Virginia makes upon the floor of this House, that nearly everybody thinks the commission system of governing the non-Christian tribes ought to be abolished, is so absolutely far from the truth, in my judgment, that it is almost ridiculous. Mr. Chairman, it is ungracious always to say anything regarding people derogatory of them, and if the statement which I made had not been challenged on the floor regarding the feeling between the Filipinos and the non-Christian tribes, I should not now read and put into the RECORD this testimony, but I am going to quote from two very good Democratic authorities, one of them the present Secretary of Commerce, Mr. Redfield, and this is what he says:

> It is common knowledge that deep hatred exists between the Igorrotes of the mountains and the Tagalogs of the plains, and that the Moros look with fanatical contempt upon the non-Moslem and physically weak dwellers in the seacoast cities. It did not need the plain statement of the Moro chiefs to Mr. Dickinson, that though they had laid down the bolo at the American command they would take it up again should the American leave, to show that the removal of the strong hand of law from the Moro people would mean a continuance of that riot and bloodshed which has for centuries prevailed where they were free to follow their natural training and habits. But let the Moros speak for themselves.

And remember, gentlemen, this is Secretary Dickinson, a Democrat, who was sent there for the express purpose of making this investigation.

> At a meeting between the Secretary of War and the Moro leader at Jolo, August 24, 1910, the former secretary to the Sultan of Sulu was selected by the Moros to speak for them. He said:
>
> "We have only a little to say, and that says we are happy to be under the sovereignty of the Americans. There has been some talking about that the Filipinos want to tear themselves off from the Americans and that they want to tear us away, too—tear us away with them. If the Americans should give the Moro country over to the Filipinos they would be responsible to God for the blood that would be shed, because it would be the same thing as if you put two fighting cocks into one bag, for there would be fighting, sure."
>
> On August 23, 1910, a public meeting was held in the theater at Zamboanga, Island of Mindanao. At this meeting Datu Sacaluran said:
>
> "I am an old man. I do not want any more trouble. But if it should come to that—that we should be given over to the Filipinos—I still would fight."
>
> He was followed by another leader, who said:
>
> "I am not a civilized man, but I have learned that slavery, killing, and stealing is a bad thing; we do it no more. But if after that it should be that we shall be given over to another race we had better all be hanged."
>
> The final speaker was Nadji Nungnui, who spoke as follows:
>
> "The Secretary of War must look the matter in the face. We are a different race; we have a different religion; we are Mohammedans; and if we should be given over to the Filipinos, how much more would they treat us badly when they treated even the Spanish badly who were their own mothers and their own fathers in generation? How did they treat them? Think about it. Think twice. We far prefer to be in the hands of the Americans, who are father and mother to us now, than to be turned over to another people."

And that is the feeling that now exists between the non-Christian tribes and the Filipinos.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TOWNER. Does that exhaust my time?

The CHAIRMAN. The time of the gentleman is exhausted.

Mr. JONES. Mr. Chairman, I would like to ask how much time I have left?

The CHAIRMAN. The gentleman from Virginia has three minutes remaining.

Mr. JONES. Mr. Chairman, the gentleman from Iowa [Mr. TOWNER] has challenged the correctness of my statement that the Filipinos would treat the members of the wild tribes fairly if permitted to govern them and has read extracts from a speech delivered by the Secretary of Commerce upon this floor when he was a Member of this body to support his statement that they would not do so. I do not care to comment upon the statements in that speech. Immediately upon its delivery I made a reply to it, as the gentleman knows, or, if not, as he will find upon examining the CONGRESSIONAL RECORD. I need not repeat what I then said, but I stand by every word of that speech now.

But, Mr. Chairman, it has been several years since the Secretary of Commerce was in the islands. It has been several years since Secretary of War Dickinson, from whose report he quoted, was in the islands. I have furnished the House with concrete facts that absolutely overthrow and refute everything that has been said by those who hold that the Filipinos would not govern the wild men justly. I have shown that, despite the fact that it was said in the Philippine Islands when the Philippine Commission was Filipinized by President Wilson, it would result in the mistreatment of the wild tribes, the very reverse has been true. So far from those evil predictions materializing, the Filipinization of the commission has resulted in more being done for the wild tribes than had ever before been done for the improvement of their condition, and that at a time when the insular revenues were falling off and retrenchment was the order of the day throughout the civilized Provinces.

This statement the gentleman has not attempted to answer. It is a full and complete answer to the oft-repeated assertion that the Filipinos had no sympathy for the Moros, at least, and therefore ought not to be entrusted with their government.

The CHAIRMAN. The time of the gentleman has expired. All time has expired. The question is on the amendment offered by the gentleman from Iowa [Mr. TOWNER].

The question was taken, and the amendment was rejected.

Mr. TOWNER. Mr. Chairman, I offer the following amendment:

In line 3, on page 13, I move to strike out the words following the word "Islands"—all the remainder of the section.

The CHAIRMAN. The gentleman offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, page 13, by striking out, in line 3, all of the section after the word "Islands."

The words stricken out are: "And modify, amend, or repeal any provision of this section."

Mr. TOWNER. Mr. Chairman, the reason I ask to have that amendment adopted is this: Not only does this section put into the hands of the Philippine Government that is now to be instituted under this bill the government of the non-Christian tribes, not only does it provide that they shall be represented in this section by representatives appointed by the governor general, but it expressly provides that the legislature of the Philippine Islands may modify, amend, or repeal any provision of this section. In other words, it gives with one hand the power of representation, and on the other hand it withholds it whenever the Philippine Assembly may desire to do so. In other words, it allows the Philippine Assembly at its first meeting to pass a law under which the non-Christian population shall not be represented or to modify the representation in any way it desires. In other words, it leaves the government of the non-Christian territory and the non-Christian tribes exclusively in the hands of the Filipinos. The gentleman says that the Philippine Assembly is well qualified to take care of non-Christian tribes; that the Filipino people are more liberal than the Americans. The gentleman wou'd really, I presume, cause the committee to believe, if he could, that there was no necessity in behalf of the non-Christian tribes for increasing the appropriations from year to year. The fact is, Mr. Chairman, that fact is one of the reasons why these amendments ought to be adopted—that they have just begun the civilization of the non-Christian tribes. If anything is done such as it demanded, it will, of course, necessitate increasing expenditures from time to time.

The gentleman makes a great virtue of such action. They could do no less if they were doing anything like their duty. And it is not that. I do not charge that the Filipinos will not do what they think their duty is. I believe, though, that it is unwise to put this responsibility upon them now, this great problem, for it will be one; and I believe when it is thoroughly understood by the non-Christian tribes themselves that they are no longer subject to the immediate government of the Americans, there will be difficulty throughout all that territory. The present governor general of the Moros is an American. He stands there representing to them the American Government. In my judgment he is, perhaps, the wisest and best man that could be appointed for such place. In my judgment if he can not succeed in the civil government of the Moros, no man can succeed. But his place will be taken when this bill becomes a law, and whatever government will of necessity be established there will not be to them the Government of America as it is now; it will be the government of the Filipinos, which they so much dislike and which they so much fear. That is the danger, Mr. Chairman, in the situation.

Mr. JONES. Mr. Chairman, the purpose of the Committee on Insular Affairs in framing this bill was to give to the Filipinos the most autonomous form of government that could be framed. The majority members of the committee infinitely regret that they have not been able to frame a bill that meets the approval of all of the leaders on the other side of the House. The gentleman from Iowa [Mr. TOWNER] does not at all agree with the gentleman from Illinois [Mr. MANN], the leader of that side of the House, as to some of the provisions of this bill. The gentleman from Illinois stated that the only objection he had to the governmental features of this bill was that they were too illiberal. He said he wanted to extend to the Filipinos the fullest measure of self-government possible in order that they might demonstrate whether or not they were fit for self-government. The gentleman from Iowa thinks that we go too far, and that this bill ought to be so modified as not to permit the Philippine Legislature to change the provisions of this section. I do not agree with the gentleman from Iowa. Neither am I willing to go as far as the gentleman from Illinois professes to desire to go. I occupy a middle and, I hope, a more consistent ground than either of these gentlemen.

Mr. TOWNER. Will the gentleman allow me to ask him a question?

Mr. JONES. I believe that as to all questions relating to redistricting the islands and the apportionment of members for the legislature—the senate as well as the house of representatives—we can safely leave them to the Philippine Legislature.

Mr. TOWNER. Will the gentleman allow me to ask him a question?

Mr. JONES. I will.

Mr. TOWNER. Has he changed his mind from what it was a year ago when he introduced the first Jones bill? The bill provided a much larger measure of self-government to the islands, provided for independence absolutely at a time fixed, and yet now this bill does much less in granting power to the Filipinos and says not one word about fixing the time for independence.

Mr. JONES. Mr. Chairman, my answer is that I have stated more than once during the course of this debate that this bill did not fully represent my individual ideas as to Philippine independence. Personally I would prefer to fix in this bill, as in the former one, a definite date for Philippine independence. I believe that in the course of five or six years from now—and that bill provided for a probationary government to last for eight years—that the Filipinos will be entirely prepared to establish and maintain a government of their own. But, as I have said before, there are gentlemen of my own party who think that it is not best to fix a definite date for independence, and their opinions have weight with me. And I bow, and I bow gracefully, Mr. Chairman, to the dictates of my party upon this subject as expressed in the national Democratic platform adopted at Baltimore

Mr. MILLER. Does the gentleman think this corresponds with the declaration of the great Democratic Party in the Baltimore platform?

Mr. JONES. I do.

Mr. MILLER. What about neutralization?

Mr. JONES. Well, I will say to the gentleman that I can easily anticipate what he is going to say. I believe that an effort should be made to neutralize the islands, but I do not believe that that proposition should find a place in this bill, and I will say further to the gentleman that when the time comes, if it ever does, when it is possible to secure such neutralization an earnest effort will be made to do it. But the gentleman must realize that conditions in Europe are such to-day that it would be futile to attempt it at this time. The Democrats will bring forward a resolution when the time comes, having for its object the neutralization of the Philippines.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. MILLER. Mr. Chairman, I ask unanimous consent that the gentleman may have one minute more in which to answer a question which I wish to propound to him.

Mr. JONES. I am perfectly willing to answer the gentleman's question if I can, but my time has expired.

Mr. MILLER. I ask unanimous consent, Mr. Chairman, that the gentleman may have one minute more.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. MILLER. Has not the question of the neutralization of the islands just as much a place in this bill as a declaration of our intent that we propose to give the islands their independence?

Mr. JONES. Not a bit of it. The gentleman does not wish to insert in the preamble of this bill a neutralization proposition, I think.

Mr. MILLER. I do not want any preamble in the bill at all. You have seen fit to put one in. Why not put the other in?

Mr. JONES. The gentleman wishes a neutralization measure incorporated in the body of this bill. To that I can not agree. There is no place in this bill for such a proposition. It must be a separate and independent measure.

Mr. MILLER. I am delighted that the gentleman has made such a splendid argument against his own preamble.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Iowa [Mr. TOWNER].

The question was taken, and the amendment was rejected.

Mr. MILLER. Mr. Chairman, I move to amend, by striking out, in line 9, page 12, after the word "district," all the remainder of the paragraph down to line 23, to the colon before the word "*Provided*."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, on page 12, by striking out all of page 12 after the word "district," in line 9, down to and including the word "Assembly," in line 23.

Mr. JONES. Mr. Chairman, I make a point of order on that. The first part of that has gone out. The gentleman from Iowa [Mr. TOWNER] offered an amendment covering that, and the first part of that has gone out.

Mr. MILLER. Then my amendment is perfectly proper.

Mr. JONES. You want to strike out, then, the amendment to this section which was adopted by practically unanimous consent. That section has been amended now, as suggested by the gentleman from Iowa [Mr. TOWNER].

Mr. TOWNER. Mr. Chairman, I will ask the gentleman from Minnesota, Does his motion commence in line 9?

Mr. MILLER. Yes; line 9, after the gentleman's amendment.

Mr. TOWNER. That sentence might be considered separately in a motion, I will say; but it would not do to strike out the next sentence, because that would include the sentence that has been amended, and the amendment has been agreed upon.

Mr. MILLER. Did that amendment begin in line 19?

Mr. TOWNER. Yes.

Mr. MILLER. Then, Mr. Chairman, I move to strike out after the word "district." in line 9, page 12, the remainder down to and including the word "district," in line 13.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, page 12, by striking out, after the word "district," in line 9, down to and including the word "district," in line 13.

Mr. MILLER. Mr. Chairman, I would like to be heard for a moment.

The CHAIRMAN. The gentleman from Minnesota is recognized for five minutes.

Mr. MILLER. Mr. Chairman, I appreciate the difficulty that the majority Members of the Committee were in when trying to frame some legislation that would give an appearance of looking after the interests of the non-Christian tribes, but I am not exactly in agreement with them in the idea that they have hit upon a happy solution. I think it is absolutely ludicrous. Opinions, of course, may differ, but that is the way it seems to me.

Let us see what this does. You propose to organize one senate district. That senate district would stretch over and touch almost every island in the whole archipelago; just where, we do not know. The territorial limits in the islands are not defined with accuracy in many places. There are two general classes of non-Christian territory, some that are purely non-Christian and some that are quasi Christian, like Nueva, Viscaya, Palawan, and Mindoro. This makes one district for a thousand different places. I do not know, when a man is appointed, if he can ever find out just what his territory and district is. There are to be nine representatives. I suppose they could be so arranged that they would comprehend possibly most of the non-Christian territory. But it is going to be very dubious and difficult to locate those districts. But let us waive that, just to be good natured to-day. Is this a representative government? Oh, what a farce to put a provision like that in a bill and have it labeled "autonomy and self-government"!

Whom are these people representing? The answer will come back, "The non-Christian tribes." The chances are ten to one that the man appointed will never have seen the district or people that he represents. He knows nothing whatever about them. Representative government! Having the Governor General appoint two senators and nine representatives to represent some people that they do not know and have never seen!

Mr. HELM. Is not that what they have been getting?

Mr. MILLER. Oh, it is entirely different. I am perfectly frank to say that I believe in a change in the system that is now or has been heretofore in vogue in the islands, but this does not reach the situation. Not only is that true, but you are appointing new men. They are to be Filipinos, of course. I can just see the majority members of this committee shrivelling up their souls in holy horror at the thought of Americans sitting in the Filipino Legislature to represent these non-Christian people. I would not be in favor of that myself. But if you are going to have such a left-handed corkscrew system as that, by all means appoint Filipinos to it. But you can never escape the fact that when you appoint a Tagalo or a Viscayan or a Pangasinan or an Ilocano or a Bicol or a Cagayanese or a Zambalan to represent a Moro you are doing the same thing as though you to-day appointed a Frenchman to represent a constituency of Germans in a parliament. You would be appointing a man who would not at this hour dare to go to see his people, and I know whereof I speak.

But let us not dwell so much upon the Moros. Should you appoint an Ilocano to represent an Ifugao and tell him he had to go and consult with his constituent, that consultation would be short and interesting, and there are 125,000 Ifugaos. The same would be true of the Bontocs, the Kalingas, the Apayaos, or the Benguets, or the people inhabiting Lepanto.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MILLER. Mr. Chairman, I should like three minutes more. I should like to complete this statement.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent that his time be extended three minutes. Is there objection?

There was no objection.

Mr. MILLER. Now, I can see that the committee were up against a very difficult situation, and possibly in the extremity of their dilemma finally wrote this language into the bill. I am not surprised that no one of them has been able to stand on this floor and justify it. It permits of no justification. If the people whom you call non-Christian are not capable of self-government or participating in self-government, then shape your government so they will not, but do not go through the farce of putting into a bill the shadow of representation. Why, I am reliably informed that the present secretary of the interior recently said in an interview, which has been widely published—and he has not denied it—that he was in favor of giving the right of the franchise to the Tagbanuas. They live on the island of Palawan, and are among the wildest people to be found in the islands. I do not mean by that the most vicious or cruel, but they are among the wildest people to be found in the islands, with no more comprehension of voting than a Hottentot who had never seen a white man in his life. The idea is utterly ridiculous and nonsensical. The unfortunate part of it is that the present secretary of the interior happens to be the man in charge of the region. When he goes there and sees his people he will change his mind.

There is another element in this, Mr. Chairman, that I am astounded that democracy should champion. I have always understood that democracy stood for the freedom and the liberty of the individual and for the complete autonomy of each locality, for the divorce and separation of tyrannical power from the power of the people. But what have you here? You are permitting the Governor General to name two senators, his own personal friends, his henchmen, his dog Fido, and his dog Towzer, and nine representatives to sit in the legislative body, to influence legislation there, and they are the hands of the Executive and not the legislative branch at all. Did you ever hear of such a scheme of government as that? I know the chairman stated a fact when he said that he knows the vice governor general, Mr. Gilbert, liked this proposition. I will tell you why. He liked it because he saw that it would strengthen the hands of the Governor General, and for that reason alone. It will give him tremendous power and strength in the legislative branch, and here you are turning your backs upon the wisdom of your fathers, forsaking for all time the logic of your own minds, abandoning the experience of humanity, and thrusting the tyranny of the Executive upon the power of the representatives of the people in the legislative assembly.

Mr. JONES. Mr. Chairman, it has been so long since I left college, so long since I studied Latin, that I hesitate to make use of Latin words. I believe the itch for writing is described in Latin as a case of cacoethes scribendi. I would therefore describe the disease with which the gentleman from Minnesota is afflicted as cacoethes alteratus, which I take to mean an itch for offering amendments. [Laughter.]

Mr. HELM. Let us have those words taken down. [Laughter.]

Mr. MILLER. Mr. Chairman, I should like to have those words translated. I do not know whether I have been complimented or abused, and I think I have a right to know.

Mr. JONES. My translation of them is "an itch for offering amendments."

Mr. MILLER. Is that the translation of the gentleman's Latin?

Mr. JONES. My Latin may be bad, but if my translation of it is correct, then it correctly describes the disease with which the gentleman is badly afflicted.

Mr. MILLER. I think the gentleman's Latin was good, but his pronunciation was atrocious.

Mr. JONES. I do not think there is anything wrong about my translation.

Mr. MILLER. If I have anything of the kind described by the gentleman, I do not know where I caught it; but I have just been over on the Democratic side for the first time since I have been in this House. [Laughter.]

Mr. JONES. Mr. Chairman, the gentleman has correctly said that the government of the wild tribes in the Philippines presents a very difficult problem. We all concede that, but I want to assure the House that this proposition has received more careful consideration at the hands of the committee than perhaps any other, possibly all others in the bill together. It is the desire of the committee to provide the very best government that is practicable for the people of the wild tribes. We all realize that they are not capable, as are the inhabitants of the civilized and Christianized Provinces, to elect their officials.

The situation in the Philippines is a peculiar one, and it has to be dealt with according to the conditions which surround it. The committee have felt that the wild tribes ought to have representation in the legislature, and since it would be farcical to permit them to elect their representatives we decided that the very best that could possibly be done to protect their interests would be to have the Governor General appoint their representatives. This will certainly insure their being represented by men of character and ability who will understand their needs. The gentleman says they are willing to trust the Americans, and therefore I have no doubt but that they are willing to trust the American Governor General to appoint their representatives. I can not conceive of any better plan than that; and I want to say to the gentleman, who seems to be having some trouble with framing his amendment, that even if it were adopted it would leave the subject in a most unfortunate situation. It would strike out the provision which provides for dividing certain territory into one senatorial and nine representative districts, but would still impose upon the Governor General the responsibility and duty of appointing two senators and nine representatives.

Mr. MILLER. If the chairman of the committee will accept this amendment, I will offer one later to correct that difficulty.

Mr. JONES. It was not my intention to help the gentleman perfect his amendment, but just to call attention to the fact that if it were adopted it would leave the bill in an unfortunate situation.

Mr. Chairman, I ask for a vote.

Mr. FESS. Mr. Chairman, I move to strike out the last word. Whatever might be our impression as to Philippine independence and local self-government, whether immediate or deferred, I think there is not a Member on either side that does not recognize that this non-Christian problem is the most delicate question we will have to consider. The committee in its consideration recognized that. There are two separate clauses which suggest the seriousness of the situation. I am quite certain that if you read these two provisions in the bill that you will find there is going to be a conflict here. The attempt to meet the Moro situation has resulted in a possible conflict of authority in the bill.

The delicacy of this situation is suggested in lines 16 to 23, which places legislative authority in the Governor General, through appointment, by making a special provision that is not found in other parts of the islands where the Philippine Assembly is wholly in control. The assembly thus constituted will be partly elective and partly appointive. That indicates that the non-Christian tribes really make a delicate situation in the government over there, which ought not to be too readily surrendered to a people not well disciplined in government. Then, on page 20, to which our attention was called awhile ago by the chairman, there is another provision which suggests the same thing. By this clause there is to be established by the Philippine Legislature a bureau which is to have full control of the interests of these non-Christian sections. This bureau is a creature of the Philippine Legislature, while the representatives of these non-Christian people are creatures of the Governor General. Allegiance is to different authorities.

Now, the conflict I see in the bill that we had up before is that in the one case the representatives of the non-Christian tribes are to be appointed by the Governor General. There will be 9 of them, and that will be one-tenth of the legislature if there are 90 members, or not quite one-tenth of the whole, as the bill provides for 90 members from the Christian and 9 members from the non-Christian sections. The 9 are appointed by the Governor General and have the right to speak, to vote, and to hold office—in a word, the same right of any other member elected. The legislature is thus composed of elective and appointive members with the same rights in the body.

Then, on the other hand, there is to be a bureau created by the Philippine Legislature, and that bureau is to have full control of matters pertaining to the non-Christian tribes. In the first place, you will have nine members appointed by the Governor General to have a position in the legislature, and on the other hand we have here a bureau created by the Philippine Legislature to have full control.

Mr. JONES. Not to have full control. The bureau does not have any legislative authority; its authority is purely ministerial. There are some 23 or more bureaus there now through which the affairs that have been placed under these bureaus are administered. The legislature legislates as to these bureaus and the matters that pertain to them pass through the bureau.

Mr. FESS. The bill says:

And shall have general supervision over the public affairs of the inhabitants of the territory represented in the legislature by appointive senators and representatives.

Mr. JONES. That language is put in there advisedly. The secretary of the interior had the same authority, but he was subject, of course, to the laws prescribed by the commission.

Mr. FESS. Mr. Chairman, it is not clear yet in my mind that there may not be a conflict here, because the source of authority in the one place is elective and in the other it is appointive.

Mr. JONES. That difficulty suggested itself to my mind in the beginning, but I consulted with the officials in the War Department and this language was supposed to be the language which would best cover the situation.

Mr. TOWNER. Will the gentleman yield?

Mr. FESS. I will.

Mr. TOWNER. I think the probabilities are that what was intended was to convey in the appointment of the bureau administrative power only, leaving the legislative power in the hands of the appointees of the government.

Mr. JONES. That was unquestionably the intention.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. FESS. Mr. Chairman, I would like two minutes more.

The CHAIRMAN. The gentleman from Ohio asks that his time be extended two minutes. Is there objection?

There was no objection.

Mr. FESS. Mr. Chairman, the principle of giving appointive offices legislative functions, I think, is more or less to be criticized. For example, we are to have nine members appointed by the Governor General without the consent on the part of the senate or any other body. They are to be given legislative functions. I fear we are going too fast in this legislation. I think it would be safer for us to still retain the authority over the non-Christian tribes in the government here rather than to put it over entirely into the hands of the Philippine Legislature. That is the serious question that we are discussing. I believe that if our concern is to move safely that we are going a little too rapidly here; that while the Philippine Legislature would like to exercise full control over the non-Christian tribes, it would be safer for all concerned if we would retain that authority until we can see how the present bill will work, which passes over to the Filipinos the senate as well as the house of representatives.

Therefore the question in my mind is, Is it better for all concerned, the Filipino as well as the non-Christian peoples, to give the control of the non-Christian tribes into the hands of the Philippine Legislature, or would it be better for us to retain the supervision over the non-Christian tribes until we see the progress in the Philippine Legislature on these matters that pass through their hands? That is the chief question that arises here. It seems to me that we are going too rapidly, and I am fearful of the effects of it.

Mr. HELM. Mr. Chairman, I move to strike out the last word. I think that one of the errors that the gentlemen on the Republican side of the House make in the consideration of this bill is the assumption that the Filipinos are not a vigorous nation or race of people capable of the very highest standards of development. You charge up to the Filipino people and hold them responsible for all of the shortcomings of the Spanish régime. Self-government was denied the Filipinos by the Spanish people, yet you charge up their failure to develop into a world-power as a liability of the Filipino people, when they were in subjection, and did not have the control or management of their own Government. We know enough to know what usually follows, and always has followed, in the wake of Spanish control. In the next place you charge up against the Filipino people all of the shortcomings of the American carpetbag government. These several and different commissions that the United States Government has had there undertaking to administer the affairs of the Philippine Islands——

Mr. FESS. Mr. Chairman, will the gentleman yield there?

Mr. HELM. Just one moment. Everywhere those commissions have fallen down, and the thing I particularly have in mind is the question of slavery that has existed there ever since the American commission took control; if it is the fault of anybody, it is just as much the fault of the American commission as the fault of anyone else, and more so because the commission went right back to the fountainhead of authority, and it ought to have and could have acquired the necessary power to suppress the evil that the gentleman has complained of.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. HELM. Just for a question.

Mr. FESS. The gentleman refers to the evils of the American carpetbag government. Does the gentleman mean to state that the American government over there has been productive of evil rather than good?

Mr. HELM. I am not undertaking to say that the American administration in the Philippine Islands has been a total and abject failure. It has been in large manner a success.

Mr. FESS. The gentleman says we charged up to the Filipinos——

Mr. HELM. Yes; whatever has gone wrong. The American administration has not been responsible for anything that has gone wrong, but you contend that the Filipinos are responsible, although they did not administer the government in which they had no control, still every failure is charged up against them. The whole object and purpose of this bill is to give the Filipino people a chance to exercise government. The supreme goal in all this undertaking is Philippine independence. That is what they are contending for, and when this bill becomes a law every incentive, every motive on the part of the Filipino people will be to make good, to show their capacity not only to administer and control the affairs of the Christian tribes, but they will say, "You have given us authority to participate in the administration of the government of the people whom the American people believe are hostile to us, and we are going to show you our capacity and ability to deal successfully with that responsibility."

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. SLAYDEN. Mr. Chairman, the gentleman from Ohio [Mr. FESS] made a remark a little while ago that was of considerable interest to me. It seems our colleague from Kentucky [Mr. HELM] referred to the government in the Philippine Islands as a "carpetbag government." The gentleman from Ohio seemed to resent the term, and countered by asking the gentleman from Kentucky if he meant to charge that no good thing could be done by a carpetbag government; that is, as he put it, had no good thing been done by the alien government which we have forced on the Philippine people? Mr. Chairman, I say very frankly to him that I think we have done a good many excellent things in the Philippines, but it does not get rid of the fact that it is a carpetbag government, that it is an alien government, and that it is there without the consent of the people who are being governed. The people there are hostile to it, and, in my judgment, properly hostile to it, because no carpetbag government can ever be a satisfactory one to any people. Fortunately, I was quite young during the carpetbag and reconstruction era in the South, but I remember enough of that nightmare to have had it impressed on my mind so firmly that if I lived to be a thousand years old I would never forget it. All that was possibly hateful in connection with government of our people, over whom those carpetbaggers came to rule, to tyrannize, and to persecute in a political way, was done, and the gentleman's anxiety for the recognition of literacy in government the other day was conspicuously absent at that particular time. I do not want to try to force upon any people on earth the sort of government which I would not consent to have forced upon me. There is a maxim of conduct which I commend to the attention of every man in the consideration of this matter—do unto others as you would have them do unto you.

Mr. CLINE. Mr. Chairman, I believe that the scope and purpose of this bill is the very best thing that could be constructed for the benefit of the Filipino people. If this committee is interested with reference to these people in one thing more than another, it is in establishing that sort of relation between the American Government and the Filipino people as will give them the largest possible power to administer their own affairs. I believe that in this bill we are getting away from the bureaucratic government about which my friend from Minnesota [Mr. MILLER] complains so bitterly and which was exercised under the American commission. The very fact that the administration of the government by the American commission resulted in giving the Filipino people no voice whatever is one of the sources that led us to the proposition of giving them a larger autonomy. The gentleman from Minnesota says that the appointment of two senators and nine representatives will give the Governor General autocratic power and there will be bureaucratic administration of government, which it is not our intention to give, where we are attempting to establish a reprerentative government. That is true to a certain extent, but another thing is also true, that it is incumbent upon us as a legislative body to exercise the utmost good faith with a people for whom we are attempting to legislate. My friend from Minnesota remembers very distinctly, no doubt, that in 1905 we made a provision for a legislative assembly in the Philippines, but when we did that we absolutely retained the veto power in the Philippine Commission, and when that legislature had been elected and it was known that within 60 days it would convene for the purpose of legislating for the Filipino people, the American commission within 10 days, before the meeting of the legislative body convened, passed 70 statutes in 10 days, covering all of the probable subjects that would be legislated upon by the Filipino—taking it out of the hands of the legislature that was elected by the people to legislate upon those subjects, and when they did legislate, made their legislation absolutely secure, so far as control was concerned, in the hands of the commission.

Of course there is no bureaucracy in that the gentleman will contend. Of course there was no bureaucracy in their taking out of the hands of the legally constituted body elected for that purpose not only the right but the power to say what kind of legislation they wanted enacted; and in the fact of that historic fact, Mr. Chairman, it ill becomes the gentleman from Minnesota [Mr. MILLER] to criticize this bill on the theory of its creating a bureaucratic form of government in the hands of the Governor General. I submit that, so far as the non-Christian people are concerned, that there is a wide difference between a legislative body that is constituted by the two senators and nine representatives and a bureau that is constituted to administer whatever the legislative body prescribes for their government. It is as separate as it is in this country, where we legislate and put in the hands of our executive officers the administration of the laws that we pass, and I take it that is the purpose that the chairman of the committee and his associates had in framing this bill and to administer for the non-Christian tribes. On the whole, Mr. Chairman, it occurs to me, it is the very wisest possible thing we could do. It is not possible even to give them absolute representation without any authority over it, and so we come just as nearly as we possibly could to giving them representation in their own legislative body and create an entirely independent bureau to administer the laws that we pass for them. [Applause.]

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Minnesota.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

SEC. 17. That the terms of office of elective senators and representatives shall be four years from the 16th of October following their election. In case of vacancy among the elective members of the senate or in the house of representatives, special elections may be held in the districts wherein such vacancy occurred under such regulations as may be prescribed by law, but senators or representatives elected in such cases shall hold office only for the unexpired portion of the term wherein the vacancy occurred. Senators and representatives appointed by the Governor General shall hold office until removed by the Governor General.

Mr. QUEZON. Mr. Chairman——

Mr. TOWNER. Mr. Chairman, I move to amend by striking out the word "four," in line 6, and insert in lieu thereof——

The CHAIRMAN. The Chair would say to the gentleman from Iowa that he recognized the gentleman from the Philippines [Mr. QUEZON].

Mr. TOWNER. I want this amendment passed on, if the gentleman will permit. Will the gentleman permit me to do so?

Mr. QUEZON. All right.

Mr. TOWNER. I move to strike out the word "four," in line 6, and in lieu thereof insert the words "six and three years, respectively."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, page 13, line 6, by striking out the word "four" and inserting the words "six and three years, respectively."

Mr. TOWNER. This is in accordance with the action we have taken before.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. TOWNER. Yes, sir.

Mr. GARRETT of Tennessee. I suppose that will not confuse the matter. Now there is a provision that one-half of the senators elected only hold for three years——

Mr. TOWNER. That provision, the gentleman will understand, refers to the first election.

Mr. GARRETT of Tennessee. I understand that.

Mr. TOWNER. So there will be no confusion at all, I think.

Mr. GARRETT of Tennessee. If the gentleman has thoroughly considered that and is satisfied in his own mind now about it, I am willing to accept it.

Mr. TOWNER. I would like for the gentleman himself to consider it, as well.

The question was taken, and the amendment was agreed to.

Mr. QUEZON. Mr. Chairman, I have just this moment received two cablegrams from the Philippines, the contents of which ought to fill every patriotic American, regardless of his political affiliation, with joy and pride. One year ago this month a new Governor General for the Philippine Islands arrived in Manila, and was there met with a very warm and enthusiastic reception by thousands upon thousands of people,

many of whom came from the farthest corners of the archipelago. This Governor General was the Hon. Francis Burton Harrison, of New York, formerly a distinguished Member of this House and now the chief executive of the Philippine Islands. [Applause.] Arches, bands of music, waving flags, and fragrant flowers spoke of the good will and the high expectations of the people of the Philippines regarding their new Governor General. What was the meaning of this magnificent and unprecedented reception given to a foreign governor. Was it, perhaps, that at last the Filipino people had forsaken their desire to be the masters of their own destinies and were actually glad to receive a foreign ruler? No; the Filipino people were then as much as they had ever been—indeed, as much as they are to-day—united in their aspiration to have as their chief executive a man of their own kind and of their own free selection. But they had heard of Gov. Gen. Harrison before; they had read some of the remarks made by him upon this floor, when he was still a Member of this House, touching upon the Philippines, and they knew thereby that Gov. Harrison had accepted the Governor Generalship of the islands for no purpose other than that of helping the Filipino people to harvest the precious fruit of their patriotic endeavors as well as to do his part in bringing about the early redemption of the pledge of his own people to give the islands their own government. So the Filipino people looked upon the incoming Governor General from the very moment when they learned of his appointment not as their new ruler, but rather as their adviser, friend, and advocate. And so they received him with open arms and loving hearts.

The Filipino people have not been disappointed in Gov. Gen. Harrison. He has almost surpassed our expectations. During the year which has just elapsed since the day he landed on Philippine shores he has given us ample evidence that he is an able, efficient, sympathetic, and just executive and administrator; a sincere friend of our country, earnestly striving to promote its welfare and its liberty. For this reason, upon the anniversary of the governor's arrival at Manila, there was a great public demonstration, equal to if not surpassing in its display of affectionate feeling the one given him upon his arrival.

I shall read, Mr. Chairman, these cablegrams I hold in my hand, for they will tell better than I could myself of what took place in Manila. One cablegram reads:

Over 50,000 Filipinos from every walk in life and irrespective of political affiliations marched to-day to Malacanang Palace to celebrate the first anniversary of the arrival of Gov. Harrison. A delegation from the people presented the governor with an album containing a signed resolution, requesting President Wilson to keep Mr. Harrison as Governor General until the Philippine policy of the President, as outlined in his message to the Filipino people, delivered through Gov. Harrison last year, has been carried out, and conveying to Gov. Harrison the confidence and faith of the Filipino people in their governor, as well as commending his untiring and successful efforts to carry out the President's policy. Gov. Harrison addressed the gathering briefly, as follows:

"Your presence in such great numbers does me honor far beyond my deserts, but more important still you once more display the good will and confidence of the people of the Philippines toward the people of the United States. Our people are your friends, and they are proud of your progress and your accomplishments. As the representative of the United States, I desire most earnestly to merit your continued friendship and cooperation. Both these you have already shown me in unmeasured terms.

"One year ago I delivered to you a message from President Wilson. He then authorized me to say, 'We regard ourselves as trustees acting not for the advantage of the United States but for the benefit of the Philippine Islands. Every step we take will be taken with a view to the ultimate independence of the islands and as a preparation for that independence.' To both of these principles I now reaffirm my unyielding allegiance. To both these principles I have adhered during this past year with unfaltering determination. To both I shall continue to adhere. And in this determination you have rendered me your assistance in every way. With patience, with dignity, and with wisdom you have justified the words of President Wilson toward you. The year has been one in which Filipinos may well take pride—not only the few in office but the great mass of the people as well. In the future you will tread with ever-increasing powers of self-government the same path of moderation, of justice, and of progress. Let us continue to work together united and in harmony."

Another says that a committee, composed of representative Filipinos from every walk in life and of delegations from all the most important social associations in the Philippines, adopted the following resolution:

Whereas the benefits of good laws and liberal constitution are only shared by the people through the faithful execution of these laws and the mandates of said constitution by executives jealous of the strict compliance of their duties; and

Whereas the Hon. Francis Burton Harrison, Governor General of the Philippine Islands, ever since his assumption of office has faithfully interpreted and executed not only the laws and the constitution of the Philippine Islands but also the policy of the President of the United States, as outlined in his message to the Filipino people and conveyed to them by said Gov. Gen. Harrison, so much so that he has brought to the public mind the conviction that there now exists in these islands a government that protects life and liberty and promotes prosperity alike to the natives and to the foreigners, the undersigned representing the people of Manila and neighboring Provinces—

Resolved, First, that a visit be paid to said Governor General, the Hon. Francis Burton Harrison, at Malacanang Palace at 4 p. m. on the 11th day of October, in order to give him a public and official testimony of the great satisfaction that the people of the Philippine Islands feel for his upright and wise administration.

Second. That copies of this resolution be sent to the Philippine Commission and the Philippine Assembly.

Third. That copies of this resolution be sent to the Resident Commissioners in the United States, with the request that they communicate the same to the Congress and to the President of the United States and state at the same time the ardent desire of the people of the Philippines that said Hon. Francis Burton Harrison remain as chief executive of these islands.

Fourth. That a copy of this resolution be presented to the Governor General, Francis Burton Harrison, written in an album and signed by the executive committee and other representative persons who may wish to do so.

Mr. Chairman, it is only natural that the Filipino people should thus feel toward their present Governor General. They owe it to him, since he has under the most difficult circumstances succeeded in giving them an efficient and very satisfactory government. The first anniversary of Mr. Harrison's administration shows a reduction in the expenses of the Philippine Government, as compared with the last six months of the preceding calendar year, of $2,000,000 per annum, out of a total expenditure which had been in the past slightly less than $15,000,000 per annum. Nearly one-half of this great saving had been effected in the expenses of bureaus and offices, and represented real economy in that it showed a reduction in the "overhead" cost of administering the affairs of the islands.

A portion of the governor's first message to the Philippine Legislature was devoted to a description of the financial difficulties which the insular government was facing upon his arrival. The saving effected, as I have already indicated, shows how great an effort and how much courage and determination were necessary to accomplish this great reduction in the expenses of the government. I shall not detain the House by reading this message, but the American people should be acquainted with it, and therefore I shall insert it in this part of my remarks. The message referred to is as follows:

ANNUAL MESSAGE.

Gentlemen of the legislature, for the first time since the occupation of the Philippine Islands by the United States a Democratic administration assumed control of the United States Government upon the 4th of last March. Ten days ago, as the representative of that administration, I came to you as your chief executive bearing a message from President Woodrow Wilson. That message, indicating the policy of the President in respect to these islands, I have already delivered to the Philippine people in his name.

The President has promised that he will give immediately to the people of the Philippines, as the first step toward carrying out his policy, a majority of the appointive commission. This legislature will, therefore, for the first time have a majority of native citizens in both branches. In consequence the eyes of the American people will be upon this legislature with a confident expectation that it will furnish to the world a proof that you are capable of self-government and that it will measurably advance the day of independence.

You begin your labors at a time of profound peace throughout the islands. It is our duty to conserve it.

GOVERNMENT AND BUSINESS.

Every legitimate business enterprise should and will receive the protection of the Insular Government. But we must bear in mind that business is intended to serve the Government, not the Government to serve business. The duty of government is to see that every business man receives an equal opportunity before the law, not that any business man should enjoy a special privilege.

The best service that a government can properly render to commercial enterprise is to restore confidence and to promote good feeling. If the new administration here shall be the instrument of bringing about a better understanding between the different elements of the community, it will be promoting the best interests of the business world. Good feeling between all classes of residents in the islands is the best asset of a business community. It should be our duty and it will be my constant preoccupation to leave nothing untried to bring about this happy result.

Before proceeding to a discussion of any other matter, I submit for your consideration a report recently made by the former secretary of the interior of this Government upon the subject of slavery.

DEFICIT DEMANDS ECONOMY.

My term of service in this Government has been short. I am not at this moment prepared to advise with you upon all subjects of public interest. At a future day I shall ask your indulgence to send to you other messages upon matters of public moment. For the present I direct your attention to one special subject in my judgment of paramount importance.

The most pressing need of the hour is economy in the public expenditures. This matter, in my opinion, is the most important question now affecting the success and welfare of this Government. Based upon the estimates of probable receipts and expenditures for the current fiscal year, as published by the auditor, it is probable that the Government, without the adoption of a drastic program of economy is face to face with a deficit of about four and a half million pesos.

From June 30, 1908, when the surplus in the insular treasury was ₱17,499,894.97, the surplus has fallen as of June 30, 1913, to ₱14,230,220.23. Of this sum, however, about ₱5,000,000 is only nominally available, it being invested in supplies and having been carried to the surplus account in 1911, thus leaving an actual cash surplus in hand at the conclusion of the last fiscal year of only about ₱9,000,000.

This shrinkage in the available surplus of the Goverment has come about notwitstanding the fact that during this period of four years the sum of ₱6,000,000 has been obtained by the sale of an issue of public works bonds, and expended out of the treasury, and notwithstanding the further fact that a little less than three and a half million pesos from the gold standard fund has during this period passed through the treasury in the same way.

At the present rate the auditor on June 30, 1913, estimated that the current expenditures of this Government would exceed the income by about ₱2,000,000 in the course of the fiscal year. In this connection it

is fair to say that the insular collector of customs, in making his estimate to the auditor, properly discounted the fact that owing to the limited importation of rice the custom revenues would fall, and they actually have fallen in the first two months about ₱1,600,000. It is also fair to state that the estimates made at the same time by the collector of internal revenue were probably exaggerated when he predicted an increase of about ₱1,000,000 in internal revenue; in any event it is certain that this expected increase has not only failed to materialize thus far, but that we are actually running behind the internal-revenue receipts of the preceding fiscal year in a sum which for the first three months has exceeded ₱100,000. This decrease may possibly be offset by the collection of the new income tax.

While it is possible that the income from customs may improve somewhat from the present date, approximately ₱3,000,000 may be figured as the probable deficit based upon the ordinary income and expenditure of the government for the present year. To this we must add the sum of ₱1,500,000 of which the treasury is to be deprived in the balance of the current year by the passage of the Underwood tariff bill, which removes the tax upon exports.

COMMENDS UNDERWOOD BILL.

Too much can not be said in commendation of the Underwood tariff bill in its relation to the Philippine Islands. Not only does this act remove the limitations imposed by the Payne law upon the amount of sugar, tobacco, and rice which may be exported free to the United States, but in removing the export tax upon such commodities as hemp, copra, and sugar a heavy burden of taxation is lifted from the shoulders of the farmers of the Philippine Islands, and an immediate increase in their prosperity is confidently expected as a result of this measure.

Our treasury is therefore obviously approaching a point where a deficit of ₱4,500,000 confronts us. How, then, shall we avoid this deficit and restore the finances of our government to a normal and self-supporting condition? In my judgment but one course is open to us. I can not offer to you the possibility of an issue of public bonds to recoup the treasury. However much justification might be found in the eyes of some for a bond issue for some work of great public importance, no argument can support, under any system of government, a bond issue to meet current expenses. Indeed, a bond issue to recoup a falling treasury is tantamount to a confession of bankruptcy. Even if we could hope to secure congressional action upon an application for such an issue of bonds we would be condemned in the eyes of other nations for a failure to manage our affairs here upon a sound and conservative basis.

I repeat, then, only one course lies before us, and that is economy of the most drastic kind. In considering the question of economy I urge upon the members of the legislature that they approach this subject in a spirit of cooperation and self-sacrifice. It may be that for the time being partial cessation of some of the public works will be required, and this may bring temporary disappointment to certain localities in the islands, but it is my earnest hope and intention that as soon as the treasury can be restored to a sound basis, the public works shall go forward uninterrupted and with renewed zeal.

A considerable burden is also laid upon the treasury by the large proportion of American employees in this Government. While the enunciated policy has been to reduce this number as rapidly as possible consistent with the demands of fairness and efficiency, the last annual report of the bureau of civil service shows that there were more Americans having a permanent status in the Philippine civil service in 1912 than in any previous year since 1905. At the present time no further civil-service employees should be brought here from the United States to fill purely clerical positions, nor in any event except where special requirements may make such course necessary.

TOP-HEAVY BUREAUCRACY.

These islands have need of a simple and scientific form of government. Instead of that, we find a complicated and top-heavy system of bureaucracy. Much can be done toward simplifying this bureau form of government, and in this connection I invite your consideration to the possibility of a reduction in the number of the bureaus by consolidation or otherwise. It has also been suggested that some of the salaries of the higher Government officials are disproportionate to the size of the insular revenues. When you proceed to a discussion of this question, I strongly recommend to you that no change be in any event effected in the judicial salaries, nor in the salaries of employees who are receiving ₱5,000 or less. We find, moreover, that as an incident to highly centralized bureaucratic government a number of offices have been created and salaries have been raised without, what seems to me to have been, due authority of law; and as further inevitable result of bureaucracy, here as elsewhere, too many offices now exist. You are invited to scrutinize the bureaus of this Government with an eye to economy in that respect.

A further and perhaps considerable saving might be effected by a change in our method of appropriations; good usage elsewhere commends to us a system of direct treasury appropriations.

In this connection it is my hope that previous differences of opinion between the two houses may now be removed. This legislature, which meets to-day, should proceed to its work with a determination that the two houses will act in harmony, and that the necessary supply bills of the Government may become law by the joint will of the legislature instead of through the individual fiat of the executive.

ON TRIAL.

The present financial condition of this treasury calls for action of the highest order of self-denial and patriotism on the part of this legislature. The President has promised you a majority in the upper house, so that you may have control of both branches of your legislature. In doing this he placed upon you the responsibility to show to the whole world your capacity to legislate. Here at the outset a severe trial is upon you. I call upon each member of this legislature to do his share in the work which I have outlined. I do this assured that in this first and perhaps most severe test to which your honorable body will be subjected you will prove entirely worthy of the confidence placed in you by the President of the United States.

Great and commendable as is the work done by Gov. Gen. Harrison in the direction I have described, it is not all nor is it the most important of his achievements within a very short period of time. When he came to the islands the Filipino people were beginning to doubt their insular administrators. Ever since the beginning of the American administration, and in accord with the celebrated instructions of President McKinley, Governors General have been promising to place Filipinos in the appointive positions of that government as soon and as fast as they could show themselves capable of filling those positions. Yet in his report for 1909 Gov. Gen. Forbes, speaking of the bureau of civil service, said that the progress made in increasing the proportion of Filipino employees was not satisfactory. Gov. Gen. Harrison found that in 1912, as shown in the report of the bureau of civil service for that year, there were more Americans having a permanent status in the Philippine service than in any previous year since 1905. Gov. Gen. Harrison came forward with the fearless purpose of redeeming the pledges of his predecessors as much as with that of carrying out the policies of the President and making his own desires effective. He therefore began to appoint Filipinos to responsible positions, and his early action on this score at once revived the declining faith of the people of the Philippine Islands in the protestations of the previous Governors General. Both the policies of economy and that of doing justice to the Filipino people provoked a storm of criticism on the part of the necessary victims of such a policy, and Gov. Gen. Harrison was accused of disorganizing the Philippine Government, of disregarding the civil-service rules, and of using the methods of the ward politician. An article purporting to be an interview with Gov. Gen. Harrison saw the light in a Honolulu newspaper. This was quoted and requoted and several times reprinted to show that Gov. Gen. Harrison was an ordinary politician, to be ranked with those who believe in and practice the spoils system in its most extreme form. One of the most nortorious occasions on which use was made of this supposed interview was the citation of it by ex-Secretary Dean C. Worcester, formerly of the Philippine Government, in his book entitled "The Philippines—Past and Present," published after the Philippine Islands had been relieved of his authority. On page 377 of his book I quote the following:

> While in Honolulu, en route to Manila, Mr. Harrison gave out an interview, which I am credibly informed he has since confirmed in substance. It contained the following statements:
>
> "For years I have been of the minority in Congress, and have seen the Democrats kicked about, trampled upon, and otherwise manhandled by Republicans, so that I must confess it now gives me a saturnine pleasure to see the Democrats in a position to do the same thing to the Republicans."
>
> His early official acts after arrival at Manila confirmed the belief that this was indeed the spirit in which he was facing the great responsibility which there confronted him.
>
> It is beyond doubt or cavil that high ideals heretofore have prevailed in the Philippine civil service. Are they now to be substituted by the methods of the ward politician?

I do not know who was this credible informant of Mr. Worcester. But ever since he began his attack upon Gov. Gen. Harrison he has been disseminating so much of the same "credible information" which proved afterwards to be absolutely unreliable that it makes no difference who this particular informant is. I received a cablegram some time ago from Gov. Gen Harrison in answer to one of inquiry from me positively denying that he had ever made such statements. I did not need to ask him, and I hope the Governor knew that I did not cable him for that purpose, in order to assure myself that he did not grant such an interview. I have the honor of knowing personally the motives that inspired Gov. Gen. Harrison in accepting the Governor Generalship of the Philippine Islands. I saw what he did following his assumption of office, and I was therefore fully aware that the alleged interview was a falsehood—the mere invention of an unscrupulous reporter. But I sent this cablegram to the Governor in order to be able to say that he positively and directly repudiated the interview.

The truth is that the methods of Gov. Gen. Harrison in matters of appointment are absolutely free not only from any justified charge but even from any appearance of justification that he has employed the methods of—in the words of Mr. Worcester—"a ward politician." Gov. Gen. Harrison has not given positions in the Philippine Government to personal friends. He has not brought with him relatives to do business in the islands or to engage in agriculture on lands rented or purchased from the Philippine Government, and this dignified conduct of the Governor is the more praiseworthy since he is the first Governor General of the islands, who was previously a Member of Congress, and had therefore many political friends, a circumstance which doubtless has on more than one occasion put to a test his integrity of character and devotion to duty. [Applause on the Democratic side.]

The all-embracing activity of our Governor General made it possible for him not only to reduce the expenses of the Philippine Government, not only to relieve that government of unnecessary officials, not only to give to the Filipinos such posts as they should immediately have, but also to dispose of every question that required immediate attention and to inaugurate a successful system of government for the non-Christian tribes,

which before his attempt had been looked to as sure to produce dreadful effects. Gov. Gen. Harrison has practically solved the so-called Moro problem. The Filipinos professing the Mohammedan religion and inhabiting the islands of Jolo and western and central parts of Mindanao have given continuous trouble to the American Government. They were never actually under the control of Spain, and it had been stated that said Filipinos who are called Moros could be governed only by a strong military force that must be composed primarily of Americans. There were suggestions that, in the words of an old saying, somewhat adapted, "The only good Moro is the dead Moro." At all events, it was most emphatically asserted that they could not be governed by a civil governor. In consultation with the Army commanders of the Philippines and of the War Department, Gov. Gen. Harrison substituted a civil for the military government of the Moro Province before he was two months in Manila, and to-day a new law has already been enacted that has reorganized the government of that country, with the result that there is to-day complete tranquillity and peace among these supposedly indomitable people; with the further result that there are more schools and better sanitation among them, and with the crowning result that twice as much land was under the plow on March 31, 1914, as there was when Gov. Carpenter, of the Moro Province, was inaugurated in November or December of last year. The other non-Christian inhabitants of the Philippines have also been properly dealt with. It was the old policy to isolate them from the Christian Filipinos. There were indications that this was done with no very sane purpose. At any rate, it was a most unreasonable plan, sure to accomplish, whether so meant or not, the development in the Philippines of a people within another people, differing in ideas and customs with, if not antagonistic to, the latter. It retarded the development of the former by depriving them of intercommunication with their more advanced and civilized brethren. Gov. Gen. Harrison, in consultation and in accord with the able and industrious secretary of the interior, Hon. Winfred T. Denison, has reversed that policy and has inaugurated a new one, by which contact between the Christians and non-Christians is brought about and a more intimate relation is created, while more attention is given to their education and to their health. The secretary of the interior, in his instructions to his delegate for the government of the non-Christians, said:

You shall endeavor to make yourself in good truth the unifier, tearing down as rapidly as possible the walls which have isolated the non-Christians from the Christians.

Gov. Gen. Harrison has not only merited the love of the Filipinos themselves, but the applause of his superiors—the Secretary of War and the President. Upon the passage of the first appropriation bill enacted by the Philippine Legislature, in accord with the suggestion of the Governor General in his message, to which I have before referred, the President sent him a cablegram expressing his appreciation for his successful administration, and the Secretary of War sent him the following message:

I congratulate you upon the passage for the first time in three years of a general appropriation bill and on the fact that the bill was passed unanimously by both houses. I have no doubt but that there were, as to a great many features, differences of opinion, but it is a source of satisfaction to the department that such differences were satisfactorily adjusted. Please extend to both houses of the Philippine Legislature my congratulations on this event and express to them my hope that this is but an indication of what may be expected in the future.

Mr. Chairman, I shall no longer detain the House with this topic, though I am sure, from the close attention with which the committee has heard me, that the Members are glad to hear of the wonderful accomplishments of a dear friend and once their colleague. I want to say only one other word, and I mean it for every American interested in the Philippine Islands. The Filipinos owe to Gov. Gen. Harrison a debt of gratitude that they can never pay. He has served as faithfully as the most intelligent and patriotic of their own people or of their own selection could have done. He has served disinterestedly, devotedly, and untiringly. May God grant that he remain at the head of our government, representing this great Nation there, until the day shall have arrived when the Filipino people may elect his successor. But Gov. Gen. Harrison has not only served, not even mainly served, the people of the Philippine Islands; he has also served his own people, the people of the United States. He has served them both in a practical way and in furthering their ideals of government. He has served them in a practical way because the policies of Gov. Gen. Harrison, his gentleness and justness in dealing with the Filipino people, have made the Filipinos better friends of the Americans. To-day the American employee, the American business man, is better liked and better helped by the Filipinos. He has served them in furthering the ideals of this Government, as the Governor General himself stated it in his speech at the banquet of welcome tendered him the night of his arrival in Manila. These are his own words:

Standing here before this flag, to which I, in common with you, owe allegiance, and of which I am proud, I pledge to you that the best service that I can render to my country is to render service to the best aspirations of the people of the Philippine Islands.

Mr. Chairman, I entertain the hope that the day will sometime arrive when the arrival of Gov. Gen. Harrison in the Philippines will be celebrated as one of our national holidays. [Applause.]

In connection with my remarks, I wish to print the following interview given by the Secretary of War, which was published in the Christian Science Monitor, and also a short quotation from a very responsible newspaper in the United States, that may give the keynote to the attacks made upon Gov. Gen. Harrison:

Mr. Secretary, you were quoted the other day as saying that a good many misstatements were being printed about the situation in the Philippines, and that you would like the people to get information that is accurate and truthfully reveals conditions. I would like very much to have certain points cleared up.

Answer. I will be very pleased to give you any information you want about the Philippines.

Question. Has the criticism of the Harrison administration been unusually severe?

Answer. If you will look back through your files and that of other leading newspapers, you will find that it has not been, compared to the criticism which has met every change of the past in the islands. Every change or step taken by the American Government has been met with a great deal of criticism and much loose talk, and you will find that most of such statements were untrue and much of the criticism and condemnation without foundation in fact

Question. This is interesting, Mr. Secretary, in view of the impression sought to be created that in the past all was fair sailing in the Philippines, and no breeze of adverse criticism had rippled the seas. May I ask what were the subjects of adverse criticism?

Answer. You will recall the bitter criticisms of the conduct of our Army in suppressing insurrection; the criticism that civil government was established too soon, while the "iron hand was still necessary to enduring peace"; that the civil government was extravagant and incompetent; that it favored a policy of exploitation ruinous to the natives and in the interest of a few Americans. These are but a few of the subjects which one recalls without the need of investigation and without looking up the records.

Question. I am told that the present criticisms are entitled to greater weight because of the fact that in the past the criticisms had their origin in America, while the present criticisms are an echo of the American press in the islands and are based on statements of persons fresh from the islands. Is that so?

Answer. It is true that the American press criticisms are but echoes of the American press in the islands and a repetition of statements made by those returning from the islands. It is not true that this was otherwise in the past.

The attack on Mr. Taft following his formulation of the motto: "The Philippines for the Filipinos," was most bitter in the American press of Manila. Mr. Taft was represented by that press to be the most unpopular American in the islands.

His reply to this criticism in his speech before the Union Reading College, Manila, P. I., on December 17, 1903, has given the record of this feeling at that time a permanent place in the history of the government of the islands. The speech would serve, with few changes, to reply to present critics, including Mr. Taft, Mr. Worcester, and others. The basis of present criticisms is identical and the source is the same.

Later, the criticisms of Gov. Forbes were quite as bitter in the Philippine-American press as in the United States, the only difference between the cases of Gov. Forbes and Mr. Taft being that the press differed in the Forbes controversy, while it was unanimous in abusing Mr. Taft.

Question. What do you think produces this spirit of attack, and why should this be so?

Answer. Well, for one reason, of course, any who have been displaced always make a lot of noise and get their friends interested in condemning those in authority. Furthermore, there is a unique situation out there in this: There are Americans in business there, and when changes are made in the heads of the Government they, of course, desire to establish some form of intimate relations; and very often when they find that they are not being consulted either as frequently or as intimately as they think they should be, they retaliate by unfounded condemnation and general damning of the new officials. Or where, as on one occasion in the past, there has been a feeling that the Governor General was too friendly with one section of the American public, the criticism was even greater.

Question. Has there been any unusual dismissals of American employees under the Harrison administration?

Answer. No; the number of dismissals has not been unusual. It has increased slightly, due to necessary retrenchment. The number, however, is not one-half of what it was in years like 1903 and 1904, nor so great as it was in 1905 and 1906, when there was an effort at retrenchment.

Question. What is there in the charge that the civil-service rules have been disregarded? How many Americans, all told, has Gov. Harrison taken out to the Philippines and put into positions there?

Answer Not a single instance has been brought to my attention where it was charged that Gov. Harrison had disregarded civil-service rules. Fewer Americans have been taken to the islands during Gov. Gen. Harrison's administration than during any similar period in recent years.

Of Americans coming from the United States since his arrival he has appointed the collector of customs, one member of the municipal board of the city of Manila, and one member of the public utilities commission.

Question. What are the important positions to which the Governor General might, if he so desired, appoint his American political friends?

Answer. First, the chiefs of bureaus of the Government, of which there are about 22. Second, the judges of first instance in the islands, of which there are 36. All of these judicial positions have been filled by appointment since Gov. Harrison arrived in the islands. Third, miscellaneous appointments, such as the members of the municipal board of

the city of Manila, governor of the department of Mindanao and Sulu, and members of the public utilities commission.

Question. Now, Mr. Secretary, in how many of these has the Governor actually appointed Americans brought by him from the United States?

Answer. Of the heads of the bureaus of the Philippine Government Gov. Harrison appointed one—the collector of customs—from the United States—Dr. Herstein. Dr. Herstein had been an employee of the United States civil service for some years. He was a tariff expert employed in the framing of the recent United States tariff. His politics are not known to me.

He appointed, as a member of the municipal board of the city of Manila, Dr. Fitzsimmons, who had served in the islands formerly.

He appointed, as a member of the public utilities commission, Stephen Bonsal, a well-known American newspaper and literary man.

He reappointed every judge of first instance on the bench, and in filling the remaining vacancies he selected two Americans, one of whom had been long in the service of the islands and one who had been in the islands only a short time in the civil service, but had previously been in the civil service of the United States.

Question. What basis is there for the statement that business is disorganized in the islands and that the economic conditions are upset?

Answer. About as much basis as there is for such a statement with reference to the United States. It is perfectly well known to anyone who is searching for the truth that there has been a world-wide business depression, and that while in particular communities this depression may have been enhanced or mitigated by local conditions, this has only been in the matter of degree. In the Philippines, due to the exclusively agricultural basis of business, this depression has been least. Unquestionably, some business men wished to know the course that this administration purposed to pursue before they embarked in any extension of their business enterprises. But to suggest seriously that there has been any panicky condition produced in the Philippines by anything that this Government has done or left undone is simply to state that which has not the basis of truth.

Question. But it has been said that there has been an immense falling in the imports into the islands, showing a lack of confidence in business conditions?

Answer. That the imports into the Philippines are, when analyzed, an indication of business conditions and confidence, or the lack thereof, is to an extent true.

However, one of the imports which varies most from year to year is rice. The importation of rice in large quantities is an indication of the failure of the local rice crop and, contrary to the general rule, its importation in large quantities is an indication rather of local distress than of a healthy condition.

The fiscal year 1912, i. e., the year ending June 30, 1912, was, measured by the total of imports, the most prosperous year up to that time in the history of the Philippines. The total imports were $54,549,980. But the dark spot was that of this total $10,519,949 was rice, the result of an unusually disastrous failure of the Philippine rice crop.

In the fiscal year 1913 the total imports showed an increase over the preceding year to $56,327,583, though the imports of rice were but $7,940,857.

The reports of Philippine commerce have now been received to include the month of May, 1914. I give the following from the records for purposes of comparison:

Total imports for 11 months ending May, 1912	$48,522,580
Total imports for 11 months ending May, 1913	51,543,134
Total for 11 months ending May, 1914	50,876,025

For the same periods, omitting rice:

1912	$39,731,895
1913	43,825,329
1914	48,395,180

Of the total during these three periods there were from the United States:

1912	$18,560,805
1913	23,130,695
1914	25,752,233

In the face of this it is idle to talk of depression or lack of confidence.

Question. As a matter of fact, has the administration taken any radical step of any kind in the Philippines; and if so, what; and what effect do you think this has had?

Answer. As a matter of fact, the administration has not only taken no radical step, but has not done anything except to in good faith pursue the policy which has been announced to the Filipinos from the very beginning. All of the American Governors have promised them to put them into governmental positions just as soon as they were capable of performing the duties; that is, to bring about the so-called Filipinization of the service. You will find references and promises of this character in the reports and public utterances of every Governor General.

President Taft, when chairman of the Philippine Commission, and afterwards when Civil Governor, inaugurated this treatment of the Filipinos pursuant to specific instructions of President McKinley. In doing this he met with just the same storm of abuse which is now revived against Harrison. I have just recently seen a speech made by him in which he alludes at great length to this matter in vindication of his position. Referring to the invitation to make the address, Mr. Taft then said:

"The civil government was just then receiving even more criticism than usual from the young lions of the Manila press."

Later he says:

"Some of our young lions of the local press have spoken of the 'childish slogan: The Philippines for the Filipinos.' It is unnecessary to comment on the adjective used, but it is sufficient to say that, whether childish or not, the principle makes up the web and the woof of the policy of the United States with respect to those islands, as it has been authoritatively declared by two Presidents of the United States—for President Roosevelt has followed sedulously the policy of President McKinley—and by the interpretation of the supreme popular will, the Congress of the United States."

And, again:

"There are many Americans in these islands, possibly a majority—and this includes all the American press—who are strongly opposed to the doctrine of 'the Philippines for the Filipinos.' They have no patience with the policy of attraction, no patience with attempts to conciliate the Filipino people, no patience with the introduction into the government as rapidly as their fitness justifies of the prominent Filipinos. They resent everything in the government that is not American. They insist that there is a necessity for a firm government here rather than a popular one, and that the welfare of Americans and American trade should be regarded as paramount."

And with reference to the then attitude of the American press and merchants of the city of Manila, he said:

"The attitude of the American press and of the American merchant in his hostility to the Filipino, and in the consequent hostility to the civil government, was led into the error at one time of emphasizing in every possible way, by letters and representations of all sorts, that the condition of the country as to tranquillity was so bad that the whole of the islands was still in a state of war. Every small ladrone fight, every discomfiture which the constabulary suffered, was exaggerated and made the basis for inference that the conditions in the country were retrograding rather than improving. Such incidents were seized upon and made as much of as headlines and general statements could make them."

And with reference to its attitude toward the Filipino, he said:

"When one's feelings of enmity are very much aroused it is difficult to set the limit to the expression of them. So it is that we have the young lions of the American press, of the three newspapers who are supposed to speak the American public opinion in these islands, holding the Filipino up to contempt, exposing all his supposed vices, and giving him no credit whatever for any virtues, and it may be that this represents the feeling of the majority of the resident Americans in Manila But can we not, in the end, be just and give to the whole Filipino people their due? Should we wish the Filipino people to judge of Americans by the drunken, truculent American loafers who infest the small towns of these islands, living on the fruits of the labor of Filipino women, and give us more trouble than any other element in the islands? Should we wish the Filipino people to judge American standards of honesty by reading the humiliating list of American official and unofficial defaulters in these islands? I think not."

After reviewing the reiterated promises of the American Government in the islands and of the Presidents of the United States to look solely to the welfare of the Philippine Islands, Mr. Taft said again:

"Again, one of the conditions indispensable to progress is tranquillity. Without it capital, constitutionally timid, will not come. Now what has produced the present tranquillity? I say without hesitation that the chief element to-day is the confidence which the conservative people of the islands have in the promises of the United States to make the welfare of the Filipinos its chief purpose in remaining here and to assist them sincerely in learning the secret of self-government by gradually enlarging their political power."

And then:

"How long is it thought we could avail ourselves of this popular support if we repudiated our national promises and adopted the policy of repulsion and repression, dignified under the name 'the policy of a firm hand,' and if we said to the people, 'You are not to be trusted; the offices must all go to Americans; you are an inferior race and are sufficiently rewarded by having a superior race to come here and run your government for you?'"

And, finally, with reference to the policy of the American Government, he said:

"What do the young lions of the American press in Manila, what do the merchants of Manila who take the position I have attempted to explain and describe, expect to do? Do they expect to change the policy of the Government? Certainly not, as long as the Government of the United States is alive to the honor of preserving sacred its promises to a whole people. From where do they expect the political support that can be effective to carry out the policy which their attitude indicates? The policy of the present civil government in placing as its first aim the promotion of the welfare and the prosperity of the Filipino people and the gradual extension to them of self-government is the identical policy of the Republican Party as shown in its platform of 1900."

Question. To what do you attribute this apparent purpose of misleading the American public about the real situation?

Answer. Very largely to those who were fearful of some radical action on the part of the administration, which they thought would be disastrous to their own interests and to those who, not swayed by self-interest, feared that such action would be detrimental to the best interests of the islands and this country. That is to say, the fear that, without sufficient investigation and without careful consideration, this administration would cut all bonds between this country and the Philippine Islands and leave them to start as a national entity without any further guidance and control. If they had taken counsel of facts and not of their fears, they would not have started upon any such campaign. I do not think I am mistaken in believing that those who were the leaders in this clamor against Gov. Harrison would now, in view of all the facts, gladly destroy the record which they have made for themselves. Unfortunately many who have accepted these statements as facts have not the same means of ascertaining the truth, and now accept as facts what these leaders proclaimed from their fears and now have not the courage to deny.

Question. Mr. Secretary, what has been the policy of this administration toward the Philippines?

Answer. President Wilson plainly marked out our attitude toward the Philippines upon two occasions: First, when he authorized Gov. Harrison in his inaugural address to make the following statement:

"We regard ourselves as trustees, acting not for the advantage of the United States, but for the benefit of the people of the Philippine Islands. Every step we take will be taken with a view to the ultimate independence of the islands and as a preparation for their independence; and we hope to move toward that end as rapidly as the safety and the permanent interests of the islands will permit. After each step taken experience will guide us to the next. The administration will take one step at once. It will give to the native citizens of the islands a majority in the appointive commission, and thus in the upper as well as in the lower house of the legislature. It will do this in the confident hope and expectation that immediate proof will thereby be given in the action of the commission under the new arrangement of the political capacity of those native citizens who have already come forward to represent and lead their people in affairs."

Second, in his next annual message to Congress, in which he said as follows:

"No doubt we shall successfully enough bind Porto Rico and the Hawaiian Islands to ourselves by ties of justice and interest and affection, but the performance of our duty toward the Philippines is a more difficult and debatable matter. We can satisfy the obligations of generous justice toward the people of Porto Rico by giving them the ample and familiar rights and privileges accorded our own citizens in our own Territories and our obligations toward the people of Hawaii by perfecting the provisions for self-government already granted them,

but in the Philippines we must go further. We must hold steadily in view their ultimate independence, and we must move toward the time of that independence as steadily as the way can be cleared and the foundations thoughtfully and permanently laid.

"Acting under the authority conferred upon the President by Congress, I have already accorded the people of the islands a majority in both houses of their legislative body by appointing five instead of four native citizens to the membership of the commission. I believe that in this way we shall make proof of their capacity in counsel and their sense of responsibility in the exercise of political power, and that the success of this step will be sure to clear our view for the steps which are to follow. Step by step we should extend and perfect the system of self-government in the islands, making test of them and modifying them as experience discloses their successes and their failures; that we should more and more put under the control of the native citizens of the archipelago the essential instruments of their life, their local instrumentalities of government, their schools, all the common interests of their communities, and so by counsel and experience set up a government which all the world will see to be suitable to a people whose affairs are under their own control. At last, I hope and believe, we are beginning to gain the confidence of the Filipino peoples. By their counsel and experience, rather than by our own, we shall learn how best to serve them and how soon it will be possible and wise to withdraw our supervision. Let us once find the path and set out with firm and competent tread upon it, and we shall not wander from it or linger upon it."

Since it is the conceded fact that from the very beginning the American people, speaking through their representatives, have always disclaimed any intention to incorporate the Philippines as part of the American body politic, and since it has always been treated as only a question of time when they should have some form of national autonomy, the real matter to be considered by statesmen and by citizens who wish to do what is right is how to proceed in the matter so as to reach a just conclusion. This administration has proceeded along the line of experience, which, as the old adage tells us, is the best school; I think I would say practically the only useful school. The experiment which we made initially, as outlined in the quoted declaration of the President, has not only not proven unwise, but has proven very wise.

The next step to be taken, as provided in the pending Jones bill, is to give them further autonomous power; that is, to give them more participation in managing their own affairs, with, however, such reservations of guidance and control to the Federal Government as to enable it to see that no harm comes.

Question. What, in your judgment, will likely be the effect of this measure, if enacted into law, upon the Filipinos?

Answer. I can not see how it can be other than very favorable. The Filipinos who have sufficient knowledge and ability to deal with the subject realize that until they demonstrate their ability to operate successfully a government in all of its manifold and complexing aspects it would be unthinkable that the United States would be justified in withdrawing from its position of trusteeship. The only way in which they can demonstrate their capacity is after trial. Any body of citizenship which has not been accustomed to exercising governmental functions must become accustomed thereto before it can successfully do so. It is known historically that the Philippine people for centuries have not been governing themselves. It is not to be wondered at that they can not immediately evoke the public opinion which is necessary to all successful self-governments. The coherent and cohesive aggregation of public opinion is the result of training; and those who have the best interests of the Filipinos at heart, both natives and those of our country, realize that they must be given the opportunity to cultivate and cause to grow up the necessary patriotic cooperation before they can have a successful self-controlled government. What we have in view is to make the conditions favorable for the growth of that sort of patriotic cooperation, the linking together of these nationals, with a view of eventually finding in that country such a condition as makes likely the success of self-government.

We have done that which we think was wise and conservative and thoughtful to take the next step in laying the groundwork for this hoped-for eventful condition.

[From the St. Louis Mirror, December 12, 1913.]

Gov. Gen. Harrison is evidently trying to find out things from Filipinos, not from bureaucrats who have been living on the people. This is in line with the policy of giving Filipinos a majority in the important offices. The job holders don't like it. They can't bear to see the Governor General mixing up with the natives, who may tell him things about the secret government by concessionaires. Mr. Harrison has an idea, evidently, that government of the Philippines must be for the Filipinos and not exclusively for Yankee job holders and promoters. How extraordinary! No wonder Mr. Harrison has the disloyalty of the old-timers—better say "the old gang." They don't like this demonstration of the meaning of the New Freedom, which is also the old freedom.

Mr. STAFFORD. Mr. Chairman, I move to strike out of line 5, page 13, the word "elective," and in line 14 the last sentence, as follows:

Senators and representatives appointed by the Governor General shall hold office until removed by the Governor General.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, on page 13, by striking out in line 5 the word "elective," and in line 14, after the word "occurred," strike out the words "senators and representatives appointed by the Governor General shall hold office until removed by the Governor General."

Mr. STAFFORD. Mr. Chairman, the purpose of this amendment is to make the term of the appointive senators and representatives who are to represent the non-Christian territory coterminous with the elective senators and representatives, and also to take away from the power of the Governor General a club that he might hold over his appointees to remove them at any time that he saw fit in case they would not reflect his opinion in their votes in either the senate or house of representatives.

I think it is abhorrent to our sense of representative government that even these appointees of the Governor General, the two senators and nine representatives, who will represent the non-Christian territory, should hold office at the mere beck and call of the Governor General to do his bidding in this assembly. We have adopted the policy in the previous section of having these representatives who look after the interests of these non-Christian territories appointed by the Governor General; but when once they are appointed they should be privileged to serve throughout the extent of their terms and should not be subject to removal without cause by the Governor General. I see the distinguished gentleman, the Commissioner from the Philippines, nodding his head as if in affirmance and as giving assent to this proposition. I hope he does reflect the ideas I am speaking for, because I can not imagine that these men should be subject to removal by the Governor General without any cause whatsoever.

If we take away this power, the Governor General, I assume, will in the first instance exercise rare judgment in the selection of the persons who are to represent these non-Christian people, and if perchance they should act at variance with his opinion it is not saying they should not continue in that representative capacity. They are not appointed to these legislative bodies as his personal representatives; they are appointed there to carry out what they believe to be for the best interests of the non-Christian people. If you are going to leave them subject to removal by the Governor General, instead of appointing two senators and nine representatives you might just as well—if you do not wish to give opportunity for the appointment of mere playthings in politics, mere automatons, to indicate the will of the Governor General—have one in the senate and one in the house who will always be regarded as the spokesman and rubber stamp of the Governor General.

I think this amendment should be adopted and accepted by the committee in carrying out that idea by giving the greatest representative government that is compatible with existing conditions in the islands to the Filipinos. I hope the amendment will prevail.

Mr. JONES. Mr. Chairman, I shall have to oppose this amendment. The gentleman, of course, is aware of the fact that the Governor General himself has no fixed term. The President of the United States can remove him at any time, and the same is true of the members of the Philippine Commission. The President to-day can remove all nine of them. It is also——

Mr. STAFFORD. Subject, however, to confirmation by the Senate.

Mr. JONES. Subject to confirmation by the Senate, of course. That is, the appointment of their successors is subject to approval by the Senate, but the Senate has nothing to do with the removal of the Governor General and the other members. I call the gentleman's attention to the fact that shortly before the end of the last administration one of the Philippine Commission, a distinguished citizen, a Republican, and a man who had been a member of the supreme court of one of our States, was removed summarily by the President of the United States because he did not agree with another member of the commission. He had been to the United States on a vacation. He had started back to the Philippine Islands and had gotten as far as Europe on his way when he was cabled to return to the United States. It seems that in the meantime Mr. Forbes had been here, had had a talk with the President, the result of which was his dismissal.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. STAFFORD. That was in an administrative capacity, and——

Mr. JONES. I understand.

Mr. STAFFORD. And of course there had to be harmony of action where they were administering the affairs of the Philippines. This is a legislative capacity entirely.

Mr. JONES. Yes; and if the Governor General of the Philippines were to remove one of these representatives because he did not carry out his will, the President of the United States, if he did what was right, would immediately cut off the official head of the Governor General. That would be the action of the President.

Mr. STAFFORD. I suppose, then, that these representatives in the respective chambers are to be the reflex action or the representatives of the Governor General rather than representatives of these non-Christian people?

Mr. JONES. No. It is believed they will be the representatives of the non-Christian people, but, as I have said over and over during the course of this debate, the committee knows of no better way of selecting them than leaving it to the Governor General. These uncivilized people are not capable of selecting their own representatives, and the gentleman himself, I think,

would not, if he would reflect for a moment, like to see a man put in the senate or house of representatives who, turning out to be utterly unfit for the trust reposed in him, the Governor General could not remove.

The Philippine Assembly once expelled one of its members for improper conduct, and it is possible that for some good and sufficient reason the Governor General may have to exercise the power here given him. I hope not.

Mr. STAFFORD. Why not leave that authority to them?

Mr. JONES. The legislature can not do it.

Mr. STAFFORD. We can give them that power here.

Mr. JONIES. It is easy to ask why we do not do this or that in the bill. The bill has been prepared with the utmost care, and the committee has come to the conclusion that this is the best way to solve this very difficult problem. And, as I said a few moments ago, it meets the approval of nearly everybody who has considered it. It meets the absolute approval of former Vice Gov. Gen. Gilbert, who was here a short time ago?

Mr. STAFFORD. Who is he?

Mr. JONES. He was the Vice Governor General of the Philippine Islands under the Taft administration, and he served in this House, I think, with the gentleman.

Mr. STAFFORD. I now recall the distinguished gentleman.

Mr. JONES. He is a very distinguished member of the gentleman's own party.

Mr. STAFFORD. If the gentleman had said he was formerly a Representative from the State of Indiana, I would have immediately recalled him. I remember him very well.

Mr. JONES. Well, that distinguished gentleman, who was once a member of the commission, who as Vice Governor General acted as Governor General in the absence of Gov. Forbes, was shown this provision of the bill, and he thoroughly approves it. He has been in the Philippine Islands a great many years and consequently has much knowledge as to conditions there.

Mr. CLINE. Let me say right there that I would hate to have any reflection cast against Mr. Gilbert. He is my dooryard neighbor and has been for a number of years.

Mr. STAFFORD. There was no intention of doing that.

Mr. CLINE. And I can vouch for his stand-pat Republicanism. It is as pure and undefiled as that of any Representative you have in this House.

Mr. STAFFORD. I suppose that is one reason why he is so much appreciated by the gentleman.

Mr. JONES. The gentleman from Indiana [Mr. CLINE] defeated him for reelection to this House, if I am not mistaken.

Mr. CLINE. He preceded me as a Member of this House.

Mr. STAFFORD. I recall his distinguished service as a member of the Committee on the Judiciary.

Mr. GARRETT of Tennessee. Mr. Chairman, there is one other thought I wanted to suggest to the House, in addition to the suggestion made by the chairman of the committee [Mr. JONES], as to why this amendment should not be adopted. The proposition of the gentleman from Wisconsin [Mr. STAFFORD], if adopted, would provide that the appointive senator should have a term of six years under the Towner amendment, and there would be no control over him from any source. Now, the gentleman understands that there is a somewhat delicate situation existing between the non-Christian tribes and the government of the Philippine Islands. It is entirely within the range of possibility that the Governor General might make a selection of a senator or a representative for the non-Christian territory which would be good at the time it was made, and which would be satisfactory to the non-Christian people at the time it was made, but which, because of shifting conditions, might become unsatisfactory to that same people; and if there did not exist a power of removing such a man it might lead to very delicate and embarrassing results in the Philippine Islands. I am sure gentlemen can appreciate that fact when they think carefully of what the situation is in the Philippines.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Wisconsin [Mr. STAFFORD].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 18. That the senate and house of representatives, respectively, shall be the sole judges of the elections, returns, and qualifications of their elective members, and each house may determine the rules of its proceedings. Both houses shall convene at the capital on the 16th day of October following the next election and organize by the election of a speaker or a presiding officer, a clerk, and a sergeant at arms for each house, and such other officers and assistants as may be required. The legislature shall hold annual sessions, commencing on the 16th day of October, or, if the 16th day of October be a legal holiday, then on the first day following which is not a legal holiday, in each year and continuing not exceeding 90 days thereafter (Sundays and holidays not included). The legislature may be called in special session at any time by the Governor General for general legislation, or for action on such specific subjects as he may designate. No special session shall continue longer than 30 days, exclusive of Sundays. The legislature is hereby given the power and authority to change the date of the commencement of its annual sessions.

Mr. CLINE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Indiana [Mr. CLINE].

The Clerk read as follows:

Substitute a comma for the period following the word "proceedings," in line 20, section 18, page 13, and insert "punish its members for disorderly behavior, and, with the concurrence of two-thirds, expel a member."

Mr. CLINE. Mr. Chairman, I offered this amendment for the reason that I was unable to see why the legislature in the Philippines, both the house and the senate, should not have those powers that we give our own House and Senate under our own form of government. The right to determine the qualification of the members of that body ought to carry with it the right to depose the members, Mr. Chairman, if in the judgment of the assembly or of the senate the parties elected to represent certain districts were unworthy to sit as members of that body.

Mr. FESS. Mr. Chairman, will the gentleman yield there?

Mr. CLINE. Certainly.

Mr. FESS. Would you think the legislature would not have that power unless it was specifically stated here?

Mr. JONES. I will say to the gentleman from Indiana [Mr. CLINE] that the legislature has that power now, I think. At any rate, it exercises it, and it has expelled one of the most popular Filipinos in the Philippines.

Mr. CLINE. It not only did that, I will say to the Chairman, but they expelled one of the members for conduct that was not becoming a member of the Philippine Assembly, and put another one on trial for the use of money in securing his election, and administered some form of punishment, the precise nature of which I do not distinctly recall now. At any rate, Mr. Chairman, we are writing an organic law for a new system of government in the Philippines.

Mr. JONES. Mr. Chairman, I will say to the gentleman that I have no objection to the amendment. I do not think it is necessary, but I have no objection to it.

Mr. GORDON. Mr. Chairman, will the gentleman yield?

Mr. CLINE. Yes.

Mr. GORDON. You would have that amendment apply to the appointive members?

Mr. JONES. To the elective members.

Mr. GORDON. It does not say that.

Mr. CLINE. I make that apply here to the members of both houses.

Mr. JONES. To the elective members?

Mr. CLINE. Yes.

Mr. GORDON. It only applies to elective members?

Mr. CLINE. Yes; that was my purpose.

Mr. GORDON. I did not understand it that way.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Indiana [Mr. CLINE].

The amendment was agreed to.

Mr. MOORE. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MOORE] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 13, line 21, after the words "on the," strike out "sixteenth" and "twelfth."

Mr. MOORE. Strike out "sixteenth" and insert "twelfth." Those words are printed there—"strike out" and "insert" are printed on the blank.

The Clerk read as follows:

Strike out "sixteenth" and insert "twelfth." Also on page 14, line 1, after the words "on the," strike out "sixteenth" and insert "twelfth." Also at the end of the line strike out "sixteenth" and insert "twelfth."

Mr. MOORE. Mr. Chairman, a little while ago the Resident Commissioner from the Philippine Islands [Mr. QUEZON] read a cablegram in which was incorporated a speech by Gov. Gen. Harrison. He suggested at the close of his remarks—I refer to the Philippine Commissioner—that he hoped some day the 12th of October would be celebrated in the Philippines as a national holiday.

Now, here is a bill to establish a new form of government for the Philippines which proposes to open the legislature on the 16th of October. It seems to me, in view of the gentleman's remarks and the appropriateness of the day, that it might be a happy suggestion if the committee would accept this amendment and have this opening legislative day fixed as of the 12th of October instead of the 16th. If the committee will consent

to move the event forward four days, then they will have the national holiday as the gentleman suggested.

Mr. JONES. Mr. Chairman, if the time ever comes when that day is fixed as a national holiday, I think it would be entirely inappropriate to have it on the meeting day of the legislature. I think one event would interfere very much with the other.

Mr. STAFFORD. They should be allowed to recover from the effects of the holiday?

Mr. JONES. Yes. As the gentleman says, they would probably want to recover from the effects of the celebration before the legislature met.

But, seriously, Mr. Chairman——

Mr. MOORE. The gentleman from Virginia will remember that he is speaking in my time.

Mr. JONES. Oh, I beg the gentleman's pardon.

Mr. MOORE. I want to observe to the gentleman from Virginia that the 12th of October is, in many States of the Union, celebrated as a holiday now. It is an anniversary in American history. It is the day on which America was discovered by Christopher Columbus, and it would give an additional interest to the day in the Philippine Islands to have Congress open there then.

Mr. MILLER. I will say to the gentleman that Columbus was looking for the Philippine Islands when he stumbled on America on the 12th of October, 1492. [Laughter.]

Mr MOORE. Exactly. I do not know what day it was that the gentleman from Minnesota struck the Philippine Islands, but if you are going to establish these days as holidays it might be very appropriate to fix a "Miller Day" in the islands. [Laughter.]

Mr. MILLER. If the gentleman will yield, the only inappropriate feature about this suggestion is that Gov. Gen. Harrison did not land on the 12th of October, but on the 6th.

Mr. MOORE. Gov. Gen. Harrison was a distinguished Member of this House, whom we all respected very highly, and it would seem to me to be a graceful thing on the part of the Philippine Commission to give him a holiday. Gov. Harrison appealed to both sides of this House in his personal relations, and if the committee should deem it wise to move the opening of the legislature forward four days in his honor, we would have a Philippine national holiday and the opening of the legislature combined on the same day.

Mr. JONES. I do not suppose the gentleman is serious in his suggestion.

Mr. MOORE. I am serious. I think it is a very happy thought.

Mr. JONES. I do not think the gentleman can be serious. Even if the gentleman and the rest of us felt certain that the Filipinos were going to make that day a national holiday, I should not think it would be proper for the legislature to convene on that day. Mr. Chairman, this date was selected because it is the day upon which the legislature now meets. It was not the day upon which the legislature originally met, but it was subsequently, and after careful consideration, fixed upon.

Mr. MILLER. That was before the arrival of Gov. Gen. Harrison, was it not?

Mr. JONES. That was prior to his arrival; yes.

Mr. MILLER. They did not then have it in mind to celebrate the advent of Gov. Gen. Harrison.

Mr. JONES. The legislature has the right to change the date under this bill if it wishes to do so.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. MOORE].

The amendment was rejected.

Mr. CLINE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Indiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

At the end of section 18, line 11, page 14, insert a new section, as follows——

Mr. STAFFORD. Mr. Chairman, I have a preferential amendment to perfect the text before an amendment is offered as a new paragraph. Will the gentleman kindly withhold his amendment?

The CHAIRMAN. The gentleman from Wisconsin is recognized.

Mr. STAFFORD. Mr. Chairman, I move to strike out, in lines 3, 4, and 5, on page 14, the words "and continuing not exceeding 90 days thereafter, Sundays and holidays not included."

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, on page 14, by striking out all after the word "year," in line 3, down to the end of the sentence.

Mr. STAFFORD. Mr. Chairman, the clause that I move to strike out limits the term of the general session of the legislature to 90 days. Immediately following is a provision limiting to 30 days the special session to be convened at the call of the Governor General. Those special sessions have to be limited to such legislation, either general or special subjects, as he may designate in his proclamation. I think it is highly important to the welfare of the Filipinos, if we are going to give them a large measure of control as this bill purports to give them, to have unlimited time in which to pass on legislation when convened generally once each year. I do not think this Congress should hamstring them in any way, so as to force them to consider legislation within any limited period. I am aware that the constitutions of some States limit the duration of the term of the legislature, but from my knowledge of those conditions I do not believe that limitation is conducive to good legislation. Certainly it is not desirable for a people who are just launching out in legislative practice. If at the end of the 90-day period they are not able to conclude their work, they are then at the mercy of the Governor General, either to have the matters pending included in a special call or to have the legislation go over to the next regular convening of the legislature. If they have reached that stage of political development where they can be trusted with legislative powers, and we are willing to delegate that authority to them, then let us not limit them so that they can not pass intelligently upon the general legislation that this bill intends to vest in the legislature.

We know that the longer the time given to the consideration of legislative measures the better is the consideration. Here we create a new legislature, consisting of an elective house and an elective senate, meeting and organizing. It will take considerable time for those bodies to organize. It will take some time for them to have their committees appointed. It will take considerable time for the committees to give consideration to legislation. Even with the ordinary appropriation bills it takes a couple of months for our committees to report the bills back to the House; yet in this bill you intend to limit these persons, who are unskilled in the art of legislation. The end of the 90-day period will come all too soon. They will be driven to pass bills on the spur of the moment, and it will not be possible to give proper consideration to legislative matters. If the committee think there should be some limitation, so that these Filipinos shall not continue in session all the time, if perchance they have a penchant for sitting in a legislative assembly and legislating, then lengthen the limited period; but I seriously contend that 90 days is altogether too short a period for these novitiates in the art of legislation. Personally I believe there should be no limitation. If they are capable of legislating in self-government, they alone should determine when the term of their legislature should end, and you should not leave them, in case of a limited term, at the mercy of the Governor General to determine what character of legislation may be considered at a special session. They have not the powers of Congress in that respect. When the President calls us in extraordinary session, he may call us for a special purpose, but he can not limit us to that particular class of legislation. Our powers in that respect are unlimited and supreme, and the Philippine Legislature should have the supreme right and ample time to pass upon the legislation that we delegate to them in this organic act.

Mr. JONES. Mr. Chairman, this provision of the bill is similar to the provisions upon the same subject in most of the States of the Union. We have a similar provision in the constitution of my State. However, I do not feel inclined to oppose this amendment. I am willing to leave almost everything to the Filipinos themselves, and I shall not oppose the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. STAFFORD].

The question was taken, and the amendment was agreed to.

Mr. CLINE. Mr. Chairman, I now ask to have the amendment reported that I have sent to the desk.

The Clerk read as follows:

At the end of section 18, line 11, page 14, insert a new section, as follows:

"The senators and representatives shall receive a compensation for their services to be ascertained by law, and paid out of the treasury of the Philippine Islands. The senators and representatives shall in all cases except treason, felony, and breach of the peace be privileged from arrest during their attendance at the sessions of their respective houses and in going to and returning from the same; and for any speech or debate in either house they shall not be questioned in any other place."

Mr. GARRETT of Tennessee. If the gentleman will permit me, I think there is not going to be any objection to the amendment offered, but I suggest whether or not it would not be well to provide that the compensation which the legislature has the power to fix shall be an annual compensation and not leave it so that the legislature could fix a per diem compensa-

tion. If the time is to be unlimited, I am rather inclined to think, in view of the amendment just adopted, that it would be good policy to require that it should be an annual instead of a per diem compensation.

Mr. CLINE. I think it is wise, in view of the amendment just adopted, and I ask leave, Mr. Chairman, to modify my amendment so as to make the compensation an annual one.

The CHAIRMAN. The gentleman from Indiana asks unanimous consent to modify his amendment. Is there objection?

There was no objection.

Mr. GARRETT of Tennessee. Mr. Chairman, I suggest to the gentleman that he ask that this section be passed over for the present and then return to it for the gentleman to perfect his amendment.

Mr. CLINE. That is satisfactory to me.

Mr. JONES. Mr. Chairman, I ask unanimous consent to pass over this section and then return to it in order that the gentleman from Indiana may offer his amendment hereafter.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that the section be passed over and that the gentleman from Indiana be permitted to return to it later to offer his amendment. Is there objection?

There was no objection.

Mr. FESS. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman a question on this section. I would like to know whether the gentleman from Virginia would agree to limit the legislation in the special session to the call of the Governor General; whether he would be willing to strike out the last word on line 6, page 14, and all of line 17, and insert "to consider only such matters as he may designate"? In other words, whether you would be willing to limit the special session to such matters as the Governor General might designate?

Mr. JONES. Mr. Chairman, the committee gave very careful consideration to this language before adopting it. There might be something very important to come up after the legislature had convened. If it could not consider it then, if it was of sufficient importance, another extra session would have to be called. After careful consideration we adopted the language in the bill.

Mr. FESS. I might say that in our constitutional convention two years ago we limited the legislation to the call of the governor of the special session, and we had a great deal of discussion on it. But the gentleman says that that question was considered fully.

Mr. JONES. Yes; we considered it very fully.

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. SLAYDEN having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had excused Mr. SMITH of Arizona as one of the conferees on the bill (H. R. 14233) to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes, and had appointed Mr. THOMPSON in his stead.

THE PHILIPPINE ISLANDS.

The committee resumed its session.

The Clerk read as follows:

SEC. 19. That every bill and joint resolution which shall have passed both houses of the legislature shall, before it becomes a law, be presented to the Governor General. If he approve the same, he shall sign it; but if not, he shall return it with his objections to that house in which it shall have originated, which shall enter the objections at large on its journal and proceed to reconsider it. If, after such reconsideration, two-thirds of the members elected to that house shall agree to pass the same, it shall be sent, together with the objections, to the other house, by which it shall likewise be reconsidered, and if approved by two-thirds of all the members elected to that house it shall be sent to the Governor General, who shall transmit the same to the President of the United States. The vote of each house shall be by the yeas and nays, and the names of the members voting for and against shall be entered on the journal. If the President of the United States approve the same, he shall sign it and it shall become a law. If he shall not approve same, he shall return it to the Governor General so stating, and it shall not become a law: *Provided*, That if any bill or joint resolution shall not be returned by the Governor General as herein provided within 10 days (Sundays excepted) after it shall have been presented to him the same shall become a law in like manner as if he had signed it, unless the legislature by adjournment prevent its return, in which case it shall not be a law. The Governor General shall have the power to veto any particular item or items of an appropriation bill, but the veto shall not affect the item or items to which he does not object. The item or items objected to shall not take effect except in the manner heretofore provided in this section as to bills and joint resolutions returned to the legislature without his approval.

Mr. TOWNER. Mr. Chairman, I move to amend, line 8, page 15, by striking out the word "ten" and inserting the word "thirty."

The Clerk read as follows:

Amend, page 15, line 8, by striking out the word "ten" and inserting the word "thirty."

Mr. TOWNER. Mr. Chairman, the provision is that unless the Governor General shall veto a bill within 10 days it will become a law without his approval. I think the time is manifestly too short, and for this reason, which perhaps did not occur to the gentleman on the other side: I can conceive of a case where the Governor General seriously considers whether or not a veto shall be placed on a bill passed by the legislature, that it might, and almost certainly would, become his duty to communicate with the authorities at Washington regarding the matter before he takes such a responsibility. I think the time would be too short for this to be done, and, as I see it, no harm could come by extending it to 30 days.

Mr. QUEZON. Mr. Chairman, will the gentleman yield?

Mr. TOWNER. Certainly.

Mr. QUEZON. Is it the purpose of the gentleman to introduce further on an amendment providing that the absolute veto power be left in the Governor General's hands and not in the hands of the President of the United States?

Mr. TOWNER. I have such an amendment under consideration, but that need not affect consideration of the one I now offer.

Mr. JONES. Mr. Chairman, I was not sure when the limit of 10 days was put in the bill that it would not be better to have it 15 days, but I have never thought that it would be right to have it as long as 30 days. If the gentleman would modify it to 20 days, I should be inclined to accept it.

Mr. TOWNER. I do not think 15 days is enough, but I will accept what I can get.

Mr. JONES. I would prefer 15, but rather than take up the time I will agree to 20.

Mr. TOWNER. Then, Mr. Chairman, I will ask to modify my amendment by making it read "20" instead of "30."

The CHAIRMAN. The gentleman from Iowa asks to modify his amendment by making it 20 days instead of 30. Is there objection?

There was no objection.

The CHAIRMAN. The question is on the amendment as modified.

The question was taken, and the amendment was agreed to.

Mr. TOWNER. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

On page 15, line 14, after the word "bill," insert the following: "or any independent provision not germane to the bill."

Mr. TOWNER. Mr. Chairman, the reason I offer this amendment is this: The provision in the bill is that the Governor General shall have the power to veto any particular item or items of an appropriation bill, and then, so far as the extension of power is granted, it stops. I desire to add this further power to the Governor General which I think is accepted by most jurists now as a most important power, one that is being placed in new constitutions that are being adopted, that any independent provision which may be placed in a bill which is not germane to it, the thing that we call a "rider," should be subject to the veto of the Governor General. We all know how that works in Congress. We all know how many iniquities are perpetrated in Congress by such practice, and it is to avoid this that I offer the amendment. While it is given to the Governor General to veto an independent item of an appropriation bill, yet the legislature has the power to put any iniquitous, not germane, absolutely independent provision upon any appropriation bill and force the Governor General to sign the whole bill or allow the appropriation during the latter days of the session to fail.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. TOWNER. Yes.

Mr. GARRETT of Tennessee. Mr. Chairman, I call the attention of the gentleman to another provision in the bill which I think he has overlooked, and that is that a bill must deal only with one subject matter, and that must be expressed in the title.

Mr. TOWNER. Mr. Chairman, that provision exists, as the gentleman well knows, in very many of the State constitutions, and in the passage by the legislature of these acts it is more honored in the breach than in the observance. Here is the difficulty with regard to that: For instance, an appropriation bill of that kind is passed, which would be subject to objection, which, if passed upon in the courts, might perhaps be held to be unconstitutional, and yet the importance of the passage of the law is so great that no one would dare raise the question and will suffer the iniquity to prevail rather than allow the bill to fail. Why should we not avoid these things, if we can, by the insertion of the provision which I suggest?

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. TOWNER. Yes.

Mr. FESS. Does not the gentleman's amendment limit itself to appropriation bills?

Mr. TOWNER. I hardly think so.

Mr. JONES. Mr. Chairman, I did not understand the question of the gentleman from Ohio.

Mr. FESS. Mr. Chairman, I raise the question whether the amendment of the gentleman does not limit itself to appropriation bills, when I think he wants it to apply to all bills as well as appropriation bills?

Mr. JONES. I did not think the gentleman wanted it to apply to any but appropriation bills.

Mr. HELM. Mr. Chairman, will the gentleman yield?

Mr. TOWNER. I yield to the gentleman from Kentucky.

Mr. HELM. The thought occurred to me that such an amendment as that would be very fertile of litigation, and also that if the court is going to sit in judgment and say what is and what is not germane, it seems like investing the court with legislative power or power in legislative proceedings.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. TOWNER. Yes.

Mr. COOPER. Why would not this cover it:

The Governor General shall have the power to veto any particular item or items or provision in an appropriation bill.

I do not think that power ought to be given except upon an appropriation bill, because it is on an appropriation bill that that sort of thing is done. I would leave out the word "germane" entirely.

Mr. TOWNER. The language of the amendment is:

And any independent provision not germane to the bill.

Mr. COOPER. I would eliminate the feature of germaneness and make it any independent provision. There can not be any coercion practiced that is iniquitous except in an appropriation bill, and the legislature has the power not to appropriate for the supplies of the government unless certain things are agreed to.

Mr. FESS. Mr. Chairman, I would like to ask the gentleman from Wisconsin a question if the gentleman from Iowa will permit.

Mr. TOWNER. Certainly.

Mr. FESS. If you limit it to an appropriation bill, the veto power of this bill extends to anything not germane without further amendment, because you can veto any item in the bill without affecting the other part of the bill. If the item is not germane, he will veto it as it stands, but the gentleman from Iowa wants it to apply to all legislation.

Mr. COOPER. Mr. Chairman, will the gentleman from Iowa yield?

Mr. TOWNER. Yes.

Mr. COOPER. I understood the technical point the gentleman from Iowa had in mind was that the language "item or items" would mean appropriations.

Mr. TOWNER. I think that is true.

Mr. COOPER. In an appropriation bill those are items of appropriation, and if you say "item or items in an appropriation bill or any other provision therein contained" that would cover it.

Mr. TOWNER. Mr. Chairman, I want to say further, with regard to the matter, and especially with regard to what the gentleman from Wisconsin [Mr. COOPER] said, that I think the language that is used in this amendment is better than that suggested by him for the reason that if it is an independent provision which is not germane to the bill, it is as clearly designated as it would be possible to designate it by language. Such language has a well-determined meaning. We have had decisions of the Supreme Court of the United States of what is germane and what is not germane. It is not a difficult proposition. Speakers and others acting as such in the House have been passing upon that for years, and it is a question that is peculiarly within the court's province.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. COOPER. Mr. Chairman, I ask unanimous consent that his time be extended for five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. COOPER. Mr. Chairman, I desire to ask the gentleman a question.

The CHAIRMAN. Does the gentleman yield?

Mr. TOWNER. Certainly.

Mr. COOPER. Is it not the desire of the gentleman from Iowa to give the Governor General of the Philippines the right to veto any provision in an appropriation bill?

Mr. TOWNER. It is.

Mr. COOPER. Whether it is germane or not?

Mr. TOWNER. Well, under the provisions of the bill now——

Mr. COOPER. Is it not true that the gentleman wants the Governor General to have the power to veto any provision in an appropriation bill, whether it be germane or not?

Mr. TOWNER. The gentleman speaks about a "provision"——

Mr. COOPER. Well, any item.

Mr. TOWNER (continuing). While the language of the bill is "item." As the language of the bill now is, it says "shall have the power to veto any item or items of an appropriation bill," and that means particular appropriations for any particular purpose.

Mr. COOPER. If the gentleman said any item or provision in an appropriation bill that would cover it, but the gentleman wants him to have the power of veto whether it is germane or not?

Mr. TOWNER. I am inclined to think possibly it might have that interpretation. I do not question that. I am only saying this to make clear what is the purpose and intent of the amendment.

Mr. GARRETT of Tennessee. Mr. Chairman, I do not agree with my good friend from Iowa [Mr. TOWNER], as highly as I respect his legal ability, that this is a desirable amendment. I think it really gives to the Governor General an arbitrary power that he ought not to have. The provision as to vetoing items in an appropriation bill is not an unknown provision in constitutions in different States in our country, and I think it is a wise provision, because it prevents the enforcement of an objectionable appropriation or item of law into a bill in order to secure the subsistence on which to run the government where there is a conflict between the governor and the legislature. But when you go beyond that, when you get away from appropriation bills and get to laws of other kinds, it seems to me that you have gone far enough when you provide by your constitution that which is in the constitution of many of the States of the Union, to the effect that the bill must only contain a single subject, and that subject must be clearly expressed in the title. That is a provision which is in the constitution of my own State, and it has led to considerable litigation, it is true, but it is better that we should go to the courts, in my opinion, than to leave it to the power of any Governor General arbitrarily to determine on the idea of germaneness. There would be absolutely no appeal from his decision. If he says, "I veto this provision in this bill because it is not germane," there is no appeal from his decision to any other tribunal except back to the legislature, where it will have to be passed by a two-thirds vote over his veto. I know of no such provision in any constitution of any State in this country. I am not familiar with the decisions of the United States Supreme Court to which the gentleman referred, discussing the question of germaneness, but the courts would never get any chance to pass on that proposition under this provision. It is left to the arbitrary power of the Governor General to exercise upon any idea that he might have on the question of germaneness. I do not think it is desirable or wise; on the contrary, I think it is dangerous.

Mr. COOPER. Mr. Chairman, I think, and have long thought, that the President of the United States ought to be given the power to veto any item in an appropriation bill that does not meet with his approval. In vetoing a measure he acts as a legislator. The exercise of the veto power is a legislative act. The President of the United States combines two functions—one, that of an executive, and the other that of a legislator. The act of vetoing a bill is the expression of his disapproval as a lawmaker. As a lawmaker he ought to have the right to be heard upon each item of an appropriation bill, and especially ought he to have the right to veto riders on appropriation bills. The Governor General in the Philippines ought to have a similar right. A rider may embody a proposition which the Philippine Assembly might desire to have become a law, but a proposition to which the Governor General and the Philippine Senate might be hostile. In such a case it would be possible for one house to say to the other house and to the executive, "We will refuse to help appropriate money to meet the necessary expenses of the government unless you will vote for this rider. You must take this rider, to which you are opposed, or we will starve the government." Legislation ought not to be the result of such coercion. It should be the free, untrammeled act of the legislature and the executive. The executive should have the right to say, "I am opposed to this provision in this appropriation bill. In my judgment it is a dangerous provision. Moreover, it is a provision that ought not to be in an appropriation bill at all. It is not an appropriation; it has no relation to any appropriation. I shall veto this particular item. If you wish it to become a law, you must again consider it and pass it by a two-thirds vote over my objection."

I have seen some very wrong things done in Congress through riders on appropriation bills and have more than once protested against them. We ought not to leave it possible for one house of the Philippine Legislature to say, "We will not pass the appropriations necessary to continue the Philippine Government

unless you will take such or such a law for Mindanao or Mindoro or Cebu." The payment of the legitimate expenses of the Philippine Government ought to be a subject separate and apart and to be considered by itself.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. COOPER. It will not be at all wise to permit the Philippine Legislature to put riders on appropriation bills.

Mr. GARRETT of Tennessee. I quite agree with the gentleman as to appropriation bills.

Mr. COOPER. And I would not put them on anything else.

Mr. GARRETT of Tennessee. And we have that provision in the bill. Of course, the gentleman is aware of that fact. But I want to ask him if he does not think it is probably dangerous to go beyond appropriation bills and take ordinary matters of legislation and vest in the Governor General the absolute power of determining whether a thing is germane or not and vetoing it on that ground?

Mr. COOPER. My idea is to confine it to appropriation bills at this time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. TOWNER].

The question was taken, and the amendment was rejected.

Mr. FESS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Ohio offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 15, line 12, after the word "shall," strike out "not be a law" and insert in lieu thereof the following: "be made a matter of record in the office of secretary of state, who at the opening of the next session of the legislature shall report the same as the unfinished business after the organization of the legislature."

Mr. JONES. Mr. Chairman, may I ask that the Clerk report the amendment again? I did not quite catch it.

The CHAIRMAN. Without objection, the Clerk will report the amendment again.

The amendment was again reported.

Mr. FESS. Mr. Chairman, I would like to have the chairman of the committee say whether he would object to a proposition that when a bill is introduced and passed by the legislature and held by the Governor General without signing it, and before the 10 days are up the legislature adjourns, and thus the law fails, which would be called a "pocket veto," whether he would object to saving that feature by making this the unfinished legislation at the opening of the next session? It can be made a matter of record so as to become the unfinished business at the opening of the next legislature. That is the idea we have in Ohio. Legislation fails by the pocket veto when the legislature adjourns short of 10 days. On the other hand, if the legislature was in session the proposition would become a law if the governor would hold it. We prevent that veto by making that the unfinished business to be taken up by the next legislature. In Ohio it is retained in the secretary of state's office until the next session of the legislature and by him passed over to that body. That is to prevent a governor pocketing a piece of legislation and killing it by virtue of the legislature adjourning within the 10 days.

Mr. HELM. What is the procedure at the reconvening of the next legislature?

Mr. FESS. First, they organize the legislature, and this is laid before them as unfinished business.

Mr. HELM. De novo?

Mr. FESS. It comes up as a matter of record. It is taken up as the unfinished business and acted upon for or against.

Mr. HELM. And you pass it again?

Mr. FESS. Yes; reenact it. It saves the loss of it by the governor just pocketing it.

Mr. HELM. Is it subject to amendment?

Mr. FESS. Certainly. It could come up originally as new matter, but in this way it does not have to be reintroduced. It is made a part of the record in the office of the secretary of state. The wording of the Ohio constitution is, if a bill shall not be returned by the governor within 10 days, Sundays excepted, it shall become a law in like manner as if he had signed it, unless the general assembly by adjournment prevents its return, in which case it shall become a law, unless within 10 days after such adjournment it shall be filed by him with his objections in writing in the office of secretary of state.

Mr. JONES. The gentleman addressed a question to me, as to whether or not I would be willing to accept the amendment he proposes. He says there is a similar provision in the constitution of the State of Ohio; but, if so, I know of no other State that has such a provision. The gentleman is aware of the fact, I suppose, that there is no such position in the Philippines as secretary of state?

Mr. FESS. I should have said the office corresponding to that of secretary of state. That would be the secretary of the interior, would it not?

Mr. JONES. I can not say.

Mr. FESS. I would modify that to suit the situation.

Mr. JONES. I do not know what the position would be, but I do not think that the amendment ought to be adopted. It is an experiment, to say the least of it. As I have already said, I do not know of any State except the State of Ohio which has such a provision.

Mr. FESS. It makes the pocket veto impossible.

Mr. JONES. Any bill failing to become law because of the so-called pocket veto could be reintroduced at the next session. I see no reason why such a bill should be made the continuing order.

Mr. FESS. It should be the executive secretary, I suppose, instead of the secretary of state.

Mr. JONES. So I would not be willing, Mr. Chairman, to accept the amendment.

Mr. SLAYDEN. Mr. Chairman, the suggestion in the latter part of the remarks of the gentleman from Virginia covered what I wanted to say, which was, in substance, this: That there is nothing to prevent the reintroduction of such a measure at the next session of the congress, or whatever it may be called, and its enactment. The only advantage I would see is that in effect it would become a special order and thereby hasten by a trifle its consideration.

Mr. FESS. The advantage is this, namely, that the governor would not likely put it in his pocket if he knew it was a continuing order and could be taken up at the next session. That is the main advantage. He would act upon it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. FESS].

The question was taken, and the amendment was rejected.

Mr. MILLER. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from Minnesota [Mr. MILLER] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 15, line 12, after the word "law," insert a colon and the following: "*Provided further,* That the President of the United States shall approve or disapprove an act submitted to him under the provisions of this section within six months from and after its passage and submission for his approval, and if not approved within such time it shall become a law, the same as if it had been specifically approved."

Mr. MILLER. Mr. Chairman, will the chairman of the committee indicate whether he is willing to accept this amendment or not?

Mr. JONES. I do not know of any special objection to it. I did not catch all of the language.

Mr. MILLER. It is the same as we adopted to the preceding paragraph, except that I notice the word "passage" is used there instead of "enactment."

Mr. JONES. I would be glad if the Clerk would report the amendment again and read it slowly, so that we can catch it, Mr. Chairman.

The CHAIRMAN. The Clerk will again report the amendment.

The amendment was again read.

Mr. JONES. It reads "if not disapproved within such time"?

Mr. MILLER. It is the same as the language of the preceding amendment that we adopted.

Mr. JONES. I have no objection to it.

Mr. MILLER. Mr. Chairman, I would like to ask unanimous consent to change the word "passage" in the amendment to the word "enactment," so that the language would be the same at this point as at other points in the bill.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent to modify the language of his amendment as indicated. Is there objection?

There was no objection.

Mr. QUEZON. Mr. Chairman, in justice to myself I wish to make a short statement to the committee. I am not at all satisfied with the provision of this bill regarding the appointment and the tenure of office of senators and representatives for the non-Christians. I have not, however, taken any part in the debate upon this subject, because, knowing, as I think I do, the reasons why the majority of the Committee on Insular Affairs thought it necessary to write those provisions, I was inclined to believe that it is more expedient to let them stand as they are.

It is evident, from the little I know of the sentiments of the membership of this House, that the idea of having the so-called senators and representatives appointed by the executive is as much abhorrent to them as it is to me, and so it is to make the tenure of office of those senators and representatives dependent upon the will of the executive. But, as I understand it, there was this practical question to meet by those responsible for the framing of the bill: They were aware that one of the most

debated features of the Philippine problem in this country is that of the administration and government of the non-Christian inhabitants of the archipelago So much has been said about the unfriendly relations between the Christians and non-Christians in the islands, incompetency of the former to deal with the latter, and other absurdities of this kind, that, unless some kind *of* peculiar provision was decided upon whereby a partial concession to that contention is made, this bill would have been assailed as unwise legislation, and perhaps it would have been insisted that the non-Christians should be left entirely out of the control of the Philippine Legislature. Why, Mr. Chairman, there has just been introduced an amendment to this bill creating a special commission, to be appointed by the President of the United States, vested with the exclusive power to legislate for the non-Christians.

There is another reason why I have not opposed this proposition upon this floor. As I understand it, this is only a temporary arrangement which the Philippine Legislature, with the approval of the Governor General, may, by enactment, change.

Mr. MILLER. Mr. Chairman, may I ask the gentleman a question?

Mr. QUEZON. Yes.

Mr. MILLER. Is it the gentleman's position that he does not approve the provisions of this bill intended to meet the situation? Does the gentleman believe that the provisions in this bill as they stand are not such as best to meet the situation with respect to the non-Christian tribes?

Mr. QUEZON. The gentleman is correct. I do not really approve of these provisions; but, as I said, I take them for reasons of expediency and because the Philippine Legislature herein provided and organized, with the approval of the Governor General, is empowered to amend that part of the law. I ask the gentleman from Virginia if I am not right?

Mr. JONES. Yes.

Mr. QUEZON. So that the legislature can meet this question?

Mr. JONES. Yes.

Mr. MILLER. I just wanted to get the gentleman on record clearly; that is all.

The CHAIRMAN. The question is on agreeing to the amendment as modified.

The question was taken, and the Chairman announced that the noes seemed to have it.

Mr. MILLER. I ask for a division, Mr. Chairman.

The CHAIRMAN. The gentleman from Minnesota asks for a division.

The committee divided; and there were—ayes 19, noes 0.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

Mr. BRYAN. Mr. Chairman, have we finished that section?

The CHAIRMAN. Yes. The Clerk will read.

The Clerk read as follows:

All laws enacted by the Philippine Legislature shall be reported to the Congress of the United States, which hereby reserves the power and authority to annul the same. If at the termination of any fiscal year the appropriations necessary for the support of government for the ensuing fiscal year shall not have been made, the several sums appropriated in the last appropriation bills for the objects and purposes therein specified, so far as the same may be done, shall be deemed to be reappropriated for the several objects and purposes specified in said last appropriation bill; and until the legislature shall act in such behalf the treasurer shall, when so directed by the Governor General, make the payments necessary for the purposes aforesaid.

Mr. STAFFORD. Mr. Chairman, I move to strike out the first sentence of the paragraph, which reads as follows:

All laws enacted by the Philippine Legislature shall be reported to the Congress of the United States, which hereby reserves the power and authority to annul the same.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Wisconsin [Mr. STAFFORD].

The Clerk read as follows:

Page 15, lines 19, 20, and 21, strike out the following language: "All laws enacted by the Philippine Legislature shall be reported to the Congress of the United States, which hereby reserves the power and authority to annul the same."

Mr. STAFFORD. Mr. Chairman, my main objection is to the reserve power of Congress at any time it sees fit, no matter how distant in the future after the enactment by the legislature, to annul some well-considered legislation that may even have been approved by the President of the United States.

In this bill we safeguard the interests of the Filipinos and the interests of the United States by reserving to the President the authority to veto all legislation relating to the tariff and revenue policy of the Philippine Islands, and also to their currency, and we further place a permissive veto power in the President's hands on all legislation that may be enacted by the legislature in reference to the forests, lands, and mining.

I assume that the committee, in singling out those subjects for special exception, considered that they were principal matters that should not become enacted into law without first being considered by the Philippine Legislature, by the Governor General, and then by the President of the United States.

To go to the further extreme and allow Congress at any time, without any limitation of time, to veto and annul all legislation, after perchance contract rights have become established, is, I think, going contrary to the spirit of this bill in seeking to vest in the Filipinos the right of self-government. I can not see wherein Congress should have that power, if we are safeguarding the interests of the Filipinos and also the interests of this Government wherein they are concerned, namely, in their tariff and currency system, or should go further than that. And, furthermore, I do not think that Congress is going to be concerned in passing upon that legislation after it passes the scrutiny of the President in the cases enumerated.

If it is the theory that the Congress should overlord the Government of the Philippines, well and good. We first appoint a Governor General whom we assume is capable. He is appointed by the President for the purpose of safeguarding the interests of the Filipinos; and then, in addition to that, we reserve to the President the absolute right to say that no tariff legislation and no currency legislation shall become law until approved by the President; and then, further, we reserve the qualifying veto that, if the legislation refers to forests, lands, or mines, the President may, within six months after its presentation to him, veto the same.

Mr. QUEZON. Will the gentleman yield?

Mr. STAFFORD. I am very glad to yield to my friend.

Mr. QUEZON. Of course, I sympathize with every proposition that tends to give more power to the Philippine Legislature; but I want to ask the gentleman if he does not think that after striking out of the bill that section the Congress will still have the power and the authority to annul the laws of the Philippine Legislature? In my opinion, Congress would still have that power.

Mr. STAFFORD. Of course, Congress is sovereign, but we are establishing in the organic act what shall be the policy of this Government. This provision is absolutely inconsistent with the other provisions of this law. We say to the Filipinos, "We are giving you some sort of autonomous government, at least so far as certain legislation is concerned," and then we are putting in here a qualifying clause that would nullify all that legislation at some time in the distant future. It is utterly in conflict with the theory of this bill.

Mr. QUEZON. I hope the gentleman will not misunderstand me. I do not want him to think, nor do I want to be put in the RECORD as not favoring the idea of letting the Philippine Legislature be untrammeled. I just want to be sure whether the gentleman thinks that if that section is stricken out Congress will no longer have the power to annul our laws.

Mr. STAFFORD. The Congress has the right at any time to change this law or to change the whole form of government in the Philippine Islands; but in the organic act itself we should not lay it down as a fundamental principle that we are intending to scrutinize and pass judgment on all the legislation that may be enacted by the Philippine Legislature. If I understand the purpose of this bill, it is that the Philippine Legislature shall be vested with absolute power in certain particulars to work out their own destiny. If they fail in that endeavor, then we will have to provide a substitute government; but the very idea of the gentleman is that they are fit for greater power than this bill confers. Why should we nullify the power we give them by proclaiming the idea that all the legislation that they pass shall be subject to the negativing power of Congress? It is not contemplated by any of us that we are going to pass upon their legislative acts.

Mr. JONES. The gentleman from Wisconsin seems to be very earnest about this.

Mr. STAFFORD. I certainly am.

Mr. JONES. I want to ask the gentleman if he was a Member of Congress 12 years ago.

Mr. STAFFORD. Unfortunately I was not.

Mr. JONES. I was going to say that if the gentleman was here he voted for a similar provision at that time as to Porto Rico and the Philippine Islands also.

Mr. STAFFORD. I came into Congress just after its enactment. But the fact that we passed a provision 12 years ago is not to say that to-day we ought to pass the same enactment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STAFFORD. I ask unanimous consent to proceed for two minutes more.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to proceed for two minutes. Is there objection?

There was no objection.

Mr. STAFFORD. The Filipinos have advanced under American guidance, by the aid of the Americans who have been sent there to educate them and instruct them in the art of government, until they have laid the foundations on which the Filipinos can build. When we took up the occupation 12 years ago they were new to government, but I hope that they are sufficiently advanced now—at least that is the contention of the gentleman from Virginia—so that we should give them some freedom, so that they may pass this legislation without having it submitted afterwards to the negative vote of Congress.

Mr. SLAYDEN. Has the gentleman time in two minutes to yield for a question?

Mr. STAFFORD. I yield to the gentleman from Texas.

Mr. SLAYDEN. Does not the gentleman think that Congress will have the power to make their enactments nugatory as long as the present relation between our Government and theirs continues to exist? Will not Congress continue to have that power if it chooses to exercise it?

Mr. STAFFORD. Yes; but we should not lay down here a principle that is inconsistent with the other provisions of this bill. The fundamental principle of this bill is that we are giving to the Filipinos absolute power to pass legislation on certain matters. Then we reserve to the President and the Governor General certain veto powers. No legislation affecting the tariff or the currency shall become effective until it has been approved by the President. Their legislation affecting mines, lands, and forests may be reviewed and may be vetoed by the President, but as to the other legislation this bill says their action shall be absolute. Now, why put in this qualifying clause and say that Congress shall have the authority to negative all that legislation when we do not intend to exercise that power?

Mr. SLAYDEN. It is a mere statement of fact. We have that power.

Mr. JONES. The gentleman from Wisconsin, in response to questions addressed to him by the Resident Commissioner [Mr. QUEZON] and by the gentleman from Texas [Mr. SLAYDEN], has admitted that, whether the language objected to by him is left in this bill or not, Congress will still have the right to annul any legislation passed by the Philippine Legislature. If that be so, it seems to me that the difference is just that between tweedledum and tweedledee. I can not understand how the gentleman can speak so earnestly upon a subject that he admits is of no practical moment. His position is that Congress undoubtedly has the power that is given in the bill, but that for some reason it should not declare that it possesses it.

Mr. STAFFORD. I take it that it should not be the declared policy of Congress when you are claiming that the Filipinos are after absolute independence.

Mr. JONES. I understand the gentleman to say that Congress can annul any act of the Philippine Legislature, but should not say that it can do so. I do not think there is any force in the gentleman's objection to the use of this language in the bill.

Mr. STAFFORD. Will the gentleman yield?

Mr. JONES. In a moment. I will say to the gentleman that this has been the policy of this Government with reference to the Philippines as well as to Porto Rico ever since those countries have been given civil government. Unfortunately, Congress never takes any notice of any act that is reported to it.

I recall, Mr. Chairman, that I recently asked the House to give its consent to have printed certain acts of the Porto Rican Legislature, which, as is required by law, were certified to Congress. The gentleman from Illinois [Mr. MANN] objected on the ground that Congress never paid any attention to these acts. I must admit that there was much truth in what the gentleman said.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken, and the amendment was rejected.

The Clerk, proceeding with the reading of the bill, read as follows:

SEC. 20. That the qualified electors of the Philippine Islands shall, on the first Tuesday in June, 1915, and at the general elections thereafter provided for the election of senators and representatives to the Philippine Legislature, elect two Resident Commissioners to the United States, who shall be entitled to an official recognition as such by all departments upon presentation to the President of a certificate of election by the Governor General of said islands. Each of said Resident Commissioners shall, in addition to the salary and expenses now allowed by law, be allowed the same sum for stationery and for the pay of necessary clerk hire as is now allowed to the Members of the House of Representatives of the United States, to be paid out of the Treasury of the United States, and the franking privilege allowed by law to Members of Congress. No person shall be eligible to election as Resident Commissioner who is not a bona fide elector of said islands owing allegiance to the United States and who is not more than 30 years of age and who does not read and write the English language. The two Resident Commissioners elected in June, 1915, shall hold their office from the first Monday in the month of December following until the 4th of March, 1919, and the term of their successors shall be for four years, beginning from the 4th of March following their election. In case of vacancy in the position of Resident Commissioner caused by resignation or otherwise, the Governor General may make temporary appointments until the next meeting of the Philippine Legislature, which shall then fill such vacancy; but the Resident Commissioner thus elected shall hold office only for the unexpired portion of the term wherein the vacancy occurred.

Mr. DONOVAN. Mr. Chairman, I move to strike out the last word. Mr. Chairman, I have been waiting patiently all day, having in mind what the gentleman from Massachusetts said was the purpose of the minority, and that was to prevent abuses. I have seen hardly a Member present from New England this afternoon, and in order that we may get some of them in I make the point of order that no quorum is present.

Mr. STAFFORD. Oh, the gentleman is in error. There are a great many Members from New England here—the gentleman from Massachusetts [Mr. GREENE], the gentleman from Maine [Mr. HINDS], and a dozen others.

Mr. DONOVAN. Well, Mr. Chairman, rather than get into a controversy over it I will withdraw the point. But there is not a single Member from Illinois and hardly a Member from the Middle States. [Laughter.] There is only one from New York, and only one from the whole Pacific coast.

Mr. TALCOTT of New York. I beg the gentleman's pardon. There are three or four right around him from New York.

Mr. DONOVAN. I was talking about the minority.

Mr. BRYAN. I take exception to the gentleman's remark about the Pacific coast. There are several here.

Mr. PAYNE. There are several Members from New York present on this side.

Mr. STAFFORD. And there are three here from Wisconsin, others from New York and Minnesota.

Mr. MILLER. And the majority is not represented by more than 15 Members.

Mr. SLAYDEN. Yes; but think of the quality. [Laughter.]

The CHAIRMAN. The gentleman from Connecticut withdraws his point of order.

Mr. CLINE. Mr. Chairman, I ask now to have my amendment to section 18, which was passed over some time ago, again reported as modified.

Mr. BUTLER. Mr. Chairman, what became of the point of order made by the gentleman from Connecticut?

The CHAIRMAN. The gentleman withdrew the point of order.

Mr. DONOVAN. Mr. Chairman, I compliment the State of Pennsylvania for having one Member present in order to ask a question, you are so seldom seen here.

Mr. MOORE. Mr. Chairman, are amendments now in order?

The CHAIRMAN. The gentleman from Indiana [Mr. CLINE] has an amendment pending.

Mr. CLINE. Mr. Chairman, I ask that the amendment as modified be again reported.

The Clerk read as follows:

At the end of section 18, line 11, page 14, insert a new section, as follows:

"The senators and representatives shall receive an annual compensation for their services, to be ascertained by law and paid out of the treasury of the Philippine Islands. The senators and representatives shall in all cases, except treason, felony, and breach of the peace, be privileged from arrest during their attendance at the session of their respective houses, and in going to and returning from the same; and for any speech or debate in either house they shall not be questioned in any other place."

Mr. JONES. Mr. Chairman, I will ask the gentleman if he does not think his amendment should come in as another paragraph?

Mr. CLINE. Yes; Mr. Chairman, I ask to modify the amendment, so as to have it come in as an additional paragraph instead of an additional section.

The CHAIRMAN. The gentleman from Indiana asks unanimous consent to modify his amendment, so that it will come in as an additional paragraph. Is there objection?

There was no objection.

The CHAIRMAN. Does the gentleman from Indiana wish to discuss it?

Mr. CLINE. Mr. Chairman, I am offering this amendment because I believe it is based upon the soundest public policy. The two branches of the Philippine Legislature constitute a coordinate branch with the other governmental forces of the islands. But

the assembly and the senate, constituting the Philippine Legislature, coordinate with themselves. Consequently, all those rules and regulations in which each is vitally interested should be fixed in the organic act. It has been said that in formulating, as we are here, a law that shall be the basis of legislation in the Philippines, we can not expect to designate other than the important objects to be acomplished and that the minor ingredients that are involved in the important objects are proper subjects for legislation. This is undoubtedly true. When this amendment was proposed to our Constitution the matter was referred to what was known as a detail committee, of which Mr. Madison was a member. His understanding of the province of an organic act was not different than what I have stated. And yet he insisted that the language I propose now to insert into the Philippine act should be inserted in our Constitution. The question as to the extent that legislative bodies should go in writing a constitution has frequently been raised in considering this bill. In connection with that proposition I desire to quote the language of Chief Justice Marshall, used in the McCulloch case, Fourth Wheaton, page 407:

> A constitution to contain an accurate detail of all the subdivisions of which its great powers will admit, and of all the means by which they may be carried into execution, would partake of the prolixity of a legal code, and could scarcely be embraced by the human mind. It would probably never be understood by the public. Its nature, therefore, requires that only its great outline should be marked, its important objects designated, and the minor ingredients which compose those objects be deduced from the nature of the objects themselves.

Undoubtedly with that understanding of their duties in mind the framers of the Constitution still wrote the amendment that I present into the Constitution of the United States. Let me call the committee's attention to the fact that there is the strongest reciprocal relation expressed between the members of the Philippine Legislature and the people they represent. It is undoubtedly true that for the proper conduct of public business members of the Philippine Congress should be "privileged from arrest during their attendance at the session of their respective houses, and going to and from the same," and that each legislator should be free and without restraint to express his well-grounded opinion and conviction upon any subject before that body, and he should not be held to an account for his opinion or for his speech in any other place. The people likewise have rights to be protected. It should be embodied in the organic law that for treason, felony, or breach of the peace no legislator should be permitted to shelter himself under the legislative cover of his own enactment. As I said before, these rights are so reciprocal, so based upon sound public policy, that in the United States they have been engrafted in almost identical terms in nearly every State constitution.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana.

The question was taken, and the amendment was agreed to.

Mr. MOORE. Mr. Chairman, I offer the following amendment.

The Clerk read a follows:

> Page 16, line 16, after the word "salary," strike out the words "and expenses," and on the same page, line 17, after the words "sum for," insert the words "mileage and."

Mr. MOORE. Mr. Chairman, I am as much inclined to be liberal with the members of congress of the Philippine Islands as any Member on the floor, but I question whether we ought to be more liberal with them than with ourselves. What the term "and expenses," in line 16, means I do not know. I do not know whether it is intended to include mileage or not. It is not so stated.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. MOORE. Yes.

Mr. COOPER. It says "expenses now allowed by law." The law allows them $2,000 for expenses in lieu of regular mileage that we receive.

Mr. MOORE. Does that include mileage?

Mr. SLAYDEN. That is the mileage.

Mr. COOPER. That is the mileage.

Mr. MOORE. They are allowed $2.000 for mileage?

Mr. COOPER. It is in lieu of mileage, and they also have a secretary.

Mr. MOORE. Mr. Chairman, the section proposes to give to each of the members in addition to the salary and expenses now allowed by law the same sum for stationery and pay of necessary clerk hire as is now paid Members of the House of Representatives of the United States. That does not appear to include mileage.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. MOORE. Yes.

Mr. STAFFORD. Instead of allowing the Philippine Commissioners the mileage based upon distance, the Congress has allowed them a limited sum for mileage of $2,000, and this provision carries that into the law.

Mr. MOORE. Is it the gentleman's understanding that $2,000 covers their entire pay and also their mileage and expenses?

Mr. STAFFORD. Oh, no; it covers merely their mileage allowance for traveling from the Philippines here and back.

Mr. MOORE Oh, this is for the Philippine Commissioners to the United States?

Mr. STAFFORD. Yes; the two Resident Commissioners who represent the Philippines in the Congress.

Mr. SLAYDEN. In addition to their salary as Commissioners, and in addition to the $2,000 which is given them in lieu of mileage on the distance basis, they are allowed by this provision clerk hire and stationery.

Mr. MOORE. Mr. Chairman, I offered this amendment under a misapprehension, and I ask unanimous consent to withdraw the same.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to withdraw his amendment. Is there objection?

There was no objection.

Mr. FESS. Mr. Chairman, I want to ask the chairman of the committee to interpret the phrase "bona fide elector of said islands, owing allegiance to the United States, and who is not more than 30 years of age," which occurs in lines 22, 23, 24, and 25, on page 16. What is the legal evidence of that status—"owing allegiance to the United States"?

Mr. MILLER. In other words, does it refer to the islands or to the Commissioners?

Mr. FESS. Yes.

Mr. MILLER. And if it refers to the Commissioners, just what condition of allegiance?

Mr. JONES. Mr. Chairman, I do not think there is any difficulty about that. There has been some question heretofore as to the use of the words "bona fide." I think the gentleman from Minnesota [Mr. MILLER] or some gentleman on that side suggested the word "actual" in lieu of the words bona fide.

Mr. MILLER. That was simply because the word "actual" had previously been used in the bill.

Mr. JONES. I said at that time that I did not understand that there was any difference between the word "actual" and the words "bona fide" as they were used. Of course, owing allegiance to the United States applies to the Resident Commissioners and not to the islands. The language is plain, and I will read it:

> No person shall be eligible to election as Resident Commissioner who is not a bona fide elector of said islands owing allegiance to the United States and who is not more than 30 years of age.

Mr. MILLER. The gentleman can readily see that any construction of that language suggests that "owing" refers to the islands fully as much as to the Commissioners, and possibly more.

Mr. JONES. If that were true it would make no difference, but it can not be true.

Mr. QUEZON. That is copied from the old law.

Mr. MILLER. Even though the old law made a mistake, we do not want to repeat it here.

Mr. JONES. As has been suggested, this language is an exact copy of the law passed by Congress 12 years ago and for which the gentleman's party is responsible.

Mr. MILLER. Mr. Chairman, I would like to ask the gentleman a question.

Mr. JONES. Therefore, I may refer the gentleman's question to the gentleman from Wisconsin [Mr. COOPER], who was chairman of the committee at that time.

Mr. STAFFORD. The gentleman from Wisconsin has just left the Chamber.

Mr. MILLER. "No person shall be eligible to election as Resident Commissioner," assuming that the construction of the chairman of the committee is correct, "who is not a bona fide elector of said island and who does not owe allegiance to the United States." Now, that would make it clearer, as far as the language is concerned.

Mr. GARRETT of Tennessee. Will the gentleman yield for a question?

Mr. MILLER. Certainly.

Mr. GARRETT of Tennessee. The question the gentleman suggests is a differentiation in his mind between "islands" and "persons."

Mr. MILLER. Yes.

Mr. GARRETT of Tennessee. Clearly that differentiation is proper. The word "islands," as used in this relation, undoubt-

edly means the physical land which is there. That being the case, you could not have land owing allegiance. The land could not owe allegiance to the United States. It is nothing but the individual who could owe allegiance.

Mr. MILLER. The gentleman can offer a very excellent argument on that hypothesis, but the language is "islands owing allegiance to the United States," and I can readily conceive how that phraseology may mean territory from which the man comes is part of territory owing allegiance to the people of the United States.

Mr. JONES. I will say to the gentleman that I have the organic law in my hand. It provides:

That no person shall be eligible at such election who is not a qualified elector of said islands owing allegiance to the United States, and who is not 30 years of age.

That has been the law for the past 12 years, and there has never been any confusion or question about it, and it seems to me——

Mr. MILLER. It is not that which bothers me. I am willing to accede to the gentleman's construction that the word "owing" refers to the commissioner and not to the islands; but let us see where that leaves us. Now, just exactly what qualification must a Resident Commissioner enjoy that will enable him to comply with these requirements; that is, what must he do to owe allegiance to the United States?

Mr. GARRETT of Tennessee. He does not have to do anything. If he is a resident and citizen of the islands, he does owe allegiance to the United States.

Mr. MILLER. Is the gentleman quite sure about that?

Mr. QUEZON. Unless he is in actual rebellion.

Mr. MILLER. Does he owe allegiance to the Philippine Government?

Mr. JONES. May I ask the gentleman a question?

Mr. MILLER. Certainly.

Mr. JONES. Does the gentleman owe allegiance to the United States Government?

Mr. MILLER. I certainly do.

Mr. JONES. What does the gentleman have to do to show that?

Mr. MILLER. I have taken the oath of office, for one thing, in which I state that I do.

Mr. JONES. The gentleman from the Philippines also has to take an oath of office.

Mr. MILLER. That is after he has been elected, but this says "no person shall be eligible."

Mr. JONES. There is no difference between the gentleman from Minnesota and the gentleman from the Philippines in that respect.

Mr. MILLER. But this says that no person shall be eligible to the office. I yield now to the gentleman from Ohio.

Mr. FESS. In line 23 the differentiation there is "who is not a bona fide elector." In line 24, "who is not more than 30 years of age." Line 25, "who does not read and write." You have the expression very clearly in the three lines. Now, instead of saying "allegiance," why not insert "and who does acknowledge allegiance to the United States"?

Mr. MILLER. I think that would be a decided improvement.

Mr. FESS. You have a rhetorical sentence, and one that can not have any ambiguity in it.

Mr. MILLER. I think that would be a decided improvement, but I think there may be some technical difficulty in this language requiring the Resident Commissioner to owe allegiance to two sovereignties. We will assume the sovereignty of the United States extends over the islands, and to that extent he can owe allegiance to the United States and be a Filipino.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SLAYDEN. Mr. Chairman, I would like to have the attention of the gentleman from Ohio for a moment and ask him to read again, so that the gentleman from Virginia may hear it, the change in the language that he suggests, and which I believe does make a much simpler and clearer sentence.

Mr. JONES. I do not understand that there is anything before the committee.

Mr. SLAYDEN. There was an amendment offered, I understood.

Mr. FESS. The language I suggested would be "and who does not acknowledge," so it would read:

No person shall be eligible to election as Resident Commissioner who is not a bona fide elector of said islands and who does not acknowledge allegiance to the United States, and who is not more than 30 years of age, and who does not read and write—

And so on.

Mr. JONES. Let me see in just what line it is.

Mr. FESS. It comes after the word "islands," in line 23. Strike out the word "owing," in line 23, and insert "who does not acknowledge."

Mr. DONOVAN. Mr. Chairman, I think we ought to adjourn. There does not seem to be any business going on here.

Mr. SLAYDEN. We are trying to agree on the phrasing of an amendment.

Mr. MILLER. Mr. Chairman, I wanted to offer an amendment, so that there would be something pending.

Mr. SLAYDEN. I understand that the gentleman from Ohio [Mr. FESS] offered an amendment. I yield the floor now.

The CHAIRMAN. The Chair does not understand the gentleman from Ohio [Mr. FESS] offered an amendment.

Mr. FESS. Mr. Chairman, I meant to offer an amendment that, after the word "islands," on page 16, line 23, strike out the word "owing" and insert in lieu thereof the words "and who does not acknowledge."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 16, line 23, after the word "islands," strike out the word "owing" and insert in lieu thereof the words "and who does not acknowledge."

So that the amended lines will read:

No person shall be eligible to election as Resident Commissioner who is not a bona fide elector of said islands and who does not acknowledge allegiance to the United States.

Mr. JONES. What was the language as last modified, Mr. Chairman?

The CHAIRMAN. The Clerk will again report the amendment.

The amendment was again reported.

Mr. JONES. Mr. Chairman, if the gentleman would be willing to put it in this language, "who does not owe allegiance."

Mr. FESS. Mr. Chairman, I accept it. The word "acknowledge" does not necessitate going to court.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to modify his amendment.

Mr. STAFFORD. Reserving the right to object, will the chairman of the committee kindly take us into his confidence and inform us when he intends to move that the committee rise?

Mr. JONES. We have gone so slowly on this bill that I would like to get along a little further before I make the motion.

Mr. STAFFORD. There are several amendments to this section, and as 5 o'clock is the usual rising hour——

Mr. JONES. Let us offer the amendments to this section, anyhow.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio [Mr. FESS] to modify his amendment? [After a pause.] The Chair hears none. The question is on the amendment offered by the gentleman from Ohio [Mr. FESS].

The amendment was agreed to.

Mr. TOWNER. Mr. Chairman, I move to strike out in line 6, on page 17, the word "four" and insert the word "six" in lieu thereof.

The CHAIRMAN. The gentleman from Ohio offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 17, line 6, strike out the word "four" and insert in lieu thereof the word "six."

Mr. TOWNER. I will not take any time, Mr. Chairman, in discussing it. The gentleman understands the necessity for it.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. STAFFORD. Mr. Chairman, I think it is a serious question that is involved in the amendment offered by the gentleman from Iowa, as to whether we should lengthen the term of the Resident Commissioners, which is now two years, to six years.

Mr. JONES. It is now four years.

Mr. STAFFORD. Four years as provided in this bill and under existing law?

Mr. JONES. Yes.

Mr. STAFFORD. I was under a misapprehension. Even then it is quite questionable whether the same persons, without any right of recall, should be serving in this Chamber for the lengthy period of a six-year term. I know the difficulty that is confronting the chairman and the members of the committee. You have provided for triennial elections, and therefore you would have a hiatus if you provided merely for four years.

Mr. JONES. I was about to ask the gentleman if he was present when we had the discussion over it a day or two ago.

Mr. STAFFORD. I have been present at all times during the consideration of this important bill.

Mr. SLAYDEN. I was willing and the Commissioner from the Philippines was perfectly willing to reduce it to three years, but the gentleman from Illinois [Mr. MANN] pointed out that that would not correspond with our terms here, and you have either got to reduce it to two years——

Mr. STAFFORD. You can not make it two.

Mr. JONES. You have either got to put it at six years or make some other change. To leave the term at four years will necessitate the holding of an additional election throughout the islands.

Mr. STAFFORD. It seemed to me that the period was very long for the Philippines to be represented in this body at one time by the same persons without opportunity for a change.

Mr. JONES. I agree with the gentleman about that, but there does not seem to be any other practical way of settling it.

Mr. STAFFORD. When the question was last under consideration the gentleman from Virginia recognized the difficulty that was pointed out by the gentleman from Illinois [Mr. MANN], and I did not know that he had since considered it. But if he has since considered it and thinks it is impossible of correction, of course we are confronted with a condition that has to be met.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. I yield to my friend from Tennessee.

Mr. GARRETT of Tennessee. I make this suggestion to the gentleman, that there is nothing in this law regarding the election of Resident Commissioners which provides that they should have seats in this body, nor was there anything in the original law; and so far as I know it was not necessarily in contemplation, at the time the Resident Commissioners were provided for in this organic act, that they should have seats in the Congress. The great bulk of the duties of Resident Commissioners lies elsewhere than in this body, and there is no provision in the rules of the House now that gives the Resident Commissioners seats on the floor of the House. The custom is at the beginning of each Congress to introduce a resolution to the effect that during that Congress they should be admitted to seats in the House and be permitted to participate in the debates. So there will be no danger, I think, about the question of the length of their terms. The great bulk of their duties is not here at all.

Mr. STAFFORD. On second thought, Mr. Chairman, Congress is surrendering, so far as legislation is concerned, its right over many matters and transferring it to the Philippine Legislature as provided for in this bill, and therefore I see that we have a practical condition to meet, and I shall not oppose the amendment.

But in that connection I would like to inquire if the gentleman does not want to follow that up with another amendment, to change the dates here as to when the terms of these Commissioners shall begin and expire? I direct the gentleman's attention to the fact that there are some dates predicated upon a four-year term of office, and ask if that will not have to be changed if we lengthen the time to six years?

Mr. JONES. I do not know of any dates that would have to be changed. The term of office would begin on the 4th day of March following their election. They would be elected in June.

Mr. STAFFORD. Let me read to the gentleman:

The Resident Commissioners elected in June, 1915, shall hold their office from the first Monday in the month of December following until the 4th of March, 1919.

That would be for a four-year term. There would be no election at that time, and the term of their successors is to be six years, beginning with the 4th of March following their election. If you follow that up, you will find that there will be no election held in the year following March 4, 1919. That will have to be corrected. I do not know whether you have given consideration to that or not.

Mr. JONES. That would be "1921," I suppose. The other amendment has not been adopted yet, has it, Mr. Chairman?

The CHAIRMAN. An amendment is pending, offered by the gentleman from Iowa [Mr. TOWNER]. The question is on agreeing to that amendment.

The amendment was agreed to.

Mr. JONES. Now, Mr. Chairman, I offer this amendment: Page 17, line 5, strike out "nineteen" and substitute for it the word "twenty-one."

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Virginia.

The Clerk read as follows:

Page 17, line 5, strike out the word "nineteen" and insert in lieu thereof the word "twenty-one."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Virginia [Mr. JONES].

Mr. CLARK of Florida. Mr. Chairman, I move to strike out the last word, in order to present some resolutions.

The CHAIRMAN. In just a moment. The question is on agreeing to the amendment offered by the gentleman from Virginia.

The amendment was agreed to.

The CHAIRMAN. Now the Chair will recognize the gentleman from Florida.

Mr. CLARK of Florida. Mr. Chairman, I ask unanimous consent to print in the RECORD a copy of resolutions passed by the Ocala Board of Trade with reference to river and harbor matters.

The CHAIRMAN. The gentleman from Florida [Mr. CLARK] asks unanimous consent to print in the RECORD resolutions adopted by the Board of Trade of Ocala, Fla., as to river and harbor improvements.

Mr. PAYNE. Mr. Chairman, we did not hear the gentleman here.

Mr. CLARK of Florida. I asked unanimous consent to print in the RECORD resolutions adopted by the Board of Trade of Ocala with reference to rivers and harbors. They are very short.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read as follows:

SEC. 22. That, except as provided otherwise in this act, the executive departments of the Philippine Government shall continue as now authorized by law until otherwise provided by the Philippine Legislature. When the Philippine Legislature herein provided shall convene and organize, the Philippine Commission, as such, shall cease and determine and the members thereof, except the Governor General and heads of executive departments, shall vacate their offices as members of said commission. The Philippine Legislature may thereafter by appropriate legislation increase the number or abolish any of the executive departments, or make such changes in the names and duties thereof as it may see fit, and shall provide for the appointment and removal of the heads of the executive departments by the Governor General, and may provide that heads of executive departments shall have seats in either or both houses of the legislature, with the right of debating or voting or both: *Provided*, That all executive functions of the Government must be directly under the Governor General or within one of the executive departments under the supervision and control of the Governor General. There shall be established by the Philippine Legislature a bureau, to be known as the bureau of non-Christian tribes, which said bureau shall be embraced in one of the executive departments to be designated by the Governor General, and shall have general supervision over the public affairs of the inhabitants of the territory represented in the legislature by appointive senators and representatives.

Mr. TOWNER. Mr. Chairman, I have an amendment to submit to this paragraph, but I think it would be better to submit it to-morrow; and I am willing that the gentleman from Virginia should move that the committee do now rise.

Mr. JONES. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. FLOOD of Virginia, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands, and had come to no resolution thereon.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. FOSTER, indefinitely, on account of illness.

To Mr. SELDOMRIDGE, for three weeks, on account of illness in his family.

To Mr. WATSON, for two days, on account of sickness in family.

CHANGE OF CONFEREES.

The SPEAKER laid before the House the following communication:

IN THE SENATE OF THE UNITED STATES,
October 8 (calendar day October 12), 1914.

Mr. SMITH of Arizona was excused as one of the conferees on the bill (H. R. 14233) to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes, and Mr. THOMPSON was appointed in his stead.

Attest: JAMES M. BAKER,
Secretary.

ENROLLED BILLS SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 13296. An act for the enlargement, etc., of the Wall Street front of the assay office in the city of New York; and

H. R. 12161. An act to remove the charge of desertion against John Mitchell.

ADJOURNMENT.

Mr. JONES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 12 minutes p. m.) the House adjourned until Tuesday, October 13, 1914, at 12 o'clock noon.

EXECUTIVE COMMUNICATION.

Under clause 2 of Rule XXIV, a letter from the Secretary of Commerce, transmitting part 2 of the Annual Report of the Commissioner of Lighthouses for the fiscal year ended June 30, 1914, containing, in pursuance of provisions of section 8 of the act of June 17, 1910, a list of purchases made by private contract or in open market, with the reasons for such purchase, during the fiscal year 1914, of materials and supplies for the use of the Lighthouse Service (H. Doc. No. 1174), was taken from the Speaker's table, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. DRISCOLL, from the Committee on Rivers and Harbors, to which was referred the joint resolution (H. J. Res. 366) authorizing the Secretary of War to use any allotment made under the provisions of an act approved October 2, 1914, entitled "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," for the improvement of East River and Hell Gate, N. Y., reported the same with amendment, accompanied by a report (No. 1185), which said joint resolution and report were referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. HENRY (by request): A bill (H. R. 19245) for the temporary relief of cotton and tobacco growers of the United States; to the Committee on Banking and Currency.

By Mr. DENT (by request): A bill (H. R. 19246) to amend section 70 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911; to the Committee on the Judiciary.

By Mr. POU: A bill (H. R. 19247) to provide emergency issue of bonds; to the Committee on Banking and Currency.

By Mr. HARDWICK: A bill (H. R. 19248) to provide for the issue and sale of the Panama Canal bonds and for the deposit of their proceeds in certain banks; to the Committee on Banking and Currency.

By Mr. BARCHFELD: A bill (H. R. 19249) authorizing the Secretary of War to donate two condemned bronze or brass cannon or fieldpieces and a suitable outfit of cannon balls to the town of Homestead, Pa.; to the Committee on Military Affairs.

By Mr. SELDOMRIDGE: A bill (H. R. 19250) relating to desert-land entries; to the Committee on the Public Lands.

By Mr. VAUGHAN: Joint resolution (H. J. Res. 368) proposing an amendment to the Constitution of the United States; to the Committee on the Post Office and Post Roads.

Also, joint resolution (H. J. Res. 369) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. COLLIER: Joint resolution (H. J. Res. 370) authorizing the Secretary of War to use any allotment made under the provisions of an act approved October 2, 1914, entitled "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," for the improvement of Vicksburg Harbor at Vicksburg, Miss.; to the Committee on Rivers and Harbors.

By Mr. HENRY: Resolution (H. Res. 643) for the consideration of S. 6505, S. 6266, H. R. 19203, S. 6398, and H. R. 15038; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AINEY: A bill (H. R. 19251) granting an increase of pension to William Hill; to the Committee on Invalid Pensions.

By Mr. BAILEY: A bill (H. R. 19252) for the relief of James Nolen; to the Committee on Military Affairs.

By Mr. CLARK of Florida: A bill (H. R. 19253) granting a pension to George S. Salts; to the Committee on Pensions.

Also, a bill (H. R. 19254) granting an increase of pension to Johanna Covert; to the Committee on Invalid Pensions.

By Mr. DERSHEM: A bill (H. R. 19255) granting a pension to Hannah Boyer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19256) granting an increase of pension to John H. Condon; to the Committee on Invalid Pensions.

By Mr. SELDOMRIDGE: A bill (H. R. 19257) granting an increase of pension to David L. Finch; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19258) granting an increase of pension to George O. Stevens; to the Committee on Invalid Pensions.

By Mr. TEN EYCK: A bill (H. R. 19259) for the relief of Bridget Mooney; to the Committee on Pensions.

By Mr. WHITE: A bill (H. R. 19260) granting a pension to Florence D. Hanna; to the Committee on Pensions.

Also, a bill (H. R. 19261) granting an increase of pension to Thomas R. Thompson; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. AINEY: Petitions of Dr. William Rice, of Rome, Pa., and the Hostetter Co., of Pittsburgh, Pa., protesting against tax on drugs; to the Committee on Ways and Means.

By Mr. BAILEY: Petitions of T. A. Werble, of Panco; F. J. Strittmatter and wife, of Edensburg; Will F. Gordon and William Sibert, of Hastings; and Goeuner & Co., Fronheiser & Schuster, Elizabeth and Catherine Goeuner, W. W. Campbell, of Johnstown, all in the State of Pennsylvania, protesting against war tax on automobiles and auto factories; to the Committee on Ways and Means.

Also, petition of the Turner Drug Co., of Altoona, Pa., F. W. Jordan, jr., and John R. Doll, of Bedford, Pa., protesting against war tax on drugs; to the Committee on Ways and Means.

By Mr. BALTZ: Petition of various residents of the twenty-second district of Illinois, relative to taxation of mail-order business; to the Committee on Ways and Means.

By Mr. BARCHFELD: Petition of the Germain Lumber Co., of Pittsburgh, Pa., against enactment of legislation preventing the purchase of stamped envelopes with business cards printed thereon; to the Committee on the Post Office and Post Roads.

Also, memorial of the Chamber of Commerce of Pittsburgh, Pa., favoring House bill 4809, fixing the standard barrel of fruit; to the Committee on Coinage, Weights, and Measures.

By Mr. BRITTEN: Memorial of the Woman's Party of Cook County, Ill., relative to tax on land values; to the Committee on Ways and Means.

By Mr. BRODBECK: Petition of the Steling Furniture Co., of Railroad; Wentz Bros. & Frey, of Hammer; C. A. Blochee, of Gettysburg; Haflugh & Co., of Philadelphia; and the Farmers' Bank, of McSherrytown, all in the State of Pennsylvania, protesting against bill prohibiting sale of return envelopes by the United States Government; to the Committee on the Post Office and Post Roads.

By Mr. CAMPBELL: Petition of 40 citizens of Winfield, 1,075 citizens of Pittsburgh, 195 citizens of Cherokee, 202 citizens of Moline, 670 citizens of Parsons, 63 citizens of Thayer, and 1,075 citizens of Cherryvale, all in the State of Kansas, favoring national prohibition; to the Committee on Rules.

By Mr. CARY: Petition of Local United Lodge, No. 66, International Association of Machinists, protesting against House bill 17890, relative to stop watch in Government departments; to the Committee on the Judiciary.

Also, petition of E. P. Bacon & Co. and the Milwaukee Chamber of Commerce, protesting against tax on grain sales; to the Committee on Ways and Means.

Also, petition of A. R. Eberle, of Milwaukee, Wis., protesting against war tax on drugs; to the Committee on Ways and Means.

By Mr. DALE: Petitions of Hon. James W. Stevens, mayor of Albany, N. Y., and the Chamber of Commerce of Cohoes, N. Y., favoring the establishment of the proposed Government armor-plate plant at Breakers Island, N. Y.; to the Committee on Naval Affairs.

Also, petitions of H. Planter & Sons and S. V. B. Swann, of Brooklyn, and the Morgan Drug Co., of Brooklyn and New York City, protesting against war tax on proprietary medicines; to the Committee on Ways and Means.

Also, petition of the New York State Millers' Association, of New York City, and the Thompson Milling Co., of Lockport, N. Y., favoring the passage of the Moss grain bill (H. R. 17329); to the Committee on Agriculture.

Also, petition of S. Glasroff, Alex Gardner, Otto Reubedeetow, the Kings County Pharmaceutical Association, and Charles Kilian, of Scales Mound, N. Y., and H. Plantin & Son, of Brooklyn, N. Y., protesting against tax on proprietary medicines; to the Committee on Ways and Means.

By Mr. DERSHEM: Petition of 61 citizens of Mifflin, Pa., favoring national prohibition; to the Committee on Rules.

By Mr. EAGAN: Petition of the Peter Breidt City Brewery Co., of Elizabeth, N. J., protesting against war tax on beer; to the Committee on Ways and Means.

Also, petition of Jac. B. Zimmermann, of Guttenberg, N. J., protesting against war tax on proprietary medicines; to the Committee on Ways and Means.

By Mr. ESCH: Petition of the National Association of Life Underwriters, favoring national department of health; to the Committee on Interstate and Foreign Commerce.

By Mr. FINLEY: Petition of the Gregory Hood Live Stock Co., of Lancaster, S. C., against tax on automobiles; to the Committee on Ways and Means.

Also, petition of the Standard Drug Co., R. F. Kee, J. F. Mackey & Co., C. L. McManus, the Lancaster Pharmacy, W. F. Laney, the Lancaster Drug Co., I. E. Foster, the People's Drug Co., and E. C. Mackey, all of Lancaster, S. C., against tax on drug business; to the Committee on Ways and Means.

By Mr. FITZGERALD: Petition of the National Association of Life Underwriters, of New York, favoring creation of a national department of health; to the Committee on the Judiciary.

By Mr. MAGUIRE of Nebraska: Petition of sundry citizens of Syracuse, Nebr., favoring passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. J. I. NOLAN: Protest of Arthur T. Vance, editor of the Pictorial Review, of New York, N. Y., against House bill 10238, to amend the copyright law; to the Committee on the Library.

Also, resolutions of Yosemitie Tribe, No. 103, Independent Order of Red Men; Rienhold Richter Camp, No. 2, United Spanish War Veterans; Alpha Neighborhood Club; Independent Order of Odd Fellows' Military Band; and the Monadnock Tribe, No. 100, Independent Order of Red Men, all of San Francisco, Cal., representing a total membership of 1,146, favoring the passage of the Hamill bill, to pension superannuated Federal civil-service employees; to the Committee on Reform in the Civil Service.

By Mr. RUPLEY: Petition of the Wrigley Chewing Gum Co., of Chicago, Ill., protesting against tax on chewing gum; to the Committee on Ways and Means.

Also, petitions of the Hostetter Co., of Pittsburgh; W. L. Bucher, of Columbus; and E. Z. Gross and George A. Gorcas, of Harrisburg, all in the State of Pennsylvania, protesting against war tax on drugs; to the Committee on Ways and Means.

By Mr. SAUNDERS: Petitions of George W. Whitlow and others, C. B. Dixon and others, and M. J. Compton and others, all of the State of Virginia, relative to personal rural credit bill; to the Committee on Banking and Currency.

Also, petitions of 500 citizens of Bentons Camp, Va., and 70 citizens of Houston, Va., favoring national prohibition; to the Committee on Rules.

By Mr. TAVENNER: Petitions of 68 members of the First Baptist Church of Colchester, Ill., and 80 members of Cedar Creek (Ill.) Baptist Church, favoring national prohibition; to the Committee on Rules.

By Mr. THACHER: Petition of the Woman's Christian Temperance Union of South Chatham, Mass., favoring national prohibition; to the Committee on Rules.

By Mr. THOMAS: Petition of various farmers of Big Reedy, Ky., favoring financial relief for farmers in present emergency; to the Committee on Banking and Currency.

SENATE.

TUESDAY, *October 13, 1914.*

(Legislative day of Thursday, October 8, 1914.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

THE COTTON SITUATION IN THE SOUTH.

Mr. SMITH of Georgia. Mr. President, I wish to present to the Senate this morning a few telegrams and two or three letters. I can, of course, read them myself, but I would prefer to send them to the desk and let the Secretary read them. The first is a telegram from the president of the State Bankers' Association of Georgia.

The VICE PRESIDENT. Is there objection? The Chair hears none. The Secretary will read.

The Secretary read as follows:

AMERICUS, GA., *October 12, 1914.*

Hon. HOKE SMITH,
United States Senate, Washington, D. C.:

If possible hold Congress in session until some action is taken to provide some relief for the people of the cotton-growing States. The cotton market is now flat and approaching the 5-cent-per-pound level in the interior, with the demand very limited. Imperative something be done. It appears that the governors and legislators of the cotton States can not agree or unite on any plan for relief. The interest of the entire country involved in the threatened disaster to the South. You fully realize the gravity of the situation, and I feel sure will exercise your every effort to obtain relief.

L. G. COUNCIL,
President Georgia Bankers' Association.

Mr. SMITH of Georgia. The next telegram I send to the desk is from the editor of the Ruralist, an agricultural paper with a circulation of something like 250,000 subscribers. He is a man of conservatism, and a scholar.

The Secretary read as follows:

ATLANTA, GA., *October 12, 1914.*

Hon. HOKE SMITH,
United States Senate, Washington, D. C.:

Just returned from extended trip over cotton section. Conditions are infinitely worse than press finds expedient to publish. We all fear that unless relief comes through national or United States action horrible conditions will soon develop. Am leaving to-night for Fort Worth, Tex., to attend farmers' national congress in hope of lining up concerted effort.

H. E. STOCKBRIDGE.

Mr. SMITH of Georgia. The next telegram is from a well-informed resident of a rural section.

The Secretary read as follows:

CALHOUN, GA., *October 12, 1914.*

Senator HOKE SMITH, *Washington, D. C.:*

Banks having to push collection. Farmers being compelled to sacrifice their cotton around 6 cents. This spells ruin to many and honest, hard-working families. Many women and children in the South will suffer the coming winter for lack of food and clothing, although no fault of theirs, a guarantee reduction of next year's crop will put price where people can live. Act before it is too late. Quick action is what the South desires and wants. Please hand to President Wilson.

Your friend,

P. M. BOAZ.

Mr. SMITH of Georgia. I ask to have incorporated in the RECORD two short letters from farmers. They present the case as it affects the farmer and the tenant farmer.

The VICE PRESIDENT. Without objection, it is so ordered.

The letters referred to are as follows:

LUTHERSVILLE, GA., *October 9, 1914.*

Hon HOKE SMITH.

DEAR FRIEND: Several of my friends have asked me to write you in regard to cotton. Now, you see our condition: We have gone ahead and bought everything this year at a high price; you know, everything was based on 13-cent cotton; now the guano men want us to sell our cotton and pay the money for our guano. Now, cotton is selling for 6½ cents for grade 4 to-day. Now, my guano account this year is $252.90, so, at 6½ cents for cotton, it will take about eight bales to pay this account. Now, if cotton was selling for 13 cents, like it was when I bought the guano, it would only take about four bales at 13 cents. So it is with everything the farmer bought this year; so when you begin to think about the farmer, he is in bad luck. Now, you see, we farmers depend on our cotton for our money. Now, you see, they are just giving us half price for our cotton; so, you know, if our cotton don't pay our debts, they will take everything the farmer has. You know, they can take the last grain of corn, fodder, and everything that way; the last cow and hog. You know the law gives them that authority. I know the law gives the farmer a chance to bankrupt and homestead; but it is this way with the farmer: Now, if the farmer has got to go to the devil to save his stuff, the farmer had rather see the other fellow take the stuff. I hope it will be so you good men can protect us farmers at once, for we need help at once. The farmers have lost hope, so they are turning their cotton over at these ungodly prices.

Your friend,

LUTHER KEITH.

LYERLY, GA., *October 10, 1914.*

Hon. HOKE SMITH, *Washington, D. C.*

DEAR SIR: I received your speech. I tell you, unless something is done to help out the cotton farmer, and that soon, it need not be done at all, for if this cotton crop has to be sacrificed at present prices, the poor tenant farmer is ruined and can not go on to make another crop,

but will be compelled to go to something else to support his wife and children. But it seems, now, to me if something is not done soon we are ruined here. Our debts are coming due, and we have no money to pay them with, and our only hope was our cotton. We haven't the money to pay our taxes on our homes. We can't pay our fertilizer bill nor any other debt. We can sacrifice the cotton, but still the debts are left unpaid, and the tax man will soon be closing out on us for taxes, and for our guano the companies want their money, and our notes for the fertilizer are due the 15th of this month. I can't see how we are to do, but hope some plan will come to our aid that will save us from bankruptcy.

Your friend, G. A. RAGLAND, Sr.

Mr. SMITH of Georgia. Now, Mr. President, I desire to present to the Senate a letter from Mr. Charles W. Macara, president of the International Federation of Master Cotton Spinners and Manufacturers' Associations. I do not ask to have it read. My desire is that it may be embraced in the RECORD, for the information of Senators and those interested.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE COTTON INDUSTRY—PLEA FOR RESERVES OF CROP.

15 CROSS STREET, MANCHESTER, *September 19.*

To the Editor of the Textile Mercury.

SIR: No industry has been more seriously affected by the war than the cotton industry, and, although everything possible has been done to keep the mills running, yet we are still confronted with the serious problem of how the great population which finds its employment in the spinning and manufacturing of cotton can be kept at work.

This industry, as is well known, is very largely an over-sea industry, all its raw material being imported, and more than three-quarters of the production of the spindles and looms being exported. The great difficulties that have to be grappled with at the present time will be readily realized.

One of these difficulties arises from the overplus of cotton consequent upon the partial or complete stoppage of the cotton mills on the European Continent. For years past I have been advocating the establishment of cotton reserves, and now is the time to put this suggestion into operation. Unless something of this kind is done I fear the outlook for everyone engaged in the growing and manufacturing of cotton is very serious indeed. For years the cotton industry of the world has been requiring more and more cotton, and the mills for its manufacture have been increased in excess of both the raw material and labor available. Much propaganda work has been carried on since the International Cotton Federation was founded 10 years ago to improve the yield of the existing fields, and to open up new ones in any part of the world where it can be done successfully.

I have always viewed with misgiving the possibility of circumstances arising in connection with exceptionally large yields of cotton—or with such a condition as has arisen now—which would seriously affect the interests of the growers of cotton and so discourage them in their work. The cotton plant is subject to many vicissitudes, and from that standpoint I have always urged that, if possible, a reserve should be created in times of plenty, for, unlike most other agricultural products, cotton suffers no deterioration if properly packed and stored. This problem is one of such magnitude and of such importance to so many millions of people that it ought to be coped with in a broad and statesmanlike manner. I see no way of dealing with it except by Government action.

It is impossible to lose sight of the fact that, owing to the great destruction of foodstuffs, it might be necessary to extend their production considerably, and this is a factor which will have to be considered in the planting of the next season's crops.

In conclusion, I would say that until a stable price for the raw material is assured there will be an absence of confidence, which must of necessity have a serious effect upon the running of the mills and the employment of the operatives. Everything that can be done must be done to restore this confidence.

I am, yours, faithfully,

CHARLES W. MACARA,
President International Federation of Master Cotton Spinners and Manufacturers' Association.

PETITIONS AND MEMORIALS.

Mr. PERKINS presented a petition of the Inland Waterways Association of Stockton, Cal., praying for an appropriation for the building of levees to protect the Imperial Valley from overflow of the Colorado River, which was referred to the Committee on Irrigation and Reclamation of Arid Lands.

He also presented a petition of the Angelo City Court, Catholic Foresters, of Los Angeles, Cal., praying for the enactment of legislation to provide pensions for civil-service employees, which was referred to the Committee on Civil Service and Retrenchment.

He also presented memorials of F. C. Ackerman, of Yreka; the Elmore Pharmacy, of Red Bluff; the Rexall Club, of Redwood City; the Owl Drug Co. of San Francisco; of W. H. Farley, of Berkeley; of C. W. Armstrong, of Calistoga; and of the San Bernardino Drug Co., all in the State of California, remonstrating against the proposed tax on proprietary medicines, which were ordered to lie on the table.

He also presented memorials of the First National Bank of Corona, and the Bank of Princeton, of Princeton, in the State of California, remonstrating against the proposed tax on capital and surplus of banks, which were ordered to lie on the table.

He also presented the memorial of William E. Cole, of Rutherford, Cal., remonstrating against the proposed tax on wines, which was ordered to lie on the table.

Mr. OLIVER presented a memorial of the Exhibitors League of Pennsylvania, of Philadelphia, Pa., remonstrating against the proposed tax on motion-picture places, which was ordered to lie on the table.

He also presented memorials of sundry citizens of Pennsylvania, remonstrating against the proposed tax on telephone messages, which were ordered to lie on the table.

He also presented memorials of sundry citizens of Pennsylvania, remonstrating against the proposed tax on proprietary medicines, which were ordered to lie on the table.

He also presented memorials of sundry citizens of Pennsylvania, remonstrating against the proposed tax on automobiles, which were ordered to lie on the table.

Mr. MARTINE of New Jersey. I present a number of telegrams in the nature of memorials from citizens of Hoboken, N. J., remonstrating against the proposed tax on drugs and proprietary medicines. I ask that the telegrams may be printed in the RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

HOBOKEN, N. J., *October 12, 1914.*

Senator MARTINE,
Washington, D. C.:

The bill before Congress places a tax on proprietary medicines and drugs. Please do your utmost to have the tax eliminated.

C. O. DEHNE.

—

HOBOKEN, N. J., *October 12, 1914.*

Senator JAMES MARTINE,
Washington, D. C.:

The bill before Congress places a tax on proprietary medicines and drugs. Please do your utmost to have the tax eliminated.

CARL SCHULTZ.

—

HOBOKEN, N. J., *October 12, 1914.*

Senator JAMES MARTINE,
Washington, D. C.:

The bill before Congress places a tax on proprietary medicines and drugs. Please do your utmost to have the tax eliminated.

F. W. TRAGER.

—

HOBOKEN, N. J. *October 12, 1914.*

Senator JAMES MARTINE,
Washington, D. C.:

The bill before Congress places a tax on proprietary medicines and drugs. Please do your utmost to have the tax eliminated.

GEO. F. BURGER.

—

HOBOKEN, N. J., *October 12, 1914.*

Senator JAMES MARTINE,
Washington, D. C.:

The bill before Congress places a tax on proprietary medicines and drugs. Please do your utmost to have the tax eliminated.

GEO. HOFFMAN.

—

HOBOKEN, N. J., *October 12, 1914.*

Senator JAMES MARTINE,
Washington, D. C.:

The bill before Congress places a tax on proprietary medicines and drugs. Please do your utmost to have the tax eliminated.

J. COLLETI.

—

HOBOKEN, N. J., *October 12, 1914.*

Senator JAMES MARTINE,
Washington, D. C.:

The bill before Congress places a tax on proprietary medicines and drugs. Please do your utmost to have the tax eliminated.

A. TEIFELD.

Mr. O'GORMAN. I desire to present a protest against the imposition of a tax on patent medicines, and ask to have it printed in the RECORD.

There being no objection, the memorial was ordered to be printed in the RECORD, as follows:

NEW YORK, *October 8, 1914.*

Senator JAMES A. O'GORMAN,
Washington, D. C.

DEAR SIR: We inclose herewith a copy of a petition from the drug-trade section respecting the levy of a stamp tax upon medicines as proposed under the pending war-revenue bill.

We ask your careful consideration of the facts set forth in the petition, and express the hope that you will lend your influence to the effort to avoid the inequity and injustice which the proposed tax on medicines would impose.

We request that you will kindly present the petition to the Senate.

Very respectfully, yours,

WM. F. MCCONNELL,
Secretary Drug Trade Section
New York Board of Trade and Transportation.

—

NEW YORK, *October 7, 1914.*

To the Congress of the United States:

The drug-trade section of the New York Board of Trade and Transportation, representing the wholesale drug and chemical trades, manufacturing pharmacists, and importers of drugs and chemicals, earnestly petitions Congress to omit from the pending war-revenue bill any additional tax upon medicines.

As American business men we are willing to contribute our proportionate share of any tax whenever conditions make the same absolutely necessary, but we protest that a stamp tax upon medicines is a double tax upon the druggist, and will be paid by the retailer in addition to the increased tax upon alcohol which will be required under the pending bill. Manufacturers usually protect themselves by increasing wholesale prices to cover the amount of such tax, whereas competition and fixed prices preclude any advance by the retailer. The tax proposed, therefore, is not distributed upon the whole commercial world, but is literally class legislation, burdening with special tax citizens who

already pay large internal-revenue taxes and State license fees. Former experience proves that the actual income from such stamp tax is out of proportion to the cost and management of collection.

Very respectfully submitted.

DRUG TRADE SECTION OF THE
NEW YORK BOARD OF TRADE AND TRANSPORTATION.

LABELING, ETC., OF MANUFACTURED PRODUCTS.

Mr. POMERENE. I ask unanimous consent to submit a favorable report from the Committee on Manufactures.

The VICE PRESIDENT. Without objection, the report will be received.

Mr. POMERENE, from the Committee on Manufactures, to which was referred the bill (S. 646) providing for labeling and tagging of all fabrics and articles of clothing intended for sale which enter into interstate commerce and providing penalties for misbranding, reported it with amendments and submitted a report (No. 818) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MARTINE of New Jersey (by request):

A bill (S. 6633) authorizing Government control of certain utilities; to the Committee on Education and Labor.

By Mr. OLIVER:

A bill (S. 6634) granting a pension to Anna Minette Snively (with accompanying papers); to the Committee on Pensions.

By Mr. McLEAN:

A bill (S. 6635) granting an increase of pension to Margaret P. Sherman (with accompanying papers); to the Committee on Pensions.

By Mr. VARDAMAN:

A bill (S. 6636) for the relief of the heirs of James Spiars (with accompanying paper); to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 6637) to increase the limit of cost of the Federal building authorized at Longview, Tex.; to the Committee on Public Buildings and Grounds.

INCOME-TAX COLLECTIONS.

Mr. JONES. On behalf of the junior Senator from Iowa [Mr. KENYON] I submit a Senate resolution and ask for its consideration. I do not think there will be any objection to it.

The resolution (S. Res. 471) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Commissioner of Internal Revenue is hereby directed to furnish to the Senate, without delay, the amount of revenue derived from the income tax, same to be classified by States, for the last fiscal year.

STORAGE OF RAW SUGAR.

Mr. THOMAS. I submit a resolution and ask that it be read and lie over until to-morrow.

The Secretary read the resolution (S. Res. 472), as follows:

Whereas it is announced that immense quantities of raw sugar are being held in storage in New York and Philadelphia in the expectation that Great Britain and France will be strong competitors for Cuban sugar in the near future, and that the price of raw sugar will reach such a figure that the refined product in January and February may go to 15 cents a pound, which is the equivalent of a consumption tax of 10 cents a pound upon a necessity of life aggregating more than five hundred millions of dollars per annum; and

Whereas this purpose, if it exists, constitutes a violation of the laws, both of the Nation and the States, and should be both prevented and punished: Therefore be it

Resolved by the Senate of the United States, That the Secretary of Commerce be, and he is hereby, directed to make immediate investigation into the facts relating to the proposed engrossment of raw sugar as stated by the press, and report the result thereof to the Senate as soon as the same can be done.

The VICE PRESIDENT. The resolution will go over and be printed.

EMERGENCY REVENUE LEGISLATION.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. GRONNA. Mr. President——

Mr. BRISTOW. I know something of the address the Senator from North Dakota is about to deliver, and I should like to have the Senate hear it. I think it would be of advantage.

Mr. GRONNA. I hope the Senator from Kansas will not call for a quorum. Time is very valuable now, and I can go on with my speech. It will not take over three-quarters of an hour or possibly an hour.

Mr. BRISTOW. If the Senator objects, I will not raise the point, but I would like to have a good attendance of the Senate to hear what the Senator has to say.

Mr. GRONNA. I prefer to go on, if the Senator will allow me. I take it that there will not be a great many Members present anyway. We generally have to speak to empty seats nowadays. I appreciate the courtesy of the Senator from Kansas, however.

Mr. President, we have been asked to pass a bill providing for additional revenue, a bill to impose additional taxes on the American people, in order to provide sufficient funds for the operation of the Government during the present fiscal year. The President, in his address to Congress on this subject, stated that this is necessary because of conditions which no man foresaw. He said:

> During the month of August there was, as compared with the corresponding month of last year, a falling off of $10,629,538 in the revenues collected from customs. A continuation of this decrease in the same proportion throughout the current fiscal year would probably mean a loss of customs revenues of from sixty to one hundred millions.
>
> The Treasury itself could get along for a considerable period, no doubt, without immediate resort to new sources of taxation. But at what cost to the business of the community? Approximately $75,000,000, a large part of the present Treasury balance, is now on deposit with national banks distributed throughout the country. It is deposited, of course, on call. I need not point out to you what the probable consequences of inconvenience and distress and confusion would be if the diminishing income of the Treasury should make it necessary rapidly to withdraw these deposits. * * *
>
> And we ought not to borrow. We ought to resort to taxation, however we may regret the necessity of putting additional temporary burdens on our people. To sell bonds would be to make a most untimely and unjustifiable demand on the money market; untimely, because this is manifestly not the time to withdraw working capital from other uses to pay the Government's bills; unjustifiable, because unnecessary. The country is able to pay any just and reasonable taxes without distress.

Mr. President, there are a few features of the situation to which I wish to call attention. The President's statement is to the effect that the customs revenues collected during the month of August were about ten and a half millions less than during the month of August, 1913, and therefore it is estimated that there will be a deficiency of from sixty to one hundred millions in customs revenues during the current fiscal year. As a matter of fact, what the President undoubtedly had in mind were the total revenues collected during the month of August, as the customs revenues during that month were about eleven and a half millions less than for the corresponding month last year, and the amount stated by the President is the difference between the total revenues collected during August. However, the President did not call attention to the fact that the customs revenues in August, 1913, were collected under the Payne Tariff Act, and that even in normal times the customs revenues would have been less than in August, 1913. It was estimated when the Underwood Tariff Act was passed that the revenues from customs duties would be about $70,000,000 a year less than under the Payne Act, and to make up for this deficiency provision was made for an income tax.

The fact that the falling off in customs revenues is not wholly due to the war, as a casual reader of the President's statement might infer, becomes apparent when we compare the imports during the two months. In August, 1913, the total imports, free and dutiable, were $137,651,553, while in August, 1914, they were $129,399,496, or $8,252,057 less. The decrease in customs revenues amounted to, in round numbers, $11,500,000. The customs duties collected during the two months were $30,934,952 and $19,431,362, respectively. Even if the value of the imports in August, 1914, had been equal to that of the imports in August, 1913, the customs revenue—taking the rate of duty collected to be 14.3 per cent, which is about what it averaged from the 1st of October last year to the 31st of July this year—would have been approximately $19,685,000, or only about $250,000 more than was actually collected. As the effect of the Underwood Tariff Act has been to increase the imports, however, it may be fairer to compare the receipts for August with those of July. The customs revenues in July, 1914, were $22,988,465 as against $19,431,362 in August, or a falling off of $3,457,003. The customs revenues collected during September were somewhat over $17,000,000, as against $26,794,494 in September, 1913. But, again, it must be evident that the greater part of the falling off is due to the reduction of rates of duty rather than to a falling off of imports.

While the customs duties collected during last August were $11,500,000 less than in August, 1913, and during September $9,700,000 less than in September, 1913, the same is not true of the total revenues of the Government. Because of increased internal revenues collected the total revenues for August were only $10,500,000 less than in August, 1913, and for September only $4,100,000 less than for the corresponding month in 1913. I want Senators to note this: For the first quarter—July, August, and September—of the present fiscal year the total revenues were only about $1,600,000 less than for the same quarter last fiscal year. I am speaking now of the total revenues of the Government.

However, if we consider the difference between the customs revenues for July and August, it appears to me that we may have something on which to base an estimate as to how much effect the condition of war in Europe is likely to have on our

revenues. This difference was $3,457,103. A like difference for the nine months remaining of this fiscal year would amount to somewhat over $30,000,000. It would probably be considerably more than this, as the August receipts have in former years usually been from two to three millions greater than those for July, and also because of the fact that during last August part of the receipts was undoubtedly due to the withdrawal from bond of goods previously imported. Even after making allowance for these factors, however, it is obvious that the decrease in customs revenues due to the war will be far less than the $110,000,000 which we are asked to raise by these additional taxes. And when we consider that the surplus of ordinary receipts over ordinary expenditures for the fiscal year ended last June is given as $34,000,000, and that the income tax this year is expected to produce some $10,000,000 more than last year, and that an increase of several millions is expected in the internal-revenue receipts, the conclusion is forced upon us that the real reason for levying these additional taxes is not the falling off in revenues due to the European war.

The real reason for levying these additional taxes we find when we consider the total of appropriations for the present session. According to the statement submitted by the chairman of the Appropriations Committee of the House, the total of appropriations for the present fiscal year is $1,089,000,000, while for last year it was $1,057,000,000, in both cases exclusive of rivers and harbors appropriations, as this bill had not become a law at the time the statement was made. According to these figures, the appropriations for this year were $32,000,000 greater than for last year. Democratic extravagance is greater than this would indicate, however, because there is a decrease in pensions of $11,150,000, due to the diminishing number of pensioners, and the appropriation for the Panama Canal is some $10,000,000 less. If we add these amounts to the above excess, we have $53,000,000. If we include the rivers and harbors bill, this amount will be decreased somewhat, since the strenuous fight made by Senators on this side of the Chamber resulted in reducing the amount carried in the rivers and harbors bill to $20,000,000. Last winter, however, we passed a law authorizing the construction of the Alaskan railway at a cost of $35,000,000, which sum is not included in the above figures. It is also reported that the word has gone forth from the White House that when Congress reassembles in December it must pass the bill providing for the purchase of merchant vessels by the Government, which means another appropriation of $30,000,000. If the treaty with Colombia should be ratified, that would mean $25,000,000 more. Another item which has not been included consists of the $6,000,000 which it has been necessary to appropriate because of the conditions in Europe. Excluding all these items, however, it is interesting to compare the total appropriations for this year with those for the four preceding years. The figures, given by the ranking minority member of the House Committee on Appropriations, are as follows:

Total appropriations.

Fiscal year:	
1911	$978,521,087.68
1912	995,799,462.72
1913	988,353,340.41
1914	1,057,605,694.40
1915	1,089,408,777.26

These figures do not include the amounts carried by rivers and harbors appropriation bills; and in comparing them it should also be taken into account that the Panama appropriations for the present fiscal year are only about $21,000,000, while in former years they have been much higher, in one year reaching $48,000,000. In the 1912 campaign, as well as in former campaigns, the Democrats charged the Republicans with unconscionable extravagance in making appropriations, and yet this year the appropriations are $100,000,000 greater than those made in 1912.

If the appropriations this year had been kept down to the same figures as in former years, there would have been no necessity of imposing any more taxes.

I must further say that I do not agree with the President in the position he takes on the matter of the Government funds on deposit in the banks. In former years Republican administrations have been severely criticized by our Democratic friends because of the practice of making large deposits in the banks in the fall during the crop-moving season, for the purpose of relieving the stringency caused by the unusually large demand for currency. Our Democratic friends have maintained that there has been no need of such deposits, and that they have been made only as a favor to the banks receiving them. Without stopping to discuss that question, I will say that it has been the practice to withdraw such deposits later in the year, when the exceptional demand for currency had spent itself. Now we are told, however, that the $75,000,000 which the Government has in the banks must be left there, not only during the time of moving the crops but that it must not be withdrawn at all. If former administrations deserved to be criticized for making these deposits at times when there was a demand for additional supplies of currency, what about this administration, which insists that these deposits must remain in the banks even after the exceptional demand for currency is past, and in spite of the fact that the Government needs the money? Can it be maintained that conditions are such that it is necessary for us to impose additional taxes on ourselves in order that the banks may have this money? It can not be maintained that it is necessary to let these deposits remain in the banks in order to supply a demand for additional currency, as was the case under former administrations, since under the modified Aldrich-Vreeland Act the banks have had no difficulty in securing the issuance of currency in large amounts. I understand about $350,000,000 in this kind of currency has already been issued, and a large amount is still available. There may, of course, be certain banks, or certain classes of banks, which have secured currency under the Aldrich-Vreeland Act to the extent possible under the act, and which would be aided by being allowed to retain Government deposits, but if such is the case I do not believe that is sufficient reason for increasing our taxes rather than withdrawing these deposits. While I do not question that the President was actuated by the highest motives in making this recommendation, and believed that the course recommended would be conducive to the welfare of the people, I do not believe that we should extend this favor to a special class. We are not at war; the great struggle in Europe affects us only indirectly. In the countries that are engaged in this struggle, I believe, the banks are called upon to aid the Governments in financing the war; in this country we are told that at this juncture the Government should aid the banks, even if it is necessary to levy additional taxes in order to do so.

If the banks in those other countries are able not only to carry their own burdens but also to assume part of the Government's, why should not our banks carry their own? I am inclined to believe that it would inconvenience the banks far less to repay the $75,000,000 to the Treasury, and that it would disturb business less than it will to raise the amount proposed by new forms of taxation. And while I do not favor the issuance of bonds, because such action would add to the burdens of future generations, I do not see that raising the money by taxation will avoid the difficulty which the President raises to a bond issue, namely, that it will withdraw working capital from other uses. If selling bonds withdraws capital from other uses, so does taking that capital by taxation, although in the latter case the withdrawal may be more gradual. Wealth, generally speaking, is used either to produce more wealth, when we call it capital, or it is used for living expenses. Taxation must take it from one or the other of these classes. If taken from the former, the amount of working capital is reduced; if from the latter, more or less of a hardship is imposed depending on to what extent the things taxed are necessaries.

It is instructive in this connection to read the declaration contained in the Democratic platform of 1912 on the subject of Government expenditures. The platform says:

> We denounce the profligate waste of the money wrung from the people by oppressive taxation through the lavish appropriations of recent Republican Congresses, which have kept taxes high and reduced the purchasing power of the people's toil. We demand a return to that simplicity and economy which befits a democratic government and a reduction in the number of useless offices, the salaries of which drain the substance of the people.

How does the performance of the present Congress square with this platform declaration? What becomes of the economy which it was promised would be practiced? How many "useless offices, the salaries of which drain the substance of the people," have been abolished? If the appropriations of Republican Congresses were lavish, how would you characterize those of the present session, which exceed the ones so severely criticized by $100,000,000 or more? If taxation was burdensome under Republican administrations, are they going to be lighter under this administration when it is necessary, to invent new forms of taxation? If the able chairman of the House Committee on Appropriations, in pleading for economy last spring, referred to the appropriations made this session as a horrible mess, how would he characterize them now with the threatened deficiency in revenue? And it is not necessary for me to remind you that the deficiency would have been still greater but for the fight made by Republican Senators to cut down the amount carried by the rivers and harbors bill, which was, I believe, to the amount of $33,000,000. If the record of this session is indicative of what Democratic economy is, I

trust we may be delivered from ever having Democratic extravagance.

While the Democratic Party has signally failed to fulfill its promise to reduce governmental expenditures, this is not the only instance in which the promise of the platform and the performance have not tallied. The 1912 Democratic platform had a plank charging that the high cost of living was in a large measure due to the protective tariff and promising to reduce the tariff so as to reduce the high cost of living. The tariff was lowered, but has the cost of living been reduced? I do not believe anyone will maintain that it has. One thing that has been reduced, however, is the income of a good many people. When the tariff measure was before Congress I pointed out the discrimination against the American farmer which it contained. As shown by the table submitted by my colleague, Mr. McCUMBER, the other day, out of 22 important agricultural products of the Northwest 17 were placed on the free list and the duties on others were reduced not less than 60 per cent. There is no justification for this discrimination against the farmer in the enactment of tariff laws. The farmer has not enjoyed excessive profits on his products nor has he attempted to form oppressive trusts. Nor has the removal of the duties on farm products, although admitting the agricultural products of other countries in competition with the products of the American farmer, benefited the consumer of them. There are some who justify it on the assumption that the Underwood tariff bill is a step toward free trade and that it was necessary to begin somewhere to remove the duties; the farmer was presumably selected on the supposition that he would be an uncomplaining victim. As to whether the ultimate aim is free trade, the Democratic platform is silent. I will quote to you, however, words from a source at present more potent than the Democratic platform. On page 156 of the New Freedom, the latest book by Woodrow Wilson, I find the following:

> Let me repeat: There can not be free trade in the United States so long as the established fiscal policy of the Federal Government is maintained. The Federal Government has chosen throughout all the generations that have preceded us to maintain itself chiefly on indirect instead of direct taxation. I dare say we shall never see a time when it can alter that policy in any substantial degree; and there is no Democrat of thoughtfulness that I have met who contemplates a program of free trade.

According to the President, we shall probably never see a time when that policy can be altered in any substantial degree, and he has met no thoughtful Democrat who contemplates the establishment of free trade. The discrimination against the farmer embodied in the present tariff law, therefore, must be looked upon as a continuing policy. It is not merely a temporary discrimination, resulting from a transition from one economic policy to another; it is part of a policy which is meant to continue. If we were to have free trade in all products, I believe the American farmer could worry along as well under free trade as a person engaged in any other industry, but what the farmer objects to, and what he has a right to object to, is the removal of the duties on his products while retaining them on manufactures. It is the principle of the Canadian reciprocity measure over again—free trade in the products that the farmer sells and protection on what he has to buy. The farmer is expected to sell in competition with the world and to buy in a protected market.

The failure to reduce Government expenditures and to reduce the cost of living are not the only instances in which the Democratic performance falls short of the platform promise. With regard to the antitrust laws, the platform says:

> A private monopoly is indefensible and intolerable. We therefore favor the vigorous enforcement of the criminal as well as the civil law against trusts and trust officials, and demand the enactment of such additional legislation as may be necessary to make it impossible for a private monopoly to exist in the United States. * * *
>
> We regret that the Sherman antitrust law has received a judicial construction depriving it of much of its efficacy, and we favor the enactment of legislation which will restore to the statute the strength of which it has been deprived by such interpretation.

Is the Clayton bill with its teeth removed, the conference report on which was agreed to the other day, a fulfillment of this promise? My distinguished Democratic friend from New Jersey [Mr. MARTINE] says, in regard to this measure:

> I have been told by Senators for whom I have the greatest respect, both for their legal ability and their political principles, that it was my political duty to stand by this report. This, Mr. President, I repel and deny. I deem it my duty to stand by that which I deem right, and this thought has prompted every vote I have cast in this body. I had felt that this report should be sent back to conference, that it might be shaped and molded to the interests of justice and in harmony with our party's promises.
>
> * * * I oppose this measure because I believe that some influence—I can not say what influence, but some influence, it seems to me uncanny, dangerous to the Republic—has changed the text and character of the bill until it does not stand for the smaller man or the middleman, but tends to advance to further supremacy the giant monopolies that you and I, in both platforms, have pledged ourselves to destroy, and for whose destruction these many years we have struggled.

No; no one who knows the Senator from New Jersey will doubt that.

The fearless Democratic Senator from Oregon [Mr. LANE] says:

> I had hoped that when this measure came into the Senate we would have a bill which would provide a remedy for the existing conditions, and would be something positive. * * *
>
> If it is true, as is conceded here, that the Sherman antitrust law supplies every remedy which this bill is supposed to afford, there is no use whatever in passing the measure. If, on the other hand, it affords a loophole and an indirect method by which those who are guilty of practicing these unfair methods upon the people can escape from being brought to justice under the Sherman law, then it is more than an innocuous measure, it is a dangerous one. It is, in that event, an evil measure and one which ought to be defeated in fairness to the people of this country.

The brilliant Democratic Senator from Missouri [Mr. REED] says:

> Mr. President, this bill is entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes." I shall endeavor to show that, if it passes in its present form, the title ought to be stricken out, and it ought to be entitled "An act to apologize to unlawful restraints and monopolies."
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> * * * * * * * *
>
> This measure has been loudly heralded as the Clayton antitrust bill. It should be now known as the "conferees' capitulation bill." Presumably it was brought forward as the legislative crystallization of the years-old Democratic promise that the trusts should be exterminated, root and branch. The people were led to believe that the Democratic Party, now in full possession of all branches of the Government, by this bill intended to make private monopoly, which has hitherto been characterized as "indefensible and intolerable," both unprofitable and dangerous.
>
> In its inception this legislation was a challenge to the field of battle. In its finality it is a sort of Hague propaganda promulgated under white flags to the soothing melodies of "Peace on earth, good will toward the trusts."
>
> The doctrine of extermination has given place to the policy of diplomatic negotiations to be conducted by various boards with the express understanding that, whatever the result, no law violator is to be hurt, no trust magnate is to be sent to jail, no rude sheriff or marshal is to lay his callous fingers upon the perfumed collar of a captain of industry.
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> * * * * * * * *
>
> The Sherman Antitrust Act has been upon the books for 24 years. During all that time it has disturbed the dreams and troubled the waking hours of trust magnates.
>
> With brutal frankness and shocking candor it declares that "every person who shall make any contract, combination, in the form of trust or otherwise, or conspiracy in restraint of trade, or who shall monopolize interstate trade or commerce shall be guilty of a misdemeanor, and shall be punished by a fine not exceeding $5,000 or imprisonment not exceeding one year, or by both." By positive command it directs the Department of Justice to enforce its drastic, harsh, and ungentle provisions.
>
> We are now about to prescribe a new procedure which does not contain a single criminal penalty for trusts—not one.
>
> Previous to the enactment of this legislation there was but one road the officers of the law could travel in pursuit of a conspirator against commercial independence.
>
> We have now provided another legal highway, the great length and numerous meanderings and sinuosities of which eventually lead to certain hybrid tribunals called commissions, without power even to enter a final decree. They can neither levy a fine, enforce a mandate, nor send a single culprit to jail.
>
> After time has for years run its weary course and the ingenuity of counsel has at last failed to furnish an excuse for misconduct or to find escape in legal technicality, the worst fate the trust can suffer is that it may be directed to stop some particular practice, in which event the trust magnate's disappointment is palliated by the consoling reflection that he retains the loot, is in no danger of the jail, and is free to devise some new and equally safe plan of plunder.
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> * * * * * * * *
>
> When the Clayton bill was first written it was a raging lion with a mouth full of teeth. It has degenerated to a tabby cat with soft gums, a plaintive "meow," and an anemic appearance. It is a sort of legislative apology to the trusts, delivered hat in hand and accompanied by assurances that no discourtesy is intended.
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> * * * * * * * *
>
> It is now confessed, therefore, by one of the sponsors of this bill that it is not intended to touch the trusts and monopolies. I say that the people of the United States have expected us "to touch trusts and monopolies," and I am glad to be met in the early part of this discussion with an admission that we have not laid so much as a finger upon them.
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> * * * * * * * *
>
> Oh, this is a great antitrust Congress! Compared with the Congress that put upon the statute books the Sherman Act, we appear as would a lot of wet nurses in comparison with soldiers on the field of battle, arms in hand. If we had the original Sherman Act before this Congress, the "trust busters" of the present day and generation would shy like the country horse of 15 years ago did at the sight of an automobile. You would not find this Congress using such violent and offensive language as this:
>
> "Every contract, combination in the form of trust or otherwise, or conspiracy in restraint of trade or commerce among the several States, or with foreign nations, is hereby declared to be illegal."
>
> * * * What would this Congress do if asked to enact into law this fearful language, which follows that which I have just read?—
>
> "Every person who shall make any such contract or engage in any such combination or conspiracy shall be deemed guilty of a misdemeanor."
>
> * * * * * * * *
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> Well, old John Sherman and the Republicans of that day did pass that law. Their "little fingers were bigger than our loins." Theirs was the spirit of the eagle; ours that of the barnyard fowl.
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> * * * * * * * *
>
> * * * I make contention because I believe this bill is a betrayal of the Democratic Party and of the country. I do not care how innocent that betrayal may be. I do not care how much of good faith

may have gone along with it. As I view this legislation it is an absolute turning around, a facing about by our party. We march now to the rear, where we promised the country to advance to the front.

On this side of the Chamber the senior Senator from Idaho [Mr. BORAH] says in his able address:

In other words, Mr. President, this is another step indicating a complete change of policy upon the part of the Government with reference to dealing with monopolies and trusts. It is a confirmation of steps which have heretofore been taken along that line, and, indeed, must be considered as in a measure a final approval of the change of policy.

The fact, Mr. President, that the Sherman law remains upon the statute books does not at all mollify my opposition to this law; neither does it, in my judgment, change the fact that we are changing our policy with reference to it, because it is not a question of the Sherman law remaining upon the statute books, but the question is, Are we preparing to abandon the enforcement of the Sherman law and to ignore that method and manner of dealing with monopolies and trusts, and are we preparing to take up another method which must be in its practical workings in contravention to the theory which is embodied in the Sherman law? Are we substituting a method of dealing with monopoly, which substituted method will strengthen the argument of those who disbelieve in the Sherman law and the principle upon which it was founded?

* * * * * * *

I think that the supporters of the bill will agree with me that it establishes two things pretty conclusively. First, that it is in support and in aid of the Trade Commission principle, to wit, the regulation of monopolies, because that is what it will result in; and, secondly, that the enforcement of the criminal law with regard to trusts is undesirable, if not ineffective. Both of these propositions are in clear contravention to the whole theory and every principle of the Sherman law.

* * * * * * *

There will be but one interpretation placed upon these acts, and justly so, when they are thoroughly understood, and that is that the Congress of the United States has in its wisdom determined that the course which has been heretofore pursued has been a failure; that the ultimate success for which we hoped can not be realized; and that, slowly, it is true, but step by step, we are changing the policy and are undertaking to regulate and control these vast monopolies and combines instead of destroying them.

Mr. President, I am perfectly willing to concede to some of those who take that view the same integrity of purpose, the same patriotism which those who are opposed to it claim for themselves. They may be right. It may be that we shall be driven to that course. It may be that that is the only successful way, or if not the only successful way the only partially successful way, in which we can deal with these questions. But, speaking for myself, I am not ready to adopt that policy. I am not willing to concede the proposition. I am so firmly convinced that in the present condition of the Sherman law as interpreted by the Supreme Court it can be successfully enforced, and I am so firmly convinced that its successful enforcement will be to the ultimate good of the people of this country, yea, more necessary for the ultimate preservation of the Republican institutions of this country, that I can not bring myself to yield in the first struggle for this new policy. I look upon the very existence of these monopolies, these vast and powerful combines, as so fraught with evil, so destructive of every theory and principle upon which a republic is built, that I must oppose to the last any policy which would tolerate them.

* * * I want to see legitimate business protected and I want to see it prosper. I want to legislate upon the theory that 98 per cent of our business men are honest and conduct their business upon and along honorable lines. I want to hold to the wise and most salutary rules wrought out by human experience that, except in most urgent and in most exceptional instances, men should be left free to work out through their own initiative and self-help their own salvation and that bureaucracy is as blighting to the energies of free men as the August frost to the husbandman's hopes. But I do not want to see, either now or hereafter, any compromise with illegitimate business or dishonest methods through and by means of which great monopolies are built up. I want the same kind of punishment administered to theft, however it may be committed. Upon these lines I want to see legislation framed.

* * * * * * *

In my judgment there is only one way in which to deal with that class, and that is to destroy their power absolutely. I think the Attorney General, as was said by the Senator from Missouri [Mr. REED], has stated the fact correctly, that the fault with the Sherman law has been its lack of enforcement. * * * There seems to be a view to the effect that that act is incomplete; that its definitions, as announced by the court, are difficult to understand; that men have difficulty in knowing what they are to do; and that it is incomplete and insufficient to accomplish the purposes for which it was passed.

That law was passed, Mr. President, in 1890, and has been upon the statute books now for over 23 years. For only about 6 or 7 years during its existence has there been any real attempt, in my judgment, to enforce it. It contains a provision for injunctive relief against the formation of these combines, a provision for the punishment of those who violate it, a provision for the forfeiture of property, and a provision for the dissolution of the combines after they are formed. It is wide-reaching, comprehensive, and now, under the decisions of the court, it covers every conceivable form of monopoly or of monopolistic practice. It is not a question of the insufficiency of the law, therefore, but it is a question of its enforcement.

* * * * * * *

I am opposed to this scheme, which has for its effect, if not for its purpose, to draw the fight away from monopoly and expend our energies and our time in overseeing those who need no overseeing and who need no surveillance. I know why it is done, and everyone who reflects upon the situation knows why it is done.

The senior Senator from Minnesota [Mr. NELSON] says:

What does the antitrust law provide? It provides that any restraint or any monopoly is obnoxious to the law. Now, you have injected into this statute the word "substantially." We have gotten rid of the word "reasonable," according to the expression of Chief Justice White in the Tobacco case, but now you are injecting a new term into it; and that raises the question as to what "substantial" or "substantially" means. What is a "substantial" lessening of competition? That phrase has been injected into the bill ex industria in a great many points, and it tends greatly to weaken it, to lead to confusion, and to further hairsplitting arguments. There is no such qualification in the antitrust law. It does not say "substantially to restrain trade" or "substantially to create a monopoly."

* * * * * * *

I submit that if we intend to legislate so as to afford remedies to the public; if we intend, as has been proclaimed and given out from the housetops, to strengthen the antitrust law, give ampler remedies to the public, and aid that law in its enforcement, the poorest way to do it is to emasculate it and dilute it, as we have done in the case of section 2 of the conference bill.

* * * * * * *

So, Mr. President, in conclusion I want to say that while this bill was launched with a great blare of trumpets as a measure that was calculated to fortify the antitrust law, to give greater and more comprehensive remedies against trusts, and to give ampler latitude to labor organizations, yet in all of these respects it is diluted and emasculated and an utter failure as a remedial measure. As a strengthening of the antitrust law it is an abject failure; and in respect to the legislation asked for by labor organizations, it is to a large extent a failure, and fails to give them what they looked for and expected.

And the junior Senator from Minnesota [Mr. CLAPP] says in regard to the bill as agreed to in conference:

I want to say, having been a participant in this legislation, having been a watchful attendant upon these proceedings, without any hesitation and without impugning the motives of any man, that the adoption of the conference report in its present form upon the antitrust bill known as the Clayton bill is an absolute going backward upon this great question.

* * * * * * *

* * * I do believe that the invisible government has fastened upon this administration. I believe that invisible government is tightening its hold day after day, and I believe now what I did not believe when I voted for the Trade Commission bill or for this bill in the Senate, that these bills and the postponed third bill, which will be the great remedy to deal with securities, are part and parcel of a program; but I can not believe that any man possessing the ideals of the President is conscious of this surrender and this betrayal.

* * * * * * *

Now, after 18 months of legislation, we have a Trade Commission which violates a principle which was one of the cardinal features of the campaign of 1912. We have this Clayton bill, so called, the antitrust bill, with a report of the conferees that absolutely strips it of its strength, of its vigor, and of its value. * * * I, for one, hope that the Senate will be able to reject this report; that whatever this mysterious force is that to-day is closing down upon this Government, it may here meet a Waterloo; that whatever that force may be in its personal equation, it will find that it is unsafe to put forth its tentacles to smother the aspirations, the hopes, and the purposes of the American people.

The junior Senator from Nebraska [Mr. NORRIS] says:

Mr. President, it seems to me that it can be truthfully said that we will never be able to settle the trust question until we either make it unprofitable for a trust to organize or surround trust magnates with such criminal laws as will make it dangerous for them to organize. That danger, if we resort to that method, must be so certain as to amount almost to a conviction, and when we put into the law little words that will enable them in court to offer unusual evidence, to secure delays, to resort to technicalities—when we incorporate in the law such words as the word "substantially," which has been so often used throughout this bill in different places by the conferees, we only give the trusts and trust promoters additional avenues of escape.

The kind of legislation that I have outlined would not be harmful to business; it would not injure honest men; it would do no injury to those who were obeying the law. If we want to handle the trusts and trust magnates lightly and gingerly, as this conference bill will handle them, we might just as well give them license to prey upon the people and the country without limit.

It is of interest to note in this connection that the Democratic platform did not declare for a Federal Trade Commission. And in the New Freedom I find the following in regard to a trade commission:

On page 201:

If the Government is to tell big business men how to run their business, then don't you see that big business men have to get closer to the Government even than they are now? Don't you see that they must capture the Government, in order not to be restrained too much by it? Must capture the Government? They have already captured it. Are you going to invite those inside to stay inside?

On page 202:

At the least, under the plan I am opposing, there will be an avowed partnership between the Government and the trusts. I take it that the firm will be ostensibly controlled by the senior member. For I take it that the Government of the United States is at least the senior member, though the younger member has all along been running the business. But when all the momentum, when all the energy, when a great deal of the genius, as so often happens in partnerships the world over, is with the junior partner, I don't think that the superintendence of the senior partner is going to amount to very much.

On page 206:

The Roosevelt plan is that there shall be an industrial commission charged with the supervision of the great monopolistic combinations which have been formed under the protection of the tariff, and that the Government of the United States shall see to it that these gentlemen who have conquered labor shall be kind to labor. I find, then, the proposition to be this: That there shall be two masters, the great corporation, and over it the Government of the United States; and I ask who is going to be master of the Government of the United States? It has a master now—those who in combination control these monopolies. And if the Government controlled by the monopolies in its turn controls the monopolies, the partnership is finally consummated.

On page 210:

Moreover, under the system proposed most employers—at any rate, practically all of the most powerful of them—would be, to all intents and purposes, wards and protégés of the Government, which is the mas-

ter of us all, for no part of this program can be discussed intelligently without remembering that monopoly, as handled by it, is not to be prevented, but accepted. It is to be accepted and regulated. All attempt to resist it is to be given up. It is to be accepted as inevitable. The Government is to set up a commission whose duty it will be not to check or defeat it, but merely to regulate it under rules which it is itself to frame and develop. So that the chief employers will have this tremendous authority behind them; what they do they will have the license of the Federal Government to do.

On page 214·

There has been a history of the human race, you know, and a history of government; it is recorded; and the kind of thing proposed has been tried again and again and has always led to the same result. History is strewn all along its course with the wrecks of governments that tried to be humane, tried to carry out humane programs through the instrumentality of those who controlled the material fortunes of the rest of their fellow citizens.

I do not trust any promises of a change of temper on the part of monopoly. Monopoly never was conceived in the temper of tolerance. Monopoly never was conceived with the purpose of general development. It was conceived with the purpose of special advantage.

If you will point me to the least promise of disinterestedness on the part of the masters of our lives, then I will conceive you some ray of hope, but only upon this hypothesis, only upon this conjecture—that the history of the world is going to be reversed and that the men who have the power to oppress us will be kind to us and will promote our interests, whether our interests jump with theirs or not.

Since that time, however, the President appears to have changed his view, to have become convinced that the men controlling big business are capable of changing their temper and tactics. In his address to Congress, January 20, 1914, he says:

The great business men who organized and financed monopoly and those who administered it in actual everyday transactions have year after year until now either denied its existence or justified it as necessary for the effective maintenance and development of the vast business processes of the country in the modern circumstances of trade and manufacture and finance; * * * at last the masters of business on the great scale have begun to yield their preference and purpose, perhaps their judgment also, in honorable surrender. * * * * * * The antagonism between business and government is over. * * * The Government and business men are ready to meet each other halfway in a common effort to square business methods with both public opinion and the law.

My view is that when it is a question of "squaring business methods with both public opinion and the law," the Government should not meet those business men who have been violating the laws halfway any more than persons violating other laws are met halfway.

When serious contest ends, when men unite in opinion and purpose, those who are to change their ways of business joining with those who ask for the change, it is possible to effect it in the way in which prudent and thoughtful and patriotic men would wish to see it brought about, with as few, as slight, as easy, and simple business readjustments as possible in the circumstances, nothing essential disturbed, nothing torn up by the roots, no parts rent asunder which can be left in wholesome combination.

I do not know just how others read this, but to me it looks like an appeal to treat the trusts gently.

The President continued:

Fortunately no measures of sweeping or novel change are necessary. It will be understood that our object is not to unsettle business or anywhere seriously to break its established courses athwart.

* * * * * * *

The business of the country awaits, also, has long awaited, and has suffered because it could not obtain further and more explicit legislative definition of the policy and meaning of the existing antitrust law. Nothing hampers business like uncertainty. Nothing daunts or discourages it like the necessity to take chances, to run the risk of falling under the condemnation of the law before it can make sure just what the law is. Surely we are sufficiently familiar with the actual processes and methods of monopoly and of the many hurtful restraints of trade to make definition possible—at any rate, up to the limits of what experience has disclosed.

I do not believe that the persons forming the big trusts have been in doubt as to whether the antitrust law was intended to prevent what they were doing. What they may have been in doubt as to was whether adroit counsel might find a loophole somewhere in case they were prosecuted under the Sherman Act.

Quoting the President further:

And the business men of the country desire something more than that the menace of legal process in these matters be made explicit and intelligible. They desire the advice, the definite guidance, and information which can be supplied by an administrative body and interstate trade commission.

I will quote again from the speech of the junior Senator from Minnesota [Mr. CLAPP]:

Recurring now to the year 1912, it was my privilege to sit as chairman of the Senate Committee on Interstate Commerce during the long hearings which were held upon the trust question. One after another, as the great trust magnates came before that committee, with this theory or that, in the last analysis nearly every one reached the point where he wanted a body of men in Washington that he could come to, sit down with, and discuss the situation. It was then, with much astonishment, that I beheld the Executive apparently viewing with favor the proposition to establish a Trade Commission. He had suggested a Trade Commission, but had carefully safeguarded in his suggestion giving that Trade Commission any authority to declare what was or what was not illegal * * *.

The Trade Commission bill, however, came in, and I for one voted for it. I voted for it with some misgiving, but I realized that we can not always have such legislation as we want, and if the Trade Commission bill was fairly and loyally administered it might prove a benefit to the country. * * *

I voted for that measure because, as I say, I felt that, perhaps, if it were wisely administered, it might be of service to the country. I am now satisfied that it was part and parcel of a policy of which I believe the President himself is ignorant, of which I believe even the conferees—I mean, of course, the Democratic conferees, who signed the report, for the Republican conferees refused to sign it—on this bill are ignorant; a policy to put this Government back into the hands of "big business."

Mr. President, whether time shall show this legislation to be wise or unwise, whether experience shall demonstrate that it is beneficent or otherwise, I can come to no other conclusion but that it is not in accordance with the Democratic platform promises as they were interpreted by the party's candidate for President.

Regarding the term of President, the Democratic platform says:

We favor a single presidential term, and to that end urge the adoption of an amendment to the Constitution making the President of the United States ineligible for reelection, and we pledge the candidate of this convention to this principle.

Just why this plank was inserted I shall not undertake to say, but it is evident that our Democratic friends have forgotten its existence. There is no attempt being made to secure the amendment of the Constitution, as indicated, and I am inclined to believe that no attempt will be made under the present administration.

The Democratic platform further says, with reference to the Panama Canal:

We favor the exemption from toll of American ships engaged in coastwise trade passing through the canal.

We all remember what happened to this policy, in spite of the declaration of the platform that "our pledges are made to be kept when in office as well as relied upon during the campaign," and in spite of their presidential candidate's declaration that their platform was not "molasses to catch flies."

The platform plank on banking and currency is as follows:

We oppose the so-called Aldrich bill or the establishment of a central bank; and we believe the people of the country will be largely freed from panics and consequent unemployment and business depression by such a systematic revision of our banking laws as will render temporary relief in localities where such relief is needed, with protection from control or dominion by what is known as the Money Trust.

Banks exist for the accommodation of the public, and not for the control of business. All legislation on the subject of banking and currency should have for its purpose the securing of these accommodations on terms of absolute security to the public and of complete protection from the misuse of the power that wealth gives to those who possess it.

We condemn the present methods of depositing Government funds in a few favored banks, largely situated in or controlled by Wall Street, in return for political favors, and we pledge our party to provide by law for their deposit by competitive bidding in the banking institutions of the country, National and State, without discrimination as to locality upon approved securities and subject to call by the Government.

In the New Freedom Mr. Wilson says, page 77:

There is the currency question. Are we going to settle the currency question so long as the Government listens only to the counsel of those who command the banking situation?

The currency bill which became a law, however, was not drafted so as to contain the provisions which a person reading the platform pledges and Mr. Wilson's statement might have expected. Its reputed author was at the time the editor of the New York Journal of Commerce, and with his environment it might justly have been expected that in his view the most important feature of a currency system would be the effectiveness with which the bankers and financial interests might marshal and reenforce their resources rather than the guarding of the interests of those whom the banking system is supposed to serve, and that he would be inclined to consider the prosperity of the banks rather than the welfare of their patrons.

In the New Freedom, page 184, I read:

However it has come about, it is more important still that the control of credit also has become dangerously centralized. It is the mere truth to say that the financial resources of the country are not at the command of those who do not submit to the direction and domination of small groups of capitalists who wish to keep the economic development of the country under their own eye and guidance. The great monopoly in this country is the monopoly of big credits. So long as that exists our old variety and freedom and individual energy of development are out of the question. A great industrial nation is controlled by its system of credit. Our system of credit is privately concentrated. The growth of the Nation, therefore, and all our activities are in the hands of a few men who, even if their action be honest and intended for the public interest, are necessarily concentrated upon the great undertakings in which their own money is involved and who necessarily, by very reason of their own limitations, chill and check and destroy genuine economic freedom. This is the greatest question of all, and to this statesmen must address themselves with an earnest determination to serve the long future and the true liberties of men.

This Money Trust, or, as it should be more properly called, this Credit Trust, of which Congress has begun an investigation, is no myth. It is no imaginary thing. It is not an ordinary trust like another. It doesn't do business every day. It does business only when there is occasion to do business. You can sometimes do something large when it isn't watching, but when it is watching you can't do much. And I have seen men squeezed by it. I have seen men who, as they themselves expressed it, were "put out of business by Wall Street," because Wall Street found them inconvenient and didn't want their competition.

Mr. President, I must say that I do not believe that anyone who has been intimately associated with men responsible for the conditions which are so clearly outlined in President Wilson's words, even though he may have had no part in the creation of those conditions, is the proper person either to draft a banking law for the country or to be placed on a board to carry the system into effect. So far as the remedying of these conditions by the new banking system is concerned, it does not appear to me that it will have any such result.

The new system is a bankers' system, made for the bankers and controlled by bankers. Attention may be called to the Federal Reserve Board, but I believe it will be found that when the system finally is put into operation the board will have little power to control its operations; that these will depend on the will of the Federal reserve banks and the member banks, and the latter have been bound together into an organization which enables them to control the banking industry and credits all over the country, with no competition and with responsibility to no one. The instruments of government having anything to do with the system are instituted to look after the solvency of the banks and the welfare of the banks, and there is no governmental agency to see that the power to control credit is not misused. Manufacturers, or persons engaged in any other line of business except banking, forming such a combination as has been provided for in the new banking and currency law, would be prosecuted under the Sherman Antitrust Act. It may be that the law will not directly aid the Money Trust in securing greater control over the credit of the country; it certainly will not make it any more difficult. It appears to me that it will make it easier to the extent that an organization has been legalized and perfected with nothing to prevent the Money Trust from securing control.

This law also provides for the issue of currency based on commercial paper, and the only limitation on the issuance of such currency is the supply of gold required as a reserve against it. At present the law requires a reserve of 40 per cent, in gold, against the amount of currency outstanding. How long it would be before there would be pressure for a reduction of the amount required as reserve I shall not undertake to say. The readiness with which the bills liberalizing the requirements of the Aldrich-Vreeland Act were passed this summer, and with which, on the recommendation of the Federal Reserve Board, the Senate passed the bill which authorizes the Federal Reserve Board to permit banks to keep all of their reserves in the Federal reserve banks—without retaining any in their own vaults—rather indicates to me that there would be danger that if the banks should consider this requirement as to a reserve against outstanding currency burdensome they might not have much difficulty in having it reduced. Even if this requirement should not be changed, however, it appears to me that there is danger of inflation, as attention was called to at the time of the passage of this act. And I may add, in this connection, that it appears to me that there is danger of this under the modified Aldrich-Vreeland Act, as now put into operation. Under the provisions of this act additional currency has been put into circulation, so that on October 1, 1914, there were outstanding national-bank notes to the amount of $1,050,869,169, as against $709,677,098 October 1, 1913, a gain of more than $351,000,000, or about 50 per cent. The contraction in the rest of our currency was only a small fraction of this. The money of all kinds in circulation was greater than a year ago by $292,270,626. And the end of the increase in our currency is not yet. All the bank notes under the Aldrich-Vreeland Act have been issued within the last two months. As was to be expected, the greater part of the issue went to the money centers, New York City getting almost one-half of it. Whether, as has been charged, it is being used to finance speculation and gambling in farm products I shall not undertake to say, but I believe it would have been well to have investigated the matter before deciding to ask additional taxes of $100,000,000 rather than withdraw part or all of the $75,000,000 at present on deposit in the banks.

The Secretary of the Treasury announced some time ago that $30,000,000 to $50,000,000 had been, or would be, furnished the national banks in the different States in order to move the crops. It appears that instead of this sum only $13,029,746 had been deposited for this purpose up to September 28. Five States had received a million or more, namely, Kentucky, $1,375,000; Maryland, $1,450,000; Illinois, $1,200,000; Missouri, $1,550,000; and New York, $1,000,000. These are hardly the States in which we have been accustomed to believe there was need of money for moving the crops. Kansas, which, if the estimates of the Agricultural Department are correct, this year produced a greater wheat crop than any State has every previously produced, has received $25,000 to help move its immense crop. Twenty-five States, including North Dakota and South Dakota, have received none of this money. I do not say that the States which have not received any of this money have been discriminated against, since the banks in these States may not have considered that they needed any of these funds and consequently may not have asked for any, but it is evident that whatever the money is used for not a very large part of it is used to move the crops.

With regard to rural credits, the platform said——

Mr. WILLIAMS. Mr. President, in regard to the last point upon which my friend the Senator from North Dakota has been dwelling, as he said only thirteen million and something had been deposited out of the amount which had been promised, I wish to say I am informed that the amount promised will be deposited; but it was thought to be more wise to deposit it in installments as it was needed, that it would be less calculated to breed speculation and overstimulate for the time being, tending to reflex action later on.

Mr. GRONNA. Mr. President, I have no doubt as to the honest purposes of the Government officials in doing what they believe is right, but, as a financier on a small scale, I claim that they are making a great mistake. I am only pointing out facts.

Mr. WILLIAMS. I am not undertaking to answer what the Senator is saying, nor to question it. I merely wanted to explain that particular objection which he has made. It is not a violation of faith, because the full amount will be deposited, and they think it wiser to deposit it little by little than to do it all at once.

Mr. GRONNA. On that point I do not disagree with my distinguished friend from Mississippi at all. But, Mr. President, now we come to a plank in the Democratic platform as to which the Senator from Mississippi and I probably would disagree. I shall read what the platform has said in reference to rural credits. If I may digress for a moment, I will say that if we had a rural credit system in vogue at the present time there would be no need of asking for any further legislation to help out the cotton situation in the Southern States. I am sure the Senator from Mississippi has given that great question study the same as he has most other great questions. I may be a crank upon the subject, but it seems to me that no law could be passed that would be of any greater or more substantial benefit to all the people than a thorough rural credit system, giving the producer at least an opportunity to say how our finances should be regulated and controlled and not placing the matter all in the hands of a few large banks.

With regard to rural credits, the Democratic platform said:

> Of equal importance with the question of currency reform is the question of rural credits or agricultural finance.

That is absolutely true; it is of equal importance. The Democrats were right when they said in their platform at Baltimore that it is "of equal importance," but what I am calling attention to is that you have failed to carry it out.

While the currency bill, however, became a law more than nine months ago, no rural credit bill has as yet been reported from the banking committee of either House. If the question of rural credits is of equal importance with the currency question, why this continued delay in taking it up for consideration? It certainly is not a more difficult question than the other. While we may differ as to what would be the best measure to pass, the diversity of opinion is not so great as it was on the currency question. If the same force which secured action on the currency question would exert itself in behalf of a rural credits bill, we should have legislation on the subject in short order. That is my belief. The present outlook, however, I regret to say, is not only that no legislation of this kind will be had this session, but that it is doubtful whether anything will be done during the next session.

And I wish to say that legislation of this kind is just as much needed now as when the platform was written. Although it has been widely heralded that the new banking law would give the farmers cheaper loans on account of the provision permitting national banks to lend a certain amount on farm lands, it has had no such effect. A large number of banks will not make such loans. As a matter of fact—and I weigh my words when I say as a matter of fact—I know that in my section rates on farm loans have actually increased during the last year.

With regard to the merchant marine, the platform said:

> We believe in fostering by constitutional regulation of commerce the growth of a merchant marine which shall develop and strengthen the commercial ties which bind us to our sister Republics of the South, but without imposing additional burdens upon the people and without bounties or subsidies from the Public Treasury.

My friend from Mississippi and I do not disagree on that. I have followed his leadership in the House many a time when

he fought those battles on the other side in that body, and I believe I should be glad to follow him again.

The proposal now is to pass a bill providing for the purchase of merchant vessels by the Government for the benefit of our foreign trade. Without discussing its necessity or desirability I must say that it does not appear to me that this is in accordance with the platform declaration, because the platform said it should be done without any burden on the Treasury. The bill which it is reported the President will insist on being passed when Congress reassembles will carry an appropriation of $30,000,000, which can be obtained only by imposing "additional burdens upon the people."

I do not take issue with the policy; I simply comment, and I think I have the right, I think it is my duty, to comment on the fact that you have failed to carry out the definite promises you made in those solemn declarations.

The civil-service plank is as follows:

> The law pertaining to the civil service should be honestly and rightly enforced, to the end that merit and ability shall be the standard of appointment and promotion rather than service rendered to a political party; and we favor a reorganization of the civil service, with adequate compensation commensurate with the class of work performed for all officers and employees; we also recommend the extension to all classes of civil-service employees of the benefits of the provisions of the employer's liability law, and we also recognize the right of direct petition to Congress by employees for the redress of grievance.

If the practice of passing laws taking various Government employees out of the classified civil service is continued, I presume that after a while even the most strenuous spoilsman will not object to the "honest and rigid enforcement" of the civil-service laws. The Democratic platform further says:

> We favor such legislation as will effectually prohibit the railroads, express, telegraph, and telephone companies from engaging in business which brings them into competition with their shippers or patrons, also legislation preventing the overissue of stocks and bonds by interstate railroads, express companies, telegraph and telephone lines, and legislation which will assure reductions in transportation rates as conditions will permit, care being taken to avoid reduction that would compel a reduction of wages, prevent adequate service, or do injustice to legitimate investments.

I take it that a large majority of the people of the United States would favor that provision; at least, I favor it. By most people the latter part of this plank would undoubtedly be taken to mean that there would be substantial reductions in transportation rates, and presumably it was intended to be so understood. As a matter of fact, there has been no reduction in transportation rates; on the contrary, there have been some advances, and indications rather point to additional advances in place of reductions.

No bill preventing the overissue of stocks and bonds by common carriers engaged in interstate business has as yet come before the Senate, and it is now reported that it will not only not be taken up at this session but that it is not likely to be passed at the next session, and may be postponed indefinitely. Of course that is only conjecture on my part.

The platform also says:

> We favor the establishment of a parcel post or postal express, and also the extension of the rural delivery system as rapidly as practicable.

The law providing for a parcel post was passed and the system was established during the administration of President Taft. In spite of the declaration in the platform for the rapid extension of the Rural Delivery Service, the Post Office Department is at present delaying the extension of the service and is holding up cases in which all the requirements of law and of the department have been met in order that the department may point to a record for economy at the end of the year. I do not believe that is the way to economize. The people pay for the Postal Service and have a right to demand that satisfactory service be given them. The action of the Post Office Department would be unwarranted under any circumstances, and it is squarely in opposition to the platform declaration.

The Democratic platform concludes as follows:

> Our platform is one of principles which we believe to be essential to our national welfare. Our pledges are made to be kept when in office as well as relied upon during the campaign, and we invite the cooperation of all citizens, regardless of party, who believe in maintaining unimpaired the institutions and traditions of our country.

The Democratic Party may have attempted to keep those pledges which, after getting into power, they decided should be kept. They have not attempted to keep all of them, and they have failed to keep most of them.

Mr. WEEKS. Mr. President, I desire to refer to two or three matters which have been discussed since this bill was taken up, not, however, going into details which have already been thoroughly covered by those who oppose the bill, both in the House and in the Senate, for I have no disposition to encumber the RECORD with matter which has already been printed or to take the time of the Senate to go over subjects which have been thoroughly discussed.

The chairman of the Committee on Finance [Mr. SIMMONS], in presenting the bill, suggested that the Republicans were opposing it for political rather than for financial reasons, stating that it was necessary to pass legislation of this character or of some character which would produce additional revenue, and that in his opinion no Republican really wished to have the legislation fail, but was opposing it hoping to obtain some political advantage from so doing. There may be some basis of fact in that statement, and yet, Mr. President, I assume that no Republican would wish to have the Government insufficiently financed. I am one of those Republicans who believe that foreign conditions are such that the Government should not only be financed as it would be in ordinary times, but that it should even be stronger than in ordinary times, so that it might, if necessary, come to the relief of necessary matters which are within the provisions of law. The Treasury, in my judgment, Mr. President, is not now in good condition; in fact, relatively speaking, I think it is in weaker condition than ordinary demands justify.

The suggestion has been made by some of those discussing the bill that if the Government would withdraw from the national banks the moneys which are deposited in them it would carry the administration along for a few months at least, and that such moneys should be used before additional taxes are laid. There is some basis of truth in that statement, and yet if the Government withdrew from the national banks the money now on deposit in them and paid it out without having additional revenues to offset such expenditures the Treasury would be in a deplorable condition.

I find on examination of the daily statement of the United States Treasury for August 1 that the net balance in the general fund was $142,741,000. That means that, including all gold, silver, and other moneys in the Treasury, all deposits in national banks, and all credits of postmasters and other officers on the asset side of the account, and assuming that all indebtedness which was current has been paid, there would be a balance left of the amount which I have stated.

On the 2d day of September, one month later, I find that the net balance in the general fund had decreased from $142,741,000 to $122,843,000, or about $20,000,000 in one month. That means, of course, that the expenditures for that month exceeded the receipts by about $20,000,000.

On the 8th day of October the daily statement shows that the net balance in the general fund was $103,496,000, or about $19,000,000 less than it was on the 2d day of September. Therefore since the outbreak of the European war the Government's expenditures have exceeded the Government's receipts by substantially $18,000,000 a month.

It stands to reason that that condition can not continue for an indefinite time, so Congress must at some time make provision to take care of the appropriations which have been made. Up to that point I am quite in agreement with my Democratic friends, fearful though they are, I know, of the political effect which will result from the passage of a revenue bill of any kind at this time.

But what I object to, Mr. President, in their program is the reasons which are assigned for its necessity and the manner of raising the revenue. The latter objection is perhaps fundamental as between the Democratic Party and my own views of what should be done in such a contingency. The first is based on a juggling with figures, in my judgment.

I make this general statement: If the Payne-Aldrich Act had remained in operation during the past year to the 1st day of October, 1914, and the importations had been as large as they have been during the past year, we would have had ample revenue for all purposes, including the extravagances of the present Congress and the last Congress, and would have had as much surplus as we had when the Democratic Party took control of the Government March 4, 1913.

It may be said that the reduction of duties has increased the volume of importations. Quite likely it has had that effect, because I find on consulting the records that in the case of some articles, especially those which have been put on the free list, largely food products, the percentage of importations has increased enormously, and in every such case there has been a reduction in revenue.

I wish to call attention to a few of these items.

The value of the cattle imported into the United States for the 11 months ending August 31, 1913, was $7,050,000. In the present year, during the same months, the importations amounted to $19,018,000. Corn last year, for the same time, $162,000; this year, $9,937,000. Oats last year, $38,000; this year, $8,022,000. Hides and skins last year, $100,278,000; this year, $113,802,000. Sisal grass last year, $15,885,000; this year, $25,322,000. Show-

ing an increase in some cases of many hundreds per cent, and in very nearly every case of important agricultural products and many manufactured articles the increase has varied from 10 to 100 per cent.

I will put this table in the RECORD, with the permission of the Senate.

The VICE PRESIDENT. Without objection, it is so ordered.

The table is as follows:

Imports of specified articles of merchandise into the United States, showing increases and decreases during the 11 months ending Aug. 31, 1914, as compared with 11 months ending Aug. 31, 1913.

Articles.	11 months ending Aug. 31.		
	1913	1914	Increases.
Cattle	$7,050,612	$19,018,959	$11,968,347
Corn	162,295	9,937,474	9,775,179
Oats	38,294	8,022,347	7,984,053
Hides and skins	100,278,753	113,802,680	13,523,927
Sisal grass	15,885,196	25,322,791	9,437,595
Fruits and nuts	41,675,451	49,876,634	8,201,183
Leather and tanned skins	7,984,279	13,911,061	5,926,782
Leather, manufactures of	8,911,080	9,457,109	546,029
Meat and dairy prod cts	13,716,741	44,170,129	30,453,388
Paper and manufactures of	20,389,744	25,842,473	5,452,729
Flaxseed	4,046,735	11,787,874	7,741,139
Silk, raw	76,189,244	89,475,419	13,286,175
Vegetables	9,741,690	14,533,215	4,791,525
Wool, unmanufactured	27,701,791	57,837,962	30,136,171
Wool, manufactures of	15,034,231	37,691,059	22,596,828
Coffee	101,434,938	106,206,682	4,771,744
Sugar	92,582,161	101,411,535	8,829,374
Cotton, manufactures of	58,612,702	63,661,623	5,056,927
Fertilizers	15,964,664	20,991,436	5,026,772
Fish	14,134,959	17,373,990	3,239,031
Silk, manufactures of	25,950,023	29,391,103	3,441,080
Wheat	372,463	1,845,503	1,473,040
Sheep	100,441	586,987	483,546
Butter	293,430	1,810,449	1,517,019
Eggs	190,291	1,118,971	928,680
Cotton, unmanufactured	20,504,188	20,543,622	39,434

Articles.	11 months ending Aug. 31.		
	1913	1914	Decreases.
India rubber	$80,574,807	$62,411,424	$18,163,383
Manila	10,957,899	8,798,733	2,159,166
Furs and manufactures of	22,363,278	10,712,175	11,651,103
Iron and steel and manufactures of	31,504,385	28,603,697	2,900,688
Tin in bars, pigs, etc	47,336,169	32,982,877	14,353,292
Diamonds	37,719,319	15,443,854	22,275,465
Wheat flour	350,788	340,686	10,102

Mr. WEEKS. Now, to return for one moment to the question of national banks:

The Government had deposits in the national banks on the 1st day of August of this year amounting to $54,739,000. On the 2d day of September there were deposits of $68,231,000, which had been reduced on the 8th of October to $64,372,000. At no time, as far as these statements show, has the amount been as large as has been frequently stated in debate. One of the positions which our Democratic friends have taken in the past has been to criticize the operations of the Treasury under Republican administrations as to the manner in which moneys have been deposited in national banks, charging that favorite banks have been selected for these deposits. The truth of the matter is that, as far as possible, I think, such deposits were distributed throughout the country; but it was economically sound always to deposit moneys with reserve centers, because the reserve centers were the natural localities to which banks in the country would turn for assistance if they needed money.

The Senator from North Dakota has stated that there are 25 States which have not received any money during this year when money has been deposited for crop-moving purposes. I presume his statement is correct. I think he will find on investigation that in many cases banks were offered money and refused to take it under the terms made by the department. They preferred to rediscount with their reserve agents rather than to go through the operations necessary to obtain money from the Treasury, which frequently made it necessary to purchase securities which the Treasury, under its rules, would take as security for deposits.

Mr. McCUMBER. Mr. President, will the Senator yield to me just on that point?

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from North Dakota?

Mr. WEEKS. Yes; I yield.

Mr. McCUMBER. That statement is not entirely accurate, certainly not as to the Northwest, because when we came to move the crop this year the important banks of St. Paul and Minneapolis were very desirous of getting some of the Government deposits. I called personally to see about assisting in securing some of those deposits for the movement of the northwestern crops, and was informed by the Secretary of the Treasury that practically all of the money he could possibly spare was South at that time. Although the request came very urgently from that section of the country, we were unable to secure any of the Government deposits for the movement of those crops.

Mr. BRISTOW. Mr. President——

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Kansas?

Mr. WEEKS. Yes; I yield.

Mr. BRISTOW. I desire to say also in that connection, with the permission of the Senator from Massachusetts, that a very urgent demand came from Kansas for money to aid in moving the great wheat crop, especially from Wichita, which is a thriving city in the wheat belt. I made an appeal to the Secretary of the Treasury, and he told me that the money had been assigned, and that there was none for Kansas other than the small amount referred to by the Senator from North Dakota in his speech. In order to obtain the money which conditions demanded, the banks were told that they would have to make their application under the Aldrich-Vreeland Act; and after some circuitous efforts, and with a good deal of embarrassment because of the annoyance of the operations of the system, they finally got some money after the emergency was over.

Mr. GRONNA. Mr. President——

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from North Dakota?

Mr. WEEKS. Yes; I yield.

Mr. GRONNA. I said a moment ago that I did not know whether or not the banks had made any application. My colleague has stated that he knows application was made. I do know, however, that the rates of interest are much higher this year. That is, the rates of interest the grain men—the so-called elevator men—must pay are much higher than they were last year, or years before. Ordinarily they can get money for from 4½ to 5 per cent. This year they are paying 8 per cent. I am so told by men engaged in that business.

Mr. NELSON. Mr. President, will the Senator from Massachusetts permit an interruption at this point?

Mr. WEEKS. Certainly.

Mr. NELSON. I desire to corroborate what the senior Senator from North Dakota has said. I joined him in making application, on behalf of the bankers of the Twin Cities, for money to move the crops. We failed to get a single dollar, however, and were simply told that the money had already been distributed, mainly in the South, and that our people must help themselves by means of the Aldrich-Vreeland Act; and that is what they have done. I was informed to-day by one of the prominent bankers from the Twin Cities that they have taken out between twenty and thirty millions of emergency currency under that law. It does not seem that the money that has been distributed in the banks of the South has been of any practical utility to the rank and file of the people.

I am not finding fault because the Secretary of the Treasury has deposited the money there. I think they need it more; and perhaps we of the Northwest, especially in Minnesota, are in a more fortunate condition this year than any other State in the Union, and are able to take care of ourselves with the currency that we get under the Aldrich-Vreeland bill. The money that has been deposited in the South may have afforded some benefit to the banks in certain localities; but for the public at large, the farmers and the merchants, it has not proved of any value at all, and they are here crying for relief of an entirely different character.

Mr. WEEKS. My statement was based, not on official figures, but on conversations I have had with Senators from different sections of the country.

I have no doubt the experiences of the Senators who have just testified may be relatively true as applied to certain sections of the country. Unfortunately, the Treasury Department does not furnish any statement of deposits in national banks, so it is impossible to know where Government moneys are deposited. It simply prints a list of national banks which are or which may have been at some time Government depositories, without any regard as to how much money is in them, or whether there is any money deposited in them at the time the list is printed.

Incidentally, in glancing over this list to-day I was somewhat surprised to find that the two largest banks in New York—the

National City Bank and the National Bank of Commerce—are not Government depositories, and therefore, of course, have no Government money; and, incidentally, I noticed that the name "Riggs National Bank of Washington" had red ink drawn through it, to indicate that it had ceased to be a Government depository. This fact will furnish evidence later on to prove that there has not been absolute impartiality on the part of the Treasury Department in its dealings with national banks under the present administration.

But, Mr. President, if all these deposits were withdrawn from the banks the Treasury Department would still not be suitably provided for this emergency, and therefore additional revenue should be raised. That being the case, what kind of a tax shall we lay? Shall we lay the kind of tax in which the Republican Party believes, to which it is committed—the tax which raises revenue and at the same time builds up our industries, and which, as far as possible, distributes its effects throughout the country—or shall we impose a tax on selected industries without having any testimony from those engaged in them as to the effect which the tax will have? Is it wise or fair to raise revenue in such a haphazard and illogical way?

It is not necessary to defend the war tax of 1898 in that respect. There was an emergency at that time, and it was necessary to raise money immediately, and therefore to lay a tax which could be applied at once and which would bring in revenue without delay. That condition, however, does not exist today. If the President had said to Congress, "Investigate this matter during the fall months," when Congress should be in adjournment, "and bring in a bill on the 1st of December," it would have been in ample time to have furnished the necessary revenue, and would have given those who were going to be taxed a chance to show what effect it would have on the industry in which they were engaged.

The Senator from North Carolina [Mr. SIMMONS] suggested yesterday, during a colloquy with the Senator from Michigan [Mr. SMITH] relating to the tax on beer, that it was a consumption tax, and that all the taxes proposed in this bill were, in fact, consumption taxes; and, as the Democratic Party is now putting a law on the statute books providing for such taxes, I shall assume that now it is in favor of a consumption tax. That has not always been the position taken by that party. It was not the position taken in 1898, when the positions of the two parties were reversed and the Republican Party was responsible for raising immediate revenue. The present chairman of the Ways and Means Committee of the House, who has always been a conservative Democrat and a man of sound judgment, but with some political principles of which I do not approve, stated during the debate on that bill:

> Taxes levied on consumption, such as tariff and internal-revenue taxes, do not justly or equitably distribute the burdens of government. The man who has wealth may pay more taxes than the man who has not, because he may wear a few more clothes or smoke better cigars; but, in proportion to his wealth, you can readily see he does not begin to pay his fair proportion of taxes.
>
> Now, one of the great objections to the measure now before the House that I have is that it does not attempt to equalize these burdens of taxation. The chief aim and object the Republican Party seems to have, as shown by the action of those it has intrusted with power, is to exempt wealth from taxation and make the toiling masses of the people bear the burdens of government.

Mr. SMITH of Michigan. From whom is the Senator quoting?

Mr. WEEKS. I am quoting now from the present chairman of the Ways and Means Committee of the House.

Mr. SMITH of Michigan. Mr. UNDERWOOD?

Mr. WEEKS. Mr. UNDERWOOD.

> What is the bill they have brought before the House? * * * It again lays additional taxes on consumption.

Which the Senator from North Carolina says is what this bill does.

> It doubles the taxes on beer.

Which the Senator from North Carolina approves.

> In the end the customer must pay for it by getting a less amount for his money. It increases the taxes on tobacco, and already in advance of the passage of the act the merchants have put up the price on their goods. They have invented innumerable stamp taxes that must annoy and harass the people.

I call the attention of the Senator from North Carolina to this statement:

> This tax will fall almost entirely on the hard-working and industrious artisans, merchants, mechanics, farmers, and professional men of the country, but not on idle wealth that is protected but never made to pay for the benefits received.

That was the view of the present chairman of the Ways and Means Committee in 1898. I do not know whether he has changed his views or not; but what he charged and denounced at that time is exactly what this bill does, and if it were wrong then it is wrong now. It was necessary then, because we were engaged in war without any idea when and how it would end. But it is not necessary now, because we do not need the revenue to carry on the Government, as we did in 1898.

Mr. SMITH of Michigan. Nor for the same reason.

Mr. WEEKS. Mr. President, to raise the revenue necessary to carry on the Government during the immediate future, if I were responsible for it, I would restore the duties on those articles from which the duties were removed by the Underwood-Simmons Act, the result of which has not been of any benefit to any American citizen. I refer to the duty on sugar, which will cost this Government $25,000,000 in revenue in the year beginning at the date when the provision as to sugar commenced to apply; the duty on wool, which in the first seven months of its operation has cost in revenue $19,000,000, without reducing the price of wool or the products of wool in any respect; and the duty on many other articles, the price of which has not been reduced by the removal of the duty, a result which never happens, the foreigner always marking up his price to conform to the price of the market where he is selling. I would restore those duties, protecting our industries and our people and at the same time obtaining ample revenue to take care of this emergency.

The President stated in his message to Congress, which is really a message to the people of the United States—because his messages are always brief, they are always to the point, but they are not always accurate—that the loss in revenue in August was largely or almost entirely due to the falling off of importations, due to the war in Europe. It is that particular point which I wish to discuss in some detail, because the President is in a position to obtain accurate information from the departments of the Government; and when he comes to Congress and makes a definite statement of that kind, which can not be answered to the people of the country, because there is never a full opportunity to do so—no one else has the audience given the President—the people are apt to come to a wrong conclusion, as they will in this case, unless it is dinned into the ears of everyone with whom those who see the facts differently take the opportunity to discuss the matter in public. I think it can be conclusively demonstrated that there is little merit in the President's reason for the reduction in revenue, and, on the other hand, that it is almost entirely due to the reduction in duties as imposed in the Underwood-Simmons bill.

The free importations for the month of August in 1913 were $70,062, and in the month of August, 1914, they were $80,268,000.

The dutiable importations in August, 1913, were $67,588,000. In the month of August, 1914, they were $49,499,000. The total in August, 1913, was $137,651,000, and in August, 1914, $129,767,000, or a loss of $8,000,000.

As a bald statement the President would ask us to believe that a falling off in importations of $8,000,000 would produce a reduction in revenue of ten and a half million dollars—really eleven and a half million dollars. Of course that could not be possible, because there are no duties on any article that approach 100 per cent. The average rate of duty on all dutiable articles imported, even under the Payne-Aldrich law, was less than 50 per cent last year. In fact, the average ad valorem on dutiable imports in August, 1913, was 45.77 per cent. The ad valorem rate in August, 1914, was 39.26 per cent. The average ad valorem on all imports in August, 1913, was 22.47 per cent, and in August, 1914, it was 14.97 per cent.

In August, 1913, the percentage coming in free was 50.8 per cent. In August, 1914, it was 61.9 per cent.

If duties at the same rate on this year's importations had been levied that were borne by the importations which came in last year, the duties collected would have been $29,158,834, instead of $19,431,363, or $9,727,000 more than was collected under the rates imposed by the Underwood bill.

In other words, if there had been no reduction in the rate of duty carried by the Underwood bill, all the loss of revenue in the month of August would have been made up, assuming that importations were the same, except $1,776,000.

But in order to demonstrate the reason why this revenue fell off in the month of August, I am going to in detail give figures relating to different articles imported to show what the change in the rate of duty actually means in each specific case.

I will not take the time of the Senate to give all these figures, because it means going through the whole tariff bill, but I will ask permission to put into the RECORD as many of them as I think necessary in order to prove my contention, illustrating by referring to a few of them at this time.

The PRESIDING OFFICER (Mr. ASHURST in the chair). That order will be made, in the absence of objection.

August.	Importations.	Rate of duty.	Loss.	Duty if imported at old rate.
CATTLE.				
1913	$2,425.00	Free		
	714,818.00	25 per cent		
1914	1,784,174.00	Free	$178,704.50	$446,043.50
ALL ANIMALS.				
1913	290,087.00	Free		
	794,636.00	27.55 per cent		
1914	2,253,132.00	Free		
	49,935.00	Dutiable	218,922.00	[1] 554,575.99
CORN.				
1913	273.00	15 cents per bushel.		
1914	1,248,902.00	Free		307,505.10
COTTON, AND MANUFACTURES OF.				
Unbleached cloth:				
1913	45,183.00	41 per cent		
1914	45,307.00	18 per cent	10,392.09	18,575.87
Bleached cloth:				
1913	146,150.00	40 per cent		
1914	110,125.00	20 per cent	36,435.00	44,050.00
Colored cloth:				
1913	263,839.00	44 per cent		
1914	394,463.00	18 per cent	45,085.82	173,563.72
Stockings:				
1913	234,646.00	70 per cent		
1914	91,285.00	46 per cent	122,261.10	63,899.55
CURED HERRING.				
1913	350,201.00	12.88 per cent		
1914	293,717.00	Free	45,105.83	38,474.74
SAWED LUMBER.				
1913	1,789,790.00	Average 12 per cent.		
1914	1,996,024.00	Free	214,774.80	239,522.88
WOOL, AND MANUFACTURES OF.				
Cloth:				
1913	797,326.00	92 per cent		
1914	1,440,065.00	35 per cent	229,517.17	1,324,859.80
Dress goods:				
1913	452,534.00	98 per cent		
1914	1,178,367.00	35 per cent	31,054.87	1,153,799.66
Wearing apparel:				
1913	269,635.00	79 per cent		
1914	212,411.00	45 per cent	117,433.70	167,804.69
All others:				
1913	117,348.00	80 per cent		
1914	622,261.00	23 per cent	[2] 49,241.63	497,808.80
Total manufactures:				
1913	1,947,922.00	81 per cent		
1914	4,023,422.00	46 per cent	[2] 272,264.30	3,258,971.82
SUGAR CANE.				
1913	10,214,366.00	63 per cent		
1914 [3]	13,800,636.00	48 per cent	[2] 189,244.70	2,259,350.10
MACARONI.				
1913	359,184.00	32 per cent		
1914	273,845.00	22 per cent	54,692.98	87,630.40
LEMONS.				
1913	688,121.00	60 per cent		
1914	454,588.00	16 per cent	340,138.52	272,552.80
CHEESE.				
1913	617,481.00	32 per cent		
1914	475,143.00	20 per cent	102,665.32	152,045.76
GLOVES.				
1913	935,489.00	45.44 per cent		
1914	604,917.00	33 per cent	225,463.59	274,874.28

[1] Deducting same amount free as 1913.
[2] Gain.
[3] Had old duty remained, increase on 1914 importations would be $2,259,350.10.

Mr. WEEKS. In 1913 the duty on cattle, substantially all kinds of cattle, was 25 per cent, and the importations were in value $714,000. The revenue obtained was therefore $178,704.

Cattle in the Underwood bill were put on the free list, and therefore if the importations in August for this year had been exactly what they were in August last year the loss of revenue in that one item would have been $178,000.

But the importations of cattle in 1914 increased from 714,000 to 1,784,000, or about 150 per cent. They came in free, so that there was no revenue from those importations; but if the same rate of duty had been maintained and the importations had been what they were this year there would have been obtained a revenue of $446,000 from that one item. Therefore there is not only a loss to the Treasury of that amount which might have been collected, but a loss to the farmers who are producing cattle as a result of the competition coming from the importation of these cattle, and there has been no resulting benefit, as far as anybody can see, to any consumer or any other American.

The rate of duty on sheep in the Payne-Aldrich bill was 17 per cent. The importations were negligible. The duty actually received was $886 in August last year. Therefore there is a loss in the case of sheep of $886 revenue by putting them on the free list. But putting them on the free list increased the importations from 5,212 to 63,779, so that if the same rate of duty had remained as obtained in the Payne-Aldrich bill, the loss of revenue from the importations of sheep this year would be $10,842. If the same number of sheep were not imported, with the duty as it was remaining last year, it would be so much better for our farmers.

All other animals under a separate heading in the tariff schedules carried a duty of 27.55 per cent. A few blooded animals came in free. All other animals were put on the free list in the Underwood bill. The duty collected last year was $218,922. Therefore that is a loss to the Treasury this year. Assume that the same number of animals came in—as a matter of fact the number increased 200 per cent in importations, so that instead of 794,000 dutiable animals coming in, as in the last year, 2,253,000 came in this year—the duty at the old rate would have amounted to $554,575. Therefore, assuming that the reduction in duty had no effect on the importations, there is a loss to the Treasury in revenues this year of $554,000.

Take the case of breadstuffs—corn, if you please. All these figures apply to the month of August. There was substantially no corn imported under the old law. This year, in the month of August, 1,248,000 bushels were brought in. The old rate of duty was 15 cents a bushel. The present rate is free. Therefore there are a million and a quarter bushels of corn which have come into this country and which have not produced any revenue, but which, if the rate of 15 cents a bushel had remained as in the Payne law, would have produced a revenue of $307,000. As a result we have, on the one hand, our farmers having to meet the competition of a million and a quarter bushels of corn imported, and, on the other hand, the Government losing the revenue which would have been obtained if the old rate of duty had been continued.

Take the case of oats. The importations of oats were negligible under the old law; 15 cents a bushel was the duty. This year the value of oats brought in has so increased that even at the reduced rate of duty from 15 cents a bushel to 6 cents a bushel there is shown a loss in revenue based on the old rate of $8,245.26.

Mr. SMITH of Michigan. For what month?

Mr. WEEKS. These figures apply to August of this year and August of last year, and by them I hope to demonstrate that the loss of $9,727,000 revenue is due to the reduction of duties imposed by the Underwood-Simmons bill.

I am not going to take the time to read any more of these figures, Mr. President, because I have permission to insert them in the RECORD, but it will be found on examination that in almost all items the result is similar to those instances which I have given. I will, however, submit the last one I have before me—leather and tanned skins. The average rate of duty under the old law was 11.59 per cent. The value of the skins imported amounted to $656,000. The duty was removed by the Underwood bill, and as a result $904,000 came in in August this year, or an increase of 50 per cent. The revenue last year amounted to $70,429. That, in any case, is a loss to the Treasury. If the old rate of duty obtained and was applied to the importations of this year the revenues this year would have been $104,786.

There are more important and larger items in this list of importations which I have here, such as wool and sugar and other great staples, which are of importance to everyone in all sections of the country.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from North Carolina?

Mr. WEEKS. I yield.

Mr. SIMMONS. I do not wish to engage in any controversy, but I wish to make an inquiry of the Senator. Suppose one-half of all the dutiable imports from Europe should fall off as a result of the war, does not the Senator think that as a result of that falling off the Government would get less revenue under the Payne-Aldrich bill than under the present tariff? That is, suppose the one-half amounted to $250,000,000 in dutiable imports from Europe, would not the rates of the Payne-Aldrich bill, if applied to that loss in dutiable imports, raise more reve-

nue, and, therefore, if the imports do not come in, would we not lose more revenue than if the Underwood rates were applied?

Mr. WEEKS. The Senator from North Carolina is usually perfectly clear in the statements he makes, but I think the question which he has asked is somewhat involved, if I understand it——

Mr. SIMMONS. Then, if the Senator will permit me, I will try to relieve it of that embarrassment.

I am now speaking only with reference to receipts which the Government would lose as the result of a falling off of $250,000,000 of imports which, I will say, come from Europe, or anywhere else, as far as that is concerned.

Mr. WEEKS. There is not any question about the volume of imports from Europe falling off during the continuance of the war. There will be a great falling off in the cases of those countries whose ports are blockaded—Belgium and Germany and Austria will be the principal sufferers, or are the principal sufferers at present. But if we do not get any imports from those countries during the continuance of the war, and assume the average rate of duty which all importations for the month of August, which is substantially 15 per cent, would apply to this loss, it would mean only about $3,000,000 a month, or something like $36,000,000 for the entire year. That would be the loss, assuming that we did not import a dollar's worth of goods from any one of those three countries.

Now, in the countries where the ports are open I assume that very largely our trade is going on as it has in the past, not quite to the same extent, possibly, and yet the exports which we are now making under these conditions are greater than they ever have been. I notice——

Mr. SIMMONS. I do not want to discuss that. I think the Senator has not yet quite caught the point of my question.

Mr. SMITH of Michigan. Let me ask the Senator a question.

The PRESIDING OFFICER. Does the Senator from Massachusetts yield?

Mr. SIMMONS. I hope the Senator will allow me to ask the question.

The PRESIDING OFFICER. To whom does the Senator from Massachusetts yield?

Mr. WEEKS. I yield to the Senator from North Carolina.

Mr. SMITH of Michigan. I want to say, if I caught the suggestion of the Senator from North Carolina correctly, he meant that the average rate of duty under the Simmons law being less than the average rate of duty under the Payne law, the importations would be greater under the Simmons law than under the Payne law.

Mr. SIMMONS. No; I was not discussing that question at all.

Mr. SMITH of Michigan. That is what the Senator argued when the Simmons bill was passed.

Mr. SIMMONS. I was not discussing that question at all. The Senator entirely misunderstood me.

Mr. SMITH of Michigan. That was the argument made by the Senator when the bill was passed.

Mr. SIMMONS. I am not talking about the argument made at some other time. I am simply talking on the question now before us. It does not involve the suggestion of the Senator at all.

Mr. WEEKS. I yield to the Senator.

Mr. SIMMONS. The Senator, of course, understands that the Payne rates were higher than the present bill.

Now, let us assume that this year there was a falling off in imports from Europe of $250,000,000. I do not know the exact value, but the imports from Europe amounted to $510,000,000 worth of dutiable goods, I think.

Mr. WEEKS. The total for the 12 months ending June 30 was $1,486,000,000.

Mr. SIMMONS. About $500,000,000 worth of dutiable goods.

Mr. WEEKS. The dutiable goods under the present act are 38 per cent of the total importations.

Mr. SIMMONS. I think that is about right. Suppose we import from Europe $250,000,000 worth of dutiable merchandise, would we not lose more money in revenue if the Payne rates were in force than if the Underwood rates were in force? Would we not lose more money?

Mr. WEEKS. If we assumed that we are going to import $250,000,000 anyway, of course we would lose more under the present tariff than we would under the tariff which preceded it.

Mr. SIMMONS. Suppose you applied the Payne-Aldrich rate to the $250,000,000, the amount would be greater, would it not?

Mr. WEEKS. The amount collected?

Mr. SIMMONS. Yes; if we applied the Payne-Aldrich rate of duty to the $250,000,000 that does not come in, it would bring more money to the Treasury than if we applied to that $250,000,000 the rates of the present law.

Mr. WEEKS. About 50 per cent more.

Mr. SIMMONS. Therefore, if those importations are cut off, the Treasury would lose more money as a result of that cutting off under the Payne law than it would under the Underwood law.

Mr. WEEKS. But there is not any assurance that they are going to be cut off, and whatever amount does come in the loss will be greater under the present law than under the Payne-Aldrich law.

Mr. SIMMONS. I was simply assuming it. I was simply asking the Senator to look at both sides upon that assumption.

Mr. SMOOT. That argument is that if both the poor fellow who has $500 and the man who has $1,000 are ruined, the fellow who has a thousand dollars is ruined the most. That is all there is to it.

Mr. SIMMONS. All there is in it is this: That with the Payne-Aldrich bill in force if we lose $250,000,000 on our imports from Europe, the Treasury would lose more money than it would lose with the Underwood bill if there are like importations.

Mr. WEEKS. Mr. President, I assume that under the conditions which are going to exist the importations are going to be those that are absolutely necessary. If the rates of duty on the $250,000,000 suggested are those imposed by the Underwood-Simmons bill they would produce a revenue of about $37,000,000, and if they carried the rate of the Payne-Aldrich bill they would produce a revenue 50 per cent greater, or something like $55,000,000. I think the importations would be substantially the same under present conditions whatever the rate of duty imposed.

Mr. SMITH of Michigan. Mr. President——

Mr. WEEKS. I yield to the Senator from Michigan.

Mr. SMITH of Michigan. I was impressed when the Senator from Massachusetts was detailing the increased volume of importations with the thought that under the present tariff law, which opens the doors so wide, we have really placed aliens and foreigners who do not come within our borders at all upon practically the same footing as our own citizens. We have torn down the barriers, and a Canadian can live in any Province of Canada and enjoy all the rights that are enjoyed by American citizens of trade in our busy marts of industry and commerce, and he has the added right of being able to avoid the deficiency tax bill which is now being laid upon American citizens, because he lives beyond its reach.

I can not help being impressed with the idea that instead of cheapening products to the consumer, instead of relieving our own people from burdens, the legislation for which Senators on the other side of the Chamber are responsible, and notably the distinguished Senator from North Carolina, who occupies his place on that side of the Chamber, they have minimized the importance and dignity of American citizenshp. From every quarter of the globe the rights of our citizens to their own market has been impinged upon by the courtesy of Democratic free trade, and it has made it easy to bring the products of other men's genius in here in competition with our own.

Instead of the Senator from North Carolina getting his eye on the spigot in the barrel, he ought to take cognizance of the entire barrel and not attempt to differentiate between the revenues we would have derived under the Payne law and the revenues that we are not now deriving under the Simmons law; but he ought to consider the strength and the encouragement which would come to American business men and investors and industrial enterprises if the law which treated the American market place as the right of the American citizen had been maintained instead of passing it over to strangers who contribute nothing toward our welfare and nothing toward the genius of our institutions.

Mr. WEEKS. Mr. President, recurring once more to the statement of imports and exports, one of the most illuminating phases of it is that it demonstrates the fact that the Underwood-Simmons bill has worked directly against the producer in this country, in addition to being a poor revenue raiser. I will give here the figures which I think demonstrate the correctness of that statement:

Crude materials for use in manufacture, of which we should import as many as possible so as to give our workmen employment, increased in amount about $34,000,000 for eight months ending August 31, 1914, over the same time in 1913.

Foodstuffs in crude condition and food animals increased about $36,000,000.

Foodstuffs partly or wholly manufactured increased about $47,000,000.

Both of those items work directly against the producers of food products in this country.

Manufactures for further use in manufacturing—that is, those that are partially manufactured, to go into finer products—decreased in amount about $34,000,000.

Manufactures ready for consumption increased in amount about $29,000,000.

Now, take the export side of that statement. We should manufacture in this country all the crude material possible and ship abroad the finished product. That would keep our workmen and our capital invested in manufacturing employed. Yet the exportation of these materials that should have been manufactured in this country fell off but $3,000,000, while manufactured products decreased in the same time $107,000,000, which would seem to be conclusive that the result of the working of the Underwood-Simmons bill has been directly against the interest of capital invested in production in this country and directly against the interests of the workmen employed in producing in this country, and, vice versa, favorable to capital and labor employed in foreign countries.

Mr. President, I am not going to take any more time now, except to suggest that the Democratic Party should have done what the whole tenor of their platform of 1912 promised to do—that is, to reduce the burdens of the people. If the Democratic Party got any support outside of those who are hidebound party members, it came on the theory that when the Democratic Party obtained power it would reduce the burdens of the people. I am perfectly willing to pause at any time when I have the floor to let any Democratic Senator state in definite mathematical terms in what way the Underwood tariff bill has reduced those burdens or in what way any legislation which has been passed since they took control of the Government March 4, 1913, has in any way reduced the people's burdens.

Not only have you been exceedingly extravagant in your appropriations, but only the half is told when the cold figures of the increased appropriations are published. Among other expenditures, you have provided for the building of a railroad in Alaska, to cost $35,000,000. The House has passed a bill providing for the construction of good roads, which carries $25,000,000. I submit that that bill as it came to the Senate would institute a system of "pork-barrel" legislation which would make anything that has been assumed to be legislation of that character look literally like nothing. It is so unscientific in its provisions that it ought not to be given a minute's consideration.

Then the President, since the European war came on, has recommended an appropriation of $30,000,000 to buy ships for the Government to go into the carrying trade; since the war came on the Department of State has been urging the appropriation of $25,000,000 to be paid to the United States of Colombia; within the same time we have had a recommendation from the State Department of an appropriation of $3,000,000 for a similar purpose in the case of Nicaragua; and since the war came on we have passed the Trade Commission bill, which will require at least $10,000,000 a year, if any considerable part of the duties of the Trade Commission are carried out. That makes a total of $128,000,000 to which the Democratic Party is committed, in addition to the appropriations that have actually been made. So if we are to provide for their excessive appropriations, and if these appropriations which have been recommended by the President are to be made, it will not only require $100,000,000 additional revenue, but in the near future it will require $200,000,000. For that condition, I submit, the Democratic Party is entirely responsible.

In a word, Mr. President, I think the Government should have more revenue, but I think the way to get that additional revenue is to reimpose the former duties on sugar and wool and the other articles from which the duty has been removed without bringing any benefit to the American consumer.

I think when the President came to Congress he should have recommended as much economy as could be practiced and at the same time carry on the necessary functions of the Government. If he had done that, the subservient Congress which sits here in the Capitol would have carried out his recommendations, just as they are carrying out the preparation of this bill, which none of you want to pass at this time, but which you are going to pass because the President has recommended it.

Therefore, if we are not going to follow in the immediate future an economical policy in the conduct of this Government, the President must be directly responsible for the result; yet, if I believed the legislation providing for the levying of taxes which we are about to pass would produce sufficient revenue and at the same time be beneficial to the interests of the business men and the workingmen of this country, and were not the illogical, haphazard tax unfair, which it is going to be when you have completed the bill, I would support it, because I believe the Government is going to need more revenue than can be obtained from the sources now available under present conditions.

The PRESIDING OFFICER. The first amendment reported by the Committee on Finance will be stated.

The first amendment of the Committee on Finance was, in section 1, page 1, line 4, after the words "tax of," to strike out "$1.50" and insert "$1.75," and on page 2, line 1, after the word "accordingly," to insert "*Provided*, That a discount of 5 per cent shall be allowed upon all sales by collectors to brewers of the stamps provided for the payment of said tax," so as to make the section read:

That there shall be levied, collected, and paid, in lieu of the tax of $1 now imposed by law, a tax of $1.75 on all beer, lager beer, ale, porter, and other similar fermented liquor, brewed or manufactured and sold, or stored in warehouse, or removed for consumption or sale, within the United States, by whatever name such liquors may be called, for every barrel containing not more than 31 gallons; and at a like rate for any other quantity or for the fractional parts of a barrel authorized and defined by law. And section 3339 of the Revised Statutes is hereby amended accordingly: *Provided*, That a discount of 5 per cent shall be allowed upon all sales by collectors to brewers of the stamps provided for the payment of said tax: *Provided further*, That the additional tax imposed in this section on all fermented liquors stored in warehouse to which a stamp has been affixed shall be assessed and collected in the manner now provided by law for the collection of taxes not paid by stamp: *Provided further*, That until appropriate stamps are prepared and furnished, the stamps heretofore used to denote the payment of the internal-revenue tax on fermented liquor may be stamped or imprinted with a suitable device to denote the new rate of tax herein imposed, and shall be affixed to all packages containing such liquors on which the tax imposed by this act is paid. Any person having possession of unaffixed stamps heretofore issued for the payment of the tax on fermented liquors shall present the same to the collector of the district, who shall receive them at the price paid for such stamps by the purchaser and issue in lieu thereof new or imprinted stamps at the rate provided in this act.

The amendment was agreed to.

Mr. JONES. Mr. President, there are very few Senators here; I see no members of the Finance Committee on our side of the Chamber; and so I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Washington suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hollis	Page	Sterling
Bankhead	James	Perkins	Stone
Borah	Johnson	Poindexter	Swanson
Bristow	Jones	Pomerene	Thomas
Bryan	Kern	Saulsbury	Thompson
Camden	Lane	Shafroth	Thornton
Chilton	Lea, Tenn.	Sheppard	Townsend
Clark, Wyo.	Lewis	Shields	Warren
Colt	McLean	Shively	West
Culberson	Martin, Va.	Simmons	White
Fletcher	Martine, N. J.	Smith, Ga.	Williams
Gore	Myers	Smith, Md.	
Gronna	Norris	Smith, S. C.	
Hitchcock	Overman	Smoot	

Mr. TOWNSEND. The senior Senator from Ohio [Mr. BURTON] is necessarily absent from the Senate. He is paired on all votes with the Senator from Arizona [Mr. SMITH]. This announcement may stand for all votes to-day.

Mr. THORNTON. I desire to announce the necessary absence of my colleague [Mr. RANSDELL], and ask that this announcement may stand for the day.

Mr. SMOOT. I desire to announce that the Senator from New Hampshire [Mr. GALLINGER], the Senator from Utah [Mr. SUTHERLAND], and the Senator from West Virginia [Mr. GOFF] are necessarily absent and are paired, respectively, with the Senator from New York [Mr. O'GORMAN], the Senator from Arkansas [Mr. CLARKE], and the Senator from South Carolina [Mr. TILLMAN].

The PRESIDING OFFICER. Fifty-three Senators having answered to their names, a quorum of the Senate is present.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 2, after line 20, to insert:

SEC. 2. That there be levied, collected, and paid in addition to the tax now imposed by law a tax of 5 cents per gallon upon each gallon of rectified whisky, or other similar rectified distilled liquor, distilled or manufactured and sold or stored, or rectified in warehouse, or removed for consumption or sale within the United States: *Provided*, That the additional tax imposed by this section shall be paid by appropriate stamps prepared, furnished, and canceled by the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury.

Mr. GRONNA. Mr. President, I have received a great many letters and some telegrams from citizens of my State protesting against levying a war tax on intoxicating liquors. I shall burden the RECORD with but one of these communications, but I should like to have read from the desk a letter from Mrs. Elizabeth Preston Anderson, a very distinguished woman, president of the Woman's Christian Temperance Union of North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota asks that the letter to which he has referred be read from the desk. Is there objection? There being none, the Secretary will read as requested.

The Secretary read as follows:

NORTH DAKOTA SUFFRAGE CAMPAIGN HEADQUARTERS,
Jamestown, N. Dak., August 29, 1914.

Hon. A. J. GRONNA,
United States Senate, Washington, D. C.

DEAR SENATOR GRONNA: It is reported that because the war affects Federal revenues Congress is ready to put an additional tax on beer and whisky.

The original internal-revenue tax on intoxicating liquor was, as you know, a Civil War measure. It has never been possible to remove it because this tax has given the liquor traffic Government protection, and under it it has grown and flourished for 50 years.

Just now the liquor business is facing its final defeat, but a new tax on intoxicants now will give it a new lease on life.

On behalf of the Woman's Christian Temperance Union of North Dakota I beg you to use your vote and influence against this measure, which will set back the temperance reform for years.

With kind personal regards, I am,
Yours, sincerely,

ELIZABETH PRESTON ANDERSON.

Mr. MARTIN of Virginia. Mr. President, on yesterday, while I happened to be absent from the Senate, the Senator from Utah [Mr. SMOOT], in submitting some remarks on the revenue bill, which is before the Senate, took occasion to make some comments on the appropriations of public money during the present session of Congress. I will not undertake at any length to follow the Senator in the political campaign speech which he delivered on that occasion, but I simply wish to say enough to place before the country and before the Senate the facts in respect to appropriations made at the present session of Congress in such shape as will be convenient for reference and as will present the matter accurately.

I do not mean to charge that the Senator from Utah was inaccurate in the facts which he stated, but I do feel that his remarks did not present fairly to the country the matter to which he addressed himself.

I submit some tables, and ask that they be inserted in the RECORD. The first is a comparison of appropriations for the fiscal year 1915 with those for the fiscal year 1914. In the next place I submit a statement of those appropriations which are considered by me and which in fact are extraordinary appropriations and do not constitute a part of the regular expenditures for the support of the Government.

I submit another table comparing the appropriations for 1914 with those for 1915, which I will explain briefly when I get through with the list.

I submit another table which shows, in addition to the appropriations of public money, the contract authorizations for the payment of money.

In the next place, Mr. President, I submit a table comparing the appropriations in 1913, which were made when the Republicans were in control of the Senate, with the appropriations for 1915, which dates were the ones used by the Senator from Utah.

The PRESIDING OFFICER. The Senator from Virginia submits certain tables, which he asks to have incorporated in the RECORD. Is there objection? There being none, they will be printed as requested.

The tables referred to are as follows:

Comparison of appropriations, fiscal year 1915 with 1914.

Title of bill.	Appropriations, 1915.	Appropriations, 1914.	Increase appropriations for 1915 over 1914.	Decrease appropriations for 1915 under 1914.
Agriculture	$19,865,832.00	$17,986,945.00	$1,878,887.00	
Army	101,019,212.50	94,266,145.51	6,753,066.99	
Diplomatic and consular	4,309,856.66	3,730,642.66	579,214.00	
District of Columbia	12,172,539.49	11,383,739.00	788,800.49	
Fortification	5,627,700.00	5,218,250.00	409,450.00	
Indian	9,771,902.76	9,486,819.67	285,083.09	
Legislative	37,630,229.70	35,172,434.50	2,457,795.20	
Military Academy	997,899.54	1,099,302.87		$101,403.33
Navy	144,868,716.61	140,800,643.53	4,068,073.08	
Pension	169,150,000.00	180,300,000.00		11,150,000.00
Post office	313,364,667.00	285,376,271.00	27,988,396.00	
River and harbor	20,000,000.00	41,073,094.00		21,073,094.00
Sundry civil	110,070,227.39	116,795,327.01		6,725,099.62
Total	948,848,783.65	942,689,614.75	45,208,765.85	39,049,596.95
Deficiencies	23,363,586.61	28,074,912.31		4,711,325.70
Miscellaneous	[1] 12,500,000.00	388,597.22	12,111,402.78	
Permanent annual appropriations	131,196,407.00	127,525,664.12	3,670,742.88	
Total	1,115,908,777.26	1,098,678,788.40	60,990,911.51	43,760,922.65

[1] This amount is approximated.

Increase appropriations for 1915 over 1914, $17,229,988.86.

Extraordinary appropriations, 1915.

Investigation, treatment, and eradication of hog cholera	$600,000.00
Railroads in Alaska	1,000,000.00
Relief of destitute American citizens in Mexico (urgent deficiency act)	40,152.47
Transporting and caring for Mexican interned soldiers and refugees (urgent and general deficiency acts)	670,000.00
Army act, increase over 1914 on account of Mexican situation	6,753,066.99
Deficiencies for the Army on account of Mexican situation (further urgent deficiency act)	6,418,932.24
Naval act, increase over 1914 on account of Mexican situation	4,068,073.08
Deficiencies for the Navy on account of Mexican situation (urgent deficiency act)	697,953.68
Deficiencies for the Navy on account of Mexican situation (general deficiency act)	1,282,978.11
Relief, protection, and transportation of American citizens in Europe	2,750,000.00
Establishment of Bureau of War Risk Insurance	5,100,000.00
Total	29,381,156.57

Appropriations, 1914 and 1915.

Total appropriations, 1915		$1,115,908,777.26
Total appropriations, 1914		1,098,678,788.40
Increase, 1915 over 1914		17,229,988.86
Extraordinary appropriations, 1915		29,381,156.57
Decrease appropriations 1915 under 1914 (less extraordinary appropriations, 1915)		12,151,167.71
Increase, Post Office act for 1915 over 1914		27,988,396.00
Decrease appropriations for 1915 under 1914 (less extraordinary appropriations for 1915 and increase of Post Office act for 1915 over 1914)		40,139,563.71

Appropriations and contract authorizations, 1914 and 1915.

Appropriations, 1914	$1,098,678,788.40	
Contracts authorized, 1914	68,505,174.00	
		$1,167,183,962.40
Appropriations, 1915	1,115,908,777.26	
Contracts authorized, 1915	28,060,000.00	
		1,143,968,777.26
Decrease appropriations and contract authorizations for 1915 under the same for 1914		23,215,185.14

Comparison of appropriations, 1913 with 1915.

Title of bill.	Appropriations, 1913.	Appropriations, 1915.	Increase, 1915 over 1913.	Decrease, 1915 under 1913.
Agricultural	$16,651,496.00	$19,865,832.00	$3,214,336.00	
Army	90,958,712.38	101,019,212.50	10,060,499.52	
Diplomatic and consular	3,638,047.41	4,309,856.66	671,809.25	
District of Columbia	10,670,733.00	12,172,539.49	1,501,806.49	
Fortification	4,036,235.00	5,627,700.00	1,591,465.00	
Indian	8,920,970.66	9,771,902.76	850,932.10	
Legislative	34,216,463.38	37,630,229.70	3,413,766.32	
Military Academy	1,064,668.26	997,899.54		$66,768.72
Navy	123,225,007.76	144,868,716.61	21,643,708.85	
Pension	165,146,145.84	169,150,000.00	4,003,854.16	
Post Office	271,429,599.00	313,364,667.00	41,935,068.00	
River and harbor	31,059,370.50	20,000,000.00		11,059,370.50
Sundry civil	112,039,184.40	110,070,227.39		1,968,957.01
Total	873,056,634.19	948,848,783.65	88,887,245.69	13,095,096.23
Deficiencies and miscellaneous	13,149,652.60	35,863,586.61	22,713,934.01	
Permanent annual appropriations	133,206,424.12	131,196,407.00		2,010,017.12
Total	1,019,412,710.91	1,115,908,777.26	111,601,179.70	15,105,113.35

Increase, 1915 over 1913	$96,496,066.35
Amount of increase of Army ($10,060,499.52), Navy ($21,643,708.85), and Post Office ($41,935,068) acts, 1915 over 1913, and extraordinary appropriations ($29,381,156.57) for 1915	103,020,432.94
Decrease, 1915 under 1913, less above sum	6,524,366.59

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Utah?

Mr. MARTIN of Virginia. I do.

Mr. SMOOT. Do I understand the Senator disputes the figures which I submitted to the Senate yesterday in the form of a comparison?

Mr. MARTIN of Virginia. I stated to the Senate that I believed the Senator from Utah was substantially accurate, although there are some slight corrections which should be made, due, no doubt, to changes which have occurred since the Senator's tables were made up. For instance, the river and harbor bill contains an appropriation of only $20,000,000.

Mr. SMOOT. That is shown by the figures given by me, Mr. President. I will say to the Senator that I had the figures

which I presented made up yesterday morning by Mr. Rea, who also compiled the figures which the Senator is presenting, I understand.

Mr. MARTIN of Virginia. I have no doubt that the figures were substantially accurate and were compiled by the clerk of the Committee on Appropriations, who also compiled the figures which I present.

Now, Mr. President, I wish at the outset, though I will not, I hope, drift into anything like a political speech, to say that I dissent from the idea that small appropriations are economical appropriations. It may be exceedingly economical to make large appropriations. The Democratic Party has never stood before the country as a party of small appropriations, but it has stood before the country as a party for only necessary appropriations economically expended. This country is great enough and rich enough and good enough to be entitled to first-class service, and the Democratic Party has undertaken to give to the country a first-class service in all departments of governmental activity. The country is progressing rapidly and its service must be enlarged to meet the demands of a growing country, and the Democratic Party has proposed, and still proposes, to meet the demands of a growing country and to supply not only as good a service as we have had in the past but a service commensurate with the growth and development and increase of population in the country.

The Senator from Utah on yesterday alluded, among other things, to the appropriation of $400,000 for the enlargement of the post office in the city of Richmond. There is great and urgent and vital necessity for better post-office facilities at Richmond, and I would be glad, Mr. President, to see the Congress provide the money, even if they had to issue bonds, to furnish public buildings for the public service wherever they are needed; but, without any knowledge, I am sure, on the part of the Senator from Utah, he undertakes to criticize that as an extravagant appropriation. Of course he knew nothing about the facts of the case. Indeed, he characterizes every appropriation extravagant if it is an increase of a previous appropriation, a proposition from which I dissent most emphatically. I should like to see public buildings constructed in the city of Washington to provide every square foot of floor space needed for the dispatch of the business of the Government, and it would be an economical thing to do, because the Government is paying extravagant rents. More than reasonable rents are almost always exacted from the Government when it has to rent space for public work.

But, while criticizing this very necessary and economical expenditure of $400,000 which has been authorized, if not actually made, the Senator complained because an appropriation of $30,000 was not made to protect life and property in Alaskan waters, where the channels need especial care; in other words, he wants $30,000 appropriated for deepening the water on the coast of Alaska, where there are only 35,000 white people and very little use for channels and very little use for increased depth of water, but the Senator from Utah, in preaching his economy, criticizes a just authorization at Richmond, Va., and complains because $30,000 has been refused by the Congress of the United States for the reason that they did not think it necessary or economical to improve the waters adjacent to Alaska.

Again, Mr. President, the Senator from Utah criticizes the treaty which has been negotiated, but which has not been ratified, providing for paying $25,000,000 to Colombia. That treaty has not yet been disposed of, but if it is necessary to ratify that treaty and expend that money, it is to make good the useless and reckless conduct of a Republican administration, which caused this trouble with the Government of Colombia.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Utah?

Mr. MARTIN of Virginia. Certainly.

Mr. SMOOT. So that the record may be kept straight, I simply wish to correct the Senator's statement that the proposed appropriation of $30,000 to Alaska was for the improvement of harbors. The appropriation was desired for the discovery of the pinnacle rocks, of which there are so many in Alaskan waters and which have caused the loss of so many boats. It was not alone for the benefit of the 35,000 people who live in Alaska, but for the benefit of the people who travel to and from there and the business that is done between the United States and Canada. The Senator knows that there are a large number of those rocks that are undiscovered. They are run into. Nobody is to blame. They are unsurveyed and unmarked. Nobody knows how many there are of them. That is why the $30,000 was asked for.

Mr. MARTIN of Virginia. I did not say it was a river and harbor improvement. I said it was for the improvement of the waters adjacent to the coast of Alaska; that it was in the interest of the Alaskan people and the people who travel on the coast of Alaska. The Congress of the United States saw fit not to make the appropriation; but the Senator, while preaching economy with one breath, wailed against this economy practiced by a Democratic Congress. I do not think the Senator can make any political capital by arguments of that sort.

As to the proposed $25,000,000 payment to Colombia, I say that it is to make amends, if it is done at all, for the wrongdoing of a Republican administration. If the Democratic Party is compelled to meet an obligation caused by the conduct of a Republican administration, it comes with poor grace from a Republican Senator to get up here and criticize it, even before it is done.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Idaho?

Mr. MARTIN of Virginia. Yes; I yield.

Mr. BORAH. If the Senator concedes that the $25,000,000 is to be paid for the wrongdoing of a Republican administration, what was the wrong that the Republican administration did?

Mr. MARTIN of Virginia. I am not going into any discussion of the course pursued by the Roosevelt administration in the acquisition of the zone on which the canal is built. It is a mooted question. It is generally believed that violent and unjust measures were used, and, as my colleague to my left [Mr. WILLIAMS] says, high-handed measures; and I suppose there is no doubt about it. There is no doubt about the fact that a strong power dealt harshly and unreasonably with a weak power. They had something that we wanted, and by indirection we took it.

Mr. BORAH. As I understand the Senator's position, then, it is that we wrongfully aided in the secession of Panama, and that this $25,000,000 is being paid by reason of the illegal act of this Government in favoring that secession?

Mr. MARTIN of Virginia. That is exactly my belief about it.

Mr. BORAH. And it is that position, as I understand, that the Democratic Party takes in advocating the payment of this $25,000,000?

Mr. MARTIN of Virginia. I take the position that if the Government of the United States wronged those people we ought to make amends for it.

Mr. BORAH. Exactly. Anybody would take that position—that if the Government of the United States wronged those people she ought to make amends for it. But do I understand that the Senator is now ready to take the position that the Government of the United States did wrong those people?

Mr. MARTIN of Virginia. I take the position that that matter will be investigated by the Senate of the United States before it ratifies the treaty, and if it finds that it must ratify the treaty and pay the $25,000,000, it will be simply rectifying the wrongful act of a Republican administration.

Mr. BORAH. The Senator does not conclude himself at this time as to whether or not it was a wrongful act?

Mr. MARTIN of Virginia. I do not. I shall give that matter careful investigation. While my prima facie belief, on such information as has reached me, is that a wrong was done, and that we will have to rectify it, still I do not put that in the class of finalities. I will investigate that before I vote on the treaty.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Utah?

Mr. MARTIN of Virginia. I do.

Mr. SMOOT. The Senator must admit that I did not touch upon the question whether it was right or wrong. I never referred to the point. I simply said that—

> In addition to the appropriations already made, there are obligations created by this Congress, either as passed or recommended as administration measures, if reports are true, and for which no appropriation has as yet been made, as follows:

Then I named the five items, amounting to $118,000,000, of which $25,000,000 was for Colombia. I do not know how I could have said it in milder terms.

Mr. MARTIN of Virginia. I will show the Senator what he said.

Mr. SMOOT. I do not think the Senator will deny that the administration has recommended the payment of the $25,000,000.

Mr. MARTIN of Virginia. The Senator stated——

Mr. SMOOT. Does the Senator deny that the administration has recommended the payment to Colombia of $25,000,000?

Mr. MARTIN of Virginia. It is a matter of public knowledge that a treaty has been negotiated for the payment to Colombia of $25,000,000 as a recognition of a just claim she has against the United States for the wrongful acts of a Republican administration.

Mr. SMOOT. Then, Mr. President, I am well within the bounds of the statement the Senator has just made, and all there is to it is that the administration has recommended the payment of the $25,000,000. That is all I said yesterday.

Mr. MARTIN of Virginia. Let me read the Senator some language that he used on that occasion:

> The administration asks us to appropriate $25,000,000 to pay to Colombia as a gift without our receiving any return.

That is what the Senator said.

Mr. SMOOT. That is right.

Mr. MARTIN of Virginia. He attacked the Democratic Party because this administration was proposing to make a gift to the Government of Colombia. I take issue with him. The United States does not propose to make any gift to the Government of Colombia. We propose to investigate and treat fairly the obligations of the United States to a sister State to the south of us. If we have wronged her or robbed her or imposed upon her in any way, it is incumbent upon us to make amends. That is what the Democratic Party proposes to do. It is for that that the Senator from Utah arraigns the Democratic Party, and says it is a mere gift without our receiving anything for it. If it is a mere gift, and if we have received nothing for it, that treaty will never be ratified.

Mr. OVERMAN. Mr. President, I did not hear the Senator's speech. Is it possible that the Senator from Utah has called the attention of the country to the alleged extravagance of the Democratic Party in Congress here assembled, and put that down as one of the items when Congress has not made such an appropriation? Is it possible that he did that?

I can not conceive that the Senator would charge the Democratic administration with extravagance here, and put that down as one of the items when it was not included in the appropriation bill.

Mr. SMOOT. Mr. President, the Senator from North Carolina did not hear my speech, nor has he even looked at the RECORD, or he never would have intimated such a thing. The Senator from Utah never stated that the amount of $25,000,000 was appropriated by this Government for Colombia.

Mr. OVERMAN. Then why did the Senator call attention to it? His speech was along the line of the extravagance of the Democratic Party.

Mr. SMOOT. Absolutely. I called attention to just the appropriations exactly——

Mr. OVERMAN. That is not an appropriation.

Mr. SMOOT. I will ask the Senator to wait a moment. I called attention to the appropriations that have already been made, amounting to $1,115,908,777.26, and then I said:

> In addition to the appropriations already made there are obligations created by this Congress, either as passed or recommended as administration measures, if reports are true, and for which no appropriation has as yet been made, as follows.

My language was, "no appropriation has as yet been made."

Mr. OVERMAN. Why did the Senator include that in a speech against the "extravagance" of the Democratic Party?

Mr. SMOOT. Why, these are the things which, if they are carried out, and if Congress is to approve of them, will have to be paid.

Mr. OVERMAN. "If!"

Mr. SMOOT. That is exactly what I stated; and I do not think there is any question but that some of them will be appropriated for and paid, but not at this session of Congress.

Mr. MARTIN of Virginia. Mr. President, it can hardly be charged by the Senator from Utah that it is an extravagance on the part of the Democratic Party to make honorable amends for the wrongdoing of the Republican Party.

Mr. SMOOT. That is the question.

Mr. MARTIN of Virginia. We may have to expend not only this $25,000,000, but a great deal in addition, before we even up the scales of justice in making good the wrongs perpetrated by the Republican Party.

Mr. BRISTOW. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Kansas?

Mr. MARTIN of Virginia. I yield.

Mr. BRISTOW. The Senator repeats so many times the inference that this $25,000,000 is to pay for a wrong done by a former administration. Of course he does not give it as his definite opinion, but the inference is very plain. With the Senator's permission, I should like to state that in my opinion if the $25,000,000 is ultimately paid it will be paid to a lot of blackmailers who are undertaking to blackmail the people of the United States out of money that is not due them and never was due them.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Illinois?

Mr. MARTIN of Virginia. I yield.

Mr. LEWIS. If the Senator from Virginia will pardon this interruption, since he is writing in the RECORD facts as they are recorded—to use his excellent phrase—in common report, it is only fair that there should be added the fact that the public record discloses that the sum of $25,000,000, certainly $20,000,000, had been contracted to be paid these individuals through the preceding administration under the advice of Mr. Dubois, who was the special agent of the Government in the matter, and the sum was agreed upon prior to our coming into power. If it shall ultimately be paid by us, it is but carrying out and executing a contract which we did not make, but which was made by the Taft administration, in recognition of the wrong of its predecessor, both being Republican administrations.

Mr. MARTIN of Virginia. Mr. President, I am not going to be a party to the assault being made upon the integrity of the State of Colombia. I do not want to see our neighbor despoiled and then denounced as a blackmailer until there is a thorough investigation. After that thorough investigation, if I find that she was playing the rôle of a blackmailer and withholding from us anything that belonged to us, I will never vote to ratify that treaty.

I have an idea, however—and it is an idea formed without thorough investigation—that that zone down there belonged to Colombia. It did not belong to us. We by indirection wrested it from her. It has caused bad feeling between the two Republics from that hour down to this. I am anxious to see good feeling reestablished, provided we can reestablish it by simply doing what is just and honest and right by our neighbor. The matter will be thoroughly and exhaustively and honestly investigated by the Democratic Party before the treaty is ratified.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Colorado?

Mr. MARTIN of Virginia. I yield.

Mr. THOMAS. I merely wish to remark that in all probability, after the end of the European war, if indemnity is demanded by Belgium from Germany for its consequences to her, it will be denounced in the German Reichstag as blackmail.

Mr. MARTIN of Virginia. That seems to be the order of the day.

Mr. BRISTOW. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Kansas?

Mr. MARTIN of Virginia. I do.

Mr. BRISTOW. The Senator from Colorado would imply by his remark that the Government of the United States has treated Colombia as Germany has treated Belgium. There could be no greater slander pronounced against the Government of the United States and nothing more unjust, and in my opinion it borders on treason.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia further yield to the Senator from Colorado?

Mr. MARTIN of Virginia. I yield.

Mr. THOMAS. Like the Senator from Virginia, my mind is not made up upon the subject. I have endeavored, however, up to this time to inform myself concerning the facts and have been moderately successful. My opinion, not yet fully determined, is that it would be better for us to overrun a nation by brute force than to interfere with the strong arm of the Navy in the interest of rebellion and prevent an unoffending State, with whom we have close treaty relations of long standing, from maintaining her own sovereignty and putting down an insurrection within her borders, the more especially when those treaty relations bind us to aid, if necessary, in maintaining that sovereignty over the territory involved in the insurrection.

Mr. BRISTOW. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia further yield to the Senator from Kansas?

Mr. MARTIN of Virginia. I yield.

Mr. BRISTOW. I myself have given some attention and study to the situation, so far as Colombia and Panama are concerned. An investigation from an unbiased and patriotic point of view will show that the Government of the United States never did a thing that was dishonorable or improper in connection with the acquisition of the Panama Canal Zone; that it was as clean a transaction as this Government or any other Government ever had; and there is nothing that reflects the slightest discredit upon the United States or any of its

officers in connection with the acquisition of the Panama Canal Zone.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia further yield to the Senator from Colorado?

Mr. MARTIN of Virginia. I do.

Mr. THOMAS. I have not the slightest doubt that the Senator sincerely believes the truth of the statement he makes; and I earnestly hope, for the good name of the United States, that when the investigation which is to be made here shall have ended his conclusion will be vindicated, not only by the Senate but by the public sentiment of the country.

Mr. MARTIN of Virginia. If I am not mistaken, President Roosevelt stated, with great satisfaction to himself and with great boldness and audacity, that while Congress was debating this matter he went down and took this strip of land. He has not denied that the hand of violence was stretched out against our neighbor because it was a stronger hand than our neighbor herself possessed. He seemed to be proud of that achievement in taking from Colombia something that he wanted. If, however, an investigation shows that I am mistaken in this respect and that the Senator from Kansas is right, that treaty will never be ratified. I think the people of the United States are better able to be extravagant in an appropriation than to be wrong in imposing on a weak neighbor.

Mr. BRISTOW. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia further yield to the Senator from Kansas?

Mr. MARTIN of Virginia. I yield.

Mr. BRISTOW. I agree with the Senator that we never should impose upon a weak neighbor, and I would not favor any governmental policy or action that would impose upon a neighbor, but I would not consent under any circumstances that the United States, because she is rich in resources, should be held up and blackmailed by a lot of bandits who assumed to represent a government which they did not honestly represent.

Mr. MARTIN of Virginia. Mr. President, I think Colombia, whatever else may be said about her, has not been officious, audacious, or obnoxious in asserting her claim against the United States. She does ask us to investigate this matter and do what is right. If the Republican Party is not willing to stand by that, the Democratic Party and its voters, from one end of the country to the other, will stand by doing what is just and right and honorable with Colombia.

We are assailed by the Senator from Utah, however, because we propose to take up this matter. He does not wait until appropriations are made to criticize us for extravagance, but he criticizes us for extravagance in our purposes. Before knowing what we are going to do, he assumes that we are going to appropriate money wrongfully, and criticizes us for doing so.

Equally as unfortunate, in my judgment, is the attitude of the Senator from Utah in connection with the tolls question—the question of permitting foreign Governments to use the Panama Canal on the same terms with the United States. In these troublous times, when the whole world is disturbed with bloody war, do you not think it was a mighty small consideration that we paid, even if by the letter of the contract we need not have paid it, for the good will and the friendship and the cordial cooperation of foreign Governments, by conceding to them something which, whether all of us thought it was right or not, all of them thought was right?

If the present administration has no other ground on which to rest its claim for patriotism and efficiency and courage and devotion to the welfare of this country, I say it might rest entirely on the disposition made of the question of tolls through the Panama Canal. But the Senator from Utah attacks the Democratic Party because of that disposition of the tolls question, which has brought so much of friendship and so much of benefit to the people of our country.

Mr. President, I promised not to go into a political speech. I promised to be brief, and I am going to try to do it. I shall not undertake to comment on all of the views presented by the Senator from Utah, but I can not refrain from a few references to some other matters.

One is the item of $30,000,000 for the purchase of ships. He charges us with extravagance because of a suggestion which has been made that something should be done for the betterment of our commerce on the high seas, and a bill has been proposed, though no appropriation is proposed, except, I think, $10,000,000 of capitalization. The bill as introduced provides for $10,000,000 of capitalization, of which the Government must take the major part. Nothing has been done with the bill, however. Do you not think the Senator from Utah might have confined himself to the appropriations actually made? When he wanted to discuss the question of extravagance of appropriations, why not limit that discussion to the appropriations actually made? He will want to make this same speech next year, and he ought to have left these things for discussion then, instead of having to duplicate it by discussing it now and discussing it again next year.

Mr. WEEKS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Massachusetts?

Mr. MARTIN of Virginia. I do.

Mr. WEEKS. I should like to ask the Senator if he does not think the Senator from Utah was justified in raising that point, as long as the President had recommended legislation which looked to the purchase of ships at a cost of $30,000,000, and that since the war in Europe commenced?

Mr. MARTIN of Virginia. I suppose it might be justified on the ground that it was the best the Senator could do. I do not think it could be justified on any other ground. The appropriation has not been made. I do not know that I shall ever vote for it. I may do so. I will vote for it if I think, on careful consideration, that it will promote the welfare of the people of the United States; but I do not think I ought to be criticized—making a direct application of it—nor do I think the Democratic Party ought to be criticized, nor do I think the Democrats of the Senate ought to be criticized for a thing that they have not yet taken up for consideration.

Mr. CLAPP. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Minnesota?

Mr. MARTIN of Virginia. I do.

Mr. CLAPP. The party might be subject to criticism for not having taken up the matter.

Mr. MARTIN of Virginia. If the Senator from Minnesota wants to make that criticism, it will be about like the other argument that I alluded to; he will do it only because he has not a good argument. I do not think any just criticism can be made of this Congress for not doing more than it has done. It has been here for about two years, and has worked day and night. It has done all that it was possible for it to do. I do not think any criticism can be made of this Congress for not taking up the shipping bill.

Then there is the Alaskan railroad, $35,000,000. We have appropriated $1,000,000, and we will appropriate the remaining part of that $35,000,000 whenever it is necessary, because we believe it is a great improvement, and we think it is a great economy to appropriate that amount of money for the development of that great country. The Democratic Party is not ashamed of its record in that respect. It is not afraid to submit it to the people. I voted for it, and I stand by my act. We have appropriated a million dollars, and we will appropriate the balance of it, as I say. While I have not in my mind the roll, I know there are a great many Republicans—and I think the Senator from Washington [Mr. JONES] was one of them—who advocated that measure. There were a great many other Republicans, good and patriotic Senators, who thought it was wise economy to construct that railroad into the great, wealthy country which we own in that northern clime.

Mr. JONES. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Washington?

Mr. MARTIN of Virginia. I do.

Mr. JONES. The Senator need not be afraid to say that I stood by that proposition. I did stand very earnestly for it; and it is one thing, at any rate, for which I can commend this administration.

Mr. MARTIN of Virginia. And the Senator can not commend the Senator from Utah for attacking the Democratic Party for doing what he says was right and just.

Mr. JONES. Certainly not.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from North Carolina?

Mr. MARTIN of Virginia. I yield.

Mr. SIMMONS. I wish to inquire of the Senator from Virginia if the United States Government does not own practically all of Alaska? I mean by that, is not the land of Alaska now the property of the United States, and in constructing this road for the development of its resources is not the Government doing that which is necessary and essential in order to bring its property into the market and develop it?

Mr. MARTIN of Virginia. That is correct. She is simply improving her own property. That is all there is to it.

There are other items of a similar nature; but I am consuming more time than I ought to consume, and I shall try to abbreviate what I have to say.

The Senator from Utah pays a very high compliment to the Senator from Ohio [Mr. BURTON] for the reduction of the river and harbor bill from $31,000,000 down to $20,000,000. I have no desire to detract from this eulogy of the Senator from Ohio, but I can not refrain from referring to the fact that pretty much all of the bad projects, if there are any bad projects, in the river and harbor bill were initiated under the leadership of the Senator from Ohio. That is another instance in which, if wrongdoing was committed, it was committed by the Republican Party; and the Democratic Party is simply making good the obligations incurred by the Republican Party for the improvement of these rivers and harbors.

Again, let me call attention to the fact—and I say this without desiring to detract from the service rendered by the Senator from Ohio—that the resolution reducing that appropriation to $20,000,000 was offered by the Senator from Alabama [Mr. BANKHEAD], and was put through by Democratic votes, and would not have gone 10 steps if the Democratic Party had not been behind it. If it was a wise economy, if it was just and right, to reduce that appropriation bill from $31,000,000 down to $20,000,000, the Democratic Party is entitled to the credit. It furnished the initiation and it furnished the votes. If the Democratic Party had desired to do so, it had the votes and it had the strength and it had the intelligence to pass that bill just as it wanted it. It is true that the filibuster might have delayed it; but there is not power enough on that side of the Chamber to stay the march of the Democratic Party when it determines to march to success and victory. It was the best judgment of the Democrats of the Senate that that reduction should be made, and this appropriation was fixed at $20,000,000, and they executed that judgment and passed the bill and we are under no obligation to anyone else for doing it.

Mr. President, I have wandered around a little more than I ought perhaps. There is one other thing I must allude to very briefly. In the opening of his speech the Senator from Utah [Mr. SMOOT] said:

> If the tariff law as it existed before the passage of the Underwood Democratic measure had been left alone and business carried on under a Republican administration and with a Republican Congress, there would have been no trouble whatever.

That is not what I was looking for, though as I read it I must call attention to the fact, which is known to everyone, that the Underwood-Simmons tariff bill had demonstrated its capacity to furnish all the money that the Government needed. It produced revenue sufficient to meet all the legitimate demands on the Government, and we were called upon to pass an additional revenue bill only when a foreign war prevented the shipment of goods into our ports and cut off the import duties.

What I was looking for I can not find; but I quote it correctly when I say that the Senator from Utah took great credit to himself for having fought against appropriations and criticizing them, large as they are, and he draws a picture of how much greater they would have been but for Republican opposition to Democratic extravagance.

My soul, Mr. President! when did it transpire that the Republican Party was opposed to extravagance? When did they raise their hands or their voices in connection with these appropriation bills when they were pending? If items were contained in them which were unjust and extravagant, and if the economy which the Democratic Party had promised was being violated, why did not the Senator from Utah raise his voice in time to stay the hand of the destroyer? Why wait until the evil was done and then come in the arena and undertake to make political capital?

For one, Mr. President, I am not conscious of having seen or heard this great effort which the Senator from Utah claims was made by the Republican Party to prevent extravagance on the part of the Democrats.

It is true that we have raised some salaries, and we ought to have raised them. This country is able to pay those who work for it, and for one as long as I am connected with the handling of appropriation bills I shall endeavor to prevent the wasteful use of any money of the United States, but I shall insist that the United States must pay just compensation to everyone who works for it. We raised some salaries, but very few.

Now, Mr. President, let us look at these figures. A very erroneous impression has gone abroad about the appropriations.

Mr. WEEKS. Before the Senator takes up that, will he yield for a suggestion?

Mr. MARTIN of Virginia. I yield.

Mr. WEEKS. I have just sent for the RECORD relating to the resolution offered by the Senator from Alabama [Mr. BANKHEAD] on the river and harbor question. The Senator seems to take to his party associates the credit for the passage of that resolution. On that question the RECORD shows that 16 Democrats voted for it and 16 Democrats voted against it, while 11 Republicans voted for it and 6 against it. So, if there is any credit due to anyone for the passage of the Bankhead resolution, it is certainly due to the Republicans.

Mr. MARTIN of Virginia. There were very few Republicans here attending to their business if there were not more than that number here. There ought to have been more than 17 Republicans present. I do not know how many were dodging the vote, or where they were, but according to the Senator's figures they were not present. I was well aware that there was a division among the Democrats about the matter; but a great many Democrats hesitated to vote to strike down a local improvement, although they would have voted if it had been necessary to carry the resolution.

Mr. WEEKS. If the Senator wishes to leave it in that form, I am willing.

Mr. MARTIN of Virginia. I should like to leave it in that form.

Mr. SMOOT. Will the Senator yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Utah?

Mr. MARTIN of Virginia. I do.

Mr. SMOOT. May I ask the Senator if in his opinion a vote had been taken on the river and harbor bill one month before it was taken, or before the filibuster, so called, had developed such strength, there would have been 16 Democratic Senators voting against the bill?

Mr. MARTIN of Virginia. I am not able to answer that. I know here is one who felt great doubt about how he would vote. I had not made up my mind to vote for $31,000,000, and I know a great many other Democrats were in the same state of mind.

Mr. SMOOT. Fifty-three million dollars.

Mr. MARTIN of Virginia. That is the way it was at one time, before it was modified by the action of the Democratic committee.

Mr. SMOOT. It was only presented to the Senate modified once from $53,000,000 to $20,000,000.

Mr. MARTIN of Virginia. My impression is it was offered, but did not reach a vote; but it was reduced to $31,000,000 by the action of the Democratic committee. If I am mistaken about that, the Senator from North Carolina [Mr. SIMMONS], who had charge of the bill, will correct me.

Mr. SHEPPARD. I wish to state that the committee itself voluntarily reduced the bill from $53,000,000 to $33,000,000.

Mr. MARTIN of Virginia. Exactly; that is my recollection.

Mr. SIMMONS. Mr. President, I think, $34,000,000.

Mr. MARTIN of Virginia. I was not undertaking to give the figure exactly. It was reduced from $53,000,000 to $34,000,000 by the committee.

Mr. OLIVER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Pennsylvania?

Mr. MARTIN of Virginia. I do.

Mr. OLIVER. The Senator from Texas states that the committee voluntarily reduced it to $31,000,000. I think that voluntary action, so called, was induced very largely by the opposition of the senior Senator from Ohio [Mr. BURTON], and was a result of that opposition, and that if it had not been for the determined effort of the Senator from Ohio to cut down the amount the bill would have passed the committee and the Senate by Democratic action at $53,000,000.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from North Carolina?

Mr. MARTIN of Virginia. I yield.

Mr. SIMMONS. The statement that that reduction was made by the committee on account of the attitude of the Senator from Ohio or the filibusterers on that side is without the slightest foundation. The committee made the reduction. I made a statement upon the floor of the Senate, and repeated it several times, representing the committee, that the committee had done this at the instance and upon the suggestion of the department, the Chief of Engineers and his assistant, Col. Taylor—that by reason of the fact that such a large part of the year had already expired, $34,000,000 would be as much money as they could spend during the balance of the year upon these works.

Mr. OLIVER and Mr. SMOOT addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Virginia yield, and to whom?

Mr. MARTIN of Virginia. I yield to the Senator from Pennsylvania for a statement.

Mr. OLIVER. I ask the Senator from North Carolina if that action was not taken after the announced determination of the Senator from Ohio [Mr. BURTON] and the Senator from Iowa [Mr. KENYON] that they would filibuster against the bill?

Mr. SIMMONS. If the Senator from Virginia will pardon me, as a matter of fact the time of the reduction was after the discussion had commenced, but the reduction had no sort of reference to the filibuster. If we had been making a reduction with reference to the filibuster we could have made one that would have satisfied the filibusterers and would have reduced the amount from $53,000,000 to $31,000,000. The reductions we made were, every one of them, reductions recommended to us by the department, with the statement that after the appropriations were reduced to that exent it would furnish the department with the money that it could spend during the balance of the fiscal year.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Utah?

Mr. MARTIN of Virginia. I will yield for a moment.

Mr. SMOOT. I wish to ask the Senator from North Carolina if he approved of the reduction of the river and harbor bill to $20,000,000, and is it not true that after the Senate had voted upon it and the reduction was made to $20,000,000, the Senator from North Carolina most bitterly criticized the act of the Senate.

Mr. SIMMONS. No; I did not criticize the act of the Senate; I criticized in a speech of some length the dribbling policy for which the Senator from Ohio has always stood with reference to river and harbor improvements. I was not in favor of the $20,000,000 proposition. I voted against it. Mr. President, I believe the Government of the United States is able to improve its waterways. I believe the Government of the United States in assuming control of its waterways has assumed a duty to improve them, and I believe that the Government of the United States is able to spend the money that is necessary to improve them. I was in favor of voting the amount that the engineers recommended to us as necessary to carry on these great works.

Mr. MARTIN of Virginia. Mr. President, I want to say in justice to the Senator from Ohio that his colleagues on that side of the Chamber seem to be doing him great injustice. He denied to me throughout that he was engaged in a filibuster or was willing to engage in a filibuster. He told me that many times.

Mr. SMOOT. I said a so-called filibuster.

Mr. MARTIN of Virginia. I do not think the Senator from Utah ought to designate the action of the Senator from Ohio as a so-called filibuster.

But, Mr. President, we have gotten back now where I started. I stated this reduction of $20,000,000 was made after a proposed reduction had been made from $53,000,000 to $33,000,000 or $31,000,000, probably, I said.

Mr. SIMMONS. Thirty-four million dollars.

Mr. MARTIN of Virginia. Thirty-four million dollars, or whatever it was. It was the second reduction; and I still say that what support it got on the Republican side of the Chamber was most likely due to pangs of conscience which pursued the Senator from Ohio for having initiated so many bad projects in his previous history in this body.

Mr. TOWNSEND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Michigan?

Mr. MARTIN of Virginia. Yes.

Mr. TOWNSEND. I am very sorry that the Senator feels called upon to make a statement impugning the motive of a Senator who is not present and who, the Senator understands quite well, if present is quite capable of taking care of himself.

Mr. MARTIN of Virginia. If I have impugned his motives, I am unconscious of it. I certainly have nothing but the highest respect and admiration for the Senator from Ohio; but many of us have done things which we afterwards regretted, and I incline to the opinion that the Senator from Ohio would not deny but that he has regretted some of the projects which he initiated during his connection with river and harbor improvements in the House and in the Senate. But, so far as impugning his motives, the Senator will have to strain his ingenuity beyond the power which it rationally possesses before he can establish that I have endeavored to impugn the motives of the Senator from Ohio.

Mr. WEEKS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Massachusetts?

Mr. MARTIN of Virginia. I do.

Mr. WEEKS. I do not want to intrude any further on the time of the Senator from Virginia, but I think, in order that the record may be clear, it should be stated that the resolution which was presented by the Senator from Alabama is identical with the resolution which a short time previously had been introduced by the Senator from Ohio and voted down.

Mr. MARTIN of Virginia. I think the Senator is mistaken about that; but it is immaterial, and I will not enter into that discussion. If the Senator from Alabama were here, he could explain it.

Mr. FLETCHER. Will the Senator from Virginia allow me a moment?

Mr. MARTIN of Virginia. I yield to the Senator from Florida.

Mr. FLETCHER. I suggest in this connection that in justice it should be stated that the resolutions are not identical in the first place; but, in the next place, it was the suggestion of the Senator from Alabama that this reduction should be made along the lines subsequently followed by him in his resolution, and he asked for a session of the committee to be held for the purpose of considering that proposition. It was at that meeting of the committee that the suggestion was first made, and following the meeting of the committee the proposition to some extent came into the Senate through the Senator from Ohio.

Mr. WEEKS. If the Senator from Florida will make an investigation, he will find that the resolution which was actually adopted was in the handwriting of the Senator from Ohio.

Mr. SMOOT. And I want to add my testimony to the statement just made by the Senator from Massachusetts. I will further add that the Senator from Ohio stated to the Members on this side of the Chamber that he had given it to the Senator from Alabama and it was his identical resolution. The amendment had been offered before by Senator BURTON, and the identical amendment was taken from the Clerk's desk and offered by the Senator from Alabama [Mr. BANKHEAD].

Mr. FLETCHER. That does not alter the statement that the original idea came from the Senator from Alabama to the committee, and a meeting of the committee was held and the proposition was made to the committee. The Senator from Ohio declined to accept the proposition; he said he wanted to have time to consider it; and the committee adjourned without action. Subsequently the Senator from Ohio proposed a resolution.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from North Carolina?

Mr. MARTIN of Virginia. I yield.

Mr. SIMMONS. I wish to call the attention of the Senate to the fact that at the very time we voted upon the resolution of the Senator from Alabama making the lump-sum appropriation of $20,000,000 the Senate was considering a substitute offered by the Senator from Ohio to the bill of the committee reducing the amount of the bill from $34,000,000 to $31,000,000. That was what the Senate was engaged in doing when we adopted that resolution. The Senator from Ohio was then standing for a bill that carried only $3,000,000 less than the committee's bill.

Mr. NELSON. Will the Senator from Virginia yield to me for a moment?

Mr. MARTIN of Virginia. I yield to the Senator from Minnesota.

Mr. NELSON. The Senators are entirely incorrect in the account they give here. The Senator from Alabama introduced his resolution for a $20,000,000 lump appropriation. The Committee on Commerce had a meeting. The meeting was called to consider that resolution. There was some discussion. The committee was divided. No actual vote was taken, but it was agreed that we were to meet in committee the next morning to consider that resolution, and instead of meeting the next morning, as we agreed upon, the Senator from North Carolina and his friends undertook to force the thing through by a night session. Those are the facts, and I would have remained silent if Senators had not perverted the facts. The facts were that instead of meeting the next day, as you agreed to meet, you undertook to force the bill through at the night session, and you utterly failed and gave up the ghost.

Mr. SIMMONS. The Senator is entirely in error in his statement.

The PRESIDING OFFICER. The Senate will be in order. Does the Senator from Virginia yield to the Senator from North Carolina?

Mr. SIMMONS. I ask the Senator from Virginia to yield to me.

Mr. MARTIN of Virginia. If the Senator desires a word I will yield to him, but I can not see any potentiality in the question one way or the other.

Mr. SIMMONS. The Senator from Minnesota is ordinarily fair.

Mr. NELSON. You know you did not meet the next morning.

Mr. SIMMONS. The Senator never purposely misrepresents the facts, but the Senator is in error. The Senator is mistaken

as to the meeting of the committee to which he referred. We did consider, not the resolution introduced by the Senator from Alabama but a suggestion, I do not now know where it came from, to appropriate a lump sum of $20,000,000. Now, as a matter of fact——

Mr. NELSON. You agreed to meet the next morning to consider that.

Mr. SIMMONS. Yes.

Mr. NELSON. Did you not preside and did you meet the next morning?

Mr. SIMMONS. No.

Mr. NELSON. Did you not resort to the tactics of a night session?

Mr. SIMMONS. No; not any of those things. We decided to meet the next morning. Before the next morning arrived we determined not to meet, and I went to the Senator from Ohio and explained the situation to him. It was not necessary to meet because we could not agree upon that proposition.

The resolution of the Senator from Alabama had not been introduced at that time. As a matter of fact, the Senator's resolution was introduced here about night and we passed that resolution before we had an adjournment. Therefore it was impossible for us to have had the committee meeting the Senator refers to after he had introduced the resolution.

Mr. MARTIN of Virginia. I thought the resolution was BANKHEAD's child, but if it was BURTON's child he could not raise it, and BANKHEAD had to take charge of it and raise it. It was a pretty healthy child and it got along very well; the Democrats passed it, and it could not have been passed without them.

Now, Mr. President, after that diversion into those matters, the particular consequence of which I am unable to take in, I will refer to some figures, as the charge is being made that the Democrats have been very extravagant in their appropriations.

The appropriations for the fiscal year 1915 aggregate $1,115,908,777.26. The appropriations for the fiscal year 1914 aggregated $1,098,678,788.40. Deducting the one from the other, we find that the appropriations for 1915 for all purposes were just $17,229,988.86 more than for the previous year. In round numbers the aggregate of all appropriations for the year 1915 are only $17,000,000 greater than they were for 1914.

Before I proceed further on that line, I must again call attention to the fact that if there was any extravagance in these appropriations it was as much incumbent on the Republican Senators to point out this extravagance and prevent their passage as it was the duty of the Democrats. I fail to recall any uprising on the Republican side of the Chamber against the appropriations contained in those bills.

I think, Mr. President, it is a credit to the Republicans that they did not rise up against them, because they were just and right, and they could not gainsay the justice and right. They held their tongues and did not oppose, but in many instances voted for the appropriations as they were made. Many of them were made at the instance and at the initiation of the Republican Senators.

Mr. President, this increase of $17,229,988.86 over the previous year is more than made up by extraordinary appropriations; so in truth and in fact there was great economy. There was a reduction in the regular appropriations of the Government as against the appropriations made the previous year.

Let us see what some of these extraordinary expenses were.

Treatment and extermination of hog cholera, $600,000. Are the Senators on that side from the great West, where pork raising is a great industry, criticizing the appropriation of $600,000 to exterminate hog cholera? It is not a regular appropriation; it is not usual; it is extraordinary. It was made to meet a great contingency, and it was to protect the people of the great West chiefly.

Mr. WILLIAMS. The Republicans needed it.

Mr. MARTIN of Virginia. Not only the Republicans needed it, but the Democrats needed it. The Democrats wanted the Republicans and their brethren in the same party to have it, and all voted for it because it was right. That is an extraordinary appropriation, and it makes a part of the $17,229,988.86 excess over the previous year.

Railroads in Alaska, $1,000.000. I think the Republicans, with rare exceptions, voted for it, and voted for it because it was right. That was an extraordinary expenditure. It was not one of the regular expenditures of the Government.

Again, relief of destitute American citizens in Mexico, $40,152.47. Does the Senator from Utah [Mr. SMOOT] begrudge that expenditure? Does he remember how earnestly and eloquently he appealed for something to be done for the relief of citizens of Utah who had cast their fortunes in the Republic of Mexico? That is an unusual and extraordinary expenditure.

Transporting and caring for Mexican interned soldiers and refugees, $670,000. I do not think there was a vote in the Senate against it. It was a necessity growing out of the extraordinary situation, and it was not a regular ordinary appropriation of the Government.

Mr. President, there were increases in the Army and in the Navy. I can not demonstrate that these large increases in the deficiency bill for the Army and Navy were due entirely to the Mexican war, but the circumstances, I think, to a reasonable degree of certainty demonstrate that fact, and I put them down, too, as extraordinary expenditures.

Deficiencies in the Navy on account of the Mexican situation again.

Relief, protection, and transportation of American citizens in Europe, $2,750,000. That was an extraordinary appropriation, brought about by the appalling catastrophe that is startling the whole world now. Is any man willing to say that that was an extravagance, and will he reproach the Democratic Party for not practicing economy by not cutting off that relief for American citizens in foreign countries, and in view of the fact that a large part of it will be returned to the Treasury of the United States?

Establishment of Bureau of War Risk Insurance, $5,100,000. Do you not think that was an economical expenditure? Every dollar of it will come back and perhaps with a profit to the United States. It is simply the exercise of governmental power in a great emergency to protect the commerce of the United States and to enable the products of the country to be marketed in foreign countries, where there is a demand for them and where ships would not go unless they were insured.

These extraordinary expenditures amount to $29,381,156.57. They alone blot out the excess of $17,229,988.86 and leave $12,151,167.71 less than were expended the previous year.

Where is the charge of extravagance and recklessness? We expended for the ordinary purposes of the Government less than we have been accustomed to expend.

But, Mr. President, that is not all. The Post Office appropriation act was increased in the 1915 appropriations over the appropriations of 1914 by $27,988,396. The items of extraordinary appropriations to which I have referred not only wiped out the excess of $17,229,988.86 but left a balance in favor of 1915 as against 1914 of $12,151,167.71; and omitting the increase in the Post Office appropriation act, we find the appropriations for 1915, $40,139,563.71 less than 1914. In other words, Mr. President, you take off the extraordinary appropriations, $29,381,156.57, and take off the increase in post-office expenses, $27,988,396, due to the parcel-post business and extension of service, an extension which pays a profit under the administration of the Post Office Department by the present incumbent of the office of Postmaster General, the appropriations for 1915 are $40,139,563.71 less than for 1914. The Postmaster General for the first time has shown an actual profit. It is run no longer at a cost to the Government, but it is run at a profit to the Government.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Utah?

Mr. MARTIN of Virginia. I do.

Mr. SMOOT. That, of course, is a comparison of the two Democratic appropriation bills, but I, in my comparison, used the appropriations for the fiscal year 1913, which was the last appropriation bill made by the Republican Congress, the Senator must admit.

Mr. MARTIN of Virginia. I am coming to that, Mr. President. I have the papers here to show the comparison.

Mr. SMOOT. I was going to say to the Senator——

Mr. MARTIN of Virginia. I am giving the advantage of this year over the last year and then the last year over 1913, showing that there has been a progressive improvement on the Republican administration.

Mr. SMOOT. That is a progressive increase of appropriations?

Mr. MARTIN of Virginia. No, sir; it is diminished when you allow for the extraordinary appropriations and the development of the Postal Service.

Now, Mr. President, if you will bring into the computation contracts of authorization as well as actual appropriations, the balance is still more favorable to the year 1915.

In 1914 there were $68,505,174 of contract authorizations, and in 1915 there were only $28,060,000 of contract authorizations, the decrease of appropriations and contract authorizations in 1915 as against those in 1914 amounting to $23,215,185.14.

Mr. President, I hazard nothing in saying that no fair-minded man can examine these appropriations without coming to the

conclusion, if the extraordinary appropriations which have been brought upon us by conditions in Mexico and conditions in Europe be eliminated, that the expenditures of the Government have been reduced.

Mr. SMOOT. Mr. President, I simply wish to say to the Senator from Virginia that all of these appropriations were made before anybody ever thought that there was going to be a war in Europe. The bills had passed the House and the Senate and they had actually been signed by the President before the 1st day of August; and nobody knew that there was going to be any war in Europe until after the 1st of August.

Mr. MARTIN of Virginia. Mr. President, I am attributing only a very small part of these expenditures to the war in Europe; but we have appropriated $2,750,000 to provide for destitute Americans in European countries. Does the Senator from Utah undertake to say that that was done before the war in Europe commenced? We have appropriated $5,100,000 for the insurance fund. Does the Senator from Utah claim that that was done before the war in Europe commenced?

Mr. SMOOT. Mr. President, I simply want to say to the Senator from Virginia that in the statement I made to the Senate, if he will look at the CONGRESSIONAL RECORD he will see it shows the million dollars that was appropriated for the American people in Europe. Nobody has undertaken to say that that million dollars was not appropriated for the American people in Europe; but the Senator knows also that that appropriation was not to cost the Treasury one cent, but that it was all to be returned to the Treasury of the United States, for, if the Senator will remember, when the bill was under consideration I said that I thought perhaps it would not all be returned, but that perhaps there might be some loss to the Treasury Department, but the department assured the Senator that there would not be any loss.

Mr. MARTIN of Virginia. Mr. President, I was answering the statement which the Senator from Utah made on the floor at this moment. I was not referring to the past or to the papers the Senator filed. He stated positively that all these appropriations I was discussing, at least that many of these appropriations—and I think he said all of them—as appropriations resulting from the European war, had all been made before there was any European war. I called his attention, from memory, to two items—one of $1,000,000 and the other of $5,100,000—of appropriations made recently, after war was flagrant all over Europe. But, Mr. President, this $2,750,000 which the Senator from Utah says will all be returned was included in his statement of appropriations, and he did not take it out. It makes up a part of the aggregate which he flaunts before the people of the country to prove Democratic extravagance.

The Senator from Utah seems to think that whenever an appropriation is increased it is evidence of extravagance. He offered no argument and no evidence and not one word to prove that it was extravagant, but he simply showed where there was an increase, and from that he deduced the fact that it was extravagance, and he denounced it. To such a proposition I am absolutely inimical. Increased appropriation is oftentimes exceedingly economical.

Mr. SMOOT. I do not want to take up the time of the Senate to call the attention of the Senator from Virginia to many items of extravagance, but I called attention to them in my speech. I do not want to take up any more of the Senator's time now in calling particular attention to them, but the mere fact that the appropriations this year are $96,000,000 more than the appropriations made by the last Republican Congress certainly demonstrates the proposition that there have been extravagant appropriations.

Mr. MARTIN of Virginia. Mr. President, that is a non sequitur. I do not think it is any evidence of extravagance at all. It is true that the appropriations in the aggregate for 1915 have been $96,496,060.35 greater than they were in 1913. Does the Senator from Utah suppose that our country can develop and grow and advance as it is advancing in industries, in population, and in all the activities of civilized life without some increased expenditures? These expenditures, I say, have increased over $96,000,000 in the aggregate, but that increase of $96,000,000 was not to cover these increased activities and these developments, but these increased appropriations were made to meet extraordinary conditions.

Among other things, the post office appropriations in 1915 exceeded those of 1913 by $41,935,068; there was, in round numbers, $41,000,000 of increase in the development, improvement, and extension of post-office facilities, especially including the parcels post. Does the Senator from Utah expect that to go on without increased appropriations? Is it extravagance? Is it not a greater economy to enlarge that service, which is the only department that is working at a profit and paying money into the Treasury of the United States? Forty-one million dollars of the ninety-six million dollars covered by the increase of the Postal Service was for the convenience of the American people. The Democratic Party stands for giving the very best service to the American people, whether it is Postal Service or otherwise, when it is needed; and they count it no economy to save money by denying our people facilities for doing business and interchanging views with the remainder of the world.

Mr. President, that $41,000,000 and also the increased expenses of the Army and Navy, brought on by the Mexican trouble, not by the European war, should be deducted from the Senator's statement. The expenditure made necessary by the Mexican trouble, God knows, was a wise expenditure, and it is bringing good returns to the American people. When we reflect that we have kept out of the horrors of war, when we look at the devastation in all Europe, we can appreciate more keenly than ever the wisdom of this administration in steering the ship of state so as to avoid hostilities even with our neighbor Mexico.

Mr. BRISTOW. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Kansas?

Mr. MARTIN of Virginia. I yield.

Mr. BRISTOW. Is it not a fact that we landed American marines and took possession of a Mexican city and are now holding it as a hostage for the good behavior of all of the various statesmen bandits and military leaders that are now operating in chaotic Mexico?

Mr. MARTIN of Virginia. Mr. President, I remember when Republicans on the other side of the Chamber were clamoring for an aggressive policy and wanted an army marched to the City of Mexico. I believe, Mr. President, in that old adage of praising the bridge that takes us safely over.

I am not going into the discussion of the history or of the philosophy in connection with the Mexican situation. I say the President of the United States and the Secretary of State have brought us safely through a trying ordeal and have averted the dangers and desolation which always follow war. I praise the bridge that safely carries us over. I say the thanks of this country are due the President of our Republic for his wise and statesmanlike management of this Mexican situation so as to have avoided war and trouble of every sort.

Mr. OLIVER. Mr. President——

Mr. BRISTOW. Let me inquire——

The PRESIDING OFFICER. Does the Senator from Virginia yield; and if so, to whom?

Mr. MARTIN of Virginia. The Senator from Kansas [Mr. BRISTOW] was first on the floor. I will first yield to him if the Senator from Pennsylvania [Mr. OLIVER] will wait a moment.

Mr. BRISTOW. Was it not the senior Senator from Missouri [Mr. STONE] who, in a very eloquent speech which that Senator delivered here, first demanded that we march the Army into Mexico?

Mr. MARTIN of Virginia. If you want a controversy with the Senator from Missouri, wait until he comes in, and then invite him into the arena. I am not going to take up the cudgels for him; he is able to do that for himself; and he is able to do it when challenged by the Senator from Kansas.

Mr. BRISTOW. If I remember correctly, if the Senator will pardon me, the senior Senator from Missouri and the Senator from New Mexico [Mr. FALL] are the two Senators in this Chamber who have been demanding that we have war with Mexico.

Mr. MARTIN of Virginia. Excuse me just one moment. It must be remembered that before Mr. Taft retired from the Presidency, he put a line of soldiers along the boundary in Texas, ready evidently to strike a blow, and when the present incumbent of the White House was inaugurated the cry was not for war, but for peace. He has steered clear of war, and he is entitled to credit for the results we have achieved. He is being glorified from one end of the United States to the other for averting war and bringing the country safely through that trouble.

Mr. BRISTOW. Did not the present President of the United States take the soldiers who had been placed along the border in Mexico and send them into Mexico and take possession of the greatest port which Mexico has—Vera Cruz? Are they not there now holding in that country, at peace with us, the greatest port that that country possesses, in defiance of every law of peace and order between friendly nations? And this is done with professions of peace and friendship on his lips.

Mr. MARTIN of Virginia. Oh, the President sent a few thousand troops down there; he kept off armed conflict with the Republic of Mexico; he preserved the lives of American citizens; and he is entitled to great honor for doing so. With the least

cost of blood and money that was possible, he averted war. We are at peace with Mexico. We have a few troops down there now, but you may rely on it that the President will withdraw them just as soon as it can safely and properly be done.

Mr. SMOOT and Mr. OLIVER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Virginia yield; and if so, to whom?

Mr. MARTIN of Virginia. I yield to the Senator from Utah.

Mr. SMOOT. Mr. President, I did not want the Senator from Virginia to make the statement he has made and to have it go unchallenged, that the Republican Party wanted the President to march our troops into Mexico.

Mr. MARTIN of Virginia. The Senator from Utah might save himself that trouble. I never said anything of the sort. I said many Republicans on the other side of the Chamber were clamoring for a strong policy, and saying that an army ought to be marched to the City of Mexico. Many of them have personally told me that. The Senator from Utah no doubt remembers when there was a strong feeling among Republican Senators in favor of an attitude of that character. I did not say that the Republican Party was responsible for it; but I said there were many Republican Senators who clamored for armed intervention and for the marching of an army to the City of Mexico. I am sure the Senator from Utah will not gainsay the correctness of that statement.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Does the Senator from Virginia yield further?

Mr. MARTIN of Virginia. I yield.

Mr. SMOOT. Of course, if the Senator from Virginia makes the statement, I have not anything further to say, because I do not believe the Senator would make it without knowing it to be true; but I will say that so far as I personally am concerned I have heard but one Republican make that statement, and that was the Senator from New Mexico [Mr. FALL].

Mr. MARTIN of Virginia. How about the Senator from Michigan [Mr. SMITH]? I see him in the Chamber.

Mr. SMOOT. I have said, Mr. President, a number of times upon the floor that I approved of the nonintervention policy in Mexican affairs of President Taft. I have also stated that I approved of the nonintervention in Mexican affairs by the present administration. It is farthest from the thought of most Republicans, or of all of them of whom I know anything, with the exception of the Senator from New Mexico [Mr. FALL], to enter Mexico and to become involved in a direct war with that unfortunate and unhappy people.

Mr. OLIVER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Pennsylvania?

Mr. MARTIN of Virginia. I yield to the Senator from Pennsylvania?

Mr. OLIVER. Mr. President, the Senator from Virginia a short time ago alluded to the happy results of the policy of the President and of the Secretary of State in restoring peace to Mexico, or he said something to that effect. I read in this morning's newspaper the following:

NACO, ARIZ., *October 12.*

The Ninth and Tenth United States Cavalry, under Col. C. A. P. Hatfield, were lined up along the international boundary to-day to prevent the Villa and Carranza factions from again bringing their warfare upon American soil.

I should like to ask the Senator from Virginia whether that is one of the happy results of the policy of the present administration with regard to Mexico, and if that is one of the items of pacification that has followed that policy?

Mr. MARTIN of Virginia. Well, Mr. President, conditions down there are not entirely satisfactory now and they have not been satisfactory for a long time; but I say that the President of the United States is entitled to great credit for maintaining peace. We are not at war with Mexico, and we have not been at war with Mexico; but we have protected the lives of American citizens and we have measured up to all the just demands that could be made upon us on behalf of our own citizens or the citizens of foreign countries in Mexico. We have done that, and we have preserved peace; and I say all praise to the administration that has weathered that storm and has brought us to the point where we find ourselves now.

Mr. SMITH of Michigan. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Michigan?

Mr. MARTIN of Virginia. I do.

Mr. SMITH of Michigan. The Senator from Virginia is, of course, in error in assuming that at any time during the Mexican difficulty I have favored either the United States making war upon Mexico or intervention in the form and manner in which it has taken place. The truth is that I would have avoided interfering in any way in the internal affairs of Mexico. I would, however, have guaranteed the liberty of our own citizens and their rights of property in every possible and practicable way.

I was opposed to the modification of the neutrality law so far as the exportation of arms into Mexico was concerned. I did not favor the modifications as proposed by President Taft, and I remonstrated against the modifications proposed by President Wilson. My attitude toward Mexico has not been concerned in any manner whatever with warfare against that country or its people at any point; and I know the Senator from Virginia will cheerfully accord to me the honor, if it is an honor, of having maintained that consistent position throughout.

Mr. MARTIN of Virginia. Mr. President, I have no doubt that the Senator states frankly what his attitude was. I had only a general recollection that he felt there was not quite force enough used down there, and I had an idea that he wanted war.

Mr. SMITH of Michigan. No.

Mr. MARTIN of Virginia. But I think the Senator wanted a little more force used than President Wilson was willing to use.

Mr. SMITH of Michigan. No; I wanted our own people protected.

Mr. MARTIN of Virginia. But we could not protect them with doves. If we protected them any more than we did, we would have had to do it with shot and shell. The Senator knows that.

Mr. SMITH of Michigan. Mr. President, we could at least have shown a little more solicitude for them than we did.

Mr. MARTIN of Virginia. We were constantly showing solicitude.

Mr. SMITH of Michigan. There has been no courtesy shown to American citizens by either President Madero or Gen. Huerta or the present Government of Mexico. I have not been satisfied with either.

Mr. MARTIN of Virginia. Mr. President, I am thoroughly satisfied with the result which has been attained. I do not know who could have done any better. It is very easy to criticize, but it is mighty hard to construct. I think a trying situation presented itself, and the President of the United States and the Secretary of State handled that situation with great wisdom, forbearance, and success, and to-day we have as good relations as can possibly be had with a country that is undergoing the revolution which is going on in Mexico.

The trouble in that country has increased our appropriations not only for the Army and the Navy, but in many other respects, and when in comparing the appropriations for 1915 with those for 1913 we find that the aggregate amount appropriated in 1915 was $96,496,066.35 more than the amount appropriated in 1913, if we will deduct from that the increase of appropriations for the Army and the Navy made necessary by the Mexican trouble, if we will deduct also the increased cost of carrying on the business of the Postal Service, which amounted to over $41,000,000, practically $42,000,000, and will deduct the other extraordinary expenses amounting to $29,381,156.57, a list of which I have read to the Senate, we will find that the items properly to be deducted amount to $103,020,432.94, leaving the appropriations for 1915 $6,524,366.59 less than they were under the last year of Republican administration in 1913.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Utah?

Mr. MARTIN of Virginia. I yield.

Mr. SMOOT. Mr. President, whenever I present any statement to the Senate I always like to have an absolute reason for it. The increased appropriations for our Navy were $21,643,708.85, as stated by the Senator from Virginia; but, Mr. President, we did not build war vessels because we did not have enough to protect ourselves against the Mexican Government. It was not on account of the Mexican difficulty that those increases were made.

I want also to call the attention of the Senator to the fact that the increase of $10,000,000 in the appropriations for the Army was not due to the fact that we did not have soldiers enough to go into Mexico in case we had war with Mexico. To take care of and feed the Mexicans who were driven from Mexico on to American soil by Gen. Villa, the refugees being a part of the Huerta army, did involve an extra expense to this Government of about $2,000 a day. That was chargeable to the Mexican difficulty; but, so far as the increase of $21,000,000 in appropriations for the Navy is concerned, we never appropriated that amount because of the fact that we had to have extra war vessels to protect ourselves against the little tubs—three of them, I believe—that Mexico had.

Mr. MARTIN of Virginia. Mr. President, nobody has claimed that we had to build ships because of the trouble with Mexico;

but everybody knows that we have had a great increase in naval expense because of the trouble with Mexico. We had almost our whole fleet down there on the coast of Mexico; we had troops down there, and we had troops on the border in Texas; all of which involved a great deal of expense. Does the Senator undertake to stand up here and tell the Senate that we have not incurred any additional expenses because of the trouble with Mexico?

Mr. SMOOT. I undertake to say that our troops now on the borders of Mexico were placed there by President Taft at the time the appropriations were made for the year 1913; I undertake to say that every battleship that has been in Mexican waters would have been in some other waters if it had not been in Mexican waters. I will admit that, if they had fired a shot—they have not, however, fired a shot, so far as I know, because of the disturbance in Mexico—it would have been an extra expense to the Government; but whenever there is a battleship afloat we know that its officers and crew have to be maintained and the ship has to be kept in condition. So far as the Army is concerned, the Army has not been increased, and the pay of the officers and soldiers goes on whether they are on the borders of Mexico or whether they are in camp anywhere in the United States, and therefore that is not an extra expense.

Mr. MARTIN of Virginia. Well, Mr. President, of course it would be useless for me to argue with the Senator from Utah on that subject. It goes without saying that there has been a great increase in the expense, owing to the trouble with Mexico, in handling, supplying, transporting, and equipping our naval vessels and our soldiers.

Mr. HITCHCOCK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Nebraska?

Mr. MARTIN of Virginia. I do.

Mr. HITCHCOCK. If the Senator will permit me, I should like to put into the RECORD the resolution reported by the Democratic side of the Senate at the time the crisis occurred, which resulted in sending our soldiers to Vera Cruz, and also the resolution which was reported by the Republican side of the Chamber on the same occasion.

I do this for the purpose of showing that, while the Members on the Democratic side of the Senate were simply upholding the hands of the President in taking such moderate steps as were necessary to prevent further bloodshed and to assert the dignity of the United States, the Republican side of the Senate permitted itself to support an inflammatory resolution, which, if adopted, would have been little short of a declaration of war against Mexico, and would almost inevitably have resulted in a bloody and expensive war.

If that is the case, it does not appear that the Republicans at the present time are in any position to twit the Democrats with extravagance and excess in taking the very moderate and successful course which was taken by the occupation of Vera Cruz, which has resulted satisfactorily.

Mr. SMOOT rose.

Mr. HITCHCOCK. Before the Senator interrupts me, let me read the Democratic resolution which was adopted by the Senate at that time, notwithstanding the opposition of our Republican friends on the other side of the aisle. This was the resolution, I think, as finally adopted:

> In view of the facts presented by the President of the United States in his address delivered to the Congress in joint session on the 20th day of April, 1914, with regard to certain affronts and indignities committed against the United States in Mexico: Be it
>
> *Resolved, etc.*, That the President is justified in the employment of the armed forces of the United States to enforce his demand for unequivocal amends for certain affronts and indignities committed against the United States.
>
> *Be it further resolved*, That the United States disclaims any hostility to the Mexican people or any purpose to make war upon Mexico.

That was the resolution which was reported by the majority in the Senate at that time; that was the resolution which was antagonized by the Republicans. Now let me read the resolution which was introduced by the Senator from Massachusetts [Mr. LODGE], and, as I recall, was very generally supported upon the Republican side:

> That the state of unrestrained violence and anarchy which exists in Mexico, the numerous unchecked and unpunished murders of American citizens and the spoliation of their property in that country, the impossibility of securing protection or redress by diplomatic methods in the absence of lawful or effective authority, the inability of Mexico to discharge its international obligations, the unprovoked insults and indignities inflicted upon the flag and the uniform of the United States by the armed forces in occupation of large parts of the Mexican territory have become intolerable.
>
> That the self-respect and dignity of the United States and the duty to protect its citizens and its international rights require that such a course be followed in Mexico by our Government as to compel respect and observance of its rights.

Mr. President, I undertake to say that that was an inflammatory, ill-considered resolution, and would have led to war.

Mr. WILLIAMS. And vituperative.

Mr. HITCHCOCK. It would have led to bloodshed and enormous war expenditures. Can the Senators who supported such a resolution now come here and twit the administration with the expenses, the very moderate expenses, incurred to preserve peace, and at the same time maintain the dignity of the United States?

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Utah?

Mr. MARTIN of Virginia. I hope the Senator will not take very long, as I am anxious to conclude.

Mr. SMOOT. The Senator from Nebraska certainly is mistaken if he thinks I have twitted the Democratic Party for what little expenditures they were put to in the protection of American citizens in Mexico. I want to say to the Senator that all I said was that the additional expenditure of $21,000,000 for the Navy was not due to the war in Mexico nor to any trouble down there. I also stated that the $10,000,000 increased appropriation for the Army was not due to the troubles in Mexico.

The Senator refers to the resolution offered by the Senator from Massachusetts [Mr. LODGE]. The Senator from Nebraska and I disagree as to the object of that resolution. The only thought in the mind of the Senator from Massachusetts, in the mind of the Senator from New York [Mr. ROOT], and in the minds of those who supported it was that if we did go to Mexico or if we did set foot upon foreign soil, for history's sake we ought to give the reasons for our action. The Senator from Nebraska knows that there were tens of thousands of American citizens driven from Mexico. There were hundreds of them killed, butchered in cold blood; and I myself represent a State which had over 10,000 people with as good farms as ever were——

Mr. MARTIN of Virginia. Mr. President, I hope the Senator will let me get through.

Mr. SMOOT. If the Senator objects, I certainly will not interrupt him further.

Mr. MARTIN of Virginia. I do not object to any reasonable statement, but I do not want the Senator to keep me standing here all the evening to make a speech. I should like to finish.

Mr. SMOOT. I beg the Senator's pardon. I did not intend to make a speech and was nearly through, but I will not even conclude what I was about to say.

I know, however, and I want to say to the Senator now, that there was no intention upon the part of any Republican Senator to have the Army of the United States enter into war with Mexico. Nobody had that thought. I want to say to the Senator, also, that while that resolution was under discussion in this body our troops were at Vera Cruz, and some of the men had been killed before ever the resolution was passed. I want to say to the Senator, too, in that connection, that if I had had my way I would have seized every gunboat of Mexico, and I would have held them until Mexico had apologized to the United States for the insult that was heaped upon the American flag.

That is the ordinary course for countries to take whose flag has been insulted. I could at this time call attention to a number of cases. I am not even criticizing what has been done in Mexico. I said right along that if that was thought best to be done, if it was done by the administration, I was going to stand by the administration as far as it acted in war, because I do not care whether it is a Democratic administration or a Republican administration; when it comes to a question between a foreign country and my own, I am going to support my own country and the administration standing at the head of affairs at the time that trouble happens.

Mr. BRISTOW. Mr. President——

The VICE PRESIDENT. Does the Senator from Virginia yield to the Senator from Kansas?

Mr. MARTIN of Virginia. I yield.

Mr. BRISTOW. I think the Senator from Nebraska should have stated, in connection with the reading of the resolution, that at the time the resolution was under consideration the President of the United States had ordered the marines to land at Vera Cruz. They were there. The battle was going on. Our marines were being killed. The senior Senator from New York [Mr. ROOT] and the senior Senator from Massachusetts [Mr. LODGE], who were the authors of the resolution, stated that if we were to have a war—and at the very moment the resolution was being considered a state of war was in existence—we ought to state some legitimate reasons for war.

I think it would have been nothing but fair to those Senators, who are absent, that that should have been stated in connection with the reading of the resolution.

Mr. HITCHCOCK. I think the Senator should bear in mind that at the time the resolution was introduced in the House and passed by the House, and at the time it was reported by the committee in the Senate, there was no such state. That state only intervened because the Senators upon the other side unduly delayed and procrastinated the consideration of the resolution, apparently for political effect. There was no reason why it should not have been promptly passed by the Senate. An emergency existed, and the President and his close advisers were aware of the fact that certain emergencies required early action; and it was only for that reason that the resolution tardily passed the Senate.

Mr. BRISTOW. If the Senator will remember, the emergency that was announced here in the Senate was that there was a shipload of arms from Germany that was to be landed at Vera Cruz, and to prevent the landing of that shipload of arms it was necessary for the President to take the port, which he proceeded to do, and then permitted the ship quietly and sedately to sail to another port and land the arms, so that the murder of a number of our marines was fruitless and without result.

For one, I voted against interference in Mexico by armed force. I was opposed to taking the port of Vera Cruz, because I believed it was a hostile act upon a friendly country, and I wanted our Government to keep out of Mexico and let the people of Mexico settle their own differences in their own way. It is their own Government, and nobody has authorized us yet to dominate and domineer them.

Mr. STONE. Mr. President, will the Senator from Virginia yield to me to make a brief observation?

Mr. MARTIN of Virginia. I will, if the Senator desires it, but I shall be through in three minutes.

Mr. STONE. I should like at this moment, with the indulgence of the Senator, to say that after having listened to a part of the speech of the Senator from Utah, delivered a few minutes ago, in which he told us what he would have done, if he had only had a chance, during the more acute period of our troubles with Mexico, and after listening to the somewhat boisterous declamation of the Senator from Kansas, it is almost enough to make the cold shivers chase up and down a man's spinal column when he reflects what might have happened if the Senator from Utah had been President instead of Woodrow Wilson, and if the grim-visaged Senator from Kansas, who shakes his gory locks so frantically in times of piping peace, had been Secretary of War or in command of the military forces of the United States. It makes one shudder to think of what might have happened and what the situation might be to-day, with armed legions tramping over the cactus plains of Mexico, with swords flashing and cannon belching death upon the poor and helpless people there.

When I think of this frightful scene and contemplate the dread things that might have happened, I am more grateful than ever to a peace-loving Heaven that Woodrow Wilson is President instead of one of these belligerent Senators.

Mr. MARTIN of Virginia. Mr. President, we may have lost a great deal by not having these two distinguished Senators at the helm at this perilous time, but the American people are satisfied with what has been done. I have no doubt those Senators would have patriotically performed the duties before them as they saw them, but I think we got along mighty well with Woodrow Wilson, and I think the country is satisfied with the way he met his responsibilities. I do not believe there has ever been an era in the history of our country when troublous times have been bridged over so successfully and with such credit and honor and such praise from the American people as in the contingency referred to.

When I took the floor I did not think I would consume more than 15 minutes. I do not know how long I have held it, but at least a good part of the time has been occupied by others. I simply desired to advert briefly to some parts of the political speech made by the Senator from Utah, and I desired to present to the Senate and to the country in convenient form the facts about the appropriations made at the present session of Congress.

Summing it up, I will say that eliminating the extraordinary expenses and the enlargement of the Postal Service the appropriations have been diminished instead of having been increased. We have appropriated less money for the fiscal year 1915 than we did in 1914, and we even appropriated $6,524,366.59 less money in 1915 than the Republicans appropriated in 1913. As I say, this is eliminating the extraordinary appropriations and the increase in appropriations for the Army and Navy and those made necessary by the parcel-post system and the enlargement of the Postal Service. The Postal Service, as my friend to my right [Mr. GORE] says, is conducted at a profit. It not only pays its own way, but it turns money into the Treasury of the United States. The Democratic Party has made the appropriations necessary for the advancement of that service, and it has made the appropriations necessary for every department of the Government. The Democratic Party considers it true economy to provide a good service to the people of the United States, but to waste not a dollar, and we have performed that duty, in my judgment, faithfully and well.

ALASKA COAL LANDS.

Mr. MYERS. Mr. President, I will ask the Senator from North Carolina [Mr. SIMMONS] if he will not now agree to temporarily lay aside the unfinished business or ask to have it temporarily laid aside, in order that the conference report on the Alaska coal-leasing bill may be taken up?

Mr. SIMMONS. Does the Senator think we can finish the consideration of that report this evening?

Mr. MYERS. That is my judgment. I can not answer positively.

Mr. SIMMONS. The Senator from Utah [Mr. SMOOT] suggests that the Senator from Colorado [Mr. SHAFROTH] is not present, and I rather think he would like to be here when the conference report is called up.

Mr. MYERS. I should like to have him here. I will send for him at once. I told him I was going to call it up this afternoon.

Mr. SIMMONS. Would not the Senator have time enough to pass it after 5 o'clock? If he does not finish it to-night, it could be resumed in the morning.

Mr. MYERS. I can not say as to that, of course. I do not know what opposition there will be.

Mr. SIMMONS. If that would suit the Senator, I should be very glad if he would let us go on until 5 o'clock.

Mr. JONES. Mr. President, I hope the matter will not be postponed with the idea of taking up the conference report at 5 o'clock. I should like to be here when it is taken up; but while I have been in attendance on the Senate pretty regularly, I think, I have to leave a little before 5 o'clock this afternoon, and I can not be here then. If it is not proposed to take up the conference report now, I should rather have it go over until to-morrow.

Mr. SIMMONS. Would the Senator object to taking it up at half-past 4 o'clock?

Mr. JONES. I do not know how long it will take. I shall have to leave about a quarter to 5.

Mr. MYERS. The Senator from Washington is very anxious to be here, and I should like to have him here. He has to leave the city about a quarter of 5. I think I could get the Senator from Colorado [Mr. SHAFROTH] by telephoning to his office.

Mr. SIMMONS. This is a matter that we have to get rid of, and I should like to adjust it satisfactorily.

Mr. JONES. I shall be here to-morrow, so far as that is concerned.

Mr. SIMMONS. Would the Senator be content to take it up to-morrow?

Mr. MYERS. I should really like to have the report disposed of this afternoon, if possible, if it is not going to bring about prolonged debate. I will state that Mr. FERRIS, the Representative from Oklahoma who has charge of the report in the House, is exceedingly anxious to leave the city in a few days, and is anxious to get the conference report over there just as soon as possible; and one day's difference might mean a good deal to him.

Mr. SIMMONS. I will say to both the Senators that, as the Senator from Colorado is absent, I should like to go on a little further with the revenue bill this afternoon. Would it suit the Senator just as well to take up the conference report in the morning?

Mr. MYERS. If we can take it up the first thing in the morning, at 11 o'clock, it will suit me just as well. I can not say as to Mr. FERRIS, the Representative from Oklahoma. Will the Senator take it up to-morrow morning at 11?

Mr. SIMMONS. Yes.

Mr. MYERS. I will not ask that it be taken up at this time, then, with the understanding that we are to take it up to-morrow morning at 11 o'clock.

EMERGENCY REVENUE LEGISLATION.

Mr. JONES. Mr. President, in connection with the remarks of the Senator from Virginia [Mr. MARTIN], I think I ought to suggest just one or two propositions that occurred to me while he was speaking. No one will question his Democracy, and when he repudiates campaign declarations or campaign arguments or campaign slogans we must assume that there is good ground for doing so.

The Senator in his argument has answered all the denunciations that have heretofore been made against the Republicans

by Democratic orators in charging them with extravagance. I have myself presented, with reference to the various appropriations that have heretofore been made, a great many of the arguments that the Senator from Virginia has made this afternoon in defense of the Democratic appropriations. I am not saying that his defense is not a good one, but I am glad he has overturned and practically repudiated all the charges of extravagance heretofore made against Republicans.

I was also glad to see that he has absolutely repudiated the only campaign slogan that our Democratic friends are making now throughout the country. Everywhere throughout the country appeals are being made the people to support Democratic candidates in order to stand by the President. If that means anything, it means that if those candidates are elected to the Senate or to the House they will do what the President wants them to do. The Senator from Virginia has repudiated that.

The President wants us to approve the treaty which proposes to pay to Colombia $25,000,000. The Senator from Virginia says: "I will be for that if I think it is right, and if it is not I will not" That is the correct position to take, but that is not the position the people are being urged to take in the campaign now. The slogan now is, "Stand by the President." That means: "Vote for the Colombian treaty, right or wrong. Vote for the $25,000.000, justified or not."

I am glad the Senator from Virginia repudiates that stand and says he will not vote for that treaty unless he is satisfied that it is a good thing.

Then the President has urged upon Congress, and it is stated in the papers that he proposes to insist at the next session that we shall pass a bill providing for the purchase of ships, and appropriating $30,000,000 for that purpose. They say: "You must elect Democratic Senators and Representatives to stand by the President." In other words, "You must elect them to appropriate money for that purpose, because the President asks it, whether it is right or wrong." The Senator from Virginia, however, repudiates that doctrine, and says: "I do not know whether I will vote for that proposition or not. I do not know whether I will stand by the President or not. If I think he is right, I will stand by him, but if I think he is wrong I will vote against the bill."

That is the right position to take. That is the position that all of us can take, so far as that is concerned, but that is not the position that is being taken throughout the country. I am very glad indeed to have such a recognized leader of the Democracy as the Senator from Virginia repudiate this campaign slogan before the election comes upon us.

Mr. WILLIAMS. Mr. President, I want to utter one sentence. There is so very little difference between the slogans "Stand by the President," when applied to this President, and "Stand by the President when he is right," that I think the Senator from Washington will find a great deal of difficulty in getting the country to see the difference. The President is so nearly always right that there is very little difference, if any at all.

The Senator from Utah [Mr. SMOOT] a moment ago, criticizing the Democratic Party and indirectly the President, told us what he would have done if he had had his way in the Mexican situation. He would have "seized all the gunboats of Mexico," and I suppose he would have seized a good many other things, and otherwise he would have resorted to hostile acts of one description or another. After that he added, "That would have been the ordinary way."

The Senator is exactly right. That would have been "the ordinary way." I think we may well afford to thank God for the fact that the present President of the United States advocates and practices the extraordinary way. We are witnessing the application of "the ordinary way" across the Atlantic right now. Our whole new American spirit which animates even our Army is different from theirs over there and our "way" is different too.

When we entered Vera Cruz a few snipers shot a few American soldiers. We did not think a uniformed man had any rights sacred because of his uniform. We could understand how even an ununiformed one in a mistaken spirit of patriotism might shoot at us—not many, but one here or another there. We caught the snipers when we could, and we punished them. When we could not, we let the people alone. The "ordinary way" in war seems to be what took place in Louvain, in Belgium. If a man in citizen's clothes snipes a man in a uniform, "the ordinary way" is, if you can not find that particular citizen, to arraign five or six other citizens and kill them; and if the sniping was done from a house, why, kill everybody in that house and then burn the house down. Give notice that you will destroy a whole town if any inhabitant shows a hostile spirit. Thank God, we are getting away from "the ordinary way." The world is beginning to wake up and get more civilized than it used to be. I am glad the President of the United States has sounded the keynote that "the ordinary way" must be no longer traveled by civilized mankind, and that the extraordinary way must take its place.

Mr. SMOOT. Mr. President, in that connection, of course, the Senator will admit that if any Government had gone upon Belgian soil and had taken the main port of Belgium, that would have been virtually a declaration of war, will he not?

Mr. WILLIAMS. Yes; and if we had stopped——

Mr. SMOOT. Now, that is the radical way; but the ordinary way I had reference to was the insult to a flag, and that is all that was involved in this question at that particular time.

Mr. WILLIAMS. That has nothing to do with the question.

Mr. SMOOT. I will say to the Senator that I never had any idea of putting soldiers upon Mexican soil at all. I had no idea that we would ever be compelled to intervene. As I stated before, I have been absolutely in harmony with nonintervention.

Mr. WILLIAMS. I did not get up to make a speech. I simply got up to draw a parallel between the ordinary and the extraordinary way. The Senator's "ordinary way" was to have "seized the Mexican gunboats," and then, as he said in an excited way, hold them until they had made full reparation, and all that.

Mr. SMOOT. I will say to the Senator that the mere fact of taking a gunboat, which has been done many, many, many times in the past by other countries where a flag has been insulted, is not nearly so much a cause for war between nations as to go upon the territory of a country itself.

Mr. WILLIAMS. I beg the Senator's pardon. I yielded to him just for an explanation or for a question and not for a speech.

It is true that if one country seizes the gunboats of another there may be no war, but if there shall be no war it will be because the country whose gunboats are seized will not fight. That is the only reason. It is an act of war. In that connection, again following up "the ordinary way" and the new way, the extraordinary way, the Woodrow Wilson way, the Senator from Kansas [Mr. BRISTOW] a moment ago referred to what had taken place in Colombia. He referred to our landing marines there upon the soil of a neighboring and a friendly people, who had fired no shot at us, who had done no hostile act toward us, and when the Senator from Colorado [Mr. THOMAS] happened to mention Belgium in that connection the Senator from Kansas said, in an indignant, vehement, and excited, not to say vituperative, way that the propositions were totally distinct.

The only difference between what happened between us and Colombia and what happened between Germany and Belgium was this: When we did what we did to Colombia—violated her territory, issued to her an ultimatum, to wit, that if she dared to land a soldier on her own territory, or did not withdraw him, which is the same thing, we would proceed to hurt him, and that we had guaranteed only one thing—to have our way there; that our treaty to guarantee Colombian independence was "a scrap of paper"; and that the southern doctrine of secession, against which the North had fought for four years, had now become so holy and sacredly recognized by the United States that the independence of a newborn republic, born by Cæsarian operation, we being the surgeon, could be recognized in 21 hours, without its having a treasury or a customhouse, without its having a gunboat or an army—when all that took place, and we had violated the territory of the Republic of Colombia in one of its States just as thoroughly as if Great Britain had landed troops, or threatened to land them, in New Orleans during the Civil War to support the secession of the State of Louisiana, after all this, what was the difference in principle between the two occasions, the one in Belgium and the other in Colombia? The difference in consequences to follow were, of course, immense. We issued an ultimatum to Colombia, and Colombia, in her weakness, or whatever you choose to call it, yielded to the ultimatum, withdrew her troops, and withdrew her ships. Germany issued an ultimatum to Belgium, and Begium said, "No; no! You can not violate the neutrality of our country, and we will fight." Again, I say the only fundamental difference between the two acts of war was a difference in consequences, consisting in the fact that Belgium fought and Colombia did not fight. Belgium, her independence and nationality at stake, fought Julius Cæsar and all Rome. Now, again, for the same stake, she is fighting the Kaiser and all Germany.

What is the ordinary way, again? The ordinary way, I suppose, was that we would have just said to Colombia, "Oh, well, you are in there, anyhow; your presence was offensive to us; your ships in the harbor were offensive. We wanted some-

thing; we had to pass over you to get it; you stood in the way. We have what we wanted. What are you going to do about it?" But we do not belong to quite that age on this side of the ocean, under this administration of democracy and justice. We did nothing of the sort, and the extraordinary way—the Wilson way—came into play. The extraordinary way was first pointed out to us by Colombia, because she thought we followed it, and what was it? She said to the United States, "You have been the very forerunners and chief advocates of the doctrine of arbitration. You have professed to be the peace friends of the peace friends of the world. We ask you to leave to arbitration the question of what we regard as a great injury to us, a menace to our independence, and a violation of our territory." No American Government, Democratic or Republican, dared send the dispute either to The Hague or to arbitrators selected by the two parties or under the provisions of the treaties that we have made with twenty-odd countries. The Republican administration had not the moral courage to acknowledge a wrong. Before a Democratic administration came into power much had happened of engineering achievement and of public expenditures.

The President of the United States, meeting Colombia halfway as well as he then could by pursuing the extraordinary way himself, said: "If we have done you harm and damage and caused you loss without justification, we are willing to enter into diplomatic relations concerning it and see if we can not fix it up between ourselves. We can not afford to go to arbitration upon this particular question now, because meanwhile we have built the Panama Canal, and the arbitrators might decree that we got the territory wrongfully and must restore it to you; that the canal, as a part of the territory, belongs to you. We can not go that far, but we will meet you upon the diplomatic field; we will try to negotiate a treaty founded even on generous principles; and we will submit it to the Senate of the United States, a body of highly civilized, refined men, who have been so long weaned away from 'the ordinary way' which prevails upon the other side of the Atlantic that they may follow you and me in the extraordinary way—the pleasant new way of peace and amity, and friendship and harmony, and conciliation and good feeling, and the amende honorable for whatever insult has been inflicted, and damages for whatever loss has been incurred."

The Senator from Kansas had no right to grow angry because of a parallel in principle and incipiency between the cases of Belgium and Colombia. There was but one difference, in my opinion, and that was that Belgium fought and Colombia did not; and therefore, alone, we did not devastate Colombia or burn her towns. If she had fought, we would have been bombarding her towns and killing her women and children with ship shells, and killing her boys upon the land. All that saved us was because Colombia either did not want to fight or was not brave enough to fight—I do not care how you put it. Otherwise, we, too, would have had sinful acts of oppression as well as sinful tyrannical intent on our national conscience.

Mr. LANE. Mr. President, I have received a great many protests from good people in the State in which I live against the idea of levying a tax on alcoholic liquors, such as whisky and wine and beer for carrying on the affairs of the Government, and there is a good deal of logic and a good deal of justice in their protest. They claim that by doing so the Government is going into a partnership in the sale of drugs which are deleterious and make for unhappiness, and that in addition the people at large pay out many times the amount they receive in taking care of the people who suffer from the use of it, and that the country suffers in the long run from the deterioration of its citizens.

There is a great deal in that. The Government does go into partnership in a way with the manufactures of intoxicants, and the more intoxicated citizens we have the larger the number of men who consume alcohol, the more money we collect from that source. I do not believe, as a matter of fact, that the Government can or does make any profit by levying taxes in that way.

For that reason, and for the reason that I think it is a time when we are coming upon what I believe is almost the end of an era in the civilization of the world, when everything is going down headlong to destruction in Europe, it seems to me that this country should be shortening sail and preparing for the change.

On board ship, when a storm comes up, a good master of a vessel does not crowd on more sail because the storm is coming. He shortens sail, and he orders everything made fast. He battens down the hatches, and if there is anything on deck that is loose he knows what harm it will do when he gets into a pitching sea, and he orders it lashed down, and heads up into the wind and lays by until the storm passes.

It seems to me that in this country at this time it is our duty not only as Democrats but as citizens of the Republic, whatever our political faith may be, to cut off any unnecessary expenditures which we are now making. I am of the opinion, although I could not demonstrate it without more time, that this country could easily lop off more than $100,000,000 of unnecessary expenditures and the affairs of the Government could be conducted just as well as they are now; in fact, I believe better. I believe it is our first duty before we levy a tax of this kind at this time, when we have every reason to believe that in the immediate future and for some time to come there is going to be great financial stress and difficulty visited upon the people of this country, that it is our duty before we levy additional taxes to cut off all unnecessary expenditures. Until we do that, and until after we have investigated thoroughly and found out that we can either do so or that it is impossible for us to do so, I do not feel that we have the right to levy an additional tax to carry on the business of the Government as though we were in the midst of unexampled prosperity. I believe it is unbusinesslike. More than that, I believe it is unpatriotic. I think it is gross carelessness. I do not say that with the intention of reflecting upon anybody, but we should first make the attempt to cut down unnecessary expenditures before we levy taxes.

I notice in looking over the table which was presented, I think, by the Senator from Utah [Mr. SMOOT], it may be by the chairman of the committee, but it is now in the RECORD, that among the items of appropriation there is one appropriation for a deficiency under the head of miscellaneous expenditures amounting to $29,000,000. Whenever you find an item of miscellaneous expenditures in your expense account in the conduct of public affairs it is a very good one to investigate. It should not be there. It should be definitely stated, for you may depend upon it that a correct method of handling public affairs does not permit the carrying of a large miscellaneous expense account.

It is our first duty to cut down expenditures and to manage the affairs of the Government economically, and by doing that I believe we not only can save $100,000,000, but perhaps more than that; and if we will attend to our duty otherwise and collect moneys which are due the Government at this time we would not need to pass a bill calling for the assessment of one penny of additional tax upon any business or person in this country. So sure do I feel that this stamp upon every message to be paid by the man who makes use of the telegraph lines or expresses a package to his poor old mother in some distant part of the country will irritate the people who have to pay it that, out of regard for the welfare of the Democratic Party, I would advise against doing anything of the sort at this time. If I was managing the political affairs of a party and wished it to succeed at the next fall election I would pedal very softly on taxation which would irritate the voters all over the country and would make a very close investigation as to expenditures which could legitimately be cut off. If I imposed a tax at all, it would not be until I had exhausted every effort to trim them to where they belonged before I went before the people. The people are going to resent it. There are large communities of thousands and hundreds of thousands of people in this country, especially in the South, who are suffering now literally, and I am told are being bankrupted because of the fact that they are cut off from the markets of the world. There are others all over the country in many other vocations of life who have lost their means of livelihood. There are very few who are prospering better than usual. It is a bad time to go to the people of the country with an extra tax on anything if it can be avoided.

We had better cut our expenses. How are the people of the South going to be able to stand additional taxation at this time? Immediately after this bill is passed or as an amendment it is the intention to pass a measure relieving them in some way from their distress. Their needs are real, and we have a real duty which we owe to those people to perform. I believe that the Congress should go straight about it and give them the help they need. But it seems to me it ought to cut off unnecessary expenses in order to do so. I think a close analysis would show from 30 to 40 cents on the dollar of the average expenses of the Government could be saved.

Now, then, believing as I do that our duty first lies in that direction, I am going to vote against this bill and each and every item in it. I think it is inexpedient, that the Democratic Party will not profit by it, that it will be an injury to it, and that the Nation at large will suffer in consequence of it, and that our duty lies the other way.

As for the whisky tax, this tax upon liquor, I think the Government will make no profit by going into partnership with any such trade or traffic as that. It never has in the past nor will it ever in the future. The manhood of the country suffers from it, and it costs more to take care of the results of the use of intoxicants than we can make by taxing it.

Mr. SMOOT. Mr. President, before this amendment is agreed to I want to ask the Senator from North Carolina [Mr. SIM-

MONS] why it applies only to rectified whisky? Is there any good reason why it should not apply to distilled spirits?

Mr. SIMMONS. Rectified whisky and distilled spirits are partly the same and they are partly not the same. It was not the purpose, I will say to the Senator, to increase the tax upon distilled spirits. It was the purpose to put a tax upon rectified spirits. In the present law there is no tax upon rectified spirits as such. There is a tax upon the spirit content of rectified spirits, but not upon rectified spirits as distinguished from ordinary distilled liquors.

Mr. SMOOT. Mr. President, I can not see why, if we are going to impose a tax upon rectified spirits, we should not impose a tax upon distilled spirits. There is no reason that could be given why one should be taxed and the other not taxed, unless perhaps it may be that it applies more to one section of the country than another. I hope, Mr. President, that that was not considered when this amendment was agreed to by the majority.

In looking up the production of distilled spirits and rectified spirits I find that for the fiscal year ending June 30, 1913, there were manufactured in the United States 185,353,383 gallons of distilled spirits and 108,678,542 gallons of rectified spirits.

I have thought, Mr. President, of offering an amendment by imposing the tax not only upon rectified spirits but upon distilled spirits. It will be a little more than double the tax, and I believe if that were adopted by the Senate it would be a better distribution of the burden of the tax.

Mr. WILLIAMS. If the Senator will pardon me a moment, I want to suggest this to his mind: There is a difference between the amount of tax really paid now upon rectified whisky and that on other or straight whisky; and although I thought it was a larger difference than this, I am informed at the Treasury Department that 5 cents per gallon on rectified whisky would equalize the two in the amount of tax they pay. So even if the Senator were going to propose to raise the tax upon distilled spirits generally, the tax upon rectified spirits ought to be at least in the proportion that 5 cents is to the present duty higher than that upon the straight whisky.

Mr. SMOOT. Mr. President, I do not see that that follows, because the tax is imposed upon rectified whiskies, upon the actual amount of distillled spirits in them, plus the adulteration.

Mr. WILLIAMS. Here is the way it is done, as I understand it: A certain amount of straight whisky goes to the warehouse. Then the man takes it out and "rectifies" it. He puts into it distilled prune juice, distilled rotten apple peelings, sirups, some water, maybe a little glycerin, anything else under the sun, and makes stuff that is poisonous to the human stomach. A great many people think it is all poisonous, but I mean the same quantity of rectified whisky is more poisonous to the human stomach than the straight goods. He makes it out of cheaper materials, and, as a consequence, gets an advantage. He can take, say, 75 per cent of straight whisky and add 25 per cent of adulteration. Then he has 100 per cent of rectified spirits, and, in addition, has left over 25 per cent of straight whisky to form part of more rectified whisky.

Mr. SMOOT. Mr. President, the explanation of the Senator from Mississippi is about as I thought I had stated the case. I believe that wherever an article is adulterated and it is to be sold to the country as straight goods, there ought to be a tax imposed upon it, and there ought to be more tax imposed upon it than the difference that exists in our present law to-day.

Mr. NORRIS. Mr. President, I wish to ask the Senator if I am right in my belief that under the present law there is no difference in the tax upon rectified spirits and that upon distilled whisky?

Mr. SMOOT. There is no difference in the amount of tax on distilled spirits and rectified whisky, but there is this difference, that whatever adulteration is added, if it may be called such—and it has been so designated by the Senator from Mississippi [Mr. WILLIAMS]—it also pays the $1.10 tax.

Mr. NORRIS. It does not pay it now?

Mr. SMOOT. It does pay it now. But it seems to me that, if we are going to impose a tax at all upon whisky, it ought to be imposed upon both distilled spirits and upon rectified spirits.

Mr. NORRIS. I wish the Senator would explain the difference between distilled spirits and rectified spirits.

Mr. SMOOT. The difference is this: Distilled spirits are, as nearly as can be, 100 per cent pure; such spirits are understood to be as pure when they are 100 per cent proof; but the rectified whisky or spirits is that in which there has been an adulteration, where something else has been added to the distilled spirits which is the basis of rectified whisky.

Mr. NORRIS To get rectified spirits you take the pure distilled spirits and put something else in it; then it is called rectified spirits?

Mr. SMOOT. It is then called rectified spirits.

Mr. NORRIS. You may put something in it—that is the entire difference—and you may make a gallon and a half of it?

Mr. WILLIAMS. A gallon and a quarter, about, let us say.

Mr. NORRIS. But you pay no more tax on it; is that it?

Mr. SMOOT. About a gallon and a half.

Mr. NORRIS. Is there any limit fixed by rule or by law?

Mr. SMOOT. There is no limit fixed.

Mr. NORRIS. You could rectify it almost in any way you desired?

Mr. SMOOT. Yes; it could be made poor or made good, so called.

Mr. NORRIS. If you take a gallon of pure distilled whisky and put a half gallon of water with it, would it then become rectified spirits?

Mr. SMOOT. No; they must add sirups and other articles.

Mr. WILLIAMS. They do put water in it.

Mr. SMOOT. They put sirups in it, and perhaps they may add, and they do add, water to make up the quantity; but I can not say just exactly what percentage of water is added; in fact, I know very little about the manufacturing of whisky.

Mr. LANE. Do they sometimes add drugs like fishberry, the cocculus indicus, or something that will make the drunk come to them quickly?

Mr. SMOOT. Not that I know of.

Mr. WILLIAMS. I will say to the Senator from Nebraska that I do not think they add as much as a half gallon; I think it is about 25 per cent.

Mr. SMOOT. About a half.

Mr. NORRIS. Who determines how much they can add? How is the amount determined?

Mr. WILLIAMS. The distiller determines it; but there is a test of the strength of the whisky, you understand, made by the gauger. You take the straight whisky and you put in 25 per cent of other things, and the same tax is paid per gallon as on the straight whisky; in other words, the distiller cuts off 25 per cent of his tax.

Mr. SMOOT. But he does not get the same price for his article.

Mr. WILLIAMS. That depends on the part of the country in which he sells it. Some people are fond of what they call "blended whisky," and they pay a fancy price for it, although it is more poisonous than straight whisky. Most people do not know the difference.

Mr. NORRIS. That was the question that was determined by President Taft a few years ago in answering the question, "What is whisky?"

Mr. WILLIAMS. Yes.

Mr. NORRIS. Is the matter now exactly determined by law or by rule?

Mr. WILLIAMS. I do not know, except that our United States chemist at that time, Dr. Harvey Wiley, I believe, was very much in favor of making the distillers put upon every gallon of rectified whisky just what they had put into it in addition to the whisky. That failed; but they did hold that some of it was whisky—I am not acquainted with the details—although it had been rectified with other elements. They may forbid it being labeled "Straight whisky" or require it to be labeled "Blended whisky."

Mr. NORRIS. For the purpose of getting the information before the Senate and for my own understanding, there is now levied a tax of $1.10 a gallon under the present law, is there not?

Mr. SMOOT. That is true.

Mr. NORRIS. And this is on distilled whisky?

Mr. SMOOT. That is on distilled spirits.

Mr. NORRIS. Is there anything stated in the law about rectified spirits?

Mr. WILLIAMS. No; and for that reason both distilled whisky and rectified whisky pay the same tax.

Mr. NORRIS. Well, does the Senator from Mississippi mean by that that if you had a gallon and a half of rectified whisky and a gallon of distilled spirits—straight whisky, as you call it—that you would pay on the gallon and a half of rectified whisky the same amount of internal revenue that you would on the other?

Mr. WILLIAMS. No; I do not mean that. What I mean is that if you took a certain quantity of straight whisky you would pay a certain tax per gallon upon it, and if you took the same quantity of rectified whisky—they are both distilled, of course—you would pay the same tax per gallon upon that. Then you would have enabled yourself to save that much straight whisky out of each barrel to make more rectified whisky, and thereby escape that much tax.

Mr. NORRIS. Under the present law, when is the tax levied? Is it levied before the whisky is rectified or afterwards?

Mr. SMOOT. It is paid when the whisky is withdrawn from bond.

Mr. WILLIAMS. It is paid when the whisky is withdrawn from the warehouse, when it is sold.

Mr. NORRIS. It may be rectified or not, then?

Mr. WILLIAMS. It may be rectified or not.

Mr. SMOOT. If the Senator from Mississippi will permit me, I will say to the Senator from Nebraska that the tax is paid upon the amount that is in the barrel at the time it is withdrawn; there is no tax paid upon the quantity evaporated.

Mr. SIMMONS. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from North Carolina?

Mr. SMOOT. Certainly.

Mr. SIMMONS. I think there is some confusion about this matter.

Mr. NORRIS. Yes; there is a great deal.

Mr. SIMMONS. I do not know that I can say anything to clarify it, but I should like to try. Whisky is taxed according to its proof; that is, 100 proof spirit is taxed $1.10, and 100 proof whisky is about 50 per cent of absolute alcohol. That is the difference between proof spirits and alcohol; proof spirits has about one-half absolute alcohol. A tax of $1.10 is imposed upon a gallon of 100 proof spirits. If it is desired to rectify that, the rectifier, under the present law, pays no other tax; the tax has already been paid. He receives for rectification spirits which have been taxed $1.10, 100 proof. Now, under the law he can reduce that proof by the addition of sirups and other concoctions down to 75 per cent proof. Then he sells it as rectified spirits, without paying any additional tax whatsoever. He has increased the quantity; he has taken a gallon of whisky 100 proof and has reduced it to 75 per cent proof by adding other materials to it, so that in the rectified gallon there are not all of the spirits that were in the tax-paid gallon; in fact, only 75 per cent.

The thought of the committee was that if the distiller put that upon the market and sold it as rectified spirits, sometimes called "blended spirits," and selling it in the market at approximately the same price as straight whisky, thus securing the benefit of the additions that he has made to it, possibly without any reduction in the price at which he sold it, it was proper that he should pay some tax.

Mr. WILLIAMS. He sells it as whisky.

Mr. SIMMONS. He sells it as whisky, but I think the law requires him to mark it "blended." The public, however, does not understand that the word "blended" signifies liquor at a lower proof than straight whisky.

There is another reason why the rectifier should pay a tax, and that reason is this: Every time a gallon of whisky is blended and put in a container the Government has to place a stamp upon it. That stamp the Government is now placing without charging anything whatsoever for it to the rectifier. The Government has the stamp printed, and the Government sends a public official, a deputy collector, who puts that stamp on without any expense to the rectifier whatsoever. It was thought that he should not only reimburse the Government for that expense, which amounts, I think, to something in the neighborhood of a million dollars a year——

Mr. WILLIAMS. This tax will bring in $5,000,000.

Mr. SIMMONS. I am not talking about the tax now; I am talking about the cost of printing and putting the stamp on. I think it has been estimated that it costs the Government about a million dollars a year to put the stamp on rectified packages just for the accommodation of the dealers in rectified spirits; and they pay no tax to the Government whatsoever—not so much as to reimburse it for its expenses.

Mr. SMOOT. So that the Senate may understand the disadvantages which the rectifier claims he is under, I want to call attention to the fact that when he withdraws distilled spirits for the purpose of rectifying them he pays the $1.10 tax upon every gallon that is withdrawn at that time, and whatever evaporation takes place after that he loses; but the dealer in distilled spirits only pays the $1.10 upon what there actually is at the time the spirits are withdrawn from the warehouse.

Mr. WILLIAMS. But he can draw it out before evaporation or at the same stage of evaporation, just as the other man can.

Mr. SMOOT. Yes; but the Senator knows they seldom do that; and the Senator also knows that in some cases the evaporation amounts to 20 per cent, and has been known to amount to even more. They do not pay on the evaporation; and therefore the rectifier is at a disadvantage as to the amount that evaporates.

Mr. NORRIS. Does the rectifier pay on the evaporation?

Mr. SMOOT. The rectifier has to pay when he receives his distilled spirits on the number of gallons which he receives; but the distilled spirits when made are put in bonded warehouses and sometimes held for years, and the distilled-spirit dealers do not pay the tax until they withdraw the distilled spirits from the bonded warehouse. When they do that, they pay $1.10 a gallon upon the actual gallons that there may be at the time in the barrels.

Mr. WILLIAMS. Mr. President, if the Senator will pardon me a minute, it is true that, as a rule, straight whisky is kept in bonded warehouses longer than the whiskies that are taken out for the purpose of being rectified, but neither the man who rectifies nor the man who does not rectify pays a dollar upon evaporation which has taken place at the time he withdraws the whisky.

The man who keeps it in the bonded warehouse for a long time, and thereby has less tax to pay because of the evaporation, has at the same time done without his money for a longer period. He has held his whisky from the market a longer time.

Mr. NORRIS. But he gets a higher price for his whisky.

Mr. WILLIAMS. He holds the whisky for the purpose of making it ripe by natural processes, instead of ripening it by artificial processes, as the rectifier does. The rectifier, as a rule, takes it out earlier, and then he artificially ripens it by sirups and various other articles, and it is sold to the public as a ripened whisky.

The Senator knows that the chief poisons in whisky are what are called the volatile essences. The longer the whiskies are ripened the more they evaporate and the more these volatile poisons go off into the air and are out of the drink which is taken into the human stomach.

The Treasury Department and the Commissioner of Internal Revenue have always wanted a special tax upon rectified whisky, sufficient not only to pay for the stamps, but something more besides, and they have so recommended several times.

If the motion of the Senator from Utah should prevail and we should increase the tax upon all whiskies, then there ought to be an increase of more than 5 per cent in addition to be placed upon rectified whiskies, in order to make the two classes of people pay the same tax, predicated upon the assumption that they take the whisky out of the warehouse at the same time, which, of course, they have a right to do.

Mr. SMOOT. But which they do not do.

Mr. WILLIAMS. Which, as a practical fact, for the most part they do not do, because the higher grades of whisky are kept in the warehouses in order to get the bonded warehouse certificate, which indicates natural ripeness.

Mr. NORRIS. Mr. President, if the Senator from Utah will permit me, it seems to me that the argument of the Senator from Mississippi would go to show that under existing law there is an inequality existing. The remedy proposed would only be temporary; and if the Senator's theory be true—and I presume it is; I have no reason to doubt it—then this provision ought to be made permanent law, instead of being put on a temporary act, which will end at a specified time, and thereafter the inequality will continue.

To see if I understand the situation, I want to ask the Senator from Utah, or some other Senator, a question; and in order that the Senator may understand me, I want to suppose, for the purpose of the question or the illustration, that we have here two gallons of whisky upon which the tax has not been paid, one gallon being rectified whisky composed of 75 per cent of pure distilled whisky and 25 per cent of adulteration and the other gallon being pure distilled whisky. If the internal-revenue collector were there to collect the Government tax, would the owner of the whisky have to pay the same tax on each one of those gallons?

Mr. SMOOT. He would, Mr. President, pay exactly the same tax—$1.10 per gallon.

Mr. NORRIS. Then, it seems to me, if that be true, under existing law, on the impurity, or whatever is put in the whisky to adulterate it and at the same time increase its value, the rectifiers are paying exactly the same tax as is paid on the straight article.

Mr. SMOOT. And they ought to be penalized for it. I believe that that is right.

Mr. NORRIS. I am not objecting to that. What I want to get at is the exact facts, so as to see whether or not the increased tax ought to be put on both kinds alike. If that be true, it seems to me that the same tax ought to be levied on rectified and distilled spirits.

Mr. SMOOT. It certainly would have to be to make things equal as the law stands to-day.

Mr. NORRIS. In other words, the law as it exists to-day does not recognize, so far as taxing purposes are concerned, any difference between impure whisky and pure whisky?

Mr. SMOOT. None whatever, so far as the gallon is concerned.

Mr. MARTINE of New Jersey. Mr. President, I should like to inquire of the Senator from Utah, if I may, what his amendment is with reference to this?

Mr. SMOOT. I had not yet offered the amendment. I have been informed that this tax of rectified spirits was agreed upon in caucus, and if that is the case, of course there would be no need of my offering the amendment; but if the Senator will let me proceed now to state some of the facts as they really exist in relation to the amounts produced, and where produced, and what effect this amendment will have, I will then return to the question of offering the amendment.

Mr. NORRIS. I should like to ask the Senator, if we ought to increase the tax on all kinds of whisky alike, we would reach that, would we not, by striking out the word "rectified," so that there would be assessed a tax of 5 cents per gallon in addition to the present tax upon each gallon of whisky?

Mr. SMOOT. I think, to make it entirely clear, it ought to be "upon each gallon of distilled and rectified spirits."

Mr. MARTINE of New Jersey. "Distilled and rectified" will cover it.

Mr. NORRIS. All whisky is either distilled or rectified, or both, is it not?

Mr. SMOOT. It is.

Mr. NORRIS. Then, if we should strike out the word "rectified," you would have a tax assessed on each gallon of whisky. Would not that include everything?

Mr. SMOOT. I rather think it would, Mr. President.

Now I wish to call attention to the fact that in the law of 1898 there was no tax placed upon either distilled whisky or rectified whisky; but in this bill a tax is imposed upon rectified whisky, and the revenue from it is estimated at $5,000,000. I can not yet understand why this was done, unless it was for the purpose of compelling the $5,000,000 which is to be received through this tax to be paid largely by the Northern States.

Mr. SIMMONS. Oh, Mr. President——

Mr. SMOOT. The Senator intimates that I am mistaken.

Mr. SIMMONS. I want to say to the Senator that he is mistaken. I never heard, until it was suggested here on the floor of the Senate, the suggestion that there was any sectionalism in that provision of the bill. I want to say to the Senator, furthermore, that in no committee meeting of the majority Members was such a thing suggested; and there are upon the committee, I believe—counting the Senator from Missouri [Mr. STONE] as a western Senator—an equal number of Senators representing the South and the West.

Mr. JOHNSON. And the East.

Mr. SIMMONS. I do not know exactly, but there is an equal number—5 and 5, I think. A suggestion of a sectional tax would have been resented, and it was not thought of.

The reason this was proposed was because the Commissioner of Internal Revenue has been for a long time suggesting that there should be a tax upon rectified spirits. That suggestion was made to the Finance Committee when we were framing the tariff bill, as I recall, but it was not put in that bill. It has been constantly urged by the Commissioner of Internal Revenue. I think you will find it in the reports. I know, from personal conversations with the present commissioner, that he has suggested it, and it had been suggested before that time in the reports of the commissioner.

Mr. SMOOT. In that connection, then, I wish to call attention to the other items that are not taxed by this bill, and that were taxed by the act of 1898.

If the Senators will take the war-revenue bill—which, by the way, I think ought not to be designated a war-revenue bill—if they will take the document showing the comparison of additional revenue derived in 1900 and the estimated additional revenue to be derived for a year under the provisions of House bill 18891 as it passed the House and as it was reported to the Senate, they will find that rectified spirits is one thing on which the present bill imposes a tax that was not imposed by the act of 1898.

Now, let us consider the other items on which a tax was imposed by the act of 1898 and eliminated in this bill and see where they are largely produced.

First, there is tobacco and snuff. There was collected under the act of 1898, in the year 1900, $17,635,607. There is no tax whatever on these items in the bill.

Take cigars. There was collected, in 1900, $3,180,784.

Mr. SIMMONS. Did I understand the Senator to say that there is no tax on tobacco and snuff?

Mr. SMOOT. There is a tax upon the dealers in tobacco and snuff. But on tobacco and snuff, if the Senator will remember——

Mr. SIMMONS. I am not talking about the pending bill; but under the present law did I understand the Senator to say there is no tax on tobacco?

Mr. SMOOT. Oh, no; I never referred to the present law. I said "in the pending bill."

Mr. SIMMONS. Very well.

Mr. SMOOT. The bill that we have under consideration as a revenue measure is the one to which I referred. I was calling attention to the fact that the amount collected from tobacco and snuff in the year 1900 under the revenue act of 1898 was $17,635,607, and it is not taxed at all under the present bill. From cigars we collected $3,180,784; there is no tax whatever upon them in the present bill. From cigarettes we collected $1,320,305 under the act of 1898, but there is no tax imposed upon them by the present bill.

The next item is petroleum and sugar refiners. There was a tax of $1,079,000 collected under the act of 1898. There is nothing imposed upon petroleum or sugar refiners in this bill. It seems to me the present bill has been framed in such a way that the amount of tax will fall most heavily upon the Northern States.

Let me refer now to the item of rectified whisky.

Mr. SIMMONS. Will the Senator pardon me just for a minute before he leaves the subject of tobacco?

Mr. SMOOT. Certainly.

Mr. SIMMONS. I want to say that in 1898 the tax was raised from 6 cents to 12 cents on manufactured or plug tobacco. Subsequently that tax was repealed by the general law, and reduced again to 6 cents a pound. After that, I believe somewhere around 1906 or 1907—I do not recall which—we increased the tax on manufactured tobacco from 6 to 8 cents. The tax on large cigarettes was raised during the war-revenue period to $3.60 a thousand. That has been since reduced to $2.

That is the statement I wished to make as to that part of the situation.

Mr. SMOOT. That is not the revenue tax. That is the regular tax imposed under the law.

Mr. SIMMONS. That is the regular tax that is now imposed upon cigars. Upon plug tobacco there is a tax of 8 cents a pound. Upon cigars there is a tax of $3 per thousand. Upon cigarettes weighing more than 3 pounds to the thousand there is a tax of $3 a thousand, and upon cigarettes weighing less than 3 pounds to the thousand there is a tax of $1.25 a thousand at present. That is equivalent to a tax of 42 cents upon each pound of tobacco in a thousand cigarettes.

Mr. SMOOT. That was the case in 1898, when the former law was passed.

Mr. SIMMONS. The tax on cigarettes was increased to a dollar and a half at that time. I am merely stating now that the present tax on cigarettes is at the rate of 42 cents a pound for the tobacco in a thousand cigarettes; the tax on cigars is at the rate of 15 cents a pound for the tobacco in the cigars; the tax upon plug tobacco is 8 cents. In addition to that, we have a tariff tax upon the tobacco that is used in the manufacture of both plug tobacco, cigars, and cigarettes.

Tobacco is to-day paying nearly one-half of the entire amount that the Government realizes from its internal-revenue taxes. Under the present law the taxes collected by the department as internal-revenue taxes amount to $79,000,000 a year. The taxes collected through our customhouses upon the tobacco that goes into the manufacture of plug tobacco and cigars and cigarettes amount to $35,000,000 a year; and the taxes which this bill carries against persons engaged in the manufacture of tobacco, cigars, and cigarettes will amount to $5,000,000 more. So the total tax that tobacco is paying for the support of the Government under our present system is $125,000,000 every year.

Mr. SMOOT. Mr. President, all of the taxes imposed upon tobacco, as enumerated by the Senator from North Carolina, were imposed before the war-revenue tax was placed upon it in the year 1898. We did not collect as much revenue from tobacco at that time because there was not as much used in the country as there is now; but the taxes were imposed, and notwithstanding those taxes at that time, there was also imposed upon the items of tobacco, snuff, cigars, and cigarettes a tax that yielded to the Government of the United States nearly $21,500,000. The committee, however, has seen fit to relieve those items entirely from the imposition of a revenue tax at this time.

I want to say to the Senator from North Carolina that, in view of the fact that the distilled spirits are not taxed and the rectified spirits are taxed, my statement that it was a sectional matter, and the tax would fall upon the Northern States more

than upon the South, was based upon the figures showing where each is produced, and thus showing where the tax would fall if imposed. I find that the rectified spirits are manufactured largely in New York, Pennsylvania, Illinois, and Ohio. Each one of those States produces more rectified spirits than the State of Kentucky; and I find that Kentucky produces only 7 per cent of the rectified spirits manufactured in the United States, while she produces 24 per cent of the distilled spirits, and under this tax of 5 cents per gallon on rectified spirits she would be called upon to pay $379,000, whereas if it applied to the distilled spirits she would be compelled to pay $2,100,000 of the $5,000,000 imposed.

Mr. SIMMONS. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from North Carolina?

Mr. SMOOT. Yes; I am glad to yield.

Mr. SIMMONS. So far as concerns the place where the rectified spirits are produced, or the place where the tobacco is produced, I do not think it has one thing in the world to do with the payment of the tax. The committee had no thought about the locality in which these things were manufactured. If there are any taxes in the world that are not paid by the manufacturer, they are the whisky tax and the tobacco tax.

The tax on a gallon of whisky is $1.10. There is not anybody that does not know when he buys that whisky that the man who buys it and drinks it pays the tax. The man who manufactured it paid it in the first instance, and in every instance he transmits it to the man to whom he sells it. The man who finally consumes it pays it eventually. That is true of whisky, and that is absolutely true of tobacco. The man who manufactures tobacco may live in New York. He pays the tax to the Government in the first instance, and then he transmits it to the retailer, and the retailer transmits it to the man who chews it or who smokes it. It does not make any difference where it is manufactured—either tobacco or whisky—the tax is paid by the people of the country in the North, in the East, in the West, and in the South just in the proportion as they drink whisky or as they consume tobacco.

Mr. SMOOT. That is not the history of the revenue act of 1898. I call the attention of the Senator to the fact—and I think he will well remember it—that the packages of smoking tobacco were changed in size. I bought tobacco at that time as a merchant; and not only were the tobacco packages decreased in size, but the plug tobacco——

Mr. SIMMONS. That proves what I said, so far as that is concerned.

Mr. SMOOT. No; it is just the reverse of what the Senator said. The Senator, as I thought, said that the tax was not paid by the consumer.

Mr. SIMMONS. I said that the manufacturer escaped it. I do not care by what device or manipulation he escapes it; the fact is that he escapes it.

Mr. SMOOT. I agree with the Senator that the manufacturer escapes it. I do not think there is any question about that.

Mr. SIMMONS. It is paid, in the end, by the consumer.

Mr. SMOOT. But the Senator said there was no difference in the price at which it was sold to the consumer.

Mr. SIMMONS. Oh, no; I did not say there was no difference in the price at which it was sold to the consumer. I said the consumer pays the tax.

One other suggestion. The Senator says, because we have imposed a tax upon rectified spirits, that we have discriminated in favor of the South. The Senator says, because we have not imposed a tax upon tobacco, that we have discriminated in favor of the South, because the South is a producer of tobacco. Now, if it be true that when we relieved the South from further taxation upon tobacco and cigarettes we discriminated in favor of the South, then when his party put upon tobacco in this country a tax of $125,000,000 it discriminated against the South in doing that. If one is a discrimination, the other is a discrimination.

Mr. SMOOT. There is not an item in the tariff bill to-day that carries a much higher protective rate than tobacco. Who does not remember the speech made by the Senator from Kansas in relation to the enormous tax on tobacco when the present tariff act was under discussion?

Mr. SIMMONS. I was referring to the internal-revenue tax.

Mr. SMOOT. I know the Senator was referring to the internal-revenue tax, but I am referring to the fact that this Government protects the tobacco grower by a duty upon imported tobacco. I admit freely that the Republican Party has always in the past felt that it was a legitimate product to be taxed in order to maintain the Government of the United States, and there is not a civilized country on earth that does not do exactly the same thing. Even the free-trade countries, so called, imposed a higher rate of taxes upon tobacco than does the United States.

Mr. SIMMONS. The point I was making when the Senator interrupted me was that if it was a discrimination in favor of the South—and that was the point he had been pressing—not to further tax it, then it must have been equally a discrimination against the South to have originally taxed it to the extent to which they did tax it. If all the tobacco in this country was made in the South, and if it is a discrimination against the country to impose a tax upon an article which is produced, then it was a discrimination when we put the internal-revenue tax upon tobacco.

Mr. SMOOT. No; it was not a discrimination against the South then, because the tax was balanced by the imposition of taxes upon items that were almost entirely made in the North. For instance, we imposed a tax upon beer, which is produced largely in the North, and that is also taxed in this bill. In this bill a tax on beer is imposed in exactly the same way.

I want to say to the Senator if he will carefully take these figures and figure out the taxes imposed upon the goods made in the North and those made in the South he will find that at least 80 per cent of the tax will come from the North and 20 per cent or less from the South. That was not the case, Mr. President, with the act of 1898, because at that time there was imposed a tax of $21,000,000 upon tobacco, snuff, and cigars. That has been wiped out, but not so with the beer tax. The tax of 5 cents a gallon on rectified spirits is provided for in this bill, the great bulk of which is made in the States of Pennsylvania, Ohio, Illinois, and New York.

Mr. SIMMONS. It would be absolutely impossible for any man upon the face of the earth to determine exactly how much any one section of the country would pay of the taxes imposed by this bill. The majority of these taxes are imposed upon things that are done in one section of the country just as they are done in every other section of the country and the tax is in proportion to the traffic in one section and the traffic in another section of the country.

Mr. SMOOT. I want to say to the Senator——

Mr. SIMMONS. If it be true, as the Senator said, and it is not true, that 80 per cent of the tax imposed by this bill is imposed upon the North and East and West and only 20 per cent of it is imposed upon the South, it would be not very far short of the proportion which the balance of the country bears to the South in population, in wealth, and in business.

Mr. SMOOT. The Senator says it is not true, but I am perfectly willing, so far as I am concerned, to allow the Senator himself to sit down and figure the percentage of the production of every item in this bill and let him decide what percentage is produced in the North and what percentage is produced in the South. I have given more than a liberal allowance; I am well within the bounds of truth when I state that it will be 80 per cent for the North and 20 per cent for the South. I am perfectly willing to let the Senator from North Carolina decide it himself, because I have absolute confidence that he knows enough about where the goods of this country are produced and will be at least fair, and if he is I know he can not arrive at any other conclusion.

Mr. SIMMONS. It would be impossible for the Senator, I suppose, to select any other items in the bill outside of beer and tobacco and rectified spirits where he could locate the point of production of the particular article, unless it be chewing gum; I do not know about that; I do not know where it is produced; I have never kept up with it, but wherever it is produced, it is consumed in the country. I submit as a common-sense proposition—I do not want to argue it—that the tobacco tax is paid not by the man who manufactures it, and not in the section of the country where it is manufactured, but, as a matter of fact, it is paid by the man who consumes it, I do not care where he is. The tax will fall upon the people of this country just in proportion as the habits of the people of one section demand more tobacco or more whisky than the habits of the people in another section of the country, and as to chewing gum, the tax will be borne in connection with the habits of the people just in proportion as the women and children in one section of the country chew more gum than do the women and children in another section of the country. Where it is manufactured and produced has absolutely nothing to do with the payment of the tax. As Mr. Dingley said, it is an article upon which every man can select the amount of tax that he wants to pay. If he wants to pay a big tax, he will consume a large quantity of liquor and a large quantity of tobacco. If he wants to pay a small tax, he will consume but little tobacco and little whisky.

Mr. MARTINE of New Jersey. Mr. President, I can not believe, I do not want to believe, I will not believe, that the committee was prompted or actuated by any thought of sec-

tionalism or geography as to where this tax should be levied. I can not believe that. I do not agree with my fellows sometimes, but——

Mr. SIMMONS. I will say to the Senator that that claim is absolutely absurd.

Mr. MARTINE of New Jersey. It seems to me so. I do believe and feel that the Senate of the United States is made of better stuff than to be governed by little sectional ideas, whether it shall affect the confines of my State or your State or some other State.

But I am frank to confess with reference to this rectified spirit scale, I was troubled about it when the matter was before the committee, and I there spoke of it. It does seem to me, Mr. President, that all should bear that tax, whether it be rectified or distilled spirits, and each should bear it alike. I do not know just the mystification of what constitutes rectification, but it is all whisky. It will all tend to deliriousness. It is sometimes an absolute and prime necessity, but it is a luxury at best, and I can see no reason why distilled spirits should not share the burdens of our Government and the necessities of this occasion, which are not partisan. They are not necessities made by the Democrats or by the Republicans, and they should bear this tax equally and alike.

We have raised the tax on beer to $1.75 a barrel. They write me and tell me in telegrams by the score that beer is a poor man's drink. As I said once before, I think it is a poor drink at that, but that is a matter of the taste of the man who drinks it. However, you can not get rid of the fact that there are tens of thousands—aye, millions—of people in this land and in other lands who deem beer a liquid food. Many families, whether wisely or unwisely, are brought up on it. The tax was raised from $1 a barrel to $1.75 a barrel. Many feel that this is an unfair and an unjust discrimination and burden. I can see no reason why a man who drinks whisky should not pay his share in proportion, as near as may be, to the man who drinks beer.

I feel it is unfortunate to drag this question of geography, of sectionalism, in here, but I want to say about tobacco, I think it is one of the noxious things of God's creation. I have never favored it. I can not say that I particularly rebel at the fumes of a well-flavored cigar, but I believe it is one of the things that humanity could well do without far better than people could do without alcoholic spirits. I believe the world universally and the medical profession as well would say this. But while our tax bill has taxed tobacco and has taxed tobacco hard, $4.80 on any place that shall sell tobacco, whether it be in a palace or in a modest little shop, I insist that the method of levying this tobacco tax should not be arbitrarily on the pound or necessarily on the thousand, but I think the man who buys three cheroots, or whatever you call them, for 5 cents should not pay as much proportionately as the man who buys a perfecto at 15 or 25 cents apiece. I feel that the tax on tobacco should be a graduated tax, acco ding to the value of the cigar that the man who can afford it regales himself with, so that the man who smokes a cigar costing 15 to 25 cents should pay more than the man who smokes the miserable little cheroot and makes himself believe that he is growing happy. I think there should be a discrimination there.

I believe the necessity exists for raising this revenue. I believe the promptings are broad and patriotic, but I say we should not discriminate against rectified spirits. Let us treat them all generally alike. It will double the revenue and no one will find any fault.

Mr. LANE. I would like to say, for the information of the Senator, that there is a great deal of difference between distilled spirits and rectified spirits.

Mr. MARTINE of New Jersey. I do not know the difference.

Mr. LANE. I have been told while the discussion has been going on, by a gentleman who has been connected with the business, that out of 1 gallon of distilled spirits they make 2½ gallons of rectified spirits by adding water, vinegar, high wines and spices, and things of that sort. That increases the quantity two and a half times. Now, if you are going to drink whisky you should drink as pure whisky as you can get and only the best you can get. It is bad enough even when you do that.

Mr. MARTINE of New Jersey. I will say to the Senator that it is a matter of taste.

Mr. LANE. Whisky that has been doctored in that manner is a fraud, and that, I am told, is the best rectified spirit. The rectifier without conscience, who cares not so long as he makes money, puts in tincture of tobacco, tincture of cocculus indicus or fish berries, tincture of cascarilla, and distilled spirits or alcohol, and the concoction out on the frontier is known as sheep herder's delight. One drink of it will make a man take his gun and shoot up the town, and with two drinks of it inside of him he will go out and kill his grandmother. That is the kind of a rectifier, if you are going to put a tax upon intoxicants, who ought to be taxed out of business.

Mr. MARTINE of New Jersey. The Senator is very familiar with the matter of scientific rectification, of which I know nothing. I would like to know what would be the Senator's suggestion as to putting more tax on rectified than on distilled spirits?

Mr. LANE. I would tax it high if I was going to tax it. I do not believe in taxing it. I do not believe that the Government should go into partnership with it, and I do not believe that the people should be made to pay the expense of caring for the results which ensue from it.

Mr. MARTINE of New Jersey. The Government has been doing it since God made Adam, and I think it will continue to do so. I think it would be a disaster for the Government to permit it to run free. I am quite willing that they should tax beer, and I am willing that they should tax whisky. As I said, since Adam's time this has gone on, and in all reason it will go on forever.

I say much of the abuse of alcohol stimulants can be gotten rid of by making it easier for mankind to get bread and butter and seek less solace in intoxicants. I believe it was Miss Frances E. Willard, the great apostle and angel of temperance, who said:

> Let us make it easier for mankind to get bread and butter and then freer and easier will be our burden in staying the abuse of alcoholic stimulants.

I believe we have done at least our part as far as we can in lightening the burdens of the people. I am not entirely satisfied, but at least we have gone a step in that direction. When I heard the Senator from Massachusetts this morning holding up the unfortunate picture that everything had come from our legislation, without even charging up anything to the unfortunate conditions of strife abroad and other general social conditions that have been going on the world over for years and culminated in this war, I felt that with all his big generosity usually in this particular instance he was ungenerous.

Mr. SIMMONS. Question!

Mr. MARTINE of New Jersey. Let us know what is the question.

Mr. SIMMONS. I should like to have a vote, if we can, on this section.

The VICE PRESIDENT. The question is on agreeing to section 2 as reported by the committee.

The amendment was agreed to.

The VICE PRESIDENT. The Secretary will continue the reading of the bill.

The SECRETARY. The committee proposes to strike out all of section 2 in the bill as passed by the House of Representatives.

Mr. SIMMONS. I ask that the next amendment relating to wine, which is stricken out, and the matter proposed to be inserted by the committee be passed over with it.

The SECRETARY. It is proposed to pass over the proposition on page 3 to strike out section 2, beginning in line 6 and ending in line 24, in the House bill. The committee propose to insert in lieu thereof a new section on page 4, to be known as section 3.

Mr. SIMMONS. I ask that that be passed over.

The VICE PRESIDENT. It will be passed over.

The SECRETARY. The committee proposes to strike out section 3 of the House print, on page 5, beginning in line 18 and ending in line 25.

Mr. SIMMONS. Let all that be passed over.

The VICE PRESIDENT. It will be passed over.

Mr. SIMMONS. Section 2 of the House print is stricken out.

The VICE PRESIDENT. Yes.

Mr. SIMMONS. I wish to pass that over. I ask that section 3 of the Senate print be passed over also.

The SECRETARY. The committee propose to insert as section 3 of the bill, beginning at the top of page 4——

Mr. SIMMONS. I do not wish any action at all upon those two pages. I want to have section 3 of the House bill stricken out.

The VICE PRESIDENT. The question is on agreeing to the amendment striking out section 3, page 5, lines 18 to 25, inclusive, gasoline, motor spirits, and so forth.

The SECRETARY. On page 5 it is proposed to strike out from line 18 to line 25, inclusive, being section 3 of the bill as passed by the House.

The amendment was agreed to.

The next amendment was, under the subhead "Special taxes," in section 4, on page 6, line 2, after the word "that," to strike out "from and after November 1, 1914," so as to read:

> SEC. 4. That special taxes shall be, and hereby are, imposed annually as follows, that is to say:

The amendment was agreed to.

The next amendment was, on page 6, line 5, after the word "pay," to strike out "$2" and insert "$1," and in line 18, before the words "savings bank," to insert "postal savings bank, and," so as to make the clause read:

First. Bankers shall pay $1 for each $1,000 of capital used or employed, and in estimating capital, surplus, and undivided profits shall be included. The amount of such annual tax shall in all cases be computed on the basis of the capital, surplus, and undivided profits for the preceding fiscal year. Every person, firm, or company, and every incorporated or other bank, having a place of business where credits are opened by the deposit or collection of money or currency, subject to be paid or remitted upon draft, check, or order, or where money is advanced or loaned on stocks, bonds, bullion, bills of exchange, or promissory notes, or where stocks, bonds, bullion, bills of exchange, or promissory notes are received for discount or sale, shall be a banker under this act: *Provided*, That any postal savings bank and savings bank having no capital stock and whose business is confined to receiving deposits and loaning or investing the same for the benefit of its depositors, and which does no other business of banking, shall not be subject to this tax.

Mr. WILLIAMS. I ask the attention of the Senator from North Carolina [Mr. SIMMONS] for a moment. On page 6, line 18, in the committee amendment, I think we have made an error. The language there ought to read:

That any postal savings bank or savings bank having no capital stock.

Mr. SIMMONS. I think the Senator from Mississippi is correct; and on behalf of the committee I ask to strike out the word "and," after the word "bank," in line 18, and to insert in lieu thereof the word "or" in the committee amendment.

The VICE PRESIDENT. If there be no objection, as proposed to be modified by the Senator from North Carolina on behalf of the committee, the amendment will be agreed to. The Chair hears none.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 6, after line 22, to strike out—

Second. Brokers shall pay $50. Every person, firm, or company whose business it is to negotiate purchases or sales of stocks, bonds, exchange, bullion, coined money, bank notes, promissory notes, or other securities, for themselves or others, shall be regarded as a broker: *Provided*, That any person having paid the special tax as a banker shall not be required to pay the special tax as a broker.

The amendment was agreed to.

The next amendment was, on page 7, line 5, after the word "pay," to strike out "$20" and insert "$50," so as to make the clause read:

Third. Pawnbrokers shall pay $50. Every person, firm, or company whose business or occupation it is to take or receive, by way of pledge, pawn, or exchange, any goods, wares, or merchandise, or any kind of personal property whatever, as security for the repayment of money loaned thereon, shall be deemed a pawnbroker.

The amendment was agreed to.

The reading of the bill was resumed, the last clause read being as follows:

Fourth. Commercial brokers shall pay $20. Every person, firm, or company whose business it is as a broker to negotiate sales or purchases of goods, wares, produce, or merchandise, or to negotiate freights and other business for the owners of vessels, or for the shippers or consignors or consignees of freight carried by vessels, shall be regarded as a commercial broker under this act.

Mr. SMOOT. I ask that clause "Fourth," on page 7, under the headline "Special taxes," be passed over for the present.

Mr. SIMMONS. To what does that relate?

Mr. SMOOT. To commercial brokers.

The VICE PRESIDENT. The Secretary is reading the House text, and an amendment is not now in order.

Mr. SMOOT. Is the bill merely being read, or is it being read for committee amendments?

The VICE PRESIDENT. The bill is being read for committee amendments only.

Mr. SMOOT. Then I have no objection.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 7, line 24, after the words "concert halls," to strike out "in cities having more than 15,000 population as shown by the last preceding United States census shall pay $100" and insert "where a charge for admission is made, having a seating capacity of not more than 300, shall pay $25; having a seating capacity of more than 300 and not exceeding 600, shall pay $50; having a seating capacity exceeding 600 and not exceeding 1,000, shall pay $75; having a seating capacity of more than 1,000, shall pay $100"; in line 11, after the word "halls," to insert "or armories"; and in line 14, after the words "under lease," to strike out "at the passage of this act" and insert "when this act takes effect," so as to make the clause read:

Sixth. Proprietors of theaters, museums, and concert halls, where a charge for admission is made, having a seating capacity of not more than 300, shall pay $25; having a seating capacity of more than 300 and not exceeding 600, shall pay $50; having a seating capacity exceeding 600 and not exceeding 1,000, shall pay $75; having a seating capacity of more than 1,000, shall pay $100. Every edifice used for the purpose of dramatic or operatic or other representations, plays, or performances, for admission to which entrance money is received, not including halls or armories rented or used occasionally for concerts or theatrical representations, shall be regarded as a theater: *Provided*, That whenever any such edifice is under lease when this act takes effect, the tax shall be paid by the lessee, unless otherwise stipulated between the parties to said lease.

The amendment was agreed to.

The next amendment was, on page 9, line 10, after the words "District of Columbia," to insert "*Provided further*, That this paragraph shall not apply to Chautauquas, lecture lyceums, agricultural or industrial fairs, or exhibitions held under the auspices of religious or charitable associations," so as to make the clause read:

Eighth. Proprietors or agents of all other public exhibitions or shows for money not enumerated in this section shall pay $10: *Provided*, That a special tax paid in one State, Territory, or the District of Columbia shall not exempt exhibitions from the tax in another State, Territory, or the District of Columbia, and but one special tax shall be required for exhibitions within any one State, Territory, or the District of Columbia: *Provided further*, That this paragraph shall not apply to Chautauquas, lecture lyceums, agricultural or industrial fairs, or exhibitions held under the auspices of religious or charitable associations.

The amendment was agreed to.

The next amendment was, on page 9, after line 19, to insert:

Tenth. Commission merchants shall pay $20. Every person, firm, or company whose business or occupation it is to receive into his or its possession any goods, wares, or merchandise to sell the same on commission shall be regarded as a commission merchant: *Provided*, That this provision shall not apply to commission houses run upon a cooperative plan.

Mr. SMOOT. I ask that that amendment be passed over.

The VICE PRESIDENT. Without objection, the amendment goes over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, under the subhead "Tobacco dealers and manufacturers," in section 5, on page 10, line 2, after the word "That," to strike out "from and after November 1, 1914," so as to make the clause read:

SEC. 5. That special taxes on tobacco dealers and manufacturers shall be, and hereby are, imposed annually as follows, the amount of such annual taxes to be computed in all cases on the basis of the annual sales for the preceding fiscal year.

The amendment was agreed to.

The next amendment was, on page 10, line 18, after "$4.80," to insert "for each store, shop, or other place in which tobacco in any form is sold," so as to make the clause read:

Dealers in tobacco, not specially provided for in this section, shall each pay $4.80 for each store, shop, or other place in which tobacco in any form is sold.

The amendment was agreed to.

The next amendment was, on page 11, line 9, after the word "pounds," to insert "and do not exceed two hundred thousand," so as to make the clause read:

Manufacturers of tobacco whose annual sales exceed 100,000 pounds and do not exceed 200,000 shall each pay $24.

The amendment was agreed to.

The next amendment was, on page 11, after line 10, to insert:

Manufacturers of tobacco whose annual sales exceed 200,000 and do not exceed 400,000 pounds shall each pay $48.

The amendment was agreed to.

The next amendment was, on page 11, after line 13, to insert:

Manufacturers of tobacco whose annual sales exceed 400,000 pounds shall each pay $96.

Mr. HITCHCOCK. Mr. President, I have before the Committee on Finance a proposition to carry to a further extent the graduation of these particular taxes, and I suggest to the chairman the propriety of laying the bill aside at this time in order that I may have an opportunity to lay my proposition before the committee this evening.

Mr. SIMMONS. If the Senator desires it, we will let these items go over and continue the consideration of the bill. I do not wish to delay the bill.

Mr. HITCHCOCK. Very well, then; those items may be passed over.

Mr. SIMMONS. All the items on page 11 and the amendment on page 12 relating to the matter?

Mr. HITCHCOCK. Yes.

The VICE PRESIDENT. Do the two amendments which have been agreed to on page 11 in any way interfere with the desire of the Senator from Nebraska?

Mr. HITCHCOCK. The amendments down to and including line 13 will not interfere in any way with my proposition for a graduated tax.

Mr. SIMMONS. How about the amendment beginning in line 14?

Mr. HITCHCOCK. There will be a change in line 14. My proposition is to let the tax remain at $96 on the manufacturers whose sales exceed $400,000, but do not exceed $800,000. I

should therefore like, if the chairman please, to have everything approved down to and including line 13.

Mr. SIMMONS. Very well; let the amendments stand adopted down to line 13; and the remainder of the amendments in the tobacco schedule may go over.

The VICE PRESIDENT. The first two amendments on page 11 have been agreed to; and the balance of the section goes over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, under the subhead "Adhesive stamps," in section 6, page 12, line 13, after the word "That," to strike out "on and after the 1st day of November, 1914," so as to make the clause read:

SEC. 6. That there shall be levied, collected, and paid, for and in respect of the several bonds, debentures, or certificates of stock and of indebtedness, and other documents, instruments, matters, and things mentioned and described in Schedule A of this act, or for or in respect of the vellum, parchment, or paper upon which such instruments, matters, or things, or any of them, shall be written or printed by any person or persons, or party who shall make, sign, or issue the same, or for whose use or benefit the same shall be made, signed, or issued, the several taxes or sums of money set down in figures against the same, respectively, or otherwise specified or set forth in the said schedule.

The amendment was agreed to.

The next amendment was, on page 13, after line 2, to insert:

And there shall also be levied, collected, and paid, for and in respect to the medicines, preparations, matters, and things mentioned and described in Schedule B of this act, manufactured, sold, or removed for sale, the several taxes or sums of money set down in words or figures against the same, respectively, or otherwise specified or set forth in Schedule B of this act.

Mr. SMOOT. Let that go over for to-night.

The VICE PRESIDENT. The amendment will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in section 7, page 13, line 18, after the word "court," to strike out "and such instrument, document, or paper, as aforesaid, shall not be competent evidence in any court," so as to make the section read:

SEC. 7. That if any person or persons shall make, sign, or issue, or cause to be made, signed, or issued, any instrument, document, or paper of any kind or description whatsoever, without the same being duly stamped for denoting the tax hereby imposed thereon, or without having thereupon an adhesive stamp to denote said tax, such person or persons shall be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not more than $100, at the discretion of the court.

The amendment was agreed to.

The next amendment was, in section 9, page 16, line 21, after the word "court," to insert the following proviso:

Provided, That any proprietor or proprietors of proprietary articles, or articles subject to stamp duty under Schedule B of this act, shall have the privilege of furnishing, without expense to the United States, in suitable form, to be approved by the Commissioner of Internal Revenue, his or their own dies or designs for stamps to be used thereon, to be retained in the possession of the Commissioner of Internal Revenue, for his or their separate use, which shall not be duplicated to any other person. And the proprietor furnishing such dies or designs shall be required to purchase stamps printed therefrom in quantities of not less than $2,000 face value at any one time. That in all cases where such stamp is used, instead of cancellation by initials and date, the said stamp shall be so affixed on the box, bottle, or package that in opening the same, or using the contents thereof, the said stamp shall be effectually destroyed; and in default thereof the party making default shall be liable to the same penalty imposed for neglect to affix said stamp as hereinbefore prescribed in this act. Any person who shall fraudulently obtain or use any of the aforesaid stamps or designs therefor, and any person forging or counterfeiting, or causing or procuring the forging or counterfeiting, any representation, likeness, similitude, or colorable imitation of the said last-mentioned stamp, or any engraver or printer who shall sell or give away said stamps, or selling the same, or, being a merchant, broker, peddler, or person dealing, in whole or in part, in similar goods, wares, merchandise, manufactures, preparations, or articles, or those designed for similar objects or purposes, shall have knowingly or fraudulently in his, her, or their possession any such forged, counterfeited likeness, similitude, or colorable imitation of the said last-mentioned stamp, shall be deemed guilty of a crime, and upon conviction thereof shall be punished by a fine not exceeding $500 or imprisonment not exceeding one year, or both.

Mr. SMOOT. Mr. President, if the amendment on page 19 of the bill is disagreed to, this amendment would not be necessary, and therefore I ask that it go over. It refers to the same matter as the amendment passed over on page 13, namely, proprietary medicines.

Mr. SIMMONS. Very well.

The VICE PRESIDENT. The amendment will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in section 10, page 18, line 10, after the word "any," to strike out "bill of exchange, draft, or order, or," and in line 11, after the word "note," to strike out "for the payment of money," so as to make the section read:

SEC. 10. That if any person or persons shall make, sign, or issue, or cause to be made, signed, or issued, or shall accept or pay, or cause to be accepted or paid, with design to evade the payment of any stamp tax, any promissory note, liable to any of the taxes imposed by this act, without the same being duly stamped, or having thereupon an adhesive stamp for denoting the tax hereby charged thereon, he, she, or they shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding $200, at the discretion of the court.

The amendment was agreed to.

The next amendment was, on page 18, after line 17, to strike out:

SEC. 11. That the acceptor or acceptors of any bill of exchange or order for the payment of any sum of money drawn, or purporting to be drawn, in any foreign country, but payable in the United States, shall, before paying or accepting the same, place thereupon a stamp, indicating the tax upon the same, as the law requires for inland bills of exchange or promissory notes; and no bill of exchange shall be paid or negotiated without such stamp; and if any person shall pay or negotiate, or offer in payment, or receive or take in payment, any such draft or order, the person or persons so offending shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding $100, in the discretion of the court.

The amendment was agreed to.

The next amendment was, on page 19, line 6, to change the number of the section from "12" to "11"; in the same line, after the word "That," to strike out "in any collection district where, in the judgment of the Commissioner of Internal Revenue, the facilities for the procurement and distribution of adhesive stamps are or shall be insufficient, the commissioner, as aforesaid, is authorized to furnish, supply, and deliver to the collector of any district, and the said collector is hereby authorized to furnish to any assistant treasurer of the United States or designated depositary thereof, or any postmaster located in his collection district," and insert "the collectors of the several districts are hereby authorized and required to furnish to any assistant treasurer of the United States or designated depositary thereof, or any postmaster located in their collection districts, respectively"; in line 20, after the word "any," to strike out "collector" and insert "designated depositary"; on page 20, line 3, after the word "such," to strike out "collector" and insert "collectors"; in the same line, after the word "supply," to strike out "his" and insert "their"; and in line 4, after the word "within," to strike out "his district" and insert "their respective districts"; so as to make the clause read:

SEC. 11. That the collectors of the several districts are hereby authorized and required to furnish to any assistant treasurer of the United States or designated depositary thereof, or any postmaster located in their collection districts, respectively, a suitable quantity of adhesive stamps, without prepayment therefor, and may in advance require of any designated depositary, assistant treasurer of the United States, or postmaster a bond, with sufficient sureties, to an amount equal to the value of the adhesive stamps which may be placed in his hands and remain unaccounted for, conditioned for the faithful return, whenever so required, of all quantities or amounts undisposed of, and for the payment monthly of all quantities or amounts sold or not remaining on hand. And it shall be the duty of such collectors to supply their deputies with, or sell to other parties within their respective districts who may make application therefor, adhesive stamps, upon the same terms allowed by law or under the regulations of the Commissioner of Internal Revenue, who is hereby authorized to make such other regulations, not inconsistent herewith, for the security of the United States and the better accommodation of the public, in relation to the matters hereinbefore mentioned, as he may judge necessary and expedient. And the Secretary of the Treasury may from time to time make such regulations as he may find necessary to insure the safekeeping or prevent the illegal use of all such adhesive stamps.

The amendment was agreed to.

The next amendment was, on page 20, line 16, to change the number of the section from "13" to "12," and on page 21, line 2, after the word "court," to strike out "and such instrument, document, or paper, not being stamped according to law, shall be deemed invalid and of no effect," so as to read:

SEC. 12. That any person or persons who shall register, issue, sell, or transfer, or who shall cause to be issued, registered, sold, or transferred, any instrument, document, or paper of any kind or description whatsoever mentioned in Schedule A of this act, without the same being duly stamped, or having thereupon an adhesive stamp for denoting the tax chargeable thereon, and canceled in the manner required by law, with intent to evade the provisions of this act, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding $50, or by imprisonment not exceeding six months, or both, in the discretion of the court.

The amendment was agreed to.

The next amendment was, on page 23, line 14, to change the number of the section from "14" to "13," and in line 17, after the word "recorded," to strike out "or admitted, or used as evidence in any court," so as to make the section read:

SEC. 13. That hereafter no instrument, paper, or document required by law to be stamped, which has been signed or issued without being duly stamped, or with a deficient stamp, nor any copy thereof, shall be recorded until a legal stamp or stamps, denoting the amount of tax, shall have been affixed thereto, as prescribed by law: *Provided*, That any bond, debenture, certificate of stock, or certificate of indebtedness issued in any foreign country shall pay the same tax as is required by law on similar instruments when issued, sold, or transferred in the United States; and the party to whom the same is issued, or by whom it is sold or transferred, shall, before selling or transferring the same, affix thereon the stamp or stamps indicating the tax required.

The amendment was agreed to.

The next amendment was, on page 24, line 3, to change the number of the section from "15" to "14," and in line 7, after

the word "law," to strike out "and the record, registry, or transfer of any such instruments upon which the proper stamp or stamps aforesaid shall not have been affixed and canceled as aforesaid shall not be used in evidence," so as to make the section read:

SEC. 14. That it shall not be lawful to record or register any instrument, paper, or document required by law to be stamped unless a stamp or stamps of the proper amount shall have been affixed and canceled in the manner prescribed by law.

The amendment was agreed to.

The next amendment was, on page 24, line 11, to change the number of the section from "16" to "15."

The amendment was agreed to.

The next amendment was, on page 24, line 19, to change the number of the section from "17" to "16," and, on page 25, line 6, after "$10,000," to insert "mutual ditch or irrigating companies," so as to make the section read:

SEC. 16. That all bonds, debentures, or certificates of indebtedness issued by the officers of the United States Government, or by the officers of any State, county, town, municipal corporation, or other corporation exercising the taxing power, shall be, and hereby are, exempt from the stamp taxes required by this act: *Provided*, That it is the intent hereby to exempt from the stamp taxes imposed by this act such State, county, town, or other municipal corporations in the exercise only of functions strictly belonging to them in their ordinary governmental, taxing, or municipal capacity: *Provided further*, That stock and bonds issued by cooperative building and loan associations whose capital stock does not exceed $10,000, mutual ditch or irrigating companies, and building and loan associations or companies that make loans only to their shareholders, shall be exempt from the tax herein provided.

Mr. SMOOT. I ask that that go over for to-night.

The VICE PRESIDENT. The amendment will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 25, after line 9, to insert as a new section the following:

SEC. 17. That all the provisions of this act relating to dies, stamps, adhesive stamps, and stamp taxes shall extend to and include (except where manifestly inapplicable) all the articles or objects enumerated in Schedule B, subject to stamp taxes, and apply to the provisions in relation thereto.

The amendment was agreed to.

The next amendment was, on page 25, after line 14, to insert as a new section the following:

SEC. 18. That 30 days after the approval of this act any person, firm, company, or corporation that shall make, prepare, and sell, or remove for consumption or sale, drugs, medicines, preparations, compositions, articles, or things, including perfumery and cosmetics, upon which a tax is imposed by this act, as provided for in Schedule B, without affixing thereto an adhesive stamp or label denoting the tax before mentioned shall be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not more than $500, or be imprisoned not more than six months, or both, at the discretion of the court: *Provided*, That no stamp tax shall be imposed upon any uncompounded medicinal drug or chemical, nor upon any medicine sold to or for the use of any person which may be mixed or compounded for said person according to the written recipe or prescription of any practicing physician or surgeon, or which may be put up or compounded for said person by a druggist or pharmacist selling at retail only. The stamp taxes provided for in Schedule B of this act shall apply to all medicinal articles compounded by any formula, published or unpublished, which are put up in style or manner similar to that of patent, trade-mark, or proprietary medicine in general, or which are advertised on the package or otherwise as remedies or specifics for any ailment, or as having any special claim to merit, or to any peculiar advantage in mode of preparation, quality, use, or effect.

Mr. SMOOT. That applies to the same matter as the amendment on page 13, and I ask that it go over.

The VICE PRESIDENT. The amendment will be passed over.

Mr. SMOOT. I also ask that sections 19, 20, 21, and 22, being committee amendments, go over.

The VICE PRESIDENT. The amendments will be passed over.

Mr. SMOOT. That will bring us down to page 30.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 30, line 1, to change the number of the section from "18" to "23"; in line 2, after the word "prepared," to insert "and distributed"; and in line 17, after the words "levied in," to strike out "Schedule A" and insert "Schedules A and B," so as to make the section read:

SEC. 23. That the Commissioner of Internal Revenue shall cause to be prepared and distributed for the payment of the taxes prescribed in this act suitable stamps denoting the tax on the document, article, or thing to which the same may be affixed, and he is authorized to prescribe such method for the cancellation of said stamps, as substitute for or in addition to the method provided in this act, as he may deem expedient. The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is authorized to procure any of the stamps provided for in this act by contract whenever such stamps can not be speedily prepared by the Bureau of Engraving and Printing; but this authority shall expire on the 1st day of November, 1915, except as to imprinted stamps furnished under contract, authorized by the Commissioner of Internal Revenue. That the adhesive stamps used in the payment of the tax levied in Schedules A and B of this act shall be furnished for sale by the several collectors of internal revenue, who shall sell and deliver them at their face value to all persons applying for the same, except officers or employees of the Internal-Revenue Service: *Provided*, That such collectors may sell and deliver such stamps in quantities of not less than $100 of face value, with a discount of 1 per cent, except as otherwise provided in this act.

The amendment was agreed to.

The next amendment was, under the head of "Schedule A," subhead "Stamp taxes," on page 31, line 3, after the word "issued," to strike out "after the 1st day of November, A. D. 1914," and insert "30 days after the approval of this act," so as to read:

Bonds, debentures, or certificates of indebtedness issued 30 days after the approval of this act by any association, company, or corporation, on each $100 of face value or fraction thereof, 5 cents, and on each original issue, whether on organization or reorganization, of certificates of stock by any such association, company, or corporation, on each $100 of face value or fraction thereof, 5 cents, and on all sales, or agreements to sell, or memoranda of sales or deliveries or transfers of shares or certificates of stock in any association, company, or corporation, whether made upon or shown by the books of the association, company, or corporation, or by any assignment in blank, or by any delivery, or by any paper or agreement or memorandum or other evidence of transfer or sale, whether entitling the holder in any manner to the benefit of such stock, or to secure the future payment of money or for the future transfer of any stock, on each $100 of face value or fraction thereof, 2 cents.

The amendment was agreed to.

Mr. SIMMONS. Mr. President, I ask that that part of the bill beginning in line 19 on page 32 go over. There is no amendment to that anyhow.

The VICE PRESIDENT. That is all House text.

Mr. SIMMONS. It is the House text.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 35, line 1, after the word "within," to strike out "the first 15 days of each month a sworn statement to the collector of internal revenue in each of their respective districts, stating the number of dispatches, messages, or conversations transmitted over their respective lines during the preceding month for which a charge of 15 cents or more was imposed, and for each of such messages or conversations the said person, firm, or corporation shall pay a tax of 1 cent" and insert "30 days after the expiration of each month a sworn statement to the collector of internal revenue in each of their respective districts, stating the number of dispatches, messages, or conversations originated at each of their respective exchanges, toll stations, or offices, and transmitted thence over their lines during the preceding month for which a charge of 15 cents or more was imposed, and for each of such messages or conversations the said person, firm, or corporation shall collect from the sender of the message or the originator of the conversation a tax of 1 cent in addition to the regular charges for the message or conversation, which tax the said person, firm, or corporation shall in turn pay to the said collector of internal revenue of their respective districts," so as to make the clause read:

Telegraph and telephone messages: It shall be the duty of every person, firm, or corporation owning or operating any telegraph or telephone line or lines to make within 30 days after the expiration of each month a sworn statement to the collector of internal revenue in each of their respective districts, stating the number of dispatches, messages, or conversations originated at each of their respective exchanges, toll stations, or offices, and transmitted thence over their lines during the preceding month for which a charge of 15 cents or more was imposed, and for each of such messages or conversations the said person, firm, or corporation shall collect from the sender of the message or the originator of the conversation a tax of 1 cent in addition to the regular charges for the message or conversation, which tax the said person, firm, or corporation shall in turn pay to the said collector of internal revenue of their respective districts: *Provided*, That only one payment of said tax shall be required, notwithstanding the lines of one or more persons, firms, or corporations shall be used for the transmission of each of said message or conversations: *Provided further*, That the messages or dispatches of the officers and employees of any telegraph or telephone company concerning the affairs and service of the company, and like messages or dispatches of the officials and employees of railroad companies sent over the wires on their respective railroads shall be exempt from this requirement: *And provided further*, That messages of officers and employees of the Government on official business shall be exempt from the taxes herein imposed upon telegraphic and telephonic messages.

Mr. STERLING. I ask that that amendment go over for to-night.

The VICE PRESIDENT. The amendment will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 37, line 16, after the word "value," to insert "of the interest conveyed."

Mr. STERLING. I should like to have that go over also.

The VICE PRESIDENT. The amendment will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 37, line 18, after the word "cents," to insert:

Provided, That nothing contained in this paragraph shall be so construed as to impose a tax upon any instrument or writing given to secure a debt.

Mr. SMOOT. That ought to go over if the preceding amendment goes over.

The VICE PRESIDENT. The amendment will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 38, after line 4, to strike out:

Insurance (life): Policy of insurance, or other instrument, by whatever name the same shall be called, whereby any insurance shall hereafter be made upon any life or lives, for each $100 or fractional part thereof, 8 cents on the amount insured: *Provided*, That on all policies for life insurance only issued on the industrial or weekly-payment plan of insurance the tax shall be 40 per cent of the amount of the first weekly premium. And it shall be the duty of each person, firm, or corporation issuing such policies to make, within the first 15 days of every month, a sworn statement to the collector of internal revenue in each of their respective districts of the total amount of first weekly premiums received on such policies issued by the said person, firm, or corporation during the preceding month, and upon the total amount so received the said person, firm, or corporation shall pay the said tax of 40 per cent: *Provided further*, That the provisions of this section shall not apply to any fraternal, beneficiary society, or order, or farmers' purely local cooperative company or association, or employees' relief associations operated on the lodge system or local cooperation plan, organized and conducted solely by the members thereof for the exclusive benefit of its members and for profit.

The amendment was agreed to.

The next amendment was, on page 39, line 10, after the word "thereof," to insert "*Provided*, That whenever a policy is canceled or returned or a premium is returned or refunded, in whole or in part, the tax upon such unearned returned or refunded premium or part thereof shall be repaid pro rata to the person, association, or corporation paying the same. Statements verified by some officer of the company or companies availing themselves of this provision shall be made and filed with the collector of the proper district every 30 days setting forth the items upon which such refund is to be made;" and in line 23, after the word "*Provided*," to insert "*And provided further*, That policies of reinsurance shall be exempt from the tax herein imposed by this paragraph," so as to make the clause read:

Insurance (marine, inland, fire): Each policy of insurance or other instrument, by whatever name the same shall be called, by which insurance shall be made or renewed upon property of any description (including rents or profits), whether against peril by sea or on inland waters, or by fire or lightning, or other peril, made by any person, association, or corporation, upon the amount of premium charged, one-half of 1 cent on each dollar or fractional part thereof: *Provided*, That whenever a policy is canceled or returned or a premium is returned or refunded, in whole or in part, the tax upon such unearned returned or refunded premium or part thereof shall be repaid pro rata to the person, association, or corporation paying the same. Statements verified by some officer of the company or companies availing themselves of this provision shall be made and filed with the collector of the proper district every 30 days setting forth the items upon which such refund is to be made: *Provided further*, That purely cooperative or mutual fire insurance companies carried on by the members thereof solely for the protection of their own property and not for profit shall be exempted from the tax herein provided: *And provided further*, That policies of reinsurance shall be exempt from the tax herein imposed by this paragraph.

Mr. SMOOT. I ask that the amendment be passed over.

Mr. SIMMONS. The one with reference to marine insurance?

Mr. SMOOT. Yes. There is one provision in that amendment to which I desire to call attention.

Mr. SIMMONS. Very well.

The VICE PRESIDENT. The amendment will be passed over.

Mr. WILLIAMS. Mr. President, the committee's amendment proposing to strike out the language beginning in line 5, on page 38, including all the balance on that page, and going down to the end of line 2, on page 39, was adopted, was it not?

The VICE PRESIDENT. Yes.

The SECRETARY. On page 40, line 1——

Mr. SIMMONS. I ask that all of that amendment, down to line 19, may go over.

Mr. POMERENE. Mr. President, if I may make a suggestion for the consideration of the committee, some of the Ohio insurance people were here to-day, and they suggested, in view of the fact that the committee has seen fit to exempt life insurance, marine insurance, and so forth——

Mr. LEWIS. That is the very thing it is going over for.

Mr. SIMMONS. The bill does not exempt marine insurance. It exempts life insurance.

Mr. POMERENE. Well, in view of the fact that it exempts life insurance, that it should also exempt accident and health insurance.

Mr. SIMMONS. Our exemption does.

I ask that the paragraph with reference to "Insurance, casualty, fidelity, and guaranty," on page 40, running down to line 19, may go over.

The VICE PRESIDENT. It will be passed over.

Mr. PENROSE. Mr. President, if I may be permitted at this time to give a notice, I desire to say that if it will suit the arrangements of the chairman of the committee I should like to address the Senate briefly upon the pending bill to-morrow morning, upon the reassembling of the Senate at 11 o'clock.

Mr. SIMMONS. I will say to the Senator that there was an agreement this evening that immediately upon the convening of the Senate to-morrow we would take up the conference report on the Alaskan coal bill. I suppose, though, the author of that bill would have no objection to the Senator going on and finishing his speech before the conference report be taken up.

Mr. PENROSE. I will leave the notice, then, to be printed on the calendar, and I will see the Senator having the bill in charge.

Mr. MYERS. Mr. President, would the Senator from Pennsylvania care to begin his remarks this evening?

Mr. PENROSE. No; I am not prepared to do so now. I have just returned to Washington. I should like to have a very short time to-morrow morning.

Mr. MYERS. I will ask the Senator about how long his remarks will take.

Mr. PENROSE. I certainly do not think they will take more than half an hour; perhaps only 20 minutes.

Mr. MYERS. I shall not object to that. I am very anxious to have the conference report disposed of, but I shall not object to that.

Mr. PENROSE. I will explain to the Senator that I have to leave town in the afternoon to keep an engagement in Pennsylvania; otherwise I should not ask to address the Senate at that particular time.

Mr. MYERS. I shall not oppose it.

The VICE PRESIDENT. The Secretary will state the next amendment of the committee.

The next amendment was, on page 40, after line 19, to strike out:

Mortgage or pledge of lands, estate, or property, real or personal, heritable or movable, whatsoever, where the same shall be made as a security for the payment of any definite and certain sum of money lent at the time or previously due and owing or forborne to be paid, being payable; also any conveyance of any lands, estate, or property, whatsoever in trust to be sold or otherwise converted into money which shall be intended only as security, either by express stipulation or otherwise; on any of the foregoing exceeding $1,000 and not exceeding $1,500, 25 cents; and on each $500 or fractional part thereof in excess of $1,500, 25 cents: *Provided*, That upon each and every assignment or transfer of a mortgage or policy of insurance, or the renewal or continuance of any agreement or contract, a stamp duty shall be required and paid at the same rate as that imposed on the original instrument.

The amendment was agreed to.

The SECRETARY. On page 41, line 11, after the words "passage ticket"——

Mr. SMOOT. I ask that that amendment may be passed over.

The VICE PRESIDENT. The amendment, including the proviso, will be passed over.

The next amendment was, on page 42, line 12, after the words "sleeping car," to strike out "2 cents" and insert "1 cent," so as to make the clause read:

Every seat sold in a palace or parlor car and every berth sold in a sleeping car, 1 cent, to be paid by the company selling the same.

The amendment was agreed to.

The SECRETARY. On page 42, after line 13, it is proposed to insert "Schedule B."

Mr. SMOOT. I ask that that may be passed over.

Mr. SIMMONS. I suppose the Senator from Utah would like to have that go over.

The SECRETARY. All down to and including line 19, on page 46, is passed over.

Mr. SMOOT. That is correct.

The next amendment was, on page 46, line 20, to change the number of the section from "19" to "24"; in line 23, after the words "this act," to insert "and every person, firm, company, corporation, or association liable to any tax imposed by this act, or for the collection thereof, shall keep such records and render, under oath, such statements and returns, and shall comply with such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may from time to time prescribe, and every such person, firm, company, corporation, or association who evades or attempts to evade any of the taxes imposed by this act, or shall fail to truly account for and pay all taxes collected by them under this act, or any regulations issued thereunder, shall be subject to a penalty of double the amount of the taxes evaded or attempted to be evaded or unlawfully withheld, to be assessed and collected as other penalties incurred under internal-revenue laws are assessed and collected"; and on page 47, line 15, after the word "appropriated," to strike out "$130,000, or so much thereof as may be required, out of any money in the Treasury not otherwise appropriated; $100,000 to be added to and made a part of the

appropriations for 'salaries and expenses of collection of internal revenues, 1915; and $30,000 to the appropriation for paper for internal-revenue stamps, 1915,'" and insert "$492,000, or so much thereof as may be required, out of any money in the Treasury not otherwise appropriated, to be immediately available; $412,000 to be added to and made a part of the appropriation 'Salaries and expenses of collectors of internal revenue, 1915'; $30,000 to the appropriation 'Paper for internal-revenue stamps, 1915'; $40,000 to be available to pay for personal services in the office of the Commissioner of Internal Revenue, to be designated as additional to the appropriation 'Salaries, office of Commissioner of Internal Revenue, 1915'; and $10,000 to the appropriation 'Contingent expenses, Treasury Department, stationery, 1915': *Provided*, That the appropriation, 'Salaries and expenses of agents and subordinate officers of internal revenue, 1915,' be, and hereby is, made available to pay the salaries of stamp agents and counters, whose employment may be necessary on account of the imprinting of stamps, the same to be reimbursed by the stamp contractors and added to the appropriation from which originally paid," so as to make the clause read:

SEC. 24. That all administrative, special, or stamp provisions of law, including the law relating to the assessment of taxes, so far as applicable, are hereby extended to and made a part of this act, and every person, firm, company, corporation, or association liable to any tax imposed by this act, or for the collection thereof, shall keep such records and render, under oath, such statements and returns, and shall comply with such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may from time to time prescribe; and every such person, firm, company, corporation, or association who evades or attempts to evade any of the taxes imposed by this act, or shall fail to truly account for and pay all taxes collected by them under this act, or any regulations issued thereunder, shall be subject to a penalty of double the amount of the taxes evaded or attempted to be evaded or unlawfully withheld, to be assessed and collected as other penalties incurred under internal-revenue laws are assessed and collected; and for the expense connected with the assessment and collection of the taxes provided by this act there is hereby appropriated $492,000, or so much thereof as may be required, out of any money in the Treasury not otherwise appropriated, to be immediately available; $412,000 to be added to and made a part of the appropriation "Salaries and expenses of collectors of internal revenue, 1915"; $30,000 to the appropriation "Paper for internal-revenue stamps, 1915"; $40,000 to be available to pay for personal services in the office of the Commissioner of Internal Revenue, to be designated as additional to the appropriation "Salaries, office of Commissioner of Internal Revenue, 1915"; and $10,000 to the appropriation "Contingent expenses, Treasury Department, stationery, 1915": *Provided*, That the appropriation, "Salaries and expenses of agents and subordinate officers of internal revenue, 1915," be, and hereby is, made available to pay the salaries of stamp agents and counters, whose employment may be necessary on account of the imprinting of stamps, the same to be reimbursed by the stamp contractors and added to the appropriation from which originally paid.

Mr. SMOOT. I should like to ask the Senator having the bill in charge, as these are all estimates, whether it would not be a good idea to follow the rule of the Appropriations Committee and insert after each one of them "or so much thereof as may be necessary"?

Mr. SIMMONS. I have no objection to that. I think that is in the bill after the lump sum.

Mr. SMOOT. I speak of the direct appropriations.

Mr. SIMMONS. I have no objection to that.

The VICE PRESIDENT. It does so read now.

Mr. SIMMONS. That is, as to the lump sum.

Mr. SMOOT. It does as to the lump sum, Mr. President.

The VICE PRESIDENT. The amendments to the amendment will be stated.

The SECRETARY. It is proposed to add, after "$412,000" on page 47, line 24, "or so much thereof as may be necessary."

The amendment to the amendment was agreed to.

The SECRETARY. On page 48, line 1, after "$30,000," it is proposed to insert "or so much thereof as may be necessary."

The amendment to the amendment was agreed to.

The SECRETARY. In line 3, page 48, after "$40,000," it is proposed to insert the same words.

The amendment to the amendment was agreed to.

The SECRETARY. In line 7, page 48, after "$10,000," it is proposed to insert the same words.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 48, line 17, to change the number of the section from "20" to "25"; in line 18, after the word "effect." to strike out "on the day next succeeding the date of its passage" and insert "30 days after its approval," and in line 22, after the word "under," to strike out "Schedule A," so as to make the section read:

SEC. 25. That the provisions of this act shall take effect 30 days after its approval, except where otherwise expressly provided: *Provided*, That on the day after the 31st day of December, 1915, the taxes levied under this act shall no longer be levied and collected, but all taxes arising or accruing before said date shall continue to be collectible under the terms of this act. All stamps provided for in this act unused after the aforesaid date shall be redeemed from the holder thereof, under such rules as the Secretary of the Treasury may prescribe.

Mr. SMOOT. In that connection I desire to ask the Senator if he thinks it is possible for the Bureau of Engraving and Printing to get out all the stamps necessary within 30 days after the passage of the act. I know the enormousness of the work, and I wondered whether it could be possibly accomplished.

Mr. SIMMONS. The Senator is right about that. My advice is that the department expected this bill to pass and has been printing the stamps for some time.

Mr. SMOOT. The engraving of them is already under way, then?

Mr. SIMMONS. Yes.

Mr. SMOOT. I was quite positive that it could not be done in 30 days if it were not under way.

Mr. SIMMONS. It could not; and it has been under way in anticipation of the passage of the bill.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The VICE PRESIDENT. With the exception of the paragraphs passed over, that completes the reading of the bill.

Mr. SIMMONS. I wish to give notice that I shall ask for an evening session to-morrow.

Mr. SMOOT. I sincerely hope it will be granted.

CALIFORNIA MILITARY RESERVATIONS.

Mr. HITCHCOCK. I ask unanimous consent for the present consideration of the joint resolution (S. J. Res. 188) ceding to the State of California temporary jurisdiction over certain lands in the Presidio of San Francisco and Fort Mason (Cal.) Military Reservations.

Mr. SMOOT. I think the joint resolution ought to be passed.

Mr. HITCHCOCK. At present there is a divided jurisdiction between the United States and the State of California in the fairgrounds, and for criminal prosecution it is an embarrassment. This joint resolution, which has been approved by and, in fact, is requested by the War Department, cedes temporarily, during the exposition, to the State of California criminal jurisdiction over these grounds.

Mr. WILLIAMS. Temporarily?

Mr. HITCHCOCK. Temporarily.

I ask for the present consideration of the joint resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which was read, as follows:

Whereas the Secretary of War was authorized by H. J. Res. 8, of February 16, 1912, to grant to the Panama-Pacific International Exposition Co. permission to occupy and utilize such portions of the Presidio of San Francisco and Fort Mason Military Reservations for exposition purposes as he might designate; and

Whereas the Secretary of War, under the authority in him vested by the said joint resolution, did by an instrument dated April 22, 1912, grant permission to the said company to occupy and utilize for the said purposes certain portions of the said military reservations, and did by an instrument dated April 10, 1914, grant a like permission to the said company as to certain other portions of the said Presidio Military Reservation; and

Whereas the United States now has exclusive jurisdiction over the said military reservations; and

Whereas it is desirable that the power to preserve order in all of the said portions of said reservations during their occupancy by the said Panama-Pacific International Exposition Co. be vested in the authorities of the State of California: Therefore be it

Resolved, etc., That the United States hereby cedes to the State of California such jurisdiction over the said portions of the said military reservations as the said State now possesses elsewhere within its territory, such cession to be coextensive territorially with the said permits of April 22, 1912, and April 10, 1914, and to terminate upon their expiration: *Provided*, That jurisdiction to try and punish all crimes committed within said portions of said military reservations prior to the date that this cession becomes effective is reserved to the United States: *Provided further*, That the cession of jurisdiction made by this resolution shall not take effect until the same is accepted by the legislature of the State of California: *And provided further*, That when the United States shall resume possession of the said lands or any part thereof, the jurisdiction herein ceded over lands so repossessed shall revest in the United States.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

EXECUTIVE SESSION.

Mr. STONE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 10 minutes spent in executive session the doors were reopened.

RECESS.

Mr. KERN. I move that the Senate take a recess until to-morrow forenoon at 11 o'clock.

The motion was agreed to; and (at 6 o'clock p. m., Tuesday, October, 13, 1914) the Senate took a recess until to-morrow, Wednesday, October 14, 1914, at 11 o'clock p. m.

CONFIRMATIONS.

Executive nominations confirmed by the Senate October 13 (legislative day of October 8), 1914.

UNITED STATES ATTORNEY.

George W. Anderson to be United States attorney, district of Massachusetts.

POSTMASTERS.

FLORIDA.

William C. McLean, Orlando.

GEORGIA.

William M. Howard, Barnesville.

MISSISSIPPI.

Willie Magee, Bude.

NEW YORK.

William H. Hennessey, Skaneateles.
James W. Kelly, Long Island City.
Harry E. Savage, Dexter.
Willard H. Tappan, Baldwinsville.

REJECTION.

Executive nomination rejected by the Senate October 13 (legislative day of October 8), 1914.

Marjorie J. Bloom to be postmaster at Devils Lake, N. Dak.

HOUSE OF REPRESENTATIVES.

TUESDAY, *October 13, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Thou Great Spirit, God over all, our Creator and our Father, in whom there is no variableness, neither shadow of turning, so move, we pray Thee, upon the hearts of Thy children that they may subject their wills to Thine, that pure and undefiled religion may reign supreme in every heart, in every home, in every land throughout the earth; and unto Thee, the God of love, be glory and praise forever. In the name and spirit of the Christ. Amen.

The Journal of the proceedings of yesterday was read.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move that the Journal be approved.

The motion was agreed to.

CHANGE OF REFERENCE.

Mr. BULKLEY. Mr. Speaker, Senate bill 6398 has been referred to the Union Calendar. I think it should be on the House Calendar, and I ask unanimous consent that that change of reference be made.

The SPEAKER. Does it call for an appropriation?

Mr. BULKLEY. No; it is to amend the Aldrich-Vreeland Act.

Mr. STAFFORD. Does it put any burden on the Treasury?

Mr. BULKLEY. No; it provides for a greater amount of commercial paper to be available as security for emergency currency.

Mr. STAFFORD. Does not that put a tax on the Treasury?

Mr. BULKLEY. No; the expenses are all paid by the banks.

The SPEAKER. The Chair will investigate it. The Chair does not wish to have it changed now without investigation, for it might have to put it back again.

NORMAN E. IVES.

Mr. LLOYD. Mr. Speaker, I present a privileged resolution from the Committee on Accounts.

The Clerk read as follows:

House resolution 535 (H. Rept. 1188).

Resolved, That there shall be paid out of the contingent fund of the House $1,200 to Norman E. Ives, for extra and expert services rendered to the Committee on Invalid Pensions during the first and second sessions of the Sixty-third Congress, as assistant clerk to said committee, by detail from the Bureau of Pensions, pursuant to law.

Mr. LLOYD. Mr. Speaker, this is about the usual amount that has been paid to this expert detailed from the Pension Bureau. There never has been any fixed amount for the services.

Mr. STAFFORD. Will the gentleman yield?

Mr. LLOYD. Yes.

Mr. STAFFORD. Has it been the uniform practice for Congress to vote an allowance to this clerk assigned to the Invalid Pensions Committee from the Pension Department?

Mr. LLOYD. Yes; it has for a number of years.

Mr. STAFFORD. Can the gentleman inform us how much the maximum amount is that has been paid?

Mr. LLOYD. In the Sixty-second Congress he was paid $2,400 for the entire Congress. In the Sixty-first Congress he was paid $2,400.

Mr. STAFFORD. That is for the Congress or the session?

Mr. LLOYD. For the first and second sessions.

The resolution was considered and agreed to.

WILLIAM M'KINLEY COBB.

Mr. LLOYD. Mr. Speaker, I present the following privileged resolution from the Committee on Accounts.

The Clerk read as follows:

House resolution 483 (H. Rept. 1189).

Resolved, That there shall be paid out of the contingent fund of the House $1,200 to William McKinley Cobb, for extra and expert services rendered to the Committee on Pensions during the first and second sessions of the Sixty-third Congress as assistant clerk to said committee by detail from the Bureau of Pensions, pursuant to law.

Mr. LLOYD. Mr. Speaker, this is a similar authorization and a similar amount to the man detailed from the Pension Bureau to the Committee on Pensions.

Mr. STAFFORD. Will the gentleman yield?

Mr. LLOYD. Yes.

Mr. STAFFORD. Do I understand that the same rule has been applied to the Committee on Pensions as applied to the Committee on Invalid Pensions?

Mr. LLOYD. Yes; except that the expert detailed to the Committee on Pensions has not received quite so much as the one detailed to the Invalid Pension Committee. This places them on the same basis. As far as the work performed during the last two sessions is concerned, they have apparently done the same service and are entitled to the same pay. Their services have been very valuable.

Mr. STAFFORD. Will the gentleman yield?

Mr. LLOYD. Yes.

Mr. STAFFORD. What has been the maximum amount paid the expert to the Committee on Pensions?

Mr. LLOYD. In the Sixty-second Congress he was paid $1,750. In the Sixty-first Congress he was paid $1,750.

Mr. CRISP. Mr. Speaker, I want to say to the gentleman from Wisconsin that I served on the Committee on Pensions, and I have personal knowledge that Mr. Cobb has worked nearly every day and Sundays writing up the records; and I am sure that the members of the Committee on Pensions, irrespective of party, will say that he has earned this amount for faithful and efficient service. The committee has acted on a great many more bills than any other Committee on Pensions.

Mr. STAFFORD. I can see that with the work of the Committee on Invalid Pensions becoming less by reason of the passage of the service-pension law and the work of the Committee on Pensions becoming more by reason of the increase of age of Spanish-American War veterans that they should be put on a parity.

Mr. CRISP. He has had to write up every case before the committee acted upon it.

Mr. STAFFORD. I am very glad to have the testimony of the gentleman from Georgia.

Mr. HUMPHREY of Washington. Mr. Speaker, do I understand that this is an increase of salary?

Mr. LLOYD. No.

The SPEAKER. The question is on the resolution.

The question was taken, and the resolution was agreed to.

JENNIE MERCER.

Mr. LLOYD. Mr. Speaker, I also offer the following resolution, which I send to the desk and ask to have read.

The Clerk read as follows:

House resolution 582 (H. Rept. 1187).

Resolved, That the Clerk of the House be, and he is hereby, authorized and directed to pay, out of the contingent fund of the House, to Jennie Mercer, widow of Philip Mercer, late messenger to the Committee on Pensions of the House, an amount equal to six months of his compensation as such messenger, and an additional amount, not exceeding $250, to defray the funeral expenses of said Philip Mercer.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States for his approval the following bills:

H. R. 12161. An act to remove the charge of desertion against John Mitchell; and

H. R. 13296. An act for the enlargement, etc., of the Wall Street front of the assay office in the city of New York.

EXTENSION OF REMARKS IN THE RECORD.

Mr. RAKER. Mr. Speaker, I desire to submit a request for unanimous consent. I ask unanimous consent that I may extend my remarks in the RECORD upon the subject of the forest-reserve policy.

The SPEAKER. The gentleman from California asks unanimous consent to extend his remarks in the RECORD on the conservation policy. Is there objection?

Mr. RAKER. Mr. Speaker, at the same time I ask unanimous consent that I may extend my remarks upon the question of woman suffrage, and that I may print in the RECORD a telegram from Dr. Anna Howard Shaw.

Mr. BARNHART. Mr. Speaker, I object to the telegram part of it.

Mr. STAFFORD. Mr. Speaker, one request a day is considerable for any Member to make. I object.

The SPEAKER. Is there objection to the gentleman's first request to extend his remarks in the RECORD upon the subject of conservation? [After a pause.] The Chair hears none. Is there objection to the request of the gentleman to extend his remarks upon the subject of woman suffrage?

Mr. STAFFORD. Mr. Speaker, I think the gentleman should prefer that request to-morrow or some other day.

The SPEAKER. The gentleman from Wisconsin objects.

WILLIAM C. ADAMS.

Mr. STEPHENS of Texas. Mr. Speaker, I ask unanimous consent to take up House joint resolution 362, discharge the Committee on Indian Affairs from further consideration of the same, and consider it at this time.

The SPEAKER. The gentleman from Texas asks unanimous consent to take up House joint resolution 362, discharge the Committee on Indian Affairs from further consideration of it, and consider it at this time. The Clerk will report the resolution.

The Clerk read as follows:

Joint resolution to correct an error in the enrollment of certain Indians enumerated in Senate Document No. 478, Sixty-third Congress, second session, enacted into law in the Indian appropriation act approved August 1, 1914.

Resolved, etc., That the Secretary of the Interior be, and he hereby is, authorized and directed to substitute the name of William C. Adams in place of Mitchell C. Adams, jr., in the list of Mississippi Choctaw Indians enumerated in Senate Document No. 478, Sixty-third Congress, second session, which Indians so enumerated in said document were authorized to be enrolled on the respective rolls of the Five Civilized Tribes by section 17, paragraph 9, of the act entitled "An act making appropriations for the current and contingent expenses for the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1915," approved August 1, 1914.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I understand this is merely to correct a typographical error in the spelling of the name of a person who was to receive allotment of Indian lands.

Mr. STEPHENS of Texas. That is true. The name should have been William, and it is Mitchell.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. STEPHENS of Texas, a motion to reconsider the vote by which the resolution was passed was laid on the table.

THE PHILIPPINE ISLANDS.

The SPEAKER. Under the special rule the House will resolve itself automatically into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands and to provide a more autonomous government for those islands, and the gentleman from Indiana [Mr. ADAIR] will take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 18459, the Philippine bill, with Mr. ADAIR in the chair.

The Clerk reported the bill by title.

Mr. STAFFORD. Mr. Chairman, I understand that section 21 is still open to amendment.

The CHAIRMAN. Yes.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. My purpose is to direct the attention of the chairman of the committee to an apparent hiatus that was created in the preceding section in the amendment that was adopted to it in providing that the term of the first Commissioner shall expire on March 4, 1921. If the gentleman will follow the mathematical feature of it, he will find that under the phraseology in the present paragraph it provides that the successor is to take his office from the 4th of March following the election, that phraseology being found in lines 6 and 7, on page 17. The election will be held in June, 1921. It is provided here that the term of the Commissioner is to expire on March 4, 1921. There will be no Resident Commissioner from March 4, 1921, until March 4, 1922, when the successor takes his office. There is a hiatus that must be corrected, otherwise there will be no Commissioner representing the Philippine Islands here at Washington.

Mr. JONES. Mr. Chairman, I am very glad the gentleman has called my attention to that. This was a consequential amendment, which was adopted rather hastily, and it may be open to the objection suggested by the gentleman from Wisconsin. Therefore I am going to ask unanimous consent that we may return to this section later for the purpose of perfecting the language to which the gentleman from Wisconsin has called attention.

Mr. STAFFORD. That is entirely satisfactory.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that this section may be returned to later for the purpose of perfecting the language referred to. Is there objection?

There was no objection.

Mr. MILLER. Mr. Chairman, I would like to ask a question of the gentleman from Virginia, and therefore I want to direct his attention to section 18, page 13, to a verbal change, which looks to me important. Beginning in line 20, after the word "proceedings," we find the following language:

Both houses shall convene at the capital on the 16th day of October following the next election—

And so forth.

Ought not the words "the next" be stricken out? If they are to convene on the 16th of October following the next election, that would indicate the election next after they were to convene, which, of course, would be entirely improper. If the word "next" is to be retained, should it not read—

On the 16th day of October next following the election?

Has not that been transposed there in such a way as to spoil the meaning of it?

Mr. JONES. Mr. Chairman, I have not had an opportunity to examine this question, and I am going to make the same request in respect to this section that I made as to the other, so that we may take them up and consider the two matters together.

Mr. GARRETT of Tennessee. Mr. Chairman, I have no objection to the request, but before the gentleman does that this thought occurs to me: A subsequent section provides that the Philippine Legislature may itself fix the date of its meeting after this first meeting, and the thought is that this would simply provide for the first meeting of the legislature, and that then thereafter they would take care of it themselves.

Mr. MILLER. The gentleman will observe this paragraph is not devoted at all to the first session of the legislature, but is a general paragraph prescribing generally when the legislature is going to meet after the general election. The paragraph which is concerned with the first legislature is section 16.

The CHAIRMAN. Will the gentleman from Virginia state his request again?

Mr. JONES. My request, Mr. Chairman, was that I ask unanimous consent to return to section 18 for the purpose of perfecting certain language in that section.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent to return to section 18 for the purpose of perfecting certain language in the section. Is there objection? [After a pause.] The Chair hears none.

Mr. JONES. Mr. Chairman, that request, I believe, passes this section over for further consideration as to that particular matter?

The CHAIRMAN. Yes; as to that particular matter.

Mr. TOWNER. Mr. Chairman, I desire to offer the following amendment. I move to strike out from line 23, page 17, all after the word "appoint," and on line 24, running down and including the word "senate." In other words, I move to strike out the words "by and with the consent of the Philippine Senate."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, page 17, lines 23 and 24, by striking out the words "by and with the consent of the Philippine Senate."

Mr. TOWNER. Mr. Chairman, this section refers to the powers of the Governor General of the Philippine Islands. It provides that all appointments that he shall make must be confirmed by the Philippine Senate. In my judgment that is an exceedingly unwise requirement. The number of officers will be large that the Governor General will be required to appoint. They will be exceedingly diversified in character, from those of the greatest importance, analogous to our Cabinet appointments, down to the lowest type of officers who may represent the central government in the Philippines. If it shall be required that every one of those officers shall be approved by the senate who are appointed by the Governor General, it will make large batches of them sent to the senate for approval and confirmation. Consideration will be impossible, and it will be impossible, I will say to the committee, that those appointments can be made when they are needed. Unless you provide that there shall be a continuous session of the senate those appointments can not made Of course, it is desired that there shall not be long and continuous sessions of the legislature. It is not desired that the legislature shall be continuously in session as the Congress of the United States is almost continuously in session, and to make these appointments dependent upon the confirmation of the senate is, in my judgment, seriously to impede the effective operation of governmental affairs in the Philippines.

Not only is that true, Mr. Chairman, but I desire to suggest to the committee this further reason why I think these appointments ought not to be made: The division, that we all approve, of governmental power into the executive and into the legislative departments comes much closer to the people in the States and in the Territories than in the National Government. While of course the appointments of the President are, many of them, subject to confirmation of the Senate, we will find that in the States and, I think very rarely, in the Territories is the executive power to appoint limited by the necessity of confirmation by the senate. It is a proposition that we all ought carefully to consider by which we make the exercise of legislative power dependent upon executive approval—nay, I will not say dependent upon executive approval, but really controlled by executive power.

Mr. GOULDEN. Will the gentleman yield?

Mr. TOWNER. In just a moment; if the gentleman will pardon me, I want to finish this. Neither is it a good thing to make the exercise of executive power, administrative purely in its features, dependent upon the approval of the legislative department of the Government, and I submit that just as soon as you enter upon a course of that kind, and especially in a country like the Philippines, you submit at once an issue of the most serious character between the executive and the legislative departments of the Government. You raise questions where the legislative authority says to the executive administrative authority, "Come to our conception of what laws ought to be passed or we will not confirm the appointment which you make."

The CHAIRMAN. The time of the gentleman has expired.

Mr. TOWNER. Mr. Chairman, I will ask for five minutes more.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent to proceed for five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. TOWNER. You say to the executive power of the government, "You can make no appointments that do not suit us," and you at once curb him; you force upon him consideration not of fitness primarily, but whether or not a person whom he desires to appoint will or will not be acceptable to the legislative department of the government. And so, in my judgment, it is unwise to put this extremely delicate and embarrassing situation and condition in the body of this very fundamental charter of government. Now I will be glad to yield to the gentleman from New York if he desires to submit a question.

Mr. GOULDEN. I beg the gentleman's pardon. I wanted to ask him whether he did not think the language on page 18 would cover the matter of appointments while the legislature was not in session, namely, "but appointments made while the senate is not in session shall be effective either until disapproval or until the next adjournment of the senate," just the same as we do here and as is done in all the States. I understand the gentleman's objection to lie on the ground of the length of time the Senate of the Philippine Islands shall be in session, and that the interim would prevent proper appointments being confirmed. As amended this bill, if enacted into law, does not limit the sessions of the legislature in the Philippines.

Mr. TOWNER. No; I will say to the gentleman that is not all of the objection. My objection goes much deeper than that.

Mr. GOULDEN. That is one of the objections?

Mr. TOWNER. Yes; that is one of the objections; but let me say to the gentleman it is true that ad interim appointments, which are only perhaps for a year or more, will go to the senate in great batches for the consideration of the senate.

Mr. GOULDEN. Just as they do here.

Mr. TOWNER. Oh, I think there are not very many of them, comparatively.

Mr. GOULDEN. Quite a number, I should judge.

Mr. TOWNER. I think it will be impossible to secure from the senate such consideration of the merits of these appointments as I think they ought to have; and I will say further that I think the gentleman is quite right, and if my amendment shall be adopted subsequent language in the section would have to be changed. I would be very glad indeed to have the privilege of offering to change the subsequent language if my amendment is adopted.

Mr. QUEZON. Mr. Chairman, I am earnestly opposed to the amendment offered by the gentleman from Iowa [Mr. TOWNER].

In my general discussion of the pending bill I have already touched upon the question he raises, so that I need now merely call the attention of the committee to two new points.

It seems to me, first of all, that the amendment of the gentleman from Iowa is not in accord with the theory upon which this bill is framed. The bill is supposedly enacted for the purpose of giving the people of the Philippine Islands a sufficient opportunity to demonstrate their capacity for self-government to such an extent as is possible without placing the international relations of the United States in jeopardy. Much as the two sides of this House may disagree with regard to Philippine independence, in principle there has not been much difference on that score in so far as I have been able to perceive from the remarks that have been made during the debate. Such being the case, the amendment of the gentleman from Iowa ought to be voted down, because it is subversive of the very purpose of the bill. By granting the people of the Philippines legislative powers alone you fail to give them all the opportunities whereby their political capacity might be tested. To legislate is doubtless an important, perhaps the most important, function of a government, but the administration of law is also an essential part of the governmental process. Unless the Filipino people be permitted to show what they can do in the administration of their laws, such evidence as they may furnish through their legislative acts regarding their capacity for self-government will be challenged as insufficient. By requiring that the appointments of the Governor General be confirmed by the senate you give the Filipino people an opportunity to show their judgment regarding the proper administration of their laws.

It would be an inconsistent position to give the Filipino people the power to legislate for themselves, thereby assuming that they will legislate for their own interests and in that of their government, while on the other hand denying them the right to confirm executive appointments on the assumption, as suggested by the amendment of the gentleman from Iowa, that they will use that power for selfish or partisan purposes rather than with a view to the exigencies of the public service. If elected senators can not be trusted with the power of confirming appointments made by the Governor General—if they be expected to use that power unpatriotically—an elected Filipino legislature should not be established at all. Legislative powers are greater, more far-reaching, than the power to confirm appointments, and the injury to the community in case of abuse of legislative power is by far greater than the evils arising from an unwise exercise of the power of confirming appointments. If the Philippine Senate be not permitted to say who may not occupy the positions created by the Philippine Legislature, the latter body should have neither the power to create these positions nor to abolish them.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TOWNER. Mr. Chairman, I ask unanimous consent that the gentleman from the Philippines may be allowed to conclude his remarks.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that the gentleman from the Philippines may be allowed to conclude his remarks. Is there objection?

There was no objection.

Mr. QUEZON. I wish to thank the gentleman from Iowa [Mr. TOWNER], Mr. Chairman.

Mr. Chairman, the worst feature of the amendment proposed by the gentleman from Iowa is that it will assuredly prevent the harmonious development of the government which you are planning to establish in the Philippine Islands. The Filipinos do not differ from other people. They are the same flesh and bone and spirit, and they will act exactly as other people would act under the same circumstances and for the same reason. The history of the world teaches us that whenever governmental

powers are not voluntarily granted to a people, and whenever such power can be obtained through some other means the people will not fail to take it. If you deny the Filipino people the power to say who may not hold office under the Philippine Government, if they can find some other means under this act whereby they will be able, indirectly at least, to make their voice effective on the matter now at issue they will do so. They may seek to do either of these two things: They may try either to influence the Governor General to appoint officials whose appointment they desire, or, if the Governor General refuse to accede to their wish, they may antagonize and obstruct his administration, openly defying the Governor General by abolishing such positions as are occupied by officials objectionable to them through the withholding of appropriations. Thus you create at once a cause of trouble between the Governor General and the legislature, a condition which would not exist were the amendment of the gentleman from Iowa to be defeated. I do not care to deny that Filipino senators might at times refuse to confirm an appointment. Such a thing has happened in this country, and if report be credited such an instance has recently occurred even here. The result there, however, would ordinarily be just what it has been here—the senate would confirm the appointments of the Governor General, as a matter of course, and the readiness of the senate to confirm these appointments would depend, as it does here, upon the wisdom of the appointments and the personal influence of the Governor General. [Applause.]

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. MILLER. Mr. Chairman, I have naturally talked with as many people familiar with the Philippine Islands, the government and the people there, and the probable effect of this bill as I could conveniently reach, as, of course, other members of the committee have done. I have yet to find a single man among all those with whom I have talked—and some of them have been hopeful that good would result from this bill—I have not found a single man who did not say that the provision contained in this bill would be absolutely fatal.

The gentleman from the Philippines [Mr. QUEZON] has made a most interesting and valuable talk. I have enjoyed every word that he has said. But, Mr. Chairman, if you will apply his remarks in favor of the amendment, you will find that they have ten times the weight and effect that they have when applied in opposition thereto.

Now, let us just disabuse our minds of one thing, necessary and somewhat difficult for us to do; it is that we should not decide this question by reason of considerations here at home. We have an entirely different situation in the United States.

The President of the United States submits his executive appointments to the confirmation of the United States Senate. But the power back of both the Executive and the Senate is the same. It comes from one people; it comes from one body—the citizenship of the United States. In the Philippines under this bill—and it is the bill we have before us upon which we are to decide—there are two political entities, each deriving its power from a different source. There is the power of the Filipino people, and it is the purpose of this bill to a considerable extent, and certainly the purpose of the Members on this side of the aisle to a large extent, to give to the people of the Philippine Islands the fullest possible opportunity to govern themselves, reserving only the check and the balance which every intelligent mind must know should exist and which the Filipinos themselves know must exist. We have reserved the check only in one way. We have reserved it in the Executive. The power of the Executive and the authority for his action comes not from the people of the Philippine Islands, but from the people of the United States, and if you, by the terms of this act, paralyze his hands, you have stricken down the safeguard that you recognize must be there, because you attempted to put it in the bill.

Now, it seems to me only reasonable for us to consider whether, if the appointees of the Governor General must be confirmed by the Philippine Senate, his hands will be paralyzed. We are not to consider this amendment in the light of conditions that may exist 10 or 20 or 50 years from now, but we should consider it in the light of conditions that are in the islands to-day. The importance of this amendment will be much lessened as the years go by, until I can see that a time shall come when very likely the amendment may not be necessary. I can conceive of a condition as being reached—and I think it will be reached—when the Filipino Senate might be intrusted with the power of confirming the big majority of the appointments of the Governor General. But to give the Filipino Senate to-day the authority to say that no man appointed by the executive to do the executive work in the islands shall exercise the functions of his office without their approval, by that act you paralyze the executive. There is no other language so adequately describing it.

Now let us just consider it a little bit. There are not a myriad of appointments which the Governor General will have to make, and at first I want that fact distinctly understood. Has my time expired, Mr. Chairman?

The CHAIRMAN. It has.

Mr. MILLER. I would like five minutes more.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent to proceed for five minutes. Is there objection?

There was no objection.

Mr. MILLER. The great majority of the employees in the Philippine Islands are under civil service, and I think it can be safely said that the civil service in the islands has been developed and perfected to a point where it is even superior to that in the United States. There will be no confirmation needed in respect to all civil-service employees. Confirmations will be required only respecting the heads of departments and their assistants, practically.

Mr. GOULDEN. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Minnesota yield to the gentleman from New York?

Mr. MILLER. Certainly.

Mr. GOULDEN. About how many appointments of the Governor General will be affected by this amendment, should it be adopted?

Mr. MILLER. I am sorry I can not tell the gentleman.

Mr. GOULDEN. Would it be a score of prominent officials?

Mr. MILLER. Oh, yes; I suppose there would be two or three score.

Mr. GOULDEN. One more question. Has not this measure as it appears in this section received the approval of the present Governor General, in whom we all have implicit confidence and who is highly respected by the people of this country generally?

Mr. MILLER. I do not know whether it has or not; but I will say to the gentleman that that would not enhance its value in my eyes.

Mr. FESS. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Minnesota yield to the gentleman from Ohio?

Mr. MILLER. Yes.

Mr. FESS. In reference to the number of appointments, it would include all those now made by the commission and also those contained in the act and also those who may hereafter be authorized by law to be appointed. It is an unlimited number—entirely indeterminate.

Mr. MILLER. That is true. There would be a considerable number, but not a myriad, not a great crowd of them, but men absolutely essential to the conduct of the administration of the law in the islands.

Now, suppose the Governor General nominates a man for secretary of the interior, or for attorney general, or for director of public instruction, or director of prisons, or director of police, or director of health and sanitation, or any of these purely executive offices that are so essential to the conduct of the government in the islands, and confirmation is refused. You give here the greatest opportunity in the world for a conflict between the two powers you have in the islands. You invite it; you ask for it. In effect you tell the Filipino Senate that it must confirm these appointments. The Filipino naturally has in mind some trading. Very well, we will confirm the appointments, the Filipinos will say, provided you will permit the passage of such and such legislation. So, therefore, you either absolutely paralyze the executive or you make him subservient to the legislative branch. It is a condition entirely different from that which we have in the United States.

It seems to me that we should avoid that friction—avoid this opportunity for contention. I know the gentleman from the Philippine Islands has suggested that the amendment will lead to friction, but I submit that without the amendment friction is bound to result and with the amendment friction will be avoided.

By the terms of this act you actually hold out to the Filipino mind an inducement to demand reprisals, an inducement to make trades with the executive. So, if it be your purpose and your plan to give to the people of the islands the fullest possible autonomy, only reserving a check, you have failed unless you write this amendment in the bill. I believe sincerely that this amendment is the most important thing to the entire bill under consideration.

Mr. BORLAND. Will the gentleman yield?

Mr. MILLER. I will yield to the gentleman from Missouri.

Mr. BORLAND. Would the gentleman strike out all power of confirmation of appointments by the Governor General?

Mr. MILLER. I would for the present.

Mr. BORLAND. That is the amendment?

Mr. MILLER. That is the amendment.

Mr. BORLAND. Does not the gentleman fear that that would destroy any possible cooperation between the executive officers in the senate?

Mr. MILLER. On the contrary, it would conduce toward it. I can not conceive of the Governor General making any appointments under this act in violation of the wishes of the people of the islands. The legislative branch has always the whip handle and power. It can abolish an office; it can restrict appropriations. We have given to the people of the islands, through their legislature, almost complete and entire authority over their own affairs.

Mr. BORLAND. Will the gentleman yield again?

Mr. MILLER. I will.

Mr. BORLAND. That being true, suppose the Governor General should appoint some of these members of his official family who did not enjoy the confidence of the Filipino Legislature; what would be the inevitable result?

Mr. MILLER. I can conceive that there might be some man appointed by the Governor General who would not be entirely liked by the members of the senate; but he ought to have that power to appoint, and leave it to his judgment and discretion to make good appointments.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. STAFFORD. Mr. Chairman, I regret that I am obliged to take a contrary stand to that of the Philippine Commissioner. I do not think we ought to be swayed too much in our consideration of this question from its adoption in this country. We all know that it was the fear of the founders of our Government that the Executive might become too powerful, and to put some curb on his authority the framers required that certain Executive appointments and others, as Congress might provide, should be submitted to the Senate for confirmation. I am not certain, but I believe there will be confirmation on the other side of the Chamber as to whether there would not have been better appointments made by the President of the United States without the bartering that sometimes was entered into between our Executive and certain Members of another body than if he were free-handed to appoint those whom he saw fit to appoint.

I can recall instances where appointments have been refused confirmation where it was the unanimous opinion of the people that the first appointments were superior to the later ones, but because of petty political spite they were rejected.

What are the conditions confronting us here? The burden of the argument of the Commissioner is that this power should be vested in the senate, so that it may be held over the Governor General as a club to get officers that will be favorable to the Filipino people. That might be all right from the politician's standpoint.

Mr. QUEZON. Oh, I hope the gentleman will not misquote me. I never said that.

Mr. STAFFORD. The gentleman did not make the direct statement, but the effect of the gentleman's argument is that it would avoid friction between the senate and the Governor General. His further argument is that the senators should have some say in the appointments made by the Governor General. For what purpose should they have that say? Read the history of this country and apply it to the Philippines, and we know with only a bare knowledge of conditions in the Philippines that politics are as rife and that political parties as determined for success as they are in this country; we know that they are going to seek patronage from the Governor General.

I believe that it is better for the Philippine Government to have absolute separation between the executive and the legislative branches; that we should vest in the legislature complete authority over legislative matters and give to the Governor General a free hand so that he can not barter with the senators nor the senators barter with him as to veto power that he has to apply to legislation that will be submitted to him. Can there be imagined, as was indicated by the gentleman from Minnesota [Mr. MILLER], that the Governor General, whom the President of the United States appoint, subject to removal by the President at any time, will appoint a man to a subordinate position that will not be in harmony with the existing sentiment of the people of the Philippine Islands or will be giving to the government an execution of the administrative branch that will not be satisfactory to the people of those islands?

Mr. QUEZON. Will the gentleman yield for an answer?

Mr. STAFFORD. Certainly.

Mr. QUEZON. It has been done.

Mr. STAFFORD. Where the administration has not been sufficient or satisfactory?

Mr. QUEZON. No; the Governor General has appointed men not satisfactory to the Filipino people.

Mr. STAFFORD. Oh, they might not have been satisfactory to some faction.

Mr. QUEZON. Oh, everybody.

Mr. STAFFORD. Or to some political party who wished to get the offices. We wish in inaugurating this more liberal policy to have it started so that there will be no such friction between the Governor General and the senate.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. COOPER. Mr. Chairman, I feel obliged to oppose the amendment of the gentleman from Iowa. Congress is to retain authority to amend this law at any time; and should there be serious trouble over there concerning appointments, Congress could take notice of it and change this requirement of confirmation by the Philippine Senate. But I agree with the gentleman from the Philippines [Mr. QUEZON]. By this bill we propose to give the Philippine Legislature power to make laws and, in my judgment, we ought not to give the Governor General, a man sent to the islands from this country, the absolute power, without regard to the wishes of the people there, to appoint whomsoever he may please to appoint to execute and interpret the laws. Our people would never consent that a President should have the unqualified right to make all appointments to Federal offices in this country without confirmation by the representatives of the people in the Senate of the United States. To understand the importance of this right of confirmation of appointments we need to refer only to the history of the present session of Congress.

Mr. FESS. Mr. Chairman, I shall vote for this amendment, and I can say why in three minutes. The executive in the Philippines is the only voice the United States has there. He is appointed by the President and confirmed by our Senate, and as such represents the United States authority, and while he is there his function is to enforce the law. The law which he is called upon to enforce is to be made by the legislature over there, which is not beholden to the United States. There are two functions here that are very distinct. One is the policy-determining function and the other is the administrative function. The policy-determining function there, as here, is in the legislative department, while the administrative function there, as here, is in the executive department. The first function expresses itself in lawmaking, the second in law enforcing. In this country it is true that we require the appointments of the President to be confirmed by the Senate, but the President is beholden to the people here, just the same as the Senate and the House are beholden to the people. In this country the authority is in the same place—the people—but in that country it is partly in the people of the islands and partly in the people of the United States, and I do not believe that if we have but one voice in the islands, namely, the voice of the Governor General, that in the exercise of his function of administration of the laws we should tie his hands by the legislature, which is not responsible to the people of this country at all. Therefore it seems to me that if the Governor General, who is our spokesman, charged with the enforcement of the law, is to be the administrative officer, and as such responsible to this country, his hands should not be tied by the legislative department over there, whose function is purely determining what the laws are to be. He must be free to perform his duty unhampered by an outside authority. It seems to me that it is extremely wise that this amendment be adopted to secure this freedom of performance of duty. We certainly can not use the United States history, as the gentleman from Wisconsin [Mr. COOPER] has used it, in confirmation of what we do over there. The situation is entirely different. One is a government in which the people in their entirety are ruling, and the other is a government in which the people of the islands determine the legislature and the laws of the islands and this country determines the executive and the enforcement of the laws. For that reason we ought to keep the hands of the man who represents the voice of this country totally free from any interference over there. I shall vote for the amendment.

Mr. MOORE. Mr. Chairman, before the gentleman takes his seat, I would like to inquire whether this right of confirmation would apply to such appointees as the Governor might have around him in his immediate office, as, for instance, his private secretary.

Mr. QUEZON. Oh, no. I can answer that. That is under the civil service.

Mr. MOORE. The gentleman from Wisconsin indicated that it would apply to those having to do with the administration of the laws.

Mr. FESS. The language of the bill is:

Such officers as may now be appointed by the Governor General, or such as he is authorized by this act to appoint.

Mr. MOORE. Suppose he wanted to appoint a private secretary or a director, with whom he must have confidential relations; would that appointment have to go to the Philippine Legislature?

Mr. BRYAN. If it is a statutory office, it would.

Mr. FESS. If it is an office created under this act, it would, or an office to be created hereafter.

Mr. MOORE. If that is so, it would put the Governor General in this peculiar position, that the appointment of even those who are immediately responsible to him for the execution of his own orders would be subject to confirmation by the senate there. What I would like to know is, whether this provision goes that far.

Mr. QUEZON. The secretary of the Governor General will not be confirmed by the senate. He is a civil-service employee.

Mr. MILLER. Oh, the gentleman is mistaken. The gentleman will recall that the present Governor General, Mr. Harrison, took his secretary with him over there.

Mr. QUEZON. He was the executive secretary.

Mr. MILLER. He was to be his private secretary.

Mr. QUEZON. He did not appoint him as such.

Mr. MILLER. The Governor General also appoints, and would have to have the appointment confirmed by the senate, the assistant executive secretary, who is in confidential relations with the Governor General himself. The executive secretary and the assistant executive secretary have those confidential relations with the Governor General to which the gentleman from Pennsylvania refers, and their appointments would have to be confirmed by the senate.

Mr. MOORE. Mr. Chairman, I move to strike out the last word. The thought I have about this provision is this: If the Philippine Legislature under this section should exercise its power to the limit, it could prevent the Governor General from appointing anybody. It could estop him from taking with him a secretary or a clerk in whom he had confidence, such as it has just been indicated Gov. Gen. Harrison took with him; and if the question ever should arise between the Governor General and the Philippine Legislature as to the appointment of a confidential agent, I presume under this section the Philippine Legislature could always defeat the will of the Governor.

Mr. QUEZON. Will the gentleman permit?

Mr. MOORE. Yes.

Mr. QUEZON. I wish to say to the gentleman that the clerks of the Governor General are appointed under the civil-service laws and they are not appointed by the Governor General.

Mr. TOWNER. Will the gentleman yield?

Mr. MOORE. Yes.

Mr. TOWNER. I would like to ask the gentleman from the Philippines if it is the idea that if a position is in the civil service it would be relieved from the requirement of confirmation by the senate?

Mr. QUEZON. Yes.

Mr. TOWNER. Why does the gentleman have that idea?

Mr. QUEZON. Because the bill says so. It says that appointments made by the Governor General shall be confirmed by the senate; since civil-service employees are not appointed by the Governor General, their appointments do not have to be confirmed by the Senate.

Mr. TOWNER. I still do not understand the gentleman.

Mr. QUEZON. My understanding of the law is that the appointments made by the Governor General, which, according to the present laws in the Philippines, must be confirmed by the commission, should be confirmed by the senate.

Mr. TOWNER. The gentleman means those who now hold the offices.

Mr. QUEZON. Those who under our present laws are appointed without confirmation by the commission will not be subject to the confirmation of the senate.

Mr. TOWNER. The gentleman means those now holding these positions?

Mr. QUEZON. Yes.

Mr. TOWNER. But at any time when a change is made, would not these offices be necessarily subject to this provision of the law?

Mr. QUEZON. I do not believe so.

Mr. FESS. Will the gentleman yield there?

Mr. MOORE. I yield.

Mr. FESS. The gentleman's reference is "unless otherwise herein provided," page 17, line 23.

Mr. TOWNER. Does that exempt the Civil Service Commission?

Mr. FESS. This language says:

He shall, unless otherwise herein provided, appoint, by and with the consent of the Philippine Senate, such officers as may now be appointed by the Governor General.

Mr. QUEZON. The Governor General does not appoint any officer under the civil-service law. He only appoints the judges of the court of first instance, the chiefs and assistant chiefs of bureaus, the prosecuting attorneys, justices of the peace, and treasurers.

Mr. FESS. Could not a future legislature change that?

Mr. QUEZON. I suppose it could.

Mr. TOWNER. Let me suggest that as soon as this act goes into effect every one of the appointees of the governor will have to be appointed by the governor. Now, it makes no difference whether they are in or out of the civil service, they will have, under the terms of this bill, to be confirmed by the senate. This is merely an additional requirement in certain cases that they shall be within the civil service to qualify, but that does not take——

Mr. MOORE. Mr. Chairman, I observe my time is flying, although it has been very profitably employed. I simply wish to add that this section does suggest the possibility of a cabal in the senate which would bring about a deadlock at any time in the appointment of these officers. The law could be amended as indicated by the gentleman from Wisconsin even if we admit this amendment. Any time questions arise as between the governor and the Philippine Legislature and it should appear that we had erred in this instance, Congress could very readily pass an act that would cover it. The section, as it now stands, points to the government being brought to a deadlock whenever there is a difference between the governor and the senate.

Mr. MILLER. Will the gentleman yield for a question?

Mr. MOORE. I do.

Mr. MILLER. Does not the gentleman think the suggestion made by the gentleman from Wisconsin is very greatly lessened in value by reason of the fact that when we once confer upon a people or organization power that it is one of the hardest things on earth, no matter how much it may have been abused, to take away that power.

Mr. MOORE. I think the gentleman is confusing the gentlemen from Wisconsin to whom I referred. I referred to the gentleman from Wisconsin, Mr. COOPER.

Mr. MILLER. So did I.

Mr. MOORE. He indicated this law could be repealed at any time.

Mr. MILLER. I understand; but whenever you grant the power of confirmation to the senate in this act, no matter whether it is ill used, does not the gentleman appreciate how hard it would be to get an authorization of Congress to take away a power once granted?

Mr. MOORE. It would be undoubtedly a very difficult thing to do.

Mr. GARRETT of Tennessee. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in five minutes.

Mr. STAFFORD. Mr. Chairman, there are several minor matters to which I wish to direct attention.

Mr. GARRETT of Tennessee. Then, Mr. Chairman, I ask unanimous consent that all debate on this amendment close in five minutes.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that all debate on this amendment close in five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. GARRETT of Tennessee. Mr. Chairman, substantially every argument which has been made in favor of the amendment offered by the gentleman from Iowa [Mr. TOWNER] has been an indictment of our own system of government. The theory upon which this bill is drawn is to enlarge the power of the government of the Philippine people over their own domestic activities. The only restrictions that have been placed in this bill in order to safeguard it are restrictions that will protect the United States as long as it has sovereignty over the islands against legislation that might affect it in its foreign relations. If gentlemen will analyze the bill carefully, I think they will find that statement to be absolutely true. Wherever there has existed a possibility of the foreign relations of the Government of the United States being embarrassed by legislation in the Philippine Islands, full power

has been retained in this bill to the Government of the United States to prevent that legislation. In some cases we have gone so far as to require affirmative action on the part of the President of the United States before certain legislation that might have such a tendency shall become a law. But as regards their local affairs, legislative and administrative, it is the purpose of the committee to try to give the fullest measure of self-government consistent with sound principles, and upon that theory this bill has been drawn, and upon that theory, assuming that if we are to give to the legislative body the power to legislate, assuming that they have the intelligence requisite to legislate concerning their own local affairs, we have assumed that they would have the intelligence requisite to consider the appointments of the officials who are to administer the laws that they make. And in consonance with that theory and in line with our own constitutional provision, we have provided in here a participation by the Senate of the Philippine Islands in the matter of appointments. I very much hope that gentlemen will understand the theory upon which the bill is drawn, and that the amendment offered by the gentleman from Iowa [Mr. TOWNER] will not prevail.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. TOWNER].

The question was taken, and the amendment was rejected.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word for the purpose of directing the attention of the committee to one or two minor provisions. I notice in the middle of page 18 a provision requiring the Governor General to submit within 10 days of the opening of each regular session of the legislature a budget of receipts and expenditures. Under the practice of our Government, as the gentleman knows, the various department heads are obliged to submit by October 15 of each year their estimate of appropriations and on the opening day of the Congress the Book of Estimates has to be submitted to the Congress. But the committees have tentative drafts of that Book of Estimates beforehand so that they can begin the work of preparing the appropriation bills. I would like to inquire as to the reason for deferring for 10 days the submission of this budget to the legislature. Why should not the Governor General be able to submit it on the very first day, so that the legislature can begin work in the preparation of its appropriation bills?

Mr. GARRETT of Tennessee. Does the gentleman refer to that part where it says that he shall submit it within 10 days?

Mr. STAFFORD. Yes.

Mr. GARRETT of Tennessee. The thought of the committee was that he should submit——

Mr. JONES. It is within the first 10 days of the opening of the legislature.

Mr. STAFFORD. Why not say at the opening of each regular session? The Governor General should be in a position to submit it, and should submit it, and not cause the legislature to wait 10 days before it can begin work on the preparation of its appropriation bills. Will the gentleman have any objection to reducing that to 5 days? Certainly a 10-day limitation seems very long.

Mr. GARRETT of Tennessee. The thought in connection with it is this, Mr. Chairman: This provides for a budget of receipts and expenditures. What we have in this country is merely an estimate, and that is not necessarily the basis by law for appropriations, but, as a matter of practice, perhaps it is in a sense a basis. Now, it is especially provided here, if this is passed, to put in the organic law that this budget shall be the basis for the annual appropriation bills. It might be very proper, I submit to the gentleman, that the Governor General should have some opportunity for consulting the members of the senate and of the house before being compelled to submit this annual budget which it is intended shall be absolutely the basis for appropriations. We hope to make some improvement there over our system in this country.

Mr. STAFFORD. I think there can be some improvement; but does not the gentleman believe that 10 days is quite a long time to hold up the legislature before it can begin work on appropriation bills?

Mr. GARRETT of Tennessee. I do not; especially in view of the amendment that has been adopted, which takes off the 90-day limit and provides for continuous sessions.

Mr. HELM. Will the gentleman from Wisconsin yield?

Mr. STAFFORD. I yield to my friend.

Mr. HELM. As I grasp this proposition, this budget is simply a presentation to the legislature of the receipts and the expenditures for the preceding fiscal year. It is simply to be used as a tentative basis for succeeding appropriations.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. STAFFORD] has expired.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent to proceed for five minutes longer. I wish to direct another inquiry.

The CHAIRMAN (Mr. MORRISON). The gentleman from Wisconsin asks unanimous consent to proceed for five minutes. Is there objection?

There was no objection.

Mr. STAFFORD. I wish to inquire of some member of the committee as to the reason why the word "supreme" is used in the first line of the section. It says "supreme executive." What is the reason for the qualification of the word "executive" in that particular?

Mr. JONES. It means the chief executive, and I certainly think there can be no objection to it.

Mr. STAFFORD. Is there any executive power lodged in any other official by this bill?

Mr. JONES. Yes; there is. The heads of the departments have a great deal of executive power, and there are four great departments of the Government. And the idea is that the highest power, the supreme power, shall be in the Governor General, and I think "supreme" is a very proper word.

Mr. FESS. Mr. Chairman, I move to strike out the last word, in order to ask the gentleman from Tennessee [Mr. GARRETT] a question.

The CHAIRMAN. The gentleman from Ohio [Mr. FESS] moves to strike out the last word.

Mr. FESS. In lines 18 and 19 we have the Governor General's term of office unlimited.

Mr. GARRETT of Tennessee. On what page?

Mr. FESS. On page 17. The provision is "He shall be appointed by the President, by and with the advice and consent of the Senate of the United States, and hold his office at the pleasure of the President." I want to ask whether you had considered fully the idea of limiting the Governor General's term, and had decided to make it unlimited?

Mr. GARRETT of Tennessee. I think it is better to make it as it is in the bill, for this reason: Administrations change in this country, and I think it is always desirable to have in the Philippines a Governor General in sympathy with the foreign policies, at least, of the administration existing in this country. It is the present law, of course, as the gentleman knows.

Mr. FESS. Yes; I know.

Mr. GARRETT of Tennessee. And I do not think that under the conditions that exist and the involvements that might occur it would be wise to fix a definite term, so that it would be possible for a Governor General of the Philippines to be out of sympathy with the administration here so long as we retain sovereignty over the islands. Then, of course, if the gentleman will pardon me further, he being familiar with English history and knowing the struggle that England has had at various times in dealing with her colonial governors, the gentleman will realize that if a definite term were fixed for the Governor General of the Philippine Islands, no matter what his sins might be, there would be no way to remove him except by impeachment, unless this power were left with the President to remove him.

Mr. FESS. What I had in mind was that our theory was short terms and quick responsibility, and I also thought probably we would want to avoid the appearance of partisan administrations, and if we had the limit fixed the very thing that the gentleman from Tennessee has said would be advisable would be avoided as an ill-advised thing, in my judgment. It seems to me that the Philippine administration ought not to respond to partisan affiliations over here.

Mr. GARRETT of Tennessee. If the gentleman will pardon me, I did not mean in my statement that it ought to respond to the partisan situation in regard to domestic affairs in this country——

Mr. FESS. Only on foreign matters?

Mr. GARRETT of Tennessee. But I did think that the administration here ought to have the authority given in the bill.

Mr. FESS. I am rather of the opinion that the bill as it is would be better than to fix the term. I just wanted to know if that has been fully considered.

Mr. GARRETT of Tennessee. It has been fully considered, and we had that view of it.

Mr. FESS. Mr. Chairman, I withdraw my pro forma amendment.

The CHAIRMAN. The pro forma amendment is withdrawn.

Mr. MILLER. Mr. Chairman, I move to amend, on page 18, line 4, by striking out the remainder of the sentence and inserting in lieu thereof the words "until disapproved by the Philippine Senate," so that it will read as follows:

That appointments made while the senate is not in session shall be effective until disapproved by the Philippine Senate.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Minnesota [Mr. MILLER].

The Clerk read as follows:

Page 18, after the word "effective," in line 4, strike out the remainder of the sentence and insert in lieu thereof "until disapproved by the Philippine Senate."

Mr. MILLER. Mr. Chairman, I submit this for the consideration of the committee, and I do not care to discuss it to any great extent.

It seems to me it would give added strength to the situation. If you are going to require that appointments be confirmed by the Senate, it seems to me that the Senate ought to act upon them one way or the other, and the thing ought not to be allowed to drag on indefinitely, as is contemplated by this provision.

Mr. GARRETT of Tennessee. The only effect would be this: That it would prevent the necessity of recommissioning if the Senate should adjourn without approval. Under the practice that prevails in the United States, if what we call a recess appointment is made, if the Senate at the succeeding session does not approve it, of course that commission ends; but the President, of course, can immediately recommission.

Mr. MILLER. That was the exact point I desired to obviate.

Mr. GARRETT of Tennessee. The thought in the use of this language is that it will probably spur the Senate to take action by leaving it as it is here. I do not see that it makes any practical difference at all.

Mr. MILLER. Mr. Chairman, pending the consideration by the committee of that amendment, I would like to make an inquiry respecting another part of the same paragraph, all in my time.

On page 19, in line 4, where the Governor General is given power to suspend the writ of habeas corpus and establish martial law, I find this language:

And he may, in case of rebellion or invasion, or imminent danger thereof, when the public safety requires it, suspend the privileges of the writ of habeas corpus or place the islands, or any part thereof, under martial law—

And here is the language I particularly refer to—

until communication can be had with the President and his decision therein made known.

Has the President of the United States the authority to suspend the writ of habeas corpus in the Philippine Islands? Has he the authority to declare the islands under martial law? Is this to let him veto the action of the Governor General or to approve it, or is this simply that the Governor General may have a consultation with the President? I would really like to be informed as to the effect of this language.

Mr. GARRETT of Tennessee. The Constitution of the United States gives the President of the United States the power to suspend the writ of habeas corpus. I have not the exact language before me, and I do not know whether I can find it in a moment.

Mr. FESS. It does not say "the President." It says "the writ of habeas corpus shall not be suspended," and so forth. It does not say by whom.

Mr. GARRETT of Tennessee. There may be some statute passed which gives the President that power.

Mr. FESS. President Jefferson did it, and President Lincoln did it, which would be a precedent to the effect that the President can do it.

Mr. GARRETT of Tennessee. The language is this:

The privilege of the writ of habeas corpus shall not be suspended unless when, in cases of invasion or rebellion, the public safety may require.

Mr. FESS. That is it.

Mr. GARRETT of Tennessee. I presume that in those cases in which it has been exercised by Presidents of the United States it has been thought that the public safety required it, and having been acquiesced in it has been conceded that as the supreme executive officer of the Government and as Commander in Chief of the Army the President had that authority.

Mr. FESS. Mr. Chairman, would the gentleman yield there?

The CHAIRMAN. The gentleman's time has expired.

Mr. GARRETT of Tennessee. I will ask for recognition, then, Mr. Chairman. Does the gentleman from Ohio want more time?

Mr. FESS. Yes.

Mr. QUEZON. One question only, Mr. Chairman.

Mr. GARRETT of Tennessee. One moment. I yield to the gentleman from Ohio [Mr. FESS].

Mr. FESS. In confirmation of what the gentleman said a moment ago I will say that President Jefferson suspended the writ of habeas corpus in the case of the arrest of Aaron Burr, in 1807. It was questioned at that time whether he had the authority under the Constitution. Many contended that this function was lodged in the Congress. Then, during the Civil War President Lincoln suspended the writ of habeas corpus, and it was discussed in extenso. The Attorney General took the position that since the President was charged with the enforcement of the law the writ of habeas corpus was a necessary element in the enforcement of the law. But it has never reached the courts, as I understand, and it has never been in Congress for an affirmative decision.

Mr. GARRETT of Tennessee. Oh, I beg the gentleman's pardon. It has reached the courts.

Mr. FESS. At what time?

Mr. GARRETT of Tennessee. On the proposition there are a large number of decisions.

Mr. FESS. What I want to get at is, who has the authority, Congress or the President? That has not reached the courts, has it?

Mr. GARRETT of Tennessee. I would not undertake to say, except that what has been done has been sustained by the courts, and it having been acquiesced in, I should say it has been conceded. To follow that thought further, it being acquiesced in here that the President of the United States has the power to suspend the writ of habeas corpus over all the territory over which the sovereignty of the United States extends, this proposition contained in the bill is merely a direction as to how it may be done, giving to the Governor General first that power, but reserving in the supreme Executive the authority in this country to override it.

Mr. COOPER. Will the gentleman yield?

Mr. GARRETT of Tennessee. Yes.

Mr. COOPER. On page 4 in the bill of rights in this bill it expressly gives that right to either the President or the Governor General.

Mr. GARRETT of Tennessee. That is correct. I had overlooked it, and I thank the gentleman from Wisconsin for calling attention to it. This other provision is simply a detailed proposition in enforcing it.

Mr. COOPER. I will say that this is a most tremendous power to give to these two men, and it ought to be hedged about with every sort of a safeguard.

Mr. JONES. I will say to the gentleman that the object of this provision is to so hedge about the suspension of the writ of habeas corpus that it may not be suspended for a longer period than is necessary to enable the Governor General to communicate with the President of the United States.

Mr. MILLER. On that point may I make a further inquiry? It is true, as the gentleman from Wisconsin says, that the power to suspend the writ of habeas corpus is lodged in the Governor General and the President of the United States. They are coordinate in power and strength. Suppose the Governor General does suspend it and the President of the United States orders him to withdraw the suspension. Does the gentleman think there is any other way for the President of the United States to enforce his will other than to remove the Governor General?

Mr. JONES. That would be a very effective way of enforcing it, and it would be an entirely adequate one, I think.

Mr. MILLER. That leads me to inquire exactly what does that language mean? Is that intended that the President shall override the Governor General?

Mr. JONES. That is the meaning of the language which requires the Governor General to communicate with the President—that is, confer with the President. The Governor General would not suspend the writ except under very grave circumstances, and the bill proposes that when he does so, he shall confer with the President in regard to it. Should the President not approve the action of the Governor General in suspending the writ, that action would be immediately revoked, I take it.

Mr. MILLER. I think that is a splendid position for the bill to take. I think the President of the United States ought to have supervisory power over the Governor General, over those, as the gentleman from Wisconsin says, ulterior powers, but I do not believe it is given in this bill.

Mr. JONES. That is the purpose of this language, and I believe it fully accomplishes it.

Mr. MILLER. Would the gentleman be willing to reserve that particular point in this paragraph so that we may see if it would not be better to redraft this provision?

Mr. JONES. I have no objection to returning to this paragraph to consider this particular matter, but I do not believe there is any real necessity for it.

The CHAIRMAN. The question pending is the amendment of the gentleman from Minnesota.

Mr. MILLER. The amendment I offered was to strike out a part of the language in line 4, page 18, and substitute other language.

Mr. JONES. I thought the gentleman, following the colloquy with me, withdrew that, or stated to the gentleman from Tennessee that he would not offer it.

Mr. MILLER. Oh, no; I think it is a splendid amendment, and I hope it will be agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken, and the amendment was rejected.

Mr. STAFFORD. Mr. Chairman, has the Chair submitted the unanimous request made by the chairman of the committee, the gentleman from Virginia, that this section be passed over as to the matter indicated?

The CHAIRMAN. It has not.

Mr. JONES. I thought it had been submitted and agreed to. I ask unanimous consent that this part of the paragraph may be passed over and returned to for the purpose of amendment, if it be thought necessary, of the language employed in lines 3 and 4 and 5, on page 19.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that the paragraph in this section be now passed, and be returned to, if necessary, as to the language in lines 3, 4, and 5, page 19. Is there objection?

There was no objection.

The Clerk read as follows:

SEC. 22. That, except as provided otherwise in this act, the executive departments of the Philippine government shall continue as now authorized by law until otherwise provided by the Philippine Legislature. When the Philippine Legislature herein provided shall convene and organize, the Philippine Commission, as such, shall cease and determine and the members thereof, except the Governor General and heads of executive departments, shall vacate their offices as members of said commission. The Philippine Legislature may thereafter by appropriate legislation increase the number or abolish any of the executive departments, or make such changes in the names and duties thereof as it may see fit, and shall provide for the appointment and removal of the heads of the executive departments by the Governor General, and may provide that heads of executive departments shall have seats in either or both houses of the legislature, with the right of debating or voting or both: *Provided*, That all executive functions of the government must be directly under the Governor General or within one of the executive departments under the supervision and control of the Governor General. There shall be established by the Philippine Legislature a bureau, to be known as the bureau of non-Christian tribes, which said bureau shall be embraced in one of the executive departments to be designated by the Governor General, and shall have general supervision over the public affairs of the inhabitants of the territory represented in the legislature by appointive senators and representatives.

Mr. TOWNER. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 20, line 13, after the word "have," insert "executive control." Line 14, before the word "supervision," insert the word "administrative," so that the clause will read: "And shall have executive control and general administrative supervision over the public affairs."

Mr. TOWNER. Mr. Chairman, I of course could make a motion to strike out the entire provision for the Philippine Bureau, but owing to the fact that the matter has been passed on in substance I do not care to take up the time of the committee with it. I think, however, this amendment ought to be adopted, and I ask the committee's attention while I suggest the reason for it. The committee understands that the legislative power which is conferred in this bill over the territory and the non-Christian tribes is really placed within the Philippine Legislature. All legislative power is granted to the Philippine Legislature. It is, of course, intended by this provision, which constitutes a bureau to be known as the "Bureau of non-Christian tribes," that the executive power should be given to this bureau. The words used here are:

And shall have general supervision over the public affairs of the inhabitants—

And so forth.

I hardly think that language is sufficient to clearly indicate that what is intended is administrative and executive power. The provision as it will read if the amendment which I offer prevails is:

And shall have executive control and general administrative supervision over the public affairs of the inhabitants of the territory—

And so forth.

That will make the matter entirely clear. It will leave the legislative power with the legislature and will expressly state that the administrative power is to be exercised by the bureau which is created in this bill.

Mr. HUMPHREY of Washington. Mr. Chairman, on the 4th day of last July I had the very distinguished pleasure of listening to a speech by the President of the United States. Among other things in that speech, he used this language:

There are some gentlemen in Washington, for example, at this very moment who are showing themselves very patriotic in a way which does not attract wide attention, but seems to belong to mere everyday obligations. Those Members of the House and Senate who stay in hot Washington to maintain a quorum of the House and transact the all-important business of the Nation are doing an act of patriotism. I honor them for it, and I am glad to stay there and stick by them until the work is done.

As I read these lines I think of the notice in the papers this morning that the different members of the Cabinet have their dates fixed now to go through the country to make political speeches, and I wonder how the President of the United States would characterize these gentlemen.

Mr. GARRETT of Tennessee. Mr. Chairman, I hope the gentleman from Washington will not press the talk along that line further at this time. It is not in order.

Mr. HUMPHREY of Washington. Mr. Chairman, will the gentleman withhold his point for just a moment, until I make a statement to him? I think that this question of adjournment—and that is what I am going to talk about—may not be in order, but it is something that everybody wants to hear about, and besides that fact, Mr. Chairman, we are all in a hurry to get through with this bill, and I think that to make a few remarks about adjournment right now would greatly facilitate the passage of the bill.

Mr. GARRETT of Tennessee. Mr. Chairman, withholding the point of order for a moment, the committee in preparing for the consideration of this bill expressly provided that the debate shall be limited to the bill. I have no objection to the gentleman talking about political matters. I have never objected to a political discussion on the floor of the House, and I have never objected to gentlemen extending their remarks upon political subjects in the RECORD, except when they sought it at an improper time. I do not think the gentleman ought to ask us to permit this to be injected at this time, and I make the point of order——

Mr. HUMPHREY of Washington. Mr. Chairman, before the gentleman does that, does not the gentleman recall that last Friday, without any objection from that side, one of the distinguished Members on that side, the gentleman from West Virginia [Mr. NEELY], was permitted to make a political speech and take up 15 minutes of time, and nobody objected on either side of the House? Does not the gentleman think——

Mr. GARRETT of Tennessee. That was not upon this bill.

Mr. HUMPHREY of Washington. Oh, I think so.

Mr. GARRETT of Tennessee. That was on a conference report and not upon this bill. There has not been a political speech made during the consideration of this bill. The gentleman from West Virginia spoke on a conference report and not on this bill. The gentleman from Washington knows my disposition. I want to be courteous to those in the House, but I hope he will not press this at this time. I make the point of order that the gentleman is not speaking in order.

Mr. HUMPHREY of Washington. And I make the point of order that there is no quorum present.

Mr. GARRETT of Tennessee. I supposed the gentleman would do that.

Mr. HUMPHREY of Washington. Certainly; and I will do it every time there is any objection. If the gentleman thinks he is going to make progress by permitting gentlemen on that side to make political speeches and not on this, he is mistaken.

Mr. GARRETT of Tennessee. I repeat again that there has been no political speech made on this side of the House during the consideration of this bill.

Mr. HUMPHREY of Washington. And I give the gentleman notice that there will be on this side unless they keep a quorum here.

The CHAIRMAN. Both gentlemen are out of order. The gentleman from Washington makes the point of order that there is no quorum present. The Chair will count. [After counting.] Sixty-three Members present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Allen	Burke, Wis.	Fairchild	Gudger
Anderson	Calder	Faison	Guernsey
Ansberry	Callaway	Fitzgerald	Hamill
Anthony	Campbell	Flood, Va.	Hamilton, Mich.
Aswell	Cantor	Fordney	Hamilton, N. Y.
Austin	Carr	Foster	Harris
Barchfeld	Carter	Fowler	Hinebaugh
Bartholdt	Cary	Francis	Houson
Bartlett	Chandler, N. Y.	French	Hoxworth
Bell, Cal.	Church	Gallagher	Hughes, W. Va.
Blackmon	Clancy	Gallivan	Hulings
Bowdle	Connolly, Iowa	George	Johnson, Utah
Britten	Conry	Gerry	Johnson, Wash.
Brockson	Copley	Gittins	Kahn
Brown, N. Y.	Cox	Goldfogle	Keister
Brown, W. Va.	Dale	Gorman	Kelley, Mich.
Browning	Davenport	Graham, Ill.	Kelly, Pa.
Bruckner	Dooling	Graham, Pa.	Kennedy, R. I.
Brumbaugh	Doughton	Greene, Mass.	Kent
Bryan	Eagan	Greene, Vt.	Kinkead, N. J.
Buchanan, Ill.	Elder	Gregg	Kitchin
Burke, Pa.	Estopinal	Griffin	Knowland, J. R.

Konop	Mann	Reed	Talcott, N. Y.
Korbly	Mapes	Reilly, Conn.	Taylor, Ala.
Lafferty	Martin	Roberts, Nev.	Temple
Langley	Merritt	Sabath	Thacher
Lee, Ga.	Metz	Saunders	Townsend
Lee, Pa.	Mondell	Scully	Treadway
L'Engle	Morin	Seldomridge	Tuttle
Lenroot	Moss, W. Va.	Shackleford	Underwood
Lesher	Mott	Sherley	Vare
Lever	Murdock	Shreve	Walker
Levy	Neeley, Kans.	Slemp	Wallin
Lewis, Pa.	Nolan, J. I.	Small	Walsh
Lindbergh	Norton	Smith, Md.	Walters
Lindquist	O'Brien	Smith, Minn.	Watkins
Loft	Oglesby	Smith, N. Y.	Watson
McAndrews	O'Hair	Sparkman	Webb
McClellan	O'Shaunessy	Stanley	Whitacre
McGuire, Okla.	Paige, Mass.	Stedman	Willis
McKenzie	Palmer	Stephens, Cal.	Wilson, N. Y.
MacDonald	Patten, N. Y.	Stevens, Minn.	Winslow
Madden	Peters	Stevens, N. H.	Woodruff
Mahan	Platt	Stringer	Woods
Maher	Porter	Sumners	
Manahan	Powers	Switzer	

The committee rose; and the Speaker having resumed the chair, Mr. ADAIR, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee had had under consideration the bill H. R. 18459, and finding itself without a quorum, under the rule he caused the roll to be called, whereupon 247 Members answered to their names—a quorum—and he presented the list of absentees to be entered upon the Journal.

The SPEAKER. The committee will resume its sitting.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. TOWNER].

The question was taken, and the Chairman announced the noes seemed to have it.

Upon a division (demanded by Mr. TOWNER), there were—ayes 20, noes 58.

So the amendment was rejected.

Mr. MILLER. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend by adding, after the word "representatives," in line 16, page 20, the following: "The head of said bureau, together with his office and field assistants, shall be appointed by the Governor General without the consent of the Philippine Senate."

Mr. MILLER. Mr. Chairman, habit plays a very large part in our lives. It determines most of the acts we perform from the time we open our eyes at morn until we close them at night. Habit is the greatest aid to humanity and all living organisms. Without it life would not be worth living, but now and then habit seems to play a peculiar prank and sometimes is antagonistic to good. I wish in this connection to call the attention of gentlemen on the other side of the aisle that they should not always let habit prevail. At times the mind should prevail; at times thought should be present; at times conscience should be heard; at times a practical consideration of the bill ought to be had. Now, the amendment just offered from this side by the gentleman from Iowa [Mr. TOWNER] was agreed to by the acting head on the other side of the aisle, the gentleman in charge of the bill, but the habit on that side prevailed and they voted it down. [Laughter.] Now, I do not know as we can accomplish any good by offering these wholesome amendments, which we do if habit is to continue. But I think, Mr. Chairman, that a good purpose should not be easily thwarted, and while I am a little bit discouraged, a confession I make with reluctance, still I have some determination remaining and I shall persevere for a little time longer. Now, Mr. Chairman, if the gentlemen on the other side of the aisle will kindly forsake habit and return to a conscious existence for a moment, I shall therefore and thereupon direct their attention to the amendment which I have proposed. I am not going to open up the discussion of the wild or non-Christian tribes again to-day, although I think it would be profitable.

I think it highly desirable as a matter of giving an opportunity for various views to be expressed, but I do want to say one or two things in this connection. I do not believe the majority members of the committee have been very happy in the solution they have arrived at respecting the non-Christian people, and we are going to reap the result of the lack of wisdom herein manifested quicker than in any other respect in the bill. At the same time I wish it to be stated that I appreciate the extreme difficulty confronting the membership of the committee in framing the bill in respect to this item, and it would not be surprising if some mistakes were made. I do believe we ought to have a full and free discussion of the government of the non-Christian people and see if we can not possibly reach a solution that will be more nearly right than any that has yet been proposed. In this connection I desire to call attention, Mr. Chairman, to the fact that habit is again running rampant on that side and private conversation has drowned out my stentorian voice.

The CHAIRMAN. The committee will be in order.

Mr MILLER. Mr. Chairman, the gentleman from Virginia [Mr. JONES] in his opening statement to the House felicitated the Government in the Philippines and the people of the United States upon the auspicious fact that the Moro Province had been pacified and civil government therein established without the aid of soldiers. That is perhaps not quite a correct statement to make of his position, as he hardly said it had been pacified without the aid of soldiers, but he conveyed the impression that the beneficial change which has recently occurred and that the pacification which now exists is there without the aid of soldiers. Now, I do think that his statement ought not to go unanswered. Why, the Moro country is full of soldiers. I myself went through the Moro country always with soldiers. When we crossed the little Island of Jolo—went nearly across it—we arrived there only two days after a battle, and there were 150 soldiers ahead and about 100 behind all the way over and back.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MILLER. May I have five minutes more?

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent to proceed for five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. JONES. Will the gentleman permit a question?

Mr. MILLER. Certainly.

Mr. JONES. I understand that it was some time last year when the gentleman was in the Philippines?

Mr. MILLER. It was in the latter part of October.

Mr. JONES. That was before a civilian was made——

Mr. MILLER. The change was being made while I was there.

Mr. JONES. The gentleman does not mean to deny, I suppose, that a great many of the soldiers have been withdrawn from that Province since that time, and that there are not near so many, if any, there now as there were when he was in the islands?

Mr. MILLER. That leads to the statement I was just prepared to make. If the gentleman had stated that the troops of the United States—that is, the Caucasian troops of the United States—had been withdrawn from the Moro country, he would have stated it exactly right. They were withdrawn while I was there, but in their place were substituted other troops. There was sent a larger force of constabulary and several battalions of scouts, officered, of course, by Americans; so that while the Caucasian troops had been withdrawn from the Moro country, yet, as a matter of fact, there are just about as many troops there now as there ever have been, but they are native troops officered largely by Americans.

Mr. JONES. Mr. Chairman, the gentleman will admit that the constabulary are not United States troops? They are controlled by the civil government and paid by the Filipino people.

Mr. MILLER. I did not for a moment state that they were United States troops. I made the distinction very clear.

Mr. JONES. There was no other inference that could be drawn from the gentleman's words.

Mr. MILLER. I think if the gentleman will read my statement he will see that he misunderstood me.

Now, I can not help calling attention to the fact that by the arrangement of this bill, to my mind, we are going to repeat in the Philippine Islands the mistakes we have made in America in years past in dealing with the Indian tribes, only we are going to multiply those mistakes ten, or twenty, or even a hundredfold. We ought to have learned something from the experience that we have had. It is a sad enough chapter in our history. It is only within the past generation, in fact, that we have come to look upon the Indian question in the United States in what may be termed a sane and sensible light. We have altogether too far permitted in this country the whites who were in the vicinity of the places occupied by the Indians to prey upon them in one way or another. Now, you have a vastly more severe situation in the Philippines. There never was at any time within the confines of the United States more than 300,000 Indians. You have four times that number of non-Christian wild people in the Philippine Islands to-day, in a territory that comprises 120,000 square miles, smaller than some of the States of the Union. And the bill as framed will inevitably result in perpetuating in the islands conditions for which we blush in our own country.

Now, returning to the amendment which I offer, I do not care to discuss it at large. I understand there is a disposition on the other side of the aisle to vote down anything and everything that we propose along this line, whether it is meritorious or not. But I wish to say that this amendment provides that

the Governor General may appoint, without the consent of the Philippine Senate, such officials as he will desire to have charged with the responsibility of administering the affairs of the non-Christian people under this bureau.

The CHAIRMAN. The time of the gentleman has expired.

Mr. JONES. Mr. Chairman, I think the gentleman was very unjust to this side when he said there was a disposition to vote down everything proposed by the other side.

Mr. MILLER. I had reference to the confirmation feature.

Mr. JONES. I think the gentleman knows that this side has voted for a number of amendments proposed by his side, and I am perfectly free to say that I think some of those amendments improve the bill. It is true, Mr. Chairman, that there had been some informal agreement, such as the gentleman suggests, about an amendment which was defeated a few moments ago, but I think that side, and especially one gentleman from that side, my friend from the State of Washington [Mr. HUMPHREY], was responsible for that. He brought into this House, by raising the question of a quorum, one or two hundred Members who had not heard any part of this discussion and who knew nothing about the subject under discussion. It was not discussed after they came in, and therefore they had no knowledge of what was taking place.

Mr. MILLER. Does the gentleman wish to imply that the membership on his side usually votes without knowing anything about a proposition?

Mr. JONES. I will say to the gentleman that he knows perfectly well that is not true, and he also knows that a great many of the gentlemen who were brought in were members of the minority. They voted for the amendment because they saw the gentleman from Minnesota [Mr. MILLER] and the gentleman from Iowa [Mr. TOWNER] standing up, and without knowing anything about the proposition. Possibly members of the majority who had just entered the Chamber voted the other way for the same reason.

Mr. MILLER. I assumed, therefore, when the gentlemen on the other side of the aisle saw the gentleman from Virginia voting for the amendment they would follow their leader, but they did not even look.

Mr. JONES. Mr. Chairman, I now wish to direct my remarks for a moment to the merits of the amendment which the gentleman has offered. I do not agree with his conclusions. I think that this bureau, like all other bureaus in the Philippines, ought to be under the general supervision of the Governor General, and I can see no reason why its chief should be exempt from confirmation by the senate any more than the head of any other bureau.

Mr. MILLER. We have had some little badinage back and forth, but really and seriously, now, does the gentleman not think it would be very advisable to let the Governor General be charged, without restriction by the Philippine Senate, with the duties of administering the affairs of the non-Christian people?

Mr. JONES. Mr. Chairman, the gentleman was not listening a moment ago, when I said I did not think it would be wise to accept his amendment. I do not believe that there is any good reason, as I have just said, why the head of this bureau should be exempt from confirmation by the senate any more than the head of any other bureau. I have heard a great many statements coming from the other side of the Chamber to the effect that there was a great deal of feeling between the Filipinos and the Moros, and that the Moros would not be fairly treated by the Filipinos. I am perfectly familiar, and have been for a long time, with the evidence which gentlemen have brought forward in support of that proposition. I am familiar with the views of the gentleman from Minnesota on the subject. He delivered a long speech upon this subject soon after he returned from the Philippine Islands, and he then delivered personally to the Congress of the United States a message, if I am not mistaken, which he said a datto, with tears in his eyes, had requested him to deliver.

Mr. MILLER. The gentleman's recollection of that is a little bit confused. That message was not from a Moro, but from a Bukidnon.

Mr. JONES. Mr. Chairman, I think, notwithstanding what has been said upon this subject by gentlemen on the other side, that since all Filipinos are of Malay origin, and there is a kinship between them all, we can certainly intrust to the Christianized, civilized Filipinos the government of the wild, savage, un-Christian, and uncivilized people of the islands more safely than we can intrust it to any American.

Mr. MILLER. Will the gentleman yield for a question?

Mr. JONES. I do not know who the Governor General will appoint as the head of this bureau if opportunity is given to him—whether he will appoint an American or a Filipino. He can appoint either an American or a Filipino, but whoever he shall appoint, his appointment should be subject to the confirmation of the Philippine Senate.

Mr. MILLER. Will the gentleman yield right there?

Mr. JONES. I will.

Mr. MILLER. Seriously, my amendment is in harmony with the provisions which I thought the gentleman from Virginia desired to have contained in the bill, inasmuch as in the provision relating to the senators and representatives appointed by the Governor General to represent these non-Christian people he specifically excepts those appointees from the necessity of confirmation by the Philippine Senate.

Now, in harmony with that, would the gentleman not say that the head or superintendent, or whatever you may wish to call the man in charge of this bureau, and his assistants, should also be appointed without confirmation by the senate?

Mr. JONES. I think, Mr. Chairman, we went as far as we ought to go when we permitted the Governor General to appoint these senators and representatives without confirmation.

The CHAIRMAN. The time of the gentleman has expired. The question is on agreeing to the amendment offered by the gentleman from Minnesota [Mr. MILLER].

The question was taken, and the amendment was rejected.

Mr. HUMPHREY of Washington. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Washington [Mr. HUMPHREY] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 20, line 16, after the word "representatives," insert the following: "*Provided*, That the legislative sessions of the Philippine Legislature shall be limited to 120 days in each year."

Mr. GARRETT of Tennessee. Mr. Chairman, I make the point of order that that proposition has been passed upon fully in a previous section.

The CHAIRMAN. Does the gentleman from Washington wish to discuss the point of order?

Mr. HUMPHREY of Washington. Yes. My understanding is that the gentleman is mistaken as to the facts.

Mr. GARRETT of Tennessee. No. If the gentleman from Washington had been here, he would know that that is not so.

Mr. HUMPHREY of Washington. Gentleman who have been here make a contrary statement about it.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Washington yield to the gentleman from Minnesota?

Mr. HUMPHREY of Washington. Yes.

Mr. MILLER. The provision we have passed limits each annual regular session to 90 days. The Governor General, however, is authorized thereafter to call as many extra sessions per year as he wants to.

Mr. GARRETT of Tennessee. My friend from Minnesota [Mr. MILLER] was here, and he ought to know that he is not justified in making that statement. We made the sessions unlimited, and——

Mr. JONES. We did that at the suggestion of the gentleman from Wisconsin [Mr. STAFFORD], so that it certainly has been passed upon.

Mr. MILLER. My attention must certainly have been diverted at the time by something else, if that is so. But, with all due deference to the gentleman from Wisconsin [Mr. STAFFORD], I think the committee ought not to have accepted that amendment.

Mr. MOORE Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. MOORE. I make the point of order, Mr. Chairman, that these gentlemen are all proceeding out of order. Not one of them has addressed the Chair in the usual way.

Mr. GARRETT of Tennessee. Mr. Chairman, I make the point of order, first, that that subject matter has already been passed upon; and, second, that it is not germane to this section.

Mr. HUMPHREY of Washington. If the Chair will hear me a moment, I think it is germane to this section. I have not been here all the time so as to know whether it has been offered heretofore or not, but if there is a dispute as to the fact I do not think the amendment ought to be considered as out of order.

Mr. JONES. There is no dispute as to the fact.

Mr. GARRETT of Tennessee. The gentleman from Washington, I know, will not dispute the word of the gentleman from Wisconsin [Mr. STAFFORD]. If the gentleman from Washington will not stay here, then all he has to do is to read the RECORD in order to keep himself informed.

Mr. HUMPHREY of Washington. I do not profess to read all the RECORD. I ask unanimous consent, Mr. Chairman, that I be permitted to proceed for five minutes.

The CHAIRMAN. The gentleman from Washington [Mr HUMPHREY] asks unanimous consent to proceed for five minutes. Is there objection?

Mr. GARRETT of Tennessee. In order or on some other subject?

Mr. HUMPHREY of Washington. On some other subject.

Mr. GARRETT of Tennessee. Then I object.

Mr. HUMPHREY of Washington. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The Chair will count. [After counting.] Sixty-two Members are present—not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Allen	Flood	Lafferty	Powers
Anderson	Fordney	Langham	Prouty
Ansberry	Foster	Langley	Reed
Anthony	Fowler	Lee, Ga.	Reilly, Conn.
Aswell	Francis	Lee, Pa.	Roberts, Mass.
Austin	Frear	L'Engle	Roberts, Nev.
Bartholdt	French	Lenroot	Rothermel
Bathrick	Gallagher	Lesher	Rouse
Bell, Cal.	Gallivan	Lever	Sabath
Blackmon	George	Levy	Scully
Bowdle	Gerry	Lewis, Pa.	Seldomridge
Britten	Gittins	Lindbergh	Sells
Brockson	Glass	Lindquist	Sherley
Broussard	Godwin, N. C.	Loft	Shreve
Brown, N. Y.	Goldfogle	McAndrews	Slemp
Brown, W. Va.	Gorman	McClellan	Small
Browning	Graham, Ill.	McGuire, Okla.	Smith, Md.
Bruckner	Graham, Pa.	McKenzie	Smith, Minn.
Buchanan, Ill.	Gregg	MacDonald	Smith, N. Y.
Burke, Pa.	Griffin	Madden	Sparkman
Burke, Wis.	Gudger	Mahan	Stanley
Byrnes, S. C.	Guernsey	Maher	Stephens, Cal.
Calder	Hamill	Manahan	Stevens, Minn.
Callaway	Hamilton, Mich.	Mann	Stevens, N. H.
Campbell	Hardwick	Mapes	Stout
Cantor	Harris	Martin	Stringer
Cantrill	Harrison	Merritt	Sumners
Carlin	Hawley	Metz	Switzer
Carr	Hayes	Mondell	Taylor, Ala.
Cary	Helvering	Morin	Temple
Chandler, N. Y.	Hill	Moss, W. Va.	Ten Eyck
Church	Hinebaugh	Mott	Thacher
Clancy	Hobson	Mulkey	Treadway
Collier	Holland	Murdock	Tuttle
Connelly, Kans.	Howard	Neeley, Kans.	Walker
Connolly, Iowa	Hoxworth	Neely, W. Va.	Wallin
Conry	Hughes, W. Va.	Nolan, J. I.	Walsh
Copley	Hulings	Norton	Walters
Dale	Johnson, Utah	O'Brien	Watkins
Davenport	Keister	Oglesby	Watson
Dooling	Kelley, Mich.	O'Hair	Weaver
Doughton	Kelly, Pa.	O'Shaunessy	Webb
Eagan	Kennedy, R. I.	Paige, Mass.	Whitacre
Edwards	Kent	Palmer	Willis
Elder	Kinkaid, Nebr.	Patten, N. Y.	Wilson, N. Y.
Estopinal	Kinkead, N. J.	Patton, Pa.	Winslow
Fairchild	Kitchin	Peters	Woodruff
Faison	Knowland, J. R.	Peterson	Woods
Ferris	Kopp	Platt	
Fitzgerald	Korbly	Porter	

The committee rose; and the Speaker having resumed the chair, Mr. ADAIR, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the bill H. R. 18459, the Philippine Island bill, finding itself without a quorum, had caused the roll to be called, and 220 Members answered to their names, and he presented a list of the absentees.

The committee resumed its session.

The CHAIRMAN. The question pending was the point of order made by the gentleman from Tennessee to the amendment offered by the gentleman from Washington. The Chair sustains the point of order.

Mr. HUMPHREY of Washington. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 20, line 16, after the word "representatives," insert "provided the Philippine Legislature shall not pass any law permitting the legislature to remain in session during a period of 30 days next preceding a general election in the Philippine Islands."

Mr. GARRETT of Tennessee. Mr. Chairman, I make the point of order that that is not germane to this paragraph. A prior section of the bill fixes the right of the legislature to determine when it may meet, and a prior section of the bill also gives the full right of the legislature to determine when it shall adjourn. The amendment is not offered to the right place in the bill.

Mr. HUMPHREY of Washington. This amendment of mine does not provide when the legislature shall adjourn. It only says when it shall not be in session. It provides that the Philippine Legislature shall not pass a law permitting them to be in session 30 days preceding a general election. I think it is clearly in order.

Mr. GARRETT of Tennessee. Mr. Chairman, this section relates entirely to the executive department of the government. The legislative part has already been passed. This amendment is not germane to this section of the bill.

Mr. HUMPHREY of Washington. The gentleman is mistaken about it, because this section provides in the first sentences that except provided otherwise in this act, the executive departments of the Philippine Government shall not continue as now authorized by law until otherwise provided by the Philippine Legislature, and then as to when the Philippine Legislature shall convene and organize. My amendment is to restrict the authority of the legislature to pass a law permitting the legislature to sit 30 days before general election.

The CHAIRMAN. The Chair is ready to rule. The Chair is of the opinion that this amendment is not germane to this section, and therefore sustains the point of order.

Mr. HUMPHREY of Washington. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Page 20, line 5, after the word "both," insert the following: "*Provided*, That no leave of absence shall be granted such heads of executive departments to enable them to deliver political addresses during the session of the legislature."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington.

Mr. HUMPHREY of Washington. Mr. Chairman, I want to be heard on that amendment. Mr. Chairman, a while ago I quoted what our distinguished President said about gentlemen remaining here performing their duties. He stated that they were patriotic, and I had just gotten to the point in my speech where I propounded the inquiry that it might be interesting to the country to know what the President thought about members of the Cabinet who are going to leave their duties and go forth to make political speeches. Some of them have already left. I wondered whether that was a patriotic performance. I have wondered what the President might think of the performance of some Members of this House. For instance, there was my distinguished friend from Texas [Mr. HENRY].

Mr. KAHN. Will the gentleman yield for a question?

Mr. HUMPHREY of Washington. Yes.

Mr. KAHN. Can the gentleman inform the House whether the Cabinet members are being docked for every day that they are absent?

Mr. HUMPHREY of Washington. I think it is perfectly safe to say that they are not. My distinguished friend from Texas [Mr. HENRY] was gone about three months, and I was wondering whether he was unpatriotic when he was in Texas and only patriotic when he was in the House. Then there is another distinguished gentleman [Mr. PALMER] who seems to be favored by the President, who was instrumental a few days ago, or perhaps some weeks ago, in conveying to the Judiciary Committee the fact that the President had kicked another plank out of the rotten Baltimore platform, the one in relation to only one term for President. That distinguished gentleman sometimes appears on the floor of this House.

Mr. MOORE. Will the gentleman yield?

Mr. HUMPHREY of Washington. Yes.

Mr. MOORE. The gentleman refers to the Democratic platform. Does the gentleman know that that document has not been incorporated in the Democratic Handbook which is now being circulated for Democratic orators?

Mr. HUMPHREY of Washington. No; that is like the section in reference to the high cost of living.

Mr. MOORE. Gone out.

Mr. HUMPHREY of Washington. Gone out. There were 15 pages in the Democratic campaign textbook two years ago about the high cost of living, but not a single word in it this time, and I wonder why. I supposed our Democratic friends would be anxious to show in the textbook how they had reduced the high cost of living, but I suppose they took it for granted because they did not say anything about it.

Mr. MOORE. Does not the gentleman know that that is all on account of the European war?

Mr. GARRETT of Tennessee. Mr. Chairman, I make the point of order that the gentleman from Washington is not addressing himself to the amendment or the subject matter of the bill.

Mr. HUMPHREY of Washington. Mr. Chairman, I think the gentleman from Tennessee is correct, and I will proceed in order.

Mr. MOORE. I withdraw my question about the European war, Mr. Chairman.

The CHAIRMAN. The time of the gentleman from Washington has expired. The question is on the amendment offered by the gentleman from Washington.

The question was taken, and the amendment was rejected.

Mr. FESS. Mr. Chairman, I move to strike out the last word, to call attention to the language in lines 17 to 22, on page 19:

When the Philippine Legislature herein provided shall convene and organize, the Philippine Commission, as such, shall cease and determine and the members thereof, except the Governor General and heads of executive departments, shall vacate their offices as members of said commission.

I would like to call the attention of both sides of the Chamber to the result of this paragraph if it goes into effect. When we take the paragraph in connection with the preceding paragraph relative to the elective senate, we will notice it is the passing of the Philippine Commission, and probably it ought to pass. I rather think I would be in favor of an elective senate, which would necessitate a doing away with the commission, but since this is the paragraph in which the passing of the commission is noted, I just take the time to emphasize what I think has been a remarkable success by the commission form of government. I believe that when that first commission was appointed, at the head of which was President Schurman, of Cornell University, having associated with him some of the strong men of our country, that there never was a group of men sitting outside of the territorial limits of our country more devoted to the solution of a great problem than that commission, and I think what they did was really a remarkable achievement, and then when that commission gave way to the second commission, which gave a little more authority to the Filipino, a little more liberality, I think that the second commission did a work that we ought not to ignore, and I do not think anybody on either side of the Chamber desires to ignore it—a commission headed by a man who afterwards was President of the Nation, probably the best-fitted man in the country to take that position. It seems to me that the commission form of government that has had such a wide latitude in the last few years, applicable to the cities of our country, especially as witnessed in the Capital City, is a form that has not only been worked out in our own country but has shown remarkable fruits in that far-away country in the southern seas, and as we are now passing it over, and it is to become a mere matter of memory in history, I rose simply to say that I think the work of the commission in the Philippine Islands is such that this Nation ought to be proud of it. I want to say what I said the other day, that I do not believe there is another single instance in the history of all the world where there has been such remarkable work done for a far-away people by a great Republic, and done in such a disinterested manner, as was done in this instance. Whether the movement that you are considering is justifiable or not, it is of the present, and whatever shall be the future, I think that the past in regard to our action with the Filipino is something that we ought to be proud of, and I want to leave that word here as we pass this paragraph. [Applause.]

Mr. JONES. Mr. Chairman, I wish to say just a word in connection with what the gentleman from Ohio [Mr. FESS] has said. I can not assent to a great deal that he has said in respect to the Philippine Commission—indeed, I am obliged to dissent very earnestly from a great deal of it—but I do wish to indorse what he said in regard to Prof. Schurman, and I wish also to call the attention of the House to the fact that Prof. Schurman has gone on record in the most emphatic manner as to the capacity of the Filipino people for self-government. He has declared, as a result of his long acquaintance with the Filipinos during the time he was president of the commission, that they are fully capable of exercising the powers of self-government.

Mr. MILLER. Mr. Chairman, will the gentleman kindly inform the House how many years ago it was that President Schurman made that statement?

Mr. JONES. I will very gladly do so. It was years ago.

Mr. MILLER. Thirteen years ago?

Mr. JONES. Yes; probably so.

Mr. MILLER. If they were then fitted for self-government, why not give it to them now; why not give them independence at this time?

Mr. JONES. That was 13 years ago; and if, according to President Schurman, they were fit for self-government at that time, they certainly must be now, having had the valuable assistance which the gentleman from Ohio thinks was given them for so many years by the Philippine Commission.

Mr. MOORE. Mr. Chairman, I offer the amendment which I send to the Clerk's desk.

The CHAIRMAN. Is it an amendment to the amendment?

Mr. MOORE. I understand there is no amendment pending.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

Mr. FESS. Mr. Chairman, I ask unanimous consent to withdraw my pro forma amendment.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment of the gentleman from Pennsylvania.

The Clerk read as follows:

Page 20, line 16, after the word "representatives," insert: "*Provided*, That heads of executive departments shall devote their entire time to their official duties during the terms for which they shall have been appointed."

Mr. MOORE. Mr. Chairman, we are told throughout this debate that we are taking the hand of our weaker brother in the Philippines and are endeavoring to put him on his feet. If we have any weaknesses in our Government, perhaps it is well if we should point them out to him, since we are undertaking to give him a form of government very much like our own. We ought to start out right, and if we have made any mistakes we ought to give our Philippines brother the advantage of our experience so that he may not stumble into the same pitfalls. A constant source of complaint in this country, if the newspaper reports are to be taken into consideration at all, arises from the fact that certain public officials do not devote their entire time to the offices to which they have been elected or appointed, and that they are in the habit, some of them, of leaving their official duties for the purpose of increasing their revenues. With a people not so strong as we are, who are going to establish a government for themselves under our tuition and direction, it would seem proper that we should say to them, "When you accept a public office, you ought to perform the duties of that office; and when you accept a great position under your Government, like unto that of a Member of Congress, or if you become a cabinet officer, along with your Governor General, or whoever in the course of time shall come to direct your affairs, then, rather than go out upon the stump delivering political lectures or going out into some Philippine Chautauqua for the purpose of making, say, $250 per night, you should devote your entire time to the duties for which you were elected and for which the people make payment to you. This," we should say to them, "is your bounden duty not only in morals but under the oath of office which you take. We set this example before you and say to you, 'thus far shall you go and no farther.' We want you to learn that pure, old, simple Democratic doctrine of living within your income, and not living at so extravagant a rate that you can not subsist upon your salary, even though it be $12,000 per annum."

Mr. HUMPHREY of Washington. Will the gentleman yield?

Mr. MOORE. Yes.

Mr. HUMPHREY of Washington. Does the gentleman expect a Democrat to live on $12,000?

Mr. MOORE. Not when he is in power. When a Democrat is out of power I expect him to live on most anything and charge up almost everything in the way of extravagance to the Republican Party. When a Democrat is in power I expect to see him roll along in automobiles or gilded chariots. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOPER. Mr. Chairman, I move to strike out the last word. I would like to ask the gentleman from Virginia [Mr. JONES] or the gentleman from Tennessee [Mr. GARRETT] how many executive departments there will be if this bill becomes the law?

Mr. JONES. Four; just the number they have now.

Mr. COOPER. Mr. Chairman, I notice in lines 3, 4, and 5, page 20, that the heads of the executive departments are to have seats in either or both houses of the legislature, and with the right of debate or voting, or both. The President is to appoint or remove the heads of the executive departments.

Mr. JONES. No; not under this bill. Under this bill they are appointed by the Governor General.

Mr. COOPER. What did I say? I meant the Governor General. It is provided at the top of the same page that the Governor General is to appoint and remove the heads of executive departments. There is also on page 12 a provision that for the territory not now represented in the Philippine Assembly the Governor General shall appoint one senator and nine representatives.

Now, if there are only 12 members of the senate, and if the senator appointed by the Governor General to represent this territory is to have a vote and each of the 4 heads of the executive departments is to have a vote, then the Governor General would have 5 votes, practically—that is, his 5 appointees would—in an assembly of only 17. That is one-third of the vote.

Mr. JONES. I will say to the gentleman that the bill provides for 12 senatorial districts with 2 senators from each district. That will make 24 senators.

Mr. COOPER. Then his appointees would have but five of the votes in the senate.

Mr. JONES. Only two of his appointees under the provisions of this bill would have a vote in the senate. One of those appointees would probably come from the southern part of the archipelago and the other from the northern part, where the mountain tribes reside. This bill simply gives the power to the legislature to permit these heads of departments to vote, so that if they were permitted to vote by the legislature that would be 6 out of 24, which is one-fourth of the total number.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. MOORE].

The question was taken, and the amendment was rejected.

The Clerk read as follows:

SEC. 24. That the supreme court and the courts of first instance of the Philippine Islands shall possess and exercise jurisdiction as heretofore provided and such additional jurisdiction as shall hereafter be prescribed by law. The municipal courts of said islands shall possess and exercise jurisdiction as now provided by law, subject in all matters to such alteration and amendment as may be hereafter enacted by law; and the chief justice and associate justices of the supreme court shall hereafter be appointed by the President, by and with the advice and consent of the Senate of the United States. The judges of the court of first instance shall be appointed by the Governor General, by and with the advice and consent of the Philippine Senate: *Provided*, That the admiralty jurisdiction of the supreme court and courts of first instance shall not be changed except by act of Congress.

Mr. TOWNER. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 21, line 13, after the word "Congress," insert: "That in all cases pending under the operation of existing laws, both criminal and civil, the jurisdiction shall continue until final judgment and determination."

Mr. TOWNER. Mr. Chairman, there is no provision in the act that in cases pending where change is made between the present form of government and the new form, if this bill shall become the law, that the cases then pending shall continue until final judgment and determination, and jurisdiction shall be granted for that purpose. It is not necessary for me to argue in favor of that, I presume.

Mr. JONES. Mr. Chairman, I think there will be no objection on this side.

The question was taken, and the amendment was agreed to.

Mr. COOPER. Mr. Chairman, I move to strike out the last word. I desire to ask the gentleman from Virginia if the jurisdiction of the courts of first instance in the islands, as provided in lines 25 and 26, on page 20, and lines 1 and 2, page 21, can be changed by any law of the Philippine Legislature?

Mr. JONES. Yes; the power is given to the legislature under this bill to change——

Mr. COOPER. Does the gentleman think that such a power as that should now be conferred on this practically new legislature to change the jurisdiction of the supreme court of the islands?

Mr. JONES. Not the supreme court. I thought the gentleman said the courts of first instance. The legislature now has that power, I will say to the gentleman.

Mr. COOPER. To change the jurisdiction of the supreme court of the islands?

Mr. JONES. Yes; the supreme court and courts of first instance. I correct myself. It has it of both courts.

Mr. COOPER. And we have had there all the time, of course, the commission, all three of which until recently have consisted of Americans, and it occurs to me——

Mr. JONES. The gentleman knows, however, there is no law that ever required that the three should belong to any particular race.

Mr. COOPER. That is true. The language in line 2, page 21, is that the jurisdiction shall be as heretofore provided, "and such additional jurisdiction as shall hereafter be prescribed by law."

Mr. JONES. Yes.

Mr. COOPER. Then you provide in the proviso, line 12, same section, on page 21, that the admiralty jurisdiction of the supreme court and courts of first instance shall not be changed except by act of Congress?

Mr. JONES. Yes.

Mr. COOPER. So they can change all other jurisdiction, civil and criminal, except the admiralty jurisdiction?

Mr. JONES. Yes. And it is obvious, I know, to the gentleman why we did not change the admiralty jurisdiction.

Mr. COOPER. Yes.

Mr. MILLER. Mr. Chairman, I move to strike out the last two words. The gentleman from Virginia, chairman of the Committee on Insular Affairs, in his opening remarks observed that the legislature in the Philippine Islands during the past year had not reduced the salaries of any of the judges in the islands. I know he does not want a misstatement to appear on the record, and therefore I take this opportunity to submit an observation. It may not have come to the attention of the gentleman, but nevertheless it is a fact that the legislature last winter removed from office every judge of first instance in the islands. Now, I hope the membership of the committee will grasp that in its entirety. The legislature by an enactment absolutely abolished every judge of first instance in the islands; that is, vacated the offices and increased the number, which was a very proper thing to do, because the number had come to be insufficient. It opened them all up to reappointment by the Governor General, and the Governor General did appoint judges to all of these positions, and they reduced the salaries of the judges of the courts of first instance, which are the trial courts of the islands. We would call them nisi prius courts.

Now, I do not wish it to be understood by the remark which I have made that any serious havoc resulted. I have said some things in criticism of the present Governor General. I want to say something in his praise. The present Governor General reappointed every old judge in the islands except one, and, as I understand it, that one judge did not desire to be reappointed; I think he resigned a little bit before. So that in administering the new law passed by the Philippine Legislature the Governor General exercised excellent discretion, excellent conservatism, excellent judgment, with the entire approbation and approval of the Philippine people.

But I do think this ought to be said, Mr. Chairman. I do not believe that judges of the courts of the first instance there were being paid a salary a bit too high. I said to myself while I was there, as many another man has said, that some of the officials connected with the Government of the Philippines were being paid a salary a little too high. But the salary of the judges of the courts of first instance was a very, very moderate salary, and the amount of the reduction, it seems to me, was unfortunate, although it was not very severe. I make this statement because if it should come to the attention of any of the people there interested, they will know that some of us at least do not believe in reducing materially the salary of the judges.

Mr. JONES. Mr. Chairman, the statement which I made, as the gentleman will recall, was based on a cablegram which was sent by Gov. Gen. Harrison to the Secretary of War, in which he stated that the expenditures of the government had been reduced to the extent of $1,000,000, and that that had been accomplished without reducing the salary of any of the judicial officers.

Mr. MILLER. That was prior to the enactment of that law.

Mr. JONES. I do not recall at this moment whether that cablegram was prior to the 1st day of July or subsequent thereto. If it was prior to the 1st day of July, of course there would be no conflict between the statement of the Governor General and that made by the gentleman from Minnesota. The courts were reorganized under an act of the legislature which was carried into effect on the 1st day of July, and it may be that since the 1st day of July, as the gentleman states, some of the salaries of the judges have been reduced.

Mr. MILLER. If the gentleman will permit me——

Mr. JONES. I do not know as to that, and I am perfectly willing to accept the gentleman's statement if he says he knows they have been. He says there have been moderate reductions, and I simply want to say that I am quite sure that if these reductions were made, as the gentleman says they have been—and his statement I do not question—they were proper reductions and have not at all interfered with the efficiency of the courts. The Governor General of the islands has been greatly complimented upon his action taken in pursuance to the law providing for the reorganization of the courts. An opportunity was given him to play politics, so to speak, if he had desired to do so. He, however, reappointed all of the old judges, I believe, and most of the seven new appointments were deserved promotions, I think. It is generally admitted that they were the best that could have been made under the circumstances. I never heard of the slightest criticism of the Governor General on account of anyone of his judicial appointments. On the contrary, his course has been universally commended.

The CHAIRMAN. Without objection the pro forma amendment will be withdrawn, and the Clerk will read.

The Clerk read as follows:

SEC. 25. That the Supreme Court of the United States shall have jurisdiction to review, revise, reverse, modify, or affirm the final judgments and decrees of the Supreme Court of the Philippine Islands in

all actions, cases, causes, and proceedings now pending therein or hereafter determined thereby in which the Constitution or any statute, treaty, title, right, or privilege of the United States is involved; and such final judgments or decrees may and can be reviewed, revised, reversed, modified, or affirmed by said Supreme Court of the United States on appeal or writ of error by the party aggrieved within the same time, in the same manner, under the same regulations, and by the same procedure, as far as applicable, as the final judgments and decrees of the district courts of the United States.

Mr. MILLER. Mr. Chairman, I have an amendment which I wish to offer.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, by inserting after the word "involved," line 20, page 21, the following: "or any causes in which the value in controversy exceeds $25,000 or in which the title or possession of real estate exceeding in value the sum of $25,000, to be ascertained by the oath of either party or by other competent witnesses, is involved or brought in question."

Mr. MILLER. Mr. Chairman, may I inquire whether there is any disposition on the part of the chairman of the committee to accept this amendment?

Mr. GARRETT of Tennessee. Is that the present law?

Mr. MILLER. That is exactly the present law. I copied it exactly from the organic act.

Mr. COOPER. May we have it reported again?

Mr. MILLER. Mr. Chairman, some of the Members did not quite hear all of the amendment. May we have it reported once more?

The CHAIRMAN. Without objection, the amendment will be again reported.

The amendment was again reported.

Mr. MILLER. If the chairman of the committee will indicate whether or not he feels inclined to accept that amendment, it will enable us to expedite the consideration of it. At any rate, I would like to be heard in support of the amendment. I sincerely trust it will be the wisdom of the committee to accept it, and it is offered with the utmost seriousness for the benefit of the people of the Philippine Islands. It is of no benefit to the United States, nor is there any benefit to any official of the United States.

But there is a decided benefit in it to the people of the Philippine Islands, and we may as well know why. Whether it ought to or not is not the question. As a matter of fact, in the Philippine Islands there is a great shortage of money with which to do business. I suppose economically the greatest handicap of all is the lack of money. They are absolutely dependent, just as we were in this country at one time—largely dependent—upon foreign countries for loans. Now, it is unquestioned to the Filipino people themselves that if their industries are to be developed and their resources utilized they must borrow money from abroad. It may not be that they will borrow money from the United States. Maybe they will. If they do not borrow it from here, they will have to borrow it from some other country that has it to loan, and there are many other countries that have citizens there who have invested large sums of money in the islands.

It might not be out of place to add that several lines of business peculiarly adapted to the Philippines require large sums of money for their conduct. For instance, take the sugar business, which I feel is going to be one of the greatest blessings to the people there when developed. Under the simple methods and the ancient ways of sugar cultivation and manufacture from 40 to 60 per cent of the valuable part of the product was lost and wasted. It can only be utilized and the industry can only be made profitable by the building of centrals, by the building of sugar-manufacturing plants—not refineries—that require the investment of millions; and everybody there, as well as everybody here familiar with the sugar business, knows how essential that is.

Now, they have got to borrow money from some place, and business men and people interested in the islands inform me that this provision is really necessary, in order that there may be a proper investment of foreign capital in the islands. It is a practical matter that is of the utmost importance. Without it, I believe the rate of interest in the islands will be very much higher than it would be with it in the bill. If this is retained in the bill, not only will capital move into the islands for the development of the islands with much greater rapidity than it now does, but it can be obtained on much more advantageous terms than it now can be obtained.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. MILLER. Mr. Chairman, I would like to have two or three minutes more.

Mr. STAFFORD. I ask unanimous consent, Mr. Chairman, that the gentleman from Minnesota be permitted to proceed for five minutes more.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. GOULDEN. Mr. Chairman, will the gentleman yield there?

Mr. MILLER. Yes.

Mr. GOULDEN. What is the prevailing rate of interest in the islands now, as you discovered while you were in the islands, say, in Manila?

Mr. MILLER. I can not say what the prevailing rate of interest is, but I know that the rate of interest on money loaned out to the people is very high.

Mr. GOULDEN. From what sources outside of the islands themselves are the largest investments made?

Mr. MILLER. The largest investments are from England. Then I found some Swiss with large investments. The largest single investment in the islands is that of the Tobaccolera Co. It is a Spanish and French concern, and it has been there for many years. Then there are some very large American investments already made and being made in the islands.

Mr. GOULDEN. Will the present war in Europe require the calling in of much of those investments?

Mr. MILLER. I do not believe they can call them in, but there will be no further investment from those countries in the islands in the next few months. I do not know how it will be in the years to come. But I do believe it will be of the utmost benefit to the people of the islands to reduce the interest rate and provide them with capital.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. MILLER. Yes.

Mr. STAFFORD. I quite agree with the purpose which the gentleman had in mind in offering his amendment. I wish to ask him whether he has considered the clogging of the dockets of the Supreme Court with these cases, and whether it would not serve the same purpose to provide, as we do in cases from courts on the Canal Zone, for appeals to be taken to the circuit court of appeals?

Mr. MILLER. No; I do not believe that would do at all. I do not think we should make the Supreme Court of the Philippine Islands second to any court in the world excepting the Supreme Court of the United States; and I want to go on record as saying that the Supreme Court of the Philippine Islands is a magnificent court, and the native members of that court are men of the highest learning and of the utmost probity and capacity. [Applause.]

Mr. TOWNER. Mr. Chairman, will the gentleman yield?

Mr. MILLER. Certainly.

Mr. TOWNER. Is it not true that the Supreme Court of the Philippine Islands enjoys the unique distinction of never having had reversed a single appeal from it to the Supreme Court of the United States, but that all of its decisions have been affirmed?

Mr. MILLER. That is true.

Mr. JONES. If the gentleman will permit me, Mr. Chairman, I wish to say that the gentleman is mistaken.

Mr. TOWNER. Of the Supreme Court of the Philippine Islands as it is at present constituted?

Mr. JONES. Yes, sir. The gentleman is mistaken. I will say to him, however, that there have been 17 appeals under the present provision, which permits appeals where property to the value of $25,000 is involved, and there has been but 1 of the 17 cases reversed.

Mr. TOWNER. I think the gentleman is taking into consideration not the present supreme court, but the entire record of courts that have been formed in the Philippine Islands.

Mr. JONES. No. I mean the court as it has been established since the organic law went into effect.

Mr. MILLER. Mr. Chairman, referring to the suggestion made by the gentleman from Wisconsin [Mr. STAFFORD], in so far as his statement bears upon the congestion of business before our Supreme Court, the statement made by the gentleman from Virginia [Mr. JONES] really answers that completely. In a period of 12 years there have been 17 appeals under this clause. That is only about one a year. Now, it is not desired that there shall be many appeals. There will not be many. I suppose if this is retained in the bill in the next 12 years there will not be nearly as many as there were in the previous 12 years. There may not be more than one or two.

But that is not what I am asking for. I want it inserted in the bill, in the organic act that is to be enacted here, as a safeguard to prospective investors, so that money can be obtained on more advantageous terms for the upbuilding and development of the Philippine Islands.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired. The question is on agreeing to the amendment offered by the gentleman from Minnesota.

The question was taken, and the Chairman announced that the noes seemed to have it.

Mr. MILLER. Mr. Chairman, I ask for a division.

The CHAIRMAN. A division is called for.

The committee divided; and there were—ayes 12, noes 32.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 26. That the Government of the Philippine Islands may grant franchises and rights, including the authority to exercise the right of eminent domain, for the construction and operation of works of public utility and service, and may authorize said works to be constructed and maintained over and across the public property of the United States, including streets, highways, squares, and reservations, and over similar property of the government of said islands, and may adopt rules and regulations under which the provincial and municipal governments of the islands may grant the right to use and occupy such public property belonging to said Provinces or municipalities: *Provided*, That no private property shall be taken for any purpose under this section without just compensation paid or tendered therefor, and that such authority to take and occupy land shall not authorize the taking, use, or occupation of any land except such as is required for the actual necessary purposes for which the franchise is granted, and that no franchise or right shall be granted to any corporation except under the conditions that it shall be subject to amendment alteration, or repeal by the Congress of the United States, and that lands or rights of use and occupation of lands thus granted shall revert to the governments by which they were respectively granted upon the termination of the franchises and rights under which they were granted or upon their revocation or repeal. That all franchises or rights granted under this act shall forbid the issue of stock or bonds except in exchange for actual cash or for property at a fair valuation equal to the par value of the stock or bonds so issued; shall forbid the declaring of stock or bond dividends, and, in the case of public-service corporations, shall provide for the effective regulation of the charges thereof, for the official inspection and regulation of the books and accounts of such corporations, and for the payment of a reasonable percentage of gross earnings into the treasury of the Philippine Islands or of the Province or municipality within which such franchises are granted and exercised: *Provided further*, That it shall be unlawful for any corporation organized under this act, or for any person, company, or corporation receiving any grant, franchise, or concession from the government of said islands, to use, employ, or contract for the labor of persons claimed or alleged to be held in involuntary servitude; and any person, company, or corporation so violating the provisions of this act shall forfeit all charters, grants, or franchises for doing business in said islands in an action or proceeding brought for that purpose in any court of competent jurisdiction by any officer of the Philippine Government or on the complaint of any citizen of the Philippines under such regulations and rules as the Philippine Legislature shall prescribe, and in addition shall be deemed guilty of an offense, and shall be punished by a fine of not less than $10,000.

Mr. TOWNER. Mr. Chairman, I desire to offer the following amendment. I move to strike out, in line 20, page 23, the words "claimed or alleged to be."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

On page 23, line 20, strike out the words "claimed or alleged to be."

Mr. TOWNER. Mr. Chairman, I do not know how those words got into the bill. I suppose by inadvertence, but certainly they ought not to be there. The language is:

That it shall be unlawful for any corporation organized under this act, or for any person, company, or corporation receiving any grant, franchise, or concession from the government of said islands, to use, employ, or contract for the labor of persons claimed or alleged to be held in involuntary servitude.

There is no claim that such language ought to be in the bill on the part of the committee. The language will be entirely sufficient if those words are stricken out, so that it will read:

That it shall be unlawful for any corporation organized under this act, or for any person, company, or corporation receiving any grant, franchise, or concession from the government of said islands, to use, employ, or contract for the labor of persons held in involuntary servitude; and any person, company, or corporation—

I do not think, Mr. Chairman, it is necessary to say anything further in support of the amendment.

Mr. JONES. Mr. Chairman, I do not know that I have any objection to the amendment. I want to say, however, that the words were not inadvertently inserted in the bill, as the gentleman from Iowa seems to think. These words are copied, if I am not mistaken, verbatim from the organic law. I have no objection, however, to the elimination of the words.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The question was taken, and the amendment was agreed to.

Mr. BARTLETT. Mr. Chairman, I move to strike out the last word. I call attention to the proviso in line 15, page 22, which reads, "No private property shall be taken for any purpose under this section," which provides for the taking of property by public quasi corporations exercising the power of eminent domain, "without just compensation paid or tendered therefor."

I think, Mr. Chairman, we should amend this so as to read "taken or damaged." The Constitution of the United States uses the words, in the fifth amendment, "nor shall private property be taken for public use without just compensation." The taking of public property by a corporation exercising the power of eminent domain is a quasi taking for public use, but at the same time in the taking of that property for that use, now known and recognized as a public use, property is very often damaged, and the damage done to the property oftentimes is much more serious and greater than the value of the property so taken.

To illustrate: A railroad comes through your property and, exercising the power of eminent domain, it takes the roadway and pays a just compensation for it, ordinarily its market value. At the same time it may greatly damage the property that they do not take and use. It may run through your orchard or your flower yard; it may cut down a portion of the forest which has been there for years, which your ancestors have planted. They may even invade the place where your dead are buried. They may damage it in many ways, and simply to say that you permit the corporations to pay only for the property they take is not keeping up with the idea that the courts in most of the States of the United States, in considering the question, have decided that the owner of the property ought to be compensated for the damage done to it as well as the value of the property taken.

Mr. TOWNER. Has the gentleman an amendment to offer on that proposition?

Mr. BARTLETT. I have one; yes. I did not want to offer an amendment which would not be acceptable. My amendment is that after the word "taken," in line 15, page 22, insert the words "or damaged," so that it will read: "property shall not be taken or damaged for any purpose under this act without compensation," and so forth.

Mr. GARRETT of Tennessee. Then, it would read "no private property shall be taken or damaged for any purpose under this section."

Mr. BARTLETT. Without just compensation.

Mr. GARRETT of Tennessee. Shall be taken or damaged?

Mr. BARTLETT. Under this section.

Mr. GARRETT of Tennessee. Is it the construction of the gentleman that this is not broad enough to cover damages?

Mr. BARTLETT. Yes; it is doubtful whether, under this language, it would cover damages done to the property. I will state to the gentleman that in Georgia we placed in our constitution of 1877 to meet this very question the words proposed to be incorporated in this act.

Mr. BORLAND. Will the gentleman yield?

Mr. BARTLETT. Yes.

Mr. BORLAND. We have done the same thing in Missouri. We have inserted the same words because, under the theory that a railroad company has built along a street line its own roadway and prevents access between two portions of a man's land that formerly belonged to the owner, that is a damage; or it can raise a great fill, and only the toe of the fill going on the land with very little actual land taken, but doing very great damage. The same way if a cut was made, there would be a canyon or sunken way between the two portions of the land, and that is a great damage, but not strictly a taking.

Mr. TOWNER. Will the gentleman yield?

Mr. BORLAND. Yes.

Mr. JONES. Mr. Chairman, I suggest to the gentleman that it would be an improvement in the language and, I think, the sense of the amendment if it read this way: "No private property shall be damaged or taken for any purpose," and so forth.

Mr. BARTLETT. I am perfectly willing to accept that. I suggest, Mr. Chairman, that that modification be made.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent to modify his amendment. Is there objection?

There was no objection.

Mr. TOWNER. Mr Chairman, I trust that this amendment will be agreed to. While in most of the States where the question has arisen injury or damage is held to be included under the taking of the property, still there has been a great deal of litigation regarding that matter. This will settle it and make it plain and clear that if the value is materially impaired, if taken by the Government, it must be paid for.

Mr. JONES. The committee has no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. BARTLETT].

The Clerk read as follows:

Page 22, line 15, after the word "be," insert the words "damaged or."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Georgia.

The amendment was agreed to.

Mr. BARTLETT. Mr. Chairman, I move to strike out the last word for the purpose of calling the gentleman's attention

to another matter to which I have given some consideration. I refer to the language:

Without just compensation paid or tendered therefor.

I do not think that we should leave it in that shape. Ordinarily where the parties do not agree as to the damage or value to the property taken there is in the States or under the laws of the United States some sort of tribunal to assess the value of the property and the damages. We call them commissioners in our State. That tribunal is to judge the value of the property taken or damaged, and they fix the value. The amount so fixed, the law provides, may be tendered or paid into court, and then the corporation may proceed with its work; but here in this bill you permit the mere tender of an amount not ascertained or agreed upon by anyone except the person who desires to take the property. For instance, a railroad desires to go through the property of some owner of land in the Philippine Islands, and under this bill that railroad company will say, "I do not believe the land to be worth so many dollars, but I will tender you this amount." Who is to determine the value? The landowner declines to take what is tendered to him, but the mere tender of it gives the corporation all of the right that the payment for the property would give it. Therefore I do not think we should, after requiring that just compensation should be paid, which is proper under the Constitution of the United States, say that that requirement of just compensation may be met by a simple tender, without providing at least the means by which just compensation may be ascertained and determined.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. Yes.

Mr. FESS. I wanted to make the observation that simply offering, without any agreement as to what it is worth, would not be a tender, and you would have to have an adjudication in court.

Mr. BARTLETT. Doubtless that would be a proper construction, but you leave it for the corporation itself to determine what amount it will tender, and afterwards leave it to the court to determine whether that is a sufficient amount; but when he tenders the amount, it meets all of the requirements of the act, and they may take the property. The property can be taken in two ways—first, by paying just compensation; and if the owner does not agree that the compensation offered is just, then the corporation may tender what it considers is just, and that answers the requirement.

Mr. FESS. My observation was that if I simply offer you something without any adjudication as to what it is worth, that would not be a tender at all, and it would require an adjudication.

Mr. BARTLETT. You leave it uncertain how the amount is to be determined.

Mr. FESS. You can not do it with the wording as it is here.

Mr. BARTLETT. Exactly; that is the point I am making.

Mr. BORLAND. Does not the gentleman think that language is broad enough, however, for an organic act or a constitutional provision as a basis of legislative enactments? Does not the gentleman think that provision probably could be made for ascertaining just compensation and how the tender should be made and paid into court and in what period it should be paid? Does the gentleman think it is necessary that all of these details should appear in an organic act?

Mr. BARTLETT. No.

Mr. BORLAND. Where the provision of the organic act is that private property shall not be taken without just compensation, paid or tendered, that constitutional right can be further carried out by proper legislation, and until it is carried out the gentleman knows an injunction would lie against taking any property unless some proceeding had been taken.

Mr. BARTLETT. That may be a proper criticism, and I yield to it as such; but, for one, I do not believe the property ought to be taken until it is paid for. The mere tender is not a payment.

Mr. BORLAND. It is customary now to allow the amount to be paid into court in case the owner will not take the money.

Mr. BARTLETT. A tender is not good unless it is continuing, of course.

Mr. GARRETT of Tennessee. Mr. Chairman, I would say to the gentleman from Georgia that the theory just suggested by the gentleman from Missouri [Mr. BORLAND] is the theory on which this language was put into the bill. I will say that it struck me at first as peculiar language, but the committee included it upon this theory, that after just compensation had been determined under the forms of law there ought to be some provision whereby these public-utility corporations should not be held up on technicalities if they could go ahead with the work by tendering the money in court.

Mr. BARTLETT. Does not the gentleman think it leaves open a wide field there for litigation to determine what is to be a tender?

Mr. GARRETT of Tennessee. My idea of the proper construction of this language, I will say to the gentleman, is this, that the just compensation must be determined under the forms of law before it can be either paid or tendered. In other words, if they have condemnation proceedings, a jury of view, such as we have in Tennessee—I do not know what the custom is in the gentleman's State——

Mr. BARTLETT. We have what we call commissioners.

Mr. GARRETT of Tennessee. They will have passed upon it or fixed the amount before it can be paid or tendered, unless there shall be a private agreement. Of course the theory is that these public corporations are desirable things to have.

Mr. BARTLETT. Until after you get them; yes. [Laughter.]

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. GARRETT of Tennessee. Mr. Chairman, I ask for recognition.

The CHAIRMAN. The gentleman is recognized.

Mr. GARRETT of Tennessee. Upon the theory that they are necessary, that they are public necessities, the committee felt that it was perfectly proper to put these words, "or tendered therefor," in the bill, to the end that they might not be held on technicalities after the just compensation had been determined.

Mr. GORDON. Mr. Chairman, will the gentleman yield?

Mr. GARRETT of Tennessee. I yield to the gentleman from Ohio.

Mr. GORDON. The statute in my State provides, in case it is sought to condemn property after a jury has fixed the value upon it in the lower court, that the person seeking to condemn the property deposits the amount fixed by the jury; but that does not, however, destroy the right to review the decision on proceedings in error.

Mr. GARRETT of Tennessee. It is not intended this should.

Mr. GORDON. Of course our constitution provides, however, that no private property can be taken until it has been paid for.

Mr. GARRETT of Tennessee. Well, I do not understand it is intended that this prevents a review.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. GARRETT of Tennessee. I will.

Mr. COOPER. Suppose, after the word "compensation," in lines 16 and 17, page 22, you should put "without just compensation lawfully determined, paid or tendered therefor." Suppose you put in the words "first lawfully determined" or "by due process of law"?

Mr. GARRETT of Tennessee. Personally, I see no objection to that.

Mr. COOPER. "Lawfully determined" means in accordance with law, and is a better expression.

Mr. TOWNER. Mr. Chairman, I desire to offer an amendment in reference to that language.

Mr. GARRETT of Tennessee. First, I desire to yield to the gentleman from Kentucky [Mr. HELM].

Mr. HELM. Mr. Chairman, I simply want to make this observation, or rather to put it in the shape of a question: If the words "or tendered" are eliminated and the language is "just compensation paid," payment necessarily implies acceptance; and if the person whose property is to be taken is paid or accepts compensation, he thereby estops himself from an appeal, no matter how unjust or inadequate he may think the compensation is that the jury or the awarding body has allowed him. So that it is absolutely necessary to have those words "or tendered" in there in order to preserve the rights of the owner of the property, or else you indefinitely delay or postpone the enterprise for which the property is being taken.

Mr. GARRETT of Tennessee. That is the theory, as the gentleman knows and has well stated, upon which the committee proceeded.

Mr. JONES. Mr. Chairman, I do not understand there is any amendment pending.

Mr. TOWNER. Mr. Chairman, I know; but I desire to offer an amendment, if I can get the chance. I move to strike out, in line 17, page 22, the words "paid or tendered therefor."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, page 22, line 17, by striking out the words "paid or tendered therefor."

Mr. TOWNER. Mr. Chairman, this brings the language of the bill in consonance, as it ought to be, with the language used in the Constitution of the United States and in most of the

States. The language used in the Constitution of the United States is simply this:

Nor shall private property be taken for public use without just compensation.

That language has been construed by the Supreme Court. It has a settled and determined meaning. It has been held to include injuries and damages in the taking of the property, and it would allow every possible benefit that could accrue to the individual that any additional words could give. The difficulty with this language, which has been used in some of the State constitutions, "paid or tendered therefor," is that it is entirely unnecessary. It is meaningless, in the first place, because if the compensation has been paid there is no controversy between the parties. If the United States pays the compensation, there is no question arising, and if the amount is undetermined, it can not be tendered, so that the language is impossible of being made efficacious. It ought to be stricken out in the interest of fairness and in the interest of the people who are being affected thereby.

Mr. STEENERSON. Is it not the usual thing in State constitutions to say "paid or secured"? Because if you simply authorize the taking, without any limitation, you can hold up the building of a railroad, for instance, by litigation that may last for years. In our State we allow a railroad or an improvement of that kind to be constructed if the compensation for the right of way, for instance, is deposited with the clerk of the court where the condemnation proceedings are carried on, so that it will not stop the matter.

Mr. TOWNER. All these matters are and ought to be entirely legislative. Provisions of that character ought to be legislative acts. You can not put in a constitution enough language to cover it. You ought to put in nothing except this bare statement that no property shall be taken without just compensation, just as the Constitution of the United States does. It is impossible to improve upon it, and the provision with regard to the method of paying the ascertained value, the tribunal to which it shall be submitted, and the security that shall be required for the amount ascertained by the tribunal—all of those questions are questions of legislative action, and should be left to the legislature.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The question was taken, and the amendment was agreed to.

[Mr. GREENE of Massachusetts addressed the committee. See Appendix.]

Mr. HELM. Mr. Chairman, I want to ask the chairman of the committee if he would agree to an amendment striking out the words "or concession," on page 23, line 18?

Mr. JONES. Yes.

Mr. HELM. I offer an amendment, on page 23, line 18, by striking out the comma after the word "grant" and inserting the word "or," and strike out the words "or concession."

The CHAIRMAN. The gentleman from Kentucky offers an amendment which the Clerk will report.

The Clerk read as follows:

Page 23, line 18, strike out the comma after the word "grant" and insert the word "or," and strike out the words "or concession" after the word "franchise."

So that it will read:

Person, company, or corporation receiving any grant or franchise from the government of said islands.

Mr. MILLER. Mr. Chairman, will the gentleman yield? The gentleman understands that this provision just applies simply to persons held in involuntary servitude or peonage?

Mr. BORLAND. Is there such a thing as concession?

Mr. MILLER. This is the language, I assume, in the organic act, is it not?

Mr. GARRETT of Tennessee. I think the word "concession" was used, but it was stricken out in this bill.

Mr. MILLER. Of course, the place where the gentleman moves to strike out the word "concession" is a place that is dealing with peonage in the islands.

Mr. HELM. It is a word that has been eliminated from other parts of the bill.

Mr. MILLER. It is to prevent anybody who is receiving a franchise or concession from employing persons who are held against their will.

Mr. JONES. I will say to the gentleman from Kentucky that he is limiting it.

Mr. MILLER. Yes; the gentleman is excluding one class, and the presumption would be——

Mr. JONES. The gentleman from Minnesota is right about it.

Mr. HELM. Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MILLER. Mr. Chairman, may I be recognized?

The CHAIRMAN. The gentleman from Minnesota is recognized.

Mr. MILLER. Mr. Chairman, I move to strike out the word "such," in line 14, page 22. It seems to me that leaves a great deal of ambiguity in the language. This is the provision in relation to public property.

Now, as it reads, there is given the authority to authorize the construction of works "across the public property of the United States, including streets, highways, squares, and reservations, and over similar property of the government of said islands, and may adopt rules and regulations under which the provincial and municipal governments of the islands may grant the right to use and occupy such public property belonging to said Provinces or municipalities." Now, if this remains in the bill you have given to the government of the Philippine Islands the power to extend the power of eminent domain over the property of the United States, streets, highways, squares, and reservations belonging to the government, and then you say you give to the municipalities, under regulations to be passed by the legislature, the right to use and occupy such public property. Now, the word "such" there applies to the property of the United States. That is what it says now.

Why not strike out the word "such"? You thereby attain the object you have in view. The word "such" refers back to all the classes of public property, which includes the property of the United States, and by striking it out it will read, "may adopt rules and regulations under which the provincial and municipal governments of the islands may grant the right to use and occupy public property belonging to said Provinces or municipalities." It would clear it up very materially.

Mr. JONES. I see no objection, Mr. Chairman, to the adoption of the language proposed by the gentleman from Minnesota, but if he will look at the organic act he will find that this language is copied verbatim from that act.

Mr. COOPER. Mr. Chairman, will the gentleman permit an interruption?

Mr. MILLER. Yes.

Mr. COOPER. The use of the word "such" would, as the gentleman suggests, limit it to the kinds of public property specified in the section. If you strike out the word "such," it would authorize those municipalities to permit these corporations to use all kinds of public property owned by the municipalities. Do you wish to do that? Do you not wish to limit them to the specific kinds of property owned by the municipalities which are mentioned in the preceding lines of that section? Is not the word "such" used there advisedly? You go over and cross the public property, including streets, highways, squares, and reservations, and over similar property in the islands. But it would not give the municipality the right, if you retained the word "such," to convey to a corporation the right to use an entire public square. They could go across it. I think the word "such" ought to be retained there. I do not think the word "such" ought to be stricken out.

Mr. JONES. Mr. Chairman, since reading the language carefully, I rather agree with the gentleman from Wisconsin [Mr. COOPER]. At least he has convinced me that the word "such" ought to be retained. The gentleman from Minnesota [Mr. MILLER] will observe that the language used is this:

That the Government of the Philippine Islands may grant franchises and rights, including the authority to exercise the right of eminent domain, for the construction and operation of works of public utility and service, and may authorize said works to be constructed and maintained over and across the public property of the United States, including streets, highways, squares, and reservations, and over similar property of the government of said islands.

Notice the words, "similar property of the government of said islands." Then the provision continues—

And may adopt rules and regulations under which the provincial and municipal governments of the islands may grant the right to use and occupy such public property belonging to said Provinces or municipalities.

The word "such" evidently refers to the property belonging to the government of the islands, and I think upon further consideration it would be improper to strike it out.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. MILLER. Mr. Chairman, has my time expired?

The CHAIRMAN. It has.

Mr. MILLER. I would like one moment more.

Mr. JONES. Does not the gentleman from Minnesota think, after examining the language carefully, that the word "such" should be retained? I agreed with the gentleman at first, but

a more careful reading of the paragraph convinces me he was mistaken in his construction of its language.

Mr. MILLER. Since the gentleman from Wisconsin [Mr COOPER] has called attention to it, I think his comment is a forcible one, but that does not answer the objection made, namely, that the word "such" refers principally to property of the United States. We will grant that there is property of the United States "belonging to said Provinces or municipalities."

Mr. JONES. To make it perfectly clear as to what property is meant, these words are added:

Such property belonging to said Provinces or municipalities.

Taking the two sentences together, there can be no doubt that the property of the islands is that referred to.

Mr. MILLER. It is extremely doubtful language.

Mr. JONES. Since I have read it over carefully, it seems to me it could not be made much plainer.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

Mr. BRYAN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Washington [Mr. BRYAN] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 23, line 15, after the word "exercised," strike out the colon and insert a semicolon and the following language: "No franchise shall be granted for a longer term than 50 years."

Mr. BRYAN. Mr. Chairman, the way the act is worded there is no limitation of the term for which the franchise may be granted. Franchises may be granted with reference to any public utility in perpetuity under this bill, and I believe that in view of the experiences we have had here in our cities, our municipalities, our States, and in the country at large we ought to be very glad to establish some safeguard that would limit the term for which a franchise might be granted.

A perpetual franchise runs for a long time, and it seems to me this is one of the most important features in connection with the granting of franchises, how long will they run? We had the other day the question of water power in rivers and on the public domain, and we agreed on a franchise of 50 years there. It seems to me there ought to be some time limited in this bill.

Mr. BORLAND. Will the gentleman yield?

Mr. BRYAN. Yes.

Mr. BORLAND. Is not the gentleman's fear unfounded, in view of the language in lines 21, 22, and 23 that "no franchise or right shall be granted to any corporation except under the conditions that it shall be subject to amendment, alteration, or repeal by the Congress of the United States"?

Mr. BRYAN. If we give them their independence, suppose a franchise is granted in perpetuity after this law takes effect. Five years from now the Democrats will prevail on the Republicans or somebody else to give them their independence, which they say ought to be given them in this preamble; how will Congress revoke that franchise?

Mr. BORLAND. If they have their independence, they will succeed to the sovereignty and exercise all of the right of sovereignty, and could not they repeal the charter?

Mr. BRYAN. Perhaps so; but that is unsatisfactory. The United States is going to keep the Philippine Islands until all of us are dead; there is no question about that. Congress is going to have this authority and power for a very long time. No one is going to consent to the ridiculous proposition of quitting the Pacific Ocean. The suggestion that Congress has the right to repeal is inadequate, and I think the franchise ought to be limited. Does anyone here suppose Congress is going to take up a Philippine franchise after it has been running for a number of years and repeal it, except for the grossest and most unusual abuse? Let us fix a limit.

Mr. JONES. Mr. Chairman, I think the questions asked by the gentleman from Missouri sufficiently answer the argument of the gentleman from Washington.

Mr. COOPER. Will the gentleman permit a question?

Mr JONES. Certainly.

Mr. COOPER. Suppose that a large number of franchises are granted over there in perpetuity by the Philippine Legislature. The Sugar Trust now has 55,000 acres of land in Mindoro. It was not intended by Congress that any corporation should have the right to purchase more than 2,500 acres of agricultural land in the islands, which, acre for acre, is three times as productive as ours. But that company has 55,000 acres. If we give the Philippine Government power to grant perpetual franchises, how many corporations will secure gigantic concessions, and when the Government of the United States undertakes to hand over the Philippines—should it ever do so—demand that their rights be protected by express provisions in the articles of cession?

Mr. JONES. The gentleman asks a question which I do not think has any application to the subject under discussion. The sale of those lands was not the grant of a franchise. It was a sale made by the Philippine Government under a section of the organic law which provides for the sale of the public lands, and limits the amount to be sold to an individual or corporation. The commission decided that the restrictions placed upon the sales of the public domain acquired from Spain did not apply to the friar lands which were acquired by purchase, and authorized the sale of those lands in quantities in excess of 1,040 hectares. The gentleman from Wisconsin thought, and I thoroughly agreed with him, that the commission violated the law in making such sales. But I do not think that there is any connection between those illegal sales and a provision which relates to the granting of franchises.

Mr. COOPER. No; but corporations of that kind might be able to get all sorts of concessions and franchises.

Mr. JONES. If they do get them, Congress can annul them; and if Congress does not do it before the Philippines get their independence, as the gentleman from Missouri has well said, the Philippine Government will succeed to all the attributes of the sovereignty of the United States, including the right to annul franchises.

Mr. COOPER. The gentleman from Virginia and I agree on the proposition that the sale of 55,000 acres of land to the Sugar Trust, or to any other single purchaser, was in direct violation of the whole spirit and intent of Congress and of the law. To prove that our contention is correct I refer to the fact that the Secretary of War, Mr. Taft, in a speech, in 1905, before the Commercial Club of Kansas City, an excerpt from which speech I put into the RECORD in July, 1912, expressly informed that club—I have a verbatim printed copy of the speech—that Congress had by the act of 1902 limited the amount of lands which any corporation could own over there to 2,500 acres, and that therefore there was no danger of exploitation by gigantic corporations. And yet afterwards 55,000 acres of land were sold to the agent of one corporation—the American Sugar Trust.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOPER. They were first refused the right to buy so large a tract, and were told at the War Department, in the office of the Bureau of Insular Affairs, that Congress had by the act of 1902 prohibited any corporation from buying more than 2,500 acres.

Mr. MILLER. Was the prohibition in the act of 1902 confined to the public domain?

Mr. COOPER. It was not by any reasonable construction of the law.

Mr. MILLER. Can the gentleman point out in the organic act any place where it says that the friar lands only to the extent of that amount of acreage could be sold to one individual or corporation?

Mr. COOPER. Mr. Chairman, in reply to the gentleman I have to say that I introduced the bill and reported it to the House from the Committee on Insular Affairs, and that I always understood, as did everybody else, that the bill and the law it became applied to all of the public lands in the Philippine Archipelago. It is preposterous to suppose that the Congress of the United States intended to give to any single corporation or individual the right to buy 55 000 acres of those enormously productive lands. To say that Congress intended to allow such a thing is to say that Congress intended to put no restriction whatever on the amount of land that a corporation could buy, but deliberately permit any corporation, if it so desired, to buy all of the public lands in the islands.

Mr. JONES. Mr. Chairman, will the gentleman yield?

Mr. COOPER. Yes.

Mr. JONES. I wish to say in reply to the remark of the gentleman from Minnesota [Mr. MILLER] that I regret that this discussion has been entered upon.

Mr. MILLER. I did not enter upon it.

Mr. JONES. The gentleman asked the gentleman from Wisconsin if he could point to a single line of the organic law which forbids the sale of friar lands in excess of 1,040 hectares, and I desire to call his attention to this. If he will refer to sections 63, 64, and 65 of the organic law, under which these friar lands were purchased, and will examine section 65, he will find this language:

All lands acquired by virtue of the preceding section shall constitute a part and portion of the public property of the Government of the Philippine Islands, and may be held, sold or conveyed, or leased temporarily for a period not exceeding three years after their acquisition by

said Government, on such terms and conditions as it may prescribe, subject to the limitations and conditions provided for in this act.

This is the provision of law which the gentleman from Wisconsin [Mr. COOPER] thinks forbids the sale of the friar lands in larger quantities than the lands acquired from Spain can be sold.

Mr. MILLER. Can the gentleman from Virginia inform the committee whether or not the Attorney General of the United States construed this paragraph; and if he did, what did he hold?

Mr. JONES. I will reply to the gentleman's question if he will give me his attention.

Mr. MILLER. I am listening.

Mr. JONES. The then Attorney General did give an opinion—a very brief and hastily prepared one—to the effect that there was no limitation upon the quantity of the friar lands which could be disposed of. Subsequently there was a congressional investigation as to these sales when this opinion was called in question. I was told then that the Attorney General said that if he had known the question was "loaded" he would have given the subject more careful consideration. At any rate, it bore intrinsic evidence of hasty preparation, and was never, I think, given any serious consideration by any good lawyer.

Mr. COOPER. Mr. Chairman, may I interrupt the gentleman to say that in that opinion, or in an article in a newspaper or magazine, the Attorney General took occasion to say, in effect, that manifestly it was the intent of Congress to authorize such a transaction as that 55,000-acre purchase. I was the chairman of the committee that reported the bill, and I know that he utterly misstated the intent of Congress.

Mr. JONES. May I not ask the gentleman another question?

Mr. MILLER. Mr. Chairman, may I inquire who has the floor?

The CHAIRMAN. The time of the gentleman has expired.

Mr. JONES. Mr. Chairman, I ask unanimous consent that the gentleman have two minutes more.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that the gentleman from Wisconsin have two minutes more. Is there objection?

Mr. MILLER. Mr. Chairman, reserving the right to object, I certainly do not want to enter into any controversy over this question. It has no bearing on the bill.

Mr. JONES. I do not think it has either; but it has nevertheless been dragged in.

Mr. MILLER. I have not raised the subject, and it seems to me that if we are going into it we ought to go into it thoroughly. There is a great deal that can be said upon both sides, and it is not fair to have this continue on indefinitely with only one side presented, and yet I do not feel disposed, and I do not think anybody else does, to enter into a discussion of it.

Mr. COOPER. Mr. Chairman, I ask that I may have two minutes and that the gentleman from Minnesota may have five minutes.

Mr. MILLER. I do not care for any time, because I am not going to get into any controversy over the matter.

Mr. JONES. I would like to ask the gentleman one question before he proceeds, if he does not object——

Mr. COOPER. I think I would like about three minutes. I want to read what Secretary Taft said.

Mr. MILLER. The gentleman can put it in the RECORD.

Mr. COOPER. I would like to read it here, because I think it of great importance at this point.

Mr. MILLER. I think its presentation in the way it is being done is not fair.

Mr. COOPER. I will ask the gentleman from Minnesota who inquired if a word could be cited to show the intent of Congress was——

Mr. MILLER. I have no——

Mr. COOPER. I wish to put it in in such a way that it will not permit even the gentleman from Minnesota to dispute as to the true intent of the law.

Mr. MILLER. I am not disputing it. I am not entering into any controversy about it.

Mr. COOPER. Mr. Chairman, I ask that I may have three minutes.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to proceed for three minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. JONES. Mr. Chairman, may I ask the gentleman a question? Is it not true that, notwithstanding the opinion of the Attorney General, to which reference has been made, the Taft administration directed that no more friar lands should be sold in quantities in excess of 2,500 acres, or 1,040 hectares? That is a fact, and none has been sold since then in larger quantities.

Mr. COOPER. On November 20, 1905, three years after Congress enacted the organic act of 1902, Mr. Secretary of War Taft made a speech to the Commercial Club of Kansas City, Mo. I had an advance press copy of that speech, and will now read what the Secretary said on that occasion as to the law limiting the amount of land which could be sold to a corporation in the Philippine Islands:

> Gentlemen of the Commercial Club of Kansas City, we have purchased from the ecclesiastical orders 400,000 acres of the best land in the islands for the purpose of distributing it in small parcels among the tenants, to be paid for in long and easy payments.

Of course, tenants did not occupy all that land, as he well knew. Now, Mr. Chairman, is it to be supposed that the man who made that statement had a secret belief which he deliberately concealed from his audience, that 55,000 acres of those lands could lawfully be sold to one person or, indeed, that the whole 242,000 vacant acres could be lumped off to one man?

But that distinguished gentleman said something else of great importance in that speech which shows conclusively what he thought Congress had done by the law of 1902:

> Much is made of the probable investment of American capital in sugar and sugar machinery. In the first place, by the laws of the Philippines enacted by Congress, no corporation can take up or hold more than 2,500 acres of land. This is prohibitory, so far as new investments in sugar plantations are concerned, because the sugar that can be produced from such a tract would not justify the investment of the amount needed for a modern sugar plant.

Mr. Secretary Taft told the Commercial Club of Kansas City that Congress had made exploitation impossible, because the law of 1902, by express enactment, limited the amount of land which could be purchased by a corporation in the Philippines to 2,500 acres.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOPER. Nobody ever thought of a 55,000-acre purchase until the Attorney General said that the representative of the Havemeyer Sugar Trust should be allowed to purchase 55,000 acres, and he bought it. [Applause.]

Mr. MILLER. Mr. Chairman, I ask unanimous consent that I may have three minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota? [After a pause.] The Chair hears none.

Mr. MILLER. Mr. Chairman, I am not going to enter into any controversy over this matter. I think the injection of this item at this time by the gentleman from Wisconsin was very ill advised. It is something that should not occupy the time of this committee at this moment, but he has injected it, and, without any desire to enter into a full discussion of it, I think it is only fair to these people to say something. I am reliably informed—and when I say reliably I mean it—that it is the intention of the parties who acquired this land to dispose of it in a great many small quantities to the Filipino people for them to own, occupy, and enjoy. And I ask the gentleman from the Philippines [Señor QUEZON] if that statement is not correct?

Mr. QUEZON. Mr. Chairman, I can say to the committee that I have the same assurance.

Mr. MILLER. So that this institution, which has thus been maligned, as a matter of fact has developed or is developing a large area of wild country in a region where wild people live—the Mangyans—and anybody who knows about this wild people knows the extent of their wildness. This company has already brought 4,000 good Christian Filipino people there, are giving them homes, and they are in process, after having developed and cultivated the land, of selling it and disposing of it as permanent homes for these people. The only benefit that will result to the business association is that the sugar that will be grown upon these lands will be crushed in the mill there to be constructed.

Mr. Chairman, there has been a lot of loose talk about this company and this estate. Doubtless the talk is sincere, but it is grossly mistaken. The facts assumed are erroneous; the conclusions drawn are therefore incorrect. I know whereof I speak when I say that if the gentleman will introduce a resolution providing for the return of this whole estate and all the improvements made thereon, and repaying the company all they have invested in the estate, that company will beg and pray for the passage of the resolution.

Mindoro, where this company is developing these wild lands, has long been known as the white man's grave and the brown man's tomb. Those miasmic areas are filled with malaria of a deadly kind. It has baffled medicine. This company which the gentleman condemns has expended $100,000 in medical research and has found a means to combat the pestilence. Their contribution to humanity has been great and immediate.

They have constructed a splendid deep-water dock which any boat can use. They are transforming these thousands of acres of cogon grass and jungle into wonderfully fertile and productive areas. They are preparing to sell this to individual Filipinos for them always to enjoy.

The gentleman greatly mistakes the Filipino opinion of this company. The commission, now composed of a majority of Filipinos, recently voted, at the request of a Filipino member, a very substantial governmental aid to the company, it having reached severe financial straits.

Before making such accusations and insinuations, the gentleman should advise himself of the facts.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washingon [Mr. BRYAN].

Mr. BRYAN. Had we not better have that reported? Perhaps the gentlemen do not know that we are voting on the limitation of a term of franchise.

The CHAIRMAN. The Clerk will again report the amendment.

The amendment was again reported.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. BRYAN. I ask for a division, Mr. Chairman.

The committee divided; and there were—ayes 13, noes 20.

So the amendment was rejected.

Mr. BRYAN. Mr. Chairman, I offer another amendment, that instead of the words "50 years" the words "in perpetuity" be inserted, so that it will read "that no franchise shall be granted in perpetuity." See if we can not cut out perpetual franchise in a Democratic House.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 23, line 15, after the word "exercised," strike out the colon and insert a semicolon and the following language: "No franchise shall be granted in perpetuity."

Mr. COOPER. Mr. Chairman, to say that no franchise shall be granted in perpetuity would not be very much of a limitation, because under those words "in perpetuity" a lease could be made for 999 years, and that is considerable of a while. It is not "in perpetuity," but it is a long time.

Mr. BRYAN. If the gentleman will yield. I will say that I was trying to establish a time limit that will suit a Democratic majority here. I was trying to get 50 years adopted. If somebody will amend and make it 100 years, that will be an improvement on my last amendment, and I will support the change. But I submit that if we can prevent the rights of the people being given away in the form of perpetual franchises we will accomplish something. The very fact that the legislature will have to fix a definite term will put them on their guard. To give a light company or a water company or a gas company a perpetual franchise is a crime against the living and against the generations yet to come.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. BRYAN].

The question was taken, and the Chairman announced that the noes seemed to have it.

Mr. BRYAN. Mr. Chairman, I ask for a division.

The committee divided; and there were—ayes 14, noes 24.

So the amendment was rejected.

Mr. BRYAN. Mr. Chairman, I offer a new section to come right in there.

The CHAIRMAN. The gentleman from Washington offers a new section, which the Clerk will report.

The Clerk read as follows:

Insert as a new section, 26a, the following:

"The sale, manufacture for sale, transportation for sale, importation for sale, and exportation for sale of intoxicating liquors for beverage purposes in the Philippine Islands and all territory subject to the jurisdiction thereof are forever prohibited. The Philippine Legislature shall have power to provide for the manufacture, sale, importation, and transportation of intoxicating liquors for sacramental, medicinal, mechanical, pharmaceutical, or scientific purposes, or for use in the arts, and shall have power to enforce this article by all needful legislation."

Mr. STAFFORD. Mr. Chairman, I make a point of order that the amendment is not germane to the section under consideration.

Mr. BRYAN. I will state to the gentleman——

Mr. STAFFORD. Permit me, if the gentleman please——

Mr. BRYAN. I was going to tell you it was a new section.

Mr. STAFFORD. Will the gentleman permit me?

Mr. BRYAN. Will the gentleman yield?

Mr. STAFFORD. I will not. I make the point of order that the provision restricting the legislation was a prior section, and it should have been inserted there, where it might have been in order. It certainly is not in order at this place, which relates to franchises and not to the limitation of the legislature.

Mr. BRYAN. Mr. Chairman, there is likely to be quite a discussion on this point of order unless the Chair is ready to rule at once, and I therefore make the point that there is not a quorum present.

Mr. MILLER. Oh, no. I trust the gentleman will not do that.

Mr. BRYAN. I think this ought to go over for a day or two.

The CHAIRMAN. The Chair is ready to rule.

Mr. BRYAN. I was going to make the point after the Chair had ruled, anyway.

Mr. MILLER. There is another amendment to the paragraph that I want the Resident Commissioner from the Philippines to speak upon, as the gentleman wishes to leave to-night.

Mr. BRYAN. Mr. Chairman, I ask unanimous consent that this amendment I have just offered shall go over until our next convening.

Mr. MILLER. Withdraw it until after the reading and consideration of the next paragraph. I ask unanimous consent, Mr. Chairman, that the consideration of the amendment offered by the gentleman from Washington [Mr. BRYAN] be postponed until after we have completed the consideration of section 27.

The CHAIRMAN. The gentleman from Minnesota [Mr. MILLER] asks unanimous consent that the consideration of the amendment offered by the gentleman from Washington [Mr. BRYAN] shall be deferred until the conclusion of the reading of section 27. Is there objection?

Mr. MOORE. Reserving the right to object, Mr. Chairman, I would like to know if it is the intention of the chairman of the committee to complete the reading of this bill to-night?

Mr. JONES. I did not catch the gentleman's inquiry.

Mr. MOORE. I have reserved the right to object in order that I might ask the gentleman from Virginia [Mr. JONES] whether he intends to press for the reading of the bill to a finality to-night?

Mr. JONES. No. I would like to have the Clerk read through the governmental provisions. We are now nearly through them. The preamble will take some time to discuss, and gentlemen will want time, and I shall not press it.

Mr. MOORE. We can go on with the consideration of the bill to-morrow?

Mr. JONES. Yes.

Mr. BRYAN. Mr. Chairman, I make the point of order that there is no quorum present. The gentleman would not agree to my unanimous-consent request.

Mr. JONES. What was it?

Mr. BRYAN. I asked unanimous consent that the further consideration of this amendment go over until the next time this committee meets.

Mr. MILLER. I thought I was making just exactly the request that the gentleman wanted.

Mr. BRYAN. I ask that the request be submitted. Mr. Chairman, that the further consideration of the amendment that I have offered go over until this committee meets again—to-morrow or next day.

Mr. JONES. The gentleman might state it this way and accomplish his purpose—to go over until we have completed the reading of the governmental provisions of the bill.

Mr. BRYAN. We are not going to complete the bill to-day?

Mr. JONES. No.

The CHAIRMAN. The gentleman from Washington asks unanimous consent that the consideration of his amendment go over until the next day when this bill is considered——

Mr. STAFFORD. With the point of order pending?

The CHAIRMAN. Yes. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

That, except as in this act otherwise provided, the salaries of all the officials of the Philippines not appointed by the President, including deputies assistants, and other help, shall be such and be so paid out of the revenues of the Philippines as shall from time to time be determined by the Philippine Legislature and approved by the Governor General; and if the legislature shall fail to make an appropriation for such salaries, the salaries so fixed shall be paid without the necessity of further appropriations therefor. The salaries of all officers and all expenses of the offices of the various officials of the Philippines appointed as herein provided by the President shall also be paid out of the revenues of the Philippines. The annual salaries of the following-named officials appointed by the President and so to be paid shall be: The Governor General, $18,000; in addition thereto he shall be entitled to the occupancy of the buildings heretofore used by the chief executive of the Philippines, with the furniture and effects therein, free of rental; chief justice of the supreme court, $10,500; associate justices of the supreme court, $10,000 each.

Mr. MILLER. Mr. Chairman, I move to strike out, in line 20, page 24, the figures "$18,000" and substitute in lieu thereof

the figures "$25,000." I would like to be heard, Mr. Chairman, for just a moment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Minnesota [Mr. MILLER].

The Clerk read as follows:

Page 24, line 20, strike out the figures "$18,000" and insert in lieu thereof the figures "$25,000."

Mr. MILLER. Now, Mr. Chairman, unless this amendment is adopted, or one substantially increasing the amount named in the bill, the Governor Generalship in the Philippine Islands must in future go to a rich man.

It is unquestioned that $18,000 will not pay the expenses of the Governor General of the Philippine Islands. I assume, and I believe I assume correctly, that the membership of the committee want to respond to the wishes of the Filipino people as far as possible, especially in a matter where Filipino people are going to pay the bill. Now, if the Filipino people desire that their Governor General shall have a salary of $25,000, which they themselves pay, in order that he may occupy the position required by the importance of his office, it seems to me we ought to grant their request.

Mr. QUEZON. Mr. Chairman, will the gentleman yield right there?

Mr. MILLER. Certainly.

Mr. QUEZON. I would like to make the statement, Mr. Chairman, in connection with what the gentleman from Minnesota is saying, that the Philippine Assembly, at the last session of the Philippine Legislature, while it tried to reduce, and did reduce, the salary of almost every high-salaried official of the Philippine Government, it did not wish to reduce the salary of the Governor General. In fact, there were some members who thought it should be increased to $25,000, because the people of the Philippine Islands realize the heavy burdens of the position. I have just received a cablegram from the speaker of the assembly making some suggestions regarding this bill, and one of these suggestions is in line with the amendment of the gentleman from Minnesota.

Mr. MILLER. That is a cablegram from the speaker of the assembly to the effect that the Filipinos would like to have this salary increased to $25,000?

Mr. QUEZON. Yes, sir.

Mr. MILLER. Gentlemen, it is of the utmost importance, I think, that this amount be increased as requested by the people of the Philippines. The Governor General is to occupy the Malacanan Palace, left by the Spanish Government. He can not occupy it in a decent way on the sum named here. Now, the Filipino people desire that he occupy a place commensurate with the dignity of his office, and they are glad and willing to pay this amount, and they ask Congress to increase it.

Mr. QUEZON. Mr. Chairman, will the gentleman allow me to make a further statement?

Mr. MILLER. Yes.

Mr. QUEZON. I would like to say that the salary of the Governor General has been reduced by the legislature at the insistence of Gov. Harrison himself.

Mr. MILLER. Yes. The Governor General thought that inasmuch as other salaries were being reduced, he would reduce his own. Now, we all know that the salary of the Governor General is not of prime importance to him for he is a wealthy man.

Mr. STAFFORD. What is the present salary?

Mr. MILLER. Eighteen thousand dollars. Heretofore it was $21,000.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. MILLER. Yes.

Mr. GARRETT of Tennessee. Would it be satisfactory, instead of adopting an arbitrary sum, to insert a provision that it shall not be less than the following sum, so as to leave the amounts as they stand in the bill and still leave it to the Philippine Legislature?

Mr. MILLER. I do not think that change would make any difference. They can do that now.

Mr. GARRETT of Tennessee. I do not think they could under the terms of this bill for we fix it arbitrarily. If the gentleman would accept that proposition, I think we could compromise the matter.

Mr. MILLER. Well, I would be willing to accept that.

Mr. MOORE. Mr. Chairman, I make the point of order that no quorum is present.

Mr. QUEZON. I wish the gentleman would withhold that long enough for me to address the committee for a few minutes.

Mr. MOORE. Very well, Mr. Chairman; I will withdraw it for the present.

[Mr. QUEZON addressed the committee. See Appendix.]

Mr. MOORE. Mr. Chairman, I make the point of order that there is no quorum present.

Mr. JONES. Mr. Chairman, will not the gentleman be willing to withhold his point until we can dispose with this amendment? I will say to the gentleman that these other gentlemen have agreed among themselves, and there will be no discussion of it.

Mr. MOORE. Mr. Chairman, I will say to the gentleman that there are other amendments to be offered and it would take at least an hour to finish this paragraph, if we open it up again, and we will be no better off than we were 10 minutes ago. I insist upon the point of order.

Mr. JONES. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. ADAIR, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 18459 and had come to no resolution thereon.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. HOWELL, indefinitely, on account of sickness in his family.

To Mr. WATSON, indefinitely, on account of sickness in his family.

FREDERICK H. LEMLY.

Mr. STEDMAN. Mr. Speaker, I ask unanimous consent to take up for present consideration the bill (S. 3561) to appoint Frederick H. Lemly a passed assistant paymaster on the active list of the United States Navy.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, it is rather late in the day to consider that kind of a bill. The gentleman can bring it up to-morrow or the next day.

Mr. STEDMAN. It is a case of extraordinary merit.

Mr. STAFFORD. I would first have to examine the bill before I could give my consent to it, and I can not do it at this late hour. I hope the gentleman will withdraw his request and submit it to-morrow or next day.

Mr. STEDMAN. Mr. Speaker, I withdraw the request.

CALENDAR WEDNESDAY.

Mr. GARRETT of Tennessee. Mr. Speaker, I ask unanimous consent that business in order to-morrow under the rule shall be in order on Thursday.

The SPEAKER. The gentleman from Tennessee [Mr. GARRETT] asks unanimous consent that business that would be in order to-morrow, Calendar Wednesday, be transferred or postponed until Thursday. Is there objection?

Mr. HENRY. Mr. Speaker, reserving the right to object, does that mean that Thursday shall be Calendar Wednesday?

The SPEAKER. It does.

Mr. HENRY. Then I believe the Committee on Printing has a bill up for consideration, which will be the regular order?

The SPEAKER. That is correct.

Mr. HENRY. Under the circumstances, I have no objection.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS.

Mr. FALCONER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on denatured alcohol as a source of power on the farm.

The SPEAKER. Is there objection?

There was no objection.

Mr. HAYDEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of woman suffrage.

The SPEAKER. Is there objection?

Mr. BRYAN. Mr. Speaker, reserving the right to object, may I ask the gentleman on what side he is?

Mr. HAYDEN. I am in favor of it.

The SPEAKER. Is there objection?

There was no objection.

Mr. PLATT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of a matter that has come up in the Pension Office.

The SPEAKER. Is there objection?

Mr. HENRY. Reserving the right to object, what is the subject?

Mr. PLATT. A matter that has come up in the Pension Office.

Mr. HENRY. Mr. Speaker, I want to couple with that a request that I be permitted to extend my remarks in the RECORD on the subject of cotton. If that is done, I shall not object.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD on the subject of pensions, and the gentleman from Texas couples to that a request that he be permitted to extend his remarks on the subject of cotton. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, to-day this side has raised no objection to two or three requests for unanimous consent to extend remarks in the RECORD made on the other side. Here is the first occasion that any Member upon this side has made that request——

Mr. CRISP. Oh, no; consent was just this moment granted to the gentleman from Washington [Mr. FALCONER].

The SPEAKER. Is there objection?

Mr. PAYNE. Mr. Speaker, reserving the right to object——

Mr. DONOVAN. Mr. Speaker, I demand the regular order. Shoot, Luke, or give up the gun!

The SPEAKER. Is there objection?

Mr. PAYNE. Mr. Speaker, reserving the right to object, if I may be allowed to do so——

Mr. HENRY. I shall object, unless I can say something.

Mr. DONOVAN. Mr. Speaker, regular order.

The SPEAKER. The regular order is demanded and the regular order is, Is there objection?

Mr. HENRY. Mr. Speaker, I do object.

The SPEAKER. The gentleman is objecting to his own request.

Mr. HENRY. Mr. Speaker, I thought the Speaker was putting the other request. I shall not object to my own request.

The SPEAKER. Is there objection to this double-headed request?

Mr. PAYNE. Mr. Speaker, if I can not reserve the right to object, I shall have to object. I wanted to accommodate the gentleman——

Mr. HENRY. I am sorry the gentleman is objecting to any pension matter.

Mr. PAYNE. I wanted to accommodate the gentleman from Texas, but the gentleman from Connecticut will not let me——

Mr. HENRY. I am sorry the gentleman from New York and the gentleman from Connecticut see proper to object to pension matters.

The SPEAKER. Is there objection?

Mr. PAYNE. I do not object to the pension request, if that is the only request.

The SPEAKER. Does the gentleman object to the other request?

Mr. PAYNE. I do, unless I can have a chance to say a word.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. PLATT]?

Mr. HENRY. Mr. Speaker, is my request coupled with it?

The SPEAKER. No; the gentleman's request is knocked out.

Mr. HENRY. Who knocked it out?

The SPEAKER. The gentleman from New York.

Mr. HENRY. Then I would have to knock out his request; and I do object.

The SPEAKER. No; the gentleman from New York, Mr. PLATT, did not object, but it was the gentleman from New York, Mr. PAYNE, who objected.

Mr. HENRY. It is as broad as it is long, and I object.

The SPEAKER. The gentleman from Texas objects.

Mr. GILLETT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by publishing a speech delivered by my colleague, Mr. WINSLOW, at a Republican convention in Massachusetts.

The SPEAKER. The gentleman from Massachusetts [Mr. GILLETT] asks unanimous consent that he may extend his remarks in the RECORD by printing a speech delivered by his colleague [Mr. WINSLOW] at a Republican convention.

Mr. HENRY. Mr. Speaker, I will couple my request with that and ask unanimous consent that I may be allowed to print some remarks on cotton.

Mr. STAFFORD. Mr. Speaker, does the gentleman think it is fair from his standpoint, after consents have been granted to Members on his side, to couple up such a request?

Mr. PAYNE. Mr. Speaker, I make the point of order that the gentleman can not amend a request of that kind. It must be put separately. I think the gentleman is entitled to have his request put separately.

Mr. HENRY. I have another way of amending it, and I object.

Mr. PAYNE. All right.

The SPEAKER. The gentleman from Texas objects.

ADJOURNMENT.

Mr. JONES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 24 minutes p. m.) the House adjourned to meet to-morrow, Wednesday, October 14, 1914, at 12 o'clock noon.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 16521) granting a pension to James F. Mitchell, and the same was referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. HOWARD: A bill (H. R. 19262) to amend section 5211 of the Revised Statutes of the United States; to the Committee on Banking and Currency.

By Mr. MITCHELL: A bill (H. R. 19263) providing for the retirement of officers of the Philippine Scouts, United States Army; to the Committee on Insular Affairs.

By Mr. RIORDAN: Resolution (H. Res. 644) to provide for the printing and distribution of Washington's Farewell Address; to the Committee on Printing.

By Mr. RUPLEY: Resolution (H. Res. 645) granting to all carriers of the United States mail, including rural carriers, a holiday on Christmas Day; to the Committee on the Post Office and Post Roads.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADAIR: A bill (H. R. 19264) granting an increase of pension to Joseph L. Tomlinson; to the Committee on Invalid Pensions.

By Mr. BURNETT: A bill (H. R. 19265) for the relief of Emma M. Blackwell; to the Committee on War Claims.

By Mr. CARY: A bill (H. R. 19266) granting an increase of pension to James Dougherty; to the Committee on Invalid Pensions.

By Mr. CLINE: A bill (H. R. 19267) granting an increase of pension to James H. Brown; to the Committee on Pensions.

By Mr. COX: A bill (H. R. 19268) granting an increase of pension to Frederick Brinegar; to the Committee on Invalid Pensions.

By Mr. DRISCOLL: A bill (H. R. 19269) for the relief of Theodore Beiter; to the Committee on Naval Affairs.

By Mr. GARD: A bill (H. R. 19270) granting a pension to Ida M. Hammon; to the Committee on Pensions.

Also, a bill (H. R. 19271) granting a pension to George Tuffendsam; to the Committee on Pensions.

Also, a bill (H. R. 19272) granting an increase of pension to Frederick C. Hoopert, alias Frederick C. Hupee; to the Committee on Invalid Pensions.

By Mr. HUMPHREYS of Mississippi: A bill (H. R. 19273) for the relief of the heirs of James Spiars; to the Committee on War Claims.

By Mr. KENNEDY of Iowa: A bill (H. R. 19274) granting an increase of pension to Nicholas McKenzie; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19275) granting a pension to Barbara Peiris; to the Committee on Invalid Pensions.

By Mr. SLOAN: A bill (H. R. 19276) granting an increase of pension to George Blevins; to the Committee on Invalid Pensions.

By Mr. TAGGART: A bill (H. R. 19277) granting an increase of pension to Frank Rupert; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19278) granting an increase of pension to John H. Westenmeyer; to the Committee on Invalid Pensions.

By Mr. TAVENNER: A bill (H. R. 19279) granting an increase of pension to Phoebe Greer; to the Committee on Invalid Pensions.

By Mr. MURRAY: A bill (H. R. 19280) granting a pension to Charles L. Nance; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. AVIS: Petitions of the Alderson Hardware Co. and others, of Alderson; Hinton Hardware Co., C. L. Parker, and

others, of Hinton; J. P. Brace and others, of St. Albans; R. E. L. Lloyd and others, of Gassaway, all in the State of West Virginia, in favor of House bill 5308, to tax mail-order houses; to the Committee on Ways and Means.

By Mr. BAILEY (by request): Petitions of James Smith and Moses Alwine, of Johnstown; John C. Cosgrove, of Cherry Tree; John L. Zeth, of Hopewell; I. J. Hoover, of Patton; I. L. Binder and Amandus Baker, of Hastings, all in the State of Pennsylvania, protesting against a war tax on automobiles; to the Committee on Ways and Means.

Also, petition of the Hostetter Co., of Pittsburgh, Pa., protesting against tax on proprietary medicines; to the Committee on Ways and Means.

By Mr. BAKER: Petition of the Hollock Denton Co., of Newark, N. J., protesting against tax on alcohol; to the Committee on Ways and Means.

By Mr. CALDER: Petition of Phillip Matty, H. B. Smith, Carl Wilk, F. H. Plate, H. Planten & Son, C. F. Hatterman, Prof. Otto Rauenheimer, J. H. Schell, W. G. Turner, M. Arneman, I. D. McElhenie, T. C. Bonaeu, P. H. Henkel, J. H. Rehfuss, H. Neetzoldt, Adolph Schwartz, S. Glasscoff, W. H. Bresheuschu, H. Flinning, Alexander Gardner, Fred Burgett, all of Brooklyn; C. L. McClouth, of Little Valley; and Henry R. Lathrop, of New York, all in the State of New York, against tax on proprietary medicines; to the Committee on Ways and Means.

Also, petition of W. Quackenbush, of New York, favoring Moss bill (H. R. 17329); to the Committee on Agriculture.

By Mr. CARR: Petition of W. H. Kanter, of Somerset; G. N. Schrock, of Somerset; Arthur L. Knepp, of Sand Patch; Charles A. Trapp, of Listie; Will T. Gordon, of Hastings; Carl J. Fronheiser, of Johnstown; U. F. Rayman, of Berlin; H. W. Judy and Cornelius Judy, of Garrett; Dr. R. B. Colvin, of Somerset; Max Halpert, of Jerome; S. E. Engle, of Boynton; Axel Person, of Ridgway; John C. Cosgrove, of Cherry Tree; Daniel Statler, of Johnstown; H. L. Holsteinle, of Confluence; S. J. Maust, of Elk Lick; J. C. Reiman, of Berlin, all in the State of Pennsylvania, protesting against tax per horsepower on automobiles; to the Committee on Ways and Means.

By Mr. CARY: Petition of the A. Schrader Co. and Robert M. Dado, of Milwaukee, Wis., protesting against tax on proprietary medicines; to the Committee on Ways and Means.

By Mr. DALE: Petition of D. Ransom Son & Co., of Buffalo, N. Y., and the Iowa Pharmaceutical Association, of Algona, Iowa, protesting against tax on proprietary medicines; to the Committee on Ways and Means.

By Mr. EAGAN: Petition of the Hallock, Denton Co., of Newark, N. J., and Otto Edler, of West Hoboken, N. J., protesting against tax on proprietary medicines; to the Committee on Ways and Means.

Also, petition of the William Wrigley, Jr., Co., of Chicago, Ill., protesting against tax on chewing gum; to the Committee on Ways and Means.

Also, petition of the Labor Council of Greater New York, protesting against the war in Europe; to the Committee on Foreign Affairs.

By Mr. GRAHAM of Pennsylvania: Petition of the Iowa Pharmaceutical Association, of Algona, Iowa, protesting against tax on proprietary medicines; to the Committee on Ways and Means.

By Mr. GRIFFIN: Petition of the commissioner of docks and ferries, New York City, relative to improvement of New York Harbor; to the Committee on Rivers and Harbors.

Also, petitions of the Iowa Pharmaceutical Association, of Algona, Iowa, and sundry citizens of Brooklyn and New York, protesting against tax on proprietary medicines; to the Committee on Ways and Means.

By Mr. HOWELL: Petition of the Salt Lake Federation of Labor, of Salt Lake City, Utah, protesting against contract system of Post Office Department for printing stamped envelopes; to the Committee on the Post Office and Post Roads.

Also, memorial of the St. George (Utah) Commercial Club, relative to amendment to bill for construction of a Government railroad from Marysville, Utah, to the Kisbert Forest; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the National Association of Life Underwriters, favoring a national department of health; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Utah Federation of Labor, protesting against national prohibition; to the Committee on Rules.

By Mr. HUMPHREYS of Mississippi: Paper to accompany a bill for relief of heirs of James Spiars; to the Committee on War Claims.

By Mr. MAGUIRE of Nebraska: Petition of various business men of Dunbar, Nebr., favoring House bill 5308, to tax mail-order houses; to the Committee on Ways and Means.

By Mr. MERRITT: Telegram of the Lake Placid Pharmacy, Lake Placid, N. Y., protesting against proposed tax on proprietary medicines and toilet articles; to the Committee on Ways and Means.

Also, telegram from Sweet & Martin, druggists, Port Henry, N. Y., urging modification of proposed stamp tax on drugs; to the Committee on Ways and Means.

By Mr. MURRAY: Petitions of sundry citizens of Oklahoma, favoring national prohibition; to the Committee on Rules.

By Mr. RAKER: Memorial of the National Council of the Daughters of Liberty of Philadelphia, Pa., favoring passage of House bill 6060; to the Committee on Immigration and Naturalization.

Also, petition of Mrs. Ida L. Aldrich, Mr. L. P. Payne, and Miss Louise Emmons, of Hughson; Miss Lillian J. Backstrand, of Riverside; Mr. J. W. Oakley, Mrs. L. W. Lawsher, and Mr. F. G. Richardson, of Los Angeles; Miss Athelene Spoon, Miss Beula Marie Spoon, Miss Ruth V. Runyan, Mrs. Carrie Spoon, Mr. W. E. Spoon, and Miss Lucile R. Spoon, of Pacific Grove; Mrs. M. B. Farwell, of Denoir; Miss Emily A. Swanson, of Hughson; Mrs. Rachel G. Stubbs, of Los Angeles; and Miss Lucy C. Gay, of Glenburn, all in the State of California, favoring national prohibition; to the Committee on Rules.

Also, petitions of F. S. Ackerman, of the Yreka (Cal.) Pharmaceutical Association, and Moorons' Drug Store, protesting against tax on proprietary medicines; to the Committee on Ways and Means.

Also, petition of the Bank of Corning, Cal., protesting against tax on automobiles; to the Committee on Ways and Means.

Also, memorial of Athens Parlor, No. 195, of Oakland; Lakeside Lodge, No. 143, Knights of Pythias; Independent Order Odd Fellows' Military Band; Alpha Neighborhood Club; Yosemite Tribe, No. 103, Improved Order of Red Men; Reinold Ritcher Camp, No. 2, United Spanish War Veterans; Monadnock Tribe, No. 100, Improved Order of Red Men, all of San Francisco, Cal., favoring passage of the Hamill bill (H. R. 5139); to the Committee on Reform in the Civil Service.

Also, petition of S. C. Painter and William Painter, of Lake City; Charles Morton, of Bayles; Thomas Reynolds, of Portola; and Martin Hveem, of Bayles, all in the State of California, protesting against national prohibition; to the Committee on Rules.

By Mr. VOLLMER: Protest on behalf of 50,000 members of the Iowa State Traveling Men's Association, against proposed war tax on mutual accident insurance; to the Committee on Ways and Means.

By Mr. WINSLOW: Petition of 19 citizens of Worcester, Mass., favoring national prohibition; to the Committee on Rules.

SENATE.

WEDNESDAY, *October 14, 1914.*

(Legislative day of Thursday, October 8, 1914.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

EMERGENCY REVENUE LEGISLATION (S. DOC. NO. 600).

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Secretary of the Treasury, which will be read.

The communication was read, referred to the Committee on Finance, and ordered to be printed, as follows:

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, October 13, 1914.

The PRESIDENT OF THE SENATE.

SIR: In compliance with Senate resolution of October 8 (calendar day, October 9), 1914, I have the honor to submit herewith an estimate in detail of the amount of revenue that will be raised by H. R. 18891 as amended by the Senate Committee on Finance and reported to the Senate on October 8, 1914.

The estimate submitted covers collections to be made for one year.

From—		
Fermented liquors		$43,795,000
Rectified spirits		5,000,000
Wines—		
Sweet	$4,960,000	
Dry	3,260,000	
		8,220,000
Total		57,015,000
Special taxes:		
Bankers		4,300,000
Pawnbrokers		250,000
Brokers—		
Commercial		250,000
Customhouse		12,000
Total		4,812,000

Proprietors of—		
Theaters, museums, concert halls—		
Motion picture	$750,000	
All others	250,000	
		$1,000,000
Circuses		15,000
Other public exhibitions		150,000
Bowling alleys		75,000
Billiard and pool rooms		600,000
Commission merchants		300,000
Total		2,140,000
Tobacco:		
Dealers in leaf		100,000
Dealers in tobacco n. s. p. f.		4,800,000
Manufacturers of tobacco		47,000
Manufacturers of cigars		360,000
Manufacturers of cigarettes		11,000
Total		5,318,000
Schedule A:		
Bonds, debentures, etc		4,000,000
Certificates of stock, issues, transfers, etc		8,000,000
Sales of products at exchanges		1,500,000
Promissory notes		4,500,000
Express bills of lading, etc		1,000,000
Freight bills of lading, etc		700,000
Telegraph messages		1,000,000
Telephone messages		500,000
Bonds, indemnifying		400,000
Certificates of profit, etc., and certificate n. o. s.		300,000
Brokers' contracts		150,000
Conveyances		4,500,000
Entries of goods at customhouses for consumption and warehousing	$290,000	
Entries for warehousing for withdrawal	310,000	
		600,000
Insurance—		
Marine, inland, fire		$2,500,000
Casualty, fidelity, guaranty		1,000,000
Passage tickets		100,000
Powers of attorney—		
Proxy for voting	$25,000	
To sell real estate, etc	175,000	
		200,000
Protests		40,000
Total Schedule A		30,990,000
Sleeping-car berths and parlor-car seats		125,000
Schedule B:		
Medicinal proprietary articles and preparations		2,000,000
Perfumery, cosmetics, etc		2,000,000
Chewing gum		3,000,000
Total		7,000,000

SUMMARY.

Additional tax on fermented liquors and tax on rectified spirits and wines	57,015,000
Special taxes on bankers and brokers	4,812,000
Theaters, circuses, bowling alleys, billiard and pool rooms, and commission merchants	2,140,000
Dealers in and manufacturers of tobacco, cigars, and cigarettes	5,318,000
Schedule A	30,990,000
Sleeping car and parlor car	125,000
Schedule B	7,000,000
Grand total	107,400,000

The foregoing estimate includes an estimate of additional tax on fermented liquor based upon the quantity tax paid during the fiscal year 1914. During the months of July and August last the decrease in the quantity of fermented liquor tax paid as compared with the same months in the previous year was 1,494,393 barrels. If the same ratio of decrease continues, the additional revenue from this source for a year would be $14,901,714 less than is shown on a basis of the fiscal year 1914 tax payments. It will thus be seen that on a basis of the quantity of fermented liquor tax paid during July and August, 1914, the estimate of the revenue that will be raised by the bill will be $92,498,286 instead of $107,400,000.

Respectfully,

W. G. McADOO, *Secretary.*

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. PENROSE. Mr. President, pursuant to a notice which I gave yesterday I desire to submit a few remarks on the pending bill, but I will yield to the Senator from Georgia [Mr. SMITH], the Senator from Michigan [Mr. TOWNSEND], and the Senator from North Dakota [Mr. GRONNA].

Mr. SMITH of Georgia. I desire to ask leave to print in the RECORD an article by Mr. A. S. Terrill, chairman of the United States Lumber & Cotton Co., of Chicago, on the subject of handling cotton. This subject will be before the Senate tomorrow and I think it would be of value to Senators if this article, not a very long one, should be printed in the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD.

SUGGESTED GOVERNMENT AID IN HANDLING COTTON.

[By A. S. Terrill, chairman, United States Lumber & Cotton Co., Chicago.]

Unless the planters secure speedy financial assistance, the South will suffer irreparable loss, but if they can be assisted to carry the crop until the end of the war, or until conditions materially improve, they will realize good remunerative prices.

For the past 12 years I have been interested in large cotton planting operations, and during that period have spent much of my time in the South.

My business affairs also have required my presence at our English office at intervals, for extended periods of time, upon matters connected with the cotton industry, and I have just returned from a six months' stay abroad, consequently I have been in close touch with the cotton spinners of Europe, and have for several years attended many of the meetings of the International Federation of Master Cotton Spinners & Manufacturers' Associations as a guest of honor from the United States. As such I had the pleasure of being the sole guest of honor at the meeting of their executive committee, received by President Poincaire in Paris last June.

As a result of my connection with the industry, and my close association, both with the growers of the raw product and large manufacturers of the finished goods in Europe and America, I have had unusual opportunities for studying the industry from all points of view, and thoroughly familiarizing myself with all its different phases and ramifications.

Ever since my first connection with cotton planting I have watched with keen interest the unceasing efforts of the people of the South to develop their country, exploit its natural resources, and add to its material prosperity. I have had some small part in this work myself. I believe through my efforts some $30,000,000 of foreign and northern capital has been invested in southern enterprises.

At the close of the war of the sixties the South found itself with its credit seriously impaired, verging on the stage of bankruptcy, and drained of money and men. Since then its people have been engaged in a tremendous struggle for economic success and the creation of a prosperous agricultural and industrial section. In their undertakings they have labored under great handicaps. In recent years their efforts have been commencing to bear fruit, and they have beheld the dawn of a new era of prosperity. Now the blight of war has fallen upon them and the sanguinary struggle in Europe has deprived them temporarily of a foreign market for their cotton—America's greatest export crop.

According to the United States Census Bureau's report, the South produced in 1913 14,315,015 bales of cotton, which, together with the cotton seed, was valued at over a billion dollars. Some conception of the gigantic size of the crop is gained when it is noted that its value exceeded the world's output of gold and silver for the year 1913 by $400,000,000. Of the total crop, only 42 per cent was consumed by home manufacturers, the remainder having been exported to Europe, England taking more than any other country. The cotton crop of this year will be fully as large, in all probability larger than that of last year. As a result of the European war, with its consequent business stagnation and paralysis of industry, the European manufacturers will be unable to consume that quantity of cotton this year, thus depriving the southern planters of a market for about 58 per cent of their crop. This situation is, however, but temporary and will last only while the war is in progress. As soon as peace is declared and business abroad resumes its normal course, the demand for cotton and the prices obtainable will inevitably exceed those prevailing in normal years. Were there adequate means for the storage of the crop and were cotton planting established upon a firmer financial basis, the crisis might not be so acute. Moreover, the situation is further complicated by the inadequate methods of financing the crop during the growing period. In the past, bankers in the North have not taken a great interest in this matter; they have rather left it to the South, where money is scarce and high rates of interest prevail. It has been customary for the country merchant or banker to furnish the requisite supplies and money attendant upon the production of the crop until its harvesting, and for the planter to rely upon the quick sale of his cotton to meet his obligations, reimbursing his banker or merchant as he sells his crop, the security for such loans not being such as would be discounted by the Federal reserve banks.

The condition, then, confronting the cotton planter at the present time is such that if, upon the harvesting of his crop in the near future, he is required to meet his pressing obligations, he will be forced to sell his cotton at a price in many instances less than the amount that it cost him to produce it. The results of this would be that the South, which has been making such rapid strides in economic developments in recent years, would suffer an irreparable setback, and the cotton-growing industry would dwindle to such quantities as would be insufficient to meet our home demands. The situation, then, is most serious. Its gravity can not be overestimated.

Bearing in mind that loss of the European market is but temporary, it is readily seen that what is needed is the devising of some means whereby the cotton planters may secure relief from their creditors, enabled to store their crop, and reap the benefit of the increased market that the close of the war will bring. Private efforts have proved unavailing for the proper financing of the crop. It is then imperative that the Federal Government extend aid to cotton growers at this time. It occurs to me that the situation can be relieved if the Federal Government will act along the following lines:

1. The Government of the United States should temporarily inaugurate a system of examination and certification of cotton by a corps of district inspectors, whose duty it should be to stamp every bale as to quality and grade.

2. The Government should designate warehouses suitable for the storage of cotton; such warehouses might be temporarily under Government control.

3. The Government should provide for the issuance of receipts to the owners of cotton, stating the number of pounds they have stored in the warehouse.

4. The Government should arrange with banks to loan, at a fixed rate of interest, given amounts per pound of each grade of cotton upon these warehouse receipts as security.

By this means the planter would be equipped with security upon which he could borrow the funds requisite to enable him to carry the crop through the duration of the war, and the banker, in turn, would be enabled to make loans upon security which would be backed by governmental certification. The advances upon these receipts need not be in excess of 75 per cent of the actual value or the market price upon the day of advance, the planter carrying the difference himself and obtaining whatever profit there may be in holding his cotton.

The creation of cotton-warehouse receipts that will serve as negotiable securities is really no new and radical departure. It has long been customary for bankers to advance funds on corn, wheat, and other grains deposited in elevators. Why not provide for loans on cotton properly inspected, especially when such action will avert the disaster that is threatening the South? Why not extend to cotton the privileges granted other agricultural products under similar conditions?

For the United States Government to extend aid at this time is no more than European Governments have been doing. They have long realized the necessity of furnishing a stimulus for the culture of cotton. At these international conferences of which I have spoken I have heard many able men propose that their Governments furnish money for the development of cotton growing in their colonial possessions. In fact, it was in accordance with the opinions expressed at one of these conferences at The Hague, which I had the pleasure of attending, that the British Government passed a law appropriating £3,000,000 ($15,000,000) to promote the growing of cotton in the Sudan. Several millions have been spent by the British cotton-growing associations in experimenting in the English colonies on cotton culture, and there are gigantic efforts being made to produce Indian cotton in large quantities. I am informed by the secretary of the International Federation of Master Cotton Spinners & Manufacturers' Associations that the growth of Indian cotton is increasing at the rate of about 500,000 bales a year. In view of these efforts to stimulate cotton culture upon the part of European countries—efforts which will undoubtedly be renewed upon the close of the war—it is all the more essential that every care be taken by the United States to prevent any serious calamity striking the industry in this country.

The need of preventing any injury to our cotton crop is fully appreciated in England, and English cotton manufacturers are a unit in desiring that steps be taken looking toward the relief of the present situation. For example, upon the eve of my departure from England, Sir Charles Macara, president of the International Federation of Master Cotton Spinners and Manufacturers' Association, had the secretary of the organization meet me at Liverpool and most urgently request me to urge the adoption of some means of relief for the cotton planters. Further, Sir Charles Macara wrote me a few days ago a letter under date of August 31, of which the following are extracts:

"The purpose of this letter is to confirm to you the statement made by our secretary on Saturday that it would be a great calamity if, owing to the European war, the cotton farmers of the United States of America were ruined. Their ruin will certainly be brought about unless steps are taken by the Government of the United States of America, in combination with large financial houses, to hold back several million bales of cotton. It must be borne in mind that if the war lasts longer than the end of this year there will be a surplus of American cotton of some 5,000,000 bales, and this must necessarily have a depreciating effect on the price of American cotton, and the producer will necessarily be the greatest sufferer in the end. It is neither to the interests of the cotton spinners of the world nor to that of the United States of America, as a Nation, that the price of cotton be reduced to such a low level as, say, 6 or 8 cents.

"I recognize more fully than perhaps anyone else the very serious situation, having—in consequence of my various public positions, and especially as president of the International Cotton Federation—been obliged to give a very close study and attention to the question of the cotton supply. On the occasion of the tour of 120 cotton spinners and manufacturers of all nationalities, which I led in 1907 through the cotton-growing States of America, it became evident to me that in years of exceptionally large cotton crops it would be in the interests of the millions of cotton producers and cotton-mill operatives that a scheme for properly packing and warehousing the surplus cotton crop should be initiated, and in view of the certainty that there will be an enormous surplus in this year's American cotton crop, such a scheme undertaken by the Government of the United States of America would be a safeguard against dire calamity.

"I trust you will submit this letter to President Wilson, who, I am sure, will share my opinion."

Sir Charles Macara, the writer of this letter, is considered the highest authority in England on the cotton industry, and his opinions are there regarded as the last word upon the subject. He has spent a lifetime in connection with the cotton industry, and is thoroughly acquainted with all the various stages of the evolution of the cotton seed into the cotton fabric.

We are confronted with a crying need; a situation is at hand imperiling the prosperity of a great section of this country. The means of relief are present. The Government has the power, it has the funds, it can render this aid without fear or loss or disaster to itself, and with the realization that it is conferring inestimable benefits upon the South and saving a great industry from jeopardy. Let us not delay; let a committee of broad-minded, careful business men be formed at once to cooperate with the Federal Reserve Board in the formulation of a plan of relief.

Mr. OVERMAN. I ask leave to have printed in the RECORD an editorial from the New York American of October 13 in regard to the cotton situation.

The VICE PRESIDENT. Without objection, that will be done.

The matter referred to is as follows:

NO ADJOURNMENT FOR CONGRESS WITHOUT COTTON LEGISLATION.

Senator OVERMAN yesterday announced to the Senate that he would oppose the enactment or consideration of any further legislation until some action had been taken by Congress for the relief of the cotton situation in the South.

"I want to say," said the Senator, "that there will be no unanimous consent to a vote on this bill or to hasten adjournment unless something is done about the cotton situation. Some of us are working on an amendment to this war-tax bill which we believe will tend to relieve the South. I shall object to any unanimous consent to vote until that amendment is disposed of."

This is the first voice raised in sturdy assertion of the need for swift and effective action by Congress to dispel the financial clouds which, gathering in the South, are likely to sweep over the whole Nation.

For it is utter folly for anyone, or for any section, to imagine that the second crop of the United States, a crop representing in normal times $800,000,000, can be made unsalable and its producers reduced to beggary without the most disastrous results to business in every other part of the land.

The peril is a national one and the National Congress must be looked to to avert it.

But what has this National Congress been doing? The House last week spent its time in debating the futile and unnecessary Philippine bill. Friday it spent an hour or more listening to the leader of the minority, Mr. MANN, and an Alabama Representative, Mr. HEFLIN, exchange bitter and abusive personalities over the question of which of them had the more grossly insulted the advocates of woman suffrage by his utterances in the House. Nero fiddling over burning Rome furnishes an historic parallel to Congress loafing along, and quarreling over personal matters, while day after day the fetters of a financial stringency are being the more tightly fastened upon the cotton producers of the South.

Senator OVERMAN has done well to sound the note of defiance to those who are seeking to avoid any cotton legislation. In no more honorable purpose could a filibuster be employed than in compelling an unwilling Congress to give attention to this vital problem, and to solve it if human ingenuity can obtain a solution.

It is perfectly apparent that the administration as a force is covertly hostile to any action favoring the cotton planters. It has been prolific of soft words, but utterly unproductive of political results. A President who has never yet failed to force through Congress the legislation he desired is either incapable of formulating a measure which will meet this need or unwilling to use his great power to compel congressional action to this end. He could make the Panama Canal useless as a competitor to the transcontinental railroads and futile as an agency in building up the American merchant marine, but when it comes to saving from complete disaster the producers of one of America's greatest export staples he loses his fertility of resource and fails to employ his political power over legislation.

It can not be too strongly emphasized that the cotton situation is not a local but a national menace; that the need for its correction is immediate, and that the agency for its correction is the United States Government, acting through Congress. It is a pity that the rules of the House do not permit some such drastic action to be taken there as Senator OVERMAN has taken in the Senate.

Mr. TOWNSEND. I have a letter here in the form of a memorial, signed by a great number of druggists in Michigan, which I desire to have printed in the RECORD, together with the names, which are about 15 or 20.

There being no objection, the petition was ordered to be printed in the RECORD, with the signatures attached, as follows:

ANN ARBOR, MICH., *October 10, 1914.*

Hon. CHARLES E. TOWNSEND,
United States Senate, Washington, D. C.:

We take note of the report that Congress is on the point of introducing and passing bills for the purpose of raising revenue. We also understand that, as in the past, the tendency is to shift more than his reasonable share on the millionaire druggist (?) as an easy mark and along the line of least resistance.

We have no objections to offer when an extra revenue tax is placed on articles considered as a luxury, as perfumes, toilet articles of all kinds, grape juice (Bryan's), cigars, and others not absolutely necessary for a comfortable existence. This country is not at war. There is no reason for an extraordinary tax. The tendency in all our history of legislation for raising special revenue has been to make medicinal drugs and medicinal preparations a most desirable object. Why, is a conundrum for me. It certainly does not conform with a true American spirit and principle of generosity and the keen sympathy displayed in misfortunes of their fellow citizens or others.

If anyone should be exempt from special tax, it is the sick, the individual having the misfortune of being unable to earn. Does it look reasonable that a person put in a condition by sickness, making the person incompetent to earn—to tax one for being sick?

To show you how unreasonable and how unjust a special revenue tax on proprietary remedies is to the retail druggist we will take, for example, the conditions brought on by the special tax in the Spanish War. The tax levied on a proprietary remedy was added to the price by the owner, but not satisfied with adding actual tax, the opportunity was seized to boost the existing jobbing price. As, for instance, proprietaries listed prior to the tax levy at $8 and $9 per dozen and retailed at $1 per package, which demanded a tax of 30 cents per dozen, were raised to $8.50 and $9.50, respectively. This resulted in an actual tax of 50 cents per dozen to the retailer. The proprietary owner got back the tax paid the Government and even made a good investment bearing interest at the rate of 66⅔ per cent. But how about the retailer in this deal? It was practically absolutely out of the question to attempt to collect the paid-out tax from the consumer, thus placing the whole tax, which should have been borne by the entire population, on the shoulders of a small per cent set aside as a class for themselves.

If such a stamp tax is passed as contemplated, it will be a gross injustice and the most detestable form of the so-much-criticized class legislation.

Respectfully submitted to your consideration by—

U. A. Goulding, L. A. Wikel, O. L. Alward, Sugden Drug Co. (M. B. Sugden), A. E. Crippen, Dauran Bros., Remis Daskam, F. E. De Voist, Ottmar Eberbach, Arthur E. Mannuley, J. J. Goodyear, H. G. Mayer, E. C. Edsill, Mann & Walker H. F. Miller, J. J. Quarry, G. Claude Decke, L. O. Cushing, E. E. Calkins.

P. S.—On soliciting signatures to our protest, the fact developed that we are to this day still paying the Spanish War tax on most proprietary medicines, although the Government has long since relinquished the same. At the time the tax was levied interested parties availed themselves of the opportunity, as stated in the protest, to boost their price considerably above the actual amount of the tax, and retained the advance after the tax was removed by the Government. This fact alone ought to justify our objection and demand your careful attention.

Mr. GRONNA. I have telegrams in the nature of memorials from J. H. Oliver, of Oberon; Botton Bros., of Edmore; T. J. Greene, the South Side Drug Co., and Welton McDonald & Co., of Dickinson; and from Otto Stensrud, of Beach, all in the State of North Dakota, remonstrating against the proposed tax on drugs and proprietary medicines. I ask that the telegrams be referred to the Committee on Finance.

The VICE PRESIDENT. They will be so referred.

Mr. GRONNA. I also have a letter from Mrs. E. B. Matters, corresponding secretary of the Fargo Woman's Christian Temperance Union, of North Dakota, protesting against any further tax or any tax whatever on intoxicating liquors. I ask that it be referred to the Committee on Finance.

The VICE PRESIDENT. That action will be taken.

Mr. PENROSE. Mr. President, this proposed bill is a war revenue measure in a time of peace. The United States is not at war with any nation. In the great conflict that unhappily involves eight European Governments, our country is absolutely neutral; and there is no fear that our territory or our people will be endangered or our peace disturbed.

It was different in 1898. Then the War with Spain was our own war. It demanded a sudden and great increase in naval and military appropriations, which were given with an ungrudging hand. Not one cruiser, not one regiment, has been or will have to be added to our defensive establishment because of the terrible strife in Europe. Our remoteness, our complete and honest neutrality, are the only present safeguard we need.

Why, then, this extraordinary proposal to increase the Federal taxes by an amount of $105,000,000 at a time when, because of business stress, all private manufacturing and mercantile enterprises and the people in their homes are economizing in their expenditures as they have not done for many years before? The answer is that the money is needed, not because of any war, not because of any external emergency, but to cover up the extravagance of the political party which, though it represents only a minority of the voters, is now in power in this Nation, and the utter breakdown of its antiquated fiscal policy of tariff for revenue only, that has failed to produce the necessary revenue.

The Democratic Party in its national platform of 1912 declared:

> We denounce the profligate waste of money wrung from the people by oppressive taxation through the lavish appropriations of recent Republican Congresses, which have kept taxes high, and reduced the purchasing power of the people's toil. We demand a return to that simplicity and economy which befits a Democratic Government, and a reduction in the number of useless offices, the salaries of which drain the substance of the people.

The President of the United States, when a candidate for election to his high office, in an address at Washington Park, N. J., on August 15, 1912, said:

> Our platform is not molasses to catch flies. It means business. It means what it says. It is the utterance of earnest and honest men, who intend to do business along those lines and who are not waiting to see whether they can catch votes with those promises before they determine whether they are going to act upon them or not. They know the American people are now taking notice in a way in which they never took notice before, and gentlemen who talk one way and vote another are going to be retired to a very quiet and private retreat.

PLEDGES THAT WERE IGNORED.

Those platform pledges of "simplicity and economy" have been as coolly and contemptuously disregarded by the Democratic Party in power as that other pledge of exemption of American coastwise ships from tolls at Panama. Appropriations have been increased, and not diminished, and there has been an expansion in the number of those "useless offices, the salaries of which drain the substance of the people." Excluding the river and harbor bills in each year, the total of Federal appropriations just made will be $1,089,408,777, as compared with $1,057,605,694 in the year preceding, and $988,353,340 in 1912. Under this administration, with the political party pledged to "simplicity and economy" in full control of the Government, expenditures are not decreasing. They are mounting up, not going down. The reduction is not in the Federal disbursements; it is in the Federal revenues.

It is the national income that has been falling off, and it was falling off before this great European war began—before the first clouds of that war could be seen on the horizon. The new Democratic tariff law is professedly a tariff for revenue only, but as such it has signally failed to justify the one consideration which its authors urged for its existence.

It has undermined American industry, demoralized the country's business, robbed and ruined many American manufacturers and merchants, and driven thousands of American wage earners to idleness and want. Its pathway is marked by silent machinery and cheerless homes; its monuments are the smokeless chimneys of the factories.

INCREASED IMPORTS, DIMINISHED REVENUES.

Though this Democratic tariff for revenue only in its operations from the 3d of October to the end of July had increased the imports of foreign merchandise into the United States by the enormous sum of $102,323,319—a large part of this simply displacing the products of American industries without any apparent effect upon the cost of living, or any appreciable benefit to the ultimate consumers—the national revenue collected on this immense mass of importations has steadily been falling below the income from the tariff for revenue and protection that preceded it.

The Democratic tariff was approved on October 3, 1913. This is the comparative record for the 10 months up to July 31, 1914, of imports and duty collected:

Comparative statement of imports, and duty collected, under Republican and Democratic tariffs, by months, for 10 months, beginning October, 1912 and 1913.

Months.	Republican tariff.		Months.	Democratic tariff.	
	Imports.	Duty.		Imports.	Duty.
1912.			1913.		
October ..	$177,987,986	$30,216,824	October...	$132,878,896	$30,138,049
November	153,094,898	25,666,353	November	148,216,536	21,173,628
December	154,095,444	24,248,161	December	184,587,571	21,510,140
1913.			1914.		
January ..	163,063,438	29,334,124	January ..	154,418,247	23,528,080
February.	149,913,918	27,605,116	February .	147,973,376	17,609,604
March	155,445,498	27,457,489	March	182,762 954	25,927,213
April	146,194,461	23,693,967	April	173,896,476	22,232,766
May	133,723,713	20,434,749	May	164,209,515	20,800,573
June.....	131,245,877	23,608,599	June.....	157,529,450	23,533,448
July	139,061,770	27,806,655	July	159,677,291	22,988,465
Total...	1,503,826,993	260,072,037	Total ...	1,606,150,312	229,441,967

Therefore, the new tariff policy had brought to this country up to the outbreak of the great European war an increase in imports of $102,323,319, and at the same time a decrease in customs revenue of $30,630,070. The new law had benefited foreign nations, had increased unemployment in the United States, and had seriously lessened the national income. These facts are indelibly written in the official records, which any man may read. A tariff for revenue only had failed to achieve the one professed purpose of the legislation, and an onerous income tax had failed to make up for the tariff deficit. We had untaxed foreigners to tax our own citizens, and the result was a national loss and a national humiliation.

TO COVER UP DEMOCRATIC FAILURE.

This is the real reason why this war revenue measure is sprung now upon Congress and the country. It is to cover up the breakdown of the financial and economic policies of this Democratic national administration. The record shows clearly that if there had been no war the Nation would have had a lessening income and an accumulating deficit. No economist of standing has any doubt that the income tax provision produced its maximum revenue in its first year. Not the most inquisitorial methods that human ingenuity can devise will draw more revenue next year, for the tax will be levied on incomes reduced everywhere by a year's severe depression in general business. Few, indeed, will be the business or professional men of America whose earnings in 1914 will not be very considerably below those of 1913.

In all this dismal record of Democratic failure history is simply repeating itself. The Democratic tariff for revenue only of 1894–1897, the Gorman-Wilson law, brought national disaster in precisely the same way. In its first fiscal year, 1895, the ordinary receipts of the Government were $313,390,075, and the ordinary disbursements were $356,195,298. In the following year, 1896, the ordinary receipts were $326,976,200, and the ordinary disbursements were $352,179,446. In 1897 the ordinary receipts were $347,721,705, and the ordinary disbursements were $365,774,160—a total deficit for the three years of this memorable free trade experiment of $86,060,924.

Democratic control in these modern times is manifestly fatal to the financial and industrial well-being of the United States.

A SHRINKING EXPORT TRADE.

It has long been the favorite Democratic doctrine, proclaimed from press and platform, that a protective tariff was a "Chinese wall" about the country; that there could be no great foreign trade under a protective tariff policy, and that a Democratic tariff for revenue only would bring us quick and easy mastery of the "markets of the world." But, like the Democratic promise to reduce the cost of living, this theory of a world trade has been totally demolished by experience.

Exports from America have not increased under the Democratic tariff. On the contrary, they have constantly and very greatly decreased. American manufacturers and their employees have seen their own home markets successfully invaded by the foreigners, but American manufacturers and their employees have been able to secure less and less of those prom-

ised "markets of the world." Following is a comparative statement of the exports from this country for 10 months from October 1, 1913, to July 31, 1914, under the Democratic tariff law, and of exports under the Republican protective tariff for the same 10 months of the year preceding:

Comparative statement of domestic exports under Republican and Democratic tariffs, by months, for 10 months, beginning October, 1912 and 1913.

Months.	Republican tariff.	Months.	Democratic tariff.
1912.		1913.	
October	$251,587,993	October	$268,997,024
November	275,077,667	November	243,386,413
December	247,344,417	December	230,775,481
1913.		1914.	
January	224,272,058	January	201,674,044
February	191,135,844	February	171,605,138
March	183,446,790	March	183,934,601
April	196,233,706	April	158,967,303
May	191,055,800	May	157,492,718
June	160,172,880	June	154,105,469
July	158,173,653	July	150,959,659
Total	2,078,500,810	Total	1,921,897,845

In every month but two of the 10 months from October to July, inclusive, in which the new Democratic tariff for revenue only has been in operation the American people sold fewer of their products to foreign countries than they sold under the Republican protective tariff, which this ill-fated Democratic measure has displaced. The Democratic law was not an open sesame to foreign markets. It failed there as it failed at home. It has cut down American trade and American industry everywhere, and it has benefited no one but foreigners.

FEWER MANUFACTURES SOLD ABROAD.

The one most notable feature of American export trade for many years under the Republican protective tariff policy has been a constant and gratifying increase in the amount of American manufactured goods—the products of our great national industries—sold abroad to foreign consumers. The value of finished manufactures ready for consumption exported from this country has increased under Republican protective-tariff policies from $222,537,358 in the fiscal year 1898 to $776,297,360 in the fiscal year 1913. The proportion which these finished manufactures bear to our total exports has increased in the same period from 18.38 per cent to 31.97 per cent. Between 1912 and 1913 the increase of exports of finished manufactured goods was more than

American trade was prosperous then at home and abroad. But now mark the contrast: In the first 10 months of the present Democratic tariff for revenue only our exports of finished domestic manufactures ready for consumption fell off to $581,124,168, as compared with an export of $652,671,433 for the corresponding 10 months of the previous Republican tariff law—a decrease of $71,547,265 as a part of the price which the American people have had to pay for turning the business management of their Government over to men who do not possess the wisdom and experience to conduct it.

All this happened before the outbreak of the disastrous European war. Our commerce was declining, our finances were shrinking. In a period of peace a deficit in the national revenues was in sight, and bonds would have had to be issued or additional and extraordinary taxes imposed, even if there had been no war, to make up for the inevitable consequences of an unsound economic policy condemned and repudiated almost everywhere else in the world. This is not a war-revenue measure now. It is deceptive to call it so. This revenue bill is a new proof and price of the historic Democratic genius for blundering.

TURNING THE BALANCE OF TRADE AGAINST US.

For many successive years under Republican protective-tariff policies the balance of trade had been heavily in favor of the United States. Exports had far exceeded imports. We had sold more than we had bought, and thus had secured the resources to pay the interest and dividends on foreign investments in this country, and in addition the huge sum of between two and three hundred million dollars annually demanded by foreign shipowners for carrying our mails, passengers, and freight in over-seas commerce.

But the new Democratic tariff-for-revenue-only policy has changed all this. No sooner had the Democracy come into power than the favorable balance of trade began to dwindle, until it has now wholly disappeared and an adverse balance is rolling up of greater and greater proportions. Here are the certain results of the Democratic tariff policy written in the figures of total imports and domestic exports of merchandise for the 10 months from October, 1913, to July, 1914, inclusive:

Imports and exports, and balance of foreign trade of the United States, 10 months, October, 1913, to July, 1914, inclusive.

[Compiled from Monthly Summary of Foreign Commerce.]

Months.	Imports.	Exports.	Balance in favor of United States.	Balance against United States.
1913.				
October	$132,878,896	$271,855,054	$138,976,158	
November	148,216,536	245,550,392	97,333,856	
December	184,587,571	233,487,765	48,900,194	
1914.				
January	154,418,247	204,131,641	49,713,394	
February	147,973,376	171,605,138	23,631,762	
March	182,762,954	187,499,234	4,736,280	
April	173,896,476	162,550,870		$11,345,606
May	164,209,515	161,732,619		2,476,896
June	157,772,973	157,119,451		653,522
July	159,677,291	154,138,947		5,538,344
Total	1,606,393,835	1,949,671,111	363,291,644	20,014,368

The Democratic tariff policy has succeeded in 10 months in changing a monthly balance in favor of the United States of $138,976,158 to a balance against the United States in July of $5,538,344.

HOW HISTORY IS REPEATING ITSELF.

The American people are now in the unfortunate position of people buying more than they can sell, and under the necessity of raising large sums of money every year to discharge their debts to foreign capitalists and foreign shipowners. This process, long continued, can not but impoverish the United States, as it did in the memorable tariff-for-revenue-only period before the Civil War, which ended in utter disaster and the downfall of the free-trade régime, President Buchanan himself recommending that it be abandoned and the tariff duties increased to meet the necessities of American industry and the American Government—and this in 1859–1860, before the Civil War began.

Like this, that earlier Democratic tariff for revenue only produced a financial deficit and industrial disaster. It was overwhelmingly repudiated by the American people, just as this present Democratic tariff is going to be. This war revenue bill, rushed through Congress under the pretext of a war emergency in a year which for the United States is a year of peace, is the first step toward the destruction of the sinister legislation of 1913.

The one hope of escape from overthrow now cherished by the leaders of the administration party is a hope that rests in the calamity of the European war. It is supposed that this terrible combat may divert the attention of the American people from the demoralization and loss of American business that has followed on the Democratic tariff policy thus far. But merchants, manufacturers, and wage earners know what the consequences of the Democratic legislation have been to them, and they are going to see that these results shall not be forgotten. The country and the world are shocked by the scenes that are being enacted on the battle fields of Europe, but our business people and our working people are not unmindful of the idleness and the suffering here at home, over which there hangs no glamor of military glory. One of the great industries of Pennsylvania and of the Nation is the textile industry, a peculiarly sensitive index of the real condition of the country's business. The textile industry was singled out for particularly savage treatment in the Democratic tariff law, and we are in a position now to begin to measure the consequences of that vindictive legislation.

TEXTILE MILLS HIGHLY PROSPEROUS BEFORE THE PRESIDENTIAL ELECTION OF 1912.

Before the presidential election of 1912 conditions in the great American textile trades were highly prosperous. Thus the Boston Commercial Bulletin said in its weekly report upon the wool trade October 19, 1912:

> Not in the history of the trade, we think, has the New York goods market shown such signal buoyancy and activity during a Presidential campaign as it has this fall. Everything practically has been in demand, while the call for the spring trade has rarely been better. Nearly all the larger factors are well sold up on their spring capacity, and some mills have lines withdrawn from the market both in staple and fancy goods. This applies both to men's wear as well as to dress goods. The yarn spinners are likewise well sold ahead, and out of all these factors probably very few have sufficient wool to cover the orders already taken.

The American people were busy and happy then. They had work and wages and the money wherewith to buy their woolen clothing. That explained the "signal buoyancy and activity"

of the woolen business. It was prosperous because the American nation was prosperous.

The Textile Manufacturers Journal of October 12, 1912, said:

Viewed in its entirety, from start to finish, the woolen trade is advancing. Spinners are generally rather independent, as most of them are sold up to January, and a few even further ahead. Men's wear and dress goods popular numbers of yarns are rather scarce and are becoming very hard to obtain.

A week later, on October 12, 1912, Fiber and Fabric said:

Both spinners and manufacturers continue busy. There is hardly a worsted mill of any description that has not about all it can attend to for the time being. The market is bare of stock, and owing to the sold-up condition of the spinners but very few spot lots are being offered.

The New York Journal of Commerce of October 24, 1912, remarked:

Mercantile bankers in the dry goods trade say it is not realized to what extent the volume of business in the country is expanding, or rather growing, toward what has been regarded as a high-water market. * * * The great activity in the woolen goods trade is now acknowledged by the leaders in the business in a public way.

The Boston Transcript of October 31, 1912, said:

Not since 1909 had there been such an eager and constant demand for woolen fabrics from the manufacturers of clothing. From all sections of the country large operators are making preparations to get woolens and worsteds for their final winter requirements, and they do not let an opportunity escape to increase stocks of staples in medium and heavy weights. So far as can be judged from the volume of business so far placed, the yardage is in excess of last year or the year before.

So active and prosperous were American textile mills that they were hard pressed to secure a sufficient number of employees. Before that fateful presidential election which so changed the whole aspect of American affairs and transferred prosperity from America to Europe, there was more work to do than there were men to do it. As the Daily Trade Record said:

The present scarcity of textile operatives is forcing curtailment of production in practically all the mill centers of New England, according to current reports. One manufacturer is quoted as saying: "You can not find fault nowadays with an operative for doing poor work, because he is ready to leave on any slight provocation, and he will probably be welcomed next door at higher wages than you can give him."

HOW THE NEW TARIFF BROUGHT REJOICING AND PROSPERITY TO EUROPE.

But the election of a Democratic President and a Democratic Congress in November, 1912, had a quick and significant effect upon the American labor market. Presently there were more workers than work. Hundreds of thousands of American wage earners voted their jobs to men in Europe when they voted the Democratic ticket—though they did not know it.

They listened to political declamation against the high cost of living, and presently they found the cost of living higher than it ever was, with no work to do, and no money in their pockets to pay it.

From trade authorities it has been shown how flourishing were the American textile and other trades before the presidential election of 1912. Business abroad was not so good then, but the inauguration of a Democratic President and the assembling of a Democratic Congress in the spring of 1913 brought a most significant change on both sides of the Atlantic. The situation had been completely transformed; America was depressed and Europe prosperous. As the London World of July 1, 1913, while the tariff for revenue only was in the making, said:

The Wilson tariff is certain to have a very important effect upon the cotton industry of Lancashire. Only this week a representative of a powerful American syndicate arrived in Manchester from Pawtucket to arrange for a supply to America when the new tariff comes into force of a large quantity of half-manufactured goods, which will be completed on the other side and placed on the American market.

This is supposed to be only the initial step in a big movement.

It is predicted that Lancashire can look forward with certainty to five years of remarkable prosperity. Trade will rapidly develop with the United States.

It is now a matter of record how those brilliant trans-Atlantic anticipations were realized. The Wilson tariff did make business good in Europe at the cost of the United States. It increased the profits of European manufacturers at the expense of the American dinner pail.

A BOON FOR ENGLISH SHODDY MILLS.

In the heavy woolen district of Batley and Dewsbury, England, is the center of the vast British shoddy industry—an industry for which there is no equivalent in America. As the report of the Tariff Board of the United States says:

The greatest shoddy producing center in the world is in and near Batley and Dewsbury, England. Of the 900 rag-grinding machines in the United Kingdom, Yorkshire, in which Batley and Dewsbury are located, has 881 machines. In the whole of the United States there are only 346 rag-grinding machines. * * * The English of the district of Yorkshire are very skillful in the production of cloths from shoddy and other waste products.

Until the Democratic tariff for revenue only came to their rescue, the shoddy makers of Batley and Dewsbury were exceedingly depressed. As the Yorkshire Observer of November 8, 1913, said:

The dullness in the cloth trade of the heavy woolen district is causing not a little unemployment. Night work has ceased at several mills.

Then observe the frankness with which this English journal notes the quarter from which relief will come:

Orders have been placed in Batley for cloth to be delivered in the United States early in the new year, and it is probable that when the revised tariff comes into operation a valuable market for the products of this district will be found across the Atlantic.

Thus the Democratic tariff for revenue only came in the nick of time to save the situation for the shoddy manufacturers of England. A few months later, on June 26, 1914, this same English journal, the Yorkshire Observer, said:

The effect of the new tariff in the United States is now seen to be beneficial to cloth producers in the heavy woolen district, and there is no doubt that even better results will be obtained when the requirements of customers on the other side of the Atlantic have been more definitely ascertained.

The use of shoddy in woolen goods had been steadily decreasing under the protective-tariff system in America. As the Federal census of 1910 said:

The figures show a marked decrease in the use of shoddy. The quantity purchased decreased 35 per cent and the amount manufactured in woolen mills for use therein fell off 10 per cent. In 1899 the total amount of shoddy consumed by woolen and worsted manufacturers was 68,663,000 pounds; in 1909 it was only 53,621,000 pounds, a decrease all the more significant when the growth of the industry is considered.

In 1907 the production of shoddy in the United Kingdom was 137,056,000 pounds. That is to say, with one-half the population the United Kingdom uses two and one-half times as much shoddy annually as the United States.

That is, this was the fact under the protective-tariff system, but apparently the Democratic tariff for revenue only not only increases the market in this country for foreign "woolen" fabrics made of shoddy, but compels the use of more and more of these substitutes for new wool by American manufacturers; for, as the Yorkshire Observer, already quoted, said on the 26th of last June:

It is quite evident that the Americans are converting more rags for manufacturing purposes in their own country. Last month they sent only 526 tons, compared with 1,200 tons in May, 1913, and, in addition, they are probably the chief buyers to account for an appreciable increase in our export of rags, which has been on the upgrade during the whole of the present year.

If I recollect rightly, the Senator from Wyoming [Mr. WARREN], who sits before me, called attention to this fact as one of the results of the change in the wool schedule—that the American people would become a nation clad in clothing made of rags and shoddy and not clothing made from pure wool. Am I correct?

Mr. WARREN. The Senator is correct.

Mr. PENROSE. Therefore, not only have our own woolen manufacturers been jeopardized, in many cases bankrupted, closed up, or working on part time, but the clothing which the average person is compelled to use is of the lowest grade of any so-called woolen material.

Here is frank British testimony to the usefulness of the present Democratic tariff in encouraging the rag and shoddy industry in America and Europe.

ROBBING AMERICA TO ENRICH EUROPE.

In the worsted mills of Bradford, as well as in the shoddy mills of Batley and Dewsbury, the Democratic tariff of 1913 was frankly hailed as a great benefaction to British manufacturing. A London cable dispatch to the New York Daily Trade Record of December 8, 1913, said:

The Bradford textile district is temporarily depressed. Some of the mills are already on short time, but there are predictions of active revival after the American tariff reductions on woolens become operative January 1.

Across the English Channel and the North Sea the Simmons-Underwood tariff law brought quick acclamation. At Verviers, in Belgium, the quarterly report of the Chamber of Commerce, noted in the Daily Trade Record of October 27, 1913, recorded "a drop of 25 per cent in the quantity of tops conditioned," and significantly added that all this would be changed by "an increased trade with the United States under the new tariff." A cable dispatch to the New York Commercial of January 19, 1914, reviewing British business, stated that "British business men are decidedly optimistic over the prospects for the new year," and added:

Chief among the factors favoring 1914 are the American tariff reduction, the effect of which is being felt in the woolen and tin plate industries, two lines which shared some slackening up in 1913. The

condition of the tin plate industry was particularly bad in 1913, until the passage of the new American tariff bill, but to-day mills are working overtime to accommodate American orders.

The American people do not complain of prosperity in Europe so long as that prosperity is not purchased at their expense. But the Democratic tariff policy robbed America to enrich Europe. It took employment and wages away from American men and women to lift the profits of European mills. The Philadelphia Public Ledger of July 21, 1914, gives this illuminating case in point:

A Philadelphia underwear mill recently placed an order for 25,000 pounds of French-spun worsted yarn, taking the foreign yarn at a cost saving of $3,000, after a local spinner's best price had been submitted. The mill that lost the order in competition with a foreign establishment estimates that the labor involved is equivalent to the work of 60 men for 10 days.

It means that about $1,400 in wages that might have been paid to work-people here will go abroad. That's the way to look at it.

Abroad—in foreign countries—the Democratic tariff for revenue only was beautifully impartial in its benefits. A dispatch from Biella, Italy, to the Daily Trade Record of December 8, 1913, said:

Owing chiefly, it is reported, to the new American tariff, the Italian woolen industry has recovered to a large extent from a long period of depression, both in the spinning and weaving end of the industry. The revival is said to be especially marked in light-weight woolens and flannels.

WHAT THE NEW TARIFF DID TO AMERICA.

That is one side of the story—the bright side of the shield. Now let us look at the American side—the side of our own country, of our own people. On December 31, 1913, the directors of the Contoocook Mills Corporation (knit goods), of Hillsboro, N. H., "passed the quarterly dividend of 7 per cent preferred stock due January 1, the operating results of the year having been unsatisfactory."

Thus the Democratic tariff experiment began promptly to get in its work on this side of the Atlantic. Even earlier than this, on September 25, 1913, Mr. J. F. Maynard, the president of the Globe Woolen Co., of Utica, N. Y., one of the oldest and most famous wool-manufacturing concerns in America, making particularly fine all-wool fabrics, announced that the mills "would shortly be closed indefinitely." On October 8 the Globe Woolen Co. shut down entirely "on account of the new tariff." Nine hundred skilled workers were thrown out of employment. The owners state that the suspension is indefinite and may be permanent.

Thus the "New Freedom" was in practical operation. On January 24, 1914, the Alexander Smith & Sons Carpet Co., of Yonkers, N. Y., which in three years had distributed $342,000 among its employees under the profit-sharing plan, announced that beginning February 7 wages would be reduced 10 per cent to 7,000 operatives.

On January 28, 1914, the Enfield Manufacturing Co. a wool-manufacturing corporation, by a vote of its stockholders, filed a voluntary petition in bankruptcy. On January 31, the Emmott Worsted Spinning Co., of Chester, Pa., was stated to be "in financial difficulties" and "to have made an offer of 50 cents on the dollar to its creditors by way of settlement."

On February 19 a reduction of the night-shift wages went into effect in the fustian mill of the Crompton Co., at Crompton, R. I., due to a falling off in the demand for the product, owing to the importation of German-made goods under the new tariff. The Crompton Mills made corduroys, velvets, and velours.

On February 28, 1914, the Rev. Charles E. McClellan, pastor of the Fairhill Baptist Church, No. 521 Lehigh Avenue, Philadelphia, Pa., was quoted as saying in the Philadelphia Press:

Every day I am besought by persons to assist them in finding employment. Except in some of the hosiery mills there is widespread depression in Kensington manufactures, and it is as difficult to find work for men as it is to procure funds for relieving their distress.

We are on the ragged edge, both from the workingman's point of view and that of the manufacturer. No work and prices soaring! Yet people will believe a theory rather than the established facts of history.

ALL THIS WAS LONG BEFORE THE WAR.

All this was long before the great European war had loomed on the horizon. Dullness of trade, idleness of workers, crowding demands on public charity and the philanthropic work of churches, were the result, in the United States, of what will be known in history as the colossal political and economic blunder of the Simmons-Underwood tariff law, which gave away the profits of American business and the wages of American workpeople to swell the dividends of the manufacturers of Great Britain and the Continent. Early in April, 1914, Mr. C. H. Brown, the secretary of the National Association of Hosiery and Underwear Manufacturers, was quoted as declaring:

The common hosiery, known as the "poor men's hose," cotton lisle, and retailing at 25 cents per pair, is now entering the United States at $1.25 per dozen. The United States mills' selling price is $1.85 per dozen; the cost price, without profit, is $1.70 per dozen.

The foreign manufacturers, however, are only landing the goods at $1.36 per dozen pairs; they are selling at the American price of $1.85, and the difference, or 49 cents, is going into the pockets of the importer, jobber, and retailer, but with no difference in cost to the consumer.

Under the Payne law, this class of hosiery entered at between $1.85 and $1.90 per dozen pairs.

Under the Underwood law the foreign manufacturer can undersell the American manufacturer whenever he makes up his mind to do so, but for the present he is taking all he can get.

Mr. George C. Hetzel, a successful worsted weaver of Chester, Pa., said:

We are running about 60 per cent of capacity. I can not recall any time since 1896 that we have not run full capacity in March. Wages paid in our mill were 21 per cent less than in 1912. This represents a deduction, not in the rate of wages, but in time.

The Radmoor Mills, Thomas E. Brown & Sons, of Philadelphia, said:

Our seamless-hosiery plant has been practically at a standstill since the new tariff went into operation.

A few weeks later, in June, 1914, the Daily Trade Record, of June 20, 1914, said of the Philadelphia situation:

Mills making men's wear are operating about 70 per cent of capacity. In the lace industry nearly 60 per cent of the machinery is estimated to be idle. The carpet and rug mills are represented as having little business.

A few days earlier the Axminster department of the local plant of the Bigelow Carpet Co. at Lowell, Mass., had gone on half time.

The Lawrence Manufacturing Co., of Lowell, Mass., announced on May 25, 1914, through its treasurer, Mr. C. P. Baker, that:

Production at this plant is being curtailed 50 per cent. The small amount of business and general unsettled conditions are the causes. Dullness is due chiefly to the increased importations of knit goods.

MILLS CURTAILING AND CLOSING EVERYWHERE.

Depression was widespread throughout the industrial communities of New England, as throughout those of Pennsylvania. On June 20, 1914, the Textile Manufacturers Journal announced that:

Mill B of the Sanford (Me.) Mills, which operates on plushes, has been put on a four-day-a-week schedule, the mill to close down for the week on Thursdays until further notice. Mill C of the company has been running on a four-day schedule for about seven weeks, which means that 500 operatives are on short time. Supt. George G. Emery is quoted as saying that orders have fallen off steadily since the passage of the tariff bill.

That was in New England, which like Pennsylvania was one of the particular targets of the authors of the new Democratic tariff law. But it is difficult in the United States to single out any special section for slaughter without sacrificing the prosperity of other sections and other States. The New York Mills Co., located in a suburb of Utica, N. Y., and employing more than 2,000 hands in the manufacture of cotton cloth, was announced on May 5, 1914, as insolvent to the extent of $1,500,000. The preferred stockholders of the company were offered 10 cents on the dollar for their holdings.

On June 28, 1914, the Crawford Woolen Mills, of Martinsburg, W. Va., went into the hands of receivers, with liabilities placed at $160,000. "The mill has been in operation 20 years and employs 300 persons."

A few days later the Sterling Mills Co., of Bridgeport, Pa., manufacturing cassimeres and cloakings, shut down an equipment of 5 sets of cards, 35 broad looms, 2,660 spindles, and dyeing and finishing machinery.

At almost the same time the woolen mills of James Lees & Sons Co. in the same town, Bridgeport, Pa., closed down for two weeks. "Our shutdown," a member of the firm was quoted as saying, in the Daily Trade Record of July 10, "is due to two things—the operation of the tariff and the threatening of industries by proposed new laws in Washington. In other words, the business interests of the country are afraid of the present National Government."

On July 11, 1914, the Textile Manufacturers Journal announced that a voluntary petition in bankruptcy had been filed at Portland, Me., by the Somerset Woolen Co., of Monson, Mass., liabilities being given at $50,499. "No announcement has been made as to the future disposition of the plant, but it is thought that a resumption of operations by the present company is improbable."

These troubles could not be chargeable to the European war, which had not yet begun. The one cause, and the only cause, was the new Democratic tariff for revenue only—the ill-fated law of October 3, 1913—which was proving destructive alike to the prosperity of American industries and to the national revenues. On July 29, 1914, the New York Journal of Commerce announced the appointment of receivers for the Fern

Rock Woolen Mills, of Philadelphia, with assets of between $175,000 and $200,000 and undetermined liabilities.

SHORT TIME OR BANKRUPTCY IN SOUTH AND WEST.

There are not many woolen mills in the Southern States, but the new Democratic tariff policy of southern origin did not spare those that did exist there. On July 28, 1914, a voluntary petition in bankruptcy was filed in the Federal court at Nashville, Tenn., by the Nashville Woolen Mills Co., with liabilities of $80,000. This company had been incorporated in 1882, operating 5 sets of cards and 44 broad looms and manufacturing cassimeres, overcoatings, and worsteds. It was an important southern industry, but as it happened an industry on which the sun of southern Democratic favor did not shine. The unfortunate officers and employees of the Nashville Woolen Co. should have had the foresight to engage in growing rice or raising Angora goats in Texas.

West, East, North, South, the Democratic tariff policy was showing its handiwork before the European war began. On July 22, 1914, the Daily Trade Record, of New York, announced that the Knight Woolen Mills, of Provo City, Utah, "in order to prevent the laying off entirely of a large number of employees, or the indefinite closing of the mills, would be put on short shift five days in the week—reducing by 25 per cent the earnings of the operatives.

"It is further stated that the reduction follows the receipt of word from the eastern selling agents of the company to the effect that, because of the influx of English-made goods, there is no market for the product of the Provo Woolen Mills."

It was further stated:

The first severe blow to the local company following the enactment of the Underwood tariff law was the falling off in the demand for Mackinaw woolens, for which there was formerly a demand amounting to $20,000 to $30,000 a year from the Northern States. This business has now fallen to $3,000 to $4,000 a year, and the reason given is that, because of the enormous influx of English woolens, the woolen mills of the East have taken to the manufacture of the goods, of which Provo formerly made a profitable specialty.

The gravity of the situation here is felt keenly, and it is generally believed that, unless the demand for American woolens picks up exceedingly well, the local woolen mills will be obliged to shut down entirely, or else reduce the force of employees to half of the number now employed at reduced earnings.

HOW BUSINESS BOOMED IN ENGLAND.

These are depressing pictures—in America. Let us turn again to the bright side of the shield—to the lands where the Democratic tariff legislation had brought the active business and the good times, the full employment and the full wages that were so conspicuously lacking here. Let us turn to where the real, grateful beneficiaries of the Democratic tariff live—to the other side of the Atlantic Ocean.

As early as April 25, 1914, "there was a common report in Yorkshire that several Bradford shipping houses were declaring their invoices in London and provincial centers in order to hide the real extent of the trade that was being done with the United States. It was also stated that British manufacturers and merchants were objecting to the publication of the monthly export statistics of American consuls"—as giving the American newspapers and the American Congress too much information of the havoc wrought by the Democratic tariff with American industries. Thus, the Bradford correspondent of the Daily Trade Record of February 27, 1914, said:

The piece-goods trade exhibits further signs of expansion. Whether American manufacturers like it or not, there is an important business doing in fabrics which could be essentially produced in American mills. They consist of an almost endless variety of goods, from the thinnest summer-wear fabrics of a popular order to thick overcoats for next fall wear. Bradford shipping houses are unable to cope with their orders.

There was at that same time no noticeable difficulty in coping with the orders of American mills, where one-fourth or one-half of the machinery was idle and one-fourth or one-half of the workpeople out of employment. It is not strange that the British beneficiaries of the Democratic tariff legislation were solicitous that the real facts should not be disclosed to the American public.

But the American consuls could not be successfully muzzled either by British manufacturers or by a disconcerted State Department. In the Daily Consular and Trade Reports of March 23, 1914, the American consul at Huddersfield, England, said:

There is no doubt that Huddersfield woolen manufacturers are benefiting materially by the new American tariff. Many of the mills are gone on full time after many weeks of depression. The value of all kinds of textile goods invoiced through this consulate to the United States in February, 1914, exceeded by $199,000 the exportation of similar goods during the same month of 1913.

From Great Britain and the Continent generally woolen fabrics are coming into the United States in amounts and values three or four times as great as under the Republican protective tariff. There are imports almost as great in other departments of industry. The displacing of American-made goods by foreign-made goods in a hundred lines, and the consequent throwing out of work of American wage earners, begin to affect very seriously the purchasing power of the American people.

RAILROADS AND WAGE EARNERS HARD HIT.

The railroads—the amounts of their passenger and freight business—are unfailing barometers of the state of general business. Between January 1 and March 28, 1914, the New York Central Railroad, according to A. T. Hardin, vice president, had laid off 25,000 men—about 15,000 on lines east of Buffalo and 10,000 west of Buffalo. "Compared with 1913," said Mr. Hardin, "the business of this year on the New York Central suffered a reduction of from 8 to 10 per cent. The reduction of the working force has been in the same ratio."

Mr. James M. Lynch, commissioner of the State department of labor at New York, announced in his annual report that not since 1896, with the single exception of the financial panic year of 1908, had so many union workmen been idle. The cause, Commissioner Lynch said, was "simply lack of work. * * * At the same time idleness due to labor disputes was almost a negligible factor." There were 47,000 idle people in the clothing trades and 16,000 or 17,000 in the building trades.

That is what a few months of Democratic tariff for revenue only had done to the toiling masses of the Empire State.

The total operating revenue of the Pennsylvania Railroad system, East and West, for the seven months from January to July, 1914, inclusive, showed a decrease of $18,745,102.93—a shrinkage almost equally divided between East and West.

The New York Journal of Commerce of July 30, 1914, in its Pittsburgh dispatch, stated that:

A majority of the steel mills are operating actually from 33 to 55 per cent of their capacity, and the same can be said of the blast furnaces. A careful report on labor conditions submitted this week from official sources shows that in the Pittsburgh district, including a radius of 40 miles, there are 75,000 idle men. Of these probably one-third are railroad employees, and over 20,000 are in the coal fields. The steel trade and metal industries supply the bulk of the remainder. Financial reports indicate further that the pay roll of the district is $350,000 per day less than a year ago, when it was averaging $1,000,000 a day.

The American Protective Tariff League, of New York, in a bulletin issued in July last, said:

A startling decrease in the income and purchasing power of American wage earners in this period of industrial and business depression, following the enactment of the Underwood free-trade tariff law, is shown as the result of careful inquiry by the American Protective Tariff League. The decrease in pay-roll checks passing through the banks in the chief centers of industry and business is the surest possible proof of the serious blight that free trade has inflicted upon the earning and spending capacity of American labor.

This shrinkage in wage payments, as reported by 64 banks, amounted to $866,908.01 in the third week in June, 1914, as compared with the third week in June, 1913, when the Payne protective tariff was in operation. If the same rate of decrease should apply for the whole year from the 64 banks reporting, it would show a decrease of wages paid amounting to $45,079,216.52. If applied to all the banks of the country for a full year, the shrinkage would amount up into hundreds of millions of dollars. It is a shrinkage that is felt in every line of business. When a free-trade tariff thus reduces the number and contents of American pay envelopes the calamity becomes nation wide.

PROTEST OF PENNSYLVANIA MANUFACTURERS.

The Manufacturers' Association of Montgomery County, Pa., over the signature of C. F. Williams, president, and W. W. Finn, secretary, on July 17, 1914, sent a letter to President Wilson, stating that—

In a great measure that part of the Schuylkill Valley for which we now speak is industrially paralyzed—

Urging modifications and increases of the tariff, and reminding President Wilson that—

No finer opportunity ever presented itself to any political party to rise above partisanship and serve the people than is now offered the Democratic Party to so change the present tariff law as to give both capital and labor a decent chance in the country in which that Democratic Party boasts that it is the servant of the people.

This memorial of the Montgomery County manufacturers further said:

Is capital to be tabooed? Are successful business men to be declassed as citizens and classified as malefactors? Is the law to say to one class of citizens, Sabotage is lawful; and to another class, Property is plunder? The feeling is abroad that malice and class hatred are being toyed with by our representatives in Washington. Men are frightened as never before in the history of this Nation. They tremble for their country. They fear the cause of the depression is more dangerous than the effect. Men bear to you the tidings, so it is said, that there is no depression; men are not out of work; the country suffers from nothing but "calamity howlers." Our answer is this: In the Schuylkill Valley there is depression; the streets of the Schuylkill Valley towns are lined with men who have no work and who one year ago were well employed; the floors of the Schuylkill Valley warehouses are piled with goods for which there is no market and no demand. We speak only for the Schuylkill Valley, but for that we do speak. When any man rises in your presence to tell you, as President of our country, that these men in the Schuylkill Valley can work if they will, that the work is here and that they

are crying out merely to discredit your administration, that all this talk about depression is due to an inflamed imagination, then we rise to say that that man, whoever he may be, is guilty of mockery that is exquisitely cruel.

Up to the present time no reply has come from the White House.

During the ten days ending May 24, 1912, 35 coke ovens were put out of blast in the Connellsville district.

Mr. Alba B. Johnson, president of the Baldwin Locomotive Works, in a statement on June 24, 1914, before the United States Commission on Industrial Relations at Philadelphia said that "In the last year the number of men employed by the Baldwin Locomotive Works has decreased from a normal working force of between 17,000 and 18,000 to 8,200."

On July 16, 1914, the New York Journal of Commerce announced that—

Revision of the tariff schedules affecting glass is responsible for the establishment by the Von Gerichten Art Glass Company of Columbus, Ohio, of a plant in Munich, Germany. It was explained by an officer of the company that under the reduced tariff the product can be manufactured more advantageously and imported into the United States on better terms than can be made here.

HAVOC IN THE STEEL AND IRON TRADE.

On June 25, 1914, Judge Gary, in an address to the presidents of the subsidiary companies of the United States Steel Corporation, said:

I think you will agree with me that in our line, taken as a whole, business conditions during the last few months have been worse than before at any time during the last decade.

That the tariff law lately passed has adversely affected the business condition of this country is my judgment. This is not or ought not to be a political question. It is an economic question. To my mind it is unfair to any country to place it upon a free-trade basis if it has to come into competition with another country which is on a protective basis, assuming, of course, that the interests of the countries respectively are the same with reference to the application of laws of this kind. I have never believed in protective laws which would permit the citizens of any country to collect unreasonable prices for their commodities. I believe protection should cease at the point where mere protection is afforded and where opportunity to oppress commences. But the present laws, so far as they affect our business at least, are not in my judgment adequate to protect. We have reason to expect that with the present tariff law the earnings of manufacturers will not be as large as they ought to be in order to furnish to the investor a fair return on the capital actually invested in his business or the payment to his employees of the wages they need and should be entitled to receive. If this be true it is only a question of time when the majority of the people will realize that unreasonably low-tariff rates are not of general benefit, and in that case there will be a change in the policy of the country.

Mr. J. C. Maben, president of the Sloss-Sheffield Steel & Iron Co., as quoted in the New York Sun of April 14, 1914, declared that—

The outlook in the steel industry is devoid of hope for even a moderate return of activity in the near future, as a result of the tariff. This is the trouble with the new tariff—

Said Mr. Maben:

It makes this country subservient to Europe. The minute business picks up here the European manufacturers will ship goods in and underbid us until their home market improves. There can be no independent steel market movement in this country under the new tariff.

Mr. Maben added that he was a southern manufacturer; his company was a southern company; he had served as an officer in the Confederate Army under Lee; but that the new tariff was producing a profound effect upon southern sentiment, and that the widespread business depression should operate to make it impossible for the Democrats to elect even one man to Congress north of Mason and Dixon's line, except possibly in the Tammany strongholds.

Mr. John A. Topping, president of the Republic Iron & Steel Co., speaking after the new tariff had been a few months in operation, declared that—

About 250,000 steel workers were either out of work or on reduced pay, due to foreign competition at seacoast points following the tariff reduction.

Mr. Topping added:

While the American manufacturer has not abandoned seacoast markets, yet to hold those markets on account of the high labor and transportation costs profits have been sacrificed and it necessarily follows that if present conditions should be long continued or should lower prices from abroad confront us, wage reductions are inevitable.

The iron and steel trade is often and well described as the barometer of business in America. That its indications under the new disastrous Democratic tariff have been faithful and unerring is proved by the further fact that the new incorporations of business enterprises reported in the Eastern States in May, 1914, amounted in capital to only about $62,000,000, against $172,000,000 in May of 1913, while the total amount of new incorporations from January 1 to June 1 was only $428,000,000 compared with $1,060,000,000 in the same period of the previous year. "A shrinkage of more than one-half in new enterprise or initiative," said the New York Journal of Commerce of June 6, 1914, "means something more than a state of mind or mental mourning."

AN OLD-CLOTHES TARIFF.

When times are dull people must still eat and food must be purchased. But they can postpone the buying of new clothes and wear old suits another year. This, apparently, is what has happened under the Democratic tariff for revenue only, which may well be called an old-suit tariff. In the New York Daily Trade Record of June 19, 1914, one of the chief clothing manufacturers of the country said:

We have not sold 50 per cent of what we sold this time last year, and if this is not an indication that the boys' clothing trade is far from good, nothing is.

The retailer is afraid to buy. He is living from hand to mouth. A few years ago he would place a substantial order, covering perhaps the entire season, whereas now he buys just what he needs and no more. There is no fear of cancellation. There is nothing to cancel.

So thousands and thousands of American schoolboys are and have been wearing old clothes another season because of the blight to business and the loss of employment of their fathers, due directly and solely to economic blundering in Washington.

One of the few business men quoted in favor of a reduction of the tariff last year was Mr. Frank S. Turnbull, vice president of the Rogers Peet Co., a great clothing concern of New York. The Daily Trade Record quoted Mr. Turnbull thus, May 25, 1914—he had just returned from Europe on the *Mauretania:*

Thirty-five per cent ad valorem duty on products of wool, as defined in Schedule K, is too low. Forty-five or 50 per cent would give us all the foreign goods we need, for style, quality, or competition, at practically no greater cost to the consumer, enabling our own mills to be more generally employed, and at a living profit. Invite capital to-day to invest in woolen or worsted plants, and watch the response. * * * British manufacturers who have been doing business with the United States under the old protective tariff have doubled and trebled their former business under this new tariff.

Mr. Turnbull was one of the gentlemen whose criticisms of the former Schedule K were most impressively quoted by the Democratic authors of the present tariff law, whose effects he now describes as beneficial only to Europe and disastrous to America.

A CASE IN POINT IN PENNSYLVANIA.

It is significant that Schedule K has almost dropped out of the Democratic vocabulary these days. Some weeks ago Representative PALMER, of Pennsylvania, ventured to declare:

In my own town of Stroudsburg, Pa., a large woolen mill which closed down before the tariff law was passed has been reopened for business with apparently good prospects.

Whereupon the president of this large woolen mill, Mr. Thomas J. Kitson, of Thomas Kitson & Son (Inc.), stated in the Textile Manufacturers Journal of June 27, 1914:

Congressman PALMER is perfectly right in saying that the mill at Stroudsburg closed down before the tariff law went into effect. This is true; but at that time I was sole owner, and did it on account of local conditions, and when I closed the mill I had four months' work before me, which was turned over to other manufacturers.

The mill was opened in March as a corporation, and we had to start with orders on a semistaple fabric, which we have been making for the last five or six years, and by constant effort we have been able to keep running, and if we retain our health we expect to continue as long as we can run without a loss.

In my limited experience as a manufacturer I do not recall as uncertain a market as the present, not only in the selling of merchandise, but in the purchasing of raw materials. I hope that the people who read the extract from the Philadelphia North American will not take the item seriously, as it appears to me as a joke. Nevertheless, business is unsatisfactory—low prices, constant change in styles and fabrics and ruinous competition. We do not give any credit to the Democratic Party for being able to run our plant, but will be thankful if we can continue without loss.

We have other industries in Stroudsburg that are working three days a week, and most of the plants are working short time. I wonder if the explanation is psychological.

The great manufacturing communities of Pennsylvania, as well as the small communities, are learning every day by their keen individual experience the inevitable consequences of the economic policy which Representative PALMER champions. The Daily Trade Record of September 30, 1914, speaking of conditions in one of the most important of Philadelphia manufacturing districts, says:

"Never has Kensington experienced such poverty and destitution," states Mrs. M. W. Ketchum, the manager of the Richmond Soup Society. "Virtually all mills in this part of the city have shut down, and the poorer employees are absolutely without food. In many cases also they lack clothing. Thousands are undergoing the tortures of hunger. Fathers and sons tramp the streets despondently, while wives and little ones cry for food at home. Children can not go to school for lack of shoes. Each morning hundreds of people line up before the offices of the mill still in operation in a vain attempt to receive work.

"If the people who are so anxious to sympathize with and help the destitute of Europe could spend one day at my home, and see starving children and mothers beg me for food, they would realize that there is more than enough for them to do here in Philadelphia," added Mrs. Ketchum.

PRICES OF FOREIGN GOODS HIGHER THAN EVER.

Though American mills were hard pressed under the new Democratic tariff policy, no compensating benefits reached the masses of the people. Most European manufacturers apparently did as did those Chinese growers of coarse carpet wools,

according to L. O. McGowan, the head of the China-American Trading Co., of Tientsin, China, who said in the Daily Trade Record of July 20, 1914:

The Chinese wool growers and dealers have increased the price of their wool to offset the elimination of the tariff. It costs us as much to deliver raw wool in New York as it did under the old tariff.

Said Isadore Saks, a member of a great dry-goods house, in the New York newspapers of December 29, 1913:

Our buyers have been told before and since the new tariff went into effect that those from whom we buy goods intended to exact higher prices from us.

At the same time Appraiser Higgins, of the Port of New York, said:

I have heard reports that the foreigners intend to take advantage of the tariff reduction by adding on the duty to their selling price.

The editor of the American Sheep Breeder, of Chicago, a few weeks ago asked the principal department stores and merchant-tailoring establishments of Chicago whether there had been any reduction in price to retail purchasers of clothing under the new tariff law. They said that they could get their cloth for somewhat less, but that the completed clothing was sold to the people for the same prices as before—only one house making an exception to this—but declaring that men's ready-to-wear suits showed a decided reduction in price when offered at clearance sales. In other words, in order to secure cheaper clothing in Chicago under the new tariff law it is necessary to watch for and grab at the bargain counter.

NO MORE TALK OF THE COST OF LIVING.

Innumerable instances could be cited to prove that though employment has been reduced and wages thereby cut, the cost of living is as high as or higher than ever in America. Our Democratic Department of Commerce, in its Monthly Summary of Foreign Commerce of the United States for August, 1914, quotes the monthly average export prices of principal domestic products for July, 1914, under the new tariff law and for July, 1913, under the previous tariff legislation. Anthracite coal, which sold for $5.09 a ton in July, 1913, was selling in July, 1914, at $5.32 a ton—an advance in the cost of the fuel of the people. Coffee had gone up slightly, from 15.6 cents to 15.9 cents a pound. Unbleached cotton cloths had advanced from 6.9 cents a yard to 7.6 cents, and bleached cotton cloths from 7.7 cents to 8.8 cents.

Eggs, which were selling wholesale at 19.8 cents a dozen in July, 1913, were bringing 20.6 cents in July, 1914. Dried apples had gone up from 7 cents to 8.7 cents a pound, prunes from 5.1 cents to 8 cents, and raisins from 6 cents to 7.3 cents. Fresh beef had advanced from 11.3 cents to 12.7 cents, and bacon from 13.4 cents to 13.9 cents. Butter, which was selling at 23.4 cents a pound in July, 1913, brought 23.9 cents in July, 1914—and there was less work and less income for the average family. Refined sugar, which sold at 3.6 cents a pound in July, 1913, sold at 3.8 cents a pound in July, 1914—according to these official figures of the Government. Potatoes had advanced from 77.6 cents to $1.08 a bushel.

These official records tell their story—but there is no real need of presenting them. Everybody knows that the Democratic pledge to reduce the cost of living has not been kept—that the Democratic prophecy has proved an utter failure. It is probable that this promise to reduce the cost of living did more than any other thing to win for President Wilson the plurality vote which in the face of the division of his protectionist opponents gave his party the victory in the election of November, 1912. It was a promise which in the very nature of things could not be kept, but it served its purpose of humbugging some of the American people. They can not be humbugged again. It is everywhere tacitly recognized that they can not be fooled a second time—and all talk of the cost of living has dropped suddenly out of Democratic discussion of the issues of the day.

WORSE THAN WAS FEARED.

The authors of this so-called war-revenue measure themselves acknowledged the utter failure of their original fiscal legislation by framing a bill which is estimated to yield as great an additional income as $105,000,000. They assume and acknowledge with reason that bad as the record of their tariff legislation is already, it is going to be worse. They are providing liberally for the utter collapse of their fiscal system. In their hearts they have no more faith in it than have Republicans. Therefore, they are using this occasion and opportunity of the European war to make a very generous provision for the future and to cover up the inevitable consequences of their own shortcoming for several years to come. Their foresight now is more to be commended than their sagacity last year when their tariff bill was pending. They have learned something in the interval. They have come to a realizing sense that an economic policy that closes mills in the United States and transfers their trade to Europe will inevitably bring disaster not only to the manufacturers and their employees, but to the National Treasury also. A year ago, in this Chamber, I predicted failure and disappointment as the certain result of the Democratic tariff bill, but I did not anticipate what has actually happened. I did not foresee that before that tariff legislation had completed its first year an emergency measure would have been brought into Congress under the shadow of a foreign war with which we have nothing to do—a measure estimated to eke out the failing revenues of a revenue-only scheme by the huge sum of $105,000,000. The Democratic record of achievement, or lack of achievement, is proving worse than its Republican critics prophesied, and in view of what has actually happened, I can only wonder at and regret my moderation of a year ago.

ONE GREAT COST OF THE WAR ON BUSINESS.

Without any desire to impugn the honest purpose and the patriotism of the leaders of the Democratic Party, it must be said that the warfare which that party has so long conducted on the conservative business interests of the United States has led to some very serious consequences for that party and for the Nation. The free-silver agitation, the free-trade agitation, the radical and vindictive assaults on large corporations and prosperous business, for no other reason, apparently, than that they were large and prosperous, have year by year been driving out of the Democratic Party in the Northern States the business and professional men who were once the choicest portion of its members.

So long as the Democratic Party was out of power this did not seem to make much difference, but now, unfortunately for the country, and merely because of a passing division in the ranks of its antagonists, the Democratic Party is in power; and it is suffering and the country is suffering because of a lack in its membership and its leadership of clear-headed, responsible, conservative business men. These men were in the Democratic Party once; that party long had a fair share of the merchants, the manufacturers, the bankers, the employers of the country. But one blunder after another, one unsound propaganda after another, has caused men of this type to leave the Democratic Party everywhere. Therefore, when the chance of politics has brought that party into control of the National Government, these men are not available for Democratic councils. The party leaders are handicapped without them. No such tariff law as the law now on the statute books would ever have been framed if the business men who used to be in the Democratic Party were any longer in that party. If they had remained there would have been no such tariff as the present tariff, and there would have been no war-revenue bill—none would have been needed.

The Democratic war on business has proved a terrible misfortune to that party by driving out of it so many of the men who are most needed in the councils of any great political party. But it has been also a terrible misfortune to the whole United States.

Mr. LEWIS. Mr. President, I arise to address myself to the speech just delivered by the senior Senator from Pennsylvania [Mr. PENROSE]. The distinguished Senator gives as his reason for speaking at the first hour of the morning that he wishes to leave on an afternoon train for somewhere. I trust the Senator may do me the courtesy of remaining a while with us upon this particular occasion. Apart from the gratification it would be to the Senate to see him occasionally, it would be a source of personal compliment to me to feel that he might remain to hear such observations as I might deign to contribute concerning anything tendered by him.

I will assure the Senator that I have listened with increasing interest to his manuscript address, which, if it did nothing else, added much to the infant industry of clipping bureaus, and gave great reward in certainly one direction to the usually unemployed; that is, those who busy their lives in slandering their country by making misrepresentations of its conditions. Having listened to the able utterance of the Senator, and noting what industry has characterized his pursuit, I thought that I discerned a reflection of many things uttered by him during the making of the tariff bill which we now speak of as the Underwood-Simmons bill. I thought I recognized many old friends that had been introduced at that particular time to stage their performance; and I am quite content now to be convinced that the Senator found it profitable to reintroduce them, much as the master of a Punch and Judy show, who, with his little manikins upon his knees, presses the lever at the proper moment that they may yap forth what the master spirit has whispered to them to gabble.

I am not a man to condemn a thing which my jealous nature really envies. A capacity, believe me, I do not criticize, which I

am compelled to confess myself wholly lacking; but I wonder if the able Senator from Pennsylvania realizes the real situation presented by his arraignment of his country, written out with deliberation, delivered after reflection, and presented without apology. What a strange spectacle would be presented to the gallery of this legislative body were it occupied by those who were not at heart with our system and did not have an appreciation of the exceeding partisan hypocrisy which is oftentimes indulged in by those put out of power and whose anxiety is by any method to return. That an able Senator of the United States, coming from so distinguished a State as Pennsylvania, should find it profitable to arraign before the civilized world his country as having resolved itself deliberately into an almshouse, its citizens begging from door to door, its factories stilled, its industries paralyzed, its capacities ended, its honor shamed——

Mr. PENROSE. Mr. President, will the Senator permit an interruption?

Mr. LEWIS. Oh, certainly; I yield.

Mr. PENROSE. I would be the last Member of this body to say that such a result was brought about deliberately. I expressly said that I gave every credit for the patriotism and well meaning of the members of the party in power. At least, I meant to convey that idea; but I said that was the result, so apparent to all men that it hardly required discussion from me.

Mr. LEWIS. I am pleased to see the Senator recognize that there was due the apology for his utterance, after he delivered it, that he should have recognized before he made it; and to the degree that he continues to wish to apologize I yield at any time for such interruption, that he may at least clear his personal character of the accusation, which is bound to follow, of want of thought or want of patriotism on the part of so distinguished a representative of so eminent a State.

Mr. PENROSE. I am not apologizing to the Senator. I am trying to correct him. I do not believe he listened carefully to all of my remarks. I would not expect him to do so.

Mr. LEWIS. The Senator says he is not apologizing—I regret his confession of a default of duty—but that he is seeking to correct me. In many things the Senator could do so, for I have really no practice in the art in which he seems so proficient, judging by the address delivered this day. He says I did not hear him. I assure my able friend that I gave the most patient consideration to his paper, for at the outset it attracted me for its mendacity, and it continued to hold me for its misrepresentation. [Laughter.]

I say to the able Senator that all of these conditions to which he alludes are born of imagination, undoubtedly, or, rather, are the result, I fear, of his having had little opportunity to be here in his seat and observe the official records which have been tendered from time to time in this body of the real conditions of his country at large, rather than that particular and specific condition which seems wholly to apply to the State which the Senator represents. Deplorable must be that situation; and, believe me, I view it as regrettable that a State which has been consecutively Republican since the Civil War, with very rare exceptions, could, with officeholders in every branch of it dominated by the policies directed by the able Senator himself, confess its situation in such blight and misery as to be the object of pathos and sympathy of the generous and the contempt of the just. I realize that we read from the public press that this very excellent State, with its unlimited resources, every now and then is presented to the country—with the administration in power guided by the able Senator from Pennsylvania—as having public officials who, when not in a penitentiary for having robbed the State, pillaged the statehouse, looted the treasury, are in office until they get from office back to the penitentiary. Now, this rapid mutation that seems unfortunately to characterize the coming and going of Pennsylvania's Republican officials, their entrances and their exits, no doubt may be due to the conditions which Pennsylvania presents to them in the way of opportunities for that political pillage of the Nation generally and of itself frequently. Yet if the Senator himself can find a pride in presenting his glorious Commonwealth as being so desolate in situation, so wanting in industry, so degraded in condition, then, while I deeply deplore that one of the great States of my country should have descended to such a low level, I must leave him to the fate of his constituency when he returns to them, when they look upon him as recording their State in the annals of the Nation as the most unworthy Commonwealth in the Union.

The Senator, I do know, has read his classics. I know him to be an educated gentleman, a man learned in those things which characterize the thing we call literature and education. Thus he will recall a character of Cassandra, who was the individual who could see nothing save in a very doleful light, the atmosphere of whose very life was murky and putrefying, whose every prophecy was of disaster of the present and the death of the future. While I feel that the Senator has been a disciple of the classics, I regret to feel that from this example alone he seems to have absorbed his policy, and therefrom seems to pattern—a Cassandra of ill fortune, a prophet of dire disaster, one who hopes for the destruction of things around him, that upon their wreck he may himself rise to some form of political conquest.

But I must again remind my able friend that his absence from our midst, regretful as it is, has been the real reason for his having obtained and absorbed this erroneous vision. I had the honor to know my distinguished friend when I was a Member of the House from the State of Washington and he then a distinguished Member of this body; and when I later was complimented by my now State of Illinois with the privilege of returning here, among others I naturally looked for in old and familiar places were those with whom I had borne an acquaintance. Often since I have been in the Senate I would look over to the seat which my able and learned friend was wont to occupy, trusting that I might see him in his radiant effulgence, in his personal contentment, and in his prominent personality. From these I hoped to gather that pleasing inspiration which comes from viewing things attractive to the eye and consoling to the spirit. But, alas! I would find the chair empty, from day unto day desolate, no shadow of my able friend shading his place.

Mr. PENROSE. Mr. President, does it interfere with the logical sequence of the Senator's remarks for me to address an inquiry to him?

Mr. LEWIS. No; I welcome an inquiry from my learned friend.

Mr. PENROSE. The dreadful rumor has reached my ear from this side of the Chamber that the Senator was recently arrested by the Sergeant at Arms and haled into this Chamber by reason of his absence. I can hardly credit the rumor, and I hope the Senator is in position to deny it. [Laughter.]

Mr. LEWIS. Mr. President, it is true that if any information came to the Senator as to my being absent or present on any particular occasion it would have to come by rumor, for he was never present enough to ascertain the fact himself. [Laughter.] It is likewise true that at midnight, when this body was sacrificing much to attend to public business and the able Senator sacrificing public business to attend to his political business, when, wearied and fatigued, I had departed and gone to my club, thereafter an emergency did arise; and my colleagues, so that I should remain at my post, brought me forward with force and against my objections. But the able Senator from Pennsylvania had so hied himself off to such distant posts of anywhere, rather than hereabouts, that his presence could neither be ascertained by the officers of the law nor by his colleagues. Thus he could not be apprehended, even to be forced to do his duty in any form within the law. [Laughter.] It is that to which I am now adverting—the absence of my distinguished friend, but it is not the absences which have attracted me so much as his occasional returning after his absences.

Mr. President, if one turns his eyes to the heavens, when the mind is aided by the contemplation of astronomy, one recalls that the planet Saturn has a method, during the cycle of time, of coming, ever and anon, once in a while, and looking out from the heavens, blazing its brilliancy upon mankind below, and then retreating and retiring under a cloud, that when it shall come again the interval between its visits may attract, and its illumination upon return be all the grander. I must assume my able friend has been watching the course of Saturn and duplicating his errands, because I recall on one particular occasion I happened to note the able Senator in the Senate. We were then having under consideration a resolution touching our interests in Mexico—upon the affairs of Vera Cruz. From the public press of the Nation the able Senator had gathered that there were very serious matters afoot in the Senate. He knew that at that time his constituents, no doubt, would wonder why he was not present, and he had read in the public papers how a large attendance would no doubt be at the Senate, the galleries crowded. He could not lose that opportunity either to contribute his usual wisdom or to make the display of his attractive personality. Then he came, and I wish him now to note that on that particular occasion I credit his presence, and I remember he came with a view and for the purpose of opposing whatever was being done by the majority. True, the able Senator had not been here previously to understand the reasons for what had been done, nor had he knowledge why it was being done, nor information concerning the manner in which it was to be done. It was enough that the

opportunity was his to oppose whatever was to be done by this administration.

I heard my able friend exult in the reflection that great trouble was possibly ahead for us. He could not see how we should avoid it. A cowardice he charged had beset us because we did not, with great force of arms, go into Mexico to avenge what in his mind were the wrongs to American citizens and American interests. I thought, as I saw the able Senator then, that we would soon lose him; that we would find him shortly taking his departure to Mexico, and with the aid of his perfect military presence and his command generally of the things which only succeed with the eminent resources which he can summon, giving to Mexico the aid of his great belligerent service. But no; the Senator had no doubt read of Don Quixote, who, mounted upon his Rosinante, took a tilt at a windmill, and my friend did not hesitate to come into the Senate and take a tilt at it with his personal "wind jabs." I was particularly attracted by my able friend as he poured out, in the completeness of his capacities, his declamation against us, pouring forth upon the air his maledictions on the Democracy, President Wilson, and the tyrants in Mexico. Then, with this eruption, the volcano subsided and apparently sunk into earth.

I did not see the able Senator again for some time, and then it was when we had before the Senate the question of the repeal of the tolls. The Senator had read that a very large and eminent population of Pennsylvania, designated the Irish, were likely to be greatly aroused, and he fancied, no doubt, how he could capitalize these distinguished and very loyal people into political supporters if he would give them the appearance that he, too, was now against England and make them feel what an Irish patriot he had become. Notwithstanding a short while previous to that the able Senator had voted here in the Senate for the very theory presented by the Democratic President in his recommendation for repeal of free tolls, he found it agreeable to return here for the purpose which his political experience sometimes had rewarded—that is, to vote against the very thing which he previously had advocated and voted for.

Now, I do not wish to be understood as making any reflection upon my friend. Personally our relations are most agreeable; but as I witnessesd that peculiar acrobatic performance I could not but contemplate how the record recited that the Senator at college was an athlete in body. Now I noted he had become one in mind, as he disclosed such an agility in political somersaults.

Then my able friend would depart; aye, he did depart. I would not see him again until many moons waxed and waned. I do not know in what he was engaged, nor would that concern me; but I remember again when I saw him here in the Senate for the third time. It was when the shipping bill was here and when there was an effort made by the Democratic administration to relieve the oppression of the Nation and seize it from the clutch of the Shipping Trust by affording some form of competition in shipping to aid commerce. The able Senator was promptly upon the spot, that the Philadelphia shipping yards might not be neglected or that the Shipping Trust which had so long drawn its revenues from his particular domain might not be overlooked in the favors which might be granted it by assuring it that no competition was to be permitted against its monopoly privilege. Then the Senator, with his voice and with his presence, regaled us again with his opposition.

I would have the Senator to understand that I rather admire him. There was something about these recurrent visits and departures which rather attracted me, because I remember it has ever been a maxim among a certain sort of men that familiarity with the great and too constant presence of the powerful weakens their influence and lessens attraction. I recall that history tells us that Pericles had a way of walking through the back streets of Athens on his way to deliver his orations, and when concluded taking his departure to the villa amid olive groves, only to be seen by a few; that he would hie himself to the classic valley where he resided until subsequently called again by a great occasion where his wisdom might illumine and shape the surroundings.

We also do recall that there was such a thing as the Delphic oracle. What an interesting personage that was. He was a very splendid citizen as we understand, and stood outside a very sacred place, seldom uttering an expression until an occasion arose—some particular untoward event—and then would in grave demeanor give forth the oracular utterance, sage, marvelous, mysterious, and confusing. For that he was known as the wise. The able Senator has patterned well after the oracle as it can be found sitting upon his tripod uttering occasionally his mystic utterances and sending forth his frightening and horrifying forebodings.

I will say, therefore, the Senator has something of my admiration for the success he has in emulating the oracles. The Senator will recall with me that little passage as I recall from the old editions of Shakespeare's comedies where Falstaff rushes up to Prince Hal and says:

> By my faith, dear Prince, you go to it; I will rush quickly and give the cut mortal and then me back to the woods, behind a tree. You remain, and if any comes to harm me unhorse them, as ye love me.

[Laughter.]

Now, does the able Senator from Pennsylvania fancy that merely by these recurring visits here and there to the Senate upon these particular occasions, when only he pretends in some manner to utter a mere protest against that which is—though he know not what it is—that from this he may gather the information of the condition of the country?

Ah, Mr. President, in a more serious vein I ask my able friend what would you think of this spectacle if presented in the reverse picture—if an able Senator, whose only voice in behalf of his constituency was to protest against any advance and whose only cry was one of disaster and defamation against his own country, one whose whole record may be searched in vain to find an instance when he could have ever found it in his soul to give approval for any work, however admired by men, merely because it came from a Republican President and a Republican administration? Shall it be said, and said in truth, that the able Senator who holds that altitude of place as a Senator from Pennsylvania shall perform the whole of his office with credit to him and true service to Pennsylvania by filling merely the position of one who would veto the right in order to advance the wrong, who would defeat righteousness in order that that which is evil might prevail, only because the right and the righteous came from a Democratic administration?

Is there nothing anywhere in all this administration good enough to meet the approval of my able friend? Where in the record of the distinguished Senator will he lay his finger now, to me his colleague and friend, where he ever found anything he could give his vote and approval to in the policies of the Democratic administration in two years?

Does the able Senator fancy that he can convince the American multitude that there sits in the White House a despot of legislation on the one hand and a traitor to patriotism on the other? Was there never any deed on the part of his fellow American and his neighbor, the President, worthy of the approval of himself in his capacity as official of the eminent State and the worthy people which with his ability the distinguished Senator represents?

How long does the Senator himself feel that the reflective sense of a just people, the judgment of a wise people, will continue in supine indifference to such things as this without their condemnation? If such should have transpired from a man on this side with such regularity and consecutive performance against a Republican President for no other motive than partisan opposition, what would have been the judgment of the Senator? I can fancy him crying out from the sacred scripture law demanding of that man's constituents, "Is thy servant a dog that he should do such thing?"

What is the complaint? It is, as I gather from the Senator's address, that there are things which in his estimate have gone awry in the country, and he will picture it as being of such desolation and distress as having dishonored this Republic. He holds up that disgrace for the gratification of her rivals, for the joy and satisfaction of her enemies. Mr. President, we recall that Pitt in the House of Commons, in his famous speech on the overtures of Napoleon, said, "Can it be possible that there are those in this House who would rather have glory from their country's enemies for destroying the honor of their nation than the reward of their own people for upholding its credit and dignity?" If the shades of Pitt were within this assembly it would not be difficult, indeed, to observe that in this great American House there are instances here and there when such a spectacle was presented to the American heart to the astonishment of the mind and to the sadness of the soul.

Now, the able Senator says that this bill which is the theme of his discussion comes as a tax upon the American people without justification, without excuse, and with nothing that can offer defense in its favor. What is the position of the able Senator? It is, as I construe it, that money has not been dragged from the taxpayers of this country by a Democratic administration in such quantity and amount as could repose in the Treasury in volume sufficient to have contemplated the

mishaps of conflict in Europe and the disasters of war upon the world. How could such have been done? Now, my able friend, in the language of the sacred law, "come, let us reason together." What do you ask in that speech which is to go out to your constituents in millions of copies? Do you ask that the Democratic administration shall have levied taxes upon the American public to such an extent and such volume in excess of its needs that merely such should slumber in the Treasury in the form of a war tax, there to abide the time when the conflicts of the world might make such available?

If the charge be that the Democrats have failed to levy taxes sufficient to produce and maintain a surplus in the Treasury of such great quantity that could have been sufficient to meet all emergencies of extraordinary demands of the Government, as well to be in a sum equal to the demands caused by the devastation of the war in Europe, our answer is, we confess such is true. The Democracy declines to sit by and contemplate the prospective wars of the world and for such hold in the Treasury for emergency such millions of dollars, which may be required should such arise, and thus lay the heavy hand of the Government's taxing power upon the bread of the laborer, upon the clothes of the toiler, the milk of the baby, and the miserable needs of the poor, in order to heap into the Treasury millions of dollars dragged from the millions of our needy countrymen, to the object of providing a war fund to meet the demands of a war of pride in the Old World; nor, sir, to give exemption from the obligations of duty to the monopoly speculator, to the money baron, or that favored stock gambler who in previous administrations prospered in the distress of his country and in the oppression of his countrymen.

How could this sum suggested by the Senator or that which is claimed should have been reposing in the Treasury have been obtained? In what manner could it have been brought forth to slumber in idleness in the Treasury, or to serve as the resource of the favored money lenders of the land? It could have been gotten but in one way—war taxes upon the breakfast table of the poor and increase the prices of his food. The Democracy declined to put unnecessary taxes upon the poor man and to wring from his poor possessions unnecessary dollars merely because it had the power to do so. The tax could have only been obtained by levying it upon the clothing of the masses of our people, and then increasing the price of garments they must wear to protect their bodies from the rigors of weather. The Democracy declined to place this oppression upon those defenseless merely because it had the power to do so. These taxes could only have been obtained by levying it upon the iron and steel implements of the farmer necessary to his occupation, to his plowing the field, to has garnering the grain, thus increasing the price of everything he had to purchase wherewith to make his existence. The Democracy declined to burden his already pained and chafed back merely because it had the power to do so. This money could only have been obtained by laying the draining pipe of taxation against the breasts of the prosperous of the middle class and the treasury of the well to do merely because it had the power to do so. The Democracy was laying up no war chest of money by filching the pockets of the humble, draining the life of the miserable, confiscating the property of the wealthy, which it cheated the industries of the Nation and paralyzed the independence of its country. It confesses that it levied only such taxes as was absolutely necessary for the times and conditions under which the tax was laid. It refused to build a fortune for the unknown to-morrow out of the distresses of the yesterday. It laid no heavier hand than that which justice impelled and such as the then present necessity justified. It was content to await any emergency which might demand a further reaching to the treasuries of the people, and then make that necessity known in complete confidence that the sacrifice of the Democracy ever made for its people would be understood by the Nation and approved; that if an emergency arose that called for exactions of an unusual nature and of an unexpected kind the Democracy to the full extent that the severity demanded would comply, and then, and only then, would it entail upon its people the inconvenience or the loss—only then would it shift on the shoulders of the Nation the unexpected and disagreeable burden. But in doing this, in whatever hour it was called for, the Democracy had the abiding faith that, judged by the solicitude it had shown for its people in the past, it would be welcome to approach in the future the patriotism and regard of its fellow citizens, and to these make its appeal for whatever necessities the hour may require, conscious that the response would be in obedience to the demand and an indorsement of the course. As the Democracy has never lost consideration for the condition of its people, and ever served them to the full need of their justice, it has full confidence that the people in return will respond to the need of the Democracy and its demand upon the citizenship for the preservation of their Nation, the maintenance of the dignity of the country, and the upholding and sustaining the honor and devotion of its President.

Says the Senator, "All is a failure." What has been a failure, my able friend? He answers, "The tariff law passed has been a failure." To what extent, according to the charge and accusation? we ask. He replies, in effect, "It has failed to produce a surplus of money sufficient to have met these unusual conditions and the extraordinary emergency which has come upon the Nation, unexpected by all, which all would have avoided."

Again I answer, the policy of the Democracy, let the Senator understand, is in no wise whatever to lay its hands upon the purses of the people, upon the prosperity of the well to do, upon the poor possessions of the humble, merely because they can do it Our policy is as little taxes as necessary, not as much taxes as possible. Then could the Senator assume that $100,000,000 now made necessary by the conditions could have been anticipated by this particular framing of the tariff bill? My friend, $100,000,000, you say, is about to be levied upon your countrymen to meet this emergency. Well, under the Dingley tariff law passed in 1897 there was no anticipation of the Spanish-American War of 1898, nor did the wisdom of the leaders suggest the course of levying a tax so high and gathering the surplus in such volume that there might repose in the Treasury the $700,000,000 which became necessary for the Spanish-American War emergency. Where is the logic which in one breath can say that the Democratic tariff bill is a failure because it could not anticipate the war emergency of $100,000,000 and yours a success that failed, likewise, to anticipate one of emergency that called for seven times more?

How shall we conduct Government, if it be not upon the theory of ordinary business and in the course of common sense? The Democracy felt that if there came a time or a reason for additional taxes upon their countrymen in addition to that which was levied, they needed only tell their people the reason, give them the justification, trust to their patriotism and the approval of their sense and judgment in order to support the undertaking. Therefore I anticipate in the future that the opposition will be so discounted in the confidence of their countrymen that they dare not fail to tell the truth of the situation wherever it exists.

Fortunately for the Democracy we neither needed to apprehend such a state of the want of confidence in her or loss of patriotism on the part of her people. The address of the able Senator will be fruitless in seeking to frighten them on the one hand as it will be profitless to benefit him on the other.

Now, says the able Senator, here is this $100,000,000 to be raised. Well, I have a word with my friend. What have you to say, my learned friend, and the Senators who join with you in this protest, to this query? What remedy do you suggest for your country's predicament, this embarrassment which is not brought on ourselves by ourselves? What remedy do you offer? What refuge do you give? What is the thing you tender? You admit the condition of war in these European countries from which we had previously gathered great imports and which had paid revenues for the Treasury. These countries now have passed into that condition where bloody strife possesses them, and death has overtaken them. Their streets are deserted and their waters are red with the blood of life, while their babes cry and mothers moan for father and husband. Shall countries cursed as these be in a condition that they may contribute to the welfare of other nations? Unhappily for them their masters of trade are paralyzed in distress, many silent in death; all stricken in loss and desolation in this unprecedented calamity of earth!

Then, say I to the able Senator, $100,000,000 has been made essential. Why? Because the revenues, as the distinguished chairman of the committee in his very copious and unanswerable logic pointed out, our loss of revenue is now destined to be approximately $1,000,000 a day. If revenues have begun to approximate the loss of a million dollars a day, a hundred days, I say to you, my able friend, must exhaust this particular measure that has for its purpose making up this particular surfeit and deficit. Then what will my able friends on the other side say as to those other days to come? There must unhappily be recurring and multiplied other hundred days, and still another hundred days and—alas, for the gift of prophecy born only from events which the eyes may behold!—still yet another hundred days, until one year shall have gone into another.

Then with these many hundred days there will be the need of many hundred millions. How does the able Senator from Pennsylvania offer to obtain them if he characterizes this bill as a fraud in its inception and an injustice in its execution?

Mr. PENROSE. Mr. President——

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Pennsylvania?

Mr. LEWIS. I am perfectly willing to yield.

Mr. PENROSE. I can reserve my answer until the Senator is through unless he would like to have me proceed now. If he has any objection I will not interrupt him.

Mr. LEWIS. The Senator may adopt either plan which pleases him best, and which serves his purpose, either to reserve or at this time suggest to me a reply.

Mr. PENROSE. I could suggest to the Senator a number of ways of raising revenue which would not only produce the revenue but would bring back a certain measure of prosperity to the country; but I know that the hatred of the customhouse shared by most of the Senator's associates would render such a suggestion beyond any possibility of consideration. We could restore the duty on woolens and on sugar, and put a duty, perhaps, on Mexican oil and help the oil fields of Oklahoma and Texas, and raise this revenue without going into the pockets of the wage earners and the great masses of the people.

Mr. LEWIS. That, Mr. President, from the Senator is a very natural suggestion, but I say to the Senator, since he has given me a slight glimpse into his remedies, in what way will the Government get revenues from wool, iron, or oil from countries whose commerce is desolate, whose workmen are soldiers prostrate in the field, whose factories are dead, whose toilers are bleeding—lands which have no commerce and tender nothing to ship, nor have revenues to pay? The theory of the eminent Senator is born of a fallacy which indicates a lack of reflection on the part of his distinguished capacity. I invite his attention to the fact that he with his own deft fingers and artful brain framed and participated in the making of the tariff bill designated the Aldrich-Smoot-Penrose measure, yet he did not include these particular provisions to which he now alludes, but, to the contrary, wisely omitted them, for reasons quite acceptable to Pennsylvania.

Mr. PENROSE. If the Senator will permit me, there is no war with Australia or with South America. Our trade is uninterrupted. England preserves the peace of the pathways of the ocean, and we could put these duties on and get revenues the first day they went into effect, and the Senator knows it.

Mr. WEEKS rose.

Mr. LEWIS. Does the Senator from Massachusetts wish to interrupt me?

Mr. WEEKS. Either now or when the Senator is through.

Mr. LEWIS. I yield now, if the Senator from Massachusetts so desires.

Mr. WEEKS. I was going to suggest to the Senator from Illinois the Treasury figures show that if the same rate of duty had been carried on the wool imported in the first seven months of the operation of the Underwood-Simmons Act that were imposed in the previous act, it would have produced a revenue of $19,000,000, and substantially all that wool comes from countries which are now at peace.

Mr. LEWIS. Mr. President, the suggestion of the Senator from Massachusetts is in line with the policy of the theory of our opponents and is in the language of Iago to Cassio:

> Get money if you can. Get it honestly, if not, get it.

The suggestion now of our able Senator from Massachusetts is that according to his judgment one of the methods would be to levy a tax upon the back of every poor man, to levy a tax upon the clothes men wear, and despite the fact that the American people vetoed that very suggestion at the ballot box my learned friend, in the line of the peculiar despotism that marks the imperialism of the party that he represents, would defy the popular will as did his former President in vetoing the very relief from the oppressive course of that monarchical order of the Payne-Aldrich wool tax which the popular will had denounced at the ballot box. Yet, sir, despite the fact the tax was put on the people by tighter and more oppressive laws; for we recall that after the people had elected a Congress for the specific duty of repealing those taxes on clothing, and after the Congress had repealed the tax, the then President Taft vetoed the people's will, and by his imperial order riveted the tax upon them—a daring usurpation of the popular will—all indifferent to the fact that in a land of kings for less usurpation than this the enraged people struck the crown from the head of one Stuart, the head from the shoulders of the other——

Mr. WEEKS rose.

Mr. LEWIS. And the able Senator no doubt has in mind that if this tax on wool could be so high that it could give continuance to the wool monopoly represented in Boston, and where they gather from all the world the riches from this monopoly, this would give revenues, even if it stifled competitive industry. I answer yes, but the putting of this money in the Treasury as suggested by my able friend could only be done at the expense of many men who must wear clothes and pay the excessive taxes for the privilege, while the barons and manufacturers under their trust privileges go free and exempt. I yield to the Senator from Massachusetts if he desires.

Mr. WEEKS. May I suggest to the Senator that the price of wool has not been decreased by the removal of the duty; and may I ask the Senator if he can inform the Senate whether the price of clothing has in any respect been lowered by the removal of the duty on wool?

Mr. LEWIS. The Senator, with that unusual but unconscious facility, unappreciated by himself, has adverted to the very thing to which I alluded. I answer, first, wool, it is said, is still at high price. Then I ask my able friend, Where is that prophecy he and the Senator from Pennsylvania gave but a few months ago, that if wool went on the free list it would be so cheap that it would impoverish the farmer and beggar the toiler? If it has remained at the price stated, why this false complaint of the Senator from Pennsylvania a moment ago from his moaning lips? I answer my friend, if he says the price of clothing has not decreased, abide a little while. The reason is not because of the operation of tariff on raw wools just now, but because those monopolies, evidenced by the conduct that we have lately seen through Massachusetts, have been enabled by combination agreements to keep the price of clothing high through monopoly contracts initiated by the order of things prompted by previous administrations, and despite the forms of relief tendered by legislation passed by this Democratic Congress have been enabled to defy the popular will and to defeat the relief to the country.

But now this Democratic administration, under the guidance of the President and on his recommendation, has passed a law creating a Trade Commission, which, when it has gone into power, will address itself to those gentlemen who have been enabled, notwithstanding the law and justice, to perpetrate these infamies upon the American public. The able Senator from Massachusetts need only abide his time for the establishment of the rights of the people and the sure method of the relief being executed.

Mr. WEEKS rose.

Mr. LEWIS. I yield again to the Senator.

Mr. WEEKS. If the Senator will permit me to make a suggestion, when I did speak during the consideration of the tariff bill I said the world's supply of wool was limited, and therefore a reduction of duty, in my judgment, would not benefit the people. But it will make the Senator from New York [Mr. O'GORMAN] smile when the Senator from Illinois suggests that there is a monopoly of making clothes in Massachusetts or in New England, because the State which he so well represents makes more clothing than all the New England States and probably all the States in the Middle West.

Mr. LEWIS. Nothing pleases me more than to see a kindly smile on the radiant and genial face of my delightful companion from New York, and if anything I have said could produce that result, I am enjoying a blessing that in all kindliness oftentimes radiates to all from his countenance. But I will say to the able Senator from Massachusetts that he misapprehends the methods I denounce that have kept the high price of clothing unabated. I refer to those wool merchants, those manufacturers, those heads of establishments who hold the wool after monopolizing it, or who held it before through monopoly, and in combination, forced necessarily, together with the Woolen Trust and all its environments, the price of clothing to the point where it still remains in oppressive terms, despite all the efforts of a just Democracy.

Mr. President, my able friend from Pennsylvania says the seas of Japan are open. Yes; but Japan is an ally of one of the powers who are at war with another. He says the seas of Australia are open. I answer "yes"; but the finances of Australia, those of South America, and those of Japan were in the banks and in the vaults of the European countries which are at war, and to-day they have not the goods to sell nor the wherewith to enable them to stimulate their own manufactures.

I digress to ask my able friend, What avail would be the opportunity of imports? With your policy it would be to keep out by a protective tariff all forms of imports to this country. What avail would be the doctrine of yours? There being no goods to come in, no revenue could be had. But it is apparent to all that the condition of those countries is such, and will, unhappily, remain so for some years yet to come, to make impossible the realization of the suggestion of the able Senator from Pennsylvania—even accepting his free-trade theories on his limited articles.

Mr. President, I invite my able friend's attention to his history. Is there anything unusual in what the Committee on Finance have undertaken in this bill? There has come a condition upon our country, caused by other nations being involved in war, and you have to meet the depleted revenues to provide some recourse and resource.

I will ask the able Senator from Pennsylvania if it be not true that when Germany and France were at war in 1870–71, and the importations coming into this country were cut off and the revenues thereby proportionately depleted, did not the Republican Party then in power, of which the Senator from Pennsylvania is so distinguished a leader, do as we are doing now, so far as the principle is involved? They levied an income tax in 1870 of the date of June 4. They cut off a portion at least of the returns from internal-revenue taxes, and sought to make up deficiencies caused by the conditions which then surrounded them, similar to that which, in greater degree, surround us now, by the imposition of an income tax. Shall my able friend forget that only lately, when Japan was at war with Russia in 1904–5, and the exportations of Russia necessarily were curtailed and those of Japan such as she sent to the Pacific coast were limited, your own Government, recognizing that finances had tightened abroad, not knowing how far the war would extend, proceeded to do that which is in the memory of my able friend, namely, to dispose of bonds in the Treasury in order to obtain extra money to meet the deficiency of the Treasury? Then, where is the want of statesmanship in the Democracy now doing what was done by the party of the Senator's administration upon two occasions similar to that which paralleled the present event? Let us appeal more to the justification of history and less to the deception of politics.

Mr. President, what does this bill present? First, it tenders a tax upon beer and spirituous liquors. I ask my able friend, Do you oppose that tax? Do you oppose the tax levied upon beer and spirituous liquors? And in the time that the able Senator says he expects to take in reply to me I ask that he answer that. Will you, instead of laying a tax upon beer and spirituous liquors, levy it upon coffee, upon tea, upon sugar, upon the breakfast table? Say "yes," if you dare, and go to your constituents with the statement that you tender a tax on tea, coffee, and sugar instead of upon beer and whisky.

Mr. PENROSE. Mr. President——

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Pennsylvania?

Mr. LEWIS. I again yield to the Senator.

Mr. PENROSE. In answer to the Senator's question, I will say that I have no objection to the increase of the tax on beer and on unrectified alcohol.

Mr. LEWIS. The Senator says, Mr. President, that he has no objection to it. Therefore, sir, how righteous it must be if the Senator from Pennsylvania at last has found a thing against which he has no objection. The able Senator has no objection.

Mr. PENROSE. I do not think, however, it would have been necessary if proper economic and fiscal legislation was the law of the land. The States could have taxed those articles. You have got to leave something for the jurisdiction of State taxation, to the State governments, and my economic theories are those that urge the Federal Government being supported, as far as possible, by the indirect taxes of the customhouse and to leave direct taxes for the great Commonwealths of the Union. Of course the Senator and I differ on those subjects. I know that.

Mr. LEWIS. There never has been a time in our form of government since I have been permitted to observe its operations when the Federal Government did not levy some form of tax through the internal-revenue department upon beer and spirituous liquors. The levying of a State tax does not interfere with that, nor has it by virtue of levying the taxes intruded on the authority of the Federal Government, nor does the Federal Government, by virtue of levying them, deprive the State of that which it has heretofore enjoyed.

Mr. PENROSE. If the Senator from Illinois will permit me, I will state, of course, that the excise tax is a time-honored tax. It is not a new feature simply because it is in this bill. Therefore I say that there is nothing new in the excise tax. The taxes on beer, spirits, and tobacco have been the recognized sources of revenue of the Federal Government, and are the only direct taxes that our Government has ever levied, except in time of war.

Mr. LEWIS. Mr. President, the conditions having been conceded, as we must concede them, the exigencies certainly are admitted that a tax, if to be levied now, can be levied upon no more appropriate subject, as conceded by the able Senator himself, than on these items.

Then, the next tax is imposed on the transactions of banking. Will the Senator from Pennsylvania say that he will oppose levying a tax upon the profits of those who use the money of others, or will he, instead of that, say that the tax shall be put upon the clothing, shall be put upon the shoes, shall be put upon the homes, shall be put upon the shelter of the people? Where, then, will the Senator put this tax? Will he say to his constituents in Pennsylvania that he opposes a tax upon banking transactions and would give them exemption, and to make up the deficiency would levy it upon the clothes on the backs of the toilers, the shoes on the feet of the children, who, he says, are going naked and hungry through the streets of Pennsylvania? Surely not. Then, what objection will the able Senator have as to this tax? I am unable to see that he has tendered any as a substitute.

I have this to say to my able friend, and I say it to all others with whom I bear in this Senate companionship delightful, however much I must discredit their political judgment, the Government can not be supported by carping criticism; caustic denunciations can not pay off the obligations of the United States, nor can unjust accusation as to the causes of the conditions of the Nation discharge our unfulfilled undertakings before the world. There must be some other method—something suggested that in its shape can be partaken of and enjoyed in practical results. Here we find able Senators on the other side of this Chamber, every time anything is undertaken and offered at the instance of the Democratic administration for the relief of a people who so long were burdened by the miseries, exactions, and persecutions of Republican administrations—these able men find some reason, some voice, by which they can oppose and misrepresent because it is politics.

I invite you for a minute to a spectacle that at least may interest you, if it will not convert you. In Germany and in France the socialists in the national legislature declined to put opposition against their Governments in the hour of peril. They joined in the legislative branch in aiding the measures necessary for the refuge and the rescue of their people in the hour of their travail, while our distinguished friends, in this constitutional assembly, in a constitutional government, under the name of Republicans, tender a form of opposition in the time of this country's peril that not even those who seek to blight all forms of representative government ever dared to sink to, but who, in a commendable form of patriotism, rise above mere partisan advantage—a fitting example which I may tender to my able friend, if not to be patterned after, at least to be reflected upon.

Mr. President, I must move toward a conclusion. My friends must understand that mere blind partisanship upon the eve of an election, however temporarily profitable, will not avail them for long, and has its sure penalties which can not be avoided.

As I took note of the observations of the able Senator, I find that the able Senator's position is that we have failed to accurately calculate. Then, say I to the Senator, let us concede his arraignment. Shall the Senator tell the Nation, because out of due caution for a people's rights and out of that regard which refused to take all the money we could have, that if we have failed in some slight regard to take as much as we should, for that reason the Nation shall be punished: that it shall be paralyzed in all its movements; that it shall be left hopeless; that it shall be given no opportunity to discharge its obligations; that it shall stand palsied? Does the able Senator present to the country the thought that because—even if he be accurate in charging that there has been a miscalculation upon the matter of revenue—that there shall be no support of the Republic and no provision now for any revenue? Has his Nation got to go out before the world a beggar, dishonored before her creditors, and repudiated before the world for lack of patriotism and want of statesmanship on the part of those who pose as the guide and support of the Republic? Heaven forbid that the able Senator should take his place in that category and have those who know him view him in that despicable attitude!

The Senator said, if I did not misunderstand him, and I do not inadvertently misquote him, that the income tax we provided for was a failure; that it did not realize its expectations or calculations. Come, my able friend, let us again employ a frank consultation. As to the income tax, I ask my able friend, Will he say that he opposes the income tax? Will he say now that he is for its repeal? Will he go to his constituents in Pennsylvania and denounce it? Will he ask that those who pay this income tax under the law shall be exempt? I say he dare not, and he will not. Again, I say to the able Senator, if the crime he charges is that the calculation has failed of accuracy, I ask why? The calculation, it is true, is based upon one of experience. For years the Democracy had tried to put an income tax

upon the Nation, to make the powerful and the wealthy pay their just share in government; but through the manipulations of bodies that need not be referred to here, exercising their influence upon others, of whom charity and delicacy prohibit me from mentioning, the tax was assailed and ever defeated. Thus we were unable, until now, through voice of the American people, to put the income-tax law upon the statute books and enforce its execution. Untried in its present shape, wanting in experience on the part of its executors and administrators, if some slight error in calculation was made, it was but a natural thing, one to be apprehended.

But, let me say to the able Senator, the calculation of $70,000,000 to be derived from the income tax was not a miscalculation of revenue; it was a miscalculation of events. That it has realized but $31,000,000, I assure my able friend, history will record was the result, not due to miscalculation of figures, but, before God, a miscalculation of men.

These powerful rich, who find the able Senator ever a voice seeking their exemption from burden, while it was laid upon the backs of the miserable—these in numbers sped to Europe, hid their possessions, put their securities in strong boxes, where the eyes of the law could not behold them and the officers of the law could not lay hands upon them—they hid their possessions of millions and millions that it might escape the hand of justice and they might cheat the Government in refusing to pay the just share of their burdens. It seems as if a visitation of heaven has been ordered upon them by the events which have broken over them, for in those nations to which they took their refuge—these shades of delight and profligacy wherein they found their ease and pleasure—these have been rutted by rumbling cannon, trampled upon by marching hosts, thundered upon by shot and shell, washed by blood running in rivulets, and now inhabited only by terrified women, horrified men, and homeless children. Amidst all these their hidden possessions have found a way to separate and part; leaving their possessors helpless before their own crime, giving no relief, it is true, to their own Government because of the craft of embezzlement, and giving no blessing to mankind because of this visitation of God upon their offense. So, if we did miscalculate, my distinguished friend, it was not as to figures and dollars; it was upon the honor of wealthy men and loyalty of patriotism—all failing in such inglorious conduct as certain rich men have given evidence before all the world.

Why, the able Senator, speaking of the railroads—if I do not misquote him—says their incomes have decreased. I warn and inform my able friend that a body of railroad presidents, as quoted in the public papers and according to the speech of the able senior Senator from Idaho [Mr. BORAH]—as I had it fresh a moment ago—stated to the President that a vast amount of income would be denied unless there was some increase in freight rates. If their calculations be accurate, I say to the distinguished Senator, not $70,000,000 but $170,000,000 would have been realized from the income tax levied alone upon the value represented by these men as existing in the report they made to the President of the United States. They either misled him to frighten him and terrorize him, or, if they told him the truth—those who had these securities—they had hidden in a great quantity their securities by which they could cheat and swindle that Government from which they sought protection.

Now I say to my friend, it may be that a system suggested by him, if accepted, might produce some results approximate to his anticipations and possibly fulfilling some of his hopes. I can not see it so.

But my friend refers to the extravagance of appropriations—and I ask my able friend not to hesitate to interrupt me if I misquote him, for that certainly he knows is not my intention; I was compelled to make my memoranda merely as he proceeded, and he reads the figures of appropriations from one administration to another, and then says there is an increase on the part of the present administration. From that I deduce, though the able Senator did not make it his own conclusion, that his purpose was to intimate that but for these excess figures there would have existed ample revenue in the Treasury.

I say to my friend that the Republican administration, of which he is so distinguished a representative, set on foot great undertakings. They were both alive and in process and in progress. Those undertakings had for their purpose, let us concede, not so much the benefit of our country as to serve a certain set of powerful agencies, so that those agencies out of the profits could serve the political uses of a certain political cabal and certain favorites in this country. But whatever may have been the motive, see what was done. Shall the able Senator tell his people in Pennsylvania that he would have had the Democratic Party, merely because it was opposed on political principle, cut off every one of those undertakings, stem them up, slay them as they had progressed, leave the men out of employment, and put an end to that which seemed the object of so much solicitude on the part of the able Senator? What could the Democratic administration do? The contracts had been made; they had received the approval of the engineers of the Government——

Mr. PENROSE. Mr. President, I left out the river and harbor bill in the figures which I gave, and it will save the Senator a whole lot of vehemence if he will bear that in mind.

Mr. LEWIS. Does the Senator say "vehemence"?

Mr. PENROSE. Yes.

Mr. LEWIS. The Senator compliments me. I did not know there was anything in my address that he could characterize with a sufficient quality of attention. He speaks of "vehemence." Yes, "vehemence" is a good word to apply to me. I can imagine that no man could hear the Senator's declarations without noting statements within them that would drive him vehemently to denounce them. It is not vehemence the Senator means to apply to me, but indignation. The Senator may make his confession whenever he wishes, and his avoidance whenever he will. What the Senator did was to point out these appropriations, and he pointed them all out in bulk. If the Senator meant to exclude the river and harbor appropriation, he did not make it clear in his address, and when he turns to his manuscript he will discover that these appropriations helped to aggravate the charge which he made against the Democracy.

Mr. PENROSE. The stenographer's notes will show that I expressly omitted the river and harbor appropriations of this Congress and of the last.

Mr. LEWIS. Mr. President, the river and harbor bill was but a part. I remember a distinguished Senator a short while ago characterized the Democracy as unpatriotic for its failure to care for the American Navy. That is a charge which has fallen from the Senator's eminent associates time and time again, that we will do nothing to uphold the Navy. We have provided $31,000,000 additional for the provisioning and maintenance of the Navy; and yet we are condemned for doing the very thing that they condemn us for not doing.

Mr. President, the conditions in Mexico, as unhappy as they are regrettable, forced upon us expenditures far in excess of that which was desired by anyone. Yet shall the Senator say he would have had all this enterprise of peace, dignity, and honor in Mexico paralyzed and stayed? He was one of those who lent his powerful voice and influence to the condemnation of the President and the administration wherever raised in connection with affairs in Mexico. How would he now behold the situation if he would do so in justice? He would contemplate the course of the President and the administration as having been rewarded by such success that the only individual who tendered an insult to our country was compelled by the pacific course of the President, surrounded with the force and resolve of a manly man and patriotic statesman, to flee his shores and become a refugee from his own country; salutations paid to our flag by his whole nation, and the honor of our country recognized throughout the world; all, too, without firing a shot in the offensive, without the death of a man in declared war, without the sacrifice of one principle of the theory of our Republic. Shall the Senator then condemn in order that it avail in some political hour with those who might not understand?

Mr. President, I have heard the allusion—I do not know whether the Senator from Pennsylvania made it—to $75,000,000 in the banks. Yes; where did we get this money? If the charge is, as the distinguished Senator would have you understand, that the tariff law has been a failure, that it could provide no revenue, that it has wholly failed in its undertakings, where did the $75,000,000 or any million dollars of surplus now in the Treasury come from? Well, it may be answered from many sources the money came, but from the tariff must be admitted. Now, who condemns this placing the money in the banks? The distinguished Senators, the colleagues of my able friend, condemn what? Why, I heard one of the allies of our distinguished bombarding general talk about the great infamy on the part of Democracy of placing this $75,000,000 in the banks. Let us have the truth. The Democracy never placed any $75,000,000 in any banks. Sixty million dollars of this money was placed there by a preceding Republican administration, but the Democracy had too much patriotism and pride merely to extract it because it happened to be placed there by a Republican administration. To that $15,000,000 more has been added by the present Secretary of the Treasury, and many other

millions scattered throughout this country, in order that there might be a crop-moving fund. We get $1,500,000 annual interest from this money. Where, may I ask, is that annual panic that has heretofore come upon our country every year just before the moving of the crops, caused by those favored bankers who, having the money from the Treasury and paying not one cent of interest upon it, would tighten it so as to make it impossible for the farmer to get money to move his grain to market except at usurious rates—prohibitive—all to give favor to those borrowing "call money" for stock gambling?

Ah, that day went by under the patriotic zeal of the present distinguished Secretary of the Treasury, whose keen business sagacity scented their purpose, and with the strength and courage of one of his political progenitors, Andrew Jackson, gave these men to understand that if they dared to commit that crime again upon the American public punishment would be meted out to them before the eyes of America; and in order to assure that they should not have the chance he provided the method by which the people's money should be enjoyed by the people. Do I hear complaints from my able friends because of this? Would you bring decay upon the crops? Would you leave them in the furrow? Would you rot them in the bin? Would you prevent them from reaching market? Would you deny prosperity and opportunity to the farmer? Then, why this cavil? Why this criticism? Why this condemnation? Where is the justice, aye, where is the sense of it?

My friends on the other side—for such you are—your position, if I understand your spokesman, my able and distinguished friend from Pennsylvania, is that the tariff law has built up enterprises in Europe and has destroyed enterprises in America. In one breath I heard you refer to the tariff law, if I do not misquote you, as being the southern-made tariff law, to leave the impression upon the thousands of constituents who will read your speech, that that ancient sectionalism of which many of you gentlemen on the other side of the Chamber in years past capitalized to such an extent still exists here in the Senate.

Mr. PENROSE. Mr. President, will the Senator permit me?

Mr. LEWIS. I yield to the Senator.

Mr. PENROSE. Does not the Senator think that the epithet is well applied when the wool of the Wyoming ram is put on the free list while the hair of the Angora goat of Texas is protected at the old Dingley rates at the request of a Texas Congressman?

Mr. LEWIS. Mr. President, it is not the Angora goat but the Republican goat which has been gotten by this administration. [Laughter.]

Mr. PENROSE. Well, the Angora goat is the chief beneficiary. The answer of the Senator from Illinois is on a par with a large part of his argument, infusing into a serious discussion frivolity.

Mr. LEWIS. Mr. President, my able friend referred to the Angora goat. I remember hearing his very witty and attractive speech upon the question of the Angora goat and Texas Congressman during the tariff debate. That seems to be introduced here. Evidently my able friend feels that a dissertation on goats introduced here is not frivolous, but is very dignified, very ponderous, and very pregnant with much wisdom. We will dismiss the subject of goat as being the butt of the Senator's joke. [Laughter.]

Mr. President, I referred to the charge which the able Senator intended to convey, that the tariff bill had been made in sections to serve the private exemptions and privileges of the South as against the North. I can not speak for the South. I do not offer any defense in her behalf. She needs none. While born from her bosom and cradled in her generous arms and reared to manhood beneath her blessed skies, I moved out to the West, where the capacious hospitality of the western heart has placed me under a debt of gratitude far beyond expression. I speak as a western Representative, honored by the noble West to speak for her, yet I serve as an American.

Yet these eminent men who represent the South need go no further in the defense of the accusation made by the Senator than to take the speech of the able Senator, which points out how these mills in the South, these cotton mills in the South, these woolen mills that have been undertaken, have withered and died. He read from a Tennessee correspondent calling attention to how this tariff act, which he says was southern, had slain the southern industries. Can it be that these men are so short-sighted that they drew their swords against themselves?

I merely invite the able Senator to this that he may see how utterly inconsistent was his attitude and how manifestly without logic or decency was the implication.

Mr. President, the existing tariff act, like all tariff acts, has its weaknesses and deficiencies, because we can not distribute a tariff measure in such a manner as to fit equally upon all parts and property of the Nation. Certainly this one can not be free from some of those particular shortcomings that will attend every other form of tax measure. But the main principle, with which I conclude, is this: The justice which we submitted to the American public for its acceptance or rejection, after having been accepted, was embodied in the bill, carried to the countrymen, and received their approval at every opportunity since then.

And here we must recall the obstructions of this first undertaking, which recorded this test of this bill before the world. Disturbed commerce, caused by the war in the Balkans—with Roumania, Servia, and Turkey—frightened money back to the war chests, reversing all advance in commerce, because of the fear of the great European nations that the flame lighted in the Balkan States would become a conflagration through the whole of Europe. Following this, and in the shadow of this obstruction, came our troubles in Mexico, with our borders aflame with revolution, with our Army and Navy forces on guard, and our commerce from our southern seas frightened by the prospect of continuous conflict. China followed in a new revolution following the installation of a Republic, to which was added the panic of famine. These cut off the prospect of commerce with that Asiatic zone. Then Japan, preparing for an expected conflict, having internal dissension, coupled with the charge of national fraud, which exhausted the treasury, likewise added the additional financial obstructions to the due test of the tariff measure. All this was but the beginning of the entrance into the great European holocaust, which in blood and death has finally stricken from the seas the vehicles of commerce from which we expected the contribution calculated upon at the time of the shaping and framing of our tariff bill. Our legislation was based upon the regular and normal conduct of nations as well as men. But fate played tricks with the calculation of statecraft, as with the world's hope of peace.

To the Senator and his colleagues who indict the Nation of America as a people misgoverned and who are invited to revolt against the Democratic administration that has guided it: Contemplate your country and search yourselves within and ascertain if there be not pride to be awakened when we view her station compared with the world. There are the great nations of Europe locked in death grapple; the blood of their children running red in rivers, the wails of mothers piercing the heavens, children dying of hunger, lands once classic and beautiful desolate and laid waste—fifty million dollars a day the estimate of their increasing indebtedness for fire and sword. Yet, previous to the war, France was indebted in excess of six billions of dollars; Germany, five billion; Russia, four billion five hundred million; Austria, three billion five hundred million; the United Kingdom of England, Ireland, Wales, and Scotland, three billion five hundred million; and blood dripping Belgium, seven hundred and fifty millions. Compare to this your own Nation, her industries active and prosperous, her commerce thriving and industrious, her people God-fearing and hopeful, her Nation at peace with the world, teaching liberty to mankind, furnishing an example of freedom and justice to the enlightenment of earth and to the salvation of man, with the single property of her railroads alone equal to the combined debt of these great countries which are weltering in each other's blood, while the national debt of this unparalleled America in June, 1913, was little in excess, in round numbers, of but a billion of dollars.

Here she stands—our country—the envy to-day of the earth and the guide of civilization, speaking the lessons of liberty and justice to mankind as she tenders herself as an example of what the creed of equality of man, justice to nations, and obedience to God can make of a people. Long may she stand, peaceful to all, extending her generous benefits to mankind everywhere and by her influence leading and guiding the children of earth to the eminence and glory of peace and happiness, the enjoyment of every American in this ill-fated hour to her sad rivals. Then let this be known, that however many there may be of those who, like the chaos of Beelzebub in the hell of Milton, would dishonor his nation's glory, deny her justice, and invite destruction upon their own people, that such may serve the devils of dissension and the disciples of dishonor, we the Democrats to-day are proud of the spectacle afforded by this, our country, and the achievements of the godly man who sits as President at the helm, tendering by day his services to mankind and by night offering his prayers to Heaven to bless his fellow men. In such presence we say unto such as you, if you shall continue your service in the cause of strife and confusion, that you may serve in the hell of hypocrisy, then, sad as may be your fate, pursue your task—it will meet its just penalty at the hands of those whom you attempt to deceive and who when aroused by your iniquity will work your just destruction. As

for us in the democracy, we know that this which we serve is righteous, and in the presence of watchful mankind, beholding our deeds to men and our achievements for the Republic, we say to you in the words of Joshua, "Serve whom ye will, but as for us and our house we will serve the Lord."

Mr. PENROSE. Mr. President, I shall not detain the Senate more than a very few moments. I had not expected to address the Senate again—at least to-day—had it not been for the personal references of the distinguished Senator from Illinois [Mr. LEWIS].

I am sure our passages at arms have been indulged in with the greatest good humor; and certainly, so far as I am concerned, I can not contemplate the pulchritude of the Senator from Illinois with any sentiment but that of good humor. When, however, he devotes a large part of his discourse to what I have been compelled in the greatest good humor to designate as frivolity, in that it is an argument personal, an address ad hominem, and referring to my absence from the Chamber, it does not seem to me that he has measured up to the seriousness and the dignity of the careful statement which I submitted to the Senate.

I shall not refer to the absences of the Senator from Illinois. I have no information as to whether they were on the public business or in the pursuit of his private affairs. I know that they have been extensive. I also know, and it will be generally admitted by my colleagues who served with me in previous Congresses, that there has been no Senator more constant in his attendance or more industrious in the discharge of his duties than I have been during the 18 years I have been in this body, and more particularly during my present senatorial term. If I have been absent recently, it has been with the full knowledge and acquiescence of my constituents; and they have in fact urged me to be present in Pennsylvania and to leave a scene of activity where it is practically only permitted to the minority to vote.

My movements have been published for six months in every daily paper of importance in Pennsylvania and have been recorded before the people of the State. I have been mingling with them, and have gone before them in the full spirit of the new popular dispensation. It is going a long distance out of the way for the Senator from Illinois—a notorious absentee himself, notwithstanding the fact that he fills with dignity the statesmanlike position in his party of whip—to be injecting into the middle of a serious discourse matters which I can not but condemn as frivolous and unworthy of him.

I have no excuse to make for my absence. My constituents approve it, and I expect will vindicate it and the policies which I represent by an overwhelming majority in November. Why should any of the minority remain here?

We have heard many threadbare anteelection epithets in the annals of American politics. "Economy"—"economy"! What has become of "economy," and "the new freedom," and "the extravagance of the Republicans," and the "high cost of living," and "the burdens of taxes"? These and scores of other campaign terms, now unused or forgotten, run through my mind. After their uses are over they are thrown into the junk heap, almost too shabby and worn even to be expected to be of any use in any future campaigns. But if there was one thing that we did hear about it was the awful tyranny of Czar Reed, and the iniquities of Cannon, and the suppression of debate, and the evils of the caucus, so that Republicans were almost beginning to take these phrases as if they had some intrinsic truth, and they hesitated, in States and at the Capital here, to enter a caucus. It had to be conducted under the polite name of "conference"; and many persons gave a willing ear to the stories about the dreadful evils of political czars in the House of Representatives. Yet hardly had the Democracy gotten into power when a czarlike method of legislation is adopted which would make Speaker Reed turn in his grave, and make ex-Speaker Cannon look like a Progressive when he returns to Washington, as he will.

For days, for weeks, in the House of Representatives Democratic Members have sat in secret caucus behind closed doors legislating upon a tariff bill, the American public absolutely kept out of any knowledge of what was going on, no record kept of votes, members of the party dragooned and coerced, frequently against their conviction, on rates and schedules, in utter subversion of the spirit if not of the letter of the Constitution of the United States, which declares in effect that legislation shall be conducted in the open, that a record shall be kept, and a journal made of the proceedings. Just as the Republicans were being educated by our political opponents in the beatitudes of publicity, of the light of day, of the participation of the great American public in all legislative proceedings, even to the extent of having committee meetings open, and abolishing executive sessions, so that some men were so sensitive as to their political virtue that they hesitated to go into a room that the public was not surrounding in the galleries—after all this declamation of "the new freedom" we have the dark, secret caucus, lasting for weeks at a time, and perfecting legislation: and then, when the Republican minority in the House and the Senate, after days and weeks of weary waiting, not knowing what was going on, not knowing the nature of the various matters discussed, are summoned to a meeting of the House or Senate, they have handed to them the result of this caucus action, and they are told, and they have been told on more than one occasion on this floor: "Here, take this. Sit here from 10 or 11 in the morning until midnight, and pass this bill as we have framed it. We want no amendment; we invite no discussion. This is our ultimatum. You are simply here to see us register it. We do not want any information that you may have, as members of the minority, bearing upon these schedules. We intend to wear you out by physical exhaustion." No opportunity to study this voluminous measure, an encyclopedia of the industries of the Nation, but a long, continuous attendance from daylight until dark, and even until midnight, until the bill is passed—the verdict of a jury in a locked room. Is that any inducement to a member of the minority to participate continuously in the labors of the present Congress?

I came here to Washington a few days ago prepared to speak upon this measure. I have a number of things that I should like to submit to the Senate in addition to what I have said. I entered the Chamber, and I was informed that this august body must adjourn and hold no sessions for a day, perhaps for two days, maybe for a week, while the Democracy of the Senate retired to a dark room and there held their caucus on a bill imposing millions of direct taxes upon the American people. In all the record of the Republican Party I defy any Senator or anyone else to point to a condition approximating that, after all this folderol about publicity, and about "the new freedom," and about legislation in the open, and about the absence of any coercion or of any "boss orders," to use a general political term. I can inform the Senator from Illinois, as a member of the minority, that that is an additional reason. We have not in reality been given any opportunity to participate in the legislation which has been pending.

Nor do I take at any substantial value the statements of the Senator from Illinois that I have in any way discredited the industrial conditions of the country. Every statement which I read to the Senate came from a recognized trade journal, or from some well-known philanthropist, or from some gentleman prominent in industrial circles, and accepted as an authority. I did not indulge in generalities. I gave facts and figures of sheriffs' sales, receiverships, curtailments, and suspensions. These facts are apparent to all men. I accused no one of any deliberate purpose to precipitate this condition. I stated that it was the unfortunate result of what, in my opinion, are wrong and ill-conceived ideas as to economic and fiscal legislation as adapted to the American Republic.

The Senator from Illinois could have accompanied me last week on a trip through western Pennsylvania, when I was again absent from this body, and he could have seen the scores and the hundreds of men with bundles under their arms walking along by the highways of those western counties hunting employment, not knowing where they were going to sleep that night, not knowing where they would get a meal the following morning. I will take him any day into those western counties and show him a condition of blight and distress where a year ago there was an industrial paradise. I am exposing nothing that is not apparent to everybody, that is not well known to everybody. It can not be put off, and it is no sufficient answer to say that this condition is psychological, that it is unfair to refer to it, or that it is due to something else to which this economic legislation has no relation.

The American people know what they are confronted with. They do not need newspapers to tell them. They do not need arguments. From all I have heard, the city of Chicago, the great metropolitan center of the Senator's State, is as badly off as any other part of the country. Generalities will not be an answer to this vast army of unemployed, increasing as it is every day and every month, and likely to continue to increase with intensified conditions as long as the present political status is maintained.

I have nothing further to say. There is not an article in this pending tax bill, with the exception of the usual excise, which has already been referred to, that any Member of this body has received a single letter in behalf of or in commendation of. On the other hand, the condemnation from all over the country has been overwhelming. With the exception of that excise, there is not a single item which will not turn out to be in-

quisitorial and burdensome and arouse a just resentment on the part of the American people.

This so-called emergency revenue bill will not be sufficient to preserve the Government from future deficits if present extravagances and present fiscal legislation continue as now, and I predict an additional tax bill or the issue of bonds to provide for the current expenses of the Government. There is not a dollar of this deficit that could not be provided for by tariff taxes which would relieve some of the industrial conditions now existing and would at the same time furnish adequate revenues to the Government.

Mr. LEWIS. Mr. President, my very attractive and ubiquitous friend the Senator from Pennsylvania has now, in his speech replying to my answer to his first arraignment, indulged in the form of defense known as "You are another," and in certain forums, of course, that does apply. His intimation that I have been absent because of his confession of his own absence, I assure him, is based wholly upon misinformation. He has been informed, possibly, of some individual absence, such as that to which he referred. That was at midnight. My life is a little different from that of some of my friends. At midnight I am supposed to be in my own home, quietly reposing; and there I was found. I assure the Senator that my presence here has been daily witnessed, constant. I wanted to get away. I was anxious to get away. I would have gone if I could, and I am going to get away as soon as I can.

But now, Mr. President, apart from that personal matter, the able Senator addresses himself at considerable length to what he evidently regards as the deficiencies of the House of Representatives, its manner of doing business, its despotism in the conduct of its affairs. Of these matters I do not know. I am not a Member of the House of Representatives. The only thing I can observe is that the able Senator seems to be bleeding from wounds inflicted by a Member of the House by the name of PALMER, who, in a contest in Pennsylvania, if we read the papers aright, has no doubt left some impress upn my able friend; and he retaliates by making a general charge or accusation against the House of which that gentleman is a Member. Now, I am unable to defend the House, if it needed a defense, as I can not speak from knowledge; but I assume that at a proper time a reply to the observations, if they require any reply at all, will come from those better qualified from information.

Now, as to the Senate. I have heard the able Senator upon this floor denounce what he characterizes as "caucus rule," and I have heard him longingly implore the great graces of creation, wherever they are, against what he called then "close government" and "lack of publicity." Yet the able Senator forgets that no measure has been brought into this body that has not been out before the public, and all that the public desired to know obtained. The Senator says he knows no parallel. He forgets the manner in which the Payne-Aldrich-Smoot-Penrose measure had its incubation in this oven, and he likewise realizes how few hands were allowed to shape its destiny other than the favored few to whose keeping it was committed.

I say to the able Senator I will not make a response to observations about the Senate which records publicly the presence of the minority party. There were Members who were here. The Senator could not see them; he was absent. Not being able to see me, because I was here and he absent elsewhere, he assumes that I must be absent, because I was absent from him. The minority remained here and attended to its affairs as it saw its duty, and he did that which was according to his judgment as to his duty elsewhere. I merely recited the fact.

Now, Mr. President, the references of the Senator to the President, which seems to be a constant indulgence on the part of my able friend when all things are exhausted from his mind and nothing any longer occupies it, is but his favorite engagement—the assault upon the President. The Senator's reference to New Freedom and the New Era of Publicity is intended to elicit the observations that there was fraud perpetrated upon the American people.

Mr. President, in conclusion I have this thought to suggest to the able Senator: There was no legislation brought into this body that was not in direct compliance with the platform declaration, and then a vote of the American public upon those platform promises. We therefore assembled under the pledge to execute and to construct this form of legislation. The President of the United States took his solemn oath before high Heaven that he, too, would fulfill his obligation in imposing on this body and its collaborate body his sense of duty to comply with these promises to the American public, differing indeed from that other promise when the tariff bill was brought in here by alleging specific promises made to the public, when the promise and guaranty was given to revise downward, but when the officers were created that bill came in here, violating the provisions for the lack of proper stimulant on the part of the President; and there was the revising upward, to the barbarity of the method adopted and the persecution of the American public in the result.

Mr. PENROSE rose.

Mr. LEWIS. I yield to the Senator.

Mr. PENROSE. The Senator is always very courteous about yielding, and I appreciate it. Does the Senator consider the Panama legislation as in compliance with the Democratic platform?

Mr. LEWIS. Mr. President, I am complimented by the observation. I answer the Senator specifically. The Senator refers in his speech to an address made by the President of the United States touching the platform. This speech was made in New Jersey, in which speech there was a reference connected with the Panama Canal. The Senator would have left the impression that the President of the United States at that time made the allusion on the platform or that his own position was that there should be a charge of tolls. The President was referring in his speech at that time in New Jersey to the question of railroad-owned ships, to prevent a monopoly of canal and railroads in one single concentration; and the construction that has been given his address has been constantly and frequently and directly at variance with every object and purpose of the address under consideration.

Mr. PENROSE. The Senator is leaving one subject and going to another. I see that the Senator is in some little difficulty and embarrassment in explaining it. We will probably drop that as a painful subject.

Mr. LEWIS. Believe me, there is nothing painful about my distinguished friend or anything he could suggest.

Mr. PENROSE. The Senator is doing very well under the circumstances.

Mr. LEWIS. Under the circumstances it is difficult to do well and to find such agreeable to the Senator. In this matter let me answer the Senator to the point. I answer the Senator that he must treat the question as having been given for reply. In his suggestion in the matter of the charge of tolls, or rather the free tolls to certain forms of shipping, I repeat what I said, which is that no legislation has come into this body that has not been first considered by the public. On a few points asserted in the platform it may be said that subsequent events developed which called for a modification of the platform. These were called for because of happenings that did transpire before the eyes of the American public and from which they commanded this body and the other legislative body to act as the sense of justice required. What was done was in response to the popular needs as well as to the popular demands.

Mr. PENROSE. Mr. President, one question, and then I am done. We will have to overlook these little deviations from party platforms, I suppose, but can we get an assurance that all the rest of the platform is to be complied with during the present administration—all the other pledges? Is the Senator in a position to assure the American people that every other pledge of the platform will be complied with?

Mr. LEWIS. This much I say, speaking only for myself, as I am not a guaranty of the conduct of others. If there could be less opposition and factious warfare from the opposing side, led by the distinguished Senator, against measures needed by the people and more cooperation to the response and demand from the ballot box, all things would be complied with as promised by the Democracy.

Mr. PENROSE. There is one feature of the Democratic platform that I am a very firm believer in, and I am on common ground with my Democratic associates in it, and that is one term for executive officers, one term for President of the United States. I would give no executive officer more than one term, even the sheriff or treasurer of a county. I think the old Roman people had that idea pretty well through their heads when they allowed their consul or any of their executive officers only one term. Now, can we have any definite assurance that the majority in control of legislation will bring it in? They could bring up the measure to-morrow, if they wanted, and have it acted on before adjournment. Can they give us any assurance that our aspirations and working for a one-term office will be gratified?

Mr. LEWIS. I answer the Senator, I am not aware, of course, of any of the conscientious scruples which may be possessed by the President. I do not know what his attitude of mind is, but this much I say to the Senator, since he has become wedded to the theory of a single one term for a public office, I can understand why he struggles to be returned term after term as Senator from Pennsylvania.

Mr. PENROSE. The Senator is omitting a material part of my statement. I said "executive officers." There has always, in all places, been a sharp distinction between an executive

office, with its vast power of patronage, and the legislator, who has no power, who is one of a large number. That, in our experience, has always been accounted as preeminently a factor. That distinction, I admit, has been largely wiped out under the present administration because the executive and legislative functions have been combined in the Chief Executive of the United States.

Mr. LEWIS. Mr. President, I yielded to the Senator for a query, and he introduced an installment of some undisclosed, undeveloped manuscript.

Mr. PENROSE. I asked the Senator the specific question, Could we have any assurance as to whether there would be legislation providing for one term for the President of the United States? And he started to tell me something about what he thought the President might want.

Mr. LEWIS. Mr. President, I desire to reply to the Senator specifically as to that. I think I can read the Senator's mind. Having a legitimate aspiration to the Presidency, which he feels might come to him from Pennsylvania, he desires to be assured now that his rival will not be Woodrow Wilson. [Laughter.]

Mr. PENROSE. I will be satisfied with one term.

Mr. LEWIS. Now, Mr. President, that feature of the platform, like anything else, will largely be decided, I dare say, by events as they largely control. I want to say to the Senator I had not finished the sentence when he interrupted me, by my permission, upon the question of the platform as to tolls. The Senator will not forget that the platform likewise denounced subsidies in any form, and a compliance with that part of the platform, amongst others, resulted in the expression of the legislation to which he refers.

In conclusion I must give to the able Senator one viewpoint of the President. I assume that the President of the United States felt when he gave his word to the country when he was elected a Representative at Large in behalf of the Nation, that he would aid any legislation according to the desires of the Nation. That he meant to execute that promise and that he could not, as had others in his place, sit silently and supinely in the White House and see his oath of office violated, his honor debased, as he allowed the needs of the Republic to be neglected and the pledges to the people violated, and this without constantly reminding his colleagues of his duty before the Nation, for his word had gone forth and his position was, in the language of the gentleman in the Merchant of Venice, "My word once gone forth can not be recalled. Must I lay perjury to my soul? No; not for Venice." And his position was: I can not ignore my duty nor violate my word of honor. No; not for office, how high, or position, how great.

Mr. President, with appreciation for the compliment of the patience of the Senate I take leave of this debate, secure in the confidence that the people only await their opportunity to vote their approval of the Democracy and their indorsement and praise of Woodrow Wilson.

Mr. MYERS. Mr. President, I ask the Senator from North Carolina [Mr. SIMMONS] if he will now request that the unfinished business be laid aside temporarily?

Mr. SIMMONS. I ask unanimous consent that the unfinished business be laid aside in order that the Senator from Montana may take up the conference report on the Alaskan coal bill. After that has been disposed of I shall ask that the unfinished business be again proceeded with.

The PRESIDING OFFICER (Mr. HUGHES in the chair). Is there objection? The Chair hears none. It is so ordered.

COAL LANDS IN ALASKA.

Mr. MYERS. I ask that the report of the conference committee on the bill H. R. 14233 be laid before the Senate.

The Senate proceeded to consider the conference report on the bill (H. R. 14233) to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes.

Mr. MYERS. Mr. President, I will in a very few words explain the present report which is before the Senate and the changes which have been made. The conferees in making the second report took as the basis the bill reported by the last report. This report is very much as the bill reported by the last report. There are some few changes to which I will call attention. If Senators who feel an interest in it will get the comparative print of the bill which was made on the last report, I can point out very easily the few changes that were made. I take the comparative print of the last report as the basis of my explanation. As I said, the bill reported by the last report is the basis of that report.

I will state the only changes which were made: On page 5 of the comparative print, right-hand column, in the second paragraph of the third column on page 5, after the word "corporation," the words "or municipality" are introduced and inserted in the present report. The object of that is to allow municipalities of the Territory of Alaska as municipalities to obtain the benefit of the proposed leases provided by the bill. It is to allow a municipality to be a lessee. The word "municipality" was in the House bill, but it was left out by the Senate. It was left out in the last report and at the request of the House conferees the conferees inserted it in the present report.

On page 7 of the comparative print, in the right-hand column, after the third line, the words "and under such rules and regulations as he may prescribe" are omitted. They are omitted in obedience to the rule laid down by the Senate, because they constitute new matter. They were not in either the House or the Senate bill, and for that reason they were left out of this report.

Mr. BORAH. May I ask the Senator——

The PRESIDING OFFICER (Mr. KERN in the chair). Does the Senator from Montana yield to the Senator from Idaho?

Mr. MYERS. With pleasure.

Mr. BORAH. Will the Senator please refer to that again? I did not catch the place where it is found or what is the provision.

Mr. MYERS. On page 7 of the comparative print, in the third column, after the third line of section 5.

Mr. BORAH. "And under such rules and regulations as he may prescribe"?

Mr. MYERS. The words omitted are "and under such rules and regulations as he may prescribe." The conferees thought there was wisdom in inserting those words, but as it was new matter, in obedience to the rule laid down by the Senate they eliminated them. We think, however, that they are covered by section 17 of the bill as reported by the last conference, which says—

> That the Secretary of the Interior is authorized to prescribe the necessary and proper rules and regulations, and to do any and all things necessary to carry out and accomplish the purposes of this act.

We think that provision covers this instance quite well, and that these words may be omitted, as they have been, without any injury to the bill.

Down at the bottom of the same column, the third column, on page 7 of the comparative print, in the next to the last line, the words "one year" are changed to "two years." The House bill had it two years, and the House conferees wanted it to remain that way, and we acceded to their desire and made it two years. That is to conform to other parts of the bill which call for two years in some other matters of like character, and it makes it uniform.

On page 10 of the comparative print the conferees, at the end of the first paragraph, third column, inserted the revenue amendment which was offered in the Senate by my colleague [Mr. WALSH] and adopted by the Senate. It will be found in the middle of the column of that page, beginning, in the eighth line, with the word "All." It reads:

> All net profits from operation of Government mines, and all royalties and rentals under leases as herein provided, shall be deposited in the Treasury of the United States in a separate and distinct fund to be applied to the reimbursement of the Government of the United States on account of any expenditures made in the construction of railroads in Alaska, and the excess shall be deposited in the fund known as the Alaska fund, established by the act of Congress of January 27, 1905, to be expended as provided in said last-mentioned act.

That was not in the House bill, but the House conferees very readily agreed to accept it as it was passed by the Senate, and we put it in the report.

I will say that that amendment, I think, at the first conference hardly received the consideration which was due it. The conferees apparently did not give it the full significance to which it is entitled. When it came up, something was said by some of the conferees to the effect that the Alaskan railway act provided practically the same thing and that there was no use of repeating it here. But the conferees seemed to have, without much investigation, adopted that assurance or suggestion and struck it out accordingly, but after it was stricken out, after the last report had been made, the conferees examined the Alaskan railway act more carefully and realized that the provision of the Alaskan railway act is not just the same and is not as satisfactory, and the Senate having declared that they wanted the provision in the bill we very gladly and cheerfully put it in by unanimous consent of the conferees. We feel that it is a wise provision and that it makes the bill better.

On page 12 of the comparative print, in the third column, at the bottom of the column, the last paragraph, beginning with the word *"Provided,"* which is the provision for court procedure, which was the basis of so much objection in the Senate and which was characterized and determined to be new matter, the conferees omitted altogether. They struck that out in obedience to the will of the Senate.

Mr. BORAH. Do I understand that the entire paragraph, beginning with the words "*Provided*, That the possession of any lessee of any lands covered by his lease," is left out?

Mr. MYERS. That is left out. It is new matter, and we had nothing to do but leave it out. At least, the Senate decided that it was new matter. In lieu of that, going to the middle of the column, we took so much of section 14 of the Senate bill as was put in the last report. The first paragraph of section 14 was kept in the old report. The second paragraph was left out of the former report, but the second paragraph was passed by both the House and the Senate substantially, and upon objection that the conferees had no right to leave out anything which in substance had passed both the House and the Senate, the second paragraph of section 14 was reinserted.

So section 14 of the Senate bill, both the first and second paragraphs, is now in this report as the court section, the section which provides how disputes may be disposed of and controversy may be adjudicated. It is a Senate provision, just as it passed the Senate without any change. The House conferees receded and accepted the Senate section on that subject.

Mr. BORAH. As I understand, then, section 14, just as it appears in the comparative print in the second column, is now in the bill.

Mr. MYERS. It is. It is the Senate provision. Turning over to the next page, page 13 of the comparative print——

Mr. POINDEXTER. Before the Senator leaves that——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Washington?

Mr. MYERS. With pleasure.

Mr. POINDEXTER. The concluding paragraph of section 14 of the Senate bill reads:

> And the lease may provide for the enforcement of other appropriate remedies for breach of specified conditions thereof.

Is that left in the conference report?

Mr. MYERS. It is. It was put back, rather. We had no alternative when those words, substantially as they appear here, passed both the House and the Senate. Under the construction of the Senate we had no right to leave them out, and they were put back.

Turning to the next page, page 13 of the comparative print, I will ask attention to the blank space near the bottom, just after section 16, between section 16 and section 17 in the last report. If you will look at the middle of the column and look at the second paragraph of section 16, middle column, you will find these words:

> And any person making false oath, representation, or report shall be subject to punishment as for perjury.

Those words were substantially in both the House and the Senate bill. They were left out of the last report. During the course of the conference there was some suggestion made that the general criminal law covering Alaska covered that and there was no use of putting it in here, but none of the conferees had any objection to it, and it having been put in by both the House and the Senate it is put back. So section 16, third column, is now made section 16, second column, in its entirety, without any elimination. It is the Senate provision. The House conferees accepted it, and it goes into the report just as the Senate passed it.

Mr. BORAH. May I ask the Senator what has become of section 15 in the second column? Was that eliminated entirely?

Mr. MYERS. Section 15, second column, was eliminated by the last report and remains eliminated; it is out. I am enumerating just what was put back; nothing else.

Those are all the changes that have been made. I have enumerated them. They are very few. They may be recapitulated by saying that the amendment offered in the Senate by my colleague [Mr. WALSH] and adopted by the Senate, the revenue section, providing specifically for the revenues, leaving out such matter as was determined to be absolutely new matter and reinserting a couple of paragraphs that I have enumerated as matter that was passed by both the House and the Senate and was left out, is now put back.

The changes I have enumerated are all the changes that have been made Other than those changes, the bill as reported back by this report is just the same as the bill reported by the last report.

I think the conferees—the majority of them, at any rate—think the bill has been made better by going back to the conference and being reported the second time. I feel very positively and strongly that the bill as now reported is a better bill than it was as reported before, and is more in accordance with the determination of the Senate. It is more in accord with the bill as it was passed by the Senate.

I think the wisdom of the Senate in sending the bill back to the conferees has resulted in good. It has resulted in the improvement of the bill and the benefit of the subject matter of legislation. Personally, I am glad that the bill went back to the conferees, because I think they have done better work and have made an improvement in it. With that, I submit the report to the Senate.

Mr. MARTINE of New Jersey. Mr. President, I have no desire to be factious or to impose my opinions and judgments on the Senate simply for factiousness' sake. If we are to have a leasing bill, this may be a good bill; but, as I have said before, I am utterly and positively opposed to the whole policy and principle of leasing these coal lands. The lands are ours. We have gone through experiences enough in this country from the days of the Homestead strike until the days of the West Virginia and Colorado strikes, I think, to prompt prudent men to set their faces against the policy of leasing these lands. The lands in West Virginia are leasehold lands, from nonresident miners, who are exploiting them for their own purposes and their own gain and their own greed. Colorado is in much the same condition. We have similar conditions in Pennsylvania in very many instances.

I insist, Mr. President, that coal is a prime necessity of life. We can not get along without coal. It is all very well, you tell us, and that we have myriads of tons of coal. I heard the distinguished Senator from Colorado [Mr. SHAFROTH] say that in Colorado they have enough coal to last the present population for a hundred years.

Mr. SHAFROTH. I will state that Colorado has sufficient coal to furnish the world with coal at the present rate of consumption for 300 years.

Mr. MARTINE of New Jersey. I mistook what the Senator said. But the Senator is taking the present population. We are not going to stand still. This great country to-day has approximately very close to a hundred million people and it is growing with leaps and bounds each year in population. Our consumption of coal will naturally increase. Three hundred years, the Senator says. Well, after all, 300 years is but a day in the life of a great nation. I anticipate and trust in God that this country will last longer than 300 years. Mind you, when a ton of coal is burnt it is utterly and absolutely destroyed. It can not be brought back or resuscitated in any form. It is unlike wood. Wood produces ashes, and potash is a fertilizer. From coal it is of no value whatever except to fill a hole in the earth.

I say such a policy would be dangerous and disastrous. I believe wise legislation demands that this great deposit, made by Providence, the eternal God, for our welfare and the welfare of our people, should be husbanded, maintained, taken care of, and worked prudently for the well-being of the whole people. While, of course, coal grows, it grows by such an infinitely slow process that for all purposes we may say that coal in a practical way does not increase in amount.

I fear this measure will pass; but there is a strong public sentiment against it. The argument that this is undertaking business upon the part of the Government I admit is true; but the world has changed and the public mind has changed marvelously within the last 25 years on this matter. There has been Government buildings and Government construction. We have constructed the Panama Canal; we are maintaining it; and we are carrying on business of all kinds on that strip of 10 miles in width in Panama to satisfy the objects, demands, and wants of an intelligent and progressive people.

I say this legislation is to my mind a black mark, a cloud, on our progress. I know full well the great interests are behind and are pressing this measure. I do not mean to say that Senators who are here pressing it are governed by anything other than laudable motives; but I do say that it would be a disaster and a wrong, amounting almost to a crime, to further fix a leasing system in Alaska. It would be to transplant from this part of our continent to Alaska the uncanny and outrageous system that has prevailed in West Virginia. I do not urge that to stir up the feelings of my friend the able Senator from West Virginia [Mr. CHILTON], but the outrageous system that prevails there, which has led to riot, disorder, and bloodshed, with no profit to anybody, and a system that is in progress in Colorado as well.

As this Territory is ours, in God's name, Mr. President, do not let this Nation give up this prime necessity, coal, which belongs to us in this our land, over which we have made an appropriation of $50,000,000 to build a railroad. I adjure you, for the welfare of the people of this land and for the credit of the great body which the Senator and I in part represent, do not allow this coal land to go into private hands under a possible absentee lease-holding system. I shall vote against the proposition.

Mr. WHITE. Mr. President, notwithstanding some very objectionable features have been removed from this bill since it was last before the Senate, I can not give it my support. Having heretofore discussed the measure somewhat at length, I do not intend to do so now. I intend only to reaffirm what I then said on the subject.

The most favorable view that can be taken of this legislation and the system which it inaugurates is that it is experimental. That being the case, it should be treated as experiments usually are—by first trying them out in a limited way, and, if found to be desirable, to adopt them permanently. That is not the course pursued here. On the contrary, at least one-half of the coal lands of Alaska are thrown open to lease for a term of 50 years. We are hazarding an empire on the venture. Its authors should at least have followed the precedent heretofore adopted by Congress when it devoted portions of the public domain to internal improvements by reserving to the Government alternate tracts. This could easily have been done in this experiment and still have given ample opportunity for the development sought to be accomplished by its friends. Then, if the scheme should have proven beneficial, the public would have shared in the benefits.

I do not question the motives of those who are pressing this legislation; on the contrary, I am sure they are patriotic, and I am also confident that they sincerely believe in the wisdom of the policy they are inaugurating; but I am just as sure they are mistaken in their view. Therefore I shall vote against this measure.

Mr. SHAFROTH. Mr. President, I differ from the Senator from New Jersey [Mr. MARTINE] as to the best system to adopt for the development of the coal lands of Alaska. I do not share the apprehensions which he entertains that the coal lands of the world will be soon exhausted. It is true that, according to the Geological Survey of the United States Government, the total amount of coal in the State of Colorado is 371,000,000,000 tons, which is enough to supply the world at the present rate of consumption for 300 years. I will also state to the Senator that the State of Wyoming, to the north of Colorado, has still greater coal fields. It has been estimated by the same Geological Survey that there is enough coal in the State of Wyoming to supply the entire world for more than 425 years. It has been further estimated that there is enough coal in the United States to supply the entire world for 5,000 years. When you take into consideration that there are other coal fields in the world, that China has large coal fields, it seems to me that the supply is practically inexhaustible, at least within the range of years during which we should reasonably guard against its consumption.

Mr. President, the coal question has been agitated by the alarmists, and that agitation has made a great many believe that there was danger of a coal famine, but from statements made by the authorities of this Government it is clear that there is no danger of any such exhaustion. Alaska herself, according to the estimate of the same bureau, has 115,000,000,000 tons of coal, sufficient to supply the world for nearly 100 years, and enough to supply the entire Pacific coast, which consumes less than a million tons a year, for more than 1,000 years. So the theory that we are all going to freeze to death soon is not substantiated by the figures that are furnished by geologists, and which they report to the United States Geological Survey.

Mr. President, I have opposed this bill not that I have any interest in Alaska, but because she has no representative on the floor of this body, no one to state the conditions that exist there.

I am very much interested in the bills that are to come before the Senate at the next session, especially in the bills for the application of the leasing system to almost all of the natural resources of the public domain in the States of the Union. I am convinced that such bills, if they are passed, will be followed by leasing bills for our mineral lands, because the conservation congresses have repeatedly asserted that that is their object. Further than that, you will find that these measures will be defended upon the very ground and upon the same principle on which this coal-leasing bill is defended.

Mr. President, I have sought in the argument upon this measure before the Senate to show that it was inconsistent with our form of government that we should have a leasing system, because it keeps lands in perpetuity in the Federal Government. That was never intended by the framers of our Constitution, nor is it in line with our theory of government. That being the case, I propose to vote against the conference report, as I did vote against the bill.

Mr. President, what effect has the principle of perpetual ownership by the Government of land in Alaska? Perpetual ownership of lands by the Federal Government means exemption from taxation forever. That means that upon an insignificant quantity of lands in private ownership, you must levy assessments and taxes for the purpose of maintaining government. I think, if this bill shall pass and its policies shall be permanently maintained, that Alaska can bid farewell forever to any hopes of statehood. Why? Because Alaska has only one-fiftieth of 1 per cent of its area in private ownership. One five-thousandth part of the total area of Alaska is in private ownership. When she knocks at the door for admission into the Union, what will be said to her? The same that has been said to every Territory that has applied, namely, what are your resources and wealth? How can you maintain a State government? What are your assessment rolls? When it has simply the right to tax one-fiftieth of 1 per cent of the property within its borders, it is impossible to maintain State government; it is impossible to have a school system; it is impossible to have county governments. Thus by the passage of this bill you will retard, nay, it seems to me, you will make it impossible for Alaska ever to attain statehood. Yet these are our own people; they are Americans; they have gone through the hardships of pioneer life to settle and develop that country. To keep those lands in Federal ownership forever means that you can never raise money upon them to maintain statehood and the subsidiary divisions of government that go with statehood. Mr. President, this very act is the measure that will retard the growth of population and wealth in Alaska, because it prevents the acquisition of property by which taxes can be raised with which to support government.

Mr. President, poor Alaska has had a severe trial with the leasing system. I want to read you a statement which was presented by the committee of the American Mining Congress, which reported upon the system of leasing coal and other public lands as proposed for Alaska. It is as follows:

> Poor old Alaska has surely had quite enough of the leasing system. It was leased by Russia from 1799 until 1867 to the Russian-American Co. That company was the absolute lord and master, and its leasehold sovereignty absolutely prevented development. Fortunately, nobody was lured there under false premises. Only those went there who did so for the Russian-American Co. A leasing system was not inflicted upon honest, hardy pioneers as is now proposed by the American Government. Fortunately for the United States, Alaska was not colonized or settled by the Russians. Their leasing system prevented it. Otherwise the Russian people would have so well developed Alaska by 1867 that the United States could not have bought it for 2 cents an acre, with its wonderful fisheries and a fur-seal herd of 6,000,000 thrown into the bargain. The first thing we did, however, was to lease that seal herd to a company which in 40 years made a net profit of $5,738,000 and depleted the seal to about 75,000. In the meantime the United States Government spent more money in patroling the seal islands than it obtained from royalties on the lease, and Alaska got absolutely nothing, not a cent in taxation, not a lighthouse, not a schoolhouse, not as much as a flagpole.

Mr. President, that is a terrible arraignment of what has occurred there. Now, we propose by this legislation to force another leasing system upon the people of that Territory against their will. We tried the experiment of leasing the lead mines of the United States in 1807, yet we found that we paid $4 for inspection and the collection of the royalties for every dollar collected.

Mr. President, this bill provides for the withdrawal of coal lands. It is to be followed by other measures of a similar nature. A bill has been reported, or is pending in the committee, providing that there shall be subject to lease all sodium lands, phosphate lands, asphaltum lands, oil lands, and other lands. Logically there will follow a leasing system applied to the resources of the entire public domain.

This bill as it came from the House provided that there should be two distinct pieces of coal lands reserved to the United States; one, I think, of about 6,000 acres and the other of about 7,000 acres. There was added by the Senate a provision reserving to the United States one-half of all the other coal lands in Alaska to be withdrawn not only from entry and sale but from even leasing. Oh, Mr. President, it seems to me that we who know something of the disadvantages of withdrawing lands from entry, must recognize that in this act there are the seeds of discontent and irritation which will continually grow among the citizens of the Territory of Alaska.

There was one man in the American Mining Congress who made a speech as to the reservations which have already been made there, to which I wish to call attention. He said:

> Alaska is being literally reserved to death. We have forest reserves, military reserves—one of them 100 miles in diameter—coal reserves, fish reserves, naval reserves, missionary reserves, church reserves, school reserves, seal reserves, bird reserves, and, I suppose, by this time, bug reserves and cranks crying for more reserves.

Mr. President, it does seem, from the enumeration of the reserves which have actually been made, that Alaska is truly being reserved to death; and yet, right in the face of that, there comes a proposition in this bill to reserve to the Federal Government about two-thirds of the coal lands of Alaska and to

withdraw them from occupation and development even under a leasing system. In one sweeping declaration it is provided that one-half of all the rest of the coal lands shall be reserved to the Government. How can you develop a country under such circumstances?

Mr. President, the people of Alaska do not want a leasing system. I have not heard of a single man who said that he wanted such a system. It might be that they would be willing to have a leasing system imposed upon them if they could not under any circumstances secure legislation granting the right of entry and purchase as it exists now in other portions of the United States; but when we know that orders of withdrawal can be canceled; that it will take only a few minutes to issue such an order and allow the miners to go to work in Alaska it seems to me that the simple way is the entry and sale system under which this Nation came to be the most wealthy and powerful of all the countries of the world.

Mr. President, Secretary Fisher went to Alaska during his administration of the Interior Department. Of course there is a feeling of natural pride among citizens and hearty welcome to a Cabinet officer when he goes to a distant portion of the Republic. He is greeted with hospitality and silence is maintained concerning his policies that may be in conflict with the views of the people of the Territory. Yet these men were possessed with the ideals of liberty and freedom, and they wanted Secretary Fisher to understand their position as to the coal-leasing proposition entertained by him. So they met him at Valdez and they presented to him resolutions upon the subject unanimously adopted. Among those resolutions we find the following:

> The leasing system is unanimously opposed in Alaska, because it is un-American, and, further, because it would intensify rather than diminish the chances of monopoly. None but wealthy corporations could do anything with a lease and they would demand concessions unlikely to be granted, and which, if granted, would license monopoly. The leasing dream would mean indefinite postponement of coal mining in Alaska.

Mr. President, the Alaskans are the ones most vitally affected, they are the ones who will be the victims if monopoly prevails. Why not, in the determination of a policy which so vitally affects their happiness and welfare, heed their warning and request?

Mr. President, what is government for? The chief end and object of government is the happiness of its citizens. Are we going to put upon them a system which they abhor—a system which experience has shown has not been for the benefit of the people of the United States?

What was the old leasing system? A thousand years ago it was universal in Europe. It was then called feudalism, and under it the men who held the lands, held them by a leasehold estate and not by a freehold estate. When a man attained that prominence where he could assert the fact that he did not have to pay rent and did not have to contribute to the defense of his high lord, then he became known as a freeholder. It was an honor to rise from being a vassal to be a freeholder. So, when our forefathers came to America, abhoring the idea of landlordism and vassalage, they recognized that the freehold principle was the true principle upon which to found a free and independent Republic. There have been tabulations made as to the development of this country which show that with only 6 per cent of the area of the world and only 6 per cent of the population of the world we produce more than one-third of the minerals and coal of the world. With that kind of development, with that great advance, is it possible that we are now to go back upon the very principles that have produced that great result?

Mr. President, there are some things in the bill which I do not feel are for the best interests of the people. I believe that the royalties that are exacted in Alaska should not go to the United States Government, if there are any royalties to be paid.

Mr. MYERS. Mr. President, may I interrupt the Senator from Colorado?

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Montana?

Mr. SHAFROTH. Yes, sir.

Mr. MYERS. I desire to say that under the amendment offered in the Senate by my colleague [Mr. WALSH] and adopted by the Senate, the royalties and all profits from the leases will go, first, to pay for the expenses of building the Alaskan railway, and, after that, will go into what is known as the "Alaska fund" for the exclusive benefit of Alaska, for the purpose of building roads, schoolhouses, and other improvements in the Territory of Alaska.

Mr. SHAFROTH. Mr. President, when we voted for the Alaska railroad we had no right to say that all Alaska should contribute to that railroad. The railroads which are built through my State get their return and are able to pay their bonded indebtedness from the imposition of traffic rates. Those rates affect the people who were benefited by the construction of the railroad. What interest has a coal miner or other citizen in one part of Alaska, a thousand miles away, in that railroad? How can he be benefited by the construction and operation of it? Why should his coal mine be required to pay a royalty to reimburse the expenditures for its construction? When we pick out one locality for an improvement and without the consent of the people there make the entire Territory contribute to the improvement, then, Mr. President, we are doing a wrong; and I can not help believing that the requirement that the money derived from leases of coal lands in Alaska should go to any other people than the people of Alaska is an injustice to them and is not a compliance with the trust which has been reposed in the Government of the United States.

Mr. President, I object to the action of the conferees in striking out the provisions granting to citizens injured the right to sue the Government of the United States. I feel that the provision in regard to that matter in the Senate bill was much better than the provision in the House bill or the provision in the pending conference report. It seems to me every American ought to repudiate the idea that the Government should take advantage of the doctrine that the king can do no wrong. I can not understand why, if a man has been injured, he can not sue the Government. We have had an illustration in the State of Colorado that is very plain and clear. In the San Luis Valley there is a tract of land of more than 1,000,000 acres. Filings were made for reservoirs and for ditches under the laws of the United States and the State; and yet by reason of an order made by the Secretary of the Interior 16 years ago they have been unable to proceed with the development of the valley. The rights of way have never been granted, and consequently that valley, rich in everything except water, has lain a barren waste. We have begged for years to have the United States Government sue some of those who are attempting to avail themselves of the laws as to rights of ways and the appropriation of water for beneficial uses, but we could not get the Government to bring suit.

Now, there is pending upon the Senate calendar a bill introduced by my colleague [Mr. THOMAS] providing that the State of Colorado, or some of the persons who have rights under the laws which existed in the United States and in the State, shall be permitted to sue the United States Government for the purpose of determining their water rights. Under the conditions which have existed for some time the Government of the United States is absolutely taking water which, according to all laws, belongs to prior appropriators or to those who have initiated their right for the appropriation of water for beneficial uses.

Mr. President, if this right is given, it may be said that a number of suits will be brought; but is it possible that a great and powerful Nation wants to hide behind the fact that it is a sovereign and let the people suffer because they can not enforce their rights? That provision of the bill as it passed the Senate was much better than the provision of the conference report.

A leasing system has never paid. It did not pay from 1807 up to 1847, when it was repealed. It does not pay now, so far as it is carried out in the administration of the Forestry Service. Every year we appropriate $3,000,000 for that service more than we get out of the forests from sales of timber and grazing taxes, although the rents have been raised for grazing purposes to the extent in some parts of the country of more than 700 per cent above what they were when the system was inaugurated. It was an endeavor upon the part of the Forest Service to make the service pay, but the overhead charges, as the railroads call them, and the amounts required to pay the salaries of the large number of men employed in the Forestry Service have always exceeded the amount of money which can be collected. So it will be in the case of Alaska. You will find that this very system will fail to bring any net returns. Of course the United States Government is rich and can afford, if it wants to do so, to pay to the Forestry Service $3,000,000 a year in excess of what it collects, and it can pay in the case of Alaska $3,000,000 a year in excess of what it realizes from the royalties which will be collected; yet, Mr. President, that very thing shows the impracticability of the proposition. We will find that the Government can not undertake a leasing system and make it a success.

Mr. President, I believe that the withdrawal by the conference committee of the part of the Senate bill which limits to 5 cents a ton the amount to be charged as royalty was wrong. There is no telling what the amount of royalty may be, and every time an increased amount of royalty is added to a ton of coal it hampers commerce. It must be borne by the consumer

to the extent of two or three times the amount of the royalty. It is going to be a continual discrimination against the industries of Alaska and against the development of that country. It is a charge which never has been made against any other Territory. If other Territories had been charged with a royalty, then there might be some excuse for it, but none has ever been exacted. Ohio, Indiana, Illinois, Missouri, Kansas, clear to the Rocky Mountain line, have gotten the benefit of all their natural resources. It seems to me that to take that far-distant country, where pioneering is most difficult and distressing, and to say that it shall be made to pay something that no other State in the Union in its Territorial days was required to pay is something that is wrong.

In the United States there is no monopoly of coal—or, at least, of bituminous coal—which runs almost all of the industries of the United States. A comparison with the countries that have governmental leasing systems demonstrates that we get coal in the United States now, according to the Geological Survey, at the mouth of the mine for an average of $1.11 a ton and in West Virginia for 90 cents a ton. No other country in the world that has a leasing system gets anywhere near as cheap coal as that. In Nova Scotia it is $2.01; in New South Wales, $1.82; in New Zealand, State mine, $2; in Victoria, State mine, $2.28; and in West Australia, $2.22 per ton.

Why do you say that we are attempting to control monopoly by this legislation? This has nothing to do with monopoly. Monopoly may exist under a leasing system just as well as under ownership of property. Any tendency toward monopoly arises from the attempt to control the transportation and market of the product, not the production. Take the American Smelting & Refining Co. It does not operate mines to any appreciable extent. It busies itself with the treatment of the ore. Take the Standard Oil Co. It may have a few wells, but not many. It has control of the pipe lines and has such great capital as to be able to make contracts in restraint of trade. That is why there is no effort made to control the product itself before it is brought forth from the ground. We have never heard anything of a monopoly in the mining of precious metals. All over the country there are thousands and thousands of miners, but we have never heard of a combination among them.

So, Mr. President, there is not a tendency in ownership to make monopoly, nor could there be, from the vast quantity of our natural resources; but Alaska has done one thing—or, at least, the United States Congress did it for her—it has passed a law which is the best law against monopoly in the world, and if that law is observed and enforced there can be no such thing as monopoly in Alaska. I regret very much that we have not in the United States the same provision. It reads as follows:

> If any of the lands or deposits purchased under the provisions of this act shall be owned, leased, trusteed, possessed, or controlled by any device, permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever, so that they form part of or in any way effect any combination, or are in anywise controlled by any combination in the form of an unlawful trust, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal, or of any holding of such lands by any individual, partnership, association, corporation, mortgage, stock ownership or control, in excess of 2,560 acres in the District of Alaska, the title thereto shall be forfeited to the United States by proceedings instituted by the Attorney General of the United States in the courts for that purpose.

It seems to me that under that law, making a forfeiture of title and imposing penalties for any combination to acquire lands in excess of 2,560 acres, the laws of Alaska right now are better safeguarded than the laws of any other country on the Western Hemisphere.

So, Mr. President, I want to say that I am opposed to this leasing proposition. I think it is wrong. I think it is productive of a feeling and irritation that defeats the chief end of government in the localities affected. I feel that the United States Government has started on a policy of sale of its public domain which has produced such great development that to return now to a leasing system will produce depression and stagnation and will retard that development which we have so much hoped would be the result of this legislation.

Mr. MARTINE of New Jersey. Mr. President, just a word. Notwithstanding the Senator tells us about how well this bill is safeguarded and how much coal they have in Alaska—enough to last the entire world 300 years, as he says—the fact remains that poor humanity in my part of the world pays $7 a ton for it. Somebody is making an uncanny and an unfair profit on it.

Mr. SHAFROTH. Yes; and the cause of it is that you have not the laws enforced to prevent contracts in restraint of trade.

Mr. MARTINE of New Jersey. It is all very well to tell the people what is the cause of it. The dire situation is that they pay $7 a ton, or go without heat with which to keep their bodies warm or fuel with which to cook their food.

I am conscientious in my position on this matter, and I believe our friends on the other side may be just as conscientious. I will not aid or abet, so far as my vote is concerned, a measure of this kind. I know there is a powerful sentiment abroad in this country against the further leasing away for a paltry 4 cents a ton, as your bill says, of this great deposit, the beneficent handiwork of our God for humanity's welfare and blessing. Never, never, will I vote to aid such a process.

Mr. SHAFROTH. If the Senator pleases, just a second there. Is it fair to charge monopoly against a product unless monopoly exists there?

Mr. MARTINE of New Jersey. It has not yet had the chance to get there.

Mr. SHAFROTH. When coal is produced in West Virginia at 90 cents a ton, and the average of coal in the United States is $1.11 a ton, and it is sold to you at $7 a ton, is it possible that that can be charged up against the mine? It must be charged against the people who manipulate it in transportation.

Mr. MARTINE of New Jersey. Yes; but I desire primarily that these people shall not have the opportunity so to manipulate it. Since we have this coal, why, in the name of Heaven, shall we give it away? Why not try some other process? We tried it in West Virginia, we tried it in Pennsylvania, we tried it in Colorado, and the result has been murder, bloodshed, poverty, misery, and woe to every man who was engaged in it except the man who sits in yonder great metropolis, in New York, stuffing his coffers with the result of their labor.

Mr. SHAFROTH. Mr. President, that can be done under a leasing system as well as under an ownership system; and the Senator must recognize the fact that when coal is produced at an average price in the United States of $1.11 a ton, and 90 cents a ton in West Virginia, there can not be sustained a charge of monopoly in the production of the coal.

Mr. CLARK of Wyoming. Mr. President, the genial Senator from New Jersey [Mr. MARTINE] and myself are at one in our votes on this bill, but as far apart as the poles on the reasons for those votes.

The Senator from New Jersey asks, in the last moment of the colloquy, "As we own this coal, for heaven's sake why do we give it away?" I take the position now that the United States does not own a foot of the coal land of the United States for commercial purposes; neither does it own an acre of the public land of the United States for commercial purposes. It is an owner simply as a trustee for the people, and to the man who puts to usefulness an acre of the public land or of the coal land belongs the usufruct.

But, Mr. President, I am not going to discuss this bill. I am not at all concerned in regard to the details of it. I simply rise to enter my protest against entering upon a system of landlordism in this country. It makes no difference whether the Government of the United States or my neighbor is my landlord; the minute I become a tenant I cease to be a free citizen of this great Republic; and when you put the people of Alaska under tenantry you remove from them every incentive to become real citizens of this country.

I remember a debate years ago upon this very subject, when the lamented Senator from Montana, Mr. Carter, was discussing it. "Ah," said he, "a man will take his shotgun to defend his home, but a man seldom is impelled to take his shotgun to defend a boarding house." The people of this country must own their homes, they must own that upon which their industry centers, if you are going to have a real citizenship in this country; and if this vote shall be favorable to this bill, I for one shall not accept it as a precedent for any future legislation along these lines.

I rose to enter a further protest from the fact that this legislation is sought and demanded under false pretenses. It has been urged here, urged in the other House of Congress, and urged through the press—the great metropolitan newspapers and the magazines—that we must pass this bill, so that the people of Alaska can have coal wherewith to warm themselves. Mr. President, legislation is not needed for that. If the Executive of this country, if the Interior Department, will enforce the laws in regard to Alaska that are now upon the statute books, the coal fields will be opened, the coal can be mined. It is not kept back by those who are opposing a leasing system. The development of that country, so far as its coal is concerned, is not kept back by those who object to having the Government hand laid upon all their industries. It is kept back by the strong arm of the Executive of this Nation, which suspends at will the act of Congress under which these coal lands may be disposed of.

So I say that this whole propaganda is a propaganda carried on under false pretenses. The fact that the people of Alaska are without coal to-day should be laid where it prop-

erly belongs—not upon those who are opposing this sort of legislation, but upon those who by the acts of Executive authority suspend the act of Congress, as they have a right to do under the authority given by us.

Just one other matter. I will not be drawn into a discussion of this withdrawal matter now, but I want to say to my friends who believe in this sort of legislation that if you could see the condition that exists in some of our Western States because of legislation of like character, and because of Executive orders of like character, you would not vote for this legislation. In my own county—my own county, mind you—there is withdrawn from occupation, withdrawn from sale, withdrawn from opportunity of taxation, withdrawn from all source of revenue, an area of land greater than the whole State of Massachusetts. What county can prosper under those conditions? The county is compelled to keep up the roads, the schoolhouses, the bridges, and have nine-tenths of its area under the withering hand of Government control—a control that will not and can not be released.

If Senators could see those conditions and realize them, they *would not* wonder at the earnestness with which some of these propositions are opposed.

Mr. President, I simply want to protest against the passage of this legislation, because I know that it is but the entering wedge that shall finally cleave its way through the whole Rocky Mountain region and through every Rocky Mountain State. There is not a resource of all those States, barring the precious metals only, but that is now locked up under the strong arm of the Government. Not an oil field can be discovered but that immediately the Government of the United States takes it out of active operation. Not a coal field can be discovered but that the Government at once reaches out and closes it to the entry of him who would develop it. Not a resource except the precious metals remains.

I suppose this conference report will be agreed to; but I want to make my protest here and now, and enter it upon the record, that it shall not and must not be considered as a precedent for legislation of like character that may be sought to be imposed upon the sovereign States of the Rocky Mountain region.

Mr. BORAH. Mr. President, I shall occupy the attention of the Senate for a moment, and a moment only.

I regret very much, of course, that this leasing bill did not retain section 18, which provided for the repeal of section 16 of the act known as the reclamation extension act; but I presume the conferees did the best they could with that provision, and I shall not undertake to delay the passage of the bill by reason of that fact. I am assured by all that we are to have assistance in the repeal of section 16 at a more opportune time.

I presume, if we are going to have a leasing system, that in all probability the details of this bill, soon to become a law, are as acceptable as any original bill could be made. In other words, necessarily, there will have to be changes as experience is had and practice under the leasing system is put in vogue. This bill as it now stands for a leasing system, however, does not meet with any serious objection upon my part. I only want to say that I am opposed to the leasing system in its entirety. I am not an advocate of public ownership of public utilities generally, but I do not hesitate to say that I prefer to try public working of the mines to that of leasing the mines. There would be some hope of serving the people by cheaper fuel under the former system. There is no hope of giving them cheaper coal under the leasing system.

I sincerely hope this bill will result in opening up Alaska. I sincerely hope it will bring prosperity to those people up there and give them an opportunity to develop that great country and to make out of it what its natural resources justify us in believing it could be made. My judgment, however, first, is that it will not result in the development of Alaska; secondly, that it will not result in giving any cheaper fuel to Alaska or the Pacific coast; and, thirdly, that it will not prove satisfactory to the Government. That, however, is not due to the fact of the particular terms of the bill. It is due, in my judgment, to the principle involved in the whole leasing system.

The Senator from Colorado [Mr. SHAFROTH] stated the amount of coal which it is supposed Colorado contains within her coal beds, and the amount of coal which may be found in the coal beds of Wyoming, and the amount of coal, generally, which may be found in the United States, supposedly sufficient to satisfy the demand of the world for the next 5,000 years. The only question left is how to get that indispensable fuel to the people at a reasonable price; because, as the Senator from New Jersey [Mr. MARTINE] has said, while these vast coal fields are there and this vast supply is at hand, the people very close to those coal fields are paying exorbitant prices for the coal. There is but one question connected with this entire proposition, and that is not the keeping of the coal in the ground or conserving it in the sense that you are locking it up for all time to come, depriving this generation and the succeeding generation of the use of it, but the sole and only question is as to how to get the coal to the consumer at a price which he can afford to pay, or which, in justice and conscience, he ought to pay.

That being true, Mr. President, how is it possible from any system of reasoning to arrive at the conclusion that you can put coal down to the consumer upon which is paid a large royalty, and upon which a leasing system is operative, cheaper than it is put down under the system heretofore obtaining, or under Government ownership and Government operation of the mine? My opinion is that if the Government can not successfully operate the mine, the same reasoning with additional force will show that a leasing system would be unsuccessful, and that they could not put down the coal to the consumer as cheaply as private ownership.

But back of all this question is this question for the West; and we had just as well face the proposition and understand that that is going to be the result. That is, that the vast fields of the West are to be withheld from private ownership and from home building, from taxation, and put under a leasing system.

That seems all right for those who are not there to see its effect. It seems to be, upon theory and upon paper, a very practical and safe and sane system; but the State which I have the honor in part here to represent has about one-third its area in Government ownership now, withdrawn from entry by the private citizen. I do not complain at all as to the withdrawal of any acre of that vast domain which is purely timberland and exclusively dedicated by the God of nature to the growing of timber; but the evils of this system are accentuated by the fact that while they withdraw hundreds and thousands of acres of land that are truly timberland, they have withdrawn and are holding within the withdrawal hundreds of thousands of acres which are just as tillable and as well fitted for cultivation and for the making of homes as those lands upon which fine homes to-day exist.

The result of it is that we have vast areas of agricultural land called timberland—land which would make good homes and provide means of livelihood for citizens—withdrawn and dedicated to eternal silence, upon which we can not lay taxes, and over which we can not cross without the consent of the Federal Government. The result is that it robs us of the means of building churches, of building schoolhouses, of building courthouses, and imposes upon the people an extraordinary burden by reason of the small portion of the land which is now under cultivation and subject to taxation.

If all this would result in the destruction of what is called monopoly with reference to natural resources, or if it would result in laying down these natural resources to the consumer at a lower rate and price than now enjoyed, there would be a strong argument, nevertheless, in its favor. You can not get a foot of timber of the Government of the United States a quarter of a cent cheaper than you can buy it from the most denounced timber monopolist in the West; so that the people get no benefit whatever from this system, and are to-day deprived of the advantage of settling up the lands without any compensation in return for that deprivation.

Some people seem to think this will benefit the Northwest in some way. I do not think so. If I thought it would open up Alaska, that would be some benefit. I do not believe it will. If I thought it would result in laying down the coal cheaper on the Pacific coast, that would be some benefit. I do not believe it will do so. But, Mr. President, like all other things, we can only learn in regard to it through experience, and I presume we have arrived at the point where we must have some experience in regard to the leasing system again in order to know whether or not it is a workable proposition. We have tried it some two or three times in this country, and each time it has been a failure; but human memory is short. We soon forget the experiences which we have had, and it is altogether probable that we have got to have some of those experiences again. That being true, Mr. President, while I have the greatest sympathy in the world for the people of Alaska, while I wish them well and hope that they will succeed, I would prefer to have this leasing system operate upon Alaska rather than in the United States. If it results in good, they need it more than anyone else. If it results in evil, we can get out of it there quicker than if it were fastened upon the States.

Mr. SMOOT. Mr. President, I was one of the conferees appointed on the part of the Senate to consider the differences between the House and the Senate upon this bill. I was in hopes that the agreements arrived at would be of such a nature that I could sign the report, but I felt that I could not sign the re-

port as long as some of the provisions remained in the bill that are now found in the conference report.

I wish to refer particularly to section 9 of the conference report in which the maximum amount charged for royalty is eliminated. The Senate passed the bill and specified that the royalties to be charged by the Government should not be less than 2 cents per ton nor more than 5 cents. The conferees have stricken out the maximum price and left it so that the Government can charge any royalty they can get anyone to bid. I protest against the Government undertaking to secure the highest possible royalty, which will have to be paid by the consumer and collected with the avowed purpose of paying the United States back the $35,000,000 appropriated for building a railroad in Alaska. Mr. President, eight years ago nearly every person who was interested in the development of Alaska was told that there could be no coal mined in Alaska until Congress passed a coal-leasing bill, that no title should pass to an acre of coal land in that Territory, no matter whether the law had been complied with in every particular or not, until a leasing system was approved. The position then taken has proven true. When the first announcement of that policy was made and was to be hereafter followed by the Interior Department, I could hardly believe that it would be successful, but to-day Congress yields, and the first leasing law is to pass.

Four years ago I felt something must be done, and upon the pleading of the people of Alaska for some relief I myself introduced a leasing bill for Alaska. Senators and those who were the most pronounced conservationists, who said their only desire was to conserve the natural resources of the country, stated not only to the Committee on Public Lands but to the public generally that it was not their policy to create revenue for the Government out of the sale or leasing of the public lands of Alaska or the United States. They stated that all they wanted was to see that the natural resources were not wasted, that they were cared for, that the life of those who worked in the mines should be protected, and the Government should at least regulate questions of such vital importance.

The Senator from Nevada [Mr. NEWLANDS], for instance, who, as everyone knows, believes in conservation and has preached it as long and as loud as any Senator, has always taken the position that the Government of the United States was not to speculate in coal lands, either in Alaska or in the United States. None of us will deny the fact that every dollar that is paid in royalties will have to be paid by the ultimate consumer.

It has been stated that the reason why the maximum is to be removed in this bill is to allow the collecting, through leasing coal lands in Alaska, every dollar possible in order to pay back to the Government of the United States the $35,000,000 appropriated for building a railroad in that Territory. It has been stated further that it was the opinion of some that they could get a dollar a ton royalty for coal mined in Alaska. If a dollar a ton is paid as a royalty for the coal in Alaska, it will have to be paid by the men who buy the coal and ultimately will fall upon the consumer.

Again, Mr. President, I am opposed to the leasing system in the United States. Whenever that policy shall be adopted by Congress and become a part of the laws of our land, the further development of the western part of this country will be retarded.

I do not want to go over the same ground this morning that has been gone over so well already by the Senator from Colorado [Mr. SHAFROTH], the Senator from Idaho [Mr. BORAH], and others. I want to say, Mr. President, that if this bill applied to the United States I would be one who would insist that every reason should be fully considered by Congress before any action could or should be taken upon it. I realize that we are in the closing days of this session. I hope that Congress can adjourn by Saturday of this week. If I were opposed to this measure in the same degree that I am opposed to leasing land in the United States, I would not undertake to filibuster against the passage of the bill and keep Congress in session. We have been in session now for about 18 months, and I know Senators and Representatives are weary and tired, and the strain they have been under during these long months of toil and labor is almost more than the physical strength of any man can stand.

But I want to say to the western Senators who are in favor of this bill that at the next session of Congress its passage will be pointed to as a precedent, and their attention will be called to the fact that we have already adopted a leasing system in the United States, and if they want to put a limit upon the royalties paid they will be forced to admit that they voted that there should be no limit on royalties from the coal mined in Alaska.

I believe that coal in Alaska should be produced at the very lowest possible price. I, as one of the conferees, insisted upon a maximum royalty. I said, "Let it be higher than any royalty paid in any part of the United States; strike out a 5-cent maximum and raise it to 15 or 20 cents." That was not agreeable to the balance of the conferees.

Mr. SHAFROTH. I will state, if the Senator will yield, that the maximum in the State of Colorado is 10 cents a ton.

Mr. SMOOT. I wish also to add, Mr. President, that the average of the whole United States is less than 10 cents a ton. There should be some maximum put upon the amount of royalty to be collected, and I was willing to make it twice the average amount charged in the United States. No; it was stated that some Members of the House thought that they could get a dollar a ton royalty out of the coal mined in Alaska.

Mr. President, I believe that whenever Congress passes a law it ought to be passed with the idea of meeting some situation of which the people of the country may take advantage. I do not believe there will be much mining of coal in Alaska under this bill; but I do hope that under the provisions of the bill citizens living within a stone's throw of millions of tons of coal can secure the right, at least, to obtain enough Alaskan coal to keep them warm through the winter.

We would not pass a coal-leasing bill for Alaska if it had not been that the coal lands of Alaska were withheld from development and people were compelled to send to West Virginia and Pennsylvania for their coal when they had millions of tons at their very doors. That was the sentiment back of this bill, and without it the bill could not pass this body. But it is going to pass; and I shall take no further time of the Senate to discuss the other provisions which seem very objectionable to me as contained in the conference report. However, I want it distinctly understood that, as far as I am personally concerned, the passage of this bill shall never be considered as a precedent for a leasing system in the United States.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Ohio?

Mr. SMOOT. I do.

Mr. POMERENE. Referring to what the Senator has said upon the matter of placing a maximum limit upon the royalty which can be collected under this leasing system, let us assume, which is not an improbable case, that there was, in fact, a maximum limit of 10 cents per ton, and by reason of the peculiar conditions which might exist in a given locality some one would come along and bid 8 cents per ton, another 10 cents, another 25 cents per ton, does not the Senator feel that under those circumstances the Government ought to be in a position to accept the best bid?

Mr. SMOOT. Mr. President, I do not believe it. I believe Congress should provide that there shall be no royalty paid upon the coal land in Alaska above a certain limit, and then if there were one or two or a half dozen or more bidders upon the tracts of land that shall be surveyed under the bill, and if the royalty bid was exactly the same, the bill itself provides how a case like that shall be taken care of. The whole power is left in the hands of the Secretary of the Interior. He has absolute authority to grant the lease to the person who, in his judgment, he considers would develop the mines for the best interest of the Government.

Mr. POMERENE. Assume, under the circumstances named, that one of the bidders offered 25 cents a ton; ought not the Secretary of the Interior to be in a position where he might accept that bid?

Mr. SMOOT. The bid he accepts, whatever amount it may be, will be passed on to the consumer, and the speculation in Government lands has not been the policy of the United States in disposing of its lands from the time that the leasing system proved such a failure years ago. The same theory might be advanced in relation to homesteads and public lands of all kinds.

Mr. POMERENE. There might be a situation where the operator could afford to pay a royalty of 25 cents per ton and yet be able to furnish that coal cheaper to the consumer than the man on another site could furnish it at 10 cents per ton.

Mr. SMOOT. That is absolutely true; but the same man could produce it still cheaper upon that same site at a royalty of 10 cents than he could at 25 cents.

Mr. President, I do not believe that the American people want to become tenants of the Government. I say, Mr. President, that the best citizen in the United States is he who owns his own home. He is at all times ready to defend his country. But it is different with a company. Foreigners may own a large part of the stock of it. I would like to see the time come——

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Montana?

Mr. SMOOT. I do.

Mr. WALSH. I should like to inquire of the Senator if there are many in his State who live on coal mines?

Mr. SMOOT. They live around coal mines, some of them above a coal mine.

Mr. WALSH. Do they acquire public lands there, or do they lease the ground?

Mr. SMOOT. Some of them, under the laws existing to-day, make homestead entries on lands that are classified as coal lands; they only secure the surface right, however.

Mr. WALSH. Unquestionably; but is not that quite apart from the question of ownership of coal lands?

Mr. SMOOT. Certainly it is quite apart from the ownership of coal lands; but it is not apart from the question which the Senator asked.

Mr. MYERS. Mr. President, just a moment, if the Senator from Utah will permit me. The Senator spoke of cases of corporations where the list of stockholders showed that the majority of stock was held by foreigners.

Mr. SMOOT. No; I said a large part of the stock may be so held. I did not say a majority.

Mr. MYERS. I beg the Senator's pardon; I thought he said a majority. I merely want to say that of course this bill provides that a majority of the stock shall be held by citizens of the United States.

Mr. SMOOT. The Senator from Utah was perfectly aware that that was carefully guarded, and did not make the statement that the majority of the stock could be held by foreigners.

Mr. MYERS. Then I misunderstood the Senator.

Mr. SMOOT. Mr. President, what I am fearful of is that the adoption of this conference report will be only the forerunner of not only the leasing of our coal lands in this country, but of the leasing of our mineral lands and of our other public lands. I know the same power which is back of this bill—not perhaps in as great numbers—is also back of the propaganda that is going on in this country for the leasing of a great part of the remaining public domain. This legislation will merely be pointed to as a precedent. We shall be told that Congress has approved of the leasing system; that the American people want it, and if they want it it should be given to them. So much, Mr. President, for the question of leasing. I shall not say more at this time, nor do I even care whether or not we have a yea-and-nay vote on the adoption of the report.

Mr. NORRIS. Mr. President, I believe that the conferees have vastly improved the bill. While I voted for the bill as it passed the Senate, it contained some provisions which I believed were quite unwise. As I read the bill as now reported by the conferees, those provisions have practically all been eliminated. I was very much pleased to note that the Senator from Idaho [Mr. BORAH], who originally opposed the bill, and is entirely opposed to the plan contained therein, stated very frankly that, if we were to have a leasing system, he thought the bill reported by the conferees fully complied with that plan and gave us, on that theory, a No. 1 bill; that it contained the requisite qualifications and limitations which were necessary to safeguard that kind of a plan. So I believe the conferees are entitled to congratulations on having improved this measure and put it in such excellent shape.

Mr. President, there are three methods by which coal may be mined and coal lands may be operated. The first is for the Government to give patents under the law to those who desire to operate the mines or to own them, so that they are owned in fee simple; second, that the Government should retain the title and lease the lands for operation; and third, that the Government should not only retain the title, but that the Government should, as well, operate the mines and sell the coal upon the market.

Those who favor the ownership idea, as do the Senator from Colorado [Mr. SHAFROTH], the Senator from Utah [Mr. SMOOT], and a great many other Senators, will vote against the adoption of the conference report, because they believe the bill goes too far; that we ought to have private ownership and not Government ownership. Some of those who believe in the other extreme, that the Government ought not only to own but ought to operate the mines, have voted against the bill because it does not go far enough. Among those are the Senator from New Jersey [Mr. MARTINE] and the Senator from Idaho [Mr. BORAH].

A great many arguments can be adduced for each one of these particular systems. Personally I agree with the Senator from New Jersey and the Senator from Idaho. When the bill was before the Senate I voted for an amendment which provided definitely for the operation of the coal mines by the Government. I should like to see the Government undertake that. I believe it at least could do as well as we have seen the business managed under private ownership. It could not do much worse. So my sympathy is with the Senator from New Jersey, although I am going to vote for the conference report, because I think it is a great deal better than no system or than the other extreme.

The present situation has come about, Mr. President, because the people of the United States have become dissatisfied with the operation of the coal lands. Coal is one of the prime necessities of life, which has been given to us by an All-Wise Creator in abundance; and yet there are very many difficulties in getting it from the bosom of the earth to the fireside, where it is consumed. It is not that there is not coal enough, as the argument of the Senator from Colorado [Mr. SHAFROTH] would seem to sufficiently demonstrate; it is not that there is not enough coal to supply people for millions of years to come; but it is because by private ownership so often combinations have been formed; and the coal that ought to be furnished to all the people at as near cost as possible has been kept from them to enrich those who are already supplied with more than any one individual can possibly use in this life.

Mr. SHAFROTH. Mr. President——

Mr. NORRIS. I yield to the Senator.

Mr. SHAFROTH. Does not the Senator from Nebraska realize that when the Geological Survey have reported that on the average coal is furnished at the mouth of the mine for $1.11 a ton there can not be any monopoly in its production, but that the monopoly arises from transportation?

Mr. NORRIS. Yes; and I also recognize that down in West Virginia, where the Senator from New Jersey has gathered a great deal of his information, where hundreds of people have been deprived of their liberty, and some of them have been deprived of their lives on account of existing conditions under the present law, coal mines are operated under private ownership.

Mr. SHAFROTH. Mr. President——

Mr. NORRIS. Just a moment. I also recognize that in the Senator's own State the President has been compelled to send the soldiers of the United States Army in order to protect the lives of citizens.

Mr. SHAFROTH. Mr. President——

Mr. NORRIS. I yield to the Senator.

Mr. SHAFROTH. The situation in respect to a strike may exist anywhere in the United States.

Mr. NORRIS. And does exist.

Mr. SHAFROTH. In West Virginia they have a private leasing system, and the same conditions have prevailed there.

Mr. NORRIS. They have no leasing system in West Virginia such as this bill provides for.

Mr. SHAFROTH. They have no governmental leasing system, but they have a private leasing system.

Mr. NORRIS. Under private ownership you will always have private leasing; there is no doubt about that.

Mr. SHAFROTH. That may be, but these conditions do not arise by reason of leasing or the absence of leasing.

Mr. NORRIS. Difficulties have arisen under the present system, and they exist now. We have had trouble within the recollection of all of us in practically all of the coal mines of the United States. The system has been unsatisfactory. Perhaps we are about to enact legislation that will not help the situation, but I believe it will; I believe this bill provides for a system that will be an improvement at least over the present system, which certainly is unsatisfactory. There is much in the argument, and I agree with the Senator from New Jersey when he says that the coal, a necessity of life, placed in the bowels of the earth by the all-wise Creator, ought under proper law and regulations to be so managed that such conditions as we have had in the past and which exist now in some places may not again occur.

Mr. President, the Senator from Utah and the Senator from Colorado have said that they believed in a system of laws governing our public domain that would bring about the establishment of homes. So do I, for where the man residing on the land owns his home we have a better citizenship, we have a higher patriotism, and we have more happiness amongst the people; but, Mr. President, coal mines are not homes, and if you are going to establish and want to establish the kind of homes of which we have heard in the coal fields of West Virginia and Colorado, then the less of them the better.

Mr. SMOOT. Mr. President——

Mr. NORRIS. I yield to the Senator.

Mr. SMOOT. The Senator must remember that I was not referring to this bill when I spoke of the question of homes. I referred to the fact that a measure which I expect before Congress at the next session will not only provide for the

leasing of coal lands in the United States, but for the leasing of the public domain, and that, of course, will involve the question as to whether or not the people shall be able to make homes on this leased land.

Mr. POINDEXTER. Mr. President——

Mr. NORRIS. I yield to the Senator from Washington if the Senator from Utah is through.

Mr. SMOOT. I am through.

Mr. POINDEXTER. Will the Senator from Utah inform us when and by whom that proposition is going to be presented?

Mr. SMOOT. I will say to the Senator that it has already been presented many times in Congress.

Mr. POINDEXTER. This is the first time that I ever heard of it, and it is quite astonishing. Does the Senator mean to say that it is proposed to repeal or to substantially repeal the homestead laws of the United States?

Mr. SMOOT. Mr. President, I will say that the proposition is not to repeal the homestead laws of the United States, but it is to classify public lands and allow them to be leased, subject to homestead entries; but the Senator knows very well that after a piece of land is leased to a cattleman or a sheepman the man who would enter a homestead within that leased tract would stand no chance on earth of ever perfecting his entry and securing title to the piece of land.

Mr. POINDEXTER. The movement which the Senator from Utah and a number of other Senators have been criticizing has been the very opposite of the system to which the Senator now refers. The purpose of that movement is to give the benefit of the public lands to the individual citizen who wants to make a home on them. The object is to try to keep the public domain out of the hands of the big cattle and lumber companies.

Mr. SMOOT. That would not be the case if the cattle companies of this country do what they intend to do under the leasing system. There is not a cattle concern in the United States that is not in favor of the leasing proposition. They all want a leasing system for the public domain; and the Senator knows why, and so do I.

Mr. POINDEXTER. Then I infer they, or those who represent them, are the ones who will present that proposition.

Mr. NORRIS. Mr. President, I am not worried over what is going to happen because of some imaginary power that shall swoop down on us like a German Zeppelin, take all of our public domain away, and lease the homes of the people all through the West to some corporation or to some rich millionaire who wants to own the earth. I am in favor of homes. I do not believe there is any danger of Congress ever passing a law by which that part of the public domain which it can reasonably be expected will be occupied by actual settlers for the making of homes will ever be leased. Nobody has undertaken, so far as I know, to propose such a scheme. The leasing of lands not fit for homes for grazing purposes and the leasing of forest reserves not fit for homes is a different proposition. Those are questions upon which there may be a great deal of argument both pro and con; but there is always a question of fact involved as to whether the land in question is fit for homes or otherwise; but that has nothing to do with this bill.

Mr. LANE. Mr. President——

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Does the Senator from Nebraska yield to the Senator from Oregon?

Mr. NORRIS. I yield to the Senator.

Mr. LANE. I should like to suggest to the Senator, for his information, that there is a bill pending which proposes to lease for a term of 50 years water-power sites throughout the country, and which will control the water-power situation of this country, if it is entered into, as a general public plan of handling those properties.

Mr. NORRIS. Yes.

Mr. LANE. Given possession, we will say, of a strategic point which controls the entire water power for an entire district, with that put into the hands of some corporation at a nominal figure—I think the price is very small for the rental of the land as provided in the bill to which I refer—it follows that that particular corporation will have entire control of the welfare of the entire community affected by its operations.

Mr. NORRIS. That may be.

Mr. LANE. That, I think, was perhaps what the Senator from Utah [Mr. SMOOT] referred to. There is such a bill being considered. I do not know whether it is out of the committee or whether it has even been recommended or what is its status, but it is being considered.

Mr. NORRIS. When that kind of a bill comes before us we will consider it. There may be some merit in it, but there will be a good deal of argument on each side. I wanted, however, to call attention to the fact that the question of homes can not be involved in a coal mine. The kind of ownership—by private parties—for which some Senators have been contending has not been a success, because we have had that system for, lo, these many years, and under it we have had strikes, we have had combinations, we have had monopolies, and we have had bloodshed.

Mr. JONES. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Washington?

Mr. NORRIS. I yield to the Senator.

Mr. JONES. I just wanted to suggest, in connection with the remarks of the Senator from Oregon, that in the bill to which he refers there is a provision also for the regulation of the price at which the power shall be sold to the consumer.

Mr. LANE. I will ask the Senator to what extent that proviso goes?

Mr. JONES. The bill provides that no such lease shall be granted except in States where they have public-service commissions having power to regulate the price, and that if this power is distributed in an interstate way, then the Interstate Commerce Commission shall regulate the price. So I think that is just one important suggestion to go in the RECORD in connection with the remarks of the Senator from Oregon without argument.

Mr. NORRIS. I do not care to discuss the water-power question. It is of itself a great question; and as to what we shall do, what kind of a law we shall pass, it is very important. In my judgment it is more important than the Alaskan leasing bill or the bill for the leasing of coal lands in the United States. I consider it one of the most important questions that will ultimately have to be settled, because we will wake up some morning, in my judgment, not far in the future, and discover that during the preceding night some enterprising Yankee has invented a storage battery by which he can carry enough electrical power in his valise to run a railroad train across a State. When something of that kind is developed—and the battery is being improved every day—when a practical storage battery is developed, every little mountain stream that trickles down to the river and to the plain will be worth millions. We will come some day, perhaps within our lifetime, to the great electric age, when coal will be almost forgotten. I believe that even now, with the various utilities to which electric power has been applied, we ought to guard with jealous care the concentration of the water power of the country in the hands of any combination of men.

Mr. SHAFROTH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Colorado?

Mr. NORRIS. I yield.

Mr. SHAFROTH. Does not the Senator recognize the fact that nearly every State in the Rocky Mountain region has a public-utility commission with power to regulate the rates at which electric companies shall supply electricity to the people?

Mr. NORRIS. Yes; I think that is true.

Mr. SHAFROTH. And that has also been true with respect to irrigation. The rates for water have been prescribed, under the statutes of Colorado, by the county commissioners, and they never have allowed an excessive rate. The theory that the Nation can do something better than a State, it seems to me, is all wrong.

Mr. NORRIS. I believe there will be a great deal of work on that line by the Nation. I believe it will be necessary.

I remember, just two or three years ago, going up the Columbia River, through the great State of Washington, and I came one evening to the place where I was to speak—a little town located at the head of a lake. In getting to the town, just about dusk, I drove over the outlet of that lake. It went out between walls of solid rock at a place narrower than the width of this Chamber, the water falling down over quite a precipice. The first thing that occurred to me was: "Why is not this wonderful power utilized?" I made inquiry of some of the citizens: "How large is this lake?" I do not remember the dimensions, but I think it was somewhere in the neighborhood of 70 miles in length, and not quite so wide; but it was a vast body of water, away up in the mountains, fed by springs, always maintained at about the same height, with a large volume of water continually going down over the rocks. I said: "Why, here you have power enough to do everything that anybody in this community can possibly need. Have you ever had it surveyed?" The man said to me: "It has been carefully surveyed, and between this outlet and the Columbia River"—which, I believe, was only 2½ miles away—"there is 750,000 horsepower now going to waste." They had electric lights in

the little village, where I spoke that night, supplied by coal or some other power. They did not use the water power. I said: "Why do you not utilize it?" There was not a railroad within 50 miles. The reply was: "Why, Jim Hill owns all the water-power sites between here and the river. We do not have much to say about them." Yet there was not a Hill railroad, as I said, within 50 miles of the town.

Those things have been going on all over the United States. Wise and shrewd men, realizing that the water power of the country would some day, perhaps in the very near future, be the great means by which transportation would be had, by which even heat and all the other conveniences of life would be brought about, have acquired them.

Mr. SHAFROTH. Mr. President——

Mr. NORRIS. I yield to the Senator from Colorado.

Mr. SHAFROTH. I want to observe that in the case to which the Senator refers it may have been that somebody had a monopoly of the site, but the Government of the United States has withdrawn from entry nearly all if not all of the water-power sites upon the public domain in the United States, and since that time there has been almost an absolute paralysis in the development of water power in the States. The State engineer of Colorado told me that up to the time of that withdrawal order there was plant after plant going up, and that since that time practically no filings for water-power lines have been made in the State engineer's office, but that if permitted there would be ample development made of the water power. We have only 4½ per cent of the water power of the State of Colorado developed now.

Mr. NORRIS. That only emphasizes what I was saying. It only emphasizes the necessity of placing the proper safeguards about the water-power proposition. The proper authorities must properly safeguard the development of water power in order to prevent it from getting in the control of monopoly, so that the people as a whole may get the benefit of the power that is given to them by God Almighty.

Mr. SHAFROTH. Yes, Mr. President; but if you have a utility commission in your State that can control the prices of electrical power, why is it not the proper thing to make the development, and let the price be regulated by the commission?

Mr. NORRIS. Assuming that your commission is right, and that that is the right way to handle the question, that would be proper. I am not here defending every withdrawal that has been made. I believe they have been made in good faith. The Senator from Idaho told us of the vast withdrawals that were made in his State for timber purposes—another proposition that ought to be safeguarded. My own judgment is that there have been vast amounts withdrawn in the State of Colorado, and in all of the Western States, probably, that ought to be restored to the public domain. I think the Department of the Interior will, in due time, do so. Perhaps they will not do so as rapidly as the Senator would wish. He may get impatient, and his people may; but I think they are acting in good faith, and that they ought to and will restore those withdrawals where, upon fair and due investigation, it is disclosed that they ought not to have been made in the first place. But out of caution they would perhaps withdraw at the beginning—and it is perhaps natural that they should, guarding the public interests, as I believe they are trying to do—any region or any locality where there was any reasonable ground to believe that a withdrawal ought to be made.

But, Mr. President, that has not anything particularly to do with the question.

Mr. SHAFROTH. Does not the Senator recognize that the waters of nonnavigable streams belong to the States, or to the people of the States?

Mr. NORRIS. I would not quarrel with the Senator about that. The legal question involved will be determined properly by the courts. I think there is a good deal in what the Senator says. I am not claiming that the Federal Government owns the water, but the Federal Government often owns land that controls the situation. If the Federal Government, by proper law and proper regulation, should impose upon the disposition of that land such conditions that the power could not gradually, or in any other way, be put in the hands of monopoly, and so that an unreasonable price for electric current could not be asked, it would be the proper thing for the Government to do it. I am not particular whether the Federal Government or the State government does it, just so it is done, but it must be done.

Mr. SHAFROTH. Everybody, of course, is opposed to monopoly and wants to regulate prices, and we believe that the States that have the control of the water should have the control of the price of the current that can be generated by these plants. It seems to me that when the Government, which simply owns a lot of rocks along which the pipe runs that produces the fall in water which produces afterwards the power that makes electric current, should not hold up and control the enterprise in a State. You might just as well say that a man who owns a piece of land that a railroad wants to go through has got to go and negotiate for part of the dividends of the road before it can be put through. It destroys the very power of eminent domain that is supposed to be the indicia of the sovereignty of the State.

Mr. NORRIS. Oh, no; the Senator's illustration does not apply at all. There is a vast difference between giving to an individual the power to say absolutely that his land shall not be taken for railroad or for other public purposes and saying to the Government, "You shall do nothing with your land except to give it away."

Mr. SHAFROTH. Oh, no; they can sell it, and should sell it; but they ought not to stand in the way of an enterprise looking to its development and use.

Mr. NORRIS. But suppose the Government does not sell it. I believe that the Government, in cases where it has the legal right to do so, ought to put conditions on any title that it parts with or any lease that it makes that controls a great water power so that it may be safeguarded against monopoly. If it is safeguarded, then it will inure to the benefit of the people just as well if it is safeguarded by the Federal Government as if it is safeguarded by the State government.

Mr. SHAFROTH. Inasmuch as the right to the water belongs to the State, does not the Senator recognize that any attempt on the part of the National Government to get a royalty on water power is simply an indirect way of doing it by withholding the land?

Mr. NORRIS. Yes; and the Senator ought to recognize, too, that the rocks he speaks of that are by the side of the water the Federal Government owns.

Mr. SHAFROTH. No more than an individual would own them.

Mr. NORRIS. And the State owns the water no more than an individual. In fact, the State as such does not have title to the water. It is the people of the State that have it.

Mr. SHAFROTH. But the water is the thing that makes the power, and when the Government of the United States recognizes that ownership in the State, or in the people of the State, it seems to me it is not fair for them indirectly to do that which they can not do directly, namely, charge a royalty on the water power.

Mr. NORRIS. And the rocks that the Senator speaks of by the side of the water being owned by the Federal Government, as I look at it, the Federal Government should have the same rights, if it desires to use them, to control the electric energy that is generated by the fall of the water, which, in fact, could not be generated if it were not for the use of those rocks on the side that the Government owns. It seems to me that the Senator is captious. He says, "I want to regulate this electric power; I want the people protected in its use, but I do not want the people to regulate it. I want the Government to give it away. I want the State to regulate it."

As far as I am concerned, I am willing that either the State or the Nation should regulate it; but as long as the Government has it, or has that which controls it, I am not in favor of giving that away, even to a State, except with proper safeguards that shall protect it against ownership by monopoly.

Now I am coming to the question before the Senate. I have been diverted by some of these interruptions, to which I do not object, because I think they are all conducive to bringing out information, although not especially on this particular bill.

I want to say to the Senator from New Jersey [Mr. MARTINE] that this bill provides for the reservation in the Matanuska field of 7,680 acres of coal lands and in the Bering River field of 5,120 acres, and in all other fields it provides for a reservation of not to exceed one-half of the coal lands. Then the bill further provides, in another section, that the President of the United States shall have the right to operate these reserved coal lands. The Senator must remember, also, that in Alaska there are a great many coal lands outside of the Matanuska field and the Bering River field, so that there are still ample reservations made in the Government and authority given to the President to operate those mines.

When this law is passed the authority will be placed in the hands of the President of the United States to do that thing. If the Senator from New Jersey were President—and I wish he were—he would immediately exercise that right and operate these mines. I wish the President would do that; but I think the fact that he has the right to do it will be a great incentive to prevent any undue manipulation of those mines that are operated, even though the President does not exercise the right.

I understand that President Wilson is opposed to the Government operation of mines, although he is in favor of the leasing system as provided for in this bill; so I presume that unless some contingency should arise he would not himself operate the mines.

It is said by the Senator from Colorado, who had a good deal to say about reservations of other kinds of lands than coal lands, that these reservations in Alaska mean that Alaska will never have statehood; that so much of the land of Alaska will be reserved, and consequently not subject to taxation, that they will not have the means to support a State government.

Now, Mr. President, it looks to me as though this bill makes a very liberal provision to Alaska, as far as any revenue is concerned from these mines. In reality Alaska gets every cent there for the building of the railroad or for other purposes. It all goes into Alaska. I can see that, for instance, in some counties, I think, in Colorado and in some other States, where there have been such large withdrawals of land for various purposes that the municipal or county authorities are unable to operate their municipalities or counties properly on account of the fact that they have not enough property left to tax. I agree with the Senator from Colorado that that is a condition which ought to be avoided. I would not like to see that occur. I think every fair-minded man must agree that such a condition is to be abhorred. But, Mr. President, if the royalty obtained by these mines to Alaska does not amount to more than the taxation, or what ought to be considered reasonably fair taxes upon the property, when we come to admit Alaska as a State, if we do, it could easily be provided that these leased mines should pay in lieu of taxation a certain per cent on their output, or something of that kind. It could be easily provided for. There would be no difficulty in connection with it, in my judgment.

Mr. WALSH. Mr. President——

Mr. NORRIS. I yield to the Senator.

Mr. WALSH. Does the Senator from Nebraska find any obstacle to prevent authorizing the State to impose a tonnage tax upon the coal?

Mr. NORRIS. None whatever.

Mr. WALSH. Does the Senator find any difficulty about authorizing the State to tax the lease?

Mr. NORRIS. The State would do that even without any provision here. There is not any question about that, in my judgment.

Mr. SHAFROTH. Mr. President——

Mr. NORRIS. I will yield in just a moment. In my judgment, if Alaska should be admitted as a State to-morrow she could tax the leases that exist, and probably would. Now I yield to the Senator.

Mr. SHAFROTH. The Senator from Montana [Mr. WALSH] asked whether any objection the Senator could conceive of could be made to taxing the tonnage, the output, of the coal mines. Mr. President, that could not possibly be done unless an act of Congress authorized it. Wherever the Government has a system and something is to be done for its accomplishment, the instrumentality that is necessary to accomplish that purpose can not be the subject of taxation.

Mr. WALSH. Mr. President——

Mr. NORRIS. I will yield in just a moment. If the Senator had any such coal mine up there, and he put an engine in it, or built a tramway, or built a lot of houses, washeries, and put in a whole lot of machinery, does the Senator contend that, if Alaska were a State, it could not tax that property?

Mr. SHAFROTH. Mr. President, not in view of section 13. What does section 13 in the bill provide?—

SEC. 13. That the possession of any lessee of the land or coal deposits leased under this act for all purposes involving adverse claims to the leased property shall be deemed the possession of the United States, and for such purposes the lessee shall occupy the same relation to the property leased as if operated directly by the United States.

Mr. NORRIS. That is, as to the possession. That would not affect the taxation.

Mr. SHAFROTH. It does, because you can recover possession by seizure for taxes. If the State could tax a piece of property, even then by the collection of taxes——

Mr. NORRIS. Suppose that were the case, the fact that a tax collector levied on an engine and sold it, that would not oust the man who had the mine leased from the Government or had possession of the mine.

Mr. SHAFROTH. But it would destroy the very lease of the United States, and unless it is expressly provided in the statute that the right of taxation does exist, it does not under the existing law.

Mr. NORRIS. If the Senator's theory is right, the star-route carrier or the rural-route carrier, who carries the Government mail, would not have to pay any tax on his horse or on his wagon, for if a tax were levied and the collector would sell it, he could immediately say, "This is a part of the machinery by which the United States mail is manipulated and carried, and therefore it is exempt."

Mr. SHAFROTH. I want to call the Senator's attention to a line of decisions by the Supreme Court of the United States where the question of the right of taxation upon the stock in a national bank is considered, and it is held that unless it is expressly provided in the act that it shall be the subject of taxation by the State it is exempt. If there is nothing said with relation to it, the power of the State does not exist, because it might be within the power of the State to destroy the national banks. So the power here to levy the tax upon the output of the mine would be, in effect, the power to destroy the very leasing system of the Federal Government, and for that reason the Government, as held by the Supreme Court of the United States, does not tolerate that line of taxation.

Mr. NORRIS. Every national bank in the United States is taxed by State authority and pays taxes.

Mr. SHAFROTH. Certainly; because there is in the law a provision that that can be done. In Seventh Wallace it is expressly stated that stock in a bank in the hands of a person can be taxed only because the United States Statutes authorize it.

Mr. NORRIS. Then in order to protect the rural-route carrier who carries the mail we ought to put in a provision allowing the State to tax his horses.

Mr. SHAFROTH. I do not know about that; but anyway——

Mr. SMOOT. That is private property.

Mr. SHAFROTH. Anyway, as a matter of fact, that does not affect the matter, because that is a question of private property.

Mr. NORRIS. Yes; and the engine that the man uses, or the timber that he uses to build a ladder to go down into his mine, or the pick that he uses, the nails that he uses are private property, just as much as the horse is the private property of the rural carrier.

Mr. SHAFROTH. Does not the Senator recognize that, for instance, real estate——

Mr. NORRIS. Would the Senator say that you could not tax the shovels or the axes or the hammers or the tool boxes of the man who had leased a Government coal mine in Alaska?

Mr. SHAFROTH. It may be that there are some exceptions. I do not know that any of the courts have attempted to go to that extent.

Mr. NORRIS. Exactly. Every one of those is necessary in order to operate the mine.

Mr. SHAFROTH. The rule is that the instrumentalities that are needed by the Government for the purpose of the accomplishment of their system are not the subject of taxation unless it is expressly provided in the act giving the right of taxation.

Mr. MYERS. I desire to call the attention of the Senator from Nebraska and others to the fact that section 13 says:

That the possession of any lessee of the land or coal deposits leased under this act for all purposes involving adverse claims to the leased property—

That is all. It is for purposes involving adverse claims.

Mr. NORRIS. As I called to the attention of the Senator from Colorado, it refers only to the question of the possession of the mine. It is put in there to protect the miner against some third person who might want to dispossess him.

Now, Mr. President, I want to take up another proposition, and then I will be through. A great deal has been said by those who have debated this question about the conference report taking out of the bill the maximum royalty. As the bill passed the Senate it provided that the royalty should not be less than 2 cents a ton and no more than 5 cents a ton. As it passed the House it had no maximum. The Senate conferees have receded, and in the bill we have before us now, as reported by the conferees, the maximum is removed and it provides only that there shall be 2 cents or more exacted on each ton as royalty.

I wish to say that I would not for a moment desire to put a royalty on the mining of the coal if it would increase the cost of the coal to the consumer; and, as a general proposition, I want to admit that the consumer of the coal pays the royalty. But let us consider now what I think was in the mind of some of those who took part in the debate in the House and those who were on the conference committee—the conditions existing in regard to the Cunningham claims, about which we heard so much a few years ago, and which were the subject of an agreement by which they should be operated by the Guggenheim interest. It was an agreement by which they were to be operated and released to this combination, providing that they should pay a royalty of 50 cents a ton, as I remember. If I am wrong, I would be glad to be corrected. As I remember

hearing the evidence in the Pinchot-Ballinger investigation, that agreement provided that they should pay 50 cents a ton.

Now, let us assume a condition, and the figures I am giving now I give only for illustration. I know nothing about the price of coal on the Pacific coast, but let us assume now that such coal as is mined in Alaska is selling in Seattle at $5 a ton. Let us further assume that the lessee of one of these mines in Alaska can get that coal down to Seattle and sell it at a reasonable profit at $4 per ton, and that his competitor there can not sell for less than $5. What would happen? He would put the coal to about $4.95 a ton. He could properly do so; I am not criticizing him for it. Anyone who was in the business would do it if he could. He would sell it for just as much as he could get. He could beat out his competitor if he sold it at $4.95.

Now, if he got it down there for $4 a ton he would have a profit of 95 cents a ton. Suppose he had to pay a royalty to the Government of 50 cents a ton. Would it make any difference in the price at which he would sell it down there? He would sell it, perhaps, at the same price, if there were conditions where he would come in competition with other men dealing in the same kind of coal. He would put the price as high as he could put it and still be able to sell the coal. If the Government charged no royalty it would simply add to his profit in that case. If the Government charged a royalty, the price to the consumer *would be absolutely* the same, and the Government would get some of the profit; or, in other words, Alaska would get it.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Utah?

Mr. NORRIS. I yield.

Mr. SMOOT. Does not the Senator take into consideration that there are a great many leases there and competition will enter in if leases are to be made as we anticipate? If they are not to be made, then, of course, nothing would come from it.

Mr. NORRIS. Of course that is a disputed question. I am in hopes there will be leases made, and I believe there will be. It is my own idea that, with a properly guarded lease, such as the department can enter into under this law, a very high royalty would not be charged.

Mr. SMOOT. They would have to charge what is bid.

Mr. NORRIS. They will not need to lease it in that way.

Mr. SMOOT. Yes; the bill provides for competitive bidding.

Mr. NORRIS. It can be competitive bidding, but it does not necessarily have to be a bid on the royalty to be paid. The lease can very easily provide under the bill regulations by which the royalty would be lowered or raised under conditions that might arise. I do not anticipate that there will be a high royalty. If the Senator's theory is right, that the Secretary of the Interior should only advertise for bids on a royalty basis—that is, that he should give it to any man who would bid the highest royalty—the very fact that they were bidding a high, unreasonable price might, if they were bidding in that way, result in an increase to the consumer, which, of course, should be avoided.

Mr. SMOOT. I will say to the Senator the bill requires that the Secretary must advertise these different tracts after they are surveyed as being open for bids.

Mr. NORRIS. Exactly; but it does not say that he is to lease it to the various men in accordance with the royalty that they will agree to pay in their bid. There are a great many conditions.

Mr. SMOOT. The Senator knows that if one man bids 10 cents and another man bids 15 cents and another man 20 cents, the man who bid 20 cents would get the lease.

Mr. NORRIS. Everything else being equal, he would, I suppose. Now, let me put this to the Senator: Suppose we had the Senate provision, which provided that the royalty should not be less than 2 cents nor more than 5 cents, and then the Secretary should advertise for bids, how would they bid? They would all bid 5 cents.

Mr. SMOOT. If they did, the Secretary of the Interior would have the power under the bill to enter into a lease with the party who, in his opinion, would mine the coal the best or give the best public service, or whatever his judgment might influence him to do for the public good.

Mr. NORRIS. But that is the power which has been criticized all through this debate. The critics say it has been criticized too much. I have not said so.

Mr. SMOOT. He has that power.

Mr. NORRIS. He has a good deal of power, and of course he must have it in order to carry out the provision of the bill and get good results.

But, Mr. President, when the Secretary accepts bids there will be different kinds of coal in different localities. It is fair to say that the bids will correspond somewhat with the quality of the coal. He can put conditions in the offer for bids in regard to the price at which it shall be sold or the method in which it shall be mined or handled, and have competition on that. There are various ways in which there might be competition. I do not anticipate that there is going to be anything like a royalty of a dollar a ton paid for this coal. My own judgment is that it would be bad if that should occur, because I am satisfied that if it went up as high as that it would be beyond the limit of competition in the localities where the coal would be sold, and the effect would be injurious.

Mr. SMITH of Georgia obtained the floor.

Mr. SMOOT. Will the Senator from Georgia yield to me for a moment.

Mr. SMITH of Georgia. I yield to the Senator from Utah.

DRESS AND WAIST INDUSTRY.

Mr. SMOOT. I ask that "Wages, regularity of employment, and standardization of piece rates in the dress and waist industry of New York City," by N. I. Stone, chief statistician of the wage-scale board of the dress and waist industry, be printed as a public document.

The VICE PRESIDENT. Is there objection?

Mr. POINDEXTER. What is the report?

Mr. SMOOT. It is a report made by Mr. N. I. Stone, chief statistician of the wage-scale board of the dress and waist industry of New York City. I will say to the Senator, it is a rather remarkable report. For years there has been a dispute between the wage earners and the employers of labor in the dress and waist industry of New York. I have no doubt the Senator will remember the trouble that has existed in the State of New York and, in fact, other States in this industry. This board was appointed by the State for the purpose of seeing if there could not be some plan evolved whereby the regulation of the wages of employees could be arrived at on a scale basis. That has been arrived at, and I think it is the first time in the history of the industry where employer and employee have arrived at a plan that was satisfactory to all concerned, and this was the result.

Mr. CHILTON. What will be the cost?

Mr. POINDEXTER. Is that a Government board, a State board, or a board appointed by the employers and employees?

Mr. SMOOT. It is a State board. I want to say to the Senator that it is perfectly satisfactory to all concerned, and the labor people here desire that this report be printed.

Mr. POINDEXTER. It would be very expensive, would it not?

Mr. SMOOT. It would not be very expensive.

Mr. POINDEXTER. Has the Senator estimated what the cost will be?

Mr. SMOOT. It is not printed matter, and there are a number of tables in it; but my opinion offhand would be that it would cost to print the usual or up number of copies, about 1,672 copies, something between two hundred and three hundred dollars—not to exceed that.

Mr. POINDEXTER. Of course that is rather indefinite.

Mr. SMOOT. If the Senator objects, I certainly shall not make the request. I simply want to say that it is a remarkable report, and the Bureau of Statistics of the Department of Labor is greatly interested in it, and asks that it be printed. I am perfectly willing, if the Senator objects, to withdraw my request; but the laboring people of the State of New York have requested it. Not only that, but the employers of the men and women in the dress and waist industry have asked it; and I think, after examining it, that it is a very remarkable piece of work.

Mr. POINDEXTER. I ask that it be referred to the Committee on Printing.

The VICE PRESIDENT. The matter will be referred to the Committee on Printing.

THE COTTON SITUATION IN THE SOUTH.

Mr. SMITH of Georgia. Mr. President, I ask unanimous consent at this time to send to the desk an amendment intended to be proposed to the tax bill, which is the unfinished business. I do so because I desire the amendment to be printed in the RECORD and also to be printed for the use of the Senate.

There being no objection, the amendment was ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. SMITH of Georgia to the bill (H. R. 18891) to increase the internal revenue, and for other purposes, viz: Insert the following:

"SEC. 26. That during the year of 1915 a special excise tax is hereby levied, and shall be paid and collected not later than December of said year, upon every person, firm, or corporation engaging in the business of planting, growing, or producing cotton, said tax to be measured as follows:

"Every such person, firm, or corporation shall pay a tax of 2 cents a pound upon all lint cotton produced or grown by such person, firm, or

corporation in excess of 50 per cent of the total amount of lint cotton produced by such person, firm, or corporation in the year 1914: *Provided*, That where any such person, firm, or corporation was not engaged in the business of planting, growing, or producing cotton in the year 1914, such person, firm, or corporation shall pay a tax of 2 cents a pound on all lint cotton produced by such person, firm, or corporation in excess of 50 per cent of the total amount of lint cotton produced in the year 1914 on the farm or plantation operated by such person, firm, or corporation in the year 1915.

"The Secretary of the Treasury is hereby authorized to make all necessary rules and regulations for the collection of the tax herein provided for.

"SEC. 27. That the Secretary of the Treasury is hereby directed to have immediately prepared bonds of the United States to the amount in face value of $250,000,000. The said bonds shall be in denominations ranging from $10 to $500, and shall be made due on or before three years from date, and bear interest at 4 per cent per annum, and shall be payable in gold.

"SEC. 28. That the said bonds shall be used at their face value for the purchase of 5,000,000 bales of lint cotton, payments to be made in said bonds to the sellers of such cotton, and the Secretary of the Treasury, the Postmaster General, and the Secretary of Agriculture are hereby constituted a board with authority to conduct such purchases and to carry out the provisions of this act in connection with the purchase, handling, and sale of said cotton.

"The said purchases shall be made exclusively from the producers of such cotton.

"Said purchases shall be made at the price of 10 cents per pound for middling lint cotton. Other grades of cotton may be bought at prices higher or lower than 10 cents, based on the difference of their values, as the same are more or less valuable than middling cotton. The purchases shall be made in the States where the cotton is grown, and shall be prorated between the States, as far as practicable, according to the quantity of cotton grown in each State. The cotton so purchased shall be handled under the direction of the board hereinbefore provided for, and none of the same shall be disposed of earlier than January 1, 1916, unless, in the opinion of the said board, parts of said cotton are required to furnish cotton for manufacture, in which event parts of said cotton may be sold at a price of 11 cents a pound or more. During the year beginning January 1, 1916, said cotton may be sold in blocks of 100 bales or more at the market price, but not for less than the amount that it has cost, including interest on the bonds, storage, etc. On and after January 1, 1917, so much of said cotton as has not already been disposed of shall, within six months thereafter, be sold by said board. The money received from the sale of said cotton shall be kept separately in the Treasury and shall be used to pay off the bonds provided for in section 27 of this act, and whenever $5,000,000 has been accumulated from the sale of said cotton, blocks of said issue of bonds shall be called in and redeemed, and said board is given full power and authority to make such rules and regulations as are necessary for the purpose of executing the provisions of this and the preceding sections.

"SEC. 29. That for the year 1916 a special tax is hereby levied, and shall be paid and collected during the months of August, September, October, November, and December, upon every person, firm, or corporation engaging in the business of planting, growing, or producing cotton, said tax to be measured as follows:

"Every such person, firm, or corporation shall pay on all lint cotton produced or grown by such person, firm, or corporation during said year an amount equal to one-half cent per pound on such cotton, and the same shall be payable before said cotton leaves the gin house.

"The taxes provided for in this section and in section 26 of this act shall be kept as a separate fund in the Treasury, and shall be used for the purpose of paying the interest on said bonds provided for in section 27 of this act and the expenses of handling said cotton provided for in section 28 of this act, and any surplus shall be used for the purpose of paying off the principal of said bonds.

"SEC. 30. That after the cotton, the purchase and sale of which is provided for in sections 27 and 28 of this act, has been disposed of, it shall be the duty of the said board to prepare a statement covering the entire expenditure by the Government in connection with said transactions, including the redemption of said bonds, and if any part of said expenses has not been met under the provisions of sections 28 and 29 it shall be the duty of said board to officially report the amount remaining unpaid, and said report shall be filed with the Commissioner of Internal Revenue. For the year 1917, and annually thereafter, a special tax is hereby levied and shall be paid and collected during the months of August, September, October, November, and December upon every person, firm, or corporation engaging in the business of planting, growing, or producing cotton, said tax to be measured as follows:

"Every such person, firm, or corporation shall pay on all cotton produced or grown by such person, firm, or corporation during each of said years an amount equal to 1 cent per pound on such cotton, and the same shall be payable before said cotton leaves the gin house: *Provided, however*, That if the report of said board, filed with the Commissioner of Internal Revenue, shows that no amount remains unpaid, the excise tax provided for in this section shall not be collected: *And provided further*, That no tax shall be collected under this section except for the balance of the amount remaining unpaid as provided for in this section.

"SEC. 31. That the sum of $1,000,000, or so much thereof as may be necessary, is hereby appropriated and made immediately available under the direction of the said board, for the purpose of carrying into effect the provisions of sections 27 and 28 of this act."

Mr. SMITH of Georgia. Mr. President, I wish to give notice that to-morrow morning I will address the Senate upon the subject embraced in the amendment. I desire to call attention to the fact that while this amendment provides for the issuance of $250,000,000 of short-time low-rate bonds for the purpose of exchange for cotton, with the view of absorbing 5,000,000 bales of cotton, it also provides that that cotton shall be sold in 1916 and 1917; and it levies a tax on the cotton produced in 1917 for any amount that the sale of the cotton does not reimburse the Government, if it fails in any way to reimburse the Government.

In this connection I also wish at this time to call attention to these facts: That the Government has loaned its credit to build railroads in the West to the amount of $120,000,000. That it has furnished money for the reclamation of lands in large quantity in the West. That at this session we voted $35,000,000 to build railroads in Alaska. That the Government has used its resources to ward off disaster by the deposit of hundreds of millions of dollars at one time in the banks. That we have furnished money and loaned the credit of the Government to the extent of hundreds of millions of dollars to advance the citizens of the Philippine Islands toward civilization, with the avowed purpose of doing it simply as a philanthropy, and of giving up the islands as soon as the philanthropy shall have been completed. To-morrow I hope to have an opportunity to discuss this subject and to present my views upon it.

I desire the RECORD to show, in this connection, that the amendment which I have presented is presented not simply for myself, but for quite a number of Senators who took part in its preparation.

DIPLOMATIC AND CONSULAR SERVICE.

Mr. O'GORMAN. I ask unanimous consent for the present consideration of Senate bill 5614. It is really an emergency measure. It provides for a change regarding the appointment of United States consuls and secretaries to embassies. It has the unanimous approval of the Foreign Relations Committee. When I asked unanimous consent for the consideration of the bill a day or two ago the Senator from North Carolina [Mr. OVERMAN] objected, but he now understands the bill and withdraws his opposition.

The VICE PRESIDENT. The Chair would inquire of the Senator from Montana if he is ready to have the conference report laid aside?

Mr. MYERS. Is the Senator from New York aware that the conference report of the Alaska coal-leasing bill has not yet been disposed of?

Mr. O'GORMAN. I realize that I must have the Senator's consent before I can proceed with the bill which I desire to have passed upon.

Mr. MYERS. How long will it take?

Mr. O'GORMAN. I do not think there will be any discussion on the bill.

Mr. MYERS. Will there be no remarks for or against it?

Mr. O'GORMAN. I understand not. The department is desirous of having it acted upon. The only change it makes in existing law is that at present when a secretary to an embassy is appointed he is appointed to a specific embassy, and he can not be transferred by the State Department from that embassy to another except by the consent of the Senate. So when a consul is appointed he is appointed to a particular post and can not be transferred by the department to another post of the same grade without the consent of the Senate. This bill is designed to permit the State Department to make such transfers according to the exigencies of the service.

Mr. SMOOT. Mr. President, I shall object to the present consideration of the bill.

Mr. SIMMONS. Regular order, Mr. President.

ALASKA COAL LANDS.

The Senate resumed the consideration of the conference report on the disagreeing votes of the two Houses upon the bill (H. R. 14233) to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. JONES. Mr. President, I want to congratulate the Senator from Montana [Mr. MYERS] on bringing in this report and on accomplishing what he was really afraid the other day he would not be able to accomplish. I am satisfied that the bill which he has reported is a better bill than the one presented by the conference report a few days ago. I voted for that conference report because of my desire to see something done for Alaska, and I will vote for this conference report with much more pleasure than I did for that one.

Mr. President, the Senator from Colorado [Mr. SHAFROTH] has depicted the conditions in Alaska very vividly and very correctly, and the conditions which he has mentioned constitute really the reasons that I have for supporting this legislation. I am going to vote for this conference report and, as has already been stated by others, I shall not consider it a precedent when the general leasing legislation comes up for consideration. I may be in favor of those bills, and I may not be; but I consider that they should be determined on the merits of the respective propositions.

As stated by the Senator from Colorado, lands are absolutely tied up in Alaska; nothing can be done there; nothing has been done for several years; and there is no prospect of anything being done. I think I can recognize a stone wall when I see it; and, to my mind, there is absolutely no hope for any Executive ever releasing those lands from the condition they are in now. I know that the Executive can do so; he can do so to-

morrow; but, in the face of the public sentiment that exists in the country, no Executive would do so; and I should blame no Executive for not doing so. The only hope is in some legislation by Congress to get these lands opened up; and this is absolutely the only legislation that Congress can pass; you can not bring anything else up even for consideration; and this is in response to the public sentiment that prevails in the country.

Mr. WARREN. Mr. President, as I understand the attitude of the Senator, he advocates this bill as a choice of evils?

Mr. JONES. Certainly.

Mr. WARREN. The Senator thinks it is a lesser evil than to submit to longer delay in opening up the coal lands of Alaska?

Mr. JONES. Yes; under the conditions which now prevail. I shall vote for this bill in the hope that it will better conditions in Alaska; I shall vote for it in the hope that it will result in the opening up and in developing the coal industry in that country.

Mr. President, there is one provision in the bill, if it did nothing else, which I think would decide me to vote for it, and that provision improves existing conditions. I think that was referred to by the Senator from Nebraska [Mr. NORRIS]. The provision I have in mind is the one which will make it possible for the individual in that country to get coal, at least for domestic purposes, where the individual is at all near the coal fields and coal lands. In other words, there is a provision under which a man can get a 10-acre tract without going into competition, without making competitive bids, and having complicated leases and operations of that sort, but not for the purpose of supplying the home or domestic market. That is a great benefit in itself, if nothing else comes from this legislation.

As I stated the other day, I doubt if very much will be done under this legislation. I join with the Senator from Idaho [Mr. BORAH], however, in believing that if we are to have a leasing system, if we must have it—and that seems to be the only thing to relieve the conditions in Alaska—the system provided for in this bill is just about as good a one as could be provided. I do not know of any improvements that I would really suggest in the matter.

I agree with the Senator from Nebraska with reference to the royalty feature of the conference report as now presented. As I said the other day, I think that the price at which the coal will be sold will be determined not by the royalty that is imposed, but by what can be gotten in the market. If there is no competition in Alaska, then the man who has the coal to sell will get everything that he can out of it, royalty or no royalty; and if there is no royalty, of course there will be more to go into his pocket than if the royalty is imposed.

I can see where advantage might come to the large interests by competitive bidding with this unlimited royalty, and that is that the strong interests that desire to get control of some particular locality or some particular coal tract will, of course, bid high and finally get it; but I think that probable situation is overbalanced by the other interest.

This is the situation there: The coal is all tied up; there is no hope of getting it released; nobody can get even a bucketful of coal for his own use. That is an intolerable condition; it is an intolerable situation. This is the only way to open up those lands; it is the only way to relieve the situation; and I am glad to see that we are doing something, that we are adopting some system under which a change will possibly come about. If it does not come about under this act, we can change it. It is not an unchangeable act on our part; it is not like a constitution, which it is difficult to change by a constitutional amendment; but if it does not work well, if it does not accomplish what we hope to accomplish by it, we can change it or repeal it and adopt some other system, and that is what we will do.

I am not very fearful about its even being cited with any great force as a precedent for a general leasing system in this country, because the conditions in Alaska are exceptional; they can not be duplicated anywhere in the United States; and a system that would be applicable there or that might work out there would be wholly inapplicable in this country. So that I am very glad, indeed, that the conferees have brought in this report, and I hope it will be adopted.

The provision with reference to the claimants up there I shall say nothing about. I had indulged the hope that the conferees, in considering the matter further, would be able to comply more nearly with the provisions of the bill as it passed the Senate; but I know the difficulties under which they labored, and I know they have done the very best they could. I think they have improved the situation in that respect also. So I shall cheerfully vote for the conference report.

Mr. WALSH. Mr. President, before the vote is taken—and I trust it will be taken speedily—I desire to take the time of the Senate to make a brief statement.

In the course of some remarks made upon this bill when it was first before the Senate for consideration I made the statement that the Rocky Mountain Fuel Co. is owned and controlled by the Colorado Fuel & Iron Co. and has the same board of directors. An error occurred in that statement. I should have said that the Rocky Mountain Coal & Iron Co. was controlled by the Colorado Fuel & Iron Co.

Mr. MYERS. Mr. President, just an observation. I will detain the Senate but a moment or two. Practically all the objections that have come to this report have come from those who opposed the bill itself. I regard it as res adjudicata that the Senate wants this bill; it has said so, and decided that question. The only objection that has been made to the report is that the maximum royalty has been abolished; and, in a few words, I want to read to the Senate what the Secretary of the Interior said about that, because it states the reasons very concisely. I quote from a letter of the Secretary of the Interior:

> Another objection to the measure as reported by the Senate committee and passed by the Senate is the fact that it fixes the minimum royalty which may be collected under a coal-land lease in Alaska at 2 cents and the maximum royalty at 5 cents per ton. The bill as passed by the House fixes the minimum at 2 cents per ton, but fixes no maximum. In my judgment it is unwise to fix a maximum royalty which may be exacted, and especially so to fix it at 5 cents per ton. The minimum was purposely fixed low, because of the existence of many fields of lignite or other low-grade coals in Alaska, but if report and expectation be realized there will be found in the Bering River and Matanuska fields and perhaps elsewhere in Alaska high-grade anthracite, semianthracite, and coking coals, easily mined, accessible to water transportation, and for which a maximum royalty of 5 cents per ton would be ridiculously inadequate. Every lessee will know in advance of the taking of a lease the maximum royalty which he will be required to pay, and it is clearly unwise to hamper and restrict the United States in leasing its Alaskan coal deposits by imposing a limitation on the maximum royalty. High-grade coals under lease in the United States proper produce much higher royalties than 5 cents per ton, and no good reason occurs to me why the operators in Alaska, who are fortunate enough to secure leases upon high-grade coal deposits in that Territory, should be especially favored in obtaining the benefits of 5-cent royalties for choice coal.
>
> I earnestly hope that Congress may decide to eliminate the maximum royalty provision and content itself with fixing a minimum royalty of 2 cents, leaving the maximum to be determined by the circumstances and conditions, character and location of the coal to be leased, and the willingness of the would-be lessee to pay what he regards as a reasonable royalty for the coal leased.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed a joint resolution (H. J. Res. 362) to correct an error in the enrollment of certain Indians enumerated in Senate Document No. 478, Sixty-third Congress, second session, enacted into law in the Indian appropriation act approved August 1, 1914, in which it requested the concurrence of the Senate.

PETITIONS AND MEMORIALS.

Mr. CLARK of Wyoming presented a petition of sundry citizens of Riverton, Wyo., praying for relief from mining assessments for the year 1914, which was referred to the Committee on Mines and Mining.

Mr. WEEKS presented a memorial of sundry pharmacists of Greenfield, Mass., remonstrating against the proposed tax on drugs and proprietary medicines, which was ordered to lie on the table.

Mr. SMITH of Maryland presented petitions of sundry citizens of Woodlawn and Emory Grove, in the State of Maryland, praying for national prohibition, which were referred to the Committee on the Judiciary.

REPORTS OF COMMITTEES.

Mr. O'GORMAN, from the Committee on Interoceanic Canals, to which was referred the joint resolution (S. J. Res. 196) to authorize the Secretary of War to grant permission to the Southern Commercial Congress to place a tablet at Gamboa, Canal Zone, as a memorial to the late Senator John T. Morgan, asked to be discharged from its further consideration, and that it be referred to the Committee on the Library, which was agreed to.

Mr. STERLING, from the Committee on Public Lands, to which was referred the bill (H. R. 5890) for the relief of settlers within the limits of the grant to the New Orleans, Baton Rouge & Vicksburg Railroad Co., reported it with an amendment and submitted a report (No. 819) thereon.

Mr. BRYAN, from the Committee on Claims, to which was referred the bill (S. 4738) for the relief of Frances L. Snell,

reported it without amendment and submitted a report (No. 820) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMITH of Maryland:

A bill (S. 6638) to pay the claim of the American Towing & Lightering Co. for damages to its tug *Buccaneer* (with accompanying papers); to the Committee on Claims.

By Mr. LANE (for Mr. CHAMBERLAIN):

A bill (S. 6639) for the relief of Jonathan J. Totten (with accompanying papers); to the Committee on Claims.

PRESIDENTIAL APPROVAL.

A message from the President of the United States, by Mr. Latta, Executive clerk, announced that the President had, on October 13, 1914, approved and signed the following joint resolution:

S. J. Res. 193. Joint resolution to authorize the President to grant leave of absence to two commissioned officers of the line of the Navy for the purpose of accepting an appointment under the Government of Brazil as instructors in naval strategy and tactics in the Naval War College of Brazil.

HOUSE JOINT RESOLUTION REFERRED.

H. J. Res. 362. Joint resolution to correct an error in the enrollment of certain Indians enumerated in Senate Document No. 478, Sixty-third Congress, second session, enacted into law in the Indian appropriation act approved August 1, 1914, was read twice by its title and referred to the Committee on Indian Affairs.

RECESS.

Mr. KERN. I move that the Senate take a recess until 11 o'clock to-morrow forenoon.

The motion was agreed to; and (at 5 o'clock and 40 minutes p. m., Wednesday, October 14, 1914) the Senate took a recess until to-morrow, Thursday, October 15, 1914, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *October 14, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Hasten the day, O God, our heavenly Father, when Thy children shall live together in peace and harmony. In the world's broad fields of endeavor there is room enough and plenty for all, but for the selfishness, greed, ambitions, and unholy desires of men. Quicken the good that is in us, that as individuals and as a nation we may live what we profess to believe, practice what we preach, doing unto others as we would have them do unto us, that we may be an example to all the world in righteousness and in good government. That Thy kingdom may come and Thy will be done, in His name. Amen.

The Journal of the proceedings of yesterday was read.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move that the Journal be approved.

The motion was agreed to.

EXTENSION OF REMARKS.

Mr. MOSS of Indiana. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Indiana rise?

Mr. MOSS of Indiana. I wish to ask unanimous consent to print in the RECORD a speech made by Representative MORRISON, of Indiana, before the convention that nominated him for Congress.

The SPEAKER. The gentleman from Indiana [Mr. Moss] asks unanimous consent to extend his remarks in the RECORD by printing a speech made by his colleague [Mr. MORRISON] to the convention which nominated him. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, on yesterday evening the gentleman from Massachusetts [Mr. GILLETT] asked unanimous consent to extend his remarks by incorporating a speech delivered by Representative WINSLOW, and, also, Representative PLATT, of New York, asked unanimous consent to extend his remarks on the subject of the Grand Army, to which objection was made. If these two requests be coupled with the request of the gentleman from Indiana [Mr. Moss], I will have no objection to it.

Mr. MANN. Do not couple them together.

Mr. STAFFORD. I assume there will not be any objection to their requests.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. Moss]? [After a pause.] The Chair hears none.

Mr. GILLETT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by publishing a speech delivered by Representative WINSLOW at the Republican State convention in Massachusetts.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to extend his remarks by printing a speech made by his colleague [Mr. WINSLOW] at the Republican State convention in Massachusetts. Is there objection?

There was no objection.

Mr. STAFFORD. Mr. Speaker, on behalf of Representative PLATT, I ask unanimous consent that he be given the privilege of printing his remarks in the RECORD on the subject indicated last night, namely, the Grand Army.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent that the gentleman from New York [Mr. PLATT] be permitted to extend his remarks in the RECORD on the subject of pensions. Is there objection?

There was no objection.

Mr. MONDELL. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Wyoming rise?

Mr. MONDELL. To ask unanimous consent to extend my remarks in the RECORD on sundry political subjects.

The SPEAKER. The gentleman from Wyoming asks unanimous consent to extend his remarks in the RECORD on sundry political subjects. Is there objection?

Mr. GARRETT of Tennessee. Reserving the right to object, does not the gentleman think two to one is sufficient for one day?

Mr. STAFFORD. Yesterday it was three to one—three on that side and two on this.

Mr. GARRETT of Tennessee. But not political speeches.

Mr. STAFFORD. They were political speeches, too.

Mr. GARRETT of Tennessee. I have no objection.

The SPEAKER. Is there objection?

There was no objection.

Mr. FALCONER. Mr. Speaker, I ask unanimous consent to print in the RECORD extracts from a speech made by Mr. Roosevelt at the great Progressive convention at Bay City, Mich., recently.

The SPEAKER. The gentleman asks unanimous consent to extend his remarks in the RECORD by printing a speech made by Col. Roosevelt at Bay City, Mich. Is there objection?

There was no objection.

THE PHILIPPINE ISLANDS.

The SPEAKER. Under the special rule the House will resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 18459, and the gentleman from Indiana [Mr. ADAIR] will take the chair.

The CHAIRMAN. The House is in the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 18459, of which the Clerk will report the title.

The Clerk read as follows:

A bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands and to provide a more autonomous government for those islands.

With the pending amendment.

Mr. BRYAN. Mr. Chairman, I want to suggest that there is a little error here that I think the chairman of the committee will agree to correct, and I move to strike out the last word in order to make the suggestion. On page 22, lines 21 and 22, it is provided:

That no franchise or right shall be granted to any corporation except under the conditions that it shall be subject to amendment—

And so forth. Now, I propose to strike out those words, "to any corporation," or else add "to any person or corporation." Any franchise granted to John Jones or Bill Smith would not, if he assigned it to a corporation, come under this provision. It says that any franchise granted to any corporation shall be subject to amendment, alteration, or repeal.

Mr. JONES. What line?

Mr. BRYAN. Line 22, page 22, "No franchise or right shall be granted to any corporation except under the conditions," and so forth. Now, I suggest that we strike out those words "to any corporation" and make the provision apply to any franchise that is granted. It amounts to a "joker" as it is—unintentional, of course—but it is a "joker" whose bones ought to be cracked.

Mr. TOWNER. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Washington yield to the gentleman from Iowa?

Mr. BRYAN. Yes.

Mr. TOWNER. I suggest that the language usually used, and that which would probably be necessary, would probably be "individual, firm, or corporation."

Mr. BRYAN. That would be all right. But the word "person" would, I understand, cover corporations under our statute, but "corporation" is restrictive. If you strike out the words "to any corporation," there will be no question left, and I suggest that the chairman either revise the language that I have suggested or else strike out those words.

Mr. JONES. Mr. Chairman, of course we can only return to this section by unanimous consent. I think it might be well enough to make this change, and I therefore ask unanimous consent to return to this section, so that I may offer to amend, in line 22, after the word "any," by adding the words "individual, firm, or."

The CHAIRMAN. The Chair would ask the gentleman from Virginia the number of the section.

Mr. JONES. Section 26.

The CHAIRMAN. The gentleman from Virginia [Mr. JONES] asks unanimous consent to return to section 26 for the purpose of offering an amendment. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, page 22, line 22, after the word "any," by inserting the words "individual, firm, or."

Mr. STAFFORD. No; the word "person."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. MANN. Reserving the right to object, Mr. Chairman, I would like to ask the gentleman what is a right granted to a person where you reserve the right also to take away the lands or use and occupation of the lands? Is it designed not to permit the Philippine Legislature, under a general or special law, to grant any rights to persons over lands in the Philippine Islands?

Mr. JONES. I believe, Mr. Chairman, the words "franchises and rights" are somewhat synonymous as here used. They are the words employed in the organic law. I think the word "right" is simply used to broaden the meaning and purpose of this provision.

Mr. MANN. Of course, if it has been settled by any construction that the word "right" really means "franchise," very well. I understood, when we passed the original legislation, that it was designed to curb the authority of the Philippine Commission to grant land to corporations, but it was not designed to prevent them from granting the right of land to individuals. Now, if you insert in every patent of land that is granted a provision that land may be taken away from the individual, it looks to me as though you were destroying the value of the grant.

Mr. JONES. I think the gentleman is confusing this section, which applies entirely to franchises, with those sections which relate to the disposition of land. As has been suggested to me by a gentleman sitting near me, Mr. GARRETT, the word "right" might be used in connection with the exercise of the right of eminent domain, whereas the word "franchise" would not be applicable in that connection. This language has been in the present law for 12 years. I do not know how often it has been construed, but I do know it has been the law for 12 years, and the committee thought, inasmuch as there has been no complaint in respect to it, that it would be best to reenact it in its present form.

Mr. MANN. This proposition is to change it from its present form. It now restricts the right to make a grant to a corporation, and then it goes on and says "rights of use and occupation of lands thus granted shall revert to the governments by which they were respectively granted," and so forth. It plainly covers, or plainly could be held to cover, the granting of lands for other purposes. If, however, the gentleman is satisfied with it, I shall not object.

Mr. JONES. There has never been any criticism of this section, so far as I know, and we were content to keep the language of the present law. I ask for a vote on the amendment, Mr. Chairman.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Virginia [Mr. JONES].

The amendment was agreed to.

Mr. MILLER. Mr. Chairman, I think when we rose last evening there was an amendment pending which I had offered to section 27. I had moved to strike out the figures "$18,000," in line 20, and insert in lieu thereof the figures "$25,000." I was assured that that would be opposed, but that the chairman of the committee was willing to accept an amendment to this effect: "not less than $18,000, the amount to be fixed by the Philippine Legislature." I am perfectly willing to accept that.

Mr. JONES. Mr. Chairman, what the gentleman says is true, but since I indicated that I would not object to his amendment I have conferred with other members of the committee, and we think that no minimum should be fixed unless there is also a maximum limit. If the gentleman cares to offer an amendment substituting $20,000 for $18,000, I shall not oppose its adoption.

Mr. MILLER. Is it not the disposition of the committee to accede to the wishes of the Filipinos, expressed as they have been many times, especially through their Resident Commissioner and the speaker of their assembly?

Mr. JONES. Mr. Chairman, I think that the sentiment which was voiced by Commissioner QUEZON is due to the fact of Gov. Gen. Harrison's exceptional popularity. The Filipinos would like, I am aware, to increase his salary. But I do not think that that fact, however, ought to be taken into consideration in fixing the salary for this position. I really think that in view of the impoverished condition of the islands and the fact that the government is retrenching expenses in every direction, we ought not to increase the salary above what it originally was.

Mr. MILLER. I believe it was $20,500.

Mr. JONES. It was $20,500. I suggest that the gentleman modify his amendment by making it "$20,000," and there will not be any objection on this side.

Mr. MILLER. I readily appreciate the fact that the force of numbers is on that side, and they can vote it down. But I would like to have a vote to decide the question whether or not the committee is willing to accede to the wishes of the Filipinos, expressed as clearly as they can be expressed. I do not concede the position that the gentleman takes now, that the only reason why the Filipinos have ever suggested an increase in the salary of the Governor General is that they like Gov. Gen. Harrison. If that is the situation, they are the most shortsighted and the most nearsighted people imaginable, possessing not at all the qualifications for self-government claimed time out of mind for them by the gentleman from Virginia. Surely they see farther than the noses on their faces. Surely when they speak of the salary of the Governor General it means the salary of all Governors General, and not merely this one.

Mr. GORDON. Mr. Chairman, will the gentleman yield?

Mr. MILLER. Yes.

Mr. GORDON. Since when have you become so deferential to the wishes of the people over there?

Mr. MILLER. I have always been.

Mr. GORDON. Then, why do you not vote for their independence?

Mr. MILLER. Will you vote for their independence now?

Mr. GORDON. I will, and you will vote against it.

Mr. MILLER. This bill is as far from giving independence to the Philippine people as the gentleman is far from knowing what the wishes of the people are.

Mr. JONES. Mr. Chairman, I hope we will not take up any more of the time of the committee in the discussion of questions that have already been thrashed over. I do not understand that the Philippine people have expressed a desire to have this proposed increase of salary. The representative from the Philippine Islands did say that he believed his people would like to see it increased, but I know of no action that has been taken by the people in the Philippine Islands relating to the subject.

Mr. MILLER. Mr. Chairman, the gentleman from the Philippine Islands, as I recall, interrupted me for the purpose of explicitly stating that it was the desire of the Filipino people that the Governor General should receive a salary of $25,000. He substantiated that and emphasized it by stating that he had received a letter or a cablegram from Señor Osména, speaker of the Philippine Assembly, in which he said that the salary of the Governor General should be $25,000. I will say, in addition, that men I have talked with on the subject of salaries in the islands, no matter how they may have differed in other matters, all agreed that the salary of the Governor General should be $25,000.

Mr. JONES. The gentleman knows that the assembly over which Señor Osména presides voted last winter to reduce this salary.

Mr. MILLER. I understand full well that they did that at the personal request of Gov. Gen. Harrison, and he is not to be blamed for the attitude he then took. They desired to reduce many salaries in the islands, some which I think should properly have been reduced, and he saw at once that it would not be consistent for him to urge or recommend the reduction of other salaries unless his own were cut. So he voluntarily requested that his own salary be cut nearly $3,000, and the gentleman

knows that the salary does not cut much figure with a man like Gov. Gen. Harrison.

Mr. JONES. The gentleman can offer his amendment for $25,000, but I hope he will modify it so as to make it $20,000. I will not object to making the amount $20,000.

Mr. MILLER. Mr. Chairman, I offer the following amendment:

Strike out the figures "$18,000," in line 20, page 24, and after the word "General" insert the following: "not less than $18,000, the amount to be fixed by the Philippine Legislature."

Mr. BRYAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BRYAN. My amendment pending which was to be taken up to-day as a new section comes in before section 27. Will the consideration of this amendment offered by the gentleman from Minnesota interfere with the new section 26a?

The CHAIRMAN. The Chair will say that following this section the amendment referred to by the gentleman from Washington will be taken up.

Mr. BRYAN. But the gentleman from Minnesota is offering an amendment to section 27, and my new section is 26a.

Mr. COOPER. Mr. Chairman, I want to say a word about the amendment proposed by the gentleman from Minnesota [Mr. MILLER].

Mr. MOORE. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. MOORE. Did I understand the Chair to say that we would go back to some other section of the bill after the consideration of the amendment offered by the gentleman from Minnesota?

Mr. GARRETT of Tennessee. We so agreed yesterday afternoon.

The CHAIRMAN. The Chair will say that was agreed to before the adjournment last night.

Mr. MOORE. That does not cut off offering further amendments to section 27.

The CHAIRMAN. We are considering section 27 now, which the Chair understands is subject to amendment.

Mr. MOORE. I desire to say that I have some amendments to section 27.

Mr. GARRETT of Tennessee. If the gentleman will glance at the RECORD of yesterday afternoon, he will see that the agreement was that we should pass over the amendment offered by the gentleman from Washington and read section 27, and after the completion of that we should return to the consideration of the amendment offered by the gentleman from Washington.

Mr. MOORE. That agreement was not made to the exclusion of other amendments to section 27.

Mr. GARRETT of Tennessee. Certainly not.

Mr. COOPER. Mr. Chairman, I want to say a word about the amendment proposed by the gentleman from Minnesota [Mr. MILLER]. His amendment provides that there shall be a minimum amount fixed in this statute for the salary to be appropriated for the Governor General by the Philippine Legislature. Now, the only reason, as I understand, that we throw any restrictions about the Philippine Legislature is that the restrictions may operate in favor of the Filipino people. If we make any restriction as to the amount of the salary, it ought to be a maximum amount above which they could not take from the treasury to pay an American sent over there to act as Governor General. If we fix a minimum amount, that leaves it open for them to give $100 000 a year. There ought to be a maximum with it, of course. I am opposed to the amendment.

Mr. BORLAND. Mr. Chairman, I offer a substitute for the amendment of the gentleman from Minnesota, that after the words "Governor General," line 20, page 24, insert the words "not more than $15,000, the amount to be fixed by the Philippine Legislature."

Mr. MILLER. Mr. Chairman, I find that on yesterday afternoon I offered an amendment to increase the salary from $18.000 to $25,000, and I ask unanimous consent to withdraw that amendment.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent to withdraw the amendment he speaks of. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment of the gentleman from Missouri.

The Clerk read as follows:

Amend the amendment of the gentleman from Minnesota by substituting $15,000 for $18,000.

Mr. BORLAND. No; change the wording. The amendment is to insert $15.000 and change the wording, the amount to be fixed by the Philippine Legislature.

The Clerk read as follows:

Amend by inserting "not more than $15,000, the amount to be fixed by the Philippine Legislature."

Mr. BORLAND. Mr. Chairman, I think the gentleman from Wisconsin [Mr. COOPER] is unquestionably right. If there is any utility in fixing the salary in the organic law, it is to fix a maximum above which the legislative body or those having control of the treasury can not go. The idea of the gentleman from Minnesota [Mr. MILLER] in fixing a minimum below which they can not go is clearly in the interest of the officeholder, who in this case happens to be not a citizen of the islands.

Mr. MILLER. The minimum in the amendment is not my own opinion. I inserted that at the request of gentlemen on the other side as representing their views last evening, before we adjourned. I myself would prefer to leave it entirely to the Philippine Legislature, without fixing the maximum or the minimum.

Mr. BORLAND. I am discussing the unwisdom, from my point of view, of putting in a minimum amount.

Mr. JONES. Mr. Chairman, if I may be permitted a moment, I would like to add a word to what the gentleman from Minnesota has said. That suggestion was made from this side on yesterday evening, but I distinctly said to the gentleman a few moments ago that after further considering the matter we were not willing to accept it.

Mr. MILLER. And I distinctly made that statement, that I am representing the views of that side, last evening.

Mr. JONES. The gentleman can not now say, however, that his amendment represents the views of the majority of the committee, because it does not.

Mr. MILLER. I do not. I do not know how much the gentleman has changed since last evening.

Mr. JONES. I distinctly informed the gentleman that we had changed our minds in regard to his amendment.

Mr. MILLER. I so understand it, and have so stated at least three times.

Mr. TOWNER. Mr. Chairman, I would like to know who has the floor?

The CHAIRMAN. The gentleman from Missouri [Mr. BORLAND] has the floor.

Mr. TOWNER. Then, will the gentleman yield to me for a moment?

Mr. BORLAND. Yes.

Mr. TOWNER. I want to say to the gentleman from Missouri that in my judgment his amendment will result in making it impossible for the President to ever send anybody there except a millionaire as Governor General. What we ought to do is to be very careful that we may give a sufficient sum so that men may be chosen upon their merits and not because of the size of their pocketbooks.

Mr. COOPER. Mr. Chairman, will the gentleman permit one more interruption there?

Mr. BORLAND. Yes.

Mr. COOPER. In connection with what the gentleman from Iowa [Mr. TOWNER] has said, it is interesting to recall that when Gov. Gen. Taft returned from the Philippine Islands he said to a committee of the House that the salary he was receiving made it utterly impossible for him to do justice to the position over there and save one dollar. I think the salary then was——

Mr. GORDON. Twenty thousand five hundred dollars in gold.

Mr. COOPER. Yes. He said that his statement sounded as though he had been indulging in extravagance, but he insisted that it was absolutely necessary under the conditions which obtain in the Philippine Islands to have that salary. In my judgment $18,000 is as low as we should now go.

Mr. BORLAND. Mr. Chairman, I have no desire to force my individual views upon any of the gentlemen further than to present this matter to the calm judgment of the House. There may be special reasons why in the Philippine Islands a man has to spend a large amount of money to maintain the dignity of the office of Governor General. I have heard that claim urged in regard to a great many different positions—that of foreign ambassadors, that of the governors of the different States, and other positions of that kind—that the incidental expenses required a man to draw upon his private purse, and that the salary was inadequate. We are utterly unable to determine that. It is a question of taste and of temperament, as much as anything else, so far as I can discover. We do send great men to the foreign courts of Europe on salaries infinitely less than we are fixing for this Governor General. We do have 48 great States governing themselves, some of them containing a population equal to that of the Philippine Islands, and the governor in not one of them has any such salary, to my knowl-

edge, and in many of them the governor draws less than a third of the salary mentioned here.

I do not assume that it is possible in all cases where a man who takes an office of dignity and prominence to have enough salary furnished him to keep up the dignity of that office. I assume that there is, in a case like that of the Philippine Islands, some sort of civil list out of which the necessary expenses for the dignity of the position may be obtained outside of the personal purse of the man who occupies the office. If it is not so, it ought to be so. I see the gentleman from Minnesota shakes his head, but it ought to be so in every case where a man occupies a regal or vice-regal position. Where he is the official head of the Government, there is a civil list which aids him in carrying out those necessary duties; but I think if we make this salary $25,000 it will make it one of the greatest political plums in the United States, if not in the known civilized world. I never heard of such a position being thrown into the political arena to be scrambled for as a $25,000 Government job.

Mr. FESS. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. BORLAND. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BORLAND. In a moment I will yield to the gentleman from Ohio. No man in this House has a higher respect for the magnificent ability of the present Governor General of the Philippine Islands than I. I served with him in this House, and I came to recognize his great intellectual ability, his great moral courage, his splendid tact, all of his likable and attractive qualities, and his inflexible integrity in the discharge of public duties. He is a man, in my judgment, who is vastly beyond the qualifications necessary for the position. I think he has ample—and to spare—of qualifications for the position, and I cherish for him, in addition, a high personal regard and a sincere personal affection. Nothing that I say in regard to salary could be influenced pro or con by my personal feeling toward the gentleman who now occupies the position. If it were a question of personal friendship, I would be glad to vote for any amount for that man; but it is not a question of personal friendship.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. BORLAND. In just a moment. It is not a question of personal friendship; it is a question, among other things, of teaching these people self-control, self-restraint, self-sacrifice necessary to build up a form of government among themselves, and I do not see how we can start out with a list of $25,000 salaries for appointive men. I now yield to the gentleman from Ohio [Mr. FESS].

Mr. FESS. The Governor of Porto Rico gets $8,000 a year. What is the difference between the duties in the Philippines and the duties there that will require such an additional salary?

Mr. BORLAND. Among other things the population of the Philippines is at least eight times that of the population of Porto Rico. It is a distant point from home, and the responsibility of the man who is on the ground is very much greater.

Mr. FESS. But would that require eight times the salary?

Mr. BORLAND. I think the salary of the Governor of Porto Rico of $8,000 is ample, and yet I know it would probably take all of that for a man to maintain the dignity of the position.

Mr. COOPER. Will the gentleman permit an interruption?

Mr. BORLAND. Yes.

Mr. COOPER. I would like to say in reply to the question of the gentleman from Ohio [Mr. FESS] that there is a vast difference between Porto Rico and the Philippines. Porto Rico is a parallelogram of about 40 by 90 miles, whereas the Philippines——

Mr. BORLAND. I am sorry I can not yield to the gentleman from Wisconsin for that. I yield now to the gentleman from Tennessee [Mr. GARRETT].

Mr. GARRETT of Tennessee. I fear that the remarks of the gentleman touching the personality of the Governor General of the Philippines will leave an impression that the present Governor General of the Philippines was in some way interested in this increase of salary.

Mr. BORLAND. I should be sorry to leave that impression. From my knowledge of things I am confident that no suggestion emanated from him in regard to such increase——

Mr. GARRETT of Tennessee. As a matter of fact——

Mr. BORLAND. I would assume that to be true, and I am confident that it is true.

Mr. GARRETT of Tennessee. We ought to be specially careful in criticizing, and as a matter of fact the Governor General of the Philippine Islands suggested the necessity that the salary, which had been heretofore $20,500 a year, should be reduced, and it was reduced to $18,000 per annum; that is, the 10 per cent in common with the others.

Mr. BORLAND. Well, that is exactly in line with my judgment of the present Governor General, and I would assume he would take that ground, without knowledge on the subject.

Mr. SLAYDEN. If the gentleman will permit, I would like to ask the gentleman from Tennessee if the recommendation of the Governor General is to be taken, as his mature judgment, as to the amount we are required to appropriate for the administration.

Mr. GARRETT of Tennessee. As to that I can not say.

Mr. SLAYDEN. I presume from his recommendation it must have been.

Mr. JONES. It applied, I will say, to all of their officers, 10 per cent reduction.

Mr. BORLAND. I am sorry, without asking that my time be extended, that I can not yield again. I simply want to say this, that we have got to show those people, among other things, an example of public service that may not be adequately compensated for or free government will not exist among them. Free government does not succeed unless public service is performed beyond the monetary consideration involved. And I say we are setting a wrong example to start out with a $20,000 or $25,000 appointive position and setting a new legislature at work upon that basis of salary. They will assume that as a barometer by which other salaries are to be gauged and you may be sure they will say, "This is the American scale; this is what Americans feel ought to be paid," and they will assume that that is our judgment as to conditions there in the Philippine Islands. We ought to set in this law a maximum in the interests of the taxpayers of the Philippine Islands as is set in all organic laws, or ought to be, beyond which the tax-disbursing power can not spend the people's money. Then we ought to make that limit fairly low. [Applause.]

Mr. HELM. Mr. Chairman, I am opposed to the amendment. The statements of the gentleman from Missouri [Mr. BORLAND] voice my sentiments in this matter. I do not mean by that that I shall vote for his amendment, because I shall stand by the provisions on this subject in the bill, but his ideas are sound, and if there has been any test, a real test of the sentiment of the Philippine Legislature under existing conditions, it was when, upon the recommendation of the Governor General himself, the Philippine Legislature reduced the salary of the Governor General from $20,500 to $18,000. What better test can you have than that? The cablegram of the speaker of the Philippine Legislature must yield in weight and importance to the action of the entire body. Now, from what has been said here on the floor, this committee must have learned by now, especially from the statements made by my good and much admired and appreciated friend, the gentleman from Minnesota [Mr. MILLER], who very recently visited the islands, in almost every declaration that he has made on the floor he has constantly referred to wild men in the islands. His oft-repeated statements would lead a person to think that the only kind of people there are wild men. He has spoken every time he has arisen in his place on the floor of wild men, wild men, wild men. Wild men do not pay taxes——

Mr. MILLER. Oh, yes, they do; every one of them.

Mr. HELM. Wild men, I take it, do not own or accumulate property of any kind. They are neither captains nor malefactors of great wealth.

Mr. MILLER. Every one of them pays the cedula tax and is on the roll.

Mr. HELM. Doubtless the gentleman from Minnesota saw the wild man from Borneo. [Laughter.] The gentleman would convey the idea that it is necessary to lasso those men to get within speaking distance of them; but be that as it may, we do know, and the gentleman had informed us, that thousands and thousands of natives of the Philippine Islands wear nothing and own nothing but G strings. Do these men wear these things as a matter of style? Is it a matter of taste——

Mr. MILLER. Of taste and preference, most of them.

Mr. HELM. Or have they abundant means of buying such clothes as the gentleman from Minnesota adorns himself with——

Mr. MILLER. Oh, no.

Mr. HELM (continuing). And other people like to adorn themselves with, or are they reduced to the necessity of the simple, plain, and unadorning G string? Mindful of conditions in Ireland and India it becomes us to make the burden as light as possible. The gentleman from Minnesota and other

gentlemen want to impose the magnificent salary of $25,000, raised in part by taxing these poor classes, upon a man to look after the welfare of that type of people. I say that the gentleman from Missouri [Mr. BORLAND] has presented the proper gauge and standard. The duty of this Congress is to teach lessons of frugality. [Cries of "Oh!" on the Republican side.] Yes; it is a very natural thing for the Republicans to sneer at a proposition of frugality. [Laughter.] If there has been one characteristic sin of the Republican Party it has been waste, more waste, and extravagance. That is your long suit, and a Democrat who rises upon the floor of this House and voices any other expression may expect to reap nothing but sneers and jeers at the hands of the Republicans. [Applause on the Democratic side.]

Mr. COOPER. Mr. Chairman, I want to say only one word in reply to the suggestion made by the gentleman from Ohio [Mr. FESS], and it was rather a pointed suggestion, that inasmuch as we give only $8,000 to the Governor of Porto Rico there is no occasion for the $18,000 or $20,000 as salary of the Governor General of the Philippines. Now, I am in favor of economy as much as is the gentleman from Missouri [Mr. BORLAND] or the gentleman from Ohio [Mr. FESS]. However, there is no similarity between conditions in Porto Rico and conditions in the Philippines. Porto Rico is about as wide as from here to Baltimore—about 40 miles—and a little more than twice as long. In other words, it is a parallelogram of about 40 by 90 miles. Its population is homogeneous. There are no wild tribes. It is one island, and the Governor can travel all over it in one day; but in the Philippines the Governor General, in order to do his duty, must travel for weeks over many islands. An air line from the northern end of Luzon south to the southern end of the lowest of the large islands would measure more than 600 miles, and to go from island to island and go by boat, as he must of necessity do, and then to travel over the islands and visit their inhabitants, would make a journey of thousands of miles and necessitate a great deal of expenditure that would not be necessary in Porto Rico. In other respects the situation in Porto Rico and that in the Philippines differ widely. The people in the Philippines are not homogeneous. They speak several different dialects. There are wild tribes which have to be visited. The great markets of oriental trade are close at hand. The whole situation is different from that in Porto Rico, and of necessity the Governor General of the Philippines is entitled to a larger salary than is the Governor of Porto Rico.

Mr. JONES. Mr. Chairman, I am opposed to the amendment offered by the gentleman from Minnesota [Mr. MILLER], because I do not think the Governor General's salary should be as high as $25,000.

Mr. MILLER. I do not offer it as $25,000. I leave that to the legislature.

Mr. JONES. Not less than $25,000.

Mr. MILLER. Not less than $18,000, leaving the exact amount to be determined by the legislature.

Mr. JONES. I am opposed to the amendment, because it would permit the legislature to fix the Governor General's salary at $25,000, or even a larger sum. I am opposed to the amendment of the gentleman from Missouri [Mr. BORLAND], because I think that the sum of $15,000 is too small a salary for the Governor General of the Philippines.

I would like to give the House some information which I do not think it possesses. The salary of the Governor General was until recently $20,500. It became necessary last winter to cut down the expenses of the Philippine Government in order to avert an impending deficit, but Gov. Gen. Harrison would not consent to any reduction of salaries which did not include his own. The assembly, I may say to the gentleman from Minnesota, was opposed to the reduction of the salary of the Governor General. The Filipinos did not wish his salary reduced; but Gov. Gen. Harrison was not willing, as I have said, that other salaries should be reduced and his left where it was—a commendable position for him to take, I think. So the law which was passed provided that the salaries of all of the higher officials should be reduced to the extent of 10 per cent. The salary now is not just $18,000; but it is 10 per cent less than the $20,500 heretofore paid.

There are nine members of the Philippine Commission. One of them is the Governor General. Four of the others hold portfolios. They are the heads of the great departments, and each of those heads of departments had been drawing a salary of $15,000 up to last winter, when it was reduced by 10 per cent.

Mr. QUEZON. Fifteen thousand five hundred dollars.

Mr. JONES. Fifteen thousand five hundred dollars. It was reduced to the extent of 10 per cent, as all other of the higher salaries, except those of the judiciary and one or two other classes, were. If the amendment proposed by the gentleman from Missouri should be adopted, then the salary of the Governor General would be little more than the salary that the heads of the departments are receiving. This bill does not undertake to fix those salaries. They are to be continued as they are under this bill until changed by the legislature provided for in the bill.

Mr. BORLAND. Will the gentleman permit?

Mr. JONES. Just one minute, and then I will answer the gentleman's question, if I can.

There is a vast difference, as I happen to know, between the expense necessary to maintain the position of the Governor General and that to maintain the position of a head of a department. The Governor General has to do a great deal of entertaining. He lives in an immense old Spanish palace. He has to have a large retinue of servants, a number of carriages and automobiles, and he is obliged to live in a much more lavish manner than any other official. I am quite sure that the Governor General spends more than $25,000 a year. I know that Gov. Gen. Taft out of $20,500 did not save anything, and that he was as poor a man when he came from the Philippines as he was when he went there. I do not think, therefore, that the salary ought to be reduced to the amount that the gentleman from Missouri suggests, but I do believe it would not be amiss to fix it at $20,000. I therefore suggested to the gentleman from Minnesota [Mr. MILLER] that if he would move to amend by making it "$20,000" there would be no objection to his amendment so far as I am concerned.

Now I will answer the question of the gentleman from Missouri [Mr. BORLAND].

Mr. BORLAND. A few minutes ago the chairman was speaking about the salary of these other members of the commission, being executive heads of bureaus, but not having the duty of entertaining which falls upon the governor. Now, I notice in this bill that the chief justice of the supreme court gets $10,500. Would not that be a pretty fair and adequate salary for the head of the department of education, for example, or the head of the department of internal works? Is not $15,500 a pretty high salary for a member of the Philippine Commission? Could they not be well reduced in comparison with the salary of the governor?

Mr. JONES. This bill does not undertake to fix those salaries at all.

Mr. BORLAND. But it does fix the salary of the chief justice.

Mr. JONES. Yes; it does fix the salary of the chief justice, and I will tell the gentleman the reason.

Mr. BORLAND. I am not concerned in the reason, but I am speaking of the amount.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. JONES. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent to proceed for five minutes more. Is there objection?

There was no objection.

Mr. BORLAND. I am calling the gentleman's attention to the fact that you have fixed the salary of the chief justice, who, we all agree, is a very important officer in the islands. Now, is not the salary fixed for him adequate in every way for a commissioner of education? Is it necessary that a commissioner of education shall have $15,500?

Mr. JONES. I will answer that question. Mr. Chairman, the only officials in the Philippine Islands who are appointed by the President of the United States are the Governor General and the members of the supreme court. The committee thought it was proper to fix the salaries of the appointees of the President so that they could not for any reason be changed by the legislature. We thought that these officials should be entirely independent of the legislature. The salaries of all other officials, including those of the four heads of departments, are to remain as at present until changed by the legislature. Whether they are too large or too small, I can not say, but they have been fixed at $15,500. That is the heads of departments, mark you. The heads of departments are members of the Philippine Commission and therefore members of the upper branch of the legislature, and they receive a salary as members of the upper branch of the legislature and also receive a salary as heads of those departments. The two together aggregate $15,500.

Now, that is a pretty good salary, I admit, and I rather agree with the gentleman that it is too large. But it is the present salary, and the legislature can decrease it. This bill does not undertake to say what salary shall be paid to officials who are not appointed by the President of the United States.

As to the salaries of the members of the supreme court, I do not think they are too low. I will say to the gentleman that, while I have no information on the subject, it is believed by some Filipinos that they are too high and it has been suggested to the committee that they ought to be reduced.

I wish to say to the gentleman from Ohio [Mr. FESS], who referred to the salary of the Governor of Porto Rico as being $8,000, that whilst that is true there is a bill pending in this House, which has the unanimous support of the Committee on Insular Affairs, which proposes to increase the salary of that official to $10,000. The committee unanimously agreed that the present salary was too small.

Mr. MILLER. Mr. Chairman, will the gentleman yield at that point?

Mr. JONES. I will.

Mr. MILLER. Is it not a fact that in this bill the old commission, as we understand it, has been discontinued, and therefore those salaries that the gentleman from Missouri [Mr. BORLAND] speaks of as at $15,500 will disappear with them?

Mr. JONES. That is true. The legislature will then fix the salaries of the four heads of departments.

Mr. MILLER. There will be really new duties—what you might call new offices—and a corresponding readjustment of salaries?

Mr. JONES. That is true.

Now, Mr. Chairman, I sincerely hope that the amendment of the gentleman from Minnesota [Mr. MILLER] will be voted down, and I more sincerely hope that the amendment to the amendment, offered by the gentleman from Missouri [Mr. BORLAND], will be voted down. I repeat that if these amendments are voted down and any gentleman offers one to fix the salary at $20,000 instead of $18,000, I for one shall not object to it.

Mr. QUEZON. Mr. Chairman, both the gentleman from Virginia [Mr. JONES] and the gentleman from Minnesota [Mr. MILLER] have said so much regarding their ideas of the position of the Filipino people and of myself with reference to the salary of the Governor General that I believe it is time for me to say something about it myself.

Mr. Chairman, I do think that the salary of the Governor General of the Philippine Islands should be higher than it is now, and even higher than it was before that salary was reduced by the legislature, for reasons that I shall at once give to the committee. When the President of the United States was about to appoint the Governor General of the Philippine Islands I found that his concern was to find a man who was not only qualified, but also had enough private means to defray the expenses of his position. The President believed that the salary of the Governor General was such as to prevent the appointment of any but a rich man. You can readily see that with this belief in mind the President felt disposed to select his Governor General from among the wealthy men of this country. During a call I made at the White House the President told me that he was constrained to appoint a wealthy man as Governor of the Philippines, because his information was to the effect that no Governor General could live on the salary of the post. In view of these expressions we felt that we should pay the Governor General a salary high enough to permit the choice of the best man to be found for the appointment regardless of whether he be rich or poor. Thank God the President was able to find a man who, besides possessing wealth, had ability, character, and real desire to serve the Filipinos; otherwise I do not know what would have happened to us. We were more than fortunate when the President found Francis Burton Harrison, a man who had ability, character, and patriotism. [Applause.]

Of course I informed the speaker of the assembly of what had happened, and this explains why he thinks that the Governer General should have a high salary. Besides, he and I and the Filipino people know how expensive it is to fulfill the requirements of the position of the Governor General. But let not the idea enter your minds that we favor this salary for the Governor General because of our extravagant tendencies. Mr. Chairman, I wish to inform the committee—and this information is particularly pertinent in connection with the question asked by the gentleman from Missouri [Mr. BORLAND]—that the people of the Philippine Islands have expressed through the assembly their disapproval of some of the very high salaries paid to many of the officials of the Philippine Government. I refer particularly to the secretaries of departments, who, as commissioners and secretaries, receive a total of $15,500 annually. The assembly has on several occasions tried to reduce the salaries of these officials. The Filipino people could not understand how under any circumstances such salaries as these could be defended.

Mr. BORLAND. Did I understand the gentleman to say that that was too high?

Mr. QUEZON. It is too high.

Mr. BORLAND. I agree with the gentleman.

Mr. QUEZON. We think that it is absolutely indefensible for the members of the cabinet of the Governor General to be paid $15,500 when the members of the Cabinet of the President of the United States only receive $12,000 a year.

Mr. Chairman, I wish to reiterate what I said yesterday about Gov. Gen. Harrison's attitude regarding the question of his salary. The legislature would not reduce it when it reduced the salary of every other officer of the Philippine Government, but the Governor General himself thought that it must be done, since other salaries were reduced. He therefore insisted upon the action.

Mr. Chairman, I shall be frank enough to say that while I believe the salary of the Governor General is not at all sufficient unless he is given a certain amount as allowance for entertainment, I am not sure but that the salaries of the members of the Supreme Court of the Philippine Islands could be somewhat reduced; but I shall not ask that this be done. I wish only to make the point that there is no due proportion between the salary of the Governor General on the one hand and the members of his cabinet and the justices of the supreme court on the other.

Mr. MILLER. Mr. Chairman, I would like to be recognized against the amendment offered by the gentleman from Missouri. I do not care to occupy more than a minute or two, because I have already expressed my feelings with respect to these salaries. Much has been said with reference to the salary enjoyed by Mr. Taft when he was Governor General. Something has been said in reference to the salary of the present Governor General, and the attitude of each is to their credit. Nothing has been said whatever in reference to another great Governor General, William Cameron Forbes, of Boston.

I want to say a word in respect to him. This may be surprising to a good many, but nevertheless it is entitled to the most serious reflection. I am told on the highest authority, so that there can be no question as to its accuracy, that during each of the four years that Mr. Forbes was Governor General of the islands he expended not less than $100,000 out of his own pocket exclusively devoted to the public welfare of the islands. Not a bit of it in regal splendor, not a bit of it in sumptuous living, not a bit of it in extravagance, not a bit of it in wastefulness, but all of it devoted exclusively to the public work and to the welfare of the Filipino people.

I think the most powerful argument that has been made to-day is that made by the gentleman from the Philippine Islands [Mr. QUEZON] when he called the committee's attention to the difficulty confronting the President of the United States in selecting a suitable person to fill the high office of Governor General. It is the same thought that has come to me time and time again, and must have come to other members of the committee. It is a sad day for us or for any people when it is necessary to fill a high office with a man of great wealth. Do not give any salary that is ridiculously high, any salary that will attract Tom, Dick, and Harry for the purpose of the salary alone. No; not that for a moment, but do give a sufficient salary so that a man who has ability, whether he is wealthy or not, can take the office and fill it respectably. That ought to be good Democratic doctrine, and I think the Members on the other side of the aisle must acknowledge that it is good Democratic doctrine.

It seems to me that the testimony so far advanced is all to the effect that the Governor General should have at least $18,000, and probably more than that, for a salary. I am willing to leave it to the Philippine Legislature. Is not that fair? Is it not really better to leave it to the people that are going to pay the bill than for us to say here what it shall be? Is it not better to leave it to the people who know the needs of the situation, rather than for us to legislate from this distant point?

The gentleman from Wisconsin [Mr. COOPER], in a very clear and emphatic manner, called attention to the distinction between the Governor of Porto Rico and the Governor General of the Philippine Islands, a powerful argument in support of my amendment. The only correction I would offer by way of suggestion is that instead of its being 600 miles from the tip north end to the tip south end, it is 1,100 miles.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Missouri [Mr. BORLAND].

The question was taken, and the substitute was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Minnesota [Mr. MILLER].

The question was taken, and the amendment was lost.

Mr. MOORE. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Page 24, line 9, after the word "other," strike out the word "help" and insert the word "employees."

Mr. MOORE. Mr. Chairman, I do not care to debate this amendment. I have offered it by way of suggestion, and if the chairman of the committee does not care to accept it, I do not care to urge it.

Mr. JONES. We will not oppose the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The question was taken, and the amendment was agreed to.

Mr. MOORE. Mr. Chairman, I desire to offer another amendment, which I send to the desk.

The Clerk read as follows:

Page 24, after the word "each," in line 25, insert: "*Provided*, That the term of the Governor General shall not continue beyond the term of the President of the United States by whom he shall have been appointed, or until his successor is chosen and qualified."

Mr. GARRETT of Tennessee. Mr. Chairman, I make the point of order that that proposition has already been passed upon, and the further point of order that it is not germane to this section.

Mr. MOORE. Mr. Chairman, will the gentleman indicate wherein it has already been passed upon? Does the gentleman make reference to section 21, page 17?

Mr. GARRETT of Tennessee. That is correct. It is there provided in the bill:

He shall be appointed by the President, by and with the advice and consent of the Senate of the United States, and hold his office at the pleasure of the President and until his successor is chosen and qualified.

Mr. MOORE. Mr. Chairman, the amendment is germane, I think, since it follows almost literally the language just quoted by the gentleman from Tennessee, and is in entire harmony with it; it proposes, in addition, merely to fix a limitation upon the time that shall be served by the Governor General, to harmonize with the term of the President who appoints him.

Mr. JONES. Mr. Chairman, is the Chair prepared to rule upon that?

Mr. GARRETT of Tennessee. Mr. Chairman, I make the point of order based upon two propositions: First, that that question has already been disposed of; and, second, that it was not germane to the section now before the House. There is no doubt about it, Mr. Chairman, it seems to me. If the Chair is in doubt, I will be very glad to argue it.

Mr. MOORE. Mr. Chairman, will the gentleman permit an interruption?

Mr. GARRETT of Tennessee. Certainly.

Mr. MOORE. Is there not a difference, in that the amendment proposes to harmonize the tenure of office of the Governor General with that of the President of the United States who makes his appointment?

Mr. GARRETT of Tennessee. Oh, Mr. Chairman, the adoption of the amendment proposed by the gentleman from Pennsylvania would qualify that provision in section 21 which has already been adopted, and if at any time such an amendment were to be proposed, it should have been proposed when section 21 was under consideration.

Mr. MANN. Do not the two propositions mean the same thing? One is that the term of the Governor General shall be at the pleasure of the President of the United States, and the other is that the term of the Governor General shall end with the term of the President, if he appoints somebody else.

Mr. GARRETT of Tennessee. That is not what the amendment says.

Mr. MANN. Oh, yes.

Mr. GARRETT of Tennessee. Mr. Chairman, I ask unanimous consent that the amendment be again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

The Clerk again reported the amendment.

Mr. MANN. Mr. Chairman, the gentleman will see that under the provision of section 21 the Governor General, once appointed, remains in office at the pleasure of the President, and under this proposed amendment identically the same thing takes place. There is no distinction. There may be an argument against the adoption of the amendment. It does not say that it ends with the term of the President, but it ends when his successor has been appointed.

Mr. GARRETT of Tennessee. Mr. Chairman, even if we concede that the first point I made is not well taken, the point still remains that it is not germane to this paragraph. If the gentleman desired to offer that amendment, he should have offered it at the time that we had section 21 under consideration.

The CHAIRMAN. The Chair is of opinion that this amendment offered by the gentleman from Pennsylvania is not germane to this section, and therefore sustains the point of order.

Mr. MOORE. Mr. Chairman, I offer the following amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Page 24, line 25, after the word "each," insert "*Provided*, That no Governor General shall be paid at the rate of $18,000 per annum to exceed the aggregate of $72,000."

Mr. MOORE. Mr. Chairman, I think this is a little more germane, if the gentleman will permit.

Mr. GARRETT of Tennessee. It is a little less meaningless.

Mr. MOORE. I think it has a great deal of meaning.

Mr. GARRETT of Tennessee. Oh, it fixes a four-year term. Is that the idea?

Mr. MOORE. That is the idea.

Mr. GARRETT of Tennessee. Then, Mr. Chairman, it is subject to the point of order, and I make the point of order.

Mr. MOORE. Mr. Chairman, I do not think that in the discussion anywhere, nor in any action taken by the committee thus far——

Mr. GARRETT of Tennessee. Mr. Chairman, how many more amendments has the gentleman to this section?

Mr. MOORE. I think I have two germane amendments. I will be very frank with the gentleman. I desire to say something about the limitation of the tenure of office of the Governor General.

Mr. GARRETT of Tennessee. Then, Mr. Chairman, I will reserve the point of order.

Mr. MOORE. It may involve the general question of political ethics, but I think it is all pertinent to the discussion.

Mr. GARRETT of Tennessee. Mr. Chairman, the gentleman knows what good faith means. Is it a good-faith discussion of this amendment or of this bill?

Mr. MOORE. I would not offer it if I did not mean to say something in good faith to the committee. We are now discussing a bill which is fraught with great consequences to a people numbering eight million or more. We are undertaking to establish a form of government for them. We are giving them the best advice of which we are capable. We are putting to them the pretense, at least, of liberty and freedom of action on their own part, but we are adding certain strings which tie them up, and about which it seems to me we ought to inform them. If, for instance, we give the people of the Philippine Islands to believe that they shall have their freedom and independence, and their own right of action without restraint on our part, we ought to say that frankly, and we ought not to hamstring it in a way to lead them to believe that they have been deceived by the American Congress. My purpose is to discuss the matter of the tenure of office. I have an amendment pertaining to the tenure of office of those who are appointed by the President and by the Governor General.

Mr. GARRETT of Tennessee. Mr. Chairman, the gentleman's time is running, as I understand it.

Mr. MOORE. Mr. Chairman, I was answering the gentleman because he wanted to be enlightened upon the question of good faith. If the Chair is ready to rule on the point of order——

Mr. GARRETT of Tennessee. Mr. Chairman, I make the point of order.

The CHAIRMAN. The Chair is ready to rule. The point of order is sustained.

Mr. MOORE. Then, Mr. Chairman, I have an amendment which I send to the Clerk's desk and ask to have read.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 24, after the word "Philippines," in line 18, strike out the period and insert a comma and the following words: "but all officials of the Philippines appointed by the President shall hold office at the pleasure of the President and until his successor is chosen and qualified."

Mr. MOORE. Mr. Chairman, does the gentleman make any point against that? He does not? Mr. Chairman, I offer this amendment with the view of bringing to the attention of the committee the importance of our exercising good faith toward the people of the Philippine Islands. The Democratic Party is undertaking by this bill to lead the people of the Philippines to believe that the United States intends to give them their freedom and their exclusive right of government. The bill justifies that pretense as set out in the preambles, which are yet to be acted upon, but the enacting clauses of it hold the people of the Philippine Islands in check with regard to many of their so-called legislative functions. The bill reserves to the Congress and the President of the United States certain jurisdiction over the people of the Philippine Islands that they may not clearly understand if these preambles to the bill are accepted as the action of the Congress. To that extent the bill is unfair to the Filipinos themselves.

I have offered this amendment with a view of calling attention to the good faith that Congress ought to display toward these people. That question of good faith has been raised, and I have the right to suggest that, so long as it has been raised by a member of the majority party, we can refer to the action of that party not only with respect to its treatment of the Filipinos but with respect to its treatment of the people of the United States. Thus the people of the Philippine Islands may judge for themselves whether by this legislation "good faith" toward them is intended or not.

Now, I propose a limitation upon the tenure of office both for the Governor General and all local officers appointed in the Philippine Islands. On the question of good faith we have the testimony of the Democratic Party itself with respect to the tenure of office of the President of the United States. At the Baltimore convention, when the platform of that party was read, it provided:

We favor a single presidential term, and to that end urge the adoption of an amendment to the Constitution making the President of the United States ineligible to reelection, and we pledge the candidate of this convention to this principle.

So your party pledged the President of the United States "to this principle," and yet in the newspapers of yesterday morning we read—I am quoting from the New York Times—headlines as follows:

"Wilson blocked one-term bill." "Letter he wrote to A. MITCHELL PALMER in 1913 said to have sidetracked it." "It develops that House committee filed Senate measure on advice of President elect." "Silent on Baltimore plank"

Now, in the matter of "good faith" there is something for the people of the United States as well as for the people of the Philippines to consider. What are those people over yonder in those islands, whom we take by the hand to lead so they may tread by themselves—what are they to think of the "good faith" of the United States Congress passing a bill which in its preamble gives them freedom and which in its vital clauses holds them up to limitations from which they can not escape?

The CHAIRMAN. The time of the gentleman has expired.

Mr. GARRETT of Tennessee. Mr. Chairman, as I listened to the gentleman from Pennsylvania attacking the present administration I was reminded of a poem which I read many years ago. Now, it may seem strange—I know it will seem strange—that the gentleman from Pennsylvania should remind anyone of poetry [laughter] in the first instance, but perhaps after the committee shall have heard the poetry to which I refer it will not seem so strange. It has been many years ago since I read it, and I do not know that I can recall the lines with exactness; but I think I can quote them with substantial accuracy. This poem read:

A LITTLE DOG.

A little dog barked at the big, round moon,
Which smiled in the evening sky,
And the natives smote him with rocks and stones,
But still he continued his rageful tones,
And he barked till his throat was dry.

Oh, the little dog bounced like a rubber ball,
For his anger quite drove him wild;
And he said, "I'm a terror, although I am small,
And I dare you, impudent fellow, to fall."
But the moon only smiled and smiled.

But at length, 'hind a cloud which obstructed the west,
The moon sank down out of sight,
And it smiled as it slowly slipped over the crest,
But the little dog said, as he laid down to rest,
"Well, I scared him away, all right."

[Applause on the Democratic side.]

Mr. MOORE. Mr. Chairman, I move to strike out the last word. The last recourse of a man who has no argument is ridicule, and ridicule is one of the best arguments that can be employed by one who has no other means to stop an adversary. The gentleman has quoted his little-dog poem, not literally, but he has so quoted it as to present no possible argument at all upon the question at issue. The gentleman knew I did not have the time in which to fully explain the question I desired to raise a little while ago, but he has aroused me now sufficiently to say to him that his little-dog argument has no special effect upon me, since I am endeavoring to do my duty by the people, and am endeavoring honestly to inform the Filipinos, for whom we are legislating, as to just what the intended legislation is.

The gentleman from Tennessee [Mr. GARRETT] has not said a word about the sudden change of front of the Democratic Party, for which he speaks, upon the question of one term for the President. The gentleman knows that in the Baltimore platform, which was the gospel of his party, it was provided that the President of the United States should have one term and that the party pledged its candidate to one term. The gentleman also knows that there has been a change of front since that party platform was adopted, and that the President himself has sent to the Judiciary Committee of this House a notification that he does not desire that party platform observed. This is in line with other instances of pledge-breaking by the Democratic Party, as, for instance, in the matter of the Panama Canal tolls. The Democratic Party pledged this Nation that ships should pass through the Panama Canal free. It went back on that pledge; it reneged on that pledge; and it now has to resort to "Little dog Tray" to excuse it for its bad faith to the American people.

The Democratic Party has done more than this. It has recently brought out its textbook for the use of orators to go out and again fool the American people. And in this textbook, from cover to cover, there is not one line of the Democratic platform adopted at Baltimore upon which the Democratic Party deceived the people of the United States in the election of 1912. Apparently the party does not now stand upon that platform. Oh, if you will deceive 90,000,000 people in this way on the Panama Canal plank and the one-term presidential plank, what will you do with these civilized and semicivilized millions of people in the Philippine Islands to whom you are making promises to-day? [Applause on the Republican side.]

Mr. DONOVAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN (Mr. SAUNDERS). The gentleman will state it.

Mr. DONOVAN. Does the Chair understand that the debate on this bill ought to be confined to the subject matter of the bill?

The CHAIRMAN. That is the understanding of the Chair.

Mr. DONOVAN. Then I would like to inquire by what means did this gentleman get the right to utter this tirade we have been obliged to listen to?

The CHAIRMAN. If the gentleman from Connecticut had wanted to interrupt the gentleman from Pennsylvania he could have done so when he was speaking.

Mr. DONOVAN. It is remarkable what an intellectual gentleman will do. [Laughter.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. MOORE].

The question was taken, and the amendment was rejected.

Mr. MANN. Mr. Chairman, I move to amend, on page 24, lines 11 and 12, by striking out the words "and approved by the Governor General."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 24, lines 11 and 12, strike out the words "and approved by the Governor General."

Mr. MANN. Mr. Chairman, I would like to get the attention of the gentleman in charge of the bill. The language of this section provides that all of the officials and employees not named by the President shall have salaries to be fixed by the Philippine Legisalture, as I understand it, and to be approved by the Governor General.

Now, the only way the Philippine Legislature can act is by passing a bill, and we have already provided in this bill that the Governor General may veto a bill passed by the legislature, and also provided a method by which that bill can be passed over the veto if it shall be approved by the President. Now comes this provision specifically requiring that the salaries of all these officials shall be approved by the Governor General. There is an apparent conflict in the two provisions of this bill, and under this language, if this remains in, any bill which is passed by the Philippine Legislature fixing a salary can not be passed over the veto of the Governor General, even if it be approved by the President. Was that the design of the committee, may I ask, or is that something that was taken out of the present law?

Mr. JONES. I do not think that was the idea of the committee. So far as I am concerned, I see no objection to the elimination of that language.

Mr. MANN. Well, it seemed to me there was a conflict. I think it is already covered fully, and I am afraid this would make trouble.

Mr. JONES. The committee did not think, of course, there was any conflict; but I am willing to put the matter beyond any question of doubt.

Mr. MANN. I think this, probably, may be in the existing law.

Mr. JONES. That is.

Mr. MANN. Well, of course, under the existing law there is no way of passing a bill over the veto of the Governor General, as I understand, and you have already provided for that.

Mr. JONES. I think there will be no objection on this side.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. MANN].

The amendment was agreed to.

Mr. MANN. Mr. Chairman, I move to strike out, in lines 12, 13, and 14, on page 24, the language:

And if the legislature shall fail to make an appropriation for such salaries the salaries so fixed shall be paid without the necessity of further appropriations therefor.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 24, lines 12, 13, and 14, strike out the following language: "And if the legislature shall fail to make an appropriation for such salaries, the salaries so fixed shall be paid without the necessity of further appropriations therefor."

Mr. MANN. Is there not in the bill a provision that if an appropriation act shall not be passed that the former appropriation——

Mr. JONES. That is applied to the general appropriation act.

Mr. MANN. That is true. But here, supposing the Philippine Legislature wants to discontinue an office that ought to be discontinued? We know our method frequently is not to make an appropriation for that office, and it may be—and is true—that in legislative bodies it is sometimes much easier to drop an appropriation from an appropriation bill where it ought to be dropped than it is to pass a bill repealing the law that created the office.

Now, what objection can there be to leaving the appropriation for these offices created by the Philippine Legislature to the Philippine Legislature when it comes to providing the salaries? Certainly there is no desire on the part of anybody, if there is a useless office over there, to continue to pay the salary of the office, although the Philippine Legislature may refuse to make the appropriation for it. If they fail to pass the appropriation bills, as I understand, these salaries will be continued anyhow; that is, if an appropriation bill does not pass this year, then the appropriation act of last year remains in force. But this would seem to prevent the opportunity to discontinue a useless office, and we who have been here very long know that it is a very difficult matter to do at the best, and I do not believe in discouraging a legislative body that can find it can do without a job.

Mr. TOWNER. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Illinois yield to the gentleman from Iowa?

Mr. MANN. Certainly.

Mr. TOWNER. Calling the gentleman's attention to the language on page 15, the provision is as follows:

If at the termination of any fiscal year the appropriations necessary for the support of government for the ensuing fiscal year shall not have been made, the several sums appropriated in the last appropriation bills for the objects and purposes therein specified, so far as the same may be done, shall be deemed to be reappropriated for the several objects and purposes specified in said last appropriation bill: and until the legislature shall act in such behalf the treasurer shall, when so directed by the Governor General, make the payments necessary for the purposes aforesaid.

That would allow the continuation of the appropriation for the salaries of officers. That would certainly be for the support of the government.

Mr. MANN. Certainly; if no appropriation is made, then these appropriations are continued in force.

Mr. TOWNER. So that the language used in this section that the gentleman moves to strike out is entirely unnecessary.

Mr. MANN. I take it that this provision was in the existing law. I do not know and have not ascertained, but I take it that it was for the very purpose of preventing the lower house over there from refusing to pay the salaries; but I do not think that applies now.

Mr. GARRETT of Tennessee. I will say to the gentleman that it is in existing law, and also that provision in section 15 is in existing law, with a certain modification.

Mr. MANN. I understand. But does not the gentleman think that we can afford to trust the Philippine Legislature to make the appropriations for those salaries for offices they create when the salaries are necessary and when the offices are necessary to be continued?

Mr. GARRETT of Tennessee. If the gentleman will permit me, I will say I have no doubt he has in mind especially clerical places and things of that sort; but if this were stricken out, if you strike out the salary of the head of a bureau or a high executive officer, would it not——

Mr. MANN. Well, even then, if the Philippine Legislature should conclude that a certain high place can be abolished which it has created, why should it not be permitted to do that? That is not going very far in self-government. For instance, supposing that we want to change an office, as we do sometimes here in Washington, discontinue one office and create another office. Under the terms of this, if you wanted to create an office you could, but you could not discontinue an office by dropping the appropriation.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. MANN. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. GARRETT of Tennessee. I call the gentleman's attention to the language on page 20, beginning in line 9:

There shall be established by the Philippine Legislature a bureau, to be known as the bureau of non-Christian tribes, which said bureau shall be embraced in one of the executive departments to be designated by the Governor General, and shall have general supervision over the public affairs of the inhabitants of the territory represented in the legislature by appointive senators and representatives.

Now, the gentleman knows, of course, the delicacy of dealing with the non-Christian tribes in the Philippine Islands. I should not like to make it possible—I should rather go to the extent of tautology, if that were necessary—to prevent the possibility of the Philippine Legislature, if it should desire to do what I do not think it would desire to do, to abolish this bureau.

Mr. MANN. Well, I quite agree with the gentleman about that. But supposing the Philippine Legislature did not create this bureau?

Mr. GARRETT of Tennessee. This act creates it.

Mr. MANN. Oh, no. It says, "There shall be established by the Philippine Legislature a bureau." Suppose the Philippine Legislature did not create the bureau. We are not passing all power out of our hands, and that is why the gentleman knows the Philippine Legislature will create the bureau, because if the Philippine Legislature did not create the bureau and Congress wanted it, Congress would create it. We have the power at any time, and if the Philippine Legislature would create a bureau by direction of the organic act and fail to make an appropriation for it, we would have the power to do it. I do not think there is any chance of their failing.

Mr. GARRETT of Tennessee. We also continue the laws in existence. I would rather not take two bites at the cherry, seeing how difficult it is to take one bite.

Mr. MANN. I do not think we shall have to take two bites, but it seems to me that it is desirable to leave the power in the legislature to create and abolish a salary when they think it is a useless office. We know sometimes it is very effective here, and we know also that it is a frequent thing in the appropriation acts here to leave out one office, the title of ar office, and to reestablish it under another title with slightly changed jurisdiction. Under the terms of this provision I do not know whether that could be done. I doubt it.

Mr. GARRETT of Tennessee. Well, of course the gentleman understands that they can carry that provision in the appropriation bill, and if the Governor General should veto that item, it would not become a law. But there is nothing here to prohibit them from abolishing the office if it became a law.

Mr. MANN. There is nothing to prevent them from passing a law and abolishing the office.

Mr. GARRETT of Tennessee. They can do that upon an appropriation bill.

Mr. MANN. That will depend upon their rules. They will probably have rules something like ours, where legislation on an appropriation act is not permissible. I venture to say that if this provision were in our Constitution it would have cost our Government many millions of dollars, and often a large sum of money on any appropriation bill.

Mr. QUEZON. Mr. Chairman, I hope the committee will accept the amendment offered by the gentleman from Illinois [Mr. MANN]. I think that section of this bill which permits the continuation of a previous appropriation in case the legislature should fail to pass a new measure is enough protection against the danger that the government of the Philippine Islands might be left without any means of support. I do not think that this language should be retained if it leaves a doubt as to the power of the legislature to abolish unnecessary bureaus or offices.

Mr. JONES. Mr. Chairman, I just want to say that I do not think there is any necessity for striking this out, but personally I have no objection to doing it.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

Mr. BRYAN. Mr. Chairman, an amendment is pending, by unanimous consent, from yesterday—section 23a.

Mr. JONES. I suggest that we finish these two sections first.

Mr. STAFFORD. I thought it was the understanding that we take it up after the consideration of this was completed.

Mr. JONES. I have no objection.

The CHAIRMAN. It was to be referred to by unanimous consent?

Mr. STAFFORD. By agreement, Mr. Chairman. It can be returned to by agreement.

Mr. BRYAN. Unanimous consent has been granted to go back; but to continue it on the calendar as it is, unanimous consent is not necessary.

Mr. STAFFORD. I would like to have it considered at the present time, Mr. Chairman.

Mr. JONES. Very well. Go ahead.

The CHAIRMAN. The Clerk will report the amendment referred to.

The Clerk read as follows:

Insert as a new section, section 26a, the following:

"The sale, manufacture for sale, transportation for sale, importation for sale, and exportation for sale of intoxicating liquors for beverage purposes in the Philippine Islands and all territory subject to the jurisdiction thereof are forever prohibited. The Philippine Legislature shall have power to provide for the manufacture, sale, importation, and transportation of intoxicating liquors for sacramental, medicinal, mechanical, pharmaceutical, or scientific purposes, or for use in the arts, and shall have power to enforce this article by all needful legislation."

Mr. STAFFORD. Mr. Chairman, the amendment which is offered is the Hobson amendment providing for national prohibition in its identical wording, excepting that "the Philippines" is substituted in place of "the United States." I am as much opposed to the original Hobson national prohibition amendment extending over the entire United States as I am to this amendment, which limits it to the Philippines. The principle in both cases is the same. The National Government has no right to legislate on a matter of purely State or internal policy.

There is a fundamental principle under our form of government that matters pertaining to the health, happiness, and internal affairs of a State are for the State to pass upon through its legislature. So in the bill under consideration we are following out that idea and vesting in the Philippine Legislature the right to legislate on all matters pertaining to the welfare of the Filipino people.

No question is better recognized as being a matter of local concern than the regulation of the liquor traffic, and nothing is better established in the history of liquor regulations than that where a State attempts to force prohibition upon a people in a community where the sentiment is lacking for its enforcement that prohibition becomes a farce and a dead letter. This is evidenced in the New England States in trying to enforce prohibition in New Hampshire, Vermont, and Maine when public opinion was averse to it. Every Member of Congress from Vermont with whom I have ever spoken admits, even though they themselves have been teetotalers, that conditions are far better under the present system of local option than under the former system of State-wide prohibition. The people who are not fanatical on this subject have no question that the conditions in Maine would be far better than under the farcical enforcement, or, rather, lack of enforcement, of the State prohibitory law.

Believing as I do in the principle of local government, and this bill being bottomed on that idea of granting to the Philippines the greatest amount of government that is compatible with its welfare, is the reason why I make a point of order against this obnoxious amendment to the freedom of action of the Filipino people.

Now, Mr. Chairman, I wish to address myself for a few minutes to the parliamentary proposition. A point of order was made against this prohibition amendment by me last night, and I renew it again on the ground that it is not germane either to the provisions of the bill or to the paragraph or section of the bill we are now considering.

I wish first to direct the Chairman's attention to the title of the bill. It is a bill to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands.

If the Chair will scan the various provisions in the bill we have thus far considered, he will find first a bill of rights, then a statement of the legislative authority of the islands, the powers of the legislature, then the powers of the Executive, and now we virtually have concluded the consideration of all those matters and are considering merely the question of appointments to some of the executive positions.

The Chair is acquainted with clause 7 of Rule XVI, which provides that no motion or proposition on a subject different from that under consideration shall be admitted under color of amendment.

In the first place, Mr. Chairman, I would not contend that if at the proper place, for instance section 6, an amendment had been offered reserving to the Congress of the United States the power to pass upon the liquor question, or excepting that power from the legislative authority conferred upon the Philippine Legislature, that it would not have been germane; or to that section which relates to the powers of the Governor General that he should have authority as to the administration of the liquor traffic in the Philippine Islands; but I do contend, first, that there is nothing to this bill to indicate to any Member of the House that a prohibition amendment was likely to be considered, forbidding the sale and manufacture of liquors in the Philippine Islands. For the Chair to hold that this amendment is in order the Chair would have to hold that an amendment I might introduce extending the provisions of the Underwood tariff bill to be the internal policy of the Philippines would be in order. It would also, if I offered an amendment fixing the Glass-Owen currency bill as the currency to be established in the Philippine Islands, have to be held in order, or if I should offer an amendment providing that an appropriation for rivers and harbors shall be to the extent of $20,000,000 annually appropriated by Congress, would also have to be held in order.

But there is nothing in any part of this bill, from beginning to end, which attempts to determine the legislative policy by the Congress as to its internal or external policy.

Mr. GOULDEN. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. GOULDEN. Does not the gentleman think that a question of this character affecting the internal policy of the government should be left to the legislature?

Mr. STAFFORD. There is no question as to the merits of the proposition, as I have just stated, that it should be left entirely to the legislature as a matter of home rule. The bill is predicated on the idea that the Filipinos are capable of governing themselves, and if they are, it should be left to them to determine their internal policy. No more should Congress determine the policy in the Philippines as to the liquor traffic, if we are transferring all legislative authority over their affairs to a constituted legislative body, than that Congress should determine as a national question national prohibition, where State legislatures exist, with the full power to determine what is best for the State's own welfare. But this amendment is part and parcel of the movement for national prohibition, and, believing as I do, that that Government is best which comes nearest to the people, and that States through their legislatures should determine their internal affairs, I intend to use my best endeavors to defeat this prohibition amendment.

Mr. GOULDEN. Will the gentleman yield again?

Mr. STAFFORD. Yes.

Mr. GOULDEN. As a matter of revenue for the people of the Philippines, should not they be allowed to decide that question for themselves?

Mr. STAFFORD. Why, yes; just as I have argued that it would not be in harmony with the provisions of this bill for any Member to offer the provisions of the Underwood tariff and say that it should be applicable as a tariff policy for the Philippine Islands, and that is what this amendment is seeking to accomplish.

Why there are some Members who, as long as it does not affect their districts, would impose conditions on others that would be harsh and unworkable and absolutely work an injustice. It is no concern to them as to the revenues that will result, and even now, as the gentlemen know, there is a strong movement to impose on the beer industry a greater burden than it justly should bear. No objection was made by the beer-consuming public to a reasonable tax of 50 cents additional per barrel on beer to meet any possible deficit that might arise by reason of the European war, though from my point of view I consider that no such exigency exists, and accordingly have opposed this war-revenue bill. But it is now proposed to increase this by one-half and make the tax $1.75 per barrel, which would make the beer-consuming public pay nearly $50,000,000, or about one-half of the total tax to be raised to meet the deficiency. This I consider most unjust, especially as it is a substitute for the gasoline tax, which would have to be paid by the automobile users.

Let no one mistake the effect of this tax in that by raising the price of beer to the saloon keeper and to the thousands of people who purchase cases of bottled beer for home consumption that its ultimate effect by increasing the price to the consuming public will be to lessen the production of this beverage that is regarded as almost nonintoxicating. This burden will fall upon the poor man and not the rich, as beer is a poor man's drink, and when the defenders of this war-revenue bill claim that this tax is upon luxuries they are strangers entirely to the conditions and are imposing a burden that will be most directly felt by the working and middle classes. When $48,000,000 additional beer tax is to be thus levied I protest and will continue

to protest that it is unjust, inequitable, and sectional in its character.

Mr. Chairman, the supporters of this amendment are forcing their views upon others with no voice to oppose, against which, as a Representative of a district of liberty-loving people, I strongly protest. I am not in sympathy with any rule of absolutism that would take away the liberty of the individual.

I have digressed somewhat from the discussion of the parliamentary question, but this digression was suggested by the question of the gentleman from New York [Mr. GOULDEN].

Now, I wish to direct the chairman's attention to one or two brief statements in the manual under clause 7 of Rule XVI, and particularly to subclause D, on page 344, which says that two subjects are not necessarily germane because they are related.

The first reference thereunder is this (these were held to be not germane):

To a proposition relating to the terms of Senators an amendment changing the manner of their election; to a bill relating to commerce between the States an amendment relating to commerce within the several States; to a proposition for the appointment of a select committee to investigate a certain subject an amendment proposing an inquiry of the executive on that subject.

I wish to direct the attention of the Chair to the latest expression—and perhaps the Chair was present when the Representative from New York, Mr. JOHN J. FITZGERALD, whom we all regard as one of the best parliamentarians in this body, was chairman of the committee on September 22 last in the consideration of the conservation bill providing for the leasing of coal, oil, and mineral lands of the country. There was a special provision under consideration for the disposition of the funds or rentals accruing from those Government lands when the gentleman from Illinois [Mr. MANN] offered an amendment that the funds should be used for the purpose of the building of good roads.

I know of no decision anywhere on the subject of germaneness that is so comprehensive and so enlightening as this decision of Mr. FITZGERALD. In that opinion he states that it had been intimated that the question would arise, and he had given the subject, as the opinion shows, considerable thought and consideration.

I direct the Chair's attention to that decision, and particularly to certain language in it. The gist of the decision is, as to the question of germaneness, whether the amendment that is offered could reasonably be anticipated, or could the Members consider that the amendment would be a logical sequence of the provisions of the bill.

I wish to read the following:

The meaning of the word "germane" is akin to, or near to, or appropriate to, or relevant to, and "germane" amendments must bear such relationship to the provisions of the bill as well as meet the other tests; that is, that they be a natural and logical sequence to the subject matter and propose such modifications as would naturally, properly, and reasonably be anticipated.

Again, on page 15553, Mr. FITZGERALD said:

If it be apparent that the amendment proposes some modification of the bill, or of any part of it, which from the declared purposes of the bill could not reasonably have been anticipated and which can not be said to be a logical sequence of the matter contained in the bill, and is not such a modification as would naturally suggest itself to the legislative body considering the bill, the amendment can not be said to be germane.

In his concluding remarks he said:

It seems to the Chair that, applying these tests to the amendment of the gentleman from Illinois [Mr. MANN] to determine whether it is germane, the question to be answered is whether the amendment is relevant, appropriate, and a natural and logical sequence to the subject matter of the bill. It is quite clear to the Chair that the amendment can not be so characterized, and that the committee could not have anticipated or reasonably expected that to a proposition that the money to be derived from the royalties of the leases authorized to be made under this legislation should be put in the reclamation fund, a well-established fund created for specific and definite purposes; that a proposition to create a new fund, to be known as the "national good-roads fund," could be considered as a natural, appropriate, relevant, and logical sequence to the proposal in the bill; and therefore the Chair sustains the point of order.

Again, here is a pertinent suggestion by Mr. FITZGERALD that may be of some value to the Chair in this matter, to be found on page 15555, near the top of the first column:

Very frequently the difficulty in reaching a conclusion as to whether an amendment is germane arises from the fact that while the proposed amendment is somewhat similar to the subject matter of the bill, the particular predilection of Members favorable to the amendment makes them reason themselves into a frame of mind to believe the amendment to be germane without careful analysis of its relation to the matter proposed to be amended. * * * It seems to the Chair that such proposals could not reasonably be anticipated, nor could they be held as logical sequences to the provision in the bill.

Following out the logic of that opinion—and I repeat that I consider it the best opinion that has ever been delivered upon this subject of germaneness—I contend, Mr. Chairman, that the prohibitory amendment now proposed, which seeks to determine the legislative policy of the Philippines in advance, could not have been anticipated as naturally being a relevant proposition to the consideration of this bill. No more so than if some Member would offer the Underwood Tariff Act, as I suggested a moment ago, to determine the tariff policy of the Philippine Islands. This bill is founded entirely, from first to last, on the fundamental idea that the Philippines themselves shall determine through their legislature their internal and external policies.

I now wish merely to come to this other question, and that is, if it might have been in order, if the Chair should hold that it is germane to other provisions of the bill, it can not be held to be germane to this section. The amendment embodies a legislative policy, and it is a fundamental rule of germaneness that the paragraph must be germane to the section under consideration. If the Chair desires any authority upon that I have some authorities along that line. In Hinds' Precedents, Volume V, paragraph 5822, we find this language:

An amendment inserting an additional section should be germane to the portion of the bill where it is offered.

As the Chair knows, the reason for that is predicated upon the idea of expedition in the consideration of bills. If a Member should be granted freedom at any time, anywhere, to introduce any amendment to the body of the bill, there would be no end to the consideration of that measure in case some Member should wish to indulge in a filibuster. Assuming that the amendment is germane to the general provisions of the bill, then I contend it should have been offered to that section of the bill which relates to the legislative power, but the section under consideration here does not relate to the legislative powers. The powers of the Philippine Legislature were referred to in sections 3 and 6, prior sections of the bill.

Just to make a brief résumé, I do not contend, Mr. Chairman, that if an amendment had been offered at the proper place, stating that the Philippine Legislature could not have authority to pass upon the liquor question, that that would not have been in order at that place, nor do I contend that it would not have been in order if an amendment delegating that authority to the Governor General had been offered, but I do contend that it is foreign to the whole scope of this bill to introduce a legislative enactment that shall apply to the Philippine Islands direct. The title of the bill and every paragraph in it shows that that was not the policy or intent of the committee in introducing it, and that no Member of the House could reasonably anticipate that any such proposition would be submitted for consideration.

Mr. BRYAN. Mr. Chairman, briefly on the point of order, I am very glad that the point is to be submitted to a gentleman who can not be influenced by the suggestions of revenue or suggestions of home rule, coming, as he does, from the State of Virginia, for there the gentleman has heard all of these arguments and has passed on those matters outside of this Chamber. This bill states in the title that it is a bill to provide a more autonomous government for the Philippine Islands. The fact that it grants rights to the Philippine Islands, privileges to the Legislature of the Philippine Islands, necessarily carries with it that it reserves from the legislature such rights and such privileges and such large powers as this Congress may deem wise to reserve from that legislature. We can not grant these rights without reserving the rights that we do not grant, and under that broad head of granting a more autonomous government we are here to determine what constitutes a more autonomous government. We are here to determine where we are going to restrict and where we are going to extend privileges. Page 9 of the bill, section 12, provides that all local legislative powers of the Philippines, "except as herein otherwise provided," shall be vested in the legislature. "Except as herein otherwise provided.". That is the purpose of the bill—to make provisions otherwise wherever it is the will of Congress to do so. We begin right at the very first of the bill and provide that they shall not pass laws abridging life, liberty, and property, and then we pass another section restraining the Philippine Legislature from denying to an accused person the right of counsel, and we deny them the right to pass any law that puts any person twice in jeopardy, and we restrict their rights as to passing laws concerning bail and obligations of contract and imprisonment for debt and the right of habeas corpus.

We regulate taxes and we provide how far they can go on the subject to taxation. All through the bill these provisions and restrictions are set forth. It is just as much a bill to restrict the legislature to reserve rights as it is to grant those that we may choose to give to the legislature. The gentleman from Wisconsin, in his argument on behalf of the point of order,

suggests that if this were permitted in the form which he has stated at a different place, it perhaps would be in order. Now, the place where my amendment is submitted, or, rather, the point raised will attain with less force at the place where it is submitted, it seems to me, than any other place in the bill. This section 26 deals with franchises, concessions from the government of the islands to private parties, to corporations, to licensees, to those who come to the government and ask for privileges from the government. The gentleman who sits in the chair well knows that the United States Supreme Court has held that no man has the inherent right to sell intoxicating liquor, no man has the right to sell these debauching drugs to the public, and that sales of liquors are restricted on that ground, and every corporation, every State, every municipality has the inherent right to fix licenses and state conditions under which franchises will be given. Now, in these sections we have provided how franchises on the public domain, how franchises on the public land, how franchises of public utilities are to be granted, under what condition water rights will be granted, under what conditions we will allow the right to furnish gas to a municipality to be granted to a private concern. All of these grants, all of these concessions, all of these franchises are made the subject of regulations in this very preceding section. Now, Mr. Chairman, that point, of course, would not be resorted to except in the most extreme case, and the most liberal interpretation would be due in reference to that feature, but by a strict interpretation this is the very place for this amendment. This is the very location for it, and it is an independent section, not an amendment to any other section, and I submit to the Chair that there is no rhyme or reason in the argument of the gentleman from Wisconsin. I submit that this committee has the right, without any shadow of question, without any thought in any parliamentarian's mind, sincerely and earnestly I believe that this committee has the right to say to the Philippine Legislature that we shall not permit the grant of this liquor franchise if they see fit to so do, and that this is the very place in the bill to say it, if we care to say it at all.

The CHAIRMAN (Mr. SAUNDERS). The Chair is ready to rule. The gentleman from Wisconsin [Mr. STAFFORD], makes two points of order against the amendment submitted by the gentleman from Washington [Mr. BRYAN]. First, that the amendment is not germane to the bill, and therefore is not in order under any circumstances. Second, that if it is germane to the bill, it is not germane to the portion of the bill under consideration, and hence is not in order at this time. Many decisions have been rendered upon the subject of germane, and nongermane amendments. Some of these decisions are plainly right, and easily referable to established principles. Others rest upon the most subtle and hairsplitting distinctions. Still others are flatly contradictory, and hopelessly irreconcilable. Should the first objection to the pending amendment be sustained, the ruling of the Chair would, in effect, be a declaration that the amendment presents a proposition unrelated to the subject matter of the bill. But is such the case? It is true that we find in the title of the bill a statement that this measure is intended to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, but it is further stated, that the bill is to provide a more autonomous government for the islands. In pursuance of, and in conformity with the latter declaration, the bill deals in great detail with the internal affairs, and domestic economy of the Philippine people. Section 3 affords many positive rights to the people of these islands, limits in many directions the powers of the Philippine Legislature, and contains many inhibitions relating to procedure, practices, and pursuits. For instance it is declared in this section, that neither slavery, nor involuntary servitude, except as a punishment for crime, whereof the party shall have been duly convicted, shall exist in said islands.

If it is in harmony with the purpose of this bill, to provide that a state of slavery, and the traffic in human liberty, shall not exist in the Philippines, it is not perceived why an inhibition directed against the manufacture of, and the traffic in ardent spirits, is not in order under, and directly related to, the subject matter of this section which is intended to establish by law and make effective certain fundamental principles deemed essential to the future welfare, prosperity, and progress of the Filipinos. The first objection of the gentleman from Wisconsin is overruled, the Chair being of opinion that the amendment under consideration is plainly germane to the bill. The second objection of the gentleman from Wisconsin presents a more difficult question for determination. Conceding pro arguendo, that the amendment is germane to the bill, it is insisted that it is not in order in the connection in which it is offered, in other words that it is not in harmony so to say, with its proposed environment. While the decisions relating to germaneness in this connection are conflicting, yet on the whole it may be considered as fairly established, that an amendment of this character, should be germane to the portion of the bill where it is offered. Hence it follows that to be in order, this amendment should be offered in its appropriate connection, unless it falls within the principle relating to amendments that are germane to the bill, and in some degree germane to different sections thereof. In that event the proponent of the amendment may select the connection in which he will offer it. See Fifth Hinds, sections 5822, and 5823.

Looking to the section of the pending bill which the proposed amendment is to follow, as a new section, it will be apparent that this amendment is in no wise germane to that section. If the Chair were not assured in his mind that the amendment is germane to section 3 of the bill which has been passed, so that full opportunity has been afforded to offer the same at a time when it was plainly, clearly, and positively in order; or if the Chair were of opinion that it was germane to more than one section of the bill, including the connection in which it is now offered, the Chair would have no hesitation in holding the same to be now in order. But the Chair is not in doubt either on the first, or the second point. The amendment was plainly germane to section 3, and therefore appropriate to be offered in that connection. It is not germane to section 26 which it is intended to succeed as a new section. Hence it falls within the rule that an amendment inserted as an additional section, should be germane to that portion of the bill where it is offered. (5 Hinds, sec. 5822.) The Chair sustains the second point of order raised by the gentleman from Wisconsin.

MESSAGE FROM THE SENATE.

The committee informally rose; and the Speaker having resumed the chair, a message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed joint resolution of the following title, in which the concurrence of the House of Representatives was requested:

S. J. Res. 188. Joint resolution ceding to the State of California temporary jurisdiction over certain lands in the Presidio of San Francisco and Fort Mason (Cal.) Military Reservations.

THE PHILIPPINE ISLANDS.

The committee resumed its session.

The Clerk read as follows:

SEC. 29. That all laws or parts of laws applicable to the Philippines not in conflict with any of the provisions of this act are hereby continued in force and effect.

Mr. BRYAN. Mr. Chairman, I do not care to argue the matter, but I am going to offer the amendment I suggested here—the prohibition amendment—after section 27, and I shall do so in every section from now on.

Mr. STAFFORD. Mr. Chairman, the amendment has not been reported, and of course I can not make the point of order, but the gentleman can not proceed with debate until his amendment is reported.

Mr. BRYAN. We have had the amendment read. It is the same as was read a moment ago, except it is to come after section 27 instead of section 26.

The CHAIRMAN. The gentleman from Washington [Mr. BRYAN] asks unanimous consent that the reading of the amendment be dispensed with.

Mr. STAFFORD. Reserving the right to object, I presume the waiving of the reading will not interfere with my making a point of order. I make the point of order, Mr. Chairman, that the amendment offered is not germane to this section, and, furthermore, it has already been passed upon and is dilatory.

The CHAIRMAN. The point of order is sustained. The Clerk will read.

The Clerk read as follows:

SEC. 29. That all laws or parts of laws applicable to the Philippines not in conflict with any of the provisions of this act are hereby continued in force and effect.

Mr. JONES and Mr. TOWNER rose.

The CHAIRMAN. The gentleman from Iowa [Mr. TOWNER] is recognized.

Mr. TOWNER. I ask the attention of the chairman of the committee. I ask unanimous consent to return to section 22, on page 20.

Mr. BRYAN. Mr. Chairman, before that return is made, may I ask if section 29 has been read? I want to offer an amendment after section 29.

Mr. TOWNER. Mr. Chairman, I would like to have somebody move for the reconsideration of that section. Somebody who voted against that amendment should move its reconsideration.

Mr. JONES. I ask that the gentleman withhold his request for the present. There are two sections that we are to return to, and I would like to perfect those before we take up anything new.

Mr. BRYAN. Mr. Chairman, the section I offered awhile ago I would offer now as section No. 30. There is an old adage that it is never too late to do good. I ask unanimous consent that the reading of the amendment be dispensed with.

Mr. STAFFORD. Without waiving the right to make the point of order against it, I do not object. I now make the point of order that the amendment is not germane to this section of the bill, and, further, I make the point of order that the amendment is dilatory.

Mr. BRYAN. I desire, Mr. Chairman, to be heard briefly on that. This is entirely a different proposition. This amendment is offered here as section 30. The distinguished gentleman who has just left the chair held that the proposition was germane to this bill, but that it was not germane when being put in as section 26a, between these various propositions that were involved there; but here is a section—section 29—which says:

That all laws or parts of laws applicable to the Philippines not in conflict with any of the provisions of this act are hereby continued in force and effect.

Now, what is germane to that? What is the proposition that is involved in that section? That is a proposition as to what laws shall be continued in force, what laws shall be repealed, and what laws shall be observed from now on in the Philippine Islands. There is nothing there about public lands, there is nothing there about salaries to officers, there is nothing there about these propositions that the distinguished gentleman from Wisconsin presented a while ago and on which he obtained the ruling from the able Chairman who was presiding at that time. Not at all. The amendment I have proposed is applicable to that section, which says:

That all laws or parts of laws applicable to the Philippines not in conflict with any of the provisions of this act are hereby continued in force and effect.

Now, that is a very broad subject. That is as broad a subject as all the enactments that we have heretofore made in regard to the Philippine Islands. It involves the question of involuntary servitude, which the gentleman spoke of a few moments ago. He said if I had put it with involuntary servitude I could have gotten it through, or some crime or criminality, such as the peddling of opium, or of vice, in the Philippine Islands. But here is a section that involves everything you can think of, although it mentions no particular subject; and I would like to know why I can not offer it here. We have here a House composed to a great extent of Members from dry States, and is it possible that this House is going on record by saying that it is right to refuse to permit Congress to consider a prohibition amendment as to even the Philippine Islands? I hope that such is not the case. I hope it will not be laid against the record of the gentleman who sits in the chair now that he ruled that as to this proposed section 30 of the Philippine bill it was out of order in this Congress of the United States of America to incorporate a provision denying the peddling of liquor by infamous men in the Philippine Islands, who are debauching the men of those islands with liquor. I hope the Chair will not rule that an amendment restraining those people and putting them out of business is out of order. I hope the Chair will not rule that way. I hope he will never have to explain such a ruling as that to his constituents. I hope that no Member of this House will have to make such an explanation to his constituents. I would not want to go back home and make such an explanation. The laws that are in force over there—and there are any number of them—and the matter of passing such laws or incorporating such laws on the books have been discussed and considered. When we went over there it was said the Filipinos were not in the habit of drinking whisky and alcohol to any great extent.

Mr. STAFFORD. Mr. Chairman, I make the point of order that the gentleman is not arguing the point of order but arguing the merits.

Mr. BRYAN. The gentleman from Milwaukee thinks that everything is in order from Milwaukee——

Mr. STAFFORD. Oh, no; I do not hold that everything is in order. I believe we should confine ourselves to the rules of the House.

Mr. BRYAN. I am ready to submit, if the Chair please.

Mr. JONES. Mr. Chairman, I desire to return to section 18, on page 13. The right to return to that section has been reserved. I desire to move to strike out the word "next," in line 22 of that section, and to insert the word "next" after the word "October," in line 21, so that it will read:

On the 16th day of October next following the election.

Instead of:

On the 16th day of October following the next election.

The CHAIRMAN. The Clerk will report the amendment.

Mr. STAFFORD. I understand the unanimous consent is to return to this section merely for the purpose of offering this amendment?

Mr. JONES. That one amendment; yes.

Mr. BRYAN. Mr. Chairman, when that amendment is offered, I would like also to be permitted to offer this prohibition amendment.

Mr. JONES. Consent was given specifically to offer this amendment and none other.

Mr. BRYAN. Then I will withdraw the proposition so far as that section is concerned.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 13, line 21, after the word "October," insert the word "next." Line 22, after the word "the," strike out the word "next."

Mr. MANN. Mr. Chairman, may I ask the gentleman from Virginia about a cognate matter, possibly?

Mr. BRYAN. Cognac?

Mr. MANN. What is cognac? I know what "cognate" means. I suppose the gentleman from Washington is familiar with the "juice," however. [Laughter.] On page 16, in reference to the election of the Resident Commissioners, was that entirely changed? It is section 20.

Mr. JONES. Leave was given to return to that section. It is on page 17, in section 20.

The CHAIRMAN. The Clerk will report the amendment.

The amendment was again read.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Virginia.

The amendment was agreed to.

Mr. JONES. Now, Mr. Chairman, I desire to return to page 17, section 20. Permission was given to return to that section for this specific purpose. I desire to strike out the word "twenty-one," which was inserted as an amendment to line 5. The committee amended line 5 by striking out "nineteen" and inserting "twenty-one." I now move to strike out the word "twenty-one" and insert "twenty-two."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 17, line 5, strike out the word "twenty-one" and insert the word "twenty-two."

Mr. MANN. Mr. Chairman, may I ask the gentleman from Virginia if the term has been fixed at six years for the Resident Commissioners?

Mr. JONES. Yes; it has been fixed at six years.

Mr. MANN. Of course the gentleman has had his attention called to the fact that, as the bill read before, there was an interim?

Mr. JONES. Yes. The attention of the Chairman was called to that fact by the gentleman from Wisconsin [Mr. STAFFORD]. We have gone back to correct that. Now, the effect of this amendment is to extend the first term of the Commissioners for about two months. After that it will be six years.

Mr. MANN. May I ask another question? On page 16, line 16, it reads:

Each of said Resident Commissioners shall, in addition to the salary and expenses now allowed by law, be allowed the same sum for stationery and for the pay of necessary clerk hire as is now allowed to the Members of the House of Representatives of the United States.

Has that been changed?

Mr. JONES. That has not been changed.

Mr. MANN. Should not the word "mileage" be inserted before "expenses"?

Mr. JONES. No; because there is a special act which gives the Commissioners $2,000 in lieu of mileage.

Mr. MANN. I know; so that it would read "mileage expenses." They get a stationery account, and they get clerk hire. You do not want to duplicate that?

Mr. JONES. No; we do not want to duplicate that.

Mr. MANN. It says, "in addition to the salary and expenses now allowed by law," which includes stationery and clerk hire, they shall be allowed "the same sum for stationery and for the pay of necessary clerk hire as is now allowed to the Members of the House of Representatives of the United States." Now, if we should insert, before the word "expenses," the word "mileage," it would read, "in addition to the salary and mileage expenses now allowed by law," and so forth. That would fix it. They should be allowed stationery and clerk hire. Otherwise you duplicate the stationery and mileage account.

Mr. JONES. I do not think it would be proper to put in the word "mileage," because a lump sum is allowed now in lieu of mileage.

Mr. MANN. Mr. Chairman, I understand; but it is mileage expenses. It would be called "mileage expenses." They are now allowed, as Members of Congress are, mileage expenses, except that there is a fixed sum; and they are also allowed a stationery account and a clerk-hire account. Those expenses they are now allowed.

Mr. JONES. The gentleman is asking unanimous consent, then——

Mr. MANN. No; I was asking if that was inserted.

Mr. JONES. The suggestion of the gentleman is that instead of "expenses" it should read, "the sums now allowed in lieu of mileage.' I see no objection to that.

Mr. MANN. Yes; so that it would not duplicate the stationery and clerk-hire account.

Mr. JONES. That is what the word "expenses" was meant to cover. I ask unanimous consent, Mr. Chairman, then——

Mr. MANN. The gentleman from Washington [Mr. HUMPHREY] has another amendment pending.

Mr. HUMPHREY of Washington. Mr. Chairman, I desire to oppose the amendment.

A little while ago the distinguished gentleman from Pennsylvania [Mr. MOORE] made a statement which, it appears to me, ought not to be allowed to go unchallenged. His attack on the Democratic Party should be refuted. And inasmuch as no gentleman on that side of the House has seen fit to answer it, I want to call attention to it for just a moment. The gentleman from Pennsylvania [Mr. MOORE] criticizes the Democratic campaign textbook because it does not contain the Baltimore platform.

Mr. JONES. Mr. Chairman, I make the point of order that the gentleman is not discussing this amendment.

Mr. HUMPHREY of Washington. I hope the gentleman will not do that now for two or three minutes. He will not make progress if he does.

Mr. JONES. I hope the gentleman——

Mr. HUMPHREY of Washington. I will get through in three minutes.

Mr. JONES. The gentleman was frank enough yesterday to ask to be allowed to proceed out of order. I never knew of a gentleman to make a request like that before. Now, he is proceeding to do without permission what he asked permission to do yesterday, when permission was granted.

Mr. HUMPHREY of Washington. If the gentleman will possess his soul in patience for three minutes, I will agree to quit.

Mr. JONES. If the gentleman will agree to quit permanently, all right. [Laughter.]

Mr. HUMPHREY of Washington. Not permanently, so long as you have a Democratic majority here, but only for this time. [Laughter.]

What I wanted to call attention to is this—something which some one on that side ought to have called attention to, but did not—because the criticism of the gentleman from Pennsylvania [Mr. MOORE] was unjust. He criticized the Democratic campaign textbook, because it did not contain the Baltimore platform. How could they have put into that textbook any part of the Democratic platform when there is none left? [Laughter on the Republican side.]

Mr. MOORE. Does not the gentleman know that, in addition to leaving out the Panama Canal plank and the one-term plank for President, they also claim credit for the passage of the seamen's bill? I would like to know when that bill passed.

Mr. HUMPHREY of Washington. The Democratic campaign textbook is just as notable for what it leaves out as for what it puts in. Who would believe a Democratic platform promise, anyway? [Laughter on the Republican side.]

Mr. MOORE. Maybe the Filipinos.

Mr. HUMPHREY of Washington. Oh, no. The Filipinos know how other people have been deceived, and instead of taunting them about not putting their platform into their textbook, you ought to compliment them on it. They are trying to forget it. [Laughter on the Republican side.]

Mr. MOORE. They used to tell it to the marines, but now they tell it to the Filipinos.

Mr. HUMPHREY of Washington. I think I have sufficiently defended these distinguished gentlemen over there; they could not defend themselves. They are all tied to the President. I do not think it is fair for my friend from Pennsylvania [Mr. MOORE] to taunt them when they are not in a position to reply.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. MOORE. Mr. Chairman, may I not reply? A personal attack has been made upon me. I have been accused of defending the Democratic platform. [Laughter.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. JONES. Mr. Chairman, I must object to any further discussion out of order.

The CHAIRMAN. The question is on the amendment.

The question was taken, and the amendment was rejected.

Mr. JONES. Mr. Chairman, I ask unanimous consent, on page 16, line 16, to strike out the words "expenses now allowed by law" and insert the words "the sum now allowed in lieu of mileage."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 16, line 16, strike out the words "expenses now allowed by law" and insert in lieu thereof "the sum now allowed in lieu of mileage."

Mr. MILLER. Mr. Chairman, I suggest to the gentleman that he does not desire to strike out any more than the word "expenses," because "allowed by law" refers back to salary as well as mileage.

Mr. JONES. I think the gentleman is right about that; that was my first thought.

Mr. MILLER. It should read, "in addition to the salary the sum in lieu of mileage now allowed by law."

Mr. JONES. "The sum in lieu of mileage" should be inserted in place of the word "expenses." Mr. Chairman, I ask to modify my amendment so that we strike out the word "expenses" and insert "the sum in lieu of mileage."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 16, line 16, strike out the word "expenses" and insert the words "the sum in lieu of mileage," so that the amended lines will read: "Each of said Resident Commissioners shall, in addition to the salary and the sum in lieu of mileage now allowed by law, be allowed the same sum of stationery," etc.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that the amendment just reported by the Clerk be made. Is there objection?

There was no objection.

Mr. MONDELL. Mr. Chairman, I move to strike out the last word. The Democratic Party having done so little toward carrying out its platform pledges, they felt it incumbent on them to carry out one promise, and that is the Philippine promise. This is, I assume, on the theory that even if they do not keep faith with the American people they should keep faith with the Filipinos. I do not think, however, that justifies the gentleman from Washington [Mr. HUMPHREY] in defending the writer of the Democratic campaign textbook in all he says. That gentleman charges the administration with being responsible for all the present——

Mr. GARRETT of Tennessee. Mr. Chairman, I make the point of order that the gentleman from Wyoming is not discussing his amendment.

The CHAIRMAN. The point of order is sustained.

Mr. MONDELL. Mr. Chairman, I was proceeding to discuss the matter that was discussed a moment ago. If the gentleman on the other side will inform me what the last word is, I will discuss that.

Mr. GARRETT of Tennessee. If the gentleman from Wyoming, with all his keen intelligence, has not perception enough to know what the last word is, I shall not inform him. I make the point of order that the gentleman is not discussing the amendment before the House.

The CHAIRMAN. The Chair sustains the point of order.

Mr. MONDELL. Mr. Chairman, I do not think the administration ought to be charged with all the crime and chaos in Mexico, and that is what their Democratic campaign textbook has charged the administration with.

Mr. GARRETT of Tennessee. Mr. Chairman, I make the point of order again that the gentleman is not discussing the amendment.

Mr. JONES. Mr. Chairman, the next thing in order is to return to the preamble in accordance with the ruling of the Chair.

The CHAIRMAN. Is there any other part of the bill that was to be returned to?

Mr. JONES. Yes, Mr. Chairman; there is one other item.

Mr. MILLER. I was endeavoring to get recognition for the amendment that I send to the desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, page 19, line 4, by striking out after the word "law" the remainder of the sentence and inserting a colon and the following: "*Provided*, That whenever the Governor General shall exercise the authority granted in this section he shall at once notify the President of the United States thereof, together with the attending facts and circumstances, and the President shall have power to modify or vacate the action of the Governor General."

Mr. JONES. Mr. Chairman, I do not think there is any objection on this side to that amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken, and the amendment was agreed to.

Mr. JONES. Now, Mr. Chairman, the next thing is to return to the preamble, as I understand the ruling of the Chair.

The CHAIRMAN. The Clerk will read the preamble.

The Clerk read as follows:

Whereas it was never the intention of the people of the United States in the incipiency of the War with Spain to make it a war of conquest or for territorial aggrandizement; and

Whereas it is, as it has always been, the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein; and

Whereas for the speedy accomplishment of such purpose it is desirable to place in the hands of the people of the Philippines as large a control of their domestic affairs as can be given them without, in the meantime, impairing the exercise of the rights of sovereignty by the people of the United States, in order that, by the use and exercise of popular franchise and governmental powers, they may be the better prepared to fully assume the responsibilities and enjoy all the privileges of complete independence: Therefore——

Mr. BURGESS. Mr. Chairman, I offer the amendment which I send to the desk.

Mr. TOWNER. Mr. Chairman, before the amendment is reported I would like to ask the gentleman from Virginia if we can not make some agreement as to the time for discussion of this preamble.

Mr. JONES. I should be very glad to come to some agreement. It is now 10 minutes of 3 o'clock. We want to vote on this bill this evening. I think that was the understanding on yesterday, when the business in order on Wednesday was made in order on Thursday, so that we might be able to complete this bill to-day. We have taken up so much time now in the discussion of amendments that there is not a great deal of time left. What would the gentleman suggest?

Mr. TOWNER. I should think we ought to have on this side one hour. This is the most important thing in the whole bill.

Mr. JONES. That is, two hours' discussion of the preamble and all amendments?

Mr. TOWNER. Yes.

Mr. JONES. That would bring it up to 10 minutes of 5. Then there is to be a half hour of general debate.

Mr. TOWNER. Mr. Chairman, I will say to the gentleman that, so far as I am concerned, I am willing to waive that.

Mr. JONES. The gentleman will waive the 15 minutes allotted to his side?

Mr. TOWNER. Yes; on the supposition, of course, that the gentleman will do the same in respect to his side.

Mr. JONES. But I had arranged with a gentleman on this side to occupy those 15 minutes, and, of course, I can not waive that.

Mr. TOWNER. Let the 15 minutes be considered as part of the hour.

Mr. JONES. That the 30 minutes are to be considered a part of the two hours?

Mr. TOWNER. Very well.

Mr. JONES. I do not object to that.

Mr. TOWNER. Will the gentleman submit the request, or shall I?

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on the preamble and all amendments thereto be limited to two hours, one half to be controlled by myself and the other half by the gentleman from Iowa [Mr. TOWNER], and that the half hour of general debate which has been agreed to shall be included within the two hours.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on the preamble and amendments thereto be concluded in two hours, one half to be controlled by himself and the other half to be controlled by the gentleman from Iowa [Mr. TOWNER], and that the half hour of general debate heretofore agreed upon shall be included in the two hours. Is there objection?

Mr. BURGESS. Mr. Chairman, reserving the right to object, I would like to have some understanding about "where we are at" in this sort of a division. I understand that upon this side the chairman is opposed to any amendments to the preamble, and I do not understand what the position of the gentleman from Iowa is upon that side. I think the time ought to be divided equally in reference to the question at issue. I have no objection to limiting debate to two hours. I think that is longer than is necessary.

Mr. JONES. Mr. Chairman, I wish to ask the gentleman from Iowa if he would object to so modifying the request which I have made that of these two hours, one half to be taken from the hour controlled by him and the other half to be taken from the hour controlled by myself, the gentleman from Texas be allowed 10 minutes?

Mr. TOWNER. No; we are as much opposed to the gentleman's amendment as the gentleman is. We have already given up 15 minutes of our time.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman permit the amendment to be reported, and then take up the question of this agreement for time? I have not heard the amendment.

Mr. TOWNER. I have no objection to that.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend by striking out the preamble and inserting the following:

"That it is the purpose of the United States to cease exercising sovereignty over the Philippine Islands as soon as may be with justice to them and honor to the United States, and that it is the preference of the United States to accomplish this purpose by establishing an independent government in said islands; that in pursuance of such purpose and preference the President is respectfully requested to consider the expediency of opening negotiations with the Governments of Great Britain Germany, France, Russia, Spain, and such other Governments as he may think advisable, with a view of effecting a joint treaty with such Governments, by which it shall be provided that an independent government in the Philippine Islands, when established by the United States, shall be recognized and preserved; that pending the establishment of such independent Philippine government the Philippine Islands shall be neutral territory; that such Philippine government, when established, shall agree that it will maintain equality of trade relations toward all the signatory powers, and that in the event of war between any of the nations of the earth it shall be neutral; that such concessions as may be made by the United States in the establishment of such independent government shall be recognized by all the signatory powers."

Mr. GARRETT of Tennessee. Mr. Chairman, I make the point of order, first, that that exact proposition has been voted upon, and, second, that it is not germane to the preamble. I reserve the point of order.

Mr. BURGESS. Mr. Chairman, I would rather the gentleman would make the point of order now.

Mr. GARRETT of Tennessee. Then, Mr. Chairman, I make the point of order.

Mr. BURGESS. Then we will have a brief discussion of it at this time.

The CHAIRMAN. The Chair will hear the gentleman from Texas.

Mr. BURGESS. Mr. Chairman, I am not much of a parliamentarian, but I take it that there are others here who are. I call attention to what Mr. Speaker CLARK said on October 2, 1914, in the discussion of this very matter. He then said:

If the gentleman will permit, of course I do not know the exact processes of the mind of the gentleman from Texas [Mr. BURGESS], although I am remarkably well acquainted with him; but I take it that the reason he offered his resolution as section 1½ to this bill is that under parliamentary practice we do not get to the preamble until we get through with the bill. My own judgment about it is that as a parliamentary proposition it would come in as a substitute for the preamble; but it would be like locking the barn door after the horse is gone; and the gentleman has given notice that he proposes to strike out the preamble if his amendment goes in. So that it is practically offered as a substitute for the preamble.

I submit that in the absence of any authority or any pretense of any, that is the highest authority that we have in this House—the Speaker's own words. Further than that, to take a general and common-sense view of the situation, this resolution of mine which I have offered as an amendment to the preamble is so worded and framed as to come in line with the original preamble. The thing about it is that it goes further; that it does direct the President to enter into negotiations. That ought to be done. If it can be done in this way, what is the objection to it? I submit when I offered this as an amendment to the bill they made the point of order to that.

Mr. GARRETT of Tennessee. Oh, I beg the gentleman's pardon. No point of order was made.

Mr. BURGESS. Oh, I beg the gentleman's pardon. A point of order was made and it was overruled. Then, when it is offered to amend the preamble, it is said that there is no place for it in the bill. Mr. Chairman, this is a bill dealing with the Philippine question, and it deals broadly with it, and I think, although I am no parliamentarian and do not set myself up as such, it is clearly in order.

Mr. GARRETT of Tennessee. Mr. Chairman, I simply call the attention of the Chair, first, to the fact that the precise proposition which the gentleman now offers was offered as an amendment to the bill. The precise proposition in the precise language was voted down. It has therefore been disposed of, and the effort of the gentleman now is to get a vote upon that which has already been disposed of and settled. The second point of my parliamentary contention is that it is not germane to the preamble. A preamble, Mr. Chairman, is nothing but a recitation of facts or supposed facts. We do not put into a preamble a direction to anybody to do anything. See how this would read if the amendment of the gentleman from Texas were to prevail—to strike out the preamble and insert in lieu thereof

the resolution which he has sent to the Clerk's desk, and before the enacting clause. It contains no recitation of facts——

Mr. BURGESS. The gentleman is mistaken about that; it begins by declaring the purpose of the United States.

Mr. GARRETT of Tennessee. All right; I admit that. It does contain a specific direction to the President that he shall do a particular thing. Is it possible for any gentleman to conceive of putting into the preamble of a bill, or even a resolution, before the enacting clause, a proposition directing the President or anybody else to take a certain course? The preamble recites the facts. Directions must be contained in the enacting or resolving clause of the bill or resolution, as the case may be. With all possible respect, Mr. Chairman, if the amendment of the gentleman from Texas were to prevail and this preamble were to be stricken out and the resolution which he has sent to the desk be substituted in its place, it would leave this bill in the most peculiar shape grammatically, legislatively, and rhetorically that any bill was ever left in in the history of any legislative body in the world. Upon these two points I insist upon the point of order.

The CHAIRMAN. Does the gentleman from Texas care to be heard further?

Mr. BURGESS. No; I do not think so.

The CHAIRMAN. The Chair is of the opinion that, in view of the fact that this identical proposition has already been presented to the committee and been disposed of in the form in which it is now offered, it would not be proper to offer it as a substitute for the preamble. Furthermore, the Chair does not believe it is germane to the preamble, and for these reasons the Chair sustains the point of order.

Mr. BURGESS. The Chair will note that I take exception to the Chair's ruling.

Mr. JONES. Mr. Chairman, I now renew my request.

Mr. MILLER. Mr. Chairman, reserving the right to object, may I inquire of the gentleman from Virginia what the status of amendments which some gentlemen may propose would be?

Mr. JONES. They would all have to be offered within the two hours.

Mr. MILLER. And then voted upon one after the other at the conclusion of general debate?

Mr. JONES. They would have to be voted upon during the two hours, I think. The request I made was that this preamble and all amendments that might be offered to it should be disposed of within two hours.

Mr. MILLER. Then, if I understand the gentleman, it is his intention that a Member who speaks in his time will offer such amendment or amendments as he desires, and at the conclusion of his remarks the amendment or amendments which he has offered will be voted upon.

Mr. JONES. That will be all right.

Mr. MILLER. I have no objection just so it is understood.

Mr. JONES. With the understanding, I have no objection; that they be voted upon at the conclusion of the debate.

Mr. MILLER. It is understood the time that may be occupied in voting upon an amendment will not be taken out of the two hours.

Mr. JONES. Yes.

Mr. MILLER. I do not presume much time will be occupied.

Mr. JONES. There will be two hours of general debate, and then the amendments will be voted on, but there will be no debate after the two hours.

Mr. MILLER. I understand.

Mr. JONES. The gentleman from Minnesota will understand that all debate, so to speak, must be embraced within the two hours.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate upon the preamble close in two hours, one half of that time to be controlled by himself and the other half by the gentleman from Iowa [Mr. TOWNER], and at the end of that time the amendments offered shall be voted upon, and that the 30 minutes of general debate included in a former agreement shall be included in the two hours. Is there objection?

Mr. COOPER. Mr. Chairman, reserving the right to object, I desire to ask the gentleman from Virginia if he thinks two hours, one hour to a side, is enough for the discussion of a subject of such tremendous importance as this?

Mr. JONES. It would not be if we had not already devoted 7½ hours to discussion of this subject. As I stated a few moments ago, we are very anxious to get through with this matter this evening, and probably there will be an aye and no vote in the House that will run way after 6 o'clock.

Mr. COOPER. The gentleman from Virginia will remember that the issue was not made until the gentleman from Illinois [Mr. MANN] declared that he was opposed to the United States ever relinquishing control over the Philippine Islands, which injected a new issue, one unknown to the politics of this country, I think. I never heard of it being stated by one so prominent.

Mr. MANN. Well, Mr. Chairman, the debate went on for several hours after that, and I really think two hours' debate on the preamble is a very liberal allowance of time.

The CHAIRMAN. Is there objection?

Mr. BUTLER. Reserving the right to object, if the gentleman will permit, is it contemplated having a vote on the bill this evening?

Mr. JONES. Yes, sir.

The CHAIRMAN. Is there objection?

Mr. GARRETT of Tennessee. Mr. Chairman, reserving the right to object——

Mr. REILLY of Connecticut. It is too late.

Mr. GARRETT of Tennessee (continuing). Do I understand the agreement was to close debate and then have the amendments voted on?

The CHAIRMAN. The agreement was to close all debate on the preamble and amendments thereto in two hours. Is there objection? [After a pause.] The Chair hears none.

Mr. JONES. Mr. Chairman, I reserve the hour on this side.

Mr. TOWNER. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. MILLER].

Mr. MILLER. Mr. Chairman, I am emphatically opposed to the preamble, to every paragraph of it, and to every line in it; but I assume that there may be a desire upon the part of the majority, who have the preponderance of votes in the committee, to maintain the preamble in the bill, and therefore I have three amendments which I desire to offer. The first amendment is to insert after the word "stable" in the second paragraph of the preamble the word "representative." The second amendment is to insert in the same line after the word "established" the two words "and maintained."

The third amendment which I desire to offer is as follows, to follow the second paragraph:

Provided, That the people of the Philippine Islands shall desire their independence, expressed by a majority vote of the qualified electors at the general election held next after it shall be decided that suitable government can be established.

Directing our attention first to the preamble as a whole, I think this is one of the most remarkable features of any bill that has ever been presented for the consideration of the Congress. It is to be noted, as has been stated many times before, that this is not a part of the bill. It is simply a gratuitous statement. It is not a promise; it is not an assurance. It simply says it has always been the intention of the people of the United States to give to the Philippine Islands independence. When? When a suitable government can be established therein. I submit, Mr. Chairman, that this is not a provision aimed for the welfare of the people of those islands, but a provision in the nature of playing party politics within the United States. In the Democratic platform language something like this is used—but no more futile language touching a great matter was ever employed—"as soon as a stable government can be established."

Mr. Chairman, to-day there is a stable government in the islands. Nay, more; there has been a stable government in the islands at least during the past 13 years. If, therefore, our guide is to be when a stable government can be established, the time for their independence is now, and any bill short of that is pure buncombe and an attempt to mislead and hoodwink rather than an attempt to carry out a policy.

But, Mr. Chairman, if it be contended that it means as soon as a stable government can be established by the Filipinos, we still have a matter that needs further elucidation. The Philippine people can establish a stable government to-day. It would not be a representative government; it would not be a republican form of government, as we understand it, but it would be a stable government. I believe that they could establish to-morrow a limited monarchy, and that government would be reasonably efficient and reasonably well maintained. It, therefore, it is the intention of the people of the United States to give to these people independence as soon as they can establish a government, that certainly comprehends a limited monarchy. But if it is the intention only to give them their independence when a representative government can be established and maintained by them, then let us write it in the bill. But above all, Mr. Chairman, it seems to me that we should consider the people of the islands. It seems to me that we should be guided by considerations of their wishes and their welfare rather than attempt to play party politics within the United States.

Do the people of the Philippine Islands to-day want immediate independence? No; they do not. Will they want it 10 years from now? I do not know and you do not know. I do not believe they will. But above all things we should give

them the right to say whether they prefer to establish a government of their own by themselves or whether they prefer to remain beneath the American flag. [Applause on the Republican side.]

If it is the intent of Democracy to scuttle the ship, if it be the intent of Democracy to haul down the flag and withdraw our frontiers to our own shores, regardless of what may be the desire of that people or what may happen to them, then adopt the preamble. But if you are actuated by more humanitarian motives, if you have in your hearts altruistic designs, you will never adopt this preamble in its present form. I believe that in this bill and in this preamble there is an open confession of two things, namely, that the whole Democratic policy toward the Philippine Islands from 1900 until now has been wrong; that the whole policy of the Republican Party during that time has been right [applause on the Republican side]; that the Philippine people during that period of time at no moment have been capable of maintaining self-government and independence. Nay, more, that even after 14 years of the best instruction that a human soul ever had in government they are to-day still incapable of establishing and maintaining a government under independence. When will the time come? Nobody knows.

Therefore my second proposition is that this sounds the death knell of independence to the islands, at least during any period of time reasonable for us to consider. I am firmly of the opinion that the people of the Philippine Islands, having before their minds the historic events of the past 60 days, are trembling for fear you will haul down the American flag. Only on yesterday I received an account of an article in a native paper published in the islands that heretofore has been most extravagant in its requests for independence containing this remarkable confession:

> We now see after what has happened to Belgium, after what has happened to Luxemburg, after what we behold in various parts of the world, that the Philippine Islands need the United States now more than the United States needs the Philippine Islands.

[Applause on the Republican side.]

That sentiment is going to grow. I believe the political thought of the islands is bound to turn more and more away from independence to the industrial development of their resources.

While this bill and this preamble clearly indicate a new Democratic policy, one that in no sense contemplates independence of the islands for at least a great many years to come, yet in the passage of the preamble I can see a source of real trouble. To the Filipino mind the existence of this preamble will likely be taken to mean independence within a year or two, ever near at hand, and the scheming politician can easily foment agitation. As long as independence is not to be granted at any time possible now even to guess, it is the height of folly to place this preamble here.

It certainly is highly improper for a nation to say now what in the future it will do, especially in relation to its sovereignty. To do so is far from a statesmanlike course To do so is to create embarrassments and difficulties for the future. In years to come it may be preeminently desired, for a thousand reasons, both by the people of the islands and by the people of the United States, that the Philippine Archipelago remain a part of the United States. Why bind the future by unnecessary statements now? Why blindly declare the course of our conduct in the future without knowing what the future will bring forth? Will gentlemen insist at some future date to withdraw our sovereignty from the islands, even though the people of the islands beg and pray for it to remain? Are gentlemen so bent on partisanship that they are deaf alike to their Nation's honor and the call of humanity?

Mr. Chairman, the roll is soon to be called upon the passage of the bill. If this preamble be eliminated, I am inclined to vote for the measure, but if retained, I must oppose the whole.

While I say I would support the bill divested of the preamble, I do not wish it to be understood that I believe in all the features it contains. The best part of the bill—probably its largest part, as well—consists in its grant to the Filipinos of a complete legislature elected by them. I congratulate the framers of the measure for having adopted the one great recommendation I made, now almost a year ago, after my tour through the islands. I then said, as I have since many times repeated, that the Filipinos should have the full power to choose their own legislature, the full power to legislate for themselves, subject only to the check and restraint from an absolute veto. The absolute veto was at first criticized, but that principle has been made a part of the bill. I believe the people there will make reasonably wise use of this grant of legislative power, and, besides, its exercise will greatly train them in the business of government.

I am for the bill as a whole because it is up now for action, although I think its enactment now is premature. As long as the government in the islands is to be remodeled, let us do a good job of it—give to the Filipinos the fullest measure of power and see what use they make of it. Let them have a full and a fair chance to demonstrate what they can do. It would have been wise, in my opinion, if this complete reorganization of the government had been considerably postponed, but the intent is to reorganize now, and in the consideration of the bill I have sincerely tried to perfect it.

But let no one be deceived. In many ways this bill gives too suddenly power that should be acquired gradually. The enactment of this bill into law will inevitably decrease very materially the efficiency of the government in the islands. We have heard blind prejudice criticize and narrow partisanship malign the government hitherto maintained in the islands since they came beneath our flag, and yet the truth is, the truth a wiser world in the passage of time will recognize, is that in these far-away islands the Americans have established and maintained a better government than they have provided for themselves anywhere within the confines of the United States.

Under the provision extending the franchise, elections will likely present a sad and heartbreaking spectacle. But out of this slough the people will gradually climb. I hope they will rapidly overcome the election difficulties with which they will at first be embarrassed.

Then, too, the splendid work already well advanced among the non-Christian tribes will be materially halted. The method of handling the wild-tribe problem provided for in the bill will inevitably lead to many difficulties from which the wild man will surely suffer. A million of these people trustingly look to the United States as their great friend here on earth. I sincerely hope the Filipinos will measure up to the duty incumbent upon them, realize the responsibility now largely shifted to them, and by wise as well as generous conduct demonstrate that they are the brothers of these untutored savages.

I have great faith in the Filipino people. I want them to develop a distinct nationality and make their contribution to the advancement of human kind. The opportunity is before them. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

[Mr. COOPER addressed the committee. See Appendix.]

The CHAIRMAN. If there is no further debate on this preamble——

Mr. TOWNER. Mr. Chairman, I yield five minutes' time to the gentleman from Wyoming [Mr. MONDELL].

Mr. JONES. Mr. Chairman, I want to suggest to the gentleman from Iowa that amendments ought to be offered or be considered pending, because we have to vote on them as soon as this debate is concluded.

Mr. TOWNER. The gentleman from Minnesota [Mr. MILLER] has offered his amendments.

Mr. MANN. No; he did not offer them.

Mr. JONES. I understood that he indicated that he would offer them.

Mr. MANN. That will be done right away.

The CHAIRMAN. The gentleman from Wyoming [Mr. MONDELL] is recognized.

Mr. MONDELL. Mr. Chairman, in the opening of the debate, or rather at the close of the opening debate on this bill, the gentleman from Virginia [Mr. JONES] referred to the fact that most of the discussion had been not on the bill but on the preamble. That was not extraordinary, as the gentleman should have realized, and possibly did.

Whether this declaration in the form of a preamble is the fruit of the settled conviction of a great party or is simply a piece of cheap political buncombe, in any event it is the thunder in the prelude that overshadows and colors all that follows. These people over yonder are not children. They can recognize a good thing in a political gift without having it sugar-coated by something that we may not be able to live up to and that they may never desire that we shall live up to.

Many of the provisions of this bill are good. I think that I should be willing to vote for all of its provisions if it were not for this misleading, unwise, unnecessary preamble. We are not in the Philippines and we never have been there for any purpose of exploitation. There is not a man under the flag that has ever had any other notion, no matter what party he belongs to, except that we have a great duty to perform over there.

I do not think the American people believe, or will believe, that duty can be performed by any policy of scuttle and surrender of our responsibilities. I look forward to the time when the Filipino people, having advanced in their knowledge of

representative government, will realize how helpful it is to them, will realize how useful it is to them, aye, when they will take pride, as I think they now do, in the fact that they are politically united with the greatest Commonwealth of all time, as the eloquent representative of that people referred to the United States the other day.

Our relations with these people have been inspiring to us. They have been helpful to them. Never in history have any people advanced as these people have advanced with our aid and with our assistance and guidance. The future does not present to me any picture of our surrender of responsibility and the ultimate gobbling up of those islands by some oriental despotism. It presents to me an inspiring view of advancement, of enlightenment, of progress, under the guiding hand and strong protection of this great Republic, a view which in the days to come the people of the Philippine Islands will applaud as fully as our own people. [Applause on the Republican side.]

Our acts and attitude toward these people must primarily be based on our opinion of what they desire and what is for their best interest. I would no more declare that it is our intention to hold the islands permanently than I would declare it is our intention to let them go. The future must decide that, and it will be decided in view of what those people may desire when the time arrives when they may be able to stand alone. For the present let us give them every particle of self-government they can wisely use and administer, and let the future decide what it is wise to do when the time for such a decision may arrive. Liberty and good government are what the people want. They can have it as well, and for the present at least better, united with us than as an independent government.

Mr. JONES. Mr. Chairman, I yield five minutes to my colleague on the committee [Mr. HELM].

Mr. HELM. Mr. Chairman, this preamble that has been so much criticized by gentlemen on the Republican side of the Chamber is the will and testament of the Democratic Party to the Philippine people.

Contrast the actions of the present Democratic Governor General, the policy of the Democratic Party as announced in the preamble, and the liberal provisions of this bill with the course pursued when the Republican Party was in power; when you, by inexcusable and unjustifiable war, subjugated these people, and now call it a blessing. As well should the Belgian people to-day return thanks and offer up their benedictions to the force, the overpowering force, that has desolated that country, as did the overpowering force of the United States subdue the Filipinos.

You made an unforgivable war on a people who had allied themselves with the American forces to drive out a people that were misgoverning these islands. You turned upon your allies and waged war upon them, and now take the position that you have conferred a blessing upon the people upon whom you have made an unpardonable war. The same subtle and promoting influences that were then at work reassert and disclose themselves here again when the leader of the Republican Party [Mr. MANN] but a few days ago said that we want to hold these islands on account of an inevitable war that he foresaw, and cited the fact that the colonies were coming to the assistance and aid of England; so would the Philippine Islands come to our rescue in time of like distress. Unwittingly he has raised the curtain and disclosed the real motive of the military party that was behind the McKinley administration which involved the United States in the Philippine Islands, and now insists on their retention.

Imperialism as against democracy! If we need these islands for war purpose, the argument of the gentleman from Illinois would say, "Give us other colonies for like uses and purposes as England has them." Imperialism in its worst form! Of what aid would England's colonies now be to her without her command of the sea? If we are going to embark in this war game and colonial policy, we need a Navy that will be as much greater than England as England and her allies now are to Germany; a standing Army stronger and more efficient than Germany's. How long will this Republic last after this warlike policy has been established? As between the two pictures, the Democratic Party presents this bill, working back as rapidly and as safely as it can to give these people the management and control of their own affairs, and in due season their independence.

This is the first time that a government that has by conquest acquired sovereignty over the territory of another nation or race of people declares by its official and only mouthpiece that it proposes to voluntarily surrender that sovereignty over the country that it had acquired by conquest. Search the annals of history and where will you find a nation or country that has acquired another territory, described, as are the Philippine Islands, as of boundless resources, of wonderful fertility—where can you show me a like instance that that Government has freely and voluntarily given back to the people the control of the government and the sovereignty that it took away by force? [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. TOWNER. Mr. Chairman, I yield five minutes to the gentleman from Washington [Mr. HUMPHREY].

Mr. HUMPHREY of Washington. Mr. Chairman, I listened with some degree of emotion to the distinguished gentleman who has just spoken [Mr. HELM]. He calls this declaration in the preamble the Democratic will and testament to the Philippines. I was aware of the fact that the Democratic Party was sick, but I did not know that it had reached that stage where it thought it was necessary to make its will. [Laughter on the Republican side.]

But it soon would be dead if the people of this country believed that the Democratic Party stood for the doctrine that was preached by the gentleman from Kentucky who has just taken his seat. In my judgment, that was a speech more to be condemned than any that I have heard made upon this question. When he rails against his own country for going into the Philippines, he is welcome to any credit that he can bring to himself or the Democratic Party. Such harangues will find no response from the American people.

My objection to this preamble is largely because of the fact that it does not state any position on account of its duplicity. It is drawn so as to make the Filipinos believe that we want to give them independence, and to make the American people believe that we do not. That part of the preamble in which it says—

> Whereas it is, as it has always been, the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein—

I take issue with as to the fact.

What party declared for it except the Democratic Party, and when did the Democratic Party and the gentleman from Wisconsin [Mr. COOPER] become a majority of the people of the United States, or have a right to speak for a majority on questions of that character? The Republican Party never so declared, and the Progressive Party never so declared, and that other platform that was drawn at Chicago by the Roosevelt forces when they thought he was going to be nominated had this declaration in regard to the Philippines:

> We pledge the Republican Party to complete the work of preparing the Philippine Islands for self-government under the American flag.

No party except the Democratic Party has ever declared for independence. No party except the Democratic Party, and no man, so far as I know, except the gentleman from Tennessee [Mr. HELM], has ever thought that the Stars and Stripes brought an injury to any country. Only once before in the history of this Nation did we ever haul down the flag, and we have been ashamed of it ever since, and we should be. That act, under a former administration, a Democratic one, of course, forever discredited us in the eyes of the world.

I do not believe the Filipinos wish independence. Those who think they will govern do; those that will be governed do not. I believe that when the Filipinos are sufficiently intelligent to govern themselves they will be sufficiently intelligent to appreciate the advantages of remaining under our flag. Wherever the Stars and Stripes have gone they have brought good, and they will bring only good to the Philippine Islands. For one, I am opposed to the cowardly proposition to turn these islands loose, to become a prey of the other nations of the world. Such act would cause us forever to be despised by all right-thinking men. To give them independence and then agree to protect them from their own folly and the strong nations of the world would be dangerous to us and ruinous to them. If the time ever comes when we grant independence to the Philippines, then let it be complete and unconditional. We did not go in there of our own volition, but we would be untrue to our trust and untrue to civilization and untrue to ourselves to turn those islands loose under any conditions whatsoever. [Applause on the Republican side.]

I agree with the gentleman from Illinois [Mr. MANN] that we should not think of granting independence to the Philippines at this time, and I do not believe the time will ever come when we could. I agree with him that our highest duty is to give them fullest liberty and make them our friends. Talk of independence now can only do harm and hold out hope to the Filipino people that will not be realized. The Democratic Party will talk independence for political purposes, but they will never vote it for the same reason. It is perfectly safe for the Democratic Party to promise that they will grant independence when "a stable government is established." Behind

that phrase the Democratic Party can dodge and hide as long as they will. Such promise is nothing but a delusion and a snare to the Filipino people. Such promise is intended to mislead the people of the Philippines. The youngest of those now in the islands will not live to see the fulfillment of that Democratic promise, nor any real attempt to fulfill it.

Mr. JONES. Mr. Chairman, I yield five minutes to the gentleman from Indiana [Mr. GRAY].

Mr. GRAY. Mr. Chairman, several years ago, in reading the debates in Congress, I observed the statement of one of those who spoke for the policy of benevolent assimilation in the Senate, and I well remember his words. He said there were mountains of gold in the Philippines, and that they were ours forever! I am glad that I have an opportunity to participate in erasing the stain of that declaration from this Nation.

Mr. Chairman, they tell us that we are holding the Philippines for their own good and not ours. This plea of benevolence for others is a subterfuge as old as history. Every man who has enslaved another man has enslaved him under the claim that it was for the benefit of the slave. Every nation that has conquered and subjugated a defenseless people has conquered them under the claim that it was for the benefit of the subjugated. Every burden and iniquity that has been heaped upon the weak by the strong has been under the claim that it was for the benefit of the weak. [Applause on the Democratic side.]

And the claim made here is only a repetition in history, when they tell us now that the Filipinos do not desire independence. It is only following in line with a policy of justification as old as the rule of force and might, and it has ever been thus. The slaves have never desired their liberty if we are to take the word of the slaveholder. The conquered have never desired their freedom if we are to take the word of the conqueror. They have always asked for their own slavery and subjugation and a continuance of their thralldom and their captive state. Such has ever been the claim of the disciples of benevolent assimilation. [Applause on the Democratic side.]

It is a matter of history that when we acquired the Philippine Islands the life of Washington and the history of the American Revolution were found scattered broadcast over those islands. [Applause on the Democratic side.] Following in our example, they, too, were dreaming of liberty and independence, but, alas, only to awake in the grasp of a phantom they were following for deliverance. I believe that liberty and self-government can be better taught by example than by conquest and subjugation; that men will follow with glad hearts where they will resent force and coercion. The mission of this Government is not conquest and subjugation. It is to preserve the principles of self-government at home and promote popular rule abroad. That is our mission, and it is a great and glorious mission.

Mr. Chairman, it is true that some men are wiser than other men; it is true that some men are more intelligent than other men; it is true that some men have a greater fund of information in store than other men; but no man is so much wiser, or so much more intelligent, or in possession of so much greater store of information than other men, that he is entitled to tell another man what that other man likes, or what is good for him, or how he should live or love or worship, or to govern him against his will and consent.

The eloquent pleas, the brilliant advocacy, and the tireless activity of the Commissioner from the Philippines [Mr. QUEZON] for the independence of those islands is a full, complete denial, a conclusive rejection and disproval of this subterfuge and transparent apology for holding these people against their will and consent on the ground that they are incapable of self-government and are not asking for a government of their own.

But our retention of these islands is not only in violation of inalienable human rights and in disregard of the fundamental principles of our institutions, but it is and will be a continuing drain upon our Treasury, a menace to our peace among the nations, and a jeopardy to our security and very national existence. In case of war, these far-away islands in the Tropics, 10,000 miles across the sea, could only be defended, if defense was possible, at an appalling cost in treasure and an awful sacrifice of the lives of our citizens.

And if it was justifiable for us to withhold liberty from these people on the ground of their own well-being, we are precluded from such denial to them by our solemn vows before the world in matters of human rights and by deeds of our forefathers, who consecrated their lives to the principle that all just powers of government are derived from the consent of the governed. We are precluded by our declaration of the rights of men, which we read in the indelible hues of the Stars and Stripes waving from every flagstaff on land and unfolding from every masthead on the sea, in the great Dome of this Capitol, lifting the symbol of our devotion heavenward, in the Mounment to Washington, standing out in its dizzy heights against the sky, and in the hearts of 90,000,000 of people, throbbing with the pride and honor of their own freedom and independence before the world. [Applause on the Democratic side.]

Mr. TOWNER. Mr. Chairman, I yield five minutes to the gentleman from Washington [Mr. BRYAN].

Mr. BRYAN. Mr. Chairman, during this Congress I have taken great pleasure in voting on pretty nearly all of the great administration measures with the President of the United States, and I am glad I did so; and if I had the whole thing to do over again, I would vote the same way. [Applause on the Democratic side.] But I would not vote for this preamble to this Philippine bill. I would prefer to change my vote on any measure that I have voted on in this Congress than to vote favorably on this Philippine preamble. I think it is wrong in principle. I believe that it is violative of the very purposes that the Government should have in mind in developing its policy in the Pacific Ocean. Aside from the fact that it will disturb conditions over there and make those people uncertain, if it were binding upon us, it would commit us to a policy that is likely to be destructive of ourselves and of our own rights. Why was it that we took the Philippine Islands? The gentleman just spoke of history and what history said about it. I suppose you will accept Woodrow Wilson as a good authority on history, and you will accept his chronicles as those of an impartial historian. Here is what he said was the reason why President McKinley favored the taking of the Philippine Islands and why they were taken; I quote from his book on Epochs of American History, page 344:

> One of the principal reasons that President McKinley had in mind for demanding the Philippines was furnished by the fact that at this time the Empire of China seemed to be tottering to its fall and that the powers of Europe were even then parceling out the prospective spoils. We already had considerable trade interests with the Orient, and the President was persuaded that these might be largely increased if we could but acquire a vestibule thereto somewhat similar to that which England had had at Hongkong for years or that which Germany had just acquired at Kiaochow. But the Philippines once acquired, the very example which had suggested their acquisition seemed now of dangerous import for American interests For if, in addition to obtaining naval stations and ports of entry to the Chinese Empire, the powers of Europe should proceed to partition its whole vast area and population among themselves, the next step would naturally be the exclusion by each of all others from its respective allotment, and the upshot of the matter would be that the United States would find itself possessed of the Philippines, indeed, but, so far as Chinese trade was concerned, more entirely out in the cold than ever. In brief, the acquisition of the Philippines carried with it as a corollary American championship of the integrity of China and of the "open door" to Chinese trade.

The taking of the islands was popular. The American people backed it up, and, as all will remember, when the treaty came up for approval and it took two-thirds in the United States Senate to approve it, and they lacked two or three votes, Mr. William Jennings Bryan came across the country as the representative of Democracy at the time and urged the adoption of the treaty, and the treaty was adopted.

Mr. Chairman, there is a race issue in the Pacific Ocean beside which the race issue of the South pales into insignificance. The Japanese possess intelligence, they possess ingenuity, they possess ability in all lines that the Negro race never dreamed of and never will dream of if this world lasts for a million years. I want us to live at peace with Japan, and I believe we can do that very thing if we follow the chart that nature and destiny has marked out for us and refuse to falter and waver. If we let the world know that we have a policy and that we will live up to it, there will be no trouble. But those people on the Pacific Ocean are confronting us, they are confronting the white race on the Pacific Ocean, and we are compelled to maintain that we have the right to restrict their immigration into our country. We claim that we have the right to limit or exclude them, and at the same time we have the right to the trade of the Orient——

Mr. SLAYDEN. Will the gentleman yield for a question?

Mr. BRYAN. Make it short; I have only five minutes.

Mr. SLAYDEN. If we have the right to keep them from coming into this country, then have not they the equal moral right to keep us from going into their country?

Mr. BRYAN. If the gentleman believes that he would not be taken as a patriot on the Pacific coast. He would not be recognized as a patriot on the Pacific coast if he takes the position that we have not the right to shut the yellow race out from our country any more than they have the right to shut out our trade and ships of commerce. We let them come here to trade, but we can not attempt to amalgamate with them.

Harper's Weekly of June, 1913, tells in a dramatic way of a short speech of a farmer member of the California Legislature that silenced all opposition to the alien land bill and insured

its passage despite the protests and the pleas of the President and the Secretary of State.

My neighbor is a Jap—

Said the farmer member—

and he has an 80-acre fruit farm next to mine. He is smart and industrious, and I do not dislike him. He has a white woman living in his house. On that white woman's knee is a baby. Now, what is that baby? Is it white? Is it Japanese? I will tell you what it is. It is the beginning of the biggest race problem that the world has ever known.

The bureau of vital statistics of Sacramento, Col., in the year ending May, 1913, recorded 276 births of all nationalities. Of these 107 were Japanese, and half of that number were born of white mothers and Japanese fathers.

Lucile F. Dawson, who has resided in Japan for some years and made a close study of Japanese and oriental problems, writing for the Square Deal for October, has this to say:

In Tokyo, Yokohama, and Nagasaki, where the largest number of English-speaking people reside, there have been several of these international marriages, and in almost every instance the children of such unions have been degenerates. A Japanese teacher in an American school at Nagasaki is authority for this statement. She further said that upon investigation as to the cause of this degeneracy they found in every case both parents to be of the better class of Japanese and Occidental. Few of the European or American men intermarry with the Japanese women, but a great many white women marry Japanese men of the noble and Heimen classes. This latter class is between the classes we have in the United States and the nobility and are just as exclusive as the latter. It was this class whose courage, valor, and devotion to Japan were so admirably displayed during the Chinese and Russian wars. Yet, with some of the best blood of the Anglo-Saxon race and the healthiest and best of Japanese blood in their veins, American school statistics in Japan show these children to be not only backward but physically degenerate.

Another reason why the Japanese are so desirous of intermarrying with the better class of Caucasians is because of the physical inferiority of the Japanese people. Centuries of isolation, the exclusive use of vegetable food, climatic conditions, and intermarriage have had the effect of bringing about a lack of physical vigor and a race of small-statured people, a well-defined difference which characterizes the Anglo-Saxon, Celtic, and Teutonic races, a difference the ambitious Japanese is keenly cognizant of. And they are just as ambitious to remove this badge of inferiority from their race as they are to excel in warrior prowess.

Except England, there is no nation as aristocratic as Japan. From its first era there has been great distinction between the noble and ignoble classes, a condition which occidental influences have been unable to entirely eradicate, and which is as strong in the heart of the Yeta as it is in the heart of the great nobles. All classes point with pride to the fact that Japan is the only nation where the reigning imperial family has descended from time immemorial to the present, in one unbroken line of succession, the present Emperor being the one hundred and twenty-second of the imperial line.

They will tell you with pride what great statesmen they are and that as yet they have never been conquered by any other nation and, furthermore, they never will be. As we are the youngest nation in the world they will explain how impossible it is for Americans to be their superior, and how inferior our form of government is to theirs. The very lowest caste Japanese considers himself the superior of any American, and American customs, religions, and ideas of morality are far inferior to those of Japan, according to the Japanese lights.

It is to be hoped that we will never have war with Japan or China or with any other power concerning our Pacific interests. But our possessions in the Pacific exclusive of the Philippines have forced upon us certain obligations to which we must be faithful. The climax of our entire scheme in the Pacific is the open door in China. We stand for the territorial integrity of China and for the absolute freedom of all nations to trade in China on an equal basis. This policy is so fair and reasonable that we have been able to enforce it heretofore through diplomacy. Every step of history seems to accord with this policy. England is compelled to favor it, and it seems now that Germany is to be converted to it, and very likely Germany, after the termination of the present war, will be one of the strongest supporters of the policy. Japan may chafe some under the enforcement of the open door at times, but it almost seems that

That increasing purpose which through the ages runs

is with us in the enforcement of the open door in China. The Commonwealth of Australia, the Dominion of New Zealand, and the Dominion of Canada stand as controlling factors so far as the policy of England is concerned. These dependencies of England, which are practically free and independent Governments, will always support us in this open-door policy and in the maintenance of Caucasian authority in the Pacific. The instant that proposition is challenged by Japan, that instant the alliance between England and Japan must fall, or Canada, Australia, and New Zealand will turn against their mother country and stand with us. It seems that the God of Nations has willed it this way, has carved out this destiny for us, and put us in a position where we can stand for the highest ideals of altruism in our dealings with China and Japan and the Philippines, and yet can work out our own destiny and aid in fulfilling the most worthy and the sincerest ambitions and longings of the race, as well as promote stability and insure peace.

We are a peace-loving people. We do not care to emigrate to Japan or China, either, if they do not want us there. We do not want to own land in Japan. We do not want to crowd Japanese schools with American children and young men. We do not shut our doors to Japanese trade. We have a good friend in China, and our position as to the open-door policy and the preservation of the integrity of China insures a lasting friendship. By maintaining our position in the Philippines we can meet the falsehoods that may be circulated; we can demonstrate our American character to the orientals. I think it an awful mistake to throw hindrances in the way by lauding the Aguinaldos as the George Washingtons of the islands, by encouraging insurrection and discontent by titles to acts and by silly and vain preambles. Such procedure is little short of shameful.

JEALOUS NATIONS TRIED TO ELIMINATE US.

It has been said that we acquired the Philippines and paid $20,000,000 for them because Germany was negotiating with Spain for them. I do not know whether that is true or not, but if it was true, I think it was sufficient reason for us to close the bargain and not allow Germany to get that foothold in the Pacific under conditions that then existed. I am very much inclined to give credence to the report. Here is a statement that has an indirect bearing on the subject, made by Woodrow Wilson in Epochs of American History, page 344. After writing of European jealousies against us in the Spanish-American War, the author says:

It failed, but the jealousy that underlay it found expression now and then in more petty ways. In Manila Bay, for example, Admiral Diedrichs, of the German squadron, which had been dispatched thither after Dewey's victory for no adequate reason at all, became so officious that Dewey offered him "a fight if he wanted it," with the result of bringing such annoyances to an end.

Mr. Chairman, every man worthy of a seat in this House has his own individual views on the great economic, moral, and industrial questions of the day. I was brought up in the State of Louisiana and was taught Democracy as one of the fundamentals; yet as I came to manhood and paid closer attention to political arguments and party pretensions I observed that Democracy in Louisiana involved mainly a race issue and pride of southern history. I was not wanting in loyalty on either of these scores. But I also observed that on the great economic questions on which the parties differed the leading Louisiana Democrats were just as much Republican as they were Democrat. They were protectionists in so far as the tariff involved the customs rates on sugar, lumber, and rice. No Payne or Aldrich could put too much tariff on either of these products to suit these Louisiana Democrats. On labor issues, on money legislation, the Louisiana Senators and Members of Congress in that long-ago day were as standpat as Wall Street or the "infant industries" would have them.

After three years of Theodore Roosevelt as President I emigrated to the State of Washington. On the "paramount issue" of imperialism I had been dubbed Republican by one of my best friends, who is now one of the leaders of the party in the State of Louisiana, and when I landed on Puget Sound I was easily enthused on the destiny of America in the Pacific and the Orient. I gloried in the plans for extension of American influence in the Far East. Parker was running against Roosevelt, and the Democrats were holding their noses and voting for Parker. I at once became a Roosevelt supporter.

One of the main features that controlled my views at that time was the straightforward plans of Theodore Roosevelt and his advisers to take care of American interests and the interests of the Caucasian race in the Pacific. I had been brought up with a race issue dinning in my ears, and so I readily adapted my views to this new race issue. I believed in the expansion of trade and the extension of influence in the Pacific. The people of the country voted against a retreat from our position in the Pacific, and the people to-day are of the same opinion. Nobody knows any better than the Democratic leaders that the people of this country do not want this Nation committed to a policy of retreat and backdown in the Pacific, and so they come here in the face of the Democratic platform and are expecting to force through this House as a lame compliance with a platform pledge this title and preamble to their Philippine bill, which will be no part of the bill and will have no separate existence and will therefore be nothing.

The bill starts out with a falsehood and an attempt at deception when it is presented to Congress and to all who may read it hereafter with these words of introduction which compose its title:

A bill to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands and to provide a more autonomous government for those islands.

Yet there is not in the bill one word declaratory of "the purpose of the people of the United States as to the future political status of the people of the Philippine Islands."

If there were any doubt as to this proposition, the statement of the gentleman from Tennessee [Mr. GARRETT], of the Committee on Insular Affairs, who has been aiding the chairman of that committee in presenting this bill, would clear all doubts. On October 2 the gentleman from Texas [Mr. BURGESS] offered an amendment to be incorporated in the act as a new section, attempting to declare the purpose of the people of the United States as to the future political status of the islands, so as to take from the title of the act its falsehood and deceit by making it speak the truth. There was no question about the Democratic orthodoxy of the proposed amendment. The gentleman from Texas offered the following letter, written last January, on that point:

JANUARY 28, 1914.

MY DEAR BURGESS: I remember well your speech on the Philippine resolution in January, 1906, and was very favorably impressed then, and subsequent study has brought the fixed conviction that your resolution is the solution of the problem. It ought to be passed, as it not only accords with the last Democratic platform, but is based on the soundest and wisest principles.

Your friend, CHAMP CLARK.

But hear the distinguished Tennesseean [Mr. GARRETT]:

Mr. Chairman, I am well aware of the great thought which my friend from Texas [Mr. BURGESS] has given to this question. The amendment which he offers is an exact copy of a resolution introduced by him in 1904 originally and which has been reintroduced at each succeeding Congress and has been before the Committee on Insular Affairs ever since I have been a member of the committee. I am in a large measure in sympathy with part of the sentiment of the resolution; but I respectfully submit to the membership of the House that it has no place at this point or at any other point in this bill.

Speaker CLARK has a trait, rather unusual in some quarters, of standing up for and defending what he believes in, so he asked the gentleman from Tennessee this question:

Why is not this Burgess resolution just as pertinent to this bill as the preamble which is on it now?

To which question the gentleman from Tennessee replied:

Mr. Chairman, if it were in proper form offered as an amendment to the preamble, I would not undertake to say that it was not pertinent to that, although it contains a direction, while the preamble only contains a recitation; but it is offered as an independent section, section 1½, to the legislative part of the bill. You do not want to say by an enactment of law that it is the preference of the United States to do so and so.

Yet the title declares just precisely the opposite:

THE TITLE OF THE ACT.

A bill to declare the purpose of the people of the United States as to the future political status of the Philippine Islands and——

MR. GARRETT OF TENNESSEE.

You do not want to say by an enactment of law that it is the preference of the United States to do so and so.

Of course, nearly every Member of this House agrees with the gentleman from Tennessee, that we ought not to put into this bill such an enactment, yet when the motion is made, as it will be, to amend the title by striking out of it that portion which contains the false statement that the bill is to "declare the purpose of the United States to do so and so," the committee will oppose the amendment. They want that false pretense in the title and want to vaguely incorporate it in a series of whereases, entirely outside of and not a part of the bill. If it is not a part of the bill and is not fit for enactment in the bill, why put it in the title? And why oppose amending the title so as to make it obey that commandment which reads after this fashion, "Thou shalt not pattern the words of thy mouth after the words of Ananias"?

In the effort of this committee to placate and please the followers of Aguinaldo and a number of good men in the Philippines, who are ambitious to establish a petty kingdom or a republic in the Far East and to fool themselves and the people of the United States into believing that they are keeping their platform pledge, they put this "recitation," as the distinguished gentleman from Tennessee calls it, in the title and before the enacting clause of this bill. If they were to put it where it would have to be signed by the President, the Secretary of the Navy would beg, the Secretary of War would plead, and the Secretary of Commerce would urge, and the President would say to the members of the Cabinet, "Do you suppose I would be silly enough to sign such an enactment as that?"

It would be the very acme of absurdity to make such a declaration. If when I first went to the State of Washington I felt deeply on this subject, that feeling has been intensified by residence on the Pacific coast.

There is plenty of room on the Pacific for the yellow race and the white race, but we are sure to have trouble if we dilly-dally and fail to let our purpose be known. I would not deprive Japan of any credit due her for her marvelous development. We want to keep her friendship and we want to adopt a fair and friendly course with Japan. But we must have a fleet in the Pacific to guarantee the open door in China and to protect American interests.

Is the open-door policy less important now? Are the interests of the Caucasian race less important at this juncture? Is our duty to maintain an equilibrium in the Far East and to preserve peace any less pronounced now?

Are we a nation of quitters? Are we going to flee for our lives? When we get out of the Philippines, are we going to get out of the other islands and out of Alaska? The whole propaganda is absurd. I do not blame the Democrats for keeping such a disgraceful policy out from under the enacting clause of any bill, leaving it where it is vain and void; but the manly, decent thing to do would be to stand firm for American sovereignty in the Philippines, for the open door in China, and for the white man on the Pacific.

Mr. JONES. Mr. Chairman, I yield to the gentleman from the Philippine Islands [Mr. QUEZON].

Mr. QUEZON. Mr. Chairman, it would be foolish, were it not so pathetic, to say, as does the gentleman from Washington [Mr. HUMPHREY], who preceded me on the floor, that the Filipino people do not want independence to-day and that they would not even desire it in the future when they really become capable of self-government. That, however, is not a new statement. It has been heard before now in every country and it has been availed of by every tyrant. No ruler can ever be made by any evidence to believe that his subjects want to be free from his yoke. The speech of the gentleman from Washington has been delivered before in more or less the same words before the House of Commons in England, the difference being that his people, not mine, were at that time struggling to be independent, while the British lawmakers were there asserting that those people did not want independence. The American colonies were then said to be, as the Filipino people are now said to be, led astray by unscrupulous, selfish politicians, who were wont to exploit and enslave their own people. Why, Mr. Chairman, how any man can say that the Filipino people, having defied, because they wanted to be independent, the greatest and most powerful Republic upon this earth, knowing when they did so that they would unavoidably be crushed in that unequal struggle, do not now want to be free is beyond my comprehension.

The CHAIRMAN. The time of the gentleman has expired.

Mr. JONES. I yield to the gentleman two minutes additional.

Mr. QUEZON. Is the committee unaware that thousands upon thousands of men drawn from all walks of life died in that destructive war while their wives, daughters, mothers, and sisters continued to urge the survivors to persevere until the whole nation was very nearly annihilated? Does the gentleman from Washington believe that that war was a joke, and that we went into it as a matter of amusement? How can he say that Filipinos will not want independence when they are capable of self-government? What an amazing theory, and yet it seems to be believed in and proclaimed by many statesmen as almost self-evidently true. If people do not want independence when they become capable of self-government, it must follow that no independent nation is capable of self-government. Indeed, I am almost inclined to accept that idea, and so to accept the view of the gentleman from Washington, when I see some of the most enlightened nations engaged in war, each killing the citizens of the other by scores of thousands, and each destroying wealth belonging to the others, thereby inflicting upon humankind more injury during a few months of their gigantic struggle than all the harm and destruction that the so-called incapable countries, with their petty revolutions, could cause in a century. But, Mr. Chairman, I shall not detain the committee in the closing hour of this debate by entering upon discussions of this sort. The arguments which proceed from such premises as those I have cited are outworn, obsolete, and completely out of date. Every boy in school knows how to answer them. I shall, in discussing the preamble of this bill, address myself exclusively to the views expressed by the distinguished leader of the minority, the gentleman from Illinois [Mr. MANN].

Mr. Chairman, the gentleman from Illinois takes the position that the preamble of this bill should be voted down, and that the legislative provisions of this bill should be amended so as to give the people of the Philippine Islands a government still more autonomous than is provided for in the bill. The gentleman's opposition to the preamble is placed squarely on the ground that the United States should forever retain the Philippine Islands, because such retention will provide this country with an important resource in a supposedly forthcoming struggle—commercial and perhaps military and naval—between the East and the West, while such retention would also prove beneficial to the Filipino people themselves. The gentleman is

convinced that with the granting of such an autonomous government as he suggests the Filipino people will grow more friendly to the United States and will be content to remain under American control.

Mr. Chairman, opposition to the preamble based upon the considerations stated by the gentleman from Illinois is worthy of serious attention and deserves to be met on its own ground. Let me say, before I reply to the gentleman from Illinois, that I have been particularly pleased with his remarks. His views and mine are, of course, widely and completely apart; but I give him credit, and I feel under obligation to him for not following the old line of insincere argumentation that has heretofore caused such shame and anger in the minds of the Filipino people, and that starts with the assumption that we are wholly incapable of governing ourselves or that we are an unpatriotic people, whose favored classes are eagerly watching for and taking advantage of every opportunity to abuse, mistreat, and exploit our fellow citizens, so that we must be ruled by more intelligent and more public-spirited foreigners. I am grateful to the gentleman from Illinois for his candor and openness, and I am sure my people join me in the sentiment. I know that his remarks will not be indorsed by a single Filipino; but, on the other hand, they will certainly not be resented by my countrymen. It was a businesslike presentation, composed of great thoughts elegantly clothed with apt expressions—this speech of the gentleman from Illinois. Yet I fear that the basic premise of his position is false, and that therefore the whole structure of his Philippine policy must fail to endure the test of time and of past experience.

I have noticed, Mr. Chairman, that, comprehensive as the speech of the gentleman from Illinois was, he failed to discuss—indeed, he apparently never gave a thought to—the one question which must be answered before his views can be accepted by analytical minds. That question is this: What would the United States do should the Filipino people, after they have been granted autonomy—complete domestic autonomy, if you please—still demand independence? Would the United States still insist, in such a case, upon keeping the islands, against the will of their inhabitants, under the sovereignty of this Nation? Would the United States, if necessary, resort to force to compel the Filipino people, under those circumstances, to continue subject to the American flag? Would the retention of the Philippines under such circumstances be an aid to the United States in such a forthcoming struggle as is predicted by the gentleman? The gentleman from Illinois did not deem it necessary to ask himself this question, because he took it for granted, as he stated it on this floor, that after you have given the people of the Philippine Islands complete autonomy, larger and greater autonomy than this bill confers, as he would gladly have you do, the Filipino people would become your good friends and would therefore no longer desire independence.

Mr. Chairman, I do not doubt, in fact I am sure, that the Filipino people will become your friends, your very good friends, after this bill is enacted. They would, however, be still more friendly to you if a measure providing for more autonomy, such as the gentleman from Illinois has suggested, should be passed. But I fear that the gentleman from Illinois is mistaken when he thinks that the Filipino people after the enactment of such a bill would prefer to remain forever a self-governing colony of this country. The gentleman seems to forget that the enjoyment of liberty makes people crave for more liberty still, and that the progress of nations toward freedom when once the first step has been taken does not cease until complete sovereignty has been attained. I do not pretend to be a prophet or even a statesman, and I shall not ask that my prediction—which after all is but a prediction that, like others, may prove to be mistaken—I shall not ask that my prediction be given more weight than the prediction to the contrary which has been offered by the gentleman from Illinois. Of one thing, however, I am sure, as sure as I am that I am alive and standing upon this floor now. That is, that if the Filipino people should ever surrender their ardent desire to be free from the United States, it would not be after the enactment of the bill that the gentleman from Illinois proposes and the defeat of the preamble of this bill as he suggests. Mr. Chairman, the gentleman from Illinois makes the realization of his hope an impossibility when he asks that the preamble of this bill be voted down—that preamble which confirms through a congressional declaration the promises heretofore made by the Executives of this Nation and by other representative American statesmen. If you defeat this preamble, in spite of the existence of such an autonomous government as you may confer upon the Filipino people, you will not make them your friends. If you defeat this preamble you will thereby at once lose the confidence of the people of the Philippines, and perhaps even their respect. Friendship and respect can only exist among nations as among men when the conduct of those who have entered into relations with one another is free from all suggestion of bad faith. The breaking of a promise, the disregard of past pledges, is a sure cause of distrust and of disrespect.

Mr. Chairman, again and again the people of the Philippine Islands since the first American commander landed at the city of Manila have been told by the representatives of this Government in those islands that the United States was in the Philippines for the sole purpose of helping the Filipinos to establish the foundations of their independent national life. Those promises have been reiterated by the Chief Executives of this Nation in their messages both to the Filipino people and to the American Congress. Mr. Taft, Mr. Roosevelt, and Mr. Wilson in official documents that are recorded in the archives of this Government have each and all made such declarations. The Filipino people have taken the words of those officials at face value, regarding them as the words of the American people themselves, whom the Presidents I have enumerated represented when they made these declarations. To-day the American Congress is asked not to ratify but to repudiate those words and those declarations. And on what ground? On the ground that you need the aid of the Philippines that you may emerge victorious from a supposedly forthcoming conflict—commercial or armed—for the control of the Pacific. What effect, Mr. Chairman, would the action of this Congress exert upon the Filipinos should the advice of the gentleman from Illinois be heeded? The Filipino people would at once take the defeat of the preamble of the bill as a convincing proof that this Nation would repudiate the promises it early made whenever it might be to her interest to do so. After such a repudiation had occurred, how could any man ever expect the Filipino people again to have confidence in the American Nation? What would be the advantage to be gained by the enactment of a law establishing an autonomous government in the Philippine Islands if the Filipino people could not feel secure in the free and everlasting enjoyment of that autonomy, or if they must forever fear that, inasmuch as you repudiated your promise of independence made when you did not think the Philippines a commercial or strategic asset but changed your opinion on this subject when conditions made it convenient, you might in like manner establish another kind of government whenever you thought it best for your purposes to do so? Ah, Mr. Chairman, without confidence, without faith, always fearful of what might happen in the future, how could anyone expect the Filipino people to be contented and thus ask it to remain under the American flag?

There is another consideration so obvious that I note with surprise that so learned a student of human nature as is the gentleman from Illinois could have forgotten or overlooked it. Does the gentleman forget that the one fact whose invariable truth has been repeatedly demonstrated since God created the first man is that human kind always prefers forbidden fruit? So long as you tell the people of the Philippines that they can never be independent, so long will you be adding fuel to their already burning desire to be independent.

Mr. Chairman, perhaps the gentleman from Illinois, with his farsightedness, with his statesmanship, with his ability to look clearly into the dim and cloudy days of the far-distant future—qualities that fortune has not given me—is right in his expectations and his hope that the day will some time come when the Filipino people, after having been granted control of their domestic affairs and after having thus lived for so many years under the American flag—that would then mean to them the sovereignty of a strong and friendly nation, not the despotic rule of a tyrant master—may prefer to be permanently a self-governing colony of this empire rather than a free and independent republic born by this mother of republics. But should that ever happen, it would be only after the preamble of this bill had received congressional approbation; only after the Filipino people had been told by the American people through its constitutional representative—the Congress—that they may if they so desire be some day an independent and sovereign nation. Then, and only then, the Filipino people, reassured as to your good faith, convinced that whatever you may pledge yourself to do is assured of fulfillment when once the pledge is given, no matter whether your selfish interests do or do not dictate otherwise—then, and only then, may the Filipino people of their own free will and spontaneous volition decide that they prefer to maintain a permanent political relationship with the United States. And then, and only then, can that relationship be beneficial to both peoples, a real protection to the Philippines and a source of strength to the United States.

Mr. Chairman, the gentleman from Illinois [Mr. MANN] cited the present relations between Canada and Great Britain as an illustration of what would surely come to pass were the Philippines to be granted full autonomy in the administration of their

domestic affairs and were this preamble to be defeated. He called the attention of the committee to the spectacle offered by that self-governing colony in hastening to the aid of her mother country in the great war now raging in Europe.

In the first place, I can tell the gentleman that it is too premature to assert now that the political ties between Canada and Great Britain will never be severed. Who is wise enough to predict that when Canada shall have increased sufficiently in population and wealth she will still prefer to be a colony rather than a sovereign nation? But whatever may be the permanence or the character of the relations between England and Canada, they would offer no evidence as to what will be the course of future relations between the United States and the Philippines. Two very essential circumstances in the relationship between England and Canada are absent in the case of the United States and the Philippines. In the former case there exists a community of race and of origin. Second, and perhaps more important still, England has never felt called upon to violate the pledge of her Government or any of her premiers in order to proceed with her colonial policy toward Canada. No promise of independence was ever made to the Canadian people, and therefore the element of international distrust has never disturbed the mind of the Canadian people. The present connection of Canada with England has been the natural outgrowth of a political tie whose severing never was thought of or announced.

Mr. Chairman, that is all I intend to say in connection with the speech of the gentleman from Illinois. I believe I have demonstrated for his benefit and for that of those who think with him that the only way to accomplish their purpose, if it could ever be accomplished, is by voting for this preamble and trusting to the future the development and determination of the final relationship between the United States and the Philippines. The retention of this preamble does not necessarily mean that you must grant the Philippines their independence, since, without being faithless, you could still retain your sovereignty over the islands should the Filipino people themselves, by common understanding with you, so desire, as the gentleman from Illinois thinks they might some day do. To those who assert that they do not want to retain the Philippines forever under the sovereignty of the United States, but that they would not vote for this preamble now because they do not believe that the day has yet arrived when independence should be granted, I say, if they are sincere in their protestations, they should vote for this preamble, because its language does not grant independence now, but simply states what they themselves admit to be their desire and their purpose. To those who believe in immediate independence I say that they should vote for this preamble because, while it does not grant immediate independence to the islands, it nevertheless does promise independence, and it is a long and decisive step toward actual independence.

Mr. Chairman, I shall now pass to another topic. Within a moment the committee will vote upon the bill, and I wish to say a word of sincere and deep-felt appreciation of the manner in which the membership of the committee on both sides of the House have acted in the consideration of this measure. I am personally obliged to them all for the unfailing courtesy and kindly consideration with which they have listened to my words and have received my suggestions. My people are likewise indebted to you, Mr. Chairman and gentlemen of the committee. They owe you a debt of gratitude that will last during all the years to come as long as the Filipino people live, because, no matter what they do and how hard they try, they will never be able to discharge that immense obligation. For, after all is said, we are only an episode to you; you have lived and developed into what you are—a rich, enlightened, powerful commonwealth—without us; nay, without even knowing of us. Those ties that cause and explain the existence of sympathetic interest between peoples of different nationalities do not bind you to us—the ties of race, of common origin, of kinship. Whatever may be said as to whether we need you or not—whether we need you always or temporarily—there can be no question that you will be and continue to be what you are, occupying either with or without us the same leading place among the powers of the world you now do and doubtless advancing faster without us. The salaries that a handful of American employees draw from the Philippine Government are of no concern to you as a Nation. What part you may now or in the future take in the development of our trade you may as well enjoy it without responsibility for us. And yet, I have had one more occasion to see during the debate of this bill the true regard that you feel for the Filipino people. Yes, Mr. Chairman; I have had confirmation during the consideration of this bill for what I said at the opening of the debate. Referring to the remark of the gentleman from Minnesota [Mr. MILLER] that the Democratic Party had not kept faith with me, I said that not only had the Democratic Party kept faith with me, but that all parties—yes, every party in the United States—seem to be trying to do what they can for the Filipino people.

Mr. Chairman, the plane on which the members of the Republican side of this House have pitched their opposition to this bill has been a high one. Save some rather unedifying political maneuvers of a kind that seems to be unavoidable in every legislative body, and save certain unpleasant allusions to a past happily ended or that never existed except in the imagination of a few people, the whole trend of the debate, the remarks that have been made on both sides, the feeling among the Members which I have closely watched, all went to show conclusively that those who are for the bill and those who are against the bill have alike been prompted by the honest belief, by the upright motive, that their attitude was demanded by the best interests of the Filipino people themselves.

I wish, therefore, Mr. Chairman, to offer the most cordial thanks not only to those who have the credit for bringing forward this bill, but also to those who opposed it on so noble a ground. I wish to thank Democrats, Republicans, and Progressives alike. I wish to express to the American people my strong gratification that through the consideration of this measure, important as it is for the welfare of my people and so decisive for their future, the good will of this Nation toward us has been once more manifested through all its representatives, irrespective of party politics.

Mr. Chairman, when I return home it will be my pleasure, as well as my duty, to tell my people that you are really our best friends—every one of you. There is only one difference, so far as I have been able to see, between the Democratic Party and the Republican Party—I say nothing of the Progressive Party, because it has not in its own capacity as a political body had opportunity to deal with us—and that difference is this, that the Democratic Party in trying to do by us what it thinks is the best is more precisely in accord with our wishes, while the Republican Party in trying to do by us what it thinks is best is disregarding our wishes. Since, in my opinion, every nation, like every individual, knows better than their neighbor what is best for them, it would seem that the Democratic Party is in all probability the one that will do precisely what is best for us.

The Republican Party was in power during the first 14 years following American occupation of the Philippines. During that time Republican Congresses were able to enact without being obstructed by the then existing minority legislation that accomplished some good things for us. The organic act which gave us the assembly, and the Payne-Aldrich bill which increased the opportunities of our farmers and our merchants, are the two most important elements in this legislation. It is proper, Mr. Chairman, that the minority should now cooperate with the majority. I hope, therefore, Mr. Chairman, that the minority will find it convenient and wise, although withdrawing their approval if they so prefer, to let this measure pass unhindered, and also allow it speedily to become a law. And should it become a law we shall write with the fervor of gratitude in the annals of our country a glorious page bearing the names of the Members of the Sixty-third Congress. [Applause.]

Mr. TOWNER. Mr. Chairman, I yield five minutes of time to the gentleman from North Dakota [Mr. YOUNG].

Mr. YOUNG of North Dakota. Mr. Chairman, I offer this amendment, which I desire to have read in my time.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Preamble, second paragraph, third line, after the word "islands," insert: "ceded to the United States Government by the treaty of peace concluded between the United States and Spain on the 11th day of April, 1899, the boundaries of which are set forth in article 3 of said treaty."

Mr. YOUNG of North Dakota. Mr. Chairman, while section 1 was under consideration I made some remarks upon the desirability and importance of limiting the declared purpose of the United States to the territory ceded in the treaty referred to in the proposed amendment just read by the Clerk, thus leaving for future determination the disposition of the small islands of Cagayan Sulu, Sibutu, and others obtained from Spain by separate negotiation and purchase in 1900. I attempted at that time to show why it would be unwise to destroy at this time our freedom to legislate in the future with respect to these small islands, located hundreds of miles away from the Philippine Islands, which are in no proper sense a part of the Philippine Islands. I shall therefore not pursue that subject further now.

Mr. Chairman, while legislation for the Philippine Islands is important and is well worth while, still there has been no very great pressure or demand for it. We have spent enough time upon this measure to have considered and passed a rural credits bill. The call of the banks was heeded, and the banking and currency bill was passed, and they have passed back the plate for a couple of helpings since, and are again knocking at the doors of Congress for additional legislation. During all this time the farmers have been waiting—patiently, I was going to say—but that is hardly the word. They are waiting with great impatience for Congress to strike from them the shackles of excessive interest charges upon farm mortgages.

This anxiety and unrest upon the part of the farmers is forcibly set forth in a letter by Hon. David Lubin, the well-known representative of the United States at the International Institute of Agriculture, Rome, Italy, where he has rendered incalculable service to American agriculture. Mr. Lubin writes, under date of September 28, 1914, to a Member of this House, as follows:

Commenting on your several communications, I wish to say that you should have a serious talk with the Democratic leaders of the House, so that if they see their way clear they may exert proper effort in having House Joint Resolution 344 immediately passed by the House and by the Senate.

Apart from anything that has been said in the hearings, I would add the following:

1. The strength of Germany is directly due to the "Landwirtschaftsrat."

2. It can be easily adapted and adopted in the United States.

3. It would eliminate the trusts.

Please remember that I did not invent this "Landwirtschaftsrat"; it is no brilliant inspiration of mine; I am simply a reporter, and as such I tagged after the administrations of Roosevelt and Taft to take this up. They did take up something, but it was a faint shadow with no substance. So I sent out thousands of documents written so that the farmer "with mud on his boots" could understand.

And when the farmer began to squirm Mr. Taft, toward the end of his term, began to "get busy," but his cry was in an incomplete shape and went out entirely too late.

Then the Democratic Party came along and took hold of the lines and promised to give the farmer rural credits. The promise was given on the "give-me-liberty or give-me-death" style. The farmers were to have rural credits immediately, if not sooner. The farmer was to have the best and first place in the legislative trough, a trough to be supplied with good and rich legislative slops. He was to have it sure, right then and there; and the first installment was to be rural credits. "Sink or swim," "live or die," the farmer was to have it sure. Rural credits was his. The Democratic Party affirmed this over and over and over again. And a Democratic majority has now been in session for a longer period than any session ever in the history of the United States. So there was plenty of time for the Democratic Party to deliver the goods to the farmer. But, let me ask, what has the farmer got from this same Democratic Party up to this minute? What has he got in the form of rural credits? Do you know? Does anyone know? But perhaps this party has something practical up its sleeve for the next session in November. Well, if it is in the form of the Bulkley-Hollis bill, then it will all end in smoke.

There is a rural credit plan that can be adapted which is practical—the Landschaft. If we could make inquiries at this minute in Germany, we would find all other rural credit systems smashed; we would find the Government bonds depreciated, but we would find the Landschaft bonds just as they were before the war. The Democratic Party should have worked on the Landschaft, but it has not even caught onto a faint knowledge of what it is.

And now, to return to House joint resolution 344, if the Democratic Party allows this resolution to go into innocuous desuetude, it will prove itself truly to be the possessor of the long ears that we frequently see it pictured, for just as sure as the Democratic Party allows this "Landwirtschaftsrat" matter to go by default, it will be picked up and taken up by the Republican Party. What effective use this can be made of in practical politics will be evident to you if you will read over the hearings, and read it quietly, and pick out point 1, point 2, say, up to all the points that will count, and you will have a respectable number of counts, invaluable on the stump, invaluable in the papers, and damaging to the party who had the opportunity of handling this matter, but who either overlooked it by reason of a sluggish brain or, worse yet, for fear of offending the trusts; for, mark you, this proposal gives a death blow to the trusts, as you know, and as nothing else can do.

I presume that you have been informed that Creasy and his executive committee are now applying to the farmers generally for funds. Now, the greater part of these funds will, no doubt, be used in informing the farmers on this matter, in sending them, if you please, the hearings and other similar documents. In fact, a copy of this very letter is going to be sent to them, which they may send broadcast.

And now, and for all these reasons, as there is a short period yet of the session of this present Congress, there is ample opportunity to rush House joint resolution 344 through both Houses, provided, of course, that it is the will of the powers that be that this should be done.

Will you be good enough to inform me just what you propose to do in the matter; or, better yet, what you have done and what others have done, and what they have not done and what they would not do?

Mr. TOWNER. Mr. Chairman, is the time to read the amendment taken from the time on this side?

The CHAIRMAN. One minute.

Mr. TOWNER. That was merely to read the amendment.

The CHAIRMAN. Yes; but the gentleman asked to have it read in his time.

Mr. MANN. He offered it as an amendment.

Mr. SLAYDEN. But time was yielded to him.

The CHAIRMAN. Yes.

Mr. SLAYDEN. Time was first yielded to him.

Mr. TOWNER. Very well. I now yield one minute of my time to the gentleman from California [Mr. CURRY].

Mr. CURRY. Mr. Chairman, this bill, among other things, proposes to provide a better system of government for the Philippine Islands; and, so far as that feature is concerned, it is an improvement on the present system. The objectionable part of the bill is the preamble, which is skillfully worded and misleading. If adopted, it will be understood by the oriental Filipino mind and by other oriental peoples as a positive promise of speedy independence. The qualifying sentence of when "they may be better prepared to fully assume the responsibilities and enjoy all the privileges of complete independence" will not be construed by them as postponing indefinitely their independence. They are capable of instituting an independent government now, although they may not be strong enough to maintain their independence and protect the islands against foreign aggression and annexation.

Their capacity for self-government may not be according to the American standards, but they could institute a government suited to their own lights and needs and degree of civilization. They would adapt their government to the conditions of life, habits of thought, and occupations of their people as affected by the climate, soil, and products of the islands, and their commercial and political intercourse with foreign States.

The adoption of the preamble to this bill will invite trouble, for if it should be adopted and the Philippines be not granted their independence within the next four or five years political agitators in the islands could easily incite an insurrection, which might have at least the moral support of the Orient behind it.

I will vote for the bill if you will strike out the preamble, or I will vote to grant the islands immediate independence if their people want it, provided the United States Government makes it plain that when once we withdraw from the islands we will not be drawn into a war on their account, that we will not protect them with force of arms against foreign aggression or annexation or domestic insurrection. Or I will vote to grant the Philippines independence under an international agreement entered into by the United States and other great powers—if it is possible to arrange such an agreement—guaranteeing in perpetuity the status of the islands as a free and independent state.

If the Philippine Islands were contiguous to the North American Continent, I would never vote for their separation from the United States. But they are located about 8,000 miles from us across the broad Pacific Ocean. They are peopled by an alien and nonassimilable race, with different habits of thought and mode of living. The climate is humid, hot, and to the Caucasian is enervating and unhealthful.

The possession of the islands is a source of weakness and danger, and they are of no material benefit to us as a dependency. Our trade relations with them could be made as advantageous if they were an independent nation as they are as a colonial possession.

I conceive that governing people as subjects and holding lands as colonial possessions is contrary to the genius of our free institutions.

We should strike out the preamble to this bill and, now that the question is before Congress, fix a definite time for Philippine independence or provide for their ultimate assimilation into the Union, first as Territories and then as States.

The Philippines as a whole is not a sparsely settled backwoods country. They number about 3,141 islands, ranging in size from 1 square mile to 40,969 square miles, which latter is the size of the island of Luzon. The actual land area of the islands is 115,026 square miles, or equal to that of the New England States added to that of New York and New Jersey.

The United States census of the islands in 1903 gave them a population of 7,635,426, mostly Malays; 7,000,000 are to a degree civilized, some of them highly civilized, and a few of the highest degree of culture. The wild tribes and non-Christian people numbered 647,740. Foreigners numbered about 50,000, of whom three-fourths were southern Chinese. There is no restriction on immigration into the Philippines, but there are very few Japanese in the islands, as its climate is as unadapted and unhealthful to the Japanese as it is to Americans.

Exclusive of the Army there were 8,135 Americans in the islands, nearly one-half of them being located in the city of Manila. The United States Census Bureau estimated the population of the islands in 1912 at 8,460,052. The density of population is about 76 per square mile. In continental United States it averages 26 per square mile. The population is made up of 25 different tribes, speaking 16 different native dialects.

Nearly all educated natives speak English or Spanish, or both, in addition to the language or dialect of their tribe. Seventy newspapers are published in the islands. The United States Government instituted the American system of public schools.

About 450,000 scholars are enrolled, and 7,671 teachers are employed, of whom 658 are Americans and the balance Filipinos.

During the year ending June 30, 1913, the Philippines imported from the United States merchandise amounting in value to $25,360,646 and exported to the United States $21,010,248 worth of merchandise. During the same period the total exports of the islands amounted to $33,834,438 and the total imports amounted to $30,948,498.

America has done much for the Filipino people. She freed them from the Spanish yoke by force of arms, and then paid Spain $20,100,000 for them. Under American rule the inhabitants of those islands for the first time in their history are safe in the enjoyment of their life, individual liberty, and property, and are protected from exploitation; and common schools are maintained for the education of their children, notwithstanding which they seem not to be satisfied with our government and desire to set up a government of their own, which I am perfectly willing they shall do with the understanding that when we withdraw from the islands our Army and Navy will not be used to protect them from foreign aggression or domestic insurrection.

Now, that the question is before Congress, we should in plain language declare the status of the islands and our intentions toward them, and not try to fool the people by the adoption of the preamble to this bill, which is only a string of whereases of glittering generalities couched in diplomatic language and, so far as the independence of the Philippines is concerned, may be construed in the light of future events to mean anything or nothing.

Mr. JONES. Mr. Chairman, I yield to the gentleman from Texas [Mr. SLAYDEN].

Mr. SLAYDEN. Mr. Chairman, I admire the frankness with which the gentleman from Washington [Mr. BRYAN] goes to the very meat of this matter.

He frankly admits the commercial appeal. He does not disguise the fact that the interest which he and his people have in the retention of the Philippine Islands is the possibility of gain from the connection. He is not like other gentlemen who have indulged in speech on this question and who get up here with nauseating cant and humbuggery, plain to everybody, which ought not to deceive a child, and tell us they want to retain the Philippine Islands and govern the Filipinos for the good of the Filipinos themselves. Surely, Mr. Chairman, no intelligent man can believe any such stuff as that. I thank the gentleman from Washington [Mr. BRYAN] for having spoken so very plainly on that question.

Mr. BRYAN. Will the gentleman yield just a moment? You come from the South. The race proposition is not purely commercial, is it, there?

Mr. SLAYDEN. Mr. Chairman, the gentlemen from the Pacific coast are playing with fire. They are frightened by the prospect of a remote and improbable assault from a people who are hardly more than half our numbers and 6,000 miles away. They compare what they conceive to be theirs with the importance of other race problems, which I could but have not time to discuss. I have sympathized with them in their race problems, and I want to build up a barrier between the people of this country and alien races, when the association may lead to domestic or international trouble. I am in sympathy with them, but, sir, I shall not indulge in the humbuggery of saying that I do not want to sever the tie that binds that country to this, and which was not brought about by a mutual agreement at all, but put upon the Filipinos by force of arms, by saying that I am acting in their behalf.

Mr. Chairman, the gentleman from Washington wants—and he states it frankly, for which I am obliged to him—to prevent Asiatics from coming into this country, but he wants to keep open the door swinging in that direction. He wants the privilege of going to the Philippine Islands and other Asiatic countries, no doubt including Japan, if he framed the thought that was in his mind, for the purpose of exploiting those people and those countries, and at the same time he wants to shut them out of this. Now, Mr. Chairman, I have always believed that there must be reciprocity in international affairs if we are to go along in comfort and in pleasant relations with the other peoples of the world. The Lord has given us a large portion of this globe, the fairest and best of it, I believe—in the Temperate Zone—suited to the people of our race and suited to our genius, and we should stay here and cultivate our own vineyard rather than precipitate troubles by trying to trespass on the rights of other people who are also created by the same Lord and given their share of inheritance in the world. [Applause on the Democratic side.]

Mr. Chairman, any child ought to see that by going into Asiatic exploitation, by undertaking to exercise the rights of government in those far-away parts of the earth, we are inviting trouble.

It is amazingly inconsistent, Mr. Chairman, and sure to bring disaster for us to demand privileges for Americans which we do not accord other people. It is morally wrong and the height of political folly.

The gentleman from Washington says that the people on the Pacific coast have a race problem compared to which that of the Southern States pales into insignificance. The gentleman also says that he was brought up in the State of Louisiana and taught the fundamentals of democracy there. When I realize the opportunities of his youth and see how far he has gone astray in his maturity, I begin to doubt that the tree inclines as the twig is bent.

He says that the people of Japan are intelligent, that they possess ingenuity and ability in all lines, that they are proud, that they have an ancient aristocracy, and he gives us to understand that they are quick to resent an affront.

If the people of Japan are intelligent, and they certainly are, they can see and appreciate an act of injustice, and I believe they would regard the application of the political views of the gentleman as a gross act of injustice. What right have we to demand from them what we are unwilling to concede to them?

I repeat now what I said to the gentleman from Washington, what I said when I interrupted his speech. We have no right to demand admission to Japan, except upon precisely the same conditions on which we are willing to admit them to our country. That is a plan of operation which ought to appeal to the spirit of fairness of everybody.

And in that spirit of fair play I hope to see this Philippine question considered. It is not inconsistent with trade development. Indeed, I think the exact reverse is true. Real commercial expansion, the only sort with which, in my opinion, we should be concerning ourselves, is based on a mutually beneficial trade. Americans ought to be the last people to take any other view. Our ancestors resented the efforts of a British Government to govern the American Colonies for the sole benefit of the British people, and out of that resistance grew the Republic of the United States. A hateful overlordship did not conduce to trade then on this continent, and it will not do it now in Asia or elsewhere. We ought to have learned a lesson from our experience in South and Central America, where, in spite of proximity and similar political institutions, we have not very successfully competed with Europe. That failure has been largely due to suspicion of our political designs. Distrust and dislike do not make a good start for trade.

This bill does not go as far as I would like. It does give the Filipinos a scheme of government which is good, if ours is, for it is largely a duplicate, but above and beyond that it promises them in the preamble, which so disturbs Republicans and the hybrid offshoot from that organization, liberty and independence.

It is to the credit of the Filipinos that in the presence of superior armed forces and under the weight of government imposed by remote and alien people they have never ceased to declare their hope of ultimate independence.

I rejoice in the fact that there are in this country still an impressive number of people who clamor for liberty, justice, and fair play. I hope that clamor may never be hushed, for when the voice of protest against the violation of American fundamentals like those found in the Declaration of Independence is stilled, our own liberties will not merely be in peril, they will be lost.

As I have said several times in the course of this debate, this bill is merely the first step in a program of justice, a program which will end in the complete independence of the Filipinos. The establishment of a Philippine government will open to us an opportunity of retiring from adventures which are not pleasing to our own people, which are repugnant to the Filipinos, and which needlessly took us into the range of possible oriental conflict.

I see the Chairman has the gavel in the air, and I will close by saying that in my judgment the way to teach people to be independent is to give them independence. Liberty is not promoted by locking people in prisons. [Applause on the Democratic side.]

Mr. TOWNER. Mr. Chairman, I yield 10 minutes of my time to the gentleman from Ohio [Mr. FESS].

Mr. FESS. Mr. Chairman, the cavalier statesman of Texas—and that term is meant as complimentary—a moment ago stated that he was glad that certain Members did not deal with humbuggery, and he insinuated that the men who have claimed that the United States is maintaining an American occupation in the Philippines for the benefit of the Filipino are talking humbug. Now, I do not believe that this gentleman, who I do not think

is inclined to impugn motives of men, has any ground for stating that those who insist that the American occupation there shall continue on the basis of the good to the Filipino as well as to the benefit of the world at large are talking humbuggery. I do not believe that that is a fair statement. In 1898 we received the Philippines as the result of a war which was not our own choice, the results of which were not of our own choosing; but when we received those islands we received an obligation with the islands, and there was no possibility of our performing that obligation by setting the islands free, and thus guaranteeing them what some persons might think they ought to have. Our duty compels us to fulfill the obligation, stay there as we have thus far done, and do a work the like of which the world has never seen before, and I am sure not since.

Mr. SLAYDEN. Will the gentleman permit me a question?

Mr. FESS. Yes.

Mr. SLAYDEN. Mr. Chairman, I want to say that I believe if there is a man on the floor of this House who is sincere in wanting to retain the Philippine Islands for the benefit of the Filipinos, it is the gentleman from Ohio. I think he is deceived. But with reference to the obligation which he says we inherited as a consequence of that war, does he not believe we have cherished that obligation as an opportunity for exploitation?

Mr. FESS. I do not.

Mr. SLAYDEN. I do.

Mr. FESS. I do not only say "no," but I say you do an injustice to the American people when you thus criticize our people after they have done the most remarkable piece of work, from the standpoint of cosmopolitan philanthropy, that the world has ever seen. [Applause on the Republican side.] There is no other case in the history of the world where a great Republic, with a people within its grasp, devoted its energy, its talent of brain and of heart, and its economic policies, to the good of the people, as in the case of the Government of the United States in its dealings with the Filipinos.

I have learned why the preamble is insisted upon; several Members have stated it. But I think it ought to go out of the bill, first, because it is totally unnecessary. The lawyer from Tennessee [Mr. GARRETT] who will speak later, will say the preamble can not be a part of any law. That being the case, in the name of goodness, why is it made a part of this bill? No other constructive measure, whether Federal or State, neither the Federal Constitution nor any State constitution, has a preamble in it, for the simple reason that the preamble is no part of the instrument. If it is no part of the instrument, then why put it in? I am opposed to it, first, because it is no part of the instrument, and as such can have no legal significance; and then, secondly, I am opposed to it because its results will be vicious. It will raise false hopes in the ambitious. It is misleading. And I am opposed to it, in the third place, for the reason that my friend from Kentucky [Mr. HELM] says they put it in because it is the will and testament of the Democratic Party to these people. My friend from Kentucky used harsh words in his reference to our treatment of the people of these islands. I can not understand the viewpoint of a Member who in reference to the American occupation and its results would employ the metaphor he used. His statement would indicate the American policy should be condemned at the very moment it is receiving the plaudits of all the world except the members of the majority party. The position he has taken to make this measure a Democratic will to the Filipinos deserves scrutiny.

Members of this House, can you justify writing a partisan platform into the terms of a measure designed to govern these people? That is what you intend to do. You have so stated in giving your reasons for the bill at this time. You have put in the beginning of the bill a preamble which you admit is no part of it, but is meant to maintain your pledge. It is the Democratic platform written into it. It is putting the legislation on the low plane of partisan affiliation. This legislation ought to be above that level. Both sides of this Chamber ought to be free from that charge. The Republican policy is to free this legislation and all insular legislation from partisan politics. This preamble, on the other hand, intending to write the Democratic platform in the bill, does not keep your promise as made. It is misleading as a Democratic promise, because whatever your purpose may be this preamble does not keep your promise. In 1900 you promised not what is in this preamble. You promised three things: First, to guarantee a stable government; and, secondly, independence; and, thirdly, to extend the Monroe doctrine over those islands. Those promises are not in the preamble.

I wonder whether anybody has noted the significance of attempting to extend the Monroe doctrine into the Asiatic islands? It would be the most serious single step that this Nation could take. If you say to Europe, "You must stay out of Central America and South America," how can we extend to the Asiatic islands the same protection, exemption from European colonization, unless we do it in agreement with other countries?

That is the promise you made in 1900. You repeated it in 1904, only changing the phraseology, saying that we ought to do with the Philippines what we did with Cuba. You repeated it again in 1908, and you have virtually repeated it in 1912, only two years ago.

But, Democratic Members, hear me. That platform that promised three specific things—stable government, independence, and guaranty of neutrality—you refused to write into this law, for the gentleman from Texas [Mr. BURGESS] introduced that very plank, and you voted it down in this House 4 to 1 the other day; and you raised the point of order to-day, and refused to allow it to come in. The Democratic policy has been specifically stated to do three things, all of which you rejected the other day and refused to accept to-day.

The Republican policy, on the other hand, has been not to promise, but simply to go on and do the work and fulfill the national obligation that came to us as the guardians of the islands.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. TOWNER. Mr. Chairman, I yield to the gentleman five minutes' more time.

The CHAIRMAN. The gentleman from Ohio is recognized for five minutes more.

Mr. FESS. Some one suggested a few moments ago that these people yearned for liberty. I rather think that that statement is true. Certain people yearn for liberty. But, my friends, you confuse liberty and independence. The two are not the same. Liberty can only come from regulation. There is no such thing as liberty without law. Liberty under law is real liberty. Liberty not under law is license. Mexico has no liberty, has she? I think my friend from Texas [Mr. SLAYDEN] would admit this, and he will also admit that Mexico has independence, and with the kind of independence she exercises she has lost her liberty; and in the degree that the independence of the Mexicans has been recognized they have forfeited their liberty.

I want to cite to you some striking examples: Australia has liberty, but not independence. New Zealand has liberty, but not independence. Canada has liberty, but not independence. Mexico has independence, but what can you say about her liberty? The Filipino has at this moment greater liberty in his participation in local government in over 700 towns than he would have if there was independence there.

Some one rose a while ago and said it is not a matter of what we think that we ought to fasten upon the people of the Philippines, but it is what they want. Now, my friends, that is a proposition that I resist. I say that it is a foolish statement, that the ward must control the action of his principal by his own wishes, his caprices, as it may be. The principal is acting in the interest of his ward, and what the action of the principal is is not to be determined by the mere wish or caprice of his ward. The principal ought to do what, in his judgment, the interest of his ward would command, and not the caprice of the ward. These 8,000,000 Filipinos now under the American Government, having seen in 16 years the most marvelous progress of any nation in the world, when viewed then and now, are at this moment enjoying such a participation in local self-government as other countries with independence do not enjoy. And as long as the American system will stay there in the interest of the Filipino, he will be secure in his enjoyment of liberty.

I want to repeat again: When I vote against this preamble I will vote against it, not because it was proposed by this Congress, and not because it has not been proposed by a Republican Congress, but because, first, it is useless; second, it is unnecessary; third, it is ill advised; and, fourth, it is vicious in holding out false hopes to the Filipino, stirring him, making him think that he has independence, and you here stating that he has not. My friends, I must vote against it, and my vote will be directed by my view of duty to the Filipino, and not by any other reason. [Applause on the Republican side.]

If the preamble were omitted, I should not withhold my support of the measure. The body of the bill is an attempt to increase participation in government, and is a step nearer to that goal. But any attempt to hold out to either the Filipino or the world that the United States will abandon these islands is too preposterous a proposition for me to support. Under the circumstances under which we assumed the obligation the

Republican Party could not indorse this piece of Democratic jugglery.

Mr. Chairman, the Philippine Islands came to us as a result of war. Their possession by us was the least of our intentions when we took up arms against Spain in behalf of humanity. The irony of the situation is revealed by the inconsistency of mankind. When the Republican President of the country was doing his utmost to hold at bay the dogs of war, Democratic leaders, in and out of Congress, were loud in their condemnation of the lack of backbone of McKinley. When at last the war was on, and Spain was driven from Cuba and the Philippines, these same leaders, or many of them, denounced the President for accepting the results of war.

Before the war began they denounced the head of the Government for his inaction. When the war ended they denounced him for his action. Even to-day we hear from irresponsible babblers the Philippine policy referred to as "horrible carpetbag government."

The Republican Party showed the courage necessary to complete a work that was once begun. After having driven Spain from the islands, it did not sulk behind the flimsy excuse of irresponsibility to withdraw the majesty of the Republic and leave those islands as rich prizes to be exploited by whatever government that might set up a claim to them.

The Republican Party looked upon the situation as a national obligation to the Filipino created by our arms. That obligation the party has steadily fulfilled. The fulfillment has up to date occupied 16 years of constructive nation building. These years offer a challenge to the world. They will record the most advanced methods of modern civilization exemplified in any section of the world. These years will reveal a consecration of talent of brain and heart and sound business methods never before displayed by a superior toward an inferior people. The record thus far is made up. The past at least is secure. The future is dependent upon the contingency of a Democratic administration now tampering with the welfare of those people.

What has been the attitude of the party now in power toward the Philippine problem?

As I said before, two years after those people became our wards the Democratic Party declared against the Republican policy and demanded three specific things: The United States must guarantee a stable government, Philippine independence, and extend the Monroe doctrine over the islands.

It goes without saying that so long as the United States remained in control all of these features were assured. But the Democrats demanded our withdrawal, and at the same time our guaranty of conditions which would not permit our withdrawal, a most glaring inconsistency not only in fact, but in terms as well.

In 1904 the party in convention assembled virtually repeated its declaration of four years before.

In 1908 it reaffirmed its former position, and in 1912 repeated it.

Four times in national conventions the party now in power denounced the Republican policy in the Philippines, which, outside of the Democratic junta, has won the admiration of all the world, and as often has declared for independence and neutralization of the islands.

To-day the party controls all the lawmaking machinery of the Government.

It has a majority in this House equal to the entire minority, and is capable of steam-rolling any sort of a measure it sees fit to propose. It controls the Senate with less ruthless methods. It has the Executive, or rather it better be said, the Executive has it, for to an onlooker the Congress is little more than a Punch and Judy performance. Its performance under the new rôle is a splendid exhibition of "Babes in Toyland."

Now, with the entire machinery within complete control of the party which for 16 years has denounced Republican rule, and which has demanded independence and neutralization, in platform and on the stump, what does it propose?

This bill, which, outside of the preamble, is but a copy of the organic act of 1902. Aside from a few minor items, the bill is the Republican organic act of a dozen years ago. The only Democratic feature of it is found in the preamble, which is the one mischievous item in the entire work.

The bill proper does not have a single item of independence or neutralization in it.

It does not only avoid these items, but, as I before stated, when the Member from Texas [Mr. BURGESS] offered his amendment looking to fulfilling the various promises made in at least four national campaigns the Democratic House voted down the amendment 4 to 1.

What has become of these promises made when the party was out of power? Then its function was denunciation. Now, when all power is in its hands, what does it offer? It falls back in this case, as in most others, upon Republican laws as a basis for operation, and offers the empty promise in the form of a preamble which can not be a part of the law.

Here we have the striking example of the incompetency of this Congress. For the first and only time, so far as is known in history, we are offered an organic act for the government of a people with the platform of a political party affixed as a preamble.

To say nothing about the mischievous results of attempting to stamp a partisan significance upon a plan of government of eight millions of people by adding a party platform to the law, and the equally dangerous step which places a new weapon into the hands of ambitious politicians to be employed in their efforts of propaganda, what should be said of a Congress which is willing to write a promise as a part of the law which it concedes can not be any part of the law, and thus deceive millions of people as to the significance of the promise?

No man will deny that a preamble has no legal effect. It is no part of the law to which it is affixed. If it can not be effective, what is the purpose of affixing it? Whatever be the purpose, it can have but one effect, namely, mislead the people for whom the law is written. On the face of the law it appears as a part of it, to become effective. In reality it can not be a part of it and can have no legal effect. To the Filipino it says independence is granted when stable government is established. He asks, When is that? If not now, then you give us nothing we have not had before. The one difference between Republican and Democratic policies is, Republicans seek performance and Democrats are satisfied with promises.

Mr. Chairman, I look upon this preamble as a most vicious innovation in legislation. As before stated, it is the only case of its kind in legislation of this sort, so far as I know.

From the Federal Constitution of 1787 down to the last State constitution—of Ohio, in 1912—numbering more than 60 documents, all told, so far as I can ascertain not a single one contained a preamble. This is not confined to the State constitutions, but extends to the territorial governments of the various States, to Alaska, Porto Rico, Hawaii, and the Philippines. True it is that the Articles of Confederation of 1781–1787 did have a preamble, but all students of political science agree that this instrument was so weak and ineffective that it broke down immediately and had to be superseded within six years of its adoption. The pitiable situation is disclosed in the willingness of this House to inject an unwise, ill-advised deception as the very first act of this Congress in its legislation touching the Filipinos, not to give any legal status, which a preamble can not do, but to write a Democratic plank in the law, which can have but one effect—to hold out to the Filipino a false promise which can not be effective and can only work mischief in the islands. The Republican policy is the only wise procedure. The administration since American occupation speaks for itself. The eating of the pudding is the best proof. We have gone step by step, testing the capacity of these people for self-government. We have extended that principle as fast as men trained in that art say we can go. In 16 years wonders have been accomplished. This has been carried on without raising false issues or holding out false promises. The Republican policy is one of doing, not of promising. I here and now warn the Democratic Members of this Congress against inaugurating false pretensions, which can have no good results either for Filipinos or Americans.

If you are able to continue the wonderful work accomplished since American occupation you will be fortunate. Otherwise the future holds for you its severest condemnation.

Mr. JONES. Mr. Chairman, I yield five minutes to my colleague from Virginia [Mr. MONTAGUE].

The CHAIRMAN. The gentleman from Virginia [Mr. MONTAGUE] is recognized for five minutes.

Mr. MONTAGUE. Mr. Chairman, this bill is, in my opinion, a distinct contribution to the ultimate solution of the Filipino problem. That solution, sooner or later, must eventuate in the form of an independent and autonomous government for the people of those islands.

I say "independent," because eventually the Filipino people will have this independence, whether by voluntary action on our part or by the exercise of force on their part. In other words, sooner or later, and in one way or another, the tide of freedom in those islands will rise to the level of independence.

And on our part, Mr. Chairman, we are in no position to withhold from these people their ultimate independence. There is no place under our system of government for colonial de-

pendencies. The Constitution gives us no authority to hold territory unless for temporary purposes and for final dedication to statehood. If these islands are retained by us as colonial dependencies, then we violate our whole system of government. Indeed, Mr. Chairman, if we were right in our policy as respects Cuba, we are wrong in the contrary policy to the Philippine Islands.

Mr. Chairman, I am not for hurrying the Filipino people to independence or self-government. I would concede an abundance of time to these islanders to test their capacity for self-government. I do not think that you can fit government upon these people as you can fit a suit of clothes upon a man. I realize, as every student of history must, that governments of the same name differ widely in powers and practices. For example, the Republic of Venice was not the Republic of Florence. The Republic of Switzerland, after throwing off the yoke of Austria, was quite different from the Republic of Holland after emerging from the oppression of Spain. Indeed, the present French Republic differs from the second, and the second differed from the first, and all of these Republics differ from that of the United States.

But, Mr. Chairman, the expressions of Presidents McKinley, Roosevelt, and Taft, as well as the great current of American thought, have all been to the end that the Filipino people should have their own government, after sufficient training and opportunity to absorb American ideals and systems. President McKinley eloquently declared that forcible annexation was criminal aggression. The argument to be drawn from this aphorism is that we should assume for a time the great trust of helping these people to appreciate and understand the genius and working of self-governing institutions. If this be not so, why have we toiled and sacrificed and fought to give the Filipinos an adequate appreciation of the benefits of the Government which we have adopted and which we so devoutedly revere?

Many of the arguments, Mr. Chairman, made here today by gentlemen on the other side of this House are quite contradictory and irreconcilable. The motives underlying these arguments I do not question, though the partisanship which imputes only the base method of party supremacy or immediate party victory to this side of the House is neither creditable nor convincing in discussing a measure of this magnitude. I have great respect and good will for the gentleman from Ohio [Mr. FESS] who has just spoken; yet if his argument be sound, we have been blind leaders of the blind in that far eastern archipelago. This distinguished gentleman enumerates with zeal the contributions made by America to the education and development of the Filipino people. He seems to forget that we can not stir the passions of liberty among these people or educate them to appreciation of self-government and then restrain the influences and forces that grow out of liberty and intelligence. We can not give these people education, imbue them with the blessings of liberty, and then make no reply to their insistent and ardent inquiry as to how or when we will give them the right to stand alone among the Governments of the earth.

The policy, Mr. Chairman, disclosed on the other side of the House, consists alone in counseling delay or the suppression of any declaration of purpose or policy save an implied assent to a continuance of the existing status. When the Filipino people ask when they may expect any change, the answer on the other side of the aisle is, "Not now; wait."

Mr. FESS. Will the gentleman yield?

Mr. MONTAGUE. I have but five minutes, but I will yield to the gentleman.

Mr. FESS. I was just going to ask the gentleman whether this bill fixes the time?

Mr. MONTAGUE. I will soon come to that, but the gentleman from Ohio has just gone into refined disquisitions as to the distinction between liberty and independence. Does the gentleman think that in 1776 the American Colonies would have been satisfied with a promise of liberty from Great Britain, but a withholding of our independence at the same time? If so, there would have been no Declaration of Independence. [Applause on the Democratic side.]

I care very little for the details of this bill, except for the preamble containing the declaration of the purpose of the American people, and the torch to light the hopes and aspirations of the Filipino people. [Applause on the Democratic side.] I regard the preamble as declaring a probationary state into which the Filipino people will enter in order to demonstrate their fitness for free institutions. I construe the preamble as a substantive assurance of independence, as I construe in turn the text of the bill to lay down certain tests to determine the extent of our promise and the fitness of the Filipino people to assume that independence In other words, the preamble of the bill is an American declaration of opportunity to the Filipino people, just as the text of the bill itself gives to the Filipino people liberty, power, and opportunity to test the declaration and purposes embraced in the declaration. We declare that we will give them independence when they deserve it, and to this end we furthermore lay down certain governmental functions which we ask the Filipino people to assume and perform, and when done then the extension of free government or independence will be given them.

It was never the purpose, as it can not be the right, of the United States to withhold from the Filipino people a declaration of our purpose respecting their ultimate independence. We can not continuously say in answer to their prayers for independence, "Not to-day, not to-morrow," and so on.

Mr. COOPER. Suppose the reply is "never."

Mr. MONTAGUE. I thank the gentleman from Wisconsin, and I hope to reach his suggestion in a moment. I was about to say that I agree with the statement made on the opposite side of the House awhile ago that the promise contained in the preamble is dependent upon certain exigencies hereafter to happen. I do not shrink from that argument. I embrace it gladly. For, I repeat, the essence of the declaration contained in the preamble is not as to time, but as to substance. This declaration to the Filipino people is, to use the language of the street, when you "make good" of the liberties and opportunities given you, then we will keep our promise as to independence.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. JONES. I yield to the gentleman two minutes more.

Mr. MONTAGUE. The distinguished leader of the Republican Party [Mr. MANN] seems to voice the present attitude of his party when he declares that the Filipinos are never to have independence, but must remain always under the guardianship of the United States. He declares it is "our duty, first, to keep the Filipinos under the flag of the United States, and, second, to make them our friends." With all respect to the gentleman, his propositions are irreconcilable. You can "never keep the Filipinos" and at the same time make them your friends. [Applause on the Democratic side.] To hold people against their will and to have their friendship at the same time belong to those irrepressible conflicts ever existent in human nature.

Mr. MANN. Will the gentleman yield?

Mr. MONTAGUE. Yes.

Mr. MANN. We kept the South, and they are still our friends, I believe, which is a very good illustration.

Mr. MONTAGUE. The gentleman can not lead me into an argument of that kind, because the analogies are so wide apart.

Mr. MANN. But the gentleman will admit that the statement is true.

Mr. MONTAGUE. Will the gentleman admit that the people of the same flesh and blood, and existing on the same soil and under the same Government, are analogous to the Philippine situation?

Mr. MANN. We made them our friends, did we not?

Mr. MONTAGUE. I fear the gentleman's prejudices have confused his logic. I prefer not at this time to discuss the analogies involved in the gentleman's question.

Mr. GARRETT of Texas. The South has been far better to the Union than the gentleman from Illinois has been to the South.

Mr. MONTAGUE. Mr. Chairman, alluding to the argument of the gentleman from Ohio [Mr. FESS], I would emphasize his assertions as to what the American Government has done for the Filipinos. We have endeavored to give them American institutions, American ideals and standards, American civilization. What does this mean? It means aspirations for liberty; hopes for independence. It means public free schools; and I beg you to observe every time a book is put into one hand of a Filipino boy, sooner or later, if you withhold his independence, there will be a sword in the other hand. [Applause on the Democratic side.]

Endow liberty with intelligence, and the people will soon have a passionate glory that will eventuate in independence, even though the sword be necessary to this end.

Mr. Chairman, some rather strange arguments have been submitted during this debate. I call attention to only one at this time. It is contended that the permanent retention of the Philippine Islands under our flag is necessary as a great peace measure. That these islands, 10,000 miles from our western shores, are the sentries and the fortresses to exhibit and protect American liberty in the Pacific. Aye, that war is as certain to come between the far eastern or Asiatic races and ourselves as "the sun rises and sets," and for the necessities of our Government, for the peace and civilization of America, we must hold these islands. They are our rock and our defense in the hour of certain conflict. The answers to these arguments are

many and conclusive, but I only wish at this time to submit that distance and separation diminish as proximity and propinquity increase the causes of war. It is not, Mr. Chairman, our western continental boundary, washed by the Pacific, but our far eastern islands, close to the shores of China and Japan, that must give occasion for apprehension.

I further submit that a continuance of our possession and government of these islands will inexorably result in the establishment and maintenance of militarism of prodigious proportions, imposing immense burdens upon our people and necessarily provoking the suspicion and ill will of the contiguous nations in this archipelago.

Moreover, Mr. Chairman, basing our policy of retention upon material considerations, I submit that our commerce will be greater, our relations will be happier, when we have opportunely and wisely relaxed our hand and our guidance and given to these islands our good will and affectionate sympathies. When this fortunate day comes the altruism and majesty of America will command the respect and admiration of the civilized world. [Applause.]

Mr. TOWNER. I will say to the gentleman from Virginia that we have only one speech on this side.

Mr. JONES. Only one speech on that side? Will the Chair kindly inform me how much time remains?

The CHAIRMAN. The gentleman from Virginia has 24 minutes remaining.

Mr. TOWNER. And how much on this side?

The CHAIRMAN. The gentleman from Iowa has 18 minutes remaining.

Mr. JONES. Mr. Chairman, in opening the discussion upon this bill, now more than two weeks ago, I said all I cared to say in respect to this preamble. I showed, I think, that it does not go further in promising the Filipinos their independence than McKinley, Roosevelt, and Taft repeatedly went in declarations made by them. The only difference is that those were declarations which are not now regarded as binding upon the Republican Party, although those distinguished gentlemen were when they made them the recognized leaders and spokesmen of that party.

The gentleman from the State of Washington [Mr. HUMPHREY] has just informed us that the Democratic Party was the only party that had ever declared for Philippine independence, and he evidently seemed to think that that fact was a reproach to it.

Mr. Chairman, the only reason why, in my opinion, the Republican Party has never authoritatively and definitely—never in any national platform—declared its position upon this transcendently important question is that it lacked either the honesty or the courage to do so. [Applause on the Democratic side.]

Mr. Chairman, there are no brighter pages in the glorious history of the Democratic Party than those upon which are written the declarations of that party in favor of Philippine independence, and none that gives me more pride, for it is a source of infinite joy and pride to me that there is at least one party in this land of liberty and freedom that still believes in the principles enunciated by the greatest apostle of human liberty the world has ever produced, the ablest as well as the most courageous champion of free popular government known to ancient or modern history.

Mr. Chairman, it is enough for me to know that in favoring a declaration promising Philippine independence I am following the teachings of Thomas Jefferson and obeying the mandates of the party founded by him, which alone of all the parties in this Nation has the courage of its honest convictions. It should never be forgotten, by any Democrat at least, that it was Thomas Jefferson who gave voice to the imperishable truth that "every man and every body of men on earth possesses the right of self-government." Said he: "They receive it with their being from the hand of nature."

Mr. Chairman, the preamble to this bill but states in different words the utterance of the father of the Democratic Party that "the people of every country are the only safe guardians of their own rights." Mr. Chairman, I hold in my hand a copy of a letter received by a Member of Congress from the Hon. Francis Burton Harrison, the Governor General of the Philippine Islands, and written as recently as the latter part of August, in which he comments at considerable length upon this bill. I now desire to read one or two extracts from this letter. He writes of it:

> I believe the solid and substantial people in the islands, among both Americans and Filipinos, are generally in favor of the bill, and that it will prove satisfactory here.
>
> * * * * * * *
>
> To my mind the most important feature of the whole bill is the recital in the preamble of the intention of the United States to recognize their independence as soon as a stable government can be established therein. Without that feature the bill would be received with very, very great disappointment in the islands. It would also be a very serious disappointment to me. Ever since our acquisition of the Philippines, each administration has given to the Filipinos assurances in that general direction. To omit from the bill a statement of that sort now would seem to the Filipinos a reversal of what they have understood to be the American policy, and a failure to perform what they believed to be our promises. The result would be most unsatisfactory, indeed, and would infinitely aggravate the difficulties of the United States in governing these 9,000,000 people.

Mr. Chairman, this is what the Governor General of the Philippine Islands has to say of this bill. In his deliberate opinion, to omit such a declaration of the Nation's purpose as to the future political status of the Philippine Islands as is contained in the preamble to this bill would be a serious disappointment to him, and, moreover, would infinitely aggravate the difficulties of the United States in governing the 9,000,000 of Filipino people. Shall we then heed the words of Gov. Gen. Harrison when he tells us that the solid and substantial people in the islands, both American and Filipinos, favor this bill or listen to and be misled by the uninformed and irresponsible asseverations of those who, lacking in sympathy with the aspirations of the Filipino people for freedom, would deny to them their independence?

Mr. Chairman, I reserve the remainder of my time. [Applause on the Democratic side.]

Mr. TOWNER. Mr. Chairman, the statements that have been made here upon the floor of the House abundantly prove the truth of what I said at the commencement of this discussion and the consideration of this bill. It is a political bill, pure and simple. In its inception it is political. It was reported here for a political purpose, and it is considered here for a political purpose, and is kept here for a certain length of time for a political purpose. The gentleman who has just left the floor tells us that the Governor General, representing his party in the Philippine Islands, says that the principal thing in the bill is its preamble. It would be a great disappointment, he says, to the people of the Philippine Islands if this preamble is not passed. I wonder if that kind of statement satisfies the Filipino people? They are demanding immediate independence, and have been demanding it for years. Two years ago the chairman of this committee and the majority of this committee reported a bill which was considered to be the exposition of the Democratic position at that time—a bill in which they granted to the Filipinos independence, at least qualified independence. During a period of eight years the United States was to exercise supervisory control over them, but there was a Republic instituted. It was called the Philippine Republic. It had the form and insignia of an independent government with very few exceptions, indeed. It promised that absolute independence at the expiration of the period of eight years should be given the Philippine Government. What has become of that bill? It is not here before us to-day. There is no such bill under consideration now. There is no promise to the Filipino people of independence now, unless we are expected to take seriously the language used in the bill—that they will grant the people of the Philippine Islands independence when a stable government is established.

There is a stable government established there now, and they are not given independence. If the one established is not "stable," what kind of a government would be stable, and how can it be secured? What is the standard by which we can know when independence may be given? Gentlemen contend there is a stable government, a good government, there now. They contend that these people are able to maintain it, and yet they say, "No; we will not give it to them until they establish a stable government." But how can they establish a stable government unless you give them a chance to try, unless you give them immediate independence. That you should have the courage to do if you believe in it. If you do not, you are violating not only your promises made to them through your leaders from year to year for the last 10 or 12 years, but you are violating the promises you made to them when you drew and introduced the former Jones bill and said you intended to pass it just as soon as you had control of the Government. And you are violating your promises to them now when you say this leads to independence.

It is suggested here that the passage of this bill with its preamble will give a great satisfaction to the Filipino people. Let us see whether or not it will, and the testimony which I offer will not be impeached from the Democratic side of the House. I have in my hand the organ of the Filipino people in the United States, edited by my brilliant friend the representative from the Philippines, MANUEL QUEZON. In this, speaking to the Filipino people regarding the bill, under as late a date as July of this year, he says in the leading editorial regarding the new Jones bill:

We have thus set forth in colorless terms the significance of the new bill. That it will be a disappointment to many who had hoped that the present administration of the United States intended to effect the immediate separation of the Philippines from the domination of America, we have no doubt.

That is the good news that will be carried to the Filipino people when you pass this bill. That is the good news that will be carried to all those people in the Philippines longing for immediate independence, and believing that they ought to have it. And if in connection with that story they are told that each succeeding two years of time a new bill is introduced which grants to the Filipinos less power than its successor, the Philippine people will understand what is meant by the promises that the Democratic Party are giving to them. My distinguished friend from Virginia made a very significant statement when he was on the floor this afternoon. I allude to my friend, Gov. MONTAGUE, when he used this language:

I care very little for this bill except the preamble.

I wonder if people understand really the significance of that? The preamble is purely political, made for political purposes. It can not help the Filipino people one particle. It is not even a promise on which anybody under any circumstances can rely for anything, and yet my friend from Virginia says, "I care very little for this bill except the preamble."

Mr. MONTAGUE. Will the gentleman permit me?

Mr. TOWNER. Certainly.

Mr. MONTAGUE. The gentleman will note that I was speaking very rapidly. What I meant to state was that in the sense of proportion the preamble was far more important than the items of the bill itself, and not that I do not think highly of the text or the subject matter of the bill. Now, if the gentleman will pardon me further, he has just said, "Suppose you take less and less from the Philippines each succeeding Congress." I reply, "Suppose, more and more of the rights of free government are given by each succeeding Congress to the Philippines." What then will be the result? [Applause on the Democratic side.]

Mr. TOWNER. My good friend spoke, probably instinctively, just what his party believes and always has believed. They do not care for the Filipino people; they never did. They do not now care for the islands, and never did.

Mr. MONTAGUE. I hope the gentleman will not put me in that category.

Mr. TOWNER. No; I am not. I am speaking of the gentleman's party now.

Mr. MONTAGUE. I have not spoken of this as a party question.

Mr. TOWNER. It makes no difference whether the gentleman has or not, he has voiced his party's position, and that is what Democrats now believe. They only desire to get rid of the islands on any terms and as soon as possible. It makes no difference to them about the terms of this bill, whether it gives better government or larger liberty or greater privileges or a better chance in the world. It makes no difference to them whether they receive more education, whether they secure a greater opportunity to really enjoy liberty under the terms of the bill.

But they really enjoy playing politics with it. It is very amusing and affords opportunity for saying such fine things about "liberty" and the "consent of the governed."

Mr. SLAYDEN. Will the gentleman yield?

Mr. TOWNER. Certainly; I will.

Mr. SLAYDEN. The gentleman has made a strong indictment against the party of which I am a humble member. Does he remember the Scripture text, "By their fruits ye shall know them"?

Mr. TOWNER. Yes; I do. I remember that text well, and I want to know whether or not the Democratic Party has ever given the Philippine Islands or any man there anything that has not been under Republican laws and an adoption of Republican policies from the beginning?

Mr. SLAYDEN. Mr. Chairman——

Mr. TOWNER. I can not yield further.

Mr. Chairman, the fact is that this whole system of government that is now instituted and under which the Philippines have made this marvelous progress was formulated and instituted by the Republican Party. There has not been one single law placed upon the statute books by any Democrat at any time.

Mr. JONES. Will the gentleman let me ask him just one question?

Mr. TOWNER. I will yield for one question.

Mr. JONES. I would like to ask the gentleman if it was not the Democratic Party that gave the Filipinos the control of both branches of their legislature?

Mr. TOWNER. The Democratic Party? No. Your President merely appointed one more man on the Philippine Commission, belonging to the Filipino people, than had been there before.

Mr. JONES. Did not that give them control?

Mr. TOWNER. Certainly, it gave them control, and the control is exercised, and there has been no change in the policy of the party in the Philippine Islands. It is exercised under the laws that were placed upon the statute books by the Republicans.

Mr. Chairman, the Republican Party has been the only friend that the Filipino people have ever had. It has stood by them through all these years, giving them a continual and larger measure of liberty. It has given to them education; it has given them a real understanding of what liberty means. Under their direction the Filipino people have been enabled to make their strongest showing that they are capable of independence. I do not object to their ambition. I think it is a splendid tribute to them that they are capable of indulging in this dream, nay, this expectation, if you choose to call it such, of independence, I hope they may attain it in the future, if that is then their wish; but I hope still more that when the time comes, when they are capable of exercising the right of self-government and entire independence, they will believe that it will be better for them, as I believe it will be better for us, if they shall keep at least a measure of association with the United States. I believe that the time will come when the Filipino people will themselves realize that.

Mr. Chairman, the belief seems to exist in many minds that we can easily secure the neutralization of the islands, and that will settle the whole difficulty. I think, gentlemen can hardly understand what is meant by neutralizing the islands. Every nation in the world is perfectly willing to recognize the neutrality of the islands, but that will be of no benefit to the Philippine Islands. In order to be any protection to them you must secure a treaty guaranteeing neutrality to the Philippine Islands. But what nation will do that? Any nation perhaps that may be allowed to exploit the islands. We have never exploited the islands and we will never agree that any other nation shall exploit them. No nation will undertake to guarantee the neutrality of the Philippine Islands unless it will be to their advantage to do so. You can not expect that. Do you believe that Great Britain, or Germany, or France will assume the responsibility of guaranteeing the neutrality of the Philippine Islands unless it shall be of some benefit to them? Will they accept such a burden merely for altruistic purposes, merely for the purpose of helping the Philippine Islands? No, they will say to the United States, "You are doing that; you are taking care of the Philippine Islands; that is your responsibility; you have to guarantee their integrity and protect them. Why should we do so? That is your responsibility and not ours." They will say to us, "If there are any particular inducements you can offer, if you have any special concessions to make, if you can make it of interest to us, we may consider your proposition," and that is what it will be impossible for us ever to do. [Applause on the Republican side.]

Mr. JONES. Mr. Chairman, I would like to ask if all amendments that are to be voted upon have been offered? They should be before the closing speech is made. I will ask the gentleman from Iowa [Mr. TOWNER] if there are any other amendments to be offered?

Mr. TOWNER. I will say to the gentleman that I know of none.

Mr. JONES. They ought to be offered now, as the gentleman will understand.

Mr. TOWNER. Yes.

Mr. JONES. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. Fifteen minutes.

Mr. JONES. I yield that much time to my colleague on the committee, Mr. GARRETT of Tennessee. [Applause.]

The CHAIRMAN. The gentleman from Tennessee is recognized for 15 minutes.

Mr. GARRETT of Tennessee. Mr. Chairman, we are about to do a great thing. The distinguished but very partisan philosopher from Ohio [Mr. FESS], in company with a number of other gentlemen, has declared against the preamble to this bill. They say in one breath that they are against it because it means nothing, and say in the next breath they are against it because it means so much. Measuring their utterances in the light of the speech delivered by the gentleman from Illinois [Mr. MANN] a few days ago, I am constrained to believe that the expression in the latter breath presents the reason for their opposition.

Gentlemen know that the passage of this bill, with its preamble, means the taking of a decisive and definite step toward the consummation of an event which will be not only epochal, but unprecedented in the history of human kind—the voluntary and willing withdrawal of sovereignty by one people from over another people. [Applause on the Democratic side.]

Strange as it may seem and is, every step which has been taken toward human liberty, the natural state of man, has been taken across the forms of battle-slain dead, and blood-stained flags are the only emblems that signal across the centuries the accomplishment of fundamental governmental things. [Applause on the Democratic side.] Not from fear, but because we are just, we are ready to take this step toward the reversal of that age-old rule of cruelty and barbarism and selfishness. [Applause on the Democratic side.]

The issue has been clearly drawn here, if it had not been drawn before, by the utterances of the minority leader [Mr. MANN] in his terse but comprehensive speech made upon this floor, and it has been suggested again and again throughout the course of this debate that his speech has not been answered save by a sneer. Mr. Chairman, I shall not undertake to answer it with a sneer. I noticed that while the gentleman from Illinois was delivering that speech he looked not once upon that portrait of Washington yonder, or upon that portrait of La Fayette there. [Applause on the Democratic side.] The central thought of the gentleman's speech was that we must hold these islands forever, because a great contest, either military or commercial, is to come. If, sir, it is to be a military contest, who does not know that those islands present our one source of military weakness? [Applause on the Democratic side.] If it is to be a commercial contest, what then?

Mr. Chairman, I know something of commercial life. I have known men in the commercial world, from the smallest merchant up to those somewhat euphemistically termed "great captains of industry," and my observation has been that that merchant, whether great or small, that commercial man, whether large or little, was the most successful, was the most honored in life and in death, who acted upon principles of justice and kept his plighted faith. [Applause on the Democratic side.] Nations are made up of individuals. The type is as the person. And I say now to the gentleman from Illinois that that nation will have the fairest chance in the future contest for commercial supremacy which lives by the principles of justice and acts in the light of superb and splendid ideals. [Applause on the Democratic side.]

But I need not in my poor way attempt to answer the gentleman from Illinois. That speech was answered long before it was ever uttered. It is not necessary to go back through the misty ages that are gone and read the philosophy of the ancients; you need go no further back than the adoption of the Declaration of Independence, wherein it was declared that "all governments derive their just powers from the consent of the governed." [Applause on the Democratic side.] The speech of the gentleman from Illinois was answered by every sword ring in the hand of an American soldier in every battle of the American Revolution. [Applause on the Democratic side.]

The darkness has not yet fallen. The roll call will begin in a few moments. When it begins and before you vote suppose you gentlemen walk out upon the portico which adorns the south end of this magnificent Capitol building wherein we sit, turn your eyes to the west, and look there upon the massive Washington Monument, its peak tinted now by the evening October sun, builded to the memory of a man who stood for the principle that all governments derive their just powers from the consent of the governed, and you will find there an answer to the speech of the gentleman from Illinois [Mr. MANN]. [Applause on the Democratic side.]

I walked on Sunday last out through beautiful Arlington, under the trees all saturated and shot through with sunshine, looked upon the graves of men who died for their respective countries, and I said to myself, "Why, here is an answer to the speech of the gentleman from Illinois."

Must I go further? In the capital city of the gentleman's own State there is a mausoleum. I have never seen it, but I am told that it is simple and splendid, as befits the memory of the man whose ashes rest within it. Abraham Lincoln was the first great leader of the Republican Party. He anticipated and answered the speech of the present leader of the Republican Party when he said, "No man is good enough to govern another man without that man's consent." [Applause on the Democratic side.]

I wish, sir, that it were possible at this time, in this solemn and sacred hour, to lay aside the prejudices of the past and determine that we shall not "stain the virtuous character of our enterprise" by partisanship or factional differences. We are preparing now to tread the mountain range of human life. I wish you gentlemen on the Republican side might come up out of the murk and the fog and walk with us in the sunlight. [Applause on the Democratic side.]

Idealistic, you say? Let us grant that it is even so. I am not ashamed to support the ideals for which my fathers stood. [Applause on the Democratic side.] We shall do a great thing when we take this step; we shall do a great thing when we maintain in its purity that ideal which has been the guiding star of our own national life. We shall do a great thing, and this shall be a historic day. [Loud applause on the Democratic side.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. MILLER].

Mr. CANTOR. Can we have it reported, Mr. Chairman?

The CHAIRMAN. There are three amendments.

Mr. MILLER. I have offered three amendments.

Mr. JONES. Can we have them reported, Mr. Chairman, in the order in which they were offered?

The CHAIRMAN. The Clerk will report the first amendment offered by the gentleman from Minnesota.

The Clerk read as follows:

Page 1, after the word "stable," in line 4 of the second paragraph, insert the word "representative," so that the line will read, as amended, "to recognize their independence as soon as a stable representative government can be established therein."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Page 1, after the word "established," in line 4 of the second paragraph, insert the words "and maintained."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Page 1, after the word "therein," in line 4 of the second paragraph, insert the following: "*Provided*, That the people of the Philippine Islands shall desire their independence expressed by a majority vote of the qualified electors at the general election held next after it shall be decided that a stable government can be established."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken; and on a division (demanded by Mr. MILLER) there were—ayes 33, noes 100.

So the amendment was lost.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from North Dakota [Mr. YOUNG].

The Clerk read as follows:

In the preamble, second paragraph, third line, after the word "islands," insert the following: "ceded to the United States Government by the treaty of peace concluded between the United States and Spain on the 11th day of April, 1899, the boundaries of which are set forth in article 4 of said treaty.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Dakota.

The question was taken, and the amendment was rejected.

Mr. JONES. Mr. Chairman, under the rule I think the committee rises without any motion.

The committee rose; and the Speaker having resumed the chair, Mr. ADAIR, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands, and had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to with the preamble, and that the bill do pass.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question now is on the engrossment and third reading of the bill.

The bill as amended was ordered to be engrossed and read a third time.

Mr. MANN. Mr. Speaker, I take it that under the practice laid down in the Manual the question now comes on the preamble. The Manual says in a note:

In the practice of the House of Representatives the preamble of a bill or joint resolution is agreed to most conveniently after the engrossment and before the third reading.

The SPEAKER. The question is on agreeing to the preamble.

Mr. TOWNER. Mr. Speaker, I ask for the yeas and nays on that.

The yeas and nays were ordered.

The question was taken; and there were—yeas 214, nays 62, answered "present" 4, not voting 149, as follows:

YEAS—214.

Abercrombie	Davis	Hensley	Riordan
Adair	Decker	Holland	Rogers
Adamson	Deitrick	Houston	Rothermel
Aiken	Dent	Howard	Rouse
Alexander	Dershem	Hughes, Ga.	Rubey
Ashbrook	Dickinson	Hull	Rucker
Aswell	Dies	Humphreys, Miss.	Rupley
Bailey	Difenderfer	Igoe	Russell
Baker	Dillon	Jacoway	Saunders
Barkley	Dixon	Johnson, Ky.	Shackleford
Barnhart	Donohoe	Johnson, S. C.	Sherley
Bartlett	Donovan	Jones	Sherwood
Barton	Dooling	Keating	Sims
Bathrick	Doolittle	Kennedy, Conn.	Sisson
Beall, Tex.	Doremus	Kettner	Slayden
Bell, Ga.	Doughton	Key, Ohio	Small
Blackmon	Driscoll	Kinkead, N. J.	Smith, Md.
Borchers	Dupré	Kirkpatrick	Smith, Tex.
Borland	Eagan	Lafferty	Stanley
Brockson	Eagle	Lazaro	Stedman
Brodbeck	Edwards	Lesher	Stephens, Miss.
Broussard	Evans	Lever	Stephens, Nebr.
Brown, W. Va.	Falconer	Lieb	Stephens, Tex.
Bruckner	Fergusson	Lloyd	Stone
Brumbaugh	Ferris	Lobeck	Stout
Buchanan, Tex.	Finley	Logue	Taggart
Bulkley	FitzHenry	Lonergan	Talcott, N. Y.
Burgess	Floyd, Ark.	McClellan	Tavenner
Burnett	Gallivan	McGillicuddy	Taylor, Ark.
Byrnes, S. C.	Garner	McKellar	Taylor, Colo.
Byrns, Tenn.	Garrett, Tenn.	Maguire, Nebr.	Taylor, N. Y.
Candler, Miss.	Garrett, Tex.	Mitchell	Ten Eyck
Cantor	George	Montague	Thomas
Cantrill	Gill	Moon	Thompson, Okla.
Caraway	Gillett	Morgan, La.	Townsend
Carew	Gilmore	Morrison	Tribble
Carlin	Goeke	Moss, Ind.	Underhill
Carter	Goodwin, Ark.	Murray	Underwood
Cary	Gordon	O'Brien	Vaughan
Casey	Goulden	Oldfield	Vollmer
Chandler, N. Y.	Gray	Padgett	Walker
Clancy	Griest	Page, N. C.	Weaver
Clark, Fla.	Griffin	Park	Webb
Claypool	Hamill	Peterson	Whaley
Cline	Hamlin	Phelan	Whitacre
Coady	Hardwick	Post	White
Connelly, Kans.	Hardy	Pou	Williams
Cooper	Harrison	Quin	Wilson, Fla.
Cox	Hart	Rainey	Wingo
Crisp	Hay	Raker	Witherspoon
Crosser	Hayden	Rauch	Young, Tex.
Cullop	Heflin	Rayburn	The Speaker
Dale	Helm	Reilly, Conn.	
Davenport	Helvering	Reilly, Wis.	

NAYS—62.

Ainey	Fess	Kiess, Pa.	Plumley
Avis	Frear	Kinkaid, Nebr.	Scott
Barchfeld	Gardner	Kreider	Sells
Beakes	Good	La Follette	Sloan
Browne, Wis.	Green, Iowa	Langham	Smith, Idaho
Bryan	Greene, Mass.	McGuire, Okla.	Smith, J. M. C.
Butler	Greene, Vt.	McLaughlin	Stafford
Campbell	Hamilton, N. Y.	Mann	Steenerson
Cramton	Hawley	Miller	Sutherland
Curry	Hayes	Mondell	Thomson, Ill.
Danforth	Helgesen	Moore	Towner
Drukker	Hinds	Morgan, Okla.	Vare
Dunn	Humphrey, Wash.	Parker	Volstead
Esch	Johnson, Utah.	Patton, Pa.	Young, N. Dak.
Fairchild	Johnson, Wash.	Payne	
Farr	Kennedy, Iowa	Platt	

ANSWERED "PRESENT"—4.

Fields	Hammond	Smith, Saml. W.	Taylor, Ala.

NOT VOTING—149.

Allen	Fowler	Kindel	Neeley, Kans.
Anderson	Francis	Kitchin	Neely, W. Va.
Ansberry	French	Knowland, J. R.	Nelson
Anthony	Gallagher	Konop	Nolan, J. I.
Austin	Gard	Korbly	Norton
Baltz	Gerry	Langley	Oglesby
Bartholdt	Gittins	Lee, Ga.	O'Hair
Bell, Cal.	Glass	Lee, Pa.	O'Leary
Booher	Godwin, N. C.	L'Engle	O'Shaunessy
Bowdle	Goldfogle	Lenroot	Paige, Mass.
Britten	Gorman	Levy	Palmer
Brown, N. Y.	Graham, Ill.	Lewis, Md.	Patten, N. Y.
Browning	Graham, Pa.	Lewis, Pa.	Peters
Buchanan, Ill.	Gregg	Lindbergh	Porter
Burke, Pa.	Gudger	Lindquist	Powers
Burke, S. Dak.	Guernsey	Linthicum	Prouty
Burke, Wis.	Hamilton, Mich.	Loft	Ragsdale
Calder	Harris	McAndrews	Reed
Callaway	Haugen	McKenzie	Roberts, Mass.
Carr	Henry	MacDonald	Roberts, Nev.
Church	Hill	Madden	Sabath
Collier	Hinebaugh	Mahan	Scully
Connolly, Iowa	Hobson	Maher	Seldomridge
Conry	Howell	Manahan	Shreve
Copley	Hoxworth	Mapes	Sinnott
Edmonds	Hughes, W. Va.	Martin	Slemp
Elder	Hulings	Merritt	Smith, Minn.
Estopinal	Kahn	Metz	Smith, N. Y.
Faison	Keister	Morin	Sparkman
Fitzgerald	Kelley, Mich.	Moss, W. Va.	Stephens, Cal.
Flood, Va.	Kelly, Pa.	Mott	Stevens, Minn.
Fordney	Kennedy, R. I.	Mulkey	Stevens, N. H.
Foster	Kent	Murdock	Stringer
Sumners	Treadway	Watkins	Woodruff
Switzer	Tuttle	Watson	Woods
Talbott, Md.	Wallin	Willis	
Temple	Walsh	Wilson, N. Y.	
Thacher	Walters	Winslow	

So the preamble was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. ALLEN with Mr. ANDERSON.

Mr. ANSBERRY with Mr. AUSTIN.

Mr. CARR with Mr. BARTHOLDT.

Mr. COLLIER with Mr. EDMONDS.

Mr. CONNOLLY of Iowa with Mr. GRAHAM of Pennsylvania.

Mr. CONRY with Mr. GUERNSEY.

Mr. ELDER with Mr. HAUGEN.

Mr. ESTOPINAL with Mr. HINEBAUGH.

Mr. FAISON with Mr. HOWELL.

Mr. FITZGERALD with Mr. HULINGS.

Mr. FLOOD of Virginia with Mr. KEISTER.

Mr. FOSTER with Mr. KELLEY of Michigan.

Mr. FOWLER with Mr. SAMUEL W. SMITH.

Mr. FRANCIS with Mr. SHREVE.

Mr. REED with Mr. SINNOTT.

Mr. SABATH with Mr. SMITH of Minnesota.

Mr. SELDOMRIDGE with Mr. STEPHENS of California.

Mr. SPARKMAN with Mr. STEVENS of Minnesota.

Mr. SUMNERS with Mr. SWITZER.

Mr. TALBOTT of Maryland with Mr. TREADWAY.

Mr. THACHER with Mr. WALTERS.

Mr. TUTTLE with Mr. WOODRUFF.

Mr. WALSH with Mr. WOODS.

Mr. GALLAGHER with Mr. KENNEDY of Rhode Island.

Mr. GARD with Mr. LEWIS of Pennsylvania.

Mr. GERRY with Mr. LINDQUIST.

Mr. GLASS with Mr. MCKENZIE.

Mr. GODWIN of North Carolina with Mr. MADDEN.

Mr. GOLDFOGLE with Mr. MAPES.

Mr. GRAHAM of Illinois with Mr. MORIN.

Mr. GUDGER with Mr. MOSS of West Virginia.

Mr. KONOP with Mr. MOTT.

Mr. LEE of Georgia with Mr. NELSON.

Mr. MCANDREWS with Mr. NORTON.

Mr. NEELEY of Kansas with Mr. PORTER.

Mr. NEELY of West Virginia with Mr. POWERS.

Mr. PATTEN of New York with Mr. PROUTY.

Mr. FIELDS with Mr. LANGLEY.

Mr. LEE of Pennsylvania with Mr. ROBERTS of Nevada (commencing Wednesday, October 14, 1914, except on war-tax bill or conference report).

Mr. LEVY with Mr. ANTHONY.

Mr. GORMAN with Mr. FRENCH.

Mr. BUCHANAN of Illinois with Mr. CALDER.

Mr. LINTHICUM with Mr. WILLIS.

Mr. O'SHAUNESSY with Mr. ROBERTS of Massachusetts.

Mr. BURKE of Wisconsin with Mr. BRITTEN.

Mr. CHURCH with Mr. COPLEY.

Mr. LOFT with Mr. J. R. KNOWLAND.

Mr. WATSON with Mr. HAMILTON of Michigan.

Mr. LEWIS of Maryland with Mr. TEMPLE.

Mr. MANAHAN with Mr. GREGG.

Mr. STEVENS of New Hampshire with Mr. PAIGE of Massachusetts.

Mr. WATKINS with Mr. SLEMP.

Mr. BROWN of New York with Mr. MERRITT.

Mr. PALMER with Mr. MARTIN.

Mr. CALLAWAY with Mr. BURKE of Pennsylvania.

On the vote:

Mr. BOOHER (for Philippine bill) with Mr. KAHN (against).

For the session:

Mr. SCULLY with Mr. BROWNING.

Mr. HAMMOND with Mr. BURKE of South Dakota.

Mr. METZ with Mr. WALLIN.

Mr. TAYLOR of Alabama with Mr. HUGHES of West Virginia.

Mr. HAMMOND. Mr. Speaker, I would like to inquire whether the gentleman from South Dakota, Mr. BURKE, voted on this preamble?

The SPEAKER. He did not.

Mr. HAMMOND. Mr. Speaker, I am paired with Mr. BURKE of South Dakota and I voted "aye." I would like to change my vote and answer "present."

The name of Mr. HAMMOND was called, and he answered "Present."

Mr. FIELDS. Mr. Chairman, I desire to inquire if my colleague, Mr. LANGLEY, voted on this question?

The SPEAKER. He did not vote.

Mr. FIELDS. Mr. Speaker, I am paired with my colleague, Mr. LANGLEY. I voted "aye." I desire to withdraw that vote and answer "present."

The name of Mr. FIELDS was called, and he answered "Present."

The SPEAKER. The Clerk will call my name.

The name of Mr. CLARK of Missouri was called, and he answered "Aye." [Applause.]

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the third reading of the bill.

The bill was read the third time.

Mr. TOWNER. Mr. Speaker, I move to recommit the bill to the Committee on Insular Affairs, and on that motion I move the previous question.

The SPEAKER. The gentleman from Iowa [Mr. TOWNER] moves to recommit the bill, and on that motion he moves the previous question.

Mr. BRYAN. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Washington rise?

Mr. BRYAN. Mr. Speaker, I desire to offer a motion for a substitute.

The SPEAKER. The gentleman can not do that with the previous question pending.

Mr. BRYAN. I will say to the gentleman from Iowa this is the prohibition amendment, and I hope he will not stand in the way of it.

The SPEAKER. The question can not be debated.

The previous question was ordered.

The SPEAKER. The question now is on the motion to recommit.

The question was taken, and the motion was rejected.

The SPEAKER. The question now is on the passage of the bill.

Mr. JONES. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 212, nays 60, answered "present" 4, not voting 153, as follows:

YEAS—212.

Abercrombie	Davenport	Helm	Reilly, Wis.
Adair	Davis	Helvering	Riordan
Adamson	Decker	Hensley	Rogers
Aiken	Deitrick	Holland	Rothermel
Alexander	Dent	Houston	Rouse
Ashbrook	Dershem	Howard	Rubey
Aswell	Dickinson	Hughes, Ga.	Rucker
Bailey	Dies	Hull	Rupley
Baker	Difenderfer	Humphreys, Miss.	Russell
Baltz	Dillon	Igoe	Saunders
Barkley	Dixon	Johnson, Ky.	Shackleford
Barnhart	Donohoe	Johnson, S. C.	Sherley
Bartlett	Donovan	Jones	Sherwood
Barton	Dooling	Keating	Sims
Bathrick	Doolittle	Kennedy, Conn.	Sisson
Beall, Tex.	Doremus	Kettner	Slayden
Bell, Ga.	Doughton	Key, Ohio	Small
Blackmon	Driscoll	Kinkead, N. J.	Smith, Md.
Borchers	Dupré	Kirkpatrick	Smith, Tex.
Borland	Eagan	Kitchin	Sparkman
Brockson	Eagle	Lazaro	Stanley
Brodbeck	Edwards	Lesher	Stedman
Broussard	Evans	Lever	Stephens, Miss.
Brown, W. Va.	Falconer	Lieb	Stephens, Nebr.
Bruckner	Farr	Lloyd	Stephens, Tex.
Brumbaugh	Fergusson	Lobeck	Stone
Buchanan, Tex.	Ferris	Logue	Stout
Bulkley	Finley	Lonergan	Taggart
Burgess	FitzHenry	McClellan	Talcott, N. Y.
Burnett	Floyd, Ark.	McGillicuddy	Tavenner
Byrnes, S. C.	Gallivan	McKellar	Taylor, Ark.
Byrns, Tenn.	Garner	Maguire, Nebr.	Taylor, Colo.
Candler, Miss.	Garrett, Tenn.	Mitchell	Taylor, N. Y.
Cantor	Garrett, Tex.	Montague	Thomas
Cantrill	George	Moon	Thompson, Okla.
Caraway	Gill	Morgan, La.	Thomson, Ill.
Carew	Gilmore	Morrison	Townsend
Carlin	Goeke	Moss, Ind.	Tribble
Carter	Goodwin, Ark.	Murray	Underhill
Cary	Gordon	Neely, W. Va.	Underwood
Casey	Goulden	O'Brien	Vaughan
Chandler, N. Y.	Gray	Oldfield	Vollmer
Clancy	Griest	Padgett	Walker
Clark, Fla.	Griffin	Page, N. C.	Weaver
Claypool	Hamill	Park	Webb
Cline	Hamlin	Peterson	Whaley
Coady	Hardwick	Phelan	Whitacre
Cooper	Hardy	Quin	White
Cox	Harrison	Rainey	Williams
Crisp	Hart	Raker	Wingo
Crosser	Hay	Rauch	Witherspoon
Cullop	Hayden	Rayburn	Young, Tex.
Dale	Heflin	Reilly, Conn.	The Speaker

NAYS—60.

Ainey	Bryan	Curry	Fairchild
Avis	Butler	Danforth	Fess
Barchfeld	Campbell	Dunn	Frear
Browne, Wis.	Cramton	Esch	Gardner
Gillett	Johnson, Utah	Miller	Sinnott
Good	Johnson, Wash.	Mondell	Sloan
Green, Iowa	Kennedy, Iowa	Moore	Smith, Idaho
Greene, Mass.	Kiess, Pa.	Morgan, Okla.	Smith, J. M. C.
Greene, Vt.	Kinkaid, Nebr.	Parker	Stafford
Hamilton, N. Y.	Kreider	Patton, Pa.	Steenerson
Hawley	La Follette	Payne	Sutherland
Hayes	Langham	Platt	Towner
Helgesen	McGuire, Okla.	Plumley	Vare
Hinds	McLaughlin	Scott	Volstead
Humphrey, Wash.	Mann	Sells	Young, N. Dak.

ANSWERED "PRESENT"—4.

Beakes	Fields	Hammond	Smith, Saml. W.

NOT VOTING—153.

Allen	Gerry	Levy	Prouty
Anderson	Gittins	Lewis, Md.	Ragsdale
Ansberry	Glass	Lewis, Pa.	Reed
Anthony	Godwin, N. C.	Lindbergh	Roberts, Mass.
Austin	Goldfogle	Lindquist	Roberts, Nev.
Bartholdt	Gorman	Linthicum	Sabath
Bell, Cal.	Graham, Ill.	Loft	Scully
Booher	Graham, Pa.	McAndrews	Seldomridge
Bowdle	Gregg	McKenzie	Shreve
Britten	Gudger	MacDonald	Slemp
Brown, N. Y.	Guernsey	Madden	Smith, Minn.
Browning	Hamilton, Mich.	Mahan	Smith, N. Y.
Buchanan, Ill.	Harris	Maher	Stephens, Cal.
Burke, Pa.	Haugen	Manahan	Stevens, Minn.
Burke, S. Dak.	Henry	Mapes	Stevens, N. H.
Burke, Wis.	Hill	Martin	Stringer
Calder	Hinebaugh	Merritt	Sumners
Callaway	Hobson	Metz	Switzer
Carr	Howell	Morin	Talbott, Md.
Church	Hoxworth	Moss, W. Va.	Taylor, Ala.
Collier	Hughes, W. Va.	Mott	Temple
Connelly, Kans.	Hulings	Mulkey	Ten Eyck
Connolly, Iowa	Jacoway	Murdock	Thacher
Conry	Kahn	Neeley, Kans.	Treadway
Copley	Keister	Nelson	Tuttle
Drukker	Kelley, Mich.	Nolan, J. I.	Wallin
Edmonds	Kelly, Pa.	Norton	Walsh
Elder	Kennedy, R. I.	Oglesby	Walters
Estopinal	Kent	O'Hair	Watkins
Faison	Kindel	O'Leary	Watson
Fitzgerald	Knowland, J. R.	O'Shaunessy	Willis
Flood, Va.	Konop	Paige, Mass.	Wilson, Fla.
Fordney	Korbly	Palmer	Wilson, N. Y.
Foster	Lafferty	Patten, N. Y.	Winslow
Fowler	Langley	Peters	Woodruff
Francis	Lee, Ga.	Porter	Woods
French	Lee, Pa.	Post	
Gallagher	L'Engle	Pou	
Gard	Lenroot	Powers	

So the bill was passed.

The Clerk announced the following additional pairs:

On this vote:

Mr. LEVY (for) with Mr. GERRY (against).

Mr. SCULLY (for) with Mr. BROWNING (against).

Mr. J. I. NOLAN (for) with Mr. KENNEDY of Rhode Island (against).

Mr. SABATH (for) with Mr. GUERNSEY (against).

Mr. FITZHENRY (for) with Mr. MCKENZIE (against).

Mr. MITCHELL (for) with Mr. MADDEN (against).

Mr. FIELDS (for) with Mr. LANGLEY (against).

Mr. LINTHICUM (for) with Mr. WILLIS (against).

Mr. BUCHANAN of Illinois (for) with Mr. ANTHONY (against).

Mr. GORMAN (for) with Mr. FRENCH (against).

Mr. DIFENDERFER (for) with Mr. ANTHONY (against).

Mr. LEWIS of Maryland (for) with Mr. TEMPLE (against).

Mr. WATSON (for) with Mr. HAMILTON of Michigan (against).

Mr. WILSON of Florida (for) with Mr. STEPHENS of California (against).

Mr. WALSH (for) with Mr. Moss of West Virginia (against).

Mr. NEELEY of Kansas (for) with Mr. MERRITT (against).

Until further notice:

Mr. GALLAGHER with Mr. CALDER.

Mr. CALLAWAY with Mr. STEVENS of Minnesota.

Mr. GLASS with Mr. DRUKKER.

Mr. GODWIN of North Carolina with Mr. FORDNEY.

Mr. CONRY with Mr. PETERS.

Mr. MANN. Mr. Speaker, is the gentleman from Iowa, Mr. GOOD, recorded?

The SPEAKER. He is not.

Mr. MANN. I will not ask to have him recorded. He answered to his name; but he can correct it himself in the morning.

Mr. FIELDS. Mr. Speaker, I voted "yea," but I find that I am paired with my colleague, Mr. LANGLEY, and I desire to withdraw my vote and answer "present."

The name of Mr. FIELDS was called, and he answered "Present."

The SPEAKER. The Clerk will call my name.

The name of Mr. CLARK of Missouri was called, and he voted "yea," as above recorded.

The SPEAKER. The Chair would like to ask the gentleman from Illinois [Mr. MANN] if he asked that the gentleman from Iowa, Mr. GOOD, be recorded?

Mr. MANN. I did not; but he voted "nay."

Mr. HAYES. He stood right behind me, and voted "nay."

The SPEAKER. If the gentleman from Illinois asks that it be done, the Chair will have him recorded.

Mr. MANN. Well, he can correct it in the morning without objection, I take it.

The result of the vote was announced as above recorded.

On motion of Mr. JONES, a motion to reconsider the vote by which the preamble was adopted and the vote by which the bill was passed was laid on the table.

LEAVE OF ABSENCE.

Mr. MULKEY, by unanimous consent, was granted leave of absence for the day, on account of illness.

COTTON WAREHOUSES.

Mr. ADAMSON. Mr. Speaker, in a recent Washington dispatch to a Georgia paper announcing my introduction of a bill to relieve the cotton producers the correspondent added:

The Georgia Congressman has assurances from his colleagues of support which he believes will assure the passage of the bill.

That is a solid, honest paper, with a conscientious management. The sentence added in the dispatch is a pardonable gratuity. The optimistic correspondent, with a good heart, wished to say something pleasant, if not sensational, so he added the cheerful fabrication as to assurance of support and belief in passage. Newspaper statements attributing to Congressmen hope of securing this sort of legislation and reckless statements of politicians not in Congress have resulted in unfortunate misapprehension on the part of the people and aroused in them hope of Federal legislation. Then an effort has been made by the same newspapers and politicians to prejudice the minds of the people by alleging that Congressmen have promised to secure specific Federal legislation with definite results.

The appalling disaster visited upon the South is lamentable enough without being aggravated by the play of cheap politics and unjust charges against Congressmen, producing distrust among the people. The newspapers and politicians do not even specify any particular Congressmen as guilty of making such promises, but with a general sweep of indiscriminate denunciation charge Congress in general with being recreant in failing to provide relief for emergency conditions in the South, as though Congress, forsooth, had promised to do so. Some men assert in the papers that apathy or opposition of some southern Congressmen, without specifying which, is responsible for failure to secure relief.

On their face these statements appear ridiculous. I doubt not that every Member of Congress sympathizes with the South in suffering the irreparable blow which has fallen upon her without her fault and without warning. I believe every Representative here will agree that Members from the Southern States have been earnest and active, in season and out of season, to find some way to meet the demands of the situation. When the universal war began it peremptorily stopped the mills and closed the markets which usually take two-thirds of our cotton crop. No matter how short the war might be it came at a time when the cotton crop was ready to be placed on the market. That crop not only represented the labor of the producers but also all their credit. To supply them credit to produce that crop required all the capacity of the landlords, the supply merchants, and the local banks, and the banks strained their credit in the money centers to supply credit to the merchants and landlords. That crop, with by-products, the day before hostilities began represented considerably more than a billion dollars. The crop is not too large under normal conditions. The world needs every bit of it. On the average the people who produced it have not nor ever had one-third as much cotton goods as they really need.

If normal conditions had permitted them to realize the value of their cotton, the profit of the crops would have enabled them to supply their needs and thereby utilize every bit of the artificial surplus we hear so much about the necessity of retiring. If they were allowed enough profit to enable them to use what cotton goods they need themselves, their own demands would furnish a better market than all the East, and consume one-third of the entire crop. The foreign markets having entirely closed, the domestic mills, never having furnished a market for more than one-third, were unable to meet the emergency and supply a market for the entire crop, and conditions being so uncertain that they did not know what to depend on in the general confusion and calamity, they decided they were afraid to buy at all, so they virtually destroyed the market for the other third, declining to buy cotton except in dribbles as they could consume it. Then, the entire demand being removed and all markets closed, the law of supply and demand was completely suspended, there being a bountiful supply and absolutely no demand. There was no place to send the cotton, therefore it would be foolish to start to move it. There being no one to receive it, there was no place for it to go. Under such circumstances it was cruel mockery for people to talk of moving the cotton crop, except to move from the cotton field into the cotton house or warehouse. It was obvious that the cotton must be held by somebody, if gathered at all, to wait until the market should be opened. The question was, who should hold it? Should the producer suffer confiscation wholly or in part by parting with it for a trifle, not only forfeiting the profit of his labor, but failing to pay half of his debts, and leaving himself and family without the means to live, without credit for another year, and without the heart to produce another crop if he should unexpectedly be credited with the means? Such conditions render unnecessary the discussion of curtailing the next crop.

The impoverished condition of the toilers will curtail that, for unless some means are found to save them from ruin now they will not be able to produce another crop. If money were advanced to producers on their cotton in moderate amounts, something like as much as they would have to take for it if they sacrificed it, they could use the cotton as collateral, and holding it until conditions improve would reap the benefits of the inevitable advance when the markets reopen. If they are not aided in some way to hold it themselves so as to enjoy the benefit of restored prices, the cotton buyers and speculators will take it on their own terms and hold it until, by reopening of the markets, the price advances to a normal and honest rate, thereby making for themselves great gain. If they were all southerners and made the deal in their own right the wealth would remain in the South, although the producers would be robbed of the value of their cotton; if the buyers were all Americans trading in their own right people in the United States would still retain all the profit and our balance of trade would be maintained, though the South lost half the value of the cotton, and although the producers were financially ruined and carried down with them the merchants whom they owed, because not realizing on their cotton enough to pay them, and the merchants in turn not being able to discharge their obligations. But, unfortunately, these deals are not all made on American account. When the markets shall be reopened it will be found that most of this cotton bought by the factors at a sacrificial figure has been bought with foreign capital, and when it is shipped abroad the difference between 12 cents and 6 cents paid by the foreigners for our cotton will entirely wipe out the balance of trade and leave us a debtor nation, with the producers of cotton impoverished and helpless, and the southern supply merchants either bankrupt or so crippled as not to be able to help the producers to make another crop.

True, some people deny the extent of the disaster and even question the emergency itself, saying that in previous years the farmers have without ruin sold their cotton for lower prices than now prevail. Such persons forget that prices mean nothing except by comparison. The 5-cent cotton of past years was produced for somewhere about 5 cents; supplies to make the crop and to buy with the crop cost less than half they now cost; the debts contracted were less than half the debts due for producing the present crop. The producers really received more, by comparison with cost and debts, when the price was 5 cents than is possible now. The net result at the present confiscatory prices is on the minus side. The value of money can only be ascertained by what it will buy. Compared with cost of production or the debts of the producers owed therefor, this crop ought to bring 12 or 14 cents, while compared with current prices of cotton goods cotton ought to bring 18 or 20 cents.

With such horrible conditions harrowing our minds, it is not surprising that southern Congressmen were quick to comprehend the gravity of the situation and begin to exercise their wits and work night and day to discover and invoke means to prevent or mitigate impending calamity. The only thing more surprising than that is that the aforesaid newspapers and politicians were either too careless to discover or too reckless to acknowledge that the southern Congressmen, although not all agreeing as to method to secure relief, were feeling, talking, and acting just as I have described, bent on thrashing out the question and finding and applying relief if possible.

We knew, and the aforesaid newspapers and politicians knew, that the southern Members constituted but a small minority in the House and also a minority in the Senate. But we Members from the South had faith in the patriotism and liberality of our colleagues of the other sections. While the prospect of success was not bright, the situation was so desperate that we continued to work, hoping that light might break on the situation and that mayhap we might fall upon a plan which would commend itself to Congress and the administration. Some few

of our colleagues, inconsiderately, we think, declined to support any of our plans and denounced as dishonest demagogues zealous Congressmen who, with whatever degree of hope, small or great, were earnestly striving to find some safe road to relief. But we began to hold meetings innumerable in the Senate Building, in the House Building, in committee rooms, in the Treasury, and at the White House. The farmers came here and pictured their desperate condition. We met with them and heard them repeat their true and terrible tale of woe, horrible now, and more terrible in prospect, to the President, the Secretary of the Treasury, and the Reserve Board, all of whom heard with interest and sympathy, but declared they must act in this matter with their heads, not with their hearts. It may not be necessary, however, simply because they failed to give us encouragement, for us to conclude that their heads are weaker than their hearts. Numerous bills have been introduced, but no one of them has had the unanimous approval of even the southern Congressmen up to this time, neither has a single one of them met with the unanimous approval of the critics in the newspapers, political and otherwise, nor have all of them agreed on any practical suggestions which they could advise Congress to put through, although denouncing Congress for not acting and accusing Congressmen of violated promises to act.

In fact, long before any person outside of Congress suggested the possibility of Federal interference to avert disaster we had promptly taken up the subject. Although the exchange system was broken up, we thought if commodities could move from where they are to where they are not, and therefore needed worse, gold could also be transported in compensation, and we knew wherever gold could pass the possibility would soon be followed by a representative or substitute. All ships of belligerents having withdrawn from the traffic, we, believing that neutral ships could carry our supplies to all the ports of the Old World, promptly provided for a sufficient number of ships under the American flag to carry all of our products to Europe. The war-risk insurance being too great for private companies to handle, we provided for the Government to insure cargoes on all ships flying the American flag. While these measures will rapidly afford relief, it can not be done rapidly enough to save from ruin the producers of the cotton. It is impossible to meet and curb the exact difficulties of the case under our present system of finance. If the banks were disposed to vary their custom, which is not probable, and carry the cotton on loans to the farmers, who are not their direct customers, instead of the commercial people, who are their regular customers and need all the money they can get, and always get it, to buy the cotton while it is cheap—even then they would be unable to take care of the entire situation. So we were compelled to recognize that unless the Government, either through the banks or directly to the producers, advanced money, disaster could not be averted.

The bill referred to in the outset of my remarks reads as follows:

A bill (H. R. 19113) to enable owners of cotton produced by them or on their land to borrow money by depositing as security warehouse receipts issued for the period of the loan.

Be it enacted, etc., That any solvent national bank or State bank which shall, within 60 days from and after the passage of this act, lend to the owner of any cotton produced by himself or on his land by his cropper or tenant not more than three-fourths of the market value of said cotton at the time and place of the transaction, taking the borrower's note therefor, secured by the deposit of warehouse receipts for such cotton, with an insurance policy covering the value of the cotton for the period of the loan such note to mature one year after date and bear interest at the legal rate in the State in which the loan is made, may at any time before the maturity of such note deposit the note, cotton receipts, and insurance policy with the Treasury or any subtreasury of the United States and be refunded, out of any money in the Treasury not otherwise appropriated, the amount of the money loaned: *Provided*, That when such note is finally paid the said bank shall receive as compensation for its services one-third of the interest collected, and the said bank shall indorse on such note and collateral its warranty that the papers are genuine and that the loan did not exceed three-fourths of the market price at the time and place of the loan. Beyond that the bank shall be held for no further liability, except to render the Treasury such assistance as may be called for in collecting and remitting when the note matures.

I never did tell anybody I could pass it, nor did I try to deceive anybody about it. I introduced it for the consideration of my colleagues. Nor did I even ask anybody to put it in a newspaper. I wrote it with a view of obviating objections urged against our plan in our conferences. The Secretary of the Treasury and the President had satisfied me that however good their disposition they were unable to afford adequate relief without legislation. They had opposed issuing bonds, and expressly to avoid issuing bonds had recommended the war-revenue bill. Many Congressmen had objected to a deposit of hundreds of millions of dollars, while others object to an additional note issue without increasing the gold reserve.

All the local business interests, including the banks, objected to unsettling business by lowering the rates of interest on loans made in the various States. And it seems to me that almost everybody objected to the valorization plan. If it were fixed too high, the Government would have to take it all; if fixed too low, it would result in holding down the price. So I conceived a plan of enabling the banks to do the business on certain specified conditions:

First. For a limited period of time lend to producers only.

Second. Observe the legal rate of interest at the place of the transaction.

Third. My bill would render necessary no sale of bonds nor issue of additional currency. If it were passed, we would find there was sufficient money afloat to meet all the demands, and that is a great advantage of my bill which does not seem to have been recognized by my colleagues. The truth is that when the system is started whereby money will be loaned on distress cotton the effect would be magical; confidence of the producers would be restored and the purchasers would recover from their panic, the price would rise, sales would occur, and the money loaned would be paid out on debts and returned to the bank and loaned on other cotton—so a much smaller amount would be required in the end than our people in their distress seem now to deem necessary.

Fourth. That they lend not exceeding three-fourths of the market value at the time and place of the transaction. Lending with regard to market value does not arbitrarily fix prices; but when it is known that three-fourths of the price can be borrowed on a bale of cotton many of the producers will refuse to sell, but prefer to borrow a portion of the price and hold their cotton for better prices. The effect would be that the purchasers would begin to compete for cotton and the price would advance. It would certainly never go any lower when it was known that the Government was prepared to lend to the producers so as to save them the necessity of selling at a sacrifice. The loan for 12 months would give the borrower a chance, and he could sell his cotton if the price advanced and pay off the loan before it was due. The banker making the loan could at any time before maturity of the note send his paper to the Treasury and be refunded his advance. It is analogous to the regional-bank system, and is the regular and natural way of doing business. The member bank carries his note with commercial collaterals to the regional bank and, less the discount, is refunded the money advanced. Under my bill the bank would use the Treasury instead of the regional bank. Under the regional-bank system the member bank would indorse the note; under my bill he would indorse the note only as far as necessary. The cotton ticket, being the best security in the world when the cotton is insured against loss, needs no further indorsement to make it the best gilt-edge security in the world than the guaranty that the deal is genuine and bona fide. But, in the face of a great crisis already upon us, I do not care to stickle for a particular bill.

I went into conference with the other representatives of the cotton States, and we agreed upon a bill, and I am bound by it—I always stand hitched. No man can win alone; only by united action can we hope to succeed. The revised Henry bill is entirely constitutional; there is nothing revolutionary about it; there is nothing unusual about it except the amount of money involved. The Government has in many instances before extended aid in cases no more meritorious, but smaller amounts were furnished. But, even if our scheme is a large one and the proposition unusual, Members should recollect that this is not an ordinary occasion; there is the greatest emergency upon us that has fallen upon the South, and through the South the entire country, except the Civil War, in the history of our Republic. Words can not exaggerate the existing suffering and the danger of greater calamity in the immediate future. When the producers are stricken down, all the superstructure of our system trembles if it does not fall. Members should abate some of their squeamishness in the face of this great disaster. There can be no danger to the Treasury, and Members are unnecessarily alarmed about the soundness of money and the credit of the country. If this Government never goes bankrupt until it does so by protecting the cotton producers, it will live to flourish for ages to come. The rock of its salvation financially is to take care of them.

There is so much paper money resting on so small a gold reserve nobody need "tear passion to tatters" about this proposition. The necessity and wisdom of a proper ratio of gold reserve to the paper money I do not care to discuss, but men are going a long way out of the sane and orderly path when they lie awake at night questioning the validity of any money now issued or hereafter ever to be issued by authority of the United States. There is another matter I wish to call attention

to—the demand of the commercial side of the issue, curtailment of the next cotton crop—and some people responding to that demand have insisted that Congress by a prohibitive tax prevent overproduction of cotton next year.

I have always advocated and practiced that farmers should first provide for their own household by planting supply crops and raising live stock and devoting the remainder of their land and labor to raising cotton as a surplus crop, but I have never believed that it would operate permanently to reduce the crop. Intensive farming has satisfied us that our farmers could make just as much cotton on half the land they now plant and leave some margin of labor, fertilizer, and other expense to devote to supply crops. Our people during the Confederacy needed supplies, but they did not need cotton, as they could neither spin nor export it, and it might fall into the hands of the enemy and enable them to fight us more fiercely. If the Confederacy could have turned a large cotton crop into gold, they would have been glad to do so; but by legislation they curtailed the acreage so that the armies and the people could be supported and that the people would not waste time cultivating cotton for the enemy to capture.

At this time the farmers have not asked us for advice nor for the imposition of further burdens of taxation. If they wish to curtail the cotton acreage, they will find a way to do so. The State legislatures can do so, if they wish, under their police powers.

The cotton growers have asked us to provide money to take care of the distress cotton of this crop, not to manage their future business for them. Those who urge the excise tax to limit the production of cotton cite what they call several precedents. All are agreed that we may levy such a tax for the purpose of raising revenue, and the Constitution authorizes that only, but they say Congress imposed a tax on cotton once. That is true, but it was really for the purpose of raising revenue, but it was never sustained by a full bench, and was repealed because it was so odious. They further cite the tax on notes of State banks and oleomargarine. Those are unfortunate citations, and they are both abominable outrages, and I would rather repeal them than to commit another outrage. The first was passed to put State banks out of business and help the national-bank monopoly; the second was passed to put oleomargarine out of business and raise the price of dairy products.

As I understand the attitude of the courts, they leave Congress to say what the character of a bill is. If Congress deliberately promulgates a bill declared to be a revenue bill, the courts will take it for granted that Congress is telling the truth about it and hold it constitutional without interrogating the tax collectors as to the revenue produced or cross-examining Congressmen as to the integrity of their purpose in enacting it as a revenue bill. But if Congress should pass a bill levying a prohibitive tax on cotton with the purpose declared in the law that it was not to raise revenue and not expected to raise revenue, but to prevent the overproduction of cotton, no lawyer would contend that the Supreme Court would sustain such a bill as constitutional.

The proposition up to us now is to try to fool our consciences, fool the Supreme Court, and fool the people under the guise of a revenue bill by levying such a high tax on cotton that it would reduce production and raise no revenue. The majority in the Congresses which passed the oleomargarine law and the tax on State banks may or may not have known what the truth was, but it is certain they did not tell the truth, and the Supreme Court has never passed on the facts, but accepted the two acts as bona fide revenue measures. In this case, when we know that the purpose of a tax on cotton would not be for revenue, but to prevent overproduction, knowing that the Constitution prevents our voting for a tax bill not intended for revenue, we could hardly be expected to vote for such a bill. The newspapers and politicians who have criticized us are not even united in demanding that. In fact, many of them admit that it is not competent for us so to vote.

In a recent meeting of the governors of the cotton States here, several of the governors agreed with us, my own among the number, and my own governor favored curtailing the acreage, but not by Federal taxation. He favored the Henry bill, with proviso that borrowers should contract to reduce acreage. Very few of the Members of the House and Senate at this time would agree that under the Constitution they could honestly vote for such a tax bill. A few of them so believe, and I believe they are as honest as I am; they are just mistaken in their discrimination. They are as anxious to afford relief as I am, and this reference is not made to criticize them at all, but to set right before the country the true issue in that respect.

There is one thing that all Members representing the cotton States have practically united on, and we have tried now, and often before, to secure action on it—that is, the repeal or suspension of tax on State banks. If the State banks were free to issue their currency this crisis could have been easily met and disaster averted. That tax ought to be repealed regardless of other action in this crisis, but I appeal to all to sink all rigid notions of policy and eschew differences and criminations and recriminations. The bill agreed on in our conference of representatives of the cotton States has more support than any other proposition brought in; it would bring immediate relief if passed. It can be made to appl, the remedy immediately to the disease with instant effect. It is constitutional; it is rational; it is practical; it is the only thing the farmers have demanded, and I appeal to you, my colleagues, that we support that bill, and failing to pass that, then try some other. I for one decline to vote for adjournment or consent to a recess until we shall have either secured relief legislation or, by a fair opportunity to present the case and secure a vote on it, been finally and fairly defeated in our efforts. The cause is just, and I insist on consideration in this House.

EXTENSION OF REMARKS.

Mr. THOMPSON of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on a subject of interest to my people in Oklahoma.

The SPEAKER. The gentleman asks unanimous consent to extend his remarks in the RECORD on some subject which will interest the people of Oklahoma. Is there objection? [After a pause.] The Chair hears none.

Mr. RUPLEY. Mr. Speaker, I desire to secure unanimous consent for the purpose of extending in the RECORD some comment upon the principles of the Progressive Party.

The SPEAKER. The gentleman from Pennsylvania [Mr. RUPLEY] asks unanimous consent to extend his remarks in the RECORD on the subject of the principles of the Progressive Party. Is there objection?

There was no objection.

ADJOURNMENT.

Mr. JONES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 9 minutes p. m.) the House adjourned until Thursday, October 15, 1914, at 12 o'clock noon.

EXECUTIVE COMMUNICATION.

Under clause 2 of Rule XXIV, a letter from the Secretary of Agriculture asking Congress for authority and funds to initiate the work of exterminating the pink boll worm of cotton that has made its appearance in Florida (H. Doc. 1175) was taken from the Speaker's table, referred to the Committee on Agriculture, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

By Mr. HAY, from the Committee on Military Affairs, to which was referred the joint resolution (H. J. Res. 241) for the appointment of four members of the Board of Managers of the National Home for Disabled Volunteer Soldiers, reported the same without amendment, accompanied by a report (No. 1190), which said bill and report were referred to the House Calendar.

Mr. BEALL of Texas, from the Committee on the Judiciary, to which was referred the resolution (H. Res. 446) directing the Committee on the Judiciary to inquire and report whether the action of this House is necessary concerning the alleged official misconduct of Daniel Thew Wright, reported the same without amendment, accompanied by a report (No. 1191), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 19092) granting a pension to Frank Stires, and the same was referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. HARDWICK: A bill (H. R. 19281) to provide for the issue and sale of the Panama Canal bonds and for the deposit of

their proceeds in certain banks; to the Committee on Banking and Currency.

By Mr. CARTER: A bill (H. R. 19282) for the relief of the cotton situation in certain Southern States; to the Committee on Banking and Currency.

Also, a bill (H. R. 19283) authorizing a per capita payment to Choctaws and Chickasaws; to the Committee on Indian Affairs.

By Mr. LEVER: A bill (H. R. 19284) to appropriate $15,000, to be expended by the Secretary of Agriculture, for preventing the spread of the pink boll worm, and for other purposes; to the Committee on Agriculture.

By Mr. HAY: Resolution (H. Res. 646) to provide for the consideration of House joint resolution 241; to the Committee on Rules.

By Mr. CARY: Resolution (H. Res. 647) requesting the President and the Secretary of the Navy to inform the House on certain matters; to the Committee on Rules.

By Mr. KINKEAD of New Jersey: Resolution (H. Res. 648) to pay John J. Cameron $500 for extra services during the first and second sessions of the Sixty-third Congress; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADAIR: A bill (H. R. 19285) granting an increase of pension to John T. Harnish; to the Committee on Invalid Pensions.

By Mr. CLANCY: A bill (H. R. 19286) granting a pension to David F. Boddie; to the Committee on Pensions.

Also, a bill (H. R. 19287) granting an increase of pension to Jane Amanda Putnam; to the Committee on Invalid Pensions.

By Mr. CAMPBELL: A bill (H. R. 19288) granting an increase of pension to Junius R. Clift; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19289) granting an increase of pension to Martin Smith; to the Committee on Invalid Pensions.

By Mr. KEY of Ohio: A bill (H. R. 19290) granting a pension to Levi B. Roseberry; to the Committee on Pensions.

By Mr. LIEB: A bill (H. R. 19291) granting an increase of pension to Dixon Pennington; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19292) granting an increase of pension to Jeremiah W. Pickering; to the Committee on Invalid Pensions.

By Mr. LONERGAN: A bill (H. R. 19293) granting an increase of pension to Ida E. Thorman; to the Committee on Invalid Pensions.

By Mr. RUSSELL: A bill (H. R. 19294) granting an increase of pension to Deitrick Bruns; to the Committee on Invalid Pensions.

By Mr. STEPHENS of Texas: A bill (H. R. 19295) granting an increase of pension to George S. Brown; to the Committee on Invalid Pensions.

By Mr. TAVENNER: A bill (H. R. 19296) for the relief of John R. McClain; to the Committee on Military Affairs.

Also, a bill (H. R. 19297) granting a pension to Sarah L. Moredock; to the Committee on Pensions.

By Mr. VOLSTEAD: A bill (H. R. 19298) granting a pension to Rose Barnes; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BAILEY: Petition of William B. Klahre, of Johnstown, Pa., protesting against tax on motion-picture theaters; to the Committee on Ways and Means.

Also, petitions of the Twentieth Century Manufacturing Co., of Boynton, Pa.; the Moxham Lumber Co., the Penn Traffic Co., and R. G. Morgart, all of Johnstown, Pa., protesting against tax on automobiles and auto factories; to the Committee on Ways and Means.

By Mr. BRUCKNER: Petitions of D. K. Webster, B. Wilkins, George Altgoever, P. Mesiani, J. Ellner, F. Delucia, Abr. Ackerman, Joseph Altman, E. Gordeso, S. Berkowitz, J. Jannis, William Hammer, S. Aronsontom, G. Max Wornon, A. Allison, James Wilson, W. S. Gennis, H. Goldfarb, and V. Gayda, all of New York, N. Y., against tax on drugs; to the Committee on Ways and Means.

By Mr. CARY: Petition of the Daniel R. Jones Co., of Milwaukee Wis. against tax on proprietary medicines; to the Committee on Ways and Means.

By Mr. COOPER: Petition of the board of directors of the Milwaukee (Wis.) Chamber of Commerce, protesting against a tax on sales of grain, etc., when made in exchanges; to the Committee on Ways and Means.

By Mr. CURRY: Petition of 15 business firms of Vallejo, Cal., in favor of House bill 13305, the Stevens standard-price bill; to the Committee on Interstate and Foreign Commerce.

By Mr. DALE: Petition of G. W. Blass, of Port Byron, N. Y., and Neeskin Co. and J. L. Hopkins & Co., of New York City, protesting against tax on patent medicines; to the Committee on Ways and Means.

By Mr. GRIFFIN: Petitions of G. Morillo and others, retail druggists of New York City, protesting against tax on patent medicines; to the Committee on Ways and Means.

By Mr. HINEBAUGH: Petitions of F. C. Judevine, of Bellwood, and others, together with petitions from Gresham, Cordova, Beaver Crossing, Abie, Morse Bluff, Adams, Linwood, Prague, Malmo, Utica, Waco, Germantown, Goehner, Crete, Thayer, Seward, Surprise, Osceola, Rising City, David City, Shelby, and Brainard, all in the State of Nebraska, in favor of House bill 5308, to compel concerns selling goods direct to consumers entirely by mail to contribute their portion of funds in the development of the local community, the county, and the State; to the Committee on Ways and Means.

By Mr. HULINGS: Petitions of J. C. Koch, of St. Marys; A. M. Lowentritt, of Oil City; and H. M. Silman, of St. Marys, all in the State of Pennsylvania, protesting against the proposed taxation of automobiles; to the Committee on Ways and Means.

Also, petitions of John C. Owsley, secretary and treasurer of the Sharon Retail Drug Association, of Sharon; G. G. Curry, of Greenville; Ross Drug Co., of Ridgway; John M. Siegfried, of Warren; W. A. Talbott, secretary and treasurer of the Piso Co.; C. Kembel & Son, of Tidioute; and J. W. Agrelius, of Youngsville, all in the State of Pennsylvania, protesting against the proposed taxation of proprietary medicines and other drugs; to the Committee on Ways and Means.

By Mr. JOHNSON of Washington: Petitions of sundry citizens of western Washington, protesting against war tax on patent medicines; to the Committee on Ways and Means.

By Mr. KINDEL: Petition of 21 citizens of Westminster, Colo., favoring national prohibition; to the Committee on Rules.

By Mr. LIEB: Petitions of William H. Fogas, Charles Dawson, and D. & R. Rosenbaum, all of Mount Vernon, Ind., protesting against tax on patent medicines; to the Committee on Ways and Means.

By Mr. PLUMLEY: Resolutions of Branch No. 1, Local Barre of the Socialist Party of Vermont, in regard to the increase of the cost of living, and praying that the Government take over railroads, mills, mines, stores, and warehouses for the benefit of all people, and protesting against a tax on the necessities of life; to the Committee on Ways and Means.

Also, petition of the Bayden Grange, of Westminster, Vt., favoring acquisition of the telephone service by the Government; to the Committee on the Post Office and Post Roads.

By Mr. REED: Petitions of the Nashua Auto Club, of Nashua; W. C. Spear, of Manchester; and H. C. Lintott, of Nashua, all in the State of New Hampshire, against proposed Government tax based on horsepower of motor cars; to the Committee on Ways and Means.

By Mr. WILLIAMS: Petitions of the First Presbyterian Church and Sunday School and sundry citizens of Palmyra, Ill., favoring national prohibition; to the Committee on Rules.

SENATE.

THURSDAY, *October 15, 1914.*

(Legislative day of Thursday, October 8, 1914.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

THE COTTON SITUATION IN THE SOUTH.

Mr. CULBERSON. Mr. President, I present a telegram, in the nature of a memorial, from the Texas State Senate, which I ask to have read.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read.

The Secretary read as follows:

AUSTIN, TEX., *October 14, 1914.*

Hon. CHARLES A. CULBERSON,
United States Senate, Washington, D. C.:

The following simple resolution, by Senators Henderson and Gibson, was to-day adopted by the Senate of Texas

"Resolved by the Senate of the State of Texas, That we hereby indorse the amendment as proposed by the southern Senators and offered as an amendment to war-tax bill, wherein it is proposed that the National Government issue $250,000,000 of 4 per cent three-year bonds, and that said bonds shall be used to purchase 5,000,000 bales of this year's cotton at 10 cents per pound, and providing that said cotton

shall not be sold by the Government until 1916 and 1917, and that we hereby request the Congress of the United States to pass said amendment, and that a copy of this resolution be wired to our Senators, Hon. CHARLES A. CULBERSON and Hon. MORRIS SHEPPARD."

W. V. HOWERTON,
Secretary of the Senate.

THE MERCHANT MARINE (S. DOC. NO. 601).

Mr. FLETCHER. I present a paper on the subject of our American merchant marine and ask to have it printed in the RECORD and made a public document. It is not very long.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

AMERICAN MERCHANT MARINE.

The Committee on the Merchant Marine of the House of Representatives in its report of September 8, 1914, on the Government ownership and operation of merchant vessels in the foreign trade of the United States, said:

"We shall not discuss the desirability of having an American merchant marine. We will assume that there is no difference of opinion on that point."

No one can honestly take issue with that statement of the committee.

In order to establish an American merchant marine, the above committee, after full deliberation, favorably reported a bill authorizing the Government, acting through a shipping board composed of members of the Cabinet, under the direction of the President, to acquire and operate merchant vessels in the foreign trade of the United States, these vessels also to be available as naval auxiliaries.

There is an idea abroad that this bill is a war emergency measure. This is not so. In its report the committee says:

"The fact that we pay a sum variously estimated to be from $200,000,000 to $300,000,000 annually to vessels under foreign flags, to transport our commerce, which seriously affects our balance of trade, is urged as a sufficient reason why we should have a merchant marine of our own; but this is only one of many reasons."

Long before the beginning of the present war the need for an American merchant marine was so keenly felt that the Senate passed a bill known as the Weeks bill, which proposed to use naval vessels as a nucleus for an American merchant marine.

Objections to the shipping bill now before Congress has developed from two sources. It was to be expected that there would be objection by shipping interests which have been reaping the benefit of American inactivity in the foreign shipping trade. It was also to be expected that certain financial interests and their affiliations, especially those interested in foreign shipping, would object to a Government merchant marine.

Opponents to the bill have advanced arguments to sustain their position, but not one of them will stand analysis. Many newspapers and periodicals are opposing the bill, but the fact that they enjoy considerable advertising and other patronage from the steamship lines and the financial interests that are opposing the bill may go far toward explaining their position on this great question of an American merchant marine.

(1) Opponents to the bill say that there are a large number of ships at present in American harbors unable to get cargoes; hence there is no need for a Government merchant marine.

A recent investigation has proven this not to be true. Ships seek cargoes at all times, but the present chartering market is very firm, and when the question of foreign credits is settled and commerce begins to move, as it must very shortly, there will be a positive famine in ships, as over 5,000,000 tons of German and Austrian shipping are completely out of commission, to say nothing of the large number of British, French, and Russian merchant ships which have been taken over by their respective Governments for transports and naval auxiliaries.

There are, all told, considerably less than 100 American ships in the foreign trade in the whole world, including all of the ships which have just taken American registry to secure the protection of the flag on account of the war. None of these ships are idle. Therefore, even though there were hundreds of idle ships in every American harbor, it would not alter the necessity for passing the shipping bill now before Congress, as all such ships would be foreign ships, and the object of this bill is to establish an American merchant marine.

(2) Opponents to the bill say that if the Government will not enter the shipping business private capital will provide an American merchant marine.

This is rather inconsistent with their statement that the harbors are full of idle ships, for if that is true private capital will find no attraction in the shipping business.

What likelihood is there to obtain private capital for this new business, especially to the amount contemplated by the shipping bill—$40,000,000—when long-established, going concerns find it impossible to obtain money except at heavy rates.

When the city of New York must pay 7 per cent, including bankers' commissions, for a loan of $100,000,000; when the State of Tennessee found it most difficult to obtain a loan of $1,400,000, it is quite certain that private capital will be unable to provide an American merchant marine, especially as it did nothing in the matter while the opportunity was open during the past 50 years.

(3) Opponents to the bill say that the Government will lose much money in this business.

This argument has been their favorite one. The bugaboo of increased taxes, "loss of the initial investment every three years," and much more of the same nature has been circulated in an effort to defeat the bill.

The shipping business is one of the most profitable in the world. Special Diplomatic and Consular Reports, page 39, says:

"The White Star Line in 1910 earned a net profit of £540,000 sterling on a capital of £750,000 sterling after writing off £370,016 sterling for depreciation. A dividend of 30 per cent was paid in that year."

The Holland Amerika Line earned about 50 per cent net on its capital during the first fiscal year of 1913. The Hamburg-American Line earned about 30 per cent net during its fiscal year of 1913. These are only a few specific instances of steamship-line earnings. They are not at all unusual, but are the regular thing in the shipping business.

F. E. Dixon & Co., of London, who own and operate a large fleet of "tramp" freighters, showed earnings of about 50 per cent net last year, which proves that steamship earnings are large in the irregular services as well as in the regular lines. In fact, the profits in the steamship business are so large that frequently the entire cost of a ship is earned in two years.

The question will arise, Why have not Americans gone into such profitable business? The answer is, For the same reason that Americans have neglected the vast foreign export trade—they have been too busy with their industries at home.

But, unlike the export trade, which each manufacturer can work up individually, to establish an adequate merchant marine is so large an undertaking at this time and involves so large an amount of money that, if it is to be done at all, it must be done by the Government.

(4) Opponents to the bill say that there will be danger of the United States violating neutrality if it operates merchant ships at this time.

The report of the Committee on the Merchant Marine says:

"We have rights as neutrals as well as duties to be observed. * * * The President will have the State Department to advise him on all questions affecting our rights and duties as neutrals. * * * We should assume that the President and shipping board, in the exercise of any powers granted or duties imposed by this bill, will keep well within our rights as neutrals."

On this point Secretary of the Treasury McAdoo also says:

"The board proposed in this bill consists really of the President of the United States and certain Cabinet officers therein mentioned. I think there is no more punctilious citizen of the United States with respect to the neutrality of this country than the President of the United States. I think you may safely depend on it, if this bill is passed and this board is vested with power to act, that that power will be exercised in such a way that the neutrality of this country will be preserved."

(5) Opponents to the bill make an alternative proposition that we should build up an American merchant marine by granting subsidies.

Subsidy seekers have managed to create a belief that the merchant marines of European countries, especially the merchant marines of the two greatest maritime countries in the world—Great Britain and Germany—have been built up by granting subsidies to its shipping. Neither of these countries grants subsidies except to a very limited extent and for very special service.

The Hamburg-American Line, the largest and perhaps the most successful steamship company in the world, has never received a subsidy. A moderate subsidy was granted by Great Britain to the Cunard Co. in connection with the steamers *Mauretania* and *Lusitania*, but that was chiefly to keep the Cunard Co. from selling out to the International Mercantile Marine, the combination organized by J. P. Morgan & Co. Over 90 per cent of the total tonnage of Great Britain does not receive a farthing of subsidy.

It will surprise many to know that the United States pays a larger subsidy to four American ships owned by the International Mercantile Marine, namely, the *New York*, *Philadelphia*, *St. Paul*, and *St. Louis*, than is paid by any foreign nation for similar service. This country pays to these ships an annual subsidy of about $735,000, and obtains practically nothing in return for this except the carrying of the mails on these steamers, which, at regular rates, would amount to only a trifling fraction of the amount of the subsidy. As a matter of fact, most of our mail goes forward on foreign ships, as they are much faster and they sail more frequently, the subsidized American ships being among the smallest and most out-of-date steamers in the North Atlantic trade.

The extraordinary large profits in the steamship business show that steamships can be operated profitably under the American flag without a subsidy, in spite of the somewhat higher wages and better living requirements of American seamen; therefore it will be well-nigh impossible to obtain a subsidy simply to make up the extra profits possible under foreign flags. For the same reason we will never have an American merchant marine unless it is established by the Government, because such private capital as may go into the foreign shipping business will operate under foreign flags to get the benefit of cheaper operation when the dangers of war are passed.

The present war has made it possible to secure, at most favorable prices, an excellent choice of modern, up-to-date steamers of different nationalities, also many steamers not yet out of the builders' hands, hence not yet nationalized, at less than the contract price. Also, as a result of the war, the financial success of the enterprise is more fully assured, as we will not have the competition of the warring nations to the same extent that we would have in times of peace.

The $40,000,000 called for by the shipping bill will not be an expense, as the bill's opponents are pleased to call it, but it will be an investment of the first class without considering the enormous advantage to the whole people of the United States in having an American merchant marine under Government control and the great reduction in rates that will be possible, as the Government will not desire net earnings of from 30 to 50 per cent on its investment, but will be content with only a fair return.

It would be little short of a political and economic crime if we did not avail ourselves of the present almost unbelievable opportunity to do in a most practical manner that which Congress was endeavoring to do before the commencement of the war as best it could by means of the Weeks bill.

THE COTTON CROP.

Mr. OVERMAN. I present a telegram, which I ask may be read.

There being no objection, the telegram was read, as follows:

AMERICUS, GA., *October 14, 1914.*

Senator OVERMAN,
Care United States Senate, Washington, D. C.:

We appreciate your loyalty to the cotton cause. Don't give up the ship, for our very existence depends on your doing something. Distressed property already being advertised for sale. Absolutely no market for cotton at any price. All business paralyzed. Express our appreciation to Senator SMITH.

TAYLOR LEWIS,
For Citizens of Southwest Georgia.

Mr. OVERMAN. I also send to the desk a letter. I will ask that the first paragraph of it be read, and that the balance of it appear in the RECORD. It is from a leading farmers' paper of the South.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The Secretary read as requested, and the entire letter is as follows:

RALEIGH, N. C. *October 12, 1914.*

DEAR SIR: It will be an irreparable blunder if Congress adjourns without doing something to insure adequate currency for lending farmers to hold cotton until conditions become normal. This is an emergency condition, and emergency conditions require emergency measures.

When the Salem, Mass., fire occurred did not Congress make an outright gift of $2,000,000 to its people? When the war came on did not Congress levy extra taxes in order to keep $75,000,000 in the national banks, and did not Leader UNDERWOOD declare the Government should have gone "to the rescue of these institutions whose solvency was jeopardized, not by any fault of their own but by the conditions coming from the war zone of Europe"?

Is it not equally true that the solvency of the southern farmers is now "jeopardized not by any fault of their own"? And while they ask no gift from Congress, they do ask that Congress help them to help themselves. They do ask that Congress provide sufficient currency at reasonable interest so they may borrow and carry the crop at their own risk and their own expense until conditions become normal again. President Wilson should not forget his own testimony against the "Money Trust" of New York, and should not forget that small southern banks can not take care of their ordinary obligations and carry this enormous burden of financing the cotton crop.

Cotton is already selling under 7 cents in Texas, and unless something is done before the millions of bales of distressed cotton go on the market November 1 can anyone say how much bankruptcy and disaster we shall witness?

President Wilson and Secretary McAdoo are great men, but Congress is responsible not to them but to the people. It should never adjourn without providing, not a gift but sufficient currency, which Secretary McAdoo declared would be available for "carrying the crop till a reasonable market can be found," but which present banking conditions do not provide.

Very truly, yours, THE PROGRESSIVE FARMER.

Mr. OVERMAN. Mr. President, I hold in my hand a proposed amendment to the pending emergency revenue bill. I wish to say, however, that I heartily indorse the amendment introduced by the Senator from Georgia [Mr. SMITH]. The South does not come here as a mendicant asking alms, but they are asking justice. They are asking the credit of the Government, and they will take care and pay back to the Government every cent advanced. In the event the amendment of the Senator from Georgia is not adopted I shall propose the following amendment, which I ask to have read to the Senate.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The Secretary read as follows:

Amendment intended to be proposed by Mr. OVERMAN to the bill (H. R. 18891) to increase the internal revenue, and for other purposes, viz: Insert the following:

"That the Secretary of the Treasury be, and he is hereby, authorized and directed to credit and pay to each State a sum equal to the collections made from the States of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Missouri, North Carolina, South Carolina, Tennessee, Texas, and Virginia, or from any citizens or inhabitants thereof, or other persons, companies, corporations, or associations under act of Congress, approved July 1, 1862, and the amendatory acts thereto, for the purpose of aiding said States in assisting the producers of cotton in taking care of their surplus crop, which they are unable to sell by reason of the European war; to be used for the purchase of cotton by said States from the producers thereof, or making loans to the producers of said cotton under such rules and regulations as may be prescribed by the Secretary of the Treasury, Attorney General, and the governor of each of said States.

"SEC. 2. That the following sum shall be paid to each State, the same being the amount found upon the books of the Treasury of the United States as the amount collected from each of said States under said act: To the State of Alabama, $10,388,072.10; Arkansas, $2,555,638.43; Florida, $918,944.98; Georgia, $11,897,094.98; Kentucky, $553,527.45; Louisiana, $10,098,501; Maryland, $51,349.52; Mississippi, $8,742,995.93; Missouri, $592,098.36; North Carolina, $1,959,704.87; South Carolina, $4,172,420.16; Tennessee, $7,873,460.71; Texas, $5,502,401.24; Virginia, $657,588.58.

"SEC. 3. That said sum paid over to said States may be held for a term of five years subject to such disposition as Congress may hereafter provide.

"SEC. 4. That there is hereby appropriated out of any money in the Treasury not otherwise appropriated the sum of $65,963,598.31 for the purpose of carrying out the provisions of this act.

"SEC. 5. That when loaned to the producers of cotton, the rate of interest on said sum shall not exceed 3 per cent per annum."

Mr. OVERMAN. I wish to say that a direct tax was levied upon the cotton of the South by an act passed in 1862 during the Civil War and a tax of $3 a bale on cotton collected in 1865–1868, when we were in a condition worse than the Belgians are to-day. All we ask is that this money be loaned to the South on this same product to take care of it in our present distressed condition.

PROPOSED LOAN ON CEREALS.

Mr. MCCUMBER. I offer an amendment to the amendment offered by the Senator from Georgia [Mr. SMITH], which I ask may be read and ordered printed.

The amendment was read and ordered to be printed, as follows:

Provided further, That whenever the price of No. 1 northern wheat at the principal terminal markets in the United States shall fall below $1.10 per bushel; and whenever No. 1 barley shall fall below 65 cents per bushel; and whenever No. 1 white oats shall fall below 50 cents per bushel at such markets, the Secretary of the Treasury is hereby directed to purchase all of said grains offered for sale, at said prices, and to also purchase all other lower grades at such reduced prices as are generally recognized by commercial usage as the proper difference in value of such lower grades in the purchase and sale of grains.

It shall be the duty of the said Secretary of the Treasury to store and hold said grain so purchased until it can be resold at a profit of 2 cents per bushel.

To prevent the value of such grains falling below the aforesaid prices, the said Secretary of the Treasury shall prohibit all importations of such grains. If by reason of scarcity of production the price of any of the said grains shall rise above the price authorized to be paid, the said Secretary of the Treasury shall then allow importations until such prices shall have reached the standard of the purchasing prices herein mentioned.

The sum of $500,000,000, or so much thereof as may be necessary, is hereby appropriated out of any moneys in the Treasury not otherwise appropriated to meet the expenses of this provision.

To secure the necessary funds to carry out this purchasing project, the Secretary of the Treasury is hereby authorized to issue bonds of the United States, bearing 4 per cent interest, in such denominations as he may determine, and due five years from the date of issue; said bonds shall not be sold for less than par.

Mr. GRONNA. Mr. President——

Mr. SIMMONS. I ask for the regular order.

The VICE PRESIDENT. The Chair has recognized the Senator from North Dakota.

Mr. SIMMONS. What is it the Senator desires?

Mr. GRONNA. If the Senator will be patient, I will tell him in a moment.

Mr. SIMMONS. I will be patient. I want the regular order to be proceeded with, but I will yield to the Senator if it takes only a short time.

Mr. GRONNA. I present a letter from the Farmers' Grain Dealers' Association of North Dakota, protesting against the provision in the pending revenue bill taxing grain.

I wish to say in this connection that I have conferred with the senior Senator from North Carolina [Mr. SIMMONS], and, as I understand it, there will be an amendment offered which will change the provision as it is now in the bill. Am I correct in that statement?

Mr. SIMMONS. The Senator is correct.

Mr. GRONNA. I wish to have the letter read.

The VICE PRESIDENT. Is there objection?

Mr. SIMMONS. Does the Senator desire the letter read or will he be content to have it printed in the RECORD?

Mr. GRONNA. It is very brief. It consists of only a few lines.

Mr. SIMMONS. Very well; I will not object.

The VICE PRESIDENT. The Secretary will read.

The Secretary read as follows:

PEKIN, N. DAK., *October 10, 1914.*

Hon. A. J. GRONNA,
United States Senate, Washington, D. C.

DEAR MR. GRONNA: My attention has been called to pages 22 and 23 of the revenue bill, which is now pending in Congress, wherein it proposes to tax grain sent from the farmers' elevator companies to the terminal market, also an equal tax if the grain is hedged. It may be useless or needless to file with you a protest against this measure, and you being a farmer, will certainly realize what this means to a grain-producing State like North Dakota, and, further, the equal injustice to the consumer. We therefore hope that you place every means in your power to have the proposed tax on grain set aside.

With personal regard, I beg to remain,

Yours, very truly,
FARMERS' GRAIN DEALERS' ASSOCIATION OF NORTH DAKOTA,
P. A. LEE, *President.*

PUBLIC BUILDING AT LA JUNTA, COLO.

Mr. SHAFROTH. Mr. President, there is a bill which has passed the House of Representatives and been referred to the committee of the Senate and approved by the committee and is on the calendar. It is somewhat of an emergency measure. The amount of $75,000 was appropriated for a public building at La Junta, Colo. The citizens contributed a site for it to the value of $20,000. The department advertised for bids, and the bids were $9,000 in excess of the amount which was appropriated. They are waiting to see whether they will accept that bid, which is a low bid, they say. This bill is for the purpose of making an additional appropriation of $10,000. It seems to me that inasmuch as the town has contributed $20,000 for the site the bill ought to be passed. I therefore ask unanimous consent for the consideration of the bill (H. R. 12665) to increase the limit of cost of a public building at La Junta, Colo.

Mr. SIMMONS. I shall not object, but I wish to say to the Senate that while I do not object to this I shall object to any further unanimous consent, and I shall ask for the regular order after this bill is disposed of.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the limit of cost of the United States post-office building at La Junta, Colo., be, and the same is hereby, increased $10,000.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. SMITH of Georgia. Mr. President, in bringing to the attention of the Senate the amendment to the tax bill which I offered on yesterday I wish to call attention to the fact that it is in no sense a political measure. I ask for it the consideration of Members on the other side of the aisle equally with those upon this side, and I hope to receive support from Members on the other side of the aisle equally with Members upon this side of the aisle.

I will be able to show that it is not simply a local question that is involved, but a national question. I will be able to furnish the best of authority to show that it is an international question and that it concerns the manufacturer and his interests almost equally with the producer of the unmanufactured staple. I contend that it is a problem which concerns the general welfare of the entire country.

Mr. OVERMAN. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll and the following Senators answered to their names:

Ashurst	Kern	Perkins	Smoot
Bristow	Lane	Pomerene	Sterling
Bryan	Lea, Tenn.	Root	Swanson
Chilton	Lee, Md.	Saulsbury	Thomas
Clark, Wyo.	McCumber	Shafroth	Thompson
Culberson	Martin, Va.	Sheppard	Thornton
Fletcher	Martine, N. J.	Shields	Townsend
Gronna	Nelson	Simmons	Vardaman
Hitchcock	O'Gorman	Smith, Ga.	West
Hollis	Overman	Smith, Mich.	White
Johnson	Page	Smith, S. C.	

Mr. TOWNSEND. I desire to announce the necessary absence of the senior Senator from Ohio [Mr. BURTON]. He is paired with the Senator from Arizona [Mr. SMITH]. This announcement may stand for the day.

Mr. MARTIN of Virginia. I desire to announce that the Senator from Kentucky [Mr. CAMDEN] is detained from the Senate on official business.

Mr. PAGE. I wish to announce the necessary absence of my colleague [Mr. DILLINGHAM], and to state that he is paired with the senior Senator from Maryland [Mr. SMITH]. I desire this announcement to stand for the day.

Mr. SMOOT. I desire to announce the necessary absence of the Senator from Washington [Mr. JONES]. He is detained on public business.

Mr. THORNTON. I desire to announce the necessary absence of my colleague [Mr. RANSDELL], and I ask that this announcement stand for the day.

Mr. SMOOT. I desire to announce the necessary absence and pairs of the following Senators:

The Senator from Idaho [Mr. BRADY] with the Senator from Mississippi [Mr. VARDAMAN];

The Senator from Maine [Mr. BURLEIGH] with the Senator from New Hampshire [Mr. HOLLIS];

The Senator from New Hampshire [Mr. GALLINGER] with the Senator from New York [Mr. O'GORMAN];

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from Utah [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. CLARKE]; and

The Senator from Ohio [Mr. BURTON] with the Senator from Arizona [Mr. SMITH].

Mr. MARTINE of New Jersey. I am requested to state that the Senator from Arkansas [Mr. ROBINSON] is still detained at his home on account of illness.

The VICE PRESIDENT. Forty-three Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of the absentees.

The Secretary called the names of absent Senators, and Mr. GORE and Mr. STONE answered to their names when called.

Mr. CLARKE of Arkansas entered the Chamber and answered to his name.

Mr. WHITE. My colleague [Mr. BANKHEAD] is absent, and will be for the day, having been invited to address the Legislature of South Carolina.

Mr. WILLIAMS, Mr. BORAH, Mr. OLIVER, Mr. NORRIS, and Mr. WALSH entered the Chamber and answered to their names.

The VICE PRESIDENT. Fifty-one Senators have answered to the roll call. There is a quorum present.

Mr. SMITH of Georgia. Mr. President, I desire to say, in connection with presenting this amendment, that those of us who present it to the Senate are not wedded to it in its exact terms. We are ready to accept criticism and to make modifications, if modification is deemed advisable. I expect to bring facts to the attention of the Senate which will show that this is a problem which concerns the general welfare of this country in its broadest sense. While it immediately concerns something over 12,000,000 white citizens and 6,000,000 colored citizens, it reaches beyond the producers; it concerns the welfare of all of the manufacturers of lint cotton in the United States. It goes beyond them; it concerns the business of the citizens of New England, of New York, of New Jersey, of Pennsylvania, of Ohio, of Wisconsin, of Indiana, of Illinois, and of Michigan. I shall bring to the attention of the Senate how deeply it concerns their commerce, and how directly many of their citizens to-day are involved in the handling of this product.

I shall go further and call attention to the international side of this question and to the manner in which it peculiarly concerns our international situation as well as the manufacture of this product as an international product.

The States that produce lint cotton, Mr. President—and it is distinctly an American monopoly, for the character of cotton which we produce, so necessary to the manufacturer of clothing for the world, can not be produced elsewhere—the States which produce it, naming them in the order of the quantity produced by each, are Texas, Georgia, Alabama, South Carolina, Mississippi, Arkansas, Oklahoma, North Carolina, Louisiana, and Tennessee. Texas last year produced 3,905,000 bales; Tennessee produced 379,000 bales. I shall not stop to give the number of bales produced by each of the other States. Missouri, Florida, and Virginia also produced cotton, and States other than those before named and these three together produced 32,500 bales.

I wish, first, to call attention to some of the peculiarities of the product and of the marketing of the product. Of the 18,000,000 and more people who live in nine of these States, two-thirds of them are engaged in agriculture; and it is safe to say that over 10,000,000 depend directly upon the product of their cotton for their livelihood. Of that number I should say 6,000,000 were whites and 4,000,000 negroes.

Cotton is peculiar as an agricultural product in that the person producing it can do nothing with it but sell it. It is not like other agricultural products, something which can at least be partly consumed by the producer. It can not be manufactured at home. It must be sold, or it is useless to the producer.

Under the plan of production a large sum of money is spent from February until September to produce the crop, and then during the months of September and October it is harvested, money also being spent in connection with the harvest. When the crop is finally ready for market, it is at once sold, according to all past practice, at least the great bulk of it is sold, and the liabilities incurred in connection with production are met.

The resources of the banks, the resources of the merchants, the resources of the farmer are exhausted in the production of the crop, and they all rely upon the crop when it comes upon the market to pay up their obligations. Those obligations reach all over the United States, into the West, into the Middle West, into the North, and into the East.

Last year the crop was worth a billion dollars. Ninety days ago there was every reason to believe that the crop of this year would be worth a billion dollars and that to-day the money of England and of other foreign countries would be pouring into the South, into these States, buying the crop and furnishing the resources to settle the obligations of that section to the other States of the Nation. We understand what has caused the change. The last of July war broke out.

A large part of these farmers, especially the negroes, have little resources. They depend absolutely, to live, upon what their cotton sells for. They have gone on credit as long as they can. Their livelihood during the coming winter depends upon the surplus which comes from the cotton. This is not limited to the negro; a large number of white farmers depend absolutely, for a living and for their opportunity to go through the winter, on the sale of their cotton, and the very strongest of the farmers and planters depend upon the disposal of their cotton to meet their liabilities. This is the day, October 15, that about one-half their liabilities mature, and from now on for the next 30 days they mature continually. It is upon this crop that the liabilities depend, both that the debtor may settle and the creditor may have something. The merchants all through this section depend also upon the crop to meet their liabilities to the larger merchants and the manufacturers of the Eastern and Middle States. The bankers depend upon it for the settlement of their notes maturing to-day and within the next 30 days, to settle their liabilities to bankers from Boston to Chicago, and farther on west, in St. Louis and Kansas City. The whole business fabric of this section rests

for its conduct upon a market for this crop. It is all sold at about this time each year, according to past experience. I say "all"; I mean, practically all.

Let me again emphasize the distinction that should be drawn between cotton and other agricultural products. The farmer raises his corn or his wheat, and he lives off of it; he feeds his stock and his cattle off of it, and he can continue to live off of it without selling it; but the cotton producer can receive nothing from his cotton until he sells it. He can get nothing out of it to support his family until he sells it.

Mr. President and Senators, 60 per cent of this crop is shipped abroad each year under normal conditions. I have here a list of the countries to which it goes, or to which it went last year. These figures refer to bales of 500 pounds each.

Great Britain took 3,281,000 bales, and manufactured that quantity.

Germany manufactured 1,258,000 bales.

Russia, 376,000 bales.

France, 787,000 bales.

Austria, 626,000 bales.

Belgium, 171,000.

Over half of this crop last year was manufactured by the countries now in war. The cotton product sold abroad last year brought $610,000,000, which went into the commerce of our country to give it vigor and force. The Senator from Rhode Island [Mr. LIPPITT] stated a few weeks ago that as a manufacturer it was to his interest that cotton should bring a good price; that it was vastly more important to the manufacturers of New England that this $610,000,000 should be the price of our cotton sold abroad, to give force and power to the commerce of our entire country, than that he should save a few cents per pound in the purchase and the country should be the weaker as a whole as a result of the lower price of the raw material. Upon the floor of the Senate the senior Senator from Rhode Island made substantially that statement only a few weeks ago.

Let me call your attention to another fact. Last year, during the months of August and September, we exported 1,187,500 bales of cotton. During the past two months we exported 146,000 bales of cotton.

During the past five years cotton has sold for an average of 12.74 cents per pound. During the past 10 years it has averaged about 12 cents per pound. Now what is the situation? Sixty per cent of the market has been practically withdrawn and absolute paralysis of the trade in lint cotton has followed. It is not a case of overproduction; it is a normal production. It is the European war that has paralyzed the industry. For 10 years the price of cotton has averaged nearly 12 cents a pound, for the past 5 years 12¾ cents a pound, and now what is it? There is no price.

A few weeks ago I expressed the fear that the price would drop to 6 cents a pound. I expressed it upon the floor of the Senate, and I was assured by many that my fear was ungrounded. You can not sell it at 6 cents a pound to-day if you put it on the market in any quantity. It has sold as low as 4 cents a pound and 3 cents a pound. The bankers can not loan on it. They do not know what it is going to sell for.

I recognize the fact that my burden would be heavy were I claiming that the Government should stand behind the producer of crops and protect him in normal conditions. This, however, is an unprecedented condition. It never has happened before. It is my earnest prayer that the conditions abroad never may happen again. There is no precedent for this situation in the cotton trade. I pray there never may be one again.

I have here letters that assure me that cotton has been taken into the smaller towns in my State and in Texas, and they have not been able to get a bid on it. It has sold at places, in small quantities, as low as 3 cents a pound. It is quoted now at 6 cents a pound, but very few sales are made. If you should undertake to market the crop as it normally should be marketed, you could not sell it at all.

Senators, what will be the consequence if nothing is done? It has cost in the neighborhood of 10 cents a pound to produce it. On the most economical basis next year it will cost 8 cents a pound. It can not be produced at less, on the average. There are places and men of special skill who will raise it for less; but with the character of labor which we must use for much of the production, the average cost can not be brought to less than about 8 cents a pound; and if I made that statement in the South I would be at once called to account for the statement, with the declaration that I had underestimated the cost 2 cents a pound.

It is a product that time does not injure. Cotton fairly well stored, kept out of rain, is as good 50 years after it is picked as it is the day it is picked. Moths do not injure. Weevils do not consume it. There is no animal or insect, after it is picked, that touches it to injure it. There is no other agricultural product which can be cared for with the simple ease that cotton can be cared for and which, like cotton, never deteriorates as the result of age.

The world must be clothed out of our American cotton. It is one of our greatest national assets. The world must have it a short time hence to clothe the people of the world. Is this industry now to be destroyed?

I said that the manufacturer suffered. I read from the greatest authority in the world on this subject. Sir Charles W. Macara, president of the International Federation of Master Cotton Spinners and Manufacturers' Association, in a letter of August 31, stated:

> The purpose of this letter is to confirm to you the statement made by our secretary on Saturday that it would be a great calamity if, owing to the European war, the cotton farmers of the United States of America were ruined. Their ruin will certainly be brought about unless steps are taken by the Government of the United States of America, in combination with large financial houses, to hold back several million bales of cotton. It must be borne in mind that if the war lasts longer than the end of this year there will be a surplus of American cotton of some 5,000,000 bales, and this must necessarily have a depreciating effect on the price of American cotton, and the producer will necessarily be the greatest sufferer in the end. It is neither to the interests of the cotton spinners of the world nor to that of the United States of America as a nation that the price of cotton be reduced to such a low level as, say, 6 or 8 cents.

He wrote that the last day of August. Cotton is down to 6 cents, and it has still no stable demand. There is no bottom. Wiped out will be our balances from abroad if they absorb the cotton at this price. Wiped out will be one-half of the farmers of the South, white as well as black, who cultivate cotton. It will not pay their debts. Many a small farmer will find that the balance of his debts for which he has mortgaged his little farm, or mortgaged, with a homestead waiver, his stock, after his cotton is sold will wipe out all he has and leave him almost with starvation confronting him during the coming winter. A serious part of this problem is, What will this great child race of negroes that is on us do, and what will we do with them? What menace will they become?

Again, the president of the International Spinners and Manufacturers declares that the whole trade in the manufacture of cotton has been demoralized by the demoralization in the price of the raw material. Put down, as it is, to a price far below the cost of production, it is known that the price is temporary.

The raw material put upon a basis of fluctuation as to selling price leaves the consumer of the manufactured product where he does not know what to give. The merchant who would buy the output of a mill finds his trade in chaos and is unable to move it. The best authority from the spinners and manufacturers is that their trade is paralyzed by this condition of the trade in the raw material.

So I extend it from a problem of the 18,000,000 planters or cotton producers to the broader trade of the entire country, extending to the manufacturers and to the merchants who handle the manufactured product.

But let us go a little further. Let me take the State of Michigan. That State ships into the South thousands of automobiles. All over the South there are offices rented and forces employed by the manufacturers of Michigan, Ohio, Indiana, Illinois, New York, Pennsylvania, and other States engaged in the sale of this one product. In the city of Atlanta, where I live, there are more than 100 agents. I was there a week ago, and I was told by them that every sale had stopped and that they would be compelled to discharge every employee with whom they did not have a yearly contract. It means failure, bankruptcy, for one-half of the producers; and then, a little later, it will mean the same thing for merchants and bankers, and will reach into the pockets of the whole country.

The papers of Wisconsin declare that trade in their cheese products is paralyzed because the South, their great customer, no longer buys.

I present it as a national problem. I present it as a problem which concerns the general welfare of the entire country.

I was urged by our producers of naval stores to seek to do something for them. I replied: "Yours is not a problem involving the welfare of the entire country. Yours is a personal problem of a number of good men in a few States. It is not a great national problem; yours is not in the same class as the cotton problem, and I can not endeavor to do for you what you have in mind."

The New York Herald of yesterday states that—

> There was no improvement in the character of spot news from the South. While it is obvious that farmers are holding the bulk of their crops, such cotton as is forced for sale finds comparatively few buyers, and prices appear to be steadily working lower. They have already reached a level far below the most conservative estimate of the cost of

production, and so far as can be learned domestic mills are still buying only for their more immediate needs.

Local spot handlers said yesterday that their offers were anywhere from one-eighth to one-fourth cent lower than on Friday morning, and it was reported that strict middling cotton was being offered from Norfolk delivered at New England mill points at 7⅞ cents.

It is lower now. That price of 6 cents has only been maintained because of the refusal of the farmer to sell; by the fact that it is piled up around the farmer's house and he declines to take it to town.

I have letters, a few extracts from which I desire to read; first, a telegram from a man interested in a number of banks:

Cotton selling in many towns now in Georgia from 4 to 6 cents today. No buyers in many towns at 6 cents.

Now I will read from a careful student of the question residing in Georgia. His letter reached me this morning:

It is impossible for any demand under the present situation to take care of the distress cotton. The cheaper the cotton the more distress cotton will be thrown on the market. While the crop has been made at any approximate cost of 10 cents per pound, the larger part of this cost, and in many instances all of the cost, has already been advanced. These advances are now becoming due, and while our merchants, bankers, fertilizer people, and other mediums of credit are willing to forbear collections and further extend credit, and would do so if cotton had any stable value, they are becoming demoralized and frightened by the rapidly falling price of cotton. This panicky and hysterical situation is forcing more and more cotton on the market, and further depressing the price and value of cotton as security for credit.

If this condition continues, it will result in a series of bankruptcies, foreclosures, forced sales—not only of cotton but of all other tangible assets on the market without purchasers and without money to buy—and will ultimately lead to such paralysis of all business and enterprise in the cotton belt of the South as to render this section unable to carry on practically any kind of farming operations next year, and, in my opinion, the cotton acreage, as well as all other agricultural acreage in the South for 1915, will be far more radically reduced than by any suggested or contemplated legislation which has been made, either National or State. The ultimate results from such experience will destroy far more values in the South than the entire cotton crop even in a normal year.

To what extent these losses will fall upon other sections of our country I can not tell. But necessarily the East and West, who are large creditors of the South, will bear their respective portions of the losses. Ultimately the cotton mill industries of this country, as well as of other countries, will appreciably feel and sustain these losses, for if the South's ability to carry on farming operations is unduly crippled or destroyed and cotton production is abnormally reduced the result will necessarily be high-priced cotton, probably, next fall, and then the cotton mills will themselves go through another period of disastrous financial operations.

I read from another letter from a legislator residing in middle Georgia. His letter also reached me this morning:

To-day cotton in Macon is selling at 6¼ cents, and no demand. I learn that farmers in Macon and in Danville on Saturday sold good cotton at 4½ and 4⅝ cents. If the cotton crop continues to be sold at this price and at much lower prices, to which it will inevitably go unless the Government comes to the assistance of the staple, the result will be that 15,000,000 bales of cotton, which is intrinsically worth $900,000,000, will be sold for $450,000,000, which means a loss in gold to America of $450,000,000—more than the cost of the Panama Canal.

And, mark you, this loss does not fall upon the southern cotton farmer alone, because out of that money the State of Georgia buys from the East and West $175,000,000 of foodstuffs.

I saw in the National Packer a few days since a quotation from some market in Wisconsin to the effect that the cheese market was very dull, and had gone off in value on account of the lack of southern demand.

Just think for a moment how a loss of the purchasing power to the South of $450,000,000 in this year's crop will affect the producers of those commodities, which have been sold to the South for years.

Think also how it will affect the South's purchasing power for next year and the year after that.

The solution of this question, in my opinion, is easy, provided the northern, eastern, and western Senators and Members of Congress can see and know that if the cotton crop is sacrificed, as it evidently will be, that the calamity is much more of a calamity of the North and East than it is of the South.

Mr. President, the assessed value of nine of these Southern States chiefly interested in cotton raising for 1912 was $6,827,800,000. I say to you without a moment's hesitation, without a doubt, that unless something is done to meet this great emergency those values will be reduced by next year 25 per cent. This is a conservative estimate. It is not simply the loss of the cotton crop; it is a blow to the entire section, a great part of our country.

Ah, gentlemen, I speak of a part of the country which our brethren of the North insisted should remain in the Union, and for which their splendid boys fought under the Stars and Stripes, and whose splendid service in keeping the South in the Union we so often hear about with admiration, and to whom we have paid $4,500,000,000 in pensions for keeping these States of the South in the Union. Now, if we were worth so much to the Union, if it was so desirable that we should stay in the Union—and I am glad we are in it; do not misunderstand me for a moment on that subject—if we were worth so much, is it not worth something to save these States to-day?

But it is not simply saving the South; it is saving the commerce of the country. I see my friend the Senator from Michigan [Mr. SMITH]. I say to him that the greatest manufacturing industry perhaps in his State will be jarred unless we can do something to save this condition in the South. Michigan sells by far more automobiles in the South than any other State in the Union. Their agents have places of business all over the South. They are not selling a machine now, and they can not collect the debts that are due them, and if this condition goes on, foreclosures will not collect debts.

It is a war situation, and it is a situation as distressing and as serious as has ever been brought on by a flood in Ohio or a fire in Salem, Mass., or an earthquake at Charleston or an earthquake at San Francisco. The Treasury has been freely used in such emergencies. It is as serious to 5,000,000 people as was the condition of our 50,000 who were abroad a short time ago and who wanted to get home. We furnished $2,500,000 to bring these travelers home. May we not loan the credit of the Government to save those who "stayed by the stuff"?

Mr. BORAH. Mr. President——

The PRESIDING OFFICER (Mr. VARDAMAN in the chair). Will the Senator from Georgia yield to the Senator from Idaho?

Mr. SMITH of Georgia. Yes.

Mr. BORAH. I do not want to interrupt the Senator in the course of his presentation of this matter, but if he would prefer it, before he closes I wish to ask some questions in regard to a practical feature of it as a matter of legislation.

Mr. SMITH of Georgia. I will come to that a little later on. I am seeking first to present the broad question to the Senate as I see it. I know there are Democrats who have a narrower view of our governmental power than I have. I believe in the power of the Government, the right and duty of the Government, as occasion requires, if it makes really a case of general welfare, to use its power not to interfere with the rights of a citizen where the special delegation of authority has not been given, not to interfere with the rights of a State where the special designation of power has not been given; but without interfering with the right of either to come to the help in the interest of the general welfare of the people of the country.

We spent $400,000,000 on the Panama Canal. The commerce of our country involved in this question involves more for the next 5 years than the Panama Canal will contribute in 50 years, and the Panama Canal is a continuing burden. We come to you with a proposition which involves not one dollar of burden upon the National Government.

Now, Mr. President, I might go into details to show how the commerce of New York City, how the commerce of Boston, how the commerce of all the New England States is affected by this problem.

I stop a moment to say that I understand all over my State orders to New England for shoes have been suspended or canceled within the past 60 days. I met the representative of a large New England manufacturing house engaged in the manufacture of shoes and was told that he was going home, that nobody would buy anything. Why should they, with the certainty that they had nothing as things stood to pay with, and why should the manufacturers want to sell?

Mr. President, the plan which we present is not intricate. It is conceded that we have at least a surplus of 5,000,000 bales which will not be consumed by the mills next year. I think it will hardly be questioned that within the next two or three years the world will need this cotton. It will need vastly more than this cotton if the agricultural paralysis takes place in those States next year which is in front of them, because little will be produced.

This bill proposed no issue of paper money to burden the Treasury to be maintained by additional gold reserve. It proposes no inflation of the currency. It proposes the issue of $250,000,000 of 4 per cent bonds due on or before three years from date, issued in small denominations of $10 up. It proposes that these bonds shall not be sold upon the market, but shall be exchanged for cotton in the States in proportion, as far as possible, as the States have produced cotton.

It proposes that this cotton shall be taken off the market during the next year, with, however, the privilege that a board consisting of the Secretary of the Treasury, the Postmaster General, and the Secretary of Agriculture, if the manufacturers should consume the crop offered for sale and need part of the 5,000,000 bales may let them have it.

It proposes that in 1916 again cotton shall be sold from these 5,000,000 bales as the demand calls for it, and that not later than July 1, 1917, all of it shall be sold.

It proposes to levy a tax as an excise tax on the cotton producers, beginning with half a cent in 1916 and a cent a pound in 1917 to meet the deficit, if there be any deficit, on the sale of this cotton by the Government. One per cent a pound on a normal crop will be $75,000,000. If the crop is reduced, of course the price of the 5,000,000 bales will become normal, which is between 12 and 13 cents. If the crop is reduced, the

5,000,000 bales would easily sell for more than enough to pay the bonds, interest on them, and the expense of handling the cotton. If it does not pay it, though, 1 cent a pound on a 10,000,000-bale crop would be $50,000,000.

We are not here as mendicants; we are not here seeking to reach our hands into the National Treasury and take care of ourselves from the taxes paid by others. We are proposing to carry our own burden finally. We are proposing to free the Government and the people of the entire country from the loss of a dollar as a result of the aid which will carry us through this great crisis, and enable us to settle our debts to our northern and eastern and western friends, and tide over this war condition until things are normal, and then pay back every dollar through the industry itself, if there is a dollar which it costs the Government to help us do it.

One clause of the amendment provides for a tax next year of 2 cents a pound on all the cotton produced in excess of one-half this year's crop. I do not think that will raise much revenue, because I do not believe that next year's crop will exceed one-half this year's crop; but the following year, 1916, we propose to put a half cent a pound on all cotton produced to meet the interest and expenses of caring for the cotton, and the year following a cent a pound, if any loss exists, and to continue a cent a pound each year until every loss is met. I repeat, a cent a pound on this year's crop would produce $75,000,000.

Senators, I do not know that we have found the solution of this question, but I do ask you to forbear before you reach an adverse conclusion. Stop to think about it; give us the benefit of a consideration; and may I say, quoting from an editorial in a newspaper that I read a few days ago, I believe that the best legislation comes from a combination of heart and head? I do not believe that the wisest mode of handling a great problem which concerns the people of this country is to eliminate all heart; I believe, finally, in the action of the judgment, and I beg you do not at once precipitate an adverse conclusion. Confer with us; think about it; help find what can be done. If we have not the right plan, help us find one.

The welfare of our whole country is involved; the welfare of your citizens is involved; our trade relations abroad are involved; our obligations to other sections of the country—your sections—are involved. Help us study out what is best, if we have not found it. We wanted to find a plan that would place no burden on the Treasury; we wanted to find a plan by which we could come before you and say, "We will carry our own burdens if you will allow us the benefit of the Government's credit and cooperation in this way for two or three years"; but if there is a better way, if there is some objection to this plan, if there is a better plan, help us find it. Do not, sir, simply with the idea that you are going to fight what we have suggested, put yourselves in the frame of combating any and all action. See it, I beg you, in its broad light. Take a little while to think about it before you reach a conclusion. Do not spring to immediate opposition.

During the present session of Congress we have voted $35,000,000 in money to build railroads in Alaska, and we put into that bill a provision that anything that comes from the mines shall stay in Alaska. Is that for the general welfare? That is to develop Alaska, to make it possible for people to go there. If there is a loss, we all bear it; if there is a gain, Alaska gets it. Our cotton plan is one by which, if there is a loss, cotton bears it; if there is a gain, the Government gets it. We are asking you to help save some people who are already on the soil and tilling it.

We voted two and a half million dollars to bring back travelers from abroad. We are asking you to take care of some people who stayed by the stuff. We have voted nearly $80,000,000 for reclamation purposes in the West; we indorsed $120,000,000 of bonds to build railroads in the West. I am not objecting to it.

We have spent $600,000,000 on the Philippines that we are going to give up as soon as we sufficiently civilize the Filipinos to enable them to take care of their own affairs—a broad philanthropy.

We, 18,000,000 of your own people, come and ask cooperation to handle the severest blow that has fallen on any section of this country since the Civil War.

Senators, do not strike before you think; do not oppose before you have time for the calmest consideration of the subject. While you are objecting to what we suggest, try to think of something better. I ask for mental operation, lit up by the light of kindly hearts.

Mr. President, I shall not detain the Senate longer upon this subject now. I thank Senators for their attention.

Mr. McCUMBER. Mr. President, while I think that most of us who have been here more than half a dozen years have realized the rapidity with which we, through our legislation, are being driven into the field of paternalism, I do not think there is anyone in the Senate who has not been astounded by the mighty advance in that direction which is proposed in the pending amendment, which is that the Government shall proceed, whenever any one of the industries of the people becomes unprofitable, to make it profitable; and if there is not sufficient demand for the product that the Government shall purchase that product and hold it out of the market until it reaches a profitable price.

Mr. President, much as I am opposed to paternalism, great as is my antagonism for socialism, I must say that if we are going to take a step of this kind, let us be fair with every one of our people and every one of our industries and go into the socialistic ford heart and soul; let us raise the banner of paternalism, conduct everything by the Government, and let the citizen be the servant of the Government, to receive compensation for his wages according to standards fixed by the Government. That is what this measure finally leads to.

I do not agree with the Senator from Georgia [Mr. SMITH] when he says that the Senators on his side of the Chamber, especially those from the South, take too limited view of the authority of the General Government. I have never known them to take such a limited view whenever the question was one of appropriation or one which could help out their particular section of this country. They have taken that view only, it seems to me, when it operated as a good argument to defeat some measure which they desired to defeat.

The Senator has not given us all the information that we ought to have in order to determine whether or not the southern section of this country is in the dire straits which he has depicted. I have read this morning a statement showing that for the last year there has been no other section of the country so prosperous as the southern section. There has been none so unprosperous as my own section during the same time.

I do not know what you mean by "a normal cotton crop," but my understanding is that your cotton crop is considerably in excess of normal this year and considerably in excess of what the average has been for the last 10 years. If I am in error in that, of course I can be corrected.

We have always found in the case of our agricultural products that whenever we had a little more than the normal crop our prices went down very much indeed. We have taken that as a matter of course, and have assumed that we have had to deal with that condition ourselves; but you have helped to make our condition still worse by providing that whenever we have a short crop that will lift our prices up so that we can barely make a living, you will allow the Canadian surplus and the Argentine surplus to be thrown in upon our country and thereby drive our prices down.

I have been told again and again by southern Members that if they were sure of securing 10 cents a pound for their cotton they could make good money, and that if they could get 12 cents they would be exceedingly prosperous.

Now, if I may call the Senator's attention to conditions in our section of the country—and we have never asked for any Government support—if you receive 8 cents a pound for your cotton, you are getting a better price, measured by the cost of production, than we are getting to-day for our northern cereal products. In my State to-day, in spite of the European war, which is said to raise the prices of products, our oats are only bringing about 37 cents a bushel, and barley in the interior part of the State is worth only 35 cents a bushel. Our cereal crop this year is short, and we should receive greater prices per bushel, but we are not securing those better prices because of foreign importations.

You can not hire your help and raise a bushel of barley for 60 cents a bushel; you can not hire your help and raise a bushel of oats for 40 cents a bushel. We are getting about 70 cents a bushel for our wheat in North Dakota. You can not hire your help and raise that wheat and make a profit at 90 cents a bushel. We have been able to live only because we put our labor in at nothing. We, of course, get our board, such as it is, and the little clothing we wear, but in order to make both ends meet we can not allow ourselves wages, and yet we have not called upon the Government to give us assistance.

Let me call the Senator's attention to the condition in 1894 and 1895. Why, Mr. President, the Senator has stated that in the case of grain the farmer can live off of it in some way, but that he can not live off of his cotton. Well, perhaps during the Stone Age, or along during the age of the cave man, humanity was possessed of molars capable of grinding grain. In the

twentieth century we can not do that; we have got to sell our wheat and buy flour; and, although the Senator from Georgia thinks that we can eat the raw wheat and raw corn, I want to assure him that they would be very indigestible, and I doubt if the teeth of the people of the present century would allow them to live in that manner.

Mr. SMITH of Georgia. Mr. President, will the Senator allow me to ask him a question really for information?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Georgia?

Mr. McCUMBER. Certainly.

Mr. SMITH of Georgia. I will ask the Senator, have you not local mills in the neighborhood to grind your local wheat?

Mr. McCUMBER. Mr. President, the old toll mill is a thing of the past. You sell your wheat and you buy flour.

Mr. SMITH of Georgia. My reason for asking the question was that, when I was a boy in western North Carolina, I have driven a good many loads of wheat to the mill, had it ground, left my toll, and brought my flour home. I supposed that some such condition still exists.

Mr. McCUMBER. Mr. President, I also did that when I was a boy; but the Senator and I both know that the world has taken several strides since we were boys.

Mr. SMITH of Georgia. I know that; but still I thought there was a local mill.

Mr. McCUMBER. It is not doing business along that line; and I doubt if it is even doing business in the South along that line.

Now, I want to call the Senator's attention to the fact, when he says that they can not do anything with the cotton, that in 1895 the people of Kansas had to burn their corn to keep warm. They absolutely could not get anything for it; they used it for firewood. Kansas did not come to the Government and ask that it support the State of Kansas, and that it buy corn at 40 or 50 cents a bushel and hold it. In 1895 I sold a great many bushels of oats at 10 cents a bushel. I could not raise those oats for 40 cents a bushel at that time. In fact, considering that they were sold by measure and that the weight is considerably more than the measure, they realized only about 8 cents a bushel. At the same time we were selling wheat for from 35 cents a bushel to 45 cents a bushel. We managed to get along. We believed in State rights and State responsibility to some extent, and we thought that the two went together. So, when the farmers in my State had their wheat taken by mortgages during those hard times, and when they had crop failures by drought and otherwise, the State again and again came to their assistance and bought them seed wheat and started them in business. It never occurred to us that the Government should become our purchaser at fair profits.

The State stood back of them, and had it not been for that many of them would have become bankrupt. It never occurred to the other side of the Chamber at that time, when you were receiving pretty fair prices for your cotton, that you would bond the Government to the extent of a few hundred million dollars to take care of the crop in the Northwest.

We have never asked for any sort of a loan to help us out, but if the Government is going to make a corner on cotton to give its price a boost, then, of course, we want to come in. We have asked only one thing, and that is so to protect our markets by proper legislation as to give us the American market—give us the first opportunity in that market. You denied that with your votes; and yet, because you can not get into the German market by reason of the war, you ask us to go down into our pockets to raise the taxes to pay the interest on the bonds, and finally the principal, in order that the Government may buy your crop and keep it and hold it for a better price.

Mr. President, if we are going into that I have an amendment to the Senator's amendment that the Government should buy my oats and barley and wheat for a price compared with the cost of labor that will be just equivalent to what you are asking the Government to put in for your cotton this year. Socialism or paternalism, to my mind, is vicious, but if we have it for part of the country we must have it for the whole. Now, I am not going to take the view of the Senator that the South can not live another year with the prosperity it has had in the past. It certainly has all of the American market for its product. It certainly has had prosperity during the last year. I only know one country that is now cut off by the war that takes the exports of cotton from this country, and that is Germany. We can still send it to France and to Great Britain, and there is little doubt that our own spindles will take care of a greater proportion during the next year than they did during the last year.

The Senator quoted from a statement that I presume he took from the paper which I have here with me, and I want to read some figures in that same statement.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Florida?

Mr. McCUMBER. I do.

Mr. FLETCHER. The Senator made the statement that the Northwest was going to be called upon to pay a portion of the interest and the principal of the bonds that are proposed to be issued under this bill. I do not understand that that is the proposition at all. I understand that the principal and the interest are to be paid by the people who, in this emergency, are to be given the credit of the Government to relieve them; that a tax is to be levied upon the cotton that is produced hereafter sufficient to take care of that entire indebtedness.

Mr. McCUMBER. Well, bonds are to be issued; the entire people of the United States will have to pay the interest on those bonds, and whether or not they will get it back again from the particular section that is to be benefited is problematical. They may and they may not.

I notice here, in the statement published on October 14, that—

Cotton consumed during September was 415,194 bales, exclusive of linters, compared with 442,435 in September last year.

Almost the same; a very slight falling off. Why, if the Senator would take time to look up the statistics he would find that our grain exports have fallen off more than the difference in the consumption here.

Mr. SMITH of Georgia. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Georgia?

Mr. McCUMBER. I do.

Mr. SMITH of Georgia. That was the consumption in the United States.

Mr. McCUMBER. Certainly.

Mr. SMITH of Georgia. It does not give the foreign consumption at all. I did not claim that the consumption in the United States would fall off. What I was seeking to show was the loss of our foreign trade.

Mr. McCUMBER. I understand that. But I want to show that you will have a steady market for what we have here, provided you take advantage of the means you have at your disposal in the South, with the great banks that offer to take and to extend loans to cover your cotton for a year.

Consumption for the two months ending September 30 was 798,874 bales against 874,785 last year.

In other words, you have used a great deal more this year than last year.

Cotton on hand September 30 in manufacturing establishments was 556,068 bales compared with 614,581 a year ago—

Or considerably less—

and in independent warehouses, 1,661,856, compared with 1,295,155 a year ago.

I find from the same statement that—

Cotton spindles active numbered 30,562,185 against 30,634,381 a year ago—

Or practically the same—

Linters consumed was 27,389 bales against 27,697 a year ago—

And I might give a number of other things that show that, at least, the home demand is about normal.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Oklahoma?

Mr. McCUMBER. I yield.

Mr. GORE. I want to ask the Senator if he can state the exports this year and last year to the warring countries?

Mr. McCUMBER. The Senator from Georgia gave that information from the same article, and therefore I did not think it was necessary for me to repeat the same figures that he put into the RECORD a very short time ago. Of course the exports have fallen off immensely.

Mr. GORE. Something like a million bales for the months of August and September of this year?

Mr. McCUMBER. Somewhere about that.

Here is another article, published this morning in the Washington Post, which would indicate that there is no section of this country so poverty stricken that it can not take care of its own matters without calling upon the Government for assistance:

SOUTH LED ALL SECTIONS OF NATION IN BUSINESS DEVELOPMENT LAST YEAR.

NEW YORK, *October 14.*

Reports of the railroads of the United States to the Interstate Commerce Commission for the year ended June 30, 1914, throw an interest-

ing light on the development of the South during the year as compared with other parts of the country.

One of the best measures of the progress of a community is afforded by the gross operating revenues of its railroads. Measured by this standard, the South is the only section of the country that did a larger business during the fiscal year than in the last preceding 12 months—

In other words, it is the one section of the country that has been more prosperous than the preceding year—

In the southern district, embracing the territory south of the Ohio and Potomac Rivers and east of the Mississippi River, there was an increase of $215 per mile, or 2 per cent.

These figures show that the falling off in business in all other parts of the United States during the fiscal year did not limit southern development as a whole, but that, while some lines of business may have been affected by the falling off in demand in other parts of the country, there was a substantial growth in the business of the South as a whole.

In the light of these facts it is reasonable to suppose that when the temporary depression resulting from the crisis in the cotton market has been passed over the South will again lead all other parts of the United States in its rate of business development.

If the Senator will again refer to the normal output or production of cotton in the United States and compare it with the normal production of, say, wheat in the United States, he will find that there is a much greater surplus on wheat, according to the reports of the Agricultural Department, than there is on cotton, the result of which surplus greatly depresses our price.

We are getting, as I say, about 77 cents a bushel in my State for our wheat. The Agricultural Department estimated some time ago that we would raise this year about 900,000,000 bushels. The probabilities are that that estimate was very excessive, but it is fair to say that we have probably raised 800,000,000 bushels. If we raise 800,000,000 and consume but 600,000,000 for seed and bread, we must dispose of 200,000,000 outside; and while we are disposing of that 200,000,000, the entire crop of the northwest of Canada is pouring into our State, and because it is the nearer market at the same price you will see that we may run up to 300,000,000 bushels that must be exported in wheat or in flour. That depresses our price, and we are just as much entitled to have those prices put upon a living basis, by asking the Government to appropriate $500,000,000 to do that, as you are entitled to ask that any other business shall receive the support of the Government of the United States.

Mr. SHEPPARD. Mr. President, the Senator from North Dakota has made one of the most remarkable speeches that has ever been uttered in this Chamber—remarkable from the standpoint of its unspeakable inconsistency. He charged us with being guilty of paternalism, of appealing to the Government when we should not do so, saying that we should take care of our own; that no business should appeal to the Government for support in any emergency; and yet he has been one of the strongest champions in this Chamber of the system of protection, the fundamental object of which is Government taxation of all the people for the support of particular industries.

If we needed an example, if we needed a precedent for anything of a paternalistic character, all that would be necessary would be to cite the system advocated by the Senator here on many former occasions, and to the principles he has so vigorously advocated. He blossoms out here as a champion of State rights, of State action; and yet, sir, the system that he has advocated taxes all the people to maintain the prices of articles produced in some of the States. He is unfair enough to base his criticisms on the fact that the home demand for cotton is as great this year as it was last year, and yet everybody who knows the industry knows that the home demand is only one-third of the entire demand, and that if we had only the American demand to depend upon absolute ruin would overwhelm the South.

I had hoped that this measure would meet with a note of sympathy on the other side of the Chamber, and that the speeches would not be characterized by a spirit of chastisement and criticism, a spirit that has little place in an emergency of this character and at a time like this.

I want to say that in contrast to the spirit evidenced by the Senator from North Dakota [Mr. MCCUMBER] is the encouragement that has been given the "Buy-a-bale-of-cotton" movement throughout the North. While that movement has not involved a solution of the problem, yet it has evidenced a spirit of patriotic helpfulness that augurs well for the future of this Republic. It has brought assistance in thousands of cases of individual distress. In some of the northern cities arrangements were made for buying several hundred thousand bales of cotton at 10 cents a pound. In New York the business men organized a campaign for the purchase of 200,000 bales. In Chicago the business men organized a campaign for the purchase of 100,000 bales. In Baltimore an especial interest has been taken in this matter. I want to say here that in the city of Washington alone was the movement discouraged and repudiated—the city where more money is expended that comes from the pockets of the southern people than perhaps any other city in the Union.

I wrote a letter to the Washington Chamber of Commerce and asked them to join this movement, to buy one bale of cotton, as an encouragement to the South in its great crisis; and here is the answer I received:

WASHINGTON CHAMBER OF COMMERCE,
October 8, 1914.

Hon. MORRIS SHEPPARD,
United States Senate, Washington, D. C.

MY DEAR SENATOR: The board of directors last night listened with much interest to the reading of your letter of 11th with regard to purchase of a bale of cotton by the chamber.

The board directed me to express its sincere regret that it could not see its way clear at present to make the purchase. With respect and esteem,

Sincerely, yours,

THOS. GRANT, *Secretary.*

Mr. President, it is no wonder that the city of Washington amounts to so little commercially in this Nation and that Baltimore is one of the important trading points of the South rather than the city of Washington. Baltimore is always responsive to every need of that section. I can not believe that the members of the chamber of commerce understood the real situation or that they understood what this movement meant.

I understand that my colleague [Mr. CULBERSON], the senior Senator from Texas, has had incorporated in the RECORD a telegram from the secretary of the State Senate of Texas, now in session, giving a resolution——

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Nebraska?

Mr. SHEPPARD. Certainly.

Mr. NORRIS. Before the Senator leaves the subject of this movement for buying a bale of cotton, I think it would be interesting if he would tell us just what the movement is. I should like to know, for instance, if it is undertaken in any community, how the cotton is stored and who has charge of it. Is there a committee or some one to whom the funds could be sent for that purpose?

Mr. SHEPPARD. Oh, yes. The board of trade of almost any town or city in the South will buy a bale for anybody who desires it.

Mr. NORRIS. What is done with the bale of cotton?

Mr. SHEPPARD. The bale is stored in a warehouse, insured, and a warehouse receipt sent to the purchaser.

Mr. NORRIS. It seems to me that, while there is a general knowledge of the movement, the details of it are not understood by the people, or I believe there would be a much greater response. For instance, anyone who wanted to help in that movement would not always know just where he should write, to whom he should remit the money, what arrangements have been made in regard to the storage and care of the cotton, where it would be kept, what would be the cost of keeping it, and all those details. I want to ask the Senator if they have been worked out and if there is some committee that has charge of the matter in the various localities, so that a person buying a bale of cotton would know in advance just what it was going to cost, what the storage was going to be, and whether responsible parties were going to have charge of it, so that it could be sold when the owner desired to sell it?

Mr. SHEPPARD. I am very glad to say to the Senator that committees have been appointed in almost every locality in the South to take charge of the matter and to see to it that the people who buy cotton are properly cared for. I will say to him that periodicals, like the Literary Digest, the Saturday Evening Post, the Country Gentleman, Collier's, and other national publications are giving wide publicity to the movement and regard the whole measure favorably. I will state that special committees have been appointed to look after the matter in every State of the South.

Mr. LANE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Oregon?

Mr. SHEPPARD. Certainly.

Mr. LANE. I think the Senator from Nebraska [Mr. NORRIS] is correct, that the majority of people do not understand how to go to work to purchase the cotton, and the representatives from the South should make the details of the matter known.

Mr. SHEPPARD. I shall be very glad to do so.

Mr. LANE. A lot of people would be glad to support the movement and have a great deal of sympathy with it, but they do not know how it will work. They do not know how to proceed to purchase a bale of cotton or anything about how it will be taken care of or stored. It is all new to them. They are not familiar with cotton. They know nothing about raw cotton or baled cotton, for it is a new subject. The people out in our

part of the country are quite interested in the orange industry, and that is new to you. I think it is due that the facts should be made plain.

Mr. SHEPPARD. The Senator from Nebraska does not understand me as complaining of any lack of sympathy for the movement.

Mr. NORRIS. Oh, no.

Mr. LANE. I did not understand that there was any such criticism made.

Mr. NORRIS. I will say to the Senator that the object I had in asking the question was to give publicity to that movement. It seems to me it is a very worthy movement, and I am satisfied people all over the country would be glad to take part in it, and I am not sure but that it might be the means, at least to a great extent, of solving the question. But the ordinary person who wanted or felt inclined to assist in the movement would not know perhaps what he ought to do, and when he did remit the money he would want to know, of course, that the cotton which was bought would be properly cared for, that responsible parties would have charge of it, and that after he had invested his money he would, in time, perhaps get it back.

Mr. SHEPPARD. I shall say to the Senator from Nebraska that general interest has already been expressed in the movement throughout the North. The suggestions of himself and the Senator from Oregon are very helpful, and as we proceed with the movement we will see to it that wider publicity is given and that the details are given wider advertisement.

Mr. NORRIS. I will ask the Senator if he can not put into the RECORD such details as I have inquired about, not necessarily now, but within a day or two, giving the names and addresses of people to whom anyone desiring to assist might write, and also the modus operandi that would have to be gone through in order to get the cotton and how the cotton will be cared for and ultimately sold.

Mr. SHEPPARD. I shall be very glad to do so. I shall say that in the earliest infancy of the movement I organized a Buy a Bale of Cotton Club here in the Senate. I have here the original charter, and I should like to have it inserted in the RECORD, with the names of the signers. I think the organization of that club here gave a distinct impetus to the movement throughout the country.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

The matter referred to is as follows:

We hereby become members of the Buy a Bale of Cotton Club of the United States Senate, and we hereby agree that we will purchase, as soon as practicable, one or more bales of cotton for not less than 10 cents a pound, basis middling.

We hereby request the county judges in each county in the South, or such officers as fill similar positions in the counties where there are no county judges, to designate a chairman of a Buy a Bale of Cotton Club in each precinct.

The southern Members of the House of Representatives are requested to form a similar organization, and the governors and other State officers of the southern cotton States are asked to assist in any way they may deem advisable.

Bankers, merchants, business and professional men generally are especially requested to cooperate, and the help of the women of the South is especially desired.

The only requirement for membership in these clubs is the purchase of at least one bale of cotton for not less than 10 cents a pound for basis middling.

Morris Sheppard, Blair Lee, John Sharp Williams, Hoke Smith, Luke Lea, Joseph E. Ransdell, John K. Shields, Claude Swanson, Frank S. White, Duncan U. Fletcher, Albert B. Fall, William J. Stone, James Hamilton Lewis, J. R. Thornton, Joe T. Robinson, James K. Vardaman, N. P. Bryan, T. P. Gore, F. M. Simmons, J. H. Bankhead, W. E. Chilton, C. A. Culberson, W. S. West, James A. Reed, William H. Thompson, Robert L. Owen, James P. Clarke.

Mr. NORRIS. Will the Senator allow me a moment?

Mr. SHEPPARD. Certainly.

Mr. NORRIS. The Senator from Oregon [Mr. LANE] has just said to me that he had never heard of that organization. I had never heard of it. I wondered if the Senator has given to it even here in the Senate the publicity that it deserves and which it ought to have.

Mr. SHEPPARD. I will say to the Senator that the press handled the proposition and advertised it widely throughout the country, but only southern Members were asked to join the club here. That is the reason, perhaps, why the Senator had not heard of it before. We have not appealed to northern Senators as yet.

Mr. LANE. Will the Senator allow me?

Mr. SHEPPARD. Certainly.

Mr. LANE. I think it would appeal to all Senators, but, as the Senator knows, the newspapers are crowded with war news. The terrible struggle in Belgium detracts from other items of interest in the papers, and it is easy to overlook such a matter.

Mr. SHEPPARD. I will say that I now open the doors of the church and invite the Senator to join us. I shall be very glad to have Senators from Northern States as well as Southern States join the movement.

I was referring to the telegram which had been received from the Texas State Senate. I want to have it read, so that it may be a part of my remarks, although it has already been put in the RECORD this morning.

The PRESIDING OFFICER. If there is no objection, the telegram will be read.

The Secretary read as follows:

AUSTIN, TEX., *October 14, 1914.*

Hon. MORRIS SHEPPARD,
United States Senate, Washington, D. C.:

The following simple resolution by Senators Henderson and Gibson was to-day adopted by the Senate of Texas:

"Resolved by the Senate of the State of Texas, That we hereby indorse the amendment as proposed by the southern Senators and offered as an amendment to the war-tax bill, wherein it is proposed that the National Government issue $250,000,000 of 4 per cent three-year bonds, and that said bonds shall be used to purchase 5,000,000 bales of this year's cotton, at 10 cents per pound, and providing that said cotton shall not be sold by the Government until 1916 and 1917, and that we hereby request the Congress of the United States to pass said amendment, and that a copy of this resolution be wired to our Senators, Hon. CHARLES A. CULBERSON and Hon. MORRIS SHEPPARD."

W. V. HOWERTON,
Secretary of the Senate.

Mr. SHEPPARD. Mr. President, to show what the Federal Government has been doing recently in behalf of certain sections of the country, I want to read an extract from an address delivered recently by Hon. John Skelton Williams, the brilliant and courteous Comptroller of the Currency, before the annual convention of the Indiana Bankers' Association a few days ago at Indianapolis, Ind. He said, in part:

Although this country had shipped abroad between May 1 and August 31, 1914, in payment of securities sold here for foreign account and in payment of debts due abroad, including balances due by importers, more than a hundred and sixteen million dollars of gold, the outbreak of the war found us with debts falling due in European countries between August 1 and January 1, 1915, amounting, as far as can be estimated, to between three hundred and four hundred million dollars. The largest portion of this indebtedness due by any one borrower was represented by the loans placed abroad of the city of New York, amounting to some $82,000,000. Had the world been left at peace our exports of cotton, of food products, and other merchandise between August 1 and January 1, 1915, normally would have amounted to more than $1,000,000,000, or enough to pay off the floating debt to Europe, to settle for all imports during the same period and show a handsome balance due us.

As a matter of fact, Mr. President, the exports of cotton alone have formed the chief bulwark of our gold payments abroad and of our balance of trade, and the fact that we are deprived of $600,000,000 of gold with which we would discharge that indebtedness abroad this year makes this cotton problem a national problem and involves the whole Government, as well as the southern section. But to continue the quotation from Mr. Williams.

But when the 1st of August came, instead of launching our fleets of merchantmen laden with the fruits of our most bountiful harvests of cotton, wheat, and other merchandise, we faced the forbidden clouds of war suddenly gathered. All Europe seemed to rush to convert our securities, offering, as they did, better hope than any other for realization into gold, while all markets were closed against what we had to sell. It was necessary for us to seal our exchanges against our bonds and shares, as Europe had closed hers to our cotton, wheat, minerals, and manufactures. By this action one pressing and imminent danger was met and averted.

On Saturday, August 1, following the dumping upon the market for foreign account of an avalanche of bonds and shares held by foreigners, the reserves of the New York banks fell more than $40,000,000 below legal requirements. The stock exchange had been closed, but the drain upon the resources of the New York banks had set in from many directions, and there was alarm and cause for it. Responding promptly to urgent appeals, the Secretary of the Treasury went over to New York Sunday afternoon, August 2, and held a conference that night with a score or more of the presidents of the leading banks and trust companies of the metropolis. He heard their statements, analyzed the situation quickly, saw what was necessary to enable the banks to meet the demands upon them and to restore confidence, which had been so racked by the world-shaking events of the week. Confidence in the Government, the people and the ultimate resources of the country was absolute, but there was need to meet immediate and urgent emergency. Knowing that confidence and the soundness of the basis for it, the Secretary announced that the Government would supply the New York banks forthwith with as much as $100,000,000 of additional currency if it should be needed. Anticipating the situation as it was laid before him at that conference, he had that Sunday morning, before leaving Washington, directed the shipment by express to the Subtreasury in New York for the New York banks of $40,000,000, and the Treasury forces and the express companies at that moment were taxing their resources in hurrying the execution of the order.

The announcement that the Treasury had arranged to give the New York banks a hundred millions of currency was flashed that night over the wires to every section of the country, along with the assurance that the New York City banks were prepared to honor all requests of their country bank correspondents for shipments of currency against their balances. Therefore there was no suspension of currency payments or premium on currency as in the comparatively limited stringencies of 1893 and 1907.

A few weeks later leading bankers from New York came to Washington to ask if the Government would lend its support in enabling New York City to raise, through a syndicate of bankers, the funds necessary to provide for the city's loans of $82,000,000 just maturing abroad.

There was no panic here, no actual distress here, no tremendous emergency. It was mere maturity of part of the debt of one of the municipalities of the United States. Continues Mr. Williams:

They were assured by the Secretary of the Treasury that the Government would cooperate by providing the banks with a further amount of currency and would accept a fair proportion of New York City's new notes or bonds as the basis for such currency, in order to help the bankers carry out the plan for the funding of the city's floating indebtedness; and since that time the Treasury Department has actually furnished to the New York banks $50,000,000 of additional currency, making the total amount accorded to the banks of that city from the Treasury since August 1 more than $140,000,000.

Now, Mr. President, if the Government could help a city of 5,000,000 people discharge its loans abroad by a direct transfer of $50,000,000 of currency from the Treasury to a syndicate of that city's bankers, is it not reasonable for the cotton farmers, composing a majority of the people in one-third of this Republic, to request the Government for aid to the extent of $250,000,000 in bonds, safely secured, when that aid involves no loss to the Government? You can not explain it to the cotton farmers of the South, and there is no explanation, unless it is that we have one mode of treatment for one section of the country and another mode for the other.

I have heard my generous and eloquent friend from Mississippi [Mr. VARDAMAN] say that if this emergency which is now destroying the South had occurred between Washington and New England, or between the Potomac River and the northern border of this country, steps would already have been taken to secure the necessary relief. This was said in no spirit of sectionalism, in no spirit of complaint. I repeat what has been done by the Government within the last 40 or 50 days to show that we are not without reason in making this request, to show that we do not deserve the criticism of the Senator from North Dakota, nor the criticisms made under their breath by some Senators and Representatives from our own section. There lies the trouble. If we could present a united front here, with every Member from our own section putting their efforts into the same proposition, we would have better prospect of success.

Mr. President, having already addressed the Senate on the subject of relief for the cotton growers of the South, I shall claim your attention for but a short time to-day. The pending amendment represents the combined judgment of a number of southern Senators who have been considering the matter at the several meetings they have recently held. I had the honor to participate in the conferences which developed this amendment, conferences at which not only the bill S. 6565, presented by me in the Senate, was discussed, but, in addition, practically all the measures that have been proposed in behalf of the cotton farmer. The result of these conferences is the pending amendment which has been offered by the Senator from Georgia [Mr. SMITH]. We have subordinated individual differences and individual opinions in an effort to reach the common ground represented by this amendment. We believe that it contains a plain and practical solution of the most terrible situation that has confronted the South since the war god smote her fields and firesides a half century ago.

The appeals that are coming in every mail to southern Senators and Representatives from their constituents are so freighted with tidings of disaster that we would be unworthy of our positions if we did not employ every possible means to secure relief, if we did not brave the criticisms such as those which have come from the Senator from North Dakota to-day.

If hostile fleets were bombarding southern ports, if invading armies were sweeping Southern States, the Nation would not hesitate to expend hundreds of millions of dollars—nay, to send millions of citizens, to her defense. The peril to the Nation as well as the South would be immediately recognized. And yet, the principal commodity of the South, the principal dependence of 21,000,000 of her people for subsistence, has been as completely bereft of value as if invading hordes had put the torch to 14,000,000 bales of cotton, reducing that fairest of all lands to poverty, her people to destitution. It is impossible for the Nation to avoid a share in this catastrophe if it be not modified or averted. If war in Europe could so fatally affect one-third of a Republic 4,000 miles away, separated from the arena of destruction by an ocean's width, how may the inhabitants of the other two-thirds of that Republic hope to escape the ruin that festers on their very borders.

The American people are now so closely knit by every tie of blood and interest that the woes of one section are the woes of all.

I say to the Senator from North Dakota [Mr. MCCUMBER] that if he ever comes here with a plea for his people he will find me among those to support him, that it is no proper indictment of us to say that when his people suffered their representatives did not ask for relief.

The American people are united by the proudest memories that ever spurred a people to the path of glory. Theirs is the kinship of a common purpose, a common valor, a common sacrifice. They sought these shores to escape a common oppression to find a common liberty. Here they faced common dangers as they erected the foundations of a common freedom. A common impulse prompted them to revolution. When that struggle for their common rights began, the rattlesnake banner of South Carolina floated by the side of the pine-tree flag of Massachusetts. Northerners and southerners challenged a common death at Brandywine and Germantown and Saratoga. They shared the famine and the cold of Valley Forge. Together they charged at Monmouth and at Stony Point. They were comrades at Camden, at Kings Mountain, at Guilford Courthouse, at Eutaw Springs, at Yorktown. Again, their swords made common cause on Lake Champlain, Lake Erie, at Lundys Lane, at New Orleans. In the last-named conflict cotton bales were used for breastworks, and against them the hostile missiles poured in vain. What greater demonstration could be desired of the imperishable character of cotton, of the fact that the Government may safely purchase it as directed by this amendment. And with what added earnestness may we of the South appeal to the American Congress to save the staple that in a stressful hour saved this Republic! Again, sir, sons of North and South marched to common triumphs at Palo Alto, at Buena Vista, at Cerro Gordo, and Chapultepec. And though they turned their bayonets against each other in the sixties they made a common record of such valor, such loyalty to principle, that it will shine on their posterity to the end of time, uniting this Republic forever. All of us here will recall how both sections were represented at Manila, at Santiago Bay, at Guantanamo, Las Guasimas, and San Juan Hill. To show that the common spirit still lives I need but point to the new-made graves in Northern and in Southern States of those who only a few months ago gave up their lives in a common sacrifice for their country at Vera Cruz. To-day there is not a citizen on the remotest coast of Maine for whom any Texan on the farthest windings of the Rio Grande would not die, if need be, in his defense.

Mr. President, is it too much to hope that such memories will prompt the American Congress to take such action as will save one-third of this Republic from economic disaster? We know what ruin means in the South; it is a land of Calvaries, of Gethsemanes. There is more of the cypress than the laurel in its crown. It has risen from the wreckage of the past to give the Union a devotion as unchanging as it is beautiful. It has contributed of its hard-earned substance without complaint to the support of the Federal Government, to the $4,000,000,000 that have gone as pensions to the survivors of the northern armies, paying pensions at the same time to its own soldiers and their destitute widows as well out of its own means.

The Federal Government is the only agency sufficiently powerful to meet the emergency, and the plan we propose safeguards it against loss. If there has ever been or if there is ever to be an occasion in which the Nation should come to the aid of the South, that occasion now confronts us. If the Nation stays its hand in this crisis, the South will face the most desolate winter in 50 years, with the knowledge that a Government dedicated to brotherhood, hailed as a refuge of the oppressed, the richest and the strongest in the world, has heard its cries, but answered not. Well may the South then understand that she is in the Union, but not of it, not bone of its bone or blood of its blood.

I decline to believe that the Nation will assume this attitude toward the South. If Lincoln were in this Chamber to-day, his voice would be raised for this amendment, and from his great, sad heart would flow a tide of sympathy for his mother's land that would bring to it the Nation's aid, the Nation's prayers, the Nation's tears.

Mr. SMOOT obtained the floor.

Mr. JONES. I wish to ask the Senator from Texas a question.

Mr. SMOOT. I will yield to the Senator from Washington for that purpose.

Mr. JONES. What the Senator said is certainly very beautifully and well said. It may be that some one has already stated the real necessities of the situation in the South; but if so, I have not heard it. I want to consider this amendment in a sympathetic way, because if the people of the South are in the direful stress that the general statement would have us infer,

I would be perfectly willing to stretch a point—indeed, a good many points—to help them out. I was in hopes——

Mr. SHEPPARD. I went into the situation at some length some days ago, and I did not deem it necessary to repeat the details now. I will be very glad, however, to be more specific.

Mr. JONES. Of course the Senator knows how these statements are made when nothing is really pending; how, when there is no amendment pending, little attention is given to them. I have tried to be here pretty regularly; but I confess I missed the Senator's statement, and I have not had the time to read it. I was in hopes that the Senator would go into the details and point out really what the troubles are.

Mr. SHEPPARD. I will state, also, Mr. President, that we had a hearing on this subject, and in that hearing before the Committee on Banking and Currency the facts were detailed.

Mr. JONES. I am not a member of that committee, and I heard nothing of that testimony; I know nothing about what was said there. I will say that I am called upon to pass on this amendment without any information, except the general statement that there is a bad condition in the South relative to the cotton situation.

Mr. SHEPPARD. Did the Senator hear the speech of the Senator from Georgia [Mr. SMITH] this morning?

Mr. JONES. I am sorry to say that I had to go to the department this morning on account of a previous engagement, and I did not get an opportunity to hear that speech.

Mr. SHEPPARD. Then the Senator ought not to charge that we have dealt only in generalities.

Mr. JONES. Oh, I did not make that charge.

Mr. VARDAMAN. Will the Senator from Texas yield to me for a moment?

Mr. JONES. I was not making any charge.

Mr. SHEPPARD. The Senator is mistaken, then, when he says that only generalities have been advanced here to-day. The Senator from Georgia [Mr. SMITH] went into details.

Mr. JONES. I was referring largely to the statements of the Senator from Texas. Of course, it was my misfortune that I could not be here to hear the Senator from Georgia.

Mr. VARDAMAN. I will suggest to the Senator from Washington that in the course of this discussion all those facts will be very fully brought out. As was stated by the Senator from Texas, the Senator from Georgia [Mr. SMITH] gave a very exhaustive statement this morning descriptive of the conditions in the South, and it will appear in the RECORD to-morrow.

Mr. SHEPPARD. It was on account of the fact that the Senator from Georgia had occupied the floor for an hour and a half to-day and described the situation fully that I confined myself to a general statement of the situation. I stated in my remarks also that having addressed the Senate last week I did not think it advisable to consume more time now by giving details. I thought the facts were generally understood.

Mr. JONES. Of course, there have been statements made about it, but the Senator, no doubt, appreciates the fact that aside from the situation in the South this is an important proposition, a proposition that involves a great many very important principles of government really, and we ought to be made thoroughly familiar with it by those pressing it. The conditions will bear repetition, as far as that is concerned, to justify legislation of this character. I will say, as I said a moment ago, I want to vote for this proposition.

Mr. SHEPPARD. I appreciate the feeling of the Senator.

Mr. JONES. I am led to think that the situation is serious, but I want to know what it is, and I want to know of its seriousness. If its seriousness will justify it, I will vote for it even though I think it may violate some of the fundamental principles of our Government.

Mr. SHEPPARD. I have a brief description of the situation right here that I will send to the Senator.

Mr. WHITE. I wish to make just this statement to the Senator from Washington, that if we do not convince him of the emergency, we will not expect his vote.

Mr. JONES. I want not only to be convinced of the emergency, but that this measure will take care of the emergency in a reasonable way; that the man who needs help will really get it. That is what I want to get at.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). The Senator from Utah [Mr. SMOOT] has the floor. Does he yield to the Senator from Idaho?

Mr. SMOOT. I yield.

Mr. BORAH. Has the Senator from Utah the floor? I wish to ask the Senator from Texas a question.

Mr. SMOOT. I have the floor, but I will be glad to yield to the Senator from Idaho.

Mr. BORAH. There is another question connected with this matter in which I am interested. I think we all sympathize with the conditions in which the South finds itself, and if it were a thing that we could readily or legally do I do not think that there would be very much opposition. But there are three questions involved in the proposition. The first is the question of policy, which I am not going to discuss. The second is our constitutional power to do what we are seeking to do. The third is the practical proposition with reference to the matter of legislation.

Now, the press carries this morning the news that the President will veto this measure. We are nearing the close of the session, and, of course, if it is vetoed it would not be passed over his veto. If we take it up for discussion, it will be here for the next seven or eight days, and there are some of us on this side who would like to know whether there is any authority for the publication of such a statement.

Mr. SHEPPARD. None whatever, so far as I am informed

Mr. VARDAMAN. What is the statement? That the President would veto the bill?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Mississippi?

Mr. SMOOT. Gladly.

Mr. VARDAMAN. Is that the statement the Senator made a moment ago?

Mr. BORAH. Yes.

Mr. VARDAMAN. That the President would veto it?

Mr. BORAH. I say that is published in the press.

Mr. VARDAMAN. I do not think anybody has the right to indulge the presumption that the President is going to do an improper thing until he does it.

Mr. BORAH. That should be true; but this is what the paper carries——

Mr. OVERMAN. What paper?

Mr. BORAH. The correspondent of the New York Sun from this city says:

> It may be said on authority that if Congress incorporates an amendment in the war-revenue bill authorizing the issuance of bonds to be used in the purchase of cotton the measure will be vetoed by President Wilson. President Wilson also will veto any of the proposals made for the direct purchase of cotton or any other product or output of an industry that finds itself in distress as a result of the war in Europe.

That raises some perfectly legitimate questions. In view of the interview which was had by the Secretary of the Treasury the other day in regard to this matter, and in view of publications of this nature, it becomes of some importance for us to know whether, if we shall earnestly work out a proper plan with which to deal with this matter at this late hour in the session, there is any hope that we shall thereby accomplish anything?

Mr. VARDAMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Mississippi?

Mr. SMOOT. I do.

Mr. VARDAMAN. I hope the Senator will not permit any rumored threat that the President may veto this measure or any opposition that may arise in this body or anywhere else to deter him from giving the South and the American people the benefit of his ripe experience and splendid intellect in the effort to work out the solution of this problem. I can not believe the President would think of vetoing a measure that does not violate the Constitution and which would give such widespread and much-needed relief to the whole country as this measure is intended to afford.

I want to say in this connection that this amendment, in my judgment, is crude; there are defects in it, some features of which I do not approve; but I hope that by the attrition of suggestions and by the friction of ideas the truth may be evolved and this threatened disaster averted. It is a question that should appeal to and command the best effort of our wisest and most patriotic statesmen. The spirit of sectionalism and hope for partisan advantage are out of place in this discussion. The loftiest patriotism and purest altruism should characterize our deliberations.

Permit me in this connection to say further, Mr. President, that I am sick and tired of the talk we hear in the Senate and on the streets of Washington to the effect that nothing dare be done by Congress until it has the O. K. of the White House. Such a reputation is very uncomplimentary to the Congress. I have as great respect for the President as has any man on this floor. He is a man of great learning and extraordinary force; he has also human limitations. But whatever his abilities or limitations may be, he has his function to perform as the President of the United States, while we have ours as the legislative department of the Government. The framers of the Government intended that the legislative department of the

Government should be the head of the Government, while the Executive was designed to be its hand. The former was to do the thinking, the latter the executing. I agree with the wisdom of the original plan. I think it altogether prudent to discuss with the President public questions, to listen to his advice with open mind; but the Congressman who makes himself the mere puppet to be moved by the presidential pull discredits the high place he holds and basely repudiates his first obligation to his constituents.

Mr. BORAH. I think that is sound doctrine, Mr President, but I have been taught to respect the power of the President. I would not have raised this question upon the simple publication in one paper, although from so reliable a correspondent, but it has been floating out upon the political atmosphere for several days; and I merely should like to feel that while we are at work here, we shall not be working in vain. I am satisfied the situation is such that we can be made to know whether or not that is true.

Mr. SMOOT. Mr. President——

Mr. SMITH of Michigan. Mr. President, I should like to interrupt the Senator from Utah for a moment, if he will permit me to do so.

Mr. SMOOT. Certainly.

Mr. SMITH of Michigan. I should like to state to the Senator from Idaho [Mr. BORAH] that the President of the United States has been known to change his mind. In fact, after an explicit declaration on the Panama Canal tolls matter, he changed his mind completely. He may change his mind about this matter if he finds there is any real equity and justice in it.

Mr. SMOOT. Mr. President, I offer the amendment which I send to the desk, and I ask that it be read.

The PRESIDING OFFICER. The Secretary will read the amendment proposed by the Senator from Utah.

The SECRETARY. It is proposed to add as a proviso at the end of the amendment proposed by Mr. SMITH of Georgia the following:

Provided further, That whenever the price of copper in bars, ingots, or pigs shall fall below 10 cents per pound, the Secretary of the Treasury is hereby directed to purchase all of the copper, in bars, ingots, or pigs offered for sale at said price. It shall be the duty of the said Secretary of the Treasury to store and hold said copper until it can be sold at a profit of 2 cents per pound.

The sum of $50,000,000, or so much thereof as may be necessary, is hereby appropriated out of any moneys in the Treasury not otherwise appropriated to meet the purchase price and the expenses of this provision.

To secure the necessary funds to carry out this purchasing project the Secretary of the Treasury is hereby authorized to issue bonds of the United States, bearing 4 per cent interest, in such denominations as he may determine, and due in three years from the date of issue; said bonds shall not be sold for less than par.

Mr. SHEPPARD. Mr. President, may I ask the Senator from Utah a question?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Texas?

Mr. SMOOT. Certainly.

Mr. SHEPPARD. Did we not pass a bill, which the Senator from Utah introduced a short time ago, for the purchase of a certain amount of silver?

Mr. SMOOT. The Senate passed a bill which I introduced on August 24, 1914, authorizing the Secretary of the Treasury to purchase not to exceed 15,000,000 ounces of silver, and for other purposes. That was to anticipate the wants of the Government; and no one doubts that the Government would use that amount of silver in its regular business within three years at the outside. Not only that, Mr. President, the bill did not direct the Secretary of the Treasury to purchase the silver, but left it absolutely in his discretion.

Mr. SHEPPARD. But, as a matter of fact, the bill would not have been thought of except for the unusual conditions prevailing in the country. Was it not the real purpose of the bill to help the condition of the owners of silver?

Mr. SMOOT. There is no doubt of it; and I want to say that I am very sorry the committee in the House has refused so far to report the bill to the House.

Mr. President, I am not going to ask for a vote on the amendment which I have proposed unless the amendment offered by the Senator from Georgia [Mr. SMITH] is adopted by the Senate. I wish to say to southern Senators that they can not picture a distressed condition in the South on account of the lack of a market for cotton any more distressing than could be pictured of the conditions in the West, and particularly in the States where copper is produced. I recognize, and did so when I introduced the bill authorizing the purchase of silver by the Secretary of the Treasury, that it was against all precedents. I stated at that time that conditions were distressing in the copper industry, but did not and was not intending to ask Congress to pass a bill for the relief of the producers of copper. I believe all those who spoke in favor of the silver-purchase bill called attention to the conditions that existed in the West on account of the utter demoralization of the copper market.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Florida?

Mr. SMOOT. I do.

Mr. FLETCHER. I should like to inquire of the Senator from Utah the number of States producing copper and the number of people engaged in its production.

Mr. SMOOT. I have not the Statistical Abstract with me, but I will say that the principal States producing copper are Arizona, Michigan, Utah, Colorado, Idaho, and Montana, as well as most of the other western mining States.

Mr. FLETCHER. What number of people are engaged in its production?

Mr. SMOOT. Over 100,000 are so engaged, Mr. President. I will say that the amount of the exportations of copper alone for the fiscal year ending June 30, 1914, was 974,791,676 pounds, having a value of $144,895,519.

Mr. FLETCHER. I have not asked the question with any view of minimizing the importance of the industry at all, but for purposes of information. For the purpose of obtaining further information I desire to inquire whether or not copper is not being marketed at very good figures at the present time.

Mr. SMOOT. Mr. President, the price of copper before the European war began was between 16 and 17 cents a pound. To-day the quotation is 10.30 in New York. I sent to New York this morning a telegram asking the price of copper there this morning, and the answer was that it was 10.30 bid; 10.40 asked. So the Senator from Florida can see the decrease in the price of copper, which, of course, has been brought about by the conditions existing in foreign countries.

I want also to say to the Senator from Florida that the producers of copper are in a worse condition than are the producers of cotton, by reason of the fact that we are not allowed to export copper in neutral bottoms to neutral countries. Great Britain has taken the position that we can not export it even to Holland, claiming that if it were exported to Holland it might in some way reach the German or Austrian Governments.

Mr. BORAH and Mr. VARDAMAN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Utah yield; and if so, to whom?

Mr. SMOOT. I yield to the Senator from Idaho.

Mr. BORAH. Mr. President, I want to ask under what rule of neutrality we are not permitted to export copper?

Mr. SMOOT. I will say I do not believe that there is such a rule, and I believe that such action is in violation of international law.

Mr. SMITH of Michigan. It may be regarded as contraband.

Mr. SMOOT. But the British Government claims——

Mr. BORAH. Yes; the British Government claims it; but I do not care anything about what the British Government claims. I should like to have some better authority for prohibiting our exportation of that kind of stuff or of food products of any kind.

Mr. SMOOT. That is, to neutral countries?

Mr. BORAH. Yes.

Mr. SMOOT. I do not myself believe that there is any authority of international law for such a contention; but there is no question that the British Government is making that contention and will not allow foodstuffs to be shipped into neutral countries, where they think those foodstuffs will reach Germany or Austria; and that is true as to copper.

Mr. BORAH. Mr. President, if England has made that suggestion—and we are heeding that suggestion—instead of walking in the light of the laws of neutrality we are violating those laws ourselves. We have a perfect right to ship food products or anything of that kind to any neutral nation; and the fact that they may incidentally get into some other nation or be utilized by some other nation that is at war has nothing to do with the general proposition.

Mr. SMITH of South Carolina. Will the Senator from Utah allow me to make a suggestion?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from South Carolina?

Mr. SMOOT. I do

Mr. SMITH of South Carolina. I should like to reply to the query of the Senator from Idaho [Mr. BORAH]. The same question came up last week as to the shipment of certain cottonseed products. Complaints came to the effect that England had refused to allow the shipment of cottonseed cakes into Holland on the ground that Holland, as a base, was being used as an

open door for the shipment of foodstuffs into Germany. I went to see the Secretary of State regarding it and was referred to the Solicitor, who informed me that the matter had been taken up with the British Government, and that the British Government had withdrawn any such intimation—there seems to have been some intimation to that effect—that Holland was considered a neutral country, and that all articles not contraband of war were being shipped freely into Holland over the Holland-American Steamship Line.

Mr. SMOOT. Mr. President, I said that cotton was in a better situation than copper, which is borne out by the statement made by the Senator from South Carolina. England has declared copper contraband of war. Of course that declaration applies to the exportation of copper to any of the belligerent countries; but they go further than that, and say that copper can not be shipped in neutral bottoms nor can it be shipped to neutral countries because of the fear that it will ultimately reach the hands of their enemy.

It is true—and I want to be perfectly frank with the Senate—that the British ambassador has made the statement that, so far as the British Government is concerned, if the neutral government will guarantee to England that the exports of copper to that neutral country will be for home or local consumption, the British Government will allow the copper to enter the neutral country. I understand that that was demanded of Holland before foodstuffs could be shipped into Holland from the United States.

I do not know how long, Mr. President, it is going to take the foreign countries to agree upon the proposition; I do not know whether they will agree or not; but if they would agree, so far as I am concerned, I can not see why there should be any particular objection on our part. England having declared copper contraband of war, but I say to the Senate now that——

Mr. CLARKE of Arkansas. Mr. President, will the Senator permit me to ask him a question?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Arkansas?

Mr. SMOOT. Gladly.

Mr. CLARKE of Arkansas. Does not the Senator know that the copper production of this country is under the control of great trusts? The principal owners of copper are the Standard Oil Co. and the Amalgamated Copper Co. Does not the Senator also know that there is not $50,000,000 worth of copper in existence in this country to-day? What he is complaining about is that they do not go on and dig more.

Mr. SMOOT. I want to say to the Senator that the facts do not at all bear out the statement he has just made.

Mr. CLARKE of Arkansas. In what respect do they fail to do so?

Mr. SMOOT. I want to say to the Senator that, so far as most of the West is concerned, copper is produced by mine owners, and they are not members of any trust. The smelter buys ore from the producer. I think that is the case in every State in this Union that produces copper. The price of copper is, of course, fixed by the smelters, and the smelters fix the price upon the quotations of the New York market, which, in turn, are controlled by the foreign price.

Mr. CLARKE of Arkansas. I am talking about the supply of existing copper. Does the Senator believe there is any such amount as $50,000,000 worth of copper in existence in the United States to-day?

Mr. SMOOT. Mr. President, I can not say how much there is, but I want to say to the Senator that the production of copper——

Mr. CLARKE of Arkansas. Its value in 1912 was $205,000,000, and we exported $113,000,000 worth of it.

Mr. SMOOT. We exported $140,000,000 worth of it last year.

Mr. CLARKE of Arkansas. All the figures for last year have not been officially reported as yet in the regular Statistical Abstract.

Mr. SMOOT. I got my figures direct from the Treasury Department.

Mr. CLARKE of Arkansas. What I wanted to ascertain was the condition about which the Senator is complaining in connection with the copper industry. Does he not complain of the fact that they have stopped digging copper, and that, therefore, those who formerly dug copper from the ground are not employed at this time?

Mr. SMOOT. That is exactly true.

Mr. CLARKE of Arkansas. That is not the condition in the South. They have a crop ready to deliver.

Mr. SMOOT. Mr. President, copper is produced from the ore in the ground into copper matte perhaps within 30 or 45 days. That is not the case with cotton. It takes a full year to produce cotton; but the men who are engaged in the production of copper are out of employment and the man who has produced cotton has not a market to pay him for his cotton that has already been produced by his labor. Now, there is not a particle of difference as to the result; they are both hurt; they are both in distress, and conditions are such that——

Mr. VARDAMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Mississippi?

Mr. SMOOT. Yes; I yield to the Senator.

Mr. VARDAMAN. I agree with the Senator that they are both in distress. The Senator seems to think that the condition of the cotton grower is probably better, because, as he says, the cotton grower can sell the product of his toil. Well, as a matter of fact, the cotton grower has already expended more than the cotton will sell for at this time. If he sells it, he does not get enough for it to pay what he owes; he simply sacrifices it; he is compelled, as it were, to throw that away. There is no market; the laws of supply and demand for the time are suspended.

I agree with the Senator that where the Government can, without violating fundamental principles or doing violence to its polity or the genius of its construction, it should at all times go to the assistance of the citizen. If the Senator's proposition were in the same category as the proposition with reference to cotton, I would not hesitate to vote for it.

When a man comes here and asks the Government of the United States to lend him its credit in order to hold his cotton until the present abnormal condition shall change and the normal conditions be reestablished, and his proposition is so safe and sane that the Government shall not lose a cent by doing it, where we propose to levy a tax upon ourselves to pay the expense of carrying out this scheme, and where we, by levying a tax upon ourselves, indemnify the Government against every possible loss, I do not see—if it is not violative of the Constitution—I do not see why the Government should not lend its credit to the extent of $250,000,000 in bonds.

I would be opposed to the measure if it taxed the Senator's constituents one dime. I do not think you are called upon to give the South a penny, but we are not here asking for assistance as mendicants; we are not begging. We are an integral part of this great Government, and I maintain that it is our right to invoke the aid of the Government to assist us in bridging this financial chasm by saving us from a sacrifice which will be not only disastrous to the South but hurtful to the entire country. The remainder of the Republic would not possibly suffer any loss if this amendment should be adopted.

I am in favor of levying a tax on the cotton of the South sufficient for the year 1915 to pay all the interest on the bonds and all the cost of maintaining or carrying out this plan, and I am in favor of following that by a tax for 1916 which will put it beyond the possibility of any cost to the General Government.

We are simply asking, Mr. President, this great and rich Government to lend us its functions, its great power, to save us from bankruptcy and to save the whole people from a tremendous loss. The only power beneath the blue canopy of heaven that can save the South from serious financial embarrassment is the Government of these United States. It is a case of "Help me, Cassius, or I sink." And I trust the Congress will not refuse us the helping, saving hand.

Mr. SMOOT. Mr. President, if the Senator knew the situation as it really exists in the West, he would not have made the statement that conditions there are different from those in the South. The emergency exists in both cases; they are upon all fours. The proposition with you is that you can not sell your cotton under present conditions, and with us that we can not sell our copper.

Mr. SMITH of South Carolina. Mr. President, will the Senator from Utah allow me to interrupt him?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from South Carolina?

Mr. SMOOT. Certainly.

Mr. SMITH of South Carolina. I think the Senator, to be perfectly fair and keep the parallel, ought to keep in mind this very vital difference: We have on hand, already produced, the entire output of a year from the cotton fields, amounting last year in value to a billion dollars, and under normal conditions worth this year a billion dollars. While you are pleading, not for that which is already produced but for the privilege of going on and keeping men employed in producing it, we have come here and asked the Government to help take care of what we have already produced. The article is now between the bagging and the ties, and the merchants and the producers are asking the Government to help them distribute what has already been made during the period of a year in order that we can come out without a loss, rather than asking them to valorize it and

let us go on and produce more. That is the characteristic difference.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Idaho?

Mr. SMOOT. I will yield in a moment. The Senator's argument would be true if the South were going to stop raising cotton; but it is not going to stop. The South is going to plant cotton this year, and there is no difference between planting cotton now for next year's crop and producing copper now for a future market—not a particle. Not only that, but I will say to the Senator that if it were known in all the world that no cotton would be produced in the Southern States next year, nobody would have any trouble in selling the cotton now on hand; and not only that, but if the boards of trade of the great centers were open I do not believe that you would have very much trouble in selling cotton, because there would be immense speculation in it. So it comes right back to the one question of sale, and whether the commodity be produced this month for a future market or next year for a future market makes no difference. I now yield to the Senator from Idaho.

Mr. BORAH. Mr. President, I want to ask the Senator from South Carolina what I was going to ask the Senator from Georgia a few moments ago, and that is, Does the Senator believe, if this measure passes Congress, it will become a law?

Mr. SMITH of South Carolina. Emphatically I do.

Mr. BORAH. Does the Senator take any stock in the proposition that the President would veto the bill?

Mr. SMITH of South Carolina. Not this bill; I do not believe he would. I want to repeat right in this connection, Mr. President, to the Senator from Idaho, that I believe if Congress—the House and the Senate—realized, as they seem now to be realizing, the far-reaching effect of the absolute tie-up of a billion dollars, the far-reaching effect in the commercial world that the lack of the sale of our cotton crop is producing, they would take steps to relieve the situation.

On the very point that the Senator from Utah mentioned a moment ago—that the world will not now even pay the value of the cotton they must have, because they are afraid that a large crop will be planted next year—I will say that the tax in this bill will act as a deterrent in that respect. I had a telegram not more than an hour ago from a member of the State Legislature of South Carolina, from the chairman of the committee on the cotton congress, saying that the probabilities were that the bill for the total elimination of cotton planting in South Carolina would pass before next week, showing that the people in the cotton-growing States are thoroughly aroused to the seriousness and the disaster that confronts them. With the banks tied up, with the merchants tied up, and the effect of the loss of a billion-dollar crop reaching throughout the whole commercial world of America, I believe that if Congress will authorize the issuance of bonds it will tide us temporarily over this disastrous condition and bring about the very condition the Senator from Utah mentioned a moment ago, namely, that the crop of this year will not be duplicated next year, and we will have no difficulty then in financing it. That is precisely what we are trying to do now, and I do not believe that the President of the United States or any other patriot would step in and perpetuate the condition that is confronting the whole American people and threatening to bring disaster and ruin to the South.

Mr. BORAH. Mr. President, it is an open secret everywhere that the President is thoroughly opposed to this amendment, and that he will veto the bill if it passes with this amendment in it; and that is one of the things I want to be satisfied on if I can. I am glad to have that assurance from the Senator.

Mr. SMITH of South Carolina. Let me say to the Senator from Idaho that I was one of the southern Senators who met with the Senator from Georgia, who is now on the floor, for the purpose of drafting this amendment, and I have not heard of a single member of that conference who has spoken of it to the President; and if he has given any utterance in reference to this amendment I have not heard it. I think that is totally gratuitous, unless some newspaper reporter may have had some means of communication that we have not availed ourselves of.

Mr. BORAH. I want to ask the Senator from Utah under what provision of the Constitution of the United States he offers his amendment.

Mr. SMOOT. I do not offer it under any provision of the Constitution of the United States, and in my opening statement I remarked that I did not propose to ask for a vote upon the amendment unless the amendment offered by the Senator from Georgia [Mr. SMITH] was adopted by the Senate.

Mr. BORAH. I take it, then, that the Senator from Utah was of the opinion that one bad precedent deserved another.

Mr. SMOOT. The Senator from Utah took the position that if a condition exists in the South that requires the passage of legislation of this kind, certainly the conditions in the West require the same kind of legislation.

Mr. BORAH. I presume, as a mere question of policy, that would be true.

Mr. SMOOT. And I thought it ought to come at the same identical time.

Mr. BORAH. There is no doubt that the policy of the Senator is justifiable, and can be defended; but does not the Senator think that before this law could be put into effect in all probability somebody would have to meet the constitutional question, and somebody would have courage enough to do it?

Mr. SMOOT. I think so, and I will frankly admit it.

Mr. LANE. Mr President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Oregon?

Mr. SMOOT. I do.

Mr. LANE. I wish to ask the Senator from South Carolina a question, with the permission of the Senator from Utah. I understood him to say that the legislature in his State will pass a bill prohibiting altogether the planting of cotton next year.

Mr. SMITH of South Carolina. That was stated in a telegram I received from the president of the cotton congress.

Mr. LANE. I understand it is the intention throughout the South to curtail the planting of cotton. In the event that the cotton States do prohibit or discourage the planting of cotton, I should like to ask what provision they are going to make for the employment and the sustenance of the people who are engaged in gathering and handling cotton? Will not that create another emergency there, and will not some provision have to be made for them? Will not that bring disaster upon a lot of other people later on—next year, for instance?

Mr. SMITH of South Carolina. I spoke a moment ago of this bill for the total elimination of cotton planting as showing to what extent the people of that section realize the disaster confronting them. I myself know that there will be enforced reductions. I believe it will be better to have legal reductions, to bind it so that this disaster will not take place again; but I want to call the attention of the Senator to the fact that the farmers of the South, with every encouragement, planted and made this crop. With the conditions that have precipitated this disaster still continuing, you may rest assured that next year they will engage in raising foodstuffs, and engage in other occupations that will not lead to a repetition of the condition in which they find themselves. In the meantime, however, they are just asking that they may be tided over until such time as this world-wide necessity—for that is what cotton is—can be sold for its true value. Cotton does not go into the same category with any other article.

Mr. TOWNSEND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Michigan?

Mr. SMOOT. I yield.

Mr. TOWNSEND. If I understood the amendment offered by the Senator from Georgia [Mr. SMITH], there is a provision in it that in case the cotton that is purchased by the United States should not pay the bonds, the interest and other payments are to be secured upon the crop of the next year.

Mr. SMITH of South Carolina. And the crop of the year after that.

Mr. TOWNSEND. Now, if you do not raise any crop next year, what security does the Government have?

Mr. SMITH of Georgia. Mr. President, if the Senator will allow me, it may be that South Carolina will cut off the production entirely, but it is absolutely certain that the majority of the States will not do so.

Mr. SMITH of South Carolina. That is true.

Mr. SMITH of Georgia. Then we add a tax in 1916 and a tax in 1917 for that purpose. The proposed extreme curtailment in South Carolina has application alone to South Carolina, and alone to next year's crop. There is no thought in my own State of abandoning the planting of cotton next year. I think it would be a great national and world-wide misfortune if the South should entirely abandon the planting of cotton—a misfortune to the South and a misfortune to the country.

Mr. SMITH of South Carolina. If the Senator from Utah will permit me, I should like to say to the Senator from Michigan that if the Government issues these bonds at the rate of 10 cents a pound he may rest assured that if we totally eliminate the planting of cotton next year the Government will suffer no loss, because the five millions she has will bring more than what she puts into them, and a tax will not be necessary.

Mr. SMITH of Georgia. There is not any doubt about that. If that were done, cotton would sell for over 15 cents a pound, and the Government would make a handsome profit.

Mr. TOWNSEND. Mr. President, I take it that the Senator from South Carolina would not advise that policy generally as to production throughout the United States.

Mr. SMITH of South Carolina. I would not, unless it were proved between now and the time next year when we would normally plant our cotton that the dropping off of exportations had continued as it is going on now. We have made enough this year to supply the world for two years in that event.

Mr. TOWNSEND. I mean the Senator would not advise the application of that principle to other crops than cotton. We have laws on the statute books prohibiting combinations in restraint of trade and combinations that seek to limit production, and yet, if I understand the Senator correctly—and I have understood it from other sources—the proposition here is to limit, by agreement—and the Senator would have it by law—the production of a great staple necessity, according to the statement that has been made.

Mr. SMITH of South Carolina. If the Senator from Utah will allow me to reply in a word, I think the affirmative always carries the negative, and I think if we have laws here to prohibit disaster from restraint of trade we ought to have common sense enough and patriotism enough to avert disaster, if possible, by promoting trade; and that is what we are doing here.

Mr. SMOOT. Mr. President, I think this little side discussion has brought out the fact that both the South and the West are suffering because of a lack of a market for their principal products, and I do not believe there is any difference whatever between one case and the other. We both lack a market, and we both have to produce the products for sale. Therefore I shall not spend any more time upon that question.

The Senator from Mississippi referred to the levying of a tax by the Government of the United States upon the cotton produced in the South. I do not profess to be a constitutional lawyer, but I do not believe the Government of the United States can levy a tax upon cotton produced in the South; I do not believe the Government of the United States can levy a tax upon the copper produced in the West, or the production of any article in any part of this country. That, however, is a matter for consideration when we get to the consideration of this amendment. I do believe that if the amendment offered becomes a part of the bill, and the imposition of a tax on cotton production is a part of the act, it will be declared unconstitutional. I do not believe the Government of the United States has that power.

Mr. SMITH of Georgia. Mr. President, will the Senator allow me to ask him a question?

Mr. SMOOT. Certainly.

Mr. SMITH of Georgia. A tax was levied directly on cotton, and $68,000,000 is now in the Treasury, derived from it, that never has been paid out.

Mr. SMOOT. The Senator knows that conditions were quite different at the time of the imposition of that tax than they are to-day.

Mr. WILLIAMS. The Supreme Court was equally divided upon whether it was constitutional or unconstitutional—4 to 4.

Mr. SMOOT. I have no doubt but that if that question were resubmitted to the Supreme Court of the United States to-day it would be unanimously against the proposition.

As I read the Senator's amendment, its real object is to regulate the price of cotton at the present time. We are not asking, in the amendment I propose, that a price shall be paid for copper that is more than the market price, even under the circumstances existing to-day. The difficulty with the Senator's amendment is that we are placing a price upon cotton nearly 70 per cent, and, in fact, I suppose 100 per cent, from what the Senator has said, above the market value of the cotton to-day; that is, I mean the market price of the cotton, not the value of it, because I believe that cotton anywhere in the world under normal conditions to-day would be worth 10 cents a pound. Therefore the value of it is 10 cents a pound, but the market price of it is only about half that value.

Mr. President, I shall not take the time of the Senate just now to discuss this question further. If the amendment of the Senator from Georgia is accepted, then I will have a little more to say about my amendment.

I want to say to the Senator, also, that we can not eat copper any more than the people of the South can eat cotton. We can not live on it any more than the people of the South can live on cotton; so, as far as the two products are concerned, every condition is identical. The condition is that hundreds and thousands of our people are out of employment, and the industry is almost paralyzed.

I want, also, to give credit to the men who are buying the ore from the mines that are still in operation. They are carrying the load just as far as it is possible for them to secure money from any source in the United States to do it. The smelters are doing everything they can to continue operations, and intend to do so as long as there is a chance for them to secure money from the regular channels of trade to pay for the ore that is being mined at the present time.

The PRESIDING OFFICER (Mr. NORRIS in the chair). The Secretary will state the first amendment passed over.

The SECRETARY. The first amendment of the committee passed over is on page 3, where the committee proposes to strike out section 2 as printed in the House bill.

Mr. BORAH. Mr. President, I should like to inquire, in the language of the court, "where we are at." Are we on the main bill now, or are we on the cotton amendment?

The PRESIDING OFFICER. We are on a committee amendment that was passed over.

Mr. BORAH. Not the amendment offered by the Senator from Georgia?

The PRESIDING OFFICER. Not the amendment offered by the Senator from Georgia. The Chair is informed that there was a unanimous-consent agreement that the committee amendments should have the first consideration, and there are some committee amendments undisposed of.

Mr. BORAH. Very well.

Mr. SIMMONS. Mr. President, on page 3, line 1, after the words "United States," on behalf of the committee I desire to offer an amendment. In the first place, I move to reconsider the committee amendment that has been already agreed to.

The PRESIDING OFFICER. Without objection, the vote by which the committee amendment on that page was agreed to will be reconsidered. The Chair hears no objection.

Mr. SIMMONS. On page 3 of the Senate print, after the words "United States," I move to strike out the balance of that section and to insert the matter which I send to the desk.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The SECRETARY. On page 3, in the committee amendment, it is proposed to strike out the proviso beginning after the words "United States," on line 1 and ending on line 5 with the words "Secretary of the Treasury," and to insert in lieu thereof the following:

Provided, That for the purpose of this act rectified distilled spirits shall be construed to be the product obtained by rectification as defined by section 3244, Revised Statutes, except as otherwise provided in this act: *Provided further*, That the additional tax imposed by this section shall be paid by appropriate stamps prepared, affixed, and canceled in such manner as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe.

Mr. SIMMONS. I will state to the Senator from Utah that that is an amendment suggested by the Secretary of the Treasury.

Mr. SMOOT. I think it is a very good amendment; but why strike out the word "furnished" and use the word "affixed" in the proviso?

Mr. SIMMONS. I do not know, except that that is the suggestion of the department. This proviso seems to have been badly drawn originally.

Mr. SMOOT. I will say to the Senator, without looking up the question, that I take it for granted that the word "furnished" is not necessary, because under the law I suppose that would be done anyhow.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the committee to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The Secretary will state the next committee amendment passed over.

The SECRETARY. On the same page the committee proposes to strike out all of section 2 as printed in the House bill.

Mr. SIMMONS. Mr. President, for that I offer as a substitute the matter which I send to the desk. I want to say that I think there is one slight amendment that should be made to this long amendment; but in the absence of the Senator from Maine [Mr. JOHNSON] and the Senator from Missouri [Mr. STONE], who had this matter in charge, I do not desire to make the change. I will offer the substitute as a whole, and then hereafter that amendment can be made.

Mr. SMOOT. The Senator offers this as a substitute for the committee amendment found in section 3, as I understand?

The PRESIDING OFFICER. It is offered, as the Chair understands, as a substitute for section 2.

Mr. SIMMONS. It should be section 3.

Mr. SMOOT. It should be section 3, because section 3 was a substitute by the committee for section 2.

Mr. SIMMONS. I wish to withdraw that amendment for the present. The Senator from Ohio [Mr. POMERENE] tells me that the Senator from Missouri has asked that it go over for the present.

Mr. POMERENE. I desire to say that as a result of an informal conference we had a little while ago I was going to suggest that that matter go over to the end of the bill.

The PRESIDING OFFICER. The Chair desires to call the attention of the Senator from North Carolina to section 2, on page 3. That is one committee amendment that has not yet been passed on.

Mr. SIMMONS. That is the wine amendment?

The PRESIDING OFFICER. The amendment commencing with line 6, on page 3, and striking out the balance of the page. Does the Senator from North Carolina desire to have that postponed now?

Mr. SIMMONS. I want to substitute for that the amendment that I just sent to the desk and withdrew. I think that can go over for the present.

The PRESIDING OFFICER. Very well.

Mr. SIMMONS. On page 10, line 8, after the word "sales," I move to insert the words "or transfers"; on the same page, line 10, after the word "sales," I move to insert the words "or transfers"; on the same page, line 12, after the word "sales," I move to insert the words "or transfers"; and on the same page, line 14, after the word "sales," I move to insert the words "or transfers."

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 10, line 8, in the House text, after the words "annual sales," it is proposed to insert the words "or transfers"; on line 10, after the word "sales," it is proposed to insert the words "or transfers"; on line 12, after the word "sales," it is proposed to insert the words "or transfers"; and on line 14, after the word "sales," it is proposed to insert the words "or transfers."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SIMMONS. I have here some amendments that relate to Schedule B of the bill. I will offer an amendment to page 42, and then I will go back and offer amendments to other sections of the bill that will be affected by striking out the part that I propose to strike out on page 42.

I move to strike out, on page 42, beginning with line 15, all down to and including line 2 on page 44.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The SECRETARY. In Schedule B, on page 42, beginning on line 15, it is proposed to strike out all of the proposed committee amendment down to and including line 2 on page 44, in the following words:

Medicinal proprietary articles and preparations: For and upon every packet, box, bottle, pot, or phial, or other inclosure, containing any pills, powders tinctures, troches or lozenges, sirups, cordials, bitters, anodynes, tonics, plasters, liniments, salves, ointments, pastes, drops, waters (except natural spring waters and carbonated or fortified natural spring waters), essences, spirits, oils, and all medicinal preparations or compositions whatsoever, made and sold, or removed for sale, by any person or persons whatever, wherein the person making or preparing the same has or claims to have any private formula, secret, or occult art for the making or preparing the same, or has or claims to have any exclusive right or title to the making or preparing the same, or which are prepared, uttered, vended, or exposed for sale under any letters patent, or trade-mark, or which, if prepared by any formula, published or unpublished, are held out or recommended to the public by the makers, venders, or proprietors thereof as proprietary medicines, or medicinal proprietary articles or preparations, or as remedies or specifics for any disease, or diseases, or affection whatever affecting the human or animal body, as follows: Where such packet, box, bottle, pot, phial, or other inclosure, with its contents, shall not exceed, at the retail price or value, the sum of 5 cents, one-eighth of 1 cent.

Where such packet, box, bottle, pot, phial, or other inclosure, with its contents, shall exceed the retail price or value of 5 cents and shall not exceed at the retail price or value the sum of 10 cents, two-eighths of 1 cent.

Where such packet, box, bottle, pot, phial, or other inclosure, with its contents, shall exceed the retail price or value of 10 cents and shall not exceed at the retail price or value the sum of 15 cents, three-eighths of 1 cent.

Where each packet, box, bottle, pot, phial, or other inclosure, with its contents, shall exceed the retail price or value of 15 cents and shall not exceed the retail price or value of 25 cents, five-eighths of 1 cent. And for each additional 25 cents of retail price or value or fractional part thereof in excess of 25 cents, five-eighths of 1 cent.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

Mr. SMITH of Michigan. Mr. President, does not that schedule relate to the committee amendment found on page 13?

Mr. SIMMONS. Yes; there are quite a number of amendments that I will offer to make the bill conform to this elimination if it is made.

Mr. SMITH of Michigan. The Senator now moves to strike out the matter indicated by him and proposes to return to this for the same purpose later on?

Mr. SIMMONS. Yes.

Mr. TOWNSEND. I do not yet understand what the amendment is.

The PRESIDING OFFICER. The Secretary will again state the amendment to the amendment.

The Secretary again stated the amendment to the amendment.

Mr. SIMMONS. It is the provision of the bill with reference to proprietary articles.

Mr. SMITH of Michigan. There certainly can be no objection to striking that item out of the bill. It never should have been in the bill at all, and to strike it out does what we have all anticipated might be done by the committee.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now recurs on the committee amendment as amended.

Mr. SMOOT. Let me understand what the Chair means by the committee amendment as amended.

The PRESIDING OFFICER. The committee amendment originally began in line 15, on page 42, and extended over to and including line 19, on page 46.

Mr. SMOOT. Yes; that is as I understood.

The PRESIDING OFFICER. The amendment to that committee amendment, to strike out, beginning with line 15, on page 42, and going over to and including line 2, on page 44, has been agreed to.

Mr. SMOOT. Yes. Now, I will ask the Senator from North Carolina if he intends to offer any further amendments to the committee amendment?

Mr. SIMMONS. Not to that particular amendment, but I propose to offer quite a number of amendments as to related things in the bill; that is, things that have been placed in the bill since we have stricken out the provision as to proprietary medicines.

Mr. SMOOT. What I meant was, does the Senator intend to make any change in sparkling or other wines which are included in the committee amendment?

Mr. SIMMONS. No; I have no amendment as to that.

Mr. SMOOT. Just one moment, Mr. President. [After a pause.] I thought I had an amendment to that particular part of the amendment, but I find I have not, and therefore I have no objection to its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SIMMONS. On page 13, line 4——

Mr. SMITH of Michigan. That is the paragraph, beginning in line 3 and including line 9? Let me see if we understand one another. It reads:

And there shall also be levied, collected, and paid, for and in respect to the medicines, preparations, matters, and things mentioned and described in Schedule B of this act, manufactured, sold, or removed for sale—

And so forth.

Mr. SIMMONS. I want to have the word "medicines," in line 4, stricken out.

Mr. SMITH of Michigan. Is that all the Senator wishes to have stricken out?

Mr. SIMMONS. That is all.

Mr. SMITH of Michigan. Will the Senator let us know what that accomplishes?

Mr. SIMMONS. That would leave the other language with reference to cosmetics and perfumery and chewing gum. I wish to strike out the word "medicines," because that applies to the part we have stricken out of Schedule B.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 13, line 4, in the proposed committee amendment, strike out the word "medicines" and the comma after the word.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question recurs on the amendment as amended.

The amendment as amended was agreed to.

Mr. SIMMONS. On page 16, I move to strike out all beginning with line 22 down to and including the words "said stamp," in line 9, page 17, and to insert:

That instead of cancellation by initials and date the stamps on the articles enumerated in Schedule B

The words "shall be" immediately follow.

Mr. SMITH of Michigan. I do not understand that.

Mr. SIMMONS. That is just a continuation. The balance of the paragraph remains the same.

Mr. SMITH of Michigan. The amendment to the amendment comes in before the word "shall," in line 9, on page 17?

Mr. SIMMONS. Yes; before the word "shall."

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment of the committee.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question recurs on the amendment as amended.

The amendment as amended was agreed to.

Mr. SIMMONS. On page 17, line 14, I move to strike out——

The PRESIDING OFFICER. The Chair will call the attention of the Senator from North Carolina to the fact that that is a part of the amendment just agreed to.

Mr. SIMMONS. Then I ask that it be reconsidered. I have another amendment to offer to the amendment.

The PRESIDING OFFICER. Without objection the vote agreeing to the amendment as amended will be reconsidered.

Mr. SIMMONS. I move to strike out all on page 17, after line 14, and all on page 18, down to and including line 6. The matter I propose to strike out begins with the words, "Any person who shall fraudulently obtain or use any of the aforesaid stamps or designs therefor."

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

Mr. SMOOT. In the amendment I understand that all penalties are included.

Mr. SIMMONS. Yes; as to those particular stamps. The stamps we are referring to now, the Senator will see, are where the dies from which they are printed are in the department, so that the department impresses those dies upon the stamp. It is a patented article, and they have some trade-mark. The penalty provision only applies to that character of stamps. If the Senator will turn back, he will see in another part of the bill the penalties are imposed with respect to all other kinds of stamps.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. SIMMONS. On page 25, line 18, I move to strike out the word "medicine" and the comma and insert in lieu thereof the words "perfumery, cosmetics," and, in line 19, to strike out the words "including perfumery and cosmetics." That is merely transposing the language.

The amendment to the amendment was agreed to.

Mr. SIMMONS. On page 26, line 1, after the word "could," I move to strike out the balance of the paragraph, striking out the proviso beginning on line 1 and ending on line 16.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. SIMMONS. On page 34, line 21, I move to strike out all after the word "offense" down to and including the word "aforesaid," in line 23.

The PRESIDING OFFICER (Mr. VARDAMAN in the chair). The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SIMMONS. On page 31, line 21, after the word "cents," I move to insert:

: *Provided*, That it is not intended by this act to impose a tax upon an agreement evidencing a deposit of stock certificates as collateral security for money loaned thereon, which stock certificates are not actually sold, nor upon such stock certificates so deposited.

And to strike out the word "*Provided*," in line 21, and insert "*And provided further*."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SIMMONS. The Senator from Indiana [Mr. SHIVELY] has an amendment which he desires to offer to this part of the bill.

Mr. SHIVELY. I offer the following amendment.

The PRESIDING OFFICER. Is it a committee amendment?

Mr. SIMMONS. The committee accepts the amendment.

The PRESIDING OFFICER. The Secretary will read the amendment.

The SECRETARY. On page 34 of the bill, line 14, after the word "*Provided*," strike out all down to and including the word "shipment," in line 17, and insert:

That a consignment of newspapers to any one point or to different points by the same train or conveyance when inclosed in one general bundle at the point of shipment shall be considered as one shipment, and in lieu of a bill of lading therefor the publisher of such newspaper shall file, on or before the 15th day of each month with the collector of internal revenue for the district in which such newspaper is published, a report, under oath, showing the number of such shipments during the preceding month, to which report such publisher shall affix and cancel stamps equal in value to 1 cent for each shipment so reported: *Provided further*, That the report herein required shall not include shipments of newspapers delivered to points within the county in which the same are published.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Indiana.

The amendment was agreed to.

Mr. SIMMONS. On page 33, line 22, after the word "court," I move to strike out the period and to insert:

That no bill, memorandum, agreement, or other evidence of such sale, or agreement of sale, or agreement to sell, in case of products or merchandise actually delivered to, and while in vessel, boat, or car, and actually in course of transportation, shall be subject to this tax, provided such bill, memorandum, agreement, or other evidence of such sale, or agreement of sale, or agreement to sell shall be accompanied by bills of lading or vouchers showing that the said products are actually in course of transportation as aforesaid.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SIMMONS. On page 39, line 3, after the word "Insurance," I move to strike out the words in parentheses "(marine, inland, fire)."

The amendment was agreed to.

Mr. SIMMONS. On the same page, in line 20, after the words "mutual fire insurance companies," I move to insert the words "or associations."

Mr. SMOOT. Is not the word "association" pretty broad? Should it not be reciprocal associations?

Mr. SIMMONS. I did not catch the point.

Mr. SMOOT. I was wondering whether the word "association" is not too broad. Ought it not to apply only to reciprocal associations?

Mr. SIMMONS. That means purely cooperative associations.

Mr. THOMAS. The committee uses that word because of some correspondence which it had from one or two sources calling its attention to a number of aggregations, so to speak, of individuals operating sometimes as a sort of joint-stock concern, sometimes as a sort of partnership, and sometimes as an association. To designate each of them would be somewhat cumbersome, and after consulting the dictionary we felt that the word used alone would perhaps cover all these several different sources of aggregations, mutual in their character.

Mr. SMOOT. All I desire is to see that the reciprocal associations are taken care of in this bill.

Mr. THOMAS. I think there is no doubt that the word covers it.

Mr. SIMMONS. That was our opinion.

Mr. SMOOT. If the Senator thinks that covers it, I am satisfied.

The PRESIDING OFFICER. The question is on the adoption of the amendment.

Mr. McCUMBER. Mr. President, I wish the Senator would explain why an exception is made in favor of purely cooperative or mutual insurance companies. I have received a number of protests against that proposition, and the basis of the argument that has been made is that many of the other companies which provide that all the profits shall be divided among those holding policies are in exactly the same position as these mutual companies; and yet they are to be taxed, while the mutual companies are to be relieved from taxation.

Mr. SIMMONS. Has the Senator noted the fact that the companies relieved here are limited to such as are carrying on business without any profit?

Mr. McCUMBER. If the profits, or what would properly be profits, are placed in an account, which account is to be shared in pro rata by those holding policies, why should a company of that kind be compelled to pay taxes while the other mutual companies of the same character should not pay them?

Mr. SIMMONS. The word "profits" is the dividing line, as the committee thought. It is called a mutual company, or cooperative company, and is doing business upon that line; but if there is a profit realized, all the stockholders ought to pay the tax. If it is mutual in the sense that each one of the members of the association contributes his part toward any loss that may be sustained and there is no surplus for division, we thought that would come within the line of institutions we have habitually in all these bills exempted.

Mr. McCUMBER. Would the Senator contend that in the case I have mentioned such a company would be free from taxation, where the only profits would not go to stockholders, but simply, after paying the expenses and the salaries, go entirely to a fund to be divided among the holders of insurance certificates?

Mr. SIMMONS. I should think it would not be a company for profit if the only sum collected in excess of what was necessary to pay the losses was that necessary to keep up the organization and some fund provided for some other purpose in

connection with a possible future loss. I should think that was not conducted for profit.

Mr. McCUMBER. I have not looked very far into it, but I know there is a great deal of opposition to such a provision.

Mr. SIMMONS. However, I think the class of corporations the committee had in mind were corporations that assess the members no larger sum than is actually necessary to pay the losses and to pay the legitimate expenses of keeping up the organization.

Mr. OLIVER. Mr. President, I think the Senator is right with regard to that, but I do not see why an association of that kind should not stamp its premiums just as well as the ordinary stock company. Both of them pay profits, but in one case the profits are returned to the policyholders and in the other they go to the stockholders. The policyholders in the case of the mutual company take the risk of insuring the property of each other. Some of these mutual companies have a very large business, and by reason of the mutuality of their business they are enabled to insure each other at very much less than the ordinary insurance rates, and in many cases return a large part of the premiums to their policyholders at the end of the year. It is purely a business proposition; there is nothing philanthropic about it; they are not charitable associations; they have profits, but the profits they receive are in the shape of a lower cost of insurance upon their properties. There is no reason in the world, it seems to me, why they should be relieved from taxation any more than should the ordinary stock company.

It must be remembered that the cost of this taxation does not fall upon the insurance companies; that it goes back to the policyholders in the end, in the stock companies as well as in the mutual companies. I do not see any reason at all for excepting the mutual companies from taxation in this case. I think that the bill should be amended so as to include all policies of insurance, if we are going to tax any.

Mr. THOMAS. Mr. President, the proviso under discussion appears in the revenue act of 1898. It has been followed by the committee only so far as is necessary to cover similar enterprises of a mutual character that are instituted and carried on solely for the protection of the property of the members, and not for profit.

A stock company may, in its general practices, be mutual in its character, but it is nevertheless a stock company. If there be profit, the profit is declared and paid through the medium of stock ownership. Such companies as the Senator from Pennsylvania has suggested, even though they are mutual, are still taxable, notwithstanding this proviso, if they are mutual concerns for profit and if a profit is made and distributed among the members. It is only those which are solely for protection, and not for profit, that are exempted, either as to the proviso embodied in the bill from the act of 1898 or as to the amendment which the committee has inserted in the bill.

Mr. OLIVER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Pennsylvania?

Mr. THOMAS. With pleasure.

Mr. OLIVER. I will ask the Senator if he does not acknowledge that in the end this tax will fall upon the policyholders in both cases?

Mr. THOMAS. I think so.

Mr. OLIVER. Then, why relieve the mutual policyholder when you do not relieve the policyholder in the other case?

Mr. THOMAS. We do not relieve the policyholder in the other case unless he makes a profit. If he makes a profit, he must pay the tax. If he does not make a profit, of course he will be within the exemption.

Mr. OLIVER. I can not see the distinction. In one case you charge the policyholder who insures in a regular company with the tax—for it lands on him eventually—and in the other case you relieve the man who joins with a hundred or a thousand other people to mutually insure each other's property.

Mr. THOMAS. It lies in the matter of profit. If that does not exist, of course there is no reason for the distinction.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SIMMONS. On page 40, line 1, after the word "insurance," I move to strike out the parentheses and the words "casualty, fidelity, and guaranty."

Mr. SMOOT. Before that amendment is agreed to, I wish to call the Senator's attention to the fact that there will be two paragraphs headed "Insurance," and in the index of the bill, when made, it will be very hard to ascertain just what it is. It does seem to me that one of the headings ought to be changed. I think the latter clause ought to be headed: "Insurance, fidelity and guaranty."

Mr. SIMMONS. Mr. President, I ask that the first word in the line, "insurance," and the colon before the word "each" be stricken out.

Mr. SMOOT. Also let the semicolon go out, and make this part one paragraph, and then it will be complete.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from North Carolina [Mr. SIMMONS].

The amendment was agreed to.

Mr. SIMMONS. On page 40, line 8, after the word "inland," I move to strike out the word "and" after the word "fire" and to insert a comma, and also to strike out the word "insurance," and to insert:

Personal, accident, health, and workmen's compensation insurance carried on by the members thereof solely for their own protection and not for profit.

The PRESIDING OFFICER. The amendment proposed by the Senator from North Carolina will be stated.

The SECRETARY. On page 40, line 8, it is proposed to strike out the word "and," where it appears before the word "fire," and after the word "fire" to insert a comma, and also to strike out the word "insurance," in the same line, and to insert:

Personal, accident, health, and workmen's compensation insurance carried on by the members thereof solely for their own protection and not for profit.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from North Carolina.

Mr. SMITH of Michigan. Mr. President, I should like to ask the Senator from North Carolina what class of insurance is now to be caught by this dragnet?

Mr. SIMMONS. This has reference to policies of insurance on bonds or obligations in the nature of indemnity for loss, damage, or liability, issued or executed or renewed by any person, association, or corporation, and so on. It will include a very large class of insurance.

Mr. SMITH of Michigan. Would it extend to bonds which are issued to guarantee the Government against misfeasance in office?

Mr. SIMMONS. Those would be included.

Mr. SMITH of Michigan. Under what terms? I had very much hoped that they would not be included.

Mr. SIMMONS. It includes:

Each policy of insurance or bond or obligation of the nature of indemnity for loss, damage, or liability, issued or executed——

Mr. SMITH of Michigan. Does the Senator think that ought to be included?

Mr. SIMMONS. I do not see any reason why a policy of that kind should not pay the tax.

Mr. SMITH of Michigan. I do not think that class should pay.

Mr. SIMMONS. It is a bond given for the fidelity of the official.

Mr. SMITH of Michigan. I do not think any of that class of contracts ought to be taxed.

Mr. SIMMONS. That is a matter of policy.

Mr. SMITH of Michigan. I think it is very unfortunate that it is done. I am especially sorry that it is proposed to lay the hand of the Government upon any contract of this nature for the purpose of getting revenue.

Mr. SIMMONS. It is exactly the old law, I will say to the Senator from Michigan.

Mr. WEEKS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Massachusetts?

Mr. SMITH of Michigan. Certainly, if I have the floor.

The PRESIDING OFFICER. The Senator was recognized by the Chair and remained standing.

Mr. SMITH of Michigan. Then, of course, I yield to the Senator from Massachusetts.

Mr. WEEKS. Mr. President, I wish to ask the Senator from North Carolina in charge of the bill if the amendment which he has just offered will eliminate from the possibility of taxation any form of cooperative insurance conducted for the benefit of the members without the possibility or the intention of making a profit?

Mr. SIMMONS. I would not like to have to answer offhand a question of that sort. It would be a matter of construction.

Mr. WEEKS. Let me ask the Senator from North Carolina another question. There is a form of insurance known as the Navy mutual aid insurance It is cooperative insurance, under which the naval officers who belong to the association pay dues, and after their death their families receive, I think, $3,000. Would such insurance be covered by this provision?

Mr. WILLIAMS. The taxation of all life insurance has been stricken from the bill.

Mr. SIMMONS. Let me state to the Senator from Massachusetts that the exceptions are life insurance, marine insurance, inland insurance, and fire insurance. This is a different class of insurance. Then there is added to those exceptions personal, accident, health, and workmen's compensation insurance. I think the insurance about which the Senator from Massachusetts is talking would have reference to life insurance, which we struck out altogether.

Mr. WEEKS. Has that been stricken out altogether?

Mr. SIMMONS. Yes; that was stricken out several days ago when the bill was under consideration.

Mr. POINDEXTER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Washington?

Mr. WEEKS. I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mr. POINDEXTER. I should like to ask the Senator from North Carolina if the effect of the amendment which he has just offered would not be to include life insurance as well as all of the other varieties of insurance named, except when they are cooperative mutual associations, not for profit? The Senator has inserted that clause as qualifying all of these various kinds of insurance, and the effect of that would be to make life insurance taxable, it seems to me.

Mr. SIMMONS. No, Mr. President; there is no term in this section which could possibly be so construed.

Mr. POINDEXTER. Will the Senator read the clause in parentheses as amended by the amendment just adopted?

Mr. SIMMONS. The clause as it is now written in the bill is "except life, marine, inland, and fire insurance."

Mr. POINDEXTER. That is not all. As I understand, the Senator has not read it all. He added as an amendment some words to it.

Mr. SIMMONS. I will read it all. As the bill is written it excepts life, marine, inland, and fire insurance.

Mr. POINDEXTER. Yes.

Mr. SIMMONS. Now, we have added to those exceptions "personal, accident, health, and workmen's compensation insurance."

Mr. POINDEXTER. But, Mr. President, in order to get the effect of that provision you have to read it all together. If the Senator from North Carolina will read the amendment as amended, he will see what the effect of it will be.

Mr. SIMMONS. I will do that, if the Senator desires me to do so. It would read:

> Except life, marine, inland, fire, personal, accident, health, and workmen's compensation insurance, carried on by the members thereof solely for their own protection, and not for profit.

Mr. POINDEXTER. Now, the Senator must see, from what he has just read, that that would subject life insurance to taxation in all of those cases where the business is not carried on solely for their own protection and not for profit.

Mr. WILLIAMS. The word "life" ought to go out.

Mr. SMOOT. Yes; the word "life" ought to go out.

Mr. WILLIAMS. Having stricken life insurance out of the bill, we also ought to strike this language out.

Mr. SIMMONS. I think the Senator is right, that the word "life" ought to go out.

Mr. POINDEXTER. I understood the intention of the Senator was to do that.

Mr. SIMMONS. I ask to modify the amendment in that respect.

The PRESIDING OFFICER. The question is on agreeing to the amendment as modified.

Mr. TOWNSEND. Mr. President, I should like to ask the chairman of the committee if he intends to exempt life insurance from taxation?

Mr. SIMMONS. We have done that. We have eliminated from the bill the entire section with reference to life insurance.

Mr. TOWNSEND. I had overlooked the fact that we eliminated that.

Mr. SIMMONS. If the Senator will turn back to page 38, he will see a provision there for life insurance, but by an amendment, agreed to when this bill was previously under consideration, that section of the House bill was eliminated.

Mr. TOWNSEND. I understand.

Mr. POINDEXTER. Mr. President, I should like to ask a further question of the Senator from North Carolina. As the bill was reported from the committee, in the parentheses which the Senator has just moved to amend, not only life but marine, inland, and fire insurance are excepted from the effects of the paragraph.

Mr. SIMMONS. Yes.

Mr. POINDEXTER. Is it the Senator's intention to include marine, inland, and fire insurance in the provision and make them subject to taxation except where the companies issuing the policies are mutual and not conducted for profit?

Mr. SIMMONS. No.

Mr. POINDEXTER. That is the effect of the amendment which the Senator has proposed.

Mr. SIMMONS. The Senator will see that on the preceding page we have provided for marine, inland, and fire insurance.

Mr. POINDEXTER. That is the very reason, it seems to me, they ought not to be included in this paragraph. The effect of the Senator's amendment is to include them except where such companies are mutual and not conducted for profit.

Mr. SIMMONS. No; the effect is to except them, not to include them.

Mr. POINDEXTER. When the Senator inserts an exception of a specific variety of insurance, which is mutual and not for profit, he necessarily includes all those that are for profit.

Mr. SIMMONS. No, Mr. President; what this section was intended to do was to except from the operation of this particular paragraph marine, inland, fire, and workmen's compensation insurance.

Mr. POINDEXTER. Well, I thought that was the Senator's intention; but that is not the effect of the amendment which he has offered.

Mr. SIMMONS. I do not agree with the Senator.

Mr. POINDEXTER. The Senator has just admitted that the amendment which he offered would include life insurance, and for the same reason it would include all these other kinds of insurance.

Mr. SIMMONS. The Senator uses the word "include" in a different sense from that in which I use it. I use it as meaning that it would include fire, marine, and other insurance in the exception clause of the paragraph. Life insurance has been stricken out.

Mr. POINDEXTER. What kind of insurance does the Senator mean to qualify by the phrase "mutual and not for profit"?

Mr. SIMMONS. If the Senator will carefully read that paragraph, I think he will see what kind. We intended to include workmen's compensation insurance. This exception as now framed by the amendment would have reference to things that might be covered under the provisions of the bill.

Mr. POINDEXTER. I suggest to the Senator from North Carolina that he would carry out his meaning if he would say "except life, marine, inland, and fire insurance of any kind whatever, and workmen's compensation insurance where the company is not conducted for profit, but solely for mutual protection."

Mr. TOWNSEND. Or if the Senator would leave it as it is in the parentheses——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Michigan?

Mr. POINDEXTER. I yield.

Mr. TOWNSEND. If I understand the Senator correctly, the object he has in mind would be carried out by leaving the words in the parentheses as they are, and adding "and except also," and then go on with the other sentence. That would make it apply simply to what you add and to that which is already in parentheses.

Mr. SIMMONS. That states it a little more clearly. The mutual workmen's compensation insurance companies thought they might be embraced in this provision unless they were expressly excepted from it; and, in response to their suggestion, we put in the exception.

Mr. WILLIAMS. Mr. President——

Mr. SIMMONS. I yield to the Senator from Mississippi.

Mr. WILLIAMS. The words just preceding the parenthesis are "or other branch of insurance"; so that, although the preceding language to that language expressed certain kinds of insurance, the broad language following it, "or other branch of insurance," would, if we did not put in the parentheses, have included every other form of insurance not at some other place in the bill expressly excluded. In that connection I want to say that the word "life" ought to be reinserted in the bill. I understand that was stricken out a moment ago.

Mr. STONE. We did not strike it out.

Mr. WILLIAMS. The object of this bill is to strike out from taxation all personal accident insurance, all health insurance, and all workmen's compensation insurance of a certain character.

Mr. POINDEXTER. What character?

Mr. SIMMONS. Mr. President, the Senator from Mississippi is absolutely right about it. The word "life" was stricken out inadvertently. I did not at the minute when the Senator sug-

gested to me that it be stricken out advert to the three preceding words.

The PRESIDING OFFICER. The Secretary advises the Chair that the amendment striking out the word "life" has not been agreed to; it was merely a suggestion; the Senate has not acted upon it.

Mr. WILLIAMS. If it has not been agreed to, all that is necessary for the Senator from North Carolina to do is to withdraw the motion to strike out the word "life," or not make it.

Mr. SIMMONS. I withdraw it.

Mr. WILLIAMS. The Senator from Washington asked me what sort of workmen's compensation is included in this sentence. I will ask the Senator from North Carolina to read the language following the words "workmen's compensation insurance."

Mr. SIMMONS. The words are "workmen's compensation insurance carried on by members thereof solely for their own protection and not for profit." If the Senator will examine the language the Senator from Mississippi calls attention to, and which for the moment I did not advert to, he will see why this exception is put in just at that point. It is to meet the possible inference that might be drawn from the words "or other branch of insurance" and to make it clear that by the words "other branch of insurance" we do not intend to include life insurance, and so on.

The PRESIDING OFFICER. Will the Senator from North Carolina now state the amendment as he would have it submitted to the Senate?

Mr. SIMMONS. I have already stated it, and I think the Secretary has it.

Mr. POINDEXTER. I only desire to repeat, Mr. President, that while the Senator claims he is excepting these various kinds of insurance he is really including them by implication by force of the amendment which he has offered.

Mr. SIMMONS. The Senator is mistaken. We simply say in parentheses that we do not mean by the use of the words "other branch of insurance" to refer to the branches mentioned in the exception; that is all.

Mr. POINDEXTER. There is only one branch the Senator includes, and that is where the insurance is carried on for profit.

Mr. SIMMONS. No; it means other branches of insurance of like kind, the kind of insurance enumerated above.

Mr. POINDEXTER. Where it is carried on by the members thereof for their own protection and not for profit. Unless it is qualified by that phrase, then it is not excepted. I should like to inquire of the Senator from North Carolina why include any life insurance in this tax?

Mr. SIMMONS. None is included.

Mr. POINDEXTER. Or any class of insurance, such as fire insurance? Why do you include insurance at all as the subject of a special extraordinary tax?

Mr. SIMMONS. Does the Senator mean fire insurance?

Mr. POINDEXTER. Yes; fire insurance or accident insurance or marine insurance.

Mr. SIMMONS. Fire insurance is included. We put a tax upon policies of fire insurance and inland insurance, but we have not anywhere in the bill placed a tax on insurance on life. We are seeking to safeguard the possibility of any language employed in the bill being susceptible of a construction that it would include insurance on life or accident or health.

The Senator asked me, Why impose a tax on insurance policies, such as fire insurance? I do not think I need to say more about that than that I can see no reason why they should not pay a tax along with other things of like kind that are included in this bill.

Mr. POINDEXTER. Fire insurance is regarded generally as one of the necessary incidents of business and of the ownership of property.

Mr. SIMMONS. And so are deeds of conveyance, so are promissory notes, and so are a hundred—I will not say a hundred, but a score—of other things mentioned in this bill. I can think myself of no reason why policies of fire insurance should not be included. That part of the bill is an exact copy, I think, of the old law.

Mr. POINDEXTER. It seems to me, Mr. President, that there must be some emergency in the mind of the chairman of the committee that the country does not know anything about that would justify levying a tax upon fire insurance or upon any insurance against loss of property.

Mr. SIMMONS. I will say to the Senator that this provision is taken bodily from the act of 1898 and from the war-tax act of the Civil War.

Mr. POINDEXTER. The Senator makes a comparison——

Mr. SIMMONS. I do not care to argue that question with the Senator; he can argue it if he desires so to do.

Mr. POINDEXTER. I did not want the Senator to argue it with me; I was only asking him a question.

Mr. SIMMONS. I merely expressed my opinion that it was a proper subject of taxation.

Mr. POINDEXTER. I am not requesting the Senator to argue the matter.

Mr. SIMMONS. I hope the Senator does not understand me as desiring to be at all curt about the matter. That was not my idea. I meant to say that I had stated all I cared to say about the matter, unless the Senator desires to ask me some other question.

Mr. POINDEXTER. The Senator made a statement comparing the conditions justifying the tax now proposed and the reason and necessity for it with the conditions that existed when the United States was involved in a flagrant war of unknown proportions. The country was threatened with a descent on the great, rich cities of the Atlantic coast by the Spanish war fleet. Nobody knew what they could do or what their power was; but from the past history of that country we supposed that they were able to do a great many things which events showed they were not able to do. It was, however, under that stress, in a state of actual war, that that tax was levied. Now the Senator says that, because we levied such a tax under those conditions, we are justified in doing so now in a period of profound peace.

Mr. SIMMONS. What the Senator is saying applies to the whole bill as much as it does to this particular section.

Mr. WILLIAMS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Mississippi?

Mr. POINDEXTER. I yield the floor.

The PRESIDING OFFICER. The Senator from Washington yields the floor. The Senator from Mississippi is recognized.

Mr. WILLIAMS. Mr. President, the Senator from Washington says that when the original act of 1898, from which most of this bill is copied, was passed by the Republican Party the country was "in a state of stress" and that now we are in "profound peace." That is literally true; but in spirit it is thoroughly inaccurate. The stress to which the country was subjected during the Spanish-American War was absolutely nothing compared to the stress to which the country is subjected right now. The effect of the continental war in Europe has been ten times as damaging to the United States as the Spanish-American War, in which they themselves were engaged. So that, if the stress and the emergency in 1898 justified the provisions of this law then, the greater stress and the greater Treasury emergency justifies a part of it now. The mere accident that we are not parties to the war—a big war—when we were at that time parties to what was, in comparison, a play war, or, at any rate, a little war, has nothing to do with the question. That is my answer to the Senator's remarks.

Mr. POINDEXTER and Mr. WEEKS addressed the Chair.

Mr. POINDEXTER. If the Senator will pardon me just a moment——

The PRESIDING OFFICER. The Senator from Washington.

Mr. POINDEXTER. Mr. President, if the Senator will pardon me a moment, I am asking these questions in the utmost friendliness and not in any party spirit at all. I have a great deal of respect for the judgment and the accuracy of reasoning of the Senator from Mississippi; but I am greatly surprised that, with his candor of reasoning and sincerity of thought and expression, he can satisfy himself with the answer just made, that there is any such stress—or a much greater stress, as he has said—upon the United States to-day, justifying the levy of extraordinary and burdensome taxes upon the occupations and the business instruments of the people, as compared to what there was in 1898, when the honor and territorial integrity and, so far as we knew, the very existence of the Nation were at stake on account of the war.

Mr. SMITH of Michigan. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Michigan?

Mr. POINDEXTER. I yield.

Mr. SMITH of Michigan. I should like to remind the Senator from Washington that the emergency in 1898 was not enough to enlist at that time the sympathy and cooperation of the Senator from Mississippi in the passage of the bill that he cites as a precedent.

Mr. POINDEXTER. Why, Mr. President, everybody knows the wave of enthusiasm and deep, intense feeling that swept over this country in 1898 when war was declared, and young men throughout the country were crowding the recruiting offices in

order to offer their services and their lives in defense of the country; and the same feeling permeated the business world. Everyone was anxious to do his share to bear the burden of that war in taxes or in personal sacrifice. They do not feel that way now, however, because there is no such emergency existing.

If we levy a tax when we are at war, even though it be a little war, as the Senator characterizes that one, it will meet with the approval of the people and their willing acquiescence. They will be eager to support the finances of the Government when we are at war; but there is no sophistry of reasoning which will enable the Senator to come in here now, when there is no war, and justify a tax as a war tax.

The Senator can make a very plausible argument as to the stress under which the country is laboring now. We have different opinions upon what that stress is and the extent of it. I see a great many indications that this country, in a business and financial way, instead of being under a stress on account of this unfortunate and horrible European war, is going to profit very greatly by it, and is profiting by it, and will profit much more in the future by it. How the Senator can liken our present condition to a condition of war is not very clear to me.

Mr. WILLIAMS. Mr. President, I have never said that "the honor of the country" was at stake now, as it was in 1898. I have said that the Treasury emergency and the general stress and strain of industry and finance now were greater than they were in 1898. The idea of "the existence of the Nation being at stake" when we went to war with Spain! There was no human being who ever dreamt that the existence of this Nation was at stake when we went to war with Spain. So much for that; but there was a question of honor.

What I say, however, is that the emergency now is five times as great; that the dislocation of industry is from three to five to ten times as great, and the same thing is true as to the dislocation of commerce and of exchange. As far as the effect of the Spanish-American War upon our Treasury was concerned, and the effect of this war upon our Treasury, the effect of this war upon our Treasury has been manyfold greater.

Why, the Spanish-American War did not interfere with our imports in the slightest degree; the Senator from Washington and I both know that; while we both know that this war has cut off our imports, which were revenue breeders, from Germany, Austria-Hungary, Belgium, and France, to a large extent from Russia, and to some extent from Great Britain, and slightly further from all the world.

What is the emergency that justifies a new tax? It is an emergency in the Treasury—a threatened deficit. There was no emergency in the Treasury in 1898 except the emergency caused by the necessity of raising revenue to prepare an army for the field. That was upon the side of expenditures. The emergency now is upon the side of receipts. I say to the Senator in all due candor that the State of Mississippi alone, as far as industry, commerce, exchange, and fiscal arrangements are concerned, has already suffered more in these two months and a half of the European war than this entire country suffered in the whole course of the Spanish-American War.

Mr. LIPPITT. Mr. President, I quite agree with the Senator from Mississippi that the country has suffered more from this war than it did from the war of 1898, but there is a great difference between the country suffering and the Government suffering. The purpose of this revenue bill is to raise income for the Government——

Mr. WILLIAMS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from Mississippi?

Mr. LIPPITT. Yes.

Mr. WILLIAMS. Does not the Senator confess that the Treasury has suffered, by the loss of import duties, more from this war than it did from the war of 1898?

Mr. LIPPITT. How much has the income of the Government suffered?

Mr. WILLIAMS. I read the figures here the other day; $5,000,000 in eight days, I believe, in one place.

Mr. SIMMONS. I will read the Senator the figures.

Mr. LIPPITT. I wish the Senator would read them.

Mr. SIMMONS. I will read the Senator the falling off during the first 12 days.

Mr. LIPPITT. Of what?

Mr. SIMMONS. The falling off in imports.

Mr. LIPPITT. For the first 12 days of what?

Mr. SIMMONS. Of October.

Mr. LIPPITT. What was the falling off in revenue of the Government for the month of September? Has the Senator that?

Mr. SIMMONS. I have not that at my fingers' ends right now.

Mr. LIPPITT. Then, if the Senator will excuse me, I will go on with what I was going to say.

Mr. SIMMONS. I will state to the Senator that the falling off in revenue during the first 12 days of October amounted to $8,731,000. I think it was about $9,000,000 in the month of September.

Mr. LIPPITT. The recollections of the Senator from North Carolina and myself agree. I have not here the exact figures for the month of September, but I will refer to them in a minute.

I started to say to the Senator from Mississippi when I rose, but was not allowed to finish the sentence, that the present revenue bill was a bill for the purpose of relieving the Treasury of the United States; that I agreed with the Senator from Mississippi that the people of the country had suffered more from this war than they had from the war of 1898, but that what the people suffered and what the Government suffered in its revenue were two entirely different matters.

As I understand the present situation, it is that in the month of September there was something like $9,000,000 less revenue from customs than there was in the same month of the previous year; but Mr. UNDERWOOD, in his report upon this bill, admits that the falling off in revenue under the existing tariff law amounted to about $4,000,000 per month; and therefore, for the month of September, the falling off in the revenues of the Government due to the war was about five and a half million dollars; or, in other words, at the rate of sixty-five to seventy million dollars a year. It is now proposed, on the basis of those figures, to assess——

Mr. NELSON. Mr. President——

Mr. OLIVER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Rhode Island yield, and to whom?

Mr. LIPPITT. I yield first to the Senator from Minnesota.

Mr. NELSON. I want to say to the Senator from Rhode Island that the revenues derived under the Underwood-Simmons bill for the 10 months beginning with October, 1913, up to the 1st of August, 1914, before the war was declared, showed a deficiency of over $30,000,000 as compared with what we had raised from customs the preceding year under the old tariff law, or an average loss of over $3,000,000 per month during the 10 months preceding the war.

Mr. LIPPITT. I think the Senator is mistaken. I think they showed a loss of about $4,000,000 a month. The Senator undoubtedly has on his desk the report of the chairman of the Finance Committee on this very subject.

Mr. O'GORMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from New York?

Mr. LIPPITT. Just a minute. If the Senator from Minnesota will refer to page 7 of that report he will see that Mr. UNDERWOOD admits that the falling off in revenue averaged about $4,000,000 a month, and that those figures have been reprinted and accepted by the chairman of the Finance Committee of the Senate. So I am going to use those figures, as having that very substantial authority, in the few remarks I am about to make.

I now yield to the Senator from Pennsylvania.

Mr. OLIVER. Mr. President, the Senator from Rhode Island alluded to the loss of $9,000,000 of revenue in the month of September. Is it not a fact that during the month of September, 1913, large quantities of merchandise were held in bond in anticipation of a reduction of duties following the passage of the then existing tariff bill?

Mr. LIPPITT I think very likely that was the situation; but, for the purpose of completing what I thought were going to be a very few words that I was about to say, I am perfectly willing to base my remarks upon the figures for the month of September.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from North Carolina?

Mr. LIPPITT. I yield to the Senator from North Carolina.

Mr. SIMMONS. I simply wish to say to the Senator that the total falling off in customs revenues during the fiscal year 1914 amounted to about $26,000,000, in round figures. For the months of July, August, September, and 13 days of October of this year, being 3 months and 13 days, there has been already a falling off of $34,365,000, or about $8,000,000 more for these three months and less than a half month than the total falling off during the fiscal year 1914.

Mr. LIPPITT. Do I understand the Senator from North Carolina to be making the argument that the sole reason for the enactment of this revenue bill is the decrease in the customs revenue resulting from the war?

Mr. SIMMONS. The reason for the enactment of this bill is the certainty, as we see it, of a loss of customs receipts, resulting from the curtailment of foreign importations, which will aggregate at least $100,000,000. My own impression is that it will aggregate a great deal more than $100,000,000, because instead of our imports increasing, I think they are going to continue to decrease until they are very much smaller than has been anticipated. As soon as Europe has sent us the accumulated stock of merchandise that she had on hand when the war began, I do not think there will be any sources from which she can draw for the purposes of foreign exportation to amount to anything.

Mr. LIPPITT. I should like to ask the Senator if this $107,000,000 is to be raised for the sole purpose of meeting the deficiency caused by the war situation, when or in what form he proposes to bring in a bill to meet the deficiency in revenue that will be caused by the excessive expenditures for which this Congress has provided?

Mr. SIMMONS. There have been no excessive expenditures; but I do not desire to go into a discussion of that matter.

The situation is this, if the Senator will permit me: We were getting so much revenue from our customhouse. That revenue, under normal conditions, added to the revenue from internal-revenue taxes and income taxes, was amply sufficient to support the Government. Last year it not only supported it, but it left a surplus of $34,000,000.

Mr. LIPPITT. Oh, yes; but last year you had a much less expensive Government.

Mr. SIMMONS. Now, we are confronted with a falling off of imports, from which alone we can receive receipts through the customhouse, and that falling off, during the first 3 months and 13 days of this fiscal year, has been $34,000,000, as against $26,000,000 resulting from the decrease in tariff duties during the fiscal year of 1914. As we are facing a loss of $100,000,000 in our customs receipts, this is simply to take the place of that loss, and to replenish the Treasury for the money that it will not get because the imports will not come in.

Mr. LIPPITT. Before the Senator takes his seat I hope he will answer the question which I asked him—how he expects to provide for the increased appropriations that have been made by this Congress over the estimated income of the Government?

Mr. SIMMONS. I will state to the Senator that the revenues that will be received, with the sum we are now proposing to raise to recoup the losses sustained from the falling off in imports, will be abundantly sufficient to pay all of the appropriations that this Congress has made; and if the war had not come on the ordinary receipts from the customhouse and the internal revenue would have been amply sufficient for that purpose.

When the Senator talks about the "great appropriations" we have made this year, I want to tell him that the appropriations we have made during this Congress for the next fiscal year exceed the appropriations that were made for the last fiscal year by only about $9,000,000, as I now recall; and we paid the appropriations for the last fiscal year with the receipts raised by our system of taxation and had $34,000,000 left.

Mr. LIPPITT. Does the Senator include the Panama expenditures in that statement?

Mr. SIMMONS. No; the Panama expenditures are not included in that statement. The Panama expenditures are not a part of the ordinary appropriations. They have not been considered at any time a part of them. We provided for the issue of bonds out of which to pay them. After we had made the other appropriations, if we had a sufficient amount of money left in the Treasury to pay the expenses of constructing the Panama Canal in that year we took that money to pay those expenses, instead of issuing the bonds that a previous Congress had provided might be issued for the construction of the canal. Last year, fortunately, after we had paid all of the ordinary expenses of the Government and met every appropriation that Congress had made, we had enough left to pay all the expenses of constructing the Panama Canal; and we took the surplus and applied it to that purpose, instead of issuing those bonds.

Mr. STONE. Mr. President, will the Senator from North Carolina yield to me for a moment?

The PRESIDING OFFICER. The Senator from Rhode Island [Mr. LIPPITT] has the floor.

Mr. LIPPITT. I want to ask the Senator from North Carolina, now that he has gone into this question, whether it is not a fact that the estimate of the Treasury Department of the United States, which gives the figures which the chairman of the Appropriations Committee of the House used in a very elaborate report which he made about two weeks ago upon the financial situation, did not show that the estimated revenues of the Government would be about $50,000,000 short of the appropriations that had already been made?

Mr. SIMMONS. I have not read that, and I do not know what it shows. I know, however, that the appropriations of the last fiscal year were $1,098,000,000. I know that the appropriations up to the time we made that report this year were $1,089,000,000. I know that the river and harbor bill has been passed since that time, which would run up the total to $20,000,000 more, which would make a total of $1,109,000,000.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from Utah?

Mr. LIPPITT. I yield.

Mr. SMOOT. The total appropriations up to date, for the fiscal year ending June 30, 1915, are one billion one hundred and fifteen million six hundred and some odd thousand dollars.

Mr. SIMMONS. I do not know where the Senator from Utah gets his figures.

Mr. SMOOT. The chairman of the Appropriations Committee [Mr. MARTIN of Virginia] is right back of the Senator. I will ask him if the figures I have given are not correct?

Mr. SIMMONS. Yes; the Senator from Virginia tells me that that is correct; so that it amounts to $7,000,000 more than I had stated; but I was adding the $20,000,000 for rivers and harbors to the $1,089,000,000 referred to in Mr. FITZGERALD'S statement.

I want to say to the Senator from Rhode Island that the Senator from Virginia [Mr. MARTIN] discussed all of these questions most elaborately here on yesterday, and if the Senator would stay in the Senate Chamber and hear these debates we would not have to go over the same ground every day.

Mr. LIPPITT. I have no doubt the Senator would much prefer not to have me go over it.

Mr. SIMMONS. Oh, no; I do not care about the Senator's going over it, except in the interest of saving time.

Mr. STONE. If the Senator would go back and read what was said the other day, that would save time. Since he does not stay here to hear it, he might at least read it in the RECORD.

Mr. LIPPITT. I should like to say to the Senator from Missouri that I have read in the RECORD much of what has been said on this subject.

Mr. STONE. The Senator is now covering exactly the same ground again.

Mr. LIPPITT. I suppose I have a perfect right to do so——

Mr. STONE. Oh, the Senator has an absolute right to do so.

Mr. LIPPITT. Without having the Senator from Missouri undertake the task of telling me what I may or may not do in this body.

Mr. STONE. Oh, the Senator can say anything he pleases. I do not care.

Mr. LIPPITT. Now, that we have cleared up that situation, with the kind permission of the Senator I will go ahead and try to say the one or two sentences that I started to say when I first rose.

Mr. STONE. Well, go ahead, and for God's sake get through with it. [Laughter.]

Mr. LIPPITT. If the Senator from Missouri will kindly stay and listen to me, I think he might learn something.

Mr. STONE. No; I can not learn anything from the Senator from Rhode Island, because I do not think he can convey any information to the Senate that it has not now; but he is a good waster of time.

Mr. LIPPITT. The Senator from Missouri has great confidence in his supreme knowledge on various subjects, but I venture to say that possibly the Senator from Rhode Island may at some time convey some information to the Senate, and perhaps he has done so in the past. I certainly have listened a great deal to what the Senator from Missouri has had to say on various subjects, and I can not say that I remember any extraordinary amount of information that has come from that source. [Laughter.]

Mr. STONE. That may be true. I think the Senator from Rhode Island might convey information on some subjects.

Mr. LIPPITT. I am very glad the Senator admits that.

Mr. STONE. He might convey information on this subject if the whole thing had not been debated and debated here for days, until it was made threadbare, in the Senator's absence. Now, he comes here to waste hours again in beating over the same old straw. That is what I am objecting to.

Mr. LIPPITT. I do not think I have talked as long as the Senator from Missouri has on this subject. I started to say one or two sentences, and the Senators on that side of the Chamber immediately wished to take my time, which I have been perfectly willing to have them do, and yielded willingly and kindly to them; but I think it is scarcely fair to come back and claim that I am using the time of the Senate, when perhaps, if there had been a careful record kept of the clock, it would have been found that somebody else had been using it.

All I started to say was this: The Senator from Mississippi was referring to the stress which was caused by the war in this country, and he was apparently justifying the tax which is now being levied by the fact that there was greater suffering and stress in this country, due to the situation the present war has caused, than that which resulted from the situation during the war of 1898.

Mr. WILLIAMS. A greater Treasury emergency.

Mr. LIPPITT. What I wished to say to him was that the emergency of the war of 1898 was entirely a Treasury emergency; that the tax which was levied at that time was for the sole purpose of reimbursing the Treasury; that there was a great strain upon the Treasury, because it was put to extraordinary expenses on account of the war; and that it seemed to me like a very curious argument to advance that because the people of this country were suffering in an extraordinary manner from the disasters that have been caused by this war, the Democratic Party should also want to add to that suffering a tax of $107,000,000. It seemed to me that the suffering they were undergoing was quite great enough, without adding to it the additional and onerous burden of a tax about one-half of which, I think, from the figures I have seen, is not due at all to the war, but is due to the extravagant and unparalleled expenditures which the Democratic Congress has made.

Mr. WILLIAMS. Mr. President, what I said was that this bill was as much justified by the fiscal and Treasury exigencies as the bill of 1898, in which was contained the language criticized by the Senator from Washington [Mr. POINDEXTER].

Now, let me see. This bill proposes to raise $100,000,000 of extra revenue. The falling off of customs receipts in the first month of this war—the month of August—was $11,000,000. The falling off in September, the second month of this war—I am giving round figures—was $9,000,000. The two added together make $20,000,000.

Mr. LIPPITT. May I be allowed to interrupt the Senator at this point?

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Rhode Island?

Mr. WILLIAMS. Let me get through with the sum in arithmetic; I have not finished the sentence. To go back and repeat, then, so that the Senator may catch it: In August, the first month of this war, the falling off was $11,000,000; in September, the second month of the war, it was $9,000,000, or a total of $20,000,000. In the half month, or nearly half month—it is not quite a half month—of October which is past, it was $8,750,000. Now, there is a total of twenty-eight and three-quarter million dollars of loss of revenue at the customhouses in two months and a half.

The Democratic Party therefore concluded that if there would be a corresponding fall in the revenue for the balance of the year, at least $100,000,000 would be needed to cover the threatened deficit. These are all comparisons between the revenue of the two and a half months in this year and of the last year. Now, if the country suffered a loss of customs receipts because of the falling off of importations in two months and a half of the war of twenty-eight and three-quarter million dollars, it would suffer five times that much in a year.

Mr. LIPPITT. Will not the Senator deduct something from that falling off owing to the fact that the tariff law his party has passed also very largely reduced the revenue for each of the preceding months that it has been in existence. The Senator does not propose to assume that the entire falling off in revenues is due to the war?

Mr. WILLIAMS. I am not assuming it.

Mr. LIPPITT. Then——

Mr. WILLIAMS. Wait a minute. There would be a total falling off of $114,000,000.

Mr. LIPPITT. Now, Mr. President, if——

Mr. WILLIAMS. Wait a minute——

Mr. LIPPITT. The report of Mr. UNDERWOOD claims that at least an average of $4,000,000 a month was due to the tariff law. That is at the rate, if we are going to use the Senator's figures, of $48,000,000 a year. The Senator says that the war cost to the Government so far has been $114,000,000, and the total revenue fall is at the rate of $114,000,000 a year. If we deduct $48,000,000 from $114,000,000, it leaves somewhere in the neighborhood of $70,000,000, and if the lack of revenue by reason of the war is $70,000,000, which is the outside that these figures show, why should we raise a tax of $110,000,000 except for the fact that the report of the Treasury shows that that was the deficit?

Mr. WILLIAMS. Now, Mr. President, I hope I will have the attention of the Senator from Rhode Island. Twenty-eight million dollars in two and a half months is about $140,000,000 a year. I said a moment ago $114,000,000. It is $140,000,000. That is the falling off. Now, the $4,000,000 a month, assuming that figure to be correct for argument's sake, or $48,000,000 was from the fact that we reduced taxes upon the people by putting various things upon the free list——

Mr. LIPPITT. The Senator does not mean to say that we reduced the taxes upon the people. What he means to say is that we changed the form of taxes on the people and reduced the revenue from that source.

Mr. WILLIAMS. However fine a user of English the Senator from Rhode Island may be, I prefer to select my own phraseology. Now, suppose $48,000,000 of that amount resulted from our removing tariff taxes from the backs and bellies of the people by putting various things upon the free list and by reducing tariff taxes upon other things; deducting that left $92,000,000, and this bill, calculated to raise $100,000,000, will leave us a margin only of $8,000,000. I say we have not raised revenue too much; that, if anything, we have raised it too little in this bill. Why? Because in my opinion the importations are going to continue to grow less rather than greater, and the customs receipts are therefore going to continue to grow less rather than greater, and the total revenues therefore to diminish, unless made up by an increase from other sources. The only excuse for not providing more revenue in this bill is that we are going to meet again in December, and if we find that our present diagnosis of the case is not correct, then we can bring in another bill to meet the increased deficit.

In all this I have admitted for the sake of argument the Senator's contention of a falling off in customs revenues from those which would have been collected under the Dingley bill of $48,000,000 per annum. When we framed the Underwood-Simmons bill we calculated upon and provided for a decrease of $50,000,000 in customs receipts. This decrease was a decrease of the burden of taxation, which otherwise would have rested on all the people, and principally upon the poor, least able to stand it.

Mr. SMITH of Michigan. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Michigan?

Mr. WILLIAMS. I do.

Mr. SMITH of Michigan. The Senator from Mississippi is very frank in his statement as to the loss of revenue from customs. Would he not be equally frank and admit that your calculation with reference to the amount you expected to derive from the income and corporation tax was very disappointing also?

Mr. WILLIAMS. No. Mr. President——

Mr. SMITH of Michigan. If the Senator will pardon me just one sentence more, I think it was stated here that you expected to raise $122,000,000 from the corporation and income tax. It has turned out that you have raised $71,000,000. That is not chargeable to any war in Europe, but it is chargeable to miscalculation.

Mr. WILLIAMS. Mr. President, I am not a muzzle-loading shotgun which scatters at the breach. When I get up to talk about one question I do not undertake at the same time to talk about every other question in the world. I have denied the statement of the Senator, but do not care to argue it. I wish to stick to my text. I am talking now about the falling off in receipts from customs duties and the necessity of supplying that deficit. Whether we made a miscalculation with regard to the income and corporation tax or not has nothing to do with the case, any more than "the flowers that bloom in the spring," because of the very simple fact that our income tax, plus internal revenue, plus customs, plus other and miscellaneous sources of revenue, were bringing in enough to pay the expenses of the Government, and more than enough, even with somewhat extravagant appropriations. Now, if we made a mistake, it was a very lucky thing that we made it; otherwise we would have piled up more money in the Treasury than ought to have been piled up. But that has nothing to do with this question. I want to drive this question right down to its point, and that is whether there exists no Treasury exigency, actual or threatened, to justify this tax.

If the Senator from Michigan be right, there exists a greater emergency than I thought. It does not make a bit of difference why the emergency, why the deficit exists; there is that

much money needed to be raised by taxation, and the Democratic Party can not justify itself before the country unless it can show that that much more money is needed. I say, and the facts prove, that the falling off of revenue receipts to the extent of $100,000,000 per year is the cause of the threatened deficit, and that the war is the cause of that falling off.

I say that the cause of its being needed was the falling off in imports. The Senator from Michigan may say that it was for any other reason he pleases, but I say it is from the falling off of imports, and this falling off of imports for the entire year, if calculated at the rate of two and a half times $28,000,000, will be $140,000,000 for a year.

Mr. WEEKS. Mr. President——

Mr. WILLIAMS. So we justify the raising of $100,000,000 by special taxes.

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Massachusetts?

Mr. WILLIAMS. I do.

Mr. WEEKS. I want to call the attention of the Senator from Mississippi to just what happened in August as the result of the falling off in imports. The Senator will agree with me that there was a falling off of $8,000,000 in August.

Mr. WILLIAMS. In August?

Mr. WEEKS. In August.

Mr. WILLIAMS. There was a falling off of $11,000,000.

Mr. WEEKS. Eight million dollars in imports and $11,400,000 in revenue. Those are the correct figures, taken from the Treasury statement. Now, of that $11,400,000 revenue loss due to importations—I have the exact figures here—$9,727,000 was due to the reduction in duties and only $1,776,000 could be charged to the reduction in the importations.

Mr. WILLIAMS. Oh, no, Mr. President.

Mr. WEEKS. If the Senator——

Mr. WILLIAMS. The Senator can not make that.

Mr. WEEKS. If the Senator can convince himself that any of those figures are not correct, I would be glad to have him do so.

Mr. WILLIAMS. It is very easy to take a thing formerly on the dutiable list and figure out a certain rate, and calculate the rate it would have been, but that is wrapping things in a mere cloud of obscurity and has nothing to do with this case. The sole thing here, the point to which I want to pin the matter down, is that we provided a revenue for this country from several sources, and in one particular regard, to wit, the customs part of that revenue, there will be a failure of $140,000,000 during this year below our former year's receipts and nearly, if not quite, $100,000,000 below our correct calculation, based on peace conditions, and our therefore first expectation. That is all.

Every other argument concerning it all is aliunde, irrelevant, or obtuse.

Mr. OLIVER. Mr. President, it is very refreshing to me, and I presume it will be to the taxpayers of this country to have the Senator from Mississippi [Mr. WILLIAMS], a member of the Finance Committee of the Senate, inform us that this bill is only a starter and that when Congress meets in December we may look for still another addition to the burdens of the taxpayers of the country.

I do not think it is exactly fair, Mr. President, for the chairman of the Finance Committee and the Senator from Mississippi to hold up the first 12 days of this month for a comparison, comparing the revenues for the first half of this month with the same period last year, because they well know that immediately following the enactment of the present tariff bill on the 3d of October last year there was entered at the customhouses an enormous quantity of goods which had been held in bond, and that the revenues for the early part of October last year were largely in excess of normal revenues for that period. I have not the figures at hand to show exactly what they were, but the revenues for October, 1913, were largely in excess of the ordinary revenues for October, and the customs revenues for the first 12 days of this month do not by any means fall to the extent of $12,000,000 below ordinary and normal revenues for the same period in any ordinary year.

Mr. SMOOT. Mr. President, I do not think that the Senate ought to take any Senator's opinion when we have the daily statement of the United States Treasury before us showing the exact conditions of Government receipts.

I simply want to call attention to this fact, and it is a fact, that on October 12, 1914, the receipts of the Government as compared with the receipts of the Government a year ago upon the same date show a loss of only $14,497,916.67, or, in other words, that the Government of the United States received from all sources during this fiscal year, from June 30 until October 12, as much money as they did the last fiscal year, with the exception of $14,497,916.67. Mr. President, that includes the shortage of customs revenues from October 1 to October 12 of $8,731,000.23. So all that the Government starts out with on the 12th day of October by way of shortage of receipts from a year ago amount, as I stated, to $14,497,916.67.

Mr. CLARKE of Arkansas. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Arkansas?

Mr. SMOOT. I do.

Mr. CLARKE of Arkansas. May I ask the Senator from Utah what would have been the amount of revenue paid into the Treasury on the identical importations at the rate in force under the Payne-Aldrich law?

Mr. SMOOT. The Senator means for the full year?

Mr. CLARKE of Arkansas. No; for the period the Senator is now criticizing during which the Underwood law was in operation. What would have been the difference? Why does the Senator attribute it to the low rate fixed in the Democratic tariff law without comparing it with the revenue that would have been derived had the importations taken place under the Payne-Aldrich law?

Mr. NELSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Minnesota?

Mr. SMOOT. I yield.

Mr. NELSON. I can give the Senator the figures he wants.

Mr. CLARKE of Arkansas. It is immaterial from what source I get them, so that they are reliable.

Mr. NELSON. From the 1st of October, 1913, three days before the tariff bill was passed, up to the 1st of August this year the total revenue amounted to $229,461,767, and for the same months of the preceding year under the former tariff law the total revenue was $260,122,137. It is the difference between $229,000,000 and $260,000,000.

Mr. CLARKE of Arkansas. But that does not answer the question that I intended to ask. Assuming that the same identical articles were imported under the Payne-Aldrich law that were imported under the present tariff law, what would have been the revenue paid into the United States Treasury? We must know that, it seems to me, before we can say that the reduced rates in the present tariff law are responsible for the smaller amount of revenue received.

Mr. SMOOT. Of course I do not want to make a statement that I can not prove by the Treasury Department, as the Senator knows, but I can make an estimate of the amount, and that is all that anyone can do unless he took the items imported and compared them under the two laws. I will say to the Senator that the amount of goods imported under the Payne-Aldrich law for the first 11 months——

Mr. CLARKE of Arkansas. They may have been entirely different goods.

Mr. SMOOT. That is what I stated to the Senator.

Mr. CLARKE of Arkansas. Different articles bear different rates, and if you want to institute a comparison it ought to be on the same units.

Mr. SMOOT. I just stated that that is true, but I want to say to the Senator the average rate under the Payne-Aldrich Act was about 44 per cent and the average rate under the Underwood Act is about 26 per cent. So the only way by which we could come to any reasonable conclusion as to the amount would be by using the two averages. But I will say to the Senator, as I stated before, I could not give the exact figures until I saw just the items that were imported, the quantities imported, and the rates that they carried under one law and the other.

Mr. CLARKE of Arkansas. Does not the Senator think it will be necessary to have that information before we can intelligently and justly criticize the present law with having resulted in a reduced collection of revenue?

Mr. SMOOT. No; because of the fact we all know what the reduced revenue is. There is not any question about that.

Mr. SIMMONS. Mr. President, the Senator from Utah has made some quotations from the Treasury statement of receipts and disbursements during this fiscal year as compared with the last fiscal year. The Senator will discover that the customs receipts submitted by the Treasury Department for the past fiscal year were $99,725,000 in round figures. The customs receipts as given by the department this year were $65,333,000, making a difference in the customs receipts for this period as compared with those of last year of $34,000,000. Now, the Senator in order to reach the results he just now gave confused in his computation the miscellaneous items. The miscellaneous items for the last fiscal year were $13,856,000 in round numbers. This year the amount was $26,191,000, being considerably more,

but the difference was owing to the price we received from the two ships that we sold.

Mr. SMOOT. That is absolutely true, Mr. President, and that does not dispute anything I stated.

Mr. SIMMONS. I am simply making the statement to show exactly what were the receipts this year as compared with those of last year.

In the last two months we have received quite a considerable increase from internal revenue. That resulted, as everybody knows, from the large sales of whisky during those months, arising from the apprehension of the holders that a tax would be imposed upon whisky. Therefore they have drawn it rapidly out of the warehouses, and the receipts from that source have increased. But when you come to customhouse receipts there can be no question that the customhouse receipts last year for the three months of July, August, and September, and for the first 12 days of October, amounted, as I said, to $99,000,000, lacking only $25,000 of a hundred million dollars; but this year they have amounted during the same period to only $65,303,000. I did not desire to make any argument, but merely to make that statement.

Now, if the Senator from Utah will pardon me, I wish to call the attention of the Senator from Rhode Island——

Mr. SMOOT. Before the Senator leaves that point——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Utah?

Mr. SIMMONS. Yes.

Mr. SMOOT. I thought I had the floor.

The PRESIDING OFFICER. The Chair thought the Senator had yielded.

Mr. SMOOT. I did yield the floor to the Senator from North Carolina.

The PRESIDING OFFICER. The Chair thought the Senator from Utah had yielded before the Senator from North Carolina began.

Mr. SMOOT. Mr. President, in this connection I merely want to make one further observation, and that is, that every argument that has been made upon the other side as to the reduction of tariff duties is based upon the receipts from the Payne-Aldrich Act. When the new law was passed it was passed with the understanding that the receipts would be less under the Democratic law. Everybody admitted it. There was an income tax imposed to make up that deficiency. So the comparison is not fair. The only just comparison is to take the revenues of the Government as expected from the Underwood Act, including the revenues from the income tax and from every other source.

The Senator from North Carolina was perfectly right in what he said in relation to the falling off of the customs duties by some $34,000,000 so far in this fiscal year; but the receipts from all sources up to the 12th day of this month, as compared with those of a year ago, with all that was collected under the Payne-Aldrich rates, amounted, as I said before, to only $14,497,916.67. On the 12th day of October this Government started out with that difference in its receipts from what they were a year ago, and no less. That is what we ought to figure upon, and that is all we ought to take into consideration up to that day in passing the revenue bill. I do not believe anybody will attempt to dispute that fact, and I know it can not be successfully disputed.

Mr. SIMMONS. Mr. President, I simply wish to add to what I have already said a brief statement. We did, as the Senator from Utah observes, calculate that there would be a falling off in revenue as the result of the reduction in tariff duties. There was a falling off, as a matter of fact, in the last fiscal year of $26,000,000. That was less than we expected; we expected it would be more than that; but with that falling off during the last fiscal year the receipts from customs, supplemented by the receipts from the income tax and the internal revenue, were sufficient to pay the expenses of the Government. Now, already, in a little over three months, there has been a falling off of customs duties during this fiscal year of about $8,000,000 more than we lost during the whole of the fiscal year 1914. If that proportion of falling off in the customs revenues shall continue this year, it is perfectly apparent that there will be, instead of a loss of $26,000,000, a loss of $150,000,000 in our customs revenues.

Mr. SMOOT. No; the Senator is mistaken.

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Utah?

Mr. SMOOT. The Senator from North Carolina will not make that statement after consideration.

Mr. SIMMONS. That statement is incorrect?

Mr. SMOOT. Yes; that statement is incorrect.

Mr. SIMMONS. If that falling off should continue, it would be a little less than four times $34,000,000.

Mr. SMOOT. It would be a little more than four times $8,000,000. The whole loss of last year was $26,000,000, while the loss up to the present time is $34,000,000.

Mr. SIMMONS. The estimates that I made had reference to the falling off during the months since the European war. If the falling off during the months since the war—that is, during the months of August, September, and October—shall continue, then there will be a loss of $150,000,000 in customs revenue.

Mr. SMOOT. Mr. President, I will say to the Senator from North Carolina, and also to the Senate and to the country, that there will not be a loss in customs revenue of $150,000,000 for the fiscal year ending June 30, 1915.

Mr. SIMMONS. I am stating this upon the calculations of the Actuary of the Treasury. I have not myself calculated it.

Mr. President, I want to call the attention of the Senator from Rhode Island [Mr. LIPPITT] to a statement which he made through inadvertence. In his statement the Senator from Rhode Island said that the chairman of the Ways and Means Committee of the House had estimated that during the last fiscal year there was a falling off in revenue to the amount of $4,000,000. If the Senator from Rhode Island will read the report of the Ways and Means Committee of the other House, he will see that he has made a mistake. He has confused the average monthly additional receipts from the income and from the corporation taxes with the falling off in the customs revenues. The falling off in the customs revenues, as given by the chairman of the Ways and Means Committee, was $26,000,000 for the fiscal year 1914. That was a little over $2,000,000 a month; but he does not in his calculation—and I suppose the Senator from Rhode Island got that calculation—estimate for the next year our receipts from the income tax and from the corporation tax. I believe he reached the conclusion that the increase amounted, as resulting from the income tax and the change in the corporation tax, to a little over $4,000,000. I refer to the figures the Senator gave a little while ago. The actual falling off in the revenues last year as he gives it was only a little over $2,000,000 a month. Up to this time the actual falling off has been more than $10,000,000 a month.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. LIPPITT. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Rhode Island?

Mr. LIPPITT. I thought the Senator from North Carolina was through.

Mr. SIMMONS. I was proposing to proceed with the amendments.

Mr. LIPPITT. Mr. President, I will only take one single moment, if the Senator will allow me. In the course of my remarks a short time ago I made the statement that the estimated expenditures and the estimated income of the Government differed somewhere in the neighborhood of $50,000,000. I now have before me—which I did not at that moment have—the report which was submitted to the other House by the distinguished chairman of the Appropriations Committee, which is published on page 16423 of the RECORD, and which I should like to have included as a part of my remarks on this subject.

The PRESIDING OFFICER. If there be no objection, permission to do so will be granted.

(The table referred to is printed on following page.)

Mr. LIPPITT. Mr. President, it will be seen that that table shows that the estimated appropriations of the Government were $1,089,408,777.26, and that the total estimated revenue was $1,036,000,000, showing a difference of about $50,000,000, as I have stated.

Mr. NELSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Minnesota?

Mr. SIMMONS. I do.

Mr. NELSON. I want to put in the RECORD, once for all, these facts: The total appropriations for the support of the Government made for the fiscal year 1913 were $1,019,412,710.91. For the fiscal year 1914 the total appropriations were $1,098,678,788.40, an increase for the fiscal year 1914 over the fiscal year 1913 of something over $79,000,000.

The appropriations for the fiscal year 1915, including the $20,000,000 for the river and harbor bill, were $1,109,408,777.26, showing that for the two fiscal years ending 1914 and 1915, respectively, there have been appropriated a total in excess of former years of about $170,000,000.

Chronological history of appropriation bills, second session of the Sixty-third Congress, estimates and appropriations for the fiscal year 1914–15, and appropriations for the fiscal year 1913–14.

[Prepared by the clerks to the Committees on Appropriations of the Senate and House.

Title.	Estimates, 1915.	Reported to the House.		Passed the House.		Reported to the Senate.		Passed the Senate.		Law, 1914–15.		Law, 1913–14.
		Date.	Amount.	Date.	Amount.	Date.	Amount.	Date.	Amount.	Date.	Amount.	Amount.
Agriculture	$19,061,332.00	1914. Feb. 20	$18,947,232.00	1914. Mar. 14	$18,988,232.00	1914. Apr. 16	$19,511,302.00	1914. May 23	$20,089,012.00	1914. June 30	$19,865,832.00	$17,986,945.00
Army	104,947,758.65	Feb. 16	94,194,277.16	Feb. 28	94,190,577.16	Mar. 21	101,815,583.35	Mar. 28	101,730,118.50	Apr. 27	101,019,212.50	94,266,145.51
Diplomatic and Consular	4,447,042.66	Apr. 17	4,483,702.66	May 16	4,455,852.66	June 12	4,359,986.66	June 16	4,366,086.66	June 30	4,309,856.66	3,730,642.66
District of Columbia [1]	14,491,614.49	1913. Dec. 15	11,465,480.49	Jan. 12	11,436,150.49	Mar. 6	13,137,256.49	Mar. 13	13,137,456.49	July 21	12,172,539.49	11,383,739.00
Fortification	9,124,399.49	1914. Jan. 23	5,175,200.00	Jan. 29	5,175,200.00	Feb. 6	6,895,200.00	Feb. 9	6,895,200.00	June 27	5,627,709.00	5,218,259.00
Indian	10,208,865.06	Jan. 28	8,661,737.82	Feb. 20	8,661,737.82	May 15	10,787,577.76	June 24	10,800,763.76	Aug. 1	9,771,902.76	9,485,819.67
Legislative, etc	39,584,709.70	Apr. 1	36,449,169.70	Apr. 17	36,532,109.70	May 25	37,238,278.70	June 15	37,841,158.70	July 16	37,630,229.70	35,172,434.50
Military Academy	1,052,875.61	Feb. 23	988,289.75	Feb. 28	988,289.75	Mar. 21	1,009,199.54	Mar. 28	1,009,099.54	Apr. 15	997,899.54	1,099,302.87
Navy	144,417,453.53	Feb. 28	139,904,333.61	May 7	139,808,333.61	May 14	140,990,833.61	June 2	141,164,433.61	June 30	[2] 144,868,716.61	140,800,643.53
Pension	169,150,000.00	Apr. 1	169,150,000.00	May 9	169,150,000.00	June 8	169,150,000.00	June 16	169,150,000.00	June 20	169,150,000.00	180,300,000.00
Post Office [3]	306,953,117.00	Jan. 12	306,952,867.00	Jan. 24	307,013,867.00	Feb. 18	310,652,267.00	Feb. 28	311,772,067.00	Mar. 9	313,364,667.00	285,376,271.00
River and harbor	[4] (34,266,395.00)	Feb. 24	(39,221,504.00)	Mar. 26	(39,408,004.00)	June 18	(43,330,404.00)				[5]	[6] (41,073,094.00)
Sundry civil	[7] 119,779,806.83	June 4	107,694,609.28	June 25	107,944,209.28	July 6	111,411,159.06	July 8	112,269,138.56	Aug 1	[8] 110,070,227.39	[9] 116,795,327.01
Total	943,218,975.02		904,126,899.47		904,344,559.47		923,958,644.17		930,224,534.82		928,848,783.65	901,616,520.75
Urgent deficiency	[10] 25,000,000.00	Feb. 19	9,639,397.79	Feb. 26	9,754,068.59	Mar. 17	10,843,321.98	Mar. 18	10,850,821.98	Apr. 6	10,626,825.54	
		May 13	6,770,632.24	May 21	6,835,632.24	May 22	6,835,632.24	May 22	6,835,632.24	May 25	6,835,632.24	
Deficiency, 1914, and prior years		July 10	4,585,584.08	July 15	4,594,485.08	July 17	6,079,900.00	July 18	6,318,184.95	July 29	5,901,128.83	28,074,912.31
Total	968,218,975.02		925,126,513.58		925,528,745.38		950,717,498.39		954,229,173.99		952,212,370.26	929,691,433.06
Miscellaneous	[10] 13,000,000.00										6,000,000.00	388,597.22
Total, regular annual appropriations	981,218,975.02										958,212,370.26	930,080,030.28
Permanent annual appropriation	[11] 131,196,407.00										[11] 131,196,407.00	127,525,664.12
Grand total, regular and permanent annual appropriations	1,112,415,382.02										[12] 1,089,408,777.26	[13] 1,057,605,694.40

Amount of estimated revenues for fiscal year 1915	$728,000,000
Amount of estimated postal revenues for fiscal year 1915	308,000,000
Total of estimated revenues for fiscal year 1915	1,036,000,000

[1] One-half of the amounts for the District of Columbia payable by the United States, except amounts for the water department (estimated for 1915 at $136,860), which are payable from the revenues of the water department.

[2] Includes $4,635,000 out of proceeds of sale of battleships Idaho and Mississippi.

[3] Includes all expenses of the Postal Service payable from postal revenues and out of the Treasury.

[4] No river and harbor act having become a law, the amount of the estimates, the dates and amounts of the bill in its several stages of consideration up to this time, and the amount of the last law are shown (in parentheses) in order to preserve their history, but none of the amounts are included in the totals stated herein

[5] No river and harbor act has become a law at this session, but the sum of $6,988,500 is appropriated in the sundry civil act to carry out contracts heretofore authorized for river and harbor improvements.

[6] The sum of $10,045,795 was appropriated in the sundry civil act to carry out contracts authorized by law for river and harbor improvements for 1914.

[7] This amount includes $7,217,500 to carry out contracts authorized by law for river and harbor improvements, and $26,326,985 for construction and fortification of the Panama Canal for 1915, and is exclusive of $5,593,221 carried under "Miscellaneous."

[8] This amount includes $6,988,500 to carry out contracts authorized by law for river and harbor improvements, and $21,842,475 for construction and fortification of the Panama Canal for 1915.

[9] This amount includes $10,045,795 to carry out contracts authorized by law for river and harbor improvements, and $21,135,393 for construction and fortification of the Panama Canal for 1914.

[10] This amount is approximated.

[11] This is the amount submitted by the Secretary of the Treasury in the annual estimates for the fiscal year 1915, the exact amount appropriated not being ascertainable until two years after the close of the fiscal year. This amount includes estimated amount of $60,717,000 to meet sinking-fund obligations for 1915.

[12] In addition to this amount contracts are authorized to be entered into, subject to future appropriations by Congress, as follows: By the fortification act, $600,000; by the naval act, $26,650,000; by the sundry civil act, $810,000; in all, $28,060,000.

[13] In addition to this amount contracts are authorized to be entered into, subject to future appropriations by Congress, as follows: By the Army act, $150,000; by the District of Columbia act, $1,615,000; by the fortification act, $300,000; by the naval act, $21,296,524; by the river and harbor act, $6,795,800; by the public buildings act, $38,347,850 (exclusive of $8,161,000 for authorizations without contracts, etc.); in all, $68,505,174.

Coming to the matter of income collected from the tariff duties for the 10 months counting from the 1st of October, 1913, which was three days prior to the passage of the Underwood tariff law, up to the end of July, 1914, the total income from the tariff was $229,461,967. For the same 10 months in the preceding year the total income was $260,122,037, showing that during 10 months under the Underwood-Simmons law from the time of its passage up to the 1st of August last, before the outbreak of the war in Europe, the loss in revenue was $30,660,070, or an average of over $3,000,000 a month as compared with the income from the tariff during the same months under the Payne-Aldrich law.

Mr. SIMMONS. I was unable to hear the statement of the Senator from Minnesota, as Senators were talking to me; but I understood that he was comparing the customs receipts of the last year with those of the previous year, and that he also made a comparison of appropriations. I do not know what result he reached; but I want to suggest to the Senator that if he will investigate the tables a little further he will find that from 1906 to 1910, during which period his party was in power, the increase in the appropriations amounted in those four years to $268,000,000.

Mr. SMOOT. Mr. President, just one word.

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Utah?

Mr. SIMMONS. I yield.

Mr. SMOOT. In that connection I want to call the attention of the Senator to the fact that the Democratic Party went before the country and bitterly criticized the Republicans for the natural increases, and called it "a profligate waste."

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

Mr. GORE. Mr. President, before the vote is taken, I wish to state that I think one important fact was omitted by the

Senator from Minnesota [Mr. NELSON], and I think the same fact has been omitted by a number of Senators on the other side of the aisle.

It is true that the appropriations for the current expenses of the Government for the fiscal year closing June 30, 1914, were $1,098,000,000; it is also true that the appropriations for the current expenses of the Government for the fiscal year closing June 30, 1915, were $1,115,000,000, an apparent increase of $17,000,000, or less than the ordinary average increase; but I call the attention of the Senator from Minnesota, and I call the attention of other Senators to the fact that that apparent increase is due to and is explained by an increase of $27,000,000 in the appropriations for the Postal Service.

The Senator knows that the Postal Service pays its own way; it is no charge on the Treasury of the United States; it is no charge on the revenues arising either from customs duties or from internal revenue. Deducting that item, the appropriations for the year 1915 are less by $10,000,000, at least, than the appropriations for 1914, not to speak of the additional extraordinary expense arising out of the Mexican situation. I think that ought to be stated in order to complete the record.

Mr. SMOOT. Mr. President, I want to say to the Senator from Oklahoma that I have never made any comparisons between appropriations for the year 1914 and those for the year 1915. They were all passed by a Democratic Congress. My comparisons were between the last appropriation bills for which the Republican Party was responsible and the appropriation bills enacted during the present session.

Mr. GORE. Mr. President, just which appropriation bills does the Senator now claim credit for on behalf of the Republican Party?

Mr. SMOOT. The last ones when the party was in power—1913.

Mr. GORE. I will suggest, Mr. President, that the House of Representatives, under the Constitution of the United States, is charged with the origination of revenue measures and charged with the origination of appropriation bills, and those measures, the economy of which has been so loudly exploited by Senators on the other side, originated in a Democratic House, and their economy is due to the insistence of the Democratic House.

Mr. SMOOT. The Senator knows that the Senate was Republican and had the last say so on the appropriation bills.

Mr. GORE. I will suggest that the appropriation bills in the Sixty-second Congress were higher when they passed the Senate than they were when they came to the Senate from the Democratic House.

Mr. SMOOT. Yes, Mr. President; it was known from one end of this country to the other that items were left out of the appropriation bills by the House with the avowed purpose of showing how extravagant was the Republican Senate and to be used for political purposes. Items amounting to millions of dollars were left out by the House knowing they would have to be added in the Senate.

I want to say to the Senator also that ever since the Government began appropriation bills as sent to the Senate from the House are less than the appropriation bills after they have passed the Senate.

Mr. GORE. Of course that is true, but I was simply observing that the measures to which the Senator has referred originated in a Democratic House, and the first effort I have heard to exploit those measures for partisan purposes has been by the Senators on the other side appropriating exclusive credit to a Republican Senate, when the credit, at least, must be shared by the Democratic House.

Mr. SMOOT. I wanted to be perfectly fair in my statement. I could have gone back a year further, when the House was Republican and the Senate was also Republican, and could have shown that the appropriations were still less, but I did not want it to be said by the Senator from Oklahoma, or by any other Senator, that I was going back four years and not taking into consideration the natural increase that comes to appropriation bills because of the growth of the country. So I simply went back two years, when the Senate was Republican and was responsible for the totals carried by the appropriation bills.

Mr. JONES. Mr. President, I should like to ask the Senator from Utah if it is not a fact that, notwithstanding the Democratic denunciation of Republican extravagance, the last appropriation bills passed when the House and the Senate were both Republican carried less than any bill that has been passed since that time, even when the appropriation bills have originated in a Democratic House?

Mr. SMOOT. No doubt that is true.

Mr. GORE. Mr. President, can the Senator from Washington tell the amount carried by the deficiency bills at the following session? That would be essential to a completion of that argument.

Mr. WARREN. Mr. President, I do not wish to prolong this discussion, but I will say, in response to the observation made by the Senator from Oklahoma [Mr. GORE], that the deficiency bills never have been so high as they were in the Congress preceding the present one, when there was a Democratic House and a Republican Senate.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee on page 40.

The amendment was agreed to.

The SECRETARY. On page 40, line 5, it is proposed to strike out the word "accident" and the comma after it.

The amendment was agreed to.

Mr. SIMMONS. On the same page, line 16, after the word "any," I move to insert the word "liability" and a comma.

The SECRETARY. After the word "any," in line 16, page 40, and before the word "fidelity," it is proposed to insert the word "liability" and a comma.

The amendment was agreed to.

Mr. SIMMONS. On the same page, at the end of line 19, I move to insert the matter which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 40, line 19, after the word "thereof," it is proposed to insert a colon and the following words:

Provided, That whenever a policy is canceled or returned or a premium is returned or refunded, in whole or in part, the tax upon such unearned, returned, or refunded premium, or part thereof, shall be repaid pro rata to the person, association, or corporation paying the same. Statements verified by some officer of the company or companies availing themselves of this provision shall be made and filed with the collector of the proper district every 30 days, setting forth the items upon which such refund is to be made: *Provided further*, That policies of reinsurance shall be exempt from the tax herein imposed by this paragraph.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SIMMONS. On page 41, line 11, after the word "ticket," I move to insert a comma.

The amendment was agreed to.

Mr. SIMMONS. After the word "passenger," in line 11, I move to insert "sold in the United States for passage."

The PRESIDING OFFICER. The Secretary informs the Chair that the words "for each passenger" have not been agreed to, and the Chair will put the question on that amendment.

The SECRETARY. After the word "ticket" and the comma, just agreed to, it is proposed to insert the words "for each passenger."

The amendment was agreed to.

Mr. SIMMONS. Mr. President, I understand those words have been agreed to.

The PRESIDING OFFICER. Yes; they have been agreed to.

Mr. SMOOT. May I ask the Secretary to state the last amendment? I did not hear it.

The PRESIDING OFFICER. The Secretary will state the amendment.

The SECRETARY. After the word "passenger," it is proposed to insert the words "sold in the United States for passage."

Mr. SMOOT. May I ask the Senator having the bill in charge to read the paragraph as he intends to have it finally amended? Then I can follow it and see what changes are made.

Mr. SIMMONS. It would then read:

Passage ticket, sold in the United States for passage by any vessel from a port in the United States to a foreign port——

Mr. THOMAS. The Senator proposes to strike that out?

Mr. SIMMONS. Yes; I want to strike out "from a port in the United States." That is the next amendment. After the word "vessel," in line 11, I move to strike out down to and including the word "States"; that is, strike out "from a port in the United States."

The PRESIDING OFFICER. Let the Secretary state the last amendment.

The SECRETARY. On page 41, lines 11 and 12, it is proposed to strike out the words "from a port in the United States," so that, if amended, the paragraph will read:

Passage ticket, sold in the United States for passage by any vessel to a foreign port.

Mr. WILLIAMS. "For each passenger."

Mr. SMOOT. It seems to me it ought to be "to a foreign port or place." They may land somewhere where there is not a port, and to cover the whole thing it ought to read "or place."

Mr. SIMMONS. I have no objection to that.

The PRESIDING OFFICER. If there is no objection, that amendment will be made. The question is on agreeing to the amendment as amended.

The amendment as amended was agreed to.

Mr. WILLIAMS. Mr. President, a parliamentary inquiry. I am not certain that I understood the Secretary. Was the language "for each passenger," in line 11, adopted?

Mr. SMOOT. Yes.

Mr. SIMMONS. I desire to inquire if the Secretary has left out the words "for each passenger"?

The PRESIDING OFFICER. They have been inserted, so the Secretary advises the Chair.

Mr. SIMMONS. All right.

Mr. STONE. Mr. President, on behalf of the committee I move to strike out what is printed as section 3 of the bill, beginning on page 4, and to substitute the matter which I send to the desk.

The PRESIDING OFFICER. The Secretary will state the amendment.

The SECRETARY. In lieu of section 3, as proposed by the committee and printed in the bill on pages 4 and 5, it is proposed to insert the following:

SEC. 3. That upon all still wines, domestic and imported, when sold or offered for sale or consumption, there shall be levied and collected taxes as follows: On each bottle containing one-fourth pint or less, one-fourth cent; on each bottle containing more than one-fourth pint and not more than one-half pint, one-half cent; on each bottle containing more than one-half pint and not more than 1 pint, 1 cent; and on each bottle containing more than 1 pint and not more than 1 quart, 2 cents; and on still wines in all other containers, not herein specially provided for, the tax shall be at the rate of 8 cents per gallon.

That upon all domestic and imported champagne wines, when sold or offered for sale or consumption, there shall be levied and collected taxes as follows: Upon each bottle containing one-half pint or less, 7 cents; on each bottle containing more than one-half pint and not more than 1 pint, 13 cents; on each bottle containing more than 1 pint and not more than 1 quart, 25 cents; and on all other containers at the rate of 25 cents per quart; and on all artificially carbonated wines there shall be levied and collected taxes as follows: On each bottle containing not more than one-half pint, 2½ cents; more than one-half pint and not more than 1 pint, 5 cents; more than 1 pint and not more than 1 quart, 10 cents; and on all other containers at the rate of 10 cents per quart; and on all liqueurs, cordials, or similar compounds, domestic and imported, by whatever name sold or offered for sale, there shall be levied and collected a tax on each bottle containing not more than one-half pint, 1½ cents; more than one-half pint and not more than 1 pint, 3 cents; more than 1 pint and not more than 1 quart, 6 cents; and on larger containers a tax at the rate of 24 cents per gallon.

All of the taxes imposed in the preceding paragraphs of this section shall be paid by stamps to be affixed to each bottle or container in which such still wines, champagne wines, carbonated wines, liqueurs, or cordials, or similar compounds are sold or offered for sale: *Provided*, That when such still wines, champagne wines, carborated wines, liqueurs, cordials, or similar compounds, taxable under the provisions of this section, are sold or delivered by the producer, importer, or dealer in wholesale quantities to other dealers, including rectifiers, manufacturing chemists, and druggists, the dealer receiving and selling, or offering the same for sale or consumption to any person other than a dealer, shall affix thereto the stamps hereinbefore prescribed: *And provided further*, That the stamp tax herein imposed shall not be collected on any still wine used by any rectifier, manufacturing chemist, or druggist in the manufacture of any medicinal preparation, proprietary articles, liqueur, cordial, or compound subject to any internal-revenue tax imposed by this act.

The Commissioner of Internal Revenue shall cause to be prepared suitable and special stamps donating the tax herein imposed, to be affixed and canceled in such manner as he, with the approval of the Secretary of the Treasury, may prescribe; and in the absence of such stamps from any bottle or container containing wine, liqueur, cordial, or compound taxable under the provisions of this section, sold or offered for sale or consumption, shall be prima facie evidence that the tax thereon has not been paid, and all such wines, liqueurs, cordials, or compounds shall be forfeited to the United States.

There shall be levied and assessed against the maker or producer of all wines fortified under the provisions and conforming to the requirements of the sections of the tariff act of October 1, 1890, relating to the fortification of pure sweet wines, as amended, and as further amended by this act, a tax of 55 cents on each taxable gallon of grape brandy or wine spirits used by him in the fortification of such wines: *Provided, however*, That the maker or producer of such fortified wines shall, under regulations and suitable bonds, to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, have assessed against him monthly the said tax of 55 cents on each taxable gallon of grape brandy or wine spirits used by him during the preceding month, which assessment shall be paid within 90 days from the date of notice thereof: *Provided further*, That nothing herein contained shall be construed as exempting any still wines, cordials, liqueurs, or similar compounds from the payment of any stamp tax provided for in this section.

The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is hereby authorized to make all necessary regulations to make effective the provisions of this section.

That sections 42, 43, 45, 46, and 49 of the act of October 1, 1890, as amended by section 68 of an act approved August 28, 1894, and by an act approved June 7, 1906, are further amended to read as follows:

"SEC. 42. That any producer of pure sweet wines may use in the preparation of such sweet wines, under such regulations, and after the filings of such notices and bonds, together with the keeping of such records and the rendition of such reports as to materials and products as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe, wine spirits produced by any duly authorized distiller, and the Commissioner of Internal Revenue in determining the liability of any distiller of wine spirits to assessment under section 3309 of the Revised Statutes, is authorized to allow such distiller credit in his computations for the wine spirits withdrawn to be used in fortifying sweet wines under this act: *Provided*, That such wine containing after fortification more than 24 per cent of alcohol, as defined by section 3249 of the Revised Statutes, shall be forfeited to the United States.

"SEC. 43. That the wine spirits mentioned in section 42 of this act is the product resulting from the distillation of fermented grape juice, or residues of grapes to which water may have been added prior to, during, or after fermentation for the sole purpose of facilitating the fermentation and economical distillation thereof, and shall be held to include the product from grapes commonly known as grape brandy, and shall include commercial grape brandy which may have been colored with burnt sugar or caramel; and the pure sweet wine which may be fortified with wine spirits under the provisions of this act is fermented with partially fermented grape juice only, with the usual cellar treatment, and shall contain no other substance whatever introduced before, at the time of, or after fermentation, except as herein expressly provided: *Provided*, That the addition of pure boiled or condensed grape must or pure crystallized cane or beet sugar, or pure dextrose sugar, or water, or any or all of them, to the pure grape juice before fermentation, or in the fermented product of such grape juice, or to both, prior to the fortification provided in this act, either for the purpose of perfecting sweet wines according to commercial standards or for mechanical purposes, shall not be excluded by the definition of pure sweet wine aforesaid: *Provided, however*, That the cane or beet sugar or pure dextrose sugar so used shall not be in excess of 11 per cent of the weight of the wine to be fortified under this act: *And provided further*, That the addition of water herein authorized shall be under such regulations and limitations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may from time to time prescribe: *Provided, however*, That records kept in accordance with such regulations as to the percentage of saccharine, acid, alcoholic, and added water content of the wine offered for fortification shall be open to inspection by any official of the Department of Agriculture thereto duly authorized by the Secretary of Agriculture; but in no case shall such wines to which water has been added be eligible for fortification under the provisions of this act, where the same, after fermentation and before fortification, have an alcoholic strength of less than 5 per cent of their volume.

"SEC. 45. That under such regulations and official supervision, and upon the execution of such entries and the giving of such bonds, bills of lading, and other security as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe, any producer of pure sweet wines as defined by this act may withdraw wine spirits from any special bonded warehouse in original packages or from any registered distillery in any quantity not less than 80 gallons, and may use so much of the same as may be required by him under such regulations, and after the filing of such notices and bonds and the keeping of such records and the rendition of such reports as to materials and products and the disposition of the same as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe in fortifying the pure sweet wines made by him, and for no other purpose, in accordance with the foregoing limitations and provisions; and the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is authorized whenever he shall deem it to be necessary for the prevention of violations of this law to prescribe that wine spirits withdrawn under this section shall not be used to fortify wines except at a certain distance prescribed by him from any distillery, rectifying house, winery, or other establishment used for producing or storing distilled spirits, or for making or storing wines other than wines which are so fortified, and that in the building in which such fortification of wines is practiced no wines or spirits other than those permitted by this regulation shall be stored in any room or part of the building in which fortification of wines is practiced. The use of wine spirits for the fortification of sweet wines under this act shall be under the immediate supervision of an officer of internal revenue, who shall make returns describing the kinds and quantities of wine so fortified, and shall affix such stamps and seals to the packages containing such wines as may be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury; and the Commissioner of Internal Revenue shall provide by regulations the time within which wines so fortified with the wine spirits so withdrawn may be subject to inspection, and for final accounting for the use of such wine spirits and for rewarehousing or for payment of the tax on any portion of such wine spirits which remain not used in fortifying pure sweet wines.

"SEC. 46. That wine spirits may be withdrawn from special bonded warehouses at the instance of any person desiring to use the same to fortify any wines, in accordance with commercial demands of foreign markets, when such wines are intended for exportation, without the payment of tax on the amount of wine spirits used in such fortification under such regulations and after making such entries and executing and filing with the collector of the district from which the removal is to be made such bonds and bills of lading, and giving such other additional security to prevent the use of such wine spirits free of tax otherwise than in the fortification of wine intended for exportation and for the due exportation of the wine so fortified, as may be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury; and all of the provisions of law governing the exportation of distilled spirits free of tax, so far as applicable, shall apply to the withdrawal and use of wine spirits and the exportation of the same in accordance with this section; and the Commissioner of Internal Revenue is authorized, subject to the approval of the Secretary of the Treasury, to prescribe that wine spirits intended for the fortification of wines under this section shall not be introduced into such wines except under the immediate supervision of an officer of internal revenue who shall make returns describing the kinds and quantities of wines so fortified, and shall affix such stamps and seals to the packages containing such wines as may be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. Whenever transportation of such wine is to be effected by land carriage the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe such regulations as to sealing packages and vehicles containing the same, and as to the supervision of transportation from the point of departure, which point shall be determined as the place where such wine spirits may be introduced into such wines, to the point of destination, as may be necessary to insure the due exportation of such fortified wines: *Provided*, That where, in accordance with regulations of the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, wines fortified under the provisions of this act with brandy taxable at 55 cents per proof gallon are exported directly from the winery where fortified, there shall be allowed an abatement or refund of tax equivalent to 55 cents per gallon on each proof gallon of wine spirits contained in such wine at the time of expor-

tation, which amount of wine spirits shall be ascertained by the Commissioner of Internal Revenue under regulations approved by the Secretary of the Treasury: *Provided*, That such wine spirits on which abatement or refund of tax is allowed shall not exceed the total amount of alcohol in such wine over and above 14 per cent thereof.

"SEC. 49. That wine spirits used in fortifying wines may be recovered from such wines only on the premises of a duly authorized grape-brandy distiller, and for the purpose of such recovery wine so fortified may be received as material on the premises of such a distiller on a special permit of the collector of internal revenue in whose district the distillery is located, and the distiller will be held to pay the tax on the product from such wines as will include both the alcoholic strength therein produced by the fermentation of the grape juice and that obtained from the added wine spirits: *Provided*, That when application for such special permit for redistillation shall be made by the producer of any wines fortified with brandy subject to the tax of 55 cents per proof gallon, before such wine shall have been moved from the premises of the winery where fortified and the redistillation is had under regulations made by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, an abatement or refund of the tax assessed against said producer shall be allowed equivalent to 55 cents per proof gallon of brandy contained in said spirits at the time of redistillation, which amount of brandy shall be ascertained by the Commissioner of Internal Revenue, under regulations approved by the Secretary of the Treasury, and wine spirits so recovered may be used in the manner provided by law for the fortification of other wine: *Provided*, That such wine spirits on which abatement or refund of tax is allowed shall not exceed the total amount of alcohol in such wine over and above 14 per cent thereof."

That section 3 and section 6 of the act of June 7, 1906, amending the laws relating to the fortification of pure sweet wines, are hereby amended to read as follows:

"SEC. 3. That the Commissioner of Internal Revenue is hereby authorized to assign at each winery where wines are to be fortified such number of gaugers or storekeeper gaugers, in the capacity of gaugers, for special duties as may be necessary for the proper supervision of the making and fortifying of such wines, and the compensation of such officers shall not exceed $5 per diem while so assigned, together with the actual and necessary traveling expenses, and also a reasonable allowance for their board bills, to be fixed by the Commissioner of Internal Revenue, but not to exceed $2 per diem for said board bills. That bonds hereafter given under the provisions of the aforesaid act of October 1, 1890, as amended, shall be conditioned for the payment of the tax on all brandy removed thereunder and not used and accounted for within the time and in the manner required by law and regulations, and for the payment of all taxes imposed on the brandy so withdrawn and used for fortifications; and the said bonds shall contain such other conditions as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulation prescribe.

"SEC. 6. That any person who by any process recovers from wines fortified under the provisions of the aforesaid act approved October 1, 1890, or amendments thereto, any brandy or wine spirits used in the manufacture or fortification of said wine, otherwise than is provided for in said act and its amendments, or who shall rectify, mix, or compound with distilled spirits or other materials, except as provided in this act, such grape brandy or wine spirits unlawfully recovered therefrom, shall, on conviction, be punished for each such offense by a fine of not less than $200 nor more than $1,000. But the provisions of this section and the provisions of section 3244 of the Revised Statutes of the United States as amended, relating to rectification, or other internal-revenue laws of the United States, shall not be held to apply to or prohibit the mixing or blending of pure sweet wines fortified under the provisions of this act with each other or with other wines: *Provided*, That the pure sweet wines fortified under the provisions of this act may be used in the manufacture of cordials, liqueurs, and similar compounds on which an internal-revenue tax of 24 cents a gallon is imposed, and otherwise the provision of section 3244 of the Revised Statutes of the United States shall remain in full force and effect."

Mr. POINDEXTER. Will the Senator from Missouri allow the amendment to go over until to-morrow in order that it may be printed, so that we can read it and see what it is? It is a very long, and it is impossible to form any idea of it from merely hearing it read.

Mr. STONE. Mr. President, I am not in control of the bill. I was a member of the subcommittee to which was referred this section relating to wines, and because of that I presume the chairman of the committee asked me to present the amendment; but I am not in control of the bill, and I do not know whether it is agreeable to the chairman of the committee to have the amendment go over.

Mr. SIMMONS. I should like very much to have it acted on to-night.

Mr. STONE. If my friend from Washington will permit me, I will say this much to him.

Mr. SIMMONS. I suggest to the Senator from Missouri that we might as well act on the amendment this afternoon.

Mr. STONE. If the Senator will permit me, I will say that there has been for many years, as the Senator is doubtless aware, a rather exasperating and hurtful controversy between what may be called the western makers of grape wine, still wines, and what may be called the eastern makers of such wines; that is, those manufacturers who do business this side of the Rocky Mountains. An effort has been made here to amend the wine law, so called, so as to adjust these hurtful differences and bring about a condition of greater equality between all those engaged in this somewhat important industry. To do that it became necessary to amend several sections of the old law relating to the manufacture of still wines.

When we were considering that question we had before us expert officials of the Internal-Revenue Bureau of the Treasury Department and also experts employed in the Chemical and Pure Food Bureau of the Agricultural Department. We conferred with these gentlemen in the preparation of the amendment to the old law and had their assistance and advice. The amendment is not objected to now. It does not interfere with the administration of the law in any way. It is just as easy of administration under the amendment as under the present law. All the people who are engaged in this industry have been represented here in these consultations, and all of them, without exception—that is, the manufacturers of still wines, whether dry or sweet wines—are satisfied with the amendment. They have addressed a letter to the Senator from North Carolina [Mr. SIMMONS], as chairman of the Finance Committee, which is signed by the authorized representatives of the American Wine Growers' Association, the National Wine Growers' Association, the California Grape Protective Association, and the Mississippi Valley Wine Growers and Grape Growers' Association. These associations all together embrace all the manufacturers of these wines.

It is very desirable that this old controversy should be terminated and the industry put upon a sounder and a more equitable basis. It is believed that this amendment will accomplish that. The amendment is satisfactory to the trade and satisfactory to those who are to administer the law; and since no injury can be done or would be suffered by the Government, since it would heal an old sore, I see no reason why the amendment should not be agreed to.

I wish in this connection to have the letter I have just referred to, addressed to the chairman of the Finance Committee, printed as a part of these explanatory remarks. I will not take the time to read it.

The PRESIDING OFFICER. The Chair hears no objection.

The letter referred to is as follows:

WASHINGTON, *October 14, 1914.*

Hon. F. M. SIMMONS,
Chairman Finance Committee, United States Senate.

DEAR SIR: For many years there has been a universal desire among the grape growers and wine makers of America to standardize the quality of our domestic wines along lines that will permit all sections to make legitimate wines upon terms of equality. We are pleased to state that after several weeks of earnest effort a plan has been worked out covering the making of sweet wines which is satisfactory to every wine-making State in the Union. This plan is found in the proposed bill which was sent to your subcommittee on the 12th instant with the approval of the Secretary of the Treasury. Not only will this measure raise more than the amount of revenue anticipated by your committee from wine sources, but it will permanently settle all sectional differences and contribute materially to the upbuilding of the American wine industry upon a sound basis.

In view of the fact that the American champagne makers are very earnestly representing that their industry will be seriously affected by a tax of 25 cents per quart on champagne wines, we beg to suggest that perhaps this particular rate may be revised without materially affecting the amount of revenue desired or affecting the remainder of the proposed bill. Aside from this item, the undersigned, representing all of the grape-growing States, earnestly ask that the proposed bill be enacted into law, and that, if consistent, an opportunity be afforded them to further present their views to the committee.

Respectfully submitted.

AMERICAN WINE GROWERS' ASSOCIATION,
By HIRAM DEWEY, *President.*
NATIONAL WINE GROWERS' ASSOCIATION,
By THOS. E. LANNEN, *Attorney.*
CALIFORNIA GRAPE PROTECTIVE ASSOCIATION,
By THEO. A. BELL, *Vice Chairman.*
THE MISSISSIPPI WINE GROWERS & GRAPE GROWERS' ASSOCIATION,
By OTTMAR G. STARK, *President.*
WALTER E. HILDRETH,
Director American Wine Growers' Association.

Mr. POINDEXTER. Mr. President, I have no objection to the request just made and address myself to the matter of the amendment.

I am very much obliged to the Senator from Missouri for his very clear general statement as to the purpose and effect of the amendment. I do not know that in behalf of any interest on the Pacific coast anything further need be said on the subject. It was only for the purpose of giving an opportunity for the reading of the amendment, at least, that I made the request of the Senator from Missouri to have it printed so that we would have it on our desks to-morrow and allow action on it to go over until that time.

I do not know what occurred in the Committee on Finance in the consideration of the amendment. Of course, I have the utmost confidence in the Committee on Finance, as the Senate has, but there is no one on that committee from the Pacific coast, which is a great grape-producing country.

Mr. STONE. May I ask the Senator, for information, whether——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Missouri?

Mr. POINDEXTER. I yield to the Senator.

Mr. STONE. I ask the Senator whether any considerable amount of still wine is made in Washington?

Mr. POINDEXTER. Not any considerable amount in Washington, but a very considerable amount in California.

Mr. STONE. Oh, 90 per cent of it is made in California.

Mr. POINDEXTER. There is no one from California or from that part of the country on this committee.

Mr. STONE. That is true; but I see one of the Senators from California present. I have not personally conferred with the senior Senator from California [Mr. PERKINS], but in his presence I will state that representatives of the wine makers of California, among them the vice president of the association there, were present at the time these matters were being considered. The vice president of that association has been in conference with members of the committee, and he, speaking for the wine makers, not only agrees to these amendments to settle these differences; but he is very anxious that they should be agreed to. He signed the letter that I sent to the desk for printing in the RECORD.

The Senator from California [Mr. PERKINS], who is present, I am sure has been consulted by the people interested.

Mr. PERKINS. Mr. President, I will say that representative wine growers of California, representing very large areas of land, state that this amendment is satisfactory to them.

Mr. POINDEXTER. Mr. President, it is a very long amendment. It is equivalent in length to an entire act covering an entire subject. I ask that it go over. I do not like to insist on it unduly, but I shall have to make that request.

Mr. STONE. Personally I should be very glad to accommodate the Senator from Washington about this or anything else. I should, however, very much dislike to see the passage of the bill delayed. I am not in control of it, but I am sure that the Senator from Washington could have no objection to this amendment, since the Treasury officials who are to administer the law are agreeable to it, and since the pure-food bureau of the Government is to have constant access to all the data that the law requires to be kept, and they are to know what is done. It is really an improvement in that respect on the existing law. It is satisfactory to the wine makers of California, as stated on the floor by the Senator from that State who has been in consultation with some of us who have engaged in this work, though not personally with me. Ninety per cent of this still wine is made in California, and the accredited representatives of those people are favorable to the amendment. I can not, therefore, understand why anybody else should object to it.

Mr. POINDEXTER. There might not be any reason to object, and there might not be any objection. The basis on which I am making my request is not that there is any objection to the amendment. What I am making my request for is in order that we may have an opportunity to read the amendment before we are called upon to vote on it.

I have no doubt that what the Senator from Missouri [Mr. STONE] says is true, but the Senate and all the interests concerned at least ought to have an opportunity of knowing what we are acting upon. There are other amendments, I assume, which the committee has that could be presented to the Senate to occupy the time of the Senate for the remainder of this day. I do not think my request that the amendment go over is an unreasonable one.

Mr. STONE. I will say that, if the Senator from Washington, after the matter is printed in the RECORD in the morning, looks the amendment over and feels that any part of it ought to be reconsidered, I would offer no objection to doing that, and that he might be heard in opposition, if he wishes to do so, by way of amendment.

Mr. POINDEXTER. It is exceedingly liberal of the Senator to allow another Senator an opportunity to be heard upon the matter before it is acted upon; but I had rather have the opportunity of doing that without having it conceded to me.

Mr. STONE. For the information of the Senator from Washington and of the Senate, I shall ask to have inserted in the RECORD at this point a memorandum of the wine sections, giving the effect of these amendments on the various sections amended, and let it be printed in the RECORD.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The memorandum referred to is as follows:

MEMORANDUM—WINE SECTION WAR-REVENUE BILL.

Estimated revenue:

Still wines, 45,000,000 gallons, at 6 cents	$2,700,000
Champagnes, 300,000 cases, at $3	900,000
Carbonated wines, 15,000 cases, at $1.20	18,000
Cordials, 10,000,000 gallons, at 24 cents	2,400,000
Grape brandy, 3,000,000 gallons, at 55 per cent	1,650,000
	7,668,000

Proposed changes in sweet-wine law of October 1, 1890, and act of June 7, 1906.

1. By imposing a tax of 55 cents per gallon on wine spirits used in fortifying sweet wines, instead of 3 cents per gallon now imposed, same to be paid within three months after notice of assessment.
2. Amending section 42 by omitting—
(a) Words "who is also a distiller."
(b) Reference to preservation of saccharine matter.
(c) Fourteen per cent limitation as to brandy to be used, but retaining the 24 per cent limitation.
(d) Limitation of fortifying period.
3. Amending section 43—
(a) By striking out requirement as to 4 per cent sugar.
(b) By allowing use of commercial brandy.
(c) By increasing added sugar from 10 per cent now limited in act to 11 per cent.
(d) By substituting "dextrose" for "anhydrous" sugar, for greater certainty of name.
(e) By allowing water to be used for ameliorating or mechanical purposes under regulations and limitations to be presented by Internal-Revenue Department.
(f) All records of ingredients contained in or added to wines to be open to inspection of Department of Agriculture.
4. Amending section 45—
(a) By eliminating requirement that fortification shall be at vineyard of the wine maker.
5. Amending section 46—
(a) By permitting wines for export to be fortified at winery, instead of alongside of exporting vessel, as now required.
(b) By providing for an allowance of drawback on exported wines in which tax-paid brandy has been used.
6. Amending section 49—
(a) By providing for an allowance on account of tax paid on brandy used in fortifying wines and subsequently recovered by wine maker before the fortified wines leave his premises.
7. Amending section 3, act of June 7, 1906—
(a) By providing for bonds securing payment of tax on brandy used in fortifying wines.
8. Amending section 6, act of June 7, 1906—
(a) By extending the provisions of that section exempting from special tax as rectifiers persons who use fortified wine "in the manufacture of cordials, liquors, or similar compounds, upon which a tax is paid," and allowing blending of wines.

Mr. STONE. Mr. President, I hope the Senator from Washington will let us act on the matter to-night. If on to-morrow he feels that he desires to be heard on it, he can then be heard.

Mr. POINDEXTER. It is impossible for me to state, Mr. President, whether——

Mr. STONE. Of course; but the Senator can read the amendment in the morning, if he wishes, before we meet. That is what he would have to do anyway, whether the amendment went over or not. I merely want to get ahead with the bill. The Senator from Washington loses no right under my proposition, and I am sure he will not want to interpose in the way of the obstruction of this legislation.

Mr. POINDEXTER. Of course, the discussion of the suggestion which I have made is likely to occupy considerable more time than would be occupied in action upon the amendment if we had an opportunity to see it.

Mr. STONE. Why would it take any more time?

Mr. POINDEXTER. For the reason that I consider the request which I made of the Senator from Missouri an extremely reasonable one.

Mr. STONE. Except that it delays the passage of the bill; that is the only thing.

Mr. POINDEXTER. The passage of bills ought to be delayed long enough for Senators to see what they are voting upon. There is no Senator in the Senate who has not previously considered this matter who can state what it contains or what its effect will be from merely hearing it read by the Secretary of the Senate.

Mr. STONE. Mr. President, I have made about all the appeal I can, and I have offered, I think, a very fair solution of this question to the Senator from Washington. If he is not disposed to accept the suggestion, I am at my row's end. I have no authority to postpone the consideration of the matter.

The PRESIDING OFFICER. The Senator from Washington asks unanimous consent that the amendment offered by the Senator from Missouri——

Mr. STONE. I beg the Chair's pardon. The Senator did not ask unanimous consent. He asked the Senator from Missouri to pass the amendment over until to-morrow.

The PRESIDING OFFICER. The Chair understood the Senator from Washington had asked the Senate to have the amendment go over, and was appealing to the Senator from Missouri to acquiesce.

Mr. STONE. There is no need of our wasting time on that. The Senator from Washington made his appeal to me, as I understood him, and I said that I could not accede to it without the consent of the chairman of the committee; and that, without that consent, I should have to object to the amendment going over.

Mr. POINDEXTER. I ask unanimous consent that the amendment which has been offered and is now pending be printed for the use of the Senate, and that its consideration be postponed until to-morrow.

The PRESIDING OFFICER. The Senator from Washington asks unanimous consent that the amendment be printed and that its consideration be postponed until to-morrow. Is there objection?

Mr. SIMMONS. Mr. President, I dislike very much to object, but I think we ought to go on with this bill.

Mr. POINDEXTER. I think so myself; I agree with the Senator from North Carolina. That is why I think he ought to concede the request which I have made. The amendment going over will not delay the consideration of the bill.

Mr. SIMMONS. Well, Mr. President, I shall not object.

Mr. STONE. If the Senator from North Carolina does not object, I shall not do so.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it will be so ordered.

Mr. SMITH of Georgia. Mr. President, what was the request? I did not hear it.

The PRESIDING OFFICER. The Senate has given unanimous consent to the amendment going over.

Mr. SMITH of Georgia. I do not object to the amendment going over.

Mr. JONES. I desire to ask unanimous consent, probably out of order, to offer an amendment, so that it may be printed.

Mr. SIMMONS. I have no objection to that.

The PRESIDING OFFICER. In the absence of objection, the amendment will be received, printed, and lie on the table.

Mr. SIMMONS. On page 11 I move to strike out all after the second line on that page and all of the next page down to line 3 and insert the amendment which I send to the desk.

The PRESIDING OFFICER. Does the Senator's amendment include striking out line 3, on page 12?

Mr. SIMMONS. Yes.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 11, after line 2, it is proposed to strike out:

Manufacturers of tobacco whose annual sales do not exceed 50,000 pounds shall each pay $6.
Manufacturers of tobacco whose annual sales exceed 50,000 and do not exceed 100,000 pounds shall each pay $12.
Manufacturers of tobacco whose annual sales exceed 100,000 pounds and do not exceed 200,000 shall each pay $24.
Manufacturers of tobacco whose annual sales exceed 200,000 and do not exceed 400,000 pounds shall each pay $48.
Manufacturers of tobacco whose annual sales exceed 400,000 pounds shall each pay $96.
Manufacturers of cigars whose annual sales do not exceed 100,000 cigars shall each pay $6.
Manufacturers of cigars whose annual sales exceed 100,000 and do not exceed 200,000 cigars shall each pay $12.
Manufacturers of cigars whose annual sales exceed 200,000 cigars and do not exceed 400,000 shall each pay $24.
Manufacturers of cigars whose annual sales exceed 400,000 and do not exceed 750,000 cigars shall each pay $48.
Manufacturers of cigars whose annual sales exceed 750,000 cigars shall each pay $96.
Manufacturers of cigarettes shall each pay $24.

And insert:

Manufacturers of tobacco whose annual sales do not exceed 100,000 pounds shall each pay $6.
Manufacturers of tobacco whose annual sales exceed 100,000 and do not exceed 200,000 pounds shall each pay $12.
Manufacturers of tobacco whose annual sales exceed 200,000 and do not exceed 400,000 pounds shall each pay $24.
Manufacturers of tobacco whose annual sales exceed 400,000 and do not exceed 1,000,000 pounds shall each pay $60.
Manufacturers of tobacco whose annual sales exceed 1,000,000 and do not exceed 5,000,000 pounds shall each pay $300.
Manufacturers of tobacco whose annual sales exceed 5,000,000 and do not exceed 10,000,000 pounds shall each pay $600.
Manufacturers of tobacco whose annual sales exceed 10,000,000 and do not exceed 20,000,000 pounds shall each pay $1,200.
Manufacturers of tobacco whose annual sales exceed 20,000,000 pounds shall each pay $2,496.
Manufacturers of cigars whose annual sales do not exceed 100,000 cigars shall each pay $3.
Manufacturers of cigars whose annual sales exceed 100,000 and do not exceed 200,000 cigars shall each pay $6.
Manufacturers of cigars whose annual sales exceed 200,000 and do not exceed 400,000 cigars shall each pay $12.
Manufacturers of cigars whose annual sales exceed 400,000 and do not exceed 1,000,000 cigars shall each pay $30.
Manufacturers of cigars whose annual sales exceed 1,000,000 and do not exceed 5,000,000 cigars shall each pay $150.
Manufacturers of cigars whose annual sales exceed 5,000,000 and do not exceed 20,000,000 cigars shall each pay $600.
Manufacturers of cigars whose annual sales exceed 20,000,000 and do not exceed 40,000,000 cigars shall each pay $1,200.
Manufacturers of cigars whose annual sales exceed 40,000,000 cigars shall each pay $2,496.
Manufacturers of cigarettes whose annual sales do not exceed 1,000,000 cigarettes shall each pay $12.
Manufacturers of cigarettes whose annual sales exceed 1,000,000 and do not exceed 2,000,000 cigarettes shall each pay $24.
Manufacturers of cigarettes whose annual sales exceed 2,000,000 and do not exceed 5,000,000 cigarettes shall each pay $60.
Manufacturers of cigarettes whose annual sales exceed 5,000,000 and do not exceed 10,000,000 cigarettes shall each pay $120.
Manufacturers of cigarettes whose annual sales exceed 10,000,000 and do not exceed 50,000,000 cigarettes shall each pay $600.
Manufacturers of cigarettes whose annual sales exceed 50,000,000 and do not exceed 100,000,000 cigarettes shall each pay $1,200.
Manufacturers of cigarettes whose annual sales exceed 100,000,000 cigarettes shall each pay $2,496.

Mr. SMOOT. Mr. President, there are very few Senators present at this time, and that is a most radical change in the bill as reported to the Senate. I know nothing about the effect of the amendment, and I ask the Senator if he will not allow it to be printed and go over until to-morrow morning?

Mr. HITCHCOCK. Mr. President, I will suggest to the Senator——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Nebraska?

Mr. SMOOT. Certainly.

Mr. HITCHCOCK. I will suggest to the Senator that there is nothing new in the principle involved in the amendment the committee has offered.

Mr. SMOOT. That may be true, but when a tax is raised from $96 to $2,496, it seems to me that it ought at least to receive some consideration by Senators whose States are interested in the production of tobacco and in the manufacture of cigars and cigarettes.

Mr. SIMMONS. This amendment does not affect the production of tobacco, but only its manufacture.

Mr. SMOOT. I did not mean the tobacco itself, but I meant in the manufacture of cigars and cigarettes.

Mr. SMITH of Michigan. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Michigan?

Mr. SMOOT. I do.

Mr. SMITH of Michigan. I should like to ask the Senator from North Carolina if he has made any computation as to the amount which it is expected to obtain by this assessment?

Mr. SIMMONS. The amount of revenue?

Mr. SMITH of Michigan. Yes; the amount of revenue on this new basis.

Mr. SIMMONS. I can not give a definite answer, but I think up to the classification of $1,200 it was estimated that there would be about $200,000 increase in revenue.

Mr. SMITH of Michigan. The amendment proposes a very radical change.

Mr. SIMMONS. I am advised that it will increase the revenue with the additional classifications which have been up to $2,496, about $467,000.

Mr. SMITH of Michigan. Would that be the total revenue derived from this particular schedule?

Mr. SIMMONS. No.

Mr. SMITH of Michigan. What would be the total revenue under this particular schedule, according to the amendment just proposed by the Senator from North Carolina?

Mr. SIMMONS. About $4,900,000 was the amount estimated before the classification proposed by the amendment. The new classification would add $467,000, so that the total, as I run the figures out, would be about $5,300,000.

Mr. SMITH of Michigan. That is the total?

Mr. SIMMONS. That would include the tax on retail dealers, on the dealers in leaf tobacco, and on the manufacturers.

Mr. SMOOT. The report from the Secretary of the Treasury shows that the estimated revenue, including the tax on dealers in tobacco, would be $4,800,000.

Mr. SIMMONS. That is correct.

Mr. SMOOT. There is no change as to the tax on dealers?

Mr. SIMMONS. No change in that respect at all.

Mr. SMOOT. That report also shows that from the tax on manufacturers of tobacco the estimated revenue was only $47,000. With this amendment what would it amount to?

Mr. SIMMONS. To $467,000.

Mr. SMOOT. Or an increase of about $420,000?

Mr. SIMMONS. Yes.

Mr. SMOOT. What would it be including the manufacturers of cigars?

Mr. SIMMONS. The figures I stated included the manufacturers of tobacco, cigars, and cigarettes.

Mr. SMOOT. It can not be that; it must be $467,000 increase.

Mr. HITCHCOCK. No; if the Senator will permit me, I think I can explain the matter in a word.

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Nebraska?

Mr. SMOOT. In just a moment. I will say to the Senator that the estimated revenue from manufacturers of tobacco, cigars, and cigarettes as reported to the Senate by the Secretary of the Treasury is $357,000. If the Senator from North Caro-

lina is correct, the estimates now on the amendment just proposed is $467,000, or an increase of only $110,000.

Mr SIMMONS. No; that is based upon a maximum of $1,200. That maximum, I think, since that estimate, has been raised to $2,496. I have no estimate as to that under the last classification.

Mr. SMOOT. Let me ask the Senator once more, so that I may get a full understanding of it, what is the estimated revenue from the manufacturers of tobacco, cigars, and cigarettes under the amendment just offered by the Senator?

Mr. SIMMONS. I thought I stated that to the Senator. Perhaps I made a mistake. The estimated income is $467,000, without the addition of the last classification.

Mr. SMOOT. Oh! Then, of course, it is an increase of even more than $467,000. That is what I thought when I made the latter statement—that it was an increase, and not the amount of tax.

Mr. HITCHCOCK. What I wanted to suggest to the Senator was that this last classification does not add a very large amount of revenue, because it probably will apply only to 8 or 10 dealers in the country. What I furthermore wanted to impress upon the Senator was that these enlarged taxes upon the large dealers are still far below the pro rata tax which the small dealers are paying. The small dealer who pays $96 for the privilege of selling over 400,000 pounds of tobacco a year will be paying about five times as much tax as the large dealer who pays $2,496. In other words, large as this highest tax is, it is still about only one-fifth the pro rata tax paid by the small dealer; and it is in an effort to equalize these taxes upon the cost of doing business that the committee has consented to make this amendment.

My own judgment is that the change should have gone much further, and that the tax should have been much larger, so that the large dealer should pay as much in proportion as the small one. As the Senator says, however, it is a change from the past, and for that reason the committee has been overconservative.

Mr. SMOOT. Mr. President, I myself believe, figuring the sales of the small manufacturer and those of the large manufacturer, pro rata, the $96 would be perhaps just as much in comparison for the small dealer as the $2,496 for the larger dealer.

Mr. HITCHCOCK. No; it is five times as much. I have computed it, and the small dealer will still pay five times as much in proportion to his business as the large dealer; so that this is not a radical or unreasonable increase on the large dealer. Instead of being $2,496 it ought to be much more than twice that amount in order to compel the large dealer to pay in proportion to the small dealer. It is a reform in the direction of justice. It is a reform in the direction of fair play, toward equalizing the burden of this tax.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Florida?

Mr. SMOOT. I do.

Mr. FLETCHER. As I caught the amendment, it is a reduction on the small dealer and small manufacturer from the rate proposed in the original bill?

Mr. HITCHCOCK. It is. It starts with a reduction; yes.

Mr. SMOOT. I judged so, just from hearing the amendment read; but I was not particularly interested at this time in the question whether it was too small or too great. I simply asked that it go over and be printed, because it was such a radical change; and as a number of Senators from States that would be particularly interested in this matter are absent I thought it would be nothing more than fair to have it go over until to-morrow morning and allow the amendment to be printed, and then they can see for themselves how it would affect their own States.

Mr. SIMMONS. If the Senator insists, let it go over, and we will take it up to-morrow.

The PRESIDING OFFICER. It is so ordered.

Mr. SMOOT. Mr. President, I want to suggest to the Senator from North Carolina, so that the RECORD may be straight, that the committee amendment on page 11, lines 11, 12, and 13, was agreed to, and I believe——

Mr. SIMMONS. That will have to be reconsidered.

Mr. SMOOT. I believe that would have to be reconsidered before the adoption of the amendment.

Mr. SIMMONS. I will make that motion in the morning. The Senator is right about that.

The PRESIDING OFFICER. The Senator does not make that motion now?

Mr. SIMMONS. Yes; I will make it now.

The PRESIDING OFFICER. Without objection, the vote whereby the amendment was agreed to will be reconsidered.

Mr. SIMMONS. Beginning on page 26, sections 19, 20, 21, and 22, all being amendments offered by the committee, were passed over on yesterday at the request, I think, of the Senator from Utah.

Mr. SMOOT. At the time I made the request for the passing over of those sections I thought they referred to proprietary medicines, and I had not the time to read them. It was for that purpose only that I asked to have them go over.

Mr. SIMMONS. I ask for action upon them now.

The PRESIDING OFFICER. The question is upon agreeing to the amendments constituting sections 19, 20, 21, and 22.

The amendments were agreed to.

Mr. SIMMONS. On page 3, section 2 was passed over for the purpose of rewriting the so-called wine amendment.

Mr. SMOOT. That is pending.

Mr. SIMMONS. I ask for the adoption of the committee amendment striking out those lines on page 3.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. The committee proposes to strike out lines 6 to 24, both inclusive, on page 3.

The amendment was agreed to.

Mr. SIMMONS. On page 7, paragraph "Fourth" was passed over at the suggestion of the Senator from Utah.

Mr. SMOOT. I should very much prefer to take up the amendments I have to offer for consideration after all of the amendments of the committee have been disposed of. My object in asking that that paragraph be passed over was to offer an amendment; but really there was no necessity for its going over, because there is no amendment to the House provision. So the Senator need not consider that item at this time; but I will offer an amendment after the committee amendments are all disposed of.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. SMOOT. There is no amendment.

Mr. SIMMONS. No; that is agreed to, as I understand, subject to amendment by the Senator from Utah.

Mr. NELSON. Mr. President, I suggest to the Senator from North Carolina the advisability of having the bill reprinted with the amendments that have been adopted, so that we can see to-morrow exactly what amendments have been agreed to.

Mr. SIMMONS. I have no objection to that, if the Senator will let me finish these other matters.

Mr. NELSON. Yes; certainly.

Mr. SIMMONS. On page 9, paragraph "Tenth," that amendment was passed over, also. That is an amendment passed over at the suggestion of the Senator from Utah.

Mr. SMOOT. Yes; I wanted to consider that amendment of the committee in connection with the item of commercial brokers, because I think they ought to be considered together. Does the Senator desire to consider them now?

Mr. SIMMONS. If the Senator has not his amendment prepared, and wishes time to prepare it——

Mr. SMOOT. Yes; I would very much prefer to have it go over, and consider the two together, because I think that is the only proper way to do.

Mr. SIMMONS. All right.

The PRESIDING OFFICER. If there is no objection, the amendment will be passed over.

Mr. SIMMONS. On page 25, there is a committee amendment, beginning after the figures "$10,000," in line 6, that has not been acted upon. I offer that amendment.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 25, line 6, after the numerals "$10,000," it is proposed to insert "mutual ditch or irrigating companies."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SMOOT. Are those all the amendments the Senator desires to offer to section 16?

Mr. SIMMONS. Those are all the amendments we have to offer to that section.

Mr. SMOOT. Then I shall offer an amendment to that section after the Senator has concluded his amendments.

Mr. SIMMONS. All right. On page 32, the paragraph beginning at line 19 was passed over. It was passed over for the purpose of an amendment, I think. That amendment has been offered and acted upon.

Mr. SMOOT. That was passed over, so as to offer an amendment to the paragraph in relation to the tax upon grain.

Mr. SIMMONS. I have offered an amendment, which the Senate has adopted, which I think is satisfactory all around.

The Senator from Minnesota has examined it, and the Senator from North Dakota has examined it, and I think they are satisfied.

Mr. SMOOT. If the Senator from Minnesota and the Senator from North Dakota are satisfied with the amendment that has already been offered, I shall say no more about it, because that was the amendment that I intended to offer.

The PRESIDING OFFICER. The Chair understands no amendment has been offered.

Mr. SIMMONS. It has been offered and adopted.

The PRESIDING OFFICER. The Chair means, to the section which the Senator from Utah is now discussing.

Mr. SIMMONS. No; not to the one that is now being discussed.

Mr. SMOOT. Yes; there was a committee amendment offered to the section, beginning on page 32, line 19, after the word "court"; and now I understand the Senator from North Carolina to say that that amendment was perfectly satisfactory to the Senator from North Dakota and the Senator from Minnesota.

Mr. SIMMONS. I think I am talking about the same amendment that the Senator from Utah is talking about.

Mr. WILLIAMS. Yes; that is the amendment. It was put in at the suggestion of the junior Senator from North Dakota [Mr. GRONNA].

Mr. SMOOT. Then I will not ask that it be read. I am satisfied if it is satisfactory to those Senators.

Mr. SIMMONS. I want to see that I am talking about the same one. Yes; that is the same amendment. Now, on page 35——

Mr. SMOOT. That amendment was passed over at the request of the Senator from South Dakota [Mr. STERLING]. He is not in the Chamber just at this time.

Mr. SIMMONS. I will let it go over, in his absence. On page 37——

Mr. SMOOT. That amendment was passed over at the request of the Senator from South Dakota [Mr. STERLING].

Mr. SIMMONS. Very well. On page 39, lines 11 to 19——

Mr. SMOOT. I believe I asked that the insurance item, on page 39, might be passed over, but the committee offered the amendment that I intended to offer to that paragraph.

Mr. SIMMONS. There are two amendments to that paragraph.

Mr. SMOOT. I say, the committee offered the one that I intended to offer. That was all I intended to do.

Mr. SIMMONS. Then, I ask for the adoption of those two amendments.

The PRESIDING OFFICER. The amendments will be stated.

The SECRETARY. On page 39, after line 10, it is proposed to insert the proviso, running down to the word "That," in line 19, as follows:

That whenever a policy is canceled or returned or a premium is returned or refunded, in whole or in part, the tax upon such unearned returned or refunded premium or part thereof shall be repaid pro rata to the person, association, or corporation paying the same. Statements verified by some officer of the company or companies availing themselves of this provision shall be made and filed with the collector of the proper district every 30 days, setting forth the items upon which such refund is to be made: *Provided further.*

The amendment was agreed to.

The SECRETARY. On the same page, line 23, after the word "*Provided*," it is proposed to insert a colon and the words:

And provided further, That policies of reinsurance shall be exempt from the tax herein imposed by this paragraph.

The amendment was agreed to.

Mr. SIMMONS. On page 41——

Mr. SMOOT. The paragraph on page 41 in relation to passenger tickets has been amended by the committee in part as I intended to offer the amendment, but as to the balance of the paragraph I will offer amendments as soon as the committee amendments are disposed of, for they apply only to the House provision.

Mr. SIMMONS. The committee offered amendments to that paragraph to-day, which have been adopted; but there is one amendment which has been heretofore offered by the committee, beginning after "$5," on line 14, which has not yet been adopted, and I move the adoption of that amendment now.

Mr. SMOOT. That is all right, Mr. President.

The SECRETARY. On page 41, line 14, after "$5," it is proposed to insert:

Provided, That such passage tickets costing $10 or less shall be exempt from taxation.

The amendment was agreed to.

Mr. HUGHES. On behalf of the committee I desire to offer an amendment. On page 34, line 7, after the word "transportation," I move to insert "when a charge exceeding 5 cents is made."

Mr. SIMMONS. On behalf of the Committee on Finance I accept the amendment.

The amendment was agreed to.

Mr. NELSON. I ask unanimous consent, with the permission of the Senator from North Carolina, that the revenue bill be reprinted, showing all the amendments that have been adopted.

Mr. SIMMONS. The Senator would include in that the printing of the bill with the amendments offered as to tobacco and wine which have not been acted upon by the Senate?

Mr. NELSON. Yes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. SIMMONS. I think probably, after reflection, it would be better not to print the tobacco and the wine amendments in the bill, but to print them as separate amendments proposed by the committee.

The PRESIDING OFFICER. If there is no objection, that course will be taken.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed a bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands, in which it requested the concurrence of the Senate.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14233) to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes.

PETITIONS AND MEMORIALS.

Mr. OLIVER presented memorials of sundry citizens of Pennsylvania, remonstrating against the proposed tax on drugs and proprietary medicines, which were ordered to lie on the table.

He also presented memorials of sundry citizens of Pennsylvania, remonstrating against the proposed tax on automobiles, which were ordered to lie on the table.

He also presented a petition of the French Creek Baptist Association of Pennsylvania, of Meadville, Pa., praying for national prohibition, which was referred to the Committee on the Judiciary.

He also presented a petition of the Business Men's Association of Lock Haven, Pa., praying for the adoption of a 1-cent letter postage, which was referred to the Committee on Post Offices and Post Roads.

Mr. ROOT presented a memorial of the drug-trade section of the New York Board of Trade and Transportation, of New York City, N. Y., remonstrating against the proposed tax on drugs and proprietary medicines, which was ordered to lie on the table.

He also presented a memorial of the commercial brokers of Rochester, N. Y., remonstrating against the passage of the internal-revenue bill, which was ordered to lie on the table.

Mr. WEEKS (for Mr. SHERMAN) presented a memorial of the Rock Island County Retail Druggists' Association, of Illinois, remonstrating against the proposed tax on drugs and proprietary medicines, which was ordered to lie on the table.

DRESS AND WAIST INDUSTRY.

Mr. FLETCHER. On the 14th instant the Senator from Utah [Mr. SMOOT] presented a report prepared by N. I. Stone, chief statistician of the wage-scale board of the Dress and Waist Industry of New York City, and it was referred to the Committee on Printing for action. I am directed by the Committee on Printing to report a resolution, and I ask unanimous consent for its consideration.

There being no objection, the resolution (S. Res. 473) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the manuscript submitted by Mr. SMOOT on October 14, 1914, entitled "Wages, Regularity of Employment, and Standardization of Piece Rates in the Dress and Waist Industry of New York City," by N. I. Stone, chief statistician of the wage-scale board of the dress and waist industry, be printed as a Senate document.

MEMORIAL TO THE LATE SENATOR JOHN T. MORGAN.

Mr. LEA of Tennessee. From the Committee on the Library I report back favorably, with amendments, the joint resolution (S. J. Res. 196) to authorize the Secretary of War to grant permission to the Southern Commercial Congress to place a tablet at Gamboa, Canal Zone, as a memorial to the late Senator

John T. Morgan, and I call the attention of the Senator from Florida to the report.

Mr. FLETCHER. I ask for the present consideration of the joint resolution. It will take but a moment to dispose of it.

There being no objection, the joint resolution was considered as in Committee of the Whole.

The amendments of the Committee on the Library were, in line 3, after the words "placing of," to strike out the words "the said" and insert the letter "a", and in line 4, after the word "tablet," to insert "containing an appropriate bust of the late Senator John T. Morgan with an appropriate inscription," so as to make the joint resolution read:

Whereas the Southern Commercial Congress, on November 7, 1913, dedicated the bluff at Gamboa, in the Canal Zone, near the north entrance to Culebra Cut, as the site for placing a memorial tablet to the memory of the late Senator John T. Morgan, of Alabama; and

Whereas preparations have been made for placing the tablet containing a medallion bust of the late Senator Morgan and a legend reciting his leadership in keeping alive in the Congress of the United States the question of an interoceanic canal: Therefore be it

Resolved, etc., That permission is hereby granted for the placing of a tablet containing an appropriate bust of the late Senator John T. Morgan, with an appropriate inscription, at Gamboa, in the Canal Zone, at such time and under such regulations as the Secretary of War may direct.

The amendments were agreed to.

The joint resolution was reported to the Senate as amended, and the amendments were concurred in.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. FLETCHER. I ask that the preamble be stricken out.

The PRESIDING OFFICER. Without objection, the preamble will be stricken out.

THE FOREIGN SERVICE.

Mr. STONE. The bill (S. 5614) for the improvement of the foreign service is on the calendar. I should like very much to have it acted upon. I will say to the Senate that there are rather urgent reasons why the measure should be disposed of favorably.

Mr. WILLIAMS. What is the bill?

Mr. STONE. It is a bill classifying the secretaries of embassies and legations and those in the Consular Service and providing for transfers by the department.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Foreign Relations with amendments.

The amendments were to strike out sections 6 and 7 of the bill and to change the numbering of section 8 to section 6, the numbering of section 9 to section 7, and the numbering of section 10 to section 8, so as to make the bill read:

Be it enacted, etc., That hereafter all appointments of secretaries in the Diplomatic Service and of consuls general and consuls shall be by commission to the offices of secretary of embassy or legation, consul general, or consul, and not by commission to any particular post, and that such officers shall be assigned to posts and transferred from one post to another by order of the President as the interests of the service may require: *Provided*, That no officer may be assigned for duty in the Department of State for a period of more than three years, unless the public interest demand further service, when such assignment may be extended for a period of not to exceed one year, and no longer.

SEC. 2. That secretaries in the Diplomatic Service and consuls general and consuls shall hereafter be graded and classified as follows, with the salaries of each class herein affixed thereto.

SECRETARIES.

Secretary of class 1, $3,000.
Secretary of class 2, $2,625.
Secretary of class 3, $2,000.
Secretary of class 4, $1,500.
Secretary of class 5, $1,200.

CONSULS GENERAL.

Consul general of class 1, $12,000.
Consul general of class 2, $8,000.
Consul general of class 3, $6,000.
Consul general of class 4, $5,500.
Consul general of class 5, $4,500.

CONSULS.

Consul of class 1, $8,000.
Consul of class 2, $6,000.
Consul of class 3, $5,000.
Consul of class 4, $4,500.
Consul of class 5, $4,000.
Consul of class 6, $3,500.
Consul of class 7, $3,000.
Consul of class 8, $2,500.
Consul of class 9, $2,000.

SEC. 3. That section 1685 of the Revised Statutes is hereby amended to read as follows:

"SEC. 1685. That for such time as any secretary of embassy or legation shall be lawfully authorized to act as chargé de affaires ad interim at the post to which he shall have been appointed or assigned, he shall be entitled to receive, in addition to his salary as secretary of embassy or legation, compensation equal to the difference between such salary and 50 per centum of the salary provided by law for the ambassador or minister at such post; and for such time as any vice consul shall be lawfully authorized to assume charge of a consulate general or consulate during the absence of the principal officer at the post to which he shall have been appointed or assigned, he shall be entitled to receive, in addition to his regular salary or compensation as a subordinate consular officer or employee, compensation equal to the difference between such salary or compensation and 50 per cent of the salary provided by law for the principal consular officer at such post."

SEC. 4. That a secretary, consul general, or consul of whatever class detailed for special duty outside of the city of Washington shall be paid his actual and necessary expenses for subsistence during such special detail: *Provided*, That such special duty shall not continue for more than 60 days unless in the case of international gatherings, congresses, or conferences, when such subsistence expenses shall run only during the life of the international gathering, congress, or conference, as the case may be.

SEC. 5. That the Secretary of State is directed to report from time to time to the President, along with his recommendations for promotion or for transfer between the department and the foreign service, the names of those secretaries in the Diplomatic Service and the names of those consular officers or departmental officers or employees who by reason of efficient service, an accurate record of which shall be kept in the Department of State, have demonstrated special efficiency, and also the names of persons found upon examination to have fitness for appointment to the lower grades of the service.

SEC. 6. That section 1674 of the Revised Statutes is hereby amended to read as follows:

"SEC. 1674. That the official designations employed throughout this title shall be deemed to have the following meanings, respectively:

"First. 'Consul general' and 'consul' shall be deemed to denote full, principal, and permanent consular officers as distinguished from subordinates and substitutes.

"Second. 'Consular agent' shall be deemed to denote consular officers subordinate to such principals exercising the powers vested in them and performing the duties prescribed for them by regulation of the President at posts or places different from those at which such principals are located, respectively.

"Third. 'Vice consuls' shall be deemed to denote consular officers subordinate to such principals exercising and performing the duties within the limits of their consulates at the same or at different points and places from those at which the principals are located, except that when vice consuls take charge of consulates general or consulates when the principal officers shall be temporarily absent or relieved from duty they shall be deemed to denote consular officers who shall be substituted, temporarily, to fill the places of said consuls general or consuls.

"Fourth. 'Consular officer' shall be deemed to include consuls general, consuls, vice consuls, interpreters in consular offices, student interpreters, and consular agents, and none others.

"Fifth. 'Diplomatic officer' shall be deemed to include ambassadors, envoys extraordinary, ministers plenipotentiary, ministers resident, commissioners, chargés d'affaires, agents, secretaries of embassy and legation, and secretaries in the Diplomatic Service, and none others."

The offices of vice consul general, deputy consul general, and deputy consul are abolished.

SEC. 7. That no ambassador, minister, minister resident, diplomatic agent, or secretary in the Diplomatic Service of any grade or class shall, while he holds his office, be interested in or transact any business as a merchant, factor, broker, or other trader, or as an agent for any such person to, from, or within the country or countries to which he or the chief of his mission, as the case may be, is accredited, either in his own name or in the name or through the agency of any other person, nor shall he, in such country or countries, practice as a lawyer for compensation or be interested in the fees or compensation of any lawyer so practicing.

SEC. 8. That this act shall take effect on the 30th day of September, 1914, when all acts or parts of acts inconsistent with this act are repealed.

The amendments were agreed to.

Mr. STONE. I would like to offer an amendment. At the end of section 1, line 2, page 2, I move to strike out the period after the word "longer" and insert a colon and then these words:

Provided further, That no secretary, consul general, or consul shall be promoted to a higher class except upon the nomination of the President with the advice and consent of the Senate.

The PRESIDING OFFICER. The Secretary will read the amendment.

The Secretary read the amendment.

Mr. STONE. On the suggestion of the Senator from Utah [Mr. SMOOT] I will change it so as to read "shall not be promoted to a higher class or demoted to a lower class."

The PRESIDING OFFICER. The amendment will be stated as modified.

The SECRETARY. On page 2, line 2, after the word "longer" and before the period, insert a colon and the following:

: *Provided further*, That no secretary, consul general, or consul shall be promoted to a higher or demoted to a lower class except upon the nomination of the President with the advice and consent of the Senate.

Mr. STONE. The Senator from Utah does not insist upon his amendment, so the part relating to demotion may go out.

The PRESIDING OFFICER. The amendment will be modified by the omission of the words "or demoted to a lower."

Mr. STONE. Then it simply relates to promotions.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WILLIAM C. ADAMS.

Mr. ASHURST. I ask unanimous consent, out of order, to report favorably from the Committee on Indian Affairs the joint resolution (H. J. Res. 362) to correct an error in the enrollment of certain Indians enumerated in Senate Document No. 478, Sixty-third Congress, second session, enacted into law in the Indian appropriation act approved August 1, 1914.

It is a very short resolution. It simply purposes to change a name in the last Indian appropriation act. A large number of Indians were placed upon the roll as entitled to enrollment, and among them some Mississippi Choctaws, 21 in number, but the name of one of them was erroneously placed on the roll as Mitchell C. Adams, when it should have been William C. Adams. I ask for the present consideration of the joint resolution.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which was read, as follows:

Resolved, etc., That the Secretary of the Interior be, and he hereby is, authorized and directed to substitute the name of William C. Adams in place of Mitchell C. Adams, jr., in the list of Mississippi Choctaw Indians enumerated in Senate document No. 478, Sixty-third Congress, second session, which Indians so enumerated in said document were authorized to be enrolled on the respective rolls of the Five Civilized Tribes by section 17, paragraph 9, of the act entitled "An act making appropriations for the current and contingent expenses for the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1915," approved August 1, 1914.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMITH of Michigan:

A bill (S. 6640) granting an increase of pension to Charles Pettys; to the Committee on Pensions.

By Mr. POMERENE:

A bill (S. 6641) to transfer Capt. John Calvin Leonard from the retired to the active list of the United States Navy; to the Committee on Naval Affairs.

T. S. WILLIAMS.

Mr. BRYAN submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1055) for the relief of T. S. Williams having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$261"; and the House agree to the same.

N. P. BRYAN,
BLAIR LEE,
G. W. NORRIS,
Managers on the part of the Senate.
EDWARD W. POU,
H. D. STEPHENS,
Managers on the part of the House.

The report was agreed to.

FREDERICK J. ERNST.

Mr. BRYAN submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4405) for the relief of Frederick J. Ernst, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

N. P. BRYAN,
FRANK S. WHITE,
Managers on the part of the Senate.
EDWARD W. POU,
H. D. STEPHENS,
Managers on the part of the House.

The report was agreed to.

HOUSE BILL REFERRED.

H. R. 18459. An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands, was read twice by its title and referred to the Committee on the Philippines.

RECESS.

Mr. KERN. I move that the Senate take a recess until 11 o'clock to-morrow forenoon.

The motion was agreed to; and (at 6 o'clock and 12 minutes p. m., Thursday, October 15, 1914) the Senate took a recess until to-morrow, Friday, October 16, 1914, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

THURSDAY, *October 15, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Thou great Father soul, in whose all-embracing love we live and move and have our being, increase our faith and confidence in Thee, and teach us how to think great thoughts, to live noble lives, to grow old gracefully, to die peacefully, looking forward to the larger life which Thou hast prepared for Thy children, that we may honor ourselves and hallow Thy name. In the spirit of the Lord Jesus Christ. Amen.

The Journal of the proceedings of yesterday was read.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move that the Journal be approved.

The SPEAKER. The gentleman from Kentucky moves the approval of the Journal.

The Journal was approved.

EXTENSION OF REMARKS.

Mr. RUBEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a speech delivered by my distinguished colleague, the Speaker of the House, at the opening of the campaign in New Jersey last Saturday.

The SPEAKER. The gentleman from Missouri [Mr. RUBEY] asks unanimous consent to extend his remarks by printing a speech that I made at Atlantic City last night——

Mr. BUTLER. Last night?

The SPEAKER. Saturday night.

Mr. BUTLER. I shall not object to that one. [Laughter.]

The SPEAKER. Is there objection?

There was no objection.

ALASKA COAL LANDS.

Mr. FERRIS. Mr. Speaker, I ask unanimous consent for the present consideration of the conference report on the bill (H. R. 14233) to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes, the previous order of the House as to Calendar Wednesday to the contrary notwithstanding.

The SPEAKER. The gentleman from Oklahoma [Mr. FERRIS] asks unanimous consent for the present consideration of the conference report on the Alaskan coal bill, notwithstanding that this is constructively Calendar Wednesday. Is there objection?

Mr. BARNHART. Reserving the right to object, Mr. Speaker, the Committee on Printing, which has the right of way on Calendar Wednesday—that is to-day—has agreed to permit the consideration of this bill without demanding the regular order, because it believes that it is really emergent legislation, and therefore I shall not object to this request, with the understanding that immediately after the consideration of this bill the regular order will be requested.

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, Mr. Speaker, how much time for debate can we agree upon?

Mr. FERRIS. I do not think there is any disposition on this side to hurry the matter or attempt to shut anyone off. I do not propose to use much time myself.

Mr. MANN. I will be perfectly frank with the House. There are two or three gentlemen who wish to be heard for a short time, I think, not on this bill. I wondered if we could agree on some time for length of debate on the bill.

Mr. UNDERWOOD. I think there should be some understanding as to the exact amount of time to be used. If it comes out of the time of the gentleman from Indiana [Mr. BARNHART], he is more concerned than anybody else.

Mr. BARNHART. If there is a disposition to indulge in general debate, I wish to say that the consideration of the printing bill is now nearing its close, and the committee would certainly like to finish it after these many weeks of consideration. I hope the gentleman from Illinois will not desire to inject general debate into this bill. I trust there will be no general debate.

Mr. UNDERWOOD. I suggest to the gentleman from Illinois that when this bill is out of the way—and the printing bill can not go over until to-morrow—so far as I am concerned, if the gentleman desires to secure reasonable opportunity for general debate to-morrow morning, I shall have no objection.

Mr. MANN. Well, I will ask unanimous consent that the gentleman from Alabama [Mr. UNDERWOOD] and myself shall each have control of an hour to-morrow for general debate after the reading of the Journal.

Mr. GARRETT of Tennessee. Mr. Speaker, reserving the right to object for a moment, I want to say to the gentleman from Illinois that I understand there will be a resolution reported from the Committee on Rules to-morrow to take up this matter concerning the Board of Governors of the Soldiers' Home. I do not see the gentleman from North Carolina [Mr. POU] just now, but I understand that that measure will probably require half an hour for debate; so that I will ask the gentleman from Illinois if he would be willing to have that matter considered first, and then have the general debate he desires afterwards?

Mr. MANN. I would not have any objection to that, so far as I am concerned.

Mr. GARRETT of Tennessee. The gentleman made his request as applying immediately after the reading of the Journal.

Mr. MANN. Yes; but I could not put it otherwise, because there is no certainty that the rule will be reported. It will be subject to the report of the Committee on Rules.

The SPEAKER. What is the request?

Mr. MANN. That the gentleman from Alabama [Mr. UNDERWOOD] and myself each have control of one hour's time to-morrow immediately after the approval of the Journal, subject to the right of the Committee on Rules to bring in the rule referred to.

The SPEAKER. The gentleman from Illinois [Mr. MANN] asks unanimous consent that to-morrow, after the reading of the Journal and the disposition of business on the Speaker's table and the disposition of the rule, if reported, he and the gentleman from Alabama [Mr. UNDERWOOD] shall each have an hour on the Alaskan coal bill.

Mr. MANN. No; on anything—general debate.

Mr. UNDERWOOD. Yes; general debate.

Mr. MANN. Each to control an hour's time.

The SPEAKER. Is not this a conference report?

Mr. MANN. We will dispose of that now.

Mr. UNDERWOOD. Mr. Speaker, in order to expedite the action of the House on this conference report, the gentleman from Illinois had indicated that he desires some time for general debate on that side of the House, and I have suggested to him that he can take that up to-morrow; and out of that suggestion has grown his request.

The SPEAKER. All right. The request is that to-morrow, after the reading of the Journal and the disposition of business on the Speaker's table and the disposition of the rule concerning the Board of Governors of the Soldiers' Home, the gentleman from Alabama [Mr. UNDERWOOD] and the gentleman from Illinois [Mr. MANN] shall each have control of an hour for general debate. Is there objection. [After a pause.] The Chair hears none, and it is so ordered.

Is there objection to the request of the gentleman from Oklahoma [Mr. FERRIS] for the present consideration of the conference report on the Alaskan coal bill? [After a pause.] The Chair hears none. The Clerk will read the conference report.

Mr. FERRIS. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the conference report and that the report be printed in the RECORD.

Mr. MANN. Reserving the right to object, I would like to suggest to the gentleman from Oklahoma that the statement is much longer than the conference report. I think the statement would not be as clear as the report.

Mr. FERRIS. Mr. Speaker, I withdraw the request.

The Clerk read the conference report, as follows:

CONFERENCE REPORT (NO. 1186.)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14233) to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment as follows. In lieu of the matter proposed by the Senate insert the following:

"That the Secretary of the Interior be, and hereby is, authorized and directed to survey the lands of the United States in the Territory of Alaska known to be valuable for their deposits of coal, preference to be given first in favor of surveying lands within those areas commonly known as the Bering River, Matanuska, and Nenana coal fields, and thereafter to such areas or coal fields as lie tributary to established settlements or existing or proposed rail or water transportation lines: *Provided*, That such surveys shall be executed in accordance with existing laws and rules and regulations governing the survey of public lands. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $100,000 for the purpose of making the surveys herein provided for, to continue available until expended: *Provided*, That any surveys heretofore made under the authority or by the approval of the Department of the Interior may be adopted and used for the purposes of this act.

"SEC. 2. That the President of the United States shall designate and reserve from use, location, sale, lease, or disposition not exceeding 5,120 acres of coal-bearing land in the Bering River field and not exceeding 7,680 acres of coal-bearing land in the Matanuska field, and not to exceed one-half of the other coal lands in Alaska: *Provided*, That the coal deposits in such reserved areas may be mined under the direction of the President when, in his opinion, the mining of such coal in such reserved areas, under the direction of the President, becomes necessary, by reason of an insufficient supply of coal at a reasonable price for the requirements of Government works, construction and operation of Government railroads, for the Navy, for national protection, or for relief from monopoly or oppressive conditions.

"SEC. 3. That the unreserved coal lands and coal deposits shall be divided by the Secretary of the Interior into leasing blocks or tracts of 40 acres each, or multiples thereof, and in such form as in the opinion of the Secretary will permit the most economical mining of the coal in such blocks, but in no case exceeding 2,560 acres in any one leasing block or tract; and thereafter, the Secretary shall offer such blocks or tracts and the coal, lignite, and associated minerals therein for leasing, and may award leases thereof through advertisement, competitive bidding, or such other methods as he may by general regulations adopt, to any person above the age of 21 years who is a citizen of the United States, or to any association of such persons, or to any corporation or municipality organized under the laws of the United States or of any State or Territory thereof: *Provided*, That a majority of the stock of such corporation shall at all times be owned and held by citizens of the United States: *And provided further*, That no railroad or common carrier shall be permitted to take or acquire through lease or permit under this act any coal or coal lands in excess of such area or quantity as may be required and used solely for its own use, and such limitation of use shall be expressed in all leases or permits issued to railroads or common carriers hereunder: *And provided further*, That any person, association, or corporation qualified to become a lessee under this act and owning any pending claim under the public-land laws to any coal lands in Alaska may, within one year from the passage of this act, enter into an arrangement with the Secretary of the Interior by which such claim shall be fully relinquished to the United States; and if in the judgment of the Secretary of the Interior the circumstances connected with such claim justify so doing the moneys paid by the claimant or claimants to the United States on account of such claim shall, by direction of the Secretary of the Interior, be returned and paid over to such person, association, or corporation as a consideration for such relinquishment.

"All claims of existing rights to any of such lands in which final proof has been submitted and which are now pending before the Commissioner of the General Land Office or the Secretary of the Interior for decision shall be adjudicated within one year from the passage of this act.

"SEC. 4. That a person, association, or corporation holding a lease of coal lands under this act may, with the approval of the Secretary of the Interior and through the same procedure and upon the same terms and conditions as in the case of an original lease under this act, secure a further or new lease covering additional lands contiguous to those embraced in the original lease, but in no event shall the total area embraced in such original and new leases exceed in the aggregate 2,560 acres.

"That upon satisfactory showing by any lessee to the Secretary of the Interior that all of the workable deposits of coal within a tract covered by his or its lease will be exhausted, worked out, or removed within three years thereafter, the Secretary of the Interior may, within his discretion, lease to such lessee an additional tract of land or coal deposits, which, including the coal area remaining in the original lease, shall not exceed 2,560 acres, through the same procedure and under the same competitive conditions as in case of an original lease.

"SEC. 5. That, subject to the approval of the Secretary of the Interior, lessees holding under leases small blocks or areas may consolidate their said leases or holdings so as to include in a single holding not to exceed 2,560 acres of contiguous lands.

"SEC. 6. That each lease shall be for such leasing block or tract of land as may be offered or applied for, not exceeding in area 2,560 acres of land, to be described by the subdivisions of the survey, and no person, association, or corporation, except as hereinafter provided, shall be permitted to take or hold any interest as a stockholder or otherwise in more than one such lease under this act, and any interest held in violation of this

proviso shall be forfeited to the United States by appropriate proceedings instituted by the Attorney General for that purpose in any court of competent jurisdiction, except that any such ownership and interest hereby forbidden which may be acquired by descent, will, judgment, or decree may be held for two years, and not longer, after its acquisition.

"SEC. 7. That any person who shall purchase, acquire, or hold any interest in two or more such leases, except as herein provided, or who shall knowingly purchase, acquire, or hold any stock in a corporation having an interest in two or more such leases, or who shall knowingly sell or transfer to one disqualified to purchase, or except as in this act specifically provided, disqualified to acquire any such interest, shall be deemed guilty of a felony, and upon conviction shall be punished by imprisonment for not more than three years and by a fine not exceeding $1,000: *Provided*, That any such ownership and interest hereby forbidden which may be acquired by descent, will, judgment, or decree may be held two years after its acquisition and not longer, and in case of minority or other disability such time as the court may decree.

"SEC. 8. That any director, trustee, officer, or agent of any corporation holding any interest in such a lease who shall, on behalf of such corporation, act in the purchase of any interest in another lease, or who shall knowingly act on behalf of such corporation in the sale or transfer of any such interest in any lease held by such corporation to any corporation or individual holding any interest in any such a lease, except as herein provided, shall be guilty of a felony and shall be subject to imprisonment for a term of not exceeding three years and a fine of not exceeding $1,000.

"SEC. 8a. If any of the lands or deposits leased under the provisions of this act shall be subleased, trusteed, possesssed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever, so that they form part of or are in anywise controlled by any combination in the form of an unlawful trust, with consent of lessee, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal, entered into by the lessee, or of any holding of such lands by any individual, partnership, association, corporation, or control, in excess of 2,560 acres in the Territory of Alaska, the lease thereof shall be forfeited by appropriate court proceedings.

"SEC. 9. That for the privilege of mining and extracting and disposing of the coal in the lands covered by his lease the lessee shall pay to the United States such royalties as may be specified in the lease, which shall not be less than 2 cents per ton, due and payable at the end of each month succeeding that of the shipment of the coal from the mine, and an annual rental, payable at the beginning of each year, on the lands covered by such lease, at the rate of 25 cents per acre for the first year thereafter, 50 cents per acre for the second, third, fourth, and fifth years, and $1 per acre for each and every year thereafter during the continuance of the lease, except that such rental for any year shall be credited against the royalties as they accrue for that year. Leases may be for periods of not more than 50 years each, subject to renewal, on such terms and conditions as may be authorized by law at the time of such renewal. All net profits from operation of Government mines, and all royalties and rentals under leases as herein provided, shall be deposited in the Treasury of the United States in a separate and distinct fund to be applied to the reimbursement of the Government of the United States on account of any expenditures made in the construction of railroads in Alaska, and the excess shall be deposited in the fund known as the Alaska Fund, established by the act of Congress of January 27, 1905, to be expended as provided in said last-mentioned act.

"SEC. 10. That in order to provide for the supply of strictly local and domestic needs for fuel the Secretary of the Interior may, under such rules and regulations as he may prescribe in advance, issue to any applicant qualified under section 3 of this act a limited license or permit granting the right to prospect for, mine, and dispose of coal belonging to the United States on specified tracts not to exceed 10 acres to any one person or association of persons in any one coal field for a period of not exceeding 10 years, on such conditions not inconsistent with this act as in his opinion will safeguard the public interest, without payment of royalty for the coal mined or for the land occupied: *Provided*, That the acquisition or holding of a lease under the preceding sections of this act shall be no bar to the acquisition, holding, or operating under the limited license in this section permitted. And the holding of such a license shall be no bar to the acquisition or holding of such a lease or interest therein.

"SEC. 11. That any lease, entry, location, occupation, or use permitted under this act shall reserve to the Government of the United States the right to grant or use such easements in, over, through, or upon the land leased, entered, located, occupied, or used as may be necessary or appropriate to the working of the same or other coal lands by or under authority of the Government and for other purposes: *Provided*, That said Secretary, in his discretion, in making any lease under this act, may reserve to the United States the right to lease, sell, or otherwise dispose of the surface of the lands embraced within such lease under existing law or laws hereafter enacted in so far as said surface is not necessary for use by the lessee in extracting and removing the deposits of coal therein. If such reservation is made, it shall be so determined before the offering of such lease.

"That the said Secretary during the life of the lease is authorized to issue such permits for easements herein provided to be reserved, and to permit the use of such other public lands in the Territory of Alaska as may be necessary for the construction and maintenance of coal washeries or other works incident to the mining or treatment of coal, which lands may be occupied and used jointly or severally by lessees or permittees, as may be determined by said Secretary.

"SEC. 12. That no lease issued under authority of this act shall be assigned or sublet except with the consent of the Secretary of the Interior. Each lease shall contain provisions for the purpose of insuring the exercise of reasonable diligence, skill, and care in the operation of said property, and for the safety and welfare of the miners and for the prevention of undue waste, including a restriction of the workday to not exceeding eight hours in any one day for underground workers except in cases of emergency; provisions securing the workers complete freedom of purchase, requiring the payment of wages at least twice a month in lawful money of the United States, and providing proper rules and regulations to secure fair and just weighing or measurement of the coal mined by each miner, and such other provisions as are needed for the protection of the interests of the United States, for the prevention of monopoly, and for the safeguarding of the public welfare.

"SEC. 13. That the possession of any lessee of the land or coal deposits leased under this act for all purposes involving adverse claims to the leased property shall be deemed the possession of the United States, and for such purposes the lessee shall occupy the same relation to the property leased as if operated directly by the United States.

"SEC. 14. That any such lease may be forfeited and canceled by appropriate proceeding in a court of competent jurisdiction whenever the lessee fails to comply with any provision of the lease or of general regulations promulgated under this act; and the lease may provide for the enforcement of other appropriate remedies for breach of specified conditions thereof.

"SEC. 15. That on and after the approval of this act no lands in Alaska containing deposits of coal withdrawn from entry or sale shall be disposed of or acquired in any manner except as provided in this act: *Provided*, That the passage of this act shall not affect any proceeding now pending in the Department of the Interior, and any such proceeding may be carried to a final determination in said department notwithstanding the passage hereof: *Provided further*, That no lease shall be made, under the provisions hereof, of any land, a claim for which is pending in the Department of the Interior at the date of the passage of this act, until and unless such claim is finally disposed of by the department adversely to the claimant.

"SEC. 16. That all statements, representations, or reports required, unless otherwise specified, by the Secretary of the Interior under this act shall be upon oath and in such form and upon such blanks as the Secretary of the Interior may require, and any person making false oath, representation, or report shall be subject to punishment as for perjury.

"SEC. 17. That the Secretary of the Interior is authorized to prescribe the necessary and proper rules and regulations and to do any and all things necessary to carry out and accomplish the purposes of this act.

"SEC. 18. That all acts and parts of acts in conflict herewith are hereby repealed."

And the Senate agree to the same.

SCOTT FERRIS,
EDWARD T. TAYLOR,
WM. L. LA FOLLETTE,
Managers on the part of the House.

H. L. MYERS,
WM. H. THOMPSON,
Managers on the part of the Senate.

The statement is as follows:

STATEMENT.

Section 1 of the bill as agreed to in conference authorizes the Secretary of the Interior to survey and lease the coal lands in

Alaska, giving preference, so far as early surveys are concerned, to the three main fields, to wit, the Bering River field, the Matanuska field, and the Nenana field, appropriating $100,000 for the making of the necessary surveys preliminary to the leasing of the lands. This appropriation was not carried in the House bill, but upon investigation it was deemed necessary to be made.

Section 2 authorizes the President of the United States to make reservations for the use of the Federal Government not exceeding 5,120 acres in the Bering River field and not to exceed 7,680 acres in the Matanuska field, and limiting the reservations to be made by the Government in other fields in Alaska to an area not exceeding one-half of the coal fields. The proviso to the section authorizes the President, in the case of an emergency, or when he deems it necessary, to mine coal for the benefit of the Army and Navy or the operation of the Government railroads. It likewise gives him that authority if monopoly and oppressive conditions prevail there.

Section 3 authorizes and directs the Secretary of the Interior to divide the coal-bearing areas into leasing blocks of 40 acres or multiples thereof, and to offer them for lease by competitive bidding or such other method as the Secretary of the Interior may provide. The second proviso of the section provides that no railroads shall be permitted to own or hold a lease other than for its own exclusive use. The third proviso of the section authorizes the Secretary of the Interior to make arrangements whereby the Alaskan coal claimants may relinquish any and all rights they may have to a patent under old law, and if, in the judgment of the Secretary of the Interior, the circumstances connected with such relinquishment justify so doing, the moneys paid by the claimants shall be refunded by the Government to the claimants. This is left wholly within the discretion of the Secretary of the Interior, and it is thought no harm can come from it and great good may be derived therefrom in cases where it may be the means of clearing up a lot of troublesome litigation that has heretofore found no adequate solution. The last proviso also directs that all claims now pending before the General Land Office and the Department of the Interior shall be adjudicated within one year from the passage of this act. This is only required when the cases have been fully submitted and are now before the department for adjudication. The Department of the Interior was consulted on this proposition, and your conferees were advised that this would give ample time to accomplish the findings required and it would in no way hazard or interfere with the administration of the coal lands in Alaska.

Section 4 is practically identical with the House provision.

Section 5 was a paragraph incorporated by the Senate, which was thought to be in the interest of good administration and was thought would accomplish development of the coal fields in Alaska. Section 17 of the bill as it emerged from conference authorizes the Secretary of the Interior to work out rules and regulations which will make the section workable.

Section 6 provides that each lease shall be for such block or tract of land as may be offered or applied for, not exceeding in area 2,560 acres of land, providing how the lease may be forfeited, except that any such ownership and interest hereby forbidden which may be acquired by descent, will, judgment, or decree may be held for two years, and not longer, after its acquisition.

Section 7 is identical with section 7 of the House bill.

Sections 8 and 8a are antimonopoly provisions which were thought to be in the public interest. They should be considered in connection with section 6 of the House bill, which sought to deal with the same problem.

Section 9 deals with the royalties and fixes the minimum at 2 cents per ton, striking out the maximum of 5 cents per ton which was incorporated in the Senate bill. The annual acreage rental being retained in the bill as it emerged from conference is substantially the same as the House and Senate bills. The latter part of section 9 fixes the term of lease at 50 years, the House section fixing it for an indeterminate period, with power to revise the royalty every 20 years. The 50-year provision is in harmony with the water-power bill and the general leasing bill for the United States, and in any event the Secretary of the Interior has full power to incorporate a provision in the lease providing how the royalty may be readjusted, and section 17 also gives him ample power under rules and regulations to readjust the royalty.

It will be observed that the last paragraph of section 9 of the Senate bill was not carried in the House bill. It is as follows:

"All net profits from operation of Government mines, and all royalties and rentals under leases as herein provided, shall be deposited in the Treasury of the United States in a separate and distinct fund to be applied to the reimbursement of the Government of the United States on account of any expenditures made in the construction of railroads in Alaska, and the excess shall be deposited in the fund known as the Alaska fund, established by the act of Congress of January 27, 1905, to be expended as provided in said last-mentioned act."

It is thought by your conferees that this provision fully protects the Federal Government from the fact that it specifically recites that the revenues derived from coal leases shall be applied to the reimbursement of the Government on account of the appropriation made for the construction of railroads in Alaska. This provision is thought to be in the public interest and in harmony with the Alaskan railroad bill already passed. It will also be noted that after the railway appropriation is disposed of or offset by accruing royalties the residue, if any there be, shall be used according to the act of Congress approved January 27, 1905, providing how the receipts from Alaskan revenues shall be expended.

Section 10 of the bill as it emerged from conference corresponds with section 8 of the House bill, with a slight omission. The exact words omitted are:

"*Provided*, That not more than one such limited license or permit shall be issued to any single applicant hereunder."

It is thought this provision is a repetition, and therefore unnecessary. It is also capable of being fully taken care of under general regulations.

Section 11 corresponds with section 9 of the House bill and does not depart therefrom in any substantial particular.

Section 12 is identical with section 10 of the House bill.

Section 13 of the bill emerging from conference is a salutary provision which found a place both in the House and Senate bills.

Section 14 is identical with section 11 of the House bill.

Section 15 is identical with the House provision of section 15 of the House bill down to the second proviso. The second proviso of section 15 as the bill emerged from conference was incorporated in lieu of section 15 of the Senate bill, which was stricken out. Your conferees feel sure the substitution is in the public interests and one that will meet with approval of both bodies.

Section 16 of the bill emerging from conference is identical with section 12 of the House bill and identical with section 16 of the Senate bill.

Section 17 is identical with sections 17 of the House and Senate bills, respectively.

Section 18 of the bill emerging from conference merely repeals all acts and parts of acts in conflict herewith. It is the thought of your conferees that this should be done.

It is the thought of your conferees, first, that the bill as it emerged from conference retains the substantial features of the House bill; second, that it is workable, and that the Secretary of the Interior can proceed to lease the lands that have heretofore been tied up for eight long years; third, that the competitive plan adopted has been retained in the bill and will enable the Secretary of the Interior to derive revenues that may be applied on the Alaskan railway appropriation; fourth, that the bill is one in the public interest, and does not forfeit or sacrifice any rights of the Federal Government to the Alaskan coal claimants; fifth, that the legislation does not do violence or injustice to the Alaskan coal claimants, but leaves them in statu quo; sixth, that the Secretary of the Interior is given ample authority to make large reserves for the benefit of the Government so that the Army and Navy may have an indeterminable fuel supply; seventh, that the appropriation carried by the bill for surveys is necessary in order that the leasing may go on and the emergency that exists in Alaska be relieved; eighth, that the legislation as it emerges from conference has left full discretion in the Secretary of the Interior to protect the public interests and at the same time leave the measure workable so the opening of Alaska may be possible and good results flow therefrom.

Respectfully submitted.

SCOTT FERRIS,
EDWARD T. TAYLOR,
WM. L. LA FOLLETTE,
Managers on the part of the House.

Mr. MANN. Mr. Speaker, will the gentleman from Oklahoma yield for a question?

Mr. FERRIS. Certainly.

Mr. MANN. What is the part in the first conference report which was left out of the second conference report?

Mr. FERRIS. There was one amendment that was put in in lieu of section 15 of the Senate bill. Section 15 of the Senate

bill in a word authorized the claimants to sue the Federal Government for any injury they might have or might think they had.

Mr. MANN. Where is that in the first conference report?

Mr. FERRIS. In our first conference report in lieu of section 15 we added a proviso to section 14 of the conference report bill, which was intended to serve in lieu of section 15 of the Senate bill. The conference agreed on that and made reports to the two Houses. The Senate objected to it because they thought it sacrificed some Government rights and interests, and after quite a prolonged debate of two days voted it down and sent it back to the conference committee.

Mr. MANN. They sustained the point of order.

Mr. FERRIS. They sustained the point of order; but in effect it amounted to rejecting the whole report. In the second conference report we omitted section 15 of the Senate bill and the proviso we added to section 14.

Mr. MANN. Can the gentleman read the portion of section 14 in the first conference report?

Mr. FERRIS. I will. It reads as follows:

Provided, That the possession of any lessee of any lands covered by his lease and the operation of the mines and other works thereon or the title of the products thereof shall not be interfered with by the Secretary of the Interior except after an appropriate proceeding in the district court of Alaska instituted for the purpose of securing a forfeiture or termination of such lease, and such forfeiture or termination shall take effect only from the date of entry of final judgment declaring such forfeiture or termination: *Provided further*, That such court proceedings must be instituted within 90 days after notice to the lessee of the facts constituting such cause of action, or the same shall be forever barred.

That was the language that the controversy came up over.

Mr. MANN. As I understand, and I ask for information, that provision would have foreclosed the right of the Government to end the lease by forfeiture for failure to carry out provisions of the lease, unless certain proceedings were instituted in the Federal court within a certain time?

Mr. FERRIS. That is true; it was a limitation on the Government.

Mr. MANN. I take it that the change is perfectly satisfactory to the gentleman from Wisconsin [Mr. LENROOT], who was on the first conference committee.

Mr. FERRIS. I think I know the views of the gentleman from Wisconsin very well on the first conference, and I think this would be satisfactory to him, if he were here, although the last is merely a supposition.

Mr. MANN. The gentleman has had no communication with the gentleman from Wisconsin as to the elimination?

Mr. FERRIS. No; I have not. I had a telegram from him on the first conference report.

Mr. STAFFORD. Will the gentleman yield?

Mr. FERRIS. I will.

Mr. STAFFORD. Will the gentleman indicate whether there are any other changes in the second conference report from that first agreed upon?

Mr. FERRIS. I shall be happy to do that.

Mr. STAFFORD. I notice in reading the last conference report a material amendment, providing for the disposition of the funds arising from the rental and the royalty of coal lands.

Mr. FERRIS. That is true; that is a material amendment, and that was inserted in the last conference report. Does the gentleman want me to present the facts in regard to it? There are some other changes.

Mr. STAFFORD. That is an important one, and the gentleman may present it in his own order.

Mr. FERRIS. The first conference report did not contain the provision which I will read, but the last conference report does embody it. This language is inserted in the last conference report, but was omitted from the former report. It is found in section 9 of the Senate bill, beginning with the word "all":

All net profits from operation of Government mines, and all royalties and rentals under leases as herein provided, shall be deposited in the Treasury of the United States in a separate and distinct fund to be applied to the reimbursement of the Government of the United States on account of any expenditures made in the construction of railroads in Alaska, and the excess shall be deposited in the fund known as the Alaska fund, established by the act of Congress of January 27, 1905, to be expended as provided in said last-mentioned act.

That language passed the Senate, and the first conference committee were of the opinion that section 3 of the Alaskan railroad bill did all that was necessary.

Mr. STAFFORD. As I recall section 3 of the Alaskan railroad bill, it provided that the funds should revert to the miscellaneous fund of the Treasury.

Mr. FERRIS. That is true. I have section 3 of the Alaskan bill, and it might be well to put it into the RECORD.

Mr. STAFFORD. The House did not specifically oppose the disposition of these funds?

Mr. FERRIS. That is true. We leave section 3 of the Alaskan railroad bill to govern. That was the action of the House, and that was the action of the first conference report; but the action of the Senate, of course, put in this other provision, and I think the gentleman will remember that the House debated somewhat whether they would put in that provision, but finally decided to stand on the proposition of section 3 of the Alaskan railroad bill. It is only a few lines, and I will read it:

SEC. 3. That all moneys derived from the lease, sale, or disposal of any of the public lands, including town sites, in Alaska, or the coal or mineral therein contained, or the timber thereon, and the earnings of said railroad or railroads, together with the earnings of the telegraph and telephone lines constructed under this act, above maintenance charges and operating expenses, shall be paid into the Treasury of the United States as other miscellaneous receipts are paid, and a separate account thereof shall be kept and annually reported to Congress.

That is the language of the Alaskan railroad bill, and, as I say, the House had intended to let that govern. However, there was some very strong insistence in the Senate that we first take the receipts from the coal and from the other revenues up there and pay for the Alaska railroad. Those Senators wanted to preserve the principle of not having the Federal Government go in and take all of the money out of the Territory after that, and after this is paid then step in and let what is known as the Alaska railway fund law apply and the receipts be disposed of in that manner then.

Mr. STAFFORD. Does not the Senate provision to which the House conferees agreed the second time virtually negative and nullify the provision adopted by the House in the Alaska railroad bill?

Mr. FERRIS. I really do not think it has any effect on it, only so far as coal leases are concerned. Section 3 of the Alaska railway bill applies to timber, oil, coal, mineral, and every available thing, and I think the only thing to modify it would be royalties from these leases, and our conference report does specifically say that these moneys shall all go into the Treasury until the railway appropriation is provided.

Mr. STAFFORD. And after that has been provided, then it shall go——

Mr. FERRIS. As per the Alaskan-fund law.

Mr. STAFFORD. That does not go into the Treasury?

Mr. FERRIS. That is true; it does not.

Mr. MANN. Mr. Speaker, as I understand this new provision, money coming in from the rentals and royalties first go to reimburse the Government for expenditures on the Alaskan railroad, and I apprehend, as a matter of fact, that it will be several days, at least, before those funds are entirely reimbursed.

Mr. FERRIS. That is what we feared most.

Mr. MANN. But after that this establishes a principle which never has yet been adopted by Congress, that all of the money then coming in shall be expended in the Treasury for the benefit of the Territory, although in our recent bill I believe that we provided that only one-half should eventually go to the State.

Mr. FERRIS. I think the gentleman hardly intends to say that Congress has never done this specific thing, because, as a matter of fact, we only adverted to a law, a thing that Congress did do.

Mr. MANN. I know; but we never have yet disposed of these things in this way. This is an entirely new proposition.

Mr. FERRIS. But we did authorize the sale of Alaskan coal lands at $10 an acre, and we did provide that those funds should go as the Alaskan fund provides, which, of course, is lots worse than this.

Mr. MANN. That is true enough. A certain amount of money has to be expended in Alaska, and probably this will never be excessive; but when we passed the general leasing bill we provided, first, that the funds should go into the reclamation fund, and then, when repaid by the reclamation fund, one-half, as I recall, should go to the State in lieu of taxation.

Mr. FERRIS. That is right.

Mr. MANN. This provides that in the end all of the money shall go for the benefit of the Territory. I believe the law provides how it shall be expended—schools, charity, roads, and so forth. Probably there will be time enough to change it before they reimburse the Government entirely for its expenditure on the Alaska railroad, but I doubt whether it is a good principle to adopt.

Mr. FERRIS. Mr. Speaker, I will say to the gentleman that he and I are not very far apart in our views in respect to that; but I will further say that they are mistaken who think that the pathway of the House conferees was strewn with roses. We could not have our way about all things.

Mr. MANN. That is true; and I have no desire to criticize the conferees; yet the first conference report was agreed to by the Senate conferees. It was not rejected by the Senate, except on a point of order relating to one item, and that item had been left out.

Mr. FERRIS. That is true.

Mr. MANN. I should have supposed that, leaving that item out for the benefit of the Senate, they would have still agreed to the other things they had formerly agreed to.

Mr. FERRIS. The gentleman's thoughts are traveling along the precise line they ought to travel; and I do not wonder that the gentleman says that we ought to have insisted upon that; but some of the strongest friends the bill had in the Senate said that we must preserve that principle or the bill would not go through. I think we have accomplished so much in other respects that we should be satisfied.

It will probably be 25 or 30 years, and maybe longer than that—maybe after we are all gone—before this Alaska railroad is paid for; and if we are right in that supposition, as the gentleman said, we will have plenty of time in which to correct an error, if it is an error, in that respect.

Mr. MANN. If the gentleman will pardon me, it is not material, probably, so far as Alaska is concerned; but it is very material, in my opinion, so far as the continental part of the United States is concerned, where we have the States. We passed a House bill in reference to the general leasing of coal and oil lands, and so forth, and there we determined that in the end one-half should go to the States in lieu of taxation. This principle now adopted here is that all of the money shall go to the States, if the States are put on even terms with the Territory; and, of course, if that coal bill passes the Senate, the western Senators will again insist that all of the money shall go to the Western States where the lands are located. I think these resources belong to the General Government, and when we pay to the State a reasonable amount in lieu of taxes we have done all they ought to ask us to do.

Mr. FERRIS. In reply to that, I will say I agree with the gentleman. I agree with his course of reasoning, I agree with his line of thought, and I agree with his suggestion. I think he has hit the nail right on the head; but, at the same time, it seems to me we ought to pass this law. Congress has heretofore said that the fund should be used in a certain way in Alaska. Now we step in and interrupt that proceeding that Congress had committed itself to by the act of June 27, 1905, long before I ever came to Congress.

Mr. GOULDEN. Will the gentleman yield for a question?

Mr. FERRIS. Certainly.

Mr. GOULDEN. I have listened with a great deal of interest to this discussion, and it struck me that the youngest man on the floor of this House, perhaps a man not yet born, who may come here as a Member of Congress, will never see a surplus arising in the direction which we are now discussing. The building of the proposed railroad in Alaska, in my judgment, will require all the funds available for the next half century.

Mr. FERRIS. That I fear; but we all hope for a more roseate view.

Mr. STAFFORD. Will the gentleman kindly indicate if there are any other changes which the conferees agreed to which were not contained in the first conference report?

Mr. FERRIS. As the House is aware, it will be remembered that the first conference report was rejected by the Senate on the theory that we had exceeded our authority, and therefore with some precision we went through the bill in order to avoid anything subject to a point of order. So in section 14 of the conference report on the bill, section 14 of the Senate bill, which corresponds to section 11 of the House bill, we left out this language:

And the lease may provide the enforcement of other appropriate remedies for breach of specified conditions thereof.

So in this conference report that language is stricken out. Now, again we made one other change. There was an arbitration provision which passed both the House and the Senate, and our conference committee in the first instance inadvertently left it out We reincorporated that the last time.

Mr. MANN. What section?

Mr. FERRIS. I will get it in just a moment. Section 11 of the House bill provided this language, among other things:

And the lease may provide for resort to appropriate methods for settlement of disputes or for remedies for breach of specified conditions thereof

The Senate bill provided:

And the lease may provide for the enforcement of other appropriate remedies for breach of specified conditions thereof.

And we incorporated in the pending conference report that same thought carried——

Mr. MANN. What section of the conference report?

Mr. FERRIS. That was in section 11 of the House bill, corresponding to section 14 of the Senate bill, which now is incorporated in section 14 of the conferees' report on the bill. Then we put in section 12 in the last conference report the words "or sublet," which we had omitted from our first conference report and the Senate had omitted.

Mr. MANN. I do not find that provision of section 14 of the conference report. Can the gentleman state what section it is in?

Mr. STAFFORD. Section 14.

Mr. FERRIS. We add that language to section 14.

Mr. MANN. I do not read it in section 14.

Mr. STAFFORD. It is just before the proviso. The clause before the proviso, section 14, is what the gentleman refers to.

Mr. FERRIS. That is it.

Mr. MANN. There is nothing in that about arbitration.

Mr. FERRIS. "And the lease may provide for the enforcement of other appropriate remedies for breach of specified conditions thereof." It does not say on the face of it it means arbitration, but the conferees took the Senate provision whereby we put it within the power of the Secretary of the Interior to incorporate a provision of that kind. That is our thought. Now, unless somebody desires some time on either side——

Mr. RAKER. Will the gentleman yield for a question?

Mr. FERRIS. Certainly.

Mr. RAKER. I desire to ask the gentleman with reference to the last section, 18. What is the thought of the committee with reference to that section?

Mr. FERRIS. Section 18?

Mr. RAKER. The repealing clause in the bill. It reads:

That all acts and parts of acts in conflict herewith are hereby repealed.

Mr. FERRIS. This is the thought: Section 18 of the Senate bill as it passed the Senate, as the gentleman knows, is to repeal the provision with reference to irrigation, and it was the thought of the conferees that we ought not to deal with that matter on this bill, however advisable it may be. I personally would be in favor of repealing it, which could be done at any time, but we did not think we ought to put in a provision providing for the repeal of acts of Congress.

Upon the examination of the Alaskan coal lands that have been made applicable to that Territory it developed that they did not have any appraisement law at all, and the only thing that could be done up there, if this bill served as a restoration of all these lands, was to sell them at a flat $10-an-acre rate.

Mr. RAKER. This repealing division then applies solely to the laws as applying to Alaska?

Mr. FERRIS. And only so far as they are in conflict with this.

Mr. RAKER. Only so far as they are in conflict with this present bill?

Mr. FERRIS. That is all.

Mr. STAFFORD. I think the House would be interested in having the gentleman point out with some emphasis that the conferees did not agree to the absolute royalty basis that was inserted in the Senate for the mining of the coal, but the House conferees retained the original House provision of making it not less than 2 cents a ton.

Mr. FERRIS. I should be very glad to devote a moment to that. As the House well remembers, we had before us and considered very carefully the advisability of trying to place any maximum on the amount to be charged for coal, and the House, I think, was almost a unit on the proposition that we should not. So the House bill provided for the competitive plan of disposing of the coal, with a minimum provision of 2 cents, but no maximum, to the end that the Secretary of the Interior could use his best energies to get all he could for the coal. As the bill passed the Senate they incorporated a provision in it like this, that the minimum royalty shall be 2 cents a ton and the maximum royalty shall be 5 cents a ton. It was the very earnest thought of the House conferees that no such provision as that ought to be incorporated in the law. For instance, what shape would Congress be in, and how could Congress defend, and how could Congress reply, with even good faith, when one coal company offered 10 cents a ton and another offered 12 cents a ton, and another offered 15 cents a ton, when there was a positive prohibition in the law that the Secretary of the Interior could only charge 5 cents a ton royalty? And so the conferees were very steadfast in their opinion on that, and the Senate yielded, and that went out of the bill. So it was neither in this conference report nor in the last, and I feel sure it should not be in either one of them.

Mr. MONDELL. Mr. Speaker, I should like about 10 minutes.

Mr. FERRIS. I yield 10 minutes to the gentleman from Wyoming, Mr. Speaker.

Mr. MONDELL. Mr. Speaker, there are two features of this Alaskan bill that I desire to discuss briefly. One of them relates to the very important and, it seems to me, significant fact that the Alaska coal bill as it will become a law does not contain any provisions whatever for the protection of the consumer or the user of Alaskan coal, unless such protection may be secured by and through contracts or by and through stipulations in the contract entered into by the Secretary of the Interior and the lessee. It is true there are very indefinite and not very effective provisions in the bill that it might be said were intended to give some protection to the consumer of these coals. We began the discussion of this question of retaining the Alaskan coal lands in public ownership rather than passing title, on the theory that a transfer into private ownership would lead to monopoly, and that it might not be possible under such a system to fully protect the purchaser of that coal from unfair prices; from absolute refusal to sell the product to certain parties; from all of those unfair practices from which people have so frequently suffered in this country. It was said, I think, at the time the matter was under discussion in the House, and when I offered several amendments intended to regulate and control the disposition of these products, that it would all be taken care of under general laws, and there was a section 3 in the so-called antitrust bill as it passed the House, which would have punished an attempt to monopolize or unfair practices in the sale of these products, but, lo and behold, when the conferees took possession of that bill and gave it an anesthetic, and then performed a dental operation, and removed all of its teeth, section 3 evaporated into thin air, went out, and became as though it never had been.

So here we are at the end of all this talk with regard to the Alaskan coal situation just exactly where we were before, so far as any protection to the general public that may desire to purchase and use these coals is concerned. No better off in that respect than we would have been under private ownership. This is a beautiful sample of a legislative "ring around the rosy"—talk, talk, talk, discussion, loud insistence upon the protection of the public. After we get all through with it the public is just where it was before, and absolutely without any additional protection whatever. Even the protection of a general statute, which we would have had, had section 3 remained in the antitrust bill, is denied us, and these lessees can monopolize as much as an owner could have monopolized, can proceed to unfair practices just as much as an individual owner could, unless by some process not clearly understood by me the Secretary of the Interior may be able, in the form of a contract, to restrain that sort of thing. I doubt if he will ever be able to do it. So much for that.

There is another very significant feature of this Alaskan legislation. Alaska is a Territory We ought to care for her and care for her people quite as well as we care for the people in the States. We ought to guard their interests quite as much, but no more. What is fair in Alaska touching the public lands and touching the utilization of the products and the revenues from public lands ought to be fair within the confines of the States. In Alaska we give the Territory all of the proceeds of leases, every dollar of them. Some of it is to be spent in the building of railroads in Alaska, and the balance is to be utilized for the building of roads, care of the insane, education, and other purposes, as provided by the legislation creating the Alaskan fund. That is the situation in Alaska. It is a just and proper provision. It is just as it should be.

But what did we do with regard to the States of the Union, the Commonwealths of the Union, in the bill which we passed the other day? First, we repealed the sale laws, and therefore the States will not receive the 5 per cent on sales which they now receive. We repealed the provisions under which oil lands are sold and granted them free, so that the States are deprived of the 5 per cent on sales which they formerly received and the opportunity to tax the lands. Now when lands are sold they go on the tax lists, and the communities tax the lands and the properties for the purpose of building roads, maintaining schools, and paying for all the numberless expenses of a civilized and progressive government. But under the recent leasing legislation the State, while it loses the 5 per cent, while it loses the opportunity to tax these properties, does not receive a single solitary cent in lieu of that which it loses. The entire fund may be taken out of the State, beyond its boundaries hundreds and thousands of miles, and used elsewhere.

Of course there is a provision that ultimately 50 per cent of these funds, when they have been used in a reclamation project somewhere, if those dollars can be tagged so as to be identified and recognized when they return, shall be utilized for the benefit of the communities and the States; but in the meantime, in the 20 or 25 or 30 years that may intervene, what are these communities going to do? Where are they to obtain the funds for the education of their children? From what source are they to secure the money necessary for the building of roads, hundreds of miles of them, that they must build right across these lands that are owned by the Government, and from which they will receive not a sou in the way of income?

No ranker injustice than that was ever proposed or suggested in any legislative body on earth, and I can not understand how gentlemen can bring themselves to agree to deprive the Western States of their largest and most important sources of income, and then turn right around, when it comes to Alaska, and provide that Alaska shall have the benefit of every dollar of the moneys received from the leasing of their lands.

The SPEAKER. The time of the gentleman from Wyoming has expired.

Mr. FERRIS. Mr. Speaker, I have many dear friends on both sides of the aisle in this body and at both ends of the Capitol who feel a good deal as the gentleman from Wyoming [Mr. MONDELL] does, and they think that we are going to do them a great violence and a great injustice. The real truth about it is, however, that we do so many good things for the West that I would be almost afraid to call attention to them for fear that by so doing the legislation might be defeated. I am not going to take up the time now to tell all the good things that this bill does for the West, but I will tell a few of them.

For the last eight years every acre of land in Alaska has been withdrawn from entry, and could not be used for any purpose. This bill authorizes the surface of the land to be used and entered for homes, the same as lands in Wyoming and elsewhere in the far West. That is benefit No. 1. No. 2 provides that the railroads shall pay their honest debts, which the Alaskan railroads agreed to pay. That is No. 2; and it provides, after that, that the proceeds may be used according to the law which I presume the gentleman from Wyoming [Mr. MONDELL] assisted in passing through this House; a law which was passed and approved on January 27, 1905. It was passed before I came here.

Mr. MONDELL. The gentleman should understand that I am not criticizing what he has done in the case of Alaska. On the contrary I am approving it. I am only criticizing him and his colleagues because they have not done it with the States.

Mr. FERRIS. I will say to the gentlemen over there and to the gentlemen over here that if I thought this was an injustice to the West I would not be supporting this bill, because my heart and my interest and my affections are with the West. This bill does more for you out there in the West than you realize, and you ought to approve it. It permits the surface of the land to be used and entered as homes, and to be taxed by the local communities, and it does that in the general bill. Those lands are now tied up, and can not be used for any purpose.

Mr. MONDELL. Will the gentleman allow me to interrupt him one moment further?

Mr. FERRIS. I regret I can not yield.

The SPEAKER. Does the gentleman from Oklahoma yield to the gentleman from Wyoming?

Mr. FERRIS. I want to proceed a moment further. I would like to yield, and I do not want to be discourteous to the gentleman, but I want to proceed.

The SPEAKER. The gentleman from Oklahoma declines to yield.

Mr. FERRIS. Benefit No. 2: This coal is subject to taxation the moment it leaves the mouth of the mine, and your legislature can put an excise tax on the products of the mine and the States will derive that revenue.

Mr. MONDELL. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Oklahoma yield to the gentleman from Wyoming?

Mr. FERRIS. Let me go a little further.

Mr. MONDELL. Just for a question.

Mr. FERRIS. I want to proceed.

The SPEAKER. The gentleman declines to yield.

Mr. FERRIS. Instead of having an outrage committed upon him, the gentleman is having an apron full of apples dumped into his lap. What would the gentleman's solution of this Alaskan problem be? Would the gentleman keep Alaska tied up for eight years more? Would the gentleman say that the coal land there should be sold at $10 per acre, according to the existing law? Would the gentleman say that Secretary Lane ought to restore those lands to entry and let the scandal and riot and trouble arise in Alaska again? I know he would not.

Mr. MONDELL. Mr. Speaker, the gentleman does not want to misstate my position, I am sure. I voted for the gentleman's bill. I propose to vote for the conference report.

Mr. FERRIS. I am not at all nettled by the gentleman's remarks. I am really very glad to hear from him. But the gentleman is particularly caustic in his attacks, in his savage attacks, on this legislation. My service and the service of my colleagues of the Committee on the Public Lands has been an unselfish one from A to Z. What does any member of the committee on the Democratic side, and what does any member of the committee on the Republican side, and what does the Progressive member of the committee profit by working a year, almost, in getting through some legislation that will actually open up Alaska?

I call the attention of my Democratic colleagues to the fact that there is no one here who would want this Congress to adjourn, after making a $35,000,000 appropriation for railroads in Alaska, and still leave the coal lands up there tied up. Is there any gentleman over here on this side or over there on that side who would like to enlist under the banner of the gentleman from Wyoming, whose party's program for Alaska looks to no opening up of that vast region? [Applause on the Democratic side.] Eight long years since the lands were withdrawn have elapsed, and you can not now get enough coal even to put in a stove for fire as the result of the program of the gentleman's party. I freely give the gentleman from Wyoming the credit of bringing into this House a bill four years ago—I think it was four years ago——

Mr. MONDELL. Three years ago——

Mr. FERRIS. Yes; and I joined with him in trying to get some relief for Alaska. We followed his plan then. I voted with him in his efforts to give relief to Alaska. The gentleman was then chairman of the committee and I was a private on the committee. I threw no obstacle in his way. I stood side by side and shoulder to shoulder with him and tried to get that bill through. What happened? The House virtually rolled us up in a ball and tossed us unceremoniously out of the window. We did not get enough votes to know that we were even in the running. What happened? Myself and the 20 patriotic members of my committee joined hands and said, "We will try to pass a bill that will walk hand in hand with Judge Houston's bill, the Alaskan railroad appropriation bill." What did we do? We brought it in here. The House considered it. Republicans helped with it. Democrats helped with it. Everybody helped with it except the gentleman from Wyoming [Mr. MONDELL]. It went to the Senate. Nearly everybody helped with it there. It passed the Senate; it passed the conference. They did not even have a roll call on it when it passed the House. They did not even have a roll call on it when it passed the Senate. Everybody was for it but the gentleman from Wyoming. I do not want to say this, but I can not help but make an observation a little bit personal.

Mr. MONDELL. The gentleman should not say it, because he knows that that is not an accurate statement of the facts.

Mr. FERRIS. I will pause for the gentleman to tell wherein I falsify.

Mr. MONDELL. In the first place, I announced at the beginning of the debate that I was going to vote for the gentleman's bill, and I did vote for it.

Mr. FERRIS. Yes; but——

Mr. MONDELL. But that did not prevent my calling attention to its faults, to those things in which it failed to do the things you claimed you wanted to do.

Mr. FERRIS. Just a moment further. Yes; and the CONGRESSIONAL RECORD makes comment more eloquent than the gentleman from Wyoming can ever make, when it shows that the gentleman threw every possible obstacle he could in the way of the bill. He offered dozens of amendments, some of them consisting of entire bills, some of them consisting of sections of old, discarded, bankrupt bills of his own. He was for it. He was like the man walking one way and looking the other. He was offering obstructive tactics from one end of the bill to the other, and still saying he was for it. Let me make the observation I intended to make a moment ago. It may be a little personal or it may not. I may be in error and I may not; but when I look at the Speaker of this House I call attention to the fact that he used to be a prominent member of the Ways and Means Committee, and I find him helping that committee, pushing and helping to make that committee successful.

I look on the Republican side and I find the gentleman from Illinois [Mr. MANN], who used to be chairman of the Interstate and Foreign Commerce Committee. I find him helping and aiding that committee, trying to make it successful. I find the Speaker trying to make the committee to which he formerly belonged successful. I find the gentleman from Illinois trying to make the committee to which he formerly belonged successful. I find him offering every aid to Judge ADAMSON in his committee; and fond as I may be of my friend from Wyoming, and much as I cherish his opinion, I find him rather lagging in his tent, rather pulling back on his halter, instead of rising to the statesmanship and patriotism that the Speaker does and that the gentleman from Illinois does. I find the gentleman from Wyoming retarding the bill, pulling back instead of pressing forward, and throwing obstacles in our way. I did not intend to say this. I want to say to the gentleman now that any way I can render a little aid, any way I can render a little service toward the development of the West, where every cent and every interest I have on earth is located, I shall do it; and if the fortunes of politics should sweep us from our feet and again sweep the gentleman into power, I will be at his back trying to help him accomplish good things for the West. The gentleman does not know how it sounds when he comes in here and utters weird, fantastic statements that do not even hold together. They are not what he intends to say.

Mr. MONDELL. Mr. Speaker, I ask the gentleman to give me five minutes. He has seen fit to attack me. I think I am entitled to a little time.

Mr. FERRIS. I yield the gentleman five minutes. I hope he will not take much more time, because I do not want to get into a colloquy with the gentleman.

Mr. MONDELL. It is no argument; it is no answer; it never was since time began and it never will be until all things end, to reply to an argument with personal criticism. The gentleman has not referred to or answered the just and proper criticisms I have made of the bill. Now, I like the gentleman from Oklahoma. He and I have worked together here for years, and generally in harmony. He was against the Alaskan railroad bill and so was I, but he criticizes me because I opposed some features of this bill. Is he not subject to the same criticism for opposing as vigorously as he did the bill brought in by his party for the building of an Alaskan railroad? It is no answer to my criticism to say that I have been vigorously and continuously opposed to certain features of the bill. I have not been an obstructionist on this bill. I offered amendments that, in my opinion, would have helped the bill, some of which were adopted. I offered amendments that were intended to protect the purchasers of these products; they were rejected. There is not a line or a syllable in the bill that affords such protection. It does not answer my argument to say that I have been opposed to some of the provisions of the bill. I shall vote for the conference report as I voted for the bill, but I vote for it fully realizing its faults and determined to point them out. I fully realize what the bill lacks, but I am anxious to do something to help open the coal of Alaska to use. I am always glad to join with the gentleman from Oklahoma, and in the main he and I have been in agreement; but he must not criticize me because I object to things that in my opinion, whatever may be his opinion, are subject to criticism.

Mr. FERRIS. I ask unanimous consent that the gentleman from New York [Mr. GOULDEN] have three minutes—not on the bill.

The SPEAKER. The gentleman can yield time.

Mr. FERRIS. The gentleman from New York does not want to speak on the bill.

Mr. GOULDEN. It affects the bill.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent that the gentleman from New York may have three minutes—not on the bill. Is there objection?

There was no objection.

Mr. GOULDEN. Mr. Speaker, I think perhaps what I have here may throw oil on the troubled waters between the two distinguished gentlemen from the West, both of whom are my personal friends. Therefore I ask the indulgence of the House to read it. It is entitled "Out Where the West Begins." It has been my privilege to have traveled over this country extensively, and having a great many friends in the West, of whom I am very fond, and as the subject before the House deals with that section, I think it deserves a place in the records of Congress about this time. The poem, the author being unknown to me, is entitled:

OUT WHERE THE WEST BEGINS.

Out where the hand clasps a little stronger,
Out where the smile dwells a little longer—
That's where the West begins.

Out where the sun's a little brighter,
Where the snow that falls is a trifle whiter,
Where the bonds of home are a wee bit tighter—
That's where the West begins.

Out where the skies are a trifle bluer,
Out where friendship's a little truer,
Out where everything is newer—
That's where the West begins.

Out where a fresher breeze is blowing,
Where there's laughter in every streamlet flowing,
Where there's more of reaping and less of sowing—
That's where the West begins.

Out where the West is in the making,
Where fewer hearts with despair are aching,
Where there's more of giving and less of taking—
That's where the West begins.

Where there's more of singing and less of sighing,
Where there's more of giving and less of buying,
And a man makes friends without half trying—
That's where the West begins.

[Applause.]

The SPEAKER. The question is on agreeing to the conference report.

The question was taken, and the conference report was agreed to.

On motion of Mr. FERRIS, a motion to reconsider the vote whereby the conference report was agreed to was laid on the table.

ADJOURNMENT OVER SATURDAY.

Mr. UNDERWOOD. Mr. Speaker, I understand that a number of Members desire to leave the city on Saturday, some of whom have to return to their homes to register. The program of the House is about completed, except when the revenue bill comes back. I have no desire to keep Members here, and I know that it is necessary for them to be in their districts at this time. All I have to ask is that when the revenue bill does come back Members will furnish a quorum to expedite that measure, and I would like to first ask that when the House adjourns to-morrow it adjourn to meet on Monday next. Monday is unanimous-consent day, and I think it is advisable that we do not adjourn over that day.

The SPEAKER. The gentleman from Alabama asks unanimous consent that when the House adjourns to-morrow it adjourn to meet on Monday next. Is there objection?

There was no objection.

REPEAL OF HOUSE RESOLUTION 601.

Mr. UNDERWOOD. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the Clerk's desk.

The Clerk read as follows:

House resolution 649.

Resolved, That House resolution 601 directing the Sergeant at Arms to enforce section 40 of the Revised Statutes of the United States is hereby repealed.

Mr. UNDERWOOD. Mr. Speaker, I offered that resolution as the proponent of the original resolution. It was necessary when the original resolution was passed to maintain a quorum in the House. At the present time business is not pressing, and I believe the membership of the House are willing to respond when the revenue bill comes back. In the meantime there may be some days in which the Members can go to their districts, and I do not think they ought to be penalized when they return to their constituency with an election just coming on.

Mr. HENRY. Mr. Speaker, reserving the right to object, I would like to ask if the adoption of this resolution contemplates the repeal of that statute?

Mr. UNDERWOOD. No; it does not; it could not.

Mr. HENRY. I would like to see the statute repealed, and if there is any way to get up a bill to repeal it I would like to see it done. I do not want to embarrass the resolution presented by the gentleman from Alabama, but I would like to have such a bill considered by unanimous consent.

Mr. MANN. May I make a suggestion to the gentleman?

Mr. UNDERWOOD. I will yield.

Mr. MANN. I think possibly if the distinguished gentleman from Texas, chairman of the Committee on Rules, would report a rule for immediate consideration of such a repealing bill that the rule would pass.

Mr. HENRY. Personally, committing myself to the proposition now, I would like to see the statute repealed to-day. I am ready to do it.

Mr. UNDERWOOD. Mr. Speaker, I will say this: So far as the statute is concerned, I think this House should have control of its Members, but I do not believe that there ought to be a final repeal of the statute entirely. I think the statute works too great a hardship. I think it ought to be amended so as to only invoke the penalty against a Member when he is absent without leave of the House. That would give the House the right to grant leave to any Member that had a good excuse and yet exercise the power of the House to bring the man back.

Mr. HENRY. I do not want to embarrass the gentleman from Alabama, but I would like to say that it may be necessary next week to have a quorum on some other matters beside the war-revenue measure.

Mr. UNDERWOOD. I will say that so far as I am concerned when there is business before the House I shall exercise all the power I have to furnish a quorum, but I do not want to embarrass Members at this time.

Mr. HENRY. I do not want to sit here silent and let Members think that there may not be any necessity for a quorum early next week.

Mr. RAKER. Mr. Speaker, reserving the right to object, can the gentleman give us any idea about when the revenue bill may come to the House?

Mr. UNDERWOOD. I can not; it depends on the debate in the Senate. I do not think it will get back to the House before the middle of next week.

Mr. RAKER. Take my case. It takes me five or six days to get home. Suppose I start home, and next week you are without a quorum and an order for arrest is issued, would I be arrested and brought back?

Mr. MANN. The gentleman would be if the Sergeant at Arms could catch him; but if the gentleman was a day ahead he could not.

Mr. UNDERWOOD. I will say to the gentleman from California that I do not see that the order would very much relieve his situation, being so far away from home; but it will relieve a number of gentlemen who are only 24 or 36 hours away.

Mr. RAKER. I want to put my case plainly. I am going to have it fixed now, because it is very important to me. The rule, I suppose, should be applied to all, and it would be the duty of the Sergeant at Arms to serve his warrant of arrest, and it would be my duty to come back from California in order to preserve a quorum?

Mr. MANN. Will the gentleman yield to me for a moment?

Mr. UNDERWOOD. Yes.

Mr. MANN. I realize that, in justice to this House, many Members probably ought to go to their districts before the election. I have recently told Members on this side of the House that I thought they were at liberty to go home, with the understanding that if necessary to make a quorum those who were near enough should come back when this side of the House asked them to. As far as I am concerned, under the circumstances, while I may not be in favor of the proposition before the House, I would do everything I could to have Republicans enough present to make their share of a quorum so that the House might transact its business.

Mr. HENRY. Mr. Speaker, let me ask the gentleman if he thinks it will be possible to secure a quorum within 24 hours after it may be necessary to have one here?

Mr. MANN. I can not say whether it would be 24 hours or 48 hours, but I think it is quite possible to secure a quorum within a very short time.

Mr. HENRY. I want to be fair about it. The gentleman understands that I am in hopes that we can have legislation on the cotton situation.

Mr. MANN. I agree with the gentleman. I hope we will have legislation to relieve the cotton situation.

Mr. TAYLOR of Colorado. Mr. Speaker, will the gentleman yield?

Mr. UNDERWOOD. Yes.

Mr. TAYLOR of Colorado. Mr. Speaker, I would like to ask if the Members from the far West, who have been here all of the time, who did not even go home during the interim between the conclusion of the regular session and the beginning of the extra session—that is, between the 4th of March and the 7th of April—about 20 of us, who have helped make a quorum here for a year and a half, could not be excused now and be permitted to go home and not required to come back to make a quorum during the rest of the session?

Mr. MANN. Mr. Speaker, if the gentleman would take my advice on the subject, I would advise him to go home and not to pay any attention to any request the Sergeant at Arms might make to him. The Sergeant at Arms may not be permitted to make a discrimination, but the gentleman from the far West will not be needed to come back to make a quorum before the election, because we can get a quorum otherwise.

Mr. HENRY. Mr. Speaker, I would like to ask the gentleman from Alabama when he thinks Congress may finally adjourn?

Mr. MANN. When will the European war end? [Laughter.]

Mr. UNDERWOOD. As far as I can tell, I do not think the revenue bill will be back to the House before the middle of next week. If it comes back by Wednesday, I do not believe it will be possible to adjourn before Saturday week.

Mr. HENRY. The gentleman really thinks it may be Saturday week before we adjourn?

Mr. UNDERWOOD. I do not think it can be before then.

Mr. HENRY. If he does, then I have nothing further to say.

Mr. UNDERWOOD. I do not think we can adjourn before that time.

Mr. RAKER. Mr. Speaker, will the gentleman yield?

Mr. UNDERWOOD. Yes.

Mr. RAKER. Is it the general consent of the House after this is through that I may be excused from attendance on the House during the rest of the session?

Mr. BUTLER. Yes.

Mr. RAKER. That might be the gentleman's view, but I know he does not mean it. My Republican friend can not get rid of me that easy.

Mr. MANN. Oh, I think we ought to have the presence of the gentleman from California as much as possible during his limited stay here.

Mr. RAKER. I want to say that I have been attending to my duty for months, when the gentleman who made the remark about my being excused has been away for months.

Mr. MANN. The gentleman from California has been here so long that it is getting on his nerves.

Mr. FINLEY. Mr. Speaker, will the gentleman yield?

Mr. UNDERWOOD. Yes.

Mr. FINLEY. Does the gentleman from Alabama have any doubts about the ability of the House to get a quorum here without a great deal of trouble in the event this resolution is repealed at this time?

Mr. UNDERWOOD. I have no doubts about it. If I thought there were any doubts about the Members coming back to furnish a quorum to pass the revenue bill I would not ask for this repeal, and I will say further to the gentleman that if they do not come back I shall offer another resolution proposing the same thing as I did before, but I think they will come back.

The SPEAKER. Is there objection?

Mr. CRISP. Mr. Speaker, will the gentleman yield for a question?

Mr. UNDERWOOD. Certainly.

Mr. CRISP. Will this repeal have any effect on reimbursing those Members whose salaries have been docked under the power of the resolution?

Mr. UNDERWOOD. Not at all.

Mr. CRISP. Personally I would like to see them reimbursed. It does not affect me.

Mr. BRYAN. Will the repealing of this resolution have a retroactive effect so as to save former absentees?

Mr. UNDERWOOD. I suppose it would for this month.

Mr. BRYAN. Does not the gentleman think that this is an unheard of and preposterous statute, which can be suspended at will, put up or down, according to the will of the majority?

Mr. UNDERWOOD. I agree with the gentleman about that.

Mr. BRYAN. It is a preposterous proceeding that a statute may be a law when we want it and not a law when we do not want it. It seems to me a serious thing to suspend the enforcement of a law, if it is in truth a law.

Mr. BARTON. Mr. Speaker, will the gentlema.. yield?

Mr. UNDERWOOD. Yes.

Mr. BARTON. Before the resolution is passed I want to know if the passage of it relieves the Sergeant at Arms from making a deduction that the former resolution called for?

Mr. UNDERWOOD. It would so far as this month is concerned.

Mr. MANN. It leaves it to the Sergeant at Arms.

Mr. UNDERWOOD. Yes; and I have no doubt that he will use wise discretion.

Mr. PADGETT. Mr. Speaker, will the gentleman yield?

Mr. UNDERWOOD. Yes.

Mr. PADGETT. The gentleman stated that he thought the law ought to be amended so that leave of the House would be a valid excuse.

Mr. UNDERWOOD. Yes.

Mr. PADGETT. A great many Members were absent under leave of the House when the resolution was passed on August 25, and they immediately returned, but pending the time for them to reach here by the usual and most rapid method of travel they were absent a day or two.

Mr. UNDERWOOD. I will say to the gentleman from Tennessee that I do not think now is a very auspicious time to hold a post mortem.

Mr. PADGETT. Would the gentleman object to an amendment to his resolution to provide that it should be operative from August 25 last?

Mr. UNDERWOOD. Oh, I do not think that would do now.

Mr. MANN. That would not have any effect. I would further suggest to the Members of the House that the repeal of this resolution will not deprive any Member of the House of the right to make a certificate to the Sergeant at Arms that he was absent, in accordance with the provision of that section of the law, and is not entitled to his pay for the time that he has been absent. [Laughter.]

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The question is on the resolution.

The question was taken, and the Speaker announced the ayes seemed to have it.

Mr. BRYAN. Mr. Speaker, I call for a division. I will not vote to suspend the enforcement of a law. We put it on with a roll call; now let us put it off with a roll call.

Mr. BUTLER. Do not let us do anything of the kind; let us all get away from here.

Mr. BRYAN. Mr. Speaker, I call for a division, and I am going to vote no.

The question was taken; and there were—ayes 81, noes 8.

So the resolution was agreed to.

Mr. FERRIS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. FERRIS. If this House passes a resolution at this time to the effect that the sense of this House was that the Sergeant at Arms should reimburse the salaries to the Members who have lost them, would he be compelled to do it?

The SPEAKER. The Chair thinks it would take a joint resolution to do it.

Mr. FERRIS. It ought to be done.

The SPEAKER. Sufficient unto the day is the evil thereof. [Cries of "Regular order!"] Under the rule, this being Calendar Wednesday, the House resolves itself automatically into the Committee of the Whole House on the state of the Union——

Mr. UNDERWOOD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. UNDERWOOD. I understand that my request that when we adjourn on Friday we adjourn to meet on Monday is agreed to?

The SPEAKER. Yes.

Mr. MOSS of Indiana. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Indiana rise?

Mr. MOSS of Indiana. Mr. Speaker, I want to ask unanimous consent that to-morrow, after the conclusion of the speeches of Mr. MANN and Mr. UNDERWOOD, I be given 30 minutes to make an address to the House on rural credits, especially to discuss two bills, one framed by the subcommittee of the Committee on Banking and Currency and the report made by the United States commission, confining my remarks to those two bills.

The SPEAKER. The gentleman from Indiana asks unanimous consent that to-morrow, after the hour granted to the gentleman from Alabama and the gentleman from Illinois each has been concluded, he shall be permitted to address the House for 30 minutes on the subject of rural credits, the speech to be confined to that subject. Is there objection?

Mr. MOORE. Is the gentleman's request merely to make an addresss?

The SPEAKER. Yes.

Mr. MOORE. I have no objection.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. RAKER. Mr. Speaker, I ask unanimous consent that I be excused from further attendance on the House for the next three weeks.

The SPEAKER. The gentleman from California asks unanimous consent that he be excused from attendance on the House for three weeks. Is there objection?

Mr. DONOVAN. I object, Mr. Speaker.

CALENDAR WEDNESDAY—REVISION AND CODIFICATION OF PRINTING LAWS.

The SPEAKER. The House automatically resolves itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 15902, and the gentleman from North Carolina [Mr. PAGE] will take the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 15902, the title of which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 15902) to amend, revise, and codify the laws relating to public printing and binding and the distribution of Government publications.

The Clerk read as follows:

SEC. 69. PAR. 2. The Joint Committee on Printing shall have control of the arrangement and style of the CONGRESSIONAL RECORD, and while providing that it shall be substantially a verbatim report of the proceedings of Congress shall take all needed action for the reduction of unnecessary bulk, and shall provide for the publication of an index of the CONGRESSIONAL RECORD semimonthly during the sessions of Congress and promptly at the close thereof, and for a table of contents in each issue of the RECORD.

Mr. MANN. Mr Chairman, the gentleman from Indiana will remember I took up some time ago with the Joint Committee on Printing the question of whether it would be possible to have

the index to the CONGRESSIONAL RECORD kept up to date so that you could find something, that index being now semimonthly, and that is what is appropriated for here.

Mr. BARNHART. I did not get the gentleman's question.

Mr. MANN. I think we print the index now every two weeks, but this says semimonthly. But is it not every two weeks?

Mr. BARNHART. Yes; every two weeks.

Mr. MANN. We print the index to the CONGRESSIONAL RECORD every two weeks with a table of contents, and if you want to know whether a thing passed last summer, April, May, or June, you can not find it without looking through all the indexes for that period unless you are lucky enough to strike it the first time. But if you want to know whether a certain thing has been done during this session of Congress, the CONGRESSIONAL RECORD index furnishes very little information unless you sift through all the indexes. We have now had a session of Congress running nine months. When I took up this matter with the Joint Committee on Printing some time ago I asked what figures they could give, and they gave very large figures for keeping the index current like it is when the final index is finished. I do not know if there is any way of doing that without great expense, but to gentlemen who have occasion now to look up legislation that has taken place at this session of Congress the CONGRESSIONAL RECORD index is of very little value unless you know about the date.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. MANN. Certainly.

Mr. JOHNSON of Washington. Is the index as prepared now paid for on the item basis?

Mr. MANN. I do not know how it is paid for.

Mr. JOHNSON of Washington. My impression is it must be.

Mr. MANN. I think not.

Mr. BARNHART. It is paid for on the page basis.

Mr. JOHNSON of Washington. In a long session like this that is equivalent to a good bonus during this Congress.

Mr. MANN. Why?

Mr. JOHNSON of Washington. If in the last Congress payment to the indexer was a very considerable sum, this session it will be far in excess over the other—a very handsome profit, indeed, and a sum of money probably to justify an index in daily form.

Mr. MANN. I think the expense referred to by the Committee on Printing when I took the matter up was not the expense of making the index, but the expense of printing and paper. I am sorry I have not the letter here.

Mr. BARNHART. I have the letter. Would the gentleman like to have it read?

Mr. MANN. Yes.

Mr. BARNHART. It says:

The cost of printing 30,000 copies of the Index and the History of Bills and Resolutions in the present form, as it is now printed, is $29,348.20.

The cost of printing 30,000 copies of accumulative Index and History of Bills and Resolutions, complete every two weeks, would be $181,123.40.

The cost of printing the same number of copies of accumulative Index without the History of Bills and Resolutions every two weeks would be $120,930.60.

The cost of printing 575 copies of a cumulative Index and History of Bills and Resolutions every two weeks for congressional use and 29,425 copies of Index and History of bills and Resolutions in the present form for subscribers would be $90,825.79.

Mr. JOHNSON of Washington. Does that include the editing?

Mr. BARNHART. No. It would not cost any more for editing. The same editorial force would likely do the work.

Mr. MANN. I think this is largely for paper.

Mr. BARNHART. Paper and resetting type. I will say to the gentleman from Illinois that the information of the committee is that it would require resetting continually, and the printing, binding, and so forth, additional.

Mr. MANN. I do not know why it would require any large amount of resetting——

The CHAIRMAN. The time of the gentleman from Illinois [Mr. MANN] has expired.

Mr. MANN. Mr. Chairman, I ask unanimous consent for five minutes more.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to proceed for five minutes more. Is there objection?

There was no objection.

Mr. MANN. Of course it would require a change in the forms, and perhaps that would require more or less resetting to bring it down to date. Of course I do not think it would be worth while to go to the expense of $100,000 extra to have the index. Probably it would not be necessary if you had an index and sent it out to all the subscribers; but there ought to be some way by which Members of Congress can keep track of what has been done at this session of Congress. You can go and get the Index for the last session of Congress—and that is complete—and look up the RECORD, but if you want to find what has been done at this session of Congress you can not do it without a large amount of labor, looking through a whole lot of semiweekly or semimonthly indexes. I do not know as there is any way to do it otherwise. Perhaps I make more use of it than most of the Members, and it would be cheaper to give me an extra clerk—which I am not going to ask for—to have matters looked up. But the present method is a very unsatisfactory one where you have a long session of Congress.

Mr. BARNHART. Will the gentleman yield?

Mr. MANN. Certainly.

Mr. BARNHART. The committee fully realizes all that the gentleman from Illinois has said.

Mr. MANN. I understand.

Mr. BARNHART. We have gone into it from every possible angle, and there seems to be no other way, and so far as the increased cost is concerned, I might say the difficulty about that is that there are so many corrections that it virtually means resetting the entire index every time it is changed, and it must be changed, as a matter of course, in order to keep it up to date. Now, all the committee has is the estimate and the word of the Public Printer and those who have had charge of this work for all of these years. We asked them to give us an intelligent plan by which this might be changed, and they said there was no plan except the one suggested by the gentleman from Illinois, and the cost of that was so colossal that the committee decided it would not recommend it.

Mr. MANN. I agree with the committee that the cost that was presented seemed larger than the value of the additional work, unless it could be printed in only a small number; that is, if the principal cost was paper. But possibly that is not the case—it might be resetting—but so that there might be some index by Members of Congress, at least. I thought possibly we could just add a line and insert.

Mr. BARNHART. They say not. They say it means resetting continuousy, practically, and that is what makes the cost so high. That and the paper make the cost. The composition is quite expensive.

Mr. MANN. There are several things that the Congress can do which would very greatly expedite the work of Members in looking up things. Of course, you do not have anything to do with the indexing of the proceedings of the House. The index of the House, after the Senate bill as passed the House, does not show in the House index at all. And the man that has to look up something, as many of us have to do constantly, to see whether a bill has passed the House or not, finds it is almost impossible to do it unless you have a clear recollection. My memory is fairly good about legislative proceedings, and yet frequently I have to have somebody spend half a day to find something.

Mr. BARNHART. So far as the perscnal experience of the chairman of the committee is concerned, he learned after he had been here two or three years and worn his gray matter to a frazzle in trying to find things by the index, that about the shortest cut to it was to go to the document room and get somebody with a good recollection to give him information offhand. It is a complex situation, and it seems there ought to be some way to have it remedied, but how?

Mr. MANN. I frequently go to the document room for information, and about as frequently they come to me for information.

Mr. JOHNSON of Washington. Mr. Chairman, I move to strike out the last two words. I believe that by the introduction of an amendment at the end of line 21, making it read "on a plan to be devised by the Public Printer," an indexing plan can devised, the cost of which need not exceed the pay of two men at $3,500 a year.

The index of bills passed can be devised and carried on and the RECORD can be indexed daily. The simply indexing of the daily RECORD can be done every night when the copy for the RECORD is cut out and assigned by indexing the RECORD in four sections—one for the Senate, and one for the House, and one for bills, and one for resolutions. Section 3 will cover bills and section 4 speeches, and a little calendar can be carried on the top, if the Public Printer is so requested, without any additional cost except that of a sheet of white paper—a sufficient index to enable Members of Congress and others to pick out the things in which they are particularly interested.

The matter of indexing has become an expert science. There are several large schools in the United States which teach library and other indexing, and I am satisfied, if the chairman will accept the amendment which I shall offer, giving the Public Printer the authority to devise that plan, that it can be carried out with little additional expense. I offer an amendment at the end of line 21, on page 90, to strike out the——

Mr. BARNHART. Mr. Chairman, we have passed the section.

The CHAIRMAN. The Clerk informs the Chair that he read down to page 91.

Mr. JOHNSON of Washington. We are providing now for the daily indexing, are we not?

Mr. BARNHART. That is in section 69, paragraph 2, that we are now discussing.

Mr. JOHNSON of Washington. I will withdraw my amendment, then, for the present.

The CHAIRMAN. The amendment is withdrawn. The Clerk will read.

The Clerk read as follows:

SEC. 69. PAR. 4. No matter that is not germane to the business before either House, except such as shall be spoken in order, shall be printed in the CONGRESSIONAL RECORD unless specifically authorized by the respective House after having been referred to and reported upon by its Committee on Printing: *Provided*, That either House may grant a Member leave to print or extend his remarks in the RECORD upon a stated subject, but the matter so printed shall be germane to such subject and shall not, unless otherwise authorized, exceed four pages of the RECORD in length: *Provided further*, That no address or speech not delivered in either House, and no book, pamphlet, newspaper or magazine article, or document, except reports of committees, shall be printed in the CONGRESSIONAL RECORD unless read in order in either House or authorized by it after having been referred to and reported upon by its Committee on Printing.

Mr. MANN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Illinois moves to strike out the last word.

Mr. MANN. Here is a change in the practice of the House, proposed by this bill, which is revolutionary. There are now on the floor of the House 16 Members of the House; maybe 17. If this paragraph goes into the law and is observed, the four hundred-odd Members who are not present now will have all kinds of cat fits when they learn about it.

Mr. HUMPHREY of Washington. Tell us about it now, so that we can have a little fit right at present. [Laughter.]

Mr. MANN. It will render my friend from Washington more anxious than ever to address the House [laughter], which he always does with grace and value to the House. But there are many Members of the House who insert speeches in the RECORD by permission. This morning by unanimous consent we authorized the insertion of a political speech made by the Speaker a few days ago. It is done every day. But under the provisions of this paragraph no extensions can be made or leaves to insert speeches can be granted unless they are not to exceed four pages in length and are germane to some particular subject when the request is asked for. You could not insert the speech of the Speaker; you could not insert a letter of the President; you could not insert anything unless the Committee on Printing had reported it into the House.

Mr. FINLEY. Mr. Chairman, will the gentleman yield?

Mr. MANN. Certainly.

Mr. FINLEY. Is not what is provided here substantially and theoretically, at least, what is the practice in the United States Senate to-day?

Mr. MANN. No; I beg the gentleman's pardon. The Senate of the United States, while it does not follow our practice about extension of remarks theoretically, in fact, it does in many cases, and there is more extraneous matter inserted in the RECORD in the Senate than there is in the House.

Mr. FINLEY. Well, now, just there, is not that usually stated to be, and as a matter of fact is, the production of some one else, and they state that they will insert it?

Mr. MANN. Well, that is very apt to be the case; yes.

Mr. FINLEY. What I had allusion to is this, that unless a matter is actually spoken in the Senate it is presumed not to go into the RECORD.

Mr. MANN. I believe that is the presumption, though it is a somewhat violent presumption; but the situation here is entirely different. The House has 435 Members. We bring in a rule here for the consideration of a bill. Under the rules of the House the Member who obtains the floor in general debate is entitled to an hour's time. We know that we can not give 435 hours to the consideration of a bill in the House, and the rule authorizes, and very often by unanimous consent the House authorizes, general leave to print.

Mr. FINLEY. Just there, Mr. Chairman; on page 91, section 69, paragraph 4, it is provided that either House may grant a Member leave to print or extend his remarks in the RECORD upon a stated subject, but the matter so printed shall be germane to such subject and shall not, unless otherwise authorized, exceed four pages of the RECORD in length—not upon the subject of debate, but the subject that he mentions.

Mr. MANN. Yes; but the general debate in the House is not confined in the Committee of the Whole House on the state of the Union to the bill pending before the House. You do not seek to change that rule of the House, but a Member who obtains leave to extend his remarks must state the subject and must confine himself to the subject; and under this it is the duty of the Public Printer to read his remarks and see if he does confine himself to the subject, and if not, not print them. Of course the Public Printer will not do that and nobody expects him to do it.

Mr. BARNHART. Mr. Chairman, will the gentleman yield there?

Mr. MANN. Yes.

Mr. BARNHART. I am constrained to think that the gentleman from Illinois has not examined that as carefully as he might.

Mr. MANN. I hope the gentleman from Indiana will not think that the gentleman from Illinois has not considered that carefully. I examine all these matters carefully, and I have examined this one carefully.

Mr. BARNHART. No doubt, from the statement that the gentleman makes, he feels that he is right, but he does not take into consideration lines 20 and 21 on page 91, and he does not take into consideration the provisions beginning on line 23 of page 91, because that language is as plain as words can make it that—"except such as shall be spoken in order" no matter "shall be printed in the CONGRESSIONAL RECORD unless specifically authorized by the respective House."

Mr. MANN. Oh, yes; but the gentleman did not read the rest of it. Read the rest of it.

Mr. BARNHART. I read:

After having been referred to and reported upon by its Committee on Printing.

Mr. MANN. That was what I was talking about.

Mr. BARNHART. It is the matter that is not germane that he is referring to, not the spoken matter.

Mr. MANN. Of course words spoken in the House are not affected by this. The gentleman said I had not read the paragraph. It was the gentleman who had not recently read the paragraph. I said you could not put anything in here, practically, without having the Committee on Printing pass upon it.

Mr. HUMPHREY of Washington. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman yield?

Mr. MANN. Certainly.

Mr. HUMPHREY of Washington. Under the provisions of that paragraph, could the letters that the President is going to write, commending these various gentlemen for their performance, be put in the RECORD?

Mr. MANN. Not unless they were read in the debate in the House or the Committee on Printing reported favorably on it and the House should pass an order permitting it.

Mr. HUMPHREY of Washington. Then I am against it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BARNHART. I ask unanimous consent that the time of the gentleman from Illinois be extended five minutes.

The CHAIRMAN. Unanimous consent is asked that the time of the gentleman from Illinois [Mr. MANN] be extended five minutes. Is there objection?

There was no objection.

Mr. FINLEY. I will supplement the answer of the gentleman from Illinois by saying it could not be done unless the House granted leave.

Mr. MANN. No; but the House can not grant leave for such a thing without referring it to the Committee on Printing.

Mr. GOULDEN. If the gentleman will yield, I want to ask the gentleman if he does not think that the four-page limit is a most commendable and wise provision to be placed in the bill? I have never heard the gentleman from Illinois [Mr. MANN] make a speech of sufficient length to cover more than four pages of the RECORD, and I think most of the men whose speeches are read and have any influence on the country at large never exceed that, because I think no one has the time to read a speech that covers 10 or 15 pages of the RECORD.

Mr. MANN. I made a speech on the pure-food bill that cost me $1,000 to print, which was much longer than that, and much of it consisted of extracts which by permission were inserted in the RECORD.

Mr. GOULDEN. I hope the Lord will forgive the gentleman.

Mr. MANN. Now, my understanding is that that could not be done under this bill.

Mr. FINLEY. Those extracts that the gentleman had printed were germane, were they not?

Mr. MANN. I think they were.

Mr. FINLEY. Does not the gentleman think that would come under this provision?

Mr. MANN. Not if they exceed four pages in length.

Mr. FINLEY. My view is that permission for the insertion of matter in the RECORD will go on much as it has gone on before.

Mr. MANN. I expect so. Why? Because the Public Printer will not undertake to carry out the law, and the result of it will be that Members of the House who are conscientious in their endeavor to obey the law will not print these speeches in the RECORD, and those who do not care whether they obey the law or not will print them in the RECORD. That happens now, sometimes.

Mr. FINLEY. That is an abuse which is practiced at times, is it not?

Mr. MANN. It is an abuse that you are going to encourage the practice of.

Mr. FINLEY. The purpose is to stop abuses to some extent.

Mr. MANN. If the gentleman will pardon me, I did not even say that I criticized the provision in the bill. I think it would be very unfortunate for the House to pass a proposition of this sort without anybody calling attention to what it means. Here is an entirely revolutionary proceeding in the House. A few moments ago, as I stated, there were 17 Members on the floor of the House. I do not propose to make the point of no quorum, because I do not wish to delay the consideration of the bill, and I do not propose to make a motion to strike this out, although I doubt whether it will ever become a law, and I am sure that if it does it will raise as much trouble as the docking resolution which we repealed this afternoon. It is impossible for all the Members of the House who wish to put their views in the RECORD to obtain the floor to make their speeches in the House itself, or to obtain permission under the provisions of this bill to insert speeches. Now, I have reached that stage in the proceedings of the House where I make too many speeches, where usually I get the floor without great difficulty, and where I seldom extend remarks. But I tell you that you can not enforce the provisions of this paragraph with the old Members of the House who have acted differently or with the new Members of the House who have no other opportunity to get into the RECORD. Refer it to the Committee on Printing! Well, I shall be sorry for the chairman of the Committee on Printing if this ever gets to be a law.

Mr. BARNHART. Mr. Chairman, like the gentleman from Illinois, I am very sorry that there are not more Members here to participate in the consideration of this important question; but, notwithstanding, I would like to call attention to a few features of the abuses under the present privilege of RECORD printing, that have grown to such proportions that, it seems to me, they ought to be corrected by some form of legislation. I understand that no enactment can be effective that may not inflict some hardship. And yet, Mr. Chairman, after years of deliberation, first by one committee and then another, we have reached the conclusion that there ought to be some method by which the privilege of padding the CONGRESSIONAL RECORD to such an extent that it is a joke throughout the country ought to be curtailed. I want to call attention to a few specific instances, and I am not going to be partisan about this matter, and I am not going to mention names, because it is just as bad on this side of the House as it is on the other side, and I do not know but in one or two instances the big scandal that might have been precipitated if the newspapers of the country had known it would have fallen upon the Democratic side of the House. With due regard to his vast learning, the committee probably knows as much about this question as the gentleman from Illinois, and that is not any reflection on him. It is no extravagant self-praise of the committee to say it has been over these things studiously, and I want to call attention first to the provisions of the bill as we believe it should be, beginning with line 18, on page 91. I want to get this into the RECORD:

SEC. 69. PAR. 4. No matter that is not germane to the business before either House, except such as shall be spoken in order, shall be printed in the CONGRESSIONAL RECORD unless specifically authorized by the respective House after having been referred to and reported upon by its Committee on Printing.

That means that Dick, Tom, and Harry will not be permitted hereafter to jump up and offer all sorts of material for CONGRESSIONAL RECORD purposes, which has no place therein whatever.

Mr. MANN rose.

Mr. BARNHART. I hope I will not be interrupted until I have finished this, and then I will answer any question. This bill provides that—

either House may grant a Member leave to print or extend his remarks in the RECORD upon a stated subject—

just as we do now; we always require mention of the subject on which he is going to extend his remarks—

but the matter so printed shall be germane to such subject and shall not, unless otherwise authorized, exceed four pages of the RECORD in length: *Provided further*, That no address or speech not delivered in either House, and no book, pamphlet, newspaper or magazine article, or document, except reports of committees, shall be printed in the CONGRESSIONAL RECORD unless read in order in either House or authorized by it after having been referred to and reported upon by its Committee on Printing.

Mr. Chairman, the committee believes that this will effectually safeguard the recklessness with which matters not germane to questions in hand nor to any subject of legitimate consideration by the House are thrown into the CONGRESSIONAL RECORD.

I want to give you a few instances. Under leave to extend remarks during the tariff debate not long ago a Member of the House inserted as a part of a general speech six bills not relating to the tariff introduced by himself, filling four pages of the CONGRESSIONAL RECORD, and then added another page of his biography from the Congressional Directory.

Under leave to extend remarks during the currency debate a Member put in the RECORD a description of his European trip as printed in the Washington Post, discussing the cost of the trip, his seasickness, the cathedrals that he saw, and details of the complexity of foreign languages which he encountered.

Mr. BUTLER. Did he publish his photograph with it?

Mr. BARNHART. He probably would have if he could have got it in. The gentleman also published some correspondence with a Senator, and, under leave to extend his remarks, inserted it the next day after Congress adjourned, in which he bitterly assailed the Senator, contrary to all rules of either House.

Another gentleman, a Member of this House, under leave to print in the RECORD, put in a speech delivered by a former member of the President's Cabinet at a funeral of a celebrated brewer of the United States, thus adding advertising publicity to a certain brand of goods a like product of which made a certain city famous.

This same gentleman, under leave to extend remarks, inserted in the RECORD the index of the CONGRESSIONAL RECORD for the first and second sessions of the Sixty-second Congress relating to himself, here and there.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. BARNHART. Mr. Chairman, I ask unanimous consent that I may have five minutes more.

The CHAIRMAN. The gentleman from Indiana asks that his time be extended five minutes. Is there objection?

There was no objection.

Mr. BARNHART. Another Member of this House, under leave to print, extended his remarks, inserting in the CONGRESSIONAL RECORD the official proceedings of the third biennial meeting of the National Democratic League of Clubs, with an extended list of the contributors and expenditures, filling, in all, 20 pages of the CONGRESSIONAL RECORD. It costs $31.05 a page, running cost of the CONGRESSIONAL RECORD, to publish it. So that it cost over $600 to insert these 20 pages of folderol about a Democratic league of clubs that originated and was kept afloat by a certain gentleman whose name I will not mention, largely for the purpose of providing himself with a job. What has become of the league I do not know, but I know it was an outrage for anyone to insert in the RECORD that stuff, not because it was any reflection upon the party, but because it had no business in the RECORD.

Another gentleman inserted in the RECORD, under leave to extend remarks, the constitution of the Women's National Democratic League. Another, under leave to extend remarks, inserted in the RECORD 30 pages of the official review of the Chicago convention contest, a memorable occasion, in which our friends the enemy broke up and had more or less of an extensive row. It had no place in the RECORD any more than the report of the Democratic League of Clubs.

Mr. MANN. Will the gentleman yield for a question?

Mr. BARNHART. I will in a moment, after I have finished this. In another instance a Member of Congress, not at this end of the Capitol, inserted an article entitled "The Mission of Woman," and this article was afterwards expunged from the RECORD by order of the Senate and then reprinted in it after the serious objectionable parts had been taken out. The article was written 40 years ago, and said of the women of the North:

They would fain enter the lists of pothouse politicians and become the rivals of negroes. Let them, O fair daughters of the South, pursue their own course. But if they will unsex their souls, let them at the same time lay aside their modest apparel.

Another abuse not so very long ago was when there was inserted in the CONGRESSIONAL RECORD an allegorical cow that to my certain knowledge was 25 years old, because it had been published in a newspaper away back as far as the days of Coin Harvey. And yet in the recent past a cartoon of that sort, without consent of the Joint Committee on Printing, was inserted in the CONGRESSIONAL RECORD. If it had been first submitted, under the provisions of this bill, it never would have

been put in the RECORD, and thus caused the merited criticism of newspapers throughout the country.

Mr. HUMPHREY of Washington. That was not chargeable to this body, was it?

Mr. BARNHART. No; it was not; and yet it got into the CONGRESSIONAL RECORD. The general public does not discriminate as to who authorizes it; they only see the abuse.

Mr. HUMPHREY of Washington. The point I am trying to bring out is that all the abuse of this kind is not attributable to this body, where we are given leave to extend remarks.

Mr. BARNHART. Oh, no.

Mr. GOULDEN. Will the gentleman yield?

Mr. BARNHART. Yes.

Mr. GOULDEN. Is it not a fact that these examples the gentleman has given, which I admit are outrageous, are rather the exception than the rule? The gentleman does not mean to have the country believe or infer that Members of Congress at either end of the Capitol are guilty of these extravagant practices of printing matter in the RECORD as a general thing?

Mr. BARNHART. Oh, no, Mr. Chairman; it is not common at all.

Mr. GOULDEN. It is not common, I am certain; but, inasmuch as this has occurred, I can not see any possible objection to forestalling such things in the future by this commendable section.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BARNHART. Mr. Chairman, I ask unanimous consent that I may proceed for five minutes more.

The CHAIRMAN. The gentleman asks unanimous consent to proceed for five minutes more. Is there objection?

There was no objection.

Mr. GOULDEN. One thing I desire is to have the gentleman bring out the fact that the great majority of the Members are not guilty of practices of that character which the gentleman seeks to stop by the provision in this bill, because the newspapers are very apt to poke a good deal of fun at the Members of Congress, and when they do it justly I accept my share of the criticism; but I do not want to fall under the ban that the provision of this bill seeks, as I think very properly, to remedy.

Mr. BARNHART. Mr. Chairman, I think, in reply to that, it is safe to say that the abuse of the CONGRESSIONAL RECORD is not general. On the other hand, the CONGRESSIONAL RECORD ordinarily costs about $1,000,000 per Congress, and in these two years just about to pass it will cost pretty nearly twice that amount. The committee has kept not very careful, but general, oversight over what has been inserted, and a very great amount of this increased expense is due to the insertion of articles in the CONGRESSIONAL RECORD that have nothing whatever to do with the proceedings of Congress. For instance, just within the past few days there have been two requests granted for unanimous consent to insert in the CONGRESSIONAL RECORD the speech of an ex-President of the United States—a lengthy speech. I hold in my hand here a special issue of the CONGRESSIONAL RECORD, an abuse to which I called attention at the time that it was published. My recollection is that the cost of this one speech—not a speech, but the result of the unanimous consent to extend remarks in the RECORD—was $13,860.

Mr. GOULDEN. That is, one issue of the CONGRESSIONAL RECORD for that purpose, covering 363 pages, and costing over $13,000. This certainly should be corrected.

Mr. BARNHART. Yes. It was a special issue of the CONGRESSIONAL RECORD for the express purpose of complying with the request, granted by unanimous consent, of a distinguished gentleman to extend his remarks in the RECORD. If the proposed law had been in effect that sort of voluminous publication would not have been permitted, even if the committee had reported it favorably.

Mr. HUMPHREY of Washington. Mr. Chairman, will the gentleman yield?

Mr. BARNHART. Yes.

Mr. HUMPHREY of Washington. The case to which the gentleman has just referred is another case where the responsibility was not upon the House, is it not?

Mr. BARNHART. Yes. That was done under the rules and law governing another body; but this bill is drafted to regulate both branches of Congress.

Mr. HUMPHREY of Washington. I understand that; but we have enough sins of our own to answer for without conveying the impression that we are responsible for somebody else, and I hope the gentleman will make that clear.

Mr. BARNHART. I tried to make that clear, and I think if the gentleman will read my remarks in the opening he will see that this is intended to cover the action of both branches of Congress, and he will see that I read down the list and told what had occurred in this branch, and then I went on with what had occurred in the other branch of Congress.

Mr. HUMPHREY of Washington. I probably did not hear the gentleman when he made that skip.

Mr. BARNHART. I hope I make myself clear now.

Mr. GOULDEN. Mr. Chairman, I find that this special issue of the CONGRESSIONAL RECORD to which the gentleman from Indiana has just referred consists of 360 pages. It is all one gentleman's speech.

Mr. BARNHART. Oh, that is not a speech, but just matter that he had inserted into the RECORD under leave to extend his remarks.

Mr. GOULDEN. I have never read it, and I suppose nobody else ever did.

Mr. FINLEY. Mr. Chairman, will the gentleman yield?

Mr. BARNHART. Yes.

Mr. FINLEY. I would like to ask the gentleman if the great majority of the abuses of the CONGRESSIONAL RECORD do not come under the head of leave to print?

Mr. BARNHART. Yes.

Mr. FINLEY. There were 30,000 copies of this particular special issue printed and distributed, and a large majority of them would go through the mail.

Mr. BARNHART. Yes.

Mr. FINLEY. Assuming now that it costs from 6 to 7 cents a pound to go through the mail, there would be all that cost in addition to the Government Printing Office cost, which is between thirteen and fourteen thousand dollars.

Mr. BARNHART. Yes; that is true. The cost of printing alone was $13,860.

Mr. FINLEY. And the postal cost is in addition to that?

Mr. BARNHART. Yes. Mr. Chairman, I would like now to be permitted to conclude this statement. I want to call attention to another matter, and that is this: In the not distant past there has come to the committee a request to publish a political campaign book—and I do not care whether it is the Democratic campaign book or the Republican campaign book or the Progressive campaign book or what not—I doubt the propriety, after we have given everybody leave to extend their remarks and discuss all of the political topics under the sun, of authorizing the publication of a campaign textbook in the CONGRESSIONAL RECORD, because the CONGRESSIONAL RECORD is supposed to be and was originally intended to be a record of the actual proceedings of Congress. These instances that I have cited are few. Many, many more, though probably not so grave, could be found, and yet no doubt reference to the RECORD would show others that exceed these in gravity. The committee has undertaken to formulate a plan to prevent this. The gentleman from Illinois [Mr. MANN] says that the work of the chairman of the committee will be most hazardous and laborious. The committee realizes this, and I believe the gentleman from Illinois will agree to it in a measure that when the membership of the House, that part of it which has been given to extravagant use of the RECORD in printing all sorts of magazine and newspaper articles and speeches, foreign to anything that could possibly pertain to Congress, understands that the particular matter they desire to be printed under extension of remarks must be offered in the House and then referred to the Committee on Printing and reported back to the House and submitted to the House for its approval, they will hesitate a long time before they will offer that sort of junk.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. HUMPHREY of Washington. Mr. Chairman, I move to strike out the last word. I desire to ask the chairman of the committee a question.

Mr. BARNHART. I think I said that I would yield to the gentleman from Illinois.

Mr. BUTLER. The gentleman did.

Mr. BARNHART. My time has expired, unfortunately.

Mr. MANN. That is all right. I simply wanted to ask the gentleman from Indiana whether he thought it was any more improper to publish the proceedings of the Republican National Convention in reference to a difficulty there than to publish the platforms of the two parties?

Mr. BARNHART. Mr. Chairman, since the gentleman asks me that question——

Mr. HUMPHREY of Washington. I do not want this to be taken out of my time, Mr. Chairman.

Mr. BARNHART. There is a wide difference between a declaration of national principles and a party row.

The CHAIRMAN. The time of the gentleman from Indiana has expired, and the gentleman from Washington has the floor.

Mr. HUMPHREY of Washington. Mr. Chairman, if the gentleman from Indiana, the chairman of the committee, will for

a moment give his attention, I desire to ask him some questions for information, and I take this occasion first to congratulate the gentleman—the chairman of the committee—on the work that that committee has been doing and what it has done already. I agree largely in reference to what has been done to stop the abuses of padding the CONGRESSIONAL RECORD. Now, I want to ask the gentleman whether this bill, if passed in the way in which it is reported here, will cure these abuses? Now, take the one case to which the gentleman alluded a moment ago, where, in the Senate, was inserted a whole volume costing, as the gentleman said, some $13,000. Was not that inserted by permission specially given by the Senate? Could not that have occurred just the same under this bill if it became a law?

Mr. BARNHART. The two branches of Congress, as I understand, have a perfect right to conduct their affairs and control their own proceedings as they see fit, especially if it is done by unanimous consent.

Mr. HUMPHREY of Washington. I know; but I wish the gentleman——

Mr. BARNHART. I do not know but under the provision I read in reply to the gentleman from Illinois, when he said there was no way by which it could be done, where it says, "unless especially authorized," if it be specially authorized by either branch of Congress it can be done.

Mr. HUMPHREY of Washington. Now, take the document that is before the gentleman. It is my understanding that a distinguished Member of another body rose and said that he was going to read all of the stuff that went in there unless he was given permission to print it. Now, could not the same thing happen if this bill became a law? It would not stop that performance, would it?

Mr. BARNHART. No; it could not interfere with that except in so far as it would become a public document under the law.

Mr. HUMPHREY of Washington. Another matter I want to inquire about is this: I understand this limits a speech to four pages. I agree with most of the provisions, but I do not think that ought to be. Now, I will give an illustration. Suppose some Member of this House wants to discuss a question that is of particular importance in his locality. I will give the gentleman a personal illustration, because it has come to my mind, and many others have had the same experience. Say I wanted to discuss the question of Panama tolls. It is absolutely impossible for that question to be thoroughly discussed in four pages. Now, is it the purpose of the committee by this legislation not to permit a Member of Congress to print a speech of more than four pages——

Mr. BARNHART. Oh, no——

Mr. BUTLER. You can increase it.

Mr. HUMPHREY of Washington. I want some information.

Mr. BARNHART. Congress would have a right to authorize it. The law says "unless specially authorized," and I have no doubt that if the gentleman should arise in the House on an important question of that kind and say to the House that the remarks and statistics that he had could not be contained in four pages of the RECORD, if he asked unanimous consent to extend his remarks on the question which he had prepared, there would not be any objection. Members of the House are generally fair.

Mr. HUMPHREY of Washington. Can that be done under the bill without referring it to a committee?

Mr. BARNHART. Not unless otherwise authorized. If you get consent of the House it could be done, but it would prevent the superfluities I have enumerated here and it would discourage Members from asking for the insertion of all sorts of speeches and publications for the reason that they would hesitate to refer questionable matter to a committee for approval.

Mr. BUTLER. Mr. Chairman, I move to strike out the last two words. Following the question asked by the gentleman from Washington [Mr. HUMPHREY], it seems to me that on a proper occasion and upon a proper subject—if the gentleman will answer the question in order that I may see if I am right—after a Member has had his hour in the House in which to make a speech he might have four pages in the RECORD in which to extend his remarks. If he desires more than four pages in which to print what he did not have an opportunity to say here in the House, the opportunity may be given him by the House. This bill will not deprive him of extending his remarks beyond four pages. It simply requires him to appeal to the House for the privilege.

Mr. BARNHART. Not in that instance, because he had the right to make the speech, and he might make it 10 pages long if he got the time, and then if he asked the unanimous consent of the House to extend his remarks, rather than to take more time he could print his speech in full, no matter how many pages it would require.

Mr. BUTLER. I think this provision is a good one, and I hope it will be adopted.

Mr. FINLEY. Will the gentleman yield?

Mr. BUTLER. With pleasure.

Mr. FINLEY. I have known of a few instances where a party did not obtain permission of the House to extend remarks—did not obtain recognition—and there was no general leave granted to extend remarks or insert remarks in the RECORD, and yet the speech appeared. I know of an instance several years ago where a lengthy speech occurred and the party did not even get recognition from the Chair. Now, it would be impossible under this provision of the law for that party to perform in that way.

Mr. AINEY. For the purpose of asking a brief question of the chairman of the committee——

Mr. BARNHART. Right there, will the gentleman yield? I want to add a word of explanation to what the gentleman from South Carolina [Mr. FINLEY] has said. As a matter of explanation to the gentleman's position, there are numerous instances wherein Members have risen and asked unanimous consent for leave to extend their remarks, and have then printed two or three speeches in the RECORD under one leave.

Mr. BUTLER. I appreciate that fact, and I have been thankful many, many times that they have asked permission to print rather than to inflict their speeches upon me as one Member who is required to sit here. [Applause and laughter.] But I think there should be some restraint placed upon the opportunity which gentlemen have had. And for one minute, if the chairman will give me his attention, I wish to state that this is a useful provision, because the time is not far off when the length of hours and the length of days will not be given to this House to properly attend to the business which it is required to attend to. I will ask the gentleman whether or not he has not omitted from this paragraph a word which it should contain. First, if I understand it, it has two propositions in it: First, that no matter that is not germane to the business before either House shall be printed in the CONGRESSIONAL RECORD; and, secondly, that unless it is spoken it shall not be printed. First, it shall be germane, and, secondly, it shall be spoken. If that be so, if I am right in my view of the paragraph and its true purposes, I think you should have the word "and" in between the words "House" and "except."

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. BUTLER] has expired.

Mr. BARNHART. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania have five minutes more.

The CHAIRMAN. The gentleman from Indiana asks unanimous consent that the gentleman from Pennsylvania [Mr. BUTLER] may have five minutes more. Is there objection? [After a pause.] The Chair hears none.

Mr. BARNHART. I will answer the question by saying it seems to me the insertion of the word "and" in there would couple the two together into one meaning.

Mr. BUTLER. Do you not intend to do it?

Mr. BARNHART. No.

Mr. BUTLER. Is it not the purpose of the act, first, to make the matter which is to go in the RECORD germane, and, secondly, that it shall be spoken? Because you provide for instances in which it need not be spoken and where matter can be printed when it is not germane.

Mr. BARNHART. In general debate the matter is frequently not germane, and yet it is spoken in order.

Mr. BUTLER. I do not propose to be technical about it, but that is the way it impressed me.

Mr. BARNHART. We want to get it right. That is what we are trying to do.

Mr. BUTLER. Any matter that is not germane to the business before either House shall not be printed in the CONGRESSIONAL RECORD. No matter that is not spoken in order shall be printed. Does the gentleman catch the point I am endeavoring to make? It seems to me by reading it and by looking at the paragraph that the committee intended that first of all the matter spoken in the House should be germane to the business of the House.

Mr. BARNHART. I think if the gentleman will examine it carefully he will find that it would cut out general debate. It might be so construed by the insertion of the word "and" in there.

Mr. BUTLER. Of course I would not want that to occur.

Mr. MANN. If the gentleman from Pennsylvania [Mr. BUTLER] will yield, I do not think it is possible by law to control what is spoken in the House. If the House permits a man

to make a speech, it is within the control of the House and not in control of a law made by the President, the Senate, and the House combined. Now, the CONGRESSIONAL RECORD is supposed to show what is spoken in the House. That is the purpose of this exception. While it says "in order," that is not the business of this legislation. If it is spoken in the House, it is supposed to go in the RECORD, unless it is stricken out, as it was erroneously the other day.

Mr. BUTLER. It seems to me, Mr. Chairman, the purpose of this paragraph is, first, to limit the matter spoken in debate to germaneness or that which pertains to the business of the House.

Mr. MANN. It is matter, though, which is not spoken in the House that this has reference to. This paragraph has reference to debate that does not take place. It is theoretical and not actual.

Mr. BUTLER. All right. It seems to be all right if we can pin it down.

Mr. AINEY. Mr. Chairman, I move to strike out the proviso in a formal way.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. AINEY] is recognized.

Mr. AINEY. I desire to ask the chairman of the committee whether the second and third provisos may not lead to some confusion? By the first proviso leave may be granted to a Member to print and extend his remarks in the RECORD upon a stated subject by action of the House. Supposing, now, that the Member should incorporate in that speech, or desire to incorporate in that speech, a newspaper article or a reference to some book or pamphlet, would not there be some confusion because of the terms of the second proviso, which prescribes that such may not be printed without the leave of the House after reference to the committee?

Mr. BARNHART. I think, Mr. Chairman, that the second proviso sets forth that—

> No address or speech not delivered in either House, and no book, pamphlet, newspaper or magazine article, or document, except reports of committees, shall be printed in the CONGRESSIONAL RECORD unless read in order in either House or authorized by it after having been referred to and reported upon by its Committee on Printing.

Mr. AINEY. Yes; but, Mr. Chairman, I call the gentleman's attention to the fact that the other proviso also relates to an address not delivered in the House. Suppose a speaker proposed to incorporate in the RECORD a book or a newspaper article in order to illustrate his speech. He has leave to do so under the first proviso by securing leave of the House, but is prohibited from doing so under the second proviso other than as he may obtain from the Committee on Printing.

Mr. BARNHART. I think, Mr. Chairman, that the second proviso clearly refers to the matter as a whole, whereas if a man wanted to extend his remarks and wanted to use a quotation I do not see that there could be any limitation on that. But he would be prohibited from seeking to extend his remarks in the RECORD and then inserting this publication which is allowed under the first provision.

Mr. AINEY Under this provision if anyone obtaining permission to extend remarks under the first proviso purposes to quote therein briefly from a newspaper article he can not so quote and print without obtaining a second leave under the second proviso, which requires submission to the Committee on Printing. Is that the purpose of the chairman?

Mr. BARNHART. If I have a short publication, yes; and if not, no. That is my answer. The purpose of this is to prevent a Member from doing what we frequently see done—rising and asking unanimous consent to extend his remarks in the RECORD by inserting a certain article, and then the next day another Member sees an article in refutation of it, and he asks unanimous consent to extend his remarks by inserting a certain other article. The purpose of this legislation is to see to it that these matters are referred to the committees of the respective Houses and let them pass upon them. I will ask the gentleman from Pennsylvania and the gentleman from Illinois if they do not believe that this precautionary feature of the law will prevent so much recklessness in the matter of filling the CONGRESSIONAL RECORD with documents?

Mr. AINEY. I will say to the chairman of the committee that I find myself quite in accord with the purposes of this bill, but I doubt if confusion will not arise by these two provisions, one of them providing for permission to be granted by the House upon request, and the other necessitating the going to the committee with the further request if it is intended to cover a quotation from some book or newspaper which the speaker desires to incorporate in his extended remarks.

Mr. BARNHART. Just one moment. It was the intention of the committee—and I still believe that it is clear—that the second provision is simply a limitation on the first—to prevent abuse if a Member undertakes to offer an article in order, or, as we see it frequently done and as the gentleman from Pennsylvania sees it done, where a Member will write two three lines and then insert four or five pages of a book or a document.

I will say in this connection that not in this branch of Congress, but in another one, and not very long ago, a publication was given in the CONGRESSIONAL RECORD relative to child labor that covered pages and pages and pages, and it was printed as a public document afterwards; and it cost the Government, according to the figures I heard last, something like $45,000. I do not suppose the man who put it in there ever read all of it, and I do not know that he will ever read all of it, and I do not know that an estimate of the printing cost was ever asked for. In that case it could be referred to the Committee on Printing, and they would take it up with the Member; and if they decided to report it favorably they could report it to the House, and the House could do with it what it saw fit. It leaves the matter in the hands of the House and not in the hands of the individual Member. That would prevent the possibility in the future of such abuses as have occurred heretofore. They could not occur under the law.

The CHAIRMAN. The Chair will inquire of the gentleman from Pennsylvania [Mr. AINEY] if his pro forma amendment is withdrawn?

Mr. AINEY. Yes, Mr. Chairman; I ask leave to withdraw my pro forma amendment.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn.

Mr. MANN. Then I renew the pro forma amendment, Mr. Chairman.

The CHAIRMAN. The gentleman from Illinois renews the pro forma amendment.

Mr. MANN. I am quite in sympathy, Mr. Chairman, with the gentleman from Indiana and the Committee on Printing in the endeavor to prevent many of the abuses that come from printing in the RECORD. I do not believe there is any Member of the House who stays on the floor of the House more than I do or who keeps closer track of the proceedings in the House than I do. I have seen gentleman after gentleman during my term of service rise and say that he was going to stop all future leaves to extend remarks. I think I heard the gentleman from Indiana [Mr. BARNHART] come pretty nearly making that statement.

Mr. BARNHART. That I would try to.

Mr. MANN. I know that I heard the gentleman from Missouri [Mr. BORLAND] make that statement. I remember distinctly hearing the distinguished leader of the Progressive Party [Mr. MURDOCK], who has not been here for a long time, make that statement here in the House. I have seen them come and go, but I never saw one yet to stick out with his resolution; and yet I am not criticizing them for yielding. Why? Everyone knows that if you insist upon nothing being printed in the RECORD except what was spoken in debate, 12 months in the year would not be long enough for windjamming in the House of Representatives.

Mr. BUTLER. One hundred months in the year would not be long enough.

Mr. MANN. I sometimes wish myself that there were more extensions and leaves to print and fewer actual speeches; and yet it would not be gracious for me to say that, because I make too many speeches.

Now, I agree with the gentleman from Indiana that something ought to be done, but I think that something ought to be done that is practical. Who is to determine about these things? Suppose the House grants leave to me to-day to extend my remarks, and this bill is in effect. Who is to determine whether what I insert is germane or not? Who is to determine whether I have put an editorial from some paper in my remarks or not? Who is going to prevent the speech being printed? My distinguished friend from Indiana [Mr. BARNHART] and the gentleman from South Carolina [Mr. FINLEY] both stated a while ago that they knew of cases where men had inserted speeches in the RECORD without any permission at all. How did it happen? How did the gentlemen know it? Why did they not stop it? Why did they not strike it out of the RECORD as a matter of precaution in the future?

Mr. FINLEY. I will answer for myself. I knew nothing about it until it was all in the RECORD.

Mr. MANN. Then it was not too late to strike it out. I am not criticizing the gentleman for not moving to strike it out. But the same thing will happen again. Who is going to determine? Shall it be the Public Printer? Why, we had an officer of the House here the other day obeying an order of the House; yet he was seriously criticized by several gentlemen on the floor

who thought that the dignity of their position had been invaded. If some gentleman gets leave to extend his remarks in the RECORD, and the Public Printer tells him to go to, and throws his remarks in the wastebasket, there will be an explosion here like a bomb falling from an aeroplane. Who is to determine? I believe if you do something, you ought to do it so that it will work.

Now, I have heard several gentlemen tell about these leaves that have been granted in the past under which matters have been inserted which ought not to have been inserted in the RECORD. I am looking now at the CONGRESSIONAL RECORD of a few days ago, and I find an article in it, practically the same thing having been published before by Members of Congress, inserted here by a member of the Committee on Printing. I am not criticizing him for inserting it, although much of the same stuff—I will not say "stuff," much of the same fine matter—has been inserted before, originally, I believe, by the gentleman from Maryland [Mr. LEWIS] on labor propositions, and other Members have taken a pair of shears and a bottle of paste and written new speeches and inserted them in the RECORD. I am not criticizing that. What do they do it for? To send it to their constituents, so they can tell what great work has been done or has not been done by the Democratic Congress.

Mr. FINLEY. The gentleman asks. Who will prevent the abuses in the future? Does not the gentleman think a positive provision of law prohibiting abuses of that character would act as a deterrent?

Mr. MANN. Why, there is a positive provision of law now that forbids a man to insert in the RECORD remarks which he has not permission to insert, and yet gentlemen cite as a reason for this the fact that Members have violated the law in the other respect. Now, a law ought to be so framed that honest men can properly obey it and dishonest men can not easily evade it.

Mr. FINLEY. The purpose here is to make the law more explicit, so that every Member of Congress may know what it is and understand it and obey it. I will say, further, that I think that the disciplining of about one Member under this proposed provision of law would be enough to settle the question for a good while after that.

Mr. MANN. Oh, pshaw! Talk about Members being disciplined! I know several Members of this House who are sending out political letters under their franks in violation of law, as I read the law. You can not discipline them for it. Each man looks at these matters according to his own lights, and if he stays here, according to the lights of his constituents; but you can not provide by a law so that you can have a practice in the House of Representatives unless you have a reasonable law.

Mr. BARNHART. Mr. Chairman, I move to strike out the last word. I appreciate the fact that it is utterly impossible to enact any legislation anywhere that will be strictly observed by all men; but in the House of Representatives, when we discover abuses that exist whereby there are enormous losses to the Treasury of the United States, it seems to me it is high time for the Congress to get busy on its own account and try, to the largest extent possible, to set its own house in order. Now if we know of these things existing, and we wink at them, of course the criticism of the public is going to increase. In this connection I am going to impose upon the RECORD long enough to read an extract from an editorial in the New York Press of August 26. It says:

> A well-edited report of real debate, confined to things actually said, would attract a great deal of interest. Few people read the CONGRESSIONAL RECORD because of the interminable length of speeches issued on "leave to print." If Congress won't listen to these speeches, with all the added interest that comes from the personality of a statesman engaged in public debate, the public are not going to stop to read them.
>
> Thus the CONGRESSIONAL RECORD, to those who receive it, is a daily reminder of unbusinesslike methods. The Congress that shall have the force to cut out such absurdities will make more friends than it is now able to realize.

Mr. Chairman, that is in conformity with my experience and observation both as a newspaper man and a Member of the House for several years. I think I stated once before on the floor of the House that Members of Congress who send copies of the CONGRESSIONAL RECORD to newspaper offices are really considered a joke. Back in the days when we kindled fires in stoves in the early fall—and a good many of them do yet—the CONGRESSIONAL RECORD as it came to the newspaper office was corded up by the devil in the office to be used as fuel. We used it to prop up the windows and to cut into wrappers, but I am safe in saying that not one CONGRESSIONAL RECORD in ten that goes into the average newspaper office of the United States is ever opened to be read, because the daily news service furnishes to these newspaper men a touch of what is being done in Congress from day to day, and they edit from their wire service or other press reports that come as the summarized proceedings of Congress, and that is all they have time to consider. I merely call attention to this to show that the growing tendency to pad the CONGRESSIONAL RECORD with all sorts of extraneous matter is making the CONGRESSIONAL RECORD more and more a bore in the estimation of the reading public of the United States.

Mr. MOORE. Will the gentleman yield?

Mr. BARNHART. I yield to the gentleman from Pennsylvania.

Mr. MOORE. How would the gentleman answer the question of the gentleman from Illinois [Mr. MANN] as to the person who shall determine whether the matter submitted is germane or not?

Mr. BARNHART. The bill provides a printing clerk, who shall have charge of the editing of the CONGRESSIONAL RECORD. The law regulates the Public Printer. I call the attention of the gentleman from Pennsylvania to the fact that we have a Public Printer who has some one at the Government Printing Office who exercises very vigilant scrutiny over what comes down there for printing.

Mr. MOORE. For one I am very glad of that.

Mr. BARNHART. For instance, within the last few days some copy for a book was sent down there by a House committee. The bulk of it was a so-called public document which was not a public document at all, but a personal testimonial, and it was refused by the Public Printer, who referred it back to the Committee on Printing and said that he would not print it under the law authorizing the printing and binding for committees unless it was O. K'd by the Committee on Printing. The Committee on Printing refused to O. K. it and the document will not be printed, because it is not a public document. It would cost something like $500 to print and bind it for the benefit of a very few. If they want to have it printed and pay for it, that is their privilege, and I hope they will have it done; but the people ought not to be expected to pay for these things, and the renewed regulations and the more stringent rules adopted from time to time by the Joint Committee on Printing and the Printing Committees of the two Houses are eliminating more and more of unwarranted printing; and if you give the committee an authorization of law to take a step further and exercise some control over the superfluous matter that is inserted into the CONGRESSIONAL RECORD we believe it will have a like helpful effect.

Mr. MOORE. Mr. Chairman, I move to strike out the last two words. With what the gentleman from Indiana has said in the matter of striking out superfluous material and matter that is not germane, I heartily agree. I think the CONGRESSIONAL RECORD would be heightened in interest and value if it were severely cut. There is too much in it for an ordinary Member of Congress to read, let alone the ordinary citizen. I question whether authority is given to anyone in section 68 or the preceding sections to exercise any control over the matter submitted by Members of Congress which might not be germane. The Committee on Printing is itself given authority in section 68 to oversee addresses "not delivered in the House, books, pamphlets, magazines, articles," and so forth, and I suppose they would go to the Committee on Printing and the committee would exercise some authority. As to leave-to-print speeches, apparently that would not be submitted to the Committee on Printing, and it is not the duty of anyone to supervise them, except this "competent person" mentioned in section 69, paragraph 3.

Now, it is patent to all who read the RECORD, and I am one who tries to follow it, that matter not germane very frequently creeps in under leave to print. That is an abuse. Another abuse is the insertion in the daily proceedings of the House of matter under leave to print that has no bearing on the proceedings of the House. That would give rise to the criticism of the paper which the gentleman from Indiana quoted a little while ago. But reverting to the interrogatory of the gentleman from Illinois, just how are you going to check that up? I would like to see it done. I would support the gentleman from Indiana and his committee in any movement to edit the CONGRESSIONAL RECORD, boil it down, or summarize it. But is anyone given authority to do that here? Would it be possible to create an editorship and have the copy viséed, as in a newspaper office; have it blue penciled? I do not know that we want to give anyone authority to blue pencil our copy, but I think some one should have authority, like the Committee on Printing, to see that this extraneous matter that does not appear to be germane shall not be inserted in an improper place, and that personal and political matter shall not appear as a part of the proceedings of Congress. Such matters ought to be scrutinized.

Mr. BARNHART. The gentleman understands that the Government Printing Office has a corps of copy readers?

Mr. MOORE. Yes; but with no editorial authority.

Mr. BARNHART. No; but when a speech came in under leave to print they would be expected to look it over, and they would look it over, as the other matter was looked over to which I referred; if questionable, referred to the Committee on Printing, and then it would be for the Committee on Printing to decide whether or not it ought to go in. I want to say in this connection that if the Committee on Printing had had charge of the RECORD in the not very distant past some things would not be in the RECORD that have appeared, because it was a great abuse.

Mr. MOORE. I recall, and I have no doubt the gentleman recalls, an instance in which not very long ago a speech was inserted under leave to print, which nobody in the House had an opportunity to see or scrutinize, reflecting very severely on certain citizens who had no opportunity to respond. These citizens had no chance to be heard as to the accusations therein made. We might call it a scurrilous speech. The speech went into the private affairs of private citizens, dragged them into the pages of the CONGRESSIONAL RECORD, where none of us wanted to see them and where the only purpose attained was scandal. Some one ought to have observed that and called it to the attention of the Committee on Printing. Some one ought to have authority to know that it could not go in until it was O. K'd.

Mr. BARNHART. Nobody under the existing law has any authority to do anything of that kind now.

Mr. MOORE. Who has the authority under this bill to do that?

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MOORE. Mr. Chairman, I ask to proceed for three minutes more.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to proceed for three minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. BARNHART. I will say in reply to the gentleman that it is the bounden duty of the Public Printer to observe the law regulating public printing and binding, and when this law takes effect he will be bound, through his assistants, to see when leave-to-print speeches come to him whether they are in order. If there is a question in his mind, he will do what he does now in the instance I have cited, refer them to the Committee on Printing.

Mr. MOORE. I think the gentleman and his committee are doing a splendid work in codifying the printing laws, and I would like to support him. But let us see if this is the proviso on which the gentleman relies, page 92, line 3:

Provided, further, That no address or speech not delivered in either House, and no book, pamphlet, newspaper or magazine article, or document, except reports of committees, shall be printed in the CONGRESSIONAL RECORD unless read in order in either House or authorized by it after having been referred to and reported upon by its Committee on Printing.

Is that the proviso on which the gentleman places his faith?

Mr. BARNHART. That is the proviso, if there is a request to insert a book as a whole, without any reference to remarks.

Mr. MOORE. Wherein is the check to which the gentleman refers?

Mr. BARNHART. Under the general provision governing the Public Printer or superintendent of documents, wherein, if the Public Printer, the superintendent of documents, or any other officer or employee of the Government Printing Office shall permit or knowingly be party to any evasion or violation of this act, whereby the Government shall suffer any loss or damage therefrom, he shall be fined not more than $5,000 or imprisoned not more than five years, or both.

Mr. MOORE. Where is that?

Mr. BARNHART. Beginning on page 76. We have long since passed it. It fixes a fine of $5,000, and with that penalty over the Printer he will be careful to see that the law regulating the extension of remarks is carefully enforced so far as he is concerned. If there arise a question in his mind as to the admissibility of matter, he will refuse it and refer it to the Committee on Printing of the respective House by which the leave was granted.

Mr. MOORE. The gentleman is satisfied in his own mind that he has put a proper check in the Government Printing Office where the copy must go?

Mr. BARNHART. It is about as strong, it seems to the committee, as it could possibly be made. We exact from the Public Printer a stricter observation of the law governing him than ever before, because we propose to fine him $5,000 if he does not observe the law. That is one thing we did not have before. We expect under the provisions of this bill that the Public Printer will more carefully scrutinize what is to be done in his office at the suggestion of Members of Congress than ever before.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. BUTLER. Mr. Chairman, I desire to ask the chairman of the committee one or two questions. It is the purpose of this paragraph to prohibit in the future the insertion in the RECORD of matter that is not germane, unless it is spoken here on the floor. Will not all material have to go somewhere before it is published in the RECORD? Will not this paragraph require the submission of all material to some one in authority?

Mr. BARNHART. Certainly.

Mr. BUTLER. And the one in authority will determine whether or not it is germane?

Mr. BARNHART. Yes.

Mr. BUTLER. I think that is about as strong as the gentleman can make it by indirection. He might, perhaps, provide for an editor and provide that nothing shall be published until the editor has approved it; but the proposed law is that nothing shall be published in the RECORD that is not germane unless it is spoken here. If it is not germane, it has to go back to the Committee on Printing for privilege. Will the question of germaneness be entirely within the province of the Member printing? I think not. It seems to me that there is some one provided for here. It is certainly the intention of the bill that this material shall all be submitted to some one.

Mr. BARNHART. It shall be submitted to the Public Printer.

Mr. BUTLER. Certainly; and if he has any doubt about it——

Mr. BARNHART. The Public Printer is under penalty to see that the law is enforced.

Mr. BUTLER. If he has any doubt about it, it goes back to the Committee on Printing, and that will determine it.

Mr. BARNHART. Yes. That is the purpose of it.

Mr. BUTLER. I think that is perhaps as strong as we can make it, unless we provide for an editor.

Mr. SAUNDERS. Mr. Chairman, I would like to ask the chairman of the committee a question. The provision on page 92 provides that no speech not delivered in either House shall be printed in the CONGRESSIONAL RECORD, unless read in order in either House. If it is not delivered in the House, how is it going to be read in order in the House? I do not understand that. The idea of getting leave to print is that it shall not be read in order, but shall be inserted under the leave to print.

Mr. BARNHART. This does not refer to a speech of a Member at all, and yet if a Member should secure time to deliver an address, and he saw fit to read the remarks of some one else, he could read any sort of a speech into the RECORD that the House would permit.

Mr. SAUNDERS. I refer to a very common practice in the House. I get leave to extend my remarks upon some given subject. I do not actually deliver that speech in the House. I extend my remarks, but as I understand this proviso, a speech which under those circumstances would not be delivered, can not be printed in the CONGRESSIONAL RECORD unless it has been read in order in the House.

Mr. BARNHART. If the gentleman will refer to line 8, on page 92, he will find this language:

Or authorized by it after having been referred to and reported upon by its Committee on Printing.

Mr. SAUNDERS. I want to ask about that alternative also. Of course if it is not delivered in the House, it can not be read in the House. Must I take that speech before it is printed down to the Committee on Printing and get its O. K. before it can be printed in the RECORD?

Mr. BARNHART. Is the gentleman asking me?

Mr. SAUNDERS. Yes.

Mr. BARNHART. If the gentleman will refer to the beginning of the paragraph, in line 23, on page 91, he will find this proviso:

Provided, That either House may grant a Member leave to print or extend his remarks in the RECORD upon a stated subject, but the matter so printed shall be germane to such subject and shall not, unless otherwise authorized, exceed four pages of the RECORD in length.

The next provision follows and places a limitation upon that by providing:

Provided further, That no address or speech not delivered in either House, and no book, pamphlet, newspaper or magazine article, or document, except reports of committees, shall be printed in the CONGRESSIONAL RECORD unless read in order in either House or authorized by it after having been referred to and reported upon by its Committee on Printing.

Mr. SAUNDERS. Is this to be the form of procedure? If I get leave to print and then do not read that speech in order in the House——

Mr. BARNHART. Not a speech. This does not refer to a speech. It has reference to a printed address, book, or something of that kind.

Mr. SAUNDERS. I do not know about that. It says no speech not delivered in either House.

Mr. BARNHART. That means an address delivered outside by some one else who is not a Member of the House.

Mr. SAUNDERS. If this is what is referred to, it calls for some amendment, because as it is written, it is broad enough to include every situation that I have presented in the questions that I have asked the Chairman.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. SAUNDERS. Certainly.

Mr. FESS. If the language here refers only to Members of the House, it would not be in the bill at all, would it?

Mr. SAUNDERS. I do not understand.

Mr. FESS. The bill says no address or speech not delivered in either House. If the address is delivered by some one who is not a Member of the House, it could not have been delivered in the House, and it must refer to some one else, not a Member of the House.

Mr. SAUNDERS. Why? If I get leave to print, I do not deliver the speech in the House.

Mr. BUTLER. That might be by a Member himself outside of the House.

Mr. SAUNDERS. That may be, but it can also refer to a Member who gets leave to print a speech in the RECORD.

Mr. FESS. Suppose the gentleman were to deliver a speech at Richmond, which is not delivered here?

Mr. SAUNDERS. I understand perfectly well that this language controls that situation, but it also specifically applies to a case in which a Member secures leave to print. When a Member obtains leave to print he does not deliver that speech in the House, nor does he read it in order in the House. He puts it in the RECORD. This language is broad enough to cover precisely that situation, and I ask the chairman of the committee if he intends by this language that after a Member secures leave to print from the House he must go before the Committee on Printing and secure their O. K. before his speech can be printed in the RECORD?

Mr. FESS. I think the gentleman is right.

Mr. SAUNDERS. That is the situation that I am presenting, and it is one of interest to all the Members. If the language used is intended to refer to speeches other than those of a Member under the leave to print, then this language should be in some wise amended. In its present form it is too broad and limits the rights of the Members to an extent possibly not contemplated by the committee.

Mr. BARNHART. Would not the objection be cured by inserting a comma after the word "speech," in line 4. I think that would put it more clearly.

Mr. MOORE. Would the gentleman object to having stricken out, line 7, after "unless read in order in either House or authorized by it after having been referred to and reported upon by its Committee on Printing," and insert "shall be printed in the CONGRESSIONAL RECORD unless permission shall have first been obtained in either House"?

Mr. SAUNDERS. That would be satisfactory. The amendment can be made in that connection or in the connection above. I think the gentleman's suggestion would entirely meet the situation.

Mr. MOORE. It is surely confusing as it is printed.

Mr. BARNHART. I am not sure but by that change it would put us back exactly where we now are.

Mr. SAUNDERS. No——

Mr. BARNHART. That is exactly what you have now.

Mr. MOORE. If this is clear, the only new thing you have is to obtain permission of the Committee on Printing, which is the new feature.

Mr. BARNHART. The new feature in this provision, as the committee tried to fix it, is this: When reprint matter is offered, when a Member rises and asks for insertion in the CONGRESSIONAL RECORD of an editorial or even a speech delivered by some man in the gentleman's State of Texas, for instance, it is intended to limit that, and I referred to several instances in my remarks a while ago where speeches have been inserted in the RECORD which by no stretch of the imagination or consistency can have any place therein. Now, when a Member rises and asks unanimous consent to extend his remarks, and states what it is, under the provision here it would then have to be referred to the Committee on Printing, and if they decide that it would be all right they report favorably.

Mr. SLAYDEN. What the gentleman desires to do is to impede the insertion of matter not actually a part of the debate on the floor of the House?

Mr. BARNHART. That is certainly our intention.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SAUNDERS. Mr. Chairman, I ask that I may have five minutes more.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent for five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. SLAYDEN. And it is a very good intention, too.

Mr. SAUNDERS. Mr. Chairman, I will say to my friend from Texas that I am in hearty accord with the idea of correcting abuses, but I must say that this language, unless in some wise it is limited, is broad enough to bring about a resulting annoyance to the Members without accomplishing any useful result. Suppose that this bill should be enacted into law and a Member should secure leave to print. He will not deliver that speech in the House, nor will he read it in order in the House. Hence under the present language, before the Member can avail himself of his leave to print and publish his speech in the RECORD, he must go before the Committee on Printing and have them make a report. After the leave to print has been obtained a Member should not be required to secure further leave from the Committee on Printing. Hence I say that is a matter of interest to every Member of the House.

Mr. SLAYDEN. I will say in reply to the gentleman that I rather think that that course would have to be resorted to.

Mr. SAUNDERS. Does the gentleman think we ought to do that? Does he think that every time a Member of this House secures leave to extend his remarks he must submit those remarks to the Committee on Printing and obtain a favorable report from that committee before his speech can be printed in the RECORD?

Mr. SLAYDEN. I will say to the gentleman it will have a tendency to stop this flood of useless nonpolitical matter; and if so, I think it would be a pretty good thing.

Mr. SAUNDERS. This language would not stop that at all. It would merely put the Members to an additional and vexatious trouble.

Mr. SLAYDEN. That will stop it.

Mr. SAUNDERS. No; because when I obtain leave to print I apprehend that the Committee on Printing would hesitate to put a veto upon a permit derived from the House. The Member would be reasonably certain to secure a favorable report. But having secured from the House the necessary authority to print his remarks, he ought not to be required to apply to a committee of the House for a ratification of that power.

Mr. SLAYDEN. There must be some approval to pass on the subject of germaneness.

Mr. SAUNDERS. In this connection?

Mr. MOORE. In reference to the question of germaneness, that seems to me to be covered by the preceding proviso. If the gentleman will read that, he will find that it must be germane. The only question is as to the authority to determine——

Mr. SAUNDERS. He first secures the authority. I wish to have the attention of the committee fixed on the meaning of the language used. He first, I say, secures the authority to extend his remarks. Thereafter, in conformity to that authority, he writes his speech for publication. Under the language under consideration he must then take this speech before the Committee on Printing and secure a report authorizing its publication before it can be printed in the RECORD. This, I say, a Member should not be required to do.

Mr. MOORE. Get the consent of the committee? I do not so understand. I understand the committee says it is not, but all of the gentlemen who have been following this know it makes possible that procedure.

Mr. BARNHART. Such is not the intention of the committee at all if a Member had authority to extend his remarks. Now, on page 92, line 4, after the word "speech," strike out "not delivered in either House" and insert "by other than the person requesting leave to insert the same."

Mr. SAUNDERS. That is all right.

Mr. BARNHART. That would protect it. I send the amendment to the Clerk's desk.

The CHAIRMAN. The gentleman from Indiana offers an amendment which the Clerk will report.

Mr. SAUNDERS. That will make it doubly clear.

Mr. MOORE. That is just as to outside matter not originating with the Member?

Mr. BARNHART. Yes.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 92, line 4, after the word "speech" in line 4, strike out the words "not delivered in either House" and insert "by other than the person requesting leave to insert the same."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. MANN. Mr. Chairman, I see the difficulty that gentlemen desire to obviate, but one of the greatest abuses in the CONGRESSIONAL RECORD, if it is abuse at all—and I do not express an opinion about that—is if a Member of the House goes away from here and makes a political speech or some other kind of a speech he comes back and asks leave to insert it in the RECORD. This amendment permits that.

Mr. SLAYDEN. Let me ask the gentleman this question: Suppose that is made to read in this way, namely, by striking out the words "not delivered." What was the proposed amendment? Does it say "delivered by some person other than a Member of the House"?

Mr. FESS. Other than the person making the request.

Mr. SLAYDEN. I like the idea of declining to print speeches not made on the floor of the House. My idea is that the RECORD ought to be made a record of the proceedings here and nothing more.

Mr. MANN. If the gentleman wants to carry it out, all he has to do is to sit in the House and object. If a Member asks unanimous consent to extend remarks in the RECORD, that could be objected to.

Mr. SLAYDEN. This is trying to obviate the disagreeable necessity of doing that. Does not the gentleman from Illinois think that the RECORD would be vastly improved and a much more edifying and interesting publication if it were so confined, and would be more thoroughly read, by Members at least?

Mr. MANN. To be candid, there are times when I read speeches delivered in the House when I think the speech which is delivered is better than extraneous matter, and then there are many times when I think the extraneous matter in speeches which Members insert very much improves the speeches.

Mr. SLAYDEN. That is undoubtedly true. Those things are available to any Member. He can get them without putting the expense of printing them on the people.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

Mr. MOORE. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from Pennsylvania offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 92, line 7, after the word "unless," strike out all of lines 7, 8, and 9 and insert the words "permission shall have first been obtained in either House."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. BARNHART. Mr. Chairman, as I stated before, that surely would result in the present practice. It would leave the door as wide open as it is now to all sorts of matter going into the CONGRESSIONAL RECORD. It seems to me the gentleman from Pennsylvania would not consider that as any restriction on existing privileges whatever. And if that is adopted it would shear the entire provision of any possibility to regulate the matter as to preventing occasional abuse, namely, the privilege of extending remarks by throwing the bars down.

Mr. MOORE. While the gentleman from Virginia [Mr. SAUNDERS] was on his feet I asked the gentleman from Indiana [Mr. BARNHART] the question whether it was the purpose to have these particular matters referred to the Committee on Printing, and he said it was not. And it was because of that statement I offered this amendment. It appeared to me, as it seemed to appear to the gentleman from Virginia, that it would be a matter of much circumlocution to come into the House for the privilege of extending one's remarks and inserting a speech that was worthy of printing and then have to go to the Committee on Printing to obtain its assent. There should be some responsibility on the Committee on Printing to require information at the time the request is made as to whether the matter was germane or not or whether it was proper to print.

Mr. BARNHART. With the gentleman's permission, if the committee has not been able to classify the difference between these two provisions it is because of lack of ability to do so, because the purpose of it was to make them perfectly distinct and clear, inasmuch as the second was to be a limitation on the first. If it is the opinion of the committee that it does place any censorship over the extension of actual remarks of a Member, it should not do so except if some Member would get permission to extend his remarks and then indulge in a diatribe like the gentleman from Pennsylvania referred to, and it would be up to the Public Printer to refer it to the committee as to whether or not such matter would be germane.

Mr. MOORE. Now, let me put a case in point. I would like the attention of the chairman of the committee in order to see if we understand each other. The gentleman from Virginia [Mr. SAUNDERS] makes a speech down at Richmond on good roads, and it is deemed worthy by the gentleman from Pennsylvania to be put into the CONGRESSIONAL RECORD, and the gentleman from Pennsylvania rises to ask unanimous consent to print in the RECORD the address made by his colleague, Judge SAUNDERS, of Virginia, at Richmond, on the subject referred to, and the consent of the House is granted. Under this paragraph, as we have it, it would appear that that address of Judge SAUNDERS would have to be read in either House, or authorized by it, after having been referred to and reported upon by its Committee on Printing. That is to say, if I had sought to have the address of the gentleman from Virginia printed, it being a matter which seemed to be proper and worthy to be printed, I would first have to go to the Committee on Printing and obtain its assent before I asked permission of the House.

Mr. FINLEY. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman yield?

Mr. MOORE. Yes.

Mr. FINLEY. I will say no.

Mr. MOORE. Then this language certainly is not clearly understood by some of us.

Mr. BARNHART. It would be offered to the House and referred to the Committee on Printing, and O. K'd by the Committee on Printing, and passed as a privileged resolution, as other matters are passed on report from the Committee on Printing; and I am sure no Committee on Printing would undertake to eliminate from the CONGRESSIONAL RECORD a speech of the kind referred to by the gentleman from Pennsylvania [Mr. MOORE]. On the other hand, it would have authority to eliminate such a speech as the gentleman referred to as having assailed the character of a private individual who had no means of equally public reply.

Mr. MOORE. I would stop that. Then after the unanimous consent was given, could it be printed?

Mr. BARNHART. It would go to the committee and be acted upon and a reprint ordered.

Mr. MOORE. The gentleman's understanding is that after I had obtained the consent of the House to print the speech of the gentleman from Virginia [Mr. SAUNDERS] then I would have to go to the Committee on Printing and obtain its consent. This seems an unnecessary hardship on the Member.

Mr. BARNHART. I will say to the gentleman that when the gentleman got unanimous consent to insert the speech in the RECORD the Speaker would refer it to the Committee on Printing, just as other requests are referred here in the matter of the printing of documents. It would go to the Committee on Printing and be reported back to the House favorably or unfavorably.

Mr. MOORE. That would necessitate delay, and it might not all be done in the same day.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

Mr. MANN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 92, line 9, after the word "Printing," insert the words "and it shall be the duty of the Public Printer to enforce the provisions of this paragraph."

Mr. MANN. Does not the gentleman think that would be a good thing to do—to make it the duty of the Public Printer to enforce the provisions of the paragraph?

Mr. BARNHART. The committee will accept it. It simply emphasizes what has already been said and makes it perfectly clear.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14233) to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes.

The message also announced that the Senate had passed without amendment bill of the following title:

H. R. 12665. An act to increase the limit of cost of the public building at La Junta, Colo.

REVISION AND CODIFICATION OF PRINTING LAWS.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 60. PAR. 6. The Public Printer shall furnish the CONGRESSIONAL RECORD as follows and shall supply gratuitously no others in addition thereto:

To the Vice President and each Senator, 88 copies; to each Representative, Delegate, and Resident Commissioner, 60 copies, to be supplied daily as originally published or in bound form as each may order, but not to exceed five sets each shall be bound, unless specifically requested by the Vice President, Senator, Representative, Delegate, or Resident Commissioner entitled to the same; to the Vice President and each Senator, Representative, Delegate, and Resident Commissioner there shall be furnished 3 additional copies of the daily RECORD, 1 to be delivered at his residence, 1 at the Capitol, and 1 to be reserved by the Public Printer in unstitched form to be promptly bound in paper when each semimonthly index shall be issued; to each standing committee of Congress, 1 daily copy; to the Secretary and the Sergeant at Arms of the Senate, and to the Clerk and the Doorkeeper of the House, 10 copies each, in daily or bound form, and not to exceed 20 daily copies each, for office use; to the Sergeant at Arms of the Senate, 10 copies in daily or bound form and not to exceed 20 daily copies, for the use of the Senate; and to the Doorkeeper of the House, 10 copies in daily or bound form, and not to exceed 30 daily copies for the use of the House of Representatives; to the President, 4 copies of the daily RECORD and 1 bound copy; to the Chief Justice, each of the Associate Justices of the Supreme Court of the United States, the marshal and the clerk of said court, each 1 copy of the daily RECORD and 1 bound copy; to the governor of each State and Territory, 1 copy of the daily RECORD and 1 bound copy; to the official reporters of the Senate and the House, each 2 copies of the daily RECORD and 1 bound copy; to the libraries of the Senate and the House, 1 copy of the daily RECORD and not to exceed 20 bound copies each; to the superintendents of the Senate and House document rooms, each 3 copies of the daily RECORD and 1 bound copy; to the Library of Congress, not to exceed 110 copies of the daily RECORD for its own use and for distribution, through the Smithsonian Institution, to the legislative chambers of such foreign Governments as may agree to send to the United States current copies of their parliamentary record or like publications, such publications, when received, to be deposited in the Library of Congress, and not to exceed 110 copies of the bound RECORD for its own use and for international exchange; to the Librarian of Congress, 1 copy each of the daily and the bound RECORD, which he is authorized to furnish to the undersecretary of state for external affairs of Canada in exchange for a copy of the Parliamentary Hansard, which shall be deposited in the Department of State; to the Smithsonian Institution, United States National Museum, the Civil Service Commission, the Interstate Commerce Commission, and the Naval Observatory, each 1 daily and 1 bound copy of the RECORD; to the Soldiers' Home in Washington, D. C., to the National Home for Disabled Volunteer Soldiers and each branch thereof, and to each State or Territorial home for either Federal or Confederate soldiers and sailors or for their widows and orphans, 1 copy of the daily RECORD; to the superintendent of documents, a sufficient number of copies of the daily and bound RECORD to enable him to make distribution to depository libraries; to each of the legations of the United States abroad, 1 copy of the daily RECORD, to be sent through the Secretary of State; to each foreign legation in Washington whose Government extends a like courtesy to our legations abroad, 1 copy of the daily RECORD, to be sent through the Secretary of State and furnished upon his requisition; to each newspaper correspondent whose name appears in the Congressional Directory and who makes application therefor, 1 copy of the daily RECORD and one copy of the bound RECORD, the same to be sent to his office address, or elsewhere in the city of Washington, as he may direct; to the press galleries of the Senate and the House, respectively, 2 copies each of the daily RECORD and 1 copy each of the bound RECORD; to the Governor General of the Philippine Islands, at Manila, and to the Governor of Porto Rico, at San Juan, each 10 copies of the daily RECORD.

Mr. MANN. Mr. Chairman, I move to insert, on page 93, line 4, after the word "residence," the words "or his office."

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Illinois.

The Clerk read as follows:

Page 93, line 4, after the word "residence," insert the words "or his office."

Mr. MANN. Has the gentleman any objection to letting these daily copies be delivered at the office of a Member?

Mr. BARNHART. None whatever.

Mr. MANN. I supposed not.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois.

The amendment was agreed to.

Mr. MANN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Illinois moves to strike out the last word.

Mr. MANN. Mr. Chairman, I notice that you provide that the Parliamentary Hansard that we get from Canada shall be deposited in the Department of State. Why should it not go to the Congressional Library? We recently passed a resolution to permit an exchange. I do not know what they want it for in the State Department. I think it ought to be in the Congressional Library.

Mr. BARNHART. The Library of Congress gets a set under existing law, and it is satisfactory to the Secretary of State. This is a provision that is comparatively new. It was passed in 1912, and the Secretary of State gets a copy and the Congressional Library a copy, and both are supplied.

Mr. MANN. Very well. When the law was passed the statement was made that we did not have an exchange with the Canadian Government at all, and this was to permit an exchange. Of course, if they get a set in the Congressional Library, that is all they want, but I am quite confident—and I would put my judgment up against that of the clerk of the committee—that when we passed that resolution two years ago we authorized this exchange. May I ask another question?

Mr. BARNHART. Certainly.

Mr. MANN. Where do the departments get their sets of the CONGRESSIONAL RECORD from? Where is the authorization of a set of the daily RECORD to go to each of the departments?

Mr. BARNHART. They requisition for the amount they want; it is charged to their printing allotment, and the bound set is furnished to each depository library.

Mr. MANN. The departments now, you say, when they want a set of the daily RECORD, have it charged to their printing allowance?

Mr. BARNHART. Yes. They requisition for it if they want it.

Mr. MANN. Why is it not charged to the Interstate Commerce Commission on their printing allowance, and to the United States National Museum and the Civil Service Commission on their printing allowances, and to the Naval Observatory? You provide here for the Smithsonian Institution, the National Museum, the Civil Service Commission, the Interstate Commerce Commission, and the Naval Observatory. They all have printing allowances. Of course, do not understand that I am making any criticism. I am just asking for information. If they are to continue to get these, I have nothing further to say. I do not care how they get them. I asked the question because I did not find any place in here where it was provided that the RECORD should be delivered to the different departments. Of course they have to have the RECORD.

Mr. BARNHART. These departments to which the gentleman refers have not depository libraries, but the other departments do have depository libraries.

Mr. MANN. They do not, any of them, have depository libraries.

Mr. BARNHART. Oh, yes; each executive department has.

Mr. MANN. What do you mean by "depository libraries"?

Mr. BARNHART. They are given one copy of each Government publication for their libraries.

Mr. MANN. That does not include the daily RECORD. The daily RECORD is not sent to the depositories.

Mr. BARNHART. It includes the bound RECORD.

Mr. MANN. Oh, yes. I am not talking about the bound RECORD. I do not care whether they get the bound RECORD or not. It may be suitable to stack up in piles. I am sure that they do not all take it.

Mr. BARNHART. The bill provides that they shall have a copy of the RECORD.

Mr. MANN. Where is it? I do not say it is not there, but it is not in this section. I could not find it.

Mr. BARNHART. At the top of page 95, it is provided—

To the superintendent of documents, a sufficient number of copies of the daily and bound RECORD to enable him to make distribution to depository libraries.

Mr. MANN. The department libraries are not depository libraries in that sense. There is one in each congressional district and two at large in each State.

Mr. BARNHART. Section 64, paragraph 1, provides as follows:

The libraries of each executive department in Washington, D. C., the United States Military Academy, the United States Naval Academy, each State and Territory, the District of Columbia, the Government of the Philippine Islands at Manila, the Government of Porto Rico at San Juan, the Pan American Union, each land-grant college, the office of the superintendent of documents, the Historical Library and Museum of Alaska, the American Antiquarian Society of Worcester, Mass., and in addition thereto not to exceed one library for each congressional district and Territory and two libraries at large for each State, to be designated by the superintendent of documents under such rules and regulations as are approved by the Joint Committee on Printing, are hereby constituted depositories of Government publications, and all designations now existing shall be permanent, except as otherwise provided in this section.

Mr. MANN. I take it all back. It is under that provision that they get the daily RECORD?

Mr. BARNHART. Yes.

Mr. MANN. Mr. Chairman, I move to amend page 92, line 21, by striking out the word "sixty" and inserting the word "eighty."

The CHAIRMAN. The gentleman from Illinois offers an amendment which the Clerk will report.

The Clerk read as follows:

Page 92, line 21, strike out the word "sixty" and insert the word "eighty."

Mr. MANN. Does the gentleman from Indiana know how much that would cost? I think the demand for the CONGRESSIONAL RECORD is so great that we ought to increase the number allotted to each Member.

Mr. BARNHART. It would add one-third to the present cost of the RECORD.

Mr. MANN. Oh, no; it would not add one-third to the present cost, but it would increase by one-third the number allotted to each Member.

Mr. BARNHART. The cost of the RECORD is something like $1,000,000 per Congress. Of course, that includes the Senate.

Mr. MANN. About the only increased cost for this, of course, would be for paper, ink, and printing. It would not increase the cost of composition. Now, we are going to reduce the size of the RECORD, and make it more readable, under this provision. Since I have been here I think we have doubled the allotment of RECORDS to Members. I think we used to get 29 copies apiece. Perhaps I am mistaken about that. I think there is a much greater demand for the RECORD than there used to be. The population of the Members' districts is considerably increased. I am not inclined to be extravagant, but I believe it would be a proper thing to increase the number of RECORDS allotted to us.

Mr. BARNHART. The committee went over that phase of the matter and made some inquiry among Members. As far as the chairman of the committee is concerned, he does not have demands for all his RECORDS, except where the list of names to whom RECORDS are sent is continued from term to term. Some years ago I found myself without RECORDS enough to supply the demand that kept coming in, and I adopted this method: At the opening of a session of Congress I sent a letter to each one to whom the CONGRESSIONAL RECORD had been sent by me in the previous Congress, and said that if he wanted the CONGRESSIONAL RECORD continued please to notify me at once, and if not I would consider that he did not want it continued, and I would send the copy going to him to some one else who was asking for it.

The result is that since then I find I very rarely have requests for all my CONGRESSIONAL RECORDS. I think the draft on me for this very important session of Congress is probably 51 RECORDS. It was so a few days ago. I do not recall that there have been any additional requests since. I can see how, if Members permit their old lists to stand and make no effort to ascertain whether or not the RECORD is really acceptable, they will have an increasing list. I have constituents in my district to whom I am sending the RECORD who might consider it an offense if they wrote to me and told me they wanted it stopped, that they did not care to read it, and that I might send it to some one else. But I believe that if the method I have adopted were adopted by the membership generally we would find we had an ample supply of CONGRESSIONAL RECORDS.

Mr. MANN. Ah, of course the gentleman states his own case. Each one is apt to look at it from his own viewpoint. This is my practice: I want about 8 or 10 copies of the daily RECORD delivered at my office every day for use. I do not want them promised out in advance, and they are not sent out. I make use of them regularly. At the beginning of every session——

Mr. BARNHART. Probably there is not another Member of Congress who makes use of 10 daily RECORDS in that way.

Mr. MANN. I have talked with a good many Members of Congress who do the same thing. Every few days something happens in the House and somebody wants to know about that particular thing, and you can send the RECORD and let them know about it. I am much more particular even than the gentleman from Indiana, and I have no doubt he is more particular than many. The gentleman writes and asks them if they want the RECORD. At the beginning of each session of Congress I strike most of them off the list, and if they do not write and kick they do not get it; but many of them do, and I never have been able to supply the demand for the RECORD. I do not think I have an unusual demand.

Mr. BARNHART. Will the gentleman yield there?

Mr. MANN. Certainly.

Mr. BARNHART. Does the gentleman take into consideration the fact that he is one of the most conspicuous Members in the activities of Congress?

Mr. MANN. I do not think so.

Mr. BARNHART. That his name is in the newspapers every day as having led or opposed this and that legislation; that he is the leader of his party; and that what applies to him in the matter of requests for CONGRESSIONAL RECORDS by people interested in him would not apply to another man in the Congress of the United States?

Mr. MANN. I think the gentleman is mistaken. I do not think the personal equation enters into it at all.

Mr. BARNHART. I think it does.

Mr. MANN. I do not think so.

Mr. BARNHART. I will say to the gentleman that when I retire from Congress—and that is liable to happen—and if I ever ask some one for a CONGRESSIONAL RECORD, it will be, in a measure, to see what the gentleman from Illinois is starting on the floor of the House.

Mr. MANN. I will say this, that if the gentleman ever gets turned out of Congress and puts in his time reviewing what I have done in the House as it goes along, it will be of vastly great benefit to him. [Laughter.]

Mr. BARNHART. I have no doubt about that.

Mr. MANN. I am afraid he does not do it now

Mr. BARNHART. Well, I will say, Mr. Chairman——

Mr. MANN. But seriously, now, I do not often send the RECORD to people outside of my district. I have two or three times sent a RECORD to some defeated Member of Congress, but the demand for RECORDS is by people who want to use them. It is not merely for idle reading. They follow the RECORD. I find when I go home—and I read the RECORD here every day—that I not infrequently run across somebody who seems to know more about the RECORD than I do, who religiously reads it; and I think it is a good thing.

Mr. SLAYDEN. They can not do anything else then.

Mr. BARNHART. The gentleman asked what would be the increased cost to supply 20 additional copies of the daily RECORD to each Member. It would cost $72,500, on the basis of the present cost of the RECORD.

Mr. MANN. Of course that will only be if the RECORDS are sent out.

Mr. BARNHART. If the allotment is printed, I take it there will be a good many corded up and never sent out, as now.

Mr. MANN. I think you correct that, do you not? You change that?

Mr. BARNHART. We limit it to five copies of the bound RECORD, under the present arrangement, but further than that I do not know of any change. If I have 60 copies coming to me, and some one asks me for a RECORD and I give an order for it, they will send the back numbers, and if they do not they go to the junk heap.

Mr. MANN. The gentleman had better correct that. I only have them send the RECORD from the date that the order comes in.

Mr. BARNHART. What is the gentleman going to do with the balance of the 60 RECORDS to his credit?

Mr. MANN. Those that they do not keep to be bound I have sent to my office, and I send them out as called for. That is a good practice, and I advise the gentleman to follow it.

Mr. SLAYDEN. Mr. Chairman, I take the floor to ask a question of the chairman of the committee. I was interested in the discussion between the two gentlemen as to the circulation of this great daily among the people of their respective districts. I would like to know how many people subscribe and pay for the CONGRESSIONAL RECORD according to the rates printed in it.

Mr. BARNHART. In the United States?

Mr. SLAYDEN. In the United States and the Philippines.

Mr. BARNHART. In the Sixtieth Congress, first session, there were 110 subscribers; in the second session of the Sixtieth Congress, 145; in the Sixty-first Congress, first session, 110. There were 95 monthly subscribers in the first session Sixty-first Congress, in addition to the 110 session subscribers. In the second session of the Sixty-first Congress there were 160 subscribers. In the six years of the Sixtieth Congress, Sixty-first Congress, and Sixty-second Congress there was a total of 638 subscribers.

Mr. SLAYDEN. That does not indicate any great demand among the people for the CONGRESSIONAL RECORD. It does seem to me that the distribution of 60 copies by each Member ought to supply all the literature of that sort that is needed.

Mr. FESS. Mr. Chairman, probably my calls for the RECORD would not be a very good index to go by, but I have not been able to supply all of the calls that have come to me. I have 56 newspapers in my district, and I can not supply all of them.

Mr. SLAYDEN. The gentleman sends the RECORD voluntarily to them, does he not?

Mr. FESS. Yes.

Mr. BARNHART. Will the gentleman yield?

Mr. FESS. Yes.

Mr. BARNHART. When I first came to Congress I discovered, and I presume it is the experience of others, as the man whom I succeeded was of the opposite political faith, and there never had been one of my political faith representing that district, the people were anxious to see what their Representative was going to do, and I had demands for more RECORDS than I had copies to supply. But this demand has been growing less ever since, and it may be on account of their disappointment in their Member of Congress, on account of his lack of activity. But from time to time, and I take it it is the experience of a good many Members that their constituents become satisfied with their floor work and do not care to read about it any more.

Mr. TOWNSEND. Will the gentleman yield?

Mr. FESS. Yes; I will yield to the gentleman.

Mr. TOWNSEND. I want to ask the gentleman from Ohio if he had the same experience in sending copies to newspapers that a gentleman from another State had, whose name I shall not mention. He had a great many weekly papers to whom he sent the CONGRESSIONAL RECORD until he found that they were wrapping the mail in them.

Mr. FESS. I have not had that experience, but I am frank to say I do not know whether this distribution I have made to the newspapers is a valuable one or not. I supposed that it was. On the other hand, I am also sending one copy to each college, and I have eight colleges in my district. Then I try to send one to each separate high-school library. I do not have enough to go around. Probably if I took the time to analyze the list I might reduce them; but I frankly state to you that the allotment as now allowed does not permit me to give to all these general institutions, and therefore I have not been able to respond to individuals at all.

Mr. SLAYDEN. Will the gentleman yield?

Mr. FESS. Yes.

Mr. SLAYDEN. I want to suggest to the gentleman from Ohio my own experience in the matter of the distribution of the RECORD. When I came here I did precisely what he says he has done. I did not send the RECORD to all newspapers in my district because there were not enough RECORDS to go around. In the next campaign I went into the offices of the newspapers, and they were frank to tell me that they did not read the news as old as that brought by the CONGRESSIONAL RECORD, but they used them as wrappers for their own papers. I dropped those particular journals the next session and took up a new list, and found the same experience there. Then I adopted the plan of sending it to people who asked for it, and I have found that the only part of my constituency which takes a persistent interest in the CONGRESSIONAL RECORD are the farmers living without quick access to the newspapers, and not the people in the towns and at colleges. They are the men who live in the remote rural country. I fancy they are the only people who are interested. Now, Mr. Chairman, if I have used all of the gentleman's time, I ask that it be extended.

The CHAIRMAN. The gentleman has one minute more.

Mr. FESS. I want to confess that I have not been able to furnish any RECORDS to the farmers. Probably I have made a wrong distribution; I do not know. I would hesitate to vote for the increase in the expense, as the gentleman has stated, but at the same time I would like to have a larger allotment if it is not too much of a strain.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken, and the amendment was rejected.

Mr. MOORE. Mr. Chairman, I move to amend, at the end of line 15, page 93, by striking out the word "thirty" and inserting the word "fifty."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 93, line 15, strike out the word "thirty" and insert the word "fifty."

Mr. MOORE. Mr. Chairman, I understand the present allotment of copies for daily use for the Doorkeeper of the House of Representatives is 50. Am I correctly informed?

Mr. BARNHART. No such information has come to the committee.

Mr. MOORE. I find that 50 copies are daily assigned to the Doorkeeper, and if we were to fix 30, as proposed here, there would be a reduction of 20 copies.

Mr. BARNHART. The present law is 30, and if any official of the House is receiving 50, and the law authorizes him only to have 30, the committee knows nothing about that method of procedure. There has been no request to the committee for any increase. The bill has been submitted to all of the officers of the House. I do not know that they have read it, but there has been no request of that sort to the committee.

Mr. MOORE. I wish to say to the gentleman and to the committee that frequent requests are made for copies of the RECORD by Members of the House. It may be true that the gentleman's constituents are not always interested in the RECORD, and it may be true that the constituents of the gentleman from Texas [Mr. SLAYDEN] are not always interested in the RECORD, but there are other Members——

Mr. BARNHART. I am not clear on the gentleman's position. These 50 are issued to the Doorkeeper of the House. What use has he for them?

Mr. MOORE. I am informed that 50 copies are left here each morning for the use of the Members of the House on the floor.

Mr. BARNHART. Yes.

Mr. MOORE. And I am quite sure of my own knowledge that there are times when the supply of daily RECORDS for the use of the Members is very quickly exhausted. We may want to read one of our own speeches, unlike the constituents of the gentleman from Texas [Mr. SLAYDEN], who spoke a moment ago. If nobody else is interested in our speeches, it is true that sometimes we are ourselves and like to look them up.

Mr. BARNHART. One is supplied for each Member of the House every morning.

Mr. MOORE. That is true, but frequently demands are made here by Members during the day in excess of the 50. This question arose, because 15 minutes ago I had occasion to ask for a copy of the RECORD which contained a speech made during the war-tax discussion, and I was informed that the supply was exhausted. I believe the date was September 25. The Clerk said to me he hoped that I was not going to ask for the RECORD of September 25 because there had been a heavy demand for that and all recent requests had been turned down. They had no more of them. I got another copy of another date, which served as well, and that is what brings this matter to my attention now.

Mr. BARNHART. That is one particular instance, but does the gentleman from Pennsylvania believe that these allotments ought to be increased generally to cover such instances?

Mr. MOORE. I am just informed by the gentleman from Ohio [Mr. FESS] that he was unable to get a copy of the RECORD here which contained the war-tax speech of the gentleman from Alabama [Mr. UNDERWOOD]. Naturally there is pressure and demand for these speeches at times. I have frequently had occasion to ask for copies here and have found the daily supply exhausted.

Mr. BARNHART. That is true in many other instances in Congress, but the committee tried to reach a happy medium in which all wants would be taken care of, and if we were to increase all along the line, to meet possible emergencies, the extra amount of printing that we would do would get us into the same rut that we are trying to get out of, and that is a great superfluity of documents that can not be used.

Mr. MOORE. I have in my hand now a cover of one of the CONGRESSIONAL RECORDS showing that 50 copies are delivered here to the Clerk of the House each day.

Mr. BARNHART. But the gentleman has been talking about the Doorkeeper and not the Clerk of the House.

Mr. MOORE. It is addressed to the Clerk of the House, care of Frank W. Collier, and it is a part of the assignment to the Doorkeeper as per this bill:

And to the Doorkeeper of the House, 10 copies in daily or bound form; and not to exceed 30 daily copies for the use of the House of Representatives.

That is a reduction of 20 copies per day.

Mr. BARNHART. If the gentleman will look at page 93, line 7, he will find this language, providing for a new division:

To the Secretary and the Sergeant at Arms of the Senate and to the Clerk and the Doorkeeper of the House, 10 copies each, in daily or bound form, and not to exceed 20 daily copies each for office use.

Mr. MOORE. Does not that lead to confusion?

Mr. BARNHART. And further along the language to which he has just referred is clear. There is an abundance, it would seem to me. That makes 50 copies that now come here, according to the memorandum the gentleman has.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired. The question is on agreeing to the amendment offered by the gentleman from Pennsylvania.

The question was taken; and on a division (demanded by Mr. MANN) there were—ayes 7, noes 20.

So the amendment was rejected.

Mr. FESS. Mr. Chairman, I move to strike out the last word to ask a question of the chairman of the committee. Have we any relationship with the Parliament of England by which we get the reports of the proceedings in Parliament in exchange for our proceedings? Do we get the reports from England?

Mr. BARNHART. The Library of Congress gets the International Exchange.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 70. PAR. 1. The Public Printer shall, upon requisition of the superintendent of documents, who is hereby charged with the distribution of the Revised Statutes and Supplements thereto, print, bind, and deliver to the latter as many volumes of the Revised Statutes of the United States and the Supplements thereto as may be needed for distribution to State supreme court libraries, to United States courts not already supplied, to supply deficiencies and offices newly created, and to be sold by him under the provisions of section 58 of this act: *Provided*, That the superintendent of documents shall, at the beginning of the first session of each Congress, distribute to each Senator, Representative, Delegate, and Resident Commissioner in such Congress not previously supplied one copy of the Revised Statutes of the United States and the Supplements thereto. *Provided further*, That no Senator, Representative, Delegate, or Resident Commissioner during his term or terms of service shall receive more than one copy of such Revised Statutes and Supplements thereto.

Mr. BARNHART. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 96, line 5, after the first word "to," strike out "State supreme court libraries" and insert "the library of the court of last resort of each State."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

SEC. 70. YEAR. 2. After the close of each Congress the Secretary of State shall have edited and printed the Statutes at Large enacted by that Congress, and the Public Printer shall deliver to the superintendent of documents as many bound copies as may be needed to meet the following distribution: To the President of the United States, 4 copies, one of which shall be for the library of the Executive Office; to the Vice President, each Senator, Representative, Delegate, and Resident Commissioner, 1 copy; to the librarian of the Senate, for the use of Senators, not to exceed 120 copies; to the librarian of the House, for the use of Representatives, Delegates, and Resident Commissioners, not to exceed 200 copies; to the Department of State, including those for the use of legations and consulates, not to exceed 380 copies; to the Treasury Department, including those for the use of officers of customs, not to exceed 300 copies; to the War Department, not to exceed 75 copies; to the Navy Department, not to exceed 75 copies; to the Department of the Interior, including those for the use of surveyors general and registers and receivers of public-land offices, not to exceed 250 copies; to the Post Office Department, not to exceed 50 copies; to the Interstate Commerce Commission, not to exceed 10 copies; to the Civil Service Commission, 4 copies; to the Department of Justice, including those for the use of the Chief Justice and Associate Justices of the Supreme Court of the United States and the judges and the officers of the United States and Territorial courts, not to exceed 800 copies; to the Department of Agriculture, not to exceed 50 copies; to the Department of Commerce, not to exceed 300 copies; to the Department of Labor, not to exceed 50 copies; to the Smithsonian Institution, 2 copies; to the Pan American Union, 2 copies; to the Governor General of the Philippine Islands, at Manila, 2 copies; to the Governor of Porto Rico, at San Juan, 2 copies; to the Government Printing Office, 2 copies; and a sufficient number of copies for distribution to the library of the court of last resort of each State.

Mr. MANN. Mr. Chairman, I move to strike out the last word. I notice that the Statutes at Large are to be distributed, one to each Senator, Representative, and so forth. Then, having given each Senator one, the gentleman proposes to give to the Librarian of the Senate 120 copies for the use of the Senators. I expect that is the existing law, but what is the object, if the gentleman happens to know, of this extravagant distribution of these pamphlets to the Senators? They can not have any use for them. I think the gentleman is satisfied with giving to the librarian of the House 200 copies. Of course that does not go all the way around. I do not know what the Senators will do with the extra copies of the Statutes at Large.

Mr. BARNHART. I will say to the gentleman from Illinois that the committee's only means of information was by calling on these different officials and inquiring if the present enactment was sufficient and if they were really needed; and in many instances numbers were changed by the officials both of the House and Senate. Sometimes they increased, sometimes decreased, and we took the report of these officials that the librarians need that amount; at least they did not report to the contrary, and that is the basis of procedure on the part of the committee in fixing the amount, leaving it as I think like the present law. No, the Senate has an increase of 20 and that was on the demand of the librarian.

Mr. MANN. What do they do with them?

Mr. BARNHART. Well, I do not know, but the committee could not inquire of every official appearing before it what is done with the documents allotted to him.

Mr. MANN. Of course I know the Senate Committee on Printing always gets the chairmanship of the Joint Committee on Printing and appoints the clerk to the Committee on Printing and probably has a little more influence than the House side has. The result is that Senators get more than two copies of the Statutes at Large and Members of the House get less than two, having no more use for them than we have. My observation is that they do not examine them any more carefully than we do. But that is neither here nor there. I want to make a suggestion to the gentleman——

Mr. BARNHART. I will explain that briefly, as I want to keep the Committee on Printing clear in the estimation of the Committee of the Whole House——

Mr. MANN. I am not complaining of the committee in reference to that.

Mr. BARNHART (continuing). It is this: The librarian of the Senate said there is a constant and general demand that they might have a copy at the home office and one in Washington. Our librarian here made no such request, and when such a request is made of our committee and they say that there is a demand for it, that they want it, if we did not put it in the bill it would probably go on in the Senate anyhow, and the short cut was to put it in here.

Mr. MANN. The gentleman knows they do not make any more use of the Statutes at Large in their home offices, which they do not have as a rule, than Members of the House do; that not as many Senators have a home office as Members of the House. That is neither here nor there, but I want to make a suggestion——

Mr. BARNHART. The gentleman understands that while he is not permitted to offer any reflection on any Member here, he can appreciate what the gentleman from Illinois has said that they probably have no more use for them, but certain Members of the Senate think they have more use for documents, and so forth, than Members of the House. Of that I am fully convinced.

Mr. MANN. I am quite willing to give copies of the statutes to people who make use of them, but I would like to make this suggestion for future effect: We print the public laws and private laws now in separate volumes, and it is an expensive publication, as the gentleman knows. The private laws, in the main, consist of omnibus pension bills. I do not believe there is any necessity of distributing private laws with the same degree of liberality that there is of public laws to every department and branch of the Government where we send the public laws.

I do not know whether you could effect economy in that way or not, but I would request the prayerful consideration of the gentleman from Indiana to the idea of dispensing with the filling up of so many libraries with volumes of private laws which no one ever looks at. They may look at the proclamations sometimes.

The CHAIRMAN. The time of the gentleman has expired.

The Clerk read as follows:

SEC. 71. The pamphlet laws of each session of Congress and the bound copies of the Statutes at Large of each Congress shall be legal evidence of the laws and treaties therein contained in all the courts of the United States and of the several States therein. The pamphlet laws of each session of Congress and the Statutes at Large of each Congress shall contain all laws and concurrent and joint resolutions passed by Congress, and also all conventions, treaties, proclamations, and agreements: *Provided*, That neither the Revised Statutes of the United States, nor the Statutes at Large, nor the session laws shall be published in any newspaper at the expense of the United States.

Mr. MANN. Mr. Chairman, I move to strike out, on page 100, after the figures "71," in line 4, down to and including the word "therein," in line 8.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 100, lines 4 and 8, strike out the following language: "The pamphlet laws of each session of Congress and the bound copies of the Statutes at Large of each Congress shall be legal evidence of the laws and treaties therein contained in all the courts of the United States and of the several States therein."

Mr. MANN. Mr. Chairman, I do not know that it is important whether it goes out or stays in, but this is not where it belongs. It is not in this law that we ought to fix what is evidence in the courts. That is carried by the law relating to the courts. It was up recently in the codification bill which the gentleman from Louisiana [Mr. WATKINS] had charge of, and I believe it is a provision in the law now, and it is also carried in the other law. Is this in the identical language of the printing law now?

Mr. BARNHART. Yes.

Mr. MANN. I believe that the slip laws are evidence in court. My recollection is that they are. We print a slip law and a pamphlet law in bound volume of the Statutes at Large. The printing act makes the bound copies of the pamphlet laws evidence. I think the statute that governs on the subject—although I may be mistaken—makes the slip law evidence, and when we print one of these copies here by authority of Congress it does not have to be a certified copy nor do we have to wait until it is printed in pamphlet form before it can be introduced in evidence.

Mr. GARRETT of Tennessee. Mr. Chairman, does it say it shall be evidence in the courts of the States?

Mr. BARNHART. In the courts of the United States and the several States therein.

Mr. GARRETT of Tennessee. Mr. Chairman, it is the present law, I suppose, and no objection to it on that score, but I do not see exactly how Congress can pass an act declaring what shall be evidence in the courts of a State. The Constitution of the United States provides that the Constitution and all laws made in pursuance thereof shall be the supreme law of the land and be binding. Of course, it is the law in the State, but how the Congress of the United States can declare what shall be evidence in the courts of a State passes my comprehension.

Mr. BORLAND. Will the gentleman yield? Most States have a section in their code saying that public laws and acts of

another State shall be evidence when printed under the public authority of that State, of the laws of that State.

Mr. GARRETT of Tennessee. Certainly. The States can do it, but how can Congress say what shall be evidence in the State of Missouri?

Mr. BORLAND. Printed under the authority of Congress. I think that is true in most State courts.

Mr. GARRETT of Tennessee. That is your State law?

Mr. BORLAND. Yes.

Mr. GARRETT of Tennessee. Well, here is an attempt to say by Congress what shall be evidence in a State court.

Mr. MANN. Suppose a State did not permit any method of approving the law, they could not nullify an act of Congress in that way?

Mr. GARRETT of Tennessee. Not at all. If the gentleman will pardon me, as I caught the reading of it—I do not have it before me—it is not a declaration that it shall be the law in the State courts.

Mr. MANN. Oh, no; it is evidence. But if you leave it to the State how the law should be approved, and the State did not permit any method of approving the law, that would be to set aside the law in the State courts.

Mr. GARRETT of Tennessee. That would be a question for the court itself to pass upon in the absence of a legislative act.

Mr. MANN. Oh, no.

Mr. GARRETT of Tennessee. In the absence of a legislative act the courts themselves could determine what was evidence. It is possibly an academic discussion. I do not want to take up any time with it, but I wanted to call attention, Mr. Chairman, to what seems to me to be a very peculiar thing to do, in that the Congress of the United States should declare by legislation what should be evidence in the State courts.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken and the amendment was agreed to.

The Clerk read as follows:

SEC. 72. The following shall be printed and distributed as provided in this act:

(1) Annual reports of the officers of the Senate and the House of Representatives: *Provided*, That the annual reports required by law to be submitted to the Senate and the House of Representatives, respectively, by the officers thereof shall be printed as congressional documents of the session to which they are to be submitted.

Mr. MANN. Mr. Chairman, I move to strike out the last word. Section 72 says:

The following shall be printed and distributed as provided in this act.

How is that, now? Is it the valuation distribution which is referred to there?

Mr. BARNHART. No. I will say this does not refer to valuation. This does not come to us through the folding room.

Mr. MANN. It says "printed and distributed as provided in this act."

Mr. GARRETT of Tennessee. The valuation only applies to the folding room.

Mr. MANN. Oh, no. The gentleman is mistaken about that. It applies to certain documents. Where is it provided in this act that these shall be distributed?

Mr. BARNHART. In section 44. It is a standing provision. It is the usual number.

Mr. MANN. That is what is intended by it?

Mr. BARNHART. Yes.

Mr. MANN. And it does not come under the valuation?

Mr. BARNHART. Not under the valuation.

Mr. MANN. It is difficult to tell from the reading. Section 44 provides for printing of documents by order of the House or the Senate.

Mr. GARRETT of Tennessee. Paragraph 3, section 44, if the gentleman will look, will possibly cover it. It is on page 40.

Mr. MANN. That is to define what a Government publication is. I will not say there is not any provision in the bill covering it. The bill is a good one.

Mr. BARNHART. On page 42, section 46, line 20, it says:

Of the House numbered documents and reports, excepting reports on private bills and simple and concurrent resolutions, there shall be distributed—

And so forth.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

(2) Book of Estimates: *Provided*, That the annual estimates of appropriations transmitted to Congress by the Secretary of the Treasury as provided by law shall be printed as a congressional document of the session to which they are submitted and be ready for delivery on the first day of each regular session of Congress: *Provided further*, That the Committee on Appropriations of each House is authorized to have printed and bound in half morocco not to exceed 100 copies thereof for its own use.

Mr. BYRNS of Tennessee. Mr. Chairman, I offer an amendment, to strike out the words "one hundred," on page 101, lines 6 and 7, and insert "ten."

The CHAIRMAN. The gentleman from Tennessee offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 101, lines 6 and 7, strike out the words "one hundred" and insert in lieu thereof the word "ten."

Mr. BYRNS of Tennessee. Mr. Chairman, the clerk of the House Committee on Appropriations tells me it is not necessary to have more than 10 copies of the Book of Estimates bound, as provided in this particular paragraph. He states he has never had more than that number bound in any one year, and it is at his suggestion that I have offered this amendment. It is simply in the interest of economy, because the additional number is not necessary.

Mr. BARNHART. We will accept the amendment, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee.

The question was taken, and the amendment was agreed to.

Mr. BORLAND. Mr. Chairman, I move to strike out the last word. I want to ask the chairman of the committee how many copies of the Book of Estimates this provides for printing?

The CHAIRMAN. That covers the usual number.

Mr. MANN. Five hundred for the House.

Mr. BARNHART. Thirteen hundred and forty-five.

Mr. BORLAND. What becomes of those?

Mr. BARNHART. They go to the document room.

Mr. BORLAND. Are they sent to the document room or the folding room?

Mr. BARNHART. To the document room.

Mr. BORLAND. Is there demand for that number of copies of the Book of Estimates?

Mr. BARNHART. Yes. Of course, 500 go to libraries.

Mr. BORLAND. To what libraries?

Mr. BARNHART. To the depository libraries—to the departments and the other depository libraries.

Mr. BORLAND. That is, out of the 1,345?

Mr. BARNHART. Yes.

Mr. BORLAND. What has been the consumption of the remaining 800? Are they all gone?

Mr. BARNHART. The committee is not prepared to advise the gentleman from Missouri as to that.

Mr. BORLAND. It seems to me that that is a large number of copies of the Book of Estimates, which is a large book, and it must be expensive to print.

Mr. BARNHART. We had the superintendent of documents before us, and he went over all these matters very carefully, and he gave us a number of very liberal reductions. After taking 500 from the 1,345 it leaves barely more than one for each Member and Senator.

Mr. BORLAND. My experience is that each Member does not use one copy.

Mr. BARNHART. Even then it is necessary, and the provision is that there shall be that many.

Mr. MANN. If the gentleman from Missouri will yield, the gentleman from Indiana awhile ago referred me to paragraph 3 in section 46 for the authority fixing the distribution of these documents, and under that 500 go to the House folding room.

Mr. BARNHART. To the House folding room?

Mr. MANN. To the House document room; not to exceed 500.

Mr. BORLAND. Does any portion of them go to the folding room?

Mr. MANN. No.

Mr. BORLAND. Where is the provision under which that number is fixed? I do not think I know where it is in the bill. The gentleman referred to "the usual number."

Mr. MANN. "The usual number" comes from the number which are distributed to the House and the Senate and to public depositaries, or in some cases to the President and the executive departments. Certain documents by direction go in certain numbers. That is "the usual number" as to any document. It varies slightly.

Mr. BORLAND. I notice in section 70, paragraph 3, that there is an express enumeration of the number of copies of the pamphlet laws to be furnished to each one of these departments. Now, is there an enumeration somewhere of "the usual number," as it is called, of these other documents?

Mr. MANN. I do not think there is an enumeration at any place. That is the specific number provided for. Take this section 46, paragraph 3, that was referred to a little while ago:

Of the House numbered documents and reports, excepting reports on private bills and simple and concurrent resolutions, there shall be dis-

tributed, unbound, to the Senate document room, not to exceed 150 copies; to the office of the Secretary of the Senate, not to exceed 10 copies; to the House document room, not to exceed 500 copies; and to the office of the Clerk of the House of Representatives, not to exceed 20 copies—

And so forth.

Now, there are other provisions in the bill which require these same documents to go to certain other officials, and also to certain public depositories; and the total required for distribution makes it what they call "the usual number."

The CHAIRMAN. The time of the gentleman from Missouri [Mr. BORLAND] has expired.

Mr. BORLAND. Mr. Chairman, I withdraw the pro forma amendment.

The CHAIRMAN. The gentleman from Missouri withdraws the pro forma amendment. The Clerk will read.

The Clerk read as follows:

(3) Statement of appropriations: *Provided*, That the statement of all appropriations made during each session of Congress, including new offices created and the salaries of each, and salaries of the offices which are increased and the amounts of such increase authorized by the act of July 4, 1836, shall be prepared under the direction of the Committee on Appropriations of the Senate and House of Representatives, and said statement shall show also the offices the salaries of which are reduced or omitted, and the amount of such reduction, and shall also contain a chronological history of the regular appropriation bills passed during the session for which it is prepared. The foregoing statement of appropriations shall be printed at the close of each regular session of Congress as a document thereof, and the Committee on Appropriations of each House is authorized to have printed and bound in half morocco not to exceed 100 copies thereof for its own use.

Mr. BYRNS of Tennessee. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Tennessee [Mr. BYRNS] offers an amendment, which the Clerk will report.

The Clerk read as follows:

On page 101, in line 13, after the word "thirty-six," insert the words "and amendments thereof."

Mr. BYRNS of Tennessee. Mr. Chairman, I desire to call the attention of the committee to the fact that since the act of July 4, 1836, was passed, there have been two amendments, one adopted in 1888 and the other in 1897, relating to statements of appropriations. My attention was called to the fact, and it was suggested that this amendment ought to be adopted in order to preserve the requirements of the present law.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BYRNS of Tennessee. Mr. Chairman, I desire to offer another amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Tennessee.

The Clerk read as follows:

In line 19, on page 101, after the word "prepared," insert the following: "and exhibit of amounts of contracts authorized by appropriation acts in addition to the appropriations made therein, and specific reference to all indefinite appropriations made at each session."

Mr. BYRNS of Tennessee. Mr. Chairman, this is exactly in accord with the mandatory act of July 19, 1897.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BYRNS of Tennessee. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The gentleman from Tennessee offers another amendment, which the Clerk will report.

Mr. BYRNS of Tennessee. I ask to strike out the word "one," line 24, page 101, and insert the word "two," so as to make it read, "200 copies."

The CHAIRMAN. The gentleman from Tennessee offers an amendment, which the Clerk will report.

The Clerk read as follows:

Line 24, page 101, strike out the word "one," at the beginning of the line, and insert the word "two."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. BARNHART. Mr. Chairman, I would like to inquire of the gentleman from Tennessee what the purpose of the extra number is?

Mr. BYRNS of Tennessee. Mr. Chairman, the clerk of the Committee on Appropriations states that 100 copies are not sufficient.

This past year he had either 120 or 125 bound, and they were necessary in order to make the proper distribution. This bill does not provide that any particular number of copies shall be bound, but says not exceeding a certain number shall be bound, and inasmuch as 100 are not sufficient, and only a sufficient number will be bound to supply the necessary number for distribution, it is thought that the limit should be made 200 rather than 100.

Mr. MANN. Mr. Chairman, I should like to make an inquiry. Are these the only copies of this document that are printed?

Mr. BARNHART. The usual number in addition.

Mr. BYRNS of Tennessee. I am informed by the chairman of the committee that the usual number are printed, in addition to those here mentioned.

Mr. MANN. I venture to say you can send out to the document room now and find 300 copies that are unused.

Mr. BYRNS of Tennessee. The gentleman will understand that these copies are distributed to the chairmen of the various committees, certainly the various appropriating committees, the heads of the departments, and the heads of important bureaus in the various departments.

Mr. MANN. I understand they get them anyhow. Of course, if they get them bound they are in a little better shape than if they get them here unbound.

Mr. BYRNS of Tennessee. They are bound for permanent use and permanent filing.

Mr. MANN. They are of no special value after the year has gone by. They are for current use, mainly for current legislative use. I have no doubt that the clerk of the committee makes good use of them. I am frank to say that I think usually I get one of them, and it is very convenient. Yet I could have one bound myself. We have a large number going to waste undoubtedly now, however.

Mr. BARNHART. If the gentleman will yield, the committee could see no danger of any serious extravagance in this, because it is up to the Committee on Appropriations not to have more than it actually needs, and as it used more than 100 last year I think it is fair to assume that there will be no waste, and the committee will accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. BYRNS].

The amendment was agreed to.

The Clerk read as follows:

(12) Daily Consular and Trade Reports, Department of Commerce: *Provided*, That the Secretary of Commerce is authorized to have printed, for distribution by the Department of Commerce, not to exceed 5,000 copies of any one issue of the Consular and Trade Reports, the distribution of which shall be confined to copies sent to consular officers and other Government officers for official use, to chambers of commerce and similar commercial organizations, to schools and colleges, to public libraries, to the press, and for the use of the Bureau of Foreign and Domestic Commerce in exchanges and replying to inquiries relative to foreign trade. Other copies shall be sold by the superintendent of documents at the rate of $2.50 per annum: *Provided*, That that part of section 208 of the Revised Statutes of the United States, as amended by an act to establish the Department of Commerce and Labor, approved February 14, 1903, authorizing the submission to Congress of the annual report known as the "Commercial Relations of the United States," is hereby repealed.

Mr. MANN. Mr. Chairman, I move to amend, page 108, line 2, by striking out the word "five" and inserting the word "twenty."

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 108, line 2, strike out the word "five" and insert in lieu thereof the word "twenty."

Mr. BARNHART. I will ask the gentleman from Illinois if he will consent to the reading of the balance of the section up to paragraph 73? That is as far as the committee intend to go this evening. It is just the next page, and then we might go back if we have any time.

Mr. MANN. I do not want to take it up to-night, and I am willing to have the section read, with the understanding that we may return to this paragraph for amendment.

Mr. BARNHART. The amendment will be considered as pending.

Mr. MANN. I have another amendment.

Mr. BARNHART. Very well. With that understanding I will ask the Clerk to read up to 73, and then I will move that the committee rise.

Mr. MANN. You might ask unanimous consent to pass over this paragraph, with leave to return for amendment.

Mr. BARNHART. Yes; that is understood.

The CHAIRMAN. The gentleman from Indiana asks unanimous consent to pass over the paragraph just read, with the privilege of returning to it. Is there objection?

There was no objection.

The Clerk read as follows:

(16) Annals of the Astrophysical Observatory of the Smithsonian Institution: *Provided*, That not to exceed 1,500 copies are authorized to be printed for distribution by the Smithsonian Institution.

Mr. BARNHART. Mr. Chairman, I will ask the gentleman from Illinois if he wishes to discuss his amendment now?

Mr. MANN. No; I think not to-night.

Mr. BARNHART. Very well. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. PAGE of North Carolina, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 15902) to amend, revise, and codify the laws relating to the public printing and binding and the distribution of Government publications, and had come to no resolution thereon.

ENROLLED BILL SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 12065. An act to increase the limit of cost of public building at La Junta, Colo.

ACCOMPLISHMENTS OF THE PRESENT CONGRESS.

Mr. REILLY of Wisconsin. Mr. Speaker, I ask unanimous consent to extend in the RECORD some remarks on the general political subject of the accomplishments of this Congress.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent to extend his remarks in the RECORD on accomplishments of the present Congress. Is there objection?

Mr. MANN. Reserving the right to object, Mr. Speaker, which I shall not exercise, I want to say that if this bill which we are now considering, and which I suppose the gentleman from Wisconsin is favorable to, were a law, granting consent would do him no good.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

THE TREASURY DEPARTMENT.

Mr. PHELAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the Treasury Department.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to extend his remarks in the RECORD on the Treasury Department. Is there objection?

There was no objection.

ADJOURNMENT.

Mr. BARNHART. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 55 minutes p. m.) the House adjourned until to-morrow, Friday, October 16, 1914, at 12 o'clock noon.

EECUTIVE COMMUNICATION.

Under clause 2 of Rule XXIV, a letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of Lake River, including Bachelors Slough, Wash. (H. Doc. No. 1176), was taken from the Speaker's table, referred to the Committee on Rivers and Harbors, and ordered to be printed, with illustration.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. CRISP: A bill (H. R. 19299) for the temporary relief of cotton growers of the United States; to the Committee on Banking and Currency.

By Mr. KAHN: Joint resolution (H. J. Res. 371) authorizing the President to extend invitations to other nations to appoint delegates or representatives to the Panama-Pacific Dental Congress, to be held at San Francisco, Cal., August 30 to September 9, inclusive, 1915; to the Committee on Foreign Affairs.

By Mr. GARDNER: Joint resolution (H. J. Res. 372) providing for a national security commission; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GLASS: A bill (H. R. 19300) for the relief of the heirs of Edward A. Scott; to the Committee on War Claims.

By Mr. HARRISON (by request): A bill (H. R. 19301) granting an increase of pension to Sarah Jane Clarke; to the Committee on Pensions.

By Mr. HINDS: A bill (H. R. 19302) granting a pension to David E. Stanwood; to the Committee on Invalid Pensions.

By Mr. HOBSON: A bill (H. R. 19303) for the relief of Emma Louise Du Bois, heir of Amos Towle; to the Committee on War Claims.

By Mr. KAHN: A bill (H. R. 19304) for the relief of Augusta Reiter; to the Committee on Claims.

By Mr. MAHAN: A bill (H. R. 19305) granting an increase of pension to Robert V. Horton; to the Committee on Invalid Pensions.

By Mr. STEENERSON: A bill (H. R. 19306) for the relief of Halvor Nilsen; to the Committee on the Public Lands.

By Mr. DOUGHTON: A bill (H. R. 19307) to correct the military record of James P. Collins; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. AINEY: Protest of W. H. Millard, of Lawton, Pa., against tax on proprietary medicines; to the Committee on Ways and Means.

By Mr. BAILEY: Petition of H. J. Fritz, of Hastings, Pa.; the Salberg Hotel, of Ridgway, Pa.; and B. E. Moon, of Johnstown, Pa., protesting against tax on automobiles; to the Committee on Ways and Means.

Also, petition of the Pennsylvania Pharmaceutical Association, of Philadelphia, Pa., protesting against tax on patent medicines; to the Committee on Ways and Means.

By Mr. CARR: Petition of F. L. Hall, manager of Dixie Theater, Uniontown, Pa., protesting against tax on theaters; to the Committee on Ways and Means.

Also, petition of W. Beachly, of Garrett; Henry Frazier, of Somerset; Dr. H. H. Miller, of Davidsville; Rev. W. Finke, of Boswell; and Robert Fogle, of Garrett, all in the State of Pennsylvania, protesting against tax per horsepower on automobiles; to the Committee on Ways and Means.

Also, petition of David J. Reese, secretary of the Pennsylvania Pharmaceutical Association, Philadelphia, Pa.; telegrams of the Hostetter Co., Pittsburgh, Pa.; and J. D. Armstrong Drug Co., Brownsville, Pa., protesting against tax on proprietary medicines; to the Committee on Ways and Means.

By Mr. DALE: Petition of the International Alliance of Theatrical Stage Employees, New York City, protesting against tax on motion-picture theaters; to the Committee on Ways and Means.

By Mr. DECKER: Petition of John W. Leake and other citizens of Missouri, relative to recognition for Dr. Frederick A. Cook; to the Committee on Naval Affairs.

By Mr. DEITRICK: Petition of the Epworth League of Melrose, Mass., favoring national prohibition; to the Committee on Rules.

By Mr. GRAY: Petition of W. F. Werner and sundry citizens of the United States, protesting against tax on drugs and medicines; to the Committee on Ways and Means.

Also, petition of L. A. Mills, Ed. E. Jenkins, J. L. Ashworth, L. E. Green, W. H. Johnson, and J. H. McCarty & Sons, of the sixth congressional district of Indiana, protesting against special revenue tax on drugs and medicines; to the Committee on Ways and Means.

Also, petition of P. J. O'Mearer, L. C. Henry, Frank Hayward, and Frank A. Watt, protesting against various items of pending emergency revenue bill; to the Committee on Ways and Means.

By Mr. HINDS: Petition of citizens of Gorham, Me., favoring national prohibition; to the Committee on Rules.

By Mr. KAHN: Petitions of the Twenty-first Avenue Baptist Sunday School and Baptist Sunday School of San Francisco, Cal., for Federal censorship of motion pictures; to the Committee on Education.

Also, petition of the Owl Drug Co., of San Francisco, Cal., protesting against tax on proprietary medicines; to the Committee on Ways and Means.

By Mr. McGILLICUDDY: Petition of Edward Brown and 59 others, all residents of Thomaston, Me., favoring national prohibition; to the Committee on Rules.

By Mr. MURRAY: Petition of Baptist Young People's Union of Guthrie, Okla., favoring national prohibition; to the Committee on Rules.

By Mr. TREADWAY: Petitions of Congregational Church of Conroy and Union of the Methodist, Congregational, and Christian Churches of Sheffield, Mass., favoring national prohibition; to the Committee on Rules.

Also, petitions of pharmacists of Greenfield, Mass., protesting against tax on proprietary medicines; to the Committee on Ways and Means.

SENATE.

FRIDAY, *October 16, 1914.*

(Legislative day of Thursday, October 8, 1914.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

THE FOREIGN SERVICE.

Mr. STONE. Mr. President, there was passed by the Senate last night the bill (S. 5614) for the improvement of the foreign service. I find the last section provides that the act shall take effect on the 30th day of September, 1914. I move to reconsider the votes by which the bill was ordered to a third reading and passed.

The motion to reconsider was agreed to.

The VICE PRESIDENT. The bill is in the Senate and open to amendment by unanimous consent.

Mr. STONE. On page 7, lines 17 and 18, I move to strike out the words "30th day of September, 1914," and to insert "day of its approval by the President."

The amendment was agreed to.

The bill was ordered to a third reading, read the third time, and passed.

THE COTTON CROP.

Mr. SMITH of Georgia. Mr. President, upon the same line as my remarks of yesterday with reference to the amendment offered to the tax bill on the cotton question, I send to the desk and desire to have read a cablegram sent day before yesterday from Manchester, England, by Sir Charles Macara. I do this because, as I mentioned yesterday, he is the president of the International Federation of Cotton Spinners and Manufacturers' Association, and because there is probably no one more thoroughly informed upon the cotton-manufacturing problem.

I send his cablegram to be read to emphasize the statement which I made yesterday that the best students of the cotton-manufacturing side of this problem are of the opinion that the trade in manufactured products is demoralized to-day by reason of the condition of the trade in lint cotton, and that in the interest of the manufacturer almost as much as in the interest of the cotton producer action upon this subject is required.

The VICE PRESIDENT. Is there any objection? The Chair hears none, and the Secretary will read.

The Secretary read as follows:

MANCHESTER, ENGLAND, *October 14, 1914.*

Col. ROBERT M. THOMPSON,
43 Exchange Place, New York, N. Y.:

Heartily support scheme for establishment of cotton reserve, which since war began I have been urging British and American Governments to take up. Scheme, to be effective, must embrace cotton crop of the world, England being responsible for Indian and Egyptian crops, representing about one-third world's crop, and America two-thirds. England possesses 40 per cent of the cotton machinery of the world and America about 20 per cent. Both Governments are vitally interested in preventing further serious losses to growers, cotton merchants, spinners, manufacturers, operatives, and distributers of cotton goods. Stable price of 9 cent would do this. Cotton organizations, either national or international, could not cope with situation, which can only be dealt with by cooperation of two Governments named, guaranteeing minimum price through ordinary commercial channels, with restrictions as to maximum to guard against gambling. Such guaranty would probably result in confidence being restored all around, which is so urgently needed.

CHARLES W. MACARA.

Mr. SMITH of Georgia. I desire to read a few lines from a letter by Col. Thompson, written to me on yesterday in connection with sending me the copy of the cablegram which has been read. It says:

I inclose a copy of Sir Charles's reply.

It is of enormous importance that some steps should be taken to gather up the surplus cotton of this year's crop, and that the world should know that this is being done. There is plenty of time to do it, if once the world knows that it is being done.

From the standpoint of the spinner Sir Charles thinks that 9 cents is a fair price. From the producers' standpoint I think that 12 cents is a fair price; but, perhaps, under the circumstances a compromise at 10½ cents might be reached.

Mr. President, I send to the desk and wish to have read an extract from a telegram from the former president of the Chamber of Commerce of the City of Atlanta and now president of the largest life insurance company, I think, in the State of Georgia.

The VICE PRESIDENT. Is there objection? The Chair hears none. The Secretary will read.

The Secretary read as follows:

ATLANTA, GA., *October 15.*

Hon. HOKE SMITH,
United States Senate, Washington, D. C.:

Kindly mail me copy of proposed rider to emergency act authorizing financing of cotton crop. What are possibilities of enactment by Congress? Your measure means immediate restoration of normal conditions throughout South.

WILMER L. MOORE.

Mr. SMITH of Georgia. I wish also to have read a short extract from a letter to me received this morning from a tobacco manufacturer and seller. I present it to show the view of this problem of one interested in the manufacture of tobacco.

The VICE PRESIDENT. The Secretary will read.

The Secretary read as follows:

I am writing to different sections of the country asking my friends in different States to urge their Senators and Congressmen to support earnestly any bill which Senator HOKE SMITH and his associates will approve looking to the enactment of such legislation as will insure the United States getting a price for her cotton above the cost of production, which will insure a continuation of the balance of trade in our favor as against all other Governments. I am taking the position that if we protect cotton, which is our leading export commodity, we have taken care of the big engine which gives vigor and vitality to all commercial interests throughout this entire Government. The tobacco interests should withdraw in favor of cotton, for if cotton brings a good price every other interest is indirectly thereby protected.

THE COTTON SITUATION IN THE SOUTH.

Mr. THOMAS. Mr. President, I have been requested by the senior Senator from Alabama [Mr. BANKHEAD] to ask permission to have read into the RECORD a letter bearing date the 13th of October, by Mr. W. P. G. Harding, a member of the Federal Reserve Board, addressed to certain papers in Alabama and in approval of Senator BANKHEAD's method of relieving the cotton situation. I ask that it be read.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read.

The Secretary proceeded to read the letter.

Mr. SIMMONS. Mr. President, I understand that that is rather a lengthy document, and I ask that it be printed in the RECORD without reading.

The VICE PRESIDENT. Is there objection to its being read?

Mr. SIMMONS. I object; and ask that it be printed in the RECORD.

The VICE PRESIDENT. The question is, Shall the letter be read? [Putting the question.]

Mr. SIMMONS. I shall make no point about it.

The VICE PRESIDENT. The ayes have it, and the letter will be read.

The Secretary resumed and concluded the reading of the letter, which is as follows:

WASHINGTON, D. C., *October 13, 1914.*

Birmingham Age-Herald, Montgomery Advertiser, Mobile Register, and other Alabama papers:

Many plans have been suggested and some facilities provided by means of temporary loans on cotton for tiding over the situation in the South, which is now becoming acute, but this, to my mind, does not afford the real solution of the problem, as such loans only pyramid the liability and postpone the day of reckoning. What is really needed is a market, and as there is no adequate natural market for the time being, the question reverts to the possibility of creating an artificial market. Attempts have been made to create such a market through the National Government, but it is clearly impossible, both from a legal standpoint and for the practical reasons set forth by Senator BANKHEAD in his address to the people of Alabama, for the Government of the United States to aid either as a purchaser of cotton or as a lender upon it as security. Much valuable time has been lost in pursuing this phantom hope, and the sooner our people abandon the chase the better. If anything is to be done toward creating an artificial market, such action must be taken by the Southern States for themselves.

The objection has been raised that owing to the length of time involved in amending the constitutions of many of the cotton-producing States concerted action is not possible, and that it will be impracticable for any State to proceed alone. I was at first inclined to this opinion, but upon a more thorough analysis of the situation I have become convinced that Senator BANKHEAD is correct in his statement that the people of Alabama have it within their power to conserve the value of cotton produced within the State, thereby averting disaster, as far as they themselves are concerned. Our people had been looking forward to an era of great prosperity this fall, and their expectations were about to be realized when the terrific war in Europe broke out, which has resulted in a world-wide paralysis of trade and derangement of credit. Under ordinary circumstances the farmers of Alabama would have realized about $100,000,000 this season from their cotton crop, out of which would have been paid debts due within and without the State of probably $60,000,000, leaving a surplus of about $40,000,000 to represent the margin of prosperity. Nature has been bountiful, but man-made conditions are adverse, and it is doubtful if the natural market for cotton in our State is broad enough to liquidate the obligations incurred in producing the crop.

Senator BANKHEAD's plan does not provide for any new or additional indebtedness, but seeks to change the form of liabilities already incurred by converting individual debts into obligations of the State. When he proposes that the State of Alabama purchase one-half of all the cotton grown within her borders at a price representing what is probably the average cost of production—10 cents per pound—and that payment be made by an issue of 4 per cent bonds, payable on or before three years after date, he points out the way to establish an artificial market by means of which the cotton surplus in Alabama can be carried over beyond the danger point, and he has, in my opinion, suggested the most practicable way of securing immediate and effective relief. There are many details, of course, connected with the plan that should be carefully worked out. Due consideration should be given to the proper grading and warehousing of the cotton. Care should be taken that the means provided for the payment of interest on the cotton bonds as long as they may be outstanding and for the expense incident to storing this large amount of cotton—approximately 800,000 bales—should be adequate. The small bonds or notes, in denominations of $10, $20, and $50, are not to be interest bearing, but are intended to

discharge local debts, and are to be convertible in sums or multiples of $1,000 into 4 per cent cotton bonds of the State. I entertain no doubt whatever that under a proper administration of the plan, if adopted, that these notes would readily be accepted at par in settlement of local obligations, and that the bonds into which they can be converted would also be taken anywhere without discount in satisfaction of debts due by Alabama merchants. This is not altogether a surmise, for I have taken occasion to ask jobbers and bankers in various sections of the country for their views, and I do not believe that any creditor of an Alabama farmer or merchant would hesitate to take these Alabama cotton bonds in liquidation of obligations, for in most cases the only security they now have is the equity in the cotton in the hands of thousands of individual holders, for which there is practically no cash market. This apparent purchase of cotton by the State would be really a mobilization of debts, a concentration of assets, and the State would be merely lending its credit on this cotton security to the thousands of its own citizens who have produced its great cotton crop, thereby facilitating liquidation in an orderly manner. It should be noted that Senator BANKHEAD'S plan provides that the whole cost of this transaction, including bond interest, sinking fund, and carrying charges, shall be borne by those directly benefited—the cotton farmers—so that all other interests in the State will receive the great indirect benefits without any expense to themselves.

Action by Alabama alone involves, of course, the purchase of a greater proportion of its own crop than would have been necessary had joint action been taken by 9 or 10 of the cotton-producing States; but it should be remembered that a bond issue of Alabama alone would be much smaller than the aggregate of bonds issued by several States would have been, and the smaller issue would be, therefore, the more readily absorbed.

The execution of this or any other plan to relieve the situation will require the adoption of a constitutional amendment, which must first be submitted by the legislature of the State and adopted by a majority vote of the people. Under the law about two months must elapse between the date of submission and the election. It is clear that action at the regular session in January next would be too late, and that if any relief is to be had, it is imperative that the governor call an extra session of the legislature at once.

It must be understood that this letter is not written in any official capacity, nor must it be construed as an expression of the views of anyone but myself; it is solely an expression of my individual opinion and is just what I would have written had I remained in Birmingham. As a citizen of Alabama, for many years engaged in the banking business in the State, I feel that I am familiar with the local situation and that I am entitled to an opinion.

Gov. O'Neal has now a tremendous responsibility and a great opportunity; an extraordinary occasion certainly exists; and I strongly urge that he call the legislature together at once to consider this cotton problem. Each day's delay means additional loss to the farmers and business men of Alabama.

W. P. G. HARDING.

SALE OF POISON IN CHINESE CONSULAR DISTRICTS.

Mr. SMITH of Michigan. From the Committee on Foreign Relations I report back unanimously the bill (S. 6631) to regulate the practice of pharmacy and the sale of poison in the consular districts of the United States in China, and I submit a report (No. 821) thereon.

I also send to the desk certain information bearing upon the subject, and ask that it may be printed with the report for the use of the Senate.

The VICE PRESIDENT. The bill will be placed on the calendar; and in the absence of objection, the memoranda will be printed with the report of the committee.

Mr. SMITH of Michigan. Mr. President, if I may have the consent of the Senator from North Carolina [Mr. SIMMONS], I should like to ask for the present consideration and passage of the bill. The Senate has passed a similar bill, but there has been no concurrent action by the two Houses.

Mr. SIMMONS. What is the bill? I was not listening at the moment.

Mr. SMITH of Michigan. It is the bill to regulate the sale of opium through ports in China where the United States has extra-territorial jurisdiction. Those of us on the committee are very familiar with the provisions of the bill. If there is no objection, I should like to have immediate consideration.

Mr. SIMMONS. Has the bill been reported by a committee?

Mr. SMITH of Michigan. It is a unanimous report of the committee.

Mr. SIMMONS. If there is to be no discussion——

Mr. SMITH of Michigan. There will be no discussion, so far as I am concerned.

Mr. SIMMONS. I will agree to the consideration of the bill.

Mr. THOMAS. Mr. President, I should like to inquire of the Senator from Michigan whether the legislation which we enacted last winter to make effective treaty regulation upon the subject does not cover this matter?

Mr. SMITH of Michigan. No, Mr. President; the legislation pending in the Committee on Finance is of a different character.

Mr. THOMAS. I do not have reference to that. Last winter Congress passed two short bills designed to apply to the traffic in these prohibited drugs between this country and countries which had adopted similar treaty regulations, providing both against their export and import either to or from those countries, except under the conditions for which those two short statutes provided.

Mr. SMITH of Michigan. The committee does not think that this matter is in conflict at all with the legislation to which the Senator from Colorado refers.

Mr. THOMAS. Then I see no objection to the bill, but it occurred to me that the matter might have been already provided for.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That on and after the 1st day of January, 1915, it shall be unlawful in the consular districts of the United States in China for any person whose permanent allegiance is due to the United States not licensed as a pharmacist within the meaning of this act to conduct or manage any pharmacy, drug or chemical store, apothecary shop, or other place of business for the retailing, compounding, or dispensing of any drugs, chemicals, or poisons, or for the compounding of physicians' prescriptions, or to keep exposed for sale at retail, any drugs, chemicals, or poisons, except as hereinafter provided, or, except as hereinafter provided, for any person whose permanent allegiance is due to the United States not licensed as a pharmacist within the meaning of this act to compound, dispense, or sell, at retail, any drug, chemical, poison, or pharmaceutical preparation upon the prescription of a physician, or otherwise, or to compound physicians' prescriptions, except as an aid to and under the proper supervision of a pharmacist licensed under this act. And it shall be unlawful for any person, firm, or corporation owing permanent allegiance to the United States owning partly or wholly or managing a pharmacy, drug store, or other place of business to cause or permit any person other than a licensed pharmacist to compound, dispense, or sell at retail any drug, medicine, or poison, except as an aid to and under the proper supervision of a licensed pharmacist: *Provided*, That where it is necessary for a person, firm, or corporation whose permanent allegiance is due to the United States and owning partly or wholly or managing a pharmacy, drug store, or other place of business to employ Chinese subjects to compound, dispense, or sell at retail any drug, medicine, or poison, such person, firm, corporation, owner, part owner, or manager of a pharmacy, drug store, or other place of business may employ such Chinese subjects when their character, ability, and age of 21 years or over have been certified to by at least two recognized and reputable practitioners of medicine, or two pharmacists licensed under this act whose permanent allegiance is due to the United States: *Provided further*, That nothing in this section shall be construed to interfere with any recognized and reputable practitioner of medicine, dentistry, or veterinary surgery in the compounding of his own prescriptions, or to prevent him from supplying to his patients such medicines as he may deem proper, except as hereinafter provided; nor with the exclusively wholesale business of any person, firm, or corporation whose permanent allegiance is due to the United States dealing and licensed as pharmacists, or having in their employ at least one person who is so licensed, except as hereinafter provided; nor with the sale by persons, firms, or corporations whose permanent allegiance is due to the United States other than pharmacists of poisonous substances sold exclusively for use in the arts, or as insecticides, when such substances are sold in unbroken packages bearing labels having plainly printed upon them the name of the contents, the word "poison," when practicable the name of at least one suitable antidote, and the name and address of the vender.

SEC. 2. That every person whose permanent allegiance is due to the United States now practicing as a pharmacist or desiring to practice as a pharmacist in the consular districts in China shall file with the consul an application, duly verified under oath, setting forth the name and age of the applicant, the place or places at which he pursued and the time spent in the study of pharmacy, the experience which the applicant has had in compounding physicians' prescriptions under the direction of a licensed pharmacist, and the name and location of the school or college of pharmacy, if any, of which he is a graduate, and shall submit evidence sufficient to show to the satisfaction of said consul that he is of good moral character and not addicted to the use of alcoholic liquors or narcotic drugs so as to render him unfit to practice pharmacy: *Provided*, That applicants shall be not less than 21 years of age and shall have had at least four years' experience in the practice of pharmacy or shall have served three years under the instruction of a regularly licensed pharmacist, and any applicant who has been graduated from a school or college of pharmacy recognized by the proper board of his State, Territory, District of Columbia, or other possession of the United States as in good standing shall be entitled to practice upon presentation of his diploma.

SEC. 3. That if the applicant for license as a pharmacist has complied with the requirements of the preceding section, the consul shall issue to him a license which shall entitle him to practice pharmacy in the consular districts of the United States in China, subject to the provisions of this act.

SEC. 4. That the license of any person whose permanent allegiance is due to the United States to practice pharmacy in the consular districts of the United States in China may be revoked by the consul if such person be found to have obtained such license by fraud, or be addicted to the use of any narcotic or stimulant, or to be suffering from physical or mental disease, in such manner and to such extent as to render it expedient that in the interests of the public his license be canceled; or to be of an immoral character; or if such person be convicted in any court of competent jurisdiction of any offense involving moral turpitude. It shall be the duty of the consul to investigate any case in which it is discovered by him or made to appear to his satisfaction that any license issued under the provisions of this act is revocable and shall, after full hearing, if in his judgment the facts warrant it, revoke such license.

SEC. 5. That every license to practice pharmacy shall be conspicuously displayed by the person to whom the same has been issued in the pharmacy, drug store, or place of business, if any, of which the said person is the owner or part owner or manager.

SEC. 6. That it shall be unlawful for any person, firm, or corporation whose permanent allegiance is due to the United States, either personally or by servant or agent or as the servant or agent of any other person or of any firm or corporation, to sell, furnish, or give away any cocaine, salts of cocaine, or preparation containing cocaine or salts of cocaine, or morphine or preparation containing morphine or salts of morphine, or any opium or preparation containing opium, or any chloral hydrate or preparation containing chloral hydrate, except upon the original written order or prescription of a recognized and reputable practitioner of medicine, dentistry, or veterinary medicine, which order or prescription shall be dated and shall contain the name of the person for whom prescribed, or, if ordered by a practitioner of veteri-

nary medicine, shall state the kind of animal for which ordered and shall be signed by the person giving the order or prescription. Such order or prescription shall be, for a period of three years, retained on file by the person, firm, or corporation who compounds or dispenses the article ordered or prescribed, and it shall not be compounded or dispensed after the first time except upon the written order of the original prescriber: *Provided*, That the above provisions shall not apply to preparations containing not more than two grains of opium, or not more than one-quarter grain of morphine, or not more than one-quarter grain of cocaine, or not more than two grains of chloral hydrate in the fluid ounce, or if a solid preparation, in one avoirdupois ounce. The above provisions shall not apply to preparations sold in good faith for diarrhea and cholera, each bottle or package of which is accompanied by specific directions for use and caution against habitual use, nor to liniments or ointments sold in good faith as such when plainly labeled "For external use only," nor to powder of ipecac and opium, commonly known as Dover's powder, when sold in quantities not exceeding 20 grains: *Provided further*, That the provisions of this section shall not be construed to permit the selling, furnishing, giving away, or prescribing for the use of any habitual users of the same any cocaine, salts of cocaine or preparation containing cocaine or salts of cocaine, or morphine or salts of morphine, or preparations containing morphine or salts of morphine, or any opium or preparation containing opium, or any chloral hydrate or preparation containing chloral hydrate. But this proviso shall not be construed to prevent any recognized or reputable practitioner of medicine whose permanent allegiance is due to the United States from furnishing in good faith for the use of any habitual user of narcotic drugs who is under his professional care such substances as he may deem necessary for their treatment, when such prescriptions are not given or substances furnished for the purpose of evading the provisions of this section. But the provisions of this section shall not apply to sales at wholesale between jobbers, manufacturers, and retail druggists, hospitals, and scientific or public institutions.

SEC. 7. That it shall be unlawful for any person, firm, or corporation whose permanent allegiance is due to the United States to sell or deliver to any other person any of the following-described substances, or any poisonous compound, combination, or preparation thereof, to wit: The compounds of and salts of antimony, arsenic, barium, chrominum, copper, gold, lead, mercury, silver, and zinc, the caustic hydrates of sodium and potassium, solution or water of ammonia, methyl alcohol, paregoric, the concentrated mineral acids, oxalic and hydrocyanic acids and their salts, yellow phosphorus, Paris green, carbolic acid, the essential oils of almonds, pennyroyal, tansy, rue, and savin; croton oil, creosote, chloroform, cantharides, or aconite, belladonna, bitter almonds, colchicum, cotton root, cocculus indicus, conium, cannabis indica, digatalis, ergot, hyoscyamus, ignatia, lobelia, nux vomica, physostigma, phytolacca, strophanthus, stramonium, veratrum viride, or any of the poisonous alkaloids or alkaloidal salts derived from the foregoing, or any other poisonous alkaloids or their salts, or any other virulent poison, except in the manner following, and, moreover, if the applicant be less than 18 years of age, except upon the written order of a person known or believed to be an adult.

It shall first be learned, by due inquiry, that the person to whom delivery is about to be made is aware of the poisonous character of the substance and that it is desired for a lawful purpose, and the box, bottle, or other package shall be plainly labeled with the name of the substance, the word "poison," the name of at least one suitable antidote, when practicable, and the name and address of the person, firm, or corporation dispensing the substance. And before delivery be made of any of the foregoing substances, excepting solution or water of ammonia and sulphate of copper, there shall be recorded in a book kept for that purpose the name of the article, the quantity delivered, the purpose for which it is to be used, the date of delivery, the name and address of the person for whom it is procured, and the name of the individual personally dispensing the same; and said book shall be preserved by the owner thereof for at least three years after the date of the last entry therein. The foregoing provisions shall not apply to articles dispensed upon the order of persons believed by the dispenser to be recognized and reputable practitioners of medicine, dentistry, or veterinary surgery: *Provided*, That when a physician writes upon his prescription a request that it be marked or labeled "Poison" the pharmacist shall, in the case of liquids, place the same in a colored glass, roughened bottle, of the kind commonly known in trade as a "poison bottle," and, in the case of dry substances, he shall place a poison label upon the container. The record of sale and delivery above mentioned shall not be required of manufacturers and wholesalers who shall sell any of the foregoing substances at wholesale to licensed pharmacists, but the box, bottle, or other package containing such substance, when sold at wholesale, shall be properly labeled with the name of the substance, the word "poison," and the name and address of the manufacturer or wholesaler: *Provided further*, That it shall not be necessary, in sales either at wholesale or at retail, to place a poison label upon, nor to record the delivery of, the sulphide of antimony, or the oxide or carbonate of zinc, or of colors ground in oil and intended for use as paints, or calomel; nor in the case of preparations containing any of the substances named in this section, when a single box, bottle, or other package, or when the bulk of one-half fluid ounce or the weight of one-half avoirdupois ounce does not contain more than an adult medicinal dose of such substance; nor, in the case of liniments or ointments sold in good faith as such, when plainly labeled "For external use only"; nor, in the case of preparations put up and sold in the form of pills, tablets, or lozenges, containing any of the substances enumerated in this section and intended for internal use, when the dose recommended does not contain more than one-fourth of an adult medicinal dose of such substance.

For the purpose of this and of every other section of this act no box, bottle, or other package shall be regarded as having been labeled "Poison" unless the word "poison" appears conspicuously thereon, printed in plain, uncondensed gothic letters in red ink.

SEC. 8. That no person, firm, or corporation whose permanent allegiance is due to the United States seeking to procure in the consular districts of the United States in China any substance the sale of which is regulated by the provisions of this act shall make any fraudulent representations so as to evade or defeat the restrictions herein imposed.

SEC. 9. That every person, firm, or corporation whose permanent allegiance is due to the United States owning, partly owning, or managing a drug store or pharmacy shall keep in his place of business a suitable book or file, in which shall be preserved for a period of not less than three years the original of every prescription compounded or dispensed at such store or pharmacy, or a copy of such prescription, except when the preservation of the original is required by section 6 of this act. Upon request the owner, part owner, or manager of such store shall furnish to the prescribing physician, or to the person for whom such prescription was compounded or dispensed, a true and correct copy thereof. Any prescription required by section 6 of this act, and any prescription for, or register of sales of, substances mentioned in section 6 of this act shall at all times be open to inspection by duly authorized consular officers in the consular districts of the United States in China. No person, firm, or corporation whose permanent allegiance is due to the United States shall, in a consular district, compound or dispense any drug or drugs or deliver the same to any other person without marking on the container thereof the name of the drug or drugs contained therein and directions for using the same.

SEC. 10. That it shall be unlawful for any person whose permanent allegiance is due to the United States, not legally licensed as a pharmacist, to take, use, or exhibit the title of pharmacist, or licensed or registered pharmacist, or the title of druggist or apothecary, or any other title or description of like import.

SEC. 11. That any person, firm, or corporation whose permanent allegiance is due to the United States violating any of the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not less than $50 and not more than $100 or by imprisonment for not less than 1 month and not more than 60 days, or by both such fine and imprisonment, in the discretion of the court, and if the offense be continuing in its character each week or part of a week during which it continues shall constitute a separate and distinct offense. And it shall be the duty of the consular and judicial officers of the United States in China to enforce the provisions of this act.

SEC. 12. That the word "consul" as used in this act shall mean the consular officer in charge of the district concerned.

SEC. 13. That nothing in this act shall be construed as modifying or revoking any of the provisions of the act of Congress of February 23, 1887, entitled "An act to provide for the execution of the provisions of article 2 of the treaty concluded between the United States of America and the Emperor of China on the 17th day of November, 1880, and proclaimed by the President of the United States the 5th day of October, 1881."

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

AMERICAN VESSELS AND WATCH OFFICERS.

Mr. NELSON. From the Committee on Commerce I report back favorably, with amendments, Senate resolution 467, directing the Secretary of Commerce to transmit to the Senate information as to the number of Americans available for watch officers and the list of vessels admitted to American registry. I call the attention of the Senator from Washington [Mr. JONES] to the resolution.

Mr. JONES. I ask for the present consideration of the resolution. It merely calls for information from the Department of Commerce, and is reported favorably by the Senator from Minnesota from the committee.

Mr. SIMMONS. I shall not object to its consideration if it does not lead to debate, but after that I shall ask for the regular order.

Mr. SMITH of Michigan. I hope the Senator will not say that. Some of us have been waiting to submit reports of committees. I have a bill from the Committee on Foreign Relations which I should like very much to report.

Mr. SIMMONS. If it is a mere report from a committee, I shall not object to it, but I referred to the consideration of a bill.

By unanimous consent the Senate proceeded to consider the resolution.

The amendments of the Committee on Commerce were, in line 2, after the words "furnish to the Senate," to insert: "if not incompatible with the public interest"; after line 7, to strike out "Second. Copies of letters and communications on file with the department relating to the supply of Americans available for watch officers on ships admitted to American registry"; and to renumber clause "third," so as to make the resolution read:

Resolved, That the Secretary of Commerce be requested to furnish to the Senate, if not incompatible with the public interests, the following information:

First. How many Americans were shown by reports from the various customs districts to be available for watch officers, including masters, mates, and engineers, when the order suspending the requirements of the navigation laws relating thereto for a period of seven years was issued.

Second. A list of the vessels admitted to American registry under the emergency act, with a statement as to where and when built, by whom owned, what flag heretofore flying, and the number of American vessels and watch officers employed.

The amendments were agreed to.

The resolution as amended was agreed to.

THE COTTON SITUATION.

Mr. JONES. Mr. President, there have been quite a number of letters presented from southern people with reference to the cotton situation, and it might be of interest to read an extract from a letter which I have received from one of my people 3,000 miles away from here.

Mr. SIMMONS. I trust the Senator from Washington will at least let us take up the bill, and then he may read the letter.

Mr. JONES. This is on that proposition. It will take me just a moment to read it. One of my constituents, after refer-

ring to a bill which I have introduced and which he approves, says:

But something I think to be of considerable more importance to the whole people at the present time is immediate relief to the cotton growers. Already the nearest starved class of farmers on our continent, the European war situation has forced them into a state of almost peonage to the bankers.

I do not know whether or not these statements are exactly correct and will be borne out by Senators from the cotton-growing States. The writer further says:

The "buy-a-bale" remedy, advocated by so many, will only hurry their destruction If the Government is for the people, it ought to come to the cotton growers' assistance, for they number a large part of the population. As a citizen of the State of Washington I think you ought to put forth every effort to get the Government to either lend money to the growers on their cotton or to buy the cotton outright.

EMERGENCY REVENUE LEGISLATION.

Mr. STONE. I ask that the Senate proceed to the consideration of the unfinished business.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. STONE. I ask that the amendment to the bill which was submitted by me last night, and which appears on pages 16661 and 16662 of the RECORD, may be now considered.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. SMITH of Michigan. Mr. President, I had hoped that the Senator from Missouri would state to the Senate wherein this amendment differs materially from the section as originally reported by the committee.

Mr. STONE. I had printed in the RECORD which appears this morning a statement fully showing the changes in detail; and, as the Senator from Utah [Mr. SMOOT] suggests to me, I also made a statement last night covering the whole matter.

Mr. SMITH of Michigan. If the Senator from Missouri has already gone over the ground, of course I shall not urge it any further.

Mr. STONE. Yes; I went over it at some little length last night.

Mr. SMITH of Michigan. Very well.

The VICE PRESIDENT. The question is on the amendment.

The amendment was agreed to.

Mr. STONE. Mr. President, that strikes out section 3 as it appeared in the bill as reported to the Senate, being an amendment proposed by the Committee on Finance, and also strikes out section 2 as it appeared in the House bill.

The VICE PRESIDENT. Section 2 was stricken out last night.

Mr. STONE. Yes; but I wish to say at this time that I think the adoption of the amendment just acted upon by the Senate will necessitate some renumbering of the sections, and inasmuch as this is an amendment covering considerable space I think the desire is that it shall be put at some place in the bill——

Mr. SIMMONS. It is section 3.

Mr. STONE. It is section 3 now, but it seems to me that an amendment which covers two or three pages might be put at some other point in the bill. However, I merely suggest that now, and ask unanimous consent that the sections may be renumbered.

Mr. SMOOT. Let me suggest to the Senator that I think the best method would be to allow the amendment to be numbered "section 3," and, if necessary, the section can be divided into paragraphs. Then it would conform to the law of 1898 or to any other revenue law we may have passed as to the numbering of the sections, and it would appear as one section, namely, section 3.

Mr. SIMMONS. I think it should properly be section 3 of this bill.

Mr. SMOOT. I think that is correct.

Mr. STONE. It is not important. I merely made the suggestion.

Mr. THOMAS. Mr. President, on page 25, lines 5 and 6, I move to amend by striking out the words "whose capital stock does not exceed $10,000," and on line 9, by striking out the words "tax herein provided" and inserting the words "provisions of this act."

Mr. POINDEXTER. Is the Senator reading from the latest print of the bill?

Mr. THOMAS. I am reading from the print dated October 8, 1914. I do not know whether or not that is the latest print.

Mr. FLETCHER. There is a new print this morning.

Mr. POINDEXTER. The latest print is of October 15.

The VICE PRESIDENT. It is necessary for the Secretary to use the print of October 8. The amendment will be stated.

The SECRETARY. In section 16, page 25, line 5, after the word "associations," it is proposed to strike out "whose capital stock does not exceed $10,000," and in line 9, on the same page, to strike out the words "tax herein provided" and insert "provisions of this act."

Mr. SMOOT. Mr. President, I hope the amendment will be adopted. If the latter part of the amendment is not adopted, then the stock and bonds issued by cooperative building and loan associations would be only exempt from the tax within the particular section, while the amendment inserting the words "provisions of this act," of course, would exempt them from the tax imposed by the bill itself, and that is what was intended by the committee. The amendment will make the section complete.

Mr. THOMAS. That is correct.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SIMMONS. I now ask for a vote on the so-called tobacco amendment, beginning on page 11, line 2, which I offered yesterday and which went over.

The SECRETARY. On page 11, beginning with line 3, it is proposed to strike out all down to and including line 3 on page 12, and insert a new schedule, as printed in the amendment of Mr. SIMMONS.

Mr. SIMMONS. The amendment was read yesterday.

Mr. OVERMAN. I should like to hear the amendment read again. I did not hear it on yesterday.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 11, after line 2, it is proposed to strike out:

Manufacturers of tobacco whose annual sales do not exceed 50,000 pounds shall each pay $6.
Manufacturers of tobacco whose annual sales exceed 50,000 and do not exceed 100,000 pounds shall each pay $12.
Manufacturers of tobacco whose annual sales exceed 100,000 pounds and do not exceed 200,000 shall each pay $24.
Manufacturers of tobacco whose annual sales exceed 200,000 and do not exceed 400,000 pounds shall each pay $48.
Manufacturers of tobacco whose annual sales exceed 400,000 pounds shall each pay $96.
Manufacturers of cigars whose annual sales do not exceed 100,000 cigars shall each pay $6.
Manufacturers of cigars whose annual sales exceed 100,000 and do not exceed 200,000 cigars shall each pay $12.
Manufacturers of cigars whose annual sales exceed 200,000 cigars and do not exceed 400,000 shall each pay $24.
Manufacturers of cigars whose annual sales exceed 400,000 and do not exceed 750,000 cigars shall each pay $48.
Manufacturers of cigars whose annual sales exceed 750,000 cigars shall each pay $96.
Manufacturers of cigarettes shall each pay $24.

And in lieu thereof to insert:

Manufacturers of tobacco whose annual sales do not exceed 100,000 pounds shall each pay $6.
Manufacturers of tobacco whose annual sales exceed 100,000 and do not exceed 200,000 pounds shall each pay $12.
Manufacturers of tobacco whose annual sales exceed 200,000 and do not exceed 400,000 pounds shall each pay $24.
Manufacturers of tobacco whose annual sales exceed 400,000 and do not exceed 1,000,000 pounds shall each pay $60.
Manufacturers of tobacco whose annual sales exceed 1,000,000 and do not exceed 5,000,000 pounds shall each pay $300.
Manufacturers of tobacco whose annual sales exceed 5,000,000 and do not exceed 10,000,000 pounds shall each pay $600.
Manufacturers of tobacco whose annual sales exceed 10,000,000 and do not exceed 20,000,000 pounds shall each pay $1,200.
Manufacturers of tobacco whose annual sales exceed 20,000,000 pounds shall each pay $2,496.
Manufacturers of cigars whose annual sales do not exceed 100,000 cigars shall each pay $3.
Manufacturers of cigars whose annual sales exceed 100,000 and do not exceed 200,000 cigars shall each pay $6.
Manufacturers of cigars whose annual sales exceed 200,000 and do not exceed 400,000 cigars shall each pay $12.
Manufacturers of cigars whose annual sales exceed 400,000 and do not exceed 1,000,000 cigars shall each pay $30.
Manufacturers of cigars whose annual sales exceed 1,000,000 and do not exceed 5,000,000 cigars shall each pay $150.
Manufacturers of cigars whose annual sales exceed 5,000,000 and do not exceed 20,000,000 cigars shall each pay $600.
Manufacturers of cigars whose annual sales exceed 20,000,000 and do not exceed 40,000,000 cigars shall each pay $1,200.
Manufacturers of cigars whose annual sales exceed 40,000,000 cigars shall each pay $2,496.
Manufacturers of cigarettes whose annual sales do not exceed 1,000,000 cigarettes shall each pay $12.
Manufacturers of cigarettes whose annual sales exceed 1,000,000 and do not exceed 2,000,000 cigarettes shall each pay $24.
Manufacturers of cigarettes whose annual sales exceed 2,000,000 and do not exceed 5,000,000 cigarettes shall each pay $60.
Manufacturers of cigarettes whose annual sales exceed 5,000,000 and do not exceed 10,000,000 cigarettes shall each pay $120.
Manufacturers of cigarettes whose annual sales exceed 10,000,000 and do not exceed 50,000,000 cigarettes shall each pay $600.
Manufacturers of cigarettes whose annual sales exceed 50,000,000 and do not exceed 100,000,000 cigarettes shall each pay $1,200.
Manufacturers of cigarettes whose annual sales exceed 100,000,000 cigarettes shall each pay $2,496.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SIMMONS. On page 48, line 25, after the word "act," I offer an amendment, which I send to the desk. I will state, Mr. President, that this amendment has been sent down from the department. The Secretary of the Treasury advises me that as the bill proposes a tax of $1.75 on beer and fermented liquors, and then provides that the act shall cease to be operative on the 31st of December, 1915, after that time, without the amendment which I now propose, there would be no tax on beer at all. This amendment is simply designed to put the present tax in operation when this bill expires by limitation.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 48, line 25, after the word "act," it is proposed to strike out the period and insert a colon and the following:

Provided, however, That on and after the 1st day of January, 1916, the provisions of section 3339 of the Revised Statutes as amended by an act approved April 12, 1902, imposing a tax on fermented liquors, shall not be affected by any limitation as to the levying or collecting of the additional tax imposed by this act on such fermented liquors, but shall then be in full force and effect on and after the said 1st day of January, 1916.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SIMMONS. Mr. President, on page 12, line 11, I offer an amendment, also sent down by the department. I will state the purpose of the amendment. That section is with reference to special taxes, and reads:

And every person who carries on any business or occupation for which special taxes are imposed by this act, without having paid the special tax—

And so forth.

Those special taxes are assessed on the 1st day of July of each year for the next fiscal year. This amendment is to provide that for the fiscal year 1916, instead of being assessed for the full year, they shall be assessed only for the proportionate part of the year—that is, the part of the year between the assessment and the time when this bill ceases to be operative.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 12, line 11, after the word "court," it is proposed to strike out the period and insert a colon and the following:

Provided, That the special taxes imposed by this act, and payable during the special-tax year ending June 30, 1916, shall be collected and paid proportionately for the period during which such taxes shall remain in force during said year.

The amendment was agreed to.

Mr. SIMMONS. The amendment offered by the committee on page 35, lines 1 to 22, was passed over day before yesterday at the request of the Senator from South Dakota [Mr. STERLING], who was not in the Chamber yesterday evening when it was reached.

Mr. STERLING. Mr. President, I think that matter went over at my request. I have no amendment to propose to it.

Mr. SIMMONS. Then I ask for the adoption of the amendment.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. The committee proposes, on page 35, beginning on line 1, after the word "within," at the end of the line, to strike out, beginning with the word "the," down to and including the words "1 cent," on line 8, and to insert "30 days after the expiration of each month a sworn statement to the collector of internal revenue in each of their respective districts, stating the number of dispatches, messages, or conversations originated at each of their respective exchanges, toll stations, or offices, and transmitted thence over their lines during the preceding month for which a charge of 15 cents or more was imposed, and for each of such messages or conversations the said person, firm, or corporation shall collect from the sender of the message or the originator of the conversation a tax of 1 cent in addition to the regular charges for the message or conversation, which tax the said person, firm, or corporation shall in turn pay to the said collector of internal revenue of their respective districts."

Mr. OLIVER. Mr. President, upon the subject of that tax I have here a letter from an independent telephone company, the Pittsburgh & Allegheny Telephone Co., in the district in which I live, which I send to the desk and ask to have read.

The VICE PRESIDENT. Without objection, the Secretary will read the letter.

The Secretary read as follows:

PITTSBURGH & ALLEGHENY TELEPHONE CO.,
Pittsburgh, Pa., October 12, 1914.

Hon. GEORGE T. OLIVER,
Washington, D. C.

MY DEAR SENATOR OLIVER: The officers of this company have requested me to enter its protest against the provisions of House bill No. 18891, or the "war-tax bill," affecting telephone companies. It is not clear under this bill whether the telephone company or the telephone user is required to pay the tax.

The tax of 1 cent on every 15-cent message is equivalent to almost 7 per cent of the gross toll earnings. This is an unreasonable tax. Furthermore, the 15-cent minimum is a discrimination in favor of telegraph companies, whose minimum charge is 25 cents per message. It is suggested, therefore, that the minimum telephone message upon which tax may be levied should be 25 cents and not 15 cents.

I trust that the suggested changes will appear to you as fair, and that you will find your way clear to support an amendment of the bill along those lines.

Sincerely, yours,

JOHN S. WELLER, *General Counsel.*

Mr. OLIVER. Mr. President, I do not propose to offer an amendment, but to suggest to the chairman of the committee that the general dividing line between what are known as long-distance messages and local messages is 25 cents, and the independent telephone companies appear to think that placing a tax on messages for which a charge of no more than 15 cents is made is unjust. I hope the committee can see its way clear to adopt the line of 25 cents instead of 15 cents, and at least have the amendment allowed to go to conference in that shape.

Mr. SIMMONS. Mr. President, these taxes are not paid by the telephone companies. They are paid by the senders. Most of the telephone messages escape taxation altogether. A very small proportion of their messages are those the charge for which amounts to more than 15 cents, while all messages sent by telegraph companies amount to 25 cents or more. Most of the telephone messages, therefore, will not be taxed at all.

This is the only protest I have heard about this matter. Quite a number of the small telephone companies have sent representatives here who protested against the bill when it provided that the telephone companies should pay the tax; but after we changed it I think they were all satisfied with it. I do not see any reason why any further change should be made.

Mr. LEA of Tennessee. Mr. President, I should like to suggest to the Senator from North Carolina to strike out the words "sender of," in line 17, page 35, and the words "the originator of," in line 18, and to insert the words "person paying for" in lieu thereof, so that it will read:

Shall collect from the person paying for the message or the conversation.

The effect of the amendment would be, in case of collect telegrams or reversed messages, for the one who paid for the message or the conversation to pay the tax. Several telephone companies in the State of Tennessee have requested me to ask that the amendment be adopted, as it will avoid a good deal of complication in bookkeeping, where one company remits a tax to the Government and the other collects the charge.

Mr. SIMMONS. I hope the Senator will not press that amendment. It is a matter that can be adjusted in conference, if we finally find that that would be the proper way to do it, and I should not like to change the amendment at this time.

Mr. LEA of Tennessee. I will not insist on it, but I will ask the Senator to bear it in mind——

Mr. SIMMONS. I will do so.

Mr. LEA of Tennessee. And correct it in conference.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the committee.

The amendment was agreed to.

Mr. SIMMONS. On page 37 of the bill, lines 16 to 21, the Senator from South Dakota [Mr. STERLING] asks that that paragraph go over. I think that is the matter the Senator has just talked to me about, suggesting an amendment, which I told him I would like to look into a little further. I suggest that the Senator let the amendment be agreed to now, and then I will talk with him about it further. Later, if we decide to make the change he desires, it can be done, if that will satisfy the Senator.

Mr. STERLING. Mr. President, the amendment I propose is as follows: In line 16, page 37, after the word "interest," insert the words "or property," and after the word "convey," in that line, insert the words "exclusive of the value of any lien or encumbrance thereon."

I think, perhaps, it was the intention of the committee to impose a tax only on the real interest or the value of the interest conveyed. For example, if there is property the value of which is $10,000 and there is a mortgage thereon of $8,000, it is intended in case of conveyance that the grantor shall pay a tax on $2,000 only. I think that was the idea. The word "interest," however, may be used in two senses, namely, an interest after the deduction of a mortgage or other encumbrance, and any interest in either encumbered or unencumbered property, as, for example, the one-half or one-third undivided interest which one may have or own. Since I think it is the intention to tax only the real interest, words ought to be inserted which will clearly convey that idea.

I move the amendment which I have stated.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The SECRETARY. On page 37, line 16, in the committee amendment, after the word "interest," it is proposed to insert the words "or property," and after the word "conveyed." in the same line, it is proposed to insert a comma and the words "exclusive of the value of any lien or encumbrance thereon."

Mr. SIMMONS. I will accept the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. SIMMONS. The committee has no further amendments at present.

The VICE PRESIDENT. The proviso has not yet been agreed to. The Secretary will state it.

The SECRETARY. The proviso on the same page was passed over. On page 37, line 18, the committee proposes, after the word "cents," to insert:

Provided, That nothing contained in this paragraph shall be so construed as to impose a tax upon any instrument or writing given to secure a debt.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. POMERENE. Mr. President, a few minutes ago the Senate adopted section 3, relating to the tax on wines. I therefore send to the desk an amendment which I propose as a separate section, to come in immediately following the wine section, and ask that it may be read.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. It is proposed to insert in the bill a new section, to follow the section offered by the Senator from Missouri [Mr. STONE] and adopted, as follows:

SEC. 4. That all the provisions of the preceding section, except those relating to the amount and method of collecting the taxes herein named, shall continue in force and effect until hereafter modified or repealed; and that on and after December 31, 1915, there shall be levied and assessed against every maker of sweet wines and collected monthly a charge of 55 cents on each taxable gallon of grape brandy or wine spirits used by him in the fortification of sweet wines during the preceding month in lieu of the charge of 3 cents levied and assessed therefor under section 3 of an act entitled "An act to amend existing laws relating to the fortification of pure sweet wines," approved June 7, 1906.

Mr. POMERENE. Mr. President, on yesterday the senior Senator from Missouri [Mr. STONE] offered the wine amendment and explained its provisions. Briefly stated, the amendment provides a flat tax of 8 cents per gallon on all still wines. That means dry and sweet wines alike. Under the present fortifying act there is a tax of 3 cents per gallon on grape brandy or wine spirits, which is used by certain favored sweet-wine producers in the fortification of their wines. Under the amendment as it has been adopted by the Senate this 3 cents per gallon on wine spirits is increased to 55 cents per gallon. Under the old fortifying act the regulations were so drawn that only certain favored wine producers could get this privilege. To illustrate, section 42 of that act provided:

That any producer of pure sweet wines who is also a distiller authorized to separate from fermented grape juice, under internal-revenue laws, wine spirits, may use free of tax the grape brandy or wine spirits.

In other words, the wine producer must also be a distiller in order to have this privilege. Every other producer of sweet wines was obliged to pay for the wine spirits, if he used them, or for a neutral spirit which was sometimes used in the fortification of sweet wines, the regular tax of $1.10 per gallon.

There was another limitation, which will be found in section 45, which further hampered all producers of sweet wines other than those who were engaged in the business in California. It read as follows:

The use of wine spirits free of tax for fortification of sweet wines under this act shall be begun and completed at the vineyard of the wine grower where the grapes are crushed and the grape juice is expressed and fermented.

It so happened that in California the stills—the wineries—are in the vineyards. East of the Rocky Mountains the wineries are usually in the towns or villages and the grapes are raised on small farms in the neighborhood; in my own State the grapes are grown on small farms, principally along Lake Erie, and are transported to the wineries in the towns and there sold.

All these limitations were of such a character as to deprive the sweet-wine producer of the use of the wine spirits free of tax. I understand that under certain decisions which have been made by the Internal Revenue Department a few of the eastern wine producers have been getting the tax-free spirits.

Perhaps I should explain what I mean by tax-free spirits. The law as adopted in 1890 provided that the wine spirits could be used free of taxes. Some years later that statute was amended so as to permit of a nominal charge of 3 cents per gallon. Now, under the amendment which was adopted by the Senate, if it should become a law, all sweet-wine producers will have an equal privilege in the use of wine spirits or grape brandy and at the same tax. That privilege is to get the grape brandy or wine spirits from the bonded warehouse at a tax of 55 cents per wine gallon. All sweet-wine producers are on the same footing.

By the terms of the pending measure it will expire by limitation on December 31, 1915. Heretofore spirituous liquors have been taxed at $1.10 per gallon. Beer has been taxed at $1 per barrel. Wine spirits or grape brandy are taxed at $1.10 per gallon, save when used by those who are specifically permitted to use it under the sweet-wine act of 1890, and no others.

Now, the amendment which has been adopted by the Senate will place a uniform tax of 55 cents per gallon upon the wine spirits; that is, such wine spirits as may be used between the time that this act shall take effect and December 31, 1915. After that, unless my amendment is adopted, wine spirits will be taxable for fortification purposes at 3 cents a gallon if it is taxed at all, and the old provisions of the act of 1890, which gave the special privilege to the sweet-wine producer of California, will automatically be reinstated.

So the effect of the amendment which has been adopted is to change the method of administration and the law in so far as it relates to the use of grape brandy or wine spirits for a period of less than 15 months; the old law will again go into operation, and the sweet-wine producers will have confronting them the same proposition that they have been contending either for or against during the past 18 or 20 years, or since the provisions of this sweet-wine act became generally known.

The effect of the amendment which I have offered is to continue a tax of 55 cents per gallon on the grape brandy or wine spirits until the provisions of this section shall be otherwise modified or repealed.

It further provides that the equal privileges to all sweet-wine producers in the amendment which has been adopted will also continue until they shall be changed by act of Congress.

I may say that this amendment as it has been adopted met the approval of the Internal Revenue Department, as well as of all the wine producers, and I understand also that the wine industry is entirely willing to have this 25-cent-per-gallon rate made permanent.

Mr. TOWNSEND. Has the Senator determined what difference it would make in the amount of revenue to be produced under the amendment adopted and as proposed to be amended by him?

Mr. POMERENE. It will make no change in the revenue, so far as the wine is concerned, during the period ending between the taking effect of this act and its termination on December 31, 1915, but after that date the Government will get a tax at the rate of 55 cents per gallon on the grape brandy which may be thereafter used instead of 3 cents a gallon which the Government is now getting, and I am not sure but that if this bill should become a law as it now stands in the Senate the 3-cent tax will also be eliminated. I think a careful examination of section 3 of the act passed June 7, 1906, and of the amendment as adopted, will show that the 3-cent tax is entirely eliminated.

Now, Mr. President, since the passage of the act of 1890 the grape brandy which has been used, either subject to a tax of 3 cents a gallon after that was adopted or free of tax entirely, as it existed before the tax of 3 cents a gallon was adopted, would have amounted to $65,702,601.69 up until the end of the fiscal year 1912 if the full tax of $1.10 had been paid.

During the fiscal year ending June 30, 1913, there were used 4,852,872.3 gallons of grape brandy or wine spirits, which paid to the Government a tax of $145,586.21. If the sweet-wine producers who had this special privilege had paid the tax at the rate of $1.10 per gallon, they would have paid last year to the Government $5,338,159.42. All of this amount of money was given by this act in the form of a rebate to 113 wine producers, and all except, perhaps, about 20 of them were in California, and that condition of affairs has existed ever since 1890.

In view of the fact that the amendment which has already been adopted meets the approval of the Internal Revenue Department and of the wine industries themselves, I do not understand what reason can be urged for going back to the inequalities of the old law after December 31, 1915. It is true that the flat tax of 8 cents per gallon which will be paid under this amendment upon all sweet and dry wines will expire by limitation December 31, 1915; but if it is right to assess against and compel the whisky distiller to pay a tax—and it is if it is right to compel the brewer to pay a tax—it can not be wrong to compel the distiller of wine spirits or the user of wine spirits to contribute likewise to the support of the Government.

The only question, it seems to me, that is before the Senate now is whether they shall continue as a permanent statutory regulation the method of fortification which has already been approved by the Senate for the period ending December 31, 1915.

I may say that this is the only instance that has come to my knowledge where a producer has consented to have a tax assessed against him, and the only explanation I can make of it is that there is such a sentiment in favor of making the same tax of $1.10 apply that is required to be paid by other users or distillers of other intoxicating liquors.

It is a question of the Senate's adopting a permanent measure which will bring in revenue to the amount of 55 cents a gallon hereafter on wine spirits, or a tax of 3 cents a gallon. It is only a question as to whether or not we shall continue the inequitable provisions of the law of 1890 and thereby give our indorsement to that kind of special legislation or adopt a new provision, to continue until the Congress shall hereafter in its wisdom change it, which will apply equally to all wine producers.

I may say, in addition, that since the free-tax provisions of this law have been in force it has been the practice to fortify these wines up to about 22 or 23 per cent; that is, they will have, after fortification, from 22 to 23 per cent of pure alcohol, which is the equivalent of 44 to 46 per cent of proof alcohol. Under the provisions of the sweet-wine act they can be fortified up to 24 per cent. In other words, these sweet wines have about half of the alcoholic strength of whisky. The cheaper grades of them are largely used in the manufacture of patent medicines. So the patent-medicine manufacturer can place upon the market a concoction that is nearly half alcohol, and he is able to do that under the old law by simply paying 3 cents a gallon for the alcoholic content when other producers of distilled liquors pay $1.10 a gallon.

Under the amendment which I have proposed, after December 31, 1915, they will have to pay for it a tax at the rate of 55 cents per gallon, and there ought to be realized from this tax of 55 cents per gallon annually between $3,000,000 and $4,000,000 to the Government.

In the fiscal year ending June 30, 1910, there were used for fortification purposes 4,888,445 gallons; for the fiscal year ending June 30, 1911, 5,101,517.5 gallons; for the fiscal year ending June 30, 1912, 6,322,303.9 gallons; and for the fiscal year ending June 30, 1913, 4,852,872.3 gallons.

It seems to me that this matter might just as well be disposed of now as to adopt these temporary regulations and compel Congress to take up this subject again during the ensuing session; in any event, before December 31, 1915.

Mr. WILLIAMS. Mr. President, I hope this amendment will not be adopted. This entire matter was thrashed out in committee. The attempt was made before the committee to make this a permanent addition to the revenues of the country, as proposed now by the Senator from Ohio [Mr. POMERENE]. The provision as adopted in the bill was virtually what the Senator from Ohio wanted, but we insisted that it should be like the balance of the provisions—an emergency provision for an increase of revenue, temporarily, for emergency purposes.

Mr. President, this whole bill purports to be—and, unless gentlemen on the Democratic side of the Chamber are acting hypocrites and humbugs, it is—solely for the purpose of providing an increase to meet war emergency. Now the Senator from Ohio wants to engraft upon it a permanent increase in the revenues of the country. Permanence is the only quality in his amendment which constitutes a difference between his provision and that contained in the bill. He wants the exact provision which is in the bill made permanent—to become a part of the permanent revenue system of the country. If the provision in the bill be right and shall work well, then it will be the easiest thing in the world by a separate bill to continue it; but when it is continued some other tax upon the people ought to be taken off at the same time, unless it shall turn out that we shall have a permanent need for this additional revenue of some $5,000,000, which I do not think will be the case.

I want the Senate to understand the situation as it is. As the law now stands, grape brandy, commonly called cognac, in the words of the law called wine spirits, is taxed $1.10 a gallon, just as is whisky whenever it is used as a beverage or whenever it is used for any purpose except for fortifying sweet wines. Every country in the world that has made good wine has made that distinction in taxation of wine spirits. It is made by our law as it now is. It has resulted in our having some excellent pure and mild sweet wines. We now tax cognac grape brandy $1.10, except when it is used in fortifying sweet wine, and then it is taxed only 3 cents. The reason why it is taxed 3 cents is simply to prevent frauds upon the revenue, so that there shall be a statistical tax whereby the Internal-Revenue Department can keep run of the spirits. The reason of that is that in all countries, as I said a moment ago, this distinction has been made to encourage the fortification of wine with the distilled wine brandy instead of with cheap materials of some other sort which are deleterious to the drinker of wine, with which to fortify them—some other form of alcohol; distilled Irish potatoes, or anything else in the world.

The law as it now stands was unjust to the extent that it provided that this grape brandy could be used with a tax of 3 cents only when it was distilled upon the premises of the wine maker. As a consequence it resulted that practically the California wine men were almost the only men who could use it for fortification purposes. When other men wanted to use it for fortification purposes they had to pay $1.10 a gallon. The committee has temporarily done away with that. If it works well, in that far, at any rate, the eastern wine growers will be all right, because we do away with that provision which says it shall be distilled upon the premises of the wine grower, so that any wine grower in Ohio may use this California brandy or any other grape brandy just as cheaply as can the California wine grower.

Now here comes the proposition by which during the life of this bill or until the expiration of this bill we provide to raise that tax from 3 cents to 55 cents. We do it because temporarily we need that addition to our revenue. If this law shall turn out to be a good thing, then it will be easy enough to make it a permanent feature of our revenue system by an act of Congress, while at the same time reducing some onerous tariff tax.

I will tell you, however, why I at present do not think it would be a good thing as a permanent feature, even if this bill treated of permanent increases to the revenues. I think that putting a high tax upon cognac will make wine growers fortify their wines with other things not so pure, not so healthful—things injurious—and I am afraid that behind it all one of the objects of it all is to burden the California wine maker, who makes wine out of a genuine wine grape with sufficient sugar of its own or nearly sufficient, with this tax in order that the man who must use more sugar and does fortify his wines with these cheap deleterious alcohols shall have a better chance to compete with him.

Another reason, however, why I do not think that it is best is this: The less even of cognac or grape brandy that is taken into the stomachs of the people as a beverage the better; because, like whisky, it is too strong; there is too much alcohol in it. The more of it, however, that is used to fortify light and healthful wines—and only a very small percentage is necessary—the less of it will be used as a beverage by the people. So I doubt the wisdom of the provision as a permanent feature of our law when I take into consideration not the wishes of the wine growers but the stomachs and nerves of the people.

However, whether I be right or whether I be wrong about that, I stand upon the proposition that I do not want a single thing in this bill to be a permanent addition to the revenues of the United States Government. We do not need any permanent addition to our revenues. We put on here, for example, a tax of 5 cents additional upon this miserable rectified whisky, and yet I would not be willing, much as I am in favor of that provision, to make it even a permanent addition to the revenues of the country. Whenever we get ready to reform the revenues of the country by a permanent bill—if we shall find that we need more revenue—I should like to see that tax continued and to see it made 10 cents instead of 5 cents—but I am not willing to have this bill encumbered with any permanent features whatsoever, not even a tax on rectified whisky; I am not willing to have the enemies of the Democracy say that, under the guise of passing a bill providing for temporary increase of the revenue in order to meet emergencies, we have added so much here and so much there to the permanent revenues of the country.

Mr. WEST. Mr. President, it is my purpose to detain the Senate for only a short time in the consideration of the pending measure; yet in view of much that has been said I deem it my duty not to permit the occasion to pass without submitting some reflections, for as the session now approaches its close I am fully aware that I shall not again have an opportunity to submit any remarks upon this, any kindred, or unrelated subject. In these remarks I purpose submitting I shall not enter into any of the details of this bill, as they have been fully and ably discussed by others.

In discussing the question it is not my purpose to wander afield in order to arraign the opposing political party for any carping criticisms or unjust animadversions indulged in while they have been arraigning the present administration for the conditions rendering necessary the pending legislation.

It was all right, pursuant to good party loyalty and discerning judgment, for the Republican Members, whose party was then in

power, in 1898, to pass through Congress a bill for the purpose of raising revenue to carry on a war with Spain for the liberation of Cuba almost on all fours with the bill now being considered by the Senate. That no doubt was the policy to pursue. But why should the present administration be so mercilessly arraigned for pursuing the same course? Forsooth, because we are not actually engaged in war. It is not my purpose to be drawn into any discussion of the tariff at this time in order to vindicate the righteousness of this emergency revenue bill.

The other side of the Chamber contends that there should have been no necessity at this time for the pending measure, because no actual war was being waged by the United States with any country, but, on the contrary, our relations with all nations were those of profound peace.

While it is not my province to charge any insincerity to those who have so unsparingly indicted the administration for the pending measure, I wish to say there is a much stronger reason for the passage of this bill than there was the emergency revenue bill in 1898, even though no war darkens the horizon of our country now.

While the war between the United States and Spain was being waged all the channels of trade were open, even with the United States, and with all the countries of the world save that of Spain. Prosperity reigned in almost every land at that time. How about the situation now? Commercial paralysis and universal stagnation reign supreme everywhere.

Take Brazil and other countries of South America. Prosperous when we were engaged in a war with Spain, now, with their industrial channels clogged, depressed, and financially paralyzed, without adequate financial resources to carry on their accustomed and legitimate business. In the fertile valleys of the Nile similar conditions now prevail.

Turning to the Orient, view the situation in that far-off land, and we find the same financial stress prevailing there. And, indeed, in every country where civilization has planted the banner of peace our gaze is still met with financial troubles and general business disturbances, if not general industrial paralysis.

The present administration has been taken to task about the financial situation in the United States. As it has already been fully explained why dutiable articles have been kept from our shores by the unparalleled internecine struggle—the war of all the ages—now prevailing over almost the whole of Europe, I shall not pause in these brief remarks to discuss the tariff. The fact of the existence of a great war in the countries from which the United States receive the great bulk of their imports furnishes proof conclusive that this source of revenue would be materially reduced.

Now, as to our money, and especially our gold. Of course, all the countries involved in this war were seeking to unload their securities upon this country, and they wanted in payment gold.

It has been truly said, "Gold loves universal peace"; and when the lurid clouds of war darken the horizon, it vanishes to remain in hiding until the glad sun of peace sheds a halo of glory over the world. It seems to me impossible for the United States to escape the serious burden that must fall with a heavy hand upon almost every nation, and this Government, though not actively participating in the war, must bear a greater burden than when she was engaged in the War with Spain.

But in this great Chamber, perhaps one of the greatest, if not the greatest, deliberative body on earth, it has occurred to me that if the debates were less acrimonious at times, less vindictive in their character, partaking less of the nature of the hustings in heated campaigns, it would better promote the general welfare of this great Republic. I know full well that members of opposing political parties look at great public questions from different angles, thereby creating an honest difference of opinion; but when the heat of the discussion is over, let us be able to utter these beautiful thoughts:

> What, though the waters of the sullen fen may seem to pollute the snowy bosom of the swan, they fall off from her expanded wings, and pure as a spirit she rises into the heavenly ether and descends again into her own silver lake, stainless as the water lilies floating around her breast.

I wish to say, inasmuch as an amendment has been offered to this bill by my colleague designed for the relief of the farmers who raise cotton in the South, that I am greatly in sympathy with them in their dire distress; for this great industry, on account of the countries now involved in this European war consuming nearly 60 per cent of the crop produced annually in the South, is languishing to an extent not equaled since the time during the continuance of the War between the States. While I am fully persuaded that the Government should render to this distressed and sorely oppressed people such aid as can be afforded under the laws and Constitution of the United States, coming within the pale of absolute safety to the Government, I can not give my consent to the passage of the pending amendment, for it seems to me that it is a clear and palpable invasion of the reserved rights of the sovereign States. What has the General Government to do with limiting the acreage of cotton planted in the South?

What right has the United States to levy a tax on cotton produced over a certain amount, and especially when the tax so levied is not for the purpose of raising revenue to defray the expenses of administering the affairs of the Government but levied merely as a penalty? To state the proposition argues the question, and it follows as a necessary corollary that if the United States have the authority under their delegated powers to impose this tax, not even for the purpose of revenue, then the General Government has the right to exercise any and all police powers and levy any and all taxes, even to the extent of confiscation of all property rights.

In dealing with the rights reserved to the States I am reminded that among the picked intellects of this great Nation none surpassed in force and power that of John C. Calhoun, who, peering into the future of this Republic, thus stated the principle:

> There appears, indeed, to be a great and prevailing principle that tends to place the delegated powers in opposition to the delegating—the created to the creating power—reaching far beyond man and his works, up to the universal source of all power. This all-pervading principle is at war in our system—the created warring against the creating power—and unless the Government is bolted and chained down with links of adamant by the hand of the States which created it, the creature will usurp the place of the creator and universal political idolatry overspread the land.

But I shall not consume the time of the Senate by entering upon any extended argument as to the reserved rights of the States. I am persuaded, however, under our system of Government, where the creature, the agent so to speak, makes and administers the law of the General Government, the creating power being made by time and construction inferior in its legislation and administration, that the National Legislature is too prone to usurp the rights reserved to the States.

I was reminded of this when the antitrust legislation was pending before the Senate. I should prefer to remain in the doldrums, in the dead sea of trouble and inactivity, than to see the great ship of state driving ahead in the dense fog of doubt, with the frowning Scylla on the one hand or the roaring Charybdis on the other. It is better to cast anchor in the harbor of safety than be engulfed in the everwidening maelstrom that at times seems to await us, even though the immediate future may be laden with bright auspices.

I take this occasion to say, in concluding my remarks, that beyond the assumption on the part of the General Government of the reserved rights of the States that we are, in my judgment, creating by legislation too many bureaus and commissions.

If we continue in this Government to multiply bureaus and commissions, then in the not distant future every farmer as he wends his way in the early morn to break the "stubborn glebe" will take upon his back his Government employee; every hod carrier as he mounts the rungs of the ladder with his wonted load will have, too, upon his shoulders a Government employee; and every man engaged in the industrial walks of life, be he high or low, rich or poor, will go forth to his daily toil with this additional burden.

When this time comes, as surely it must if a halt is not called, we shall have a Government, a great consolidated nationality, totally at variance with the great fundamental principles that guided the fathers of this Republic in molding and shaping this beautiful fabric to serve as a model for other nations of the earth.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. POMERENE].

Mr. POMERENE. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). I have a general pair with the senior Senator from New Mexico [Mr. FALL]. I do not know how he would vote on this question, and therefore withhold my vote. I desire to be counted for a quorum.

Mr. CLARKE of Arkansas (when his name was called). I have a pair with the junior Senator from Utah [Mr. SUTHERLAND]. He is not present. If I were at liberty to vote, I should vote "yea."

Mr. GORE (when his name was called). I desire to announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON], and wish to be counted as present.

Mr. JOHNSON (when his name was called). I have a pair with the junior Senator from North Dakota [Mr. GRONNA]. In his absence I withhold my vote. If at liberty to vote, I would vote "nay."

Mr. OLIVER (when his name was called). I have a general pair with the senior Senator from Oregon [Mr. CHAMBERLAIN], and therefore withhold my vote.

Mr. THORNTON (when Mr. RANSDELL's name was called). I announce the necessary absence of my colleague [Mr. RANSDELL], and wish to have this announcement stand for the day.

Mr. MARTINE of New Jersey (when Mr. ROBINSON's name was called). I beg to say that the junior Senator from Arkansas [Mr. ROBINSON] is detained at his home by illness.

Mr. SMITH of Georgia (when his name was called). I have a pair with the senior Senator from Massachusetts [Mr. LODGE], and therefore refrain from voting.

Mr. SMITH of Michigan (when his name was called). I have a pair with the junior Senator from Missouri [Mr. REED]. I transfer that pair to the senior Senator from Illinois [Mr. SHERMAN] and will vote. I vote "nay."

Mr. VARDAMAN (when his name was called). I have a general pair with the junior Senator from Idaho [Mr. BRADY]. In his absence I withhold my vote.

Mr. WARREN (when his name was called). I have a general pair with the senior Senator from Florida [Mr. FLETCHER]. I do not see him in the Chamber. I transfer that pair to the senior Senator from Connecticut [Mr. BRANDEGEE] and vote "nay."

Mr. WILLIAMS (when his name was called). I transfer my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the junior Senator from Louisiana [Mr. RANSDELL]. I wish this announcement to stand for the day. I vote "nay."

The roll call was concluded.

Mr. LEA of Tennessee. I transfer my pair with the senior Senator from South Dakota [Mr. CRAWFORD] to the senior Senator from Alabama [Mr. BANKHEAD] and will vote. I vote "yea." I make this announcement of my pair and its transfer for the day, except on cotton amendments.

Mr. CULBERSON. I transfer my pair with the senior Senator from Delaware [Mr. DU PONT] to the junior Senator from Arkansas [Mr. ROBINSON] and will vote. I vote "yea."

Mr. TOWNSEND. I desire to announce that the senior Senator from Ohio [Mr. BURTON] is necessarily absent from the Senate. He is paired with the junior Senator from Arizona [Mr. SMITH]. This announcement may stand for the day.

Mr. PAGE. I desire to announce that my colleague [Mr. DILLINGHAM] is necessarily absent. He is paired with the senior Senator from Maryland [Mr. SMITH]. This announcement may stand for the day.

Mr. SMOOT. I desire to announce the following pairs:

The junior Senator from New Mexico [Mr. CATRON] with the senior Senator from Oklahoma [Mr. OWEN];

The junior Senator from Rhode Island [Mr. COLT] with the junior Senator from Delaware [Mr. SAULSBURY].

The senior Senator from New Hampshire [Mr. GALLINGER] with the junior Senator from New York [Mr. O'GORMAN]; and

The junior Senator from West Virginia [Mr. GOFF] with the senior Senator from South Carolina [Mr. TILLMAN].

Mr. CHILTON. I transfer my pair, heretofore announced, to the junior Senator from Maryland [Mr. LEE] and will vote. I vote "yea."

Mr. O'GORMAN (after having voted in the affirmative). When I voted a moment since I omitted to state that I transferred my pair with the senior Senator from New Hampshire [Mr. GALLINGER] to the senior Senator from Illinois [Mr. LEWIS].

Mr. WHITE. I desire to announce the absence of my colleague [Mr. BANKHEAD], who has gone to South Carolina to address the legislature of that State. This announcement may stand for the day.

Mr. HOLLIS. I announce my pair with the junior Senator from Maine [Mr. BURLEIGH], and transfer that pair to the senior Senator from Nevada [Mr. NEWLANDS] and vote "nay."

The result was announced—yeas 18, nays 31—as follows:

YEAS—18.

Ashurst	Kern	Pomerene	Thompson
Camden	Lea, Tenn.	Sheppard	Walsh
Chilton	Martine, N. J.	Shively	White
Culberson	Myers	Smith, S. C.	
James	O'Gorman	Stone	

NAYS—31.

Bristow	McCumber	Root	Thomas
Bryan	McLean	Shafroth	Thornton
Clark, Wyo.	Nelson	Shields	Townsend
Hollis	Norris	Simmons	Warren
Hughes	Overman	Smith, Mich.	Weeks
Jones	Page	Smoot	West
Lane	Perkins	Sterling	Williams
Lippitt	Poindexter	Swanson	

NOT VOTING—47.

Bankhead	Cummins	La Follette	Robinson
Borah	Dillingham	Lee, Md.	Saulsbury
Brady	du Pont	Lewis	Sherman
Brandegee	Fall	Lodge	Smith, Ariz.
Burleigh	Fletcher	Martin, Va.	Smith, Ga.
Burton	Gallinger	Newlands	Smith, Md.
Catron	Goff	Oliver	Stephenson
Chamberlain	Gore	Owen	Sutherland
Clapp	Gronna	Penrose	Tillman
Clarke, Ark.	Hitchcock	Pittman	Vardaman
Colt	Johnson	Ransdell	Works
Crawford	Kenyon	Reed	

So Mr. POMERENE's amendment was rejected.

Mr. SIMMONS. Mr. President, the Secretary has called my attention to one amendment that has not yet been adopted, which was passed over at the instance of the Senator from Utah [Mr. SMOOT]. It is with reference to commercial brokers and commission merchants, I think.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 9 of the bill, the committee proposes to insert:

Tenth. Commission merchants shall pay $20. Every person, firm, or company whose business or occupation it is to receive into his or its possession any goods, wares, or merchandise to sell the same on commission shall be regarded as a commission merchant: *Provided*, That this provision shall not apply to commission houses run upon a cooperative plan.

Mr. SMOOT. Mr. President, as I stated last evening, I thought that amendment ought to be considered in connection with a provision on page 7 of the bill referring to commercial brokers.

I believe that the tax of $20 upon commercial brokers is exceedingly high in comparison with the taxes that have been imposed upon, say, customhouse brokers of only $10, and other taxes imposed upon men doing a business of a similar character.

I also desire to call attention to the fact that $20 is not the only tax that is imposed on the commercial broker. There are three other taxes in this bill that fall upon him, and would fall upon him if there had not been a tax of $20 upon him for doing business. It is impossible in his business to escape them.

The first one is the 10-cent stamp required on each and every contract which is made. The commercial broker in his dealings comes in contact with every small dealer in the country. Sometimes the sales do not amount to more than $1.50. He is in a position where he can be called upon at any time of the day for the delivery of any sort of commodity that may be asked for. Contracts are made, of course, by the brokers; but when you stop to think that a 10-cent stamp must be placed upon every contract that is made by a broker, it means that for every $1 contract that he makes there would be one-tenth of the full contract consideration taken by the imposition of this 10-cent tax.

Another thing is that he is taxed on the telegrams he sends in answer to any order that he may receive. He is also taxed upon any telephone messages that may be sent by him.

It does seem to me that this is loading a tax upon the commercial broker to a greater degree than ought to be done. I believe the average income of the commercial broker in the United States is less than $1,000. The figures so show, and many of them do not make more than $75 a month, which would be only $900 a year. I believe we could have raised revenue from a class of people that could have stood it a great deal better than the commercial brokers.

I ask the Senator having the bill in charge if he will not consent to strike out the tax on commercial brokers, because I believe he knows that the great majority of them are a class of people that do very little business and make very small incomes. You are not going to get very much revenue from this tax. It is not going to make very much difference. You have added here, on page 9, a tax of $20 on commission merchants, and I think that is proper. I am not going to object to that provision, for a commission merchant generally handles a line of goods that sell in large quantities.

Take the commission merchant who handles a packing product of one of the large concerns, or of the canning factories, or any of the thousand and one other things that are disposed of to the wholesale merchant. They deal almost always in carload lots, and they can well afford to pay a tax of $20, and no objection should be raised to it; but when it comes to a little broker, I do not believe he ought to be assessed $20, or the commission merchant should also be assessed $20.

I am not going to say anything more about it. I present the facts as they really exist, and I ask the Senator from North Carolina if he will entertain a motion to strike out, on page 7, lines 11 to 17, inclusive?

Mr. SIMMONS. Mr. President, I regret that I am unable to accede to the suggestion of the Senator from Utah. This part

of the bill was taken from the act of 1898. At the time that act was passed it was the opinion, I assume, of the lawmakers that it included commission merchants. Anyway, within a month after that act was passed there arose a controversy as to whether it did include commission merchants. That controversy was submitted to the decision of the law officer of the Government, and it was decided that it did not include commission merchants, so that the commission merchants paid no tax under that act.

Subsequently to that time Congress picked out a number of items in the act and repealed them, but I do not think that brokers were among those. They remained in the act until the act was repealed.

Mr. President, $20 a year is a very small tax. The brokers do not all engage in a small business, but many do. It is true of all taxes imposed in this bill that they bear a little more heavily upon some because they do very little business, but there are a great many brokers who do a very large business. Let me read to the Senator the things that a broker does, as we find it in this act:

> Every person, firm, or company whose business it is as a broker to negotiate sales or purchases of goods, wares, produce, or merchandise, or to negotiate freights and other business for the owners of vessels, or for the shippers or consignors or consignees of freight carried by vessels, shall be regarded as a commercial broker under this act.

The field of his activities is right broad. He buys and he sells all things which are properly articles of merchandise and are upon the market for sale or purchase.

Mr. SMOOT. No; he does not buy and sell; he negotiates.

Mr. SIMMONS. Well, he negotiates the sales. That is practically the same thing. He does not actually sell.

Mr. SMOOT. I wish to say to the Senator in this connection that $20 is not the only tax that is imposed upon him. The great burden that will be imposed, particularly on the small broker—and there are a great many more of them than large brokers—is the 10-cent stamp required to be placed upon their agreements. In every transaction the broker makes where he negotiates there is an agreement, whereas if it were a sale the stamp would not have to be attached.

Mr. SIMMONS. Does the Senator know that the broker would pay that?

Mr. SMOOT. I think it is more likely that he would.

Mr. SIMMONS. I think it is more likely that he would require the person for whose benefit the sale was negotiated to pay it.

Mr. SMOOT. I will say to the Senator the broker has not very much say so as to what the purchaser shall pay, because he is striving with all the power at his command to make the sale as against some other broker. I do not believe he can pass it on to the purchaser.

Mr. SIMMONS. I think he does pass it on, as a matter of fact. He is simply acting as an agent and receives a commission. He does not burden his commission with any charges that are properly incident to the transaction. I do not think there are many brokers in the small towns. They operate in large towns. In the small towns there is the commission merchant, not the broker. It is in the larger towns, I take it, that the brokers are engaged in this business of negotiating sales or purchases.

Mr. SMOOT. They are not only in the large towns, but in the small towns.

Mr. SIMMONS. When I say a small town, I mean a town of fifteen or twenty thousand inhabitants. I do not recall in the town in which I live, which has 15,000 or 16,000 inhabitants, that there are any commercial brokers, but there are commission merchants.

I regret very much that I can not yield to the Senator's request.

Mr. SMOOT. I know it is useless to make a motion to strike out if the Senator having the bill in charge will not agree to do it. I do not want to take a minute of the time of the Senate unnecessarily, and therefore I am not even going to offer the amendment.

Mr. SIMMONS. I want to say to the Senator I am advised that there are only about 12,000 of these commercial brokers in the country, and the amount of revenue is not great. It was only about $198,000 under the old law.

Mr. SMOOT. Twelve thousand brokers paying $20 each would be $240,000. I wish to say in this connection that of those 12,000 men 10,000 of them do not make a thousand dollars a year.

Mr. SIMMONS. I think the Senator is mistaken about that.

Mr. SMOOT. I will say, further, that $20 may seem to be a small amount for a man to pay, but it is not a small amount for a man to pay when his salary is less than a thousand dollars, and particularly when he has to pay 1 cent on every telephone message and has to pay 1 cent upon every telegram he sends, and particularly also when he has to pay 10 cents upon every contract made. That is not the case with the commission merchant and that is not the case with merchants generally, but it is the case with the commercial broker.

I have said, Mr. President, all I care to say about it.

Mr. SIMMONS. I am assuming that the commercial broker will pass on the expense of telegraphing and telephoning to the extent that there are stamped instruments as evidences of transactions.

Mr. WHITE. Mr. President, I should like to know if the chairman of the committee has considered the number of small brokers. My idea is that there are a vast number of small brokers even in the larger cities.

Mr. SIMMONS. I have just stated that the number is only about 12,000.

Mr. WHITE. Would that include all?

Mr. SIMMONS. Yes. I think the Senator has in mind commission merchants also.

Mr. WHITE. No; I have not. I am speaking now of commercial brokers. There is very much greater reason to tax commission merchants than there is to tax these commercial brokers.

Mr. SMOOT. Absolutely.

Mr. WHITE. These brokers are very small men in their affairs. Many of them do not make $300 a year. They do it possibly as a little side line to something else. There is a vast number of them, even about the larger cities, who negotiate sales. I would be very glad indeed if the chairman of the committee could see his way clear to accept the amendment suggested by the Senator from Utah.

Mr. SIMMONS. I regret that I can not. There are some of them who do small business and others do enormous business, and we have made the tax just as low as we thought we could to tax them at all. It is the same tax that was imposed in the act of 1898, and it was not repealed until that act was repealed, although a great many items in the act were repealed between the time of its enactment and the final date of repeal. I do not think it would work any greater hardship—in fact, not so great a hardship—now as it did then. I believe it is all right.

Mr. WHITE. Another thing I should like to suggest, and that is that business of all kinds is now very much embarrassed and these brokers are doing very little business.

Mr. SIMMONS. On that account we struck out of the bill brokers altogether. We supposed that the brokers proper are not now doing any business at all.

Mr. WHITE. I think that is true, but the commission business is doing very little indeed.

Mr. SMOOT. I will say to the Senator from North Carolina that, in my opinion, it would have been very much better if we had assessed the stock broker who sells stock rather than to impose a tax upon a little commercial broker, who, when times are at the very best, hardly makes a thousand dollars a year.

The PRESIDING OFFICER (Mr. OVERMAN in the chair). The question is on the adoption of the amendment of the committee.

The amendment was agreed to.

Mr. WEEKS. I wish to ask the Senator from North Carolina if all the committee amendments have been considered?

Mr. SIMMONS. All that we want at present to offer.

Mr. WEEKS. That being the case, I should like to call up an amendment I offered in behalf of the Senator from Illinois [Mr. SHERMAN] and make a very brief statement.

The PRESIDING OFFICER. The amendment will be read.

The SECRETARY. October 8, in behalf of Mr. SHERMAN, of Illinois, on page 32 strike out lines 19 to 24, inclusive.

Mr. WEEKS. That amendment was written applying to the first draft of the bill. It should read "on page 31 strike out lines 10 to 15, inclusive." It is the same language on another page, that is all.

The SECRETARY. The lines read as follows:

> Upon each sale, agreement of sale, or agreement to sell, any products or merchandise at any exchange, or board of trade, or other similar place, either for present or future delivery, for each $100 in value of said sale or agreement of sale or agreement to sell, 1 cent, and for each additional $100 or fractional part thereof in excess of $100, 1 cent.

Mr. WEEKS. I wish to read a telegram that I have here and to make a brief comment on it.

Mr. SMOOT. I should like to have the Secretary read the amendment again. I did not get it all.

The PRESIDING OFFICER. The amendment will be again read.

The Secretary again read the amendment.

Mr. SIMMONS. I should like to say to the Senator from Massachusetts that the committee offered an amendment to that part of the bill.

Mr. WEEKS. Will the Senator wait one moment, while I read the telegram? After I had offered that amendment for the Senator from Illinois I received this telegram:

CHICAGO, ILL., *October 9, 1914.*

Hon. JOHN W. WEEKS,
United States Senate, Washington, D. C.:

The producers, grain dealers, and all others interested are indebted to you for the presentation of amendment to H. R. 18891 to eliminate the tax on products sold in the principal market places of the country, called exchanges and boards of trade. I do not believe Senators understand the discrimination which this section contains. It plainly taxes the same product sold in one place and not in another. To give you an idea of what this tax covers, would state that the receipts of grain at western primary markets to-day were nearly 4,000,000 bushels, and at the seaboard markets nearly 2,000,000 bushels. All of this grain would be taxed once and often more under the practical operation of the bill. Grain crops are big propositions; they move in large volume. It is absolutely necessary to have large, organized markets for the benefit of producers and consumers, for domestic as well as export trade. We do not believe either the Congress or the President desire to put a special and discriminative tax on foodstuffs and cotton.

C. H. CANBY,
President Board of Trade of the City of Chicago.

Mr. President, I take it the amendment which the committee has offered, which is on page 32 of the bill now under consideration, would prevent the duplication of the taxation of these products, or at least those which are intended for exportation; but it seems to me there is a point which ought to be considered, and that is whether at this time, under these conditions, it is the intention and desire of Congress to levy a tax on grain, which is not being protected by any duty and of which there are large quantities of some kinds coming into the country, and especially to levy a duty on cotton. If the cotton crop this year pays this tax, it will amount to $75,000, assuming that the price is 10 cents a pound.

I think Senators will agree with me that cotton has troubles enough at this time, and that in any case this proposition should be so modified that sales for immediate delivery should be free from this tax. It may be that sales for future delivery, which would cover the larger part of the sales, I take it, might with propriety have the tax imposed, because they would include some speculative sales, and nobody could object to sales of that kind being taxed. But it does seem to me, under these conditions, to tax cotton and to tax grain intended for immediate delivery is unwise and unsound legislation.

Mr. SIMMONS. I do not think it was the intention of the committee to tax the class of transactions to which the Senator refers and to which the telegram he read refers.

Mr. CLARKE of Arkansas. Let me ask the chairman of the Committee on Finance if this is not an exact reproduction of the clause in the Spanish War tax act?

Mr. SIMMONS. That is what I was going to state.

Mr. CLARKE of Arkansas. It was decided by the Supreme Court of the United States that it does not apply to a sale of present delivery, but upon the privilege of buying on one of the organized stock exchanges. That is a bucket-shop tax, and it is the only way to tax those nefarious transactions. Instead of being limited as it is, it ought to be fifty times as much.

Mr. WEEKS. That being the case, should not the wording of the provision be changed? I did not know that the Supreme Court had passed on the matter.

Mr. CLARKE of Arkansas. It is Nicol against Ames, One hundred and seventy-third United States.

Mr. WEEKS. But the reading of this bill is for present and future delivery.

Mr. SIMMONS. I will state to the Senator that that part of the bill is an exact copy of the old act. We simply brought in the language of that act. I will state further to the Senator that in 1901, within three years after the act was passed, Congress passed an act to amend it, and I think that amendment was intended to relieve any doubt about this matter.

Mr. CLARKE of Arkansas. I can not hear the Senator from North Carolina.

Mr. SIMMONS. I say this provision of the bill which the Senator from Massachusetts desires to strike out is an exact copy of the law as it was written in the act of 1898, and in 1901 Congress amended that section and the Senate committee reported an amendment covering the provision. I do not know whether the Senator from Arkansas is familiar with that or not.

Mr. CLARKE of Arkansas. I am familiar with the general doctrine evolved by the amendment and the construction by the Supreme Court. There is no possibility of its applying to sales of present delivery, because they never deal in these exchanges in articles for present delivery. Those transactions take place with commission merchants.

Mr. SIMMONS. I will state to the Senator that that was the view of the committee, and we thought that this referred to paper transactions made on the exchange.

Mr. CLARKE of Arkansas. Altogether.

Mr. SIMMONS. And not to transactions involving actual delivery.

Mr. CLARKE of Arkansas. Judge Peckham in his opinion decided that if the tax were on a present transaction accompanied by a delivery outside of the exchange it would be a direct tax and could only be sustained as a tax on the privilege of dealing on these organized exchanges.

Mr. WEEKS. The Senator from North Carolina and the Senator from Arkansas are much more familiar with this subject than I am. It is not one in which my constituents are directly interested in any way. I presented the amendment for the Senator from Illinois, but it did seem to me that if we are going to tax actual sales of grain and of cotton—I mean sales for delivery—in any form it was an inadvisable tax.

Mr. CLARKE of Arkansas. The objection to the tax came from the Chicago grain exchanges when it reached the Supreme Court and formed the basis of the decision to which I have referred. They are not satisfied with it out there. The bucket shops, as a general rule, do not like this tax.

Mr. SIMMONS. I suggest to the Senator from Massachusetts that he examine the decision to which the Senator from Arkansas has referred and see if it does not cover the case. That was our idea. We wanted to tax transactions that took place in the exchange, paper transactions which might involve future delivery where it was not likely that there would be actual delivery, but a stock-exchange transaction pure and simple.

Mr. WEEKS. Mr. President, I should like to have the attention for a moment of the Senator from Arkansas, who is very familiar with this subject and refers to these as exchange transactions. I asked a manufacturer within a couple of days why he did not buy a year's supply of cotton at the present price, and his reply was that he would be glad to do it, but he could not buy the cotton and be sure of having delivered to him the kind of cotton he wished to use in his business. In other words, he would normally go to the exchange and buy his cotton; that he would buy cotton of a certain grade and he would be sure that the cotton would be delivered; but that now he is not buying cotton except from hand to mouth, because he can not be sure, under the present conditions, that he is going to get the cotton he needs. Would not this provision tax the kind of cotton that a manufacturer wishes to buy?

Mr. CLARKE of Arkansas. If the spinner wanted actual cotton, he would not normally go to an exchange; he would abnormally go there to speculate on some feature involved in the general contract. If he wanted to buy actual cotton he would go South where it could be found and contract with some responsible dealer to furnish so many bales of a certain grade. The cotton is there and it would be delivered. If he goes to the New York Cotton Exchange, he is liable to get any one of nine grades. Of course he could not get the cotton he wants.

Mr. WEEKS. May I ask the Senator if it is not true that very largely cotton manufacturers, especially in the North, buy through the exchange?

Mr. CLARKE of Arkansas. They hedge against an actual purchase of cotton. They gamble. They lose as much on one as they gain on another. This is not a purchase proposition at all. It is a hedging or insurance proposition, as they denominate it.

Mr. SMITH of Georgia. I should like to ask the Senator from Arkansas if he is sure that exchanges like the Memphis exchange are not exchanges in which they sell for immediate delivery and not at all for future delivery?

Mr. CLARKE of Arkansas. That is true. They really do not sell cotton at all. The brokers assemble there to get reports from the organized exchanges. The brokers who constitute the membership of the local exchange in Memphis have quantities of cotton in their possession which they sell to actual purchasers. They never make any future delivery or contract for future delivery on the Memphis board.

Mr. SMITH of Georgia. Do they make contracts with the manufacturers for immediate delivery?

Mr. CLARKE of Arkansas. I would not say about that.

Mr. SMITH of Georgia. I was under the impression that they sold there?

Mr. CLARKE of Arkansas. One can hardly call the Memphis organization an exchange, because their prices are controlled by the prices transmitted from New York, Liverpool, and New Orleans. They do not make the prices there. The brokers assemble there for the purpose of getting information directly and reliably, and go back to their offices to sell cotton, actual cotton, to purchasers on the basis fixed there.

Mr. WEEKS. I think there is an exchange in Augusta, Ga. Would a manufacturer go to that exchange now and buy cotton of the kind he wishes to use or wants?

Mr. CLARKE of Arkansas. He will find some member on that exchange who would have that particular cotton, and he would agree to sell it, and if he did not have it he could tell him the locality where he could get exactly that kind—the actual cotton.

Mr. WEEKS. To be delivered immediately or three months afterwards?

Mr. CLARKE of Arkansas. That would depend altogether on the terms of the contract.

Mr. WEEKS. Then that would be a future delivery.

Mr. CLARKE of Arkansas. That is not an organized cotton exchange, because there are only three such exchanges in the world—one in Liverpool, another in New York, and another in New Orleans.

Mr. WEEKS. May I call the attention of the Senator to the reading of this bill?

Mr. CLARKE of Arkansas. That has been construed to mean such exchanges as are governed by the rules of the principal exchanges, and it ought to be so, because they do the same business in the same way, and they ought to be put upon the same plane with reference to the penalizing provisions of the law.

Mr. SIMMONS. I think the amendment proposed by the committee ought to be changed slightly. In the absence of the decision of the Supreme Court of the character indicated by the Senator from Arkansas, I think it would certainly cover the case he has in mind. The amendment reads this way:

> That no bill, memorandum, agreement, or other evidence of such sale, or agreement of sale, or agreement to sell, in case of products or merchandise actually delivered to, and while in vessel, boat, or car, and actually in course of transportation—

And so forth.

It has been contended that that would limit the exception to products that were sold while in vessels and boats, and probably it may be obnoxious to that objection. Suppose it was amended so as to read:

> In case of products or merchandise actually delivered or while in vessel, boat, or car, and actually in course of transportation.

It would then cover an actual delivery, and, in addition to that, it would cover a case where there was only a technical delivery while it was in course of transportation.

Mr. WEEKS. Mr. President, I suggest to the Senator the committee should examine the court decision in that matter.

Mr. SIMMONS. I am willing to make that amendment.

Mr. CLARKE of Arkansas. Which amendment, may I ask the Senator?

Mr. SIMMONS. The amendment offered by the committee reads this way:

> That no bill, memorandum, agreement, or other evidence of such sale, or agreement of sale, or agreement to sell, in case of products or merchandise actually delivered to, and while in vessel, boat, or car, and actually in course of transportation.

I would suggest that the amendment might be changed so as to apply to products or merchandise actually delivered.

Mr. CLARKE of Arkansas. Contemporaneously with the sale.

Mr. SIMMONS. Yes.

Mr. CLARKE of Arkansas. That is all right. If you will insert the words "contemporaneously with the sale," it is all right. It would not be a future speculative transaction.

Mr. SIMMONS. I think the suggestion of the Senator is a good one.

The PRESIDING OFFICER. The question is on the adoption of the amendment offered by the Senator from Massachusetts [Mr. WEEKS]. Does the Senator from Massachusetts accept the amendment proposed by the Senator from North Carolina?

Mr. SMITH of Georgia. I wish to make this suggestion to the Senator from Massachusetts, that it may go into the RECORD: I am sure that there are strong cotton firms scattered through the South that would take the orders and fill them for any kind of cotton that manufacturers might need, although they are not conducting cotton exchanges.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Massachusetts.

Mr. WEEKS. Mr. President, I will adopt the suggestion which has been made by the chairman of the committee and withdraw the amendment. I hope the committee will examine the court decision to which the Senator from Arkansas [Mr. CLARKE] has called attention, so as to be sure that we are getting the legislation for which the paragraph seems to provide. With that understanding, I will withdraw the amendment which I offered in behalf of the Senator from Illinois.

Mr. CLARKE of Arkansas. The case is reported in One hundred and seventy-third United States Supreme Court Reports, under the name of Nicol against Ames.

The PRESIDING OFFICER. Without objection, the vote by which the amendment just referred to was adopted will be reconsidered.

Mr. SIMMONS. Mr. President, I offer the amendment to the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment to the amendment proposed by the Senator from North Carolina will be stated.

The SECRETARY. On page 32, in the committee amendment, in line 16, after the words "actually delivered," it is proposed to strike out the word "to" and the comma after that word, and the word "and," and to insert "at the time of sale or," so that if amended it will read:

> That no bill, memorandum, agreement, or other evidence of such sale, or agreement of sale, or agreement to sell, in case of products or merchandise actually delivered at the time of sale or while in vessel, boat, or car—

And so forth.

The PRESIDING OFFICER. Without objection, the amendment to the amendment is agreed to. The question recurs on the adoption of the amendment as amended.

The amendment as amended was agreed to.

Mr. SMOOT. Mr. President, on page 41 of the bill the committee last night offered an amendment, which was adopted, to the passage-ticket paragraph, so as to make it read as follows:

> Passage ticket, for each passenger, sold in the United States for passage, by any vessel to a foreign port or place, if costing not exceeding $30, $1; costing more than $30 and not exceeding $60, $3.

I heartily approve of the wording of the amendment of the paragraph, because it removes a discrimination against the American ticket agents as against the ticket agents in Canada; but I do believe that the limit of cost of the ticket should be changed if the spirit of the bill in other respects is to be maintained; in other words, a foreign third-class ticket generally costs more than $30. I think the limit ought to be $45 if the intention is to tax the steerage passenger but $1. The bill as it now stands will tax every steerage passenger under the second bracket $3. I do not believe that that was the intention. It seems to me that it ought to read: "If costing not exceeding $45, $1; costing more than $45 and not exceeding $75, $3; costing more than $75, $5." Or it might read, and be just as effective, as follows: "Steerage, third class or third cabin, $1; second class or second cabin, $3; first class or first cabin, $5." Then there would be no question as to the value of the ticket, whether it increased or decreased in price; but the passenger would pay according to the class of ticket purchased. There would be justice in that.

I do not believe that a steerage passenger ought to pay a tax equal to a second-class passenger, and in the manner in which the bill is drawn that will be the result, because the value under the first bracket is too low. I will ask the Senator having the bill in charge if the intention of the committee was not to make a difference between steerage passengers, second-cabin passengers, and first-cabin passengers?

Mr. SIMMONS. I will say to the Senator that the committee had a great many representations before them, which they understood came from shipping interests, insisting that this minimum limit should be raised from $30 to $40. We considered the matter very thoroughly and decided to let the rate as fixed in the House bill remain. Thirty dollars or below $30 has been the rate heretofore. Recently they have raised that rate somewhat, as I understand; but the suggestion was made that that increase grew largely out of the great rush for tickets since the breaking out of the European war.

Mr. SMOOT. The price of the tickets was raised to $45 before the European war broke out.

Mr. SIMMONS. It was thought that was but a temporary cause, and that probably $30 or less than $30 would cover most of the steerage tickets. Most of the people who buy these tickets are Italians who come over here, work a while, make some money, and then go back home.

Mr. SMOOT. We could reach that class of people in a very much better way, it seems to me, than in this way. I thought the proper way in which to reach that class of people would be to impose a stamp tax upon all foreign money orders. Then we would reach the ones who come over here for the simple purpose of making money with no idea of remaining. As soon as they get sufficient on which to live in their home country, they take what money they have saved in this country and leave. In most instances they do not even wait until they leave, but they send the money home by foreign money orders. I thought it might

be a very good way to reach that class of people by imposing a stamp tax upon foreign money orders.

Mr. SIMMONS. That would come within the purview of the decision of the Supreme Court, in which it was held that a tax of that sort would be a tax upon exports and therefore within the condemnation of the Constitution.

Mr. SMOOT. I had thought that perhaps might be the case, but in looking the matter up I can not find any decision that would apply to a foreign money order.

Mr. SIMMONS. But it would apply to a bill of exchange.

Mr. SMOOT. Yes; it would apply to a bill of exchange.

Mr. SIMMONS. But in what respect in principle are they different?

Mr. SMOOT. We are not now considering bills of exchange.

Mr. SIMMONS. I want to say frankly to the Senator from Utah that we very thoroughly considered this matter; we read a great many protests in reference to it. They came chiefly from the shipping people, as we understood from shipowners, who did not want their transportation burdened any more than possible. We felt that most of the steerage passengers, the people we have just been talking about, constituted the bulk of that class of transportation, and that most of the tickets would be within the minimum limits that we have fixed.

Mr. SMOOT. Mr. President, in order that the question of the price of the ticket may not be considered at all; that the steerage ticket, no matter what it may cost, shall only have a tax imposed upon it of $1, the second-class ticket a tax of $3, and the first-class cabin ticket a tax of $5, I offer the following amendment: I move to strike out all of the paragraph after the word "place," on page 41, line 12, beginning with the word "if," down to and including the figures "$5," and to insert "steerage, third class or third cabin, $1; second class or second cabin, $3; first class or first cabin $5."

Mr. SIMMONS. Does not the Senator from Utah see, if he will pardon an interruption, that that would impose as high a rate upon the steerage ticket from this country to Cuba as it would upon a steerage ticket from this country to Europe or even to China?

Mr. SMOOT. I think that is the case with all of such taxation. It is not a question of how far the person may travel, but it is the issuing of the ticket which is taxed. That is why it would be just and right. Everybody purchasing a ticket would be assessed the same. The same principle which the Senator from North Carolina now suggests may apply to a railroad ticket. A person has to pay the same tax upon a railroad ticket from here to Baltimore that he would have to pay on a ticket from here to San Francisco.

Mr. SIMMONS. Yes; but we are not taxing the ticket here; we are taxing the fare.

Mr. SMOOT. Mr. President, the principle is exactly the same. I offer the amendment which I have sent to the desk.

The PRESIDING OFFICER. The amendment proposed by the Senator from Utah will be stated.

The SECRETARY. On page 41, beginning in line 12, it is proposed to strike out the words "if costing not exceeding $30, $1; costing more than $30 and not exceeding $60, $3; costing more than $60, $5." And in lieu of the words stricken out to insert:

Steerage, third class or third cabin, $1; second class or second cabin, $3; first class or first cabin, $5.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Utah.

The amendment was rejected.

Mr. SMOOT. I do not want to take the time of the Senate by calling for the yeas and nays on the amendment. I will be content to abide by the vote, although I think there were but 2 votes "aye" and 1 vote "no."

Mr. President, there is one other item to which I desire to call attention. The amendment offered by the committee to the House bill, on page 8, reads as follows:

Where a charge for admission is made, having a seating capacity of not more than 300, shall pay $25; having a seating capacity of more than 300 and not exceeding 600, shall pay $50; having a seating capacity exceeding 600 and not exceeding 1,000, shall pay $75; having a seating capacity of more than 1,000, shall pay $100.

I have a number of letters from members of the Motion Picture Exhibitors' League in different parts of the country virtually recommending this amendment; but I have also received in the last few days a number of telegrams from organizations representing the moving-picture people, complaining of the scale adopted. The telegrams state that their understanding was that the scale to be approved was a tax of $10 on such exhibitions up to 1,000 seating capacity and $50 over 1,000 seating capacity.

I simply make this statement, Mr. President, because of the answers which I have made to some of the letters and telegrams I have received in the past. I believe that the committee acted upon the recommendation of the Moving Picture Exhibitors' League of America, and from letters which I have seen from the vice president of that league I understand that he recommends the tax as imposed in this amendment.

Mr. SIMMONS. That is true.

Mr. SMOOT. Therefore, Mr. President, I shall offer no amendment to the provision as it stands, and shall inform the different members of the league who have telegraphed to me yesterday and to-day that the amendment has been approved by the vice president of the Moving Picture Exhibitors' League of America. I will ask the Senator from North Carolina if his understanding is not the same as mine in respect to this matter?

Mr. SIMMONS. Mr. President, the Senator has exactly stated the facts, and the Senator has in his possession a letter addressed to me as chairman of the committee by the vice president of this league proposing this scale, and I want to say that the president—at least I understood he was the president—of this league, after the amendment had been adopted by the committee, expressed to me his gratification.

The PRESIDING OFFICER. Does the Senator from Utah desire to offer an amendment?

Mr. SMOOT. No; I have simply made the statement so that it may explain my position or explain the letters which I have written to some of the moving-picture exhibitors, and also to let them know that the telegrams which they sent to me yesterday and to-day are not in conformity with the recommendations of the vice president of the Moving Picture Exhibitors' League of America.

The PRESIDING OFFICER. The bill is before the Senate as in Committee of the Whole, and still open to amendment.

Mr. SMITH of Georgia. Mr. President, I now desire to present the amendment which I sent to the desk some time ago, providing for the insertion of six additional paragraphs in the bill.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. It is proposed to add a new section at the end of the bill, to stand as section 26.

Mr. FLETCHER. Mr. President, does the Senator from Georgia desire to have the amendment read?

Mr. SMITH of Georgia. It might just as well be read again.

The PRESIDING OFFICER. The amendment will be read.

The Secretary proceeded to read the amendment.

Mr. SMITH of Georgia. The Senator from Florida is ready to address the Senate, and I do not know that it is worth while to read the amendment again.

Mr. SMOOT. The amendment has already been read.

Mr. SIMMONS. It has already been read.

Mr. FLETCHER. I believe it has been read.

Mr. SMITH of Georgia. It has been read, but not since it was formally presented.

Mr. FLETCHER. I take it, that will be regarded as a reading of the amendment.

The PRESIDING OFFICER. The amendment will be regarded as having been read, if there is no objection.

The amendment submitted by Mr. SMITH of Georgia proposes to insert at the end of the bill as a new section the following:

SEC. 26. That during the year 1915 a special excise tax is hereby levied, and shall be paid and collected not later than December of said year, upon every person, firm, or corporation engaging in the business of planting, growing, or producing cotton, said tax to be measured as follows:

Every such person, firm, or corporation shall pay a tax of 2 cents a pound upon all lint cotton produced or grown by such person, firm, or corporation in excess of 50 per cent of the total amount of lint cotton produced by such person, firm, or corporation in the year 1914: *Provided*, That where any such person, firm, or corporation was not engaged in the business of planting, growing, or producing cotton in the year 1914, such person, firm, or corporation shall pay a tax of 2 cents a pound on all lint cotton produced by such person, firm, or corporation in excess of 50 per cent of the total amount of lint cotton produced in the year 1914 on the farm or plantation operated by such person, firm, or corporation in the year 1915.

The Secretary of the Treasury is hereby authorized to make all necessary rules and regulations for the collection of the tax herein provided for.

SEC. 27. That the Secretary of the Treasury is hereby directed to have immediately prepared bonds of the United States to the amount in face value of $250,000,000. The said bonds shall be in denominations ranging from $10 to $500, and shall be made due on or before three years from date, and bear interest at 4 per cent per annum, and shall be payable in gold.

SEC. 28. That the said bonds shall be used at their face value for the purchase of 5,000,000 bales of lint cotton, payments to be made in said bonds to the sellers of such cotton, and the Secretary of the Treasury, the Postmaster General, and the Secretary of Agriculture are hereby constituted a board with authority to conduct such purchases and to carry out the provisions of this act in connection with the purchase, handling, and sale of said cotton

The said purchases shall be made exclusively from the producers of such cotton.

Said purchases shall be made at the price of 10 cents per pound for middling lint cotton. Other grades of cotton may be bought at prices higher or lower than 10 cents, based on the difference of their values, as the same are more or less valuable than middling cotton. The purchases shall be made in the States where the cotton is grown, and shall be prorated between the States, as far as practicable, according to the

quantity of cotton grown in each State. The cotton so purchased shall be handled under the direction of the board hereinbefore provided for, and none of the same shall be disposed of earlier than January 1, 1916, unless, in the opinion of the said board, parts of said cotton are required to furnish cotton for manufacture, in which event parts of said cotton may be sold at a price of 11 cents a pound or more. During the year beginning January 1, 1916, said cotton may be sold in blocks of 100 bales or more at the market price, but not for less than the amount that it has cost, including interest on the bonds, storage, etc. On and after January 1, 1917, so much of said cotton as has not already been disposed of shall, within six months thereafter, be sold by said board. The money received from the sale of said cotton shall be kept separately in the Treasury and shall be used to pay off the bonds provided for in section 27 of this act, and whenever $5,000,000 has been accumulated from the sale of said cotton, blocks of said issue of bonds shall be called in and redeemed, and said board is given full power and authority to make such rules and regulations as are necessary for the purpose of executing the provisions of this and the preceding sections.

SEC. 29. That for the year 1916 a special tax is hereby levied, and shall be paid and collected during the months of August, September, October, November, and December, upon every person, firm, or corporation engaging in the business of planting, growing, or producing cotton, said tax to be measured as follows:

Every such person, firm, or corporation shall pay on all lint cotton produced or grown by such person, firm, or corporation during said year an amount equal to one-half cent per pound on such cotton, and the same shall be payable before said cotton leaves the gin house.

The taxes provided for in this section and in section 26 of this act shall be kept as a separate fund in the Treasury, and shall be used for the purpose of paying the interest on said bonds provided for in section 27 of this act and the expenses of handling said cotton provided for in section 28 of this act, and any surplus shall be used for the purpose of paying off the principal of said bonds.

SEC. 30. That after the cotton, the purchase and sale of which is provided for in sections 27 and 28 of this act, has been disposed of, it shall be the duty of the said board to prepare a statement covering the entire expenditure by the Government in connection with said transactions, including the redemption of said bonds, and if any part of said expenses has not been met under the provisions of sections 28 and 29 it shall be the duty of said board to officially report the amount remaining unpaid, and said report shall be filed with the Commissioner of Internal Revenue. For the year 1917, and annually thereafter, a special tax is hereby levied and shall be paid and collected during the months of August, September, October, November, and December upon every person, firm, or corporation engaging in the business of planting, growing, or producing cotton, said tax to be measured as follows:

Every such person, firm, or corporation shall pay on all cotton produced or grown by such person, firm, or corporation during each of said years an amount equal to 1 cent per pound on such cotton, and the same shall be payable before said cotton leaves the gin house: *Provided, however*, That if the report of said board, filed with the Commissioner of Internal Revenue, shows that no amount remains unpaid, the excise tax provided for in this section shall not be collected: *And provided further*, That no tax shall be collected under this section except for the balance of the amount remaining unpaid as provided for in this section.

SEC. 31. That the sum of $1,000,000, or so much thereof as may be necessary, is hereby appropriated and made immediately available under the direction of the said board, for the purpose of carrying into effect the provisions of sections 27 and 28 of this act.

Mr. FLETCHER. Mr. President, I do not propose to take a great while in discussing the amendment, but I feel that I should submit what is in my mind on the subject, because it is a very important matter.

Mr. President, no one can fail to realize the serious, even distressful, situation in which the cotton growers find themselves. This condition extends to merchants, factors, bankers, spinners, and manufacturers, in varying degrees.

It reaches far beyond the territory in which the cotton is grown. The wheat producers and the flour manufacturers of North Dakota, for instance, are interested because their market extends to that region. The manufacturers of farm implements and other supplies in the northern portion of the country, the wholesale merchants, the fertilizer manufacturers, the banks, and business houses generally, must feel the effects of the impending loss, or what amounts to that, of the cotton crop of 1914.

I have felt that the States could and ought to handle the situation, but they do not seem to be able to do so. Some of the Governors say they can not handle it by reason of constitutional provisions or the absence of them. I had hoped that individuals or organizations in the States would work out a plan for relief. Undoubtedly the people in some of the States can in a large measure avoid very great loss, but this only in the States producing a comparatively small quantity of the staple. The problem appears to be too great and the difficulties too extensive and the undertaking too vast for the States to successfully cope with them.

My judgment is that the States have the necessary power and authority. I question somewhat that they ever granted that power to the Federal Government. I believe in a strict construction of the Constitution. I am opposed to continual whittling away of the rights and powers of the States and the enlargement by construction and the centralizing of power in the Federal Government.

There is room for the contention that the tax proposed by this bill is a legitimate excise tax, or, at any rate, in the nature of an excise tax, and not a direct tax. It is to be laid not to raise revenue for governmental purposes, but to pay interest on a loan of credit. It is to be laid to discharge an obligation incurred in this emergency and to cancel benefits extended to the producers of cotton by the Government. Its characteristics are very similar to the levies for irrigation purposes. In these circumstances I do not believe we should go hunting for fine distinctions. Either Congress must come to the rescue of millions of the people who otherwise will be face to face with bankruptcy or there is little hope for them.

What is the situation, in a broad and general way? Last March and April this cotton crop was planted. The farmers have put their time, energies, and the labor of their employees in its making. The merchant has furnished supplies on credit where needed. The fertilizer used was bought to be paid for out of the proceeds of the crop. The banks made advances on the faith of the crop.

All the year's work, all the farmer's resources, practically, have gone into the cotton now being picked and ginned and made ready for market. Last year this crop yielded a little over $1,000,000,000. There was every reason to expect fully as much would be realized this year, and but for the disaster which has come upon the civilized world that expectation would have been a reality. It was fully warranted. Nature was kind. The seasons were favorable. The growers had worked hard, and the result of their labors and outlay in money and time and energy was a yield of some 14,000,000 bales of 500 pounds each, actually worth at least 12 cents per pound under normal conditions. That would mean $840,000,000, and the seed and by-products would have brought this yield in actual value to over a billion dollars. This is a large sum. We scarcely comprehend what it means. We get an idea by comparison. There have been about a billion minutes since the birth of Christ. This crop, therefore, would have, in the natural and orderly course of things, yielded one dollar for every minute of the Christian era.

On the 28th of July, in the afternoon—I was at the American embassy in Paris when the official announcement came from the foreign office—Austria declared war on Servia. One week before that the only sign on the horizon of any disturbance anywhere was the little excitement over the home-rule bill for Ireland. One week after that seven great European powers were in a state of war. It came like a clap from the blue. No one could have foreseen such a calamity. Least of all did we in this country have any reason to anticipate such an occurrence. It can not be fairly said that such a disaster was one of the chances the cotton growers ought to have taken into account when they were making this crop.

On the 31st of July, it seems to be established, Russia began to mobilize her army. On the 2d of August France gave her reply to Germany.

On the 4th of August England issued her notification to Germany. The world-wide war was on. Now four continents are involved; practically all the Old World is in a death struggle.

No sane man can question that such a condition is the direct cause of grievous consequences to practically all the New World. The result that followed to the cotton industry immediately was no less than a total destruction of the market for two-thirds of the 1914 crop.

In the southern portion of the United States is a strip of territory approximately 400 miles wide and 1,500 miles long that is the natural home of the sun plant—cotton. Other countries have made diligent effort to grow it successfully elsewhere. England has done her best to produce her needed supply in the Valley of the Nile. No matter how cheap labor may be there, it is impossible to successfully compete with the South on land worth from $500 to $1,000 per acre and which must yield a return on that basis of value. Egypt, South America, the West Indies, Mexico, and other portions of the earth have been looked to for development of this industry, but it has been found that the whole world must turn to this cotton belt for the material which is to clothe mankind.

It must be produced there; it ought to be produced there. It is folly to talk of ceasing to produce it there. Civilized man the world over is served by that production. It would be a calamity to the race to have its production discontinued. All laws requiring people to wear clothes would have to be repealed in that case. Temporary reduction in acreage and decrease in quantity of production must be resorted to until peace reigns again and commerce resumes her customary function and the interchange of trade is possible, credit basis established, business transactions and relations again enjoyed. This must come about before a very great while. Let us hope and do all we can to speed the day. In the meantime this extraordinary situation, growing out of conditions unprecedented in the history of the world—we owe it to the people directly concerned and we owe it to as many more indirectly concerned—we must courageously and with determination meet with all the wisdom we can command. I would rather risk making a mistake in

attempting to meet it, keeping in view the absolute safety of the Government, than to do nothing.

The suggestion that wheat, the market for which has not been cut off by the war, or that copper, which is not the accumulation or product of a year's work and expenditure, are on the same footing as cotton is not sound. Naval stores and tobacco more nearly partake of like nature and occupy a similar position, though not identical in many respects. The question is, shall the people concerned in the cotton industry, in one fell swoop, by a blow out of space, delivered from the other side of the ocean, suffer a direct loss of approximately $800,000,000?

Either this crop can by our help be made to yield approaching its value of $1,000,000,000 or, if we do nothing, it must be sacrificed for something like one-fourth that sum. Should we hesitate in a situation like that to at least make the effort, and make that effort our best?

This amendment offers the most feasible and practical solution of the problem yet proposed, in my judgment, and I should feel I had failed to do all that lay in my power to relieve the distressing conditions mentioned if I did not vote for it; and my conscience as well as my inclination command me to do no less.

Mr. WILLIAMS. Mr. President, I wish to introduce at this point an amendment to the amendment, in order to have it pending, and later on I shall have something to say about it.

I move to strike out from the amendment the part marked "section 26," and also the part marked "section 29" and all of section 30, beginning with the words "for the year nineteen," in line 17, down to the end of that section.

I will say that the amendment simply strikes out the tax feature of the bill. It makes that change. Everything in the bill relating to the levying of taxes on cotton would be stricken out if the amendment to the amendment were agreed to.

Mr. LEA of Tennessee. Mr. President, so many different schemes have been devised to solve the cotton problem that when one is now approached by some one with a ready-made cure-it-all plan for saving the cotton situation he feels like he is being addressed by a long-haired, wild-eyed inventor who wants to tell how he has been defrauded of his patent rights on his positive discovery of perpetual motion. Hence I approach this subject, which I must necessarily view from a layman's standpoint, with the greatest possible hesitation and diffidence.

The cotton problem—for problem it is, and one yet unsolved, and upon whose proper solution depends our immediate prosperity—belongs peculiarly to the South, but now confronts the entire country, growing in magnitude and widening in scope, with all its possibilities of ruin and disaster, until it must be regarded also as international in character. In the last analysis it will be with cotton and not with gold that our debts abroad must be paid and our balances created.

Fortunately, all of us who are anxious to do our part to meet this situation can agree, first, upon the conditions which exist; second, upon the cause of these conditions; and, third, upon the inevitable effects of a continuance of the present conditions for another 60 days. Unfortunately, however, very few of us can agree upon the remedy to apply to the present distressing and tragic conditions in the cotton section of our country.

What to one man will relieve the situation immediately, bringing prosperity to the planter and those dependent upon him for commercial success, to another mind spells only greater ruin and more far-reaching disaster to all within the ever-widening ring of cotton which is daily obscuring more and more from our vision the other vast resources of this wonderful country. One man favors the United States Government lending its credit, directly or through the medium of National and State banks, to the farmer, exchanging certificates of its indebtedness to the farmer in return for warehouse certificates certifying to the storage and insurance of the overplus of the cotton crop. Another advocates the Federal Government purchasing a large proportion of the crop which can not be used during the continuance of these abnormal conditions, while still another believes the State and not the Nation should be the philanthropic purchaser that will enter the market, defy the law of supply and demand, and by the mere force of the inherent strength and power of the purchaser raise the price of cotton from the low level to which the European war has plunged it.

To the advocate of the Government lending its credit directly to the farmer or through the medium of banking associations to the cotton grower, the proposition for the Government to become the purchaser of any part of any one crop or commodity for the purpose of raising the price of that commodity is not only regarded as absurd and unsound economically but as unconstitutional.

To the advocate of the purchase of part of the crop by the National Government the scheme to lend the credit of the Government to the farmer through the medium of the issuance of currency into the hundreds of millions is regarded as an iridescent dream, which can be dismissed with the statement that the price of cotton can not be appreciated with benefit to the planter by depreciating the value of currency to the injury of the credit of the Federal Government.

While to the advocate of the State being the life-saving station, constructed in the form of a speculative and nonusing purchaser of cotton to the extent of one-half of the crop produced in each State, the plan to lend the credit of the National Government or to invoke its purchasing power is impracticable, impossible, unconstitutional, and in violation of the spirit of that amiable wraith—State rights—which still stalks abroad to terrorize with its ghostly form all progressive legislation, but which withdraws its shadowy shape as soon as it even startles, much less scares, an appropriation by the Federal Government.

Our first point of agreement is the present condition of the cotton crop and market. The estimate of the crop places it at 16,000,000 bales in the field, subject to being reduced one to two million bales—according to the pessimism or optimism of the estimator—on account of the failure to pick the crop on the part of the planter in view of the present demoralization of the market.

I ask unanimous consent, Mr. President, to insert in my remarks, without reading, a table of estimates on the present cotton crop at its value on the basis of 6 cents and 10 cents per pound, respectively.

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Without objection the request of the Senator from Tennessee is granted.

The tables referred to are as follows:

Cotton, 1914—Estimated acres planted, production forecast from condition of the crop Sept. 25, and the value on the basis of 6 cents and 10 cents per pound, respectively.

State.	Acres planted (estimated July, 1914).	Bales indicated from conditions Sept. 25.	Value at 6 cents per pound.	Value at 10 cents per pound.
Virginia	46,000	24,000	$678,000	$1,129,000
North Carolina	1,589,000	858,000	24,607,000	41,011,000
South Carolina	2,836,000	1,305,000	37,467,000	62,446,000
Georgia	5,398,000	2,388,000	68,566,000	114,277,000
Florida	194,000	50,000	1,587,000	2,645,000
Alabama	3,912,000	1,619,000	46,219,000	77,032,000
Mississippi	3,148,000	1,307,000	37,510,000	62,517,000
Louisiana	1,389,000	558,000	16,031,000	26,718,000
Texas	12,052,000	4,451,000	127,786,000	212,977,000
Arkansas	2,527,000	1,014,000	29,104,000	48,506,000
Tennessee	866,000	345,000	9,902,000	16,504,000
Missouri	124,000	72,000	2,068,000	3,447,000
Oklahoma	2,854,000	1,323,000	37,974,000	63,290,000
California	35,000	35,000	998,000	1,663,000
United States	36,960,000	15,340,000	440,497,000	734,162,000

Cotton-seed (1914) production forecast from condition of crop Sept. 25, 1914, and the value based upon prices to farmers current Sept. 15 of 1914 and 1913, respectively.

State.	Cotton-seed forecast, Sept. 25, 1914.	Prices paid to farmers per ton Sept. 15—		Value of estimates 1914 production on basis of prices Sept. 15—	
		1914	1913	1914	1913
	Tons.				
North Carolina	386,000	$16.80	$22.00	$6,485,000	$8,492,000
South Carolina	587,000	16.00	20.80	9,392,000	12,210,000
Georgia	1,074,000	16.00	21.30	17,184,000	22,876,000
Alabama	724,000	14.40	20.40	10,426,000	14,770,000
Mississippi	588,000	13.00	21.20	7,644,000	12,466,000
Louisiana	251,000	13.20	19.70	3,313,000	4,945,000
Texas	2,002,000	12.30	21.30	24,625,000	42,643,000
Arkansas	456,000	13.00	20.70	5,928,000	9,439,000
Tennessee	155,000	12.50	23.50	1,938,000	3,642,000
Oklahoma	595,000	11.00	19.50	6,545,000	11,602,000
Others	84,000	14.80	22.00	1,243,000	1,850,000
United States	6,902,000	13.70	21.00	94,723,000	144,935,000

Mr. LEA of Tennessee. At the price cotton was selling on July 30 of this year, this crop, if picked as usual, would have amounted to $1,000,000,000, in round numbers. It is conservative and fair to base our calculation upon the crop picked, amounting to 15,000,000 bales. It is also fair and conservative to say that to-day there is absolutely no market, domestic or foreign, at any fixed price for any material part of this crop. All the cotton exchanges are closed, the domestic spinners are not buying, and if 100,000 bales were thrown on the market to-day and had through necessity to be absorbed it is doubtful if it would bring 3 cents a pound.

All of us are agreed that the South is in debt for this as yet unmarketable crop of cotton—the reserve city banks have loaned to the banks in the larger cities in the cotton region; the city banks have loaned to the smaller banks in the midst of the cotton-growing section; these banks in turn to the merchants; the merchants have extended credit to the planters, who in turn have made advances to the tenants. Hence all of us agree that conditions are such that for any relief to be effective it must start at the bottom of the ladder, and to be effective must therefore be afforded before the crop leaves the hands of the producer, which means that if any relief is to help the producer it must be given before December 1

Second, all of us agree as to the causes of the present condition. In normal years 40 per cent of this crop would be consumed in this country, and the remaining 60 per cent exported to foreign countries.

Stated differently, the United States would have sold approximately 9,000,000 bales of cotton abroad for at least five to six hundred million dollars, which would have constituted the largest proportion of our balance of trade.

Only 10 weeks have elapsed since this crop was estimated to be worth more than $1,000,000,000, and the only change in the domestic market has been the certainty of an increase in the supply needed for our domestic spindles. A tremendous change, however, has transpired, due to the existence of the great European war, and the percentage of our crop sold abroad will be cut more than in half, so we can not count upon selling more than 3,000,000 to 4,000,000 bales abroad, leaving an overplus of at least 5,000,000 bales of cotton which can not now be used and for which there is and can be no market under present conditions.

The increased supply of cotton which will be needed by our domestic spindles has not, however, stimulated the market. On the contrary, the domestic market is also demoralized, for no manufacturer deems it safe at this time to buy at any price, for he does not know either the value of cotton or the price at which his competitor will be able to purchase his supply.

The cause of the present condition is primarily the European war, which annihilated the market for exported cotton in one day—long after the crop was planted and the land applied to this use—thus destroying the possibility of a market of from one-third to one-half of the present crop.

This war has closed the cotton exchanges and absolutely demoralized the market, domestic as well as foreign. The domestic spinner is not buying cotton, the wholesaler dealing in cotton goods and the retailer selling cotton cloths have empty shelves and are only purchasing enough to supply to-day's needs, all actuated by the same reason—the inability to determine what the price of cotton is or is going to be. The spinner would gladly pay 12 cents for his cotton if he knew that his competitor would have to buy his cotton at this same price; but, not knowing this, the spinner fears to buy cotton even at 6 cents, lest his competitor might purchase his at 3 cents a pound.

The situation is worse to-day than it was two months or even a month ago, for it is now evident that the war is to be of a much longer duration than was at first anticipated, and the demoralization of the cotton market more complete, due to a realization of this fact and to a greater curtailment of foreign manufacture and consumption of cotton goods than was at the beginning of the war deemed possible.

All of us agree upon the conditions which exist and upon the cause of these conditions, and we further agree that the inevitable effect of a continuance of these present conditions means hardship, privation, and hard times, not only for the South but for the entire country.

Going up the ladder, if the tenant is unable to pay the farmer, the debts of the farmer to the merchant can not be paid. The merchant must obtain renewals at his home bank, and his home bank, to grant this accommodation, must secure renewals of its maturities with its city correspondent, which in turn must give a renewal obligation to its correspondent in the central reserve city instead of a draft with a bill of lading attached for cotton shipped, which would bring the gold back to this country and prevent the necessity for the existence of any "gold pool." Every one of these parties has now strained his credit and stretched it to the utmost and can not go further or even maintain his present position much longer.

All of us agree that if cotton remains this year at the low level of 6 cents, cotton for many years will remain near that low level, which does not now equal the cost of production. This means years and years of hard times for the South and all other sections of the country, since business relations and commercial pursuits are so interwoven that starvation can not rule in one section of the country and prosperity hold sway in another.

Let us view this question for a moment in its international aspect. Three million bales sold abroad at 6 cents would mean only $90,000,000 of gold from abroad, instead of $180,000,000, if it were sold at 12 cents instead of 6 cents a pound.

A surplus next year of from six to seven million bales added to this year's overplus of from five to seven million bales means a surplus of from twelve to fourteen million bales on January 1, 1916, or enough cotton to supply for one year the world, which purchases American cotton under normal conditions. When we know conditions will not one year hence be normal abroad, even if peace should be meanwhile restored, we must realize that conditions in the cotton market a year hence with such a surplus will be worse than the conditions now and this country's plight more critical and the country and its citizens less well prepared to undergo it.

If the United States should loan this year $250,000,000 to the farmer, it would then face next year the choice of lending at least $400,000,000 to the farmer until the currency of the United States would reach the level Confederate money struck at the close of the Civil War, when its purchasing power for firewood was only sufficient to enable it to be "swapped cord for cord."

If the Federal Government purchased this year 5,000,000 bales of cotton, it is my fear that next year the Government would be compelled to choose between purchasing 7,000,000 additional bales at a price again above the market and to issue more than a quarter of a billion of additional bonds of small denominations or of adding to the demoralization of the market by throwing upon it an amount of cotton that it could not absorb and which would therefore break the market, and, in consequence, entail a loss which, by the plan proposed, must be borne by cotton itself. This would mean that cotton, at the low price of 5 or 6 cents during the years of 1916, 1917, and 1918, would have to pay a tax of one-half a cent a pound.

If the States purchased this year one-half of the crop in each State, then next year, with their indebtedness multiplied tenfold, they could not purchase the overplus of next year's crop, and they would face an overwhelming loss on the cotton they would have purchased this year.

If Alabama should this year purchase 800,000 bales of cotton at 10 cents and pay for the same by issuing certificates of indebtedness exchangeable for bonds bearing 4 per cent interest to the extent of $40,000,000, then, even if conditions were absolutely normal one year from to-day, which is an impossible assumption, but next year's crop as large as this year's, Alabama would then face a great loss on cotton, to be recouped by taxing the commodity itself. And if conditions one year from to-day should be as abnormal abroad as they are to-day, as will probably be the case, with consequent increased demoralization, then Alabama would stand to lose so much upon her cotton investment as to make the tax so great upon cotton as to render the tax prohibitive of further planting. For we must not overlook the storage, the insurance, and incidental loss which must be borne by the State carrying cotton as it must by the individual carrying cotton, and we must add to the cost to the State of carrying cotton the cost of administration of this new department. If Alabama buys at 10 cents this year, then for Alabama to come out even on its purchase, so as to avoid taxing that commodity to supply any deficit, it must sell on a one-year's holding at 11 cents, on a two year's holding at 12 cents, and on a three year's holding at 13 cents.

Should Alabama in 1915 sell cotton costing it then, with carrying charges, 11 cents, and only obtain for it a price of 6 cents a pound, there would be a loss of 5 cents on 800,000 bales, and Alabama would face a loss of nearly $20,000,000, which it would require taxes of one-half cent a pound on cotton for at least five years to liquidate. If cotton brought no higher price than 5 or 6 cents, which would inevitably follow the collapse of the cotton market for the next two years, a tax of one-half cent would finally mean that Alabama's premier crop would be some commodity other than cotton, and other property would have to be found by which Alabama could pay the indebtedness caused by her speculation in this now standard commodity.

Each of these plans, as I understand them, either carries with it, or its advocates do not object to, a corollary or supplemental plan providing for a curtailment of cotton acreage.

Is a reduction short of total elimination of cotton acreage practicable? It has been possible to eliminate the entire acreage of even a standard commodity when such a drastic step was necessary to preserve that commodity and its market from ruin. It was done in the tobacco fields of Tennessee and Kentucky, is now being done in the copper regions of Montana and Arizona, and will be soon put into effect in the zinc sections of Missouri. On the other hand, reduction of acreage has been tried time and time again in the cotton States and has

failed as often as tried. Moreover, even if practicable, curtailment of cotton acreage is not sufficient to meet this great crisis, for it will not prevent a violation of the inexorable and immutable law of supply and demand. Even if the cotton crop were curtailed next year to the extent of 50 per cent—which is the greatest curtailment advocated by anyone favorable to the measures discussed—it would still leave in the hands of the farmer, pledged to secure a Government loan, or in the possession of the Government or belonging to the States, from five to seven million bales of cotton, a veritable sword of Damocles hanging over the head of the cotton market—a menace that it would take years and years of low-priced cotton to remove by absorption.

In principle all of these plans are identical in that each proposes a loan of credit by the Government on a pledge of cotton by the producer. In the case of the bill advocated by the distinguished Congressman from Texas, known as the Henry bill, the cotton is only pledged, and the title, subject to redemption, remains in the farmer; and while no specific tax is laid to enable the Government or the agencies through which it deals to recoup any loss, it follows as night follows day that if there be loss—and loss there would be—it would be paid by a tax on the commodity whose attempted protection caused the loss.

The Hoke Smith amendment to the war-tax bill now pending provides for the title to the cotton purchased to pass to the Government, but it is in reality not a sale to the Government but only a pledge in the form of a conditional sale, and the loss to the conditional vendee is to be borne by the guaranteeing vendor. There is no difference in principle between A pledging his bale of cotton to B for $40 and rendering his whole estate liable for any loss occasioned by the commodity pledged selling at less than the amount of the pledge and C selling and conveying to D his bale of cotton for $40 and agreeing that a year hence this bale of cotton will sell for $40 plus carrying charges and agreeing to pay out of his general estate any loss. Neither the transaction between A and B, which is the principle of the Henry bill, nor the transaction between C and D, which constitutes the underlying principle of the Hoke Smith amendment, is a sale of cotton. In both cases it is only a loan of the credit of the Government, and the Government is to be held harmless and is to be reimbursed for any loss, in one case by implication and in the other case expressly by a tax on the very commodity for whose protection at this time the credit of the Government is to be loaned. In one case the form of the loan of credit may be currency or greenbacks, and in the other bonds, but in both cases there is no outright sale to or bona fide purchase by the Government.

The only difference between the State-purchasing plan and the other two discussed, suggested by the Senator from Alabama in his very illuminating address, is that his plan makes it the State's and not the Nation's credit which is to be loaned.

Any plan or scheme which enables the farmer, either by way of pledge or conditional sale or anything short of an outright bona fide sale to a consumer, to obtain an advance above the price fixed by the demand for consumption will, I fear, do him a positive injury, though extending a temporary relief unless it carries with it a positive and binding guaranty that there will be no overplus from next year's crop; otherwise, any kind of plan for relief would do the farmer, whom all of us desire to help, more harm than good, involving him deeper and deeper in debt and placing him next year with twice as much cotton on his hands as the market could absorb at a time when no Government, State or National, could be powerful enough to give him aid by a loan of credit.

Unless some plan is devised which absolutely guarantees a positive and material reduction of the present cotton acreage, we will find next year's crop larger than this year's crop, for the man who is rescued this year by his Government purchasing his cotton at twice the market price can not help but plant as much, if not more, acreage next year, confident that somehow or somewhere a market for his cotton will be provided. Without a guaranty that next year's crop would be equal only to the consumption during war times we could not afford on the farmer's account to permit him to carry his cotton over another year, either by a straight loan or a loan sugar-coated with all the paraphernalia of a conditional sale.

In discussing these several plans attention has been directed only to their economic phases. Even if they were sound, is any one of them practicable or workable? Can there be enacted into law any plan for lending the Government's credit, directly or through the medium of banking associations, or in the form of a conditional sale to the Government, without the plan being loaded with provisions to care for every commodity whose market has been affected by the war until Government currency or bonds would be more of a drug on the market than even cotton is to-day?

My fear is that the situation in the copper sections of Montana and Arizona must be as distressing to the Senators from Montana and Arizona as the cotton situation is to the Senators from the cotton-growing States. Five thousand copper miners are to-day walking the streets of Butte seeking employment, while 15,000 copper workers are now facing idleness in Arizona. The zinc workers in Missouri will appeal to their Senators to save them. The same would be true of naval stores in the Carolinas and in Georgia. Lumber will make its appeal, and, finally, dried apples and peaches from West Virginia will not sit by with moist eyes but dumb lips when only a sound, even though inarticulate, would touch the very human heart of their senior Senator and inspire a ringing demand for their protection.

Will not this amendment be amended and amended until our currency or bonds, secured by pledges or conditional sales of cotton, copper, zinc, naval stores, lumber, dried apples, dried peaches, fertilizer, peanuts, and every other commodity whose production has outstripped consumption become as inflated and as unmarketable as the dried peaches of West Virginia moistened by a heavy rain?

Again, even if either of the cotton relief measures could be passed by the Federal Congress without loading it to the extent of debasing our currency or bonds, could it be put in operation in time to save the farmer? And we are not seeking to legislate to make richer the speculator, but to save the farmer.

When a proposition was recently pending before this body to make State banks and trust companies eligible for membership in currency associations, so that they might obtain emergency currency, we were told by the junior Senator from Colorado, who spoke authoritatively, that it would take a year to make the plates and engrave the notes for the State banks and trust companies. If that be true, then would it not take at least several weeks, if not months, for a department not in sympathy with the plan to make the necessary plates and engrave either the currency or the bonds with which to execute either the Henry or the Hoke Smith plan?

The State-purchasing plan would cause even greater delay. Constitutional conventions would have to be called by extra sessions of the legislatures in each of the cotton-growing States, and then the work of these conventions submitted to the people of each State at special elections for ratification or rejection, and after their ratification the plans must still be placed in operation. Could this be done in time to give relief while the farmer still owns the cotton?

For one, I fear that either of the plans proposed requiring Federal legislation is impracticable and fraught with many dangers to the cotton grower, but the situation is so acute and distressing that I am willing to join in advocacy of any measure meeting the approbation of a majority of my colleagues from the cotton-growing States. Some relief must be granted at once, otherwise ruin will be almost inevitable, and unless there is a surrender of individual opinion there can be no legislation upon this subject. But any measure invoked to relieve the cotton situation, either by a pledge of cotton or the conditional sale of cotton to the National Government, must be safeguarded so that it will not bring even greater disaster or more far-reaching ruin to the cotton grower than the situation in which he finds himself to-day. We must realize that no enactment in any form which would depreciate the credit and currency of the Government could appreciate the price or value of cotton.

I believe the State-purchasing plan advocated by the distinguished Senator from Alabama is unworkable and impracticable, and that the units selected—the States—can not meet the situation, and that if the plan of conditional sales to the Government is to be adopted the Federal Government and not the State should be the unit, because the success of the plan depends primarily upon the power to enforce a curtailment of next year's crop as well as the credit of the Government, whose certificates of indebtedness are to be issued in payment of the cotton transferred to the Government.

Both the Henry bill and the Hoke Smith plan, before careful analysis, appealed strongly to me, as they promised the only possibility of relief to the cotton grower, and I shall give my support to any measure that I believe contains a possibility of relief to the farmer without carrying with it greater possibilities of ultimate injury.

My heart beats with the keenest sympathy for the farmer, for the man, who by toil produces the basis of all wealth from the soil, and witnesses each year a miracle as great as nature's metamorphosis of the seed into the product, the conversion of the

raw material into the manufactured article, pouring out of the horn of plenty untold wealth into the laps of all who touch it, save alone himself. He must be content with the price which will enable him to live, to preserve sufficient credit to borrow enough to plant another crop, and to start afresh upon its journey another gift from nature, enriching all but himself. The farmer represents not only the bulwark on which the wealth of this country rests, but the bulwark upon which are builded the best citizenship and the highest ideals of government. He is progressive, democratic, and patriotic. He makes the most faithful workman, the most upright citizen, the truest representative in government, and the bravest soldier. He bears his heavy burdens with the least complaint and enjoys but the smallest benefit from the Government, which could not be maintained without his steady, unremitting, and faithful toil. His wants and needs deserve our most careful, painstaking, and unselfish consideration and labor.

To attempt to conceal the truth from him, to hold out promises of impossible performances and proffers of impracticable assistance, are both cruel to the farmer and unjust to our own conceptions of duty. Such would be unfair both to his intelligence and to his unfortunate situation to-day.

We should meet the legislative situation courageously and without equivocation, as the farmer is meeting his to-day, and tell him what aid, what assistance, can be rendered and what can not be. It would be criminal to offer any palliative or assistance at this time which would give temporary relief and in the end be only ruin, disguised and postponed. If neither of the plans which have been heretofore discussed both in and out of Congress is placed upon the pending measure in the form of an amendment, I intend to offer as an amendment to the war-tax bill the only possible solution that will remain. It may be that this solution will not be practicable, that it may be unattainable, but it will be conceded by all that if the plan can be put into execution it will bring the desired result.

The plan I intend to propose is nothing new. It contains no element of novelty. It is merely the application of the law of supply and demand. It is only bringing about the situation in the growing of cotton that obtains every day in the year whenever any other commodity except an agricultural commodity is the victim of overproduction.

It is the rule of conduct that makes successes and not failures of our manufacturers, of our railroads, of nearly every other industry. It is the sound principle which requires production not to outstrip consumption, and which, if production, either through its increase or consumption, decreases or forges ahead, bids it halt until the two are again abreast of each other.

I believe it will be conceded by everyone in or out of Congress that if it became known to-day as an incontrovertible fact that no cotton would be grown in America in the year 1915, instantly the price of cotton would advance at least to the price it was before the horizon was darkened by the great European war. It will be conceded by every fair-minded man who is familiar with the situation in the cotton industry to-day that if there were no possibility of there being a cotton crop in America in 1915, the cotton crop of this year would be equal in its gross return to the combined value of this year's crop and next year's crop if the present lamentable conditions are not corrected before December 1. It will be further conceded that it would be much more to the advantage of the cotton grower, of the merchant, of the banks, to collect from one year's crop this sum than to be able to collect it only from both this year's crop and next year's. It would be much more to the advantage of this country for it to sell 14,000,000 bales at 13 cents than 28,000,000 bales at 6½ or even as high as 8 cents. It is certain that the very day it became known that cotton would not be produced in 1915 the price of cotton would that day reach 13 cents, if not higher.

Is it not to our advantage, then, is it not wise, for us to attempt to bring about a situation which will enable us to collect from this year's crop as much as could possibly be collected from this year's crop and next year's crop combined?

But it will be said here on the floor of the Senate, as I have heard it said privately, that the failure to grow a crop in 1915 would bankrupt the South. That is answered by the statement that if this year's crop, with the guaranty of no crop next year, would be worth as much as this year's crop and next year's crop could otherwise be worth, then such a plan would not involve as great a danger of bankrupting the South as growing another crop.

Assuming the proposition, which I believe no one will attempt to controvert, that if Christmas comes without any affirmative relief of the cotton situation being provided there will be a great overproduction again next year, and that under such circumstances both this year's crop and next year's crop would only equal and not exceed in value one year's crop, we would find two great advantages to be attained through limiting, or, rather, eliminating, next year's cotton crop, namely, it would enable this year's crop to pay debts of the South and to give the South something to live on, and would double the amount of gold which we will receive from the cotton which will necessarily be exported, even under present conditions; and, secondly, it would give the South agricultural freedom by teaching it the possibility of diversified farming. Let us assume that, with the inexperience of labor, the South would not raise in 1915 crops equal in value to a normal cotton crop sold at normal prices; nevertheless, if the premise be sound that the elimination of cotton acreage in 1915 would make this year's crop equal in value to what would otherwise be the value of both this year's and next year's crop, then whatever be the value of the substitute commodities which the South would raise in 1915, such an amount would represent that much clear gain to the South.

The Department of Agriculture has suggested in departmental letters that the cotton grower can raise other commodities than cotton. Let each first raise his own garden and foodstuffs and sufficient corn to feed his own hogs and cattle, and then plant the remainder of his acreage in cereals, for, whether the war lasts throughout next year or not, this country must feed Europe and the greater part of the world next year, and the price of corn and all other cereals will be high; and while the cotton grower might not get as much for his corn as he would for his cotton crop under normal conditions, it would be much more than he could get for his cotton under the abnormal conditions which will obtain.

Let us for a moment assume the premise which I have stated, namely, that the cotton crop this year, by the elimination of cotton acreage in 1915, would be worth as much, if not more, than the cotton crop this year and next year if the acreage be not eliminated, and let us see if we can obtain this result.

The fact that innumerable attempts have been made to reduce cotton acreage, and that these attempts have been uniformly unsuccessful, can not be invoked as precedents to point to or demonstrate the impossibility of eliminating cotton acreage. Where merely reduction of acreage is sought, it is the failing of human nature for each man to expect his neighbor to make the necessary reduction in acreage, enabling him to reap the additional profits caused by the reduction in production. No crisis like the present one has ever faced the cotton growers of this country, and to say that they will not make the agreement to eliminate cotton acreage, if it be the only plan of salvation, is to offer an affront to their intelligence, or to say that they will not carry out an agreement to eliminate cotton acreage if made is to do a wanton injustice to their sense of honor. Acreage has been eliminated in the tobacco section of two States where the elimination of acreage was essential to the creation and maintenance of a living price, a price at which the commodity could be produced with profit to the producer. Mines and manufactures of all kinds and character have been shut down when overproduction threatened a living price.

If it were deemed desirable to eliminate cotton acreage for the year 1915, this could be accomplished by placing upon the pending measure an amendment requesting the President of the United States to call a cotton conference to meet early in November, for the purpose of forming a voluntary association of cotton growers to eliminate cotton acreage in 1915 and to produce other commodities, and to reenforce these articles of agreement of such voluntary association by enactments in the various States, limiting by taxation or the exercise of police power the acreage for the one year.

If such an amendment were placed on this bill carrying with it an appropriation of $1,000,000 by the Federal Government—one-third of the sum appropriated to bring back travelers from abroad—it would be but a small part of what this Government should contribute to benefit the farmers, the producers of all wealth in this their greatest crisis, and to enable the President to have a representative conference attended by representative cotton producers and to carry into effect the agreements reached at such a conference.

It could be provided that on the last day in October the cotton producers in every county where more than 1,000 bales are grown should meet and select one of their number, a bona fide planter, to attend this conference; that the State Bankers' Association in each State should select 10 delegates to the conference; that the governors and commissioners of agriculture of the States should by virtue of their office be delegates, and that the commercial bodies in the largest cities of each State should also be permitted to send delegates, so that the merchants and the banks who have assisted the grower to raise and pick

the crop should also have their representatives in any conference to determine this momentous question.

Such a plan should provide also for the immediate creation of a cotton commission in which every cotton-growing State should be represented, to be appointed by the President, to take immediate charge of all plans for the convention and for putting into execution the agreements reached by the convention. The President of the United States should himself open such a conference and preside over its deliberations. Addresses should be made and advice given by the Secretaries of the Treasury and of Agriculture.

It is my conviction, deliberately reached, that if such a conference were held this conference would form an association providing for the total elimination of cotton acreage in 1915; that it would merely recognize the law of supply and demand, which can not be violated without injury to the violator, and would thus bring order out of chaos and enthrone stability where demoralization now holds sway. Such a plan, adopted solemnly by such a convention, would have behind it a force which could preserve the plan inviolate and guarantee that no grower would violate its provisions. These voluntary agreements, solemnly entered into by the growers in all parts of the country and ratified in the presence of the Chief Magistrate of the country, could be reenforced by the proper legislation in each of the States, for the delegates at such a conference would immediately upon their return to their States secure the cooperation necessary to insure speedy meeting of the State legislatures in extra session and the enactment of the necessary supplemental legislation by the several States.

Even if such a plan should not be adopted, if the conference in its wisdom should decide to ignore rather than to observe the natural law of supply and demand, whose violations have always brought ruin and disaster, though sometimes disguised and postponed, nevertheless such a conference must be productive of good.

It will be cruel, if not criminal, in this Congress if it offers no other aid to refuse to give to the cotton growers of this country the opportunity to meet in conference with each other under the guidance of the great leader of this country and to consider calmly and dispassionately the questions so vitally affecting their well-being and happiness and to determine them, if possible, in such a way as will bring prosperity and peace to this section of the country whose distress is now so great and is spreading like a consuming fire over the entire country.

The PRESIDING OFFICER. The pending question is on the amendment of the Senator from Mississippi [Mr. WILLIAMS] to the amendment of the Senator from Georgia [Mr. SMITH] to strike out section 26 of the proposed amendment of the senior Senator from Georgia.

Mr. CLARKE of Arkansas. I think it is understood that there is not to be a vote on the amendment of the Senator from Georgia to-day. That may account for the fact that Senators are not very largely in attendance this afternoon.

The PRESIDING OFFICER. The Chair will state that the Senator from Mississippi [Mr. WILLIAMS] expressed a desire to speak on his amendment to the amendment.

Mr. CLARKE of Arkansas. I move that the Senate take a recess until to-morrow at 11 o'clock.

Mr. THOMAS. It was understood that there was to be no vote on the amendment to-day. I should like to inquire before the motion is put for a recess what agreement has been reached as to when a vote shall be taken?

The PRESIDING OFFICER. The Chair is unable to inform the Senator from Colorado.

Mr. CLARKE of Arkansas. I will withdraw the motion I made. I am glad to say that it is understood that there will be a vote on it to-morrow.

Mr. KERN. We will vote on the bill to-morrow.

Mr. CLARKE of Arkansas. Yes; I think that is understood. As soon as we dispose of this particular cotton amendment and such other amendments as may be pending, there is no reason why there should not be a vote on the bill.

Mr. POMERENE. Why can we not fix a time now for voting to-morrow?

Mr. SIMMONS entered the Chamber.

Mr. CLARKE of Arkansas. The Senator from North Carolina is now present. He has charge of the matter and probably will be able to make some statement to the Senate and put it in a more definite form than I am able to do it. There seems to be no one ready to proceed on the bill, and I move that its further consideration be postponed until 11 o'clock to-morrow.

Mr. McCUMBER. Let us wait a moment and see.

Mr. SMITH of Michigan. May I suggest to the Senator from Arkansas whether it would be agreeable to take up the calendar?

Mr. CLARKE of Arkansas. Certainly; anything is agreeable to me.

Mr. SMITH of Michigan. We could take up the calendar for the afternoon. We have many uncontested bills on the calendar.

Mr. CLARKE of Arkansas. It may be possible that there is some one here now who desires to address himself to the pending amendment, but if there is not I will ask that the further consideration of the bill be postponed until to-morrow at 11 o'clock.

Mr. SIMMONS. I would be willing to postpone the further consideration of the bill until to-morrow provided we could have an agreement to fix a time to vote to-morrow. I understood from the Senator from Georgia that it was likely such an adjustment or arrangement might be made.

Mr. CLARKE of Arkansas. I think so myself.

Mr. SMOOT. Let there be an agreement made before we lay the bill aside.

Mr. SMITH of Michigan. Before an agreement can be made the roll will have to be called.

Mr. SIMMONS. We are not ready to submit an agreement now, but I understood that probably during the day and before discussion of the amendment was concluded for the day the Senator from Georgia would be able to state when he would be willing to vote on the amendment.

Mr. CLARKE of Arkansas. That is my understanding.

Mr. SIMMONS. There is a tentative suggestion that he made to me this morning.

Mr. CLARKE of Arkansas. There seems to be such a slim attendance in the Senate and no special interest being taken either in the main bill or the amendment, I thought unless something might be presented to the Senate for its consideration we might take a recess until to-morrow.

Mr. SIMMONS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Johnson	Oliver	Smoot
Bristow	Jones	Overman	Sterling
Bryan	Kern	Page	Stone
Camden	Lane	Perkins	Swanson
Chilton	Lea, Tenn.	Poindexter	Thomas
Clapp	Lee, Md.	Pomerene	Thompson
Clark, Wyo.	Lewis	Shafroth	Thornton
Clarke, Ark.	Lippitt	Sheppard	Vardaman
Culberson	McCumber	Shields	Warren
Fletcher	Martine, N. J.	Shively	Weeks
Gore	Nelson	Smith, Ga.	West
Hollis	Norris	Smith, Mich.	White
Hughes	O'Gorman	Smith, S. C.	Williams

The PRESIDING OFFICER (Mr. LEA of Tennessee in the chair). Fifty-two Senators have answered to their names. There is a quorum present.

Mr. VARDAMAN. I ask unanimous consent out of order to introduce a couple of bills by request for reference.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. SHAFROTH. Mr. President——

Mr. STONE. I wish to make the point of order that if there is a request for a unanimous agreement to be made, as I understand, to arrange for a vote, having called for a quorum, if we transact business we shall have to have another call of the roll.

Mr. SIMMONS. The Senator from Missouri is right about that.

The PRESIDING OFFICER. Then the Chair would suggest to the Senator from Mississippi [Mr. VARDAMAN] to withdraw his bills. Otherwise business will have transpired.

Mr. SHAFROTH. It will wait until after the unanimous-consent agreement has been presented.

Mr. SMOOT. I ask the Senator from Mississippi to request that the bills introduced by him be withdrawn temporarily.

Mr. VARDAMAN. Very cheerfully I withdraw them temporarily.

The PRESIDING OFFICER. Without objection, that can be done.

Mr. POINDEXTER. I make the point of order that the withdrawal of the bills constitutes business as much as the introduction of the bills.

Mr. VARDAMAN. It can only be done by unanimous consent, and I ask that it be done by unanimous consent.

The PRESIDING OFFICER. Without objection, the bills will be withdrawn by unanimous consent.

Mr. SIMMONS. I propose the order which I send to the desk.

The PRESIDING OFFICER. The Secretary will read the order proposed by the Senator from North Carolina.

The Secretary read as follows:

It is agreed by unanimous consent that on to-morrow, Saturday, October 17, 1914, at 11 o'clock a. m., the Senate will proceed to the consideration of the bill (H. R. 18891) to increase the internal revenue, and for other purposes, and that before adjournment on that calendar day the Senate will proceed to vote on any amendment that may be pending, any amendment that may be offered, and upon the bill itself through the regular parliamentary stages to its final disposition.

The PRESIDING OFFICER. Is there objection?

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from North Dakota?

Mr. SIMMONS. I do.

Mr. McCUMBER. I wish to ask the Senator from North Carolina why he does not attach to this agreement the usual agreement with reference to debate——

Mr. SIMMONS. I should have liked to have done that.

Mr. McCUMBER. Giving the opportunity for amendments, giving some opportunity for debate upon them, and limiting the debate to a certain length of time?

Mr. SIMMONS. I will state to the Senator that I should have liked very much to have done that, but there was such a difference of opinion among Senators as to how long they would want to speak to-morrow that I found it somewhat impracticable to do it. I thought we might limit debate to half an hour on the part of each Senator. I do not think there will be any trouble about that.

Mr. WEST. Why not make it 30 minutes?

Mr. SIMMONS. I should prefer to do that, but there are some Senators who wish to speak to-morrow who have said that they could not get through in 30 minutes. Following the suggestion of the Senator from Georgia, and hoping to meet the approval of the Senator from North Dakota, I will ask that debate be limited to 30 minutes upon the bill and upon any amendments thereto.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Carolina, as modified?

Mr. NORRIS. As I understand the proposition as now made, there would be only 30 minutes' debate allowed on the bill.

Mr. SIMMONS. Oh, no. There would be a debate of 30 minutes on any amendment.

Mr. THORNTON. For each Senator?

Mr. SIMMONS. I was intending that it should apply to speeches.

Mr. NORRIS. I have no objection.

Mr. SIMMONS. I was not intending to limit the debate on the amendments. I thought the Secretary would fill up the agreement in the usual way, limiting the speeches upon amendments and the bill to 30 minutes.

Mr. NORRIS. I have no objection whatever to the limitation of time on speeches.

Mr. SIMMONS. Senators might take an hour or two hours on an amendment if there were sufficient speeches to consume that length of time.

Mr. NORRIS. But if the Senator's order be agreed to, it would mean that at the end of the calendar day we should have to commence voting. Why not put in the usual provision in such requests that has proven so satisfactory, fixing a time when the order shall begin, some time to-morrow, say, at 2 o'clock or 3 o'clock; so that, if there are Senators who want to make long speeches, they may do so before that time?

Mr. SIMMONS. We have fixed the order for 11 o'clock.

Mr. NORRIS. Yes; but if you would fix the time at 3 o'clock to-morrow, say, and let the general debate go on from 11 o'clock until 3 o'clock and then limit subsequent speeches to 15 minutes——

Mr. SIMMONS. I should have no objection to that. I should be very glad to begin the debate at, say, 3 o'clock to-morrow, and that after that time speeches be limited to 15 minutes, not more than one speech to be made on the same amendment by any one Senator.

Mr. JONES. Mr. President, I suggest, if we make that change, that we make it the legislative day and not the calendar day.

Mr. SIMMONS. No. We want to vote on the bill to-morrow if it is possible; and all Senators seem to have practically agreed that we can do that.

Mr. LIPPITT. Will the Senator fix some hour at which the vote can be taken? Say 6 o'clock.

Mr. SIMMONS. That would be impracticable.

Mr. CULBERSON. Mr. President, I ask that the request as amended be reported to the Senate.

The PRESIDING OFFICER. The Secretary has not reduced the modifications to writing, nor have they been offered in writing.

Mr. SIMMONS. I have offered modifications, and I now suggest some modifications to the agreement and ask the Secretary to incorporate them in the agreement.

The PRESIDING OFFICER. The agreement as now modified will be stated.

The Secretary read as follows:

It is agreed by unanimous consent that on to-morrow, Saturday, October 17, 1914, at 11 o'clock a m., the Senate will proceed to the consideration of the bill (H. R. 18891) to increase the internal revenue, and for other purposes, and that at not later than 3 o'clock p. m. on said day the Senate will proceed to vote upon any amendments that may be pending, any amendment that may be offered, and upon the bill itself through the regular parliamentary stages to its final disposition. Further, that after the hour of 3 o'clock p. m. debate upon any amendment and upon the bill shall be limited to 15 minutes, and no Senator shall speak more than once upon the bill or upon any amendment offered thereto.

Mr. SIMMONS. That is correct.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Carolina [Mr. SIMMONS] as modified?

Mr. POINDEXTER. Mr. President, there is an objection to the request. It seems to me that it is impracticable. It reads that the Senate shall vote upon the bill and all amendments before the close of the calendar day. How are you going to bring that about? There is no telling how many votes will have to be taken. There may be votes on a large number of amendments that will occupy a number of hours' time, especially if there are going to be 15-minute speeches upon amendments.

Mr. SIMMONS. I will state to the Senator from Washington that I do not think there is the slightest doubt about our getting to a vote by 6 o'clock to-morrow.

Mr. POINDEXTER. I know; but I am speaking about the form of this agreement. The important thing is——

Mr. SIMMONS. The agreement is in the form of the agreements we have heretofore made for calendar days.

Mr. POINDEXTER. No; I think the Senator is mistaken about that.

Mr. SIMMONS. According to the agreement, we have got to vote on the bill during the calendar day, and amendments will be taken up as they are presented. Practically all of the amendments, except this one, have already been acted upon and disposed of. There is but one other amendment to be acted upon.

Mr. POINDEXTER. The ordinary form of agreement, so far as I have observed, is that we agree to begin to vote upon the bill and amendments at a certain time.

Mr. SMOOT. I desire——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Utah?

Mr. POINDEXTER. I yield.

Mr. SMOOT. I desire to say to the Senator from Washington that the agreement is in the regular form. What the Senator from Washington says is perhaps true, that it would be impossible, if discussion continued, say, within 5 minutes of 12 o'clock to-morrow night, to vote upon all the amendments and upon the bill itself; but in all the past history of the Senate, when agreements such as this have been made, the Senators themselves have honored the unanimous-consent agreement; they have always begun voting in season so that all of the amendments which were pending and the bill itself could be voted on before 12 o'clock midnight of the calendar day.

Mr. POINDEXTER. Mr. President——

Mr. McCUMBER. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from North Dakota?

Mr. POINDEXTER. I will yield in just a moment.

Mr. McCUMBER. Let me suggest to the Senator——

Mr. POINDEXTER. I will make a suggestion, and then I will yield to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from Washington declines to yield.

Mr. POINDEXTER. I will yield in just a second to the Senator from North Dakota.

It is not a question of honoring the agreement. It is a question of knowing when to begin in order to finish within the calendar day. Under the agreement, when we start voting, how can we tell that we shall be able to finish on the calendar day? We might begin to vote 10 minutes before the close of the calendar day. Under this agreement that would be perfectly permissible.

Mr. SIMMONS. I will make the suggestion—if the Senator will pardon me a moment—if it meets the approval of Senators on the other side, that the debate be closed not later than 8 o'clock to-morrow evening. That would meet the point the Senator has in mind.

Mr. McCUMBER. Allow me to ask the Senator from North Carolina why he can not modify his proposition so that we shall begin voting at 3 o'clock, and then have the discussion upon the amendments?

The PRESIDING OFFICER. The Chair will state to the Senator that the proposed agreement does read in that way.

Mr. McCUMBER. No; as I understood it, it was read simply that the 15-minute limitation was to begin at 3 o'clock. Let us have the proposed agreement again read.

The PRESIDING OFFICER. The Secretary will state the proposition as modified.

The Secretary read as follows:

It is agreed by unanimous consent that on to-morrow, Saturday, October 17, 1914, at 11 o'clock a. m., the Senate will proceed to the consideration of the bill (H. R. 18891) to increase the internal revenue, and for other purposes, and that at not later than 3 o'clock p. m. on said calendar day the Senate will proceed to vote upon any amendment that may be pending, any amendment that may be offered, and upon the bill itself through the regular parliamentary stages to its final disposition; that after the said hour of 3 o'clock p. m. no Senator shall speak more than once for a longer period than 15 minutes upon the bill or upon any amendment that may be offered thereto.

Mr. SIMMONS. And that all debate shall be closed at not later than 8 o'clock.

Mr. JONES. I will not accept that.

Mr. SMITH of Georgia. Mr. President——

Mr. SIMMONS. I was going to suggest that that might meet the situation. If the Senator from Georgia objects to it, of course I withdraw it.

Mr. SMITH of Georgia. I think we can get through by that time.

Mr. SIMMONS. So do I.

Mr. SMITH of Georgia. But I would not like to have that provision in the agreement.

Mr. JONES. I will inquire if the proposed unanimous-consent agreement carries the last provision?

The PRESIDING OFFICER. It does not. Is there objection to the request of the Senator from North Carolina as stated by the Secretary? The Chair hears none, and the agreement is entered into.

ORDER OF BUSINESS.

Mr. SMOOT. I ask unanimous consent that the Senate proceed to the consideration of bills on the calendar under Rule VIII.

Mr. SIMMONS and Mr. WILLIAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah has the floor, and is entitled to state his proposition.

Mr. SIMMONS. I want to make a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from North Carolina?

Mr. SMOOT. I do.

Mr. SIMMONS. I want to make a parliamentary inquiry. That is always in order, I think, Mr. President.

The PRESIDING OFFICER. It is.

Mr. SIMMONS. How did the war-revenue bill get displaced?

The PRESIDING OFFICER. It has not been displaced, the Chair will state. The proceedings have been by unanimous consent.

Mr. SIMMONS. Then I object.

Mr. WILLIAMS. I also object.

Mr. SMOOT. Of course that will settle it.

The PRESIDING OFFICER. Objection is made.

Mr. SHEPPARD. Mr. President, I want to present a paper for reference to the Committee on Printing, with a view to its publication as a public document.

Mr. WILLIAMS. I object to that.

The PRESIDING OFFICER. The Senator from Mississippi objects. In the absence of unanimous consent, the paper can not be received.

Mr. SMOOT. I move that the Senate proceed to the consideration of the calendar under Rule VIII.

Mr. WILLIAMS. I make the point of order that that can not be done with the war-revenue measure pending as the unfinished business of the Senate.

Mr. SMOOT. I have no doubt that it can be done, but I am informed that the Senator from Mississippi desires to speak upon the pending bill. If that is the case, of course I will not submit the motion. My understanding was that there was no business before the Senate; that the revenue bill was to be laid aside until to-morrow morning; and I did not want to lose this afternoon; but if the Senator from Mississippi desires to speak, I withdraw my motion.

Mr. WILLIAMS. I decline to be put before the country in the attitude of wanting to speak.

Mr. SMOOT. Mr. President, I do not want the Senator from Mississippi——

Mr. WILLIAMS. The point that I am making is a parliamentary point; and that is, that the war-revenue bill is before the Senate, and the regular order is that bill.

The PRESIDING OFFICER. The Chair is of the opinion that it can be displaced by motion if the Senate so desires.

Mr. WILLIAMS. Very well.

The PRESIDING OFFICER. But the Senator from Utah withdraws his motion.

Mr. SMOOT. Mr. President, I want to say that I have no intention whatever of trying to put the Senator from Mississippi before the country as wanting to speak. It is a usual courtesy that has been granted on both sides whenever a Senator desires to address the Senate that nothing should be allowed to interfere with him.

Mr. WILLIAMS. But the Senator from Mississippi does not desire to speak. The Senator from Mississippi wants the war-revenue measure to go on, and then, if the Senator from Mississippi speaks upon it, it will be all right.

Mr. SMOOT. Then I have been misinformed. So that there may be an opportunity for any Senator to speak upon it who desires to do so, I withdraw my motion.

Mr. SHEPPARD. I present a paper to be referred to the Committee on Printing for action.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. WILLIAMS. I object.

The PRESIDING OFFICER. The Senator from Mississippi makes objection.

Mr. WILLIAMS. I will withdraw my objection to the request made by the Senator from Texas [Mr. SHEPPARD], but I am insisting upon the fact that the regular order of business is the war-revenue measure. I do not like to have to object to the requests of Senators.

The PRESIDING OFFICER. The Senator from Mississippi withdraws his objection to the request of the Senator from Texas; and, in the absence of objection, the paper presented by the Senator from Texas will be referred to the Committee on Printing for action.

EMERGENCY-REVENUE LEGISLATION.

Mr. SIMMONS. I now call for the regular order.

The Senate, as in Committee of the Whole, resumed consideration of the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. JONES. I desire to present for printing an amendment to be proposed as a new section to the revenue bill.

The PRESIDING OFFICER. In the absence of objection, the amendment will be received, printed, and lie on the table.

Mr. SIMMONS. I desire to inquire whether there is any Senator who wishes to address himself to the pending bill?

Mr. WILLIAMS. Mr. President, the matter regularly before the Senate being the war-revenue measure, I want to call attention, so as to get it out of the way for to-morrow, to an amendment offered by me to-day to the amendment offered by the Senator from Georgia [Mr. SMITH]. My amendment is to strike section 26 out of the Smith amendment; to strike out all of section 29; and to strike out the remainder of section 30, beginning with the language in line 17, "For the year 1917."

Mr. President, my object in offering this amendment is to strike out the tax features of this proposed cotton provision. My reasons I wish briefly to state to the Senate. I suppose the general lack of interest of the Senate this morning in the amendment offered by the Senator from Georgia [Mr. SMITH] was owing to the fact that nobody expected it to pass, and for that reason Senators spoke to empty benches. I presume that a part of the reason that nobody thought it would pass, and that every Senator knew he had to address empty benches and make his speech for consumption elsewhere, grew out of the persuasion in the mind of Senators of the questionable constitutionality of the amendment itself with this cotton-tax feature in it.

Now, I want to tell why I believe that those of you who want any real relief for the South will not vote for the amendment offered by the Senator from Georgia with the tax provisions in it.

Immediately after the war between the States the Congress of the United States passed a law levying a tax upon cotton. It was avowedly passed as a war tribute; it was a tribute to be levied upon the South for "rebellion," as it was called; that is, for the part which she had taken in the Civil War. It was a tax of so much per pound upon cotton, just as the tax provided in this amendment is. The fact that that tax had one object and this another has nothing to do with the question of legality. That the object of the first tax was to punish the

South and the object of this tax is to help her has nothing to do with the constitutional question.

Mr. President, a very interesting case grew up out of that; interesting more to me, and perhaps to the Senator from Alabama, than to some other people, because we were personally acquainted with a great many of the parties. William M. Farrington, of Memphis, Tenn., carried that case into court by refusing to pay the internal-revenue collector in the Memphis (Tenn.) district, a man by the name of Sanders. Out of that came the case of Farrington against Sanders. That was at a time, remember, when the entire Federal judiciary, almost without exception, were South haters. I am not saying that in derogation of them at all, for it was very natural that they should have been. We had just been killing one another a little while before that. The judge in the court below held that law to be constitutional.

Now, I want to tell you the argument that was made in the case. You will not find the case published, because there never was a decision by the Supreme Court, and, therefore, of course the Supreme Court did not publish it. Whenever a case remains law by the decision of the Federal judiciary, but without the decision of the Supreme Court, it is, of course, not published in the Supreme Court Reports. After that judge had decided that case in that way, it went to the Supreme Court of the United States. Eight justices of that court heard that case. With public sentiment at that time in the condition which I have described, the avowed object of that law having been "to make rebellion odious" in the country and to make the South pay, as far as she could be made to pay, an indemnity for the expenditure which she had caused the North to make in order to overcome her in the struggle—notwithstanding all that, when that case went to the Supreme Court of the United States only four justices of the Supreme Court held that it was constitutional, and four justices of that tribunal held that it was not constitutional. These were, remember, four judges of the court of the conquering section immediately after——

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Idaho?

Mr. WILLIAMS. I do.

Mr. BORAH. I want to ask the Senator from Mississippi if he will state, in a brief way, the reasoning upon which the four judges held it unconstitutional?

Mr. WILLIAMS. I was just about to do that, though the reasoning is not stated by them.

Mr. BORAH. I know it is not.

Mr. WILLIAMS. When a case goes up from the lower court and the Supreme Court divides equally, then, of course, the judgment of the lower court stands, and all the Supreme Court does is to certify back the equal division of the judges and the affirmance on that ground.

The court below gave an opinion, without giving any reasons for it. You can not find the case published; but it is over here in the Congressional Library, and it is down here in the United States Supreme Court room; and I think a copy of it is also in the Senate library. It is the case, as I have said, of Farrington against Sanders.

I will now give you the argument made by those who contended that it was unconstitutional; and it is very strong, indeed, if not unanswerable, to my mind. Mind you, I am not saying that the tax is constitutional or unconstitutional; it is a mooted question, as yet undecided by the court of final resort; but I am saying that it is a tax of very questionable constitutionality, and that if the present Supreme Court should determine that it is unconstitutional, then the Smith amendment is written in water and you shall have extended to the cotton planters of the South no relief whatsoever, because the tax is indissolubly a part of the amendment as proposed by the Senator from Georgia. That is not all; you will have endangered this entire bill unless you add to it a proviso saying that "if any section of this bill shall be declared unconstitutional it shall not affect the other sections thereof."

Now, I will give the reasoning of those who contended that it was unconstitutional, so that you yourself may judge of its strength. That argument was made by the firm of Wright & McKissick. I stated a moment ago that I had some personal reasons to feel interested in the case. Lewis D. McKissick, who really made the argument, had married one of my wife's sisters. I studied law in the office of Harris, McKissick & Turley, two of whom—Isham G. Harris and T. B. Turley—were afterwards Members of this Senate. This was their argument in brief: They said, in effect, "This tax is either a direct tax or it is an indirect tax." So far there is no answer to that, is there? There can be no other sort of Federal tax. They stated that if it be a direct tax, then it is violative of the Constitution in this, that it was not apportioned amongst the States. They went still further and said if Congress had tried to apportion the tax amongst the States, Congress could not, from the very nature of the case, have done so, because cotton does not grow in New Hampshire or in Maine; and the nonsense of making New Hampshire and Maine pay their proportionate part of a cotton tax would have been apparent upon the face of the paper. They argued also that it was a direct tax, because a tax on the product of the land was a tax on the land itself, and so forth. If a direct tax, it was unconstitutional, therefore, because not apportioned. Then they said, if it was an indirect tax, it was still unconstitutional because it was not uniform and it was obnoxious to that clause of the Federal Constitution which says, in reference to indirect taxes, that "all duties, imposts, and excises shall be uniform throughout the United States."

They said, moreover, that it was not intended to be uniform, but to constitute a sectional punishment, and that, moreover, it could not have been made uniform, because a tax upon cotton, which could not possibly be grown outside of 11 States of this Union, could not be made "uniform throughout the United States" by a fiat of the legislature. That which nature herself has rendered impossible law can not make a fact.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Idaho?

Mr. WILLIAMS. Wait one second. It is not a question as to whether you could levy a Federal tax upon a product which *does* not grow in one State or another, but a question of taxing a product which *can not* be made to grow in some States—indeed, in most of the States. Remember that distinction.

Now I yield to the Senator from Idaho.

Mr. BORAH. What does the Senator say to the argument that, while cotton does not grow in all the States, it does grow in some 12 or 15 States, and that the rule of uniformity would apply only as to those States in which a particular product grew? If you could make it uniform as to those 11 States, would not that comply with the provision of the Constitution of the United States?

Mr. WILLIAMS. No, sir; because the language of the Constitution is "throughout the United States"; that is to say, in *all* the United States.

The exact language of the Constitution is:

> But all duties, imposts, and excises shall be uniform throughout the United States.

Mr. BORAH. That does not change the argument a particle, to my mind. It is uniform throughout the United States; but it does not operate, by reason of nonproduction, except in some States. That, however, is not a principle which inheres in the law. That is by reason of a physical fact. It is uniform, and can be made uniform, throughout the United States, and applied to every State alike in which the product is raised.

Mr. CLAPP. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Minnesota?

Mr. WILLIAMS. I do.

Mr. CLAPP. I have listened, of course with intense interest, to the argument of the Senator. I am thoroughly in accord with the position taken by the Senator from Idaho. If the position contended for by the Senator from Mississippi is correct, the Federal Government could not levy a tax on any product if it so happened that there was a single State in the Union in which that product was not or could not be produced. If it is uniform so far as it can be produced, then it becomes uniform throughout the entire Republic; otherwise, a tax on whisky would be void if, in some particular State, there was a constitutional prohibition against its manufacture.

Mr. WILLIAMS. Oh, no; it does not mean "forbidden by law."

Mr. CLAPP. The same thing would apply to tobacco.

Mr. WILLIAMS. No; it would not apply to tobacco. There is not a State in the Union which can not raise tobacco—from Florida to Maine it can be raised—and I doubt if there be one State that does not actually now raise a little of it; and it does not apply to whisky, either, because there is not a State in the Union where whisky can not be distilled, and out of products raised in the State. If the law prohibits its distillation, that is a different matter; but that is not the question; it still could be done, and is done, and we now collect taxes on whisky—not distilled, it is true, but sold in States where its sale is forbidden.

Now, just to argue ex abusa for a moment. Senators, remember while I am arguing it that I am not stating that the tax is unconstitutional. Remember that I am not taking the position that the tax is constitutional, either. I am merely attempting to make it appear, beyond all peradventure of a doubt, that it is a tax of questionable constitutionality. If others shall differ

with me and deem it indisputably constitutional, my vote will give the benefit of the doubt to my constituents. But why take the risk? Why give to the southern people a relief which is questionable and possibly invalid? If you want to be right about it you do not want to run that risk.

Now, to go to the argument ex abusa: Suppose that the position taken by the Senator from Idaho [Mr. BORAH] and the Senator from Minnesota [Mr. CLAPP] were correct, and that when the Constitution says that these indirect taxes shall be "uniform throughout the United States," it does not apply to a product upon which a tax is levied when the product can not be raised in a particular part of the United States constituting several States. Why, then, the Federal Government could make the South pay all the internal-revenue taxes of the country by simply levying them upon cane sugar, rice, cotton, pineapples, oranges, and the other things that we alone can grow. You could not make the North pay all of them, because there is not a thing that you can grow that we can not grow. There is where the former cotton tax was sectional, and that was the reason of its passage. The reason of it was to levy an indemnity upon the South under the form of law and by taxation. They could not levy an indemnity upon it in the way in which Germany levied one upon France during the Franco-Prussian War, because there was no longer any South in the political or governmental sense, and therefore they proceeded to levy it in this way. So persuasive were these arguments, whether sound or not, that four judges of the Supreme Court of the United States—the tribunal of the conquering section, anxious to pursue the conquering section's policy—decided that that tax was unconstitutional.

I say to you that if you leave this tax in this amendment, then the chances are—or the possibility is, at any rate, and I think the probability is—that you will hold out to the southern cotton farmers what will be apples to their eyes and ashes to their taste.

Mr. CLARKE of Arkansas. I think you ought to give them the benefit of the doubt, even if it is doubtful.

Mr. WILLIAMS. Oh, I beg the Senator's pardon. That is not all of the Smith relief bill.

Mr. CLARKE of Arkansas. Will the Senator permit me to say a word at this point?

Mr. WILLIAMS. Let me answer that, first. The Senator says we will not even give them a chance at it. The amendment offered by the Senator from Georgia provides, first, for a tax in one part of it. Another part of it is that the Secretary of the Treasury shall have bonds prepared in the sum of $250,000,000. The next is that those bonds shall be used for the purchase of 5,000,000 bales of lint cotton; that 10 cents a pound shall be paid for that cotton when it is middling grade, and other grades of cotton——

Mr. CLARKE of Arkansas. If the Senator is simply going to read the bill, will he not permit me to say what I have in mind first?

Mr. WILLIAMS. No; pardon me. In my own time I will yield to the Senator from Arkansas, and not before.

Mr. CLARKE of Arkansas. Evidently the Senator wishes to get away from the question, and he might as well kill time in that way as in any other.

Mr. WILLIAMS. I have told the Senator that I would yield to him as soon as I had answered his first question. If my answer is not satisfactory to the Senator it will be satisfactory to me, and that is the main thing.

Mr. CLARKE of Arkansas. I desired to make an observation at that point, because——

Mr. WILLIAMS. I have not yielded to the Senator from Arkansas. He knows the usages of this body as well as any man that belongs to it, and he ought to obey them.

So that the real relief to the South is contained in the issuance of the bonds, in the purchase of the cotton upon a middling basis at 10 cents per pound, and in the prorating of the amount of money to purchase cotton between the States according to their cotton production. Those are the other provisions of this Smith amendment. My amendment neither strikes them out nor touches them. To say that if I strike out the provision imposing a tax upon the cotton planter I strike out the only relief carried by the bill is to say just the opposite of what would be the case. I am striking out, or seeking to strike out, only that which will possibly render the attempted relief nugatory.

Now I will yield to the Senator from Arkansas.

Mr. CLARKE of Arkansas. It is not so much a question of yielding. I just wanted to make the observation that no court has ever for a single moment paid the slightest attention to the proposition that a tax upon a product which was not raised in every State of the Union was void because it was not uniform. The principal argument made about the validity of the tax laid directly upon the cotton, eo nomine, was that it was a direct tax on the land out of which the cotton was grown, and therefore void because it was not apportioned. No lawyer of any standing ever had the temerity to go into that court and seriously contend that because a product was not raised in every State of the Union, therefore the tax was obnoxious to the provisions of the Constitution.

Mr. WILLIAMS. Oh, I beg the Senator's pardon.

Mr. CLARKE of Arkansas. Such a proposition would not even rise to the dignity of a chestnut. The Senator may stress it as much as he desires, but if he wants to debate this question along the lines where the real controversy exists he will get away from that, and get away from it as completely and as quickly as he can.

Mr. WILLIAMS. The Senator from Arkansas, in a very dogmatic manner, says that no lawyer ever did go into court and make the argument which these very men made in this very case——

Mr. CLARKE of Arkansas. One of them did.

Mr. WILLIAMS. And which four judges of the Supreme Court out of eight must have accepted. In addition to that, suppose the Senator's position is correct; suppose the argument relied upon by the four was the one made that a tax upon cotton was a direct tax because it was a tax upon the land; then, still what I said a moment ago remains true; the tax is of questionable constitutionality.

Whether the four judges who declared that that tax was unconstitutional declared it upon the ground which the Senator from Arkansas stated, which was an argument made by counsel in that case, or declared it upon the ground which I have stated, which was also an argument made by counsel in that case, I do not know, because there is no decision of the court giving the reasons for their opinion. They merely certified back the fact that there was an equally divided court, and therefore no decision of the Supreme Court. But upon one of these two grounds four of the judges of the Supreme Court held that this tax was unconstitutional, and that at a time when everything that could hurt the South was popular in the North, with the judiciary and with everybody else.

Mr. THOMAS. Mr. President——

Mr. WILLIAMS. So, I say, this proposed tax is a tax of questionable constitutionality. If Senators want to carry to the southern planter real and undoubted relief of some sort, let them take this Smith amendment without the tax.

One word more. There is but one justification of this amendment, and that is the calamity itself. That is all. There is not a man within the sound of my voice, there is not a Senator who does not know that this is a desperate remedy for a desperate ill, and that it is a remedy that none of you would advocate for a moment in normal times. Every one of you knows that there is but one possible justification for a very bad precedent, and that is the unprecedented calamity itself.

What was the justification for taking $5,000,000 out of the United States Treasury and giving it to San Francisco at the time of the earthquake and the fire? There could have been none except simply this: "This is a case where not law but charity is called for."

Mr. CLARKE of Arkansas. I deny that.

Mr. WILLIAMS. I say that is the only thing in the case of San Francisco. What else does the Senator think there was?

Mr. CLARKE of Arkansas. I thought the Senator applied that remark to the cotton situation.

Mr. WILLIAMS. There was no justification for what occurred in the case of San Francisco, except that that was a calamity, a terrible hurt, where not law was applied for, but charity; and the ground was that while the Government of the United States is a government of limited powers, there is nothing that can keep it from putting its hands into its pockets and giving away its money, after it is once in the Treasury, whenever it chooses. Now, if the Government has a right to give away its money it has a right to lend away its money.

I have never yet seen a man who could justify upon any other constitutional ground what was done in the case of San Francisco. I have never seen one who pretended to justify on any other ground what was done in the case of the French islands at the time of the volcanic eruption. I say no man can justify this legislation except from analogous reasoning—that there is a great calamity, a desperate problem, a totally unprecedented condition, requiring a generous giving or a general lending, and that is all.

This is stronger than the San Francisco case, because the Treasury holds now $68,000,000 of our money, gotten from the old cotton tax. Give us back at least that. If that be the case, why tax the man suffering from the calamity? Every man who raises a bale of cotton will have to pay the tax, if he raises

it under the conditions where any cotton is taxed. But that is not the main part of my argument. It is that if you should pass this Smith amendment I want it in such shape that no court in Christendom can question it. Now, you can issue bonds, and you can do what you please with that money. Nobody has ever undertaken to question what the Federal Government did with its money after it once got into the Treasury, provided it got out in a constitutional way—that is, by act of Congress.

Mr. CLARKE of Arkansas. Mr. President, I do not intend at this time to say anything about the bill, nor any of the particular features of it; but I deem the occasion an opportune one to say something about the positive and emphatic way in which the Senator from Mississippi [Mr. WILLIAMS] proposes to metamorphose his want of information about these questions into the right to correct others who know something about what they are talking.

The tax laid in 1866 was in terms a direct tax on cotton. The distinction between a direct and an indirect tax, at that time and for many years subsequently thereto, was a very hazy one. The court found great difficulty in defining the proposed tax in any particular case. Proceeding upon the doctrine of logic, they could start out from one point and soon land *at a point* where any tax would be direct, and therefore would require apportionment according to population. The court finally committed itself to the proposition that any tax on profits directly issuing, one step removed, out of land, was a tax on land, and that any profit directly issuing out of personal property, one degree removed, such as rents or hire, was a tax on personal property, and that if direct taxes were property taxes in the strict sense of the term they must be apportioned. The court finally committed itself to that doctrine in the so-called Income Tax cases, and it has been accepted ever since. So, in order to make these taxes valid, instead of having them laid on the article itself, they lay them upon some privilege connected with it—the right to vend it, or the right to manufacture it, or to vend it in manufactured form intermediate between its production and its sale to the final consumer.

This tax, therefore, is laid upon lint cotton, which is a semi-manufactured product. Cotton as it is picked from the field is not in a condition to be immediately manufactured into yarn. It must go through a preliminary process, which is manufacturing in character, known as ginning. This tax is laid upon the production and sale of lint cotton. It brings itself directly within the terms of what are known as the oil cases, the sugar-refining cases, and cases of that character. The matter has all been beaten out to the absolute satisfaction of the court, and when they come to deal with questions of this sort now there is not any argument at all on the subject.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Idaho?

Mr. CLARKE of Arkansas. I am glad to yield to the Senator from Idaho.

Mr. BORAH. I am frank to say that when I first examined this matter I had very grave doubts as to the constitutionality of this amendment; but as I view it now, after having reviewed those cases to some extent, if we should take the decisions prior to the last income-tax decision, it would not be invalid, for the reason that up to that time the courts had universally held that a tax upon personal property could be laid without apportionment. If we should take the decisions since the rendition of the noted income-tax case, it would certainly come within the distinguished principles on which the sugar tax and like taxes were upheld.

Mr. CLARKE of Arkansas. And we had the doctrine of those cases in mind at the time we prepared this amendment.

Mr. BORAH. So far as I am concerned, I do not think the later decisions can be reconciled with the former decisions; but that would have no effect upon the validity of this law if the court should follow the later decisions.

Mr. CLARKE of Arkansas. No; it might be upheld under either. But in none of these cases—the Oil cases, the Sugar cases, or any of the other cases—did any lawyer of any reputation stand before that court within the last 35 years and talk about a tax being invalid because it was not laid upon a product that was found in every foot of territory in the United States.

This particular tax, so far as its validity is concerned, is not doubtful. So far as its policy is concerned there may be those who would rather be regular and undertake to dispose of matters in the phraseology that obtained when people wore queues and knee breeches than to meet actual conditions in their own country to-day.

This Government was invented to meet emergencies and to deal with human problems and to deal with them as they arise. The first 30 years of the existence of this Government were devoted to the preservation of human rights and human liberty, the right of trial by jury, free speech, and things of that kind. But they passed out. We have reached the practical era of this country's history to-day, and its powers and potentialities must be meted out to those who need them and where they need them. It is always a question of judgment where the line is to be drawn.

In this particular case we say, "Here are 20,000,000 people who, upon the invitation of commerce and this country, have produced a commodity that is absolutely essential to the prosperity of this country to the amount of a billion dollars, that ramifies its industries and its commerce from one end to the other. Not because of any bad judgment of theirs, not because of anything that they could have foreseen, but by reason of a national and an international cataclysm that has involved the whole civilized world that product, now ready to go into commerce, has been arrested and stopped by conditions too large for individual effort to deal with, too large for individual financial arrangement to compass and control. They ask the right to conserve it until such time as normal conditions can be restored, when it can be turned loose on commerce and take its chances there as it intended to take them when it was produced."

We are not here as mendicants. It is an insult to the cotton raisers of the South to have the word "charity" applied to them; and I tell you so, sir. They are not asking for charity from anybody. They are as proud and self-reliant a people as God Almighty ever permitted to live on any continent that was ever created. They simply say this is their Government, and they come as self-respecting and self-relying people asking their Government to give them the machinery by which they can mobilize and control a self-supplied relief under the forms of law. They ask this great Government to lend the use of its printing presses to print $250,000,000 of bonds that they can exchange for 5,000,000 bales of cotton. For the payment of those bonds—not for their repayment, but for their payment—you have the 5,000,000 bales of cotton. If the history of commerce shall repeat itself, that fund will be ample to discharge that debt. If it shall not be, you may use the universal, irresistible, power of taxation to go down among us every year and take out an amount equal to $50,000,000 until the balance is paid.

If the cotton that is bought by the bonds shall bring only 5 cents a pound, there will be a resulting deficiency of $125,000,000. A tax of 1 cent a pound on 10,000,000 bales of cotton will yield $50,000,000 a year, and the security is just as ample as a mortgage on this building for $1,000 would be.

There is no risk about it; there is no charity about it. We are simply saying that we have been presented with a problem the colossal outlines of which the world has never known before. We ask the greatest, justest, most benevolent Government that man ever instituted for his own control to take notice of it in all of its bearings; to consider it, not as a southern nor as a sectional proposition, for that cotton to-day is an asset that belongs to the commerce of the Nation, and affects every man in it. If there were no cotton raised in Arkansas and other southern cotton States there would be more dog fennel growing in the streets of Providence, R. I., and Boston, Mass., and Salem, Mass., than there would be in Arkansas or any other Southern State. That product furnishes international commerce to cover the international balance of this country to an amount every year of more than $600,000,000, and the balance in our favor has never been $500,000,000.

I do not want any books. I have gotten beyond books. Anybody who does not know it without looking into a book does not know what is going on in the South. The Senator from Mississippi must have a very extravagant idea of his own importance as a lawyer when he undertakes to stand up here and quote old chestnuts that John A. Campbell and William L. Stuckey refused to quote before the Supreme Court 40 years ago, and undertake to say that we did not know what we were doing when we prepared that amendment. Some of us have had to make a living by working for it, and some of us have worked among the law books, and we think we know something about them. There is nothing the matter with the amendment. It is not understood. Senators on the other side of the Chamber—I have no patience with these over here—do not understand the situation. If they did, the great common sense and patriotism that have characterized their conduct in dealing with great questions of this kind are all that it would have been necessary to appeal to.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Idaho?

Mr. CLARKE of Arkansas. I do.

Mr. BORAH. Some of the Senators on this side of the Chamber do understand the situation of the South.

Mr. CLARKE of Arkansas. I am sure the Senator from Idaho does, because he understands nearly every question that affects human rights and human sense of justice.

Mr. BORAH. But here is the situation: A great many of us on this side of the Chamber do not believe this situation is organized for success. If we were sure that it was you would get a good deal more support over here than under the present conditions.

Mr. CLARKE of Arkansas. I can not quite understand the Senator, if he has in the remotest degree any intention to apply any such intimation or insinuation as that to myself and a dozen or two others that I could mention.

Mr. BORAH. No; not to the Senator from Arkansas, and not to the other Senators who are urging this amendment here; but it is no longer a secret that the administration is opposed to this amendment. Now, what is the use of appealing to the Senators on this side of the Chamber when this measure can not be put through to its finality, with this amendment in it, without the approval of the administration?

Mr. CLARKE of Arkansas. Let me say to the Senator from Idaho that I think he has been misinformed when he puts the sense of patriotism and the sense of justice of the President of the United States at so low a point as that. If he should prove to be half as good a prophet as he is a lawyer and a statesman, if the President of the United States should veto the bill with this provision in it, the history of this country would be written a little bit differently than would be the case had he signed it.

The people who are behind this movement are in earnest about it. It is putting to the final and supreme test the strength and ability of this Government to deal with the problems of to-day. The Government alone can deal with this question in an adequate way. The people of the South, as a part of the national toilers, must contribute something to the prosperity of this country and have enough left to support themselves in a reasonable degree of comfort. If this transaction in its outlines can not be presented to the President of the United States and the Democratic administration in such a way as to have it recognized, for the first time in the history of that great party a condition would come about that would require many who are following its banners to success, who followed them even in adversity, when they had no chance of success, to begin to inquire if the time has not come for them to see who has made the mistake—whether those who are on the side of the administration or they themselves in their party allegiance.

No; I think some one has misinformed the Senator from Idaho. I do not believe the President of the United States will veto the bill with this provision in it. I will go a little further than that and say that it would not be a good thing for him to do it; and as he is in the habit of doing good things, I am satisfied he will not do a bad thing there. He may have been, in the multiplicity of duties that have been imposed upon him since his incumbency of that great office, so engaged that he has not informed himself about the critical conditions in the South.

They are not conditions of human suffering. Take Arkansas: Arkansas has a billion dollars' worth of property within her borders, and the whole cotton crop of the State amounts to only $60,000,000. Do you suppose anybody is going to starve in a State like that? A human being never starved in the State of Arkansas, and they are not going to starve there. They do not go there to starve. That is a feature of the case I will never debate. That is an aspect upon which I will never base an appeal. The men there are able to work; they are a self-reliant, self-respecting people. But they are in a civilized Government of which they are a part. They have a right to come to their Government just as any citizen has a right to come to this Government and state a case of such character and magnitude as calls for governmental action.

Some of the Senators here, I thought, took a rather narrow and unpatriotic view in saying that other products should be favored. Whenever you get a situation of this kind involving a matter of this magnitude, one so distinctly outside of the ability of the combined individual effort to deal with successfully, then your case is made, and I am here to stay with you.

The copper business, I ought to say, is one of the minor interests of the country. It is one of the great trusts of the country. They know just exactly how much copper they have in their mines, just as a man knows how much money he has in bank, and they dig it out if they can sell it. They do not dig any more. The price is artificially stimulated. They have now all they choose to dig, and they turn their miners off and put their miners into a violent controversy with themselves, and keep them entertained otherwise. There is a completed product, and it can only produce once. It is actually lying there and must be dealt with. It is not analogous at all to this condition. The proposition the Senator from Utah [Mr. SMOOT] introduced has none of the features of this one. There is no prospect there to make up any deficiency. The copper has been bought and sold, and if a deficiency results they could levy a tax on the balance of the copper there. The Amalgamated and the other great copper companies do not borrow money on any such terms as that. This is a different case altogether. What the Senator attempted to apply was a proposition to create a new value in that respect and to still further congest the market. If the market has been oversupplied, I am amazed that something must be done with it now.

In the case of cotton, another year must ensue before another crop can be made. We have coupled with the proposition a provision to limit the output next year, so that the excessive supply this year, united with the limited supply next year, will make a sufficient supply for both years, and render the market normal and bring a price, as it ought to do, where it will sell by reason of its inherent standing in the markets of the country.

I did not intend to discuss the matter this afternoon. I may take occasion to say a few more things before the debate is closed. I only want to have it understood that the Senator from Mississippi spoke for himself and nobody else in his assault upon the legal qualifications of Senators who took it upon themselves to qualify themselves to write a provision to put in this bill, and we did not put in it something that rendered it ridiculous, as we are told to-day in the ipse dixit of the Senator from Mississippi, based upon what he thought somebody said in 1866.

Mr. WILLIAMS. Mr. President, I am sure I am astonished, and I should imagine that even the Senator from Arkansas would be astonished, if he thought that I made any assault upon his legal qualifications. I knew there was nothing under the sun that would more easily arouse the Senator's indignation, if not his scorn, than that anybody should doubt his legal qualifications. Being such a good friend of mine, therefore, and I of his, it would be about the last thing in the world I would have thought of doing. But even Homer was known to nod at times. The Supreme Court itself, for about 100 years, decided that the income tax was constitutional, and then afterwards decided that it was not. And it did occur to my mind that it was possible—merely possible—that a legal proposition might be advocated by the Senator from Arkansas and still be questionable as to its constitutionality. Remember, I was awfully anxious not to say I thought it was unconstitutional. My main reason for saying that was that the Senator from Arkansas thought it was constitutional. If it had not been for the position of the Senator from Arkansas I might have gone further, remembering how far four judges of the Supreme Court of the United States had gone, and said I thought it was unconstitutional; but I knew that that would make the Senator from Arkansas perfectly angry, clear down to the bottom of his shoes. But I also knew more than that. I have such high respect for his real ability as a lawyer that the fact that he holds an opinion really and sincerely does make me doubt my own.

But notwithstanding the fact that I do not arrogate to myself to be a great lawyer, and never have done it, and that I have never grown impatient with a single human being who ever differed with me in a matter of legal opinion in all my lifetime; and notwithstanding the fact that the Senator from Arkansas always does, I still say that this very tax went to the Supreme Court of the United States and four justices of that court pronounced it unconstitutional.

Mr. CLARKE of Arkansas. I am sure the Senator from Mississippi wants to be right. The fact that it went before the Supreme Court of the United States was a statute which read as follows:

There shall be paid—

This is an extract from the statute of July 13, 1866, found in Fourteenth Statutes at Large, page 98—

There shall be paid by the producer, owner, or holder upon all cotton produced within the United States, and upon which no tax has been levied, paid, or collected, a tax of 3 cents per pound, as hereinafter provided; and the weight of such cotton shall be ascertained by deducting 4 per cent for tare from the gross weight of each bale or package; and such tax shall be and remain a lien thereon, in the possession of any person whomsoever, from the time when this law takes effect, or such cotton is produced as aforesaid, until the same shall have been paid; and no drawback shall, in any case, be allowed on raw or unmanufactured cotton of any tax paid thereon when exported in the raw or unmanufactured condition.

Mr. WILLIAMS. I am not ignorant of that case. By the way, I wish I could have gotten the case here, but the Supreme Court will not allow you to take it out, and you can not get it

out of the Congressional Library. They have but a copy apiece. This particular amendment reads:

That during the year of 1915 a special excise tax is hereby levied, and shall be paid and collected not later than December of said year, upon every person, firm, or corporation engaging in the business of planting, growing, or producing cotton, said tax to be measured as follows—

And then follows the tax—so much per pound. Now, the other or former cotton-tax bill does not say "as an excise tax to be measured" at so much per pound "shall be levied, collected, and paid," but says simply, so much per pound shall be "levied, collected, and paid" upon cotton. That is the only difference.

Mr. CLARKE of Arkansas. One was on cotton, and the other on the production of it.

Mr. WILLIAMS. No; I say that is the only difference.

Mr. CLARKE of Arkansas. Mainly.

Mr. WILLIAMS. That is the only difference that amounts to anything. Of course, I did not mean the language of this was copied from that. Mr. President, "tweedledee" and "tweedledum" are farther apart, infinitely, than a provision which says "2 cents a pound shall be levied upon cotton" and another one which says "2 cents a pound shall be levied on it as an excise tax." If it be an excise tax, it is one, whether the bill so denominate it or not. If it be not, but be a direct tax, then it is so in spite of the language of this act.

That is all about that. But I did not rise for the purpose of arguing the matter further. I rose merely for the purpose of disclaiming all idea of putting my legal attainment, my legal opinion, my intellectual ability, or my capacity to understand a question in comparison with or in contrast with that of the Senator from Arkansas. I would as soon compare a farthing rushlight with the great sun itself. Outside of that, even if I had entertained the notion that I and my accomplishments could be upon the same plane, or near it, I love the Senator from Arkansas so much and know him so well that I would not have said it out loud, because I would know the minute I had said it he would never have been as good a friend of mine after as he had been before.

Mr. THOMAS obtained the floor.

Mr. CLARKE of Arkansas. Just a word.

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Arkansas?

Mr. THOMAS. I yield to the Senator from Arkansas.

Mr. CLARKE of Arkansas. The Senator ought not to expend all his goodness of heart on me in his very extravagant eulogy on my alleged legal ability. It would be more a tribute to my ignorance if he thought I had associated myself with great lawyers to help to prepare that amendment and then brought something in here that would have swept it aside as readily as he seems to be able to do.

Mr. WILLIAMS. I only said it was questionable.

Mr. CLARKE of Arkansas. Well, if you had said it was unconstitutional at all, then I would not have argued at all. I would have known then it was all right. But the very fact that the Senator injected a matter of doubt into it made it necessary for me to say something about it. I suggest to the Senator he should have spread out his goodness of heart likewise on the cotton raisers of his own State, who are now in dire need, by a recognition of this Government based upon some broader and more manly principle than charity.

Mr. WILLIAMS. I have never said anything—but the RECORD speaks for itself, and it will speak.

Mr. THOMAS. Mr. President, I believe I have the floor.

Mr. WILLIAMS. Then I will ask the Senator to yield to me for just one moment to answer the Senator from Arkansas.

Mr. THOMAS. Certainly.

Mr. WILLIAMS. I did not know the Senator had the floor.

I want to say that so far as "expending some of my goodness of heart" upon the planters of the South and the cotton raisers of the South is concerned, nobody needs that I should profess love for them. I am one of them, and what hurts them hurts me. I want to "expend a good deal more of my goodness of heart" on them than the Senator from Arkansas does. I do not want to conjoin with the relief which we are giving them a tax upon them, especially a tax which might possibly destroy and render nugatory the whole relief scheme.

Mr. CLARKE of Arkansas. They pay their debts down there. They do not want the charity. They want to pay back all.

Mr. WILLIAMS. They would have to pay it back, anyhow, without the tax. This amendment provides for paying it back. The amendment provides for a loan, not a gift.

Mr. THOMAS. Mr. President, one unfortunate result of this encounter between my two distinguished friends is the fact that I feel compelled to add something to the discussion myself. I had not intended doing so, believing that the time thus occupied might better be used to shorten the session and enable us to secure early adjournment. But inasmuch as the Senator from Arkansas [Mr. CLARKE] has expressed impatience with this side of the Chamber because of the inability of some of us to accept the amendment, either from the standpoint of the Constitution or of sound public policy, I feel impelled to state as briefly as possible some of the reasons why I am unable to support the amendment.

Mr. President, I am sure that no Senator from a Southern State would for a moment charge me with any lack of sympathy for a condition which now unfortunately involves the people of that section. I am from the South myself. I am flesh of her flesh and bone of her bone. As a boy and a resident in that section I experienced a very considerable share of the awful sufferings and destitution caused by the war between the sections, and I have a vivid recollection of the widespread ruin which confronted the South when she surrendered to the legions of the North.

I can also sympathize with that section, Mr. President, because the section where I have resided for nearly half a century has endured the same experience, has suffered very largely from similar causes, and survived them as the South will survive her present misfortune. I can therefore appreciate more keenly than many others the situation which confronts the people of the South. To state it concretely, the South being the producer of a great staple of commerce, which constitutes as well a necessity of life not only to the people of our own but of all the nations of the world, finds herself suddenly confronted with the destruction of her principal markets, with a very large supply of material upon her hands, with the certainty of a great fall in the price of that commodity and with the consequent suffering, if not destitution, which these conditions entail.

Mr. President, the representatives of that great section of the Union in this body would be untrue to themselves and to the people whom they represent if they did not in all practicable ways seek to encompass the relief of their people; and if there ever was an instance in which the power of the General Government, if it exists, should be solicited and invoked for the purpose of bringing some relief that instance now confronts us.

But I am unable, Mr. President, in the face even of an impending calamity, which I hope will not materialize, to square my convictions of public duty with an affirmative vote upon this amendment. I am unable to conjecture what condition can arise which would justify the extension of governmental aid of a financial character for the purpose of upholding and sustaining a great business interest that would not equally apply to a small business interest; for the purpose of bringing relief to a great section because of menacing disaster through collapsing markets that will not also apply to a similar calamity circumscribed in its territorial area and confined to a few instead of a large number of people. The difference is relative and not absolute.

It is a fundamental principle in Anglo-Saxon law that the power of taxation can be exercised only for public purposes, that the exercise of that power for any other than the public purposes is tyranny, and that the tyranny which may be thus exercised is the equivalent of despotism in nearly all its forms.

Almost every great event in the history of the English race, practically every milestone along the highway of English progress from a despotic to a constitutional and popular government, has found expression in terms of resistance to the unlawful exercise and application of the taxing power; and every check and restriction of any consequence which fetters and shackles the limbs of absolute authority has been in restraint of the exercise of that power and intended to confine it to the only purpose which justifies its exercise.

Mr. President, it may be that there are precedents, and from what has been said here no doubt there are precedents which seem to justify the authority of this Government to lend its credit at a crisis in the industrial affairs of some of the people for the purpose of tiding them over it, thereby sustaining prices and meeting a serious emergency assumed to be too great for individual effort or capacity to meet. I know that many things have been done by governmental authority whose legality has not been challenged, or challenged unsuccessfully. But I am unable to accept them either as concluding the question or as applicable to the pending crisis. Ours is a government of limited powers, clearly and expressly defined; and it can not be said that the power of a government can be expanded and contracted as emergencies may require; that a government of delegated authority has no power to-day and unquestioned power next year as emergencies may determine; that a government is limited strictly to the things which are delegated to it on one occasion and free to exercise other powers not delegated to it upon other occasions. Necessity is sometimes inexorable, sometimes asserted to justify what the letter of the law prohibits.

Necessity is said to be the law of tyrants, an old aphorism which perhaps admits of no exception. Necessity is always pleaded to justify any extension, any expansion of power in disregard or in contravention of constitutional limitations. If necessity justified this proposed action, I would willingly concede its existence; but, Mr. President, the times when the limitations placed upon power should be observed are the occasions when temptation and necessity unite in demanding that they be disregarded.

Any tyro can navigate a vessel upon a smooth sea, when the clouds are absent from the sky, when the surface of the ocean is calm, and when normal conditions surround the course of the ship; but in time of stress and storm, Mr. President, with the hurricane raging across the surface of the sea and the billows mounting skyward, then every brace should be in its position, every man at his duty, an experienced captain on the bridge, with a trusted pilot at the helm. Are we not, Mr. President, encompassed by a stormy sea, and through the semipanic created by the conditions inspiring this amendment are we not urged to speedily and favorably consider a measure which in the end must spell disaster?

Mr. President, a bad precedent is one of the most dangerous things in republican government. One of the great safeguards of constitutional government consists in precedents which square with power, and which, when doubt exists, resolve the doubt against its exercise.

We have made great strides toward centralization in this country. The old notion about State rights, which confined the central power to the exercise strictly of things expressly committed to its keeping, and which insisted upon the retention and exercise by the States of all others, without interference, has been greatly weakened. It is now to be abandoned by the party whose shibboleth it has always been, which, in theory at least, has been the advocate and proponent of a strict construction of the National Constitution, and to insist upon the exercise by the separate Commonwealths of all their elements of sovereignty not delegated expressly or by necessary implication.

Mr. President, let this amendment be established, and what may we expect of it as a precedent? Disguise it as we may, this measure provides for the establishment of a partnership between the Government of the United States and the cotton growers in order to sustain the price of cotton and hold a surplus from the market for that purpose. If it is not that sort of an association, then it is one in which the Government occupies the position of an indorser or guarantor; it lends its credit, your credit and mine, the credit of all the people, to sustain an industry which is suffering from serious depression.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Idaho?

Mr. THOMAS. I yield.

Mr. BORAH. I want to ask a question along that line. If the Government is in the position of loaning its credit to the southern cotton raisers or to those who are interested in cotton production, is the Government, upon principle, assuming any different position than when it loans its credit to the banks of this country, as it does, unquestionably, under the Federal reserve act?

Mr. THOMAS. Mr. President, I said a few moments ago that bad precedents were dangerous things, and I am reminded by the inquiry of the Senator from Idaho of the fact that the lending of the Government's credit through the deposit of the people's money in private institutions never should have been done. I am forced to concede, inasmuch as that custom has been established, extending through a period of many years, and inasmuch as it has been frequently used in later times for the relief of the market through a distribution of moneys belonging to the Government, to the end that contraction and other bad conditions, which may lead to still worse ones, may be avoided, that it would be extremely unwise to correct it at this time. I may say, however, that inasmuch as under the new law, soon to be placed in operation, banks chartered by the Government are to become the depositaries of the public money, the objection which might otherwise exist—and which, I think, does exist—to this practice will disappear with the disappearance of the evil.

Now, Mr. President, coming back to the statement which——

Mr. McCUMBER. Mr. President——

Mr. THOMAS. I yield to the Senator.

Mr. McCUMBER. Before the Senator leaves that particular point, will he kindly explain to us the difference in the position of this Government when it buys a certain amount of the cotton crop, creates a monopoly, and makes a corner upon that crop for the purpose of raising its price, and the position of a certain number of Chicago wheat gamblers when they buy up and corner the market on wheat in order to raise the price? If we are going to punish individuals for creating a monopoly under the antitrust laws, why should we not punish Members of Congress for voting the Government into a monopoly?

Mr. THOMAS. Mr. President, the Senator from North Dakota has anticipated something to which I intended to refer later. I do not see any difference between the instances supposed, except that one is a Government monopoly and the other is a private monopoly; and if we are to have monopolies in this country, then I am certainly in favor of those which are operated by the Government and for governmental purposes rather than those which are operated by private interests for their benefit and profit.

Mr. McCUMBER. Mr. President——

Mr. THOMAS. I yield.

Mr. McCUMBER. If the Government enacts a law, as it did a very short time ago, which provides a penitentiary sentence for the person who creates a monopoly in the sale of any commodity, then why are we not equally guilty if we allow the Government itself to become a monopoly?

Mr. THOMAS. Mr. President, I quite agree that the Government should not establish a monopoly in anything unless it be necessary for the public welfare. I do not believe that the purpose of this measure—I know that is not the purpose of those who are championing it—is to create a monopoly, but to give needed relief in a great emergency. I am inclined to think, however, that—and that was what I intended to say later on—one of the consequences of this action will be to produce a monopoly, in that there will be an enormous corner of a certain product purchased by the Government in good faith to relieve a bad situation, a product not only always threatening the market but will be continued in the hands of the Government so long as those raising the same product feel that its sale will affect the market to their detriment; in other words, if this amendment is adopted and this investment be made, then it is my belief that by the time the bonds mature, by the time the amendment shall have operated as to time, that petitions upon petitions will come before the Congress of the United States asking for postponement of the sale of this enormous mass of cotton because of its consequences upon the then existing market. But, Mr. President, that is to some extent by way of anticipation.

I contend that there is not a product known to commerce or industry that will not have the right, using this amendment as a precedent, and that will not exercise that right, of coming to the Government of the United States for similar relief whenever in the opinion of those engaged in that industry or a part of them, such relief is necessary to steady the market and to prevent the falling of prices below the alleged cost of production.

We are entering upon a new era when this amendment becomes a law, and we are saying to those who produce copper and lead and silver and iron and coal, to those who can salmon and dry apples, to those who produce marine supplies, to those who delve in the earth or upon the earth everywhere between the two oceans, that whenever their business is bad or the value of their commodities is threatened the Government must issue bonds and invest their proceeds in certain portions of the surplus commodity at prices away above the market, and take chances, Mr. President, of getting its money back. It is the precedent of which I am afraid—and there is just as much reason for invoking it in the supposed cases as in the other.

Even now amendments are offered similar in character asking for the exercise of this governmental power in the same direction in behalf of copper and other commodities; and I want to say, Mr. President, that if there is any reason for aiding cotton now—and I concede that the exigency is great—there is in a more circumscribed area the same reason for coming to the relief of copper.

It is true, as stated by the Senator from Arkansas [Mr. CLARKE], that copper is in the ground always. It is not true that the owner knows how much he has, what the specific contents of the ore may be, or what his profits may be. It is true that he may not take it out of the ground, but it is equally true, as stated by the distinguished Senator from Georgia [Mr. SMITH] here yesterday, that cotton itself is indestructible except perhaps by fire or some great cataclysm, but, generally speaking, it is indestructible. The supposed difference between the two commodities does not exist.

Mr. President, I have here a letter dated the 2d day of October, written to me by Mr. K. R. Babbitt, the general counsel for three of the largest copper companies in the country. His purpose in writing was to endeavor to secure some relief, if possible, through the agency of the State Department from the

action of Great Britain which interferes with the landing of certain copper shipments at Rotterdam, which had been interfered with by the British Government. Here is what he says incidentally:

> The situation generally in the copper industry is, as you must know, acute and practically every copper-producing company has curtailed its output one-half or more. Up to the present the companies I represent have endeavored to avoid a dismissal absolutely of a large number of men by putting the entire force on one-half time, but if the present situation continues it will not be very long before a very large number of men will be thrown out of employment.
>
> It happens that practically every copper mine of any size is situated in localities where it is the sole basis for the industry of such communities.

I may remark here, parenthetically, Mr. President, that I know that to be true. There are a great many mining districts in the United States where copper is produced the production of which constitutes their sole industry; they produce nothing else; they are dependent, not partially, not principally, but entirely, upon copper production and upon the copper market. I refer to the letter again. The writer says:

> This is true in Butte, Mont., in Bingham, Utah, in Ray, Ariz., in Santa Rita, N. Mex., where the Chinco Copper Co. is situated. It is also true in Glove, Ariz., in Ely, Nev., and in fact everywhere, so that the question of being able to market copper assumes far-reaching proportions entirely apart from the mere decreased earnings of these companies.

With that letter as a text I can duplicate the argument of the Senator from Georgia. I can show you that this industry is intertwined with the industries of every other civilized country on the face of the globe; I can show, Mr. President, its depressed condition—that this condition is everywhere operating to the disadvantage and sometimes to the ruin of men and women in many portions of the world, and I can also demonstrate with equal truth, though not perhaps to as large an extent and as affecting so many people, that the issuance of bonds by the Government of the United States for the purchase of the surplus copper at last summer prices, followed by nonproduction next year, will be temporarily a great benefit not only to us, not only to the people in the mining camps and to the operators, but to those of the United States generally, reflecting its prosperous changed conditions upon all other industries, and also extending its benefits across the seas.

Why, then, should not the owners of copper be entitled to the same consideration that we propose to extend to the cotton growers? Why should not the producers of lumber of the Pacific coast be entitled to the same consideration? Why should not the growers of barley and of oats and of wheat all over the United States be entitled to the same relief?

Mr. President, I can remember, and I presume most of those who are present can remember also, only a few years ago, when in Kansas and in Nebraska and in some other parts of the West men were engaged in burning corn for fuel not only to decrease the supply but because it was more valuable as fuel than it was as a foodstuff. I remember when the warehouse idea was formulated by the old Populist Party, how many of my distinguished friends on this side of the Chamber derided and ridiculed and denounced that ancient demand, which called for the establishment of Government warehouses, the storage of the surplus products in the warehouses, and the issuance of warehouse receipts to circulate as currency among the people, how that was stigmatized as socialism, as idiotic, and as unthinkable, and yet it seems to me that there is nothing more startling, nothing more extreme, nothing more dangerous in that proposition than in the pending one.

I am known, Mr. President, as a man somewhat radical in my views, and I hope that the reputation which I have in that direction is well founded; but I never supposed, until the Constitution of the United States was amended, that the Government could lend its credit to private enterprise; that it could issue bonds for the purpose of raising money to aid in private enterprises or occupations, however desperate they might be or however extensive those enterprises or occupations were.

This brings me, Mr. President, to the consideration of another element of this amendment. It is designed, among other things, to levy a tax next year upon a certain amount of the surplus product of cotton, the tax being intended, of course, to limit the production next year. Mr. President, is it possible that the Congress of the United States will set the precedent of using the taxing power of the Nation in order to prohibit overproduction and to keep up prices? Is the Democratic Party going to do it? We promised the people—and I think we have endeavored to observe the pledge—to reduce the high cost of living; but how can the high cost of living be reduced by legislation which proposes to limit the production of certain necessities of life? And if we are going to do it with cotton, why should we not do it with wheat and corn and the other necessities which people must have and ought to have as cheaply as possible?

Mr. WARREN. Mr. President, will the Senator permit me to interrupt him?

Mr. THOMAS. Certainly.

Mr. WARREN. Is not that in the nature of what we have been condemning and legislating against?

Mr. THOMAS. What is that?

Mr. WARREN. The matter of the formation of trusts to hold the prices of different commodities above what they naturally would be if the circumstances surrounding them were normal.

Mr. THOMAS. The Senator's question is somewhat analogous to that asked by the Senator from North Dakota. Of course legislation which raises prices necessarily tends to create trust conditions, if the legislation is successful; but I do not believe such legislation can be successful.

This proposal is nothing new in political history—the attempt to legislate to limit production. It is an interference with the eternal laws of supply and demand, as exemplified and developed by human experience. You can make them temporarily successful; you can make them, perhaps, locally successful; but in the long run the laws of nature will work themselves out.

The trouble is, however, that if this amendment becomes a law, we are going to be confronted with a series of applications for similar legislation applied to nearly all the productions of man, and can not consistently refuse them. I can not get away from the conclusion that if, in a case of emergency, we are to do this thing for cotton, we must in similar cases of emergency—and there will be plenty of proof with every bill that is offered that the emergency exists—do the same thing. Why not do it for copper right now? Why not do it for canned salmon right now? Why not for lumber right now? Why not for barley right now?

No, Mr. President, the principle is wrong, and we should not be deterred from voting against it because of the emergency which has evoked the application for it.

There is another feature of the subject that I want to speak of before I take my seat, and that is its protection feature. I may have a wrong conception of what governmental protection is. We generally speak of it in connection with tariff duties; but that is only one form of a protean element which, in government, can be applied indiscriminately. I think this amendment is the legitimate offspring of that protective condition with which long, long years of Republican tariffs have finally inoculated the American people. The Government of the United States has been in copartnership with private industries for so long that American enterprise has been largely diluted, and when trouble faces the average individual he necessarily asks himself why the Government should not protect him as well as the man who manufactures something that is manufactured elsewhere. As a result, the whole political and business morality of the American people has been saturated with the pernicious taint of protectionism. The liberty which is given by the police of the great cities to those nameless vices which flourish where population is abundant, the connecting link between the criminal and the man who ought to arrest and punish him, are the outgrowth of protection, and differ only in degree and not in principle from that protection which has found expression upon the statute books of the Nation for so many years. The application here to the Government to protect a great industry at present differs, to my mind, but little from the application of import duties to any established industry which has enjoyed protection and clamors for its continuance.

Mr. WARREN. Mr. President, will the Senator permit an interruption at this point?

Mr. THOMAS. Certainly.

Mr. WARREN. Does not the Senator think there is quite a difference, in this respect—that the policy of protection for American industries, as we understand it on this side of the Chamber, has operated to increase the product of American industries and to make the foreigner pay for the license to come in here and do business? Now, this measure, as it appears to me—and I say this with all the sympathy that a man can have for the situation which, it seems to me, is presented—is designed to prevent the growers of cotton from growing what they naturally would grow. In other words, the effect of one is to reduce the products of this country, and the effect of the other is to increase the products of this country.

Mr. THOMAS. It is true that the form which protection takes differs in this from other instances. As to the professed policy of the Republican Party in the matter of protection, the Senator from Wyoming has correctly stated it. Without stopping to discuss its practical effect, the thought which I have in my mind is that protection in this country is bearing, among other things,

its legitimate fruit, and at the same time practically doing away with State lines.

Mr. POINDEXTER. Mr. President——

Mr. THOMAS. If I believed I could vote for this measure, if I were in a position to do it, if I did do it, I should clothe myself in sackcloth and ashes and, repairing to the shrine of Nelson W. Aldrich, do penance for the criticisms which I have made of his policies and of his tariff bill.

Mr. POINDEXTER. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Washington?

Mr. THOMAS. I do.

Mr. POINDEXTER. I should like to ask the Senator to develop a little further his idea of protection, as he has just defined it, in comparing the protection of American manufacturers with the protection of nameless vices in great cities where there is a corrupt police force. I should like to know how the Senator establishes that analogy.

A police force is established for the purpose of protection. It protects legitimate property interests and legitimate personal rights and legitimate occupations. It seems to me there is some analogy between that sort of protection, the protection of those lawful interests and enterprises, and the protection of American industry by means of a properly arranged customs tariff; but I fail to see how the Senator can compare it with the protection of unlawful acts and nameless crimes.

Mr. THOMAS. Mr. President, I said, I think, that one was the inevitable outgrowth of the other. As I understand protection in the political sense it means a partnership between the Government and the thing protected; and when the city government, through the agency of the officials in these great cities, permits certain favored individuals to carry on their nefarious pursuits and rigidly applies the law to all the others, those who are permitted to violate the law with impunity and share with the authorities their ill-gotten gains are protected. At least that is my impression concerning it. It may not be correct, but it is for that reason that I made the statement that one seemed to be the inevitable outgrowth or evolution of the other. I might mention a good many other instances of protection, but I have not the time and I do not think it is necessary.

Before I take my seat I want to refer to a matter that has been mentioned in private discussion, although I am not aware that anything has been said about it upon the floor. The statement has been made that there is an analogy between this measure and the Sherman law of 1890, under which the Government of the United States undertook to purchase, and did purchase, four and a half million ounces of silver per month for the purpose of "taking up the slack," as it was called. I confess that there is an analogy, perhaps the best one that the statutes of the United States affords. There a large amount of silver was accumulated by the Government, against which certificates were issued and circulated as money. That law was not demanded or supported by the bimetallists of the West. True, they were forced to accept it as a finality, but under protest, because they knew, as we all know, that it was the direct antithesis of free coinage, and necessarily would bring the latter, through a confusion of ideas, into disgrace; and it had precisely that effect.

The law was wrong, and I believe if a test of it had ever been made it would have been found to be without the Constitution. That law, however, can not be laid to the door of the bimetallists of the West, nor the Bland bill, for that matter. I beg to assure Senators that I am not going to discuss the silver question at this time. The Bland bill was amended in this Chamber and converted into a purchase act from a free-coinage act, as it was designed. Some say that it was a very beneficial change under the circumstances. I am not going to argue that question. The principle is wrong. It did not emanate from the owners of silver mines or from the silver-producing States. It was a result of a compromise forced upon the West by the enemies of the entire project, or those who sincerely believed that the project of free coinage was fraught with danger to the country. So that while that precedent exists it was not a precedent of our making, and I therefore perceive no inconsistency whatever between the position which I occupy, as a believer in the doctrine of bimetallism, and the acts of Congress for which bimetallists were not responsible. If there is such an inconsistency, it is not more glaring than that which confronts the advocates of the amendment.

I did not intend when I took the floor to speak as long as I have spoken upon this measure. I merely desired, in view of what was stated by the Senator from Arkansas [Mr. CLARKE] during the discussion of the Senator from Mississippi [Mr. WILLIAMS], to lay before the Senate some reasons why I, among others, had incurred the impatience of my very dear friend the Senator from Arkansas.

I shall conclude what I have to say by reading into the RECORD an editorial from the New York World of yesterday:

DOCTORING COTTON.

Because the prostration of the cotton industry at the South threatens to assume the proportions of a calamity, why, in an attempt to relieve the situation, go open eyed into disaster?

The remedy proposed by southern Senators is worse than the disease which they hope to cure. To issue $250,000,000 of 4 per cent bonds for the purchase of 5,000,000 bales, or one-third of the crop, at 10 cents a pound or less, Government to hold the cotton three years if necessary, would be the biggest legislative speculation ever undertaken.

It is easy to believe the report that even the authors of this proposition have no hope of its acceptance, and that the motive behind it is political rather than financial.

I perhaps should say that I do not indorse some of the reflections of this editorial. The sentiment, however, which has direct reference to the amendment, is well expressed, and I think unanswerable.

Nothing ever proposed by Populists, Greenbackers, or Grangers in the wildest days of inflation and paternalism can compare with this enterprise either in magnitude or in folly. As a measure to be adopted for one time only, it is a colossal charity or a gigantic gamble. As a policy to be followed in other directions, it is State socialism on a scale never before contemplated.

The St. Louis plan, which has received the indorsement of the Federal Reserve Board, is sound commercially and otherwise, because it calls into action in a proper, although an extraordinary, way the banking power of the country. It does not buy cotton at a price higher than its value in the markets. It does not foolishly by act of Congress attempt to fix the price of cotton. It simply meets an unusual situation by concentrating and extending bank credit.

If the theory underlying the new banking and currency system is based upon a true principle, why should Democrats, even cotton States Democrats, discredit it at the start?

This editorial reminds of the private plan for the relief of the cotton growers which, I think, originated with Mr. Festus J. Wade, of the Mercantile Trust Co., of St. Louis, one of the ablest and most experienced bankers of this or any other country, because it seems to me to be very largely a solution of the immediate crisis. That plan proposes to purchase and store $150,000,000 worth of cotton at what is practically, as I understand, the market price. It has not only received the approval of business men, both North and South, but it is rapidly assuming the proportions of a successful engagement. It is, of course, entirely legitimate, and in all probability will be the precursor of similar, although perhaps smaller, syndicates that will serve to turn the tide of disaster that is now threatening to overwhelm the Southern States.

In conclusion, I want to say to my southern friends——

Mr. CLAPP. Mr. President, if the Senator will pardon me, I have just entered the Chamber. He may have covered the point I have in mind, and if he has he need not repeat it; but if not, I should like to ask him what this plan contemplates as to raising the funds with which to make this purchase. If the Senator has covered that point, he need not repeat it just for my benefit.

Mr. THOMAS. I may not be able to state the plan with exactness. My understanding of it is a general one. It contemplates the formation of a fund, to be raised by subscriptions, of $150,000,000 in gold, to be used through the agency of the Federal Reserve Board, for the purpose of purchasing cotton and holding it until a better market and a better opportunity offers to dispose of it.

Mr. THORNTON. Lending upon it.

Mr. THOMAS. The Senator from Louisiana corrects me. It is for the purpose of lending upon the cotton at a certain price, the cotton then to be stored and held, and eventually disposed of.

Mr. SMITH of Georgia. It contemplates holding or loaning.

Mr. THOMAS. The Senator will perceive that as to the details of it I am not so well informed as I ought to have been. I should not have referred to it but for the fact that it is mentioned in this editorial.

Mr. CLAPP. It is interesting. Anything that will present a remedy here, without the Government going to the extent of the proposed amendment, is certainly interesting. What I was getting at was whether this plan had gone so far in discussion among those who are able to carry it out that there is a probability of securing this sum by subscription.

Mr. THOMAS. My understanding is that the greater part of it has been raised up to this time.

Mr. SHEPPARD. I should like to say to the Senator that $50,000,000 of it was subscribed on the condition that the Federal Reserve Board would assume the management.

Mr. THOMAS. I made the statement that that condition would be placed upon it.

Mr. SHEPPARD. The papers tell us this afternoon that the Federal Reserve Board decline to assume the management, and therefore the scheme will not develop.

Mr. THOMAS. I think the scheme will develop. Even if the Federal Reserve Board has refused to operate the trust—and of course I accept the statement of the Senator from Texas as correct—I know the man who is behind it. The Senator from Missouri [Mr. STONE] knows him. He is not a man who goes in an enterprise of that kind lightly, and I am just as confident that he will bring it to a successful termination as that I am speaking on this floor.

Mr. STONE. I do know Mr. Wade very well. As the Senator from Colorado says, he is one of the clearest-headed and ablest bankers in the country and in a business way one of the most progressive men I know. I have talked with him about this plan, and to-morrow, if I get an opportunity, I may have something to say about it; but I will not enter upon it at this late hour.

Mr. THOMAS. Mr. President, I merely wish to say in conclusion to my southern friends, Senators upon this floor for whom I have the highest regard both individually and collectively, and for whose people I have profound sympathy, that, in my judgment, the clouds which lower on their horizon are not as dark as they seem.

I say this, Mr. President, because we have been through the same valley and shadow. When England closed the Indian mints in 1893 and silver dropped within a week from 90 cents to less than 70 cents per ounce, when the mines were closing throughout the West, when smelters were compelled to suspend or limit their output, and miners were compelled to seek work in foreign countries, many of them going to South Africa, others to South America and Australia, when ruin stared us directly in the face and confronted us in every direction, when every pursuit in that great section which is the metallic storehouse of the Nation was blasted and paralyzed by the blow that was struck its every interest, when men tried in vain to sell their belongings for enough to pay their debts and enable them to turn their backs upon that favored land, when eyes were turned to Washington in the hope that some substitute for the repeal of the Sherman law might be found to parry the second blow so soon to fall, when hope seemed to have departed forever and the raven croaked despair from the pedestal of every household, the end looked very near and very dark.

But, Mr. President, the indomitable and unconquerable energy of the American people always finds expression in the supreme crises of national and community life, and this instance demonstrated the truth of the assertion. After the stunning effects of the blow had passed away men began to gather their wits about them and look into the future and realize the tremendous responsibility shouldered upon them, not only on their own account but on account of their wives and their children and their Commonwealths. They took new heart because they had to, and they turned their attention in other directions, began the development of other pursuits, accepted existing conditions as unavoidable, and adapted themselves slowly and painfully, but successfully, to the repair of their fortunes and the requirements of the times. In six years——

Mr. SHEPPARD. Mr. President——

Mr. THOMAS. I will yield in just a moment.

In six years, Mr. President, the ruinous effect of these terrible conditions had largely disappeared. In a dozen years they had been overcome. We discovered that ruin, although apparently upon us because of the destruction of a great industry, only served to bring out the best that was in our people by the exercise of their energy and their talent and their resources in untried directions. The Mountain States became prosperous. Her people still believe in the gold and silver money of the Constitution. Both will come in the course of years, and then the whole Nation will rejoice exceedingly.

I now yield to the Senator from Texas.

Mr. SHEPPARD. I wish to state that I have been advised that the press report to which I referred is incorrect, and that the Secretary of the Treasury stated to-day that the Federal Reserve Board has not declined to assume the management of this pool if it should be formed.

Mr. THOMAS. Mr. President, I am very glad that is the case, but I reiterate the statement that if there is anything that could operate to prevent the administration of that fund by the Federal Reserve Board I feel sure that the men at the head of it will make a success of it.

Mr. VARDAMAN. Mr. President——

Mr. THOMAS. I yield to the Senator from Mississippi.

Mr. VARDAMAN. I wish to ask the Senator if he does not think that the conditions brought about in his State on account of the action of the Government in striking down silver was a great mistake, and that it would have been very much better for the country if the Government had given notice of its proposed action in order that the people might be prepared for the change that came? Would it not have mitigated the damages that were sustained by the people if the Government had done that?

Mr. THOMAS. Oh, there is no doubt about the fact that if silver had not been demonetized the evil conditions to which I referred would never have come about, and that which now burdens the South would not be so severe.

Mr. VARDAMAN. Would they not have been greatly mitigated if the people had had notice that it would be done at some time in the future, so that they might have adjusted their interest?

Mr. THOMAS. That is true. The blow fell just as this did. There came without a moment's notice the closing of the Indian mints, the last refuge of free coinage in the world.

Mr. VARDAMAN. The Senator realizes that that act was not done in the interest of the great toiling masses of the world, but that it was done in the interest of a few people who profited by it.

I agree with the Senator that if the conditions which exist in the South to-day were the result of any economical mistake or mistakes committed by the people in the management of their own affairs it would not be the proper thing for the Government to render assistance, but it came to us as a storm from a cloudless sky, and they are simply asking that they may be able to bridge this chasm, that they may be able to live until normal conditions return. It is not asking the Government to give them anything, but simply to lend its great function and its great power until they may adjust themselves to the new conditions.

Mr. THOMAS. Mr. President, I fully recognize the truth of all that the Senator has stated, not only as to the extent of the calamity which has befallen the South but also as to the suddenness with which it descended. If the Government had the authority, if it comported with the purposes for which the Government was created, if in the exercise of our power under the enumerated powers we had the right to give the relief that is here demanded, I should still hesitate to do it, as I have hitherto said, because of the certainty that the precedent thereby established would be utilized for the demanding of relief as to every industry that is pursued or that may arise in the United States.

THE ROCKEFELLER FOUNDATION (S. DOC. NO. 602).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, stating, in response to a resolution of August 5, 1914, that there are no employees in the Department of the Interior or its various branches and offices whose salaries are in whole or in part paid from funds contributed by the Rockefeller Foundation or the Carnegie Foundation, which was ordered to lie on the table and to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the joint resolution (S. J. Res. 188) ceding to the State of California temporary jurisdiction over certain lands in the Presidio of San Francisco and Fort Mason (Cal.) Military Reservations.

The message also announced that the House agrees to the amendment of the Senate to the joint resolution (H. J. Res. 241) for the appointment of five members of the Board of Managers of the National Home for Disabled Volunteer Soldiers.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills and joint resolutions, and they were thereupon signed by the Vice President:

H. R. 12665. An act to increase the limit of cost of public building at La Junta, Colo.;

H. R. 14233. An act to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes;

H. J. Res. 241. Joint resolution for the appointment of five members of the Board of Managers of the National Home for Disabled Volunteer Soldiers; and

H. J. Res. 362. Joint resolution to correct an error in the enrollment of certain Indians enumerated in Senate Document No. 478, Sixty-third Congress, second session, enacted into law in the Indian appropriation act approved August 1, 1914.

PETITIONS AND MEMORIALS.

Mr. VARDAMAN presented a petition of the Woman's Christian Temperance Union of Pelahatchie, Miss., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. PERKINS presented the memorial of Hon. M. H. De Young, chairman of western division of the Associated

Press, of San Francisco, Cal., remonstrating against the proposed tax on newspapers, which was ordered to lie on the table.

He also presented a memorial of the Woman's Christian Temperance Union of San Jose, Cal., remonstrating against the proposed tax on wines, which was ordered to lie on the table.

He also presented the memorials of B. C. Ansley, of Los Angeles, and Clarence M. Smith, of San Francisco, in the State of California, remonstrating against the proposed tax on insurance companies, which were ordered to lie on the table.

He also presented a memorial of sundry druggists of Long Beach, Cal., remonstrating against the proposed tax on drugs and proprietary medicines, which was ordered to lie on the table.

He also presented memorials of the National City State Bank, of National City, and of the Citizens' Commercial Bank, of Fallbrook, in the State of California, remonstrating against the proposed tax on capital and surplus of banks, which was ordered to lie on the table.

He also presented a memorial of the Locomobile Co., of Oakland, Cal., remonstrating against the proposed tax on automobiles, which was ordered to lie on the table.

He also presented petitions of Typographical Union No. 35, the German Ladies' Relief Society, and the Merchants' Exchange, of Oakland, Cal., praying for the enactment of legislation to provide pensions for civil-service employees, which were referred to the Committee on Civil Service and Retrenchment.

Mr. POINDEXTER presented memorials of D. B. Garrison, of Connell; C. L. Stenger, of Olympia; Metropolitan Theater, of Bellingham; Arthur Thayer, of Camas; the Spokesman Review, Spokane; Spokane Drug Co., of Spokane; U. E. McDermott, of Tolt; Offerman Drug Co., of Bellingham; Henry Engberg, of Bellingham; Collins & Co., of Bellingham; Sun Drug Co., of Bellingham; Mrs. M. F. Woodruff, of Bellingham; E. T. Fremming, of Bellingham; Graham Drug Co., of Bellingham; J. C. Natrass, of Bellingham; George F. Finnegan, of Bellingham; Weiser Drug Co., of Bellingham; Rogers Bros., of Bellingham; Walla Walla Druggists' Association, of Walla Walla; A. R. Bechaud, of Chehalis; Prigmore Pheasant Pharmacy, of Chehalis; P. W. Marr, of Chehalis; E. E. Ellsworth, of Chehalis; and E. A. Rupert, of Aberdeen, all in the State of Washington, remonstrating against certain provisions contained in the war-revenue bill, which were ordered to lie on the table.

Mr. MARTINE of New Jersey. I present resolutions unanimously adopted at a meeting of the Brightwood Citizens' Association of the District of Columbia, held October 9, 1914, favoring the passage of the bill providing that the salary of the auditor for the Supreme Court of the District of Columbia shall be $5,000. I move that the resolutions be referred to the Committee on the Judiciary.

The motion was agreed to.

Mr. JOHNSON presented a petition of sundry citizens of St. Albans, Me., praying for national prohibition, which was referred to the Committee on the Judiciary.

He also presented a petition of the Board of Trade of Portland, Me., praying for the enactment of legislation to provide a permanent Federal board or commission to act in an advisory capacity in connection with all proposed legislation affecting marine matters and the shipping trade, which was referred to the Committee on Commerce.

Mr. PAGE (for Mr. DILLINGHAM) presented memorials of sundry citizens of Newport, St. Johnsbury, Essex Junction, Hanover, Windsor, and Lyndonville, all in the State of Vermont, remonstrating against the proposed tax on drugs and proprietary medicines, which were ordered to lie on the table.

AMERICAN ACADEMY OF ARTS AND LETTERS.

Mr. CULBERSON, from the Committee on the Judiciary, to which was referred the bill (S. 583) incorporating the American Academy of Arts and Letters, reported it without amendment.

HEIRS OF BENJAMIN S. ROBERTS.

Mr. JOHNSON. I am directed by the Committee on Claims to report a resolution referring a claim to the Court of Claims, and I ask unanimous consent for its present consideration.

There being no objection, the resolution (S. Res. 474) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the bill (S. 6506) entitled "A bill for the relief of the heirs of Benjamin S. Roberts," now pending in the Senate, together with all the accompanying papers, be, and the same is hereby, referred to the Court of Claims, in pursuance of the provisions of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911; and the said court shall proceed with the same in accordance with the provisions of such act and report to the Senate in accordance therewith.

HEARING BEFORE COMMITTEE ON AGRICULTURE AND FORESTRY.

Mr. SHAFROTH. I ask unanimous consent for the present consideration of Senate resolution 470, which I report favorably from the Committee to Audit and Control the Contingent Expenses of the Senate.

It seems that the Committee on Agriculture and Forestry held certain hearings which they were not authorized to do and that the bill of the stenographer for about $17 has been approved, but he can not draw his money. I therefore ask that the resolution which I report and which authorizes the payment may be considered and passed.

The PRESIDING OFFICER. The Senator from Colorado asks unanimous consent for the present consideration of Senate resolution 470, which the Secretary will read.

The resolution, which was considered by unanimous consent and agreed to, is as follows:

Resolved, That the Committee to Audit and Control the Contingent Expenses of the Senate be authorized to approve a voucher for reporting a hearing before a subcommittee of the Committee on Agriculture and Forestry held on April 17, 1914.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMITH of Michigan:

A bill (S. 6642) granting a pension to Anna Mary McOmber; to the Committee on Pensions.

By Mr. VARDAMAN (for Mr. REED):

A bill (S. 6643) to amend an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914; and

A bill (S. 6644) to amend an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914; to the Committee on the Judiciary.

By Mr. JOHNSON (for Mr. BURLEIGH):

A bill (S. 6645) granting an increase of pension to Charles H. Morrison; and

A bill (S. 6646) granting a pension to Ella Farnum; to the Committee on Pensions.

By Mr. LEA of Tennessee:

A bill (S. 6647) granting an increase of pension to Margaret A. Bennett; to the Committee on Pensions.

A bill (S. 6648) providing for the establishment of a term of the district court for the middle district of Tennessee, at Winchester, Tenn.; to the Committee on the Judiciary.

A bill (S. 6649) providing for the erection of all monuments, statues, and fountains under the United States in the District of Columbia by the Chief of Engineers, United States Army; to the Committee on the Library.

By Mr. STERLING:

A bill (S. 6650) to amend section 1 of an act approved March 3, 1909 (35 Stat. L., p. 751), entitled "An act for the removal of restrictions on alienation of lands of allottees of the Quapaw Agency, Okla., and the sale of all tribal lands, school, agency, or other lands on any of the reservations within the jurisdiction of such agency, and for other purposes"; to the Committee on Indian Affairs.

By Mr. GORE:

A joint resolution (S. J. Res. 197) creating an international board of trade; to the Committee on Agriculture and Forestry.

EMERGENCY REVENUE LEGISLATION.

Mr. LEA of Tennessee submitted an amendment intended to be proposed by him to the bill (H. R. 18891) to increase the internal revenue, and for other purposes, which was ordered to lie on the table and be printed.

ANNIE L. CARTER.

Mr. SMITH of Georgia submitted the following resolution (S. Res. 477), which was read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay out of the contingent expenses of the Senate to Annie L. Carter, widow of Josiah Carter, late clerk to the Committee on Education and Labor, a sum equal to six months' salary at the rate he was receiving by law at the time of his death, said sum to be considered as including funeral expenses and all other allowances.

PAY OF DENTAL SURGEONS.

Mr. TOWNSEND. I submit a resolution, and ask that it be read and lie over under the rule.

The resolution (S. Res. 475) was read, as follows:

Resolved, That the Comptroller of the Treasury be requested to construe the following statutes, to wit, 37 Statutes, 244; 37 Statutes, 903; and 35 Statutes, 66, with reference to the pay and the authorized manner of making the appointments in the case of each of the several classes

of officers who may base claims for pay from Government funds on the said statutes.

The VICE PRESIDENT. The resolution will lie over and be printed.

DENTAL CORPS OF THE NAVY.

Mr. TOWNSEND. I submit a resolution, and ask that it be read and lie over under the rule.

The resolution (S. Res. 476) was read, as follows:

Resolved, That the Secretary of the Navy be requested to supply the Senate with the following information:

First. As to the number, pay, and date of his appointments of dental surgeons who were authorized by the act of August 22, 1912, to be appointed to the grade of "acting dental surgeon" for "temporary service" and whose appointment "shall have no force or effect except for the time the temporary appointee is in active service."

Second. As to the number, pay, and date of his appointments of dental surgeons who were authorized by the act of August 22, 1912, to be appointed to the grade of "acting assistant dental surgeon" and who are serving a probational period with a view to their permanent appointment.

Third. As to the number and date of appointment of dental surgeons whose nominations have been submitted to the Senate under the provision of the act of March 4, 1913, which provides that "no dental surgeon shall render service other than temporary service until his appointment shall have been confirmed by the Senate"; also the number of dental surgeons, if any, who have been ordered to render service since March 4, 1913, without their appointments having been confirmed by the Senate.

Fourth. As to the number and date of orders of members of the Dental Reserve Corps who are now on active duty under that clause of the act of March 4, 1913, which provides that "so many of said appointees may be ordered to active duty as the Secretary of the Navy may deem necessary to the health and efficiency of the personnel of the Navy and Marine Corps."

Fifth. As to the number and date of orders of members of the Dental Reserve Corps who are on active duty, or subject to orders to active duty, and under instruction with a view to their appointment as officers of permanent tenure in the carrying out of that proviso of the act of March 4, 1913, which provides "that dental corps officers of permanent tenure shall be appointed from the Dental Reserve Corps membership in accordance with the said provisions of the said act."

The VICE PRESIDENT. The resolution will lie over under the rule and be printed.

COMMISSION OF FINE ARTS.

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and, with the accompanying papers and illustrations, referred to the Committee on Printing:

To the Senate and House of Representatives:

I transmit herewith, for the information of the Congress, the report of the Commission of Fine Arts for the fiscal year ended June 30, 1914, with accompanying illustrations.

WOODROW WILSON.

THE WHITE HOUSE, *October 16, 1914.*

EXECUTIVE SESSION.

Mr. STONE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 33 minutes spent in executive session the doors were reopened.

RECESS.

Mr. KERN. I move that the Senate take a recess until to-morrow at 11 o'clock forenoon.

The motion was agreed to; and (at 5 o'clock and 45 minutes p. m., Friday, October 16, 1914) the Senate took a recess until to-morrow, Saturday, October 17, 1914, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate October 16 (legislative day of October 8), 1914.

COMMISSIONER OF IMMIGRATION.

John P. Mayo, of Mississippi, to be commissioner of immigration at the port of New Orleans, La.

EXAMINER OF DRUGS, MEDICINES, AND CHEMICALS.

Marshall M. Bradburn, of New Orleans, La., to be special examiner of drugs, medicines, and chemicals in customs collection district No. 20, in place of George W. McDuff, superseded.

PROMOTIONS IN THE NAVY.

Lieut. Col. Eli K. Cole to be a colonel in the Marine Corps from the 27th day of September, 1914.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 5th day of June, 1914:

Max B. De Mott,
Chauncey A. Lucas,
Frank Slingluff, jr., and
Edward C. Raguet.

Medical Inspector Manley F. Gates to be a medical director in the Navy from the 20th day of July, 1914.

CONFIRMATIONS.

Executive nominations confirmed by the Senate October 16 (legislative day of October 8), 1914.

UNITED STATES DISTRICT JUDGE.

Benjamin F. Bledsoe to be United States district judge, southern district of California.

COLLECTOR OF INTERNAL REVENUE.

Burt Williams to be collector of internal revenue for the second district of Wisconsin.

MEMBER OF THE EXECUTIVE COUNCIL OF PORTO RICO.

Antonio R. Barceló, of Porto Rico.

CONSUL.

James C. Monaghan to be consul at Kingston, Jamaica.

POSTMASTERS.

ALABAMA.

James W. Horn, Brantley.

CALIFORNIA.

W. B. Hagans, Ukiah.
W. D. Wood, Paso Robles.
Benjamin F. Hudspeth, Chico.
F. N. Paxton, Oroville.
Robert W. Walker, Vallejo.

HAWAII.

Caesar R. Jardin, Kohala.

IOWA.

William P. Coutts, Kellogg.
Eugene F. Kieffer, Remsen.
Samuel B. Wesp, Fredericksburg.

MASSACHUSETTS.

Nicholas J. Lawler, Greenfield.
Susan F. Twiss, Three Rivers.

NEW HAMPSHIRE.

Charles L. Bemis, Marlboro.

NEW MEXICO.

Bliss Freeman, Las Cruces.
L. R. Hughes, Alamogordo.

OHIO.

Robert E. Sickinger, Milan.
Wesley H. Zaugg, Wooster.

OKLAHOMA.

Luke Roberts, Hollis.

PENNSYLVANIA.

H. F. Sowers, Yatesboro.

TENNESSEE.

W. C. Abernathy, Tracy City.

VIRGINIA.

George J. Russell, Marshall.

HOUSE OF REPRESENTATIVES.

FRIDAY, *October 16, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Take us, O God our Father, into Thy nearer presence and teach us Thy ways, that we may think with Thee and act with Thee in the furtherance of clean living and good government. Justice and judgment are the habitation of Thy throne; mercy and truth shall go before Thy face. Blessed is the people that know the joyful sound; they shall walk, O Lord, in the light of Thy countenance. In Thy name shall they rejoice all the day, and in Thy righteousness shall they be exalted. So may we be a God-fearing people, a God-loving people, and go on our way rejoicing in the God of our salvation. Amen.

The Journal of the proceedings of yesterday was read.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move that the Journal be approved.

The motion was agreed to.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed without amendment joint resolution of the following title:

H. J. Res. 362. Joint resolution to correct an error in the enrollment of certain Indians enumerated in Senate Document No. 478, Sixty-third Congress, second session, enacted into law in the Indian appropriation act approved August 1, 1914.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4405) for the relief of Frederick J. Ernst.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1055) for the relief of T. S. Williams.

The message also announced that the Senate had passed joint resolution and bill of the following titles, in which the concurrence of the House of Representatives was requested:

S. J. Res. 196. Joint resolution to authorize the Secretary of War to grant permission to the Southern Commercial Congress to place a tablet at Gamboa, Canal Zone, as a memorial to the late Senator John T. Morgan; and

S 5614. An act for the improvement of the foreign service.

LANDS IN THE PRESIDIO OF SAN FRANCISCO AND FORT MASON MILITARY RESERVATIONS.

Mr. KAHN. Mr. Speaker, I call up from the Speaker's table Senate joint resolution 188, a similar resolution being on the House Calendar, reported from the Committee on Military Affairs, and ask that the same be reported.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Joint resolution ceding to the State of California temporary jurisdiction over certain lands in the Presidio of San Francisco and Fort Mason (Cal.) Military Reservations.

Whereas the Secretary of War was authorized by H. J. Res. 8 of February 16, 1912 to grant to the Panama-Pacific International Exposition Co. permission to occupy and utilize such portions of the Presidio of San Francisco and Fort Mason Military Reservations for exposition purposes as he might designate; and

Whereas the Secretary of War, under the authority in him vested by the said joint resolution, did, by an instrument dated April 22, 1912, grant permission to the said company to occupy and utilize for the said purposes certain portions of the said military reservations, and did, by an instrument dated April 10, 1914, grant a like permission to the said company as to certain other portions of the said Presidio Military Reservation; and

Whereas the United States now has exclusive jurisdiction over the said military reservations; and

Whereas it is desirable that the power to preserve order in all of the said portions of said reservations during their occupancy by the said Panama-Pacific International Exposition Co. be vested in the authorities of the State of California: Therefore be it

Resolved, etc., That the United States hereby cedes to the State of California such jurisdiction over the said portions of the said military reservations as the said State now possesses elsewhere within its territory, such cession to be coextensive territorially with the said permits of April 22, 1912, and April 10, 1914, and to terminate upon their expiration: *Provided*, That jurisdiction to try and punish all crimes committed within said portions of said military reservations prior to the date that this cession becomes effective is reserved to the United States: *Provided further*, That the cession of jurisdiction made by this resolution shall not take effect until the same is accepted by the Legislature of the State of California: *And provided further*, That when the United States shall resume possession of the said lands or any part thereof the jurisdiction herein ceded over lands so repossessed shall revest in the United States.

The SPEAKER. The question is on the third reading of the joint resolution.

The joint resolution was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. KAHN, a motion to reconsider the vote by which the joint resolution was passed was laid on the table.

STANDARD BOX FOR APPLES.

Mr. ASHBROOK. Mr. Speaker, I call up from the Speaker's table Senate bill 4517, to establish a standard box for apples, and for other purposes, and ask that the same be reported.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the standard box for apples hereinafter provided for shall be of the following dimensions when measured without distention of its parts:

Depth of end, 10¾ inches; width of end, 11¼ inches; length of box, 18 inches; all inside measurements, and representing, as nearly as possible, 2,173¾ cubic inches: *Provided*, That nothing herein contained shall prevent the packing, shipment, or offering for sale of apples grown in the State of Colorado in boxes or containers whose dimensions do not comply with those herein above prescribed.

SEC. 2. That any box in which apples shall be packed and offered for sale in interstate or foreign commerce which does contain less than the required number of cubical inches, as prescribed in section 1 of this act, shall be plainly marked on one side and one end with the words "Short box," or with words or figures showing the fractional relation which the actual capacity of the box bears to the capacity of the box prescribed in section 1 of this act. The marking required by this paragraph shall be in block letters of the size not less than 72-point block gothic.

SEC. 3. That standard boxes marked "Standard" as hereinafter provided when packed, shipped, or delivered for shipment in interstate or foreign commerce, or which shall be sold or offered for sale within the District of Columbia or the Territories of the United States of America, shall bear upon one or both ends in plain figures the number of apples contained in the box; also in plain letters the style of pack used, the name of the person, firm, company, or organization which first packed or caused the same to be packed; the name of the locality where said apples were grown; and the name of the variety of the apples contained in the box, unless the variety is not known to the packer, in which event the box shall be marked "Unknown." A variation of three apples from the number designated as being in the box shall be allowed.

SEC. 4. That the apples contained within the said standard box when so packed and offered for sale, shipment, or delivery in interstate or foreign commerce shall be well-grown specimens, of one variety, reasonably uniform in size, properly matured, practically free from dirt, insect pests, diseases, bruises, and other defects, except such as are necessarily caused in the operation of packing.

SEC. 5. That standard boxes packed in accordance with the provisions of this act may be marked "Standard."

SEC. 6. That boxes containing apples marked "Standard" shall be deemed to be misbranded within the meaning of this act—

When the size of the box does not conform to the requirements of section 1 of this act, and when the markings on the box and the contents thereof do not conform to the requirements of sections 3 and 4 of this act: *Provided, however*, That all shipments in boxes to foreign countries in which a standard box may have been established may be marked "For export, quality of contents equal to American standard."

SEC. 7. That any person, firm, company, or organization who shall mark or cause to be marked boxes packed with apples intended for interstate or foreign commerce, or sell, or offer for sale, shipment, or delivery, in interstate or foreign commerce, apples in boxes contrary to the provisions of this act or in violation hereof, or shall sell or offer for sale or delivery in interstate or foreign commerce in a standard box apples other than those originally packed therein without first completely obliterating the original markings and labels on such box and mark the box to conform to the provisions of this act shall be liable to a penalty of $1 for each box so marked, sold, or offered for sale or delivery, and costs, to be recovered at the suit of the United States in any court having jurisdiction: *Provided*, That the penalty to be recovered on any one shipment shall not exceed the sum of $100, exclusive of costs.

SEC. 8. That this act shall be in force and effect from and after the 1st day of July, 1915.

Mr. SCOTT. Mr. Speaker, I make the point of order that there has been no recommendation or request from the Committee on Coinage, Weights, and Measures since this bill has been upon the Speaker's table.

The SPEAKER. If that is true, that ends it.

Mr. ASHBROOK. Mr. Speaker, this bill was called up and asked to be taken from the Speaker's table some time in the latter part of August. Objection was made at that time that the bill had not been considered by the committee, and the matter went over. The committee was then called together, and on September 1 a quorum of the committee was present and considered the Senate bill, and I was instructed, as acting chairman, to call it up. I understand, however, that since that time the bill went back to the Senate for further consideration on the part of the Senate and has since been returned to the House. If that invalidates the action of the committee, of course it will have to go back to the committee again.

The SPEAKER. How many members of the committee were present at that meeting?

Mr. ASHBROOK. A quorum.

The SPEAKER. This is a Senate bill. Is there a similar House bill on the calendar?

Mr. ASHBROOK. There is a similar House bill on the calendar.

The SPEAKER. Did the committee ever give any authorization to the chairman to call up this bill?

Mr. ASHBROOK. It did; and the gentleman from Iowa [Mr. SCOTT] was present when I was authorized to call it up.

Mr. SCOTT. Mr. Speaker, that was before the bill went back to the Senate.

The SPEAKER. What did the Senate do to the bill after it got it back?

Mr. ASHBROOK. Nothing.

Mr. SCOTT. I am not advised as to that.

Mr. RAKER. Mr. Speaker, may I answer that question?

The SPEAKER. Certainly.

Mr. RAKER. When the bill was returned to the Senate, under the rules it laid the required number of days on the Vice President's desk. Then an effort was made to reconsider, and that motion was voted down, and the bill was returned to the House in the same form in which it was originally, without any change or reconsideration whatever.

The SPEAKER. Did the bill pass both Houses?

Mr. RAKER. A similar bill, H. R. 11178, coming from the Committee on Coinage, Weights, and Measures, was reported favorably to the House.

Mr. ASHBROOK. It has not been passed by the House.

Mr. RAKER. It is on the House Calendar. A similar bill was passed by the Senate and was on the Speaker's table. While that bill was on the Speaker's table the Senate asked to have the bill returned to the Senate. It was returned to the Senate, and no consideration was had so far as the bill is concerned. A motion was made to reconsider, and that motion was lost, and the bill was then returned to the House. That bill is now on the Speaker's table.

The SPEAKER. What the Chair wants to find out is this: Is this the same bill that the Committee on Coinage, Weights, and Measures authorized the chairman to call up?

Mr. RAKER. It is, without one word of change.

The SPEAKER. Then the point of order made by the gentleman from Iowa is overruled.

Mr. TAYLOR of Colorado rose.

The SPEAKER. For what purpose does the gentleman from Colorado rise?

Mr. TAYLOR of Colorado. To make a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. TAYLOR of Colorado. Mr. Speaker, the gentleman from California [Mr. RAKER] states that this is the same bill as the bill that is on the calendar. That statement is not exactly correct. The bills were originally the same, but the Senate has made some five amendments that are not in House bill 11178, now on our calendar.

The Senate bill 4517, which is now on the Speaker's desk, so far as the State of Colorado is concerned, is not the same bill at all. The Senate bill contains the following proviso, which is not in the House bill, namely:

Provided, That nothing herein contained shall prevent the packing, shipment, or offering for sale of apples grown in the State of Colorado in boxes or containers whose dimensions do not comply with those herein above described.

Mr. RAKER. Will my colleague yield?

Mr. TAYLOR of Colorado. In a moment. Now, my inquiry of the Speaker is whether or not that Senate amendment exempting the State of Colorado from the operation or requirements of this act is of sufficient difference to make it dissimilar under our rules? It seems to me that that one amendment is sufficient to prevent the consideration of this Senate bill in this way without reference to the other four amendments put into the bill by the Senate.

The SPEAKER. The rule is, if they are substantially the same. Now, if these other four amendments which the Senate put in are a radical departure or a substantial departure from the House bill, the rule does not apply.

Mr. TAYLOR of Colorado. I can not say they are a radical departure. I am not insisting that the point of order is well taken. I simply want to give the facts and submit the inquiry to the Speaker.

The SPEAKER. Nobody ever raised that point of order. The point of order that the gentleman from Iowa [Mr. SCOTT] raised was that the gentleman from Ohio as chairman of the Committee on Coinage, Weights, and Measures had never been authorized by the committee to call up this bill in this way.

Mr. TAYLOR of Colorado. I make the point of order——

The SPEAKER. The Chair's statement is that it never has been made.

Mr. TAYLOR of Colorado. I will now make the point of order that the two bills are not the same, and that the Senate amendments are a substantial and radical departure, and that the Senate bill can not be taken from the Speaker's desk and considered under the rules. The two bills are certainly as far apart as the North and South Poles, as far as the State of Colorado is concerned. The House bill pertains to all the States of the Union, and the Senate bill does not pertain at all to the State of Colorado, which I have the honor in part to represent.

Mr. Speaker, these standard apple box bills may possibly be wise and beneficent measures, and when my constituents have had a sufficient opportunity to thoroughly consider and understand them they may approve of them. Of course I can not tell what their ultimate position will be. But since these bills were actively brought up some time ago the great majority of apple growers in Colorado have been so intensely busy that they have not had time to systematically consider these measures, and it is true that the shippers seem to very largely approve of the measures. But the growers and small dealers in two of the largest fruit-growing counties in my district—Montrose and Delta Counties—seem to be almost unanimously opposed to the measures in their present form. They especially do not like the feature of counting the apples and showing the number contained in each box. But I will not discuss the details of the bill at all. I merely desire to take the position of some of my constituents upon the matter by inserting some resolutions, telegrams, and letters pertaining to it.

I feel that a bill of this far-reaching importance throughout the United States ought to be very carefully considered before it is passed, and there will be ample time to consider it at the short session next winter, inasmuch as it ought not to go into operation right now in the midst of the apple-gathering season. I therefore insist upon my point of order, primarily for the purpose of putting the bill over until next winter for further consideration.

Some of the protests which I have received objecting to the bill are as follows:

PAONIA, COLO., *July 30, 1914.*

Hon. EDWARD T. TAYLOR, M. C.,
Washington, D. C.

DEAR SIR: In reference to the standard box for apples as outlined in the Raker bill, we wish to call your attention to the following facts and conditions: The apple growers of the western slope have used the Colorado standard or the United States standard box until they have established a trade and created a demand that is not satisfied with the Northwest box, such as is proposed in the Raker bill.

In the said districts our apples in the Colorado box have the call over the northwest apples. Again, the apples of the Northwest are larger than our Colorado apples, and when tiered and numbered as demanded by Raker bill will make a better appearance than our smaller Colorado apples, though color and keeping qualities may not be so good.

This regulation would handicap our sales and disappoint the trade, and would virtually be class legislation for the benefit of the Northwest growers

Therefore we ask you to use all fair means and influence to defeat this bill, and let each district remain free to supply the trade it has built up. We believe this will give a square deal to all growers.

Respectfully,

THE NORTH FORK FRUIT GROWERS' ASSOCIATION,
By WALDON HAMMOND, *Manager.*
THE PAONIA FRUIT EXCHANGE CO.,
By L. S. COFINDY, *Manager.*
THE UNION FRUIT CO.,
By T. H. LEWIS, *Manager.*
THE NELSON BROS. FRUIT CO.,
By H. MATHISON, *Manager.*
DENNY & CO.,
By T. T. DUFFIELD, *Manager.*

OLATHE, COLO., *July 27, 1914.*

Hon. EDWARD T. TAYLOR,
Washington, D. C.

DEAR SIR: We earnestly request that you use every endeavor within your power to defeat the Raker box bill now pending in Congress, as we fear that it would greatly injure the apply industry of the western slope. Well-informed persons claim that our apples can not be packed in the size box contemplated in the bill. There would also be an unjust discrimination against Colorado apples because of the fact that they do not attain the size of those grown in the Northwest, although of superior quality and flavor.

Undoubtedly the bill was prepared in the interests of the dealers and against the interest of the farmer. Thanking you for the interest you have already shown in our behalf,

Very truly, yours,

E. L. OSBORN, Jr.
CHARLES DOLAND.
G. P. BROUGHTON.
F. B. QUINLAN.
W. A. DENNIS.
GEO. H. BROWN.
A. K. ELICKER.

MONTROSE, COLO., *July 27, 1914.*

Hon. EDWARD T. TAYLOR,
Congressman at Large from Colorado, Washington, D. C.

DEAR SIR: We are in receipt of your several wires and letters, also letter written you by Mr. Fletcher, of the Grand Junction Fruit Growers' Association. Mr. Fletcher's letter has been forwarded through Mr. Moore to Mr. Craig, of Paonia. We are under obligations to you for the interest you are taking in the apple-box bill, but are at a loss to add very much to what we have already said as to why we think it would be a detriment to the growers of apples in Colorado to have this bill passed, and we are of the opinion that Mr. Fletcher's second letter to you, in which he opposes this bill being made mandatory instead of optional, seems to us as a strong argument as to why this bill should not be passed, for we can see no reason for passing an optional bill; and if the bill, mandatory, is a detriment to the apple growers of Colorado, then we see no reason why the bill should be passed. It puts Mr. Fletcher in exactly the position that we wired you he was in—that he hoped that the passage of this bill would give him and his association an advantage over other apple-growing districts in Colorado. Now, we have insisted all along that this bill was absolutely in the interest of the Northwest, and this letter, in my judgment, shows you why. The apples are now growing on young trees, and are larger, and they have a very much larger per cent of fancy and extra fancy apples than we have, and they are unable to get their lower grades into the market, and by passing this bill and making it mandatory they hope to stop us from marketing our lower-grade apples. We find that by reason of the fact that we are able to put up our apples in an inexpensive pack that that is a source of a great deal of revenue to us, and if we are compelled to pack them in the expensive way that the people of the Northwest pack them we will be unable to market them.

We are spending a good deal of money in a suit that the people of Montrose and Delta Counties have commenced before the Interstate Commerce Commission in an effort to get lower rates on our bulk apples and on our apples in boxes to some territories, so as to enable us to market our fruit at a profit, but I fear it will be of little benefit to us if we are compelled to follow out the plan laid down by the Raker bill.

I note you said in your wire you had received a great many wires from the dealers in Denver asking you to use your influence to pass this bill. We are unable to see what interest the dealers in Denver have in a bill concerning the apples grown in Colorado. If you should happen to be in Denver during the months of December, January, and February, you will notice a very large per cent of all the apples handled by the dealers in Denver are grown in Idaho, Oregon, and Washington, and they use very few apples grown in Colorado.

I trust you will see your way clear to oppose this bill and induce, if you can, other members of the Colorado delegation in Congress to do the same.

With kind regards, we are,

Very truly, yours,

J. F. KYLE.
T. W. MONELL.
MONTROSE FRUIT & PRODUCE ASSOCIATION,
EARL RULE, *Manager*.
JOHN C. BELL.

—

GRAND JUNCTION, COLO., *July 25, 1914*.

Hon. EDWARD T. TAYLOR,
Washington, D. C.

DEAR SIR: Replying to your wire of the 21st, I can add but little to my wire to you of the 20th; and I still contend there is not 10 per cent of the growers in Colorado, Utah, New Mexico, Kansas, Nebraska, or, in fact, in any of the States east of the Rocky Mountains, that know there is a bill now before Congress regulating the regular size package and a particular style packing. With a few exceptions, the only ones that know anything about this bill are the shippers and the growers in the Northwest; that is, Washington, Oregon, Idaho, and California. It seems to me this is sufficient reason this bill should not be passed at the present time; in fact, until all apple growers have become familiar with the contents of this bill.

I am also strongly opposed to any bill being passed except it be mandatory. If we are going to have a standard box for apples, it should be the standard box for all grades of apples, the same as the standard barrel is for all grades. The box now used in Colorado contains exactly one-third of a barrel, according to the law now in effect in New York State, also the barrel designated in the bill which passed Congress a year ago, known as the Sulzer bill.

I also believe when a box is adopted as standard we should even go a little further and adopt grades. If you will read over the Sulzer bill, you will find they not only designate the size of the barrel but also the grades.

Mr. J. F. Kyle sent me a copy of your letter to him under the date of July 17, also two letters from Mr. Fletcher, of the Grand Junction Fruit Growers' Association, under date of July 7. You will notice from his second letter of that date he is opposed to this bill being mandatory instead of optional—he says for several reasons, the main reason being that in all the orchards there are apples not suitable in quality to be packed in any expensive manner; and while he urges the passage of this bill, he admits that to pack apples in that manner is very expensive. Mr. Fletcher might have gone on and stated truthfully that there is not to exceed 35 per cent of the apples grown in Colorado that would grade as well as the apples produced in the Northwest on account of size. I never felt so sure of anything as I do that, if this bill becomes law, and we are compelled to go to the expense of packing our apples according to the tenor of the bill, it will be a great detriment to the majority of our growers.

The tendency of the times, Mr. TAYLOR, is a larger quantity of any article at the same price; but this bill reduces the quantity; but for what few apples the grower saves by using the smaller box, the expense of putting up this pack more than offsets the few apples he has saved. On the other hand, the consumer is paying fully as much and getting less in quantity and no better fruit.

I notice in your wire you mention Delta County Fruit Growers' Association as being in favor of the bill. I was surprised to know that, for the reason I had understood they were opposed to it; but I will say to you, Mr. TAYLOR, the Delta County Fruit Growers' Association is not an association of growers; it merely means Mr. George Conklin and three or four of the stockholders that absorbed the old Delta County Association; and I do not presume they have handled as much as a hundred cars of apples any year for the past several years.

John Denney, of Chicago, operates quite extensively in all western Colorado districts. He also operates in Idaho and other northwestern districts. I inclose you a letter from Mr. Denney, from which you will find he is very much opposed to Colorado adopting this expensive pack.

Now, it is a fact, Mr. TAYLOR, 90 per cent of our apples are sold throughout Minnesota, the Dakotas, Iowa, Kansas, Nebraska, Oklahoma, Texas, and Louisiana. Early this spring I wrote practically all the trade in these districts to whom I have sold apples for 15 years, and without a single exception they all urged me to stay with the old-style box. And for your information I am inclosing you copies of some of these letters. I have picked out just a few of the representative ones from the different localities. And I have learned as a fruit shipper that the best principle to work on is to put out your product in the way your customer prefers it, regardless of what our own opinion might be.

One of the reasons our apples grade smaller than the Northwest is our orchards are old, and after their orchards become older they will grow a larger portion of small apples the same as we do; but they do not seem to realize that at the present time.

The Northwest caters to the trade in the large cities that sell apples by the dozen, while our trade lies almost entirely with the smaller markets and country where they are looking for all they can get for their money, and, as you know, this class of people constitutes the very large majority of people that use apples. You remember, Mr. TAYLOR, the old Democratic slogan, "The greatest good for the greatest number," and I am working on the principle, the greatest amount of fruit at the least expense.

Also all measurements, as near as I can learn, in all the States are based on the bushel; that is, berries, for instance, the standard half pint, pint, and quart are integral parts of the standard box or of the standard barrel.

I sincerely urge you use your influence against the passage of the Raker bill.

Very truly, yours,

JOHN F. MOORE FRUIT CO.,
J. F. MOORE.

—

PAONIA, COLO., *August 21, 1914*.

Hon. EDWARD T. TAYLOR,
Washington, D. C.

DEAR MR. TAYLOR: Your letters of June 17 and July 17 have gone unanswered because of my absence from town. On my return I wired, asking you, in substance, to kill the Raker bill, and I trust that has already been accomplished.

I do not know what arguments you have had pro and con from growers and shippers, but in my interviews with local persons these difficulties have been encountered: First, it is impossible to mark the number of apples and the style of pack used. The Colorado box contains a full bushel. Retailers can get 4 pecks from it, but they can not get more than 3½ pecks from the standard box of the Northwest. This generous measure has given Colorado fruit preference in a wide range of markets, and they (the marketmen) look upon this bill as nothing less than a sort of last stand on the part of the northwestern shippers in defense of their unsuccessful attempt to force their short box on the market.

Line 23, page 2: To mark a variety of apples "Unknown" costs the grower from 25 cents to 50 cents in many cases, where the apple is of good quality and appearance. A local designation, such "Colorado Favorite" or "Mountain Beauty," should be permitted, as dealer, retailer, and consumer alike shy away from anything "Unknown."

Another bad feature of the bill is that it robs the Colorado shipper of his right to the use of the grade designation "Standard," which is widely in vogue. "Standard" fruit has always meant fruit of marketable quality, not necessarily fancy fruit. The trade does not interpret it to mean the highest degree of excellence obtainable from that shipper, but rather the opposite.

The provisions of section 6 are intolerable. Growers and shippers have always held that it should be the cubical contents and not the specific dimensions of a box that should govern. If I am not mistaken, there are still three or four separate sizes of boxes being used by packers in different parts of this State, in most cases job lots, but all containing more than a bushel.

The statements in Mr. Fletcher's letter (which is returned herewith) are all very true, so far as I know. His support of the bill, however, is, or should be, passive rather than active, since he has nothing to gain by trying to help the whole apple-growing country to be the "fittest to survive." In other words, if he thinks it is a good thing, the longer other districts leave it alone the better off his companies will be. I have heard his question thrashed out time and again in jobbers' conventions and other similar meetings, and the boosting for the Northwest box always had to come from shippers, fair promoters, or exclusive selling agents. The dealers were almost unanimous in their commendation of the full bushel. Mr. Fletcher's position is such that his companies have nothing to lose if the bill fails of passage, while these districts that cling to the full bushel would be seriously crippled if it becomes a law.

Sincerely, yours.

A. L. CRAIG.

—

MONTROSE, COLO., *September 1, 1914*.

Hon. EDWARD T. TAYLOR, M. C.,
Washington, D. C.:

Referring to your wire concerning the Raker apple-box bill, we oppose the bill in its present form and prefer that Colorado be left out. Our legislature can pass a bill that will comply with the conditions in Colorado. We favor a box containing one-third the cubic contents of the standard barrel, irrespective of number of apples in box. There are two things we want to avoid—counting the apples and selling in boxes less than a bushel.

EARL RULE,
Manager Montrose Fruit and Produce Association.
B. S. TOBIN,
Secretary Fruit Growers' Association.
E. N. GIBSON,
Manager Crane Cooperative Association.
T. W. MONELL.
J. F. KYLE.

—

GRAND JUNCTION, COLO., *September 4, 1914*.

Hon. EDWARD T. TAYLOR,
Washington, D. C.:

We strongly oppose Raker bill. New York law, now effective, specifies capacity of package; also different grades for apples (see Brookes branding law, New York State, sections 16 and 17; also pamphlet St. Joseph Hartigan, commissioner, mayor's bureau weights and measures, New York State). We understand Ashbrook-Senate bill, passed this session of Congress, defines barrel of 70,056 cubic inches, or subdivisions of third, half, and three-quarters barrel. Colorado box complies with this law; other States using same capacity baskets for peaches, pears, apples; also Colorado using baskets largely for peaches, same capacity as our box; these known in all markets as standard bushel baskets. Indications baskets will be used more extensively each season for all kinds of fruit, especially east of Rockies. Colorado box subdivision of standard barrels should be adopted as standard bushel box. Northwest pushing bill in self-defense. If our box designated standard, would compel them to mark theirs short. Raker bill hardly been mentioned in trade journals, horticultural journals, or newspapers, excepting in Northwest. Very few growers or shippers informed on this measure. Use best effort either to kill or suspend this measure. If compelled, accept. Our opinion, better exclude Colorado. Will try to have legislature adopt standard Colorado bushel box.

JOHN F. MOORE.

—

PAONIA, COLO., *August 15, 1914*.

Hon. EDWARD T. TAYLOR,
House Office Building, Washington, D. C.:

Your correspondence on apple-box bill neglected by my absence from town. The bill as reported can not fail to work great injustice to growers and shippers. I have secured opinions of many, and find but one who does not express emphatic protest. By all means kill it. Writing fully.

ARTHUR L. CRAIG.

—

DELTA, COLO., *August 1, 1914*.

Hon. EDWARD T. TAYLOR, M. C.,
Washington, D. C.

DEAR SIR: In reference to the standard box for apples as outlined in the Raker bill, we wish to enter our protest to this bill and ask you to do all in your power to defeat the bill, working in our behalf. We believe if this bill is passed it will work great hardship on our growers in Colorado.

THE DELTA COUNTY FRUIT GROWERS' ASSOCIATION.
THE ASSOCIATED FRUIT CO.
THE SURFACE CREEK FRUIT GROWERS' ASSOCIATION.

—

GRAND JUNCTION, *Colo., July 20, 1914*.

Hon. EDWARD T. TAYLOR, M. C.,
Washington, D. C.:

We know, with exception Grand Junction Association, all shippers in State oppose Raker bill. It is our opinion not 10 per cent of the Colorado growers know this bill now before Congress. For some reason as-

sociation has not advised their growers in reference to this bill. It has not been published in local papers in any apple district. Growers should have opportunity to know something about its contents before bill becomes law. We know dealers are anxious for uniform box; so are we. Contents of our box now in use is one-third of a barrel. Proposed bill, House Calendar 4899, also standard barrel adopted and now enforced by law for both fruit and vegetables in New York State, while box proposed is no specified portion of standard barrel. Colorado apples sold principally in Dakotas, Iowa, Nebraska, Kansas, Oklahoma, and Texas. Practically all dealers in these markets urge us to continue using bushel box, as they sell by peck. Northwest sells principally to large cities, where apples sell by dozen. We believe it class legislation to compel us to specify the number of apples in container while barrel shippers are not compelled to do so. Do not fail to give us your best effort against this bill.

JNO. F. MOORE.

—

MONTROSE, COLO., *August 14, 1914.*

Hon. JOHN E. RAKER, M. C.,
Washington, D. C.

MY DEAR SIR: Replying to yours of August 10, copy of the bill was not received, but unless its amendments are favorable to the people of the intermountain States, I can not withdraw my objection to House bill 11178.

I have no desire to criticize your motives, and believe that it is done with the sincere purpose of trying to unify the apple business, something which will be utterly impossible. The only unification that I can see possible would be a standard bushel box. The box you plan would regulate packing, but is under a bushel and no part of a barrel.

I know that certain fruit associations have indorsed this bill without understanding what it means. The regulations attached in your bill would be to cripple the fruit industry in Colorado. A great many people are led off by the theories advanced by men who have never shipped an apple, newspaper writers, and by the commission men.

Let me make a comparison. I have a certain trade in Chicago, Des Moines, and occasionally Sioux City for potatoes. It is immaterial to me much what the prices are, because this trade demands a fancy potato. Last year I received for my potatoes from this trade $1 to $1.15 per hundredweight f. o. b. Montrose, while the average field run was selling for 70 to 75 cents. To meet the requirements of this trade all my potatoes go over a 2¼-inch screen, while the ordinary run for Kaw River, Red River, and other potato-producing sections, including your State, have a 2 and 2¼ inch screen. Now, we can grow potatoes in this country which run 75 per cent fancy. Would it not be just as consistent to say that all potatoes must be graded to a certain size and the number of potatoes contained in a sack given, based on kind we grow, as to say that the intermountain people should with their apples meet the requirements embraced by the Northwest?

We know the Northwest grows a larger apple. The more humidity and the warmer the nights, the larger the fruit will grow, but the poorer its keeping quality. We have built up a trade with a shuffle pack, which pack, the way we pack them, runs a trifle over a bushel. The rule for our apples to make a fancy for this trade is 2¼ inches for Winesap, Jonathans, and Grimes Golden; 2½ inches for all other varieties.

While the last few years I have not been much of a shipper except from my own place, I might say I have not been without experience in this line, because I have handled the western business for, first, Porter Bros., and F. Newhall & Sons, Sylvan Newhall, Cruchfield, Woolfolk & Gibson, and then the Gibson Fruit Co., and during that time I handled many thousand boxes of apples. These apples went into storage mostly, and were not taken out until after the northwestern apples were disposed of. It is well known that the higher the altitude the smaller the apple, but the better its flavor and keeping quality.

In addition, I would call your attention to the fact that in your own State conditions are rapidly changing to meet the trade. They are demanding of you people bushels, and if you will examine shipments for this year you will see that your State and Texas are shipping many cars in bushel baskets or carriers. Indications are that Colorado and Utah this year will ship a thousand cars of peaches, the bulk of which will be in bushel baskets. This is an entirely new departure for us, but shows how conditions change. I am also reliably informed that Michigan has a standard law for bushel baskets. My judgment is that in five years time the intermountain fruit trade will all be on a basis of some kind of bushel measure.

I realize that as a Nation we have been exceptionally bright in many things, but we are the crudest of any Nation on earth when it comes to assisting the farmers. Everything has tended toward increasing the greater production, but the essential of true business has been overlooked, namely, the marketing of these products.

I can cheerfully say that I am ready to assist at any time in something that would tend to better this condition, but I am very fearful of the effects of this bill, should it become a law. I believe you have no desire to break down an industry in one section for the benefit of another, is the reason that I have taken the liberty to go into detail as fully as I have.

With best wishes,
Sincerely, yours,

T. W. MONELL.

—

PAONIA, COLO., *August 15, 1914.*

Mr. JOHN E. RAKER, M. C.,
Washington, D. C.

DEAR SIR: In answer to yours of August 10, inquiring about our opposition to a bill establishing a standard box for apples by Mr. RAKER, our first grounds of opposition is that the box specified by the bill is a standard of nothing. It is neither a bushel nor one-third of a barrel; consequently its contents can not be specified in any unit of measure. It is neither a bushel nor any multiple of a bushel.

Secondly, it incurs unnecessary expense on the part of the grower to prepare his apples for market, as he has to grade the apples into different sizes. While it is a known fact that all our standard apples, if perfect in form and color, 2¼ inches and larger, make an extra apple, while with grading apples as provided by this bill will throw the 2¼ up to 2½-inch apples, no matter how handsomely colored and perfectly shaped, into the lowest grade and sell for less money.

In addition thereto, parties running two or three hundred packers will find it absolutely impossible to get the correct number of apples in the boxes, so that they will continually be paying fines.

Further, we have for 15 years marketed our apples in the box we are using now, which contains a few inches over a bushel; have established a market for them in these boxes, in which they sell as readily or more readily than apples put up in the box you wish to make standard and packed according to the rules of the proposed bill.

We have been successful in marketing our fruit in the package we now use, and have been able to put the fruit up at minimum cost, and we can see no justice or really any sense in a bill which strives to change our pack and make a standard out of a box that contains no unit of measure and has nothing to recommend it as a standard box, except that the people of the Northwest have used it. If they have been successful in marketing their apples in this box, we see no reason why they should not continue to use it; but if we are to have a standard box, we can see no reason for using anything for that standard but the bushel box.

But as to the grading, every community should have the privilege of grading apples to suit the apples they raise in that community.

If the eastern growers were compelled to grade apples by the rules we use in this country, they would not find one apple in a thousand with enough color to be classed as an extra apple; while if the people of the Northwest had to grade according to our rules on color, they would not be able to get one-half the extra apples they do now, while if we were compelled to grade according to their rule on sizes, we would not be able to market half of our apples.

It is our belief that if we have a few more freak bills passed by Congress and a few more freak rulings by the Pure Food Commission, that half of the growers in the United States will be forced out of business. They will not be able to stand the expense of preparing their fruit for market under the rulings of these freak bills and rulings.

THE NORTH FORK FRUIT GROWERS' ASSOCIATION,
WELDON HAMMOND, *Manager.*

—

MONTROSE, COLO., *August 20, 1914.*

Mr. A. J. COOK,
State Commissioner of Horticulture, Sacramento, Cal.

DEAR SIR: Replying to yours of August 15, will say you are correct in your surmise that I am actively opposed to your fruit-box and pack bill. I am aware that most of the apple regions were in favor of this bill, but I take pleasure in informing you now that many of them have seen the error of their indorsement and are now actively opposing it. In addition, a great many of the distributers now realize that the passage of this bill would cripple the industry in many sections of the country. We are in favor of the standardized box that contains a bushel, and if you people want to meet us on that ground we are ready to meet you; but you have no right to say how we shall pack our fruit. We know our own business, and have built up the trade on an honest box of apples or a certain style and package, and no other State has a right to say that we shall pack to suit them. The package you propose is no equal part of a barrel, and is not a bushel, and the only advantage it would be would be to the Northwest. I am reliably informed that certain parts of your State will be seriously injured to comply with it.

I do not think that there is any reason to believe that the bill will pass in its present form, as it is so manifestly unfair and injurious that I feel that Congress will not be led into accepting something for the benefit of some one section and a detriment to another. To say how we shall pack our apples would be just as consistent as for us to turn around and insist that your apples should be kept in cold storage the same length of time that ours are; and you know that that is an impossibility. The consumers of the United States are entitled to receive what they pay for, and the Colorado pack has always given them 1 bushel of apples.

So as not to take up too much of your time and the time of others interested, I am writing this on the behalf of our different associations, Mr. J. F. Kyle, and the granges.

Very truly, yours,

T. W. MONELL.

The SPEAKER. Does the gentleman from Tennessee desire to be recognized?

Mr. GARRETT of Tennessee. Mr. Speaker, I simply want to suggest that under the statement made by the gentleman from Colorado they undoubtedly are not similar bills. I really rose to make the point of order. If they have undertaken by the Senate bill to exclude a State, why, of course, they would not be similar bills.

The SPEAKER. That is what they do undertake to do. They state in so many words that it shall not apply to the State of Colorado.

Mr. GARRETT of Tennessee. That makes a change in substance; so much so that the point of order, it seems to me, is well taken.

Mr. RAKER. Mr. Speaker——

Mr. ASHBROOK. Mr. Speaker, I want to say the committee was of the opinion that this amendment to the bill put in by the Senate excepting the State of Colorado should be stricken out, and the committee is favorable to the striking it out. But the bill is substantially the same; one amendment changed the time of its going into effect from 1914 to 1915, and the other two amendments are minor.

Mr. GARRETT of Tennessee. Mr. Speaker, that would not affect the question of consideration which the gentleman raised. I think its consideration depends upon its being precisely the same in substance as the Senate bill. Of course if it should be considered by unanimous consent, which the gentleman could ask, that would be a different proposition. The fact that the committee is willing to have the House strike out the amendment would not affect the parliamentary situation under the point of order made by the gentleman from Colorado.

Mr. RAKER. Will the Speaker hear me for a moment?

The SPEAKER. Yes.

Mr. RAKER. In my statement to the House, so there will be no misunderstanding, the Senate bill that was originally upon the Speaker's table and which as sent to the Senate and back to the Committee on Coinage, Weights, and Measures is identical and is the same bill; and I desire to make this state-

ment so as to clear up the statement of my friend from Colorado. Now, House bill 11178 as reported by the committee with the two amendments is identical, with the exception, possibly, of three words in the first paragraph, with the Senate bill, save and except the statement which I will now make.

Mr. LOGUE. Will the gentleman yield just there?

Mr. RAKER. I yield.

Mr. LOGUE. Is not the subject of this bill the establishment of a particular standard?

Mr. RAKER. Yes.

Mr. LOGUE. And is not the question of the State merely regulative as to where it will affect?

Mr. RAKER. I think so. The first and only change is in line 3, "hereafter provided for"; otherwise the two bills that were reported by the committee to the House and passed by the Senate are the same, save and except the proviso on page 11, which is as follows:

Provided, That nothing herein contained shall prevent packing, shipping, or offering for sale apples grown in the State of Colorado in boxes or containers whose dimensions do not comply with those hereinbefore described.

Mr. Speaker, I want to call attention particularly to the rule that bills have to be substantially the same. The State of Colorado is not exempted from this bill. None of the States are exempted from this bill; but there is one provision, and one provision only, which relates to the dimensions of the boxes, and says that the State of Colorado may use a different dimension as to the standardization, of developing, and of marking the boxes and the kind of fruit grown. Otherwise the bill is the same in Colorado as in every other State. Now, does the word "substantial" mean anything? That rule must have been adopted for some elastic purpose; it must have been adopted with some idea of elasticity and of change, because if the House bill and the Senate bill were the same then there would be no necessity for the purpose of using a proviso if the House bill is substantially the same as the Senate bill. Both bills relate to the same subject; both bills cover every subject under consideration, and the only difference is as to that one exemption relative to the dimension of the boxes. In section 1, lines 6 to 10, it provides the kind and character of boxes to be used in the United States. The proviso, and the only exception, is that in the State of Colorado there may be a different size of boxes or containers, whose dimensions do not comply with these provisions herein described.

Mr. TOWNSEND. Will the gentleman yield?

Mr. RAKER. I yield.

Mr. TOWNSEND. What other important thing does the bill seek to accomplish besides standardizing an apple box? Is not that the important thing of the bill?

Mr. RAKER. No. That is the minor consideration.

Mr. TOWNSEND. Will not the gentleman explain what is of more importance in the bill than that?

Mr. RAKER. That is as to the size of the box, and is of minor consideration. The question in the bill that is important is that the box should be marked "Standard," and when it is marked "Standard" that means that the name of the owner is placed thereon, the place of the growth of the apple, the kind and character of the apple, and the further provision that the apples offered for shipment in interstate and foreign commerce are of a well-known species, that they are all one variety, that they are reasonably uniform in size, that they are fully matured, that they are practically free from insect pests, that they are free from disease, that they are free from bruises and other defects; so that when a man buys a box of apples, whether the box is 10 by 14 inches, or whether it is 12 by 16 inches, he knows he is buying one grade of apples, one kind of apples, well-matured apples, and that they are free from insect pests and diseases.

Mr. GOULDEN. Will the gentleman yield?

Mr. RAKER. I yield.

Mr. GOULDEN. I would like to know if there is any difference in the Colorado apples and those from other States. Why do you differentiate?

Mr. RAKER. There is none whatever. That is the purpose of the bill. Those who use the standard box put it on the market with all of these conditions and of size and quality marked on the box, and if they violate them they are then subject to a penalty provided for in the bill.

The SPEAKER. The Chair thinks the amendment as to Colorado makes the bill obnoxious to the rule. We can not say they are substantially the same with that provision in there.

LEAVE OF ABSENCE.

Mr. MCLAUGHLIN (at the request of Mr. J. M. C. SMITH) was granted leave of absence indefinitely, on account of death of nephew.

BOARD OF MANAGERS, NATIONAL SOLDIERS' HOME.

Mr. HENRY. Mr. Speaker, I submit a privileged resolution from the Committee on Rules.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House resolution 646 (H. Rept. 1192).

Resolved, That immediately after the adoption of this resolution, H. J. Res. 241 with the Senate amendments thereto shall be considered in the House as in the Committee of the Whole House on the state of the Union; that there shall be 30 minutes of general debate on said resolution, at the end of which time the previous question shall be considered as ordered on the motion to concur in all the Senate amendments.

Mr. HENRY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The gentleman from Texas has 20 minutes and the gentleman from Kansas [Mr. CAMPBELL] 20 minutes.

Mr. HENRY. Mr. Speaker, I do not desire to discuss the rule unless the gentlemen on that side wish to do so. Does the gentleman from Illinois desire time?

Mr. MANN. I want a little time on the bill.

Mr. HENRY. On the report?

Mr. MANN. No; on the bill.

Mr. HENRY. You want it on this resolution?

Mr. MANN. I do not care whether it is on the rule or not. There is half an hour general debate provided.

Mr. HENRY. There will be no trouble about that. Mr. Speaker, I ask for a vote on the resolution.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken, and the resolution was agreed to.

EXTENSION OF REMARKS.

Mr. SMALL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an address on rural credits, by ex-Judge R. W. Winston, of Raleigh, N. C.

The SPEAKER. The gentleman asks unanimous consent to extend his remarks in the RECORD by printing remarks by Judge Winston, of North Carolina, on rural credits. Is there objection?

There was no objection.

Mr. COX. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a speech made by the Hon. John Skelton Williams before the Indiana Bankers' Association, at Indianapolis, a few days ago.

The SPEAKER. The gentleman from Indiana asks unanimous consent to extend his remarks in the RECORD by printing a speech delivered by the Comptroller of the Currency, the Hon. John Skelton Williams——

Mr. HENRY. Mr. Speaker, reserving the right to object, when was that address delivered?

Mr. COX. About two or three weeks ago; I do not remember exactly.

Mr. HENRY. Is it on the currency question?

Mr. COX. On the Federal reserve act.

Mr. HENRY. I shall not have any objection, if I may extend my remarks in the RECORD by printing a letter which I recently wrote to the Secretary of the Treasury on the subject.

The SPEAKER. The gentleman from Texas [Mr. HENRY] couples with that request that he may be permitted to extend his remarks by printing a letter which he recently wrote to the Secretary of the Treasury on the same subject.

Mr. MOORE. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Texas if a letter of the Secretary of the Treasury bearing on the same subject has not already been printed in the RECORD?

Mr. HENRY. I do not know that it has.

Mr. MANN. It has been.

Mr. HENRY. Then I will change my request and ask leave to print in the RECORD a little bill of four or five sections, which I have prepared.

The SPEAKER. Does the gentleman from Texas wish to print both?

Mr. HENRY. Yes.

The SPEAKER. The gentleman from Texas fell into error about what was said over on this side. It was the Secretary of the Treasury's letter that was printed.

Mr. MOORE. Mr. Speaker, I merely wanted to find out if what the gentleman wanted to print is an answer to what the Secretary said about financing the cotton situation?

Mr. HENRY. Yes.

Mr. MOORE. Then I see no objection to having the answer printed.

Mr. HENRY. It is not only an answer, but a complete answer.

The SPEAKER. The gentleman from Texas [Mr. HENRY] asks leave to couple with the request of the gentleman from Indiana [Mr. COX] the request that he be permitted to print a letter to the Secretary of the Treasury on the cotton question. Is there objection to either request?

There was no objection.

Mr. BUTLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by publishing a communication that I have here, entitled "National Issues; or, Why Republican Legislators Should Be Returned to Congress," by Prof. A. S. Boles, of Haverford, Pa.

The SPEAKER. Is there objection to the gentleman's request?

There was no objection.

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting some resolutions of my constituents concerning this apple-box bill that I just objected to.

The SPEAKER. The gentleman from Colorado [Mr. TAYLOR] asks unanimous consent to extend his remarks in the RECORD by inserting some resolutions of his constituents concerning the apple-box bill. Is there objection?

Mr. RAKER. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the RECORD on the same subject.

The SPEAKER. The gentleman from California [Mr. RAKER] makes the same request—to extend his remarks on the apple-box bill. Is there objection to these requests?

There was no objection.

BOARD OF MANAGERS, NATIONAL SOLDIERS' HOME.

Mr. HAY. Mr. Speaker, I take it that under the rule just agreed to the half hour of general debate will be controlled by the gentleman from California [Mr. KAHN] on that side and by myself, chairman of the committee, on this side.

The SPEAKER. Yes. The gentleman from Virginia [Mr. HAY] is recognized for 15 minutes.

Mr. HAY. I do not see the gentleman from California here.

The SPEAKER. In his absence the gentleman from Illinois [Mr. MANN] will control the time. Who is the second on the committee?

Mr. HAY. I do not know; but I see the gentleman from Vermont [Mr. GREENE], a member of the committee. But there will be no trouble about that.

The SPEAKER. The gentleman from Virginia [Mr. HAY] is recognized for 15 minutes.

Mr. HAY. Mr. Speaker, this resolution provides for the election of five members of the Board of Managers of the National Home for Disabled Volunteer Soldiers. The resolution when it passed the House provided for the election of four, and when it went to the Senate the Senate amended it by increasing the number on the board from five to seven and provided for the election of five of those members. The only question is about the concurrence of the House in the Senate amendments, and at the proper time I shall move to concur in the Senate amendments, under the rule.

Mr. GOULDEN. Mr. Speaker, will the gentleman yield?

Mr. HAY. Yes.

Mr. GOULDEN. As I stated the other day to the House, I do not believe that this was a wise conclusion on the part of the conferees. As the president of the board of trustees of one of the largest State soldiers' homes in the country, we have reduced the number of trustees from 11 to 9, and from 9 to 7, and are getting better, more efficient service and more activity on the part of the members of the present board of trustees than when we had a larger board.

Now, while I do not believe the conclusion reached is wise, I am not going to oppose the measure, because of the lateness of the session and our desire to have this matter settled finally.

Mr. HAY. Mr. Speaker, I reserve the balance of my time.

The SPEAKER. The gentleman from Virginia reserves 13 minutes.

Mr. KAHN. Mr. Speaker, I yield three minutes to the gentleman from Washington [Mr. BRYAN].

The SPEAKER. The gentleman from Washington [Mr. BRYAN] is recognized for three minutes.

Mr. BRYAN. Mr. Speaker, this bill comes up on a special rule, and so, I suppose, a discussion of the rules of the House would be in order in connection with that. It would be in order, anyway, under general debate. It is known that under the Philippine bill we have a right to extend our remarks in the RECORD, but I wish to make some remarks that I do not want to extend in the RECORD without putting them on in this way.

It is known that the gentleman from Illinois [Mr. MANN] submitted a suffrage amendment to the Philippine bill, and stated that he was going to do all that he could to put the House on record on that proposition. It is known that after that I submitted several amendments along the same line and did what I could to put the House on record, and made the statement that all the votes against them came from one side of the House, and therefore put the Democrats, to a certain extent, on record in committee in reference to that matter.

Then, when it came to the time to offer the motion to recommit, I had in the meantime offered a prohibition amendment, and I desired to get a roll call on that prohibition amendment, and I was depending on some one from the other side of the House here to carry out the threat of the distinguished and able leader of the minority. Still I was not too reliant, for I went to the Speaker personally and asked for recognition to make my motion to recommit. I was informed that the committee member [Mr. TOWNER] had the right ahead of me, and I did not make the motion to recommit. So I prepared a substitute, thinking I could probably offer it as an amendment and thereby get the matter before the House. But when the motion was made, the gentleman from Iowa [Mr. TOWNER] moved the previous question on his motion to recommit, although his was a fake motion, because it did not recommit with any instructions whatever, so that it was only designed to absorb and take up that opportunity to make a motion to recommit, because it could not have had any other purpose. It was solely to make impossible what the motion to recommit is designed to accomplish.

Now, I want to call attention to the fact that the RECORD shows that these two amendments were prevented from having a record vote here in this House by the gentlemen on this side of the House surely as much as by the gentlemen on that side of the House. I do not know why it was done, or what the purpose of it was; but it certainly was a bipartisan action, and the defeat of the prohibition amendment was especially brought about by the previous question being attached to this fake motion, this sharp motion of the gentleman from Iowa [Mr. TOWNER], designed to make impossible a vote on suffrage and prohibition in the islands, when he moved to recommit the bill without any instructions whatever.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. BRYAN. Yes.

Mr. KEATING. I merely wanted to ask the gentleman why he insisted that it was a bipartisan action? What did we on this side have to do with that motion?

Mr. BRYAN. One thing was that the distinguished gentleman from Colorado, who is an ardent friend of suffrage, did not try, on that side of the House, to make a motion to recommit. If he had done that, it would not have been a bipartisan action; but there was nobody on that side of the House who wanted to make such a motion.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. BRYAN. I will.

Mr. GARRETT of Tennessee. Does not the gentleman know that the rule expressly provides that the minority are entitled to recognition to make that motion, and that a gentleman who is opposed to the bill is entitled to recognition?

Mr. BRYAN. The gentleman has the advantage of that. It has got to be some one opposed to the bill. I concede that; but it seems to me the suffragists ought to have been enthusiastic enough to at least try to get in on the lines.

The SPEAKER. The time of the gentleman has expired.

Mr. BRYAN. Under the right to extend in the RECORD on this subject, I call attention to the fact that the suffrage amendment has been on the calendar a long time, and certainly the Democrats have prevented a vote and now the Republicans do the same thing. I would call that bipartisan.

There has likewise been pending before this House for a long time on the calendar and ready for vote a proposed amendment to the Constitution of the United States, known as the Hobson amendment for prohibition of the liquor traffic. That amendment is supported by a larger number of petitions than any that has ever been submitted to Congress for consideration. It has back of it the churches, the civic organizations, the uplift societies, and the best citizenship of the Republic. It is as certain of passage soon or late by Congress, in such form as may be determined upon, as is the eternal principle of truth. Men have arisen here the last few days and spoken with fervent eloquence of the consent of the governed as applied to the Filipino, and have urged the independence of the islands in some day yet to come, but this prohibition amendment has more importance attached to it than our policy in the Pacific or any other policy of this country, whether foreign or domestic. In this debate on the Philippine bill we have heard something about preambles, but here we have a preamble to this proposed amendment that means what it says, and says what it means. There is no exaggeration contained in its awful recitation, which certainly

ought to stir to action those who are here as the servants of the people sworn to render faithful service. Here is what that terrible recitation contains:

Whereas exact scientific research has demonstrated that alcohol is a narcotic poison, destructive and degenerating to the human organism, and that its distribution as a beverage or contained in foods lays a staggering economic burden upon the shoulders of the people, lowers to an appalling degree the average standard of character of our citizenship, thereby undermining the public morals and the foundation of free institutions, produces widespread crime, pauperism, and insanity, inflicts disease and untimely death upon hundreds of thousands of citizens and blights with degeneracy their children unborn, threatening the future integrity and the very life of the Nation: Therefore be it—

What a terrible indictment against alcohol! How can men of heart and conscience, men of integrity and faith in a hereafter, men who believe in punishment on earth and in the world to come, stand in this House in the presence of the American people and give aid and comfort to such an enemy of our homes, our country, and our God!

Hear the condemnation contained in the preamble to this resolution:

"Alcohol is a poison." No man would deny that. Every school child knows it is true.

"Alcohol is destructive and degenerating to the human organism." Let the man who denies that drink a pint of the stuff.

A STAGGERING ECONOMIC BURDEN.

New York City spends $1,000,000 per day, or $365,000,000 per year, for drink. This Nation's drink bill is reliably estimated at $1,724,607,519. The New York Tribune places it somewhat lower, at $1,410,226,702, and says:

All the corn, wheat, rye, oats, barley, buckwheat, and potatoes put together will not pay it. The liquor traffic calls for each year more than our whole civil service, our Army, our Navy, Congress, the rivers and harbors, pensions, all we pay for local governments, and all the schools in the country.

LOWERS AVERAGE STANDARD OF CHARACTER.

Only an inebriate or a devotee of the traffic who has already lost his character to the traffic would deny that.

UNDERMINES PUBLIC MORALS.

Go to the grogshops, the bawdy houses, the road houses, and then visit the police courts and hear the testimony they offer to verify this charge.

PRODUCES WIDESPREAD CRIME.

Figures compiled from the United States Statistical Abstract show one homicide in prohibition cities to three in license cities; one homicide to 14,513 of population in license cities and one to 44,026 in prohibition cities; one arrest to 92 of population in license cities and one to 299 in prohibition cities.

PRODUCES WIDESPREAD PAUPERISM.

Out of 3,230 inmates in almshouses in Massachusetts the State bureau of labor statistics reports 1,274—47 per cent—were due directly to the personal use of liquor. Many more were there as children and dependents of drunken and debauched parents.

PRODUCES WIDESPREAD INSANITY.

A Pennsylvania commission, acting under the direction of the 1911 legislature, makes this report:

The fact that alcoholism and feeble-mindedness are so intimately related brings this subject within the province of this commission, which, from its investigation, feels warranted in making the declaration that alcoholism, next to heredity, is the most prominent contributory cause in producing mental defect, degeneration, and disease.

INFLICTS DISEASE AND UNTIMELY DEATH UPON HUNDREDS OF THOUSANDS.

Is there a worse disease conceivable than alcoholism itself? A drunkard! An inebriate! What is he fit for except a drunkard's grave? As to deaths due to alcohol, the Vindicator, published at Franklin, Pa., says:

Something less than two years ago a prominent New York life insurance man, Mr. E. P. Pheips, the editor of the American Underwriter, undertook a study of the mortality caused by drink, with the announced purpose of showing that the estimates of the Prohibitionists are exaggerated. When his figures were completed he himself had arrived at the conclusion that drink is a factor every year in the death of just less than 66,000 Americans.

This showing was so unacceptable to the liquor interests that they have spent a large quantity of perfectly good printer's ink in attempts to break the force of it.

BLIGHTS WITH DEGENERACY CHILDREN UNBORN.

Alcoholism, syphilis, and tuberculosis are the trinity of diseases that lay the heaviest toll of degeneracy on the race to the third and fourth generation. The alcoholic most readily falls a victim of syphilis and tuberculosis, and the drunkard's baby suffers from the nonsupport and the debauchery of a drunken husband. The degenerating effect of alcoholism is an admitted and scientific fact.

THREATENS THE INTEGRITY AND LIFE OF THE NATION.

This statement is merely a résumé and a necessary sequitur of what precedes.

The preamble is a conservative indictment of a great national curse.

If it is not a curse, why have 10 of the sovereign States of this Republic voted to cast it out as utterly unfit? Why have the good people of these States risen in their dignity and, ignoring the cry of revenue and business and personal liberty, and all the other arguments that could be presented, voted to totally prohibit the traffic within their borders? Are the people of those States deluded and crazy? Here is the roll: Maine, Kansas, Oklahoma, Tennessee, Georgia, Mississippi, North Carolina, West Virginia, North Dakota, and Virginia.

And if the indictment of the churches and the forces opposing the liquor traffic is not true, why is there such a bitter and determined fight in six other leading States to drive the traffic outside of their borders? Here is where they will vote in the pending election on this subject: Ohio, Colorado, Oregon, Washington, California, and Arizona.

If the indictment is not true, why is it that there is so much dry territory in the following States that they are known as near-prohibition States: Alabama, Arkansas, Colorado, Florida, Idaho, Indiana, Iowa, Kentucky, Louisiana, Minnesota, Nebraska, New Hampshire, South Carolina, South Dakota, Texas, and Vermont.

If the indictment is not true, why does the United States prohibit the sale of liquors to Indians and on certain islands of the Pacific? And why is the Secretary of the Navy trying to eliminate it from the mess of the officers of the Navy? Why do so many of the fraternal bodies exclude from their membership men engaged in the sale or manufacture of intoxicating liquor?

With the truth of this awful indictment before Congress, I now revert to the amendment offered by me to prohibit the manufacture and sale of intoxicating liquors in the Philippine Islands. Republicans on this floor have been freely criticizing the Democrats for not bringing out for a vote the Hobson prohibition amendment. But in this case I thought the amendment would surely meet with enough success to get a vote on the proposition for the Philippine Islands. I was met by a Republican Member with a point of order. Mr. STAFFORD, the gentleman from Milwaukee, Wis., made the point that the amendment was not germane, first, to the bill itself, and, second, to the place in the bill where I was introducing it as a new section. Those interested may read the record. It was held out of order three times when offered in three different places. The Chair had ruled that it would have been in order as a part of section 3.

The only way the amendment could then be offered to section 3 would be to obtain unanimous consent to revert to that section. This, of course, could not be obtained. Later I offered the amendment as a new section, to be known as section 30, at the end of the bill, which provided for a repeal of certain laws and the maintaining of certain other laws in force. Another distinguished gentleman in the chair ruled that the amendment was out of order in that place. There remained one opportunity to have the amendment considered, and only one. That would have to be by a motion to recommit the bill to the committee with instructions to amend the same by inserting the amendment in section 3. This motion could only be made after the committee had risen and reported the bill back to the House for final vote. Only one motion to recommit is allowed. Such motion may be amended, however. I sought opportunity to submit this motion to recommit, but the Speaker stated to me that the gentleman from Iowa [Mr. TOWNER] had first right to be recognized for that purpose. I then prepared to offer an amendment, or substitute, for the Towner motion and thereby obtain a vote on the proposition; but when Mr. TOWNER made his motion he followed it immediately with the following words: "And on that motion I move the previous question."

The effect of this was to make it out of order to offer amendments or substitutes, and although I rose in my seat and called the attention of the gentleman from Iowa to the fact that I had a substitute prepared involving the question of prohibition in the islands, still he took advantage of his right to move the previous question and prevented the amendment. Notwithstanding his motion to recommit was merely a formal motion, not involving any instructions or amendments whatever, it did not ask for an amendment to the bill, but the sole and only purpose of his motion to recommit was to prevent me or any other person from offering a motion that would propose an amendment; and in this way a vote on prohibition in the Philippines was prevented. Full credit for this feat should be given to the Republican Party and the gentleman that was representing that party on the floor, Mr. TOWNER. Of course the gentleman from Wisconsin [Mr. STAFFORD], another high-ranking Republican on this floor, made the points of order on which the amendment was ruled out of order by the Chairman. But we have here an illustration of the working of the bi-

partisan machine in this House. The Democrats have opposed a vote on the Hobson amendment and the Republicans have criticized them for it. Yet, when an opportunity is given the Republicans to permit a vote on prohibition in the Philippines, they deliberately block the way by parliamentary tactics.

Prohibition of the liquor traffic in the Philippine Islands is of the greatest importance. It is reliably stated that when the Americans took the islands the natives were not addicted to the use of intoxicating liquors to any great extent, and that the introduction of the American barroom has had a very bad effect on the inhabitants of the islands. I have a clipping from the Post of October 10, 1901, which is interesting and bears upon this subject, and which I here insert in my remarks:

BARROOMS IN MANILA—EFFORTS IN THE SENATE TO END A NATIONAL SCANDAL—WOULD REVOKE LICENSES.

The existence of American barrooms in Manila, which have flourished to such a degree that they have become a national scandal, engaged the attention of the Senate yesterday. The sentiment against these barrooms was so intense that the following proposed amendments to the Army bill were offered and are likely to be adopted:

"By Senator LODGE: The importation and sale of distilled spirits into the Philippine Islands or their dependencies, except for medical purposes or for use in the arts, under regulations to be prescribed by the commissioners of the United States, is hereby prohibited.

"By Senator GALLINGER: That all licenses heretofore granted, or that may be granted prior to the approval of this act, for the establishment of American saloons in the Philippine Archipelago, are hereby revoked and annulled, and hereafter no such licenses shall be issued."

In discussing the situation of affairs in Manila, in relation to the saloons, Senator Teller declared that the United States was cursing the people of those islands with a curse as "vicious and vile as any the Spanish ever placed upon them." It was, he said, in the power of the President and within the power of Congress to destroy Government encouragement of drinking among the soldiers of the American Army and the Filipinos. He directed attention to a statement of President Schurman, of the old Philippine Commission, to the effect that one of the most demoralizing influences taken to the Philippines by the United States was the American saloon. He said that the few thousand Americans in Manila drank more per capita than the same number of Americans anywhere.

CONDEMNED IN STRONG LANGUAGE.

"The establishment of American barrooms in Manila in the wake of our Army," said Senator LODGE, "is an evil of the worst kind, and if there is any way to have them closed I should be glad to see it done."

"It is in the power of the President," replied Mr. Teller, "to close every one of them as quickly as a telegram can reach Manila. If the President declines to do it, then it is in the power of Congress to compel it to be done. Will anybody say that it is not our duty to act promptly?" Mr. Teller asserted that if the President and Congress failed to act, they would "deserve the condign contempt of the American people."

With the remark that saloons in Manila had done incalculable harm, Senator LODGE introduced the amendment to the Army bill already quoted. Senator GALLINGER quoted an Army officer as saying that the 400 or 500 saloons in Manila ought to be abolished at once, and then he introduced his amendment revoking all licenses. Senator McComas said that he would be glad to vote for any amendment still further suppressing American saloons and the sale of poisonous and native distillations. He called attention, however, to the fact that the Taft commission had already taken some steps toward restricting the sale of liquor.

LEGISLATION FOR THE PHILIPPINES.

There was very general impression both on the Republican and Democratic sides of the Senate yesterday that Senator LODGE'S amendment would pass, and Senator GALLINGER'S proposition to revoke all licenses also found much favor. "I would like to add an amendment prohibiting the importation of American citizens into the islands," was the remark of Senator Jones, of Arkansas. Some Senators, while they favored the purpose of the amendments, expressed doubt as to the propriety of Congress undertaking to legislate for the Philippine Islands, and this question may now be interjected into the Army bill debate. Senator Bacon said that if the President really desired to stop the excessive sale of liquor he could do so under the autocratic power with which he ruled the islands. "The same signature which approves an Army bill containing the prohibition," he said, "could to-day sign an order accomplishing the same result. The responsibility for the disgraceful condition lies with the President, not with Congress."

I also insert a clipping from the Pittsburgh Daily News of February 28, 1901, which shows that the Filipino was not entirely free from the use of a certain form of alcohol before American occupation, but the clipping is of considerable interest:

FILIPINO GIN KILLING MANY—A SERGEANT HOME FROM MANILA SAYS SOLDIERS ARE FOND OF THE NATIVE INTOXICANT AND PAY HEAVY PENALTIES FOR ITS ABUSE.

Sergt. Ausburn Wayson, of Company C, Fourteenth Infantry, which is stationed in the Philippines, passed through Pittsburgh this morning from San Francisco on his way to New Kensington to visit his brother. Sergt. Wayson has been in the Philippines over a year. Last summer he fell a victim to the fever and was confined in the hospital at Manila for several months. He was discharged last November on account of disability, and arrived at San Francisco the middle of January. Sergt. Wayson says that the liquor traffic on the islands, and especially Manila, is growing to be an extensive business, and that the natives are getting to be hard drinkers.

Continuing, he said: "Much evil will result from the introduction of American liquor into the Philippines. The natives are becoming very fond of United States liquors, and, on the other hand, our soldiers would rather drink the Filipino gin than any liquor of home manufacture. This native gin is awful stuff and when enough is taken it will keep a man in an intoxicated condition for days. I believe that much of the sickness prevalent among the soldiers in the Philippines can be traced to the excessive use of this stuff. The surgeons have observed that a soldier who is accustomed to drinking this gin is more susceptible to fever than the one who has not used it.

"All of the surgeons have advised the soldiers to let it alone, but many of them pay little heed to this advice. It is dangerous for a person who has been on the islands for only a short while to drink native gin. One must be thoroughly acclimated before the system will stand even a little of this liquor. It is known that a number of soldiers have become insane through the abuse of gin."

Sergt. Wayson says that the report that some of the soldiers were disabling themselves to get discharged and afterwards lay claim for a pension is true to a limited extent only.

I insert, also, another editorial taken from a newspaper of about the same date. The name of the newspaper is missing, but the facts contained in the article are of interest:

GEN. KOBBE'S PROHIBITORY LAW.

The commanding officer of the Department of Mindanao and Jolo, Brig. Gen. W. A. Kobbe, United States Army, issued, on May 30, a very comprehensive order against the liquor traffic in that department, which will go into effect on the 1st of August.

The first paragraph of the order absolutely forbids the retail sale of beer, wines, spirits, and all beverages containing alcohol, and orders the closing of all places which, under any name, sell such articles. The second paragraph permits the sale of beer and wines having less than 15 per cent of alcohol in original packages containing not less than a dozen quart bottles or two dozen pint bottles; spirits and beverages containing more than 15 per cent of alcohol may be sold at wholesale, in original packages, "only on the written order of the senior officer commanding present, who before giving such order will assure himself that neither the whole nor any part of the articles enumerated are intended for resale or to reach persons who would be likely to abuse the privilege of having them in possession."

Then follows the nub of the whole matter: "No sales will be made to Moros or to persons living in Moro communities." None of the articles mentioned is to be disposed of by gift, by sample, or otherwise than at bona fide sale, or consumed on the premises where sold. Commanding officers are to see that the order is not violated at places not occupied by troops, but large enough to attract saloon keepers; and the inspector general of the department is charged with keeping officers up to the mark.

Gen. Kobbe remarks in his order that he is receiving applications in large numbers from ex-soldiers and others for permission to open saloons, but none from trained business men, farmers, or mechanics who have come into the department to pursue their vocations.

The success or failure of this order will be of interest, both to the temperance people and to those who do not subscribe to the prohibition creed. If there is any place where prohibition can be enforced, it is within the limits of a military government. The missionaries are charged by cynics with bringing intoxicants in their train, and temperance and antiadministration papers have commented bitterly on the alleged increase of the liquor traffic in the Philippines since we assumed possession. Gen. Kobbe is in earnest, and the reason for his order, the protection of the native inhabitants, is excellent; it remains to be seen how he manages to enforce his prohibitory law.

Our island of Tutuila, one of the Samoan group of islands, has for several years had prohibition, and it is stated that the law is well enforced, and one writer states the natives are content to live without alcohol.

For many years the British Government has prohibited the sale of intoxicating liquors to the natives in all the western Pacific islands not within the limits of the colonies of Fiji, Australia, or Papua. As far back as 1888 a regulation to that effect was issued throughout the following islands: Friendly, Navigators, Union, Phœnix, Ellice, Gilbert, Solomon, New Hebrides, Santa Cruz, and so forth, in which it was declared:

If any British subject in the western Pacific sells or gives or otherwise supplies, either directly or indirectly, any native of any island or place within the western Pacific islands any intoxicating liquors, he shall, on conviction thereof, be liable to punishment as follows: (1) Imprisonment for any term not exceeding three months, with or without hard labor, and with or without a fine not exceeding £10 ($50); or (2) a fine alone not exceeding £10 ($50). "Native" shall mean and include in its reference every person in the western Pacific not of European descent. "Intoxicating liquors" shall include all spirituous compounds and all fermented liquor and any mixture or preparation containing any drug capable of producing intoxication.

I look upon this proposition as one of tremendous importance. There is an opportunity now in the very hands of the prohibitionists of this country to end forever the liquor traffic in the Philippine Islands. There is every reason in the world why it should be done, and I now take advantage of this opportunity to urge the prohibition newspapers of the country, the prohibition speakers and writers, the Woman's Christian Temperance Union organizations, the churches, the ministers, the antisaloon leagues, and the people generally of the United States to write letters to Senators urging upon them the necessity of placing a prohibition amendment in the Philippine bill when it is considered during the short session beginning December 7. If this proposition is forced as an issue, so that there will be a roll call on it in the Senate, there can be no reasonable doubt that the amendment will carry. I am thus stating it in this form in the hope that great publicity will be given to the facts presented, so that those who are interested may know that they have a duty to perform; and if they do not perform their duty, they should forever hold their peace when it comes to criticizing public officers for failing in their duty. Prohibition in the Philippine Islands is a matter of easy accomplishment. Will the people of the country do their part to force the issue in the United States Senate? I sincerely hope and pray that they will.

Mr. KAHN. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. MANN].

The SPEAKER. The gentleman from Illinois [Mr. MANN] is recognized for five minutes.

Mr. MANN. Mr. Speaker, whenever an effort is made to dispense with a useless office, the one making the effort has a rocky road to travel. A few years ago the House, thinking that there was no need of the expense of so many managers of the soldiers' homes, and really with the design largely of doing away with that method of handling the soldiers' homes, cut down the number as the offices became vacant. It looked like an easy proposition to leave a man in the office until his term expired and then vacate the office entirely and abolish it. Even that met with opposition, but it carried. I am not sure whether it was in the last Congress or the preceding Congress, though my recollection is that there was a reduction made in the last Congress by the Democratic House. But along comes the time when you want to fill some vacancies and there are not enough jobs to go round. Then what do we do? Do we cut out the gentlemen who want the jobs or increase the jobs? We increase the jobs. At different times we have heard a great deal about economy and dispensing with useless offices; but because the gentleman from Illinois wanted to go as a manager of the soldiers' home, and another gentleman from Ohio wanted to go on, and another gentleman from Indiana wanted to go on, and another gentleman from Kansas wanted to go on, and another gentleman from Maine wanted to go on, instead of appointing by resolution the number provided by law we propose to increase the number in order to take care of all these gentlemen. If some active Member of the House had desired an extra manager from the State of New York, or Maryland, or Pennsylvania, or any other State, we would have increased the number still more. The essential provision of this resolution, outside of naming these managers, is that—

Said board, after the passage of this resolution, shall be composed of seven members.

As I understand, that is an increase in the number. May I ask the gentleman from Virginia if it is?

Mr. HAY. It is an increase of two. I will state to the gentleman, however, that the board has not been decreased to five as yet, and would not have been decreased to five had it not been for the fact that one of the members of the board who would have served until 1916 has died.

Mr. MANN. The number would have been decreased to six?

Mr. HAY. Yes; it would have been decreased to six.

Mr. MANN. And finally, as the vacancies occurred, it would have been decreased to five.

Mr. HAY. Yes.

Mr. MANN. But the moment we get to the point where we could dispense with a useless office we yield our power to the Senate, and instead of dispensing with the office we enlarge the number of offices. I have reached that point in legislation where I feel there are times when we can afford to dispense with useless offices, and I know of quite a number that could be dispensed with without any loss to the interests of the Government and with a saving to the Treasury of the Government. And while it is true these managers do not receive a salary, it is also true that they receive expenses, which amount to something; and it is also true, as I believe, that the only purpose of increasing the number is to make some places for some men who want the jobs. That to me is not a sufficient reason for yielding to the Senate amendment.

I yield back the remainder of my time.

Mr. KAHN. Mr. Speaker——

Mr. HAY. Does the gentleman from California care to use any more time?

Mr. KAHN. Does the gentleman desire to use any of his time?

Mr. HAY. I do not.

Mr. KAHN. I do not desire to use any more time, Mr. Speaker.

Mr. HAY. I move to concur in the Senate amendment.

The motion was agreed to.

On motion of Mr. HAY, a motion to reconsider the last vote was laid on the table.

LEAVE TO EXTEND REMARKS.

Mr. UNDERHILL. Mr. Speaker, I rise to present a request for unanimous consent to extend remarks in the RECORD. On the 19th of September there was dedicated a beautiful monument at the Battleground National Cemetery near this city, and on that occasion addresses were made by two distinguished Members of this House from the State of New York, Mr. GRIFFIN and Col. GOULDEN. I ask unanimous consent to extend my remarks by the publication of their addresses.

The SPEAKER. The gentleman asks to extend his remarks by having printed the speeches of two of his colleagues on the occasion named. Is there objection?

There was no objection.

Mr. TOWNSEND. Mr. Speaker, I ask unanimous consent to print in the RECORD a published letter by the Speaker of this House.

The SPEAKER. The gentleman from New Jersey asks unanimous consent to print in the RECORD a letter written by the Speaker of the House. Is there objection?

There was no objection.

COTTON.

The SPEAKER. Under the agreement made yesterday, the gentleman from Alabama [Mr. UNDERWOOD] is recognized for one hour.

Mr. UNDERWOOD. Mr. Speaker, if it is agreeable to the gentleman from Illinois [Mr. MANN], I would like to yield 30 minutes of my time now to the gentleman from Texas [Mr. HENRY], and then have the gentleman from Illinois [Mr. MANN] consume an hour, and then yield the balance of my time to the gentleman from Alabama [Mr. HEFLIN].

Mr. MANN. The gentleman may go ahead now, and I will arrange with him afterwards.

Mr. UNDERWOOD. I yield 30 minutes of my time to the gentleman from Texas [Mr. HENRY].

The SPEAKER. The gentleman from Texas [Mr. HENRY] is recognized for 30 minutes.

Mr. HENRY. Mr. Speaker, I have risen for the purpose of discussing in the brief time allotted to me the distressing cotton situation in the Southern States, and trust that I shall utter no word here to-day that shall not be deliberate and in exact accord with the facts. It is no exaggeration to say that the condition in the Southern States is absolutely distressing. On account of the war in Europe the market for cotton has been paralyzed, and we now have no market. In a little while the purchasing power and the debt-paying power of the Southern States will be gone. Cotton is the great staple of the South. It is the great export that we send to foreign countries for the purpose of bringing gold back to our shores, and to-day distress is widespread everywhere in the cotton-growing States. In a little while the tonnage on the railroads will be so reduced that they will be embarrassed. Whenever cotton is not shipped, then the railroads immediately feel the effect, because necessarily their tonnage is greatly reduced and there will be but little commerce going out of the Southern States or coming in. While you gentlemen from the Northern and Eastern States do not yet feel the blighting effects of this prostration of the cotton market, in a short while you will understand and appreciate our dire distress. You will not be able to sell your manufactured articles to our people, for when they can not sell at least a part of this cotton crop of 1914, which is worth $1,000,000,000, then the manufacturers of Massachusetts, Ohio, Pennsylvania, and Connecticut and all of the other States of this Union will feel the result.

The other day I had a letter from a shoe manufacturer in the State of Virginia, and he wrote me that he had already felt the effects of this terrible panic now sweeping over the South, and in a short while he would have to close his shoe factory, because the people there were not able to continue their purchases as heretofore. I shall not parade these things before the House or before the country, but, Mr. Speaker, I do say, and measure my words when saying it, that if this great Government does not come to the rescue of our people in some way, within less than 60 days the business conditions of the South will be worse than since the conclusion of the Civil War, and in my humble judgment there will be widespread bankruptcy, business disturbances, starvation, and hunger in many of the homes of our people.

Having said that much about the conditions, naturally the question arises, What is the remedy? Mr. Speaker, when I first realized the situation, I said that this great Government should come to the rescue of a third of the people of this Republic, of 30,000,000 of citizens, who are a part of this Union, and lift them from this prostrate condition. The Secretary of the Treasury could have immediately deposited in the banks of the South the public moneys that were at his disposal or that could have been placed at his disposition by the passage of adequate legislation, and, Mr. Speaker, I shall not unjustly criticize the Secretary of the Treasury. I am making no war upon him, but in this crisis now upon our people I have a right to appeal to the cold facts of history and the truthfulness of the transactions in the Treasury Department. Only to-day there was authorized to be printed in the CONGRESSIONAL RECORD a speech of the Comptroller of the Currency in regard to our fiscal

affairs. We asked the Secretary of the Treasury to deposit in the national banks, the fiscal agents of the Government, enough funds to be loaned to the producers of cotton to relieve them from their present embarrassment. We asked that those funds, the people's money, be put there upon terms and conditions that would make the money available to the men who produced the crops. Immediately the Secretary of the Treasury replied to me and said that he did not have the funds, that he did not have the power to deposit them there if he wished to do so. Let me do him exact justice. I appealed to him to deposit $50,000,000 only in 15 Southern States. That would have been a great relief. We needed more, but his reply was that under section 5153 it would be inequitable for him to deposit the public funds in the Southern States. Let us analyze that proposition for a moment.

In this speech, which was delivered just a few days ago in the State of Indiana, the Comptroller of the Currency makes this statement. When the panic came on in New York because of the situation in Europe, this is what happened: There was great distress in New York City. Financial matters became very tight there. An appeal was made to the Secretary of the Treasury, Mr. McAdoo, and here is what Mr. Williams, the Comptroller of the Currency, stated, and I quote him exactly:

> Responding promptly to urgent appeals, the Secretary of the Treasury went over to New York Sunday afternoon, August 2, and held a conference that night with a score or more of the presidents of the leading banks and trust companies of the metropolis. He heard their statements, analyzed the situation, quickly saw what was necessary to enable the banks to meet the demands upon them and to restore confidence, which had been so racked by the world-shaking events of the week.

I here omit a few lines, and he continues:

> Anticipating the situation as it was laid before him at that conference, he had that Sunday morning before leaving Washington directed the shipment by express to the subtreasury in New York, for the New York banks, $40,000,000, and the Treasury forces and the express companies at that moment were taxing their resources in hurrying the execution of the order. The announcement that the Treasury had arranged to give the New York banks a hundred millions of currency was flashed that night over the wires to every section of the country, along with the assurance that the New York City banks were prepared to honor all requests of their country bank correspondents for shipments of currency against their balances—

Omitting again a few lines—

> and would accept a fair proportion of *New York City notes or bonds as the basis for such currency*, in order to help the bankers carry out the plan for the funding of the city's floating indebtedness, and since that time the Treasury Department has actually furnished to the New York banks $50,000,000 of additional currency, making the total amount credited to the banks of that city since August 1 *more than $140,000,000*

Mr. GLASS. Mr. Speaker, will the gentleman allow me to submit a question?

Mr. HENRY. I can not submit to an interrogatory.

The SPEAKER. The gentleman from Texas declines to yield.

Mr. Speaker, I say, as an humble Representative of a congressional district upon the floor of this House, that if the Secretary of the Treasury had pursued the same course, had taken a lightning express train to the Southern States, and summoned the great bankers and officials at the head of the trust companies, and said to them, "You must relieve the distress of the Southern States as we relieved the situation in New York," this curse would not have been upon the South to-day.

Mr. Speaker, I announce that if the Secretary had stood up boldly, courageously, and had said to the world, to the speculators, to the banks, and to the stock gamblers and those who despoil the producers, "You can not rob the southern producers of their cotton crop at 5 and 6 cents a pound, but this great Government will come to their rescue and save this crop already produced," the condition would be different. But he has not done that.

Mr. GARNER. Will my colleague yield for a question?

Mr. HENRY. I did not yield to my other colleague, the gentleman from Virginia [Mr. GLASS], and I dislike——

Mr. GARNER. I wanted to get my colleague's exact position in reference to the Treasury Department.

Mr. HENRY Yes.

Mr. GARNER. If I understand the gentleman's argument, the Treasury Department has not done what it should have done and ought to have done toward the South in this exigency?

Mr. HENRY. That is as true a statement as was ever made in this world.

Mr. GARNER. Has the gentleman from Texas called it to the attention of the President of the United States?

Mr. HENRY. Well, now, since the gentleman has asked that question, I will state that I have gone to the Secretary of the Treasury, I have gone to the Federal Reserve Board, I have gone to the President, and laid those matters before them and appealed to them to save the South in its distress, and have also submitted these things in writing.

Mr. GARNER. If I understand my colleague, then he has drawn this matter to the attention of the administration, and his indictment is against the administration for not coming to the rescue of his people?

Mr. HENRY. Mr. Speaker, I am not making any criticism. I am simply discussing facts, and no living man can answer them. The President will do his duty as he sees it. But I am not through, Mr. Speaker. I want to say to the gentleman now what I intended to say a little later on, that this Congress ought not to adjourn until justice has been done to our people; and, as far as I am concerned, if I have the power to prevent it, we never shall adjourn until we have legislation on the cotton situation. [Applause.]

Mr. GLASS. May I interrupt my colleague?

Mr. HENRY. Yes; having yielded to my other colleague, I will yield this time, and then I am done.

Mr. GLASS. I desire to ask my colleague what was the nature of the $40,000,000 currency deposited by the Secretary of the Treasury in the New York banks; and was it any different from the $68,000,000 of currency which the Secretary of the Treasury has deposited in the southern banks? In other words, was it Government money, was it a Government deposit, or was it emergency currency that any section of the country might obtain upon application, and that the South could get, to which it is entitled to the amount of $151,000,000 additional?

Mr. HENRY. I yielded to a question, and the gentleman is making a speech; but I will answer that question, because I believe the gentleman from Virginia, a southerner, will come to our rescue in order to help save the South from the wild orgy of bankruptcies that are now overhanging 15 Southern States.

Mr. GLASS. It is not a question of rescue that I present; it is a question of fact.

Mr. HENRY. Yes; it is a question of rescue, and I summon the gentleman to the aid of his own people, as well as the people of every State in this Union. Now, Mr. Speaker, the Comptroller of the Currency says that this was public money, the people's funds, which were taken from the Treasury and were carted over to New York City to relieve the situation there.

Mr. GLASS. Mr. Speaker——

The SPEAKER. Does the gentleman yield?

Mr. HENRY. I can not yield any further.

Mr. GLASS. Let us state the facts.

The SPEAKER. The gentleman declines to yield.

Mr. HENRY. I am stating the facts. The gentleman can reply to them.

The SPEAKER. The gentleman declines to yield.

Mr. HENRY. Now, Mr. Speaker, here goes on the statement of the other eloquent Virginian, John Skelton Williams:

> For under the direction of Secretary McAdoo more than $160,000,000 of currency has already, since August 1, with impartial hand, been distributed to the national banks in every section of the country where it has been needed, from Boston to San Francisco, and from the Great Lakes to the cities on the Gulf, helping to dispel and neutralize the poisonous fumes of distrust, alarm, and fear which had begun to manifest themselves.

Now, Mr. Speaker, when the gentleman raises the issue that the Aldrich-Vreeland Act did the work, I wish to say it has proven to be a snare, a delusion and fraud upon the rights of the people. It is true that they did issue this Aldrich-Vreeland currency to banks, allowed them to secure it practically without limit, and it is true that a lot of that currency went in the Southern States; but instead of the banks using it to relieve the distress of the cotton producers, they used it in their own business. They bundled it up and shipped it back to New York and to other money centers to pay their obligations. So I say that the Aldrich-Vreeland Act did not do the work. Furthermore, I say that if the Federal reserve act were in operation now—and I do not mean to criticize that act—we would have had the same result. These banks would hoard their funds; they would take the currency they are authorized to issue and would use it in their own business. They would ship it back to New York to pay their own obligations. You must find another way of getting these funds to the people. Mr. Speaker, here is what ought to be done: The Secretary of the Treasury ought to put the public moneys at the disposal of the Southern States. He ought to establish every national bank a depositary, which he has authority to do under the law, and ought to put the public moneys there. He ought to forget the Aldrich-Vreeland Act; he ought to forget this Federal reserve act; and if he has not the public funds to relieve our distress, should come to Congress and say, "Authorize me to issue United States notes as they did during the war, possessed of all the legal qualities with which those notes are now endowed, and let them go to

the distressed people of the South." And if that authority is questionable, or if it is not sufficient, then let him sell the Panama Canal bonds and put the proceeds of those bonds in the banks of the South and relieve the situation.

Why, Mr. Speaker, here comes the Secretary of the Treasury—and I admire his patriotism, his ability, his sagacity, and all those things—with a bill that I have before me and asks that Congress appropriate $10,000,000 to purchase ships, and in the same bill that he be authorized to sell $30,000,000 of Panama Canal bonds in order to purchase those ships. Ah, gentlemen, would it not be better to forego the passage of that bill for just a little while and sell those $30,000,000 of Panama Canal bonds and put the proceeds in the southern banks in order that our farmers might be relieved from this awful condition?

Am I traveling outside the record when I make those statements? I say if the Secretary of the Treasury will come here and ask Congress to give him the public funds we will pass a bill authorizing the issuance of $250,000,000 of United States notes redeemable in gold, and we will put them in the banks of the South in less than one week, and, if that is not enough, we will authorize him to sell the Panama Canal bonds now in the Treasury, amounting to $240,000,000, and will increase the interest from 2 and 3 per cent to 4 per cent, and then he can put the proceeds of the bonds in the banks. Ah, but they say, "You can not sell Panama Canal bonds now." Why, Mr. Speaker, think of that proposition! If we can not sell our bonds now, suppose we should happen to be drawn into the terrific conflict now going on across the Atlantic Ocean, then where would we get the money with which to finance the needs of our people in carrying on the war? We are powerless now to sell bonds to relieve our people from distress and bankruptcy; with no war in this country, at peace here between the Atlantic and Pacific Oceans, at peace with the Western Hemisphere, and yet we are met with the proposition that we can not sell bonds.

Let me go back a little further and recount some more history. We had a little flurry that was a mere morning's breeze compared with the present awful condition in the South. I refer to the panic of 1907. You all remember it. What happened? In that panic the banks of the South would not honor our checks when our money was on deposit in them. What happened? Immediately the President of the United States instructed his Secretary of the Treasury to deposit in the banks public moneys to the extent of $245,000,000, and by the 1st day of December, in 1907, we had in the States of this Union, and most of it in the agricultural States of the South and West, $245,000,000 of money, public funds, taken out of the Treasury of the United States and put where it could relieve the embarrassment of the people.

But the President and the Secretary did not stop there. Let me read you from the Atlanta Constitution of November 18, 1907. The headlines are to this effect:

UNCLE SAM TO THE RESCUE—$150,000,000—WITH HIS BONDS AND NOTES.

QUICK RELIEF WILL BE GIVEN BY GOVERNMENT.

Decision to End Money Pinch Follows Conference at White House.

TO ISSUE CANAL BONDS AND TREASURY NOTES.

$50,000,000 of Former and $100,000,000 of Latter Necessary—The Government Will See that Money Gets to South and West, Where It Is Needed to Move Crops.

So, in addition to the $245,000,000 that were taken from the Treasury and deposited in the banks, the Secretary of the Treasury supplemented that with an order that $150,000,000 more should go. And they issued circulars, one to sell the Panama Canal bonds, $50,000,000, and another to sell $100,000,000 of certificates of indebtedness under the act of June 13, 1898. What happened? The minute the President and the Secretary said that these people must be relieved, it was not necessary to sell all the bonds and all the certificates of indebtedness bearing 3 per cent interest, but they only sold in the aggregate $40,000,000. And the condition was relieved, and those gentlemen in New York, who had manufactured and brought on this panic without any rhyme or reason, were thwarted in their will. And I say to-day, if there is a conspiracy to sacrifice this cotton and force it upon the market at 5 to 6 cents a pound, at the price at which it is now selling in the South, this great Government should come to our rescue, as was done in 1907, and these funds should be put in the National and State banks, where the people who have produced the crop can secure them.

Ah, but some of our friends want to make this a banking proposition altogether. They say that you can not do business without the aid of the banks. I am willing to admit that banks are good institutions, that they are necessary to commerce, civilization, and business, and I undertake to say that if the Government can deposit its public funds in the vaults, to be loaned upon the terms and conditions which the banks may fix themselves, to relieve the stock market in New York, and to relieve similar conditions, this same Government has the power to pass this statute and to fix the terms and conditions upon which these fiscal agents shall advance this money to the distressed producers of the South.

Is there anything revolutionary in that? Mr. Speaker, I decline to arraign the patriotism of the banks as some gentlemen do. I believe that those banks in the South that have already loaned their money as far as they could with safety, that have already advanced it on this crop, and for other purposes, to supply the needs of the people, would be glad to get the Government funds from Washington on any terms that the Government might fix in order that they could relieve the producers of cotton and tobacco, so that they might pay their debts and might pay the banks and the merchants, and those who had financed them in making this crop.

Now, that is the situation; and if the national banks were not willing to do it, the State banks would be glad to take this money and loan it on any terms. At first I suggested that if 10 cents a pound could be advanced, it would be all right, and we could get along. But they said, "You valorize the crop," and then I rewrote the bill, and said, "If you will advance the farmer $30 a bale, 6 cents a pound, and give the Secretary of the Treasury plenary power to get these funds into the hands of the farmer, you can relieve the situation." But that has not been done.

Now, what is confronting us in the South? October has come on. The crop has been produced. It has cost from 8 to 10 cents a pound to raise this crop. Our people are in awful distress. They owe these debts, incurred for making the crop. They must be met, but they can not sell their cotton for any price exceeding 6 cents a pound. And, gentlemen, it will go to 4 cents. It will go below that. It will go down and down until there is absolutely no local market for it. It is a billion-dollar crop. Thirty millions of people are involved in this transaction, and yet there is no relief from this great Government. Must it be a banking transaction? They admit they have already issued over $300,000,000 of emergency currency. It did not go where they wanted it to go. The Secretary of the Treasury boasts that under the Aldrich-Vreeland amendment a billion dollars of emergency currency could be issued. But you can issue a billion or five billions of emergency currency and it would not reach the producers of cotton as the Secretary of the Treasury wants it to reach them, never under the present system.

So you must come quickly to our relief. Something must be done in the way of legislation. We must give the Secretary of the Treasury more power. We are suffering. Let me say to you gentlemen you all love the South. We are all citizens of this great Republic and love this Republic as much as you do. But let me tell you gentlemen on that side of the aisle that to-day tenants—and three-fourths of the crop in my State is raised by tenant farmers—those tenants have abandoned their own fields, have left their crops there, have left these great white fields of cotton unpicked because they could not sell it for anything. Their wives and children are in want for meat and bread. They have gone to the neighbors who had a little cash and received pay from them for picking cotton. As long as they had employment they have gotten from their neighbors meat and bread for their families. Gentlemen, help us, and let us not adjourn this Congress until we have relieved the South, as we would be ready to relieve any other State in this Union under other circumstances. [Applause on the Democratic side.]

And further expressing my views on the several phases of this question, permit me to submit a letter addressed to the Secretary of the Treasury:

OCTOBER 2, 1914.

Hon. WILLIAM G. MCADOO,
Secretary of the Treasury, Washington, D. C.

MY DEAR MR. SECRETARY: The Secretary of the Treasury can announce that within one week he will deposit in the national banks throughout the South several hundred million dollars and very largely dispel the gloom overhanging the Southern States on account of the prostrated and paralyzed cotton market. You have this indisputable right under section 5153, Revised Statutes, which gives you plenary powers.

In March, 1913, a terrible storm flood swept over the Ohio Valley. In your annual report of 1913, in the very front page, with apparent exultant pride, you recite: "The banks of that city were afraid to reopen their doors because of the temporary impairment of confidence." You further add: "The citizens' relief committee asked that a representative of the department be sent right away to see about financing our banking institutions. * * * A national bank examiner was immediately dispatched to Dayton, and within 24 hours after his arrival the department designated every national bank in Dayton as a Government depositary, and announced that it would deposit in said national banks $2,000,000 of Government funds, to be secured by State, municipal, or other local bonds acceptable to the Secretary of the Treasury. The effect of this action was to restore confidence at once. The banks

reopened their doors, and instead of the anticipated need of $2,000,000 the Treasury was called on for only $182,000. If you will use this example of depositing millions in a small locality like Dayton and spread out public funds in the same proportion over the entire South, you can promptly save our people from the impending disaster now upon them. A simple announcement of your intention would preserve your native land from bankruptcy. You have unquestioned authority to say to every national bank in the South: "Take cotton as security at 8 cents per pound, require the farmer's note running for six months, bearing 3 per cent interest. Do this as the fiscal agent of the Government under section 5153, Revised Statutes. The Government will at once place in your hands the public funds to finance those transactions." Thus, as you saved Dayton, Ohio, last year you can rescue 30,000,000 of people in the South.

You can deposit the money, make terms with every national bank in the South as trustee, persuade them as fiscal agents to gather in warehouse receipts on cotton and utilize those receipts as security for the loan of Government funds at a very low rate of interest, as you did when you scattered the crop funds throughout the States in 1913. You justly glory in that on page 2 of your report, and are proud that you stretched the precedents. You say: "The Secretary announced that as security for such deposits 'high-class commercial paper' would be accepted at 65 per cent of its face value," etc. You add: "This was an unprecedented step, because commercial paper had never before been accepted as security for Government deposits." And: "The moment it became known that the Government stood ready to assist, the tension was relieved, business resumed a normal aspect, and the fall movement of crops, trade, and commerce proceeded upon an easier and safer basis than for many years past."

As Secretary of the Treasury, shift the Government deposits, now about $74,000,000, to the South, sell two hundred millions of Panama Canal bonds to those getting up gold pools for Europe and on New York City loans, and utilize our cotton as security for the Government loans, as you did "commercial paper" last year, and in one short week you can rescue the South from ruin and a wild orgy of bankruptcies soon to ensue.

If you need a little more legal authority to do this, you can win the President in an instant to help you, and the message of both the President and yourself to Congress can strengthen and free your hands in an hour to do just as you please to find a way to save a billion-dollar cotton crop. Aye, if you wish it and will say the word, we can instantly add to those Government deposits and the proceeds from the Panama Canal bonds combined $200,000,000 more by the issuance of United States notes.

It is with you. Congress can provide the additional funds when you and the President say go forward, and we can authorize you in a few brief words to use our cotton this year as security instead of bonds and commercial paper, as you did last year, and the glorious deed is done. Will our Secretary of the Treasury rise to the occasion? You can.

Please let me have your attitude on these points at the earliest practicable moment, as it will determine my official conduct as a Representative in Congress.

With cordial regards, I am,
Sincerely, yours,

R. L. HENRY.

OCTOBER 12, 1914.

Hon. WILLIAM G. MCADOO,
Secretary of the Treasury, Washington, D. C.

MY DEAR MR. SECRETARY: I beg to acknowledge receipt of your letter of October 9.

First. In reply I still insist that you have the indisputable right under section 5153, Revised Statutes, to deposit public moneys in the national banks throughout the South in any manner you may deem "equitable" to the extent of the funds in your hands or that may be supplied you by congressional action. It would not, under the present law, be "inequitable" for you to deposit in the national banks of the cotton and tobacco States $50,000,000 of the $74,000,000 now due the Treasury.

You deposited $50,000,000 for crop-moving purposes in the agricultural States last year and with justifiable pride flaunted the fact in the faces of the New York bankers, coupled with the statement that if said New York bankers menaced the money market you would cause $500,000,000 additional under the Aldrich-Vreeland Act to be taken out by the banks in the Southern States to thwart the menaces of the bankers in money centers. You were right then, and you would be right again to pursue the same course even if you had to use the just and influential prestige of your high office to induce Congress to furnish you with all the public moneys you need for the present crisis, which far surpasses our difficulties last year.

I still maintain that if you will announce to the world in a ringing proclamation that as Secretary of the Treasury you propose to use the public moneys on hand and to be secured by prompt and adequate legislation, to the extent of any number of millions of dollars necessary for the purpose of saving our cotton crop from sacrifice, you will avert the calamity now overhanging the South from the paralyzed market. Such an announcement by you and the President of the Republic will set at naught the greed and defiance of the spinners, bankers, and speculators in cotton. It will instantly revive our prostrated market throughout the earth.

Second. You assert your disinclination to sell Panama Canal bonds or to issue additional United States notes. You doubt that you can sell Panama Canal bonds. Permit me to remind you that I now have in my hands a special rule to bring up for consideration the Alexander bill, "to purchase, construct, equip, maintain, and operate merchant vessels in the foreign trade of the United States," etc. And you not only request the immediate appropriation of $10,000,000 from the Treasury, but, in addition, provide that you be allowed to call into requisition the acts authorizing Panama Canal bonds, and that you be empowered to "issue and sell or use for such purchase or construction" any of those bonds now available "to a total amount not to exceed $30,000,000." It will convince you, as well as the simplest mind, to merely state that if you can find purchasers of those bonds for the purchase of the Government merchant ships you can easily sell the same bonds to save our cotton crop already produced, and thus avert the impending bankruptcy banging over the 30,000,000 people in the South. The President and yourself have asked Congress to pass this ship-purchase bill. Hence I maintain that if you will come to Congress and urge that you be given power to sell Panama Canal bonds at a higher rate of interest, if necessary, and to issue "United States notes" in sufficient amounts to be deposited as "public moneys" in the banks of the South to save our cotton crop, already grown, in this temporary war crisis brought on by the appalling conditions in Europe, you will find a quick response on our part. Will you do this to save our southern people through this feasible and perfectly constitutional plan? My deliberate judgment is again reiterated that you should not hesitate a moment.

Third. You further say, "Since the 1st of August there has been issued to the national banks in the Southern States, including Missouri and Maryland, $68,000,000 of additional bank currency. The national banks in those States may, by complying with the law, receive $151,443,000 of additional national-bank currency." Then, after taking note of certain public deposits already in those States and additional national-bank circulation issued since the beginning of the European war, you add: "And there is available to the national banks in the Southern States, upon their compliance with the law, additional national-bank currency amounting in the aggregate to $151,000,000."

Again, permit me to suggest that all this "additional currency" has not reached the distressed cotton producer. You will instantly recall that you have just finished a brave fight against the banks for "hoarding" their currency and unjustly monopolizing it and preventing it from going into the hands of the farmers. You have admitted, and must again admit, that a very small per cent of this additional money reached the farmers. Hence it failed in its purpose. The banks "hoarded" it, and by defying your ambition to get it into the possession of the farmers diverted it from the intended course and used it in their own business. So even you are brought by logic and fact to the conviction that the Aldrich-Vreeland Act in this emergency has proved to be nothing less than a huge farce and comes dangerously near being a fraud on the rights of the people and the Government.

Fourth. Again you say, "Moreover, existing law authorizes the Secretary of the Treasury, in his discretion, to issue more than $1,000,000,000 of currency to the national banks throughout the country. * * * I am firmly convinced that neither additional nor unlimited issues of paper money will help the cotton planter. I am equally convinced that the inevitable inflation which such issues would cause would hurt him and hurt the country."

Permit me to redirect your attention to the fact that you charged several weeks ago that banks were "hoarding" this currency. You have been powerless under the present law to get it to those in distress and into the real hands for whom you intended it throughout the South. You know that much of it was shipped back to the money centers to liquidate debts there. It is quite evident that under our present law the banks seem to have the power to expand and contract the currency at their will, to fix prices, depress and inflate values, affect wages and all property; and yet with all this "inflation" pointed out in your letter to me the money has not reached the people in localities where it is to-day needed. Something is wrong with the law or system in this crisis, or you would have been able with your known courage and ability to drive some of this vast amount of boasted new currency into the hands of the cotton and tobacco farmers.

Undoubtedly you need help from Congress, and you should come and aid those of us in that body ambitious to do this work right, in order to secure "public moneys," that will certainly go into the depositaries of the South, to become absolutely available to the farmers upon fixed conditions.

Yes; I think and deliberately reassert that you must issue Treasury notes or sell Panama Canal bonds or other bonds, or both, in order to get the money into the hands of the producers, through the instrumentality of the banks as fiscal agents, at a low rate of interest, upon terms and conditions fixed by law. If you do not do this, the banks will continue to defy and thwart your will; and you must agree they have been doing that for more than 60 days.

Fifth. Finally you present this point to me: "Is it wise to issue $400,000,000 of Government bonds and greenbacks merely to lend on cotton? Tobacco, naval stores, copper, silver, lumber, and other things have been hurt by the European war. All have applied to the Treasury for relief. If we disregard every suffering interest except cotton and make it the sole beneficiary of governmental favor, what becomes of the Democratic principle, 'Equal rights for all, special privileges for none'?"

You must allow me here to mention the "direct loan" of $1,400,000 you recently found and inspired for Tennessee. Perhaps I can afford to call it a "directed loan," and solve the very slender doubt in your favor, inasmuch as the papers indicated that you "directed" Senator LEA and Secretary Snead to the National Park Bank, of New York City, where they could find $1,400,000 available to take up the notes of the State of Tennessee after you had lodged in the hands of that bank the sum of $400,000 of the "public moneys," besides other deposits going before this, so that these gentlemen would not find themselves at the end of a false rainbow when they walked through the doors of that bank and into its vaults. In old-fashioned parlance, those gentlemen, in their quest of funds for distressed Tennessee, through the good offices of almost magical financiering, "found the gold at the end of the rainbow." It was not a rainbow of hope, but one of reality. I see nothing wrong or dishonorable in this loan, so efficiently directed by you according to newspaper accounts now in my hand, coupled with your letter to Maj. E. B. Stahlman.

But, Mr. Secretary, you can never convince any reasonable intellect that there is the slightest difference between the principle of that "directed loan" to Tennessee and a direct—or directed—loan through the banks of the South, as fiscal agents of the Government, to the farmer on his cotton or tobacco, at a reasonable rate of interest, of public moneys, in accordance with conditions fixed by law. The Government has as much right to fix the conditions upon which it loans its public moneys as it has to authorize the banks to loan the same funds upon conditions to be fixed by the banks themselves. There is no chance for the Government to lose a penny on cotton and tobacco. They are produced, and will be in warehouses. The principle is the same, and since you have aided in exercising it for Tennessee to save her credit you can not dispute it with the farmers of the South when they beseech you to save their purchasing power and debt-paying power through the same means.

Hence my course is fixed, and I shall go forward and contend for legislation treating the farmers of the South as we have done with Tennessee, with the Dayton banks during the great flood in Ohio, and as was done in New York during 1907, when over $40,000,000 of public moneys were deposited with the banks to relieve the stock market and finance the needs of Wall Street speculators.

Our need is overshadowing and pressing. You should join us and help to get legislation to sell the Panama Canal bonds and issue United States notes. Restrain the banks, hold them in leash, and prevent their further inflation of the currency, which is not reaching the farmers this year.

With cordial regards, I am,
Sincerely, yours,

R. L. HENRY.

Mr. MANN. Mr. Speaker, I yield to the gentleman from Wisconsin [Mr. ESCH] such time as he may desire.

The SPEAKER. The gentleman from Wisconsin [Mr. ESCH] is recognized.

Mr. ESCH. Mr. Speaker, the consideration of this bill under pressure of a special message delivered recently to both Houses emphasizes the difference in method and of limitations in framing revenue laws and appropriating the moneys derived thereunder. Before the days of the income tax Congress knew beforehand that the money required to run the Government was derived from customs duties, internal revenue, and miscellaneous receipts, and therefore limited its appropriations accordingly, cutting the garment to suit the cloth. Accuracy in estimating the income from these sources from year to year and fear of a deficit enabled Republican Congresses for 16 years to keep the Government on an even financial keel. During all these years the revenues were abundant, without need of the issuance of bonds at high rates of interest to maintain the gold reserve, as in Cleveland's time, or imposition of direct taxes in time of peace.

With the enactment, however, of the Underwood tariff-for-revenue measure, confessedly reducing customs duties, as estimated by its author, by forty millions for the first year of its operation, and with its individual income-tax provisions yielding less than half the revenue estimated, this Democratic Congress has been heading for the rocks upon an uncharted sea.

The stern limitations which restrained Republican Congresses in making appropriations so as to keep them within the Government's receipts, accurately estimated in advance, no longer control. On the contary, this Congress in its joy ride of extravagance based its appropriations upon expectations as to income and not upon accurate estimates. Its expectations as to the amount of reduction of customs duties resulting from the new tariff were found to be too low, and its expectations of the amount to be derived from the individual income tax proved to be too high. The Democratic Party, in thus trying to run the Government by guess, has run it into financial straits, and this, too, uninfluenced by the war in Europe.

THE WAR IN EUROPE.

The President in his special message of September 4, referring to the reduction in customs duties of over ten millions for the month of August as compared with August of 1913, and a probable falling off of from sixty to one hundred millions for the current fiscal year, declared as follows:

> I need not tell you to what this falling off is due. It is due in chief part not to the reductions recently made in the customs duties, but to the great decrease in importations, and that is due to the extraordinary extent of the industrial area affected by the present war in Europe.

The President drew too broad a deduction from the falling off of the customs duties for the month of August, a falling off which can no doubt be largely attributed to the sudden upheaval in Europe, temporarily cutting off commercial relations with the belligerent area, but his alarm is not fully justified, in view of the fact that after a momentary shock and the reestablishment of "lanes of commerce" with England, France, and neutral European countries there has been a steady increase of importations week by week, the importations at the port of New York for the week ending September 12, of $16,930,576, being only $2,000,000 less than for the week ending August 1, the date when hostilities actually began. Conceding that the war now in progress, by depriving us of customs duties from goods which otherwise would be imported from Germany and Austria and from the allied powers, because of their lessened production, the loss is not likely to be as great as indicated by the President's message, and certainly not enough to justify Congress in levying war taxes to the extent of over one hundred millions in time of peace.

GENERAL FUND IN THE TREASURY.

On October 9 of this year there was a balance in the general fund of $102,776,123.93, as compared with $165,960,984.79 at the close of the fiscal year ending June 30, 1913, when Republican tariff laws were still in force. Notwithstanding this reduction of over $63,000,000 in the last 15 months, there are sufficient funds to run the Government if economically administered. But the President argues that as some $75,000,000 of this present general-fund balance are deposited in national banks, subject to call, their withdrawal at this time would bring about "probable consequences of inconvenience and distress and confusion," that therefore direct taxes of over one hundred millions must now be levied. We do not believe that this is the only alternative.

This vast sum asked to be raised will not come into the Treasury at once, but gradually, as the business taxed can develop it, and on the average of some eight millions a month. This being true, would inconvenience, distress, and confusion come to the banks and to business if the Secretary of the Treasury withdrew these $75,000,000 now deposited with the banks at the rate of $8,000,000 per month? With deposits of over six billions, with over three hundred and fifty millions of asset currency already issued under the much maligned, but now much needed, Vreeland-Aldrich act, and many millions more issuable, with enlarged powers of rediscounting possible under the Federal reserve act, now about to be put in operation, is there anyone who believes that our national banks will be seriously affected by the gradual withdrawal in the course of an entire year of only $75,000,000?

Why should not the Government be able to withdraw its own money—the people's money—to meet its own needs? Why should the people be taxed over one hundred millions in order that the banks may draw interest at the rate of 8 per cent and over on seventy-five millions, for the use of which the Government gets but 2 per cent? The withdrawal of these funds from the banks would not withdraw them from circulation, for the Government would immediately disburse them and they would again enter the channels of trade and business and ultimately again into the banks. When the average business man has a deposit in the bank he draws it out to pay his debts or to meet current expenses, or if he has no deposit he borrows the money, but he never would think of taxing his customers.

ANOTHER ALTERNATIVE.

There is another alternative which the President might have employed to meet what he considers the present grave financial crisis, an alternative which the Spanish War revenue act of 1898 gives the Secretary of the Treasury in just such an emergency as the present of borrowing money at not exceeding 3 per cent per annum on short-time certificates running not to exceed one year, and in denominations of $50 or multiples thereof. The President is opposed to this alternative, asserting that we ought not to borrow, as doing so would make an untimely and unjustifiable demand on the money market and increase the present embarrassment.

I am not impressed with his objection. If these short-time certificates of low denomination were offered for public subscription, they would be largely taken up by our people, and with little or no withdrawal of funds from the banks. Certainly, a Nation with a per capita circulation on October 1 of $37.15 and general stock of money of over four billions, ought to be able to absorb the small sum of $8,000,000 a month without danger to the money market. But the money so raised, as I have already stated, would not be permanently withdrawn, but would at once be disbursed and, entering the channels of business, would soon return to the banks. Would not the payment by thousands of our people of over one hundred millions in a single year of direct taxes be just as much an embarrassment to the money market as to raise the same amount by gradual sale of short-time certificates, under the act of 1898, or the gradual withdrawal from the national banks of the seventy-five millions belonging to the Government?

THE WAR AN ANCHOR OF HOPE FOR DEMOCRATS.

The falling off of customs duties since the Underwood bill became fully operative, as shown by decreased exports and decreased customs duties, notwithstanding increased imports, had become more manifest with each succeeding month prior to the outbreak of hostilities on August 1. This decrease, therefore, could not in any way be attributed to the war, but was the logical effect, as predicted by Republicans, of a bill which when being considered in the House was declared by its author to have nothing of protection in it, but was one for revenue only. With falling revenues and increased and increasing expenditures, relief for the Treasury was a matter of time. The sudden outbreak on the 1st of August, involving most of Europe, was providential for the Democratic administration. The greatest war in all history was to be turned to political advantage and all our financial ills attributed to it. Emergency legislation in the form of burdensome direct taxes was to be put through under gag rule to replenish the Treasury. War beyond our borders, and not ill-advised legislation here at home, was to be charged with the responsibility for our present state.

I do not believe our people can be so easily deceived. They had seen too many evidences of the disastrous effects of the Underwood and other bills in paralyzing business, reducing wages, increasing unemployment, and lessening confidence prior to the opening of hostilities in Europe to believe that this war was solely or even largely the cause of all our woe. A few statistics will be conclusive. The excess of exports over imports for the fiscal year ending June 30, 1913, was almost $653,000,000, while for the last fiscal year, ending June 30, 1914, it was only $470,457,375, notwithstanding the fact that the Payne tariff rates were operative from June 30 to October 4,

1913, and decreases on wool and woolens and on sugar did not go into effect until some months later. The record for the first seven months of this year is as follows:

Excess of exports:	
January	$49,323,680
February	25,875,369
March	4,943,930
Excess of imports:	
April	11,339,544
May	3,476,896
June	654,522
July	6,462,233

In other words, the excess of exports over imports, or balance of trade in our favor, during the first seven months of this year was only a little over fifty-nine millions, as compared with a balance in our favor for the first seven months of 1913 of over three hundred and eight millions. The war, by stimulating the exportations of foodstuffs and war material will, during the last five months of this year, check further decline and may considerably increase our balance, but these are abnormal and temporary influences, and the fact remains that during April, May, June, and July, and prior to the outbreak of war the tide of an excess of imports had set in, and accounted for large recent exportations of our gold to Europe.

Were this increase of importations during the first seven months of this year largely of crude materials for use by our manufacturers in making finished products, we might have less cause for apprehension, but the statistics show that of manufactures ready for consumption and upon which no American labor need be employed before use by our consumers there were almost $40,000,000 worth more imported than during the like period of 1913. That means that our own labor was deprived of the wages it could have earned had this excess of manufactured goods been made here.

Not only has labor been deprived of the opportunity of making the goods and earning the wages it is entitled to, but capital has been discouraged from enlarging plants, making new investments, and protecting itself and its workmen against foreign competition. Prior to and immediately following the passage of the Underwood bill many industries, in their efforts to adjust themselves to the new conditions, were compelled to reduce wages, the number of their employees, and their output. The administration, through the Secretary of Commerce and the author of the bill, declared that investigation at Government expense would be made of every such reduction claimed by business men to be necessary because of the new tariff, and if in the opinion of highly paid Government experts outside of the civil service their claims were unjustified they would be hung "high as Haman." Notwithstanding the activity of these experts, there have been no hangings to date. Adverse trade balances, lessened revenues of common carriers and most lines of business, lessened savings banks deposits, lessened wages because of reduction of orders and of output were the overwhelming and incontestible testimony which prevented verdicts of hanging.

INCREASE OF IMPORTS BRING LESS INCOME.

Not only had our imports during the first seven months of this year increased and during the last four months of this period exceeded our exports, throwing the balance of trade against us, but because of the reduction of the rates to a free trade or revenue basis the duties collected were less than for the corresponding period of 1913, when the Payne rates were in operation, by the sum of $23,360,549.39. This means but one thing—that we were permitting foreigners to import more manufactured goods which our own labor and industry could produce, while at the same time depriving the Federal Treasury of millions of dollars.

In other words, the foreigner got our money, we got his goods, but the Treasury lost the revenue, and all this without a reduction in the cost of living. Had adequate protective rates been adopted, or had even the rates of the Payne bill, defective as many of them were, been collected at our customhouses, the general fund in the Treasury would not be as depleted as it is now and there would have been no need, because of the present crisis in Europe, to burden the people with over one hundred millions in direct taxes. No amount of "whetting of wits" by our manufacturers, as recommended by the President, has yet enabled them to conquer the markets of the world. Up to the present, under the restrictions and handicaps to which they have been subjected during the last 12 months, they have been unable to even regain the home market to which they are entitled, but from which they have in many instances been driven by the competition of cheaper foreign products.

THE FARMER ALSO HIT.

The Democratic Party chiefly won success in 1912 because of its promise to reduce the cost of living. In its platform of that year it charged high cost of living to the protective tariff and the trusts and monopolies which such tariff fostered. To make good its promise it placed many of the agricultural products of the North and West upon the free list and materially reduced others. The argument used with the farmers, and one, I regret to say, many accepted, was that the protective tariff which the Republican Party had consistently maintained on products of the farm was of no benefit to them; that as we were exporters of such products there was no need of protection, and importations from other countries would have no effect. To show the enormous increase of importations of farm products during the nine months ending June 30, 1914, under the Underwood bill, as compared with the importations for the corresponding fiscal year under the Payne bill, ending June 30, 1913, I submit the following instructive table:

Articles.	9 months ending June 30, 1913, under Republican tariff.	9 months ending June 30, 1914, under Democratic tariff.	Extent of increase, number of times.
Fresh beef, veal, mutton, lamb, and pork.....pounds..	4,329,897	183,618,694	45
Butter and substitutes.....do....	980,622	7,390,147	8
Cream.....gallons..	784,092	1,100,518	¼
Eggs.....dozen..	1,099,534	5,832,725	5
Wheat.....busnels..	472,385	1,971,367	5
Corn.....do....	284,733	11,843,193	50
Oats.....do....	79,946	22,276,137	280
Barley.....do....	4,399	338,714	85
Cattle.....number..	366,022	725,584	2
Sheep.....do....	13,300	220,809	16
Potatoes.....busnels..	308,900	3,572,493	11

Excess in value of these importations under the Democratic tariff law, $48,186,728.

With such vast increases of importations there could be but one result—that our northwestern and border farmers got less for the output of their farms than they were entitled to and less than they would have received had not the duties been greatly reduced or entirely removed. At the same time the lessened prices paid to the farmers resulted in little or no reduction to the ultimate consumers, as, in so many other instances, the difference inured to the advantage of the carriers and middlemen. The fiftyfold increase in the importation of corn, principally from Argentina, inured to the benefit of the Corn Products Co. and the Whisky Trust.

It seems strange that the Underwood bill should free list the products of the farms of the North but retain a tariff on those of the South. Why should there be a tariff on peanuts and none on potatoes; a tariff on angora wool grown in Texas and none on wool grown in the North; a tariff on rice and none on corn; a tariff on wheat sacks and none on cotton bagging?

On top of such withdrawal of protection and such sectional discriminations the farmer is called upon by the pending bill to pay a considerable sum in direct taxes. He will not warm up to the proposition, but will resent the imposition of such taxes. Already he is dissatisfied with the party in power because of its failure to fulfill its promises to him. In their platform of 1912 the Democrats promised him legislation providing for farm credits, which the platform stated was of equal importance with currency reform. Notwithstanding a commission spent much time and money investigating the systems of farm credits abroad, notwithstanding much testimony was taken and many hearings and conferences were had and bills based thereon were reported, no action has as yet been taken and none is likely during this Congress. Either the President has not yet made up his mind or his mind is not in accord with that of his party in Congress.

Another promise the Democrats made the farmers was "national aid to State and local authorities in the construction and maintenance of post roads." While the House passed a bill appropriating $25,000,000 for this purpose, the bill slumbers in the pigeonhole of a Senate committee; and there is no prospect of road legislation in this Congress.

While some good laws in aid of agriculture have been passed by this Congress, the two measures in which the farmers are most vitally interested and the enactment of which were specifically promised have failed to pass. This Democratic Congress could not find the time to pass these measures, but it not only found the time but manifested the greatest eagerness to pass bills to appropriate thirty millions for the purchase of merchant ships and fifty-three millions for a "pork-barrel" river and harbor bill.

DEMOCRATIC EXTRAVAGANCE.

Had the present Congress exercised reasonable economy in framing the appropriation and other bills, the President could have had no excuse to ask the imposition of over one hundred

millions of direct taxes. The President can not escape blame for the unheard-of extravagance of his administration. In none of his messages to Congress has he impressed it with the necessity of hewing appropriations to the bone and of keeping expenditures within the income of the Government. Both he and his party seemed to have forgotten this pledge of their platform:

We denounce the profligate waste of the money wrung from the people by oppressive taxation through the lavish appropriations of the recent Republican Congresses, which have kept taxes high and reduced the purchasing power of the people's toil. We demand a return to that simplicity and economy which befits a democratic government and a reduction in the number of useless offices, the salaries of which drain the substance of the people

In the light of what has happened in the last 18 months this part of the platform, to use the words of the President, must have been "molasses with which to catch flies."

The appropriations of this session exceed those of the last Republican Congress, excluding from both the rivers and harbors bill, by about $100,000,000, and this, too, notwithstanding the appropriation this year for pensions, owing to the increasing death rate among veterans of the Civil War, was eleven millions, and that for the construction of the Panama Canal, owing to the conclusion of that great work, was fourteen millions less than even those of the last fiscal year. What becomes of the charge of "profligate waste" by Republican Congresses in the light of these figures?

The Democratic platform "demands a reduction in the number of useless offices, the salaries of which drain the substance of the people," and here, in the words of the gentleman from Massachusetts [Mr. GILLETT], are some of the instances showing how they observed the letter and spirit of this covenant with the people:

The new banking law creates five new offices with salaries of $12,000 each and increases the salary of the Comptroller of the Currency from $5,000, at which sum it had remained for 50 years, to $12,000 per annum.

The new Trade Commission act creates five commissioners at $10,000 each and a secretary at $5,000.

A new board of appeals, consisting of three members at $4,000 each, is created in the office of the Secretary of the Interior.

For commercial attachés, to be appointed by and compensated at such salaries as the Secretary of Commerce may fix, and a clerk for each at $1,500, and for traveling expenses, the sum of $100,000 is appropriated for a year.

The salary of the private secretary to the Secretary of the Treasury is increased from $2,500 to $3,000, which means that the private secretaries of the other nine Cabinet officers must also be increased from $2,500 to $3,000.

A chief of division created less than a year ago under the income-tax law is increased from $2,500 to $3,500.

Six Assistant Attorneys General in the Department of Justice have their salaries increased from $5,000 to $7,500.

The salary of the assistant to the Attorney General was increased during the extra session on an urgent deficiency bill from $7,000 to $9,000.

The salaries of our diplomatic representatives to Argentina, Chile, and Spain were raised from $12,000 to $17,500 each per annum, and the three secretaries of the legations to these countries are increased from $2,625 to $3,000 each.

The mission to Paraguay and Uruguay is divided and a new minister authorized with a new salary of $10,000.

The only way to effect economy is to economize. Platform platitudes and campaign oratory are of no avail and will not satisfy taxpayers when the bills are presented for payment. The time for thoughtful consideration is before the bills are incurred. Better hit a slower gait than end a joy ride with disaster. In times when private business is compelled to exercise the strictest economy in order to survive the Government should be the last to set an example of unbridled extravagance. In the recent decision of the Interstate Commerce Commission in the advance-rate cases the railroads were told to economize and their net earnings would increase. Why does not the administration take this advice to heart? Why seek to crowd through a river and harbor bill against the strenuous and prolonged protests of Republicans in House and Senate, carrying fifty-three millions in cash and forty millions in continuing appropriations, when there was "a depleted and depleting Treasury"? Republicans saved Democracy against itself by reducing these amounts to a bare $20,000,000, and should receive the commendation of a grateful people. The Republicans paved the way for "a return to that simplicity and economy which befits a democratic government," but Democracy refused to follow.

A few voices from the Democratic side were raised in vain efforts to stem the ever-rising tide of extravagance and "profligate waste." The gentleman from New York [Mr. FITZGERALD], chairman of the Committee on Appropriations, on April 10 last, thus chided his recreant brethren:

Whenever I think of the horrible mess I shall be called upon to present to the country on behalf of the Democratic Party I am tempted to quit my place. I am looking now at Democrats who seem to take amusement in soliciting votes on the floor of this House to overturn the Committee on Appropriations in its efforts to carry out the pledges of the Democratic platform. They seem to take it to be a huge joke not to obey their platform and to live up to the promises they made to the people. * * * My colleagues upon this floor seem either to be so indifferent to a very perilous situation for our party, or else, which I do not wish to believe, have so far forsaken Democratic practices and Democratic principles as not to deserve to continue in control of this Government.

Not only have the Democrats been guilty of gross extravagance, as thus admitted by one of their most distinguished floor leaders, but they have shown their customary inaptitude for the conduct of public business. When Democrats had control of Congress in Cleveland's time they failed to pass the appropriation bills until after the date they should have gone into effect. During the 16 years the Republicans were in power such delay never happened. During these last 3 years, with the Democrats in a majority in the House and with full responsibility for the passage of these bills, they never passed all of them before the commencement of the fiscal year for which the appropriations were made. This slothful conduct is indefensible and leads to waste and confusion.

CIVIL SERVICE UNDERMINED.

Not only has there been delay and extravagance in the matter of making appropriations, but grave assaults have been made during this Congress upon the spirit and letter of the civil-service law—a law designed to promote efficiency by insuring stability in office of the servants of the Government. So eager were our opponents to secure patronage that many offices, such as deputy revenue collectors, deputy marshals, assistant postmasters, and others, were taken from under the protection of this law to give opportunity for partisan appointments. In addition, new offices created by new legislation, with a pay roll of $4,000,000 per annum, were not placed in the classified service, but were left purely political.

When it was found that the individual income tax yielded less than half the amount estimated by the Treasury Department, its officials charged this failure to tax dodging, and at once asked for an appropriation, amounting to thousands of dollars, for tax ferrets, thus providing many lucrative and desirable appointments for those who had borne the heat of the day in political campaigns. With the widespread depression in business in no way attributable to the war, with passing of dividends and increasing receiverships, I predict that even with the aid of these officials the income taxes collected for the year 1914 will be less than those collected for 1913.

THE WAR TAX.

Taxation by way of stamp duties, such as proposed in the pending bill, has been resorted to during periods of crisis in our history. This bill is in large part a verbatim copy of the war-tax bill enacted in 1898 to meet the extraordinary expenses caused by the War with Spain. That was a Republican measure, and our opponents compliment us by adopting a plan of taxation which we in the hour of need found efficacious. But the circumstances now are very different from those which existed in 1898. Then we had an army of some 300,000 men to equip and place in the field. We were short of munitions of war, of uniforms, of medical and commissary supplies. All these had to be provided without delay, for we were at war by land and sea. Even under the pressure of such a crisis, when patriotism spurred men on to support their Government, the cry of opposition was heard. Our distinguished Speaker, Mr. CLARK, spoke and voted against the war-revenue bill of 1898, and the present leader of the majority, Mr. UNDERWOOD, bitterly assailed the bill, saying:

This tax will fall almost entirely on the hard-working and industrious artisans, merchants, mechanics, farmers, and professional men of the country, but not on idle wealth that is protected but never made to pay for the benefits received.

I know its features are partisan and unjust; they will oppress the masses of the people; they are unnecessary, and the same amount of revenue could be raised from sources that would equalize the burdens of taxation and not be felt by the people.

Now, with absolute peace within our own borders, and with neither war nor the rumors of war to frighten us, the same distinguished leader himself frames and introduces an almost identical bill, and appeals to Congress and the country to support him in his effort. His party, with only two or three exceptions, voted solidly in the House against the act of 1898 and withstood all appeals to patriotism. Now, the Republicans in the House, with like unanimity, voted against the present bill, not from any want of patriotism but because there are still a hundred million dollars in the general fund of the Treasury, three-fourths of which fund is deposited in favored banks, most of these banks being located in the South, and, further, because many of the funds appropriated by this more than billion-dollar session need not be all expended by department heads and subordinates before the expiration of this fiscal year, on June 30, 1915. Because Congress appropriates a hundred thousand dollars for a given purpose it does not thereby compel the department for whose benefit and upon whose request this sum

was granted to spend the full amount. In many instances prudence and the exercise of a wise economy would dictate the expenditure of a less amount. If this principle were kept constantly in mind and enforced there would be no need of war taxes for months to come, and perhaps not at all, on account of the disturbance of commercial relations due to the conflict now raging in Europe. During all the years of Republican control a full Treasury was maintained, and that, too, notwithstanding the fact that during the last 10 years there was paid out of it, without bond issues, two hundred millions for the construction of the Panama Canal.

I am as sensitive to the demands of patriotism as any Member of this House, but with me sense and sanity fix the limitations within which I manifest it. Believing that at this time of general depression, when taxes are high "and the purchasing power of the people's toil is reduced," in the words of the Baltimore platform, I believe it is ill advised to still further burden the masses. I am all the more convinced of the rectitude of my position because of the necessity of reducing and not of increasing the cost of living.

Is there anyone who can successfully contend that the levy of over $100,000,000 by stamp duties and other means, as provided in the pending bill, will not increase the cost of living? This bill touches not merely the rich, but the thousands in moderate circumstances and thousands more who are poor. At a time when the cost of living is higher than ever before, what hypocrisy is there in the Democratic pledge to reduce this cost by levying taxes which will inevitably increase it! I do not envy Democracy its present plight. None are so blind as those who will not see. Verily, the ass is proving too weak to carry the load of government. The elephant will soon be called to take his place.

As indicating the general opposition to the pending bill, even among Democrats, I wish to read a resolution adopted September 26 by the Democratic county committee of Dane County, in my State. This county is the second largest in the State, and contains the city of Madison, our State capital. It is as follows:

We commend the action of those Members of Congress who favor reduction of expenses, thus obviating the necessity of a special war tax. We deprecate a war tax at this time, believing that provision could be made for any deficiency which might occur by drastic reductions in the appropriation acts and in general retrenchment of governmental expenses.

I am confident this resolution declares the sentiment of thousands of Democrats throughout the country, and the congressional elections on November 3 will give a fitting opportunity for its expression.

WHAT THE WAR TAX TAXES.

This bill as it passed the House is estimated to raise $105,000,000 in taxes, distributed as follows:

On fermented liquors	$32,500,000
Wines	6,000,000
Gasoline, etc	20,000,000
Special taxes	16,500,000
Stamp taxes	30,000,000

In order to clearly indicate the amount and character of these taxes, the following schedule is taken from the report of Mr. UNDERWOOD:

STAMP TAXES.

Articles upon which a stamp tax is levied and the rate of tax.

Bonds, debentures, or certificates of indebtedness, etc., for each $100	$0.05
Certificates of stock, original issue, for each $100	.05
Certificates of stock, transfers, for each $100	.02
Sales of products at exchanges, for each $100	.01
Promissory notes, for each $100	.02
Express receipts	.01
Freight receipts or domestic bills of lading	.01
Bonds of indemnity and bonds not otherwise specified	.50
Certificate of profits, for each $100	.02
Certificate of damage	.25
Certificates not otherwise specified	.10
Broker's contract	.10
Conveyances, exceeding $100, for each $500	.50
Entry of goods at customhouse (according to value)	.25–$1.00
Entry for withdrawal of goods from customs bonded warehouse	.50
Insurance:	
Life, on each $100 of the amount insured	.08
Marine, inland, and fire, on each $1 of premium charged	.0½
Casualty, fidelity, and guaranty, on each $1 of premium charged	.0½
Mortgages and conveyance in trust, exceeding $1,000, for each $1,500	.25
Passage ticket (according to value)	1.00–5.00
Power of attorney to vote	.10
Power of attorney to sell	.25
Protest of note, check, etc	.25
Sleeping and parlor car tickets	.02

While the Senate will make many important changes in and additions to this schedule and has already agreed to eliminate gasoline, the essential features will remain and become law. The taxation of promissory notes and mortgages hits the man already in debt. If one signs a deed or other conveyance of a certain amount, sends a package of freight or express, a telephone or telegraph message, takes out insurance, purchases a sleeping-car ticket or a ticket abroad, he must pay the tax.

While the bill limits the payment of the stamp taxes to the 31st of December, 1915, taxes when once levied are hard to revoke. If there is plausible need of further revenues by the end of next year, there will be strong temptation to retain the taxes. A wiser course would be to withhold action for the present and await the restoration of our foreign commerce and in the meantime exercise in every department of the Government a pitiless economy.

Mr. MANN. Mr. Speaker, I yield 15 minutes to the gentleman from Washington [Mr. HUMPHREY].

The SPEAKER. The gentleman from Washington [Mr. HUMPHREY] is recognized for 15 minutes.

Mr. HUMPHREY of Washington. Mr. Speaker, I have just listened with a great deal of interest to the speech of the distinguished gentleman from Texas [Mr. HENRY], but I am not going to refer to the question of cotton. I simply want to make this statement, that when the gentleman from Texas depicts the conditions of the South he accurately depicts the conditions of the West. The South to-day is in no worse condition than the Pacific coast.

What I intend to talk upon for a short time is the question of our merchant marine.

The alarming condition in which we find ourselves to-day because we have no merchant marine is entirely due to our own inexcusable neglet. Those to-day who are most frantic in appeals for help are most to blame for our present situation. It has been the cotton raiser of the South and the corn grower of the Middle West that has prevented us to-day from having a merchant marine in this time of great stress to carry our foreign commerce and to bring home American citizens now stranded in Europe. While we to-day regret this calamity that causes all to suffer, yet, in the fact that the farmer of the South and the Middle West is hardest hit there is a sort of retributive justice. The condition that has come upon us was a danger that was perfectly apparent to anyone who has studied that question. I make no claim to be either a prophet or a statesman, but I have given some study to the shipping question. For a decade I have been trying to arouse the Congress and the country to our danger of being without ships to carry our foreign commerce. In a speech made on the floor of the House on February 27, 1907, I used this language:

The pride, the patriotism, the honor, and the safety of the Republic imperatively demand that, whatever the cost may be, no power shall drive our flag from the sea.

Our foreign commerce is to-day almost completely in control of foreign nations. We are almost entirely dependent upon foreign ships to reach foreign markets. Most of the many million dollars' worth of products that go abroad each year must depend on a foreign flag to reach their purchaser. What would be our condition to-day if one of the leading shipping nations should become involved in war, or, worse still, if two such countries should go to war with each other and should withdraw from our carrying trade, as they would, for war purposes the vessels now engaged in carrying American commerce? We can get some estimate of what would follow such a war by studying the results of England's little contest with the Boers; and, strange as it may seem, the interest first and worst hurt was not the shipper, nor the importer, nor the exporter, nor the manufacturer, but it was the farmer. The farmer discovered then that he was interested in shipping. England withdrew her best ships immediately and substituted old, slower, and inferior vessels to carry our trade. Not only were inferior vessels substituted, but freight rates were immediately increased more than 30 per cent. From some ports on the Pacific coast freights were increased more than 150 per cent. On the Pacific coast the farmers had the price of their wheat reduced 25 cents per bushel because of the increased price charged for foreign charters. England levied tribute upon the farmers of the Pacific coast to pay the expense of the Boer War. She compelled every farmer in America to contribute for that purpose.

If such damage could come from a war so insignificant, with our policy of each year more and more placing our commerce in the absolute control of foreign ships, what would be the results that would follow in case of a war between England and Germany or between either of them and another first-class power? Our foreign commerce would be destroyed, our vast over-sea commerce would be paralyzed, our crops would rot unharvested in the fields. Industrially this Nation would suffer all the horrors of war. The probability of such a war, of such conditions arising, is much greater than is the probability of our ever having any use for the magnificent Navy we are constructing. While we most willingly spend millions each year for our Navy to protect our commerce, we are unwilling to spend anything to prevent its destruction by conditions more likely to arise at any time when our Navy would be entirely useless. We are willing to spend millions to protect our commerce in time of war, but refuse to spend anything to protect it in the more perilous times of peace.

And what was the response to this appeal? What was the answer made to those who pointed out the pending danger to our country that is now upon us? The only reply was "subsidy." Yet we have already lost more money than it would have taken to subsidize a merchant marine sufficient to carry our commerce for a quarter of a century, to say nothing of our lost trade and prestige. We are now daily expecting to be called upon to raise

a hundred million dollars by war taxes—a war tax brought upon us in times of peace simply because we did not have the intelligence and patriotism to prepare for what could be plainly foreseen. This refusal to do anything for our merchant marine has been principally due to the fact that some gentlemen in order to keep in public place constantly cried out that they were against a "subsidy." If this European war lasts a year, it will cost this Nation ten times more than it would have cost us to build up the greatest merchant marine that ever floated and maintain it for half a century. Let it not be forgotten that the only ships that are to-day under the American flag running across the Atlantic Ocean are subsidized ships; that they are running to-day only because a Republican Congress had the wisdom and patriotism to place upon the statute books the subsidy act of 1891, an act that has been constantly condemned and denounced by those so-called patriots that have opposed our building a merchant marine. But where is the man to-day who would strike down this subsidy act of 1891? Where is the man in America to-day who regrets that it is upon our statute books?

Mr. GOULDEN. Mr. Speaker, will the gentleman yield for a question?

Mr. HUMPHREY of Washington. Yes.

Mr. GOULDEN. My friend from Washington, with myself, was a member of the Committee on the Merchant Marine and Fisheries for eight long years. The Republican Party was in power for 16 years. Why did you not put through a subsidy measure if you think so much of it and think it a wise and prudent and patriotic thing to do?

Mr. HUMPHREY of Washington. I am glad the gentleman asked that question, but I must say that his memory must be a little deficient. After I made that speech, from which I have just quoted, this House passed a subsidy law. It went over to the Senate, and there in that body it was filibustered to death by two Democratic Senators.

If that bill, filibustered to death in the Senate by two southern Democrats in 1901, had gone upon the statute books, we would to-day have 50 or more great modern steamships upon the Atlantic under the American flag. We would have one-half that number or more upon the Pacific. These vessels could have at once brought home all American citizens in Europe. They would have saved this Nation millions of dollars already lost in their trade. They would be ready to serve us in time of war and we would not be placed in the perilous condition that we are to-day with our troops in Mexico and our transports being used to bring civilians from Europe back to this country. If this law had gone upon the statute books it would have saved us all this loss, and it would have saved us the humiliation of having advertised to the world our ignorance, our weakness, and our neglect. But those who shouted "subsidy" loudest, and who posed as great patriots in fighting these bills, are now standing before the country as the demonstrated enemies of the Nation's best interest and as the unconscious helpers of the great foreign steamship combine that has lived and fattened at the expense of the American people.

I well remember that a distinguished Democrat, then the leader of the Democratic minority in the House, now a member of another body, replied to my plea for a merchant marine in the speech to which I have referred, that it was one of the most eloquent appeals for the American shipowner to get his hand into the National Treasury that he had ever heard. This same gentleman to-day, now that the conditions have come upon us that I predicted would come, is frantic to throw open the doors of the National Treasury to help cotton growers of the South. He and his party are willing to spend millions now to secure a lot of foreign second-class ships, built by foreign cheap labor, to relieve them in this emergency, but they were unwilling then to spend anything to secure first-class ships built in American yards by American labor. For the first time in 25 years the subsidy cry of the demagogue is stilled in the presence of this great national emergency. The Democratic Party that has so long denounced subsidy once more repudiates its platform and now passes a bill that contains a direct subsidy provision. Not only does this bill, passed by a Democratic Congress and signed by a Democratic President, propose to pay a direct ship subsidy, but it is proposed to pay this subsidy directly out of the National Treasury to foreign-built ships. This is a subsidy proposition that the Republican Party never advocated.

The Republican Party has advocated a ship subsidy, but only that it be paid to American ships. Of all subsidy provisions that have ever been written upon our statute books this provision of this Democratic law is the most indefensible. They have gone from one extreme to the other. From denouncing the proposal to pay a subsidy to American ships built in American yards they now favor paying a subsidy to foreign-built ships built by foreign cheap labor. Of all popular cries that ever went up in this country for political purposes only this cry of "subsidy" was the most hypocritical and cowardly. It deceived a great portion of the American people, and this fight against a so-called subsidy was largely created and greatly fostered through that portion of the American press that received a subsidy amounting to millions annually, paid in the shape of advertising by the giant foreign steamship combine. These advertisements were often accompanied by prepared editorials and press notices pointing out the great evil of Americans doing anything to build up our own shipping. These editorials constantly denounced subsidy, and declared that it was to the great advantage of the American people to have their commerce carried under a foreign flag. Think of the good faith and patriotism of publications of this character taking advertisements and receiving the cash for them, and publishing these furnished attacks upon shipping legislation! Talk of being reformers or the friends of the people! Think of the good faith and patriotism of the publishers, and especially of the magazines in this country that denounce subsidy, when the publishers in this Nation receive a direct subsidy from the National Treasury of more than $63,000,000 each year! This $63,000,000 is paid to these publishers "to make profitable an unprofitable business." It is paid out of the Treasury of the United States by the people directly to these publishers. The periodicals in this Nation would want to start a revolution in this country if any other industry was so favored and subsidized as they are. It is rather a discouraging lesson in patriotism to take up one of these public periodicals during the last 10 years and see its great advertisements of foreign steamships for which millions of dollars were paid, and then remember the giving of millions of dollars out of the Treasury to keep in circulation these periodicals, and then read on its editorial page an inspired article by these "holier than thou" publishers about the iniquity of the Government giving a subsidy to build up our merchant marine. There never was any sincerity in this "subsidy" cry in practice in Congress or out of it. We subsidize everything in this country except our shipping. We subsidize argiculture more than $20,000,000 annually. We subsidize mining. We subsidize our rivers and harbors more than $50,000,000 annually, largely to accommodate foreign ships. We voted a subsidy to kill the cotton-boll weevil, to kill the cattle tick and the gypsy moth, and for ten thousand other purposes. We subsidize everything on land, and why? Because on land a specific part of every subsidy is spent in somebody's district, or directly benefits some one in some one's district.

For 12 years I have been a Member of this body, and I challenge any man—Democrat, Republican, or nondescript—to show that he ever voted against any subsidy of any kind or character, great or small, that was to be expended in his own district. You may search the records in vain and you will find no such exalted individual in either the House or the Senate. If there is any such person, let him stand up, that he may be photographed and let the country look upon his benign countenance. [Applause on the Republican side.] I notice no one is standing up.

Here is the solution of the opposition to a ship subsidy: No part of it would be expended directly in the district of the man who voted against it. But to-day conditions have changed, and many of these patriotic gentlemen now believe that the money that they would take out of the Treasury to secure foreign ships will directly benefit their district, and, of course, they are in favor of it. And those who have formerly denounced it the loudest are now the most clamorous for a bill of this character.

NO RELIEF FROM THE DEMOCRATIC PARTY.

There will be no great American merchant marine built up under a Democratic administration. The Democratic Party is irrevocably committed against any remedy that would be effective. The Democratic Party is hopelessly committed to that sweet human delusion that you can "get something for nothing." The Democratic Party is always wedded to something free. Free ships, free trade, free silver is the trinity of their deluded faith. For years they met every attempt to help American shipping by denouncing it as "subsidy" and declaring that the one thing necessary was free ships.

They wailed about an imaginary shipping trust and insisted that if only the American citizen was permitted to go abroad and buy his ships these foreign-built vesels under the American flag would soon crowd the seas. It was utterly useless to call their attention to the facts. On the floor of the House I called attention to the utter absurdity of such claims. I pointed out that it was not the cost of the ship but the cost

of operating the shipping that had driven the American flag from the sea. At that time I used this language:

A free-ship policy in this country would not be of any effect.
If the American owner can not run at profit the vessel he already owns, certainly the most stupid would not contend that he would buy and run another, however low the purchase price might be.

But, notwithstanding these facts, so plain that none could be deceived, the Democratic Party continued to insist that the only remedy was free ships, and they used this argument on every occasion to defeat any bill that would have been of real assistance. Finally a bill was reported from the Committee on Merchant Marine and Fisheries, of which I was a member, having a free-ship section. Much to the surprise of many of my Democratic and Republican friends, I favored this provision and declared on the floor of the House that I favored it, because if we adopted it it would demonstrate its utter worthlessness and would put an end to this free-ship propaganda. A free-ship provision was finally enacted into law in the Panama Canal act. It has been upon the statute books for more than two years. My prediction has proven correct. Not a single ship has taken the American flag as the result of that legislation. The falsity of the free-ship argument has been fully demonstrated, so much so that even the Democratic Party no longer uses it.

But even this has not been sufficient to divorce the Democratic Party from its policy of delusion and folly of "getting something for nothing." It still advocates the policy of free trade on the seas. They call this policy a "discriminating duty." It was proposed to reduce the duty on goods carried in American ships 5 per cent. Of all the absurd, pathetically ridiculous propositions ever seriously urged in Congress as an efficient remedy to build up an American merchant marine, this proposition stands first.

But, as with free ships, it was no use to present facts and figures. So this absurdity was written into the Underwood tariff bill. The history of American legislation furnishes no example of a more indefensible act of Congress. In the first place, we had but few American ships, so the result would have been practically negligible in any event, as the amount was not sufficient to cause an additional American ship to be run or to cause one already running to make an additional voyage. What little influence it would have would be to open our markets to foreign goods and not foreign markets to our goods. If such provision would have any influence whatever it would be to increase imports and decrease exports. In other words, it was a free-trade proposition. What little help it would give was a mere gratuity, a pure subsidy that went either to vessels already receiving a subsidy from the Government or to vessels operated by cheap Chinese crews. To secure this subsidy these favored vessels were not required to perform any service for the Government or to give any additional services whatever for the benefit of American commerce.

Of course, between here and South America and between here and the Orient is where we are most greatly in need of American ships. But this free-trade provision of the Underwood bill in the trade with these countries would not give sufficient amount to put a "painted ship upon a painted ocean." A large part of our imports from South America and the Orient is upon the free list. Taking the actual figures from the customhouses, a reduction of 5 per cent of the duty would give the great vessels of the Pacific Mail not more than $5,000 for each round trip, while the vessels of its Japanese competitor, making exactly the same voyage, receive $100,000 in gold from the Japanese Government for each round trip.

I showed from the reports of the collector of customs from the Puget Sound district that this 5 per cent provision, if the vessel got it all, would give the giant *Minnesota*, the greatest vessel on all the Pacific Ocean, for each round trip of more than 12,000 miles less than $2,000, hardly sufficient to pay the salary of the cook, although if this great vessel was subsidized in the same amount as her Japanese competitor she would receive about $150,000 each round trip.

The figures from the Treasury Department show that this reduction of 5 per cent as proposed by the Underwood bill, if the vessels received the entire 5 per cent, would not be sufficient, as I stated when discussing the proposition here on the floor of the House, to run a line of Indian canoes between here and South America.

Under the provision of the Underwood law, a tramp vessel coming from Europe to this country would receive greater compensation for carrying a single case of champagne than a modern ocean liner would receive for bringing $5,000,000 worth of rubber, or hides, or coffee, or meat, from the distant coast of South America. No words can demonstrate the utter absurdity of this provision of the present tariff law as do the Government official figures that I have placed in the RECORD.

But nothing could convince the Democrats that they could not "get something for nothing." They had to try this provision as they had to try free ships before they were satisfied. But even now I understand that some of the worshipers of free trade are not entirely cured of their delusion as applied to our merchant marine.

It has been repeatedly declared that the 5 per cent discriminating duty provision in the Underwood law is the plan followed by "our fathers"—under which we once had a merchant marine that was the glory of the seas and the pride of the American Nation. Nothing could possibly be further from the facts. The plan of our fathers was to increase the duty on goods carried in foreign ships. The plan of the Underwood bill is to decrease the duty on goods carried in American ships. The plan of the fathers affected all imports alike, whether dutiable or free. The Democratic law affects only goods that are dutiable. The plan of the fathers was protection. The plan of Democracy is free trade. The plan of our fathers was effective. The plan of Democracy is ridiculous.

The plan of our fathers suited their time. It was effective and it showed their wisdom and their patriotism, but in this modern world of commerce the plan of our fathers would be as antiquated as would their ancient flintlock rifles, with which they gained their liberty, in a war to-day against modern weapons.

ONLY REMEDY LEFT DEMOCRACY.

The Democratic Party has forever pledged itself against direct aid to shipping and against any increase of duty on imports. There is but one other way left, and that remedy the decadent Democracy of Jefferson and Jackson are already claiming is the only remedy, and that is the socialistic remedy of the Government buying, owning, and operating its own vessels. Six months ago I made the prediction that before the end of this administration the Democratic Party would be insisting on the Government buying and operating ships as a way to get a merchant marine. There could be no doubt that they would do this if they did anything, for it was the only method left open to them.

This socialistic proposition is already with us. The European war demonstrated the result of our folly. We were reaping our reward. A demand came for American ships. This time the cry did not come from the shipper of the Atlantic and the Pacific coasts; it did not come from the American manufacturer. Cotton was hit. All cry of "subsidy" and "graft" and "special interest" died suddenly upon the lips of Democracy. There was a frenzied and hysterical demand that the Treasury be thrown open and that the Government, regardless of cost, must come to the relief of the cotton planter. The very men that had for years blocked every attempt to prepare for such an emergency were now the ones most frantic for "subsidy." These excited gentlemen are still so feverish and hysterical that they do not even yet see the inconsistency of their present attitude or realize their responsibility in bringing upon the country our present deplorable but inexcusable condition.

At present it appears that the plan that the Democratic Party will finally follow will be Government ownership, with all the extravagance, incompetency, corruption, and scandal that such plan must bring.

Those who have long been abusing subsidy the loudest are now loudest in their demand for this socialistic proposition. They no longer care who makes a profit or who pays the expense so long as their constituents get immediate relief.

THE RECENT LAW.

The bill just passed may bring some temporary relief, but it will not be of any permanent benefit unless it is followed by other legislation. As soon as the war is over the foreign cheap ship, with its foreign crew, subsidized by its Government, will soon force all the vessels that take advantage of the present law again under a foreign flag. So transparent and plain is this proposition that most of the ships we are purchasing in good faith will be bought with this very purpose in view. It is the only possible way that the purchaser of a ship can have any reasonable hope of a profitable return upon his investment. It is argued that there are already many ships under foreign flags that are owned by Americans, and that these ships under the present law will seek American registry. This they may do, but it will probably be because they wish to be protected from seizure by foreign nations. But even if this class of vessels does come under the American flag, it will do but little toward relieving the present situation, because they will continue in the same trade where they now run. Take, for illus-

tration, the United Fruit Co. vessels, now under the English flag. They may take the American flag. It will protect them from any danger of seizure by German warships, but these vessels will undoubtedly continue to run in the same business in which they are now running.

I will yield, even if I have but one minute left, to any gentleman who will stand up and tell me what benefit has come from that law. Not a vessel has come under the flag since that law went upon the statute books, except those belonging to great corporations, with a single exception.

Mr. HARDY. The gentleman said he would yield. I would like to have the gentleman say whether or not in passing that law allowing for the registry of foreign-built vessels we did not at the same time so limit their uses as to leave them just exactly where they would have been if they had flown a foreign flag?

Mr. HUMPHREY of Washington. You did exactly what the Democratic Party always does in regard to merchant-marine legislation. You placed something upon the statute books that was of no effect. [Applause on the Republican side.] It was absolutely absurd. Just as your free-ship proposition was absurd, just as your discriminating-duty proposition was absurd, so you followed it with this last absurdity.

The only people who have been benefited by this recent law are the great corporations that own these vessels. They have been protected from seizure by hostile warships. It has been a benefit to them, but they still run exactly where they ran before. They still carry the same traffic; they are still performing exactly the same duties. The Government has not benefited in a single instance. Not a single additional ton of American commerce has been carried because of that law. The only exception to these great corporations is one vessel on the Pacific coast, a German vessel that has been renamed the *Sacramento*, but which will probably be seized by an English naval vessel the moment it gets outside of the Golden Gate.

The only thing that is left for the Democratic Party is the socialistic one of Government ownership, and that is the one that we are now told must be passed when we meet again. What is that proposition, in a few words? That the Government shall buy foreign cheap ships, built by foreign cheap labor, place upon them foreign seamen—Chinese, Lascars, or any that they can get—man them by foreign officers, and the only thing about the vessel American will be the flag; and unless this administration changes its policy, even that may be manufactured abroad. [Applause and laughter on the Republican side.] That is the proposed Democratic ship-subsidy legislation. I want my friends on that side of the aisle to remember this statement: Not only do you propose to take these foreign cheap ships and man them with foreigners, but you propose to subsidize them under the subsidy act of 1891. If we can only get a merchant marine composed of foreign-built ships, manned by foreigners, and still have to give them a subsidy, then I for one do not think it is worth the price. [Applause on the Republican side.]

If the Government should go into the business of buying and running ships, then the present law would be of little or no benefit whatever, for it is hardly to be supposed that any American citizen in good faith would buy vessels and undertake to run them in competition with the Government, with the United States Treasury back of the scheme to meet the loss that would occur.

I see no hope of any merchant marine as long as the Democratic Party controls the country, for they stand where they have always stood—absolutely opposed to anything that will permanently build up American shipping. Repeating a statement I made upon the floor of the House many years ago when arguing this same question:

> It is useless to attempt to persuade them to see the error of their way. The Democratic Party is for free trade. It is wedded to a corpse; it never unites with the living. When you attempt to convert the Democratic Party, when you attempt to persuade it to favor any proposition that is right, to vote for any policy that is for the general good, in the language of Holy Writ, "You might just as well fill your belly with the east wind." "Yea, they have chosen their own ways, and their souls delight in their abominations."

IF WE WERE AT WAR.

Our financial loss by this war in Europe because of our being without a merchant marine can never be measured. It is beyond human calculation. But vast as it is, by comparison it is as nothing to what we would lose by having no merchant marine if we were to become involved in war with some powerful nation. We have practically no transports for our Army and practically no auxiliary for our Navy. If we were at war to-day, we could with greatest difficulty, notwithstanding the Panama Canal is now open, because of our lack of American ships, get our battleship squadron from the Atlantic to the Pacific Ocean. If our battleship squadron were there it could only fight along the shore. It could only be used as a mere coast defense, because of lack of merchant ships to support it.

When our battleship squadron went around the world it could only do so because we employed foreign ships to carry the coal, a thing we could not do in time of war. Had war been declared while that trip was being made, all these foreign ships would immediately have left our service, and the best that we could have done would have been to have run our mighty battleship squadron into a neutral port and there dismantled the vessels and abandoned them until the end of the war. Our condition is little better to-day. Now we have but few transports, and most of these are old and antiquated and utterly unfit for over-seas voyages. With a few of these transports sent to Europe to bring home stranded Americans, our army at Vera Cruz is now practically helpless. We have no vessels left to either send them reinforcements or to bring them away.

If war were declared to-day, we could not get 25,000 soldiers to the Philippines in a year if the fate of the Nation depended upon it.

A navy is practically worthless without a merchant marine. We build a navy for the protection of our country. A merchant marine is as essential for the common defense as a navy. Why should it not be the business of the Nation to provide the one the same as the other? They are both for one and the same purpose. To build a navy without a merchant marine as an auxiliary is an inexcusable waste of public money. To build a navy and not a merchant marine is criminal stupidity that may any day threaten the integrity of the Republic.

Mr. MANN. Mr. Speaker, I yield 25 minutes to the gentleman from Massachusetts [Mr. GARDNER].

Mr. GARDNER. Mr. Speaker, yesterday I introduced House joint resolution 372, "Providing for a national security commission."

This resolution calls for an investigation the purpose of which is to ascertain whether the United States is prepared for war. To-day I am addressing this body because I need help in pressing that resolution to a hearing.

A DELIBERATE DELUSION.

For a dozen years I have sat here like a coward, and I have listened to men say that in time of war we could depend for our defense upon our National Guard and our Naval Militia, and I have known all of the time that it was not so. I am a former militiaman myself. I am a veteran of the Spanish War, and I tell you that any such doctrine is the supremest folly. Under that delusion in 10 short years we have allowed our Navy to slough away from a strong second to England, until now it is a very bad third and is fast sinking to fourth or fifth place. The theory in this country that we can create an army and a navy right off the reel is totally and entirely wrong After war breaks out you can not improvise a dreadnought, you can not improvise a torpedo, you can not improvise a 42-centimeter howitzer, you can not improvise a traveling concrete plant, you can not improvise plants for inflating Zeppelin balloons, you can not improvise sailors.

All those things must be provided in time of peace, and yet we are neglecting them. And, my friends, you can not make a fighting regiment out of a militia organization until you have either eliminated 20 per cent of the personnel of that militia organization or stiffened their resistance against the instinct of self-preservation. I have been a militiaman. I have seen militiamen go into the Spanish War. Many a lad enters the National Guard in times of peace and then is ashamed not to volunteer when war breaks out. He goes to war half-heartedly, hoping against hope that when the time comes he will be brave. Perhaps he may be brave, but often and often the spirit is willing and yet the flesh is weak. That 20 per cent I spoke of is quite enough to disorganize the best material which ever went to war.

The militia has seldom been dependable in a tight place in the past. You have got to go through the long, weary process of cutting out the timid and hardening the rest before your National Guard regiment will become an effective Volunteer regiment.

THE STORY OF THE SPANISH WAR.

"Oh, yes," somebody says to me, "that is the same old story that we have been hearing so long—that the United States is not prepared for war." My friends, it is the same old story, and it is a true old story. We were not prepared for war when the Spanish War broke out in 1898 and we were not prepared for war when the Spanish War ended.

At the end of April, 1898, war was declared against Spain, and there came a call for volunteers, for 125,000 only. Afterwards, in May, came a call for 75,000 more volunteers. Did those volunteers mobilize, all equipped, rushing to the front like the coming of the wind? By no means. A great many of those volunteers have not mobilized yet. Did you know, Mr. Speaker, that in the Spanish War a great many States of this Union were unable to supply their entire quota until after the war was ended? If the gentleman from Pennsylvania, Gen. HULINGS, were here to-day, he would tell you that on the 9th day of August, 1898, at Coamo, P. R., three months and a half after war was declared, he led his men into action, armed with rifles which had only been in their hands for three days. In Cuba during the Spanish War, in the month of July, two regiments went into battle armed with short-range Springfield rifles, shooting black-powder cartridges. There in the press gallery sits Sergt. Goodwin, of Company K, Third Texas. Were he on the floor he could tell you how his company for five months had to put up with antique black-powder Springfields. To be sure, many of those valuable relics were at least safe, for they had no triggers and no plungers.

Mr. KAHN. Mr. Speaker, will the gentleman yield?

Mr. GARDNER. Certainly.

Mr. KAHN. I can assure the gentleman that the situation is not as bad as that to-day. We have 800,000 rifles of the Springfield 1904 pattern, and that is the greatest reserve that this country has ever had at any one time.

Mr. GARDNER. I was coming to our rifle reserve. On my right another Spanish War veteran, Mr. GREENE of Vermont, reminds me that those two regiments in Cuba of which I spoke were armed with ramrod bayonets instead of intrenching tools.

DEAF TO EVIDENCE.

Let us see if the situation is much better to-day. The naval board is continually dinning into our ears a story of the unpreparedness of the United States for war. Every time he issues a report, Gen. Wood tells us the same thing about the Army. He appeals to us to arise from our lethargy and take an interest in these questions which are vital to the Nation. Yet we go on slumbering and gibbering and scattering money for all sorts of projects wherever the votes grow thickest, and I am just as bad as anyone else in that respect. What is the matter with us? Are we blind? Are we crazy? Do we not see? Of course we see, but we know that every boy in the United States is brought up to believe that we can "lick" all creation, and we are ashamed, we are afraid, to go to our constituents and tell them the truth. I have been afraid all these dozen years to turn around and say to the National Guard in my district, "We can not depend on the greater part of the National Guard to do effective service in time of war." In all the dozen years that I have known that fact until this minute I have never said so.

We Congressmen have been salving our consciences by trying to believe that no one would dare attack the United States. Are you so confident of that assumption now, gentlemen? Do you believe that if, after this war, Germany found the Monroe doctrine standing in her way—Germany or any other powerful nation—do you feel so sure that she would pay any attention to that doctrine of ours if the redundancy of her population forced her to look about for colonial outlets?

THE MONROE DOCTRINE AND ASIATIC EXCLUSION.

The United States by the Monroe doctrine has said to the world, "You must not colonize in Mexico and you must not colonize in South America—rich, fertile South America. We do not intend to colonize there ourselves, but you shall not colonize there, either. You shall not be allowed to overflow America with colonies recruited from your teeming population." Do you believe that we can maintain any such doctrine unless we are prepared to fight for it? Then, again, we have looked square in the eye of the most military nation which Asia has ever known, and we have said, "We will have none of you within our borders." Do you suppose a proud people like the Japanese will continue to listen with equanimity to a doctrine like that, unless behind that doctrine lies a force which can put it into effect? Perhaps men may say that the Monroe doctrine and the Asiatic exclusion doctrine are prompted by national selfishness. So be it. I concur in both doctrines. I am ready to battle for them and I am ready to pay the bill for enforcing them.

Possibly the world may think that this country is a dog in the manger in its attitude toward South America and Mexico. At all events let us not be toothless dogs in the manger, who bark noisily, but when it comes to biting are found wanting.

THE NAVY.

I believe that our naval school at Annapolis leads the world. My race prejudice leads me to believe that perhaps English-speaking men make a little the best sailors in the world. There our advantages end. Let us try not to fool ourselves. Competent officers and brave men will not offset the difference between a 6-inch gun and a 12-inch gun.

How many men do you think we need in order to man the modest Navy which we have? We need from 75,000 to 100,000 men. And how many do you think that we have? We have just about 50,000 men and some 9,000 Naval Militia. Before we can mobilize our entire fleet, if it is all worth mobilizing, which it is not, we must enlist approximately 41,000 raw recruits, many of whom never saw the sea in their whole lives.

We have been reading about the exploits of the submarine which the Germans call *U.9*. We are told that she sank three British cruisers by three successive torpedoes. Perhaps you think we might do the same thing. We might if we had the torpedoes, but do you realize that we have on the average only one long-range torpedo, built or building, for each torpedo tube with which our vessels are supplied?

Mr. BORLAND. Does the gentleman care to yield?

Mr. GARDNER. Certainly.

Mr. BORLAND. My understanding is, and I ask if it be correct, that the United States has spent more on its Navy in recent years per year than any nation except Great Britain; that we have exceeded annually the naval expenditure of Germany by twelve or fifteen million dollars. Is not that the fact?

Mr. GARDNER. I do not know. What effect does that have on the argument?

Mr. BORLAND. Under those conditions ought we not to have a better Navy?

Mr. GARDNER. I can not tell the gentleman. I am talking about the results, not about the causes. I do not wish to go into controversial matters of that sort. I know the answer and so does the gentleman who interrupted me. Construction is expensive in this country and our crews are highly paid. The German crews are unpaid, I think.

Mr. Speaker, as I was saying, we have only one long-range torpedo for each torpedo tube. You might almost as well have one projectile for each gun, except that torpedoes cost $8,000 each, and they are said to take nearly one year to build.

The plans of modern warfare on the sea require fast scouts to keep in touch with the enemy and find out where he is. These scouts must have a minimum speed of 30 knots an hour. How many such scouts do you suppose we have? Mr. Speaker, we have only three of these scouts with which to obtain our information. Germany has 14 fast scouts, and Great Britain has 31. How about the great fighting weapon, the ship which must lie across the ocean paths and intercept the enemy? How about the dreadnought and the dreadnought cruiser, the great, strong fighting men-of-war? Let us see how we stand in that respect. Great Britain has 42 dreadnoughts and dreadnought cruisers built and building. Germany has 26. We have only 12, and 3 just authorized. "Oh," you say, "the day of dreadnoughts has gone by; it is submarines which we want." I do not agree with you that the dreadnought's day has passed, but most certainly I believe that we need a powerful fleet of submarines. Let us see how we stand in that respect. Great Britain has 64 submarines, and we are fourth on the list. So it goes—we are short of nearly every kind of vessel and nearly every kind of armament. The longer it takes to build things, by some strange chance it seems as if the shorter we were of them.

Now, if we have not got a fleet, ship for ship, which matches the fleet which comes against us, we probably can not stop that opposing fleet. If we can not stop his fleet, the enemy can land his troops anywhere on the coast of the United States that he sees fit. We have no Army wherewith to oppose him.

THE ARMY.

Do you know what we have got in the way of an Army? Do you know what we have got with which to oppose 4,000,000 trained men, which happens to be the war strength of the German Army? Do you realize that we have only about 85,000 regulars and about 120,000 militia? Are those militia trained? Why, Mr. Speaker, 60 per cent of the men in the militia who are armed with a rifle do not know how to use it properly. Sixty per cent last year were unable to qualify even as third-class marksmen.

Half of that 60 per cent—30 per cent—did not even try to qualify with the rifle. That is all we have got to defend us. What is the use of talking this arrant humbug any more to the country? I am telling you the truth. That is what we have got to face. But I do not blame you gentlemen. I blame the inflated optimism which has led us to believe that we can whip all creation.

Mr. Speaker, as the gentleman from California [Mr. KAHN] said, it is a fact that at last we have nearly one million modern

rifles on which we can depend. How about our artillery? Let us see what Gen. Wood, the Chief of Staff, said in his report last year. He tells us of the "alarming condition of shortage" in our field artillery guns and ammunition. Present-day events are showing that it is mighty dangerous to be weak in artillery.

Of course, it is evident that our main defense must be the Navy. This country will not tolerate these huge European land armaments. But at all events we can vastly increase the Regular Army without putting an undue burden on the taxpayers. Furthermore, we can equip it with plenty of the latest artillery; we can equip it with plenty of the latest machines for fighting in the air; we can double the number of our officers; we can treble the number of our noncommissioned officers; and, by the way, all England to-day is posted with advertisements offering inducements for old noncommissioned officers to rejoin the colors.

Mr. HUMPHREYS of Mississippi. Will the gentleman yield for a question?

Mr. GARDNER. Yes.

Mr. HUMPHREYS of Mississippi. How long does it require to manufacture the ordinary field artillery?

Mr. GARDNER. The 3s?

Mr. HUMPHREYS of Mississippi. I do not know how many "3s" there are.

Mr. GARDNER. No one knows how long it takes to manufacture the 42-centimeter guns, because they are quite new in war. I understand that it takes a year to manufacture certain kinds of cannon, but I believe that it can be done more expeditiously in the Krupp factory than in the United States.

Mr. HUMPHREYS of Mississippi. I am speaking of the character of field artillery that we have now.

Mr. GARDNER. A member of the Committee on Military Affairs on my right tells me that it takes nine months to make the ordinary field artillery; that is, the horse artillery.

Mr. HUMPHREYS of Mississippi. The gentleman will pardon me. The answer usually made is that it takes a long time to build a navy, but that we could very readily put an army in the field, because we could get the men.

Mr. GARDNER. If the gentleman has followed my argument he knows that I believe that we can not get the men in a short space of time.

Mr. HUMPHREYS of Mississippi. I believe so, too. I believe as the gentleman does. It would be utterly impossible for us to equip the Army with artillery under 12 months, it matters not how much money we were willing to spend.

Mr. GARDNER. If you want to build this enormous German artillery, which is drawn by two motors and pushed by a third, no one knows how long it will take to do so.

Mr. MONTAGUE. I did not understand the gentleman's statement just now. Was it that we could not get the men, or what was it?

Mr. GARDNER. In my opinion it would take a long time to get the men. I have stated my own belief that militia must not be depended upon for our defense.

Mr. MONTAGUE. May I ask the gentleman what is the need, then, of exposing our weakness to the world at this particular time?

Mr. GARDNER. That is what gentlemen have been saying right along. Meanwhile we have gone ahead telling our boys that we can whip the world without half trying. The gentleman says that we must not tell the world of our weakness. The fact is that foreigners already perceive our weakness a great deal more clearly than the American people do.

Mr. KAHN. Will the gentleman yield?

Mr. GARDNER. Yes.

Mr. HUMPHREYS of Mississippi. The fact is that the American people are the only people who do not know it. Is not that a fact?

Mr. KAHN. The gentleman has referred to the report of Gen. Leonard Wood of last year in reference to our inefficiency in the artillery branch of our establishment. Does not the gentleman know we appropriated some millions of dollars for the increase of the artillery in the last military appropriation bill?

CONCLUSION.

Mr. GARDNER. I know there has been an improvement in artillery, but what I am contending for is a radical change, not a palliative. The whole matter lies deeper than Congress. The trouble is that we have never dared to tell the people that they are living in a fool's paradise, for fear that we should antagonize somebody and perhaps incur the charge that we are revealing our weakness to foreign nations, as if there were any secret about our weakness which we could conceal if we tried. The truth is that each one of us is afraid that some National Guard man in his district will say, "Why, that man GARDNER says I am no good. I will teach him." That is why the people of the United States have not yet awakened to the understanding that 42-centimeter guns and superdreadnoughts present stronger arguments than past victories and present treaties.

APPENDIX.

Statement given to the press October 15, 1914, by Congressman GARDNER, of Massachusetts, upon the introduction of House joint resolution 372, "Providing for a national security commission:"

TOTALLY UNPREPARED FOR WAR.

I have introduced this resolution to investigate the military status of the United States, because I know that a public searchlight will open the eyes of Americans to a situation which is being concealed from them.

The United States is totally unprepared for a war, defensive or offensive, against a real power. In my opinion, the effect of the vast sums of money spent by Mr. Carnegie in his peace propaganda has been to blind Americans to the fact that our national security from a military point of view is undermined.

Nearly every Army and Navy officer to whom I have spoken tells me the same story of inadequate security. I have yet to speak to a single member of either the Committee on Naval Affairs or the Committee on Military Affairs of the House of Representatives in whose judgment I have confidence who does not, in private, make exactly the same admission. Yet all these gentlemen seem to consider it their duty to refrain from making any public statement.

THE MONROE DOCTRINE.

We are the most prosperous nation on earth, and to the south of us lies the wonderful South American continent, which we have closed to European colonization by the Monroe doctrine. I simply can not understand how any intelligent student of history can fail to see that we are impotent to defend ourselves and to enforce the Monroe doctrine by moral suasion and financial might alone.

THE GERMAN MENACE TO DEMOCRACY.

The time has not yet come when the United States can afford to allow the martial spirit of her sons to be destroyed, and all the Carnegie millions in the world will not silence those of us who believe that bullets can not be stopped with bombast nor powder vanquished by platitudes.

It is true that with respect to the present European war my views are not those of a neutral. I am entirely convinced that the German cause is unholy and, moreover, a menace to the principles of democracy. Furthermore, I believe that the god of battles will visit defeat upon the Germans.

OUR SECURITY DEMANDS IMMEDIATE ACTION.

But no matter which side wins we must remember that since the beginning of time victorious nations have proved headstrong and high-handed. We must begin at once to reorganize our military strength if we expect to be able to resist high-handedness when the day of necessity comes.

Of course, all this is unpopular doctrine. It would be far easier for me to declare that all is well and that our present military establishment, coupled with our National Guard and our Naval Militia, is to be depended upon for our defense. Unfortunately I can not bring myself to believe any such thing.

ENROLLED BILL AND JOINT RESOLUTIONS SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill and joint resolutions of the following titles, when the Speaker signed the same:

H. R. 14233. An act to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes;

H. J. Res. 241. Joint resolution for the appointment of five members of the Board of Managers of the National Home for Disabled Volunteer Soldiers; and

H. J. Res. 362. Joint resolution to correct an error in the enrollment of certain Indians enumerated in Senate Document No. 478, Sixty-third Congress, second session, enacted into law in the Indian appropriation act approved August 1, 1914.

SENATE JOINT RESOLUTION REFERRED.

Under clause 2 of Rule XXIV, Senate joint resolution of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. J. Res. 196. Joint resolution to authorize the Secretary of War to grant permission to the Southern Commercial Congress to place a tablet at Gamboa, Canal Zone, as a memorial to the late Senator John T. Morgan; to the Committee on Military Affairs.

COTTON.

Mr. MANN. Mr. Speaker, I reserve the balance of my time.

The SPEAKER. The gentleman from Illinois [Mr. MANN] reserves the balance of his time—20 minutes.

Mr. HEFLIN. Mr. Speaker, the gentleman from Alabama [Mr. UNDERWOOD] yielded to me the remainder of his time. I yield to my colleague from Alabama [Mr. BURNETT].

The SPEAKER. The gentleman from Alabama [Mr. BURNETT] is recognized.

Mr. BURNETT. Mr. Speaker, I merely rise for the purpose of asking leave to extend my remarks in the RECORD on the cotton situation in the South.

The SPEAKER. The gentleman from Alabama [Mr. BURNETT] asks unanimous consent to extend his remarks in the RECORD on the cotton situation in the South. Is there objection?

There was no objection.

Mr. UNDERWOOD. Mr. Speaker, I yield the balance of my time to the gentleman from Alabama [Mr. HEFLIN].

The SPEAKER. The gentleman from Alabama [Mr. HEFLIN] is recognized for 20 minutes.

Mr. HEFLIN. Mr. Speaker, I am glad even at this late day to obtain time in which to discuss for a little while the cotton situation in the South. For days and weeks I, with others on this side, have tried to get this question before the House, but some who represent interests that will speculate upon the cotton producer's misfortune and profit by his distress have repeatedly interposed their objections, and no other way for bringing the matter up has so far been devised.

The South in her distress deserves better treatment, and her people, confronted by destructive prices for their principal product, are entitled to more consideration at the hands of this House. I am convinced that there has been an understanding among some of those who oppose legislation looking to the relief of the South that objection would be made so as to prevent any discussion of the question here. For days and weeks, Mr. Speaker, those of us who have been suggesting plans and trying to devise ways and means for the relief of our people have been denied the opportunity to even discuss the question in the open before the Members of the House. I am tired of cloakroom opposition to suggestions of relief to the producers of cotton. I am weary of these whisperings about the Capitol that nothing can be done for the relief of 30,000,000 people in distress, suffering greatly from conditions created by war. [Applause.] I hail with delight the opportunity to discuss this question in the open. I want the people of the country to know of conditions as they are in the South, and I want the people of the stricken section to know who their friends are in this time of their distress. The President is in sympathy with us. The blame for no legislation, so far, is on this House and the Senate. When cotton fares well in the market, money flows freely in the South at this season of the year and every avenue of business is pulsing with prosperity. Cotton is our money crop. It represents the credit and working capital of the South. To-day cotton is selling below the cost of production and the debt-paying and purchasing power of the producer is paralyzed. It takes 12 months to make, gather, and dispose of the cotton crop. It costs more to produce cotton than any other staple product, and this particular crop cost more than any cotton crop ever produced in the United States.

The cotton farmer, as a rule, has an account with the merchant running from January to September, October, November, and December. He obtains advances in money and supplies of various kinds all along through the spring, summer, and fall, and pays for it all when he sells his cotton at this season of the year. The local banker generally borrows money from the big banks in New York City, and he lends it to the merchant and the merchant lends it to the farmer. Now, what is the situation in the South? The farmers' debts are due. The cotton-selling season is here, but war in Europe has closed the channels of the cotton trade against two-thirds of our crop, and this great product that has sold for more than 12 cents per pound, or $60 per bale, for the last five years is now going at a price far below the cost of production. Many of the producers are forced to sell at these destructive prices. They can not borrow sufficient money at the banks to relieve the situation. They are in distress, menaced by conditions that are dreadful, conditions created by the European war. Now, Mr. Speaker, the money expended by the producer in the making of the crop, that furnished by the merchant and advanced by the bank, is all tied up in this crop. Heretofore when cotton commanded a good price it sold freely and the farmer paid the merchant and the merchant paid the local banker; then the local banker paid the big banks in the East, and all was well with our people. How different now, Mr. Speaker. Indebtedness that would have been easily wiped out if cotton had brought a good price hangs heavy over the head of the farmer, the merchant, and the local banker. They are all gripped and held fast by the cruel hand of a foreign war. These conditions have not been produced by competition nor by any fault of the producer. They were not brought about by the operation of economic agencies, and they can not be regarded in the same category with business depression and low prices brought on in time of peace by overproduction. They are not such conditions as the producer would be expected to provide against. He had no way of knowing that such a calamitous state of things would confront him at this time, and he had no power at his command to prevent the condition born of a foreign war, and he ought not now in this land of liberty to be left in his distress to battle with conditions brought about by a war of kings. [Applause.]

If a foreign army should invade the South and take from the producers half of their cotton crop, the Federal Government would expend many times the value of the entire crop to repel the invader and reimburse the producers for the property thus taken. Then, why not come to the rescue of that same people now suffering on account of a war raging in Europe, the evil effects of which have come with devastating hands, destroying their peace of mind, demoralizing their business, depriving them of the necessaries of life, and literally robbing them of the fruits of their toil? [Applause on the Democratic side.]

Mr. Speaker, the producer is not asking Congress to fix a value upon his cotton or to guarantee to him a profit upon its production. He comes asking that the Government lend him assistance in this time of his distress—to help him prevent the sacrifice of his property and the suffering of his family through conditions created by the war. He is seeking no appropriation through Congress. He asks no gift at the hands of the Government. He is simply calling upon this great and good Government in this hour of his distress to do for him what it has done for the people of other sections to relieve their suffering when the unavoidable hand of affliction has been laid upon them. When fire swept the city of Salem, Mass., and homeless and hungry people cried for help, we did not say that the State of Massachusetts should care for them and bear the burden involved in relief for their distress. Congress appropriated money then and directed what should be done with it. When the earthquake came to San Francisco, destroying life and property, we did not say then that the State of California should provide funds for the distressed, but Congress appropriated money and directed how it should be used.

When the flood swept through Ohio, closing every avenue of business in large cities along its course, there was great distress among the people, and the banks closed their doors at Dayton; we did not say then that the State of Ohio should be compelled to provide the relief necessary. No, Mr. Speaker, the Secretary of the United States Treasury sent money to Dayton and directed what should be done with it. When the storm had swept through sections of the Northwest, leaving suffering and want in its wake, the Federal Government responded and the funds of the American people were used for their relief. In one instance the distress was caused by fire; in another instance it was caused by the earthquake; and in another by the flood; and in still another instance it was caused by the storm; and here is an instance where the distress is caused by war, and the people of the stricken section have come to the Federal Government asking that some measure of relief be granted to them. They do not ask that money be given to them, as was done in the instances that I have named. They only ask that the Government deposit public funds in the banks of the South, directing that those funds shall be used to relieve the distressed condition of the cotton producer—distressed conditions caused by war. [Applause.] They ask for the use of these public funds for a limited time. They are willing to put up any security at their command, to give their notes backed by their cotton warehouse receipts. The increased and multiplied uses of cotton, the price paid for the raw material for the last five years, and the money invested in the cotton-spinning industry and the cotton-goods trade the world over, all testify to the merit and value of cotton as security for a loan of this kind.

The bank could act as the fiscal agent of the Government, lending this money under such rules and regulations as the Secretary of the Treasury may prescribe. My bill provides that the Secretary of the Treasury shall fix the rate of interest to be charged and also fix the time for final payment of the loan made direct to the producer, and it recognizes as good and valid security cotton-warehouse receipts. I am not in favor of the Government going into the banking business, loaning money to citizens in the various walks of life, but I do think that in a time like this, when the banks are unable or have failed to meet the requirements of our people, the Government is justified in taking extraordinary steps to prevent the loss of millions of property and the distress and suffering of millions of people. [Applause on the Democratic side.] If the people of one section of the country are afflicted and oppressed with conditions produced by a foreign war, it is the duty of the Government to grant relief to the people of that section, even at the cost of laying a part of the burden upon the people of the other sections of the country. But, Mr. Speaker, here is a proposition that will grant the relief necessary without putting any burden at all upon the people of other sections and without cost to the Government of the United States.

I am not suggesting a plan to meet a situation born of normal conditions, but conditions created by war. I am asking for relief in extraordinary times to meet conditions that threaten the peace, prosperity, and happiness of thirty-odd millions of people. Something must be done by this Government, and done speedily, to relieve the suffering and distressed people of the South. Here is a remedy that the Government can administer without injury to itself or to any other interest, and one that will

grant the relief necessary. Yes, I am asking the Government to lend us the use of a portion of the public funds, that we may be able to survive the ravages of the European war and prevent great distress and suffering among the people.

If we lend money regularly or deposit it with the national banks at a low rate of interest for the use of men engaged in the money-lending business, why should we not, in an extraordinary and distressing time like this, make an exception and lend to the man who is trying to pay his debts and prevent the sacrifice of his property? One gives to the Government security for the use of money that he may take it and lend it to others at a profit. The other, in his distress, calls upon the Government for help, and he is willing to pay the Government interest that he may prevent the suffering of his family and the sacrifice of his property. Now, then, if the Government can go into that kind of business to aid men to increase their fortunes by the use of the money of the people, why is it not right and just to take some of that money at a time like this and lend it through the banks to the man whose property is about to be sacrificed, and by so doing prevent distress and suffering among the people? If the Government lends money to or deposits money with the national bankers under normal conditions at a low rate of interest, and they in turn lend that money to the farmer at a higher rate of interest, why should not the Government, in the face of conditions that exist in the South to-day, loan through the banks direct to the cotton farmer at 4 or 5 per cent and help him when he is seriously embarrassed and greatly distressed on account of conditions created by war? If the Government in a time of business peace and under normal conditions lends money to the national banks to help carry on the commercial transactions of the country, why should it not under abnormal conditions like these do the extraordinary thing of lending to the producers direct and save the sacrifice and destruction of a half billion dollars' worth of property? [Applause.] Mr. Speaker, we have no rural credit system yet, and in the absence of a banking system that will give the farmer money for a longer time and at a cheaper rate of interest the Government should come to his aid and grant the emergency relief now requested. We appropriated money to bring from Europe American citizens who went abroad on a pleasure trip.

The Congress did a gracious and kindly act when it did that; but, Mr. Speaker, it is a curious governmental impulse that will spend money to return to their homes in safety Americans traveling for pleasure in Europe and then refuse to aid Americans already at home, gripped and cursed by war conditions that threaten the destruction of their property and forebode untold suffering and misery to their families. [Applause.] But you say that these Americans could not get home without this aid from the Government, and yet it was not in the line of the ordinary business of the Government to lend money to people traveling in Europe. It was an emergency situation. The exigencies of the occasion demanded extraordinary action, and this great Government responded. Now, Mr. Speaker, millions of people in the South, because of conditions created by the European war, are unable to cope with the situation here, and they are calling upon this great Government to meet the emergency that has arisen, and the exigencies of the occasion justify and demand governmental aid. Mr. Speaker, the same noble spirit and generous impulse that prompted this Government to aid people in building homes and making crops on the arid lands of the West ought now to direct the good offices of the Government in going to the relief of farmers in real distress in another section of the country—farmers whose products are being sacrificed at destructive prices. [Applause.] Surely the Government that will advance money by the millions to aid people in one section of the country in purchasing and improving farm property will not refuse to aid a people in another section of the same country struggling to prevent the loss of their homes and the sacrifice of their property. Surely this Government will not with one hand give aid to one class of producers in the West and at the same time with the other hand withhold aid from another class of producers in the South. [Applause.]

I appreciate what the Secretary of the Treasury has already done in depositing funds in the South to help with this crop, but more must be done, Mr. Speaker, or the producing class of our people will suffer greatly. I know that he is anxious to help us. He can not, under the authority of existing law, force the banks to lend money to the producer. He can deposit it with them and request, as he has done, that they use it to aid the producer, but he can not compel them to lend it to the producer. Here is where the trouble lies. The producer is the man who most needs relief. Reach him with these funds and all the interests that cluster about him and are dependent upon him will be relieved. But if he is forced to sell his cotton at the low price now obtaining, because the local banks can not or will not lend him money and enable him to meet his obligations and keep his cotton off the market, he is not going to be benefited by these funds already deposited in the banks of the South, and it may be that the very funds sent by the Government to aid him in holding his cotton for a reasonable price are being withheld from him as a loan, so that they may be used in purchasing his cotton when forced upon the market at a price below the cost of production. Then, and in that event, the Government is being innocently used to injure rather than aid the man most injuriously affected by the European war. Now, then, in order that the producer may be reached and directly benefited, saved from the financial distress that threatens him, I favor the enactment of a law that will authorize the Secretary of the Treasury to deposit funds in the banks of the South, directing that they shall lend that money to the cotton producer upon his note, secured by cotton-warehouse receipts.

Cotton is as good collateral or security as there is in the world, and no other agricultural product is in its class. Corn and wheat in bulk may be injured by climatic conditions or destroyed by the weevil, but a bale of cotton stored in a bonded warehouse is as good security as silver bullion stored in the vaults of the United States Treasury. Climatic conditions do not affect it, no insect pest can harm it, and no tooth of time can destroy it. [Applause.] Two-thirds of our cotton crop goes abroad, and that cotton sends back to America every year more gold than the world's annual output. As the rulers of old went to Solomon for wisdom, the cotton-using countries of the earth must come to us for the wherewith to be clothed. In the light of these great truths, who can say that cotton baled and stored in a bonded warehouse is not as good security as municipal bonds or railroad bonds on which Secretary Cortelyou issued currency for the railroads? Why, Mr. Speaker, in the last days of the Confederacy, England made arrangements with the Confederate Government to float $15,000,000 of cotton bonds. That shows what the people of Great Britain thought of the cotton industry of the United States when the very home of that industry was involved in war.

Mr. Speaker, there were more spindles in operation last year and more cotton consumed than ever before. About four years ago, when cotton was selling for 15 cents per pound, the Department of Commerce and Labor in a statement said:

> The rise in the cost of the raw material (cotton) has been more the result of natural than of artificial causes. This advance has been furthered by a constantly broadening demand for this fiber in old as well as in new channels. Cotton is now relied upon in practically all the textile manufactures, either as a primary or secondary material, and it is utilized in an increasing number in all other manufacturing industries. The ease and rapidity with which the cotton fiber is transformed into yarn and its adaptability for all forms of woven fabrics accounts for its extensive and increasing use.

Mr. Speaker, the North American, of Philadelphia, says truly, "The big value of cotton comes through its manufacture. To illustrate, in 1912 Great Britain paid $401,000,000 for raw cotton and manufactured it. Four-fifths of it was purchased from us. She supplied the needs of all her people and exported the surplus cotton goods, for which she received $611,000,000." This is more money, Mr. Speaker, than the entire American cotton crop will bring at the present price. Why should the raw material, so much in demand under normal conditions, and so valuable to the spinner, and so serviceable to the world, be sacrificed at a time like this to the detriment and great injury of the cotton producers of the United States? [Applause.] The aid that we ask can be granted and the producer relieved of distress without injury to the consumer of cotton goods. The spinner has already made his sales for the manufactured product from this crop, and he calculated on paying more than 12 cents per pound for it. There is no doubt that the spinners expected to pay above 12 cents for cotton this year. They made all their calculations and sold their goods to be made from this crop upon a basis above that figure.

The spinner in our country will not suffer by this plan, for if he can get cotton at 12 cents per pound he can not complain, for he has paid more than that amount for the last five years; and if the mills in Europe are closed for any considerable length of time, the cotton mills of the United States will profit greatly, for they will gain markets for cotton goods that they have not had heretofore.

One hundred and forty-three million spindles in the world are looking to us for two-thirds of their cotton supply. Some of the foreign spindles may, on account of the war, be idle for a time, but this will make our spindles run double shifts and greatly increase the demand upon the American mills. The cotton mills of America consumed about 6,000,000 bales of cotton last year. Now, then, if they run double shifts they will easily consume nine or ten million bales within the next year, and this will be American cotton. Think of the cost of transportation to Europe of the raw cotton, then back to South America of the

finished product. This comes out of the producer and the consumer of cotton goods in South America. Why will not the cotton mills of the United States go after this trade and sell directly to the South American people?

The buy-a-bale movement will help some. The suggested arrangement of raising a fund by the St. Louis bankers to be loaned to the producers will do good; but, Mr. Speaker, a 14,500,000-bale cotton crop has got to be cared for, and it is the duty of the Government to render what assistance it can to prevent wholesale losses in cotton property and great distress among the producers. [Applause.]

Now is the time for our people to patronize a home industry—to wear cotton goods. The South alone can consume annually 2,000,000 bales more in cotton goods. It is the cheapest and most comfortable wearing apparel for summer, and cotton underwear is the healthiest garment that can be worn next to the skin in all seasons. We ought to wear cotton suits winter and summer in the South, and you in the North would be better off if you wore cotton underwear winter and summer.

Now, Mr. Speaker, in many localities the banks have done all that they can to aid the producer; they have advanced money all along through the year to help produce the cotton crop, and at this season of the year they expected money to be coming into the banks, and they were wholly unprepared for the conditions that this foreign war has brought upon us. Some have helped considerably already and want to help more, but they are unable to do so. Then there are those who will take advantage of the deplorable and distressing condition that afflicts the people of the South.

Mr. Speaker, since Jacob's cunning obtained the birthright of Esau it has been found necessary to place metes and bounds about human conduct and restraints around the improper activities of men, and I call upon this House to provide ways and means to protect the distressed producers of cotton from the pillage and plunder of a band of marauding speculators. These men are encouraged and aided by some of the spinners here and abroad. Some of the bankers are taking advantage of the situation, and they too, are obtaining what cotton they can at low prices. They know that cotton is going to bring a good price later on, and they are refusing to lend money on cotton in order to force the producer to sell, that they may profit by his unfortunate condition. If ever the Government of all the people was justified in carrying relief to a portion of its people in distress, this Government is justified now in relieving the distress of the cotton producers, shielding them from the oppression of those who are preying upon them in their helpless condition. [Applause on the Democratic side.]

Mr. Speaker, with some of the banks unable to do any more for the producer and some refusing to lend him the money deposited with them by the Government, and with the markets closed temporarily to more than half of the cotton crop, the producer is helpless. He is like a ship without a rudder, drifting at sea, and when that occurs you know what happens—there are friendly vessels that would like to render aid and there are also pirate vessels that would like to plunder the ship, and if the pirate vessels are strong enough they always rob the ship and despoil its crew. So, Mr. Speaker, it is sadly true that there are men who delight to prey upon the unfortunate in time of their distress, and there are people who will take advantage of the deplorable and distressing condition that now afflicts the people of the South. There is a man who says, "The time to make money is when you catch your friends in trouble; when they are hard pressed and are almost down and out you can make them pay any rate of interest; then is the time to press them." That character of greed and avarice is still abroad in the land. The cruel disposition to rob the man who is in distress, to get rich upon the misfortune of others, is a mean and despicable thing, but it exists and must be reckoned with in a time like this, and something must be done to prevent the pillage and plunder of the people of the South. [Applause.]

The producers planted this year with the expectation of receiving around 13 cents per pound for cotton. They made all their calculations on that basis, and they had a right to expect that much or more, because they had received more than 12 cents per pound for the last five years, and last year more spindles were in operation and more cotton was consumed than ever before. The spinners expected to pay that much or more for cotton. The merchant and the banker and everybody connected in any way with the cotton business expected to see a good price for cotton this year. The cotton farmer expected $65 or $70 per bale, and when he bought the mule with which to make this cotton crop from your western mule dealer and agreed to pay $250, and in some instances $300, and when he hired his labor and purchased his supplies he based it all on a good and reasonable price for cotton. Now this cotton farmer who has expended more money and labor than ever before to produce this crop, for which he expected a good price, finds himself confronted with cotton prices below the cost of production. All of his plans are upset, none of his expectations are realized, and there he stands, helpless, in the clutches of war conditions that he did not even remotely help to create and against which he can not stand without help from some source. [Applause on the Democratic side.]

Mr. Speaker, money flowing freely at this season of the year is the commercial lifeblood of the South. If the banks clog the arteries and prevent full and free circulation of this lifeblood, stagnation and paralysis will ensue. It is the duty of the Government to see to it that this blood furnished by the Government itself shall not be perverted from the ends of its institution, but that it shall be circulated through the arteries of this great productive industry upon which depends the peace and happiness of thirty-odd millions of people. [Applause.]

Mr. Speaker, the situation is so serious that the Members of Congress from the cotton-growing States have been in conference time after time to discuss means of relief for our people. The governors of the cotton-growing States have been here in conference with us, trying to devise some way to aid the cotton producers at this time. Several bills have been introduced looking to relief for the producers of cotton. I am the author of two bills, one to buy 4,000,000 bales out of this crop in the next six months following the passage of the bill—this would keep the price of cotton up, and it would not be necessary for the Government to buy it all at one time; the other to lend money through the banks on the farmer's note, secured by cotton-warehouse receipts—$45 on the bale. This would enable the farmer to obtain funds sufficient to pay something on his debts and carry on his business and keep his cotton away from the market.

Other Members of Congress from the cotton-growing States have introduced bills that would, in my judgment, accomplish the desired end.

I want legislation that will provide ways and means for the relief of the cotton producers of the South, and I stand ready to support any measure that will carry sound and substantial relief to them.

Mr. Speaker, if the producer could obtain relief in the ordinary channels of business, if the local banks would aid him at this time to prevent the sale of his cotton at destructive prices, he would not think of coming to the Government for aid; but the banks are not doing the thing necessary to meet the requirements of his business, to relieve his distressed condition. The Government issues money and lends it to or deposits it with the national banks. Now, then, if these national banks hold the bulk of the money supply of the country, and if they, under present conditions—conditions, I repeat, created by war—fail and refuse to lend the producer money, so that he can hold his cotton and prevent its sacrifice, where is the producer of cotton to go but to the Government, whose function it is to issue money and deposit it where it will supply the wants and carry on the transactions of men engaged in legitimate business in our country? [Applause.]

The producer can not issue money; that is the function of the Government. The Government does not deposit money with the producer, but it does deposit money with the national banks. The national banker can do what he pleases with that money. Suppose, Mr. Speaker, that this man, the only person intrusted with the money of the Government, should decide, when a calamity comes upon the people and in the time of their distress, that he will withhold any measure of relief, but will speculate upon their condition and profit by their misfortune; what, then, is the producer to do? Suppose the cotton spinners of the United States owned all the national banks, and they should decide that it was to their interest to refuse to lend any money at all to the cotton producers, would the Government leave the producers helpless in the grasp of conditions like that? Would the Government at a time like this permit men who ordinarily do everything in their power to buy cotton as cheaply as possible to use the Government's money to oppress and impoverish the producer by forcing him to sell his cotton to them at destructive prices? [Applause.]

No, Mr. Speaker, this great Government would say to these spinners in control of the banking business, "You shall not pervert these banking establishments from the ends of their institution; you shall not use the public funds to prey upon American citizens in distress; you shall not by the aid of this Government take advantage of conditions created by war to pillage and plunder the producers of the South." [Applause.] Mr. Speaker, now, when the producer is giving to this Government the sign of distress, when the unmistakable cry of his dire need is heard from one end of the cotton States to the other, in the name of justice and humanity I call upon this Congress to

provide relief for the stricken section, to prevent the sacrifice of this cotton crop, and to save from suffering and bankruptcy the cotton producers of the South. [Applause.] Mr. Speaker, all praise to the local bankers who have been helping the cotton producers in this trying time. Many of them have done all that they could, but the trouble is the burden is too great for them; they do not possess the means necessary to afford relief. The State banks are handicapped by the 10 per cent Federal tax. The national banks are not responding as freely as they should, and the business of the producer is demoralized. Conditions created by war are about to overwhelm him, and it is the duty of the Government to extend to him a helping hand. It can do so with great benefit to the producer and with profit to the Government itself. If this is true, why will the Congress hesitate? If these conditions were caused by anything other than fire, earthquake, or war, we would not and should not come to the Government for help. If the agencies instituted by the Government—the banks—would grant us the relief needed, we would not call upon the Government.

But, Mr. Speaker, we are in distress; we must have relief. Other agencies have failed us, and we turn now to the Government of the United States and ask that it grant us the use of some of the public funds in order that we may hold our cotton and prevent panic and bankruptcy among the producing classes of the South. [Applause.] This Government owes more to its producing classes than to any other class of its people. Why, then, should special favors be shown by the Government to banks and to bankers? We can not all be bankers, and when the banking institutions refuse to aid the productive industries of our country and when they permit the producer to be greatly handicapped and seriously injured in his business, then it is the duty of the Government to do the thing necessary to relieve the distress of the industrial and producing classes, in order that they may not be deprived of the fruits of their labor and industry. If the Government will expend money in farm-demonstration work, teaching the farmers how to produce more cotton per acre, and then expend more money to prevent the boll weevil from destroying the crop in the formative period, I can not understand the logic or the philosophy of the Government that will do that and then refuse to lend to the producer a helping hand to prevent the sacrifice of that crop upon an altar erected by the European war. [Applause.] Surely the Government that will aid the farmer in preventing the destruction of his crop while it is being produced will not withhold aid from him after it is produced, when he is trying to prevent the entire loss of that product. I can not believe that this Government will go to his rescue to prevent the ravages of the boll weevil and then leave him naked and helpless to the ravages of war—the victim of conditions that he did not create and could not prevent if he would. [Applause.] The farmer does not want to sell his cotton at the present price, and it is not right to force him to sell it below the cost of production. He is entitled to a fair price and a living profit, and by the help of the Government he can hold his cotton and obtain a reasonable price for it, and the Government will not lose a dollar in the transaction.

The insurance companies will insure a bale of cotton for $45 on the bale, and the Government would be absolutely safe in lending to the producer on his note secured by cotton-warehouse receipts at $45 on the bale. Mr. Speaker, there will be but little cotton produced next year. You may look for the cotton acreage to be cut in half, and maybe more. The State legislatures will require reduction of acreage, if necessary. The producer can not afford to produce cotton at the present price, and if left alone he will reduce the cotton acreage next year as a matter of necessity. Cotton will be scarce before another full crop is produced, and some of this crop will, in my judgment, sell for 12 cents or more; and, Mr. Speaker, I want the man who has toiled to produce it to get the benefit of that price. I do not want to see him held in the grip of war conditions and robbed by a band of speculators who are trying to obtain this crop at a low price, so that they may hold it for the good price that is bound to come. If the Government will lend us a helping hand the producer will be enabled to hold his cotton and he will be permitted to enjoy the fruits of his labor. [Applause.]

It is unfair to force the producer to sell his cotton in a demoralized market, at prices fixed under conditions created by war, to meet obligations made in time of peace under normal conditions, when one bale of cotton would bring as much as two bales will bring now. It is unfair and wrong to force him to sell now, when $1 will pay on his debts just what 50 cents would pay a year ago. It is wrong to press him for the settlement of his debts—dollar for dollar—under present conditions, forcing him to sell his cotton when there is no demand for it, and then leave the greater part of his indebtedness hanging over him for another year. [Applause.] If this is permitted, the whole burden will fall upon the cotton producer. He will be forced to part with his cotton at prices unsatisfactory to him and at a time when he knows that it is sacrificing his property. The proceeds of such forced sales will be applied upon his debts. Then the unpaid balance will hang above his head to be paid some time in full, dollar for dollar, with interest. Some business concerns will fail, Mr. Speaker, if something is not done to relieve the situation in the cotton-growing States. Some of them will go into bankruptcy proceedings and settle their indebtedness for 15 or 20 cents on the dollar, but the producer, unless he is helped now, will have his property taken from him against his will and applied on his debts.

The balance, the wreck of war, will stand against him to be made good at another time. Mr. Speaker, if Congress can not or will not do something that will relieve the situation, I am in favor of the legislatures of every cotton-growing State passing a stay law, suspending the payment of all debts for a reasonable length of time. This would keep the speculators from taking this cotton crop at destructive prices and place all parties interested in the cotton industry upon the same footing. It would make somebody else share with the producer some of the hardships caused by present conditions. These debts grow out of and are dependent upon the cotton industry. Mr. Speaker, if those to whom the farmer is indebted would in this time of distress follow the example of the good man that the Bible tells us about, things would be different and the situation would be greatly relieved. In the old days the Scripture tells that a collector called upon one of his lord's debtors when times were hard and said unto him, "How much owest thou unto my lord?" And he said, "An hundred measures of oil." And the good man said, "Sit down quickly and write 50." He had compassion upon the man hard pressed and settled the debt for half the amount that was due. Mr. Speaker, if, under present conditions, the banker calls upon the merchant, and the merchant forces the producer to sell his cotton at the present price, some fellow may feel like Artemus Ward did when his friend said to him, "Artemus, you owe me a hundred dollars, and I am going to knock off half that amount"; whereupon Artemus said, "I never let anybody outdo me in generosity; you knock off half of it, and I will knock off the other half." [Laughter.]

Mr. Speaker, the cotton industry of the United States is so interwoven with the industrial, commercial, and financial life of the Nation that whenever it is hampered and depressed nearly every other line of business is injuriously affected. Cotton knocks at the door of the great granaries of the West and millions of bushels of wheat, oats, and corn pour into the South. [Applause.] Your beef, your pork, and your mules find splendid markets in the South when cotton prices are good. So, my friends, when the cotton business of the South is good the prosperity that it enjoys is shared by the people in every other section. [Applause.]

In conclusion, Mr. Speaker, I want to say that agriculture is the corner stone on which all other industries rest, and cotton is the only product in the field of agriculture every pound of which is converted into money and every dollar's worth of which contributes to the financial wealth of the United States. It is the master production, and under normal conditions is the most readily cashed and the most widely consumed among the great staples of the earth. [Applause.]

Wherever the flag flies its splendid fiber is seen. Wherever the American soldier goes, the cotton uniform goes with him, and tents made of cotton spread their white wings above him, hovering about him while he sleeps. [Applause.] It was behind cotton bales at New Orleans that Jackson won the victory over the British.

Cotton has done more to maintain America's credit abroad and to keep it on a sound financial basis than all other commodities combined. Upon the well-being of this great cotton industry depends the prosperity and happiness of one-third of the population of this Union, and I appeal to the Members from the East, the North, and the West to join hands with us from the sister section and grant relief to the people now suffering under conditions created by war. [Loud applause.]

Mr. MANN. Mr. Speaker, I yield to the gentleman from California [Mr. KAHN].

Mr. KAHN. Mr. Speaker, I have read with considerable amazement some of the statements made in the Democratic campaign textbook issued by the Democratic congressional committee and the Democratic national committee recently.

One of the most remarkable statements is to the effect that the President has prevented war with Mexico. The fact is that the attitude of the present Democratic administration in interfering in the internal affairs of Mexico almost brought on a war with Mexico. What right has our Government to interfere in the internal affairs of any friendly nation? Have

we grown to be the world's policeman? We have serious troubles of our own in the United States of America, the solution of which will challenge the ability of American statesmen. Let us sweep our own doorsteps clean before we try to clean house for any other nation.

But what are the facts about Mexico? Do the Democrats think that the American people have forgotten their blunders? Recall the demand for a salute of 21 guns after the Tampico incident had taken place. A petty officer in the Mexican army had arrested six American sailors and a subordinate officer near the water front of Tampico. As he was taking them to the jail he was met by a superior officer, who promptly ordered their discharge and made an apology to the American officials for the mistake that had been made. According to the statement of the President of the United States, even old Huerta made an apology for the incident. But that did not suit this Democratic administration. They must have a salute of 21 guns, and the admiral in command of our warships in Mexican waters was ordered to demand that salute. Have you heard the echo of that salute of 21 guns? No; and you never will hear that salute fired. Why? Because our commissioners to the A., B., C. mediation board that met at Niagara Falls signed a protocol under the terms of which we agreed to forego any further demand for that salute. This Democratic administration marched up the hill and marched down again. Both performances were unworthy of this Republic and entirely unnecessary.

But that is not all in regard to Mexico. The administration announced that the steamship *Ypiranga* and two other vessels were bringing a cargo of 30,000,000 rounds of ammunition to Vera Cruz for Huerta's army. This ammunition must be refused a landing at all hazards was the cry of the President and his advisers. In order to prevent that landing a force of marines and sailors was landed at Vera Cruz. They marched in solid phalanx up the main street of that old Mexican city and had not proceeded far before a volley rang out and 17 of our boys fell on the pavements of Vera Cruz. They were only boys; their ages ranged from 18 to 24 years. A large number of others were wounded; three of these have since died. About 100 Mexicans were killed or wounded to prevent the landing at Vera Cruz of these munitions of war for Huerta. Kindly hands lifted the poor dead boys from the blood-stained pavements of the Mexican port. The bodies were placed in caskets and sent to the United States in a man-of-war, which was heralded throughout the country as "the funeral ship." The bodies were received at the port of New York. The whole country wept tears of sympathy at the loss of these young heroes who fell because this administration demanded that that 30,000,000 rounds of ammunition for Huerta should not be landed in Mexico. And even while the remains of these heroes were being consigned to the bosom of mother earth, that very steamer, the *Ypiranga*, and the two other vessels were landing that very ammunition—30,000,000 rounds—a little farther down the coast of Mexico at the eastern terminal of the Tehuantepec Railroad, Puerto Mexico. Oh, what a waste of human life! Oh, what a slaughter of innocents! And all, all on account of the bungling and blundering of this Democratic administration.

But we have not heard the end of this Mexican business. Even now our newspapers tell us that Carranza, the quondam favorite of this administration, refuses point-blank to give assurances that the lives of those Mexicans who helped our Army and Navy officers to run the civil government at Vera Cruz during our occupancy shall be spared. He refuses to give assurances that other Mexicans who were friendly to the Huerta régime shall continue secure in their rights to life, liberty, and the pursuit of happiness. He has seized the tramway system of the City of Mexico, which is said to be owned by foreign investors, and who will probably complain to our Government against the seizure of their property by this same Carranza. It is said that the followers of the latter, during recent depredations in the Mexican capital, have done an amount of looting that has run into millions of dollars. Even churches have been robbed of their valuables, and then have been given over to destroying flames. Private dwellings have not been spared by the Carranzistas. And these are the men who have had the tacit approval and support of this Democratic administration. When the history of this Mexican business shall have been written by dispassionate students of world affairs, it will present as black a page as can be found in the annals of the United States.

DISCHARGE OF CIVIL-WAR VETERANS FROM FEDERAL POSITIONS.

Mr. Speaker, on page 16 of the campaign book for 1914 that I have referred to item 46 reads as follows:

A million to old soldiers: The saving of at least a million dollars a year to the old soldiers and their widows through direct payment of pensions by check and the abolishment of the system requiring execution of vouchers is only one of a number of economies brought about by the Commissioner of Pensions.

The expenses of the Pension Bureau this year were half a million dollars less than in the previous year, although there was little less work done. A reduction of 145 employees in the Pension Bureau was effected without causing a single old soldier or soldier's widow to lose his or her position.

This is quite an extraordinary statement, in view of the facts in the case, and it is well calculated, as it was doubtless intended, to deceive many persons who are not thoroughly conversant with the facts, which are:

First, the act of Congress doing away with the pension agency system was approved August 17, 1912, nearly seven months before the present administration came into power, and went into effect from and after the 1st day of January, 1913, or more than two months prior to the inauguration of President Wilson, so that the present commissioner, who assumed office still later, only had to enforce the law as he found it. Had he done less than that he would have been derelict in his duty. Why should he have any special credit for simply performing his duty? Why should the administration have any credit for any reduction of expenses effected by the operation of this law, enacted during the Taft administration?

Second. While it is said that "a reduction of 145 employees in the Pension Bureau was effected without causing a single old soldier or soldier's widow to lose his or her position," the statement is not quite correct. If the word "place" instead of "position" had been used, the situation would have been more truthfully described, for while no old soldier or soldier's widow was dismissed, many old soldiers and several soldier's widows were demoted. In numerous cases more than the amount of pension they were receiving was taken from them, and thus they did lose their position on the pay roll. That is how a goodly portion of the million dollars, relatively, was saved—by taking it, as it were, from the lifeblood of the old soldier and soldier's widow.

The commissioner states that there was little less work done this year than in the previous year, which would indicate that the force of the bureau was still quite efficient. And yet under the present dispensation in the Pension Bureau the efficiency rating of the veteran soldier very suddenly, on account of age and physical disability, has become so low that it has been necessary to demote a large percentage of them.

Of course it will not be admitted by the officials that any soldier has been demoted because he is receiving a pension, but I have been told that pending these demotions of old soldiers they have been asked how much pension they were getting. Anyone with even a limited comprehension can read between the lines.

I think it proper in connection with the subject of demotions to again quote from the act of Congress approved August 23, 1912, a part of section 4, as follows:

In the event of reductions being made in any of the executive departments no honorably discharged soldier or sailor whose record in said department is rated good shall be discharged or dropped or reduced in rank or salary.

I have been informed that the man who, while in the service during the Taft administration, it is stated, was largely instrumental in formulating and having adopted the system of paying pensioners direct by check from the Washington office, and who, after its adoption, was made the disbursing officer of the system, was promptly removed from that position by the present commissioner and reduced in rank to a clerkship.

WHAT CONGRESS HAS DONE AND HAS NOT DONE.

In conclusion, Mr. Speaker, I desire to insert an article from the Cincinnati Times-Star of recent date, which reviews the work of the present administration and points out its shortcomings. In the light of history the claims made for the Democratic administration and the Democratic Congress in the Democratic textbook of 1914 are remarkable, to say the least.

The article by Mr. Gus. J. Karger reads as follows:

WASHINGTON, *October 6.*

If the attention of the public could be centered upon the record of the Congress whose second session, an overflow of the first, is now drawing to an expected close—Mr. Wilson predicted that it would adjourn last June—nothing would be more vain and futile than the arduous and ardent attempt of Democratic candidates and spellbinders to hide behind the skirts of the European war. For the war did not revolutionize economical conditions in the United States; it merely added speed and force to the influences already at work—influences that were liberated through congressional approval of economic fallacies and extravagances which the Republican Party from the day of its birth had organized to combat.

Congress has been in session 18 months—ever since April 7, 1913—the longest, and in a sense the most remarkable, session on record. During all this time the Democratic Party has been in supreme control of both branches of Congress and of the Executive department, and its responsibility for those acts about which differences of opinion exist can not be questioned. A brief review of the achievements of that period may serve to recall proceedings which those responsible for the

campaign from a Democratic standpoint would fain have the public forget or ignore.

SINISTER TENDENCIES.

Perhaps the entire output can be summarized in a few sentences. To characterize as "sinister" the tendencies that have developed would probably be regarded as a conservative judgment. The experiments in the extension of Government ownership will certainly be viewed in that light by many of the best minds of the country. Thirty-five million dollars are to be expended in the construction of 1,000 miles of Government built, owned, and operated trunk line. The passage of the measure assuring execution of this project has given hope and encouragement to those who would go further. It has brought further demands, backed by the invincible dictum of President Wilson that $30,000,000 be invested in Government steamship lines; it has strengthened the proposal of Postmaster General Burleson that additional tens of millions be set aside for the purchase of telegraph and telephone lines; it has given impetus to the agitation fostered by Congressman CROSSER, of Ohio, looking to the Government acquisition of the traction lines of the District of Columbia.

Nor would this be regarded as the only "sinister" tendency developed by the passing Congress. One need only refer to the Jones bill, advancing the day of Philippine independence, and threatening to undo the painful work performed under American auspices during the last 15 years, threatening even the peace of the world, if the warning uttered by Congressman MANN should go for aught. One need not go beyond the provision of the Clayton bill to regulate the trusts, which, under the specious guise of relieving labor of the odious commodity classification, sets organized labor above and beyond the pale of compliance with law and court decree. One is naturally reminded of the Democratic volte-face in the matter of canal tolls and the subserviency to British rather than American interests demonstrated by President Wilson and the men who did his bidding in Congress.

THE EFFECT OF THE TARIFF LAW.

The first session of the Sixty-third Congress, which merged with the one that began on the first Monday of last December, was made notable by the passage of the new tariff law, with free-sugar and free-wool provisions, built on a foundation of "for revenue only," which soon turned out to be a foundation of "not revenue enough," in spite of the aid rendered by the imposition of the income tax—a law that brought on Mr Wilson's "psychological" business depression, now attributed to the European war. It became notable, moreover, for the passage of the sundry civil bill with its provision exempting labor from the operations of the Sherman law, for which President Wilson saw fit to apologize, but to which principle since he has made abject surrender by acceptance of sweeping provisions to the same effect in the Clayton bill, which has been "perfected" after a series of squabbles and delays, which it was hoped might serve to evolve some sort of a measure possessing teeth that could bite, but which never exceeded a slap on the wrist in the brutality of its defined functions. It was the first session, also, which evolved a measure taking deputy marshals and collectors of internal revenue out of the classified service, an act which President Wilson witnessed with some concern, and against the possible evils of which he promised to protect the American public—a promise faithfully kept in the following session by further additions to the ranks of the exempt, 2,400 postal employees and $100,000 worth of "commercial attachés" among them—further open violations of the spirit and the letter of merit-service law, and the further creation of offices which might be thrown into the longing and loving arms of faithful Democrats without subjecting them to the indignities of a civil-service examination. And the first session gave promise of what was to ensue in the second when the Democratic caucus rejected the proposed budget plan, which was to furnish a clear and succinct survey of appropriations with a view of keeping these appropriations on an economical and businesslike basis.

THEY CALL THEM "ACHIEVEMENTS."

Discussing the "achievements" of the second session, perhaps it would be well at once to refer to the result of the failure of the first session to lay a basis for economic appropriations. As but recently pointed out, the riotous extravagance of Congress, demonstrated by supply measures that exceed all previous records by a hundred million dollars or more, has terrified the men who endeavored in vain to check this further development of the sinister in the tendencies of a Democratic Congress, pledged as it was by the Baltimore platform to restore Jeffersonian simplicity in this particular regard. It was no Republican, but Mr. FITZGERALD, of New York, chairman of the Appropriations Committee, who denounced the spirit of Treasury looting and who spoke solemn but unheeded words of warning to his colleagues on the majority side. And it was no Republican, but a Democrat, Senator VARDAMAN, who declared, arguing on the canal-tolls bill, that this additional betrayal of sacred platform pledge "deserves the scorn of men" and writes "the death warrant of the Democratic Party." And it was no Republican, but Senator REED, of Missouri, who condemned the Clayton trust bill as "a betrayal of the people" and a "toothless and emasculated" measure.

Going further into the affairs of the second session, its claim to being a memorable one rests, in large measure, on the passage of the new currency act, consideration of which was to have been concluded in the first, signed by the President on December 23, 1913, and not yet in operation, a Republican law, the Vreeland-Aldrich Act, tiding the country over the emergency the currency act was supposed to meet. It passed the Trade Commission bill, widely advertised as a part of President Wilson's constructive program, but promulgating no principle not previously approved by Republicans and cordially supported by Members on both sides of the House, whose first prescribed duty will be an inquiry into Standard Oil methods. It passed a coal-land leasing bill for Alaska, likewise uncontested. It passed the toothless Clayton antitrust bill, previously mentioned, with its curtailment of the injunction powers of the courts, with its surrender to the demands of the leaders of organized labor. It passed a river and harbor bill of reasonable proportions, thanks to the Republican filibuster against the $55,000,000 atrocity and its proposed Treasury raid, prevented by the courage and fidelity of Senator BURTON and band of courageous comrades. It stood behind the President, not without the uttered protest of many Republicans and some Democrats, in his remarkable Mexican policy, which resulted in armed conflict, bloodshed, and military adventure, but which it is now hoped may have worked out, in spite of itself and in spite of the menace which yet it carries to the peace of the continent. Once, and once only, it repudiated Mr. Wilson, whose autocratic hold on Congress is probably emphasized by the exception to the rule, when it made it so clear that the appointment of Mr. Thomas D. Jones as a member of the Federal Reserve Board could not be confirmed because of his connection with the Harvester Trust that he was compelled to withdraw it.

"EMERGENCY" LEGISLATION.

It became a memorable session likewise because of the "emergency" legislation—of greater or less emergency—demanded by the outbreak of the war in Europe, the amendment to the Aldrich-Vreeland Act, authorizing wider distribution of emergency currency; the $2,750,000 aid extended to Americans marooned in the war countries; the $5,000,000 war-insurance act; the ship-registry act; all of which were perfected with the aid of Republicans and passed through the House with their aid and approval. Included in the list is the $100,000,000 "war" tax measure demanded by Mr. Wilson to cover deficiencies created prior to the war by the failure of the economic policies of the Government, which deficiencies Mr. Wilson did not deem it advisable to meet by resort to the Government's rich deposits in the national banks of the country. It includes, likewise, the $30,000,000 ship-purchase bill, which, under pressure, Mr. Wilson has permitted to go over until the next session, lest Congress on reassembling be afflicted with ennui. There should be reference to the passage of the cotton-futures bill, regulating the cotton exchanges; to the ratification of some 18 or 20 of Bryan's arbitration treaties, whose workableness, in doubt, remains to be demonstrated; to the continued application of the gag to Republicans in the House and to the failure of the Senate to put the same methods into operation; to the Lever agricultural extension bill, which Republicans cordially supported; to the riot of absenteeism, compelling Democrats to resort to a procedure of deducting per diem from the salaries of Members, a method which has not been adopted since the last Democratic Cleveland Congress 20 years ago.

Likewise, it seems meet and proper to refer to the failure of much legislation which was heralded in advance as the rising sun of Democratic progressiveness and constructive ability. Although Mr. Wilson told Congress many months ago that there was "urgent necessity" for it, there has been no rural-credits legislation. The immigration bill, with its literacy test, passed the House moons ago, but sleeps in the Senate. The stocks and bonds bill has gone over. We have not yet apologized to Colombia nor paid her $25,000,000, nor, indeed, has Nicaragua received the $3,000,000 Mr. Bryan believes her entitled to. The woman-suffrage and the prohibition amendments remain under the influence of chloroform. Presidential primaries, recommended by President Wilson, and which he thought might be provided without considerable discussion or objection, are yet unborn; citizenship for the Porto Ricans is no nearer than it was. One presidential term and one only remains a beautiful dream. The safety-at-sea bill, demanded by labor, is stilled in conference. Much favoritism has been extended to the South, Confederates replacing Union veterans in the service wherever possible, appropriations giving constant comfort to southern rather than to national ventures and interests, but the Government has not yet embarked on the policy of taking over the cotton crop. The $25,000,000 designed to help the "good roads" movement and the gentlemen whose particular districts would get their hands into the new pork barrel, yet remain in the United States Treasury—or in the national banks. The cost of living has not yet been reduced.

MORE EXTRA SESSIONS.

And if there should be an adjournment, as proposed, before the next regular session begins on December 7—an adjournment rather than a recess being necessary to provide the Members with their share of the mileage, which they have missed, sadly missed, in the last year—there will be enough work ahead to keep Congress in session for another indeterminate period, and the country may as well resign itself to the probability of another extra session after March 4. For in the three months at the disposal of Congress for the short session all the large supply bills ought to be passed—and Congress has not displayed the capacity for disposing even of its routine work within the time at its disposal—not since Congress ceased to be a Republican institution. And then there is the ship-purchase bill, upon which Mr. Wilson says he will insist: the bill authorizing the Interstate Commerce Commission to supervise railroad stock and bond issues, to the end that there may be no more stock watering; the good-roads grab; the various pending conservation bills, including the general dam bill and the measure to regulate radium-bearing lands; the Philippine independence bill; the ever-present woman-suffrage and national-prohibition amendments to the Constitution; the seamen's bill; rural credits; child-labor legislation; and the usual collection of whatnots and odds and ends.

It is a beautiful, alluring retrospect and prospect—if you like it.

Mr. MANN. Mr. Speaker, I have been wanting for some days to submit an observation or two concerning the cotton situation in the South. I believe that a great Government ought to be able to meet great emergencies, and that while, in the main, we must be guided by the experiences of the past, yet as new situations arise it requires a statesman to meet the actual situation before him without depending wholly upon what he or his forefathers may have done theretofore. The question of the situation in the South is not wholly the result of the European war, in my opinion, but undoubtedly the war situation has made it acute. I think the House made a mistake when it passed the bill designed to injure the cotton exchanges. I think gentlemen are mistaken who think that doing away with the cotton speculator is going to increase the value of cotton. I think gentlemen are mistaken who think that the present situation is in the interest of the speculator. If there were enough speculators in cotton right now, there would be no difficulty in selling the cotton; but the European war has created a situation where it seems to be certain that we really can not in a normal time consume the cotton now in existence. Ordinarily the cotton crop and the raisers of cotton must depend upon the market for cotton, upon the use of cotton for manufacture, but we have reached this situation where we know that the market will not absorb all of the cotton and will not use all the cotton. Even if cotton were to sell for a cent a pound, even if the raisers of cotton were to give it away,

it could not and would not all be used within the normal time for its use—that is, this crop of cotton, or what is now in existence.

Now, there have been a great many remedies suggested and I do not propose to discuss them. I have not selected a remedy for the situation. I can see the objections to every proposition which has been advanced, and so can any of us. I doubt very much whether advancing money to the banks of the South or depositing money in the banks of the South would reach the situation to any appreciable extent. It is because there is no demand for the whole crop that the price is down and because no one knows to-day what cotton can be purchased for to-morrow that he does not invest to-day, and because they know there will be a surplus at the end of this season people are afraid to buy cotton. Gentlemen have said there are 15,000,000 bales of cotton on hand, and that 30,000,000 people are in distress. I suppose that is an exaggeration, but a large number of people of the United States, in a range covering a great extent of territory, are met with the situation where they not only can not sell cotton at a profit, they can not sell the cotton at the cost of production, they can not sell the cotton for enough to pay their bills, and in some cases can not sell it at all. You have had a system in the South which does not appeal very strongly to most of us from the North, because we are not so familiar with it. We do not raise farm products on the same basis that you raise cotton in the South. At the end of the year when the crop is gathered in the North the man who gathers it does not already owe all of its worth either to the merchant or to the bank, but largely in the South when a man gathers his cotton crop he owes the value of it to the merchant or to the man who has financed him, possibly to his landlord, to somebody, and I am not endeavoring to criticize or express any opinion about the system; that is the fact.

If a man who has raised cotton can not pay his little merchant who has advanced his groceries and other supplies, then the little merchant can not pay the merchant from whom he bought or can not pay the banker from whom he borrowed, and the little country banker can not pay the city banker from whom he has received supplies, and the jobber and the manufacturer in the end are affected. You can not bring bankruptcy over a great section of our country without tremendous injury to the whole country. [Applause.] We have discovered through some of your economic legislation, which to me seems unwise, that many of our mills and manufacturing establishments are closed or running on short time. That is bad enough. We believe it ought to be changed. While we are opposed to what you have done, I believe that the situation in the South demands remedy. If that can be done by the bankers of the country or the financiers of the country through their mutual cooperation, that is a desirable method of doing it. If it can be done by the Secretary of the Treasury, that would be a desirable method of doing it. If it can be done by the Federal Reserve Board, that might answer, but if no one of those agencies or other agency outside of Congress is able to meet the situation, then the statesmanship of this land ought to be wise enough, by mutual aid, discretion, consideration, and help, to find some method, legitimate, without creating a precedent which would injure our country in the end; as I say, we ought to find some way of preventing this tremendous injury to a great section of our country. If a flood was to move in on us we would try to stop it. If a great dam had broken and the water was rushing down to bring destruction, we would try to stop it. I think that Congress ought to have the ability, as I believe it has the patriotism, to find a way, and I hope that we can all cooperate until we do find a way. [Loud applause.]

Mr. Speaker, I yield the balance of my time to the gentleman from Virginia [Mr. GLASS].

The SPEAKER. The gentleman from Virginia [Mr. GLASS] is recognized for eight minutes. [Applause.]

Mr. GLASS. Mr. Speaker, I had hoped before this discussion should end that I might get time enough to present my matured view of this particular subject in its various aspects. But in the limited time of eight minutes I shall only refer briefly to some statements that have just been made by my colleague from Texas [Mr. HENRY].

Nobody, Mr. Speaker, has to impress me with the gravity of the situation in the South. I realize it as keenly as any Member of the House. I believe the House, regardless of party and without respect to sections, is impressed with the gravity of the situation there, and is patriotically resolved to do everything within its scope and power to remedy the distress. But some gentlemen ask us to do that which the Congress has no right to do, things which do not come within the proper function of government; and notable among those who have asked these things is my colleague from Texas [Mr. HENRY]. He stated a while ago that the Secretary of the Treasury had very recently deposited $40,000,000 of "the people's money" in New York City to relieve the banks there, alleging that incident as a precedent for some of the remarkable suggestions which he has made in connection with this subject. The Secretary of the Treasury did not in fact send $40,000,000 of "the people's money" to New York City. He did not send one dollar of "the people's money" there at the time to which the Comptroller of the Currency made reference in his speech at Indianapolis. What the Secretary of the Treasury actually did on the occasion referred to was to express $40,000,000 of emergency bank notes to New York City upon application of the banks; and subsequently the New York banks loaned an equal amount to the South. At the same time, in the same way, the Secretary of the Treasury sent $68,000,000 of the same sort of currency to the South, and notified the South that it is entitled to receive $150,000,000 more of the same sort of currency at any moment that the banks of that section will comply with the law and deposit the necessary security.

Mr. NORTON. Will the gentleman yield?

The SPEAKER. Will the gentleman from Virginia yield to the gentleman from Nebraska?

Mr. GLASS. I will.

Mr. NORTON. Why did he not send the $40,000,000 to the South instead of to New York, to be loaned to the South?

Mr. GLASS. He sent every dollar to southern banks that they asked for, and is prepared now to send $150,000,000 more to southern banks if they will ask for it. More than that the Secretary of the Treasury is not at liberty to do. He has no lawful right, as the gentleman from Texas broadly asserts, to "withdraw Government deposits from banks all over the country and place them in southern banks." He has already gone the limit in that direction. In some quarters it is thought he has gone beyond the limit of his legal discretion in making deposits with southern banks. Besides sending $68,000,000 of emergency notes there upon approved security he has deposited $26,000,000 of "the people's money" with southern banks out of an available supply of only $74,000,000. The statute expressly requires that, in making these deposits, the Secretary of the Treasury shall observe equity between the various States and sections. If he has been partial to any section, it is the South.

Mr. HENRY. Will the gentleman yield to me for a question?

Mr. GLASS. I will.

Mr. HENRY. I read the letter of the comptroller into the RECORD in order that it might speak for itself, and I phoned to him to send me an exact copy of his speech, which he did. What I wanted to ask the gentleman is this question: What security did the Secretary of the Treasury take from the National Park Bank when that bank loaned the State of Tennessee $1,400,000? What security did the Government take from the National Park Bank?

Mr. GLASS. You mean the New York bank which negotiated the Tennessee loan?

Mr. HENRY. Oh, yes.

Mr. GLASS. He took the security required by law.

Mr. HENRY. What is that security?

Mr. GLASS. I do not know the exact nature of it. The Secretary, I know, took the sort of security required by law.

Mr. HENRY. I have asked the Secretary of the Treasury what security he took for that loan to the State of Tennessee through the National Park Bank, and I have not received an answer.

Mr. GLASS. The Secretary of the Treasury has made no loan to the State of Tennessee. He is not authorized by law to make any loan to any State. The Secretary of the Treasury, in due process of business, deposited $400,000 of the Government's current funds in the National Park Bank of New York, taking that security which the law exacts. It was not an extraordinary deposit; it was no unusual thing; it was not an unlawful procedure, such as are the things proposed by the gentleman from Texas.

Mr. HENRY. Mr. Speaker, let me ask the gentleman——

Mr. GLASS. The gentleman declined to be interrupted when he had half an hour.

The SPEAKER. The gentleman declines to yield, and can not be interrupted without his consent.

Mr. HENRY. You say the Secretary of the Treasury deposited $400,000. I say he deposited $1,400,000, for Tennessee, in the National Park Bank.

Mr. GLASS. That is as misleading as many other things the gentleman from Texas has told the House. The Secretary of the Treasury, in the due process of business, long before the Tennessee certificates matured, made a deposit of $1,000,000 of public funds in the National Park Bank of New York at the

usual rate of interest to the Government. He did this precisely as he had made deposits of hundreds of thousands of dollars in other banks of New York and elsewhere. The deposit of that $1,000,000 had no relation whatsoever to the bonded indebtedness of Tennessee. Subsequently the Secretary of the Treasury deposited $400,000 additional with the National Park Bank and has frankly stated to the public that he used the discretion and power which the law vests in him to make this last deposit of public funds in a bank which proposed to aid a great State to meet instantly its matured indebtedness. The deposit is subject to call, as all Government deposits are, and draws interest until it is called. That is all there is to it. The Secretary of the Treasury did nothing irregular, nothing unprecedented, nothing that was unlawful. He did not loan Tennessee a dollar of "the people's money." Tennessee does not owe the Government a penny. The Treasury simply deposited funds with the Park Bank at the accustomed rate of interest, and the Park Bank, not the State of Tennessee, is responsible for the return of every dollar of the deposit. It was the same process employed by the Treasury in depositing $26,000,000 of "the people's money" with banks of the South to move the crops and many millions more with banks of other sections for a like purpose These funds were not loaned to the growers of crops; they were deposited by the Government, at interest, with the expectation that the banks would loan the funds to move the crops. The Government will exact return of the funds from the banks and not from the producers of crops.

While the action of the Secretary of the Treasury in these matters was regular and in no sense dangerous or extraordinary, the gentleman from Texas, on the contrary, has not presented a proposition to the House in aid of the cotton industry that is not absolutely unprecedented and that would not, if ventured upon as a legislative expedient, wreck the fabric of public confidence and cause a constriction of credits which would not only injure the cotton planters of the South but would involve all the business activities of the country in ruin.

With respect to these propositions, what does the gentleman from Texas [Mr. HENRY] really favor as a remedy for the distressing situation in the South? It is of record that he does not favor the same thing one consecutive week after another. He scarcely favors the same thing one consecutive day after another. My friend from Texas first presented a proposition to valorize cotton—to tax all the people of the United States in order to guarantee the price of a single commodity. Thus we of the South, who for years have been preaching and teaching the Jeffersonian principle of "Equal rights for all and special privileges to none" [applause on the Democratic side], now propose, through the gentleman from Texas, to tax all the American people in order to maintain the price of a single commodity. [Applause on the Democratic side.]

Mr. HENRY. Mr. Speaker, will the gentleman yield?

The SPEAKER. The time of the gentleman from Virginia has expired.

Mr. MANN. Does the gentleman want more time?

Mr. GLASS. Yes; I would like to have a few minutes more.

Mr. MANN. Is that agreeable to the gentleman from Indiana [Mr. Moss]? I ask unanimous consent, Mr. Speaker, that the gentleman from Virginia [Mr. GLASS] may have 10 minutes more.

Mr. HENRY. Mr. Speaker, if the gentleman will couple with that a request that I may have 10 minutes——

Mr. MANN. We have not the time.

The SPEAKER. The gentleman from Illinois [Mr. MANN] asks unanimous consent that the gentleman from Virginia [Mr. GLASS] shall have 10 minutes, and the gentleman from Texas [Mr. HENRY] asks to have 10 minutes. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Virginia [Mr. GLASS] has 10 minutes.

Mr. GLASS. Mr. Speaker, as I recall, the gentleman from Texas [Mr. HENRY] first proposed that $500,000,000 of United States notes be issued by the Secretary of the Treasury and distributed, indiscriminately and without any sort of restriction, to all of the banks of the United States, to be used in the practical purchase and storage of cotton at a specified price; that the Congress should in this wise tax all the people for the special advantage of some of the people; that the Government should make itself liable to the extent of $500,000,000 of immediate gold obligations in order to deposit this immense amount of funds with all the banks in the South under directions—the most absurd proposition that the wit of man ever conceived [laughter]—under directions to these banks to loan this money upon a single commodity at an abnormally low rate of interest. In other words, it was expected——

Mr. GORDON. And at a specified price, too?

Mr. GLASS. Yes; at a specified price for the commodity vastly above its prevailing market value. It was, in effect, the valorization of a single commercial product at the expense and certain risk of all the people of the country. It was, in all its details, the most inconceivably chimerical suggestion ever presented to the Congress of the United States for meeting a distressing emergency.

A little later the gentleman from Texas abandoned that proposition and presented another scheme. A few days thereafter he presented a composite bill, on October 9, I believe, and then, three days later, still a different remedy. Which one of the variegated lot of rapidly multiplying remedies does he actually stand for?

The gentleman from Texas has cited here alleged precedents for his general theory of benevolent Government aid, but, Mr. Speaker, there are no real precedents in existence. The gentleman can not point to one. Nothing has ever been done by Congress or by the Government that bears any resemblance to the gentleman's extraordinary schemes.

On the contrary, Mr. Speaker, if the gentleman really wanted to give practical relief to the cotton-growing sections of this country, he had ample opportunity to do it. He not only neglected to do it, but has obstructed the legitimate efforts of the Committee on Banking and Currency of the House to afford that relief. That committee, with but a single dissenting vote, reported three bills to the House which would infinitely relieve the situation in the cotton-growing States. Last Monday the Speaker agreed to recognize me to call up those three bills under suspension of the rules. The gentleman from Texas [Mr. HENRY] served personal notice on me that he would use every parliamentary endeavor in his power to prevent the consideration of those perfectly feasible bills of relief unless the House would at the same time give consideration to his ludicrous proposition. [Laughter.]

One of those bills relates to the reserve requirements of the Federal reserve act. It was unanimously recommended to the consideration of the House committee by the Federal Reserve Board and urged time and again by the Secretary of the Treasury; with but one dissenting vote it was by the Committee on Banking and Currency reported favorably to the House. That bill alone would afford increased credit facilities to the five regional reserve banks doing business with the cotton-growing States of approximately $296,000,000; and yet the gentleman from Texas, by his obstructive tactics, prevented consideration of that bill after the Speaker had agreed to recognize me.

Following this frustration of real relief to the cotton States, I asked the gentleman from Texas, by request of my committee, for a rule under which the committee bill might be considered; but he has never brought in the rule. Yet he ventures to tell us that immediate legislation, such as he desires enacted, can be had here if only the Secretary of the Treasury will suggest it. He thinks that a serious and repeated recommendation by the Secretary of the Treasury and the Federal Reserve Board of bills really designed to furnish credits to the cotton growers of the South in this emergency should be contemptuously defeated by filibustering tactics; and yet he assumes that a mere suggestion from the Secretary of the Treasury alone would drive Congress into the desperate expedient of empowering that official to sell $250,000,000 of Government bonds—not to replenish the Government's revenues, but to raise funds to be deposited in State and national banks for the benefit of a single class of citizens engaged in a single industry. He would thus commit the people's money to banking institutions over which the people's Government has no control; to many banks having not a dollar of reserve behind their deposits, some of them without examination requirements, and some banks that not a Member of this House would deposit his own private funds in, and against which the Government would have no legal recourse when the inevitable crash should come.

The gentleman from Texas assumes to say that the House only requires a hint from the Secretary of the Treasury to do this astounding thing. Mr. Speaker, if the thing proposed is constitutional; if it is, in truth, remedial; if it is as imperative as the gentleman from Texas suggests; if it can so readily be done, why wait for advice that the gentleman knows will never be given? Why does not the gentleman from Texas have the House do it without the advice of the Secretary of the Treasury, which he will never get? If the Henry scheme is so comprehensive, so simple, so conclusive, so urgent, why does not the chairman of the great Committee on Rules impress himself upon this House and have it done? Aye, why does he not so impress his views upon his own committee as to bring out a rule for consideration of his amazing series of bills? He confidently

asserts that it is easy to get the House to act, yet he has failed to get his own committee to indorse his wonderful scheme.

As to this talk of Government valorization of a staple product, we are not without light from the lamp of experience, Mr. Speaker. I said just now that the Henry suggestions are without precedent; but something akin to one of his schemes was attempted in the early stages of the Civil War, when the Confederacy was in the fullness of its strength and at the zenith of its expectations. Threatened by hostile forces on the north, with the greatest necessity of maintaining its own arms in its own territory, appreciating the vital value of cotton to the Government's credit abroad and its triumph at home, valorization was attempted by the Confederacy. I want to read to the House, if I may, in a moment, the result of the experiment in Mr. HENRY'S field of endeavor. This is a brief extract from Pollard's Secret History of the Southern Confederacy:

Commissioners were appointed to canvass every square mile of territory in the Confederacy. A separate bureau to manage the loan was organized in Richmond, the lamented J. D. B. De Bow being its head. The progress of subscriptions was watched with the greatest solicitude by the public; the reporters of the newspapers visited almost every day the office of the chief commissioner and published the list of subscriptions, to excite the competition of particular districts. On the 20th of July, 1861, it was announced by the Government with ill-restrained delight, and to the lively gratification of the public, that the produce loan, estimated by values, had already reached $50,000,000 and by the close of the year might be expected to touch the magnificent sum of $100,000,000.

When the year did close, the produce loan had disappeared. No one knew of it; no one inquired of it; no one cared for it. In reality it had ceased to exist; it had already passed into history as one of the most complete failures and notable absurdities of the Confederacy. The bureau which had been so ostentatiously constructed was discontinued; the office rooms which Mr. De Bow had so handsomely furnished, and which had been the rendezvous of politicians and reporters, were closed and "to let"; and actually all that remained of this magnificent loan were the dead leaves of paper on which its figures had been marshaled.

Mr. Speaker, that is what my colleague from Texas [Mr. HENRY] is inviting this Congress to do. He would impose upon this country a currency system the product of which would be as the dead leaves of paper upon which that valorization loan was printed; a currency system which, as once before I had occasion to point out, was tried by France prior to the period of the Revolution, when that Government engaged in the lamentable business of depreciating the nation's currency by resort to wild schemes of inflation and to projects which were repugnant to every tested principle of sound economics. These schemes brought not even temporary relief; but only misery and crime fast followed in their wake. The French Government, in its frantic but futile attempts to avert the terrible consequences of its financial saturnalia, enacted laws which provided the penalty of fine and imprisonment of persons who discriminated against the country's depreciated currency by refusing to accept it at par with specie. Failing to maintain parity by the penalty of fine and imprisonment, the Government finally passed a law to guillotine every person refusing to accept at face value its miserable, depreciated currency. History does not record that any person of the producing masses or tradespeople of France was guillotined for the offense; but pretty soon there was dreadful retribution for the lawmaking caste and reprisal for maladministration and deception. If this Congress were to respond to these wild propositions of the gentleman from Texas, the cotton growers of the South would not be helped. On the contrary, Congress would be discredited; public faith would be imperiled; our sanity would be suspected; real money would be hoarded; private credit would break down; and I venture to believe that the gentleman from Texas would be the first victim of the indignation which the farmers of that great State would visit upon those responsible for their calamity. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. GLASS. I ask unanimous consent to revise and extend my remarks in the RECORD.

The SPEAKER. The gentleman from Virginia asks unanimous consent to revise and extend his remarks. Is there objection?

There was no objection.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

A message from the President of the United States was communicated to the House of Representatives by Mr. Latta, one of his secretaries, who also informed the House that the President had approved and signed bills of the following titles:

October 14, 1914:

H. R. 11166. An act for the relief of Wilhelmina Rohe;

H. R. 15575. An act donating the old iron fence around Vance Park, Charlotte, N. C., to the Mecklenburg Declaration of Independence Chapter, to be placed around Craighead Cemetery, near Sugar Creek Church, in Mecklenburg County; and

H. R. 17764. An act to provide for sale of portion of post-office site in Gastonia, N. C.

October 15, 1914:

H. R. 15657. An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes; and

H. R. 2696. An act for the relief of Thomas Haycock.

COMMISSION OF FINE ARTS.

The SPEAKER laid before the House the following message from the President of the United States, which was referred to the Committee on the Library and ordered to be printed:

To the Senate and House of Representatives:

I transmit herewith, for the information of the Congress, the report of the Commission of Fine Arts for the fiscal year ended June 30, 1914, with accompanying illustrations.

WOODROW WILSON.

THE WHITE HOUSE, *October 16, 1914.*

COTTON.

The SPEAKER. The gentleman from Texas [Mr. HENRY] is recognized for 10 minutes.

Mr. HENRY. Mr. Speaker, for more than two months I have been seeking a discussion of this question on the floor of the House before the American people. I am proud of the privilege of standing here to-day for the purpose of discussing with the distinguished chairman of the Committee on Banking and Currency [Mr. GLASS] the merits of the proposition that I have had the honor to introduce. The gentleman has my respect, my regard, and my personal affection, because I have served with him in this House for many years, and I hope we are endeared to one another. But when he says I have proposed a wild and chimerical thing to this body I deny it. I might respond by saying that unfortunately every drop of his blood is tinctured with the bank mania, and that he is not willing to have the people's money go out in circulation amongst the masses until it has passed through a system of banks, in order that they may charge toll and take their "pound of flesh."

Mr. GLASS. May I interrupt my friend a moment?

Mr. HENRY. Yes; just for one moment.

Mr. GLASS. Does not every one of your bills provide that every dollar to be issued under them shall go through the medium of the banks?

Mr. HENRY. Oh, but that is not all. I will get to that. The gentleman says he does not know what measure I stand for, and that I change from day to day. Let me say to him that on September 22 I introduced a bill, prepared after conference with those interested in the South, dealing with this question, and am ready to join issue with him in this House and before the American people in the arena of public opinion on the propositions contained in my bill. We went before his committee, commissioned by millions of farmers and people in the South, and urged him to report my bill. But the gentleman and some of his colleagues gleefully tabled the measure, so that it might not come to this body where a vote could be had upon it. I challenge him to-day, and challenge the members of his committee concurring with him, to come on the floor of this House and debate with us the merits of the bill introduced on the 22d day of September. It is numbered H. R. 18916.

Mr. GLASS. May I interrupt the gentleman?

Mr. HENRY. I yield for a moment.

Mr. GLASS. You are the chairman of the Committee on Rules, which controls such matters, and you can bring that bill here at any time. Why do you not do it?

Mr. HENRY. If you will ask those members who have not been in accord with me to bring it on this floor next Monday, it will come.

Mr. GLASS. Oh, I shall not ask them to bring it here, because I do not favor your bill.

Mr. HENRY. More than that, I said, "If you will not give us the relief contained in this bill, we will go further. We will compromise this matter with you," and a committee of 16 was appointed by the representatives of the Southern States, and we met in the House caucus room, and there we agreed on a measure that practically every Democrat from the South acquiesced in, and asked the gentleman from Virginia [Mr GLASS] to report the same, and he refused even to call his committee together to consider it. I want to say to my colleague from the South that we have invoked his assistance to get that matter before this body, and he has failed us.

That conference bill prepared by the Democrats from the South is H. R. 19203, and reads as follows:

A bill (H. R. 19203) for the temporary relief of cotton and tobacco growers of the United States.

Be it enacted, etc., That the Secretary of the Treasury shall deposit in national banking associations and State banks situated in States producing cotton or tobacco, or both, $250,000,000, or so much thereof as may be necessary to carry out the purposes and under the terms and conditions of this act, to be advanced to the producers of cotton and tobacco, or owners of lands upon which the same was produced upon cotton or tobacco produced during 1914, at a rate of interest not ex-

ceeding 4 per cent per annum. The deposits herein authorized shall be advanced upon the terms prescribed in this act and under rules to be prescribed by the Secretary of the Treasury. The deposits herein directed to be made shall be apportioned among the several States in accordance with the number of bales of cotton and pounds of tobacco produced therein during the year 1913, as ascertained by the Department of Agriculture.

SEC. 2. That the Secretary of the Treasury shall make and enforce rules and regulations not inconsistent herewith for carrying out the purposes of this act. Said Secretary of the Treasury may fix the compensation for the banks for their services in lending said sums of money.

SEC. 3. That the Secretary of the Treasury shall, in his discretion, either immediately cause to be prepared United States notes to the extent of $250,000,000 to be used for the purpose of making the deposits in compliance with this act, which said notes shall have all the legal qualities of the United States notes now outstanding, and shall be of such denominations as the Secretary of the Treasury may prescribe; or he may sell not exceeding $240,000,000 of Panama Canal bonds, heretofore authorized by law, at a rate of interest not exceeding 3½ per cent per annum, and the act or acts heretofore passed authorizing the disposition of said bonds are hereby amended so as fully to authorize the disposition and use of such bonds as is herein prescribed; or, in his discretion, the Secretary of the Treasury may use both the proceeds of the bonds and the notes in order to carry out the purposes of this act, not to exceed in the aggregate $250,000,000: *Provided*, That such United States notes, should the Secretary of the Treasury conclude to issue them, deposited under this act and not used as prescribed herein shall be returned to the Secretary of the Treasury and shall be destroyed.

SEC. 4. That this act shall take effect and be in force upon its passage.

SEC. 5. That this act shall expire by limitation on the 31st day of December, 1915.

Mr. GLASS. Will the gentleman yield?

Mr. HENRY. I will yield for a moment.

Mr. GLASS. Is it not fair to state that by letter I notified the gentleman that my committee had time and again met and adjourned at his request, and that I declined further to dance attendance upon him until he would ask his Committee on Rules to comply with the request of the Banking and Currency Committee to bring in a rule for consideration of the bill that had been reported by the Banking and Currency Committee for the relief of the cotton growers and tobacco planters of the South? This is the letter referred to:

OCTOBER 9, 1914.

HON. R. L. HENRY,
House of Representatives.

DEAR MR. HENRY: I have your letter of this date inclosing a typewritten copy of a proposed bill "for the temporary relief of cotton and tobacco growers in the United States," and note your request that I call a meeting of the Banking and Currency Committee for its immediate consideration. In response I desire to say that no bill of the description indicated has reached the Banking and Currency Committee, and you must know that the committee can not formally take cognizance of a mere typewritten memorandum. Should such a bill come to the Banking and Currency Committee by reference, I shall take up with the committee the question of its consideration.

In this connection I draw your attention to the fact that I have promptly responded to every request you have made for meetings of the Banking and Currency Committee to consider bills introduced by you for the relief of the cotton situation, and have cheerfully given hearings to those interested in the subject. On the contrary, last Monday, in the House, you thwarted my effort to have considered three bills ordered reported by an almost unanimous vote of the Banking and Currency Committee, one of which alone would afford credit facilities of approximately $300,000,000 to the cotton-growing States. These bills are approved by the Federal Reserve Board, and the Speaker promised me recognition to call them up; but you have personally put me upon notice that you would object.

Since the receipt of your request for another meeting of the Banking and Currency Committee I have informally conferred with most of the members, and I find them averse to any further meetings of the committee at your request until you shall have first called a meeting of the Committee on Rules to consider the rule asked for by the Banking and Currency Committee involving the consideration of the bill to which I have herein referred as affording additional credit facilities of nearly $300,000,000 to the cotton-growing States.

Very truly, yours,

CARTER GLASS.

Mr. HENRY. Oh, yes, Mr. Speaker; he had three bills that enlarged the powers of the national banks. They carried no relief to the stricken South. He did ask that. But I want to assure the gentleman that in so far as my feeble ability went I did not intend to allow him to "outgeneral" me and suppress the real legislation that would bring relief to the southern people. And I will say here now that if he is willing to have a vote on the bill introduced on the 22d day of September, H. R. 18916, or the other bill introduced by me for the committee and for the southern Representatives on October 9, H. R. 19203, we will bring them in from the Committee on Rules next Monday and debate the question face to face here before the people. I pause for a reply. Will the gentleman urge the Committee on Rules to bring those bills out of the committee? [Applause.]

Mr. GLASS. I will give the gentleman a reply. He is at all times so amiable and so courteous and so appeals to my personal regard that it is a genuine pleasure to discuss with him.

Mr. HENRY. I want a reply.

Mr. GLASS. I have no objection now, and never had any, to voting on your bills. I shall vote against them, because I think they are absurd. But why does not the gentleman bring them in?

Mr. HENRY. The gentleman is a very courageous man; but instead of asking me to bring them here, why did the gentleman lay them on the table and suppress them?

Mr. GLASS. I laid them on the table because I thought that is where they ought to be. If you think they ought to be here, why do you not bring them in?

Mr. HENRY. Then I ask you to join me in a request to take them from the table. Will you do it?

Permit me to repeat, join with me in requesting to take them from the table. Will you do it?

Mr. GLASS. Why, no; I will not do anything of the kind, because I think they ought to be on the table.

Mr. HENRY. No; you will not do it because you and those cooperating with you have not the courage to meet the issue.

Mr. GLASS. I had courage enough to lay your bill on the table, and I have courage enough to keep it there if I can. [Applause and laughter.] It was a record vote in the Banking and Currency Committee, and the gentleman and the country can see it any time.

Mr. HENRY. The gentleman speaks of courage. I am going to undertake to assert a little courage, too, and, as far as I am concerned, we will not only lay your bill on the table, but will lay it under the daisies and turn its toes to the heavens forever. [Applause and laughter.]

Mr. GLASS. When the cotton growers of Texas find out what the gentleman has done to deprive them of real relief, they will lay him under the daisies and turn his toes to the heavens. [Laughter and applause.]

Mr. HENRY. You have not the courage to bring the matter before Congress. I challenge you now to meet us in the open at the bar of public opinion. We are ready to call on the battle.

Mr. MANN. Mr. Speaker, so much of the time of the gentleman has been taken by interruptions that I will ask the gentleman if he will accept 10 minutes more if he can get it. [Laughter.]

Mr. HENRY. I do not care to trespass upon the time of the House. Is my time up, Mr. Speaker?

The SPEAKER. The gentleman has two minutes remaining.

Mr. HENRY. Here are the bills in order—one introduced on the 22d of September and the other on October 9, when we tried to get you to agree, and you would not agree, to deposit five hundred millions in money in the South, and you would not help to issue the Panama Canal bonds, and you would not assent to the issue of United States notes; and then we went back, the southerners, and got together and tried to agree, and did agree, and said, "Deposit $250,000,000 in our banks and let us sell the Panama Canal bonds or issue United States notes as we did during the war," and you refused us even that request. That is all we ask. We ask nothing unusual, and I will say that my bill follows the precedents and well-marked lines that have been made for more than a century and we will put the people's money where the producer of cotton can secure it and require these fiscal agents to loan it to the producer of cotton or tobacco in those Southern States. Is there anything unusual about that? We provide that it shall not exceed 4 per cent interest. Is there anything wrong about that? We provide that those banks shall be fiscal agents of the Government, and is there anything wrong about that? We have done it more than a hundred times. And then, in section 2 of this last bill, we give the Secretary of the Treasury colossal power. We give him plenary authority to loan this money either through the banks or directly to the producers of cotton or tobacco, and I challenge you to the combat, and those who have always helped you to smother this legislation, to give us a vote; and with the aid of the patriotic gentleman from Illinois [Mr. MANN] we will draft a bill and put it through the American Congress and save the southern people from this distress and rescue their billion-dollar crop already produced. [Applause.]

The SPEAKER. The time of the gentleman from Texas has expired. The gentleman from Indiana [Mr. Moss] is recognized for 30 minutes. [Applause.]

Mr. MOSS of Indiana. Mr. Speaker, the subject of rural credits has received nation-wide discussion. This agitation grows out of the admitted need of better credit facilities and a lower interest rate for our agricultural population. In comparison with the leading nations of Europe, the American farmer pays a higher rate of interest and borrows under harder terms. This statement is true whether it be applied to personal or mortgage credit. The farmer is under like disadvantage if the comparison be with the American business man. I am aware that this latter statement has been challenged, but I refer those desiring absolute proof to Senate Document No. 214, part 3, which contains a report made to the United States commission on rural credits by special commissioners appointed by the governors of every State in the Union. This discrimination grows out of the fact that the bankers and business men are one and the same class of men, representing the same general financial interests. This important relation is emphasized by Mr. Henry B. Joy, president of the Packard Motor Car Co.,

in a letter to Mr. A. W. Shaw, publisher of System, at Chicago, under date of September 3, 1914. Mr. Joy said:

As a matter of fact, the bankers of the United States are the business men of the United States, and the banks of the United States are the bulwarks of the business of the United States, and their interests are the same and mutual. Both are run by the same people.

In this short statement by one of the leading business men of the Nation is contained an unanswerable argument for the creation of a new system of banking in the United States which shall be the bulwark of the agricultural interests and which shall be controlled by the farmers of the Nation. Our purpose must be to organize rural-credit banks which will be run by the same people who do the farming and who own the farms of the Nation.

This statement of Mr. Joy is in entire harmony with the definition of a commercial bank which a leading banker recently gave to the public press:

The real business of a bank is to gather together the current deposits of the people and amass them into a body of liquid capital that can be loaned out to people engaged in a commercial business.

These representative utterances on the part of business men and bankers furnish in part the explanation why rates are higher and terms harsher to farmers than to business men. Senator HOLLIS, who is chairman of the Senate Subcommittee on Banking and Currency, stated on the floor of the Senate recently that the annual interest rates on farm mortgages in the United States vary from 5 per cent to 25 per cent, including commissions and renewal fees. This statement, incredible as it may appear to those who have made no careful investigation, will be accepted as conservative by every student. The evidence now available from official sources and gathered by agents of the Government is conclusive that interest rates to farmers in many if not in all sections of the Union are usurious and prohibitive, so far as such loans yielding to the farmer profitable returns when applied to productive uses on the farm. Therefore a new banking system is imperatively demanded—a banking system which shall not be under control and domination by the commercial interests of our cities, but which will be dedicated to the exclusive service of agriculture, to the right development of rural communities and rural interests, to the rational promotion of better business on the farm and of better living among farmers.

This legislation has been promised by the representatives of all political parties. No man now in public life can honorably deny the pledges given to the people by his party, and woe be to that man or party who tries to repudiate such solemn obligations.

No plausible excuse can be offered for any delay beyond a reasonable time for consideration and study of the various proposals which may be submitted on this subject. Many bills have been introduced in Congress. In the main these several bills represent the individual views of their authors. There are two bills, however, each of which represents the conclusions of a group of men after careful study and wide consultation. I refer to the Moss-Fletcher bill, framed by the United States Commission on Rural Credits, and the Bulkley-Hollis bill, framed by the joint Subcommittee on Banking and Currency of the House and Senate. I shall confine my present remarks to a comparison of these two bills, referring to them as the commission and committee bills, respectively.

It is fair to say that the commission bill is the oldest in point of time; in fact, it is the first bill to be presented on mortgage credit which attempted to organize a distinctively American system of mortgage banks. The hope of the commission was not to draft a completed bill, perfect in all details. We were not so ambitious. Our purpose was rather to present in legislative form the fundamental principles which must underlie legislation on this most important subject. All data gathered and all conclusions formed by our commission after nearly a year of travel and study were placed before the subcommittee, and in so far as the individual members of the commission could be of service to them there was the fullest collaboration. The bill submitted by us was the first draft, with no benefit of revision which comes from wide publicity, discussion, and criticism. Speaking of the relation between the committee bill and the commission bill, Senator HOLLIS stated to the Senate that the two bills are in all respects similar, but that the framework of the commission bill had been changed and, in his opinion, numerous improvements had been added to it, but that the work of the United States commission was really the basis of the work of the subcommittee. This statement by Senator HOLLIS is a very generous acknowledgment to our commission, which will be sincerely appreciated by its membership and which largely compensates us for the pioneer work we did in this field. I wish to emphasize the fact that these two bills differ principally in administrative detail and not in principle or purpose; they are not, therefore, in any extreme sense antagonistic or in opposition. I have no doubt that further study and discussion would materially improve either of them, and I am equally confident that those who have worked to bring them to their present state of perfection would gladly welcome suggestions toward further improvement.

In the wide meaning of the term rural credits embraces two distinct classes of banking operations—short-time or personal credit, and long-time or mortgage credit. There are three distinct types of banks organized to carry on these several banking operations, viz, banks extending short-time credit based on personal or collateral security, banks which give long-time credit based on land values as security, and mixed mortgage banks, which extend both personal and long-time credit and accept both classes and kinds of security. Mortgage banks are further divided between those which loan on rural real estate only and those which extend loans on urban as well as rural real estate. The commission bill seeks to organize a system of pure mortgage banks, limited to loans on rural real estate for productive purposes and within certain limitation as to amounts which can be loaned to any one person. This principle was accepted by the committee practically as proposed. Their limitation as to purpose and amount is more severe, while their central bank is given the right to purchase mortgages on urban real estate. The proposal to exempt capital stock, mortgages, and bonds from all State and national taxation was also accepted and appears in the committee bill. This was the most radical feature of our bill, and the only one which contains a subvention from the public or a special privilege which in effect amounts to a subvention. In Indiana mortgages are now taxed at their face value; the average rate of taxation is around 3 per cent. It can readily be seen that an exemption from such taxation is the equivalent of large favor or indirect subsidy from the Government. On the other hand, our commission deemed this concession of vital consequence, and that without this exemption it would be impossible to organize such banks in many States of the Union. As some States tax mortgages at full value, some tax them only partially, while others exempt them entirely, uniformity of conditions can not be produced in any other manner. Again, the credit instrument created is a land bond. This bond is in the nature of a duplicate for the mortgage on which it is based and instead of which the bond is issued. To tax both bond and mortgage is to impose double taxation on debt. The commission frankly rested its bill on the acceptance of this feature, and, in my opinion, no bill can be drawn which will be successful in operation without the incorporation of this provision. The acceptance of a land bond as the credit instrument to be issued by the banks, based on their assets and credit capital under rigid governmental supervision and without express Government guarantee, is the basis of both bills. The features of the committee's bill which give direct governmental aid is the subscription by the Secretary of the Treasury of capital stock to the central bank in case private capital or subscriptions by States do not amount to $500,000 in each Federal reserve district, and the possible purchase of certain amounts annually of land bonds. Direct Government guaranty is not given to the bonds under the committee bill. The extent to which the Federal Government could be obligated for the ultimate payment of these land bonds is measured by the amount of capital stock which might be subscribed by the Government in the various central banks, and the liability is that of the owner of capital stock in the bank, and carries with it the alternative advantage to share in the profits of the bank. In no proper sense is it a Government guaranty and lends no security beyond that given by any other solvent owner of capital stock of equal amount.

The essential feature of mortgage credit as proposed by rural credits and as differentiated from other investment banking is a guaranty fund maintained by the bank issuing land bonds to insure the prompt payment when due of both principal and interest on the bonds. The principal security for the ultimate repayment of all liabilities is the land values pledged under mortgage; but to guard against temporary default in payment by the real borrower, the mortgagor, and thereby insure the prompt redemption of every promise to pay to the real lender, the bondholder, the banks issuing these land bonds are required to collect and to maintain a security fund pledged for this particular purpose, and which can not be diverted to any other purpose. This surety fund is required to bear a certain fixed proportion to the volume of bonds in circulation. Both bills seek to provide this insurance but devise different machinery and distribute the burden in different degrees between the borrower and the shareholder. Each bill requires certain cash and credit capital; broadly speaking, the commission bill requires the carrying of a larger cash capital and the committee

bill pledges a larger credit capital. In addition to the capital and surplus of the bank, each bill authorizes the accumulation of a special redemption fund out of the interest charges. This reserve is mandatory on the part of the commission bill and is permissive in the committee bill. The commission bill requires the bank to maintain a 5 per cent special fund, which is accumulated out of the administrative charges or profits of the bank. The burden of this fund is thus laid exclusively on the stockholders of the bank. The shareholders receive the profits and are required to meet the losses.

Mr. BORLAND. Mr. Speaker, will the gentleman yield for an interruption there? I would like to ask him a question for information.

Mr. MOSS of Indiana. Certainly.

Mr. BORLAND. What becomes of this redemption fund? Where is it invested, and how is it reserved?

Mr. MOSS of Indiana. Mr. Speaker, I will say to the gentleman that I will discuss that matter in a moment.

The committee bill authorizes but does not require the central bank to create a special redemption fund, but secures it by imposing a higher interest rate than could be otherwise charged—that is, by charging a rate on mortgages in excess of the 1 per cent margin which is permitted to be charged as an administrative charge, thus imposing this fund directly and wholly on the borrowers. To state this feature more clearly, each bill limits the bank for its services to a charge not exceeding 1 per cent on the face of the bonds it may have in circulation; but the committee bill permits the bank to increase the interest rate higher than the 1 per cent and to hold the additional interest money as a special surety fund. At the close of a five-year period the bank may make application to the Federal Reserve Board for permission to prorate among the borrowers any balance which may remain in the special fund after paying all losses.

I think that answers the gentleman's question.

Mr. BORLAND. Not quite. What is done with the fund in the meantime? Is it invested or loaned out, or is it held in cash?

Mr. MOSS of Indiana. It is held by the regional bank and, of course, invested as it invests any portion of its capital.

Mr. TOWNSEND. It is a balance held by the regional banks?

Mr. MOSS of Indiana. Yes; it is a special fund held for a special purpose. To go a little further—I do not wish to go into details, as I do not have the time—I may state that this special reserve fund must be segregated as to States, and is held as a special fund to secure the loans held in that particular State. For instance, if the regional bank were to accumulate such a fund to secure Indiana loans, the rate would be imposed only upon the borrowers in the State of Indiana. It would be held by the regional bank as a separate fund to be applied in liquidation of any losses which may arise out of loans made in the State of Indiana; and when this reserve is finally prorated it would go back to the borrowers in Indiana. I think that is a fair statement, is it not, Mr. BULKLEY, of the special reserve fund?

Mr. BULKLEY. That is a fair statement, as far as it goes. I want to make a statement of my own at the proper time.

Mr. MOSS of Indiana. The bill does not require this fund to be thus prorated; it only permits it.

It is thus possible under the terms of the bill for the bank to accumulate a reserve fund which in reality belongs to the borrowers, but which it is not compelled to pay over to the rightful owners. Under the commission bill the bank can in no instance charge a higher interest rate than the 1 per cent over its rate on the land bonds. It is fair to state that, under the committee bill, the borrowers are also shareholders in the local association; but under the most favorable working conditions of the system they can not hold more than 50 per cent of the stock in local and central banks. The net result of the committee method of raising this guaranty fund, even if the balance were to be faithfully prorated to its real owners, the borrowers, would, in my opinion, be to impose slightly higher interest rates during at least the first five-year period. This difference is one of administration and not of principle.

Both bills are identical in requiring all long-time loans to contain a compulsory amortization provision. This feature makes these banks to be saving institutions in the best sense of that term and prevents any person going in debt through their agency for long periods of time without a gradual saving, which is applied toward the reduction of the principal of his debt. Both bills fix the limit of mortgage indebtedness at 50 per cent of the actual value of the land mortgaged and require the banks to hold valid first mortgages equal in face value to the land bonds outstanding. The commission bill fixes the maximum rate of interest charged on farm mortgages by the rate paid on the land bonds; the committee bill gets the legal rate in control in the various States unless modified by the order of the Federal Reserve Board. Under the powers given to this board it can name the interest rate for any local association provided such rate does not exceed the legal rate in the State where such association is located and without undue discrimination between locals in such State.

Our commission, after a careful study of all European systems of mortgage banks, came to the unanimous conclusion that none of them could be introduced in its entirety, and that a new organization would have to be devised. It is our opinion that this new bank should be patterned after existing American banks as nearly as is practical. We recognized that our system of banking at the time of formulating our report was undergoing reorganization and would probably be radically changed. At the same time it was equally well known that European experience was being drawn upon to furnish the model for the new system. Throughout Europe all commercial banking is conducted through a central bank of issue, and this is equally true of rural credit banks which supply short-term or personal credit. There are more than 17,000 of these small personal-credit banks or associations in Germany, all united in one great system and having one central bank, to mobilize the assets of the federated banks. The Monetary Commission's original recommendation for a central bank was undoubtedly influenced by European banking history and experience. It is also true that mortgage-banking Europe is firmly organized with independent banks. So far as European experience gives guidance, it is as strongly for independent mortgage banks as it is for federated commercial banks. The Landschaften banks in Germany actually formed a federation with a central bank to issue and market the bonds for the entire federation, it being their purpose to secure a better price for their bonds because of this federation. It was an effort made by experienced bankers to apply the same method of organization to mortgage banking as to commercial banking.

This is an attractive theory, but it failed when applied to the sale of land bonds, and the association has the unique history of being the only mortgage association in Europe which has failed. There can be no gainsaying the fact that independent mortgage banks have a most successful history in Europe. These banks have two general types, that of joint stock and cooperative, and both have an enviable record for success and efficiency.

The commission bill presents an outline for a system of independent banks, each having the full functions of a mortgage bank, and in its organization, administration, and supervision closely modeled after the national-bank law. This law admirably adjusts itself to the machinery of the bank with independent functions, as that was the character of all American banking institutions until the adoption of the Federal reserve system. The committee bill agrees with the commission bill in seeking to organize a system of mortgage banks after American models, but chose the Federal reserve system as the guide. In order to accept this form of organization, a central bank with large capital was authorized to be chartered in each Federal reserve district, which has the sole power to issue land bonds. It is at this point that the two bills diverge so widely in their administrative organization that they can not be harmonized. If either bill is to be accepted without substantial modification, Congress will have to choose between a strongly centralized system and a decentralized one; between independent banks, each exercising the full functions of mortgage banking and a central bank with federated members and the functions of banking divided between the central organization and the federated members, but with the supreme control vested in the central.

It is in the latter power given to the central bank in the committee bill which centralizes power more strongly than in the Federal reserve system. In the latter scheme of banking, member banks are not deprived of their privilege to solicit business independently of the central bank or to contract a line of lawful business which is within their ability to handle. An independent national bank, in becoming a member bank, is permitted to act with all its former independence within the limits of its loanable funds. At its own peril it may discount paper which is not prime within the definition of the banking law and which will not be rediscounted by the regional bank. The penalty imposed by the new system on such action is the refusing of rediscount; but no member bank will apply for such rediscount as long as its own reserves are ample to meet its demands, and it is easily within the range of possibilities that many member banks will rarely apply to the regional bank for rediscounts. It

is evident that State banks are not applying for admission to the federated system, though the door stands wide open and every special privilege granted by law to member banks is being jealously guarded for their exclusive benefit.

This liberty of independent action is not extended to mortgage associations in the committee bill, and we do not have under its terms that happy compromise between centralized and decentralized systems which secures the conservatism of centralization without destroying the utmost development of local business and the fullest utilization of local opportunities. The committee bill reduces all mortgage associations to the level of mere local societies without independent funds, power, opportunity, or prestige. The general character of the proposed mortgage associations is thus described by Senator HOLLIS, one of the joint authors of the bill:

> These local associations will approximate the size and functions of ordinary building and loan associations. The office may be in a country store or with a local insurance agent. They will never have a large amount of money on hand. A single officer will care for their simple routine. They will not receive deposits subject to check or loan money on anything but first mortgages.

If to the Senator's description is added the fact that these local associations can not sell or assign a mortgage to any purchaser except to a local association within the system or to the regional bank, their extreme dependence is very well depicted. The local associations can grant loans only as the regional bank will accept mortgages from the local on assignment, and under the terms of the bill the regional bank can exercise full liberty of action and can decline any or all mortgages tendered by any local association. As exclusive territory is allotted to each local association, it follows that only those farmers can be accommodated under the terms of this bill whose mortgages are accepted by the regional bank. The question of giving service to the patrons of the local association is decided, not by the officers of the bank where the farmers live but in the offices of the huge regional bank, located perhaps hundreds of miles away in some other State.

The general scheme of the Federal reserve system is not well suited to the functions of mortgage banking. As applied to commercial banking, the efficiency of the reserve system lies in its ample powers to rediscount prime securities held by member banks. The National Government under our Constitution is given the sole power to issue money, and in the new banking system this power is delegated to the regional banks under certain conditions. The regional banks can control the volume of money available for rediscount purposes, and in this way can accept all lawful business which any member bank may tender. It thus has ample power to insure the proper discharge of all its responsibility.

The regional bank in the rural-credit system of banks does not have such power, and it can not be delegated to it. The regional bank can not issue bonds except as it may find a purchaser for them; it can not sell its shares except on the same terms. The regional bank in the one system has the power to issue money and can thus increase the supply of currency; the regional bank in the other system does not have the power to secure money by issue, but is dependent upon negotiating the sale of its securities in the open markets of the world. This is a very important difference in fundamental powers. Because of this power of issue it is very proper that the first bank be given a monopoly of supplying credit. Under the limitations imposed on the second it is fatal to the largest usefulness of the system to clothe it with exclusive rights and jurisdiction.

Rural-credit mortgage banking—that is, mortgage banking which issues land bonds to lenders of money and requires mortgages on real estate from borrowers—comprises two distinct operations. The appraisement of land values and the examination of land titles is the first division; the selling of land bonds is the second. The draft of any law will be materially influenced by the view which its author holds as to the relative importance of these two necessary and coordinate operations. The successful lending of money on real estate necessitates the correct appraisement of land values. This, in my opinion, is the crucial test of mortgage banking; and whatever bank or system of banks, either independent or federated, which loans money on real estate, the stable market value of which has been correctly gauged by its agents or appraisers, will never meet financial disaster, but if the work of appraising be carelessly or faultily performed, the bank will ultimately fail, because the insurance fund will be absorbed by absolute losses and in the purchase of defaulted real estate. As a mortgage bank's outgo to its bondholders is always less than its income from its mortgagors, it is equally evident that an honestly managed bank can always meet its liabilities if it is able to collect its full revenues. In respect to its financial solvency, a bank doing a large volume of business is not in a stronger position than a smaller mortgage bank, because its assets and liabilities are always in proportion.

The SPEAKER. The time of the gentleman has expired.

Mr. MOSS of Indiana. Mr. Speaker, I ask the privilege of extending my remarks in the RECORD.

Mr. BULKLEY. Mr. Speaker, I ask unanimous consent the gentleman may have time to conclude.

Mr. MOSS of Indiana. I would desire about 10 minutes.

The SPEAKER. The gentleman from Ohio [Mr. BULKLEY] asks unanimous consent that the gentleman may be allowed to conclude his remarks.

Mr. MANN. Well, fix some limit of time.

Mr. BULKLEY. Fifteen minutes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? [After a pause.] The Chair hears none.

Mr. MOSS of Indiana. Thus the whole question of solvency pivots on the question of appraising of land values and the validity of land titles.

Unfortunately, most students of this banking problem approach it from the standpoint of a bond buyer—the question of securing money to loan is uppermost in their minds—so the whole machinery is staged from the one extreme of issuing bonds by the Government to an elaborate system of federated banks which depends upon the Federal Treasury for capital to secure a charter, and is then dependent upon further grants of public moneys to create a market for its securities, that it may transact business after its charter has been granted. This latter scheme is not unlike Pat's system of keeping a family cow. When asked how he fed his cow, he replied that she required no feed, as she sucked herself. As this question of independent or federated banks is a fundamental one to determine the administrative machinery, and, I also believe, to determine the ultimate success or failure of any system which may be organized, I wish to discuss it in some detail. As stated, the history of European mortgage banking is against the federated and in favor of the independent bank. The history of our own country is equally emphatic when rightfully studied. The building and loan societies are conducting a business in many respects similar to the proposed scheme of mortgage banking. In Indiana we have modified our State law to permit them to issue land bonds, and the State acts as fiscal agent in both appraising the lands and in holding physical custody of the mortgages to secure outstanding bonds.

Mr. PLATT. Will the gentleman yield?

Mr. MOSS of Indiana. With pleasure.

Mr. PLATT. Before the gentleman gets too far into that, I want to see if I get the gentleman's main point. The gentleman does not object so much to the federated scheme of mortgage associations as to the fact that none of them will be allowed to sell bonds on their own hook. Is that the idea?

Mr. MOSS of Indiana. Precisely. I have no objection to the general administrative scheme of the committee bill if it were not exclusive. I am aiming my argument against that feature of the committee bill which does not give any liberty of independent action to the local bank to take advantage of local opportunity. It is my belief that in many sections of the United States where agriculture is well developed independent mortgage banks will be stronger than any system of federated banks.

These associations are moving gradually but surely in the direction of making farm loans on the amortization or fixed-payment plan, and granting unrecallable loans under certain agreed terms. No financial institutions in the United States can show a better record for achievement than can these associations, and this record has been made as independent societies which have been able to attract capital to their enterprises by reason of their solvency, their successful management, and to the most important fact that they are devoted to the permanent improvement of local interests. It is most significant in their history, as it is in the history of European mortgage associations, that national associations have been tried and have proven to be failures, while local associations have been almost uniformly successful. The successful experience of building and loan associations can not be overlooked by those who are to draft this new legislation. It is a history of independently managed financial institutions of moderate capital, controlled by local men of average ability and reputation, each association exercising full power and accepting full responsibility. It may be said that these associations have only been organized in well-settled communities, where industry is well organized and lands have acquired stable values. I admit it and confidently assert that no successful system of long-time rural credits, where unrecallable loans are granted for periods of 30 years or longer, has been operated in sections where farming represented an extrahazardous calling.

The advantage claimed for a large central bank is that such an institution will be able to place bonds more readily in the markets of the world, and thus will create a larger volume of business.

Before examining this contention critically I desire to mention that such a bank will be called upon to float immense volumes of bonds if it is to supply the needs of credit over such large areas as are comprised in our Federal reserve districts. Under the committee bill large favors are granted which amount, in effect, to very considerable governmental subventions. These institutions are given a monopoly of supplying credit under these conditions. No other institutions can have the same privileges under Federal law. The action of the President in vetoing a measure because it extended to State institutions certain privileges which under existing law are enjoyed exclusively by member banks of the Federal reserve system only shows the attitude which may be confidently expected to be assumed to protect these new banks in whatever special privileges may be granted them by Federal law.

Under the terms of the committee bill there can be but one bank in every Federal reserve district which has the power to issue land bonds. No member bank of the federated system—that is, no local mortgage association—has the right to dispose of its mortgages except to a bank within its own system. All mortgages must be assigned to the central bank or disposed of to some other local association. These associations must either be able to accept all applications for loans or else will have to exercise the right of selection among applicants. That will mean that certain citizens will be favored and others equally deserving will be denied service by a governmental agency, and one endowed in part at least with public moneys. It ought to be accepted as an axiom that where the Federal Government enters a field of legislation it should fully occupy that field. That is, the law should be broad enough in its terms that any citizen who can comply with its terms, and is willing to do so, may secure service or protection under the statute. But under the committee bill a monopoly of issuing credit instruments is given to one agency with the full knowledge that such institution can not serve all qualified citizens who apply for service, and which may, indeed, be able to serve but a very small portion of the public who are entitled under the law to share its benefits.

Mr. STEENERSON. Mr. Speaker, will the gentleman yield?

Mr. MOSS of Indiana. While I would prefer to proceed a little further without interruption, I will, however, yield to the gentleman at this time.

Mr. STEENERSON. I would like to know if the gentleman can find in either of these plans anything that would favor the man who cultivates the land himself, who seeks to acquire an ownership of it, as against the man who owns the land and cultivates and exploits it by means of a tenant? In other words, if there is anything to encourage the owning of land by the actual cultivator of the soil rather than to encourage landlordism in the country?

Mr. MOSS of Indiana. I will say, in answer to the gentleman, that I did not deliver any introductory remarks to my address in order to save time. I am certain that the gentleman from Minnesota is fully aware that there are two distinct rural-credit plans of banking—one for those who do not own land and one for those who do own land; and inasmuch as there is no bill pending before the Congress to create personal-credit banks or banks distinctly for those who do not own land, I was discussing the two measures which relate to mortgage banking, one of which had been submitted by the subcommittee of the Committee on Banking and Currency and the other by the United States commission. It is manifest that mortgage banks can be useful only to those who hold title to land or who may by purchase acquire such title. Either bill permits the purchase of land partly on credit and the mortgaging of the title for part of the purchase price. However, that does not preclude anyone from framing a bill which will grant personal credit and which can open accounts with tenant farmers.

Mr. STEENERSON. The gentleman is aware that tenant farmers, of all interests, are protected, of course, as the agricultural land increases in value.

Mr. MOSS of Indiana. I am very well aware of that, but I do not desire at this time to discuss the general problem of rural credits. I was discussing propositions which have actually reached a legislative stage. We will undoubtedly enact legislation on this subject this winter. I take it that the work of the subcommittee will form the basis of that action, and I feel that any discussion in the House should be directed toward perfecting these measures.

For example, a local mortgage association is organized in my home county, which is one of the best agricultural counties in the Union. Under the terms of the committee bill any resident owner of farm lands within the territory assigned to the association is entitled to make application for a loan for certain specified purposes. The association, however, can grant loans only as the central bank will accept mortgages on assignment. The central bank can secure loanable funds only as it may be able to sell shares and land bonds. It is easily conceivable that the central bank will not be able to supply the money to accept all or even a considerable portion of the loans applied for. Under the terms of the bill it may refuse to accept any mortgages. The operations of the various central banks are under the direct supervision of the Federal Reserve Board; it is left to the discretion of this board to purchase all or any part of $50,000,000 of land bonds in any one year. Here are all the elements for undue favoritism if not for political pressure. If the result of the system is not to give lower rates and more favorable terms, it is a failure; if important advantages do follow and are given to only a portion of the applicants, we will have strong dissatisfaction if not political scandals and absolute political manipulation.

Mr. SMITH of Idaho. Will the gentleman yield for a question?

Mr. MOSS of Indiana. I will.

Mr. SMITH of Idaho. If the prevailing rate of interest in the various localities is to govern on these loans, where is the farmer to secure special benefits from the proposed legislation?

Mr. MOSS of Indiana. Under the bill framed by the commission, the bank could not charge the farmer borrower a rate more than 1 per cent higher than it paid to the bondholder. The bonds were freed from taxation, and are made absolutely a safe investment by safeguards which have been thoroughly proven. Naturally, under these conditions, the rate will fall to the lowest level which the prevailing financial conditions will permit. The farmer borrower benefits directly, because his rate will fall precisely in the same degree that the rate on the bond falls. I am positive that under open competition among banks this administrative charge will fall well below the maximum of 1 per cent. Whatever reduction is made in this charge means an equal reduction in the farmer's rate. In Europe well-established banks charge only thirty-five one-hundredths of 1 per cent for their services. As land bonds are sold at as low a rate of interest as Government bonds, it follows that farmer borrowers get their money at an interest charge of only thirty-five one-hundredths of 1 per cent higher than the Governments of Europe borrow for public purposes. When the system becomes well established in this country, under exemption from taxation, it is absolutely certain that interest rates on farm mortgages will closely approach the rates on money paid by municipalities, States, and Nation for money for public purposes. We are not asking for greater results.

There can be no justification for that provision in the committee bill which forbids a local association from assigning its mortgages to any purchaser except the central bank or a local association federated with the central bank. The central bank is not obligated to accept the mortgages when offered by the local association, but the local association is forbidden to dispose of its securities in any other manner. The result is that the activities of the association are limited to whatever business the central bank may allot to it. The requirements of different sections of our country for capital will vary widely. Generally speaking, that section where farming is most highly organized after intensive methods will absorb largest volumes of money. It is in such sections that local tax rates will be highest, and therefore the favors extended under the bill will be greatest. It is in such sections that a volume of capital can be attracted to local securities based on local real estate. If these transactions could be granted the exemptions from taxation, the aggregate volume of such capital would be immense. The rates in such communities would be lower than those generally prevailing over large areas of average farm territory in the United States, and the consequent advantages to agriculture would be transcendent. To illustrate this thought, I may say that we in Indiana are selling tax-free 4½ per cent bonds at a premium. These bonds are issued by the various townships in our State, and are sold by inserting advertisements in our State papers. There are many million dollars of these bonds now in circulation, and more are being sold every business day in the week.

Mr. CULLOP. Mr. Speaker, will the gentleman yield?

Mr. MOSS of Indiana. With pleasure.

Mr. CULLOP. Will the gentleman permit a correction? They are county bonds instead of township bonds, but the property of the township in which the improvements are made and for which they are issued is alone taxed to pay the bonds so issued.

Mr. MOSS of Indiana. The gentleman's statement is technically correct. The county issues the bonds, though they are

township bonds in every sense of the word, and are issued by the county in order to avoid the extremely low constitutional limit in our State of 2 per cent. By this legislative device it is often possible for a township to exceed its constitutional limitation of indebtedness. The county is in no sense responsible for any payment in case of default in payment.

Last April the great State of Tennessee offered an issue of State bonds bearing a rate of 4½ per cent at par, and not a single subscription from any source was received. At that very moment hundreds of lots of township bonds bearing 4½ per cent were being sold in Indiana at a premium. Indiana farmers were denied the benefit of this low rate on money because of our law taxing mortgages. In Ohio a change of law, whereby municipal bonds were made subject to taxation, stopped the sale of such bonds until the rate of interest be raised. Under date of September 26, the Brazil Trust Co., a local financial institution in my home county, purchased $12,000 of local bonds at par and accrued interest; on the same day Mr. Thomas Wirt, a citizen, took $2,000, paying a premium to secure them. In contrast to these modest transactions, which are truly representative of a very large volume of similar transactions, I may mention that the State of Tennessee has had serious trouble to place an issue of its State bonds. If press reports be true, a bankers' commission representing the State, and working in cooperation with the United States Senators for that State, failed to sell an issue of a million dollars in bonds at 6 per cent, and the Secretary of the United States Treasury only succeeded in negotiating the sale by making a special deposit of $400,000 of public funds in the bank which purchased the $1,000,000 of Tennessee State bonds.

The SPEAKER. The time of the gentleman has again expired.

Mr. MOSS of Indiana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana? [After a pause.] The Chair hears none.

Mr. MOSS of Indiana. The city of New York recently paid a syndicate of bankers 6 per cent for a hundred million dollar loan; at the same moment bonds bearing a rate of 4½ per cent and issued by our townships are actively selling among our own people at a premium. Yet the committee would have us believe that it will require an elaborate selling agency, under control and domination of the Federal Reserve Board, to sell bonds based on improved Indiana farms and underwritten by an association of Indiana farmers, for this is the committee plan.

The method of securing capital stock for the proposed regional banks does not insure that these banks will be able to discharge the full duties imposed upon them under the terms of this bill. Of course, a failure at this point is a failure of the whole system. The bank in each reserve district can be organized with a minimum capital of $500,000; this amount must be subscribed by the Secretary of the Treasury if the full amount is not taken by other subscribers within 90 days from date of offering. The power of the Secretary to subscribe to the capital stock in these banks is limited to the first issue. Thereafter all increases in capital must be secured from the federated associations, individuals, or the governments of States. The local associations are not required under the terms of the bill to take capital stock in the regional bank in excess of 10 per cent of their own capital, but under the ratios fixed in the bill the central bank is compelled to sell $9 in capital stock to individuals, firms, corporations, and States to every dollar which is required to be subscribed by the local association. The power of the central bank to issue land bonds is limited by its amount of capital stock. It therefore follows that if any central bank were to meet with difficulty in selling its capital stock it would be embarrassed in accepting mortgages from the local associations, and could not furnish these associations with loanable funds. This method of securing capital stock of the committee bill is evidently taken from Hungarian mortgage institutes which have a similar control and ownership of capital stock. The history of these two institutes has, therefore, great value and bearing on this provision of the bill. In speaking of this feature one of the directors made this statement to our commission:

> From the point of view of conservative management this system is an extremely practical one, but there is no denying the fact that it has its defects, too. The enthusiasm excited by the foundation of such institutes in time dies away, and then the further increase of the foundation capital becomes a matter of grave difficulty. In this respect the Hungarian National Land Mortgage Institute is remarkably fortunate. For five decades it has been in position to amass considerable reserves, and its sphere of activity has not widened as a result of economic progress to the same extent as that of the National Small Holders' Land Mortgage Institute. The latter, however, undoubtedly experiences grave difficulty in acquiring foundation capital to meet the requirements of such developments.

The stock of these two national institutes is permitted to pay 5 per cent dividends, which in Hungary is more than the equivalent of 6 per cent, which is the rate permitted under the committee bill. Hungary in area is not larger than a single American State and not nearly equal in area to some of the Federal reserve districts. These two institutes were each endowed with $200,000 capital by the State, as against the $500,000 provided in the committee bill for one central to supply a Federal reserve district. This sum has been supplemented by private subscription, after the method of the commission bill. After 50 years of operation these two State-endowed mortgage institutes hold less than 20 per cent of the real-estate mortgages in Hungary and confess their difficulty to obtain further capital. With this record, which was obtainable from the United States commission's report, the committee chose this model to supply mortgage credit for a nation of 100,000,000 people. The Government of Hungary extended to every other banking institution in the Kingdom exactly the same privileges which were given to these partly State-endowed institutes, except the stock subscriptions. Private capital and private initiative were permitted to compete for business on equal terms with public capital. Unless a similar modification be made in the committee bill and it were enacted into law, unless their banks make a more favorable growth in the United States than their models did in Hungary, only one farmer in every five will receive accommodations at their hands in the next 50 years.

In connection with Hungary's wise legislation, extending to all mortgage banks in the Kingdom the privilege of issuing land bonds under equal conditions of security, I can not overlook the fact that we have in the United States many well-established banking houses which do a large investment banking business. Many of these firms do an exclusive mortgage business. They have corps of trained men, established reputations, and large clientele. Many of these firms would gladly accept Federal charters, welcome the most rigid Federal inspection, and capitalize their banks more heavily than is now required under national law for commercial banks. These bankers would be able to sell large volumes of bonds and would greatly extend the activities and benefits of this legislation. The committee bill makes it impossible for these established banks to accept a national charter, and thus deprives rural credits of their assistance and support. Cheap credit on favorable terms is, or should be, the purpose of this legislation; and no national law should be enacted which by deliberate intention proscribes men from working under its terms by adopting regulations which have no other effect than to prevent any well-established banker from complying with them without destroying his established business.

Personally I am opposed to the placing of the system of rural-credit banks under the control of the Federal Reserve Board. This board is rightfully to become a powerful agency in the control and supervision over commercial banking. The removal of the Secretary of Agriculture as a member of this board, as suggested in the early drafts of the Federal reserve act, was an expression by Congress that this board was to devote its services exclusively to commercial banking. Surely no friend of rural credits would propose to remove the Secretary of Agriculture from a board which was to control and supervise rural banking. Under the committee bill this board is given the extreme power to control the interest rates, subject only to the State laws of usury.

The proponents of the bill evidently realized that as a complete monopoly of selling credit under the special privileges conferred by the bill was centered in the members of the system some check against extortion was necessary. The bill itself permits local associations to charge the full legal interest rates of the several States. The exemption from State and National taxation will make possible a reduction in rates of at least 2 per cent from the lowest of those now prevailing in mortgage loans. Free competition would insure that borrowers will receive the utmost of that reduction. Competition between chartered banks of equal power in Europe gradually reduced the administration charges from 1 per cent to an average of thirty-five hundredths of 1 per cent, which means a further reduction in the annual charges of sixty-five hundredths of 1 per cent. In purely mutual or cooperative mortgage banks this administration charge has been reduced as low as 0.15 per cent annually. Under the committee bill the banks are permitted to charge 1 per cent, and no means is provided to reduce this charge. The Federal Reserve Board can order the interest rate reduced, but is given no power over the administration charge, and no competition is permitted by other institutions enjoying any of the special privileges of those chartered under the bill. I shall regret to see the interest rate which the borrowers under any system of rural credits will be compelled to pay left to the or-

ders of the Federal Reserve Board. This board is not given that power over commercial banks. It is given the power to fix the rate of rediscount by the Government, but the rate of interest charged by banks to their customers is governed by the laws of the State and the power of competition. It is true that the Secretary of the Treasury has recently called attention to interest rates which, under the circumstances, he considers exorbitant; but that is not the exercise of any legal authority. I personally visited an association of rural-credit banks in lower Austria—450 in number—which were loaning money for short-time periods to their members at 4½ per cent when the Government discount rate was fixed at 6 per cent. It is not conceivable that the Federal Reserve Board will ever order a lower rate in rural-credit banks than in commercial banks. It is the high rate of the commercial banks that this movement is projected against. Ultimately we propose to organize a system of personal-credit rural banks. The mortgage bank is but the first step in the campaign for a complete system of rural banking with short-time and long-time credit for the farmers of the United States. This campaign can never be successful if we place the absolute control over interest rates in the same board which supervises and virtually manages the commercial banks of the Nation. There will be competition between the two systems of banks. This is inevitable and it is desirable; but what chance will there be for successful competition if at the very beginning a monopolistic system of banks is created, with the supreme control—even to the extent of dictating absolutely the rates of interest to be charged—given over to the same body or board which will supervise the system of commercial banks of the Nation?

Whatever may be said of the defects of the commission bill—and, as has been said, the public copy was the first draft, which has never even received a revision at its author's hands—it is free from monopolistic control and is not guilty of seeking to appropriate public money for private uses. Its opportunities are open to all citizens on equal terms. The farms of the United States are now valued at nearly $40,000,000,000, agricultural products were never selling at a higher level of values, and no generation of farmers since the days of Adam have ever enjoyed so great advantages or had such splendid opportunities. The one crying need is better credit facilities that our farmers may go forward, feed and clothe the world, and enrich themselves by their industry. Here is the most inviting field for the investment banker in the wide world to-day. It is a field which will absorb vast sums of money. In looking about for sources to secure these funds we need not deceive ourselves—this money must come from the American people. The present world war will utterly destroy the so-called world's market for our securities. We will be called upon by impoverished Europe to buy back existing issues of American securities rather than to place new issues in their markets. This striking change in economic conditions has come about since the committee bill was written, but it should be apparent that we must finance our own enterprises. For this reason, among the others enumerated, it will be an act of folly to enact a monopolistic system of subsidized banks and deny to private capital and private initiative all opportunity to enter this vast field of investment and share a part of the great burden of improving American agriculture.

Mr. UNDERWOOD. Mr. Speaker, I move that the House do now adjourn.

Mr. BORLAND. Mr. Speaker, will the gentleman yield for just a minute?

Mr. UNDERWOOD. I will withhold the motion for a moment.

Mr. BORLAND. Mr. Speaker, this day, I think, was private claims day. My understanding is that under some order which was made it was set aside in favor of District day. I ask that next Tuesday, not to interfere with the war-revenue or any other business, be assigned as private claims day.

The SPEAKER. The gentleman from Missouri [Mr. BORLAND] asks unanimous consent that next Tuesday be set aside for the consideration of bills on the Private Calendar, not to interfere with the war-revenue bill or anything else of a pressing nature.

Mr. MANN. Reserving the right to object, I would like to make a parliamentary inquiry. What will come up under that?

Mr. BORLAND. Well——

Mr. MANN. Would it be just as though it were to-day?

Mr. BORLAND. It would take the place of to-day.

Mr. MANN. Bills from the Committee on War Claims?

Mr. BORLAND. There are other private claims besides those from the Committee on War Claims which will be in order.

Mr. MANN. We will try to find out. If to-day had been used for the Private Calendar, the bills from the Committee on War Claims would have been up. I do not think they have much that is important, but some of them would take time, probably.

Mr. BORLAND. I would call the gentleman's attention to the rule——

Mr. MANN. You need not call my attention to that. I am perfectly familiar with it, and I have looked up the facts.

Mr. BORLAND. The preference is for war claims, but it is not conclusive.

Mr. MANN. We have one under unfinished business that will take the whole day.

Mr. HENRY. Did the gentleman from Illinois object?

Mr. MANN. I did not; but I am going to object.

Mr. HENRY. A parliamentary inquiry, Mr. Speaker. What will come up Monday?

The SPEAKER. The Unanimous Consent Calendar, and suspension of rules, and the discharge of committees.

Mr. HENRY. There is no agreement that that will be District day?

The SPEAKER. None whatever.

Mr. MANN. I think that request excepted Mondays and Wednesdays. This was District day.

Mr. HENRY. Mr. Speaker, I would like to accommodate the gentleman from Missouri [Mr. BORLAND], but I feel constrained to object.

Mr. BORLAND. Let me ask the gentleman——

Mr. HENRY. I will withhold it for a minute.

Mr. BORLAND. Let me ask the gentleman what order of business it would interfere with?

Mr. HENRY. It is continuous——

Mr. BORLAND. I suggest to the gentleman that we will probably be waiting on the war-revenue bill next Tuesday, and we can use Monday to great advantage to the Members of this House on bills of a private nature that have been crowded out by this special order.

Mr. HENRY. I do not think you could use it to as good advantage that way as by taking up cotton legislation.

Mr. MANN. I think we ought to discuss the cotton situation until we can agree upon something.

Mr. HENRY. Rather than to agree to the proposition of the gentleman from Missouri, I would ask unanimous consent that next Tuesday be set aside to discuss the cotton situation.

Mr. BORLAND. I could not consent to that to the exclusion of other business.

The SPEAKER. You can not have two things pending at once.

Mr. HENRY. Mr. Speaker, I object.

ADJOURNMENT.

The SPEAKER. The gentleman from Texas [Mr. HENRY] objects, and the gentleman from Alabama [Mr. UNDERWOOD] moves that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 9 minutes p. m.) the House, under its previous order, adjourned until Monday, October 19, 1914, at 12 o'clock noon.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. GRIFFIN: A bill (H. R. 19308) granting to the city of New York a right of way for a street, highway, or boulevard across the United States military reservation of Fort Hamilton, in the Borough of Brooklyn, city and State of New York; to the Committee on Military Affairs.

By Mr. TRIBBLE: A bill (H. R. 19309) for the temporary relief of the cotton growers of the United States and providing for the issue and sale of the Panama Canal bonds and for the deposit of their proceeds in banks; to the Committee on Banking and Currency.

By Mr. MOTT (by request): A bill (H. R. 19310) to provide a cumulative and optional remedy and compensation for accidental injuries, resulting in disability or death, to employees of common carriers by railroads engaged in interstate or foreign commerce, or in the District of Columbia, and for other purposes; to the Committee on the Judiciary.

By Mr. HOWARD: A bill (H. R. 19311) abolishing the Commission of Fine Arts; to the Committee on the Library.

By Mr. SHREVE: A bill (H. R. 19312) to appropriate funds for the erection of a post-office building, with offices for courts, customhouse, and other purposes, in the city of Erie, Pa.; to the Committee on Public Buildings and Grounds.

By Mr. SMITH of Maryland (by request): Joint resolution (H. J. Res. 373) requesting the President to make an offer to the British and Canadian Governments to negotiate in regard to the transfer of southeastern Alaska to Canada by sale or exchange, or both; to the Committee on Foreign Affairs.

By Mr. GITTINS: Joint resolution (H. J. Res. 374) tendering the thanks of Congress to Thomas A. Edison and providing that a commemorative gold medal be struck in his honor; to the Committee on the Library.

By Mr. GOOD: Resolution (H. Res. 650) directing the Secretary of the Treasury to inform the House of Representatives relative to the construction of a central power plant for Government buildings in the District of Columbia; to the Committee on Appropriations.

By Mr. BELL of Georgia: Resolution (H. Res. 651) authorizing the Doorkeeper to employ additional help; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRUMBAUGH: A bill (H. R. 19313) granting an increase of pension to Frank W. Tuttle; to the Committee on Pensions.

By Mr. CARAWAY: A bill (H. R. 19314) for the relief of the estate of E. A. Mays, deceased; to the Committee on War Claims.

By Mr. CARY: A bill (H. R. 19315) granting an increase of pension to William Esser; to the Committee on Invalid Pensions.

By Mr. COX: A bill (H. R. 19316) granting an increase of pension to Benjamin Collins; to the Committee on Invalid Pensions.

By Mr. GITTINS: A bill (H. R. 19317) granting an increase of pension to Jacob Schopp; to the Committee on Invalid Pensions.

By Mr. GOEKE: A bill (H. R. 19318) granting an increase of pension to Franklin Reck; to the Committee on Invalid Pensions.

By Mr. HELVERING: A bill (H. R. 19319) granting a pension to Margaret Collins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19320) granting an increase of pension to Charles A. Lauman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19321) granting an increase of pension to William B. Rutledge; to the Committee on Invalid Pensions.

By Mr. KENNEDY of Connecticut: A bill (H. R. 19322) granting an increase of pension to Caroline M. Osborn; to the Committee on Invalid Pensions.

By Mr. PLATT: A bill (H. R. 19323) granting an increase of pension to Carthene Rosencrantz; to the Committee on Invalid Pensions.

By Mr. RUCKER: A bill (H. R. 19324) granting a pension to Elizabeth Moore; to the Committee on Invalid Pensions.

By Mr. SMITH of Maryland: A bill (H. R. 19325) for the relief of Joseph A. Jennings; to the Committee on Claims.

By Mr. TEN EYCK: A bill (H. R. 19326) granting a pension to Peter S. Jones; to the Committee on Pensions.

Also, a bill (H. R. 19327) granting a pension to William H. Smith; to the Committee on Invalid Pensions.

By Mr. LOBECK: A bill (H. R. 19328) granting an increase of pension to Edward G. Humphrey; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Memorial of the Ladies of the Grand Army of the Republic, protesting against any change in the design of the American flag; to the Committee on the Judiciary.

Also, petition of the Business Men's League of St. Louis, Mo., favoring increased use of cotton by the United States Government in place of jute; to the Committee on the Post Office and Post Roads.

By Mr. BAILEY: Petitions of W. L. Piper, of Lilly; R. D. Mainwaring and S. W. Clark, of Cresson, all in the State of Pennsylvania, protesting against war tax on automobiles; to the Committee on Ways and Means.

Also, petition of Cyrus W. Davis, of Conemaugh, Pa., protesting against war tax on drugs; to the Committee on Ways and Means.

Also, petition of P. Ballantine & Sons, of Newark, N. J., protesting against war tax on beer; to the Committee on Ways and Means.

By Mr. BRODBECK: Petition of 190 people of Dalton, Pa., favoring national prohibition; to the Committee on Rules.

By Mr. BRUCKNER: Petitions of L. Heartstone and others, retail druggists, of New York City, protesting against war tax on drugs; to the Committee on Ways and Means.

By Mr. BULKLEY: Petition of Bishop Leonard, of Ohio, favoring Federal censorship of motion pictures; to the Committee on Education.

By Mr. CARY: Petition of A. Spiegel, of Milwaukee, Wis., protesting against war tax on medicine; to the Committee on Ways and Means.

Also, petition of P. Ballantine & Sons, of Newark, N. J., protesting against war tax on beer; to the Committee on Ways and Means.

By Mr. DIXON: Petitions of 2,954 employees of the following manufacturing concerns: Nordyke & Marmon Co., 536; Stutz Motor Car Co., 136; National Motor Vehicle Co., 230; Lyons-Atlas Co., 386; Muncie Gear Works, 79; Wheeler & Schebler, 282; Davis Motor Car Co., 38; T. W. Warner Co., 87; Service Motor Truck Co., 57; B. T. K. Gear & Engine Co., 11; Waverly Co., 114; Premier Motor Manufacturing Co., 172; Federal Motor Truck Co., 30; Interstate Auto Co., 101; Motor Car Manufacturing Co., 117; Wayne Works, 295; Warner Gear Co., 283, all of Indiana, against tax on automobiles; to the Committee on Ways and Means.

By Mr. FALCONER (by request): Petition of sundry citizens of the United States, relative to credit to Dr. Cook for his polar efforts; to the Committee on Naval Affairs.

By Mr. FERGUSSON: Resolutions of the Socialist Party of Union County, N. Mex., relative to the European war; to the Committee on Foreign Affairs.

By Mr. IGOE: Petition of James J. Gruender and others, of St. Louis, Mo., favoring Hamill civil-service retirement bill; to the Committee on Reform in the Civil Service.

By Mr. LONERGAN: Petition of the Journeymen Barbers' International Union of America, giving barbers of the District of Columbia favorable consideration in support of House bill 7826; to the Committee on the District of Columbia.

By Mr. LOBECK: Petition of the International Alliance of Theatrical Stage Employees, against tax on theaters; to the Committee on Ways and Means.

By Mr. MERRITT: Telegram from H. Planten & Sons, of Brooklyn, N. Y., protesting against proposed tax on proprietary medicines; to the Committee on Ways and Means.

By Mr. METZ: Petitions of sundry druggists of New York City and Brooklyn, N. Y., protesting against war tax on proprietary medicines; to the Committee on Ways and Means.

By Mr. PLATT: Papers to accompany bill for increase of pension to Carthene Rosencrantz; to the Committee on Invalid Pensions.

By Mr. REED: Protests from A. J. Precourt, of Manchester; M. J. Lowe, of Lancaster; E. W. Emerson, of Milton Mills; Herbert E. Rice, president Nashua Drug Association, of Nashua; George E. Varney, of Dover; R. E. Dodge & Co., by R. E. Dodge, of Claremont; and Cassidy's Pharmacy, of Rochester, all in the State of New Hampshire, against the imposing of a tax on drugs; to the Committee on Ways and Means.

By Mr. RUCKER: Petitions of 123 citizens of the United States, mostly of Hunterville, Mo., favoring House joint resolution 282, relative to due credit for Dr. Cook in his polar effort; to the Committee on Naval Affairs.

By Mr. WEAVER: Petitions of J. E. West, J. C. Thornton, and other citizens of Hendrick, Jackson County, Okla., favoring Federal legislation to relieve the South by reason of no market for cotton; to the Committee on Banking and Currency.

SENATE.

SATURDAY, *October 17, 1914.*

(*Legislative day of Thursday, October 8, 1914.*)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

EMERGENCY REVENUE LEGISLATION.

The VICE PRESIDENT. The Senate resumes the consideration of House bill 18891.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

The VICE PRESIDENT. The pending amendment is the amendment of the Senator from Mississippi [Mr. WILLIAMS] to the amendment of the Senator from Georgia [Mr. SMITH].

Mr. SHEPPARD. I have two telegrams that I have received on the cotton proposition, and I ask that they be read.

The VICE PRESIDENT. The Secretary will read.

The Secretary read as follows:

TERRELL, TEX., *October 14, 1914.*

Hon. MORRIS SHEPPARD,
Washington, D. C.:

The entire South will be bankrupt if we are compelled to sell half of our cotton at the prevailing prices. Appeal to the patriotism and sympathy of the Senators of the East, West, and North to help you prevent this crisis.

THE FIRST STATE BANK,
L. E. GRIFFITH, Jr., *President.*

TYLER, TEX., *October 16, 1914.*

Senator MORRIS SHEPPARD,
Washington, D. C.:

Smith County people almost unanimously favor and urge the adoption of the Hoke Smith amendment to the war tax bill, which provides for bonds to purchase cotton at 10 cents. If you really understood the actual conditions surrounding your constituents of all classes, we think you could afford to support any reasonable measure which would bring relief and save the people from bankruptcy and ruin. Please show this to Senator CULBERSON.

TYLER COMMERCIAL CLUB,
By W. B. MARSH, *President.*

Mr. SHEPPARD. Mr. President, the Senator from Mississippi [Mr. WILLIAMS] began his speech yesterday with the following sentences:

Mr. President, my object in offering this amendment is to strike out the tax features of this proposed cotton provision. My reasons I wish briefly to state to the Senate. I suppose the general lack of interest of the Senate this morning in the amendment offered by the Senator from Georgia [Mr. SMITH] was owing to the fact that nobody expected it to pass, and for that reason Senators spoke to empty benches.

Mr. President, I want to say that the Senator from Mississippi did serious injustice to some of his colleagues when he made that statement. Those of us who favor this amendment not only expect it to pass, but we intend to use every legitimate means within our power to see that it does pass, so far as our votes are concerned. The Senator from Mississippi was never more in error in his life than when he said nobody expected this amendment to pass, and when he said later on that the speeches made on it were being made for home consumption.

Mr. CLARKE of Arkansas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Kern	Perkins	Swanson
Borah	Lane	Pomerene	Thomas
Bryan	Lea, Tenn.	Saulsbury	Thompson
Camden	McCumber	Shafroth	Thornton
Clarke, Ark.	McLean	Sheppard	Townsend
Culberson	Martin, Va.	Shields	Walsh
Fletcher	Martine, N. J.	Shively	Weeks
Gore	Nelson	Simmons	West
Hitchcock	Norris	Smith, Ga.	White
Hughes	O'Gorman	Smith, Mich.	Williams
James	Oliver	Smoot	
Johnson	Overman	Sterling	
Jones	Page	Stone	

Mr. THORNTON. I desire to announce the necessary absence of my colleague [Mr. RANSDELL]. I ask that this announcement may stand for the day.

Mr. MARTINE of New Jersey. I was requested to announce that the junior Senator from Arkansas [Mr. ROBINSON] is absent on account of illness.

Mr. TOWNSEND. I desire to announce the necessary absence of the senior Senator from Ohio [Mr. BURTON], who is paired with the Senator from Arizona [Mr. SMITH]. This announcement may stand for the day.

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. There is a quorum present. The pending question is on the amendment of the Senator from Mississippi [Mr. WILLIAMS] to the amendment of the Senator from Georgia [Mr. SMITH].

Mr. THOMAS. Mr. President, in behalf of the Senate conferees on House bill 6282, I desire to submit a report, and I ask that it be printed and lie over.

The VICE PRESIDENT. That is probably in violation of the unanimous-consent agreement.

Mr. THOMAS. Then I will withhold it.

The VICE PRESIDENT. If the unanimous-consent agreement is to be kept——

Mr. THOMAS. I will not ask it.

The VICE PRESIDENT. The only thing to do is to proceed with the revenue bill.

Mr. THOMAS. Mr. President, I received a letter this morning from Mr. Robert W. Patterson, a citizen of my State, who was at one time president of the First National Bank of La Junta. It was written on board the steamship *Metapan*, one of the vessels of the United Fruit Co. The fleet belonging to this company has recently registered under the American flag. Mr. Patterson was a passenger upon that boat for a part of the voyage that it just concluded. He writes me concerning an incident that took place during that voyage which I think the country should be informed of without delay.

I am and have been well acquainted with Mr. Patterson for many years. I can therefore vouch for the credibility of the man, and I know that his statement must be correct. The letter is dated October 8, 1914. He says:

ON BOARD UNITED FRUIT CO.'S STEAMSHIP "METAPAN,"
October 8, 1914.

Senators THOMAS and SHAFROTH,
Washington, D. C.

DEAR SIR: I am within a couple hours of Colon on board the *Metapan*. Will be brief now to get this letter off on this ship. I will write more fully later.

This is an American vessel, flying the American flag. On Sunday, the 4th instant, between Cartagena and Puerto Colombia, at 10.30 a. m., this ship was boarded by two French officers and two armed soldiers from the French war vessel the *Condé*, who, through the captain, after having examined the ship's papers, ordered all the passengers into the dining room. After some 10 minutes all were permitted to leave the dining room except five young Germans, who were held imprisoned and compelled to each sign a parole in order to gain their liberty, binding them not to engage with Germany in this war against France, etc.

After these young Germans had each signed in triplicate this parole, the French officer and armed soldiers departed from the *Metapan* to the *Condé*, which had stood by during this search and seizure. The *Metapan* was held for 2½ hours or more.

This vessel has been recently transferred from a British ship to an American ship with the other vessels of the United Fruit Co. This is her first voyage as an American ship. The captain and all the officers, save the physician and third officer, are British subjects. The captain did not protest so far as I could see or hear. He admitted to the American consul of Barranquilla, Mr. Isaac Manning, that he did not protest. I witnessed the entire proceedings as herein recited.

I called the captain to account afterwards, and he claimed he did not know whether the *Condé* had a right to imprison and take off his ship these five Germans, said he could not find out until he arrived in New York. He said he would know his rights and duties if this were a British ship. I told him that there was but one international law for British ships and American ships. I said to him, "The next warship may be a German warship. If the *Condé* has a right to take Germans off an American ship upon the high seas sailing between neutral ports, the German warship has a right to take you and your English crew from the *Metapan*."

This American ship was sailing between two Colombian ports, neutral ports. Its entire voyage is between neutral ports, unless it should halt at Jamaica, an English or British port. Four of these Germans were sailing from New York to Puerto Colombia, Colombia, and one went on board at Cartagena (where I embarked for Colon) for Puerto Colombia. They were all going into the interior of Colombia, away from Germany. Two were born in Germany. One other was physically incapacitated to serve in the German Army and exhibited papers from the German Government to that effect.

Here was an outrage committed on American soil, under the American flag, by the *Condé*—the passengers were all practically imprisoned on an American ship by French officers of war.

I urged Mr. Manning to protest and to report upon this act of the *Condé*. He has made a report of this affair to the United States Government. I have this report in a sealed envelope in my possession, with instructions to mail it when I reach the United States. I expect to land in New Orleans about October 20. I can be reached there at the Hotel Monteleon; will be there but a day or two.

These are the facts as I know them. My sympathies are wholly with Great Britain and France in this uncivilized war. I am as much opposed to the Kaiser and the German military government as any Englishman or Frenchman. But this is not here nor there. I am, first of all, an American. I am, first of all, for justice and right. These Germans are entitled to the protection of the American flag.

A captain who submits without protest to such a violation of the neutral rights of an American ship under his command ought not to be permitted to command an American ship. He served the French officers with alacrity, a most cheerful willingness. Call upon the United Fruit Co. for his discharge, is my suggestion.

Yours,

ROBERT W. PATTERSON.

Mr. President, I have no suggestion to make concerning any course to be pursued about this affair, deeming that to be within the province of the State Department and perhaps within that of the Committee on Commerce of this body. I recall that that committee acted very summarily, and with great benefit to the country, at the time of the *Titanic* disaster, but if it be true that a ship which has recently registered under the American flag, taking advantage of the American law recently enacted for that purpose, and commanded by a crew of British officers, has been boarded on the high seas by the officers of a French cruiser, its passengers imprisoned and some of them outraged, and if it be also true that this affair occurred apparently with the acquiescence of the officers of the invaded vessel, the suggestion made by Mr. Patterson is entirely consistent, not only with the duty devolved upon the Government of the United States, but with the spirit of our American registry law, if properly interpreted, and with the dignity of the American flag.

We know in this great contest, and ought to know, none of these belligerents. We are partial to none of them. We are neutral. If this affair should go unnoticed, as I do not think it will, what would prevent, as Mr. Patterson suggests, the visitation of one of these vessels to-morrow by a German cruiser and the infliction of a similar outrage upon other American citizens? The five German passengers upon the *Metapan* should not have been subjected to the indignity of arrest nor required to submit to French demands as to military service. Their right

to the protection of our neutral flag was as perfect as though they were on the streets of Washington. Let us hope that no such occurrence will be again repeated and that this one will be fully investigated and punished if the facts require it.

Mr. McCUMBER. Mr. President, I now yield to the Senator from New Jersey [Mr. MARTINE], who has made a personal request to me to do so.

Mr. MARTINE of New Jersey. Mr. President, I ask leave to say a few words entirely of a personal nature on a matter which I desire to bring to the attention of the Senate. I hold in my hand, and shall read from it, a journal published in New York City. The article has reference entirely to myself and expressions which I have used here on the floor of the Senate. It is headed "Senator MARTINE's profligate denunciation of tobacco," and is as follows:

Much as the consumption of tobacco has been reviled, as severely and outrageously as it has been attacked, its villification has never reached the malignity it did from the profligate mouth of Senator JAMES E. MARTINE, when the relief measure for the tobacco growers was under discussion the other day in the United States Senate.

"Personally," broke in that "peach of a Senator" from our neighboring State of New Jersey with such an ungrammatical and incoherent tirade as would disgrace the scholarship and intelligence of a school boy, "I *think tobacco* is a good deal of a nuisance. I see men chew it, and it is an abomination to me. I see them smoke it and fill God's pure air with stifling fumes, and to me it is most obnoxious. Almost every doctor in the land tells us to pass laws against its use. In fact, many of the States have barred the youth of our land from the use of cigarettes. Tobacco is the foundation of cigarettes, so that my friend from North Carolina [Mr. SIMMONS], and I presume my friend from Georgia [Mr. SMITH]—and there is some of the stuff raised in Connecticut—when they safeguard and protect tobacco are really doing that which does not add to the welfare of man, but thus stifle him and make him dull and prosy."

Truly, no matter how much any man might be addicted to the use of tobacco he could not be as "dull and prosy," as ignorant and incoherent in grammar and speech as the New Jersey Senator in the above quotation from his inane railing against tobacco. When reading the above ribaldry one must wonder how it came about that such a Thersites—

Which name I have dug out, and I find in the Iliad that he was an insolent and abusive character—

came to represent such a prosperous and cultivated Commonwealth as New Jersey in the highest legislative body in the country. And the wonder will find neither explanation nor excuse in the fact that the senatorial toga fell on a JAMES E. MARTINE as a result of our new-fangled primary method of senatorial elections. But it may find some explanation in the fact that the said JAMES E. MARTINE, of New Jersey, is one of the unregenerate disciples of the inflation and other heresies of the grape-juice "Commoner," and that the political hysteria which swept over the country during the last presidential election forgot and forgave all heresies except time-honored adherence to conservative principles. And on the wave of this hysteria such a misfit of man and legislator was carried into the august precincts of the Senate.

New Jersey is one of our great tobacco-products manufacturing States. Do, then, the great tobacco interests of New Jersey realize what a monster of enmity they have in such a representation—or, rather, misrepresentation—in one of their State seats in the Federal Senate? And what are they going to do about it if their Senator's despicable enmity to their welfare should tack an additional tobacco tax to the war-revenue measure when it is brought up in the Senate?

Mr. President, this is an effusion from the United States Tobacco Journal, the blatant mouthpiece and organ of the outlawed Tobacco Trust. They do not love me, and, God knows, there is no love lost between us.

Mr. VARDAMAN. May I interrupt the Senator from New Jersey?

Mr. MARTINE of New Jersey. Certainly.

Mr. VARDAMAN. I wish to ask the Senator if that base and unmerited slander is directed to the Senator from New Jersey?

Mr. MARTINE of New Jersey. That is in plain type, if I can read, for the headline is "Senator MARTINE's profligate denunciation of tobacco." But, oh, do not let the Senator nor let the writer trouble his soul. I say, "Peace, let him compose his soul." I repeat, I know they do not love me, but they are not alone. I say to this journal and to every other one of kindred character in the United States: Spread your abuse and castigation to the wide ends of our Commonwealth of New Jersey. Go, I say, and tell it from the hills of Sussex to the sands of Cape May, in New Jersey; tell it to the gleaners of Hunterdon and Monmouth Counties; tell it to the miners in Morris and Sussex Counties; tell it to the stevedores on the docks of Hudson and of Middlesex Counties; tell it to patriotic Union County, my home, tell them all that JAMES E. MARTINE has the courage to stand here in his place and vote for that which he deems wise and best for the well-being of the people, without any reference to the millions of the Tobacco Trust; tell them that the Senator from New Jersey will continue to vote in that direction, with no fear or worry regarding their opinion; and tell them further, I say, that I have had the courage, and will continue to have, to vote to impose the burdens of taxation, so far as may be and so far as I can, on tobacco, whisky, beer, and the like, to save the bread and butter and the breakfast table of the American people. I wish I could put on wings and spread their denunciation, their defamation, and their miserable villification.

Mr. VARDAMAN. Mr. President, will the Senator from North Dakota yield to me for just a moment?

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Mississippi?

Mr. McCUMBER. Under the circumstances, I yield.

Mr. VARDAMAN. I wish to say, Mr. President, in connection with the matter which has just been before the Senate, that, while the Senator from New Jersey may make mistakes, as we all make mistakes, no man upon this floor who has been associated with him ever questioned for a moment his fidelity to the right. Regardless of what others may say or what I or others may think, regardless of what the influences may be, "though every leaf were a tongue to cry, 'Thou must!'" he will not, according to his own judgment, say the unjust thing is just.

Anything written or anything said by anybody reflecting upon his integrity, reflecting upon his patriotism, reflecting upon his honesty, is an injustice to a patient, fearless, intelligent, honorable American Senator; and I want to take advantage of this occasion to pay him the tribute of my love and respect for the manhood which he has manifested in the performance of his official duties in this Chamber.

Mr. MARTINE of New Jersey. I sincerely thank the Senator for his kind words.

Mr. McCUMBER. Mr. President, we have had our war this morning on sea and on land. The cavalry has come to the support of the artillery, and the enemy has been repulsed all along the line. Now, Mr. President, let us give a few moment's attention to the war tax.

I have introduced an amendment to the cotton-purchasing amendment. This amendment would compel the Government of the United States to buy a sufficient amount of the southern cotton at a good profit to the producer to corner the market and force up the price of that commodity.

My amendment to that amendment provides for the purchase by the Government of cereal products of the northern farmer for the same purpose. If it is a proper thing for the South, it is equally proper for the North.

Standing alone, I could claim no virtue for this amendment. On the contrary, as an original proposition, I am free to say it would be a most evil proposition—populistic, paternalistic, and socialistic to a most vicious degree. It can only be justified as an amendment to an equally vicious and socialistic proposition. If we are to so violate the spirit, if not the letter, of the Constitution; if we are to violate the laws which we have just enacted against monopolies; if we are to tax every other industry in the United States for the purpose of cornering the market to increase the price of a particular commodity; if the Government itself is going into the monopoly business by law; if it is going to proceed to do that for which it will send its own citizens to the penitentiary; if it is to overthrow the whole idea of governmental duty and individual responsibility; if it is to cover, foster, and protect one industry and bring it under the paternalistic wing, then it can not leave other industries out in the cold to suffer the chill and the blast of a stagnation for which it alone is responsible.

Mr. President, every great step which overthrows the business and industrial policies and usages of centuries in one line of activity compels a readjustment of all other lines of activity. You can not maintain your equilibrium with one foot advanced into the realm of paternalism and the other still resting in the field of individualism. The dividing gulf is too wide. We must bring the whole body into one field or the other.

The moment the Government assumes control of the production and price of any commodity it must control and regulate the production and price of every other commodity, for all are dependent upon each other. Whenever the Government feels it must create a corner and thereby raise the price of cotton which I must purchase, that moment it is in duty bound to purchase and create a corner in my field products to give me a price which will enable me to exchange my labor for the labor of the cotton producer on equal terms, hour for hour.

To be fair I would also be compelled to vote for a further amendment to this amendment compelling the Government to buy the products of the copper and the coal mines. And the Senator from Connecticut would certainly have an equal right, if not a greater right, to insist that if the Government is to fix the price of cotton which must be purchased by the cotton mills of Connecticut, it also should purchase a sufficient quantity of cotton cloths produced by those mills to again create a corner on our clothing goods to maintain their prices.

But you say that the conditions show a special reason for being paternalistic so far as cotton production and cotton prices are concerned. I can demonstrate to you that the same reason exists to-day with relation to cereal products, and in the past has existed in a far more marked degree. The northern farmer and his representative in this Senate have always been more inclined to give assistance to southern industries than the representatives of the South have ever accorded to the industries of the North. We are to-day giving you a degree of protection on practically all of the things which you produce where such protection would benefit you in the least, with the possible exception of cane sugar, and we have shown our good will by giving you protection on that product whenever we have had the power to do so. On the other hand, you have placed practically everything that we produce upon the free list, compelling us to compete with the world. We stand ready, nevertheless, to assist you in any just and proper way. We are not complaining that the Treasury balance has practically all been deposited in the South to maintain and assist in your cotton crop, while nothing has gone to the North to help move the grain crop. We will go to any legitimate extent by our votes to render assistance.

But your proposition is a thousandfold worse than the disease you seek to cure. You would blot out individualism, individual responsibility, ambition, and energy. You would send this great Government of ours into paternalism for a brief benefit to the cotton industry. Once adopt a precedent of this kind, and every industry in the United States, whenever it falls below a paying basis, will demand—and, if the Government is just, will receive—the same protection that is to-day purposed to be given to cotton. No condition can ever justify such a step; and the very history of your cotton industry, like the history of our grain industry, shows that you have had worse conditions existing for long periods of time, so far as cotton prices are concerned, than you are suffering to-day.

I am informed that New England manufacturers are purchasing their upland middling cotton for about 6¾ cents. I assume that this is about the market price. Now, let us look at the prices you received from 1891 to 1899, inclusive. I quote a table from Cotton Facts, edition of October, 1913, published by W. B. Clarkson & Co., San Antonio, Tex. This table gives the prices of the cotton crops, highest and lowest, during these years, and is as follows:

	High.	Low.
1891-2	8 11/16	6 1/2
1892-3	10	7 1/16
1893-4	8 5/16	6 1/8
1894-5	8 3/16	5 3/16
1895-6	9	7 1/16
1896-7	8	7
1897-8	7 3/4	5 3/4
1898-9	6 3/4	5 5/16
1899-1900	10 1/4	6 1/4

It will be noted from this table that the lowest average was lower than the current prices of cotton. How did you get through all those long years with such low prices? Just the same as we got along when the drouth took all of our crops, when the grasshoppers would denude the whole State, when the blight of Democracy compelled us to burn our corn for fuel, when we received less than half the cost of production for our cereal products of the Northwest, and when cattle were not worth raising.

I am informed that it costs from 7 to 8 cents a pound to raise cotton where the help is all hired. You would have a pretty fair profit if the Government should buy it at 10 cents. I want to show now what it costs a bushel to raise wheat, barley, and oats where all the help is hired.

I have here a table showing the cost of producing wheat in North Dakota where all the work is done by hired help. In the table which I have made I have used a few of the figures furnished by the American Society of Equity and printed in Senate Document No. 699, Sixtieth Congress, second session. That was in 1909. The cost is considerably higher now. My own experience and observation lead me to believe that some of the items constituting expenses in that document are too low, and I have, therefore, revised the statement according to my own views.

The destructive elements of nature—hail, hot and wet weather, causing blight and rust; drought and hot winds—take the equivalent of one full crop every 10 years. In other words, they amount in the total to the destruction of one complete crop every 10 years. After making allowance for these failures and partial failures, the normal average yield would be about 12½ bushels per acre.

I have here a table showing the cost of production of wheat on a farm of 640 acres in the Red River Valley of North Dakota. I ask leave to insert this table as a whole, with all its details, and I will speak only of the totals.

The VICE PRESIDENT. Without objection, it will be so ordered.

The table is as follows:

Cost of production of wheat on a farm of 640 acres, Red River Valley, N. Dak.

COST OF FARM.		
640 acres, at $40 per acre		$25,600.00
COST OF FARM IMPLEMENTS.		
3 plows, at $65	$195.00	
2 drags, at $18	36.00	
2 cultivators, at $25	50.00	
2 drills, at $120	240.00	
2 binders, at $150	300.00	
1 mower	50.00	
1 rake	30.00	
1 corn planter	45.00	
4 wagons, at $90	360.00	
7 sets harness, at $30	210.00	
1 buggy	100.00	
		1,616.00
FARM ANIMALS		
16 horses, at $175 per head		2,800.00
		30,016.00
COST OF SEED AND LABOR.		
800 bushels of seed wheat, 5 pecks to the acre, at 80 cents	640.00	
3 men, at $40 per month each	1,440.00	
Board of 3 men, at $10 per month each	360.00	
Wages of owner of farm as general manager, at $65 per month	780.00	
Board of owner, at $10 per month	120.00	
Wages of wife, at $20 per month	240.00	
Board of wife, at $10 per month	120.00	
Wages of 1 girl assistant, at $20 per month	240.00	
Board of girl assistant, at $10 per month	120.00	
Feeding of 16 horses 1 year	1,200.00	
		5,260.00
COST OF HARVESTING.		
Thrashing 8,000 bushels, at 11 cents per bushel	880.00	
Binding twine, 2½ pounds to the acre, at 10 cents per pound	160.00	
		1,040.00
TAXES.		
Tax on land	100.00	
Tax on personal property	40.00	
		140.00
INTEREST.		
Interest on cost of—		
Farm, $25,600, at 8 per cent	2,048.00	
Implements, $1,615, at 8 per cent	129.20	
Animals, $2,400, at 8 per cent	192.00	
		2,369.20
ALLOWANCE FOR DEPRECIATION AND REPAIRS.		
Depreciation on $1,616, at 15 per cent	242.40	
Repairs on $1,616, at 5 per cent	80.80	
		323.20
Loss of 2 horses each year, at $175		350.00
Total expenses		9,482.40

The average life of all kinds of farm machinery is about seven years. The depreciation therefore will be about 15 per cent yearly, and the repairs will average about 5 per cent. Where traction engines are used the repairs will be much higher.

The working life of farm horses, barring epidemics, and after making proper allowance for accidental deaths and disease, will be about eight years. The average loss, therefore, would be equivalent to 2 horses each year out of 16.

Average yield of farm, 8,000 bushels.
Average cost, $9,482.40
Cost of raising 1 bushel, $1.19.

Mr. McCUMBER. The cost of the farm implements, which I have carried out in detail in the table, is $1,616. The cost of farm animals is $2,800. The total cost of farm implements and animals and the farm itself is $30,016. The cost of seed and labor for one year, including feeding, and so forth, is $5,260. The cost of harvesting is $1,040; that is, of thrashing and binding twine. The tax on the land is $100 and the tax on personal property at the lowest would be $40, or a total of $140. The interest on the cost of the investment at the average rate in the State, which would be 8 per cent—it runs all the way from 7 to 12 per cent—would be $2,369. The average life of all kinds of farm machinery is about 7 years, and the depreciation, therefore, would be about 15 per cent yearly, while the repairs will average about 5 per cent. Where traction engines are used the repairs will be much higher. Then, making allowance for the depreciation and repairs, we have for each year $323.20. The depreciation in farm horses would be $350 a year. So the total expenses of operating the 640 acres for one year would be $9,482.40. Now, the average yield of wheat, at 12½ bushels to the acre, would be 8,000 bushels, while the average cost of raising that 8,000 bushels would be $9,482.40. Therefore the cost

of raising wheat on the farm where all help is hired would be $1.19 a bushel.

Taking the State as a whole, the farmer does not receive, on the average, more than 75 cents per bushel for his wheat. If, therefore, he borrows all of the money invested and hires all the help necessary to raise his crops, including this fair compensation to himself and wife, paying himself the same as he would pay hired labor, paying his wife the same as he would pay a hired girl, he would be losing on every bushel of wheat 44 cents.

Sowing this 640 acres to oats, and on the same basis of computation of expense, and estimating the average yield of oats, after allowing for all these destructive elements of nature, at 35 bushels per acre, we would raise, in bushels, 22,400.

As the work and expense of raising the oats would be practically the same as that of raising wheat, the cost of a bushel of oats would be about 42 cents. The average price of oats is about 32 cents, or a loss, where all work is hired, of about 10 cents a bushel.

If this 640 acres were sowed to barley, on the same basis of computation, estimating the average yield of barley, after allowing for these destructive agencies, the yield of barley would be about 25 bushels per acre, or a total yield, in bushels, of 16,000.

As the cost of raising barley would be about the same as that of raising wheat, the price per bushel of barley would be 49 cents. The average price is about 39 cents, or a loss, where all work is hired, of 10 cents a bushel. We are receiving to-day—thanks to the new tariff bill—about 32 cents for our barley, which would entail a loss, if all work were hired, of 17 cents a bushel.

In order, therefore, that the farmer should receive fair wages for himself and family he should receive per bushel for his wheat $1.19. That is the lowest amount he is entitled to receive. He should receive, in addition to that, a sufficient dividend upon the investment to cover his risks. That is what the business man would secure.

Now, how is he able to get along? He is able to produce this grain for less than about $1.20 a bushel, in the case of wheat, only because he deducts nothing for his own wages, nothing for the wages of his wife, nothing for the wages of his girls and his boys, and because his girls and his boys during the winter season go out to find work elsewhere—the girls in teaching school, the boys doing whatever kind of work they can do during the wintertime. In that way he has been able simply to make both ends meet.

Because the southern cotton planter this year can not secure a price for his cotton that will give him a profit a bill is introduced demanding that the Government shall buy his cotton at a price that will give him a good profit. If the Government is going into the business of buying cotton products, so as to corner the market, then it is equally its duty to buy all of the cereal products—wheat, oats, barley, rye, flax, and corn—and corner those, until the northern farmer shall receive a reasonable profit for his labors. And when it has done that, its next proper move and its next necessary move would be to pull down the Stars and Stripes, the banner which signifies equality of rights and duties and responsibilities of all our citizens, and hoist in its stead the banner of the I. W. W.

Mr. President, I have here an editorial from the New York Tribune of yesterday, bearing directly upon this subject, which is an argument in itself, and in closing I ask that the Secretary may read it.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

NO COTTON VALORIZATION.

Why should the United States Government valorize cotton, as is projected in the proposed amendment to the war-revenue bill, any more than stocks and bonds? As a reason for the purchase of cotton by the Government it is urged that a war crisis in a great industry, affecting a large section, exists, and that the suffering, if the price of cotton is not maintained, will be enormous. The cotton crop has been raised with the usual European demand in view. That demand has been largely cut off by the war. Therefore, it is argued, the Government should lend its credit in aid of the cotton producer. In the same way the European market for American stocks and bonds has been destroyed. Millions of dollars in shares wait on the other side to be dumped here as soon as the opportunity to sell them exists. The interests affected are even vaster than those of the cotton growers. A panic might spring from the mishandling of this situation. If the Government should buy the cotton which Europe won't absorb, why should it not also buy the stocks which Europe won't hold?

The South is, of course, deserving of the fullest sympathy in this emergency, and the utmost that may safely be done for its relief should be done. It could not foresee the war, and its prosperity is wrapped up in the marketing of its cotton at a paying price. Its loss will be the Nation's loss, for the prosperity of all sections of the country is inextricably related, and one section can not suffer without the rest in some degree feeling the consequences of its misfortune. And in the present critical situation it will be to the advantage of the whole country that the shocks and dislocations of industry existing anywhere and everywhere as a result of the war shall be reduced as much as possible.

But when we have said all this we are very far from conceding that the Government should enter upon dangerous experiments in the use of its credit or its currency for the benefit of any industry or all industries suffering from the war. This proposed Government purchase of cotton is essentially nothing but the valorization scheme that Brazil tried with unfortunate results in the case of coffee. We can see no prospect in it but loss for the Government and a weakening of its position in regard to similar paternalistic devices that will bring on severer losses in the future. We have no faith that the Government, if it should lose by holding Europe's supply of cotton until Europe was ready to take it, would ever be able to throw its losses back on the Southern States by taxation. A popular government does not work that way. Nor have we any confidence in the proposed Government limitation of planting next year, by which production could be kept down, so that next year's crop and this year's surplus would be readily absorbed. The limitation would be hard to enforce. And if the Government in one instance stood ready to finance the cotton crop, the natural pressure upon the planter to reduce the acreage next year would be removed. The South would look to the Nation to help it again if production was not curtailed sufficiently and if the European war lasted longer than was calculated or if the prostration of the European market surpassed expectations.

There will be a real gain to the South if it learns not to depend to the extent it now does upon cotton. It will not learn this lesson if the National Government stands ready to guarantee it against loss while it continues to plunge upon this single staple. It will be best that the relief of the South should be left to her banks and to individual enterprise. These are already making progress in meeting the situation. Any Government assumption of the task will mean a dangerous misuse of the Nation's credit or impairment of its currency. And the abuse will not end with the present emergency. The pressure for Government aid to producers disappointed about prices will not end with the war.

Mr. OLIVER obtained the floor.

Mr. SMITH of South Carolina. Mr. President——

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Does the Senator from Pennsylvania yield to the Senator from South Carolina?

Mr. OLIVER. I only intended to have a telegram read and to talk not more than a minute upon the subject, if the Senator from South Carolina will permit me.

Mr. SMITH of South Carolina. Certainly.

The PRESIDING OFFICER. The Chair recognizes the Senator from Pennsylvania.

Mr. OLIVER. I received this morning a telegram from the president of the Cigar and Stogy Manufacturers' Association of Western Pennsylvania, which I will ask the Secretary to read.

The PRESIDING OFFICER. It will be read.

The Secretary read as follows:

PITTSBURGH, PA., *October 16, 191*.

Senator GEORGE T. OLIVER,
United States Senate, Washington, D. C.:

We, the Cigar and Stogy Manufacturers' Association of Western Pennsylvania, in session assembled, hereby enter our earnest, honest, solemn, and we believe just protest against the proposed amendment to the new revenue bill in reference to the proposed tax on cigar and stogy manufacturers, for the following reasons:

1. The tax of $3 per thousand selling price, which we are now paying, is more than 25 per cent of the selling price of stogies and low-priced cigars, which is about 95 per cent of the entire output of western Pennsylvania, there being very few high-priced cigars made in this district.

2. The products of this district are consumed almost entirely by the working class, thus placing upon the thousands and tens of thousands of workingmen burdens they are least able to bear.

3. Should this amendment become a law, it will cause hundreds and hundreds of the smaller stogy and cigar factories to close, thus throwing out of employment thousands of persons employed therein.

4. The stogy and low-priced cigar industries are now paying a higher rate of tax than is now paid by any other industry covered by the proposed amendment.

5. We again earnestly ask you to vote and work against the proposed amendment, thereby giving the "little fellow" and the great army of the working class that protection they are entitled to under the laws now in force.

M. W. DE WATERS, *President.*

Mr. OLIVER. Mr. President, this telegram states more forcibly and more succinctly than I can the hardships which this industry is suffering. The manufacturer of low-priced cigars, stogies as they are usually called, already, as stated in the telegram, pays the Government for every dollar of revenue that he takes in more than 25 cents in tax. The additional tax imposed by this new law may not be large, but it is very large when you come to consider that the industry is in the hands of small men and that their market consists entirely of poor men.

It is only another evidence, Mr. President, of the many items of injustice and inequality contained in this bill, and a further evidence that it would have been much better to have postponed this legislation, if it is necessary at all, until more time and more care could have been given to its consideration.

Mr. STONE. With the indulgence of the Senator from South Carolina, I wish to take a few moments.

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Missouri?

Mr. SMITH of South Carolina. I do.

Mr. STONE. Mr. President, this morning when the Senator from Colorado [Mr. THOMAS] read a letter giving what purported to be a true account of a recent occurrence when a French warship hailed an American merchant ship on the high seas, or possibly in neutral waters along the coast of Central America, and sent officers and armed seamen aboard the American vessel to make search for contraband and arrest passengers aboard ship, I rose to add a word to what the Senator from Colorado said by way of comment upon the letter he read, but the Chair recognized another Senator and I did not have the opportunity I sought. I now ask the indulgence of the Senator from South Carolina [Mr. SMITH] for a few moments only, that I may say a few words on the subject to which the remarks of the Senator from Colorado referred.

Mr. President, in this time of war, when so many nations are engaged in conflict, I think it well to admonish all concerned, belligerents and neutrals alike, that both those engaged in war and those who are at peace with the world have well-defined rights and privileges under international law. These respective rights and privileges are not only well defined in the law of nations, but they are universally recognized by all responsible Governments. In recent weeks much has been written and said about the rights of belligerent powers and of the people subject to those powers. The rights of nations at war have been quite fully exploited, drawn forth, and made plain, whether those rights concern the relations of belligerent nations to each other or the relations of a belligerent to a neutral nation. On the other hand, much less has been said about the rights and privileges neutral nations possess under international law, although their rights and privileges are just as well understood by those who constitute the responsible Governments of the world and administer their affairs. It is not my purpose now to state the law defining the rights of a neutral people. I wish merely once more to impress upon everyone, here and elsewhere, that the Government of the United States and the people of the United States have assumed and are maintaining an attitude of strict neutrality with respect to the Governments and people now engaged in the present European war. That attitude of neutrality was taken deliberately, and is being maintained in good faith by everyone connected with the administration of this Government, without regard to party affiliation. Neutrality is the American policy. We recognize all the rights the belligerent powers have under international law, and we have no wish to abridge or interfere with them. All this we concede to the belligerent powers.

But, Mr. President, while we recognize the rights of those at war, I think we should admonish them that they must be careful not to offend this great neutral power by violating any of its rights or unduly intruding upon its dignity. It is in a spirit of kindness that I take this occasion to warn all belligerents who care for the regard and friendship of this Republic to be careful not to commit actual aggression against this Government or people or to commit any wanton assault on their rights as a friendly neutral power. They expect us to keep faith with them—every one of them expects that of us—and we intend to keep the faith, but the nations involved in this war must on their part recognize our rights and keep faith with us. If any of them fail so to do, the responsibility will rest upon their heads. The United States will maintain this position of strict and impartial neutrality, but this Government will protect its own sovereignty and dignity, and will protect the rights of its own people, and all the nations of the world should understand that the American people will not look with favor, nor even indifference, upon the violation of their rights as a neutral people. While we respect the rights of others, our rights must also be respected. The spirit that pervades the relations and directs the intercourse between nations must be mutual.

These observations are not intended to apply especially to the incident recounted in the letter read by the Senator from Colorado, for I would not pass judgment upon an incident of that kind until fully advised of the exact facts. What I have said is intended for general application, and it seems to me that this is an opportune time to sound this friendly warning.

Mr. SMITH of South Carolina. Mr. President, the amendment offered by the Senator from Georgia [Mr. SMITH] to the war-revenue bill, providing for relief to the cotton growers of the South, is one that can not be treated as it should be treated without serious thought and patient, patriotic study. When the threatened danger first appeared, having devoted a great part of my life to the study of this question, knowing, as I have known by actual experience, that in the South the great income was from cotton, that the solution of the method by which it should be marketed was of prime importance, coming from a State that has a record of State rights, it was a problem as to the source from which relief should come—whether it could come from the States or from our banking and currency law as revised. With each recurring day the condition has become more and more acute, and I am going to ask the indulgence of the Senate to set forth what I believe to be the duty of this body, not as Democrats, not as southerners, but as American citizens facing a problem. It is a matter of great gratification to me to know that some days ago, in the other end of this building, one of the leaders from a noncotton-growing State, and belonging to a different party from the predominant party of the South, uttered words of patriotism which ought to thrill the heart of every man regardless of the party to which he belongs.

Those living outside of the cotton-growing States can not have any adequate conception of the relation of cotton to every phase of the life of the people living in that section, nor have they any idea of the stupendous amount of actual currency it represents, nor the volume of business it supports.

They can not understand how every phase of life, every activity of business in these States, is not indirectly but directly dependent upon cotton as its currency. It is to all intents and purposes the bank, the great central bank, of each of the principal cotton-growing States, into which from spring until harvest is deposited the resources of that State, and upon which checks are drawn in the forms of dividends if there are any. It is the clearing house of each State—the cotton field. It is the standard of comparison, the measure of wealth, and scope of enterprise. It determines the terms of the schools, the development of enterprises, the payment of taxes, the support of the Government. It determines the rating and stability of the banks, railroads, and manufacturing enterprises; each and all are dependent upon this great clearing house—the cotton field. Some idea of why this is so may be gathered from the following figures:

Population of cotton-growing States, as returned at the census of 1910.

State.	Population.	Value of crop.
Principal cotton-growing States:		
Alabama	2,138,093	$110,000,000
Arkansas	1,574,449	77,000,000
Georgia	2,609,121	173,000,000
Mississippi	1,797,114	96,000,000
North Carolina	2,206,287	60,000,000
Oklahoma	1,657,155	61,000,000
South Carolina	1,515,400	103,000,000
Tennessee	2,184,789	27,000,000
Texas	3,896,542	287,000,000
Louisiana	1,656,388	32,000,000
Total	21,235,338	1,026,000,000

From this table it will be seen that in the State of Alabama there is a population of 2,138,000 and an annual income from the cotton fields of $110,000,000.

Arkansas, with a population of 1,574,000, has an annual income of $77,000,000.

Georgia, with a population of two and a half millions, has an annual income from this source alone of $173,000,000.

Mississippi, with a population of one million and a half, has an annual income of $96,000,000.

North Carolina, with only a part of her territory planted in cotton, with a population of two and a half millions, has an annual income of $60,000,000.

South Carolina, with a population of one and a half millions, has an annual income of $103,000,000.

Tennessee, with only a small portion of her territory planted in cotton, has an annual income of $27,000,000; a population of 2,184,000.

The State of Texas, with 3,800,000 people, has an annual income of $287,000,000, and a like pro rata in the different States, making a total of $1,043,000,000 annual income.

The very nature of the business differentiates it from every other vocation and forbids the concentration in the hands of a few of this wealth-producing article. It forbids it in that the poorest and most ignorant can and do produce cotton. The most ignorant can produce as good grade of cotton as the most skilled and technically trained agriculturist. He may not produce as much to the acre, or at as little cost per pound in actual dollars and cents, but he can produce just as good grade and put it on the markets in just as good shape as the best trained and skilled agriculturist.

The merchants and bankers who finance this crop do not extend credit to the individual who is making the crop—they extend credit to King Cotton. The processes of gathering and preparing it for the market are the same to the rich and poor. A bale of cotton made and picked by a poor, ignorant negro, hauled to the gin in an oxcart, comes out as well prepared for

the market as that raised upon a plantation of the wealthy and hauled to the gin in an autotruck. Hence it is a commodity, one of the world's necessities, that defies cornering in production, and lends its splendid credit impartially to rich and poor.

As I said before, it is the central bank of each principal cotton-growing State. Those who produce it, a majority of them, look upon cotton soil and each year's cotton crop, each year's production, as the banker looks upon his invested capital upon the interest of which he lives. The capitalist takes his actual money and invests it, and from the interest thereon he lives. By the peculiar nature of the soil, climate, dew point, nature made her great investment in the South, and this is to the ordinary tenants and farmers what the capitalist's invested capital is to him. Since the invention of the Whitney cotton gin, step by step, the world has come to realize the splendid supply of clothing and textiles which every year were to come from this peculiar staple. According to the law of the survival of the fittest, cotton, on account of its peculiar and wonderful adaptability, gradually began to usurp other textiles and to supplant them in the markets of the world. There is perhaps no other textile known to mankind that can be used in such a wonderful variety of forms. It has but three competitors, if they can be called competitors—flax, wool, and silk. Neither of these can be used in any other form than that which its peculiar nature determines. Or, to put it more clearly, wool on account of the character of its fiber is restricted to practically one field alone; silk and flax likewise; but cotton, under manipulation, lends itself rapidly as a substitute for each of these. Under the manipulation of the loose weave and analine dyes it is a substitute for wool: the tight weave and the modern laundry have placed it the equal of flax; under the mercerized process it is the competitor of silk. So that were the wool of the world destroyed, as well as the silk and flax, the world would still have flax, wool, and silk.

In modern times, comparatively recently, the value of cotton seed has become world-wide in its commercial importance. It is a competitor in the markets of the world with olive oil, lard, butter, paint, lubricating oil, and in every field where fats and oils are needed. The hulls, or the coverings of the seed, that hard substance which immediately incases the fats, are among the best substitutes for hay in the world; in fact, they are superior in a great many instances to the finest hay. No richer fat-producing element is known than the meal. Aside from nitrate of soda this meal is the richest in nitrogen; in fact, the nitrogen in this is superior in its fertilizing properties for the reason that as fertilizer nitrogen derived from the vegetable is superior to that derived from the mineral. The value of the seed has risen from $84,000,000 in 1903 to $143,000,000 in 1910.

From this we can begin to understand how the gold of the nations irresistibly flows into America to avail itself of the products of this wonderful plant. In attestation of the esteem in which the world holds it, in 1880 the total number of acres planted in cotton in America were 17,000,000, and the largest crop ever produced up to that time was 5,000,000 bales, with a value of $275,000,000. In 1913, 34 years afterwards, the acreage had increased to 37,000,000 acres and the production to 14,000,000 bales, with a value of $1,043,000,000. The modern loom and the modern spindles made the conversion of this article into commercial fabrics easy, cheap, and rapid.

For 30 years there was not a day that cotton was not a salable article, that each and every bale had not a value. Those engaged in the production of it are of all classes, as said before, and one can readily understand what it means to have the doors of the bank closed. It would not be so bad, nor would the necessity for Federal action be so great, if this stupendous product was owned and controlled by a few great rich corporations with other resources at their command. But it is the currency of the South; it is the bank of the laborers of the cotton-growing States; it is the basis of credit, and not the man who produces it.

I heard here this morning in the speech of the Senator from North Dakota [Mr. MCCUMBER] a comparison made with the condition in which cotton finds itself and the condition of stocks and bonds that are falling off in value. He does not stop to reason that cotton is the sole dependence, the only resource of practically 21,000,000 American people, while stocks and bonds are the representatives of the wealth that lies back of them, and which is an additional resource.

Mr. MCCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from North Dakota?

Mr. SMITH of South Carolina. I do.

Mr. MCCUMBER. The Senator from South Carolina is mistaken as to the argument which I made in reference to stocks and bonds. I did have read, however, an editorial, which was the argument of some one else, in which that illustration was used. My sole argument was on a comparison between the condition of wheat, oat, and barley raising with cotton raising.

Mr. SMITH of South Carolina. I should like to state to the Senator from North Dakota, right here, that I sympathize with him in his fight for better marketing facilities.

Mr. MCCUMBER. I did not quite understand the statement of the Senator from South Carolina.

Mr. SMITH of South Carolina. I said I sympathized with the Senator from North Dakota and cooperated with him here in his fight for better marketing facilities; but the Senator must recognize the difference between the condition in which we find ourselves and the condition in which the grain growers of the West find themselves. I was told by the Senator from Minnesota several days ago that the western grain growers were receiving the best prices for their wheat because foodstuffs were in great demand. Were it now to come to the last analysis, were cotton production destroyed in the South, we could grow oats and wheat and rye and barley; but you can not grow cotton. We have heretofore been content to grow cotton to clothe you and to buy your wheat and rye and other grains, and we are content to do so to-day, and would be willing to come to your assistance and to vote you Federal aid if a calamity paralleling this which now confronts us should strike your wheat fields; but you have a market for your products; the world is clamoring for foodstuffs, while the market for the commodity out of which we must not only get our clothing but our foodstuffs is dead, paralyzed, and we are face to face with ruin and bankruptcy.

Mr. MCCUMBER. Let me say to the Senator——

The PRESIDING OFFICER. Does the Senator from South Carolina yield further to the Senator from North Dakota?

Mr. SMITH of South Carolina. I do.

Mr. MCCUMBER. I think the Senator from South Carolina is in error in the statement that the world is clamoring for our food products. In my State we are receiving for wheat about 77 cents per bushel, while our barley is down in price to 30 and 32 cents a bushel. We can not produce either of those at a profit for less than almost a third more than that. We are not receiving good prices for our grain.

I want to say to the Senator from South Carolina that I for one have known all of the hardships of agricultural or farming life, and am in deep sympathy with any legitimate effort to help out the South in its cotton trouble. The Senator from South Carolina says that he is willing to help the North. There is just one way in which he could have helped us, and that was by continuing the little protection which we had upon our products, the same as we continued the protection on your few products of the South. You took that protection all away and have driven our prices down enormously by reason of that until we can not make a profit.

Mr. CLARKE of Arkansas. Mr. President, before the Senator from South Carolina proceeds, I desire to call the attention of the Senator from North Dakota to the fact that the wheat raisers of North Dakota are being robbed by somebody, if his statement is entirely correct about their only receiving 77 cents a bushel for wheat. Immediately upon that statement being made, I opened a newspaper lying upon the desk of the Senator from Georgia [Mr. SMITH], and I find that on yesterday No. 1 spring wheat was quoted at $1.21¾ per bushel; No. 2 red wheat, at $1.20¾. It is inconceivable that so intelligent and progressive a people as those of North Dakota would sell their product to speculators so as to make that difference when they come to deliver it to the consumers.

Mr. MCCUMBER. Now, get the quotation for No. 3 northern, which is what our wheat is.

Mr. CLARKE of Arkansas. This market report does not have that quotation in it.

Mr. MCCUMBER. First, there is a spread at Minneapolis to-day of 18 cents between No. 1 northern and No. 3 northern. Then there is all of the freightage, which, on an average, from the middle of the State, takes from 14 to 16 cents a bushel. So, if you take that into consideration, you have got down to about what I said—77 cents a bushel for wheat.

Mr. SMITH of South Carolina. In other words, the Senator is complaining not of the lack of a market for his product, but of manipulation by some unprincipled ones of that market. We are complaining of the fact that we have no market at all. I want to emphasize this fact: The credit of the rank and file of the cotton producers is cotton, and not the producers, and when they have lost this credit they are hopeless.

Who can grasp the stupendous effect of the loss of a billion dollars of actual currency—the purchasing and trading power involved in a billion dollars, distributed impartially among

21,000,000 of people? Who can calculate the billions of credit based upon this vast volume of exchange, the far-reaching effect, not in America alone but throughout the civilized world? Nine hundred million people use cotton, and America produces 68 per cent of the world's supply. It is one of the prime necessities of the human family. It is one of two indispensable necessities for the individual—food and clothing. Every habitable spot on the globe can and does produce its full pro rata of foodstuffs, while the nine cotton-growing States furnish the larger per cent of the material for the clothing of the world. Therefore it is idle, absurd, and ridiculous to attempt to compare cotton and its relation to the world's commerce with copper and peanuts, as some Senators from the North and West have attempted to do. It is not a sectional question; it is not a national question alone; it is international and world-wide. The condition that confronts the South to-day is that this vast army of cotton raisers finds its security suddenly worthless—worthless because the markets for the raw material and the finished product are paralyzed by a world war. With a crop of 15,000,000 bales made, costing 10 cents per pound, with a surplus of from five to seven millions of bales out of which there must be immediate currency, it is idle to speak of anything short of national aid to relieve the situation. This surplus of from six to seven millions of bales must be capitalized until the law of supply and demand shall call for it.

There is not a cotton-growing State that can capitalize its crop or its surplus. It has not accumulated from year to year the vast amount of money that the crop has poured into it. It has exchanged this currency for commodities of other States from California to Maine and from Florida to Alaska. Therefore every industry of the South is dependent upon the yearly income from the cotton fields. There is no volume of accumulated actual gold or of currency in the South; and it is idle, it is mockery, for Senators to stand here and say that the South should capitalize and finance this wealth-producing commodity.

By virtue of the impoverishing effects of the Civil War, every dollar that had come into the South has been converted into the development of some of her resources or to supply some necessity. Her growth and development have been marvelous, but at the expense of every dollar of her income. The South is dependent upon her annual check on the bank of King Cotton.

For 40 years not only has cotton contributed its millions upon millions to the development of enterprises in every State of the Union as well as to the development of the resources of the South, but it has poured in an unceasing stream across the ocean, converting itself into gold and maintaining the balance of trade in favor of America. For 40 years the cotton of the South has sustained the credit of America against the world, and now in this the hour of her travail, when the sources of cotton consumption and the laboratories of commerce where it was transformed into gold and currency have been temporarily closed, the South comes to the Nation to which she has contributed so royally and readily, and, pleading her inability to capitalize her cotton, in this hour of her temporary humiliation, she asks that the Nation do for her for 12 months that which she has done for the Nation for 40 years.

It is disgusting to hear Senators on this floor ridiculing this measure, which does not ask for any gift, but which asks the Government to sustain the credit of this great article of commerce for a stated period, and which pledges that the cotton to which credit is extended will guarantee the Government against any possible loss, assuming the burden of loan and expense upon itself. It is a sad commentary upon the Congress of the United States to say that its limitations are such that the Nation may not relieve itself in the hour of distress because of constitutional limitations. I am reminded of that incident in the life of the Christ when the Jews rebuked the disciples for plucking and eating wheat on the Sabbath Day. His reply was that the constitutional Sabbath was made for man and not man for the Sabbath. This, it seems to me, should be a lesson to some of the great constitutional lawyers on this floor. Just as sure as we, the lawmakers, and the Congress of the United States convince the people of America that they were made for the Constitution and not the Constitution for them, that, no matter what disaster might come for which relief could be given, in order to preserve the letter of the Constitution the people must suffer, there will either be a different Constitution or a different Congress to interpret it.

Now, it is idle to talk about securing the relief that is needed other than by an act of Congress. I have heard expression here during the discussion of this question that this is a matter of a private nature, or, at least, local; that the States should take care of it. I would grant this and gladly assume the solution of the burden from the standpoint of each State if the Federal lawmakers had left each State the power under its own banking laws to capitalize its own resources, but this Congress of the United States has taken away that power. How can it be expected for a State, or a number of States, to meet a situation that calls for extraordinary capitalization when the power to capitalize is denied those States and assumed by the Congress of the United States? Therefore, having assumed that power, you should meet your obligations now when one of the greatest sources of wealth in this country finds itself unable to do so without the exercise of the power that you have arrogated to yourselves. You have left the States the right to produce a commodity out of which is to be realized currency and have forbidden the States the right to capitalize that production. Repeal the 10 per cent State bank tax and not a Southern State would come in here and ask for relief during this calamity.

Fellow Senators, knowing as I do the circumstances in which the people of the South are now placed, the gloom and disappointment that shrouds every home, I have the right to stand here and plead for relief. You did not balk at sending your millions to suffering San Francisco, and yet we scorn to ask relief as a gift. We ask it as a temporary relief that we propose to pay back with interest. You did not balk at sending a man-of-war laden with gold to bring back the American citizens marooned in Europe when this present war broke out. You did not balk at voting millions to build a railroad on the ice of Alaska in order to furnish fuel to the people. You did not balk in 1907 to send your Secretary of the Treasury with millions of dollars to relieve the speculators and financiers of New York. Yet you stand here now and plead constitutional limitations and rights in the face of a calamity in comparison with which those others sink into insignificance! The loss of trade and of commerce, the bankruptcies and failures that must come, are bad enough; but it is for these suffering women and children that I make my plea.

There is not a farm home in the cotton-growing States that has not around it and stretching away from it this hope of the little comforts and conveniences that make life worth living. There will come this winter a condition that every Senator here could bear himself, but which the suffering innocents of the South and those engaged in the production of this world commodity can not understand and into whose faces and hearts will come the disappointment of a Christmas without Santa Claus. I had rather stand here to-day and see the Constitution of the United States infringed upon, if indeed such it be, than that we in our allegiance to the letter thereof shall see the homes and lives of millions of earnest and industrious men, women, and children of the South from whose toiling hands has poured this commodity that has enriched the Nation and clothed the world than to leave them, on account of our indifference or stupidity, helpless when the means of relief are easily within our reach.

How any man, not a southerner alone, but how any man realizing what must be the condition in the South; how any southerner who has seen the bloom smitten from his mother's cheek and her hands distorted in a hand-to-hand conflict with poverty through all these years of our Gethsemane since the Civil War, can stand here, face to face with a repetition of conditions that go beyond those, in that they came without warning and were not gradual—how he can stand here and balk at anything that would bring relief to the long-suffering people of the South passes my comprehension.

In view of the fact that there is a doubt as to its constitutionality, any Senator who will not give his State the benefit of this doubt will be looked upon by his people as a traitor to them in the hour of their suffering and distress.

When I go home now and step from the cars in my little country village and have the fathers of families gather about me and ask if any relief is in sight, no man can measure the feeling that goes out from my heart for relief for them. Let me tell the Senators on this floor to-day, I do thank God that the love of a mother and father for their children is not measured by the number of dollars that mother and father may own. In spite of the calico dress, in spite of the work-distorted hands and the seamed face, the mother whom disaster or misfortune or poverty has chained dreams dreams for the bright eyes of the darlings about her feet, as bright as ever passed through the heart of a queen; and they are the hope and salvation of America.

Voting to relieve the conditions in the stock market, voting to relieve the congestion that comes in the great marts of trade, may be the proper exercise of the functions of statesmanship; but voting to relieve the homes of 21,000,000 pure American citizens, working for their good and the Nation's welfare, goes beyond the domain of statesmanship and enters the realm of patriotism. To stand here, with the world convulsed in war

and the credit of the South dead, and quibble about constitutional limitations, is a disgrace to a southern Senator.

Mr. President, in closing I want to say that as far as I am concerned I am not asking for any gift. We do not come here as mendicants. Turn to the tables of statistics and you will find that we, from the tiny hands to the gray heads of the South, have supported the balance of credit of this Nation, in spite of our poverty, and have worked out a degree of prosperity and success. We have been loyal. Now that we are an integral part of the Union, what kind of patriotism do you suppose can be inspired in the hearts of the millions who in the hour of their necessity, in the hour of this their suffering, are taught that the letter of the Constitution must be observed at all costs; the wave of whose flag flaunts indifference into their suffering faces?

I pay my debt of obligation to Congressman MANN, of Illinois, for the patriotic and statesmanlike utterances that fell from his lips yesterday. I will join with any section of this country in its struggle if there should occur to it that which has occurred to us. I sincerely hope that every patriot on this floor will give the South the benefit of the doubt and relieve the condition by the loan, if you choose to call it that, or by the temporary investment, if you choose to call it that, in enough of the surplus cotton to guarantee a fair price on the balance to the producer.

Mr. NORRIS. Mr. President, I am deeply moved by the eloquent and patriotic sentiments expressed by the Senator who has just preceded me; and in rising to oppose this amendment I want it distinctly understood that in no sense do I lack sympathy for the condition that seems to exist in some parts of our country.

I do not believe this amendment is unconstitutional. I have no sympathy with the man who ridicules the idea. I concede the honesty of purpose of those Senators who are behind the amendment; and could I find it within what I believe to be my conscientious duty, I would go with them in voting for this kind of a proposition.

But, Mr. President, in the first place, I doubt whether, in the long run, this would bring the needed relief, and whether it would not merely postpone to a future time the suffering now existing. I have no doubt but that the passage of this amendment would establish a precedent that would come home many times to trouble us, and in the end would bring damage and disaster to the country.

When a mere lad I took all the savings I had been able to gather together and went out into what was then the wild and woolly West to try to build up a home for myself and my posterity. The first winter that I spent on the frontier I saw hardship among the people that I do not believe was any less, so far as the agony of the suffering was concerned, than that which exists now in the South. I saw there, in the fall and winter of that year, corn, corn, corn everywhere, piled up on the streets of the villages, piled up in the fields, piled up along the railroads, selling for 8 cents a bushel, with no market and no one to buy it.

I remember that I established my law office in a shack 14 by 22 feet, divided up into two rooms, and I had the luxury of the only private office there was in that county-seat town. I went out and took a farmer's team and wagon into his cornfield and husked corn and hauled it to the back of that little shack and piled it upon the ground. I burned corn in my office all that winter. I did only what everybody else did. Out in the sod house in the country, in the store, in the bank, everywhere, we were burning corn, because there was no market for it.

Mr. CLARKE of Arkansas. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Arkansas?

Mr. NORRIS. I yield to the Senator.

Mr. CLARKE of Arkansas. It would seem that the memories of that scene should have made such an impression upon the mind of the Senator from Nebraska that he would not care to see it repeated anywhere else on this continent during his lifetime or any subsequent period.

Mr. NORRIS. I would not; but it never occurred to us, Mr. President; it never occurred to any man then in the Senate or in the House of Representatives, that the United States Government should buy our corn That idea never entered anyone's mind, and it was never suggested. It was never proposed. I remember that no man could pay his debts. We not only burned corn, but we ate corn, we lived on corn, we kept the stock on corn. It was the only thing we had; but we could not sell it. There was no money with which to buy it.

Why, Mr. President, for a lawyer there a $5 fee was a luxury—not only a luxury, but a curiosity. I remember that during that winter I was employed to defend a homesteader whose homestead was contested. After spending several days talking the matter over with witnesses and posting myself on the case, we then spent two days, from early morning until 10 o'clock at night, taking the evidence, which was taken before the county judge in the shape of depositions, the land office being about 100 miles away. In the case of one witness, I remember, who on account of infirmity was unable to come, who lived about 12 miles out in the country, we took the county judge and the lawyers and drove that 12 miles with the thermometer 15° below zero and took the evidence of the witness.

When the evidence was all in, before the case was decided, I settled with my client and got a fee of $10. It was the largest attorney's fee that I had ever seen. The evidence was sent in to the land office, and in a few days the decision was made, and in about a week's time the decision was returned, and we all knew then what it was and that it was against my client. We lost our case.

I think now, looking back, as I remember it, that the decision was just, and that we ought to have lost it; but I shall never forget that when the word came that we were beaten my client came into the office and objected to the fee that he had paid. If I had had the fee then I know I would have given it back to him, but unfortunately I had paid my board bill in the meantime that had been running for several weeks, although it cost only $2 each week—not each week, but it cost $2 per week whenever it was paid. I had spent the money; I could not return the fee; and we finally compromised by an agreement that I should take the case on appeal to the Commissioner of the General Land Office in Washington and should charge no fee for that.

Mr. President, just a few years after that—I think it was in 1894—in that same country, in that same vicinity, we had no corn. The wind and the hot weather dried up all the fountains of the earth and nothing green except some of the inhabitants, like myself, was left. Then we had hogs. In the meantime we had begun raising hogs. We had no corn, we had no wheat, we had no barley, we had nothing in the world to keep the stock through the winter; and we had no corn to eat. What we thought was a calamity when we had corn to burn, like you have cotton now, was not a drop in the bucket to the suffering that came when the earth had refused to give forth any crop. I remember distinctly a friend of mine who had about a thousand acres of land, without anything to live through the winter. The banks were closed; money could not be borrowed at any rate; and he went out with his gun and to keep them from starving killed more than 100 head of his hogs, ranging in weight from 25 to 75 pounds each.

But, Mr. President, nobody said that the Government should buy our hogs. No one suggested it. There is no doubt but what we had sympathy from all good people, and in the latter instance, when the earth had refused to raise anything, hundreds of our people were kept through the winter by clothing and by food that was sent in by the carload from patriotic citizens living farther east.

Mr. President, I said this would establish a precedent. It may be that it is right. I am not so sure about it. I know my head tells me that I ought to vote against it, although my heart demands that I hesitate. But I can not now, at least, bring myself to believe that it is proper or that in the end good will come if the Federal Government takes hold of the proposition and loans money on even the product.

Mr. VARDAMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Mississippi?

Mr. NORRIS. I yield to the Senator.

Mr. VARDAMAN. I know so well the promptings of the Senator's heart, I understand so fully all his sympathies, that I am not going to ask him a question on that line, but I wish to suggest to him that if the Federal Government, in the exercise of its great power, with immeasurable wealth, or rather the immeasurable wealth of its constituents—the Government itself has nothing except that which its citizens bring it, either in mind, money, or morals—if the Government had gone to the rescue of the good people of the community my friend has just described, and with an outlay of money to be returned to the Government, without incurring any obligations itself, without imposing any burden by a tax upon the people except those who were to be relieved, but had gone to their assistance as we are asking the Government to come to the assistance of the southern people, without violating any fundamental principle, without doing violence to the genius of our Government—if it had gone to their relief, the great suffering which the Senator has just portrayed so eloquently and vividly, does not the Senator think it would have been a very benign and proper use of the governmental function?

I wish to add in this connection, that the Senator may understand it, that the people of the South are not asking the Government to donate them anything. They are not asking the Government to give anything. We are simply invoking the great strong arm of the Federal Government to help us across this financial Sahara; we are asking that we may lean upon it during these extraordinary times, not at the expense of the people of the other parts of the Republic, because we propose to levy a tax upon ourselves to cover every single cent that is going to be expended by the Federal Government in our behalf.

I want to say to the Senator that conditions there are not the result of economic errors committed by the people; they are not the result of any mistakes in the management of their private affairs, but it comes as one of the horrible incidents of the war across the ocean.

Now, if the Government will come and lend this aid—it is not buying the cotton, it is simply lending us the money to hold the cotton; and if it can be done without costing anybody a penny except those who are asking the assistance, then, in the name of humanity, I can not understand why anybody should object.

Mr. NORRIS. What the Senator from Mississippi says appeals to me very strongly, and I have not reached my conclusion on the vote that I am about to cast in any hurried way. I have given it as much candid thought as I possibly could. I have thought of it sincerely, with a desire to help if I could. But to answer the Senator's direct question, I must say that I have reached the conclusion. I do not believe it is proper for the Government to take the step. I think what the Senator said bears out the claim that I made at the beginning, that this precedent once established would be never ending, and the Government of the United States would in the end find itself practically bankrupt.

Mr. VARDAMAN. Mr. President, this condition will probably never occur again. Such a condition has never occurred before in the history of the Republic. Of course, the Senator can not understand it, because he is not brought face to face with it as we who live in the section from which I come, but the commodity to be carried by the Government is in no way similar to the corn and the wheat and the products of the soil in the West. A bale of cotton, the Senator will understand, stored, shielded from the weather, will be just as valuable when his grandchildren are as old as he as that cotton is to-day. It is an article of world-wide, increasing consumption. It is as durable as gold and more valuable than gold. You can store it in a warehouse and it is much better security than any railroad bonds. The railroad might be mismanaged and the bonds become valueless, but the cotton under normal conditions will be just as good 50 years from to-day as it is the day it is put in the warehouse.

Mr. NORRIS. Mr. President, I do not doubt the security.

Mr. VARDAMAN. It is absolutely indestructible in its intrinsic qualities.

Mr. NORRIS. I have no doubt of that statement. I have not contradicted it, and I do not intend to do so, because I believe it is absolutely true. Cotton is just as valuable when it is 20 years old as the day it is picked, I presume. You could have said of our corn, "There is no doubt but that you could hold this corn without deterioration, so far as its intrinsic value is concerned." As a matter of fact, if the Government had come into my part of the country at that time and bought a million bushels of corn it would have made an immense amount of money. The year before that—or at least two years before the failure I was telling you about, when nothing was produced—we had more corn than we knew what to do with. I have seen corn sell at 8 cents and 10 cents a bushel, delivered by the farmer in town. Many and many hundreds of bushels were sold at that price under my own observation, and within a year corn was selling in the same town for from 50 to 60 cents a bushel. I would have had no fear of the Government losing money if it had bought corn, but I think it must be conceded that if the Government goes into something of that kind it must be in a general way; it must not be confined to one man or to one product or to one locality.

If I thought this would never occur again anywhere in the United States, I would not hesitate to vote for this amendment, but it is occurring every day, somewhere, in a smaller way. If we must help out a State in this kind of a dilemma, then we must help out a county. If we should go to the relief of a county, we should go to the relief of a township, and if we give relief to a township, then we ought to give relief to a fractional part of a township.

Mr. President, I have in my pocket now a check for $53.70 which I have just received through the mail. It is my share of a crop raised on some land I own. It is my share of over 200 acres of wheat in a State and a community where they raised one of the biggest wheat crops that ever grew out of the ground. But it happened that that particular locality was afflicted with a hail storm which practically destroyed the crop. Perhaps if you followed that hail storm you would find that it was 5 miles wide and 10 or 15 miles long in the country that was destroyed or partially destroyed. Why have not those men the same claim to the Government's aid? They made no mistake. In what the Senator from Mississippi said about the cotton planter I agree with him. He was guilty of no wrong. He planted his crop; he could not foresee the difficulty that was before him in the future. But the man who sowed the wheat was equally honest. He could not foresee that it was going to be destroyed. The man who planted corn when corn was a failure could not see ahead and know that no corn could grow.

Mr. President, if we do this thing and follow it out logically, we must go into every State, into every county, into every community and help the man directly by Government aid who has met with misfortunes which are beyond his control. I can not see it in any other light. We all know that to do that the Government must fail. No Government can exist and continue to do it. I am not going to take the time of the Senate to follow out where that would lead. It seems to me that it ought to be apparent to all.

Mr. President, if I had my way I would rather loan the money directly than to buy this cotton and issue bonds on it. It may be that in the wisdom of the future some means may be devised by which Government aid can be properly controlled, so that all those who are unfortunate and fall without their fault may be given succor and may be given support.

To me, Mr. President, we have not reached that stage of wisdom yet. I can not help but believe from my own experience that the people of the South themselves will in the end come forth and come out of the dilemma, much as we did in the West, where we either raised nothing or, like you, raised something that could not be sold. Times changed, nature smiled again, prosperity returned, and although the hardships of failure had left many scars in its wake the time came again when those same people were prosperous and happy. It was not only one year that we went through, but a series of years. No man need tell me that it did not leave a scar. No man need tell me that the hardships that followed in the wake of those times killed some people and drove others from their homes and bankrupted others who were well to do and left a great deal of destruction in its path.

Mr. President, in that new country, on that frontier, most of the people were young. A great many young men had left the East and gone there to make their fortunes. All they had on earth was staked on their venture. They saw one year after another come and go and failure follow. Some left in discouragement; some remained and regained it all. It will come that way to the South. The men who owe money will not be able to pay it, and it will be generally understood, as it was with us, that no man could collect any money, that it was an impossibility. Debts were simply extended, sometimes compromised, sometimes lost, but the condition was beyond the help of any man, and people will accustom themselves to the difficulty.

I have a great deal of faith in the movement mentioned the other day by the Senator from Texas [Mr. SHEPPARD], known as the buy-a-bale-of-cotton movement. I believe that you could go into my State and sell thousands and thousands of bales of cotton to individual buyers, if the plan were well mapped out and well understood and it was known that responsible and reliable men were behind the movement.

I read in the papers of a movement by the bankers to make a loan of $150,000,000 to the South. That will help. Relief will come in a hundred ways. But if the Government buys the cotton this year and levies a tax on cotton in the future years to pay the expense and any possible loss, it means, and it is intended to mean by those who propose this amendment that the future production of cotton will be curtailed.

Mr. President, I believe it is economically wrong to pass a law against the curtailment of the production of one of the necessities of life. I do not believe we ought to try to tax anything out of existence, unless it is something obnoxious and we ought to get rid of it. I do not believe it is economically right for the Government to go into the valorization scheme. If we have a large overproduction of wheat, those who are engaged in the production of wheat will necessarily curtail their operations for the next year. They will plant and produce something else. They will diversify their industries. The South will do the same, and when she learns the diversification of industries she will have learned the lesson that will come to bless her and her posterity for centuries to come. So, even this blow, severe though it may be, will have some blessings that will follow in its wake. If we do not tax the future production

of cotton, but we establish the precedent that we will buy the surplus of cotton, then we only induce every cotton planter to redouble his efforts to raise increased amounts of cotton in order that he may dispose of it to the Government. In either case in the end there will be bad results from such legislation.

So I may say, Mr. President, that, although the situation for those who are raising and owning cotton may look dark at the present time, I do not believe a temporary measure of this kind will bring permanent relief, but in the end, in the years to come, will do more harm than good.

Mr. BORAH. Mr. President, my first impressions in regard to this bill were against the constitutionality of the measure, and I so intimated in a colloquy upon the floor; but I have been led, by reason of the conditions which have been presented, to reinvestigate the question of the constitutional authority to do what we are about to do and to review my first impression. I have imposed upon myself the rereading of practically all the important decisions of the Supreme Court of the United States bearing upon this question of the power to tax, and I have arrived at a conclusion different from that of my first impression. As briefly as I may I shall state it and the reasons for the views I have come to entertain.

I am frank to say that I had no idea, in the first instance, of the conditions that prevail in the South, and did not at first entertain the view that there was any great calamity to be dealt with upon the part of the National Congress, but I am of the opinion now that the only real emergency growing out of the war found in this bill is contained in the proposed amendment. In so far as the other portion of the measure is concerned, it can in no just sense, in my judgment, be attributed to conditions brought on by the war but to conditions which were subject to our control here at home. But this is a condition which was superinduced by the unfortunate conflict now raging in Europe, and I deal with the subject, and I have been led to deal with it, from that standpoint alone. Whatever may be our constitutional power, there could be no justification in exercising the power except upon a great and impending crisis, involving the actual needs of great masses of people.

Mr. President, I confess, also, that I felt a tinge of inconsistency in the position which I was disposed to take against this measure in the first instance by reason of the measures which I have heretofore advocated upon the floor of the Senate.

The West came to the Congress a few years ago and asked for a loan, as it were, from the National Government for the purpose of purchasing rights of way, for building canals for the benefit of the western home builder. The principle which was involved in that measure was not to any great extent different from the principle which is involved here. Both called for a loan of the credit of the Government and both involved the relieving of that loan of credit by repaying by the citizen.

Mr. VARDAMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Mississippi?

Mr. BORAH. I do.

Mr. VARDAMAN. I am exceedingly anxious that the Senate should hear the argument to be made by the Senator from Idaho.

Mr. BORAH. Will the Senator permit the Members to come in as they choose? I would rather——

Mr. CLARKE of Arkansas. I want to supplement the suggestion of the Senator from Mississippi by stating that I have heard of a number of Senators who desire to hear what the Senator from Idaho has to say, but they rested under the impression that he would take the floor at a later hour. I believe it would be an accommodation to the absent Members to give them an opportunity of attending.

Mr. VARDAMAN. I suggest the want of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Johnson	Oliver	Smoot
Borah	Jones	Overman	Stone
Bristow	Kern	Page	Swanson
Bryan	Lane	Perkins	Thomas
Camden	Lea, Tenn.	Poindexter	Thompson
Clapp	Lee, Md.	Saulsbury	Thornton
Clark, Wyo.	Lewis	Shafroth	Townsend
Clarke, Ark.	Lippitt	Sheppard	Vardaman
Culberson	McLean	Shields	Walsh
du Pont	Martin, Va.	Shively	Weeks
Fletcher	Martine, N. J.	Simmons	West
Hitchcock	Nelson	Smith, Ga.	White
Hughes	Norris	Smith, Mich.	Williams
James	O'Gorman	Smith, S. C.	

The PRESIDING OFFICER. Fifty-five Senators have responded to their names. A quorum is present.

Mr. BORAH. Mr. President, as I was remarking, I felt a tinge of inconsistency in the position I was about to take in regard to this amendment by reason of the fact that, as I view it, so far as the principle is concerned, it is no different from that upon which we have been reclaiming the desert lands of the West for the last 10 or 15 years. I urged before Congress some year and a half or two years ago a loan of $20,000,000, to be used for the reclamation of the public lands of the West and also for the putting of water upon private lands in those arid regions. In the final operation and working of this law it so transpires that the effect of it all is that the Government advances its credit and, as it were, loans to the settler an amount of money sufficient to build his canal and laterals and to place water upon his land, and takes as the Government security a contract, which is no more and no less than a mortgage to secure the Government. These contracts cover not only the public lands of the Government, but they cover the private lands of thousands of individuals throughout the West. It can not be said that the principle involved in this amendment is, so far as the Government's function is concerned, materially different from that which the West has invoked and which the West must continue to invoke if she is to reclaim her great desert and waste places and reduce them to habitations and happy homes.

These matters, Mr. President, led me, therefore, to a reconsideration of both the law and the precedents, and, with the permission of the Senate, I want to discuss both propositions involved in the amendment—the constitutional question and the policy.

Before discussing the legal proposition I shall read a general statement from a late opinion of the Supreme Court of the United States with reference to the general power of the National Government to tax and as to what rule the court will invoke in testing the validity or constitutionality of a tax. This opinion was written long after the Income Tax decision, and the principle which is announced here is so much in contravention of the technical rule which was adopted in the Income Tax case that it can not be reconciled to the principle which was there announced. I read it not for its applicability in a specific way to the question which is before the Senate, but rather to the general principle under which the court now moves and proceeds to act in testing the validity of a tax. The court says:

> The whole power to tax is the one great power upon which the whole national fabric is based. It is as necessary to the existence and prosperity of a nation as is the air he breathes to the natural man. It is not only the power to destroy, but it is also the power to keep alive. * * * The commands of the Constitution in this, as in all other respects, must be obeyed; direct taxes must be apportioned, while indirect taxes must be uniform throughout the United States. But while yielding obedience to these constitutional requirements, it is no part of the duty of this court to lessen, impede, or obstruct the exercise of the taxing power by merely abstruse and subtle distinctions as to the particular nature of a specific tax, where such distinction rests more upon the differing theories of political economists than upon the practical nature of a specific tax, where such distinctions rest more upon the differing theories of political economists than upon the practical nature of the tax itself. In deciding on a tax with reference to these requirements no microscopic examination as to the purely economic or theoretical nature of the tax should be indulged for the purpose of placing it in a category which would invalidate the tax. As a mere abstract, scientific, or economic problem a particular tax might possibly be regarded as a direct tax, when as a practical tax it might quite plainly appear to be indirect. Under such circumstances, and while following a disputable theory might be indulged as to the real nature of the tax a court would not be justified, for the purpose of invalidating the tax, in placing it in a class different from that to which its practical results would consign it. Taxation is eminently practical, and is, in fact, brought to every man's door; and for the purpose of deciding upon its validity a tax should be regarded in its actual, practical results rather than with reference to those theoretical or abstract ideas whose correctness is the subject of dispute and contradiction among those who are experts in the science of political economy.

The first question raised with reference to the validity of this tax is as to its uniformity, the contention being that, by reason of the fact that this product upon which it is laid is a product confined to a limited portion of the United States, therefore it could not be uniform throughout the United States, because the product is not there upon which the law shall operate.

I confess, in the first instance, that the matter appealed to me with some degree of force and effect, but I am clear in the proposition that the Supreme Court of the United States has put that question at rest. It has said in late decisions that the question of whether or not the law operates upon all the different parts of the Union is not a question which the court will inquire into in determining the validity of the tax, but is the tax in itself uniform in its operation wherever the subject of taxation may be found. I ask the attention of the Senate briefly, first, to the case in One hundred and seventy-eighth United States Reports, at page 107. This was the case of Knowlton against Moore, in which an inheritance tax was involved. The court, in discussing the subject of uniformity, said:

> It is yet further asserted that the tax does not fulfill the requirements of geographical uniformity for the following reason: As the primary rate of taxation depends upon the degree of relationship or

want of relationship to a deceased person, it is argued that it can not operate with geographical uniformity, inasmuch as testamentary and intestacy laws may differ in every State. It is certain that the same degree of relationship or want of relationship to the deceased, wherever existing, is levied on at the same rate throughout the United States. The tax is hence uniform throughout the United States, despite the fact that different conditions among the States may obtain as to the objects upon which the tax is levied. The proposition in substance assumes that the objects taxed by duties, imposts, and excises must be found in uniform quantities and conditions in the respective States, otherwise the tax levied on them will not be uniform throughout the United States. But what the Constitution commands is the imposition of a tax by the rule of geographical uniformity, not that in order to levy such a tax objects must be selected which exist uniformly in the several States. Indeed, the contention was substantially disposed of in the License Tax cases (5 Wall., 472), previously referred to. It was there urged that, as the several States had the right to forbid the carrying on of the liquor traffic, therefore Congress had no power to license such traffic, because it would interfere with the authority of the State. It was held that the license was validly imposed; that it did not interfere with the power of the States to prevent the liquor traffic, because in a State where such traffic was forbidden the license would be inoperative, but in the States where such traffic was allowed the license would be effective. The argument, however, is additionally fully answered by the review which we have made of the origin and meaning of the expression "uniform throughout the United States." From that review it appears that the very objection upon which the proposition now advanced must rest was urged in the Continental Congress as the reason why the levy of uniform duties, imposts, and excises throughout the United States should not be authorized. This is shown by the objection of Mr. Rutledge and the suggestion of Mr. Lee. It is further shown by the protest of Rhode Island and the reasons advanced why a duty on salt should not be levied. But it was seen that if it were required, not only that the duties, imposts, and excises should be uniform throughout the United States, but that in imposing them objects should be selected existing in equal quantity in the several States, the grant of power to levy duties, imposts, and excises would be a failure. In that convention which framed the Constitution the same argument was used without success, and, as we have seen, the only ground upon which the striking out of the words "and equal" after the word "uniform" in the adoption of the clause as now found in the Constitution can be reasonably explained is that it was done to prevent the implication that the duties, imposts, and excises which were to be uniform throughout the United States were to be placed upon rights equally existing in the several States. To now adopt the proposition relied on would be virtually, then, to nullify the action of the convention, and would relegate the taxing power of Congress to the impotent condition in which it was during the confederation.

From One hundred and eighty-fourth United States Reports I quote a single paragraph which the court quotes from the Head Money cases. In discussing the question of uniformity in this case, the court says:

The tax is uniform when it operates with the same force and effect in every place where the subject of it is found. The tax in this case, which, as far as it can be called a tax, is an excise duty on the business of bringing passengers from foreign countries into this by ocean navigation, is uniform and operates precisely alike in every port of the United States where such passengers can be landed.

Of course there were a number of States where it could not operate at all, where it could have no effect, and from which nothing at all could be collected under the law.

Perfect uniformity and perfect equality of taxation, in all the aspects in which the human mind can view it, is a baseless dream, as this court has said more than once.

The last announcement of the court upon this subject is much more specific than all which has preceded, and that is found in the case of Flint against Stone Tracy Co., which case involved the validity of the corporation tax, passed several sessions ago. I shall read but a single paragraph; but I invite the attention of the Senate to the specific declaration of the court, which seems to cover precisely the question which has disturbed some of us here:

The argument that different corporations are so differently circumstanced in different States, and the operation of the law so unequal as to destroy it, is so fully met in the opinion in Knowlton *v.* Moore that it is only necessary to make reference thereto. For this purpose the law operates uniformly, geographically considered, throughout the United States, and in the same way wherever the subject matter is found. A liquor tax is not rendered unlawful as a revenue measure because it may yield nothing in those States which have prohibited the liquor traffic. No more is the present law unconstitutional because of inequality of operation owing to different local conditions.

I think, Mr. President, that we can with confidence rely upon the proposition announced by the Supreme Court in the several opinions that if the law operates uniformly upon the subject matter of taxation wherever that subject matter of taxation may be found throughout the United States, it conforms to the constitutional provision that the tax must be uniform throughout the United States, and that the fact that in some States of the Union the subject of taxation is not to be found at all does not invalidate the law by reason of its nonuniformity; that it simply has the effect of relieving that State from taxation because of the physical condition that the subject of taxation is absent.

Mr. President, just a few words with reference to the other proposition, for I speak under pressure of time, and that is, whether or not this is a direct tax. For nearly a hundred years the Supreme Court of the United States held that a direct tax related alone to land and to a capitation tax. The first decision which dealt with the subject dealt with a tax which was laid upon carriages and vehicles for transportation. I am aware that in later years it was attempted to distinguish this decision by saying that this was a tax upon the right to use the vehicle, but that was not the reasoning upon which the court proceeded to announce its opinion when the case was before the court. The court did not rest its decision on the question of whether or not it was a tax upon personal property direct or whether it was a mere excise tax upon the right to use it. No such logic or argument is found in the opinion of the court; but it held that a tax upon property was a valid tax, notwithstanding the fact that it was not apportioned, unless it was a property tax upon real estate or a capitation tax. That was the basis upon which the court rested its opinion and which obtained in this country down until the decision which is known as the income-tax decision. Briefly, I think I may be permitted to refer to some discussion of the Hilton case. Mr. Cooley, in his Constitutional Limitations, says:

Direct taxes when laid by Congress must be apportioned among the several States according to the representative population. The term "direct taxes" as employed in the Constitution has a technical meaning and embraces capitation and land taxes only.

Justice Miller, long an Associate Justice of the Supreme Court of the United States, and considered among its ablest members, said:

Under the provisions already quoted the question came up as to what is a direct tax and also upon what property it is to be levied as distinguished from any other tax. In regard to this it is sufficient to say that it is believed that no other than a capitation tax of so much per head and a land tax is a direct tax within the meaning of the Constitution of the United States. All other taxes except imposts are properly called excise taxes. Direct taxes within the meaning of the Constitution are only capitation taxes as expressed in that instrument and taxes on real estate.

Mr. Pomeroy, in his valuable work on Constitutional Law, says:

The court decided that this tax was not direct.

Speaking of the Hilton case—

The reasons given for the decisions are unanswerable and would seem to cover all the provisions of the internal-revenue law.

Other constitutional writers, such as Black, Burroughs, and Hare, sustain the proposition that for nearly a hundred years, or until the income-tax decision, there was no doubt as to the power of Congress to levy without apportionment a tax upon property if that property was not land or the tax was not a capitation tax; but when the income-tax decision was rendered, a different rule was invoked.

In the first rendition of that opinion the court held that a tax upon income, and so forth, coming from real estate was in effect a tax upon real estate; but in the second opinion that was rendered the court went the full distance, and said that a tax upon income, whether coming from real estate or from personal property, was a direct tax and had to be apportioned.

I have never believed, Mr. President, that that decision represented the sound, final, and conclusive view of the Supreme Court of the United States; the dissenting opinion stated the soundest view and the view which, in my judgment, should ultimately obtain. I have never believed that it represented the best judgment and the soundest view of the American bar. To say that a tax upon the income from real estate is a tax upon the real estate is to establish and invoke a technicality unsound, unreasonable, and incongruous and such as is found nowhere else in the law. There is not, from the beginning of Anglo-Saxon jurisprudence to this hour, a well-recognized precedent to be found which has ever treated either in the civil or criminal courts rent as real estate. You might just as well say that a man who steals the rent which one may have collected from my real estate is guilty of trespassing upon real estate as to say that a tax upon income is a tax upon real estate; I would nevertheless concede that, if that opinion stood without having been trimmed or narrowed or modified, it would be perhaps an insuperable objection to this tax, because it would be regarded by legislative bodies as conclusive and binding upon us; but since the rendition of that opinion the court has proceeded to deal with the subject of taxation in such a way as to leave no doubt in my mind that the tax here is a valid tax.

In the case of Patton against Brady the Supreme Court, in One hundred and eighty-fourth United States, held:

The tax on manufactured tobacco is a tax on an article manufactured for consumption, and imposed at a period intermediate the commencement of manufacture and the final consumption of the article.

That was treated as an excise tax. It was treated as an excise tax, it would seem, in order that it might get by the opinion in the Income Tax case, because there is no difference, Mr. President, so far as practical taxation is concerned, and the Supreme Court says now that it will test these taxes by

the practical rule and not by theory. There is no difference between laying the tax at one period of manufacture and laying it at another. It is a property tax—a tax upon property wherever you lay it in the course or in the process of manufacture.

But if we should concede the reasoning and the distinction, the time at which this tax is laid upon cotton in this amendment comes clearly within the rule which is laid down here in One hundred and eighty-fourth United States Reports, which marks a period between its condition in its original state and its condition in its final manufactured state, and can be properly treated and is treated in the law itself as an excise tax.

But the court has whittled its opinion in more ways than one, until the only effect of that opinion among the judicial decisions of the United States is to record an error and not a principle of law. For instance, a citizen of the State of New York, having died, left a part of his property to the Government of the United States. The question was raised that it was not within the power of the State to tax property belonging to the Government, as they undertook to tax it under the State inheritance tax law passed in 1898, and also that it was not within the power of the State to tax the right of the Government to take property, which is true.

Therefore the Supreme Court was confronted with the proposition of meeting that which had been settled so long, that you could not tax the property of one sovereignty by the action of another, and that the instrumentality of one government can not be embarrassed and taxed by another. This property which had been left to the Government was to be subjected to the tax, or at most the right to take the property was to be subjected to the tax. Under the former decision of the court the State could neither lay a tax upon the property of the National Government nor could it lay a tax upon the right of the National Government to inherit. What must you do? The Supreme Court said it was not a tax upon a legacy itself after it had become the property of the United States, and therefore was not a tax upon the National Government's property, but that it was a tax upon the property before it was distributed to the United States; that is, the property came to the Government diminished of the tax.

The Supreme Court of the United States sustained the tax, and in doing so necessarily and logically held that it was not a tax upon the right to inherit, because a State could not tax the right of the National Government, and it was not a tax upon the property of the National Government because that it could not tax. So the court held that it was a tax upon the property while it was yet the estate of the party transmitting it, and the tax was sustained on that basis. It was under any practical test and reasonable rule, a tax upon the property.

That opinion and the principle announced in that decision can not be reconciled or brought into harmony with the decision in the Income Tax case; and the opinion announced in this case is in harmony with the contention of those who contend that this tax is constitutional. If you can levy a tax upon the property belonging to an estate, there is no reason why you can not levy a tax upon the property of an individual still living. One is a tax upon property and the other is a tax upon property.

I might quote other opinions, but I shall not take the time of the Senate to do so, to show that the Supreme Court of the United States, in distinguishing and modifying the Income-Tax case opinion, has treated this process of taxation and called it an excise tax, but has in fact sustained the proposition according to the holdings of the Supreme Court in its logical effect, at least, that the only time when the tax must be apportioned is when you levy it upon land or as a capitation tax.

So I entertain no doubt that this tax can be sustained under the decision of the Supreme Court. If there is any doubt at all it is not in regard to the question of uniformity, but it is in regard to the question of whether or not it is a direct tax. When you take what is known as the oil decision in regard to taxation, the sugar-refining decision with regard to taxation, and the Flint case, you will find, in my judgment, ample authority for levying this tax under the provisions of the Constitution of the United States.

Mr. STERLING. Mr. President——

The PRESIDING OFFICER (Mr. O'GORMAN in the chair). Does the Senator from Idaho yield to the Senator from South Dakota?

Mr. BORAH. I do.

Mr. STERLING. Granting that this tax is not objectionable on the ground that it violates the law of uniformity, I should like to ask the Senator if he is quite satisfied that it is a tax which Congress has the power to levy at all, under the general power given Congress in regard to the levying of taxes, duties, imposts, and so forth, for the purpose of paying the public debt, for the common defense, and for the general welfare of the United States?

Mr. BORAH. I was going to discuss that question in a few moments, and perhaps I may as well do it now.

I can imagine no wider scope of the power of taxation than that which the Supreme Court of the United States has established. It has said that whatever conserves the general welfare, whatever seems essential to take care of the citizen, to encourage and nourish the spirit of patriotism, or in any way to defend those fundamental principles of society which seem essential to a republican form of government, may be sustained and protected by taxation. I call the Senator's attention to a case in One hundred and sixtieth United States. Let us see how far the court has gone upon this matter, and I think properly so. That does not add any strength to the court's decision, but simply expresses my view. I am not unmindful, of course, that the court always links the power to tax with some one of the great delegated powers, such as the right to carry on war, regulate commerce, or provide a sound system of finance, or a power derived and springing from a combination of these powers. But the wide scope allowed to the tax-levying power seems sufficient to enable the Congress to tax for almost any reasonable public interest, and what is a public interest must differ both as to time and, to some extent, conditions, for new problems of society enlarge and augment the duties and obligations of government.

This was the case of the United States against Gettysburg Electric Railway Co., in which the Congress of the United States made an appropriation providing for a method and means of marking the great battle field of Gettysburg and preserving the monuments, and also passed a provision saying that there should be, if necessary, a condemnation of any private property that was necessary in order to round out and make complete the portion of the earth over which that great battle was fought.

Now, I must say that there seems to be very little limit to the power of taxation under the rule which was announced here. Let us see what it is. It says:

> Congress has power to declare war and to create and equip armies and navies. It has the great power of taxation to be exercised for the common defense and general welfare. Having such powers, it has such other and implied ones as are necessary and appropriate for the purpose of carrying the powers expressly given into effect. Any act of Congress which plainly and directly tends to enhance the respect and love of the citizen for the institutions of his country and to quicken and strengthen his motives to defend them, and which is germane to and intimately connected with and appropriate to the exercise of some one or all of the powers granted by Congress, must be valid. This proposed use comes within such description.

But the court uses other language still more expansive in its privilege than this. It reaches still further in the purport of its decision. It leads us into another domain and invites us to consider those subtle and refined influences which keep alive aspirations and arouse the energies of the citizen:

> Such a use seems necessarily not only a public use but one so closely connected with the welfare of the Republic itself as to be within the powers granted Congress by the Constitution for the purpose of protecting and preserving the whole country.

Mr. President, "peace hath her victories no less renowned than those of war"; and it is just as essential that the Government of the United States protect her citizenship against famine, against impending catastrophies, against poverty superinduced by uncontrollable causes, and against those things which inevitably flow from that condition of affairs—crime and the disintegration and demoralization of society—as it is to mark the graves of those who have preserved its institutions. There must be soldiers with the capacity and the courage to fight before there are soldiers to bury; there must be a Government strong enough and just enough to arouse the love and fealty of the citizen before he will make a good soldier.

A few years ago, when a foreign country was about to engage in war, and she began to call in her young men to submit to the test of soldiership to find out whether or not they could meet the responsibilities of the field, that great nation was astonished to find that her social system had undermined the physical stamina and the moral and physical energies of her youth until a startling proportion of them were unable to go upon the field and defend the flag.

Now we have entered upon a period in the development of this great Republic when we can no longer give our sole attention to the question whether a man has disclosed his patriotism upon the field of battle, when we can no longer give our attention solely to the question whether or not a man has a right to trial by jury, or whether or not he has a right to apply for the writ of habeas corpus; but we must look also to our social development, to the conditions of the citizen in the industrial world as they now confront him. We have come to the time when we must meet the problem of how we shall build up and

protect such citizenship as will grow to the full stature of responsibility of the Republic.

If these great people of the South, by no fault of theirs and by reason of a calamity brought on by war, are now facing, as I believe they are, a condition where their homes are menaced, where thousands, if not millions, of poor in this coming winter season will have to depend upon society when society will not be prepared to take care of them, if civil institutions are thus imperiled, it is entitled to be considered as among the duties of Government to bridge the crisis.

Let us read further:

> By this use the Government manifests for the benefit of all its citizens the value put upon the services and exertions of the citizen soldiers of that period. Their successful effort to preserve the integrity and solidarity of the great Republic of modern times is forcibly impressed upon everyone who looks over the field. The value of the sacrifices then freely made is rendered plainer and more durable by the fact that the Government of the United States, through its Representatives in Congress assembled, appreciates and endeavors to perpetuate it by this most suitable recognition. Such action on the part of Congress touches the heart and comes home to the imagination of every citizen, and greatly tends to enhance his love and respect for those institutions for which these heroic sacrifices were made.

Mr. President, after it is all analyzed and stripped of its verbiage, what is the real kernel of the contention of the Supreme Court of the United States? It is that the great object of government is the common good, and that the Constitution as to the tax-levying power has left a wide discretion to the wisdom of Congress, not wholly indeed without limit, but not circumscribed by limitations which shall prevent a government from dealing with all the vicissitudes of a great aggressive and dominant people.

> The greater the love of the citizen for the institutions of his country the greater is the dependence properly to be placed upon him for their defense in time of necessity, and it is to such men that the country must look for its safety. The institutions of our country, which were saved at this enormous expenditure of life and property, ought to and will be regarded with proportionate affection. Here upon this battle field is one of the proofs of that expenditure, and the sacrifices are rendered more obvious and more easily appreciated when such a battle field is preserved by the Government at the public expense.

The Senator from Nebraska [Mr. NORRIS] a few moments ago painted a scene with which all western men are familiar—one of those experiences which visited us at a time when the earth had refused to yield and drought and famine had practically swept over our land—and the Senator was of the opinion that the fact that under those conditions no appeal was made might well serve as a precedent against a recurring condition in another part of the country. But, Mr. President, that is not the history of the Anglo-Saxon race. We are a progressive people, and we meet emergencies as they arise, provided our experience and our wisdom have been sufficiently exercised and fed to enable us to conceive of a remedy. The people of the United States believe that this Government which they formed is sufficient and efficient, both in its general powers and in its reserved powers, to take care of the citizenship of those upon whom it must rest. Because in times past we have not exercised the full powers of government and have not protected our people from suffering and want I do not believe that condition of affairs should be permitted to continue. If we have the power, if the Constitution gives us the right, then it is simply a question of the wisdom of Congress when the necessity of exercising that power shall arise. Modern government must meet modern conditions, and, in my judgment, it can do so by doing no more than applying sound principles of constitutional law to these modern conditions.

Now, Mr. President, we have the power, but should we exercise it? Is this a situation sufficiently momentous and far-reaching and of such a nature as to call into exercise this power? Is it a condition that can be dealt with by private efforts, or should it be taken in hand by the combined power of society as represented in the Government? Not as a permanent proposition, but to meet an emergency. All would concede that if it were not an emergency, a crisis affecting millions of people, no such thing as this should be contemplated or considered. All would concede further that the subject should be dealt with in terms as an emergency, as a crisis, and anything we do should be upon the theory that with the going of the emergency would go the legislation.

The cry of paternalism should not deter us from the discharge of a plain duty of government in case of great emergencies. It is not paternalism to protect the people against the scourges of yellow fever, against the calamities and sufferings of earthquakes and great fires. It is not paternalism to provide, in so far as possible, against the baneful fruits of war, and this is one of the effects of the fiendish conflict now disturbing and distressing the whole world. Paternalism is fostered often by the failure of government to exercise with wisdom and discretion just and sane powers of government. Paternalism grows apace among a feeble, impoverished, and discouraged people. I do not consider it paternalism to aid a citizen in these stupendous, unforeseen, and unavoidable calamities, against which it is impossible for the individual citizens to guard or protect themselves and with which no less than organized society can deal. Now, does this condition appeal to us from that standpoint? It does to me; and I will never hesitate to invoke and use the great power in an emergency any more than I would refuse to use such power to infringe upon the ordinary duties and responsibilities of private endeavor in the ordinary affairs of life.

There is no way by which you can bring the love of these people back to this old Republic—and it sometimes seems essential enough in these days—there is no way by which you can bring the confidence of our people back to these institutions of ours so quickly as to demonstrate to the people of this country that when a great calamity arises the flexibility and adaptability of our Government is such that we may meet that calamity, and one portion of this Nation may share its riches and its comforts with those who have been visited with misfortune. A proud and self-governing people will not be misled or seduced into paternalism by the fact that their Government discloses both the capacity and the willingness to deal with unexpected and unavoidable catastrophes.

I would not support this measure if in my judgment the Constitution of the United States did not justify it; but I am one of those who believe that as from year to year we unravel the powers of this great instrument we shall find that there is very little which inures to the happiness and prosperity and contentment of the whole people which we may not do under this marvelous charter which was given to us a little over 100 years ago. It is not by reason of the unwisdom of our Constitution and the Government under which we live, it is by reason of our failure to exercise those powers in a wise and efficient way, that our people suffer, if they suffer at all.

We are at this time building a railroad in Alaska, loaning the Government in an indirect way to the development of that region of country. We do this because of the peculiar situation and circumstances and extraordinary conditions which surround private citizens in that country. We have spent millions of dollars to take care of the situation after great fires in some of our cities; after the earthquake at San Francisco; and we have sent large sums of money to sufferers in foreign lands by reason of earthquakes and other disasters. Shall we hesitate, or shall we find our Government incapacitated to deal with extraordinary conditions in our own country when we have dealt with them when they have developed in other countries? We spend millions of dollars year after year to protect the farms and homes along the Mississippi River. We loan the credit of the Government yearly and constantly to our private banks, organized for private gain and purely personal interests. Originally the banks did not ask for any more than the extraordinary power to issue their notes, which should serve as currency—a most extraordinary thing, indeed—but now they not only have the privilege to issue the notes which shall circulate as currency, but the Government of the United States guarantees these notes, which are nothing more than the notes of private corporations organized for gain. We loaned the credit of the Government, in addition to donating millions of acres of land, to the building of railroads, and took mortgages for our security and went into copartnership with great railroad corporations. We have, as I have said, loaned the credit of the Government to the western settler to aid him in the building of his home and the conquering of the desert, which he, alone, could not do. I do not think the western settler has lost any of his initiative, his self-reliance, and his good citizenship. He knows the Government is but aiding him to do that which private enterprise will not or can not do, and that as soon as the desert is conquered the citizen is expected, and is perfectly willing, to pay the Government and relieve himself of all obligations to or dependence upon the Government.

There is no difficulty about the powers of our Government. It is sufficient and efficient to do justice to all men and to permit the most extended development and progress of the human family. It is simply a question of exercising those powers with wisdom and judgment, and this whole question depends upon the proposition of whether the disaster and the unfortunate condition in the South has reached the proportions of a national catastrophe. No part of this great body politic of ours can suffer to any considerable degree without affecting every other part of the body politic, and owing to our complex and closely interwoven, involved, and intricate social life, our means of transportation and interchange, communities are no longer isolated as they were once. We are all one—a united people—and bound together by common interests.

Something has been said about going into partnership with private institutions. My able friend from Colorado [Mr. THOMAS] yesterday said that the Republicans had been in partnership with the corporations in this country so long that it has affected the whole people in their way of thinking upon public questions. Mr. President, the Federal reserve banking act is based upon the proposition of loaning the credit of the Government to purely private corporations. I read this morning in the paper that in a few days notes are to be prepared for these Federal reserve banks and issued to purely private corporations, organized for private gain. The Government of the United States is to guarantee those notes and take care of them under all circumstances. These are notes which will circulate as currency from a purely private corporation. The Government of the United States is their guarantor, and it is back of them. But instead of issuing them, as it might do, through its own Government-owned and Government-controlled bank, it cooperates with and puts them out through and greatly to the advantage of purely private corporations. This is copartnership to a very marked extent, wise or unwise I do not now stop to discuss.

Take the situation in which we are placed with reference to this bill. We have $75,000,000 collected from the people of the United States. Where is it? Is it in the Public Treasury? What has become of the $75,000,000 which has already been taken up in the way of taxation? It is in the vaults of purely private institutions, organized for private gain, conducted solely in private interest, and we do not take it out of those banks for the reason that it would imperil the public welfare. Shall we hesitate to take whatever amount is necessary to relieve other private interests upon the theory that the Government of the United States should not go into copartnership with private institutions?

I think, as I said a moment ago, that I am not in a position to oppose this amendment. I propose to come to this Congress at the next session and ask Congress to loan the western settler $50,000,000 for the purpose of protecting his home, for the purpose of building up a habitation where he may rear his children. I will say to the Government of the United States: "You shall have a mortgage, as you have now, upon thousands of acres as a security for your loan"; and I shall expect, under the precedents of the past, to see that loan granted.

Mr. President, is there anything that a government can do more calculated to serve its public interests than to find homes for its homeless, to reduce the waste places to habitations, to keep our citizens here instead of sending them to Canada? Must not the Government look beyond the mere question of whether or not a citizen is abiding by the law? And if we may construct homes, if we may reduce waste places, may we not, exercising the same power and invoking the same principle, under extraordinary circumstances prevent thousands and thousands of acres from being reduced to waste and homelessness?

Mr. HITCHCOCK. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Nebraska?

Mr. BORAH. I do.

Mr. HITCHCOCK. I want to ask the Senator from Idaho whether he is not mistaken in the two alleged parallels which he has pointed out?

First, he likens the reserve bank system, which is to supply the people with currency and to act as the fiscal agent of the United States, to the raiser of cotton. The one is performing a public function and acting for the Government. The other one, in raising his cotton, is performing a purely private and individual act like any other man in private business.

He then points out another parallel in which he indicates that the United States loaned a large amount of money and gave a large amount of public domain to the Pacific railroads. Is he not forgetting the fact that railroads are public highways; that public highways were formerly constructed entirely at public expense and controlled by the public, and that that particular highway was constructed as a war measure for the purpose of connecting the eastern part of the United States with the Pacific coast?

Is there not a vast difference between the case of a railroad performing a public function and serving a public purpose, carrying Government freight at a reduced rate, and a banking institution also performing a public function, and this other case which the Senator illustrates of the cotton raiser or the corn raiser or any other purely private enterprise?

Mr. BORAH. Mr. President, of course there is a difference; but cotton occupies a peculiar place in our industrial world, and a disaster so great would be as much a matter of public concern as commerce itself. Suppose the entire cotton crop were absolutely destroyed, what effect would it have upon the general prosperity and welfare of the people throughout a very large proportion of the United States other than that where it is raised? Do we not recall, when the Civil War precluded the shipping of cotton to England, the condition of suffering which it imposed and brought upon the part of the people who were dependent upon cotton-manufacturing establishments for a livelihood, when they walked the streets and begged for something to eat, and when that condition of affairs went on until they had riot and bloodshed in the streets of London because of the misery and suffering of the poor?

As has been said here, I think the loss of the cotton crop or a failure to utilize it would have just as much effect upon the industries of certain portions of this country outside of the South as it would have on the South.

Mr. VARDAMAN. Mr. President, if the Senator will permit me to make a suggestion in this connection, the manufactures of cotton goods in America are valued at almost as much as the entire raw cotton crop. There are more than half a million people engaged in the manufacture of cotton, and the people who manufacture cotton in the United States make a larger profit out of its manufacture than the people who produce the entire cotton crop of America, and that is made out of the South.

Mr. LIPPITT. Mr. President, I venture to say that the Senator from Mississippi will be utterly unable to verify that statement by any statistics. There is no evidence anywhere in existence that the people who manufacture cotton cloth make as much money out of it as all the people in the South make out of raising cotton.

Mr. VARDAMAN. If the Senator will pardon me, I did not say that the profit was that amount. I said that the value of the product was pretty nearly a billion dollars.

Mr. LIPPITT. I misunderstood the Senator, then.

Mr. VARDAMAN. That is what I said. I do not know what profits you make.

Mr. LIPPITT. I understood the Senator's statement to be that the people engaged in manufacturing cotton made as much out of it as all the people engaged in raising cotton make out of that occupation.

Mr. BORAH. Let me ask the Senator from Rhode Island what would be the effect upon his town, his State, if the cotton crop was entirely destroyed?

Mr. LIPPITT. Do you mean the cotton crop of the world? What do you mean?

Mr. BORAH. I mean the cotton crop of the United States, for practical illustration.

Mr. LIPPITT. And no other cotton was grown anywhere?

Mr. BORAH. What would be the effect if the cotton crop of the United States itself was destroyed?

Mr. LIPPITT. Well, Mr. President, I think if the cotton crop of the United States was destroyed it would be a great calamity to the country. I can not agree at all with the Senator in the statement which he was making when he was interrupted by the Senator from Mississippi, in which he said that the production of cotton and this calamity that has arisen in connection with it is different from other industries of the United States. The same thing might happen to the cereal crops. It might happen to the manufacture of iron and steel. It might happen to the manufacture of textiles. It might happen to any large industry of similar importance as the cotton manufacture in the South, and the calamity would be the same to the people of this country whether it happened to one or the other. They stand on all fours with each other, and I am utterly unable to see any difference in the fact that this calamity has happened to the South than though it had happened to some of the other great industries.

Mr. BORAH. Suppose it did happen to some of the other industries, from which a great calamity would necessarily flow, if you felt the Government of the United States had the power to arrest the suffering would you not be in favor of doing it?

Mr. LIPPITT. Mr. President, I have thought very seriously over the proposition which is now being discussed before the Senate. I am thinking seriously over it. It is a great novelty in our industrial existence, an unusual and almost unprecedented thing. I think it is very wise for us to consider and discuss it here to see if any remedy can be thought out to meet the situation. I have not been able to satisfy myself that the remedy proposed in this amendment is a wise remedy.

The Senator asked me what I would do if some similar thing happened to some other great industry, one that was particularly connected with my section of the country. Of course, to a degree, this very calamity which has happened to the South very seriously affects the part of the country in which I am located. We are suffering to a very great extent from the reduction in the price of cotton. The mills of New England are obliged to carry some three months' supply of

cotton ahead of their date of manufacture. When this situation occurred they were loaded up with cotton for which they had paid the South 12, 13, and 14 cents a pound. Immediately the purchasers of goods recognized that the reduction of cotton was going to make a reduction in the price of cloth, and New England is to-day selling its product on the basis of cotton at some 8 cents a pound. They have themselves lost, or are in process of losing, the difference between what they paid for cotton and what they would be able to replace it for at present prices.

They have not come to Congress asking to be included in the remedy which is proposed for the people of the South, although they very justly might if the argument of the Senator who is now addressing the Senate is a valid one. Of course, these things are one of the incidents of trade. It is the rub of the green, as they say in golf. In all business there comes a time when the conditions are not prosperous. It has not been the custom of the Government to intervene in every situation of that kind. That situation was very well expressed by the Senator from Colorado [Mr. THOMAS] yesterday when he talked about the copper industry. Exactly the same conditions exist in the copper industry as exist in the case of the cotton of the South. If the Government of the United States is going to intervene under such circumstances to protect its citizens, I for one say that it ought to protect all its citizens, and not simply protect those who on account of their number are represented here by numerous Representatives or by those who choose to bring their particular situation before the Senate.

It seems to me the mere fact that one calamity is a calamity to a great many people is no reason why the United States should intervene to protect that particular class of its citizens as compared with those who, although less numerous and therefore of less importance, are suffering an equal degree of hardship. The cotton growers are not the only sufferers from this calamitous contest because they are the most vociferous.

Mr. BORAH. Mr. President, I am within 25 minutes of the time when the general discussion is to close, and I know there are other Senators who desire to speak. I have spoken longer than I intended.

I want to say, in conclusion, that I think wherever a calamity arises to the dignity of being a national misfortune, affecting, you may say, the whole people, some directly, others indirectly, then there is a question which appeals to the wisdom and justice of Congress, and there are two questions for Congress to determine. First, has it the power, and, second, is the calamity of such moment and the suffering calculated to be of such an extent that they may exercise their wisdom in providing relief? We never hesitate to provide relief here whenever sufficiently appealed to and it is a question that has the approval of our judgment. We have granted millions of dollars of relief in different situations, and the simple proposition is whether or not the calamity has risen to an extent to move our judgment in favor of some plan of amelioration. The South is in great distress. This may not be the wisest way, but I express hope to see and willingness to assist in some scheme or plan of relief. There can be no politics on this side of the Chamber in any movement of this kind. The South has not yet yielded us her confidence in a political way. But some of us feel that the emergency is such as to call upon us for sympathy and support and that we are to act in this matter from a sense of duty to our whole people.

Mr. BRYAN obtained the floor.

Mr. WILLIAMS. Will the Senator from Florida, before he begins, permit me to interrupt him for a moment? I desire unanimous consent to present a report from the Committee to Audit and Control the Contingent Expenses of the Senate. It is one of the usual reports for the payment of six months' salary to the widow of a deceased employee. I ask unanimous consent for its consideration.

Mr. SMOOT. Under the unanimous-consent agreement it would be absolutely out of order.

The VICE PRESIDENT. It is for the Senate to determine whether it will keep the unanimous-consent agreement or not.

Mr. WILLIAMS. If it is going to lead to any discussion or any trouble, I will wait; but this is a case of a very poor woman. Of course, anything that any body can do by unanimous consent it can temporarily undo by another unanimous consent. But I shall not discuss that. I ask unanimous consent, however, for the present consideration of the resolution, if there is no objection.

Mr. SMOOT. Because we are working under a unanimous-consent agreement, and for no other reason, I shall object to the present consideration of the resolution.

Mr. WILLIAMS. Do I understand the Senator from Utah to object to the resolution being presented and placed on the calendar?

Mr. SMOOT. That is business, and I object even to that.

Mr. WILLIAMS. Very well.

Mr. BRYAN. Mr. President, in closing his able address the Senator from Idaho [Mr. BORAH] stated that there were two propositions involved in this amendment—first, whether an emergency exists, and, second, whether Congress has the power to meet it.

Mr. President, I take it that no one at all familiar with conditions in the South at this time doubts for a moment that the people there are confronted with a great crisis, perhaps more severe than any of us imagine. Senators from the cotton States have been in consultation from time to time since the war in Europe broke out. The governors of the States affected have met in convention in some one of the States, and have also come to Washington to consult with the delegations in Congress, and for two months or over there has been diligent, persistent effort made by the representatives of those people to find some solution of this question.

Inasmuch, Mr. President, as I can not support this amendment, I feel it incumbent upon me to state very briefly the reasons that shall control my vote. I desire it to be distinctly understood that I do not oppose the amendment except with feelings of regret. I realize the seriousness of the situation, but, Mr. President, as I view it the States never conferred upon the Federal Government the power we are attempting to exercise, and the people of many of the States to-day withhold from their legislatures the exercise of any such power. That is the reason why the governors of the States, instead of calling their legislatures together, came to Washington to consult with the delegations in Congress. If under the State constitutions the States could have given the relief they would not have been here. Of course the legislatures of the States could have been called together and granted the relief but for the fact that the people have withheld from them the power. They never granted it in the Federal Constitution, and many of the State constitutions have withheld it.

That was very frankly stated by the governor of Georgia to be the reason for not calling the legislature of that State together. It has no power to issue bonds or to lend the credit of the State to individuals. Similar inhibitions exist in the constitution of my State. The State is forbidden to lend its credit to any individual, association, or corporation, and the legislature is forbidden to grant the power to counties, cities, or municipalities.

They have not the power; and as they have not the power, they come to Congress. Where will we find the power here? The Senator from Idaho argues that this tax is an excise tax. I will not stop to debate that. I think it is a very close question whether it is or not; but conceding, for the purpose of the argument, that it is an excise tax, and therefore could be levied under the rule of uniformity as distinguished from the rule of apportionment, in voting for such a levy we are limited in the purposes for which we raise revenue; and although the Supreme Court may not say that our purpose was not to raise revenue, yet it is our purpose to prohibit production instead of providing for the revenue of the Government, and we under our oaths have no power to levy the tax.

The appropriations are to be for what purposes? For any of the purposes authorized, unless by the term "public welfare" the Constitution has left it to Congress to make an appropriation for anything it may call the public welfare. That is an argument which has been made in support of this amendment. Let us see. But before I come to that clause of the Constitution there is one prohibiting the levying of a tax upon exports. That was put in at the instance of the cotton-producing States of the South, because they feared, according to the history of the framing of the Constitution, that the Northern States would undertake to levy an export duty upon cotton and other staples. Therefore it was never within the view of those people who drew the Constitution that it would ever be resorted to to levy a tax upon that staple crop of the South.

Several Senators have said that we are authorized to do anything we consider to be for the general welfare. Alexander Hamilton never went as far as that. It has remained to this day for Senators, under great pressure and under a determination to do almost anything they can to save the situation, to invent that doctrine, and especially for Democratic Senators to invent it. In the case of the Senator from South Carolina [Mr. SMITH], from the State of Pinckney—who undertook by the insertion of the provision against duties upon exports to protect cotton from taxation—the State of Calhoun, it has remained for a successor of one of those men in the Senate of the United

States to announce the doctrine that a man who would vote against this amendment because of its unconstitutionality is a disgrace not only to the Democratic Party but to the South. I suppose under that line of reasoning——

Mr. SMITH of South Carolina. Mr. President——

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from South Carolina?

Mr. BRYAN. I do.

Mr. SMITH of South Carolina. I hope the Senator from Florida will quote correctly, as he intends to do, what I said.

Mr. BRYAN. I will let the Senator state it again.

Mr. SMITH of South Carolina. I said there is a question as to whether it is constitutional or not, and that being the case, the man from the South who would not give the State the benefit of that doubt and to relieve his people was a traitor to his people, and I repeat it.

Mr. BRYAN. That does not change it much. The substance of what the Senator said was that a man who would allow scruples as to constitutional provisions, who would quibble over whether the Constitution permitted it or not, would be a traitor to the South.

Under that line of reasoning of the Senator from South Carolina, I suppose a man who would violate his oath in order to give relief would be a statesman and a patriot.

Mr. President, Alexander Hamilton, as I said, never contended for as broad a construction of the Constitution as is attempted to be placed upon it here to-day. He acknowledged the power that you had to lay and collect taxes in order to provide for the general welfare, but he contended that it was left to the Congress to determine what it is. Even he never took the extreme ground taken here to-day.

When the Constitution was up for consideration it was contended by those opposed to it that the people were granting to the Federal Government the power to do anything they thought was for the general welfare, and in an article in the Federalist Mr. Madison undertook to meet that view. Here is what he said in No. 40 of the Federalist:

> Some, who have not denied the necessity of the power of taxation, have grounded a very fierce attack against the Constitution on the language in which it is defined. It has been urged and echoed that the power "to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States," amounts to an unlimited commission to exercise every power which may be alleged to be necessary for the common defense or general welfare. No stronger proof could be given of the distress under which these writers labor for objections than their stooping to such a misconstruction.
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> Had no other enumeration or definition of the powers of the Congress been found in the Constitution than the general expressions just cited, the authors of the objections might have had some color for it, though it would have been difficult to find a reason for so awkward a form of describing an authority to legislate in all possible cases. A power to destroy the freedom of the press, the trial by jury, or even to regulate the course of descents, or the forms of conveyances, must be very singularly expressed by the terms "to raise money for the general welfare."
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> But what color can the objection have when a specification of the object alluded to by these general terms immediately follows, and is not even separated by a longer pause than a semicolon? If the different parts of the same instrument ought to be so expounded as to give meaning to every part that will bear it, shall one part of the same sentence be excluded altogether from a share in the meaning, and shall the more doubtful and indefinite terms be retained in their full extent, and the clear and precise expressions be denied any signification whatsoever? For what purpose could the enumeration of particular powers be inserted if these and all others were meant to be included in the preceding general power? Nothing is more natural and common than first to use a general phrase, and then to explain and qualify it by a recital of particulars. But the idea of an enumeration of particulars which neither explain nor qualify the general meaning, and can have no other effect than to confound and mislead, is an absurdity which, as we are reduced to dilemma of charging either on the authors of the objection or on the authors of the Constitution, we must take the liberty of supposing had not its origin with the latter.
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> The objection here is the more extraordinary, as it appears that the language used by the convention is a copy from the articles of confederation. The objects of the Union among the States, as described in Article III, are "their common defense, security of their liberties, and mutual and general welfare." The terms of Article VIII are still more identical: "All charges of war and all other expenses that shall be incurred for the common defense or general welfare, and allowed by the United States in Congress, shall be defrayed out of a common treasury," etc. A similar language again occurs in Article IX. Construe either of these articles by the rules which would justify the construction put on the new Constitution and they vest in the existing Congress a power to legislate in all cases whatsoever. But what would have been thought of that assembly if, attaching themselves to these general expressions and disregarding the specifications which ascertain and limit their import, they had exercised an unlimited power of providing for the common defense and general welfare? I appeal to the objectors themselves whether they would in that case have employed the same reasoning in justification of Congress as they now make use of against the convention. How difficult it is for error to escape its own condemnation.

Mr. President, it is not attempted to be concealed here that this tax is not levied to be collected. It is to be levied to prevent the production of cotton. The Government is to issue bonds to go into the private business of buying and selling cotton. A tax of 2 cents a pound is to be levied upon the production of cotton, upon the farmer who produces it, if he produces more than 50 per cent of what he produced the year before, with a most unique provision that if a man did not plant cotton the year before he should be allowed to produce only 50 per cent of what was produced on the same farm or plantation. But suppose a man had got him a new piece of ground, it is left to the mathematicians who got up this amendment to figure out how much he would be allowed to produce then.

Mr. President, this Congress has been in session for almost two years. We passed a tariff act upon the theory that it was not the business of the Government to foster private enterprise of any character. In carrying out that purpose, sir, Congress did not hesitate to ruin an industry in Louisiana. I can very easily understand how a Senator who announces that it is his purpose a few months hence to ask a gift from the Treasury of the United States of $50,000,000 to aid private enterprise would be tempted to agree that this act may be constitutional.

Then, sir, after the tariff act was out of the way Congress stayed in session for 11 hours a day in order to pass an act to provide for a better banking system, and it is the judgment of the Secretary of the Treasury and the Federal Reserve Board that through its instrumentality we will be able to control this situation much more satisfactorily than will be the case if the United States Government shall undertake to swap bonds for cotton, with an agreement to hold a surplus for three years, and have it stand there as a menacing shadow over the production of cotton.

Suppose, Mr. President, three years from now cotton should be selling at 12 cents a pound, the Government has the right under this amendment to dump its cotton on the market. Do you suppose the price of 12 cents would remain very long, with the 5,000,000 bales owned by the Government put upon the market?

But, sir, conceding that it would solve the problem and conceding that more people are to be affected by it than perhaps will ever be the case again, yet I can not draw the distinction between the cases submitted by the Senator from North Dakota [Mr. MCCUMBER], or some of them, and this case.

There is some cotton produced in the State which I have the honor to represent—50,000 bales. But, Mr. President, this European war has closed down absolutely the exportation of naval stores, worth $30,000,000, 55 per cent of which is exported, which does not deteriorate by keeping. Why should not those people come and ask the Government to help them? Florida produces 80 per cent of the phosphate rock produced in the United States and exports it. Those mines are closed because of the European war. Have they a right to come to the Treasury of the United States and ask to be helped? In the lumber industry the market has been very much deteriorated by the war in Europe. What about them? The product mounts into the millions.

Mr. President, there swept over the State of Florida in 1895 a freeze that in a night wiped out one hundred millions of property. It never occurred, I dare say, to a single citizen of that State that he had the right to come to the Government of the United States and ask for relief, because, sir, the people in that section of the country have been trained to believe that this is a Government of limited powers, that it is not a paternalistic Government; but I know perfectly well if this amendment is adopted we will be besieged continually by people engaged in private enterprise to be supported at the expense of the Government under which they live.

I believe it is better, Mr. President, to let our people stand conditions as best they can, and let them use the instrumentalities of the Federal reserve banks, and let the States help them where they can rather than to undertake to pass this amendment.

The VICE PRESIDENT. The hour of 3 o'clock has arrived and in accordance with the unanimous consent the discussion now proceeds under the 15-minute rule. The Senator from Florida will proceed.

Mr. BRYAN. In undertaking to render what assistance I could in working out this problem it occurred to me that the difficulty is this: Debts were coming due, people would be bound to sell their crop for their debts, and we might resort within the States to stay laws.

I made an investigation of the stay laws passed both before and during the Civil War. I supposed that to postpone the date upon which an obligation could be collected or to postpone the date of the execution of a judgment would be constitutional; and the authorities say that it can be done, provided it does not unreasonably impair the obligation of a contract; but it is a remarkable thing that every stay law passed by the Confed-

erate States was held by their own courts to be unconstitutional, without even having to come to the Supreme Court of the United States, upon the ground that it was an impairment of the obligation of a contract.

Now, sir, when under circumstances more severe than those existing at present the Supreme Court of South Carolina held such a law unconstitutional in one of the ablest opinions to be found in the books, do you mean to say that the people of those States intended that either their State legislatures or that the Federal Legislature should be given a free hand to spend their tax money as they pleased? No, Mr. President. The power to appropriate money was very carefully limited to the purposes for which the two respective governments were established.

Mr. President, this will be a severe trial to the people of the South, but they have come through severe trials before without appealing to their Representatives to pass an unconstitutional law to help them.

One of the peculiar things about this proposition, and the one which is to follow it, is this: The Smith amendment proposes to buy cotton under an agreement not to sell for three years, then to sell at 10 cents a pound, and to levy the tax, not for the purpose of returning any money, but for the purpose of limiting the production. If that is voted down, then we shall be confronted with another amendment, offered by the Senator from North Carolina [Mr. OVERMAN], to return $68,000,000 of the cotton taxes levied from 1862 to 1866. The only ground upon which the return can be asked is that the Federal Government never had a right to levy the tax. I do not believe the Federal Government did have a right to levy the tax, and if a vote comes upon the amendment of the Senator from North Carolina, I shall vote to return the tax; but, Mr. President, I can not understand the attitude of Senators who will vote to levy a similar tax and at the same time vote to return the tax already illegally collected, which for 50 years the Representatives from the Southern States have been demanding, and justly demanding, that Congress shall return.

Mr. President, about 1893, during the hard times in the West, at the time Senators say corn was being burned instead of coal, and when bills were pending here to appropriate money for the relief of those people, it never occurred either to the Republican Party or to the Democratic Party that they had either the right or the power to pass such bills.

Mr. OVERMAN. Mr. President, will the Senator from Florida yield to me?

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from North Carolina?

Mr. BRYAN. Yes.

Mr. OVERMAN. I will state to the Senator from Florida that large appropriations were made to help those people seed their crops.

Mr. BRYAN. Well, Mr. President, that is not what I remarked. Bills were introduced here, and reported adversely, for the appropriation of $10,000,000 and $50,000,000 to warehouse the crops and to lend money on them, but they were voted down. It will not do to point to a wrongful appropriation of money, and because such an appropriation has once been made to ask that an illegal action be repeated. Sir, those precedents would none of them have been so powerful as will this one be in case this amendment is adopted.

Mr. President, I have undertaken to argue this question merely in a disconnected way. I have stated the main grounds which will control my vote on the amendment.

Mr. LIPPITT. Mr. President, a few moments ago, when I was speaking in reply to the Senator from Idaho [Mr. BORAH] about the cotton situation, I said that I had been giving this matter very careful consideration. There is one view of this amendment which I should like to suggest to the Senate for a moment. I do not intend to thoroughly discuss the amendment. I want merely to consider one phase of it. The provisions of the amendment are, in the first place, that bonds amounting to $250,000,000 shall be issued for the purpose of buying cotton by the Government at 10 cents a pound. It also provides that the Government shall hold that cotton until the beginning of January, 1916, or for a year and a half, so as to take it out of the market, the idea being that the cotton thus left would be about equal to the consumption under the present conditions. As a corollary of that proposition, it is proposed that the South shall be forbidden during the year 1915 to raise more than one-half of her normal crop of cotton by imposing a tax in that year of 2 cents per pound on the cotton of any plantation which is in excess of one-half the amount raised in 1914.

It has occurred to me that it is a matter for very serious consideration whether the remedy which is here proposed may not be worse than the disease, whether the injury that is going to come from the penalty that the South will suffer from having this loan made according to the terms of this amendment will not be greater than the injury she is suffering at the present time from any reduction in the price of cotton.

To put the matter in the form of figures, assuming that the present crop of cotton will be, for instance, 14,000,000 bales, and that the value of that cotton by the circumstances of the war has been reduced about 50 per cent, or, on the basis of normal valuation in the South of 12 cents, that it has been reduced 6 cents a pound, the reduction would amount to $30 a bale; $30 a bale on 14,000,000 bales of cotton would be $420,000,000.

It is now proposed that during the year 1915 no one in the South shall be allowed to raise more than one-half of the amount of cotton which he raised this year; or, to put it in another form, that no one plantation in the South shall be allowed to raise more than one-half of the quantity of cotton it raised this year, except under the penalty of paying what would amount to a prohibitive tax of 2 cents a pound. If, therefore, 14,000,000 bales of cotton is the normal size of the crop of this year, that would mean that the crop that could be raised next year would amount, in round numbers, to about 7,000,000 bales, and that 7,000,000 bales of cotton which the South might raise, if these conditions were not imposed upon it, would not be produced. The value of 7,000,000 bales of cotton at 12 cents a pound is $420,000,000. Therefore one of the penalties that the South would inevitably have to suffer from the operation of this amendment would be the diminution of the total revenue that would come from cotton to it next year by perhaps $420,000,000, or, in any case, a very large proportion of that amount. It seems to me that, as a practical matter, that view is one that ought to have very serious consideration before we undertake to go into such experimental legislation as is proposed to be indulged in by this amendment.

There is one other feature of the situation to which I should like for a moment to refer. There has been in times past a great deal of antagonism in the South to the operation of the present method of marketing cotton through cotton exchanges. It has been felt in the South that those cotton exchanges operated to reduce the value of the crop. There have been some people in the North who entertained that same view. There have been other people, both in the North and in the South, who doubted that that was the result of the cotton exchanges, and felt that, on the whole, their influence was of great benefit to the South in marketing its crop. I myself am one of those who have believed that the South has derived great benefit from the existence of the cotton exchanges. It has occurred to me that it would not be out of place for the people interested in cotton to consider, with reference to what is occurring now, whether or not their condition would not have been very much better if it had not been necessary to close the cotton exchanges, as well as to suffer the diminution in the demand for cotton that has arisen.

The Senator from Georgia [Mr. SMITH] day before yesterday, in discussing this situation, said that in some parts of the South to-day cotton was being sold as low as 3 and 4 cents a pound. He said that in Texas it had been impossible to get a bid upon it at all in some cases, and that it had been sold there in small quantities as low as 3 cents a pound, although it was being sold in other places as high as 6 cents a pound.

I myself believe very strongly that if it had been possible to keep the cotton exchanges of the country open, at the present time the force of the blow which has fallen on the South would be very much diminished. I know that there are at this moment a very considerable number of people who would be very glad to buy cotton if they could do it through the ordinary medium of the exchange, who would place their orders for cotton, both for actual use and for speculative purposes, in such a way as to make a market for it and a demand for it, and that the consequence of that would be a stability to the price of it that it has not at the present time.

I simply wanted to call that situation to the attention of people interested in cotton, that they might give it consideration.

Mr. OVERMAN. Mr. President, the Senator from Rhode Island [Mr. LIPPITT] speaks of this as a loan. We of the South come not to the Senate to ask for alms; we spurn them. We do not ask for any gift upon the part of the United States. What do we ask for? We ask simply that this great Government lend us its credit to take care of our own situation. That is all we are asking for.

I am amazed, Mr. President, to hear the utterances of some Senators, who seem to misunderstand the object of the pending amendment. What are we asking for? Are we asking to tax the people of North Dakota a cent? Not a cent. Do we ask to place a single burden upon any State of this Union except the South? No. We simply ask that we be allowed to bear

our own burdens and ask you to lend us your credit for a term of three years. That is all there is to the proposition. Then we will take care of the situation; we will pay the bonds; we ourselves will submit to taxation. There is to be no burden imposed upon anybody in this country except the southern people themselves, and therefore I say we ask for nothing of the Senate except simple justice.

The first consideration, Mr. President, to which I desire to call your attention is the situation in the South. Are we overdrawing the picture of conditions in that great section? Are bankruptcy and desolation staring us in the face? Are we serious about this matter? Are we playing politics, as some Senators say? Mr. President, the Senators from the South who are here pleading for the distressed people of the South are as serious as if we stood in front of the cannon's mouth. It is a serious question.

We do not know what is going to happen in our section of the country, with 50,000,000 bales of cotton on hand that can not be sold at all. Some few bales are being sold at the rate of 5 and 6 cents a pound, but the cotton mills, I will say to the Senator from Rhode Island, do not know what to pay for the cotton crop; they do not know what it is going to be worth to-morrow, and so they are not buying it.

Will the bankers lend money on it? No. Why? I would not loan money on cotton myself if I were a banker. I would not, as trustee for the depositors of my bank, loan money on cotton to-day at 6 cents a pound, when to-morrow it might go down to 5 cents or to 4 cents.

We do not want money; we want a market. Give us your credit and we will make a market, and that is all we need. We are 9 great States of this Union. We have 39 sister States. If I were a brother of the Senator from Nebraska and should ask him to sign my note for $1,000, and I would give him the best security on earth, would he not sign my note? Would not my brother sign it when I asked him to do it? We are 9 sister States. In our trouble and distress, will not our 39 sisters come to us and lend us their credit?

Senators talk about precedents. I hope to God there never will be need to follow this precedent in the United States again. There never has been need heretofore to establish such a precedent and there never will be again.

The attorney general of North Carolina was in Washington a few days ago to make an argument before the Supreme Court of the United States, and he made a great argument. He has been all over my State; he is a conservative man, a great man. While here he gave an interview to the Washington Post from which I quote as follows:

> Wholesale bankruptcy for the South, with destitution, misery, and starvation to follow through the winter months, is faced by the cotton States if the Federal Government does not come to their rescue by the purchase of the surplus cotton, according to Attorney General T. W. Bickett, of North Carolina, who is at the Raleigh. Said Mr. Bickett:
>
> "* * * The South is unable to take care of itself. Every bank in the cotton belt in North Carolina has already strained itself to the point of violating the State and Federal banking laws in an effort to finance the cotton crop.
>
> "Wholesale bankruptcy will result if the cotton States don't get aid. There is not a man in the cotton States who will not be affected, because cotton is the source of our prosperity.
>
> "Almost half of our State raises no cotton, yet the situation is desperate with us, and the plight of the States farther South, where cotton is more widely grown, is horrible.
>
> "The South to day is naturally the most conservative section of the Union. The most thoughtful element of our people feel that the Government owes it to us in this emergency, which no business foresight could have anticipated, to come to our relief. They can't understand why the Government can spend millions in building the Panama Canal, millions in building a railroad through the ice fields of Alaska, and millions on the barbarians of the Philippine Islands, and not spend anything for the relief of a section that is a thousand times more valuable to this Nation than the Panama Canal, Alaska, and the Philippine Islands combined."

That is a fair picture, Mr. President, of the situation. I have a telegram from Georgia stating that the panic was not only coming, but that it is already there. People are being sold out under the hammer.

Mr. President, the banks of the South get their money from New York. They discount their paper in New York for the purpose of financing the crops in the South. The bankers lend the money to the merchants to supply the cotton planters, and the cotton planters supply the poor tenant farmers, and about 30 per cent of the cotton growers are the poor colored men of the South. Those men to-day can not sell their cotton. What is to become of them during the wintry months, or what is to become of the poor white tenant farmers?

I have been told that in a little town of 1,500 people there is a man who has borrowed from the banks $30,000, which is in excess of that which the bank is allowed to lend under the law, according to its capital and surplus. He can not get another dollar to buy cotton with; another firm in that town has loaned out $250,000 to the planters. They want to pay it back; they have the cotton; they worked for it and cared for it, but they can not sell their cotton to pay their creditor, and he must go to the wall. The situation in that little town will be duplicated in every cotton county in North Carolina and in all other Southern States.

Are we the only sufferers? You who sell us dry goods in New York, you who sell us automobiles in Michigan and Indiana, you who sell us our farm machinery, you from Missouri who sell us the mules with which to make the crops, are going to be sufferers; all the world will suffer. As Mr. McCara stated in a meeting of the London Chamber of Commerce a few days ago in London, the cotton question is not a sectional question, it is not a question for the Republic of America, but it is an international question as well, and he appealed to his people to send a delegation here to see if something could not be done for the cotton growers of the South.

Mr. President, what have we done for the West? Every year for some time past $9,000,000 has been appropriated to help you out on your public lands in connection with reclamation and irrigation projects. In the 10 years since I have been here we have appropriated $100,000,000 to help the people of the West. For this purpose we in the South have asked nothing except little appropriations for public buildings here or there or appropriations to clean out some of our streams. We have stood by you gentlemen of the West. We have not only helped to appropriate $9,000,000, but we have indorsed $30,000,000 of your reclamation bonds to aid in irrigation and reclamation work. Is not that a precedent? That was done not only to put water on the public lands, but to put water on the lands of private parties. Ought you not now to come to our relief?

Why, Mr. President, when the curtain went down on that great tragedy at Appomattox the southern soldier, with all lost but honor, wended his weary way along the country roads where the fields had been plowed by the cannon balls and his farm sowed down with bullets; wherever he went he found the fences down and the roofs caving in. Despair seemed to cloud his face when he reached home; he found his wife barefooted and his children in rags; yet, with that sublime courage that he had displayed in battle, he looked up, threw aside the old musket that had been his faithful companion for four long years, went into the field, took up the old rusty plow standing in the furrow, and began the work of State building. He threw aside that old sword that had clanked by his side for four years, and took up the old scythe, and began to cut down the briers. Again he was engaged in State building. Then came the sorrowful days of reconstruction. I have no criticism to make of them; I know it was war; but the suffering and the trials of those people through those terrible times were horrible. These people have succeeded under greatest trials and tribulations, and made these nine States as great as the greatest in the Union. Now that their fields blossom as the rose, will you permit this disaster to come upon them when you can avert it by loaning them your credit?

You, my friends, levied a tax upon our people, upon the little cotton which was raised, of $3 a bale. I will not criticize that, because it was done in time of war, but let me tell you a remarkable thing that happened, which I believe that great-hearted and good man, Abraham Lincoln, was responsible for. When those taxes were collected, the books of the Treasury down yonder show what? Did the tax go into the general fund of miscellaneous receipts in the Treasury? No. Upon the books of the Treasury Department to-day there is found there the amount that was collected from North Carolina, credited to her; there is found the amount collected from Georgia, credited to her; there is found the amount collected from every other Southern State, credited to them. Why was that done?

Talk about the constitutionality of that tax! I do not know, and I do not care, whether it was constitutional or not, so far as this argument is concerned; but I know that the great President had that money credited to the States, because he felt the time would come when the United States that had wrung blood money out of these people from the little cotton they were able to raise would return it to them.

Forty per cent of the population of my State had been killed or wounded in battle; but the Government went to work and collected millions of dollars from the tax on cotton, when unnumbered woes had come upon them and forced nearly $2,000,000 from the hard earnings of the people from my State. Whether it was constitutional or not, your fathers determined that that money should go back to the South, to the people to whom it belonged; and that is why, Mr. President, if the amendment of the Senator from Georgia [Mr. SMITH] is not adopted, I intend to propose an amendment asking you to give that money back to us in this time of stress, because it is our money, and your fathers so considered it, or they would not have credited it on

the books of the Treasury as they did. Will you give it back to us? Ought we not to have it?

Are we distressed? Why, Mr. President, our debts have got to be paid. On the 1st day of November and the 1st day of December all contracts for fertilizer, all contracts for supplies, are to be paid. Then, I tell you, my countrymen, if something is not done for the southern country in the near future, as the attorney general of North Carolina said, starvation will stare us in the face, and a million poor colored men, whom we have been trying to take care of, who have but little land, and who have been living on the supplies sold to them by the planters, who will have practically to give away their cotton, will be roaming up and down the South begging bread; and how can we give it to them if we are broken financially and in a condition of ruin and distress?

The Government gave $5,000,000 to relieve the conditions caused by an earthquake, but we do not ask alms. Help us to take care of our own situation. Do we ask for money? No. Do we ask that you issue any money to us? Not at all. We simply ask that you write upon a piece of paper a bond in the Government's name and give it to us, and let us take these 5,000,000 bales of cotton and save them and hold them until they may be sold, and you will then get your money back. Under these conditions the taxpayers of the South will bear the burden; and if the cotton does not pay back the amount of the bonds, we ask that you tax us for the purpose, so that the Government of the United States shall not lose a cent. We will pay it ourselves; no other States will be called upon to do so; we will bear our burdens. We ask you, our sister States, to help us to save ourselves from bankruptcy. Have we not done our duty to the Union? Have we not been loyal? Why, Mr. President——

The VICE PRESIDENT. The Senator's time has expired.

Mr. POINDEXTER. Mr. President, under the unanimous-consent agreement I desire to address myself to the amendment offered by the Senator from Georgia [Mr. SMITH], with reference to the cotton situation, which is now pending, I believe. It seems, for the time being, to have supplanted in interest here the bill to which it is proposed to attach it.

Mr. President, in the far northern and western State from which I come there is no political stress or business need of our people due to the cotton situation which could by any possibility influence my action in regard to this amendment; but there is in that State a constantly growing belief that through the development of business and the binding together of the Nation as one, where a great section of our country is in need of relief, that the Federal Government has it in its power to give, for which it can find relief under the Constitution, the aid of the Federal Government should be extended. Is it for the general welfare? That is a political consideration.

I have been satisfied from letters which I have seen, and which could not have been written with any hypocritical intent, from plain farmers and citizens of this great section of the country, that there exists there an emergency and a dire need of relief so extensive as to constitute a problem concerning the general welfare of the Nation. Nothing could better illustrate the changing nature of our relations as a Federal Union than the fact that those people who once looked with aversion and suspicion upon the powers of the Federal Government, and hesitated to enlarge the granted powers of the Constitution, are now turning to that very instrument which they feared might be the source of their oppression as though it were a city of safety; that they seek relief and protection, both political and economic, from the Government which, when conditions were so different, they dreaded as almost an alien power.

Whether or not we agree with the wisdom of that tendency, we can not disagree that it is a fact; and we can not escape the result of business and economic forces which bind us more closely, not only to each other, but to the entire world.

One of the acts of this administration which has been heralded as indicative of its interest in the people has been the depositing in the national banks of the country, by the Treasury Department, of large sums of money, professedly for the relief of the agricultural classes. Now, I assert, leaving out of the question the technical issues which have been raised in cases in courts from time to time, in connection with excise taxes, that what the Government can do indirectly it has the power to do directly. If it can relieve or pretend to relieve the necessities of our agricultural classes by depositing hundreds of millions of dollars in national banks, which ordinarily in greater part are hoarded there and loaned out at exorbitant rates of interest to the people for whose benefit the money was intended—it can, through some such measure as is proposed by this amendment, and I think that is one of the wisest features of it, deal directly with the people themselves, and insure by that action that the purpose and intent of the measure will be effected.

It is said that this is not a uniform tax. I think that question has been disposed of, so far as the tax feature of this bill is concerned. It is uniform, because it is applicable to the entire country. Under the same conditions the law is uniform. What is not uniform is the production of cotton. That is not uniform, but that does not invalidate the law in any way whatever. There is not a tax measure upon the statute books which operates to an equal degree and extent in every community in the United States. It applies where the conditions exist to which it is directed; and that is true of this measure. It is admitted by those who have attacked it upon that ground that it is not a direct tax.

It has been argued by the Senator from Florida [Mr. BRYAN] that because the tax is levied for a specific purpose we should question, as a legislative body, at least, whatever the courts might do, the right to levy it. I admit that we ought to determine here the wisdom of this measure, but I assert that as a matter of law we can not question the disposition by the Government of the money which it derives from a valid tax merely on the ground that it has a special purpose. Of course the Government would have no right to apply it to an unlawful use, but that is entirely aside from the proposition involved here.

Some of the southern Senators fear the encroaching power of the Federal Government, and yet the same Senators have voted here in recent weeks for a piece of legislation which is infinitely more comprehensive in its effect upon them and upon the business of the people of this country than this measure possibly could be, in that you have created a Trade Commission, appointed by the Federal administration, with power to supervise and inquire into the private business of every citizen of the land. That is far more paternalistic than this proposition to do a thing which the Governments of other countries, under a stress apparently no greater than that which affects us, have already taken steps to do.

England has come to the relief of the cotton growers of Egypt. I do not believe that any modern Government, if we can judge them from what we learn of their action in the issues which have been coming on so rapidly of late, would hesitate for a moment or question at all their power to do the thing which is proposed to be done here now for the relief of a section which constitutes practically one-fourth of the Nation in a matter which directly and indirectly involves all of our people.

There is not any governmental vacuum. It is asserted that the States can not take this action. Of course, they could if they amended their constitutions; but they are not taking it, and it is really not a State matter. It goes beyond the bounds of any State. It involves a number of States. In my judgment it is a national matter in its very nature, in its extent, in its importance, and because it can be relieved by the use of agencies which the Government has very frequently undertaken, as I said before, to use.

I rose only to express what I believe to be the feeling of the people of a section far removed from the immediate pressure which exists in the cotton-growing States, and to say that I shall vote for this amendment. As to the bill itself, which for the time being seems to be laid aside from the attention of the Senate, I shall take occasion when it is upon its passage to express some views.

Mr. CLAPP. Mr. President, I desire to say that I do not expect at the next session, or any other session, to ask for any relief of this kind for the section of the Union from which I come, because I hope that that prosperity which has ever existed may continue to abide in their midst; but I believe I voice the sentiment of those people when I support the amendment offered by the Senator from Georgia.

I am not disturbed by any qualm about the Constitution; for if it be true that our Government can not serve the moral and material welfare of those who constitute the association called Government, then our Government needs reforming; for, in my humble opinion, that is the aim and purpose of free government.

It has been said that similar acts have passed the Senate before. No measure like this has ever passed the Senate. The Senate heretofore has voluntarily, so far as its action can do that, opened the Treasury of this Republic to those who have been distressed. I helped to vote money to the sufferers from the volcano in the West Indies. I helped to vote money to the sufferers in Ohio and in California. No one ever questioned the right of our Government to reach out its hands to those who were afflicted. Those cases are not parallel to this case, because, without any reflection upon those cases, in this case all that

these people ask is the loan of Federal credit. It is not a gratuity; it is not the granting of aid without prospect of return; but this case differs from all cases that have gone before in the fact that they only ask a loan of Federal credit and give abundant security for that loan with an assurance in the title itself that its benefits shall go to the producers of the cotton, and not into the hands of toll gatherers. To my mind the question of Federal aid involves in any case only a single question, and that is: Does the case, in the distress which it presents, warrant the use of the agencies of the Government for its relief? Whenever it does and wherever it does I would be false to my concept of government if I voted to withhold that relief.

In one section of this country for many years the sentiment has been growing and deepening that the purpose of government is to serve the moral and the material welfare of all the people. Owing to conditions that relate far back, there has been a more restricted view of that matter in another section. While I deplore the misfortune that has come upon the South, I can not but feel, in a sense, that if this misfortune shall deepen and broaden the feeling throughout the length and breadth of this Union that the sole purpose of the association called government is to advance the welfare, moral and material, of those who are thus associated, the disaster will not have been without some fruitage to the country as a whole.

No, Mr. President; there is no question here but that the disaster is sufficiently widespread to demand remedy at our hands. It has been my privilege to travel through the South, and I have often wondered at the remarkable recuperative powers of that section of the country. I have wondered how those people, with their property destroyed, with their homes in many cases destroyed, were able to advance and develop as they have. This great disaster has come upon them; and I want to congratulate the Senators who have had in charge the framing of this amendment that they have gone one step beyond where similar appeals have gone before. Instead of asking the gratuity of money from the Federal Treasury, instead of asking money without the purpose of return, they have limited their request to the mere loan of our Federal credit, and, out of the ordinary, they have provided that the benefits go direct to the real sufferer, the consumer, instead of benefiting speculators. It seems to me that it would not only be unjust, it would not only violate that theory of government which I personally so long have advocated, to withhold this help, but this case goes one step further than the particular section. This disaster can not go unchecked without its being visited upon the people of this Union from one end to the other. Upon that broad plane and upon that broad equation I believe it is our duty to extend this relief.

Therefore, Mr. President, it is with a feeling of satisfaction—if I may use that term in the face of a great disaster impending upon one section of this country—that I am permitted to stand here and contribute my feeble voice and my single vote for the advancement and adoption of this amendment.

Mr. VARDAMAN. Mr. President, it is a matter of great pleasure to me to listen to the sentiments expressed by the Senator from Minnesota [Mr. CLAPP], the Senator from Idaho [Mr. BORAH], and the Senator from Washington [Mr. POINDEXTER] in the discussion of the pending amendment. There is a ring of patriotic sincerity in their tones which is very refreshing.

More than 50 years ago a difference occurred between the sections of this great country of ours. I was not old enough to take part in that unfortunate conflict, but I had a representative who gave four of the best years of his honorable life to it. Often when a child, sitting upon his knee by the fireside of our humble country home, I listened with hungry ears to his story of that conflict. The sad and sickening tragedies of the battle field, the camp scenes, and all the array and panoply of cruel warfare so impressed my youthful mind that in my imagination I heard and felt it all. I was thoroughly imbued with the spirit of antagonism created by that war. I did not understand the real question at issue. The differences had existed from the foundation of the Government to the day when the tragedy began. The issue could be settled only in the court of might. My father and his comrades presented their case to that dread tribunal with all the power inherent in them. They believed they had a right, and I still believe they had a constitutional right, to do what they did. They gave all, they suffered all; they were willing to die in defense of those rights; but when the Stars and Bars trailed in the dust of defeat on that fateful day at Appomattox and the court handed down its decision, my father and his comrades of the South accepted the arbitrament as irrevocable. From that day to this they and their sons have been ready, as they have demonstrated on more than one occasion, to shed their blood in defense of the Stars and Stripes. Thank God, to paraphrase the language of another, that—

> The war drum throbs no longer
> And the battle flags are furled
> In this reunited country,
> The greatest in the world.

Mr. President, I want to say that if this Government shall realize the hope, if it shall fulfill the dreams, of the great men and women who gave it being, it is going to take all the patriotism, all the intelligence, all the altruism of all of us to save it from the fate which has befallen every Government similar to this one whose skeletons mark the shores of time this afternoon.

There is no room for hate in the heart of any patriotic American. There is no time for bickerings and strife in the consideration of this great problem.

> New conditions teach new duties,
> Time makes ancient good uncouth;
> They must upward still and onward
> Who would be abreast of truth.
> Lo, before us gleams the camp fire,
> We, ourselves, must pilgrims be,
> Launch our *Mayflower* and steer boldly
> Through the desperate winter sea,
> Nor attempt the future's portals
> With the past's blood-rusted key.

What is the question at issue? The people of the South are experiencing a business depression brought about by international conditions. Four months ago the South was never so prosperous. Hope sprang exultant in every breast. Our people looked forward to better times this fall than they had enjoyed since 1861. The war came as a devastating cyclone from a cloudless sky, and the crop which they had spent eight months in producing fell from a price that would have brought profit, contentment, happiness, peace, and prosperity to every home to a price that means bankruptcy and want. They come now to the General Government, the only power beneath the stars that can give them relief.

All this talk about a pool being formed by the banks and putting money in the hands of the Reserve Board, and all that, to help the southern cotton grower is sounding brass. It is not going to help the man whose strong arm tickled mother earth and produced this crop. That man is not going to be given any relief It may give a few speculators, a few business men—and under our system now nobody is a business man unless he is living upon the product of somebody else's toil—coining into gold the sweat of some one else's brow—but it is not going to help the man who, bowed by the weight of taxation, leans upon his hoe and gazes upon the ground—the tragedy of injustice written in mysterious hieroglyphics in his face, and on his back the burden of the world. It is not going to give him any relief.

We come to the Federal Government—a Government that derives all its powers from the consent of the governed, a Government that derives all its wealth from the labor of man, a Government that derives all its mentality and all its morals from the individual citizen—we come in an entirely constitutional and regular way, and I want to say that I was in hopes that the constitutionality of this measure was without question, and ask that you give to us that which we, as a part of the Government, have a right to expect you will concede to us.

Mr. CLAPP. Mr. President, will the Senator pardon me?

Mr. VARDAMAN. With pleasure.

Mr. CLAPP. Before the Senator leaves the subject of the direct benefit, I wish he would emphasize for the RECORD what is written in the bill, that these bonds can only be used to purchase the cotton of the producer himself.

Mr. VARDAMAN. I was going to come to that.

Mr. CLAPP. All right.

Mr. VARDAMAN. That is why I prefaced what I was going to say by the statement that the pool being formed by the bankers is not going to help the man who produces the cotton. It is not going to put any clothes upon the backs of the little children who help their parents pick the cotton in the fall, whose little hands are chapped by the frost upon the cotton boll and whose dear little bodies are chilled by the surly blasts of winter. It is not going to give days of schooling and hours of recreation and books and papers, all so necessary for the proper development of those little ones upon whose shoulders soon are to rest all of the responsibilities of government and of home.

No, Senators; it is not going to relieve the people who toil and produce the wealth of this country, who maintain its commerce in time of peace and fight its battles in time of war; it is not going to help them, but it will be an assistance and a help to a lot of men who will make great fortunes out of the necessities of the people.

Now, the question is whether or not the aid shall be given by this Government, this Government whose flag we all revere, this Government whose flag should be an emblem of liberty, beneath whose sacred folds no man should wear industrial shackles, which should be an emblem of equal opportunity in this Government, founded upon the dignity of labor and the equality of Anglo-Saxon manhood. We come to the Federal Government and ask it to make the loan; not to donate anything, not as a matter of charity, God forbid, but do by us simple justice.

I want to say if an amendment were adopted taking away the tax, refusing the people of the South the right to reimburse and indemnify the General Government against any loss, I would vote against the bill. We are not mendicants. We are not asking you for anything that is going to put one dime's expense on the Federal Government or taxation upon anybody except the people who are sought to be benefited by this act.

What is the proposition? It simply authorizes the General Government to make a loan of its credit for $250,000,000. These bonds are to be used to purchase 5,000,000 bales of cotton to be put in warehouses, and that cotton is to be kept there until after the war is over and normal conditions are restored. That is the proposition in a nutshell.

I have no patience with this talk about destroying cotton. To be candid with you, I have no sympathy whatever with the proposition to limit the cotton crop by legislation. That is not a legitimate subject of congressional or State legislation, in my judgment. Nor would I come to Congress and ask help if the difficulties with which we are dealing in the South now were the outgrowth of economic errors and business mistakes on our part. But they are not. They are the result of conditions over which we had no more control than we have over the movement of the planets.

The bonds are a loan to the cotton producer. They are to be used to buy the cotton from the producer, not the speculator. The producer is to get the benefit of them. The substratum of society, the man who is usually most neglected in matters of legislation, is to get some of the advantages. The cotton is to be held until such time as normal conditions are restored and the chasm bridged.

After the cotton shall be sold, if there is a deficit, if there is an expense which has been attached to carrying out the plan here, the people of the South tax themselves to pay it.

Can the Government do that? Mr. President, I do not think there is any doubt about it. Is it violative of the spirit or the genius of our institutions for the Federal Government to reclaim land by irrigation and sell it to the citizens on long time in small payments at a low rate of interest? I think not. We of the South have favored and supported measures of that character. Is it destructive or out of harmony with the general form of polity of our Government to build levees to protect land from inundation and to reclaim the overflowed lands and give men the opportunity to make a living that such reclamation brings? Nobody questions that now.

Is it a wise policy for the General Government to lend its credit to private individuals, to donate lands for the purpose of constructing transcontinental railroad lines and opening up the empire of the West to settlement, to dot the landscape with happy homes and fertile farms, the breeding place of patriots and the well spring of patriotism?

If we can give the people's land to build railroads in order to promote the public good, why can not we lend the people's bonds to the cotton growers of the South in order that general prosperity may be promoted? Is it proper under our form of government to penetrate the frozen wastes of Alaska in order that the mines stored with inexhaustible supplies of coal, silver, and gold may be used for the enrichment of the world and the promotion of the happiness and well-being of mankind? If the Government of the United States can do all of these things and more, I am sure it will be no stretch of authority to adopt the amendment offered by the Senator from Georgia [Mr. SMITH]. Mr. President, I realize that this amendment embodies principles and policies which are rather unique in the history of our Government. The conditions that confront us are unique—extraordinary. It is reported in the public prints that the President has said that the head and not the heart is to settle this problem. Mr. President, I deny that that is the proper way to settle it. There is work for both organs. The heart must blaze the way, and the head devise the means to solve it. I would rather trust the prompting of a loving heart, I would rather follow the lead of a trusting soul, than to be guided by the conclusions of cold-blooded, unsympathetic, dollar-loving intellectuality. This is a great Government of ours, and its strength is in "courageous men of purpose, great," rather than in material riches. The spirit of the Declaration of Independence puts the man above the dollar. The happy home of the laborer is preferable to the palace of the opulent idler. The man who serves his fellow man best pleases most his Maker and deserves most of his country. I trust the amendment may be adopted.

The VICE PRESIDENT. The time of the Senator from Mississippi has expired.

Mr. SMITH of Georgia. I desire to call attention to three amendments to the amendment, which are not material but with a view of perfecting the amendment as it was intended to be drawn.

First, upon line 23 of page 2, at the close of the line, after the word "cotton," that there may be no doubt about its meaning, we wish to add "of the crop of the year 1914." I felt that it meant that before. It was meant to mean the crop of 1914, but it has been suggested to me that perhaps some other construction might be placed upon it. So I ask to add "of the crop of the year 1914" after the word "cotton," at the end of line 23, on page 2.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The SECRETARY. On page 2, line 23, at the end of the line, amend the amendment by adding after the word "cotton" and before the comma the words "of the crop of the year 1914."

The VICE PRESIDENT. The amendment to the amendment will be agreed to without objection.

Mr. SMITH of Georgia. On page 3, in line 8, after the word "middling" the word "upland" should be used, because the technical term is middling upland.

The VICE PRESIDENT. Without objection, the amendment to the amendment will be agreed to.

Mr. SMITH of Georgia. At the close of section 30, on page 6, line 9, lest there should be any doubt about the meaning of the section, I wish to add "and the appropriation made in section 31 of this act." Then there can be no doubt about the fact that the purpose of this tax is to return to the Government the appropriation made for the temporary conduct of the work of the board.

Mr. SMOOT. Will the Senator repeat that?

Mr. SMITH of Georgia. At the close of line 9, page 6, add the words "and the appropriation made in section 31 of this act."

The VICE PRESIDENT. The amendment to the amendment will be agreed to. The pending question is on the amendment of the Senator from Mississippi [Mr. WILLIAMS] to amend the amendment by striking out certain sections.

Mr. THORNTON. I ask that the question be divided so that we can vote separately on section 26 and thereafter on sections 29 and 30. There is no reason why it should not be divided, because section 26 really provides for the reduction of the production of cotton, and section 29 and a portion of section 30 provide for a tax for reimbursing the Government for its expenses in carrying out the provisions of the act.

Mr. WILLIAMS. Mr. President, the motion to strike out, referring to several sections, of course, there is no doubt about the divisibility of the motion. I shall not contest that. That demand is one of right.

Mr. President, before the motion is put I want to say only one word. There seems to be a notion in some minds that if the tax is stricken out it becomes a donation instead of a loan to be paid back to the Federal Government. That is not the case at all. The language on line 14 to the end of page 3, and on page 4 down to section 29, and the first part of section 30, on page 5, all provide for the repayment of the loan. The Government has the cotton as security, and it is permitted to sell it the first year whenever it shall get 11 cents a pound. There is not a man living who does not know that cotton is going to be more than 11 cents a pound after peace comes. The cotton itself is ample security.

I just wanted to say that before the vote was put.

Mr. WHITE. Mr. President, I have not spoken on this measure. Really I wanted to hear others speak. Especially did I want to hear them before I spoke myself.

That the amendment offered by the Senator from Georgia [Mr. SMITH] is constitutional I do not think can be questioned. I am clear that it is constitutional. If I thought it was not, I would not vote for it.

I acknowledge, Mr. President, that the amendment is not in accord with the principles heretofore declared and maintained by the leaders of the party to which I belong, but those principles have been departed from and no longer insisted upon by that party. They are history; they are not living, vital principles to-day. They were uttered by our fathers at a time and under circumstances very different from the circumstances that surround us now. New propositions confront us with which they were not called upon to deal.

This is, in my judgment, purely a question of policy. It seems to me that the question before the Senate is whether the emergency is sufficient to justify the action proposed by the amendment? We can not justify our support of it unless there is a real emergency calling for the legislation; that it is necessary to meet a disaster not only to a limited section of the country but one that carries disaster to an extensive section of the country.

Let us inquire what section is involved? What area? I mean immediately involved, because every section of this Union is involved either immediately or indirectly. But what section is involved immediately and directly? Sir, it reaches from the Atlantic Ocean to the Rio Grande. An area stretching 2,000 miles across this continent is brought directly under the influences of this situation. Twenty million people are directly involved; and how are they involved, Mr. President? In such sort as the Senator from Colorado [Mr. THOMAS] and the Senator from North Dakota [Mr. MCCUMBER] have described? No; they speak of industries in which only a part of the population are engaged and only a portion of them injuriously affected and only a limited area involved. Quite different is the cotton situation; there practically the whole people are engaged in its production and involved in its conservation. Situations described by Senators are more like the iron industry of Alabama, where only a few people, comparatively speaking, are involved. The coal-mining interests of my State might be affected, and yet comparatively few of the people of the State would be affected and only a limited area of the country would be immediately concerned. You might close the iron mines and furnaces and the coal mines of Alabama, and still Alabama would live and prosper. Those particular industries, of course, would suffer and those dependent upon them would suffer. Mr. President, every farm—I might say practically every farm—from the Rio Grande to the Atlantic Ocean grows cotton to some extent; and in that way every family, every neighborhood, every county, and every State are involved. I had occasion to see my country when the besom of war had swept over it, but it did not present conditions so disastrous to the people as the situation does now. Through those sections where the armies passed they left desolation behind them.

In other sections where confiscation was put into effect those sections were prostrated, but back in the country, far behind it all, was a thrifty, virile, strong, determined population ready to divide what they had with those who were in destitution. But in this unforeseen, unexpected calamity all sections of our country are stricken alike.

Mr. President, a worse catastrophe than that which now threatens us was never known before and probably never will be again. I do not want to be misunderstood; I do not want Senators to take a narrow view of the situation, because in doing that they would fail to appreciate its effect and might fail to apply a remedy that they otherwise would. The blow, of course, will first come with all of its force upon the poor white people and the poor negroes in the South. They will first feel the blow. When they fall it will be transferred to the local merchant and banker behind them; they will next stagger under the blow, and they will fall. This giant of destruction will make his next stride into the North and the East, where the South's indebtedness is carried, and will there deliver his blow.

I would remind Senators that this crop has been produced by a year's continuous labor; that but for the war in Europe it would be worth a billion dollars.

The people of the South borrowed probably half that sum. Does any Senator believe that they can bear that loss and bear it all at once. They owe that amount, and approximately half of it to other sections of the country, and this loss must eventually fall upon other sections of the Union unless the people can be rescued from this pending disaster. It will fall upon the farmers of the West, from whom they purchase the live stock, grain, flour, and meat with which they made the crops. The other portion will fall upon the East, to whom they are indebted for manufactured goods and for money borrowed. If the South can not get relief, other sections must stand their portion of the loss or wait a long time for its payment. Sooner or later they must face it.

Do not Senators think it is wiser to make this appropriation and relieve the situation now. Adopt this amendment, thereby force European spinners to commence exporting this cotton, turn the balance of trade in our favor, replenish the Treasury with gold from abroad, rather than by internal taxation levied as we are proposing in this bill? Had we not better do this than do as some of our friends suggest, wait until bankruptcy and starvation comes and then make appropriations to meet a situation even more desperate than now confronts us? Will the conditions be easier to handle if we wait until other sections have become involved in the ruin? I think not. We are asking now to give us the aid of the Government's credit, really the aid of its great arm, with which we may unite our efforts. Our cotton itself will furnish the credit if we had the power of organization and could apply it to the situation. What we need is the arm of the Government more than the aid of the Government.

We are told, however, that, if we do this, it will make a precedent—a dangerous precedent. I tell you, Senators, we need such a precedent for similar condition; we need it to make us broad American citizens, as we should be; we need a precedent of this kind to make us love one State as well as another, Alabama as well as Michigan; we need a precedent that will stretch our sympathies over the whole country and see it in its broad light. Give us the precedent; it will not. When a man talks about a precedent harming him in the future, it occurs to me that it is want of courage and want of nerve, for, if the precedent does not suit him, he can turn it down. Whenever one yields to a precedent that should not be applied, the fault is not with the precedent so much as it is with the man. When such a situation meets your section, as it has met mine, and you ask me for help, I am ready to set the precedent.

The VICE PRESIDENT rapped with his gavel.

Mr. WHITE. I wish to read into the RECORD as a part of my remarks a statement from the Treasury Department. I should like to have it read.

Mr. CLARK of Wyoming. The Senator can not now have it read.

The VICE PRESIDENT. The Chair has no power to extend the Senator's time. That is a question for the Senate under the unanimous-consent agreement.

Mr. WHITE. Then I ask to have the statement printed as a part of my remarks. It shows that the precedent has already been made and repeated by all political parties. But I wish to say that this Government has been engaged in this kind of business since 1810, when it appropriated money to take care of sufferers by an earthquake in Venezuela, and has continued ever since.

The VICE PRESIDENT. Is there objection to printing in the RECORD the statement referred to by the Senator from Alabama? The Chair hears none, and it is so ordered.

The statement referred to is as follows:

Statement of emergency and special relief appropriations made by Congress, fiscal years 1894 to date.

Payments on account of Ford's Theater disaster:		
1895	$125,000.00	
1896	131,850.00	
1898	34,755.00	
1900	5,000.00	
1915	1,000.00	
		$297,605.00
Relief of people in mining regions of Alaska, 1898		200,000.00
Relief of sufferers from wreck of United States steamers at Apia (indefinite appropriation for year 1891):		
1894	$308.77	
1896	1,125.75	
1897	447.45	
1898	270.25	
		2,152.22
Recovering remains of officers and men and property from wreck of U. S. S. Maine, 1898		200,000.00
Removal of remains of officers and men who perished by destruction of U. S. S. Maine, 1898		10,000.00
Relief of sufferers by destruction of U. S. S. Maine (indefinite):		
1898	$83,358.19	
1899	34,074.73	
1900	5,733.00	
1901	192.00	
1902	660.00	
1903	432.00	
		124,449.92
Relief of destitute American citizens in Cuba, 1897		50,000.00
Relief of sufferers from overflow of Mississippi River, etc., 1897		200,000.00
Tents for sufferers from floods in Mississippi Valley:		
1897	$7,837.97	
1899	329.55	
1902	42.26	
		8,209.78
Transporting contributions for famishing poor of India (indefinite):		
1900	$20,000.00	
1901	20,000.00	
		40,000.00
Transportation of destitute miners from Alaska, 1901		920.00
Relief of citizens of the French West Indies, 1902		200,000.00
Supplies furnished destitute natives of Alaska during an epidemic in 1900, 1904		26,913.40
Payment for losses in suppressing bubonic plague, Hawaii, 1903		1,000,000.00
Relief of distress in the Philippines, 1903		3,000,000.00
Transportation of destitute citizens from Alaska, 1903		13,690.10
Relief of sufferers from earthquake, Pacific coast, 1906		2,500,000.00
Relief of sufferers from cyclone in Southern States, 1908		250,000.00
Relief of sufferers from earthquake in Italy, 1909		800,000.00
Protecting lands and property in the Imperial Valley, Cal., 1911		1,000,000.00

Relief of sufferers from famine in China, 1911		$50,000.00
Relief of sufferers from floods in the Mississippi and Ohio Valleys:		
1912		1,239,179.65
1913		4,500.00
Fighting and preventing forest fires in emergency:		
1912	$1,000,000.00	
1913	200,000.00	
1914	200,000.00	
1915	100,000.00	
		1,500,000.00
Relief of sufferers from volcano, Kodiak, Alaska, 1913		30,000.00
Transportation of refugee American citizens from Mexico, 1913		100,000.00
Investigating claims of American citizens for damages, insurrection in Mexico, 1913		5,000.00
Relief of sufferers from flood in Allegheny River in 1907, 1913		17,577.88
Relief of flood sufferers in Ohio and Indiana and on Ohio and Mississippi Rivers, etc., 1914		130,940.38
Relief of sufferers from floods, tornadoes, and conflagrations in the Mississippi and Ohio Valleys, etc., 1914		654,448.49
Transportation and caring for interned Mexican soldiers and military refugees:		
1914	$500,000.00	
1915	170,000.00	
		670,000.00
Relief and transportation of destitute American citizens in Mexico, 1914		240,152.47
Relief and transportation of American citizens in Mexico, 1914		500,000.00
Relief of sufferers from fire at Salem, Mass., 1915		200,000.00
Relief, protection, and transportation of American citizens in Europe, 1915		2,750,000.00
Representation of interests of foreign Governments growing out of hostilities in Europe, etc., 1915		1,000,000.00
Under act authorizing the establishment of a Bureau of War Risk Insurance in the Treasury Department (Public, No. 193, Sept. 2, 1914), 1915:		
Salaries and expenses, Bureau of War Risk Insurance	$100,000.00	
Losses on war-risk insurance of American vessels, their cargoes, etc	5,000,000.00	
		5,100,000.00
Estimated additional expenditures on account of occupation in Mexico:		
Army	$3,730,000.00	
Navy	291,000.00	
		4,021,000.00

TREASURY DEPARTMENT, *October 16, 1914.*

Mr. SMITH of Georgia. Mr. President, I have been requested to call attention to the business details of this amendment. To comprehend it I must first mention that for the last 10 years middling lint upland cotton has averaged about 12 cents a pound, and for five years past it has averaged 12¾ cents a pound. It was selling 30 days before the war in Europe began, and just before it began, at 13½ cents a pound. This measure recognizes the fact that the changed conditions should affect the price. It provides for no money from the National Treasury. It provides for a short-time bond issue, due on or before three years from date, in small denominations, to be exchanged with the producer only of the cotton and distributed to the States, as far as practicable, according to the quantity of their production, for upland lint cotton of middling grade at a price of not over 10 cents a pound, accepting a fall of between 20 per cent from the average price of the product during the past 10 years and substantially more than that from the price of cotton at the time the war began.

It provides next year for a tax of 2 cents a pound to be levied on cotton where the grower produced more than one-half the quantity he produced this year. I do not apprehend that that will bring much revenue to the Treasury, although I believe it will be enough to carry the interest next year.

It provides that if in 1915 the mills should demand more cotton, the board, consisting of the Secretary of the Treasury, the Postmaster General, and the Secretary of Agriculture, may sell it. Of course if the war ended there would probably be an increased demand, and therefore in order that no corner may be produced in the crop the board is authorized to sell. The board is also authorized to sell in 1916.

For 1916 the amendment provides that a tax of half a cent a pound shall be levied on all cotton producers, measured on the quantity of cotton they produce. A normal crop of 14,000,000 bales will bring in 1916, through the tax, $37,000,000. Half a crop, of course, will bring a smaller sum, but will make it absolutely certain that the cotton held by the Government would sell at a handsome profit.

By July 1, 1917, the board is required to sell all of this cotton, and a tax is levied of 1 cent a pound on each of the producers for that year, to continue until every dollar that the Government loses, if it loses anything, including interest and all expenses, shall be returned. So that, Mr. President, this tax, which is placed as an excise tax upon the producer, is an absolute surety against any possible loss by the Government, while the situation is such, really, as to make it practically certain that no tax will ever be required.

Mr. President, what justifies this legislation? How is the general welfare involved? It is conceded that foreign mills will require during the coming year about 4,000,000 bales of cotton. Shall the cotton be sold at something like normal price, or shall it be sold for half the normal price and our country lose in consequence $150,000,000?

Mr. OVERMAN. In gold.

Mr. SMITH of Georgia. In gold. Shall the country as a whole save $150,000,000 on this foreign sale? Our bonds and our stocks are coming in from abroad. A gold pool has just been formed in New York City to care for part of them. The cotton crop will care for $150,000,000 more if this amendment be agreed to than it would if it be not agreed to.

The business of the merchants of Massachusetts and of New England generally is being injured by the loss of custom from States constituting one-fourth of the Union. Business all over the country is injured by it. This amendment, without costing the National Government a dollar, will restore conditions to something approximately normal. Already the southern section is debtor to the Eastern and Middle and some of the Western States, probably to the amount of $400,000,000, growing out of the production of the cotton crop. Shall the debt be promptly paid? This amendment, if adopted, will cause its payment, and it will continue normal conditions of trade between the other States of the Union and the 10 Southern States. Then, Mr. President, when we come to the South itself it will save millions and millions of people from bankruptcy.

It is the small farmer, white and black; it is the man who has but little, who has made his crop, as usual, in part on credit, who will find that his cotton can not settle his debts and that he must give up his team, his cattle, his hogs, his plows, and his wagons to settle his obligations. Shall we save them? Shall we care for the general welfare of our entire country, and do it, not by giving a dollar, not by taxing anybody a dollar, except the cotton producers, who are to be benefited by the measure? Shall we save them and relieve our entire country under a plan that, if anything is made by it, the Treasury gets it, and if anything is lost by it, the cotton producers pay it? Why not?

Senators talk about precedents. Has anybody questioned the constitutional right of the Government to use its credit in this way? Can anybody successfully do so? It has not been done before just in this way, but there never before has been such an exigency as the one which confronts us at the present time. But we have used the credit of the Government to help the banks by legislation passed by the present Congress. We have used the credit of the Government to build railroads and in numerous other ways, and in the use of the power of the Government, through its Treasury and its credit, to promote the general welfare this has been perhaps the most progressive Congress that ever sat. Shall the progress stop? Shall that line of conduct cease when the greatest opportunity for the greatest good, with the most absolute certainty of no loss, is presented to the Congress?

Mr. President, if we add this amendment, it goes to conference. It goes still to the House. They may be able to improve it. They may be able to perfect it. They may be able to modify it so that it will be better than it is as framed by those who propose it. That opportunity for additional consideration remains; but so far as we see it presents the only plan to save the Nation from a great loss in its international trade, to save the business of the other States of the Union in the collection of their debts and in the continuation of their commerce, and to save the individuals of the section affected who offer to carry the responsibility and the risk and to guard the balance of their fellow citizens against the possibility of loss.

I ask Senators to support the measure.

Mr. THORNTON. Mr. President, I shall vote in favor of the pending amendment of the Senator from Mississippi [Mr. WILLIAMS], which, under the division of the question, is now the elimination of section 26 of the amendment proposed by the Senator from Georgia. The same section—26—while on its face proposing to levy a tax of 2 cents a pound on cotton raised in excess of one-half of what was raised by a planter during the present year, is intended by its authors, as we all know, to curtail the production of cotton next year by one-half, and that will be its effect if the provision becomes a law.

I am not at all concerned with the constitutionality of the section. I have considered that but slightly. Such consideration as I have given to it makes me think that it is constitutional. In the very able legal argument presented to-day by the Senator from Idaho [Mr. BORAH] on that question, I think he could have cited with great force a decision which he did not cite—McCray *v.* The United States (195 U. S., 27)—commonly known as the Oleomargarine case; and, in my judgment, the

reasoning of the court there would go very far toward establishing the constitutionality of this tax.

As I have said, however, I have not entered into that phase of the question. If I were convinced that it was ever so constitutional I would vote against it, and I would do so for the reason that I am not willing by my vote to give the Federal Government the right to say what any farmer in my State or any other State of this Union shall grow on his property in the way of agricultural products, or how much of them he shall grow.

Of course we understand that the object the authors had in view is that with this amendment and this forced curtailment of production the price of cotton next year will keep up, whereas if a full crop is raised it necessarily can not keep up to a price commensurate with the cost of production. That may or may not be.

Whether it is so or not, I will not vote for a law that will allow the United States to say what farm products the people of the State of Louisiana shall raise on their farms. I am an advocate of curtailment of production. I have preached it in my State for the last six years, since the boll weevil struck us; and, while my feeble utterances have had little or nothing to do with it, as a matter of fact the cotton production—the planting and consequent production—has been curtailed there to the extent of nearly one-half already. In consequence of the diversification, the raising of food products, they are beginning to be better off than they were before the boll weevil came—a great many of them, at least.

I claim that the cotton farmers of Louisiana are just as intelligent as the cotton farmers in any other of their sister States of the South or any of their sister States of any section of this Union, but I do not claim that they are any more intelligent than they are. Now, if moral suasion and the application of reason has brought about that result in Louisiana, it certainly can or ought to bring it about elsewhere in the South.

I am told that Louisiana suffers from the ravages of the boll weevil and that they have not got it in so many other States. I answer to that that the present calamity is a far greater calamity than the boll weevil ever could be—at least it is for the time. Therefore they can apply their reasoning to the situation and themselves curtail the crop.

I am perfectly willing for the State of Louisiana to pass a law which will carry into effect the wishes of the author of this amendment, because I know that the State of Louisiana will not do it unless a majority of her citizens wish that it be done; but I am not willing that the Federal Government, without asking the consent of those States, shall say what they shall raise and what they shall not raise in the way of any agricultural product.

I have no objection to the remaining sections, which provide for a tax, because that is intended to reimburse the Government for what the Government expends in trying to relieve the disastrous situation which confronts the people of the South. Therefore it is proper; but that is abundantly provided for without this 2-cent tax in section 26. I will support those sections, and I will oppose this, for the reasons I have given.

Mr. JONES. Mr. President, I am opposed to the bill that is pending before the Senate. I think it is absolutely unnecessary and uncalled for. I think that when we are taking $100,000,000 out of the pockets of the people in new and special taxes, it is simply to cover the results of unwise domestic policies and to take care of the unparalleled appropriations that we have made. The amendment, however, that has been proposed to take care of the situation affecting a large section of our country I favor. I believe that it is in fact a direct result of the war, and that this is an emergency proposition that we should take care of. The lack of diversification is unfortunate, but the immediate cause of this distress is the war and the loss of market it has taken from them.

I have always believed in a liberal construction of the Constitution of the United States. I believe that that instrument is so framed that the National Government can properly solve almost any problem that it is beyond the power of the States to take care of. I believe that with the expanding industries, changed conditions, new necessities, and greater problems that arise the fundamental principles of that great instrument may be applied so that those questions can be solved as they come up for the best interests of the people and the Government.

This great proposition affects 20,000,000 of the people of this great country—I do not say people of the South or southern people; I do not like to refer to them in that way. They are a part of the country. They are American citizens, just the same as we are. This great question that now affects 20,000,000 of our people directly, and indirectly the whole country, it seems to me, can be solved by the National Government, and by no other agency; and it seems to me that there is no question that can confront us of greater importance than the question of meeting the great emergency that confronts the country on account of this crisis.

Twenty millions of our people are threatened with poverty and ruin and bankruptcy and industrial disaster, and that affects all the balance of the seventy or eighty millions of our people in a most disastrous way. To say that this Government has not the power to meet that situation, it seems to me, is to confess that our Government is an absolute failure. It is a proposition that, in my judgment, we have the power under the Constitution to meet. Now, if we have the power to meet it, ought we to exercise that power?

There does not seem to be any question as to the condition that confronts our country, and that confronts millions of our people, and that confronts all of our people. If the statements made are correct, we are threatened with one of the greatest disasters that has ever come or can come to our people. Nobody contends that the condition does not exist as represented. Then it seems to me, if that condition does exist—and we must accept it as existing—we are derelict in our duty if we do not attempt to meet it.

Mr. KERN. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Indiana?

Mr. JONES. I do.

Mr. KERN. I should like to inquire of the Senator from Washington if he will vote for the pending measure in case this amendment should be adopted?

Mr. JONES. I will say to the Senator that that is the only thing that would induce me to vote for it. I am not so sure that I will vote for it even if this is adopted, so far as that is concerned; but I have always followed this rule in the Senate: I have voted for every amendment that I thought would improve any measure, regardless of whether I expected to vote for the measure on its final passage or not.

Mr. KERN. Does not the Senator know that he would vote against this bill even if this amendment were adopted?

Mr. JONES. I do not. I have not made up my mind upon that proposition; but I do know that I will vote against it without the adoption of this amendment, and that the adoption of this amendment is the only proposition that would induce me in any way to consider voting for it. I am in good faith when I say that I have not yet decided whether or not I will vote against it if this amendment is adopted.

Mr. President, so far as I am concerned, I am confronted with this proposition: I believe we have ample power to pass this legislation. I believe the great emergency that has been described here exists. Therefore I feel it my duty to do whatever I can to meet that great emergency. We have spent 18 months legislating for big business; let us now do something for humanity, for the producers of one of the great staples of life, who are actually threatened with poverty, suffering, and distress, and the country with widespread industrial disaster.

Mr. SMITH of Michigan. Mr. President, the inquiry of the Senator from Indiana [Mr. KERN], it seems to me, addresses itself to the consciences of Senators in a very striking manner. I believe that the amendment of the Senator from Georgia [Mr. SMITH] is the only feature of this bill which rises to the dignity of a war measure. The cotton situation at the present moment is undoubtedly in large part attributable to the European war. I find that the exports of cotton a year ago in the month of September amounted to 930 338 bales, while the exports of cotton for September just past amount to 125.778 bales. That is sufficient evidence to my mind of the fact that the European war has affected the export cotton market very detrimentally, although other causes enter into the situation.

I think if the proposition now pending in the Senate had to do solely with the rehabilitation of the demoralized cotton situation, it would have far better claims to support than when coupled with the proposition to raise $100,000,000 in revenue by special tax upon the vocations of the people. I have said many times during this discussion that I did not see a single meritorious feature in this deficiency revenue bill; that it was unnecessary, and that in my opinion it was the result of misjudgment and miscalculation upon the part of those who framed and are responsible for the changes in our customs laws. The day that revenue bill passed Congress the President of the United States said, at 9 o'clock and 10 minutes p. m., when he signed the bill, that business men should not be disturbed by it; that he had chosen the hour of 9 o'clock and 10 minutes in the evening in order that all places of public business might have closed for the day, including San Francisco, and that at that hour it might not have a detrimental effect upon the American market place. He said in his message to the joint session of the two Houses a few

weeks ago that the changes in our customs laws were not responsible for the deficit in revenue.

The author of the present tariff bill, Mr. UNDERWOOD, said, the day that bill was passed, that it would not unfavorably affect business in our country, and that it would not affect the revenues of the country harmfully. Mr. President, much as I regret to say it, it has done both, and we are now here to repair the national finances. While these striking figures on the exportation of cotton this September and September a year ago need no argument to disclose some of the causes which have operated against that particular industry, I want to say to my fellow Senators that the thing that has prevented the country from enjoying normal conditions in our industrial and commercial life is the overimportation of the products of other lands, made easy by free trade and the downward revision of the customs law.

Feeling as I do that this deficiency bill is unwise, unnecessary, unjust, and inequitable, that the country could have gotten along very well without it with reasonable economy and the ordinary sources of rehabilitation now in the Treasury, I must oppose it. If the President of the United States had had the courage of his late predecessor, Mr. Cleveland, he would sell the bonds now in the Treasury, and spread the responsibility for this deficiency in revenue of the Government upon the entire people, instead of choosing here and there a vocation sufficiently prosperous to be taxed again.

Mr. President, I can not listen to the eloquent appeals of southern Senators upon the other side of the Chamber with deaf ears. I know they are deeply moved in behalf of their people. I know that a great crisis impends. I know the intensity of their patriotism and their love of country, but this amendment comes as a rider to a very objectionable bill. If this proposition stood by itself alone, as has every other crisis which is cited as a precedent for this action, this side might well be moved to cast aside ordinary restraints and go to the relief of an affected and unfortunate section now in the very throes of business disaster.

But, Mr. President, this is an amendment to what I regard as a most unnecessary and atrocious proceeding. This is a makeshift, temporary and futile. This is an arbitrary exercise of the taxing power to make up revenue that could have been easily obtained by following the former practices of this Government for the better part of 100 years.

The suggestion of the Senator from Indiana [Mr. KERN] as to whether Senators upon this side of the Chamber who vote for this amendment are prepared to vote for the bill as amended raises a question of individual official conduct which I shall neither parry nor deny. I would seriously consider casting my vote for a carefully framed measure standing by itself and well calculated to meet this situation in the South, but I can not bring myself to the point where I can cast a vote for this amendment, thus keeping the word of promise to the ear and breaking it to the hope, and my judgment cries out against this bill. I had not intended to say anything about this amendment, but the situation is grave and all-absorbing. If we are to meet a war situation, this crisis should have had the support of the President of the United States. It is one of the contingencies resulting from the European war. I can not, however, bring myself to believe that even that crisis quite justifies me in supporting an amendment which, when finally perfected and in its entirety, I should feel called upon to oppose.

The VICE PRESIDENT. The question is upon the amendment of the Senator from Mississippi [Mr. WILLIAMS] to the amendment of the Senator from Georgia [Mr. SMITH]. The Senator from Louisiana [Mr. THORNTON] requests a division of the question. The first part of the amendment to the amendment the Secretary will state.

The SECRETARY. The first part of the amendment proposes to strike out section 26 of the amendment proposed by the Senator from Georgia. It begins on page 1, line 1, of the printed amendment and extends down to and includes line 14 on page 2.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The Secretary will state the second division.

The SECRETARY. The second part of the proposed amendment proposes to strike out section 29 as printed in the amendment of the Senator from Georgia. It is found on page 4, beginning on line 13, and extending down to and including line 6 on page 5 of the print.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The third division will be stated.

The SECRETARY. The third part of the amendment is on page 5, beginning on line 17, after the words "internal revenue," to strike out the remainder of line 17 and all down to and including line 9 on page 6.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question recurs on agreeing to the amendment of the Senator from Georgia [Mr. SMITH].

Mr. THORNTON. Mr. President, I shall vote in favor of the amendment in view of what I consider to be a great emergency, although I consider that it is opposed to all governmental policies that have controlled in this country heretofore, and particularly to the principles of the party to which I have had the honor to belong since I cast my first vote, 46 years ago. Nothing but the extreme stress of the situation will justify me in voting for it, as I intend to do.

I wish to say, however, in this connection, that I deprecate some lines of argument that have been used on the floor by Senators during this debate. Very strong intimations have been thrown out to the effect that those southern Senators who are opposed to this amendment and would vote against it were lacking in patriotism or devotion to their respective States. I have not the slightest idea but that every southern Senator who has spoken against this amendment and will vote against it is just as patriotic and is just as devoted to the interests of his State and section as any of the Senators who are going to vote for it.

What I say in regard to them I say also in regard to Senators from other sections of the Union than those of the South. There is no reason to suppose that any southern Senator or any Senator from any other section is actuated in his vote by any other motive than that of conviction to duty. They either think the scheme is impracticable or, as some of them have said, unconstitutional, and some of them think that other agencies can be brought about to relieve the situation. But no matter what it is, I consider that they are just as honest and genuine in their opinion in the matter as I am in my view or as any Senator is from any State of the South who advocates the amendment.

Then, something has been said on the floor in the nature of a reflection, as it were, upon the administration, or some portion of it. That could only apply to the Secretary of the Treasury and the President of the United States. It was said here that if this condition of affairs prevailed anywhere else except in the South the Government would be very prompt to relieve it.

Now, the intimation there is, in my judgment, entirely uncalled for. I have had no communication of any sort with the Secretary of the Treasury. We have seen some general newspaper statements to the effect that he thought other governmental agencies could be brought to bear that would relieve this situation without the necessity of taking this step, which he did not consider practicable nor proper. While he is not a resident of the South, he was born and reared there, and it is utter folly to suppose that he has not just as much sympathy with the people of the section in which he formerly lived as he has for the people of any other section of this Union. But he has his duty to perform and he has to administer his office in accordance with what he considers his duty to every other section of this country.

And so with the President. It has been said here on the floor that he is opposed to this amendment. It has even been said he would veto the bill if it was adopted, and it has also been said that if he did so he would do an improper thing.

I have had no more communication with the President of the United States in this matter than I have had with the Secretary of the Treasury, but I have just as much confidence in his feelings of sympathy for the South in which he was born and reared as I have in that of the Secretary of the Treasury, and I believe that if the President does think this is not a proper amendment to attach to the bill he does so from a sincere conviction of duty, because he is President not of the South alone but of the whole Nation; and if it should pass both Houses and he vetoed it I will still believe that he does it from his conception of duty and with regard to what he considers his constitutional oath of office.

Mr. SMOOT. Mr. President, I am compelled to leave the city at 5.30 to-day, and I ask that I may be excused from further attendance on the Senate during the present session of Congress.

The VICE PRESIDENT. The Senator from Utah being compelled to leave the city requests unanimous consent that he be excused from further attendance upon the present session of the Senate. Is there any objection? The Chair hears none. Unanimous consent is given to the Senator from Utah to absent himself from the further sessions of the Senate.

Mr. McCUMBER. Mr. President, I now offer an amendment which I had printed the other day to the amendment offered by the Senator from Georgia, and ask that the amendment follow at the end of the amendment offered by the Senator.

The VICE PRESIDENT. The amendment will be read.

The SECRETARY. Add at the end of the amendment proposed by the Senator from Georgia the following words:

Provided further, That whenever the price of No. 1 northern wheat at the principal terminal markets in the United States shall fall below $1.10 per bushel, and whenever No. 1 barley shall fall below 65 cents per bushel, and whenever No. 1 white oats shall fall below 50 cents per bushel at such markets, the Secretary of the Treasury is hereby directed to purchase all of said grains offered for sale at said prices, and to also purchase all other lower grades at such reduced prices as are generally recognized by commercial usage as the proper difference in value of such lower grades in the purchase and sale of grains.

It shall be the duty of the said Secretary of the Treasury to store and hold said grain so purchased until it can be resold at a profit of 2 cents per bushel.

To prevent the value of such grains falling below the aforesaid prices, the said Secretary of the Treasury shall prohibit all importations of such grains. If by reason of scarcity of production the price of any of the said grains shall rise above the price authorized to be paid, the said Secretary of the Treasury shall then allow importations until such prices shall have reached the standard of the purchasing prices herein mentioned.

The sum of $500,000,000, or so much thereof as may be necessary, is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, to meet the expenses of this provision.

To secure the necessary funds to carry out this purchasing project the Secretary of the Treasury is hereby authorized to issue bonds of the United States, bearing 4 per cent interest, in such denominations as he may determine, and due five years from the date of issue; said bonds shall not be sold for less than par.

Mr. McCUMBER. Mr. President, I ask the attention of the Senate for a very few moments, and especially that of Senators on this side of the Chamber. I am offering this amendment not as an original proposition, as I explained this morning. I am offering it to perfect an amendment that is offered by the Senator from Georgia [Mr. SMITH], which amendment would be imperfect if it did not accord to the industries of other sections of the country the same benefits that he seeks for his own section of the country. I am asking those Senators on this side of the Chamber who are Republicans to support me in this amendment, not, as I say, as an original proposition, because I never could be induced to offer it as such, but simply as one to perfect another amendment to secure equality of treatment of all our sections.

I hope the original amendment will not be adopted. I should not vote for it even if my amendment was attached to it; I would hope that both of them would be defeated. All I insist upon is that my amendment perfects it in the line of equality and justice.

Now, Mr. President, I want to say one word about what I regard as a false issue on which this scheme is offered, and that is that you are asking the credit of the Government, that you are asking a loan from the Government. Every Senator here knows that this is not a loan, but you are asking the Government to buy cotton. The only element of a loan is that you will guarantee that the Government, by curtailing the product, will receive enough for the cotton that it buys to get its money back; and if it does not, you will tax yourself for the difference and the interest.

It is a simple sale and purchase; it is a simple bulling of the market to create and inflate the price; it is simply a corner upon the Government and a monopoly by the Government.

We are not misinformed with the claim here that we are making a loan; that it is only the credit of the Government that is asked. If you will change this amendment so as to allow the Government to loan you $250,000,000 or $500,000,000, taking as security a lien upon the cotton itself at a price that will secure the Government, I think I would be induced, much as I am against paternalism, to help you under those circumstances. If you will say that cotton is worth 10 cents a pound and you will ask the Government to make you a loan of 5 cents a pound upon all of the surplus cotton until the price increases, when the Government can sell that on which it has a lien, that would be a clear case of a loan where the credit of the Government might be of some benefit to you. I would join you in that, and I think there are other Senators here who would do the same; but you know that you are asking the Government to go into the matter of cornering the market, and in order to make itself safe to fix a limit upon the productivity of the southern section of this country. I am opposed to that, and I think that every Senator ought to be opposed to it.

Mr. President, the Senator from North Carolina [Mr. OVERMAN], with tears in his voice, told us of the wonderful things that he had voted for our section of the country. I am not pleading for loyalty to the North; we only hear that on the other side of the Chamber. We have but one country and the loyalty ought to be all over it. The argument of loyalty ought not to be always indulged in in favor of some particular section. I want the same equal treatment of the North that we are giving to the South.

Mr. President, how did the Senator from North Carolina vote to help us out? I have here a list of 22 products upon which our people must depend for a living, every one of which can be produced in any quantity all over the face of the earth, and can be produced all around us in such quantities that by throwing them into our markets they can so depress our prices as to put us continually in a condition of semipoverty. I have shown you this forenoon that the cost of raising these cereals is to-day greater by 50 per cent than what we are to-day receiving for them if we hire the labor to produce them, and that we are only able to produce them at all and live because, unlike you, we put our own hands to the plow, we callous our own palms with the hoe and the fork, we do not depend upon hired labor to operate and run our farms, and in that way we are able to exist.

Mr. President, if you will just give us the same kind of treatment we will not ask for a loan. If there is anything the American people are entitled to, if there is anything that the Government of a Nation ought to do for its people, it is to assure to its people the first right in its own market. That is a duty which every government owes to its people. Give us that right, the first opportunity in our own market to the extent that we are able to supply that market at reasonable prices for our products, and we will never ask you for a loan, though hail and drought, though chinch bug and rust, and all of the other enemies of nature may from year to year inflict great damage upon us. On the other hand, we will go further with you. We will forgive what you have done against us in the matter of placing us in competition with the entire world, and we will vote you a loan to help you out in cotton until the European war is over and you can again sell at your normal prices.

You are not asking for a loan; you are asking us to buy your cotton; you are asking the Government to go into the business of a monopoly, instead of into the business of making a loan for your benefit. I am willing to vote for a loan, but I am not willing to do what you are asking us to do. What is that? It is that we take this mighty advance step into the field of paternalism, from which you know, or ought to know, that we never in the world can retreat; that you introduce an element into the finances and into the industries of this country that will be a precedent for every industry to call upon the Government to buy its product whenever that product will not pay the cost of producing it. If we in the country paid for our labor what is paid for labor in the cities, there would not be a single one of our farming industries that would pay the cost of raising the product.

I am opposed to this measure, because under a paternalistic government you destroy every incentive for exertion; you destroy the individuality and the responsibility of the citizen, upon which we must depend for all of our future progress and all of the hopes of the Nation; and you substitute for that the Government, as a father, leading its children, giving them employment, and determining what pay they shall receive in the several lines of their vocations. That is what it means. God knows we are traveling in that direction rapidly enough, and every man who does not believe in socialism, every man who does not believe in the principles of the Industrial Workers of the World, ought to set his face strongly against a proposition that leads directly toward that final result.

Mr. President, I think that for equality's sake my amendment ought to be added to the pending amendment, and then that the amendment as amended ought to be defeated. Then Senators ought to come before the country honestly for a loan by the Government to carry their product, if it be necessary, until after the conditions which have brought about the distress no longer exist.

Mr. WILLIAMS. Mr. President, I desire, while the bill is in the Senate as in Committee of the Whole, to give notice of the fact that I will, when it gets into the Senate, call for a vote upon the amendment to the amendment which I offered as in Committee of the Whole, and which was voted down.

The VICE PRESIDENT. The question is on the amendment of the Senator from North Dakota [Mr. MCCUMBER] to the amendment of the Senator from Georgia [Mr. SMITH].

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question now recurs on the amendment of the Senator from Georgia [Mr. SMITH].

Mr. CLARKE of Arkansas. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BRYAN (when his name was called). On this vote I am paired with the Senator from Arkansas [Mr. ROBINSON]. If he were present, he would vote "yea" and I should vote "nay."

Mr. CLARKE of Arkansas (when his name was called). I have a general pair with the junior Senator from Utah [Mr. SUTHERLAND]. The pair is of such a character, however, that I feel at liberty to vote on a matter of this kind, which so directly

and intimately affects the interests of my constituents, and I will underake to square it with him. I vote "yea."

Mr. PAGE (when Mr. DILLINGHAM'S name was called). I desire to announce the necessary absence of my colleague [Mr. DILLINGHAM] and to state that he is paired with the senior Senator from Maryland [Mr. SMITH].

Mr. GORE (when his name was called). I desire to announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON]. Being unable to secure a transfer, I withhold my vote. If it becomes necessary to make a quorum, I will vote.

Mr. JOHNSON (when his name was called). I have a pair with the junior Senator from North Dakota [Mr. GRONNA], but I am informed that if he were present he would vote as I intend to vote, and I shall therefore take the liberty of voting. I vote "nay."

Mr. LEA of Tennessee (when his name was called). On the cotton amendments I am relieved from my general pair with the senior Senator from South Dakota [Mr. CRAWFORD], and am therefore at liberty to vote. I vote "yea."

Mr. O'GORMAN (when his name was called). I transfer my pair with the senior Senator from New Hampshire [Mr. GALLINGER] to the senior Senator from Oregon [Mr. CHAMBERLAIN] and vote "nay."

Mr. OLIVER (when his name was called). I have a general pair with the senior Senator from Oregon [Mr. CHAMBERLAIN], but I am advised that on this vote he would vote the same way that I intend to vote, and therefore I take the liberty of voting. I vote "nay."

Mr. CLARKE of Arkansas. Let me inquire about that. Did not the Senator from New York [Mr. O'GORMAN] transfer his pair to the Senator from Oregon [Mr. CHAMBERLAIN], and does not that leave the Senator from Pennsylvania at liberty to vote in his own right?

Mr. OLIVER. Owing to the fact that the Senator from Oregon and myself think alike on this proposition, I considered that I could vote without a transfer of the pair.

Mr. CLARKE of Arkansas. The Senator from New Hampshire [Mr. GALLINGER] is paired with the Senator from Oregon [Mr. CHAMBERLAIN] on this vote under the transfer of the Senator from New York [Mr. O'GORMAN], so that it is not necessary for the Senator from Pennsylvania [Mr. OLIVER] to make any announcement.

Mr. O'GORMAN. To avoid any misunderstanding, Mr. President, I will state that I am advised that the senior Senator from New Hampshire [Mr. GALLINGER], if present, would vote as I have voted on this question.

Mr. CLARKE of Arkansas. That is all right.

Mr. THORNTON (when Mr. RANSDELL'S name was called). I desire to announce that if my colleague [Mr. RANSDELL] were present, he would vote "yea."

Mr. SAULSBURY (when his name was called). I transfer my pair with the junior Senator from Rhode Island [Mr. COLT] to the junior Senator from Nevada [Mr. PITTMAN], and vote "nay."

Mr. SMITH of Georgia (when his name was called). I have a general pair with the Senator from Massachusetts [Mr. LODGE]. Were he present he would vote "nay." This is a matter which concerns so much my own people that I have been released from my pair, and I vote "yea."

Mr. SMITH of Maryland (when his name was called). I transfer my pair with the Senator from Vermont [Mr. DILLINGHAM] to the Senator from Alabama [Mr. BANKHEAD], and I will vote as I understand he would vote if he were present. I vote "nay."

Mr. SMITH of Michigan (when his name was called). I have a pair with the junior Senator from Missouri [Mr. REED]. I transfer that pair to the senior Senator from Illinois [Mr. SHERMAN] and vote. I vote "nay."

Mr. VARDAMAN (when his name was called). I have a general pair with the junior Senator from Idaho [Mr. BRADY], but I have been released from that pair on this vote. I vote "yea."

Mr. WILLIAMS (when his name was called). I transfer my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the junior Senator from Louisiana [Mr. RANSDELL], and I ask that this announcement stand for the day. I vote "yea."

The roll call was concluded.

Mr. CLARK of Wyoming. I am requested to announce the following pairs:

The Senator from Maine [Mr. BURLEIGH] with the Senator from New Hampshire [Mr. HOLLIS];

The Senator from New Mexico [Mr. CATRON] with the Senator from Oklahoma [Mr. OWEN];

The Senator from New Mexico [Mr. FALL] with the Senator from West Virginia [Mr CHILTON]; and

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN].

Mr. TOWNSEND. I wish to announce the necessary absence of the senior Senator from Ohio [Mr. BURTON] and his pair with the Senator from Arizona [Mr. SMITH]. This announcement may stand for all votes to-day.

The result was announced—yeas 21, nays 40, as follows:

YEAS—21.

Borah	Lane	Sheppard	Vardaman
Clapp	Lea, Tenn.	Shields	White
Clarke, Ark.	Martine, N. J.	Simmons	Williams
Culberson	Myers	Smith, Ga.	
Fletcher	Overman	Smith, S. C.	
Jones	Poindexter	Thornton	

NAYS—40.

Ashurst	Lee, Md.	Page	Sterling
Bristow	Lewis	Perkins	Stone
Camden	Lippitt	Pomerene	Swanson
Clark, Wyo.	McCumber	Root	Thomas
du Pont	McLean	Saulsbury	Thompson
Hitchcock	Martin, Va.	Shafroth	Townsend
Hughes	Nelson	Shively	Walsh
James	Norris	Smith, Md.	Warren
Johnson	O'Gorman	Smith, Mich.	Weeks
Kern	Oliver	Smoot	West

NOT VOTING—35.

Bankhead	Colt	Hollis	Reed
Brady	Crawford	Kenyon	Robinson
Brandegee	Cummins	La Follette	Sherman
Bryan	Dillingham	Lodge	Smith, Ariz.
Burleigh	Fall	Newlands	Stephenson
Burton	Gallinger	Owen	Sutherland
Catron	Goff	Penrose	Tillman
Chamberlain	Gore	Pittman	Works
Chilton	Gronna	Ransdell	

So the amendment of Mr. SMITH of Georgia was rejected.

Mr. OVERMAN. Mr. President, I gave notice some days ago of an amendment to this bill proposing to return to the Southern States the cotton tax which was collected by the Federal Government during the Civil War.

I have taken from the books of the Treasury Department the amounts credited to each of those States. Evidently our fathers, who had the amounts charged up in that way, intended that this money should be paid back to the States from which it was collected. We have asked for it time and again, but I do not think the question has ever come to a vote.

If the Senate wants to help the South, which during all these years has come up through toil and trouble and tribulation and is now standing on the mountain top, having become great and prosperous, and is about to be driven back into poverty and distress, now is the time for the Senate to do something for those States in the way of simple justice. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment proposed by the Senator from North Carolina will be stated.

The SECRETARY. It is proposed to add at the end of the bill the following:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to credit and pay to each State a sum equal to the collections made from the States of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Missouri, North Carolina, South Carolina, Tennessee, Texas, and Virginia, or from any citizens or inhabitants thereof, or other persons, companies, corporations, or associations, under act of Congress approved July 1, 1862, and the amendatory acts thereto, for the purpose of aiding said States in assisting the producers of cotton in taking care of their surplus crop, which they are unable to sell by reason of the European war; to be used for the purchase of cotton by said States from the producers thereof, or making loans to the producers of said cotton under such rules and regulations as may be prescribed by the Secretary of the Treasury, Attorney General, and the governor of each of said States.

SEC. 2. That the following sum shall be paid to each State, the same being the amount found upon the books of the Treasury of the United States as the amount collected from each of said States under said act: To the State of Alabama, $10,388,072.10; Arkansas, $2,555,638.43; Florida, $918,944.98; Georgia, $11,897,094.98; Kentucky, $553,327.45; Louisiana, $10,098,501; Maryland, $51,349.52; Mississippi, $8,742,995.93; Missouri, $592,098.36; North Carolina, $1,959,704.87; South Carolina, $4,172,420.16; Tennessee, $7,873,460.71; Texas, $5,502,401.24; Virginia, $657,588.58.

SEC. 3. That said sum paid over to said States may be held for a term of five years subject to such disposition as Congress may hereafter provide.

SEC. 4. That there is hereby appropriated out of any money in the Treasury not otherwise appropriated the sum of $65,963,598.31 for the purpose of carrying out the provisions of this act.

SEC. 5. That when loaned to the producers of cotton, the rate of interest on said sum shall not exceed 3 per cent per annum.

The VICE PRESIDENT. The question is on the amendment of the Senator from North Carolina.

Mr. WILLIAMS. Mr. President, I wish to say a word upon this amendment.

Mr. WARREN. Mr. President, I should like to address a question to the Senator from North Carolina before the Senator

from Mississippi proceeds. In this enumeration of States, is it not a fact that some or, in fact, a number of the States are indebted in another account to the United States for money loaned in the early days of the Union?

Mr. OVERMAN. They may be, Mr. President. I can not tell how that is. Does the Senator say in the early days of the Union? No, sir; I think not—not that I know of.

Mr. WILLIAMS. Prior to the time of the Civil War there were amounts of money loaned to several of the States, and they include a part of these sums. I have not the sums before me. My attention was called to the matter only a moment ago.

Mr. OVERMAN. This has nothing at all to do with that. I am informed by the Treasury that this is the amount collected by the Treasury itself by a tax upon cotton. There may be some account——

Mr. WARREN. The Senator, then, puts this upon the ground that it is a cotton indebtedness, without reference to what these same States may owe to the United States on other accounts?

Mr. OVERMAN. There may be other accounts; I do not know as to that. I know that the Treasury informs me that this is the amount of the tax collected on cotton from 1862 to 1868, at the time it was repealed, and credited to each State.

Mr. WARREN. I do not doubt that the Senator is correct about that; but I may say to the Senator that I am very certain that a large sum in total is due from the several States to the United States—some $30.000.000 and interest since 1836. I ask that a communication from the Treasurer of the United States, relating to items of unavailable funds reported in his general account, may be printed in connection with my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, February 15, 1910.

SIR: I have the honor to transmit herewith a communication from the Treasurer of the United States, relating to items of unavailable funds reported in his general account.

This communication sets forth the history of the deposits of public moneys amounting to $28,101,644.91 made with the States under the provisions of the act of June 23, 1836, and subsequent legislation taking the control of these funds from the Treasury Department.

It seems desirable and important that the Congress should enact legislation that will finally dispose of said deposits, and my recommendation is made for such action.

Respectfully,

CHARLES D. NORTON,
Acting Secretary.

HON. JAMES A. TAWNEY,
House of Representatives, Washington, D. C.

—

TREASURY DEPARTMENT,
OFFICE OF TREASURER OF THE UNITED STATES,
Washington, February 15, 1910.

DEAR SIR: I have the honor to submit for your consideration a statement relating to the deposits of public moneys, amounting to $28,101,644.91, made with the States under the provisions of the act of June 23, 1836, sections 13 and 14 of which are as follows:

"SEC. 13. *And be it further enacted*, That the money which shall be in the Treasury of the United States on the 1st day of January, 1837, reserving the sum of $5,000,000, shall be deposited with such of the several States, in proportion to their respective representation in the Senate and House of Representatives of the United States, as shall, by law, authorize their treasurers or other competent authorities to receive the same on the terms hereinafter specified; and the Secretary of the Treasury shall deliver the same to such treasurers or other competent authorities on receiving certificates of deposit therefor, signed by such competent authorities, in such form as may be prescribed by the Secretary aforesaid; which certificates shall express the usual and legal obligations and pledge the faith of the States receiving the same to pay the said moneys, and every part thereof, from time to time, whenever the same shall be required by the Secretary of the Treasury for the purpose of defraying any wants of the Public Treasury, beyond the amount of the five millions aforesaid: *Provided*, That if any State declines to receive its proportion of the surplus aforesaid, on the terms before named, the same shall be deposited with the other States agreeing to accept the same on deposits in the proportion aforesaid: *And provided further*, That when said money, or any part thereof, shall be wanted by the said Secretary to meet appropriations by law, the same shall be called for, in ratable proportions, within one year, as nearly as conveniently may be, from the different States with which the same is deposited, and shall not be called for in sums exceeding $10,000 from any one State in any one month without previous notice of 30 days for every additional sum of $20,000 which may at any time be required.

"SEC. 14. *And be it further enacted*, That the said deposits shall be made with the said States in the following proportions and at the following times, to wit: One-quarter part on the 1st day of January, 1837, or as soon thereafter as may be; one-quarter part on the 1st day of April, one-quarter part on the 1st day of July, and one-quarter part on the 1st day of October, all in the same year."

The amounts of public moneys transferred to and deposited with the respective States under the foregoing provisions were as follows:

Maine	$955,838.25
New Hampshire	669,086.79
Vermont	669,086.79
Massachusetts	1,338,173.58
Connecticut	764,670.60
Rhode Island	382,335.30
New York	4,014,520.71
Pennsylvania	2,867,514.78
New Jersey	764,670.60
Ohio	2,007,260.34
Indiana	860,254.44
Illinois	$477,919.14
Michigan	286,751.49
Delaware	286,751.49
Maryland	955,838.25
Virginia	2,198,427.99
North Carolina	1,433,757.39
South Carolina	1,051,422.09
Georgia	1,051,422.09
Alabama	669,086.79
Louisiana	477,919.14
Mississippi	382,335.30
Tennessee	1,433,757.39
Kentucky	1,433,757.39
Missouri	382,335.30
Arkansas	286,751.49
Total	28,101,644.91

These deposits represent but three of the installments provided for in section 14 of the act of June 23, 1836; when the time arrived for making the transfer of the fourth installment, the necessities of the General Government were such that it became necessary to postpone such transfer which was done by Congress in the following enactment (act of Oct. 2, 1837):

"*Be it enacted, etc.*, That the transfer of the fourth installment of deposits directed to be made with the States, under the thirteenth section of the act of June 23, 1836, be, and the same is hereby, postponed till the 1st day of January, 1839: *Provided*, That the three first installments under the said act shall remain on deposit with the States until otherwise directed by Congress."

You will observe that by this enactment the transfer to the States of the fourth installment was not only postponed, but also that control of the first three installments previously transferred to and deposited with the States was taken from the Secretary of the Treasury, and that the amounts thereof were to remain on deposit with the States until otherwise directed by the Congress.

The Congress in assuming direct control of these deposits by this enactment excepted them from movement under the laws governing public moneys deposited in the general account to the credit of the Treasurer of the United States, viz:

"All public moneys paid into any depository shall be subject to the draft of the Treasurer of the United States, drawn agreeably to appropriations made by law. (Sec. 3593, R. S.)

"The Secretary of the Treasury may, except as provided in the next section (3641), transfer the moneys in the hands of any depositary of public moneys to the Treasury of the United States to the credit of the Treasurer; and he may transfer moneys in the hands of one depositary to any other depositary, as the safety of the public moneys and the convenience of the public service shall seem to him to require. (Sec. 3640, R. S.)"

The Government has on several occasions since 1837 been very much in need of money to pay the ordinary expenses, yet the Congress has never reinvested the Secretary of the Treasury with authority to recall to the Treasury the public moneys deposited with the States. And now, 73 years after the last enactment relating to these deposits, it may be safely assumed that the Congress will not authorize the recall of these deposits to the Treasury. For many years they have been stated as "unavailable funds" in the annual reports of the Treasurer of the United States. They form a part of the general account, and are so stated quarterly by the Treasurer.

There is no way by which these deposits, anomalous in character, can be taken out of the general account under existing law; therefore I have to request that recommendation be made to the Congress, in such manner as you may deem advisable, for legislation that will relieve the Treasurer of further accountability for said deposits with the States.

Respectfully, yours,

LEE MCCLUNG,
Treasurer of the United States.

THE SECRETARY OF THE TREASURY.

Mr. OVERMAN. That may be. I do not know how that is. I want to say that this tax was originally levied in 1862, but, of course, the war being on at that time, only a small amount was collected in 1863, 1864, and 1865; but in 1866, 1867, and 1868 a large amount of revenue was collected under it.

Mr. JONES. Mr. President, I should like to ask the Senator a question. Where would this money go?

Mr. OVERMAN. This amendment provides that it shall go to the State.

Mr. JONES. It just goes to the State, not to the cotton producer?

Mr. OVERMAN. To be loaned to the people at 3 per cent, to take care of their own cotton. It provides that at the end of five years Congress may decide what shall be done with the money in the future.

Mr. JONES. Could your State government loan the money to the producers?

Mr. OVERMAN. Yes.

Mr. JONES. You have no prohibition against that?

Mr. OVERMAN. There is no trouble about that.

Mr. WILLIAMS. Mr. President and Senators, I want to say a few words in behalf of this amendment.

The cotton tax of 1866 was a tax of questionable constitutionality. I went into that whole question yesterday, and I shall not repeat it now. I do not say now, and I did not say then, that it was unconstitutional, nor do I say that it was constitutional. The Supreme Court of the United States split evenly upon the question. Four justices of the Supreme Court held it constitutional and four justices of the Supreme Court held it unconstitutional. For twenty-odd years—longer than that, in fact; ever since the early seventies—the South's people here—Col. Oates, of Alabama; the gentleman from Florida, Mr. CLARK, in the other House; and various others

preceding them and some succeeding them—have been contending that that was an illegal and an unconstitutional tax, and ought to be returned to the Southern States; that it had been laid upon them as a matter of war indemnity and as a matter of punishment; and having been laid upon them in that way, independently of the question whether it was constitutional or unconstitutional, it ought now to be returned. That agitation has been going on for Heaven knows how many years, and one of the reasons why I wanted to strike all features of taxation out of this bill was because we could not stand upon two horses, riding in opposite directions, at the same time. We could not contend that we have a right to have that money back and at the same time contend that we could make a new cotton tax. So there was some slight difference between the two taxes——

Mr. OVERMAN. Mr. President, I stated——

Mr. WILLIAMS. Please let me continue, unless the Senator wants to ask me a question, because I am right in the middle of a sentence.

Now, Senators, this was a tax of questionable constitutionality. Keep that in your minds. There is no question at all about the fact that it was laid upon our backs right after the war as a punishment, or as a part of a war indemnity to be paid by the conquered section, or the overcome section, to the victorious section. Now, then, with our cotton crop in this condition, why is it not right and fair to return to the cotton raisers of the South that which was taken away from them in a spirit of unfriendliness and hostility—I will not say hatred? Why not now, in the day of reconciliation and in the day of friendship, when the sons of the veterans who fought on each side have stood side by side in battle upon the land and upon our naval ships, give us at least this $68,000,000 back and let it go to the States in order that the States may buy cotton with it, and in that way hold up the price if they choose to do it?

I submit to you that that is a fair proposition. You ought never to have taken that money. You took it at a time when the South was a land of burned houses and blackened chimneys. You took it at a time when they had not started to work their fields. You took it at a time when every other burden was upon their backs. You took it at a time when the entire social fabric was in anarchy. I do not blame you so much for having done it, because at that time hatred existed between the two sections, and for every vial of wrath that you had stored up I confess that we had another. That time is past now, however. Why not vote us back this sixty-eight and a half million dollars?

Mr. STONE. Mr. President, would it interrupt the Senator if I should ask him a question?

Mr. WILLIAMS. No.

Mr. STONE. The bill we have before the Senate is an emergency bill, in a sense at least. We are attempting by this bill to raise a very little over $100,000,000 to meet the exigencies of a situation. If we appropriate substantially $70,000,000 of the $100,000,000 that we are endeavoring to raise by this bill, where will the money come from to pay this or to relieve the Treasury?

Mr. WILLIAMS. I see the drift and I recognize the force of the interrogation and the objection contained in it, and it comes with perfect pertinency. I had thought about it beforehand, and had thought of amending the amendment of the Senator from North Carolina so that instead of appropriating so many dollars out of the Treasury for this purpose we should issue that amount of bonds and sell them. If the Senator from North Carolina will accept that amendment, I hope he will add it to the one he has offered.

Mr. OVERMAN. The Senator can draw that amendment. I have no objection to it.

Mr. WILLIAMS. Of course it would not do to take sixty-eight and a half million dollars out of the Treasury now without adding sixty-eight and a half millions to the Treasury. The Senator from Missouri is right about that. I had thought of that beforehand and intended to come to it after awhile.

I will say to Senators that I do not want to delay them, nor have I the time under the 15-minute rule, but if they will go back to the CONGRESSIONAL RECORD of April 27, 1908, and the CONGRESSIONAL RECORD of January 24, 1908, they will find all the facts in connection with this tax and all the debate upon those two occasions.

Mr. WARREN. Mr. President, I should like to call the attention of the Senator from North Carolina [Mr. OVERMAN] to the fact that there is an appropriation here of $68,000,000 out of the Treasury. How is that provided for? Are we to have another emergency tax bill?

Mr. OVERMAN. Oh, there is no trouble about that. If we make this appropriation here, it will be settled in conference, and we can provide for a bond issue if you want to give it to us; or the President might even do as President Roosevelt did under the law that allows him to borrow that much money on his own certificates.

Mr. WARREN. My colleague [Mr. CLARK] calls my attention to the fact that this matter has already been discussed, so I have nothing further to say.

Mr. WILLIAMS. Mr. President, I shall offer the amendment which I referred to a moment ago. I move to strike out section 4 of the amendment of the Senator from North Carolina [Mr. OVERMAN] and to substitute for it the following language:

To secure the necessary funds to carry out the provisions of this amendment, the Secretary of the Treasury is hereby authorized to issue bonds of the United States bearing 3½ per cent interest, in such denominations as he may determine, due five years from the date of issue, said bonds not to be sold for less than par.

Mr. OVERMAN. I will accept that amendment.

The VICE PRESIDENT. The question is on the amendment of the Senator from North Carolina, as modified.

Mr. OVERMAN. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CLARKE of Arkansas (when his name was called). I announce my pair with the junior Senator from Utah [Mr. SUTHERLAND] and withhold my vote.

Mr. JOHNSON (when his name was called). I again announce my pair. Under my arrangement with the Senator from North Dakota [Mr. GRONNA], I am at liberty to vote. I vote "nay."

Mr. O'GORMAN (when his name was called). I am advised that my pair would vote as I would vote on this proposition. Therefore I am relieved of the pair. I vote "nay."

Mr. OLIVER (when his name was called). I have a general pair with the senior Senator from Oregon [Mr. CHAMBERLAIN], which I transfer to the senior Senator from Connecticut [Mr. BRANDEGEE], and will vote. I vote "nay."

Mr. THORNTON (when Mr. RANSDELL's name was called). I desire to announce that my colleague [Mr. RANSDELL], if present, would vote "yea" on this proposition.

Mr. SAULSBURY (when his name was called). I make the same transfer as before of my pair and vote "nay."

Mr. SMITH of Georgia (when his name was called). I have not been released on this matter from my pair with the Senator from Massachusetts [Mr. LODGE], and at present I can not vote.

Mr. SMITH of Maryland (when his name was called). Transferring my pair as before, I vote "nay."

Mr. SMITH of Michigan (when his name was called). I make the same announcement as on the previous roll call and vote "nay."

Mr. VARDAMAN (when his name was called). I have a general pair with the junior Senator from Idaho [Mr. BRADY], and on that account I can not vote. If I were permitted to vote, I would vote "yea."

The roll call was concluded.

Mr. SMITH of Georgia. I desire to transfer my pair to the junior Senator from Arkansas [Mr. ROBINSON] and will vote. I vote "yea."

Mr. GORE. I desire again to announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON]. For this reason I withhold my vote.

The result was announced—yeas 14, nays 44, as follows:

YEAS—14.

Bryan	Overman	Simmons	White
Fletcher	Perkins	Smith, Ga.	Williams
Lea, Tenn.	Sheppard	Smith, S. C.	
Myers	Shields	Thornton	

NAYS—44.

Ashurst	Johnson	Nelson	Smith, Md.
Borah	Jones	Norris	Smith, Mich.
Bristow	Kern	O'Gorman	Sterling
Camden	Lane	Oliver	Stone
Clapp	Lee, Md.	Page	Swanson
Culberson	Lewis	Poindexter	Thomas
Clark, Wyo.	Lippitt	Pomerene	Thompson
du Pont	McCumber	Root	Townsend
Hitchcock	McLean	Saulsbury	Walsh
Hughes	Martin, Va.	Shafroth	Warren
James	Martine, N. J.	Shively	Weeks

NOT VOTING—38.

Bankhead	Crawford	La Follette	Smith, Ariz.
Brady	Cummins	Lodge	Smoot
Brandegee	Dillingham	Newlands	Stephenson
Burleigh	Fall	Owen	Sutherland
Burton	Gallinger	Penrose	Tillman
Catron	Goff	Pittman	Vardaman
Chamberlain	Gore	Ransdell	West
Chilton	Gronna	Reed	Works
Clarke, Ark.	Hollis	Robinson	
Colt	Kenyon	Sherman	

So Mr. OVERMAN's amendment was rejected.

Mr. SMITH of Georgia. Mr. President, when we disposed a short time ago of the amendment that I offered to the tax bill,

I think we disposed adversely of a measure far more important than the tax bill itself. I now move to lay the tax bill upon the table.

Mr. BRYAN. Mr. President——

Mr. SIMMONS. Mr. President, I want to ask the Senator from Georgia if he will not allow me to offer an amendment for the committee before he offers his motion?

Mr. SMITH of Georgia. I yield for that purpose only.

Mr. SIMMONS. On page 10, line 18, of the bill, after the word "section," I move to insert the words "whose annual receipts from the sale of tobacco exceed $600."

Mr. THOMAS. Mr. President, a point of order.

Mr. SIMMONS. I hope the Senator will let this amendment be acted upon.

Mr. SMITH of Michigan. Let us have it reported.

The VICE PRESIDENT. It will be read.

The SECRETARY. On page 10, line 18, insert after the word "section" the words "whose annual receipts from the sale of tobacco exceed $600," so that if amended the paragraph will read:

Dealers in tobacco, not specially provided for in this section, whose annual receipts from the sale of tobacco exceed $600, shall each pay $4.80 for each store, shop, or other place in which tobacco in any form is sold.

The VICE PRESIDENT. The amendment will be agreed to, without objection.

Mr. BRYAN. Mr. President, I raise the point of order that under the unanimous-consent agreement we are to vote upon the final disposition of this bill, and the motion of the Senator from Georgia to lay the bill upon the table is not a final disposition of it, and therefore is out of order.

Mr. SMITH of Georgia. Mr. President, it is a final disposition of the bill unless the Senate subsequently takes some other action. No vote upon a bill, even if it were a vote upon the passage of the bill, would be final, so that the Senate could not take additional action up · it. If we have a final vote upon the bill as to whether it should pass or not pass, on Monday morning a motion to reconsider the action of the Senate could be had, so that no vote could be had in the final sense in one view to-night.

Now, if we lay this measure on the table, it ends the matter unless some subsequent motion is made. It is a final disposition of the matter unless the Senate resorts to subsequent action with reference to it. As I said before, if the Senate voted upon the passage or the rejection of the bill, it would be final only in case a subsequent motion was not made.

Mr. McCUMBER. Mr. President——

Mr. VARDAMAN. I make the point of order that the motion is not debatable.

Mr. SMITH of Michigan. Regular order!

The VICE PRESIDENT. The Chair recognizes the Senator from North Dakota.

Mr. McCUMBER. Upon this point of order I simply want to call the attention of the Chair to one phrase in the agreement, which is that we will "proceed to vote upon any amendment that may be pending, any amendment that may be offered, and upon the bill itself." Is a vote to table the bill a vote upon the bill?

The VICE PRESIDENT. Until a few moments ago——

Mr. HITCHCOCK. Mr. President, I rise to a parliamentary inquiry. I desire to ask if the motion made by the Senator from Georgia was not suspended pending an amendment which the Senator from North Carolina laid before the Senate?

The VICE PRESIDENT. That was agreed to.

Mr. HITCHCOCK. Was that agreed to?

The VICE PRESIDENT. It was.

Mr. POINDEXTER. Will the Senator from Georgia withhold his motion long enough to allow me to offer an amendment to the bill, in order that it may be printed and be pending, subject to future disposition?

Mr. SMITH of Michigan. Regular order!

The VICE PRESIDENT. Until a few moments ago the Chair was of the opinion that there was one thing that had been definitely settled and to which there were no exceptions, and that was to the effect that a unanimous-consent agreement was a gentleman's agreement among the Senators of the United States, which they could keep or break, as they chose; that the Chair had nothing to do whatever with construing unanimous-consent agreements; and that the construction thereof rested with the body that made it. But the attention of the Chair has been called to the fact that all those decisions of former presiding officers arose at a time when there was no rule of the Senate with reference to unanimous-consent agreements, and when such an agreement was not recognized in any way as any part of the regular parliamentary proceedings of this body. Sometime last January, after some difficulty over a unanimous-consent agreement, the Senate adopted this rule:

No request by a Senator for unanimous consent for the taking of a final vote on a specified date upon the passage of a bill or joint resolution shall be submitted to the Senate for agreement thereto until, upon a roll call ordered for the purpose by the presiding officer, it shall be disclosed that a quorum of the Senate is present; and when a unanimous consent is thus given, the same shall operate as the order of the Senate, but any unanimous consent may be revoked by another unanimous consent granted in the manner prescribed above upon one day's notice.

The effect of that rule is to make this present agreement an order of the Senate, which can only be set aside by unanimous consent after one day's notice and when the roll has been called to disclose a quorum.

The unanimous-consent agreement which was entered into here yesterday clearly provides that at 3 o'clock p. m. of this day the Senate should "proceed to vote upon any amendment that may be pending, any amendment that may be offered, and upon the bill itself, through the regular parliamentary stages, to its final disposition."

Mr. Jefferson in his manual lays it down that a motion to order a bill to lie on the table is not a final disposition of the bill. It may be called up at any time when the Senate chooses to call it up. The rules of the Senate are in accordance with that, because they provide for certain motions to be received, taking precedence in their order—to adjourn, to adjourn to a day certain, to take a recess, to proceed to the consideration of executive business, to lay on the table, to postpone indefinitely. If a motion to lay on the table were the same as to postpone indefinitely, then the Chair does not understand why the two were placed in the rule of the Senate.

It is true—and I think it is but fair to make the statement—that the House of Representatives has construed a motion to lay on the table as a final disposition of a bill. The Chair does not believe that the Senate of the United States had any idea yesterday, by entering upon this agreement, either to lay this bill on the table or to do anything else with it except to pass it or defeat it, and the Chair sustains the point of order.

Mr. VARDAMAN. I move that the bill be indefinitely postponed.

Mr. WILLIAMS. I make the same point of order on that as on the motion to lay on the table.

The VICE PRESIDENT. The Chair will have to overrule that point of order. That is clearly a final disposition of the bill.

Mr. CLARKE of Arkansas. I call for the yeas and nays.

Mr. VARDAMAN. Let us have the yeas and nays.

Mr. SMITH of Georgia. Mr. President, I regret that the ruling of the Chair, from which I shall not appeal, precluded the motion to lay on the table. At the time on yesterday when this agreement was made I had it in mind myself that a motion to lay on the table would fall within that agreement. Otherwise I should not have made the motion to-night.

It is my own desire that this bill should not be killed, but that it should remain before the Senate and continue before the Senate for further consideration, and that before it passes it may be amended so as to carry some provision, at least, along the line of the amendment which I offered and which was acted upon a short time ago.

It is my purpose to vote for the motion to indefinitely postpone, although I shall subsequently exercise my right in the matter to bring the bill again before the attention of the Senate.

Mr. MARTINE of New Jersey. Mr. President, I trust that the Senator from Georgia [Mr. SMITH] and the Senator from Mississippi [Mr. VARDAMAN] may see the wisdom of withdrawing their motion. For many days I wavered as to a position in which I had a feeling of love and a sense of duty. My sympathies and feelings were one with the generous South, and yet I any times I questioned the wisdom of my position. After having listened to the various arguments and, in fact, with the broad ideas that I feel I have as to the duty of the Government to the people, I voted with the South in this measure; that is, for the Smith amendment.

Now, Mr. President, it has been legitimately thrashed out and legitimately defeated. I think now to propose to kill this measure by a process of indefinite postponement or laying on the table would be unpatriotic and I say ungenerous.

Mr. President, while I have not agreed with every thought that has pervaded this assemblage, I believe that the war-tax measure, which is rather a misnomer, was presented for legitimate, honest, and honorable reasons. I believe the administration, after having thoroughly investigated, were convinced that this measure was necessary, and hence came this measure, regretful, as it is, for none of us, whatever may be our partisan affiliations, desire to advance a measure that shall look to the taxing of the people. But there was a legitimate and an

honorable purpose upon the part of the administration, and that was that the honor and the integrity of our Government should be sustained and maintained.

This proposition came forth, whether a wise method, whether better than a flat issue of bonds for the purpose, I will not now discuss. This measure has been up for weeks, and the gentlemen who to-day propose a method of strangulation were participators with the rest of us in thrashing out a tax bill, which tax bill has been presented.

I say to some of our Republican friends on the other side, who have tried to bring in the tariff, it is they who told us that with our tariff we would be flooded with pauper goods, and now you are howling and finding fault because there are no pauper goods coming in upon which to assess the customs levy. You are in an unfortunate position. I think this is above and beyond partisanship. My sympathies were with and are with the South. But better than and beyond that, my sympathies are with the integrity and the desire that this Nation shall be placed in a position under which it may be able to satisfy the obligations that are upon us.

I say this seriously, earnestly, and kindly to my friends, and you are all my friends. As I said before, I love the sunny South. I love its people. I love its bloom; I love your grassy forests and your sun-kissed hills; I love your disposition; but in heaven's name, for the welfare of our Nation and for the credit of the great party that to-day dominates the Senate, I appeal to you upon the grounds of patriotism to cease and let us vote upon the bill.

The VICE PRESIDENT. The question is on the motion of the Senator from Mississippi [Mr. VARDAMAN] to indefinitely postpone the bill.

Mr. VARDAMAN. I call for the yeas and nays.

The VICE PRESIDENT. Is the demand for the yeas and nays seconded?

The yeas and nays were ordered.

The VICE PRESIDENT. The Secretary will call the roll.

Mr. WILLIAMS. I have been trying to get the attention of the Chair. Is the question debatable?

The VICE PRESIDENT. Certainly.

Mr. WILLIAMS. Mr. President, if there be those who would leave the Government of the United States with a deficient revenue because they could not put upon this emergency revenue bill the amendment or any amendment which they desire, the responsibility for the entire country will rest upon them. If there be Democrats who are willing, after Democratic committee and caucus action, in which many of them participated, now to join hands with the opposite party in order to make the party itself appear before the entire country as incompetent to govern and deficient in governing ability, the responsibility will rest upon them. None of it shall rest upon me for one.

But what are gentlemen trying to do? Do gentlemen really believe that the Democratic Party in the Congress of the United States is going to permit six or seven gentlemen to stultify the party and to starve the Treasury? Do they imagine that they can win anything by tactics like that? If so, I beg leave to warn them that they will not. However we shall proceed to manage it, we shall proceed to manage it, and after two or three or four weeks perhaps, now or hereafter, of holding up the entire country and attempting to starve the Treasury in order merely to assert their right to the passage of an amendment for which they voted and against which a majority of the Senate voted, after two or three weeks of standing before the entire people of the United States in that attitude, I prophesy they will be tired of it, fatigued with the effort, and regret that they ever made it.

It is no light thing for a man to undertake to reverse the fiscal policy of his own party; it is still less a light thing to undertake to leave the entire country with deficient revenues because we do not get what we want. This is not a world where everybody can get all that he wants; this is not a world where a Government can be carried on without party cohesion; and this is a party whose enemies in the past have accused it of absolute incapacity for cohesion, of a lack of competency to govern, and an inability to sink differences and drive on to the best goal attainable.

In my opinion, that man is mistaken who thinks that the constituencies even of the cotton States are going to justify going thus far, to this unusual extent, for the purpose even of accomplishing that which the southern cotton growers want. I do not see how Senators are going to reconcile this position either with their duty to the party or with their duty to the country. When I say that I am indulging in no censure, I am just simply expressing my opinion, which I have as full a right to express as they have to express theirs in doing what they are proposing to do.

What are you trying to do? To bulldoze, intimidate, and dare the Democratic Party to give to the Government revenue unless you tack on to the revenue measure something which we down South want. I do not believe the South can afford to take that position; I do not believe that my constituents or your constituents will justify it. I know the Democratic constituencies of the balance of the country will not. Moreover, I do not believe that the average American citizen will justify it.

The Republicans to-day may, for party advantage, throw a solid vote, with a few men upon this side of the Chamber, which may dislocate the fiscal arrangement of the Government, which may starve the Treasury, as I have twice before expressed it, and win a skirmish of that sort; but it is one of those skirmishes which will be at the cost of defeat in a battle, Senators, if you attempt it.

This country is to-day abiding in its confidence in this Democratic administration, and you know it as well as I. This country will justify any fair, right, and proper opposition to the Democratic administration upon the part of the Republicans, but it will not justify playing mere politics with a Delilah to cut off the Democratic Samson's hair.

I say this with the idea in my mind that perhaps this union may win for the time being, though I do not believe it is going to win for the time being, for I believe there is patriotism enough upon the Republican side of the Chamber to prevent it. We shall see.

Mr. VARDAMAN. Mr. President, I did not intend to make any further remarks, but I am not going to be misunderstood. I am not going to "have the things I have spoken twisted by knaves to make a trap for fools." I have no desire in the world to starve the Treasury; I want the United States Government to meet its obligations, but if you must lay the heavy hand of taxation upon people who are now groaning under the burden they already bear and who have been reduced to indigence and poverty, without any fault of their own, in order to maintain the Government and pay appropriations which were made when the Nation was enjoying an era of unparalleled prosperity, then I for one say to you that you can not do it with my consent.

You shall not, with my consent, take from the mouth of labor the bread it has earned in order to maintain such prodigality of appropriations as were made by this Congress before the war in Europe occurred.

The large business enterprises of this country, suffering from the depression brought about by the European war, have cut down the salaries of their employees, they have reduced their disbursements, their outlay, and they are adjusting expenses to the new conditions. Congress could very readily do that. And it ought to do it.

We saw that the expenses of the Government were running too high, far beyond the ability of the people to pay, and we cut down $35,000,000 on the river and harbor bill. The President, in his message to Congress, advised the country that there were $75,000,000 in the banks that could be readily used to defray the expenses of the Government; but he would have those $75 000,000 remain in the banks for the banks to use for their own interest, while the people are to be plundered under the form of law. And you ask me to approve such an unjust policy with my vote! I will not do it.

I am willing to stay here through the entire fall, will stay until Christmas, or as long as may be necessary, in order to reduce the appropriations and bring them within the limits of the ability of the people to meet them; *but I am not going to vote to put one dime additional tax upon the people in my section of the country when they are already in a state of want, reduced from independence to indigence. That is why I made this motion. I said to the Senate two or three weeks ago that I would not vote to levy additional taxes upon the people, and I am not going to do it. I wish with all my heart that the bill may be defeated, and I am going to vote against its passage. Now, if that is treason, make the most of it.*

Mr. LANE. Mr. President, I wish to say that I announced early in the consideration of this bill that I was not in favor of it, and I gave my reasons as being due to the fact that I thought it was the first duty of this body of Senators, some of whom are scolding one another now, to use every effort to lop off a lot of useless expenditures and to stop waste, but not to stop anything that was legitimate, nor deprive anyone of employment who was usefully employed. If we did this we would save more than $100,000,000. I object to having every telegraph message and every package that goes by express first affixed with a stamp at the hands of the sender when there were other means of raising revenue.

I do not, however, wish to see the bill laid on the table or indefinitely postponed. I am willing to see it fought out to a finish on its merits and to stay while it is being done. I should

like to see the bill sent back to conference and have some of the items of taxation more equitably distributed among the people, or to have some relief afforded for those people who are suffering in the South, to have the farmers who raise cotton granted a legitimate and proper method of relief. That could be done, and could be done legitimately, by loaning them money at a low valuation, a reasonable valuation, on their cotton, taking the cotton as security, which can be done by the Government as speedily as a bank can do it. It would be as legitimate for the Government to do that as it is to do many other things which it does at great profit both to the Government and to the people.

I do not want to have a motion to indefinitely postpone the bill at this time agreed to. I do not believe in doing public business behind closed doors. I have had a little experience with that method and it was not agreeable to me, and I have reformed in that respect.

In other ways I purpose pursuing my sinful method, but will not attend caucuses and assist in doing the people's business behind locked doors. For these and other reasons, I am going to vote against the motion to indefinitely postpone consideration of the bill.

Mr. CLARKE of Arkansas. Mr. President, I am too fully aware of and too deeply impressed with the magnitude of the calamity which has fallen upon the people of my State for me to permit to pass any chance that may by possibility be utilized for their relief. When this particular bill passes from the jurisdiction of the Senate the last hope of anything like definite and adequate relief must be forever abandoned. I am not willing to be a party affirmatively to bringing about any such situation.

I am in favor of the Government paying its obligations; I am in favor of the Government discharging all of its obligations. I am not only in favor of the Government discharging its obligations to the promiscuous lot of liabilities that this additional $100,000,000 is to be raised to pay, but I am in favor of this Government and this administration having brought to their attention the fact that there is an obligation more binding than that, more comprehensive than that, and one that comes nearer to the humanity of the case than any of these other merely pecuniary obligations. Our situation has not been adequately considered, nor do I believe it is properly understood.

Both my colleague and myself are determined that we must represent the people of Arkansas as we understand their wants and as they would represent themselves if they were here and could concrete their voice into a single expression.

This is no mere parade occasion; it is a serious and momentous situation, and it affects the welfare of 20,000,000 people. The calamity has come upon them from a source that they did not create and that they can not control by the exercise of any of the powers subject to their local and individual control.

Every people in entering into a civilized government give up certain parts of their liberty in order to have the balance protected and conserved and administered, so that they may better perform the paramount obligation that rests on every civilized society to preserve and perfect itself. I do not believe that the matter of providing this additional revenue at this particular hour is the paramount feature of the demoralization in this country to-day. I believe that there is a great national duty that lies behind it all which has been either minimized, overlooked, or openly disregarded. I would appeal to the sober second thought of the Senate by having this bill indefinitely postponed, and thus allowing those whose business it is to prepare another to take it up; and being fully informed of the overwhelming responsibility that ought to rest upon them, in view of the conditions that obtain in the southern section of this country—and I will not confine it to the southern section of this country, for I largely patronize the idea that there ought not to be any northern or southern section of this country when a question of human rights is involved. It is a national question, an international question, and a most serious one; and I am willing, yea, I feel it to be my duty, to part company with many of my political brethren, because I know that I am impressed to a degree that they are not with the duty of this hour, which requires that this particular bill shall be put in a condition where we may consider the general question again and give to a people who are entitled to it the right which they earned when they entered into membership in this great Republic and assumed the duties and acquired all the right to enjoy the rights conferred by the Constitution of the United States.

Mr. STONE. Mr. President, the Senator from Arkansas [Mr. CLARKE] says that he will vote to indefinitely postpone this bill, and in the same connection declares that he is willing to stay here until those who are more particularly charged with formulating this character of legislation may prepare and present another bill to raise a hundred million dollars. I do not see, Mr. President, how that would benefit or promote the purpose which the Senator from Arkansas and those cooperating with him have uppermost in mind.

Judged by the vote this afternoon on the amendment proposed by the Senator from Georgia [Mr. SMITH], and from the expressions which have been made in the Chamber, it is clear that the proposition advanced by the Senator from Georgia and a handful of Democratic Senators cooperating with him does not meet with the favor of this body, and hence it follows that, even if this bill should be indefinitely postponed and the Committee on Ways and Means of the House and the Committee on Finance of the Senate should bring in another bill, who supposes that any such proposition as that embodied in the amendment offered by the Senator from Georgia would be incorporated in that bill? If the Senate is in temper or mood to adopt such a proposition, why not adopt it now? Why was it defeated? But since it has been overwhelmingly defeated by the vote of the Senate, upon what ground do the Senators favoring that proposition predicate a hope that another bill might contain it?

Mr. President, there can be nothing to that. Of course, if these recalcitrants—I am using that word deliberately—these Democratic Senators who repudiate the action of the Democratic conference and undertake to defeat a measure they were pledged to support, shall succeed in their effort, I warn them that we will remain here until something is done, some necessary thing is accomplished, to relieve the abnormal and unexpected pressure upon the Treasury.

The Democrats of the Senate and of the House of Representatives would be recreant to their duty if they should adopt the motion made by the junior Senator from Mississippi and adjourn and go home, whipped by a small contingent of recalcitrants, and leave the Government stranded, thereby holding the Democratic Party up to contumely and contempt and leaving this Democratic administration in the closing hours of the session—a session whose achievements have been the triumph of Democracy—seriously and desperately embarrassed.

No, gentlemen! You can take your own course and vote as you will, but the overwhelming majority of your colleagues will stand true to their guns and not run away and leave the administration for which we are responsible in that humiliating predicament. Most of us will stand unflinching by our guns.

The junior Senator from Mississippi [Mr. VARDAMAN] says he is willing to stay here until Christmas, or even a little longer, if necessary, to reduce the appropriations to a point that will save the hundred million dollars needed by the Treasury to supplement the losses sustained in our customs receipts as a result of the European war. Mr. President, that is wholly impracticable. The appropriation bills have been passed already and we can not now reconsider them, and if we could reconsider them we could not reduce the appropriations $100,000,000 without creating embarrassment and endless confusion. The business of the Treasury has been adjusted to these appropriations, and it is utter folly to talk about revising and revamping all these appropriations during the present session of Congress. That is as impossible as it is impracticable.

Mr. President, I wish to present just one view touching the merits of this cotton proposition, for I do not intend to discuss it. In my State of Missouri we raise cotton. It is not one of the large cotton-producing States, but one of the smallest; and yet we produce something like 60,000 bales of cotton. It is perhaps the principal agricultural industry in three of the most fertile and important counties in southeast Missouri bordering on the Mississippi River. But, Mr. President, the people of my State also produce other things that are suffering from the distresses incident to the stupendous European struggle. Missouri is the largest producer of zinc and lead of any State or perhaps of any half dozen States all combined. During the last three or four weeks lead and zinc have depreciated very rapidly, and I am advised that the mines of my State are about to be closed because of this unexpected and sudden depression in prices. This word has been conveyed to me, and I am asked this question: "If you are going to help the cotton producers of the State, why not help the thousands of men who are engaged in mining zinc and lead by purchasing some considerable quantity of their production and hold it in store awaiting a more favorable market?" How am I going to answer them? Where is the line of division?

I do not intend to argue the merits of the question further than to call attention to this one situation, which in some form will present itself to many Senators here.

Mr. President, before I sit down I wish to say that this bill was passed by a Democratic House of Representatives as a party measure. It came to the Senate; and the Senate Finance

Committee, after considering it, referred it to a Democratic conference in order that that committee might have behind it the undivided support of this side of the Chamber. I recall at least one Senator now present, the distinguished and able Senator from Georgia [Mr. SMITH], who is a member of the Finance Committee.

Mr. SMITH of Georgia. But, Mr. President, the Senator should add that I was not at the Democratic caucus or conference, whichever it was, and also before any action was taken by the Finance Committee upon the bill I was compelled to leave on account of sickness.

Mr. STONE. Mr. President, I have not said that the Senator from Georgia was present. I said he was a member of the Finance Committee. But what matters it whether he was present at the conference or not?

The VICE PRESIDENT. The time of the Senator from Missouri has expired.

Mr. POMERENE. Mr. President, I voted against the amendment offered by the Senator from Georgia [Mr. SMITH] because I believed it violated every principle of sound national finance. When I cast that vote I had a sympathy which extended to the Southland as well as I would expect it to extend to the Northland were the situations reversed. It pained me to hear some of the Senators from the Southland refer to the vote upon this measure as if it were a sectional matter. Not so.

The situation has been, I believe, somewhat misrepresented by the Senators from the South when they presented this measure. You refer to it as a loan, but under the bill as it is drawn it is declared to be a purchase. More than that, you say to the Government, which is to purchase this cotton, "You shall not sell it for more than a year." To me that makes a precedent which would come back to plague this Government every year of our future national existence; and when you speak of this as being a sectional matter, I appeal to you, are you doing justice to the effort which has been put forth by the distinguished banker from St. Louis when he started out, with some other friends of the South, to raise $150,000,000? For whom? For the Southland.

In St. Louis they raised seven and a half million dollars. In the city of New York the bankers pledged $50,000,000, and the papers tell us that the other northern cities, such as Boston and Pittsburgh and Cleveland and Cincinnati and Chicago, were to raise $42,500,000, leaving only $50,000,000 to be raised by the South. The horn of plenty from the Northland will pour into your laps if it becomes necessary, but it can not be done by such measures as that which has been here proposed.

Now, on the other hand, let me offer this suggestion: When you are coming here to the National Capitol and asking the Congress to do a thing which never has been done in the history of our Nation, let me ask the Senators from each one of these States, what has your legislature done to relieve this situation? How many bonds have been issued? How many laws have been passed providing for warehouses under which warehouse receipts could be issued?

We have the promise of the Secretary of the Treasury that he will accept warehouse receipts as security for notes to be issued under the Aldrich-Vreeland Act. Let me ask you further, when you are seeking to embarrass the administration by indefinitely postponing this bill, what have your bankers done to relieve your people?

Mr. VARDAMAN. Mr. President——

Mr. JAMES. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Mississippi?

Mr. POMERENE. In a moment.

I have before me a copy of a letter written by a man who has a string of banks, a southern banker, to a system of southern banks, as I understand, in the heart of the cotton belt. What is the advice he gives to these banks? I do not know his name. I hope I shall never know it. If it ever were an honored name, he has dishonored it beyond recall. This is his advice, under date of September 24:

> DEAR SIR: Absolutely shut down on any more loans. Now is the time for collecting in, and not for putting out——

Mr. ASHURST. He is a Shylock.

Mr. POMERENE. To call him a Shylock is a libel on Shylock. [Continuing reading:]

> This until when money here shall become easier by reason of the selling of cotton, etc., and the consequent increase of deposits and paying of notes.
>
> This includes that do not under any circumstances whatever make any further loans to our customers to pay notes and accounts to the wholesalers. Let the latter do their own toting.

I shall not read more, but I ask that the entire letter be incorporated in my remarks. I hope, for the sake of the Southland, that that is the only banker of that kind you have.

The VICE PRESIDENT. Without objection, the request will be granted.

The matter referred to is as follows:

WASHINGTON, D. C., *September 27, 1914.*

Secretary McAdoo gave out the following circular letter issued by the president of a State bank in the South to a chain of other State banks controlled by the writer of the circular. As the name of the bank was given to the Secretary in confidence he regrets to be unable to disclose it to the public. The circular speaks so plainly for itself that comment is unnecessary. Nothing could be more reprehensible than the conduct of this bank nor more clearly show how credits are being restricted and money being hoarded by some banks. A similar policy pursued by all the banks in the United States would produce untold suffering and general disaster.

SEPTEMBER 24, 1914.

DEAR SIR: (1) Absolutely shut down on any more loans. Now is the time for collecting in and not for putting out. This until when money here shall become easier by reason of the selling of cotton, etc., and the consequent increase of deposits and paying of notes.

This includes that do not under any circumstances whatever make any further loans to our customers to pay notes and accounts to the wholesalers. Let the latter do their own toting.

It also includes lending on cotton warehouse receipts of one form or another, and also the lending of small amounts to farmers and others in order to keep from selling cotton.

Stop this "lending" money in the shape of overdrafts. When you allow a party to overdraw and he then takes the pose that he can not pay, and can cover only by a note, he's "got" you. Cut out persistent overdrafts, not only with cotton accounts but with all.

(2) Collect up the notes falling due from now on, to the very best of your ability. Do your very utmost to get in every dollar that you can on your present loans. And particularly be most diligent to get in our money out of various and sundry notes that are of no advantage except the interest.

(3) Do not consent to renew any of your present notes, without special authority in each case from our office.

When you renew a note, you that very instant put off any further payments on the note until it shall again fall due.

(4) In any case that may seem extremely important, write or perhaps even telephone me. But always remember that you represent the bank and not the customer.

The situation is gradually (although slowly) improving. Some little cotton is moving, and I wish that it could be appreciated in this section that it is better to sell the cotton as it is baled and pay what is owing.

The present crop looks like it may be 17,000,000 bales, including linters. Even without the European war any such crop as seems likely would naturally drop cotton away down to 9 cents. To-day it is selling here nearly that high, notwithstanding the war.

We of course have the kindest feelings and wishes for our customers, but we can not undertake to assist in the holding of cotton. It is absolutely essential that this bank shall clean up all of its borrowed money. If we were to fail to do this, even just one year, it would seriously injure us in our future ability to take care of our customers.

As an instance of the course I wish you to pursue, please note the following copy of a letter received by me this morning and my reply thereto:

SEPTEMBER 23, 1914.

DEAR MR. ——— ———: I owe your bank a note for $150, secured by a rent note for $165. I think the money falls due some time in the next few weeks.

My renter has already gotten out four bales and has about five more in the field. He is very anxious to hold his cotton for a while. Could you carry over my note for a while to see if cotton will go up some, or do you prefer my meeting the amount I owe your bank when it falls due? If at all possible, it would be quite an accommodation to the old renter.

I hope you and the family keep well and that you will bring some of the children with you when you are next in ——— and come by and pay mother and myself a little visit.

Yours, truly,

——— ———.

Miss ——— ———.

DEAR MISS ——— ———: I have before me your letter of September 23, and regret that I can not consent to an extension or renewal of the note in order to allow your renter to hold his cotton for a while.

I do not need to tell you that it is always a pleasure to serve your mother and yourself in every way possible, but it is a very real and practical matter to require the payment of notes owing this bank as they fall due. If we were lending merely our own funds, doubtless we could readily do what you request. But in order to take care of our good customers, we have brought in considerable money from the cities which we are under absolute necessity to pay back this fall. Hence it is not in our power to do what you ask, either in your case or the many others that are arising.

The best way is for the farmers to sell enough of their cotton to pay what they owe and then to hold the balance for a rise, if they desire. But my impression is that with a 17,000,000-bale crop in sight there may not be any rise later on, but perhaps even a decline.

With best regards to Mrs. ——— ———,

Your friend,

——— ———,
President.

I inclose receipt form for this circular letter, which you will kindly sign and return so that I may know that you receive it.

Yours, truly,

——— ———, *President.*

Mr. VARDAMAN. Is his name signed to the letter?

Mr. POMERENE. No; his name is not signed to the letter.

Mr. VARDAMAN. Why does not the Senator give his name?

Mr. POMERENE. I do not know it. I read from a statement issued by the Secretary of the Treasury. He knows it.

Mr. President, I want it distinctly understood that I stand ready to do anything that can be done to help the South in a proper way, and in a way that is not going to embarrass the entire Government. I do not feel that Senators are justified in saying that this is a sectional matter, when the people of

the North are trying as they are now trying to relieve the South.

Certainly upon second thought those Senators who are now appealing to their Government for aid are not going to find it in their hearts to embarrass the entire Democratic administration and the entire Nation simply because their theory will not be accepted.

Mr. POINDEXTER. Mr. President, I apprehend that unless the people of the States represented by the Senators who have made this motion are very different American citizens from those who live in other States it will not be very difficult to persuade them that a Government which has $1,109,000,000 of annual expenditures and is alleged to be confronted by a stress in the cutting off of its revenues, and is now under that stress, if it applies itself to it in sincerity can get along with a billion dollars for a year's expenditure until the stress is over. That is the situation which is presented by this matter.

We appropriated $1,109,000,000 and over, and you are attempting to raise $107,000,000 by this bill. All that is necessary to meet the emergency is to examine the appropriation bills of this Congress and consider the confused method of making the appropriations and the extravagances which appear on almost every page of them to convince the people of this country—in fact, you would have great difficulty in convincing them otherwise—that there is no need of the passage of an emergency revenue bill, but that, on the contrary, if there is a falling off in revenues it affords an unlooked for and magnificent opportunity to any political party which is in power to get away from the reign of profligate extravagance which has characterized not only our public but our private life during the last decade and more.

Mr. JONES. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to his colleague?

Mr. POINDEXTER. I yield.

Mr. JONES. I want to suggest to my colleague that even though we appropriated those large sums of money, there is much of it that does not have to be spent.

Mr. POINDEXTER. That is very true, as my colleague has said. Furthermore, there are matters which I have not now time, on account of the limitation of debate, to go into; there are resources of the Treasury which can be used to meet such appropriations as have already been made which can be reimbursed from the revenues of the Government which will be saved by eliminating the extravagances from future appropriations.

If there is an emergency upon whom should the burden fall? Upon the people who are affected by a bill which proposes to tax $1,500,000 upon the senders of telegraph and telephone messages. It not only does not provide that that increased expense of these necessary incidents to modern business and life shall be borne by the corporation which has a monopoly of that business, but on the contrary it specially provides that the corporation shall collect it from the users of telegrams and telephone messages. It levies upon every person who purchases a sleeping-car passage a tax and fails utterly to provide that the corporation whose net annual profits over and above all its expenses last year were over $12,000,000, nearly $13,000,000, shall not add it to the price of tickets; and in the case of the Bell Telephone Co., a corporation whose net annual profits over and above all its expenses were over $58,000,000. The Senator from Mississippi [Mr. WILLIAMS] who sits by me says it is a small tax in the case of Pullman car tickets. That is the same argument which he has heard advanced in defense of every high-protective tariff laid which he has opposed in this body—that it was a very small tax. When you figure out the amount of it which would be borne by each individual it is.

Mr. McCUMBER. Mr. President——

Mr. POINDEXTER. In just a second. But when you consider that it is not only that tax but every other tax which is levied by this bill upon the everyday business of the masses of the people, it is not a small tax. I yield to the Senator from North Dakota.

Mr. McCUMBER. I know the Senator wants to be accurate upon the bill. I think by reading it he will find that the tax on the Pullman Co. is to be paid by the company itself and not by the individuals.

Mr. POINDEXTER. It is to be paid by the company itself; but if the Senator will note particularly what I said, there is nothing in conflict with the bill. It is provided in the case of telephone messages and telegrams that they shall be charged up to the originator of the message. It does provide that the company shall pay the Pullman car passage tax, but there is no provision in the bill that the company shall not charge that up in the price of the ticket; and that, of course, is exactly what they will do. It is a mere matter of collection.

So much for some of the items of this bill. I notice in some of the larger classes of appropriations that it costs us very nearly as much for a little Army as it costs Germany for an army ten times as great. Does the Senator from Mississippi imagine that it is impossible to make some saving in an appropriation like that? The army of Germany, consisting on a peace footing of 800,000 men, has an annual cost of $167,000,000, while the Army of the United States of 86,000 men has an annual cost, under our system of making appropriations, of $133,000,000. The navy of Great Britain, which has at least three times the efficient strength of the Navy of the United States, costs Great Britain less than twice the expense of our Navy. The army of France, which is seven times as great on a peace footing as the Army of the United States, costs that Republic $287,000,000, as against $133,000,000 for our little Army of 86,000 men.

I will not take time, Mr. President, to call attention further to the particular matters in which these savings might be effected. It is only necessary for anyone to go into the departments of our Government to observe what is perfectly obvious—that in many of them there are double the number of employees that are needed. It is difficult sometimes to get through the corridors and passages of a department building on account of the great number of messengers accumulated there.

You call this a war tax. You have written in large letters across the face of the print of the comparative bills "war-revenue measure." If it was a war-revenue measure the Government could form several regiments of soldiers from the idle employees in the departments. I have not any doubt in the world that in many of the departments there are not sufficient employees and that there are underpaid employees and overworked employees, but, as everyone knows, in others there is a superfluity of salaried officials of the Government, with practically no occupation; and instead of directing attention to that and remedying those conditions, we propose to meet it by a tax upon the industries and occupations of the people.

The friends of this bill have failed absolutely to consider that great class of our people who are best able to bear the burdens of an emergency measure of this kind—the very rich. We have adopted the policy of an income tax in our laws, and yet when it becomes necessary to pass a measure to raise extraordinary revenues no increase whatever is made in that tax.

I notice from the returns under the income tax there are 222 individuals who made returns of annual incomes of $250,000 and over, 91 who made returns of incomes of $500,000 and over, and 44 who made returns of $1,000,000 and over. I assert, Mr. President, that, without any injustice, without crippling them in any way whatever, without exploding any torpedo underneath their ship, but leaving them with full facility to live the kind of life they are accustomed to, the income tax upon incomes of $250,000 and $500,000 and $1,000,000 could be increased, and if there is any real emergency here, especially if there is a war emergency, it could be doubled over the rate provided in the law as it now exists.

If it comes to a choice between raising the revenue from those people and raising it from the people who use the telephone and telegraph and ride upon sleeping cars and make promissory notes and have fire insurance, and to whom those items of business are important in their general accounts, we should levy the burden upon those who are best able to bear it.

I want to call attention to a statement which indicates the manner in which these great incomes have been acquired—or the fortunes out of which they flow—indicating at least that they are not entitled to the special consideration and favor of the Government when it comes to looking around for a basis of revenue. In the report of the proceedings of the Interstate Commerce Commission in the last few days I read as follows:

Stocks——

The VICE PRESIDENT. The Senator's 15 minutes have expired.

Mr. POINDEXTER. I ask leave to print the statement which I hold in my hand in connection with my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The statement referred to is as follows:

TELLS OF MONEY ROCK ISLAND LOST—EXPERT TESTIFIES TO FALSE ENTRIES, HUGE SALARIES, AND STOCK WATERING.

Stock watered to five times its value, loss of $40,000,000 to the Rock Island Railroad in the purchase of the Frisco and the Alton roads, enormous salaries to officials, and false entries on the books to boost market values of stock—these were some of the things charged by F. C. Sharood, expert accountant employed by the Interstate Commerce Commission, who occupied the witness stand through the opening session of the commission's investigation of the Rock Island's affairs to-day.

Sharood testified how, immediately after the Reid-Moore syndicate obtained control of the Rock Island in 1902, holding companies were organized in Iowa and New Jersey, and $350,000,000 stocks and bonds were issued dependent entirely for earning power upon the $71,000,000 capital stock of the Rock Island.

He told how the financial wreck of the Rock Island was hastened through the purchase of the Frisco, through J. P. Morgan & Co., with a loss of $35,000,000, and how the road lost $6,000,000 more in the purchase of the Chicago & Alton road from the late E. H. Harriman, Jacob Schiff, and James Stillman.

$175,000 SALARY TO LOREE.

A contract between the Rock Island and L. F. Loree, of Baltimore, former president of the Baltimore & Ohio Railroad, under which Loree was to resign the Baltimore & Ohio presidency and become chairman of the Rock Island executive board, at a salary of $175,000 a year for five years, was produced.

Sharood charged the company made false entries in its books to make a better financial showing, and thus create a better market for its stock. A peculiarity of the entry of the $35,000,000 loss in the Rock Island deal, he said, was that it appeared as an asset instead of under profit and loss.

J. P. Morgan & Co. received 1,997,000 shares of New Jersey holding company stock in return for their negotiating the purchase of the Frisco, Sharood testified. He also produced records to show payment of $100,000 to R. A. Jackson, vice president of the Rock Island, in addition to his salary of $25,000 a year. There was no accounting for this other than as "legal expenses."

"A great big woodpile without any nigger in it," was the way Robert Walker, counsel for the Rock Island, characterized the investigation before it opened early to-day.

F. C Sharood, an accountant in the employ of the commission, was the first witness to take the stand. Commissioner Clements, who is presiding over the investigation, emphasized to Gov. Folk, chief counsel, the desirability of expediting the hearing for the benefit of witnesses.

One of the first disclosures brought out was the disclosure of how the Rock Island stock had been increased to five times its original capitalization shortly after the Reid-Moore syndicate obtained control of the stock.

EMPLOYEES ARE DIRECTORS.

Sharood told of the formation of the Iowa and New Jersey holding companies, the directors of which were employees of the Rock Island Railroad. The total stocks and bonds issued by the two holding companies were $350,000,000. These had no earning power of their own, examination disclosed, but were dependent entirely for earnings upon the dividends of $71,000,000 from the stock of the Rock Island road.

"Then the stock of the Rock Island was watered five times over," said Folk.

"Yes sir," replied Sharood.

LOSS CHARGED AS ASSET.

The total loss in the Frisco deal, according to the Rock Island's own books, the witness said, was $35,000,000. A peculiarity about the entry in the Rock Island books, Sharood testified, was that the $35,000,000 loss was charged up as an asset, instead of appearing under profit and loss.

The Rock Island lost $6,370,000 in the purchase of the Chicago & Alton Railroad, Sharood estimated. The investment of the Rock Island in Alton was approximately $9,000,000. The witness said the late E. H. Harriman, Jacob Schiff, and James Stillman sold the Alton to the Rock Island.

Sharood testified that misleading entries were made on the Rock Island books, to create a better financial report for the road, and thus benefit the Rock Island stock in the market.

Mr. SHIVELY. Mr. President, should the motion to indefinitely postpone carry it means the death of the bill for the present session of Congress.

Mr. CLAPP. Oh, no.

Mr. SHIVELY. The Senator says no. I submit the inquiry to the Chair whether that would not be the effect under the rule in Jefferson's Manual when taken in connection with the unanimous-consent agreement under which the Senate is now operating.

The VICE PRESIDENT. The practice which appertains in the United States Senate came down from Jefferson's Manual that a motion to indefinitely postpone takes the measure over the session of the Congress; that is, it is the same as an indefinite adjournment or dissolution of Parliament, or the continuance of a suit sine die is a discontinuance of the suit. All the motions have been passed upon; they are all dilatory in their character; but this is one motion that disposes of the question for the session.

Mr. SMITH of Georgia. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Georgia?

Mr. SHIVELY. I do.

Mr. SMITH of Georgia. Mr. President, I only wanted to ask this further question in the same connection: Is it not true, however, that a motion to reconsider would at once be in order, and if that motion prevailed the matter would then remain before the body for continued consideration?

The VICE PRESIDENT. That is a question which has never come within the knowledge of the Chair, and so far as the examination of authorities is concerned has never been raised. No motion that the Chair has been able to find has ever been entered for the reconsideration of a motion to indefinitely postpone.

Mr. SHIVELY. Mr. President, it was not my purpose to discuss the parliamentary question. The diversion occurred only because my statement of the parliamentary effect of the adoption of the motion to indefinitely postpone was challenged. You may vote to indefinitely postpone the further consideration of this bill, but you can not postpone the menace of public credit and to private enterprise against which the measure is designed to guard the country. We are confronted with an unparalleled situation. The war broke over Europe like a shock of thunder from a clear sky. It soon involved nearly all of Europe. It has extended to Asia and to Africa and touches the country across our own northern border. Our foreign commerce was at once affected. With the burst of war came the sharp dislocation and decrease in our foreign trade, and the resulting decrease in Federal revenues from duties on imports. Even in normal times this country can not afford to have a doubt arise as to the solvency of the Federal revenue; much less can it tolerate doubt in the present unparalleled crisis. To throw a bond issue on a market already glutted with securities returned from Europe was a doubtful expedient. Senators say, "Call in the Treasury deposits." These deposits are now being used in the limited operations in cotton in the South and to move the crops in the West and North. To rely on these deposits would for a time meet the exigencies of the Treasury, but would not meet the imperative necessity in this extraordinary crisis of guarding the public credit against a breach between actual current receipts and disbursements. There is no possibility of the adoption by the Senate of the amendment proposed, even should postponement prevail. This must be manifest to the southern Senators who supported this amendment, from the vote recorded a few moments ago. Then, in the vain effort to force an acceptance of their proposed remedy for a regrettable condition, will they vote to postpone this measure and thus force a recall of funds now in use in this emergency in sustaining enterprise in their States in common with the enterprise of the rest of the country? The chief product of their States being two-thirds export, they are affected in exceptional degree by the war. But manufacturers in the North feel the blow in the way of canceled orders from the South growing out of the demoralization in the cotton market. Every section of the country feels the adverse influence of the war, though in varying degrees. At a time like this the Treasury balance is watched with an unusually acute interest. This is a time when to reenforce revenue and sustain the public credit is to serve every legitimate interest of the country. I counsel Senators from the South to put the temptation to postpone behind them. The hour of temptation is the hour of peril. To postpone would be to increase the embarrassments of other parts of the country and aggravate and intensify the situation with which they themselves have to contend.

Mr. JAMES. Mr. President, I do not believe that Senators here understand the sentiment of this Republic, even that of the Southern States, if they believe that the approval of the country will meet such action as is here undertaken. A great world war is waging, and the President of our country has called upon the Congress of the United States to supply the Treasury of the Government with sufficient money to meet an emergency caused by that war. I do not believe that Senators from the cotton States can afford to say——

Mr. CLARKE of Arkansas. Mr. President, may I ask the Senator a question just at that point?

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Arkansas?

Mr. JAMES. Certainly.

Mr. CLARKE of Arkansas. Does not the Senator know that no part of this $100,000,000 will be needed until about next April?

Mr. JAMES. I accept the information that I have from the Secretary of the Treasury and from the President of the United States, that this money is needed now. I have sufficient confidence in both of them to do that.

Mr. CLARKE of Arkansas. It will not be needed until next April. The value of this cotton amounts to more than a billion dollars.

Mr. JAMES. That is not sufficient to meet this issue now. The President of the United States says that the Government needs this money, and needs it now, and I accept him at his word.

Mr. POMERENE. Mr. President——

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Ohio?

Mr. JAMES. I do.

Mr. POMERENE. May I suggest to the Senator from Kentucky that about seventy-odd million dollars of this money is now on deposit in the various banks of the country serving the people, and that a goodly part of that is in the South? If we were not to levy these taxes, it would be necessary for us to draw that money out of the banks and out of circulation.

Mr. SMITH of Georgia. Mr. President, will the Senator from Kentucky permit me to make a suggestion?

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Georgia?

Mr. JAMES. I yield to the Senator.

Mr. SMITH of Georgia. I understand that about $3,000,000 of that amount is in the South. I do not mean to say that that is not fair, but really there is not very much of it that was distributed upon the crop-moving plan.

Mr. POMERENE. I saw a statement the other day to the effect that about a third of it was in the South.

Mr. JAMES. Mr. President, I understand that $11,000,000 of the regular deposit and $6,000,000 of the amount recently deposited has been deposited in the South.

Mr. SMITH of Georgia. I have just been informed that I was mistaken.

Mr. JAMES. Nearly $18,000,000 have been deposited, so the Senator from Georgia has been mistaken to the extent of $15,000,000.

Mr. SMITH of Georgia. I have just stated that I was informed that I was mistaken, and I did not want my statement, which was erroneous, to go into the RECORD uncorrected.

Mr. JAMES. Mr. President, of course the Senator from Georgia was mistaken, and I am glad he has corrected it. Here is the issue now: Shall Senators from the Southern States—and I am a southern man myself, and proud of it—shall we say to this whole Republic, "Unless you give to a particular product in our section aid from the Public Treasury in the shape of buying it, we shall vote against financing the business of this Republic and against making secure the Treasury of this Nation"? That is the question which presents itself to Senators here.

Mr. President, the tobacco situation in Kentucky is as bad as is the cotton situation in the South as to one particular grade of our tobacco—the dark tobacco, that is produced in the part of Kentucky where I live. That tobacco is an export tobacco wholly; it is sold to the Governments abroad, particularly to the régies, to those Governments that buy for the people. There are no buyers of the dark tobacco in Kentucky. That market is absolutely stagnated; but, Mr. President, would I be justified, because the Congress of the United States would not go down into Kentucky and finance that tobacco crop, in voting against supplying the Treasury of our Government with necessary funds to meet all its obligations?

We had this bill in a Democratic caucus. There was no legislation proposed in that caucus for the relief of the cotton grower. After we had considered the bill a motion was made—and I have the minutes in my hand—as follows:

EXTRACT FROM MINUTES OF DEMOCRATIC CAUCUS OF WEDNESDAY, OCTOBER 7, 1914.

Senator KERN moved that the bill as reported to the Senate be regarded as a party measure. Unanimous.

A true copy of minutes of Democratic caucus on war-revenue bill (H. R. 18891).

WILLARD SAULSBURY, *Secretary.*

Senators upon this side of the Chamber, I appeal to you, are you treating your Democratic colleagues fairly? You agreed to this bill in caucus; you made it a party measure; you did not offer anything in that caucus as an amendment to this bill to relieve the cotton situation in the South. It is now a late day, I submit to you, to come here when this bill is in its last stages, and by uniting yourselves in bolting your party with the enemies upon the other side of the aisle to defeat the President of the United States in this legislation and to deny to the Treasury of the country the benefit of this money which our President says is necessary. I will not bolt my party's action. I propose to stand by the bill which we unanimously made a party measure.

What good will it do to defeat it? If you want legislation for the benefit of the cotton growers why do you not call the Democratic caucus, introduce your bill, and submit it to your Democratic colleagues? This is not the last day that cotton legislation can be considered. Here is a question that will affect the revenues of this whole Nation. The Democratic Party up to this time has shown itself to be capable of legislation. Our Republican friends used to twit us with the charge that we were only destructive; that we could not construct; that we could not build up; that when we got in power we always divided and we did nothing. Up to this time the administration of the Democratic Party has been the most brilliant of any administration in the history of this Nation. We have gone forth in a solid phalanx, presenting to the whole Nation Democratic principles as we advocated them, and we have written them into law, and at this time the country rings with applause of our action. Now, here upon this last measure, right in front of an election, you are to say what? That while the world is at war; that when the President of the United States called upon his party to make the Treasury of the Nation secure, we were so unpatriotic as to deny that unless we could tie onto it some benefit to a particular class of our people.

Mr. President, I do not believe that when the vote is taken there will be found a sufficient number upon this side who will join with our enemies upon the other side to defeat this legislation that will make the Treasury of this Nation secure. The security and safety of the United States Treasury rises above partisanship; it rises above mere party advantage; it rises above the demand of any locality. The call to us at this hour is the call of patriotism, and we should respond to it as becomes real Americans.

Mr. SHAFROTH. Mr. President, it is incomprehensible to me to find Senators upon this side of the Chamber ready to overturn the entire work of the last six weeks; I can not understand their feeling. They have made a gallant fight. Everybody recognizes the intense earnestness with which they have entered upon the discussion of this matter; but, Mr. President, this is an amendment which properly does not belong to a revenue bill. It is what we might term a rider upon the bill, because on a bill for raising revenue a provision for buying cotton does not naturally pertain to it. If a bill were pending in any State legislature for raising revenue and such an amendment as this were offered to it, I have no doubt it would be ruled out as being unconstitutional.

The Senators who have advocated the amendment are earnest in this matter, and there is not a man in this entire Senate upon either side of the Chamber who does not feel a very deep sympathy for them, but when they talk about destroying legislation, when they talk of pulling down the temple upon our heads, when they talk about absolutely putting the Government in a position almost of distress, it seems to me they are going too far.

Mr. President, the raising of revenue is necessary, not so much that it has to be paid out to-morrow, but, as the President has said, whenever you have a lack of revenue, when the receipts are running behind, it affects the fiscal policy of the Government. All the banks immediately take notice with relation to the matter as to whether we are to have tight times and whether or not panic conditions will exist. Mr. President, we know that when money is taken out of the Treasury faster than it comes in, it affects the principle of the redemption of our legal-tender notes in gold; and that is the time when raids are made upon the United States Treasury for the payment of gold. Whenever we have expenditures greater than our income, we are going to have that condition arise; and when we do have that condition, we immediately have a panicky situation, and a great panic may spread itself over this country.

Mr. President, it seems to me, no matter what one believes with relation to this amendment, no matter how deeply he may feel upon it, he ought not to feel that he should defeat legislation which the people think, and the President and the Cabinet think, is essential for the proper administration of the Government. In view of these facts I hope that Senators who have so earnestly advocated the measure will not carry their opposition to the extreme of voting against the bill.

Mr. MYERS. Mr. President, on the last few votes which have been taken I voted with a great deal of pleasure with my southern brethren; I often vote with them; in fact, I always vote with them when I can see my way clear to do so, and I nearly always see my way clear to do so. I could vote with them on those amendments, because to do so, in my opinion, was not in any wise inconsistent with Democracy, or with principle, or with the general welfare of the entire country, or with my duty to the entire country.

I recognize the gravity of the appalling calamity that is impending over the South. I sympathize with them to the extent of my heart, but when it comes to putting the welfare and desire of one particular section of the country above the general welfare of the entire country, I must part with them. I am interested in the welfare of every section of the country—the South, the West, the North, and the East—but I must put the general welfare of the Nation as a whole above the welfare of any particular section. I feel that my duty to the entire country is higher and stronger than my duty to any particular section. The welfare of the entire country is higher and more important than the welfare of any particular section, and I believe that the welfare of the entire country and the necessities of the situation demand the passage of this bill. The President of the United States has come here in person and told us so, and I accept his word for it.

The national honor and integrity must be preserved; the country must meet its national obligations. I believe the good people of the South will find some way out of their troubles. God knows they have had troubles before, and they have always

found some way out of them. Some of us are willing to help them out in any way in our power, and there is time yet in which a way may be found to do so; but I do not believe that their desire for the particular benefit to their section of the country ought to interfere with our duty to the welfare and well-being of the entire country. For that reason I shall vote against the motion.

Mr. VARDAMAN. Mr. President, I shall ask the indulgence of the Senate for just one short moment.

I resent the suggestion, the imputation, or the intimation that I made this motion because of a failure on the part of the Senate to extend a favor to the South. I should despise myself if I were ever inspired by such a spirit or impelled by such a base motive. Before the Smith amendment was proposed, I said upon the floor of the Senate that I would not vote to increase the taxes upon the people of the United States. I suggested that there should be a paring off or cutting down of salaries and appropriations, which I think could be done without inconveniencing or impairing in the least the public service. In doing it the men in the employment of the Government would only share in the inconveniences which the depression in business throughout the entire country is forcing the laborers and the wealth producers of this country to suffer. You can cut down the appropriations so as to render impossible the $105,000,000 deficit. No; I am not doing this in a spirit of pique; I am not doing it because the favor was not extended to the South at all. I am doing it in the performance of what I believe to be my duty to my constituents; *and it is of no greater concern to me that the Government should be a little bit embarrassed to meet its obligations than that the laboring people of this Republic should be crushed and further humiliated by debt and want, Mr. President. That is why I made the motion.*

I do not expect to vote for the bill, and it was known in the caucus that I did not expect to vote for it. I want to say further, with reference to that, that every caucus I have gone into since I came to the Senate I was told was a conference, and that we were there for an exchange of ideas, and not to bind or tie up anybody. My allegiance first is to the people of Mississippi and the United States; and I am going to be faithful to that trust as God gives me the light and the ability to see it. I am not taking orders or doing the bidding of any man. I think I know my rights and understand my duty, and I shall maintain them regardless of caucus action or what other men may think or say.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. GORE (when his name was called). I again announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON] and withhold my vote.

Mr. McCUMBER (when his name was called). I wish to announce the unavoidable absence of my colleague [Mr. GRONNA] and to say that he is paired with the senior Senator from Maine [Mr. JOHNSON]. If my colleague were present, he would vote "yea."

Mr. JOHNSON (when his name was called). Announcing my general pair with the junior Senator from North Dakota [Mr. GRONNA], I transfer that pair to the senior Senator from Nevada [Mr. NEWLANDS] and will vote. I vote "nay."

Mr. LEA of Tennessee (when his name was called). I have been relieved from my pair only on the cotton amendments. Being unable to obtain a transfer, I announce my pair with the senior Senator from South Dakota [Mr. CRAWFORD] and withhold my vote. If I were at liberty to vote, I would vote "nay."

Mr. O'GORMAN (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. GALLINGER]. I am advised that if he were here he would vote "yea" on this motion. If at liberty to vote, I would vote "nay." Under the circumstances I withhold my vote.

Mr. OLIVER (when his name was called). I have a general pair with the senior Senator from Oregon [Mr. CHAMBERLAIN] which I transfer to the senior Senator from Connecticut [Mr. BRANDEGEE] and will vote. I vote "yea."

Mr. OLIVER (when Mr. PENROSE'S name was called). My colleague [Mr. PENROSE] is unavoidably absent. If he were present, he would vote "yea." He is paired with the senior Senator from Mississippi [Mr. WILLIAMS].

Mr. THORNTON (when Mr. RANSDELL'S name was called). I desire to announce that my colleague [Mr. RANSDELL] is paired with the senior Senator from Utah [Mr. SMOOT]. If my colleague were present, he would vote "nay."

Mr. SAULSBURY (when his name was called). I make the same transfer as before and vote "nay."

Mr. SMITH of Maryland (when his name was called). I transfer my pair with the senior Senator from Vermont [Mr. DILLINGHAM] to the junior Senator from Kentucky [Mr. CAMDEN] and will vote. I vote "nay."

Mr. SMITH of Michigan (when his name was called). I make the same announcement as on the previous roll call with reference to my pair, and will vote. I vote "yea."

Mr. WILLIAMS (when his name was called). I have a general pair with the senior Senator from Pennsylvania [Mr. PENROSE]. I have not been able to secure a transfer, and therefore shall be compelled to withhold my vote. If he were present, I should vote "nay."

The roll call was concluded.

Mr. WEEKS. I did not hear the Senator from Georgia [Mr. SMITH] make an announcement. My colleague [Mr. LODGE] has a general pair with him. If my colleague were present, he would vote "yea."

Mr. LEA of Tennessee. I have been requested to announce the necessary absence of the senior Senator from West Virginia [Mr. CHILTON]. He is paired with the senior Senator from New Mexico [Mr. FALL]. If the Senator from West Virginia were here and at liberty to vote, he would vote "nay."

Mr. MARTINE of New Jersey. I am requested to announce the absence of the junior Senator from Arkansas [Mr. ROBINSON], owing to illness.

Mr. STONE. I wish to announce that my colleague [Mr. REED] is necessarily absent. I make that announcement for the entire day.

Mr. ASHURST. I rise to announce the unavoidable absence of my colleague [Mr. SMITH] and, further, to announce that he is paired with the senior Senator from Ohio [Mr. BURTON]. If my colleague were present, he would vote "nay."

The result was announced—yeas 25, nays 32, as follows:

YEAS—25.

Borah	Lippitt	Poindexter	Vardaman
Bristow	McCumber	Root	Warren
Clapp	McLean	Smith, Ga.	Weeks
Clark, Wyo.	Nelson	Smith, Mich.	White
Clarke, Ark.	Oliver	Smith, S. C.	
du Pont	Page	Sterling	
Jones	Perkins	Townsend	

NAYS—32.

Ashurst	Johnson	Overman	Smith, Md.
Bankhead	Kern	Pomerene	Stone
Bryan	Lane	Saulsbury	Swanson
Culberson	Lee, Md.	Shafroth	Thomas
Fletcher	Lewis	Sheppard	Thompson
Hitchcock	Martin, Va.	Shields	Thornton
Hughes	Martine, N. J.	Shively	Walsh
James	Myers	Simmons	West

NOT VOTING—39.

Brady	Cummins	Lea, Tenn.	Robinson
Brandegee	Dillingham	Lodge	Sherman
Burleigh	Fall	Newlands	Smith, Ariz.
Burton	Gallinger	Norris	Smoot
Camden	Goff	O'Gorman	Stephenson
Catron	Gore	Owen	Sutherland
Chamberlain	Gronna	Penrose	Tillman
Chilton	Hollis	Pittman	Williams
Colt	Kenyon	Ransdell	Works
Crawford	La Follette	Reed	

So the motion to postpone indefinitely was rejected.

Mr. SMITH of Georgia. Mr. President, I sought to obtain the floor just before the call of the roll began because I wished to say that personally I was in favor of the passage of this bill. I think it is wise and necessary legislation. My purpose in voting to postpone indefinitely was not with a view of killing the bill, having stated, and intending again to state, that if the motion prevailed I intended subsequently to move a reconsideration.

I desire to see the bill passed. I think it is necessary to furnish money for the use of the Government, in view of the appropriations that have already been made. My desire was, we having made an agreement for a vote to-night that would dispose of the bill, after having joined in that vote, to move a reconsideration which might keep the bill before the Senate for further consideration in the hope that before it finally passed we might add to it some feature by way of amendment to relieve a situation with reference to the cotton situation, which I consider vastly more important than this tax measure. Having cast my vote for indefinite postponement for that reason, I shall now cast my vote for the bill.

The VICE PRESIDENT. The bill is in Committee of the Whole and open to amendment.

Mr. POINDEXTER. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. It is proposed to strike out all after line 22 on page 33, down to and including line 18 on page 36; also,

all after line 2 on page 39, down to and including line 13 on page 42, and to insert in lieu thereof the following:

There shall be levied, assessed, and collected upon the net income of every individual an income tax, in addition to that already provided by law, of 5 per cent per annum upon the amount by which the total net income exceeds $250,000 and does not exceed $500,000; and 8 per cent per annum upon the amount by which the total net income exceeds $500,000 and does not exceed $1,000,000; and 43 per cent per annum upon the amount by which the total net income exceeds $1,000,000.

Mr. POINDEXTER. Mr. President, I do not intend to detain the Senate to discuss this amendment at any length. I desire very briefly to say that it proposes to substitute the income tax stated in the amendment for the taxes upon promissory notes, money orders, express receipts, freight receipts, telephone messages, telegraph messages, indemnifying bonds, marine, inland, fire, casualty, fidelity, and guaranty insurance, passage tickets, powers of attorney, protests, sleeping-car berths, proprietary medicines, cosmetics, and chewing gum.

The bill as estimated by the committee proposes to raise $4,500,000 of revenue upon promissory notes. It proposes to raise $1,000,000 upon express receipts, $700,000 upon freight receipts, $50,000 upon telephone messages, $1,000,000 upon telegraph messages, $400,000 upon indemnifying bonds, $3,500,000 upon insurance, $100,000 upon passage tickets, $125,000 upon sleeping-car fares, $4,000,000 upon perfumery, and $3,000,000 upon chewing gum—a total of $12,065,000.

As nearly as can be ascertained from the reports of the collector of internal revenue, I estimate that the increased income tax will amount to approximately the taxes which are proposed to be stricken out of the bill. The amendment does not affect any income lower than $250,000 annually. It proposes to place a tax upon the excess of incomes from that amount up to $500,000 of 5 per cent in addition to that which is already provided by law, and upon incomes from $500,000 to a million dollars, upon the excess over $500,000 only, an increase of 8 per cent over what is now allowed by law, and upon the excess income over and above $1,000,000 annually it proposes to levy a tax, in this so-called war revenue measure, of 43 per cent.

I do not regard any of those rates as excessive. I regard them as falling upon those people who are best able to pay them; and, on the other hand, I think the taxes proposed to be stricken out of the bill are levied upon the people who are least able to pay them.

Mr. President, while this is called a war-revenue measure, so far as conditions flowing from the war affect our people as compared with the people who are actually at war—take England, for instance—there are burdens already upon the people of this country, which is not at war at all; burdens due to conditions which are largely independent of the war, not caused by the war, which existed before the war began, greater than those borne by the people of a nation which is engaged in a war for its very existence, so far as the prices they have to pay for the expenses of supporting themselves and their families are concerned. Bread and meat and sugar and many other of the necessaries of life are cheaper in England to-day than they are in Washington City; and yet it is proposed by these provisions of this bill, in addition to the difficulties already experienced by our people in the struggle for existence, to tax them to the extent of over $12,000,000. I move, by this amendment, to strike out that tax and to insert in place of it a tax upon those who are very rich.

The VICE PRESIDENT. The question is on the amendment of the Senator from Washington.

Mr. NORRIS. Mr. President——

Mr. SIMMONS. Mr. President, I move to lay the amendment on the table.

The VICE PRESIDENT. The Senator from North Carolina moves to lay the amendment on the table.

Mr. NORRIS. Mr. President, a parliamentary inquiry. Had not the Chair already recognized me to talk on this question, and can I be taken off the floor?

The VICE PRESIDENT. The Chair had not recognized the Senator from Nebraska.

Mr. NORRIS. The Chair was looking at me, and I supposed nobody else was trying to get the floor and the Chair had started to recognize me.

The VICE PRESIDENT. The Chair had recognized the Senator from North Carolina, and was looking at the Senator from Nebraska to see whether or not the Senator from North Carolina would yield to him.

Mr. SIMMONS. I move to lay the amendment on the table.

Mr. POINDEXTER. Upon that I ask for the yeas and nays.

Mr. NORRIS. I suggest the absence of a quorum. You will not make anything by that.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	James	O'Gorman	Smith, Ga.
Bankhead	Johnson	Oliver	Smith, Md.
Borah	Jones	Overman	Smith, Mich.
Bristow	Kern	Page	Smith, S. C.
Bryan	Lane	Perkins	Sterling
Clapp	Lea, Tenn.	Poindexter	Stone
Clark, Wyo.	Lee, Md.	Pomerene	Swanson
Clarke, Ark.	Lewis	Root	Thomas
Culberson	McCumber	Saulsbury	Thornton
du Pont	McLean	Shafroth	Townsend
Fletcher	Martin, Va.	Sheppard	Vardaman
Gore	Martine, N. J.	Shields	West
Hitchcock	Myers	Shively	White
Hughes	Nelson	Simmons	Williams

The VICE PRESIDENT. Fifty-six Senators have answered to the roll call. There is a quorum present. The Senator from North Carolina [Mr. SIMMONS] has moved to lay on the table the amendment of the Senator from Washington [Mr. POINDEXTER].

Mr. POINDEXTER. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. GORE (when his name was called). I announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON] and withhold my vote.

Mr. LEA of Tennessee (when his name was called). I again announce my pair and withhold my vote.

Mr. O'GORMAN (when his name was called). I again announce my general pair with the senior Senator from New Hampshire [Mr. GALLINGER] and, in his absence, withhold my vote.

Mr. OLIVER (when his name was called). Again announcing my pair with the Senator from Oregon [Mr. CHAMBERLAIN], which I transfer to the Senator from Connecticut [Mr. BRANDEGEE], I vote. I vote "nay."

Mr. SAULSBURY (when his name was called). I transfer my pair as before and vote "yea."

Mr. SMITH of Maryland (when his name was called). Transferring my pair as on the last vote, I vote "yea."

Mr. SMITH of Michigan (when his name was called). I announce my pair with the junior Senator from Missouri [Mr. REED].

Mr. VARDAMAN (when his name was called). I have a general pair with the Senator from Idaho [Mr. BRADY], and on that account I shall have to withhold my vote.

The roll call was concluded.

Mr. MARTINE of New Jersey. I desire to announce that the Senator from West Virginia [Mr. CHILTON] is paired with the Senator from New Mexico [Mr. FALL].

Mr. JOHNSON (after having voted in the affirmative). I should like to announce my pair and the transfer of the pair to the senior Senator from Nevada [Mr. NEWLANDS], so I will allow my vote to stand.

Mr. CLARKE of Arkansas (after having voted in the negative). I voted inadvertently. I desire to withdraw my vote. The Senator from Utah [Mr. SUTHERLAND] is absent.

Mr. WILLIAMS. I transfer my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the Senator from Ohio [Mr. POMERENE] and vote "yea."

Mr. LEA of Tennessee. I transfer my pair with the senior Senator from South Dakota [Mr. CRAWFORD] to the junior Senator from Arkansas [Mr. ROBINSON], and vote "yea." I wish to state that the Senator from Louisiana [Mr. RANSDELL] is absent and that he is paired with the Senator from Utah [Mr. SMOOT].

The result was announced—yeas 36, nays 16—as follows:

YEAS—36.

Ashurst	Kern	Saulsbury	Thomas
Bankhead	Lea, Tenn.	Shafroth	Thompson
Bryan	Lee, Md.	Sheppard	Thornton
du Pont	Lewis	Shively	Walsh
Fletcher	Martin, Va.	Simmons	Warren
Hitchcock	Martine, N. J.	Smith, Md.	Weeks
Hughes	Myers	Smith, S. C.	West
James	Overman	Stone	White
Johnson	Root	Swanson	Williams

NAYS—16.

Borah	Jones	McLean	Perkins
Bristow	Lane	Norris	Poindexter
Clapp	Lippitt	Oliver	Sterling
Clark, Wyo.	McCumber	Page	Townsend

NOT VOTING—44.

Brady	Chilton	Fall	La Follette
Brandegee	Clarke, Ark.	Gallinger	Lodge
Burleigh	Colt	Goff	Nelson
Burton	Crawford	Gore	Newlands
Camden	Culberson	Gronna	O'Gorman
Catron	Cummins	Hollis	Owen
Chamberlain	Dillingham	Kenyon	Penrose

Pittman	Robinson	Smith, Ga.	Sutherland
Pomerene	Sherman	Smith, Mich.	Tillman
Ransdell	Shields	Smoot	Vardaman
Reed	Smith, Ariz.	Stephenson	Works.

So Mr. POINDEXTER'S amendment was laid on the table.

Mr. JOHNSON. I have a committee amendment to offer. Upon page 39 I move to reconsider the vote by which the committee amendment was adopted, beginning with the word "except," in line 21, and ending with the word "profit," in line 25.

The VICE PRESIDENT. The question is on agreeing——

Mr. NORRIS. Mr. President——

Mr. JOHNSON. I offer the amendment which I have sent to the Secretary's desk and ask that it be read.

The VICE PRESIDENT. It will be read.

The SECRETARY. On page 40, print of October 8, lines 7 and 8, strike out the words, within the parentheses, "except life, marine, inland, fire, personal, accident, health, and workmen's compensation insurance carried on by the members thereof solely for their own protection and not for profit," and in lieu insert:

Except life, accident, personal, and health insurance, and insurance described and taxed or exempted in the preceding paragraph and excepting also workmen's compensation insurance carried on by the members thereof solely for their own protection and not for profit.

Mr. NORRIS. Mr. President, a parliamentary inquiry. I was trying to get recognition when the Senator from Maine moved to reconsider. I want to be heard on the proposition.

The VICE PRESIDENT. It is not reconsidered. The Chair was about to put the motion to reconsider when the Chair noticed that the Senator from Nebraska rose.

Mr. NORRIS. I thought the way the Secretary was going on the Chair had declared the motion carried. I wish to inquire of the Senator from Maine about this proposition. What is the particular change?

Mr. JOHNSON. I do not think it makes any change. I will say to the Senator from Nebraska, except that it makes clearer what the exceptions are.

Mr. NORRIS. Let me inquire of the Senator on what page?

Mr. CLARK of Wyoming. It is on page 40 of the print.

Mr. NORRIS. Is it a committee amendment?

Mr. JOHNSON. It is a committee amendment.

Mr. NORRIS. That has been adopted?

Mr. JOHNSON. Yes.

Mr. NORRIS. And the Senator wants to reconsider it?

Mr. JOHNSON. I moved to reconsider and to substitute the amendment which I sent to the desk in place of it as a committee amendment.

Mr. NORRIS. I should like to ask the Senator what particular change is made in the amendment he proposes to offer.

Mr. JOHNSON. I desire to make it plain that we except all the insurance policies described in the preceding paragraph and to make it plain by substituting the words "and insurance described and taxed or exempted in the preceding paragraph." All those bear a tax of 1 cent, while the policies described in the second paragraph bear a tax of one-half a cent on each dollar.

Mr. NORRIS. What does the Senator mean by the second paragraph?

Mr. JOHNSON. The paragraph in which this amendment appears.

Mr. NORRIS. Is the amendment printed?

Mr. JOHNSON. The amendment has been sent to the desk.

Mr. NORRIS. As I have the bill here, the committee amendment consists in striking out of the text of the bill, beginning in line 20, on page 40, and running down and including line 10, on page 41. Is that the committee amendment the Senator wants to reconsider?

Mr. JOHNSON. The Senator has not the right print. It is on page 39.

The VICE PRESIDENT. Let the Chair make a statement. There is no motion to reconsider here. No amendment to the bill has been agreed to at the particular place the Senator from Maine is now talking about.

Mr. JOHNSON. If the Chair will pardon me, I think there was an amendment.

The VICE PRESIDENT. I am so informed by the Secretary, and it is simply proposed by the Senator from Maine to amend the text of the bill.

Mr. NORRIS. As I understand the Senator's motion, it is to reconsider.

Mr. JOHNSON. To reconsider and substitute the amendment which I have sent to the desk, which only makes it clearer. If the Senator will listen to the amendment, he will see that it makes it a little clearer. I ask the Secretary to read it again.

Mr. CLARK of Wyoming. I think it would clear the situation a little if it were understood that the Senator from Maine has one print of the bill and the Secretary another. The Senator from Maine has the late print of the bill, and not the one upon which we are acting.

The VICE PRESIDENT. The desk is always obliged to act upon the original print. In no other way can the Secretary keep his notes.

The SECRETARY. On page 40 the amendments were made, as follows:

In line 8 the word "and" was stricken out before the word "fire." In the same line the word "insurance" was stricken out and the following added, after the word "fire," first a comma, then the words—

personal, accident, health, and workmen's compensation insurance carried on by the members thereof solely for their own protection and not for profit.

The Senator from Maine now moves to strike out those words in the House text that are included within the parentheses, beginning with the words "except life, marine, inland, and fire insurance," and then the words just read, and in lieu to insert within the parentheses the following:

(Except life, accident, personal, and health insurance and insurance described and taxed or exempted in the preceding paragraph and excepting also workmen's compensation insurance carried on by the members thereof solely for their own protection and not for profit.)

Mr. NORRIS. I should like to inquire of the Senator from Maine if mutual accident insurance will be exempted from the operation of the law if his amendment is adopted?

Mr. JOHNSON. Yes; I so understand it; "personal, accident, health"——

Mr. NORRIS. Is the Senator reading from the printed bill?

Mr. JOHNSON. I am reading from the printed bill. Those words are in the amendment as offered. Everything is in the bill except I have referred to the preceding paragraph as far as fire, marine, inland insurance.

Mr. NORRIS. In the amendment the Senator proposes to offer in case this is reconsidered are the words "except life, marine, inland, and fire insurance" included? Are those exceptions made?

Mr. JOHNSON. It is short. Let the Secretary state it again.

The SECRETARY. On page 40 of the original text, lines 7 and 8, strike out the words "except life, marine, inland, fire, personal, accident, health, and workmen's compensation insurance carried on by the members thereof solely for their own protection and not for profit," and in lieu thereof insert:

Except life, accident, personal, and health insurance and insurance described and taxed or exempted in the preceding paragraph, and excepting also workmen's compensation insurance carried on by the members thereof solely for their own protection and not for profit.

Mr. JOHNSON. The Senator will see that that excepts all accident policies, life policies, and health policies.

Mr. NORRIS. The Senator is of opinion that they were excepted before, is he not?

Mr. JOHNSON. Yes; they were excepted before, but the question was particularly raised by the Senator from Connecticut [Mr. MCLEAN], who brought it to the attention of the committee. Perhaps the Senator from Connecticut will make a statement, as he has in mind the particular point he wanted to make clear.

Mr. MCLEAN. Mr. President——

Mr. NORRIS. I yield to the Senator from Connecticut.

Mr. MCLEAN. I will state to the Senator that he will observe on page 39, the first paragraph on the top of page 39, there is a tax on fire insurance with the exception of mutual insurance. Then we come to the insurance described in this paragraph which is now under discussion. The Senator will observe in line 7, page 40, the language includes "or other branch of insurance," and there was a question as to whether the tax on fire insurance in the first paragraph was not doubled.

Mr. NORRIS. The Senator will observe it says "or other branch of insurance." Then follow the words in parentheses, "except life, marine, inland, and fire insurance."

Mr. MCLEAN. Certain classes of fire insurance are included in the exception, but not all, and they are all included in the term "or other branch of insurance." Again, the exception being in brackets might be construed to apply to mutual life insurance only, which is clearly not the intent of the exception; and the language is merely transposed so as to make clear the intent of the committee. They did not intend to double the tax on fire insurance or insurance against lightning, and so forth. That is all there is to it. It does not affect the purposes of the act.

Mr. NORRIS. Except to make it plain.

Mr. MCLEAN. It merely removes an apparent ambiguity.

Mr. NORRIS. Does the Senator think there really was an ambiguity there?

Mr. MCLEAN. I certainly think so. If the Senator will read the language in parentheses, for instance——

Mr. NORRIS. Would the legal effect of the proposed amendment be the same as it was before?

Mr. McLEAN. Certainly. If the Senator will read the language in the paragraph he will see that it provides that all branches of insurance included there shall be exempted. Those exemptions should be made clear.

Mr. NORRIS. Of course it is desirable to exempt those.

Mr. McLEAN. The committee did not intend to exempt many forms of industrial insurance, although they are mutual.

Mr. CLAPP. Mr. President, the discussion may be very instructive, but it is not illuminating. We can not hear a word of what is being said.

Mr. McLEAN. If the Senator from Nebraska will state to me any point in the language used that he does not understand, I think I can make it clear to him.

Mr. NORRIS. I was not aware that I misunderstood anything that was in the amendment; I thought I understood it; but I wanted to get an idea from some reliable source as to just why we were taking up the time of the Senate to pass an amendment and reconsider some action taken before, and when we get through we shall have the same thing we had when we started out. It occurred to me that we ought to have an explanation of that, and that we did not have.

Mr. McLEAN. If the Senator from Nebraska is satisfied that the language used by the committee secures the same object as the language used in the amendment, I do not think I shall waste the time of the Senate in continuing my explanation.

Mr. NORRIS. I have been satisfied all the time.

Mr. POINDEXTER. Mr. President——

Mr. NORRIS. I yield to the Senator.

Mr. POINDEXTER. It is the same question that arose on the floor here some days ago. I agree entirely with the Senator from Connecticut [Mr. McLEAN], and I tried to persuade the Senator from North Carolina [Mr. SIMMONS], in charge of the bill, that this amendment ought to be made.

I will say to the Senator from Nebraska that the language intends to except this form of insurance, but it says "fire, accident, life, or workmen's compensation insurance in companies organized for mutual benefit and not for profit." So it limits the insurance excepted to mutual companies, so called. It was not intended to limit it in that way, but it was intended to except from tax accident and life and workmen's compensation insurance in any kind of a company.

Mr. NORRIS. Let me ask the Senator from Washington a question. In the amendment which he offered here, to which the gag rule was applied, when I was so unceremoniously taken off the floor when I wanted to call the attention of the Senate to the good points in it—in that amendment which the Senator offered he had exempted all insurance policies, had he not?

Mr. POINDEXTER. Yes; it struck them all out of the bill.

Mr. McLEAN. All life insurance.

Mr. NORRIS. All fire insurance also?

Mr. POINDEXTER. All kinds of insurance.

Mr. NORRIS. Mr. President, I feel satisfied with the explanation. If the Senator from North Carolina does not care to make a motion to lay the amendment on the table, I am satisfied to vote on it.

Mr. SIMMONS. I shall not make the motion. I regret very much that I made the motion a little while ago, as the Senator takes it so seriously.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Maine [Mr. JOHNSON].

The amendment was agreed to.

Mr. JONES. Mr. President, I had two amendments which I intended to offer, but I am not going to take the time of the Senate to do so. I will say just a word or two about them.

One of the amendments proposed to give the President the power to increase the rates of duty on imports into this country from countries where they have imposed additional import duties since the passage of the last tariff act. I have gathered some very interesting information in reference to that matter. There are some countries where the tax on some goods, especially canned goods, is practically prohibitive. It has been charged that since we passed our tariff law giving those countries more freedom in the matter of imports, they have imposed a tariff on imports into those countries equivalent to what we cut off in this country. I had intended offering an amendment covering that situation, but I know that it would be voted down; and so I am not going to take the time of the Senate in regard to it.

The other amendment was one proposing to authorize the President to appoint a commission of five to investigate and ascertain what industries might be established in this country and what development might be made in other industries by the imposition of tariff duties, and to report to the President and to the Senate by the 1st of January next. There is not any doubt in my mind that the present situation offers a very great opportunity to this country to establish a great many new industries here if we could assure our people that they would have protection and encouragement after the European war closes. I know that the amendment would be voted down. So, however desirable it might be, I shall not offer it, but I shall hope that our Democratic friends will learn the lesson from the present situation, and that by and by they will give up this fetish that they have been holding to and join with us in encouraging the development of our own industries. I especially hope our friends in the South will join with us in a policy that will diversify their industries, so that they will not be afflicted, as they are now, and that they can come even to a Democratic Congress and get relief.

Mr. NORRIS. I move to strike out all of Schedule A, which would mean all of pages 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, and all of page 42 down to line 14, and to insert in lieu thereof the amendment which I send to the desk.

The VICE PRESIDENT. The amendment proposed by the Senator from Nebraska will be stated.

The SECRETARY. It is proposed to strike out all of Schedule A, relative to stamp taxes, and to insert in lieu thereof the following:

There shall be levied, assessed, and collected upon the net income of every individual an income tax, in addition to that already provided by law, of 5 per cent per annum upon the amount by which the total net income exceeds $250,000 and does not exceed $500,000; and 8 per cent per annum upon the amount by which the total net income exceeds $500,000 and does not exceed $1,000,000; and 43 per cent per annum upon the amount by which the total net income exceeds $1,000,000.

Mr. NORRIS. Mr. President, the amendment which I have offered is in many respects the same as that offered by the Senator from Washington [Mr. POINDEXTER], to which the gag was applied and which was so unceremoniously thrown out.

The motion which I have made proposes to strike out more of the bill than was proposed in the motion of the Senator from Washington, but the part I propose to insert is the same as that offered by the Senator from Washington to be inserted; in other words, the effect of this amendment is to strike out all of the stamp taxes included in the bill, which includes, in my judgment, the most objectionable part of the bill, and that which would prove to be the most objectionable in its enforcement. In place of the stamp-tax provision it inserts a provision that increases the income tax on all incomes which exceed $250,000 per annum.

Mr. President, there may be an honest dispute as to whether any legislation for special taxes is necessary at this time. I am not here to say to those who favor such a plan that there is not some argument and some reason for it. Personally I do not believe that the time for it has come. I have been opposed to this bill, although recognizing the fact that there are indications now, and have been ever since the new tariff law went into effect, that something of this kind might be necessary. When the European war broke out the difficulties were increased, and what I believed would have come in any event has been brought about sooner, although I do not believe that even now the time has come when it is necessary for us to levy these special taxes upon the people.

The President himself, when he asked for this legislation, stated that there was $75,000,000 of Government money deposited in different banks over the United States. He gave as a reason why he did not want to use that money that it might interfere with business. I have due respect for the views of the President, but I do not believe that it would interfere with business. I do not believe it is a good economic policy for us to say that, although we have $75,000,000 of money deposited in the banks, we ought not to withdraw it because the banks want to use the money. If that theory were carried out, and we do levy special taxes and deposit them in the banks, which we probably will and probably ought to do, then the banks may say again, "We want to use this money, and if you withdraw it it will be hard on us." It seems to me it is not a logical proposition that we should deposit money in the banks of the country and refuse to draw it out because the banks want to use it. I believe that a considerable portion of the money could have been drawn out without any injury, or at least with a less injury to business than special taxation will bring about.

Mr. President, while we may disagree on that proposition, it at least seems to me that if we are going to levy special taxes we ought to levy them where they can best and most easily be borne. We have levied in this bill taxes that will fall upon the ordinary, common person in as burdensome a manner as they will upon the millionaire. If we should adopt the amendment which I have proposed, we would be levying these taxes upon beer, upon whisky, upon tobacco, and upon those who had incomes exceeding $250,000 per annum. The man with an income exceeding $250,000 per annum is not hurt if he loses all of his

income in excess of that amount. If he did not know he had lost it, he would not realize it at the end of the year. The tax on the excess of $250,000 per annum is light, and it remains light until the income exceeds a million dollars; and the man with an income that exceeds a million dollars, it seems to me, ought to be willing, in case the country is in need, to pay on the excess—not on all of his income, but on the excess above a million dollars—the amount provided for in this amendment.

When the tariff bill was before the Senate I offered an amendment imposing a graduated inheritance tax that went up as high as 75 per cent where the inheritance was over $50,000,000, as I remember—I am speaking now only from memory; perhaps it was 50 per cent; at any rate, a high figure—and the argument was made on the other side of the Chamber, by men who said they favored that kind of a proposition, that they favored the idea of levying such taxes upon those who best could bear them, but they would bring in too much revenue. A man with a million dollars is just as rich as a man with $1,100,000, and a man with $1,100,000 who loses a hundred thousand dollars will not know it the next day; if he had to count his money, he never would find it out; but it was argued, as I have stated, that that kind of a tax would bring too much of an income; that we would have money in the Treasury that we could not use.

Now you are here asking special taxation, you are here knowing that your tariff law has not produced enough revenue to operate and properly run the Government. We might disagree as to the cause, but it is conceded or it is claimed, at least, now by those who are behind this measure—and it is the only excuse for offering it—that the ordinary revenues of the Government are not sufficient to transact its business. Therefore, if you meant what you then said, if you believed in the arguments you made that you should like to levy a heavier tax upon incomes or levy a graduated tax upon inheritances, now is the opportunity to do it.

Mr. President, I expect to vote against this bill, because I do not believe it is necessary; but later on, if it shall appear that it is necessary and this bill should be defeated, I will give my best efforts to help enact a law which will bring the proper revenue. I want our Government to have sufficient income properly to carry on the business of the country, but until we get to the point where we are in need or it becomes necessary to enact special legislation, I do not believe we ought to levy additional taxes, particularly where they fall, as the stamp taxes do, upon those who can least afford to bear the burden.

If this particular amendment should be adopted, I realize—and I realize, the bill being a caucus measure, that it can not be adopted—but if it should be adopted, while the objection which I now have to the legislation would still exist, it would be removed to a great extent, and I would be willing and would then gladly give my support and vote for the bill.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Nebraska.

Mr. NORRIS. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. O'GORMAN (when his name was called). I again announce my pair and withhold my vote.

Mr. SAULSBURY (when his name was called). I make the same transfer of my pair as before and vote "nay."

The roll call was concluded.

Mr. LEA of Tennessee. I announce my pair and its transfer as before and vote "nay."

Mr. SMITH of Maryland. I transfer my pair as before and vote "nay."

Mr. JOHNSON. Again announcing my pair, and with the same transfer, I vote "nay."

Mr. WILLIAMS (after having voted in the negative). I voted inadvertently. I have a pair with the senior Senator from Pennsylvania [Mr. PENROSE] and have no transfer. I therefore withdraw my vote.

Mr. OLIVER. I again announce my pair with the senior Senator from Oregon [Mr. CHAMBERLAIN]. I transfer that pair to the senior Senator from Connecticut [Mr. BRANDEGEE] and vote "nay." I will allow this announcement to stand on all subsequent votes for the day.

Mr. SMITH of Michigan. I announce my pair with the junior Senator from Missouri [Mr. REED] and withhold my vote.

Mr. WILLIAMS. I transfer my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the junior Senator from New Jersey [Mr. HUGHES] and will vote. I vote "nay."

The result was announced—yeas 14, nays 39, as follows:

YEAS—14.

Borah	Lane	Norris	Sterling
Bristow	McCumber	Page	Townsend
Clapp	McLean	Perkins	
Jones	Nelson	Poindexter	

NAYS—39.

Ashurst	Lewis	Shafroth	Thomas
Bankhead	Lippitt	Sheppard	Thompson
Bryan	Martin, Va.	Shields	Thornton
du Pont	Martine, N. J.	Shively	Walsh
Fletcher	Myers	Simmons	Warren
James	Oliver	Smith, Ga.	Weeks
Johnson	Overman	Smith, Md.	West
Kern	Pomerene	Smith, S. C.	White
Lea, Tenn.	Root	Stone	Williams
Lee, Md.	Saulsbury	Swanson	

NOT VOTING—43.

Brady	Crawford	Hughes	Robinson
Brandegee	Culberson	Kenyon	Sherman
Burleigh	Cummins	La Follette	Smith, Ariz.
Burton	Dillingham	Lodge	Smith, Mich.
Camden	Fall	Newlands	Smoot
Catron	Gallinger	O'Gorman	Stephenson
Chamberlain	Goff	Owen	Sutherland
Chilton	Gore	Penrose	Tillman
Clark, Wyo.	Gronna	Pittman	Vardaman
Clarke, Ark.	Hitchcock	Ransdell	Works
Colt	Hollis	Reed	

So the amendment of Mr. NORRIS was rejected.

Mr. STONE. Mr. President, I desire to offer an amendment. In line 13, page 6, of the amendment I offered the other day, I move to strike out the last word, "with," and to insert the word "or," and after the word "fermented," in line 14, on the same page, I move to insert the word "with."

The VICE PRESIDENT. The amendment to the amendment will be stated.

The SECRETARY. In line 13, page 6, of the amendment heretofore offered by the Senator from Missouri on behalf of the committee as a substitute for section 3, the Senator from Missouri proposes to strike out the word "with" and to insert the word "or," and in line 14, after the word "fermented," to insert the word "with," so that it will read:

Is fermented or partially fermented with grape juice only.

The VICE PRESIDENT. Without objection, the vote by which the amendment was agreed to will be reconsidered. The question is on the amendment of the Senator from Missouri to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. JONES. Mr. President, I have just received a telegram from one of our newspapers, reading as follows:

Newspaper bundle tax certainly unnecessary. Should be stricken out. Will procure little revenue and prove only vexatious to publishers.

I will ask the Senator from Indiana, who, as I understand, has charge of the matter, what is the situation of the bill in this respect.

Mr. SHIVELY. Mr. President, the bill as is came from the House had the same provision with respect to the use of bills of lading for bundles of newspapers as did the act of 1898, but since 1898 there has been quite a change in the manner of the distribution of papers, due in large part to the growth in the interurban railway system. Time has increasingly become the essence of the situation in the distribution of afternoon daily papers. The issuing of a bill of lading for each bundle would become vexatious and burdensome. This amendment provides that the publisher of the newspaper in lieu of the stamped bill of lading is to make a return under oath on the 15th of each month of the general bundles shipped during the preceding month, to which return he is required to attach a 1-cent stamp for each bundle so reported. Instead of the stamp on the bill of lading, he makes his return and puts on as many stamps as there are bundles shipped.

Mr. JONES. I understand the committee has stricken out the provision of the House and inserted a new amendment covering what the Senator has just stated?

Mr. SHIVELY. Yes; to that effect.

Mr. JONES. And that is satisfactory to the newspaper representatives?

Mr. SHIVELY. It obviates a vexation which would be peculiar in that particular business. Unlike most other businesses, time is of peculiar importance.

Mr. LEWIS. I wish to say to the Senator from Indiana, having received similar protests, that I assume the protest is largely borne from a misapprehension of the present bill, and is possibly based upon the original bill.

Mr. SHIVELY. Mr. President, I do not know, of course, whether the protests that have come in this afternoon are protests against the amendment inserted in the bill or protests against the original provision in the bill as it came from the House. The telegrams exhibited to me by Senators do not indicate. It was very late in the consideration of the bill when this matter was called to the attention of the committee; but the amendment adopted certainly obviates the principal objection made by those who protested against the form as it came

from the House of the great inconvenience that it would occasion them. It is possible the later remonstrants want the provision stricken out entirely. They may want no tax at all. They may want it entirely exempt. The committee considered that, but could not arrive at such conclusion.

Mr. SIMMONS. Mr. President, I do not think they asked that it be stricken out. I think they wanted this inconvenience adjusted.

Mr. SHIVELY. That is my impression, though I would not declare that none of them wanted no more.

Mr. LEWIS. May I ask the chairman of the committee as well as the Senator from Indiana a question? There is nothing in the present condition to avoid any error being corrected in conference if there is an error in the situation, is there?

Mr. SHIVELY. Oh, certainly not.

In order that there may be no misapprehension I want to state that there was an additional modification made, in pursuance of our general postal policy; that is, that the provision shall not include the report to the collector of the number of bundles delivered in the county within which the newspaper is published.

Mr. JONES. I understand that the whole matter is to be in conference?

Mr. SHIVELY. The amendment will go to conference.

The VICE PRESIDENT. The bill is in Committee of the Whole and open to amendment. If there be no further amendment to be proposed, the bill will be reported to the Senate.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The question is, Shall the bill pass?

Mr. BORAH and Mr. SMITH of Michigan called for the yeas and nays, and they were ordered.

Mr. LANE. Mr. President, before the Secretary calls the roll I shall detain the Senate not more than a minute.

I am going to vote against the bill for the reason that I am of the opinion that owing to the war in Europe this country will be put under great financial stress; that we may have to rehabilitate or readjust our trade; that there will be ruin pursuing the most legitimate enterprises; and that before assessing the people for additional taxes under such conditions our first duty is to discard all wasteful methods.

I should like to support the bill, and would vote for any method of legitimate taxation if I thought it were necessary. I dislike to disagree with the members of my own party, but I think Congress would do better if it first did that.

For that reason I have scruples and doubts, and I question the wisdom of passing this bill. I think it is our solemn duty and our obligation first to ascertain wherein we are wasting money, wherein we can legitimately save money, and I believe that in that way we can save three times the amount we are now going to assess upon the people.

For these reasons, believing that to be our first duty, I am going to vote against the bill.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. LIPPITT (when Mr. COLT'S name was called). I wish to announce the necessary absence of my colleague [Mr. COLT] and to say that he is paired with the junior Senator from Delaware [Mr. SAULSBURY]. If my colleague were here and at liberty to vote, he would vote "nay."

Mr. GORE (when his name was called). I announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON], and withhold my vote.

Mr. McCUMBER (when Mr. GRONNA'S name was called). I again announce the unavoidable absence of my colleague [Mr. GRONNA], and will state that he is paired with the senior Senator from Maine [Mr. JOHNSON]. If my colleague were present, he would vote "nay."

Mr. JOHNSON (when his name was called). I wish to announce my pair with the junior Senator from North Dakota [Mr. GRONNA]. I transfer that pair to the senior Senator from Nevada [Mr. NEWLANDS] and will vote. I vote "yea."

Mr. LEA of Tennessee (when his name was called). I again announce my pair and its transfer as before and will vote. I vote "yea."

Mr. WEEKS (when Mr. LODGE'S name was called). I wish to announce that my colleague [Mr. LODGE], who is absent, has a general pair with the senior Senator from Georgia [Mr SMITH]. If my colleague were present, he would vote "nay."

Mr. O'GORMAN (when his name was called). I again announce my general pair with the senior Senator from New Hampshire [Mr. GALLINGER], and in his absence withhold my vote. If I were at liberty to vote, I would vote "yea."

Mr. OLIVER (when his name was called). I transfer my pair with the senior Senator from Oregon [Mr CHAMBERLAIN] to the senior Senator from Connecticut [Mr. BRANDEGEE] and will vote. I vote "nay."

Mr. OLIVER (when Mr. PENROSE'S name was called). My colleague [Mr. PENROSE] is unavoidably absent. If he were present and at liberty to vote, he would vote "nay" on this bill. He is paired with the senior Senator from Mississippi [Mr. WILLIAMS].

Mr. THORNTON (when Mr. RANSDELL'S name was called). On this question my colleague is paired with the senior Senator from Utah [Mr. SMOOT]. If my colleague were present, he would vote "yea."

Mr. SAULSBURY (when his name was called). I transfer my pair with the junior Senator from Rhode Island [Mr. COLT] to the junior Senator from Nevada [Mr. PITTMAN] and will vote. I vote "yea."

Mr. ASHURST (when the name of Mr. SMITH of Arizona was called). I desire to announce that my colleague [Mr. SMITH] is unavoidably absent. He is paired with the senior Senator from Ohio [Mr. BURTON]. If my colleague were present, he would vote "yea."

Mr. SMITH of Georgia (when his name was called). I am paired with the senior Senator from Massachusetts [Mr. LODGE]. If I were at liberty to vote, I would vote "yea."

Mr. SMITH of Maryland (when his name was called). I transfer my pair with the senior Senator from Vermont [Mr. DILLINGHAM] to the junior Senator from Kentucky [Mr. CAMDEN] and will vote. I vote "yea."

Mr. SMITH of Michigan (when his name was called). I am paired with the junior Senator from Missouri [Mr. REED]. I transfer that pair to the senior Senator from Illinois [Mr. SHERMAN] and will vote. I vote "nay."

Mr. STONE (when Mr. REED'S name was called). As I stated some time ago, my colleague [Mr. REED] is necessarily absent. He is paired with the senior Senator from Michigan [Mr. SMITH]. If my colleague were present, he would vote "yea."

Mr. WILLIAMS (when his name was called). I have a pair with the senior Senator from Pennsylvania [Mr. PENROSE]. If I were at liberty to vote, I should vote "yea."

The roll call was concluded.

Mr. CLARK of Wyoming. I desire to announce that the senior Senator from New Hampshire [Mr. GALLINGER] is unavoidably detained from the Chamber. If he were present and at liberty to vote, he would vote "nay."

I also desire to have recorded the following pairs:

The junior Senator from Maine [Mr. BURLEIGH] with the junior Senator from New Hampshire [Mr. HOLLIS];

The senior Senator from Ohio [Mr. BURTON] with the junior Senator from Arizona [Mr. SMITH];

The junior Senator from New Mexico [Mr. CATRON] with the junior Senator from Oklahoma [Mr. OWEN]; and

The junior Senator from West Virginia [Mr. GOFF] with the senior Senator from South Carolina [Mr. TILLMAN].

Mr. PAGE. I desire to announce the necessary absence of my colleague [Mr. DILLINGHAM], and to say that he is paired with the senior Senator from Maryland [Mr. SMITH]. If my colleague were present and at liberty to vote, he would vote "nay."

Mr. WALSH. I announce the unavoidable absence of the junior Senator from New Hampshire [Mr. HOLLIS]. He is paired with the junior Senator from Maine [Mr. BURLEIGH]. If the Senator from New Hampshire were present, he would vote "yea."

Mr. LEWIS. I desire to announce the absence of the senior Senator from West Virginia [Mr. CHILTON], and to say that he is paired with the senior Senator from New Mexico [Mr. FALL]. If the Senator from West Virginia were present, he would vote "yea."

Mr. BRYAN. I desire to announce the necessary absence of the senior Senator from Arkansas [Mr. CLARKE]. He is paired with the Senator from Utah [Mr. SMOOT].

Mr. JAMES. I desire to announce that my colleague [Mr. CAMDEN] is unavoidably absent and that he is paired. If my colleague were present, he would vote "yea."

Mr. VARDAMAN. I am paired with the junior Senator from Idaho [Mr. BRADY]. I do not know how he would vote if present. If I were permitted to vote, I would vote "nay."

The result was announced—yeas 34, nays 22, as follows:

YEAS—34.

Ashurst	Fletcher	Johnson	Lewis
Bankhead	Hitchcock	Kern	Martin, Va.
Bryan	Hughes	Lea, Tenn.	Martine, N. J.
Culberson	James	Lee, Md.	Myers

Overman	Shields	Stone	Walsh
Pomerene	Shively	Swanson	West
Saulsbury	Simmons	Thomas	White
Shafroth	Smith, Md.	Thompson	
Sheppard	Smith, S. C.	Thornton	

NAYS—22.

Borah	Lane	Oliver	Sterling
Bristow	Lippitt	Page	Townsend
Clapp	McCumber	Perkins	Warren
Clark, Wyo.	McLean	Poindexter	Weeks
du Pont	Nelson	Root	
Jones	Norris	Smith, Mich.	

NOT VOTING—40.

Brady	Crawford	La Follette	Sherman
Brandegee	Cummins	Lodge	Smith, Ariz.
Burleigh	Dillingham	Newlands	Smith, Ga.
Burton	Fall	O'Gorman	Smoot
Camden	Gallinger	Owen	Stephenson
Catron	Goff	Penrose	Sutherland
Chamberlain	Gore	Pittman	Tillman
Chilton	Gronna	Ransdell	Vardaman
Clarke, Ark.	Hollis	Reed	Williams
Colt	Kenyon	Robinson	Works

So the bill was passed.

Mr. SIMMONS. I ask unanimous consent that the bill be printed showing the Senate amendments numbered.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. SIMMONS. I move that the Senate request a conference with the House of Representatives upon the bill and amendments, and that the Chair appoint five conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. SIMMONS, Mr. STONE, Mr. WILLIAMS, Mr. MCCUMBER, and Mr. CLARK of Wyoming conferees on the part of the Senate.

TRAFFIC IN OPIUM.

Mr. THOMAS submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6282) to provide for the registration of, with collectors of internal revenue, and to impose a special tax upon, all persons who produce, import, manufacture, compound, deal in, dispense, sell, distribute, or give away opium or coca leaves, their salts, derivatives, or preparations, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 10.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 4, 5, 6, 7, 9, 11, 12, 13, 16, 18, 19, 20, 21, 23, 24, 25, 26, 27, 28, 30, 31, 32, 33, 34, and 35, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: Strike out the word "October" inserted by said amendment and insert in lieu thereof the word "March," and on page 1 of the bill, line 4, strike out the word "fourteen" and insert in lieu thereof the word "fifteen"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: Strike out the word "obliged" in the matter inserted by said amendment and insert in lieu thereof the word "required"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: Strike out all the matter inserted by said amendment and insert in lieu thereof the following: "keep a record of all such drugs dispensed or distributed, showing the amount dispensed or distributed, the date, and the name and address of the patient to whom such drugs are dispensed or distributed, except such as may be dispensed or distributed to a patient upon whom such physician, dentist, or veterinary surgeon shall personally attend; and such record shall be kept for a period of two years from the date of dispensing or distributing such drugs, subject to inspection, as provided in this act"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In line 3 of the matter inserted by said amendment, after the word "States," insert the following: "to any person in any foreign country"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In line 3 of the matter inserted by said amendment, after the word "territorial," insert a comma; and in line 6 of the matter inserted by said amendment, after the word "Navy" and the comma, insert the following: "the Public Health Service" and a comma; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In line 15 of the matter inserted by said amendment strike out the word "interest" and insert in lieu thereof the word "intent"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In line 3 of the matter inserted by said amendment, after the word "veterinarian," insert the following: "required to register under the terms of this act"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: Strike out "one-fourth" and insert in lieu thereof "one-eighth"; and the Senate agree to the same.

F. M. SIMMONS,
JOHN SHARP WILLIAMS,
C. S. THOMAS,
P. J. MCCUMBER,
REED SMOOT,
Managers on the part of the Senate.

CLAUDE KITCHIN,
CORDELL HULL,
J. HAMPTON MOORE,
Managers on the part of the House.

The report was agreed to.

ANNIE L. CARTER.

Mr. WILLIAMS, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred the resolution (S. Res. 477) submitted by Mr. SMITH of Georgia on the 16th instant, reported it favorably without amendment, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay, out of the contingent expenses of the Senate, to Annie L. Carter, widow of Josiah Carter, late clerk to the Committee on Education and Labor, a sum equal to six months' salary at the rate he was receiving by law at the time of his death, said sum to be considered as including funeral expenses and all other allowances.

CONGRESS OF THE WORLD'S PURITY FEDERATION.

Mr. POMERENE, from the Committee on Foreign Relations, to which was referred the joint resolution (H. J. Res. 271) authorizing the President to appoint delegates to attend the Ninth International Congress of the World's Purity Federation, to be held in the city of San Francisco, State of California, July 18 to 24, 1915, reported it without amendment and submitted a report (No. 822) thereon.

ADJOURNMENT TO TUESDAY.

Mr. KERN. I move that when the Senate adjourns to-day it be until Tuesday at 12 o'clock. In this connection I desire to remind Senators that the presence of a quorum will be absolutely necessary until the conference report on the bill just passed has been disposed of.

The VICE PRESIDENT. The question is on the motion of the Senator from Indiana that when the Senate adjourns to-day it adjourn to meet on Tuesday at 12 o'clock.

The motion was agreed to.

EXECUTIVE SESSION.

Mr. STONE. There are three treaties that we desire to report from the Committee on Foreign Relations so that they may go on the calendar in order that they may be considered before Congress adjourns. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 5 minutes spent in executive session the doors were reopened, and (at 9 o'clock and 10 minutes p. m., Saturday, October 17, 1914) the Senate adjourned until Tuesday, October 20, 1914, at 12 o'clock meridian.

CONFIRMATION.

Executive nomination confirmed by the Senate October 17 (legislative day of October 8), 1914.

MEMBER OF THE BOARD OF CHARITIES.

Rev. John Van Schaick, jr., to be a member of the Board of Charities for the District of Columbia.

HOUSE OF REPRESENTATIVES.

MONDAY, *October 19, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father in heaven, we thank Thee that out of the untold misery entailed upon the innocent men, women, and children in the war zone the Christ spirit is working in the hearts of our people to lessen the misery by deeds of generosity and kindness; for every society organized to carry on the good work; that the spirit has found its way even into the hearts of our children, who are busy preparing the Christmas ship with everything that will tend to bring comfort and pleasure to their little brothers and sisters who have been bereft of father, brother, and even their homes. Encourage, we pray Thee, the work of the good Samaritan, that not only the suffering may be alleviated, but that our hearts may be filled with brotherly love; that the Christ spirit may do its perfect work, and thus increase the desire for everlasting peace in the hearts of all men; that Thy will may be done. For Thine is the kingdom and the power and the glory forever. Amen.

The Journal of the proceedings of Friday, October 16, 1914, was read.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move that the Journal be approved.

The SPEAKER. The gentleman from Kentucky [Mr. JOHNSON] moves that the Journal be approved. The question is on agreeing to that motion.

The motion was agreed to.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 6631. An act to regulate the practice of pharmacy and the sale of poison in the consular districts of the United States in China.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6282) to provide for the registration of, with collectors of internal revenue, and to impose a special tax upon all persons who produce, import, manufacture, compound, deal in, dispense, sell, distribute, or give away opium or coco leaves, their salts, derivatives, or preparations, and for other purposes.

The message also announced that the Senate had passed with amendments bill of the following title: An act (H. R. 18891) to increase the internal revenue, and for other purposes; had requested a conference with the Houes of Representatives upon the bill and amendments, and had appointed Mr. SIMMONS, Mr. STONE, Mr. WILLIAMS, Mr. MCCUMBER, and Mr. CLARK of Wyoming as the conferees on the part of the Senate.

The message also announced that the President had, on October 13, 1914, approved and signed joint resolution of the following title:

S. J. Res. 193. Joint resolution to authorize the President to grant leave of absence to two commissioned officers of the line of the Navy for the purpose of accepting an appointment under the Government of Brazil as instructors in naval strategy and tactics in the Naval War College of Brazil.

LETTER OF THE PRESIDENT AND REPLY THERETO.

Mr. UNDERWOOD. Mr. Speaker, I ask unanimous consent that I may extend my remarks by printing in the RECORD a letter that I am in receipt of from the President of the United States in reference to the work of this Congress, and my reply to the letter.

The SPEAKER. The gentleman from Alabama [Mr. UNDERWOOD] asks unanimous consent to extend his remarks in the RECORD by printing a letter from the President of the United States on the work of the present Congress. Is there objection?

Mr. MANN. Reserving the right to object, Mr. Speaker, is the purpose of this request to have this letter distributed at public expense?

Mr. UNDERWOOD. If it is made a part of the CONGRESSIONAL RECORD, I think it is an official document, and of course it is subject to distribution if it is printed in the RECORD as other documents are. I think it is worthy of distribution; but more than that, it is a statement of the President of the United States with reference to the work of the Congress in his administration, and I think it is very proper to print it in the RECORD.

Mr. MANN. I take it that it is a mere political statement that the gentleman and the President desire to have distributed at public expense.

Mr. UNDERWOOD. I think it is a most valuable political statement, but I think it goes further than that; it is an excellent review of the work of this Congress.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. POU. Mr. Speaker——

The SPEAKER. The gentleman from North Carolina.

Mr. UNDERWOOD. Mr. Speaker, I understood the request that was reported was for the printing of the letter of the President and my reply thereto.

The SPEAKER. The whole request of the gentleman is to extend his remarks in the RECORD by printing the letter of the President to him and his letter to the President. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

Mr. POU. Mr. Speaker, I desire to call up——

EMERGENCY REVENUE LEGISLATION.

Mr. UNDERWOOD. Mr. Speaker, I desire to ask unanimous consent to take from the Speaker's table the bill (H. R. 18801) to increase the internal revenue, and for other purposes, to disagree to all of the amendments, and agree to the conference asked by the Senate.

Mr. HENRY rose.

The SPEAKER. The gentleman from Texas [Mr. HENRY].

Mr. HENRY. Mr. Speaker, I would like to ask the gentleman from Alabama how many amendments the Senate added to the bill?

Mr. UNDERWOOD. I shall have to look. I can advise the gentleman in a moment. There are 98.

Mr. MURRAY. Mr. Speaker, will the gentleman yield until I can make a request?

Mr. UNDERWOOD. I will not yield to a request that is not pertinent to this request.

Mr. MURRAY. I wanted to ask leave to extend my remarks on the cotton question.

Mr. UNDERWOOD. I have no objection to the gentleman extending his remarks. It is not legislation.

Mr. HENRY. Mr. Speaker, I would like to ask the gentleman from Alabama if these amendments are material, or if they are merely verbal changes?

Mr. UNDERWOOD. No; I think there are some very material amendments in the bill.

Mr. HENRY. Well, Mr. Speaker, in view of the fact that there are 98 amendments that are material, it seems to me the House should have an opportunity to examine these amendments, and, also, the Committee on Ways and Means ought to look into them a little further before it goes to conference, and I therefore object.

Mr. UNDERWOOD. I ask the Speaker to at once refer the bill to the Committee on Ways and Means.

The SPEAKER. The bill is referred to the Committee on Ways and Means.

LEON GREENBAUM.

Mr. POU. Mr. Speaker, I call up the bill (H. R. 10168) for the relief of Leon Greenbaum, and ask unanimous consent to disagree to the Senate amendments and to agree to the conference asked for.

The SPEAKER. The gentleman from North Carolina calls up a bill with Senate amendments. The Clerk will report the title of the bill.

The Clerk read the title of the bill.

The Senate amendments were read.

Mr. MANN. Has the Senate asked for a conference?

Mr. POU. I think so.

Mr. MANN. It is rather unusual to ask for a conference on a Senate amendment to a private bill.

Mr. POU. Mr. Speaker, as there does not seem to be a request for a conference, I move to disagree to the Senate amendments and ask for a conference.

The motion was agreed to, and the Speaker announced as conferees on the part of the House Mr. POU, Mr. DIES, and Mr. MOTT.

EXTENSION OF REMARKS IN THE RECORD.

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the "cotton crisis."

The SPEAKER. The gentleman from Oklahoma [Mr. MURRAY] asks unanimous consent to extend his remarks in the RECORD on the cotton crisis. Is there objection?

Mr. MANN. Reserving the right to object, I should like to ask the gentleman if he has a solution of the situation?

Mr. MURRAY. I have a solution in my own mind. I doubt whether it will satisfy all the Members of the House.

The SPEAKER. Is there objection?

There was no objection.

Mr. KINKAID of Nebraska. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the policy of protection—the protective tariff.

The SPEAKER. The gentleman from Nebraska [Mr. KINKAID] asks unanimous consent to extend his remarks in the RECORD on the subject of the protective tariff. Is there objection?

There was no objection.

Mr. RAKER. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the RECORD upon the question of woman suffrage.

The SPEAKER. The gentleman from California asks unanimous consent to extend his remarks in the RECORD on the subject of woman suffrage. Is there objection?

There was no objection.

Mr. HARDY. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes on cotton.

The SPEAKER. The gentleman from Texas [Mr. HARDY] asks unanimous consent to address the House for 10 minutes on the cotton question. Is there objection?

Mr. DENT. Mr. Speaker, reserving the right to object—I do not intend to object—I ask unanimous consent at this time to extend my remarks in the RECORD on the cotton situation.

The SPEAKER. The Chair will put that request in a moment. The gentleman from Texas [Mr. HARDY] asks unanimous consent——

Mr. BATHRICK. Mr. Speaker, I rise to a point of order.

The SPEAKER. Will the gentleman wait until the Chair puts the question that the rule requires? The gentleman from Texas [Mr. HARDY] asks unanimous consent to address the House for 10 minutes on the subject of cotton. Is there objection?

Mr. BATHRICK. Mr. Speaker, I rise to a point of order.

The SPEAKER. What is the point of order?

Mr. BATHRICK. That there is no quorum present.

The SPEAKER. The gentleman from Ohio makes the point of order that there is no quorum present.

Mr. HARDY. If the gentleman will withdraw his point of no quorum I will withdraw my request, if that is the gentleman's reason for making it.

Mr. BATHRICK. No; that is all right. We will save a day by doing this.

The SPEAKER. The Chair will count. [After counting.] One hundred and forty-seven Members present—not a quorum.

Mr. UNDERWOOD. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The SPEAKER. The Doorkeeper will lock the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The Clerk proceeded to call the roll, when the following Members failed to answer to their names:

Adair	Dale	Gorman	Langley
Ainey	Danforth	Goulden	Lee, Pa.
Allen	Davenport	Graham, Ill.	L'Engle
Anderson	Decker	Graham, Pa.	Lenroot
Ansberry	Deitrick	Green, Iowa	Lesher
Anthony	Dershem	Greene, Mass.	Levy
Austin	Dies	Gregg	Lewis, Md.
Avis	Difenderfer	Griest	Lewis, Pa.
Baker	Donohoe	Griffin	Lindbergh
Baltz	Dooling	Gudger	Lindquist
Barchfeld	Doolittle	Guernsey	Linthicum
Bartholdt	Doughton	Hamilton, Mich.	Lobeck
Bell, Cal.	Driscoll	Hamilton, N. Y.	Loft
Bowdle	Drukker	Hammond	Lonergan
Britten	Dunn	Harris	McAndrews
Brockson	Eagan	Harrison	McClellan
Brodbeck	Edmonds	Hart	McGuire, Okla.
Brown, N. Y.	Elder	Hayes	McKenzie
Brown, W. Va.	Estopinal	Helgesen	McLaughlin
Browne, Wis.	Fairchild	Hill	MacDonald
Browning	Faison	Hinebaugh	Madden
Bruckner	Farr	Hobson	Mahan
Buchanan, Ill.	Ferris	Howell	Maher
Burke, Pa.	Fess	Hoxworth	Manahan
Burke, S. Dak.	Fields	Hughes, W. Va.	Martin
Burke, Wis.	FitzHenry	Hulings	Merritt
Calder	Fordney	Igoe	Metz
Callaway	Fowler	Johnson, Wash.	Mitchell
Campbell	Francis	Jones	Mondell
Candler, Miss.	Frear	Kahn	Montague
Carew	French	Keister	Moore
Carr	Gallagher	Kelley, Mich.	Morgan, La.
Cary	Gallivan	Kelly, Pa.	Morin
Casey	Gard	Kennedy, R. I.	Moss, Ind.
Chandler, N. Y.	Garner	Kent	Moss, W. Va.
Church	George	Kettner	Mott
Clancy	Gerry	Kiess, Pa.	Mulkey
Connelly, Kans.	Gillett	Kinkead, N. J.	Murdock
Connolly, Iowa	Gittins	Knowland, J. R.	Neeley, Kans.
Conry	Glass	Konop	Neely, W. Va.
Copley	Goldfogle	Korbly	Nolan, J. I.
Cramton	Good	Kreider	Norton
Crosser	Gordon	Lafferty	O'Brien
Oglesby	Riordan	Stephens, Nebr.	Vollmer
O'Hair	Roberts, Mass.	Stevens, Minn.	Volstead
O'Leary	Roberts, Nev.	Stevens, N. H.	Wallin
O'Shaunessy	Rogers	Stringer	Walsh
Paige, Mass.	Rothermel	Sumners	Walters
Palmer	Russell	Sutherland	Watkins
Parker	Sabath	Switzer	Watson
Patten, N. Y.	Scully	Taggart	Weaver
Peters	Seldomridge	Talcott, N. Y.	Whaley
Peterson	Sells	Taylor, N. Y.	Whitacre
Phelan	Shackleford	Temple	Williams
Platt	Slemp	Ten Eyck	Willis
Plumley	Sloan	Thacher	Wilson, N. Y.
Porter	Smith, J. M. C.	Thomas	Winslow
Powers	Smith, Minn.	Towner	Woodruff
Ragsdale	Smith, N. Y.	Treadway	
Reilly, Wis.	Stephens, Cal.	Vare	

ADJOURNMENT.

Mr. UNDERWOOD. Mr. Speaker, I am satisfied it is impossible to get a quorum here to-day. I hope one will be here to-morrow. I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 27 minutes p. m.) the House adjourned until Tuesday, October 20, 1914, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of Ochlockonee and Crooked Rivers, Fla. (H. Doc. No. 1178); to the Committee on Rivers and Harbors and ordered to be printed with illustration.

2. A letter from the Secretary of Agriculture, requesting the withdrawal of letter of Secretary of Agriculture of date October 14, 1914, in reference to pink boll worm of cotton, printed as House Document No. 1175 (H. Doc. No. 1179); to the Committee on Agriculture and ordered to be printed.

3. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Coeur d'Alene River, Idaho (H. Doc. No. 1180); to the Committee on Rivers and Harbors and ordered to be printed.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 19171) granting an increase of pension to William W. Sparks; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 19175) granting a pension to Edward H. Hooven; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolution, and memorials were introduced and severally referred as follows:

By Mr. DOREMUS: A bill (H. R. 19329) to acquire a site and erect thereon a public building in Detroit, Mich.; to the Committee on Public Buildings and Grounds.

By Mr. YOUNG of North Dakota: A bill (H. R. 19330) to divide the State of North Dakota into two judicial districts, and for other purposes; to the Committee on the Judiciary.

By Mr. ROBERTS of Massachusetts (by request): A bill (H. R. 19331) requiring persons to notify the Department of Agriculture before making shipments of Christmas trees and evergreen boughs; to the Committee on Interstate and Foreign Commerce.

By Mr. POU: A bill (H. R. 19332) providing for the purchase of cotton by the Government; to the Committee on Banking and Currency.

By Mr. GOLDFOGLE: A resolution (H. Res. 652) to print 6,000 copies of House Document No. 939, Sixty-third Congress, entitled "Wages, Regularity of Employment, and Standardization of Piece Rates in the Dress and Waist Industry of New York City"; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BYRNS of Tennessee: A bill (H. R. 19333) granting an increase of pension to William J. Mester; to the Committee on Pensions.

By Mr. COX: A bill (H. R. 19334) granting a pension to Josephine Nolot; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19335) granting a pension to Benjamin F. Keithley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19336) granting a pension to Emma Lynch; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19337) granting a pension to Nancy A. Trout; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19338) granting a pension to Frank O'Brien; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19339) granting an increase of pension to Henry T. Henson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19340) granting an increase of pension to Charles Frederick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19341) granting an increase of pension to Ambrose Parish; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19342) granting an increase of pension to Abraham Hawkins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19343) granting an increase of pension to Joseph L. Deweese; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19344) granting an increase of pension to Luke Reynolds; to the Committee on Invalid Pensions.

By Mr. KENNEDY of Connecticut: A bill (H. R. 19345) granting an increase of pension to Eugene D. Miller; to the Committee on Pensions.

By Mr. J. R. KNOWLAND: A bill (H. R. 19346) for the relief of the beneficiaries under the will of John G. Winter, deceased; to the Committee on War Claims.

By Mr. LEE of Pennsylvania: A bill (H. R. 19347) granting a pension to Mrs. John Updegrave; to the Committee on Invalid Pensions.

By Mr. LIEB: A bill (H. R. 19348) granting an increase of pension to Viola J. Dillbeck; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19349) granting an increase of pension to James H. Taylor; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19350) to correct and complete the military record of Anderson G. Pittman; to the Committee on Military Affairs.

By Mr. MOSS of West Virginia: A bill (H. R. 19351) granting an increase of pension to William Postlewait; to the Committee on Invalid Pensions.

By Mr. MURRAY: A bill (H. R. 19352) granting an increase of pension to Firmin James; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19353) granting a pension to William Jennings, jr.; to the Committee on Invalid Pensions.

By Mr. PROUTY: A bill (H. R. 19354) granting an increase of pension to Robert E. Ewing; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19355) granting an increase of pension to Nathan Williams; to the Committee on Invalid Pensions.

By Mr. ROBERTS of Massachusetts (by request): A bill (H. R. 19356) to appropriate the sum of $20,000 to Charles D. Bradbury; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BALTZ: Petitions of sundry citizens of the twenty-second district of Illinois, favoring passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

Also, petitions of the International Journeymen Barbers' Unions of Granite City, Greenville, and Edwardsville, all in the State of Illinois, favoring passage of House bill 7895; to the Committee on the District of Columbia.

By Mr. BORCHERS: Petition of various business men of the seventeenth district of Illinois, favoring passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. BRUCKNER: Petitions of sundry citizens of New York, protesting against the war tax; to the Committee on Ways and Means.

By Mr. BYRNS of Tennessee: Papers accompanying bill for increase of pension to William J. Mester; to the Committee on Pensions.

By Mr. COLLIER: Petition of the Woman's Christian Temperance Union of Pelahatchie, Miss., favoring national prohibition; to the Committee on Rules.

By Mr. EAGAN: Petitions of various druggists of Hoboken, N. J., protesting against stamp tax on drugs; to the Committee on Ways and Means.

Also, petitions of Peter Hauck & Co., of Harrison, N. J., protesting against war tax on beer; to the Committee on Ways and Means.

By Mr. ESCH: Petition of the Upper Mississippi River Association, favoring continuous appropriation by Congress for the association; to the Committee on Rivers and Harbors.

By Mr. J. R. KNOWLAND: Ten petitions, praying for the enactment of the Hamill bill, from various societies in the State of California; to the Committee on Reform in the Civil Service.

Also, 28 postals from residents of the State of California, favoring the Hobson amendment to the Constitution; to the Committee on Rules.

Also, protest from the San Francisco Labor Council, against the Hobson resolution; to the Committee on Rules.

By Mr. LEVY: Petition of the William Wrigley, Jr., Co., of Chicago, Ill., protesting against war tax on chewing gum; to the Committee on Ways and Means.

Also, petitions of various retail druggists of New York and the Iowa Pharmaceutical Association, of Algona, Iowa, protesting against war tax on drugs; to the Committee on Ways and Means.

Also petition of the United Managers' Protective Association and the International Alliance of Theatrical Stage Employees, of New York City, protesting against the theater war tax; to the Committee on Ways and Means.

Also, petitions of R. Hartshorn and R. O'Hagan, favoring passage of Senate bill 3590, relative to paymasters' clerks of United States Navy; to the Committee on Naval Affairs.

Also, petitions of Edwin W. Joslin and the Municipal Improvement League of Watervliet, N. Y., relative to purchase of Breaker Island, on Hudson River, N. Y., for Government armor-plate plant; to the Committee on Public Buildings and Grounds.

Also, petition of the National Federation of German-American Catholics, favoring passage of the Sabath bill to prohibit the sale of intoxicants to minors on ships on the Great Lakes; to the Committee on the Judiciary.

Also, petition of the Thompson Milling Co., of Lockport, N. Y., and the New York State Millers' Association, favoring passage of House bill 17329, known as the Moss bill; to the Committee on Agriculture.

By Mr. MAGUIRE of Nebraska: Petitions of sundry citizens of the State of Nebraska, favoring passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. MAPES: Protest of the Long Manufacturing Co., of Detroit, Mich., against the proposed special tax on automobiles; to the Committee on Ways and Means.

By Mr. MURRAY: Petitions of various United Bethren and Christian Churches of Oklahoma and the Christian Endeavor and Bible Class of the Christian Church of Guthrie, Okla., favoring national prohibition; to the Committee on Rules.

By Mr. RAKER: Petitions of the Pharmaceutical Association of Algona, Iowa, and the Langley & Mitchell Co., of San Francisco, Cal., protesting against stamp tax on medicines; to the Committee on Ways and Means.

Also, petitions of the Oakland Typographical Union, the State executive board of the Socialist Party, the German Ladies' Relief Society, Court Sutro Heights, No. 86, Foresters of America, all of California, favoring passage of House bill 5139, relative to retirement of civil-service employees; to the Committee on Reform in the Civil Service.

By Mr. REED: Petition of the D. F. Sullivan Auto Co., of Manchester, N. H., protesting against war tax on automobiles; to the Committee on Ways and Means.

By Mr. WALLIN: Petition of the Journeymen Barbers' International Union of Amsterdam, N. Y., favoring passage of House bill 7895; to the Committee on the District of Columbia.

SENATE.

TUESDAY, *October 20, 1914.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, Thy name is glorious in all the earth. One generation shall speak of Thy mighty acts to another. Thy glory shall fill all the world. We are receiving from Thee the unmeasured tokens of Thy love. Every thought of God to usward has been a thought of mercy and of compassion. We can not do anything without Thee. We come to Thee at this morning hour to ask for the inspiration that cometh from on high for the duties of this day. This we ask, with the forgiveness of our sins, for Christ's sake. Amen.

The Vice President being absent, the President pro tempore took the chair.

The Secretary proceeded to read the Journal of the proceedings of the legislative day of Thursday, October 8, 1914, when, on re-

quest of Mr. JAMES and by unanimous consent, the further reading was dispensed with and the Journal was approved.

AMERICAN VESSELS AND WATCH OFFICERS.

The PRESIDENT pro tempore laid before the Senate a communication from the Secretary of Commerce acknowledging the receipt of a resolution of the 16th instant, relative to the number of Americans from the various customs districts who would be available for watch officers, including masters, mates, and engineers, etc., and also a list of vessels admitted to American registry under the emergency act, etc., which was referred to the Committee on Commerce.

CIVIL-SERVICE RETIREMENT IN CANADA.

The PRESIDENT pro tempore laid before the Senate a communication from the Secretary of Labor, transmitting, in response to a resolution of January 11, 1910, a report relating to civil-service retirement in Canada, which, with the accompanying paper, was referred to the Committee on Civil Service and Retrenchment.

FINDINGS OF THE COURT OF CLAIMS (S. DOC. NO. 603).

The PRESIDENT pro tempore laid before the Senate a communication from the assistant clerk of the Court of Claims, transmitting a certified copy of the findings of fact and conclusion filed by the court in the cause of Mary Eliza Mastin, administratrix cum testamento annexo of C. H. Mastin, deceased, surviving partner of the firm of Levert & Mastin, *v.* United States, which, with the accompanying paper, was referred to the Committee on Claims and ordered to be printed.

ARMY VETERINARY SERVICE.

Mr. SMITH of Michigan. I have a telegram, just received from citizens of Michigan at Lansing, which I ask to have read for the information of the Senate.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

LANSING, MICH., *October 19, 1914.*

Senator WILLIAM ALDEN SMITH,
Senate Chamber, Washington, D. C.:

Army veterinary service bill, H. R. 4541, passed House of Representatives June 29 last. Same bill favorably reported by Senate Committee on Military Affairs and recommended for passage on floor of Senate. It is now on Senate Calendar, favorably looked upon by over 70 Senators. Will you please use your influence by urging consideration before adjournment?

R. P. LYMAN.
J. S. MCDANIELS.
E. P. HALLMAN.
S. W. CHAMBERLAIN.
J. P. HUTTON.
W. GILTNER.

Mr. JONES. I have received several telegrams similar to the one presented by the Senator from Michigan [Mr. SMITH] in regard to the veterinary service bill. I will not present them, but simply desire to make this statement.

RIVER AND HARBOR IMPROVEMENT.

Mr. FLETCHER. I ask unanimous consent to have printed in the RECORD an editorial from the Florida Metropolis, of October 16, 1914, on the subject of river and harbor improvements.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

The matter referred to is as follows:

RIVERS AND HARBORS IMPROVEMENT.

Many of the newspapers and publications of the East are rejoicing over the failure of the original rivers and harbors bill of final passage, designating it as "the pork-barrel bill."

In many cases it is quite difficult to determine whether these editors condemning the bill as a "pork-barrel" proposition are just ignorant of the general needs of the country at large or whether they are merely malevolent perverters of facts.

The Saturday Evening Post, joining in along with some of the daily press yelpers, is much pleased that the bill was killed, and declares that a world disaster like the European war was necessary to stop what the Post is pleased to designate as "gross waste."

It is not surprising to read such rot in New York newspapers, for they have no vision beyond the sky line of Manhattan Island, are narrow, ignorant, conceited, self-opinionated, provincial. But that a publication of the character and general circulation of the Post would be guilty of the utterances to be found in its last issue is somewhat surprising.

New York and the East generally have received so many appropriations and such enormous sums have been expended in giving them deep, safe harbors and improving their waterways that they are wholly selfish in their utterances, and what they say is just a sop to the vanity of their readers, who, like the editors, do not know there is a country outside of the little island on which New York City is located. Having all the appropriations they need, and having their harbors and waterways in a high state of improvement, they are willing that no further improvements be made anywhere in the country.

But it is a notorious fact, known to every man who has gone into the matter with anything like an analytical mind and intent to discover the truth, that river improvement saves the country yearly more money than has been expended, all told, for the improvements of rivers and harbors.

One comparison alone is quite convincing. The State of Texas has practically no river improvement. She has few waterways susceptible of improvement. She is one of the States producing heavy freight, and a great bulk of it. Yet the State of Texas has the highest freight rate of any State in the Union, taken as a whole. In truth, the common-point rate in Texas is higher than any rate anywhere with two exceptions, in very small areas in the Rocky Mountain country. To get at the saving effected by river and harbor improvement one has but to compare the rate in Texas and the bulk of freight moved with the same area in the Great Lakes region or any other section where the waterways and harbors are in a high state of improvement. The rate in Texas in most instances is about three times as great per ton per mile as it is where there is water competition.

The rivers are natural arteries of commerce. They are where they are, and always remain there. The river channel will never stand an assessment and will never increase in value, so far as taxation is concerned, while every railroad in the country is all the time increasing in value, and all lines are constantly being taxed on a heavier valuation for their right of way. This will make freight rates go up rather than down, and the only possible solution of freight rates must rest with improved waterways.

If the Government had expended all its money as wisely as that which has been expended for waterway improvement, the entire Nation would be vastly better off to-day.

Instead of being a "pork barrel" in any sense, the rivers and harbors appropriations have been the only really wise and consistent continuous expenditures the Government has made.

TAX ON NEWSPAPERS.

Mr. JONES. I have three telegrams here to which I wish to call the attention of the chairman of the Finance Committee for consideration in conference in connection with the war-tax bill. They relate to the taxing of newspapers, to which I called the attention of the Senate just as we were closing the debate on the bill the other evening. The telegrams are from three of the principal papers in our State. One of them reads as follows:

SEATTLE, WASH., *October 19, 1914.*

Hon. W. L. JONES,
United States Senate, Washington, D. C.:

Think any tax unnecessary, in view large amount now paid Government by newspapers in postage. Leave it to your judgment.

A. S. TAYLOR.
SCOTT G. BONE.

That is from the editor and proprietor of the Post Intelligencer, of Seattle.

I have also one from S. A. Perkins, of the Tacoma Ledger, Tacoma, which reads as follows:

TACOMA, WASH., *October 19, 1914.*

Hon. WESLEY L. JONES,
United States Senate, Washington, D. C.:

A provision taxing newspapers in any form is an outrage. The bill passed by both Houses will cost thousands of dollars annually to papers that send out any number of packages. It should be eliminated in any form.

S. A. PERKINS.

Then I have also a telegram from Alden J. Blethen, of the Seattle Times, which reads as follows:

SEATTLE, WASH., *October 19, 1914.*

Hon. WESLEY L. JONES,
United States Senate, Washington, D. C.:

Understand Senate provision confined to shipments outside county of publication. If shipments include individual subscribers cost will be as estimated. If all papers going to one point daily be considered one shipment only, 220,000 shipments per annum will cover Times at $2,200 expense outside King County. Important shipment be clearly defined.

ALDEN J. BLETHEN.

I hope the Senator from North Carolina [Mr. SIMMONS] will consider these telegrams in connection with the conference on the revenue bill.

PETITIONS AND MEMORIALS.

Mr. PERKINS presented a memorial of the druggists of Pasadena, Cal., remonstrating against the proposed tax on drugs and proprietary medicines, which was ordered to lie on the table.

He also presented petitions of Appomatox, No. 5, Women's Relief Corps, of Oakland; of Rosecrans Camp, Sons of Veterans; of Knights of Maccabees; of No. 12, Division of Order of Railway Employees, Woodmen of the World; of Samson Lodge of Knights of Pythias; of Le Grande Lodge, No. 9, of the Fraternal Brotherhood; of the Michigan Society; and the Knights of Columbus, all of Los Angeles, in the State of California, praying for the enactment of legislation granting pensions to civil-service employees, which were referred to the Committee on Civil Service and Retrenchment.

Mr. NELSON presented a petition of the Minnesota State Bar Association, of St. Paul, Minn., praying for the early passage of the Clayton procedure bill, which was referred to the Committee on the Judiciary.

Mr. OLIVER presented petitions of Pride of Welcome Council, No. 33, Daughters of Liberty, and Lucy Webb Hayes Council, No. 35, Daughters of Liberty, of Pittsburgh, Pa., praying for the enactment of legislation to further restrict immigration, which were referred to the Committee on Immigration.

He also presented memorials of sundry citizens of Pennsylvania, remonstrating against the proposed tax on drugs and proprietary medicines, which were ordered to lie on the table.

Mr. BRISTOW presented petitions of sundry citizens of Kansas and Missouri, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Baldwin, Kans., praying for the passage of the so-called Henry cotton loan bill, which was referred to the Committee on Finance.

Mr. POINDEXTER presented petitions of the Washington-Idaho Division Farmers' Educational and Cooperative Union of America, of Pullman, Wash., praying for the enactment of legislation for the relief of the cotton growers of the South, which was referred to the Committee on Finance.

Mr. LANE (for Mr. CHAMBERLAIN) presented a petition of sundry citizens of Oregon, praying for the enactment of legislation to provide for the handling of agricultural products by parcel post, which was referred to the Committee on Post Offices and Post Roads.

He also (for Mr. CHAMBERLAIN) presented a petition of sundry citizens of Oregon, praying for the enactment of legislation to prohibit the exportation of agricultural products during the European war, which was referred to the Committee on Finance.

Mr. JONES presented a memorial of sundry citizens of Tacoma, Wash., remonstrating against the proposed tax on merchandise and commercial brokers, which was referred to the Committee on Finance.

Mr. McLEAN presented a petition of the Business Men's Association of Hartford, Conn., praying for the enactment of legislation granting pensions to civil-service employees, which was referred to the Committee on Civil Service and Retrenchment.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NELSON:

A bill (S. 6651) granting an increase of pension to Margaret Williams (with accompanying papers); to the Committee on Pensions.

By Mr. FLETCHER:

A bill (S. 6652) granting a pension to Murrandia Martin; to the Committee on Pensions.

By Mr. BRISTOW:

A bill (S. 6653) granting a pension to Charles Grunert (with accompanying papers); and

A bill (S. 6654) granting an increase of pension to William M. Allen (with accompanying papers); to the Committee on Pensions.

By Mr. JOHNSON:

A bill (S. 6655) granting an increase of pension to Charles L. Wing (with accompanying papers);

A bill (S. 6656) granting a pension to Mary A. Richards (with accompanying papers); and

A bill (S. 6657) granting an increase of pension to Paul Huard; to the Committee on Pensions.

By Mr. JOHNSON (for Mr. BURLEIGH):

A bill (S. 6658) granting a pension to Ella Farnum; and

A bill (S. 6659) granting a pension to Raymond S. Sheldon; to the Committee on Pensions.

By Mr. JONES:

A bill (S. 6660) confirming patents heretofore issued to certain Indians in the State of Washington; to the Committee on Indian Affairs.

By Mr. CLAPP:

A bill (S. 6661) granting an increase of pension to Henry Roth; to the Committee on Pensions.

By Mr. PAGE:

A bill (S. 6662) for the relief of D. M. Carman, representing the estate of Luis R. Yangco, deceased; to the Committee on Claims.

By Mr. SHIVELY:

A bill (S. 6663) granting a pension to Cynthia A. Hissim;

A bill (S. 6664) granting an increase of pension to Thomas Winegardner; and

A bill (S. 6665) granting an increase of pension to John C. Hamilton (with accompanying papers); to the Committee on Pensions.

By Mr. SMITH of Michigan:

A bill (S. 6666) granting an increase of pension to Charles L. Stuck; to the Committee on Pensions.

By Mr. McCUMBER (for Mr. WEEKS):

A bill (S. 6667) granting a pension to Eugene Westcott; to the Committee on Pensions.

By Mr. McCUMBER:

A bill (S. 6668) granting a pension to Catharine C. Abbott (with accompanying papers); to the Committee on Pensions.

INVESTIGATION OF TRADE CONDITIONS RELATIVE TO COTTON, ETC.

Mr. GORE submitted the following resolution (S. Res. 478), which was read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That a select committee, consisting of the President pro tempore of the Senate and six other Senators, to be appointed by the presiding officer, is hereby authorized and is directed to inquire into the effects of the European war upon domestic agriculture and other industries and upon domestic and foreign exchange, commerce, and navigation, and to report to the Senate at the forthcoming regular session as to the best means, and recommend such legislation as may be deemed practicable, for reopening the customary channels of trade and meeting the existing emergency in the cotton and other markets of the country; and for this purpose it is authorized to sit during the sessions or recesses of Congress, at such times and places as it may deem desirable or practicable, to send for persons and papers, to administer oaths, to summon and compel the attendance of witnesses, to conduct hearings and have reports of same printed for use, and to employ such clerks, stenographers, and other assistants as shall be necessary; and any expense in connection with such inquiry shall be paid out of the contingent fund of the Senate upon vouchers, to be approved by the chairman of the committee.

THE ANTITRUST LAW (S. DOC. NO. 606).

Mr. ASHURST. Last week the President of the United States signed the great antitrust bill, commonly called the Clayton-Culberson bill. I have here a very interesting and a very profound and brilliant speech by Mr. A. M. Belcher, attorney for the international organization of the United Mine Workers of America, delivered by that gentleman at Huntington, W. Va., in relation to that bill, which has now become a law. I ask unanimous consent that it be printed as a public document.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

SPEECH OF PRESIDENT WILSON.

Mr. JAMES. I ask unanimous consent to have printed in the RECORD a speech delivered by the President of the United States before the American Bar Association in this city this morning.

The PRESIDENT pro tempore. Is there objection to granting the request of the Senator from Kentucky. The Chair hears none, and it is so ordered.

The address of the President, before the American Bar Association, Continental Hall, October 20, 1914, was as follows:

"Mr. President, gentlemen of the American Bar Association, I am very deeply gratified by the greeting that your president has given me and by your response to it. My only strength lies in your confidence. We stand now in a peculiar case. Our first thought, I suppose, as lawyers, is of international law, of those bonds of right and principle which draw the nations together and hold the community of the world to some standards of action. We know that we see in international law, as it were, the moral processes by which law itself came into existence. I know that as a lawyer I have myself at times felt that there was no real comparison between the law of a nation and the law of nations, because the latter lacked the sanction that gave the former strength and validity. And yet, if you look into the matter more closely, you will find that the two have the same foundations, and that those foundations are more evident and conspicuous in our day than they have ever been before. The opinion of the world is the mistress of the world, and the processes of international law are the slow processes by which opinion works its will. What impresses me is the constant thought that that is the tribunal at the bar of which we all sit. I would call your attention, incidentally, to the circumstance that it does not observe the ordinary rules of evidence, which has sometimes suggested to me that the ordinary rules of evidence had shown some signs of growing antique.

"Everything, rumor included, is heard in this court, and the standard of judgment is not with regard to the character of the testimony, but the character of the witness. The motives are disclosed, the purposes are conjectured, and that opinion is finally accepted which seems to be, not the best founded in law perhaps, but the best founded in integrity of character and of morals. That is the process which is slowly working its will upon the world, and what we should be watchful of is not so much jealous interests as sound principles of action. The disinterested course is always the biggest course to pursue not only, but it is in the long run the most profitable course to pursue. If you can establish your character, you can establish your credit.

"What I wanted to suggest to this association in bidding them very hearty welcome to the city is whether we sufficiently apply these same ideas to the body of municipal law which we seek to administer. Citations seem to play so much larger rôle now than principle. There was a time when the thoughtful eye of the judge rested upon the changes of social circumstances

and almost palpably saw the law arise out of human life. Have we got to a time when the only way to change law is by statute? The changing of law by statute seems to me like mending a garment with a patch; whereas law should grow by the life that is in it, not by the life that is outside of it. I once said to a lawyer with whom I was discussing some questions of precedent, and in whose presence I was venturing to doubt the rational validity at any rate of the precedents, 'After all, isn't our object justice?' And he said, 'God forbid! We should be very much confused if we made that our standard. Our standard is to find out what the rule has been and how the rule that has been applies to the case that is.' I should hate to think that the law was based entirely upon 'has beens.' I should hate to think that the law did not derive its impulse from looking forward rather than from looking backward or, rather, that it did not derive its instruction from looking about and seeing what the circumstances of man actually are and what the impulses of justice necessarily are.

"Understand me, gentlemen, I am not venturing in this presence to impeach the law. For the present by the force of circumstances I am in part the embodiment of the law, and it would be very awkward to disavow myself. But I do wish to make this intimation, that in this time of world change, in this time when we are going to find out just how, in what particulars, and to what extent the real facts of human life and the real moral judgments of mankind prevail, it is worth while looking inside our municipal law and seeing whether the moral judgments of mankind are made square with every one of the judgments of the law itself. For I believe that we are custodians, not of commands but of a spirit. We are custodians of the spirit of righteousness, of the spirit of equal-handed justice, of the spirit of hope which believes in the perfectibility of the law with the perfectibility of human life itself.

"Public life, like private life, would be a very dull and dry matter if it were not for this belief in the essential beauty of the human spirit and the belief that the human spirit could be translated into action and into ordinance. Not entire. You can not go any faster than you can advance the average moral judgments of the mass, but you can go at least as fast as that, and you can see to it that you do not lag behind the average moral judgments of the mass. I have in my life dealt with all sorts and conditions of men, and I have found that the flame of moral judgment burned just as bright in the man of humble life and limited experience as in the scholar and the man of affairs. And I would like his voice always to be heard, not as a witness, not as speaking in his own case, but as if he were the voice of men in general, in our courts of justice, as well as the voice of the lawyers, remembering what the law has been. My hope is that being stirred to the depths by the extraordinary circumstances of the time in which we live we may recover from those depths something of a renewal of that vision of the law with which men may be supposed to have started out in the old days of the oracles, who communed with the intimations of divinity."

LETTER OF COL. ROOSEVELT.

Mr. JAMES. I ask unanimous consent to have printed in the RECORD an article which appeared in the New York Herald of September 18, 1914, which gives the contents of a letter written by Col. Roosevelt to his various followers throughout the States of Kentucky, Missouri, and other States.

The PRESIDENT pro tempore. The Senator from Kentucky asks that a certain article, giving a letter of Col. Roosevelt, may be printed in the RECORD. Is there objection? The Chair hears none.

The article referred to is as follows:

BALTIMORE, MD., *Thursday.*

At the conference in New York on Wednesday after Mr. Bonaparte and the other Maryland leaders had spoken on the situation in Maryland, Mr. Roosevelt said he could best deal with the questions of party policy in Maryland and indicate most clearly his views regarding the course appropriate for the Progressive Party there by reading some extracts from a letter he had written to a gentleman in Maryland who had promised to support him for the Republican nomination in 1916. This letter was written in the month of August. He said he had written substantially to the same effect to gentlemen in Kentucky and New Mexico who had expressed similar intentions.

Col. Roosevelt then quoted from his letter as follows:

"I am very sorry to say that I do not think anything whatever can be done through the Republican Party as now organized; in any event, as far as I am concerned. The result here in New York has shown that it is utterly useless for me to endeavor to get any Republican of prominence to come out in such a way as to make it possible for there to be cooperation between the Republicans and Progressives on any terms which I would consider.

"In all big States the Republican Party is more reactionary, more completely under the control of the bosses than it was two years ago. There is literally nothing whatever to be done with it while it continues as it is now; it at present is as far as the poles from the vital principles of Abraham Lincoln Republicanism, and I am sorry to say that actual experience has convinced me that any effort to make a combination between the Progressives and the decent Republicans for good government has resulted only in these decent Republicans being forced into subservience to the machine, and the machine gleefully and screamingly announced that the Progressives have surrendered to the Republicans, so that the situation becomes worse and not better.

"There are certain States where the Republican candidates have declared that they are for me in 1916, and a few where they, with more or less directness, announced themselves in favor of the Progressive policies. As regards the announcement for myself, I do not regard it as amounting to anything, because it is of no earthly consequence to indorse me unless the principles for which I stand are indorsed.

"Under these circumstances I am sorry to say that I do not believe it would be right in the contests this fall for the Progressives to support the Republicans in any State, no matter what the Republicans in these States may say, because in a great majority of the States the Republicans have come out with the utmost cynicism against the Progressives and in favor of all the worst policies and practices of the Bourbons two years ago, and where this is the case victory for Republicans in any States, even though nominally achieved under the banner of some man who says he is for me, would in its sum total result in advantages to the utterly Bourbon and reactionary machines.

"If the Republicans of Maryland, Kentucky, and New Mexico declare for me, but at the same time keep in the Republican organization instead of becoming Progressive, they are absolutely powerless before the Republicans of Pennsylvania, Massachusetts, Ohio, Indiana, Illinois, and the great majority of the other States where they are bitterly and to the last gasp against me and against everything I represent.

"As things are now, it is worse than useless to support the few Republicans who announce that they are for me, but that they intend to remain in the Republican Party, for this merely means that, if elected, they will strengthen the great mass of Republicans who not only intend to oppose me, which is unimportant, but to oppose all the things for which I stand, which is very important."

BILLS OF LADING (S. DOC. NO. 605).

Mr. POMERENE. I have before me the report of the committee on commercial law of the American Bar Association touching the bill-of-lading bill recently passed by the Senate, and also treating of sundry other very important matters. I ask unanimous consent that it be printed as a public document.

The PRESIDENT pro tempore. Is there objection to granting the request of the Senator from Ohio? The Chair hears none, and it is so ordered.

THE CALENDAR.

Mr. STONE rose.

Mr. SMITH of Michigan. I ask unanimous consent that we may proceed to the consideration of unobjected bills upon the calendar. Those to which there is any objection will go over, but there are a number of House bills on the calendar, some very important, and if we do not pass them to-day the chances are that they will not be passed during the session. We have been promised a calendar day for some time. I hope the Senator from Indiana can see his way clear to let us take up unobjected business.

Mr. KERN. The Senate will be in session to-morrow, and there may be an opportunity to go on with the calendar then.

The PRESIDENT pro tempore. The Senator from Indiana objects.

Mr. WARREN. I ask that the objection may be withheld for a minute. I take it for granted the Senator may have some reason for objecting.

Mr. KERN. If I did not, I would not have objected.

Mr. WARREN. With some dozen pages of the calendar and a very large number of House bills—more than I think have ever been on the calendar when a session has adjourned—it would seem that we might spend an hour or two in cleaning up the calendar. I should very much like to see that done.

Mr. SMITH of Michigan. Mr. President, if I may be permitted, I should like to suggest——

The PRESIDENT pro tempore. Objection has been made to the request.

Mr. SMITH of Michigan. If the Chair will indulge me for a moment——

The PRESIDENT pro tempore. The Chair will indulge the Senator if the Senator from Indiana does not insist upon his objection.

Mr. SMITH of Michigan. I suggest to the Senator from Indiana that a motion to take up the unobjected bills on the calendar, of course, is in order. I do not wish to make that motion if by so doing it would disclose the absence of a quorum and prevent going into executive session, as is desired by the Senator from Missouri, but I do very much want to have the calendar taken up, and with the partial assurance of the Senator from Indiana that we shall be in session to-morrow and may be able to take up the calendar at that time, I will not press the motion.

Mr. KERN. I am assuming that we will be in session to-morrow. I had intended to move to adjourn by and by to meet to-morrow at 12 o'clock. That would imply that we will be in session to-morrow.

Mr. SMITH of Michigan. I am very much afraid that the motion this morning would disclose the absence of a quorum, and I do not wish to interfere with the desire of the chairman of the Committee on Foreign Relations to proceed to the consideration of executive business. However, I do want to take up the calendar, and I shall insist on doing so to-morrow.

The PRESIDENT pro tempore. The morning business is closed. The Chair announces that several resolutions come over from a former day, but since the Senator from Missouri desires to be recognized, the Chair will recognize him at this time.

Mr. STONE. Does the Chair think it important to lay them before the Senate?

The PRESIDENT pro tempore. They are likely to provoke some discussion.

EXECUTIVE SESSION.

Mr. STONE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 1 hour and 18 minutes spent in executive session the doors were reopened.

LETTERS BY PRESIDENT WILSON.

Mr. KERN. I have received a letter from the President of the United States, which I ask may be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, October 12, 1914.

MY DEAR SENATOR: I know that I need not say to you or to any of my colleagues in the Senate that my letter to Mr. UNDERWOOD was no less an expression of my feeling of the deep indebtedness of the party and of the country to the Democratic Members of the Senate than of my appreciation of the work of the House. We are all, happily, a single team, moved by the same spirit.

But I want to give myself the personal satisfaction of sending you a line of warm congratulation and of deep personal appreciation. I am sure we shall all be able in the years to come to look back upon the special and the long session of the Sixty-third Congress with genuine gratitude that we should have been given the opportunity to serve the country in so many ways.

Many problems, no doubt, still await us, but they will, I am sure, be met in the same spirit and, I earnestly hope, with the same success.

Cordially and sincerely, yours,

WOODROW WILSON.

Hon. JOHN W. KERN, *United States Senate.*

Mr. KERN. I ask that a letter addressed to me from the President of the United States, dated September 30, 1914, together with a copy of a letter from the President addressed to my colleague [Mr. SHIVELY], of date March 3, 1914, may be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, D. C., September 30, 1914.

Senator JOHN W. KERN,
Washington, D. C.

DEAR SIR: I am genuinely surprised that any question should have arisen as to whether I want Senator SHIVELY returned. I do most decidedly wish it. I have admired Senator SHIVELY'S steadfast devotion to duty and to the standards of the party and his unfaltering loyalty in all matters of public policy, as all his party associates have, and have learned to have a very warm personal feeling and admiration for him. It would, in my judgment, be a very great loss to the party and to the Senate if he should not be reelected. I trust that there is no doubt of his reelection.

May I not add a word of cordial appreciation of the whole Indiana delegation in Congress? The Members of the House have stood by the administration with unfailing generosity and spirit, and have made me feel a very deep interest in the political fortunes of every one of them.

I need not tell you, my dear Senator, what my sentiments are toward yourself.

Yours, sincerely, WOODROW WILSON.

THE WHITE HOUSE,
Washington, March 3, 1914.

Hon. BENJAMIN F. SHIVELY,
United States Senate.

MY DEAR SENATOR: I think I ought not to let the ratification of the arbitration treaties pass without expressing the admiration I feel and the deep appreciation of the way in which you have executed the duties which have so unexpectedly fallen upon you as the ranking member of the Committee on Foreign Relations. The sudden death of Senator Bacon and the temporary illness of Senator STONE brought these duties upon you without warning, and you have certainly performed them in a way which deserves the gratitude of the country. The ratification of the treaties was of the deepest importance to the country and involved matters which you handled with singular delicacy and success.

What you have done in this matter, however, is only of a piece with what you have done throughout the period during which I have had the pleasure of being associated with you. I have always felt secure in turning to you for support and assistance in any of the great matters which concern the welfare of the country and the success of the party.

Cordially and sincerely, yours,

WOODROW WILSON.

NEUTRALITY AND TRADE IN CONTRABAND (S. DOC. NO. 604).

Mr. STONE. I have an article on "Neutrality and Trade in Contraband," which I ask may be printed in the RECORD, and also that it may be printed as a public document.

There being no objection, the article was ordered to be printed as a document and also to be printed in the RECORD, as follows:

NEUTRALITY AND TRADE IN CONTRABAND.

The Department of State has received numerous inquiries from American merchants and other persons as to whether they could sell to Governments or nations at war contraband articles without violating the neutrality of the United States, and the department has also received complaints that sales of contraband were being made on the apparent supposition that they were unneutral acts which this Government should prevent.

In view of the number of communications of this sort which have been received, it is evident that there is a widespread misapprehension among the people of this country as to the obligations of the United States as a neutral Nation in relation to trade in contraband and as to the powers of the executive branch of the Government over persons who engage in it. For this reason it seems advisable to make an explanatory statement on the subject for the information of the public.

In the first place, it should be understood that, generally speaking, a citizen of the United States can sell to a belligerent Government or its agent any article of commerce which he pleases. He is not prohibited from doing this by any rule of international law, by any treaty provisions, or by any statute of the United States. It makes no difference whether the articles sold are exclusively for war purposes, such as firearms, explosives, etc., or are foodstuffs, clothing, horses, etc., for the use of the army or navy of the belligerent.

Furthermore, a neutral Government is not compelled by international law, by treaty, or by statute to prevent these sales to a belligerent. Such sales, therefore, by American citizens do not in the least affect the neutrality of the United States.

It is true that such articles as those mentioned are considered contraband and are, outside the territorial jurisdiction of a neutral nation, subject to seizure by an enemy of the purchasing Government, but it is the enemy's duty to prevent the articles reaching their destination, not the duty of the nation whose citizens have sold them. If the enemy of the purchasing nation happens for the time to be unable to do this, that is for him one of the misfortunes of war; the inability, however, imposes on the neutral Government no obligation to prevent the sale.

Neither the President nor any executive department of the Government possesses the legal authority to interfere in any way with trade between the people of this country and the territory of a belligerent. There is no act of Congress conferring such authority or prohibiting traffic of this sort with European nations, although in the case of neighboring American Republics Congress has given the President power to proclaim an embargo on arms and ammunition when in his judgment it would tend to prevent civil strife.

For the Government of the United States itself to sell to a belligerent nation would be an unneutral act, but for a private individual to sell to a belligerent any product of the United States is neither unlawful nor unneutral nor within the power of the Executive to prevent or control.

The foregoing remarks, however, do not apply to the outfitting or furnishing of vessels in American ports or of military expeditions on American soil in aid of a belligerent. These acts are prohibited by the neutrality laws of the United States.

DEPARTMENT OF STATE, *October 15, 1914.*

THE COTTON SITUATION IN THE SOUTH.

Mr. GORE. Mr. President, I submit a proposed plan for the relief of the cotton situation, with a brief analysis of the same. It might be well to state first what it does not undertake to do. It does not undertake to valorize cotton at any fixed price. It does not undertake to interne 5,000,000 bales or any other specific number as a segregated surplus. In this respect it meets the two most serious objections urged against other proposals.

It does undertake to pledge the faith and credit of the Government to assist in the movement of the present crop and avert the loss of a half billion dollars to the cotton growers of the South and to the Nation. Under its provisions every bank, State or national, upon making a satisfactory financial showing to the Secretary of the Treasury and filing a bond, would be entitled to receive a guaranteed certificate of credit. This certificate would have several elements of a bond. It would involve all the security of a bond without any stipulation for the payment of interest. It would afford relief to every producer of cotton, however limited his assets or resources. It differs from other plans in being universal. The banks receiving the certificate mentioned would extend their own credit guaranteed by that of the United States. Every producer of cotton, upon delivery of his cotton or warehouse receipts to one of the qualified banks accompanied by his note, could receive from the bank receipts for the cotton which would be negotiable and also certified cotton-credit checks, which would undoubtedly pass as money and would be as good as the faith and credit of the United States. The cotton could be withdrawn at any time upon payment of the notes in question, and the cash thus paid in would be held as a redemption fund against the certified checks. In addition to this, a portion of the interest, together with an excise tax upon the ginning of cotton, would constitute a redemption fund sufficient for the retirement of every certified check issued and placed in circulation. The system would be automatic. It would provide credit for all who needed credit. It would enable the poorest to hold his cotton until the

market price became satisfactory. It would prevent monopoly by requiring the sale of cotton when the price remained at 10 cents for more than a fixed period. It would be easy of administration. It is liable to no economic objection, except in the judgment of those who are opposed to such a use of the Government's credit under any circumstances and for any purpose whatsoever. In the absence of an effective market the only possible remedy or relief must be found in a system that will enable the producer of cotton to hold the commodity until the return or approach of normal market conditions. I now introduce the bill, and ask that it be received and, with the accompanying papers, referred to the Committee on Agriculture and Forestry, and also printed in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The bill (S. 6685) to declare an emergency and to establish a cotton-credit guaranty system was read twice by its title and, with the accompanying papers, referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

A bill (S. 6685) to declare an emergency and to establish a cotton-credit guaranty system.

Be it enacted, etc., That the short title of this act shall be the cotton-credit guaranty act.

SEC. 2. That an emergency in the cotton market in the United States is declared to exist, and it is declared to be the purpose of this act to meet such emergency.

SEC. 3. That wherever the word "bank" is used in this act the word shall be held to include State banks, banking associations, and trust companies, except where national banks are specifically referred to.

The terms "national bank" and "national-bank association" used in this act shall be held to be synonymous and interchangeable.

SEC. 4. That any bank, as defined in the preceding section, desiring to avail itself of the provisions of this act shall file an application with the Secretary of the Treasury, in such form as he may prescribe, and if said bank shall make a satisfactory showing as to its financial status its application shall receive the approval of the Secretary of the Treasury.

SEC. 5. That any bank whose application has been approved as provided above shall execute a bond payable to the United States, in such form and amount and with such sureties as the Secretary of the Treasury may prescribe and approve: *Provided,* That the amount of the bond shall not exceed the capital and surplus of such bank, and the bond shall be so conditioned that the bank executing the same will faithfully observe the provisions of this act and the rules and regulations prescribed in pursuance thereof: *Provided further,* That the Secretary of the Treasury may authorize and direct the Federal Reserve Board to pass on such applications and bonds and approve the same and generally to administer this act.

SEC. 6. That whenever the application and bond of any bank shall have been duly approved, it shall be entitled to receive from the Secretary of the Treasury a guaranteed certificate of credit: *Provided,* That in no case shall such certificate exceed in amount 90 per cent of such bond or of the paid-up capital stock and surplus of such bank.

SEC. 7. That whenever any bank shall receive a guaranteed certificate of credit it shall open up a special set of books, in which shall be kept a complete and correct account of all its transactions, under rules and regulations to be prescribed by the Secretary of the Treasury.

SEC. 8. That any bank after having received such guaranteed certificate of credit shall be authorized to use and advance its credit to an amount equal to such certificate as hereinafter provided and in accordance with such regulations as the Secretary of the Treasury may prescribe.

SEC. 9. That whenever the owner of one or more bales of cotton of commercial quality or the owner of warehouse receipts of such cotton shall make application to a bank holding a guaranteed certificate of credit, herein provided, for an advance or transfer of its credit, such bank may make such advance or transfer of its credit upon its books, kept for that purpose, upon the following conditions:

That the owner deliver such cotton or warehouse receipts to the bank and also execute and deliver his separate note for each bale of cotton so delivered or represented by such warehouse receipt in an amount as nearly equal as may be ascertained to the average market price of such cotton during the week last preceding, less 1 cent per pound on the basis of middling upland cotton. Each note shall contain a sufficient description of the cotton which it represents and shall be payable on or before three years from date and shall bear interest at the rate of 4 per cent per annum for the first year, 6 per cent for the second year, and 10 per cent for the third year: *Provided,* That the aggregate advance or transfer of credit by any bank shall at no time exceed the amount of the guaranteed credit certificate held by such bank.

SEC. 10. That whenever any bank shall grant an advance or transfer of credit as provided in the preceding section it shall issue to the person executing such note or notes certified cotton-credit checks equal in amount to the aggregate amount of such note or notes, and such certified checks shall be in denominations of $1, $2.50, $5, $10, and $20, in the discretion of the Secretary of the Treasury.

Any bank or banks issuing certified cotton-credit checks shall, before the delivery thereof, state therein the weight, mark, grade, and number of the bale of cotton pledged for their redemption, and any other distinguishing feature connected with said transaction, and shall state therein the name of the owner or owners who delivered such cotton or the warehouse receipt for the same.

Any certified cotton-credit check issued by any bank under the authority of this act and in compliance with the terms thereof shall be assignable and negotiable, and the title thereto shall pass by delivery, and for all the purposes of this act the holder of such certified cotton-credit check shall be deemed the owner of the same.

SEC. 11. That the certified cotton credit checks authorized by this act may be used, with the approval of the Federal Reserve Board and the Secretary of the Treasury, as security for the issue of Federal reserve notes under the Federal reserve act.

SEC. 12. That the faith and credit of the United States is hereby pledged to the redemption and payment in full of all certified cotton-credit checks issued in accordance with this act, and the United States shall be indemnified against loss on account of such payment as hereinafter provided.

SEC. 13. That in addition to the certified cotton-credit checks the owner of cotton or cotton-warehouse receipts receiving such checks shall be entitled to a receipt from the bank for each bale of cotton or each warehouse receipt representing a bale of cotton, and such receipts shall contain a sufficient description of the cotton which it represents, for purposes of identification, and such receipts shall be assignable or transferable.

Whenever cotton shall advance materially in price the holder of any bank receipt above provided for shall be entitled to present the same and, by substituting a new note for the original note, receive certified checks equivalent to the advance price under such regulations as the Secretary of the Treasury may prescribe.

Any lawful holder of any bank receipt or receipts for cotton shall have a right to present the same at any time to the bank issuing the same and upon payment in full of the note or notes represented by such bank receipts shall be entitled to the possession of the cotton called for by such receipt.

All money so received in payment of such notes shall be held as a redemption fund for the retirement of an equal amount of certified cotton-credit checks, and such redemption shall be paid at such time and in such manner as the Secretary of the Treasury shall direct.

Whenever the market price of middling upland cotton shall average more than 10 cents per pound for a period of 30 days it shall be the duty of any bank, unless otherwise ordered by the Secretary of the Treasury, to sell all cotton which it may hold under the terms of this act, and to set aside for the redemption of the certified cotton-credit checks an amount equal to the face value of the notes represented by such sale, and such notes shall be marked "Paid," and the excess shall be held for the benefit of the owner of the bank receipt for such cotton, and shall be paid to him upon the presentation and surrender of such bank receipts.

SEC. 14. That each bank shall be entitled to charge and collect 50 cents for each receipt for cotton issued in accordance with this act, and in addition thereto shall receive one-half of the interest collected on every note the first year, one-third of the interest collected on such note the second year, and one-fifth of the interest collected on such note the third year. The remainder of all interest collected shall be covered into the Treasury of the United States and shall constitute a part of the indemnity fund provided for by this act.

SEC. 15. That until January 1, 1918, every person, firm, company, or corporation engaged in the business of ginning cotton shall pay an annual license tax of $1, under rules and regulations to be prescribed by the Commissioner of Internal Revenue, approved by the Secretary of the Treasury, and in addition to such license tax an excise tax of $5 per bale is hereby imposed and shall be paid by the person, firm, company, or corporation ginning the same: *Provided,* That such tax may be charged against and collected from the person procuring such ginning to be done: *And provided further,* That it shall be the duty of the Secretary of the Treasury, on or before the 1st day of July of each year, to ascertain the aggregate amount of the outstanding and unredeemed certified cotton-credit checks and the market value of all cotton in the possession of banks represented by such checks, and certify the same to the President; and in the event that the market value of such cotton shall exceed the total amount of outstanding unredeemed checks, the President is empowered, and it shall be his duty, to issue a proclamation remitting the excise tax imposed by this section.

SEC. 16. That the excise tax imposed and collected in pursuance of the preceding section shall constitute an indemnity fund.

SEC. 17. That all cotton held by banks under this act on January 1, 1918, shall be sold under the direction of the Secretary of the Treasury, and the proceeds used for the redemption and retirement of the certified cotton-credit checks outstanding against such cotton, and if the proceeds be insufficient for the retirement of all such outstanding checks, then the indemnity fund provided for in the preceding section shall be used for the redemption and retirement of such outstanding and unredeemed checks, and the excise tax provided for in this act shall be continued and collected until all certified cotton-credit checks shall have been redeemed.

SEC. 18. (Penal clauses to be inserted here.)

Mr. GORE. I present a copy of a letter to Gov. Cruce, of my State, which I ask may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The letter is as follows:

[Letter from Senator GORE to the governor of Oklahoma.]

OCTOBER 20, 1914.

Gov. LEE CRUCE,
Oklahoma City, Okla.

MY DEAR SIR: In default of Federal legislation to relieve the stringency of the cotton situation recourse must be had either to legislative action by the States or to voluntary action and association on the part of the cotton producers and fellow citizens in the cotton section. Several measures for the relief of the situation were proposed in Congress. Their constitutionality was doubted by some; their expediency was doubted by others. But if their constitutionality and expediency had been above and beyond question the practical difficulties of securing their enactment into law have proved insurmountable. The cotton States have 20 Senators out of 96, and 98 Representatives out of 435. This explains the practical and insurmountable difficulties referred to.

Many plans have been proposed for the relief of a situation which is both difficult and tragic. Many, if not all, of them have been characterized as visionary. I do not like to admit that any practical problem defies solution that demands solution. Any plan to succeed must provide either cash or credit. There is no complete substitute for an effective demand for a commodity or, in other words, for a cash market. The utmost that can be done or hoped for in such a situation is a plan that will enable the producer to hold his cotton until the market is more satisfactory or until prices are less ruinous.

To the plans without number the following might be added, based upon the principle and experience of issuing clearing-house certificates in time of financial panic. Under the laws of some States an association might obtain a charter and operate as a corporation. In any State it could be operated by voluntary agreement and association upon the appointment of trustees to administer the plan. In either case cotton-credit associations could and should be organized. Bankers, business men and chambers of commerce should be interested in the plan as well as the cotton producer himself. Every producer of cotton should be allowed to deposit his cotton or his warehouse receipt for cotton with his local cotton-credit association. The association should execute two instruments to the person so delivering cotton. One should be in the nature of a bond; the other a receipt. The association should fix a

price at which cotton should be received, allowing a margin that would guarantee safety. It should fix a definite term during which the bond should run and at which it should expire, as well as the rate of interest which it should bear. If the safety price of cotton should be fixed at 7 cents and the rate of interest at 5 per cent and the term of the bond and receipt at 10 months, the plan would work as follows:

John Doe would deliver a bale of cotton, say, to the Homestead Cotton Credit Association. He would receive therefor a receipt which would provide that the holder of such receipt upon presenting the same and upon the payment of $35, with interest at 5 per cent for 10 months, should be entitled to receive the bale of cotton against which it was issued, described as follows: (Here describe the cotton.) This receipt could be presented at any time during the 10 months and possession of the cotton obtained. Doe would also receive at the time of delivering the cotton a bond bearing interest at the rate of 5 per cent for 10 months, which, however, would become neither due nor payable until the expiration of the 10 months. This bond would be assignable or negotiable and would undoubtedly pass current in the payment of debts and in the purchase of goods if the amount advanced on the cotton were kept within the limit of safety and merchants and other business men would engage to accept the same. If this bond should pass into the hands of Richard Roe, he could at the expiration of 10 months, and not before, present the same to the association issuing it and, if the cotton had not been redeemed, upon payment of the difference between the face value of the bond plus the interest and the market value of the cotton, in case it had increased in price, would be entitled to receive the bale of cotton against which it was issued. If, however, in the meantime John Doe had presented his receipt, had obtained his cotton, and had paid the $35, with interest, then Roe would be entitled to receive the $35 in redemption of his bond, plus interest. Rules and regulations might be made for the extension of the bond upon payment of accrued and anticipated interest for a limited period. This plan would not only provide credit for every producer of cotton but, if properly safeguarded, that credit in the form of the interest-bearing bond mentioned would enjoy considerable local currency. In its essential nature it resembles the plan adopted by the banks during the stringency of 1907 in issuing clearing-house certificates. The bonds are in the nature of such clearing-house certificates and are bottomed upon the cotton itself. Its success would depend upon the fixing of a price of cotton well within the limits of security. It would enable the producer of cotton to meet many of his imperative and immediate obligations. It would reserve to him the right within the period of 10 months, or such period as may be fixed, to avail himself of the increased price of cotton. Any time within the 10 months he could, by surrendering his receipt and by payment of the amount of the outstanding bond, with interest, redeem his cotton. Or, if he preferred, he could at any time within the 10 months assign his receipt and obtain the difference between the value of the outstanding bond and the market price of the cotton deposited against it. In other words, the producer who deposits the cotton remains owner and master of the same during the 10 months, or whatever period may be fixed in the bond. After the expiration of that time the owner of the bond has the option of presenting the same and obtaining the cotton if it has not been redeemed; and if it has been redeemed, then of obtaining the money deposited therefor at the time of redemption by the owner. Of course these conditions and details could be varied to meet the local situation or to meet the views of those constituting the association. It is an extraordinary plan proposed to meet an extraordinary condition of affairs. Conservative management and cooperation would insure its success. Its success would do much to alleviate the distress of a distressed people and a distressing situation. If, however, I have overestimated its merits, and if it be entirely void of merit, I have thought it might assist others to devise ways and means that might prove more practical in the future.

Yours, truly,

T. P. GORE.

Mr. KERN. I move that the Senate adjourn until to-morrow at 12 o'clock noon.

The motion was agreed to; and (at 1 o'clock and 32 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, October 21, 1914, at 12 o'clock noon.

NOMINATIONS.

Executive nominations received by the Senate October 20, 1914.

POSTMASTERS.

CALIFORNIA.

Charles G. Clyne to be postmaster at Benicia, Cal., in place of Oran A. King, removed.

Ernest H. Haack to be postmaster at Watsonville, Cal., in place of Thomas M. Wright. Incumbent's commission expired June 10, 1914.

W. E. Hiatt to be postmaster at Cloverdale, Cal., in place of W. E. Hyatt, to correct name of appointee.

Elgin C. Hurlbert to be postmaster at Pacific Grove, Cal., in place of James Harper. Incumbent's commission expired April 12, 1914.

FLORIDA.

B. S. Hancock to be postmaster at Pensacola, Fla., in place of Alexander G. Fell, deceased.

GEORGIA.

Dollie Allen to be postmaster at Ellaville, Ga. Office became presidential October 1, 1914.

Benjamin R. Leggett to be postmaster at Broxton, Ga. Office became presidential October 1, 1914.

James C. Newsom to be postmaster at Washington, Ga., in place of George A. Poche. Incumbent's commission expires December 16, 1914.

John Quinn West to be postmaster at Thomson, Ga., in place of John M. Barnes, resigned.

IDAHO.

Walter A. Fiscus to be postmaster at Potlatch, Idaho, in place of Lewis N. Balch, resigned.

ILLINOIS.

Samuel S. Hubbard to be postmaster at Woodriver, Ill. Office became presidential October 1, 1914.

John A. Pence to be postmaster at Gibson City, Ill., in place of Nelson B. Tyler, resigned.

George Rankin to be postmaster at Normal, Ill., in place of James S. Courtright. Incumbent's commission expires December 13, 1914.

LOUISIANA.

Edward A. Andries to be postmaster at Glenmora, La. Office became presidential October 1, 1914.

Turner K. Butler to be postmaster at Ponchatoula, La., in place of George J. Hollister. Incumbent's commission expired April 4, 1914.

Theodosia B. La Cour to be postmaster at Fisher, La. Office became presidential October 1, 1914.

R. M. Leake to be postmaster at St. Francisville, La., in place of Elwyn J. Barrow. Incumbent's commission expired April 20, 1914.

Randolph Morgan to be postmaster at Mandeville, La. Office became presidential July 1, 1914.

Katherine J. Moynagh to be postmaster at Harvey, La. Office became presidential October 1, 1914.

H. C. Richardson to be postmaster at Franklinton, La., in place of John L. Magee. Incumbent's commission expired January 20, 1914.

Jacob Seiler to be postmaster at Covington, La., in place of Pierre Eloi Theriot, resigned.

MICHIGAN.

Charles H. Frain to be postmaster at Laingsburg, Mich., in place of Henry H. Pulver, resigned.

William E. Murphy to be postmaster at Pinckney, Mich. Office became presidential October 1, 1914.

MISSISSIPPI.

Francis McNabb Hogin to be postmaster at Drew, Miss., in place of Francis P. McNabb, change of name by marriage.

MONTANA.

Edwin C. Hogenson to be postmaster at Hingham, Mont. Office became presidential October 1, 1914.

NEBRASKA.

Joseph J. Meyers to be postmaster at Burwell, Nebr., in place of William C. Johns, resigned.

Jarrett W. Ragan to be postmaster at Utica, Nebr., in place of Joseph H. Casler. Incumbent's commission expired May 17, 1914.

Charles M. Rebbeck to be postmaster at Gordon, Nebr., in place of Ray O. Lyon, resigned.

NEW HAMPSHIRE.

Enoch F. Stevens to be postmaster at Raymond, N. H., in place of George E. Fellows, deceased.

NEW YORK.

Patrick Halloran to be postmaster at Sparkill, N. Y., in place of Emily V. Auryansen, resigned.

Charles Hogan to be postmaster at Harrisville, N. Y., in place of Charles V. Nye. Incumbent's commission expired March 30, 1914.

James H. Reagan to be postmaster at Chadwicks, N. Y. Office became presidential October 1, 1914.

John W. Salisbury to be postmaster at Hamburg, N. Y., in place of William C. Froehley. Incumbent's commission expired April 21, 1914.

Charles E. White to be postmaster at Middleburg, N. Y., in place of Henry C. Getter, resigned.

NORTH CAROLINA.

Junius Bridger to be postmaster at Windsor, N. C., in place of William P. King, resigned.

Thomas C. Frisbee to be postmaster at Hot Springs, N. C. Office became presidential October 1, 1914.

Millard F. Hales to be postmaster at Wendell, N. C. Office became presidential October 1, 1914.

OHIO.

Michael M. Mowls to be postmaster at Waynesburg, Ohio, in place of T. Frank Williams. Incumbent's commission expired April 7, 1914.

OREGON.

John P. Cooley to be postmaster at Brownsville, Oreg., in place of Edward D. Starr, resigned.

PORTO RICO.

George P. De Pass to be postmaster at Mayaguez, P. R., in place of Fred Leser, jr. Incumbent's commission expired June 15, 1914.

SOUTH CAROLINA.

James A. Parler to be postmaster at Elloree, S. C. Office became presidential October 1, 1914.

TEXAS.

Hattie M. Culpepper to be postmaster at Palmer, Tex., in place of C. E. Culpepper, deceased.

Alex Dienst to be postmaster at Temple, Tex., in place of Thomas J. Darling. Incumbent's commission expired March 18, 1914.

James C. Gose to be postmaster at Krum, Tex. Office became presidential October 1, 1914.

R. E. Rankin to be postmaster at Abilene, Tex., in place of Turner S. Rollins. Incumbent's commission expires December 19, 1914.

R. A. St. John to be postmaster at Cisco, Tex., in place of Gomer S. Williams. Incumbent's commission expires December 16, 1914.

VIRGINIA.

Boyd Boggess to be postmaster at Richlands, Va. Office became presidential October 1, 1914.

Carroll C. Chowning to be postmaster at Urbanna, Va. Office became presidential October 1, 1914.

Charles C. King to be postmaster at Pearisburg, Va. Office became presidential October 1, 1914.

Leslie N. Ligon to be postmaster at Pamplin, Va. Office became presidential October 1, 1914.

William G. Stevenson to be postmaster at Accomac, Va. Office became presidential October 1, 1914.

WISCONSIN.

K. W. Baker to be postmaster at Greenwood, Wis., in place of Henry H. Hartson. Incumbent's commission expired May 23, 1914.

T. L. Cleary to be postmaster at Platteville, Wis., in place of Benjamin Webster. Incumbent's commission expired June 13, 1914.

A. H. Craig to be postmaster at Mukwonago, Wis., in place of Charles E. Wood. Incumbent's commission expired December 21, 1913.

F. J. Eagan to be postmaster at Muscoda, Wis., in place of A. C. Vandewater Elston, deceased.

Frank J. Haas to be postmaster at Richland Center, Wis., in place of Martin Copenhefer. Incumbent's commission expired May 23, 1914.

Frank Heiderer to be postmaster at Butternut, Wis., in place of John J. Hayden. Incumbent's commission expired January 12, 1914.

James McEntee to be postmaster at De Forest, Wis., in place of John A. Rasmussen. Incumbent's commission expired February 21, 1914.

Francis H. Metcalf to be postmaster at Reedsburg, Wis., in place of Howard B. Quimby. Incumbent's commission expired January 13, 1912.

Charles T. O'Brien to be postmaster at Necedah, Wis., in place of James H. Spencer. Incumbent's commission expired June 13, 1914.

Thomas F. Powers to be postmaster at Mauston, Wis., in place of Judson L. Marvin. Incumbent's commission expired December 14, 1912.

CONFIRMATION.

Executive nomination confirmed by the Senate October 20, 1914.

CONSULS GENERAL.

Henry W. Diederich to be consul general at Barcelona, Spain.

Carl Bailey Hurst to be consul general at Antwerp, Belgium.

HOUSE OF REPRESENTATIVES.

TUESDAY, *October 20, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Almighty God, we lift up our hearts in gratitude to Thee for Thy goodness and for Thy wonderful works to the children of men. Help us as individuals to appreciate the opportunities spread out before us for the intellectual, moral, and spiritual growth of our being, and teach us to know as integral parts of a great Republic in unity there is strength, in discord weakness, that we may grow the spirit of fraternity unto the unity of the faith in Christ Jesus our Lord. Amen.

The Journal of the proceedings of yesterday was read.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move that the Journal be approved.

ORDER OF BUSINESS.

Mr. MANN. Will the gentleman yield?

Mr. JOHNSON of Kentucky. Certainly.

Mr. MANN. Mr. Speaker, yesterday morning the gentleman from North Carolina [Mr. POU] called up two conference reports, which were agreed to. As a matter of fact, no conference report had been made to the House at all, and in this case I suggest to the gentleman that he ask to have that stricken out of the RECORD or move to reconsider the votes and present the conference reports. I think there is no objection to a unanimous-consent request to consider them immediately.

Mr. POU. Mr. Speaker, I ask unanimous consent to reconsider the votes by which the conference reports were agreed to on yesterday.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that these orders of yesterday be vacated and stricken from the Journal. That will settle it.

Mr. POU. I ask unanimous consent that that be done.

The SPEAKER. What are the numbers of the bills?

Mr. POU. The first is H. R. 1055, and the next is H. R. 4405.

The SPEAKER The gentleman from North Carolina asks unanimous consent that the proceedings in reference to these two bills, the numbers of which he has given, be vacated and the entry as to them stricken from the Journal. Is there objection? [After a pause.] The Chair hears none.

Mr. POU. Now, Mr. Speaker——

The SPEAKER. The gentleman from Kentucky moves that the Journal be approved.

The question was taken, and the motion was agreed to.

SENATE JOINT RESOLUTION SIGNED.

The SPEAKER announced his signature to enrolled joint resolution of the following title:

S. J. Res. 188. Joint resolution ceding to the State of California temporary jurisdiction over certain lands in the Presidio of San Francisco and Fort Mason (Cal.) Military Reservations.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they have presented to the President of the United States, for his approval, the following bills and joint resolutions:

H. R. 14233. An act to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes;

H. R. 12665. An act to increase the limit of cost of public building at La Junta, Colo.;

H. J. Res. 362. Joint resolution to correct an error in the enrollment of certain Indians enumerated in Senate Document No. 478, Sixty-third Congress, second session, enacted into law in the Indian appropriation act approved August 1, 1914; and

H. J. Res. 241. Joint resolution for the appointment of five members of the Board of Managers of the National Home for Disabled Volunteer Soldiers.

EMERGENCY REVENUE LEGISLATION.

Mr. UNDERWOOD. Mr. Speaker, I desire to make a privileged report (No. 1193). By direction of the Committee on Ways and Means I report back to the House the bill H. R. 18891, the revenue bill, and I ask unanimous consent, Mr. Speaker, in compliance with the recommendation of the Committee on Ways and Means, that the House disagree to all of the Senate amendments on this bill and agree to the conference asked by the Senate.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read as follows:

H. R. 18891. An act to increase the internal revenue, and for other purposes.

The SPEAKER. The gentleman from Alabama [Mr. UNDERWOOD], by direction of the Committee on Ways and Means, reports back to the House this bill with the recommendation that the Senate amendments be disagreed to and the conference asked for by the Senate agreed to. Is there objection?

Mr. HENRY. Mr. Speaker, reserving the right to object, I wish to state that I do not object to the request of the gentleman from Alabama. [Applause.]

The SPEAKER. Is there objection?

Mr. FITZGERALD. Mr. Speaker, reserving the right to object, if the gentleman will permit me, I wish to say that a Senate amendment proposes to increase the duty on beer to $1.75 a barrel from $1.50 as proposed by the House. I wish to

say for the benefit, not of the gentleman from Alabama but of some other persons, that so far as I am concerned and some others on this side of the House who feel like myself, I shall not vote for a conference report that fixes the duty on beer at the rate of $1.75 a barrel.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The Chair announces the following conferees.

The Clerk read as follows:

Mr. UNDERWOOD, Mr. KITCHIN, and Mr. PAYNE.

FREDERICK J. ERNST.

Mr. POU. Mr. Speaker, I ask unanimous consent that the conference report on the bill H. R. 4405 be agreed to.

Mr. MANN. The gentleman should present it first to the House.

Mr. POU. I understood that had been done.

The SPEAKER. The gentleman from North Carolina presents a conference report on the bill H. R. 4405, and asks its immediate consideration. The Clerk will report the bill by title.

The Clerk read as follows:

H. R. 4405. An act for the relief of Frederick J. Ernst.

The conference report and statement were read, as follows:

CONFERENCE REPORT (H. DOC. NO. 1197).

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4405) for the relief of Frederick J. Ernst, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

EDWD. W. POU,
H. D. STEVENS,
Managers on the part of the House.

N. P. BRYAN,
FRANK S. WHITE,
Managers on the part of the Senate.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken, and the conference report was agreed to.

T. S. WILLIAMS.

Mr. POU. Now, Mr. Speaker, I present the conference report on the bill H. R. 1055 and ask its immediate consideration.

The SPEAKER. The Clerk will report the title of the bill.

The Clerk read as follows:

H. R. 1055. An act for the relief of T. S. Williams.

The conference report and statement were read, as follows:

CONFERENCE REPORT (H. DOC NO. 1198).

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1055) for the relief of T. S. Williams, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate; and agree to the same.

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$261"; and the Senate agree to the same.

EDWD. W. POU,
H. D. STEVENS,
Managers on the part of the House.

N. P. BRYAN,
BLAIR LEE,
G. W. NORRIS,
Managers on the part of the Senate.

The question was taken, and the conference report was agreed to.

TRAFFIC IN OPIUM.

Mr. KITCHIN. Mr. Speaker, I desire to present a conference report and statement on the bill (H. R. 6282) for printing in the RECORD under the rule.

Mr. UNDERWOOD. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Alabama rise?

Mr. UNDERWOOD. I rose to make a request for unanimous consent when this matter is disposed of.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read as follows:

H. R. 6282. An act to provide for the registration of, with collectors of internal revenue, and to impose a special tax on all persons who produce, import, manufacture, compound, deal in, dispense, sell, distribute, or give away opium or coca leaves, their salts, derivatives, or preparations, and for other purposes.

The SPEAKER. The Chair will ask the gentleman from North Carolina if this report has already been printed in the RECORD?

Mr. KITCHIN. No; I am asking that the conference report and statement be printed in the RECORD under the rule.

The SPEAKER. The conference report and statement will be printed in the RECORD under the rule.

The conference report and statement are as follows:

CONFERENCE REPORT (H. DOC. NO. 1196).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6282) to provide for the registration of, with collectors of internal revenue, and to impose a special tax upon all persons who produce, import, manufacture, compound, deal in, dispense, sell, distribute, or give away opium or coca leaves, their salts, derivatives, or preparations, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 10.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 4, 5, 6, 7, 9, 11, 12, 13, 16, 18, 19, 20, 21, 23, 24, 25, 26, 27, 28, 30, 31, 32, 33, 34, and 35, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: Strike out the word "October," inserted by said amendment, and insert in lieu thereof the word "March"; and on page 1 of the bill, line 4, strike out the word "fourteen" and insert in lieu thereof the word "fifteen"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: Strike out the word "obliged" in the matter inserted by said amendment and insert in lieu thereof the word "required"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: Strike out all the matter inserted by said amendment and insert in lieu thereof the following: "keep a record of all such drugs dispensed or distributed, showing the amount dispensed or distributed, the date, and the name and address of the patient to whom such drugs are dispensed or distributed, except such as may be dispensed or distributed to a patient upon whom such physician, dentist or veterinary surgeon shall personally attend; and such record shall be kept for a period of two years from the date of dispensing or distributing such drugs, subject to inspection, as provided in this act"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In line 3 of the matter inserted by said amendment, after the word "States," insert the following: "to any person in any foreign country"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In line 3 of the matter inserted by said amendment, after the word "territorial," insert a comma; and in line 6 of the matter inserted by said amendment, after the word "Navy" and the comma, insert the following: "the Public Health Service" and a comma; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In line 15 of the matter inserted by said amendment strike out the word "interest" and insert in lieu thereof the word "intent"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In line 3 of the matter inserted by said amendment, after the word "veterinarian," insert the following: "required to register under the terms of this act"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and

agree to the same with an amendment as follows: Strike out "one-fourth" and insert in lieu thereof "one-eighth"; and the Senate agree to the same.

CLAUDE KITCHIN,
CORDELL HULL,
J. HAMPTON MOORE,
Managers on the part of the House.

F. M. SIMMONS,
JOHN SHARP WILLIAMS,
C. S. THOMAS,
P. J. MCCUMBER,
REED SMOOT,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6282) to provide for the registration of, with collectors of internal revenue, and to impose a special tax upon all persons who produce, import, manufacture, compound, deal in, dispense, sell, distribute, or give away opium or coca leaves, their salts, derivatives, or preparations, and for other purposes, submit the following written statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying report:

Amendment No. 1: This amendment provides for the date of effectiveness of this act, and the House recedes with an amendment fixing March 1, 1915, as the date the act shall go into effect in lieu of October 1, 1914. This change in date is necessary, for before the act can take effect provision must be made for registering and issuing official order blanks to at least 250,000 manufacturers, dealers, physicians, dentists, and veterinarians.

Amendment No. 2: This amendment permits officers of the United States, the States, the Territories, the insular possessions, and the District of Columbia lawfully engaged in making purchases of the specified habit-forming drugs to do so without registering and without paying the special tax, and the House recedes.

Amendment No. 3: The act requires the registration of every person producing, manufacturing, selling, giving away, or dispensing any of these specified habit-forming drugs, and then excepts certain officers of the Federal and State Governments. This amendment therefore becomes necessary in order to obviate any question of the right of these officers to dispense or give away the drugs which they purchase without registering, and the House recedes with an amendment, changing the word "obliged" to "required."

Amendments Nos. 4, 5, 6, 7, 9, 11, 12, 13, 14, 16, 18, 19, 20, 21, 23, 24, 25, 26, 27, 28, 30, 31, 33, 34, and 35 are either changes in language making the phraseology of the act more clear and certain or correcting clerical errors, and the House recedes.

Amendment No. 8: This amendment as redrafted does not require the personal attention of a physician, dentist, or veterinary surgeon to dispense or distribute any of the aforesaid narcotics, but, in case there is not personal attention on the part of the physician, dentist, or veterinarian, a record showing the amount of the drug dispensed or distributed, the date, the name, and the address of the patient to whom such drugs are dispensed or distributed must be kept for a period of two years, subject to inspection by the officers, agents, and employees of the Treasury Department and to the State, Territorial, District, municipal, and insular officials named in this act. Physicians, dentists, and veterinary surgeons will not have to keep a record of the quantity of the drug administered, etc., when in personal attendance upon their patients.

Amendment No. 10: Section 8 of this bill makes it unlawful for any person not registered under the provisions of this act to have in his possession or under his control any of the habit-forming drugs specified in this act, but exempts employees of registered persons acting in the scope of their employment and nurses acting under the supervision of a physician, dentist, or veterinary surgeon. As nurses are often employed by the patient, in order to prevent a nurse employed by a patient having possession of the aforementioned drugs from becoming liable to the penalty for violation of this act it therefore is necessary for the physician, dentist, or veterinary surgeon to register under this act, and the Senate recedes.

Amendment No. 15: This amendment is to make it clear that it will be lawful for manufacturers and dealers to sell to the specified public officers without the official order blank. This amendment becomes necessary because previous amendments have exempted these officers from the necessity of registering and obtaining official order blanks. The House recedes with an amendment specifying among the exempted class of officers those of the Public Health Service.

Amendment No. 17: This amendment becomes necessary because in the Philippine Islands, Porto Rico, and the Canal Zone the United States internal-revenue laws do not apply and there are no Federal internal-revenue districts or collectors. Neither are there any United States district courts in the Philippines. This amendment merely bestows jurisdiction in the Philippine Islands on the local courts and gives the President authority to issue such Executive orders as are deemed necessary to carry into effect the intent and purpose of this act, and the House recedes.

Amendment No. 22: This amendment merely extends the exemption from liability under this act to persons delivering any of the aforementioned drugs prescribed or dispensed by a physician, dentist, or veterinarian, and to United States, county, municipal, District, Territorial, or insular officers or officials acting within the scope of their official duties, and the House recedes with an amendment requiring the physician, dentist, or veterinarian to register under the terms of this act.

Amendment No. 29: The House bill limited the amount of heroin that could be sold, distributed, given away, or dispensed without coming within the terms of this act to one-twelfth of a grain. The Senate increased the amount to one-fourth of a grain, and the House recedes with an amendment limiting the amount to one-eighth of a grain.

Amendment No. 32: This amendment exempts nurses working under the supervision of physicians, dentists, or veterinary surgeons registered under the act from the provisions of the act. This provision becomes necessary because the nurse is generally employed by the patient, and is therefore not an employee of a person registered under the act, and the House recedes.

CLAUDE KITCHIN,
CORDELL HULL,
J. HAMPTON MOORE,
Managers on the part of the House.

ORDER OF BUSINESS.

Mr. JOHNSON of Kentucky. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. JOHNSON of Kentucky. It was agreed by the House that on the next day, barring Calendar Wednesday and unanimous-consent day, after the Philippine bill was through should be given to the consideration of the District of Columbia business. Now, the Philippine bill was finished on Wednesday last, but by unanimous consent Calendar Wednesday was set forward to Thursday; and in that way the next day, Thursday, was not given to the consideration of District business. The next day thereafter was Friday, and that was consumed by preferential business before District business was reached. The next day being Saturday, there was no session; and the next day was yesterday, which was unanimous-consent day, to which the District day, under the rule, had to give way again. I now inquire whether or not this is not District day under the unanimous-consent agreement heretofore reached?

The SPEAKER. It seems to the Chair, without examining the RECORD, that that agreement was entered into.

Mr. JOHNSON of Kentucky. It was. There was no question about that. The question now is whether or not this day is the next day after the conclusion of the Philippine bill?

The SPEAKER. The Chair thinks so.

Mr. MANN. What became of Friday?

The SPEAKER. Friday was consumed by oratory, under the unanimous-consent agreement, and the Chair thinks it is true under the rules and regulations and the rules of common sense that this is really the first legislative day after getting through with the Philippine bill.

Mr. JOHNSON of Kentucky. Then, Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for further consideration of House joint resolution 331 and such other matters as may come up.

LOUGHLIN F. MAGINN.

Mr. LOBECK. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Nebraska rise?

Mr. LOBECK. I rise for the purpose of offering a resolution correcting a name in a pension bill.

The SPEAKER. The Clerk will report the resolution.

Mr. MANN. Will the gentleman from Kentucky [Mr. JOHNSON] withhold his motion?

Mr. JOHNSON of Kentucky. I withhold the motion for a moment.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Joint resolution (H. J. Res. 375) correcting an error in H. R. 15692, approved July 21, 1914 (Private, No. 95).

Whereas by an error occurring in the bill reported by the House Committee on Invalid Pensions upon H. R. 15692, approved July 21, 1914 [Private, No. 95], the name of one Loughlin F. Maginn, late of Company H, Sixteenth Regiment New York Volunteer Infantry, was changed to read Loughlier F. Maginn of said regiment: Therefore be it

Resolved, etc., That the paragraph in an act entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War, and certain widows and dependent children of soldiers and sailors of said war," approved July 21, 1914 (Private, No. 95, 63d Cong.), granting an increase of pension to one Jennie L. Maginn, be corrected and amended so as to read as follows:

"The name of Jennie L. Maginn, widow of Loughlin F. Maginn, late of Company H, Sixteenth Regiment New York Volunteer Infantry, and pay her a pension of $20 per month in lieu of that she is now receiving."

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The House joint resolution was ordered to be engrossed and read a third time, was read a third time, and passed.

ORDER OF BUSINESS.

Mr. UNDERWOOD. Mr. Speaker, I desire to ask unanimous consent that the business that was in order on yesterday may be in order to-day, and I am in hopes that in a few days we can reach an adjournment. I think by making the business in order to-day that was in order yesterday we can expedite business that is on the calendar and ought to be enacted, and it is not business that would seriously interfere with the adjournment in any way.

The SPEAKER. The gentleman from Alabama [Mr. UNDERWOOD] asks unanimous consent that the business that was in order yesterday shall be in order to-day.

Mr. UNDERWOOD. And the gentleman from Texas [Mr. HENRY] advises me that he desires to bring in a rule to-morrow, and I couple with the request that business that is in order on Calendar Wednesday may go over until Thursday.

Mr. FITZGERALD. What is the rule about?

Mr. BORLAND. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Texas what this rule is. Is it in regard to the cotton-warehouse bill?

Mr. HENRY. Yes. The rule is in regard to the Senate bill amending the Federal reserve act and the Aldrich-Vreeland bill and the Lever bill.

The SPEAKER. The gentleman from Alabama [Mr. UNDERWOOD] asks unanimous consent that the business that was in order yesterday—that is, uanimous consent and the suspension of the rules—shall be in order to-day, and that business of Calendar Wednesday be postponed until Thursday.

Mr. UNDERWOOD. Mr. Speaker, I will ask, after consulting gentlemen who are interested in the matter, that business that is in order on to-morrow be in order on to-morrow week. In other words, that Calendar Wednesday go over a week.

The SPEAKER. The gentleman from Alabama [Mr. UNDERWOOD] asks unanimous consent that the business that was in order yesterday on the Unanimous Consent Calendar and under suspension of the rules be in order to-day, and, further, that the business of to-morrow be postponed a week.

Mr. FALCONER. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Alabama when he expects that Congress will adjourn?

Mr. UNDERWOOD. It will probably adjourn before to-morrow week.

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, the latter part of the request does not amount to anything except to dispense with Calendar Wednesday to-morrow.

Mr. UNDERWOOD. That is the purpose of it.

Mr. MANN. I suppose the reason for that is in order to obviate the objection on the part of the gentleman from Texas [Mr. HENRY] to the first part of the request?

Mr. UNDERWOOD. The gentleman did not couple it in that way, but I will say to the gentleman from Illinois that the Committee on Rules has agreed to a rule which the gentleman from Texas desires to present, and if it was not presented to-morrow it would be presented on Thursday, as the Rules Committee has the right of way. I think it would expedite business to let it be presented to-morrow while the conferees are working on the revenue bill.

Mr. MANN. Would it not expedite business to have it presented to-day, so that we can dispose of it? There are a number of Republicans asking if they will have to return in order to make a quorum; and we are staying here now because of the cotton situation.

Mr. UNDERWOOD. I will say to the gentleman from Illinois that I have no objection to the rule being presented to-day and unanimous-consent day being to-morrow. It was merely for the purpose of helping some Members get through certain bills that they want to get through.

Mr. MANN. It seems to me that would be better. So far as I am concerned, if there is a chance to escape our present imprisonment and vote to dispense with Calendar Wednesday to-morrow——

Mr. HENRY. This will help the adjournment. It is just as broad as it is long. There are other matters that ought to come up. This Plaza-award proposition, it seems to me, ought to come up, and some other matters, and it would take just as much time to work it one way as the other; and the preference of the Committee on Rules is to present these rules to-morrow and get through with them to-morrow if we can obviate the proceedings under Calendar Wednesday.

Mr. MANN. But why should we not proceed to-day with these rules? We will have no objection, so far as I know.

Mr. HENRY. I would prefer to let the gentleman from Kentucky [Mr. JOHNSON] go ahead to-day, and if he gets through, then we will go on.

Mr. MANN. If he gets through to-day, you can go on to-day.

Mr. HARDWICK. Exactly.

Mr. MANN. He can not get through to-day if this request goes through.

Mr. HARDWICK. Let us modify the form of the request.

Mr. MANN. Why not proceed regularly now, and to-morrow dispense with Calendar Wednesday and take up the Unanimous Consent Calendar to-morrow? It seems to me that it is desirable to know "where we are at" on this other situation. The sooner we do the sooner we will get away.

Mr. HENRY. If you obviate the proceedings of Calendar Wednesday we will get away just as quickly, because these rules will be presented to-morrow, and we will get through with those matters. Personally I would prefer to present the rules to-morrow. I would like to have copies made and give them to Members, so that they can see what we can agree on.

Mr. MANN. I can not see a prospect of daylight until we have a vote on that proposition.

Mr. HENRY. What is that?

Mr. MANN. I do not see any chance of daylight or a prospect of getting away until we have a vote on that proposition.

Mr. HENRY. Let the gentleman from Kentucky get up his bill.

Mr. MANN. That probably will not take very long.

Mr. HENRY. All right.

The SPEAKER. Is there objection?

Mr. MANN. I object.

The SPEAKER. The gentleman from Illinois [Mr. MANN] objects. The gentleman from Kentucky [Mr. JOHNSON] is recognized.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the purpose of further considering House joint resolution 331—and other District legislation, I was about to say.

Mr. UNDERWOOD. Well, Mr. Speaker, pending that motion, I ask unanimous consent that Calendar Wednesday be dispensed with to-morrow.

The SPEAKER. The gentleman from Alabama [Mr. UNDERWOOD] asks unanimous consent to dispense with Calendar Wednesday to-morrow.

Mr. MANN. What is the purpose of that?

Mr. HARDWICK. As soon as we get through with that business we can go on with the rule.

Mr. MANN. I thought to-morrow we would take up the Unanimous Consent Calendar. If we have a quorum, I am willing to stay here to-night and finish your bills, or, if you do not get through to-night, to go ahead to-morrow.

Mr. JOHNSON of Kentucky. Mr. Speaker, in order to facilitate matters, I would like to be given unanimous consent for the purpose of having the rules suspended for the purpose of taking up the former bill. That would give you the rest of the time.

Mr. MANN. Let us fix a time for debate. It will not take much time on the gentleman's motion.

Mr. JOHNSON of Kentucky. I propose 10 or 15 minutes to a side. It will not make any difference to-morrow.

Mr. MANN. Some gentlemen desire to be heard on our side. I do not know how much time it will take.

Mr. CLARK of Florida. Mr. Speaker, if the gentleman from Kentucky will permit me, this resolution was before the House before, and at that time the gentleman from Kentucky [Mr. JOHNSON], representing his side of the question, spoke for more than an hour. I think he spoke about an hour and a half, and this side has not been heard at all, practically.

Mr. JOHNSON of Kentucky. The gentleman is mistaken, because the gentleman himself spoke longer than I did.

Mr. CLARK of Florida. I know the gentleman from Pennsylvania [Mr. LOGUE] spoke about 30 minutes. He had an hour left, and the gentleman from Kentucky [Mr. JOHNSON] spoke about an hour and 15 minutes.

The SPEAKER. The gentleman from Pennsylvania [Mr. LOGUE] had 49 minutes left, and the gentleman from Kentucky [Mr. JOHNSON] had 15 minutes left.

Mr. MANN. The day the former resolution of the gentleman from Kentucky was up we had practically finished general debate. There was an agreement to close general debate, and I was to have 15 minutes out of the 20 that remained. That was on the first resolution. Now, I am willing to yield that under the circumstances. Then a second resolution came up.

Mr. CLARK of Florida. If the gentleman from Illinois will permit me, I understand now that the gentleman from Kentucky is changing his proposition, and wants to make a motion to suspend the rules.

Mr. MANN. No; he is not making that motion.

Mr. CLARK of Florida. Yes; he is. If that is done, it cuts out our opportunity to offer any substitute.

Mr. MANN. Let us agree upon a time for debate in Committee of the Whole.

Mr. CLARK of Florida. We will rest it on our 49 minutes and on their 15.

Mr. STAFFORD. Cut it down to half an hour on one side and 10 minutes on the other.

Mr. MANN. There is no reason why we should not stay here to-night if there is any occasion for it.

Mr. CLARK of Florida. I want to say if it is to come up under suspension of the rules, without any opportunity for us to offer our substitute, we do not care to discuss it at all.

Mr. GARRETT of Tennessee rose.

The SPEAKER. For what purpose does the gentleman from Tennessee rise?

Mr. GARRETT of Tennessee. To offer a suggestion in the interest of the expedition of this business. If it is to be a matter of unanimous consent, it is not necessary that the gentleman from Kentucky [Mr. JOHNSON] should ask unanimous consent that he be permitted to suspend the rules. The gentleman from Kentucky could ask unanimous consent that the House resolve itself into the Committee of the Whole House on the state of the Union. He does not want to suspend the rules. It takes a two-thirds vote to pass the bill under suspension of the rules. He is taking it up by unanimous consent, anyway.

Mr. MANN. It is in order. He has made his motion to go into the Committee of the Whole House on the state of the Union. Let us fix the time for debate on that.

Mr. GARRETT of Tennessee. It would not be in order, except by unanimous consent.

Mr. MANN. Yes; the Chair has held it in order.

Mr. CLARK of Florida. Then, Mr. Speaker, we are willing that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of this resolution, and to take 30 minutes on our side and 10 minutes to be given to the gentleman from Kentucky [Mr. JOHNSON].

The SPEAKER. How much on the gentleman's side?

Mr. CLARK of Florida. Thirty minutes.

The SPEAKER. The gentleman from Florida [Mr. CLARK] asks unanimous consent, pending the motion to go into the Committee of the Whole, that he shall have 30 minutes' time to his side and that the gentleman from Kentucky shall have 10 minutes. Is there objection?

There was no objection.

The SPEAKER. The question is on the motion that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the Plaza bill and other business from the Committee on the District of Columbia.

Mr. MANN. Only the Plaza bill.

Mr. JOHNSON of Kentucky. That is all.

The SPEAKER. For the further consideration of the Plaza bill.

The motion was agreed to.

LEAVE TO EXTEND REMARKS.

Mr. KINDEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. About what?

Mr. KINDEL. On the subject of the state of the Union.

The SPEAKER. The gentleman from Colorado [Mr. KINDEL] asks unanimous consent to extend his remarks in the RECORD on the state of the Union. Is there objection?

Mr. KEATING. I object.

The SPEAKER. The gentleman from Colorado [Mr. KEATING] objects.

Mr. TAYLOR of Arkansas. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the cotton situation.

The SPEAKER. The gentleman from Arkansas [Mr. TAYLOR] asks unanimous consent to extend his remarks in the RECORD on the cotton situation. Is there objection?

Mr. MANN. Reserving the right to object, if the gentleman from Colorado [Mr. KINDEL] can not have that courtesy extended to him, no one else can. I object. I do not think it very gracious of the gentleman's colleague to object, when similar courtesies have been extended to him.

Mr. TAYLOR of Arkansas. What became of my request, Mr. Speaker?

The SPEAKER. The gentleman from Illinois objected, and that is the end of it.

Mr. SINNOTT. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Oregon rise?

Mr. SINNOTT. To ask unanimous consent to extend my remarks in the RECORD on the subject of representative government.

The SPEAKER. The gentleman from Oregon asks unanimous consent to extend his remarks on the subject of representative government. Is there objection?

Mr. GARRETT of Tennessee. Reserving the right to object, I should like to inquire if the gentleman from Illinois [Mr. MANN] heard that request?

Mr. MANN. I did.

Mr. GARRETT of Tennessee. Does the gentleman intend to object?

Mr. MANN. I do not think I will, although if it was on that side of the House I would. [Laughter.]

The SPEAKER. Is there objection?

Mr. DIFENDERFER. Mr. Speaker, I object.

Mr. MANN. Let it be all or none.

PLAZA AWARDS.

The SPEAKER. The motion of the gentleman from Kentucky [Mr. JOHNSON] is agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the joint resolution (H. J. Res. 331) relating to the awards and payments thereon in what are commonly known as the Plaza cases, with Mr. WINGO in the chair.

Mr. JOHNSON of Kentucky. Mr. Chairman, I yield two minutes to the gentleman from Nebraska [Mr. BARTON].

Mr. BARTON. Mr. Chairman, when this matter was under discussion before, as a member of the subcommittee of the Committee on Public Buildings and Grounds, which had had this matter under consideration, I argued and reasoned and believed that the matter of acquiring a part of this property and not all of it was not good business and in the interest of the Government. I still hold to that opinion, and believe that it is the best business policy to acquire all of this property for the park as soon as we possibly can, without crippling our resources. But since that time different conditions have arisen. We are now passing a war-revenue measure to get money. The sum of $600,000 is involved in this matter, and if the payment of that can be delayed, I think it is in the interest of economy and in the interest of good government to delay the expenditure for a park which is not a necessity until the time comes when we can easily make this payment out of the Government funds without impairing the finances of the Government. I simply want to make this statement so that my position may be perfectly understood. I have not changed my ideas or my arguments. There is but very little difference between the report of our committee and the proposition of the gentleman from Kentucky [Mr. JOHNSON] to value this property, but I do feel that at this time a saving of the expenditure of $600,000 is of value to the Government. [Applause.]

We should pay the small property owners the amount of their awards, as the President and the commission have decided that these awards are fair and just, but as the Baltimore & Ohio Railroad are disposed to violate their former agreement to take the original price for their property, with 6 per cent interest added, I am in favor of letting them await the pleasure of this body and of saving this expenditure at this time.

Mr. POST. Mr. Chairman, we have 30 minutes on our side, and I ask to be notified when I have used 10 minutes.

Our side desire to offer a substitute, and I want to ask if that will be in order now?

Mr. MANN. Not until the joint resolution is read.

The CHAIRMAN. We are proceeding with the general debate now. The substitute will be in order when the joint resolution is read for amendment.

Mr. POST. Mr. Chairman, this matter has been thrashed over upon two different occasions prior to this time. There is quite a difference between the resolution that was offered by the gentleman from Kentucky [Mr. JOHNSON], the chairman of the District of Columbia Committee, and the resolution offered by the Committee on Public Buildings and Grounds. That difference consists in this, that the resolution offered by the Committee on Public Buildings and Grounds contemplates the ultimate acquisition of all of this ground which, in 1910, Congress declared its intention to take for the extension of the Capitol Grounds. In other words, the resolution that we propose to offer provides ultimately for the condemnation of the lands which are owned by the Baltimore & Ohio Railroad Co. and the Baltimore Investment Co., all of that land practically belonging to the Baltimore & Ohio Railroad Co. The gentleman from Kentucky [Mr. JOHNSON] has included in his resolution a stipulation that the commission, which the resolution provides the President shall appoint, shall take over the Baltimore & Ohio Railroad Co.'s holdings at their original cost, with 6 per cent up to the time of the confirmation of the condemnation proceedings that was had on the 27th of February, 1913. I think that proposition is a preposterous one, for this reason: Here is the great Government of the United States attempting to take private property for a public purpose. We are saying to the private owner of that property, "We propose to give you the original cost of that property and 6 per cent up to a certain date." We are not putting the property of the Baltimore & Ohio Corporation upon a par with that owned by individuals. The just and equitable method is pointed out or provided in the resolution which we propose to offer as a substitute; that is, that the Supreme Court of the District of Columbia shall impanel a jury and let that jury assess the value of this property.

It is said by the gentleman from Nebraska [Mr. BARTON], who just preceded me, that owing to the fact that we are about to pass a war-revenue measure we should not include in this the Baltimore & Ohio Railroad holdings. For my part, I do not think that should cut any figure in this transaction. I do not think it is a business proposition for the Government to take isolated pieces of property, a piece of property here and a piece of property there, which destroys the very purpose for which the appropriation is sought to be made. The object of this scheme originally was to use all of this ground as a whole for the extension and enlargement and beautifying of the Capitol Grounds here. To take one piece of property here and another there would not accomplish anything, and what the Government would do with isolated pieces of property I do not know. In addition to that, the Baltimore & Ohio Railroad Co., when the proceedings in condemnation were dismissed in the Supreme Court of the District of Columbia, filed a motion to set that judgment of dismissal aside, and in all probability will prosecute its contention to the United States Supreme Court, and the resolution offered by the Public Buildings and Grounds Committee will be delayed, with the exception of the payment to private property owners. I say that the proposition of the gentleman from Kentucky [Mr. JOHNSON] is anomalous, because he bases it on a false premise. He bases his position upon the fact, as he says, that Mr. Hamilton, who is the local attorney here of the Baltimore & Ohio Railroad Co., in the year 1902 offered to take the original cost of this property, with 6 per cent interest. Nineteen hundred and two is 12 years ago, and to undertake to hold the Baltimore & Ohio Railroad Co. to a proposition of that kind, even conceding that they made such a proposition, to my mind is monstrous.

The facts in the case are these: Long prior to the year 1901 it was agitated in Congress and it was agitated here in the District of Columbia that all of the railroads entering the city of Washington should obliterate their grade crossings, and that culminated, I believe, in 1901 in Congress passing an act requiring the Southern Railroad Co., the Pennsylvania Railroad Co., and the Baltimore & Ohio Railroad Co. to obliterate their grade crossings. That act provided that the Baltimore & Ohio Railroad Co. should move its station, which was situated on block 632, down here beyond the Malty Building, from that place to a point opposite where the Senate Office Building now stands. In view of the agitation, and in view of that act of Congress in 1901 compelling it to move its station, compelling it to obliterate its grade crossings, the Baltimore & Ohio Railroad Co. acquired the remainder of this property, and was contemplating doing what Congress had compelled it to do by its legislation, namely, moving its station there, elevating its tracks above the street, when in 1903 Congress passed another act repealing that act and establishing the Union Station where it now stands. The result of that legislation was to leave all of this property, after the streets had been raised, on the hands of the Baltimore & Ohio Co. absolutely as unproductive property. To say that the Baltimore & Ohio Railroad Co. under those circumstances should not be put on a parity with every other transaction of this kind in condemnation proceedings is an anomalous proposition. I have no license to present the case of the Baltimore & Ohio, but what I am interested in here and why I am pointing this out is this, that this is one proposition, it has one end in view, and that is the extension of the Capitol Grounds, and in order to do that you are compelled to have all of the property.

To take a part of it now and to wait in the future to take a part of it at some other time, or to provide for taking a part of it now and not to provide for taking the whole ultimately, it seems to me, would result in disaster in the future. In other words, it would leave a lot of isolated property on the hands of the Government that would be unprofitable to the Government. I say that we ought to make a plan here and we ought to provide, as was provided by the act of 1910, to acquire the whole of this property, and put everybody upon an equality. The condition of a lot of private owners down there is deplorable. I never thought until this was called to my attention that a great Government like the United States Government could conduct itself so as to absolutely confiscate some of this property. My attention was first called to this by a former constituent of mine, living in my own town, who owned property just this side of the new Post Office Building. He had there a prosperous mill, a prosperous business. Under the act of 1901, which provided for the obliteration of the grade crossings, they went around his property and filled up the streets as high as from 20 to 27 feet. They did it with railroad cars, filled it in, and actually crushed in his building and destroyed his business.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. POST. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BURNETT. Mr. Chairman, the gentleman from Florida [Mr. CLARK] has stepped to his office, and the understanding was that he was to have 10 minutes when he came back. I desire to consume 10 minutes at this time. I would ask the gentleman from Kentucky whether or not he will have more than one speech?

Mr. JOHNSON of Kentucky. There will be but one more speech on our side

Mr. BURNETT. Mr. Chairman, I will occupy 10 minutes. There are three principal differences between the report of the Committee on Public Buildings and Grounds and that of the gentleman from Kentucky. This matter was before our committee for quite a while. Eighteen months ago there was a condemnation and awards were made for land for the Capitol Plaza. Under the law under which the procedure was had the opinion of the Department of Justice was that the President had a veto power over the acceptance of the awards and payment and taking of the property, because after the provision of law for the adjudication of these questions there was a reservation that upon its approval—that is substantially it; I do not quote the exact language—by the President the property should become the property of the United States. The President disapproved the awards, as I understand, mainly because he believed that the award to the Baltimore & Ohio Railroad was excessive. The Attorney General was of the opinion that there should be no disapproval of one without the disapproval of all, and for that reason the President felt that he had no authority to settle with the small landowners and not settle with the Baltimore & Ohio Railroad Co.

Now, in order to meet that situation the President and everybody who knew about the important condition of these people, some of whose property, as has been said by the gentleman from Ohio, having been virtually confiscated, have desired that some means might be reached by which they could be paid. The Committee on Public Buildings and Grounds reported a bill providing for a new commission to be composed of the chairman of the Committee on Public Buildings and Grounds of the Senate, the chairman of that committee of the House, and the Superintendent of the Capitol Building and Grounds. The gentleman from Florida [Mr. CLARK] and the Senator from Virginia [Mr. SWANSON] did not desire to act upon that commission, and that necessitated further action by our committee. The further action, Mr. Chairman, was that we recommended a new commission, composed of some one to be appointed by the Department of Justice, the Superintendent of the Capitol Building and Grounds, and the other to be Mr. Harts, the officer in

charge of the Washington Monument, a public building in the District—I am not sure what his official designation is—and that that commission was to be given the power in the first place to settle and pay all those whose claims had been adjudicated who are willing to settle on the basis of the amount of the award, and in case any would not settle for that amount then the commission is authorized to have further condemnation proceedings in the Supreme Court of the District of Columbia. Now, the bill of the gentleman from Kentucky [Mr. JOHNSON] leaves out entirely the question of condemnation, although we have further stated in our resolution that the President could not pay any more to any landholder than the amount of the award, but that the award itself, if a new condemnation were had, should not be in excess of the former award.

The gentleman in his resolution omits entirely the proposition of a new condemnation. He merely authorizes the President to go ahead with the purchase of the property or to appoint a commission to do so. Now, I think that that would not be a proper way, because we do not want a checkerboard system if we have any Plaza at all. And another reason, Mr. Chairman, the idea of the gentleman from Kentucky is a good one, no doubt—to a very great extent, at least—in that he has eliminated the probability of a new condemnation of the property of the Baltimore & Ohio Railroad. But suppose some well-to-do property holder who has property that was previously condemned and that condemnation set aside says, "Well, you have no right to take my property by condemnation, and therefore I will not accept the price that you offer." Now, his poorer neighbor across the street, in his strained circumstances, will have to accept the price, but the other gentleman can defy the Government and say, "I will not do it, because you will have to go into the courts and institute condemnation proceedings, and the Johnson resolution does not provide for any." Then, why not provide for a condemnation proceeding, and the commissioners can exercise it or not, at their discretion, and in that way compel settlements without condemnation. Again, Mr. Chairman, we guard it by saying there shall be no award and no purchase in excess of the price heretofore made by the former awards. Therefore I think that the gentleman from Kentucky is mistaken in the idea that he should limit it simply to the purchase, and I feel that at the next session of Congress, or very soon, when they see how it is working, we will have to pass another bill authorizing a condemnation. I see nothing wrong in providing for it in the first place. It is under the supervision of the President, and the President has the same veto power that he had before, and I do not see why gentlemen are so opposed to the personnel of this commission. Something was said in a previous argument in regard to opposition to Mr. Elliott Woods, the Superintendent of the Capitol Building and Grounds.

Mr. Chairman, if Mr. Woods is dishonest and is a man who has been playing or is likely to play to the interest of the corporations and the great landholders of this city, as I understand it, he is under the Interior Department, and certainly a Democratic administration ought to remove an incompetent and dishonest official, if such a thing is true. Now, a jury is to be selected for the purpose of making the award under the Post resolution. The gentleman in his previous argument, as I recall it, has objected to that. Well, the court orders the jury and the marshal, a Democrat, will summon that jury, and certainly that Democratic marshal ought to find men enough in the District of Columbia to give a just award toward the Government and to the people. Mr. Chairman, I am willing for any kind of checks to be thrown around so that a great corporation can not take advantage of the Government in this manner, but I do not want others to seek to take advantage of the Government while these condemnation proceedings are going on. I would not want the well-to-do landholder to be in a position where he can say "I can hold you up"; but with the safeguards that are thrown around the resolution that will be offered as a substitute by the gentleman from Ohio [Mr. POST], it seems to me that it is very well guarded, and we can certainly trust the President, and can certainly trust the one appointed from the Attorney General's office, and certainly trust those other gentlemen designated, to do right in regard to this matter, and I believe that, with the possibility of condemnation proceedings hanging over them, that every single one of them, except the Baltimore & Ohio Railroad, will be settled by purchase and by agreement between the Government officials and the landowners. And when we omit the condemnation, mark the prediction, you will find that the next session, or before a great while, at least, they will be coming to Congress and asking for the power of condemnation in order that they may get what they want—that is, the entire opening, as I understand, between the Capitol and the station. There may be some of those lands that belong to the Baltimore & Ohio Railroad that ought not to be taken. That can be determined by the commission. Full power and discretion to act in the premises is lodged with the commission and the President by the Post resolution.

If the commission and jury should go on and condemn lands beyond what they ought to, belonging to the Baltimore & Ohio Railroad or anyone else, the President has the same right to reject it that he has always had. And the resolution of the gentleman from Kentucky says that no Member of Congress or ex-Member of Congress shall be a member of this commission. I care nothing for that. It is merely immaterial, Mr. Chairman, and does not strike me at all; but what I want is to get action, and action that will be perfect action and conclusive action, so that these people that have waited for 18 long months shall be paid what the Government justly owes them and to which they are entitled.

The CHAIRMAN. The time of the gentleman from Alabama has expired. The gentleman from Florida [Mr. CLARK] is recognized.

Mr. CLARK of Florida. Mr. Chairman, in my judgment there are two serious objections to the resolution of the gentleman from Kentucky [Mr. JOHNSON]. One of those objections is the fact that it provides for a commission which is to be paid a salary. Those of us who have been here for any length of time know that whenever you establish one of these paid commissions their term never expires. Why, Mr. Chairman, I have in mind right now a commission which was created in 1908 to procure a map for the District of Columbia, and for which $5,000 was appropriated. There were other appropriations following until finally it reached $25,000, and that commission is just now about to conclude its arduous labors. So I am opposed to this resolution of the gentleman from Kentucky, because it provides for a commission to be appointed by the President and to be paid a salary in the discretion of the President, for they will never get through. And it simply means thousands of dollars out of the Public Treasury, and it further means that these poor people who own some of this property will have to wait for years to come before they can get their money from the Government. Another objection that I have to the gentleman's resolution is that I am satisfied it would not hold water in any court in the land. You can not prescribe one rule of action for determining the value of an individual's property and another rule of action for determining the value of a corporation's property. It is simply absurd, and no court in the land of any standing would tolerate such a law for a moment. The resolution to be offered by the gentleman from Ohio [Mr. POST] is just as well safeguarded as is the resolution of the gentleman from Kentucky [Mr. JOHNSON], and more so, and we get out of paying additional salaries, and we provide for a speedy determination of this matter upon a legal, equitable basis, and, if it is adopted, all these property rights will soon be determined.

But, Mr. Chairman, I rose for another purpose. The gentleman, my friend from Kentucky, made what I thought was rather a savage attack upon the gentleman who fills the office of Superintendent of Capitol Buildings and Grounds. I have a letter from Mr. Woods which I desire to read. It is addressed to me, and is as follows:

OFFICE OF SUPERINTENDENT,
UNITED STATES CAPITOL BUILDING AND GROUNDS,
Washington, D. C., September 28, 1914.

Hon. FRANK CLARK,
House of Representatives, Washington, D. C.

DEAR MR. CLARK: In connection with the discussion of the so-called Plaza awards on the floor of the House, some remarks have been made more or less uncomplimentary to me. For instance, it has been stated that the original commission named by law to acquire the Plaza property, developed into a one-man commission. It has also been stated that the attorney representing the Government during the proceedings was "my" attorney or "his" attorney, leaving the inference that the attorney was representing me personally.

I have therefor thought it wise to formulate a memorandum which I attach hereto and which gives the facts, all of which will show: First, that, so far as our commission was concerned, no vital matter during the entire proceedings was carried out without the presence of all or at least the surviving members of the commission, and that the attorney in the matter was the attorney named by the Department of Justice to carry out the court proceedings.

I hope you will consider this memorandum carefully and use your own judgment in the use of it.

In conclusion, I will state that my presence on any commission named by Congress has never been sought by me. I have simply followed the dictates of the law in my best judgment, and always, so far as I could, act in the interests of the Government.

This is the first time in my 29 years' of public service that an implied reproach has been cast upon my conduct.

Respectfully,
ELLIOTT WOODS,
Superintendent United States Capitol Building and Grounds.

The memorandum is as follows:

It is unnecessary to quote in full the original act of June 25, 1910 (36 Stats., p. 738), or the subsequent act March 4, 1911 (36 Stats., p. 1414). These and the proceedings of the commission are given in a report to the House (Doc. 1392, 62d Cong., 3d sess.). The primal work of the commission appointed under the act was, and I quote from the report, as follows:

"* * * The commission organized June 28, 1910, and on July 8 advertised for sealed proposals for the sale to the Government of land

in the area to be acquired. In addition, copies of the advertisement were mailed to the owners of the property or their agents, so far as they could be ascertained. The proposals received were publicly opened August 10. It is estimated there are 462 parcels of land to be acquired, and proposals were received for 272 parcels, or about 59 per cent, representing 71 per cent of the entire area. After being scheduled and tabulated the proposals and accompanying papers were submitted to the Department of Justice for examination and report. * * *."

For what reason? Because not a member of that commission felt that correct information as to real estate or its proper value could be obtained except by means of expert examination from outside sources, expensive to the Government and beyond the power of the commission to pay for. Therefore the commission unanimously—all members present—decided to submit all bids received to the Attorney General. After submission of the entire matter to the Attorney General we received a letter from him dated October 14, 1910—from the Acting Attorney General—which, among others things, states as follows:

"* * * I have carefully considered said schedules and bids and have been advised by competent persons skilled in real estate values within the 12 squares of ground covered by said act, and I reached the conclusion, and therefore recommend to your commission, that it would be to the interest of the Government and the property owners for the United States to acquire title through condemnation proceedings, by which method I think a fair and reasonable price for the land and improvements could be established. * * *"

Acting under and upon the advice of the Attorney General the commission, on May 9, 1911, determined to reject all proposals, and asked that he institute condemnation proceedings as to squares 634 and 685. This award was concluded April 22, 1912, and a report made by the Attorney General to the commission, which was approved; and an order was passed May 18, 1912—all commissioners present—as follows:

"*Ordered*, That the recommendation of the Attorney General be approved by the commission, and that the necessary steps be taken by him to make payment and obtain possession of the property referred to on behalf of the United States."

On August 23, 1912, the commission met—all members present—and "being convinced that the most economical method of acquiring the remaining portion of the land to be taken would be to secure an appraisal of the whole in one proceeding, to be paid for as appropriations are made by Congress in accordance with the act of June 25, 1910, and this course having the approval of the Attorney General the commission, on August 23, 1912, requested the Attorney General to institute condemnation proceedings against all the remaining squares except that part of square 633 west of Arthur Place."

In the interim Vice President Sherman died—October 30, 1912.

On January 29, 1913, the Attorney General reported to the commission that he had completed the condemnation proceedings as to squares 632, 680, 681, 682, 683, 684, 721, 722, 723, and that part of square 633 lying east of Arthur Place. In his report, and among other things, he says:

"* * * I have given careful consideration to the awards made for each parcel of land, and believe that the same are reasonable, and have to recommend to your commission, if deemed advisable by you, that each and every award be accepted. * * *"

The commission accepted the recommendation of the Attorney General, and at a meeting of the commission February 6, 1913, Mr. Cannon and Mr. Woods—surviving members—present, the record shows:

"Acting upon your advice, the commission has to-day passed the following:

"*Ordered*, That the recommendation of the Attorney General be approved; at each and every award returned on January 29, 1913, in the proceedings for the condemnation of squares numbered 632, 680, 681, 682, 683, 684, 721, 722, 723, and that part of square numbered 633 lying east of Arthur Place, be accepted by the commission, and that the Attorney General be requested to take the necessary steps to secure the confirmation of said award by the court.

"It is respectfully requested that you proceed accordingly.

"Very truly, yours,

"J. G. CANNON,
"ELLIOTT WOODS,
"Commission for Enlarging the Capitol Grounds."

Such are the main facts connected with the original proceedings. Is there any greater tribunal for such adjudication of values such as confronted the commission than the Department of Justice and the courts to which the commission applied for advice?

I think it will be seen that at no stage has that commission been "a one man commission." So far as I am concerned, I never have acted for the commission on any vital point except under the direction of the full commission as it existed prior to and after Mr. Sherman's death.

So far as I know, no representative of any corporation approached us on the subject, either before or after the enactment of the original law.

Some mention was made on the floor that the awards were confirmed four days before the expiration of time for filing exceptions. In this connection I quote from one of the memorandums furnished me by the former attorney of the Department of Justice, who during the time of proceedings was in charge of the case.

"* * * When the awards or total sum became known it was too late to present the same to the Appropriations Committee of the House, so the same was presented to the committee in the Senate and placed in the sundry civil bill, and the award was confirmed four days before the time for filing exceptions by the defendants had expired. But it was necessary to do so in order to present the matter legally to the committee of the Senate.

* * * * * * *

"Having the award confirmed four days earlier than is the usual custom could do no harm to the United States, as the Government thereafter had the right to dismiss the proceedings at any period up to the actual payment of the awards. (District of Columbia *v.* Cemetery, 5 App. Cas. D. C., 497; Garrison *v.* City of New York, 21 Wal., 197; Schreiber et al. *v.* Chicago & E. R. Co., 115 Ill., 340; Norris et al. *v.* Mayor of Baltimore, 44 Md., 604; United States *v.* Dickson, 127 Fed. Rep., 774.)

"If they had a right to dismiss all, they had a right to dismiss as to a part, and the awards could have been severed from each other, as there was not one total award for all the squares, but an award for each parcel, each ownership, each owner being a separate and distinct defendant free from all others. If one owner accepted, no other owner had a right to complain, and if another owner was rejected the others could not protest. There is absolutely no reason why the private owner should not have been paid the sum awarded by the court commissioners and the matter left open to deal with the Baltimore & Ohio Railroad, if that was thought to be necessary, and any statement to the contrary is an error. * * *"

I have no legal knowledge myself of such matters, but present these quotations for your information and consideration.

With reference to the statement that the railroad companies would settle their property for cost plus interest and taxes, my only knowledge on that subject is based on memory and one or two features of record in our proceedings. I remember that after the bids were submitted, on August 10, the commission endeavored to obtain by personal request some further information as to the bids submitted by the representatives of the railroad companies, deeming those bids too high. Replying to our representations, Mr. James McCrea, president of the Pennsylvania Railroad Co., and at the time acting as president of the Washington Terminal Co., stated in a letter on January 17, 1911, that the prices asked, so far as the Washington Terminal Co. was concerned, and which represented only squares 682, 684, and 721, were based on cost plus the interest at 4 per cent and taxes paid. The total price asked for these squares was $496,234. The total award made on these same properties by the court proceedings was $481,939, so that the award was $14,295 below the asking price.

While I do not have the original bids at hand, I am informed that the awards made by the court for the railroad properties was approximately $140,000 less than they asked in the first proposal.

I want to say, in conclusion, Mr. Chairman, that Mr. Woods has never had anything to do with his name being proposed as a member of this commission, but it was a matter entirely with the Committee on Public Buildings and Grounds, and he was not even consulted.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. JOHNSON of Kentucky. Mr. Chairman, in the short time allotted to me for the discussion of this bill I believe I can commence in no better way than by saying that the resolution which I have offered could very well be entitled "A resolution to save to the Federal Government $600,000." I believe that I can just as appropriately say that the resolution which will be offered by the gentleman from Ohio [Mr. POST] as a substitute for my resolution might have for its title "A resolution to pay to the Baltimore & Ohio Railroad $600,000 more than it asks for its property."

We know that when the bill for the condemnation of this property passed the House on June 25, 1910, it passed by a majority of only 10 votes, and those of us who were here know reasonably well that that bill would not have passed at all except for the statements made by Mr. Tawney, chairman of the Appropriations Committee, to the effect that the Baltimore & Ohio Railroad was willing to take original cost plus 6 per cent interest for its property. The original cost of that property has been accurately ascertained, and it has been set forth, lot by lot, in a speech heretofore made by me. When this 6 per cent interest has been added to that it is a mathematical certainty that it is now proposed to pay to the Baltimore & Ohio nearly $600,000 more than they asked originally.

Mr. POST. Mr. Chairman——

Mr. JOHNSON of Kentucky. I can not yield. The gentleman must remember that I did not interrupt a single speaker on the other side of this question.

Another thing to which I call the attention of this committee is that it has been sought through the press and otherwise to make this membership believe that property has been taken by the Federal Government, and that houses have been torn down, and that such property has not been paid for. No such condition exists. Every piece of property that has been touched in any way by the Federal Government has long ago been paid for.

Now, the question that arises is simply this: Are you willing for the individual property holders to sell their property to the Federal Government through a commission to be appointed by the President of the United States, at a figure not greater than the awards heretofore made, and then let the Baltimore & Ohio property come along later, just as was said by the gentleman from Alabama [Mr. BURNETT], and acquired, if acquired at all, under another arrangement? The Baltimore & Ohio Railroad is at this minute in court claiming that they have a valid award, and yet here comes another proposition that they be given another award, so that they may have two condemnation awards standing at one time. Then, which are they going to take? Of course they are going to accept the proposition which gives them the greatest amount of money. I say that they should not have that advantage.

Now, then, as to Mr. Woods. I have never intended to question and do not believe I have yet questioned his integrity, but I say that the substitute which will be offered by the gentleman from Ohio [Mr. POST] fixes Mr. Elliott Woods upon that commission. Mr. Elliott Woods, should he become one of a new commission to acquire any of this property by purchase, is committed in advance to the former awards. He is on record as saying that they were just, equitable, and fair, including the awards made to the Baltimore & Ohio Railroad Co. He is so committed to that proposition that on the 24th day of February, 1913, he had Mr. Reese T. Strickland, the attorney representing

the commission, go into court and ask for the confirmation of those awards four days before exceptions could be filed. Contrary to all rules, no notice was given to anybody, but those awards were confirmed four days before 30 allotted days expired.

Elliott Woods stands committed in that way and in numerous other ways, too many to be mentioned by me in this short discussion, to the confirmation of the amount fixed upon the Baltimore & Ohio Railroad property, which is nearly $600,000 more than they asked for it. The gentleman from Alabama [Mr. BURNETT] says: "Are we to acquire this property in isolated lots?" Do not the gentleman from Alabama and everybody who was here when this bill passed and everybody who has read about it know that the plan was to acquire it to the extent of $500,000 every year until the whole property was acquired? Yet when we come to carry out the provisions of that law we are criticized for it, and we are told that it should be acquired in one lump instead of in accordance with the act of June 25, 1910.

Now, I wish to emphasize the fact that no property has been touched by the Federal Government that has not been paid for, and that this commission which is to acquire this property by purchase, if it can, and by condemnation, if it must, should be a commission that has not already become committed to a certain price. One-third of this commission which is proposed by the substitute which the gentleman from Ohio [Mr. POST] will offer is committed by a formal motion made in court and by the recommendations that he has made to the Attorney General that that $600,000 ought to be paid to the Baltimore & Ohio Railroad.

The CHAIRMAN. The time of the gentleman from Kentucky has expired. All time has expired. The Clerk will read the resolution for amendment.

The Clerk read as follows:

Resolved, etc., That the President of the United States shall appoint a commission of three men to complete the acquisition by the United States of so much of the real estate in squares 632, 680, 681, 682, 683, 684, 721, 722, 723, and also that part of square 633 lying east of Arthur Place, in the District of Columbia, as, in the opinion of the President, is desirable for the extension of the Capitol Grounds. The said commission shall have power to purchase any of said real estate at such a price as the said commission may deem to be the fair market value thereof, not exceeding, however, as to any lot or parcel, the amount of the award made therefor in the condemnation proceeding, district court action No. 1046, recently pending in the Supreme Court of the District of Columbia: *Provided, however,* That the purchase price to be paid hereunder for any of said real estate which was owned by either the Baltimore & Ohio Railroad Co. or the Real Estate & Improvement Co. of Baltimore City at the time when said action No. 1046 was instituted shall not exceed the bona fide, actual, original cost thereof to either of said companies, plus 6 per cent interest thereon from the date of purchase by either of said companies until the date upon which the court confirmed the awards made in the aforesaid district court action No. 1046.

Mr. RAINEY. Mr. Chairman, I move to strike out the last word.

Mr. MANN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MANN. There is but one section to the resolution, the first paragraph of which has been read. Will it be read for amendment by paragraphs, or will amendments be in order only at the end of the reading?

The CHAIRMAN. There is only one section in the resolution, and in cases of that kind the practice is to read it by paragraphs. However, the Chair presumes it is immaterial.

Mr. MANN. Does the gentleman from Illinois [Mr. RAINEY] want to talk on this resolution?

Mr. RAINEY. I only want to ask permission to extend my remarks in the RECORD.

Mr. MANN. I ask unanimous consent, Mr. Chairman, that the resolution be treated as one paragraph for purposes of amendment.

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] asks unanimous consent that the resolution be considered as one paragraph for purposes of amendment. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

No purchase herein provided for by said commission shall be deemed to be complete until such purchase shall have been approved by the President of the United States. When the President has so approved, and the Attorney General of the United States has certified that all necessary deeds conveying to the United States the unencumbered, fee, simple title to the real estate so purchased have been delivered, the President shall cause payment of the agreed purchase price to be made to the person or persons entitled thereto. All such payments shall be made out of the appropriations heretofore made for the acquisition of said real estate.

Each of the purchases made in pursuance of the provisions of this resolution shall be deemed to be a separate transaction from any other purchase made hereunder.

No person who has, within the last five years, served on any commission or on any jury in any proceeding to condemn real estate in the District of Columbia shall be eligible to be a member of the commission herein provided for; neither shall any ex-Member of Congress or any Member of Congress be a member of said commission.

Each of the commissioners herein provided for shall, before entering upon the duties of the position, state under oath (or affirmation) that neither he nor any member of his family owns or has a lien upon any real estate, or has any financial interest whatever in any real estate within the zone herein set out; and, further, that neither he nor any member of his family has, since the institution of the court proceedings hereinbefore referred to, owned any stock in or bond of any corporation which owns land in said zone; and, further, that neither he nor any member of his family is the creditor of anyone who owns land in said zone; and, further, that neither he nor any member of his family is an officer of or has any stock in or bond of any bank, trust company, or other corporation which is the creditor of any person who owns real estate within said zone; and, further, that he is not financially indebted to any person, firm, or corporation which owns real estate in said zone, or who has any loan to any person who owns real estate in said zone; and, further, that he is not indebted to or employed by any person, firm, or corporation which owns or has a lien on real estate in said zone; and, further, that neither he nor any member of his family has, since the institution of the court proceeding hereinbefore referred to, accepted or used any pass or other form of free transportation upon any railroad or subsidiary thereof which owns, directly or indirectly, any real estate within said zone.

The members of said commission shall be paid, out of said appropriations and upon requisition of the President, a reasonable compensation for their services, which shall be determined by agreement between the President and the members of said commission before they enter upon the discharge of their duties.

The said commission may employ a clerk and a stenographer to assist in performing the work herein provided, if they deem such assistance necessary; but the compensation of neither the clerk nor the stenographer shall exceed $5 a day while actually engaged in said work.

The improvement and upkeep of the land which may be acquired in the zone herein described and set out shall be paid, one half by the United States and the other half shall be paid out of revenues of the District of Columbia derived from taxation.

All laws to the extent they are in conflict herewith are hereby repealed.

With a committee amendment, as follows:

Page 5, strike out all of lines 12 to 16, inclusive.

Mr. RAINEY. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Illinois [Mr. RAINEY] moves to strike out the last word.

Mr. RAINEY. I make that motion for the purpose of asking unanimous consent to extend in the RECORD the address made by the President of the United States this morning at the annual convention of the American Bar Association in this city.

The CHAIRMAN. The gentleman from Illinois [Mr. RAINEY] asks unanimous consent to extend his remarks in the RECORD by printing the speech of the President of the United States, delivered at the annual meeting of the American Bar Association in this city this morning. Is there objection?

Mr. MANN. Reserving the right to object, Mr. Chairman, I will ask to have coupled with that a request of the gentleman from Colorado [Mr. KINDEL] to extend his remarks in the RECORD.

The CHAIRMAN. And the gentleman from Illinois couples with that a request that the gentleman from Colorado [Mr. KINDEL] be permitted to extend his remarks in the RECORD.

Mr. KEATING. I object, Mr. Chairman. There is no connection between the two subjects.

The CHAIRMAN. The gentleman from Colorado [Mr. KEATING] objects.

Mr. RAINEY. I ask unanimous consent, Mr. Chairman, to extend my remarks as indicated.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD by printing the speech of the President of the United States delivered at the annual meeting of the American Bar Association in this city this morning. Is there objection?

Mr. MANN. Reserving the right to object, Mr. Chairman, we permitted on several occasions the gentleman from Colorado [Mr. KEATING] to extend his remarks in the RECORD, a privilege which he has enjoyed. I think if one gentleman is permitted to extend his remarks another gentleman ought to be; and I therefore object.

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] objects.

Mr. RAINEY. I submit to my colleague that there is quite a difference between printing in the RECORD an address delivered by the President of the United States and a speech prepared by a Member.

Mr. MANN. I think a Member of the House is much better entitled to extend his remarks in the RECORD for the purpose of inserting a speech of his own than for the purpose of inserting a speech made by somebody else, although I would not object except for the circumstances. I have no doubt it will eventually be inserted.

The CHAIRMAN. The question is on agreeing to the committee amendment.

Mr. POST rose.

The CHAIRMAN. Does the gentleman from Ohio desire to speak on the amendment?

Mr. POST. No.

The CHAIRMAN. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. POST. Mr. Chairman, I offer House joint resolution 352 as a substitute.

The CHAIRMAN. The gentleman from Ohio [Mr. POST] offers a substitute, which the Clerk will report.

The Clerk read as follows:

House joint resolution 352, offered by Mr. POST as a substitute:

"Joint resolution (H. J. Res. 352) providing for a commission to complete the acquisition of lands for the extension of the Capitol Grounds, and providing for the payment thereof.

"Whereas proceedings have been had in the Supreme Court of the District of Columbia for the condemnation of certain real estate desired by the Government for the extension of the Capitol Grounds, which said land is fully described in said proceedings; and

"Whereas report was duly made by the jury selected under said proceedings as to the value of the several tracts or parcels of land embraced in the said proceedings and the amount that the several and respective owners thereof were entitled to have and receive for the same; and

"Whereas the acts of Congress authorizing the acquirement of said tracts or parcels of land provided that the approval of the President of the United States should first be had before any of the said land should be acquired by the Government and payment made therefor; and

"Whereas the President of the United States has reported to Congress his disapproval of the said report of the jury as to some of the awards made by it; and

"Whereas by reason of the President's disapproval of the said report in parts none of the awards could be paid; and

"Whereas there has been appropriated the sum of $2,823,972.35 for the payment of said awards, the said appropriation having been made in the act making appropriation for sundry civil expenses of the Government for the fiscal year ending June 30, 1914, and for other purposes, approved June 23, 1913; and

"Whereas there are other moneys remaining of the appropriations made for such purpose in the sundry civil act of June 25, 1910, and the sundry civil act of March 4, 1911, and the sundry civil act of August 4, 1912; and

"Whereas it is deemed advisable that acquirement should be had of the said tracts or parcels of land and payment made to the owners thereof on an equitable and fair basis as soon as possible: Now, therefore, be it

"*Resolved, etc.*, That an Assistant Attorney General, to be designated by the Attorney General of the United States, the officer in charge of public buildings and grounds in the District of Columbia and the Washington Monument, and the Superintendent of the Capitol Grounds be, and they are hereby, appointed a commission to complete the acquisition of the said tracts and parcels of land the subject of said proceedings, by either purchase or condemnation, making payment or settlement therefor out of the appropriations heretofore made and herein referred to, and in the acquirement of the said tracts or parcels of land the said commission to have power and authority as follows:

"(a) To acquire by purchase the said tracts or parcels of land at such price or sum as to the commission may seem just and reasonable: *Provided*, That the price agreed upon shall not exceed the amount of the award made for the same by the jury in the proceedings heretofore referred to, and to make payment therefor out of the appropriation heretofore referred to as having been made for the acquirement of the land in question, upon the owner or owners thereof making deed to the United States conveying to it a good and marketable title clear of all encumbrances: *And provided further*, That no such purchase shall be made unless the price to be paid has been approved by the President of the United States.

"(b) The said commission shall have the power and authority to proceed to acquire by condemnation proceedings such tracts or parcels of land as it has been unable to purchase.

"(c) That if condemnation proceedings become necessary the commission is hereby authorized to institute in the Supreme Court of the District of Columbia, sitting as a district court, by petition in the name of the United States, a proceeding in rem for the condemnation of such tracts or parcels of land; that such a petition shall contain a particular description of the land to be condemned, and the name or names of the owners of the said land and their rights therein, as the same may be ascertained, together with the plan of the lots or parcels of land to be taken; that the said court shall cause public notice of not less than 20 days to be given of the institution of such proceedings by advertisement in three daily newspapers published in the District of Columbia, which notice shall warn and require all persons having any interest in the proceeding to appear in court at a day to be named in said notice and continue in attendance until the court shall have made its final order, and in addition to such public notice said court shall cause a copy of said notice to be served by the United States marshal for the District of Columbia, or his deputy, upon such owners of land to be condemned as can be found by such marshal or his deputy within the District of Columbia and upon the tenants and occupants of the same. The said court shall appoint a guardian ad litem for any person interested in such proceeding who may be under disability.

"(d) That after the return of the marshal and the filing of the proof of notice provided for herein the court shall cause a jury of six experienced, judicious, disinterested men, who shall be residents of and freeholders within the District of Columbia, not related to any person or the officer, agent, servant, stockholder, or bondholder of any corporation interested in the proceedings and not in the service or employment of the District of Columbia or of the United States or otherwise interested in such proceedings, to be summoned by said marshal, to which jury the court shall administer an oath or affirmation that they are not interested in any manner in the lands or lots to be condemned and are not related to any of the parties interested, and that they will, without favor or partiality, and to the best of their judgments, ascertain the damages to which each owner of land to be taken is entitled at its true market value.

"(e) That the court, before accepting the jury, shall hear any objections that may be made to any member thereof, and shall have full power and authority to pass upon any such objections and to excuse any juror or cause any vacancy in the jury when impaneled to be filled; and after the jury shall have been organized and shall have viewed the land and premises affected by such proceedings they shall proceed, in the presence and under the direction of the court, to hear and receive such evidence as may be offered or submitted on behalf of the United States or by any person or persons having any interest in the proceedings.

"(f) That when the hearing is concluded, the jury, or a majority of them, shall return to the court in writing their verdict, setting forth the amount found to be due and award to each owner of the lands or lots to be condemned. The said court shall hear and determine any objection or exceptions that may be filed to a verdict of the jury, and shall have power to vacate and set aside any verdict, in whole or in part, when satisfied that it is unjust or unreasonable, in which event the court shall cause a new jury of six experienced, judicious, disinterested men, who shall be residents of and freeholders in the District of Columbia or of the United States, to be summoned, who shall proceed to ascertain the damages due the owner of any lot or parcel of land sought to be taken, as in the case of the first jury; that objections and exceptions to the verdict shall be filed within 20 days after the return of the verdict to the court. But no award shall be conclusive unless the same has been approved by the President of the United States, who is hereby authorized to disapprove of any award made by the said jury, but his disapproval of particular awards shall not affect more than the award specifically disapproved, and all other awards shall be and remain fixed and conclusive. But such disapproval must be in writing filed in the proceeding within 60 days after the confirmation of the said report, and in the event of no such disapproval the said report as confirmed shall be fixed and conclusive.

"(g) That after 60 days from the confirmation of the award of the jury the commission shall cause the amount of such award, for any parcel or lot taken, plus the costs and expenses of the proceeding entailed in the condemnation of such parcel or lot of land, to be paid out of the appropriation hereinbefore or hereinafter made for such purpose, unless the President has disapproved as aforesaid.

"(h) That the said court shall have full power and authority at any time to allow amendments in form and substance in any petition, process, verdict, record, or other proceeding, or in the description of property proposed to be condemned, whenever such amendment will not interfere with the substantial rights of the parties interested. Each juror shall receive as compensation for his services the sum of $5 per day for every day necessarily employed in the duties herein prescribed. In case any of the owners of land taken as herein provided are under disability, or can not be found, or neglect or refuse to receive the money awarded to them, or in case the record is imperfect, or the title to the property is in dispute or uncertain, the amount of the award for the land taken shall be held in trust by the United States for such owners, and the title to any such land or lots shall become vested in the United States.

"(i) That to enable the commission to procure said parcels of land and lots it is hereby authorized to use the sum of $15,000, or such sum as may be necessary, out of any money appropriated for the acquisition of said land."

The CHAIRMAN. The question is on the substitute offered by the gentleman from Ohio [Mr. POST].

Mr. POST. Mr. Chairman, I will state briefly the differences between this substitute and the resolution offered by the gentleman from Kentucky. This substitute provides the complete machinery for the ultimate acquirement of all of this property. It provides who the commission shall be for the acquisition of the property. It provides that the Superintendent of the Capitol Building and Grounds shall be a member, that the overseer of the Washington Monument and the public grounds in the District of Columbia shall be a member, and then it provides that the Attorney General of the United States shall designate some Assistant Attorney General as the third member of this commission. All of the three are already United States officials and under pay. The resolution of the gentleman from Kentucky provides that the President shall appoint three persons. Who they will be I do not know. I think that a resolution appointing public officials already under pay is much better than what the gentleman provides for.

There are more than 350 of these pieces of property. The title to every piece must be looked into, and therefore it has been thought wise that the Attorney General should designate some assistant in his office as a member of this commission, competent to look after that branch of the work of acquiring the property.

The resolution of the gentleman from Kentucky [Mr. JOHNSON] has what is to my mind a very peculiar clause with reference to the pay of the commission which he proposes the President shall appoint. That is found on page 5 of his resolution. It is provided there that the compensation shall be agreed upon before they enter upon their duties, and, as I conceive it, before they know what their duties will be. No one can determine in advance the amount of work involved in seeing all of these property owners, determining the value of their property and the title to it. It seems to me to be a very absurd proposition.

As was said by the gentleman from Florida [Mr. CLARK], if the gentleman from Kentucky [Mr. JOHNSON] has anything against Mr. Elliott Woods, he owes it to this Congress to make it known, and he should make it known. The gentleman from Kentucky has attempted to get converts to his resolution upon the bare statement that he is proposing to save to the Government of the United States $600,000. Now, I want to call attention to some pertinent facts. The resolution of the gentleman from Kentucky provides that the Baltimore & Ohio Railroad Co. shall be paid the original cost of their property, with 6 per cent interest up to January 27, 1913. The Baltimore & Ohio

Railroad Co., under an act of Congress permitting it to do business in the District of Columbia, bought, in 1833, almost a century ago, its first piece of property in this city, and the property upon which the old Baltimore & Ohio depot stood upon until the building of the new station. It acquired another block northeast of that block in 1876, and that was all the property that it owned in this District until the act of 1901, the object of which was to compel the railroad company to obliterate their grade crossings and move their station. Now, the gentleman from Kentucky [Mr. JOHNSON] says he is going to save the Government of the United States $600,000; but I have taken occasion to investigate the value of this property, and if you take the original cost of all the property owned by the Baltimore & Ohio Railroad Co., or the Realty Co., which is a holding company of the Baltimore & Ohio, and compute 6 per cent interest on it, the value of its property will amount to $1,638,961.88. The amount of the award is $1,731,927, which is only $92,965.12 in excess of the original cost and 6 per cent.

Mr. SIMS. Will the gentleman yield for a question?

Mr. POST. Yes; but I hope the gentleman will make it brief, because I have not much time.

Mr. SIMS. Does the gentleman include interest for all this time, nearly 100 years?

Mr. POST. Yes.

Mr. SIMS. While the railroad company owned and occupied and used the property?

Mr. POST. That is true; and you must allow something for the increment, the increase in value.

Mr. SIMS. I did not so understand it. I understood that it only allowed interest from the time when they ceased to use the property.

Mr. POST. Oh, no; this resolution is to allow them 6 per cent interest on the original cost.

In the debate of July 13, 1914, on Senate joint resolution 129 it was argued that the properties of the Baltimore & Ohio Railroad Co. included in said condemnation proceedings were acquired and held for speculative purposes.

This argument may be refuted by the acts and records of Congress itself. The squares and parts of squares owned by the said railroad company in said area of condemnation are 632, 681, 680, 682, 683, 684, and 721.

Square 632 was acquired under authority of the act of Congress of 1833, authorizing the Baltimore & Ohio Railroad, under its Maryland charter, to extend its lines within the District of Columbia, and this square, with the approval of Congress and of the District government, was occupied by said company as a passenger station, and continued to be so occupied until compelled by Congress to abandon the station and to go into a union station, as provided under the act of Congress of February 28, 1903.

Square 681 was also acquired under congressional warrant in 1870 for a freight station, and was used as a freight station and yards until Congress by said act of February 28, 1903, compelled its abandonment in the latter part of 1907.

The remaining squares included in said condemnation, to wit, squares 680, 682, 683, 684, and 721, were acquired in anticipation and under the provisions of the act of February 12, 1901, which was enacted by Congress for the primary purpose of eliminating grade crossings in the District of Columbia and to provide more comfortable and attractive station facilities. This act required the Baltimore & Ohio to construct new terminals along lines stated and defined in said act and located south of the present Union Station, and included the very lands concerned in this condemnation proceeding.

The abolition of grade crossings, which had been considered in both Houses of Congress for many years prior to 1901, culminated in the act referred to, and when the location, even prior to the passage of the act, became fixed, the company begun in 1898 to purchase the property which it would be compelled under said act to acquire.

Almost immediately after the property required for location under the act of 1901 had been acquired, the movement to bring the railway companies entering Washington into a Union Station and terminals was inaugurated by the chairman of the Senate Committee on the District of Columbia and others, and this movement resulted in the passage of the act of February 28, 1903, locating the present Union Station and terminals within the area specified in said act, and this rendered inapplicable for railroad purposes squares 632—which was the site of the old Baltimore & Ohio depot—681—which was occupied by its freight facilities—and all of the property acquired under the act of 1901 in 680, 682, 683, 684, and 721.

A small segment of the property involved and contained in one of the squares enumerated, being 721, was acquired under the Union Station act of February 28, 1903.

So that there is not a foot of Baltimore & Ohio property involved in these condemnation proceedings that was purchased speculatively or that was purchased without the warrant of Congress, and most of it was purchased under compulsory legislation by Congress.

But it is argued that this property, being purchased from 1898 to 1903, has been held, although not needed for the requirements of the Union Station act, until now for speculative purposes. This argument is as unfounded and as unjustifiable as the statement of a purchase for speculative purposes.

When the Union Station act of 1903 was passed, and until 1908, when the Union Station and terminals and approaches had been completed, all of the property, not only that included in the Union Station area but adjoining it, and particularly the property now in question, was in such condition as to make any sale or disposition thereof impossible. A new grade had to be established; large fills had to be made; new streets had to be laid out approaching the Plaza; the Plaza itself had to be completed, and, as stated, such conditions existed as to render any sale or thought of sale impracticable.

By reference to the records of Congress it will be shown that in 1909 and 1910 the purpose to acquire this property began to be agitated, and this agitation resulted in the declaration by Congress, in the act of June 26, 1910 (36 Stat. L., p. 738), to ultimately acquire all of the certain squares therein enumerated, including the squares covered by the condemnation proceedings now under consideration, for the enlargement of the Capitol grounds, and so forth.

When this act was passed it was impossible for anyone to make a sale of that property, shadowed by the declared purpose of Congress, as stated in the act referred to.

A part of this property was acquired under the authority of the act of 1833, and used, so long as Congress permitted its use, by the company for its old station and freight facilities. The rest of the property was acquired for the location under the act of Congress of 1901, and its use for railroad purposes prevented by the passage of the act of Congress of 1903. The building of the Union Station and terminal, ordained by Congress, prevented a sale until by the declared purpose of Congress to acquire this property a sale was made impossible.

It was claimed also in argument that the awards made for the railroad property were excessive. These awards were fixed by a commission authorized by Congress and appointed by the Supreme Court of the District of Columbia, and composed of men of recognized fairness, integrity, and ability, and a comparison will show that the awards made to the Baltimore & Ohio Railroad for its property are no greater, but in many instances less, than the awards made to the owners of private property in the same area.

It was argued, again, that the Baltimore & Ohio at one time agreed to accept a lesser price for this property, and a statement made by Representative Tawney in a debate, when the act of June 26, 1910, was being considered, that the Baltimore & Ohio people agreed to take the original cost plus 6 per cent.

In further proof of an agreement to take a lesser sum for this property, a letter of George E. Hamilton, addressed to Maj. John Biddle on April 10, 1902, is referred to. This letter was written prior to the passage of the Union Station bill of February 28, 1903, and when the District Commissioners—the plan and purpose of said bill of 1903 being under discussion in the Senate committee—desired to furnish approximately the cost to the District of the Plaza and approaches to the Plaza, provided in said bill to be acquired and made at the cost of the District. The company furnished the commissioners with the cost price of those squares in which some property would be needed for the Plaza and street approaches.

There had been a tacit understanding between Mr. Loree, then president of the Baltimore & Ohio Railroad Co., and the District Commissioners, that the company would convey to the District of Columbia such of its property as was required for the Plaza and street approaches under the bill at about its cost to the company.

The letter of Mr. Hamilton, written in 1902, did not place a price on all the holdings of the Baltimore & Ohio Railroad Co. within the area now being considered and condemned, but simply stated the price to be charged for the small portions of this large area desired by the District, and these portions to be used for Plaza and street approaches to the Union Station, both uses increasing the value of the remaining holdings of the company, and even if it could be tortured into an offer for the entire holdings of the company, the offer was not accepted, and the Government instituted its condemnation proceedings many years later.

To show that even the District did not construe this as a continuing offer, in its further dealings and ultimate purchase

from the railroad company for Plaza and street approaches to the Union Station, cost, interest, and taxes paid were the three elements considered and combined in final valuations.

Since 1902 the railroad company has paid to the District large sums of money as the annual taxes on these squares and lots. The taxes for the year ending June 30, 1914, on the railroad holdings within the condemnation area amounted to $18,000.

The next communication made by Col. Biddle on this subject was of date February 17, 1904, and his letter is as follows:

There will soon be available an appropriation which will allow the immediate purchase or condemnation of land for the Plaza and intersecting streets near the new Union Station It is understood by this office that a large percentage of the land needed is owned by the Baltimore & Ohio Railroad, Washington Terminal Co., and the Real Estate & Improvement Co. Will you kindly advise this office what steps will be necessary on its part to acquire this land? Will you make offers for all or parts of the following lots, viz: In square 680, lots 11 to 17; in square 681, lots 3 to 14; and in square 682, lots A, B, C, H, 6 to 9, and 11? Although other property will be needed east of First Street, it is not understood that your company owns any lots in this territory needed by the District.

Very respectfully,

JOHN BIDDLE,
Major, Corps of Engineer, United States Army,
Engineer Commissioner, District of Columbia.

Mr. GEORGE E. HAMILTON,
Attorney, Baltimore & Ohio Railroad Co.,
Washington, D. C.

The subject matter of this letter was considered, and on April 21, 1904, answered, as follows:

APRIL 21, 1904.

Maj. JOHN BIDDLE,
Engineer Commissioner.

DEAR SIR: In your letter of the 17th of February, 1904, referring to the readiness of the District of Columbia to acquire by purchase or condemnation the land for Plaza and intersecting streets near the Union Station, you request to be advised what steps will be necessary on the part of the District to acquire land so needed and now owned by the Baltimore & Ohio Railroad Co., and further, that the company, if it desires to sell, will name the price of lots 11 to 17, in square 680, hereafter referred to for convenience as parcel No. 1; lots from 3 to 14, in square 681, hereafter referred to as parcel No. 2; and lots A, B, C, 6 to 9, and 11, in square 682, hereafter referred to as parcel No. 3.

Parcel No. 1 was purchased by the company on December 8, 1898, for the sum of $100,000, and is unimproved property. The company will sell the property included in this parcel to the District for the sum of $100,000, with interest at 6 per cent, from December 8, 1898, to the date of conveyance to the District, and with taxes paid by the company during the same period. This will make the total purchase price of this property about $135,000.

Parcel No. 2 was purchased by the company as far back as 1870 at the average cost of 80 cents per foot, and some of this property was unused until recent years. The company thinks that it would be only reasonable to hold this property at $1.50 per foot, which would be very little more than the average paid by the company for property similarly located in that neighborhood and purchased in 1898–99, with some allowance for carrying charges.

Early in 1902 we suggested that this property might be sold at $1.40, but because of the two years that have passed we think that $1.50 should now be paid The aggregate footage of lots in this parcel, referred to in your letter of the 17th of February, is 120,431, which at $1.50 would make $180,646.50.

In parcel 3, lots A, B, and C are unimproved, and were purchased October 23, 1899, at $4,796.50. These lots are now offered for the purchase price, with interest at 6 per cent from April 23, 1899, and taxes for the same period, which would amount to about $6,350.

Of the same parcel lots H, 6, 7, 8, 9, and 11 were purchased at various periods from 1898 to 1902, at the aggregate cost of $20,050; and as these properties are supposed to have been rented, we omit taxes and interest, thus making the consideration for all lots in this parcel described by the District about $26,400.

In regard to the foregoing, the figures named are approximate only, as it is impossible to calculate the interest until the negotiation is completed.

The Union Depot act, in section 5, authorizes the District Commissioners to sell or equitably exchange any portion of existing public space abandoned by reason of the adjustment of streets as an approach to the plaza or circle at Massachusetts Avenue, and the company would be willing to exchange, foot for foot, property owned by it for the portions of existing streets when such abandoned parts adjoin the property of the company not needed by the District.

If it should happen that only a part of any of the lots included in the foregoing parcels should be needed by the District, the company is willing to sell such parts, provided the remaining parts are not rendered unavailable.

Yours, very truly, GEORGE E. HAMILTON.

On July 26, 1904, the following communication from the commissioners, signed by William Tindall, secretary, was made:

JULY 26, 1904.

Mr. GEORGE E. HAMILTON,
Attorney at Law, Washington, D. C.

SIR: In reply to your communication of the 19th instant, I am directed by the commissioners to submit the following proposition in regard to the purchase and transfer of land within the proposed lines of the Plaza and streets leading to the new Union Railroad Station.

Two blue prints are inclosed showing, in red, property that it is now desired to purchase under the following terms:

First. That the railroad company retain the parts of lots 15, 16, 17, in square 680, marked in black.

Second. That the parts of the streets E and F, marked in green, be exchanged for parts of lots 14, 15, 16, and 17, in square 680, the portion exchanged being equal in surface measurement.

Third. That the District pay for lots 11, 12, 13, and the small residue of lot 14, in square 680, the sum of $52,652.70, or at the rate of $2.70 per foot. This is based on the price quoted by you and 6 per cent interest to the present date, together with all taxes since December, 1899.

Fourth. That the lots (with improvements) H, 6, 7, 8, 9, and 11, in square 682, be accepted at the prices paid by the railroad.

Fifth. That portions of lots 13 and 14, in square 681, be accepted at the price of $1.50 per foot, as offered by you, and that lots A, B, C, and parts of 18 and 19, in square 682, marked in red, be accepted at the price paid by the Baltimore & Ohio, plus 6 per cent interest from date of purchase and plus the amount of taxes from date of purchase to the present date.

The above is submitted with the condition that any compensation shall be waived for damage arising from changes of grade in front or along any new frontages created by reason of this exchange or purchase, and that you file a written assent to that effect and also to the oral agreement already made by Mr. Loree waiving claims for damages to property belonging to the railroad by reason of changes of grade in connection with the terminal work.

Very respectfully, WILLIAM TINDALL, *Secretary.*

This letter was formally acknowledged on July 28, 1904, and on August 20, 1904, answered as follows:

AUGUST 20, 1904.

To the honorable COMMISSIONERS OF THE DISTRICT OF COLUMBIA.

GENTLEMEN: In further reply to your letter of July 26, containing proposition for the exchange and purchase of properties within the Plaza area, I am directed by the Baltimore & Ohio Railroad Co. to say that the general lines of the proposition made by you are satisfactory.

The company wishes, however, to call your attention to the fact that in order to square out their holdings in the exchanges it is desirable for them to own the segments of lots 18, 19, and 20, in square 680, lying between the north line of E Street as it now exists and the south line of the new street which cuts through said square 680. These parts of the lots named are small, and I have no doubt that you will be willing to exchange the same, the company to give an equal number of feet in said square 680 for the parts of lots 18, 19, and 20, as above described.

Between the measurements of the District and the company with regard to the areas of properties exchanged there is some difference, but these differences can be adjusted by survey of the property, and the transaction will, of course, be governed by the exact measurements according to such survey.

With these suggestions assented to, the company will accept the proposition of the commissioners, provided that the remaining property owned by the company and desired by the District within said area will be purchased on like terms.

Referring to the question of damages, I am authorized by the company to state that any oral agreement or understanding made or entered into by and between the District Commissioners and Mr. Loree will be regarded by the company, and that at the time of the transfer of the properties herein referred to a waiver for damages for changes of grade in front or along any new frontages created by reason of this exchange or purchase will be filed with the commissioners.

The interest, taxes, etc., to be computed to the date of the transfer.

Very respectfully,

GEORGE E. HAMILTON,
Division Counsel.

On November 18, 1904, the following communication was made by Col. Biddle:

NOVEMBER 18, 1904.

Mr. GEORGE E. HAMILTON,
Division Counsel, Baltimore & Ohio Railroad, Century Building, City.

DEAR SIR: Referring to your letter of November 17 regarding the memorandum of agreement sent you with my letter of November 14, in which you state that the agreement is satisfactory in substance except the last item as to lots 18 and 19, square 682, where the price is fixed at 90 cents, which price you think should be 92½ cents, which is the price you state was paid by you for the property, I would state that the price of 90 cents was obtained from a memorandum showing the acreage price of several lots including 18 and 19, and this office agrees with you that the price should be 92½ cents.

Very respectfully,

JOHN BIDDLE,
Major, Corps of Engineers, United States Army,
Engineer Commissioner, District of Columbia.

On June 14, 1905, the negotiations indicated in the foregoing letters culminated in the following order of the commissioners and acceptance by the Baltimore & Ohio Railroad Co.:

JUNE 14, 1905.

Ordered, That the order of December 20, 1904, relative to the exchange and purchase of properties with the Baltimore & Ohio Railroad Co. is hereby modified to read as follows:

That the Commissioners of the District of Columbia hereby agree to the following exchanges and purchase of properties with the Baltimore & Ohio Railroad Co., viz:

First. The District agrees to convey to the Baltimore & Ohio Railroad Co. a part of F Street within the following metes and bounds * * * containing 5,703.76 square feet. Also a part of E Street within the following metes and bounds * * * containing 17,300.4 square feet.

Second. The Baltimore & Ohio Railroad Co. agrees to deed to the District of Columbia all of lots 11, 12, 13, and 14 and parts of lots 15, 16, and 17, in square 680, in the city of Washington, D. C., as included within the following metes and bounds * * * containing 42,575.37 square feet, the Baltimore & Ohio Railroad Co. to be paid at the rate of $2.70 per square foot for 19,571.21 square feet of the land described in the above metes and bounds, and the remainder of said area, 23,004.16 square feet, to be in exchange for the 23,004.16 square feet contained in that portion of E Street and F Street to be conveyed to the Baltimore & Ohio Railroad Co., as set forth in paragraph 1.

Third. That the District of Columbia pay to the Baltimore & Ohio Railroad Co. for all those parts of lots 13 and 14, in square 681, in the city of Washington, D. C., contained within the following metes and bounds, * * * containing 9,772 square feet, at the rate of $1.50 per square foot.

Fourth. That the District of Columbia pay to the Baltimore & Ohio Railroad Co. for lots A, B, and C, in square 682, in the city of Washington, D. C., containing 3,332 square feet, the sum of $4,796.50, with

interest at 6 per cent from October 31, 1899, to date of transfer, together with taxes between said dates. Also parts of lots 18 and 19, in said square, included within the following metes and bounds * * * containing 1,711.89 square feet of ground, at the rate of 92½ cents per square foot, with interest at 6 per cent from November 23, 1898, to date of transfer, together with taxes between said dates.

It is understood in the above agreement that the Baltimore & Ohio Railroad Co. shall pay all taxes on squares 680 and 681 up to December 1, 1904, the taxes on all other lots affected by this agreement being paid as cited above.

The auditor of the District of Columbia is authorized and directed to cause papers of transfer in above cases to be prepared, it being understood that the Baltimore & Ohio Railroad Co. shall furnish good and sufficient title; and if it can not be done as to any particular lot, the agreement shall apply to such lots as a clear and sufficient title can be given.

HENRY B. F. MACFARLAND,
HENRY L. WEST,
CHESTER HARDING, *Acting,*
Commissioners of the District of Columbia.

The above agreement is accepted on behalf of the Baltimore & Ohio Railroad Co.

HUGH L. BOND, Jr.,
Second Vice President and General Attorney.

All of these are on record in the office of the District Commissioners and may be seen; and from this negotiation, of record as aforesaid, it appears that all of the property required by the Commissioners of the District of Columbia for Plaza and approaches, was based upon the understanding between Mr. Loree and the District Commissioners that the company would sell for about what it stood the company in cost, carrying cost of taxes and interest, and where opportunity afforded the foot for foot exchange between the District and the company was made; and, further, that taxes and interest were not charged on property for which the company, from the time of purchase to the time of sale to the District, received in rents sufficient amount to cover taxes and interest thereon.

This agreement between Mr. Loree and the District government was made, no doubt, on the ground that the improvements to be made by the District would help the project of making the Union Station a monumental structure, and would also increase the value of the remaining property owned by the company and its availability for sale.

The conditions and reasons that entered into this negotiation with the District are not in any wise applicable to the present condemnation proceedings or the purpose of the Government to acquire this property. The District was taking only a small part of these squares, and by taking it would make what remained more valuable for sale.

It will thus be seen from the voluminous corresopndence passing between the railroad company and the representatives of the District of Columbia that the offer on the part of the railroad company contemplated only ground now included in the Union Station Plaza, and in the streets and approaches to the same; that it could not in the very nature of things have included the blocks and squares now sought to be acquired. Upon this offer the gentleman from Kentucky, the chairman of the Committee on the District of Columbia, bases his whole argument. If mistaken in this respect, then his argument fails. The old Roman maxim, "Falsus in Uno, falsus in Omnibus," is applicable to his situation.

He has sought to gain converts to his resolution upon the assertion that he is attempting to save the Government $600,000 from the rapacious maws of a soulless corporation. Anyone giving the subject careful consideration will soon discover that he is just as much mistaken in this respect as he is in regard to the alleged offer on the part of the railroad company. I doubt seriously whether any of the property of the company was appraised far from its real value by the commissioners in the condemnation proceedings. In proof of this I herewith append a comparison of valuation for taxation of the company's property and the award made by the condemnation commission. The assessors' valuation in gross exceeds the awards by $44,120.

Comparison of valuation for taxation and awards of condemnation commission, plaza proceedings.

	Assessors' valuation.	Award.
Square 632 (Baltimore & Ohio)	$360,969	$294,829
Square 681 and connections (Baltimore & Ohio)	763,513	725,932
Square 682 (Baltimore & Ohio)	160,671	239,933
	1,285,153	1,260,685

In other words, the tax assessors valued the property in these three squares belonging to the Baltimore & Ohio $24,468 more than the amount awarded by the commission.

Without desiring to cumber the RECORD, I have selected the first four parcels in each of the squares under consideration, except squares 633 and 680, where the division and combination of parcels make comparison difficult, and find the following:

	Assessors' valuation.	Award.
(Parcel 1 belongs to United States Government.)		
Parcel 2	$15,740	$15,360
Parcels 3 and 4	45,975	48,500
Parcel 5	26,145	17,430
Parcel 6	30,645	20,940
Square 684:		
Parcel 1	45,675	34,400
Parcel 2	8,412	7,870
Parcel 4	8,412	7,608
Parcel 6	8,712	7,708
(Parcels 3 and 5 are small alley lots.)		
Square 721:		
Parcel 1	4,335	5,080
Parcels 2 to 12	25,987	33,264
Parcels 13 to 17	10,867	21,481
Parcels 43 et al	36,481	28,674
Square 722:		
Parcels 1, 2, 3	8,617	7,515
Parcels 5, 6, 8	5,811	6,151
Parcel 7	4,800	4,500
Parcel 9	4,705	4,474
(Parcel 4 belongs to District of Columbia.)		
Square 723:		
Parcel 1	5,226	6,500
Parcel 2	4,783	4,900
Parcel 3	5,077	4,925
Parcel 4	5,077	4,850
	311,482	291,830

Showing again that the assessors' valuation exceeds the awards in these cases to the tune of $19,652.

Mr. JOHNSON, the gentleman from Kentucky, seems to be obsessed with the notion that everybody connected with the former condemnation proceedings were imbued with ulterior motives. In his speech upon this question delivered in the House on July 13 last he not only impugned the railroad officials, the condemnation commissioners, the commission appointed under the act of June 25, 1910, the United States attorney for the District of Columbia, the Supreme Court of the District of Columbia, but took a rap at ex-President Taft and members of the Public Buildings and Grounds Committee of the House, as well as the gentleman from Ohio. In this position I do not concur. I believe in the honesty and integrity of humanity in general; that President Taft and all the officials who were connected with or had anything to do with not only the enactment of the law by Congress of June 25, 1910, in which the Congress declared its avowed purpose to ultimately acquire all of this property, but that the Government officials connected with its acquisition and the commission constituted by Congress for that purpose acted in the utmost good faith toward all concerned. In conclusion let me say, no matter which of the two resolutions under consideration may be ultimately approved, it is my hope and earnest wish that the unfortunate victims of this congressional action whose property has been rendered unproductive, and who have been subject to burdensome taxes and the payment of heavy interest for a period now of over four years, may speedily be relieved from the unfortunate circumstances in which we find them, a situation of our making without their consent.

Mr. JOHNSON of Kentucky. Mr. Chairman, regardless of the researches made into the value of this property by the gentleman from Ohio [Mr. POST] the plain, naked fact remains that with 6 per cent interest added to the prices which the Baltimore & Ohio Railroad Co. paid for the land a net saving to the Federal Government of nearly $600,000 may be made if the original resolution be adopted.

The passage of this substitute would permit the bringing about of the condition which existed when the President was compelled to reject this original proposition. If the substitute should be adopted, that condition can again be presented to the President, and he ought not again to be confronted with that situation and again be compelled to hold off the individual property owners, if he should think best to do so, while the value of the Baltimore & Ohio property was being ascertained.

You can say all you please about this proposition. All those who are seeking to get this $600,000 for the Baltimore & Ohio Railroad can scratch their nails off, but this is one transaction that can not be covered up, and in favor of fairness and equity to the United States, once in the history of this Congress, I hope that this substitute will be voted down.

Mr. BURNETT. Mr. Chairman, I move to strike out the last word. I can not agree with the proposition of the gentleman from Kentucky [Mr. JOHNSON] that there would be any two awards pending at all. The history of the legislation, so far

as the Baltimore & Ohio Railroad Co. is concerned, is that that railroad company appealed from the decision of the court sustaining the motion of the representative of the Government to dismiss the proceedings, and in the statement that the appeal is still pending the gentleman is correct. I think that a commission of officials holding office under this administration would certainly not proceed to a second condemnation of the Baltimore & Ohio Railroad Co. property while that case was pending in the courts. They do not have to proceed with the condemnation; they could do it or not. Then, Mr. Chairman, if that dismissal is sustained we will be in the attitude of having no condemnation and only the right to purchase, because another condemnation could not be had. I am not standing here as the champion of any railroad company or any other corporations, but I have not lost faith in officials in this country. I believe that the three men named as commissioners in the Post resolution could be trusted to do right between the Government and any individual or corporation. The commissioners do not even select the jury. The gentleman from Kentucky [Mr. JOHNSON] goes into extended details in his resolution as to who shall be the jurors and who shall not. A jury that will be selected by the marshal must, under the Post resolution, be composed of disinterested people, just like the chairman's State requires the jury shall be that tries ad quod damnum proceedings, just as substantially every State requires; and to go on and signify that they shall be this or that, when the general term that they shall be disinterested and qualified persons is all that your legislature or mine has ever sought to demand, seems to me is simply a work of supererogation. It does not frighten me to say that there shall be two awards pending, because that thing will never happen. Those commissioners never will say that we are going to have another condemnation proceeding and another award when an award is already pendente lite in the courts of the country, and I think that is a scarecrow conjured up in the fertile imagination of the able and distinguished gentleman from Kentucky [Mr. JOHNSON].

Mr. SIMS. Mr. Chairman, I want to ask for information only—I do not want to make a speech upon this subject—do both propositions require that we must take all this property or none?

Mr. BURNETT. It does not. That is the very purpose of both the propositions—to segregate them and allow settlement for one without settlement for the other.

Mr. SIMS. I understood the proposition advocated by the chairman of the committee, the gentleman from Kentucky [Mr. JOHNSON], to be that we can take these individual pieces of property at a sum not exceeding the award, without passing on the other, letting the other alone. Now, at a time like this, when we are levying war taxes and when some portions of our country are almost ruined by a war for which they are in no way responsible, why is it necessary to appropriate millions of dollars to buy a railroad company's property at all, at any price? The property is going to stay there. We are taking it simply to further beautify the most beautiful city in the United States. Why not let it go and take our chances hereafter as to further enhancement of value and pay individual people for their property, because they will be hurt if it is not done. I do not understand why it is, when we have to levy war taxes in order that the Government may run at all, that we are under any obligations to buy the property of any railroad company to beautify this or any other city.

Mr. POST. Mr. Chairman, will the gentleman yield?

Mr. SIMS. Yes.

Mr. POST. The gentleman has not given the resolution consideration.

Mr. SIMS. I am asking for information.

Mr. POST. It is not necessary to have a condemnation proceeding in order to get all of this isolated property.

Mr. SIMS. That which belongs to the individuals?

Mr. POST. This is not an original proposition at all.

Mr. SIMS. But as I understand the gentleman's proposition is that we will go ahead and acquire this railroad property.

Mr. BURNETT. Oh, no.

Mr. POST. It does not require them to do it.

Mr. SIMS. But it permits the commission to do it.

Mr. POST. The gentleman is a lawyer and he understands this, that while this resolution provides for condemnation proceedings, if Congress passes the resolution, nevertheless if this commission should undertake to condemn the property under this proceeding, it would be met with the proposition that the court already has jurisdiction over the matter at the present time, the Baltimore & Ohio Railroad Co. having a suit now pending.

Mr. SIMS. But it could dismiss the appeal and give the commission jurisdiction.

Mr. POST. Certainly.

Mr. SIMS. Certainly it can. I do not think it is necessary in order to take care of these individuals who are hurt that we should also make it incumbent to undertake possibly the paying of the award of the court for this railroad property or purchasing it in any way. We can cease to further beautify for a few years at least until we cease to further tax the people, in order that the Government may run at all, in extraordinary amounts and at extraordinary rates, made necessary by the European war. Besides, the property may be worth less in the future than it is now. I do not understand why it should be incumbent upon this Congress to pay the original cost of property with 6 per cent interest which has been owned nearly a hundred years and occupied by the railroad company all of that time and used for its business.

Mr. POST. But that is the proposition of the gentleman from Kentucky [Mr. JOHNSON].

Mr. SIMS. I understand that; but even after calculating the interest upon this property, giving them interest from the time they acquired it, nearly 100 years ago, it still makes the amount of the payment $600,000 less than this jury has awarded them. The gentleman from Kentucky, I understand, accepts the proposition in lieu of the award as made, not because he advocates giving them interest for a hundred years, or nearly so, at 6 per cent, but because to do so is a great saving to the Government rather than to accept this award, which is $600,000 more than the interest on the property that they have had the use of all of these many years, and the accretions in value of that property that have been brought about by the improvement and growth of the city, due to the millions of dollars of appropriations by Congress out of the people's pockets both in Nation and city.

Let us wash our hands of this whole railroad proposition and settle the other matter as to individual awards, and wait to beautify that ground until taxes can be collected under a normal rate and not at a time when we are having to increase them on account of a foreign war. [Applause.]

The CHAIRMAN. The time of the gentleman has expired; all time has expired. The question is on the amendment in the nature of a substitute offered by the gentleman from Ohio [Mr. POST].

The question was taken, and the Chairman announced the noes appeared to have it.

Upon a division (demanded by Mr. POST) there were—ayes 17, noes 30.

Mr. POST. Mr. Chairman, I ask for tellers.

The CHAIRMAN. The gentleman from Ohio asks for tellers. Those in favor of taking the vote by tellers will rise and stand until they are counted. [After counting.] Six gentlemen have risen, not a sufficient number.

Mr. JOHNSON of Kentucky. Mr. Chairman, I move that the committee do now rise and report the joint resolution as amended, with the recommendation that the amendment be agreed to and that the resolution as amended do pass.

The motion was agreed to.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. WINGO, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration House joint resolution 331 and had directed him to report the same back with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The question was taken, and the amendment was agreed to.

The joint resolution as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. JOHNSON of Kentucky, a motion to reconsider the vote by which the joint resolution was passed was laid on the table.

IMPROVEMENT OF FOREIGN SERVICE.

Mr. FLOOD of Virginia. Mr. Speaker, I ask unanimous consent that the bill (S. 5614) to provide for the appointment of secretaries in the Diplomatic Service and of consuls be taken from the Speaker's table and passed. It passed the Senate unanimously, and a similar bill has been reported unanimously from the Committee on Foreign Affairs.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

An act (S. 5614) for the improvement of the foreign service.

Be it enacted, etc., That hereafter all appointments of secretaries in the Diplomatic Service and of consuls general and consuls shall be by commission to the offices of secretary of embassy or legation, consul general, or consul, and not by commission to any particular post, and that such officers shall be assigned to posts and transferred from one post to another by order of the President as the interests of the service may require: *Provided*, That no officer may be assigned for duty in the Department of State for a period of more than three years, unless the public interest demand further service, when such assignment may

be extended for a period not to exceed one year, and no longer: *Provided further*, That no secretary, consul general, or consul shall be promoted to a higher class except upon the nomination of the President, with the advice and consent of the Senate.

SEC. 2. That secretaries in the Diplomatic Service and consuls general and consuls shall hereafter be graded and classified as follows, with the salaries of each class herein affixed thereto.

SECRETARIES.

Secretary of class 1, $3,000.
Secretary of class 2, $2,625.
Secretary of class 3, $2,000.
Secretary of class 4, $1,500.
Secretary of class 5, $1,200.

CONSULS GENERAL.

Consul general of class 1, $12,000.
Consul general of class 2, $8,000.
Consul general of class 3, $6,000.
Consul general of class 4, $5,500.
Consul general of class 5, $4,500.

CONSULS.

Consul of class 1, $8,000.
Consul of class 2, $6,000.
Consul of class 3, $5,000.
Consul of class 4, $4,500.
Consul of class 5, $4,000.
Consul of class 6, $3,500.
Consul of class 7, $3,000.
Consul of class 8, $2,500.
Consul of class 9, $2,000.

SEC. 3. That section 1685 of the Revised Statutes is hereby amended to read as follows:

"SEC. 1685. That for such time as any secretary of embassy or legation shall be lawfully authorized to act as chargé d'affaires ad interim at the post to which he shall have been appointed or assigned, he shall be entitled to receive, in addition to his salary as secretary of embassy or legation, compensation equal to the difference between such salary and 50 per cent of the salary provided by law for the ambassador or minister at such post; and for such time as any vice consul shall be lawfully authorized to assume charge of a consulate general or consulate during the absence of the principal officer at the post to which he shall have been appointed or assigned, he shall be entitled to receive, in addition to his regular salary or compensation as a subordinate consular officer or employee, compensation equal to the difference between such salary or compensation and 50 per cent of the salary provided by law for the principal consular officer at such post."

SEC. 4. That a secretary, consul general, or consul of whatever class detailed for special duty outside of the city of Washington shall be paid his actual and necessary expenses for subsistence during such special detail: *Provided*, That such special duty shall not continue for more than 60 days unless in the case of international gatherings, congresses, or conferences, when such subsistence expenses shall run only during the life of the international gathering, congress, or conference, as the case may be.

SEC. 5. That the Secretary of State is directed to report from time to time to the President, along with his recommendations for promotion or for transfer between the department and the foreign service, the names of those secretaries in the Diplomatic Service and the names of those consular officers or departmental officers or employees who by reason of efficient service, an accurate record of which shall be kept in the Department of State, have demonstrated special efficiency, and also the names of persons found upon examination to have fitness for appointment to the lower grades of the service.

SEC. 6. That section 1674 of the Revised Statutes is hereby amended to read as follows:

"SEC. 1674. That the official designations employed throughout this title shall be deemed to have the following meanings, respectively:

"First. 'Consul general' and 'consul' shall be deemed to denote full, principal, and permanent consular officers as distinguished from subordinates and substitutes.

"Second. 'Consular agent' shall be deemed to denote consular officers subordinate to such principals exercising the powers vested in them and performing the duties prescribed for them by regulation of the President at posts or places different from those at which such principals are located, respectively

"Third. 'Vice consuls' shall be deemed to denote consular officers subordinate to such principals exercising and performing the duties within the limits of their consulates at the same or at different points and places from those at which the principals are located, except that when vice consuls take charge of consulates general or consulates when the principal officers shall be temporarily absent or relieved from duty they shall be deemed to denote consular officers who shall be substituted, temporarily, to fill the places of said consuls general or consuls.

"Fourth. 'Consular officer' shall be deemed to include consuls general, consuls, vice consuls, interpreters in consular offices, student interpreters, and consular agents, and none others.

"Fifth. 'Diplomatic officers' shall be deemed to include ambassadors, envoys extraordinary, ministers plenipotentiary, ministers resident, commissioners, chargés d'affaires, agents, secretaries of embassy and legation, and secretaries in the Diplomatic Service, and none others."

The offices of vice consul general, deputy consul general, and deputy consul are abolished.

SEC. 7. That no ambassador, minister, minister resident, diplomatic agent, or secretary in the Diplomatic Service of any grade or class shall, while he holds his office, be interested in or transact any business as a merchant, factor, broker, or other trader, or as an agent for any such person to, from, or within the country or countries to which he or the chief of his mission, as the case may be, is accredited, either in his own name or in the name or through the agency of any other person, nor shall he, in such country or countries, practice as a lawyer for compensation or be interested in the fees or compensation of any lawyer so practicing.

SEC. 8. That this act shall take effect on the day of its approval by the President, when all acts or parts of acts inconsistent with this act are repealed.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. FITZGERALD. Mr. Speaker, reserving the right to object, I would like to know just what this bill does.

Mr. FLOOD of Virginia. This bill, Mr. Speaker, provides that the secretaries to embassies and legations and the appointment of consuls shall be appointment to classes and not to posts. That is the principal purpose of the bill, and it rearranges the secretaries and consuls into classes so that when an appointment is made it is to a class, and that appointment is confirmed by the Senate, and then, if the President desires to transfer a consul or a secretary of an embassy or legation from one post to another in the same class he can do so without having to send the nomination to the Senate for confirmation, and at this particular time the State Department is very anxious that this bill should become a law, because in some posts in Europe the secretaries are not very much overburdened with work, and at other posts the work is greater than the force authorized by law to be sent there now can do, and there are some other——

Mr. FITZGERALD. Does this increase the cost of the Diplomatic and Consular Service?

Mr. FLOOD of Virginia. I think it will.

Mr. FITZGERALD. How much?

Mr. FLOOD of Virginia. The estimate is it will increase the cost of the Consular Service about $31,000 and the secretaries of the Diplomatic Service about $19,000.

Mr. FITZGERALD. I heard some reference in the reading of the bill about detailing some of these secretaries to the State Department at Washington.

Mr. FLOOD of Virginia. There is a provision of that kind. The State Department frequently has one or two—sometimes more—secretaries in the State Department to give information to the department about a particular section of the world about which it is anxious to acquire information, and under the present system when those secretaries are brought from their posts to the State Department here they have to take the position of a clerk in the State Department and get only the salary of a clerk instead of the salary of a secretary, which is not fair, and there is a provision which permits the State Department to detail these secretaries to the State Department at the salary the secretary was getting as secretary.

Mr. FITZGERALD. Does not it provide he may remain there about four years?

Mr. FLOOD of Virginia. Not exceeding three years.

Mr. FITZGERALD. And an additional year after that.

Mr. FLOOD of Virginia. Two years and an additional year after that, if it is thought absolutely necessary to keep him there. Then there is a further provision in reference to secretaries and consuls, that when they come to this country and it is desirable, in the opinion of the Secretary of Commerce, to have them go about the country and interview boards of trade and confer with business men that their allowance and expenses can be paid. The Senate passed this bill unanimously, and the House Committee on Foreign Affairs reported it unanimously, and the State Department, I will say, is exceedingly anxious that this bill pass now, so that the congested work at posts like Paris, London, and Berlin can be relieved by the transfer of secretaries from places where the work is not so great at this time.

Mr. MANN. Will the gentleman yield?

Mr. FLOOD of Virginia. Yes.

Mr. MANN. The gentleman just stated that the House Committee on Foreign Affairs reported this bill unanimously. Of course the gentleman did not refer to this print of the bill.

Mr. FLOOD of Virginia. I referred to a similar bill.

Mr. MANN. The gentleman referred to House bill 18654. Is that the same?

Mr. FLOOD of Virginia. Yes.

Mr. MANN. Does the gentleman know whether it is the same?

Mr. FLOOD of Virginia. There will be a few little changes in it.

Mr. MANN. I want to know what they are. We have no print of this bill. As far as I know, it has never been printed.

Mr. FLOOD of Virginia. It is practically the same. There is a difference of the date when the bill will take effect, and one of the classes of consuls is put at $4,500 in the Senate bill, whereas the House bill had it $5,000, and it ought to be $5,000; and there are one or two amendments which I will offer.

Mr. MANN. Well, the gentleman will remember that I spoke to him at one time in reference to what effect this would have on the appropriations we have already made. We make appropriation for certain posts at certain salaries now. That is carried in the Diplomatic appropriation act. Now, what effect will the passage of this bill have in connection with the appropriations already made? There are no appropriations made for these places?

Mr. FLOOD of Virginia. After I had the conversation with the gentleman from Illinois I conferred with one of the Assistant Secretaries of State, and we agreed upon an amendment that

would leave available all the appropriations that have been made up to this time for the Diplomatic Service.

Mr. MANN. Is that amendment incorporated in the Senate bill?

Mr. FLOOD of Virginia. No; I was going to offer it. I have it here in my hand.

Mr. MANN. The gentleman from Michigan [Mr. MAPES] had expected to offer an amendment or so to this bill, as I understand from him, probably along the same lines as certain sections of the bill formerly introduced by the gentleman from Virginia.

Mr. FLOOD of Virginia. I will say to the gentleman that those are what are known as the civil-service provisions of the bill as I originally introduced it, and we found that the bill could not become law with those provisions in it. And while the Committee on Foreign Affairs has a number of gentlemen on it who were strongly in favor of the civil-service principle, among them Mr. LINTHICUM, of Maryland, and Mr. COOPER, of Wisconsin, and others, they found that the bill would not become a law in any shape if it were insisted that those provisions be kept in it, and so I introduced another bill leaving those provisions out in order that the State Department might get the benefit of being able to transfer these secretaries and consuls at this time, when they are particularly needed. And I hope for that reason, in the interest of the public service and the foreign service, the gentleman from Michigan [Mr. MAPES] will not offer his amendments at this time.

Mr. MANN. Mr. Speaker, still reserving the right to object, can I get the gentleman from Texas [Mr. HENRY] into this? The gentleman from Virginia [Mr. FLOOD] is asking unanimous consent for the present consideration of a Union Calendar bill. If consent is given, it may require the House to go into the Committee of the Whole to consider it. I do not know how long it would take, or whether any agreement can be made. Do I understand the gentleman from Texas expects to bring in a rule immediately?

Mr. HENRY. I am waiting now. I understood this would take only a few moments.

Mr. FLOOD of Virginia. I would like to have unanimous consent to this, that as soon as the gentleman from Texas gets through with the matters provided for in the rule this bill be in order and we take it up by unanimous consent then.

Mr. HENRY. I have no objection to that.

Mr. POU. Reserving the right to object, there is one other rule to follow the rule the gentleman from Texas has.

Mr. MANN. Supposing the gentleman, then, asks unanimous consent that this bill be treated as a privileged bill, with the right to take it up——

Mr. HENRY. I have no objection to that.

Mr. FITZGERALD. I suggest that the gentleman make that request later. In the meantime we will have an opportunity to examine it. I would like to see the amendments that are to be proposed.

Mr. FLOOD of Virginia. I can show the gentleman the amendments in two minutes. They are simply to provide that the appropriation that has been made for the Diplomatic and Consular Service shall be still available. That is one amendment. The other amendment is simply to change the date at which this bill shall go into effect. Another amendment is to change $4,500 to $5,000. The Senate made a mistake as to a class of consuls and put them in a $4,500 class when they belong in the $5,000 class. It is a bill that the State Department has been urging for weeks.

Mr. FITZGERALD. I do not know that I shall object, but I hope the gentleman will make his request after the disposition of the rule.

Mr. MOORE. I hope the gentleman from Virginia [Mr. FLOOD] will not press his unanimous-consent request now. There are some questions about this bill that some of us will want to look into.

Mr. FLOOD of Virginia. All right, Mr. Speaker; I withdraw the request.

The SPEAKER. The Chair would like to ask the gentleman from Texas how many rules he has?

Mr. HENRY. Only one.

The SPEAKER. The gentleman from Texas [Mr. HENRY] offers a privileged resolution, which the Clerk will report.

COTTON AND TOBACCO.

Mr. HENRY. There is another rule to follow, but the gentleman from North Carolina will present that, and I now present the privileged resolution which I send to the Clerk's desk.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House resolution 656 (H. Rept. 1199).

Resolved, That immediately upon the adoption of this resolution the House shall proceed to consider S. 6398 and S. 6505 in the order enumerated; that said bill shall be considered in the House as in Committee of the Whole and shall be the continuing order of the House until disposed of; that there shall be not exceeding one hour's general debate on each bill and not exceeding 30 minutes on each bill for amendment under the five-minute rule, to be equally divided between those supporting and those opposing the bills. At the conclusion of the debate on all said bills each bill, with amendments thereto, shall be voted upon separately, and the previous question shall be considered as separately ordered on each bill with amendments to final passage, without intervening motion, except one motion to recommit on each of said bills: *Provided*, That it shall be in order for the House to consider the following amendment to S. 6398, which said amendment shall not be subject to any point of order under the general rules of the House, to wit:

"SEC. 3. That the Secretary of the Treasury shall deposit in national banking associations and in State banks situated in States producing cotton or tobacco, or both, the sum of $250,000,000, or so much thereof as may be necessary to carry out the purposes of this act. The said Secretary shall make such deposits under the terms of this act and under such rules and regulations as may be prescribed by him to carry out this act. The deposits herein directed to be made shall be apportioned among the several States in accordance with the number of bales of cotton or pounds of tobacco produced therein during the year 1913, as ascertained by the Department of Agriculture. The Secretary of the Treasury, in lieu of the securities he is now authorized or required by law to exact of the banks in which the funds of the United States are deposited, is authorized and hereby directed to accept as security for the deposits directed to be made in this act cotton warehouse and tobacco warehouse receipts, where the cotton or tobacco thereby represented has been fully insured, at a valuation that represents the fair market value of the cotton or tobacco covered by such receipts. The deposits herein directed to be made shall be made only on the condition that the banks accepting such deposits will loan the same, under reasonable terms and conditions, at a rate of interest not to exceed 4 per cent per annum, to the producers of cotton or tobacco, or the owners of lands upon which same was produced during the year 1914, and the said Secretary of the Treasury is hereby authorized to make all necessary rules and regulations concerning the terms and conditions under which these deposits shall be loaned by the banks that accept the same.

"SEC. 4. That the Secretary of the Treasury shall, in his discretion, either immediately cause to be prepared United States notes to the extent of $250,000,000 to be used for the purpose of making the deposits in compliance with this act, which said notes shall have all the legal qualities of the United States notes now outstanding, and shall be of such denominations as the Secretary of the Treasury may prescribe, and said notes shall bear interest at the rate of 2 per cent per annum from the date of their issuance and shall be payable in gold coin of the United States or its equivalent on January 1, 1916; or he may sell not exceeding $240,000,000 of Panama Canal bonds, heretofore authorized by law, at a rate of interest not exceeding 4 per cent per annum, and the act or acts heretofore passed authorizing the disposition of said bonds are hereby amended so as fully to authorize the disposition and use of such bonds as herein prescribed; or, in his discretion, the Secretary of the Treasury may use both the proceeds of the bonds and the notes in order to carry out the purposes of this act, not to exceed in the aggregate $250,000,000.

"SEC. 5. That the Secretary of the Treasury shall not require the repayment of any deposit made under the provisions of this act prior to December 31, 1915.

"SEC. 6. That when the deposits herein authorized are called in by the Secretary of the Treasury the same shall be and become a part of a special fund, to be kept and held separate and apart from the general funds of the Government, for the redemption and retirement at maturity of the Panama Canal bonds in such cases and to such extent as the proceeds of such bonds have been used to make the deposits herein provided."

Mr. HENRY. Mr. Speaker, I would like to ask the gentleman from Illinois, inasmuch as I see no member of the Committee on Rules on his side at present, how much time he would like to have for the discussion of the special rule?

Mr. MANN. Say half an hour on a side.

Mr. HENRY. That will be entirely satisfactory to me. So, Mr. Speaker, I yield to the gentleman 30 minutes of my time.

The SPEAKER. The gentleman from Texas yields 30 minutes to the gentleman from Illinois.

Mr. HENRY. And I ask unanimous consent that the previous question be considered in order at the end of the hour.

Mr. MANN. I would not do that. Somebody might want to offer an amendment to it. I do not think I will do so.

Mr. HENRY. Mr. Speaker, I give notice that I will move the previous question at the end of the hour.

Mr. HOWARD. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. HOWARD. Does that preclude offering amendments to this bill?

Mr. HENRY. Oh, no.

Mr. HOWARD. You mean on the rule?

The SPEAKER. The gentleman from Georgia did not ask the Speaker, so the Speaker will not give him an answer.

Mr. HENRY. I did not ask the question.

The SPEAKER. The gentleman from Georgia [Mr. HOWARD] asked the gentleman from Texas [Mr. HENRY] a question.

Mr. HOWARD. Yes.

The SPEAKER. Did he answer it satisfactorily?

Mr. HOWARD. I asked the gentleman from Texas the question, and he said, "Oh, no." I presume he was answering it understandingly.

The SPEAKER. The gentleman from Texas asks for an hour, and announces that he will move the previous question when he gets ready.

Mr. MANN. That is, in an hour?

The SPEAKER. Yes; the Chair knows; and he proposes to yield 30 minutes of it to the gentleman from Illinois.

Mr. HENRY. The gentleman from Georgia asked me if the bill will be open to amendment after the adoption of the rule, as I understood, and I said it would be open to amendment.

Mr. HOWARD. After the expiration of one hour?

Mr. HENRY. Yes. Does the gentleman want to amend the bill or the rule?

Mr. HOWARD. The bill.

Mr. HENRY. It will be open for amendment.

Mr. HOWARD. That is all I wanted to know, Mr. Speaker.

The SPEAKER. The gentleman from Texas [Mr. HENRY] is recognized for one hour, one-half of which he announces he will yield to the gentleman from Illinois [Mr. MANN].

Mr. DONOVAN rose.

The SPEAKER. For what purpose does the gentleman from Connecticut rise?

Mr. DONOVAN. I want to ask some one in authority, either the gentleman from Texas [Mr. HENRY] or the Speaker, a question. This is an important matter here, and the question I want to ask is, Does the gentleman from Texas intend to proceed on that matter with the small number present?

Mr. HENRY. I intend to proceed for awhile.

Mr. DONOVAN. The gentleman is a great stickler for a quorum generally, and—

Mr. HENRY. I think I can see a quorum here to-day.

Mr. DONOVAN. The gentleman is inconsistent. He has held it up to us that a quorum is necessary for us to do business. Now I appeal to the gentleman: Has he fallen from grace? [Laughter.] Does he intend to go forward with this business without a quorum? [Renewed laughter.]

Mr. HENRY. I will say to the gentleman that I am trying to hasten the adjournment of this Congress.

Mr. DONOVAN. In an unparliamentary and illegal way, I will say, because under the rules we are not allowed to do business without a quorum.

The SPEAKER. The gentleman from Connecticut is out of order. If he wants to ask a question of anybody, that is all right.

Mr. DONOVAN. I have not got an answer yet, Mr. Speaker. [Laughter.]

Mr. HENRY. I think I see a quorum here.

Mr. DONOVAN. Does the gentleman intend to proceed without a quorum?

Mr. HENRY. I think we have a quorum here.

Mr. DONOVAN. I insist upon an answer.

Mr. HENRY. I intend to proceed.

Mr. DONOVAN. Without a quorum? [Laughter.]

Mr. HENRY. Yes; without a quorum.

Mr. DONOVAN. Then, Mr. Speaker, I shall insist upon a quorum being present. [Laughter and applause.]

The SPEAKER. The gentleman from Connecticut makes the point of no quorum. The Chair will count.

Mr. DONOVAN. Mr. Speaker, it has been suggested to me that it is not necessary to separate the sheep from the goats, so we will let it run along as before.

The SPEAKER. The gentleman withdraws his point of order.

Mr. BULKLEY. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Ohio [Mr. BULKLEY] makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and twenty-one Members are present—not a quorum.

Mr. CRISP. Mr. Speaker, I move a call of the House.

The SPEAKER. The gentleman from Georgia [Mr. CRISP] moves a call of the House. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Adair	Britten	Carr	Decker
Ainey	Brodbeck	Cary	Deitrick
Allen	Brown, N. Y.	Casey	Dies
Anderson	Browne, Wis.	Chandler, N. Y.	Donohoe
Ansberry	Browning	Church	Dooling
Anthony	Bryan	Clancy	Doolittle
Austin	Buchanan, Ill.	Connelly, Kans.	Doughton
Avis	Burke, Pa.	Connolly, Iowa	Driscoll
Baker	Burke, S. Dak.	Conry	Drukker
Baltz	Burke, Wis.	Copley	Dunn
Barchfeld	Calder	Cramton	Elder
Bartholdt	Callaway	Crosser	Estopinal
Beall, Tex.	Campbell	Dale	Faison
Bell, Cal.	Cantor	Danforth	Farr
Bowdle	Carew	Davenport	Ferris
Fess	Howell	Manahan	Shackleford
Fields	Hoxworth	Martin	Shreve
FitzHenry	Hughes, W. Va.	Merritt	Slemp
Fordney	Hulings	Mitchell	Sloan
Fowler	Igoe	Mondell	Smith, Md.
Francis	Johnson, Wash.	Morin	Smith, J. M. C.
Frear	Jones	Moss, Ind.	Smith, Minn.
French	Kahn	Moss, W. Va.	Smith, N. Y.
Gallagher	Keister	Mott	Stephens, Cal.
Gallivan	Kelley, Mich.	Mulkey	Stephens, Nebr.
Gard	Kelly, Pa.	Murdock	Stevens, Minn.
Garner	Kennedy, R. I.	Neeley, Kans.	Stevens, N. H.
Gerry	Kent	Neely, W. Va.	Stringer
Gillett	Kettner	Nolan, J. I.	Sumners
Gittins	Kiess, Pa.	Norton	Sutherland
Good	Knowland, J. R.	O'Brien	Switzer
Gordon	Konop	Oglesby	Taggart
Gorman	Lafferty	O'Hair	Talcott, N. Y.
Graham, Ill.	Langley	O'Shaunessy	Taylor, N. Y.
Graham, Pa.	Lee, Pa.	Paige, Mass.	Temple
Green, Iowa	L'Engle	Palmer	Ten Eyck
Greene, Mass.	Lenroot	Parker	Thacher
Gregg	Levy	Peters	Thomas
Griest	Lewis, Md.	Peterson	Towner
Griffin	Lewis, Pa.	Phelan	Treadway
Gudger	Lindbergh	Platt	Vollmer
Guernsey	Lindquist	Plumley	Volstead
Hamill	Linthicum	Porter	Wallin
Hamilton, Mich.	Loft	Powers	Walsh
Hamilton, N. Y.	Logue	Reed	Walters
Hammond	Lonergan	Reilly, Wis.	Watkins
Harris	McAndrews	Roberts, Mass.	Weaver
Harrison	McClellan	Roberts, Nev.	Williams
Hart	McGuire, Okla.	Rogers	Willis
Hayes	McKenzie	Russell	Wilson, N. Y.
Helgesen	McLaughlin	Sabath	Winslow
Hill	MacDonald	Scully	Woodruff
Hinebaugh	Madden	Seldomridge	
Hobson	Maher	Sells	

The SPEAKER. The Clerk will call my name.

The Clerk called the name of Mr. CLARK of Missouri, and he answered "Present."

The SPEAKER. Two hundred and fifteen Members, a quorum, have answered to their names.

Mr. HENRY. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will unlock the doors.

Mr. KORBLY. Mr. Speaker, I move that the House do now adjourn.

The question was taken; and on a division (demanded by Mr. KORBLY) there were—ayes 8, noes 67.

Accordingly the motion was rejected.

Mr. HENRY. Mr. Speaker, the rule is plain. I do not see how we could add any language to it that would make it any clearer.

It provides that immediately upon its adoption the House shall proceed to consider two Senate bills—one S. 6398 and the other S. 6505. These bills have passed the Senate. They have come to the House and have been referred to the Committee on Banking and Currency, and that committee has reported them to the House and they are now on the calendar. The resolution further provides that there shall be 1 hour's general debate on each bill and 30 minutes' debate under the 5-minute rule on each one of the bills. It furthermore provides that it shall be in order to consider the amendment that is added, notwithstanding any point of order that may be made against it under the general rules of the House.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. HENRY. Yes; I yield to the gentleman.

Mr. STAFFORD. Will the gentleman state how much time is given under the rule for the discussion of this most important amendment that the gentleman has referred to?

Mr. HENRY. I have just stated that there will be on the bill and all amendments that are offered one hour and a half of general debate and debate under the five-minute rule.

Mr. STAFFORD. The rule does not so provide.

Mr. HENRY. Oh, yes; it provides that there shall be that much discussion.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield further?

Mr. HENRY. Just for this one question, because I do not want to detain the House.

Mr. STAFFORD. Is it not possible under the rule to withhold the offering of that amendment in which your side is most interested until the close of the 30 minutes for debate under the 5-minute rule, and thereby cut off any debate on it whatever?

Mr. HENRY. The rule speaks for itself.

Mr. STAFFORD The rule does not say anything on that.

Mr. HENRY. There is no difficulty about offering amendments and having 30 minutes' discussion.

Mr. Speaker, this is not the exact bill that I had hoped would come before the House, in the form in which it should have been worded. But the principle is in exact accord with all the bills

I have introduced on this subject. We have been undertaking to shape legislation on this question for two long months. Day and night, in season and out of season, individually I have been endeavoring to meet with my colleagues on both sides and see if we could not get on common ground in order to meet the great emergency that has arisen in the South.

The bill is the best proposition that the Committee on Rules could bring before you gentlemen for consideration. It does bring that important question before the membership of this House in order that it may be discussed and considered. We say to you and to our people that it is right that we should debate it and vote upon it, and we want to say to you on that side of the House that we are now confronted with the greatest problem that has come before our people since the close of the Civil War. Many of our people—farmers, bankers, merchants, and our railroads as well, besides other interests—are facing bankruptcy, and we think it is necessary for this great Government to come to the rescue of the South and aid us in this crisis. When you do it you preserve the business interests not only of the Southern States but of every State in this Union and contribute to the welfare of all of our people. I hope this special rule will be adopted. I trust that these matters can be debated thoroughly in this House, and that we can record our votes. We have been ready to aid the people in the other parts of this country when they were in distress and needed the assistance of the Federal Government. When a great fire swept from the face of the earth the town of Salem, Mass., those of us from the South stood ready to respond and go to the aid of those people. When San Francisco was stricken with the great earthquake and fire, all of the Representatives from the Southern States were ready to vote to send aid and succor to those distressed people. When the great flood swept along the Ohio Valley and brought ruin and destruction to the people there, our fellow citizens of the United States, we of the South were ready to go to the aid of those people. Aye, more than 10 years ago, when the far West was asking that the credit of this Government be extended to them in order that they might make their arid lands irrigable and establish homes for the people in all those great Western States, we went to their rescue and extended the credit of this great Government to the amount of more than $82,000,000, in order that they might have homes and firesides for their families. And to-day with this great crisis upon us, brought about by reason of the terrible struggle going on across the Atlantic Ocean, we must have aid, and must have it speedily, or ruin is facing the southern people.

I do not doubt the patriotism of any man on the floor of this House, whether he be Democrat or Republican. We are all Americans, and love that flag over the Speaker's head and will pay it the homage to which it is entitled from all American citizens. Gentlemen, this is not a partisan or political question. It is nonpartisan, and if there ever has been an occasion since the bloody conflict that occurred between our brothers of the North and the South when we should lay aside partisan and sectional feeling it is now, and I believe when you gentlemen understand this question as our southern people understand it you will come to our rescue as promptly and speedily as we have gone to others and as we will go to you in the years that are to come. [Applause.]

I reserve the balance of my time.

Mr. MANN. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. PAYNE].

Mr. PAYNE. Mr. Speaker, I realize that there is prospect of distress among the southern people on account of the cotton crop and the partial failure of the market. I realize that there is distress in other parts of the country because of the failure of people to realize the hopes that they may have had when they reaped the harvest, when they built their mills, when they planted their trees—failure, sometimes because their market is cut off in Europe, but more often because the market is cut off or partially destroyed in this country. If the Treasury of the United States is to be called upon to meet disaster to business, to meet the ruined hopes and the failure of men without work to get their daily bread, and all parts of this country are to be helped by the Treasury of the United States, no $250,000,000 in currency will meet the call. In other parts of the country they are going forward as fast as they can, and we hope that some time in the future their markets may be restored and that shops may be opened and that people may get work—yes, and that even perishable crops may find a market before they have perished and lost their value. But it would have to be a graver situation throughout the whole country than any that faces it now to have me cast my vote in favor of the proposition that is brought before Congress to-day.

The people of the North are not now insensible to what is going on in the South. A proposition has been made upon the part of the banks to raise a fund of $150,000,000 to be loaned out to the cotton planters of the South on crop security, and even wicked Wall Street comes forward with a proposition to contribute $50,000,000 toward this fund, to be expended and loaned for this purpose, and, as I understand it, $50,000,000 more are in sight from northern cities other than the city of New York; and the southern banks are willing and trying and expecting to raise $50,000,000 more. That is a transaction between people who are loaning their own money, a business transaction, far different than calling upon the bounty of the Government; far different our undertaking, being merely the trustees of the people's money, to take the money of the people and loan it to private individuals. No threatened disaster would induce me to vote for the proposition contained in this amendment—$250,000,000 of United States notes to be issued upon security——

The SPEAKER. The time of the gentleman from New York has expired.

Mr. MANN. Mr. Speaker, I yield two minutes more to the gentleman from New York.

Mr. PAYNE. Two hundred and fifty million dollars of United States notes to be issued, without additional security, upon a security already standing for notes amounting to $346,000,000 which have been standing for years, and these notes to bear interest. I can not vote for a proposition to increase these notes, to inflate the currency of the United States; we are getting far toward the limit of inflation of the currency of the banks. We are going too fast. Some day there must be a reckoning, and that reckoning will be far worse than if the people of the whole country to-day, having courage for the future, should gird up their loins and fight for the credit of the country and for the aid of private business or to help out their neighbors anywhere they may be. I am not going to say anything about the appeal which will meet me at home, or suggest even the appeals I have had to come out and help my own people if this is to be granted and this bounty is to go out to the people of any section. Mr. Speaker, I can not support any proposition of this kind. [Applause.]

Mr. MANN. Mr. Speaker, I do not like the form of the rule, and yet I understand the situation, in what we hope to be the closing days of the session, when it may be necessary in the adoption of a rule to be a little more drastic than would ordinarily be the case. No one doubts that a great emergency does exist in the country; that men are suffering in many cases, either on account of economic legislation or the war. I shall not stop to discuss to which, in my opinion, the difficulties are attributable. A situation does exist in the cotton-raising States which I should think was unique in history. I do not recall in all my reading of history—and I have read a good deal—any case in all time which is like the present situation as to cotton, an article which can not be used at home, but which must be produced for the convenience of mankind. Without wool and cotton life would certainly be very different from what it is now, and the world is dependent on the production of this article for its comfort; and here comes a situation where, by reason of facts which are well known to us all, there is no price for cotton. The producer practically is without a market, and it is not possible, as I view it, for the world to consume the present cotton in existence without some aid being given to carry it over to future years. [Applause.] I do not like the rule, which I shall swallow, but because of the exigency of the case, the emergency which exists. I hope that this side of the House will vote for the rule and give us an opportunity to express ourselves upon at least one proposition. [Applause.] I will say frankly I can not vote for the amendment which will be offered. I am not willing to authorize the issuance of $250,000,000 of legal-tender currency and enter upon a program which in the end must inevitably mean such an inflation of legal-tender notes as will make them valueless. We have a gold reserve of $150,000,000 to protect three hundred and forty-odd million dollars of legal-tender notes which are issued by law, and every Congress has refused, during heated times as well as in cool blood, to increase the quantity of legal-tender notes. I hope that it never will be done. But whether the amendment shall be agreed to or not, whether this proposition now offered shall meet the situation or not, in the opinion of the majority, I think that certainly the human mind—and we pride ourselves upon living in the age when human thought is at its best—certainly the human mind ought to be able to search out and find a remedy for an acknowledged danger, to protect not only the South but the country from the inevitable result of great bankruptcies. [Applause.]

Mr. Speaker, I reserve the balance of my time.

Mr. HENRY. Mr. Speaker, I yield three minutes to the gentleman from Minnesota [Mr. MILLER], or I will yield him five if he desires it.

Mr. MILLER. Mr. Speaker, I think three minutes will be sufficient.

Mr. Speaker, I am for the rule which is before us for several reasons. In the first place, its adoption will permit the enactment into law of two bills which have been passed by the Senate and favorably reported by the Committee on Banking and Currency of this House—two bills whose enactment immediately is made necessary by the present financial condition of the country. I am for the rule, Mr. Speaker, also and especially because I believe the present acute situation throughout one-third of the United States needs and should receive governmental aid. [Applause.] In my student days, I recall, I learned one fundamental principle of economics. It was that any enterprise too large and too great for private control and one in which a large part of a people are interested can properly be intrusted to the Government as a legitimate object of governmental attention. The situation in the cotton-growing district of our country more than meets these requirements. The area primarily affected is very large, embracing one-third of our land. But this unprecedented situation affects not only the region where cotton is actually grown, but in a larger sense it affects our entire Nation. Directly, the cotton growers of the South are affected; indirectly, the cotton wearers and all inhabitants of the land are affected. Our country is one of diversified industries, and yet there is an essential reciprocal relation existing between the industries and between the several localities. Whatever affects one more or less affects all the others. But regardless of that, Mr. Speaker, this is one country, and whatever affects any part of it is the concern of all of us. While the people I represent are in the northernmost part of the Union and are not as immediately concerned as many of the people of the far South, nevertheless they are interested, and I know I voice their sentiments when I say something should be done by the Government for the relief of the distress in the South. [Applause.]

The SPEAKER pro tempore (Mr. RAINEY). The time of the gentleman has expired.

Mr. HENRY. Mr. Speaker, I yield two minutes more to the gentleman.

Mr. MILLER. Mr. Speaker, it seems to me that while we are at peace with the world, as we are, that nevertheless the cotton situation in the United States is precisely the same as if we were at war and our ports were blockaded. We have the product, a wonderful supply, but our market abroad has been curtailed as though by a blockade, the great crop is about harvested, but it can not be sold. It is here on our hands. The men who have raised it are not able to sell it. They must meet the expenses of production, with no chance to realize on their product. The world needs, we need, this industry to continue to be prosperous. Every person in our land would suffer if the South should cease the production of cotton. The South's interest is a nation's interest. It is our duty, as a legislative body for all the people, to respond justly and generously to the distressed cry from the great South. There is no patriotism in sectionalism. He who does not respond whenever need exists anywhere within the United States does not correctly reflect the spirit of our country. Therefore, it seems to me, Mr. Speaker, that it is the province of the Government, through this Congress, to take some action, and take it now, in order to relieve the situation and save a great and important industry in the United States. [Applause.]

Mr. MANN. Mr. Speaker, I yield five minutes to the gentleman from Wisconsin [Mr. STAFFORD].

Mr. STAFFORD. Mr. Speaker, this rule that is presented by the Rules Committee is as drastic a rule as was ever presented in the palmiest days of former Speaker Cannon. The Democratic Party is about to reverse itself in its position in criticism of the Republican Party for occasionally, on emergencies and exigencies such as this, bringing in a rule to meet the conditions. I recall two or three occasions when drastic rules were presented, one for the consideration of the famous Aldrich-Vreeland currency bill, which every Democrat on that side voted against, not only the rule but the bill itself, and subsequently reversed itself in this Congress by voting to continue the bill in force; next the postal savings-bank bill, which gave no latitude for amendment, and now here we have a rule under the guise of offering amendments, but which, in fact, does not permit amendment to the main proposition in controversy. The rule provides that there shall be but 30 minutes for amendments under the five-minute rule, and during that time an amendment may be presented to consider the Henry cotton-loan proposition. He may offer it at the very close of that half hour's discussion under the five-minute rule. That would not give any opportunity for amendment, but I recognize, as I recognized in Republican days, the need of passing such rules as this for the consideration of this proposition, and it is up to you now to concede by your votes on this rule that the Republicans were justified in passing in exigencies such rules as I have referred to.

I recognize that there is need for the consideration of Senate bill 6398, which the Committee on Banking and Currency has reported. That bill is designedly for the relief of the Southern States in meeting the emergency there. Instead of limiting the national banks in the issuance of the Vreeland emergency circulation to 30 per cent of the 125 per cent of the capital and surplus of the banks backed by commercial paper on which emergency circulation may be issued, it is extended to 100 per cent that may be issued on commercial paper. What is the purpose of that?

It is that the southern farmer may go to his local bank with his warehouse certificate and obtain a loan based on that warehouse certificate. The southern bank in turn can have emergency note circulation to 100 per cent of its capital and surplus, based upon that commercial paper. That will amount, I might say offhand, to a quarter billion dollars additional circulation that will be available to the Southern States for the use of the southern banks in floating and tiding over the southern cotton situation.

Mr. WINGO. Mr. Speaker, will the gentleman yield there?

The SPEAKER pro tempore. Does the gentleman from Wisconsin yield to the gentleman from Arkansas?

Mr. STAFFORD. I yield to the gentleman.

Mr. WINGO. Does not the gentleman know that he is in error in that, because the Secretary of the Treasury classes the warehouse receipts as securities and not as commercial paper? The gentleman is evidently in error there.

Mr. STAFFORD. I did not intend to go into the details of the mechanism by which it might be brought about. A cotton farmer gives his note, and that note will be commercial paper, backed by a warehouse receipt.

Mr. WINGO. The gentleman evidently did not understand my question.

Mr. STAFFORD. That commercial paper will be the support for the issuing of emergency bank notes under this Senate bill.

Mr. WINGO. I beg the gentleman's pardon. Under the Aldrich-Vreeland Act, in the exercise of his authority given there, the Secretary of the Treasury has classified the paper as security, so that this act will not affect that class of paper at all.

Mr. STAFFORD. I question whether I am in error. The very purpose of the Senate bill is to give relief to the South in the manner I have indicated. But the Henry amendment proposes for the National Government, through the banks, to buy cotton to the amount of $250,000,000, for a loan to the producer at its fair value at 4 per cent is virtually its purchase.

The SPEAKER pro tempore. The time of the gentleman from Wisconsin has expired.

Mr. HENRY. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. POU].

The SPEAKER pro tempore. The gentleman from North Carolina [Mr. POU] is recognized.

Mr. POU. Mr. Speaker, this is not a political question. I would scorn to make a party question of it, even were it in my power to do so. The southern cotton planters are in a desperate situation. The cultivation of cotton is a most peculiar business. The South exhausts itself every year in making its cotton crop. Every man who is familiar with the raising of cotton knows this to be true. The poor man invests his all in the crop, and when he gets 6 cents a pound for it instead of 12 cents a pound it can readily be seen that it means ruin to him.

There is another peculiarity about the business of raising cotton. There is not a great deal of profit in it. I do not know in my entire knowledge of a single man who has made a fortune out of the business of raising cotton. I do not know of a single man who has made as much as $100,000 out of the business of producing cotton. If he has made his fortune, it has been by the aid of some side line.

Now, when you are helping the South you are helping the whole country. As everybody knows, cotton brings in an enormous quantity of gold. The Committee on Rules, therefore, under these circumstances, felt justified in bringing in this somewhat unusual rule. We do not insist that the amendment we propose is perfect by any manner of means. We offer it as the best plan we could evolve for the time being to help our people in their distress, and if it does not do what we hope it will do we ask you not to criticize it; we ask you not to find fault with it, but we ask you to join with us and help us to frame some measure which will save that section of the country and the country at large from the ruinous loss which is bound to follow.

Mr. BULKLEY. Mr. Speaker, will the gentleman yield?

Mr. POU. Certainly.

Mr. BULKLEY. How many amendments could be offered to the proposed Henry amendment?

Mr. POU. The intention of the committee was to throw it open to amendment.

Mr. BULKLEY. Is it not a fact that if one amendment and an amendment to that and one substitute for that amendment were pending, that would satisfy all for the time being?

Mr. POU. The purpose was to offer the amendment that was printed in the rule and to throw that measure open to amendments generally. That was the spirit in which it was brought out, and I think that is the proper construction to be put upon the rule.

Mr. BULKLEY. You think there could be no limit to the number of amendments that could be offered under the rule?

Mr. POU. I am not sure about that. I can not say that; but our purpose was to throw it open.

Mr. HENRY. My purpose, I will say to the gentleman, was to throw it open to amendment; and if anyone asked unanimous consent to extend the discussion to two hours, so as to discuss it under the five-minute rule, I was in favor of doing that.

Mr. POU. That was the purpose.

Mr. MANN. Under the rule 15 minutes are allowed in which amendments can be offered by those who favor the amendment and 15 minutes in which amendments can be offered by those who oppose the amendment; that is three on a side. That is quite a small limit, so far as the number is concerned, to the amendments that could possibly be offered.

Mr. HENRY. We thought that six amendments were all that could possibly be offered.

Mr. MANN. Those who are in favor of the amendment probably will not offer any amendment, and there can be only three gentlemen recognized who are opposed to it, who could offer any amendment.

Mr. POU. The point I want to emphasize is this, and I say it in the utmost sincerity: I echo the sentiment of every man here and of my people and of the entire South when I say that we all feel there ought to be some way to meet this emergency. As has been said time and again here, it affects not only our people, but there is a whole pyramid of interests dependent upon the liquidation of this crop at a fair price, and whenever you knock out the bottom blocks of that pyramid the whole structure is bound to fall. There ought to be statesmanship enough in this House and in the other Chamber to do something in this hour of our people's desperate plight to relieve this situation, certainly to some extent, and it is in that spirit that we appeal to our Republican brethren and our Democratic brethren from every State in this Union.

If this bill will not prevent the dumping of this crop on the market at ruinous prices, then we ask you to help us write it so that it will accomplish that result. All our people ask is sufficient funds to enable them to take one-third of this crop off the market until normal conditions are restored. Now, Mr. Speaker, just one thing more. Let us hope that nobody is trying to gain any political advantage in this distressing situation. I would scorn to attempt such a thing. My people would look with scorn upon such attempt, for I tell you here and now that in my lifetime I have never seen my people in such a condition as they are to-day. They are a brave people. They have been to the brink of the river that is called ruin, and they have drunk to the very dregs of the cup of bitterness more than once, and they always come up smiling, and they will do it this time. But I tell you again no man has ever seen a parallel of the situation which confronts us to-day, for it has never existed. My people feel that they have a right to come to Congress and ask, not that you give them anything—they are not asking for a donation—but they do ask that the Government make a loan, every dollar of which will be returned, to enable them to tide over this temporary emergency. [Applause.]

Mr. Speaker, the export statistics of cotton will afford some idea of the destruction of the foreign market.

In August, 1913, we exported 257,168 bales of cotton; in August, 1914, we exported 21,210; in September, 1913, we exported 930,312; in September, 1914, we exported 125,778.

It has been suggested that private capital will abundantly supply the needs of cotton producers. We have been told that certain gentlemen are at this time forming a pool to aid in liquidating the cotton crop. Mr. Speaker, I sincerely trust that this statement is true, for I have a fear—a very great fear—that pools have already been formed, not to put up the price of cotton to a point near the cost of production, but rather for the purpose of keeping the price down.

On yesterday I was told by a well-informed gentleman, who had just returned from a trip through the eastern cotton mills, that spinners are not buying cotton now for 6¼ cents because they confidently expect, as they told this gentleman, to be able to buy all the cotton they will need at 5 cents or even less.

Oh, Mr. Speaker, this great Government only is great enough and strong enough and rich enough to save these people from ruin. There are plenty of precedents. In years past the Government has time and again deposited money at this point or that point, with a condition expressed or implied as to how such deposits shall be used.

God forbid that any southern man should turn his back upon our people in this hour of threatened disaster. God forbid that any patriotic man in this Chamber should turn his back upon this people in this hour of impending ruin. This is not a sectional question. It is a great, broad, national question, which affects every interest in every State of the Union. The sale of the cotton crop at any price means gold for the American people. The sale of the cotton crop at a higher price means more gold for the American people. The gold that this crop will bring back is the very basis of the Nation's credit.

We appeal to you all—Democrats, Republicans, Progressives—we appeal to your Americanism to help put through this measure. If you will help us, a great people will rise up as one man to call this Congress blessed. [Applause.]

Mr. MANN. I yield one minute to the gentleman from Virginia [Mr. GLASS].

Mr. GLASS. Mr. Speaker, I simply want to state to the House that the rule, in the form in which it is presented, is not the rule that was asked for by the Banking and Currency Committee of the House; and while I am not authorized to speak specifically for the Banking and Currency Committee, I am quite sure that I am within the limitations of fact when I say that the Banking and Currency Committee would not have asked for the rule in the form in which it is presented to the House from the Committee on Rules.

I desire to say, furthermore, that there is no Member of this House who has greater anxiety for the situation in the South than have I.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. GLASS. May I have one minute more?

Mr. MANN. I yield to the gentleman one minute.

Mr. GLASS. As I shall point out in general debate, it is my firm judgment that we already have upon the statute book laws which, together with the bills proposed by the Banking and Currency Committee, are sufficient to remedy the situation in the South. I believe as sincerely as I ever believed anything in my life that if this House will simply pass the two proposed amendments to the Federal reserve act favorably reported nearly three weeks ago by the Banking and Currency Committee, the Federal reserve banking system can fully and thoroughly take care of the situation in the South.

Mr. HENRY. Will the gentleman yield?

Mr. GLASS. I have only a minute, but I yield to the gentleman.

Mr. HENRY. I will yield to the gentleman another minute. I want to say that the rule brings up those two bills for consideration and then makes it possible only to offer this other as an amendment; and if the amendment is defeated, your two bills will be considered, if the rule is adopted.

Mr. GLASS. I understand the gentleman from Texas yields me an additional minute.

Mr. HENRY. Yes; I yield the gentleman one minute.

Mr. GLASS. In that minute I desire to say that never, at any time, have I feared to go upon record upon this proposition, and never, at any moment, was I unwilling to take a vote upon this or any kindred proposition. I think, however, that the best way to settle the matter is to permit us to amend the rule, and present the question to the House as the Banking and Currency Committee formally requested it should be presented, and that is to vote down the previous question and amend this rule by voting down the proposed amendment of the gentleman from Georgia, advocated by the gentleman from Texas. That will put everybody upon record. That will speedily determine the question here and leave nobody any longer in doubt as to what the temper and mind of this House is upon these various problems. Therefore I shall vote "no" upon ordering the previous question upon this rule.

The SPEAKER. The time of the gentleman from Virginia has expired.

Mr. MANN. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. FITZGERALD].

Mr. FITZGERALD. Mr. Speaker, even though I desire that these two bills be enacted into law, I am unable, however, to bring myself to vote for the amendment proposed to be offered. I wish to make a suggestion to the gentlemen from the cotton States. I do not know that it will be of value to them, but it

may be of some assistance in this matter. Everyone would be glad to vote for some legislation that would relieve the situation in the South. It affects the material prosperity of the entire country. The only question is what particular remedy will accomplish the desired purpose. It was suggested a short time ago that certain banks form a pool and raise $150,000,000 in gold, to be used in financing the situation relative to the cotton crop. Certain New York banks agreed to contribute $50,000,000 to that fund, upon a single condition, that the Federal Reserve Board should have control of its administration. The press of the country, either to-day or yesterday, makes the statement that the Federal Reserve Board has not the authority to control the disposition of the fund. Why not prepare an amendment which would give, either for a temporary period or for such emergencies, the Federal Reserve Board the authority it would need to manage and control such a fund, and let it care for the situation in that way?

Mr. HARDWICK. Mr. Speaker, will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. HARDWICK. Is the gentleman's information accurate in respect to the position of the New York banks?

Mr. FITZGERALD. No; it is just a statement I saw in the press.

Mr. HARDWICK. I heard only this afternoon that one reason they would not subscribe to the pool was because they did not want to go in at 6 cents a pound.

Mr. FITZGERALD. I do not know the reason other than as published; but if that statement be correct, it would be the part of wisdom, and I think everybody would be willing to unite in the adoption of such a provision that would extend such relief. A hundred and fifty million dollars in gold would be worth a great deal more than $250,000,000 of paper money unsecured by anything for which there is a ready market.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. HENRY. Mr. Speaker, I yield to the gentleman from Georgia [Mr. TRIBBLE].

Mr. TRIBBLE. Mr. Speaker, more than a month ago I stood on the floor of this House and pleaded with the Members of Congress to give relief to the South without delay. To-day the same bill I tried to get before the House is proposed by the Rules Committee with an amendment. The distress of the South has grown worse from day to day. Since the day I tried to get action on the cotton bill the southern Members have been striving to agree upon a bill acceptable. This amended bill has in part been approved by the cotton conference, composed of Members of the House. This is not a perfect bill and should be amended, but not by propositions that can not pass both Houses and become a law. Mr. Chairman, I appeal to Members to forget their selfish interest in their own bills and now present a solid front for a measure that can be passed. Do not load down this bill with amendments containing cotton-tax legislation and limit of production. This Congress is not ready to enter the field of limiting agricultural production by taxing the product. This session is about to come to a close; soon there will not be a quorum, and I appeal to the southern Members to get together on this bill with proper amendments, and I believe we can pass a bill before we adjourn. [Applause.]

Mr. Speaker, this bill should provide that when banks receive emergency deposits, to be used in loans to farmers, and such banks fail to so loan the deposits, the amount should be returned to the Secretary of the Treasury within 15 days. This is a time when banks should not expect to make the usual interest on loans.

Mr. Speaker, as an humble Member of this House, making no pretense to leadership and desiring no personal glory by the enactment of cotton legislation, one who would serve his country well, one who loves all sections of the Union, and one who loves far better still the red old hills of Georgia, I plead with you to hear the Macedonian cry of my people and help us before we adjourn. [Applause.]

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. MANN. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. MOORE].

Mr. MOORE. Mr. Speaker, there is a great deal in what the gentleman from Georgia [Mr. TRIBBLE] has just said—that these bills are in danger of being loaded down—but the vital amendment is different. I question whether under the rule there can be any amendment to the amendment offered by the gentleman from Texas proposing a $250,000,000 loan. I question whether, even if we cared to go beyond cotton or tobacco, as proposed by him, we could introduce any other farm product seeking relief. There is distress in other sections of the country besides the South, for which relief might fairly be asked on similar terms, but they could not be considered under this amendment. It is made special to the South, although I doubt very much whether it is altogether the southern spirit that comes into the House now to ask for Government aid in the manner in which it is asked for in this amendment. It is a question whether there is not too much pride on the part of the southern people to come to the Congress of the United States asking for financial aid in commercial transactions, when similar aid would not be accorded to other business in other sections.

Mr. Speaker, there is a vast difference between a flood which devastates a city or a valley, as the result of which people ask for relief, and a commercial transaction involving profits and prices. The southern people went through one of the greatest periods of distress known to history during the Civil War. They suffered losses from which they have not yet fully recovered, but they never asked the Government for aid. The brave and heroic fight of the men and women who survived that great struggle put them again upon their feet.

In the present emergency, arising from a falling in the price of cotton, various remedies have been suggested. If the governors of the Southern States were to meet to-morrow and agree to call together in special session the various legislatures, it is possible they could come to an understanding that there should be no more than a certain limit of cotton planted or grown. That would be one way by which the price of cotton could be held to a rising scale. Nor do gentlemen who talk of the distress of the South seem to have given consideration to the possibilities of the South, with its magnificent soil and its splendid climate, in the raising of other commodities than cotton, which has been its great monopoly. In this respect the South is favored, but it has not availed itself of all its opportunities. It has relied exclusively upon cotton and the foreign market which brought back its foreign gold. That transaction, upon which the South had placed its dependence, was suddenly stopped by the European war.

The problem, therefore, is one of business and finance, such as affects other products that dare not come to Congress for relief. It is not a question of men applying for work or of the hungry appealing for bread; of houses washed away by flood or towns swept by fire; it is a question of financial distress, a question, in fact, whether cotton shall be held up to 12 cents or some other figure per pound. Just how we can vote for such a proposition I do not know. When some of us asked for protection to industries in this country against foreign competition there was a general outcry against it from the very Representatives who are now asking for direct appropriations for their special commodity. They denied protection by law to the very industries in this country that were extensive users of cotton. We were told, though we sought to buy more cotton and to use more cotton, that though our men needed work and our banks needed money our industries were "special interests" and should not be protected. Thus was disparaged one of the means by which such an emergency as has arisen in the South could have been obviated.

But now the opponents of the protective system are themselves asking protection, not for farm products generally, nor for industrial products which have suffered reductions in price and profits, but for cotton and tobacco only. The whole plan is a reversal of the Jeffersonian doctrine, so often repeated in Bryanistic utterance, of "equal rights to all and special privileges to none." If we are to use the public funds to purchase cotton to keep up the price, what shall we say to the producers of other crops which are bitten by the frost or that otherwise contribute to the owner's losses? If the most fertile soil that God has given to this country has been used exclusively for the raising of cotton, which is now in trouble, may we not say to the southern planter, "If you will turn your attention to other crops"——

The SPEAKER. The time of the gentleman has expired.

Mr. HENRY. Mr. Speaker, how much time have I remaining?

The SPEAKER. Eleven minutes.

Mr. HENRY. I yield to the gentleman from Georgia [Mr. HUGHES].

Mr. HUGHES of Georgia. Mr. Speaker, as a producer of cotton I sincerely hope that this rule will be adopted. Ninety days ago the South was happy and prosperous. To-day she is suffering. We do not ask you for a gift, but we ask you for a loan, with the very best security. We ask you to aid us to prevent bankruptcy and ruin over the Southland, and, Mr. Speaker, we ask you to help save this great Union nearly $1,000,000,000. [Applause.]

Mr. HENRY. Mr. Speaker, I yield to the gentleman from South Carolina [Mr. RAGSDALE].

Mr. RAGSDALE. Mr. Speaker, I listened with considerable interest to the chairman of the Committee on Banking and Currency, and I believe his statement is absolutely correct to the extent that the committee would not have asked for this relief for the people of our part of the country, for ever since I have been a member of that committee that committee has not shown a tendency to do anything for the benefit of the farmers of the country. The Democratic Party in its platform, in its pledges to the people, and in the pledges of the President promised the people of this country a rural credit system that, if it had been enacted, would to a large extent have relieved the situation in the way of the emergency that now confronts us. Now, Mr. Speaker, I never expected that relief would be given to our people. I do not expect it now. I do not expect it when gentlemen coming from the South, chairmen of great committees, use their influence to keep relief from the South that the people of the South will ever get relief. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. HENRY. Mr. Speaker, I will say to the gentleman from Illinois [Mr. MANN] that only one more speech will be made on this side.

Mr. MANN. As I have only just one minute remaining, I yield that to the gentleman from Washington [Mr. HUMPHREY].

Mr. HUMPHREY of Washington. Mr. Speaker, I recognize the deplorable condition of the cotton States and, in hopes that something may be brought about that will bring relief, I shall vote for this rule. [Applause.] One objection I have to the proposed amendment is that it includes only cotton and tobacco. The conditions that have been described as existing in the cotton States are general throughout the country. Only this afternoon I talked with one of the most prominent Democrats from the Pacific coast, and he told me that never before were industries in such condition in that section as they are to-day. Many of them are upon the very verge of bankruptcy. The people do not see any relief. Why should not the Government help them? If the industries of the South are to receive the paternal care of the Government, why not all?

I hope that after we take care of cotton and tobacco something will be done for the other industries of the country.

Mr. HENRY. Mr. Speaker, how much time have I remaining?

The SPEAKER. Ten minutes.

Mr. HENRY. I yield the remainder of my time to the gentleman from Georgia [Mr. HARDWICK].

The SPEAKER. The gentleman from Georgia is recognized for 10 minutes.

Mr. HARDWICK. Mr. Speaker and gentlemen of the House, this is a fair rule. It simply provides for the consideration of two Senate bills proposing amendment to our currency laws that have been favorably considered and reported with amendments by the House Committee on Banking and Currency, and that, in one of these bills, a certain amendment designed to relieve distressed conditions in one great part of our country, where 30,000,000 people reside, shall be considered. A fair and reasonable opportunity, Mr. Speaker, for amendment under the five-minute rule is allowed, when we consider the lateness of the session and the anxiety of the Members to return to their homes and to their districts.

Mr. BULKLEY. Will the gentleman yield?

Mr. HARDWICK. Yes.

Mr. BULKLEY. How many amendments is it possible to offer to the amendment which the committee proposes?

Mr. HARDWICK. Six; and there are not more than six different propositions to the amendment, if that many. There are six opportunities for amendment to this proposition, and that is fair and reasonable. There are not more than that number of propositions involved in it, if so many.

Now, if you will pardon me just a moment, I will say, first, to the gentleman that I am willing, if we can get unanimous consent, to throw it open further than that if it should be seriously thought that there is any necessity for further opportunity to amend.

Mr. BULKLEY. I suggest that the gentleman ask unanimous consent now to amend the rule.

Mr. HARDWICK. I will if there is any disposition in the House to regard it as necessary or desirable.

Mr. HENRY. Let me ask the gentleman, how many amendments are to be offered?

Mr. BULKLEY. I do not know. I conceive that a great many more than six good amendments could be offered.

Mr. HENRY. In good faith, how many have you?

Mr. HARDWICK. I wish to refer to several propositions that have been advanced to-day on this floor by gentlemen, some of whom favor and some of whom oppose this proposition. In the first place I deny, as emphatically as human language can be employed for that purpose, the proposition that there is any alms or charity or largess in this bill for the South or anybody in the South. We are simply proposing by this bill to do what we have done, both Republicans and Democrats, in many administrations through the Treasury policy. Not long ago we made a conditional deposit in the National Park Bank, of New York, of $400,000, and a conditional contract during this very administration that a million dollars more should be left there, on condition that that bank handle the notes of the State of Tennessee. [Applause.] Not long ago, during a Republican administration, when Mr. Roosevelt was President of these United States, we sent $150,000,000 to the banks of New York City on condition that those deposits should be employed in a certain way, to save threatened financial institutions in that great metropolis, as was disclosed in the Money Trust investigation. And I ask you, if we can send $150,000,000 to save the financial institutions in New York through the use of the deposit system, why have we not the right to send relief to 30,000,000 of our people in the South in that same way? We are not applying in this bill, so far as this branch of the question is concerned, a single principle that is new or a single practice that is untried. What we want to do is simply to express the conditions on which these deposits are to be made in terms of the statute rather than in terms of the Treasury order or Treasury policy. I think it has come to a pretty pass if it can be said on this floor or elsewhere in this Republic that the Congress of the United States, elected by the people, has not as much right to say where and on what terms the deposits of public money shall be made as the Treasury Department has. [Applause.]

Mr. GLASS. May I interrupt my colleague?

Mr. HARDWICK. Just for a moment.

Mr. GLASS. It is as to a question of fact. I would like my colleague to specify when this Government, under Mr. Roosevelt or under any other President, ever permitted $150,000,000 to be sent to New York in the manner in which he has stated.

Mr. HARDWICK. It was to relieve the panic of 1907. He sent this money—$150,000,000 at one time—to the great banks in New York City, and, I am informed, without charging them any interest; and, more than that, on the 29th day of September, 1914, speaking in the city of Cincinnati, the present Comptroller of the Currency, of this administration, boasted that within 60 days of the time at which he was speaking the Secretary of the Treasury had shipped $40,000,000 to be deposited in the Subtreasury in New York, there in turn to be put in the depositories of the Government in that city. Let me quote the exact words of Mr. Williams, in order that I may be accurate in this matter and that the House and country may understand exactly what happened according to Mr. Williams himself. Mr. Williams said:

> Responding promptly to urgent appeals, the Secretary of the Treasury went over to New York Sunday afternoon, August 2, and held a conference that night with a score or more of the presidents of the leading banks and trust companies of the metropolis. He heard their statements, analyzed the situation quickly, saw what was necessary to enable the banks to meet the demands upon them and to restore confidence, which had been so rocked by the world-shaking events of the week.

Again, Mr. Williams said:

> Anticipating the situation as it was laid before him at that conference, he (the Secretary) had that Sunday morning, before leaving Washington, directed the shipment by express to the Subtreasury at New York of $40,000,000, and the Treasury forces and the express companies at that moment were taxing their resources in hurrying the execution of the order.

Since the amendment of August 4, vitalizing the Vreeland-Aldrich bill, had not then been adopted, and since the Secretary of the Treasury sent this money by express to the Subtreasury at New York, I think it fair to assume, as I believe the fact was, that the funds in question, the $40,000,000 "expressed" in anticipation of the wants of the New York banks, was Government funds that were subsequently deposited in the New York banks that were Government depositories.

Now, I do not blame the Secretary of the Treasury for coming to the relief of these New York banks, whatever the method he employed of affording such relief; nor do I criticize him for "anticipating the situation" even in advance of that conference with the New York bankers. On the contrary, he is to be commended for the promptness and decision with which he met a situation and averted a calamity in one part of our great country at a most critical period——

Mr. SHERLEY. Mr. Speaker, will the gentleman yield?

Mr. GLASS. I think if my friend will examine the RECORD he will find——

The SPEAKER. Does the gentleman yield, and to whom?

Mr. HARDWICK. I do not yield to anyone.

The SPEAKER. The gentleman declines to yield.

Mr. HARDWICK. Now, gentlemen, all that we propose to do here is to say that in like manner the deposits of Government

money shall be made in certain other sections of our country which need relief as much as any city or any section of this country has ever needed relief since the Government began. [Applause on the Democratic side.] And surely we have the right to demand by statute for our own people when they are in distress, to demand for our own section when it faces bankruptcy and ruin, as much as we gave freely to other cities and other sections of the country without the formality of any statutes. [Applause on the Democratic side.] There is one new proposition, I admit, in this bill, and that relates to the method we employ to raise this money. The gentleman from Indiana [Mr. KORBLY] seems to be amused at the question. Surely the situation is too serious to warrant levity. If we have not the money in the Treasury, how are we going to raise the money necessary to deposit in these banks?

Mr. KORBLY. Take it away from the taxpayers.

Mr. HARDWICK. I think we can do it without doing that. We can issue United States notes with all the legal qualities of the outstanding notes that we now have, $346,000,000, and yet they will be notes that will not, as my friend from Illinois [Mr. MANN] has suggested, be a menace to or a burden or a drain upon the gold reserve of this country. I can see difficulties in issuing any sort of notes that could be used immediately and presently to draw upon the gold reserve under existing conditions, and therefore this proposition is not framed that way.

The proposition here is to issue these notes, with these qualities, redeemable on the 1st of January, 1916, in United States coin or its equivalent. We will take them in the South—every one of them, and gladly. Everybody else in this country will take them. There will be no trouble about it. The credit of the Government has not sunk so low, has not fallen to a point where there is any trouble about that sort of a note, bearing 2 per cent interest, being readily acceptable anywhere in this country, for after 13 months they are redeemable in gold.

If the $346,000,000 of greenbacks and all the forms of currency that we now have that are redeemable, under the Treasury policy, in gold are held up by our present gold reserve; if every dollar of those forms of money can be bolstered up by this reserve, relatively small in amount, surely it will not be damaged or impaired by these $260,000,000 of notes, due in 13 months, and which can not become a charge on the gold reserve before January 1, 1916.

More than that, we have provided for the calling in before January 1, 1916, of every single deposit made under this bill, and the banks in which they are made will furnish the funds for the complete retirement of these notes by January 1, 1916. The depositories in the South will be liable to the Government just as banks in New York City were, just as those banks in the city of Dayton, Ohio, were liable. We do not ask you to send us money and not hold the Government depositories that receive it liable. We are not asking for a direct loan to our cotton planters. We simply ask you to deposit money which, if you do not want it yourselves, our people will take and be glad to get, in the depositories of the United States and require those depositories to pay it back before it can become a possible charge against the Treasury of the United States or the gold reserve. In other words, we ask you to lend to your own depositories, to the depositories of the United States, to the solvent banks of this great part of our country, your and our credit for 13 months, and during that period to deposit in our banks the public funds of the Government; and I say to you that a Government that has for years used its deposits of public money to move crops and to relieve distress and to avert panics in many other parts of our country under conditions that were not one-half so terrible and distressing as those now confronting the South, and would now hesitate for one moment to do so to save 30,000,000 people, would, in my humble judgment, fall far short of its duty and responsibility in the premises. [Prolonged applause.]

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. HENRY. Mr. Speaker, I move the previous question on the resolution.

The SPEAKER. The gentleman from Texas [Mr. HENRY] moves the previous question on the resolution. The question is on agreeing to that motion.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. GLASS. A division, Mr. Speaker.

The SPEAKER. The gentleman from Virginia [Mr. GLASS] demands a division.

The House divided; and there were—ayes 82, noes 39.

Mr. GLASS. Mr. Speaker, I make the point of no quorum present.

The SPEAKER. The gentleman from Virginia makes the point of no quorum present. The Chair will count. [After counting.] One hundred and fifty-one Members present—not a quorum.

Mr. GLASS. Mr. Speaker, I move that the House do now adjourn.

Mr. HENRY. Mr. Speaker, automatically a roll call is ordered on the question.

The SPEAKER. That is true. The Doorkeeper will lock the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll. Those in favor of ordering the previous question will vote "aye" and those opposed will vote "no."

Mr. GLASS. Mr. Speaker, I rise to a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GLASS. I made a motion to adjourn. Was it not in order to make that motion?

The SPEAKER. The Chair did not hear the gentleman.

Mr. GLASS. I move that the House do now adjourn.

Mr. CRISP. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. CRISP. Had not the Clerk commenced the calling of the roll?

The SPEAKER. No; he had not commenced the calling of the roll. The Chair did not hear the gentleman from Virginia when he made the motion to adjourn. The question is, Shall the House adjourn?

The question being taken, the Speaker announced that the noes appeared to have it.

Mr. STAFFORD. Mr. Speaker, a division.

The House divided; and there were—ayes 65, noes 76.

Mr. BORCHERS. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. That point has already been made. The motion to adjourn is lost. The Clerk will call the roll on the ordering of the previous question.

The question was taken; and there were—yeas 101, nays 72, answered "present" 7, not voting 248, as follows:

YEAS—101.

Abercrombie	Evans	Johnson, S. C.	Rubey
Adamson	Falconer	Keating	Rucker
Aswell	Finley	Kinkaid, Nebr.	Rupley
Barkley	Flood, Va.	Kirkpatrick	Saunders
Bartlett	Floyd, Ark.	Lazaro	Sims
Bell, Ga.	Garrett, Tenn.	Lee, Ga.	Sinnott
Blackmon	Garrett, Tex.	Lever	Sisson
Booher	George	Lobeck	Smith, Idaho
Broussard	Gill	McGillicuddy	Smith, Saml. W.
Buchanan, Tex.	Godwin, N. C.	McKellar	Stedman
Burgess	Goodwin, Ark.	Mann	Stephens, Miss.
Burnett	Greene, Vt.	Miller	Stephens, Tex.
Byrnes, S. C.	Hardwick	Montague	Taylor, Ark.
Byrns, Tenn.	Hardy	Morgan, Okla.	Taylor, Colo.
Candler, Miss.	Hawley	Murray	Tribble
Cantrill	Heflin	Oldfield	Underwood
Caraway	Helvering	Padgett	Vaughan
Carlin	Henry	Page, N. C.	Walker
Carter	Hensley	Park	Watson
Collier	Houston	Pou	Webb
Crisp	Hughes, Ga.	Quin	Whaley
Curry	Hull	Ragsdale	Wingo
Davis	Humphrey, Wash.	Rayburn	Witherspoon
Dent	Humphreys, Miss.	Reilly, Conn.	
Eagle	Jacoway	Rothermel	
Edwards	Johnson, Ky.	Rouse	

NAYS—72.

Alexander	Dixon	Kennedy, Conn.	Prouty
Ashbrook	Donovan	Kennedy, Iowa	Rainey
Bailey	Doremus	Key, Ohio	Raker
Barnhart	Eagan	Kindel	Ranch
Barton	Edmonds	Korbly	Riordan
Beakes	Esch	Langham	Scott
Borchers	Fairchild	Lesher	Sherley
Borland	Fitzgerald	Lieb	Sherwood
Bruckner	Gardner	Lloyd	Stafford
Bulkley	Gilmore	Maguire, Nebr.	Stanley
Butler	Glass	Maban	Stone
Coady	Goldfogle	Mapes	Tavenner
Cox	Goulden	Metz	Thomson, Ill.
Cullop	Gray	Moore	Townsend
Dershem	Hamlin	Nelson	Tuttle
Dickinson	Hay	O'Leary	Underhill
Difenderfer	Hinds	Patten, N. Y.	Vare
Dillon	Holland	Patton, Pa.	White

ANSWERED "PRESENT"—7.

Fergusson	Kreider	Moon	Whitacre
Kinkead, N. J.	Linthicum	Payne	

NOT VOTING—248.

Adair	Baltz	Brown, N. Y.	Calder
Aiken	Barchfeld	Brown, W. Va.	Callaway
Ainey	Bartholdt	Browne, Wis.	Campbell
Allen	Bathrick	Browning	Cantor
Anderson	Beall, Tex.	Brumbaugh	Carew
Ansberry	Bell, Cal.	Bryan	Carr
Anthony	Bowdle	Buchanan, Ill.	Cary
Austin	Britten	Burke, Pa.	Casey
Avis	Brockson	Burke, S. Dak.	Chandler, N. Y.
Baker	Brodbeck	Burke, Wis.	Church

Clancy	Green, Iowa	Lindquist	Seldomridge
Clark, Fla.	Greene, Mass.	Loft	Sells
Claypool	Gregg	Logue	Shackleford
Cline	Griest	Lonergan	Shreve
Connelly, Kans.	Griffin	McAndrews	Slayden
Connolly, Iowa	Gudger	McClellan	Slemp
Conry	Guernsey	McGuire, Okla.	Sloan
Cooper	Hamill	McKenzie	Small
Copley	Hamilton, Mich.	McLaughlin	Smith, J. M. C.
Cramton	Hamilton, N. Y.	MacDonald	Smith, Md.
Crosser	Hammond	Madden	Smith, Minn.
Dale	Harris	Maher	Smith, N. Y.
Danforth	Harrison	Manahan	Smith, Tex.
Davenport	Hart	Martin	Sparkman
Decker	Haugen	Merritt	Steenerson
Deitrick	Hayden	Mitchell	Stephens, Cal.
Dies	Hayes	Mondell	Stephens, Nebr.
Donohoe	Helgesen	Morgan, La.	Stevens, Minn.
Dooling	Helm	Morin	Stevens, N. H.
Doolittle	Hill	Morrison	Stout
Doughton	Hinebaugh	Moss, Ind.	Stringer
Driscoll	Hobson	Moss, W. Va.	Sumners
Drukker	Howard	Mott	Sutherland
Dunn	Howell	Mulkey	Switzer
Dupré	Hoxworth	Murdock	Taggart
Elder	Hughes, W. Va.	Neeley, Kans.	Talbott, Md.
Estopinal	Hulings	Neely, W. Va.	Talcott, N. Y.
Faison	Igoe	Nolan, J. I.	Taylor, Ala.
Farr	Johnson, Utah	Norton	Taylor, N. Y.
Ferris	Johnson, Wash.	O'Brien	Temple
Fess	Jones	Oglesby	Ten Eyck
Fields	Kahn	O'Hair	Thacher
FitzHenry	Keister	O'Shaunessy	Thomas
Fordney	Kelley, Mich.	Paige, Mass.	Thompson, Okla.
Foster	Kelly, Pa.	Palmer	Towner
Fowler	Kennedy, R. I.	Parker	Treadway
Francis	Kent	Peters	Vollmer
Frear	Kettner	Peterson	Voistead
French	Kiess, Pa.	Phelan	Wallin
Gallagher	Kitchin	Platt	Walsh
Gallivan	Knowland, J. R.	Plumley	Walters
Gard	Konop	Porter	Watkins
Garner	Lafferty	Post	Weaver
Gerry	La Follette	Powers	Williams
Gillett	Langley	Reed	Willis
Gittins	Lee, Pa	Reilly, Wis.	Wilson, Fla.
Goeke	L'Engle	Roberts, Mass.	Wilson, N. Y.
Good	Lenroot	Roberts, Nev.	Winslow
Gordon	Levy	Rogers	Woodruff
Gorman	Lewis, Md.	Russell	Woods
Graham, Ill.	Lewis, Pa.	Sabath	Young, N. Dak.
Graham, Pa.	Lindbergh	Scully	Young, Tex.

No quorum voting.

Mr. WHITACRE. Mr. Speaker, I am recorded as voting "nay." I have a general pair with the gentleman from Missouri, Mr. RUSSELL, on the cotton question. I desire to inquire if I may withdraw my vote of "nay" on this question and answer "present"?

The SPEAKER. Yes; because this is the cotton question.

Mr. WHITACRE. And I desire to be recorded "present."

The SPEAKER. The Clerk will call the gentleman's name.

The Clerk called the name of Mr. WHITACRE, and he answered "Present."

The SPEAKER. One hundred and seventy-nine Members have answered to their names on this roll, not a quorum.

ENROLLED BILLS SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 1055. An act for the relief of T. S. Williams; and

H. R. 4405. An act for the relief of Frederick J. Ernst.

ADJOURNMENT.

Mr. HENRY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 6 o'clock and 29 minutes p. m.) the House adjourned until to-morrow, Wednesday, October 21, 1914, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. MULKEY, from the Committee on the District of Columbia, to which was referred the bill (H. R. 4931) to prevent false advertising in the District of Columbia, reported the same without amendment, accompanied by a report (No. 1194), which said bill and report were referred to the House Calendar.

Mr. DIXON, from the Committee on Ways and Means, to which was referred the bill (H. R. 6867) to increase and fix the compensation of the collector of customs for the customs collection district of Omaha, reported the same with amendment, accompanied by a report (No. 1195), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 18430) granting an increase of pension to John A. Kirkpatrick, and the same was referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. BAILEY (by request): A bill (H. R. 19357) to release to production and to prevent monopoly of the coal and oil deposits in public lands; to the Committee on the Public Lands.

By Mr. MURRAY: A bill (H. R. 19358) to amend an act of February 8, 1875, entitled "An act levying a tax of 10 per cent per annum on every person, firm, association, other than national-bank associations, and every corporation, State bank, or State banking association on the amount of their own notes used for circulation and paid out by them"; to the Committee on Ways and Means.

By Mr. ALEXANDER: A bill (H. R. 19359) to increase the security of marine mortgages; to the Committee on the Merchant Marine and Fisheries.

Also, a bill (H. R. 19360) to amend section 4196 of the Revised Statutes of the United States; to the Committee on the Merchant Marine and Fisheries.

By Mr. HINDS: A bill (H. R. 19372) to provide for the purchase of a site and the erection of a public building thereon at Sanford, in the State of Maine; to the Committee on Public Buildings and Grounds.

By Mr. COADY (by request): A bill (H. R. 19373) to establish and disburse a public-school teachers' retirement fund in the District of Columbia; to the Committee on the District of Columbia.

By Mr. HINDS: Resolution (H. Res. 653) authorizing the Clerk of the House of Representatives to pay India M. Rich, widow of William H. Rich, a sum equal to six months' salary of her late husband, together with funeral expenses not exceeding $250; to the Committee on Accounts.

By Mr. FLOOD of Virginia: Resolution (H. Res. 654) providing for the consideration of S. 5614 and S. J. Res. 191; to the Committee on Rules.

By Mr. TAVENNER: Resolution (H. Res. 655) providing for the consideration of H. R. 17800; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER: A bill (H. R. 19361) granting a pension to Eliza Sturdevant; to the Committee on Invalid Pensions.

By Mr. BAILEY: A bill (H. R. 19362) for the relief of Thomas Amick; to the Committee on Military Affairs.

Also, a bill (H. R. 19363) for the relief of James Nolen; to the Committee on Military Affairs.

By Mr. GOEKE: A bill (H. R. 19364) granting a pension to Jerome B. Wolfe; to the Committee on Invalid Pensions.

By Mr. HAWLEY: A bill (H. R. 19365) granting an increase of pension to Theophilus T. Allen; to the Committee on Invalid Pensions.

By Mr. KEY of Ohio: A bill (H. R. 19366) granting a pension to Charles O. Woesner; to the Committee on Pensions.

Also, a bill (H. R. 19367) granting an increase of pension to George Lichty; to the Committee on Invalid Pensions.

By Mr. KREIDER: A bill (H. R. 19368) granting a pension to Henry S. Matter; to the Committee on Invalid Pensions.

By Mr. TEN EYCK: A bill (H. R. 19369) granting a pension to Sarah E. Fletcher; to the Committee on Invalid Pensions.

By Mr. SMITH of Idaho: A bill (H. R. 19370) granting a pension to Amanda B. Thompson; to the Committee on Pensions.

By Mr. HINDS: A bill (H. R. 19371) to amend and correct the military record of Thomas Decker; to the Committee on Military Affairs.

By Mr. RUPLEY: A bill (H. R. 19374) granting an increase of pension to Sarah Powley; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BAILEY: Petition of the Fidelity Mutual Life Insurance Co., of Philadelphia, Pa., protesting against tax on life insurance; to the Committee on Ways and Means.

Also, petitions of George Gild, of St. Benedict; H. S. Cooney, of Cresson; and Louis Baumgardner, of Scalp Level, all in the State of Pennsylvania, protesting against war tax on automobiles; to the Committee on Ways and Means.

By Mr. BRUCKNER: Petitions of the J. G. Hupfel Brewing Co. and the David Steveson Bag Co., of New York, protesting against tax on beer; to the Committee on Ways and Means.

Also, petition of G. Robitzek & Bro., S. Huppels Sons, and C. Rieger & Son, all of New York City, against increase of 25 cents in beer tax; to the Committee on Ways and Means.

By Mr. CARR: Petitions of Charles Ratner, of Latrobe: J. W. Rummel, of Hollspopple; John Fogle, of Garrett; R. G. Smith, of Ligonier; James J. Friedline, of Bakersville, all in the State of Pennsylvania, protesting against proposed tax per horsepower on automobiles; to the Committee on Ways and Means.

By Mr. DANFORTH: Petitions of 115 citizens of Wyoming County, N. Y., favoring national prohibition; to the Committee on Rules.

By Mr. EAGAN: Petition of W. L. Rosenkrans and S. F. Lapiana, of Hoboken, N. J., against tax on proprietary medicines; to the Committee on Ways and Means.

Also, petition of the Eagle Brewing Co., of Newark, N. J., and the Hudson County (N. J.) Consumers' Brewing Co., against increase in tax on beer to 75 cents a barrel; to the Committee on Ways and Means.

By Mr. GRIFFIN: Petition of Thomas J. O'Connell, of New York, relative to vaseline in revenue bill; to the Committee on Ways and Means.

By Mr. HAYES: Petition of the Evangelical Lutheran Sunday School of San Jose, Cal., favoring censorship of motion pictures; to the Committee on Education.

Also, petitions of sundry citizens of the State of California, favoring House bill 5139, relative to retirement of Government clerks; to the Committee on Reform in the Civil Service.

Also, petition of the San Mateo (Cal.) Typographical Union, favoring amendment to House bill 15902, relative to Government printing; to the Committee on Printing.

Also, petition of sundry voters of Santa Barbara, Cal., favoring amendment to a bill to revise, etc., the laws relating to the public printing (H. R. 15905); to the Committee on Printing.

By Mr. JOHNSON of Washington: Memorial of the Baptist Young People's Union of the Baptist Church of Brush Plains, Wash., favoring national prohibition; to the Committee on Rules.

By Mr. LEVY: Petitions of Joseph Odermeyer and others, of New York, protesting against increase in tax on beer; to the Committee on Ways and Means.

Also, petition of George W. Lane & Co., of New York, favoring a tax on tea; to the Committee on Ways and Means.

Also, petition of Joseph W. Stevens, mayor of the city of Albany, N. Y., relative to Government armor-plate plant at Breaker Island; to the Committee on Public Buildings and Grounds.

Also, petition of the Federal Milling Co., of Lockport, N. Y., favoring the passage of the Moss grain bill (H. R. 17329); to the Committee on Agriculture.

By Mr. LOBECK: Petition of the Gabel, Johnson & Harwood Brokerage Co. and the Reliable Credit Co., both of Omaha, Nebr., protesting against prohibiting sale of return envelopes by the Government; to the Committee on the Post Office and Post Roads.

By Mr. MAGUIRE of Nebraska: Petitions of various business men of the first congressional district of Nebraska, favoring passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. MORIN (by request): Petition of the William Wrigley, Jr., Co., of Chicago, Ill., protesting against tax on chewing gum; to the Committee on Ways and Means.

Also (by request), petition of the Chamber of Commerce of Pittsburgh, Pa., favoring passage of House bill 4899, relative to standard barrel for fruit; to the Committee on Interstate and Foreign Commerce.

Also (by request), petition of the Pittsburgh Water Heater Co., protesting against House bill 17363, relating to use of the mails for securing insurance on persons, etc.; to the Committee on the Post Office and Post Roads.

Also (by request), petitions of the Hostetter Co. and the Western Pennsylvania Retail Druggists' Association, of Pittsburgh, and the Pennsylvania Pharmaceutical Association, of Philadelphia, Pa., protesting against war tax on drugs; to the Committee on Ways and Means.

Also (by request), petition of sundry citizens and corporations of Pittsburgh, Pa., against proposed change in law as to printing of envelopes with return address stamped thereon; to the Committee on the Post Office and Post Roads.

Also (by request), petition of the Pennsylvania Federation of Liquor Dealers, against tax on beer and liquor; to the Committee on Ways and Means.

Also (by request), petition of the Pennsylvania State Association of Letter Carriers, favoring the McGillicuddy bill, relative to compensation for letter carriers when sick; to the Committee on the Post Office and Post Roads.

Also (by request), petition of sundry citizens and corporations of Pittsburgh, Pa., against section 3 of House bill 18891; to the Committee on Ways and Means.

Also (by request), petition of the Detroit Insulated Wire Co., protesting against war tax on automobiles; to the Committee on Ways and Means.

By Mr. RAINEY: Petitions of the Christian Endeavor of Beardstown, Ill., and the Ebenezer Methodist Episcopal Church, of Jacksonville, Ill., favoring national prohibition; to the Committee on Rules.

Also, petition of various business men of White Hall, Ill., favoring passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. SLOAN: Petition of 700 citizens of Crete, Nebr., favoring national prohibition; to the Committee on Rules.

By Mr. SMITH of Idaho: Memorial of the Burke (Idaho) Miners' Union, favoring the passage of the Kern-Foster safety-appliance bill; to the Committee on Mines and Mining.

By Mr. YOUNG of North Dakota: Petitions of various retail druggists of Fargo, N. Dak., protesting against tax on proprietary medicines; to the Committee on Ways and Means.

Also, petitions of various druggists of North Dakota, protesting against war-revenue drug-tax bill; to the Committee on Ways and Means.

Also, petition of the Rolla and New Rockford (N. Dak.) Woman's Christian Temperance Unions protesting against revenue by taxing alcoholic liquors; to the Committee on Ways and Means.

Also, petition of E. H. Mattingly, of Jamestown, N. Dak., protesting against war tax on fire-insurance policies; to the Committee on Ways and Means.

Also, petition of the Lahr-Motor Sales Co., of Bismarck, N. Dak., and the North Dakota Automobile Dealers' Association, of Fargo, N. Dak., protesting against tax on automobiles; to the Committee on Ways and Means.

SENATE.

WEDNESDAY, *October 21, 1914.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, as we lift our hearts to Thee we remember that Thou art the holy one of Israel; that Thou art the God and the Father of our Lord Jesus Christ and the God of our fathers. Thy name has been held with reverence by those who laid the foundations of this great Government. Thy name has been heard in all the councils of our State. We praise Thee for the protection Thou hast given to us, for raising up men into places of leadership and power, and for the spirit that has animated all the deliberations of Thy people. We pray that Thou wilt guide us on, making us more and more an instrument in Thy hands for the establishment of Thy great kingdom in the earth. For Christ's sake. Amen.

AMERICAN VESSELS AND WATCH OFFICERS.

The PRESIDENT pro tempore. The Chair lays before the Senate a communication from the Secretary of Commerce, transmitting, in response to a resolution of the 16th instant, a list of vessels admitted to American registry under the act of August 18, 1914, with a statement of gross tonnage, when and where built, name of American owner, and former nationality, and so forth. The communication and accompanying statement will lie on the table and be printed in the RECORD.

The communication is as follows:

DEPARTMENT OF COMMERCE,
OFFICE OF THE SECRETARY,
Washington, October 20, 1914.

The SECRETARY OF THE SENATE,
Washington, D. C.

SIR: The department received on the 17th instant the following resolution of the Senate of the United States:

IN THE SENATE OF THE UNITED STATES,
October 8 (calendar day October 16), 1914.

Resolved, That the Secretary of Commerce be requested to furnish to the Senate, if not incompatible with the public interests, the following information:

First. How many Americans were shown by reports from the various customs districts to be available for watch officers, including masters,

mates, and engineers, when the order suspending the requirements of the navigation laws relating thereto for a period of seven years was issued.

Second. A list of the vessels admitted to American registry under the emergency act, with a statement as to where and when built, by whom owned, what flag heretofore flying, and the number of American vessels and watch officers employed.

Attest:

JAMES M. BAKER, *Secretary.*

Partially complying with this request, I inclose a list of the vessels admitted to American registry under the act of August 18, 1914, with a statement of gross tonnage, when and where built, name of American owner, and former nationality.

The number of vessels of the United States on June 30, 1914, was 26,943, of 7,928,688 gross tons.

As soon as practicable the information will be forwarded to the Senate to cover the first inquiry and so much of the second inquiry as relates to the number of watch officers employed on American vessels.

Respectfully,

E. F. SWEET,
Acting Secretary.

Foreign-built vessels admitted to American registry under the act of Aug. 18, 1914.

Rig.	Name of vessel.	Gross tons.	When built.	Where built.	Name of owner.	Former nationality.
Steamship	Oceana	7,796	1891	Dumbarton, Scotland	Morse Dry Dock & Repair Co	British.
Do	Moldegaard	2,852	1906	Bergen, Norway	Ocean Freight Line (Inc.)	Do.
Bark	Windrush	1,531	1892	Sunderland, England	Windrush Shipping Co. (Ltd.)	Do.
Steamship	Tivives	5,017	1911	Belfast, Ireland	Tivives Steamship Corporation	Do.
Do	Trinidadian	2,450	1892	Newcastle, England	Gulf Refining Co	Do.
Schooner	Roseway	291	1907	Shelburne, Nova Scotia	Alfred L. Staples	Do.
Steamship	Santa Rosalia	5,409	1911	Port Glasgow, Scotland	United States Steel Products Co	Do.
Do	Kentra	4,682	1906	do	do	Do.
Do	Bantu	4,188	1901	Wallsend-on-Tyne, England	do	Do.
Do	Crofton Hall	5,773	1913	Port Glasgow, Scotland	do	Do.
Bark	Annie M. Reid	2,165	1892	Glasgow, Scotland	James Rolph, jr	Do.
Steamship	San Francisco	5,102	1914	Londonderry, Ireland	United States Steel Products Co	Do.
Do	Buena Ventura	4,881	1913	Newcastle, England	do	Do.
Do	Charlton Hall	4,749	1907	Port Glasgow, Scotland	do	Do.
Do	Craster Hall	4,319	1909	do	do	Do.
Do	Howick Hall	4,922	1910	do	do	Do.
Do	Zacapa	5,012	1909	Belfast, Ireland	Zacapa Steamship Corporation	Do.
Do	Cartago	4,937	1908	do	Cartago Steamship Corporation	Do.
Do	Sixaola	5,017	1911	do	Sixaola Steamship Corporation	Do.
Do	Brabant	2,773	1890	Newcastle-on-Tyne, England	The Texas Co	Belgian.
Do	Foxton Hall [1]	4,246	1902	Sunderland, England	United States Steel Products Co	British.
Do	Limon	3,297	1904	Belfast, Ireland	Limon Steamship Corporation	Do.
Do	Panuco	2,556	1888	Walker-on-Tyne, England	Freeport & Tampico Fuel Oil Transportation Corporation.	Do.
Do	Pinar del Rio	2,504	1895	South Shields, England	American & Cuban S. S. Line (Inc.)	Do.
Schooner	C. W. Mills	371	1904	Granville, Nova Scotia	John George Murphy	Do.
Steamship	Suriname	3,274	1908	Amsterdam, Holland	Suriname Steamship Corporation	Do.
Do	Brindilla	4,170	1894	Bredow, Germany	Standard Oil Co	German.
Do	Turrialba	4,952	1909	Belfast, Ireland	Turrialba Steamship Corporation	British.
Do	Metapan	5,011	1909	do	Metapan Steamship Corporation	Do.
Do	Heredia	4,943	1908	do	Heredia Steamship Corporation	Do.
Do	Esparta	3,297	1904	do	Esparta Steamship Corporation	Do.
Ship	Avon	1,573	1884	Glasgow, Scotland	Avon Shipping Co. (Inc.)	Do.
Steamship	Abangarez	4,954	1909	Belfast, Ireland	Abangarez Steamship Corporation	Do.
Barkentine	Everett G. Griggs	2,577	1883	do	Sterling Ship Co	Do.
Steamship	Coppename	3,191	1908	do	Coppename Steamship Corporation	Do.
Bark	Snowdon	1,111	1877	Port Glasgow, Scotland	Snowdon Shipping Co. (Inc.)	Do.
Ship	Hilston	2,087	1885	Greenock, Scotland	James J. Feore	Do.
Steamship	Platuria	3,445	1892	Low Walker-on-Tyne, England	Standard Oil Co	Germany.
Do	C. A. Canfield	6,350	1913	Newcastle-on-Tyne, England	Petroleum Transport Co	British.
Do	Parismina	4,937	1908	Belfast, Ireland	Parismina Steamship Corporation	Do.
Do	Almirante	5,010	1909	do	Almirante Steamship Corporation	Do.
Do	Atenas	4,961	1909	do	Atenas Steamship Corporation	Do.
Do	San Jose	3,296	1904	do	San Jose Steamship Corporation	Do.
Do	Motano	2,730	1890	Low Walker-on-Tyne, England	Standard Oil Co	German.
Do	Caloria	4,095	1906	Newcastle-on-Tyne, England	do	Do.
Schooner	Louise M. Richard	441	1906	Port Greville, Nova Scotia	Ernest H. Richard	British.
Steamship	Marowijne	3,191	1908	Belfast, Ireland	Marowijna Steamship Corporation	Do.
Do	Saramacca	3,284	1908	Amsterdam, Holland	Saramacca Steamship Corporation	Do.
Do	Norman Bridge	4,288	1913	Newcastle-on-Tyne, England	Petroleum Transport Co	Do.
Do	Santa Marta	5,013	1909	Belfast, Ireland	Santa Marta Steamship Corporation	Do.
Do	Carrillo	5,012	1911	do	Carrillo Steamship Corporation	Do.
Do	Pastores	7,781	1912	do	Pastores Steamship Corporation	Do.
Do	Calamares	7,782	1913	do	Calamares Steamship Corporation	Do.
Do	Tenadores	7,782	1913	do	Tenadores Steamship Corporation	Do.
Ship	Brynhilda	1,502	1885	Glasgow, Scotland	Brynhilda Shipping Co. (Inc.)	Do.
Do	Pass of Balmaha	1,571	1888	do	Pass of Balmaha Shipping Co. (Inc.)	Do.
Do	Rhine	1,600	1886	Greenock, Scotland	Rhine Shipping Co. (Inc.)	Do.
Steamship	Orleanian	2,293	1889	Whitewich, Scotland	Orleanian Steamship Corporation	Do.
Barge [2]	Glenlui	1,934	1884	Liverpool, England	The Texas Co	Belgian.
Do [2]	France Marie	1,994	1900	Havre, France	do	Do.
Steamship	Wico	2,748	1888	Low Walker-on-Tyne, England	Standard Oil Co	German.
Do	Dochra	4,309	1906	Newcastle, England	Barber & Co	British.
Do	Llama	3,189	1890	Newcastle-on-Tyne, England	Standard Oil Co	German.
Do	Edward L. Doheny	6,170	1913	Walker-on-Tyne, England	Petroleum Transport Co	British.
Do	Sacramento	5,602	1900	Newcastle, England	Northern & Southern Steamship Co	German.
Barge [2]	Tuxpam	863	1881	Port Glasgow, Scotland	The Texas Co	Belgian.
Do [2]	Panuco	646			do	Do.
Steamship	Herbert G. Wylie	4,292	1912	Newcastle, England	Petroleum Transport Co	British.
Barkentine	Skoda	744	1893	Kingsport, Nova Scotia	Charles S. Bodden	Do.
Bark	Pilgrim	1,629	1893	Port Glasgow, Scotland	Pilgrim Shipping Co. (Inc.)	Do.
Ship	Timandra	1,579	1885	do	Timandra Shipping Co. (Inc.)	Do.
Steamship	Santa Clara	2,584	1896	South Shields, England	American & Cuban Steamship Line (Inc.)	Do.
Do	Javary	1,249	1907	Birkenhead, England	L. C. Gillespie & Sons	Do.
Do	Charles E. Harwood	3,178	1913	Walker-on-Tyne, England	Petroleum Transport Co	Do.
Bark	Anna Maria D'Abundo	954	1903	Castellammare, Italy		Do.
Steamship	Greenbrier	3,332	1893	West Hartlepool, England	Greenbrier Steamship Corporation	Do.

[1] Burned at Watling Island, Bahamas, Sept. 23, 1914.

[2] Schooner rigged.

Total to date, Oct. 19, 1914, 76 vessels, 271,526 gross tons.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House disagrees to the amendments of the Senate to the bill (H. R. 18891) to increase the internal revenue, and for other purposes, agrees to the conference asked for by the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. UNDERWOOD, Mr. KITCHIN, and Mr. PAYNE managers at the conference on the part of the House.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1055) for the relief of T. S. Williams.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4405) for the relief of Frederick J. Ernst.

The message also announced that the House disagrees to the amendment of the Senate on the bill (H. R. 10168) for the relief

of Leon Greenbaum, asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. POU, Mr. DIES, and Mr. MOTT managers at the conference on the part of the House.

The message further announced that the House had passed the following joint resolutions, in which it requested the concurrence of the Senate:

H. J. Res. 331. Joint resolution relating to the awards and payments thereon in what are commonly known as the Plaza cases; and

H. J. Res. 375. Joint resolution correcting an error in H. R. 15692, approved July 21, 1914 (Private, No. 95).

ENROLLED BILLS AND JOINT RESOLUTION SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills and joint resolution, and they were thereupon signed by the President pro tempore:

H. R. 1055. An act for the relief of T. S. Williams;

H. R. 4405. An act for the relief of Frederick J. Ernst; and

S. J. Res. 188. Joint resolution ceding to the State of California temporary jurisdiction over certain lands in the Presidio of San Francisco and Fort Mason (Cal.) Military Reservations.

THE COTTON SITUATION IN THE SOUTH.

The PRESIDENT pro tempore. The Chair lays before the Senate a telegram addressed to him, which will be read.

The Secretary read as follows:

PINE BLUFF, ARK., *October 20, 1914.*

Hon. JAMES P. CLARKE,
United States Senate, Washington, D. C.:

I beg to suggest that a reduction of the cotton trouble may be found in the prompt and vigorous use of the taxing power of the Federal Government. The key to the situation is a reliable assurance of, say, half a crop next year. The Census Bureau should be able to furnish information upon which to reckon a distributed crop of, say, 7,000,000 bales. A tax of one-tenth cent a pound on cotton to that extent should pay the cost of administration and a tax of 10 cents a pound on all cotton produced in excess of the amount allotted for production by each unit of person or stock so employed, with suitable punishment for attempts at evasion, should prevent much, if any, greater amount of cotton being raised. Kindly submit this suggestion to some of the friends of this movement.

C. R. BRECKENRIDGE.

PETITIONS.

Mr. SHEPPARD presented petitions of sundry citizens of Dallas, Tex., and of the Chesapeake Conference of Seventh-day Adventists, of Baltimore, Md., praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. NELSON presented a petition of sundry citizens of Ashley, Minn., praying for national prohibition, which was referred to the Committee on the Judiciary.

CLAIM OF NORWAY.

Mr. SHIVELY, from the Committee on Foreign Relations, to which the subject was referred, submitted a report (No. 824) accompanied by a joint resolution (S. J. Res. 198) providing an appropriation to indemnify Trygve Andersen, Sigurd Nilsen, and Arthur Rasmussen, of the crew of the Norwegian ship *Ingrid*, for losses caused by their arrest and detention in Hudson County, N. J., and for other purposes, which was read twice by its title.

The PRESIDENT pro tempore. The joint resolution will be placed on the calendar.

MARY MACON HOWARD.

Mr. BRYAN. From the Committee on Claims I report back favorably without amendment the bill (H. R. 7078) for the relief of Mary Macon Howard, and I submit a report (No. 823) thereon.

Mr. SHEPPARD. I ask unanimous consent for the present consideration of the bill reported by the Senator from Florida.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. SMITH of Michigan. I do not desire to object to the request of the Senator from Texas for unanimous consent, but I am very hopeful that we shall go to the calendar this morning, and I hope that we may have some assistance from the other side of the Chamber to take up unobjected bills on the calendar.

Mr. SHEPPARD. I agree with the Senator. This bill will take only a few moments.

Mr. SMITH of Michigan. I do not object to its present consideration.

The PRESIDENT pro tempore. If there be no objection the Secretary will read the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Mary Macon Howard, out of funds in the Treasury not otherwise appropriated, the sum of $1,095, as compensation to her for the loss of her husband, John Simpson Howard Howard, who, on the 10th day of February, 1913, while in the discharge of his official duties as a mounted inspector of the United States customs service in Presidio County, Tex., was assassinated by Mexican bandits.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WARREN:

A bill (S. 6669) granting an increase of pension to Annie E. Yelton (with accompanying papers); to the Committee on Pensions.

Mr. JONES. I desire to state that I introduced a bill on yesterday, being the bill S. 6660, but a very important item was omitted. I reintroduce the bill to-day in its perfected form and ask that it be referred to the Committee on Indian Affairs.

The bill (S. 6671) confirming patents heretofore issued to certain Indians in the State of Washington was read twice by its title and referred to the Committee on Indian Affairs.

By Mr. SHEPPARD (by request):

A bill (S. 6670) enabling postal savings banks to lend money on cotton.

The PRESIDENT pro tempore. The bill will be referred to the Committee on Post Offices and Post Roads, unless the Senator from Texas prefers another reference.

Mr. SHEPPARD. I had indicated that the bill should go to the Committee on Banking and Currency.

The PRESIDENT pro tempore. That will be the reference, unless there is objection. The Chair hears none.

Mr. SHEPPARD. I wish to state that I introduce the bill at the request of Mr. Charles B. Metcalf, of San Antonio, Tex., one of the prominent farmers of that section.

Mr. LEA of Tennessee. I introduce a joint resolution, which I ask may lie on the table.

The joint resolution (S. J. Res. 199) to create a cotton commission, and for other purposes, was read twice by its title.

The PRESIDENT pro tempore. Unless there is objection, the joint resolution will take the course indicated by the Senator from Tennessee.

THE TELEPOST.

Mr. LEA of Tennessee submitted the following resolution (S. Res. 479), which was read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the sum of $1,000, or so much thereof as may be necessary, be, and the same is hereby, appropriated from the contingent fund of the Senate to defray the expenses of the committee appointed by Senate resolution 405 to investigate and report upon the merits of the telepost and similar systems of rapid telegraphy, all payments to be made on vouchers approved by the chairman of the said committee.

THE NATIONAL CREDIT (S. DOC. NO. 609).

Mr. LEA of Tennessee. I ask unanimous consent to have printed as a public document the address of John Skelton Williams, Comptroller of the Currency, before the annual convention of the Indiana Bankers' Association at Indianapolis, Ind., September 29, 1914.

The PRESIDENT pro tempore. Unless there is objection, the request of the Senator from Tennessee will be complied with. The Chair hears none.

AGRICULTURAL DEPARTMENT APPROPRIATIONS.

Mr. SHEPPARD. I have here a letter from the Secretary of Agriculture, Mr. Houston, showing the geographical distribution of the funds expended by the Department of Agriculture during the fiscal year 1914 and those to be expended by the department during the fiscal year 1915. I wish to have the letter and the tabular statement printed in the RECORD.

The PRESIDENT pro tempore. Unless there is objection, the request will be complied with.

The matter referred to is as follows:

DEPARTMENT OF AGRICULTURE,
Washington, August 11, 1914.

Hon. MORRIS SHEPPARD,
United States Senate.

DEAR SENATOR SHEPPARD: In accordance with my promise on the occasion of your recent visit to the department, I am sending you herewith a statement showing the geographic distribution of the funds expended by the Department of Agriculture during the fiscal year 1914, and also of the funds proposed to be expended during the present fiscal year. Of course you realize that this statement is only an approximation, as it is difficult to separate our expenditures according to States or divisions.

Very truly, yours, D. F. HOUSTON, *Secretary.*

Statement showing geographic distribution of funds expended by the Department of Agriculture during the fiscal year 1914.

Bureau, division, or office.	New England division: Maine, New Hampshire Vermont, Massachusetts, Rhode Island, Connecticut.	Middle Atlantic division: New York, New Jersey, Pennsylvania.	East North Central division: Ohio, Indiana, Illinois, Michigan, Wisconsin.	West North Central division: Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas.	South Atlantic division (excepting Washington, D. C.): Delaware, Maryland, Virginia, North Carolina, South Carolina, Georgia, Florida.	East South Central division: Kentucky, Tennessee, Alabama, Mississippi.	West South Central division: Arkansas, Louisiana, Oklahoma, Texas.
Office of the Secretary		$6,150.00	$1,500.00				$20,000.00
Weather Bureau	$63,485.99	141,230.80	231,558.04	$153,545.01	$172,424.46	$81,716.30	106,829.08
Bureau of Animal Industry	222,191.65	603,429.73	1,079,405.87	1,158,279.42	388,898.33	175,986.37	348,994.28
Bureau of Plant Industry	82,137.92	122,024.24	166,486.62	255,084.57	364,777.68	163,934.58	306,406.63
Bureau of Chemistry	36,450.00	175,452.00	81,008.00	60,356.00	55,288.00	24,198.00	23,906.00
Bureau of Soils	453.30	11,764.32	16,002.31	24,105.90	42,297.01	16,430.21	32,408.03
Bureau of Entomology	279,953.70	24,157.75	20,171.41	14,084.00	43,407.13	24,700.00	35,471.50
Bureau of Biological Survey	421.37	2,873.60	2,793.69	11,842.19	6,874.51	3,864.76	1,961.48
Bureau of Statistics	6,655.57	4,687.69	9,690.41	17,925.39	15,701.85	10,979.89	13,615.75
Office of Experiment Stations	180,000.00	92,892.79	151,396.90	219,255.07	263,792.29	138,019.60	132,058.55
Office of Public Roads	9,008.10	2,282.49	7,667.16	21,357.19	79,747.52	35,814.18	12,478.29
Insecticide and Fungicide Board	498.00	3,316.68	2,090.75	892.78	13,115.83	639.15	771.48
Federal Horticultural Board	2,785.46	2,222.06	830.39	1,685.70	1,348.44	629.33	556.24
Office of Markets	1,651.82	1,529.45	1,352.23	1,116.41	2,708.64	778.67	2,020.40
Total, exclusive of Forest Service	885,692.88	1,194,013.60	1,771,953.78	1,939,529.63	1,450,381.69	677,691.04	1,037,477.71
Forest Service	34,613.00	8,770.00	151,045.00	152,509.00	72,733.00	12,382.00	84,089.00
Weeks law	588,050.93				208,289.52	36,275.44	
Total, inclusive of Forest Service and Weeks law	1,508,356.81	1,202,783.60	1,922,998.78	2,092,038.63	1,731,404.21	726,348.48	1,121,566.71

Bureau, division, or office.	Mountain division: Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada.	Pacific division: Washington, Oregon, California.	Territories and insular possessions: Alaska, Hawaii, Porto Rico, Guam.	Total (excepting Washington, D. C.).	Washington, D. C.	Total (including Washington, D. C.).	Southern States: Virginia, West Virginia, Maryland, Kentucky, Tennessee, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Florida, Louisiana, Arkansas, Oklahoma, Texas
Office of the Secretary				$27,650.00	$656,104.00	$683,754.00	
Weather Bureau	$100,371.72	$131,061.41	$9,735.10	1,191,957.91	324,116.21	1,516,074.12	$361,329.84
Bureau of Animal Industry	333,589.39	197,743.94		4,508,518.98	537,418.35	5,045,937.33	907,693.45
Bureau of Plant Industry	170,907.34	156,359.61		1,788,119.19	949,875.81	2,737,995.00	834,818.89
Bureau of Chemistry	23,790.00	64,952.00	9,600.00	555,000.00	440,000.00	995,000.00	91,105.00
Bureau of Soils	11,084.70	18,597.84	7,401.09	180,544.71	147,151.29	327,696.00	90,698.20
Bureau of Entomology	78,098.64	56,573.74		576,617.87	128,214.00	704,831.87	114,717.12
Bureau of Biological Survey	39,895.21	23,139.99		93,666.80	69,009.71	162,676.51	12,636.68
Division of Publications					182,341.43	182,341.43	
Division of Accounts	8,000.00	4,000.00		12,000.00	90,645.26	102,645.26	
Bureau of Statistics	14,820.99	6,813.63		100,891.17	136,221.82	237,112.99	39,715.49
Library					43,149.48	43,149.48	
Office of Experiment Stations	308,945.45	112,903.23	105,000.00	1,704,263.88	169,163.17	1,873,427.05	503,228.84
Office of Public Roads	16,962.09	18,092.17		203,409.19	120,872.92	324,282.11	127,485.85
Insecticide and Fungicide Board	200.15	318.62		21,843.44	63,263.71	85,107.15	12,175.73
Federal Horticultural Board	1,047.23	2,585.74		13,690.59	19,815.64	33,506.23	2,523.01
Office of Markets	1,978.12	215.00		13,350.74	34,209.74	47,560.48	5,262.90
Total, exclusive of Forest Service	1,109,691.03	793,356.92	131,736.19	10,991,524.47	4,111,572.54	15,103,097.01	3,103,389.00
Forest Service	3,046,572.00	1,709,880.00	48,895.00	5,321,488.00	443,715.00	5,765,203.00	169,204.00
Weeks law				832,615.89		832,615.89	244,564.96
Total, inclusive of Forest Service and Weeks law	4,156,263.03	2,503,236.92	180,631.19	17,145,628.36	4,555,287.54	21,700,915.90	3,517,157.96

Statement showing geographic distribution of funds proposed to be expended by the Department of Agriculture during the fiscal year 1915.

Bureau, division, or office.	New England division: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut.	Middle Atlantic division: New York, New Jersey, Pennsylvania.	East North Central division: Ohio, Indiana, Illinois, Michigan, Wisconsin.	West North Central division: Minnesota, Iowa, Missouri, North Dakota, South Dakota Nebraska, Kansas.	South Atlantic division (excepting Washington, D. C.): Delaware, Maryland, Virginia, North Carolina, South Carolina, Georgia, Florida.	East South Central division: Kentucky, Tennessee, Alabama, Mississippi.	West South Central division: Arkansas, Louisiana, Oklahoma, Texas.
Office of the Secretary				$20,000.00			
Weather Bureau	$65,810.00	$148,440.00	$256,690.00	177,350.00	$158,850.00	$83,750.00	$122,680.00
Bureau of Animal Industry	237,191.65	643,429.73	1,266,333.60	1,345,207.15	459,731.23	244,811.46	392,800.97
Bureau of Plant Industry	138,763.82	177,496.25	234,816.94	331,824.26	589,801.60	259,367.73	419,922.39
Bureau of Chemistry	40,920.00	197,860.00	91,875.00	68,951.00	62,140.00	27,145.00	27,096.00
Bureau of Soils	453.30	11,764.32	16,002.31	24,105.90	42,297.01	16,430.21	32,408.03
Bureau of Entomology	315,781.00	23,785.00	22,900.00	18,500.00	70,462.00	32,700.00	51,530.00
Bureau of Biological Survey	3,700.00	6,000.00	10,800.00	39,600.00	16,300.00	7,800.00	21,100.00
Bureau of Statistics	6,318.00	6,063.00	17,772.00	24,456.00	21,368.00	12,852.00	15,114.00
Office of Experiment Stations	240,500.00	123,500.00	201,500.00	289,500.00	345,000.00	174,000.00	186,000.00
Office of Public Roads	80,000.00	15,000.00	137,000.00	48,500.00	174,139.55	104,493.93	90,125.00
Insecticide and Fungicide Board	674.93	1,989.54	1,879.82	1,198.71	15,131.20	896.22	904.81
Federal Horticultural Board	56,000.00	3,000.00	1,000.00	2,000.00	1,500.00	750.00	750.00
Office of Markets	4,300.00	3,600.00	3,100.00	4,300.00	6,500.00	2,900.00	3,800.00
Total, exclusive of Forest Service	1,190,412.70	1,361,927.84	2,261,669.67	2,395,493.02	1,963,220.59	967,866.55	1,364,231.20
Forest Service	47,090.00	7,787.00	159,009.00	155,788.00	92,213.00	18,511.00	85,278.00
Weeks law	188,741.00				2,504,426.00	979,676.00	
Total, inclusive of Forest Service and Weeks law	1,426,243.70	1,369,714.84	2,420,678.67	2,551,281.02	4,559,859.59	1,966,053.55	1,449,509.20

Statement showing geographic distribution of funds proposed to be expended by the Department of Agriculture during the fiscal year 1915—Contd.

Bureau, division, or office.	Mountain division: Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada.	Pacific division: Washington, Oregon, California.	Territories and insular possessions: Alaska, Hawaii, Porto Rico, Guam.	Total (excepting Washington, D. C.).	Washington, D. C.	Total (including Washington, D. C.).	Southern States: Virginia, West Virginia, Maryland, Kentucky, Tennessee, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Florida, Louisiana, Arkansas, Oklahoma, Texas.
Office of the Secretary				$20,000.00	$649,889.00	$669,889.00	
Weather Bureau	$118,960.00	$160,610.00	$8,740.00	1,301,880.00	365,390.00	1,667,270.00	$365,280.00
Bureau of Animal Industry	383,589.39	222,743.94		5,195,839.12	574,000.00	5,769,839.12	1,071,978.45
Bureau of Plant Industry	226,424.39	226,528.81		2,604,946.19	1,011,098.81	3,616,045.00	1,267,639.75
Bureau of Chemistry	27,000.00	73,994.00	10,600.00	627,581.00	450,000.00	1,077,581.00	102,569.00
Bureau of Soils	11,084.70	18,597.84	7,401.09	180,544.71	147,151.29	327,696.00	90,698.20
Bureau of Entomology	83,449.00	74,009.00		693,116.00	136,304.00	829,420.00	231,920.00
Bureau of Biological Survey	105,900.00	33,400.00		244,600.00	92,090.00	336,690.00	45,200.00
Division of Accounts					46,320.00	46,320.00	
Division of Publications					189,500.00	189,500.00	
Bureau of Statistics	20,670.00	10,832.00		135,445.00	140,135.00	275,580.00	49,000.00
Library					$45,300.00	$45,300.00	
Office of Experiment Stations	$394,000.00	$144,000.00	$120,000.00	$2,218,000.00	192,780.00	2,410,780.00	$663,000.00
Office of Public Roads	14,000.00	18,186.96		681,445.44	124,560.00	806,005.44	306,958.48
Insecticide and Fungicide Board	271.25	431.81		23,348.29	71,651.71	95,000.00	17,972.16
Federal Horticultural Board	1,500.00	3,500.00		70,000.00	25,000.00	95,000.00	3,000.00
Office of Markets	3,300.00	2,400.00	500.00	34,700.00	205,300.00	240,000.00	8,100.00
Total, exclusive of Forest Service	1,390,148.73	989,234.36	147,241.09	14,031,445.75	4,466,469.81	18,497,915.56	4,223,316.04
Forest Service	3,149,727.00	1,712,295.00	49,377.00	5,477,075.00	465,108.00	5,942,183.00	225,678.00
Weeks law				3,672,843.00		3,672,843.00	3,484,102.00
Total, inclusive of Forest Service and Weeks law	4,539,875.73	2,701,529.36	196,618.09	23,181,363.75	4,931,577.81	28,112,941.56	7,933,096.04

SUMMARY.

Division.	1914 (excepting Forest Service and Weeks law).	1915 (excepting Forest Service and Weeks law).	1914 (including Forest Service and Weeks law).	1915 (including Forest Service and Weeks law).
New England	$885,692.88	$1,190,412.70	$1,508,356.81	$1,426,243.70
Middle Atlantic	1,194,013.60	1,361,927.84	1,202,783.60	1,369,714.84
East North Central	1,771,953.78	2,261,669.67	1,922,998.78	2,420,678.67
West North Central	1,939,529.63	2,395,493.02	2,092,038.63	2,551,281.02
South Atlantic (excepting Washington, D. C.)	1,450,381.69	1,963,220.59	1,731,401.21	4,559,859.59
East South Central	677,691.04	967,866.55	726,348.48	1,966,053.55
West South Central	1,037,477.71	1,364,231.20	1,121,566.71	1,449,509.20
Mountain	1,109,691.03	1,390,148.73	4,156,263.03	4,539,875.73
Pacific	793,356.92	989,234.35	2,503,235.92	2,701,529.35
Territorial and insular possessions	131,736.19	147,241.09	180,631.19	196,618.09
Total (excluding Washington, D. C.)	10,991,524.47	14,031,445.75	17,145,628.36	23,181,363.75
Washington, D. C.	4,111,572.54	4,466,469.81	4,555,287.54	4,931,577.81
Total (including Washington, D. C.)	15,103,097.01	18,497,915.56	21,700,915.90	28,112,941.56
Southern States	3,103,389.00	4,223,316.04	3,517,157.96	7,933,096.04

SUGAR-BEET SEED.

Mr. SMITH of Michigan. Mr. President, the condition in which the domestic sugar industry is at the present time is heightened somewhat by the difficulty which our beet-sugar producers find in obtaining the seed of the sugar beet. I have a very interesting dissertation upon that subject and would like to have it read for the information of the Senate. It is not very long.

The PRESIDENT pro tempore. The Senator from Michigan presents a communication which he asks may be read at the desk. Is there objection? The Chair hears none.

Mr. SMITH of Michigan. Let the Secretary read, beginning at the point where I have marked.

The PRESIDENT pro tempore. The Secretary will read as requested.

The Secretary read as follows:

An intelligent reply to your inquiry concerning beet seed is rather difficult within the limits of an ordinary letter, still I may be able to give you some ideas on the question, and will enlarge on these the next time I have the pleasure of conversation with you.

An attempt is being made at the present time to raise some beet seed in one of our Western States. The difficulty connected with this attempt is threefold.

First, it requires a very large capital to raise beet seed in a scientific way, which is the only way in which the seed can be successfully produced. The five leading seed firms in Germany each has invested somewhere from $5,000,000 to $20,000,000 in their operations. These firms produce probably 85 per cent of all seed raised in Germany.

Second, this industry requires an immense amount of hand labor. In Germany they pay from 35 cents to 45 cents per day for this labor. You know what it costs in America.

Third, to produce a reliable commercial beet seed requires eight years, and such seed would be worthless if there was no one in this country to buy it. The fiscal policy of the United States is not such as to induce capital to embark in an enterprise in the face of the existing law providing for free sugar in 1916.

I visited four of the five large beet-seed producers in Germany. Two of the five are located near Magdeburg, two near Quedlinburg, and one at Nordhausen. Two of them make an exclusive business of raising beet seed, the beets being rotated with other crops. Two of these concerns also have extensive estates in Russia, where they raise beet seed, though they do not ship any of the Russian seed to America. Each of these concerns tills in Germany from 8,000 to 15,000 acres of land, which land is valued at from $400 to $500 per acre. All four of the concerns visited maintain scientific laboratories for testing beets and beet seed. They also have extensive drying plants for drying seed, many thrashing machines, and very large warehouses.

Some idea of the care taken in selection of the original mother beets can be gathered from the following:

Heinrich Mette, one of the large seed raisers, last season had 1,440,000 beets on 50 acres of land. These beets were all carefully inspected when harvested, and two-thirds of them rejected by visual examination as not being suitable for mother beets. This left approximately 500,000 beets that stood the first test. These 500,000 beets were next subjected to examination by polariscope, and subsquently their surface was examined with microscopes. After being subjected to these scientific tests there were only 875 beets remaining out of the 500,000. These 875 beets selected from the original 1,440,000 are the mother beets.

On another plantation visited I found that the per cent of mother beets was practically the same. On an acre there are some 30,000 beets, and this second concern obtained from these 30,000 beets only 6 beets to the acre.

Every one of these mother beets is carefully photographed, and its description recorded so carefully that it would be distinguished from every other beet just as effectually as one man's thumb prints distinguish him from another individual. These mother beets were last spring set out in families of four, each family being so segregated that it would be kept by itself. This made about 220 families out of the 875 mother beets raised by Mette that were producing seed this year. Some of these families prove worthless. This process of rejection and selection will be continued four generations, or eight years, before seed is placed on the market as a commercial seed. In other words, it takes eight

years to produce commercial seed according to the scientific plans followed in the production of such seed in Germany.

You will readily see that if there had been no scientific test of these beets and a visual examination had been solely depended upon to select the mother beets, there would have been 500,000 mother beets out of the original 1,440,000 rather than 875. I fear that in the attempt now being made to raise seed in the United States those who are engaged in the business are depending solely upon visual examination of the beets to select the mother beets from which the seed is to be produced, thus getting seed in two years instead of eight years.

The scientific plan outlined above is the one followed by all of the leading beet-seed concerns in Germany, and it is because of this plan they have been able to increase the sugar content and purity of beets in a very marked degree during the last 50 years. I might say that these leading German firms engaged in the production of beet seed have been in the business all the way from 60 years to 125 years, and the present condition of perfection is the result of scientific labor of several generations of careful, painstaking endeavor.

Trusting that the above will give you some idea of the way in which beet seed is raised in Europe and why it is not possible to engage in this business at the present time in the United States, I am,

Yours, respectfully,

F. R. HATHAWAY, *Secretary.*

Mr. WALSH. Mr. President, the letter just read refers to efforts and experiments now being conducted in one of the Western States, looking to the production of sugar-beet seed. I am very happy to state that those efforts, now in progress in the State of *Montana*, are being rewarded in a most encouraging way. The prospects are that in the very near future we shall be relieved from the absolute dependence under which we now rest to Germany for our sugar-beet seed.

I might say in this connection, too, because some reference has been made to the character of the experiments that are now being conducted in this country, that those being prosecuted in my State are under the direction of Prof. Mendelson, perhaps as eminent a scientist as there is connected with the production of beet sugar in any country. He is himself a product of one of the German universities, and studied the business in all its phases in that country. He makes frequent visits to Germany, visits the beet-sugar fields in that country and in neighboring countries, and is thoroughly informed about all the discoverics in relation to the propagation of sugar-beet seed.

I am very happy to say that the results of the present year are of a most gratifying character and warrant the very highest hopes for the future.

Mr. THOMAS. Mr. President, I merely wish to state in connection with the very interesting and instructive letter which has just been read that as early as 1902 in my State I called attention to the fact that the weak spot in the beet-sugar industry of the United States consisted in its absolute dependence upon a foreign country for its seed. I also pointed out the consequences to that industry in the event its supply of beet seed should be cut off either through a trade war, through a prohibitory export duty, or through a general European conflict, which unfortunately is now upon us.

The letter states, and without any doubt correctly, that the scientific and successful propagation of beet seed requires a considerable number of years. That process, however, should have been begun long ago. If more attention had been given to the propagation of beet seed and less to the manufacture of fictitious capitalization and the earning of dividends upon it, the industry would not now be threatened with so serious an injury as it is threatened for the next year unless its supply of beet seed can be obtained from Germany as usual.

HOUSE JOINT RESOLUTION REFERRED.

H. J. Res. 375. Joint resolution correcting an error in House bill 15692, approved July 21, 1914 (Private, No. 95), was read twice by its title and refered to the Committee on Pensions.

STORAGE OF RAW SUGAR.

The PRESIDENT pro tempore. The Chair lays before the Senate a resolution coming over from a former day, which will be read.

The Secretary read the resolution (S. Res. 472) submitted by Mr. THOMAS October 8 (calendar day, October 13), 1914, as follows:

Whereas it is announced that immense quantities of raw sugar are being held in storage in New York and Philadelphia in the expectation that Great Britain and France will be strong competitors for Cuban sugar in the near future, and that the price of raw sugar will reach such a figure that the refined product in January and February may go to 15 cents a pound, which is the equivalent of a consumption tax of 10 cents a pound upon a necessity of life aggregating more than $500,000,000 per annum; and

Whereas this purpose, if it exists, constitutes a violation of the laws, both of the Nation and the States, and should be both prevented and punished: Therefore be it

Resolved, That the Secretary of Commerce be, and he is hereby, directed to make immediate investigation into the facts relating to the proposed engrossment of raw sugar as stated by the press, and report the result thereof to the Senate as soon as the same can be done.

The PRESIDENT pro tempore. The question is on agreeing to the resolution.

Mr. THOMAS. The resolution just read was prompted by this article, which appeared in the New York World of October 13:

RAW SUGAR BEING STORED FOR EXPECTED WAR RISE—DESTRUCTION OF EUROPE'S BEET CROP WILL FORCE BUYING OF AMERICAN CANE PRODUCT.

NEW YORK, *October 12, 1914.*

Immense quantities of raw sugar are being held in storage in New York and Philadelphia, it is learned, in expectation that Great Britain and France will be strong competitors for the Cuban sugar cane the latter part of this year, and that the price of raw will go to such a figure that the refined product in January and February may go to 15 cents a pound.

A sugar broker said:

"There is a shortage of at least 7,000,000 tons of beet sugar due to the destruction of the European beet crop, and the countries that heretofore have obtained their sugar from this source must become bidders for the cane product which has in the past been purchased only by refiners of the United States.

"There is a comparatively large supply of raw in the hands of American refiners now, and demand has sunk to normal after the first scare due to the war, and there has been slight recession of prices. Last week raw was quoted at $5.02 per 100, and refined at $6.40 to $6.50. How long these figures will be maintained no one can say. The price will depend entirely upon the demand of Europe."

Records of the Bush Terminal Co. show that in August, 1913, there were 85,000 packages of Philippine and Hawaiian sugar received at their piers. In August of this year there were 566,000 packages, nearly all of it from Hawaii and the Philippines.

Mr. President, it appears that, owing to climatic conditions, the normal supply of sugar this year in Cuba will show a decrease of 500,000 tons or thereabouts, as compared with the output last year. The dispatches have also informed us that within the last fortnight the dealers in Great Britain have secured 900,000 tons of sugar from Java and other tropical sections outside of Cuba.

The shortage consequent upon the war is going to be enormous. Great Britain has exerted herself very effectively and summarily to prevent an extraordinary rise in the price of this necessity of life, and as a result the normal price of sugar to the consumer of Great Britain is comparatively very little more than it was before these conditions arose. Now, if it be true, as intimated in the article—and I do not know whether it be true or not—that the great concerns engaged in the refining of sugar are storing large quantities of raw sugar in order to corner the market and increase the price of this prime necessity of life to 15 cents or to 10 cents, or even to 8 cents a pound, the consequent tax upon the consumer of the country will be something enormous, when we consider that the average consumption of sugar is over 80 pounds per capita, in consequence of which a rise of a cent a pound means 80 cents annually to every man, woman, and child in the United States. The enormous and overwhelming profits that will ensue if this situation is permitted to go on, all of which come out of the pockets of the consumer of the country, who happen in this case to be all the people in the country, should be investigated and, if possible, stopped. As a consequence I introduced the resolution requesting the Secretary of Commerce to inquire into and report to the Senate whether the statements which appeared in the public press were well founded.

Mr. SMITH of Michigan. Mr. President, will the Senator from Colorado favorably consider an amendment to his resolution asking the Secretary of Commerce to investigate the effect of the reduction of the tariff on sugar with reference to the volume of its domestic production?

Mr. THOMAS. Oh, no; Mr. President, I do not think that that is germane to this resolution of mine at all. Besides, it would needlessly prolong the investigation, and this corner might perfect itself before any report could be made. The effect of the reduction of the duties upon sugar has been very favorable to the consumer. It is the one thing in which the price of a necessity of life was reduced, and of which I am glad the consumer got the benefit.

Mr. SMITH of Michigan. Mr. President, I am quite sincere in my suggestion, because the facts are accumulating very rapidly that the hostile legislation against our domestic sugar production has resulted in a very sharp curtailment of the domestic product. I have been told of a number of instances where factories have been closed in anticipation of the removal of the duty on imported sugar under the recent tariff law. However, I am very glad that the Senator from Colorado has called attention to the power of the refiners to fix the price of sugar.

We have contended that the domestic sugar production—and by that expression I include the production in Louisiana as well as that in the various States where beet sugar has been produced—should be encouraged. The beet sugar, coming, as it does, refined from the factory where the beet is ground in its raw state, has tended to deprive the American Sugar Refining Co. of its monopoly in fixing the price of refined sugar, and the very fact that throughout our country there have been factories erected and vast sugar operations conducted tending to

"bear" the price and to deprive the refining company of its monopoly in the American market is a sufficient testimonial to the wisdom of the Government's policy in maintaining protection upon that article of necessary use.

I think it was Mr. Wilson, the author of the Wilson tariff law and a former very prominent Democratic Member of Congress from West Virginia, who stated many times while he was in the House of Representatives and at the head of the Committee on Ways and Means that there was no product of our soil touched by American genius or labor that had a better right to the protection of this Government against foreign competition than our domestic sugar industry. Although Prof. Wilson was somewhat of a free trader, as his namesake, the present President of the United States, seems to have been, yet he did make that admission at the time he presented the Wilson bill to the House of Representatives, a measure which had the cordial support of the present Secretary of State; indeed, the present Secretary of State was one of the men who carried Prof. Wilson out of the House of Representatives upon his shoulder, as a testimonial of the high regard in which he was held by his colleagues who believed as he did regarding the principle of tariff reform.

So, Mr. President, I am very glad to see my honored friend from Colorado, in whose State the domestic sugar industry has thrived, and in whose State it gives very good evidence of soon languishing, as it does in the State which I have the honor in part to represent, move in this matter.

The stocks of our domestic sugar industry in Michigan fell from the time this assault was made upon it in the Underwood-Simmons bill from par to less than $18 a share; the whole industry has been discouraged and demoralized; and if we were as dependent now upon the foreign supply of sugar as we are dependent upon the supply of the seed from which the sugar beet is grown, we would, indeed, be in a most pitiable condition, and the price of our sugar would soar to limits not yet stated by my honorable friend from Colorado and not yet realized by the people of the United States.

I regard the assault made upon the domestic sugar industry of our country by the recent tariff law as a wicked and unjustifiable attack upon legitimate industry, which, if carried to its ultimate conclusion, will oblige us to depend upon a foreign supply for this great article of necessity.

Mr. President, I am not going to oppose the inquiry proposed by my friend the Senator from Colorado, but I am not willing to let the occasion pass without some observations which tend to show, at least to my own mind, that there are other causes than war for the arbitrary desire of the refining company to raise its price unnecessarily high at the present time, and those causes are directly attributable to the recent tariff legislation. The fact is that this industry is being ruthlessly exposed to foreign competition. This Congress did not have the courage to destroy this industry at one blow, but they arranged to cut off one of its arms the first year, one of its legs the next, and cut its heart out in 1916 as soon as the next presidential election is out of the way.

Now, Mr. President, I protest against this assault upon one of America's most promising and one of its most successful industries. In numerous States sugar factories have risen upon the enterprise and the genius of men whose sole desire was to diversify American production and to produce on our own soil a necessary article of consumption useful to our people, and it would have grown and developed until we could have produced all the sugar we consume in America, retaining this vast expenditure in our own circulating medium, had that industry received the care, attention, and solicitude from the American Congress which its merits demanded, while the duty collected through our customhouses would have relieved the Treasury of much of the strain it is now undergoing.

Mr. THOMAS. Mr. President, I am not going to enter into an extended discussion this morning upon the effect of the recent tariff law upon beet sugar. Neither shall I deny that some factories, ostensibly erected for the purpose of refining beet sugar, have closed since that law was enacted. I do not know what the conditions are with reference to these closures in other States so intimately as I do those in my own, but the factories which are closed in Colorado were, for the most part, factories which were built by the trust in certain places where they were not actually needed in order to prevent others from building them and coming into competition, while one or two were really sugar speculations pure and simple.

Neither, Mr. President, shall I deny the fact that the market value of the shares in all the sugar companies has sensibly depreciated, not in value, but in price. As a matter of fact, we all know—it is official knowledge now—that these institutions were capitalized in some instances for twice as much, and in others for more than twice as much, as the capital actually invested, and the manufactured shares commanded large sums in the market because of the enormous profits which this protected industry was able to obtain from the people. In my State not only was the tariff given by the Payne-Aldrich law added to the cost of production, but, in addition thereto, the freight charge from the Missouri River to Colorado, the latter tariff still being in active existence, and no man to-day can buy a hundred pounds of sugar at the factory door of any sugar factory in the State of Colorado as cheaply as he can get the same sugar at the Missouri River, plus the freight upon it from the Missouri River to the city of Denver and other common points.

Mr. President, it may be that great losses have come to the holders of stock in sugar companies in recent years, but it is not true that those who invested their capital in the erection of these concerns have lost any money, except possibly in occasional and isolated instances, for the amount of profit which these companies have made has much more than reimbursed the gentlemen engaged in this very lucrative and necessary pursuit for the amount of money originally invested; and, Mr. President, upon the assumption that an extraordinary profit of 3 cents per pound will be realized from the crop of 1914—which I think is within bounds—the amount of unexpected profit which these gentlemen will reap will be about two-thirds of the amount of actual capital invested in the business.

I merely wish to add before taking my seat that Mr. Henry T. Oxnard, one of the pioneers in this business, in a circular signed by himself and his partners, the Cuttings of New York, away back in 1899 declared that with beet sugar at 3 cents a pound a good profit could be made, and with sugar at 4 cents a pound an enormous profit could be made by mills engaged in extracting and refining it. He went further and stated that, even if sugar were placed upon a free-trade basis, being an agricultural product, we could compete as well with Germany in its production and manufacture as we could in any other agricultural product. Hence I do not think these gentlemen have suffered much nor that they will suffer much in carrying on their legitimate business as heretofore.

In my State the producer of the beet was compelled last January to accept 50 cents per ton less for his beets than the contract price of the preceding year, the argument being that the Underwood bill threatened the companies with a complete loss of profit, and as a consequence the grower of the beets should bear a part of the burden. More recently, through the demands of our State Democratic platform, the old scale has been restored, but justice requires that these gentlemen divide this extraordinary profit with the men who grow beets.

I have nothing further to say upon the subject at present, but I hope the resolution will be agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

PAY OF DENTAL SURGEONS.

The PRESIDENT pro tempore. The Chair lays before the Senate a resolution coming over from a former day.

The Secretary read the resolution (S. Res. 475) submitted by Mr. TOWNSEND on October 8 (calendar day, October 16), 1914, as follows:

Resolved, That the Comptroller of the Treasury be requested to construe the following statutes, to wit: Thirty-seventh Statute, page 344; Thirty-seventh Statute, page 903; and Thirty-fifth Statute, page 66: with reference to the pay and the authorized manner of making the appointments in the case of each of the several classes of officers who may base claims for pay from Government funds on the said statutes.

Mr. THORNTON. It seems to me it would be the proper course to refer that resolution to the Committee on Naval Affairs.

Mr. SMITH of Michigan. Is the Senator very desirous for that to be done? If we are to have action at all, we must have it to-day.

Mr. THORNTON. I think the resolution ought to go to the committee.

The PRESIDENT pro tempore. Does the Senator make a motion to that effect?

Mr. THORNTON. I do.

The PRESIDENT pro tempore. The Senator from Louisiana moves that the resolution be referred to the Committee on Naval Affairs. It will be so referred.

DENTAL SURGEONS IN THE NAVY.

The PRESIDENT pro tempore. The Chair lays before the Senate a resolution coming over from a previous day.

The Secretary read the resolution (S. Res. 476) introduced by Mr. TOWNSEND October 8 (calendar day, October 16), 1914, as follows:

Resolved, That the Secretary of the Navy be requested to supply the Senate with the following information:

1. As to the number, pay, and date of his appointments of dental surgeons who were authorized by the act of August 22, 1912, to be appointed to the grade of "acting dental surgeon" for "temporary service" and whose appointment "shall have no force or effect except for the time the temporary appointee is in active service."

2. As to the number, pay, and date of his appointments of dental surgeons who were authorized by the act of August 22, 1912, to be appointed to the grade of "acting assistant dental surgeon" and who are serving a probational period with a view to their permanent appointment.

3. As to the number and date of appointment of dental surgeons whose nominations have been submitted to the Senate under the provision of the act of March 4, 1913, which provides that "no dental surgeon shall render service other than temporary service until his appointment shall have been confirmed by the Senate"; also the number of dental surgeons, if any, who have been ordered to render service since March 4, 1913, without their appointments having been confirmed by the Senate.

4. As to the number and date of orders of members of the Dental Reserve Corps who are now on active duty under that clause of the act of March 4, 1913, which provides that "so many of said appointees may be ordered to active duty as the Secretary of the Navy may deem necessary to the health and efficiency of the personnel of the Navy and Marine Corps."

5. As to the number and date of orders of members of the Dental Reserve Corps who are on active duty, or subject to orders to active duty, and under instruction with a view to their appointment as officers of permanent tenure in the carrying out of that proviso of the act of March 4, 1913, which provides "that Dental Corps officers of permanent tenure shall be appointed from the Dental Reserve Corps membership in accordance with the said provisions of the said act."

Mr. SMITH of Michigan. I understand that a bill on this subject has passed the House of Representatives and is on the calendar. Am I not right?

The PRESIDENT pro tempore. The Chair is informed that the Senator is correct.

Mr. SMITH of Michigan. I was very hopeful that we would reach that bill to-day. Under the circumstances I should like to have this resolution lie on the table, so that when we reach the bill it may take the place of the resolution.

Mr. THORNTON. Mr. President, I think it would be eminently proper to have that resolution also referred to the Committee on Naval Affairs, and I ask that it may be so referred.

The PRESIDENT pro tempore. The Senator from Louisiana moves that the resolution be referred to the Committee on Naval Affairs.

The motion was agreed to.

EMERGENCY REVENUE LEGISLATION—PERSONAL EXPLANATION.

Mr. SHEPPARD. Mr. President, I rise to a question of personal privilege. I have noticed in one of the newspapers published in Washington a statement to the effect that when the war-tax measure was being pressed to a final conclusion on last Saturday I had entered into an agreement with certain other Senators to vote to defeat the war-tax bill in the event that the cotton amendment should not be adopted, and that I was prevented from taking such a course through the influence of a certain member of the Cabinet.

I wish to say that the statement is absolutely untrue. I entered into no agreement to vote to defeat the war-revenue bill; and when the motion of my good friend the Senator from Mississippi [Mr. VARDAMAN] was made to indefinitely postpone the bill, and the Chair held that such a motion would be a final disposition of it if carried, I immediately announced to those about me that I could not support it. The statement that I was influenced by anybody in taking that action is entirely untrue.

I feel it due to myself, and also due to my colleagues, to make this statement. I did everything within my power for the cotton bond amendment, and no one regretted its defeat more than I.

Mr. THORNTON. Mr. President, I wish to say that I have also noticed that my name was put in one of the Washington papers as being one of the eight southern Senators who, it was said, had combined to try to prevent the passage of the war-revenue bill unless the cotton amendment was agreed to; but as everybody here knew that my position was diametrically opposite to that, I did not consider it worthy of any attention.

THE PLAZA CASES.

The joint resolution (H. J. Res. 331) relating to the awards and payments thereon in what are commonly known as the Plaza cases, was read twice by its title.

Mr. SMITH of Maryland. I ask unanimous consent that the joint resolution be put upon its final passage.

The PRESIDENT pro tempore. The Senator from Maryland asks unanimous consent for the present consideration of House joint resolution 331. Is there objection?

Mr. ROOT. May the joint resolution be read, Mr. President?

The PRESIDENT pro tempore. The Secretary will read the joint resolution.

The Secretary read the joint resolution; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

THE CALENDAR.

The PRESIDENT pro tempore. The calendar under Rule VIII is in order.

Mr. KERN. Mr. President, I am requested by the conferees who have in charge the war-tax bill to ask, at the proper time, for a recess until 8 o'clock this evening, in order that the conference report may be considered at an evening session. I simply desire to give notice that I shall make that motion. I understand that it is the desire of Senators to proceed with the calendar under Rule VIII, but with the understanding and agreement that nothing but unobjected bills are to be considered.

Mr. SMITH of Michigan. Unobjected bills.

Mr. OVERMAN. Let us have that understanding, or unanimous consent—that it is only unobjected bills that will be considered.

Mr. SMITH of Michigan. I suppose that might as well be the understanding, because plainly we could not get a quorum if we undertook to do anything else.

Mr. KERN. No.

The PRESIDENT pro tempore. If the matter should take the form of a formal unanimous-consent agreement it would be necessary to call the roll. It can be done by common consent.

Mr. WARREN. Mr. President, do I understand that unanimous consent has been given to proceed with the calendar?

The PRESIDENT pro tempore. Yes; for the consideration of unobjected bills. The Secretary will state the first bill on the calendar.

BILLS, ETC., PASSED OVER.

The first business on the calendar was the bill (S. 1240) to establish the legislative reference bureau of the Library of Congress.

Mr. OVERMAN. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The joint resolution (S. J. Res. 41) authorizing the Secretary of the Interior to sell or lease certain public lands to the Republic Coal Co., a corporation, was announced as next in order.

Mr. OVERMAN. Let that go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

The bill (S. 2242) making it unlawful for any Member of Congress to serve on or solicit funds for any political committee, club, or organization was announced as next in order.

Mr. OVERMAN. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The resolution (S. Res. 156) limiting expenditures for telegrams sent or received by Senators was announced as next in order.

Mr. OVERMAN. Let the resolution go over.

The PRESIDENT pro tempore. The resolution will be passed over.

The resolution (S. Res. 84) providing that any Senator, upon his own request, may be recorded and counted as present in order to constitute a quorum was announced as next in order.

Mr. WARREN. Let that go over.

The PRESIDENT pro tempore. The resolution will go over.

The resolution (S. Res. 218) proposing an amendment to the standing rules of the Senate was announced as next in order.

Mr. WARREN. Let that go over.

The PRESIDENT pro tempore. The resolution will be passed over.

The joint resolution (S. J. Res. 26) proposing an amendment to the Constitution of the United States was announced as next in order.

Mr. OVERMAN. Let that go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

The joint resolution (S. J. Res. 94) to authorize the Secretary of Commerce to investigate the condition of trade in China, for the purpose of determining the desirability of establishing there a permanent exposition of the products of the United States of America, was announced as next in order.

Mr. NELSON and Mr. WARREN. Let that go over.

Mr. POMERENE. Mr. President, I hope the Senators will withdraw that objection. This matter has been on the calendar for a long time, and the appropriation which is required is very small. Its purpose is to extend our commercial relations with China. I think that just at this particular time it is quite opportune that this resolution should be passed, and unless there is serious objection I hope it will be.

Mr. WARREN. There has been quite serious objection by Senators who are not in the Chamber at the present time, and who desire to discuss the joint resolution. I therefore ask that it may go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

The bill (S. 2425) to authorize the Roanoke River Development Co. to construct and maintain a dam across the Roanoke River in Mecklenburg County, in the State of Virginia, approximately 20 miles below the town of Clarksville, in said State, was announced as next in order.

Mr. KERN. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3791) to provide for a permanent exhibit of the resources of the States of the Union in or near Washington, D. C., was announced as next in order.

Mr. OVERMAN. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The joint resolution (S. J. Res. 10) proposing an amendment to the Constitution of the United States, fixing the time for the convening of Congress and commencement of the terms of the President, Vice President, Senators, and Representatives, was announced as next in order.

Mr. WARREN. Let that go over.

The PRESIDENT pro tempore. The resolution will be passed over.

The resolution (S. Res. 254) to create a special committee of five Senators to assist the Interstate Commerce Commission in investigating certain facts regarding the methods and practices of the Louisville & Nashville Railroad, and for other purposes, was announced as next in order.

Mr. OVERMAN and Mr. WARREN. Let that go over.

The PRESIDENT pro tempore. The resolution will be passed over.

The bill (S. 392) to create in the War Department and Navy Department, respectively, a roll designated as "the Civil War volunteer officers' retired list," to authorize placing thereon with retired pay certain surviving officers who served in the Army, Navy, or Marine Corps of the United States in the Civil War, and for other purposes, was announced as next in order.

Mr. BRYAN. Let that go over.

The PRESIDENT pro tempore. The bill will go over.

The bill (S. 121) to provide that petty officers, noncommissioned officers, and enlisted men of the United States Navy and Marine Corps on the retired list who had creditable Civil War service shall receive the rank or rating and the pay of the next higher enlisted grade was announced as next in order.

Mr. OVERMAN. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 6827) to amend an act entitled "An act to change the name of the Public Health and Marine-Hospital Service to the Public Health Service, to increase the pay of officers of said service, and for other purposes," approved August 14, 1912, was announced as next in order.

Mr. WARREN. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 4161) to prohibit the importation and entry of goods, wares, and merchandise made in whole or in part by convict, pauper, or detained labor, or made in whole or in part from materials which have been made in whole or in part or in any manner manipulated by convict or prison labor, was announced as next in order.

Mr. OVERMAN. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 531) to set apart certain lands in the State of Oregon as a public park, to be known as the Saddle Mountain National Park, was announced as next in order.

Mr. OVERMAN. The Senator from Oregon is not here. I ask that that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 4405) to provide for and encourage the prospecting, mining, and treatment of radium-bearing ores in lands belonging to the United States, for the purpose of securing an adequate supply of radium for Government and other hospitals in the United States, and for other purposes, was announced as next in order.

Mr. WARREN. Let that go over, Mr. President.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 6060) to regulate the immigration of aliens to and the residence of aliens in the United States was announced as next in order.

The PRESIDENT pro tempore. Let that bill go over.

The bill (H. R. 8846) making appropriations for payment of certain claims in accordance with findings of the Court of Claims, reported under the provisions of the acts approved March 3, 1883, and March 3, 1887, and commonly known as the Bowman and the Tucker Acts, and under the provisions of section No. 151 of the act approved March 3, 1911, commonly known as the Judicial Code, was announced as next in order.

The PRESIDENT pro tempore. Let that bill go over.

The joint resolution (S. J. Res. 120) creating a joint committee of Congress, and authorizing said committee to acquire, by purchase or condemnation, the property known as Monticello, and embracing the former home of Thomas Jefferson and the family graveyard in which his remains were interred, with such lands and grounds appurtenant thereto as the committee shall find necessary in order to carry out the various public objects and purposes in said resolution set forth, all of said property being located in Albemarle County, Va., was announced as next in order.

Mr. WARREN. Let that go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

The bill (S. 3545) to provide for the highway-improvement work by the United States Department of Agriculture in cooperation with the highway departments of the several States was announced as next in order.

Mr. WARREN. Let that go over.

The PRESIDENT pro tempore. The bill will go over.

The joint resolution (S. J. Res. 93) authorizing and directing the Department of Labor to make an inquiry into the cost of living in the District of Columbia and to report thereon to Congress as early as practicable was announced as next in order.

Mr. WARREN. Let that go over.

The PRESIDENT pro tempore. The joint resolution will go over.

The bill (S. 4601) to authorize the Director of the Census to enumerate the population of the city of Tulsa, State of Oklahoma, was announced as next in order.

Mr. WARREN. Let that go over.

The PRESIDENT pro tempore. It will go over.

The Senate concurrent resolution (S. Con. Res. 21) authorizing the printing of additional copies of Senate Document No. 147 (57th Cong., 2d. sess.), "Bills and Debates in Congress on Trusts," was announced as next in order.

Mr. OVERMAN. Let that go over.

The PRESIDENT pro tempore. The resolution will go over.

Senate resolution (S. Res. 305) to print a pamphlet entitled "The power of the Federal judiciary to declare legislation invalid which conflicts with the Federal Constitution," by David K. Watson, as a Senate document, was announced as next in order.

Mr. OVERMAN. Let that go over.

The PRESIDENT pro tempore. It will go over.

ILLITERACY AMONG JEWISH IMMIGRANTS (S. DOC. NO. 611).

Senate resolution 322, reported by Mr. CHILTON from the Committee on Printing, March 28, 1914, was considered and agreed to as follows:

Resolved, That an article presented in the Senate by the Senator from New York [Mr. O'GORMAN] March 24, 1914, entitled "Illiteracy Among Jewish Immigrants and its Causes," be printed as a public document.

BILLS, ETC., PASSED OVER.

The bill (S. 4843) to amend section 4 of the act entitled "An act to provide for a permanent Census Office," approved March 6, 1902, was announced as next in order.

Mr. KERN. Let the bill go over.

Mr. NELSON. I ask that it may go over.

The PRESIDENT pro tempore. The bill will go over.

Senate resolution (S. Res. 320) to print an address by Lewis Jerome Johnson before the First National Conference on Popular Government upon "The preferential ballot as a possible substitute for the direct primary" was announced as next in order.

Mr. OVERMAN. Let that go over.

The PRESIDENT pro tempore. The bill will go over.

The joint resolution (S. J. Res. 130) proposing an amendment to the Constitution of the United States was announced as next in order.

Mr. OVERMAN. Let that go over.

The PRESIDENT pro tempore. The resolution will go over.

The bill (S. 5340) to amend, revise, and codify the laws relating to the public printing and binding and the distribution of Government publications was announced as next in order.

Mr. FLETCHER. That is a very important bill. It is a bill which will probably save from $600,000 to $800,000 a year when passed, but it will take some time to consider it. We have not time to take it up now.

The PRESIDENT pro tempore. The Senator from Florida asks that the bill may go over.

Mr. FLETCHER. I do not ask that it go over. I am willing to take it up.

The PRESIDENT pro tempore. Let the Chair inquire of the Senator from Florida whether substantially this same bill is not now being considered in the House of Representatives?

Mr. FLETCHER. There is a similar bill pending there, but it will take some time to consider it.

Mr. WARREN. I think the Senator knows that some of his colleagues on the Committee on Printing would wish to be here when the bill is considered.

Mr. FLETCHER. Perhaps that is true.

Mr. WARREN. It is an important bill, and I think it should be laid over for the present.

The PRESIDENT pro tempore. The bill will go over.

ABRAM H. JOHNSON.

The bill (S. 1991) correcting the military record of Abram H. Johnson was considered as in Committee of the Whole.

The bill had been reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and insert:

That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Abram H. Johnson, who was a corporal of Company K, Third Regiment Michigan Volunteer Cavalry, shall hereafter be held and considered to have been discharged honorably from the military service of the United States as a member of said company and regiment March 18, 1864: *Provided*, That no pay, bounty, or other emoluments shall become due or payable by virtue of the passage of this act.

The amendment was agreed to.

The bill was reported to the Senate as amended and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Abram H. Johnson."

BILLS AND JOINT RESOLUTION PASSED OVER

The bill (S. 1988) to remove the charge of desertion from the military record of John H. Armstrong was announced as next in order.

Mr. CULBERSON. Let the bill go over, Mr. President.

The PRESIDENT pro tempore. The bill will go over.

The bill (S. 3804) for the relief of Templin Morris Potts, captain on the retired list of the United States Navy, was announced as next in order.

Mr. OVERMAN. Let the bill go over.

The PRESIDENT pro tempore. It will go over.

The joint resolution (S. J. Res. 128) proposing an amendment to the Constitution of the United States was announced as next in order.

Mr. OVERMAN. Let the joint resolution go over.

The PRESIDENT pro tempore. It will go over.

The bill (S. 717) to correct the military record of Thomas Smart.

Mr. BRYAN. There does not appear to be any report accompanying this bill. Therefore, I ask that it may go over.

The PRESIDENT pro tempore. The Chair is advised that there is a report accompanying the bill.

Mr. OVERMAN. Let it go over.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. BRYAN. I see there is a report, but it does not state any of the facts.

The PRESIDENT pro tempore. The bill will go over.

DONATION OF CONDEMNED CANNON.

The bill (S. 5495) authorizing the Secretary of War to make certain donations of condemned cannon and cannon balls was considered as in Committee of the Whole.

The PRESIDENT pro tempore. The amendments of the Committee on Military Affairs have been heretofore agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TREATISE ON ECONOMIC VALUE OF MAN.

Senate resolution (S. Res. 351) to print the manuscript entitled "A treatise on the economic value of man," by Dr. Chauncey Rea Burr, of Portland, Me., as a Senate document was announced as next in order.

Mr. OVERMAN. Let that go over.

The PRESIDENT pro tempore. The resolution will go over.

ADDRESS ON GOVERNMENT BY JUDGES (S. DOC. NO. 610).

Senate resolution (S. Res. 357) to print the address of Chief Justice Walter Clark, of the North Carolina Supreme Court, upon "Government by judges," as a Senate document was considered and agreed to as follows:

Resolved, That the manuscript submitted by Mr. OVERMAN on March 25, 1914, entitled "Government by judges," an address delivered by Chief Justice Walter Clark, of the North Carolina Supreme Court, at Cooper Union, New York City, January 27, 1914, be printed as a Senate document.

BILLS, ETC., PASSED OVER.

The bill (S. 1887) to annul the proclamation creating the Chugach National Forest and to restore certain lands to the public domain was announced as next in order.

Mr. WARREN. Let that go over.

The PRESIDENT pro tempore. The bill will go over.

The bill (S. 1269) for the adjudication and determination of the claims arising under joint resolution of July 14, 1870, authorizing the Postmaster General to continue in use in the Postal Service Marcus P. Norton's combined postmarking and stamp-canceling hand stamp patents or otherwise was announced as next in order.

Mr. OVERMAN. Let that go over.

The PRESIDENT pro tempore. The bill will go over.

Senate resolution (S. Res. 367) for the printing of certain documents relating to claims against the Government of Colombia as a Senate document was announced as next in order.

Mr. WARREN. Let that go over.

The PRESIDENT pro tempore. Objection being made, the resolution will go over.

The bill (H. R. 13044) to pension widows and minor and helpless children of officers and enlisted men who served during the War with Spain or the Philippine insurrection or in China between April 21, 1898, and July 4, 1902, was announced as next in order.

Mr. BRYAN. Let that go over.

The PRESIDENT pro tempore. The bill will go over.

The bill (H. R. 14330) to prohibit the importation and entry of goods, wares, and merchandise made in whole or in part by convict, pauper, or detained labor, or made in whole or in part from materials which have been made in whole or in part or in any manner manipulated by convict or prison labor was announced as next in order.

Mr. OVERMAN. Let that go over.

The PRESIDENT pro tempore. The bill will go over.

The bill (S. 4180) to validate title to certain town sites in the State of Montana was announced as next in order.

Mr. WARREN. Let that go over.

The PRESIDENT pro tempore. The bill will go over.

Senate resolution (S. Res. 376) requesting the President to open diplomatic negotiations for the settlement of the Panama Canal tolls questions by international arbitration was announced as next in order.

Mr. OVERMAN. Let that go over.

The PRESIDENT pro tempore. The resolution will go over.

The bill (S. 5210) to correct the military record of Nelson T. Saunders was announced as next in order.

Mr. BRYAN. Let that go over.

The PRESIDENT pro tempore. The bill will go over.

Senate resolution 393, to print the pamphlet entitled "Doniphan's Expedition," containing an account of the conquest of New Mexico, with illustrations, was announced as next in order.

Mr. OVERMAN. Let that go over.

The PRESIDENT pro tempore. The resolution will go over.

The joint resolution (S. J. Res. 117) to determine the rights of the State of Colorado and of its citizens in the beneficial uses of waters of the Rio Grande and its tributaries within the boundaries of Colorado was announced as next in order.

Mr. THOMAS. I do not feel authorized to take up the joint resolution in the absence of the junior Senator from Texas [Mr. SHEPPARD]. I ask that it may go over.

The PRESIDENT pro tempore. The joint resolution will go over.

The bill (H. R. 4541) to consolidate the veterinary service, United States Army, and to increase its efficiency was announced as next in order.

The PRESIDENT pro tempore. The bill will go over.

Mr. KERN. That is a very meritorious bill, and in support of it——

The PRESIDENT pro tempore. Objection is made. The Senator from Arkansas objects.

Mr. KERN. I hope the Senator from Arkansas will withdraw his objection.

The PRESIDENT pro tempore. It will take some time to consider the bill. The objection disposes of it for the present, however.

The bill (S. 4282) to establish in the War Department and in the Navy Department, respectively, a roll designated as "The Army and Navy medal of honor honor roll," and for other purposes was announced as next in order.

Mr. WEST. Let that go over.

Mr. CULBERSON. Let the bill go over.

The PRESIDENT pro tempore. It will go over.

Senate resolution 293, to amend Rule XXV of the standing rules of the Senate, was announced as next in order.

Mr. WARREN. Let that go over.

The PRESIDENT pro tempore. The resolution will go over.

CHARLES A. COULSON.

The bill (H. R. 13698) to correct the military record of Charles A. Coulson was announced as next in order.

Mr. OVERMAN. Let that go over.

Mr. KERN. The Senator from Missouri [Mr. STONE], who is on the conference committee, has requested me to urge Senators to permit this bill to pass.

Mr. OVERMAN. I will withdraw the objection. I did not know anything about it.

The PRESIDENT pro tempore. The bill will be read.

The bill was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That in the administration of any laws conferring any rights, privileges, or benefits upon honorably discharged soldiers Charles A. Coulson shall be held and considered to have been mustered as a private in Company H, Twenty-first Regiment Missouri Volunteer Infantry, on February 28, 1862, and to have been honorably discharged from the military service of the United States as a member of said company and regiment on the 1st day of October, 1862: *Provided*, That other than above set forth no back pay, bounty, pension, or other emolument shall accrue prior to or by reason of the passage of this act.

Amend the title so as to read: "An act for the relief of Charles A. Coulson."

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Charles A. Coulson."

DEPARTMENT OF JUSTICE BUILDING.

The bill (S. 6059) to provide for the erection, furnishing, and equipping of a building in the city of Washington, D. C., for the Department of Justice was announced as next in order.

Mr. KERN. Let the bill go over.

Mr. ROOT. Let me ask if I am correct in understanding that the bill is substantially the same as House bill 13870, which passed the House?

Mr. SWANSON. I do not think the bill has passed the House. A similar bill was introduced in the House and the Senate—the bill prepared by the department.

Mr. ROOT. I wish to say about this bill that it appears to me to have been based upon insufficient information about the facts.

In 1910 Congress authorized the obtaining of designs and estimates for the construction of a building for the Department of State, one for the Department of Justice, and one for the Department of Commerce and Labor, upon the land which we had already purchased between Fourteenth and Fifteenth Streets and Pennsylvania Avenue and the Mall. Those designs were to be approved by a board consisting of the President, the Secretary of the Treasury, and the heads of the respective executive departments. Under that statute an open public competition was held, to which the architects of the United States were invited. Great numbers of them came in and submitted plans and designs, and those designs were passed upon by the board created by the statute in regard to the Department of Justice Building, the President, the Secretary of the Treasury, and the Attorney General. One of the plans was selected and the contract to be the architect for the building was awarded to the maker of the successful design. Since that time that successful competitor has been going on perfecting and working out the plans under his contract with the Government.

This bill authorizes the breaking of that contract with the Government and the ignoring of the rights of the successful competitor. It is a breach of faith by the Government of the United States, which was pledged to the competitors in that open public competition. The bill ought not to pass if we have any regard for the good faith of our Government. It provides that the same commission, except that the incumbents of the offices have changed, shall have "power and authority to obtain, through competition, under such conditions as the commission may prescribe, or from an architect specially selected by said commission," designs and plans for the building for the Department of Justice, and to go on and put up the building, shoving aside and ignoring the contract already made and the action of the Government of the United States under the authority of Congress selecting the design and constituting the successful competitor the architect.

I think it must be that the committee was not familiar with these facts when it reported the bill favorably.

Mr. SWANSON. I should like——

The PRESIDENT pro tempore. The Chair will state to the Senator from New York that in accordance with the order under which we are now proceeding a single objection sends the bill over.

Mr. ROOT. I will not object to the Senator from Virginia proceeding.

Mr. SWANSON. I wish to say to the Senator from New York that the committee reporting on this subject were better acquainted with the facts than is the Senator from New York, if the facts as stated by him are the full limit of his acquaintance with the matter.

Mr. ROOT. No; I know many other facts that I have not yet stated.

Mr. SWANSON. Congress authorized, as the Senator said, the construction of these buildings, and it made an appropriation for plans limiting the appropriation to the preparation of plans by the Government. I hope the Senator will listen.

Mr. ROOT. I am listening with great care.

Mr. SWANSON. For the preparation of the plans Congress provided so much money to be paid for the plans when submitted for approval. The plans were submitted, they were approved, and the architect has been paid what he was entitled to receive for his plans.

Now, when the time came, the architect desired to have a contract by which he should be paid the usual fee for construction in addition to his plans. That has never been authorized. It was not held by the department in its advertising or implied that the architect who would prepare the plans which would be accepted would have the right of construction with the fees involved in it. The department never had any authority to make a contract to pay the architect's fees of 5 per cent for construction.

If I recollect right, the architect has already been paid $49,000. He and those who are cooperating with him have for years prevented any bill from passing for the construction of a building for the Department of Justice here unless the bill would compel the Government to employ him as the architect and pay him the usual fee for construction.

The department has insisted, and the Committee on Public Buildings and Grounds have insisted, that the entire contract made with this architect has been complied with. The contract was entered into and all the money that he is entitled to under that contract for the adoption and acceptance of his plan will be paid. He is entitled to that; but there is nothing in the law or the authorization requiring them to employ him to construct the building. There might, and possibly will be, some modifications in the plan. All I have to say is that if the Senator wishes to take the responsibility of saying that this great needed improvement shall not be made unless the Government will make a contract it is under no obligation to make and has not agreed to make, to pay him the fee for supervising this work, which can possibly be done by the Supervising Architect's office, thus saving that money to the Government, the responsibility is with the Senator and not with me.

There is nothing in this bill that will prohibit the Government from employing this architect if his plans are finally carried out and if it desires to employ an architect to supervise the work. There is nothing here that would exclude the employment of that architect. The Government has not violated any contract with him. If the Senator will read all the documents I put in here about a month ago, the correspondence, the advertisement for bids, the law, and the letter from the department explaining this matter, he will clearly see that these are the facts.

This bill was prepared by the department and introduced cotemporaneously in the House and the Senate as the plan the department wishes to follow in connection with the erection of the building for the Department of Justice.

Mr. THOMAS. I should like to inquire the name of the architect.

Mr. SWANSON. I forget the name. I have not the papers here.

Mr. KERN. I rise to a point of order, Mr. President.

The PRESIDENT pro tempore. The Senator from Indiana rises to a point of order.

Mr. KERN. I objected to the consideration of the bill, and I do not understand how the discussion is proceeding.

The PRESIDENT pro tempore. The Chair did not hear the Senator from Indiana object, but he understood that the Senator from New York intended to object. Objection is made and the bill goes over.

BILLS, ETC., PASSED OVER.

The joint resolution (S. J. Res. 98) authorizing a survey and examination of the Rio Grande border of the United States to determine the advisability of constructing a highway either along the entire border or certain sections thereof was announced as next in order.

Mr. WARREN. Let that go over.

The PRESIDENT pro tempore. The joint resolution will be passed over on the objection of the Senator from Wyoming.

The bill (H. R. 962) for the relief of William H. Shannon was announced as next in order.

Mr. OVERMAN. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 6120) for the allowance of certain claims reported by the Court of Claims was announced as next in order.

Mr. BRYAN. Mr. President, I reported the bill, which is now reached on the calendar. It is quite a long bill, and I will not ask that it be taken up at this time.

The PRESIDENT pro tempore. Does the Senator object to its present consideration?

Mr. BRYAN. I do not like to be put in the attitude of objecting to a bill which I reported. I merely make the statement that it is a bill of many pages, and that it would consume considerable time.

Mr. WEST. I ask that the bill go over.

The PRESIDENT pro tempore. The Senator from Georgia objects, and the bill will be passed over.

The bill (S. 1267) to transfer Capt. Armistead Rust from the retired to the active list of the United States Navy was announced as next in order.

Mr. THORNTON. I ask that that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1151) to remedy in the line of the Army the inequalities in rank due to the past system of regimental promotion was announced as next in order.

Mr. WARREN. I ask that that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1985) to remove the charge of desertion from the military record of Capt. Daniel H. Powers was announced as next in order.

Mr. OVERMAN. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 4492) to authorize James F. Barbour and his successors in title to permanently maintain and use siding from the tracks of the Philadelphia, Baltimore & Washington Railroad in the city of Washington was announced as next in order.

Mr. THOMAS. I ask that that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 16586) to amend section 20 of an act to regulate commerce, to prevent overissues of securities by carriers, and for other purposes, was announced as next in order.

Mr. OVERMAN. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over at the request of the Senator from North Carolina.

The bill (H. R. 10735) to create a bureau of labor safety in the Department of Labor was announced as next in order.

Mr. OVERMAN. I ask that that bill go over.

Mr. KERN. Mr. President, I inquire who objected to the consideration of that bill?

Mr. OVERMAN. I will say to the Senator that I object to its consideration at this time.

The PRESIDENT pro tempore. Objection being made, the bill goes over.

The bill (H. R. 12909) to correct the military record of James W. McGreevey was announced as next in order.

Mr. OVERMAN. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

ESTATE OF JOHN STEWART.

The bill (S. 1373) for the relief of the estate of John Stewart, deceased, was considered as in Committee of the Whole. It proposes to pay to William L. Browning, administrator of the estate of John Stewart, deceased, late civil engineer, for extra compensation for services rendered by him to the Government in connection with the Potomac Flats case, $2,000.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER.

The bill (S. 1851) for the relief of the legal representatives of the estate of Henry H. Sibley, deceased, was announced as next in order.

Mr. BRYAN. Mr. President, the senior Senator from Maine [Mr. JOHNSON] expressed a desire to be present when this bill was taken up, and therefore, because of his absence, I ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over at the request of the Senator from Florida.

The bill (H. R. 11686) to provide that the United States shall in certain cases aid the States and the civil subdivisions thereof in the construction and maintenance of rural post roads was announced as next in order.

Mr. WARREN. I ask that that bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over on the request of the Senator from Wyoming.

The bill (H. R. 12919) to amend an act entitled "An act to provide for an enlarged homestead" was announced as next in order.

Mr. OVERMAN. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 647) to amend an act entitled "An act for the survey and allotment of lands now embraced within the limits of the Flathead Indian Reservation, in the State of Montana, and the sale and disposal of all surplus lands after allotment," approved April 23, 1904 (33 Stat. L., 302), as amended by the act of March 3, 1909 (35 Stat. L., 796), was announced as next in order.

Mr. PAGE. Let that go over.

The PRESIDENT pro tempore. Objection being made to the present consideration of the bill, it will be passed over.

Mr. WALSH. I trust that no objection will be made to that measure.

Mr. PAGE. I will say that when the junior Senator from Oregon [Mr. LANE] went away he came to me and asked that, in the event that bill should come up, I should request for him that it go over; and I told him that I would do so. I understand he is opposed to the bill and wishes to be here when it is considered.

The PRESIDENT pro tempore. Objection is made, and the bill goes over.

Mr. MYERS. I simply want to say in that connection that the Senator from Oregon [Mr. LANE] was in the committee when this bill was reported, and it is my recollection that he voted for the report and that the report was unanimous. Of course, however, on the request of the Senator from Vermont the bill will go over.

The PRESIDENT pro tempore. The bill being objected to, it will go over.

Mr. PAGE. I will say that the Senator from Oregon made the request of me on the day before yesterday.

R. G. ARRINGTON.

The bill (H. R. 11840) for the relief of R. G. Arrington was considered as in Committee of the Whole. It directs the Secretary of the Interior to cancel the abandoned homestead entry of John P. Adams for the southeast quarter of section 2, township 5 south, range 11 west, Indian meridian, Oklahoma, Guthrie land serial, and within a period of 90 days from and after the passage of this act to sell the same to R. G. Arrington, the present occupant of the land, for the original purchase price of $981.67, and issue a patent to him therefor.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

HOMESTEAD PATENTS TO DESERTED WIVES.

The bill (H. R. 16296) to provide for issuing of patents for public lands claimed under the homestead laws by deserted wives was considered as in Committee of the Whole. It provides that in any case in which persons have regularly initiated claims to public lands as settlers thereon under the provisions of the homestead laws and the wife of such homestead settler or entryman, while residing upon the homestead claim and prior to submission of final proof of residence, cultivation, and improvement as prescribed by law, has been abandoned and deserted by her husband for a period of more than one year, the deserted wife shall, upon establishing the fact of such abandonment or desertion to the satisfaction of the Secretary of the Interior, be entitled to submit proof upon such claim and obtain patent therefor in her name in the form, manner, and subject to the conditions prescribed in section 2291 of the Revised Statutes of the United States and acts supplemental thereto and amendatory thereof, but in such cases the wife shall be required to show residence upon, cultivation, and improvement of the homestead by herself for such time as when, added to the time during which her husband prior to desertion had complied with the law, would aggregate the full amount of residence, improvement, and cultivation required by law.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER.

The bill (S. 6202) to repeal an act entitled "An act to amend section 3 of the act of Congress of May 1, 1888, and extend the provisions of section 2301 of the Revised Statutes of the United States to certain lands in the State of Montana embraced within the provisions of said act, and for other purposes," was announced as next in order, and the Secretary read the bill.

Mr. WALSH. Mr. President, I have an amendment which I desire to offer to that bill. I am unable at this time, however,

to find the amendment, and I ask, therefore, that the bill be temporarily passed over.

The PRESIDENT pro tempore. On the request of the Senator from Montana the bill will be temporarily passed over.

The bill (H. R. 11246) for the restoration of annuities to the Medawakanton and Wahpakoota (Santee) Sioux Indians declared forfeited by the act of February 16, 1863, was announced as next in order.

Mr. PAGE. I ask that that bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 7205) to correct the military record of H. S. Hathaway was announced as next in order.

Mr. OVERMAN. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

ERIK J. AANRUD.

The bill (H. R. 4318) to authorize the Secretary of the Interior to cause patent to issue to Erik J. Aanrud upon his homestead entry for the southeast quarter of the northeast quarter of section 15, township 159 north, range 73 west, in the Devils Lake land district, North Dakota, was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER.

The bill (S. 5588) to provide for the establishment and maintenance of mining experiment and mine safety stations for making investigations and disseminating information among employees in the mining, quarrying, metallurgical, and other mineral industries, and for other purposes, was announced as next in order.

Mr. OVERMAN. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

REFUND OF DUTIES ON WILD-CELERY SEED.

The bill (H. R. 1781) providing for the refund of certain duties incorrectly collected on wild-celery seed was considered as in Committee of the Whole. It directs the Secretary of the Treasury to pay to William A. Avis, of New York, N. Y., the sum of $434.30, being the amount incorrectly collected on 4,343 pounds of wild-celery seed imported at the port of New York on November 3, 1909, entry No. 273,740.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

FUR-SEAL SKINS.

The joint resolution (S. J. Res. 177) to transfer to the custody and possession of the Attorney General sealskins was considered as in Committee of the Whole. It directs the Secretary of Commerce to transfer to the custody and the possession of the Attorney General of the United States the 400 fur-seal skins taken July 7, 1913, on the island of St. Paul, of the Pribilof Islands, Alaska, in the Bering Sea.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

JOSEPH GORMAN.

The bill (S. 6152) for the relief of Joseph Gorman was announced as next in order.

Mr. OVERMAN. I ask that that bill go over.

Mr. NORRIS. Mr. President, I know of no objection to the passage of the bill, and I trust the Senator from North Carolina will withdraw his objection to its consideration.

Mr. OVERMAN. I do not know anything about it.

Mr. NORRIS. I will say that it was a unanimous report of the committee.

Mr. OVERMAN. I have no information as to the bill, but on the statement of the Senator I withdraw my objection.

The PRESIDENT pro tempore. The Senator from North Carolina withdraws his objection.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Military Affairs with an amendment, on page 2, line 2, after the word "regiment," to insert "*Provided*, That no back pay, bounty, or other emolument shall accrue prior to the passage of this act, so as to make the bill read:

Be it enacted, etc., That in the administration of the pension laws Joseph Gorman, who served as a private in Company D, Eighty-sixth Regiment Indiana Volunteer Infantry, shall hereafter be held and considered to have been enrolled and mustered into the military service of the United States on October 8, 1864, and discharged honorably from the military service of the United States on June 12, 1865, as a member of that company and regiment: *Provided*, That no back pay, bounty, or other emolument shall accrue prior to the passage of this act.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FREDERICK J. BIRKETT.

The bill (S. 6011) to reinstate Frederick J. Birkett as third lieutenant in the United States Revenue-Cutter Service was considered as in Committee of the Whole. The bill had been reported from the Committee on Commerce, with an amendment, in line 8, after the word "thirteen," to insert:

Provided, That this appointment shall not be made until the said Birkett shall have passed a satisfactory physical examination before a board of surgeons of the United States Public Health Service.

So as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to appoint as a third lieutenant in the United States Revenue-Cutter Service Frederick J. Birkett, formerly third lieutenant in the United States Revenue-Cutter Service, and who voluntarily resigned from such service on October 8, 1913: *Provided*, That this appointment shall not be made until the said Birkett shall have passed a satisfactory physical examination before a board of surgeons of the United States Public Health Service.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER.

The bill (S. 5484) modifying and amending the act providing for the disposal of the surplus unallotted lands within the Blackfeet Indian Reservation, Mont., was announced as next in order.

Mr. PAGE. When the junior Senator from Oregon [Mr. LANE] went away he asked me to object to all legislation with regard to the Blackfeet and Flathead lands, and, in his behalf, I object to the present consideration of the bill.

The PRESIDENT pro tempore. The Senator from Vermont objects, and the bill goes over.

The bill (H. R. 8428) to codify, revise, and amend the laws relating to publicity of contributions and expenditures made for the purpose of influencing the nomination and election of candidates for the offices of Representative and Senator in the Congress of the United States, limiting the amount of campaign expenses, and for other purposes, was announced as next in order.

Mr. WARREN. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2321) to limit the effect of the regulation of interstate commerce between the States in goods, wares, and merchandise wholly or in part manufactured, mined, or produced by convict labor or in any prison or reformatory was announced as next in order.

Mr. NELSON. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

STAR OF THE EAST LODGE, OLD TOWN, ME.

The bill (H. R. 4651) to authorize the Secretary of the Treasury to sell certain lands to the trustees of the charity fund of the Star of the East Lodge, of Old Town, Me., was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

AMERICAN REGISTRY FOR WRECKED VESSELS.

The bill (S. 2335) to provide for the register and enrollment of vessels built in foreign countries when such vessels have been wrecked on the coasts of the United States or her possessions or adjacent waters and salved by American citizens and repaired in American shipyards was considered as in Committee of the Whole. It proposes to reenact and revise section 4136 of the Revised Statutes of the United States so as to read as follows:

The Secretary of Commerce may issue a register or enrollment for any vessel wrecked on the coasts of the United States or her possessions or adjacent waters, when purchased by a citizen or citizens of the United States and thereupon repaired in a shipyard in the United States or her possessions, if it shall be provided to the satisfaction of the Secretary of Commerce, if he deems it necessary, through a board of three appraisers appointed by him, that the said repairs put upon such vessels are equal to three times the appraised salved value of the vessel: *Provided*, That the expense of the appraisal herein provided for shall be borne by the owner of the vessel: *Provided further*, That if any of the material matters of fact sworn to or represented by the owner, or at his instance, to obtain the register of any vessel are not true, there shall be a forfeiture to the United States of the vessel in respect to which the oath shall have been made, together with tackle, apparel, and furniture thereof.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

TRANSPORTATION OF GASOLINE ON VESSELS.

The bill (H. R. 14377) to amend section 4472 of the Revised Statutes, transportation of gasoline by passenger vessels, was considered as in Committee of the Whole. It proposes to amend section 4472 of the Revised Statutes by adding thereto the following provision:

Provided, however, That nothing in the foregoing or following sections of this act shall prohibit the transportation and use by vessels carrying passengers or freight for hire of gasoline or any of the products of petroleum for the operation of engines to supply an auxiliary lighting and wireless system independent of the vessel's main power plant: *Provided further,* That the transportation or use of such gasoline or any of the products of petroleum shall be under such regulations as shall be prescribed by the board of supervising inspectors, with the approval of the Secretary of Commerce.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

RURAL CREDITS IN IRELAND (S. DOC. NO. 607).

The resolution (S. Res. 451) reported by Mr. FLETCHER from the Committee on Printing September 5, 1914, was considered by unanimous consent and agreed to, as follows:

Resolved, That the manuscript entitled "Rural Credits in Ireland," by Hon. Wesley Frost, United States consul at Queenstown, be printed as a Senate document.

MARKET FOR COTTONSEED MEAL AND CAKE.

The concurrent resolution (S. Con. Res. 33) submitted by Mr. SHEPPARD on August 25 (calendar day, August 29), 1914, was considered by unanimous consent and agreed to, as follows:

Whereas about 500,000 tons of cottonseed meal and cake have heretofore been annually exported from the United States; and

Whereas by reason of war conditions this surplus is without a market abroad, the surplus equaling about one-third of the total output; and

Whereas the dumping of this surplus on existing domestic markets will depress the price of this article both as to raw material and finished product to such an extent as to cause disastrous losses to farmers producing the raw material: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That the Secretary of Agriculture and the Secretary of Commerce are hereby authorized and requested immediately to investigate the possibility of wider domestic markets for these products, especially in the northwest, northern, and northeast sections of the United States, and to report to Congress at the earliest practicable date a plan for acquainting these sections with the value and availability of these products as a feed for domestic animals, and for the marketing in these sections of the surplus of these products heretofore exported.

DR. L. W. CULBREATH.

The bill (H. R. 10763) for the relief of Dr. L. W. Culbreath was announced as next in order.

Mr. OVERMAN. Let that bill go over.

Mr. LEA of Tennessee. I hope the Senator from North Carolina will withdraw his objection to the consideration of that bill.

Mr. OVERMAN. Mr. President, I will say that I did not understand the bill, and I withdraw my objection to it.

The PRESIDENT pro tempore. The Senator from North Carolina withdraws his objection.

There being no objection, the bill was considered as in Committee of the Whole. It proposes to pay to Dr. L. W. Culbreath $1,000, as reward for his services in capturing one Frank Hart, alias W. B. Conrad, who robbed a mail car on train No. 104, Illinois Central Railroad, at Memphis, Tenn., June 21, 1911.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

JOINT RESOLUTION PASSED OVER.

The joint resolution (S. J. Res. 180) to determine the rights of the State of Nebraska and its citizens to the beneficial use of waters stored in the North Platte River by the Pathfinder Dam was announced as next in order.

Mr. WARREN. Let that go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

PISTAKEE LAKE AND NIPPERSINK LAKE BRIDGE.

The bill (H. R. 17267) to authorize Frank H. Gardiner to construct a bridge across the waters of Pistakee Lake and Nippersink Lake at or near their point of intersection was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

LICENSES OF OFFICERS OF VESSELS.

The bill (H. R. 16346) to amend section 4131 of the Revised Statutes of the United States of America as amended by the act of Congress approved May 28, 1896, relating to the renewal of licenses, was considered as in Committee of the Whole. It proposes to amend section 2 of section 4131 of the Revised Statutes of the United States as amended by the act of Congress approved May 28, 1896, relating to the renewal of licenses, so as to read as follows:

SEC. 2. That all licenses issued to such officers shall be for a term of five years, but the holder of a license may have the same renewed for another five years in the manner prescribed in the rules and regulations of the Board of Supervising Inspectors: *Provided, however,* That any officer holding a license and who is engaged in a service which necessitates his continuous absence from the United States may make application in writing for renewal and transmit the same to the board of local inspectors with his certificate of citizenship, if naturalized, and a statement of the applicant verified before a consul or other officer of the United States authorized to administer an oath, setting forth the reasons for not appearing in person; and upon receiving the same the board of local inspectors that originally issued such license shall renew the same and shall notify the applicant of such renewal: *Provided further,* That no license as master, mate, or pilot of any class of vessel shall be renewed without furnishing a satisfactory certificate of examination as to color blindness. And in all cases where the issue is the suspension or revocation of such licenses, whether before the local boards of inspectors (of steam vessels), as provided for in section 4450 of the Revised Statutes, or before the supervising inspector, as provided for in section 4452 of the Revised Statutes, the accused shall be allowed to appear by counsel and to testify in his own behalf. No master, mate, pilot, or engineer of steam vessels licensed under title 52 of the Revised Statutes, pages 4399 to 4500, shall be liable to draft in time of war, except for the performance of duties such as required by his license; and while performing such duties in the service of the United States every such master, mate, pilot, or engineer shall be entitled to the highest rate of wages paid in the merchant marine of the United States for similar services; and if killed or wounded while performing such duties under the United States, they or their heirs or their legal representatives shall be entitled to all the privileges accorded to soldiers and sailors serving in the Army or Navy under the pension laws of the United States.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

ST. FRANCIS RIVER BRIDGE, ARKANSAS.

The bill (H. R. 17825) to authorize the construction, maintenance, and operation of a bridge across the St. Francis River, at or near St. Francis, Ark., was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

KINDER & NICOL.

The bill (H. R. 8562) for the relief of Kinder & Nicol was considered as in Committee of the Whole. It authorizes and directs the Secretary of the Treasury to pay to Walter Kinder and Peter Nicol, trading as Kinder & Nicol, of San Diego, State of California, out of any money in the Treasury not otherwise appropriated, the sum of $22, the same being the value of skiff and pair of oars borrowed by Immigrant Inspectors G. T. Jones and Dan S. Kuykendall from said Kinder & Nicol for use of the United States Government and destroyed while in the possession of the said immigrant inspectors.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

DRENZY A. JONES AND JOHN G. HOPPER.

The bill (H. R. 2703) for the relief of Drenzy A. Jones and John G. Hopper, joint contractors, for surveying Yosemite Park boundary, was announced as next in order.

Mr. WALSH. Let that bill go over.

The PRESIDENT pro tempore. Objection being made, the bill will be passed over.

BATTLE FIELDS IN STATE OF TENNESSEE.

The bill (S. 6384) to authorize the acceptance of certain lands by the United States for a military park reservation, and for other purposes, was considered as in Committee of the Whole.

The Secretary read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he hereby is, authorized and directed to accept deeds of gift or conveyance from the State of Tennessee, or any county or counties thereof, or any citizen, person, or association, of lands in Davidson County, Rutherford County, and Williamson County, State of Tennessee, embracing the battle fields, or any part or parts thereof, where were fought the battles of Nashville, Stones River, Murfreesboro, and Franklin, in the State of Tennessee, during the Civil War; also the "Hermitage," the home of Andrew Jackson, in Davidson County, State of Tennessee, which may be donated by deeds of gift or conveyance to the United States of America for the purpose of establishing national military parks thereon; said lands to be forever dedicated for the purposes of national military parks or reservations, and to be developed and maintained as such by the United States of America; and no charge or fee is to be made to or asked from the public for admission to the grounds of said parks or reservations.

SEC. 2. That the United States of America, upon the completion of the transfer of title to the lands so donated and dedicated for national military park purposes, shall establish and maintain post roads connecting said battle fields, and connecting each of said battle fields with the national cemeteries in Davidson County, Rutherford County, and Williamson County, State of Tennessee, and with the "Hermitage," the home of President Andrew Jackson, in Davidson County, State of Tennessee.

SEC. 3. That the national military parks to be established by the provisions of this act shall be under the control of the Secretary of War.

SEC. 4. That the post roads to be established by the provisions of this act shall be under the control of the Postmaster General.

SEC. 5. That the Secretary of War is directed to take steps to have the State of Tennessee cede jurisdiction over said lands to the United States of America.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

TEN EYCK DE WITT VEEDER.

The bill (S. 3000) for the relief of Ten Eyck De Witt Veeder, commodore on the retired list of the United States Navy, was announced as next in order.

Mr. THORNTON. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

H. C. HODGES, H. A. POWELL, JOHN SMITH, AND JOSEPH RIDLEY.

The bill (H. R. 888) for the relief of H. C. Hodges, H. A. Powell, John Smith, and Joseph Ridley was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

JOHN HENRY GIBBONS.

The bill (S. 6072) for the relief of John Henry Gibbons, captain on the retired list of the United States Navy, was announced as next in order.

Mr. THORNTON (and other Senators). Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

FRANK KINSEY HILL.

The bill (S. 6138) for the relief of Frank Kinsey Hill, captain on the retired list of the United States Navy, was considered as in Committee of the Whole. It authorizes the President to appoint Frank Kinsey Hill, now a captain on the retired list of the United States Navy, to the active list of captains of the United States Navy, to take rank next after Capt. Clarence Stewart Williams, United States Navy: *Provided*, That the said Frank Kinsey Hill shall be carried as additional to the number in the grade to which he may be appointed under this act and as additional to any grade to which he may at any time hereafter be promoted.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

EDWARD B. KELLEY.

The bill (H. R. 6939) to reimburse Edward B. Kelley for moneys expended while superintendent of the Rosebud Indian Agency in South Dakota was considered as in Committee of the Whole.

The bill had been reported from the Committee on Indian Affairs with an amendment, on page 1, line 4, after the words "sum of," to strike out "$1,381.20" and insert "$1,558.20," so as to make the bill read:

Be it enacted, etc., That there is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of $1,558.20, to reimburse Edward B. Kelley, formerly superintendent of the Rosebud Indian Agency in South Dakota, for moneys expended for costs and expenses in a suit brought against him by one H. A. Bloom, involving the property of an Indian, a member of the Pine Ridge Sioux Tribe, and for the payment of a judgment entered against him in said suit: *Provided*, That before any part of the amount herein appropriated is paid to the said Edward B. Kelley there shall be filed a duly attested certificate of the clerk of the court in which the judgment was entered, showing that said judgment has been fully paid and satisfied: *And provided further*, That the said Edward B. Kelley shall file a receipt in full of all claims or demands against the United States or any Indian by reason of the moneys expended in connection with the suit herein referred to.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

REGISTERS AND RECEIVERS IN KANSAS.

The bill (S. 6392) for the relief of registers and receivers of United States land offices in the State of Kansas was announced as next in order.

Mr. THOMPSON. Mr. President, I am interested in the passage of this bill, but probably more time would be required for its consideration than the Senate would care to give to it at this time. I am willing, therefore, that it shall go over.

I am also interested in the next bill, and I trust no objetcion will be made to its consideration at this time.

The PRESIDENT pro tempore. The Senator from Kansas objects, and the bill will be passed over.

PATRICK M'GEE, ALIAS PATRICK GALLAGHER.

The bill (H. R. 5474) for the relief of Patrick McGee, alias Patrick Gallagher, was considered as in Committee of the Whole. It provides that in the administration of the pension laws Patrick McGee, alias Patrick Gallagher, who served as a private in Company H, Tenth Regiment Ohio Volunteer Infantry, under the name of Patrick Gallagher, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of said company and regiment: *Provided*, That no back pay, bounty, pension, or allowance shall be allowed by reason of this act.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

LLOYD C. STARK.

The bill (S. 6497) for the relief of Lloyd C. Stark was considered as in Committee of the Whole. It authorizes the President, by and with the advice and consent of the Senate, to appoint Lloyd C. Stark to the active list of the United States Navy, to take rank with and next after Charles Lewis Best, lieutenant (junior grade): *Provided*, That the said Lloyd C. Stark shall establish to the satisfaction of the Secretary of the Navy, by the usual examination prescribed by law for the grade of lieutenant (junior grade) in the United States Navy, his physical, mental, moral, and professional fitness to perform the duties of said grade: *Provided further*, That the said Lloyd C. Stark shall be carried as an additional number in the grade to which he may be appointed under this act or to which he may hereafter be promoted: *Provided further*, That the said Lloyd C. Stark shall not by the passage of this act be entitled to back pay of any kind.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER.

The bill (S. 6484) to provide for the nonmineral entry of lands withdrawn, classified, or reported as containing coal, phosphate, nitrate, potash, oil, gas, or asphaltic minerals in Alaska was announced as next in order.

Mr. WHITE. Mr. President, at the request of the Senator from Colorado, I ask that this bill may go over.

Mr. MYERS. May I ask if it is the junior Senator from Colorado [Mr. SHAFROTH] to whom the Senator from Alabama refers?

Mr. WHITE. Yes.

Mr. MYERS. Of course, if the Senator insists I shall have to submit, but I will say that the passage of this bill is very earnestly desired by the Interior Department and very strongly urged by it.

Mr. WHITE. I will state that the Senator from Colorado has many objections concerning the bill.

The PRESIDENT pro tempore. Objection being made, the bill will be passed over.

The bill (H. R. 9270) for the relief of John M. Gray was announced as next in order.

Mr. THOMAS. I ask that that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

FRANK KINSEY HILL.

Mr. THORNTON. Mr. President, I move to reconsider the vote by which the Senate passed Senate bill 6138, for the relief of Frank Kinsey Hill, captain on the retired list of the United States Navy.

The PRESIDENT pro tempore. The Senator from Louisiana moves that the Senate reconsider the vote by which Senate bill 6138 was passed.

Mr. THORNTON. I will state the reason for the motion. There are several retired officers who are in exactly the same situation. We have refused to pass any of the others, and this was done without the notice of a single member of the Naval Affairs Committee. I had never heard of that bill. It never came before me. For that reason it is not fair that this officer should receive the benefit of the bill without the other officers having an opportunity to have their cases also considered

Mr. POMERENE obtained the floor.

Mr. SMITH of Michigan. Mr. President——

Mr. POMERENE. I yield to the Senator from Michigan.

Mr. SMITH of Michigan. Mr. President, I think this is an act of justice to Capt. Hill, and while I am as deeply interested in the bill regarding the restoration to active service of Capt. Gibbons as I could possibly be in any matter of a personal nature—he is my boyhood friend, and has not a single black mark against him from the time he entered the Naval Academy until he returned on the dreadnought *Utah* to New York Harbor after the Vera Cruz assignment—I had very much hoped that the Senator from Louisiana had consented to allow the case of Capt. Hill to pass. I certainly should make no point on it. I think the retirement of Capt. Hill and Capt. Gibbons reflects no credit upon this Government, and weakens the Navy. I do not wish to embarrass the Senator from Louisiana in any way.

Mr. THORNTON. It is not possible for the Senator from Michigan to embarrass the Senator from Louisiana by anything in connection with this case.

Mr. SMITH of Michigan. I can at least embarrass him to the extent of not permitting this bill to be reconsidered, if that

is any embarrassment. The case can not be reconsidered unless the Senate so votes.

Mr. WARREN. Mr. President, if the case of Capt. Hill is on all fours with that of Capt. Gibbons, I certainly hope the bill may remain as it is, as passed; and I hope that at some other time we will do likewise with the bill for the relief of Capt. Gibbons.

Mr. SWANSON. Mr. President, I think there is a misunderstanding in the Senate in connection with these officers selected for retirement by the "plucking board."

There are four cases of eminent officers, almost the best officers in the Navy, recognized as officers of distinguished service, and a majority of the committee have reported to the Senate that they should be put in active service. The "plucking board" did great service when the naval service was loaded down with inefficient and old men, and the department could not discriminate as to who should and who should not be retired. Consequently, the "plucking board" was established to retire so many officers a year of a certain rank. It is entirely compulsory. It is not left discretionary. I think 15 officers, or at least a certain number of officers of a certain rank, must be retired each year. The question is, who shall be retired?

Mr. WARREN. Mr. President, if the Senator will permit me, I believe they deduct from that number those who may voluntarily retire; do they not?

Mr. SWANSON. Those who voluntarily retire; yes.

Mr. WARREN. And then they have to make up the balance of the number. As the Senator says, they are forced to do it.

Mr. SWANSON. They are forced to do it. When these officers are retired they are retired on full pay, at tremendous expense to the Government, and some of them are the very best officers in the Navy. Take Capt. Rust, who was retired. Capt. Rust has written two books which are authorities on navigation in the Navy. He has one of the most illustrious and splendid records in the Navy; yet he is retired, and his information, his learning, his knowledge and efficiency can no longer be utilized by the Navy.

Mr. WEST. Mr. President, is it not a fact that many of these officers are retired in the prime of life?

Mr. SWANSON. It is. Now, when these officers are retired a great many of them never ask to be reinstated. A great many of them prefer to be retired and get full pay and do nothing rather than to be in the Government service. The officers who come and ask to be reinstated are men who love the Navy, who have given their lives to the service of the Navy, who desire to continue to serve the Navy, and practically to serve it without pay.

What do these four distinguished naval officers ask? The privilege of serving the United States Government in active service practically without charging anything for their service. Capt. Gibbons, Capt. Hill, Capt. Rust, and Admiral Veeder are four as distinguished, as competent, and as capable officers as we possess. They are retired on full pay. The Government can not utilize their experience, can not get the benefit of the vast sum of money that it has spent to make them efficient officers. The only benefit that accrues is that young officers can be promoted more rapidly—young officers who have not the experience, the ability, or the capacity that these four illustrious officers have.

These men come to Congress and ask what? They ask us to give them the privilege of continuing in the active service of the United States Government without paying them practically a cent for their service. The very fact that they are anxious to serve the Government on exactly the basis of their rank when retired, the fact that they are willing to do it without compensation, alone shows that they are men who are fond of the Navy, men of capacity, and men desirous of being in the service of the Government. To continue this system of retiring officers capable of efficient service each year simply in order that promotion may be more rapid is an injustice to the Government, an injustice to the service, and an injustice to the taxpayers of this country.

Mr. THOMAS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Colorado?

Mr. SWANSON. I do.

Mr. THOMAS. If the Senator will permit me, I should like to add to his very convincing argument the statement that the Navy is short of officers. We lack a full complement of officers to man the vessels which now constitute the American Navy. It seems to me that fact ought to be given consideration, especially in view of the disinterested offer of these gentlemen to serve their country hereafter, if they can be permitted to do it, as retired officers without pay.

Mr. MYERS. Mr. President, I rise to a point of order. With great respect to the Senator from Virginia and the Senator from Louisiana, for both of whom I have the highest respect, I make the point of order that by unanimous consent the Senate proceeded to call the calendar on unobjected bills; that there are only six or eight bills left on the calendar; and that we must finish them before a motion to reconsider something that has been done can be taken up and disposed of.

The PRESIDENT pro tempore. The Chair agrees with the Senator from Montana this far: The Chair made an error in submitting the question at the present time. He should have asked the Senator from Louisiana to enter the motion, to be taken up when we had completed the call of the calendar in pursuance of the unanimous agreement.

Mr. MYERS. I think we ought to finish the calendar first. Then Senators can stay here all day, if they want to, and debate this motion to reconsider.

The PRESIDENT pro tempore. The point of order is sustained. The Secretary will state the next bill on the calendar.

JOSEPH P. LEITER.

The bill (H. R. 10719) for the relief of Joseph P. Leiter was announced as next in order.

Mr. OVERMAN. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

ORION MATHEWS.

The bill (S. 3509) for the relief of Orion Mathews was announced as next in order.

Mr. SWANSON. I should like to have the bill read.

The PRESIDENT pro tempore. The Secretary will read the bill.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration. It provides that in the administration of the pension laws and laws conferring rights and privileges upon honorably discharged soldiers, Orion Mathews, late of Battery D, Second Regiment United States Artillery, shall be held and considered to have been honorably discharged as a private from said battery and regiment on the 22d day of March, 1865: *Provided*, That no pension shall accrue prior to the passage of this act.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER.

The bill (S. 646) providing for the labeling and tagging of all fabrics and articles of clothing intended for sale which enter into interstate commerce, and providing penalties for misbranding, was announced as next in order.

Mr. OVERMAN. I ask that that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 5890) for the relief of settlers within the limits of the grant to the New Orleans, Baton Rouge & Vicksburg Railroad Co. was announced as next in order.

Mr. POMERENE. I ask that that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

FRANCES L. SNELL.

The bill (S. 4738) for the relief of Frances L. Snell was considered as in Committee of the Whole.

The Secretary read the bill, as follows:

A bill for the relief of Frances L. Snell.

Be it enacted, etc., That jurisdiction is hereby given to the Court of Claims to hear, adjudicate, and determine the claim of Frances L. Snell, sole heir at law of Hamlin D. Snell, the same person directly interested in the case of Villalonga *v.* United States (8 C. Cls., 452) and United States *v.* Villalonga (23 Wall., 35), whose claim was lost by reason of the statute of limitations intervening pending decision of said cause in the Supreme Court, for 94 bales of upland cotton taken by the United States authorities at Savannah, Ga., in the year 1865, and sold by Simeon Draper, a Treasury agent, and the net proceeds, amounting to $16,656.35, paid into the Treasury of the United States, such claim to be heard and determined under the provisions of the act of Congress approved March 12, 1863, entitled "An act to provide for the collection of abandoned property and for the prevention of frauds in insurrectionary districts within the United States," and acts amendatory thereof; and if the court shall find that the cotton so taken was sold and the net proceeds thereof were placed in the Treasury of the United States, said court shall render judgment for said net proceeds in favor of the owners thereof, and full jurisdiction is given to said court to adjudge such claim, any statutes of limitation and all other nonintercourse laws to the contrary notwithstanding, and all relevant testimony on file in said Court of Claims in any of the above-mentioned cases or taken under the rules of said court upon notice to the United States may be read in evidence in said cause. Said judgment to be subject to an appeal to the Supreme Court by either party.

Mr. BRYAN. Mr. President, in line 5, page 1, I move to strike out the initial "D" and insert "V."

The amendment was agreed to.

Mr. BRYAN. On page 1, line 11, I move to strike out "ninety-four" and insert "ninety-five."

The amendment was agreed to.

Mr. WARREN. Mr. President, I wish to ask the chairman of the committee who is in charge of the bill whether this is a sui generis case, or whether it is on all fours with a great

many of the cotton cases that have been before us for so many years?

Mr. BRYAN. No, Mr. President; this case is not similar in any respect to those other cases. The claim was sought to be enforced by the agent——

Mr. WARREN. I have no objection, upon the assurance the Senator has just made.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed, and the bill to be read a third time.

Te bill was read the third time and passed.

AMERICAN ACADEMY OF ARTS AND LETTERS.

The bill (S. 583) incorporating the American Academy of Arts and Letters was considered as in Committee of the Whole.

Mr. CULBERSON. I offer a number of formal amendments to the bill.

The PRESIDENT pro tempore. The amendments will be stated.

The SECRETARY. On page 1, line 7, strike out the name "Horace Howard Furness, of Pennsylvania," in line 11 strike out the words "New York" and insert the words "New Jersey"; on page 2, line 18, strike out the name "Francis Davis Millet, of New York," in line 21 strike out the name "George Browne Post" and insert the names "Owen Wister, of Pennsylvania; Herbert Adams, of New Hampshire; Augustus Thomas, of New York; Timothy Cole"; on page 3, line 10, after the word "classes," to strike out the comma and insert a semicolon, and in line 18 strike out the word "devises" and the comma, so as to make the bill read:

Be it enacted, etc., That William Dean Howells, of New York; Henry James, of Massachusetts; Henry Adams, of the District of Columbia; Thomas Raynesford Lounsbury, of Connecticut; Theodore Roosevelt, of New York; John Singer Sargent, of Massachusetts; Alfred Thayer Mahan, of New York; Daniel Chester French, of New York; John Burroughs, of New York; James Ford Rhodes, of Massachusetts; Horatio William Parker, of Connecticut; William Milligan Sloane, of New Jersey; Robert Underwood Johnson, of New York; George Washington Cable, of Massachusetts; Andrew Dickson White, of New York; Henry van Dyke, of New Jersey; William Crary Brownell, of New York; Basil Lanneau Gildersleeve, of Maryland; Woodrow Wilson, of New Jersey; Arthur Twining Hadley, of Connecticut; Henry Cabot Lodge, of Massachusetts; Francis Hopkinson Smith, of New York; Edwin Howland Blashfield, of New York; William Merritt Chase, of New York; Thomas Hastings, of New York; Hamilton Wright Mabie, of New Jersey; Brander Matthews, of New York; Thomas Nelson Page, of the District of Columbia; Elihu Vedder, of Massachusetts; George Edward Woodberry, of Massachusetts; Kenyon Cox, of New York; George Whitefield Chadwick, of Massachusetts; Abbott Handerson Thayer, of New Hampshire; John Muir, of California; Charles Francis Adams, of Massachusetts; Henry Mills Alden, of New Jersey; George de Forest Brush, of New Hampshire; William Rutherford Mead, of New York; John White Alexander, of New York; Bliss Perry, of Massachusetts; Abbott Lawrence Lowell, of Massachusetts; James Whitcomb Riley, of Indiana; Nicholas Murray Butler, of New York; Paul Wayland Bartlett, of New York; Owen Wister, of Pennsylvania; Herbert Adams, of New Hampshire; Augustus Thomas, of New York; Timothy Cole, of New York, and their successors, duly chosen, are hereby incorporated, constituted, and declared to be a body corporate of the District of Columbia, by the name of the American Academy of Arts and Letters.

SEC. 2. That the purposes of this corporation are and shall be the furtherance of the interests of literature and the fine arts.

SEC. 3. That the American Academy of Arts and Letters shall consist of not more than 50 regular members, and the said corporation hereby constituted shall have power to make by-laws and rules and regulations; to fill all vacancies created by death, resignation, or otherwise; to provide for the election of foreign, domestic, or honorary associate members; and the division of such members into classes; and to do all other matters needful or usual in such institutions.

SEC. 4. That the American Academy of Arts and Letters shall hold an annual meeting at such place in the United States as may be designated and shall make an annual report to the Congress, to be filed with the Librarian of Congress.

SEC. 5. That the American Academy of Arts and Letters be, and the same is hereby, authorized and empowered to receive bequests and donations of real or personal property and to hold the same in trust, and to invest and reinvest the same for the purpose of furthering the interests of literature and the fine arts.

Mr. PAGE. I should like to ask the Senator from Texas whether these amendments are really important to the bill as introduced by the Senator from Massachusetts [Mr. LODGE]?

Mr. CULBERSON. I did not catch the inquiry of the Senator.

Mr. PAGE. The bill, I understand, was introduced by the Senator from Massachusetts [Mr. LODGE], and he is absent. The Senator has presented sundry amendments, which I presume may materially change the bill. If so, I should like to have it go over.

Mr. CULBERSON. I will state, in answer to the inquiry, that the amendments were suggested by friends of the measure, and I am sure they will have the approval of the Senator from Massachusetts.

Mr. PAGE. Then I make no objection.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONGRESS OF WORLD'S PURITY FEDERATION.

The joint resolution (H. J. Res. 271) authorizing the President to appoint delegates to attend the Ninth International Congress of the World's Purity Federation, to be held in the city of San Francisco, State of California, July 18 to 24, 1915, was considered as in Committee of the Whole. It authorizes and respectfully requests the President of the United States to appoint delegates to attend and represent the United States at the Ninth International Congress of the World's Purity Federation, to be held in the city of San Francisco, State of California, July 18 to 24, 1915, and provides that no appropriation shall be granted at any time for expenses of delegates or for other expenses incurred in connection with the congress.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

LANDS IN MONTANA.

Mr. WALSH. I ask unanimous consent to return to the bill (S. 6202) to repeal an act entitled "An act to amend section 3 of the act of Congress of May 1, 1888, and extend the provisions of section 2301 of the Revised Statutes of the United States to certain lands in the State of Montana embraced within the provisions of said act, and for other purposes."

The PRESIDENT pro tempore. The request of the Senator from Montana will be granted, unless there is objection. The Chair hears none.

The Senate, as in Committee of the Whole, proceeded to consider the bill.

Mr. WALSH. I offer the following amendment.

The PRESIDENT pro tempore. The Secretary will report the amendment.

The SECRETARY. Strike out all after the enacting clause and insert:

That nothing contained in the act approved March 3, 1911, entitled "An act to amend section 3 of the act of Congress of May 1, 1888, and extend the provisions of section 2301 of the Revised Statutes of the United States to certain lands in the State of Montana embraced within the provisions of said act, and for other purposes," shall be construed to validate any selections or attempted selections of any of the lands to which the said act relates under the indemnity provisions of the act approved July 2, 1864, entitled "An act granting lands to aid in the construction of a railroad and telegraph line from Lake Superior to Puget Sound on the Pacific coast by the northern route," or any act amendatory or supplemental thereto nor to authorize any such selections to be made, and the said act approved March 3, 1911, so far as the same may authorize or validate any such selections is hereby repealed.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend an act entitled 'An act to amend section 3 of the act of Congress of May 1, 1888, and to extend the provisions of section 2301 of the Revised Statutes of the United States to certain lands in the State of Montana embraced within the provisions of said act, and for other purposes."

HIGHWAY ON RIO GRANDE BORDER.

Mr. SHEPPARD. I ask unanimous consent to return to the joint resolution (S. J. Res. 98) authorizing a survey and examination of the Rio Grande border of the United States to determine the advisability of constructing a highway either along the entire border or certain sections thereof.

Mr. WARREN. That is the joint resolution I objected to, and I shall be compelled to object again.

The PRESIDENT pro tempore. Objection is made.

DONIPHAN'S EXPEDITION (S. DOC. NO. 608).

Mr. THOMAS. I ask unanimous consent for the consideration of (S. Res. 593) to print the pamphlet entitled "Doniphan's Expedition," containing an account of the conquest of New Mexico, with illustrations.

The PRESIDENT pro tempore. Under the rule, unless the objection is withdrawn——

Mr. OVERMAN. I will withdraw my objection.

Mr. THOMAS. The Senator from North Carolina informed me that he would withdraw his objection.

There being no objection, the resolution was read, considered, and agreed to, as follows:

Resolved, That the pamphlet submitted by Mr. STONE on May 26, 1914, entitled "Doniphan's Expedition, Containing an Account of the Conquest of New Mexico," by John T. Hughes, of the First Regiment of Missouri Cavalry, be printed as a Senate document, with accompanying illustrations.

JOHN HENRY GIBBONS.

Mr. SMITH of Michigan. I ask unanimous consent to return to the bill (S. 6072) for the relief of John Henry Gibbons, captain on the retired list of the United States Navy.

Mr. OVERMAN. I objected to that bill. I have no objection to its consideration now.

Mr. THORNTON. I am going to object. I did not want to be forced to-day into a discussion of the bill, but——

The PRESIDENT pro tempore. If objection is made, that is sufficient, the Chair will state to the Senator from Louisiana.

Mr. THORNTON. Very good.

FRANK KINSEY HILL.

Mr. BRYAN. Mr. President, a parliamentary inquiry. The motion of the Senator from Louisiana [Mr. THORNTON] to reconsider the bill (S. 6138) for the relief of Frank Kinsey Hill, captain on the retired list of the United States Navy, will be pending, although not disposed of to-day.

The PRESIDENT pro tempore. It will be taken up immediately upon the completion of the calendar, unless it should be prevented by some further action of the Senate.

Mr. BRYAN. If it can not be taken up to-day, it does not lose its place?

The PRESIDENT pro tempore. Certainly not.

Mr. OVERMAN. Let it go over.

The PRESIDENT pro tempore. The motion will go over. This completes the calendar.

THE COTTON SITUATION IN THE SOUTH.

Mr. LEA of Tennessee. I ask unanimous consent to have printed in the RECORD certain interviews and resolutions on the cotton situation: First, an interview with Walter Clark, president of the Mississippi Division of the Southern Cotton Association; second, a resolution adopted at a conference of the governors of the cotton-growing States held at Memphis October 17, 1914; and, third, a letter from ex-Gov. Noel, of Mississippi, upon the situation.

The PRESIDENT pro tempore. Unless there is objection, the request of the Senator from Tennessee will be granted. The Chair hears none, and it is so ordered.

The matter referred to is as follows:

INTERVIEW OF WALTER CLARK, PRESIDENT OF THE MISSISSIPPI DIVISION OF THE SOUTHERN COTTON ASSOCIATION.

I returned from Texas after a week spent in discussing the question of no acreage, and I want to say that after it, a vote being taken, 90 per cent of all the people immediately signed petitions to their representatives in the legislature, directing them to support a bill to prohibit the growing of cotton next year. All of the other gentlemen who went into other parts of Texas have had the same experience. Messrs. Noel, Jordan, and Sherrard are at Austin, and hope to get the matter before the legislature at an early period. However, the metropolitan press in Texas, as here, continues to say that such a step is unconstitutional, impossible, etc.

Now our efforts have stopped nothing else. Everything has been done that can be done, and cotton continues to decline. I feel, however, that a speculative demand will now appear and absorb all cotton offered at present prices. This, however, will not help us. If we part with this crop at such ruinous prices half our people will be bankrupt.

WAR TO LAST LONG.

There is one thing above all others that is affecting the price of cotton—the uncertainty of next year's crop. This removed, and in unmistakable terms, by legislative enactment, an immediate advance is inevitable. Now, should every southern legislature immediately pass prohibitory laws no unreasonable advance should be expected. Trade conditions do not justify any abnormal prices. I do believe that the crop would average 12 or 15 cents. It is silly now to talk about an early ending of the war. All authorities now agree that the war will last indefinitely, and, with half the world at war, and moratoriums declared in all important countries of the world, we have now enough cotton to supply the demands of spinners for two years.

I owned a brickyard for 20 years; I went through the hard times of 1892, 1893, 1897, 1898, 1904, and 1905, and during all that period I never in my life sold a brick below the cost of production. I never even reduced the price. When my product was not taken I simply closed down, and there is not a manufacturing plant of any kind anywhere in the world that does not do the same thing, and why the farmer sacrifices what he has and goes and makes more to be sacrificed, I have never yet been able to understand. For the first time we have an opportunity to eliminate the boll weevil without cost to anyone. This means more than a dozen cotton crops to Mississippi and all the eastern cotton-growing States, and should be taken advantage of at this time.

LEGISLATION LATER.

Now, as to Gov. Brewer's refusal to call the Legislature of Mississippi together, there is no necessity for such a move at this time. A legislative session is expensive and not necessary until either South Carolina or Texas agrees to act. Should either of these States take this action I know Gov. Brewer well enough to say that he will call a special session of the Mississippi Legislature if the people desire it.

In the meanwhile I would urge upon the people of Mississippi to meet in their respective counties at 10 o'clock a. m. on Tuesday, October 20, to perfect their organizations and sign petitions to the governor, requesting him to call a special session of the legislature. Send these petitions to me, and at the proper time I will present them to Gov. Brewer.

At a conference of the governors of the cotton-growing States held at Memphis on October 11, 1914, in which Governors G. W. Hays, of Arkansas; Earl Brewer, of Mississippi; L. E. Hall, of Louisiana, and Blease, of South Carolina, participated in person, and Governors Craig, of North Carolina, and Hooper, of Tennessee, through representatives, the following resolution was adopted:

Whereas the governors of a majority of the cotton growing States of the Union are unavoidably absent and we have no authority to bind them or their States in any manner: Therefore be it

Resolved, That we approve the effort of bankers in the United States to form the $150,000,000 syndicate to take care of the surplus cotton crop of 1914.

And that we urge our people to curtail the cotton crop of 1915 as much as possible and not less than 50 per cent reduction. We urge upon the Federal Government and its officers the necessity of furnishing all the financial aid in marketing this crop that is possible.

We urge that earnest efforts be made not only to decrease cotton acreage but to develop proper marketing facilities for the diversified crops made necessary by present conditions.

—

UNITED STATES SENATE,
COMMITTEE ON THE LIBRARY,
Washington, D. C., October 21, 1914.

Hon. LUKE LEA,
United States Senate.

MY DEAR SENATOR: I have just read in the Times-Picayune, of New Orleans, a letter on the cotton situation, from Mr. Newman, advocating the elimination of the cotton crop of 1915 in order to restore equilibrium between supply and demand, and thereby also to necessitate rotation and diversification of crops, larger cattle breeding, with increased fertility of soil, and extirpation or minimization of the boll weevil, root rot, and other pests that can only perpetuate themselves through annual planting of cotton.

The county of Holmes, my place of birth and residence, in a meeting called to consider the cotton question on September 19, 1914, largely attended by farmers, supply men, and bankers, unanimously declared for that policy, to be enforced by State or Federal legislation, or both. A regularly called and organized State convention of cotton growers and allied interests, held at Jackson, Miss., on September 22, by an almost unanimous vote adopted the same policy. At the southern cotton convention held in New Orleans September 29–30 practically the same doctrine was unanimously affirmed. The Texas delegation to that convention arranged a series of appointments for last week covering about 80 counties, including those that raised the most cotton. By their invitation I spoke at 12 or 14 of these appointments. By votes taken at these meetings there was almost a unanimous expression obtained in favor of elimination by law of the 1915 cotton crop. The question of total elimination or reduction to a very small fraction is being now considered by called sessions of the Legislatures of Texas and South Carolina, and efforts are being made to have called sessions in all the cotton growing States. It is the opinion of the attorney general of Texas and his able associates that under the police power the States have unquestionable authority to eliminate or reduce cotton production by law.

I attach to this letter a summary of the argument made by me in Texas and which was indorsed by every cotton grower, with one exception, in the meetings I addressed, so far as it affects the Federal power and duty in this great emergency.

Very respectfully,

E. F. NOEL.

SUMMARY OF THE ARGUMENT OF E. F. NOEL, OF MISSISSIPPI, IN ADVOCACY OF A LAW ELIMINATING THE 1915 COTTON CROP IN THE SOUTH AND MADE AN EXHIBIT TO HIS LETTER, WHICH IS ATTACHED.

The condition of the cotton growers of the South, especially where it subordinates, as in many sections, all else, is exceedingly critical. After all expenses, most of it on borrowed capital, had been incurred, on a basis of $65 a bale, the price suddenly dropped to about $30 a bale, with unmistakable indications, unless some early and radical action be taken, of descending to indefinitely lower levels. Hopes of relief from the Federal and State Governments, of improved warehouse and loan facilities, the withholding of cotton from the market wherever possible, the buy-a-bale, increased consumption, and other well-intended movements partially arrested the oncoming of a catastrophe, threatening ruin to hundreds of thousands of cotton farmers and many of their creditors. Except in the United States legalized suspension of debt collections have been provided for by every important nation, including China and South American Republics. Even here millionaires and other dealers of cotton, through cotton exchanges, have somehow obtained relief or respite.

Cotton growers are probably the only large class whose medium of payment has been suddenly robbed, through no fault of theirs, of more than half of its value, who have been left to weather the storm without governmental help.

European Governments, including those yet neutral, suddenly ordered from the ranks of producers of food millions and millions of men, leaving their harvests ungathered and their families and others so utterly impoverished that the primal question is now, and for a year or two may be, how to obtain enough food to sustain life. These unfortunates constitute the bulk of the consumers of cotton goods. Under their desperate straits old clothes will be worn for years, but fresh food is a vital, daily necessity.

It is not merely the stoppage of more than half of the world's spindles, but the disappearance of about half of the world's cotton consumption demands which has dragged down the price of cotton to one-half of its cost of production, threatening widespread bankruptcy.

One of the fundamental economic laws declares that when there is a known surplus of any commodity there is no other limit to its downward plunge below the cost of production but the need of the seller and the greed of the buyer. Another economic maxim proclaims the duty of every man and country to produce those things for which there is a demand, that will not only pay the cost of production but also yield a margin of profit.

It was foreign warring Governments which dislocated normal conditions by unexpectedly taking human millions from food production, thus creating such immediate and imperative necessity that cotton farmers shall immediately turn to grain and stock production or else encounter ruin. Inertia and rural conservatism are too great to leave this matter wholly to individual initiative.

Governments are created to establish and enforce rules of human conduct along lines of individual and public welfare, and have no other right or excuse for existence. With us such rules, through our delegated law-making officials, are self-imposed, and are but the crystallization of majority opinion. Official action can not be expressed otherwise than through the controlling hand of law. Kindly words or altruistic sentiments are not governmental functions.

Wholly in the interest of western dairymen, and at the expense of southern cotton growers, cottonseed oil, through Federal taxing power, was practically outlawed as a substitute for butter, though cheaper and about as healthy and nutritious. The United States Supreme Court, in the McCray case (195 U. S., 27), reannounced, in upholding that

law, the previously well-settled rule that such prohibitive legislation is clearly constitutional.

The Federal imposition of a prohibitive tax on all cotton of the 1915 crop, ginned or manufactured, would at once restore the economic equilibrium between the world's supply and demand by limiting the present supply to the next two years' demand, and would insure to producers the cost of reproduction. It would also give to cotton such an immediate loan and sale value as to make its financing easy; would enforce the much-to-be desired policy of crop rotation and diversification, enlarged live-stock breeding, with consequent increased soil fertility, home living, and financial independence, besides minimizing or extirpating boll weevil and other pests that can only reproduce themselves annually through cotton plants. Even legal reduction by a prohibitive tax on all cotton grown, if over a fixed percentage of all cultivated lands be devoted to cotton, would do much toward relieving the present distressed situation. In the South all concede the advantage and practical necessity of reducing cotton cultivation 50 per cent or more, but some insist that this reduction should be voluntary. If so left, the value of the present crop would be destroyed and the southern farmers be disabled, most of them, from paying their present obligations in full and of farming at all next year, except in a feeble way, because the world would not believe in the reduction until after next year's planting season. If such reduction be enforced by law, the only means of obtaining uniform concerted action, the situation would be at once clarified and all would know what to do and what to expect. Immediate arrangements would be made in the South, on large scale, for planting and harvesting grain and for providing foodstuffs for themselves and for others.

During the Civil War, in December, 1863, when moral suasion had failed to have the desired effect, when the need was, as now, for sudden change of agricultural activity from cotton to foodstuffs, that result was not wholly left to individuals, but was forced by a practically prohibitive tax imposed in Mississippi and in most, if not all, of the other cotton States. That occurred in the hour of strong views of personal and property rights, but was made to meet, as is the proposed legal reduction or elimination of cotton, war emergencies.

The objection, coming chiefly from cities, that such legislation is paternalistic and invades personal and property rights, overlooks the fact that all laws abridge liberty, in the interest of individual and public welfare, with a view of making it easier to take right roads and harder to go otherwise, and that the trend of population is toward large cities, where exists the greatest limitation on personal and property rights.

While the cotton States, through the exercise of their police power, could eliminate or reduce cotton production, but few of the legislatures are in session, and uniformity and concert of action is difficult to obtain.

Without State or Federal relief the 1914 crop will not bring to its producers half the outlay it entailed, and will leave them so crippled that very little cotton or other crops will be produced in 1915. If such calamity confronted the North or West, quick congressional action would follow, such as came to the dairymen. Relief should not be withheld nor denied because the direct injury and loss falls alone on the South, even though some of our statesmen now, as in the past, entertain strong views on the right and power of Governments to aid individuals. All departments of government, Federal, State, and municipal, are but agencies chosen by the people to legally direct affairs for the benefit of the people. Partisan and sectional alignments should sink from view in face of such disaster as now threatens the cotton-growing South, and helpful legislation along constitutional and economic lines should be quickly enacted, thus providing not a mere sectional but a national benefaction.

JENNIE L. MAGINN.

Mr. SHIVELY. From the Committee on Pensions, to which was referred the joint resolution (H. J. Res. 375) correcting an error in House bill 15692, approved July 21, 1914 (Private, No. 95), I report it back favorably without amendment and ask for its present consideration.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which was read, as follows:

Whereas by an error occurring in the bill reported by the House Committee on Invalid Pensions upon H. R. 15692, approved July 21, 1914 (Private, No. 95), the name of one Loughlin F. Maginn, late of Company H, Sixteenth Regiment New York Volunteer Infantry, was changed to read Loughlier F. Maginn, of said regiment: Therefore be it

Resolved, etc., That the paragraph in an act entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War, and certain widows and dependent children of soldiers and sailors of said war," approved July 21, 1914 (Private, No. 95, Sixty-third Congress), granting an increase of pension to one Jennie L. Maginn be corrected and amended so as to read as follows:

"The name of Jennie L. Maginn, widow of Loughlin F. Maginn, late of Company H, Sixteenth Regiment New York Volunteer Infantry, and pay her a pension of $20 per month in lieu of that she is now receiving."

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

LEON GREENBAUM.

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 10168) for the relief of Leon Greenbaum, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BRYAN. I move that the Senate recede from its amendment.

The motion was agreed to.

EXECUTIVE SESSION.

Mr. KERN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 15 minutes spent in executive session the doors were reopened, and (at 2 o'clock and 22 minutes p. m.) the Senate adjourned until to-morrow, Thursday, October 22, 1914, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate October 21, 1914.

ASSOCIATE JUSTICE OF THE SUPREME COURT OF THE DISTRICT OF COLUMBIA.

Frederick L. Siddons, of the District of Columbia, to be associate justice of the Supreme Court of the District of Columbia, vice Daniel Thew Wright, resigned.

AUDITOR FOR PORTO RICO.

Jesse W. Bonner, of Tennessee, to be auditor for Porto Rico, to take effect December 13, 1914. Nominated in accordance with the provisions of the act of Congress approved April 12, 1900, entitled "An act temporarily to provide revenues and a civil government for Porto Rico, and for other purposes." (Reappointment.)

CONFIRMATIONS.

Executive nominations confirmed by the Senate October 21, 1914.

COMMISSIONER OF IMMIGRATION.

John P. Mayo to be commissioner of immigration at the port of New Orleans, La.

EXAMINER OF DRUGS, MEDICINES, AND CHEMICALS.

Marshall M. Bradburn to be special examiner of drugs, medicines, and chemicals in customs collection district No. 20.

PROMOTIONS IN THE ARMY.

CORPS OF ENGINEERS.

First Lieut. Glen E. Edgerton to be captain.
Second Lieut. Leo. J. Dillow to be first lieutenant.

COAST ARTILLERY CORPS.

First Lieut. Jacob A. Mack to be captain.
Second Lieut. John P. McCaskey, jr., to be first lieutenant.
Second Lieut. Edward S. Harrison to be first lieutenant.

PROMOTIONS IN THE NAVY.

Lieut. Commander Jonas H. Holden to be a commander.
Lieut. Levin J. Wallace to be a lieutenant commander.
Passed Asst. Surg. Wesley H. Rennie to be a surgeon.
The following-named ensigns to be lieutenants (junior grade):
Max. B. De Mott,
Chauncey A. Lucas,
Frank Slingluff, jr., and
Edward C. Raguet.
Medical Inspector Manley F. Gates to be a medical director.
Lieut. Col. Eli K. Cole to be a colonel in the Marine Corps.

POSTMASTERS.

FLORIDA.

B. S. Hancock, Pensacola.

GEORGIA.

Dollie Allen, Ellaville.
Benjamin R. Leggett, Broxton.
James C. Newsom, Washington.
John Quinn West, Thomson.

IDAHO.

P. H. Blake, Orofino.

LOUISIANA.

H. C. Richardson, Franklinton.

NORTH CAROLINA.

Junius Bridger, Windsor.
Thomas C. Frisbee, Hot Springs.
Millard F. Hales, Wendell.
C. L. Linville, Kernersville.

OHIO.

Michael M. Mowls, Waynesburg.

OKLAHOMA.

John M. Jones, Hennessey.

SOUTH CAROLINA.

James A. Parler, Elloree.

TEXAS.

Hattie M. Culpepper, Palmer.
Alex Dienst, Temple.
James C. Gose, Krum.
R. E. Rankin, Abilene.
R. A. St. John, Cisco.

VIRGINIA.

Boyd Boggess, Richlands.
Charles C. King, Pearisburg.

WISCONSIN.

Dorothea Devlin, Loyal.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *October 21, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We bless Thee, Infinite Spirit, our heavenly Father, for the good Thou hast woven into our being, which is ever striving to lift us out of the animal into the divine, that the desert places may blossom as the rose and satisfy the longings of the soul; discourage every selfish ambition, encourage every laudable desire; that the good may triumph and evil die; that Thy kingdom may come and Thy will be done on earth as it is in heaven. In the spirit of the world's great Exemplar. Amen.

The Journal of the proceedings of yesterday was read.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move that the Journal be approved.

The SPEAKER. The gentleman from Kentucky [Mr. JOHNSON] moves that the Journal be approved.

The question was taken, and the motion was agreed to.

PRESIDENT'S ADDRESS BEFORE AMERICAN BAR ASSOCIATION.

Mr. BAILEY. Mr. Speaker, I desire to ask unanimous consent to extend my remarks in the RECORD by printing the address of the President of the United States before the American Bar Association on yesterday.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD by printing the address of the President of the United States made before the American Bar Association on yesterday in the city of Washington. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, that is printed in the RECORD of yesterday.

Mr. BAILEY. No.

Mr. MANN. I beg the gentleman's pardon. It is the address before the American Bar Association?

Mr. BAILEY. Yes.

Mr. MANN. That is printed in the Senate proceedings; however, I will not object. I gave notice yesterday I should object to all requests, but I withdraw that notice and I will not object.

Mr. BAILEY. If it has been printed, then I do not care to have it duplicated.

Mr. MANN. It was printed yesterday.

The SPEAKER. Does the gentleman withdraw his request?

Mr. BAILEY. I do.

CORRECTING CERTAIN ERRORS IN PENSION BILLS.

Mr. SHERWOOD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House joint resolution 361, amended by the Senate, and agree to the Senate amendments.

The SPEAKER. The gentleman from Ohio asks unanimous consent to take from the Speaker's table House joint resolution 361 and consider the Senate amendments at this time. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the joint resolution by title and read the Senate amendments.

The Clerk read as follows:

A joint resolution (H. J. Res. 361) to correct errors in H. R. 12045, H. R. 12914, H. R. 13542, H. R. 14234, H. R. 14738, H. R. 15692, and H. R. 16294

The Senate amendments were read.

The SPEAKER. The gentleman from Ohio moves to concur in the Senate amendments.

The question was taken, and the Senate amendments were agreed to.

The title was amended to conform to the text.

EXTENSION OF REMARKS ON COTTON SITUATION.

Mr. PARK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the situation brought about in the cotton States by the European war, including a letter and a plan to protect the 1914 crop as now in operation in Georgia that does not call on the Treasury for help.

The SPEAKER. The gentleman from Georgia asks unanimous consent to extend his remarks in the RECORD on the subject of cotton, among other things setting forth a plan already in successful operation in Georgia. Is there objection? [After a pause.] The Chair hears none.

Mr. TAYLOR of Arkansas. Mr. Speaker, I make the same request.

The SPEAKER. The gentleman from Arkansas [Mr. TAYLOR] makes the same request as to the cotton situation. Is there objection? [After a pause.] The Chair hears none.

CALENDAR WEDNESDAY.

Mr. HENRY. Mr. Speaker, I move to dispense with the proceedings under the rule providing for Calendar Wednesday to-day.

The SPEAKER. The gentleman from Texas moves to dispense with the business on Calendar Wednesday in order to-day.

The question was taken; and in the opinion of the Chair, two-thirds having voted in favor thereof, the business in order on Calendar Wednesday was dispensed with for to-day.

JUDGE EMORY SPEER.

Mr. WEBB. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. WEBB. I desire simply to ask for the adoption of the Report No. 1176, House Calendar 207, being the final report on House resolution 234, providing for an investigation of the conduct of Judge Emory Speer.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to call up the report from the Judiciary Committee touching the conduct of Judge Emory Speer, of Georgia.

Mr. BORLAND. Mr. Speaker, reserving the right to object, I would like to ask the gentleman what action he proposes to take, if any?

Mr. WEBB. That no further proceedings be had under the resolution. I desire to state that it is a privileged report, anyhow, Mr. Speaker.

The SPEAKER. Is there a resolution?

Mr. WEBB. No; I ask for the adoption of the report which carries the resolution that no further proceedings be had under House resolution 234.

The SPEAKER. The gentleman from North Carolina [Mr. WEBB] moves that the report be adopted. The Clerk will report it by title. Is this a unanimous report?

Mr. WEBB. It is a unanimous report; yes, sir. The report is very brief. It does not cover more than half a page, and I would suggest it be read.

The SPEAKER. The Chair thought it was very long, because he happened to be looking at the book.

Mr. WEBB. No; it is contained on the first page.

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

Mr. WEBB, from the Committee on the Judiciary, submitted the following report, to accompany House resolution 234:

The Committee on the Judiciary, having had under consideration House resolution 234, to authorize the Committee on the Judiciary to inquire into and concerning the official conduct of Emory Speer, United States district judge for the southern district of Georgia, beg to report to the House of Representatives that a subcommittee of the Committee on the Judiciary, consisting of Representatives WEBB, FITZHENRY, and VOLSTEAD, was appointed to take testimony in the investigation of the behavior of Judge Emory Speer, United States judge for the southern district of Georgia, and that the subcommittee sat in the cities of Macon and Savannah, Ga., and examined numerous witnesses touching their knowledge of the alleged misbehavior of Judge Speer. The subcommittee made a report to the Committee on the Judiciary, which report is herewith submitted, setting forth in detail the charges against said judge and the evidence adduced under each charge, and concluding their report with a recommendation that no further proceedings be had with reference to House resolution 234.

The Committee on the Judiciary considered the evidence and the report and came to the conclusion that no further proceedings should be had with reference to said resolution, and the Committee on the Judiciary beg to report the same to the House and recommend that no further proceedings be had with reference to said resolution.

The question was taken, and the report was agreed to.

COTTON AND TOBACCO.

Mr. HENRY. Mr. Speaker, I call up the privileged resolution (No. 656) which I sent to the Clerk's desk yesterday and upon which I moved the previous question.

The SPEAKER. The Clerk will report it by title.

The Clerk read as follows:

The Committee on Rules, to whom was referred the resolution (H. Res. 643) for the consideration of various bills, having considered the same, beg to report the following resolution (No. 656) in lieu thereof, and recommend that it be agreed to.

The SPEAKER. The question is on ordering the previous question.

The question was taken, and the Speaker announced the ayes seemed to have it.

Mr. GLASS. Mr. Speaker, I ask for a division.

The House divided; and there were—ayes 64, noes 45.

Mr. GLASS. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. The gentleman from Virginia [Mr. GLASS] asks for the yeas and nays.

Mr. GLASS. Mr. Speaker, I desire to withdraw that request and make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Virginia makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and sixty-one Members are present—not a quorum. The Doorkeeper will lock the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 121, nays 95, answered "present" 10, not voting 202, as follows:

YEAS—121.

Abercrombie	Edwards	Lazaro	Sisson
Adamson	Finley	Lee, Ga.	Slayden
Aiken	Flood, Va.	Lever	Small
Alexander	Floyd, Ark.	Levy	Smith, Idaho
Aswell	Garrett, Tenn.	Linthicum	Smith, Saml. W.
Barkley	Garrett, Tex.	Lobeck	Smith, Tex.
Bartlett	Gill	McGillicuddy	Sparkman
Bell, Ga.	Godwin, N. C.	McKellar	Stanley
Blackmon	Goodwin, Ark.	Mann	Stedman
Booher	Greene, Vt.	Miller	Stephens, Miss.
Broussard	Hardwick	Moon	Stephens, Tex.
Buchanan, Tex.	Hardy	Morgan, Okla.	Stout
Burgess	Hayden	Murray	Taylor, Ala.
Burnett	Heflin	Oldfield	Taylor, Ark.
Byrnes, S. C.	Helvering	Padgett	Taylor, Colo.
Byrns, Tenn.	Henry	Page, N. C.	Taylor, N. Y.
Candler, Miss.	Hensley	Park	Thompson, Okla.
Cantrill	Houston	Platt	Tribble
Caraway	Howard	Pou	Vaughan
Carew	Hughes, Ga.	Quin	Walker
Carlin	Hull	Ragsdale	Watson
Carter	Humphrey, Wash.	Rayburn	Webb
Collier	Humphreys, Miss.	Reilly, Conn.	Whaley
Cox	Jacoway	Rothermel	Wilson, Fla.
Crisp	Johnson, Ky.	Rouse	Wingo
Curry	Johnson, S. C.	Rubey	Witherspoon
Davis	Johnson, Utah	Rucker	Woods
Dent	Keating	Rupley	Young, Tex.
Dickinson	Kinkaid, Nebr.	Saunders	
Dupré	Kirkpatrick	Sims	
Eagle	La Follette	Sinnott	

NAYS—95.

Ashbrook	Doremus	Hinds	Patton, Pa.
Bailey	Drukker	Kennedy, Conn.	Payne
Barchfeld	Dunn	Kennedy, Iowa	Porter
Barnhart	Eagan	Kennedy, R. I.	Post
Barton	Edmonds	Key, Ohio	Prouty
Beakes	Esch	Kindell	Rainey
Borchers	Evans	Korbly	Raker
Brodbeck	Fairchild	Kreider	Rauch
Brown, W. Va.	Falconer	Langham	Riordan
Bruckner	Farr	Lieb	Scott
Brumbaugh	Fitzgerald	Lloyd	Sherley
Bulkley	Gilmore	Maguire, Nebr.	Sherwood
Butler	Glass	Mahan	Stafford
Carr	Goeke	Mapes	Stephens, Cal.
Cline	Goulden	Metz	Stone
Cooper	Gray	Moore	Tavenner
Cullop	Greene, Mass.	Morin	Thomson, Ill.
Dale	Griest	Morrison	Townsend
Danforth	Griffin	Mott	Tuttle
Dershem	Hamilton, N. Y.	Nelson	Underhill
Difenderfer	Haugen	O'Brien	Vare
Dillon	Hawley	O'Leary	White
Dixon	Hay	Parker	Winslow
Donovan	Helm	Patten, N. Y.	

ANSWERED "PRESENT"—10.

Ainey	Coady	Hamlin	Whitacre
Borland	Fergusson	Holland	
Clark, Fla.	Foster	Kinkead, N. J.	

NOT VOTING—202.

Adair	Cramton	Green, Iowa	Lewis, Md.
Allen	Crosser	Gregg	Lewis, Pa.
Anderson	Davenport	Gudger	Lindbergh
Ansberry	Decker	Guernsey	Lindquist
Anthony	Deitrick	Hamill	Loft
Austin	Dies	Hamilton, Mich.	Logue
Avis	Donohoe	Hammond	Lonergan
Baker	Dooling	Harris	McAndrews
Baltz	Doolittle	Harrison	McClellan
Bartholdt	Doughton	Hart	McGuire, Okla.
Bathrick	Driscoll	Hayes	McKenzie
Beall, Tex.	Elder	Helgesen	McLaughlin
Bell, Cal.	Estopinal	Hill	Macdonald
Bowdle	Faison	Hinebaugh	Madden
Britten	Ferris	Hobson	Maher
Brockson	Fess	Howell	Manahan
Brown, N. Y.	Fields	Hoxworth	Martin
Browne, Wis.	FitzHenry	Hughes, W. Va.	Merritt
Browning	Fordney	Hulings	Mitchell
Bryan	Fowler	Igoe	Mondell
Buchanan, Ill.	Francis	Johnson, Wash.	Montague
Burke, Pa.	Frear	Jones	Morgan, La.
Burke, S. Dak.	French	Kahn	Moss, Ind.
Burke, Wis.	Gallagher	Keister	Moss, W. Va.
Calder	Gallivan	Kelley, Mich.	Mulkey
Callaway	Gard	Kelly, Pa.	Murdock
Campbell	Gardner	Kent	Neeley, Kans.
Cantor	Garner	Kettner	Neely, W. Va.
Cary	George	Kiess, Pa.	Nolan, J. I.
Casey	Gerry	Kitchin	Norton
Chandler, N. Y.	Gillett	Knowland, J. R.	Oglesby
Church	Gittins	Konop	O'Hair
Clancy	Goldfogle	Lafferty	O'Shaunessy
Claypool	Good	Langley	Paige, Mass.
Connelly, Kans.	Gordon	Lee, Pa.	Palmer
Connolly, Iowa	Gorman	L'Engle	Peters
Conry	Graham, Ill.	Lenroot	Peterson
Copley	Graham, Pa.	Lesher	Phelan
Plumley	Shreve	Sutherland	Volstead
Powers	Slemp	Switzer	Wallin
Reed	Sloan	Taggart	Walsh
Reilly, Wis.	Smith, J. M. C.	Talbott, Md.	Walters
Roberts, Mass.	Smith, Md.	Talcott, N. Y.	Watkins
Roberts, Nev.	Smith, Minn.	Temple	Weaver
Rogers	Smith, N. Y.	Ten Eyck	Williams
Russell	Steenerson	Thacher	Willis
Sabath	Stephens, Nebr.	Thomas	Wilson, N. Y.
Scully	Stevens, Minn.	Towner	Woodruff
Seldomridge	Stevens, N. H.	Treadway	Young, N. Dak.
Sells	Stringer	Underwood	
Shackleford	Sumners	Vollmer	

So the previous question was ordered.

The Clerk announced the following pairs:

For the session:

Mr. SCULLY with Mr. BROWNING.

Mr. HAMMOND with Mr. BURKE of South Dakota.

On this vote:

Mr. ELDER (for) with Mr. HOLLAND (against).

Mr. DOUGHTON (for) with Mr. HAMLIN (against).

Mr. FERRIS (for) with Mr. BORLAND (against).

Mr. DAVENPORT (for) with Mr. COADY (against).

Mr. HARRISON (for) with Mr. KINKEAD of New Jersey (against).

Until November 15, on cotton bills:

Mr. WHITACRE (against) with Mr. RUSSELL (for).

Until further notice:

Mr. ANSBERRY with Mr. FESS.

Mr. STEPHENS of Nebraska with Mr. SLOAN.

Mr. FIELDS with Mr. LANGLEY.

Mr. LEE of Pennsylvania with Mr. ROBERTS of Nevada, except on war-tax bill or conference report.

Mr. GORMAN with Mr. FRENCH.

Mr. BUCHANAN of Illinois with Mr. CALDER.

Mr. O'SHAUNESSY with Mr. ROBERTS of Massachusetts.

Mr. BURKE of Wisconsin with Mr. BRITTEN.

Mr. CHURCH with Mr. COPLEY.

Mr. FOSTER with Mr. KELLEY of Michigan.

Mr. PALMER with Mr. MARTIN.

Mr. BROWN of New York with Mr. MERRITT.

Mr. WATKINS with Mr. SLEMP.

Mr. STEVENS of New Hampshire with Mr. PAIGE of Massachusetts.

Mr. MANAHAN with Mr. GREGG.

Mr. ADAIR with Mr. ANDERSON.

Mr. ALLEN with Mr. ANTHONY.

Mr. BALTZ with Mr. AUSTIN.

Mr. BATHRICK with Mr. AVIS.

Mr. CALLAWAY with Mr. BARTHOLDT.

Mr. CLANCY with Mr. BURKE of Pennsylvania.

Mr. CONNELLY of Kansas with Mr. CAMPBELL.

Mr. CONRY with Mr. CASEY.

Mr. CONNOLLY of Iowa with Mr. CHANDLER of New York.

Mr. CROSSER with Mr. CRAMTON.

Mr. DECKER with Mr. FREAR.

Mr. DEITRICK with Mr. GILLETT.

Mr. DONOHOE with Mr. GOOD.

Mr. DRISCOLL with Mr. GREEN of Iowa.

Mr. ESTOPINAL with Mr. GUERNSEY.

Mr. FRANCIS with Mr. HAMILTON of Michigan.

Mr. GALLAGHER with Mr. HAYES.

Mr. GALLIVAN with Mr. HINEBAUGH.

Mr. GARNER with Mr. HOWELL.

Mr. GOLDFOGLE with Mr. HUGHES of West Virginia.

Mr. GORDON with Mr. HULINGS.

Mr. GRAHAM of Illinois with Mr. JOHNSON of Washington.

Mr. GUDGER with Mr. KAHN.

Mr. HELGESEN with Mr. KEISTER.

Mr. IGOE with Mr. KIESS of Pennsylvania.

Mr. KETTNER with Mr. J. R. KNOWLAND.

Mr. KITCHIN with Mr. FORDNEY.

Mr. KONOP with Mr. LEWIS of Pennsylvania.

Mr. LESHER with Mr. LINDQUIST.

Mr. LONERGAN with Mr. MCGUIRE of Oklahoma.

Mr. MCANDREWS with Mr. MCKENZIE.

Mr. MCCLELLAN with Mr. MCLAUGHLIN.

Mr. MITCHELL with Mr. MADDEN.

Mr. MORGAN of Louisiana with Mr. MONDELL.

Mr. MOSS of Indiana with Mr. MOSS of West Virginia.

Mr. NEELY of West Virginia with Mr. J. I. NOLAN.

Mr. NEELEY of Kansas with Mr. NORTON.

Mr. O'HAIR with Mr. PETERS.

Mr. OGLESBY with Mr. PLUMLEY.

Mr. PETERSON with Mr. POWERS.

Mr. PHELAN with Mr. ROGERS.

Mr. REED with Mr. SELLS.

Mr. REILLY of Wisconsin with Mr. BROWNE of Wisconsin.

Mr. SABATH with Mr. SHREVE.
Mr. SELDOMRIDGE with Mr. SLEMP.
Mr. SHACKLEFORD with Mr. J. M. C. SMITH.
Mr. SMITH of Maryland with Mr. SMITH of Minnesota.
Mr. SMITH of New York with Mr. STEPHENS of California.
Mr. STEPHENS of Nebraska with Mr. SUTHERLAND.
Mr. SUMNERS with Mr. SWITZER.
Mr. TAGGART with Mr. TEMPLE.
Mr. TALBOTT of Maryland with Mr. TOWNER.
Mr. TALCOTT of New York with Mr. VOLSTEAD.
Mr. TEN EYCK with Mr. WALLIN.
Mr. THACHER with Mr. WALTERS.
Mr. THOMAS with Mr. WILLIS.
Mr. UNDERWOOD with Mr. TREADWAY.
Mr. GARD with Mr. WOODRUFF.
Mr. WALSH with Mr. YOUNG of North Dakota.

Mr. HAMLIN. Mr. Speaker, I voted "nay" on this proposition, but I find I am paired with the gentleman from North Carolina, Mr. DOUGHTON, and I desire to withdraw my vote and answer "present."

The name of Mr. HAMLIN was called, and he answered "Present."

Mr. MANN. Mr. Speaker, I am paired with the gentleman from Alabama, Mr. UNDERWOOD, who is in conference; but as I voted the same way that he voted last night on the roll call, I shall let my vote stand. I think it proper to make the statement.

The SPEAKER. On this vote the yeas are 121, nays 95, answered "present" 10—a quorum. The Doorkeeper will open the doors. The question is on the passage of the resolution.

Mr. WINGO. Before that is done, I want to submit a unanimous-consent request. I do this at the request of the Committee on Banking and Currency. I ask unanimous consent that the rule be amended by inserting, after the word "enumerated," in line 3, the words "and H. R. 15038." That is a bill that should have been included in the rule. It is reported unanimously from the Committee on Banking and Currency.

The SPEAKER. The gentleman from Arkansas [Mr. WINGO] asks unanimous consent that the resolution be amended by inserting, after the word "enumerated," the words "and H. R. 15038."

Mr. WINGO. Mr. Speaker, if I may be permitted, as one or two have asked me what it is, I will explain that it simply adds these words to the present law. I ask unanimous consent for two minutes.

The SPEAKER. The gentleman from Arkansas asks unanimous consent for two minutes. Is there objection?

There was no objection.

Mr. WINGO. The present law authorizes member banks to discount acceptances which are based upon importation and exportation of goods to 50 per cent of their capital stock and surplus. This act proposes to amend that by adding these words to that part of the law "except by authority of the Federal Reserve Board, under such general regulations as said board may prescribe." In other words, it allows the Federal Reserve Board in these member banks to go beyond that limit. It is necessary that certain banks in Chicago and New York that deal in foreign acceptances may come into the system. This would permit them to come in.

Mr. FITZGERALD. It gives more latitude to the Federal Reserve Board?

Mr. WINGO. Yes.

The SPEAKER. The gentleman from Arkansas [Mr. WINGO] asks unanimous consent to offer an amendment to this resolution, which the Clerk will report.

Mr. WINGO. I will suggest, if the Speaker will permit me, that my request was that the rule be considered amended to that extent.

The SPEAKER. The Chair wants to ask one question.

Mr. MANN. Let the amendment be reported at the Clerk's desk.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

After the word "enumerated," in line 3 of the rule, insert the words "and H. R. 15038."

The SPEAKER. The Chair wants to ask the gentleman from Arkansas a question for his own guidance. This rule provides there shall be an hour and 30 minutes' debate on each one of the bills that is named in the rule. Now, does this request include an hour and a half for this bill, too?

Mr. WINGO. It would do that. There is no question about the effect of it.

Mr. THOMPSON of Oklahoma. Mr. Speaker, I object.

The SPEAKER. The Chair wanted to have an understanding. The gentleman from Oklahoma [Mr. THOMPSON] settles the whole thing by objecting.

Mr. HENRY rose.

The SPEAKER. The gentleman from Texas is recognized.

Mr. HENRY. Mr. Speaker, I will wait until the motion is put on the adoption of the rule.

The SPEAKER. The question is on the adoption of the rule.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. SHERLEY. A division, Mr. Speaker.

The SPEAKER. The gentleman from Kentucky [Mr. SHERLEY] asks for a division. Those in favor of the adoption of this rule will rise and stand until they are counted. [After counting.] Eighty-six gentlemen have arisen in the affirmative. Those opposed to the adoption of this rule will rise and stand until they are counted. [After counting.] Forty-four gentlemen vote in the negative. On this vote the ayes are 86 and the noes are 44, and the resolution is agreed to.

Mr. HENRY. Mr. Speaker, I want to ask unanimous consent to modify the resolution to this extent, that there be one hour for general debate additional to what is already allowed, to be equally divided between the proponents of the amendment to the Senate bill 6398—the first one mentioned—and those opposed to that amendment.

The SPEAKER. The gentleman from Texas [Mr. HENRY] asks unanimous consent to modify the rule, so that on Senate bill 6398 there shall be two hours of general debate instead of one, one-half to be controlled by——

Mr. HENRY. That I shall control 30 minutes of the time and the gentleman from Virginia [Mr. GLASS] 30 minutes.

The SPEAKER. Who is to control 30 minutes?

Mr. HENRY. I will leave that to the Speaker. I will not make that request. The friends or proponents of the amendment to have 30 minutes and those opposed the other 30 minutes.

The SPEAKER. The gentleman fom Texas asks unanimous consent that the rule be so modified as to extend the general debate on Senate bill 6398 and the accompanying amendment to two hours instead of one, and that half of that increased hour, or added hour, be controlled by the friends or proponents of the amendment and the other half by the opponents thereof.

Mr. TOWNSEND. Mr. Speaker, will the gentleman yield?

Mr. HENRY. Certainly.

Mr. TOWNSEND. I understood that the gentleman from Texas [Mr. HENRY] asked that this additional time be consumed in the discussion not of the bill but of the proposed amendment.

Mr. HENRY. That was the desire. That is the only reason why I put it that way.

Mr. TOWNSEND. Yes; but I understood the Speaker, in putting the motion, to make this hour usable either on the bill or on the amendment of the gentleman from Texas, and I supposed that those who oppose the gentleman's amendment would prefer that that time be confined exclusively to the discussion of the gentleman's amendment.

The SPEAKER. The gentleman from Texas asks that the hour additional on Senate bill 6398 be devoted to the discussion of the amendment thereto, which is incorporated in the rule.

Mr. SHERLEY. Mr. Speaker, I desire to inquire how the division of the other hour on this same bill is to be made?

Mr. HENRY. That is to be divided by the Speaker between those who favor the original bill—Senate bill 6398—and those who oppose it.

Mr. SHERLEY. Why not make your division of two hours into an hour on a side, on either side, without undertaking to give only an hour to the discussion of the cotton amendment instead of two hours?

Mr. HENRY. If there is no objection, then I will ask that the gentleman from Virginia [Mr. GLASS] be permitted to control half of that time in favor of the Senate bill.

Mr. SHERLEY. Let him control an hour of the time and you control the other, or some one else.

Mr. HENRY. There is only an hour on both sides at first, to start with, and this additional hour——

Mr. SHERLEY. That makes two hours. What is the good in dividing the time up into half an hour on a side on the cotton amendment? Why not divide the whole two hours into an hour on a side

Mr. HARDWICK. Mr. Speaker, if the gentleman from Texas will permit, I ask unanimous consent that the time for general debate on the Senate bill 6398 and the amendment thereto, proposed by the Committee on Rules, shall be extended from one hour to two hours, and that of the two hours of general debate thus provided the gentleman from Virginia [Mr. GLASS] shall control one hour and the gentleman from Texas [Mr. HENRY] the other hour.

The SPEAKER. This is in lieu of the other request?

Mr. HENRY. Yes.

Mr. MANN. Mr. Speaker, I will say to the gentleman that we shall want some time on this side.

Mr. HENRY. I will give the gentleman time.

Mr. FITZGERALD. On which side is the gentleman?

Mr. MANN. We shall want time not by grace, but by right. I suggest if there is going to be an extension of time for debate, it shall be an extension of time for debate under the five-minute rule, affording an enlarged right for amendment under the five-minute rule. If the gentleman wants to do that, I have no objection.

Mr. HENRY. I think the gentleman is quite right about that, and I have no objection.

Mr. MANN. I suggest to the gentleman that he make the request that the time for the consideration of the bill under the five-minute rule be extended from 30 minutes to an hour and 30 minutes.

Mr. HENRY. I did not catch that on account of the noise.

Mr. MANN. I suggest that the time for debate under the five-minute rule on the bill be extended from 30 minutes to an hour and 30 minutes instead of general debate.

Mr. HENRY. I have no objection to that.

Mr. GLASS. Mr. Speaker, this is a vital question that we are considering here, a very serious question, and I do not think it can be discussed in half an hour to a side; and I do not think the time ought to be divided up so that no Member of the House will have more than five minutes in which to debate a problem of this nature, and unless we can agree to an additional hour for general debate, to be controlled in such a way that we may have an intelligent discussion of the proposition, I shall object to any more addition of time.

Mr. MANN. Mr. Speaker, I ask unanimous consent that the time for debate under the five-minute rule on the first bill to be considered be extended from 30 minutes to an hour and 30 minutes.

The SPEAKER. The gentleman from Illinois [Mr. MANN] asks unanimous consent that the debate under the five-minute rule on the Senate bill 6398 be extended from 30 minutes to 1 hour and 30 minutes.

Mr. GLASS. Mr. Speaker, I feel obliged to object.

The SPEAKER. The gentleman from Virginia [Mr. GLASS] objects.

Mr. HENRY. Mr. Speaker, I ask unanimous consent, then, that the general debate be extended for one hour on the first-enumerated bill.

Mr. FITZGERALD. Put the two requests together.

The SPEAKER. Does that mean the bill itself, or the bill with amendments? The Chair wants to know.

Mr. HENRY. It means the bill with amendments—the bill S. 6398 and the amendments thereto—the time to be extended from one hour to two hours.

Mr. MANN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MANN. Would it be in order, under the rules of the House, to discuss the amendment before it was offered?

The SPEAKER. The Chair thinks that technically it would not.

Mr. HENRY. I think it would.

Mr. MANN. It would not.

Mr. HARDWICK. It would be, unless some gentleman objected to it.

Mr. MANN. I would rather have time for real debate than for hot air.

Mr. HENRY. The request was to discuss the bill and the proposed amendment—to extend general debate for the purpose of discussing the bill and amendment.

The SPEAKER. Has this rule ever been printed?

Mr. MANN. Printed in the RECORD.

Mr. HENRY. The rule was printed in the RECORD this morning.

The SPEAKER. Then everybody is informed of what is in that amendment. If not, it is their own fault.

Mr. MANN. Nobody can tell what is in it after reading it.

The SPEAKER. That may be. The Chair does not know. The Chair would be inclined to rule that Members could talk about an amendment that was incorporated in a rule adopted by the House and printed in the RECORD. The gentleman from Texas [Mr. HENRY] asks unanimous consent that the time on the bill S. 6398 and the amendments thereto be extended from one hour to two. Is there objection?

Mr. MANN. I object.

Mr. BUTLER. The gentleman might put the two requests together.

Mr. HOUSTON. Put both requests together.

Mr. HENRY. Mr. Speaker, I submit one more request for unanimous consent. I ask unanimous consent that the time be extended 30 minutes for general debate and 30 minutes for debate under the 5-minute rule.

The SPEAKER. The gentleman from Texas [Mr. HENRY] asks unanimous consent that the general debate on Senate bill 6398——

Mr. HARDWICK. And the amendment.

Mr. HENRY. And the amendment.

The SPEAKER. The Chair understood the gentleman to ask 30 minutes on the bill and 30 on the amendment.

Mr. HENRY. The point was that I wanted the debate also to apply to the amendment in the general debate as well as under the 5-minute rule.

The SPEAKER. The gentleman from Texas [Mr. HENRY] asks unanimous consent that the time for general debate on Senate bill 6398 and the amendment contained in the rule be extended 30 minutes. That would make 2 hours altogether on it.

Mr. HENRY. That would make two hours and a half, Mr. Speaker.

The SPEAKER. Thirty minutes on the bill and thirty minutes on the amendment?

Mr. MANN. That would make an hour and a half for general debate and an hour under the five-minute rule.

Mr. HENRY. Yes; two hours and a half altogether.

Mr. MANN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MANN. When the bill comes before the House, of course the gentleman from Virginia [Mr. GLASS] is entitled to recognition first. I do not remember what the rule provides as to division of time. He would ordinarily have control of one hour's time.

Mr. HARDWICK. Not under the rule.

The SPEAKER. Under the rule he could not have more than 30 minutes, because the time is divided equally between the friends and the opponents of the Senate bill.

Mr. MANN. Who will be recognized in opposition to the bill?

Mr. HENRY. Anyone opposed to the Senate bill.

Mr. MANN. No; I am asking the Chair.

The SPEAKER. The Chair will be disposed to recognize the gentleman from Virginia [Mr. GLASS].

Mr. MANN. He is in favor of the bill.

Mr. HENRY. He is in favor of Senate bill 6398.

Mr. MANN. Who would be recognized in opposition to the bill?

The SPEAKER. The Chair does not know.

Mr. HENRY. I am opposed to the bill until it is amended.

Mr. MANN. I am opposed to the bill whether it is amended or not.

The SPEAKER. The Chair thought the gentleman from Virginia [Mr. GLASS] was opposed to the bill.

Mr. HENRY. I hope you will get the time.

Mr. MANN. I am not willing to extend the time if gentlemen on that side of the House are to control it all.

Mr. HENRY. The gentleman from Illinois says he is opposed to the Senate bill whether it is amended or not. I think he would be entitled to recognition.

The SPEAKER. The Chair will recognize the gentleman from Virginia [Mr. GLASS] as the proponent of the bill to dispose of the time on that side and the gentleman from Illinois as the opponent of it to dispose of the time on that side.

Mr. HARDWICK. That is all right.

Mr. BARTLETT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BARTLETT. I desire to be informed, when will an amendment to this amendment be in order? Will it be under the five-minute rule?

The SPEAKER. Yes; there is no amendment in order until you get to the five-minute rule.

Mr. BARTLETT. One more parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman from Georgia.

Mr. BARTLETT. How will the Chair be governed in determining who is to be recognized for the offering of amendments to this proposed amendment?

The SPEAKER. The Chair will recognize anybody who has an amendment to offer. Of course the Chair supposes that the friends of this amendment which is incorporated in the rule have their understanding about who will offer that.

Mr. HAMLIN. Mr. Speaker, I think it is the general desire of Members to get away from here as soon as possible, and therefore I object to the request for the extension of time. [Applause.]

The SPEAKER. The gentleman from Missouri objects. The gentleman from Virginia [Mr. GLASS] is recognized for 30 minutes.

Mr. HARDWICK. Mr. Speaker, if the gentleman will yield a minute, I desire to ask unanimous consent to offer the amendment now, so that it may be pending during the general debate.

The SPEAKER. The gentleman from Georgia asks unanimous consent to offer the amendment at this time, so that it may be pending. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the Senate bill 6398 and the amendment offered by the gentleman from Georgia.

The Clerk read as follows:

Be it enacted, etc., That section 1 of an act approved May 30, 1908, entitled "An act to amend the national banking laws," as heretofore amended in an act approved August 4, 1914, is hereby further amended so that the words "that no national banking association shall be authorized in any event to issue circulating notes based on commercial paper in excess of 30 per cent of its unimpaired capital and surplus" is amended to read as follows: "That no national banking association shall be authorized in any event to issue circulating notes based on commercial paper in excess of 75 per cent of its unimpaired capital and surplus."

SEC. 2. That the provisions and benefits of the act approved May 30, 1908, known as the Vreeland-Aldrich Act, and the amendments thereto, are hereby extended to all State banks and trust companies having a capital stock of not less than $25,000 and a surplus of 20 per cent. Said banks and trust companies shall be required to pay upon notes so issued the tax provided for in said act as amended, and said notes shall not be subject to the provisions of the act of Congress approved February 8, 1875, entitled "An act to amend existing customs and internal-revenue laws, and for other purposes." The Secretary of the Treasury is hereby directed to make such rules and regulations as are necessary for the purpose of carrying out the foregoing provision.

With the following committee amendments:

Page 2, lines 4 and 5, strike out the word "seventy-five" and insert in lieu thereof the words "one hundred."

Page 2: Strike out all of section 2 and insert the following:

"SEC. 2. That the provisions of section 5202, Revised Statutes, shall not apply to contingent liabilities incurred by national banking associations by reason of membership in currency associations organized under the provisions of the act of May 30, 1908, as amended."

Amendment offered by Mr. HARDWICK to Senate bill 6398:

Add the following at the end of section 2:

"SEC. 3. That the Secretary of the Treasury shall deposit in national banking associations and in State banks situated in States producing cotton or tobacco, or both, the sum of $250,000,000 or so much thereof as may be necessary to carry out the purposes of this act. The said Secretary shall make such deposits under the terms of this act and under such rules and regulations as may be prescribed by him to carry out this act. The deposits herein directed to be made shall be apportioned among the several States in accordance with the number of bales of cotton or pounds of tobacco produced therein during the year 1913, as ascertained by the Department of Agriculture. The Secretary of the Treasury, in lieu of the securities he is now authorized or required by law to exact of the banks in which the funds of the United States are deposited, is authorized and hereby directed to accept as security for the deposits directed to be made in this act cotton warehouse and tobacco warehouse receipts, where the cotton or tobacco thereby represented has been fully insured, at a valuation that represents the fair market value of the cotton or tobacco covered by such receipts. The deposits herein directed to be made shall be made only on the condition that the banks accepting such deposits will loan the same, under reasonable terms and conditions, at a rate of interest not to exceed 4 per cent per annum, to the producers of cotton or tobacco, or the owners of lands upon which the same was produced during the year 1914, and the said Secretary of the Treasury is hereby authorized to make all necessary rules and regulations concerning the terms and conditions under which these deposits shall be loaned by the banks that accept the same.

"SEC. 4. That the Secretary of the Treasury shall, in his discretion, either immediately cause to be prepared United States notes to the extent of $250,000,000 to be used for the purpose of making the deposits in compliance with this act, which said notes shall have all the legal qualities of the United States notes now outstanding, and shall be of such denominations as the Secretary of the Treasury may prescribe, and said notes shall bear interest at the rate of 2 per cent per annum from the date of their issuance and shall be payable in gold coin of the United States or its equivalent on January 1, 1916; or he may sell not exceeding $240,000,000 of Panama Canal bonds, heretofore authorized by law, at a rate of interest not exceeding 4 per cent per annum, and the act or acts heretofore passed authorizing the disposition of said bonds are hereby amended so as fully to authorize the disposition and use of such bonds as herein prescribed; or, in his discretion, the Secretary of the Treasury may use both the proceeds of the bonds and the notes in order to carry out the purposes of this act, not to exceed in the aggregate $250,000,000.

"SEC. 5. That the Secretary of the Treasury shall not require the repayment of any deposit made under the provisions of this act prior to December 31, 1915.

"SEC. 6. That when the deposits herein authorized are called in by the Secretary of the Treasury the same shall be and become a part of a special fund, to be kept and held separate and apart from the general funds of the Government, for the redemption and retirement at maturity of the Panama Canal bonds in such cases and to such extent as the proceeds of such bonds have been used to make the deposits herein provided."

The SPEAKER. The gentleman from Virginia [Mr. GLASS] is recognized for 30 minutes.

Mr. GLASS. Mr. Speaker, I am going to venture to ask unanimous consent again that the time for general debate on this particular Senate bill be extended for one hour, one half of the time to be controlled by the gentleman from Illinois [Mr. MANN] and the other half by the chairman of the Committee on Banking and Currency. The measure is of such vital importance that we should have time to at least explain the meaning of the bill and the possibilities of the amendment.

The SPEAKER. The gentleman from Virginia asks unanimous consent that the time for general debate on Senate bill 6398 be extended one hour, which would make two hours of general debate upon that bill, 30 minutes of that time to be controlled by himself and 30 minutes by the gentleman from Illinois [Mr. MANN]. Is there objection?

Mr. DONOVAN. Mr. Speaker, reserving the right to object, will the gentleman state how much time for general debate on the different bills there is to be used; how much altogether?

The SPEAKER. The Chair will state that on each one of these bills there is to be an hour of general debate, and 30 minutes under the five-minute rule on each one, and the gentleman from Virginia [Mr. GLASS] now asks unanimous consent to extend the time for general debate on this one bill—Senate bill 6398—for one hour, one half to be controlled by the gentleman from Illinois [Mr. MANN] and the other half by himself.

Mr. DONOVAN. That will make four hours altogether?

The SPEAKER. It will make three hours of general debate on the two bills and 30 minutes under the five-minute rule on each bill, which will make altogether four hours of debate.

Mr. COX. Mr. Speaker, I object.

The SPEAKER. The gentleman from Indiana objects.

Mr. GLASS. Mr. Speaker, I yield 15 minutes of my time to my colleague [Mr. BULKLEY].

Mr. BULKLEY. Mr. Speaker, Senate bill 6398 as originally introduced was a very simple proposition, providing for the liberalization of the requirements of the Aldrich-Vreeland Act with respect to the issuance of emergency currency. It is believed by the Treasury Department and by the Federal Reserve Board and by the Banking and Currency Committees of both the Senate and the House that some liberalization of those requirements would be desirable at this time. There are three reasons why an exceptional amount of currency is now needed, two of them being unusual reasons. The first reason is that it is crop-moving time, and at that season there is always a large amount of currency required for circulation. In the second place, an exceptional emergency has arisen because of the European war, necessitating considerable gold exports and requiring currency to take the place of the gold needed for export. In the third place, the unsettled conditions and fear arising out of the war have resulted in a certain amount of private hoarding of currency, and this should be offset by the issue of emergency currency. Many banks do not own enough bonds which are available under the Aldrich-Vreeland Act as security for emergency currency to get as much currency as they would like to issue to meet this emergency. As we have now come to appreciate that commercial paper is the very highest and most liquid form of security, and as we have recognized that in passing the Federal reserve act, making commercial paper the basis of our future note issues, it is inconsistent to maintain the restriction imposed by the Aldrich-Vreeland Act on the availability of commercial paper as security for note issues.

The amount of emergency currency that banks may issue under the Aldrich-Vreeland Act as amended by the act of August 4, 1914, is 125 per cent of their unimpaired capital and surplus, but only an amount equal to 30 per cent of unimpaired capital and surplus may be issued against commercial paper. This bill proposes to increase the amount that may be secured by commercial paper from 30 per cent of the capital and surplus of the issuing banks to 100 per cent. The Senate bill provided for an increase to 75 per cent, and the House committee proposes an amendment increasing this to 100 per cent. One hundred per cent of the capital and surplus is the amount that is asked for by the Treasury Department and the Federal Reserve Board, and we believe that the adoption of 75 per cent in the Senate was due to a misapprehension.

Mr. SMALL. Mr. Speaker, will the gentleman yield?

Mr. BULKLEY. Yes.

Mr. SMALL. Will the gentleman please tell us what is commercial paper as defined by the Treasury Department under the Federal reserve act, and also under the Aldrich-Vreeland Act?

Mr. BULKLEY. Commercial paper is that arising out of a commercial transaction; that is to say, out of a live transaction not involving any fixed investment—a transaction with respect to the production or movement of goods on their way to consumption. The reason why it is exceptionally good security is that at the end of a certain time the goods on which it is based are to be consumed, and therefore must be paid for. Thus, commercial paper is the most liquid security there is, because it has to be paid when the goods are consumed.

This bill, simple as it was in its original form, has been made the vehicle for an attempt to finance the much-discussed cotton situation. In the Senate that attempt was manifested in the addition of section 2, an amendment adopted by the Senate providing for the extension of the privileges of issuing emergency currency to State banks and trust companies. The amendment

is important and far-reaching, but I think is not going to be insisted upon now, because it is recognized that the need in the financing of the cotton situation is not so much an addition to the supply of currency as it is a market for the cotton.

Mr. STAFFORD. Will the gentleman yield?

Mr. BULKLEY. I will.

Mr. STAFFORD. I would like to have an impression confirmed. This amendment to the Aldrich-Vreeland bill will terminate on June 30, 1915, will it not?

Mr. BULKLEY. The whole Aldrich-Vreeland law and all amendments will expire by limitation on the 30th of June, 1915.

The Treasury Department prepared a memorandum stating its objections to section 2 of the Senate bill, which the House committee proposes to strike out. These objections are set forth in full in the committee report, and my time is so short I shall not have a chance even to enumerate them. The most important objection is that the provision opens the way to inflation. It is estimated that section 2 of the Senate bill would make possible the issuance of an additional $1,600,000,000 of emergency currency, all made redeemable in gold at the Treasury, forthwith, and no adequate means provided for its redemption.

Another objection is that the section would make an unfair discrimination against the national banks, because in towns of more than 3,000 inhabitants national banks can not be organized with a capital as low as $25,000; yet this section would allow State banks of that capitalization to get the benefits of the Aldrich-Vreeland law.

It is not clear that the amendment would require currency associations organized under the Aldrich-Vreeland law to accept State banks as members, but such is the natural and almost necessary construction. This would involve an unfairness in that banks which become members of any currency association become liable for notes issued by all members of the association, and the double liability of stockholders of national banks would not be matched by the State institutions.

A very serious practical objection to section 2 as an emergency relief measure lies in the fact that it would be impossible to prepare the plates to make the currency for the State banks within the time the emergency is likely to exist. Indeed, it is not possible to state that all of these plates could be prepared even before the act expires by its own terms on the 30th of June, 1915.

The other amendment proposed by the committee is to amend section 5202 of the Revised Statutes. That section now provides:

> No national banking association shall at any time be indebted, or in any way liable, to an amount exceeding the amount of its capital stock at such time actually paid in and remaining undiminished by losses or otherwise, except on account of demands of the nature following:
>
> First. Notes of circulation.
>
> Second. Moneys deposited with or collected by the association.
>
> Third. Bills of exchange or drafts drawn against money actually on deposit to the credit of the association or due thereto.
>
> Fourth. Liabilities to the stockholders of the association for dividends and reserve profits.
>
> Fifth. Liabilities incurred under the provisions of the Federal reserve act.

Now, banks issuing emergency currency under the terms of the Aldrich-Vreeland law are required to guarantee all emergency notes issued by all members of their own association. They therefore assume a contingent liability for the obligation of the other banks in the association, and the inhibition of section 5202, if strictly applied, would practically prevent banks from joining these associations and taking out any emergency currency at all. This question has never come up and has never been ruled upon, yet it is certainly desirable to make it clear once for all that that inhibition does not apply to the contingent liability incurred by banks joining these associations.

I turn now to the question presented by the amendment reported from the Rules Committee and by the rule made in order on this bill. This amendment is one of a number of proposals made during the past few weeks for the relief of the cotton situation.

What is the cotton situation? The market of one of our greatest agricultural products is in a state of complete demoralization. The great European war resulted in the closing of mills and stopping of commerce to such an extent as seriously to impair the market for cotton and greatly to depress its price. What then? Prompt action on the part of the spinners to take advantage of the low price? Not at all. The low price and unsettled condition of the market served to create such uncertainty that spinners were afraid to buy, lest cotton might go still lower. The low price caused fear and hesitation. These caused still lower prices, which, in turn, seemed to justify and intensify the fear and hesitation. A crop which a few weeks ago was reasonably supposed to be worth a billion dollars is worth at to-day's nominal prices perhaps one-half that amount. I say nominal prices because just now there is no substantial demand at any price.

A loss of one-half the value of a year's labor is one that must be serious to anyone. Even if such a loss were due to the negligence or other fault of the loser, it would be hard to bear. If it were due to errors of business judgment, it would be hard to bear. If the loss could be foreseen, it would be hard to bear. But this year the cotton farmer was guilty of no negligence, having produced a splendid and bountiful crop. He was guilty of no error of business judgment in producing what the experience of years has shown to be a common necessity of the world. Yet he is now confronted with a loss which he could by no possibility have either foreseen or averted. His plight must appeal to our sympathy.

But it is doubtful whether sympathy alone, if nothing else were involved, should compel our action. It is seldom, indeed, that a great Government can take cognizance of individual misfortune, and sympathy in the business reverses of individuals or groups of individuals is an unsafe basis for legislation by Congress.

In the case before us, however, the aggregate of individual losses is so great as to constitute a national calamity. If cotton does not get some support, our national loss in the price of that part of the crop raised for export will be as much as the cost of the Panama Canal. Does anyone believe that such a great economic loss can be absorbed in one year by a few Southern States? Of course it can not. Every State and every section of our country will suffer through the business failures and diminished purchasing power of the Southern States unless this extraordinary situation can be met.

The situation is unprecedented, and therefore we must not be surprised if unprecedented proposals are made for its relief. Under the present circumstances we must not condemn a proposition merely because it is unprecedented.

But in a matter of so great importance we must carefully scrutinize relief measures, and we must reject those which are not adapted to meet the real needs of the situation and those which are contaminated with financial unsoundness.

Propositions have been made to increase the circulation, though it must be clear that circulation will be adequately provided for by existing law and the bill now under consideration as reported by the committee. The existing law, with the amendment now proposed by the committee, is amply liberal to meet currency needs, and yet contains abundant safeguards against inflation. Inflation seems to have no terrors for some Members of this body who, in their proper anxiety to relieve a desperate situation, seem willing to take chances with the integrity of our circulating medium. They argue that since one hundred and fifty millions of gold reserve will support three hundred and fifty millions of notes, therefore the same reserve will support six hundred or seven hundred millions. The fallacy must be apparent, and especially so in the light of the experience of 1893, when the inadequacy of reserves caused a run on the Treasury and sent gold to a premium. Time available does not permit an enumeration of the dangers of inflation or of casting any doubt on the integrity of the American dollar. Any risk of that sort is too great a price to pay even to relieve our distressed friends in the South or to save half a billion dollars. We can not risk a breakdown of our whole financial structure, for that would vastly spread the distress and multiply the economic loss.

Now, this amendment proposes to permit the Secretary of the Treasury to issue two hundred and fifty millions of legal-tender notes without increasing the gold reserve which supports them. It is true the notes proposed are not immediately redeemable in gold, and it seems that the proponents of this amendment are very properly willing to admit that it would be a dangerous proposition to make them so immediately redeemable. But by the terms of this provision they are redeemable on and after January 1, 1916. The day of reckoning is delayed only a few months. Then what? Since the proposed deposits can not be recalled before December 31, 1915, there must follow necessarily either repudiation or a bond issue. And who knows how a bond issue would fare in such a market as may develop after another year of European war? Meantime the inflation could begin. The proposed legal-tender notes would be reserve money for banks, and as such would provide the basis for expansion, which would make more difficult the adjustments on the day of reckoning; or these notes might displace gold as bank reserves, drive it out of the country, and make it trebly difficult to secure when sorely needed in 1916. The attempt of the authors of this proposition to avoid the evils of inflation is absolutely ineffective.

But there is an option given the Secretary of the Treasury to meet the situation in another way—by the issue of bonds, bonds to the amount of $250,000,000.

The President of the United States came to this Hall a few weeks ago to ask that $100,000,000 be raised by additional taxation. Well knowing the unpopularity of any new tax, well knowing that Panama bonds have already been authorized to an amount much greater than that now required, he none the less had the courage to analyze and to face the actual situation. "To sell bonds would be to make a most untimely and unjustifiable demand on the money market." Those were his words. Do you who propose this bond sale intend deliberately to repudiate his sound judgment? When he has refused to sell one hundred millions of bonds to meet the necessities of the Government and assigned as a reason that it would be an untimely demand on the money market, do you seriously propose to sell bonds to the amount of two hundred and fifty millions to give a relief which at best could be given only by taking a very liberal view of the functions of the Federal Government? If you could pass such a bill, what would be its fate when it should be presented to the President for his approval? In all seriousness, could he consistently perform his duty otherwise than by vetoing it? And a veto would end the hope of the needed and legitimate relief which the committee bill will afford.

Mr. Speaker, our duty is plain in the premises. There is a great emergency which, in my candid judgment, ought to be relieved by Federal aid. But the method proposed offers to the Secretary of the Treasury a choice between inflation and fiatism on the one hand, and on the other hand demoralization of the money market and the Government credit, for such would be the result of attempting a bond sale two and one-half times as large as one which the administration has repudiated as being too great under the present conditions. We must have the courage and patriotism to vote down such a proposition.

Mr. BARTLETT. Mr. Speaker, will the gentleman yield for a question?

Mr. BULKLEY. Yes.

Mr. BARTLETT. How does the gentleman think this bill here will aid the cotton situation?

Mr. BULKLEY. The bill that we propose?

Mr. BARTLETT. Yes.

Mr. BULKLEY. I endeavored to explain that the bill was not designed to meet the cotton situation. I do not think that it does meet it. I think that we ought to meet the cotton situation in some other way.

Mr. BARTLETT. I am speaking about the bill which the gentleman's committee reported.

Mr. BULKLEY. I am speaking about the bill we reported. It was not designed to meet that situation. It was designed to liberalize existing provisions for the issue of emergency currency.

Mr. BARTLETT. Then I misunderstood the gentleman. I understood him to say that this bill as reported would in a measure relieve the situation.

Mr. BULKLEY. It will in a measure; but it will not meet fully the situation, and it is not pretended nor presumed that it does. I said that it would adequately take care of what is needed by way of circulating medium, and I contend that the question that confronts the cotton growers is not one of a circulating medium, but the lack of a market.

The SPEAKER pro tempore (Mr. CRISP). Does the gentleman from Illinois desire recognition? The Chair is advised that the gentleman from Illinois [Mr. MANN] and the gentleman from Virginia [Mr. GLASS] control the time.

Mr. MANN. I do not know whether the gentleman from Virginia [Mr. GLASS] desires to proceed or not.

Mr. GLASS. I would rather that the gentleman from Illinois would use some of his time.

Mr. MANN. I yield one-half of my time to the gentleman from Texas [Mr. HENRY].

Mr. GLASS. Mr. Speaker, I yield five minutes of my time to the gentleman from Texas, also.

Mr. HENRY. Mr. Speaker, that gives me 20 minutes?

The SPEAKER pro tempore. The gentleman from Texas has 20 minutes.

Mr. HENRY. After I have proceeded for five minutes, I wish the Speaker would notify me.

Mr. Speaker, I desire briefly to refer to the amendment offered by the gentleman from Georgia [Mr. HARDWICK]. That amendment is in strict accord with the Democratic traditions of more than 100 years. It provides for the issuance of United States notes. It provides for the issuance and sale of Panama Canal bonds. There have been two theories in this country about the issuance of currency—one that the banks should issue all the currency, and the other that the Government itself should issue it. When the Federal reserve act was passed we abandoned the theory that the banks should issue any of the currency, and that act, in section 16, provides that the United States notes hereafter to be issued shall be called "Federal reserve notes," and shall be the obligations of the Government of the United States, and shall be payable in gold. Therefore Congress has said that hereafter all paper money shall be issued by the Government and not by corporations and banks, as heretofore.

What is the Democratic faith as expressed in their platforms on that question? Let me read this part of the platform of 1896, which was not only the fundamental faith of our party in that year, but has been the doctrine of the Democratic Party since the first platform on the subject was written in New York in the early part of the century. It says:

> Congress alone has the power to coin and issue money, and President Jackson declared that this power could not be delegated to corporations or individuals. We therefore denounce the issuance of notes intended to circulate as money by national banks as in derogation of the Constitution, *and we demand that all paper which is made a legal tender for public and private debts, or which is receivable for dues to the United States, shall be issued by the Government of the United States, and shall be redeemable in coin.*

It is the sovereign function of this Government to coin gold and silver and to issue paper money redeemable in coin, or in gold, if you please.

Therefore this bill proposed by the gentleman from Georgia is bottomed on that plank of the Democratic platform. It is founded on numerous platforms that our party has adopted. It proposes nothing new and untried, but travels the beaten paths a century old. Therefore we are within our rights when we call upon this Government to exercise its sovereign functions and issue $250,000,000 of *"United States notes with all the legal qualities of the United States notes now outstanding,"* and to deposit those notes—the currency of the people—in the National and State banks of States in order that they may be loaned to the distressed growers of cotton and tobacco on terms fixed by this Government.

Gentlemen, is there any objection to a proposition of that sort? It can be defended anywhere. If I had the time I could elaborate on those propositions, but it is not necessary. I say to this House that the Aldrich-Vreeland Act, having utterly failed to get the currency to the American people, and the Federal Reserve Board, which is being most tardily organized, having failed to respond to the needs of the people, it is the duty of the Representatives in Congress to supply an adequate amount of currency as provided in this bill. [Applause.]

The SPEAKER pro tempore. The five minutes have expired.

Mr. HENRY. Mr. Speaker, I reserve the balance of my time.

Mr. MANN. Mr. Speaker, I yield to the gentleman from New York [Mr. PLATT].

Mr. PLATT. Mr. Speaker, I feel very doubtful about this amendment to the Vreeland-Aldrich Act allowing banks to take out emergency currency on commercial paper alone equal to the amount of their capital and surplus. I opposed it in committee, if I remember rightly, on the ground that the emergency currency is a taxed currency, and that it is taxed to promote its retirement on the theory that most of it is bond secured.

By amendment passed soon after the outbreak of the European war, on August 4, the amount of emergency currency that can be issued was increased to 125 per cent of capital and surplus of banks, raising the limit from $500,000,000 to about $1,500,000,000, but it is evident that that amendment was unnecessary, as less than $400,000,000 has so far been taken out. Southern banks have not taken out all they have security for under the act as it is at present. The chairman of the Committee on Banking and Currency has stated that they could call for $151,000,000 more. When the amendment of August 4 was passed, the Secretary of the Treasury was unwise enough to tell the cotton farmers that there would be an abundance of currency for everybody, and that cotton farmers would have full relief from it. Now, nothing of the sort has happened. As a matter of fact, additional currency sent to southern banks will not stay there but comes back to New York, and that is because of a natural economic law. Business is dull in the cotton sections of the South, just as it is in some of the northern towns, where factories have been closed and men are out of work because of the tariff reduction, and where business is dull less currency is required than before, and not more currency. Neither the increase of emergency currency provided in this bill nor the issue of $250,000,000 of greenbacks provided in the amendment of the gentleman from Texas can do the cotton farmers any good. These propositions merely raise false hopes, and so hurt instead of helping the cotton farmers. The banks have already loaned all they can safely loan on cotton under present conditions. There is only one thing to do for cotton, and that is to provide a market for it, get somebody to buy it, so that it can become again good security.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. HENRY. Mr. Speaker, I yield three minutes to the gentleman from Tennessee [Mr. McKELLAR].

Mr. McKELLAR. Mr. Speaker and gentlemen of the House, I can not do more than to tell you something about the actual situation as it is in the South. Some of the gentlemen on the other side want to know why it is that the present emergency currency that is being issued can not do this work. The principal reason is that down South, gentlemen, we have no banking system for the producers. This money that goes into the national banks under the emergency-currency system does not go to the producers of cotton. These producers are all indebted for advances in making their crop. They have got to dispose and will dispose of their crops within the next 60 days. Their necessities are such that they can not keep it longer. Unless they can get relief now, it will be too late, and they will have to give up their crops for not exceeding one-half of what it took to raise those very crops.

Mr. SHERLEY. Will the gentleman yield?

Mr. McKELLAR. Why, certainly.

Mr. SHERLEY. Why is it that the money does not go to these people?

Mr. McKELLAR. For the reason that I will explain to you more carefully. They have not a banking system, because in all of the Southern States they have an exemption of $1,000 and a homestead exemption of another $1,000 on real estate. Therefore you gentlemen can see that the small farmer or producer can not make bankable paper. In addition, the majority of banks in our section are State banks, which are not entitled under the law, and who do not receive, any of this emergency currency.

Mr. SHERLEY. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore. Does the gentleman from Tennessee yield to the gentleman from Kentucky?

Mr. McKELLAR. I regret I can not yield, because I have but three minutes. He can not make bankable paper. He can put up his cotton, where he owns the cotton, under the terms of this bill; and if such a bill as this is passed, it will offer great relief to him.

Now, gentlemen, are we violating any precedent here? Why, we are doing the same thing in this bill for the actual producers of cotton that the Secretary of the Treasury is now undertaking himself to do through the national banks. We are not departing from any established precedent. The Secretary of the Treasury is directing the national banks of the South to lend out money on this same kind of security and under exactly the same conditions that we are directing it to be done in this bill.

Now, what does it do? This bill merely enlarges the powers of the Secretary of the Treasury; it enlarges his ability to meet the situation. The distinguished gentleman from Ohio [Mr. BULKLEY] has just said, and every man who has spoken here has said, that it is a situation that has to be met and that our National Government ought to meet. Now, we people of the South have agreed upon a measure of relief, and we ask you, our friends from all over this country, to stand by us in this legislation.

The substance of this bill is that the Secretary of the Treasury is authorized and empowered either to issue $250,000,000 of Treasury notes or sell $240,000,000 of Panama Canal bonds, or both, and he is directed to deposit the notes or proceeds of the bonds in national or State banks in the cotton and tobacco producing States, to be loaned out to producers of cotton and tobacco in such a manner as will aid them, and in precisely such a manner as the Government of this country is now doing.

Now, Mr. Speaker, I submit that if this bill should pass that there is no question of fiat money raised here. There is no question of inflation presented in this bill. It is true that the Secretary is authorized to increase the currency by $250,000,000, but he is only given a discretion in the bill to do so, and if he thinks there ought not to be any increase in the currency of the country he can issue the bonds instead, or, in his discretion, he may do both. The passage of this bill would not affect our financial system in the slightest. There is no change of any kind, nature, or description in our financial policy proposed. If the Secretary of the Treasury issues the Treasury notes it is no more than what we have done before. There are three hundred and forty-six millions of Treasury notes now outstanding, yet they are absolutely good. On the other hand, if he concludes to issue the bonds, as I believe he will should the bill be passed, it will only be what has been done many times before. Why, there is a bill in this House now, the Alexander shipping bill, which has been approved by our Democratic administration, which would authorize a sale of some of these very Panama Canal bonds. So that, I say, in so far as this feature of the bill is concerned, there is no change of governmental policy. There is no departure from precedent in it.

But it is claimed that the banks are directed to loan the money to the producers upon cotton as security; that this would be constituting a departure from the established financial policy of the Government. In this, Mr. Speaker, I submit that our opponents are in error. Time and again has this Government even lent money directly to its citizens. Time and again has this Congress in times of emergency, sometimes great emergency and sometimes small emergency, lent money to its citizens. Even more than that; in many instances we have given our citizens money to tide them over after great disaster. We appropriated money for them in Cuba in 1897. We appropriated money for them in the great earthquake in California. We have appropriated money for the flood sufferers along the Mississippi and Ohio. We have appropriated money for the Salem, Mass., fire sufferers, and but recently, as we all know, we have appropriated three and a half million dollars and lent it out to those of our citizens who were traveling abroad, without taking any security for it; and yet, in so far as actual suffering is concerned, those citizens traveling in foreign countries have not suffered as much as the southern cotton growers have since this war began. In addition to that, we have appropriated money and sent it to Italy to relieve those in distress. We have sent money to Mexico and, I believe, to China to relieve suffering and distress. But gentlemen may claim that these appropriations were gifts and are not parallel cases. If that be so, then I will submit parallel cases. A bank is just as much an individual under the law as a private citizen, and it is the fixed policy of this Government to lend money to banks in times of emergency. In 1907 the Government came to the rescue of the stock-and-bond market in New York by lending the banks some forty-two millions of dollars to tide these commercial enterprises over.

Only in 1913 the present Secretary of the Treasury most wisely extended this policy by lending large sums of money to banks in the farming States to lend out for crop-moving purposes. Only recently this same splendid Secretary of the Treasury has directed national banks, to which banks he has lent the Government's money, to lend that money out to farmers upon warehouse receipts of cotton as security. The truth is that the Secretary of the Treasury has taken the lead in extending this sound and effective financial policy of the Government, giving this aid where it is most needed to promote the commercial interests of the country. But under the law he has no power to do more. We should give him greater power.

The provisions in this bill are in direct line with the present policy of the Secretary of the Treasury in this regard. It simply goes one step farther and gives more authority to the Secretary of the Treasury to do for certain industries in a larger and more complete and a more effective manner just what he has been doing for all industries all during his tenure of office and more recently for these same industries. The Secretary has no power now under existing law to extend specific relief to the cotton producers of the South in this great emergency. This bill simply gives him the power to extend a larger measure of relief in this emergency to these people. Is there any danger about it? Not the slightest. The national banks under the supervision of the Secretary of the Treasury are now making loans on cotton. This bill provides that these same national banks, as well as State banks, under the direction and supervision of the Secretary of the Treasury shall simply enlarge their business by lending this specific sum appropriated in the bill to cotton producers for their relief in this emergency. Unless these banks fail to do their duty, unless they fail to take proper collateral and make safe loans, and I believe that no one will say that any such thing will occur, then it is impossible for injury to come. I do not believe there is a gentleman from the cotton States in this House, or elsewhere for that matter, who will believe for a moment this Government will lose a single, solitary cent by making the loans to the banks to be in turn made to producers of cotton as provided in this bill.

So that, Mr. Speaker, I submit to this House that this bill is directly in line with the financial policy of this Government. It is abundantly upheld by precedents. There is no departure from established policy. There would be no inflation of the currency. There would be no change in system, but it will simply be an enlargement of our present policy.

I was astonished on Friday when I listened to the argument of my friend from Virginia [Mr. GLASS]. I followed Mr. GLASS in his currency legislation. He was my leader. He is an able

and splendid man. The legislation proposed by him is great legislation. His arguments in favor of it were among the best arguments that I have heard in this House since I have been a Member here. Feeling this way toward Mr. GLASS, I could not but be astonished at the reasons he proposed on last Friday for his opposition to this legislation. He said that it had been tried by the Confederate States and it had proven a failure, and that we were inviting the United States Government to do just what the southern Confederacy was unable to do.

Mr. Speaker, the southern Confederacy had a constitution exactly like the United States Constitution, with a few trivial differences, and that was a failure because the Southern States failed. Will the gentleman say because the constitution of this southern Confederacy failed that we should not uphold our Constitution, which is just like it? Not only the financial policy of the southern Confederacy failed, but every other policy of the Confederacy failed because that Government itself failed, and to me the precedent relied on by the distinguished gentleman from Virginia is wholly and absolutely without any point at all. The Confederacy had a commander in chief of the army, one of the most gallant military chieftains the world ever knew, and he failed. Would the gentleman from Virginia be opposed to having a commander in chief of an army because the Confederate commander in chief had failed? The Confederacy had a congress, and it failed. Would the gentleman from Virginia desire to abolish the American Congress because the Confederate congress of like kind and character failed? These questions surely answer themselves.

Again, the gentleman from Virginia placed his objection on the ground that it would bring about a depreciated currency. My answer to that is that the gentleman from Virginia must not have read the bill. As I have said heretofore, he is too able and keen sighted a statesman to have read the bill and not to have known that under the present administration there could be no inflation of the currency in carrying out its provisions.

Mr. Speaker, in considering the cotton question I have been astonished at two different political situations about it. One is the apparent willingness on the part of many of our northern friends to aid us in this time of great emergency. The other remarkable phase of the situation is that a number of our own southern Congressmen and Senators should take the antagonistic position that they do. A number of them now find that for the banks to lend the cotton producers this money by the Government upon a perfect security along lines precisely the same that are now being pursued by the Government is an awful thing, and yet many of those same gentlemen only a few weeks ago voted to lend three millions and a half dollars to those of our pleasure-loving citizens who were traveling abroad and who needed money without taking the slightest security from them, and in addition to that furnished a battleship to take the gold to them.

I want to say to my southern friends who take this view of it that I do not know what the people of your districts may think, but I believe that the people of my district feel that this is a question that only the United States Government can solve; that this is a question that the United States Government is empowered, under the Constitution, to solve; and that this is a question that their own Representatives in Congress ought to solve for the protection and benefit of the distressed people of our southern country. We are here to legislate for the general welfare of our whole country.

We have no right to attempt to put upon others the work which we are sent here to do. This is a national problem, not a State problem. This sure is a public calamity, not a private misfortune.

Now, Mr. Speaker, a word or two about this unfortunate situation.

A system of indirect relief through banks does not provide for the producer of cotton. In my judgment, it is the duty of Congress to provide adequate banking facilities for the producers of all of our crops. It ought to be one of the highest functions of Government to see that the producers of all crops have such banking facilities that they may get adequate money and supplies for producing their crops at a reasonable rate of interest, and for the purpose of performing the most important function of life, and that is to produce the necessary means of existence out of the soil for all of our people. The Government has not yet done so. If this war continues, within a period of two months there will practically be no cotton in the hands of the original producer. It will have been taken by the merchants at these ruinous prices in payment of their debts, or it will have been sold by the farmer to obtain the necessities of life, and when the change comes and the price goes up, as necessarily it must upon the close of this war, the merchant who is able to get banking facilities to tide him over will get all the increase, while the farmer, the man who produced it, will not have gotten even the cost of production. This situation has caused and will cause the keenest distress to the farmers. It will cause bankruptcy and ruin to many of them. He does not ask and we do not ask for him any charity. He does not ask and we do not ask for him that the Government shall give him a price regardless of its market value. He is not a mendicant, and we are not applying to Congress on that ground, but we merely ask that the Government of the United States will do him the simple justice to provide him loans, upon his giving ample security therefor, so that he may take care of his crop until these conditions change, which conditions have been brought about through no fault of his own. It violates no principle of government. What is government for unless it is to protect its citizens in the time of disaster or misfortune?

If any of our citizens on the coast should be threatened by a foreign foe, would we hesitate in using all the forces of the Government to protect that city? If American citizens are threatened, the forces of the Government are there to protect them. It is the highest function of government to protect each and every one of its citizens in their lives, liberty, and property, and in asking that this measure pass we are merely asking for the cotton producer just what many other citizens in times of emergency ought to have the right to ask. It is the highest function of government to supply an adequate currency system to meet all emergencies.

Some gentlemen say that if we do this for cotton that we ought to do it for copper, and for lumber, and for canned goods, naval stores, and various other commodities. I do not believe that any reasonable gentleman has any such view as that. Cotton is in a different shape from any of those commodities. Corn and wheat and cattle and hogs are in a nearly similar attitude. If wheat was in a distressed condition or if corn was in a distressed condition, or cattle and pork, there would be an analogy; but to say there is an analogy between cotton and canned goods, where the exportation of cotton amounts to one-fourth of all our exportations and canned goods about one-fourth thousandth of all our exportations, to my mind, is ridiculous and not worthy of consideration.

Mr. Speaker, this amendment ought to be adopted, and I sincerely trust it will be adopted.

The SPEAKER pro tempore. The time of the gentleman from Tennessee has expired.

Mr. MCKELLAR. I ask unanimous consent, Mr. Speaker, to extend my remarks in the RECORD.

The SPEAKER pro tempore. The gentleman from Tennessee asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. HENRY. Mr. Speaker, I now yield to the gentleman from Alabama [Mr. HEFLIN].

The SPEAKER pro tempore. The gentleman from Alabama [Mr. HEFLIN] is recognized.

Mr. HEFLIN. Mr. Speaker, some of our northern brethren in both parties do not understand our condition, or they have but little sympathy with us. I can not understand why anyone here would oppose this bill. It provides for the issuing of additional currency. It will not take out of circulation a single dollar now working in other sections of the country, but it will provide the money necessary to help the producers of cotton out of a very distressing condition. Will Members here withhold this measure of relief from us? If the banks can not or will not respond to our call, and if the Congress refuses to grant us relief, we will be forced to call upon the States to do the thing that will relieve us, and that is to pass a stay law suspending the payment of all debts for a stated period of time. We shall regret to have to do this, but we do not propose to permit the conditions created by a foreign war to rob the producers of cotton and impoverish the farmers of the South. [Applause on the Democratic side.] As a last resort we shall employ the powers of these cotton States to save our people from bankruptcy and ruin. We do not propose to sell this crop at the present price. Make up your minds to that. If necessary, I shall appeal to every State that produces cotton to join a movement for a stay law. [Applause.]

Mr. HENRY. Mr. Speaker, I yield to the gentleman from South Carolina [Mr. BYRNES].

The SPEAKER pro tempore. The gentleman from South Carolina [Mr. BYRNES] is recognized.

Mr. BYRNES of South Carolina. Mr. Speaker, in addition to all that has been written and stated on the floor of this House about the condition of the southern cotton grower at

this time I desire to quote from a letter written by a North Carolina journalist, in which he says:

"By October 2, 1913, the American mills had taken 598,668 bales and the exporters 1,238,848, which together, at $60 a bale, brought the planters $110,250,960, enabling them to pay the pickers and to settle their pressing obligations to the merchants and banks, and putting $100,000,000 into circulation, to the relief of the local banks.

"This year, to October 2, the takings were: By northern mills, 173,424 bales; southern mills, 147,613 bales; for export, 149,109 bales; making a total of 470,146 bales. At 8 cents, or $40 a bale, this brought the planters $18,805,840.

"More than 3,000,000 bales had been picked and ginned by that date, at an expense of $10 a bale. The cost to the planters was $30,000,000. It is apparent that the sales have not enabled the planters to pay the pickers. The picking has to some extent increased the debt of the planters, unless the buy-a-bale movement has supplied the deficit.

"Picking is now in progress at its maximum, costing more than $1,000,000 a day. It must be paid for or the cotton on the fields will be damaged—perhaps lost.

"The American mills are probably to continue their close buying, and the situation in Great Britain offers no hope of change. The consumption, as stated in the Liverpool market, for the week ended September 18 was only 29,651 bales, while the consumption from September 1 to September 18 in 1913 was 441,252 bales.

"The stock at Liverpool September 18 is given at 854,770 bales, rather more than a month's supply under normal conditions and nearly four months' supply at the present rate of consumption. We may not, therefore, expect any great demand for export at present. Evidently the banks and merchants in the South will have to make other advances to the planters for some time yet, instead of being now put in funds by the payment of existing debts. If it be said that the planters should not hold their cotton, but should sell it and pay their debts, in response the question may be asked, To whom are they to sell it?

"The mills will not buy; the exporters are not in the market; and a reduction of the price to 6 cents will avail nothing."

The pending amendment is offered in order to relieve this condition. It provides for $250,000,000 of notes bearing 2 per cent interest, or for the sale of $250,000,000 of Panama bonds, the money to be deposited by the Secretary of the Treasury in the State and National banks of the South upon the condition that it be loaned to the producers of cotton and tobacco at a rate of interest not to exceed 4 per cent. While nearly every Member of this House realizes the condition in which the people of the South find themselves to-day, and a large number are willing to admit that it has become a national question demanding action by the Federal Government, some oppose this bill on the ground, first, that the issuance of notes would amount to a dangerous inflation of the currency; second, that Panama bonds could not be sold; third, that the Government has no right to deposit money in banks upon condition.

To-day the Government has in circulation $346,000,000 of notes. This amount of greenbacks, together with all the forms of currency that we now have redeemable under the Treasury's policy in gold, are based upon our present gold reserve, and it is difficult to understand why this issue would seriously injure or impair our financial system. These notes under the terms of the amendment would be redeemable on the 1st of January, 1916, in United States coin or its equivalent, and they can not become a charge or a burden upon the gold reserve before that date. The proposition is certainly in accord with the Democratic doctrine as expressed in the platform of the party time and again. In the Democratic platform of 1896 it is stated:

Congress alone has the power to coin and issue money, and President Jackson declared that this power could not be delegated to corporations or individuals. We therefore denounce the issuance of notes intended to circulate as money by national banks as in derogation of the Constitution, and we demand that all paper which is made a legal tender for public and private debts, or which is receivable for dues to the United States shall be issued by the Government of the United States and shall be redeemable in coin.

The objection that Panama bonds at this time could not find a market is not a valid one. I am unwilling to admit that the bonds issued by this Government will not prove attractive to investors. But even if this should be true, then this bill provides for the issuance of notes.

There is less ground for the objection that there is no precedent for the deposit of money by the Secretary of the Treasury in banks upon condition that it be used for specific purposes. Before the Money Trust committee Mr. Cortelyou, Secretary of the Treasury in the Roosevelt Cabinet, swore that in 1907, when a financial panic threatened the country and a most serious condition existed in the city of New York among the bankers and brokers, realizing the necessity for the exercise of extraordinary remedies, he deposited in the banks of New York City within four days the sum of $42,000,000. Referring to this deposit, I heard him testify as follows:

Mr. CORTELYOU. I do not recall just what amount was deposited. My stipulation was that the first $10,000,000 deposited after I arrived here should go to the trust companies.

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Mr. CORTELYOU. I could only deal with national banks.
Mr. UNTERMYER. I know. It all went into the national banks?
Mr. CORTELYOU. Oh, yes.
Mr. UNTERMYER. That $36,000,000 added to the $6,000,000 that had been previously deposited by the Treasury on the 22d of October made a total of $42,000,000 that were deposited by you in certain national banks within four or five days?
Mr. CORTELYOU. I think so; yes, sir.
Mr. UNTERMYER. The money that was used to help out the Trust Co. of America, then, was part of the money that you had put here for that purpose—the purpose of helping out the trust companies?
Mr. CORTELYOU. I think so. (See p. 448, Money Trust investigation.)

On the day that these deposits were made call money was 120 per cent, and the Government exacted no interest from the banks in which the money was deposited. At that time there was upon the statute books the law, so frequently quoted by Mr. McAdoo, directing the Secretary of the Treasury in making deposits of public money to endeavor to distribute it is equally as possible between the sections. In making these deposits Mr. Cortelyou knew that he would subject himself to criticism on the ground that he was favoring the banks in which the deposits were made; he knew that it would be depositing in the banks of New York City more money than should be deposited there in proportion to that deposited elsewhere; but he also knew that it was the only way in which he could save the banks of that city in the crisis, and he made the deposits and stopped the panic. This was a deposit based upon the condition that it should be used for specific purposes. Again, on the 29th of September, 1914, the present Comptroller of the Currency, speaking in the city of Cincinnati, stated that within 60 days of the time at which he was speaking the Secretary of the Treasury had shipped $40,000,000 to the Subtreasury in New York to be deposited in the depositories of the Government in that city. He stated:

Responding promptly to urgent appeals, the Secretary of the Treasury went over to New York Sunday afternoon, August 2, and held a conference that night with a score or more of the presidents of the leading banks and trust companies of the metropolis. He heard their statements, analyzed the situation quickly, saw what was necessary to enable the banks to meet the demands upon them and to restore confidence, which had been so rocked by the world-shaking events of the week.

Again, Mr. Williams said:

Anticipating the situation as it was laid before him at that conference, he (the Secretary) had that Sunday morning before leaving Washington directed the shipment by express to the Subtreasury at New York of $40,000,000, and the Treasury forces and the express companies at that moment were taxing their resources in hurrying the execution of the order.

Since the amendment of August 4 to the Aldrich-Vreeland bill had not then been adopted, it can not be stated that the money referred to by the comptroller was an emergency issued under that act. Not long ago the Secretary of the Treasury deposited $400,000 in the National Park Bank of New York upon the condition that that amount and a deposit of a million dollars which it already had should be retained by that bank if it should handle the notes of the State of Tennessee. When the Ohio flood came, something like a year ago, and a run was made upon the banks of Dayton, the Secretary of the Treasury announced that he would deposit $2,000,000 of currency in the Dayton banks, and that he would accept commercial paper as the basis of this currency and not confine it to bonds—a stretch of the law—and upon that announcement he sent $180,000 to the Dayton banks, and this rendered it unnecessary to send the $2,000,000, since this action stopped the run on the banks and saved them from a crash.

I know that it is argued that the emergency currency issued under the Aldrich-Vreeland Act is sufficient to aid the South in the present crisis. I know it is also true that southern banks have not secured all the currency they are entitled to and could secure if they wished, but at the same time it must be realized that this emergency currency will not afford the relief necessary under the circumstances. When the Aldrich-Vreeland amendment was adopted I hoped that it would be all that was necessary, but at that time no man could anticipate the condition now existing in the South. It has proven entirely inadequate and ineffective. As a rule, the national banks of the South are located in the cities, and do not have a large clientele among the farmers. The banks patronized by the farmers in the rural districts are State banks, and the only way in which they can participate in the Aldrich-Vreeland emergency currency is through their national-bank correspondents.

The tax that is levied upon the Aldrich-Vreeland currency makes it necessary for the national banks of the city to charge

their customer banks in the country at least 6 per cent for the money they borrow. It is estimated that the cost of handling money by a bank under these circumstances is from 1½ to 2 per cent, and consequently the State bank must add at least this amount to the 6 per cent which it pays to its city correspondent. It is readily seen that by the time this money reaches the farmer its rate of interest is almost prohibitive for the purpose of holding cotton. In addition to this the banks understand that this currency now issued may find its way into the hands of a bank having obligations to meet in New York, and when it is shipped to New York for that purpose it will soon find its way to the Treasury, and the Treasury must then call upon the bank for which the currency was issued to redeem it in legal money. For this reason local banks hesitate to make loans for any length of time based upon the receipt of this currency. The notes provided for in this bill would circulate until January 1, 1916, and would enable the bankers of the South to relieve the condition now existing there. I realize that this is asking to depart from ordinary methods in our fiscal affairs, but the situation demands extraordinary methods, and our Government has never hesitated to apply such methods when necessary. The distinguished leader of the minority, though opposed to this amendment, has expressed the belief that the situation presented was one demanding assistance from the National Government, and the same view is expressed by Senator BORAH, of Idaho, and many others. When we appropriated $500,000,000 for the war-risk insurance bureau it was a departure from ordinary measures, but one fully justified under the circumstances. When we appropriated $1,000,000 to assist stranded citizens of this country who were abroad when war was declared in returning to their homes, even though the money advanced to them was to be refunded to the Treasury, it was a departure from the ordinary to the extraordinary, but fully justified by the circumstances.

The appropriation of $30,000,000 dollars to build a railroad in Alaska to open up the great resources of that country was certainly a departure from ordinary methods. Likewise was it a departure to appropriate money to aid those who were left homeless and in want by the great fire at Salem, Mass., some months ago. I do not say that the people of the South are homeless or are in danger of starvation, neither do I ask for a gift to them from the United States Government, but in view of the fact that without any warning, or without any carelessness or bad management on their part, the market for the only crop grown in the South has been destroyed and the bankers and the merchants as well as the farmers of the South face bankruptcy, this Government should lend to them its credit until January, 1916. We ask for this loan of its credit, giving as security therefor warehouse receipts for cotton, a commodity recognized the world over as being as good as gold. This is not a wildcat scheme, nor is it a violation of any sound economic principle. It is a safe, sane way of giving relief to 30,000,000 people whose failure will affect thousands of people in the North, East, and West.

It is estimated that the foreign mills will require during the coming year about 4,000,000 bales of cotton. If this cotton be sold for one-half its normal price, our country will lose $150,000,000 in gold. Sir George Paish, a representative of the English Government and special advisor to the English chancellor of the exchequer, now in this country for the purpose of endeavoring to arrange for the collection of our indebtedness to English interests, suggests that the American debits in England are some $200,000,000 to $250,000,000. As he has stated in the press, this is due to the fact that we have been exporting little cotton, which commodity has always served to maintain the balance of trade in our favor.

The assurance at this time that the cotton crop will be financed by the Government will result in immediate purchases by mills here and abroad, and with the increased value of our exports we will be enabled to discharge our indebtedness to England without making further drafts upon the gold of this Nation. This is the international aspect of the situation. By all men it is conceded that the continuance of the present conditions will affect the business interests of the entire Nation. The merchants of New England will be injured by the loss of business of a section constituting one-fourth of the Union. It is estimated that to-day the Southern States owe to the Eastern, Middle, and some of the Western States between three and four hundred million dollars growing out of the production of this cotton crop. Shall this debt be discharged? If by this bill the credit of the Nation is loaned to us for 13 months normal conditions will be restored and this debt paid in full, but if this assistance is not granted us I am unable to see how this obligation can be met. The small farmer of the South borrows money with which he makes his crop, and in order to make this crop he has given a mortgage upon all he possesses. In many cases he has borrowed from the merchants, and he will now find that his cotton can not settle his debt and that he must give up his cattle, hogs, and his agricultural implements. If he can not pay his merchant, certainly that merchant can not pay for his goods purchased from the North. The question is whether we shall, under the plan set forth in this bill, which will not cost the Government a cent, save these people and enable the South to discharge its obligations to other sections of the country.

We are daily reminded that out of the present situation much good will come to the South; that just as the Postmaster General has arranged to use only cotton strings in the Postal Department, which will consume about 4,800 bales, and cotton bags are to be substituted for burlap, the domestic consumption of cotton goods will be materially increased. This is encouraging to the people of the South, but it affords little comfort to them at this time, when they see no way out of their present difficulties.

It is urged that it is not the function of the Government to render to us the assistance we ask. We have long since departed from the strict exercise of governmental functions. It can not be contended that it is a function of the Government to engage in the running of steamship lines, and yet that is practically what is now urged upon us by the administration in the pending bill. We have expended much money in farm demonstration work, teaching the farmers how to produce more cotton per acre, and we have expended much money, very properly, to prevent the destruction of the crops by the boll weevil and other insects, and yet it is contended that it is no function of the Government to aid them in marketing the crop at this time, and that such assistance would set a dangerous precedent for the future.

There can be no doubt that little cotton will be produced next year. It is possible that the States, by legislative enactment, will require reduction of acreage; but even if this is not done, surely it must be realized that the farmer who is holding cotton will not be foolish enough to plant more when he is unable to sell that which he has on hand. Again, even if he wished to, he will be unable to secure the money with which to make a crop. Before another crop is produced the price of this crop will have materially increased, and I want the man who, with his family, has toiled to produce this crop to get the benefit of that price. He has had nothing to do with bringing about this condition of affairs, he could not have anticipated it, and this Government should not permit him to be forced to turn his cotton over to speculators who seek to purchase it at 4 or 5 cents per pound so they, with their superior sources of credit, can hold it for the higher price that is bound to come. If this is not a governmental function, then our Government fails to answer the purpose which every American citizen believes it was intended to serve.

Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the gentleman's request?

There was no objection.

Mr. HENRY. Mr. Speaker, I yield to the gentleman from Georgia [Mr. CRISP].

The SPEAKER pro tempore (Mr. RAINEY). The gentleman from Georgia [Mr. CRISP] is recognized.

Mr. CRISP. Mr. Speaker, in the brief time allotted me it will be impossible to make an argument in support of the bill, as I would like to do, or to discuss the situation confronting the South. I tried yesterday and to-day to get sufficient time to discuss in detail the cotton situation, but was unable to do so. The great crisis that confronts our people was caused by the European war, and is not a sectional one, but is national in scope—yea, international, for the people of the entire world are interested in the production of cotton; for while other sections feed the world, we largely clothe it. If we can not get a fair price for our product, we can not purchase from other sections; therefore the business of the entire country is involved. Two-thirds of the cotton raised in the United States is exported to Europe, and it alone keeps the balance of trade in favor of the United States. It more than any American product protects the gold preserved in your Treasury, and to-day New York bankers are concerned as to how they shall protect obligations due in England and prevent a drain being made on our gold reserve. Under normal conditions when cotton is being exported it settles all balances in trade and furnishes a medium of international exchange. Sir George Paish, a representative of the English Government, is to-day in Washington conferring with our Treasury officials and members of the Reserve Board to provide some measure of settling balances between this country and England. He frankly stated that if cotton

was moving it would take care of the difference and make the trade balance in our favor; so you can readily see how important it is for the whole Nation to try to help the South out of its financial distress and provide a market for cotton.

Sir George Paish frankly stated that England was financially able to buy cotton and its factories were ready to run on full time, but they were not in the market, as they were waiting to see if cotton would go lower. Mr. Speaker, it is human nature to desire to purchase the product of another at the lowest price possible. It is to the interest of the English people to buy raw cotton as cheap as possible, but in my judgment it is the duty of a great Government like ours to protect its citizens. We ask you to furnish us financial aid to enable us to hold our cotton off the market until conditions become normal, so the producers can get the value of it.

We export about 10,000,000 bales of cotton to Europe. For the last 10 years the average price of cotton has been about 12 cents a pound, or $60 per bale. Under normal conditions our 10,000,000 bales of cotton exported would be worth $600,000,000, but if our people are forced to sell it at the prevailing price of 6 cents it will only bring $300,000,000, so it is plain that the three hundred millions of the wealth of the world that rightly belongs to southern people will be donated to the countries of Europe. Does not selfish instinct alone, if nothing else, dictate that this Government should take steps to protect its people and preserve for its citizens this three hundred millions instead of giving it to foreigners?

Mr. Speaker, our Government in times past has aided other sections of the country, and we demand the same consideration. The Government has placed millions of dollars of the people's money in the banks of New York to protect stock speculators. It has appropriated money for the sufferers from the Salem (Mass.) fire; it has appropriated money to relieve the distress in San Francisco caused by the earthquake; it has deposited money in the banks of Dayton, Ohio, to aid the flood sufferers; it has spent millions to irrigate the lands of the western farmers; and it has spent several millions this year to be sent abroad and loaned direct to globe-troting Americans. We appropriated thirty millions to build railroads in Alaska, and this administration favors selling Panama bonds to buy ships. Hence, Mr. Speaker, simple justice demands that my section be aided in this time of its distress. Mr. Speaker, some Members say they can not support our bill because it will establish a precedent. That, Mr. Speaker, is simply a subterfuge, for the instances above cited furnish abundant precedents for the legislation we are asking.

We are not asking a gratuity; we simply ask the Government to loan us its credit by placing Government funds in our banks to be loaned on cotton so as to enable us to hold our crops until the market for it is restored and the fearful European war is over and world conditions become normal. This is no new precedent; the Government has done this before, and not long ago the Government made a deposit of $1,400,000 in the Park National Bank, of New York, on condition it would loan it to the State of Tennessee.

Mr. Speaker, we are following precedents, and the bill which we have before the House simply asks that Government funds be placed in the banks of the South, both State and National, on condition that they loan the funds to the producer of cotton. I believe our bill is sound, but if not we are not specially wedded to it; we ask relief; this House has among its Members statesmen of ability; if the desire to aid is in the hearts of a majority of the Representatives, we can perfect the bill, if it needs amending. This is not a political question. The able leader of the minority, Mr. MANN, recognizes it is the duty of the Government in this crisis to aid the South, and I specially ask his colleagues and associates to come to our rescue. I have an abiding faith in the American people and their representatives. Gentlemen, I say to you that my beloved section has an impending storm hovering over it too great for the Southern States to weather. Therefore I appeal to you, the representatives of our great, rich, and powerful Nation to come to our rescue. You can save us if you will. Some gentlemen say it will be paternalistic for the Government to aid in this crisis. Mr. Speaker, I believe when a situation confronts 20,000,000 of our patriotic and industrious people, and they are unable to handle it, it is the duty of "a Government of the people, for the people, and by the people" to come to their relief. I appeal to you, my colleagues, to not let us appeal to you in vain.

The SPEAKER pro tempore. The time of the gentleman from Georgia has expired.

Mr. CRISP. Mr. Speaker, I ask unanimous consent to extend my remarks on this bill.

Mr. POU. Mr. Speaker, I make the same request as to my remarks on yesterday.

The SPEAKER pro tempore. Is there objection to these requests?

There was no objection.

Mr. MANN. Mr. Speaker, I ask unanimous consent that all gentlemen of the House have leave to print for five calendar days.

The SPEAKER pro tempore. The gentleman from Illinois [Mr. MANN] asks unanimous consent that all Members of the House have leave to print for five calendar days.

Mr. HENRY. On this bill?

Mr. MANN. No; on anything.

The SPEAKER pro tempore. Is there objection?

Mr. KEATING. I object.

Mr. HENRY. I hope the gentleman will not do that.

Mr. KEATING. I do not object to the extension of remarks on this bill, but I will object to any general extension of remarks.

Mr. HENRY. I hope the gentleman from Illinois will modify his request.

Mr. MANN. No; I will not, because ever since I have been a Member of the House this sort of leave has been granted. I do not care whether it is granted now or not; but the gentlemen specially interested in this bill are all from one section of the country, and if their colleagues refuse to let the rest of us have a chance to extend, why, it is unfair that they should ask for that privilege.

Mr. HENRY. I hope the gentleman from Colorado will withdraw his objection.

Mr. KEATING. I can not withdraw it. I have no objection to the extension of remarks on this bill, or to the granting of leave to extend specifically, but I am opposed to a blanket extension.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

Mr. KEATING. Mr. Speaker, I object.

Mr. HENRY. I yield to the gentleman from Alabama [Mr. BURNETT].

Mr. BURNETT. Mr. Speaker, I rise merely for the purpose of saying that many of our friends who know nothing of conditions in the South believe that we are excited and that the condition existing there is not as bad as we who live there know it is. The San Francisco fire never brought such destruction to the people of that stricken city as the war in Europe has brought upon my constituency and the constituencies of other Members from the South.

Mr. Speaker, when the city of Salem was swept by fire and its historic homes destroyed, the first name that was called on the roll call to aid those people was that of ABERCROMBIE, from Alabama, the first State on the roll of States, and he voted yea. Further down the roll, when my name was called, I cast my vote to aid those stricken people. When the rivers of Ohio submerged the lands in that State and the farmers of that magnificent Commonwealth asked for aid, we came to their relief. When San Francisco was laid low by the fire fiend, Congressmen from the South rallied to her rescue. The warm heart of the South has always responded when the distress sign has been given in any part of the Union, and I appeal to you, my countrymen, from the West and the North and the Middle West. I appeal to you as my countrymen to aid us in this our time of dire distress. Your people are our people, your country is our country, your flag is our flag, and your God is our God. We appeal to you in this our day of dire extremity. [Applause.]

Mr. HENRY. I yield to the gentleman from South Carolina [Mr. FINLEY].

Mr. FINLEY. Mr. Speaker, the question before the House involves finance in a world-wide sense. The only power in this country great enough to avert the disaster which threatens the prosperity of 10 great States of the Union is the Federal Government. The cotton crop, which under normal conditions would have a value of over a billion dollars in gold, has suddenly dropped in price to a bankruptcy level. Yet when the great majority of Senators and Representatives of the cotton-growing States come to the National Government—the only agency competent to deal with such a crisis—we are met with hostility in some places, with apathy in others. We ask not that the Government suffer any loss in our behalf, or even run any risks. The Federal Government is asked not for charity, but for cooperation in loaning its credit to tide the South over the greatest crisis it has faced in 40 years. Instead of cooperation we are met with criticism. We ask for aid and are given arguments. Senators and Members from other sections—not all,

I am glad to say—accuse us of paternalism. They say that if the Government goes to the aid of cotton it must valorize all other industries adversely affected by the war. Such a statement assuredly reflects a narrow outlook, not only on the great emergency confronting us, but on our duties as Members of the United States Congress. We are here to represent our individual districts, it is true; but we are here primarily to legislate for the good of the United States of America. When a calamity threatens the whole country, it must be averted without regard to what particular section will most benefit by our action. It is an axiomatic truth, unnecessary for me to restate, that the country can not be prosperous unless the South is. When you legislate to save the money crop of the South you legislate in the interest of the North and East and West as well.

Cotton is a world commodity. Anything that affects it affects not only the whole of this country, but countries in Europe and Asia and Africa. It is for this reason that what is happening 4,000 miles away affects cotton so profoundly. Cotton has its ramifications in every civilized quarter of the globe. The industry can no more be characterized as local than can the effects resulting from its prosperity or adversity be localized. If the South has to sell cotton at less than the cost of production, then she will have no money available to buy the manufactures of New England, New York, Pennsylvania, and the Middle West. In the end the rest of the country must share the hard times the South faces in the more immediate future. Newspapers all over the country—I would mention the Washington Post in particular—are calling upon Congress in patriotic editorials to come to the relief of the South, and thereby to the relief of the country.

It is cotton that insures the balance of trade in our favor. An eminent British financial expert recently estimated that the current indebtedness of the United States to Europe was between $200,000,000 and $250,000,000. He further states that—

your cotton exports at this season would in normal times be the chief factor of payment of the large balance against you.

Cotton being practically unsalable, this indebtedness must be paid by an export of gold at a time when we can ill afford it. Ordinarily out of the present cotton crop it might be expected that exports would bring to this country over $600,000,000. The exports of cotton usually amount to 60 per cent of the crop; in other words, but for circumstances no man could foresee, 9,000,000 of the 16,000,000 bales raised this year would have found a ready market abroad. The world must have cotton, and the quantity in the grade it desires can be grown only in the Southern States of this country. It would be a greater calamity to the world at large than to the South were the cotton growers forced to stop the production of cotton.

Cotton can not be produced at less than 9½ cents a pound. Much of it is grown by small farmers and negroes, who have mortgaged their future to grow the present crop. They have done so this year in the same manner as they are obliged to do each year. If they receive less than what they have expended, plus a profit that will enable to them to live until next spring, they must of necessity forego planting another crop. They can not plant without credit, and that the banks will refuse to give. The smaller banks themselves are affected, the country storekeeper is involved, even the cotton manufacturers will not profit in the long run from 4 or 5 cent cotton. At present the manufacturers are afraid to buy, because they do not know at what cheaper price their competitors may shortly be able to get cotton. The fact that the manufacturer can get his raw material at one-third the usual price will only decrease his ultimate profits. By so much as the price of raw cotton has decreased, by so much has the buying capacity of the cotton growers of the 1914 crop shrunk for buying the manufactured products. Ordinarily the manufacturing industry of this country would absorb nearly 6,000,000 bales, or about 40 per cent of this year's crop. It has been estimated that American mills will increase their purchases of cotton, due to the increased demand which will be made for their finished products. Japan is also expected to lay in a supply of cotton sufficient for two years. It has been estimated that about 4,000,000 bales of the present crop will be exported, instead of 9,000,000 which would have found a market outside of this country. This leaves a surplus of over 5,000,000 bales, which, if left upon the market, will depress the price to a level that spells financial ruin.

The individual States are incapable of handling so vast a problem, and for this reason whatever action is taken must be uniform throughout all the cotton States to be effective. Action taken by one State, however drastic, would be nullified, unless the other States follow a similar plan. The problem is one that the National Government must solve. It has the power, and the States of the South have the right to ask for the exercise of that power. As regards the constitutional powers of Congress, I am not solicitous. After money has been collected and reached the United States Treasury it may be disposed of by Congress in any manner deemed of public benefit to the country. There is no precedent for this emergency, because the Government was never before confronted with a calamity of this particular nature. It has met other problems and solved them, and it will solve still other problems in the future as they are presented, and it has the ability to do so. What the cotton growers of the South are asking will not put so great a strain upon the constitutional powers of the Federal Government as has been done in times past. It is estimated that in the past Congress has made benefactions, pure and simple, amounting to over $150,000,000.

When a terrible earthquake visited San Francisco, Congress was prompt to appropriate $5,000,000 to relieve the inhabitants of that distressed city. When Salem, Mass., was almost wiped out by fire Congress quickly responded with an emergency appropriation to meet that need. The reason was that the spectacle of so much distress concentrated in one place aroused the sympathy not only of Congress but of the country. The country approved our action in relieving suffering in San Francisco and Salem, and I personally was glad to see it done. Yet when a hailstorm, the most destructive that ever visited South Carolina, completely wiped out all growing crops in an area 30 miles long by 4 to 6 miles wide in my district on July 6 last I was unable to get one cent from Congress to alleviate the suffering and want, which is being felt at this very moment by small farmers who lost their entire year's crop. Why was I unable to get an appropriation when a similar one had just been made for Salem? It was because the suffering was not of sufficient magnitude to impress itself upon Congress and the country generally. Both Congress and the American people are quick to relieve distress when they are convinced that it exists. Probably no other nation in the world is equal in generosity to the United States. For that reason I feel certain that if Congress could be convinced of the actual want which, if it does not exist now in the cotton belt, will in a few weeks make itself felt, Congress would go to the South's relief. It is possible by passing emergency legislation now to forestall the suffering which must otherwise come.

What the South asks is not charity. She asks merely to be treated as a constituent part of this country, having a right to all the protection the credit and unlimited resources of this Government can give her. She asks no more than has already been done for New York City. Since 1890, during financial stress and panics, hundreds of millions of Government money have been accorded to the banks of that city, $50,000,000 having been recently transferred from the Treasury to a syndicate of New York bankers in order to help the city of New York meet its maturing obligations abroad. In speaking of this transaction the Comptroller of the Currency, Mr. John Skelton Williams, was quoted as saying:

A few weeks later—

After the outbreak of the war—

leading bankers from New York came to Washington to ask if the Government would lend its support in enabling New York City to raise, through a syndicate of bankers, the funds necessary to provide for the city's loans of $82,000,000 just maturing abroad. They were assured by the Secretary of the Treasury that the Government would cooperate by providing the banks with a further amount of currency, and would accept a fair proportion of New York City's new notes or bonds as the basis for such currency, in order to help the bankers carry out the plan for the funding of the city's floating indebtedness; and since that time the Treasury Department has actually furnished to the New York banks $50,000,000 of additional currency, making the total amount accorded to the banks of that city from the Treasury since August 1 more than $140,000,000.

The Government was willing to lend money to New York City upon its new notes or bonds in order not to avert a panic but merely to pay its ordinary debts. Yet when States having nearly one-third the country's population ask for a like accommodation upon security of cotton, which is the security for debts generally accepted by banks everywhere, the proposition is characterized as "wild." The Government refuses legislation that will permit or enable banks to lend money on good security, which would put the people of the South on an independent basis; whereas were the cotton crop entirely destroyed by some great calamity Congress would not hesitate to give away millions to alleviate the resulting distress.

The plan proposed, to lend $250,000,000 to retire temporarily 5,000,000 bales from the market, will cost the Government nothing. Furthermore, it will put the money directly in the hands of the small cotton grower, who is in such dire need of immediate funds. Unless the money is segregated and devoted to the relief of cotton alone, no good can be accomplished. I would direct attention to the way in which a similar cotton crisis in Egypt is being met. The United States consul at Cairo reported to the State Department that Egyptian banks which

ordinarily import $50,000,000 to $75,000,000 in gold, being unable to obtain money to move the cotton crop, have made notes of the National Bank of Egypt legal tender of an equal value with gold. The national bank will also advance money to cotton growers on all cotton offered, and the cotton is to be stored as security. Plans are also on foot for reducing the area sown in cotton next year by about 60 per cent.

In answer to what has been claimed for the Aldrich-Vreeland Currency Act, it is true that currency may be issued by national banks under the terms of this law. But why is it not issued? Under the law if the currency when issued finds its way into the Treasury of the United States the bank issuing this currency is at once called on to redeem it in legal money. It is an easy matter for the enemies of currency so issued to secure large amounts of it and send it to the Treasury of the United States, well knowing that the bank issuing the notes will be called upon to redeem them.

The proposal of a $150,000,000 pool of capitalists to buy up 3,000,000 bales of cotton at current prices will not aid the small farmers. Current prices—now around 6 cents—are far below the cost of production, consequently the buying of cotton on such terms presents possibilities of benefit only to the capitalists composing the pool. The small farmer, being unable to borrow money, must sell no matter how low the current price may be, hence a pool such as the one above mentioned will prey upon his very necessities. Capital, particularly at a time of such financial stringency, is going into no pool through motives of altruism or for the welfare of the farmer. It is not to be expected that it should. "Financier" and "philanthropist" are not synonymous terms, at least not when it comes to participating in a business transaction. No pool of this character is going to help the South, and it is worse than cruelty to mislead the people with false hopes.

Let no man delude himself. The great financial institutions of this country are loaded with stocks and bonds on which they have made loans, in many instances at a higher rate of value than is the present market price of the stocks and bonds held as security for the payment of these loans. At the time the loans were made the market value of the security was ample. The European war came on; market values of stocks and bonds fell in price until now, in many instances, the great financial institutions of the country hold securities worth less than the debts for which they are pledged to secure payment. The stock and bond exchanges throughout this country, Great Britain, France, Germany, Austria, and Russia closed down immediately on the declaration of war by Germany against Russia. If the price of cotton in the South remains at anything like the present level or falls a great deal lower, as it will do unless the powers of the Government are exercised, it can be stated with reasonable certainty that a financial crash will come in the South which will be felt throughout the country. While the South will be the first to suffer, it will not be the last and greatest sufferer, measured in dollars and cents. I firmly believe, Mr. Speaker, that legislation of the character embodied in the pending amendment—which amendment, by the way, contains practically nothing not contained in the bill H. R. 19004, introduced by me at the instance of the South Carolina delegation in Congress—is absolutely necessary.

The only material help to be had is from Congress. Unless the House agrees to take some action that will give real relief and bring the price of cotton to at least a cost-producing level, the South must face a recurrence of the hard times which I had hoped were forever banished from the land. Furthermore, it had best be realized now that if this specter stalks abroad in the South its devastations will spread until the effects are felt in every part of this great country. Not as a partisan but as an American I ask that Congress avert the national calamity which the breaking down of the cotton market threatens.

Mr. HENRY. I yield to the gentleman from Georgia [Mr. HOWARD].

Mr. HOWARD. Mr. Speaker, I had hoped that a discussion of any bill for the relief of the cotton producers of the South would have been precipitated before the rush of the closing hours of this session, in order that we who represent this great section of our country might have had an opportunity to present the case of the cotton producers as it really exists.

The whole trouble in the South is attributable to one cause—lack of agricultural banking and warehouse facilities throughout the country. We are the only civilized nation on the earth that has attempted to mix commercial and agricultural banking. In our attempt to do this almost impossible thing one of the two pursuits must suffer at the hands of the other, and it occurs to me, as it does to all who are engaged in agricultural pursuits, that the farmer has been made the burden bearer of the commercial end of banking.

Commercial banks must necessarily keep their assets liquid by making short-time loans, so that at any moment they can meet the demand of their depositors and safeguard themselves against any business exigency that may arise. On the other hand, the farmer in the South can not utilize short-time loans to any advantage.

The paramount question to be solved by this country is the speedy establishment of rural credit banks providing for short and long time loans to our farmers. Mr. Speaker, for the last four years I have given much thought and study to the question of rural credits, and the product of this investigation culminated in the introduction of H. R. 12746, which I introduced on January 31, 1914. Day in and day out I have discussed the importance of rural credits with Members representing agricultural districts.

When the regional bank act was in the Democratic caucus I was then, as were other Members representing agricultural districts, insistent upon a companion bill being reported establishing along by the side of the regional-reserve system a rural credits system. At that time it was thought inadvisable to attempt so large a task. The situation in the South to-day demonstrates the wisdom and foresight of those of us who sought to relieve the agricultural interests of the country at that time.

Now, Mr. Speaker, some Members from our beloved section, in their enthusiasm to bring about relief, have attempted to touch the sympathetic side of the membership of this House on account of our deplorable condition. In June of this year the farmers of the South and their little children were busily engaged in the broiling sun in the cotton fields, happy in their expectation that ere the chilling frosts would fall the usual flow of the "golden harvest" would fill the horn of plenty in our land; but without a day's warning, without an hour for preparation, the great civilized nations of Europe were thrown into a cataclysm unprecedented in the history of the world. To-day their soil is saturated with the blood of the best manhood of Europe, and those nations which have remained neutral stand dumfounded as they view the horrors of modern warfare.

The result of the European war has visited its greatest infliction upon the South, in that we have produced a normal crop of cotton to meet the demands of normal conditions, and to-day we have between 5,000,000 and 7,000,000 bales of cotton that can not be utilized, and that is in active competition with the actual amount of cotton that can be consumed by neutral European countries and by our own country.

In consequence of this fact, no spot market for cotton has been established, and before a spot market can be established fixing a price equal to the cost of production this surplus of cotton must be set aside for a definite period of not less than 12 months. The moment that this surplus is financed and set aside, the spinners of all nations who are in need of cotton will immediately seek their supply from that which is upon the market.

Now, Mr. Speaker, let us see what we have asked at the hands of the Government. Precedents are too numerous to burden the House in detail with the occasions upon which this Government has come to the rescue of those who were visited with flood, with famine and disaster; and, by way of parentheses, I may add that whenever any great section of this country was visited with misfortune, no section's Representatives responded more cordially in their aid than those from the glorious Southland.

This bill as amended, and upon which we will shortly be called to record our vote, is identical in principle with the bill I had the honor of introducing, known as House bill 19199, and which many Members from the South contended for in the caucus of southern Members as the bill which would give immediate relief to the southern cotton farmer and at the same time the Government would be safeguarded with all the requirements of security.

The reason the farmer of the South can not finance his surplus cotton has already been stated. The banks of the South, and especially the country banks, are heavily involved in loans already advanced to the farmers of the South to make this year's crop, and to further advance money to the cotton farmer with no hope of replenishing upon their assets that which they may advance would jeopardize their institutions, unless there was a market for cotton. The beneficent effect of this bill is this: It provides a fund of $250,000,000, which the State and national banks can apply for, which is a separate and distinct fund, to be loaned only to the producers of cotton under the same regulations and upon the same sort of security that is now provided under the Federal reserve act and under the Vreeland-Aldrich emergency currency act, except this fixes a rate of interest at a nominal cost to the farmer. In other words, to use

a commonplace expression, the Government simply creates a "brazen" fund to take the place of the timid money now being held by the great banking institutions of the country.

Under the provisions of this bill there is absolutely no danger of inflation. There is absolutely no danger of any loss to the Government, and it gives to each and every farmer of the South an opportunity to warehouse his cotton, insure it in a reputable insurance company, put his warehouse receipt, accompanied by his policy of insurance upon the cotton, and secure a portion of the cost of production of that bale of cotton to tide him over to a day when the world may be at peace and prosperity again prevail throughout the land.

Mr. Speaker, I regret to see our friends on the other side of the aisle who represent the great manufacturing districts of the North opposing this bill of relief. And let me say in conclusion one word of warning to those who have been so unkind as to say that this was rank paternalism; that this was radical class legislation; that it was for the relief of the cotton-growing and tobacco-growing States only. Any such statements as these must emanate from the mind of him who has only superficially diagnosed the commercial situation throughout this country. Ah, Mr. Speaker, if this bill fails of passage, within 90 days from the day these words are heard upon this floor every fiber of the commercial fabric of this land will feel the distress and share it equally with the farmers of the South, their wives, and innocent little children. When the great farm-implement concerns in the South begin to cancel their orders in the East and Middle West, when the flow of gold that annually goes to the great East in payment of debts which amount to over $600,000,000 for money advanced to southern banks to make this crop are unpaid, then will you discover that the production of cotton is the real backbone of commercial life in the United States, and that cotton affects every man, woman, and child, from one end of this Republic to the other.

Mr. Speaker, I had hoped, after hearing the eloquent speech of the gentleman from Pennsylvania [Mr. MOORE] the other day, that the American spinners would rise to that height of American patriotism and go into the market for their usual supply of raw cotton. I had dreamed that the spindles of every cotton mill in this country would be whirling 24 hours a day in an effort to reach out to supply the foreign trade with our manufactured product afforded by the suspension of manufacturing operations abroad.

I had hoped that American mills would not seek to take advantage of a tariff wall higher than any ever built by Congress on account of the European catastrophe, but I fear from the attitude of these mills for the last 60 days that these hopes are but idle dreams. Surely they do not hope for a further depression in the price of cotton in the hands of the producer and that they will acquire their raw material at still lower prices than are being paid for the small amount of cotton that is now being purchased. And, Mr. Speaker, before I utter the sentence of admonition to those who are engaged in the production of cotton in my beloved State I hope that those who hear this statement will not believe that I utter it in a spirit of vindictiveness, but I consider it wholesome and necessary advice to give to those of my constituents who now stare squarely in the face financial ruin.

Farmers of the South: If the great Government which you have so valiantly supported and in whose behalf you have toiled to maintain the balance of trade between this country and foreign nations refuses to come to your relief in this, the darkest hour of your life since the Civil War, hold your cotton, establish by your own act a gradual market for your product, and if there shall be suffering, if there shall be destitution in this land, prepare yourselves to distribute this destitution equally among those who have profited by your prosperity and say unto yourselves, "The Southland shall not bear this burden alone and in silence." If the representatives of this great Nation can not solve this question for you, you hold the reins in your hands, and as your friend I advise you to guide your destiny in such manner as to avert financial ruin.

Mr. HENRY. I yield to the gentleman from Alabama [Mr. DENT].

Mr. DENT. Mr. Speaker, something has been said here as to why it was that the southern bankers could not obtain a sufficient amount of currency under the Vreeland-Aldrich Act as amended at this session of Congress.

I want to call the attention of the House to the fact that in many places in the South, where a large part of the market for cotton is daily had, we have only State banks. These State banks can not obtain any currency under the Vreeland-Aldrich Act. There are State banks in my section which have signified their intention to join the regional system, but they can not get emergency currency under existing law.

I had hoped that during the period of this great distress Congress would have suspended for a reasonable period the 10 per cent tax on State-bank circulation, with such safeguards as would have given our people at least some local relief. I am not unmindful of the fact, however, that the Government has given valuable aid, and I regret the criticism that has come from some quarters, especially of those of us who represent cotton constituencies.

In the midst of the distress of the South at this time it is useless to state that representatives in Congress generally, and those from the South in particular, are more than anxious to do everything in their power for the relief of this stricken section. Even if our hearts had grown callous, our selfishness would prompt us to exert every effort in its behalf. I have no patience with the criticism, therefore, that any one of us is unwilling to go to the limit in bringing forth some substantial remedy. I further assert that we are all willing to sink our pride of opinion in behalf of the general good. It is folly to say that a Member of Congress who represents a cotton constituency will turn a deaf ear to the plea of the very people upon whose votes he expects to remain here. Our future—social, political, and in every other respect—is absolutely interwoven with the good will, not to mention the happiness and prosperity, of these people. Hence, it is passing strange to me that anyone should make bold to find fault with any of us or even to suggest that we are indifferent to the situation. Naturally, we differ as to the best remedy. It is not to be forgotten, however, that since the crisis came measures of relief have been adopted by Congress and the executive branch of the Government. As soon as possible after this situation arose Congress amended the Vreeland-Aldrich Act so as to authorize a large increase of the circulating medium. In the administration of this act the Secretary of the Treasury announced that he would accept from national currency associations notes based upon cotton warehouse receipts, naval stores, and tobacco up to 75 per cent of the face value of the notes. Under this amended law the banks were authorized to obtain currency to the extent of 125 per cent of their capital and surplus.

In order to facilitate the movement of crops to foreign countries an act was passed admitting foreign-built ships engaged in the foreign trade to American registry; and this was followed by an act creating a war-risk insurance bureau. By means of the latter the Government undertook to indemnify cargoes of ocean freight from the risk of seizure by any of the powers engaged in war. It is apparent therefore that Congress and the Executive have, at least, taken important and far-reaching steps to relieve the situation so that the crops of the country may be handled, held, or exported, as the case may be.

It must be admitted that the outbreak of the war in Europe suddenly cut off more than half of the market in which cotton had been sold, and it can not be denied that no act of Congress can entirely reestablish this foreign market. It is universal history that any foreign war depresses the price of cotton and increases the value of foodstuffs. A people engaged in war must have food each day, but they postpone the purchase of clothing as long as possible. This condition can not, however, last always. The time will come when raiment must be had. How long that time will be no one can now foretell. What, then, is the present urgent need? The only answer is to hold as much of the cotton as is possible until normal conditions return. In order to do this the people must have cheap money, and by that I do not mean a debased currency, but a sufficient circulating medium to enable the holders of cotton or similar commodities to prevent the sacrifice of such products. Many are the suggestions by which this is proposed to be done. Let us see, however, what has already been done and what is proposed. In the State of Alabama alone the Government has regular deposits of $355,000, while crop funds to the extent of $917,500 have been placed with the banks, making a total of $1,272,500 of public funds in that State. Additional currency has been issued to the banks in that State to the extent of $4,196,690. Alabama, therefore, has already received in circulating medium through the operation of the Government $5,469,190, practically five and a half million dollars.

Of the $74,000,000 of Government funds on deposit in the banks of the country the South has $27,402,500, or more than one-third. Since the 1st of August there have been issued to the national banks in Southern States $68,000,000, and these banks may now, under the law, receive $151,000,000, in round numbers, of additional currency. The banks of the Southern States have received since this trouble began $68,000,000 in additional national bank notes, $11,337,000 in crop funds, and $16,065,000 in regular deposits, making a total of over $95,000,000. They can still obtain under the present law $150,000,000 more.

There is no possible chance to pass a law requiring the purchase and holding of cotton by the Government. Omitting any reference to the constitutionality or practicability of the

proposition, the membership of Congress representing other interests could never be induced to vote for such a proposition. It is true that the Government has here and there expended money to relieve distressed conditions. These instances are rare and were, if not wrong, certainly of minor importance compared to the magnitude of handling the great staple product of the South.

The proposition now submitted as a compromise measure upon the cotton situation, to authorize the Secretary of the Treasury to issue $250,000,000 of notes redeemable in gold, or to sell Panama bonds and use this money to tide over the stringency now existing in the South, seems to be a sound economic proposition. Certainly no objection can be made to it on the ground of inflation, since the Secretary of the Treasury has the discretion not to issue these notes if, in his opinion, the currency will be so inflated as to impair the equal value of our circulating medium, and to use the proceeds of the Panama bonds instead.

Afflictions sometimes come as blessings in disguise. Let us hope that our people will be enabled to hold a large part of the present cotton crop until normal market conditions return, that the acreage in cotton will be reduced to a large extent by the voluntary action of the people themselves, and that there will be a still greater increase in crop diversification throughout our southern section.

In this connection I wish to call attention to the patriotic action of a large wholesale house in my home city of Montgomery, Ala. The Hobbie Grocery Co. proposes that, if the farmers in a radius of 50 miles of that city will plant 5,000 acres in wheat, they will pay 7 cents more than the St. Louis price for the same and erect a flour mill with a capacity of 100,000 barrels a year. The soil and climate of the South is adapted to such a variety of products that no one need despair, even in the midst of these distressing times, and I venture the prediction that within a year the prosperity of the South will return and be greater than ever dreamed of before.

Mr. HENRY. Mr. Speaker, I yield to the gentleman from Georgia [Mr. HUGHES].

Mr. HUGHES of Georgia. Mr. Speaker, the condition of the South is growing more serious every day, and if something is not done to stem the tide, ere long it will not pay even to pick the cotton. A great many tenants are to-day leaving their fields white with cotton and engaging in labor whereby they may earn a sufficiency for the sustenance of life.

Mr. Speaker, all must concede that the lack of market for cotton is only a temporary thing. So soon as this war will end every bale of cotton will be in demand, and it will bring a normal price. Cotton is a great international crop. It keeps in reserve the very gold of this country.

By unanimous consent, Mr. HUGHES of Georgia was granted leave to extend his remarks in the RECORD.

Mr. HENRY. Mr. Speaker, I yield to the gentleman from Mississippi [Mr. QUIN].

Mr. QUIN. Mr. Speaker, I come from a cotton State. The district I have the honor to represent is a cotton district. I want to tell you that the people of that country are energetic people, who work all day and part of the night, and they are industrious, but because of this low price of cotton, occasioned, as we all know, by the great war in Europe, they are now in distress. While a good house is on fire, let us not stand around here and say that we have the water but we do not know whether we ought to use it or not. You have the ability under the Treasury system of the country now to place this money according to this amendment in the banks of the South, and how can any man who wants to come to the relief of the distressed people talk about expediency when we know we are all able to do it?

I will not take any part of the short time allotted to me to reiterate what other gentlemen from the Southern States have told you. Every Member of this Congress knows all about the calamity in the South occasioned by the loss of cotton markets on account of the world-wide war in Europe.

There is no market for cotton at present and will not be until the cotton is out of the hands of the farmers, unless we pass this amendment or the original Senate bill.

I am going to stand up here for my people this evening, like I have stood for them on all occasions when their interests were at stake. Mr. Speaker, these gentlemen tell us they are sorry for the people who have raised the cotton, but they can not vote for any of these measures to give relief to these men who are now unable to realize more than one-half the value of their cotton.

The trouble is, they do not know how to sympathize for a poor farmer. These same Congressmen who now say on this floor that it is unconstitutional to pass a bill for the Government to purchase one-third of the entire cotton crop at 10 cents a pound and hold it off the market, or that it would destroy the value of the Government's dollar if we issue $250,000,000 in currency under the greenback act and loan to the producers of cotton at a conservative estimate of the cost of production, with the cotton itself as security, have voted for all kinds of gifts, loans, and schemes on other occasions. I can not have any respect for their reasons for opposing the sound and legitimate legislation proposed here now to give relief to nearly 30,000,000 people throughout the Southland. These same Congressmen voted to lend millions of dollars of Government money, if you please, direct to the irrigation of farms in the arid West. I do not complain of them; I would vote that way myself; I think the Government ought to help the wealth producers in every section of this Republic.

Mr. Speaker, what I am complaining about is that these selfsame statesmen say that we are asking too much of the Government, that there is no precedent for such legislation as the South calls for now.

No man who is familiar with the bills passed even by this present Congress and approved by the President could seriously contend that we are without precedent. You gentlemen who are opposing this bill never balked at the big pension bills that were going through this Congress, but you were extremely active in trying to increase them all the time. These cotton farmers help to pay all of these pensions, and still you can not vote for a bill to let two and one-half hundred million dollars be placed in the southern banks to loan them on their cotton.

When the bill, with Executive sanction, was before this House to place $2,000,000 of gold money in Europe to lend without any security to American citizens in Europe in order that they could return to the United States, shortly after hostilities opened between Germany and France, were any of these Congressmen opposing it on the ground of no precedent? Who of you could vote for that emergency bill to relieve distressed "globe-trotters" in Europe that can not now vote for this sound legislation to protect the only crop that keeps up our balance of trade with Europe and at the same time save the cotton farmers from impending bankruptcy? The South is really the only part of this Union that can produce cotton, and this industry ought to be conserved by the Government.

All of the cotton farmers are citizens of this great Government, and their business is entitled to the same consideration that any other business receives. Does not this Government go to the rescue of the great banks and deposit money in them in the time of stress and storm? President Roosevelt had the Secretary of the Treasury place $42,000,000 in the big banks of New York in 1907 to avoid the wreck and ruin of bank failures. This has been done on more than one occasion. Not a dime of interest was received on all of those millions which Mr. Morgan received from the Government to save the banking interests of New York. The panic came all over the United States, but New York was saved. Every well-informed man knows that the Secretary of the Treasury has deposited money in banks to help out in crucial times, and this is wise and proper.

Can not this Congress under the Constitution give relief to the men who raise the cotton, the greatest product to bring the world's gold to the United States? No gratuity is asked, no scheme is proposed that could jeopardize the currency of this Government.

I feel that unless something be done the farmers who raised the cotton will be forced to part with their cotton at 6 and 7 cents per pound, and that the middle men and speculators will hold onto it until they get the value out of it. What good will that do the farmer? He is the man I am trying to help, and this amendment will help him. I wish every farmer could stack his cotton under a shed and let it stay there until it goes to 10 cents or more per pound. I know he could hold it if this Congress will pass this bill or amendment so that he could borrow the money to pay up his pressing debts. All other products are rising in value, and if the farmer eats any flour bread or biscuits he will have to pay $7 a barrel for it. The manufacturers of cotton in our own country are anxious to get cotton as cheap as possible and to sell the output of their mills at as high prices as possible.

As one friend of the farmer in this Congress I do not want to sit idly by when I know we have the right under the Constitution to pass this legislation that would enable him to hold his cotton until he can sell it for what it is worth.

Mr. HENRY. Mr. Speaker, I yield to the gentleman from Texas [Mr. HARDY].

Mr. HARDY. Mr. Speaker, it is not, in my judgment, so much the want of credit that the South suffers from now; but it is the want of a market. I believe it is my duty also to say here now, in view of some criticisms I have heard, that the

Secretary of the Treasury, in my opinion, has earnestly, and with love and devotion to the South, put forth every effort that he possibly could to come to our relief. I do not believe there is a warmer sympathizer with us in our distress in the Halls of this Congress than is the Secretary of the Treasury. We have had opportunities extended to our banks to obtain all the credit that they need, but how to get that credit extended to the farmer has been so far the unsolved problem. And if the same opportunity for credit were extended to the farmer that has been extended to the banks—that is, the opportunity to borrow on ample security—would that enable him to tide over this period of distress, which has grown out of a want of a market for his cotton?

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

Mr. GLASS. Mr. Speaker, I yield to the gentleman from Texas.

Mr. HARDY. Mr. Speaker, it does seem to me that the amendment offered to this bill may afford some relief, but I fear not very much. The trouble is that even if the banks were full of money they could not loan it except on ample security. If they were ready and anxious to make well-secured loans at reasonable interest, could they in justice to their depositors loan more than, say, three-fourths the market price of the security at the time they made the loan? If this amendment were law, some men who owe little and have much could borrow perhaps enough on their cotton to enable them to hold it.

But, Mr. Speaker, what good would it do to the man who has a little home half paid for, who has raised 30 bales of cotton, and who owes to some loan company of the purchase money, say, $4,000, bearing 8 per cent interest, and payable the principal and interest in five annual installments? Would it help him if he could borrow $900, or $30 a bale, on that cotton after he had stored and fully insured it? He must raise eleven hundred and twenty dollars. Let us figure, if you please, on that man's situation. Perhaps he has raised enough corn, oats, hogs, poultry, and little things to have fed and clothed his family during the year, and has hired no help to make the crop, and when cotton-gathering time came he owed nothing except these sums on his home. It is a violent assumption or a rare condition, but I am supposing a case of the most deserving and thrifty young farmer I can imagine. What then? To save his cotton from waste he must hire at least half of it picked at a cost of at least $8 a bale, or $120. Ginning and bagging will cost him $3.50 per bale, or $105. Warehousing and insuring will cost him about $2 a bale, or $60.

This makes a total of $285. We will credit him with $6.50 per bale, or $195, for his seed, which is about what he got, allowing nothing for saving over any seed to plant next year. This would leave $90, I think, at the very least, to come out of his cotton, on which he was borrowing $900, with interest, say, at 6 per cent taken out in advance. He would have left $766 with which to save his home. Such a man is a thrifty man; he has made by-products carry him. He is an industrious man; he has made good crops. He is a frugal and economical man and he is a lucky man; he has had no sickness nor stock losses, yet he has $766 to meet $1,120 of debt. Oh, but you say, if he comes within $400 of paying up, his creditors will give him time. That may be, and then, again, his creditor may demand what is due him, bring suit, and sweep away from him what he had worked years to get together. Hundreds of thousands of such cases will occur in the South, if something better than even this amendment is not found, even if, under this amendment, plenty of banks were found ready and willing to advance 6 cents a pound to all who wished to borrow on cotton. I confess that at one time I thought the cotton section could tide over their evil hour fairly well if they could borrow 6 cents per pound; but I say frankly now that will be small help to the great majority of our people.

Let me give another illustration. A small merchant, in a rich cotton county, has been advancing to small farmers and tenants all during the year. He is easily worth $20,000 over all his indebtedness if times were normal, but he has advanced perhaps $50,000 worth of farm supplies and has on hand goods worth $10,000. Now, he owes, we may presume, $30,000 to the bank and to the larger merchant from whom he bought. He can collect only between a half and a fourth of what is due him. If he collects $20,000 only he can not pay what he owes and must go to the wall. Or take the case of a landlord who has supplied his tenants, as is frequently the case, close up to the margin of what the tenant expected to make. The tenant can only pay half or less. What becomes of the landlord if he has simply supplied the tenant by using his credit? If the banker or foreign merchant demands payment, the merchant or landlord must also demand payment. And all along down the line inability to pay in full spells ruin. I fear I can not make myself clear enough for those who are not of the South to understand the situation. The whole fabric of our system is gone. Let me explain it or try to in another way. I make the statement that a landlord owning a good farm, but owing something on it, having made a good crop this year is in worse condition than he would have been in any normal year if a cloudburst had singled him out and destroyed every house and every acre of cotton and corn on his place, because in that case he could easily have gotten credit to start over. His neighbors, his merchant, his banker, his credit would have helped him, but to-day there is no help in any of these. He is simply stripped, and there is no help for him if he is forced to pay.

I vote for this amendment because it will do something, but the wisdom and statesmanship of this country ought to do more. What the farmer needs is not to be able to borrow but to be able to pay. And to make him able to pay he needs not the privilege of borrowing, but a market for his crop, so that he can sell it and pay his debts. If I had the opportunity I would like to vote for what is known as the Hoke Smith proposition, provided some of its features were stricken out. That is to say, I would like to vote to provide the issuance of $250,000,000 United States bonds in small denominations, bearing 4 per cent interest, to be used in buying 5,000,000 bales of cotton at 10 cents per pound, the cotton to be taken off the market and held by the Government till 1916 or until it brought 11 cents per pound, and to levy a uniform tax on the cotton production of the South to make good any possible losses that might come to the United States by reason of the transaction. Mr. Speaker, this would not be valorization or attempting by law to fix the price of a commodity. It would simply be the Government of the United States advancing to the whole cotton industry of the United States a loan of $250,000,000 to enable it as one industrial enterprise to take care of its surplus while it marketed in a reasonable way and for a reasonable price that part of its product for which there was a demand and market.

I shall not enter into the discussion of the constitutionality of such a measure, but it is constitutional under the same interpretation of the Constitution and in the same way that the law was and is constitutional by which we spent $400,000,000 to build the Panama Canal and millions upon millions to clear out and deepen our harbors and rivers to aid commerce and preserve and build up our industries. I know that other nations under like conditions have not hesitated and would not hesitate to go to the aid of great industries. Even to-day I find in the New York Journal of Commerce of October 19 this item:

[Special cable to the Journal of Commerce and Commercial Bulletin, October 19, 1914.]

LONDON, *October 18, 1914.*

There is a growing agitation here for some solution of the cotton situation. There has been considerable talk of direct purchases by English spinners in the American market. This talk has now ended. Manufacturers agree that the cotton industry can only be restored to normal by attacking present conditions at their base. The raw-cotton market must first be standardized.

It is hoped that the Government can be induced to advance funds for the purchase of this year's surplus cotton, either with or without the cooperation of your Government. Improvement must come first from a demand for the products of the mills at workable prices. Severe distress in labor is in sight, and it is not improbable that 90 per cent of the Lancashire looms will become idle.

But I can not blind myself to the fact that in the Senate the Smith proposition was defeated by a vote of 40 to 21; that 21 Democrats voted against it and only 17 Democrats for it, and that all those Democrats who voted for it were southern Democrats, and that no Democrat from Maryland, Kentucky, Virginia, or Missouri voted for it. Nor am I blind to the fact that such a law as the Smith amendment on our Federal statutes might open a very pandoras box of mischief in the future. Amendments offered by Senators from other sections while the Smith amendment was pending, such as one asking that $500,000,000 of bonds be issued to buy up the grain of the West, and speech after speech showed clearly which way the proposition pointed. With the Smith proposition enacted into law I see clearly that it would be used as a precedent for every industry and every interest from every section of the country to appeal to the Federal Government for like assistance, and if these appeals were heeded our Federal Government would become a juggernaut of destruction for all the reserved powers, rights, privileges, and duties of the States once the pride and glory of our fathers. Even to me, in the extremity of desperation for my people, the Smith proposition had some features incorporated by its southern sponsors so obnoxious that I could not have supported it as it was. It not only sought Federal aid to take some of our cotton off the market, but it turned over to the Federal Government the direction of our industrial life,

fixing by Federal law what we should plant, and the apportioning of our crops, and penalizing our labor if we failed to observe its mandate.

The Smith proposition as a whole and other still more extreme and impossible propositions urged and insisted on from the beginning of our distress by southern Members, who have been loudest in their declamation and agitation, have, it seems to me, been a nightmare of unwisdom and bad counsel. The first grave mistake we made was in assuming that we had to make our fight alone and calling into conference only cotton State representatives. I think we ought from the beginning to have assumed that our relief was a national question and asked for the cooperation and advice of the ablest and coolest heads in all sections and parties of our country. As a result of the course actually pursued no measures of relief were brought to the front, until within the last few days, that any Members not from the South would support.

It plainly appears now, and I think it ought to have been always known, that we had friends in every State and in every party ready and anxious to aid us if we would show them how or let them show us how it could be done wisely and effectively. The speeches and votes of not a few northern and western Members and Senators, Republicans as well as Democrats, show this. And since this question may not have been dealt with by Congress for the last time, I am hoping that there may yet be an outgrowth from it of a warmer fraternity of feeling between the North and South—a stronger welding together of the two sections in mutual regard and common aim. When sons of the North and South in the Spanish War fought under one flag against a common foe much was done to end the bitterness of the past. When the two sections shall counsel together, earnestly and honestly seeking to lift up the one that is stricken, still more will be done to make this country and these States forever one and inseparable, because held together by bonds of love and devotion.

But with all this, if the amendment we are voting on shall be defeated or if it shall be carried, what more have I to suggest? Without being too tedious, let me tell you. I have said what we want is a market. I have told you some of the objections to the Federal Government attempting to furnish or provide that market. There remains but one other staff to lean on. That staff is the cotton-growing State itself. I urge that every cotton-growing State issue its own bonds, bearing, say, 4 per cent interest, in large and small denominations, and give these bonds in exchange for our cotton at 10 cents per pound basis middling to the extent of one-half of the State's whole crop for 1914. Let any possible loss to the State be made good by a tax on the cotton produced next year and thereafter, and let the State hold this cotton off the market till January, 1916, or until it shall sell for 11 cents per pound. The fact that the State holds this cotton, the tax on cotton will be sufficiently deterrent to prevent growing a large cotton crop next year, but inducements might also be held out to encourage other crops. I do not like penalties, certainly not criminal penalties, on labor or the products of the labor of freemen. But I am told that my State and other States can not issue such bonds as I urge because of the State's constitution inhibition. If that be true, let the legislature be asked to take the shortest way possible to submit to the people an amendment to the constitution, and while waiting for that amendment let the legislature pass such stay laws as will prevent forced collection of debts.

The remedy I propose is heroic, but the disease is the most fearful that has invaded our borders for more than a generation. We are stricken worse than we have been since armies trod and cannon sounded over our land.

If Texas will do this, other cotton States will follow. If Texas, Alabama, Georgia, Mississippi, South Carolina, and Oklahoma, the six biggest cotton States, will do this at once, in my judgment the remaining half of our cotton will sell for 10 cents before the 1st of April, 1915.

If this plan were pursued and there were any need, we could come to Congress at the December term and ask, with no fear of being denied and no fear of setting any dangerous precedent, that the Federal Government back every bond issued by the States with the entire credit and the fullest favor of the Nation.

For days and weeks, Mr. Speaker, after the European war broke out we were dazed and stunned by the magnitude of the misfortune that befell our people. Our brethren of the North have not yet fully comprehended it. It will only come home to them when our bankruptcy or our failure to pay shall lock the wheels of their industries and business. By December they will know. No wonder we have been lost in a maze of conflicting remedies. What I have suggested is not original with me. It was, I believe, the idea first of Mr. Harding, one of the members of the Federal Reserve Board and one of the soundest and ablest bankers of the South. I care not who has the credit. What I do care for is the salvation of my people.

Let us of the cotton-growing States gird up our loins as strong men and go out to help ourselves. Let us cease for a while to look abroad for help. Let our own governors and legislatures get busy. Neither Congress nor banks, neither friend nor foe, is going to lend to us without ample security, and no one is going to help us till we first help ourselves. We have the power to help ourselves in the way I have suggested. Will we do it?

Mr. HENRY. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. SMALL].

[Mr. SMALL addressed the House. See Appendix.]

Mr. HENRY. Mr. Speaker, I now yield to the gentleman from Louisiana [Mr. LAZARO].

The SPEAKER. The gentleman has not any more time to yield.

Mr. LAZARO. Mr. Speaker, I shall vote for this bill to help the cotton farmers of the South. Some gentlemen seem to think that this is radical legislation. In reply I wish to say that we are facing a serious condition, and it requires quick action and a certain remedy. If this bill becomes a law, it simply means that our distressed farmers will be enabled to borrow money from the Government at 4 per cent interest on their cotton warehouse receipts, where the cotton is properly weighed, graded, and insured.

As we all know, we have lost our cotton market as the result of this horrible and bloody war in Europe. It came upon our people like a clap of thunder in a clear sky, and has left us with a large crop and without a market, and as a result of it middling cotton, which was selling at 13 cents a pound when the war broke out, is now selling at 6 cents a pound at interior points. From August 1, 1913, to October 5, 1913, exports of cotton from our ports were 1,307,000 bales, of an approximate value of $85,000,000. For the corresponding period of this year there were exported but 152,000 bales, of an estimated value of about $5,000,000. These figures show not only that we have practically lost our foreign market but that we are sacrificing our product when we do export it, and it should be plain to any thinking man that the only remedy now is quick money to help us hold our surplus cotton and to enable us to sell the balance at a better price.

Some contend that the remedy now is to reduce the acreage or prevent the growing of it altogether by law for next year. I do not believe this is practicable, and it seems to me that this is no time to discuss what should be done to relieve us for next year's crop until we have applied a remedy for this present crop. The time to apply the remedy is now. The cotton farmers understand that they must reduce their acreage for next year, and they will do so voluntarily. They understand, too, that this war will cause the price of foodstuffs to rise, and they will diversify and live more at home. In other words, if they can get present relief in this emergency by borrowing money at a low rate of interest and not have to sacrifice their present crop, they can tide over until they can produce a diversified crop for next year on which they can live, and the cotton that they will have held over they can then offer to supply the necessary demand and in that way evade the impending calamity.

Gentlemen, I am a cotton planter myself, and I speak from experience. I have here an account of sale of cotton produced from my place and sold for 6 cents a pound. This cotton has cost about 8 cents or 10 cents to grow it. Now, I ask you as fair-minded men how can our people pay their debts and get along in this emergency unless help comes to them immediately? But, gentlemen, I submit that we are not beggars asking you to give us money out of the Treasury for nothing. On the contrary, we are offering you the best security in the world for the loan we ask. We are offering you middling cotton weighed, graded, and insured as collateral for this money, and I submit that this is a sound business proposition that we are making you.

Do not think for one moment that this is a local condition affecting the South only, and that you are not interested in it. Far from it. We are an agricultural section, buying our horses, mules, farm implements, wagons, buggies, flour, meat, clothing, and shoes from you people of the North, East, and West. In other words this great cotton industry of ours dovetails into every other industry in this country, and if nothing is done in this emergency to save our surplus cotton and help us withhold it from going to the speculators and manufacturers for almost nothing it will leave us in a helpless condition, without money to buy from you who live in the other sections of our country. To do nothing in this crisis and permit the prostration of the South would be a crime against this great Republic of ours, and the prostration and financial ruin of any

section of the United States is bound to be a serious blow at the financial life of the whole Nation.

We of the South have always been willing to help the people of other sections during periods of stress. I do not have to go back far into the history of our country to find examples of our good faith. We showed that spirit two years ago during the Ohio flood, and we did so recently on two occasions, when the city of Salem went up in flames and when we helped to bring back the American tourists who were caught in the war zone. Now we are facing a calamity, and we appeal to you to help us in a legitimate way. You can do so by passing this bill, and the emergency of the times and the consummation of its purpose amply justify its passage.

Mr. HENRY. Mr. Speaker, will the gentleman from Illinois yield me two minutes more?

Mr. MANN. Is the gentleman's time all exhausted?

Mr. HENRY. Yes; and I have only two more gentlemen who wish to be recognized.

Mr. MANN. I thought the gentleman from Georgia [Mr. HARDWICK] was to be recognized.

Mr. HENRY. He does not care for any time now, but will use it under the five-minute rule.

Mr. MANN. I will yield to the gentleman two minutes more.

The SPEAKER. The gentleman from Illinois yields two minutes to the gentleman from Texas.

Mr. HENRY. Mr. Speaker, I yield to the gentleman from Alabama [Mr. BLACKMON].

Mr. BLACKMON. Mr. Speaker, my colleagues from the South have so fully set forth the present needs of the cotton producers in the South that I shall not attempt to enlarge on what they have so well said. We are soon to have a vote on an amendment to this bill which will authorize the issuance of $250,000,000 to be used to aid in taking care of the distressed conditions in the South. A great many of the gentlemen on the Republican side say they are my friends. I believe they are, and I am their friend.

Now, what I want you gentlemen on that side of the House to do is to assist us in passing this amendment. This, more than anything else you can do or say, will prove your friendship. The farmers have become tired and weary of advice; what they want and what I want for them is money, now, to aid them in holding their cotton.

Mr. HENRY. Mr. Speaker, I yield to the gentleman from South Carolina [Mr. AIKEN].

Mr. AIKEN. Mr. Speaker, I am one of those who believe the Government can do something for the relief of the people of the South, who are facing disaster because of the great drop in the price of cotton, their principal crop, and I will oppose the adjournment of Congress until something is done along this line.

The people of the South are not asking alms, they are not asking a gift of any kind; they are simply asking that the Government perform its rightful functions. They are asking that the Government do something for a great part of the people and not for any special interest. One-third of the people of the United States are directly interested in the cotton crop. The price of cotton has been cut in half by the war in Europe, and unless something is done for the people of the South they are going to have the value of their labor this year cut in half. They can not afford to bear this loss, and it is not right that they should have to bear it.

In the past the Government has been lavish with the public funds. We have built the Panama Canal, at enormous expense, to benefit the whole country, and during the last session of Congress we appropriated $30,000,000 to build a railroad in Alaska to develop that far-off territory. The Panama Canal will be of no special direct benefit to the people of the interior of the country, and the railroad in Alaska will not benefit one person in 100,000 in the United States proper. I doubt seriously if we had constitutional authority for the appropriations for the Panama Canal or for the railroad in Alaska, yet there was no great objection to these appropriations. And if we had authority for these appropriations we certainly have authority for emergency legislation now for the whole people of the South.

Then we have spent many millions for the irrigation of the arid lands of the West, and every year we spend millions on river and harbor improvements. The money spent on these projects can benefit at best only a comparatively small part of the people. We seem able to find constitutional authority for these appropriations, and there is, as a matter of fact, no great objection to them on the part of the people. The people of this country, and especially the people of the South, are broad-minded, and they indorse the proposition that it is good policy for the Government to try to develop the country in every reasonable and proper way. This attitude on their part makes it all the harder for them to understand why the Government can not do something for them now in the hour of their greatest distress. The people of the South will be disappointed if something is not done, and I believe the people of the other sections of the country will indorse all reasonable and proper legislation along this line. Sectional lines have long been obliterated, and an appeal from one part of our people in distress touches the hearts of all our people.

There may be honest differences of opinion as to what is the best thing to do, and I think that perhaps the people of the South may have suffered in the opinion of the rest of the country because of some measures that have been advocated. Some propositions have been made that have impressed me as being utterly impracticable. But we can not excuse ourselves by simply opposing what we consider unwise measures. If we are to be true to ourselves and to the people who sent us here, if we are to be worthy of the positions we hold, we must work out a plan that will give the relief that is needed. I will never concede that we can not do this.

Like many other thinking men, in Congress and out of it, I have my own ideas as to what should be done, but my pride of opinion does not carry me so far as to oppose everything else if I can not get just what I want. I believe there is sufficient ability and statesmanship in this Congress to solve the problem that is before us, and I will support any plan that meets the approval of the majority.

I have been an advocate of a rural credits system and have introduced a bill along this line. I believe that the problem of the South of to-day would be solved if we had a system by which farmers could borrow money direct from the Government on their farm lands, on long time, and at low rates of interest. If we had that law to-day, the farmer who has cotton could borrow money—not on his cotton but on his land—and he could store his cotton and grow other crops until cotton again became profitable. The mechanic in the city or town who finds himself thrown out of employment because of the business depression could under such a law buy a little farm and make a living for himself and his family while he was paying for his home. Farm land, managed and tilled by an ambitious man, would be as good security for a Government loan as a Government bond itself.

I think we might pass such a law as this and get it in operation within a short time, and that it would be the salvation of the South, and there will probably come times when it would be the salvation of the farmers of other sections of the country.

But if it be impossible to work out a rural credits bill now and put it in operation, then do something else. Give us emergency legislation of some kind, for there can be no denying the fact that the people of the South to-day need help as badly as any people ever needed it. And I am not yet ready to believe that Congress will adjourn without giving it.

I can not conclude these remarks, Mr. Speaker, without giving expression to a thought that weighs very heavily upon me, and that is that the farmers of the South are themselves very largely to blame for the plight they are in to-day. Of course they had nothing to do with bringing on the war in Europe and thus cutting off the market for their cotton, but they have been to blame for attempting to grow nothing but cotton. By doing this they have put themselves at the mercy of people and conditions over which they could have no control. The climate of the South is ideal; its soil is the most fertile in the world. The people of the South can grow successfully any crop that is grown anywhere in the United States. The people of the South can make all their foodstuffs at home. And if they had been doing this, and making cotton as a surplus, they would not now be facing disaster and coming here in desperation and asking for help. But while they may have contributed to their present condition, they are none the less in sore straits, and they deserve whatever help we can give them. And I believe the help we are asked to give now will be simply emergency help. I believe the people of the South will learn a much-needed lesson from this experience, and that from this year henceforth they will pursue better methods. They will grow on their farms the things needed on their farms—grains and meats—and that in the future cotton will be a surplus crop, a money crop, pure and simple, and not a food crop. That is the trouble now; many farmers depend on the sale of their cotton for actual food for themselves and their families and the horses and mules that pull their plows. If they can not realize money on their cotton, they can not eat. This is an ugly truth, but it is the truth

nevertheless. So we are asked for emergency legislation, and the emergency is very real and pressing.

And for this reason I am prepared to support almost any legislation that meets with the approval of my colleagues, and I am unwilling for the Congress to adjourn until something is done. [Applause.]

Mr. MANN. Mr. Speaker, I yield to the gentleman from Wisconsin [Mr. STAFFORD].

Mr. STAFFORD. Mr. Speaker, about the only reason advanced in favor of the amendment proposed by the gentleman from Georgia is that submitted by the gentleman from Alabama [Mr. BLACKMON], who requested gentlemen to support this bill on the ground of good-fellowship. Even the proponents of the measure state it is not workable. I wish to point out a fatal weakness in reference to this amendment, and that is that the banks, State and national, which are presumably engaged in loaning money to their customers, will not accept these funds when it is conditioned under this act that the money is to be loaned at the low rate of one-half of what they are receiving on their outstanding loans. It stands to reason that they would not accept this money, and you can not force them to accept it, under the condition to loan it out at 4 per cent. The bank's paper which they discounted at 6, 8, 10, and higher per cent would never be renewed at those rates.

I am opposed to asset currency. I am not in favor even of the original proposition contained in the Senate bill. I read the circular letter of the Secretary of the Treasury, which I obtained this morning from the department—and that reminds me that at the present moment the national banks of the South have $150,000,000 of circulating currency now available which they have not availed themselves of—and under the Aldrich-Vreeland bill, as shown by the Secretary's letter, they can today deposit their warehouse receipts for cotton, tobacco, and naval stores, and for 75 per cent of their face value receive emergency currency; and yet the southern banks, to the extent of $150,000,000, have not availed themselves of that privilege. As the gentleman from Texas [Mr. HARDY] says, it is a matter of marketing the cotton and not a matter of credit. This bill only provides for credit, and the banks at present have ample currency for credit. This bill would furnish little relief to the cotton situation, and, more, it would establish a most dangerous precedent.

The SPEAKER. The time of the gentleman has expired.

Mr. MANN. Mr. Speaker, I yield to the gentleman from Minnesota [Mr. STEENERSON].

Mr. STEENERSON. Mr. Speaker, I regret exceedingly that the appeal in support of this bill has been made in this manner, so largely based upon sympathy. Of course we all realize that the decline in the price of cotton, due to the European war, is a serious calamity to the cotton producers of the South, and we all sympathize with them; but this is a matter that must be decided upon sound economic principles and not upon sympathy. Notwithstanding my strong desire to aid, I am convinced that the remedy proposed is worse than the disease, and that the people concerned would be injured rather than benefited by the remedy proposed.

It is not strictly accurate to say that this misfortune, this decline of the cotton market, is a calamity to be compared with the San Francisco earthquake or the Salem fire or any catastrophe of that kind. There is no analogy between them, because this is a thing that may recur at any time. In fact, the cotton producers are not the only ones who find themselves without a market on account of the European war. The market for copper is also depressed, and there are thousands and thousands of men engaged in that industry. I understand also that in production of perishable products, such as fruits—notably, apples—formerly shipped to Europe, and for which there is no market, a large number of people are engaged, and they are also in the same predicament. This amendment is based upon a wrong theory. This relief here sought will not remedy the evil at all. This bill ought to be denominated, or rather this amendment ought to be denominated, "A bill for the free and unlimited coinage of cotton and tobacco without the aid or consent of any other nation whatsoever." That would be a more appropriate title. It does not provide for loaning on cotton, but the purchase—that is what it amounts to—and holding it until the market revives.

This bill proposes that the United States shall issue $250,000,000 of greenbacks without a dollar of gold reserve to back up the issue and deposit it in the State and National banks of the States producing cotton and tobacco, to be loaned on the security of those commodities. There is an alternative provision authorizing the Secretary of the Treasury to sell Panama Canal bonds to the amount of $240,000,000 and deposit the funds so raised in banks, to be loaned on the security of cotton and tobacco warehouse receipts. It is the most dangerous inflation scheme ever proposed. If carried out, it will destroy faith in the soundness of our whole currency, drive gold into hiding, and produce general financial disaster.

Now they say that this decline in the cotton market is unprecedented. Let us see about that. The gentleman from Oklahoma [Mr. MURRAY] inserted in the RECORD a table of the prices of cotton, and I find that during the last Democratic administration the prices were lower than they are now, without any war in Europe. These are Democratic prices. In 1893 the price was 7½ cents, in 1894 it was 5.9, in 1895 it was 8.2, in 1896 it was 7.1, in 1897 it was 5.6. The Dingley law was passed in July, 1897, and it took some time for business to revive and raise prices.

Mr. WEBB. Cotton went to its lowest point in 1898, under the McKinley administration.

Mr. STEENERSON. Yes. Business had not fully revived; you had four years in which to ruin the country. It took some time to revive business.

Certainly, by this time, we ought to have an efficient currency system. You have loudly proclaimed to the country that you have given us an ideal system. I hope so. You remember that the President only a day or two ago in his letter to Mr. UNDERWOOD, published in the RECORD, said that we now had an ideal currency system capable of meeting every situation. He said:

> In like manner, by the currency bill, we have created a democracy of credit, such as has never existed in this country before.

Further on he says:

> Let bankers explain the technical features of the new system. Suffice it here to say that it provides a currency which expands as it is needed, and contracts when it is not needed; a currency which comes into existence in response to the call of every man who can show a going business and a concrete basis for extending credit to him, however obscure or prominent he may be, however big or little his business transactions.

But this does not agree with the testimony of the leading Democrats of the South. The gentleman from Alabama [Mr. HEFLIN] in his speech yesterday, as it appears in the RECORD, says:

> But, Mr. Speaker, we are in distress; we must have relief. Other agencies have failed us, and we turn now to the Government of the United States and ask that it grant us the use of some of the public funds in order that we may hold our cotton and prevent panic and bankruptcy among the producing classes of the South. [Applause.] This Government owes more to its producing classes than to any other class of its people. Why, then, should special favors be shown by the Government to banks and to bankers? We can not all be bankers, and when the banking institutions refuse to aid the productive industries of our country, and when they permit the producer to be greatly handicapped and seriously injured in his business, then it is the duty of the Government to do the thing necessary to relieve the distress of the industrial and producing classes, in order that they may not be deprived of the fruits of their labor and industry.

To the same effect was the speech of the distinguished gentleman from Texas [Mr. HENRY], chairman of the Rules Committee. It will be interesting to learn how these gentlemen will harmonize what they now say with the boastful declarations in their campaign literature.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER. The gentleman from Illinois [Mr. MANN] has five minutes remaining.

Mr. MANN. Does the gentleman from Virginia [Mr. GLASS] desire to proceed?

Mr. GLASS. I supposed I would be permitted to close the debate.

Mr. MANN. Is the gentleman going to close in one speech?

Mr. GLASS. Except that I will yield to my colleague from Massachusetts [Mr. PHELAN], in order that he may secure leave to print. I do it now.

Mr. PHELAN. Mr. Speaker, I am opposed to this so-called "Hardwick amendment" authorizing the issuance of $250,000,000 upon the security of cotton or tobacco warehouse receipts, because I believe its enactment would imperil our whole credit and financial system. The proposed amendment is repugnant to every sound economic principle. In a limited time I can only briefly point out some of the many objections to this proposed amendment.

It is objectionable, in the first place, because it is special legislation, confined to specific sections of the country and to specified commodities, cotton and tobacco.

The amendment is, moreover, objectionable because it specifies a special rate of interest, namely, 4 per cent. This is discriminatory when the prevailing rate all over the country is from 2 to 4 per cent higher.

It would be, furthermore, a serious danger to issue the proposed notes through State banks. They are not subject to examination by our National Treasury Department, nor in any way under national control. Even though they would submit to

examination there are not sufficient examiners available to make satisfactory examinations within the limited time available. Again, in many States State banks have not the limitations as to the amount of loans which can be made to individuals proportionable to the capital and surplus of the banks, nor subject to the double-liability provisions with reference to stockholders.

In addition, there is the very practicable objection that plates from which to make the proposed bank notes could not be furnished for many weeks. A delay of many weeks would defeat the very purpose of the bill.

There are even more important objections, which are fundamental and fatal.

The proposition to sell $240,000,000 of Panama bonds is absolutely impracticable. There would be no market for these bonds, because the banks would not invest their money at 4 per cent when they are getting from 6 to 8 per cent, and they would not at this critical time invest their funds in permanent investments, but would continue to keep their funds in the most liquid kind of assets obtainable.

What is even more important, they would not deplete their reserves by using gold to buy bonds. Even granting that they would, such a course would be disastrous to the whole financial business of the country, because at the present time, with the heavy withdrawal of gold by European countries, there is little enough gold in the country as it is, and the supply is needed absolutely for reserve purposes.

The bond proposition, therefore, is entirely unfeasible, first, because bonds could not be sold, and, second, because the gold of the country ought not to be drawn away from the reserves.

As to the alternative proposition, namely, to issue $250,000,000 of United States notes, enactment of this proposition would menace our whole financial structure. First, however, let me state that it is extremely unlikely that even though these $250,000,000 of notes were issued to banks, prudent bankers would make loans to any extent upon cotton as security. To-day there is a large amount of currency in banks in the cotton States. The principal reason it is not loaned is because cotton has no market, and, accordingly, has no stable price. No prudent man will take cotton for security until he is certain that the cotton can be sold. Every Member of Congress with whom I have talked on the subject admits that the whole of this year's cotton crop can not be sold for 10 cents a pound unless it is certain that next year's crop will be greatly curtailed. There is, however, not the slightest assurance that there will be this curtailment, and it is very difficult to find any practical method by which next year's cotton crop can be curtailed.

The whole problem amounts to this: Before cotton can safely be used as security for loans on a basis of 10 cents a pound there must be a definite assurance that cotton will at some time in the future sell for 10 cents a pound. There has been no plan evolved to give any assurance that this year's cotton crop can be sold at 10 cents a pound. Under present conditions loans can not be obtained upon cotton because cotton has no price.

In view of all the conditions it would be a positive peril to issue $250,000,000 upon cotton as a security as proposed in this amendment. No provision for an adequate gold reserve is made in this bill. If it be argued that these proposed notes are not redeemable in gold until the 1st of January, 1916, then it is questionable whether or not these unredeemable notes, even with the 2 per cent interest, would remain at par. No one would keep notes for the 2 per cent interest when the same amount of currency redeemable in gold could be used to obtain a far greater rate of interest. It is quite probable, therefore, that these notes would fall below par. Then again, there is no certainty that on January 1, 1916, when they are redeemable, that there would be gold enough in the Treasury to redeem them. The whole proposition is full of danger and peril. The enactment of this amendment would threaten the security of the United States Treasury Department. It would, moreover, afford the opportunity for wild inflation. It is an absolutely unsound principle to issue United States notes upon security which has no present market value and which may not have a reasonable market price even in the future, and which is not a liquid asset but a fixed asset.

I think we all appreciate the unfortunate distress in which the cotton States find themselves to-day because of the outbreak of war in Europe. I think the Members of this Congress would go a long way to help any section of the country suffering as the cotton sections are suffering at this moment, but it would be a foolhardy action to endanger our whole credit and financial system, to bring about almost certain disaster to the commerce and industry and agriculture of the Nation by enacting any such imprudent, unsafe, and fruitless bill as is offered in this amendment.

Mr. GOULDEN. Mr. Speaker, every citizen, no matter from what section he hails, sympathizes with the distress existing in the cotton States due to the war in Europe. This appeals to all of us; but, representing the people of the country, as we do, the bill, and especially the amendment, before the House is not, in my judgment, safe nor sound. It is a new departure in our well-established financial policy. The amendment proposed by with the proposition would for a moment consent to a return to the old greenback days, which, if it had been adopted then, would have demoralized every business and commercial interest of the country. We escaped that calamity, and no one familiar with the proposition would for a moment consent to a return of that chaotic condition. If adopted now by the Congress and approved by the President, the latter being very doubtful, it would fail to give the needed relief to the suffering cotton farmers. It would require at least 6 months to put the machinery into successful operation to carry out its provisions. The 13 months in which these notes are to mature and to be paid in gold would speedily pass and the people of the South be unprepared to redeem them. It would certainly be an entirely new departure, establishing an untried and experimental system of finance, and I am sure will not receive the approval of this House.

"An act to amend the national banking laws," as heretofore amended in an act approved August 4, 1914, is hereby further amended so that the words "that no national banking association shall be authorized in any event to issue circulating notes based on commercial paper in excess of 30 per cent of its unimpaired capital and surplus" is amended to read as follows: "That no national banking association shall be authorized in any event to issue circulating notes based on commercial paper in excess of 100 per cent of its unimpaired capital and surplus."

I am opposed to the change to 100 per cent, as it is too near the danger line of solvency. The increase from 30 to 75 per cent may be justifiable, when handled by the Federal Reserve Board. However, if approved by the Congress, I shall reluctantly acquiesce and vote for the measure. Frequent allusions were made on the floor to-day, charging that my own city—New York—which I have the honor in part to represent, has been favored in times past.

Moneys have been deposited in the great financial institutions of New York for the relief of the country at large and only on the most unquestioned security. It is universally recognized that this city is the great commercial and financial center of the country. All must look to it for advice and relief, and while our great institutions may have taken advantage of their opportunities they have frequently saved the Nation from distress and panics.

The bill S. 6398, as reported from the Committee on Banking and Currency, in the main is one that men believing in sound money and a stable currency can support. The report of the committee, among other things, says:

The enactment of this bill is urgently recommended by the Federal Reserve Board and the Treasury Department upon the ground that it will greatly facilitate and amplify the relief which the Federal reserve system is expected to afford the business interests of the country in the existing financial emergency.

When the Federal reserve act was framed it had for its purpose the gradual concentration into 12 Federal reserve banks of the scattered gold reserves held by many thousand banks and the gradual elimination of balances kept as reserves with reserve agents in reserve and central reserve cities. This plan of gradual development was adopted for two reasons: First, because a rapid withdrawal of all reserve balances from reserve agents would have created a dangerous disturbance; and, second, because it was thought that elasticity should be added step by step only to our present system lest it should stimulate too rapid expansion.

It so happens that many banks, especially in the South and West, have not enough investment in bonds and other securities to enable them to put out the amount of circulation which they now require and to which they should be entitled within the limitation provided by the act of August 4, 1914. These banks, however, have an adequate supply of commercial paper, and, inasmuch as this security is now recognized as the most liquid of assets, there seems to be no reason for denying the issuance of emergency currency to national banks which are able to offer it as security.

Just at this time a considerable amount of additional currency is demanded, and the demand seems to be justified. Crop-moving season is at hand, and at this time of year the amount of currency in circulation is greater than at other seasons. Over and above the usual seasonal demand there is now an exceptional demand owing to the fact that the necessities of Europe growing out of war have caused a substantial gold export movement. There is reason to believe, too, that doubts and fears arising from the great European war have prompted a certain amount of hoarding of specie in this country. It is desirable that the shortage of currency growing out of these causes should be promptly supplied by the issuance of emergency notes which will be retired whenever the emergency may be passed. The progressive tax imposed on the emergency notes by the Aldrich-Vreeland Act as amended, and the discretion given the Secretary of the Treasury to require of the issuing banks additional gold deposits in the redemption fund, will have the effect of causing the retirement of the notes when they are not needed to supply an actual demand for a circulating medium.

The bill as amended has the approval of the Treasury Department and the Federal Reserve Board.

In my judgment, the Federal Reserve Board, with the bill offered by the Committee on Banking and Currency amending that measure, will have full power to meet this and all other questions. Our legislative bodies are too prone to tinker with

existing statutes, and usually with unfortunate results to the business interests of the country. What the people want and should have is a rest, so that business may adjust itself on a sound basis and universal prosperity bless our beloved country.

Mr. MANN. Mr. Speaker, when we passed the Vreeland Act there was a great deal of controversy in regard to the advancing of emergency currency based upon commercial paper. The national-bank notes had stood for many years as solid as the legal-tender notes and as good as gold; and we finally provided in the law that emergency currency might be issued on the terms named in the Vreeland law to the extent of 30 per cent of the capital and surplus of the banks. The Senate the other day passed this bill increasing that amount from 30 per cent to 75 per cent, and the Committee on Banking and Currency have now reported the bill again, proposing to increase it from 75 per cent to 100 per cent, so that we now propose by the bill to permit emergency currency to be issued by the banks to the full extent of their capital and surplus. What we thought was a striking innovation only a few years ago—to allow 30 per cent—has now grown to be a minor thing, when we propose 100 per cent. Gentlemen seem to forget that there is now more money in circulation in the country per capita than ever before, and less credit. Printing large sums of money does not help the situation; it never has and never will; and the proposition here to increase the emergency currency based on the commercial paper is, in my judgment, a very dangerous proposition of itself. Now, the cotton proposition, which is to increase the legal-tender notes by $250,000,000, without any gold reserve behind them in addition to the present gold reserve, is itself a dangerous proposition. What the South needs is a market for cotton. If a billion dollars were to be placed in the banks of the South to-day, I doubt whether money would be any easier to borrow there to-morrow. Men loan money with two objects in view—one to secure the return of the principal and one to secure the return of the interest upon the money. And people in the South and banks elsewhere will not loan money upon cotton or anything else unless they feel fairly secure that the money will be returned to them; that their security is good. You to-day have no market price for your cotton. If you had, you would have no difficulty in borrowing money to the extent that it is a reasonable security. And printing bank notes will not add to your relief; it will take away from it. The more bank notes the Government prints the less credit there will be in the land. The more asset currency that is issued without sufficient assets behind it the less credit there will be in the land. You may start the Bureau of Engraving and Printing or the Government Printing Office to printing money, but what good would it be? It will soon be worth no more, if we keep on in this way, than the bales of assignats in France were, where they became so cheap that they were baled up like cotton. [Applause.]

The SPEAKER. The time of the gentleman from Illinois [Mr. MANN] has expired.

Mr. KIRKPATRICK. Mr. Speaker, there comes from the South an appeal for help. It is a cry from Macedonia, and I will not turn a deaf ear. The Congress of the United States responded when a calamity befell San Francisco, when the lands of Ohio were deluged, and when thousands in Salem were homeless, and even when pleasure seekers were detained in Europe the vaults of the Treasury were opened and thousands of dollars were immediately dispatched to relieve their embarrassed condition.

And yet there are those who are saying there is no precedent for helping the panic-stricken people of the cotton belt. If, as some say, there are no precedents, then in God's name let us make one; for it is never too late to establish a good precedent.

Not long ago I was in Charleston, S. C., and there I found baled hay from Ohio, and in all the Southland I find meat, breadstuffs, and other manufactured commodities from the North world without end. Out trade relations with the South are now practically paralyzed, almost cut off, as it were, by a successful blockade. The privilege of selling abroad their surplus products is confined almost exclusively to cotton, and because of this we are asked to lend a helping hand, not by way of gift or donation, as was the case with San Francisco, the valley of the Ohio, and the people of Salem.

Unfortunately the people of the South have not indulged in the planting of a diversity of crops, thus they depend almost wholly in their expectancy upon a single article, namely, cotton. No such a crisis or calamity has befallen our people since the War between the States. The appeals of these people are modest and not extravagant; they only ask that the use of the credit of all our people be extended by the Government until such time as normal conditions can be restored—conditions which are now disrupted by a world war. I am for this measure without halt or hesitancy.

If in 1907 the President went to the rescue of the gamblers in New York to such an extent that only $17,000,000 of available cash was left in the Treasury of the United States, then why not heed the cry of a people whose God is our God and whose flag is our flag, and thus cement anew the bonds of a reunited people?

Mr. BAILEY. Mr. Speaker, it seems to me that this measure embodies a proposal to base and justify a statute on an illegal and dangerous precedent. In his eloquent presentation of his side of the case during the discussion of the special rule the gifted Georgian, Mr. HARDWICK, who is so soon to grace another body after long and useful service in this House, defended the proposition to lend the Federal credit to the cotton planters of the South on the ground that there was notable precedent for such a policy in the frequent devotion of the National Treasury to the needs of Wall Street.

Yet everyone knows that the Treasury usurped authority in so doing. It had neither a legal nor a moral right to divert the public funds to a private end. Of course, it may be argued that but for this usurpation a frightful financial calamity would have befallen. But, on the other hand, it may be argued with even greater force that the conditions which called for Treasury intervention might never have arisen but for the latent assurance on the part of Wall Street stock gamblers and big-business boomers that Uncle Sam would come to their rescue when they could no longer make head for themselves.

The gentleman from Illinois [Mr. MANN] has said that in all history there is no parallel for the situation which now confronts the South. Yet there is scarcely a page of history which does not present such a parallel—not on an equal scale, but with the same elements of tragedy. What has happened to the cotton growers of the South? They have lost their market. But was not this what happened to the Ephesians when Paul came among them with his strange new religion? The acceptance of that meant to the artificers of Ephesus the loss of their market for the shrines of Diana. There was sore distress among them, and Paul was as unpopular there as one may be here who advocates a doctrine—rapidly becoming strange in this era of paternalism run mad—which would restrict government to the exercise of its powers only for public purposes.

It were easy to multiply historic parallels on a minor scale for the calamity which has befallen the South as a result of European disturbance. Thousands of merchants in the course of the years have been ruined by changes in fashions. Their markets failed. It meant bankruptcy for the stagecoach when the locomotive began shrieking its way across the country. It meant bankruptcy for the horse-drawn carriage when the automobile honked its way into popularity. There was tragedy and heartbreak in all these events and in every event in the progress of invention which involves a sudden change in economic relations. And here on a gigantic scale we have repeated a familiar detail of the common life—a market that has gone bad. It is not gone altogether, as the market for tulips went when the tulip craze suddenly yielded up the ghost and left thousands in Holland and elsewhere stranded on the shores of bankruptcy. It is a frightful situation, but it is unprecedented only in the sense that it is the biggest thing of the sort that has happened in our time if not in all time.

And let me call attention to the fact that the benefit of this proposed amendment can not accrue in any large measure to the actual growers of cotton—the vast body of tenant farmers who do the work and produce the crop. This quarter of a billion fund which is to be loaned in the South at 4 per cent is to be at the disposal in a large way of the landowners, not at that of the land users. The net effect of this gratuity—for that is all it is, disguise it as we may—will be to stimulate speculation in cotton land in the South, with the certainty that this in the end will react on the tenant farmers in the form of higher rents.

This form of farm credits does not differ in any material aspect from other forms, nor will the results differ materially. In every application of the principle we are bound to see a common effect. For what is at the bottom of all these proposals? Nothing more than extending credit at less than the market rate to a certain class—in the last analysis to that class which owns agricultural land or to those possessed of a desire to enter that class. If farmers were permitted to borrow money at 4 per cent while the rest of us were obliged to pay 6 or 7 or 8 per cent, it is easy to see what would follow. A lot of us now engaged in other than agricultural pursuits would rush to get into a business offering so rich an advantage. This, of course, would mean a greater demand for agricultural land. And this in turn would infallibly mean stiff and increasing advances in the value of such lands. Land users, in consequence, would be compelled to pay more dearly in rent or in the purchase price

for opportunity to use it. This is the whole story. Nor can all the sophistry in the world change its essential details. It is writ large in the history of the race.

The South might obtain temporary relief by some such resource as the one proposed. But if we relieve cotton to-day because its market has failed, why not corn to-morrow and lumber next day and coal the next? All these fall upon evil times now and again. Our amiable but disgruntled friend from Washington [Mr. HUMPHREY] never ceases to lament the hard lines into which shingles have fallen since other material for roofing has become popular. He blames it on the Underwood tariff, of course, although this had nothing whatever to do with the shingle situation, the shingle makers of British Columbia being just as much in the dumps as those of Washington. The trouble with both is that their market has failed—not utterly, but to an extent which imposes hardship, if not actual loss. The changing fashion in roofing and not Democratic legislation is responsible.

The thought that abides with me in all this clamor for relief for southern cotton growers is, that to give it by the means proposed would involve a subversion of governmental powers. No one can outrun me in sympathy for those in distress in the cotton States. But I have sympathy for those likewise who in other States are in bad case as a result of the same great disturbance which has cost the South its market. If relief is to be voted out of the Treasury for the one, with what face shall we deny relief to the other? Is Uncle Sam a partial relative? Are there favorites among his nephews and nieces? Does he kill the fatted calf for this child, while for the other there is reserved a stone when the cry goes up for bread?

That things will right themselves for the South in due course of time I have not the least doubt. The man whose house burns down is always at some inconvenience and must undergo some hardship. But he can build himself another; he need not give up in despair; he need not dissolve himself in tears while waiting for some one to rebuild for him. Instead, he will show his fortitude, his self-reliance, his pluck in adversity, his determination to make good no matter what the distress or the difficulty. And so it should be with our southern friends. Their case is, indeed, a bitter one. But it is unusual only in its magnitude. In its bearing on the individual it is as everyday and homely as sickness and death. It is no more tragic than the destruction of a wheat field by a cyclone, the devastation of a corn field by the army worm, the blighting of a potato field by a pest of bugs, or the ruin of an orchard by the San Jose scale. It seems so only because the loss of the individual in this case is multiplied by millions. Yet to the individual sufferer it is precisely the same. Were he isolated he would never dream of appealing to Uncle Sam for relief. It is only where he finds himself a unit in the mass that he lifts his voice to beseech a sort of aid that can be given only by the opening of a very Pandora's box of paternalistic mischief.

By unanimous consent, Mr. STEENERSON, Mr. SLAYDEN, Mr. FARR, Mr. FALCONER, and Mr. KIRKPATRICK were granted leave to extend their remarks in the RECORD.

The SPEAKER. The gentleman from Virginia [Mr. GLASS] is recognized for eight minutes and a half.

Mr. GLASS. Mr. Speaker, it is scarcely necessary that I should reiterate the statement that no Member of this House has a greater appreciation of the trouble in the South or a greater desire to remedy it than I, but I am obliged to be guided by my judgment rather than by my sympathy in determining measures which are designed to relieve the situation. It is very desirable that the Congress should understand the facts of the case and not be misled by misconceptions, rhetorically expressed, of what has been done and what may be done.

Contrary to the repeated asseverations of gentlemen who favor the Hardwick-Henry amendment to this bill, there is no precedent in the history of this or any other country for the thing here sought to be done. It has been stated that in 1907, under the administration of President Roosevelt, he "took $150,000,000 of Government funds and deposited them in Wall Street to aid the gamblers there." That was never done, nor anything like it, at that or any other period.

Mr. HARDWICK. Will the gentleman yield?

Mr. GLASS. I have not the time.

Mr. HARDWICK. I will take but a minute. How about the Money Trust investigation? Did not that show it?

Mr. BYRNES of South Carolina. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Virginia yield to the gentleman from South Carolina?

Mr. GLASS. I have but little time and can not yield.

The SPEAKER. The gentleman declines to yield.

Mr. BYRNES of South Carolina. Did he not deposit $42,000,000?

Mr. GLASS. Neither Mr. Cortelyou nor anybody else ever took $150,000,000 of the Government's money and "deposited it in New York to aid the stock gamblers."

Mr. BYRNES of South Carolina. Does the gentleman say he did not deposit $42,000,000?

Mr. GLASS. As a matter of fact, he did not take $42,000,000 and deposit it in New York for the aid of the gamblers. If he deposited that amount, it was to prevent a panic sweeping over the entire country and ruinously affecting all kinds of business everywhere.

NO DEPOSIT OF "PUBLIC FUNDS."

My friend from Georgia [Mr. HARDWICK] the other day quoted the Comptroller of the Currency as saying that the present Secretary of the Treasury had recently deposited $40,000,000 of public funds in New York banks. I have here a letter from the Comptroller of the Currency, which I shall insert in the RECORD, saying explicitly that I was right in denying that he had ever done anything of the kind. Here is the letter in part:

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY,
Washington, October 20, 1914.

Hon. CARTER GLASS,
House of Representatives.

MY DEAR CONGRESSMAN: I confirm the statement which I have just made to you over the telephone in response to your inquiry that the "$100,000,000 of additional currency," which in my recent address before the Indiana bankers I stated the Secretary of the Treasury had announced his readiness to supply to the New York banks, if it should be needed, at the time of the international crisis, the 1st of August, was part of the emergency currency provided for under the provisions of the Aldrich-Vreeland Act, as amended by the Federal reserve act.

* * * * * * *

It was well known to every banker and business man, and I think we would have reason to assume that it was well known by every Congressman, that the hundred millions of additional currency which the Secretary of the Treasury offered to the New York banks in his announcement on August 2 was the currency which had been issued under the Aldrich-Vreeland Act and stored in the Treasury for the purpose of meeting any emergencies. It has met the emergency, and most effectively.

In my same address in the same connection I made this further statement:

"Is it not deeply significant and enheartening, as indicative of a new policy on the part of our Government, that in this emergency the administration of the restorative was not, as in the past, confined to the banks in New York City? For under the direction of Secretary McAdoo more than $160,000,000 of currency has already, since August 1, with impartial hand, been distributed to the national banks in every section of the country where it has been needed, from Boston to San Francisco, and from the Great Lakes to the cities on the Gulf, helping to dispel and neutralize the poisonous fumes of distrust, alarm, and fear, which had begun to manifest themselves."

I find it hard to believe that there is any Member of Congress who does not know that the one hundred millions of currency which was so promptly furnished to the New York banks, and the one hundred and sixty millions of currency which, at the same time, I stated had been distributed "to the national banks in every section of the country when it has been needed," was the currency issued under the provisions of the Aldrich-Vreeland Act as amended, and it seems to me rather unfair for anyone to attempt to construe my statements, which I endeavored to make so very clear, into an announcement that $40,000,000 of Treasury gold in the shape of Government deposits had been turned over to the New York banks. Nothing of the sort was done, and no statement of mine could fairly be construed as indicating anything of the sort.

Sincerely, yours,

JOHN SKELTON WILLIAMS.

So, Mr. Speaker, this currency that was sent to New York was not "the people's money," to which the gentleman from Texas [Mr. HENRY] perpetually is making reference, but merely emergency bank notes, $160,000,000 of which were sent to all sections of the country alike, and not merely to New York. Texas and Virginia and Georgia got their share.

Mr. HARDWICK. Mr. Speaker, will the gentleman yield?

Mr. GLASS. No; I can not yield.

Mr. HARDWICK. I put the comptroller's speech in the RECORD.

The SPEAKER. The gentleman declines to yield.

Mr. GLASS. I know the gentleman did that; but what the Comptroller of the Currency meant in that speech, as he declares himself, was that $40,000,000 of "emergency currency" had been sent to New York and not "Government funds." There is a vast difference. Any national bank may receive emergency bank notes upon application by impounding acceptable security in the required amount, depositing the necessary gold-redemption fund, and paying the tax exacted by law. Such notes are the bank's obligation and not public funds belonging to the people. When the Secretary of the Treasury sent $40,000,000 of emergency bank notes to New York he at the same time sent $68,000,000 to southern banks; and southern banks, if they will apply for it, may quickly obtain $150,000,000 more of the same sort of currency that was sent to the New York banks. Indeed, the pending bill, consideration of which has been too long delayed by obstructive tactics, is expressly intended to make it easier for

southern and western banks to obtain these emergency bank notes on commercial paper as security.

Mr. BYRNES of South Carolina. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Virginia yield to the gentleman from South Carolina?

Mr. GLASS. I can not yield; my time is nearly expired.

Mr. BYRNES of South Carolina. I wanted to ask him if Mr. Cortelyou did not make that deposit of $42,000,000?

The SPEAKER. The gentleman declines to yield.

AN UNPRECEDENTED PROPOSAL.

Mr. GLASS. Mr. Speaker, answering my friend from South Carolina, I will say the Secretary of the Treasury, under the discretion which the law permits, has repeatedly deposited large amounts of Government funds in New York banks, as he has in other banks, at the required rate of interest, and subject to instant recall at any time. That is no unusual transaction. That is business prudence; but, Mr. Speaker, there is no case on record where the Secretary of the Treasury has issued bonds of the Government, thus taxing all the people to create a special fund, not for use of the Government, but for the purpose of depositing it in the banks of a given section of the country. [Applause.]

When public funds derived from taxes levied on the people accumulate in the vaults at the Treasury the fixed fiscal policy is to deposit these funds in national banks throughout the country at a specified rate of interest. The banks loan these funds, precisely as they loan their other deposits, to their customers, and thus the public funds are put back into the channels of trade until called in by the Treasury to defray the expenses of the Government. In making Government deposits the Treasury Department is given a wide discretion. It may be that deposits have not invariably been equitably made as required by law. It may be that, at times, deposits have been unwisely made. There have been criticisms of deposits made in New York with the expectation that they would enable the banks to allay or frustrate threatened panics. There have been criticisms of deposits made in the South and West to aid in "moving the crops."

But, Mr. Speaker, let us bear in mind that these deposits, wherever made or for whatever apparent purpose, were merely accumulated public funds, put in Government depositaries at interest in the ordinary process of business, to be withdrawn at any moment the Government should have need. There is not attached to these deposits any condition that they shall or shall not be loaned by the banks to anybody or any business concern, or any class of persons. The banks may themselves determine to whom these public funds will be loaned, at what rate of discount, upon what nature of collateral, and for what length of time. Why should it not be so? The banks are responsible to the Government for the return of these public funds on call. They give bond for their security, pay interest on the deposits, and, without charge, act as fiscal agents of the Government.

TAXING ALL THE PEOPLE FOR A SINGLE CLASS.

How vastly different is this transaction from that proposed by the amendment to this bill! There is not one particle of analogy; not the remotest resemblance. It is not provided by this amendment that public funds already derived from taxation shall be deposited equitably in the banks of the various States, at interest and subject to call, to be loaned to business men generally, or upon agricultural products without discrimination, or in commercial or industrial transactions without partiality, at the option of the banks receiving the deposits and upon security satisfactory to the banks holding the deposits. Not at all. None of these things is provided. The accumulated Government funds amounting to $74,000,000 are already deposited with the banks, $27,000,000 in southern banks.

THE GOVERNMENT LACKS FUNDS.

Beyond this $74,000,000 now on deposit with banks throughout the country the Government has no public funds which it may conveniently deposit with banks to be loaned to the cotton or tobacco growers, or to anybody. So far from it, the Government, owing to failing customs revenues, is actually in need of funds to defray its own expenses. That is precisely why the President came to Congress not long ago and recommended that $100,000,000 be raised by taxing the people. That is exactly why Congress is at this moment engaged in passing a tax bill. That is the reason that loud protests are heard from all sections of the country against raising even $100,000,000 of revenue urgently required to pay the running expenses of the Government itself. This outcry which we hear is against raising $100,000,000 which the Government directly needs. How swift would be our condemnation should we further tax the people to raise $250,000,000 more that the Government does not need!

I experience no difficulty, Mr. Speaker, in detecting a wide difference between this ordinary fiscal policy of the Government in thus depositing in banks, at interest, its momentarily idle funds, raised and held to pay the Government's current expenses, and this other proposed congressional policy of taxing the American people for the avowed purpose of raising an enormous fund, not needed by the Government nor to be used for the Government, but to be put in banks subject to the credit demands of a single class of citizens, to assure a profitable price for a certain product.

If, instead of $74,000,000 of temporarily idle funds now on deposit in banks at interest and subject to instant call, the Government had an additional $250,000,000, raised for legitimate expenses of Government and awaiting use for such purpose, the Secretary of the Treasury might be justified in stretching his discretionary power under the law to the extent of depositing a major part of such funds in banks of the South, at interest and on call, to relieve a situation fraught with immediate distress to that section and ultimate disturbance of business in the entire country. But the Government has no such idle fund; for its own purposes the Government does not need any such fund, and Congress has no right to tax the people in order to obtain it.

A MARKET, NOT CURRENCY, NEEDED.

I can not too often emphasize the fact that nothing like this was ever done by the Government or ever should be undertaken. It is the rankest kind of paternalism; and, even should we attempt it, the scheme could never be consummated. What the cotton grower and tobacco planter need, Mr. Speaker, is a market for their product and not additional currency facilities. Yet this amendment is merely another currency scheme. As I have repeatedly said, southern banks have in hand, or can easily obtain, millions of additional currency. There is no lack of currency. What the cotton growers and tobacco planters require is credit pending a readjustment of market conditions in order that they may not be forced to sacrifice their product by selling at ruinous prices. This fact was cogently presented at the hearing on the Henry bill by Mr. A. F. Thomas, of Virginia, who broadly declared that there was no lack of funds, but a lack of market; yet there is not a line in this Hardwick-Henry amendment that would compel the banks receiving the Government deposits to extend credit to the cotton growers or tobacco planters of the South until they can get a market for their products—the very thing they most need.

AN IMPRACTICABLE SCHEME.

Under this amendment, if passed, not a dollar of this currency would ever get in circulation. Could it be expected that banks, State or National, would constitute themselves agencies for the receipt of Government funds to be loaned in competition with themselves, at 2 per cent net profit, when these same banks are deriving from 6 to 10 per cent net profit from loaning their own available funds? There is not a sane banker, as I view it, who would accept these deposits on the terms prescribed in this amendment. But suppose the Government were to issue $250,000,000 of Panama bonds at 4 per cent, do you imagine that the shrewd bankers of the East, or of any section, would take out of their current funds $250,000,000 of gold to engage in a 4 per cent investment when they are now loaning that money out at 6 per cent on call and 8 per cent upon quick-time commercial paper? It would never be done on earth. The bonds could not at this time for this purpose be sold. But assume that they could. Argue that thrifty, acquisitive bankers would be unbusinesslike and unwise enough to engage in a transaction of that sort. What would it mean for the country? It would mean taking $250,000,000 of gold—reserve money—out of the banks, thereby contracting the commercial credits of the country nearly $1,000,000,000.

Would that help the general situation? Would it improve conditions in the South? Suppose southern banks should buy the $250,000,000 of bonds. What would that mean? It would mean that they would have to call in nearly a billion dollars of their commercial credits, their outstanding loans of to-day; so that if we were to be unsound enough to take this Hardwick-Henry amendment as a cure of the unhappy situation it not only would not relieve conditions, but would intensify the prevailing distress.

THE SOUTH NOT FOR IT.

Mr. Speaker, I deny the repeated assertion that "thirty millions of southern people" are demanding this utterly unsound and, as I conceive, dangerous scheme. If that were true, is it not rather singular that the chairman of the Committee on Banking and Currency of the House of Representatives has not received a telegram or a letter from a National or a State bank in all the South asking that this sort of legislation be embarked upon?

Mr. HUMPHREYS of Mississippi. Mr. Speaker, will the gentleman yield for a question?

The SPEAKER. Does the gentleman yield?

Mr. GLASS. Yes; I will yield for a question.

Mr. HUMPHREYS of Mississippi. How long, if the gentleman can state, would it require the Bureau of Engraving and Printing to print these notes?

Mr. GLASS. I am coming to that. I was at the Treasury Department this morning and, upon information derived from trusted and experienced public officials, am prepared to assert that, should we adopt this amendment, conceding it to be a sound measure, embracing in its provisions genuine aid for the distressed cotton planters and tobacco growers of the South, it would take longer to engrave and print the bonds or notes, to sell the bonds, to organize the mechanism for the deposit requirements under such rules and regulations as a judicious Secretary of the Treasury might put in force than will be required to fully organize the Federal reserve banking system, under which the planters may obtain a greater abundance of currency, larger and more extended credit facilities, without endangering the financial fabric of the country. [Applause.]

NO DEMAND FOR UNIQUE SCHEMES.

Mr. Speaker, when the Federal reserve bill was pending before the Banking and Currency Committee of the House I received thousands of letters from all parts of the country favoring or opposing various features of the measure. These letters came from all classes of citizens. When the rural credits matter was being considered by the committee hundreds of letters poured in, making suggestions or voicing criticisms. But, I repeat to the House the very significant fact that not a single bank in the South, National or State, so far as I have personal knowledge, has asked for this sort of legislation, which gentlemen insist is demanded in behalf of 30,000,000 people.

The SPEAKER. The time of the gentleman from Virginia has expired.

Mr. BARTLETT. Mr. Speaker——

Mr. MANN. Read the bill.

Mr. GLASS. Mr. Speaker, I ask leave to revise and extend my remarks in the RECORD.

The SPEAKER. The gentleman from Virginia [Mr. GLASS] asks unanimous consent to extend his remarks and revise them in the RECORD. Is there objection?

There was no objection.

The SPEAKER. The Chair thinks the gentleman from Georgia [Mr. HARDWICK] ought to be recognized. He is the proponent of this measure.

Mr. MANN. The bill has not been read.

The SPEAKER. That is what they are starting in to do.

Mr. MANN. They have not started yet. Nobody has been recognized yet.

The SPEAKER. The Clerk will read the bill.

The Clerk read as follows:

Be it enacted, etc., That section 1 of an act approved May 30, 1908, entitled "An act to amend the national banking laws," as heretofore amended in an act approved August 4, 1914, is hereby further amended so that the words "that no national banking association shall be authorized in any event to issue circulating notes based on commercial paper in excess of 30 per cent of its unimpaired capital and surplus" is amended to read as follows: "That no national banking association shall be authorized in any event to issue circulating notes based on commercial paper in excess of 75 per cent of its unimpaired capital and surplus."

SEC. 2. That the provisions and benefits of the act approved May 30, 1908, known as the Vreeland-Aldrich Act, and the amendments thereto, are hereby extended to all State banks and trust companies having a capital stock of not less than $25,000 and a surplus of 20 per cent. Said banks and trust companies shall be required to pay upon notes so issued the tax provided for in said act as amended, and said notes shall not be subject to the provisions of the act of Congress approved February 8, 1875, entitled "An act to amend existing customs and internal-revenue laws, and for other purposes." The Secretary of the Treasury is hereby directed to make such rules and regulations as are necessary for the purpose of carrying out the foregoing provision.

With the following committee amendments:

Amend, page 2, lines 4 and 5, by striking out the word "seventy-five" and inserting in lieu thereof the words "one hundred."

Amend, page 2, by striking out section 2, embracing lines 2 to 21, inclusive, and inserting in lieu thereof the following:

"SEC. 2. That the provisions of section 5202, Revised Statutes, shall not apply to contingent liabilities incurred by national banking associations by reason of membership in currency associations organized under the provisions of the act of May 30, 1908, as amended."

Mr. MANN. Mr. Speaker, I reserve a point of order upon the last committee amendment.

The SPEAKER. What is the point of order?

Mr. MANN. The point of order is that the last committee amendment is not germane to the bill.

The SPEAKER. The rule provides that it shall be in order for the House to consider——

Mr. MANN. I am not referring to the amendment offered by the gentleman from Georgia. I am talking about the amendment reported by the Committee on Banking and Currency, which has just been reported to the House.

Mr. BULKLEY. Which amendment?

Mr. MANN. Section 2. What is the purpose of that?

Mr. BULKLEY. The purpose of it is to permit the banks, on joining these currency associations, to incur the contingent liability without coming within the inhibition of section 5202.

Mr. MANN. That does not mean anything to me yet.

Mr. BULKLEY. What is it that the gentleman does not understand? Shall I read section 5202?

Mr. MANN. I do not remember whether I looked this up or not.

Mr. BULKLEY. Section 5202 of the Revised Statutes provides:

SEC. 5202. No association shall at any time be indebted, or in any way liable, to an amount exceeding the amount of its capital stock at such time actually paid in and remaining undiminished, by losses or otherwise, except on account of demands of the nature following:

First. Notes of circulation.

Second. Moneys deposited with or collected by the association.

Third. Bills of exchange or drafts drawn against money actually on deposit to the credit of the association or due thereto.

Fourth. Liabilities to the stockholders of the association for dividends and reserved profits.

To that we have added by the Federal reserve act——

Mr. MANN. I recall the matter now.

Mr. BULKLEY. The situation is that when national banks join a currency association under the provisions of the Aldrich-Vreeland Act they are required to assume a liability for all notes issued to that association.

Mr. MANN. I withdraw the point of order, Mr. Speaker.

The SPEAKER. The gentleman withdraws the point of order.

Mr. MANN. In the end the title of the bill will need to be amended. You have not proposed to amend the title.

Mr. BULKLEY. I should have no objection to amending the title. A parliamentary inquiry, Mr. Speaker. Is it in order to vote on the committee amendments before debate on the other amendments?

The SPEAKER. The Chair is inclined to think so.

Mr. MANN. Oh, yes; the committee amendments are now before the House.

Mr. BULKLEY. Then I ask for a vote on the committee amendments.

The SPEAKER. The question is on the first committee amendment.

The question being taken, the Speaker announced that the noes appeared to have it.

Mr. BULKLEY. Division, Mr. Speaker.

Mr. EDWARDS. Mr. Speaker, I ask unanimous consent that the first committee amendment be read. A good many of us do not recognize it by that designation.

The SPEAKER. The Clerk will report the first committee amendment if there be no objection.

The Clerk read as follows:

On page 2, in lines 4 and 5, strike out "seventy-five" and insert "one hundred."

The question being taken, the Speaker announced that the ayes appeared to have it.

Mr. MANN. I ask for a division. We had a division started once before.

The House divided; and there were—ayes 63, noes 40.

Accordingly the amendment was agreed to.

The SPEAKER. The Clerk will report the next committee amendment.

The Clerk read as follows:

On page 2, strike out section 2, from lines 7 to 21, inclusive.

The SPEAKER. The new section 2 is printed in italics as an amendment. The Clerk will report it.

The Clerk read as follows:

Insert as a new section:

"SEC. 2. That the provisions of section 5202, Revised Statutes, shall not apply to contingent liabilities incurred by national banking associations by reason of membership in currency associations organized under the provisions of the act of May 30, 1908, as amended."

The SPEAKER. The question is on agreeing to this amendment.

The amendment was agreed to.

The SPEAKER. The gentleman from Georgia [Mr. HARDWICK] is recognized.

Mr. HARDWICK. Mr. Speaker, I measure my words, and I believe I understate rather than overstate the case, when I say to the House that the South at this moment faces the most critical period in her economic history since the late Civil War ended.

Consider, gentlemen, for just a moment the situation that confronts us. This year we have produced a large crop of cotton,

probably 15,000,000 bales, yet even this large crop seemed hardly large enough under normal conditions to supply a rapidly increasing consumption that year after year demanded more and more of this staple.

Into the making of this crop the South has poured practically all of her liquid assets and has borrowed large sums of money, to be repaid when it was sold. Its production represents the huge outlay of $800,000,000, and throughout the great southern section of our country credits were universally extended and adjusted on the basis of its easy and prompt convertibility into cash at a price that represented a reasonable profit above its cost of production. More than that, in order to produce it the South bought largely, and on credit, from other sections of the country—mules and horses, corn and meat from the West, money from New York and the East, and every kind and variety of merchandise and manufactured product from every section of the country.

The time for paying these debts and for realizing on this crop was at hand, when suddenly, like a bolt of lightening from a clear sky, this tremendous war in Europe broke out, stopping the commerce, disarranging the exchanges, and disjointing the finances of the world.

To disturbances of this kind and from this quarter cotton is peculiarly amenable, because 60 per cent of it is exported for foreign manufacture. In 1913 Germany consumed 1,256,000 bales of our cotton; France, 786,000 bales; Belgium, 171,000 bales; and Austria-Hungary, 626,000 bales. These countries, with the total consumption in 1913 of nearly 4,000,000 bales and an expected consumption in 1914 of fully 4,500,000 bales, were eliminated for the time being as consumers of our cotton. Also, in England, which had in 1913 consumed 3,281,000 bales of our cotton and was expected to consume almost if not fully 4,000,000 bales in 1914, soon developed into an indifferent customer, taking only small amounts of our cotton—practically none in proportion to the real needs of her commerce and to the actual requirements of her mills. Of course, to some extent the English attitude may be attributed to the war; but the real key to that attitude was candidly and accurately expressed in a recent interview to the Washington Post by Sir George Paish, an agent of the British exchequer, sent to this country to consult our Government upon the trade and fiscal affairs of the two countries, who said that English spinners are not taking cotton because they were not sure it had arrived "at a bottom price."

Nor has the same motive failed to control and affect the attitude of our American spinners. With the large crop made and with more than 4,000,000 bales of the expected demand for it practically eliminated from the market, spinners everywhere seem to have adopted a policy of "watchful waiting" for cotton to reach "a bottom price."

In the meantime the cotton producer, anxious to meet his obligations, has found the market—where he could find one at all—that was constantly and rapidly declining, and the price steadily growing lower and lower, until to-day he can hardly get 6 cents for his cotton the South over.

This is fully 4 cents per pound under its cost of production, and if it be accepted it means that the year's work of the farmer shall be entirely without compensation, and that he shall also lose $20 per bale on every bale of cotton that he has produced. This means a loss in the State of Georgia alone of between fifty and sixty millions of dollars, and a loss in the entire South of fully $300,000,000, besides a loss of a profit that we had every reason to figure at fully $200,000,000 above the cost of producing the crop; in other words, it means a total loss to the South of the enormous sum of fully $500,000,000. More than that, there is not only a possibility but a probability that the price may sink still lower and the loss be still greater unless prompt and adequate relief be afforded by some agency powerful enough to cope with the situation.

Mr. Speaker, I can not believe that the Members of the House from States and sections that do not produce cotton can fully comprehend the gravity of the situation. I do not believe that they realize the full extent of the danger that now confronts us and will in the end touch them. If they understood it fully, or if we could possibly make them understand it fully, I can not but believe that self-interest, to say nothing of generous impulses, would prompt them to aid us in the solution of this great problem, that is not sectional, although its present location is in the South, but is thoroughly national in its character, and will be Nation wide in its ultimate and terrific effects unless the dangers that confront us can be met and sane aid of some character can be extended.

Do we owe debts to Great Britain and European countries that must be paid? And does the bare fear that gold may be demanded for these debts and sought, at any price, for American stocks and bonds held in foreign lands terrify our financiers and close our stock exchanges? If so, can we discharge more or less of those debts and buy more or less of those stocks and bonds by selling to Great Britain and other foreign countries 10,000,000 bales of cotton at 12 cents a pound or by selling them 10,000,000 bales of cotton at 6 cents per pound? Can agriculture languish and fail at the South, demoralizing and crippling every form of southern industry and commerce, and leave the other parts of this country, from which the South buys liberally and to which it owes largely, untouched and uninjured? If so, new principles in economics will be established and old doctrines discarded. Sir, if the South be ruined or crippled, you may rest assured that the balance of the Republic can not and will not go unscathed. Our peril is your peril and our danger is your danger. True, our people may be the first victims from such a catastrophe, but in the end the entire country must and will suffer unless a remedy be devised and applied.

Mr. Speaker, the people whom I represent on this floor are a brave and self-reliant people; they are proud and self-respecting; they are devoted to principle, and because of their devotion to it they have once already in the history of this country walked through the valley of the shadow of death and drunk of the very dregs of the cup of despair. Even in this hour of trouble and distress they do not, if I understand them aright and represent them correctly, come to you asking alms or beseeching charity. They are not asking you to tread in new and untried paths or to embark on new and dangerous experiments in government in order to relieve their distress.

As I endeavored to point out to you on yesterday, when I closed the debate in favor of the special rule which provides for a consideration of this bill and amendment, the proposition that we present is not in any important particular either new in theory or untried in practice. So far as those provisions of the amendment that direct the Secretary of the Treasury to deposit $250,000,000 of the public funds in the National and State banks of this distressed portion of our country in order to relieve the needs of these farmers is concerned, the proposition is not novel in theory or new in practice, for we have repeatedly done just that without the sanction of statute law but by Treasury policy alone. I called attention on yesterday to the relief of that character that had been afforded the banks of New York during the panic of 1907 by the Roosevelt administration. To some extent I believe the gentleman from Virginia [Mr. GLASS] takes issue with me as to exactly what the Roosevelt administration did to aid the banks of New York in bringing that panic to an end. However much I regret to take issue with my friend from Virginia on a question of fact, yet I must again assert that the panic of 1907 was practically ended by the policy of the Roosevelt administration in depositing public funds in the New York banks. I call the attention of the gentleman from Virginia and the country to the sworn testimony of Mr. Cortelyou, who was Secretary of the Treasury in 1907, delivered during the Money Trust investigation of 1912 before the gentleman's own committee—Banking and Currency. Mr. Cortelyou stated that at one time during the panic of 1907 the Treasury deposited more than $40,000,000 of the public funds in the New York banks on the express condition that it should be used in certain ways, and that at least $10,000,000 of it should be advanced by them to certain trust companies of New York that were on the brink of ruin and were not national depositories at all.

The gentleman from Virginia [Mr. GLASS] on yesterday complained that I had not correctly quoted or had misinterpreted the recent speech of the Comptroller of the Currency, Mr. Williams, at Cincinnati, in which speech Mr. Williams described in detail the aid that was hurried, even in advance of consultation with them, to the New York banks on August 2 of the present year. I certainly did not quote Mr. Williams's speech inaccurately, for I quoted his exact words and put them in the RECORD. I must confess that the only inference I could draw from the language employed by the Comptroller of the Currency was that the money "expressed" to New York was funds of the Government, and not emergency currency, especially since the visit of Secretary McAdoo to New York was made on August 2, two days before the passage of the act of August 4, amending and vitalizing the Vreeland-Aldrich bill.

Mr. Speaker, I challenge the gentleman from Virginia [Mr. GLASS], now or later, here or elsewhere, to deny another proposition I advanced on yesterday—that not 60 days ago the Treasury deposited in the National Park Bank, of New York, $400,000 and agreed, in substance and effect, to allow a previous deposit of $1,000,000 that had been made in that bank to remain there on condition that the National Park Bank would fund a loan for the State of Tennessee of $1,400,000.

I think I might cite one more instance of this kind, a recent one and one that occurred in the city of Washington. Early

in the present administration, when the apparently imminent failure of the United States Trust Co. seemed to threaten the stability of banking conditions in Washington, the good offices of the Treasury were employed, if we may believe the current reports, through the deposits of the public moneys in depositories of the United States in Washington, on condition that local banking arrangements should be made to assist the Munsey Trust Co. in taking over the affairs of the United States Trust Co.

I do not wish, however, to be misunderstood, either by the House or the country, on this question. I am neither criticizing this administration nor that of Mr. Roosevelt's for making these deposits. They were probably necessary, as they were certainly efficient, in averting serious and ruinous panics in one or more instances at least.

Ever since this Government abandoned the Independent Treasury system it has always, in making deposits of the public funds, regardless of what party was in control, made such deposits in such localities and in such banks at such times and even on such terms and conditions as, in the opinion of the Treasury, would best promote the proper flow of commerce, the necessary equilibrium of the currency, and the easy transaction of the business of the country. In this way crop-moving and panic-preventing loans have been made, and not infrequently, as I have endeavored to point out, on conditions that were expressed or implied and on contracts that were strictly enforced by the Treasury. In most instances, at least, this policy has been most necessary and wise, its employment being dictated by the most unselfish motives of public interest and without the slightest suspicion of incorrect act or improper motive. Still the fact remains that ever since we left the Independent Treasury system we have adopted and followed this policy, and have not hesitated to make and shift deposits of public funds in such way as to avert panic and ruin, loss and inconvenience, whenever it threatened the commerce or industry of any city, State, or section of this great country.

True, these deposits have always been made, whether conditional or unconditional, by the Secretary of the Treasury, according to his view of the situation, and where conditions have been imposed these conditions, in like manner, have been made by Treasury policy rather than by the mandate of the Congress, but surely, gentlemen, the climax of bureaucracy has been reached if the contention is to be seriously advanced that the Congress of the United States, elected by the people, has not a far greater right to formulate this policy of the Government and to determine how and when and for what purpose the deposits of the public funds shall be made than has a mere bureau or department of the executive branch of the Government. I earnestly protest against the manifest injustice of attempting to label the proponents of this measure as "unsafe" or "radical" when we propose in this amendment no more than what the opponents of this amendment hail as wise and sound when the same thing is done by departmental policy, without the sanction of law.

Our first proposition, then, in this amendment is that by law we shall direct the Secretary of the Treasury to deposit $250,000,000 of the public funds in the National and State banks of the cotton and tobacco producing sections of this country, on condition that these banks shall loan these funds on reasonable terms, to be controlled by the Treasury Department, to the distressed producers of cotton and tobacco. The provision is further made that these deposits are not to be withdrawn from the banks in which they are made prior to December 31, 1915.

But, we are asked, where will you obtain the money with which to make these deposits? It seems to me that we provide a reasonable and safe way of doing so. We propose to issue for this purpose $250,000,000 of United States notes with all the legal qualities of the outstanding notes of the United States. If the objection be made that this is a step toward greenbackism, or that it smacks of that system, our answer is twofold. In the first place, we say that since this great world-wide war has swept most of the powerful European nations from a gold basis to a paper basis and is destined, if it continues long, to force them all upon a paper basis for many years to come, that it will probably be a most difficult undertaking to maintain this country upon a gold basis, with all the nations of the world using every endeavor to deplete our gold reserves; and that the exigencies of an international situation that we did not create and can not control may at any moment force us to somewhat relax the rigidity of our gold position. Already we have been forced to close our stock exchanges, so that American stocks and bonds held in foreign lands may not be dumped upon the market, demoralizing values and draining the country of its last penny of gold. Cotton has for many decades been largely instrumental in keeping our gold reserves intact and in bringing foreign gold to our shores. If it is to permanently lose its power to accomplish this great function, we may be utterly unable to maintain our present gold standard with the balance of the world upon a paper basis. But we do not care to forestall that question, nor do we unnecessarily rush to meet it. So far as the amendment we present is concerned, the issue is not raised, for while we propose to issue paper money, it is not irredeemable paper money, but, on the contrary, is to be redeemed in gold coin or its equivalent on January 1, 1916.

We are asked how will the Treasury then redeem these notes? We reply that the Secretary of the Treasury may call in every dollar of the deposits we propose and require the payment of the last penny of them at the Treasury in Washington on the 31st day of December, 1915, the day before the law requires the Treasury to redeem these notes. He will have every dollar of it in hand before the time to pay the notes shall come. It is true that the banks may not pay these deposits in actual gold or in gold certificates, but it must not be forgotten that they did not get actual gold or gold certificates when they received these deposits, and that if they repay them in any form of lawful money of the United States, as they must, then the transaction does not involve a single ounce of additional burden on the gold reserve or one single additional obligation on the Treasury, which, under its policy, is already pledged to the redemption of every form of outstanding currency in gold.

To secure the repayment of these deposits the Treasury Department would have not only the staple agricultural products that are pledged as security for the loans, but also the credit of each and every bank in which the deposits are made, with all the priority of liens established by law in favor of the United States upon all the assets of its depositories.

The notes of the United States so issued would bear 2 per cent interest from date. This is to compensate the holders of them for the inability to have them redeemed in gold prior to January 1, 1916, and this interest in turn will be made up to the Government by the 2 per cent interest each of its depositories must pay.

The banks in the South obtaining this money at the rate of 2 per cent per annum interest would be able to loan money to the producers of cotton at a lower rate of interest for any period of time up to 12 months upon their cotton as security, at a reasonable market valuation thereof. My judgment is the banks could make these loans at rates that might vary from 4 to 6 per cent per annum. This would enable the producer of cotton to hold his crop for a full year, if necessary, and this, in turn, would steady the market. By the early spring of 1915 the crop of 1915 will have been planted, and if it is curtailed to at least one-half of the production of this year, as I firmly believe both common sense and financial necessity will require and enforce, then I am confident that the price of cotton will then instantly and materially increase, and all who have been able to hold it up to that time will realize on it at a figure which at least equals the cost of its production, or possibly at a small profit.

The amendment I propose would, in my judgment, Mr. Speaker, accomplish these results. It would mean relief and safety to 30,000,000 people who are now threatened with want and ruin; it would mean prosperity and happiness, sir, to a great section of our common country.

The situation in which we find ourselves, gentlemen, is in no manner the result of our fault, of our mistakes, or of our lack of caution; it comes from causes to which we did not contribute, from circumstances that we can not control, and from conditions that we could not foresee when we planted this crop. While we do not ask the largess of the Government or charity of any man, we do ask and we do demand that, so far as governmental policies may be shaped to aid us or may be framed to permit us to aid ourselves, they shall be so shaped and so framed, and that at least you shall grant to us by statute that kind and character of aid that this Government has so freely given, even without the sanction of statute, to other sections and to other industries and to other businesses of our common country when they were in sore distress as we are to-day. The deposits of Government funds have always been made to safeguard and promote the great business and commercial interests of this country, and we insist that in this hour of trouble at least that much be done for the South.

Mr. Speaker, the plea we present to-day is not one for mercy, but one for justice. Our demand is not that special privileges be accorded to us or to our people, but that equal treatment and equal rights be given to them and to us with what has already been given to other interests and to other sections.

Mr. GLASS. Mr. Speaker, I move to strike out the last word.

When I concluded my remarks a while ago, under general debate, I was citing to the House the fact that not a single bank in the South, National or State, as far as I have personal knowledge, has asked for this sort of legislation.

Mr. MURRAY. Mr. Speaker, will the gentleman permit me to produce one?

Mr. GLASS. Yes.

Mr. MURRAY. Here is a telegram, which I will read, which came to me this morning.

Mr. McKELLAR. And I have a number of such others.

Mr. MURRAY. That telegram reads as follows:

HOLDENVILLE, OKLA., *October 20, 1914.*

Hon. WM. H. MURRAY, *Washington, D. C.:*

We are for the Henry measure. Stay with him until the South can get relief of some kind, if possible.

AMERICAN NATIONAL BANK.
STATE NATIONAL BANK.
FIRST NATIONAL BANK.
FARMERS' STATE BANK.

Mr. GLASS. But the amendment under consideration is not anything like the Henry bill referred to in your telegram. The Henry measure proposes valorization of cotton—a fixed price for a single commodity at a specified rate of interest for the loan, with no responsibility on the banks and the ultimate risk with the Government, which means with the people, who own the Government—while this measure proposes to put the Government in debt to the extent of $250,000,000 for currency that is not required in the South; and, if required, could not as quickly be obtained as Federal reserve notes under the Federal reserve act. This currency is to be deposited in the banks on condition that the banks loan it to certain people, the banks being held responsible for its return to the Government. This is not the Henry bill, but a distinctly different proposition.

Mr. HENRY. Why do you not vote for this, then?

Mr. GLASS. I do not vote for everything that my friend from Texas does not offer. Other people can offer unsound things as well as the gentleman from Texas, and this is one of them. [Laughter.]

This amendment is utterly unlike any one of the seven or eight bills introduced by the gentleman from Texas. This is in fact a proposal to raise revenue by taxation and to deposit it in certain banks for certain specified purposes, upon certain terms. The Henry bills, especially H. R. 18916, to which the Oklahoma telegram evidently refers, is a proposition for the Government to guarantee the cotton crop, at a minimum price per pound, to the total extent of $500,000,000, with no ultimate responsibility attaching to the banks dispensing the funds as loans to the planters. That bill is not here. It was almost unanimously rejected by the Banking and Currency Committee. No bill akin to it has ever been reported to the House. The gentleman from Texas [Mr. HENRY] was unable to get his own Committee on Rules, of which he is the distinguished chairman, to report a rule even for consideration of H. R. 19203, indorsed by the farmers' unions and by a conference of certain southern Members of the House. This is the Hardwick proposition, vastly less objectionable, I grant, than any of the other measures referred to and vastly less unique and dangerous as a precedent.

AN ALLEGED PRECEDENT.

Nevertheless, not only is it true, as I have stated, that no State or National bank in the South, as far as I can tell, favors this expedient, but it likewise is true that there is no precedent for the proposal. Statements to the contrary are based upon a failure to discriminate. The Comptroller of the Currency, as has been shown, states that the currency recently shipped by the Secretary of the Treasury to New York was not "the people's money." It was not money at all. It was $40,000,000 of Vreeland-Aldrich currency, for the use of which the New York banks had to pay a Government tax and against the redemption of which they had to provide a gold reserve. It was the same kind of currency that Texas banks or any national bank in the United States may get by applying for it under the law. Wherever Government deposits have been made they have been made in due process of business. They have been from current funds already on hand. Rather than keep them impounded in the Treasury or the subtreasury, idle and serving no good purpose, the Secretary of the Treasury, within the discretion allowed him by law, has simply deposited these funds at interest and on call, not to maintain the price of a single commodity nor for the benefit of a single section or class of people, but for the general commercial and financial interests of the whole country. Such deposits have never been made under a stipulation that the funds should be loaned to a particular class of citizens or for the advantage of a single industry or under a stipulation that the funds thus deposited should be loaned by the banks at a specified rate of interest, abnormally low.

Mr. HARDWICK. Mr. Speaker, will the gentleman yield?

Mr. GLASS. No; I have not the time to yield. It has been alleged that in the Roosevelt administration $150,000,000 of bonds and three-year certificates were sold "for the purpose of depositing the funds in the banks of Wall Street, to help the stock gamblers of that community." Nothing of the sort ever was done. Under Roosevelt's administration, in November, 1907, the President directed Secretary Cortelyou to issue $50,000,000 of Panama bonds and $100,000,000 of three-year certificates, a total of $150,000,000 of Government obligations for the avowed purpose, as set forth in the Treasury circular, of "*meeting public expenditures without withdrawing for that purpose any appreciable amount of the public moneys now deposited in national banks throughout the country.*" The public funds so deposited amounted to $240,156,441.85, and were being used by the banks to "help move the crops"—the same purpose for which $74,000,000 of public funds are now deposited in banks throughout the country, $27,000,000 in southern banks. President Roosevelt simply did the thing that President Wilson proposed to this Congress, but in a little different way. President Wilson proposed to raise the money by direct taxation rather than by the issuance of bonds. In substance the two things are alike. President Roosevelt stated that the proceeds of his sale of bonds and certificates were to be used to meet current expenditures, to preserve the finances of the Government, and to avoid contraction of credits by withdrawal of funds already on deposit then being used—for what purpose? To hold crops? No; to "move crops." The efficiency of the method employed by President Wilson over that used by President Roosevelt may be understood when it is stated that the latter could sell but $15,000,000 of his bonds and but $20,000,000 of his certificates, a total of $35,000,000 out of the proposed aggregate of $150,000,000, whereas President Wilson is very apt to raise $110,000,000 by the method of direct taxation.

DENOUNCED BY PARTY PLATFORMS.

But, Mr. Speaker, let us admit that President Roosevelt and his Secretary of the Treasury actually deposited large sums of Government funds in New York City banks under agreement that it was to be used to "help out stock-gambling operations" rather than to arrest the ravages of a panic which threatened to engulf the Nation; and let us go further and concede that the public funds thus used were not raised in the ordinary process of taxation for Government purposes—which they distinctly were—but were raised by taxing the people for the especial advantage of Wall Street stock gamblers. What subsequently happened? Why, the Democratic Party, in two national platforms, bitterly reprehended the transaction and explicitly asserted that it should never be undertaken again. Democratic campaign speakers severely denounced it from every rostrum in the country as a vicious perversion of the proper functions of government.

The gentleman from Texas [Mr. HENRY] himself made this, among other transactions, the basis of his "money-trust" resolutions, subsequently denouncing it as a desperate use of "the people's money to affect the prices of staple products," as a corrupt and shameless "tapping of the Federal Treasury by the banks," and an illegitimate withdrawal of public funds from the uses for which they were raised. Shall we now proceed, Mr. Speaker, to do, in principle, precisely the thing, in an exceedingly accentuated form, that the Democratic Party denounced and that the gentleman from Texas [Mr. HENRY] vehemently decried? Has the gentleman so soon recovered from his passionate indignation? The Republican administration, in what it did, used idle public funds raised for Government requirements, but for which the Government at that moment had no need. Shall this Democratic administration take us even beyond this alleged Wall Street adventure by levying taxes on the people for the previously avowed purpose of putting the proceeds in the banks for the exclusive benefit of a particular class?

Does it help the affair to say the beneficiaries are from the South? Does it help to say the favored class is of the farming community? Once embark on this legislative policy and next time the suppliants will press Congress from every section where temporary distress happens to prevail. Next time the privileged class may be the stock gamblers again!—and next the copper or coal or zinc miners; then the grain growers and the orchardists, the railroads and the manufacturers, the thousands of the industrial idle, made so by paralysis of trade or by prolonged labor warfare. Once begun there is no end to this extraordinary and dangerous expedient of using the taxing power of Government to help depressed interests. It is a prelude to inestimable disaster.

SOUTHERN SELF-RELIANCE.

I wish I could think that I am mistaken. It is not agreeable to be so utterly out of accord with those of my southern colleagues, who are convinced that make-shift legislation of this unusual description is a remedy for threatened industrial dis-

tress in our section. But I was never surer of anything in my life, Mr. Speaker, than of the fact that to adopt this extraordinary scheme would inevitably prove a plague to those whom it is designed to benefit and a curse to the whole country. Moreover, I think gentlemen are, unwillingly I am sure, misinterpreting the temper and underrating the intelligence of the southern planters. I have here a typical letter from among those received by me bearing on this subject. It is from a North Carolinian.

RAYNHAM, N. C., *October 16, 1914.*

Hon. CARTER GLASS,
Chairman Banking and Currency Committee,
Washington, D. C.

DEAR SIR: As a man, directly concerned, allow me to commend your course in regard to the effort in behalf of the cotton growers of the South for aid from the Government. My home is deeply within the cotton belt, and my sole means of livelihood is derived from a farm located in a county which is classed as the leading cotton county of North Carolina. Like to most others, the low price for cotton is an especially hard blow to me this year, all the more from the fact that the seasons of last year were quite unfavorable in our section. But rather than see enacted the "relief" measures proposed by some of our Members of Congress, I had rather bide my time without selling a pound of tobacco, even if it means the sacrifice of a part of my land.

In making these demands for Government aid, not a few people seem to forget what is the province of political power. My conception may be crude, but it seems to me that a Government should regard the Nation as a unit in regulating the relations of its citizens to each other, and that when this is done, without partiality or usurpation, it serves its purpose well. However hard the condition of southern farmers, to pass an act for a special class would, I fear, establish a precedent which would not be long in making us sufferers from calamities which are not now ours. Within the short period since the Democratic Party came into power it has put on the statute books a series of reform measures rarely paralleled in the history of any country. We modestly ask, Shall it close this memorable session of Congress by bringing upon itself a charge of partiality?

That you may have reason for the sincerity of these statements, allow me to say that I am a Democrat. Against a Whig majority my grandfather was a candidate for the legislature in this county of Robeson nearly 100 years ago; and, so far as I am able to trace my political lineage, no Whig, Republican, or Populist vote has ever been cast by a member of our immediate family. We are a family of eight brothers, the youngest of whom is 47 years old, who now cast Democratic votes in three different States.

Again commending your course and thanking you for your zealous action in this and other important matters, allow me to subscribe myself as

Your obedient servant,

R. WALTER TOWNSEND.

I do not know Mr. Townsend. He refers me to my colleague [Mr. GODWIN] as to his identity; but, judging him by the tenor of his letter, he is that type of southern man which Henry Grady on a memorable occasion so eloquently extolled. At all events, whoever he may be, he but echoes the note of lofty self-reliance and energizing self-respect that characterizes every expression which has come to me in letters from the South.

CERTAIN AND FEASIBLE RELIEF.

It has been once or twice suggested here, Mr. Speaker, that if the remarkable proposals of the gentlemen from Texas [Mr. HENRY] and the much less objectionable proposition of the gentleman from Georgia [Mr. HARDWICK] are to be set aside as unsound and inexpedient, some efficient and feasible remedy should be devised. My friend the minority leader [Mr. MANN] made this suggestion the other day. Mr. Speaker, my contention is that much has already been done to relieve the threatened distress in the South; much has been done to prevent a realization of the disaster which some gentlemen so gravely apprehend. The Federal reserve system, when fully organized, will infinitely help the situation; and if gentlemen will quit obstructing the passage of bills reported by the Banking and Currency Committee amending the Federal reserve act so as to facilitate organization of the system and amplify its powers of aid, we shall speedily afford real relief to the South.

The SPEAKER. The time of the gentleman has expired.

The Chair wishes to admonish Members about two or three rules to which they do not pay the slightest attention during exciting circumstances. No Member has a right to sit in his seat and inject remarks into what a Member who has the floor says. It is not fair, for half the time he does not catch the meaning of it. And another thing, if a gentleman wants to interrupt a gentleman who has the floor he ought to address the Chair and ask consent, and we will get along just as well——

Mr. JOHNSON of Kentucky. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. JOHNSON of Kentucky. Has the Reporter the right to take down the remarks of a Member under the circumstances indicated by the Chair, or only the right to take down the remarks of the gentleman who has the floor?

The SPEAKER. No; it is the business of the Reporter to take down whatever is said, and if the gentleman wants to have it stricken out it can be done under certain circumstances, if the House wishes to do so.

Mr. BARTLETT. Mr. Speaker, I have a couple of amendments to this pending amendment upon which I desire to be heard.

The SPEAKER. The Clerk will report the amendments.

The Clerk read as follows:

Amend by striking out, on page 3, all of lines 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13, by changing the semicolon in line 3, and inserting a period. Also to strike out the following, beginning in line 25, page 2, with the word "and," down to and including the word "issuance," on page 3, line —.

Amend, page 2, by striking out, in lines 10 and 11, the following words: "at a rate of interest not to exceed 4 per cent per annum."

Mr. BARTLETT. Mr. Speaker, the amendment offered by Mr. HARDWICK, my colleague, under the special rule, reads as follows:

SEC. 3. That the Secretary of the Treasury shall deposit in national banking associations and in State banks situated in States producing cotton or tobacco, or both, the sum of $250,000,000, or so much thereof as may be necessary to carry out the purposes of this act. The said Secretary shall make such deposits under the terms of this act and under such rules and regulations as may be prescribed by him to carry out this act. The deposits herein directed to be made shall be apportioned among the several States in accordance with the number of bales of cotton or pounds of tobacco produced therein during the year 1913, as ascertained by the Department of Agriculture. The Secretary of the Treasury, in lieu of the securities he is now authorized or required by law to exact of the banks in which the funds of the United States are deposited, is authorized and hereby directed to accept as security for the deposits directed to be made in this act cotton warehouse and tobacco warehouse receipts, where the cotton or tobacco thereby represented has been fully insured, at a valuation that represents the fair market value of the cotton or tobacco covered by such receipts. The deposits herein directed to be made shall be made only on the condition that the banks accepting such deposits will loan the same, under reasonable terms and conditions, at a rate of interest not to exceed 4 per cent per annum, to the producers of cotton or tobacco, or the owners of lands upon which same was produced during the year 1914, and the said Secretary of the Treasury is hereby authorized to make all necessary rules and regulations concerning the terms and conditions under which these deposits shall be loaned by the banks that accept the same.

SEC. 4. That the Secretary of the Treasury shall, in his discretion, either immediately cause to be prepared United States notes to the extent of $250,000,000 to be used for the purpose of making the deposits in compliance with this act, which said notes shall have all the legal qualities of the United States notes now outstanding, and shall be of such denominations as the Secretary of the Treasury may prescribe, and said notes shall bear interest at the rate of 2 per cent per annum from the date of their issuance and shall be payable in gold coin of the United States or its equivalent on January 1, 1916; or he may sell not exceeding $240,000,000 of Panama Canal bonds, heretofore authorized by law, at a rate of interest not exceeding 4 per cent per annum, and the act or acts heretofore passed authorizing the disposition of said bonds are hereby amended so as fully to authorize the disposition and use of such bonds as herein prescribed; or, in his discretion, the Secretary of the Treasury may use both the proceeds of the bonds and the notes in order to carry out the purposes of this act, not to exceed in the aggregate $250,000,000.

SEC. 5. That the Secretary of the Treasury shall not require the repayment of any deposit made under the provisions of this act prior to December 31, 1915.

SEC. 6. That when the deposits herein authorized are called in by the Secretary of the Treasury the same shall be and become a part of a special fund, to be kept and held separate and apart from the general funds of the Government, for the redemption and retirement at maturity of the Panama Canal bonds in such cases and to such extent as the proceeds of such bonds have been used to make the deposits herein provided.

If the amendments I have offered are adopted, then the amendment offered by my colleague [Mr. HARDWICK] will read as follows:

SEC. 3. That the Secretary of the Treasury shall deposit in national banking associations and in State banks situated in States producing cotton or tobacco, or both, the sum of $250,000,000, or so much thereof as may be necessary to carry out the purposes of this act. The said Secretary shall make such deposits under the terms of this act and under such rules and regulations as may be prescribed by him to carry out this act. The deposits herein directed to be made shall be apportioned among the several States in accordance with the number of bales of cotton or pounds of tobacco produced therein during the year 1913, as ascertained by the Department of Agriculture. The Secretary of the Treasury, in lieu of the securities he is now authorized or required by law to exact of the banks in which the funds of the United States are deposited, is authorized and hereby directed to accept as security for the deposits directed to be made in this act cotton warehouse and tobacco warehouse receipts, where the cotton or tobacco thereby represented has been fully insured, at a valuation that represents the fair market value of the cotton or tobacco covered by such receipts. The deposits herein directed to be made shall be made only on the condition that the banks accepting such deposits will loan the same, under reasonable terms and conditions, to the producers of cotton or tobacco, or the owners of lands upon which the same was produced during the year 1914, and the said Secretary of the Treasury is hereby authorized to make all necessary rules and regulations concerning the terms and conditions under which these deposits shall be loaned by the banks that accept the same.

SEC. 4. That the Secretary of the Treasury shall, in his discretion, either immediately cause to be prepared United States notes to the extent of $250,000,000 to be used for the purpose of making the deposits in compliance with this act, which said notes shall have all the legal qualities of the United States notes now outstanding, and shall be of such denominations as the Secretary of the Treasury may prescribe, and shall be payable in gold coin of the United States or its equivalent on January 1, 1916.

SEC. 5. That the Secretary of the Treasury shall not require the repayment of any deposit made under the provisions of this act prior to December 31, 1915.

By this means we will supply $250,000,000 of additional currency to the banks located in the cotton and tobacco producing States, to be loaned under reasonable terms and conditions, to be fixed by the Secretary of the Treasury, to the producers of cotton or tobacco or to the owners of the land upon which these products were produced during the year 1914.

The amendments I propose dispense with the issue of the Panama bonds at 4 per cent, strike out the provision that the notes issued by the Government shall bear 2 per cent, and also the requirement that the loans made by the banks shall bear only 4 per cent per annum. I am glad of the opportunity to support some reasonable, practical measure that will somewhat relieve the situation in the cotton-growing States which exists by reason of the war now being waged in European countries.

The fact that 65 per cent of our raw cotton must be exported, and that all foreign markets are virtually closed, has brought about the situation now prevailing in this country, when we have absolutely no market for our cotton, and when the price for that reason has fallen below the cost of production. But even under this stress of dire circumstances, when our chief money crop is almost valueless, the South is not a beggar for charity or alms. For one I am not here to advocate any measure that has the semblance or color of asking for charity at the hands of the General Government for the people of the South; nor do I ask any special privileges for them. I simply insist that this Government shall exercise that supreme governmental function—to issue sufficient currency to answer the demands of our people. This is the duty of the Government and should be exercised whenever the needs of the people require it.

The plan now being considered is based upon sound Democratic principle and equally sound financial policy. The proposition, if the amendments I propose are agreed to, simply provides for the issue of a limited amount of Treasury notes, redeemable in gold within a short period of time; these notes, having all the qualities of existing Treasury notes, to be deposited in the banks and loaned upon cotton notes secured by warehouse receipts. There could be and is no better security to be obtained, and there will be no danger of any loss to the Government or the banks. For one, believing that Congress has the power to issue these notes, and that it can direct in what manner the deposits of public funds shall be used, I shall support the proposition.

On other occasions the Secretary of the Treasury has deposited the public funds and directed the manner in which the banks—the depositaries—should use them, and this emergency fully justifies such action in the case of the cotton producers, because should bankruptcy come to them, it would not only affect that particular section but would be a calamity nation-wide in its scope.

Cotton is the largest and most valuable asset we have to produce and maintain our international credit and for many years past has produced and sustained the balance of trade in favor of the United States. During the last year the sales abroad amounted to $610,000,000, and this large sum maintained the balance of trade in our favor; without it we would have had no balance of trade in our favor. In such an emergency, affecting as it does our entire country and involving the welfare not only of the cotton-producing States but of almost every section and the country as a whole, surely it is a reasonable demand to invoke the power of the General Government to discharge one of its sovereign functions—to issue in such an emergency sufficient currency to meet the necessities of the people.

Mr. Speaker, as I have said, the amendment I propose strikes from this bill the issuance of Panama bonds, also that provision that the notes issued shall bear 2 per cent. I also propose to strike from the bill that provision that the money shall be loaned at 4 per cent. I have not the time, Mr. Speaker, to discuss this amendment or the purposes of it. I have not the time to make an argument or the speech I would desire to make if I had that time about this proposition to meet the condition of affairs now prevailing in the cotton-producing States; but I have submitted a proposition in which a Democrat ought to believe, and that is that it is the highest duty of this Government at all times, and especially in times of emergency, to furnish the people with a sufficient currency to do the business of those people. [Applause.] Mr. Speaker, I do not believe that I violate the doctrines of the Democratic Party or of sound financial policy when I say that this Government should now in this emergency issue $250,000,000 of Treasury notes, to be paid in gold one year from now, to be used by being deposited in the banks of the South, to be loaned to the raisers of cotton during this great emergency that has arisen by reason of the withdrawal of the foreign markets, in order that not only the South but the country itself be saved from impending panic. Mr. Speaker, I do not believe we should sell bonds now in order to procure money to make these deposits. One reason is when you are selling bonds you are obliged to deplete the volume of currency in one section to transfer to the other, whereas by the issue of notes you do not diminish the volume of currency in any section, but you add to it, and a note issue by the Government of $250,000,000 is just as sound and safe as Panama bonds, with 4 per cent interest, and will answer every purpose and can be met at maturity just as promptly. Now, Mr. Speaker, this is the only proposition that has been presented to this Congress that I have found myself able to support. I have no political purpose to serve. I am not endeavoring to do anything except to do something in this unusual and unlooked-for emergency, to aid our cotton producers to tide them over in such a crisis, for which they are in no wise responsible. I repeat, it is the highest duty of the Government to furnish to the people a currency sufficient to meet the demands of those people in a time of great emergency like this. I am not supporting, nor will I support, a proposition directing the purchase of cotton by the Government or the lending of money on cotton directly to the cotton farmer; this is not the function of government in any event. I am simply advocating the proposition that the highest duty of the Government is to furnish to its people a sufficient currency in order to transact the business of the country at all times, and especially to transact the business in a time of emergency, and by such means to save them from panic and ruin.

Mr. GLASS. Will the gentleman yield for a question?

Mr. BARTLETT. I have only five minutes.

The SPEAKER. The gentleman declines to yield.

Mr. BARTLETT. I beg the gentleman's pardon. Mr. Speaker, one thing I want to say before I close, and I know it to be a fact from evidence brought out in the investigation of the Steel Corporation, that in 1907 the Secretary of the Treasury not only deposited $42,000,000 of the Government's money at one time in the banks of New York, in order to save from panic and bankruptcy a lot of stock gamblers, but also to enable certain favored bankers and trust magnates to violate the antitrust laws of the United States and to enable the Steel Corporation to purchase the Tennessee Coal & Iron Co., its only competitor, and a former President boasted that by such action he not only saved Moore & Schley, stock brokers, from bankruptcy, but stopped the panic of 1907, which was a "bankers' panic." We seek by this legislation to save millions of honest men who produce the chief asset in the Nation's prosperity from bankruptcy and financial ruin, and surely they are more entitled to our consideration and favor than those who in 1907 brought upon the country a financial panic by overtrading and gambling in the stocks of the country.

We seek nothing as charity. We simply insist that the Government come to our relief in a sound and reasonable way. The Manufacturers' Record published a few days ago the following, which I indorse:

SOUTH NOT A BEGGAR—VAST RESOURCES ONLY NEED TO BE DIRECTED ON CONSERVATIVE LINES.

The South is not a beggar. It does not need to beg and it can take care of itself, or, if it can not do so, then the sooner its people learn that fact and bring in others who can take care of themselves in such a heaven-favored land the better it will be.

No other country on the face of the earth has so many advantages as the South. No other country upon which the sun shines is so rich in resources. No other country is so well equipped by nature to produce the foodstuffs of grain and provisions and vegetables and fruits for man's sustenance, and no other country is so rich in mineral and timber and water-power resources so susceptible of development.

If in such a land as this, where the farmers for the five years preceding the present crop received an average of largely over 12 cents a pound for their cotton, yielding very large profits, one year's complete failure of the cotton crop, or one year's inability, as at present, to sell the cotton crop, brings about such a condition as to flood the land with plasters begging for charity to "help the South," then it is time for the people of this section who have backbone and stamina to take the lead and try to stem the current.

The South of olden days did not do so. The South blasted by a four years' war never asked for charity, and never in those days was the country plastered with appeals to "help the South." In the 10-year period between 1892 and 1901, when cotton sold at from 4 to 5 and 6 to 7 cents a pound in different years, the South suffered much, but it endured the situation and fought its fight without any such appeals as are now being made by politicians and others who are trying to make the South believe that it ought to be a beggar and the world believe that it is a beggar.

Mr. MURRAY. Mr. Speaker, I have an amendment in the nature of a substitute that would not be in order if any other amendments are to be offered until they are offered. I would like to have it reported and have it pending.

The SPEAKER. The gentleman from Oklahoma has a substitute for this whole amendment, and he asks to have it reported and have it pending. Without objection, the Clerk will report the amendment.

Mr. MANN. Reserving the right to object, does this come out of the time?

The SPEAKER. It does not come out of the time. In keeping the time on this debate, the time for the reading of the amendments is not taken out. The Clerk will report the amendment.

The Clerk read as follows:

Strike out all after the enacting clause and insert the following:

"That the Secretary of the Treasury shall deposit in national banking associations and State banks situated in States producing cotton or tobacco, or both, $250,000,000, or so much thereof as may be necessary to carry out the purposes of this act and under the terms and conditions herein prescribed, to be loaned by said banks to the producers of cotton or tobacco, or owners of lands upon which the same was produced during the year 1914, at a rate of interest not exceeding 4 per cent per annum. The deposits herein authorized shall be advanced upon the terms prescribed in this act and under rules to be prescribed by the Secretary of the Treasury. The deposits herein directed to be made shall be apportioned among the several States in accordance with the number of bales of cotton and pounds of tobacco produced therein during the year 1913, as ascertained by the Department of Agriculture.

"SEC. 2. That the Secretary of the Treasury shall make and enforce rules and regulations not inconsistent herewith for carrying out the purposes of this act. Said Secretary of the Treasury may fix the compensation for the banks for their services in lending said sums of money.

"SEC. 3. That the Secretary of the Treasury shall, in his discretion, either immediately cause to be prepared United States notes to the extent of $250,000,000 to be used for the purpose of making the deposits in compliance with this act, which said notes shall have all the legal qualities of the United States notes now outstanding, and shall be of such denominations as the Secretary of the Treasury may prescribe; or he may sell not exceeding $240,000,000 of Panama Canal bonds, heretofore authorized by law, at a rate of interest not exceeding 3½ per cent per annum, and the act or acts heretofore passed authorizing the disposition of said bonds are hereby amended so as fully to authorize the disposition and use of such bonds as herein prescribed; or, in his discretion, the Secretary of the Treasury may use both the proceeds of the bonds and the notes in order to carry out the purposes of this act, not to exceed in the aggregate $250,000,000: *Provided*, That such United States notes, should the Secretary of the Treasury conclude to issue them, deposited under this act and not used as prescribed herein, shall be returned to the Secretary of the Treasury and shall be destroyed.

"SEC. 4. That this act shall take effect and be in force from and after its passage.

"SEC. 5. That this act shall expire by limitation on the 31st day of December, 1915."

Mr. HARDWICK. Mr. Speaker, I reserve a point of order against the amendment.

Mr. MURRAY. Mr. Speaker, when I introduced that I thought it referred to a bill, but I find it refers to an amendment to the proposed bill S. 6398, and I offer it as a substitute to that proposed amendment rather than to strike out all after the enacting clause.

The SPEAKER. You offer it as read?

Mr. MURRAY. Yes, sir.

The SPEAKER. The gentleman from Georgia [Mr. HARDWICK] reserves the point of order, and the gentleman from Texas [Mr. HENRY] is recognized for five minutes.

Mr. HENRY. Mr. Speaker, I wish to call to the attention of the House——

Mr. MURRAY. How did the gentleman from Texas get the floor when I wanted to discuss the amendment?

The SPEAKER. The gentleman from Oklahoma was not recognized to discuss it. You were recognized to offer it and have it ready for information. Your time on the amendment will come later. The gentleman from Texas [Mr. HENRY] is recognized for five minutes.

Mr. HENRY. Mr. Speaker, there are a few facts that have come to light in the last debate about which this House should have information. The gentleman speaks of the abundance of currency that has been placed in the New York banks and has been sent to the South. Let me say to him that this plan which was originated by Mr. Wade, of St. Louis, will be a failure, because the banks of the South are not able to contribute to the pool. All the national banks in the city of Waco, my home town, a day or two ago met and found they could not advance one dollar to this pool, because they had already loaned $2,000,000, and naturally they did not have the resources to meet the requirements.

And to-day occurs the following statement in the New York Sun:

BANKS MAY NOT JOIN IN BIG COTTON POOL—SUGGEST THAT SOUTH COULD USE $170,000,000 EMERGENCY CASH IN PINCH.

There is a growing feeling among New York bankers that the plan for the $150,000,000 cotton pool, as proposed by Festus J. Wade, of St. Louis, may not go through without considerable modification or until some other scheme has been tried. Prominent bankers here are inclined to look upon the cry for assistance from the southern banks as rather unfair and unnecessary in view of the financial problems which New York is facing, and the fact that the South has just gone through three or four years of great prosperity. They believe that the South should first try to help itself and meet its problems the way that New York City did the matter of its foreign indebtedness without seeking aid of other sections of the country.

Suggestions are said to have been made to the members of the Federal Reserve Board, Secretary McAdoo, and the southern banks that the banks avail themselves of their right to take out emergency currency and use that for the relief of the cotton problem. It is pointed out that the South has taken out only about $40,000,000 in emergency currency, while it is entitled to take out something like $170,000,000. This amount, if taken out by the southern banks, would be sufficient, in the opinion of New York financial authorities, to meet all the needs of the occasion.

Mr. Speaker, as outlined in the New York Sun, they are cramped, and although the vaults of the New York banks have been glutted with more than $140,000,000 of the people's money sent from the Treasury of the United States to supply their needs, they are not willing to contribute to that pool.

Mr. Speaker, I am grieved that my friend from Virginia [Mr. GLASS] can not follow us this day. Let me remind him that we include in this bill tobacco, which is distressed as well as cotton, and let me say to him that while this Government has deposited funds to relieve the distress of New York and Tennessee and of other States in this country, it ought to deposit public funds to relieve the distress of his own people in Virginia.

Mr. GLASS. May I interrupt the gentleman?

Mr. HENRY. Just one moment.

Mr. GLASS. Just to put in the RECORD this statement: That the putting of tobacco in this bill at the twelfth hour shall not be permitted to compromise my intellectual integrity for the purpose of bringing me back to this House. [Applause.]

Mr. HENRY. Mr. Speaker, in 1907—and it can not be stated too often in this debate—public funds in four days to the extent of $43,000,000 were expressed to New York City and placed in the hands of J. Pierpont Morgan, who was not an officer in any banking institution or trust company, who was not a director in a single national bank or trust company, and he distributed the people's money amongst the banks of New York City—his favorites—and deposited $10,000,000 of the people's money in the trust company at the head of which was Oakley Thorne. Here we are proposing things in line with the same thing that was done then. We are proposing things in line with what Mr. Williams—the other Virginian—said at Indianapolis recently, that which they had done in regard to the New York banks, that they had sent $40,000,000 by express as fast as the train could carry that amount of money, of public funds out of the Treasury of the United States, in order to relieve the distress of the banks of New York City. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. MANN. Mr. Speaker——

The SPEAKER. The gentleman from Illinois [Mr. MANN] is recognized for five minutes.

Mr. MANN. The gentleman from Texas [Mr. HENRY] reminds us that the amendment covers both cotton and tobacco. I am willing to make a present to anybody in the House who can tell what this language means:

The deposits herein directed to be made shall be apportioned among the several States in accordance with the number of bales of cotton or pounds of tobacco produced therein during 1913.

Is the bale of cotton to be offset against a pound of tobacco or a pound of tobacco offset against a bale of cotton? Since when did a pound of tobacco become worth as much as a bale of cotton?

Mr. HARDWICK. Will the gentleman yield to me?

Mr. MANN. No; I will not yield.

Mr. HARDWICK. I thought you wanted an answer.

Mr. MANN. If I had time I would be glad to yield. That is what the bill says. It directs the apportionment, not so much for cotton and so much for tobacco, but $250,000,000 for cotton and tobacco, according to the number of bales of cotton and pounds of tobacco. Wisconsin, under that, would get more money for tobacco than Georgia will for cotton. [Laughter on the Republican side.]

Now, the gentleman from Georgia [Mr. HARDWICK], the distinguished author of the amendment, said there was provision made for repaying these notes that it is proposed to issue. The bill distinctly provides that the deposits made in the banks shall not be withdrawn before the 31st day of December, 1915, and then it innocently provides that they shall be paid—the notes outstanding shall be paid—on the 1st day of January, 1916. That is pretty rapid movement, to withdraw $250,000,000 from the southern banks on the last day of December and pay it all out on the 1st day of January. It is absolutely absurd and impossible.

Mr. MURRAY. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore (Mr. HAY). Does the gentleman from Illinois yield to the gentleman from Oklahoma?

Mr. MANN. I do not yield.

The SPEAKER pro tempore. The gentleman from Illinois declines to yield.

Mr. MANN. Now, Mr. Speaker, I hope that we shall find a way for cotton. But, after all, remember that while we are not able now to sell cotton, we are not likewise able to buy the bonds and stocks which Europe threatens to put upon us, which

they now own. The difficulty in the one case is no greater than the difficulty in the other. The real paralysis to-day in the financial world comes from the fact that on the other side of the Atlantic they own in the neighborhood, it is said, of $3,000,000,000 of our stocks and bonds——

Mr. TOWNSEND. Five billion dollars' worth.

Mr. MANN. They need the money. They propose, it is said, to dump them on our shores, and the financial world is to-day straining its back, endeavoring to be ready to take those stocks and bonds at some price, because if they are all dumped upon us, and no one is ready to take them, universal bankruptcy in our country follows as an inevitable consequence. [Applause on the Republican side.]

CORRECTION OF ERROR IN A PENSION BILL.

The SPEAKER. The other day the House passed House joint resolution 361, an omnibus resolution, making corrections in pension bills, and sent it over to the Senate. Then, after that, the House passed joint resolution 375, which contained one of the items that was in the House joint resolution 361. So, unless there is objection, the House will ask the Senate to return House joint resolution 375. Is there objection? [After a pause.] The Chair hears none.

COTTON AND TOBACCO.

Mr. MURRAY. Mr. Speaker, the substitute I offered was prepared by a committee representing one from each cotton and tobacco State, and was ratified by a conference of southern Congressmen, which in its organization has 83 members, and there were 62 members present when this bill was adopted. I feel that I ought, as chairman of that conference, to offer it for the conference, and for the further reason that it will meet the conditions better than the provision offered by the gentleman from Georgia [Mr. HARDWICK].

I am not opposed to the provision offered by the gentleman from Georgia. I will vote for it, and for the next best thing, and any other thing or all things that will meet this situation. I would vote, certainly, just as quickly to provide for a loan to the cotton grower as I would to appropriate money to San Francisco or Salem as an absolute gift.

The only objection I have to the provision offered by the gentleman from Georgia is this: It makes the banks liable, and therefore in this condition they can not afford to make the loans, and will not make the loans.

Mr. GLASS. Mr. Speaker, may I interrupt the gentleman?

The SPEAKER. Does the gentleman from Oklahoma yield to the gentleman from Virginia?

Mr. MURRAY. Just in a moment I will. They can not tell, in view of their depositors, how long they must hold this cotton; and the first duty of every banker is the protection of his depositors. The Government is the only power that can come to the rescue of the southern cotton farmers, just as the Government was the only power that could take the place of the insurance companies that insured merchant ships against war risks. The insurance companies could not do it, and the Government wisely came to their rescue. And that is unprecedented. Now, the Government is the only power. The banks can not do it, and the Government ought to do it.

Now I yield to the gentleman from Virginia.

Mr. GLASS. I wanted to ask the gentleman from Oklahoma if there is any provision of this proposed amendment that requires the banks to loan Government funds at 4 per cent, when they are already receiving 6 and 7 per cent?

Mr. MURRAY. Under the one I offered?

Mr. GLASS. No; under the Hardwick amendment. Is there any provision under this amendment that requires banks to make these loans?

Mr. MURRAY. No, sir.

Mr. GLASS. Then I will ask the gentleman if he thinks it at all probable that these banks will receive Government funds and use them in competition with their own funds at 4 per cent?

Mr. MURRAY. The selfish banker will not do it. The unselfish banker will do it. I feel that 90 per cent of the bankers in my district will do it, because they are willing for any kind of aid. They know that there is nothing in the Vreeland-Aldrich Currency Act. They know there is nothing under the regional reserve system. That system was intended to make the farmer give up his crop. It was written for that purpose, and not to enable him to hold it for any kind of price. [Applause.] And there is not any remedy for that.

Now, the gentleman from Virginia speaks of inflation. It is a question of what you mean by inflation. If you mean that your money is equal to any other dollar, then there is no inflation in it. If increase of money means inflation, then of course it does; and I apprehend the gentleman from Virginia means that, because he stated the other day to the bankers that there would not be inflation when we had dollar for dollar in gold behind the $360,000,000 of currency.

Why, there is no inflation to-day when you consider one dollar equal to every other dollar, and I do not see how, from that point of view, that could be made a charge against this. In fact, the gentleman knows that it is not, unless he means an increase of currency means inflation. There is no danger in an increase of currency when it will all be equal to the gold dollar. It is true we have more money to-day than we ever had, but for many years France had $55 per capita, and that was their prosperous period.

The SPEAKER. The time of the gentleman has expired.

Mr. SIMS. Mr. Speaker, I will vote for this so-called cotton amendment to this pending Senate bill, as it gives us the only opportunity we will have in the House to vote for anything calculated to relieve the situation now existing in the South, but I hope when the bill goes back to the Senate that this amendment will be so amended in the Senate as to provide for legislation similar to what is known as the Smith amendment to the war-revenue bill, when that measure was before the Senate.

Speaking for myself, I favor the proposition for the Government to issue small denomination bonds bearing 4 per cent interest, to be given in exchange for cotton at par, at a price not to exceed 10 cents per pound, middling basis, in sufficient amount to take over 5,000,000 bales of this year's growth of cotton, and to hold same for two years, unless it can sooner be sold at a price that would fully reimburse the Government for the bonds, accrued interest, all costs and expenses incurred in purchasing, carrying, and disposing of the cotton. But should a loss of any amount finally result to the Government, the same to be recouped by a tax of not exceeding one-half a cent per pound to be levied on all cotton hereafter grown, grading middling or better, until such loss is fully paid.

A law of this kind will immediately steady the market in all countries, and not another bale of cotton would be offered or sold at less than 10 cents a pound, and I doubt that a single bale would be offered to the Government. The moment that it was known the world over that our Government would take 5,000,000 bales at 10 cents a pound of this year's growth and hold it for two years, every man who has a drop of speculative blood in him would be willing and anxious to take a chance on a few bales of cotton at 10 cents, when he knows that the price will not decline for two years and that in all human probability he will make a good profit on his investment.

The banks would not hesitate to lend money on cotton at a much higher valuation and at a lower rate of interest than they will in the absence of such a law. I thing such a proposition far preferable to the Government issuing legal-tender Treasury notes, redeemable in gold on demand, and depositing same with the banks to be loaned out to the holders of cotton at such a rate of interest as the banks may see proper to demand and at a valuation to be fixed by themselves. The bond-issue plan would not tend to the inflation of the currency nor lead to the indefinite sale of Government bonds with which to replenish the gold-redemption fund in the Treasury. Such a plan would enable the cotton industry to take care of itself without any tax burden on any other industry. I see nothing in the Constitution that prohibits such a transaction. It involves no greater governmental power than was exercised in the purchase of silver bullion and involves the Government in no ultimate loss, as did the silver-purchase law.

If something of this kind is not done, I very much fear that before the present world-wide war is over cotton will sell at 4 cents a pound. I do not think it necessary or advisable to levy any kind of acreage-reduction tax to prevent an excessive crop next year. With the prices of all other crops at a much higher figure, relatively, than cotton at 10 cents, the acreage-reduction question will take care of itself.

Mr. BULKLEY. Mr. Speaker, how much more time is remaining?

The SPEAKER. One minute.

Mr. BULKLEY. Mr. Speaker, the assertion has been made that all danger of issuing these proposed Government notes is obviated by making them payable in gold only after the 1st of January, 1916. In the brief time at my disposal I want to call the attention of the House to the fallacy of that argument. It only postpones the day of reckoning for a few brief months. In the proposed amendment no provision is made for any additional gold to be available to redeem those notes when they come due on the 1st of January, 1916. The holders of the present outstanding United States notes have the right to demand the payment of those notes in gold now; and if they are put upon notice now that on the 1st of January, 1916, the burden on the gold reserve behind those notes will be doubled, does anyone sup-

pose that the holders of those United States notes will not now be alarmed by that situation?

The SPEAKER. The time of the gentleman has expired. All time has expired. The question is on the first Bartlett amendment.

The question being taken, the Speaker announced that the noes appeared to have it.

Mr. BARTLETT. Division, Mr. Speaker. I ask to have the amendment reported again.

The SPEAKER. The Clerk will report the first Bartlett amendment, if there be no objection.

The Clerk read as follows:

Amend by striking out, on page 5, all of lines 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13 and by changing the semicolon in line 3 and inserting a period.

Mr. BARTLETT. That strikes out the provision for the sale of Panama bonds.

The question being taken, the Speaker announced that the ayes appeared to have it.

Mr. MURRAY and Mr. HARDWICK demanded a division.

The House divided; and there were—ayes 57, noes 39.

Accordingly the amendment was agreed to.

The SPEAKER. The Clerk will report the next Bartlett amendment.

The Clerk read as follows:

Strike out, in line 25, page 2, beginning with the word "and," down to and including the word "issuance," on page 3, line 1.

Mr. BARTLETT. Mr. Speaker, with the permission of the House I will ask to withdraw that amendment.

The SPEAKER. The gentleman does not need to have the permission of the House.

Mr. MANN. Oh, no; I object.

Mr. BARTLETT. If I can withdraw it without the permission of the House, I will withdraw it.

Mr. MANN. The gentleman can not withdraw it when there is objection.

The SPEAKER. In the House a Member has the right to withdraw an amendment clear up to the time of voting upon it.

Mr. MANN. I do not think the gentleman has a right to withdraw an amendment which has been offered when no further opportunity can be had under the rule to offer the amendment.

Mr. BARTLETT. The gentleman certainly will acquit me of any bad faith in the matter.

Mr. MANN. Oh, certainly.

The SPEAKER. That has nothing on earth to do with it.

Mr. MANN. If that ruling were made, the gentleman could not offer another amendment while the same amendment was pending.

Mr. BARTLETT. I withdraw the request.

The SPEAKER. The gentleman withdraws his request. The question is on the amendment which has just been reported.

The question being taken, the Speaker announced that the noes appeared to have it.

Mr. MANN. I ask for a division.

The House divided; and there were—ayes 54, noes 43.

Accordingly the amendment was agreed to.

The SPEAKER. The Clerk will report the next Bartlett amendment.

The Clerk read as follows:

Amend, on page 2, by striking out, in lines 10 and 11, the following words: "At any rate of interest not to exceed 4 per cent per annum."

The SPEAKER. The question is on agreeing to the amendment.

The question was taken; and on a division, demanded by Mr. BARTLETT, there were—ayes 82, noes 43.

So the amendment was agreed to.

The SPEAKER. The question now is on the Murray substitute.

Mr. HARDWICK. Mr. Speaker, I make the point of order that the substitute offered by the gentleman from Oklahoma [Mr. MURRAY] is not germane to the proposition pending, the pending proposition being to deposit certain funds of the United States in certain depositories, and the proposition of the gentleman from Oklahoma being to make certain loans to certain people in the United States, with no liability whatever on the part of any of the banks through which those loans are made. It seems to me that the Murray proposition is radically different from the pending amendment. One is a deposit proposition and the other is a loan proposition.

Mr. MANN. Mr. Speaker, will the gentleman from Georgia yield?

Mr. HARDWICK. Certainly.

Mr. MANN. Considering all of the facts, as well as the fact that some of us here cooperated in getting this matter before the House for a vote, why is not the gentleman from Georgia willing to withdraw his point of order and let us have a vote on the proposition? Is it not better to have a vote upon all of these propositions?

Mr. HARDWICK. Mr. Speaker, I will answer the gentleman frankly by saying that for reasons which I would be glad to explain, but which I do not believe I will explain right now, I can not. I do not think one proposition is germane to the other, and can not waive the point of order.

The SPEAKER. Is not the Murray proposition a deposit proposition also?

Mr. HARDWICK. Oh, no.

The SPEAKER. Does the gentleman from Oklahoma desire to be heard?

Mr. MURRAY. Mr. Speaker, all I desire to say is this, that it would certainly be an unwholesome principle to rule a provision of this character out of order when it is offered not to the bill, but as a substitute for the Hardwick amendment, because both provide for the deposit of funds, both provide that the funds shall be Government funds, and the only distinction is that in his case the banks are liable for all of essence in value of the currency, while in the amendment I offer they are liable as banks receiving deposits, and they are also liable in the matter of agency in handling the Government funds. That is the only distinction. It merely facilitates the same object.

The SPEAKER. The Chair will ask the gentleman a question. Does the Hardwick amendment contain anything about loans?

Mr. MURRAY. I understand that it does.

Mr. HENRY. Oh, yes, it does.

Mr. HARDWICK. Oh, it does not.

Mr. MURRAY. It provides that the money shall be loaned at a rate of interest to the producers of cotton or owners of land on which it is produced at not exceeding 4 per cent.

The SPEAKER. Is that the gentleman's amendment?

Mr. MURRAY. That is the Hardwick amendment, and the same language is used in my amendment. The fact is that the whole purpose of this is not a purpose of deposit, but the purpose of his provision is to give the farmers a loan, and that is the purpose of mine. There is a distinction as to liability. I hope the gentleman will not claim that his purpose is merely to make a deposit, but the fundamental idea is a loan, and the loan is used in both.

The SPEAKER. Wherein does his proposition differ from the gentleman's proposition?

Mr. HARDWICK. Mr. Speaker, will the Chair hear me on that?

The SPEAKER. Certainly.

Mr. HARDWICK. Mr. Speaker, the pending amendment presents this sort of a proposition: It proposes to deposit funds of the United States in certain banks, which banks, of course, are made depositories of the United States for the purpose of receiving those deposits, the banks remaining in each case liable to the Government for public funds, the deposits being made on condition that the deposits shall be used in a certain way. That is my amendment.

The SPEAKER. How does that differ from the Murray amendment?

Mr. HARDWICK. The Murray amendment proposes not to deposit funds of the United States, but to loan funds of the United States directly to certain farmers of the United States, without any bank in which the same is deposited being liable to the Government for those funds.

Mr. MURRAY. Oh, that is not correct.

Mr. HARDWICK. Except for gross negligence in handling it, as if they should let some one steal it.

The SPEAKER. What is the real difference between a deposit of Federal funds in a bank and loaning Federal funds to a bank?

Mr. HARDWICK. There is all the difference in the world. In the Murray proposition the banks are liable simply as naked bailees. They distribute Government funds directly to the people to whom the Government loans it. In the amendment that I offer the Government merely deposits this fund in the banks, its own depositories, who are liable under the law for its return and must give security for it.

Mr. HENRY. Mr. Speaker, will the gentleman yield?

Mr. HARDWICK. Yes.

Mr. HENRY. Mr. Speaker, I confess these two propositions are so much alike that it is difficult to tell the difference.

Mr. HARDWICK. Oh, let me finish my statement. There is but one difference, and that is fundamental. In the amendment that we are now voting upon the banks are liable for the return of every cent of this money to the Government. If the gentleman's proposition be adopted, the banks would not be liable unless they had been guilty of gross negligence as a bailee would be liable, and not as a depository of Government funds.

In other words, the banks under the proposition proposed by the gentleman from Oklahoma are liable only as a bailee would be liable. They do not borrow the money from the Government, nor is the Government money deposited in them, but they are simply used as agents to distribute Government loans.

Mr. HENRY. Will the gentleman yield at that point?

Mr. HARDWICK. Certainly.

Mr. HENRY. Now, in the line of this discussion allow me to read two lines from the amendment offered by the gentleman from Georgia [Mr. HARDWICK].

The SPEAKER. Where is the gentleman reading?

Mr. HENRY. From section 3 of the amendment offered.

Mr. MANN. Page 2, line 7.

Mr. HENRY (reading):

The deposits herein directed to be made shall be made only on the condition that the banks accepting such deposits will loan the same under reasonable terms and conditions, at a rate of interest not to exceed 4 per cent per annum, to the producers of cotton or tobacco.

Mr. HARDWICK. Mr. Speaker, I called attention to that. But the fundamental, the cardinal, difference is in the proposition I have offered—that the banks are liable to the Government as the depositaries are now liable to the Government for the return of public funds; whereas under the proposition now suggested by the gentleman from Oklahoma the banks are simply agents of the Government, and would not be liable for the return of the funds as depositaries are now liable, and you will observe that the amendment of the gentleman from Oklahoma in its second section provides for paying a certain commission, one-third of the amount of the interest, I think it is, for their services as agents. If these loans fail and were not repaid by the planters, the banks who handle them would not owe the Government one cent because of such default, whereas under the proposition I present every bank that gets a dollar is liable as depositaries now are liable and must repay such funds. There is all the difference in the world.

The SPEAKER. Does the gentleman think under the Murray amendment that a bank is not liable for the money?

Mr. HARDWICK. Undoubtedly; I think the gentleman from Texas and the gentleman from Oklahoma will tell you the same thing.

Mr. HENRY. If the Chair will read the second section of their proposition, he will see a provision that they shall receive a certain commission for their services in distributing this money.

The SPEAKER. How does the gentleman hold up to the proposition that the amendment offered by the gentleman from Oklahoma [Mr. MURRAY] is not germane?

Mr. HARDWICK. I go back to the first proposition with which I started, because the proposition we present here is a proposition to deposit public funds of the United States in such depositaries of the United States on certain conditions which are expressed in law, whereas the proposition of the gentleman from Oklahoma is not to make deposits of public funds at all, but to make loans of public funds to private individuals and to employ banks simply to act as agents for this loan-distribution process, which is an essentially different proposition.

Mr. MANN. Mr. Speaker, I know it is very natural for a gentleman who has prepared a proposition himself to think that another proposition to cover the same purpose but not in the same form is not germane. That is natural——

Mr. HARDWICK. I hope the gentleman will acquit me of that.

Mr. MANN. I think that is the trouble with the gentleman now.

Mr. HARDWICK. Oh, no.

Mr. MANN. If it were not the gentleman's own proposition, he would clearly see that the Murray amendment was germane. The Hardwick proposition is not merely to deposit money in the bank, but to deposit money in the bank on the compulsion that the bank shall loan the money at 4 per cent interest to certain persons.

Mr. HARDWICK. If the gentleman will pardon me——

Mr. MANN. In a moment.

Mr. HARDWICK. All right.

Mr. MANN. It is a compulsion. It is not a deposit of money in the bank, but the banks are a mere conduit through which the money is to flow from the Treasury to the individual.

Mr. HARDWICK. If the gentleman will pardon me, no bank is required to accept these deposits. You can not make them come in and take this money, but they are liable for it if they do take it.

Mr. MANN. I understand that.

Mr. HARDWICK. And if they take it, they have to see it is paid back.

Mr. MANN. They can not get the money unless they agree to do a certain thing, which is to hand the money over to the individual. That is the Murray amendment in a different form. It makes no difference in the end. The purpose in the end is to get the money of the Government into the hands of the cotton producer, a new method of doing it. There might be a thousand methods, all of them germane one to the other, so there can be no question in my mind that a proposition to employ a different method to accomplish the same result must be germane to a method which has already been proposed.

The SPEAKER. The Chair will ask the gentleman from Georgia, where does this bill say anything about these banks being Government depositories?

Mr. HARDWICK. Which bill—my proposition?

The SPEAKER. The gentleman's amendment.

Mr. HARDWICK. Nothing in the world, except it directs the Secretary to deposit it in these banks, and that makes them depositories.

The SPEAKER. What banks?

Mr. HARDWICK. In the banks named, State and National banks in certain territory of the United States.

The SPEAKER. The gentleman was arguing here awhile ago that under his amendment that money was loaned.

Mr. HENRY. Will the gentleman allow me to make a suggestion there?

Mr. HARDWICK. Certainly.

Mr. HENRY. That these moneys are deposited under 5153 of the Revised Statutes.

The SPEAKER. Are they deposited under the same rules and regulations?

Mr. HARDWICK. Not at all.

Mr. HENRY. I think——

Mr. HARDWICK. I think there is a material difference, and the gentleman from Texas knows it, too, I think, and will, I believe, readily concede it. In the one case the banks in which these deposits are made are liable to the Government of the United States for them, and in the other case they are not liable.

Mr. MANN. Will the gentleman yield?

Mr. HARDWICK. Certainly.

Mr. MANN. Does the gentleman doubt that an amendment would be in order to relieve the banks of that liability?

Mr. HARDWICK. I do not think it would, because this is a proposition to deposit public funds in the depositories.

Mr. MANN. Can we not relieve the banks of that liability if we wish to do so? Has not the House, in the consideration of that, the right to strike out the liability proposition?

Mr. HARDWICK. It might be germane to the pending proposition.

Mr. MANN. You would have a right to strike out?

Mr. HARDWICK. I do not think you can substantially change the general character of the proposition. Here is a proposition to deposit certain public funds, on condition, I admit, but to make deposits in the banks of the United States. The banks in which the same are deposited remain liable to the Government therefor.

Mr. MURRAY. Will the gentleman yield?

Mr. HARDWICK. Certainly.

Mr. MURRAY. Does the gentleman deny that the first object of his amendment, as well as mine, is to get the loan to the farmer?

Mr. HARDWICK. I do not know that I am called on to answer that question, although I do not mind doing it. This is to do it in the only safe and sane way we can accomplish the gentleman's purpose, in my opinion.

Mr. MURRAY. Leaving that out, is not that the first object?

Mr. HARDWICK. It is to do it in a safe way.

Mr. MURRAY. Will the gentleman answer? Is not that the object?

Mr. HARDWICK. I think I have already answered the gentleman's question. I do not think it necessary to do so again.

Mr. METZ. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. METZ. Is it not proper to propose an insane substitute, That is what this amounts to, then.

The SPEAKER. That is not a parliamentary inquiry.

Mr. HARDWICK. Here is a proposition under which the banks remain liable to the Government. Now, they propose to substitute for that a proposition which is an advance to certain private individuals and under which the banks will not be liable. That is the difference as I see it, and it is a most important and material difference.

Mr. GARRETT of Tennessee rose.

The SPEAKER. Does the gentleman from Tennessee wish to be recognized?

Mr. GARRETT of Tennessee. Not now. I did wish to address an inquiry to the gentleman from Georgia [Mr. HARDWICK], but it is not necessary now.

The SPEAKER. The Chair thinks the point of order is well taken. [Applause.]

Mr. BARTLETT. Mr. Speaker, I call attention to and ask unanimous consent that we may consider an amendment to strike out section 6 of this bill, which pertains entirely to the redemption of the Panama Canal bonds, and it is proper to do this in order to perfect the amendment. I ask unanimous consent that I may offer an amendment.

The SPEAKER. The gentleman from Georgia [Mr. BARTLETT] asks unanimous consent to offer an amendment to strike out section 6.

Mr. SHERLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SHERLEY. Does not the question now come up on the adoption of the amendment offered by the gentleman from Georgia [Mr. HARDWICK] as amended by the gentleman from Georgia [Mr. BARTLETT]?

The SPEAKER. Of course; but the gentleman from Georgia is now asking unanimous consent to offer an amendment to strike out a section.

Mr. BARTLETT. That applies entirely to the Panama Canal bonds.

Mr. HARDWICK. It is not applicable now. The provision in regard to the Panama bonds ought to go out.

The SPEAKER. The gentleman says he wishes to perfect the amendment.

Mr. BARTLETT. That is correct.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the amendment.

The Clerk read as follows:

Amend the amendment by striking out section 6.

The SPEAKER. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

The SPEAKER. The question is on the amendment of the gentleman from Georgia [Mr. HARDWICK] as amended.

The question was taken, and the Speaker announced that the noes seemed to have it.

Mr. CRISP, Mr. HENRY, and Mr. HARDWICK demanded a division.

Mr. MANN. Mr. Speaker, I make the point of order there is no quorum present.

Mr. THOMPSON of Oklahoma. Mr. Speaker, I make the point of order that there is no quorum.

The SPEAKER. The gentleman from Illinois [Mr. MANN] makes the point of order that there is no quorum present.

First, however, the Chair will state that he sent over to Mr. UNDERWOOD to find out what was the prospect about getting the conference report on the war-tax bill in to-night. The gentleman sent back word that, while they had agreed substantially on most of it, it would take three hours to get it into shape, but that they would try to get it into shape and have it printed so that we can have a printed copy in the morning. [Applause.]

The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

Mr. SLAYDEN. Mr. Speaker, is the vote on the adoption of the amendment now?

The SPEAKER. The vote is on the adoption of the Hardwick amendment as amended. Those in favor thereof will answer "yea" and those opposed will answer "nay."

Mr. EDWARDS. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. EDWARDS. To make a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. EDWARDS. If the Hardwick amendment is voted down, would it then be in order to offer the amendment that was offered awhile ago by the gentleman from Oklahoma [Mr. MURRAY]?

The SPEAKER. Thirty minutes are allowed under the rule, and 30 minutes have expired. You can not offer any more amendments to this bill.

Mr. MANN. Has the Speaker declared no quorum present?

The SPEAKER. The Chair will do it, if it has not been done. There is no quorum present, and the Clerk will call the roll.

The question was taken; and there were—yeas 91, nays 123, answered "present" 12, not voting 202, as follows:

YEAS—91.

Abercrombie	Austin	Blackmon	Byrnes, S. C.
Adamson	Barkley	Broussard	Byrns, Tenn.
Aiken	Bartlett	Buchanan, Tex.	Candler, Miss.
Aswell	Bell, Ga.	Burnett	Cantrill
Caraway	Hardwick	Lee, Ga.	Small
Carlin	Hardy	Lever	Smith, Tex.
Carter	Hayden	McKellar	Stedman
Collier	Heflin	Morgan, La.	Stephens, Miss.
Crisp	Helvering	Morgan, Okla.	Stephens, Tex.
Dent	Henry	Murray	Stout
Dupré	Houston	Oldfield	Taylor, Ala.
Eagle	Howard	Padgett	Taylor, Ark.
Edwards	Hughes, Ga.	Page, N. C.	Thompson, Okla.
Evans	Hull	Park	Tribble
Falconer	Humphreys, Miss.	Pou	Walker
Finley	Jacoway	Quin	Watson
Flood, Va.	Johnson, Ky.	Ragsdale	Webb
Floyd, Ark.	Johnson, S. C.	Rayburn	Whaley
Garrett, Tenn.	Keating	Rouse	Wilson, Fla.
Garrett, Tex.	Kirkpatrick	Saunders	Wingo
Godwin, N. C.	Kitchin	Sims	Witherspoon
Goeke	La Follette	Sisson	Young, Tex.
Goodwin, Ark.	Lazaro	Slayden	

NAYS—123.

Alexander	Dixon	Kennedy, Conn.	Post
Ashbrook	Donovan	Kennedy, Iowa	Prouty
Bailey	Dooling	Kennedy, R. I.	Rainey
Barchfeld	Doremus	Kindel	Raker
Barnhart	Drukker	Kinkaid, Nebr.	Rauch
Barton	Dunn	Korbly	Reilly, Conn.
Beakes	Eagan	Langham	Riordan
Borchers	Edmonds	Levy	Rubey
Brockson	Esch	Lieb	Rupley
Brodbeck	Fairchild	Lloyd	Scott
Brown, W. Va.	Farr	Lobeck	Sherley
Bruckner	Fitzgerald	McGillicuddy	Sherwood
Brumbaugh	Gardner	Maguire, Nebr.	Sinnott
Bulkley	Gilmore	Mahan	Smith, Saml. W.
Burgess	Glass	Mapes	Stafford
Carew	Goulden	Metz	Stanley
Carr	Graham, Pa.	Miller	Steenerson
Claypool	Gray	Moore	Stone
Cline	Greene, Mass.	Morin	Tavenner
Coady	Greene, Vt.	Morrison	Taylor, Colo.
Cooper	Griest	Mott	Thomson, Ill.
Cox	Griffin	Nelson	Townsend
Cullop	Hamilton, N. Y.	O'Brien	Tuttle
Curry	Haugen	Parker	Underhill
Dale	Hawley	Patten, N. Y.	Vare
Danforth	Hay	Patton, Pa.	Wallin
Davis	Helm	Payne	Walsh
Dershem	Hinds	Phelan	White
Dickinson	Holland	Platt	Winslow
Difenderfer	Humphrey, Wash.	Plumley	Woods
Dillon	Johnson, Utah	Porter	

ANSWERED "PRESENT"—12.

Ainey	Fergusson	Hamlin	Mann
Booher	Foster	Hensley	Rucker
Clark, Fla.	Gill	Kinkead, N. J.	Whitacre

NOT VOTING—202.

Adair	Fess	Knowland, J. R.	Roberts, Mass.
Allen	Fields	Konop	Roberts, Nev.
Anderson	FitzHenry	Kreider	Rogers
Ansberry	Fordney	Lafferty	Rothermel
Anthony	Fowler	Langley	Russell
Avis	Francis	Lee, Pa.	Sabath
Baker	Frear	L'Engle	Scully
Baltz	French	Lenroot	Seldomridge
Bartholdt	Gallagher	Lesher	Sells
Bathrick	Gallivan	Lewis, Md.	Shackleford
Beall, Tex.	Gard	Lewis, Pa.	Shreve
Bell, Cal.	Garner	Lindbergh	Slemp
Borland	George	Lindquist	Sloan
Bowdle	Gerry	Linthicum	Smith, Idaho
Britten	Gillett	Loft	Smith, J. M. C.
Brown, N. Y.	Gittins	Logue	Smith, Md.
Browne, Wis.	Goldfogle	Lonergan	Smith, Minn.
Browning	Good	McAndrews	Smith, N. Y.
Bryan	Gordon	McClellan	Sparkman
Buchanan, Ill.	Gorman	McGuire, Okla.	Stephens, Cal.
Burke, Pa.	Graham, Ill.	McKenzie	Stephens, Nebr.
Burke, S. Dak.	Green, Iowa	McLaughlin	Stevens, Minn.
Burke, Wis.	Gregg	MacDonald	Stevens, N. H.
Butler	Gudger	Madden	Stringer
Calder	Guernsey	Maher	Sumners
Callaway	Hamill	Manahan	Sutherland
Campbell	Hamilton, Mich.	Martin	Switzer
Cantor	Hammond	Merritt	Taggart
Cary	Harris	Mitchell	Talbott, Md.
Casey	Harrison	Mondell	Talcott, N. Y.
Chandler, N. Y.	Hart	Montague	Taylor, N. Y.
Church	Hayes	Moon	Temple
Clancy	Helgesen	Moss, Ind.	Ten Eyck
Connelly, Kans.	Hill	Moss, W. Va.	Thacher
Connolly, Iowa	Hinebaugh	Mulkey	Thomas
Conry	Hobson	Murdock	Towner
Copley	Howell	Neeley, Kans.	Treadway
Cramton	Hoxworth	Neely, W. Va.	Underwood
Crosser	Hughes, W. Va.	Nolan, J. I.	Vaughan
Davenport	Hulings	Norton	Vollmer
Decker	Igoe	Oglesby	Volstead
Deitrick	Johnson, Wash.	O'Hair	Walters
Dies	Jones	O'Leary	Watkins
Donohoe	Kahn	O'Shaunessy	Weaver
Doolittle	Kelster	Paige, Mass.	Williams
Doughton	Kelley, Mich.	Palmer	Willis
Driscoll	Kelly, Pa.	Peters	Wilson, N. Y.
Elder	Kent	Peterson	Woodruff
Estopinal	Kettner	Powers	Young, N. Dak.
Faison	Key, Ohio	Reed	
Ferris	Kiess, Pa.	Reilly, Wis.	

So the Hardwick amendment as amended was rejected.

The Clerk announced the following additional pairs:

On the vote:

Mr. GUDGER (for amendment) with Mr. YOUNG of North Dakota (against).

Mr. FERRIS (for amendment) with Mr. BORLAND (against).

Mr. DAVENPORT (for amendment) with Mr. COADY (against).

Mr. HARRISON (for amendment) with Mr. KINKEAD of New Jersey (against).

Mr. RUSSELL (for amendment) with Mr. WHITACRE (against).

Mr. DOUGHTON (for amendment) with Mr. HAMLIN (against).

Mr. WATKINS (for amendment) with Mr. BUTLER (against).

Mr. ESTOPINAL (for amendment) with Mr. RUCKER (against).

Mr. FAISON (for amendment) with Mr. HENSLEY (against).

For the session:

Mr. UNDERWOOD with Mr. MANN.

Mr. MANN. Mr. Speaker, I think the gentleman from Alabama, Mr. UNDERWOOD, has not come in. He is not recorded, is he?

The SPEAKER pro tempore (Mr. HOUSTON). No.

Mr. MANN. I am paired with him. I voted "nay." I withdraw my vote and ask to be recorded as "present."

The SPEAKER pro tempore. The Clerk will call the gentleman's name.

The Clerk called the name of Mr. MANN, and he answered "Present."

Mr. HENSLEY. Mr. Speaker, how am I recorded?

The SPEAKER pro tempore. The gentleman is recorded as voting "nay."

Mr. HENSLEY. I withdraw that vote, as I am paired with Mr. FAISON, who is sick, and I wish to vote "present."

The SPEAKER pro tempore. The Clerk will call the gentleman's name.

The Clerk called the name of Mr. HENSLEY, and he answered "Present."

Mr. HAMLIN. Mr. Speaker, I discover that I am paired with the gentleman from North Carolina, Mr. DOUGHTON. I voted "nay." I desire to withdraw that vote and vote "present."

The SPEAKER pro tempore. The Clerk will call the gentleman's name.

The Clerk called the name of Mr. HAMLIN, and he answered "Present."

Mr. KINKEAD of New Jersey. Mr. Speaker, I voted "nay," but being paired with the gentleman from Mississippi, Mr. HARRISON, I desire to change my vote and vote "present."

The SPEAKER pro tempore. The Clerk will call the gentleman's name.

The Clerk called the name of Mr. KINKEAD of New Jersey, and he answered "Present."

Mr. BOOHER. Mr. Speaker, I desire to change my vote from "nay" to "present."

The SPEAKER pro tempore. The Clerk will call the gentleman's name.

The Clerk called the name of Mr. BOOHER, and he answered "Present."

Mr. RUCKER. Mr. Speaker, how am I recorded?

The SPEAKER pro tempore. The gentleman is recorded in the negative.

Mr. RUCKER. I understand the gentleman from Alabama [Mr. HEFLIN] has arranged a pair for me with Gen. ESTOPINAL, of Louisiana, who can not be here. I desire to withdraw my vote and vote "present."

The SPEAKER pro tempore. The Clerk will call the gentleman's name.

The Clerk called the name of Mr. RUCKER, and he answered "Present."

The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present, and the Doorkeeper will open the doors.

Mr. MANN. Mr. Speaker, I move to reconsider the vote.

Mr. CRISP rose.

The SPEAKER. For what purpose does the gentleman from Georgia rise?

Mr. CRISP. I enter a motion to reconsider the vote by which the House agreed to the committee amendment striking out section 2 of this bill.

Mr. MANN. I move to reconsider the last vote, Mr. Speaker; and ask to have that motion laid on the table.

The SPEAKER. What motion was it?

Mr. MANN. I move to reconsider the last vote and lay that on the table.

The SPEAKER. Is there objection?

Mr. WINGO. I object, Mr. Speaker, and ask for a division of the two questions.

The SPEAKER. What is it?

Mr. WINGO. I demand a separate vote on each proposition, to reconsider and lay on the table. I am entitled to a division.

Mr. MANN. There is no separate proposition about it. I moved to reconsider and lay that on the table. The question is on laying it on the table.

The SPEAKER. The question is on reconsidering the vote by which the Hardwick amendment was rejected and laying that motion on the table.

Mr. CRISP. The question is on laying on the table the motion to reconsider.

The SPEAKER. Yes; to lay the motion to reconsider on the table. Those in favor of tabling the motion to reconsider will vote "aye." Those opposed will vote "no."

The question was taken, and the Speaker announced that the noes seemed to have it.

Mr. MANN. Mr. Speaker, I will ask for the yeas and nays. If you gentlemen over there are going to filibuster, let us do it. We gave you your chance, and you are not playing fair on it. I ask for the yeas and nays.

The SPEAKER. The gentleman from Illinois [Mr. MANN] demands the yeas and nays. Those in favor of taking the vote by yeas and nays will rise and stand until they are counted. [After counting.] Evidently a sufficient number, and the Clerk will call the roll. Those in favor of tabling the motion to reconsider will, when their names are called, answer "yea," those opposed will answer "nay."

Mr. MANN. Mr. Speaker, I think the Speaker did not state the question correctly. I understood the Speaker to say that the question was on the motion to reconsider.

The SPEAKER. No; the Chair said it was on the motion to table the motion to reconsider. Those in favor of tabling the motion to reconsider will, when their names are called, answer "yea," those opposed will answer "nay."

Mr. HENRY. Mr. Speaker, there is some confusion about the motion. Is the motion to table the Hardwick amendment, or is it the State bank amendment? I understand it is the Hardwick amendment.

The SPEAKER. It is the Hardwick amendment.

Mr. SHERLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SHERLEY. Under the rule, we were operating in the House as in Committee of the Whole, and we had up various amendments.

The SPEAKER. Yes.

Mr. SHERLEY. They were acted upon. Now, is it in order to reconsider the vote on those amendments? If we had been in Committee of the Whole—we were acting as though we were in Committee of the Whole—it would not have been in order, and the question could only have come up when the bill came up on its final passage or when the vote was in the House. Now, I make the inquiry of the Chair if it is in order now to reconsider, inasmuch as we are acting as if we were in the Committee of the Whole?

Mr. BARTLETT. But, Mr. Speaker, just a moment. While it is true that we are acting in Committee of the Whole, yet the rules of the House obtain and not the rules of the Committee of the Whole. For instance, we have already had the yeas and nays, which we could not have had in the committee; and we can order the previous question, which we could not do in the Committee of the Whole. So while we are proceeding as in Committee of the Whole under the five-minute rule the rules of the House apply. I suggest that the point of order of my friend from Kentucky is not well taken.

Mr. SHERLEY. I have not made any point of order. I have made a parliamentary inquiry.

The SPEAKER. Does the gentleman from Kentucky wish to be heard any further?

Mr. SHERLEY. No; I simply desire the ruling of the Chair. I made a parliamentary inquiry. I shall be glad to have the Chair answer it.

The SPEAKER. When the House is acting as in Committee of the Whole in the House the rules of the House apply. That was the reason the Chair ruled about half an hour ago that the gentleman from Georgia [Mr. BARTLETT] could withdraw his amendment. The question is on tabling the motion to reconsider the vote by which the House rejected the Hardwick amendment.

The question was taken; and there were—yeas 119, nays 89, answered "present" 11, not voting 209, as follows:

YEAS—119.

Alexander	Brumbaugh	Curry	Dooling
Ashbrook	Bulkley	Dale	Doremus
Bailey	Burgess	Danforth	Drukker
Barchfeld	Carew	Davis	Dunn
Barnhart	Claypool	Dershem	Eagan
Barton	Cline	Dickinson	Edmonds
Beakes	Coady	Difenderfer	Esch
Borchers	Cooper	Dillon	Fairchild
Brodbeck	Cox	Dixon	Farr
Bruckner	Cullop	Donovan	Fitzgerald

Gardner	Kennedy, Conn.	Parker	Sherwood
Gilmore	Kennedy, Iowa	Patten, N. Y.	Sinnott
Glass	Kindel	Patton, Pa.	Slayden
Goulden	Kinkaid, Nebr.	Payne	Smith, Saml. W.
Graham, Pa.	Korbly	Phelan	Stafford
Gray	Langham	Platt	Stanley
Greene, Mass.	Lieb	Plumley	Steenerson
Greene, Vt.	Lloyd	Porter	Stone
Griest	Lobeck	Post	Tavenner
Griffin	McGillicuddy	Prouty	Taylor, Colo.
Hamilton, N. Y.	Maguire, Nebr.	Rainey	Thomson, Ill.
Hamlin	Mahan	Raker	Townsend
Haugen	Mapes	Rauch	Tuttle
Hawley	Metz	Reilly, Conn.	Underhill
Hay	Miller	Riordan	Vare
Helm	Moore	Rubey	Wallin
Hinds	Morin	Rucker	Walsh
Holland	Morrison	Rupley	Winslow
Humphrey, Wash.	Mott	Scott	Woods
Johnson, Utah	O'Brien	Sherley	

NAYS—89.

Abercrombie	Dupré	Jacoway	Sims
Adamson	Eagle	Johnson, Ky.	Sisson
Aiken	Edwards	Johnson, S. C.	Small
Aswell	Evans	Keating	Smith, Tex.
Austin	Falconer	Kirkpatrick	Sparkman
Barkley	Finley	La Follette	Stedman
Bartlett	Flood, Va.	Lazaro	Stephens, Miss.
Bell, Ga.	Floyd, Ark.	Lee, Ga.	Stephens, Tex.
Blackmon	Garrett, Tenn.	Lever	Stout
Brockson	Garrett, Tex.	McKellar	Taylor, Ark.
Broussard	Godwin, N. C.	Moon	Thompson, Okla.
Buchanan, Tex.	Goeke	Morgan, La.	Tribble
Burnett	Goodwin, Ark.	Morgan, Okla.	Vaughan
Byrnes, S. C.	Hardwick	Murray	Walker
Byrns, Tenn.	Hardy	Oldfield	Watson
Candler, Miss.	Hayden	Padgett	Webb
Cantrill	Heflin	Page, N. C.	Whaley
Caraway	Henry	Park	Wingo
Carlin	Houston	Pou	Witherspoon
Carter	Howard	Quin	Young, Tex.
Collier	Hughes, Ga.	Rayburn	
Crisp	Hull	Rouse	
Dent	Humphreys, Miss.	Saunders	

ANSWERED "PRESENT"—11.

Ainey	Fergusson	Hensley	Taylor, Ala.
Booher	Foster	Kinkead, N. J.	Whitacre
Clark, Fla.	Gill	Mann	

NOT VOTING—209.

Adair	Fess	Kitchin	Reilly, Wis.
Allen	Fields	Knowland, J. R.	Roberts, Mass.
Anderson	FitzHenry	Konop	Roberts, Nev.
Ansberry	Fordney	Kreider	Rogers
Anthony	Fowler	Lafferty	Rothermel
Avis	Francis	Langley	Russell
Baker	Frear	Lee, Pa.	Sabath
Baltz	French	L'Engle	Scully
Bartholdt	Gallagher	Lenroot	Seldomridge
Bathrick	Gallivan	Lesher	Sells
Beall, Tex.	Gard	Levy	Shackleford
Bell, Cal.	Garner	Lewis, Md.	Shreve
Borland	George	Lewis, Pa.	Slemp
Bowdle	Gerry	Lindbergh	Sloan
Britten	Gillett	Lindquist	Smith, Idaho
Brown, N. Y.	Gittins	Linthicum	Smith, J. M. C.
Brown, W. Va.	Goldfogle	Loft	Smith, Md.
Browne, Wis.	Good	Logue	Smith, Minn.
Browning	Gordon	Lonergan	Smith, N. Y.
Bryan	Gorman	McAndrews	Stephens, Cal.
Buchanan, Ill.	Graham, Ill.	McClellan	Stephens, Nebr.
Burke, Pa.	Green, Iowa	McGuire, Okla.	Stevens, Minn.
Burke, S. Dak.	Gregg	McKenzie	Stevens, N. H.
Burke, Wis.	Gudger	McLaughlin	Stringer
Butler	Guernsey	MacDonald	Sumners
Calder	Hamill	Madden	Sutherland
Callaway	Hamilton, Mich.	Maher	Switzer
Campbell	Hammond	Manahan	Taggart
Cantor	Harris	Martin	Talbott, Md.
Carr	Harrison	Merritt	Talcott, N. Y.
Cary	Hart	Mitchell	Taylor, N. Y.
Casey	Hayes	Mondell	Temple
Chandler, N. Y.	Helgesen	Montague	Ten Eyck
Church	Helvering	Moss, Ind.	Thacher
Clancy	Hill	Moss, W. Va.	Thomas
Connelly, Kans.	Hinebaugh	Mulkey	Towner
Connolly, Iowa	Hobson	Murdock	Treadway
Conry	Howell	Neeley, Kans.	Underwood
Copley	Hoxworth	Neely, W. Va.	Vollmer
Cramton	Hughes, W. Va.	Nelson	Volstead
Crosser	Hulings	Nolan, J. I.	Walters
Davenport	Igoe	Norton	Watkins
Decker	Johnson, Wash.	Oglesby	Weaver
Deitrick	Jones	O'Hair	White
Dies	Kahn	O'Leary	Williams
Donohoe	Keister	O'Shaunessy	Willis
Doolittle	Kelley, Mich.	Paige, Mass.	Wilson, Fla.
Doughton	Kelly, Pa.	Palmer	Wilson, N. Y.
Driscoll	Kennedy, R. I.	Peters	Woodruff
Elder	Kent	Peterson	Young, N. Dak.
Estopinal	Kettner	Powers	
Faison	Key, Ohio	Ragsdale	
Ferris	Kiess, Pa.	Reed	

So the motion to lay on the table the motion to reconsider was agreed to.

The Clerk announced the following additional pairs:

Until further notice:

Mr. TAYLOR of Alabama with Mr. HUGHES of West Virginia.

On this vote:

Mr. YOUNG of North Dakota (for) with Mr. GUDGER (against).

Mr. BORLAND (for) with Mr. FERRIS (against).

Mr. COADY (for) with Mr. DAVENPORT (against).

Mr. KINKEAD of New Jersey (for) with Mr. HARRISON (against).

Mr. WHITACRE (for) with Mr. RUSSELL (against).

Mr. BUTLER (for) with Mr. WATKINS (against).

Mr. RUCKER (for) with Mr. ESTOPINAL (against).

Mr. FAISON (against) with Mr. HENSLEY (for).

Mr. MANN. Mr. Speaker, I am paired with the gentleman from Alabama, Mr. UNDERWOOD, who is in conference on the war-tax bill, and who I presume has not voted. I desire to withdraw my vote of "yea" and answer "present."

The SPEAKER. The Clerk will call the name of the gentleman from Illinois.

The Clerk called the name of Mr. MANN, and he answered "Present."

The result of the vote was announced as above recorded.

Mr. BULKLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BULKLEY. Mr. Speaker, is the motion of the gentleman from Georgia to reconsider the vote by which the so-called Smith amendment was rejected still pending?

Mr. CRISP. If not, I will enter the motion now.

Mr. BULKLEY. I desire to move to lay that motion on the table.

Mr. MANN. Let the gentleman make his motion now.

Mr. CRISP. Mr. Speaker, I move to reconsider the vote by which the House agreed to the amendment of the Committee on Banking and Currency striking from the Senate bill section 2 as it passed the Senate, which authorized State banks to participate under the Aldrich Act.

Mr. BULKLEY. Mr. Speaker, I move to lay that motion on the table.

Mr. BARTLETT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BARTLETT. That motion is not debatable.

The SPEAKER. It is not debatable. The question is on tabling the motion to reconsider the vote by which the committee amendment striking out section 2 was agreed to.

The question was taken; and on a division (demanded by Mr. BULKLEY) there were—ayes 77, noes 48.

Mr. THOMPSON of Oklahoma. Mr. Speaker, I make the point of order that there is no quorum present.

Mr. MANN. Mr. Speaker, will the gentleman withhold that point for a moment until I submit a request for unanimous consent?

Mr. THOMPSON of Oklahoma. Yes.

Mr. MANN. Mr. Speaker, under the circumstances, in the absence of the gentleman from Alabama [Mr. UNDERWOOD], I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 10 o'clock to-morrow morning——

Mr. RAGSDALE. Mr. Speaker, I object.

Mr. MANN. And that when the House meets to-morrow morning it shall be in order to consider the conference report on the war-tax bill, if it has not theretofore been disposed of. I see the gentleman from Illinois [Mr. RAINEY] has just come into the Chamber, and he can perhaps give us some information respecting it.

Mr. RAINEY. Mr. Speaker, I have just come from the conference. An agreement will be reached probably not in time to print it in the RECORD to-night under the rules. Therefore, I hope the request of the gentleman from Illinois will be granted.

Mr. MANN. Mr. Speaker, I will ask the gentleman to make the request himself, instead of my making it.

Mr. RAINEY. Mr. Speaker, I ask unanimous consent that the conference report be considered at 10 o'clock to-morrow morning——

Mr. RAGSDALE. Mr. Speaker, I object.

Mr. MANN. Mr. Speaker, will not the gentleman from South Carolina reserve his objection for a moment?

Mr. RAGSDALE. Certainly.

Mr. MANN. Mr. Speaker, I did everything within my power to give the cotton people a chance for a vote upon the amendment that was presented, and it was stated, not by everybody, of course, that if a vote could be had upon the cotton amendment, gentlemen would not seek to further delay action on the war-tax bill. I think, in good faith to the House, although the gentleman himself was not consulted, that he ought to be willing to let the House act upon the bill. I will say frankly that the Republican side of the House probably will not be represented here after to-morrow night to any very great extent. I think that no one Member of the House ought to stand in the way of the convenience of the great mass of membership of the House, and although I am very frequently tempted to do so, yet I do not yield to that temptation.

Mr. RAINEY. Mr. Speaker, I hope the gentleman will not insist upon his objection. On both sides of the House, from all over the North, we are holding men here who are anxious to get back in order that they may have a week's work in their campaigns for election.

Of course, all over the South it is not as important, because the contests of the southern Members are over; but we have given to the Members of this House from the South an opportunity to make their record on the cotton question and we have held a quorum here this long for that purpose, and the gentleman is doing a great injustice, a great unkindness, to all the Members in the North on either side, and will not advance his cause in the least, I do not think.

Mr. RAGSDALE. Mr. Speaker, not as a matter of justice, but as a matter of generosity, I am perfectly willing to withdraw the objection. Although at this time the gentleman from Illinois is asking that northern Members be allowed to go home to take part in the election, during the few days when gentlemen from South Carolina were called to their homes to the primary it was put in the press of this country and advertised on the floor of this House that not one of us was present on the floor of this House to vote. It is a well-known fact we have no opposition in South Carolina in November. It is a well-known fact that our primaries are equivalent to election there, and yet practically the only time I have been away from this House was on account of sickness. I have been here trying to keep a quorum, and yet it has been advertised on the floor of this House and through this Union that the Representatives from South Carolina were away from here during that primary. Now, Mr. Speaker, since the gentlemen have asked us to extend them this courtesy, I will for the present withdraw the objection. [Applause.]

The SPEAKER. The gentleman from Illinois [Mr. RAINEY] asks unanimous consent that when the House adjourns to-day it adjourn to meet at 10 o'clock to-morrow, and that the conference report on the war-tax bill shall be considered at that time, the rule about printing the report in the RECORD and its going over one day to the contrary notwithstanding. Is there objection?

Mr. MANN. Mr. Speaker, I suggest to my colleague to ask unanimous consent that if the conferees have the conference report ready in time that it may be inserted in the RECORD of to-day's proceedings.

Mr. RAINEY. Mr. Speaker, I will include that, although I did not presume it would be necessary.

The SPEAKER. The gentleman further asks if the conferees should get their report ready in time to-night that it shall be printed in the RECORD without being brought back to the House. Is there objection? [After a pause.] The Chair hears none. [Applause.]

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed without amendment bills of the following titles:

H. R. 888. An act for the relief of H. C. Hodges, H. A. Powell, John Smith, and Joseph Ridley;

H. R. 1781. An act providing for the refund of certain duties incorrectly collected on wild celery seed;

H. R. 4318. An act to authorize the Secretary of the Interior to cause patent to issue to Erik J. Aanrud upon his homestead entry for the southeast quarter of the northeast quarter of section 15, township 159 north, range 73 west, in the Devils Lake land district, North Dakota;

H. R. 4651. An act to authorize the Secretary of the Treasury to sell certain land to the trustees of the charity fund of Star in the East Lodge, of Old Town, Me.;

H. R. 5474. An act for the relief of Patrick McGee, alias Patrick Gallagher;

H. R. 7078. An act for the relief of Mary Macon Howard;

H. R. 8562. An act for the relief of Kinder & Nicol;

H. R. 10763. An act for the relief of Dr. L. W. Culbreath;

H. R. 11840. An act for the relief of R. G. Arrington;

H. R. 14377. An act to amend section 4472 of the Revised Statutes.

H. R. 16296. An act to provide for issuing of patents for public lands claimed under the homestead laws by deserted wives;

H. R. 16346. An act to amend section 4131 of the Revised Statutes of the United States of America as amended by the act of Congress approved May 28, 1896, relating to the renewal of licenses;

H R. 17267. An act to authorize Frank H. Gardiner to construct a bridge across the waters of Pistakee Lake and Nippersink Lake at or near their point of intersection;

H. R. 17825. An act to authorize the construction, maintenance, and operation of a bridge across the St. Francis River at or near St. Francis, Ark.;

H. J. Res. 271. Joint resolution authorizing the President to appoint delegates to attend the Ninth International Congress of the World's Purity Federation, to be held in the city of San Francisco, State of California, July 18 to 24, 1915;

H. J. Res. 331. Joint resolution relating to the awards and payments thereon in what are commonly known as the Plaza cases; and

H. J. Res. 375. Joint resolution correcting an error in H. R. 15692, approved July 21, 1914 (Private, No. 95).

The message also announced that the Senate had receded from its amendment to the bill (H. R. 10168) for the relief of Leon Greenbaum.

COTTON AND TOBACCO.

Mr. HARDWICK. Mr. Speaker——

Mr. THOMPSON of Oklahoma. Mr. Speaker, I make the point of order of no quorum present.

Mr. HARDWICK. Mr. Speaker, I desire to ask unanimous consent that all Members of the House may have five calendar days in which to print remarks on the cotton question.

Mr. THOMPSON of Oklahoma. Mr. Speaker, I renew my point of order.

Mr. HARDWICK. Will the gentleman withhold it until I can put this request?

Mr. THOMPSON of Oklahoma. I have no objection.

The SPEAKER. The gentleman from Georgia asks unanimous consent that all gentlemen who speak on the cotton question——

Mr. HARDWICK. All Members of the House.

The SPEAKER. That all Members of the House shall have five legislative days in which to extend their remarks on the cotton question.

Mr. MANN. Mr. Speaker, reserving the right to object, I wish to amend that by asking that all Members of the House have leave to print for five calendar days.

Mr. FITZGERALD. On what?

Mr. MANN. On the gentleman from New York, if they desire to do so.

Mr. KEATING. Mr. Speaker, I object.

Mr. MANN. I will be more generous and fairer than——

Mr. KEATING. Mr. Speaker, when I want lessons in generosity and fairness I will not appeal to the gentleman from Illinois.

Mr. MANN. Because the gentleman would not take them.

The SPEAKER. The gentleman from Georgia [Mr. HARDWICK] asks unanimous consent that all gentlemen have five legislative days in which to print remarks in reference to cotton.

Mr. HARDWICK. Calendar days.

The SPEAKER. Calendar days. Is there objection? [After a pause.] The Chair hears none.

Mr. HUMPHREYS of Mississippi. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing two articles from the Waterways Journal.

The SPEAKER. The gentleman from Mississippi [Mr. HUMPHREYS] asks unanimous consent to extend his remarks in the RECORD by printing two articles from the Waterways Journal. Is there objection? [After a pause.] The Chair hears none.

Mr. GOULDEN. Mr. Speaker——

Mr. GLASS. Mr. Speaker——

The SPEAKER. The gentleman from Virginia [Mr. GLASS] is recognized.

Mr. GLASS. A parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GLASS. I want to know what has become of the legislation of the House?

The SPEAKER. It is suspended temporarily. The gentleman from Oklahoma [Mr. THOMPSON]——

Mr. THOMPSON of Oklahoma. I make the point of no quorum.

The SPEAKER. The Chair will count.

Mr. WINGO. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. WINGO. The point of no quorum was made before the result was announced on the motion to reconsider. On that vote it was disclosed there was not a quorum present.

The SPEAKER. That does not settle anything. It was not a roll call. The Chair will count to see if there is a quorum present. [After counting.] One hundred and fifty gentlemen are present—not a quorum.

Mr. WINGO. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. WINGO. I possibly did not state my inquiry correctly a while ago. Is not the situation this, that the Chair had announced that the ayes were 77 and the noes 48 on the motion of the gentleman from Ohio to table the motion of the gentleman from Georgia [Mr. CRISP], and at that moment the gentleman from Oklahoma [Mr. THOMPSON] made the point of no quorum for the purpose of getting a record vote on that motion? At that time he agreed to temporarily withhold it for these unanimous-consent requests.

Mr. MANN. I think that is correct.

Mr. WINGO. Does not the vote now occur not simply as a "present" vote, but upon the motion of the gentleman from Ohio [Mr. BULKLEY] to table the motion of the gentleman from Georgia [Mr. CRISP]?

The SPEAKER. That is true; but it turned out there was not a quorum here.

Mr. WINGO. The question I am asking now is, inasmuch as no quorum was disclosed on that division, does not a call of the House follow automatically?

The SPEAKER. I know; but the gentleman from Oklahoma [Mr. THOMPSON] made the point of no quorum, and the Chair counted and found 157 Members present.

Mr. CRISP. Mr. Speaker, then the call of the House orders the yeas and nays on this question, and the doors have to be closed, and the vote is taken on the question of laying on the table the motion to reconsider made by myself.

Mr. WINGO. That was the inquiry, Mr. Speaker, that I desired to make.

Mr. MANN. Mr. Speaker, the vote comes on the question to table.

Mr. SAUNDERS. Mr. Speaker, I was going to say that the count of the Chair in that respect was superfluous, because a vote of the House had already indicated there was not a quorum present on the division.

Mr. MANN. That does not make any difference.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll on the motion of the gentleman from Ohio [Mr. BULKLEY] to table the motion of the gentleman from Georgia [Mr. CRISP] to reconsider the committee amendment to which he referred and relating to the cutting out of State banks. Those in favor of tabling the motion will vote "yea" and those opposed will vote "nay," and the Clerk will call the roll.

The question was taken; and there were—yeas 121, nays 87, answered "present" 7, not voting 214, as follows:

YEAS—121.

Alexander	Drukker	Kennedy, Iowa	Rainey
Ashbrook	Dunn	Kindel	Raker
Bailey	Eagan	Kinkaid, Nebr.	Ranch
Barchfeld	Edmonds	Kinkead, N. J.	Reilly, Conn.
Barnhart	Esch	Korbly	Riordan
Barton	Fairchild	La Follette	Rubey
Beakes	Farr	Lesher	Rucker
Borchers	Fitzgerald	Levy	Rupley
Brodbeck	Gardner	Lieb	Scott
Brown, W. Va.	Gilmore	Lloyd	Sherley
Bruckner	Glass	Lobeck	Sherwood
Brumbaugh	Goulden	McGillicuddy	Sinnott
Bulkley	Graham, Pa.	Maguire, Nebr.	Smith, Saml. W.
Burgess	Gray	Mahan	Stafford
Carew	Greene, Mass.	Mann	Stanley
Cline	Greene, Vt.	Mapes	Steenerson
Coady	Griest	Moore	Stone
Cooper	Griffin	Morin	Tavenner
Cox	Hamilton, N. Y.	Morrison	Taylor, Colo.
Cullop	Hamlin	Mott	Taylor, N. Y.
Curry	Haugen	O'Brien	Thomson, Ill.
Dale	Hawley	Padgett	Underhill
Danforth	Hay	Parker	Wallin
Davis	Helm	Patten, N. Y.	Walsh
Dershem	Hensley	Patton, Pa.	Whitacre
Dickinson	Hinds	Payne	White
Difenderfer	Holland	Phelan	Winslow
Dillon	Humphrey, Wash.	Platt	Woods
Dixon	Humphreys, Miss.	Plumley	
Donovan	Johnson, Utah	Porter	
Dooling	Kennedy, Conn.	Post	

NAYS—87.

Abercrombie	Cantrill	Goodwin, Ark.	Lever
Adamson	Caraway	Hardwick	McKellar
Aiken	Collier	Hardy	Moon
Aswell	Crisp	Heflin	Morgan, La.
Austin	Dent	Henry	Morgan, Okla.
Barkley	Dupré	Houston	Murray
Bartlett	Eagle	Howard	Page, N. C.
Bell, Ga.	Edwards	Hughes, Ga.	Park
Blackmon	Evans	Hull	Pou
Booher	Falconer	Jacoway	Quin
Brockson	Finley	Johnson, Ky.	Ragsdale
Broussard	Flood, Va.	Johnson, S. C.	Rayburn
Buchanan, Tex.	Floyd, Ark.	Keating	Rouse
Burnett	Garrett, Tenn.	Kirkpatrick	Saunders
Byrnes, S. C.	Garrett, Tex.	Kitchin	Sims
Byrns, Tenn.	Godwin, N. C.	Lazaro	Sisson
Candler, Miss.	Goeke	Lee, Ga.	Small
Smith, Tex.	Stout	Vaughan	Wingo
Sparkman	Taylor, Ark.	Walker	Witherspoon
Stedman	Thompson, Okla.	Webb	Young, Tex.
Stephens, Miss.	Tribble	Whaley	The Speaker
Stephens, Tex.	Underwood	Wilson, Fla.	

ANSWERED "PRESENT"—7.

Ainey	Fergusson	Gill	Taylor, Ala.
Carter	Foster	Key, Ohio	

NOT VOTING—214.

Adair	Faison	Kiess, Pa.	Reed
Allen	Ferris	Knowland, J. R.	Reilly, Wis.
Anderson	Fess	Konop	Roberts, Mass.
Ansberry	Fields	Kreider	Roberts, Nev.
Anthony	FitzHenry	Lafferty	Rogers
Avis	Fordney	Langham	Rothermel
Baker	Fowler	Langley	Russell
Baltz	Francis	Lee, Pa.	Sabath
Bartholdt	Frear	L'Engle	Scully
Bathrick	French	Lenroot	Seldomridge
Beall, Tex.	Gallagher	Lewis, Md.	Sells
Bell, Cal.	Gallivan	Lewis, Pa.	Shackleford
Borland	Gard	Lindbergh	Shreve
Bowdle	Garner	Lindquist	Slayden
Britten	George	Linthicum	Slemp
Brown, N. Y.	Gerry	Loft	Sloan
Browne, Wis.	Gillett	Logue	Smith, Idaho
Browning	Gittins	Lonergan	Smith, J. M. C.
Bryan	Goldfogle	McAndrews	Smith, Md.
Buchanan, Ill.	Good	McClellan	Smith, Minn.
Burke, Pa.	Gordon	McGuire, Okla.	Smith, N. Y.
Burke, S. Dak.	Gorman	McKenzie	Stephens, Cal.
Burke, Wis.	Graham, Ill.	McLaughlin	Stephens, Nebr.
Butler	Green, Iowa	MacDonald	Stevens, Minn.
Calder	Gregg	Madden	Stevens, N. H.
Callaway	Gudger	Maher	Stringer
Campbell	Guernsey	Manahan	Sumners
Cantor	Hamill	Martin	Sutherland
Carlin	Hamilton, Mich.	Merritt	Switzer
Carr	Hammond	Metz	Taggart
Cary	Harris	Miller	Talbott, Md.
Casey	Harrison	Mitchell	Talcott, N. Y.
Chandler, N. Y.	Hart	Mondell	Temple
Church	Hayden	Montague	Ten Eyck
Clancy	Hayes	Moss, Ind.	Thacher
Clark, Fla.	Helgesen	Moss, W. Va.	Thomas
Claypool	Helvering	Mulkey	Towner
Connelly, Kans.	Hill	Murdock	Townsend
Connolly, Iowa	Hinebaugh	Neeley, Kans.	Treadway
Conry	Hobson	Neely, W. Va.	Tuttle
Copley	Howell	Nelson	Vare
Cramton	Hoxworth	Nolan, J. I.	Vollmer
Crosser	Hughes, W. Va.	Norton	Volstead
Davenport	Hulings	Oglesby	Walters
Decker	Igoe	O'Hair	Watkins
Deitrick	Johnson, Wash.	Oldfield	Watson
Dies	Jones	O'Leary	Weaver
Donohoe	Kahn	O'Shaunessy	Williams
Doolittle	Kelster	Paige, Mass.	Willis
Doremus	Kelley, Mich.	Palmer	Wilson, N. Y.
Doughton	Kelly, Pa.	Peters	Woodruff
Driscoll	Kennedy, R. I.	Peterson	Young, N. Dak.
Elder	Kent	Powers	
Estopinal	Kettner	Prouty	

So the motion of Mr. BULKLEY was agreed to.

The Clerk announced the following additional pairs:

On the vote:

Mr. KINKEAD of New Jersey (for) with Mr. HARRISON (against).

Mr. WHITACRE (for) with Mr. RUSSELL (against).

Mr. BUTLER (for) with Mr. WATKINS (against).

Mr. RUCKER (for) with Mr. ESTOPINAL (against).

Mr. HENSLEY (for) with Mr. FAISON (against).

Mr. YOUNG of North Dakota (for) with Mr. GUDGER (against).

Mr. BORLAND (for) with Mr. FERRIS (against).

Mr. COADY (for) with Mr. DAVENPORT (against).

The SPEAKER. The Clerk will call my name.

The Clerk called the name of Mr. CLARK of Missouri, and he answered "Nay."

Before the announcement of the vote,

Mr. DENT. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. The gentleman from Alabama [Mr. DENT] moves that the House do now adjourn. The question is on agreeing to that motion.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. BULKLEY. A division, Mr. Speaker.

The SPEAKER. A division is demanded. Those in favor of adjourning will rise and stand until they are counted. [After counting.] Fifty-eight gentlemen have arisen in the affirmative. Those opposed will rise and stand until they are counted. [After counting.] Fifty-three gentlemen have arisen in the negative. On this vote the ayes are 58 and the noes are 53.

Mr. LEVY. The yeas and nays, Mr. Speaker.

Mr. BULKLEY. Mr. Speaker, I demand the yeas and nays.

The SPEAKER. The gentleman from Ohio [Mr. BULKLEY] demands the yeas and nays.

Mr. BULKLEY. Mr. Speaker, I ask for tellers.

The SPEAKER. The gentleman from Ohio asks for tellers. Those in favor of ordering tellers will rise and stand until they are counted. [After counting.] Thirty-five gentlemen have risen in the affirmative—not a sufficient number.

Mr. BULKLEY. I demand the yeas and nays, Mr. Speaker.

The SPEAKER. The gentleman from Ohio demands the yeas and nays. Those in favor of ordering the yeas and nays will rise and stand until they are counted. [After counting.] Twenty-five gentlemen have risen in the affirmative. Those opposed to taking the vote by yeas and nays will rise and stand until they are counted. [After counting.] Ninety-one gentlemen have risen in the negative. Twenty-five is a sufficient number, and the yeas and nays are ordered. Those in favor of adjourning will, when their names are called, answer "yea," those opposed will answer "nay."

The question was taken; and there were—yeas 77, nays 108, answered "present" 4, not voting 239, as follows:

YEAS—77.

Adamson	Fairchild	Johnson, Utah	Rayburn
Ashbrook	Fergusson	Kennedy, Iowa	Scott
Barchfeld	Flood, Va.	Kinkaid, Nebr.	Sherwood
Bartlett	Garrett, Tenn.	Kirkpatrick	Sinnott
Barton	Godwin, N. C.	La Follette	Sisson
Blackmon	Goeke	Lobeck	Smith, Saml. W.
Borchers	Graham, Pa.	McKellar	Stafford
Brown, W. Va.	Greene, Mass.	Mapes	Steenerson
Brumbaugh	Greene, Vt.	Miller	Thompson, Okla.
Caraway	Griest	Montague	Thomson, Ill.
Cooper	Hamilton, N. Y.	Moore	Tuttle
Curry	Hardwick	Morin	Vaughan
Davis	Haugen	Mott	Wallin
Dent	Hawley	Page, N. C.	White
Dillon	Henry	Parker	Winslow
Drukker	Hensley	Payne	Woods
Dunn	Hinds	Plumley	Young, Tex.
Eagle	Hughes, Ga.	Prouty	
Edmonds	Hull	Quin	
Esch	Humphrey, Wash.	Ragsdale	

NAYS—108.

Abercrombie	Cullop	Keating	Rauch
Aiken	Dale	Kennedy, Conn.	Reilly, Conn.
Alexander	Difenderfer	Key, Ohio	Riordan
Aswell	Dixon	Kinkead, N. J.	Rouse
Bailey	Donovan	Korbly	Rubey
Barkley	Dooling	Lazaro	Rupley
Barnhart	Doremus	Lee, Ga.	Saunders
Beakes	Dupré	Lesher	Sherley
Bell, Ga.	Eagan	Lever	Small
Brockson	Edwards	Levy	Smith, Tex.
Brodbeck	Farr	Lieb	Sparkman
Broussard	Fitzgerald	Lloyd	Stanley
Bruckner	Floyd, Ark.	McGillicuddy	Stephens, Miss.
Buchanan, Tex.	Garrett, Tex.	Maguire, Nebr.	Stephens, Tex.
Bulkley	Gilmore	Moon	Stone
Burgess	Glass	Morgan, La.	Tavenner
Burnett	Goodwin, Ark.	Morgan, Okla.	Taylor, Ark.
Byrnes, S. C.	Goulden	Morrison	Taylor, N. Y.
Byrns, Tenn.	Gray	Murray	Townsend
Candler, Miss.	Griffin	O'Brien	Tribble
Cantrill	Hardy	Park	Underhill
Carew	Hayden	Patten, N. Y.	Walker
Carlin	Heflin	Phelan	Walsh
Coady	Holland	Platt	Whaley
Collier	Houston	Post	Whitacre
Cox	Jacoway	Rainey	Wilson, Fla.
Crisp	Johnson, Ky.	Raker	Wingo

ANSWERED "PRESENT"—4.

Ainey	Foster	Mann	Pou

NOT VOTING—239.

Adair	Clark, Fla.	Gard	Humphreys, Miss.
Allen	Claypool	Gardner	Igoe
Anderson	Cline	Garner	Johnson, S. C.
Ansberry	Connelly, Kans.	George	Johnson, Wash.
Anthony	Connolly, Iowa	Gerry	Jones
Austin	Conry	Gill	Kahn
Avis	Copley	Gillett	Keister
Baker	Cramton	Gittins	Kelley, Mich.
Baltz	Crosser	Goldfogle	Kelly, Pa.
Bartholdt	Danforth	Good	Kennedy, R. I.
Bathrick	Davenport	Gordon	Kent
Beall, Tex.	Decker	Gorman	Kettner
Bell, Cal.	Deitrick	Graham, Ill.	Kiess, Pa.
Booher	Dershem	Green, Iowa	Kindel
Borland	Dickinson	Gregg	Kitchin
Bowdle	Dies	Gudger	Knowland, J. R.
Britten	Donohoe	Guernsey	Konop
Brown, N. Y.	Doolittle	Hamill	Kreider
Browne, Wis.	Doughton	Hamilton, Mich.	Lafferty
Browning	Driscoll	Hamlin	Langham
Bryan	Elder	Hammond	Langley
Buchanan, Ill.	Estopinal	Harris	Lee, Pa.
Burke, Pa.	Evans	Harrison	L'Engle
Burke, S. Dak.	Faison	Hart	Lenroot
Burke, Wis.	Falconer	Hay	Lewis, Md.
Butler	Ferris	Hayes	Lewis, Pa.
Calder	Fess	Helgesen	Lindbergh
Callaway	Fields	Helm	Lindquist
Campbell	Finley	Helvering	Linthicum
Cantor	FitzHenry	Hill	Loft
Carr	Fordney	Hinebaugh	Logue
Carter	Fowler	Hobson	Lonergan
Cary	Francis	Howard	McAndrews
Casey	Frear	Howell	McClellan
Chandler, N. Y.	French	Hoxworth	McGuire, Okla.
Church	Gallagher	Hughes, W. Va.	McKenzie
Clancy	Gallivan	Hulings	McLaughlin
MacDonald	O'Shaunessy	Sims	Taylor, Colo.
Madden	Padgett	Slayden	Temple
Mahan	Paige, Mass.	Slemp	Ten Eyck
Maher	Palmer	Sloan	Thacher
Manahan	Patton, Pa.	Smith, Idaho	Thomas
Martin	Peters	Smith, J. M. C.	Towner
Merritt	Peterson	Smith, Md.	Treadway
Metz	Porter	Smith, Minn.	Underwood
Mitchell	Powers	Smith, N. Y.	Vare
Mondell	Reed	Stedman	Vollmer
Moss, Ind.	Reilly, Wis.	Stephens, Cal.	Volstead
Moss, W. Va.	Roberts, Mass.	Stephens, Nebr.	Walters
Mulkey	Roberts, Nev.	Stevens, Minn.	Watkins
Murdock	Rogers	Stevens, N. H.	Watson
Neeley, Kans.	Rothermel	Stout	Weaver
Neely, W. Va.	Rucker	Stringer	Webb
Nelson	Russell	Sumners	Williams
Nolan, J. I.	Sabath	Sutherland	Willis
Norton	Scully	Switzer	Wilson, N. Y.
Oglesby	Seldomridge	Taggart	Witherspoon
O'Hair	Sells	Talbott, Md.	Woodruff
Oldfield	Shackleford	Talcott, N. Y.	Young, N. Dak.
O'Leary	Shreve	Taylor, Ala.	

So the motion to adjourn was rejected.

Before the result of the motion to adjourn was announced, several Members requested that they be allowed to vote.

Mr. MANN. Are these gentlemen entitled to vote? They have not qualified yet.

The SPEAKER. We are operating under a call of the House.

Mr. MANN. But this is on the motion to adjourn.

The SPEAKER. The Chair understands, but we have not finished with the other call. The Chair thinks they are competent to vote, since we are under that call.

The result of the vote on the motion to adjourn was announced as above recorded.

Mr. MANN. Mr. Speaker, I suggest, possibly out of order, that several gentlemen have come in since the roll was called on the motion to lay on the table, and they are eligible to vote on that.

The SPEAKER. That is true, and if the Chair can find out who they are he will count them.

Several Members appeared and voted.

Mr. DONOVAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. DONOVAN. Is it in order at this time to make a motion to adjourn?

Mr. BULKLEY. I hope the gentleman will withhold that. There will not be much opposition to the passage of the bill.

Mr. DONOVAN. We can not get a quorum.

Mr. BULKLEY. We do not need to, unless a roll call is demanded.

Mr. THOMPSON of Oklahoma. I desire to announce to the gentleman that we will need a quorum to pass this bill.

The SPEAKER. The Chair will state to the gentleman from Connecticut that there has been no business transacted since the roll was called, and we can not adjourn unless the motion is seconded by a majority of those present. The truth is that the roll call ought not to have been taken on that other motion to adjourn. The motion should have been seconded before the Chair entertained it.

Mr. DONOVAN. Would a motion be in order to reconsider the vote just taken on adjournment?

The SPEAKER. No.

Mr. DONOVAN. Does the Speaker decide that the motion to adjourn is in order if it is seconded by a majority of those present?

The SPEAKER. The Chair will read the rule. This is the new rule about calls of the House:

If those voting on the question and those who are present and decline to vote shall together make a majority of the House, the Speaker shall declare that a quorum is constituted, and the pending question shall be decided as the majority of those voting shall appear. And thereupon further proceedings under the call shall be considered as dispensed with. At any time after the roll call has been completed, the Speaker may entertain a motion to adjourn, if seconded by a majority of those present, to be ascertained by actual count by the Speaker; and if the House adjourns, all proceedings under this section shall be vacated.

Now, while the vote on the motion to adjourn was not conducted according to that rule, it did happen.

Mr. KINKEAD of New Jersey. Mr. Speaker, it is evident that it will be impossible to maintain a quorum here to-night, and therefore I ask unanimous consent that the House do now adjourn.

Mr. WINGO. I object, Mr. Speaker.

Mr. RAGSDALE. Mr. Speaker, I ask unanimous consent to take a recess until to-morrow morning at 9 o'clock.

Mr. WINGO. Mr. Speaker, I object.

Mr. THOMSON of Illinois. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. That motion will have to be seconded by a majority of those present. All gentlemen will please take their

seats. Those who desire to second this motion to adjourn will rise and stand until they can be counted. [After counting.] Forty-nine Members have voted to second the motion to adjourn. The Chair will count to ascertain the number of Members present. [After counting.] There are 107 Members present. Less than a majority having voted to second the motion, the Chair does not put it.

Mr. MANN. Mr. Speaker, I voted "present," but as the gentleman from Alabama [Mr. UNDERWOOD], with whom I was paired, has voted, I desire to vote "aye" on the motion to table the motion to reconsider.

Mr. RAGSDALE. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. The Chair just counted 49 Members seconding the motion and 107 Members present, not a sufficient number.

The result of the vote on the motion of Mr. BULKLEY to table the motion of Mr. CRISP was announced as above recorded.

A quorum being present, the doors were opened.

ENROLLED BILLS SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill and joint resolutions of the following titles, when the Speaker signed the same:

H. R. 5474. An act for the relief of Patrick McGee, alias Patrick Gallagher;

H. J. Res. 271. Joint resolution authorizing the President to appoint delegates to attend the Ninth International Congress of the World's Purity Federation, to be held in the city of San Francisco, State of California, July 18 to 24, 1915; and

H. J. Res. 331. Joint resolution relating to the awards and payments thereon in what are commonly known as the Plaza cases.

ADJOURNMENT.

Mr. FITZGERALD. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the desk.

Mr. THOMPSON of Oklahoma. Mr. Speaker, I make the point of order that there is no quorum present.

Mr. FITZGERALD. I will ask the gentleman to withhold that for a moment.

Mr. THOMPSON of Oklahoma. I will not withhold anything at all.

Mr. FITZGERALD. I make the point of order that the Speaker has just announced that a quorum was present.

Mr. THOMPSON of Oklahoma. Mr. Speaker, I demand a count.

Mr. BULKLEY. I make the point of order that the point of order of the gentleman from Oklahoma is dilatory. The Chair has just announced that a quorum is present.

The SPEAKER. That is true; but it is not dilatory. The Chair will never rule that a point of order of no quorum is dilatory, because it is a constitutional right. The gentleman makes the point, and the Chair will count. [After counting.] One hundred and twenty-one Members present.

Mr. GLASS. Mr. Speaker, I am not disposed to punish Members of the House by requiring their presence here upon bills of relief. If these gentlemen do not want the perfectly feasible relief that these bills afford, I do not care to give it to them. Therefore I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 6 o'clock and 46 minutes p. m.), in accordance with the order heretofore made, the House adjourned until to-morrow, Thursday, October 22, 1914, at 10 o'clock a. m.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. COLLIER: A bill (H. R. 19375) authorizing and directing the Secretary of War to make certain provisions for the care of the participants in the celebration of the semicentennial of the close of the War between the States and the centennial of the close of the last war between Great Britain and the United States, to be held at Vicksburg, Miss., on the 13th, 14th, 15th, and 16th days of October, 1915, and making an appropriation of a sum sufficient to carry out the provisions of this act; to the Committee on Appropriations.

By Mr. LA FOLLETTE: A bill (H. R. 19376) confirming patents heretofore issued to certain Indians in the State of Washington; to the Committee on Indian Affairs.

By Mr. LONERGAN: A bill (H. R. 19393) providing for the erection of a suitable memorial to John Fitch; to the Committee on the Library.

By Mr. WITHERSPOON: Resolution (H. Res. 657) for the consideration of certains bills; to the Committee on Rules.

By Mr. FLOOD of Virginia: Resolution (H. Res. 658) providing for the consideration of S. 5614 and S. J. Res. 191; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANTHONY: A bill (H. R. 19377) granting an increase of pension to William J. Ford; to the Committee on Invalid Pensions.

By Mr. BOOHER: A bill (H. R. 19378) granting a pension to John Goodwin, alias Andrew Goodwin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19379) granting an increase of pension to Martha E. Williams; to the Committee on Invalid Pensions.

By Mr. COLLIER: A bill (H. R. 19380) for the relief of Thomas H. Jett; to the Committee on War Claims.

Also, a bill (H. R. 19381) for the relief of the heirs of Hariet B. Selma, deceased; to the Committee on War Claims.

Also, a bill (H. R. 19382) for the relief of the heirs of Isaac Whitaker, deceased; to the Committee on War Claims.

By Mr. COX: A bill (H. R. 19383) granting an increase of pension to Edward T. Keithley; to the Committee on Invalid Pensions.

By Mr. DONOVAN: A bill (H. R. 19384) granting an increase of pension to Mary E. Clark; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19385) granting an increase of pension to Mary E. Root; to the Committee on Invalid Pensions.

By Mr. HELVERING: A bill (H. R. 19386) granting an increase of pension to Miles H. Alderson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19387) granting an increase of pension to Harriet Kimbrough; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19388) granting an increase of pension to Louisa C. Raridon; to the Committee on Invalid Pensions.

By Mr. KREIDER: A bill (H. R. 19389) granting an increase of pension to William Reigle; to the Committee on Invalid Pensions.

By Mr. STEPHENS of Nebraska: A bill (H. R. 19390) granting a pension to Mariah Williams Funkhouser; to the Committee on Invalid Pensions.

By Mr. BYRNS of Tennessee: A bill (H. R. 19391) granting an increase of pension to William J. Mester; to the Committee on Pensions.

By Mr. LIEB: A bill (H. R. 19392) removing the charge of desertion against John Hall; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ASHBROOK: Petition of the Newark (Ohio) Barbers' Union, favoring passage of House bill 7880; to the Committee on the District of Columbia.

By Mr. BAILEY: Petition of Hinchman & Hahn, of Johnstown, Pa., against legislation forbidding sale by the Government of envelopes with return address stamped thereon; to the Committee on the Post Office and Post Roads.

Also, petition of J. H. Connell, of Cresson, Pa., protesting against tax on automobiles; to the Committee on Ways and Means.

By Mr. BORCHER: Petition of the First Baptist Church of Champaign, Ill., favoring national prohibition; to the Committee on Rules.

By Mr. BRUCKNER: Petition of the National Association of Life Underwriters, favoring creation of a department of health; to the Committee on the Judiciary.

By Mr. BYRNS of Tennessee: Papers to accompany bill to increase pension of William J. Mester; to the Committee on Pensions.

By Mr. COLLIER: Papers to accompany a bill for relief of heirs of Isaac Whitaker; to the Committee on War Claims.

By Mr. FESS: Petition of the Women's Home Missionary Society of the Methodist Episcopal Church of Springfield, Ohio, protesting against passage of House bill 18900; to the Committee on the District of Columbia.

By Mr. GRIEST: Petition of the Lancaster (Pa.) Leaf Tobacco Board of Trade Inspection Co., protesting against any further increase of tax on the cigar and tobacco industry; to the Committee on Ways and Means.

By Mr. HAWLEY: Memorial of the Maple Lane Local of the Farmers' Society of Equity, relative to placing an embargo upon all agricultural products against all nations now at war in Europe; to the Committee on Ways and Means.

Also, memorial of the Maple Lane Local of the Farmers' Society of Equity, relative to handling agricultural products through parcel post; to the Committee on the Post Office and Post Roads.

By Mr. McCLELLAN: Petition of 500 people of Woodstock, N. Y., favoring national prohibition; to the Committee on Ways and Means.

By Mr. MAGUIRE of Nebraska: Petitions of various business men of the first congressional district of Nebraska, favoring passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. O'SHAUNESSY: Petition of the Woonsocket (R. I.) Business Men's Association, favoring bill to remove from protection of our patent laws goods not manufactured in the United States; to the Committee on Patents.

Also, petitions of Mrs. H. J. Roworth, C. Patton, Mary Mackie, L. H. Barton, F. A. Bliss, L. N. Lathrop, H. M. C. Kendrick, E. M. Pabodies, M. F. Humphrey, J. M. Wyole, of Rhode Island, favoring national prohibition; to the Committee on Rules.

By Mr. PARK: Petition of the board of directors of the Georgia Experiment Station, favoring legislation for relief of cotton crisis; to the Committee on Banking and Currency.

By Mr. RAKER: Petition of Appomattox Woman's Relief Corps No. 5, of Oakland, Cal., and Alcon Lodge, Order of Sons of St. George, favoring Hamill civil-service retirement bill; to the Committee on Reform in the Civil Service.

Also, petition of the International Alliance of Theatrical Stage Employees, against tax on theaters; to the Committee on Ways and Means.

Also, petition of the Twenty-fifth Annual Convention of the National Association of Life Underwriters, held at Cincinnati, Ohio, favoring establishment of a department of health; to the Committee on the Judiciary.

By Mr. REED: Petition of Hiram E. Wever, of Portsmouth, N. H., protesting against tax on automobiles; to the Committee on Ways and Means.

By Mr. RUCKER: Petition of sundry citizens of Carroll County, Mo., protesting against polygamy; to the Committee on the Judiciary.

SENATE.

THURSDAY, *October 22, 1914.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

O Lord, our God, Thy kingdom is an everlasting kingdom. Thy dominion endureth to all generations. Calamities of life, war, pestilence, famine have come because men have tried to subvert Thy purposes and stay Thine arm. But all peace and all happiness come in conforming our lives to the will of our God. We thank Thee for the assurance that Thy will for us is for our prosperity and happiness. Thou dost love us with an everlasting love. Guide us in the discharge of the duties of this life, that we may be found in conformity to Thy will and receive the blessings that Thou hast for those who love and serve Thee. We ask for Jesus' sake. Amen.

The Journal of yesterday's proceedings was read and approved.

STORAGE OF RAW SUGAR.

Mr. THOMAS. Mr. President, as bearing upon the discussion which took place yesterday morning between the Senator from Michigan and myself, being the outgrowth of a letter which the Senator from Michigan presented and which was read from the desk, I wish to state that since that time I myself have received a letter, or, rather, a copy of a letter containing the substance of a confidential report made by the Great Western Sugar Co. to some of its stockholders and to its brokers showing the character of its business under the existing law. I ask leave to have inserted a part of the same in the RECORD this morning without reading.

The PRESIDENT pro tempore. Unless there is objection, the request of the Senator from Colorado will be granted. The Chair hears none.

The matter referred to is as follows:

The Great Western Sugar Co. statement shows that on March 1, 1914, they had on hand cash totalling $3,001,000. In addition to this they had at that time $7,868,000 worth of sugar. The sugar on hand was invoiced at the cost of production, which cost included every possible item of expense, such as storage, carrying charges, interest on the money, etc. Presuming that the sugar was sold at the price quoted in the public press as coming from the officers of this company, a sum equal to $10,500,000 or more was realized when the sugar was disposed of in the open market. In addition, the Great Western Sugar Co. statement carried an item of nearly $900,000 for pulp and molasses. The pulp being sold to the farmers and also being used for feeding cattle, this statement shows that the cattle owned by the Great Western Sugar Co. are invoiced at $506,000. In addition to all this, the company's statement shows that they have beet seed and other such material on hand to the amount of almost $900,000, and this report still further shows that they had several hundred thousand dollars of collectible bills outstanding. This is only part of their report, and does not include the earnings or cash reserve of the beet-sugar factories located at Billings, Mont., and Scotts Bluff, Nebr., nor does it contain any statement concerning the earnings of the Great Western Railway. We might, if we wished, extend this statement by giving some of the particulars concerning other operations of this company, such as its efforts to create sentiment against the Underwood tariff bill and the reduction of the tariff on sugar. For instance, it has been charged in the Denver newspapers that certain sums had been paid out of the earnings of this company for the employment of lobbyists and others for maintaining headquarters and for the dissemination of literature looking to the manufacture of favorable sentiment. In addition to all this they have always embraced the opportunity to deceive the public as to the earning power of the Great Western Sugar Co. During the past two years they have been repeatedly buying space in various newspapers equaling two whole pages, displaying pictures of the factories that would be closed down when the Underwood tariff went into effect. Up to date no factory belonging to this company has closed its doors. On the contrary, for the sugar campaign beginning about October 1, 1913, and ending with the last of February, 1914, this company made a profit of at least $2,000,000 over and above its dividend requirements.

Taking their own figures, they paid to the farmer $5.50 per ton for his sugar beets, from which they recover about 270 pounds of sugar—about $3.75 per hundred pounds. Multiplying the 270 pounds by $3.75 a hundred, we find they receive $10.32 for the sugar extracted from 1 ton of beets.

In addition they sell back the pulp, which is the residue of the beets after the sugar has been extracted, receiving from the farmer from 50 cents to $1 per ton therefor, or else they feed it to their own stock, which they fatten for the market. The proceeds from the sale of this pulp about pays for all factory operation; therefore the net earnings on each ton of sugar beets is the difference between the $5.50 paid to the farmer and the $10.13 received from the consumer.

In giving the foregoing figures I forgot to mention that the Great Western Sugar Co. statement shows that, in addition to their enormous holdings of cash and other properties, they have between $5,000,000 and $6,000,000 invested in other companies. We could go on elaborating on these various items to a much greater extent, but will conclude by saying the officers of the company tell those on the inside not to urge any increase in dividends nor to ask for any statements until the tariff agitation is over, for by doing so they would destroy any hope for a retention of the tariff, telling them the people of Colorado would not support them if they knew the inside story. * * * It is generally accepted that if the earnings of the subsidiary companies were included in the profits of the parent company there would be somewhere in the neighborhood of $26,000,000 earned during the past 10 years, after the payment of dividends of 7 per cent on about $13,500,000 of preferred stock and 5 per cent on about $10,800,000 of common stock.

Here are two extracts from a letter in my possession. It is to a New York banker from a prominent official of the Great Western Sugar Co. It was given me in strictest confidence, and I am not at liberty to use the names, but you may depend upon it as authentic: "The Great Western Sugar Co. should net, after all expenses and dividends are paid, something like $7,000,000." And this, remember, on an outstanding capitalization of $24,000,000. * * * "The talk from the sugar company officials is not particularly favorable, for the reason that this year they reduced the price to $4.50 per ton, and they are raising a great hue and cry regarding their inability to get seeds from Germany," etc.

Most cordially, yours,

_____.

ARMY VETERINARY SERVICE.

Mr. SMITH of Michigan. I send a telegram to the desk and ask that it be read for the information of the Senate.

The PRESIDENT pro tempore. Without objection, the Secretary will read.

The Secretary read as follows:

LANSING, MICH., *October 21, 1914.*

Hon. WILLIAM ALDEN SMITH,
Senate Chamber, Washington, D. C.

DEAR SENATOR: In behalf of 900 veterinarians in our State I earnestly request you to use every means in your power to get the Army veterinary bill passed before adjournment. This bill has passed the House, and is all ready for final action.

Yours, sincerely,

GEO. W. DUNPHY, *State Veterinarian.*

ADDRESSES BEFORE AMERICAN BAR ASSOCIATION.

Mr. STERLING. Mr. President, two notable addresses were delivered yesterday before the American Bar Association, that by ex-President Taft, the president of the American Bar Association, being the annual address (S. Doc. No. 614), and that of Senator ROOT on the subject of "The layman's criticism of the lawyer" (S. Doc. No. 612). I ask unanimous consent that these two addresses be printed each as a public document.

The PRESIDENT pro tempore. Unless there is objection, the request of the Senator from South Dakota will be granted. The Chair hears none, and it is so ordered.

THE COTTON SITUATION IN THE SOUTH.

Mr. SHEPPARD. I present a resolution passed by the National Farmers' Congress, in session recently at Fort Worth, Tex., and ask that it be read.

The PRESIDENT pro tempore. The Senator from Texas asks that the resolution presented by him may be read. The Chair hears no objection, and the Secretary will read it.

The Secretary read as follows:

Resolved, That the crisis caused by closing European markets for cotton, our greatest export crop, having disturbed national credit, reversed our balance of trade, and deprived a large part of our country of the means with which to meet its obligations to other sections, presents a great national problem.

We therefore urgently call upon Congress to remain in session until it has enacted sound laws for financing surplus cotton and for protecting the producers against ruinous prices for the next crop, due to the present war-created surplus. We believe that adjournment of Congress without this legislation would be culpable neglect of duty.

Mr. SHEPPARD. Mr. President, I call the attention of the Senate to the resolution to show that the farmers of the Nation—not alone the farmers of the South—regard the cotton problem as essentially a national problem, and believe that Congress ought not to adjourn without taking some remedial steps.

Mr. OVERMAN. What is the resolution?

Mr. SHEPPARD. A resolution by the National Farmers' Congress, recently in session at Fort Worth, Tex., a congress representing the farmers of all the Nation, all sections of the Nation—North, East, South, and West.

Mr. NORRIS. Will the Senator from Texas permit me to ask him, as the resolution calls for some action, has the Senator in mind now any action along this line that he is going to ask Congress to take prior to adjournment?

Mr. SHEPPARD. I would have some remedy to present if there appeared to be any chance for its adoption. The representatives of the Southern States interested in the matter have been making every effort within their power to devise another measure since the rejection of the cotton-bond amendment last Saturday, and if we see any prospect for its adoption we will present it.

Mr. NORRIS. Can the Senator give us any information as to how soon they will be ready to present the proposition?

Mr. SHEPPARD. Not at this time.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

The message also announced that the House agrees to the amendments of the Senate to the joint resolution (S. J. Res. 361) to correct certain errors in H. R. 12045, H. R. 12914, H. R. 13542, H. R. 14234, H. R. 14738, H. R. 15692, and H. R. 16294.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED.

The message further announced that the Speaker of the House had signed the following enrolled bills and joint resolutions, and they were thereupon signed by the President pro tempore:

H. R. 888. An act for the relief of H. C. Hodges, H. A. Powell, John Smith, and Joseph Ridley;

H. R. 1781. An act providing for the refund of certain duties incorrectly collected on wild-celery seed;

H. R. 4318. An act to authorize the Secretary of the Interior to cause patent to issue to Erik J. Aanrud upon his homestead entry for the southeast quarter of the northeast quarter of section 15, township 159 north, range 73 west, in the Devils Lake land district, North Dakota;

H. R. 4651. An act to authorize the Secretary of the Treasury to sell certain land to the trustees of the charity fund of Star in the East Lodge, of Oldtown, Me.;

H. R. 5474. An act for the relief of Patrick McGee, alias Patrick Gallagher;

H. R. 7078. An act for the relief of Mary Macon Howard;

H. R. 8562. An act for the relief of Kinder & Nicol;

H. R. 10168. An act for the relief of Leon Greenbaum;

H. R. 10763. An act for the relief of Dr. L. W. Culbreath;

H. R. 11840. An act for the relief of R. G. Arrington;

H. R. 14377. An act to amend section 4472 of the Revised Statutes;

H. R. 17825. An act to authorize the construction, maintenance, and operation of a bridge across the St. Francis River at or near St. Francis, Ark.;

H. R. 17267. An act to authorize Frank H. Gardiner to construct a bridge across the waters of Pistakee Lake and Nippersink Lake, at or near their point of intersection;

H. R. 16346. An act to amend section 4131 of the Revised Statutes of the United States of America as amended by the act of Congress approved May 28, 1896, relating to the renewal of licenses;

H. R. 16296. An act to provide for issuing of patents for public lands claimed under the homestead laws by deserted wives;

H. J. Res. 271. Joint resolution authorizing the President to appoint delegates to attend the Ninth International Congress of the World's Purity Federation, to be held in the city of San Francisco, State of California, July 18 to 24, 1915;

H. J. Res. 331. Joint resolution relating to the awards and payments thereon in what are commonly known as the Plaza cases; and

H. J. Res. 361. Joint resolution to correct certain errors in H. R. 12045, H. R. 12914, H. R. 13542, H. R. 14234, H. R. 14738, H. R. 15692, and H. R. 16294, and for other purposes.

WATERS OF THE RIO GRANDE.

Mr. SHEPPARD. I have here two short letters bearing on the irrigation and reclamation of the lower Rio Grande Valley, a problem that will come prominently before Congress at the next session. I ask that they be incorporated in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

COMMISSION FOR THE EQUITABLE DISTRIBUTION OF THE WATERS OF THE RIO GRANDE,
Washington, D. C., October 22, 1914.

Hon. MORRIS SHEPPARD,
United States Senate, Washington, D. C.

DEAR SIR: As the "commissioner on the part of the United States to study the questions in connection with the distribution of the waters of the Rio Grande," I invite your attention to the inclosed copy of a communication and valuable consideration, by Judge J. O. Nicholson, Laredo, Tex., March 5, 1902, of the subject, the international diversion, impounding, and using the water in the Rio Grande from Devils River to the Gulf.

Your obedient servant,

JNO. W. GAINES,
Commissioner.

LAREDO, TEX., *March 5, 1902.*

Hon. JOHN HAY,
Secretary of State, Washington, D. C.

SIR: In behalf of a large proportion of the citizens of the United States inhabiting the lower Rio Grande Valley, and especially in behalf of the citizens of the county of Webb, State of Texas, I desire to present to you the importance of an arrangement by treaty between the Government of the United States of America and the Government of the United States of Mexico, the object of such treaty being to provide for the utilization and equitable distribution of the waters of that portion of the Rio Grande Valley extending from the vicinity of the point where the Devils River empties into the Rio Grande, thence down the valley of the latter stream to its mouth, a distance of about 300 miles.

The question of irrigation along the lower Rio Grande has long been discussed, and the inestimable benefits of a proper system, not only to the people residing in the valley of said river but also to those of the nations on both sides, are well known. Yet, without the aid of the Governments of both of said nations it is not probable, and, I might say, hardly possible that the waters of the Rio Grande will ever be extensively used for irrigation; but with the joint control of the two Governments, there is no reason to doubt that it can be successfully accomplished; that vested rights in the use of the water along the course of the river will be properly protected and large areas of lands now unproductive be reclaimed.

To summarize some of the reasons which, in the opinion of the citizens of that portion of the Rio Grande Valley, and also in the opinion of the citizens of many portions of the United States, will justify the two Governments in establishing and maintaining such a system of irrigation, they direct your attention to the following:

First. There are many hundreds of thousands of acres of fertile land in the territory mentioned admirably adapted for irrigation now unproductive on account of insufficient rainfall, which could be reclaimed and made very productive. The minimum low-water flow of the Rio Grande at Eagle Pass and Laredo is, to wit, 2,000 cubic feet per second—it is much greater below Roma and Rio Grande City—while at ordinary low water the flow is double that quantity, which, if all used for irrigation, is sufficient to furnish annually 3 acre-feet of water on 500,000 acres of land and sustain a farming population of 150,000 persons.

Second. The quantity of flood water which frequently rushed down said stream and out into the Gulf of Mexico is out of all proportion to the ordinary flow, a rise of from 15 feet to 20 feet at Laredo and Eagle Pass being frequent, while at Laredo it has been known to rise 28 feet, at which height it flows at a velocity of 12 feet per second. The distance between the shore piers of the bridge at Laredo is 820 feet. From this data it will be seen that the maximum high-water flow at Laredo is 275,520 cubic feet per second. It has been estimated by a competent engineer that the immense volumes of flood waters alone annually flowing down the river and out into the Gulf of Mexico are sufficient, if utilized for irrigation, to irrigate every acre of tillable land in the lower Rio Grande Valley; but whether the flood waters of the river or the ordinary flow, or both, should be utilized for irrigation, or could be profitably so used, are questions which probably can not be determined until a careful investigation and survey has been made by a competent board of engineers.

Third. Besides the ordinary field crops adapted to the climate of the lower Rio Grande Valley, such as corn, cotton, sugar cane, rice, castor beans, etc., which could be successfully grown by irrigation, there could also be successfully grown grapes and olives and many other small fruits together with melons and other varieties of vegetables adapted to that climate. In addition to all these, it is stated in the last Yearbook issued by the Agricultural Department that the county of Webb, of which the city of Laredo is the county seat, and which county has a frontage of 80 miles on the Rio Grande and contains more than 3,400 square miles of territory, has all the climatic conditions necessary to the successful cultivation of the date palm; that all that is necessary in addition to the climate and soil already existing is water for irrigation; that the territory embraced in said county and extending up the valley therefrom for a distance of, say, 100 miles, and a like distance below, is the only territory east of Arizona which is adapted

to the successful cultivation of the date. It is a fact that the date palm, grown from seeds of the fruit, have been growing as ornamental shrubs in the residence grounds of several citizens of Laredo for from 5 to 10 years last past.

Fourth. The establishment of a comprehensive system of utilizing the abundant water supply of the lower Rio Grande for irrigation is probably beyond the scope of private capital, and said stream being the international boundary between the United States of America and the United States of Mexico, the establishment of such a system of irrigation is properly a matter for the consideration of the Governments of the United States of America and the United States of Mexico.

Fifth. The propriety of the governments of said two countries establishing such a system of irrigation has been indorsed by the Trans-Mississippi Commercial Congress, as will be seen by the following resolution of said Congress:

"Resolved by the Trans-Mississippi Commercial Congress, That this congress heartily indorses and recommends the appropriation of the sum of $50,000 by the Government of the United States, which sum shall become available when supplemented by a like amount to be appropriated by the Government of the Republic of Mexico, for the purpose of locating sites for one or more dams across the lower Rio Grande for irrigation purposes; the location of canals in connectin with such dam or dams, and the making of estimates of the number of acres of land which can be irrigated thereby, together with estimates of the cost of construction of such dam or dams and canals; the survey and estimates to be made by a corps of competent engineers selected by said Governments of Mexico and the United States."

All of which is submitted for your consideration.

Respectfully, etc.,

J. O. NICHOLSON.

COMMISSION FOR THE EQUITABLE DISTRIBUTION OF THE WATERS OF THE RIO GRANDE,
Washington, D. C., October 22, 1914.

Hon. MORRIS SHEPPARD,
United States Senate, Washington, D. C.

DEAR SIR: I inclose copy of the original and amended order, issued in 1911 by the Secretary of War, on the request of the Secretary of State, and a copy of the local orders issued under each, in the matter of the diversion of the water in the Rio Grande, and the practice in case of complaint.

Your obedient servant,

JNO. W. GAINES,
Commissioner for the Equitable Distribution of the Waters of the Rio Grande.

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, October 10, 1914.

Hon. JOHN WESLEY GAINES,
State Department, Washington, D. C.

SIR: 1. Referring to your oral request for information in regard to the orders of the War Department, dated March 13 and November 18, 1911, respectively, relative to the diversion of the water from the Rio Grande River, the following is submitted:

2. The Secretary of State wrote, on January 19, 1911, to the Secretary of War, inclosing a letter from Mr. Keblinger, American commissioner for the equitable distribution of the waters of the Rio Grande, relative to the diversion on the American side of the waters of that river for the purposes of irrigation. The Secretary of State expressed the desire that the War Department exercise the powers conferred by sections 10 and 12 of the river and harbor act of March 3, 1899, to regulate and control the diversion of the waters of the Rio Grande for irrigation.

3. In response to the request of the Secretary of State, the Secretary of War, on February 28, 1911, directed the Chief of Engineers to give instructions to the local engineer officer at Galveston, Tex., as follows:

"To publish a notice that the War Department regards the further diversion of water from this river for irrigation purposes as injuring its navigable capacity, in violation of sections 10 and 12 of the river and harbor act of March 3, 1899, and that the construction of any additional works for the diversion of the waters of this river will not, for the present, be sanctioned. The local engineer officer will also be instructed to communicate with the proper persons who control the irrigation works now withdrawing water from the Rio Grande with a view to limiting the amount so diverted, so that the amount of water heretofore withdrawn from the river shall not be increased pending the completion of a survey now being made by the International Boundary Commission."

The instructions were given as directed, and were followed by the local engineer officer. A copy of the order as published by him under date of March 13, 1911, is inclosed herewith.

4. Pursuant to instructions of the Secretary of War, a hearing was given the attorneys for certain local irrigation companies, etc., on November 6 and 7, 1911, at which the attorneys urged the revocation of the department orders, or, if that could not be done, that they be modified so as to permit of the taking of additional waters from the river at the higher stages of the water, and so as not to recognize any priority in regard to the withdrawal of water by those companies who were taking from the river at the time of the publication of the notice by the local engineer officer.

5. The outcome of the hearings was the modification of the order by the Secretary of War November 9, 1911. The modified order was published by the local engineer officer under date of November 18, 1911, copy of which is herewith.

6. When any communication is received by the department in regard to the diversion of water from the Rio Grande the usual practice has been to refer it to the local engineer officer, who informs the parties in accordance with the above-mentioned order.

Very respectfully,

DAN C. KINGMAN,
Chief of Engineers, United States Army.

NOTICE RELATIVE TO THE DIVERSION OF WATER FROM THE RIO GRANDE RIVER, TEX., FOR IRRIGATION PURPOSES.

UNITED STATES ENGINEER OFFICE,
Galveston, Tex., March 13, 1911.

The War Department regards the further diversion of water from the Rio Grande River for irrigation purposes as injuring its navigable capacity, in violation of sections 10 and 12 of the river and harbor act of March 3, 1899, prescribing "laws for the protection and preservation of the navigable waters of the United States."

The construction of any additional works for the diversion of the waters of this river will not for the present be sanctioned.

By direction of the Secretary of War:

G. P. HOWELL,
Major, Corps of Engineers, United States Army.

NOTICE RELATIVE TO THE DIVERSION OF WATER FROM THE RIO GRANDE RIVER, TEX., FOR IRRIGATION PURPOSES.

UNITED STATES ENGINEER OFFICE,
Galveston, Tex., November 18, 1911.

1. Referring to order issued by the Secretary of War, through this office, dated March 13, 1911, relative to the diversion of water from the Rio Grande, the following modification of same has been issued:

"Confirming the department order of March 13, 1911, regarding and controlling the diversion of the waters of the lower Rio Grande and the status quo created thereunder, and pending the negotiation and proclamation of a treaty with the Government of Mexico, providing for an equitable distribution of such waters, the Department of War waives, subject to revocation in case such action becomes advisable, its objection to the further diversion of water from the Rio Grande and the establishment of additional works therefor: *Provided*, That the total actual diversion on the American side at any time shall not exceed one-half of the total actual flow of the river at such time to be determined by the department from data furnished by the commission for the equitable distribution of the waters of the Rio Grande.

"This order and the order hereby confirmed are for the regulation and control, under authority of the act of March 3, 1899 (30 Stat., 1121), of the amount of water which at any given time may be taken from the river, and do not purport to affect in any way the right or title of the various parties interested and concerned to the water which the department permits to be diverted; and further, such orders do not convey, and are not intended to convey, any rights of any sort to any of the parties in interest in any of the waters thereunder controlled, and both orders are subject to immediate revocation or modification so soon as the exigencies of the situation may demand."

2. Applications which have been refused in the past may be now renewed through this office under the present order, and such applications should contain full data in regard to proposed plants in order that intelligent action may be taken thereon.

EARL I. BROWN,
Major, Corps of Engineers, United States Army.

PETITIONS AND MEMORIALS.

Mr. SHEPPARD presented a petition of sundry citizens of Hull, Ill., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. LEWIS presented a petition of the Baptist Young People's Union, of Champaign, Ill., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. HUGHES presented memorials of sundry citizens of New Jersey, remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

He also presented petitions of sundry citizens of New Jersey, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented petitions of sundry citizens of New Jersey, praying for Federal censorship of motion pictures, which were referred to the Committee on Education and Labor.

Mr. BURTON (for Mr. WEEKS) presented petitions of sundry citizens of Massachusetts, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented resolutions adopted by the Evangelical Lutheran Synod, of Pennsylvania, at a meeting at Harrisburg, Pa., and of the Kentucky Conference Methodist Episcopal Church, held at Covington, Ky., praying for the adoption of an amendment to the Constitution to prohibit polygamy, which were referred to the Committee on the Judiciary.

REPORTS OF COMMITTEE ON MILITARY AFFAIRS.

Mr. LEA of Tennessee. From the Committee on Military Affairs, I report back adversely the bill (S. 155) for the relief of Joseph B. Riley, alias Thomas B. Keesy, and I submit a report (No. 826) thereon. I ask that the bill be placed on the calendar.

The PRESIDENT pro tempore. The bill will be placed on the calendar.

Mr. LEA of Tennessee. From the Committee on Military Affairs, I report back adversely the bill (S. 3367) granting an honorable discharge to James Kennedy, and I submit a report (No. 825) thereon. I ask that the bill be placed on the calendar.

The PRESIDENT pro tempore. The bill will be placed on the calendar.

Mr. LEA of Tennessee, from the Committee on Military Affairs, to which were referred the following bills, reported them severally without amendment, and submitted reports thereon:

H. R. 3586. An act for the relief of Francis Tomlinson (Rept. No. 827);

H. R. 10271. An act for the relief of Edward Whiteside (Rept. No. 828); and

H. R. 14711. An act for the relief of Miles A. Hughes (Rept. No. 829).

COMMISSION OF FINE ARTS (S. DOC. NO. 613).

Mr. FLETCHER. On the 16th instant the Senate received a message from the President of the United States, transmitting the report of the Commission of Fine Arts for the fiscal year ended June 30, 1914, with accompanying illustrations, and it was referred to the Committee on Printing for action.

That report, as submitted to the Senate, included a report on the Panama Canal, but as that has already been printed as a document, being No. 146, the committee thought it best to eliminate it and to report a resolution authorizing the printing of the remainder. I ask unanimous consent for the present consideration of the resolution.

The resolution (S. Res. 481) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the report of the Commission of Fine Arts for the year ended June 30, 1914, be printed as a Senate document, with illustrations, omitting therefrom that portion of the report relating to the Panama Canal which has heretofore been printed as Senate Document No. 146, Sixty third Congress.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WALSH:

A bill (S. 6672) granting a pension to James Farrell; and

A bill (S. 6673) granting a pension to John Butler Turner (with accompanying papers); to the Committee on Pensions.

By Mr. THOMAS:

A bill (S. 6674) granting a pension to Phoebe W. Hooper; to the Committee on Pensions.

By Mr. JAMES:

A bill (S. 6676) granting an increase of pension to John Sigman (with accompanying papers); to the Committee on Pensions.

By Mr. SHIVELY:

A bill (S. 6677) granting a pension to David O. Scott (with accompanying papers); and

A bill (S. 6678) granting an increase of pension to Samuel Lilly (with accompanying papers); to the Committee on Pensions.

A joint resolution (S. J. Res. 201) making appropriation to provide for the extermination of the foot-and-mouth disease among certain food animals of the United States; to the Committee on Agriculture and Forestry.

MONUMENT TO URIAH P. LEVY.

Mr. MARTINE of New Jersey. Mr. President, on August 22 last I introduced a bill, Senate bill 6376, which was properly referred to the Committee on Public Buildings and Grounds. It proposes to make an appropriation of $50,000 for the erection of a monument to Commodore Uriah P. Levy, who was a great commander, as is known, and was also the author of abolition of flogging in the United States Navy, a most commendable act, which was highly praised the world over.

The bill was referred to the Committee on Public Buildings and Grounds, of which the Senator from Virginia [Mr. SWANSON] is chairman. Col. Harts suggested that the Secretary of War be included in the commission created by the bill. The bill provided for a commission consisting of the chairman of the Committee on the Library of the Senate, the chairman of the Committee on the Library of the House of Representatives, and the Secretary of the Navy. Col. Harts has suggested that it be amended so as to include the Secretary of War, and I have the honor to introduce an amended bill, with the words "the Secretary of War" interlined.

The bill (S. 6675) for erecting a suitable monument to Commodore Uriah P. Levy in the city of Washington, D. C., was read twice by its title.

Mr. MARTINE of New Jersey. I should like to ask unanimous consent for the consideration of the bill.

Mr. OVERMAN. I hope the Senator will not ask unanimous consent for an appropriation of $50,000 for the erection of a monument. Let the bill go over.

The PRESIDENT pro tempore. There is objection.

Mr. MARTINE of New Jersey. All right.

The PRESIDENT pro tempore. The bill and accompanying papers will be referred to the Committee on the Library.

PAY OF EMPLOYEES.

Mr. LEA of Tennessee. I introduce a joint resolution and ask that it be read and referred to the Committee on Appropriations.

The joint resolution (S. J. Res. 200) authorizing the payment of October salaries to officers and employees of the Senate and House of Representatives on the day of adjournment of the present session was read twice by its title and referred to the Committee on Appropriations.

Mr. MARTIN of Virginia subsequently said: From the Committee on Appropriations I report back favorably without amendment the joint resolution (S. J. Res. 200) authorizing the payment of October salaries to officers and employees of the Senate and House of Representatives on the day of adjournment of the present session, and I ask unanimous consent for its present consideration.

The PRESIDENT pro tempore. Is there objection to the present consideration of the joint resolution?

The Secretary read the joint resolution; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration. It authorizes the Secretary of the Senate and the Clerk of the House of Representatives to pay to the officers and employees of the Senate and House of Representatives, including the Capitol police, borne upon the annual and session rolls, their respective salaries for the month of October, 1914, on the day of adjournment; and the Clerk of the House is authorized to pay on said day to Members, Delegates, and Resident Commissioners their allowances for clerk hire for said month of October.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

COTTON EXPORT TRADE.

Mr. SMITH of Georgia. I offer a resolution and ask that it be read.

The resolution (S. Res. 480) was read, as follows:

Whereas the European war has seriously interfered with the market of our greatest national export product, lint cotton; and

Whereas although lint cotton is not contraband of war serious impediments are being placed in the way of shipments of this commodity to belligerent countries; and

Whereas shippers who desire to export cotton are finding it difficult to do so: Therefore be it

Resolved, That a committee of five Senators be named by the Chair to confer with the departments with reference thereto, and to report to the Senate as early as possible the result of their investigations.

The PRESIDENT pro tempore. Under the rule, the resolution will lie over for a day.

Mr. SMITH of Georgia. I ask for the immediate consideration of the resolution.

The PRESIDENT pro tempore. The Senator from Georgia asks unanimous consent that the resolution just presented by him may be considered at this time. Is there objection?

Mr. KERN. I should like to have it read again.

The PRESIDENT pro tempore. The Secretary will again read the resolution.

The resolution was again read.

Mr. WILLIAMS. I wish to ask the Senator who introduced this resolution why it was that cottonseed oil was left out?

Mr. SMITH of Georgia. Because my attention had not been called to cottonseed oil.

Mr. WILLIAMS. There has been a great deal more complaint about cottonseed oil than about cotton.

Mr. SMITH of Georgia. No; the Senator may have heard more complaint of it, but I have heard more of cotton.

Mr. WILLIAMS. I have heard more of cottonseed oil. Both ought to go together.

The PRESIDENT pro tempore. The Chair will state to the Senators that the question is whether or not the Senate will give unanimous consent for the consideration of the resolution. Is there objection?

Mr. WILLIAMS. I was holding the right to object and interrogating the Senator from Georgia. I want to suggest to the Senator from Georgia that it would be well to put in cottonseed oil.

Mr. SMITH of Georgia. Of course I have no objection. I will be glad to so modify the resolution.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution? The Chair hears none.

Mr. SMITH of Georgia. Mr. President, I wish to call attention to a letter I have just received from a cotton exporter at Albany, Ga. He writes:

We are having some small demands from neutral countries, and have sold to Sweden a few hundred bales. We were able to get war insurance on this cotton at a rate of 5 per cent, but we are in receipt of a telegram from one of the largest brokers in the East saying that they could not place another bale at any price without this clause:

"Warranted free from any claim arising from capture, seizure, or detention by the British Government or their allies."

He further states that the American underwriters are following the lead of the British underwriters in this matter. I do not see why the British or their allies should hold up cotton, as it is not a contraband of war when in a neutral ship going to a neutral country, or, in fact, why they should hold up cotton at all.

Then the request is made for investigation and cooperation in the matter, with the statement that at least some cotton could be shipped into belligerent countries, and there is a demand for a limited amount of cotton, and it would be shipped if free from interference.

Again, Mr. President, I received this morning from Savannah, Ga., from a large shipping firm there, a letter containing the statement that—

> We have been contemplating the purchase of one or two foreign steamers to place under the American flag and have been working on several boats now in American ports of British, German, and Austrian ownership and flags.
>
> We will appreciate it very highly if you will ascertain for us from the insurance commission or the Secretary of State if such steamers purchased from foreign owners, even belligerents, will be insured by the American Insurance Commission when placed under the American flag. We have been advised that they will only insure steamers that were actually owned by Americans, though under foreign flags, prior to outbreak of hostilities.
>
> We would like to get this question very clearly and definitely settled and would be glad if you would wire us fully, at our expense, upon receipt of this letter.

Mr. President, I think a little more vigorous attention to the question of the transportation of cotton to foreign countries, and even to belligerent countries, by the departments is not uncalled for under the present circumstances. I think a little deeper realization of the importance of this question on the part of the departments would not hurt, and it is for this reason that I offer the resolution.

Mr. WILLIAMS. Mr. President, in this connection I wish to say that I received several complaints of interference upon the part of French ships and men-of-war with the shipments of cottonseed oil. The London convention which we signed, and which nearly all the civilized nations of the world signed, expressly declared raw cotton and cottonseed oil to be noncontraband of war. They are not even conditional contraband of war. They can not be taken when shipped by a neutral even to a belligerent purchaser, except, of course, at or through a blockaded port.

I brought the matter to the attention of the State Department and the State Department is looking into it. It has taken up the matter with the French Republic, and I believe also with the British Empire. One of my correspondents complained of some interference upon the part of a British ship. That, however, did not seem to be very well established. I think perhaps it will do no harm at all to have this investigation go along concurrently with the movement made in the State Department, so that everybody may know that we are in earnest about the protection of our undoubted rights wherever those rights are undoubted. We are not attempting to quarrel with anybody, and shall not do so, I am sure; but where an article stands upon the footing of expressly declared noncontraband of war we ought to let the world know that we do not care to have it interfered with. I hope the resolution will be modified as I have suggested and then passed.

The PRESIDENT pro tempore. The Chair will say to the Senator from Mississippi that, while the Senator from Mississippi inquired of the Senator from Georgia whether or not it would be agreeable to have the resolution so amended as to include cottonseed oil products, no amendment to that effect has been offered.

Mr. SMITH of Georgia. I accept that amendment, Mr. President.

The PRESIDENT pro tempore. The Secretary will restate the resolution in its modified form.

The Secretary read as follows:

> Whereas the European war has seriously interfered with the market of two of our greatest national export products, lint cotton and cottonseed oil; and
>
> Whereas although lint cotton and cottonseed oil are not contraband of war, serious impediments are being placed in the way of shipments of these commodities to belligerent countries; and
>
> Whereas shippers who desire to export cotton and cottonseed oil are finding it difficult to do so: Therefore be it
>
> *Resolved*, That a committee of five Senators be named by the Chair to confer with the departments with reference thereto, and to report to the Senate as early as possible the result of their investigations.

The PRESIDENT pro tempore. The question is on the adoption of the resolution as modified.

Mr. SMITH of South Carolina. Mr. President, I wish to suggest in this connection, that yesterday I received a telegram in reference to commercial cablegrams. Certain exporters in my State have made contracts for the shipment of cotton abroad, and certain foreign banks have O. K.'d or were to O. K. them; but word has been received that the cablegrams which have been sent have not yet reached the parties in South Carolina, and they are complaining of the fact that some of the Governments, perhaps England, were censoring these commercial cablegrams to the extent of interfering with the shipment of cotton. I merely make this statement to emphasize the necessity for some action in order to clear the channels of trade.

The PRESIDENT pro tempore. The question is on the adoption of the resolution as modified.

The resolution as modified was agreed to.

The PRESIDENT pro tempore. In pursuance of the foregoing resolution, the Chair appoints as the committee under the resolution Mr. SMITH of Georgia, Mr. SMITH of South Carolina, Mr. VARDAMAN, Mr. SMITH of Michigan, and Mr. JONES.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House had passed a resolution authorizing the appointment by the Chair of three Members to join a similar committee appointed by the Senate to wait upon the President of the United States and inform him that the two Houses have completed the business of the present session and are ready to adjourn unless the President has some communication to make to them, and the Speaker of the House had appointed on the part of the House Mr. UNDERWOOD, Mr. FITZGERALD, and Mr. MANN.

EMERGENCY REVENUE LEGISLATION—CONFERENCE REPORT.

Mr. SIMMONS. I submit a conference report on the bill (H. R. 18891) to increase the internal revenue, and for other purposes, and I ask unanimous consent that the Senate now proceed to its consideration.

The PRESIDENT pro tempore. The Senator from North Carolina asks unanimous consent that the Senate now proceed to the consideration of the conference report on the so-called war-tax bill.

Mr. SMITH of Georgia. I understand a majority of the Senate can proceed to its consideration, and that unanimous consent is not required. I want to ascertain what is in the report, but I am not in a hurry about it.

Mr. SIMMONS. I withdraw the request for unanimous consent.

The PRESIDENT pro tempore. Does the Senator from North Carolina move that the Senate proceed to the consideration of the report?

Mr. SIMMONS. Yes; I move that the Senate proceed to the consideration of the conference report.

The PRESIDENT pro tempore. The question is on the motion of the Senator from North Carolina that the Senate proceed to the consideration of the conference report on House bill 18891.

The motion was agreed to.

The PRESIDENT pro tempore. The Secretary will read the conference report.

Mr. SMITH of Georgia. Mr. President, I desire to ask that the amendments be read as the Secretary proceeds with the reading of the report. We can not tell anything by the numbers. I should also like to ask if there is a printed copy of the report that can be furnished to us?

Mr. WARREN. The report is printed in the RECORD this morning.

The PRESIDENT pro tempore. The Chair is advised that the report is printed in the RECORD this morning in the House proceedings.

Mr. SIMMONS. It is printed in the RECORD, and there is also a statement accompanying the report in the RECORD, explaining each amendment, so that Senators can secure all the information which I think they will need concerning the report.

The PRESIDENT pro tempore. The Secretary will proceed with the reading.

Mr. McCUMBER. Mr. President, before the Secretary proceeds, I think we would gain some time, and it would enable us to better understand the report, if the Senator from North Carolina would simply express wherein any changes or modifications have been made in the Senate bill by the confereees. I understand there are very few changes, indeed, and the Senator can inform us as to those.

Mr. SIMMONS. I shall be very glad to do that, Mr. President; but I do not understand the Senator is suggesting that I refer to every minor and unimportant change that was made by the committee.

The PRESIDENT pro tempore. The Chair will suggest that it will be proper, first, to have the report read, and then let the discussion ensue, unless the Senator from North Carolina prefers to proceed in some other way.

Mr. SIMMONS. I should prefer that the report be read, after which I will make a brief statement.

The PRESIDENT pro tempore. The Secretary will proceed with the reading.

The Secretary proceeded to read the conference report.

Mr. SMITH of Georgia. According to the matter printed in the RECORD of the House proceedings of yesterday, the Secretary is not reading the report correctly.

The PRESIDENT pro tempore. The Secretary has not got to that part of the report as yet. He is reading the more formal part of it. The statement to which the Chair presumes the Senator from Georgia refers is required by the rules of the House of Representatives to accompany the report. The Secretary will proceed with the reading.

The Secretary resumed and concluded the reading of the conference report, which entire is as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 18891) to increase the internal revenue, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 11, 13, 14, 15, 18, 19, 20, 22, 56, 77, and 96.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 6, 8, 9, 12, 17, 21, 25, 26, 27, 28, 30, 32, 34, 35, 36, 37, 38, 39, 41, 42, 43, 44, 45, 47, 49, 51, 54, 55, 57, 59, 60, 61, 62, 64, 65, 67, 68, 69, 70, 71, 73, 74, 75, 76, 78, 79, 80, 81, 83, 85, 86, 87, 88, 89, 90, 93, 97, and 98, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 2. That upon all still wines, domestic and imported, when sold or offered for sale or consumption, there shall be levied and collected taxes as follows: On each bottle containing one-fourth pint or less, one-fourth cent; on each bottle containing more than one-fourth pint and not more than one-half pint, one-half cent; on each bottle containing more than one-half pint and not more than one pint, 1 cent; and on each bottle containing more than one pint and not more than one quart, 2 cents; and on still wines in all other containers, not herein specially provided for, the tax shall be at the rate of 8 cents per gallon.

"That upon all domestic and imported champagne and other sparkling wines, and upon all artificially carbonated wines, when sold or offered for sale or consumption, there shall be levied and collected taxes as follows: Upon each bottle containing one-half pint or less, 5 cents; on each bottle containing more than one-half pint and not more than one pint, 10 cents; on each bottle containing more than one pint and not more than one quart, 20 cents; and on all other containers at the rate of 20 cents per quart; and on all liqueurs, cordials, or similar compounds, domestic and imported, by whatever name sold or offered for sale, there shall be levied and collected a tax on each bottle containing not more than one-half pint, 1½ cents; more than one-half pint and not more than one pint, 3 cents; more than one pint and not more than one quart, 6 cents; and on larger containers a tax at the rate of 24 cents per gallon.

"All of the taxes imposed in the preceding paragraphs of this section shall be paid by stamps to be affixed to each bottle or container in which such still wines, champagne wines, carbonated wines, liqueurs, or cordials, or similar compounds are sold or offered for sale: *Provided*, That when such still wines, champagne wines, carbonated wines, liqueurs, cordials, or similar compounds, taxable under the provisions of this section, are sold or delivered by the producer, importer, or dealer in wholesale quantities to other dealers, including rectifiers, manufacturing chemists, and druggists, the dealer receiving and selling or offering the same for sale or consumption to any person other than a dealer shall affix thereto the stamps hereinbefore prescribed: *And provided further*, That the stamp tax herein imposed shall not be collected on any still wine used by any rectifier, manufacturing chemist, or druggist in the manufacture of any liqueur, cordial, or compound subject to any internal-revenue tax imposed by this act.

"The Commissioner of Internal Revenue shall cause to be prepared suitable and special stamps denoting the tax herein imposed, to be affixed and canceled in such manner as he, with the approval of the Secretary of the Treasury, may prescribe; and in the absence of such stamps from any bottle or container containing wine, liqueur, cordial, or compound taxable under the provisions of this section, sold or offered for sale or consumption, shall be prima facie evidence that the tax thereon has not been paid, and all such wines, liqueurs, cordials, or compounds shall be forfeited to the United States.

"There shall be levied and assessed against the maker or producer of all wines fortified under the provisions and conforming to the requirements of the sections of the tariff act of October 1, 1890, relating to the fortification of pure sweet wines, as amended, and as further amended by this act, a tax of 55 cents on each taxable gallon of grape brandy or wine spirits used by him in the fortification of such wines: *Provided, however*, That the maker or producer of such fortified wines shall, under regulations and suitable bonds, to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, have assessed against him monthly the said tax of 55 cents on each taxable gallon of grape brandy or wine spirits used by him during the preceding month, which assessment shall be paid within 90 days from the date of notice thereof: *Provided further*, That nothing herein contained shall be construed as exempting any still wines, cordials, liqueurs, or similar compounds from the payment of any stamp tax provided for in this section.

"The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is hereby authorized to make all necessary regulations to make effective the provisions of this section.

"That sections 42, 43, 45, 46, and 49 of the act of October 1, 1890, as amended by section 68 of an act approved August 28, 1894, and by an act approved June 7, 1906, are further amended to read as follows:

"'SEC. 42. That any producer of pure sweet wines may use in the preparation of such sweet wines, under such regulations, and after the filing of such notices and bonds, together with the keeping of such records and the rendition of such reports as to materials and products as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe, wine spirits produced by any duly authorized distiller, and the Commissioner of Internal Revenue in determining the liability of any distiller of wine spirits to assessment under section 3309 of the Revised Statutes, is authorized to allow such distiller credit in his computations for the wine spirits withdrawn to be used in fortifying sweet wines under this act: *Provided*, That such wine containing after fortification more than 24 per cent of alcohol, as defined by section 3249 of the Revised Statutes, shall be forfeited to the United States.

"'SEC. 43. That the wine spirits mentioned in section 42 of this act is the product resulting from the distillation of fermented grape juice, to which water may have been added prior to, during, or after fermentation, for the sole purpose of facilitating the fermentation and economical distillation thereof, and shall be held to include the product from grapes or their residues, commonly known as grape brandy, and shall include commercial grape brandy which may have been colored with burnt sugar or caramel; and the pure sweet wine which may be fortified with wine spirits under the provisions of this act is fermented or partially fermented grape juice only, with the usual cellar treatment, and shall contain no other substance whatever introduced before, at the time of, or after fermentation, except as herein expressly provided: *Provided*, That the addition of pure boiled or condensed grape must or pure crystallized cane or beet sugar, or pure dextrose sugar or water, or any or all of them, to the pure grape juice before fermentation, or to the fermented product of such grape juice, or to both, prior to the fortification provided in this act, either for the purpose of perfecting sweet wines according to commercial standards or for mechanical purposes, shall not be excluded by the definition of pure sweet wine aforesaid: *Provided, however*, That the cane or beet sugar, or pure dextrose sugar so used shall not be in excess of 11 per cent of the weight of the wine to be fortified under this act: *And provided further*, That the addition of water herein authorized shall be under such regulations and limitations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may from time to time prescribe: *Provided, however*, That records kept in accordance with such regulations as to the percentage of saccharine, acid, alcoholic, and added water content of the wine offered for fortification shall be open to inspection by any official of the Department of Agriculture thereto duly authorized by the Secretary of Agriculture; but in no case shall such wines to which water has been added be eligible for fortification under the provisions of this act, where the same, after fermentation and before fortification, have an alcoholic strength of less than 5 per cent of their volume.

"'SEC. 45. That under such regulations and official supervision, and upon the execution of such entries and the giving of such bonds, bills of lading, and other security as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe, any producer of pure sweet wines as defined by this act may withdraw wine spirits from any special bonded warehouse in original packages or

from any registered distillery in any quantity not less than 80 wine gallons, and may use so much of the same as may be required by him under such regulations, and after the filing of such notices and bonds and the keeping of such records and the rendition of such reports as to materials and products and the disposition of the same as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe, in fortifying the pure sweet wines made by him, and for no other purpose, in accordance with the foregoing limitations and provisions; and the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is authorized whenever he shall deem it to be necessary for the prevention of violations of this law to prescribe that wine spirits withdrawn under this section shall not be used to fortify wines except at a certain distance prescribed by him from any distillery, rectifying house, winery, or other establishment used for producing or storing distilled spirits, or for making or storing wines other than wines which are so fortified, and that in the building in which such fortification of wines is practiced no wines or spirits other than those permitted by this regulation shall be stored in any room or part of the building in which fortification of wines is practiced. The use of wine spirits for the fortification of sweet wines under this act shall be under the immediate supervision of an officer of internal revenue, who shall make returns describing the kinds and quantities of wine so fortified, and shall affix such stamps and seals to the packages containing such wines as may be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury; and the Commissioner of Internal Revenue shall provide by regulations the time within which wines so fortified with the wine spirits so withdrawn may be subject to inspection, and for final accounting for the use of such wine spirits and for rewarehousing or for payment of the tax on any portion of such wine spirits which remain not used in fortifying pure sweet wines.

"'SEC. 46. That wine spirits may be withdrawn from special bonded warehouses at the instance of any person desiring to use the same to fortify any wines, in accordance with commercial demands of foreign markets, when such wines are intended for exportation, without the payment of tax on the amount of wine spirits used in such fortification, under such regulations, and after making such entries, and executing and filing with the collector of the district from which the removal is to be made such bonds and bills of lading, and giving such other additional security to prevent the use of such wine spirits free of tax otherwise than in the fortification of wine intended for exportation and for the due exportation of the wine so fortified, as may be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury; and all of the provisions of law governing the exportation of distilled spirits free of tax, so far as applicable, shall apply to the withdrawal and use of wine spirits and the exportation of the same in accordance with this section; and the Commissioner of Internal Revenue is authorized, subject to the approval of the Secretary of the Treasury, to prescribe that wine spirits intended for the fortification of wines under this section shall not be introduced into such wines except under the immediate supervision of an officer of internal revenue, who shall make returns describing the kinds and quantities of wine so fortified, and shall affix such stamps and seals to the packages containing such wines as may be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. Whenever transportation of such wine is to be effected by land carriage the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe such regulations as to sealing packages and vehicles containing the same, and as to the supervision of transportation from the point of departure, which point shall be determined as the place where such wine spirits may be introduced into such wines to the point of destination as may be necessary to insure the due exportation of such fortified wines: *Provided*, That where, in accordance with regulations of the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, wines fortified under the provisions of this act with brandy taxable at 55 cents per proof gallon are exported directly from the winery where fortified, there shall be allowed an abatement or refund of tax equivalent to 55 cents per gallon on each proof gallon of wine spirits contained in such wine at the time of exportation, which amount of wine spirits shall be ascertained by the Commissioner of Internal Revenue under regulations approved by the Secretary of the Treasury: *Provided*, That such wine spirits on which abatement or refund of tax is allowed shall not exceed the total amount of alcohol in such wine over and above 14 per centum thereof.

"'SEC. 49. That wine spirits used in fortifying wines may be recovered from such wines only on the premises of a duly authorized grape-brandy distiller, and for the purpose of such recovery wine so fortified may be received as material on the premises of such a distiller, on a special permit of the collector of internal revenue in whose district the distillery is located; and the distiller will be held to pay the tax on the product from such wines as will include both the alcoholic strength therein produced by the fermentation of the grape juice and that obtained from the added distilled wine spirits: *Provided*, That when application for such special permit for redistillation shall be made by the producer of any wines fortified with brandy subject to the tax of 55 cents per proof gallon, before such wine shall have been moved from the premises of the winery where fortified and the redistillation is had under regulations made by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, an abatement or refund of the tax assessed against said producer shall be allowed equivalent to 55 cents per proof gallon of brandy contained in said spirits at the time of redistillation, which amount of brandy shall be ascertained by the Commissioner of Internal Revenue, under regulations approved by the Secretary of the Treasury, and wine spirits so recovered may be used in the manner provided by law for the fortification of other wine: *Provided*, That such wine spirits on which abatement or refund of tax is allowed shall not exceed the total amount of alcohol in such wine over and above 14 per centum thereof.'

"That section 3 and section 6 of the act of June 7, 1906, amending the laws relating to the fortification of pure sweet wines, are hereby amended to read as follows:

"'SEC. 3. That the Commissioner of Internal Revenue is hereby authorized to assign at each winery where wines are to be fortified such number of gaugers or storekeeper gaugers, in the capacity of gaugers, for special duties as may be necessary for the proper supervision of the making and fortifying of such wines, and the compensation of such officers shall not exceed $5 per diem while so assigned, together with their actual and necessary traveling expenses, and also a reasonable allowance for their board bills, to be fixed by the Commissioner of Internal Revenue, but not to exceed $2 per diem for said board bills. That bonds hereafter given under the provisions of the aforesaid act of October 1, 1890, as amended, shall be conditioned for the payment of the tax on all brandy removed thereunder and not used and accounted for within the time and in the manner required by law and regulations, and for the payment of all taxes imposed on the brandy so withdrawn and used for fortifications; and the said bonds shall contain such other conditions as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulation prescribe.

"'SEC. 6. That any person who by any process recovers from wines fortified under the provisions of the aforesaid act approved October 1, 1890, as amendments thereto, any brandy or wine spirits used in the manufacture or fortification of said wine, otherwise than is provided for in said act and its amendments, or who shall rectify, mix, or compound with distilled spirits or other materials, except as provided in this act, such grape brandy, fortified wines or wine spirits unlawfully recovered thereform, shall, on conviction, be punished for each such offense by a fine of not less than $200 nor more than $1,000. But the provisions of this section and the provisions of section 3244 of the Revised Statutes of the United States, as amended, relating to rectification, or other internal-revenue laws of the United States, shall not be held to apply to or prohibit the mixing or blending of pure sweet wines fortified under the provisions of this act with each other or with other wines: *Provided*, That the pure sweet wines fortified under the provisions of this act may be used in the manufacture of cordials, liqueurs, and similar compounds on which an internal-revenue tax of 24 cents a gallon is imposed, and otherwise the provision of section 3244 of the Revised Statutes of the United States shall remain in full force and effect.'"

And the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment striking out the word "from" and inserting in lieu thereof the word "on"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, striking out the nu-

meral "50" and inserting in lieu thereof the numeral "30"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: ", where a charge for admission is made, having a seating capacity of not more than 250, shall pay $25; having a seating capacity of more than 250 and not exceeding 500, shall pay $50; having a seating capacity exceeding 500 and not exceeding 800, shall pay $75; having a seating capacity of more than 800, shall pay $100"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Tenth. Commission merchants shall pay $20. Every person, firm, or company whose business or occupation it is to receive into his or its possession any goods, wares, or merchandise to sell the same on commission shall be regarded as a commission merchant: *Provided*, That any person having paid the special tax as a commercial broker shall not be required to pay the special tax as a commission merchant: *Provided further*, That this provision shall not apply to commission houses run upon a cooperative plan."

And the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, striking out the word "from" and inserting in lieu thereof the word "on"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In the matter inserted by said amendment strike out "$600" and insert in lieu thereof "$200"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: After the last paragraph of the matter inserted by said amendment insert the following:

"In arriving at the amount of license tax to be paid hereunder, and in the levy and collection of such tax, each person, firm, or corporation engaged in the manufacture of cigars, cigarettes (including little cigars), or tobacco shall be considered and deemed a single manufacturer."

And the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, striking out the word "November" and inserting in lieu therefor the word "December"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: Strike out the numeral "11" and insert in lieu thereof the numeral "10"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment as follows: Strike out the numeral "12" and insert in lieu thereof the numeral "11"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment as follows: Strike out the numeral "13" and insert in lieu thereof the numeral "12"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment as follows: Strike out the numeral "14" and insert in lieu thereof the numeral "13"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment as follows: Strike out the numeral "15" and insert in lieu thereof the numeral "14"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment as follows: Strike out the numeral "16" and insert in lieu thereof the numeral "15"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with amendments as follows: In line 1 of the matter inserted by said amendment strike out the numeral "18" and insert in lieu thereof the numeral "17." In lines 1 and 2 of the matter inserted by said amendment strike out the words "30 days after the approval of this act" and insert in lieu thereof the words "on and after December 1, 1914"; and the Senate agree to the same.

Amendment numbered 63: That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment as follows: Strike out the numeral "23" and insert in lieu thereof the numeral "22"; and the Senate agree to the same.

Amendment numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "on and after the 1st day of December, 1914"; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows: In line 9 of the matter inserted by said amendment, strike out the words "sender of" and insert in lieu thereof the words "person paying for." In line 10 of the matter inserted by said amendment strike out the words "the originator of the"; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "except life, personal accident, and health insurance, and insurance described and taxed or exempted in the preceding paragraph and excepting also workmen's compensation insurance carried on by the members thereof solely for their own protection and not for profit"; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment as follows: Strike out the matter inserted by said amendment and insert in lieu thereof a colon and the words "*Provided*, That policies of reinsurance shall be exempt from the tax herein imposed by this paragraph"; and the Senate agree to the same.

Amendment numbered 91: That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with amendments as follows: In line 9 of the matter inserted by said amendment, after the word "applied," where it first occurs, strike out the comma and the words "or to be used or applied" and in the same line, after the word "perfumes," strike out the comma. In lines 9, 10, and 11 of the matter inserted by said amendment strike out the words "applications to the hair, mouth, or skin, or otherwise used, made, prepared" and insert in lieu thereof the word "cosmetics." In lines 36, 37, 38, and 39 of the matter inserted by said amendment, beginning with the word "Sparkling," in line 36, strike out all down to and including the word "cents" in line 39. In line 42 of the matter inserted by said amendment strike out the words "30 days" and insert in lieu thereof the words "on and." In lines 42 and 43 of the matter inserted by said amendment strike out the words "the approval of this act" and insert in lieu thereof the words "December 1, 1914"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment as follows: Strike out the numeral "24" and insert in lieu thereof the numeral "23"; and the Senate agree to the same.

Amendment numbered 94: That the House recede from its disagreement to the amendment of the Senate numbered 94, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "$200,000 or so much thereof as may be required, out of any money in the Treasury not otherwise appropriated; $170,000 to be added to and made a part of the appropriations for 'salaries and expenses of collection of internal revenue, 1915; and $30,000 to the appropriation for paper for internal revenue stamps, 1915'"; and the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment as follows: Strike out the numeral "25" and insert in lieu thereof the numeral "24"; and the Senate agree to the same.

That in the enrollment of the bill the sections thereof be numbered in consecutive order.

F. M. SIMMONS,
WM. J. STONE,
JOHN SHARP WILLIAMS,
Managers on the part of the Senate.
OSCAR UNDERWOOD,
CLAUDE KITCHIN,
Managers on the part of the House.

The PRESIDENT pro tempore. The question is on the adoption of the conference report.

Mr. SIMMONS. Mr. President, I hardly think it necessary to take the time of the Senate to do more than point out the more important changes made by the conference in the bill as it passed the Senate, because there is in the RECORD to-day not only the report, but a statement explanatory of the report and the changes made by the conference.

The first change of any importance is that with reference to the tax upon fermented liquor. As the bill passed the Senate the tax upon this product, commonly called beer, was $1.75 a barrel—an increase of 25 cents a barrel over the House rate. The conference agreed to restore the House rate of $1.50 a barrel.

The bill as it passed the Senate carried an amendment imposing a tax of 5 cents per gallon on rectified spirits. The conference decided to eliminate that and the Senate receded from its amendment.

The amendment with reference to wine as presented by the Senate was practically adopted. There were certain unimportant changes, mostly with reference to the tax brought forward in the amendment from the former act in order to conform it to the subject matter. I do not think it necessary to go further into that subject.

One of the chief controversies before the conference was that with reference to restoring the House provision imposing a tax of 2 cents a gallon upon gasoline. A large part of the time of the conference was taken up in the discussion of that subject and in the discussion of the subject of a tax upon rectified spirits and increasing the tax over the House rate upon beer. As I have stated, the result of that controversy was that gasoline was left out of the bill, the tax on rectified spirits was left out of the bill, and the House rate upon beer was adopted.

The House bill imposed a tax of $50 upon brokers. The Senate struck that paragraph out of the bill altogether. The conference decided to restore the paragraph and fix the license tax at $30 instead of $50, as in the House bill.

There were some slight changes made in the tax upon theaters. As provided in the Senate amendment to the House bill, the tax was a graduated tax of $25 upon theaters having a seating capacity of more than 300. The conference report changed that and imposed a tax of $25 upon theaters having a seating capacity of not more than 250. The Senate provided a tax of $50 upon theaters having a seating capacity of more than 300 and less than 600. The conference changed it to a tax of $50 upon theaters seating more than 250 and not exceeding 500. The Senate amendment imposed a tax of $75 upon theaters having a seating capacity of more than 600 and not exceeding 1,000. The conference changed it so as to impose a tax of $75 where the seating capacity exceeds 500 and does not exceed 800. The Senate amendment imposed a tax of $100 upon all theaters having a seating capacity of more than 1,000. The conference changed it so as to impose the same amount of tax upon all theaters having a seating capacity of more than 800.

The Senate added a new paragraph imposing a tax upon commission merchants. That was done because the courts had decided that commission merchants were not included in the term "commercial brokers," as was thought at the time the former act was passed and as was held by the department. The conference, adopting that amendment of the Senate, added this proviso, so as to avoid the possibility of a double tax:

Provided, That any person having paid the special tax as a commercial broker shall not be required to pay the special tax as a commission merchant: *Provided further*, That this provision shall not apply to commission houses run upon a cooperative plan.

There were only two amendments made with reference to the tobacco schedule. The Senate adopted an amendment to the House paragraph with reference to dealers in tobacco, imposing a tax of $4.80 upon each dealer. The Senate adopted an amendment exempting from the operation of that section persons whose annual receipts from sales of tobacco do not exceed $600. The conferees thought that was too high, and we reduced the exemption from $600 to $200.

The conferees agreed to the Senate amendment graduating the tax upon manufactures of cigars and cigarettes and tobacco and snuff, and added:

In arriving at the amount of license tax to be paid hereunder, and in the levy and collection of such tax, each person, firm, or corporation engaged in the manufacture of cigars, cigarettes—including little cigars—or tobacco shall be considered and deemed a single manufacturer.

There was a slight change of some little importance, though not of very great importance, in the paragraph with reference to telegraphs and telephones. The Senate amendment required the tax to be paid by the sender. The conferees changed it so as to require it to be paid by the person paying for the message or conversation. The sender might not be the person paying for the message.

I think, Mr. President, those are all the important amendments, except the amendments changing the dates. The House provided that the bill should go into effect the day after its passage. The Senate provided that it should go into effect 20 days after its approval. The conference changed that and restored the House provision, so that, as provided in the conference report, the bill would go into effect the day after its passage and approval, except wherein otherwise expressly provided.

The stamp taxes, both in Schedule A and Schedule B, according to the conference report, changing the Senate amendment in that regard, will go into effect the 1st day of December. Both the subdivisions of the bill entitled special taxes and on tobacco dealers and manufacturers will go into effect, according to the conference report, on and after the 1st day of November.

Mr. SMITH of Michigan. Was the date when these two sections would go into effect provided for in the Senate bill?

Mr. SIMMONS. You mean the stamp taxes?

Mr. SMITH of Michigan. Yes.

Mr. SIMMONS. Yes; in the Senate bill, the special taxes, on and after November 1, 1914.

Mr. SMITH of Michigan. And the other provision?

Mr. SIMMONS. With reference to tobacco?

Mr. SMITH of Michigan. Yes; it goes into effect in December?

Mr. SIMMONS. No; that goes into effect also November 1, but the adhesive-stamp taxes go into effect on and after the 1st day of December. It was provided in the Senate bill that the tax should go into effect November 1, but the conference changed it to the 1st day of December.

Mr. SMITH of Michigan. I was wondering whether that was before the conference committee.

Mr. SIMMONS. Yes; that was before the conference, because the Senate had made the change in the House date.

Mr. SMITH of Michigan. Let me ask the Senator from North Carolina whether there is anything in the conference report that was not before either the Senate or the House at the time of the passage of the bill.

Mr. SIMMONS. I will state to the Senator that we were very, very particular about that. I do not think there is a single amendment made by the committee of conference that would be obnoxious to the objection that it was not a matter of disagreement between the two Houses.

Mr. SMITH of Michigan. The Senator says there was not anything that would be obnoxious.

Mr. SIMMONS. I mean that was not a matter of difference between the two Houses, and was not under the rules of the Senate clearly amendable by the conference. As I said to the Senator, I think we were unusually particular about that, in view of a recent departure here.

Mr. SMITH of Michigan. I do not want to find any fault with the phraseology of the Senator from North Carolina, but when he suggested that there was nothing obnoxious in the changes I want to suggest to him that the whole bill is obnoxious to me and to many Members on this side of the Chamber.

Mr. SIMMONS. I was not discussing whether the bill was agreeable to the Senator from Michigan or not.

Mr. SMITH of Georgia. Mr. President——

Mr. WEST rose.

Mr. SMITH of Georgia. I wish to ask the Senator from North Carolina a question before he takes his seat. My colleague, perhaps, wanted to ask him a question.

Mr. WEST. I have a few remarks that I should like to submit; that is all.

Mr. SMITH of Georgia. I wish to ask the Senator from North Carolina, the chairman of the committee, if the effect of the change as to when the bill goes into operation is to put all of it in immediate operation except the stamp tax?

Mr. SIMMONS. All except where there is in the bill some provision fixing a different date to go into effect. There is not

only the adhesive-stamp tax, for which a different date is fixed, but a different date is fixed as to the stamps that are provided for in Schedule A and in Schedule B. There is also a different date fixed in reference to the tax imposed upon tobacco manufacturers and dealers.

Mr. SMITH of Georgia. When does that go into effect under the bill?

Mr. SIMMONS. As I said, the 1st of November. There is also a different date fixed for all the special taxes—that is, on bankers, brokers, and commission merchants.

Mr. SMITH of Georgia. When do they go into effect?

Mr. SIMMONS. They go into effect the 1st day of November.

Mr. SMITH of Georgia. Will the Senator point out what was exactly the change made by the conferees as to the time when the various schedules go into effect?

Mr. SIMMONS. There was really no change, except the Senate had stricken out the House provision and put in a different date, and the conference restored the House provision, so that it will go into operation November 1.

Mr. SMITH of Georgia. Practically all of it goes into effect November 1 except the stamp tax, which goes into effect December 1.

Mr. SIMMONS. No; the Senator is mistaken about that. All the bill goes into effect the day after its passage except those sections where there is a special provision that it shall go into effect on a different date. That date, in this case, is the 1st of November. In the case of adhesive stamps and stamps provided in Schedule A and Schedule B it is the 1st day of December. There are one or two other instances in which it goes into effect on a specified date; but, with those exceptions, all the other provisions of the bill go into effect the day after the approval of the act.

Mr. WHITE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Alabama?

Mr. SIMMONS. Certainly.

Mr. WHITE. I wish to ask the chairman of the committee a question with reference to sections 29 and 30, on page 13, particularly the last paragraph on page 13 of the small print I have. I wish to call the chairman's attention to section 29 as amended by the conferees. It levies a tax on all dealers in tobacco not specially provided for of a certain sum where the amount of sales exceed $200. The next section, section 30, provides a tax of $4.80 on all dealers who have stores, shops, or places of business. What I wish to ascertain is whether it is understood that all dealers who have shops, stores, or any other places of business are subject to a tax of $4.80, without reference to the amount of sales.

Mr. SIMMONS. I should take it that each one of them would be entitled to an exemption of $200.

Mr. WHITE. The exemption provides only for those who are not otherwise specially provided for, and those who have stores, shops, and places of business are specially provided for. So, as I read it, all dealers who have places of business will pay a tax of $4.80, and dealers who have no places of business, such as peddlers or those selling from samples, will not pay the tax unless they sell as much as $200.

Mr. SIMMONS. I may have misunderstood the Senator. I thought he had reference when he said "place of business" to the amendment which was put on in the Senate to the paragraph with reference to dealers in tobacco, to the effect that a store, shop, or other place in which tobacco in any form is sold. Is that what the Senator has in mind?

Mr. WHITE That is what I am talking about.

Mr. SIMMONS. That is covered by the words "dealers in tobacco not specially provided for in this section." That means if there is no special provision for any tax upon the dealer anywhere else in this section except in that paragraph he would pay, upon receipts from sales of tobacco exceeding $200, a tax of $4.80, and that each place where he sold it would be treated as a separate subject of taxations, and $4.80 would be imposed upon each store, and likewise the $200 exemption would be allowed each store. That would be my construction of it. Of course it is a matter of construction.

Mr. WHITE. It occurs to me that amendment No. 30, on page 14, imposes a tax of $4.80 on all dealers who have a place of business, a shop or store, and that the previous amendment, No. 29, would only cover peddlers or those selling from samples, and they would have to sell as much as $200 before they would be subject to a tax. That is the construction I place upon it, but I may be wrong.

Mr. SIMMONS. I think the Senator is wrong about it. I think all we meant and all the courts would say was the intent of Congress with reference to this amendment was that each dealer should pay $4.80, but that for the purpose of defining the meaning of dealers in tobacco every man who might have several stores or a company that might have several stores should be, for the purposes of this section, regarded as a dealer with reference to each store, and should pay the tax of $4.80; and, of course, he would be entitled to the exemption.

Mr. WEST. Mr. President, when I took occasion a few days ago to submit some reflections upon the then pending war emergency revenue bill I did not think any condition would arise rendering it necessary for me to make any further observations in this Chamber before final adjournment: but I find myself confronted with a situation, on account of the position I took in reference to the amendment, known as the cotton-bond amendment, introduced by the senior Senator from Georgia, that it is made imperative, in order to rescue myself from the criticisms made by the Senator from South Carolina [Mr. SMITH] on the floor of this Chamber, who said:

> Any southern Senator who votes against this amendment, regardless of whether there is a doubt as to its constitutionality, will be looked upon by the people of the South as a traitor to them in the hour of their suffering and distress.

And who further said:

> To stand here, with the world convulsed in war and the credit of the South dead, and quibble about constitutional amendments is a disgrace to a southern Senator.

Mr. SMITH of South Carolina. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from South Carolina?

Mr. WEST. I yield.

Mr. SMITH of South Carolina. I took occasion the other day to call the attention of the Senator from Florida to the incorrect interpretation that had been placed upon the exact statement that I did make. I did not have time to correct my notes and they went into the RECORD in the shape as though I said regardless of whether there was a constitutional question. What I really did say was, regarding the fact that there was a difference of opinion as to whether it was constitutional or not, the southern Senator who would not give his section the benefit of the doubt and vote for this provision was a traitor to his country.

Mr. WEST. Mr. President, I accept the explanation of the Senator from South Carolina.

It is not worth while for me to bandy words with the Senator from South Carolina in reply to the charges made against southern Senators who could not give their indorsement to this amendment. I am not assailing his sincerity, and, as to mine, I am willing to leave it to the people whom I serve.

In replying, however, to this unwarranted vilification I wish to say in the first place, as I understood it, each Member, unless he then and there so declared, was to be bound by the caucus action. This I understood, and I was so informed by the chairman, referred to any additional amendments to the bill as well as the bill as it came from the conference or caucus. This is the reason why I did not support the amendment of the junior Senator [Mr. OVERMAN] of North Carolina proposing to return to the South the cotton tax collected from the southern people from 1862 to 1868. I have always believed with a firm and unalterable conviction that this tax was in violation of the fundamental organic laws of this Union, and a palpable and unwarranted infringement of the rights of the States not delegated in any sense to the exercise of the General Government.

The South has always believed this tax was wrongfully extorted from the people, and that the General Government should square itself with the people of the South by hastening the day of its return to the States. The people of the South stood as a unit in opposition to the imposition of this heavy and unprecedented tax. It was a part of the gall and wormwood that soon after the War between the States was regarded as the common inheritance of the South. The United States, in all fairness to the South, should pay this money back to the States from which it was extorted, and had I deemed the war emergency revenue bill at this hour the proper place for this amendment, it would have had my hearty and uncompromising support. The United States took from Georgia alone in collecting this tax something more than $11,000,000.

Now, had I not been precluded in the action of the conference it was my purpose to offer an amendment allowing the State banks, as well as all national banks, to lend to the farmers as much as 5 cents per pound, middling grade, on cotton-warehouse receipts. This would have been absolutely safe, for there would have been the cotton-warehouse receipts, the farmer's note to the bank, and the credit of the bank added. In doing this it is clear the farmer would still retain an equity in his cotton, which would induce him to plant less acreage in order to enhance the value of the equity he still has in the cotton. As 5 cents per pound is about half the cost of production, the Government would be perfectly safe in advancing this much per pound

on lint cotton in bales. It would be as good as gold to secure the Government from loss, yet by severe economy it would tide over the farmer until there was a demand for his cotton, and, as I have said, the less planted the larger would be his equity when there was a demand for the cotton.

This would be eminently preferable to taking away the rights of the farmer in limiting by legislation his acreage and taxing all over some definite amount fixed by the proposed law. If the Government has the power to circumscribe the acreage, it has the power to place limitations on all crops at its own will; indeed it would have the power to stifle production if it so decreed.

I am an interested farmer myself; and, knowing my own troubles, I should be glad to succor the oppressed seeking relief at the hands of the Government; but let not Members tell me my oath to support the Constitution stands for naught. More than 50 years ago a sad lesson was taught this country, and if the lawmaking power is led to disregard the Constitution and laws of this great Government, as has been suggested in this Chamber, then in the end we shall have presented to our gaze another and a sadder lesson taught in the political magic lantern of our country and manifest in the dissolving scenes of American freedom. Let us cherish the hope that this great Republic shall stand the trials to which it is destined to be subjected.

The PRESIDENT pro tempore. The question is on the adoption of the conference report.

Mr. SMITH of Georgia. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Senator from Georgia suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Lea, Tenn.	Perkins	Smith, Mich.
Bryan	Lee, Md.	Poindexter	Smith, S. C.
Burton	Lewis	Pomerene	Stone
Camden	McCumber	Saulsbury	Swanson
Clapp	Martin, Va.	Shafroth	Thomas
Clarke, Ark.	Martine, N. J.	Sheppard	Thompson
Fletcher	Myers	Shields	Walsh
James	Nelson	Shively	Warren
Johnson	Norris	Simmons	West
Jones	O'Gorman	Smith, Ga.	White
Kern	Overman	Smith, Md.	Williams

The PRESIDENT pro tempore. Forty-four Senators have answered to their names. There is less than a quorum present. The Secretary will call the roll of the absentees.

The Secretary called the names of the absent Senators, and Mr. PAGE, Mr. STERLING, and Mr. THORNTON answered to their names when called.

Mr. THORNTON. I desire to announce the necessary absence of my colleague [Mr. RANSDELL]; and I ask that this announcement stand for the day.

Mr. PAGE. I desire to announce the necessary absence of my colleague [Mr. DILLINGHAM] and to state that he is paired with the senior Senator from Maryland [Mr. SMITH]. I will ask that this announcement may stand for the day.

Mr. CHILTON, Mr. CULBERSON, and Mr. HUGHES entered the Chamber and answered to their names.

Mr. WHITE. I wish to announce the necessary absence of my colleague [Mr. BANKHEAD]. This announcement may stand for the day.

Mr. SMITH of Michigan. I desire to announce the unavoidable absence of my colleague [Mr. TOWNSEND].

The PRESIDENT pro tempore. Fifty Senators have answered to their names. A quorum of the Senate is present.

Mr. SMITH of Georgia. Mr. President, I do not like the conference report. It seems to have cut out some $20,000,000 of revenue which we were advised was necessary. I do not know why that has been done; no explanation has been given of it; and those of us who are wedded to the action of the Democratic conference—I did not have the pleasure of being in the Democratic conference that formulated this bill—are shocked at the suggestion and change from the action of the conference.

Mr. President, my real purpose, however, in rising was to call to the attention of the Senate the necessity, before adjournment, of at least considering three bills that are now pending in the House. These measures have already been passed by the Senate, and as reported by the committees in the other body they are pending there in modified form. One of them looks to the Government licensing, on application, cotton warehouses. Another is an amendment to the currency law. As we passed it, it permits the national banks to take advantage of the Aldrich-Vreeland Act to the extent of 75 per cent of their capital and surplus, based upon commercial paper, and we added in the Senate a provision extending the same privilege to the State banks.

I have called to the attention of the Senate the fact that our situation in the South, so far as the farmer is concerned and so far as agricultural products are concerned, has been little helped by any measure which has passed this Congress. The bill which we passed on August 4 reached the State banks and authorized them to take advantage of the Aldrich-Vreeland Act, but the construction erroneously put upon it by the Treasury Department was that it had not removed the 10 per cent tax on the notes of those banks, and that when we said that they should have the benefit of the provisions of the Aldrich-Vreeland Act we meant that they should issue notes as members of a currency association, paying for them the tax provided for in the Aldrich-Vreeland Act, and that they should also pay the 10 per cent tax on notes issued by State banks. I do not know what lawyer undertook to defend such a position. I hope his name will never be known, for if he has any reputation, he certainly would lose it.

We provided in the recent amendment to the currency bill which we passed that the State banks should have the benefit of the enlarged currency which the Aldrich-Vreeland Act permitted. That bill is pending in the House. The legislation which would have substantially helped the situation in the cotton States was the provision of the act of August 4, extending the benefits of the Aldrich-Vreeland Act to the State banks; and that, as I have said, was wiped out by a construction on the part of the Treasury Department. The Senate specifically provided in the amendment to the currency law which we recently passed that State banks should have that privilege, amending, in that respect, the bill as reported to the Senate by the committee. That bill, with that amendment, is now pending in the House. We shall hear from it during the day; the House will act upon that measure in some way and send it back to us to-day.

The only specific hope I have at this time of any action that will be worth much to the cotton States is that currency bill.

If the House rejects our amendment which admits the State banks to currency associations—the Banking and Currency Committee of the House has rejected it, and the House is to vote upon that question very shortly—if that provision is rejected and we send the bill to conference, we can still do something that will help; perhaps not a great deal, but help some.

Mr. NORRIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Georgie yield to the Senator from Nebraska?

Mr. SMITH of Georgia. Yes.

Mr. NORRIS. In order to get the Senator's idea more definitely, I want to inquire if he means that if we send the bill to conference with the provision eliminated which the Senator desires, and for which I voted and would be glad to see it put into the law—I refer to that provision that permits State banks to become members of currency associations—the only way, as I understand, in which we could get legislation at this session that would assist would be to insist on that particular provision in this bill, and if the conference report came back to us without that provision in it we would have to reject it? In other words, we would have to insist absolutely on that particular provision.

Mr. SMITH of Georgia. I do not think so. I think some such provision in a modified form, which might be agreed to by both bodies, could be presented to each, and I was just going to explain what I felt that might be.

Mr. NORRIS. Then I will not interrupt the Senator further.

Mr. SMITH of Georgia. As we passed the bill the State banks were to have the privilege of issuing their notes as currency, guaranteed by the national currency associations through their admission to such associations, and they were to issue those notes until July 1 of next year, when the Aldrich-Vreeland Act expires. I believe that we might perhaps obtain, if not quite that, at least something that would be helpful.

The objection urged by the chairman of the Banking and Currency Committee, by the Secretary of the Treasury, and by a number of members of the Reserve Board, who appeared before the committee in the House, was that it would be extremely embarrassing to admit all State banks to currency associations already formed; that it would be impossible to prepare notes for them; and that altogether it would involve an enormous inflation of the currency to be presented to the Treasury, which the Government would be back of. In the first place, we might eliminate the trust companies and let only the State banks unite with the currency associations, which would cut off two-thirds of those who could join. What I was really interested in was the State banks. Or we might even add a provision that up to July 1 of next year the notes of State banks should be freed from the 10 per cent tax. That

would be in line with the subject of disagreement, and that, I believe, the House would accept.

Now, let me say one word on that subject to the Senate.

The national banks, with few exceptions, have no relation to the agricultural interests of most of the States of the South. Texas is the exception, for in Texas there are more national banks than State banks. Both in number and in capital they exceed State banks in Texas; but elsewhere than in Texas, national banks are the commercial banks that deal with large institutions, are not found as a rule in the smaller cities, and have practically no relation to the agricultural interests of the States. It is the State bank alone—not absolutely, but almost alone—that handles the problem of the farmer and the cotton of the Southern States, with the exception of Texas.

Now, what is the situation? I grant that most important is the problem of marketing. Most important is the fact that, our European market being largely cut off, we have lost the demand for nearly one-third of the crop. I grant, and I believe that the ideal action was found along the line of the amendment that was offered to this bill and that was defeated last Saturday night—a provision that would not have cost the Government a dollar, that was absolutely surrounded with measures which made it certain that if the Government sold the 5,000,000 bales of cotton for more than it cost the Government, the Treasury kept the money, and if it did not sell for as much the tax levied upon cotton production made up the deficit. I have no doubt that that was the ideal course to have been pursued. I am prepared to defend it anywhere. I am prepared anywhere to defend the proposition that where a foreign war has stricken down the greatest commodity of export of a nation, it was fully justifiable and the duty of the Government to handle the problem; and we presented a plan by which the Government, with no tax upon the Treasury, could interpose and handle it.

We presented a plan that would have appealed to any other country in the world and ought to have appealed to this country. We were told by the representatives of Great Britain here in Washington during the past two or three days that the only reason their spinners fail to take cotton and settle the $200,000,000 balance that we owe, that is embarrassing our New York banks to-day, is because nothing is done here to retire part of the crop and thereby give a stable price to the balance. This great Government was not able to do for one-fourth of her citizens, and her greatest agricultural product so far as export was concerned, and her greatest of all exports, what the little Government of Egypt was able to do for the cotton growers of Egypt.

I grant that that was the intelligent business way to handle the problem; but with no chance to force the consideration of that subject further, what confronts us?

Mr. CLAPP. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from Minnesota?

Mr. SMITH of Georgia. I do.

Mr. CLAPP. Let me suggest at this point, before the Senator goes to the other phase of the matter, that I believe it would be interesting and illuminating and instructive generally to the country to know what Egypt did.

Mr. SMITH of Georgia. As I understand, two things were done there. I gather it from the press. One was a plan for curtailment of the crop for next year of 42 per cent, and the other was a provision to take care of the surplus through the action of the Government. The price was saved, the farmer was saved, and we pay for Egyptian cotton that we bring in here now practically a normal price. We import about $25,000,000 worth of cotton, principally Egyptian, each year for our American mills. As I gathered, the suggestions have been, both from the president of the International Cotton Spinners' and Manufacturers' Association and the representatives of Great Britain who are here negotiating about our indebtedness to Great Britain, that a stable price or a stable condition of this commodity would at once cause the absorption by Great Britain of the quantity she needs, three million and a half to four million bales, which, at 10 cents a pound, would be $200,000,000, which would practically cover the international balance troubling us.

I fear some of the Senators were just afraid to vote for that proposition, and it was a bad time to discuss it just before an election. It was no precedent for valorization. We were perfectly willing to accept the proposition of buying at the market price, not in excess of 10 cents. The absorption of 5,000,000 bales would have left the balance where it certainly would have sold for 10 cents, because it is conceded that 10 cents is practically the cost of production, and cotton has averaged 12¾ cents for the last five years.

I was coming, however, to my reasons for desiring the Senate to remain in session until we could pass the amendment to the currency bill, in the hope that, at least, if we could not induce the House to accept our provision which admitted the State banks to the national currency associations, in order that they might issue emergency currency, we would be able at least to induce the House to relieve the State bank notes from the 10 per cent tax until July 1 next, when the Aldrich-Vreeland Act ceases to exist.

Let us see what help that would be. Let me call your attention to what is the condition. I have explained how the national banks reach the agricultural sections only to a small extent and how they are absorbed with their own custom. County after county in Georgia, rich and prosperous heretofore, has no national bank. The State banks have done the business of the farmers. The country bank, the merchant, and the farmer exhaust their resources and their currency by the time the crop is produced. During the month of September it is not a matter of outgo, it is income, as cotton begins to sell. By the last of October debts are freely paid, balances in the community are settled; and by the 1st of December the bulk of the cotton is gone, the debts of the section have been wiped out, and the banks have a surplus of currency, but on the 1st of September they have none. It has been absorbed by other sections for things that have been bought in connection with the production of the crop. Sixty days or ninety days produce a complete revolution and a change from currency scarcity to plenty, as this crop, worth a billion dollars normally, pours the wealth of the world into the rural sections of these nine States, while it wipes out our international balances and frees the whole country from its liabilities across the ocean, bringing, as it did last year, $610,000,000 to the credit account of the United States in foreign countries.

This year September is gone, October is nearly gone, and there has been practically no market. In several counties in my State, with an absolute lack of currency, they have gotten up the device of putting cotton in warehouses and issuing a warehouse receipt for the cotton, about the size of a $1 bill, and stamping on it the statement that so many pounds of cotton are in the warehouse, and having upon it the statement of the banks that they will accept this warehouse receipt as a deposit, but reserving the right to pay deposits in the same thing, and with the signatures of the merchants upon it that they will accept this receipt in payment of their bills and for the purchase of goods, and with the statement of the railroad in the county that it will take this receipt for transportation. I had one of the receipts, but I left it in my room.

Mr. LEWIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from Illinois?

Mr. SMITH of Georgia. I do.

Mr. LEWIS. Would it disturb the Senator from Georgia if I sought at this point, right where he is, to get his opinion as to a method which to my mind seems practicable, but which I am not quite so sure will be so, in view of my having been removed from the cotton situation for some time?

Mr. SMITH of Georgia. I should be glad to explain just a little further the value of this State-bank issue, and then I would appreciate the Senator's suggestion. What I am seeking to do is to show to these empty benches and the few Senators who remain the absolute want of currency in the country counties.

I have been told in reply that there was not a lack of currency; that it was a lack of credit. Well, there is plenty of credit in New York City to get currency, but they have not the kind of stuff that it takes to get currency there. They got up this warehouse receipt in the good county of Screven, from which the wife of the Senator from Illinois hails, and they appealed to me to know if it is subject to a 10 per cent tax.

I have at least a dozen applications from different parts of my State to know if they can issue the same kind of notes and use them as a circulating medium without being subject to the 10 per cent tax. My answer is, "Use it, and we will consider that question hereafter"; for a Government that declines to do anything for a people in their position, and an administration that does so, would scarcely hunt for a chance to break down their only way to furnish a medium of exchange and to enforce the 10 per cent tax on them. But what we want to have is at least a suspension for a few months of the 10 per cent tax on State banks.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER (Mr. POINDEXTER in the chair). Does the Senator from Georgia yield to the Senator from Nebraska?

Mr. SMITH of Georgia. With pleasure.

Mr. NORRIS. On that point I wish to ask the Senator a question. As I understand it, if this 10 per cent tax on the issue of money by State banks was repealed, it would permit any State bank in the United States anywhere to issue money.

Mr. SMITH of Georgia. Yes; but I would be willing to put in a provision of this kind: That they might do so when they secured the notes by staple agricultural products, so as to make a limitation of the amount of issue——

Mr. NORRIS. I wanted to make this suggestion, and that is the reason why I asked the question. Would it not meet the contingency if a provision were put in the law that this repeal of the 10 per cent tax——

Mr. SMITH of Georgia. It would be a suspension, not a repeal.

Mr. NORRIS. Well, a suspension. For the time being it would be the same as a repeal. I was going to suggest that it should apply only in cases where currency was issued under the Aldrich-Vreeland Act. As I understand it, the Treasury Department does not refuse to permit State banks to go into the currency association, but it holds that if they do go in all the currency they issue must pay the tax. If the suspension applied only to cases where they were in currency associations under this act, would not that reach the difficulty rather than to make it general?

Mr. SMITH of Georgia. They can not go into it at all. The act expired in 15 days. The provision of August 4 required the State banks within 15 days to signify their purpose to join the Federal Reserve Association. The 15 days have gone. They commenced at once applying to join and offering to contract to join and were notified that even though they joined the Federal reserve system they could not join the currency association without being subject to a 10 per cent tax on their notes as well as the tax provided for in the Aldrich-Vreeland Act.

Mr. NORRIS. We could very easily in the same act repeal that 15 days' limitation.

Mr. SMITH of Georgia. I do not think we could get it through the House.

Mr. NORRIS. Why could we not do it in this same bill? For instance, if the conferees on the bill the Senator speaks of agreed to reject that amendment with an amendment, and in that amendment provided that this limitation should be extended.

Mr. SMITH of Georgia. Of course that would be desirable if it could be done.

Mr. NORRIS. I only wanted to know if that would not be a practical way to reach it.

Mr. SMITH of Georgia. I have about reached the conclusion that we can not get through the House or through that committee any legislation that in any way will let the State banks into the National Currency Association.

What I have had in mind was to permit the State banks to issue their notes for eight months, suspending the 10 per cent tax on them, provided they secured those notes by proper warehoused staple agricultural products. I would be perfectly willing to say cotton, but I am afraid if I would say cotton it would kill any legislation that was offered.

I would be willing to say cotton, if you prefer, or I would be willing to say staple agricultural products. I would be willing to put it in such a way as to curtail the banks that may issue it. All I want is the privilege for my own State and these nine States where it is desired to issue these notes during the next eight months.

Mr. NORRIS and Mr. WEST addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Georgia yield, and to whom?

Mr. SMITH of Georgia. I yield to the Senator from Nebraska first, and then to my colleague.

Mr. NORRIS. I only want to attain the same object and to get relief. I should like to have the Senator give attention to this point. It seems to me, as I look at it, that it is more practical than the method he suggests. As I understand it now, the reason why State banks can not issue currency under the Aldrich-Vreeland Act as extended by the present Congress is the 10 per cent tax and on account of the expiration of the limitation fixed for going into the currency association.

Mr. SMITH of Georgia. Because there is no law that warrants it.

Mr. NORRIS. There is not any now, but if we would pass a law we would let them in.

Mr. SMITH of Georgia. To let all of them in. That did let them in.

Mr. NORRIS. It did not, as a matter of fact.

Mr. SMITH of Georgia. The law let them in, but they were kept out.

Mr. NORRIS. The construction placed upon it of course excluded them. If that could be changed, and, it seems to me, it is possible to change it——

Mr. SMITH of Georgia. I have not the slightest hope of it, because the chairman of the Banking and Currency Committee and the national banks do not want them to get into the National Currency Association.

Mr. NORRIS. If the chairman of that committee and the national banks are sufficiently powerful to prevent the passage of that kind of a law, will they not for the same reason prevent any other relief?

Mr. SMITH of Georgia. I do not think so, because this does not interfere with them at all. It would simply be a local currency to meet a present local need that they are not willing themselves to relieve.

Mr. NORRIS. That is the reason why I think it would be more difficult to pass it, and it would not give as good satisfaction to the country, because in my judgment it is not as good. I think the currency is not backed up quite as well.

Mr. SMITH of Georgia. I so stated in the discussion on this subject when that amendment was before the Senate. It is not as satisfactory; it is not as good a currency. It is simply a local currency that will circulate only in a few counties in the neighborhood where it is issued; that is all. It may go to a dozen counties. I believe it was agreed to take the Screven County warehouse receipts as currency in three or four counties, and it is practically the only currency they use in three or four counties. The farmer brings his bale of cotton to the warehouse and they give him a certificate to the amount of 7 cents a pound on his cotton. He goes to the merchant and pays his debt with it, and he goes to the bank and deposits it. He takes his cotton to the warehouse, and it is there stored until such time in the future as he desires to sell it.

Now, take the county of Sumter in Georgia. I want to read a few words from a letter I received to-day from the leading business lawyer of a city of about 15,000 inhabitants in that prosperous county, one of the richest agricultural sections of the United States:

> Over half of the farmers of Sumter County have already informed their laborers that they will not be able to take care of more than half of them for next year. These negroes that constitute the white man's burden will, many of them, be left without any means of support next year because the whites will not be able in this all-cotton country to give them work and to pay them for their labor.
>
> We have had three public meetings here of farmers, and every one of them has prayed for relief. Our merchants are failing every day; most all of the guano companies are now broke. The furniture stores and jewelry stores are on the brink of ruin. It seems that the South is the stepchild of this Republic. Money can be appropriated for everything except to relieve the greatest calamity that the South has had since the Civil War.

Now, on the subject of currency I desire to read a letter written by the president of a national bank. This is a country national bank in a city of about 10,000 inhabitants in another rich agricultural county. The bank has a capital of $200,000 and a surplus of $100,000. I want to show how relief is going through the Treasury and how relief is not going through it:

> Some time since this bank applied for $90,000 emergency currency, secured by our bills receivable. After a long wait we got something over $50,000. The Secretary of the Treasury stated that our allowance had been cut down to this amount, and rejected as security which we had offered a large percentage of notes of small State banks in this vicinity, to whom we have loaned money.

Here was a national bank that was seeking to help the State bank and go to the farmer.

Mr. SMITH of Michigan. Does the Senator from Georgia understand that those were the obligations of the State banks, or were they rediscounts of the State banks?

Mr. SMITH of Georgia. They were notes of the State banks to the national banks for money loaned to the State banks by this national bank.

Mr. SMITH of Michigan. And under the authority of the laws of Georgia.

Mr. SMITH of Georgia. Entirely.

> I have written the Secretary of the Treasury, but can receive no reply. What I want to know is, whether this bank can obtain further emergency currency; and if not, why not? I also want to know the method to pursue to get more money.
>
> You probably know that this is the greatest cotton-producing county in Georgia—

It is the county to which I was referring a moment ago as probably the largest cotton-producing county in the State.

> We have loaned this season over a quarter million dollars to small banks in this vicinity. If any bank in the South is in position to give relief through emergency currency, we are certainly in that position. We are not only not hoarding, but our reserves are entirely insufficient, and it is a heavy strain on us under present conditions.
>
> I can not understand the attitude of the Treasury Department in this matter.

Mr. STONE. What bank is that?

Mr. SMITH of Georgia. That is a national bank. I will let the Senator see it, with pleasure.

Mr. STONE. I do not care to look at it. I do not doubt the Senator. I thought he would have no objection to giving the name of the bank.

Mr. SMITH of Georgia. No; I do not. It can not have any more trouble than it has had, although I intend to call to-morrow morning and see if it is possible to induce an issue of additional currency to it. It uses emergency currency to help the small State banks around in that section, and when the notes of those banks indorsed by this bank passed the credit committee of the currency association of the State of Georgia they were held up for quite a length of time at the Treasury Department, and their $90,000 application was reduced to $50,000, when every dollar of the money they were seeking to obtain was to go to the State banks, where it might do some real good.

I concede that the State bank notes secured by deposit of cotton in warehouses would not be a currency of general circulation. It would meet only a local want that nobody now is providing for. It will compete with nobody, because it will fill a place that others decline to occupy. What attitude are we in? We are denied in the House a bill that would issue an increase of national currency to State banks. We are denied here the plan submitted by Senators from the cotton-growing States that would withdraw without the possibility of the risk of a dollar by the Government 5,000,000 bales from the market, leaving the market normal, to adjust itself and to care for the interests of the whole country. Then, when we come and as a last resort ask that the only agency that can furnish local currency that will help in a measure the burden that rests upon these people through no fault of their own, when we ask simply the suspension for eight months of the 10 per cent tax on notes issued for currency by our State banks, I suppose again we will receive a stone.

Mr. President, it should not be surprising if Senators whose people are so treated are indifferent about increasing tax bills of any kind and are a little indifferent about what goes into the National Treasury. If they were they would merely feel as their constituents have the right to feel.

Talk to me about Democratic caucuses or conferences and my being bound by them. We are called recalcitrants. I did not express myself in reply Saturday night. I simply felt it would do no good, and I was unwilling to trust myself to say what I thought.

Mr. President, I at least ask that the Senate remain in session until we can hear from the Senate bills now in the House. One is the warehouse bill. The others are bills amending the currency act. I would be willing to go this far: If the warehouse bill passes I would be willing to limit the note issue of the State banks, which is to be free from the 10 per cent tax for eight months, to notes secured by warehouse receipts from Government licensed and bonded warehouses. I am willing to narrow it so that it will be restricted, but I am ashamed to go home and tell the people of my State—the second largest cotton-producing State in the Union—that Congress has adjourned and even denied them the right to use their own notes for exchange purposes.

I have been appealed to because Senators wanted to get to their campaigns. What is that compared to the needs of a great people? What importance is it as to who is elected Senator or who is elected Representative in Congress anywhere compared to the demand that this Congress should not fail to regard the condition of this vast part of our country? I shall not uselessly delay adjournment, but I shall do what I can to prevent it until we have an opportunity to test out these measures pending in the House.

Let me tell you what is going on in Screven County. The small farmer, the poor tenant, is getting the certificates at 7 cents a pound on his cotton and he is paying debts with them. He is saving his mule and his wagon even at 7 cents a pound, because as soon as he brings his cotton to town he takes it to the warehouse and he gets this note that is being used as a circulating medium. This warehouse receipt, with the names of the banks on it and the names of the merchants on it, goes as money in several counties. That is as far as a good many of the very small farmers are interested.

But you go to some other county, where the banks are afraid of a 10 per cent tax even on circulating warehouse receipts of that kind, and he comes to town and has practically no offer for his cotton. His debts are due, and there is nobody able to help him, and by the time he gets it sold the chances are his cotton will not pay his debts, and his team and his wagon and his cows must be lost also. If it is the larger farmer, it may be his home; and we statesmen, the representatives of the people of this great country, both here and at the other end of the Avenue, lie down supinely and do nothing. I am not proud of anybody who participates in leaving such a condition with no relief, and I do not think they ought to be proud of themselves.

Oh, it is all right; the speculator will get the cotton, and six or eight months hence it will be selling at 9 or 10 cents a pound, as it seems that next year's crop will be greatly curtailed, and the men who got it from the men who made it will earn a rich harvest at the expense of the tiller of the soil; and we great statesmen will have the gratification of knowing that we did nothing!

I would not be proud of a Government that did not have the power to do anything under these circumstances. The fault is not with the Constitution. It is the people who administer it. Time will pass on, and the 8,000,000 people who have their little swept away will turn to dust and be forgotten; the section as a whole will be injured, but not permanently. It is too rich in resources not to grow and prosper. Only the small farmer and the man who is in debt will have his all wiped out. What do they amount to? Who has any sympathy for them? Few, I fear.

Ah, gentlemen, I do not think either House that is willing to adjourn with this situation confronting a large part of the country has anything to be proud of. I shall not vote to adjourn.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed a concurrent resolution (H. Con. Res. 51) authorizing the President of the Senate and Speaker of the House to close the present session by adjourning their respective Houses on the 22d day of October, 1914, at 6 o'clock p. m., in which it requested the concurrence of the Senate.

The message also announced that the House had passed a joint resolution (H. J. Res. 376) authorizing the payment of October salaries to officers and employees of the Senate and House of Representatives on the day of adjournment of the present session, in which it requested the concurrence of the Senate.

FINAL ADJOURNMENT AND PAY OF EMPLOYEES.

Mr. SMITH of Georgia. I should like to hear the resolution from the House read.

The PRESIDING OFFICER. The Secretary will read the resolution, if there is no objection.

Mr. SMITH of Michigan. I should like to hear both resolutions read.

Mr. SMITH of Georgia. I should like to hear them both read.

The Secretary read the resolutions (H. Con. Res. 51), as follows:

Resolved by the House of Representatives (the Senate concurring), That the President of the Senate and Speaker of the House of Representatives be authorized to close the present session by adjourning their respective Houses on the 22d day of October, 1914, at 6 o'clock p. m.

A joint resolution (H. J. Res. 376) authorizing the payment of October salaries to officers and employees of the Senate and House of Representatives on the day of adjournment of the present session.

Resolved, etc., That the Secretary of the Senate and the Clerk of the House of Representatives are authorized and directed to pay to the officers and employees of the Senate and House of Representatives, borne on the annual and session rolls, including the Capitol police, their respective salaries for the month of October, 1914, on the day of adjournment of the present session. The Clerk of the House of Representatives is authorized to pay to Members and Delegates on that day their allowances for clerk hire for the said month of October.

Mr. SMITH of Georgia. Mr. President, it has been suggested that the first resolution must be referred to some committee of the Senate.

Mr. CLARKE of Arkansas. Mr. President, the usual course is for such resolutions to be referred to the Committee on Appropriations.

Mr. MARTIN of Virginia entered the Chamber.

Mr. CLARKE of Arkansas. The Senator from Virginia is now present.

Mr. MARTIN of Virginia. Does the Senator refer to the resolution providing for final adjournment at 6 o'clock this afternoon?

Mr. CLARKE of Arkansas. Yes, sir. The Senator will be able to tell whether the business before the Senate justifies action on that resolution at this time.

Mr. MARTIN of Virginia. I will suggest that perhaps it would be well for the Chair not to lay the resolution before the Senate at this moment and that we may progress a little further before any action is taken upon it.

The PRESIDING OFFICER. Does the Senator desire the resolution to be referred to the Committee on Appropriations?

Mr. MARTIN of Virginia. I suggest that it lie on the table.

The PRESIDING OFFICER. The resolution, then, without objection, will lie on the table.

EMERGENCY REVENUE LEGISLATION.

The Senate resumed the consideration of the report of the committee of conference on the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

The PRESIDING OFFICER. The Senator from Georgia [Mr. SMITH] is entitled to the floor.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Illinois?

Mr. SMITH of Georgia. Yes, sir.

Mr. LEWIS. Mr. President, I have been exceedingly interested in the presentation by the Senator from Georgia of what all must admit is a most serious and a most regrettable situation in many of the sovereign and great States of our Union. The Senator from Georgia has in his own observations alluded incidentally to the sentimental relations which naturally I bear to one—in fact, to two—of the States of the South, one by my own birth and rearing and the other by the birth and rearing of members of my family. Naturally, Mr. President, I have some other sentiment than merely the casual sentiment of a mere citizen of the country, and I wish to say that I have been invited to very serious reflection by the remarks of the Senator from Georgia as to the necessity of some kind of action for the relief of the cotton States so far as the Government can contribute it.

Mr. President, representing a Western State and speaking for that State, I presume I was in harmony with Senators from the Western States in the reason I had for not being able to support the proposition of the Senator from Georgia, ably aided by the very full and logical argument of the Senator from Arkansas [Mr. CLARKE], and that was that the moment we admit that it shall be the policy or province of the Federal Government to become a lender to any one set of citizens or any one kind of produce or property because such be embarrassed by a temporary condition, we will be compelled to admit the precedent as necessarily applicable to any other kind of property in any other locality upon any other emergency, however large or small. That being so, it seemed impossible to my mind that I could pledge my State and my country to a precedent that seemed fraught, to my thinking, with such harm and future danger.

Now, I ask the able Senator from Georgia, knowing his experience in matters of finance, his attainments in matters of legislation, and particularly the value of his opinion in matters of practical business, what legitimate objection would there be to the expanding of the Federal reserve act for the relief of the people of Georgia and the people of the South—referring to the cotton States—in the following manner: That there be associations promptly organized in the cotton States coming within the meaning of the definition of "associations" in the Federal reserve act; that then cotton from the farmer be put into the custody and control of these associations; and that these associations then be permitted to draw relief from the Federal Reserve Board, under the provisions of the law based upon this cotton in the hands of these associations as collateral. Then, at the proper time, when the collateral shall come due, if it shall appear that the sale of the cotton would be to the sacrifice of it, the loans then be extended from time to time until such natural conditions would arise as the Senators had in their minds when they offered the proposition that the Government become a lender direct.

Then, I ask my able friend from Georgia, where would there be a violation of the Federal reserve act in the procedure, and why would not that temporarily assuage the severe condition of the South by letting the farmer pay off his debt, save his crop, and hold his cotton in abeyance until conditions, which we all hope may be speedy, shall give him the rescue of a rising market by which he may sell his cotton, pay his debt off permanently, and have a residue, which I hope will be to his independence?

May I ask the able Senator if he sees objection within the law to some course like that? And, if there be objection, may I then ask a second question, Is there not an amendment we might promptly add to the law here to meet the situation so as to avoid the objection? The virtue to this proposition, as I see it, is that it is as applicable to future emergencies, whether of cotton, corn, wheat, or any other necessity of existence.

Mr. SMITH of Georgia. Mr. President, I am glad to answer the Senator. In the first place, if the law permitted what he suggests, it would be a complete remedy; and so far as the extension of credit is concerned, it would be vastly better than taking the tax off the State banks, because it would require a provision by which an association being formed for the storing of cotton, the reserve banks would extend a loan direct to the holders of that cotton or to the association holding it, which would enable them to carry their immediate burden. That is the suggestion of the Senator, as I grasp it.

Mr. LEWIS. Yes; keeping in view that if such a course is legal and appropriate, it should be so provided as to apply to the grain produced in the State of my able friend from North Dakota [Mr. MCCUMBER], and likewise to the corn produced in my State of Illinois; and in such emergency the relief would be uniform in its operation and not wholly limited to cotton.

Mr. SMITH of Georgia. That it would be of great service, and that it would largely relieve the situation so far as an increase of currency could relieve the situation, is undoubtedly true. The difficulty about doing it is that I am familiar with no provision in the banking and currency law that permits anything of the kind. As I understand the banking and currency law, only member banks can deal with the Federal reserve banks. A State bank can not deal with a Federal reserve bank unless it has taken stock in the Federal reserve bank and has become a member bank, in which event its own system of business must, to a considerable extent, cease, and it must conform to the requirements as to the mode of conducting business, which the Federal Reserve Act places upon banks which become members of the Federal reserve system. Only a bank which is a member of the Federal reserve system can deal with the Federal reserve banks. It would require a most elaborate amendment to our banking and currency law as we adopted it last year to permit what the Senator from Illinois suggests as a remedy. I give my own opinion of the meaning of the act and of its terms. Of course, if the Senator is familiar with any provision of the law that does not occur to me, I do not desire to express an opinion without having that provision before me; but I know of no provision in the banking and currency law that would permit anything of that kind.

Mr. MCCUMBER. Mr. President——

Mr. SMITH of Georgia. I yield to the Senator.

Mr. MCCUMBER. I now wish to ask the Senator a question from the standpoint of one who believes neither in any further inflation of our currency upon the ground that we have got all the money that we need if we can invest it with proper security, and from the standpoint of one who does not believe in the Government going into the business of purchasing a commodity for the purpose of upholding its value. Now, what objection would there be to a proposition of this kind: I am not afraid of the Government issuing bonds; I am perfectly willing that the Government should issue bonds to the amount of $250 000,000 or $400,000.000 or $500,000.000, if necessary; and if that money be deposited with the State banks and Federal banks in the cotton-growing States, that it be loaned to those banks at a certain rate of interest, that it be reloaned by the banks to the farmers upon their cotton crop in storage at a reasonable additional rate of interest, enough to secure the banks, which ought to have patriotism enough to assist the people without very much interest accruing to themselves; then let the Government hold a lien upon the cotton, let the payment be made in a year or two years or three years, or until we can assume at least that the war in Europe will be over by reason of the exhaustion of the armies engaged? What objection could there be to a scheme of that kind, if you base the loan not on the selling price of the cotton, but upon, say, 65 per cent of the usual selling price of the cotton? If I go down to the Union Trust Co. or to any other investment company in Washington, I can not borrow more than 60 or 65 per cent upon what is the real value of the best real estate.

Now, with this cotton upon a basis, we will say, of 10 cents a pound, the farmer ought to be able to secure enough at least to tide him over. The Government, then, has not gone into the speculative market; it has merely loaned its credit, taking the bank for its security, and, in addition to the bank, taking the cotton itself for security. The bank would be protected by having a lien upon the sale of cotton.

I have always been willing—although I am not much inclined to vote generally for the Government itself going into the loaning business—in this particular instance and under a condition which probably might never happen again, to extend the credit of the Government in the shape of a loan to go directly to the farmer himself.

Mr. SMITH of Georgia. Mr. President, I thank the Senator from North Dakota for the view he has presented, but I am inclined to believe from his statement that he has not kept up with what has been going on in the House of Representatives in the past two days.

Mr. MCCUMBER. Mr. President, if I may correct the Senator, I understand that something along that line has been considered.

Mr. SMITH of Georgia. The Senator has almost stated the proposition which those interested in the cotton situation worked out in the other House.

Mr. McCUMBER. If I may trouble the Senator again, I will state that I made that statement four or five days ago, when I was discussing the cotton situation.

Mr. SMITH of Georgia. I did not mean that the Senator took it from the House action. What I meant was that he had stated practically what we had agreed upon or what our representatives in the House had agreed upon as a conservative way of handling the situation, and they presented a bill substantially as outlined by the Senator from North Dakota.

Mr. McCUMBER. Let me ask the Senator right here if their provision did not go a little further and compel an advance upon cotton at its regular selling price, or at about 10 cents a pound?

Mr. SMITH of Georgia. They omitted that on the floor; there was a division about that, and it was amended, as I understand, upon the floor of the House. There was a provision made for 2 per cent bonds due January 1, 1916. I approve of the limitation of the loan to that date. I feel that the cotton farmers ought to take care of themselves after making another crop. If they have not judgment enough to meet the situation and curtail the crop, then they will have to take the consequences. If it were a situation that they walked up to with their eyes open, I would not be here asking for any assistance. If next year we raise in the South another big crop, God save the farmers; legislation can not and should not. I would not be here asking for legislation but for the fact that the cotton farmers have acted sanely, they have acted normally, and the European war is the one thing that has stricken them down.

The bill presented by the cotton-growing representatives in the other House provided for a bond issue on a 2 per cent basis, due January 1, 1916. It provided that the bonds should be loaned to the banks, and that the bonds were to be in small denominations, so that they could be used as currency and as legal tender. They were to become due at the Treasury January 1, 1916. They were to be loaned to the banks payable in December, 1915, by the banks, so that the Government was to have the money back in the Treasury to pay off the principal and interest before the bonds fell due.

The banks were required to loan at such rates as might be approved by the department to the producers on their cotton, and the banks were to deposit their warehouse certificates which they took as security, or the other security, in the shape of a lien upon the cotton which they took, with the Treasury back of their notes, so that the Treasury was to have the responsibility of the banks and the security which the banks had taken; and the limitation was made that the loans should be to the producers alone.

The bill provided further that the bonds should be distributed throughout the States in limited quantities to each one of the producers. So that the bill embodied even more care and limitation, as to the cotton producer, than the bill outlined by the Senator from North Dakota which he would be willing to support. Unfortunately, after a splendid presentation of the measure, it was defeated by the House yesterday afternoon. That bill was offered as an amendment to the currency bill pending in that body.

Mr. WEST. Mr. President, was that after a favorable report by the committee, or did the proposition go to the committee with a favorable report?

Mr. SMITH of Georgia. The Banking and Currency Committee did not approve it. The Rules Committee presented it; the Banking and Currency Committee fought it; the chairman of that committee fought it. The Rules Committee, however, reported a special rule to consider the currency bill and this amendment; and the amendment in effect was presented, as I understand, by the Rules Committee. I do not exactly comprehend the practice of the House, but that is my understanding of what took place, and it was debated.

In the Senate we sought to withdraw 5,000,000 bales of cotton with a provision to protect the Government. In the House, as the Senate had declined to accept the withdrawal plan—which as a business proposition was the safest for the Government and as a business proposition the best for the Nation—as the Senate declined to accept that, there was proposed in the House a measure somewhat similar to that which the Senator has outlined, not quite so generous as the one suggested by him, for he said he would let the issue extend for one, two, or three years, while our friends there took the position that they would not ask for it to extend over longer than the last of next year; that the farmers would then have a chance to take care of themselves; that, if they would cut their crop and reduce their cotton production to meet the surplus which the European war has caused, they would need no further help; that, if they do not do so, they have had a chance by their own action and by their own initiative to save themselves; and that we would not ask Congress to save them from bad judgment on their part; we would not ask Congress to help retrieve a situation which they might have handled for themselves. We were only willing to ask that they be assisted against a condition which they could not have foreseen and to which they in no way contributed, but which a foreign war produced.

I see no chance of any legislation unless we at least stay together until the currency bill comes over from the House and put on it a provision suspending the 10 per cent tax on State banks for 8 or 12 months.

Mr. WEST. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Georgia yield to his colleague?

Mr. SMITH of Georgia. Yes.

Mr. WEST. Has the Senator any assurance that the House will agree to the proposition he has submitted here, and has he any assurance that, if it passes through the Senate, it would meet the approval of the President? I refer to the provision repealing the 10 per cent tax on State banks for a term. I think myself that it is an admirable proposition.

Mr. SMITH of Georgia. Mr. President, in the first place, I am not one of those who think it the duty of a Senator to find out what the President wants before he legislates. I did not consult the President about the amendment I offered to the other bill. I wish to carry my own part of the responsibility; I do not know as to the attitude of the President, but I have too much confidence in him to suspect for a moment that he would veto such a measure.

Mr. WEST. Mr. President, I understood the other day—perhaps I was mistaken—when the Senator with others and myself were in conference with the President, that he would not agree to anything of that sort.

Mr. SMITH of Georgia. Mr. President, I have never made it a practice to confer with the President and discuss his views. I think he should always be left to present them himself to the public, but I will say to my colleague that I did not understand the President to commit himself to any such proposition.

Mr. WEST. It may be that I was mistaken, but I so understood.

Mr. SMITH of Georgia. Going one step further, I will say that I did understand that the President was opposed to any permanent repeal of the 10 per cent tax on State banks; but I did not understand that he was opposed to a suspension of the tax guarded, as I have suggested, for 12 months or 8 months; but I would not hesitate a moment to support a measure if I thought it was right, even if I believed the President would veto it.

Mr. SMITH of Michigan. We have a right to pass bills over his head, have we not, under the Constitution?

Mr. SMITH of Georgia. I would not hesitate a moment to do as the Senators on the other side of the aisle did two years ago, when they carried through the Senate a motion to pass the immigration bill, with its restrictions and its literacy test, over the then President, and Democrats and Republicans joined to pass it over his veto. I think they did right then. I really think it is fortunate now and then for Congress to legislate by a two-thirds vote.

Mr. POINDEXTER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from Washington?

Mr. SMITH of Georgia. Certainly.

Mr. POINDEXTER. The bill which the Senator just mentioned was a very meritorious bill. I refer to the immigration bill. The Senator will remember that the motion to pass the bill over the President's veto did not prevail.

Mr. SMITH of Georgia. It did pass the Senate, however, I think.

Mr. POINDEXTER. But it did not become a law. A similar bill—practically the identical bill—is now pending, and it is just as good a bill now as it was then.

Mr. SMITH of Georgia. And I am going to vote for it in every stage that it comes before the Senate.

Mr. POINDEXTER. Would not this be a very good stage to bring it before the Senate and talk about it and insist upon its passage?

Mr. SMITH of Georgia. I would be gratified to see that done.

Mr. POINDEXTER. I do not know of any bill in which the people of the country generally are more interested than they are in that bill, and yet we are about to adjourn here presumably without any attention being paid to it whatever.

Mr. SMITH of Georgia. I would be delighted myself to stay here a couple of weeks longer and take up that bill and debate

it and pass it. It is not, however, pressing so much just at this time, because the European war has stopped immigration. Before the war began, I will say to the Senator, that in the Democratic caucus any effort to exclude that bill from consideration at this session was defeated, and it was left to be taken up by the Democratic caucus, to be added to the list of measures we then contemplated considering. The only reason it has not again been pressed is the fact that the European war having practically suspended immigration for the time being it was not an emergency measure.

Mr. JONES. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from Washington?

Mr. SMITH of Georgia. I do.

Mr. JONES. I want to call the Senator's attention to the fact that I read into the RECORD a short time ago what purported to be an interview with the Senator from South Carolina [Mr. SMITH], who has charge of that bill, in which he was quoted as saying that he proposed to insist upon the consideration and passage of that bill before adjournment. I have been waiting anxiously for some activity along that line.

Mr. SMITH of Georgia. So far as I am personally concerned, I am ready to join with a majority of the Senate to vote against adjournment this evening, and go on with that measure to-morrow.

Mr. President, I wish to beg Senators not to agree to adjournment as this matter stands now. Give us at least an opportunity to hear from these measures in the House. What I would like for you to do would be not to adjourn until we have really done something substantial. I think it is more important to save 4,000,000 people, white and black, both, who have practically nothing but their teams, from having their little swept away from them, than it is to elect a Republican or even a Democratic Senator or two or three Members of the House of either party.

I did not feel badly the other night when some of my colleagues grew so excited about some of us being recalcitrants. Their mock heroics really amused me. They did not know on what thin ice they were treading; they did not know how much more to us were the suffering people whom we were trying to serve than were the appalling threats of Senators.

I beg the Senate not to adjourn and not to agree to this resolution. If the report came from the House now bringing with it these measures, I would be ready to suspend my remarks and would be glad to participate in their consideration. I do not mean by this that I expect to-day to emulate the example of the distinguished Senator from Ohio [Mr. BURTON] and send for my dressing gown and slippers to wrap up at 11 o'clock to-night while somebody else occupies the floor. I do not mean that he did it, either. I saw the statement in the press, and if he did it, it was all right. I do not mean to criticize him if he did do it. It would not appall me at all to have my colleagues criticize me if I did it. If I thought I could obtain legislation by occupying this floor without leaving my feet until this time to-morrow, being several years younger than the distinguished Senator from Ohio, I think I would stay on my feet.

Mr. SMITH of South Carolina. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from South Carolina?

Mr. SMITH of Georgia. With pleasure.

Mr. SMITH of South Carolina. In view of the fact that on that side, as on this, there seems to be a disposition to credit the statement in the press to the effect that the efforts I made to bring up the immigration bill were a joke, I now move, as there is no bill pending——

Mr. SMITH of Georgia. There is a bill pending—the conference report on the war-revenue bill.

Mr. SMITH of South Carolina. Then I serve notice now that immediately upon the conclusion of the debate on this conference report I shall move to take up the immigration bill. I hope those who are of the same opinion as myself—that it is very necessary that that bill should become a law, in view of the fact that the war may cease at any time and we will be deluged with a flood of those unfortunate ones, and we are unfortunate ourselves—will vote to take it up.

I serve notice now that immediately upon the conclusion of the consideration of this conference report I shall call for a vote on taking up the immigration bill.

Mr. SMITH of Georgia. Mr. President, I shall cordially support the motion of the Senator from South Carolina when he makes it, because I should be delighted to see the immigration bill considered and acted upon at this session of Congress. There has not been an hour since the Congress met when it would have failed to give me pleasure to vote for that measure. I am for it, and I am stronger for it now than I was 12 months ago. The more I think about it, the more I consider it, the more I study the illiteracy or the literacy clause, whichever it is called, the more I am satisfied that that is perhaps the only way we have to protect this country against a great flood of men unprepared to be assimilated by our people.

I am not opposed to immigration. I am glad to see those prepared to join with us to carry with us our burdens come among us and enjoy our privileges, but I think it only fair that as we seek to train, at least with common-school education, our own boys and girls we should require some educational qualifications from those who come from other countries. It is scarcely fair to our country to carry the burden as it is carried now.

I know it is claimed that we will not keep out the criminals, that we will not keep out the objectionables, by this literacy test. It is difficult to obtain any plan that accomplishes it thoroughly. It is almost impossible to devise a way that would bring about complete success. The best plan that has been found, I think, is the literacy test. Unless we have heard from the House in the meantime, and the House has acted upon the currency bills and the warehouse bill, so that we can perfect them and pass them, unless we have those measures before us ready to act, I shall support with great pleasure, the motion of the Senator from South Carolina. I hope this Congress, at any rate, will not adjourn next winter until we have made law, substantially as it is now written, the immigration bill.

I take this occasion to say these few words in its behalf, because, under our rules, when the motion is made to take it up, that motion is not debatable. I present my views in favor of that motion in advance in order that Senators may have the benefit, if it is a benefit to them, of knowing the importance of voting for the measure when it is presented.

I believe, under the rules, the joint resolution for final adjournment can not be considered to-day; that under the rules a point of order made upon it carries it over until to-morrow. I am opposed to the passage of that resolution until we have an opportunity of voting upon these House measures. I would almost be justified in an effort to detain the Senate indefinitely and do what I could to prevent adjournment at all, in view of the situation in the State which I represent. It is not my purpose at this time to enter into such an effort. I have talked twice as long as I had any idea of talking. I really expected to occupy the floor for a short time only; but as there seemed to be nothing else before the Senate, and as I have usually addressed myself exclusively to the subject before the Senate, and have not before indulged in any wandering from the immediate subject under consideration, I feel excused for varying just this once from a practice that perhaps is better than the one I have followed to-day.

Mr. VARDAMAN obtained the floor.

Mr. SMITH of South Carolina. Mr. President, I desire to ask the Senator from Georgia a single question.

Mr. VARDAMAN. I yield to the Senator from South Carolina.

Mr. SMITH of South Carolina. I should like to ask the Senator from Georgia, if the currency bill passes the House, and its terms are not such as to relieve the situation, whether he proposes to offer an amendment to it?

Mr. SMITH of Georgia. I propose to ask for a conference and to seek in that conference to obtain some measure of relief along the lines I have been presenting to the Senate.

Mr. SMITH of South Carolina. Along the line of the temporary repeal of the tax on State bank notes?

Mr. SMITH of Georgia. Yes; and I have been presenting the matter to the Senate at this time, because I did not think this time was as precious as the time would be a little later on. I thought I would save discussion at an hour when Senators wanted to get away, and occupy time that otherwise would not be occupied.

Mr. VARDAMAN. Mr. President, I yield to no man upon this floor in my devotion to the people of the South, and my very great desire to promote their interests surpasses the power of language to express. They are suffering from a depression of business which is without a parallel in the industrial history of this Republic, brought about by causes for which they are in no way responsible. The utmost care and thought have been given to the consideration of that question. All the strength of mind and soul and will which I possess has been devoted to the solution of it. A large number and variety of guesses and solutions have been proposed. Nothing new, I imagine, can be said upon the subject. We have swept the horizon of expediency to find a way out of the difficult situation. The American Congress is fully informed as to the condition in the South. The Congress understands the limitations of its powers—the will to do has been manifested, and I think the legislative mind is made up. In other words, Mr. President, the matter

has been discussed in all of its phases, and every sane mind has been brought to see it in its due proportions.

I thought that the only practical solution was offered in the amendment presented by the Senator from Georgia [Mr. SMITH], which was the work of the southern Senators and Members of the House of Representatives. That matter was presented to the Senate. It was within the power of southern Senators to have either made it a part of the revenue bill, and in that way to have secured relief for the southern farmer, or to have prevented any additional burden of taxation being put upon him. Certain Senators failed to improve that opportunity, and I believe when they did they failed in the performance of a sacred duty, not only to the people of the South but to the people of the entire Nation.

Having failed in that, having refused to use the advantage which we had—having thrown away the only lever we had to raise the farmer from the depths of poverty to which misfortune has suddenly reduced him—with all due respect to Senators, the further discussion of this question is but sounding brass and tinkling cymbals. You can not fool the people. They understand the situation here as well as you do. You can not do anything along the line proposed in that amendment now. It is too late; and you know it. It has the opposition of the White House and the Secretary of the Treasury; and every Democrat upon this floor knows that that opposition is sufficient to defeat the measure. Then, why all this talk about keeping Congress in session? I can not believe that you are ingenuous in your protestations. You might stay here for six months, and then, in the end, you will do the bidding of the President. The revenue bill has passed. You have no lever by which to coerce anybody, and therefore no good will come from the further consideration of this question; and I want to say that I for one am in favor, in the language of the plowman, of "taking out."

I am tired of listening to discussions which "keep the word of promise to the farmer's ear and break it to his hopes." I have done all that I could. I have gone to the end of my tether. I have given my voice and vote; I have given my counsel. I have given the subject the best thought of which I am capable, and, so far as I am concerned, I am through with the fight for this session. I am in favor of voting for the resolution brought in from the House to adjourn at 6 o'clock this evening, and I sincerely hope that we may go home, and when we get there we may be brought to realize, I trust, that all political power in this country is, or should be, derived from the consent of the governed. I sincerely hope that gentlemen who threw away the opportunity to serve their constituents may yet be brought to understand that it is better to serve their constituents and deserve the plaudit, "Well done, thou good and faithful servant," than to enjoy the patronage of presidential approval.

It is said, Mr. President, that in the great wrestling contest between Anteus and Hercules that Anteus, who derived all of his strength from Mother Earth, was, as long as he could keep his feet upon the ground, a foeman worthy of his great antagonist. The fight was fast and furious, the issue doubtful; but at an unguarded moment, by a trick of the wary wrestler, Hercules raised Anteus from the earth and, with the source of his strength cut off, suspended in midair, he crushed him as you would crush an eggshell. I hope that when Senators go back to their respective homes that they may be brought to understand that all strength and authority which they have is derived from their constituents, that they are servants and not masters, and that their responsibility is to the people. And when they shall come back with this new inspiration and take up the thread of work which they are now about to lay down that they may have the courage in their hearts, with the approval of their intellects, to vote their honest conviction for the protection of the people's interest, and be able at all times in the performance of their official functions to rise equal to every emergency, to reach the full stature of exalted American statesmanship, and spurn "with contumely that power which only crooks a coward's knee and forces from the lips of fear the lies of praise." God give us more independence and a deeper sense of our obligations and personal responsibility to the people.

I honor the man born and taught,
That serveth not another's will,
Whose armor is his honest thought
And simple truth his utmost skill.

Mr. JONES. Mr. President, I sympathize very much with the situation in the South. I was willing to take an exceptional course to assist them in their trouble and distress, and I voted for the proposition they presented to us a few days ago. I think it very strange that our Government seems to be unable to take care of a situation so deplorable as that in the South seems to be. It seems that there is something wrong with the Government if we can not protect in cases of emergency 20,000,000 of people and a vast expanse of territory so afflicted as they are, which affliction will be visited also on the other parts of the country and become a Nation-wide calamity. I am willing, as I said, to accept exceptional measures—emergency measures, if you please, measures to meet a peculiar and particular situation—without insisting upon the regular lines that we usually follow in the case of important legislation, and I have very much hoped that something might be done to help out that situation.

I do hope that some good will come out of the situation that afflicts them. I hope that those people will realize that there is something fundamentally wrong in the condition in their territory; and while I am not going to discuss a proposition upon which we differ and upon which they have always taken a different view from myself, I do want to suggest to them that they should consider in this hour of distress and extremity the fundamental proposition that I think, if carried out, would save them from a situation like this hereafter. I believe that what they need in the South is a diversity of their industries. They ought now to be in a position to manufacture the clothing of almost all the world. They have the raw product, and there is no reason why they should not manufacture it into the manufactured product and have the diverse industries that come up under a system of protection to American industries, which has in its practical application demonstrated its benefits and its necessity for the people of this country.

However we may denounce and condemn what we may consider as a principle that looks to some special benefit, yet it does seem to me that the present situation has demonstrated the practical necessity and the practical importance of the application of this system to all sections of the country. I hope that a party fetish will not lead the people to disregard what I think is fundamentally necessary to insure their prosperity and guarantee them against any recurrence of the present unfortunate condition. The people themselves who are so vitally interested in their own prosperity should not permit party prejudices to blind them to the adoption of a policy that is necessary to national stability and prosperity. If their representatives will not give heed to the situation, the people have it in their power to see that a change is made.

Mr. President, in my judgment the bill that is embraced in this conference report is an absolutely unnecessary measure. This Congress has appropriated many millions of dollars more than ever before. That money has not yet been expended. The appropriations were largely made before this emergency came upon us, and in my judgment all that is necessary to tide over this situation is for the administration to practice economy in the expenditure of the money that we have appropriated. As to many of the items for which we have appropriated, no suffering or distress or interference with the administration of the Government will result if the expenditure is delayed for some time. So, instead of going down into the pockets of the people to take $100,000,000 from them, instead of imposing this tremendous burden upon them, under the conditions and circumstances from which we are all suffering, and when they are less able to bear it than for many years, it seems to me it would be far better for us to expend this money more economically, and withhold expenditure whenever it can be done without injury or without affecting the efficiency of the service, and, as necessity demands, slowly take from the banks the $75,000,000 of money, or a part of it, that the Government has deposited there on call to meet the demands of the Government. This money, if taken from the banks, is not taken to the Treasury to hoard there, but to be sent out in the ordinary business transactions of the Government, and it will eventually get around again to the banks. So I think this legislation is not only unnecessary but unwise at the present time and under the present conditions.

There is one other point that I desire to notice for just a moment. It seems that while this conference report is up we can take up various subjects, and yet what I want to refer to has, to a certain extent, a connection with this proposition.

A terrific war is raging 3,000 miles away. The President in clear, concise, elegant, and proper language has urged upon our people strict neutrality. His partisans, through the press and on the stump, are loudly proclaiming his wise and patriotic action, and because we are not involved in this struggle the people are urged to stand by the President at the polls. I would not take from the President a single meed of praise for the wisdom with which he has been and is handling this delicate situation. It is a slur upon the intelligence, humanity, and patriotism of our people, however, to insinuate that the President is the only man who appreciates our duty toward those engaged in this conflict and dares to do it. He has acted wisely and patriotically. Who would have acted differently? Of our

90,000,000 of people, every man at all worthy to be President of the United States would have done exactly as he has done. There is no issue over this. There is no partisanship in our support of the President in this matter. You do not need to ask anyone to stand by him in this. We are all with him, we are all behind him. In matters of this kind we cease being partisans and become patriots. It is only partisan despair that leads to this appeal, and it ought to feel the resentment of every honest, patriotic man.

We must preserve our neutrality. From every nation involved have come to our shores some of her best sons and daughters, who have become loyal American citizens. They have not forgotten their mother country, and we do not ask them to do so. We do not ask them to love their mother country less, but we have a right to insist that they love the country of their adoption more. We should do nothing to disturb our concord at home and nothing to embroil us abroad. We can rather afford to overlook technical infringements of neutral rights than endanger the peace of our people. We would better not insist upon technical rights in the midst of the hellish passions of war than be drawn into the terrible cataclysm.

The greatest danger to us comes from the greed of men. Insidiously advantage is being taken of the war situation to secure legislation of benefit to special interests regardless of the safety of the Nation. Danger threatens now from legislation which the President urged, and which many of us feared would lead to complications and danger. With no ships to carry our products when the war broke out, some one proposed to admit foreign-built ships and ships flying a foreign flag to American registry and to sail them under the American flag. They got the ear of the President. He thought it a good thing and urged the legislation. A bill was passed under which the ships of England, France, Germany, or any other country might change her flag and sail under the American flag, and the President was given authority to suspend the laws which have been in operation for over a hundred years requiring watch officers on ships flying our flag to be American citizens. Almost immediately upon its passage, with hundreds of American officers idle and available, he suspended for seven years these laws, and German ships and English, with their foreign officers, have been placed under our flag. Ships heretofore sailing under the flag of one of the belligerents, manned by her crew, and officered by her citizens, are now sailing under the American flag with the same officers and crew and engaged in the same business as heretofore. What could be expected from such a situation? Nothing but trouble and embarrassment can come to us from it. It is coming. Already the honored chairman of the Foreign Affairs Committee has uttered a clarion note of warning to other nations not to interfere with vessels flying the American flag. Why? Simply because foreign nations are not respecting the simple transfer of flags on ships of commerce to escape the dangers of war. Seizure after seizure is being made of ships registered under this emergency law. International complications are arising. French men-of-war are stopping American ships and, without protest from British crews, are seizing German citizens who now claim to be Americans and requiring their parole. British warships are seizing former German ships now transferred to our flag without hesitation, and the right of search is again being practiced. This comes not from our failure to stand by the President but from the emergency legislation passed over the warnings of Republicans. Who owns the *Metapan*, the *Brindilla*, the *John D. Rockefeller*, and the other vessels that have been seized? The Standard Oil Co., the United Fruit Co., and the Steel Co. Because it was cheaper to sail under a foreign flag in time of peace they spurned the flag of their country. When war threatened their property and profits they come under it for protection from danger. An insult to our flag will be resented by a united people, but it should not be made the haven of greed. It would be a shameful travesty upon our intelligence, upon our enlightenment, upon our civilization, upon our patriotism, and upon our humanity if the avarice and greed of these great companies shall embroil us in this harvest of death and ruin and bring to our fair land sorrow, bloodshed, death, devastated homes, and broken hearts, and all the other terrors of war. All the crimes of the damned will pale into insignificance before the guilt of those who may bring about such a calamity. Nineteen precious American lives have been sacrificed in a vain endeavor to make a besotted murderer and assassin salute our flag; let us not permit the greed of mammon to hide behind its honor at the expense of horrid war. Yes, Mr. President, we are with the President as patriots in this crisis. Our counsel will be against any step that may lead to complications, that may invite aggression, that may place us in a questionable position. We will in every way aid him to keep us out of trouble and will counsel and warn him against acts and legislation we fear will bring complications. Surely he wants our aid and our help, and he shall have it. Often it has been said on this floor that partisanship stops on our borders. It should do so. In domestic affairs a reasonable partisanship is the mainspring of good government; in our foreign relations it has no place. Let us fight out our domestic differences upon their merits, but let it not be suggested or intimated even remotely that we are anything but a united people behind our President, no matter who he may be, in maintaining our neutrality and preserving peace with all the nations of the earth.

Mr. McCUMBER. Once in a while, Mr. President, I am compelled to come to the defense of the Democratic Party and of good Democrats on the other side of the Chamber, and I feel it is my duty to do so to-day in answering the very severe arraignment of his own party that was made a few minutes ago by the junior Senator from Mississippi [Mr. VARDAMAN]. I think probably a majority of the Senators whom he so heartily condemned on that side voted against the measure which he stated to them might result in their being severely criticized at home. The Senator, I think, has been very unjust to his colleagues in that statement. The Senator omitted to say that the scheme which he had before the Senate was not the assistance of the credit of the Government for the cotton interest, but a proposition demanding that the Government should go into the business of purchasing a commodity to bull its price, and he intimates that some of those who voted against that proposition will have their constituents to face. I expect to face mine, Mr. President, but I could not face them if I had voted for a proposition of that kind.

Two years ago my people, through their representatives in Congress, were appealing to the Senator from Mississippi and his colleagues to defend us against a condition of suffering which we had all of the days from 1891 up to 1897. We appealed in vain. Reciprocity was forced upon us, and we were only saved, not by the patriotism of the American people, but by the patriotic sentiment of the Canadian people for their own country.

We showed to the Senator from Mississippi how we had suffered during all those long years. It was a suffering that was tenfold worse than you are suffering in the South to-day, when we had to crawl into our sod shanties, kill our cattle for food because we could get nothing for them, and take the hay that was intended for them, twist it up into a roll, and burn it to keep ourselves warm during the winter; when we could get nothing for the produce that we were attempting to raise each year and were compelled to call upon the legislature of the State for a law that would enable the State to advance the seed wheat for the next season. All these things were presented to my friend from the State of Mississippi as a sure result of what would follow again with the same kind of a law; but he heeded it not, and he voted to put us upon the free list in every one of our products, and as sure as the sun shall rise to-morrow we will suffer beyond any words of expression the moment this war is over and conditions return to the normal.

The Senator has not helped us out; and when I go back to my people and tell them that the Senator from Mississippi has voted a return of that condition upon our people and that the same Senator has then asked me to vote for a proposition that you will tax these same people in my State——

Mr. SMITH of Georgia. Mr. President——

Mr. McCUMBER. In just a moment—to purchase all the products that he produces at a good, fair price, I confess I would not be able to face them and say that I had so imposed upon them; although I am willing, as I have said before, to use the credit of the whole Government to help them out, to secure for them a loan that will tide them over the hard times. I yield to the Senator from Georgia.

Mr. SMITH of Georgia. I hesitate to ask the Senator a question, because the proposition he made was so generous, his willingness to join us in putting through this matter was so hearty, that if I had not already risen to ask it, I would not ask it, thinking of that statement by him. But what I wanted to say is this: If the high tariff taxes have enabled your people to make us pay more for the very stuff that we bought from them for so many years than we would have had to pay in the free markets of the world, while we were selling our cotton in the free markets of the world, you might have been willing to have helped us for that reason. I want to add that the suggestion of the Senator as to what he would have done would have helped. I think that must be the reason.

Mr. McCUMBER. Mr. President, I am very glad the Senator asked me that question, because it has been answered in the year 1914. If the enhanced price of the raw product of the farmer has increased the cost to the ultimate consumer of the finished product, then it necessarily and logically follows that taking off that tariff and reducing his price must necessarily reduce the cost of the finished product to the consumer. But looking over the facts, they are just as I have always contended; they do not affect the consumer at all; and you have not paid any more for the finished product by reason of the little better price that we have received than you would have paid. You paid the same 5 cents for a loaf of bread when wheat was 45 cents a bushel that you paid when it was a dollar, and when you took away the tariff on our barley you did not reduce the price of your beer by any means.

Mr. SMITH of Georgia. I wish to disclaim any knowledge about the price of beer or its value.

Mr. McCUMBER. When you took away the tariff on our oats you drove the price down, but you did not lessen the cost of a package of Quaker Oats. On the contrary, they seem to be going up; and while our beef products have gone down a little despite the war, I notice that steak is going up.

By being more prosperous ourselves we have helped you to be prosperous. We bought more of your cotton products. To the extent that we can keep all of our people prosperous and give our own mills an opportunity to keep open and our laborers an opportunity to find employment, just to that extent as we benefit our own people instead of those across the ocean we are able to help you out, and our protection is mutual.

Mr. SMITH of Georgia. Mr. President, if the Senator will permit me, I want to say to him that he does not give us the information when he talks about the Quaker Oats and the price of 5 cents for a loaf of bread. We buy our flour. A great many of us do our own work and make our own bread.

Mr. McCUMBER. All right; I will meet you there.

Mr. SMITH of Georgia. It is the relative price of flour and the relative price of corn that are necessary to carry the proper information.

Mr. McCUMBER. I will answer the Senator there. When we got the benefit of from 10 to 12 cents better for our wheat than the Canadian got for his when it was from 10 to 12 cents a bushel above what you would call the world's level of prices, in a section that constituted the great spring wheat raising section of the United States, flour did not change by reason of 10 cents above or 10 cents below that average. If that wheat should go down 10 cents to-day, your flour would not go down. If it would go up 10 cents a bushel, your flour would not rise in price. There is a steady market for about this much of a price, but that 10 cents a bushel very often makes the difference between failure and success to us upon the farm. That is the answer to that question.

Mr. NORRIS. Mr. President, I think I ought to apologize to the Senate because I expect to speak about the bill which is now before the Senate. I want to call attention to one or two things in the conference report, and perhaps elicit a little information from some of those in charge of it.

The bill as it passed the Senate contained a provision in it providing for a tax of 5 cents a gallon on rectified whisky. I understand that tax has been eliminated in the conference report. If I am not right I would be glad to have the Senator from North Carolina correct me.

Mr. SIMMONS. That is correct.

Mr. NORRIS. As the bill passed the House originally it had no tax whatever upon whisky, so that the 5 cents a gallon put on in the Senate was the only provision of the bill levying any tax on distilled spirits. It seems to me that this is a small tax of 5 cents a gallon, but in the aggregate it would raise a great deal of revenue, and I want to ask the Senator from North Carolina how much revenue it was estimated would be raised by this tax of 5 cents a gallon on whisky.

Mr. SIMMONS. It was estimated that it would yield revenue to the amount of about $5,000,000.

Mr. NORRIS. Although the tax itself, of course, is very small, a tax that in my judgment could be borne and would be borne without any injury to any person. Most taxes are burdensome, but if a tax on intoxicating liquor has a tendency to decrease the consumption, and I presume it would, it is a benefit even to the man who consumes the liquor. If he will get just a little less of whisky for a dime or a quarter than he used to get, he himself will be benefited. So everybody except the man who has the liquor for sale, and perhaps I ought not to except him, will be benefited in reality by this tax. It is an exception to the ordinary tax. The man who has liquor for sale will probably sell just a little less for the same amount of money, so that he will not be injured.

It seems to me, therefore, that it is one of the taxes which, if you are going to have a tax bill levying a special tax, ought to have been retained in the bill. As the bill comes back to the Senate in the shape of a conference report it will lack fifteen or twenty million dollars, if the estimates are accurate, of raising the amount of money that the President said he desired should be raised and that the House and Senate have undertaken to raise by this special taxation.

A peculiar thing about this particular tax on whisky was that immediately after the bill was reported from the Committee on Finance it became known, I heard it everywhere, that the Senate would have to recede from its amendment levying a tax of 5 cents a gallon on whisky. Immediately when the conferees were appointed it was announced and was known, I think, generally, that the House conferees would under no circumstances agree to the Senate amendment providing for a tax of 5 cents a gallon on whisky.

I have been told by what I believe to be very reliable authority that there have been one or two men in Washington during the entire session representing the so-called Whisky Trust or the whisky interests, and I rose principally for the purpose of calling the attention of the lobby committee to it. I see the chairman of the committee is not in the Chamber at the present time. I wanted to inquire whether the lobby committee had made any investigation or any attempted investigation in regard to anyone lobbying for the whisky interests. It seems to me it would be a very interesting and profitable investigation for them to pursue.

Mr. OVERMAN entered the Chamber.

Mr. NORRIS. I see the chairman has come in now, and I will repeat my question. I was asking whether the lobby investigating committee has had its attention called to it or has had any witnesses before it who it was claimed were lobbying for the Whisky Trust or the whisky interests?

Mr. OVERMAN. I do not know of any lobby for the Whisky Trust. There were suggestions made by the Senator from Missouri [Mr. REED] that some investigation be made of a lobby interested against the trust bill or some provisions in it and he desired witnesses to be subpœnaed. We agreed to do that when we come back in December. I have heard nothing about the whisky lobby. We expect to make our report, however, next Christmas unless something else is disclosed. If the Senator has any witnesses that he desires to have subpœnaed I would be glad to take it up in December and investigate it further.

Mr. NORRIS. I will give the chairman the names of several persons whom I hope he will subpœna before the committee. Of course, I have no personal knowledge of it. I got the names of several men given to me from a very respectable and reliable source.

Mr. OVERMAN. I do not ask the Senator. He can give it to me privately if he does not want to state it.

Mr. NORRIS. Perhaps I had better do that.

Mr. OVERMAN. Or, I will say, if any other Senator knows of any lobbyist at all we would be glad to investigate it.

Mr. NORRIS. I am informed that a man by the name of Lewis has been in the city stopping at the New Willard Hotel during the entire session, and that he is accompanied by an attorney who is interested and has been here to see that no tax was placed on whisky. Robert Crain, of Baltimore, is another person who should be subpœnaed. I understand he draws a large salary from the Whisky Trust and that he looks after legislative matters relating to whisky.

Mr. OVERMAN. I am glad to have the information, and I will say to the Senator that he will be subpœnaed before our committee.

Mr. NORRIS. As I looked at it, inasmuch as the bill as it comes from the conference is going to be short in revenue from what it was desired to raise; inasmuch as the tax on whisky provided in the bill was only 5 cents a gallon; inasmuch as that possibly under no circumstances, as I view it, at least, will it harm anyone in anyway—from the man who drinks the whisky to the man who makes it—it seems to me it ought to have been left in the bill, assuming that we should have a bill of this kind. Of course, I have been one of those who believe that this bill was unnecessary, and I do not want to be classed as one who would be opposed to extra taxation if I thought our Government would be embarrassed without it; but from the amount of money that we have deposited in the banks, and from the fact that a part of the difficulty, at least, as I look at it, and it is only a part of the difficulty—the European war—was temporary in its nature, and in my judgment the conditions brought on, as far as they were brought on by that war, would be relieved perhaps entirely within a short time. I think they are even now getting gradually

better, and that we should hesitate in our attempt to levy additional taxation upon the people.

Mr. STONE. Mr. President——

Mr. NORRIS. I yield to the Senator from Missouri.

Mr. STONE. I do not rise to say anything as to the policy of the bill the Senator has been talking about or any feature of it, but to say just a word with respect to the intimation made by the Senator that some one had been lobbying, presumably, I imagine, with the Committee on Finance, against the imposition of a tax on whisky. I am a member of the Finance Committee, and was a member of the conference between the two Houses on that bill. I wish to say in the most emphatic terms that neither Mr. Lewis—I believe the Senator mentioned some one by that name—nor any other person, as far as I can recall—I think I will put no qualification on it and say with unqualified emphasis that no person ever addressed a word to me, verbally or in writing, about the tax on whisky, either as a member of the Finance Committee or as a member of the conference committee. Whether any other Senator was approached on that subject I do not know; but if he was, I never heard of it.

Mr. NORRIS. Mr. President, the Senator from Missouri understands that when I say there was a lobby here or that there is some indication that there is one in favor of or against any particular legislation it does not imply that I am casting any reflection upon a Member of the Senate or the House. If that be true, if that is to be drawn as a conclusion, then every Member of Congress has a charge to make against the President of the United States, who at the beginning and before a committee was appointed openly and publicly charged that there was a lobby on various things. Whether it is whisky or whether it is some other thing that a man is lobbying for, it does not follow, as a matter of fact, that he is engaged in anything that is dishonorable or disreputable. There are men—and I presume they would be called lobbyists—favoring and opposing various kinds of legislation. They have a right to be here. I am not saying that the whisky men have not a right to favor or oppose by representatives here any legislation that they want to enact or want to defeat; but the very fact that this tax of 5 cents a gallon was put on in the Senate by the Finance Committee and approved by the Senate ought to be a pretty good argument that I am not charging the Senate Finance Committee with having been influenced by a lobby, because they put the tax on; and I do not want anyone to get the idea that I am charging anything wrong against the House committee. Lobbyists do not do their business that way if they are shrewd. It is true that all the facts that were developed by the lobby investigation only, as far as I know, disclose that there was one Member of Congress who had been guilty of practices or conduct that were not perfectly honorable, although a great many lobbies had been discovered and exposed.

Mr. McCUMBER. May I ask the Senator a rather candid question here? Does not the Senator believe that every citizen of the United States whose interest is affected one way or another by Federal legislation has a right, either by telegraph, mail, or personal presence, to present his side of the case; and ought we to attempt to discourage the right of a citizen personally to come to Washington and present reasons why he thinks this bill ought not to pass as affecting his interest, or why a certain tax upon his industry might be injurious and unjust?

Mr. NORRIS. I have said in substance the same thing; that is, I have answered the Senator's question before he asked it. I will say that we ought, if anything, to encourage the citizen to let his wishes be known in any way he sees fit that is honorable and fair. At the same time everyone knows, and I think the Senator from North Dakota will be one of the first to admit, that all that ought to be public and aboveboard. If we were justified in investigating the lobby at all, while it was perfectly proper to go into every investigation or every effort that had been made by anyone either in favor of or against contemplated legislation, it does not follow, because we are going to investigate and find a man favoring or opposed to legislation, that we are going to brand him as being dishonorable or anything of that kind by any means. I presume the Senator himself went on the witness stand in that investigation and was asked what he knew about it. I think they unfolded some conditions and circumstances that added a great deal to the purity of the atmosphere around Washington. I think they did good work. They exposed some things, some methods, that ought to have been exposed; and while they are doing that I should like to see this committee say whether it is true that there has been anyone here representing the interests of the Whisky Trust. It is a little different being here and representing a combination of that kind from coming here in the capacity of a merchant or a farmer or a business man respecting some particular legislation that may more or less affect his business or his trade or occupation.

Mr. NELSON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Minnesota?

Mr. NORRIS. I yield to the Senator from Minnesota.

Mr. NELSON. I think the Senator ought not to be alarmed about that little trifle of a whisky tax of 5 cents a gallon. I think there was a worse thing happened in the bill, and that was to relieve the automobile manufacturer. The House passed the bill taxing them, and if there ever was an industry in this country that could bear to be taxed, it is the men who are earning millions out of that industry and are now having a good market for their product in Europe. The little whisky tax seems picayunish in connection with that automobile tax.

Mr. NORRIS. The little whisky tax would have raised $5,000,000; and, as I have said, it would not have hurt anybody, but would have really been beneficial—that is an exception to the general rule—it would have practically benefited the ultimate consumer, who would get less for his money. As a rule, taxes fall most heavily and are most burdensome upon the consumer. The automobile tax has nothing to do with the whisky tax or with the proposition to investigate the whisky lobby. A tax on whisky should be in this bill, and the circumstances surrounding its elimination from the bill may lead to interesting information if the lobby committee will investigate.

The PRESIDENT pro tempore. The question is on the adoption of the conference report.

Mr. JONES. I ask for the yeas and nays.

Mr. McCUMBER. Yes; let us have the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). I have a general pair with the Senator from New Mexico [Mr. FALL]. Unless I can secure a transfer, I will withhold my vote, unless it becomes necessary for me to vote to constitute a quorum.

The PRESIDENT pro tempore (when the name of Mr. CLARKE of Arkansas was called). The occupant of the chair is paired with the Senator from Utah [Mr. SUTHERLAND], who is absent. He will therefore withhold his vote.

Mr. CULBERSON (when his name was called). In view of my general pair with the Senator from Delaware [Mr. DU PONT] and my inability to secure a transfer, I withhold my vote.

Mr. GORE (when his name was called). I announce my pair with the senior Senator from Wisconsin [Mr. STEPHENSON], and therefore withhold my vote. If necessary to make a quorum, I desire to be counted as present.

Mr. McCUMBER (when Mr. GRONNA's name was called). I wish to announce the unavoidable absence of my colleague [Mr. GRONNA]. Were he present, he would vote "nay."

Mr. JAMES (when his name was called). I have a general pair with the junior Senator from Massachusetts [Mr. WEEKS]. If I were at liberty to vote, I should vote "yea." If my vote becomes necessary to make a quorum, I am at liberty to vote, and shall then vote; otherwise I will withhold my vote.

Mr. JOHNSON (when his name was called). I have a general pair with the junior Senator from North Dakota [Mr. GRONNA], which I transfer to the senior Senator from Nevada [Mr. NEWLANDS], and vote "yea."

Mr. LEA of Tennessee (when his name was called). I have a general pair with the Senator from South Dakota [Mr. CRAWFORD]. If I were at liberty to vote, I should vote "yea." If it becomes necessary for me to vote in order to constitute a quorum, I shall then take the liberty of voting.

Mr. MARTINE of New Jersey (when his name was called). I should have been pleased to have voted for the imposition of a whisky tax of 5 cents a gallon, and I should have been glad to have voted for a tax on automobiles——

Mr. BRYAN. Mr. President, I rise to a point of order.

Mr. MARTINE of New Jersey. But as I can not vote for either of those taxes——

Mr. BRYAN. I raise the point of order that a Senator can not address the Senate while the roll is being called.

Mr. MARTINE of New Jersey. As I can not vote for either of those taxes without voting against the bill, I will vote "yea."

Mr. O'GORMAN (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. GALLINGER], which I transfer to the junior Senator from Arkansas [Mr. ROBINSON], and vote "yea."

Mr. SAULSBURY (when his name was called). I transfer my general pair with the junior Senator from Rhode Island [Mr. COLT] to the junior Senator from Nevada [Mr. PITTMAN] and vote "yea."

Mr. SMITH of Maryland (when his name was called). I transfer my pair with the Senator from Vermont [Mr. DIL-

LINGHAM] to the Senator from Alabama [Mr. BANKHEAD] and vote "yea."

Mr. SMITH of Michigan (when his name was called). I have a pair with the junior Senator from Missouri [Mr. REED]. I transfer that pair to the senior Senator from Illinois [Mr. SHERMAN] and vote "nay."

Mr. STONE (when his name was called). I transfer my pair with the senior Senator from Wyoming [Mr. CLARK] to the Senator from Nebraska [Mr. HITCHCOCK], and vote "yea."

Mr. WALSH (when his name was called). I have a general pair with the Senator from Rhode Island [Mr. LIPPITT]. Being unable to procure a transfer, I am obliged to withhold my vote unless it be necessary to make a quorum, in which case I shall vote

Mr. WILLIAMS (when his name was called). I have a pair with the senior Senator from Pennsylvania [Mr. PENROSE], but there is an understanding between us that, if it is necessary to make a quorum, I may vote. If, upon the Secretary's tally, my vote is necessary to make a quorum, I vote "yea"; if not, I withhold my vote.

The roll call was concluded.

Mr. JONES. I desire to announce that the junior Senator from Rhode Island [Mr. COLT] is necessarily absent. If he were present, he would vote "nay."

Mr. BURTON. I am paired with the Senator from Arizona [Mr. SMITH]. I transfer that pair to the senior Senator from Connecticut [Mr. BRANDEGEE] and vote. I vote "nay."

Mr. PAGE. I desire to say, as I said this morning, that my colleague [Mr. DILLINGHAM] is necessarily absent. He is paired with the Senator from Maryland [Mr. SMITH]. If my colleague were present and permitted to vote, he would vote "nay."

Mr. SMITH of Michigan. My colleague [Mr. TOWNSEND] is necessarily absent from the Chamber. If he were present, he would vote "nay."

Mr. MYERS. I inquire if the Senator from Connecticut [Mr. MCLEAN] has voted?

The PRESIDENT pro tempore. The Chair is informed that he has not.

Mr. MYERS. I have a pair with that Senator, and therefore I withhold my vote.

Mr. THORNTON. I desire to announce that on this question my colleague [Mr. RANSDELL] is paired with the Senator from Utah [Mr. SMOOT]. If my colleague were present, he would vote "yea."

Mr. WALSH. Being advised that the roll call has not yet developed a quorum I will vote. I vote "yea."

Mr. WARREN. I wish to announce the following pairs:

The Senator from Idaho [Mr. BRADY] with the Senator from Mississippi [Mr. VARDAMAN];

The Senator from Maine [Mr. BURLEIGH] with the Senator from New Hampshire [Mr. HOLLIS];

The Senator from New Mexico [Mr. CATRON] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from Massachusetts [Mr. LODGE] with the Senator from Georgia [Mr. SMITH]; and

The Senator from Pennsylvania [Mr. OLIVER] with the Senator from Oregon [Mr. CHAMBERLAIN].

The Secretary proceeded to recapitulate the vote, and recapitulated the yeas.

Mr. WILLIAMS. I desire to be recorded in the affirmative, having the right to vote to make a quorum, as I understand there is not a quorum. I therefore vote "yea."

Mr. CHILTON. Mr. President, as I understand there is not a quorum——

The PRESIDENT pro tempore. The Chair will decline to recognize any other Senator until the announcement is made.

The Secretary concluded recapitulating the vote.

Mr. CHILTON. I wish to transfer my pair with the Senator from New Mexico [Mr. FALL] to the junior Senator from Colorado [Mr. SHAFROTH] and vote "yea."

Mr. JAMES. Mr. President, it being necessary to make a quorum, I desire to be recorded in the affirmative.

The PRESIDENT pro tempore. On the vote to adopt the conference report, the yeas are 32 and the nays are 11—not a quorum voting. The Secretary will call the roll.

Mr. JAMES. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Kentucky desire to vote?

Mr. JAMES. I desire to have my vote recorded in the affirmative.

The PRESIDENT pro tempore. The Secretary will call the name of the Senator from Kentucky.

The Secretary called the name of Mr. JAMES, and he voted "yea."

Mr. LEA of Tennessee. Under the circumstances I desire that my vote be recorded. I vote "yea."

Mr. MYERS. Under the circumstances, my vote being necessary to make a quorum, I am at liberty to vote. I vote "yea."

Mr. STONE. Mr. President, I should like to ask, as a matter of inquiry from the Chair, if there are any Senators present who have——

The PRESIDENT pro tempore. Is the Senator from Missouri addressing the Chair?

Mr. STONE. I am addressing the Chair. My inquiry is to this effect: Are there not Senators present who have announced that they could not vote for one reason or another, but who under the rules which we have been following could be counted to make a quorum?

The PRESIDENT pro tempore. Several Senators have voted since the Chair made the last announcement. The Chair will inspect the roll call to determine just exactly what condition it is in, and if then the contingency should arise we will dispose of it when we get to it.

The result was announced, as follows:

YEAS—35.

Ashurst	Lea, Tenn.	Pomerene	Swanson
Bryan	Lee, Md.	Saulsbury	Thomas
Camden	Lewis	Sheppard	Thompson
Chilton	Martin, Va.	Shields	Thornton
Fletcher	Martine, N. J.	Shively	Walsh
Hughes	Myers	Simmons	West
James	O'Gorman	Smith, Md.	White
Johnson	Overman	Smith, S. C.	Williams
Kern	Perkins	Stone	

NAYS—11.

Burton	McCumber	Page	Smith, Mich.
Clapp	Nelson	Poindexter	Warren
Jones	Norris	Root	

NOT VOTING—50.

Bankhead	Cummins	Lippitt	Smith, Ariz.
Borah	Dillingham	Lodge	Smith, Ga.
Brady	du Pont	McLean	Smoot
Brandegee	Fall	Newlands	Stephenson
Bristow	Gallinger	Oliver	Sterling
Burleigh	Goff	Owen	Sutherland
Catron	Gore	Penrose	Tillman
Chamberlain	Gronna	Pittman	Townsend
Clark, Wyo.	Hitchcock	Ransdell	Vardaman
Clarke, Ark.	Hollis	Reed	Weeks
Colt	Kenyon	Robinson	Works
Crawford	La Follette	Shafroth	
Culberson	Lane	Sherman	

The PRESIDENT pro tempore. The yeas are 35 and the nays are 11. Forty-six Senators have voted. The Senator from Texas [Mr. CULBERSON], the Senator from Oklahoma [Mr. GORE], and the Senator from Arkansas [Mr. CLARKE], being present, will be recorded as present. The yeas have it, and the conference report is agreed to.

ADDRESS ON JUDICIAL RECALL.

Mr. MCCUMBER. Mr. President, yesterday there was ordered to be printed as a Senate document an address on "Government by judges," delivered by Chief Justice Walter Clark, of the North Carolina Supreme Court. As an accompaniment to that, I have here an address delivered before the State Bar Association of Missouri by Rome G. Brown, entitled "The dilemma of the judicial recall advocates." I ask that it may be printed as a public document.

Mr. WILLIAMS. Mr. President, I——

The PRESIDENT pro tempore. Unless there is objection, the request of the Senator from North Dakota will be granted. Is there objection?

Mr. WILLIAMS. Mr. President, I rose for the purpose of responding to that proposition.

The PRESIDENT pro tempore. The Senator could not respond until the Chair had submitted it to the Senate.

Mr. WILLIAMS. I did not know that it was necessary to wait for the Chair to submit it to the Senate; all that was necessary was to meet the proposition, and I do not think that it is necessary for the Chair to submit it at all. However that may be—preserving the dignity of the Chair—I do not think that it is well to have every sort of miscellaneous literature——

The PRESIDENT pro tempore. The question is not debatable. Does the Senator object?

Mr. WILLIAMS. The Senator is now stating the nature of the objection, and is stating why——

The PRESIDENT pro tempore. It is very easily done.

Mr. WILLIAMS. If I had been present I would have objected to the original proposition to which the paper presented by the Senator from North Dakota, as I understand, is an answer. I now object to this proposition.

The PRESIDENT pro tempore. Objection is made.

Mr. MCCUMBER. I am sorry the Senator objects.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the joint resolution (S. J. Res. 200) authorizing the payment of October salaries to officers and employees of the Senate and House of Representatives on the day of adjournment of the present session with an amendment in which it requested the concurrence of the Senate.

PAY OF EMPLOYEES.

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the joint resolution (S. J. Res. 200) authorizing the payment of October salaries to officers and employees of the Senate and House of Representatives on the day of adjournment of the present session, which was on page 1, line 12, after the word "October," to insert: ": *Provided*, That the session employees of the Senate and House of Representatives shall be paid hereunder for the entire month of October, and a sufficient sum is appropriated out of any money in the Treasury not otherwise appropriated for that purpose."

Mr. MARTIN of Virginia. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

PROPOSED FINAL ADJOURNMENT.

Mr. MARTIN of Virginia. I ask that the adjournment resolution, which came over from the House, be now laid before the Senate.

The PRESIDENT pro tempore. The Chair lays before the Senate a resolution from the House of Representatives, which the Secretary will read.

The Secretary read the resolution (H. Con. Res. 51) as follows:

Resolved by the House of Representatives (the Senate concurring), That the President of the Senate and Speaker of the House of Representatives be authorized to close the present session by adjourning their respective Houses on the 22d day of October, 1914, at 6 o'clock p. m.

Mr. SMITH of South Carolina and Mr. SMITH of Michigan addressed the Chair.

The PRESIDENT pro tempore. The Senator from South Carolina.

Mr. SMITH of South Carolina. I move that the Senate proceed to the consideration of House bill 6060, Calendar No. 297, known as the immigration bill.

Mr. MARTIN of Virginia. Mr. President, I raise the point of order that the adjournment resolution can not be supplanted by a motion of that sort. The motion of the Senator from South Carolina is not in order.

Mr. SMITH of Michigan. Mr. President, I desire to inquire whether there is on the President's desk a resolution coming over from the House authorizing the appointment of a committee to wait upon the President for the purpose of ascertaining whether he has any further communication to make to Congress?

The PRESIDENT pro tempore. There is a House resolution to that effect on the Vice President's desk.

Mr. SMITH of Michigan. I desire to know whether action is now necessary before the adoption of the motion to adjourn is disposed of?

The PRESIDENT pro tempore. A simple resolution providing for the appointment of such a committee may be adopted by the Senate in the event the Senate concurs in the resolution providing for final adjournment.

Mr. SMITH of Michigan. Mr. President, if I may be indulged a moment, I desire to say that Congress was convened in extraordinary session by the President for the purpose of reducing the tariff, thus exposing American products to foreign competition.

Mr. MARTIN of Virginia. Mr. President, I hope the Senator will realize that I am under the duress of the very brief time that remains, if we are going to adjourn at 6 o'clock, and I am compelled to raise the point of order that this motion is not debatable.

The PRESIDENT pro tempore. The Chair is perfectly well aware of that; but the Senator from Michigan very rarely abuses the privileges of the Senate, and the Chair conceives that he was addressing himself to the point of order.

Mr. SMITH of Michigan. Yes, Mr. President; if the motion to adjourn is adopted, the other resolution which came over from the House, authorizing the appointment of a committee to wait upon the President, will then be in order, I assume. I dislike very much indeed, if the Chair will indulge me a moment, to vote upon a motion to adjourn until we ascertain whether or not the President has any important matters to lay before the Senate.

The PRESIDENT pro tempore. The Senate, under the pending resolution, would not adjourn until 6 o'clock.

Mr. SMITH of Michigan. For one, I should dislike very much to see Congress adjourn without taking some appropriate action to relieve the cotton States of the South from the deplorable condition now unfortunately surrounding them. We must not acknowledge our utter inability to meet such a grave crisis in the affairs of our countrymen without some remedial legislation upon the part of Congress, and I am keen to know whether or not the President intends to ignore that situation in the South, attributable, as it is, in large part, to the European war and the demoralized condition of the American market by unwise legislation.

The PRESIDENT pro tempore. The point of order is not debatable, except reasonably for the purpose of advising the Chair. Whatever views the Chair might have held about the point of order raised by the Senator from Virginia [Mr. MARTIN], independent of investigation for himself, he must be governed by the precedents of the Senate as the same have been established by the deliberate action of the Senate. In the Fifty-fifth Congress, first session, on the 24th of July, 1897, this situation was presented:

The Vice President (Mr. Hobart) laid before the Senate, for its consideration, the resolution of the House of Representatives providing for the final adjournment of the two Houses of Congress at 9 o'clock p. m. this day; when,

Mr. Morgan objected to the consideration of the resolution and raised a point of order, viz, that objection having been made, the resolution, under clause 5, Rule XIV, must lie over one day for consideration.

The Vice President overruled the question of order and decided that the resolution which provided for an adjournment of Congress was a question of privilege, and that the provision of Rule XIV was not applicable thereto.

From the decision of the Chair Mr. Allen appealed to the Senate; when, on motion by Mr. Aldrich that the appeal lie on the table, it was determined in the affirmative—yeas 36, nays 20. So the appeal was laid on the table. (See CONGRESSIONAL RECORD, Fifty-fifth Congress, first session, pp. 2940–2947.)

So the point of order raised by the Senator from Virginia is sustained. The question is on the adoption of the resolution.

Mr. SMITH of Georgia. Mr. President, I hope this resolution will not prevail. It is only an hour and a half until 6 o'clock. The House has certain other important matters before it, which I am exceedingly anxious to see the Senate pass upon before adjournment takes place. I think it would be a great mistake at this time to act upon this resolution. We are not obliged to act upon it at this time. We may hear from the House, and we may find that it will take us longer than an hour and a half to dispose of the bill that the House is considering. The House was in the act of voting at 4 o'clock on two measures that are of great importance. One is the warehouse bill, which provides that parties applying to the Secretary of Agriculture may obtain Government licenses for warehouses. It applies to all staple agricultural products. It is the bill originally passed by the House, amended and passed by the Senate, and amended in the House.

It will be remembered that there was quite a debate upon it in the Senate. It has been changed in a number of important respects by the House. I am not sure that in the language in which the House will pass the bill the Senator from North Dakota [Mr. MCCUMBER] or the Senator from Minnesota [Mr. NELSON] will be satisfied with the measure. I do not know whether they have examined the bill as it has been reported by the Committee on Agriculture of the House. The Senator from Minnesota will remember——

Mr. NELSON. I remember that bill very well. I do not know what the House has done with it. Can the Senator inform me?

Mr. SMITH of Georgia. No; I am not sure that the House bill carries language which would be satisfactory to the Senator from Minnesota.

Mr. NELSON. I want to say to the Senator from Georgia that that part of the bill which relates to the licensing of cotton warehouses in the South is quite satisfactory to me. I think you need it down there. So far as grain warehouses are concerned, we are well provided with them in the Northwest. Our warehouse receipts are accepted by the banks there as security for loans. The terminal warehouses issue final receipts; those warehouses are licensed, and they insure the wheat.

Mr. MARTIN of Virginia. I trust that the rules of the Senate will be enforced. This debate is not in order, and the Chair has ruled that it is not in order.

The PRESIDENT pro tempore. The Chair has not ruled that debate was not in order, because the question was not raised. Debate can proceed by unanimous consent if no Senator objects.

Mr. MARTIN of Virginia. I raised the point of order that this resolution was not debatable.

Mr. SMITH of Georgia. Mr. President, a proposition for adjournment sine die, as I understand, is debatable.

The PRESIDENT pro tempore. There seems to be no direct precedent on the subject. By analogy it is not debatable, because all the rules we have regarding the question of adjournment, either from day to day or finally, specify that a motion relating to adjournment shall not be debatable. In a commentary upon our rules the digestor says:

> In parliamentary practice, especially in earlier days, it was generally laid down as a rule that "a motion to adjourn is always in order," and that the question must be decided without debate. Few, if any, legislative bodies of to-day hold fast to the first proposition, while all concur that the question is not debatable.

But the Chair assumes that the Senator from Georgia was not filibustering—that he had a statement of high importance to make—and so the Chair was disposed to hear him reasonably.

Mr. SMITH of Georgia. I certainly have such a statement to make.

The PRESIDENT pro tempore. The Chair will exercise such discretion as he may have to hear the Senator. For about what length of time does the Senator think he would care to keep the floor? As the Chair is going to hold that the question is not debatable at large, but any statement that the Senator from Georgia would make would be a serious statement, and the Chair feels satisfied it would be made in good faith, he will be glad to hear the Senator, and will concede that much to him so far as the Chair has discretion; but, as a matter of parliamentary law, the Chair is satisfied that the question is not debatable, and if forced to make a ruling at this time, the Chair will so hold.

Mr. SMITH of Georgia. But the Chair does not so rule at this time, as I understand.

The PRESIDENT pro tempore. The Chair will hear the Senator from Georgia reasonably.

Mr. SMITH of Georgia. I wanted to say, Mr. President, to the Senate that the House has three measures before it, the consideration of which we will cut off if we adopt this adjournment resolution for 6 o'clock. The first is the warehouse bill. As the committee of the House has reported it, it applies to grain as well as to cotton. Mr. President, surely Senators would not wish, after we have been here this long, to press an adjournment at 6 o'clock and cut off action by the Senate on that measure. The House is now trying to get a quorum.

There are two other bills. One of the other bills is a bill recommended by the Federal Reserve Board, and it is a measure of great importance. It provides that the banks, members of reserve associations, may deposit all of their reserves with the reserve banks. This is of vast importance, especially at this time, because it increases the capital of the reserve banks and gives them additional strength to handle the business of the territory falling within their jurisdiction. I trust no motion will pass which would force an adjournment before the House acts upon that measure. I hope the Senate will give us an opportunity to consider it.

The third measure is the bill—and I beg Senators on this side to listen to me—which allows member banks in national currency associations to use their commercial paper up to 75 per cent of their capital as a basis for note issues. This was recommended by the Federal Reserve Board, so that the banks in agricultural sections, which have not the bonds and securities of the banks situated in New York and Boston and Chicago, might use their commercial paper as the basis for currency under the Aldrich-Vreeland Act. We amended it here, it is true, and gave the State banks also this authority. It is of very great importance that this bill be passed before we adjourn. It was through this bill the Secretary of the Treasury claimed that in agricultural States it would be practicable to enlarge the volume of currency to meet the needs of present conditions.

Now, Mr. President, do Senators intend to adjourn or now fix the hour for adjournment, so that those measures can not be considered? Are we obliged to act on this resolution? Has it precedence over all other matters? Is it not a question to be taken up by motion, as other matters before the Senate?

I ask the Chair for information.

The PRESIDENT pro tempore. The Senate, in its orders heretofore, has treated the motion as a privileged question. It has specifically declared it to be a privileged question by a vote of 36 to 20. Therefore it has precedence over questions that are not privileged questions.

Mr. SMITH of Georgia. Well, though it is privileged, are we obliged to act upon it instantly?

The PRESIDENT pro tempore. Not if a majority of the Senate desires to do otherwise.

Mr. SMITH or Georgia. Then I desire to ask the Chair what character of motion would enable us to postpone the present consideration of this resolution?

The PRESIDENT pro tempore. To vote it down would be one way.

Mr. SMITH of Georgia. The Senate may not wish to vote it down permanently, but they may wish to know——

The PRESIDENT pro tempore. The same result can be accomplished by laying it on the table, or by a suggested postponement.

Mr. OVERMAN. An amendment would be in order to, say, 12 o'clock to-night, or 11 o'clock to-night.

The PRESIDENT pro tempore. The Chair is clearly of opinion that the resolution is subject to amendment.

Mr. SMITH of Georgia. Mr. President, I then move that we lay the resolution on the table.

The PRESIDENT pro tempore. The Senator from Georgia moves that the pending resolution be laid on the table.

Mr. SMITH of Georgia. I understand that does not dispose of it. We can take it from the table later, if we desire.

Mr. OVERMAN. Mr. President, let me suggest to the Senator from Georgia——

The PRESIDENT pro tempore. The Senator from Georgia moves to lay the pending resolution on the table.

Mr. POINDEXTER. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Senator from Washington suggests the absence of a quorum.

Mr. MARTIN of Virginia. Mr. President, if the Senator from Georgia——

The PRESIDENT pro tempore. Let the Secretary call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Jones	Page	Smith, S. C.
Bryan	Kern	Perkins	Sterling
Burton	Lea, Tenn.	Poindexter	Swanson
Camden	Lee, Md.	Pomerene	Thomas
Chilton	Lewis	Root	Thompson
Clapp	McCumber	Saulsbury	Thornton
Clarke, Ark.	Martin, Va.	Sheppard	Walsh
Culberson	Martine, N. J.	Shields	Warren
Fletcher	Myers	Shively	West
Gore	Nelson	Simmons	White
Hughes	Norris	Smith, Ga.	Williams
James	O'Gorman	Smith, Md.	
Johnson	Overman	Smith, Mich.	

The PRESIDENT pro tempore. Fifty Senators having answered to their names, a quorum of the Senate is present. The question is on the motion of the Senator from Georgia to lay the House concurrent resolution on the table.

The motion was agreed to.

RECESS.

Mr. MARTIN of Virginia. I move that the Senate take a recess until 5.30 o'clock p. m.

Mr. OVERMAN. Mr. President, will not the Senator withdraw that motion, in order that we may have an executive session?

The PRESIDENT pro tempore. The Senator from Virginia moves that the Senate take a recess until 5.30 o'clock p. m.

The motion was agreed to; and (at 4 o'clock and 40 minutes p. m.) the Senate took a recess until 5.30 o'clock p. m.

At the expiration of the recess the Senate reassembled.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the Speaker of the House had signed the enrolled bill (H. R. 18891) to increase the internal revenue, and for other purposes, and it was thereupon signed by the President pro tempore.

ORDER OF BUSINESS.

Mr. SMITH of Georgia. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The matter will be attended to when the Chair signs the enrolled bill from the House of Representatives.

Mr. SMITH of Georgia. Mr. President, I do not think the bill can be signed until the question of a quorum is settled.

The PRESIDENT pro tempore. The Chair announces his signature to an enrolled bill, the title of which the Secretary will state.

The SECRETARY. A bill (H. R. 18891) to increase the internal revenue, and for other purposes.

The PRESIDENT pro tempore. The Senator from Georgia suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bryan	Kern	Pomerene	Swanson
Camden	Lea, Tenn.	Shafroth	Thomas
Chilton	McCumber	Sheppard	Thornton
Clapp	Martin, Va.	Shields	Walsh
Clarke, Ark.	Martine, N. J.	Simmons	Warren
Culberson	Nelson	Smith, Ga.	West
Fletcher	O'Gorman	Smith, Md.	White
Gore	Overman	Smith, Mich.	Williams
James	Page	Smith, S. C.	
Jones	Perkins	Stone	

The PRESIDENT pro tempore. Thirty-eight Senators having answered to their names, a quorum of the Senate is not present. The Secretary will call the roll of the absentees.

The Secretary called the names of the absent Senators, and Mr. HUGHES, Mr. NORRIS, Mr. ROOT, Mr. SAULSBURY, Mr. SHIVELY, and Mr. VARDAMAN responded to their names when called.

Mr. CLAPP. I desire to say that the senior Senator from Wisconsin [Mr. LA FOLLETTE] is detained from the Chamber on account of illness.

Mr. LEE of Maryland, Mr. MYERS, Mr. JOHNSON, Mr. THOMPSON, and Mr. POINDEXTER entered the Chamber and answered to their names.

The PRESIDENT pro tempore. Forty-nine Senators have answered to their names. A quorum of the Senate is present.

Mr. ASHURST. I ask to be recorded.

The PRESIDENT pro tempore. The Senator from Arizona desires to be recorded as present. In the absence of objection, it is so ordered.

Mr. MARTIN of Virginia. I move that the adjournment resolution be laid before the Senate.

The PRESIDENT pro tempore. The proper motion would be to take it from the table.

Mr. MARTIN of Virginia. I move that the resolution be taken from the table and laid before the Senate.

Mr. SMITH of Georgia. I move that the Senate adjourn.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Georgia. [Putting the question.] By the sound the noes seem to have it.

Mr. SMITH of Georgia. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

The PRESIDENT pro tempore (when the name of Mr. CLARKE of Arkansas was called). The occupant of the chair has a pair with the Senator from Utah [Mr. SUTHERLAND] and therefore withholds his vote.

Mr. CULBERSON (when his name was called). In view of my pair with the Senator from Delaware [Mr. DU PONT] and my inability to secure a transfer, I withhold my vote.

Mr. JAMES (when his name was called). I have a pair with the junior Senator from Massachusetts [Mr. WEEKS]; but in view of the fact that my vote will be necessary to make a quorum, as disclosed on the last roll call, I vote "nay."

Mr. JOHNSON (when his name was called). Announcing my pair and its transfer as before, I vote "nay."

Mr. LEA of Tennessee (when his name was called). I announce my pair with the senior Senator from South Dakota [Mr. CRAWFORD] and withhold my vote.

Mr. O'GORMAN (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. GALLINGER], which I transfer to the junior Senator from Arkansas [Mr. ROBINSON], and vote "nay."

Mr. SAULSBURY (when his name was called). I transfer my pair as before and vote "nay."

Mr. SMITH of Georgia (when his name was called). I have a general pair with the senior Senator from Massachusetts [Mr. LODGE], and for that reason I feel called upon to withhold my vote.

Mr. SMITH of Maryland (when his name was called). Transferring my pair as before, I vote "nay."

Mr. STONE (when his name was called). I transfer my pair with the senior Senator from Wyoming [Mr. CLARK] to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "nay."

Mr. VARDAMAN (when his name was called). I have a general pair with the junior Senator from Idaho [Mr. BRADY], but under the terms of that pair I have a right to vote on questions of this kind. I vote "nay."

Mr. WALSH (when his name was called). I have a pair with the senior Senator from Rhode Island [Mr. LIPPITT], but I have the right to vote if my vote is necessary to make a quorum. Apparently that necessity exists. I therefore vote "nay."

Mr. WILLIAMS (when his name was called). I have a general pair with the senior Senator from Pennsylvania [Mr. PENROSE]. I consider myself at liberty, notwithstanding the pair, to vote on this question. I vote "nay."

The roll call was concluded.

Mr. THORNTON (after having voted in the affirmative). I desire to change my vote from "yea" to "nay," in order to allow the President to get here to sign the bill. Otherwise I would let my vote stand.

Mr. SMITH of Georgia. Upon reflection, I do not think this is the character of question on which the Senator from Massachusetts [Mr. LODGE] would care to have me consider my pair, and I think I really am at liberty to vote. I vote "yea."

Mr. CHILTON (after having voted in the negative). I omitted to announce my pair with the Senator from New Mexico [Mr. FALL]; but this is the kind of question on which I have a right to vote, and I will therefore allow my vote to stand.

Mr. GORE. I announce my pair with the Senator from Wisconsin [Mr. STEPHENSON], and desire to be counted as present if necessary to make a quorum.

The roll call resulted—yeas 12, nays 35, as follows:

YEAS—12.

Clapp	Norris	Sheppard	Smith, Mich.
Jones	Overman	Shields	Smith, S. C.
Myers	Poindexter	Smith, Ga.	White

NAYS—35.

Ashurst	Lee, Md.	Pomerene	Thomas
Bryan	Lewis	Root	Thompson
Camden	McCumber	Saulsbury	Thornton
Chilton	Martin, Va.	Shafroth	Vardaman
Fletcher	Martine, N. J.	Shively	Walsh
Hughes	Nelson	Simmons	Warren
James	O'Gorman	Smith, Md.	West
Johnson	Page	Stone	Williams
Kern	Perkins	Swanson	

NOT VOTING—49.

Bankhead	Culberson	Lane	Sherman
Borah	Cummins	Lea, Tenn.	Smith, Ariz.
Brady	Dillingham	Lippitt	Smoot
Brandegee	du Pont	Lodge	Stephenson
Bristow	Fall	McLean	Sterling
Burleigh	Gallinger	Newlands	Sutherland
Burton	Goff	Oliver	Tillman
Catron	Gore	Owen	Townsend
Chamberlain	Gronna	Penrose	Weeks
Clark, Wyo.	Hitchcock	Pittman	Works
Clarke, Ark.	Hollis	Ransdell	
Colt	Kenyon	Reed	
Crawford	La Follette	Robinson	

The PRESIDENT pro tempore. On the motion of the Senator from Georgia the yeas are 12 and the nays 35, the Senator from Oklahoma [Mr. GORE], the Senator from Arkansas [Mr. CLARKE], and the Senator from Texas [Mr. CULBERSON] being present and not voting. The motion is lost.

Mr. MARTIN of Virginia. Mr. President, I now ask that my motion be put.

The PRESIDENT pro tempore. The Senator from Virginia moves that the Senate take from the table the concurrent resolution proposing a final adjournment.

Mr. SMITH of Georgia. I move that the Senate take a recess until 11 o'clock to-morrow morning.

Mr. MARTIN of Virginia. Mr. President, I do not think that motion is in order. This is a privileged motion—a motion to adjourn without day—and with the exception of a simple motion to adjourn, it can not be supplanted.

The PRESIDENT pro tempore. The Chair regrets that he can not take that view of it. He thinks the Senate has control over its own sessions. The Chair feels obligated to submit the motion to the Senate. [Putting the question.] The noes seem to have it.

Mr. SMITH of Georgia. I call for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). Making the same announcement as on the former ballot, I vote "nay."

Mr. CULBERSON (when his name was called). Again announcing my pair and my inability to secure a transfer, I abstain from voting.

Mr. JAMES (when his name was called). Making the same announcement that I made upon the former roll call, and having an understanding that I may vote at any time my vote is necessary to constitute a quorum, I vote "nay."

Mr. JOHNSON (when his name was called). Announcing my pair and its transfer as before, I vote "nay."

Mr. LEA of Tennessee (when his name was called). I again announce my pair and withhold my vote, as I am unable to obtain a transfer.

Mr. O'GORMAN (when his name was called). Announcing the transfer of my pair as before, I vote "nay."

Mr. SAULSBURY (when his named was called). Making the same transfer as before, I vote "nay."

Mr. SMITH of Maryland (when his name was called). Transferring my pair as before, I vote "nay."

Mr. WALSH (when his name was called). Repeating the announcement on the preceding roll call, I vote "nay."

Mr. WILLIAMS (when his name was called). With a repetition of the announcement made by me upon the last roll call, I vote "nay."

The roll call was concluded.

Mr. GORE. I announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON] and ask to be counted as present.

The roll call resulted—yeas 12, nays 33, as follows:

YEAS—12.

Ashurst	Myers	Sheppard	Smith, Mich.
Clapp	Overman	Shields	Smith, S. C.
Jones	Poindexter	Smith, Ga.	White

NAYS—33.

Bryan	Lewis	Pomerene	Thornton
Camden	McCumber	Root	Vardaman
Chilton	Martin, Va.	Saulsbury	Walsh
Fletcher	Martine, N. J.	Shafroth	Warren
Hughes	Nelson	Smith, Md.	West
James	Norris	Stone	Williams
Johnson	O'Gorman	Swanson	
Kern	Page	Thomas	
Lee, Md.	Perkins	Thompson	

NOT VOTING—51.

Bankhead	Culberson	Lane	Sherman
Borah	Cummins	Lea, Tenn.	Shively
Brady	Dillingham	Lippitt	Simmons
Brandegee	du Pont	Lodge	Smith, Ariz.
Bristow	Fall	McLean	Smoot
Burleigh	Gallinger	Newlands	Stephenson
Burton	Goff	Oliver	Sterling
Catron	Gore	Owen	Sutherland
Chamberlain	Gronna	Penrose	Tillman
Clark, Wyo.	Hitchcock	Pittman	Townsend
Clarke, Ark.	Hollis	Ransdell	Weeks
Colt	Kenyon	Reed	Works
Crawford	La Follette	Robinson	

The PRESIDENT pro tempore. On the motion of the Senator from Georgia, the yeas are 12, and the nays are 33, the Senator from Arkansas [Mr. CLARKE], the Senator from Texas [Mr. CULBERSON], the Senator from Oklahoma [Mr. GORE], and the Senator from Tennessee [Mr. LEA] being present and making a quorum. The motion is lost.

Mr. SMITH of Georgia. Mr. President I move that the Senate proceed to the consideration of executive business.

Mr. MARTIN of Virginia. There is a motion before the Senate to take the adjournment resolution from the table.

The PRESIDENT pro tempore. A motion can be put to proceed to the consideration of executive business pending the consideration of that motion. A motion to proceed to the consideration of executive business is a privileged motion. [Putting the question.] The noes seem to have it.

Mr. SMITH of Georgia. I call for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. JOHNSON (when his name was called). I announce my pair and its transfer as on the preceding vote, and I vote "nay."

Mr. LEA of Tennessee (when his name was called). I announce my pair with the senior Senator from South Dakota [Mr. CRAWFORD]. I can not obtain a transfer, and therefore withhold my vote.

Mr. O'GORMAN (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. SAULSBURY (when his name was called). Announcing the same transfer as on the previous vote, I vote "nay."

Mr. SMITH of Maryland (when his name was called). Transferring my pair as on the preceding vote, I vote "nay."

Mr. STONE (when his name was called). Announcing the same transfer of my pair as on the last vote, I vote "nay."

Mr. WALSH (when his name was called). Repeating the announcement heretofore made, I will vote. I vote "nay."

Mr. WILLIAMS (when his name was called). Repeating my announcement as on the last roll call, I vote "nay."

The roll call was concluded.

Mr. GORE. I repeat my announcement and ask to be counted as present.

Mr. JAMES. Making the same announcement as on the former roll call, I vote "nay."

Mr. JONES. I desire to announce that the junior Senator from Rhode Island [Mr. COLT] is necessarily absent.

The roll call resulted—yeas 12, nays 35, as follows:

YEAS—12.

Ashurst	Myers	Sheppard	Smith, Mich.
Clapp	Overman	Shields	Smith, S. C.
Jones	Poindexter	Smith, Ga.	White

NAYS—35.

Bryan	James	McCumber	O'Gorman
Camden	Johnson	Martin, Va.	Page
Chilton	Kern	Martine, N. J.	Perkins
Fletcher	Lee, Md.	Nelson	Pomerene
Hughes	Lewis	Norris	Root
Saulsbury	Smith, Md.	Thompson	Warren
Shafroth	Stone	Thornton	West
Shively	Swanson	Vardaman	Williams
Simmons	Thomas	Walsh	

NOT VOTING—49.

Bankhead	Culberson	Lane	Sherman
Borah	Cummins	Lea, Tenn.	Smith, Ariz.
Brady	Dillingham	Lippitt	Smoot
Brandegee	du Pont	Lodge	Stephenson
Bristow	Fall	McLean	Sterling
Burleigh	Gallinger	Newlands	Sutherland
Burton	Goff	Oliver	Tillman
Catron	Gore	Owen	Townsend
Chamberlain	Gronna	Penrose	Weeks
Clark, Wyo.	Hitchcock	Pittman	Works
Clarke, Ark.	Hollis	Ransdell	
Colt	Kenyon	Reed	
Crawford	La Follette	Robinson	

The PRESIDENT pro tempore. On the motion of the Senator from Georgia [Mr. SMITH] the yeas are 12 and the nays are 35. The Senator from Tennessee [Mr. LEA], the Senator from Arkansas [Mr. CLARKE], the Senator from Texas [Mr. CULBERSON], and the Senator from Oklahoma [Mr. GORE] being present, the motion is lost.

THANKS TO THE VICE PRESIDENT.

Mr. PERKINS. Mr. President, I send to the desk a resolution, and I ask unanimous consent for its present consideration.

The PRESIDENT pro tempore. The Senator from California asks unanimous consent for the present consideration of the resolution which he sends to the desk. If there is no objection, it will be read.

The resolution (S. Res. 482) was read as follows:

Resolved, That the thanks of the Senate are hereby tendered to Hon. THOMAS R. MARSHALL, Vice President of the United States and President of the Senate, for the dignified, impartial, and courteous manner in which he has presided over its deliberations during the present session.

The resolution was unanimously agreed to.

NOTIFICATION TO THE PRESIDENT.

Mr. SMITH of Georgia. I move that the Senate take a recess until 8 o'clock to-night.

Mr. POINDEXTER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from Washington?

Mr. SMITH of Georgia. Yes.

Mr. POINDEXTER. Some time during the afternoon a resolution came to the Senate from the House which in terms provided for the appointment of a joint committee to visit the President and inquire of the President if there were other matters of legislation that should be disposed of before adjournment. I should like to inquire what disposition was made of that resolution.

The PRESIDENT pro tempore. The Senator has been misinformed. No such resolution has been received. The Senate has received a resolution, which the Secretary will now read for his information.

The Secretary read as follows:

IN THE HOUSE OF REPRESENTATIVES, *October 22, 1914*.

Resolved, That a committee of three Members be appointed by the Chair to join a similar committee appointed by the Senate to wait upon the President of the United States and inform him that the two Houses have completed the business of the present session and are ready to adjourn unless the President has some communication to make to them.

The PRESIDENT pro tempore. In the regular sequence a similar resolution will be adopted by the Senate. The Chair takes it for granted that that will be done when the Senate comes to adjourn finally.

Mr. POINDEXTER. I should like to inquire of the Chair, if, in order of precedence, the committee to visit the President would not precede the adjournment resolution instead of following it?

The PRESIDENT pro tempore. The practice has been universally otherwise.

Mr. POINDEXTER. The inquiry made of the President, as I understand from the resolution, is whether or not he has any communication to make to Congress. Of course, Congress can not act upon any communication after it has adjourned. I think it would be very important to ascertain from the President whether the President is in favor of Congress adjourning without passing one of the bills which the Senator from Georgia has described as pending in the House of Representatives.

Mr. JAMES (and others). Regular order!

The PRESIDENT pro tempore. The Senator from Georgia has the floor.

EXECUTIVE SESSION.

Mr. STONE. I move that the Senate proceed to the consideration of executive business.

Mr. SMITH of Georgia. I withdraw my motion to take a recess, in view of the motion of the Senator from Missouri.

The PRESIDENT pro tempore. The motion to proceed to the consideration of executive business was voted upon.

Mr. STONE. There has been business since then. A resolution has been adopted since the motion was voted upon.

The PRESIDENT pro tempore. The Senator is correct. The Senator from Missouri moves that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 20 minutes spent in executive session the doors were reopened.

ADDRESS BEFORE AMERICAN BAR ASSOCIATION.

Mr. FLETCHER. I ask that the address of the President of the United States before the American Bar Association on Tuesday last may be printed as a document (S. Doc. No. 619).

The PRESIDENT pro tempore. Without objection, the request of the Senator from Florida is granted.

Mr. FLETCHER. I also ask that the address of Sir Charles Fitzpatrick, chief justice of the Dominion of Canada, on the "Constitution of Canada," may be printed as a document (S. Doc. No. 620).

Mr. ROOT. I ask that the address of Ramulo S. Naon, ambassador from the Argentine Republic to the United States, delivered to-day before the convention of the American Bar Association may be included in the request (S. Doc. No. 618).

Mr. FLETCHER. That is entirely agreeable to me.

The PRESIDENT pro tempore. Without objection, it is so ordered.

THANKS TO THE PRESIDENT PRO TEMPORE.

Mr. CLAPP submitted the following resolution (S. Res. 483), which was considered by unanimous consent and unanimously agreed to:

Resolved, That the thanks of the Senate are hereby tendered to Hon. JAMES P. CLARKE, President pro tempore of the Senate, for the dignified, impartial, and courteous manner in which he has presided over its deliberations during the present session.

Mr. KERN. I move that the Senate adjourn.

The motion was agreed to; and (at 6 o'clock and 22 minutes p. m.) the Senate adjourned until to-morrow, Friday, October 23, 1914, at 12 o'clock m.

NOMINATIONS.

Executive nominations received by the Senate October 22, 1914.

APPOINTMENT IN THE ARMY.

CHAPLAIN.

Rev. John Lee Maddox, of Connecticut, to be chaplain, with the rank of first lieutenant, from October 21, 1914, vice Chaplain Ruter W. Springer, Coast Artillery Corps, resigned January 21, 1914.

APPOINTMENTS, BY TRANSFER, IN THE ARMY.

INFANTRY ARM.

Second Lieut. George Payne Nickerson, Fourteenth Cavalry, to be second lieutenant of Infantry, with rank from June 12, 1914.

CAVALRY ARM.

Second Lieut. Frederick Herr, Ninth Infantry, to be second lieutenant of Cavalry, with rank from June 12, 1914.

APPOINTMENTS IN THE ARMY.

MEDICAL RESERVE CORPS.

To be first lieutenants with rank from October 20, 1914.

William Clement Gibson, of Michigan.
John Vance Greene, of California.
Aloysius Eugene O'Flaherty, of Missouri.
Royal Kendall Stacey, of Texas.
Philip Work, of Colorado.

CONFIRMATIONS.

Executive nominations confirmed by the Senate October 22, 1914.

AUDITOR FOR PORTO RICO.

Jesse W. Bonner to be auditor for Porto Rico.

UNITED STATES ATTORNEY.

John E. Laskey to be United States attorney for the District of Columbia.

PROMOTION IN THE ARMY.

CHAPLAIN.

Rev. John Lee Maddox to be a chaplain, with rank of first lieutenant.

APPOINTMENTS, BY TRANSFER, IN THE ARMY.

To be second lieutenants.

INFANTRY ARM.

Second Lieut. George Payne Nickerson.

CAVALRY ARM.

Second Lieut. Frederick Herr.

APPOINTMENTS IN THE ARMY.

MEDICAL RESERVE CORPS.

To be first lieutenants.

William Clement Gibson.
John Vance Greene.
Aloysius Eugene O'Flaherty.
Royal Kendall Stacey.
Philip Work.

POSTMASTERS.

CALIFORNIA.

Charles G. Clyne, Benicia.
Ernest H. Haack, Watsonville.
W. E. Hiatt, Cloverdale.
Elgin C. Hurlbert, Pacific Grove.
T. H. Miller, Morgan Hill.

IDAHO.

Walter A. Fiscus, Potlatch.

ILLINOIS.

Samuel S. Hubbard, Woodriver.
John A. Pence, Gibson City.
George Rankin, Normal.

LOUISIANA.

Edward A. Andries, Glenmora.
Turner K. Butler, Ponchatoula.
Theodosia B. La Cour, Fisher.
R. M. Leake, St. Francisville.
Randolph Morgan, Mandeville.
Katherine J. Moynagh, Harvey.
Jacob Seiler, Covington.

MICHIGAN.

Charles H. Frain, Laingsburg.
William E. Murphy, Pinckney.

MINNESOTA.

George W. Owens, Elmore.

MISSISSIPPI.

Francis McNabb Hogin, Drew.

MONTANA.

Edwin C. Hogenson, Hingham.

NEBRASKA.

Joseph J. Meyers, Burwell.
Jarrett W. Ragan, Utica.
Charles M. Rebbeck, Gordon.

NEW HAMPSHIRE.

Enoch F. Stevens, Raymond.

NEW YORK.

James R. Comesky, Suffern.
Patrick Halloran, Sparkill.
Charles Hogan, Harrisville.
James H. Reagan, Chadwicks.
Charles E. White, Middleburg.

OREGON.

John P. Cooley, Brownsville.

PORTO RICO.

George P. De Pass, Mayaguez.

UTAH.

George Alva Zabriskie, Springville.

VIRGINIA.

Leslie N. Ligon, Pamplin.

WASHINGTON.

Leonard Talbott, Toppenish.

WISCONSIN.

K. W. Baker, Greenwood.
T. L. Cleary, Platteville.
A. H. Craig, Mukwonago.
F. J. Eagan, Muscoda.
Frank J. Haas, Richland Center.
Frank Heiderer, Butternut.
James McEntee, De Forest.
Francis H. Metcalf, Reedsburg.
Charles T. O'Brien, Necedah.
Thomas F. Powers, Mauston.

HOUSE OF REPRESENTATIVES.

THURSDAY, *October 22, 1914.*

The House met at 10 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Thou, who dost guide the destiny of men and of nations, to Thee we lift up our hearts in response to the invitation in Thy written word, and in the desire of our souls we come asking that we may receive, seeking that we may find, knocking that the chambers of Thy counsels may be opened unto us, that we may fulfill our destiny as individuals and as a people. "Blessed is the nation whose God is the Lord and the people whom He hath chosen for His own inheritance." Thus may we be Thy people and magnify Thy holy name by the rectitude of our behavior. In the spirit of the Master. Amen.

The SPEAKER. The Clerk will read the Journal.

The Clerk began the reading of the Journal.

Mr. MANN. Mr. Speaker, I ask for the reading of the Journal in full.

The SPEAKER. The Clerk will read the Journal in full.

The Clerk proceeded with the reading of the Journal.

Mr. MANN. Mr. Speaker, I asked that the Journal be read in full.

The SPEAKER. The Clerk will read the Journal in full.

The Clerk proceeded with the reading of the Journal.

Mr. MANN. Mr. Speaker, I withdraw my request.

The Clerk resumed and completed the reading of the Journal.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move that the Journal be approved.

The SPEAKER. The gentleman from Kentucky moves the approval of the Journal.

The question was taken, and the motion was agreed to.

EMERGENCY REVENUE LEGISLATION.

The SPEAKER. The gentleman from Alabama [Mr. UNDERWOOD]. [Applause.]

Mr. UNDERWOOD. Mr. Speaker, I present to the House the conference report on the revenue bill, H. R. 18891, and the statement on the part of the managers of the House, and I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. The gentleman from Alabama asks unanimous consent that the statement may be read in lieu of the report. Is there objection? [After a pause.] The Chair hears none, and the Clerk will read the statement.

The conference report is as follows:

CONFERENCE REPORT (NO. 1200).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 18891) to increase the internal revenue, and for other purposes, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 11, 13, 14, 15, 18, 19, 20, 22, 56, 77, and 96.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 6, 8, 9, 12, 17, 21, 25, 26, 27, 28, 30, 32, 34, 35, 36, 37, 38, 39, 41, 42, 43, 44, 45, 47, 49, 51, 54, 55, 57, 59, 60, 61, 62, 64, 65, 67, 68, 69, 70, 71, 73, 74, 75, 76, 78, 79, 80, 81, 83, 85, 86, 87, 88, 89, 90, 93, 97, and 98, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 2. That upon all still wines, domestic and imported, when sold or offered for sale or consumption, there shall be levied and collected taxes as follows: On each bottle containing one-fourth pint or less, one-fourth cent; on each bottle containing more than one-fourth pint and not more than one-half pint, one-half cent; on each bottle containing more than one-half pint and not more than one pint, 1 cent; and on each bottle containing more than one pint and not more than one quart, 2 cents; and on still wines in all other containers, not herein specially provided for, the tax shall be at the rate of 8 cents per gallon.

"That upon all domestic and imported champagne and other sparkling wines, and upon all artificially carbonated wines, when sold or offered for sale or consumption, there shall be levied and collected taxes as follows: Upon each bottle containing one-half pint or less, 5 cents; on each bottle containing more than one-half pint and not more than one pint, 10 cents; on each bottle containing more than one pint and not more than one quart, 20 cents; and on all other containers at the rate of 20 cents per quart; and on all liqueurs, cordials, or similar compounds, domestic and imported, by whatever name sold or offered for sale, there shall be levied and collected a tax on each bottle containing not more than one-half pint, 1½ cents; more than one-half pint and not more than one pint, 3 cents; more than one pint and not more than one quart, 6 cents; and on larger containers a tax at the rate of 24 cents per gallon.

"All of the taxes imposed in the preceding paragraphs of this section shall be paid by stamps to be affixed to each bottle or container in which such still wines, champagne wines, carbonated wines, liqueurs, or cordials, or similar compounds are sold or offered for sale: *Provided*, That when such still wines, champagne wines, carbonated wines, liqueurs, cordials, or similar compounds, taxable under the provisions of this section, are sold or delivered by the producer, importer, or dealer in wholesale quantities to other dealers, including rectifiers, manufacturing chemists, and druggists, the dealer receiving and selling, or offering the same for sale or consumption to any person other than a dealer, shall affix thereto the stamps hereinbefore prescribed: *And provided further*, That the stamp tax herein imposed shall not be collected on any still wine used by any rectifier, manufacturing chemist, or druggist in the manufacture of any liqueur, cordial, or compound subject to any internal-revenue tax imposed by this Act.

"The Commissioner of Internal Revenue shall cause to be prepared suitable and special stamps denoting the tax herein imposed, to be affixed and canceled in such manner as he, with the approval of the Secretary of the Treasury, may prescribe; and the absence of such stamps from any bottle or container containing wine, liqueur, cordial, or compound taxable under the provisions of this section, sold or offered for sale or consumption, shall be prima facie evidence that the tax thereon has not been paid, and all such wines, liqueurs, cordials, or compounds shall be forfeited to the United States.

"There shall be levied and assessed against the maker or producer of all wines fortified under the provisions and conforming to the requirements of the sections of the tariff act of October 1, 1890, relating to the fortification of pure sweet wines, as amended, and as further amended by this act, a tax of 55 cents on each taxable gallon of grape brandy or wine spirits used by him in the fortification of such wines: *Provided, however*, That the maker or producer of such fortified wines shall, under regulations and suitable bonds, to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, have assessed against him monthly the said tax of 55 cents on each taxable gallon of grape brandy or wine spirits used by him during the preceding month, which assessment shall be paid within 90 days from the date of notice thereof: *Provided further*, That nothing herein contained shall be construed as exempting any still wines, cordials, liqueurs, or similar compounds from the payment of any stamp tax provided for in this section.

"The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is hereby authorized to make all necessary regulations to make effective the provisions of this section.

"That sections 42, 43, 45, 46, and 49 of the act of October 1, 1890, as amended by section 68 of an act approved August 28, 1894, and by an act approved June 7, 1906, are further amended to read as follows:

"'SEC. 42. That any producer of pure sweet wines may use in the preparation of such sweet wines, under such regulations, and after the filing of such notices and bonds, together with the keeping of such records and the rendition of such reports as to materials and products as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe, wine spirits produced by any duly authorized distiller, and the Commissioner of Internal Revenue in determining the liability of any distiller of wine spirits to assessment under section 3309 of the Revised Statutes, is authorized to allow such distiller credit in his computations for the wine spirits withdrawn to be used in fortifying sweet wines under this act: *Provided*, That such wine containing after fortification more than 24 per cent of alcohol, as defined by section 3249 of the Revised Statutes, shall be forfeited to the United States.

"'SEC. 43. That the wine spirits mentioned in section 42 of this act is the product resulting from the distillation of fermented grape juice, to which water may have been added prior to, during, or after fermentation, for the sole purpose of facilitating the fermentation and economical distillation thereof, and shall be held to include the product from grapes or their residues, commonly known as grape brandy, and shall include commercial grape brandy which may have been colored with burnt sugar or caramel; and the pure sweet wine which may be fortified

with wine spirits under the provisions of this act is fermented or partially fermented grape juice only, with the usual cellar treatment, and shall contain no other substance whatever introduced before, at the time of, or after fermentation, except as herein expressly provided: *Provided*, That the addition of pure boiled or condensed grape must or pure crystallized cane or beet sugar, or pure dextrose sugar or water, or any or all of them, to the pure grape juice before fermentation, or to the fermented product of such grape juice, or to both, prior to the fortification provided in this act, either for the purpose of perfecting sweet wines according to commercial standards or for mechanical purposes, shall not be excluded by the definition of pure sweet wine aforesaid: *Provided, however*, That the cane or beet sugar, or pure dextrose sugar so used shall not be in excess of 11 per centum of the weight of the wine to be fortified under this act: *And provided further*, That the addition of water herein authorized shall be under such regulations and limitations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may from time to time prescribe: *Provided, however*, That records kept in accordance with such regulations as to the percentage of saccharine, acid, alcoholic, and added water content of the wine offered for fortification shall be open to inspection by any official of the Department of Agriculture thereto duly authorized by the Secretary of Agriculture; but in no case shall such wines to which water has been added be eligible for fortification under the provisions of this act, where the same, after fermentation and before fortification, have an alcoholic strength of less than 5 per centum of their volume.

"'SEC. 45. That under such regulations and official supervision, and upon the execution of such entries and the giving of such bonds, bills of lading, and other security as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe, any producer of pure sweet wines as defined by this act may withdraw wine spirits from any special bonded warehouse in original packages or from any registered distillery in any quantity not less than 80 wine-gallons, and may use so much of the same as may be required by him under such regulations, and after the filing of such notices and bonds and the keeping of such records and the rendition of such reports as to materials and products and the disposition of the same as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe, in fortifying the pure sweet wines made by him, and for no other purpose, in accordance with the foregoing limitations and provisions; and the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is authorized whenever he shall deem it to be necessary for the prevention of violations of this law to prescribe that wine spirits withdrawn under this section shall not be used to fortify wines except at a certain distance prescribed by him from any distillery, rectifying house, winery, or other establishment used for producing or storing distilled spirits, or for making or storing wines other than wines which are so fortified, and that in the building in which such fortification of wines is practiced no wines or spirits other than those permitted by this regulation shall be stored in any room or part of the building in which fortification of wines is practiced. The use of wine spirits for the fortification of sweet wines under this act shall be under the immediate supervision of an officer of internal revenue, who shall make returns describing the kinds and quantities of wine so fortified, and shall affix such stamps and seals to the packages containing such wines as may be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury; and the Commissioner of Internal Revenue shall provide by regulations the time within which wines so fortified with the wine spirits so withdrawn may be subject to inspection, and for final accounting for the use of such wine spirits and for rewarehousing or for payment of the tax on any portion of such wine spirits which remain not used in fortifying pure sweet wines.

"'SEC. 46. That wine spirits may be withdrawn from special bonded warehouses at the instance of any person desiring to use the same to fortify any wines, in accordance with commercial demands of foreign markets, when such wines are intended for exportation, without the payment of tax on the amount of wine spirits used in such fortification, under such regulations, and after making such entries, and executing and filing with the collector of the district from which the removal is to be made such bonds and bills of lading, and giving such other additional security to prevent the use of such wine spirits free of tax otherwise than in the fortification of wine intended for exportation and for the due exportation of the wine so fortified, as may be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury; and all of the provisions of law governing the exportation of distilled spirits free of tax, so far as applicable, shall apply to the withdrawal and use of wine spirits and the exportation of the same in accordance with this section; and the Commissioner of Internal Revenue is authorized, subject to the approval of the Secretary of the Treasury, to prescribe that wine spirits intended for the fortification of wines under this section shall not be introduced into such wines except under the immediate supervision of an officer of internal revenue, who shall make returns describing the kinds and quantities of wine so fortified, and shall affix such stamps and seals to the packages containing such wines as may be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. Whenever transportation of such wine is to be effected by land carriage the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe such regulations as to sealing packages and vehicles containing the same, and as to the supervision of transportation from the point of departure, which point shall be determined as the place where such wine spirits may be introduced into such wines to the point of destination as may be necessary to insure the due exportation of such fortified wines: *Provided*, That where, in accordance with regulations of the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, wines fortified under the provisions of this act with brandy taxable at 55 cents per proof gallon are exported directly from the winery where fortified, there shall be allowed an abatement or refund of tax equivalent to 55 cents per gallon on each proof gallon of wine spirits contained in such wine at the time of exportation, which amount of wine spirits shall be ascertained by the Commissioner of Internal Revenue under regulations approved by the Secretary of the Treasury: *Provided*, That such wine spirits on which abatement or refund of tax is allowed shall not exceed the total amount of alcohol in such wine over and above 14 per cent thereof.

"'SEC. 49. That wine spirits used in fortifying wines may be recovered from such wines only on the premises of a duly authorized grape-brandy distiller, and for the purpose of such recovery wine so fortified may be received as material on the premises of such a distiller, on a special permit of the collector of internal revenue in whose district the distillery is located; and the distiller will be held to pay the tax on the product from such wines as will include both the alcoholic strength therein produced by the fermentation of the grape juice and that obtained from the added distilled wine spirits: *Provided*, That when application for such special permit for redistillation shall be made by the producer of any wines fortified with brandy subject to the tax of 55 cents per proof gallon, before such wine shall have been moved from the premises of the winery where fortified and the redistillation is had under regulations made by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, an abatement or refund of the tax assessed against said producer shall be allowed equivalent to 55 cents per proof gallon of brandy contained in said spirits at the time of redistillation, which amount of brandy shall be ascertained by the Commissioner of Internal Revenue, under regulations approved by the Secretary of the Treasury, and wine spirits so recovered may be used in the manner provided by law for the fortification of other wine: *Provided*, That such wine spirits on which abatement or refund of tax is allowed shall not exceed the total amount of alcohol in such wine over and above 14 per centum thereof.'

"That section 3 and section 6 of the act of June 7, 1906, amending the laws relating to the fortification of pure sweet wines, are hereby amended to read as follows:

"'SEC. 3. That the Commissioner of Internal Revenue is hereby authorized to assign at each winery where wines are to be fortified such number of gaugers or storekeeper gaugers, in the capacity of gaugers, for special duties as may be necessary for the proper supervision of the making and fortifying of such wines, and the compensation of such officers shall not exceed $5 per diem while so assigned, together with their actual and necessary traveling expenses, and also a reasonable allowance for their board bills, to be fixed by the Commissioner of Internal Revenue, but not to exceed $2 per diem for said board bills. That bonds hereafter given under the provisions of the aforesaid act of October 1, 1890, as amended, shall be conditioned for the payment of the tax on all brandy removed thereunder and not used and accounted for within the time and in the manner required by law and regulations, and for the payment of all taxes imposed on the brandy so withdrawn and used for fortifications; and the said bonds shall contain such other conditions as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulation prescribe.

"'SEC. 6. That any person who by any process recovers from wines fortified under the provisions of the aforesaid act approved October 1, 1890, and amendments thereto, any brandy or

wine spirits used in the manufacture or fortification of said wine, otherwise than is provided for in said act and its amendments, or who shall rectify, mix, or compound with distilled spirits or other materials, except as provided in this act, such grape brandy, fortified wines or wine spirits unlawfully recovered therefrom, shall, on conviction, be punished for each such offense by a fine of not less than $200 nor more than $1,000. But the provisions of this section and the provisions of section 3244 of the Revised Statutes of the United States, as amended, relating to rectification, or other internal revenue laws of the United States, shall not be held to apply to or prohibit the mixing or blending of pure sweet wines fortified under the provisions of this act with each other or with other wines: *Provided*, That the pure sweet wines fortified under the provisions of this act may be used in the manufacture of cordials, liqueurs, and similar compounds on which an internal revenue tax of 24 cents a gallon is imposed, and otherwise the provision of section 3244 of the Revised Statutes of the United States shall remain in full force and effect.'"

And the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment striking out the word "from" and inserting in lieu thereof the word "on"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, striking out the numeral "50" and inserting in lieu thereof the numeral "30"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: ", where a charge for admission is made, having a seating capacity of not more than 250, shall pay $25; having a seating capacity of more than 250 and not exceeding 500, shall pay $50; having a seating capacity exceeding 500 and not exceeding 800, shall pay $75; having a seating capacity of more than 800, shall pay $100"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Tenth. Commission merchants shall pay $20. Every person, firm, or company whose business or occupation it is to receive into his or its possession any goods, wares, or merchandise to sell the same on commission shall be regarded as a commission merchant: *Provided*, That any person having paid the special tax as a commercial broker shall not be required to pay the special tax as a commission merchant: *Provided further*, That this provision shall not apply to commission houses run upon a cooperative plan."

And the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, striking out the word "from" and inserting in lieu thereof the word "on"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In the matter inserted by said amendment strike out "$600" and insert in lieu thereof "$200"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: After the last paragraph of the matter inserted by said amendment insert the following:

"In arriving at the amount of license tax to be paid hereunder, and in the levy and collection of such tax, each person, firm, or corporation engaged in the manufacture of cigars, cigarettes (including little cigars), or tobacco shall be considered and deemed a single manufacturer."

And the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, striking out the word "November" and inserting in lieu thereof the word "December"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: Strike out the numeral "11" and insert in lieu thereof the numeral "10"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment as follows: Strike out the numeral "12" and insert in lieu thereof the numeral "11"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment as follows: Strike out the numeral "13" and insert in lieu thereof the numeral "12"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment as follows: Strike out the numeral "14" and insert in lieu thereof the numeral "13"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment as follows: Strike out the numeral "15" and insert in lieu thereof the numeral "14"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment as follows: Strike out the numeral "16" and insert in lieu thereof the numeral "15"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with amendments as follows: In line 1 of the matter inserted by said amendment strike out the numeral "18" and insert in lieu thereof the numeral "17." In lines 1 and 2 of the matter inserted by said amendment strike out the words "thirty days after the approval of this act" and insert in lieu thereof the words "on and after December first, nineteen hundred and fourteen"; and the Senate agree to the same.

Amendment numbered 63: That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment as follows: Strike out the numeral "23" and insert in lieu thereof the numeral "22"; and the Senate agree to the same.

Amendment numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "on and after the 1st day of December, 1914"; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows: In line 9 of the matter inserted by said amendment, strike out the words "sender of" and insert in lieu thereof the words "person paying for." In line 10 of the matter inserted by said amendment strike out the words "the originator of the"; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "except life, personal accident, and health insurance, and insurance described and taxed or exempted in the preceding paragraph and excepting also workmen's compensation insurance carried on by the members thereof solely for their own protection and not for profit"; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment as follows: Strike out the matter inserted by said amendment and insert in lieu thereof a colon and the words "*Provided*, That policies of reinsurance shall be exempt from the tax herein imposed by this paragraph."

Amendment numbered 91: That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with amendments as follows: In line 9 of the matter inserted by said amendment, after the word "applied," where it first occurs, strike out the comma and the words "or to be used or applied" and in the same line, after the word "perfumes," strike out the comma. In lines 9, 10, and 11 of the matter inserted by said amendment strike out the words "applications to the hair, mouth, or skin, or otherwise used, made, prepared" and insert in lieu thereof the word

"cosmetics." In lines 36, 37, 38, and 39 of the matter inserted by said amendment, beginning with the word "Sparkling," in line 36, strike out all down to and including the word "cents" in line 39. In line 42 of the matter inserted by said amendment strike out the words "30 days" and insert in lieu thereof the words "on and". In lines 42 and 43 of the matter inserted by said amendment strike out the words "the approval of this Act," and insert in lieu thereof the words "December 1, 1914"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment as follows: Strike out the numeral "24" and insert in lieu thereof the numeral "23"; and the Senate agree to the same.

Amendment numbered 94: That the House recede from its disagreement to the amendment of the Senate numbered 94, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "$200,000, or so much thereof as may be required, out of any money in the Treasury not otherwise appropriated; $170,000 to be added to and made a part of the appropriations for salaries and expenses of collection of internal revenue, 1915; and $30,000 to the appropriation for paper for internal revenue stamps, 1915."; and the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment as follows: Strike out the numeral "25" and insert in lieu thereof the numeral "24"; and the Senate agree to the same.

That in the enrollment of the bill the sections thereof be numbered in consecutive order.

O. W. UNDERWOOD,
CLAUDE KITCHIN,
Managers on the part of the House.

F. M. SIMMONS,
WM. J. STONE,
JOHN SHARP WILLIAMS,
Managers on the part of the Senate.

The statement was read, as follows:

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 18891) to increase the internal revenue, and for other purposes, submit the following written statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: The House increased the tax of $1 on fermented liquors to $1.50 per barrel. The Senate increased the tax to $1.75 per barrel, and the Senate recedes.

Amendment No. 2: The Senate provided a discount upon the sales of stamps to brewers, and recedes from this amendment.

Amendment No. 3: The Senate provided a tax of 5 cents upon rectified whisky, and recedes from its amendment.

Amendment No. 4: The House provided a tax on the producers of wine. The Senate struck out this provision, and the House agrees.

Amendment No. 5: The Senate shifted the tax proposed by the House upon the producers of wine to the dealer in wines receiving and selling or offering for sale or consumption to any person other than a dealer. The House agrees to the amendment with certain minor changes. The provision as amended places a tax on still wines of 8 cents per gallon; on champagne and other sparkling wines and all artificial carbonated wines, of 20 cents per quart; and on cordials, liqueurs, and similar compounds, of 24 cents per gallon. This amendment removes certain restrictions now imposed upon the manufacturer of wine spirits to be used in fortifying pure sweet wines. It also imposes a tax of 55 cents per gallon upon grape brandy or wine spirits in lieu of the charge of 3 cents per gallon now imposed.

Amendment No. 6: The House bill taxed gasoline 2 cents per gallon. The Senate struck out this provision, and the House agrees to the Senate amendment.

Amendment No. 7: The Senate struck out the House provision that the special-tax provisions should become effective November 1, 1914, and the Senate recedes.

Amendment No. 8: The House provided a tax of $2 for each $1,000 of capital and surplus used or employed by bankers. The Senate lowered the tax to $1, and the House agrees.

Amendment No. 9: This amendment exempts postal savings banks from the payment of the tax upon bankers, and the House agrees.

Amendment No. 10: The House bill taxes brokers $50. The Senate struck out this tax. The House provision is restored with an amendment fixing the tax at $30.

Amendment No. 11: This amendment relates to a change in paragraph number, and the Senate recedes.

Amendment No. 12: The House placed a tax of $20 upon pawnbrokers. The Senate increased this tax to $50, and the House agrees to the tax of $50.

Amendment Nos. 13, 14, and 15 relate to changes in paragraph numbers, and the Senate recedes.

Amendment No. 16: The House placed a tax of $100 upon all proprietors of theaters, museums, and concert halls in cities having more than 15,000 population. The Senate changed this tax to a graduated tax according to seating capacity, and the House agrees with the following amendment: "Proprietors of theaters, museums, and concert halls, where a charge for admission is made, having a seating capacity of not more than 250 shall pay $25; having a seating capacity of more than 250 and not exceeding 500 shall pay $50; having a seating capacity exceeding 500 and not exceeding 800 shall pay $75; having a seating capacity of more than 800 shall pay $100."

Amendment No. 17: This amendment exempts armories rented or used occasionally for concerts or theatrical representations from the taxes levied on theaters, museums, and concert halls, and the House agrees.

Amendment No. 18: The House bill provided that whenever any theater was under lease at the passage of the act, the lessee should pay the tax. The Senate bill provided that whenever any theater was under lease when this act takes effect, the lessee should pay the tax; and the Senate recedes.

Amendment Nos. 19 and 20: These amendments merely relate to changes in paragraph numbers; and the Senate recedes.

Amendment No. 21: This amendment exempts Chautauquas, lecture lyceums, agricultural or industrial fairs, or exhibitions held under the auspices of religious or charitable associations; and the House agrees.

Amendment No. 22: This amendment merely relates to change in the paragraph number; and the Senate recedes.

Amendment No. 23: The Senate amendment placed a tax of $20 on commission merchants. The House agrees to the Senate amendment with an amendment providing that any person paying the special tax as a commercial broker will not be required to pay this tax.

Amendment No. 24: The House provided that the special taxes on tobacco dealers and manufacturers should take effect on November 1, 1914. The Senate provided that they should go into effect immediately after the passage of the act. The Senate recedes from its amendment.

Amendment Nos. 25, 26, 27, and 28: The House bill taxes the annual sales of leaf tobacco. The Senate bill taxes the annual sales or transfers of leaf tobacco, and the House agrees to the Senate amendments.

Amendment No. 29. The Senate amended the tax on tobacco dealers not specially provided for by exempting dealers whose annual receipts from the sale of tobacco do not exceed $600. The House agrees to this amendment with an amendment limiting the exemption to $200.

Amendment No. 30. This amendment provides that the $4.80 tax shall be levied for each store, shop, or place in which tobacco in any form is sold; and the House agrees.

Amendment No. 31. The House bill provided a tax upon manufacturers of tobacco and cigars, ranging from $12 to $24, and a tax on manufacturers of cigarettes of $24. The Senate amended this provision, placing a graduated tax upon manufacturers of tobacco, cigars, and cigarettes ranging from $6 to $2,496, according to the quantity of tobacco, cigars, or cigarettes sold; and the House agrees to the Senate amendment with an amendment as follows: "In arriving at the amount of license tax to be paid hereunder, and in the levy and collection of such tax, each person, firm, or corporation engaged in the manufacture of cigars, cigarettes (including little cigars), or tobacco shall be considered and deemed a single manufacturer."

Amendment No. 32. This amendment provides that the special taxes imposed by this act and payable during the special-tax year ending June 30, 1916, shall be collected and paid proportionately for the period during which such taxes shall remain in force during said year; and the House agrees.

Amendment No. 33: The House bill provided that the taxes imposed in Schedule A of this act should go into effect on November 1, 1914. The Senate amended it so that these taxes should be levied immediately after the passage of this act. The conferees placed the date of effectiveness at December 1, 1914.

Amendment No. 34: This amendment is made necessary by reason of the adoption of Schedule B into the act; and the House agrees to the amendment.

Amendment No. 35: This amendment eliminated the provision that certain documents should not be competent evidence in any court. The Federal Government has no right to say what will be evidence in State courts; and the House, therefore, agrees to the Senate amendment.

Amendment No. 36: This amendment provides the method by which the stamps required to be affixed on the articles enumerated in Schedule B shall be canceled, to which the House agrees.

Amendment Nos. 37, 38, and 39: These amendments are merely clerical changes, and the House agrees.

Amendment No. 40: This amendment provides for the proper numbering of this section, the House agreeing to the same.

Amendment No. 41: This amendment is merely a change in phraseology, and the House agrees.

Amendment No. 42: The Senate amendment requires each designated depositary to furnish a bond as well as each collector, and the House agrees.

Amendment Nos. 43, 44, and 45: These amendments are merely clerical changes, and the House agrees.

Amendment No. 46: This amendment provides for the proper numbering of this section, to which the House agrees.

Amendment No. 47: This amendment eliminated the provision that certain documents should not be competent evidence in any court. The Federal Government has no right to say what will be evidence in State courts, and the House therefore agrees to the Senate amendment.

Amendment No. 48: This amendment merely provides for the proper numbering of a section, to which the House agrees.

Amendment No. 49: This amendment eliminated the provision that certain documents should not be competent evidence in any court. The Federal Government has no right to say what will be evidence in State courts, and the House therefore agrees to the Senate amendment.

Amendment No. 50: This amendment merely provides for the renumbering of a section, to which the House agrees.

Amendment No. 51: This amendment eliminates the provision that certain documents should not be competent evidence in any court. The Federal Government has no right to say what will be evidence in State courts, and the House therefore agrees to the Senate amendment.

Amendment Nos. 52 and 53: These amendments merely provide for the renumbering of sections, to which the House agrees.

Amendment Nos. 54 and 55: The House amendment exempted the stock and bonds issued by cooperative building and loan associations whose capital stock does not exceed $10,000. The Senate amendments exempt the stock and bonds issued by all cooperative building and loan associations and of mutual ditch or irrigating companies, and the House agrees to the Senate amendments.

Amendment No. 56: It is believed the Senate amendment would exempt cooperative building and loan associations and mutual ditch or irrigation companies from the payment of all of the taxes provided in this act, and the Senate recedes.

Amendment No. 57: This amendment relates to the administration of Schedule B of the act, and the House agrees.

Amendment No. 58: This amendment relates to the penalty for violation of the provisions of Schedule B of this act, and the House agrees with an amendment making the penalties effective on and after December 1, 1914.

Amendment Nos. 59, 60, 61, 62, and 63: These amendments relate to the section numbers of the act, and the House agrees with amendments making the numbers 18, 19, 20, 21, and 22 in lieu of 19, 20, 21, 22, and 23.

Amendment No. 64: This amendment provides that the Commissioner of Internal Revenue shall cause the necessary stamps to be distributed as well as prepared, and the House agrees.

Amendment No. 65: This amendment becomes necessary because of the addition of Schedule B to the act, and the House agrees.

Amendment No. 66: The House provided that the tax should be levied on bonds, debentures, or certificates of indebtedness issued after November 1, 1914. The Senate amendment struck out November 1, 1914, and levied the tax on all bonds, etc., issued 30 days after the approval of this act, and the House agrees with an amendment making the date December 1, 1914.

Amendment No. 67: This amendment provides that it is not intended by this act to impose a tax upon an agreement evidencing a deposit of stock certificates as collateral security for money loaned thereon, which stock certificates are not actually sold, nor upon such stock certificates so deposited, and the House agrees.

Amendment No. 68: This amendment limits agreements of sale, etc., to those for future delivery; and the House agrees.

Amendment No. 69: This amendment exempts the tax upon express and freight in all cases where a charge not exceeding 5 cents is made for transportation; and the House agrees.

Amendment No. 70: The bill as it came from the House had the same provision with respect to the use of bills of lading for bundles of newspapers as did the act of 1898, but since 1898 there has been quite a change in the manner of the distribution of papers, due in large part to the growth in the interurban railway system. Time has increasingly become the essence of the situation in the distribution of afternoon daily papers. The issuing of a bill of lading for each bundle would become vexatious and burdensome. This amendment provides that the publisher of the newspaper in lieu of the stamped bill of lading is to make a return under oath on the 15th of each month of the general bundles shipped during the preceding month, to which return he is required to attach a 1-cent stamp for each bundle so reported. Instead of the stamp on the bill of lading, he makes his return and puts on as many stamps as there are bundles shipped; and the House agrees to the Senate amendment.

Amendment No. 71: This amendment strikes out the House provision that "no bill of lading, manifest, or other memorandum shall be used in evidence unless it shall be duly stamped," because the Federal Government has no right to say what will be evidence in a State court, and the House agrees to the amendment.

Amendment No. 72: The House bill required the telephone or telegraph company to pay the tax imposed. The Senate committee recommends that the sender be required to pay it, and they recommend that this tax be collected by the telegraph and telephone companies, and at the end of each month they make a sworn statement to the Commissioner of Internal Revenue, and the taxes be settled upon the basis of that statement, and the House agrees to the Senate amendment.

Amendment No. 73: This amendment limits the tax upon conveyances to only the real interest conveyed, and the House agrees to the amendment.

Amendment No. 74: This amendment provides that nothing contained in this paragraph shall be so construed as to impose a tax upon any instrument or writing given to secure a debt, and the House agrees.

Amendment No. 75: The House bill proposed a tax on life insurance for each $100 or fractional part thereof of 8 cents on the amount insured. The Senate struck out this provision, and the House agrees to the Senate amendment.

Amendment No. 76: This amendment is merely a clerical change, and the House agrees.

Amendment No. 77: This amendment refunds the tax paid upon policies which were canceled or upon premiums which were returned, and the Senate recedes.

Amendment No. 78: This amendment exempts cooperative or mutual associations carrying on business not for profit, and the House agrees.

Amendment No. 79: This amendment provides that policies of reinsurance shall be exempt from the marine, inland, and fire insurance tax, and the House agrees.

Amendment Nos. 80 and 81: These amendments merely relate to clerical changes, and the House agrees.

Amendment No. 82: This amendment exempts life, personal accident, and health insurance, etc., policies from the tax, and the House agrees.

Amendment No. 83: This amendment makes liability insurance companies subject to the tax upon liability, fidelity, and guaranty insurance, and the House recedes.

Amendment No. 84: This amendment refunds the tax paid upon policies which were canceled or upon premiums which were returned, and the House agrees to this amendment with an amendment striking out all of the matter inserted by the amendment except the provision exempting policies of reinsurance.

Amendment No. 85: The House bill taxes mortgages, etc.; the Senate struck out the House provision, and the House agrees to the Senate amendment.

Amendment No. 86: This amendment provides that the tax on passage tickets shall be paid when purchased in the United States, regardless of the port from which the vessel is to sail, and the House agrees.

Amendment Nos. 87 and 88: These amendments are necessary to make effective amendment No. 86, providing that the passage-ticket tax shall be collected when the ticket is sold in the United States, although the vessel may sail from a port in another country, and the House agrees.

Amendment No. 89: This amendment exempts passage tickets costing less than $10, to which the House agrees.

Amendment No. 90: This amendment reduces the tax on parlor-car seats and sleeping-car berths from 2 cents to 1 cent, and the House agrees.

Amendment No. 91: This amendment reenacts the provisions of the war-revenue act of 1898 pertaining to perfumery, cosmetics, and chewing gum, with sundry minor amendments, and the House agrees.

Amendment No. 92: This amendment provides for the renumbering of a section, and the House agrees.

Amendment No. 93: This amendment provides that any person liable to tax under the provisions of this act shall keep such records and comply with such regulations as may be issued by the Commissioner of Internal Revenue. It further provides a penalty for the violation of any of the provisions of this act, and the House agrees.

Amendment No. 94: This amendment appropriates money with which to carry out the provisions of this act. The House appropriated $130,000 and the Senate appropriated $492,000. The conference fixed the sum at $200,000.

Amendment No. 95: This amendment merely provides for the renumbering of the section, and the House agrees.

Amendment No. 96: The House provided that the act, unless otherwise specified, should take effect on the date following its passage. The Senate provided that it should become effective 30 days after its passage. The conferees adopted the House provision.

Amendment No. 97: This amendment provides that the taxes levied under this act shall become inoperative on the 31st day of December, 1915, and the House agrees.

Amendment No. 98: This amendment provides that the provisions of the law now in effect with regard to fermented liquors shall be in full force on and after the 1st of January, 1916, and the House agrees.

O. W. UNDERWOOD,
CLAUDE KITCHIN,
Managers on the part of the House.

Mr. UNDERWOOD. Mr. Speaker, it is my desire to have the conference report acted on as speedily as possible, and, if agreeable to the gentleman from New York [Mr. PAYNE], I would like to move the previous question at the end of my hour and give him half of that time, if that is satisfactory to him.

Mr. PAYNE. I think that will be satisfactory.

Mr. UNDERWOOD. Then, Mr. Speaker, I will make a short statement of the changes in the bill and then yield to the gentleman from New York.

Mr. Speaker, the bill as it left the House carried approximately $105,000,000 of revenue. The bill as it came back from the Senate, according to the Senate's estimates, carried $107,000,000. The bill as reported by the conferees carries $90,000,000. The original estimate of the President of the United States as to the revenue desired was $100,000,000. The conferees found it almost impossible, at least the conferees of the majority party, to agree on certain items. We realized that the Members of the House and the Senate were very anxious to go home. We realized that on some items it would have brought about a disagreement and a report back to the House and further delay unless certain items went out of the bill. We consulted with the President of the United States as to the situation. He realized the patience of the Members of the House and the Senate and the importance of their return home, and he stated that he thought that the present emergency could be met by a bill carrying $90,000,000. Therefore we agreed to this reduction. The first disagreement between the Houses related to beer. The House reported a bill increasing the tax on beer 50 cents, making the total tax $1.50. The Senate increased it to $1.75, and made a rebate of 5 per cent to the brewers where they paid taxes under certain conditions. The difference between the two Houses in the amount of reduction on that item would have amounted to about $10,000,000. The Senate receded on its amendment, and the conference report agrees to the House bill. The next item of importance was the paragraph relating to wines. The House levied a tax of 20 cents a gallon on sweet wines and 12 cents on dry wines, to be collected from the manufacturer or producer at the time that they were removed for consumption and sale. The Senate levied a tax that amounts to about 8 cents a gallon, a tax on wine in the bottle or container, and further levied a tax of 55 cents a gallon on grape brandy used to fortify sweet wines. With some minor amendments the House agreed to the Senate amendment. The most material of those amendments related to the tax on domestic champagne.

Mr. SHERWOOD. Is this tax on wine to be permanent or temporary?

Mr. UNDERWOOD. The whole bill will go out of existence on the 1st day of January, 1916.

Mr. STAFFORD. Will the gentleman kindly inform the House when these respective provisions of the bill go into effect?

Mr. UNDERWOOD. The last provision I will state to the gentleman, if he will permit me, when we come to it. Amendment No. 6 related to gasoline. The House bill levied a tax of 2 cents a gallon on gasoline, and the Senate struck that provision out of the bill. On this amendment the House agreed to the Senate amendment, and the entire provision has gone out of the bill.

Mr. BORLAND. Will the gentleman state whether there was any substitute made for that tax? Is there anything put in in lieu of it? What became of the automobile tax?

Mr. UNDERWOOD. There was no automobile tax in conference.

Mr. BORLAND. That was only a proposal?

Mr. UNDERWOOD. Only a proposal in the Senate. Under the special taxes the Senate reduced the tax on bankers from $2 to $1, and the House agreed to the Senate amendment. There were some minor changes in relation to the other taxes under these special taxes, but no material changes. Under the special taxes on tobacco dealers and manufacturers the highest tax levied by the House bill was $24.

The Senate made a gradual increase of these taxes on manufacturers up to $2,496 in proportion to the amount of tobacco they manufactured, and the House agreed to the Senate amendment.

Under the provisions in reference to adhesive stamps, under Schedules A and B, some minor changes were made in the text of the bill, but none of very great importance. In Schedule A, the important changes made in conference, the House bill provided for a tax on telephone and telegraph messages, to be paid by the corporation. The Senate changed the amendment and provided that the tax should be paid by the sender of the message, and the House finally concurred in the Senate amendment. The Senate struck out of the bill the tax levied by the House upon life insurance policies, and the House agreed to that amendment.

Mr. MOORE. That gets rid of the question of mutual life insurance companies, does it not?

Mr. UNDERWOOD. The whole provision goes out.

Mr. MOORE. There was some ambiguity about it before, because the bill pertained only to fire insurance policies.

Mr. UNDERWOOD. As the bill is presented to the House there is no tax——

Mr. MOORE. No tax on mutual life insurance?

Mr. UNDERWOOD. No.

Mr. MOORE. May I ask the gentleman while we are on this question, whether it is not also provided in the bill now that mutual building and loan associations are also exempt from the provisions of the act?

Mr. UNDERWOOD. They are.

Mr. MANN. As I understand the conference report, there is a tax of one-half cent on each dollar of policy on guaranteed insurance, surety bonds, and so forth?

Mr. UNDERWOOD. Yes. There is no change in the amount. There was a slight amendment made in reference to those policies by providing that the tax should not apply to reinsurance. That is the only change.

Mr. MANN. I notice the change in the Senate amendment exempted certain personal insurance, personal health and personal accident.

Mr. UNDERWOOD. That was agreed to.

Mr. MANN. You made the change there, but the surety bonds are not exempt?

Mr. UNDERWOOD. No. The House levied a tax on mortgages, and the Senate struck the provision out of the bill. The conferees agreed to the Senate amendment.

Mr. MANN. Will the gentleman yield for one question?

Mr. UNDERWOOD. I will yield.

Mr. MANN. As I understand from the conference report on practically all of Schedule A, the tax goes into effect on December 1, except where it is specifically provided otherwise in Schedule A?

Mr. UNDERWOOD. All of Schedule A goes in on December 1, but there is a certain portion of the bill, like the tax on beer and wine, that goes into effect on the day after the passage of the bill.

Mr. SAMUEL W. SMITH. Will the gentleman yield?

Mr. UNDERWOOD. I will.

Mr. SAMUEL W. SMITH. Why was that distinction made?

Mr. UNDERWOOD. Because Schedule A was a stamp tax, and it would take that length of time, so the Treasnry Department said, to be prepared to levy the tax.

On Schedule B——

Mr. BARTLETT. May I ask the gentleman a question?

Mr. UNDERWOOD. Certainly.

Mr. BARTLETT. The gentleman states the House provided for stamp tax on mortgages?

Mr. UNDERWOOD. The House bill did.

Mr. BARTLETT. And the Senate struck that out, and the Senate also included a provision that instruments to secure debts were not to be taxed, did they not?

Mr. UNDERWOOD. I will have to look that up. I have not the papers in my hand.

Mr. BARTLETT. I wanted to ask the gentleman this question: The mortgages are exempt, regardless of the amount they secure, are they?

Mr. UNDERWOOD. There is no tax on mortgages at all. The Senate inserted Schedule B in this bill, that provides for the tax on perfumery, cosmetics, and other similar articles, and the House agreed to the Senate amendment.

Mr. EDWARDS. Will the gentleman yield?

Mr. UNDERWOOD. I will.

Mr. EDWARDS. What was done with the proprietary medicine tax?

Mr. UNDERWOOD. That was stricken out of the bill before the Senate passed it.

Mr. EDWARDS. It was not included at all?

Mr. UNDERWOOD. It is not included in here. There were no proprietary or patent medicines included in this bill.

Mr. BARTLETT. May I say to the gentleman that I think amendment numbered 74 answers the question I asked? It says:

This amendment provides that nothing contained in this paragraph shall be so construed as to impose a tax upon any instrument or writing given to secure a debt, and the House agrees.

Mr. UNDERWOOD. Yes. I could not just refer to it at the moment. The only other important amendment in the bill is this provision. When the House passed this law it left the taxes in the bill permanent, except the taxes under Schedule A. The House struck that out and provided that the taxes under this bill should expire at the time which the House had provided for the expiration of the taxes under Schedule A; that is, the day after the 31st of December, 1915; in other words, the 1st of January, 1916, the House bill provided that the taxes under Schedule A should expire. The Senate enlarged that provision so as to provide that all of the taxes levied under this bill should expire on that date.

I wish to say to the House, to be candid, that I do not think the results of the European war will be over by that date or that the revenues at the customhouse will be restored by that time. But this bill was intended as an emergency measure. It gives the Government the opportunity within the 13 months of its existence to reenact other legislation or to reduce expenditures, or to adjust itself in some way to the falling off of the revenues at the customhouse. And the House conferees agreed to the Senate amendment, and this bill will expire in all its provisions on the 1st day of January, 1916.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed bills and resolutions of the following titles, in which the concurrence of the House of Representatives was requested:

S. 6202. An act to amend an act, entitled "An act to amend section 3 of the act of Congress of May 1, 1888, and to extend the provisions of section 2301 of the Revised Statutes of the United States to certain lands in the State of Montana embraced within the provisions of said act, and for other purposes";

S. 4738. An act for the relief of Frances L. Snell;

S. 3509. An act for the relief of Orion Mathews;

S. J. Res. 200. Joint resolution authorizing the payment of October salaries to officers and employees of the Senate and House of Representatives on the day of adjournment of the present session;

S. 6497. An act for the relief of Lloyd C. Stark;

S. 6384. An act to authorize the acceptance of certain lands by the United States for a military park reservation, and for other purposes;

S. 2335. An act to provide for the register and enrollment of vessels built in foreign countries when such vessels have been wrecked on the coasts of the United States or her possessions or adjacent waters and salved by American citizens and repaired in American shipyards;

S. 6011. An act to reinstate Frederick J. Birkett as third lieutenant in the United States Revenue-Cutter Service;

S. 6152. An act for the relief of Joseph Gorman;

S. J. Res. 177. Joint resolution to transfer to the custody and possession of the Attorney General sealskins;

S. 1373. An act for the relief of the estate of John Stewart, deceased;

S. 5495. An act authorizing the Secretary of War to make certain donations of condemned cannon and cannon balls;

S. 1991. An act correcting the military record of Abram H. Johnson;

S. 583. An act incorporating the American Academy of Arts and Letters; and

Senate concurrent resolution 33.

Whereas about 500,000 tons of cottonseed meal and cake have heretofore been annually exported from the United States; and

Whereas by reason of war conditions this surplus is without a market abroad, the surplus equaling about one-third of the total output; and

Whereas the dumping of this surplus on existing domestic markets will depress the price of this article both as to raw material and finished product to such an extent as to cause disastrous losses to farmers producing the raw material: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That the Secretary of Agriculture and the Secretary of Commerce are hereby authorized and requested immediately to investigate the possibility of wider domestic markets for these products, especially in the northwest, northern, and northeast sections of the United States, and to report to Congress at the earliest practicable date a plan for acquainting these sections with the value and availability of these products as a feed for domestic animals, and for the marketing in these sections of the surplus of these products heretofore exported.

The message also announced that the Senate had passed with amendments bills of the following titles, in which the concurrence of the House of Representatives was requested:

H. R. 6939. An act to reimburse Edward B. Kelley for moneys expended while superintendent of the Rosebud Indian Agency in South Dakota;

H. R. 13698. An act to correct the military record of Charles A. Coulson.

EMERGENCY REVENUE LEGISLATION.

Mr. LEVY. Mr. Speaker, will my colleague yield to me for a question?

Mr. UNDERWOOD. I will.

Mr. LEVY. Was there any change made as to real estate conveyances and only taxing equities?

Mr. UNDERWOOD. Yes; the House agreed to the Senate amendment.

Mr. SAMUEL W. SMITH. Mr. Speaker, will the gentleman yield?

Mr. UNDERWOOD. Yes.

Mr. SAMUEL W. SMITH. Is it the gentleman's opinion that this bill will raise $90,000,000?

Mr. UNDERWOOD. Well, I think it will raise practically sufficient revenue to meet the falling off at the customhouses. The original estimate was $100,000,000. This bill will approximate the falling off of the revenue at the customhouses, and within the year, if it is necessary, either by the reduction of expenditures or by the passage of other legislation, the Congress can take care of this situation. This bill is intended as an emergency measure to meet the acute situation that we are facing now.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. UNDERWOOD. Yes.

Mr. STAFFORD. Will the gentleman kindly explain, as I requested before, when the various provisions of this act will take effect?

Mr. UNDERWOOD. Well, the provisions in reference to beer and wine will take effect on the day after the passage of the bill. The special taxes on bankers and brokers and theaters will take effect on November 1, 1914, and also the special tax on tobacco dealers on that date; but the stamp taxes under Schedules A and B will not take effect until December 1

Mr. SMALL. Mr. Speaker, may I ask the gentleman a question?

Mr. UNDERWOOD. Yes.

Mr. SMALL. Are bonds issued by mutual drainage or ditch or irrigation societies exempted under this bill?

Mr. UNDERWOOD. Yes; the House agreed to the Senate amendments.

Mr. STAFFORD. The tobacco taxes will take effect on December 1?

Mr. UNDERWOOD. Yes.

Mr. BARTLETT. Mr. Speaker, will the gentleman yield to me for a moment?

Mr. UNDERWOOD. Yes.

Mr. BARTLETT. In the matter of taxes upon theaters and places of public amusement and entertainment the Senate made certain amendments on a graduated scale, determined by the seating capacity of the various places, as I understand it?

Mr. UNDERWOOD. Yes.

Mr. BARTLETT. And also exempted Chautauquas and lecture associations and things of that sort, which will include the large Chautauquas which get large sums of money and are

conducted as matters of business and not so much as matters of education. You know there are associations formed all over the country that make large sums of money and pay large amounts of money to lecturers who are secured, and although they do a great deal of good in reference to education, it is chiefly as a matter of business to those who engage in it.

Mr. UNDERWOOD. I will say to the gentleman that the Chautauqua associations were not taxed in the House bill. They thought they were taxed, and under that impression they raised a lot of trouble, thinking they were taxed.

Mr. BARTLETT. As did the beer and whisky people and other people.

Mr. UNDERWOOD. The bill did not tax the associations. The theaters were taxed, but the associations or the people performing in the theaters or holding lectures or amusements were not taxed. It was the theaters that were taxed.

Mr. BARTLETT. One other question and then I will be through. The Senate reported an amendment which taxed tobacco dealers a certain amount regardless of sales, and they taxed the place of the sales. As I understand it, the House has agreed to an amendment which fixes the amount of taxes in accordance with the amount of tobacco sold. A small tobacco dealer, selling less than $600 worth, I think, is exempted?

Mr. UNDERWOOD. The conferees agreed upon $200 as the limit of exemption.

Mr. BARTLETT. I am glad that is so. That does not tax the little fellow in the country who does not sell more than $200 worth in a year.

Mr. UNDERWOOD. No. Now I yield, Mr. Speaker, to the gentleman from New York [Mr. PAYNE].

The SPEAKER. The gentleman from New York [Mr. PAYNE] is recognized.

Mr. PAYNE. Mr. Speaker, I will ask the Chair to notify me after I have consumed 15 minutes.

Mr. Speaker, I congratulate the House conferees—that is, those of them who were present at the conference; I did not have that distinguished honor—on their great victory on the subject of beer. [Laughter on the Republican side.] I think the concession on beer was about the only victory they achieved. Generally, otherwise they surrendered to the Senate.

The House provision on beer was $1.50 a barrel. The Senate made it $1.75, and in the print of the House bill which we had here and which was acted upon in the House a rebate was put on in the Senate of 7½ per cent after the brewer had paid the taxes, which made the net tax on beer about $1.61 per barrel instead of $1.50 as provided in the House bill; so that the House conferees' victory amounts to about 11 cents a barrel.

Of course, you can calculate how much difference in the amount of foam that will make in a glass of beer when you get the number of glasses of beer there are in a barrel. I do not think the ultimate consumer is going to get very much benefit out of that, and that much revenue on beer will be lost.

The Senate amended the tax upon wine and upon sweet wines and changed a provision in the law which had been in operation for a great many years, and which was put there after great deliberation and long hearings, where the committee went into the wine business in every section of the country, allowing brandy spirits used as a preservative of sweet wines to be used at an internal-revenue tax of 3 cents instead of $1.10, as would have to be paid on such spirits under ordinary circumstances. This equalized somewhat the conditions for the production of wines in different sections of the country. In California the grapes are sweet enough to distill this brandy from the grape for a preservative of their sweet wines. In New York and other Middle States they are not sweet enough and they have to be fortified with brandy purchased. In New York that brandy is purchased from the manufacturers in California. I think in the State of Ohio the wines are fortified with spirits of brandy made from the refuse of the wine vats mingled with sugar and fermented in that shape, so that it does not make so much difference with them. This provision which they have put into this bill comes particularly hard on the sweet-wine producer in the State of New York. In the endeavor to do something for California—and when we consider what they did to California in their tariff bill, perhaps they ought to let up just a little on the wine industry in that respect—they put a tax of 55 cents a gallon on grape brandy used in fortifying wines by a new provision in the Senate bill, which the House retained.

But the joke of the thing is that, while this provision goes into effect at once, it does not affect this year's production of sweet wines in California. The sweet wines there are already manufactured, are all fortified, and they were fortified with free spirits. In other words, they do not pay any of this 55 cents a gallon on the brandy used in their wine product for this year in the State of California. And then, looking after the interests of California—for I can not see any other reason for it—they changed the general provision of the bill, and the whole thing expires on the day following the 31st day of December, 1915. Inasmuch as they do not manufacture sweet wines in California in the meantime, this 55 cents a gallon does not affect those people over there at all. I congratulate the people of California on this little recognition of the State. Perhaps this committee in the Senate have heard of the revolution in political feeling in the State of California that is about to make itself manifest a week from Tuesday next.

Well, the people in the State of New York have to pay this 55 cents a gallon, as against the free spirits in California. We do not commence to manufacture in New York for some time yet. We have got to fortify all of our product. Of course it simply means the wiping out of the business for the present in the State of New York, until some time in the future—I hope not very far away—when we shall get more equitable legislation and better legislation that will not be destroying business here and there and often by the wholesale in different parts of the United States. But as it stands to-day the proposition is utterly defenseless. Why did they change this date to the 31st day of December, 1915, instead of making it permanent law? I heard the explanation of the chairman of the committee, but it did not seem to explain. Why change this date? Have they forgotten that on the 1st day of May, 1916, the sugar proposition goes into effect, and after that not a penny will be collected on the imports of sugar, while now, even under the reduction made on the 1st of March last, we collect over $40,000,000 per annum? That hole is to be made in the revenue commencing with the 1st day of May, 1916, and they come in here with a bill to bolster up the revenue under that tariff bill and patch it up and try to make up for the deficit that stares them in the face, war or no war, and really if we were without war during the coming year; and then, for some reason or other, they cut out of this bill after the 31st day of January, 1916, the revenue under this bill, having already cut out $40,000,000 of sugar revenue after the 1st day of May, 1916. Why, with all the chapters of bungles that we have had for the last 18 months, it seems that this caps the climax in bad Democratic legislation. [Applause on the Republican side.]

They have restored Schedule B and put a tax on medicines, cosmetics, and things of that kind. They copied the revenue bill of 1898, when we had a war. I see that they have impudently put on the first page of this print the words "War-revenue bill." Why print this falsehood in the proceedings of Congress? It is not a war-revenue bill. We have no war. They are boasting that we have no war. They claim it as a part of the credit due the Wilson administration that we have no foreign war. I would like to have some gentleman get up in his place and tell me where there has been any opportunity to get into a foreign war, except by some criminal act on the part of the administration or of the people of the United States since this war commenced on the 1st day of August. They say this is a war-revenue bill. Oh, no. Why are they not honest? Why do they not admit that their Underwood revenue bill is a failure and that we need to put this in operation to meet the failure in revenue because of their tariff bill? [Applause on the Republican side.]

Now, they are going to have a nice time putting these stamps on proprietary articles sold in drug stores. They have a provision that on the 1st day of December, when it goes into effect, every druggist in the United States, big or little, is bound to put a stamp on every article taxed under this bill. You put it off until the 1st day of December. If you had made it applicable now, there is not a druggist in the United States who would have voted your ticket, no matter how much dyed-in-the-wool Democrat he might have been. They will not all of them forget it, either. Why put them to all this trouble just for one year. You assume that it will bring a million or two dollars of revenue. Why do it? If it was intended to be permanent, as you intended in the first place, that would be another question; but why put these people to all that trouble and expense just to collect this pitiful sum for the period of one year? Druggists are pretty well taxed now; anywhere from 400 to 1,000 per cent on alcohol. And how about the people who make gum? We put a duty of 10 cents per pound on chicle, the raw material. They have doubled it and made it 20 cents, and the manufacturers have got to pay that. They put a tax of a cent a package on chewing gum. What will the girls and boys do for chewing gum if you raise the price in that way? The retailers can not sell it for 5 cents a package, or if they do they will have to cut down the chew, and it will take twice as much money to buy a package of gum. These conferees that you sent over to the Senate to disagree to that amendment have agreed to it, and agreed to

the amendment that will limit the life of the bill to the 31st day of December of next year. I do not think those conferees have served you very well. I am glad they did not call me into conference, because I would have felt it my duty to talk from now until next December, if they would listen to me, unless they took some of these miserable things out of this bill. Why limit the time to the 31st of December? I hope some gentleman will answer that. The chairman of the committee did not, but I do not believe the chairman of the committee was in favor of it.

Mr. FITZGERALD. Will the gentleman yield for a question?

Mr. PAYNE. Certainly.

Mr. FITZGERALD. The gentleman objects to limiting this bill to the 31st day of December, 1915, but he opposes any tax at all. Now, how is that consistent? If he objects to the tax, how can he object to cutting it off as quickly as possible?

Mr. PAYNE. When you require the levy of the tax to meet your extravagant expenditures, do not try to fool the people by limiting it to the 31st day of December, 1915.

Mr. FITZGERALD. The gentleman from New York claims it is not necessary to impose any tax at all, and then he complains because it is proposed to limit it to one year.

Mr. PAYNE. I talked an hour here, and my colleague was not here, or he would not say that.

Mr. FITZGERALD. I heard the gentleman's remarks, and I read his speech, and even then I was not convinced.

Mr. PAYNE. I hope the gentleman will not take all my time. I said if it was not for your reckless extravagance or if you would cut your expenses down now it would not be necessary. Your President could call his Cabinet together and ask them to cut down expenses, because they are not required to spend all the money you appropriate for them. If they would do that, they could get along without this revenue bill.

The SPEAKER pro tempore (Mr. HAY). The gentleman has used 15 minutes.

Mr. PAYNE. Mr. Speaker, I will take two minutes more. I do not want to take any more time, for I have agreed to yield the time now.

Mr. Speaker, I was opposed to this bill. I said they ought to wait until the next session and see whether they needed any bill or not; and if they did, how much they needed to meet the deficit they would meet under ordinary circumstances by the Underwood bill, with the reckless way they are appropriating money. They could provide for a temporary deficit by a short-time loan; they should not tax the people now, without any knowledge and without examination of the subject, and blunder along through and put this heavy burden of taxation added to what is already upon the backs of the people. That is what I said, and I agree to it now; but here you add this to your revenue bill, and then you provide that it shall be discontinued, just as everybody knows there will be not only a deficit but a big deficit in the succeeding year of 1916. Oh, you congratulate yourselves on what you have done. The President writes a letter telling what good boys you have been and how you ought to be reelected. You are desperate, trying to get votes, and what a disappointment you will meet a week from next Tuesday, for all over the United States the tide is rising against you. The Cabinet are now out telling the people what a great man the President is and what has been accomplished, and telling what good boys you fellows have been here, following along like little children after a schoolmaster, doing what you are told to do. [Laughter on the Republican side.] But all of that will not save you. We may be called upon to originate a revenue bill right here after the 4th of March, and I do not know but your judgment may be correct on that account. Maybe you want us to originate a sensible revenue bill to meet the deficit which, according to your provisions, you can only meet by bonds after the 31st day of December, 1915. [Applause on the Republican side.]

Mr. Speaker, I now yield five minutes to the gentleman from Pennsylvania [Mr. MOORE].

Mr. MOORE. Mr. Speaker, I congratulate the distinguished gentleman from Alabama [Mr. UNDERWOOD], the leader of the majority in this House, upon his election to the Senate of the United States. [Applause.] The record he has made here is about to draw to a close, and it is a fitting climax to his brilliant career as a successful leader of his party that he should go to the Senate. Over there he will no longer be called upon to create tariff legislation, nor will he be obliged to hold together the contending elements of his party.

Mr. Speaker, this is the saddest day in the history of the revivified Democracy. Yesterday was sad enough, when a large part of the party, led by the gentleman from Alabama [Mr. UNDERWOOD], had to go back on its constitutional traditions as to State rights and responsibilities and then atone for its breach of faith with Thomas Jefferson, its patron saint, on the question of equal rights to all and special privileges to none. [Applause and laughter on the Republican side.] It undertook yesterday to put the cotton monopoly in control of the Treasury of the United States in defiance of its own pretenses of fair play to the common people. To-day, after its failure of yesterday, it faces the consequences of its futile tariff legislation and takes the logical step following the enforcement of the Democratic tariff act of October 3, 1913, and passes a bill not "to lift the burdens from the backs of the American people," as it promised so often to do, but to put a burden directly upon the backs of the American people, and at a time when they are poorer than they were when the alleged relief act of October 3, 1913, was passed.

The gentleman from New York [Mr. PAYNE], the ranking minority member of the Committee on Ways and Means, proud of the record the Republican Party has made in lifting burdens from the American people by a wise and helpful system of protection, did not participate in the conference that brought in the report we are now considering. Although a member of the conference committee, he was not invited to take part in the day's work. I am glad he was not, for the taxation imposed upon the people by this bill was not of Republican making.

The responsibility for it is wholly and solely with the Democrats of this House, who undertook by their act of October 3, 1913, to remedy the alleged defects in the Payne Tariff Act. They have afforded no remedy. They have made conditions worse. Instead of relieving the people they have added to the burdens of the people; they have reduced the wage-earning power of the producer and increased the expenses of the consumer; they have forced taxation upon the business man and the laborer by injuring the trade of one and cutting the wages of the other. They have taken away from the laborer the work he had under a Republican tariff, and now, by this bill, they are adding new burdens to his already depleted resources.

One citation is sufficient to demonstrate the injustice of this bill. The conferees have restored as a taxable commodity proprietary articles sold in drug stores which are so much in use in the households of the country. The poor woman who buys her 10-cent bottle of cough medicine or essence or extract must pay a tax upon it, while just above the cosmetics and other articles provided for in Schedule B we find in the paragraph relating to palace cars that every seat sold in a parlor car, and every berth sold in a sleeping car, shall be taxed only at the rate of 1 cent per seat. It makes no difference whether the passenger rides in a Pullman palace car from Baltimore to Washington, at the rate of 25 cents, or whether he rides on one continuous trip from the Atlantic to the Pacific, all the Pullman Palace Car Co. is expected to pay is 1 cent on each ticket. But the 10-cent drug store specialty used by the poor must pay.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has expired.

Mr. MOORE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. PAYNE. Mr. Speaker, I yield to the gentleman from Washington [Mr. HUMPHREY].

Mr. HUMPHREY of Washington. Mr. Speaker, I am opposed to this conference report, as I was opposed to the original bill, because I think that it is entirely unnecessary to pass a bill taxing the people at this time. If there is any necessity for it, it has been caused by the extravagance and inefficiency of the Democratic Party. I do not believe that we ought to pass a law directly taxing the people in time of peace when it could be avoided by reasonable economy on behalf of this Democratic Congress, or when the Government has money loaned to the banks of the country that could be used for this purpose. I am opposed to taxing the people to put money in the National Treasury as long as the National Treasury has money loaned to the banks of the country at 2 per cent interest and permitting these banks to loan this same money to the people at from 6 per cent to 12 per cent interest.

The other day our good President, in his eulogistic letter to Mr. UNDERWOOD, said, speaking of this tax, "for war, and only war, is the cause of it." If it "is war, and war only," that is the cause of it, I wish that some one would explain how it is that the customs revenues of February this year, compared with the corresponding month of last year, decreased $9,800,000, while the customs revenues for the month of September this year, two months since we have had the war, decreased only $9,500,000, as compared with September, 1913.

They tell us that the necessity for this war tax is because the customs revenues have fallen off. What made the tremendous decrease in the month of February, which was even more than it was in the month of September? The total loss of revenue

from all sources for the month of September, 1914, as compared with a year ago, was only $4,102,000. I have a table showing the revenue for the month of September in detail. It is as follows:

Revenue from customs, September, 1913	$26,794,494.25
Revenue from customs, September, 1914	17,225,887.03
Loss	9,568,607.22
Internal-revenue tax, ordinary, September, 1914	$31,466,609.08
Internal-revenue tax, ordinary, September, 1913	25,619,284.43
Gain	5,847,314.65
Corporation income tax, September, 1914	404,038.54
Corporation income tax, September, 1913	83,340.35
Gain	320,698.19
Miscellaneous, September, 1913	3,576,278.02
Miscellaneous, September, 1914	2,874,859.95
Loss	701,418.07
Total, September, 1913	56,073,397.05
Total, September, 1914	51,971,394.60
Loss	4,102,002.45

I have not the figures of the imports into this country of all industries since the war as compared with the months immediately preceding, but I do have the figures showing the imports into this country of lumber and shingles from British Columbia, and it shows that the imports of shingles, logs, lumber, and laths were very much greater in August and September than they were in June and July, the two months immediately preceding the war. These figures are as follows, being the imports from British Columbia into the Puget Sound collection district:

1914.	Shingles.	Logs.	Lumber.	Lath.
	M.	*M.*	*M.*	*M.*
June	21,054	2,356	None.	288
July	16,912	5,810	809	90
August	34,400	4,938	1,191	618
September	35,534	10,709	4,458	782

I have here an interesting document published by the Department of Commerce. It is a report by R. E. Mansfield, consul general at Vancouver, British Columbia, and is published under date of October 13, 1914, Daily Consular Report, pages 216, 217. This entire report is illuminating, as showing the effect, not of the war but of the Underwood tariff, upon the shingle and lumber industry of the State of Washington. As it is short, I will insert it in full, and I trust that those who have been claiming that the present Democratic tariff law has not injured the lumber and shingle industry of this country will read carefully this statement published by a Democratic Secretary of Commerce.

The report of Consul General Mansfield is as follows:

[From Daily Consular and Trade Reports, October 13, 1914.]

BRITISH COLUMBIA SHINGLE AND LUMBER INDUSTRY.

(Consul General R. E. Mansfield, Vancouver, Canada, September 11.)

There are in British Columbia 61 shingle mills, with a total of 313 machines, each machine having an average daily capacity of 25,000, making a total capacity of the mills in the Province of 7,825,000 shingles per day. The maximum number of machines in one mill is 23 and the minimum 1. American capital is interested in 15 of the plants, operating 84 machines, with a total daily capacity of 2,100,000 shingles. The following table gives the number of mills and machines in the Province:

Shingle mills in British Columbia.

Mills.	Machines.	Total machines.	Mills.	Machines.	Total machines.
5	1	5	2	11	22
11	2	22	2	12	24
13	3	39	1	14	14
10	4	40	1	16	16
5	5	25	1	17	17
3	6	18	1	23	23
2	7	14	—		
2	8	16	61		313
2	9	18			

EXPORTS PRACTICALLY ALL TO UNITED STATES.

Invoices covering shipments of shingles from British Columbia to the United States certified through this consulate general show a large increase in the exports during the past year. The exports from Vancouver to the United States for the first three quarters of 1913 were 53,569,505, as compared with 64,994,647 for the corresponding period of the previous year. The exports during the last three months of 1913 were 90,899,865 shingles, as compared with 24,590,320 for the corresponding period of 1912.

The exports for the first six months of 1914 were 313,584,035, as compared with 144,469 370 for the entire 12 months of 1913. The shipments of shingles from this port to the States for the last quarter of 1913 and the first half of 1914, covering the three quarters, show a total of 404,483,900, as compared with 78,159,825 for the corresponding periods of 1912 and 1913.

Practically the entire output of the British Columbia shingle mills is now exported to the United States, the industrial depression prevailing in Canada during the past year having seriously affected building operations in the western Provinces.

The financial conditions incident to the war recently caused the shingle manufacturers in the Province to reduce the wages of employees, which has enabled them to compete more successfully with the shingle mills in the United States, and in order to keep the plants in operation the manufacturers in British Columbia are devoting their energies to the extension and maintenance of their export trade, the bulk of which is to the United States.

OUTPUT OF LUMBER MILLS.

There are 43 lumber mills in British Columbia, with a daily capacity of 2,826,000 feet b. m. The maximum output of an individual plant is 350,000 feet and the minimum 10,000 feet per day of 10 hours. American capital is interested in 6 of the 43 mills, the total daily capacity of which is 524,000. The following list gives the number and daily capacity in 1,000 feet b. m. of the mills in the Province:

Mills.	Output.	Total daily capacity.	Mills.	Output.	Total daily capacity.
	1,000 feet. b. m.	*1,000 feet. b. m.*		*1,000 feet. b. m.*	*1,000 feet. b. m.*
1	10	10	2	61	122
1	15	15	1	65	65
5	20	100	1	68	68
1	25	25	1	75	75
1	26	26	1	76	76
2	28	56	1	79	79
1	30	30	1	84	84
1	32	32	1	90	90
1	33	33	1	104	104
1	35	35	1	119	119
1	37	37	1	133	133
5	40	200	2	170	340
1	46	46	1	200	200
2	50	100	1	350	350
1	56	56	—		
2	60	120	43		2,826

The lumber exports to the United States invoiced through this consulate general during the December quarter, 1912, were 205,724 feet, and for the last quarter of 1913 the exports amounted to 1,703,534 feet, an increase of 1,497,810. Exports for the last quarter of 1912 and the first half of 1913 were 1,861,100, as compared with 12,030,799 for the last quarter of 1913 and the first half of the year 1914, an increase of 10,169,799. The total exports to the United States for the year 1912 amounted to 1,009,123 feet; the total for 1913 was 4,186,600 feet; and for the first six months of 1914 the shipments invoiced through this consulate general show a total of 10,327,265 feet—nearly ten times more than for the entire year of 1912 and approximately two and one-half times more than during the 12 months of last year.

There is little demand for lumber in western Canada at this time, owing to the depression in the building trade, and the millmen are depending largely upon the market in the United States for an outlet for their products.

[The consul general sent lists of the lumber and shingle mills in British Columbia which are owned by Americans or in which American capital is interested.]

In the same letter to Mr. UNDERWOOD the President says:

Business has already adjusted itself to the new conditions with singular ease and elasticity.

Yes; the lumber and shingle mill business of the State of Washington have adjusted themselves to the new conditions, but I doubt if it has been with ease or with elasticity. The mills have closed, the men are out of employment, and the markets of this country, as Mr. Mansfield says, have been largely taken by the manufacturer in British Columbia. All the lumber and shingles, of course, come in free. The Government is losing the revenue, the American citizen is losing the work, and nobody is benefited. Instead of a direct tax upon the people to meet the expenses of government, if Democratic extravagances must have further revenue, then I think that we should place a duty upon lumber and upon shingles and upon other articles that compete with what we produce in this country. Let the Government have the revenue, reduce the imports, and again open up our own mills and factories.

On yesterday the President assured us that he would not use the word "psychological," but that the very serious business depression throughout the country was largely due to lack of confidence.

And why should there be any lack of confidence at this time, for the Democratic Party has been in power for over 18 months? They went into power promising that they would reduce the cost of living, that they would free business, that they would give us greater prosperity than we have ever had before, and what are the facts? To-day we are in the midst of great business depression; mills and factories are closed or running on short time; idleness and poverty is everywhere. This has always been true whenever the Democratic Party was in power.

As the people to-day look upon present conditions, as they remember the conditions that came under another Democratic administration, is there any wonder that there is lack of confidence in the country? Whatever may be the cause, one thing is certain, that whenever the Democratic Party is in power we

have panic, depression, and hard times, and when the Republican Party is in power we have prosperity. There may be some ground for argument as to what produces the result, but there can be no doubt as to the fact.

When the people look over the record of this Democratic Congress, after over 18 months of continual performance, and then remember the history of their country, it is no wonder that there is a lack of confidence throughout the Nation.

Mr. PAYNE. Mr. Speaker, I will ask the gentleman from Alabama if he has more than one speech?

Mr. UNDERWOOD. I will conclude with a very few words.

Mr. PAYNE. I have a little more time, and I want to yield to one more gentleman.

Mr. UNDERWOOD. I will conclude with the last speech.

Mr. PAYNE. Mr. Speaker, I yield the balance of my time to the gentleman from Illinois [Mr. MANN].

Mr. UNDERWOOD. How much time has the gentleman?

Mr. PAYNE. I think I have four minutes.

Mr. UNDERWOOD. How much time have I?

The SPEAKER. Ten minutes.

Mr. UNDERWOOD. Does the gentleman from Illinois desire more time?

Mr. MANN. Mr. Speaker, the President is reported yesterday to have said that the trouble with the country was lack of confidence. I am glad to note that the President has discovered, at least, that there is trouble. Gentlemen on the other side of the House have so repeatedly denied on the floor here that there was any trouble in the country that evidently they had not received the right tip from the President. Of course the trouble in the country, when there is trouble in the country, comes from a lack of confidence.

Mr. SAMUEL W. SMITH. Mr. Speaker, let us have order.

The SPEAKER. The House will be in order. Of all days in the session the last day ought to be an orderly day.

Mr. MANN. Well, Mr. Speaker, as it never is and never will be, I am not complaining.

The SPEAKER. The House will be in order whether the gentleman from Illinois wants it or not. [Laughter.]

Mr. MANN. Gentlemen on the other side are settling matters of more importance. Lack of confidence! Of course there is lack of confidence. Why should not there be? Whenever the Democratic Party is in power and has an opportunity to legislate or attack the business of the country through the administration there necessarily comes a lack of confidence. [Applause on the Republican side.] And as long as you are making legislative assaults upon the integrity of the country and its business there will inevitably be a lack of confidence. The only way that the people can overcome the present difficulty and restore confidence in the country is by restoring the Republican Party to power. [Applause on the Republican side.] We had a Democratic administration within your memory, and there was the same lack of confidence then that there is now. Then we come along with another Democratic administration, which came in when the country was more prosperous than it had ever been before, and at once a lack of confidence developed. Why should it not develop? There has been no legislation since Mr. Wilson became President which tended to restore confidence. A year ago we were here, kept by order of the President, in order to speedily pass a currency and banking bill which was to remove all evils, and up to date, nearly a year after it went into effect, so far as the passage of the law was concerned, they have not dared to put it into effect practically. When they will do that will be after the election. They have not dared to organize the Federal reserve banks before the election because no one knows what will happen when they are organized. And meanwhile I commend to our southern friends, who were worrying about the disaster which threatens their section of the country because of the cotton situation, I commend to them the "watchful waiting" attitude of the administration—"watchfully waiting" for bankruptcy in the South and not offering a single suggestion to prevent it. [Applause on the Republican side.]

The SPEAKER. The gentleman from Alabama [Mr. UNDERWOOD] has 10 minutes. [Applause.]

Mr. UNDERWOOD. Mr. Speaker, the gentleman from New York [Mr. PAYNE], in reviewing this conference report, stated that it discriminated between the producers of wine in California and those in the State of New York by reason of the fact that this year the wine producers in California would have little tax to pay and the producers of New York would have all the tax to pay. I read in the report of the proceedings of the Senate several days ago a letter put in the RECORD by Senator STONE, of Missouri, signed by all the large manufacturers of wine in this country, advocating the passage of this Senate amendment, and in the list were included the large manufacturers in the gentleman's State. So I do not imagine that they are seriously injured.

Mr. PAYNE. Will the gentleman allow me?

Mr. UNDERWOOD. Yes.

Mr. PAYNE. I have letters from the largest manufacturers in the State expressly protesting against it.

Mr. UNDERWOOD. I have no doubt the gentleman has letters of that kind, but, nevertheless, if the gentleman will refer to the RECORD——

Mr. PAYNE. Then, I want to call the attention of the gentleman to the fact that they expected the law to be permanent, and all put on an even basis, but you have stricken that out and exempted entirely the California wine interests.

Mr. UNDERWOOD. I will say to the gentleman that the Senate put into this law that provision relating to wine, and it has been agreed to, and at the same time the Senate put in a provision that this bill should be repealed on the 1st day of January, 1916. So they had both staring them in the face at the time they signed this letter.

Mr. PAYNE. I want to say just one word there, namely, that this letter does not say that they knew the law was only to last a year.

Mr. UNDERWOOD. I presume they knew what was in the RECORD.

My good friend from Pennsylvania [Mr. MOORE] was misinformed with reference to this conference report, and I recognize how he could be, because he only came in in the last few minutes, when he states that this will tax proprietary or patent medicines. I will say to the gentleman from Pennsylvania that which I said in my opening statement, which he evidently did not hear, that under the law reported back by the conferees there is no tax on either proprietary or patent medicines in the bill.

Now, Mr. Speaker, the gentleman from Illinois [Mr. MANN], the distinguished leader of the party, says something as to lack of confidence. I wish to say in passing that the gentleman from Illinois is entitled to congratulation both by this side of the House and by the country on the fact that in the last few days, when it has been difficult to maintain a quorum in this House, due to the fact that men on both sides desire to go to their districts, he has endeavored to help the majority to maintain a quorum, and his side has furnished its pro rata of the membership of this House, and, speaking for the majority, I desire to extend the thanks of the party in power for its patriotism in aiding to furnish a majority to pass the necessary legislation that the Government needs. [Applause on the Democratic side.]

But, Mr. Speaker, the gentleman from Illinois states that the President says the conditions of the country are due to lack of confidence. True, but not to lack of confidence in the Democratic Party. There is no return from hamlet or State that has indicated a lack of confidence by the great masses of the American people in the party in power. [Applause on the Democratic side.] The Democratic Party when it came into power inherited a cesspool of privilege that had grown out of legislation that had been written on the statute books of this country by our political opponents for 40 years. It was our duty to clean out the Augean stable; it was our duty to cure the patient; it was our duty to protect the American people from the grind of privilege and the grind of class. [Applause on the Democratic side.]

And in the 18 months that we have been in power we have kept the faith; we have kept our pledge; we have wiped from the statute books the concessions that you gave to monopoly in your tariff legislation. [Applause on the Democratic side.] We have written on the statute books a banking system for the whole people of the United States [applause on the Democratic side], and not a banking system for aggregate wealth and special class. We have kept our pledges to the American people, and we have not only indorsed the trust legislation that was on the statute books by the orders of a Democratic Attorney General of the United States, but we have written on the statute books within the last few months legislation that will vitalize the Sherman antitrust law [applause on the Democratic side], and enable the Government of the United States to punish the guilty and point the true road to the innocent, that all men may be free not only in their individual lives but in their business transactions. [Applause on the Democratic side.]

Of course, special privilege and class may have lost confidence in the Democratic Party, because the Democratic Party stands with the mailed hand of justice to punish the offender against the law. So it is not that lack of confidence which affects the country. There is a lack of confidence in general business conditions that exist the wide world over. For generation after generation the Bank of England has been the clearing house of

the world. There the world exchanged its bills of lading, there the world cleared, the Orient against the Occident; but when this great calamity in Europe happened and half of the world went to war, the Bank of England suspended specie payments, and the clearing house of the world was closed, and necessarily confidence in business conditions was disturbed, and must be restored again. [Loud applause on the Democratic side.]

The SPEAKER. The time of the gentleman has expired.

Mr. UNDERWOOD. Mr. Speaker, I move the previous question.

The SPEAKER. The gentleman from Alabama moves the previous question.

The previous question was ordered.

The SPEAKER. The Chair desires to suggest to the House that a good many Members think as soon as this report passes the House that they are at liberty to start for home. There are some things that may need a quorum here until adjournment, and I hope everybody will stay.

Mr. MANN. Certainly, they will not as long as the Speaker has made that statement. You might as well understand there will not be a quorum.

Mr. RAGSDALE. I did not quite catch the statement of the gentleman. [Laughter.]

The SPEAKER. The Chair hopes that everybody will stay here. The question is on agreeing to the conference report.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. PAYNE. Mr. Speaker, I ask for a division.

The SPEAKER. The gentleman from New York [Mr. PAYNE] asks for a division. The question is on the adoption of the conference report.

The House divided; and there were—ayes 126, noes 52.

The SPEAKER. The conference report is agreed to. [Applause on the Democratic side.]

On motion of Mr. UNDERWOOD, a motion to reconsider the vote whereby the conference report was agreed to was laid on the table.

COMMITTEE TO NOTIFY THE PRESIDENT.

Mr. UNDERWOOD. Mr. Speaker, I desire to move the passage of the resolution which I send to the Clerk's desk.

Mr. PAYNE. Pending that, would it not be well to make some arrangement about printing copies of the new act?

PRINTING COPIES OF EMERGENCY REVENUE ACT.

Mr. UNDERWOOD. Mr. Speaker, the gentleman from New York [Mr. PAYNE] has called my attention to the fact that there would probably be a large number of copies of this law requested, and I ask unanimous consent that the Clerk may write a joint resolution providing for the printing—what is the usual number of copies that we print?

Mr. MANN. This act affects every druggist in the United States. Of course, I suppose the Treasury Department will print plenty of copies.

Mr. PAYNE. I think at least 10,000 ought to be printed.

Mr. UNDERWOOD. For the House?

Mr. PAYNE. Yes.

Mr. UNDERWOOD. And 5,000 for the Senate.

Mr. MANN. Ten thousand could be printed for the House, probably, without a joint resolution.

Mr. GLASS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GLASS. I desire to ask what is the regular order. Is not the regular order the consideration of the bill that the House had under consideration when the House adjourned yesterday?

The SPEAKER. The regular order is that the gentleman from Alabama [Mr. UNDERWOOD] is offering a resolution of the highest privilege—not about this printing business, however.

Mr. UNDERWOOD. If we can print 10,000 copies for the House on a House resolution, I think that is enough for the present. I move, then, Mr. Speaker, that 10,000 copies of this bill be printed and placed in the folding room for the Members.

The SPEAKER. The gentleman from Alabama [Mr. UNDERWOOD] moves that 10,000 copies of the law be printed and placed in the folding room for the use of the Members. The question is on agreeing to that motion.

The motion was agreed to.

ENROLLED BILLS SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 4318. An act to authorize the Secretary of the Interior to cause patent to issue to Erik J. Aanrud upon his homestead entry for the southeast quarter of the northeast quarter of section 15, township 159 north, range 73 west, in the Devils Lake land district, North Dakota;

H. R. 8562. An act for the relief of Kinder & Nicol;

H. R. 1781. An act providing for the refund of certain duties incorrectly collected on wild-celery seed;

H. R. 10763. An act for the relief of Dr. L. W. Culbreath;

H. R. 888. An act for the relief of H. C. Hodges, H. A. Powell, John Smith, and Joseph Ridley;

H R. 16296. An act to provide for issuing of patents for public lands claimed under the homestead laws by deserted wives;

H. R. 14377. An act to amend section 4472 of the Revised Statutes;

H. R. 16346. An act to amend section 4131 of the Revised Statutes of the United States of America as amended by the act of Congress approved May 28, 1896, relating to the renewal of licenses;

H. R. 4651. An act to authorize the Secretary of the Treasury to sell certain land to the trustees of the charity fund of Star in the East Lodge, of Oldtown, Me.;

H. R. 17825. An act to authorize the construction, maintenance, and operation of a bridge across the St. Francis River at or near St. Francis, Ark.;

H. R. 7078. An act for the relief of Mary Macon Howard;

H. R. 17267. An act to authorize Frank H. Gardiner to construct a bridge across the waters of Pistakee Lake and Nippersink Lake at or near their point of intersection;

H. R. 11840. An act for the relief of R. G. Arrington;

H. R. 10168. An act for the relief of Leon Greenbaum;

H. R. 18891. An act to increase the internal revenue, and for other purposes; and

H. J. Res. 361. Joint resolution to correct certain errors in H. R. 12045, H. R. 12914, H. R. 13542, H. R. 14234, H. R. 14738, H. R. 15692, and H. R. 16294, and for other purposes.

COMMITTEE TO NOTIFY THE PRESIDENT.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House resolution 659.

Resolved, That a committee of three Members be appointed by the Chair to join a similar committee appointed by the Senate to wait upon the President of the United States to notify him that the two Houses have completed the business of the present session and are ready to adjourn unless the President has some communication to make to them.

[Applause.]

Mr. HENRY rose.

The SPEAKER. Without objection——

Mr. HENRY. Mr. Speaker, reserving the right to object, was unanimous consent asked to pass this resolution?

The SPEAKER. It is of the highest privilege.

Mr. UNDERWOOD. I think that is a privileged resolution. It goes with the resolution for adjournment.

Mr. HENRY. The adjournment resolution has not been passed.

The SPEAKER. The Chair knows; but the resolution for adjournment will be passed very suddenly. [Applause and laughter.]

Mr. HENRY. Mr. Speaker, reserving the right to object, I have a letter from the President, just received by special messenger, in which he states that he hopes the Congress will not adjourn until the warehouse bill is passed; and therefore I shall make the point that there is no quorum present.

The SPEAKER. The gentleman has the right to make his point. The Chair will count. [After counting.] One hundred and eighty-seven Members are present—not a quorum.

Mr. UNDERWOOD. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Adair	Bowdle	Carr	Dies
Ainey	Britten	Carter	Donohoe
Allen	Brown, N. Y.	Cary	Doolittle
Anderson	Brown, W. Va.	Casey	Doughton
Ansberry	Browne, Wis.	Church	Driscoll
Anthony	Browning	Clancy	Elder
Aswell	Bryan	Connelly, Kans.	Estopinal
Austin	Buchanan, Ill.	Connolly, Iowa	Faison
Avis	Burke, Pa.	Conry	Ferris
Baker	Burke, S. Dak.	Copley	Fess
Baltz	Burke, Wis.	Cramton	Fields
Bartholdt	Calder	Crosser	FitzHenry
Bathrick	Callaway	Davenport	Fordney
Beall, Tex.	Campbell	Decker	Fowler
Bell, Cal.	Cantor	Deitrick	Francis

Frear	Johnson, Ky.	Merritt	Sloan
French	Johnson, Wash.	Metz	Smith, J. M. C.
Gallagher	Jones	Mitchell	Smith, Minn.
Gallivan	Kahn	Mondell	Smith, N. Y.
Garner	Keister	Moss, Ind.	Steenerson
Gerry	Kelley, Mich.	Moss, W. Va.	Stephens, Cal.
Gill	Kelly, Pa.	Mulkey	Stephens, Nebr.
Gillett	Kennedy, R. I.	Murdock	Stevens, Minn.
Gittins	Kent.	Neeley, Kans.	Stevens, N. H.
Goldfogle	Kettner	Neely, W. Va.	Stringer
Good	Knowland, J. R.	Nelson	Sumners
Gordon	Konop	Nolan, J. I.	Sutherland
Gorman	Kreider	Norton	Switzer
Graham, Ill.	Lafferty	Oglesby	Taggart
Graham, Pa.	Langley	O'Hair	Talbott, Md.
Green, Iowa	Lee, Pa.	O'Leary	Talcott, N. Y.
Gregg	L'Engle	O'Shaunessy	Taylor, Ala.
Griffin	Lenroot	Paige, Mass.	Temple
Gudger	Lewis, Pa.	Palmer	Ten Eyck
Guernsey	Lindbergh	Peters	Thacher
Hamilton, Mich.	Lindquist	Peterson	Thomas
Hammond	Linthicum	Phelan	Towner
Harris	Loft	Powers	Treadway
Harrison	Logue	Reed	Vollmer
Hart	Lonergan	Reilly, Wis.	Volstead
Hayes	McAndrews	Roberts, Mass.	Walsh
Helgesen	McClellan	Roberts, Nev.	Walters
Helvering	McGuire, Okla.	Rogers	Watkins
Hill	McKenzie	Russell	Weaver
Hinebaugh	McLaughlin	Sabath	Williams
Hobson	MacDonald	Scully	Willis
Howell	Madden	Seldomridge	Wilson, N. Y.
Hoxworth	Mahan	Sells	Woodruff
Hughes, W. Va.	Maher	Shackleford	Young, N. Dak.
Hulings	Manahan	Shreve	
Igoe	Martin	Slemp	

The SPEAKER. On this call 223 Members, a quorum, have responded to their names.

Mr. UNDERWOOD. Mr. Speaker, I move that further proceedings under the call be dispensed with.

The motion was agreed to.

Mr. GLASS. Mr. Speaker, I demand the regular order.

Mr. MANN. The regular order is the resolution presented by the gentleman.

The SPEAKER. Yes.

Mr. HARDWICK. Mr. Speaker, I rise to a point of order.

The SPEAKER. What is the gentleman's point of order?

Mr. HARDWICK. That under the operation of the special rule all the general rules are suspended, and the special rule must be exhausted before any other matter can be taken up.

The SPEAKER. Questions of higher privilege are not abrogated by the special rule.

Mr. HARDWICK. There are no questions of higher privilege when the House is operating under a special rule.

The SPEAKER. The question of the adjournment of Congress is a question of the highest privilege. [Applause.]

Mr. HARDWICK. Mr. Speaker, this is not a proposition to adjourn; and, then, I do not think, with all deference, that the Speaker's statement is correct.

The SPEAKER. The Chair stated before this roll call that that matter about the printing of that bill was not a privileged matter, and so stated, so as to cut that out.

Mr. HARDWICK. The proposition I make is that no matter of privilege under the general rules of the House can operate until the special rule is exhausted, because the special rule suspends the operation of all rules. We have adopted it, and we are operating under it.

Mr. MANN. Will the gentleman from Georgia yield?

Mr. HARDWICK. Certainly; I yield.

Mr. MANN. Is not a motion to adjourn the House ever in order under this rule?

Mr. HARDWICK. A motion to adjourn from day to day is in order.

Mr. MANN. How does it come to be in order if all rules are suspended by the special rule?

Mr. HARDWICK. That is necessary for the physical convenience of the House while it is executing the special order.

Mr. MANN. It is no more necessary than the right to quit and adjourn finally.

Mr. VARE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. VARE. Is a question of personal privilege in order?

The SPEAKER. Not while this one is up.

Mr. HENRY. Mr. Speaker, may we have the resolution reported?

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Resolved, That a committee of three Members be appointed by the Chair to join a similar committee appointed by the Senate to wait upon the President of the United States to inform him that the two Houses have completed the business of the present session and are ready to adjourn unless the President has some communication to make to them.

Mr. UNDERWOOD. Mr. Speaker, I wish to say that in making this motion I realize that Members desire to go home. I realize that it is important for them to return to their constituencies before the election next week. I also realize the importance of the legislation pending. So far as I am personally concerned, I would be very glad to see the bill that is being considered, presented to the House by the gentleman from Virginia [Mr. GLASS], pass before adjournment. I should be most glad to see the warehouse bill become a law. Not only would I be glad to see it pass, but I am on record as having voted for it, and I should most cheerfully vote for it again. But I recognize that we are now in a condition when we can not expect to hold Members much longer, and I was hoping that after we had passed these resolutions the House, in its good nature—because that is the only way in which we can transact business in the closing hours of a session of Congress—would let these two bills, which all Members on both sides of the House understand, because they have been fully debated heretofore—come to a vote and let the majority express its opinion.

Mr. LEVER. Will the gentleman yield?

Mr. UNDERWOOD. I will.

Mr. LEVER. Let me suggest to the gentleman from Alabama that he submit to the House a request for unanimous consent to give a limited time to the consideration of the bill offered by the gentleman from Virginia [Mr. GLASS] and a very much less time to the warehouse bill, which will be in my charge. I believe, as the gentleman suggests, that in the good nature and good feeling of the House both bills can be passed very easily this evening and go to the Senate and be agreed to. Certainly the warehouse bill can be, because we know the temper of the Senate in that respect.

Mr. POU. A large majority of the House voted for it once.

Mr. UNDERWOOD. A majority of the House has voted for that bill once before, and it failed to pass simply because on a motion to suspend the rules it did not receive a two-thirds vote.

Mr. HENRY. If the gentleman will yield, I want to be good-natured, and I hope I have been on all occasions. We are operating under a special rule to pass two currency bills. The chairman of the Banking and Currency Committee [Mr. GLASS] says they are very important bills, and I want to hear him fully on those bills. I have not altogether made up my mind upon them, but it is important that we should consider them. After they are passed the President urges that another very important matter should come up, and I want to read a letter just received by me on the floor by special-delivery messenger, so that the House may understand the attitude of the President. That letter is as follows:

THE WHITE HOUSE,
Washington, October 22, 1914.

Hon. ROBERT L. HENRY,
House of Representatives.

MY DEAR MR. HENRY: The passage of the cotton warehouse bill seems to me an essential measure for the relief, or the partial relief, of the South. It is one of the concrete things that we can do and should do. May I not urge that you use every endeavor to promote its immediate passage?

Sincerely, yours, WOODROW WILSON.

Now, in the face of that letter I can not agree that we shall adjourn precipitately, when the fortunes of the people of the South are at stake. This warehouse bill should at least be considered. With some amendment I might be able to support it. A special rule has been reported to bring that bill before the House.

Mr. BORLAND. Does not that letter refer to the Lever bill that the gentleman from South Carolina is now seeking to call up?

Mr. HENRY. Yes.

Mr. BORLAND. Then why not submit a request for an agreement to take up the bill?

Mr. HENRY. I do not know how long it is going to take to pass the other bill, and I do not want to modify this special rule by any exceptional agreement.

Mr. GLASS. Mr. Speaker, as far as I am concerned, I do not desire to debate this other bill. I am perfectly willing to abrogate that requirement of the rule that we shall have an hour of general debate and half an hour on amendments under the five-minute rule. All I ask is for a vote. I want to say that I never should have yielded to the unanimous-consent proposition to let the revenue bill take precedence of these bills had I known there was going to be any trouble about the passage of these bills—had I supposed that gentlemen who had promised to support these measures of relief would resort to tactics of delay. The Secretary of the Treasury, from his sick bed, called me up twice last night to insist upon the passage of these two bills designed to afford increased credit facilities to the southern people of approximately $500,000,000. So impressed is the Secretary of the Treasury with the necessity of passing these bills that he called up the chairman of the Committee on Ways and Means and asked him to let these bills

take precedence of the revenue bill. If the House will just give me a vote, I do not want a moment's time to debate. The bills are simple, needing no discussion. They will afford infinite relief in the distressed parts of the country, and should long ago have passed.

Mr. COX. Let us vote now. [Cries of "Vote!"]

Mr. POU. Mr. Speaker, if the gentleman will yield for a question, I desire to say that the warehouse bill is in this situation: As we all know, it has passed the Senate. It has been thoroughly debated in the House, and a majority has registered in favor it. That will afford some relief to the condition of our people which has been described here time and again, and it does look to me as if we can afford to stay over here for two or three hours and get a vote on that measure.

Mr. UNDERWOOD. Oh, I will say that we expect to stay here for two or three hours more.

The SPEAKER. The Chair will state that there will be four or five hours more time for the passage of bills.

Mr. FITZGERALD. Mr. Speaker, I was one of those who opposed the warehouse bill. I shall ask unanimous consent that upon the disposition of the bills under consideration in the special rule the warehouse bill be taken up in the House and considered as in the Committee of the Whole House on the state of the Union.

Mr. MANN. They have a rule already prepared for the warehouse bill.

Mr. FITZGERALD. That will avoid the necessity for taking time on the rule.

The SPEAKER. The gentleman from New York asks unanimous consent——

Mr. UNDERWOOD. Mr. Speaker, if the gentleman will permit, I think, if we can, we had better vote on these bills and get through with them, and get this Congress away this afternoon.

Mr. MANN. Mr. Speaker, I reserve the right to object.

The SPEAKER. The Chair has not yet put the request.

Mr. UNDERWOOD. Mr. Speaker, I desire to make this request for unanimous consent. I ask unanimous consent that the House may now vote on the two bills that the gentleman from Virginia [Mr. GLASS] has here, and that immediately after the disposition of them, no matter which way it goes, the warehouse bill shall be in order, that there be one hour's debate on the bill, and that it then come to a vote.

Mr. HENRY. Mr. Speaker, reserving the right to object——

Mr. MANN. Mr. Speaker, I reserve the right to object.

Mr. BARTLETT. Mr. Speaker, I also reserve the right to object.

The SPEAKER. One at a time.

Mr. HENRY. Mr. Speaker, I think I made the first reservation.

The SPEAKER. The gentleman will proceed.

Mr. HENRY. Mr. Speaker, with the understanding that the vote is to come on the first bill, S. 6398, with a motion to recommit that I have, I have no objection, as far as I am concerned, to that program.

Mr. UNDERWOOD. We will do that.

Mr. MANN. Mr. Speaker, reserving the right to object, there never will come any time toward the close of a session of any Congress when a lot of gentlemen will not insist that the passage of certain bills is absolutely necessary for the country. That time never has been and never will be. There are a great many bills on the calendar that gentlemen desire to pass The bills referred to now have been before the House for quite a while. They have not been acted upon, but if these bills were all disposed of, other gentlemen will have bills that they want to dispose of, and if we are in a position where anybody can hold us up, then anyone can have his bill disposed of. I am unwilling to adopt any such procedure. I endeavored to the best of my ability to get a quorum here to dispose of the war revenue bill. It was stated by the President, so the newspapers stated, and other gentlemen prominent on the majority side, that when the war revenue bill was disposed of, Congress, in the opinion of the President, might adjourn. Now we have something else, and there always will be something else that somebody else wants passed.

Mr. SHERLEY. Mr. Speaker, I suggest that we can avoid that situation by having the agreement provide that after these bills have been considered, as indicated by the gentleman from Alabama, there shall be immediately considered the resolution of adjournment.

Mr. MANN. The gentleman from Alabama can offer his motion to adjourn now.

Mr. SHERLEY. I understand, but that would dispense with the possibility of other things coming up.

Mr. MANN. It would not dispense with the need of a quorum. Gentlemen are seeking now to take advantage of the House upon the theory that there will not be a quorum present. Very well; let them take that attitude if they want to.

Mr. UNDERWOOD. Mr. Speaker, I am sure that if the gentleman from Illinois [Mr. MANN] and myself entered into a gentlemen's agreement——

Mr. MANN. But that does not bind. I have discovered that entering into gentlemen's agreements with a dozen gentlemen on the Democratic side does not bind everybody over there.

Mr. HARDWICK. Or on that side either.

Mr. MANN. Nobody on this side has broken any such agreement.

Mr. HARDWICK. Nor on this side.

Mr. MANN. Oh, yes; they have. It is being broken now.

Mr. UNDERWOOD. Mr. Speaker, I will state that if this agreement is entered into I shall offer an adjournment resolution to adjourn at 6 o'clock to-night and send it to the Senate, and I shall cooperate with the gentleman from Illinois to see that there is no other business transacted except these three bills and the signing of the necessary bills that come to the Speaker's table.

Mr. MANN. But any Member is in the position where he can hold up the House if he wants to when a quorum disappears. There will not be a quorum in the city in two hours, and I doubt whether there will be a quorum on any other roll call.

The SPEAKER. Then you had better pass the adjournment resolution while you have a quorum here.

Mr. MANN. Mr. Speaker, if it is the desire on the majority side of the House to take that responsibility, let them take it. It is only a short time until we meet in December.

Mr. LEVER. Mr. Speaker, I want to suggest to the gentleman from Illinois that, so far as I am concerned, I desire absolutely no debate on the bill, nothing but a vote.

The SPEAKER. Is there objection?

Mr. SIMS. Mr. Speaker, reserving the right to object, I want to make an inquiry——

Mr. GLASS. Mr. Speaker, I ask unanimous consent that the previous question be considered as ordered upon the two bills—S. 6398 and S. 6505.

The SPEAKER. The rule provides that the previous question shall be ordered.

Mr. GLASS. At the end of debate; but I am asking that it be considered as ordered now.

The SPEAKER. The gentleman from Virginia [Mr. GLASS] asks unanimous consent that the previous question shall be considered as ordered on both bills named in the special rule. Is there objection?

Mr HENRY. Mr. Speaker, reserving the right to object, with the understanding that we are to vote also on the motion to recommit when we vote on the bill S. 6398, I shall interpose no objection.

Mr. UNDERWOOD. You can not shut that out.

Mr. MANN. Mr. Speaker, I object.

The SPEAKER. The Chair understands that. Does the gentleman from Illinois object?

Mr. MANN. Yes.

Mr. GLASS. Mr. Speaker, I demand the regular order.

The SPEAKER. The question is on this resolution.

Mr. HENRY. Mr. Speaker——

The question was taken, and the Speaker announced the ayes seemed to have it.

Mr. HARDWICK and Mr. HEFLIN demanded a division.

Mr. HENRY. Mr. Speaker, I make the point of order there is no quorum present.

Mr. UNDERWOOD. Mr. Speaker, I make the point of order that is dilatory. There has been no business transacted since the presence of a quorum was developed.

The SPEAKER. There has been no business transacted. The roll call showed a quorum, and a large quorum. The Chair thinks a quorum is here now. [Applause.] The question is on this resolution.

The question was taken, and the Speaker announced the ayes seemed to have it.

On a division (demanded by Mr. HARDWICK) there were—ayes 125, noes 59.

Mr. HENRY. Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER. The gentleman from Texas makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and ninety-five Members are present, not a quorum. The Doorkeeper will lock the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 142, nays 85, answered "present" 2, not voting 199, as follows:

YEAS—142.

Alexander	Donovan	Kennedy, Conn.	Rauch
Ashbrook	Dooling	Kennedy, Iowa	Reilly, Conn.
Bailey	Doremus	Key, Ohio	Riordan
Barchfeld	Drukker	Kiess, Pa.	Rothermel
Barnhart	Dunn	Kindel	Rubey
Bartlett	Eagan	Kinkaid, Nebr.	Rucker
Barton	Edmonds	Kinkead, N. J.	Rupley
Beakes	Esch	Kirkpatrick	Sherley
Booher	Fairchild	La Follette	Sherwood
Borchers	Falconer	Langham	Sinnott
Borland	Farr	Lesher	Slayden
Brockson	Fergusson	Lewis, Md.	Smith, Idaho
Brodbeck	Fitzgerald	Lieb	Smith, Md.
Bruckner	Gard	Lloyd	Smith, Saml. W.
Brumbaugh	Gardner	Lobeck	Sparkman
Burgess	George	McGillicuddy	Stafford
Butler	Gill	Maguire, Nebr.	Stanley
Cantrill	Gilmore	Mann	Steenerson
Carew	Goulden	Mapes	Stephens, Miss.
Chandler, N. Y.	Graham, Pa.	Miller	Stone
Clark, Fla.	Gray	Moore	Tavenner
Claypool	Greene, Mass.	Morgan, Okla.	Taylor, Colo.
Cline	Greene, Vt.	Morin	Taylor, N. Y.
Coady	Griest	Morrison	Thomson, Ill.
Cooper	Hamilton, N. Y.	Mott	Townsend
Cox	Hamlin	Nelson	Tuttle
Cullop	Haugen	O'Brien	Underhill
Curry	Hawley	Parker	Underwood
Dale	Hay	Patton, Pa.	Vare
Danforth	Hayden	Payne	Wallin
Davis	Helm	Platt	Whitacre
Dershem	Hensley	Plumley	Winslow
Dickinson	Hinds	Porter	Witherspoon
Difenderfer	Humphrey, Wash.	Prouty	Woods
Dillon	Johnson, Utah	Rainey	
Dixon	Keating	Raker	

NAYS—85.

Abercrombie	Evans	Johnson, S. C.	Saunders
Adamson	Finley	Kitchin	Sims
Aiken	Flood, Va.	Korbly	Sisson
Aswell	Floyd, Ark.	Lazaro	Small
Barkley	Garrett, Tenn.	Lee, Ga.	Smith, Tex.
Bell, Ga.	Garrett, Tex.	Lever	Stedman
Blackmon	Glass	McKellar	Stephens, Tex.
Broussard	Godwin, N. C.	Montague	Stout
Buchanan, Tex.	Goeke	Moon	Taylor, Ark.
Bulkley	Goodwin, Ark.	Morgan, La.	Thompson, Okla.
Burnett	Hardwick	Murray	Tribble
Byrnes, S. C.	Hardy	Oldfield	Vaughan
Byrns, Tenn.	Heflin	Padgett	Watson
Candler, Miss.	Henry	Page, N. C.	Webb
Caraway	Holland	Park	Whaley
Carlin	Houston	Patten, N. Y.	White
Collier	Howard	Post	Wilson, Fla.
Crisp	Hughes, Ga.	Pou	Wingo
Dent	Hull	Quin	Young, Tex.
Dupré	Humphreys, Miss.	Ragsdale	
Eagle	Jacoway	Rayburn	
Edwards	Johnson, Ky.	Rouse	

ANSWERED "PRESENT"—2.

Foster	Taylor, Ala.

NOT VOTING—199.

Adair	Dies	Hobson	Mitchell
Ainey	Donohoe	Howell	Mondell
Allen	Doolittle	Hoxworth	Moss, Ind.
Anderson	Doughton	Hughes, W. Va.	Moss, W. Va.
Ansberry	Driscoll	Hulings	Mulkey
Anthony	Elder	Igoe	Murdock
Austin	Estopinal	Johnson, Wash.	Neeley, Kans.
Avis	Faison	Jones	Neely, W. Va.
Baker	Ferris	Kahn	Nolan, J. I.
Baltz	Fess	Keister	Norton
Bartholdt	Fields	Kelley, Mich.	Oglesby
Bathrick	FitzHenry	Kelly, Pa.	O'Hair
Beall, Tex.	Fordney	Kennedy, R. I.	O'Leary
Bell, Cal.	Fowler	Kent	O'Shaunessy
Bowdle	Francis	Kettner	Paige, Mass.
Britten	Frear	Knowland, J. R.	Palmer
Brown, N. Y.	French	Konop	Peters
Brown, W. Va.	Gallagher	Kreider	Peterson
Browne, Wis.	Gallivan	Lafferty	Phelan
Browning	Garner	Langley	Powers
Bryan	Gerry	Lee, Pa.	Reed
Buchanan, Ill.	Gillett	L'Engle	Reilly, Wis.
Burke, Pa.	Gittins	Lenroot	Roberts, Mass.
Burke, S. Dak.	Goldfogle	Levy	Roberts, Nev.
Burke, Wis.	Good	Lewis, Pa.	Rogers
Calder	Gordon	Lindbergh	Russell
Callaway	Gorman	Lindquist	Sabath
Campbell	Graham, Ill.	Linthicum	Scott
Cantor	Green, Iowa	Loft	Scully
Carr	Gregg	Logue	Seldomridge
Carter	Griffin	Lonergan	Sells
Cary	Gudger	McAndrews	Shackleford
Casey	Guernsey	McClellan	Shreve
Church	Hamill	McGuire, Okla.	Slemp
Clancy	Hamilton, Mich.	McKenzie	Sloan
Connelly, Kans.	Hammond	McLaughlin	Smith, J. M. C.
Connolly, Iowa	Harris	MacDonald	Smith, Minn.
Conry	Harrison	Madden	Smith, N. Y.
Copley	Hart	Mahan	Stephens, Cal.
Cramton	Hayes	Maher	Stephens, Nebr.
Crosser	Helgesen	Manahan	Stevens, Minn.
Davenport	Helvering	Martin	Stevens, N. H.
Decker	Hill	Merritt	Stringer
Deitrick	Hinebaugh	Metz	Sumners
Sutherland	Ten Eyck	Volstead	Williams
Switzer	Thacher	Walker	Willis
Taggart	Thomas	Walsh	Wilson, N. Y.
Talbott, Md.	Towner	Walters	Woodruff
Talcott, N. Y.	Treadway	Watkins	Young, N. Dak.
Temple	Vollmer	Weaver	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. KINKEAD of New Jersey (for) with Mr. HARRISON (against).

Until further notice:

Mr. GARNER with Mr. FORDNEY.

Mr. MANAHAN with Mr. GREGG.

Mr. ANSBERRY with Mr. FESS.

Mr. STEPHENS of Nebraska with Mr. SLOAN.

Mr. FIELDS with Mr. LANGLEY.

Mr. LEE of Pennsylvania with Mr. ROBERTS of Nevada (except war-tax bill or conference report).

Mr. GORMAN with Mr. FRENCH.

Mr. BUCHANAN of Illinois with Mr. CALDER.

Mr. O'SHAUNESSY with Mr. ROBERTS of Massachusetts.

Mr. BURKE of Wisconsin with Mr. BRITTEN.

Mr. CHURCH with Mr. COPLEY.

Mr. FOSTER with Mr. KELLEY of Michigan.

Mr. PALMER with Mr. MARTIN.

Mr. BROWN of New York with Mr. MERRITT.

Mr. WATKINS with Mr. SLEMP.

Mr. STEVENS of New Hampshire with Mr. PAIGE of Massachusetts.

Mr. REILLY of Wisconsin with Mr. BROWNE of Wisconsin.

Mr. ADAIR with Mr. AINEY.

Mr. ALLEN with Mr. AUSTIN.

Mr. BALTZ with Mr. ANDERSON.

Mr. BROWN of West Virginia with Mr. ANTHONY.

Mr. CALLAWAY with Mr. AVIS.

Mr. CARR with Mr. BARCHFELD.

Mr. CARTER with Mr. BELL of California.

Mr. CASEY with Mr. BURKE of Pennsylvania.

Mr. CLANCY with Mr. CAMPBELL.

Mr. CONNOLLY of Iowa with Mr. CARY.

Mr. CONNELLY of Kansas with Mr. CRAMTON.

Mr. CONRY with Mr. FREAR.

Mr. DAVENPORT with Mr. GILLETT.

Mr. DEITRICK with Mr. GOOD.

Mr. DONOHOE with Mr. GUERNSEY.

Mr. DOUGHTON with Mr. HAMILTON of Michigan.

Mr. DRISCOLL with Mr. HAYES.

Mr. ESTOPINAL with Mr. HOWELL.

Mr. FERRIS with Mr. HULINGS.

Mr. FRANCIS with Mr. JOHNSON of Washington.

Mr. GALLAGHER with Mr. KAHN.

Mr. GALLIVAN with Mr. KIESTER.

Mr. GOLDFOGLE with Mr. KENNEDY of Rhode Island.

Mr. GRAHAM of Illinois with Mr. J. R. KNOWLAND.

Mr. GUDGER with Mr. KREIDER.

Mr. KONOP with Mr. LEWIS of Pennsylvania.

Mr. LONERGAN with Mr. LINDQUIST.

Mr. MCANDREWS with Mr. MCGUIRE of Oklahoma.

Mr. MCCLELLAN with Mr. MCKENZIE.

Mr. MITCHELL with Mr. MCLAUGHLIN.

Mr. MOSS of Indiana with Mr. MADDEN.

Mr. NEELY of West Virginia with Mr. MONDELL.

Mr. NEELEY of Kansas with Mr. MOSS of West Virginia.

Mr. O'HAIR with Mr. J. I. NOLAN.

Mr. PETERSON with Mr. NORTON.

Mr. PHELAN with Mr. POWERS.

Mr. REED with Mr. PETERS.

Mr. RUSSELL with Mr. ROBERTS of Nevada.

Mr. SABATH with Mr. ROGERS.

Mr. SELDOMRIDGE with Mr. SHREVE.

Mr. SHACKLEFORD with Mr. J. M. C. SMITH.

Mr. STRINGER with Mr. SMITH of Minnesota.

Mr. SUMNERS with Mr. STEPHENS of California.

Mr. TAGGART with Mr. STEVENS of Minnesota.

Mr. TALCOTT of New York with Mr. SELLS.

Mr. TALBOTT of Maryland with Mr. SWITZER.

Mr. TEN EYCK with Mr. SUTHERLAND.

Mr. THACHER with Mr. TEMPLE.

Mr. THOMAS with Mr. TOWNER.

Mr. WALKER with Mr. TREADWAY.

Mr. WALSH with Mr. VOLSTEAD.

Mr. WILLIAMS with Mr. WILLIS.

Mr. WILSON of New York with Mr. YOUNG of North Dakota.

For the session:

Mr. TAYLOR of Alabama with Mr. HUGHES of West Virginia.

Mr. SCULLY with Mr. BROWNING.
Mr. HAMMOND with Mr. BURKE of South Dakota.
The result of the vote was announced as above recorded.
The SPEAKER announced as the committee on the part of the House, Mr. UNDERWOOD, Mr. FITZGERALD, and Mr. MANN.

ADJOURNMENT OF SESSION.

Mr. UNDERWOOD. Mr. Speaker, I move the adoption of the resolution which I send to the Clerk's desk:
The SPEAKER. The gentleman from Alabama offers a resolution, which the Clerk will report.
The Clerk read as follows:

House concurrent resolution 51.

Resolved by the House of Representatives (the Senate concurring), That the President of the Senate and the Speaker of the House of Representatives be authorized to close the present session by adjourning their respective Houses on the 22d day of October, 1914, at 6 o'clock p. m.

Mr. UNDERWOOD. Mr. Speaker, some gentlemen suggest that we make it 8 p. m. So far as I am concerned, I would like this business to be voted on. I have agreed, and we have all had an understanding, and especially I had the understanding with the gentleman from Illinois, that he would furnish a quorum here to pass the revenue bill if we would adjourn and let his people get home when it was through. So far as I am concerned. I am going to try to live up to my understanding; but I would like a part of these bills to be voted on, and I will be glad to have the resolution amended so as to read 8 o'clock p. m. Of course it would not be passed until the Senate got through with its business. Then, after the passage of the resolution here, we could take up these other bills and have a vote on them.
Mr. MOORE. Will the gentleman yield?
Mr. UNDERWOOD. Yes.
Mr. MOORE. Day before yesterday the gentleman from Virginia [Mr. FLOOD] sought to bring up a bill which the State Department very much desired to have passed. There was temporary objection to its consideration, but the gentleman gave notice that he would call it up immediately after the passage of the other bill.
Mr. UNDERWOOD. That can go over until December.
Mr. MOORE. That bill, then, is not included in the arrangement the gentleman is now asking for?
Mr. UNDERWOOD. No. I ask that we adjourn in peace and let everybody go home. I would like to change this resolution to read 8 o'clock.
Mr. MANN. Let me make a suggestion to the gentleman.
Mr. UNDERWOOD. Of course, if the Senate does not act, we can not help it.
Mr. MANN. Now, quite a number of the trains go out in the evening before 8 o'clock. There will not be any quorum here after 6 o'clock; there will not be any quorum in the House, speaking unofficially, after 4 o'clock, and I do not think there will be one after 3 o'clock, and I doubt if there will be one after 2 o'clock. So it practically makes no difference, except that certain gentlemen on both sides of the House, who have their tickets and sleeping-car reservations to go on the afternoon trains, might be discommoded if they have to wait over if this resolution is changed to 8 o'clock. Gentlemen on both sides of the House have made this statement to me, hoping they would be able to get home. So far as I am personally concerned, it is a matter wholly immaterial. But without a quorum business would not be transacted except by unanimous consent.
Mr. UNDERWOOD. Certainly. I agree with the gentleman. There are plenty of gentlemen on both sides of the House who will probably get out this evening.
Mr. MANN. After 8 o'clock there is not much convenience in the way of going west, anyhow. You can go to New York most any time, or get out of it any time, which most people like to do, and to the South, perhaps.
Mr. GLASS. Mr. Speaker, I want it understood that I am not undertaking to violate any agreement the gentlemen may have made. And, although I am not a party to that agreement, I would not be willing to see this side of the House violate any agreement that the gentleman from Alabama [Mr. UNDERWOOD] has made. [Applause.] But I do not think the gentlemen ought to manifest too great an anxiety to get away from here when vital public business is engaging the attention of the House. I have been here in Washington for 26 months, with the exception of 2 weeks that I have been absent on account of sickness, and I am willing to stay here, and other gentlemen, notwithstanding they have purchased their railroad tickets, ought to be willing to stay here and pass upon these bills that are of vital importance to a great part of this country.
Mr. UNDERWOOD. I will say to the gentleman from Virginia [Mr. GLASS], so far as I am personally concerned, I would most cheerfully do so. I am willing to stay right on until December, so far as I am concerned. But I am looking at the question from a practical standpoint. I know if we do not adjourn this House now when we have a quorum, we will have no quorum to-morrow. You can not keep men away from their districts within a week of election, and what I am trying to do is to arrange it so that these bills may be voted on. We have six hours, and if there be no unusual delay they may all be voted on, and I have not seen any indication——
Mr. GLASS. The gentleman will certainly acquit me of any participation in unreasonable delay or any sort of delay.
Mr. UNDERWOOD. I am anxious for the gentleman's bills to be passed. I would most cheerfully vote for them, and I would like to aid him in doing so. But I said to the other side of the House that if they would stay here and furnish a quorum we would adjourn after the business the President said he desired was completed. I am not a shadow to dodge in and out. I have got to stand by what I have said.
Mr. MANN. The gentleman from Virginia [Mr. GLASS] knows that Congress meets again in December, even if we adjourn now. That is not a long time and not a long rest for the Members who are entitled to one. The fact is that the other day there was no quorum here. So far as I could see, there was not any chance to get a quorum back here except by the personal efforts of the gentleman from Alabama, and the whips, and gentlemen on this side, or by readopting the docking resolution, which I do not think could have been adopted. The gentleman from Alabama [Mr. UNDERWOOD], when objection was made to sending the revenue bill to conference in the first instance, and when it was sent to committee, said to me that he would like to have a quorum.
I said that I would cooperate in getting a quorum here on Wednesday—that was yesterday—and keeping them here until the conference report on the war-revenue tax bill was passed in the House. I thought that was fair to the Members of the House, although I was personally very much opposed to the bill. I notified gentlemen quite peremptorily—more so than I have ever done before—from a large section of the country, asking them to come back here and break their campaign engagements, and they came. They made up the quorum yesterday, and they made up the quorum to-day; and when they came I told them they could go away as soon as the conference report on the war-tax bill was disposed of. I shall keep my agreement with them, whatever the House may do. I do not think that there will be a quorum here. Of course, the gentlemen on the other side have the power to inconvenience every other Member of Congress and probably keep us here without letting us pass the resolution to adjourn, but I hope they will not do it.
Mr. GLASS. I am not going to be a party to that, and I hope also that no gentleman on this side will interpose any objection under the regular order to voting on these bills.
Mr. UNDERWOOD. I will say to the gentleman from Virginia that if this resolution be passed he will have the time between the passage of this resolution and 6 o'clock in which to pass his resolution, which, if it can go through at all, will go through in that time. If it will not go through at all, it will not go through in that time. That is apparent.
Mr. MANN. I would call the attention of the gentleman from Alabama to this situation: If the point of no quorum should be made during the afternoon—and I apprehend such a point would be made if these currency bills should come up—and there should be no quorum here, the Speaker could not lay the enrolled copy of the revenue bill before the House to-day, anyhow. It would have to go over until to-morrow. In the absence of a quorum the Speaker can not lay the enrolled bill before the House.
Mr. UNDERWOOD. Certainly.
Mr. GLASS. Does that mean that my friend from Illinois is going to break his own agreement and not insist upon gentlemen staying here to make a quorum?
Mr. MANN. I have not made an agreement with anybody to stay here after the conference report is agreed to. I have stated that I thought there would be no quorum here when the enrolled bill was presented to the House, and if anyone on that side desired to prevent the enrolled bill being laid before the House in the absence of a quorum they would have that responsibility.
Mr. UNDERWOOD. I will say to the gentleman from Illinois that I expected to pass this resolution in the usual way and notify the President and have final action on the adjournment resolution held in the Senate until the bill was signed.
Mr. MANN. I understand that part of it.
Mr. UNDERWOOD. Of course this resolution will not go through the Senate until the bill is signed by the officers of the two Houses.

Mr. MANN. I understand that.

Mr. UNDERWOOD. And the purpose of it is to facilitate the public business.

Mr. MANN. I think this resolution is proper.

Mr. UNDERWOOD. I would like to give these gentlemen a chance, and if we can pass the resolution under these circumstances without delay and give additional time for the consideration for these bills, I would be very glad to change it to 8 o'clock. [Cries of "Vote!" "Vote!"]

The SPEAKER. Does the gentleman from Alabama desire to amend his resolution or not?

Mr. UNDERWOOD. I do not think that is satisfactory. I wanted to avoid a roll call.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. HENRY. A division, Mr. Speaker.

The SPEAKER. The gentleman from Texas [Mr. HENRY] demands a division. Those in favor of the resolution will rise and stand until they are counted. [After counting.] One hundred and twenty-one gentlemen have risen in the affirmative. Those opposed will rise and stand until they are counted. [After counting.] Thirty-one gentlemen have risen in the negative.

Mr. HENRY. Mr. Speaker, I make the point that there is no quorum present.

The SPEAKER. On this vote the ayes are 121 and the noes are 31. The Chair will count. [After counting.] One hundred and sixty-one Members are present—not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll. Those in favor of this resolution will, when their names are called, answer "yea," those opposed will answer "nay."

The question was taken; and there were—yeas 141, nays 76, answered "present" 1, not voting 210, as follows:

YEAS—141.

Alexander	Doremus	Key, Ohio	Rothermel
Ashbrook	Drukker	Kiess, Pa.	Rouse
Bailey	Eagan	Kinkaid, Nebr.	Rubey
Barchfeld	Edmonds	Kirkpatrick	Rucker
Barnhart	Esch	Kreider	Rupley
Bartlett	Evans	La Follette	Scott
Barton	Fairchild	Langham	Sherley
Beakes	Falconer	Lesher	Sherwood
Booher	Farr	Levy	Sinnott
Borchers	Fergusson	Lieb	Slayden
Borland	Fitzgerald	Lloyd	Smith, Idaho
Brockson	Gard	Lobeck	Smith, Saml. W.
Brodbeck	Gardner	McGillicuddy	Sparkman
Bruckner	George	Maguire, Nebr.	Stafford
Brumbaugh	Gill	Mann	Stanley
Bulkley	Gilmore	Mapes	Steenerson
Butler	Goeke	Miller	Stephens, Miss.
Cantrill	Goulden	Moore	Stone
Carew	Graham, Pa.	Morgan, Okla.	Stout
Chandler, N. Y.	Gray	Morin	Tavenner
Clark, Fla.	Greene, Mass.	Morrison	Taylor, Colo.
Coady	Greene, Vt.	Mott	Taylor, N. Y.
Cooper	Griest	Nelson	Thomson, Ill.
Cox	Hamill	O'Brien	Townsend
Cullop	Hamlin	Patten, N. Y.	Tuttle
Curry	Hawley	Patton, Pa.	Underhill
Dale	Hay	Payne	Underwood
Danforth	Helm	Platt	Vare
Davis	Hensley	Plumley	Wallin
Dershem	Hinds	Porter	Whitacre
Dickinson	Humphrey, Wash.	Prouty	Winslow
Difenderfer	Humphreys, Miss.	Rainey	Witherspoon
Dillon	Johnson, Utah	Raker	Woods
Dixon	Keating	Rauch	
Donovan	Kennedy, Conn.	Reilly, Conn.	
Dooling	Kennedy, Iowa	Riordan	

NAYS—76.

Abercrombie	Eagle	Johnson, Ky.	Ragsdale
Adamson	Edwards	Johnson, S. C.	Rayburn
Aiken	Finley	Kitchin	Saunders
Aswell	Flood, Va.	Korbly	Sims
Barkley	Floyd, Ark.	Lazaro	Sisson
Bell, Ga.	Garrett, Tenn.	Lee, Ga.	Smith, Tex.
Blackmon	Garrett, Tex.	Lever	Stedman
Broussard	Glass	McKellar	Stephens, Tex.
Buchanan, Tex.	Godwin, N. C.	Montague	Taylor, Ark.
Burnett	Goodwin, Ark.	Moon	Thompson, Okla.
Byrnes, S. C.	Hardy	Morgan, La.	Tribble
Byrns, Tenn.	Heflin	Murray	Vaughan
Candler, Miss.	Henry	Oldfield	Watson
Caraway	Holland	Padgett	Webb
Carlin	Houston	Page, N. C.	Whaley
Collier	Howard	Park	White
Crisp	Hughes, Ga.	Post	Wilson, Fla.
Dent	Hull	Pou	Wingo
Dupré	Jacoway	Quin	Young, Tex.

ANSWERED "PRESENT"—1.

Foster

NOT VOTING—210.

Adair	Elder	Kelly, Pa.	Phelan
Ainey	Estopinal	Kennedy, R. I.	Powers
Allen	Faison	Kent	Reed
Anderson	Ferris	Kettner	Reilly, Wis.
Ansberry	Fess	Kindel	Roberts, Mass.
Anthony	Fields	Kinkead, N. J.	Roberts, Nev.
Austin	FitzHenry	Knowland, J. R.	Rogers
Avis	Forduey	Konop	Russell
Baker	Fowler	Lafferty	Sabath
Baltz	Francis	Langley	Scully
Bartholdt	Frear	Lee, Pa.	Seldomridge
Bathrick	French	L'Engle	Sells
Beall, Tex.	Gallagher	Lenroot	Shackleford
Bell, Cal.	Gallivan	Lewis, Md.	Shreve
Bowdle	Garner	Lewis, Pa.	Slemp
Britten	Gerry	Lindbergh	Sloan
Brown, N. Y.	Gillett	Lindquist	Small
Brown, W. Va.	Gittins	Linthicum	Smith, J. M. C.
Browne, Wis.	Goldfogle	Loft	Smith, Md.
Browning	Good	Logue	Smith, Minn.
Bryan	Gordon	Lonergan	Smith, N. Y.
Buchanan, Ill.	Gorman	McAndrews	Stephens, Cal.
Burgess	Graham, Ill.	McClellan	Stephens, Nebr.
Burke, Pa.	Green, Iowa	McGuire, Okla.	Stevens, Minn.
Burke, S. Dak.	Gregg	McKenzie	Stevens, N. H.
Burke, Wis.	Griffin	McLaughlin	Stringer
Calder	Gudger	MacDonald	Sumners
Callaway	Guernsey	Madden	Sutherland
Campbell	Hamilton, Mich.	Mahan	Switzer
Cantor	Hamilton, N. Y.	Maher	Taggart
Carr	Hammond	Manahan	Talbott, Md.
Carter	Hardwick	Martin	Talcott, N. Y.
Cary	Harris	Merritt	Taylor, Ala.
Casey	Harrison	Metz	Temple
Church	Hart	Mitchell	Ten Eyck
Clancy	Haugen	Mondell	Thacher
Claypool	Hayden	Moss, Ind.	Thomas
Cline	Hayes	Moss, W. Va.	Towner
Connelly, Kans.	Helgesen	Mulkey	Treadway
Connolly, Iowa	Helvering	Murdock	Vollmer
Conry	Hill	Neeley, Kans.	Volstead
Copley	Hinebaugh	Neely, W. Va.	Walker
Cramton	Hobson	Nolan, J. I.	Walsh
Crosser	Howell	Norton	Walters
Davenport	Hoxworth	Oglesby	Watkins
Decker	Hughes, W. Va.	O'Hair	Weaver
Deitrick	Hulings	O'Leary	Williams
Dies	Igoe	O'Shaunessy	Willis
Donohoe	Johnson, Wash.	Paige, Mass.	Wilson, N. Y.
Doolittle	Jones	Palmer	Woodruff
Doughton	Kahn	Parker	Young, N. Dak.
Driscoll	Keister	Peters	
Dunn	Kelley, Mich.	Peterson	

So the resolution was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present. The Doorkeeper will unlock the doors.

OCTOBER SALARIES OF HOUSE AND SENATE EMPLOYEES.

Mr. FITZGERALD. Mr. Speaker, I ask unanimous consent for the present consideration of the following joint resolution (H. J. Res. 376) to pay the Senate and House employees their salaries on the day of adjournment.

The SPEAKER. The gentleman from New York asks unanimous consent for the present consideration of a joint resolution, which the Clerk will report.

The Clerk read as follows:

Joint resolution (H. J. Res. 376) authorizing the payment of October salaries to officers and employees of the Senate and House of Representatives on the day of adjournment of the present session.

Resolved, etc., That the Secretary of the Senate and the Clerk of the House of Representatives are authorized and directed to pay to the officers and employees of the Senate and House of Representatives, borne on the annual and session rolls, and including the Capitol police, their respective salaries for the month of October, 1914, on the day of adjournment of the present session. The Clerk of the House of Representatives is authorized to pay to Members and Delegates on that day their allowance for clerk hire for the said month of October.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There was no objection.

Mr. MANN. Will the gentleman yield for a question?

Mr. FITZGERALD. Yes.

Mr. MANN. Are the session employees to be paid for the full month of October?

Mr. FITZGERALD. I am not sure. I think the legislative act——

Mr. MANN. I do not think the legislative act covers so long a session as we have had.

Mr. FITZGERALD. It fixes the length of the session, so far as session employees are concerned.

Mr. MANN. Yes; I understand. But that time has long since expired. I am inclined to think myself that the session employees ought to be paid for the full month of October. That may be the case, for aught I know.

Mr. FITZGERALD. This is in the usual form, and is a convenience to the employees.

Mr. MANN. I do not think anybody could tell from that resolution whether the session employees are to be paid up to to-day, if Congress adjourns to-day, or for the full month of October.

Mr. BARTLETT. It says their October salaries.

Mr. FITZGERALD. I may be able to modify it.

Mr. CARLIN. I will ask the gentleman if he has any objection to giving an additional month's pay to employees?

Mr. FITZGERALD. That can not be done. I have no objection to providing that session employees shall be paid their salaries for the full month of October.

Mr. MANN. I think that ought to be done.

Mr. FITZGERALD. If there be no objection, I will ask to amend the resolution by placing at the end of it the words—

Provided, That session employees shall be paid a full month's compensation.

Mr. SISSON. Mr. Speaker, I have absolutely no objection to that.

Mr. FITZGERALD. Mr. Speaker, I withdraw the suggestion, because the clerk of the Committee on Appropriations calls my attention to the fact that it would be ineffective unless some provision were made to pay it out of the contingent funds of the two Houses.

Mr. CARLIN. Let us do that.

Mr. MANN. Why would it be ineffective if the money has been appropriated? There has been an indefinite appropriation for session employees down to the day of adjournment.

Mr. FITZGERALD. There has been an indefinite appropriation to pay the session employees up to and including the last day of the session.

Mr. MANN. That is all right; and if we say they shall be paid for the full month of October, and that is an act of Congress, that indefinite appropriation will apply.

Mr. FITZGERALD. Not unless the resolution carries words appropriating sufficient money to do it.

Mr. MANN. Oh, yes.

Mr. CARLIN. Let us do that, too.

Mr. MANN. We simply make that definition of it.

Mr. FITZGERALD. I shall withhold the resolution for a moment, with the consent of the House, to prepare an amendment for that purpose, if it be the desire of the House to pay the session employees the entire month's salary.

Mr. MANN. You had better pass the resolution in its present form, and then fix that up in the Senate.

The SPEAKER. Does the gentleman withdraw the resolution?

Mr. FITZGERALD. I shall ask the House to act on the resolution, and then I shall have an amendment attached to it in the Senate that will carry out that purpose.

The resolution was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

QUESTION OF PERSONAL PRIVILEGE.

Mr. VARE. Mr. Speaker, I ask unanimous consent to address the House for two minutes on a question of personal privilege.

The SPEAKER. The gentleman from Pennsylvania [Mr. VARE] asks unanimous consent to address the House for two minutes on a personal matter. Is there objection?

There was no objection.

Mr. VARE. Mr. Speaker, the North American, a daily newspaper of Philadelphia, on Monday, Tuesday, and Wednesday of this week published an editorial statement of information purporting to have been given to its editors by Senator BOIES PENROSE, to wit, that I, WILLIAM S. VARE, had conveyed large sums of money to John E. Reyburn, the then mayor of the city of Philadelphia, and actually had personally paid $5,000 into said John E. Reyburn's hands.

If Senator PENROSE or any other person made such a statement to the editors of that newspaper or elsewhere, it was an absolute lie, without the slightest foundation in fact or in truth, and was made to injure my candidacy for mayor of Philadelphia at that time and for no other purpose. If Senator PENROSE did not give this false information to the North American, it is up to him as a candidate for the United States Senate to so deny it that the public will be satisfied of its falsity. [Applause.]

COTTON AND TOBACCO.

Mr. GLASS. Mr. Speaker, I call for the regular order.

The SPEAKER. The regular order is the consideration of Senate bill 6398.

Mr. MANN. A motion to reconsider is pending.

Mr. BULKLEY. Under the rule, has not the previous question been ordered on S. 6398?

Mr. MANN. Why, certainly.

The SPEAKER. Under this rule you do not have a vote on either one of those bills, S. 6398 or S. 6505, until you get through with the debate on both of them. It is a very peculiar situation and a very peculiar rule.

Mr. BULKLEY. Has not debate been exhausted on S. 6398?

Mr. MANN. On this bill there is pending a motion to reconsider the vote by which section 2 was stricken from the bill, and a motion to lay that motion on the table. That is a matter pending before the House.

Mr. BULKLEY. The motion to lay on the table was passed last night.

The SPEAKER. That is correct. The Chair remembers that he himself voted in order to make a quorum.

Mr. BULKLEY. Does not that exhaust the consideration of S. 6398?

The SPEAKER. It does not exhaust consideration of it.

Mr. BULKLEY. But all debate is exhausted.

The SPEAKER. Yes; all debate is exhausted. A motion to table the motion of the gentleman from Georgia [Mr. CRISP] to reconsider was carried, and of course that is the end of that. But this rule provides that after all debate is exhausted on these two bills the previous question is ordered upon them, and that they shall be voted upon.

Mr. BULKLEY. Then does the Chair hold that the bill S. 6505 has to be debated before we can vote on the bill S. 6398?

Mr. MANN. Certainly; that is the rule.

The SPEAKER. If anybody desires to debate it; yes. If gentlemen want to waive debate, there is no way on earth of compelling anyone to debate it.

Mr. MANN. Mr. Speaker, we are not going to waive it. If they waive the bill, we will waive debate.

The SPEAKER. The Clerk will report the Senate bill 6505.

The Clerk read as follows:

"*Be it enacted, etc.*, That section 11 of the Federal reserve act is hereby amended by adding at the end thereof the following paragraph:

"'The Federal Reserve Board shall have power to permit member banks to carry in the Federal reserve banks of their respective districts any portion of their reserves now required by section 19 of this act to be held in their own vaults.'

"That section 16 of the Federal reserve act is hereby amended by adding at the end thereof the following paragraph:

"'The Secretary of the Treasury is hereby authorized to devise and put into operation a system of clearances of national-bank notes between the Treasury, the Federal reserve banks, and the member banks, and for that purpose to designate Federal reserve banks as agents of the United States.'

"Amend the title so as to read: 'An act to amend sections 19 and 16 of an act to provide for the establishment of Federal reserve banks, etc., approved December 23, 1913, and commonly known as the Federal reserve act.'"

With the following committee amendments:

"Amend, page 1, line 3, by striking out the word 'eleven' and inserting the word 'nineteen.'

"Amend, page 1, lines 6 and 7, by striking out the words 'The Federal Reserve Board shall have power to permit' and insert in lieu thereof the following: 'For a period of 36 months after the Secretary of the Treasury shall have officially announced the establishment of a Federal reserve bank in any district, as provided in section 19 of the Federal reserve act.'

"Amend, page 2, line 3, by striking out the word 'to' and inserting in lieu thereof the word 'may.'

"Amend the title so as to read: 'An act to amend sections 19 and 16 of an act to provide for the establishment of Federal reserve banks, etc., approved December 23, 1913, and commonly known as the Federal reserve act.'"

The SPEAKER. The gentleman from Virginia [Mr. GLASS] is recognized for 30 minutes, and the Chair will recognize the gentleman from Illinois [Mr. MANN] for the rest of the time.

Mr. GLASS. This bill (S. 6505) was amended by the House committee and favorably reported several weeks ago. It has the imprimatur of the Federal Reserve Board and of the Senate, and will promptly receive the approval of the President of the United States. The design of this bill is to make immediately available to the regional reserve banks rediscount facilities that these banks would acquire only after three years under the existing Federal reserve act. The House will recall that under the Federal reserve act a period of three years is provided in which the reserve requirements of the act may be complied with—three years in which the shifting of reserves from many thousands of banks throughout the country to the 12 regional banks shall take place. Had there been no disturbance caused by war, with its consequent dislocation of public and private credits, the new reserve system would have gone along to perfection within the required period; but in view of

the existing situation and the exigencies created thereby it has been thought desirable that the act should be amended as here contemplated in order that we may immediately strengthen these regional reserve banks.

INCREASED FACILITIES.

As originally planned, the system was to begin with a capital of but $18,000,000 and reserve funds of $250,000,000. At the end of the three-year period the capital is expected to reach $54,000,000 and reserve funds $684,000,000. You can thus readily see the vast difference in the strength of these 12 regional banks at the end of three years as compared with their initial year. The purpose of this bill is immediately to increase—to immeasurably amplify by contrast—the credit facilities of these great reserve banks, so as to render them capable of dealing effectively with exigent difficulties which could not have been foreseen.

There can be no question that it is desirable to do this. Not only does the somewhat alarming situation in the South suggest the necessity for strengthening the Federal reserve system at once, but the general situation in the whole country seems to demand it. Were member banks of the system to act on the permission granted by this bill to transfer their impounded reserve funds to the regional reserve banks, such a course would disturb in no degree the facilities of member banks to transact business, but would add an additional loaning power of $700,000,000 to the regional banks.

I would not favor this practice as a permanent thing, nor would the House committee; hence we have proposed it as a temporary relief, for a period of three years.

A FRIGHTFUL RESPONSIBILITY.

I have a particular purpose in stating specifically what effect the passage of this bill will have on the cotton and tobacco situation of the South, because it has repeatedly been intimated in discussion that I am not sufficiently moved by the distress of my own people. Mr. Speaker, it is on this bill that I have relied to relieve that distress, and if obstructive tactics shall bring about its defeat, those guilty will have assumed a frightful responsibility, for not only is this bill sure to pass if submitted to a vote of the House, but is certain to be approved by the President. Thus it is a measure of real and certain relief, and no theatrical illusion, designed to deceive those not behind the scenes.

$396,000,000 OF NEW CREDITS.

I subjoin a table which shows at a glance what will be the strength at the start of the five regional banks which will be in intimate business contact with the cotton and tobacco growing States, and what would be their immediate strength should this bill be enacted into law:

District.	To be deposited in Federal reserve bank.	Vault reserve required.	Present loaning power.	Additional loaning power if law amended.
No. 8 (St. Louis)..	$10,678,053.87	$15,323,311.80	$26,700,000.00	$38,400,000.00
No. 10 (Kansas City).....	9,683,494.12	21,234,343.82	24,200,000.00	53,000,000.00
No. 11 (Dallas)....	5,834,367.84	13,325,673.36	14,500,000.00	33,300,000.00
No. 5 (Richmond).	7,921,596.59	17,930,330.66	19,800,000.00	44,800,000.00
No. 6 (Atlanta)....	4,614,480.40	10,846,469.89	11,500,000.00	27,100,000.00
Total.....	38,731,992.82	78,660,129.53	96,800,000.00	196,600,000.00

With the increased facilities thus afforded to the five regional reserve banks in immediate business contact with the cotton and tobacco growing sections and the increase of facilities to the other regional reserve banks in various parts of the country doing business incidentally with the South, it is estimated that the passage of this bill and Senate bill 6398, now ready to be voted on, would increase the credit facilities to the South in this exigency to an extent approximating $396,000,000. Of course, the bills would afford vastly increased facilities to business of all kinds in all parts of the country. In brief, this particular bill would give the regional reserve system immediately a large part of the facilities that otherwise would only be afforded after a period of three years, unless this bill should be passed.

Mr. SHERLEY. Mr. Speaker, will the gentleman yield?

Mr. GLASS. Certainly.

Mr. SHERLEY. *How much in gold* would it take from the banks that form a part of the system?

Mr. GLASS. Theoretically, about $400,000,000; but for practical purposes it would not take a dollar of gold from the member banks, because the member banks would count their transferred reserve as if it were gold in their own vaults, and the regional banks would likewise use the fund in extending credits.

Mr. SHERLEY. I understand; but I am asking how much actual gold it takes from the local banks, not what they count in place of it.

Mr. GLASS. The figures are given approximately in a table inserted in the report of the committee, and I have just indicated the effect of the proposed alteration on the five regional reserve banks in the South.

GREAT RELEASE OF RESERVES.

In addition to this special aid which the passage of S. 6505 would afford the regional reserve banks doing business with the South, the great release of reserve funds in all the national banks of the country will tremendously expand credits in the South. That this may clearly be understood by those who entertain a real anxiety to help the situation, I present a statement showing reserves held by national banks in the 12 Federal reserve districts, as of September 12, 1914; also showing the reserves required under the present law, the reserves required under the Federal reserve act, the reserves held in excess of the amount required under the old law, and the reserves in excess of the amount required under the Federal reserve act.

District No.—	Total reserve held by banks Sept. 12, 1914.	Total reserve required under present law.	Total reserve required under Federal reserve act.	Reserve held Sept. 12, 1914, in excess of amount required under old law.	Total reserve (Sept. 12, 1914) held in excess of amount required under new law.
	Millions.	*Millions.*	*Millions.*	*Millions.*	*Millions.*
1 (Boston).....	128	110	76	18	52
2 (New York).....	364	388	281	—24	83
3 (Philadelphia).....	175	153	105	22	70
4 (Cleveland).....	154	144	95	10	59
5 (Richmond).....	64	64	43		21
6 (Atlanta).....	38	43	24	4	14
7 (Chicago).....	228	203	140	25	88
8 (St. Louis).....	55	55	37		18
9 (Minneapolis).....	91	78	48	13	43
10 (Kansas City).....	109	85	52	24	57
11 (Dallas).....	53	42	28	11	25
12 (San Francisco)...	117	104	67	13	50
Total.....	1,576	1,460	996	116	580

A SPLENDID RECORD.

In view of this marvelous record and these heartening facts, in conjunction with other things acomplished, can it fairly be charged that there is no available relief for the situation in the South? Why, sir, this Congress and this administration are entitled to praise for what has been done and is now reasonably proposed rather than censure for omission. Let us sum up:

Reserves released and available for new credits under the Federal reserve act, $464,000,000, of which the five regional reserve banks doing business immediately with the South will have	$96,000,000
Emergency currency facilities made available under S. 6398, as amended	150,000,000
Additional facilities under S. 6505, as amended	196,000,000
Incidental credit facilities under general release of reserves	85,000,000
Total increased credit facilities for the South	437,000,000

Furthermore, as pointed out by the Secretary of the Treasury, there is held by the national banks of the Southern States $16,065,000 of regular Government deposits and, since August 1, 1914, $11,337,500 of crop-moving deposits, making a total of $27,402,500.

Thus the Treasury Department has issued to national banks in the Southern States since the outbreak of the European war—

Additional national-bank notes	$68,000,000
It has deposited with national banks in the Southern States during the same period crop-moving funds aggregating	11,337,000
It has on regular deposit with national banks in the Southern States	16,065,000
Total	95,402,000

Aside from this the Secretary of the Treasury has authorized the issuance, since the outbreak of the European War, to national banks throughout the country, additional national-bank circulation aggregating $348,795,210, a large part of which found its way to the South, New York City national banks alone lending to southern banks more than $40,000,000.

In the face of this impressive exhibit, Mr. Speaker, showing that this Congress and a Democratic administration have afforded and tendered additional credit facilities to the South aggregating about $600,000,000, I am amazed that there are gentlemen on this side who seek to have it appear that nothing has been done for that section!

HUMBUGGING TOBACCO PLANTERS.

Just a few words more, Mr. Speaker, and I am through. At the expiring hour of Congress, after repeatedly having their attention called to the omission, the proponents of this measure have tagged on tobacco as one of the two products upon which loans may be made; and I am reminded here that this measure is designed to help my people in Virginia. I want it distinctly understood that I would not compromise my intellectual integrity by voting for a measure which I regard as utterly vicious and unsound, even if I could think that it might in some way confer a special advantage upon my constituents. My vote can not be secured for this unsound proposition by any such bait. The tobacco growers of Virginia would never get a dollar under this bill; but, whether they would or not, I would not do violence to my judgment and my conscience by voting for a proposition which, in the end, would immeasurably add to their present distress by the inevitable impairment of public confidence, a stupendous constriction of commercial credits, and the consequent ruin to every description of business throughout the country.

BELATED SOLICITUDE.

Tobacco is in this latest-revised scheme, Mr. Speaker, merely as a last desperate expedient to get votes here for a doomed proposition, and not through any anxiety of the gentleman from Texas [Mr. HENRY] for the tobacco planters or eagerness to help them. His first bill of relief was presented as long ago as August 6. In the interval between that date and this day the gentleman eight times altered his program, never once seeking to remedy the distress of the tobacco industry, but confining his benevolent attention to the cotton situation exclusively. Time and again this omission was pointed out; but never did the gentleman evince the least concern for this great domestic and export product which pays the Government millions of dollars annually in internal taxes and affords subsistence for hundreds of thousands of people.

In his first bill of August 6 the gentleman from Texas ventured to take care of "corn, wheat, and oats," as well as cotton, *but not tobacco.* In his bill of August 28 he again carefully excluded the tobacco grower from his paternalistic consideration. In his bill of August 31 he made "wheat, corn, oats, tobacco, and food products," as well as cotton, a basis for the distribution of Federal reserve notes to States producing these crops for export; but he very adroitly provided that these notes should be loaned *only to cotton planters and not a dollar to grain and tobacco growers.* Then on September 3 the gentleman from Texas gave birth to another bill to help the cotton planter exclusively, and on September 22 still another bill; *but never a suggestion of relief in any of them for any farm product but cotton.* Altogether there were eight of these remarkable bills; but not until the last moment was it sought to write "tobacco" into the law, and then with no guaranty whatsoever of a profitable price for the product, as in the case of cotton.

ATTENUATED BAIT!

It is with this attenuated bait, this utterly transparent pretense, in the very closing hours of this congressional session, that the gentleman maneuvers to get support for his eight-times revised remedy for a situation that demands serious action and not a series of dress parades! He would valorize cotton at 12 cents per pound, next at 10 cents, then at 8 cents, and finally at a pitiful 6 cents; but never, until the last stages of legislative effort, would he aid tobacco at all; and then he fails to accord it the advantage of a profitable market price. I frankly suspect it was imagined that this belated legislative postscript might moderate hostility to the main scheme or bring it some support; but I take leave to say that the snare is too plainly visible to catch any Member from a tobacco-growing State who is not willing to presume upon the credulity of his constituents, or not too simple to detect the futility of the enterprise. I represent one of the largest tobacco-growing districts in Virginia, and I am not going to affront the intelligence of my people by asking them to believe that they could get one particle of relief from this magical financial formula.

Mr. MANN. Mr. Speaker, I yield five minutes to the gentleman from Arkansas [Mr. WINGO].

Mr. WINGO. Mr. Speaker, I recognize that the temper of the House at the present moment is such that an intelligent discussion of this bill can not possibly be had. I may be mistaken in my estimate of the character of this bill, but to my mind this is the most important bill that has come up for the consideration of this Congress since the passage of the tariff bill and the currency bill. Briefly, what does the bill propose? I take it that in the rush of other matters few of you have studied this bill. Under the Federal reserve act we decreased the reserve requirements of the banks of the country. We decreased them to that point where conservative men thought we came very near the danger line. Of course, it was contended that the decrease of reserves released money that was held in the vaults of the banks and thereby expanded the legitimate credits of the country. That, of course, could be the only justification for the abnormal and extraordinary decrease we made in the reserve requirements of the banks of the country. I do not at the moment recall, nor have I the figures present, but the amount of decreased reserves provided by the Federal reserve act, or rather the lowering of reserve requirements, amounted to a credit extension that was extraordinary, and could be justified upon no other theory than that it was legitimately needed for the expanding commerce of the country.

But even in the Federal reserve act we recognized the fact it was absolutely necessary to still require the country banks to carry a sufficient reserve which the experience of those banks has shown was necessary to meet their demand obligations, that of their depositors, of course, being the primary one. Now, by the bill which is under consideration you propose to say that instead of requiring those banks to keep a certain amount of reserve money in their vaults that they may, with the permission of the Federal Reserve Board, take every dollar of reserve out of their vaults and deposit them in the regional reserve banks.

Now, gentlemen, I want you to get that fact. This bill is intended, and frankly intended, so the committee say, admitted by Mr. Warburg and those gentlemen who appeared before the committee, to take the reserve money from the country banks and concentrate it in these regional reserve banks. Not simply the reserve provided to be deposited in those regional reserve banks, but the last dollar, if thought best, that was required to be kept in the vaults of the member banks might be moved under this act and put in the vaults of the regional reserve banks. But it may be said that these banks certainly will not rob themselves of the necessary reserve. Well, you gentlemen understand what the power of the Federal Reserve Board is. Mr. Warburg appreciates the power, and in his testimony before the committee very frankly admitted that it made very little difference whether they left the power with the member banks or with the Federal Reserve Board. He said if you left the power with the banks, the board could bring sufficient pressure to bear upon the banks to make them do this if the Federal Reserve Board wanted them to do it. Now, gentlemen, will that pressure be brought to bear? I do not believe there is any doubt the point of view of the Reserve Board is such that they think that it is absolutely necessary to draw from every bank in the country the lawful reserves for the purpose of mobilizing them in the regional reserve banks.

The SPEAKER. The time of the gentleman has expired.

Mr. MANN. I yield five minutes additional to the gentleman.

Mr. WINGO. The object of the Federal Reserve Board, frankly stated, and frankly stated in the report of the committee, is to start these banks out with the same amount of gold that they would have at the end of the three-year period under the Federal reserve act. Now, they will start out with $251,800,000 of gold reserve. You pass this act and they will start out with approximately $700,000,000 of gold reserve.

The statement was made at one time, and I think it is true, that if you pass this bill there will not be enough lawful money left in the vaults of the country banks to "wad a shotgun." I am not an inflationist. The House will remember when we had the Federal reserve act under consideration an amendment was pending to amend the banking laws so as to make a sixth exception as to the limit of the liability of national banks, and I at that time protested against the inflation involved in that. What is the inflation involved in this? The gentleman from Virginia [Mr. GLASS] says that it will afford $500,000,000 additional credit facilities to the South. I wish I could hope that would be true. In the same breath yesterday though he charged the banks in the South with having facilities to get emergency currency to the extent of a hundred and fifty-odd million dollars which they were not now using. Why do they want to drain the country banks of all these reserves? Why do they want to increase the danger which is set forth in this report, which partly reads as follows:

When the Federal reserve act was framed it had for its purpose the gradual concentration into 12 Federal reserve banks of the scattered gold reserves held by many thousand banks and the gradual elimination of balances kept as reserves with reserve agents in reserve and central reserve cities. This plan of gradual development was adopted for two reasons: First, because a rapid withdrawal of all reserve balances from reserve agents would have created a dangerous disturbance; and second, because it was thought that elasticity should be added step by step only to our present system lest it should stimulate too rapid expansion.

I submit there is just as much danger in taking all at once over $400,000,000 of reserve money from the banks of the country and mobilizing it in 12 reserve banks as there is to take a smaller sum at once from the banks in the central reserve cities and deposit it in those same banks. What is the cry now at crop-moving time. Is there not now a great demand for money in the country banks? But what is the object of this bill? Any of you gentlemen who have read the newspapers recently understand what the real object of this bill is. Any of you gentlemen who have heard or read the statements of Sir George Paish, who is here now, will understand what the object is.

I picked up the New York World this morning, containing a special from Washington. I will not read it all, because it contains several subjects in reference to the conference of Sir George Paish, who is now here, he says, at the invitation of the Secretary of the Treasury. One of the statements is this:

The problem would be vastly simplified if some way could be found for getting the cotton crop into the hands of those who will need it.

Now, gentlemen, I think that the real opposition to cotton legislation is not predicated upon a fear of inflation, but I think it is predicated upon the mad desire of those who are anxious to meet their obligations in Europe. Sir George Paish says we owe England $250,000,000, I believe it is, and he says that they want cotton or cash. If they can get the cotton, they would rather have it than gold. He is very frank about saying so. I say I believe the opposition in some quarters to affording cotton relief is predicated not upon the fear of inflation, but because our cotton is wanted at sacrifice prices at which to settle this gold demand from Europe.

Now, if they do not get our cotton, they frankly and sincerely believe it is necessary to get what gold you can into these regional reserve banks, so that they can supply that gold and settle these obligations in Europe. Whether that be wise or unwise, I shall not undertake in a limited time to discuss.

What is the inflation in this bill? It is frankly admitted in the committee report it will increase the gold held by regional banks $400,000,000. The basis of issuance of Federal reserve notes is 40 per cent reserve, or $2.50 note issue to $1 of gold. With the $400,000,000 additional gold drained from the country they can, if they wish to do so, issue one billion additional of Federal reserve notes. Of course that is theoretical. It will not all be paid in gold, but it will be paid in an equivalent that can force gold from the Federal Treasury on demand.

Mr. KORBLY. The inflation would involve the amount of commercial paper that might be with the gold.

Mr. WINGO. Oh, I agree that there is never inflation of currency as long as you have actual existing value back of paper money. There would be no inflation in taking care of the cotton crop, because you would have back of that currency an actual existing value which would bring the gold, and those who demand gold from us say now that they would rather have cotton than gold. As long as you have actual value back of the instrument there is not much danger of inflation. Do not let any gentleman say that it is to help the South. The object of this bill is to draw from the country banks in Minnesota, Nebraska, Illinois, Tennessee, Arkansas, Texas, and the other States their lawful money in order that these gold obligations can be settled, as we are advised by newspaper report, under some plan that is to be devised and approved by the Federal Reserve Board.

The SPEAKER pro tempore (Mr. FITZGERALD). The gentleman's time has expired.

Mr. MANN. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. PAYNE].

The SPEAKER pro tempore. The gentleman from New York [Mr. PAYNE] is recognized for five minutes.

Mr. PAYNE. Mr. Speaker, I am opposed to all these schemes to weaken the security of the currency of the country. I refuse to get into a panic over the cotton situation, so that I am not willing to take the risk of running riot in currency that will have to be settled for at some time if the desires the gentlemen have expressed in various matters and various bills before Congress are acceded to. It was well said by the gentleman from Pennsylvania yesterday that the South met a harder proposition right after the Civil War, not only in reference to cotton, but all the other industries of the South. They went after that question with courage and manliness and hard work, and solved it among themselves, without getting any weakening of security or any inflation of currency. They met it in the regular legitimate way. Since then there has been prosperity in the South. Cotton has doubled and trebled in price.

Mr. GLASS. May I interrupt the gentleman from New York?

The SPEAKER pro tempore. Will the gentleman from New York yield to the gentleman from Virginia?

Mr PAYNE. Yes.

Mr. GLASS. Would the gentleman from New York characterize as inflation——

Mr. PAYNE. I have looked over the gentleman's report, and I find the object is to realize in some way money to be used in the cotton situation in the South.

Mr. GLASS. Would the gentleman characterize as inflation a credit basis upon a gold reserve of 40 per cent and a secondary commercial-paper reserve of 100 per cent? Would the gentleman call that inflation?

Mr. PAYNE. I do not know what that has to do with the question I am trying to discuss.

Cotton has advanced two to three times in value since then, taking into consideration the cotton seed and the value that is attached to that. And I have no doubt the people of the South are thrifty. I do not speak of the negroes. I speak of the white classes of the South. They certainly ought to be. They ought to be forehanded. They ought to have money. Now, it is said that the negro will use up his income every year when he gets it, no matter how large or how small it is. I understand the system is that they let them have some land, and they go to work and cultivate the crop and get a share of it. But men who own the land have to finance them every year. I can not see any other way in which to do it. I have been told by gentlemen holding seats in this House that cotton is a profitable crop at 7 cents a pound—a good, profitable business. In the last five years it has averaged 12 cents a pound all over the South. I know it is not so in some of the old barren lands that have to be fertilized at great expense, but in lands that do not have to be fertilized, and the biggest part of the crop is raised on land that does not have to be fertilized, that is the case. I do not think they are in such panicky condition as politicians would make us believe. I think they can go ahead now and take care of themselves. They have not any harder proposition to meet than some of my own people have who are engaged in various kinds of business. They do not require any more money.

Why, we passed this Federal reserve act. It was compiled largely from a study of 21 years, I understand.

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. PAYNE. I would like to have five minutes more.

Mr. MANN. I yield to the gentleman five minutes more.

Mr. PAYNE. It was a good act when it was passed. I said so then and I say so now. It depends largely on the way it is administered by the Federal Reserve Board. When a disposition was made to establish localities for regional reserve banks I did not like the way the two Secretaries and the comptroller performed their tasks. I thought they had opened up difficulties in the way of carrying out the act according to the intention of it and making it a success. I think they put reserve banks where they ought not to be. They did not put them in the line of ordinary business, in centers where the ordinary business was done, but moved them away from those centers.

They made it a necessity for banks, many of them, to keep accounts in two centers—one of the centers where they did their business and one in the regional reserve center. It served to tie up money. I think it ought to be corrected now; it is not too late. I think we ought to carry out the act as was the original intent of it, as it was studied and thought out and even modified, by gentlemen who are experienced in the banking business in the various large money centers of the United States.

It is time enough to get back onto that now. But do not let us inflate the currency any more. Why, you have added $300,000,000 already, within the past two months. You are liable to add more. If these schemes all pass, no man can say where the end will be.

It is true the House cut out the other day this $250,000,000 of greenbacks that nearly a majority of the House wanted to issue. Now do not under a panic destroy really the only good law you have passed during these 18 months of Congress.

Mr. KORBLY. Mr. Speaker, will the gentleman yield?

Mr. PAYNE. Yes.

Mr. KORBLY. Will the gentleman explain how it happens that the State of Illinois requires no reserves at all and thereby prevents inflation?

Mr. PAYNE. Well, I do not know whether the State of Illinois requires any reserves or not.

Mr. KORBLY. It has no fixed requirement.

Mr. MANN. Will the gentleman from New York yield, so that I can find out from the gentleman from Indiana [Mr. KORBLY] how much currency the banks of Illinois issue?

Mr. KORBLY. The gentleman from Illinois very well knows that the banks of Illinois issue no currency; and the gentleman from New York knows that this bill is not intended to provide for an increase of currency in any sense at all.

Mr. PAYNE. It provides for currency to pay the debts of the bank—currency or otherwise. That is what it provides for, and you propose to allow it all to go out of the vaults of the bank, where you want it to redeem the debts of the bank, or redeem the notes. I did not think the gentleman referred to State banks or I could have answered his question very readily, and I know and he knows and everybody knows that they can not issue any currency.

Mr. KORBLY. But they issue credits.

Mr. PAYNE. Well, every bank issues credits, of course, but they do not issue credits all payable at the same moment. They issue credits payable on the average at stated times. They prepare for it at stated times; but when you come to currency, it is liable to be demanded any minute, and you can not prepare for it; and if demands are made and you have calls for deposits, why then there is a panic, and the bank, although solvent, will have to go into liquidation.

Now, gentlemen, do not under a panic in these last days of the session, in trying to do something to alleviate the fears and the anxiety of these politicians, no matter what section they may come from—do not in the days of a panic try to destroy the best bill you have passed, and I think the only good bill you have passed, during this session of Congress. [Applause on the Republican side.]

The SPEAKER pro tempore. The time of the gentleman from New York has expired. The gentleman from Illinois [Mr. MANN] has 9 minutes remaining, and the gentleman from Indiana [Mr. KORBLY] 22 minutes.

Mr. MANN. How much time have I?

The SPEAKER pro tempore. Nine minutes.

Mr. MANN. Is the gentleman from Virginia [Mr. GLASS] going to use any of his time?

Mr. GLASS. There will be only one speech on this side.

Mr. MANN. Mr. Speaker, I regard this as a very important measure to defeat. I think its passage into law would be likely to largely destroy the credit of all the small banks of the country. It would be a notice to every depositor in every bank that the bank reserves were taken away from the banks. It would be a notice that the banks would not be very likely to pay currency on demand.

Now, in the Federal reserve law which we passed we were very careful, following a time-honored attitude of Congress, not to take away from the small banks, or even the large banks, all of their real reserve, and we required that a certain portion of the reserve should be kept in the vaults of the banks. In the country banks——

Mr. KORBLY. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore. Does the gentleman from Illinois yield to the gentleman from Indiana?

Mr. MANN. No; not unless you give me the time.

Mr. KORBLY. I have not any time.

Mr. MANN. Then I will not yield. I did not restrict the time. I have not the time.

In the country banks 12 per cent of the deposits are required to be kept as reserve, and 5 per cent of time deposits, but practically 12 per cent; and we required that for the first 36 months 5 per cent should be kept in the vaults of the banks, and after the first 36 months 4 per cent of the reserves should consist of lawful money, kept in the vaults of the banks. We provided that 2 per cent of the reserve must be deposited in the Federal reserve bank, and we left to the country bank the option of depositing the other 5 per cent with the Federal reserve bank or with a reserve city bank, I believe, or keeping it in their own vaults.

The country banks now have an option on more than one-third of their reserves, but they are required to keep 5 per cent in their vaults. Why? In order that people may have confidence in the bank, confidence that it has some money. The moment that you advertise to the country that a bank does not have to keep any money on hand, it is rather difficult for it to acquire the confidence which is necessary in order to obtain deposits.

We did the same thing with respect to the reserve city banks. We required that they should keep 6 per cent out of 15 per cent reserve in their vaults. That is, the reserve city banks are required to have 15 per cent of their deposits as reserve, and 6 per cent of that under the law must be kept in their own vaults, and the large central reserve cities are required to keep 18 per cent reserve, of which 6 per cent must be kept in their vaults. That is not a very onerous requirement for safety, that in making these transfers to the Federal reserve bank the banks shall keep some money in their own vaults, and when they run below that it is their business to require some lawful money to be kept on hand as a reserve.

Now, this proposition is to absolutely do away with those requirements. Under this proposition no bank is required to keep any money on hand at all. It would be required to have the reserve just as it is now, but it does not need to keep any of it in its own vaults. It may deposit it all in the Federal reserve bank, while under the bill in form it is left optional with the banks. As stated by the gentleman from Arkansas [Mr. WINGO], it is the announced intention of the Federal Reserve Board—and I think I do not do injustice to the Federal Reserve Board when I say that Mr. Warburg constitutes the board—it is the announced intention of the Federal Reserve Board to bring pressure to bear upon these banks throughout the country to force them to deposit all of their reserves in the Federal reserve banks.

In other words, while the country banks all over the country will be required otherwise to keep some money in their vaults, it is the purpose of this bill to authorize the Federal Reserve Board to have the power, which they intend to exercise, to force all the legal money of the country to be transferred to 12 cities in the country. Of course that is pyramiding reserves, because the Federal Reserve Board banks are not required to keep this money on deposit. They are required to keep only 35 per cent of it on deposit; and while a country bank now keeps 5 per cent of legal-tender money as reserves under the Federal reserve law, under this bill it will deposit that 5 per cent in the Federal reserve bank, and that bank will keep only 35 per cent of that, so there will be less than 2 per cent of real money kept there. Now, you can go on pyramiding reserves, in the way of inflation, for a long time, sometimes, but in the end you meet the crash. Why, gentlemen seem to think that getting more money out, or making a gold basis so that you can take in more securities, will add to the comfort of the people. We have issued $300,000,000 or more of emergency currency within the last two months, and meanwhile credit is steadily going down; and if you pass this bill and it becomes a law at the time when you are changing the system of handling money—from the banks to the Federal reserve banks—the result will be that the depositors of the country will go to their banks and ask for money and money will not be obtainable, not even the emergency currency. There is not the possibility of printing the emergency currency or Federal reserve bank currency to meet all of the demands of the country without credit, and credit is destroyed when people are afraid they can not get their money from the banks.

Mr. KORBLY. I should like to have the gentleman yield to me a minute to ask him a question.

Mr. MANN. I shall be very glad to yield.

Mr. KORBLY. Will the gentleman explain how it is that the State banks of Illinois manage to have on hand enough money to meet their demand obligations from day to day, when the State of Illinois has no fixed reserve requirements?

Mr. MANN. I can explain it very easily. There is not a State bank in Illinois that does not either keep on hand a large reserve in its vaults or keep on hand in the vaults of the national bank next door a large reserve of cash.

Mr. KORBLY. Not under the law of the State.

Mr. MANN. The gentleman does not know either the law or the facts in Illinois, and I know both.

Mr. KORBLY. The law of Illinois does not require a fixed reserve, and the gentleman knows I am right about it.

Mr. MANN. It does not make any difference what the law of Illinois requires. No bank can live there at all, no bank can obtain credit, unless the people know that it has a reserve in its own vaults or in the vaults of the national bank next door.

Mr. KORBLY. Then the people of Illinois are willing to trust the Illinois bankers to take care of that situation.

Mr. MANN. The people of Illinois have been trying for a long time to amend the banking laws of Illinois, but I regret to say they have not been very successfully amended up to date. But the solidity of the State banks all over the country depends largely upon the reserve requirement as to the national banks. The people know that the national banks are required to keep some money in their vaults, and they are all correspondents of the State banks. You propose now to fix it so that neither the State banks nor the national banks shall have any money. All they will have will be the right to call on somebody else for money. That will not meet the situation. If you pass this bill, you will regret it. It will not aid the South. Of course, the gentleman makes the plea that it will aid the South. The purpose of this bill, in the first place, was to take care of the stocks and bonds which the Federal Reserve

Board was afraid were going to be dumped on this country from Europe, and that may be a legitimate reason for desiring it.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. GLASS. Mr. Speaker, I think the gentleman from New York [Mr. PAYNE] has a total misconception of this bill if he thinks it was designed exclusively to aid the South, and I was very unhappy in my presentation of the matter if I produced the impression that it was so designed. We have just had presented some remarkably inconsistent criticisms of the bill, the gentleman from New York [Mr. PAYNE] saying it was designed to aid the South, which should work out its own salvation, and my friend from Arkansas [Mr. WINGO] contending that it will not aid the South, but was primarily designed to supply the gold demands of New York bankers, to enable them to meet their European obligations. As a matter of fact, the bill was not designed to aid exclusively any section of the country. It was reported by an almost unanimous vote of the Banking and Currency Committee, the member of the committee from New York voting for it. I merely pointed out the fact that it would aid the cotton credits of the South to pass this bill, which is not a currency measure, but a banking measure. The South already has ample currency. What it needs is extended credit facilities.

Mr. SHERLEY. Will the gentleman yield?

Mr. GLASS. Yes.

Mr. SHERLEY. I do not want to embarrass the gentleman, and if he had rather I would not I will not interrupt him.

Mr. GLASS. It is no embarrassment to be interrupted.

Mr. SHERLEY. I simply wanted to ask the gentleman the question if his currency is not predicated upon a credit basis?

Mr. GLASS. That is true; but credit not always or largely on a currency basis.

Mr. SHERLEY. If you get credits unwisely extended, do you not to that extent impair the solvency of the currency that is based upon it?

Mr. GLASS. That is true; but I think the credit basis here proposed is not, under the circumstances, unwise.

While I am entitled to be acquitted of ever having introduced politics into the discussion of banking and currency topics, I think I have occasion just now to congratulate the country, if what my Republican friends have said about this bill is true, that it escaped a Republican currency system. I will remind the gentleman from Illinois [Mr. MANN] and my friend from New York [Mr. PAYNE] that the Monetary Commission, dominated by Senator Aldrich, of Rhode Island, appointed by a Republican Vice President and a Republican Speaker of this House, not only proposed to permit the banks to divest themselves of all reserve funds and to deposit them in one single central bank, but it went desperately further and provided that the notes of the central bank might be used by individual banks for reserve, thereby affording possibilities of inflation amounting to the enormous sum of $6,000,000,000. They proposed these things not as temporary expedients, as we propose this for a period of three years to meet an exigency, but as a permanent part of our national banking and currency system. If we are suggesting inflation, in heaven's name what would you call the thing proposed by this Republican Monetary Commission?

Mr. Speaker, I reserve the balance of my time in order that we may vote on the amendment.

The SPEAKER pro tempore (Mr. SHERLEY). The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 11 of the Federal reserve act is hereby amended by adding at the end thereof the following paragraph:

"The Federal Reserve Board shall have power to permit member banks to carry in the Federal reserve banks of their respective districts any portion of their reserves now required by section 19 of this act to be held in their own vaults."

Mr. WINGO. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. WINGO. Mr. Speaker, do we consider the bill for the purpose of amendment by paragraph or by the whole section?

Mr. MANN. Mr. Speaker, I ask unanimous consent that the whole bill may be read and be subject to amendment.

The SPEAKER pro tempore. The gentleman from Illinois asks unanimous consent that the entire bill be read for amendment. Is there objection?

There was no objection.

The SPEAKER pro tempore. The Clerk will read.

The Clerk read as follows:

That section 16 of the Federal reserve act is hereby amended by adding at the end thereof the following paragraph:

"The Secretary of the Treasury is hereby authorized to devise and put into operation a system of clearances of national-bank notes between the Treasury, the Federal reserve banks, and the member banks, and for that purpose to designate Federal reserve banks as agents of the United States."

First committee amendment:

"Page 1, line 3, strike out the word 'eleven' and insert in lieu thereof the word 'nineteen.'"

The SPEAKER pro tempore (Mr. GARRETT of Tennessee). The question is on agreeing to the committee amendment.

Mr. MANN. Mr. Speaker, I would like to ask the gentleman from Virginia why the number of the section should have to be changed from 11 to 19. It seems to me that anyone reading the Federal reserve act ought to have been able to read the act correctly, so as to get the correct section that is to be amended.

Mr. BULKLEY. Mr. Speaker, I think I can explain that in a moment. The bill as it passed the Senate provided that the Federal Reserve Board should have the power to permit the banks to make this shift in their reserves. Being an additional power to be given to the Federal Reserve Board, the Senate proposed that it should be added to section 11, which deals with the powers of the Federal Reserve Board. The House Committee proposed an amendment striking out the discretion of the Federal Reserve Board, and leaving the matter to the initiative of the individual banks, and therefore thought that the matter might be more appropriately added to section 19 of the act, which deals with reserve requirements.

Mr. MANN. Mr. Speaker, it is a peculiar thing that when you come to amend an important act like the Federal reserve act the Senate proposes that the Federal Reserve Board shall have power to permit the banks to do a certain thing, and the House committee proposes that the banks shall have the power to do this same thing. What is the occasion for the amendment at all?

Mr. BULKLEY. Mr. Speaker, if the gentleman will permit, it is the judgment of the House commmittee that the banks should have the discretion themselves, rather than the Federal Reserve Board.

Mr. MANN. The banks would have just as much discretion under the Senate provision as they would have under the House provision.

Mr. BULKLEY. I think not.

Mr. MANN. Let me see whether they would or not. The Senate provision was that the Federal Reserve Board should have the power to permit the banks to do a certain thing. That is not any different from our saying that the banks shall have permission to do that thing.

Mr. BULKLEY. But suppose the Federal Reserve Board should refuse to permit them to do it, then what discretion would the banks have?

Mr. MANN. They would not have any.

Mr. BULKLEY. Under our provision they would have complete discretion, whether the board permitted it or not.

Mr. MANN. The banks ought not to have the power to take the money out of their vaults and deposit it in the Federal reserve banks, and certainly not unless the Federal Reserve Board approved of it.

Mr. BULKLEY. Then the gentleman disagrees with the judgment of the committee on a matter of policy; but the subject matter of the amendment is so changed by the House committee amendment that it should be attached to another section of the act, and that is why the number of the section is changed.

Mr. MANN. I do not see any reason for the amendment yet. The gentleman may have given a very good reason, but I have not seen it. Of course I am opposed to either provision, but I would a good deal rather the Senate provision prevailed than the House provision. Under the Senate provision there was at least an additional safeguard, that the taking of all of their money out of their own vaults was not to be permitted unless the Federal Reserve Board by regulation permitted it. You let every country bank take the money out—have no legal tender of any kind in its vaults.

Mr. SHERLEY. Mr. Speaker, I shall not attempt to delay the House by any lengthy statement, even were it permissible under the rule, touching this bill, but I can not give my consent to it because I am unconvinced that there is any need for the issue of additional currency or additional facility for credits at this time, and the real purpose of this bill must be that. One of the reasons that it is desired to get the gold or lawful money out of the member banks into the regional reserve banks is that 65 per cent of it may be made the basis for the issue of additional currency. Now, I agree thoroughly with what the gentleman——

Mr. KORBLY. Will the gentleman yield?

Mr. SHERLEY. For a moment.

Mr. KORBLY. The deposit with the Federal reserve banks would be used for the creation of an account against which the member bank could check.

Mr. SHERLEY. I understand; but the Federal reserve banks could not issue currency on that sum unless it was there—could not issue currency against it if it was in the member bank instead——

Mr. KORBLY. It could not create a checking credit, either.

Mr. SHERLEY. I understand they check against it, and to that extent it may not be left to the regional reserve banks for the purpose of currency; but one of the reasons for this bill is to give an enlarged basis for the issue of currency. Is not that true?

Mr. KORBLY. No.

Mr SHERLEY. I put it to the gentleman, is not the purpose of this bill to give to the Federal reserve banks a larger sum of lawful money or gold that may be made the basis for the issuing of additional currency?

Mr. KORBLY. No.

Mr. SHERLEY. What is the purpose?

Mr. KORBLY. It is for the purpose of enabling them to further extend credits.

Mr. SHERLEY. How do they extend credits? They may extend them by issuing the currency.

Mr. KORBLY. They also may do it by establishing a credit or deposit account against which the member bank may check.

Mr. SHERLEY. But they can only give credit on the basis of this money which is placed there.

Mr. KORBLY. They can take the gold and use it as the 40 per cent of the reserve required against the outstanding demand obligations. This demand obligation is not a note—not a Federal reserve note. The member bank gets credit for 100 per cent of the value of commercial paper, provided the Federal reserve bank has 40 per cent gold in its vaults.

Mr. SHERLEY. Unquestionably; but when it comes to paying the credit that has been given to the banks they have to pay through the notes they issue or the actual money they have there. Now, the gentleman in charge of the bill has repeatedly stated that the purpose was to enable the increase of currency that might be issued, or I so understood him.

Mr. KORBLY. I want to say for my part, and I think I am saying it on behalf of the chairman of the committee, that he expressly denies having said that, and he does not want to be understood as saying this bill has expansion for its purpose. The bill purposes greater credit facilities and not necessarily current credit facilities, otherwise called Federal reserve notes.

Mr. SHERLEY. Whether that be the purpose, that is not the result. The result would be to increase the power of the Federal reserve banks to issue currency and place this reserve in their banks instead of the member banks. Now, what I desire to say to the gentleman from Indiana is this: It is true that you may have a sound bank without the requirement of any reserve, but the reason we have reserve requirements is to compel, at least to the extent of the reserves sound banking——

Mr. GLASS. I would like to ask the gentleman if it is not a fact that there is no legal requirement of reserves in England or in Canada?

Mr. SHERLEY. I will say to the gentleman frankly the need of a reserve depends a good deal upon the character of a people. Now, the character of the American people is and always has been such as to make their banking go to a point sometimes of extreme danger. I do not consider that it is desirable to give to the banks, without any check such as a reserve placed upon them, the power to go ahead in what they may conscientiously believe to be a proper and safe giving of credits. The danger in America right now, as a result of the war, is not so much dear money as it is that we will go into an era of loose credits, where money will be loaned on inadequate security and where your currency, based as it is in a measure upon credits, will be weakened by the very character of the credits that have been granted.

Mr. GLASS. For that very reason, Mr. Speaker, I do not believe the English or Canadian system could be wisely applied to the United States, and for that very reason I believe in a fixed legal reserve requirement. I agree with the gentleman that it has a tendency to restrain, and because of that we included it in the Federal reserve act——

The SPEAKER. The time of the gentleman has expired.

Mr. MANN. I ask unanimous consent that the gentleman from Kentucky have five minutes additional.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none.

Mr. SHERLEY. In answer to the gentleman, I simply say this: The very reason that it is considered necessary to pass this law now, to do away with the reserve requirement, is because the authors of the recent banking laws believed that a reserve is a desirable thing.

And the very indication that it is still the opinion of the distinguished chairman is the fact that he has put a limitation upon the life of this very provision that he proposes to enact into law.

Mr. GLASS. As a matter of fact, the chairman of the committee, as a member of the conference committee, threw out the Senate proposal to make this a permanent provision of the reserve act, and the chairman of the Banking and Currency Committee is now opposed to making it a permanent provision of the Federal reserve act. This is simply a temporary expedient, and it does not do away with reserves. It simply transfers reserves from one point to another.

Mr. SHERLEY. I understand; but the gentleman's statement narrows the question right down, and there is where I wanted to bring it. Is there such a condition in America now as to warrant us in disregarding what we believe and what the gentleman states he believes as to the wisdom of the present law in keeping the reserve in the member banks? That is the concrete situation with which this House is confronted. Your danger is not that you will not be able to give enough credit, but your danger now in America is that under stress and pressure you will give unwise credit, and I am not willing to lend myself to a medium by which that can be done more easily.

Mr. GLASS. In my judgment there is now a condition in this country which calls for this remedy, and but for that I would not advocate it, even as a temporary expedient. It is the unanimous opinion of the Federal Reserve Board, after carefully considering this proposition, that conditions are such as make such legislation not only desirable but almost essential to enable the Federal reserve system to cope with the situation that now confronts the country.

Mr. SHERLEY. If that be true, how does it square with the statement of the gentleman that the banks have not now taken full advantage of their opportunities under the Vreeland-Aldrich Act?

Mr. GLASS. The gentleman simply confuses the measure designed to amplify credits with a proposition to increase the volume of currency.

Mr. SHERLEY. Oh, no; I do not.

Mr. GLASS. There is no more currency needed in the country, and there is a great deal of credit needed in parts of the country.

Mr. SHERLEY. But the gentleman wants to recognize that a bank having facilities to increase its currency under the Vreeland-Aldrich Act to that extent would have an opportunity to enlarge its credits.

Mr. GLASS. Even if that were so, which I question, I can readily see why a bank that would not take out the Vreeland-Aldrich emergency currency might want to take out the credits permitted to it under this bill.

Mr. SHERLEY. Why, of course; because in one case there is a liability on the bank in the way of interest and in the other there is not.

Mr. GLASS. Still, in the other case there is a gold reserve of 40 per cent required, and a secondary reserve of commercial paper of 100 per cent; not applicable to the emergency currency; and, besides, they pay interest on rediscounts.

Mr. SHERLEY. I understand they pay interest on rediscounts——

Mr. GLASS. And it is within the power of the Federal Reserve Board to initiate such rediscount rates as will make it impossible to inflate the credits or the currency.

Mr. SHERLEY. That may be; but it is possible that the Federal Reserve Board may be infected as the banks may be, as to the character of credit.

Mr. GLASS. I do not think that is likely.

Mr. SHERLEY. In times of stress there is a tendency, particularly among a people constituted as we are, believing in the future of our country, to overestimate the soundness of the collateral on which credit is given.

Mr. GLASS. Then, what does my friend think of the proposition made by the Monetary Commission, under the lead of Mr. Aldrich, when there was no emergency, to not only transfer all the reserves of the banks to a central reserve bank, but to permit the notes of that bank to be used as reserve in the individual banks?

Mr. SHERLEY. I thought it was so bad that I was not willing to support it.

The SPEAKER. The time of the gentleman from Kentucky [Mr. SHERLEY] has again expired. The question is on agreeing to the first amendment.

The question was taken, and the amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment No. 2: Strike out lines 6 and 7, on page 1, and substitute the following: "For a period of 36 months after the Secretary of the Treasury shall have officially announced the establishment of a Federal reserve bank in any district as provided in section 19 of the Federal reserve act."

The SPEAKER The question is on agreeing to the amendment.

Mr. MANN. Mr. Speaker, I did not hear all of the speech of the gentleman from Kentucky [Mr. SHERLEY]. Of course, the purpose of this bill is to increase the amount of gold in the Federal reserve banks, to take it out of the member banks and put it into the Federal reserve banks. There is no controversy about that. The question arose as to whether the effect of it was largely to increase the power to issue Federal reserve notes. I understood the gentleman to say that was not the purpose of the bill.

Mr. GLASS. Yes; but I did not say it might not be the effect of the bill.

Mr. MANN. I understand. The gentleman from Indiana [Mr. KORBLY], with a great deal of éclat, said that the gentleman from Virginia denied that that was the purpose of the bill. Well, the purpose of the gentleman from Virginia might be one thing, but what the purpose of the bill is must appear on the bill. Here is the language of the law:

Every Federal reserve bank shall maintain reserves in gold or lawful money, not less than 35 per cent against deposits, and reserves in gold of not less than 40 per cent against its Federal reserve notes in actual circulation—

And so forth.

So the purpose of the bill is the effect of the bill, and the effect of the bill is to increase the power to issue additional Federal reserve notes by hundreds of millions of dollars.

No more disastrous proposition could be offered to the country at this time.

Mr. KORBLY. Will the gentleman yield?

Mr. MANN. Yes.

Mr. KORBLY. The gentleman knows very well that the Federal reserve banks will have credits issued by member banks of vast sums of money that may be converted into Federal reserve notes at the option of the member banks, so that there is no restriction in the law now that will prevent member banks from getting all the Federal reserve notes they may want or desire without this amendment being at all necessary to enable them to get it.

Mr. MANN. I do not agree with the gentleman at all as to how much money they may desire. Under the present law the banks can not obtain emergency currency without putting up good security. It is true you are trying to change that law so that you will not require very good security, but that change has not been made.

Mr. GLASS. Does the gentleman say that the obligations of the business men of the United States are not as good security as certain stocks and bonds?

Mr. MANN. I certainly say that commercial paper is not as good as municipal and State bonds, and certainly not as good as United States bonds.

Mr. GLASS. Why, it is infinitely better.

Mr. MANN. Well, I am willing to go to the country on that proposition at any time as to commercial paper. That is the whole basis of the gentleman's theory. That is the real defined issue and the line of cleavage here. The gentleman believes, and is trying to enact into law, that commercial paper is better security for currency issued than the solid stocks and bonds of the municipalities and States of this country.

Mr. GLASS. The gentleman knows very well that the bankers of the United States and the business men of the United States take my side of that controversy.

Mr. MANN. Oh, I have been engaged in this controversy on this side for many long years. The business men of the country are not on the side of the gentleman at all.

Mr. GLASS. The Monetary Commission was, and that was headed by Mr. Aldrich.

Mr. MANN. Well, let the gentleman go ahead. I will wait.

Mr. GLASS. I beg the gentleman's pardon.

Mr. MANN. I am not criticizing him. I am willing that the gentleman shall finish his statement.

Mr. GLASS. I do not want to do it without the cheerful permission of the gentleman.

Mr. MANN. The gentleman has my cheerful permission.

Mr. HENRY. Mr. Speaker, will the gentleman yield?

Mr. GLASS. I was proceeding to say that so great a financier as Mr. Aldrich, as well as those associated with him on the Monetary Commission, certainly took that view of the matter, and their scheme was approved unanimously by the American Bankers' Association, there not being one dissenting vote.

Mr. MANN. I have no doubt that the gentleman from Virginia may have been converted in favor of the Aldrich monetary scheme. There were some good things about it, but I never fully subscribed to it myself.

Mr. HENRY. Mr. Speaker, will the gentleman yield right there?

Mr. GLASS. I took the good in the Aldrich proposal and left out the bad.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. MANN. Mr. Speaker, may I have five minutes more? I did not get a chance to state one sentence without interruption.

The SPEAKER. The gentleman from Illinois [Mr. MANN] asks unanimous consent to proceed for five minutes more. Is there objection?

There was no objection.

Mr. MANN. Every time some matter comes up some gentleman says, "Why, that was in the Aldrich monetary scheme." [Laughter on the Republican side.] Nobody ever adopted that feature except the Monetary Commission, and while the Monetary Commission reported favorably upon it, not one of them, so far as I know, really wanted to have the Aldrich-Vreeland bill enacted into law.

Mr. GLASS. The American Bankers' Association unanimously indorsed it.

Mr. MANN. I understand; and yet nearly every bank that I know of protested against various provisions in it to me.

Mr. HENRY. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman yield?

Mr. MANN. Yes.

Mr. HENRY. I do not think the gentleman from Illinois understood correctly the statement of the gentleman from Virginia. I do not believe the gentleman from Virginia meant to convey the idea that he stands squarely with Senator Aldrich on this currency question.

Mr. MANN. Well, I will not say he did. But every time a question is raised by me, the gentleman from Virginia attempts to convince me by stating that he and Senator Aldrich were together on the proposition. [Laughter on the Republican side.]

Mr. GLASS. "The gentleman from Virginia" was trying to indicate that he was not afraid to accept what was good in the bill of the Monetary Commission simply because Senator Aldrich's name was attached to it. He was willing to take the good and leave out the evil. That is precisely what happened.

Mr. MANN. Personally I would rather discuss the proposition itself than discuss the question of whether somebody was for or against it. I was discussing the section of this bill. In the first place it does give some added credit by enlarging the power of the Federal reserve bank to discount the paper of the member banks. That is true; and then, in addition to that, it gives the Federal reserve bank a large sum of pyramid reserves—gold, pyramided gold—upon which it can issue Federal reserve notes; a dangerous proposition.

Gentlemen may say, "Maybe they will not exercise it." I think that the strain is likely to come where everything that can issue currency will issue currency, and if we can not withstand the strain here in Congress it need not be expected that the banks will withstand the strain. They are not asking that they should have the right, but if they have the right, with customers coming to them and calling attention to their right, they are apt to issue this currency. If we could restrict the currency to-day and add to the credit, I believe we could add $10 in credit for every $2 of currency that we could restrict. Gentlemen who have other views believe that if we can add $10 in currency we may not restrict the credit. It is impossible, Mr. Speaker, in our day to add largely to the emergency currency or anything of that nature and keep credit good.

Some gentleman awhile ago stated that the Bank of England refused to pay gold. I saw that statement in a newspaper. Then I read the statement of Mr. Paish—if that is his name—the other day, quoted in the paper, that the Bank of England had not refused to pay gold on check at any time in this trouble. One trouble with our country is that we have been afraid to pay our debts to Europe. If we would send over and pay the gold we owe to Europe we might reestablish our credit. But what the financial interests are all afraid of is that because our credit is impaired, because we have not been willing to pay our debts in gold, the Europeans holding our stocks

and bonds will be afraid to hold them and will dump them upon us.

Mr. GLASS. Does not the gentleman concede that this bill will make it easier for us to pay our debts in gold? In fact, my friend from Arkansas [Mr. WINGO] says that is the design of the bill.

Mr. MANN. I think the bill would make it easier to pay the gold over in Europe, and if that were all it would do I would be perfectly willing to vote for it. But I am not willing to pay gold to Europe and at the same time destroy the credit of the local country banks to the American people at home. [Applause.]

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The clerk will report the next committee amendment.

The Clerk read as follows:

Amend, on page 2, in line 3, by striking out the word "to" and inserting the word "may."

The amendment was agreed to.

CORRECTION OF ERRORS IN PENSION BILLS.

The SPEAKER. The other day the House passed an omnibus House joint resolution (H. J. Res. 361) correcting mistakes in some pension bills. After that the House passed House joint resolution 375, which included one item that was in the omnibus resolution. Afterwards the House passed a request to the Senate to send back House joint resolution 375, but the Senate had already passed it. The Chair thinks the best way out of it is, by unanimous consent, to direct the enrolling clerk not to enroll House joint resolution 375.

Mr. MANN. It is over here now. Would it not be well to lay it on the table?

The SPEAKER. The Chair thinks so; and, if there be no objection, House joint resolution 375 will be laid on the table.

There was no objection.

Mr. FITZGERALD. Whether it is in order or not, it is done.

COTTON AND TOBACCO.

The SPEAKER. Has any gentleman any amendment he wants to offer to this bill which we have been debating, S. 6505?

Mr. PLATT. I have an amendment.

The SPEAKER. The gentleman from New York [Mr. PLATT] has an amendment which the Clerk will report.

The Clerk read as follows:

On page 2, after the word "States," insert a new section, as follows: "Line 2 of paragraph 3 of section 16 of the Federal reserve act is hereby amended by striking out the word 'thirty-five' and inserting in lieu thereof 'fifty.'"

Mr. BULKLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BULKLEY. How much time remains for debate?

The SPEAKER. Six minutes.

Mr. WINGO. Reserving a point of order, to what part of the bill does the gentleman offer his amendment?

Mr. BARTLETT. Line 14, page 2.

Mr. PLATT. At the end of line 14, on page 2, to insert a new section.

Mr. WINGO. You add something to it, do you?

Mr. PLATT. I add something to it—a new section increasing the reserves against deposits in Federal reserve banks. Mr. Speaker, the only serious objection in my mind to this bill allowing national banks to keep all their reserves in the Federal reserve banks is that it does not at the same time increase the required reserves of the Federal reserve banks. According to the Federal reserve act, on page 17, the Federal reserve banks are required to keep only 35 per cent reserve against deposits. Here by this bill we permit the country banks, or member banks, to keep all their reserves in the Federal reserve banks, but we do not increase the required reserve of the Federal reserve banks themselves in proportion. If we increase it from 35 per cent to 50 per cent, I can see no objection to this bill. It is a radical departure from American banking ideas, but is in accordance with European practice. The individual banks there do not keep large reserves in their own vaults, and are not generally required by law to keep any. In fact, they keep no more than just what is necessary for till money. For instance, English banks know that they can go to the Bank of England at any time, if their credit is good, and get money. They keep their reserves on deposit in the Bank of England. As I understand it, it is the expectation of the Federal Reserve Board that if this act is passed it will apply largely to the big city banks.

For instance, a bank in New York City having a great big stock of gold in its vaults and finding it a nuisance will take out that gold and send it to the Federal reserve bank, which will then have to count it and care for it, and it will not be a care to the individual bank. Probably most of the country banks will not do it, but a good many of the city banks will, and it will give the Federal reserve system a chance to organize with a good-sized pool of gold, whereas, divided up as it is, it will have no such chance. I think that is the greatest blunder and the greatest mistake of the Federal reserve system, that it is divided up into 12 banks, for none of them can organize so as to look like more than 30 cents in such an emergency as the present. The New York City Reserve Bank will organize with only $3,300,000 capital in the face of the fact that the National City Bank has $25,000,000 capital and $25,000,000 surplus. The deposits in the Federal reserve banks will be only a little over $100,000,000, which is not enough to amount to anything in a big city, like New York. This bill is intended to permit the National City Bank, the Bank of Commerce, and other big banks to put all their gold in the Federal reserve banks, so as to make it look like a big bank, which it ought to be.

Mr. GLASS. Make it look like it would at the end of the three years provided by the Federal reserve law.

Mr. PLATT. Yes; make it look as it would at the end of three years, and make it look as it would if there were only 4 banks instead of 12.

Mr. MANN. I understand the gentleman's amendment is designed to minimize the evils of the bill.

Mr. PLATT. Yes; to increase the reserve required to be kept by the Federal reserve banks. If this amendment is adopted, I shall have no objection to the bill.

Mr. TOWNSEND. Mr. Speaker, may we have the amendment reported again?

The SPEAKER. If there be no objection, the amendment will be again reported.

The Clerk read the amendment again.

Mr. WINGO. Mr. Speaker, I move to strike out all after the enacting clause down to and including the word "vaults," in line 5, page 2. That would strike out the shifting of reserves provisions of the bill.

Mr. PLATT. There is an amendment pending.

Mr. WINGO. Mr. Speaker, in the short time that I have, of course I can not discuss some things that I would like to. Before I forget it, I want to say——

The SPEAKER. Does the Chair understand that this is an amendment to the amendment of the gentleman from New York?

Mr. WINGO. Oh, no; I am advised that that same amendment is already pending.

Mr. MANN. The gentleman has the right to offer an amendment whenever he gets the floor, under the rule.

Mr. WINGO. Mr. Speaker, I want to take advantage of this occasion to say this, and I have thought of doing it for several days: I think the man who undertakes now to question either the integrity of the credit of this country or of the United States Treasury is either unpatriotic or very ignorant of the true conditions that exist. The United States Treasury to-day is stronger than it has ever been in the history of this Government. It has more gold piled up in its vaults than it has ever had before. I deny that the people of this country or that the people of any nation have any doubt as to either the condition of the Treasury of the United States or the soundness of the credit of this country. I think that the United States will meet every obligation to the letter of that obligation. I think we will maintain our financial integrity at home and abroad; and I repeat that that man, however high his station in public life, who undertakes for political purposes, whether he be a Democrat or a Republican, to raise any doubt as to the ability of the United States Treasury to meet every demand upon it is unpatriotic and should be driven from public life.

A word now as to the fixed reserves. If you are opposed to fixed reserves, then, of course, you can vote for this bill. If you believe in fixed reserves, you will not vote for it. It is said that an honest bank does not need any fixed-reserve law. That is true. An honest official does not need to give a bond, but bonds are required of certain officers, to which the honest official does not object. The safe, careful, and legitimate banker does not need any law to make him maintain a reserve. He will maintain that reserve which experience shows him is necessary; but a reserve clause in the law is necessary to protect the depositors and the public against unwise, extravagant, and reckless bankers, and that is the reason why you have a fixed reserve requirement in the law. In conclusion I desire to say that this is the most important bill that has been considered here since we passed the currency act. The bold purpose of it is to rob the country banks of their lawful money and let them use the "chips and whetstones," so to speak, of currency to meet the demands of their depositors. If you want to have them do that, then vote for the bill.

The SPEAKER. The time of the gentleman from Arkansas has expired. All time has expired. The question is on the amendment offered by the gentleman from New York [Mr. PLATT].

The question was taken; and on a division (demanded by Mr. PLATT) there were—ayes 21, noes 58.

So the amendment was rejected.

The SPEAKER. The question is on agreeing to the amendment offered by the gentleman from Arkansas.

Mr. MANN. Mr. Speaker, I ask unanimous consent to have that amendment again reported.

The SPEAKER. Without objection, the Clerk will again report the amendment.

There was no objection, and the Clerk again reported the amendment offered by the gentleman from Arkansas [Mr. WINGO].

The SPEAKER. The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. BULKLEY) there were—ayes 31, noes 51.

Mr. MANN. Mr. Speaker, I ask unanimous consent that we may have tellers.

The SPEAKER. The gentleman asks unanimous consent for tellers. Is there objection?

Mr. GLASS. Mr. Speaker, I hope the gentleman will let us get through with these bills.

Mr. MANN. Of course, Mr. Speaker, there are not enough Members here to get tellers under the rule in all probability. I do not desire to make the point of no quorum, and I do not expect to make it myself at this time.

The SPEAKER. The gentleman from Illinois asks unanimous consent that tellers be appointed.

Mr. MANN. I shall not make the point of no quorum anyway.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none, and the Chair appoints the gentleman from Virginia [Mr. GLASS] and the gentleman from Arkansas [Mr. WINGO] to act as tellers.

The House again divided; and the tellers reported—ayes 27, noes 55.

So the amendment was rejected.

The SPEAKER. The question is on the engrossment and third reading of Senate bill 6398.

Mr. WINGO. Mr. Speaker, I desire to offer a motion to recommit.

The SPEAKER. This is not the proper time to do that. The question is on the third reading.

The question was taken; and on a division (demanded by Mr. BULKLEY) there were—ayes 63, noes 23.

Mr. MANN. Mr. Speaker, I make the point of order that there is no quorum present.

Mr. FITZGERALD. Mr. Speaker, will the gentleman withhold that for a moment?

Mr. MANN. No. I can not withhold it without losing my right.

Mr. FITZGERALD. Oh, yes; the gentleman can.

Mr. MANN. No; I can not. The gentleman knows that as well as I do.

The SPEAKER. The gentleman from Illinois makes the point of order that there is no quorum present.

Mr. FITZGERALD. Mr. Speaker, pending the announcement of the vote——

Mr. MANN. But the vote has been announced, and I have made the point of no quorum. There is no way that I can withdraw that without having the vote stand.

Mr. FITZGERALD. I ask unanimous consent that the gentleman may withhold it.

Mr. MANN. I warned the gentleman a while ago.

The SPEAKER. If the gentleman from Illinois will give me a moment, the Chair will preserve his rights to make the point of no quorum if he will withdraw the point until the resolution which the gentleman from New York desires to have passed, which ought to be passed, is acted upon.

Mr. MANN. Then I withdraw the point of no quorum.

OCTOBER SALARIES OF HOUSE AND SENATE EMPLOYEES.

Mr. FITZGERALD. Mr. Speaker, I ask unanimous consent that the Speaker lay before the House Senate joint resolution 200, and that we may consider it at this time, together with the amendment which I send to the Clerk's desk.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Joint resolution (S. J. Res. 200) authorizing the payment of October salaries to officers and employees of the Senate and House of Representatives on the day of adjournment of the present session.

Resolved, etc., That the Secretary of the Senate and the Clerk of the House of Representatives be, and they are hereby, authorized and instructed to pay to the officers and employees of the Senate and House of Representatives, including the Capitol police, borne upon the annual and session rolls, their respective salaries for the month of October, 191', on the day of adjournment; and the Clerk of the House is authorized to pay on said day to Members, Delegates, and Resident Commissioners their allowances for clerk hire for said month of October.

Mr. FITZGERALD. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Amend by adding the following:

"*Provided*, That the session employees of the Senate and House of Representatives shall be paid hereunder for the entire month of October, and a sufficient sum is appropriated, out of any money in the Treasury not otherwise appropriated, for that purpose."

Mr. HAY. Mr. Speaker, I hope the gentleman from New York will not insist upon that amendment.

Mr. FITZGERALD. Mr. Speaker, the only purpose of the amendment is to permit the pages and certain session employees to obtain a full month's pay.

Mr. HAY. I understand that. In other words, the gentleman wants to pay them for what they have not done.

Mr. FITZGERALD. Let me say to the gentleman that perhaps he was not in the House earlier, when the resolution came up and the unanimous expression of opinion was that it was the desire to do this much, and for that reason the arrangement was made to offer this amendment at this time. The page boys' appropriation is an indefinite one and provides for their payment up to the day of adjournment. The feeling was that the session employees, as they go off the roll as soon as we adjourn——

Mr. HAY. I understand exactly. The gentleman is asking to pay these people for 10 days' work which they have not performed.

Mr. FITZGERALD. It is a gratuity of seven days to the session employees.

Mr. HAY. All right; I will not make an objection.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The question was taken, and the amendment was agreed to.

The Senate joint resolution as amended was ordered to be read a third time, was read the third time, and passed.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

The message also announced that the Senate had agreed to the amendment of the House of Representatives to the joint resolution of the following title:

S. J. Res. 200. Joint resolution authorizing the payment of October salaries to officers and employees of the Senate and House of Representatives on the day of adjournment of the present session.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States for his approval the following bills:

H. R. 888. An act for the relief of H. C. Hodges, H. A. Powell, John Smith, and Joseph Ridley;

H. R. 16346. An act to amend section 4131 of the Revised Statutes of the United States of America as amended by the act of Congress approved May 28, 1896, relating to the renewal of licenses;

H. R. 5474. An act for the relief of Patrick McGee, alias Patrick Gallagher;

H. R. 4651. An act to authorize the Secretary of the Treasury to sell certain land to the trustees of the charity fund of Star in the East Lodge, of Oldtown, Me.;

H. R. 17825. An act to authorize the construction, maintenance, and operation of a bridge across the St. Francis River at or near St. Francis, Ark.;

H. R. 7078. An act for the relief of Mary Macon Howard;

H. R. 17267. An act to authorize Frank H. Gardiner to construct a bridge across the waters of Pistakee Lake and Nippersink Lake at or near their point of intersection;

H. R. 11840. An act for the relief of R. G. Arrington;

H. R. 10168. An act for the relief of Leon Greenbaum;

H. R. 4405. An act for the relief of Frederick J. Ernst;

H. R. 1055. An act for the relief of T. S. Williams;

H. J. Res. 271. Joint resolution authorizing the President to appoint delegates to attend the Ninth International Congress of the World's Purity Federation, to be held in the city of San Francisco, State of California, July 18 to 24, 1915;

H. J. Res. 361. Joint resolution to correct certain errors in H. R. 12045, H. R. 12914, H. R. 13542, H. R. 14234, H. R. 14738, H. R. 15692, and H. R. 16294, and for other purposes;

H. J. Res. 331. Joint resolution relating to the awards and payments thereon in what are commonly known as the Plaza cases;

H. R. 8562. An act for the relief of Kinder & Nicol;

H. R. 1781. An act providing for the refund of certain duties incorrectly collected on wild-celery seed;

H. R. 16296. An act to provide for issuing of patents for public lands claimed under the homestead laws by deserted wives;

H. R. 4318. An act to authorize the Secretary of the Interior to cause patent to issue to Erik J. Aanrud upon his homestead entry for the southeast quarter of the northeast quarter of section 15, township 159 north, range 73 west, in the Devils Lake land district, North Dakota;

H. R. 10763. An act for the relief of Dr. L. W. Culbreath;

H. R. 14377. An act to amend section 4472 of the Revised Statutes; and

H. R. 18891. An act to increase the internal revenue, and for other purposes.

COTTON AND TOBACCO.

The SPEAKER. The gentleman from Illinois [Mr. MANN] makes the point of no quorum.

Mr. MANN. I make the point of no quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and twenty-one Members are present, not a quorum.

Mr. GLASS. Mr. Speaker, I move a call of the House.

Mr. MANN. It is an automatic call.

The SPEAKER. There is not a quorum present; the Doorkeeper will lock the doors, the Sergeant at Arms will notify absentees, and——

Mr. BULKLEY. I understand the question is on the third reading of the bill.

The SPEAKER. The question is on the third reading of the bill.

The question was taken, and there were—yeas 163, nays 49, answered "present" 3, not voting 214, as follows:

YEAS—163.

Abercrombie	Dershem	Hull	Rouse
Adamson	Dickinson	Humphreys, Miss.	Rubey
Aiken	Difenderfer	Jacoway	Rucker
Alexander	Dixon	Johnson, Ky.	Rupley
Ashbrook	Donovan	Johnson, S. C.	Saunders
Aswell	Dooling	Kennedy, Conn.	Sherley
Barkley	Doremus	Key, Ohio	Sherwood
Barnhart	Dupré	Kinkead, N. J.	Sims
Bartlett	Eagan	Kirkpatrick	Slayden
Barton	Eagle	Kitchin	Small
Beakes	Edwards	Korbly	Smith, Idaho
Bell, Ga.	Evans	Lazaro	Smith, Md.
Blackmon	Finley	Lee, Ga.	Smith, Tex.
Booher	Fitzgerald	Lesher	Sparkman
Borchers	Flood, Va.	Lever	Stanley
Borland	Floyd, Ark.	Lieb	Stedman
Brodbeck	Gard	Lloyd	Stephens, Miss.
Broussard	Garrett, Tenn.	Lobeck	Stephens, Tex.
Bruckner	Garrett, Tex.	McKellar	Stone
Brumbaugh	George	Maguire, Nebr.	Stout
Buchanan, Tex.	Gill	Montague	Taylor, Ark.
Bulkley	Gilmore	Moon	Taylor, Colo.
Burgess	Glass	Morgan, La.	Taylor, N. Y.
Burnett	Godwin, N. C.	Morgan, Okla.	Thompson, Okla.
Byrnes, S. C.	Goeke	Morrison	Townsend
Byrns, Tenn.	Goodwin, Ark.	Murray	Tribble
Candler, Miss.	Goulden	O'Brien	Tuttle
Cantrill	Gray	Oldfield	Underhill
Caraway	Hamill	Padgett	Underwood
Carew	Hamlin	Page, N. C.	Vaughan
Carlin	Hardwick	Park	Walker
Clark, Fla.	Hardy	Post	Watson
Claypool	Hay	Pou	Webb
Cline	Hayden	Quin	Whaley
Coady	Heflin	Rainey	Whitacre
Collier	Helm	Raker	White
Crisp	Hensley	Rauch	Wilson, Fla.
Cullop	Holland	Rayburn	Woods
Dale	Houston	Reilly, Conn.	Young, Tex.
Davis	Howard	Riordan	The Speaker
Dent	Hughes, Ga.	Rothermef	

NAYS—49.

Bailey	Hamilton, N. Y.	La Follette	Sinnott
Barchfeld	Haugen	Langham	Smith, Saml. W.
Butler	Hawley	Mann	Stafford
Cooper	Henry	Mapes	Steenerson
Curry	Hinds	Miller	Tavenner
Danforth	Humphrey, Wash.	Moore	Thomson, Ill.
Dillon	Johnson, Utah	Morin	Vare
Dunn	Keating	Parker	Wallin
Edmonds	Kennedy, Iowa	Patton, Pa.	Wingo
Esch	Kiess, Pa.	Payne	Witherspoon
Fairchild	Kindel	Plumley	
Falconer	Kinkaid, Nebr.	Prouty	
Farr	Kreider	Scott	

ANSWERED "PRESENT"—3.

Foster	McGillicuddy	Platt

NOT VOTING—214.

Adair	Estopinal	Kelly, Pa.	Phelan
Ainey	Faison	Kennedy, R. I.	Porter
Allen	Fergusson	Kent	Powers
Anderson	Ferris	Kettner	Ragsdale
Ansberry	Fess	Knowland, J. R.	Reed
Anthony	Fields	Konop	Reilly, Wis.
Austin	FitzHenry	Lafferty	Roberts, Mass.
Avis	Fordney	Langley	Roberts, Nev.
Baker	Fowler	Lee, Pa.	Rogers
Baltz	Francis	L'Engle	Russell
Bartholdt	Frear	Lenroot	Sabath
Bathrick	French	Levy	Scully
Beall, Tex.	Gallagher	Lewis, Md.	Seldomridge
Bell, Cal.	Gallivan	Lewis, Pa.	Sells
Bowdle	Gardner	Lindbergh	Shackleford
Britten	Garner	Lindquist	Shreve
Brockson	Gerry	Linthicum	Sisson
Brown, N. Y.	Gillett	Loft	Slemp
Brown, W. Va.	Gittins	Logue	Sloan
Browne, Wis.	Goldfogle	Lonergan	Smith, J. M. C.
Browning	Good	McAndrews	Smith, Minn.
Bryan	Gordon	McClellan	Smith, N. Y.
Buchanan, Ill.	Gorman	McGuire, Okla.	Stephens, Cal.
Burke, Pa.	Graham, Ill.	McKenzie	Stephens, Nebr.
Burke, S. Dak.	Graham, Pa.	McLaughlin	Stevens, Minn.
Burke, Wis.	Green, Iowa	MacDonald	Stevens, N. H.
Calder	Greene, Mass.	Madden	Stringer
Callaway	Greene, Vt.	Mahan	Sumners
Campbell	Gregg	Maher	Sutherland
Cantor	Griest	Manahan	Switzer
Carr	Griffin	Martin	Taggart
Carter	Gudger	Merritt	Talbott, Md.
Cary	Guernsey	Metz	Talcott, N. Y.
Casey	Hamilton, Mich.	Mitchell	Taylor, Ala.
Chandler, N. Y.	Hammond	Mondell	Temple
Church	Harris	Moss, Ind.	Ten Eyck
Clancy	Harrison	Moss, W. Va.	Thacher
Connelly, Kans.	Hart	Mott	Thomas
Connolly, Iowa	Hayes	Mulkey	Towner
Conry	Helgesen	Murdock	Treadway
Copley	Helvering	Neeley, Kans.	Vollmer
Cox	Hill	Neely, W. Va.	Volstead
Cramton	Hinebaugh	Nelson	Walsh
Crosser	Hobson	Nolan, J. I.	Walters
Davenport	Howell	Norton	Watkins
Decker	Hoxworth	Oglesby	Weaver
Deitrick	Hughes, W. Va.	O'Hair	Williams
Dies	Hulings	O'Leary	Willis
Donohoe	Igoe	O'Shaunessy	Wilson, N. Y.
Doolittle	Johnson, Wash.	Paige, Mass.	Winslow
Doughton	Jones	Palmer	Woodruff
Driscoll	Kahn	Patten, N. Y.	Young, N. Dak.
Drukker	Keister	Peters	
Elder	Kelley, Mich.	Peterson	

So the third reading was ordered.

The SPEAKER. The Clerk will note the presence of Mr. PLATT, of New York. The Clerk will call my name.

The Clerk called the name of Mr. CLARK of Missouri, and he voted "aye." [Applause.]

The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present, and the Doorkeeper will unlock the doors.

Mr. WINGO. Mr. Speaker, I offer a motion to recommit the bill.

The SPEAKER. The Clerk will report it.

Mr. BULKLEY. Mr. Speaker, has the bill been read a third time?

The SPEAKER. No. The Clerk will read the bill a third time.

The bill was read a third time.

During the reading of the bill,

Mr. MANN. Mr. Speaker, I ask for the reading of the bill in full.

The SPEAKER. The Clerk will read the bill.

The bill, S. 6398, was read in full.

Mr. WINGO. Mr. Speaker, I now offer the motion to recommit.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. WINGO moves to recommit the bill S. 6398 to the Committee on Banking and Currency, with instructions to report the same back to the House with the following amendment.

Mr. WINGO. Mr. Speaker, I am willing to dispense with the reading of it, so as to save time, if the House wishes. The bill covered by my motion is the bill that a conference of the Members of Congress from the South agreed on, with only four dissenting votes.

Mr. HAY. Mr. Speaker, I reserve a point of order.

Mr. WINGO. I will state what it is.

Mr. MANN. I think it should be read.

The SPEAKER. The Clerk will read. The gentleman from Virginia [Mr. HAY] reserves the point of order.

The Clerk read as follows:

Mr. WINGO moves to recommit S. 6398 to the Committee on Banking and Currency with instructions to report the same back to the House immediately with the following amendment:

"SEC. 3. That the Secretary of the Treasury shall deposit in national banking associations and State banks situated in States producing cotton or tobacco, or both, $250,000,000, or so much thereof as may be necessary to carry out the purposes of this act, and under the terms and conditions herein prescribed, to be loaned by said banks to the producers of cotton or tobacco, or owners of lands upon which the same was produced during the year 1914, at a rate of interest not exceeding 4 per cent per annum, upon notes having a maturity not exceeding 12 months, and legally and properly secured by such cotton or tobacco. The deposits herein authorized shall be advanced upon the terms prescribed in this act and under rules to be prescribed by the Secretary of the Treasury. The deposits herein directed to be made shall be apportioned among the several States in proportion to the value of cotton and tobacco produced therein during the year 1913, as ascertained by the Department of Agriculture.

"SEC. 4. That the Secretary of the Treasury shall make and enforce rules and regulations not inconsistent herewith for carrying out the purposes of this act. Said Secretary of the Treasury may fix the compensation for the banks for their services in lending said sums of money.

"SEC. 5. That the Secretary of the Treasury shall, in his discretion, either immediately cause to be prepared United States notes to the extent of $250,000,000 to be used for the purpose of making the deposits in compliance with this act, which said notes shall have all the legal qualities of the United States notes now outstanding, and shall be of such denominations as the Secretary of the Treasury may prescribe; or he may sell not exceeding $240,000,000 of Panama Canal bonds, heretofore authorized by law, at a rate of interest not exceeding 3½ per cent per annum, and the act or acts heretofore passed authorizing the disposition of said bonds are hereby amended so as fully to authorize the disposition and use of such bonds as herein prescribed; or, in his discretion, the Secretary of the Treasury may use both the proceeds of the bonds and the notes in order to carry out the purposes of this act, not to exceed in the aggregate $250,000,000: *Provided*, That such United States notes, should the Secretary of the Treasury conclude to issue them, deposited under this act and not used as prescribed herein, shall be returned to the Secretary of the Treasury and shall be destroyed.

"SEC. 6. That this act shall take effect and be in force from and after its passage.

"SEC. 7. That the provisions of sections 3, 4, and 5 of this act shall expire by limitation on the 31st day of December, 1915."

Mr. HAY. Mr. Speaker, I make the point of order. I observe it is the same amendment which the gentleman from Oklahoma offered and which was agreed upon by the southern Representatives.

Mr. BARTLETT. Not all of them.

Mr. HAY. Well, some of them. And the Speaker ruled it out of order. I now make the point of order.

The SPEAKER. The point of order is sustained.

Mr. HENRY. Mr. Speaker, I move to recommit the bill with instructions.

Mr. HAY. Mr. Speaker, I make the point of order. The gentleman can only make one motion to recommit.

The SPEAKER. The Clerk will report the motion of the gentleman from Texas.

The Clerk read as follows:

Mr. HENRY moved to recommit the bill S. 6398 to the Committee on Banking and Currency, with instructions to report the same with the following amendments, to wit:

"SEC. 3. That the Secretary of the Treasury shall deposit in national banking associations and in State banks situated in States producing cotton or tobacco, or both, the sum of $250,000,000, or so much thereof as may be necessary to carry out the purposes of this act. The said Secretary shall make such deposits under the terms of this act and under such rules and regulations as may be prescribed by him to carry out this act. The deposits herein directed to be made shall be apportioned among the several States in accordance with the number of bales of cotton or pounds of tobacco produced therein during the year 1913, as ascertained by the Department of Agriculture. The Secretary of the Treasury, in lieu of the securities he is now authorized or required by law to exact of the banks in which the funds of the United States are deposited, is authorized and hereby directed to accept as security for the deposits directed to be made in this act cotton warehouse and tobacco warehouse receipts, where the cotton or tobacco thereby represented has been fully insured, at a valuation that represents the fair market value of the cotton or tobacco covered by such receipts. The deposits herein directed to be made shall be made only on the condition that the banks accepting such deposits will loan the same, under reasonable terms and conditions, at a rate of interest not to exceed 4 per cent per annum, to the producers of cotton or tobacco, or the owners of lands upon which same was produced during the year 1914, and the said Secretary of the Treasury is hereby authorized to make all necessary rules and regulations concerning the terms and conditions under which these deposits shall be loaned by the banks that accept the same.

"SEC. 4. That the Secretary of the Treasury shall, in his discretion, either immediately cause to be prepared United States notes to the extent of $250,000,000, to be used for the purpose of making the deposits in compliance with this act, which said notes shall have all the legal qualities of the United States notes now outstanding, and shall be of such denominations as the Secretary of the Treasury may prescribe, and said notes shall bear interest at the rate of 2 per cent per annum from the date of their issuance and shall be payable in gold coin of the United States or its equivalent on January 1, 1916; or he may sell not exceeding $240,000,000 of Panama Canal bonds, heretofore authorized by law, at a rate of interest not exceeding 4 per cent per annum, and the act or acts heretofore passed authorizing the disposition of said bonds are hereby amended so as fully to authorize the disposition and use of such bonds as herein prescribed; or, in his discretion, the Secretary of the Treasury may use both the proceeds of the bonds and the notes in order to carry out the purposes of this act, not to exceed in the aggregate $250,000,000.

"SEC. 5. That the Secretary of the Treasury shall not require the repayment of any deposit made under the provisions of this act prior to December 31, 1915.

"SEC. 6. That when the deposits herein authorized are called in by the Secretary of the Treasury the same shall be and become a part of a special fund, to be kept and held separate and apart from the general funds of the Government, for the redemption and retirement at maturity of the Panama Canal bonds in such cases and to such extent as the proceeds of such bonds have been used to make the deposits herein provided."

Mr. HAY. Mr. Speaker, I make the point of order.

Mr. BULKLEY. I make the point of order, Mr. Speaker, that that is not germane to the bill.

The SPEAKER. The Chair will hear the gentleman.

Mr. BULKLEY. When the Rules Committee reported the rule under which we have been operating they made this proposition in order to be considered, notwithstanding the fact that it would not be germane to the bill. Now, the rule provided it should be considered as an amendment to the bill. It has been considered as an amendment and has been rejected. Now, I submit the bill is made up and this is not germane to the bill as read on the third reading.

Mr. HENRY. Mr. Speaker, I do not think it is necessary to say anything. The rule made the amendment germane, and it is still germane under the motion to recommit, according to the universal practice of the House.

Mr. MANN. Mr. Speaker, representing, as I do at present, the minority, I wish to protect the rights of the minority. When I get on the other side I may not be so anxious.

Mr. HENRY. It will be a good while before you are on the other side, though.

Mr. MANN. This is an order which made an amendment germane to the bill. The House had the right to adopt the report of the Committee on Rules by making in order an amendment to the bill, although it would not have been otherwise in order as germane. Anything that is in order on the bill is in order on the motion to recommit.

The SPEAKER. The Chair is ready to rule. This amendment would have been out of order if it had not been for the special rule, but when the special rule made it in order, notwithstanding the rules of the House and practices, as an amendment it is in order as a motion to recommit. So the point of order is overruled, and the question is on the motion to recommit.

Mr. MANN. The previous question was not made on that order to recommit.

The SPEAKER. Does the gentleman make the motion?

Mr. HENRY. I am still recognized?

The SPEAKER. The gentleman will proceed.

Mr. HENRY. I move the previous question.

Mr. BULKLEY. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. BULKLEY. Is the previous question ordered under the rule?

The SPEAKER. Not on the motion to recommit. That is a kind of separate performance. The question is on the previous question on this motion to recommit.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. MANN. I ask for a division, Mr. Speaker.

The House divided; and there were—ayes 113, noes 24.

Mr. MOORE. Mr. Speaker, I make the point of no quorum.

The SPEAKER. The gentleman from Pennsylvania [Mr. MOORE] makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and sixty-one Members are present, not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll. Those in favor of ordering the previous question on the motion to recommit will, when their names are called, answer "yea"; those opposed will answer "nay."

The question was taken; and there were—yeas 160, nays 45, answered "present" 2, not voting 221, as follows:

YEAS—160.

Abercrombie	Byrns, Tenn.	Flood, Va.	Holland
Adamson	Candler, Miss.	Floyd, Ark.	Houston
Aiken	Cantrill	Gard	Howard
Alexander	Caraway	Garrett, Tenn.	Hughes, Ga.
Ashbrook	Carew	Garrett, Tex.	Hull
Aswell	Carlin	George	Humphreys, Miss.
Bailey	Coady	Gill	Jacoway
Barkley	Collier	Gilmore	Johnson, Ky.
Barnhart	Crisp	Glass	Johnson, S. C.
Bartlett	Cullop	Godwin, N. C.	Keating
Beakes	Dale	Goeke	Kennedy, Conn.
Bell, Ga.	Dent	Goodwin, Ark.	Key, Ohio
Blackmon	Dershem	Goulden	Kinkead, N. J.
Booher	Difenderfer	Gray	Kirkpatrick
Borchers	Dixon	Hamill	Kitchin
Borland	Donovan	Hamlin	Korbly
Brodbeck	Dooling	Hardwick	Lazaro
Broussard	Doremus	Hardy	Lee, Ga.
Bruckner	Dupré	Hay	Lesher
Brumbaugh	Eagan	Hayden	Lever
Buchanan, Tex.	Eagle	Heflin	Lieb
Bulkley	Edwards	Helm	Lloyd
Burgess	Evans	Helvering	Lobeck
Burnett	Finley	Henry	McGillicuddy
Byrnes, S. C.	Fitzgerald	Hensley	McKellar

Maguire, Nebr.	Raker	Small	Townsend
Montague	Rauch	Smith, Md.	Tribble
Moon	Rayburn	Smith, Tex.	Tuttle
Morgan, La.	Reilly, Conn.	Sparkman	Underhill
Morrison	Riordan	Stanley	Underwood
Murray	Rothermel	Stedman	Vaughan
O'Brien	Rouse	Stephens, Miss.	Walker
Oldfield	Rubey	Stephens, Tex.	Watson
Padgett	Rupley	Stone	Webb
Page, N. C.	Saunders	Stout	Whaley
Park	Sherley	Tavenner	White
Post	Sherwood	Taylor, Ark.	Wilson, Fla.
Pou	Sims	Taylor, Colo.	Wingo
Quin	Sisson	Taylor, N. Y.	Witherspoon
Rainey	Slayden	Thompson, Okla.	Young, Tex.

NAYS—45.

Barchfeld	Farr	Mann	Prouty
Barton	Gardner	Mapes	Sinnott
Butler	Hamilton, N. Y.	Miller	Smith, Idaho
Cooper	Hawley	Moore	Stafford
Curry	Humphrey, Wash.	Morgan, Okla.	Steenerson
Danforth	Johnson, Utah	Morin	Thomson, Ill.
Davis	Kennedy, Iowa	Mott	Vare
Dunn	Kindel	Nelson	Wallin
Edmonds	Kinkaid, Nebr.	Parker	Woods
Esch	Kreider	Patton, Pa.	
Fairchild	La Follette	Payne	
Falconer	Langham	Platt	

ANSWERED "PRESENT"—2.

Clark, Fla.	Foster

NOT VOTING—221.

Adair	Drukker	Kelly, Pa.	Powers
Alney	Elder	Kennedy, R. I.	Ragsdale
Allen	Estopinal	Kent	Reed
Anderson	Faison	Kettner	Reilly, Wis.
Ansberry	Fergusson	Kiess, Pa.	Roberts, Mass.
Anthony	Ferris	Knowland, J. R.	Roberts, Nev.
Austin	Fess	Konop	Rogers
Avis	Fields	Lafferty	Rucker
Baker	FitzHenry	Langley	Russell
Baltz	Fordney	Lee, Pa.	Sabath
Bartholdt	Fowler	L'Engle	Scott
Bathrick	Francis	Lenroot	Scully
Beall, Tex.	Frear	Levy	Seldomridge
Bell, Cal.	French	Lewis, Md.	Sells
Bowdle	Gallagher	Lewis, Pa.	Shackleford
Britten	Gallivan	Lindbergh	Shreve
Brockson	Garner	Lindquist	Slemp
Brown, N. Y.	Gerry	Linthicum	Sloan
Brown, W. Va.	Gillett	Loft	Smith, J. M. C.
Browne, Wis.	Gittins	Logue	Smith, Minn.
Browning	Goldfogle	Lonergan	Smith, N. Y.
Bryan	Good	McAndrews	Smith, Saml. W.
Buchanan, Ill.	Gordon	McClellan	Stephens, Cal.
Burke, Pa.	Gorman	McGuire, Okla.	Stephens, Nebr.
Burke, S. Dak.	Graham, Ill.	McKenzie	Stevens, Minn.
Burke, Wis.	Graham, Pa.	McLaughlin	Stevens, N. H.
Calder	Green, Iowa	MacDonald	Stringer
Callaway	Greene, Mass.	Madden	Sumners
Campbell	Greene, Vt.	Mahan	Sutherland
Cantor	Gregg	Maher	Switzer
Carr	Griest	Manahan	Taggart
Carter	Griffin	Martin	Talbott, Md.
Cary	Gudger	Merritt	Talcott, N. Y.
Casey	Guernsey	Metz	Taylor, Ala.
Chandler, N. Y.	Hamilton, Mich.	Mitchell	Temple
Church	Hammond	Mondell	Ten Eyck
Clancy	Harris	Moss, Ind.	Thacher
Claypool	Harrison	Moss, W. Va.	Thomas
Cline	Hart	Mulkey	Towner
Connelly, Kans.	Haugen	Murdock	Treadway
Connolly, Iowa	Hayes	Neeley, Kans.	Vollmer
Conry	Helgesen	Neely, W. Va.	Volstead
Copley	Hill	Nolan, J. I.	Walsh
Cox	Hinds	Norton	Walters
Cramton	Hinebaugh	Oglesby	Watkins
Crosser	Hobson	O'Hair	Weaver
Davenport	Howell	O'Leary	Whitacre
Decker	Hoxworth	O'Shaunessy	Williams
Deitrick	Hughes, W. Va.	Paige, Mass.	Willis
Dickinson	Hulings	Palmer	Wilson, N. Y.
Dies	Igoe	Patten, N. Y.	Winslow
Dillon	Johnson, Wash.	Peters	Woodruff
Donohoe	Jones	Peterson	Young, N. Dak.
Doolittle	Kahn	Phelan	
Doughton	Keister	Plumley	
Driscoll	Kelley, Mich.	Porter	

No quorum voting.

ADJOURNMENT.

Mr. UNDERWOOD. Mr. Speaker, if the House will allow me to make a brief statement without making the point that I am speaking when there is not a quorum present, I desire to say that the President has signed the revenue bill, but the hour of 6 o'clock has passed. The Senate has failed to pass the resolution for final adjournment. It is necessary to secure a quorum to pass a new final adjournment resolution. I have just come from the Senate, and from the situation there I do not think anything can be accomplished by remaining in session longer to-night, and it seems to me there is nothing for the House to do except to adjourn until 12 o'clock noon to-morrow. Therefore, Mr. Speaker, I move that the House adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 9 minutes p. m.) the House adjourned until Friday, October 23, 1914, at 12 o'clock noon.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. FALCONER: A bill (H. R. 19394) authorizing the Secretary of Agriculture to take over, under conditions to be agreed upon by the proper officers, a certain highway through Stevens Pass, known as Cascade Highway, in the State of Washington; to the Committee on Agriculture.

By Mr. AUSTIN: A bill (H. R. 19395) to establish a fish hatchery and biological station on the Little Tennessee River, in the State of Tennessee; to the Committee on the Merchant Marine and Fisheries.

By Mr. STAFFORD: A bill (H. R. 19396) to amend the Revised Statutes of the United States exempting public vessels owned by any State or any municipality of a State from inspection of the Steamboat-Inspection Service of the United States; to the Committee on the Merchant Marine and Fisheries.

By Mr. HAYDEN: A bill (H. R. 19397) making an appropriation for the destruction of predatory wild animals; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANSBERRY: A bill (H. R. 19398) granting an increase of pension to Daniel McManawa; to the Committee on Invalid Pensions.

By Mr. AUSTIN: A bill (H. R. 19399) for the relief of Frank H. Walker and Frank E. Smith a part of whose real property was taken and is now occupied by the United States for the foundation of the west wall of the Government Printing Office, in the city of Washington, and the remainder not taken damaged by reason of the construction and operation of said printing office; to the Committee on Claims.

By Mr. BRUMBAUGH: A bill (H. R. 19400) granting a pension to Henry Blankenship; to the Committee on Pensions.

By Mr. COX: A bill (H. R. 19401) granting a pension to Sarah A. Hammond; to the Committee on Invalid Pensions.

By Mr. DONOVAN: A bill (H. R. 19402) granting an increase of pension to John Lehr; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19403) granting an increase of pension to Jane A. Dickinson; to the Committee on Invalid Pensions.

By Mr. FALCONER: A bill (H. R. 19404) granting a pension to Timothy O'Neill; to the Committee on Invalid Pensions.

By Mr. FITZHENRY: A bill (H. R. 19405) for the relief of Margaret G. Augustine; to the Committee on War Claims.

By Mr. GARRETT of Tennessee: A bill (H. R. 19406) granting an increase of pension to Pinkney Carter; to the Committee on Invalid Pensions.

By Mr. HAYDEN: A bill (H. R. 19407) for the relief of William M. Newell; to the Committee on Claims.

By Mr. HOUSTON: A bill (H. R. 19408) granting an increase of pension to Henry J. Bess; to the Committee on Invalid Pensions.

By Mr. KINKAID of Nebraska: A bill (H. R. 19409) for the relief of Simon J. Lonergan; to the Committee on Naval Affairs.

By Mr. LEE of Georgia: A bill (H. R. 19410) for the relief of the legal representatives of the estate of Benjamin Hamilton, deceased; to the Committee on War Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ASHBROOK: Memorial of McLaughlin Post, Grand Army of the Republic, of Mansfield, Ohio, favoring the passage of the Hamill pension bill; to the Committee on Reform in the Civil Service.

By Mr. BAILEY: Petitions of J. E. Hartley, M. T. Mulholem, M. L. Hamilton, H. H. Myers, Thomas C. Marks, J. M. Jackson, A. W. Britten, Joseph Gregg, W. O. Hamilton, J. B. McManing, H. M. Gregg, Charles Shafer, A. Whittaker, G. H. Zimmerman, W. H. Beers, Frank Rice, R. H. Trowell, Lanston Keith, Ambrose Hamilton, John McCall, Thomas Lake, James Lake, Leroy Davis, Isaac Kough, Arthur L. Ruttin, J. W. Chambers, Samuel McCall, Thomas H. Mills, George Ammerman, G. T. Gray, Samuel Trovell, C. J. Mulhollum, J. C. Lovell, and A. Barnhart, all of Fallen Timber, in the State of Pennsylvania, favoring national prohibition; to the Committee on Rules.

By Mr. BELL of California: Memorial of Friday Morning Club of Los Angeles, Cal., favoring peaceful settlement of international disputes; to the Committee on Foreign Affairs.

Also, memorial of West Side Dunbar Literary Society, favoring passage of the Hamill pension bill (H. R. 5139); to the Committee on Reform in the Civil Service.

By Mr. BOOHER: Petition of Ruth Phelps and 20 other citizens of Atchison County, Mo., favoring national prohibition; to the Committee on Rules.

By Mr. BORCHERS: Petitions of Methodist Episcopal Church and Sunday School of Cowden, First Methodist Episcopal Sunday School of Mattoon, and Baptist Young People's Union of Urbana, all in the State of Illinois, favoring national prohibition; to the Committee on Rules.

Also, petition of the business men of the nineteenth Illinois congressional district, favoring the passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. FINLEY: Petitions of W. A. McAfee, Yorkville; C. S. Putnam, Clover; and W. B. Audrey, Fort Mill, all in the State of South Carolina, against tax on medicines; to the Committee on Ways and Means.

By Mr. WEBB: Petition of sundry citizens of the State of Connecticut, favoring passage of national prohibition bill; to the Committee on Rules.

SENATE.

FRIDAY, *October 23, 1914.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we look to Thee for Thy blessing upon our land and country. Thou hast given to us freedom from war; Thou hast blessed us with plenteous harvests; Thou hast led us into the pursuit of arts of peace; Thou hast enabled us to weld together as one great heart the citizens of this land, gathered from every nation, standing in this great brotherhood under our common flag. We bless Thee for all these tokens of Thy love and expressions of Thy leadership. We pray that we may be true to all the high ideals of our national life. For Christ's sake. Amen.

THE JOURNAL.

The Secretary read the Journal of yesterday's proceedings.

The PRESIDENT pro tempore. Unless there is objection, the Journal will stand approved.

Mr. JONES. Mr. President, before that announcement is made I desire to suggest that the Journal does not state correctly the proceedings of yesterday, especially with reference to the announcement of the signature of the tax bill by the President pro tempore. According to the Journal as read, after the bill was received it was presented to the President of the Senate and signed, and then it states that the point of no quorum was made by the Senator from Georgia [Mr. SMITH]. The RECORD shows—and it is the actual fact—that immediately upon the announcement by the Clerk of the House of the bill signed by the Speaker the Senator from Georgia made the point of no quorum, and that the Chair made the statement which appears on page 16939 of the RECORD. After the message from the House, the RECORD reads:

> Mr. SMITH of Georgia. I suggest the absence of a quorum.
> The PRESIDENT pro tempore. The matter will be attended to when the Chair signs the enrolled bill from the House of Representatives.
> Mr. SMITH of Georgia. Mr. President, I do not think that the bill can be signed until the question of a quorum is settled.
> The PRESIDENT pro tempore. The Chair announces his signature to an enrolled bill, the title of which the Secretary will state.

Then the Secretary stated it, and the President pro tempore announced that the Senator from Georgia suggested the absence of a quorum. That extract from the RECORD is an actual statement of what occurred. The Journal should show it, and I shall object to the approval of the Journal unless it is corrected in that way.

The PRESIDENT pro tempore. The Senator is aware of something that has occurred and has simply overlooked certain other things that occurred. In the first place, the bill was in the possession of the presiding officer before the Senator from Georgia made any statement that was brought to the attention of the Chair.

It is text law in our proceedings that a Senator must be recognized before he can make a point of no quorum, and the Chair did not recognize the Senator from Georgia for that purpose pending the signing of the bill, and that was deliberately done. Merely upon an intention formed in a Senator's mind to make the point of no quorum does not depend the activity of every officer and every other Senator, particularly when it is made for filibustering purposes. The Chair takes notice of what is going on in the Senate, and administer in a spirit and with a sense of justice the rules of the Senate, so as to promote business and not retard it. The rights of a Senator are not to be ignored, regardless of what his purpose is, but it is a matter of discretion, and the Chair must take notice of what is going on and administer the rules accordingly. The present occupant of the chair did that yesterday.

The Senator from Washington is mistaken if he assumes that the bill was not in the possession of the Chair for the purpose of being signed before the Senator from Georgia made any statement.

The first statement the Senator from Georgia made which came to the ears of the presiding officer was in the nature of an inquiry as to whether or not a quorum of the Senate was required before the bill could be signed, and that is wholly immaterial. The precedents of the Senate establish the fact that it is not necessary that a quorum should be present when a bill is signed. The Chair calls the attention of the Senator from Washington to what took place in the Senate on the 3d of March, 1839, which has stood as a rule of the Senate ever since. It will be found on page 406 of Gilfry's Precedents, and is as follows:

> (Twenty-fifth Congress, third session.)
>
> MARCH 3, 1839.
>
> Joint resolution for distribution in part of the Madison papers being presented for signature of the President of the Senate (W. R. King, of Alabama), it being past midnight on 3d of March, 1839, and no quorum present, the President first ruled he could not sign the resolution when a quorum was not present, and so stated to the Senate. (See Congressional Globe, p. 232.)
>
> On further consideration and consulting the rules the President pro tempore said he was of opinion that it did not require a quorum to be present to authorize the signing of a bill or joint resolution. It was not properly an act of legislation, but merely a signing to be done by the Chair to authenticate the act. Holding this opinion, the Chair signed the resolution. (See Congressional Globe, p. 233.)

So it is not at all necessary that there should be a quorum present.

Mr. JONES. The only point I was making was that I wanted the Journal to show the actual occurrence. As to what the effect of it may be hereafter I have nothing to say.

The PRESIDENT pro tempore. The Journal will be read in connection with what appears in the CONGRESSIONAL RECORD, and there will be no difficulty in understanding what was done, particularly when taken in connection with what took place between the Senator from Georgia and the presiding officer.

The Chair will submit to the Senate any modification of the rules or any change of the Journal the Senator from Washington may care to suggest.

Mr. JONES. I simply want to interpose my objection to the approval of the Journal as read.

Mr. FLETCHER. I think it is perfectly clear that when the presiding officer is in the act of performing such a duty as the signing of a bill he need not discontinue that act and stop to recognize a Senator who is about to make a motion or for any other purpose.

Mr. JONES. As a matter of fact the Senator from Georgia, immediately upon the announcement by the Clerk of the House, addressed the Chair and suggested the absence of a quorum.

The PRESIDENT pro tempore. The Chair did not hear that part of it.

Mr. JONES. Of course the Chair did not recognize him. I admit that.

The PRESIDENT pro tempore. The Chair did not hear that. The first remark made by the Senator from Georgia which came to the attention of the Chair was in the nature of an inquiry as to whether a quorum was required. The Chair made no reply to that.

Mr. JONES. The RECORD does not show that.

The PRESIDENT pro tempore. Unless there is a proposition to amend the Journal, the question is, Shall the Journal be approved?

Mr. McCUMBER. Mr. President, I wish to make a parliamentary inquiry.

The PRESIDENT pro tempore. Does the Senator from Washington yield?

Mr. JONES. In just a moment. I have entered my objection to the approval of the Journal, and therefore the question of its approval, I take it, will have to be submitted to the Senate for a vote as to whether it shall be approved or not.

The PRESIDENT pro tempore. That can be done, of course.

Mr. McCUMBER. The question I wished to ask was whether the signature is anything more than a mere ministerial act, and if it is necessary under any rule that the act be even done in open Senate——

The PRESIDENT pro tempore. The Chair is not aware that it is.

Mr. McCUMBER. Or that any number of the Senate shall be present. I understand it is simply something for the presiding officer to sign, and he can sign it in his own home or in his office, or anywhere else.

The PRESIDENT pro tempore. The Chair has read the rule as it was declared in 1839, and it has been adhered to ever since.

Mr. JONES. The point I am making is that the Journal does not show the actual occurrence. The Journal shows that there was no suggestion of the absence of a quorum until after the President pro tempore had signed the bill and handed it down to the Senate. The RECORD shows that before that was done the point of no quorum was suggested, and the Chair himself said in answer to that suggestion, recognizing, as a matter of fact, that the Senator from Georgia had raised the question, "The matter will be attended to when the Chair signs the enrolled bill from the House of Representatives."

The PRESIDENT pro tempore. That is substantially the occurrence. The Chair had possession of the bill and was in the act of signing it at the time.

Mr. JONES. The RECORD clearly shows it.

The PRESIDENT pro tempore. Of course the Senator must concrete his objection in some formal motion, so that the Senate can take jurisdiction of it. What does the Senator suggest?

Mr. JONES. I suggest that the Journal be changed to show that immediately after the message was received from the House the Senator from Georgia raised the point of no quorum.

The PRESIDENT pro tempore. That involves a question of fact about which there is no dispute.

Mr. NELSON. Mr. President, this seems to be a tempest in a teapot. I suggest that the Chair submit the question to the Senate and dispose of it.

Mr. JONES. I supposed it would be submitted to the Senate. I did not suppose the Journal could be approved if an objection was made except by a vote of the Senate.

The PRESIDENT pro tempore. The Senator must make some motion. He can not stand here and protest all day.

CALLING OF THE ROLL.

Mr. JONES. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Senator from Washington suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bryan	Lea, Tenn.	Page	Smith, Md.
Clapp	Lee, Md.	Perkins	Smith, Mich.
Clarke, Ark.	Lewis	Poindexter	Smith, S. C.
Culberson	McCumber	Root	Stone
Fletcher	Martine, N. J.	Saulsbury	Swanson
Hitchcock	Myers	Shafroth	Thomas
James	Nelson	Sheppard	Thornton
Johnson	Norris	Shields	Walsh
Jones	O'Gorman	Simmons	White
Kern	Overman	Smith, Ga.	Williams

Mr. CLAPP. I desire to announce the unavoidable absence of the senior Senator from Wisconsin [Mr. LA FOLLETTE] on account of illness. I think he was formally excused by the action of the Senate some time ago.

The PRESIDENT pro tempore. Forty Senators have answered to their names. A quorum is not present. The Secretary will call the names of the absentees.

The Secretary called the names of the absent Senators, and Mr. GORE and Mr. MARTIN of Virginia answered to their names when called.

Mr. THORNTON. I announce the necessary absence of my colleague [Mr. RANSDELL]. I ask that this announcement may stand for the day.

Mr. STONE. I announce the unavoidable absence of my colleague [Mr. REED]. This announcement will stand for the day.

Mr. PAGE. I desire to announce the necessary absence of my colleague [Mr. DILLINGHAM], and to say that he is paired with the senior Senator from Maryland [Mr. SMITH]. I ask that this announcement stand for the day.

Mr. CAMDEN, Mr. HUGHES, and Mr. SHIVELY entered the Chamber and answered to their names.

The PRESIDENT pro tempore. Forty-five Senators have answered to their names. A quorum of the Senate is not present.

Mr. KERN. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The PRESIDENT pro tempore. The Senator from Indiana moves that the Senators present direct the Sergeant at Arms to request the attendance of absent Senators. The question is on that motion.

The motion was agreed to.

The PRESIDENT pro tempore. The Sergeant at Arms will carry out the order.

After a little delay,

ENROLLED JOINT RESOLUTION SIGNED.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the Speaker of the House had signed the enrolled joint resolution (S. J. Res. 200) authorizing the payment of October salaries to officers and employees of the Senate and House of Representatives on the day of adjournment of the present session, and it was thereupon signed by the President pro tempore.

PRESIDENTIAL APPROVAL.

A message from the President of the United States, by Mr. Latta, executive clerk, announced that the President had, on October 22, 1914, approved and signed the following joint resolution:

S. J. Res. 188. Joint resolution ceding to the State of California temporary jurisdiction over certain lands in the Presidio of San Francisco and Fort Mason (Cal.) Military Reservations.

PROPOSED ADJOURNMENT.

Mr. KERN (at 12 o'clock and 40 minutes p. m.). I move that the Senate adjourn.

The PRESIDENT pro tempore. What disposition will the Senator make of the report of the Sergeant at Arms when it comes in?

Mr. KERN. Has any report been made?

The PRESIDENT pro tempore. The Sergeant at Arms was directed to request the attendance of absent Senators.

Mr. KERN. Let him report to-morrow.

The PRESIDENT pro tempore. The Senator from Indiana moves that the Senate adjourn.

The motion was rejected.

LEGISLATION RELATIVE TO COTTON SITUATION.

Mr. CLARKE of Arkansas (Mr. WILLIAMS in the chair). Mr. President, there are very few things that can be done in the absence of a quorum; but one of the things that can be done, I think, is to submit certain remarks on the state of the Union.

The whole proceeding with which we are confronted to-day assumes to me the proportions of a farce. It is nominally for the purpose of compelling some sort of legislation for the relief of the cotton growers of the South. That proposition, so far as this Congress is concerned, became ancient history several days ago. The present sham battle that is going on has in it all the elements of a deliberate deception. There is not any prospect of this Congress doing anything with that question. The matter has been tried out to the satisfaction of those of us who were willing to risk our political futures in an attempt to help those people. We felt that if the Democratic Party could not respond to the demands of that section and those people at this time, there never would be created a condition that could lay upon the conscience and honor of that great party an obligation to them.

As a matter of tactics, a number of us agreed that, so far as we were concerned, we would make manifest to the Senate in a way that was not to be misunderstood the fact that we put relief to those people above everything else and were willing to burn our bridges behind us in our efforts to be of service to them. To be more specific, we deliberately determined to ride down, if the necessity of the case went to that point, the war-tax bill and defeat it absolutely. We put it on the ground that if the calamitous condition in the South was not properly understood and could be brought to the attention of others only by paralleling their condition with ours, we were willing to be instrumental in making that fact known in a way that nobody would misunderstand.

The House of Representatives, I may say, to the extent that I am permitted to comment upon it, tried out to the finality of repeated roll calls an attempt to do something short of what should have been done, but in a way of substantial relief. That was denied. Now, why make a grand-stand play about trying to do something when you know you can not do it? As the Senator from Mississippi said on yesterday, those people know exactly what is going on here, and why it is going on, and they have the capacity to distinguish between the bogus and the genuine.

When we permitted the war-tax bill to pass and could not rally enough of the representatives from the cotton-growing States to defeat it, if necessary, so far as this question was concerned, we abandoned all hope of definite and adequate relief. Having done that, under our system of government we had to go back to the people, or we had to submit to what the majority saw fit to do.

Now, there is not any reason why we should attempt to put a different face on the situation. We have made every effort that we can make. Senators here know what they want to do. We have appealed to them. We presented our case as earnestly as we knew how. Their general intelligence would direct them to a correct understanding of what is going on in that section of the country, because we can not assume that a body so intelligent as this one can be ignorant of what is transpiring here. It was thought, however, that actual conditions were not such as would justify the radical and advanced steps that we invited at their hands.

Now, a word about the radical and advanced steps. In the business world the things we proposed were of every-day occurrence. We say that we have an equipment down there that produces a billion dollars a year of raw material, which is distributed throughout the channels of trade and commerce all over the face of the civilized world, which makes happy 50,000,000 of people, directly and indirectly, which furnishes remunerative, self-respecting employment for them. By reason of a great international condition, so large as to be beyond the control of anybody or any individual or collection of individuals, it became governmental in its character. We appeared here not to ask for charity, because it has not reached that point, and never will. If every bale of cotton in the South were destroyed to-day, no condition of absolute want would exist, except in isolated cases, and they would be so few as to constitute no rule.

We felt that we might come to this great Government in the days of its prosperity and say that the difficulty with us is one of overproduction, relatively, or underconsumption, as the result of conditions that we did not create and can not control. We asked that that surplus which was intended for foreign consumption, or at least part of it, should be taken care of, with credit based on assets that we ourselves furnished. The form of payment was the most specific and self-operating—the force of taxation. If the 5,000,000 bales of cotton that we proposed to pledge as security for that virtual loan should not be adequate security, we made ample provision for paying any deficiency that might result, and that, too, before the Government was called on to pay a single dollar of it. It did not involve the outlay of a single dollar of money, but simply permitted us to use the machinery of this great Government to conserve that great national asset, to the end that the commerce of the world might preserve its equilibrium and that our people might, by using their own assets and their own property, save to themselves some part of the value that they had created. It was not very difficult to understand. It was not a very radical departure from the common sense that is applied in the present day to problems of a similar character but of smaller magnitude.

But it was thought well to adhere to the old conception, and to permit those people to work out their own salvation in a way that, whilst it oppressed them seriously, would leave the precedents somewhat untouched. We thought we were making a precedent that would be useful to this great country when it came to the hour when it had to conserve other elements of its great resources. The chief value of the incident was its value as a precedent. It showed the way out. It eliminated this question of charity and donations and contributions, and put the matter upon the solid basis of self-respect and of complete and ample repayment. We did not ask anybody for anything but what we were entitled to.

The Constitution says this Government is created for the purpose of promoting the general welfare. That is not an idle statement. That is not an impalpable and fanciful sort of description that never comes about in the course of human affairs. It is met with whenever the public interests—"the public" in that respect meaning any large community of people—find themselves without the machinery by which they can conserve their own resources, and, incidentally, bring relief through the agencies of their own credit that this Government may lend to them; not its money, but its machinery, by which they can create a capital that will take care of present necessities.

We provided for a tax to be put upon cotton. We had not the remotest desire to put any tax upon the wheat grown by my good friend from North Dakota, upon the applejack made in the good State of New Jersey, or upon the lead dug in the great State of Missouri, and about which our friend here spoke so feelingly the other day. We sought to lay no tax on anybody for anything, but we had a product amounting to a billion dollars a year in its raw condition at normal prices as security for a liability that never could have amounted to $125,000,000. The property upon which the lien was sought to be fixed exceeded by ten to one any possible liability that could result. That proposition was turned down. An effort was made to go outside of regularity and to say to this administration, "If you seek to interpose the force of your influence against the passage of that measure, then we have a right to assume that you are not sufficiently advised as to the demoralization that obtains in the southern section of this country. If the only way we can bring that to your notice is to refuse to pass the war-tax bill, and permit you to become familiar with that condition through the demoralization in the Treasury Department, we are willing to go to that length." At least I was; at least two others were, and in a nominal way several more.

Now, Mr. President, I think we have gone as far as the people who are interested in this great question expect us to go. The display that is being made at present does not commend itself to me. The die has been cast. We are at our rope's end. The thing to do is to get away from here, and go back home, and let those who did not cooperate with us find out whether or not they correctly represent the sentiment there, and permit those who did show a willingness to take that advanced stand to come in contact with the real sentiment there, and see whether or not they have made a mistake. Nothing is to be gained by this sham battle.

Why not just pass a resolution here, with what Senators are present, to adjourn sine die, or to adjourn until the first Monday in December? The Constitution says that neither House shall adjourn for a greater length of time than three days without the consent of the other. The other House has given its consent for the Senate to adjourn sine die, manifested in the most formal way, and communicated to us in the official way. We no longer need be uncertain about the attitude of the House with reference to adjournment, or its willingness to give its consent. Then a simple motion, adopted by such Senators as are present, to adjourn until the first Monday in December, will satisfy the wants of this occasion, and there are enough Senators here now to do that.

Mr. JAMES. We have already rejected that proposal, though, and laid it on the table.

Mr. CLARKE of Arkansas. That only touches one feature of the matter, and not the one to which I address myself. It is the consent of the House that we are talking about. We have no control over that. The resolution says on its face that we can adjourn sine die. That only created another condition where another official might interpose to adjourn the Houses when they disagreed about a proper time to adjourn.

Mr. SIMMONS. Let me make a suggestion to the Senator.

The PRESIDING OFFICER. The Senator from North Carolina desires to interrupt the Senator from Arkansas. Does the Senator from Arkansas yield?

Mr. CLARKE of Arkansas. Very cheerfully.

Mr. SIMMONS. I suggest to the Senator for his thought that the resolution which the House sent us was a resolution that the two Houses should adjourn at 6 o'clock yesterday—that they adjourn contemporaneously. Now, the proposition of the Senator is that the Senate shall adjourn while the House is not adjourned but remains in session.

Mr. CLARKE of Arkansas. That is only seemingly so. The vital thing is that the House gave its consent to the Senate to adjourn sine die. There were other things mixed with it; but we do not need to have any trouble over that, for the reason that the Constitution provides for the adjournment of the two Houses. The vital thing is that the consent of the other House has been given that the Senate shall adjourn, no matter what other things were included in the resolution.

There is a difference of opinion as to whether the Senate can adjourn sine die with less than a majority. It seems that the matter was somewhat agitated in the early history of the country. One presiding officer took one view and another another. The Constitution of the United States says that less than a majority may adjourn from day to day, but it does not say how much space must intervene between the first day and the last. The constitutional limitation is that the adjournment shall not be longer than three days without the consent of the other House.

Besides, as I have said, the circumstances of every case determine what is exactly proper to be done. We are at the end of the session. We have been here nearly two years. All the important legislation is out of the way. All the so-called administration bills are out of the way. All the appropriation bills are passed. In the sense that Congress can ever be through with its business, we are through. There is never an adjournment here when the calendar is not loaded with bills and the committees have not their pigeonholes filled with them. If to get through with legislation we had to dispose of every bill pending, we would never adjourn. My own notion is that the com-

mon sense of every situation determines what is entirely proper to be done on that occasion. That is the way intelligent people build up that volume of information that finally constitutes the rules by which they are governed. Everything that is going to happen does not happen at once, and everything that did happen did not happen some time ago. A new situation is constantly bringing about conditions calling for enough intelligence to deal with them.

I do not intend to protract my attendance on this session very much longer. I have come to a point where, not advising others what to do, I am going to take care of myself. My train leaves this evening at 6.15, but I think this vaudeville ought to stop, and I think this Congress ought to get away from here.

Mr. THORNTON. Mr. President——

The PRESIDING OFFICER. The Senator from Louisiana desires to interrupt the Senator from Arkansas. Does he yield?

Mr. CLARKE of Arkansas. I am very glad to yield to the Senator.

Mr. THORNTON. I should like, for information, to get the views of the Senator from Arkansas on this kind of a proposition: Assuming, as we have a right to assume, that the House is both willing and anxious to adjourn as quickly as possible, as evidenced by its action of yesterday, why may we not pass a resolution to adjourn at 6 o'clock this evening, say, and submit it to the House and let them adopt it if they are willing? Unless some one raises the question of no quorum, would not that be a practical method, and is there any legal obstacle in the way?

Mr. CLARKE of Arkansas. Of course there will be no trouble about that if both Houses were in session with a majority and ready to proceed secundum artem. I suppose the resolution could originate in the Senate and be sent there, and, being concurred in, that would bring about a final adjournment. But that is not the situation we are dealing with. There is no quorum of the Senate present. I do not know what has happened in the House, and I am not compelled to take notice of what is transpiring there. I deal with the situation from this standpoint, and I would adjourn now until the first Monday of next December.

The suggestion has been made that it might involve an additional loss of mileage, and that the Senate has lost enough mileage on these emergency sessions. That is hardly necessary, because we have an existing appropriation for mileage that accrues on the first Monday in December, and it will take an act of Congress to take it away from us. The reason why we did not get the mileage for the special session was that no appropriation was made for mileage. But that is a selfish feature of it, interjected more by way of humor than as a serious comment upon existing conditions.

Of course I would defer, so far as any practice that may be adopted, to those more directly in charge of affairs on this side of the Chamber in cooperation with those Senators on the other side of the Chamber. Whatever they may see fit to do that will bring about a dissolution of this dead Congress will meet with my cooperation, within lines justified by right and which does not do violence to established and recognized principles based upon what is just and proper.

Mr. SMITH of Georgia. Mr. President, it is well known that I was in thorough sympathy with the Senator from Arkansas [Mr. CLARKE] in the effort to attach an amendment to the war-revenue bill which we believed was sound and wise and which would have taken care of the cotton situation. I regret as deeply as he does that the Senate did not agree with us. I joined the Senator from Arkansas in support of the motion to indefinitely postpone the war tax, and I regret that we were not able in that way to hold up the war tax with a view of attaching to it legislation of some kind that would fully meet the situation brought about by the European war, which cut off one-third of the market for the greatest American export product.

But, Mr. President, I regret that he thought that our effort yesterday to defer adjournment until we could hear from action by the House on several measures there pending was a mere vaudeville. It was not so intended by me. Of course, it was perfectly apparent that from half past 5 until 6 I was engaged in a filibuster, but I was perfectly justified. When the Senator, then in the chair, allowed me to present my views objecting to the adoption of the concurrent resolution of adjournment, I believed that there had been almost passed in the House several measures that will be very helpful, not as helpful as they ought to be, not comparable to the measure the Senator and I supported as an amendment to the tax act, but still very helpful in the cotton-growing States.

Let me call attention to these three measures. One of them nobody objects to. One of them the Senate has passed. One of them the Committee on Banking and Currency of the House has unanimously recommended. One of them only awaits a vote to become a law. What is it? It is the provision which allows each of the member banks in a reserve district to deposit their entire reserves with the reserve banks. This will give the regional reserve banks a much larger amount of basis for paper currency. It permits each member bank in a region to put all of its reserves with the regional reserve banks. My estimate is that in my home district the regional bank in that district will have an increased currency-issuing power of more than $15,000,000 as a result of that act.

When I urged that we should not adopt the resolution which would bring about an immediate adjournment it was not intended as a vaudeville. If my style of action created that impression upon my friend from Arkansas, I was unfortunate. I want to see that measure to which I have just referred become a law. I believe it is of the utmost importance that it should become a law at once, and as long as there was a hope that it would become a law by the action of the House I wanted the Senate to stay here and wait. Nobody objects to it, so far as I understand, in the House. It almost passed this morning. A number of us interested ourselves in seeking to prevent the point of no quorum in the House of Representatives that this measure might come before the House and pass.

Mr. JAMES. If the Senator will permit me——

The PRESIDING OFFICER. Does the Senator from Georgia consent to be interrupted by the Senator from Kentucky?

Mr. SMITH of Georgia. Certainly.

Mr. JAMES. The House is 75 short of a quorum, and the minority leader, I understand, has declared that he will require a quorum to pass either one of the bills to which the Senator refers.

Mr. CLAPP. Will the Senator from Georgia pardon an interruption?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Minnesota?

Mr. SMITH of Georgia. Certainly.

Mr. CLAPP. Since the statement of the Senator from Kentucky, I feel that it may not be inappropriate and out of order to state that while they have not secured their quorum, a few moments ago they were discussing upon the floor the question of to-morrow seeing if they could not agree upon a plan with reference to pending legislation.

Mr. JAMES. I do not know about that. I am merely quoting what a Member of the House told me 10 minutes ago; but the statement, of course, does not contradict anything the Senator from Minnesota has said.

Mr. CLAPP. No; not at all. I did not mean to contradict the statement of the Senator from Kentucky.

Mr. SMITH of Georgia. The hope for action this morning by the House was by unanimous consent, the point not being made of no quorum.

Now I come to the second measure. We passed a bill amending the Aldrich-Vreeland Act, so that banks, members of the national currency associations, might use their bills receivable up to 75 per cent of their capital and surplus instead of 30 per cent, as the original act provides, upon which to issue notes for circulation. This amendment was intended to broaden the opportunity of the banks in the smaller cities to obtain emergency currency. They had not the securities possessed by the banks in the great cities, like New York, Boston, Philadelphia, and Chicago, upon which emergency currency was issued, but they had good commercial paper; and the bill was drawn with the approval of the Treasury Department and upon the recommendation, I understand, of the Reserve Board. We amended that bill here and sent it to the House with a second section that permitted the State banks also to have the privilege of joining the national currency associations and taking advantage of the Aldrich-Vreeland Act. If we can not get anything out of that except the provision allowing the members of the national currency associations to use their bills receivable up to 75 per cent, I want it.

Mr. NELSON. Will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Minnesota?

Mr. SMITH of Georgia. Certainly.

Mr. NELSON. The existing law is that they can take out currency under the Aldrich-Vreeland Act on commercial paper for only 30 per cent. We amended it here so as to allow them to take it out to the extent of 75 per cent, and the House committee amended it and made it 100 per cent.

There was another amendment in the bill, which related to the deposit of reserves, leaving it optional with the member

banks to deposit of their reserves in the regional banks. Then there was another amendment, that the Senator from Georgia [Mr. SMITH] had tacked on the bill in the Senate, about allowing State banks to join the currency associations and take out currency. I understand, and I get my understanding from a printed copy of the bill, that the committee of the House have eliminated that provision. I think I am correct about that. They have amended the bill by striking out the section relating to State banks and they have amended it by increasing the 75 per cent limit to 100 per cent.

So if the bill comes over here from the House as the committee has reported it, it will simply amount to two things: First, giving them a right to issue currency to the extent of 100 per cent on commercial paper; second, allowing them to deposit in the regional banks all the reserves that they are now under the new currency law permitted to retain in their vaults. The bill we passed here provided that that could only be done with the consent of the Reserve Board. The House have amended it in that respect so that it is optional with the several member banks to deposit all their reserves in the regional bank. That is the condition. If the bill came over here now as the committee has reported it there, the amendment of the Senator from Georgia would be eliminated in reference to State banks, but the other changes that I have indicated would be in the bill.

Mr. SMITH of Michigan. May I ask the Senator from Minnesota a question?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Michigan?

Mr. SMITH of Georgia. Yes, Mr. President.

Mr. SMITH of Michigan Does the Senator from Minnesota mean that this commercial paper must be taken at its face value?

Mr. NELSON. Oh, no; not at its face value.

Mr. SMITH of Michigan. At par?

Mr. NELSON. No; not at par; but they can issue currency to the extent of 100 per cent, or 75 per cent of the capital and surplus.

Mr. SMITH of Michigan. But, of course, there is a limitation under the Aldrich-Vreeland Act that applies to all kinds of paper taken out, or bonds, for instance, 90 per cent, and on commercial paper, I think, 75 per cent or 80 per cent.

Mr. SMITH of Georgia. Thirty per cent was the limit.

Mr. SMITH of Michigan. Thirty per cent was the limit under the Aldrich-Vreeland law.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from North Carolina?

Mr. SMITH of Georgia. I yield.

Mr. SIMMONS. I simply wanted to say that I join with the Senator from Georgia in his statement that the two amendments which he has described are of very, very great importance not only to the South but to the country at large. My understanding is that possibly by unanimous consent those two little amendments could have been passed this morning except for a motion to recommit one of them with instructions to add an amendment providing for the issue of bonds to be loaned to the banks in the cotton States. My understanding is that that brought on a demand for a quorum, and that the House can not develop a quorum to-day. But I am also advised that there is a strong probability that on to-morrow an agreement may be reached there by which no amendment will be offered to the amendments the Senator has just mentioned.

I am also advised that on to-morrow it is highly probable that an arrangement may be made by which a vote may be taken, without the call of a quorum, upon these two amendments to accomplish simply the purpose the Senator from Georgia has stated. The House, I understand, will be forced to adjourn to-day because they can not get a quorum. On to-morrow it is possible they may get through these two little amendments, and it is of such importance we ought to cooperate with the House to that end.

Mr. SMITH of Georgia. Mr. President, the Senator from North Carolina [Mr. SIMMONS] and the Senator from Minnesota [Mr. NELSON] have each presented lines of thought exactly in accord with what I was presenting.

Referring, first, to the statement by the Senator from Minnesota, I wish to say that I had undertaken to call attention to the fact that one of these bills passed by the Senate amended our banking and currency law so that the member banks might deposit all of their reserves in the Federal reserve banks of their respective districts, and that would be a most valuable addition to the power of the regional reserve banks of the districts to handle the responsibilities falling upon each.

The other measure, to which I called attention and to which the Senator from Minnesota again called attention, was the bill providing that each bank, a member of a national currency association, might use its bills receivable for the purpose of security for emergency currency beyond 30 per cent, which is now the limitation in the existing law. I believe both Houses are ready to pass those measures.

When on yesterday morning I expressed my opposition to adjournment at 6 o'clock, or expressed my opposition to the Senate at that time agreeing to adjournment at 6 o'clock, I hoped that these bills might come over to us from the other House in time, perhaps, even for an amendment to one of those bills that would suspend the tax on notes by State banks for eight months. At any rate, so long as there is a chance to bring to us from the other House the substantial parts on which we agreed as to those two measures, I think we should stay here and obtain that much legislation, if we can not obtain more.

Mr. SHAFROTH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Colorado?

Mr. SMITH of Georgia. I do.

Mr. SHAFROTH. I want to state to the Senator that the time when the Federal reserve act is to take effect, or the banks are to be opened, I think, has been agreed upon as being the 20th day of November. I will state that at a conference of the directors of the Federal Reserve Board some of them expressed the opinion that they could not open the Federal reserve banks until the 1st day of January, particularly the bank in New York. This tentative fixing of the date of opening as the 20th day of November is supposed to hurry matters, but in the event they can not open by that time they probably will be given more time.

I want to call the attention of the Senator from Georgia to the fact that these bills, although they are important, are not so urgent in view of the fact that the banks are not to open, to be ready for business, until the 20th day of November. Consequently, as to whether a bank has a right to deposit all of its reserves in the Federal reserve bank will be of no importance until that time, which is very nearly the time when Congress will reconvene.

Mr. SMITH of Georgia. Mr. President, if the Senator's view is correct that these banks are not to open until January, if that is the suggestion, then I think still more is Congress to blame for not having done something more while it was here. We had been first led to believe that this system would open on the 1st of November and subsequently on the 16th of November. Now, if there is another substantial postponement, the matter is more serious than I imagined it was. At the last conference we had with the members of the Federal Reserve Board we had a promise that on the 16th of November the banks would open.

I understand that if this bill, which allows all of the member banks to place their entire reserves in the Federal reserve bank in their district, is passed, it will substantially assist in opening the reserve banks at once.

Mr. President, I only wanted to say that the Senator from Arkansas [Mr. CLARKE] is mistaken when he supposes we are not really seeking the passage of these measures. I hope that to-morrow, when the point of no quorum may not be made, that the other House may pass them.

Mr. CLARKE of Arkansas. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia consent to be interrupted by the Senator from Arkansas?

Mr. SMITH of Georgia. Certainly.

Mr. CLARKE of Arkansas. I did not mean to intimate that the Senator from Georgia would not be very glad to pass these measures. I know he would be, as I know I would be. They are in a way helpful to the general situation, but not specifically so to the cotton situation. I would not have the impression go out from anything that I have stated that I did not think those bills would be of some help if they were passed. Compared, however, with the nature of the calamity, and compared with the wider and more helpful character of relief extended by the other bills, I do not think they are to be considered at all in themselves; but as a part of the general system, I think they are an important addition to the existing law.

Mr. SMITH of Georgia. Mr. President, I agree with the Senator from Arkansas that the amendment to the war-tax bill, which we supported, would have been far more useful than these bills, but as they are measures which will be helpful in a degree and do some good, I felt that we ought not to adjourn on yesterday until we tried to put them through.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia consent to being interrupted by the Senator from Colorado?

Mr. SMITH of Georgia. I am through.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. THOMAS. Mr. President, I am informed that the situation in the other House is substantially this: The majority leader has just stated that he will make no attempt to require the attendance of absent Members of the House to-morrow, that one of the proponents of these measures, the Representative from Texas [Mr. HENRY], has announced that they shall not pass without a quorum. Putting these two statements together, it is, to my mind, very evident that nothing will be done to-morrow, either as to securing a quorum or as to any action, affirmative or otherwise, upon these bills.

To my mind, the situation is simply this: The House sent over here a concurrent resolution yesterday fixing the hour of adjournment at 6 o'clock for that day, which the Senate laid upon the table. As a consequence, the Houses can not agree, and as it is improbable that either House will secure a quorum I do not see how it is possible for them to agree. They can not act. They have no power. Without a quorum, they do not exist as a body.

Mr. JAMES. Will the Senator yield to me?

Mr. THOMAS. I was simply going to suggest——

The PRESIDING OFFICER. Does the Senator from Colorado consent to being interrupted by the Senator from Kentucky?

Mr. THOMAS. In just a moment. I was going to suggest that the President under these circumstances has the power to adjourn Congress to such time as he may see fit, and I hope he will do so. He has never yet hesitated to do his duty, and I think that is his duty at present. Now I yield to the Senator from Kentucky.

Mr. JAMES. Could we not do this: The Senate, as I understand, is in such a situation now that nothing is in order except a motion to adjourn——

Mr. THOMAS. I suppose that is true.

Mr. JAMES. If we adjourn until to-morrow, then the point of no quorum might not be raised, and we could take the House resolution from the table by unanimous consent and adjourn.

Mr. THOMAS. Mr. President, the Senate has been submitting to a policy of manana so long that I see no reason why we could not continue it for a short time longer.

Mr. KERN. I move that the Senate adjourn until 12 o'clock to-morrow.

Mr. JONES. Will the Senator withhold that motion for just a moment?

Mr. KERN. I withhold the motion for a moment.

Mr. JONES. I simply desire to say that, so far as I am concerned, I shall not make any point of no quorum on to-morrow, even though the Journal may be approved in the shape in which it now is. I do not like the shape in which the Journal is; I think it ought to recite the actual facts as they occurred, but I myself shall not make the point to-morrow.

I was very much in hope that some relief might be furnished to the people of the South. I was very much in hope that, if the matter should go over until to-morrow, some agreement could be reached. I simply wish to add that this situation demonstrates absolutely the incapacity of our Democratic friends to run the Government. They do not seem to be able even to adjourn when they all want to adjourn.

Mr. KERN. I renew my motion.

Mr. NELSON. Will the Senator yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from Indiana consent to be interrupted by the Senator from Minnesota?

Mr. KERN. I yield for a moment, but all debate is out of order.

Mr. NELSON. I presume it is, Mr. President, but, with the leave of the Senate, I simply desire to make a brief statement.

I do not claim to be a spokesman for the cotton people of the South, but there was one measure passed by the Senate which we loaded down, in my opinion, with improper and uncalled-for amendments. I refer to the warehouse bill. I think the South is entitled to that legislation to provide for the establishment of Government bonded and insured warehouses for the storing of cotton. In the wheat country of the Northwest we are supplied with such bonded and insured warehouses, and the warehouse receipts are considered the very best kind of paper on which to borrow money. My own opinion is that it would afford great relief to the people of the South in the present emergency to have such a warehouse law passed, so as to give stability and security to their warehouse receipts and render it less difficult to borrow money on them. I should be very glad to see such a measure pass at this session of Congress; but I was sorry to see the Senate load that bill down with a lot of extraneous matters which I do not think were necessary.

Mr. SHEPPARD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Texas?

Mr. KERN. I yield for a moment to the Senator from Texas, but I can not yield to anybody else. Debate is out of order.

Mr. SHEPPARD. Mr. President, I was one of the Senators who voted against adjournment yesterday afternoon and one of those who was in entire sympathy with the Senator from Georgia. I merely want to say that the lecture which has been delivered by the Senator from Arkansas [Mr. CLARKE] will have no effect on me and will not alter my course in the slightest. It makes no difference to me that my course of action does not commend itself to him. He made the statement that the policy being pursued by a few of us here did not meet with his approval.

Mr. CLARKE of Arkansas. The Senator from Texas has done many things that did not meet with the approval of the Senator from Arkansas.

Mr. SHEPPARD. I understand that, and it will not deter me from doing them, either now or in the future.

Mr. CLARKE of Arkansas. I am sure the Senator's conduct would be vastly improved if it did.

Mr. SHEPPARD. I doubt that.

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Arkansas?

Mr. SHEPPARD. I do not yield; I submit, Mr. President.

I want to denounce the insinuation by him or by anybody else that we are engaged in any grand-stand play or sham battle or in any insincere movement, as unjust and as unworthy of a Senator of the United States, a colleague of other Senators here.

I want to say further that, so far as I am concerned, I will never vote to adjourn this session of Congress as long as any hope of relief for the cotton growers of the South remains. That is all I have to say.

Mr. KERN. I renew my motion that the Senate adjourn until 12 o'clock to-morrow.

The PRESIDING OFFICER. The Senator from Indiana moves—the debate hitherto has been going on by unanimous consent——

Mr. JAMES. And has been clearly out of order.

The PRESIDING OFFICER. The question is not debatable. The Senator from Indiana moves that the Senate adjourn until 12 o'clock noon to-morrow. The question is on that motion.

The motion was agreed to; and (at 1 o'clock and 35 minutes p. m.) the Senate adjourned until to-morrow, Saturday, October 24, 1914, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

FRIDAY, *October 23, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Eternal and everliving God, source of our fondest hopes, inspire us by Thy holy presence to be patient in the perplexities of life, pure in the midst of temptations, that our "virtue may be the courage of faith, our cheerfulness the patience of hope, and our life the example of charity," that we may be worthy of Thy love and confidence. In His name. Amen.

The Journal of the proceedings of yesterday was read and approved.

COTTON AND TOBACCO.

Mr. HENRY. Mr. Speaker, I call for the regular order.

Mr. KITCHIN. Mr. Speaker, I will ask the gentleman to withhold it for a moment.

Mr. HENRY. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is Senate bill 6398, to amend section 1 of an act approved May 30, 1908, entitled "An act to amend the national banking laws," which the Clerk will report.

The Clerk reported the bill by title.

Mr. HENRY. Mr. Speaker, I move the previous question on the motion to recommit.

Mr. MANN. That motion is pending.

The SPEAKER. The Chair is in doubt about that. It does not do any harm to put the motion again. The question is on ordering the previous question on the motion to recommit.

The question was taken, and the previous question was ordered.

Mr. HENRY. Mr. Speaker, some gentlemen desire to be recognized for some matters before taking the vote on the

motion to recommit, and I will yield at this time, but before doing so I desire to submit a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HENRY. Will that interfere with the present status of the special order if we agree to these things by unanimous consent?

The SPEAKER. Not at all.

LABOR FOR FOLDING SPEECHES.

Mr. LLOYD. Mr. Speaker, I offer the following privileged resolution, which I send to the desk and ask to have read.

Mr. MANN. Oh, it can only be done by unanimous consent.

Mr. LLOYD. Very well. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the desk and ask to have read.

The Clerk read as follows:

House resolution 651 (H. Rept. 1201).

Resolved, That the Doorkeeper is authorized to employ additional labor for folding speeches, at the rate of not exceeding $1 per thousand, and the sum of $600 is authorized to be expended from the contingent fund for that purpose.

The SPEAKER. Is there objection to the present consideration of the resolution? [After a pause.] The Chair hears none. The question is on agreeing to the resolution.

The resolution was agreed to.

INDIA M. RICH.

Mr. LLOYD. Mr. Speaker, I also ask unanimous consent for the present consideration of the following resolution, which I send to the desk and ask to have read.

The Clerk read as follows:

House resolution 653 (H. Rept. 1202).

Resolved, That the Clerk of the House of Representatives is hereby authorized to pay, out of the contingent fund of the House, to India M. Rich, widow of William H. Rich, late a messenger on the soldiers' roll of the House of Representatives, a sum equal to six months' salary of said William H. Rich, and funeral expenses not exceeding $250, the same to be immediately available.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The question is on agreeing to the resolution.

The resolution was agreed to.

POST-OFFICE MESSENGERS.

Mr. LLOYD. Mr. Speaker, I also ask unanimous consent for the present consideration of the following resolution, which I send to the desk and ask to have read.

The Clerk read as follows:

House resolution 640 (H. Rept. 1203).

Resolved, That nine messengers in the post office of the House now authorized to be employed during the session may continue to be employed during the period between the adjournment of the present session and the 1st of December, 1914, and be paid out of the contingent fund of the House.

With the following amendment:

In line 3, after the word "session," add the following: "And the three session telephone operators authorized by the legislative, executive, and judicial appropriation act for the year ending June 30, 1914, and continued during the present session by House joint resolution 286, approved July 1, 1914."

The SPEAKER. Is there objection?

Mr. GARRETT of Tennessee. Mr. Speaker, reserving the right to object for a moment, as I caught the reading of the resolution it provided that they should be continued until the 1st of December. I suggest to the gentleman from Missouri that Congress meets on the 7th of December.

Mr. LLOYD. That is true. That should be the first Monday in December, and I ask unanimous consent that that change be made.

The SPEAKER. Without objection, the Clerk will change that to read the first Monday in December.

There was no objection.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. MANN. Mr. Speaker, I object.

ENROLLED JOINT RESOLUTION SIGNED.

The SPEAKER announced his signature to enrolled joint resolution of the following title:

S. J. Res. 200. Joint resolution authorizing the payment of October salaries to officers and employees of the Senate and House of Representatives on the day of adjournment of the present session.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had approved and signed bills and joint resolutions of the following titles:

On October 17, 1914:

H. R. 11745. An act to provide for certificate of title to homestead entry by a female American citizen who has intermarried with an alien; and

H. R. 12198. An act for the relief of Benjamin A. Sanders.

On October 19, 1914:

H. R. 12161. An act to remove the charge of desertion against John Mitchell; and

H. J. Res. 241. Joint resolution for the appointment of five members of the Board of Managers of the National Home for Disabled Volunteer Soldiers.

On October 20, 1914:

H. J. Res. 362. Joint resolution to correct an error in the enrollment of certain Indians enumerated in Senate Document No. 478, Sixty-third Congress, second session, enacted into law in the Indian appropriation act approved August 1, 1914;

H. R. 12665. An act to increase the limit of cost of public building at La Junta, Colo.;

H. R. 13296. An act for the enlargement, etc., of the Wall Street front of the assay office in the city of New York; and

H. R. 14233. An act to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes.

On October 22, 1914:

H. J. Res. 271. Joint resolution authorizing the President to appoint delegates to attend the Ninth International Congress of the World's Purity Federation, to be held in the city of San Francisco, State of California, July 18 to 24, 1915;

H. J. Res. 331. Joint resolution relating to the awards and payments thereon in what are commonly known as the Plaza cases;

H. J. Res. 361. Joint resolution to correct certain errors in H. R. 12045, H. R. 12914, H. R. 13542, H. R. 14234, H. R. 14738, H. R. 15692, and H. R. 16294, and for other purposes;

H. R. 888. An act for the relief of H. C. Hodges, H. A. Powell, John Smith, and Joseph Ridley;

H. R. 1055. An act for the relief of T. S. Williams;

H. R. 1781. An act providing for the refund of certain duties incorrectly collected on wild-celery seed;

H. R. 4318. An act to authorize the Secretary of the Interior to cause patent to issue to Erik J. Aanrud upon his homestead entry for the southeast quarter of the northeast quarter of section 15, township 159 north, range 73 west, in the Devils Lake land district, N. Dak.;

H. R. 4405. An act for the relief of Frederick J. Ernst;

H. R. 4651. An act to authorize the Secretary of the Treasury to sell certain land to the trustees of the charity fund of Star in the East Lodge, of Old Town, Me.;

H. R. 5474. An act for the relief of Patrick McGee, alias Patrick Gallagher;

H. R. 7078. An act for the relief of Mary Macon Howard;

H. R. 8562. An act for the relief of Kinder & Nicol;

H. R. 10168. An act for the relief of Leon Greenbaum;

H. R. 10763. An act for the relief of Dr. L. W. Culbreath;

H. R. 11840. An act for the relief of R. G. Arrington;

H. R. 14377. An act to amend section 4472 of the Revised Statutes;

H. R. 16296. An act to provide for issuing patents for public lands claimed under the homestead laws by deserted wives;

H. R. 16346. An act to amend section 4131 of the Revised Statutes of the United States of America as amended by the act of Congress approved May 28, 1896, relating to the renewal of licenses;

H. R. 17267. An act to authorize Frank H. Gardiner to construct a bridge across the waters of Pistakee Lake and Nippersink Lake at or near their point of intersection;

H. R. 17825. An act to authorize the construction, maintenance, and operation of a bridge across the St. Francis River at or near St. Francis, Ark.;

H. R. 18891. An act to increase the internal revenue, and for other purposes; and

S. J. Res. 188. Joint resolution ceding to the State of California temporary jurisdiction over certain lands in the Presidio of San Francisco and Fort Mason (Cal.) Military Reservations.

COTTON AND TOBACCO.

Mr. GLASS. Mr. Speaker, I call for the regular order.

Mr. RAKER. Mr. Speaker, will not the gentleman withhold that for just a moment?

Mr. GLASS. Yes.

Mr. RAKER. Mr. Speaker, I ask unanimous consent that the House take up for present consideration the bill——

Mr. GLASS. Oh, Mr. Speaker, I demand the regular order.

The SPEAKER. The gentleman from Virginia demands the regular order. The regular order is the vote on the motion to recommit.

Mr. BULKLEY. Mr. Speaker, I demand a division.

Mr. HENRY. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Texas makes the point of order that there is no quorum present. Evidently there is not a quorum present. The Doorkeeper will lock the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll. The question is on the motion to recommit.

The question was taken; and there were—yeas 66, nays 90, answered "present" 3, not voting 269, as follows:

YEAS—66.

Abercrombie	Eagle	Hughes, Ga.	Quin
Adamson	Edwards	Hull	Ragsdale
Aiken	Falconer	Jacoway	Rayburn
Aswell	Finley	Johnson, Ky.	Sims
Barkley	Flood, Va.	Keating	Sisson
Bell, Ga.	Floyd, Ark.	Kirkpatrick	Smith, Tex.
Blackmon	Garrett, Tenn.	La Follette	Stephens, Tex.
Buchanan, Tex.	Garrett, Tex.	Lazaro	Stout
Burnett	Goeke	Lee, Ga.	Taylor, Ark.
Byrnes, S. C.	Goodwin, Ark.	Lever	Tribble
Byrns, Tenn.	Hamill	McKellar	Walker
Caraway	Hardwick	Moon	Watson
Carlin	Hardy	Morgan, La.	Wilson, Fla.
Collier	Hayden	Morgan, Okla.	Wingo
Crisp	Heflin	Murray	Young, Tex.
Dent	Henry	Oldfield	
Dupré	Howard	Park	

NAYS—90.

Alexander	Evans	Kinkead, N. J.	Riordan
Ashbrook	Farr	Kitchin	Rouse
Barton	Fitzgerald	Korbly	Rubey
Booher	Gard	Linthicum	Rucker
Borchers	Gill	Lloyd	Sherley
Borland	Glass	McGillicuddy	Sherwood
Brumbaugh	Godwin, N. C.	Maguire, Nebr.	Sinnott
Bulkley	Goulden	Mann	Small
Cantrill	Hamilton, N. Y.	Mapes	Smith, Idaho
Clancy	Hamlin	Miller	Smith, Md.
Claypool	Hawley	Montague	Stedman
Coady	Hay	Moore	Steenerson
Cooper	Helm	Morrison	Stone
Curry	Hensley	Nelson	Tavenner
Davis	Hinds	Padgett	Taylor, Colo.
Dershem	Holland	Page, N. C.	Thomson, Ill.
Dickinson	Houston	Payne	Townsend
Difenderfer	Humphrey, Wash.	Post	Underwood
Dixon	Humphreys, Miss.	Pou	Webb
Donovan	Johnson, Utah	Prouty	White
Dunn	Kless, Pa.	Rainey	Woods
Eagan	Kindel	Raker	
Edmonds	Kinkaid, Nebr.	Reilly, Conn.	

ANSWERED "PRESENT"—3.

Bartlett	Rupley	Sparkman

NOT VOTING—269.

Adair	Cramton	Griffin	McClellan
Ainey	Crosser	Gudger	McGuire, Okla.
Allen	Cullop	Guernsey	McKenzie
Anderson	Dale	Hamilton, Mich.	McLaughlin
Ansberry	Danforth	Hammond	MacDonald
Anthony	Davenport	Harris	Madden
Austin	Decker	Harrison	Mahan
Avis	Deitrick	Hart	Maher
Bailey	Dies	Haugen	Manahan
Baker	Dillon	Hayes	Martin
Baltz	Donohoe	Helgesen	Merritt
Barchfeld	Dooling	Helvering	Metz
Barnhart	Doolittle	Hill	Mitchell
Bartholdt	Doremus	Hinebaugh	Mondell
Bathrick	Doughton	Hobson	Morin
Beakes	Driscoll	Howell	Moss, Ind.
Beall, Tex.	Drukker	Hoxworth	Moss, W. Va.
Bell, Cal.	Elder	Hughes, W. Va.	Mott
Bowdle	Esch	Hulings	Mulkey
Britten	Estopinal	Igoe	Murdock
Brockson	Fairchild	Johnson, S. C.	Neeley, Kans.
Brodbeck	Faison	Johnson, Wash.	Neely, W. Va.
Broussard	Fergusson	Jones	Nolan, J. I.
Brown, N. Y.	Ferris	Kahn	Norton
Brown, W. Va.	Fess	Keister	O'Brien
Browne, Wis.	Fields	Kelley, Mich.	Oglesby
Browning	FitzHenry	Kelly, Pa.	O'Hair
Bruckner	Fordney	Kennedy, Conn.	O'Leary
Bryan	Foster	Kennedy, Iowa	O'Shaunessy
Buchanan, Ill.	Fowler	Kennedy, R. I.	Paige, Mass.
Burgess	Francis	Kent	Palmer
Burke, Pa.	Frear	Kettner	Parker
Burke, S. Dak.	French	Key, Ohio	Patten, N. Y.
Burke, Wis.	Gallagher	Knowland, J. R.	Patton, Pa.
Butler	Gallivan	Konop	Peters
Calder	Gardner	Kreider	Peterson
Callaway	Garner	Lafferty	Phelan
Campbell	George	Langham	Platt
Candler, Miss.	Gerry	Langley	Plumley
Cantor	Gillett	Lee, Pa.	Porter
Carew	Gilmore	L'Engle	Powers
Carr	Gittins	Lenroot	Rauch
Carter	Goldfogle	Lesher	Reed
Cary	Good	Levy	Reilly, Wis.
Casey	Gordon	Lewis, Md.	Roberts, Mass.
Chandler, N. Y.	Gorman	Lewis, Pa.	Roberts, Nev.
Church	Graham, Ill.	Lieb	Rogers
Clark, Fla.	Graham, Pa.	Lindbergh	Rothermel
Cline	Gray	Lindquist	Russell
Connelly, Kans.	Green, Iowa	Lobeck	Sabath
Connolly, Iowa	Greene, Mass.	Loft	Saunders
Conry	Greene, Vt.	Logue	Scott
Copley	Gregg	Lonergan	Scully
Cox	Griest	McAndrews	Seldomridge
Sells	Stephens, Nebr.	Thacher	Watkins
Shackleford	Stevens, Minn.	Thomas	Weaver
Shreve	Stevens, N. H.	Thompson, Okla.	Whaley
Slayden	Stringer	Towner	Whitacre
Slemp	Sumners	Treadway	Williams
Sloan	Sutherland	Tuttle	Willis
Smith, J. M. C.	Switzer	Underhill	Wilson, N. Y.
Smith, Minn.	Taggart	Vare	Winslow
Smith, N. Y.	Talbott, Md.	Vaughan	Witherspoon
Smith, Saml. W.	Talcott, N. Y.	Vollmer	Woodruff
Stafford	Taylor, Ala.	Volstead	Young, N. Dak.
Stanley	Taylor, N. Y.	Wallin	
Stephens, Cal.	Temple	Walsh	
Stephens, Miss.	Ten Eyck	Walters	

No quorum voting.

The SPEAKER. This roll call shows 159 Members present.

Mr. UNDERWOOD. Mr. Speaker, I think it is evident we can not get a quorum to-day, and because of the number of Members who are absent I rose for the purpose of moving an adjournment.

Mr. HENSLEY. Mr. Speaker——

Mr. UNDERWOOD. Does the gentleman wish to ask me something?

Mr. HENSLEY. I would like to ask the gentleman from Alabama whether or not he hopes to be able to secure a quorum here between now and the general election?

Mr. UNDERWOOD. Well, I think it is apparent that we can not get a quorum here before the general election.

Mr. HENSLEY. I would further ask the gentleman whether or not he is going to send out and insist upon Members who are back in their districts coming here, so as to constitute a quorum between now and the election?

Mr. UNDERWOOD. Of course that is a proposition for the House to determine for itself. So far as I am personally concerned, or so far as I can speak as floor leader of the House, I would not send to bring gentlemen from their districts within these few days of the election. [Applause.] After the election that matter can be disposed of.

Mr. GLASS. May I ask the gentleman from Alabama why the resolution compelling attendance upon the sessions of the House under penalty of $20.54 per day fine was rescinded after some of us had been fined under that resolution for going to our homes, as the President of the United States did, to vote at the general election? Why should it have been rescinded and Members of the House now be permitted to go back to their homes while we have vital legislation pending here?

Mr. RAGSDALE. Will the gentleman permit a suggestion there?

Mr. GLASS. Mr. Speaker, I have been here for 22 months consecutively, with the exception of two weeks granted me on account of sickness, and was fined for going home to vote at the general election. It seems to me somebody else ought to be fined and made to come back here. [Applause.]

The SPEAKER. Does the gentleman from Alabama yield to the gentleman from South Carolina?

Mr. UNDERWOOD. I do.

Mr. RAGSDALE. I will state for the benefit of the gentleman from Virginia [Mr. GLASS] that they were mostly men from the South who were fined under those circumstances.

Mr. GLASS. Oh, no; I do not think so.

Mr. LEVER. Mr. Speaker——

The SPEAKER. Will the gentleman yield to the gentleman from South Carolina?

Mr. UNDERWOOD. I will.

Mr. LEVER. Mr. Speaker, I desire to submit this proposition to the gentleman from Alabama [Mr. UNDERWOOD] and to the House: I believe that there are three bills pending here—two from the Committee on Banking and Currency and one from the Committee on Agriculture. One of the bills from the Currency Committee deals with the reserve act; the other, as I understand it, deals with the Vreeland-Aldrich Act. The bill from the Agricultural Committee is well known. I believe it is possible, if an agreement could be entered into here this morning that the House should pass the bill which deals with the Vreeland-Aldrich Act and substitute the warehouse bill in the position occupied in the rule by the bill dealing with the reserve act, and then make that bill the unfinished business when we come back here in December, an adjournment might be effected thereby.

Mr. HENRY. Let me understand the gentleman, now. Your proposition is to substitute the warehouse bill for the Senate bill 6505?

Mr. LEVER. No; the other one.

Mr. HENRY. Of course I could not agree to the other proposition, because that is the one this rider is proposed as an amendment to—Senate bill 6392. I have no objection in the world to your substituting your warehouse bill for Senate bill 6505, for I am very much opposed to that bill.

Mr. GLASS. Mr. Speaker, that is an astonishing statement to me, because the gentleman from Texas assured me that if I would give him a vote on his propositions he would help me pass both of these bills.

Mr. HENRY. If they are amended.

Mr. GLASS. I would like to say further to my colleague from South Carolina that the usefulness of his warehouse bill would be very much impaired by the failure to pass Senate bill 6505. There is no use for warehouse certificates if there is no credit at the banks under which they can be utilized.

Mr. LEVER. I appreciate the bill would be affected by the failure of this bill to pass.

Mr. HENRY. Just a moment there. I want to reply to the gentleman from Virginia. I want to see his bills pass if they are properly amended, but, of course, in their present crude form I could not agree to them.

Mr. GLASS. Mr. Speaker, the gentleman made no such qualification as that. He said explicitly to me, time and time again, if we would give him a vote on his propositions he would help me to pass the bills.

Mr. HENRY. I did not say that; that is all there is to it.

Mr. GLASS. I am sure the gentleman did say it.

Mr. HENRY. You misunderstood me; that is all.

Mr. UNDERWOOD. Mr. Speaker, it is apparent we can not make an agreement to-day, because there is not a quorum here. I hope the gentlemen will be able to come to an agreement by to-morrow, and I would cheerfully cooperate with all of them in doing so.

Mr. HENRY. I am ready for cooperation in order to get these bills through.

Mr. UNDERWOOD. Mr. Speaker, we can not take a recess, and I am satisfied we can not get a quorum right now, but at the suggestion of the gentlemen who desire to get together we might have an understanding between each other that the Speaker can leave some one in the chair for an hour, if it is agreeable to the Speaker——

Mr. FITZGERALD. You can not do that, Mr. Speaker.

Mr. HENRY. Mr. Speaker, I do not think to-day is the day to do that.

The SPEAKER. The Speaker will stay in the chair himself. [Applause.]

Mr. UNDERWOOD. Do I understand the gentleman from Texas insists on a quorum to-day?

Mr. HENRY. Yes; I think so.

ADJOURNMENT.

Mr. UNDERWOOD. Then I move that the House adjourn.

The SPEAKER. The gentleman from Alabama moves that the House adjourn.

The question was taken, and the Speaker announced that the noes seemed to have it.

Mr. UNDERWOOD. I ask for a division, Mr. Speaker.

Mr. HAMLIN. Mr. Speaker, a division.

The House divided; and there were—ayes 81, noes 43.

Mr. CRISP. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. The gentleman from Georgia asks for the yeas and nays. Those in favor of ordering the yeas and nays will rise and stand until they are counted. [After counting.] Thirty-two gentlemen have risen.

Mr. CRISP. A parliamentary inquiry, Mr. Speaker. How many gentlemen rose?

The SPEAKER. Thirty-two. Those opposed will rise. [After counting.] Sixty-six have risen in the negative. Thirty-two is a sufficient number, and the yeas and nays are ordered. The Clerk will call the roll, and those in favor of adjourning will answer "aye" and those opposed will answer "no."

The question was taken; and there were—yeas 58, nays 91, answered "present" 1, not voting 278, as follows:

YEAS—58.

Ashbrook	Evans	Kiess, Pa.	Ragsdale
Barkley	Fergusson	Kinkaid, Nebr.	Riordan
Barton	Fitzgerald	Kirkpatrick	Rouse
Borchers	Flood, Va.	La Follette	Sherley
Brumbaugh	Garrett, Tenn.	Linthicum	Steenerson
Coady	Gill	Lloyd	Tavenner
Cooper	Goulden	Mann	Treadway
Curry	Hamilton, N. Y.	Mapes	Underwood
Davis	Hay	Miller	Watson
Dent	Helm	Moon	White
Dershem	Hinds	Moore	Wilson, Fla.
Difenderfer	Holland	Morgan, Okla.	Woods
Dixon	Hull	Morrison	Young, Tex.
Dunn	Humphreys, Miss.	Nelson	
Edmonds	Johnson, Utah	Payne	

NAYS—91.

Abercrombie	Aswell	Borland	Byrnes, S. C.
Adamson	Bell, Ga.	Buchanan, Tex.	Byrns, Tenn.
Aiken	Blackmon	Bulkley	Caraway
Alexander	Booher	Burnett	Carlin
Collier	Hawley	McGillicuddy	Sims
Crisp	Hayden	McKellar	Sinnott
Dickinson	Heflin	Maguire, Nebr.	Sisson
Donovan	Henry	Montague	Small
Eagan	Hensley	Morgan, La.	Smith, Idaho
Eagle	Houston	Murray	Smith, Md.
Edwards	Howard	Oldfield	Smith, Tex.
Falconer	Hughes, Ga.	Padgett	Stedman
Farr	Humphrey, Wash.	Page, N. C.	Stephens, Tex.
Finley	Jacoway	Park	Stone
Floyd, Ark.	Johnson, Ky.	Pou	Stout
Gard	Johnson, S. C.	Quin	Taylor, Ark.
Garrett, Tex.	Keating	Rainey	Taylor, Colo.
Glass	Kindel	Raker	Thomson, Ill.
Godwin, N. C.	Kinkead, N. J.	Rayburn	Tribble
Goeke	Kitchin	Reilly, Conn.	Walker
Goodwin, Ark.	Korbly	Rubey	Webb
Hamlin	Lazaro	Rucker	Wingo
Hardy	Lever	Rupley	

ANSWERED "PRESENT"—1.

Bartlett

NOT VOTING—278.

Adair	Doremus	Kennedy, Iowa	Rauch
Ainey	Doughton	Kennedy, R. I.	Reed
Allen	Driscoll	Kent	Reilly, Wis.
Anderson	Drukker	Kettner	Roberts, Mass.
Ansberry	Dupré	Key, Ohio	Roberts, Nev.
Anthony	Elder	Knowland, J. R.	Rogers
Austin	Esch	Konop	Rothermel
Avis	Estopinal	Kreider	Russell
Bailey	Fairchild	Lafferty	Sabath
Baker	Faison	Langham	Saunders
Baltz	Ferris	Langley	Scott
Barchfeld	Fess	Lee, Ga.	Scully
Barnhart	Fields	Lee, Pa.	Seldomridge
Bartholdt	FitzHenry	L'Engle	Sells
Bathrick	Fordney	Lenroot	Shackleford
Beakes	Foster	Lesher	Sherwood
Beall, Tex.	Fowler	Levy	Shreve
Bell, Cal.	Francis	Lewis, Md.	Slayden
Bowdle	Frear	Lewis, Pa.	Slemp
Britten	French	Lieb	Sloan
Brockson	Gallagher	Lindbergh	Smith, J. M. C.
Brodbeck	Gallivan	Lindquist	Smith, Minn.
Broussard	Gardner	Lobeck	Smith, N. Y.
Brown, N. Y.	Garner	Loft	Smith, Saml. W.
Brown, W. Va.	George	Logue	Sparkman
Browne, Wis.	Gerry	Lonergan	Stafford
Browning	Gillett	McAndrews	Stanley
Bruckner	Gilmore	McClellan	Stephens, Cal.
Bryan	Gittins	McGuire, Okla.	Stephens, Miss.
Buchanan, Ill.	Goldfogle	McKenzie	Stephens, Nebr.
Burgess	Good	McLaughlin	Stevens, Minn.
Burke, Pa.	Gordon	MacDonald	Stevens, N. H.
Burke, S. Dak.	Gorman	Madden	Stringer
Burke, Wis.	Graham, Ill.	Mahan	Sumners
Butler	Graham, Pa.	Maher	Sutherland
Calder	Gray	Manahan	Switzer
Callaway	Green, Iowa	Martin	Taggart
Campbell	Greene, Mass.	Merritt	Talbott, Md.
Candler, Miss.	Greene, Vt.	Metz	Talcott, N. Y.
Cantor	Gregg	Mitchell	Taylor, Ala.
Cantrill	Griest	Mondell	Taylor, N. Y.
Carew	Griffin	Morin	Temple
Carr	Gudger	Moss, Ind.	Ten Eyck
Carter	Guernsey	Moss, W. Va.	Thacher
Cary	Hamill	Mott	Thomas
Casey	Hamilton, Mich.	Mulkey	Thompson, Okla.
Chandler, N. Y.	Hammond	Murdock	Towner
Church	Hardwick	Neeley, Kans.	Townsend
Clancy	Harris	Neely, W. Va.	Tuttle
Clark, Fla.	Harrison	Nolan, J. I.	Underhill
Claypool	Hart	Norton	Vare
Cline	Haugen	O'Brien	Vaughan
Connelly, Kans.	Hayes	Oglesby	Vollmer
Connolly, Iowa	Helgesen	O'Hair	Volstead
Conry	Helvering	O'Leary	Wallin
Copley	Hill	O'Shaunessy	Walsh
Cox	Hinebaugh	Paige, Mass.	Walters
Cramton	Hobson	Palmer	Watkins
Crosser	Howell	Parker	Weaver
Cullop	Hoxworth	Patten, N. Y.	Whaley
Dale	Hughes, W. Va.	Patton, Pa.	Whitacre
Danforth	Hulings	Peters	Williams
Davenport	Igoe	Peterson	Willis
Decker	Johnson, Wash.	Phelan	Wilson, N. Y.
Deitrick	Jones	Platt	Winslow
Dies	Kahn	Plumley	Witherspoon
Dillon	Keister	Porter	Woodruff
Donohoe	Kelley, Mich.	Post	Young, N. Dak.
Dooling	Kelly, Pa.	Powers	
Doolittle	Kennedy, Conn.	Prouty	

So the motion to adjourn was rejected.

The Clerk announced the following pairs:

Until further notice:

Mr. GORMAN with Mr. FRENCH.

Mr. GARNER with Mr. FORDNEY.

Mr. MANAHAN with Mr. GREGG.

Mr. ANSBERRY with Mr. FESS.

Mr. STEPHENS of Nebraska with Mr. SLOAN.

Mr. FIELDS with Mr. LANGLEY.

Mr. LEE of Pennsylvania with Mr. ROBERTS of Nevada (except on war-tax bill or conference report).

Mr. BUCHANAN of Illinois with Mr. CALDER.

Mr. O'SHAUNESSY with Mr. ROBERTS of Massachusetts.

Mr. BURKE of Wisconsin with Mr. BRITTEN.

Mr. CHURCH with Mr. COPLEY.
Mr. FOSTER with Mr. KELLEY of Michigan.
Mr. PALMER with Mr. MARTIN.
Mr. BROWN of New York with Mr. MERRITT.
Mr. WATKINS with Mr. SLEMP.
Mr. STEVENS of New Hampshire with Mr. PAIGE of Massachusetts.
Mr. REILLY of Wisconsin with Mr. BROWNE of Wisconsin.
For the session:
Mr. TAYLOR of Alabama with Mr. HUGHES of West Virginia.
Mr. SCULLY with Mr. BROWNING.
Mr. HAMMOND with Mr. BURKE of South Dakota.
Mr. BARTLETT with Mr. BUTLER.
Mr. SPARKMAN with Mr. TREADWAY.

The result of the vote was announced as above recorded.

The SPEAKER. The House declines to adjourn.

Mr. MANN. Mr. Speaker, have any gentlemen come in who are not yet recorded on the roll call that was in progress?

The SPEAKER. The Chair does not know. Is there any gentleman who has not been recorded? If so, let him come forward and be recorded.

Mr. CARLIN. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. The gentleman from Virginia [Mr. CARLIN] moves that the House adjourn. Those in favor of the motion and desire to second it will rise and stand until they are counted. [After counting.] Eighteen gentlemen have risen to second the motion to adjourn, and the Chair will count how many more there are here.

Mr. GLASS rose.

The SPEAKER. For what purpose does the gentleman from Virginia rise?

Mr. GLASS. To make a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GLASS. I would like to inquire, Mr. Speaker, what will be the status of the pending legislation when Congress shall reconvene in December in the event that we should reach a unanimous conclusion to adjourn this session?

Mr. RAGSDALE. A point of order, Mr. Speaker. A motion to adjourn is before the House, and the Chair started to count.

The SPEAKER. The gentleman made a parliamentary inquiry, and the Chair will answer it. The legislative status would be this: After the Chaplain prays and the roll is called and a quorum is ascertained and the usual little motions are made about informing the President, and so forth and so on, the Chair thinks that this bill that we are operating on now would be the regular order.

Mr. MANN. A demand for the regular order would put us under the operation of the rule that we are operating under now.

Mr. HENRY. Mr. Speaker, the previous question having been already ordered, it would then be considered as having been ordered?

The SPEAKER. Yes. The first thing that would be done would be to vote on the motion to recommit, and then on the bill itself, and then immediately we would vote on that other bill, whatever the number of it is.

Mr. MANN. We would be operating under the rule, as we are now.

The SPEAKER. We would be operating under this rule.

Mr. GARRETT of Texas. Mr. Speaker, I understand that the gentleman from Illinois [Mr. MANN] has stated privately that the Senate has adjourned.

Mr. MANN. Yes. The gentleman from Wisconsin [Mr. COOPER] has just returned from the Senate, and he makes that statement.

Mr. GARRETT of Texas. I ask unanimous consent that the Chair put the motion to adjourn after it has been seconded.

Mr. BARTLETT. Mr. Speaker, I suggest that a good many Members have come in since the Chair made the first request. I suggest that he count those.

Mr. FITZGERALD. The Chair was counting those who seconded the motion.

The SPEAKER. Yes. It is a very peculiar rule. The Chair forgets it sometimes. The Chair forgot it twice this week, and everybody else seems to forget it. The rule provides under circumstances like this that whenever a gentleman moves to adjourn, the Chair shall count the House and then count those who second the motion to adjourn, and if the majority votes to second the motion to adjourn, then the Chair puts the motion to adjourn. The Chair will count. [After counting.] Fifty-eight gentlemen are present. Those in favor of seconding the motion of the gentleman from Virginia [Mr. CARLIN] to adjourn will rise and stand until they are counted. [After counting.] Fifty-two gentlemen second the motion. Fifty-eight are present, and 52 rise to second the motion. The motion is seconded, and the question is on the motion of the gentleman from Virginia to adjourn. Those in favor of the motion will vote "aye," those opposed will vote "no."

The question was taken, and the motion to adjourn was agreed to.

Accordingly (at 1 o'clock and 44 minutes p. m.) the House adjourned until to-morrow, Saturday, October 24, 1914, at 12 o'clock noon.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII,

Mr. ASWELL (by request) introduced a bill (H. R. 19411) to incorporate the United States Platinum Corporation and to aid in the development of the mineral resources of Alaska, and for other purposes, which was referred to the Committee on the Territories.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of New York: A bill (H. R. 19412) granting an increase of pension to Leonard T. Butler; to the Committee on Invalid Pensions.

By Mr. DONOVAN: A bill (H. R. 19413) granting an increase of pension to Catherine Commerford; to the Committee on Invalid Pensions.

By Mr. GARD: A bill (H. R. 19414) granting a pension to Edward T. Carter; to the Committee on Pensions.

Also, a bill (H. R. 19415) granting an increase of pension to George A. Coyer; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. GILMORE: Petition of sundry citizens of Milton, Mass., favoring national prohibition; to the Committee on Rules.

Also, petition of sundry citizens of Massachusetts, favoring civil-service retirement; to the Committee on Reform in the Civil Service.

By Mr. KENNEDY of Rhode Island: Petition of the Aetna Life Insurance Co., relative to limiting the war tax on insurance premiums; to the Committee on Ways and Means.

By Mr. MERRITT: Petition of Mr. G. Lohr, of Gouverneur, N. Y., urging favorable consideration of House bill 7826; to the Committee on the District of Columbia.

By Mr. MURRAY: Petitions of sundry citizens of Blue, Scullin, Holdenville, Red Oak, Wister, Monroe, Vanoss, and Leflore, all in the State of Oklahoma, favoring national prohibition; to the Committee on Rules.

By Mr. REED: Petition of Delegate J. W. Paquet, of Local Union No. 151, of Manchester, N. H., of the Journeymen Barbers' International Union of America, in support of House bill 7826; to the Committee on the District of Columbia.

By Mr. SMITH of Maryland: Petition of the Citizens' Associations of Lanham, North Lanham, and Hynesboro, all in the State of Maryland, favoring the seamen's bill (S. 136); to the Committee on the Merchant Marine and Fisheries.

SENATE.

SATURDAY, *October 24, 1914.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, our lives are in Thy hands. We pray that we may be given that grace which will seek to know and to do Thy will, knowing that all the welfare of life is contained within the scope of Thy purpose. Conformity to Thy will insures the beauty and strength and glory of life. Save us from that pride of spirit which would subvert God's holy will in us; save us from the surrender of the higher to the lower nature that would turn aside the great purpose of God; save us from that prodigality in the use of the blessings which Thou hast brought to us that would enervate and degrade the life of the people, but in conformity to God's will may we do our work as a nation and receive God's continual blessing. We ask for Christ's sake. Amen.

NAMING A PRESIDING OFFICER.

The Secretary (James M. Baker) read the following communication:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., October 24, 1914.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. CLAUDE A. SWANSON, a Senator from the State of Virginia, to perform the duties of the Chair during my absence.

JAMES P. CLARKE,
President pro tempore.

Mr. SWANSON thereupon took the chair as Presiding Officer and directed the Secretary to read the Journal of yesterday's proceedings.

The Secretary proceeded to read the Journal of yesterday's proceedings.

Mr. JAMES. I ask unanimous consent that the further reading be dispensed with.

The PRESIDING OFFICER. If there be no objection, the further reading of the Journal will be dispensed with, and the Journal will stand approved. The Chair hears none.

Mr. JONES. Does that carry with it the approval of Thursday's Journal?

The PRESIDING OFFICER. No. It is the Journal of the preceding day—Friday's Journal.

Mr. BRYAN. I ask unanimous consent that the Journal of Thursday be approved.

Mr. SMITH of Georgia. Mr. President, I wish to present a report.

Mr. BRYAN. Mr. President, I rise to a point of order. There is one question now before the Senate.

The PRESIDING OFFICER. The Senator from Florida has been recognized. Does the Senator from Florida yield to the Senator from Georgia?

Mr. SMITH of Georgia. I merely want to submit a report.

Mr. BRYAN. No, Mr. President; I do not yield.

The PRESIDING OFFICER. The Senator from Florida refuses to yield, and he has asked unanimous consent that the Journal of Thursday's proceedings be approved.

Mr. MYERS. Will the Senator from Florida permit me to present a petition?

Mr. BRYAN. No; I do not yield at all. I insist on my motion.

The PRESIDING OFFICER. The question is on the motion of the Senator from Florida that the Journal of Thursday's proceedings be approved.

The motion was agreed to.

PRESIDENTIAL APPROVAL.

A message from the President of the United States, by Mr. Latta, executive clerk, announced that the President had, on October 23, 1914, approved and signed the following joint resolution:

S. J. Res. 200. Joint resolution authorizing the payment of October salaries to officers and employees of the Senate and House of Representatives on the day of adjournment of the present session.

REPORT OF PNEUMATIC-TUBE POSTAL COMMISSION (S. DOC. NO. 615).

Mr. SMITH of Georgia. Mr. President, I wish to present a report from the Joint Commission on Pneumatic Tubes.

The PRESIDING OFFICER. If there is no objection the report will be received.

Mr. SMITH of Georgia. I wish to call attention to the fact that while it is a joint commission it is understood that the report shall be printed as a Senate document. Therefore I ask that as many copies as can be furnished within the $500 limitation be printed for the use of the commission, and that it be referred to the Committee on Post Offices and Post Roads.

The PRESIDING OFFICER. If there be no objection, the report will be received, referred as requested, and printed.

Mr. HITCHCOCK. Regular order!

The PRESIDING OFFICER. The regular order is demanded. The presentation of petitions and memorials is in order.

INTERSTATE IRRIGATION COMMISSION.

Mr. MYERS. The Interstate Irrigation Commission is a permanent commission, the members of which were appointed by the governors of the Western States which are interested in irrigation. Its object is to consider problems of irrigation and methods of legislation in aid of reclamation projects.

The commission recently held a meeting at Helena, Mont., and adopted resolutions which are in the nature of a petition to Congress, in which they suggest certain methods of reform in legislation for reclamation projects. I present the resolutions adopted at the last meeting of the Interstate Irrigation Commission held at Helena, Mont., and ask that they be printed in the RECORD.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The resolutions referred to are as follows:

Resolutions adopted by the Interstate Irrigation Commission at its recent meeting in Helena, Mont.

Be it resolved, That we indorse the broad and comprehensive policies of Secretary Lane in his effort to develop the national resources of the West, and also the prompt and efficient manner in which the business of the Interior Department is being dispatched.

Be it further resolved, That we commend the Reclamation Service for its excellent and efficient work in the construction of the reclamation projects; and recognizing in it the possibility of further reclamation, we recommend that it be made the agency through which future irrigation works be constructed.

Be it further resolved, That we indorse the creation of a revolving fund of $100,000,000 in order that the Reclamation Service may complete the projects now unfinished and other meritorious ones, and that said funds draw interest at the rate not exceeding 3 per cent per annum.

Be it further resolved, That the Federal Government and the arid-land States of the West cooperate in the reclamation, and with that end in view we recommend:

1. A uniform district irrigation law in the various States to facilitate Federal loans, and to this end that this matter be referred to the committee on legislation and report at the next meeting of this commission, to be held at Washington, D. C., about December 1 next. That this special committee confer with the proper Federal officers in the preparation of a law to be submitted to the various State legislatures.

2. That all State and Government lands included within the boundaries of districts organized under such uniform law shall be subject to the same rules, regulations, and charges as lands in private ownership.

Be it resolved, That storage reservoirs should be constructed and perpetually owned by the Government, which shall make such charges against the stored water as are equitable, but the construction cost of such works shall be classed and considered as a national work.

Be it resolved, That we believe the speedy improvement of lands under all irrigation projects to be a matter of vital importance, and that under present conditions a rigid improvement and continuous cultivation condition should be substituted for the residence requirement in the United States reclamation law.

Be it resolved, That we urge the enactment of uniform and suitable laws in each State by which the proper State officials shall receive annual detailed statements, comparable to those prepared by the Reclamation Service, showing the investment, annual cost, duty of water, crop production, and related details for each irrigation district, Carey Act project, and other public-service corporations supplying water for irrigation.

Be it resolved, That Federal legislation be provided enabling cooperation between the Government and districts organized under State law for the distribution of water for irrigation on the public lands (including lands segregated under the Carey Act) in the investigation, construction, and financial promotion of reclamation projects, pursuant to which the Government, through its proper agencies, shall investigate and construct with moneys from the "reclamation fund" such feasible projects as shall be initiated by the various districts, pursuant to which, also, such districts will bond the completed projects in order to release the investment of the Government, the Government to advance patent to all lands held in good faith under the public-land laws whenever such bonds shall be disposed of in order that the title to such lands may be subjected to the lien of the bonds.

That in order to provide a "revolving fund" for use by the Government in promoting such cooperation the reclamation projects now in operation may be bonded by districts organized to purchase them and the Government reimbursed for its present investment with the proceeds from the sale of the same; and in that connection it is recommended that such projects be sold at a discount in order that the reduced price at which they may be purchased by the landowners will offset the interest which the bonds will call for and from which the contracts for the purchase of water under the existing law are exempt, or as an alternative plan for providing a revolving fund that provision be made by which the completed or nearly finished successful projects, built under the terms of the reclamation act, may be turned in at the earliest practicable date to irrigation district organizations, receiving in exchange 20-year bonds of the district, which shall be interest exempt, principal to be paid in accordance with the provisions of the reclamation extension act, these bonds to be disposed of or used as the basis of securing additional funds to build other meritorious projects.

PETITIONS AND MEMORIALS.

Mr. SHEPPARD presented petitions of sundry citizens of Pike County, Ill., and Malden, Mass., praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented a memorial of the Woman's Christian Temperance Union of Palacios, Tex., remonstrating against an increase of the tax on intoxicating liquors, which was ordered to lie on the table.

JAMES ANDERSON.

Mr. DU PONT, from the Committee on Military Affairs, to which was referred the bill (S. 5053) to correct the military record of James Anderson, reported it with amendment and submitted a report (No. 830) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. STONE:

A bill (S. 6679) for the erection of a Federal building at Aurora, Mo.; to the Committee on Public Buildings and Grounds.

By Mr. HUGHES:

A bill (S. 6680) to fix the compensation of assistant appraisers of merchandise, and for other purposes; to the Committee on Finance.

By Mr. HITCHCOCK:

A bill (S. 6681) granting an increase of pension to Frank F. Judson; to the Committee on Pensions.

By Mr. JONES:

A bill (S. 6682) granting an increase of pension to Susie E. Harris (with accompanying papers); and

A bill (S. 6683) granting a pension to Edwin Ash; to the Committee on Pensions.

FLOOD WATERS OF THE RIO GRANDE.

Mr. SHEPPARD. In connection with the question of the control and disposition of the flood waters of the Rio Grande I have here a copy of a joint resolution that I introduced on August 19 on the subject and also a letter from the secretary of the Chamber of Commerce of Mission, Tex., which I wish to have inserted in the RECORD.

I intend to bring this subject before Congress at the next session. Conditions are such that the Government should give it special attention. The people of the Rio Grande Valley are interested and aroused. The maintenance of a fixed boundary line between the United States and Mexico and the conservation and distribution of the waters of the Rio Grande, whose channel composes that boundary line for so many hundreds of miles, are questions fundamentally interrelated.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

Joint resolution (S. J. Res. 183) for control and distribution of the flood waters of the Rio Grande.

Whereas the annual floods on the Rio Grande, a large section of which constitutes the boundary line between the United States and Mexico, have been and are such as to change the channel thereof, producing serious avulsions and oftentimes and in many places leaving large tracts of land belonging to people of the United States on the Mexican side of the river and Mexican lands on the American side, thus producing a confusion of boundary, disturbance of public and private titles to lands, as well as provoking conflict of jurisdiction between the two Governments, affording facilities for smuggling, promoting evasion and preventing the collection of revenues by the respective countries; and

Whereas these conditions are a standing menace to the harmony and prosperity of the citizens of the said countries and the amicable and orderly administration of their respective Governments: Therefore be it

Resolved, etc., That the commission for the study of the questions connected with the equitable distribution of the waters of the Rio Grande between the citizens of the United States and Mexico is hereby directed to make an investigation, under the supervision of the Secretary of State, as to the best and most feasible method of preserving the boundary line between the United States and Mexico by preventing the flood waters of the Rio Grande and its tributaries where the said Rio Grande constitutes said boundary line from disturbing and changing the channel, and also the best and most feasible mode of impounding, regulating, and utilizing said waters in such manner as to secure to each country and its inhabitants their legal and equitable rights and interests in said waters.

The investigation herein authorized is to include the section of the Rio Grande between the mouth of said river and Fort Quitman, a point about 80 miles from the upper end of the United States-Mexico boundary line, the flood waters above Fort Quitman being subject to control by the Engle Dam.

The said commission is also directed, under the supervision of the Secretary of State, to enter into such negotiations with a similar commission representing the Mexican side of the Rio Grande, or with the Mexican Government itself, as may be necessary to enable it to make a satisfactory report.

In order to carry out the purpose of this resolution, and for the employment of such engineers and other assistants as the Secretary of State and said commission may deem advisable, the sum of $50,000, or so much thereof as may be necessary, is hereby appropriated out of any moneys in the Treasury not otherwise appropriated.

The commission herein mentioned shall make report to Congress of its findings in the matters herein specified, with an estimate of cost.

MISSION CHAMBER OF COMMERCE,
Mission, Tex., September 13, 1914.

Hon. MORRIS SHEPPARD, *Washington, D. C.*

DEAR SIR: On September 9 we perfected in this city a valley organization to promote Federal gravity irrigation of the valley through a treaty with Mexico, providing dams and reservoirs for the storing of flood and storm waters for such a purpose and to foster your resolution carrying an appropriation of $50,000 for a survey of the Rio Grande from its mouth to Fort Quitman to ascertain the best means of utilizing the storm and flood waters so as to conserve the boundary line.

The organization embraces the entire valley from Roma to Brownsville, including the Lyford and Raymondville sections, there being a member on the board of directors from each of the towns of such territory, which means that we will have a strong organization.

We want you to realize that we not only appreciate your efforts in our behalf but that we are going to give you the entire support of the valley.

Having been elected secretary of the Gravity Irrigation Association of the Lower Rio Grande Valley, the new organization, I fully realize that the great bulk of the work falls on me, and I expect to do justice to the cause in every particular, hence I am making my arrangements to get out and thoroughly organize the valley at once. In my work of organization I have in mind the circulation of a petition addressed to you, setting forth the necessity of Federal aid in the irrigation of the valley, the total acreage irrigated and the status of such irrigation, the acreage that could be irrigated by gravity, the value of the production of such acreage, the value of such lands to-day as against its value under irrigation, the utter impossibility of reclaiming such lands by irrigation by private ownership or corporations, the necessity of impounding the flood and storm waters of the Rio Grande so as to prevent the everchanging course of the Rio Grande, the boundary line of the two Republics, which has caused considerable strife and dissension at various times through such changes, together with many other facts that should aid you in the passage of your resolution; and, further, if you think advisable, send a strong delegation to Washington to render you any further assistance possible.

Realizing the importance of the cause to the valley and the big work that I have undertaken, I would feel very grateful for any suggestions that you have to offer along the line I should follow.

With my very best wishes, I have the honor to remain,

Yours, very truly,

S. A. PIPES.

CORRECTION OF THE RECORD—ROBERT CRAIN.

Mr. NORRIS. Mr. President, I rise for the purpose of correcting a statement in the RECORD. In the discussion on the tax bill last Thursday I made the statement that Robert Crain, of Baltimore, I had been informed, was employed by the Whisky Trust and drew a large salary from it. I understand Mr. Crain has taken some offense at that statement, and from information which I have received indirectly from him I understand it is not true; that he was not connected with the Whisky Trust in any way; that he was not an attorney for the Whisky Trust, but that he is an attorney for the United States Brewers' Association.

I cheerfully make this correction, so that the facts may be stated in the RECORD.

THE JUDICIAL RECALL.

Mr. McCUMBER. I have a copy of an address by Rome G. Brown, of Minneapolis, Minn., chairman of the American Bar Association committee opposed to judicial recall, delivered before the State Bar Association of Missouri at St. Louis, Mo., September 23, 1914. I ask that the address may be printed as a document.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATION-WIDE PROHIBITION.

Mr. SHEPPARD. A few days ago I presented to the Senate a copy of speeches of former United States Senator Henry W. Blair on nation-wide prohibition and Federal aid for education, with a copy of an appeal of Mrs. Elizabeth Thompson to the American people; also an explanatory letter from ex-Senator Blair on circumstances giving birth to the documents; and they were referred to the Committee on Printing for action. As it has been impossible in the closing days of the session to secure a meeting of the Committee on Printing I ask that the Committee on Printing be discharged from the further consideration of the matter referred to, and that it be ordered printed as a public document.

The PRESIDING OFFICER. Without objection, it is so ordered.

FINAL ADJOURNMENT.

The PRESIDING OFFICER. The morning business is closed.

Mr. KERN. I offer the concurrent resolution which I send to the desk and ask for its adoption.

The PRESIDING OFFICER. The concurrent resolution will be read.

The Secretary read as follows:

Resolved by the Senate (the House of Representatives concurring), That the President of the Senate and the Speaker of the House of Representatives be authorized to close the present session by adjourning their respective Houses on the 24th day of October at 4 o'clock p. m.

Mr. SMITH of South Carolina. Mr. President, I do not propose to discuss the concurrent resolution at all, but there have been circulated throughout the Southern States, where the great distress in this country prevails, statements made on the floor here by certain Senators interested to the effect that Congress ought not to adjourn until some relief has been given.

I was heartily in accord with that view. Now, on the eve of what seems to be a recess or adjournment, I want to know if it is still the intention of those who made the statement to hold up and resist any attempt to adjourn or whether it is the opinion of those Senators that we should take a recess. It would largely contribute to clarify the atmosphere. I do not like to be put in the position of being criticized by my people for not supporting so worthy a sentiment. I did heartily indorse it by word and deed. Now I want to know from those who uttered these sentiments on this floor if they are still standing by their expressed determination.

I am perfectly willing, if there is any opportunity or any chance for any relief to come, immediately or mediately, to continue in session. I do not know what would be the effect of holding the two Houses of Congress in session from day to day, but I want to state here and now that I am perfectly willing to continue if there is any opportunity at all or any chance to bring relief to the South.

Mr. SHEPPARD. Mr. President, I am one of those who stated on the floor of the Senate that I did not think Congress

should adjourn until some relief could be granted to the cotton growers and that I would not vote for adjournment as long as there was any possible hope of relief.

I am clearly of the opinion that the events of yesterday demonstrated that there is no hope for any kind of relief from Congress at the present session. I want to say here that I can not agree with certain Senators who have claimed that the defeat of the war-revenue bill would have put us in better position in regard to cotton legislation. On the contrary, I think the defeat of that bill by the votes of those of us who were interested in cotton legislation would have been a tactical error, a violation of party faith, and would have fatally impaired our influence for all the future, both as to cotton and all other matters.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

Mr. SMITH of Georgia. I did not know that the resolution had been introduced. I would be glad to hear it read.

The PRESIDING OFFICER. The Secretary will again read the concurrent resolution.

The Secretary again read the concurrent resolution.

RECESS.

Mr. SMITH of Georgia. I move that the Senate take a recess until 2 o'clock.

Mr. SMITH of Michigan. Before that motion is put——

Mr. KERN. Mr. President——

The PRESIDING OFFICER. The Senator from Michigan has been recognized.

Mr. SMITH of Michigan. I yield to the Senator from Indiana.

Mr. KERN. If it is desired to take a recess, I will withdraw the concurrent resolution temporarily.

Mr. SMITH of Georgia. I think a motion to take a recess pending the resolution would be in order, but that question it is not necessary to have decided, as I understand the Senator from Indiana is willing to withdraw his resolution and allow the motion to take a recess until 2 o'clock to be presented.

The PRESIDING OFFICER. Does the Senator from Indiana withdraw the concurrent resolution?

Mr. KERN. I temporarily withdraw the concurrent resolution in order that there may be a vote on the motion to take a recess.

Mr. JONES. I wish to ask the Senator from Georgia if he would not make it 3 o'clock instead of 2?

Mr. SMITH of Michigan. Oh, no; 2 o'clock.

Mr. JONES. I will say frankly to the Senator that the reason I ask that the recess be taken until 3 o'clock is because the flag exercises will take place at the Union Station at 2 o'clock, and I should like to attend them.

Mr. SMITH of Georgia. Would 2.30 o'clock give the Senator time enough?

Mr. JONES. I think so.

Mr. SMITH of Georgia. I wish to change my motion to 2.30.

The PRESIDING OFFICER. The Senator from Georgia moves that the Senate take a recess until 2.30 p. m.

The motion was agreed to; and (at 12 o'clock and 18 minutes p. m.) the Senate took a recess until 2 o'clock and 30 minutes p. m.

At the expiration of the recess the Senate reassembled.

RELIEF OF COTTON SITUATION.

Mr. SMITH of Georgia. Mr. President, I ask permission to introduce a bill.

The PRESIDING OFFICER. If there be no objection, the Senator from Georgia will be granted that privilege. The Chair hears none.

Mr. SMITH of Georgia. Mr. President, I will not ask that the Senate be detained to hear the bill read, but I do desire that it shall go into the RECORD. It varies but little from the amendment that was offered to the war-tax bill. The important change is that, instead of simply specifying 10 cents a pound as the price at which the Government was to exchange the bonds for 5,000,000 bales of cotton, it provides that the exchange is to be made at the market price, not to exceed 10 cents a pound. In presenting it, I wish to say that, in my opinion, the withdrawal of 5,000,000 bales from the market would put the price on all the balance of the cotton at above 10 cents a pound.

The bill (S. 6684) to provide for the purchase of 5,000,000 bales of lint cotton, and for other purposes, was read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

A bill (S. 6684) to provide for the purchase of 5,000,000 bales of lint cotton, and for other purposes.

Be it enacted, etc., That during the year 1915 a special excise tax is hereby levied, and shall be paid and collected not later than December of said year, upon every person, firm, or corporation engaging in the business of planting, growing, or producing cotton, said tax to be measured as follows:

Every such person, firm, or corporation shall pay a tax of 2 cents a pound upon all lint cotton produced or grown by such person, firm, or corporation in excess of 50 per cent of the total amount of lint cotton produced by such person, firm, or corporation in the year 1914: *Provided*, That where any such person, firm, or corporation was not engage din the business of planting, growing, or producing cotton in the year 1914, such person, firm, or corporation shall pay a tax of 2 cents a pound on all lint cotton produced by such person, firm, or corporation in excess of 50 per cent of the total amount of lint cotton produced in the year 1914 on the farm or plantation operated by such person, firm, or corporation in the year 1915.

The Secretary of the Treasury is hereby authorized to make all necessary rules and regulations for the collection of the tax herein provided for.

SEC. 2. That the Secretary of the Treasury is hereby directed to have immediately prepared bonds of the United States to the amount in face value of $250,000,000. The said bonds shall be in denominations ranging from $10 to $500, and shall be made due on or before three years from date, and bear interest at 4 per cent per annum, and shall be payable in gold.

SEC. 3. That the said bonds shall be used at their face value for the purchase of 5,000,000 bales of lint cotton, payments to be made in said bonds to the sellers of such cotton, and the Secretary of the Treasury, the Postmaster General, and the Secretary of Agriculture are hereby constituted a board with authority to conduct such purchases and to carry out the provisions of this act in connection with the purchase, handling, and sale of said cotton.

The said purchases shall be made exclusively from the producers of such cotton at the price not to exceed 10 cents per pound for middling lint cotton and shall be made as rapidly as possible. Other grades of cotton may be bought at prices higher or lower than 10 cents, based on the difference of their values, as the same are more or less valuable than middling cotton. The purchases shall be made in the States where the cotton is grown, and shall be prorated between the States, as far as practicable, according to the quantity of cotton grown in each State. The cotton so purchased shall be handled under the direction of the board hereinbefore provided for, and none of the same shall be disposed of earlier than January 1, 1916. During the year beginning January 1, 1916, said cotton may be sold in blocks of 100 bales or more at the market price. On and after January 1, 1917, so much of said cotton as has not already been disposed of shall, within six months thereafter, be sold by said board. The money received from the sale of said cotton shall be kept separately in the Treasury and shall be used to pay off the bonds provided for in section 2 of this act, and whenever $5,000,000 has been accumulated from the sale of said cotton, blocks of said issue of bonds shall be called in and redeemed, and said board is given full power and authority to make such rules and regulations as are necessary for the purpose of executing the provisions of this and the preceding sections.

SEC. 4. That after the cotton the purchase and sale of which is provided for in sections 2 and 3 of this act has been disposed of it shall be the duty of the said board to prepare a statement covering the entire expenditure by the Government in connection with said transactions, including the redemption of said bonds, and if any part of said expenses has not been met it shall be the duty of said board to officially report the amount remaining unpaid, and said report shall be filed with the Commissioner of Internal Revenue. For the year 1917, and annually thereafter, a special tax is hereby levied and shall be paid and collected during the months of August, September, October, November, and December upon every person, firm, or corporation engaging in the business of planting, growin, or producing cotton, said tax to be measured as follows:

Every such person, firm, or corporation shall pay on all cotton produced or grown by such person, firm, or corporation during each of said years an amount equal to 1 cent per pound on such cotton, and the same shall be payable before said cotton leaves the ginhouse: *Provided, however*, That if the report of said board filed with the Commissioner of Internal Revenue shows that no amount remains unpaid, the excise tax provided for in this section shall not be collected: *And provided further*, That no tax shall be collected under this section except for the balance of the amount remaining unpaid as provided for in this section.

SEC. 5. That the sum of $1,000,000, or so much thereof as may be necessary, is hereby appropriated and made immediately available, under the direction of the said board, for the purpose of carrying into effect the provisions of sections 2 and 3 of this act.

THE PEOPLE'S CONGRESS.

Mr. CULBERSON. Mr. President, I should like to have printed in the RECORD an editorial from the New York World of this morning reviewing the work of this Congress. I ask unanimous consent to that effect.

The PRESIDING OFFICER. If there be no objection, it will be so ordered. The Chair hears none, and it is so ordered.

The editorial referred to is as follows:

THE PEOPLE'S CONGRESS.

The best that can be said of any Congress during its life is that it has been true to its trust. Time alone will determine the wisdom of its deeds. The Sixty-third Congress, in session longer than any other in our history, is noteworthy for its industry. It should always be even more memorable for its faithfulness to the pledges upon which it was chosen. For those pledges the people no less than their Congress must bear the responsibility.

When this Congress began its labors, April 7, 1913, certain great measures of reform had been promised by both parties for years. Except for two years in the House of Representatives, the Republicans had been in complete control of the Government since 1897. They had been bound by their platforms to reduce and equalize tariff and other taxation, to extend and strengthen the antitrust law, to reform our

finances, to stop the exploitation of Alaska, and to promote justly the principles of self-government in the Philippines.

To every one of these obligations they had proved false. In most cases they had done nothing. Revising the tariff twice, they increased its burdens upon consumers. Enacting some useful and progressive legislation in other directions, they studiously ignored or rejected popular demands for relief from privilege, extortion, and monopoly. Such was the situation a year ago last spring, when for the first time in more than 50 years a Democratic President, with a Congress having a dependable Democratic majority in both branches, took office.

For good or for ill, this Congress, cooperating with this President, has met the issues of the last 20 years in accordance with its covenants. It has dealt with several new problems besides. No other Congress has enacted so many laws reaching to the very foundations of finance, commerce, industry, and social order. In no other Congress has there been more freedom from lobbyists and promoters. At the hands of no other Congress have the people suffered less from demagogy and violence.

The Sixty-third Congress has revised downward, in the interest of consumers, a tariff whose schedules not many years ago were sold to the contributors of campaign funds.

It has reformed our banking and currency systems, putting an end to a financial tyranny centralized in a private coterie.

It has supplemented and clarified the antitrust laws, establishing personal guilt, preventing monopoly and interlocking directorates, and emancipating labor from unwarranted prosecutions and summary punishments without trial by jury.

It has levied an income tax, by means of which wealth must bear a share of public burdens heretofore heaped solely upon consumption.

It has created a Trade Commission empowered to investigate and report upon commercial oppressions that tend toward criminality.

It has amended the employees' arbitration law, by which means it recently, in the case of the railroads, averted what threatened to be the greatest strike ever known.

It has provided for the construction of a Government railroad in Alaska and for the leasing of public coal lands in that Territory, thereby forever protecting national rights in a dependency long menaced by the avarice of a moneyed sovereignty.

It has passed in one branch an act extending the liberties of the Filipinos and preparing the way for their self-government, a fulfillment not only of our most solemn pledges, but a reaffirmation of the principles underlying our own freedom as expressed in the Declaration of Independence. These are the mighty promise-keeping performances of the Sixty-third Congress. Of its many achievements relating to issues unforeseen, we shall cite only the repeal of the Panama Canal tolls act, in which a former Congress had violated a treaty to serve the coastwise shipping monopoly; the act authorizing the President to use force at Vera Cruz, but not declaring war upon the people of Mexico; the admission of foreign-built ships to American registry; the extension of the emergency currency act, anticipating the activities of the Federal reserve banks, not yet in operation, and the establishment of a Bureau of Maritime Insurance to continue during the European war.

In proof of the rectitude of purpose displayed in this remarkable record and of the fact that both parties have long been pledged to root privilege and plutocracy out of our laws, reference may be made to the attitude of the minority on some of these questions. Republican leadership, of course, was antagonistic, but it could not prevent men who respected their word from standing true. In the Senate, on the first passage of the Clayton antitrust bill, 7 Republicans voted with the Democrats; in the House, 56 Republicans. In the House no Republican voted against the Trade Commission bill; in the Senate, 12 Republicans favored it. In the Senate the banking and currency bill received the votes of 4 Republicans; in the House, 49 Republicans. Practically all of the important measures above referred to had Republican support in considerable numbers. The most notable exception is that of the tariff act, and even as to that 6 Republicans in the House and 2 in the Senate aligned themselves with the Democrats in perfect accord.

When partisans usually hostile unite in this way it is clear that honor and principle and reason abide on both sides. The time was ripe, indeed, for these movements forward, but progress such as this would not have been made except under highly favorable conditions when the temper of the people was known. In both Houses the majority was ably and sincerely led. There was an unalterable purpose to respect public opinion. There was the most laborious industry. There was unlimited patience. Above all else, there was the lofty inspiration of the White House, which, to the condemnation of a great party, had not been there before.

Nothing in a Republic is more inspiring than obedience to the popular will. The Sixty-third Congress has been more than obedient. It has been highly efficient. It has been a people's Congress, in which the best traditions of representative government have been courageously maintained. It must look to the people for its rewards. To the people belongs the triumph, all of which they saw, a large part of which they were.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had agreed to a concurrent resolution (No. 52) authorizing the President of the Senate and the Speaker of the House of Representatives to close the present session by adjourning their respective Houses on the 24th day of October, 1914, at 4 o'clock p. m., in which it requested the concurrence of the Senate.

FINAL ADJOURNMENT.

The PRESIDING OFFICER. The Chair lays before the Senate a concurrent resolution (No. 52) from the House of Representatives, which will be read.

The Secretary read as follows:

IN THE HOUSE OF REPRESENTATIVES,
October 24, 1914.

Resolved by the House of Representatives (the Senate concurring), That the President of the Senate and the Speaker of the House of Representatives be authorized to close the present session by adjourning their respective Houses on the 24th day of October, 1914, at 4 o'clock p. m.

Mr. MARTIN of Virginia. I move that the resolution just received from the House of Representatives be concurred in by the Senate.

The PRESIDING OFFICER. The question is on the motion of the Senator from Virginia to concur in the resolution from the House of Representatives.

Mr. SMITH of Georgia. Mr. President, the question which presents itself to me on the motion just made is, should I vote upon the resolution or should I make the point of no quorum, and call for a quorum.

Mr. President, we have brought to the attention of the Senate certain facts which involve especially the welfare of twenty millions of people, citizens of our country, and the welfare of the entire country. We have shown to the Senate that the loss of our European market for cotton has left this country with a crop of 15,000,000 bales, and with a market for 5,000,000 bales destroyed by the European war. We have shown that our own citizens have in no way been responsible for this condition; that it is not a normal case of overproduction and underdemand, but is a normal production with the demand destroyed by a foreign war.

We brought this question to the attention of Congress, not occupying an attitude similar to that which has ever been occupied by producers in the United States, who, finding that they had upon hand more to sell than the purchasers needed, asked for help. We distinguished the case from any case that has ever happened in the history of our country, and pointed out that it was one without antecedents, which could not become a precedent in the future, because in the future similar conditions could scarcely possibly happen.

We brought to the attention of the Senate the fact that a week before war was declared in Europe middling lint cotton was selling for 13¼ cents a pound; that for the past five years it sold for an average of 12¾ cents a pound, and for the past 10 years for over 12 cents a pound average; that our exportation of this great commodity brought back to our country last year through sales abroad $610,000,000; that this crop sold abroad has brought to our country since 1800 nearly $20,000,000,000; that it has no rival as an American product in its value in our international trade or in its contribution to the commerce of our country; that to-day we are almost groveling before the English people, consulting with the representatives of the Treasury Department, begging for extension of time on our liabilities to that country, and largely because this product is not now being bought by Great Britain as it would be bought, because of this 5,000,000 bales of excess for which there is no market.

We have pointed out the fact that if our Government would either buy or take over these 5,000,000 bales, Great Britain to-day would be buying cotton liberally at above 10 cents a pound, that then two hundred and odd million dollars that we owe abroad would be wiped out, and we would not have the humiliating spectacle of begging for indulgence upon our gold obligations.

We have sought to present this question as a national question. I think perhaps we made a mistake in referring to it in any other way; I think perhaps we made a mistake in suggesting that the people of nine States would be especially benefited by the proposed legislation.

Ah, Mr. President, I wish to say that the nine States that grow this commodity will live, their people will live, and they will continue to contribute to the power of this country. Rich and fertile is their soil, abundant are their minerals, and almost limitless are their water powers. A hardship will fall upon those who are in debt and the poorer classes. This great product will be absorbed by those of more means, and when it is known next spring that the crop has been cut one-half, cotton will sell for 10 cents a pound and upward. The world must have it. Ours is a country that alone furnishes the staple cotton that clothes the world; it has no rival. There is the short staple of India. Ours must be spun with it to make it useful. There is the very long staple of Egypt. It is valuable only for limited purposes. Ours is the great raw material from which the world must be clothed, and as a citizen of this Union I congratulate our entire country upon this great product of our country. Those of us who live in the nine cotton States will stand the next 12 months, and our section will continue to grow in wealth and power with its capacity to produce foodstuffs equal to that of any other part of the Union, and with its exclusive capacity to produce the raw material which must clothe the world.

We presented to the Senate a measure by which the Government could take over 5,000,000 bales of cotton and hold the same until 1916, without the possibility of loss to the National Government.

The bill was drawn in such a way that if a loss occurred the cotton producers would bear it. If a profit was made the Government would receive it.

Mr. President, we obtained a vote upon this measure; we were beaten. Some of us sought to hold up the war-tax bill to try to get another chance, but again we were beaten. We had our day in court for this session, so far as that plan is concerned, and I would have no excuse for filibustering or for making a point of no quorum in behalf of the bill to require the Government to purchase 5,000,000 bales of cotton.

Then, in the House the Congressmen from cotton-producing States presented a measure upon which they agreed, a measure by which currency was to be furnished in the nine Southern States. Let me stop a moment to speak of their condition with reference to currency.

This crop by September 1 each year almost exhausts the resources of the banks and the merchants and the farmers and the producers. By the 1st day of September cotton comes upon the market. By that day there is little or no money in the cotton counties of the South. They are expecting to get it by the speedy sale of cotton, and cotton after this time pours into the market, buyers vie with each other to obtain it, and it brings cash as perhaps no other commodity. The 1st of September came this year, and there was no market. The 1st of October came, and there was no market. The debt-paying time had come, and there was not anything to pay with, unless you swapped a bale of cotton for your debt; but each one of your creditors was not well provided with a way of taking care of that cotton, and it was a pretty big thing to use for exchange purposes. Mr. President, the rural sections were absolutely without a medium of exchange, and largely are in that condition to-day.

There was a fair vote upon the House measure, and it was defeated. I come to three other measures pending in the House upon which the Senate has passed. One is the bill providing that the member banks of any reserve district may deposit all of their surplus in the reserve bank of the district. This measure would have given to each one of these reserve banks currency-issuing power that it would not otherwise have. It would have afforded, in my judgment, to the district in which I live and to the adjoining district, two great cotton districts, probably $40,000,000 in increased currency. I think that bill ought to have been passed. I think any kind of reasonable delay was justifiable to stop adjournment so that a vote might be had upon that bill. Nobody objected to it; a large majority, at least, of the House were known to be for it. I think a little more force ought to have been given from somewhere to the passage of the measure and to a vote on it.

Another bill pending in the House was the bill providing that banks, members of the national currency association, might use their bills receivable up to the amount of 75 per cent of their capital and surplus, instead of 30 per cent, on which to issue their notes under the Aldrich-Vreeland law. We passed that measure through the Senate. The House amended it and increased the amount to 100 per cent. That measure would have been of great value to the section in which I live; it would have helped at least to meet the currency deficiency due to the utter failure of a market at this time for the commodity which usually furnishes currency at this season of the year for that section.

We amended that bill in the Senate, wisely I think, to permit State banks the benefits of the Aldrich-Vreeland Act. Over in the House before the committee there appeared the Secretary of the Treasury, backed up by the Federal Reserve Board, which he took with him to oppose the Senate amendment allowing State banks the privileges of the Aldrich-Vreeland Act, and, with their combined influence, they defeated the measure before the Banking and Currency Committee of the House.

Mr. President, even if the House rejected that part of the bill which we put on it, we ought to have had the balance; it would have been worth $50,000,000 of currency to the nine cotton-growing States. They could have obtained that much, in my judgment, or certainly $40,000,000 out of the enlarged facilities afforded them by the use of their bills receivable as a basis for the Aldrich-Vreeland Act currency.

I think myself that as little as might have been done would have been to free until July 1 next the notes of State banks secured by cotton-warehouse receipts from the 10 per cent tax. I do not suppose there is a lawyer who doubts that 10 per cent tax on State banks stretched the Constitution as much as any legislation that we have presented would have stretched the Constitution.

Mr. President, there [exhibiting] is a note that is used as currency in a Georgia county. I call it a "note"; it is called a consolidated warehouse company receipt. It is signed by every bank in that section—four banks, I believe, in the county—agreeing to accept it on deposit, but reserving the right to pay these deposits in the same currency. It bears the signatures of all the business houses in the section agreeing to take it in settlement of debts and to sell goods and receive payment in it. The oil company, the telephone company, and the railroads—two of them—running through the county take it for transportation and in payment for bills.

The farmer takes his cotton to the warehouse, and he is paid 7 cents a pound in this currency for his cotton. He is loaned 7 cents a pound on his cotton, at 6 per cent, for six months. That carries him over until next spring, when we will know whether the cotton farmer will show sense or folly. If he cuts his crop he will show sense; if the report comes that he has not cut his crop he will show folly. If he has cut his crop that cotton will be worth 10 cents a pound. So that by a currency created locally the farmer gets his 7 cents a pound on his cotton and pays his debts, and the community is moving along smoothly with no failures, for currency has been furnished them to do business.

I have been appealed to to know if such a note would be subject to the 10 per cent tax. I have declined to give a specific opinion, but I have given the opinion that they will never have to pay any 10 per cent tax. I call your attention to these facts to show how justifiable is the action of a representative of this section who comes to the Congress and says: "We are entitled to something; we are entitled at least to a chance to issue our own notes as a circulating medium for a few months, without taxation, so as to handle local business; and when that is denied us I think we have the right to say, 'Our Government is harsh, and we lack friends at court.'"

I ask that the certificate of the Consolidated Warehouse Co., of Sylvania, to which I have referred, may be printed in the RECORD in connection with my remarks.

The PRESIDING OFFICER. Without objection, that order will be made.

The certificate referred to is as follows:

[Obverse.]

(1) CONSOLIDATED WAREHOUSE COMPANY, SYLVANIA, GA. (1)

No. 2792. No. 2792.

THIS CERTIFIES that there has been deposited with the Honorable J. C. Overstreet, ordinary of Screven County, Georgia, as trustee for the said Consolidated Warehouse Company, approved warehouse receipts attached to farmers' notes on the basis of seven cents (7c) per pound for middling upland cotton, to secure to the bearer hereof the payment by the said Consolidated Warehouse Company of the sum of

ONE DOLLAR

in lawful money of the United States of America, payable six months after October 1st, 1914, with interest from October 1st, 1914, at the rate of 6 per cent. per annum. The cotton securing this certificate is insured against loss by fire at the rate of $45.00 per bale, and the receipt representing same is issued by a bonded warehouseman. Certificates payable at Citizens and Screven

(1) County Bank or Sylvania Banking Co. on April 1st, 1915. (1)

JACK C. REDDICK,
Treasurer Consolidated Warehouse Company.
J. C. OVERSTREET,
Ordinary Screven County, Georgia, Trustee.

[Reverse.]

This cotton certificate will be accepted on deposit by the banks named below and checks against same paid in like funds at the option of the bank: It will also be accepted at par in payment of any obligations due to said banks, to wit: Citizens and Screven County Bank; Sylvania Banking Co.; W. J. Walker & Co., bankers.

This certificate being fully secured and payable to bearer, with interest, will also be accepted at par by the following merchants in

(1) ONE DOLLAR (1)

payment of any obligations due them, and may be freely used by any other merchant or individual in the same manner: All merchants in Sylvania, Ga., all merchants in Newington, Ga., Sylvania & Girard R. R. Co., Farmers Oil & Fertilizer Co., Screven Telephone Co., Telephone Publishing Co., W. A. Mallory & Bro., J. T. Averitt, L. P. Pearson & Son, A. R. Roberts, J. L. Limerick, C. C. Limerick Co., M. L. Parker, J. C. Dixon, U. A. Zeigler, A. B. Lewis, H. B. Walker & Co., H. & J. C. Reddick.

Mr. SMITH of Georgia. Mr. President, if they had just given us relief by suspending the 10 per cent tax on the notes issued by State banks, limiting them, if you please, to banks that have secured notes by warehouse certificates on cotton, it would have been valuable. I was willing to see the warehouse bill pass and limit the notes to be freed from the 10 per cent tax to notes secured by Government licensed and bonded warehouses.

What have we had? Was that an unreasonable request? Mr. President, last Thursday, when the House was still considering these questions, when it was considering the warehouse bill, when it was considering the bill to allow the member banks to put their entire reserves in the reserve bank of their district, when it was considering the bill to permit banks, members of national currency associations, to use their bills

receivable up to 75 or 100 per cent of their capital and surplus as a basis for emergency notes, when it also had connected with that measure a provision to give some chance to State banks to issue currency—when these questions were pending under a rule before the House that required action on them, men in charge put through a resolution of final adjournment, without waiting to see what the House would do. They fixed it at 6 o'clock Thursday afternoon, and the Members took their valises, went home, and left the House without a quorum.

So far as I am concerned, when the rules of this body permit it, I will use any power they give me to help obtain a chance for legislation so important and so necessary to the people whom I peculiarly represent—the people of my own State.

I have no apology and no regret for the action which I have taken. My regret is that I did not know of this proposed adjournment earlier, when I might possibly in time have suggested a later hour, so that action might have been had in the House before its Members were practically invited to leave the Capital and leave the House without a quorum. I never heard of the resolution until it was read here; I think I was not consulted perhaps in part because it was known I might object; still I had the opportunity to object, and not in any spirit of vindictiveness, not in any spirit of temper, but in the earnest hope that by objecting we might hold a quorum, or through unanimous consent obtain the passage not of the measures I so much wanted, not of the best of all measures, the almost perfect measure from a business standpoint, which was presented by a majority of the Democrats from the cotton-growing States as an amendment to the war-tax bill—not that; not the House bill that had been voted down, but at least the three measures to which I have referred with some provision attached to let us use our State banks for eight months to take care of our local conditions.

I do not believe that in the history of this country there has ever been presented so strong a case with so little performance.

Now, Mr. President, I come to the question before the Senate: Shall I stop this adjournment by calling for a quorum, or will I have done my duty by simply voting against the adjournment? That is the question I must decide. If I thought that by raising the point of no quorum I could bring a quorum here within the next two weeks and pass some of this legislation, I would not hesitate a moment about it. I would regret to offend my friends, but I would rather serve my constituents; I would regret to jeopardize perhaps the candidacy of some Democrat for some place, but I would jeopardize their candidacy to serve my constituents.

The difficulty is that I am assured, if we force the presence of a quorum, an adjournment would at once follow and that nothing would be accomplished; that if we undertook to drag along until after the election and then force a quorum, such a feeling of dissatisfaction would exist among Members that at least the subject would be opened up for consideration with a little touch of human nature in it which might be called prejudice.

Mr. President, I desire to be governed exclusively by the hope of doing some good for my constituents. I have no wish to punish anybody. I have no desire to make it unpleasant for anybody. My own personal judgment would be to stay here, but I am almost alone in that opinion. The Democrats in the House interested in this subject have concluded that it is best to adjourn. However much confidence I may have in my own opinion I hesitate to set it up against that of so many who wish to accomplish exactly the same thing that I do, and who tell me that if I resort to the point of no quorum and press a vote upon this question they never will be able to get anything through the House, or that they are afraid they will not. Reluctant as I am to take that course, I feel that I would be doing wrong now to raise the question of no quorum, and that it is my duty simply to vote "no" on the proposition for adjournment.

Mr. WHITE. Mr. President, nothing that I can say will add to what has been said by the distinguished Senator from Georgia [Mr. SMITH]. I want to say, however, that I am opposed to an adjournment, though I do not expect to carry my opposition to the point of forcing a continuous session or a prolonged session by suggesting the absence of a quorum. If I thought that insisting upon a quorum would secure for my people some legislation upon the momentous subject of relieving the people of the South, I would insist upon the point.

The situation in the South, sir, is appalling, and I fear the effect that an adjournment of Congress will have upon it. As long as Congress is in session the people of that section have some hope—hope that might induce them to withhold their cotton from the market. If they would do that, relief would come, because, sir, it is at last a contest between the spinners of the world and the cotton growers of the South. It is a contest between the producers and the consumers, and we know that with every passing day the amount of cotton being held is being reduced, the spinners are getting nearer the end of their supplies, and if we could withhold the cotton of the South from the market, relief would eventually come. But I fear that when we adjourn the planter will lose hope; and, furthermore, I fear that the consumers of cotton will understand when we adjourn that there is no relief from Congress for the growers and they must accept whatever price the buyers propose to offer. I fear that cotton will go even to a lower level than it is now, and I fear our adjournment may tend to produce that effect.

I do not feel, however, that it would be proper for me to stand out alone, to stand out when practically all of my associates have decided to the contrary, to hold out when the House has already passed this resolution fixing the hour of adjournment at 4 o'clock. I do feel, however, that it is my duty on this occasion to express my opposition to it, and I feel that it is my duty to say here and now that the responsibility for this situation, disastrous as it is not only to the South but to the Nation, will rest upon shoulders other than mine.

The course I have pursued was not dictated by captious opposition. It is not my desire to inconvenience any Member of the Senate or any Member of Congress. On the contrary, I am disposed to accede to almost anything that would add to their convenience. My opposition to adjournment and my opposition to the war-tax measure was based upon the hope that it might bring some relief to the people of the South.

Having made these remarks, I shall vote against the resolution for adjournment and leave the responsibility upon those who have failed to hear the plea of the South and of the Nation as well.

The PRESIDING OFFICER. The question is upon agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

EXECUTIVE SESSION.

Mr. FLETCHER. Mr. President, I believe there are some matters on the Executive Calendar that ought to be considered, and I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 53 minutes spent in executive session the doors were reopened.

COMMITTEE SERVICE.

On motion of Mr. KERN, it was

Ordered, That Mr. LEE of Maryland be appointed a member of the Committee on Civil Service and Retrenchment; that Mr. WEST be appointed a member of the Committee on Expenditures in the Department of Commerce; that Mr. LANE be appointed a member of the Committee on Expenditures in the Post Office Department; that Mr. CHAMBERLAIN be appointed a member of the Committee on Revision of the Laws; and that Mr. SHIELDS be appointed a member of the Committee on the University of the United States.

FINAL ADJOURNMENT.

The PRESIDING OFFICER (at 4 o'clock p. m.). The hour fixed in the concurrent resolution of the two Houses for adjournment having arrived, I now declare the second session of the Sixty-third Congress adjourned without day.

CONFIRMATIONS.

Executive nominations confirmed by the Senate October 24, 1914.

UNITED STATES ATTORNEY.

Rhinehart F. Roth, of Fairbanks, Alaska, to be United States attorney, District of Alaska, division No. 4, vice James J. Crossley, resigned.

POSTMASTER.

TEXAS.

A. B. Reagan, Brady.

HOUSE OF REPRESENTATIVES.

SATURDAY, *October 24, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Infinite Spirit, through whose eternal energy and boundless love we have our being, open Thou our eyes to the eternal verities which lift a man out of himself, make him an immortal soul, and fill him with longings, hopes, and aspirations which lead on to victory in the things which make for righteousness. Grant, O Father, that we may become what we all long to be, and go on our way rejoicing in the hope of perfection under the leadership of Thy son Jesus Christ, our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

PROPOSED COTTON LEGISLATION.

Mr. HARDY. Mr. Speaker, I am going to leave town to-night, and I ask unanimous consent to address the House for one minute.

The SPEAKER. The gentleman from Texas asks unanimous consent to address the House for one minute. Is there objection?

Mr. HENRY. Mr. Speaker, reserving the right to object, that does not interfere with the special order?

The SPEAKER. Oh, no. Is there objection?

There was no objection.

Mr. HARDY. Mr. Speaker, I wish to say that I see absolutely no sense nor point in the performance that is being carried on now, nor any reason why any Member of Congress should stay here to witness its futile absurdity. I will not characterize it further. It seems to me simply without point or intelligence. I make these remarks because I am going home to-night, after two years of almost unbroken attendance. [Applause.]

POST-OFFICE MESSENGERS.

Mr. PARK. Mr. Speaker, I ask unanimous consent for the present consideration of House resolution 640, which I send to the desk and ask to have read.

The SPEAKER. Is there objection?

Mr. HENRY. Mr. Speaker, reserving the right to object, it does not interfere with the special order?

The SPEAKER. Nothing interferes until the Chair says so. The Clerk will report the resolution.

Mr. HENRY. That is just what I wanted the Chair to say.

The SPEAKER. That is what the Chair said.

The Clerk read as follows:

House resolution 640.

Resolved, That nine messengers in the post office of the House now authorized to be employed during the session may continue to be employed during the period between the adjournment of the present session and the 1st of December, 1914, and be paid out of the contingent fund of the House.

With the following amendment:

In line 3, after the word "session," add the following: "And the three session telephone operators authorized by the legislative, executive, and judicial appropriation act for the year ending June 30, 1914, and continued during the present session by House joint resolution 286, approved July 1, 1914."

The SPEAKER. Is there objection?

Mr. BORLAND. Mr. Speaker, reserving the right to object, I would like to ask the gentleman whether that resolution embraces session employees?

Mr. PARK. This is for the session employees, as I understand it.

Mr. BORLAND. I refer to what we generally know as session employees.

Mr. PARK. These are session employees—nine of them.

Mr. BORLAND. Is that all of them?

Mr. PARK. I do not know.

Mr. BORLAND. We passed a resolution here the other day taking care of the regular employees, and we ought to take care of the session employees. I think they are entitled to the same treatment. I do not object to the resolution.

The SPEAKER. Is there objection to the present consideration of the resolution? [After a pause.] The Chair hears none. The question is on agreeing to the amendment.

The amendment was agreed to.

The resolution as amended was agreed to.

On motion of Mr. PARK, a motion to reconsider the vote by which the resolution was passed was laid on the table.

COTTON.

Mr. TAYLOR of Arkansas. Mr. Speaker, I ask unanimous consent to insert in the RECORD a short resolution of citizens of my district touching pending legislation on the cotton situation.

The SPEAKER. The gentleman from Arkansas asks unanimous consent to print in the RECORD a resolution of citizens of his district on the cotton situation. Is there objection?

There was no objection.

PEACE.

Mr. McKELLAR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of peace by inserting an article written by Mr. M. M. Wyvell.

Mr. HENRY. Mr. Speaker, reserving the right to object, does that refer to the proceedings here on the floor of the House?

Mr. McKELLAR. It does not.

Mr. MANN. What is the article?

Mr. McKELLAR. It is an article on peace—the peace policy of the present administration.

Mr. MANN. By whom?

Mr. McKELLAR. By Mr. Wyvell. He is secretary to Mr. W. J. Bryan.

Mr. MANN. Oh, I do not think there is any occasion for that.

Mr. McKELLAR. I hope the gentleman will not object. It is a fine article on peace.

Mr. MANN. That is running pretty low.

The SPEAKER. The gentleman from Illinois objects.

BUTTER.

Mr. RAKER. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the RECORD upon the question of the exportation and importation and the wholesale and retail price of butter in California.

The SPEAKER. The gentleman from California asks unanimous consent to extend his remarks in the RECORD on the subject of butter in California. Is there objection?

Mr. MANN. Is the gentleman trying to grease the ways?

Mr. HENRY. Mr. Speaker, reserving the right to object, I would like to ask if that will affect the price of butter?

Mr. RAKER. No; it is going up every day.

Mr. MANN. Yes; since we have had the Democratic tariff.

Mr. RAKER. No; not at all.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

PANAMA CANAL.

Mr. HUMPHREY of Washington. Mr. Speaker, a few days ago I received unanimous consent to extend my remarks in the RECORD upon the question of the Panama Canal. Those remarks are already in print. I ask unanimous consent that it may bear the date of to-day rather than of the time when I received permission to extend my remarks.

The SPEAKER. The gentleman asks unanimous consent that his remarks on the Panama Canal shall be printed as of this date instead of the other one. Is there objection?

There was no objection.

MEXICO.

Mr. FLOOD of Virginia. Mr. Speaker, I hold in my hand a Senate joint resolution (S. J. Res. 191) to convey appreciation of Congress to their excellencies Señor Domicio da Gama, Señor Rómulo S. Naón, and Señor Eduardo Suárez for their generous and distinguished services as mediators in the controversy between the Government of the United States and the leaders of the warring parties in Mexico. I ask unanimous consent that the Committee on Foreign Affairs be discharged from the further consideration of this resolution, and that it may be passed by unanimous consent.

Mr. MANN. I object.

The SPEAKER. The gentleman from Illinois objects.

ORDER OF BUSINESS.

Mr. UNDERWOOD. Mr. Speaker, I think it possible that we may make an arrangement between the two Houses by 2 o'clock, and I intend to ask unanimous consent that we may take a recess until that time, but my colleague from Alabama [Mr. BLACKMON] desires five minutes.

Mr. HENRY. Reserving the right to object, I should like to ask if we can not make some arrangement about taking a recess for three days at a time until November 10?

Mr. UNDERWOOD. I will say to the gentleman from Texas that we have no quorum, and I do not see any possibility of getting a quorum before the elections are over. I would very much prefer myself to meet once every three days rather than once every day, but I hope that the gentleman will not make that request at this time but let us take a recess until 2 o'clock.

Mr. HENRY. I shall comply with the gentleman's request about that. But I want to say, Mr. Speaker, that it seems evident we can not get a quorum here until after the election. Of course, I have no desire to undertake to do the impossible, but I think that by November 10 it would be possible to secure a quorum to act on some of the important matters now pending in the House, and if it is possible to have an agreement to take a recess for three days at a time I am perfectly willing to do that. However, I shall not make that request at this time. I will make it at 2 o'clock. I have no objection to taking a recess now until 2 o'clock, as the gentleman from Alabama asks.

Mr. UNDERWOOD. Mr. Speaker, I ask unanimous consent that my colleague [Mr. BLACKMON] may address the House for five minutes, at the end of which time the House shall take a recess until 2 o'clock.

The SPEAKER. The gentleman from Alabama [Mr. UNDERWOOD] asks unanimous consent that his colleague [Mr. BLACK-

MON] have leave to address the House for five minutes, and that at the end of that time the House take a recess until 2 o'clock. Is there objection?

Mr. HUMPHREY of Washington. Mr. Speaker, reserving the right to object, what becomes of the special order?

Mr. UNDERWOOD. That does not disturb the pending order, of course.

The SPEAKER. Oh, no; of course not. Is there objection to the request of the gentleman from Alabama [Mr. UNDERWOOD]?

There was no objection.

The SPEAKER. The gentleman from Alabama [Mr. BLACKMON] is recognized for five minutes.

Mr. BLACKMON. Mr. Speaker, during the short time that I have been a Member of this body it has been my purpose not to take up the time of this House unnecessarily. I have tried in my feeble way to vote my convictions on all questions, and have done so. I am convinced, however, that at this time the country is weary of the performance that is going on here now. I deny to any man the right to question my sincerity with reference to securing aid for the producers of this country. I have stood ready at all times to aid the producers in every way that I could; but it became apparent to me, and it has now become apparent to the country, that we are not going to receive any additional Federal aid for the cotton-producing States of this Nation. The people realize that we are not going to be able to pass through the National Congress a bill appropriating $500,000,000, or $250,000,000, to go exclusively to cotton-producing States, because the strictly cotton-growing States have only about 98 Members in the House of Representatives out of a total of 435 Members. I realized that some time ago. The farmers of the South know to-day that Congress is not going to pass any additional legislation for their special benefit at this time, and we are keeping the Congress of the United States in session at a tremendous expense that could be saved by adjourning. We are spending money here each day, and the farmers will be forced to pay a part of this additional expense.

I am going home at 4.35 this afternoon on train No. 29, the Birmingham Special [applause]; and I want to say to you that the people of the fourth congressional district of Alabama know that I am their true friend. They know, too, from my 10 years' service in the Alabama State Senate before I came here, that I never at any time failed to do for them what I could consistently do. [Applause.] If all the Members of this body should go into my district and undertake to make the farmers believe that I am not their friend, they could not do it.

Another thing, they know that I am not a four flusher. [Applause and laughter.] They know I tell them and that I have told them the absolute truth as I saw it. I want to tell you boys there is no doubt about it, that the most of the farmers in the South are really giving us the laugh. They realize that the southern Members have done all they could do, and that the 98 Members from the strictly speaking cotton-growing States could not pass a bill over the remaining 337 Members that embraced cotton alone. Now, that is the truth. [Applause.] I want to say to you that we ought to understand it. I hope I will meet you back here some time soon. [Applause.]

Mr. ADAMSON. Will the gentleman permit an interruption?

Mr. BLACKMON. Yes.

Mr. ADAMSON. I believe the fourth district of Alabama adjoins the fourth district of Georgia?

Mr. BLACKMON. Yes.

Mr. ADAMSON. You remember the old song—

If you get there before I do,
Just tell them I am coming, too.

[Laughter.]

RECESS.

The SPEAKER. The time of the gentleman has expired, and the House stands in recess until 2 o'clock.

Accordingly (at 12 o'clock and 20 minutes p. m.) the House took a recess until 2 o'clock p. m.

AFTER RECESS.

The recess having expired, the House was called to order by the Speaker.

RURAL CREDITS.

Mr. BULKLEY. Mr. Speaker, I ask unanimous consent that immediately after the approval of the Journal on December 9 I may address the House for one hour on the subject of rural credits.

The SPEAKER. The gentleman from Ohio [Mr. BULKLEY] asks unanimous consent that on December 9, immediately after the reading and approval of the Journal and the disposition of such matters on the Speaker's table which have to be attended to, he may be permitted to address the House for one hour on the subject of rural credits. Is there objection?

Mr. HENRY. Mr. Speaker, reserving the right to object, I would like to ask the gentleman if he expects to have a rural-credits bill reported to the House of Representatives at that time?

Mr. BULKLEY. I hardly think it possible to have the bill reported out of the committee by that time.

Mr. HENRY. Could the gentleman give some indication about the time he expects it will come before the House?

Mr. BULKLEY. I do not believe I could make a prediction at this time.

Mr. WEBB. Mr. Speaker, reserving the right to object, will the gentleman permit me to ask him if he could not make his request Tuesday the 8th, instead of the 9th, which is Calendar Wednesday? There are some very important bills pending from the Committee on the Judiciary upon the calendar which I very much desire to take up on Wednesday if possible, as seven weeks have already been consumed by the printing bill, and I am very anxious to get those bills passed before Christmas.

Mr. BULKLEY. The reason I did not make it December 8 is that I presume the President would have a message to deliver on that day. However, if it is more agreeable, I will ask that I be permitted to address the House on Thursday, December 10.

The SPEAKER. The gentleman changes his request to Thursday, December 10. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I think the gentleman ought not to make a request of this kind at this time.

Mr. FINLEY. Mr. Speaker, I object.

Mr. MANN. The gentleman knows——

The SPEAKER. The gentleman from South Carolina objects.

EXTENSION OF REMARKS.

Mr. SMITH of Maryland. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the RECORD in reference to a resolution which I recently introduced in the House.

The SPEAKER. What is the resolution about?

Mr. SMITH of Maryland. The resolution is on the subject of universal peace.

The SPEAKER. The gentleman from Maryland [Mr. SMITH] asks unanimous consent to extend his remarks in the RECORD on a resolution which he introduced on the subject of peace. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, does the gentleman desire to insert some remarks of his own——

Mr. SMITH of Maryland. Yes, sir.

Mr. MANN. Or something that is copied?

Mr. SMITH of Maryland. It is some remarks of my own.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

ADJOURNMENT OF SESSION.

Mr. UNDERWOOD. Mr. Speaker, I move the adoption of the concurrent resolution which I send to the Clerk's desk.

The SPEAKER. The Clerk will read the concurrent resolution.

The Clerk read as follows:

House concurrent resolution 52.

Resolved by the House of Representatives (the Senate concurring), That the President of the Senate and the Speaker of the House of Representatives be authorized to close the present session of Congress by adjourning their respective Houses on the 24th day of October, 1914, at 4 o'clock p. m.

Mr. HENRY. Mr. Speaker, reserving the right to object—or is it a privileged resolution?

Mr. UNDERWOOD. It is a privileged resolution; but what time does the gentleman desire?

Mr. HENRY. I ask for only two minutes now.

Mr. UNDERWOOD. I yield two minutes to the gentleman.

Mr. HENRY. Mr. Speaker, I think if we can make some arrangement to have a recess of three days at a time, it would be better. I think if we could meet on the 10th of November and then take up pending important matters, we would be in a more advantageous position in regard to certain conditions in the Southern States, and therefore I wish to ask unanimous consent that the House take a recess for three days at a time, and that when we adjourn to-day we adjourn to meet on Tuesday next.

Mr. RAINEY. Mr. Speaker, reserving the right to object, I desire to say that I sympathize very much with the fight which the Representatives from the cotton States are making here for some sort of relief for those States. The cotton situation is an agricultural tragedy the like of which has never visited this country before, and we will be realizing soon in the North that it is a calamity there also——

Mr. SMALL. Will the gentleman pardon a question or a statement or an interruption there? I would like to state to the gentleman that all the Representatives from the Southern States are not participating in this movement on hand now to prolong the session of the House——

Mr. HENRY. Only those who really want relief are.

Mr. HARDY. I object to that.

Mr. SMALL. I wish to say to the gentleman from Texas that I am just as earnest for relief as the gentleman from Texas, and more so, I think.

Mr. HENRY. I did not make any reflection whatever.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. ADAMSON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ADAMSON. Is this a good time to throw a monkey wrench into the machinery?

The SPEAKER. That is not a parliamentary inquiry.

SEVERAL MEMBERS. No!

The SPEAKER. The Chair might express an opinion to the gentleman privately.

Mr. HENRY. Mr. Speaker, I have a short statement I desire to read to the House, so that it may appear in the RECORD, or ask that I may have permission to insert the statement, if proceedings have not concluded before it arrives. I am having it prepared. Permission to insert it in the RECORD will be satisfactory to me. I just ask permission to extend my remarks in the RECORD.

Mr. MANN. I could not hear the gentleman's statement.

Mr. HENRY. I say that I wish to read a short statement to the House, probably half a page of typewritten matter, giving my reasons for the position I am taking and shall take; and, therefore, if I do not get it from my secretary in time to read it to the House, I ask permission to extend my remarks in the RECORD.

Mr. MANN. I have no objection to the gentleman extending his remarks, although I hope he will get them in time to read them. I would like to hear them.

Mr. HENRY. I hope so. I am trying to get them here now.

Mr. UNDERWOOD. Mr. Speaker, I yield three minutes to the gentleman from Illinois [Mr. RAINEY].

Mr. HENRY. I ask the Speaker to put the request I made.

The SPEAKER. The Chair understood the gentleman in the mêlée to withdraw his request. The gentleman from Texas [Mr. HENRY] asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none. The gentleman from Illinois [Mr. RAINEY] is recognized for three minutes.

Mr. RAINEY. Mr. Speaker, the situation in the South is, of course, an agricultural tragedy. We have never had anything like it, and it may be a tragedy not only in the South but also in the North, because cotton is our great exchange crop; it is the crop with which we pay our foreign-trade balances. There are some of us in the North who are ready to unite with these Representatives from the cotton States upon some measure of relief within the boundaries of sound national finance. [Applause.]

We do not feel that the proposition made by the gentleman from Texas [Mr. HENRY], and for which he contends so strenuously and so ably in this House, is a proposition within the realm of sound finance, but we hope some method, some proposition, can be reported out from the proper committee which will afford relief to the Southern States. I do not know what it will be. I am compelled, however, to object to the request of the gentleman from Texas for three-day recesses. Nothing can be accomplished.

The SPEAKER. The Chair understood that the gentleman from Texas [Mr. HENRY] withdrew that request.

Mr. HENRY. I did not withdraw the request. These other requests were pending that one.

Mr. RAINEY. I am compelled to object to the request for three-day recesses by unanimous consent. Nothing can be accomplished by that. Those Members of the House on both sides who would go home under those circumstances are already at home and campaigning in their districts. Those who are here are here because they feel that there is a demand in their districts that they remain at their post of duty when Congress is in session and be here in the Chamber when it is in session. It is impossible for them to go back and accomplish anything in the two days that will intervene between the sessions. If Congress meets once in three days, we might as well meet every day. And for that reason I am compelled to object to the request of the gentleman from Texas.

Mr. UNDERWOOD. Mr. Speaker, I ask for a vote on the adjournment resolution.

The SPEAKER. The question is on agreeing to the resolution offered by the gentleman from Alabama [Mr. UNDERWOOD].

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. HENRY. Division, Mr. Speaker.

The House divided; and there were—ayes 56, noes 27.

So the resolution was agreed to.

Mr. HENRY. Mr. Speaker, I ask unanimous consent that I now be allowed to read the statement to which I referred.

The SPEAKER. The gentleman from Texas asks unanimous consent to read the statement referred to. Is there objection? [After a pause.] The Chair hears none.

Mr. HENRY. Mr. Speaker, my cotton-relief bill goes over to the next session of Congress with the most admirable parliamentary status. It is now attached as a rider to the Senate banking and currency bill, which is pending before the House under a special and absolute continuing order, with the previous question already ordered by formal vote of the House. The very first vote that is taken after the Chaplain offers prayer when the next session convenes is upon my motion to recommit the Senate bill with instructions to the Banking and Currency Committee to report the same back amended by adding, as an amendment, my cotton-relief bill providing for the depositing in the National and State banks of the cotton and tobacco growing States of $250,000,000 for the relief of the producers of those products.

The fight has just begun. We will go home to our people and renew our efforts to inspire them to greater endeavor to pass the measure when we reconvene. The very moment our southern Representatives return to Washington at the opening of Congress we will gird up our loins and open up the most vigorous fight for the relief to which our people are entitled under this bill.

It is absolutely certain that a quorum of the House and Senate can not be brought back to Washington until after the November elections. Hence it is futile to undertake legislation when there is positively no chance for us to secure a quorum of both Houses. The President, so far, has failed to agree to the bills that have been proposed. Yet we feel sure that he is ready to do his full duty as he sees it in regard to the situation.

My information is that Congress will be reconvened in extraordinary session about the middle of November. That being the case, it will be a little over three weeks until we can again begin our contest in the House of Representatives. The highly important thing to impress upon the country now is that the people should express to their Representatives their wishes in regard to this far-reaching and beneficial legislation.

RECESS.

Mr. UNDERWOOD. Mr. Speaker, I understand the Senate will not meet until half past 2 o'clock. It will probably be 3 o'clock before we can receive any message from that body. If it is agreeable, and unless some gentleman desires to occupy the time, I ask unanimous consent to take a recess until 3 o'clock p. m.

Mr. MANN. It would be better to make it a little later.

Mr. UNDERWOOD. Probably; though something might happen there that might amend the resolution.

Mr. MANN. It is doubtful whether they will get it back at 3 o'clock.

Mr. UNDERWOOD. What suggestion does the gentleman from Illinois [Mr. MANN] make?

Mr. MANN. I would say half past 3.

Mr. BARTLETT. I think that 3 o'clock and 15 minutes will be late enough.

Mr. UNDERWOOD. Well, make it 3.15 p. m.

The SPEAKER. The gentleman from Alabama asks unanimous consent that the House take a recess until 3 o'clock and 15 minutes p. m. Is there objection?

There was no objection.

Accordingly (at 2 o'clock and 15 minutes p. m.) the House stood in recess until 3 o'clock and 15 minutes p. m.

AFTER RECESS.

The recess having expired, the House was called to order by the Speaker.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed without amendment the following resolution:

House concurrent resolution 52.

Resolved by the House of Representatives (the Senate concurring), That the President of the Senate and the Speaker of the House of Representatives be authorized to close the present session of Congress by adjourning their respective Houses on the 24th day of October, 1914, at 4 o'clock p. m.

The announcement was greeted with applause.

SPECIAL COMMITTEE TO INVESTIGATE THE COTTON SITUATION.

Mr. BELL of Georgia. Mr. Speaker, I ask unanimous consent that the resolution which I present may be considered.

The SPEAKER. The gentleman from Georgia [Mr. BELL] offers a resolution and asks unanimous consent for its consideration. The Clerk will report it.

The Clerk read as follows:

House resolution 660.

Resolved, That the Speaker of the House be, and he is hereby, directed to appoint a special committee, composed of 7 Members of the House, 4 of whom shall be of the majority and 3 of the minority, to investigate the cotton condition of the South, with a view to recommending to Congress legislation to require the United States Government to extend financial relief to the cotton growers of the South. Said committee is directed to make its report to the House on December 15, 1914.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

The SPEAKER. The Chair announces the following committee: Mr. MANN, Mr. AUSTIN, Mr. HENRY, Mr. LEVER, Mr. HEFLIN, Mr. BELL of Georgia, and Mr. LANGLEY.

Mr. MANN. Mr. Speaker, I do not believe that it will be possible for me to serve on this committee, and I ask unanimous consent that the Speaker shall have the right after the adjournment to name anybody in my place if I go off, or any of the others in the same way.

The SPEAKER. Is there objection?

There was no objection.

COTTON INVESTIGATING COMMITTEE.

The SPEAKER announced as the members of the cotton investigating committee Mr. LEVER of South Carolina, Mr. AUSTIN of Tennessee, Mr. HENRY of Texas, Mr. HEFLIN of Alabama, Mr. BELL of Georgia, Mr. LANGLEY of Kentucky, and Mr. FALCONER of Washington.

FINAL ADJOURNMENT.

The SPEAKER. Gentlemen of the House of Representatives, I shall detain you but a minute. This is the longest and most laborious session that the Congress of the United States has ever known. I congratulate you most heartily on being able to adjourn at last. [Applause.]

I desire to thank every Member of the House—Democrat, Republican, Progressive, or Independent—for the uniform kindness with which they have treated the Chair. And now, in the language of Tiny Tim, "God bless us, every one." [Applause.]

The time having arrived under the concurrent resolution to adjourn, I declare this session of Congress adjourned sine die. [Prolonged applause.]

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 18335) granting an increase of pension to Sarah E. Howell, and the same was referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. RUPLEY: A bill (H. R. 19416) to grant Saturday afternoon as a holiday to all Government employees; to the Committee on Labor.

By Mr. MURRAY: A bill (H. R. 19417) to amend the act of February 8, 1875, entitled "An act levying a tax of 10 per cent per annum on every person, firm, association other than national-bank associations, and every corporation, State bank, or State banking association on the amount of their own notes used for circulation and paid out by them"; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CLANCY: A bill (H. R. 19418) granting a pension to Helena M. Creese; to the Committee on Pensions.

By Mr. KEATING: A bill (H. R. 19419) granting a pension to John Spalding; to the Committee on Pensions.

By Mr. RUPLEY: A bill (H. R. 19420) granting an increase of pension to Frank Cart; to the Committee on Invalid Pensions.

By Mr. SMITH of New York: A bill (H. R. 19421) for the relief of the Mutual Transit Co.; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BRUCKNER: Petition of E. C. Rost and other citizens of New York City and sundry citizens of New York, Massachusetts, Illinois, and Minnesota, favoring recognition of Dr. F. A. Cooke's polar efforts; to the Committee on Naval Affairs.

Also, petition of H. A. Horton, paymaster's clerk, United States Navy, favoring Senate bill 3590, having reference to status of paymasters' clerks in United States Navy; to the Committee on Naval Affairs.

By Mr. MURRAY: Petition of sundry citizens of Hickory, Mill Creek, and Tishomingo, all in the State of Oklahoma, and the Methodist Episcopal Church of Oklahoma, favoring national prohibition; to the Committee on Rules.